

Fixed Income Investor Presentation

May 2023

Unless otherwise indicated, the financial figures for SMFG and SMBC included in this presentation are prepared in accordance with generally accepted accounting principles in Japan, or Japanese GAAP



SUMITOMO MITSUI
FINANCIAL GROUP

This document contains “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995), regarding the intent, belief or current expectations of us and our managements with respect to our future financial condition and results of operations. In many cases but not all, these statements contain words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “probability,” “risk,” “project,” “should,” “seek,” “target,” “will” and similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those expressed in or implied by such forward-looking statements contained or deemed to be contained herein. The risks and uncertainties which may affect future performance include: deterioration of Japanese and global economic conditions and financial markets; declines in the value of our securities portfolio; incurrence of significant credit-related costs; our ability to successfully implement our business strategy through our subsidiaries, affiliates and alliance partners; and exposure to new risks as we expand the scope of our business. Given these and other risks and uncertainties, you should not place undue reliance on forward-looking statements, which speak only as of the date of this document. We undertake no obligation to update or revise any forward-looking statements.

Please refer to our most recent disclosure documents such as our annual report on Form 20-F and other documents submitted to the U.S. Securities and Exchange Commission, as well as our earnings press releases, for a more detailed description of the risks and uncertainties that may affect our financial conditions and our operating results, and investors’ decisions.

Exchange rates (TTM)

| | The end of Mar. 22 | The end of Mar. 23 |
|-----|--------------------|--------------------|
| USD | JPY 122.41 | JPY 133.54 |
| EUR | JPY 136.81 | JPY 145.75 |

Definitions

| | |
|-----------------------------------|---|
| SMFG | Sumitomo Mitsui Financial Group, Inc. |
| SMBC | Sumitomo Mitsui Banking Corporation |
| SMBC Trust | SMBC Trust Bank |
| SMFL | Sumitomo Mitsui Finance and Leasing |
| SMBC Nikko | SMBC Nikko Securities |
| SMCC | Sumitomo Mitsui Card Company |
| SMBCCF | SMBC Consumer Finance |
| SMDAM | Sumitomo Mitsui DS Asset Management |
| SMBCAC | SMBC Aviation Capital |
| Major local subsidiaries | SMBC Bank International, SMBC Bank EU, SMBC (China) |
| Consolidated | SMFG consolidated |
| Non-consolidated | SMBC non-consolidated |
| Expenses (non-consolidated) | Excluding non-recurring losses |
| Net business profit | Before provision for general reserve for possible loan losses |
| Retail Business Unit (RT) | Domestic retail business |
| Wholesale Business Unit (WS) | Domestic wholesale business |
| Global Business Unit (GB) | International business |
| Global Markets Business Unit (GM) | Market / Treasury related businesses |

Agenda

| | | |
|----|------------------------------|----|
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| II | Funding / Capital Strategy | 16 |
| | Appendix | 27 |



Overview / Financial Results

Group Structure^{*1}

Sumitomo Mitsui Financial Group

Consolidated total assets JPY 270 tn

| Credit ratings | Moody's | S&P | Fitch | R&I | JCR |
|----------------|---------|------|-------|------|-------|
| | A1/P-1 | A-/- | A-/F1 | A+/- | AA-/- |

Consumer Finance

Sumitomo Mitsui Card

(74.9%)

Fullerton India

SMBC Consumer Finance

(49%)

FE Credit

Leasing

(50%)

Sumitomo Mitsui Finance and Leasing

(SMBC 32%, SMFL 68%)

SMBC Aviation Capital

Consolidated subsidiary Equity-method affiliate

Banking

Sumitomo Mitsui Banking Corporation

| Moody's | S&P | Fitch |
|---------|-----|-------|
| A1 | A | A- |

SMBC Trust Bank

(92.4%)

PT Bank BTPN Tbk

Securities

SMBC Nikko Securities

Others

(50.1%)

Japan Research Institute

Sumitomo Mitsui DS Asset Management

^{*1} As of the end of Mar. 23

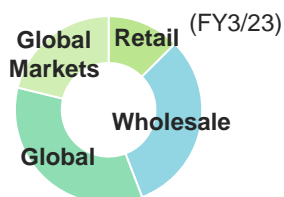
Unless otherwise stated, each consolidated subsidiary is a wholly owned subsidiary of Sumitomo Mitsui Financial Group

Key credit messages^{*1}

Earnings capability

USD 6.0 bn

SMFG's profit attributable to owners of parent^{*2}



Breakdown of consolidated net business profit by business unit

Sound loan portfolio

0.80%

SMFG NPL ratio

0.52%

SMBC NPL ratio (non-consolidated)

Robust liquidity

57.3%

Loan to deposit ratio

(average Jan. – Mar. 23)

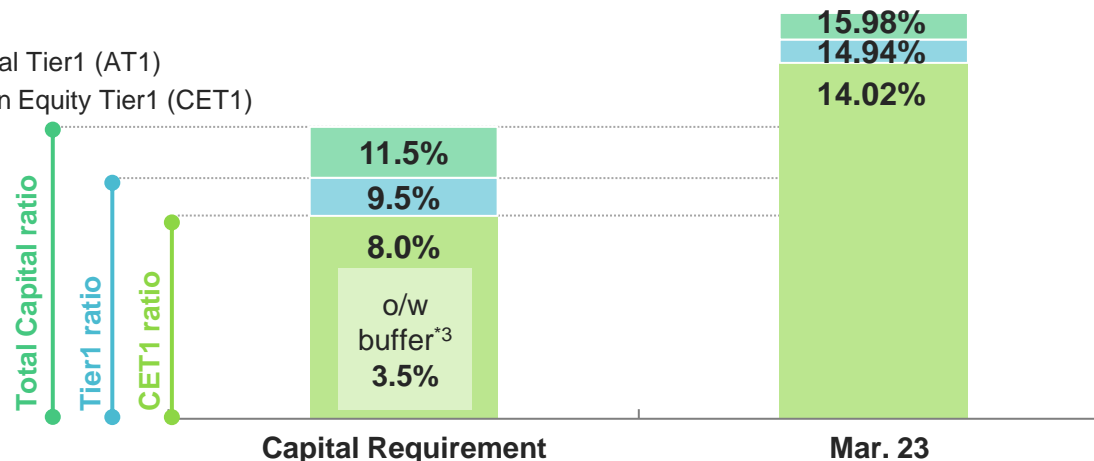
130.5%

LCR

Sound capital position

Transitional basis

- Tier2
- Additional Tier1 (AT1)
- Common Equity Tier1 (CET1)



High credit ratings

(As of the end of Apr, 23)

A1 / A1

SMBC/SMFG
Moody's Rating

A / A-

SMBC/SMFG
S&P Rating

^{*1} Consolidated, unless otherwise indicated, FY3/23 ^{*2} Converted into USD at period-end exchange rate

^{*3} Including G-SIB surcharge and excluding countercyclical buffer ^{*4} as of Mar. 23

FY3/2023 financial results

| | (JPY bn) | FY3/23 | YoY | vs. target |
|----|--|---------|--------|---------------|
| 1 | Consolidated gross profit | 3,170.2 | +224.7 | |
| 2 | G&A expenses | 1,949.2 | +128.1 | |
| | Overhead ratio | 61.5% | (0.3)% | |
| 3 | Equity in gains (losses) of affiliates | 55.5 | +27.0 | |
| 4 | Consolidated net business profit | 1,276.4 | +123.6 | +11.4 |
| 5 | Total credit cost | 210.2 | (64.2) | +0.2 |
| 6 | Gains (losses) on stocks | 155.9 | (53.2) | |
| 7 | Other income (expenses) | (61.2) | (14.3) | |
| 8 | Ordinary profit | 1,160.9 | +120.3 | +40.9 |
| 9 | Extraordinary gains (losses) | (62.5) | +48.6 | |
| 10 | Income taxes | 282.1 | +67.6 | |
| 11 | Profit attributable to owners of parent | 805.8 | +99.2 | +35.8 |
| 12 | ROE^{*1} | 8.0% | +0.7% | |

Consolidated gross profit^{*2}: increased YoY due to
 1) loan growth and related transactions in WS and GB, and
 2) strong performance of payment business.
 Impact of FX: JPY +89 bn

G&A expenses: increased YoY mainly due to consolidation of Fullerton India, as well as higher variable marketing cost of SMCC, which is successfully increasing new customers.
 Impact of FX: JPY +51 bn

Equity in gains of affiliates: increased YoY mainly due to gains on change in equity of Bank of East Asia.
 Impact of FX: JPY +4 bn
 Impairment of aircraft in SMBCAC: (34), 79% of NBV in total

Total credit cost: decreased YoY due to the absence of large reserves recorded in FY3/22, while recorded forward-looking provisions JPY (48) bn.

Gains on stocks: decreased due to lower gains on sales of strategic shareholdings (JPY 132 bn, YoY: JPY (30) bn).

Extraordinary losses: decreased YoY despite recording impairment of branches in SMBC (JPY 30 bn) due to the absence of larger impairment of branches and software in SMBC and SMBC Trust recorded last year.

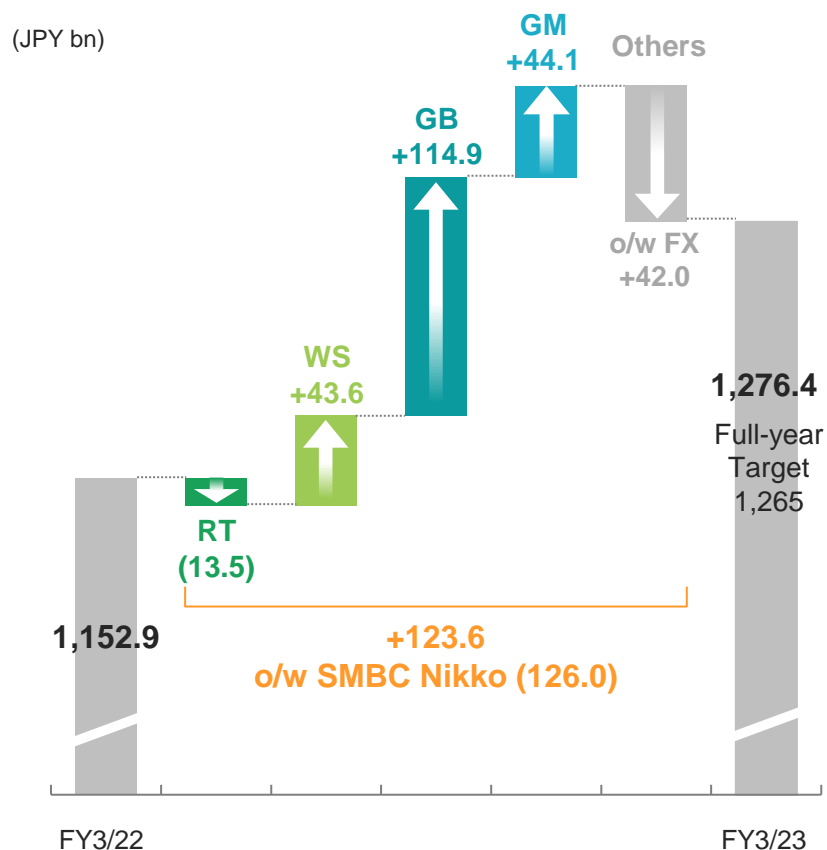
*1 Based on shareholder's equity *2 Impact from SMBC Nikko incident: JPY (37) bn

Consolidated net business profit

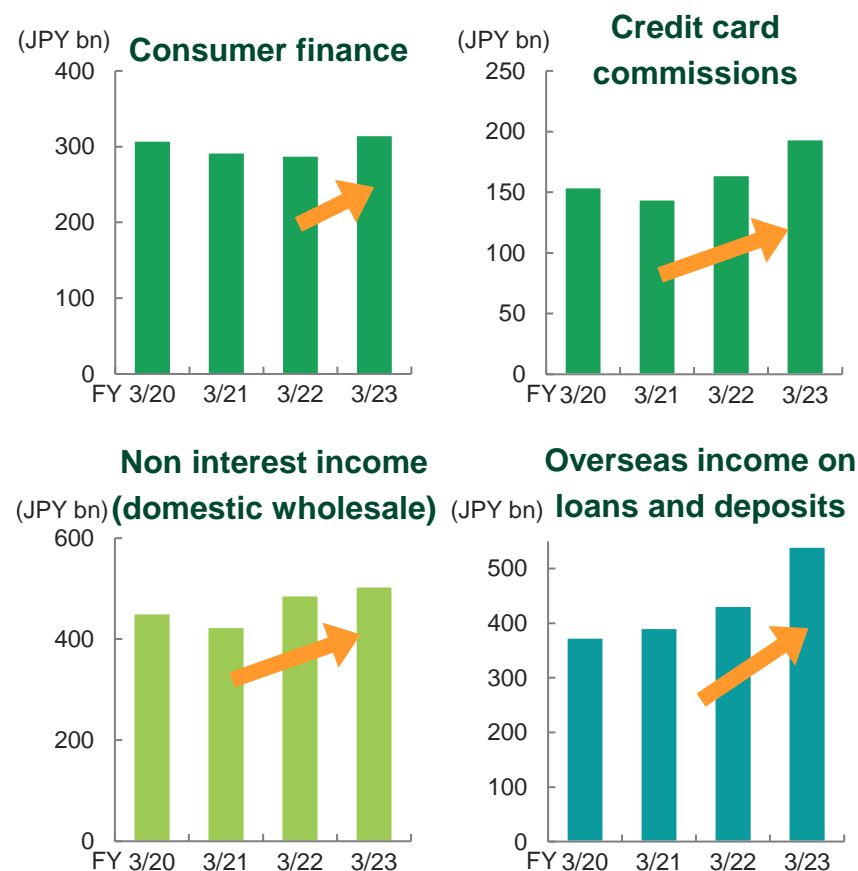
Recorded JPY 1,276.4 bn, which exceeded the full year target (YoY JPY +123.6 bn.)

Profit decline in retail business was offset by growth of other businesses.

Breakdown of YoY



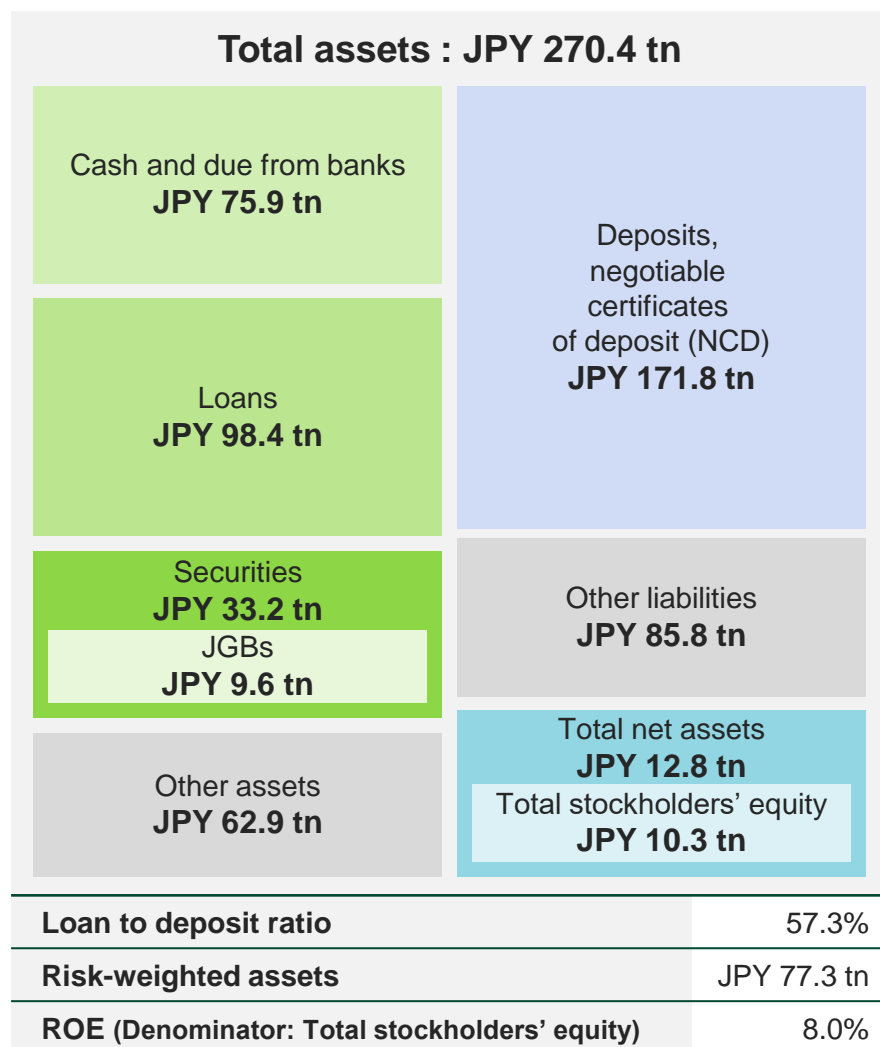
Major businesses (Gross profit)



Balance sheet and loan balance

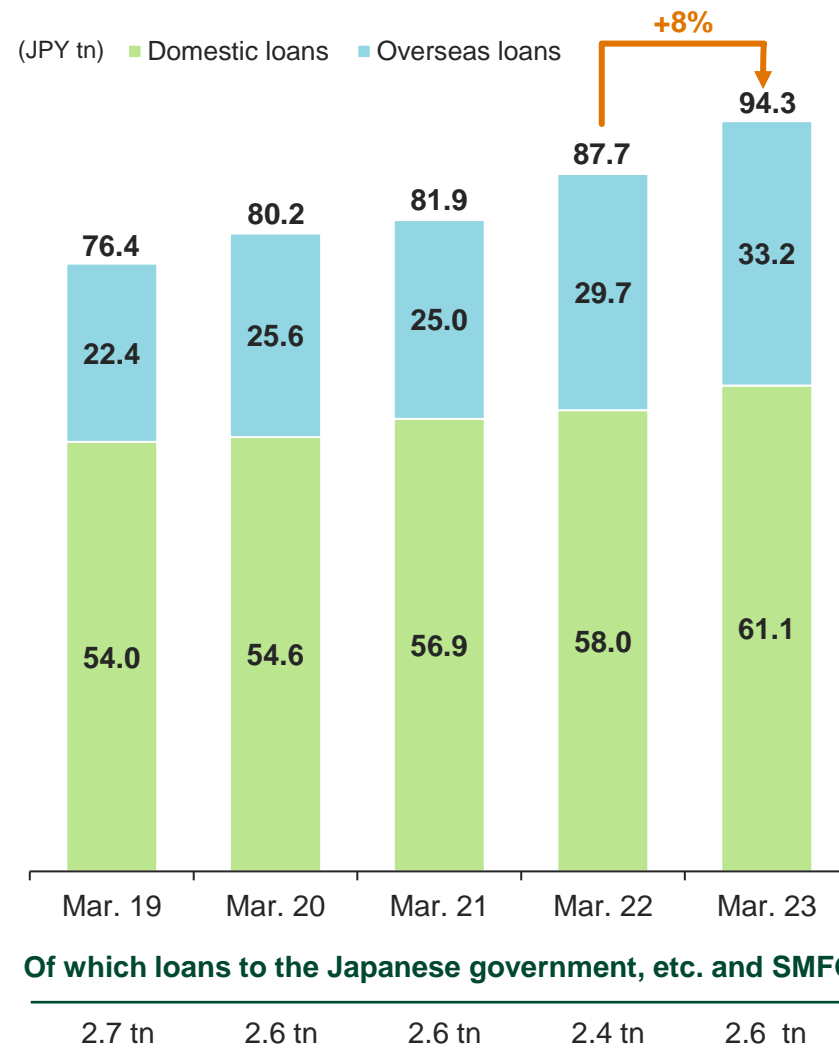
Balance sheet (as of Mar. 23)

(Consolidated)



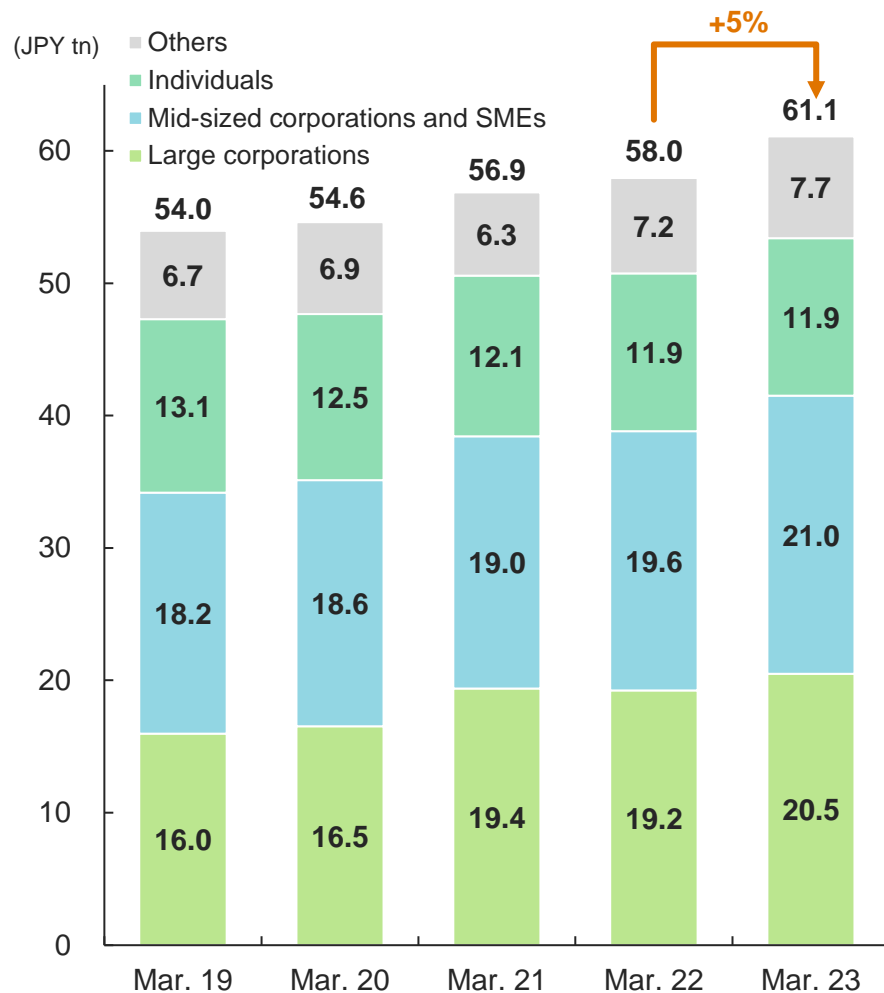
Loan balance

(Non-consolidated)

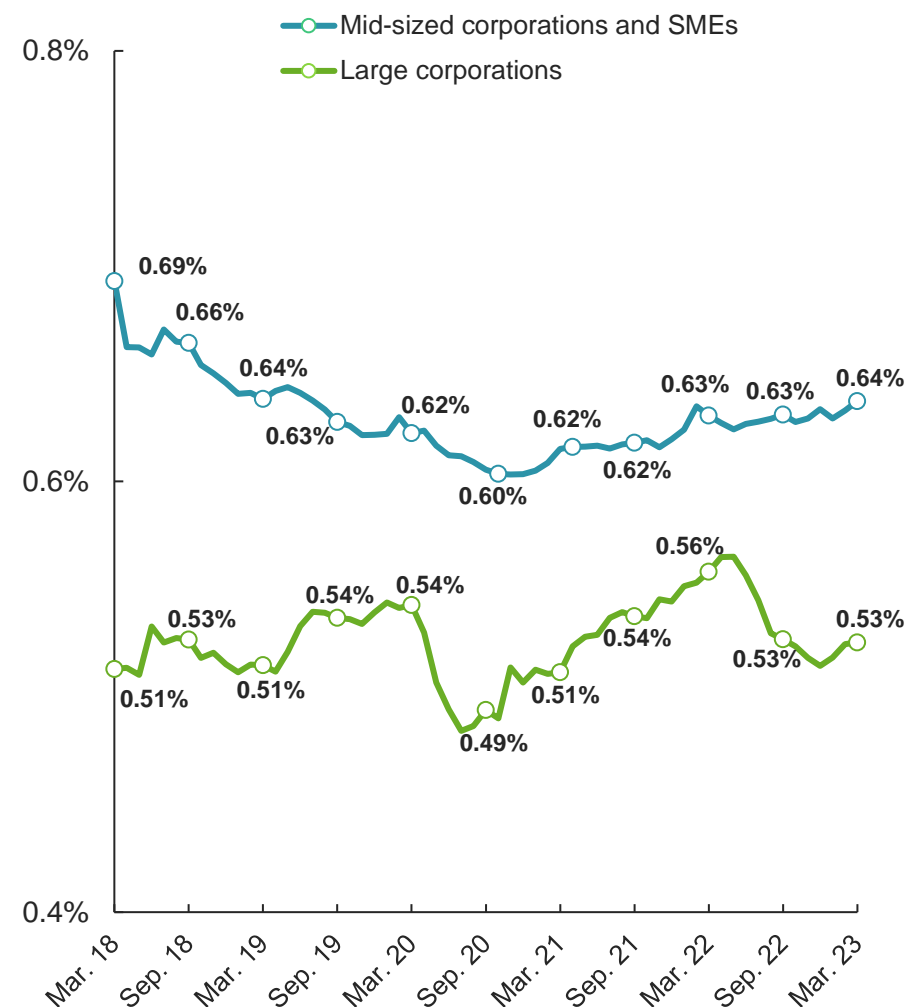


Domestic loans^{*1}

Balance



Spread^{*2}

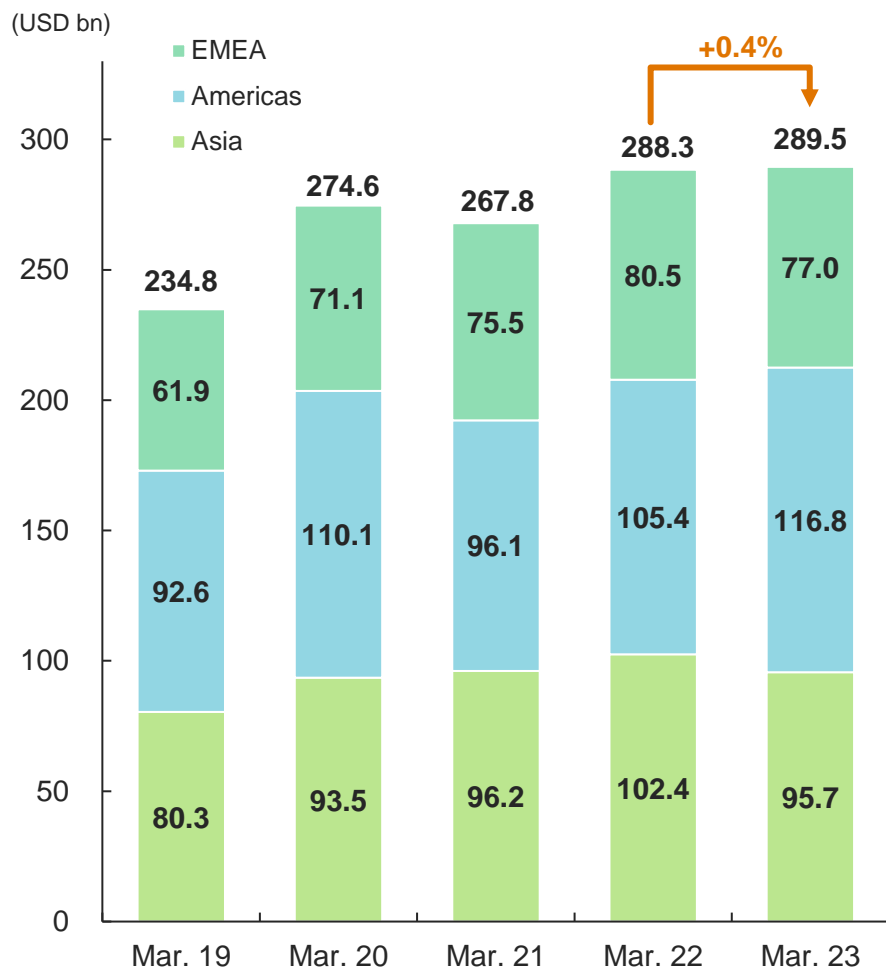


^{*1} Managerial accounting basis

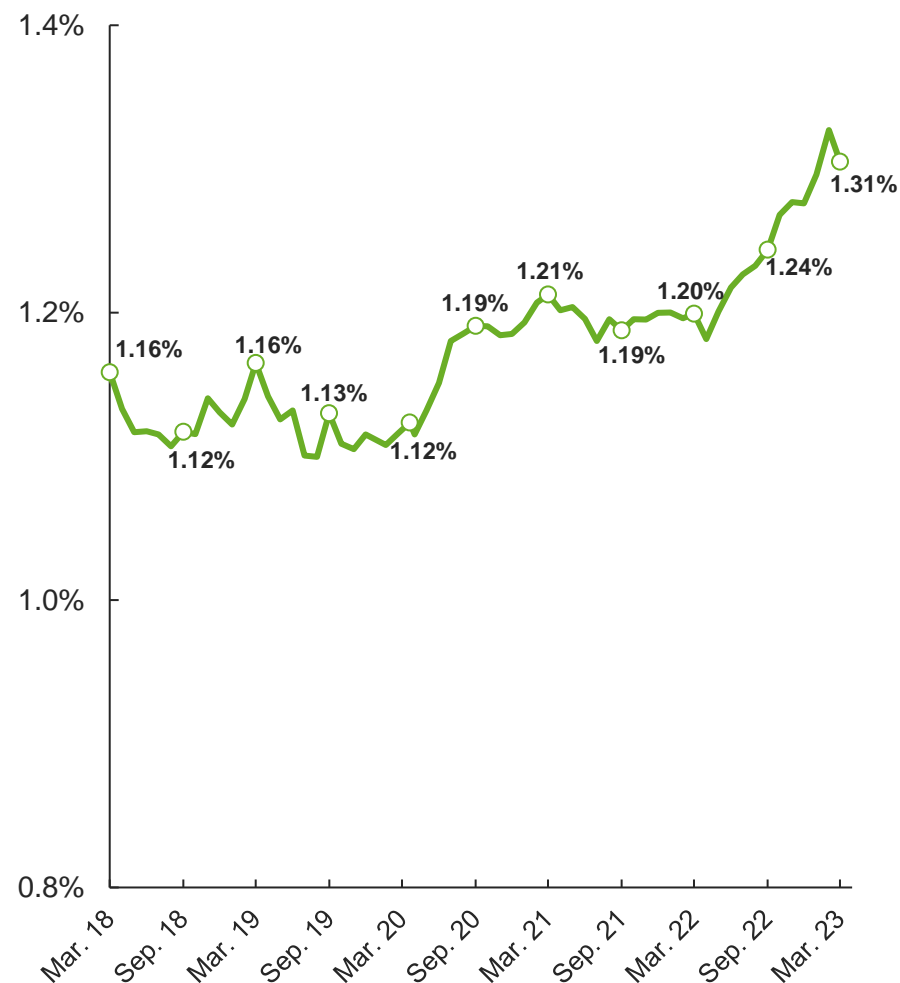
^{*2} Monthly average loan spread of existing loans, excludes loans to the Japanese government

Overseas loans^{*1}

Balance



Spread^{*2}



^{*1} Includes trade bills. Managerial accounting basis, translated into USD at respective period-end exchange rates.
Sum of SMBC and major local subsidiaries

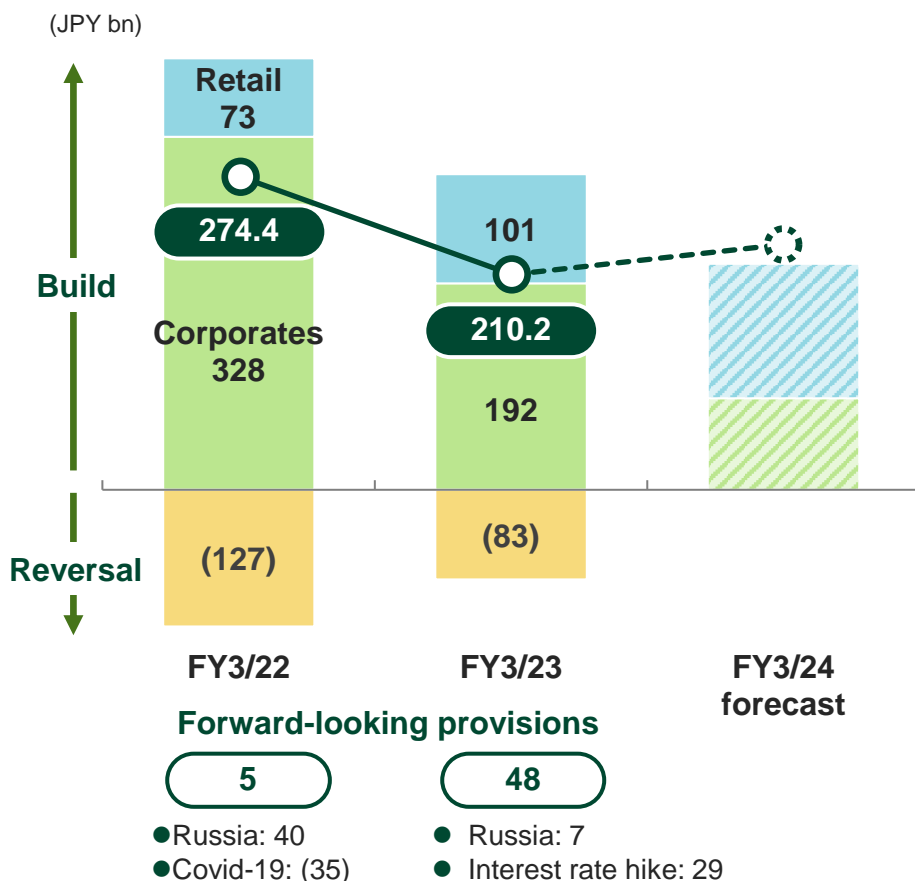
^{*2} Managerial accounting basis. Monthly average loan spread of existing loans

Credit costs / financial impact from Russia

Credit cost decreased YoY even after recording forward-looking provisions.

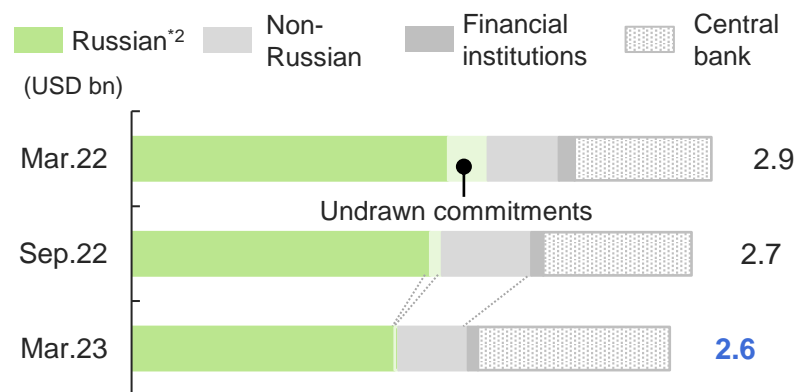
Booked additional impairment of aircraft leased to Russian airlines (JPY 59 bn, 27% of NBV.)

Credit cost



Impact from Russia

Banking exposure to Russia*1



Aircraft leasing

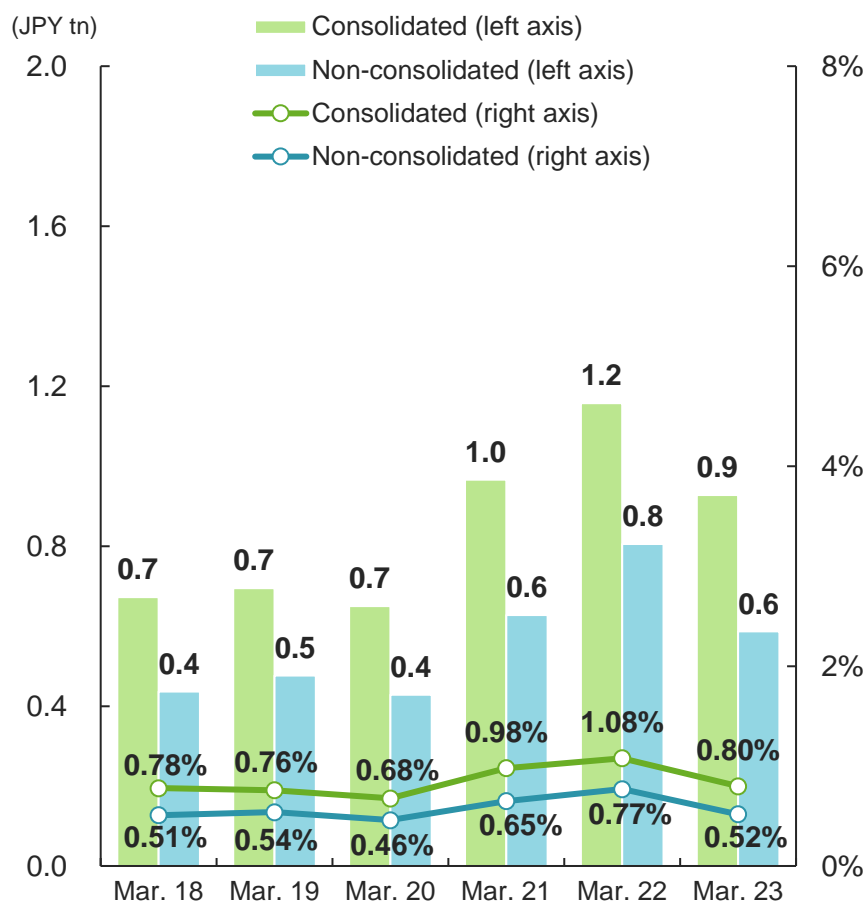
- Additional impairment of aircraft: **JPY (59) bn** (27% of NBV, 79% in total)
Impact on SMFG's bottom-line profit: JPY (34) bn
- Downside: Additional impairment (\leq USD 190 mn*3)
- All aircraft are insured, insurance claims are submitted

*1 Managerial accounting basis. Loans, commitment lines, guarantee investments, etc. of SMBC and local subsidiary calculated based on ultimate risk countries

*2 Incl. project finance and ship finance *3 After considering tax and ownership ratio (66%)

Asset quality – solid loan portfolio

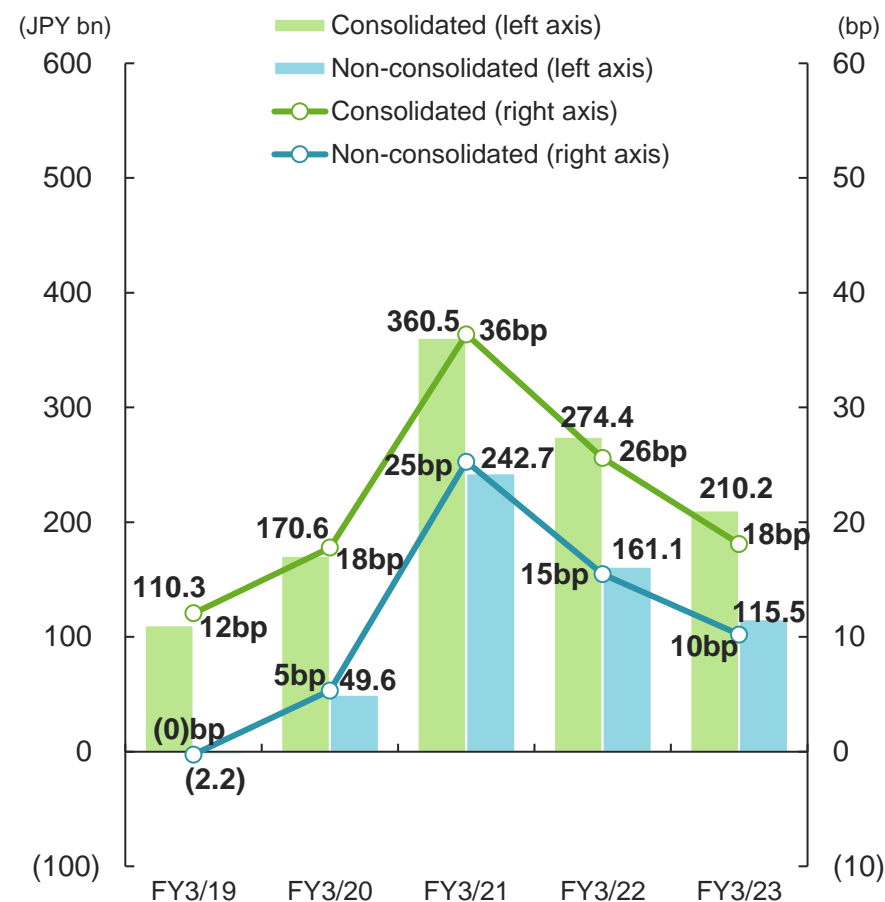
NPLs and NPL ratio*1



Coverage ratio*3

| | | |
|------------------|--------|--------|
| Consolidated | 66.98% | 68.89% |
| Non-consolidated | 79.64% | 86.18% |

Total credit cost and total credit cost ratio*2



*1 NPL ratio = NPLs based on the Financial Reconstruction Act (excluding normal assets) / Total claims

*2 Total credit cost ratio = Total credit cost / Total claims

*3 Ratio of the collateral, guarantees and specific and general reserves to total NPLs

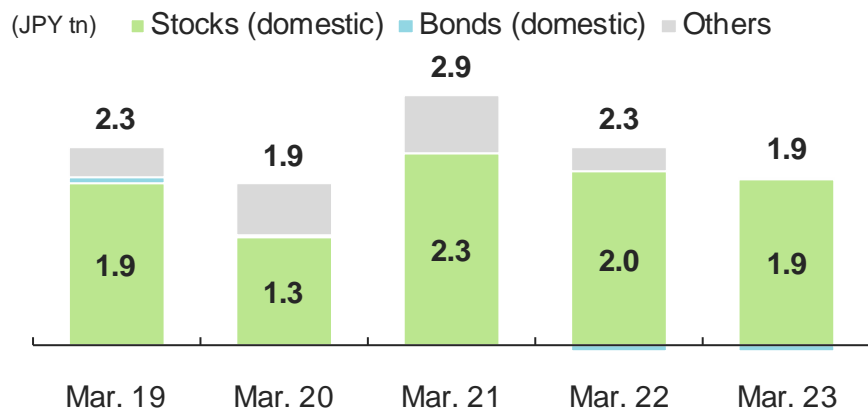
Asset quality – securities portfolio

Breakdown of other securities (consolidated)

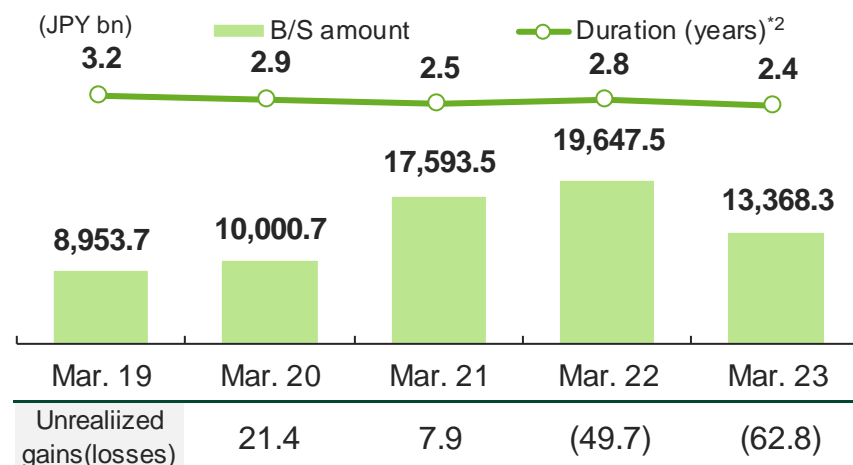
| (JPY bn) | B/S amount | | Unrealized gains (losses) | |
|----------------------------|------------|------------|---------------------------|------------|
| | Mar. 23 | vs Mar. 22 | Mar. 23 | vs Mar. 22 |
| Held-to-maturity | 165.6 | +139.9 | (0.4) | (0.2) |
| Available for sales | 32,465.0 | (5,650.0) | 1,915.1 | (362.1) |
| Stocks (domestic) | 3,345.4 | (58.0) | 1,944.8 | (88.9) |
| Bonds (domestic) | 13,177.5 | (6,382.8) | (64.2) | (14.1) |
| o/w JGBs | 9,576.3 | (6,197.9) | (36.4) | +10.7 |
| Others | 15,942.1 | +790.9 | 34.6 ^{*1} | (259.0) |
| o/w Foreign bonds | 13,081.5 | +1,025.9 | (697.3) | (248.5) |

Risk volume is controlled by hedging and others

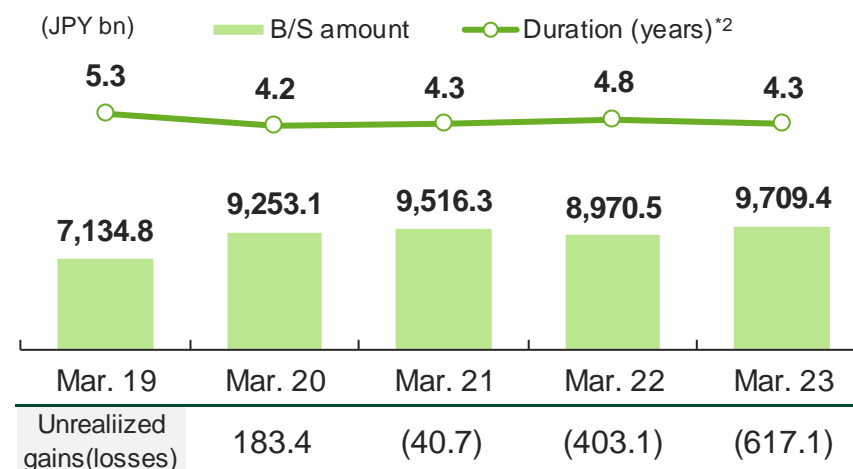
Unrealized gains



Yen-denominated bonds (Non-consolidated)



Foreign bonds (Non-consolidated)



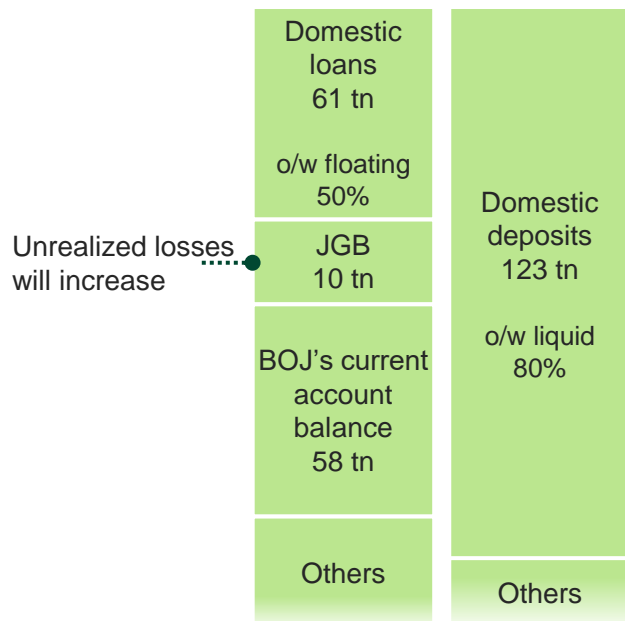
^{*1} The difference between foreign bonds and others is unrealized gain on foreign stocks

^{*2} Managerial accounting basis. Excluding bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds

Expected impact from rise of interest rate – non-consolidated

JPY

JPY B/S (Mar. 23)



- BOJ Policy rate increase from (0.1)% to 0%:
Net interest income JPY +30 bn
- Medium-to long-term rate increase:
Expect further improvement of investment profit incl. profit from market operation

Foreign currency

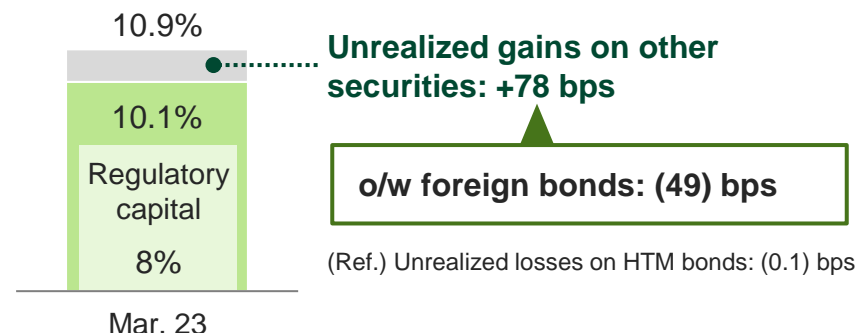
Loan / deposit

- Most of the loans / deposits are based on market rate
(A few deposits have low sensitivity to interest rate)

Foreign bonds

- Unrealized losses will increase when government bond yields rise
- Interest earnings on roll-overs improve while funding cost increases

Impact of unrealized losses on CET1 ratio

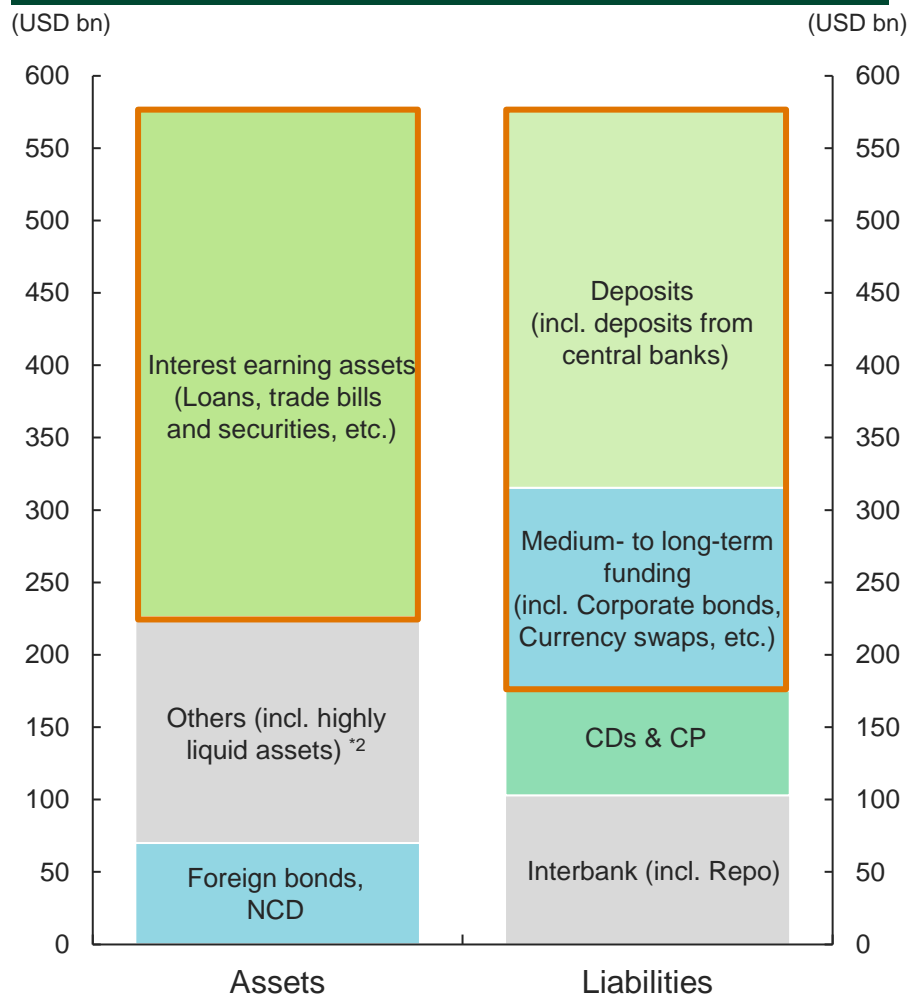




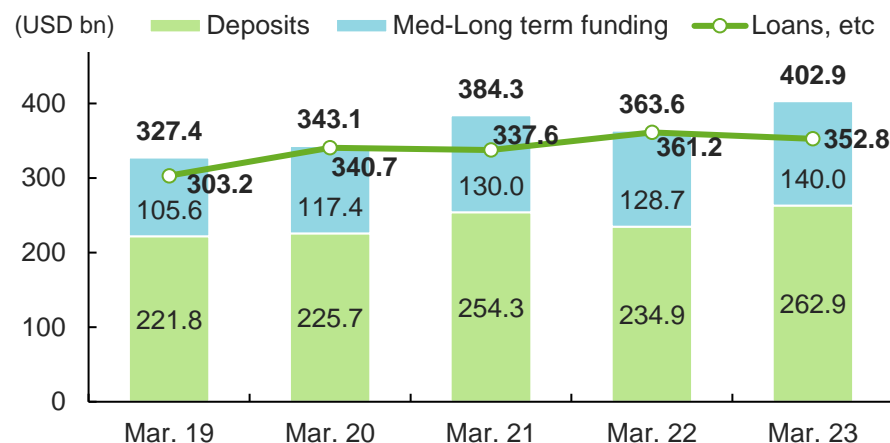
Funding / Capital Strategy

Foreign currency assets and funding

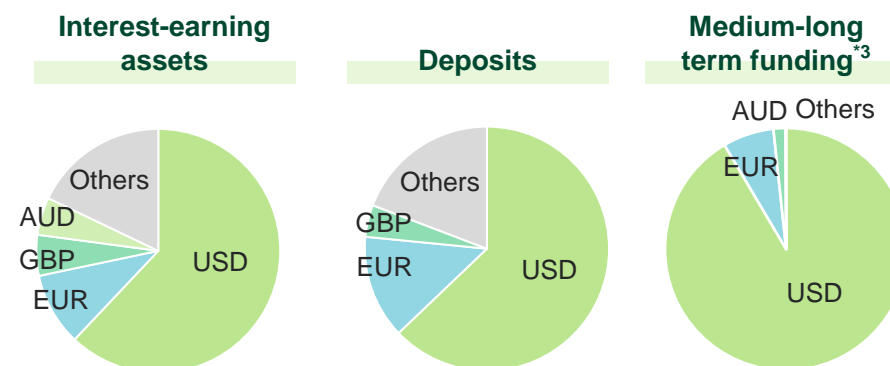
Non-JPY Balance Sheet Overview ^{*1}(as of Mar. 23)



Non-JPY Balance Sheet Development



Currency Breakdown (as of Mar. 23)

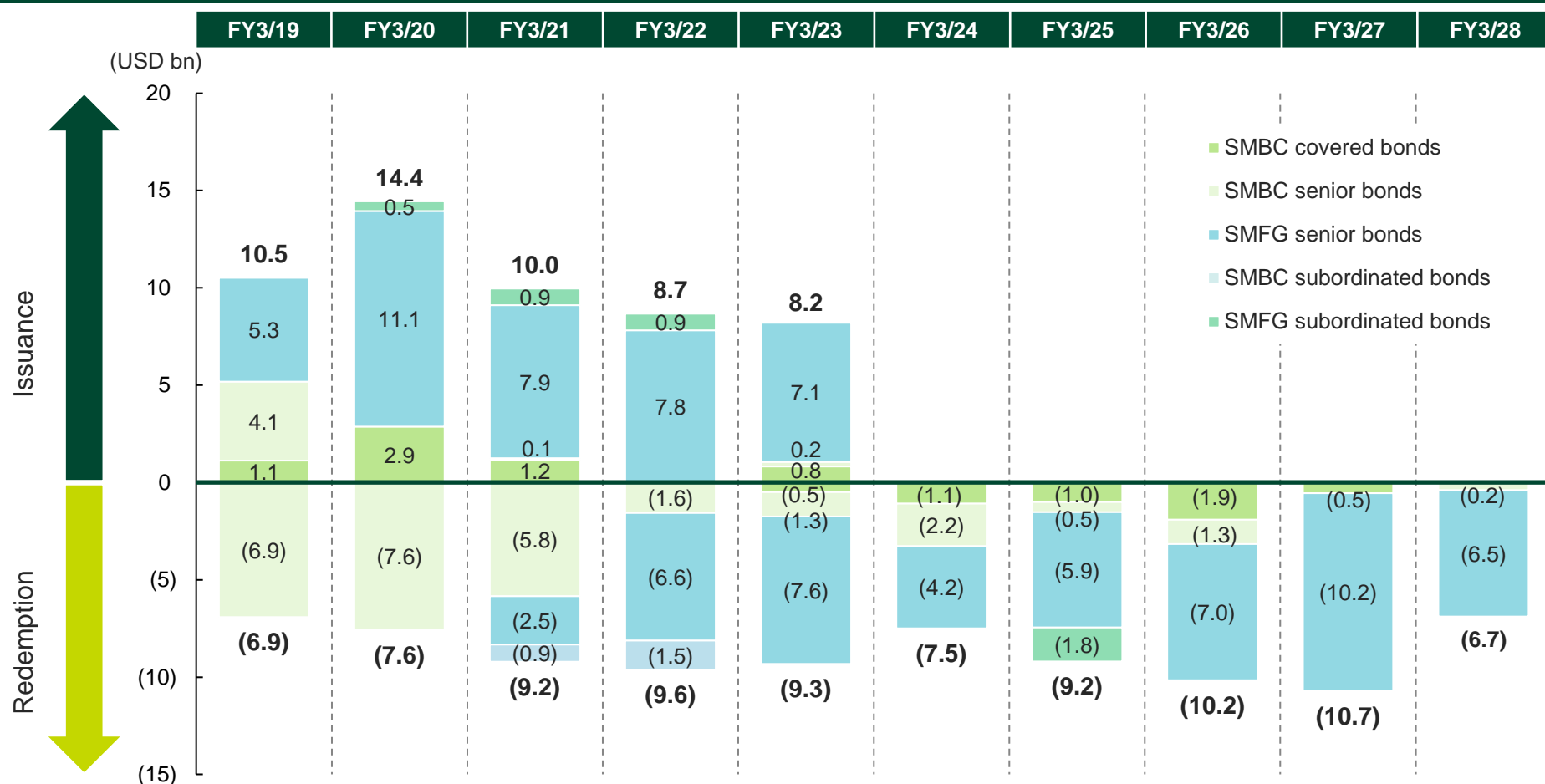


^{*1} Managerial accounting basis. Sum of SMBC and major local subsidiaries ^{*2} Deposits placed with central banks, etc.

^{*3} Excludes JPY funding, certificate of deposits and transferable deposits. Among all bonds priced by Mar. 23, only includes issuance with original maturity of two years or more and its tap issue as of Mar. 23. Translated into USD at the exchange rates as of the end of Mar. 23

Foreign currency issuances and redemptions

Non-JPY issuances and redemptions^{*1}

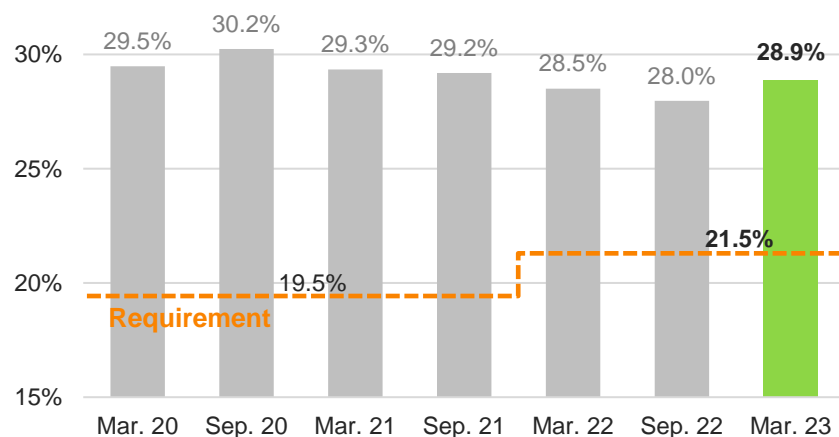


^{*1} The sum of SMFG and SMBC, each on a non-consolidated basis. Excludes JPY funding, certificate of deposits and transferable deposits. All redemptions were, or are expected, at maturity other than for callable bonds, which were, or are expected to be, redeemed at their respective 1st call dates, while there is no assurance they will be redeemed at such time. Among all bonds priced by Mar. 23, only includes issuance with original maturity of two years or more and its tap issue as of Mar. 23. Translated into USD at the exchange rate as of the end of each period for FY3/19-FY3/23, and as of Mar. 23 for FY3/24-FY3/28

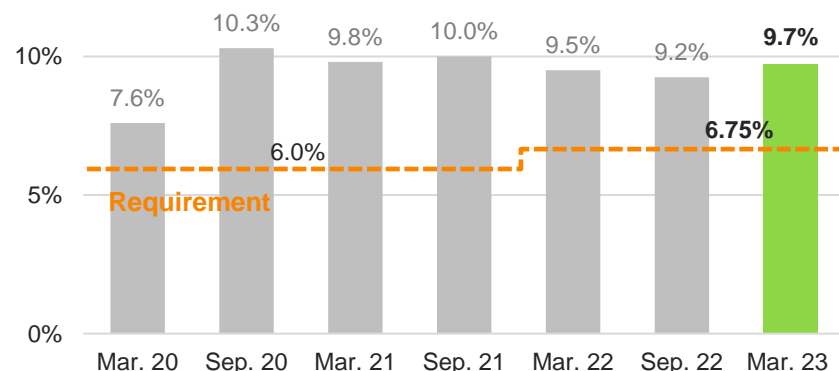
TLAC ratio and requirements

TLAC ratio

Risk-weighted assets basis



Leverage exposure basis



TLAC ratio (transitional basis)

| | (JPY bn) | Mar. 2023 |
|-------------------------------------|----------|-------------------------|
| External TLAC | A | 22,325.1 |
| Risk-weighted assets (RWA) | B | 77,285.0 |
| TLAC ratio (RWA basis) (A/B) | C | 28.88% |
| Capital buffers (including CCyB) | D | (3.60%) |
| Ref: TLAC ratio of RWA (C-D) | E | 25.28% |
| Leverage exposure (LE) | F | 229,517.0 ^{*1} |
| TLAC ratio (LE basis) (A/F) | G | 9.72% |

Requirements

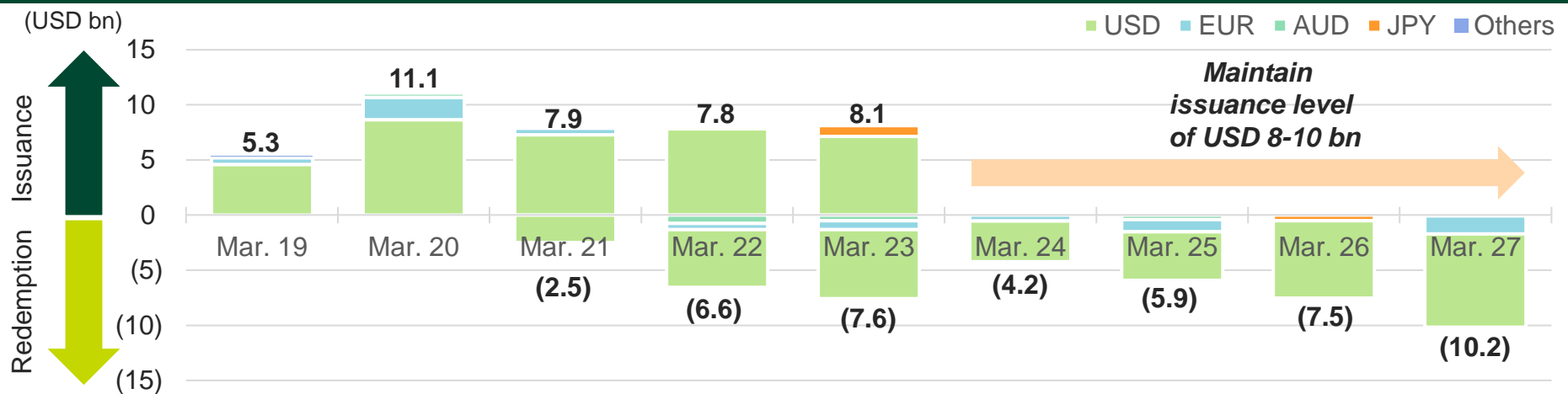
| | |
|---|--------------|
| Minimum external TLAC (RWA basis) | 18% |
| +) capital buffers ^{*2} | +3.5% |
| Effective level of minimum external TLAC (RWA basis) | 21.5% |
| Minimum external TLAC (LE basis) | 6.75% |

^{*1} LE excludes deposits with the Bank of Japan under the FSA's temporary relief on leverage ratio calculation from Jun. 20 until Mar. 24.

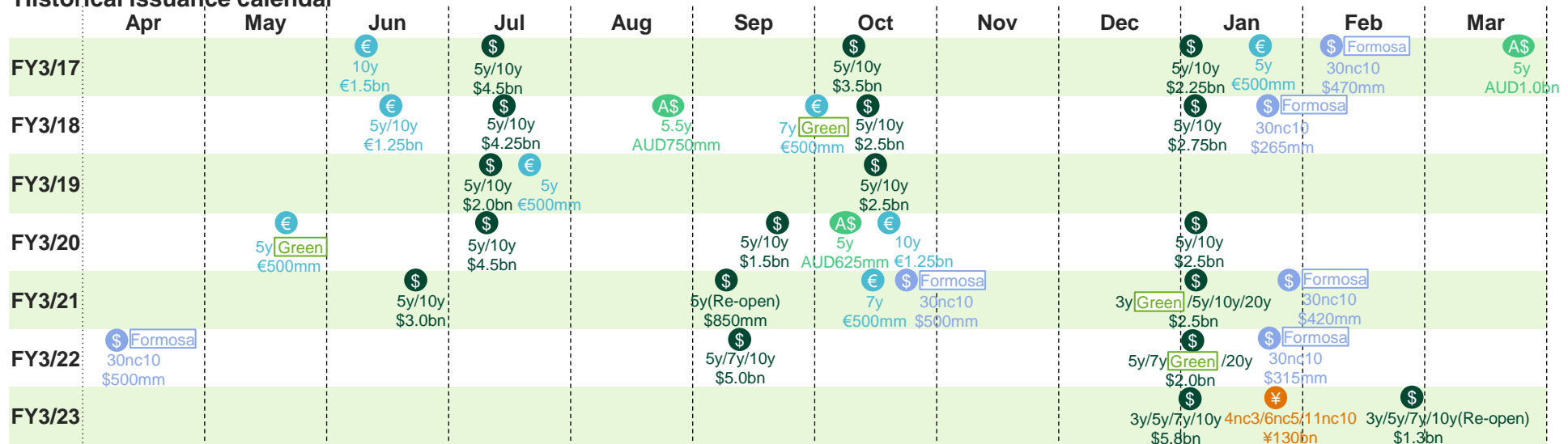
^{*2} Excludes countercyclical buffer (CCyB) for RWA requirements. As for the G-SIB buffer, SMFG was allocated to bucket 1 according to the latest list published by the FSB

TLAC issuance results and strategy

TLAC issuances and redemptions^{*1}



Historical issuance calendar^{*2}



^{*1} The sum of SMFG Senior Bonds issuances and redemptions. All redemptions were, or are expected, at maturity other than for callable bonds, which were, or are expected to be, redeemed at their respective 1st call dates, while there is no assurance they will be redeemed at such time. Among all bonds priced by Mar. 23, only includes issuance with original maturity of two years or more and its tap issue as of Mar. 23. Translated into USD at the exchange rate as of the end of each period for FY3/19-FY3/23, and as of Mar. 23 for FY3/24-FY3/28 ^{*2} Based on pricing date.

Capital

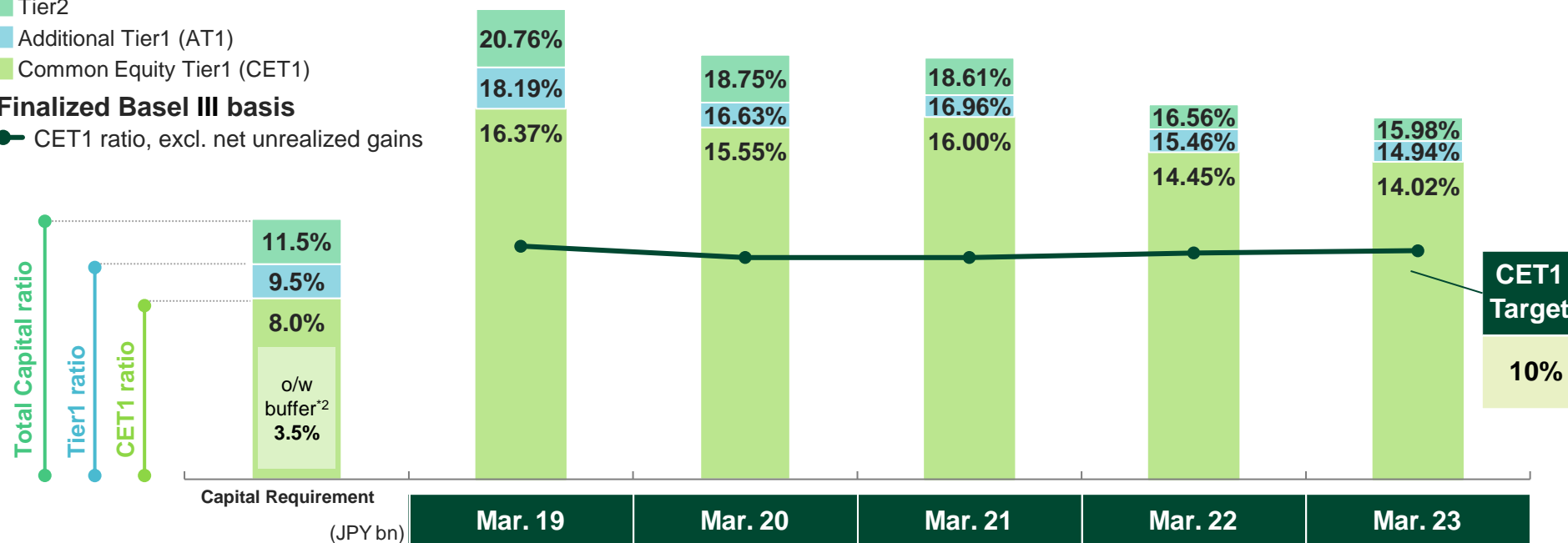
Capital Ratio ^{*1}

Transitional basis

- Tier2
- Additional Tier1 (AT1)
- Common Equity Tier1 (CET1)

Finalized Basel III basis

- CET1 ratio, excl. net unrealized gains



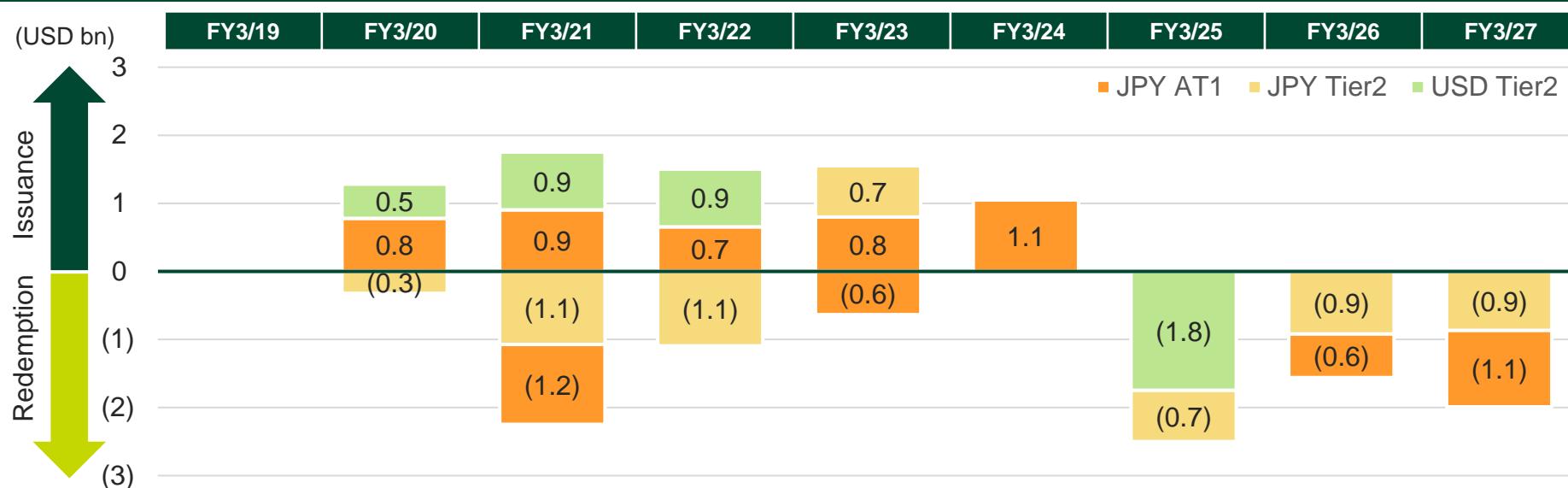
| Capital Requirement (JPY bn) | Mar. 19 | Mar. 20 | Mar. 21 | Mar. 22 | Mar. 23 |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total capital | 12,240.5 | 11,552.0 | 12,289.3 | 11,983.8 | 12,350.8 |
| Tier1 capital | 10,727.2 | 10,249.9 | 11,199.3 | 11,186.2 | 11,548.9 |
| o/w CET1 capital | 9,654.5 | 9,581.3 | 10,562.8 | 10,458.4 | 10,839.0 |
| Tier2 capital | 1,513.3 | 1,302.1 | 1,090.0 | 797.5 | 801.9 |
| Risk-weighted assets | 58,942.8 | 61,599.1 | 66,008.0 | 72,350.1 | 77,285.0 |

^{*1} CET1 ratio that (a) includes the impact of RWA inflation expected post the Basel III reforms and (b) is calculated with CET1 excluding net unrealized gains on other securities and RWA excluding RWA associated with net unrealized gains on stocks

^{*2} Including G-SIB surcharge and excluding countercyclical buffer

Subordinated bonds issuance results and strategy

Subordinated bonds issuances and redemptions^{*1}



Historical issuance calendar^{*2}

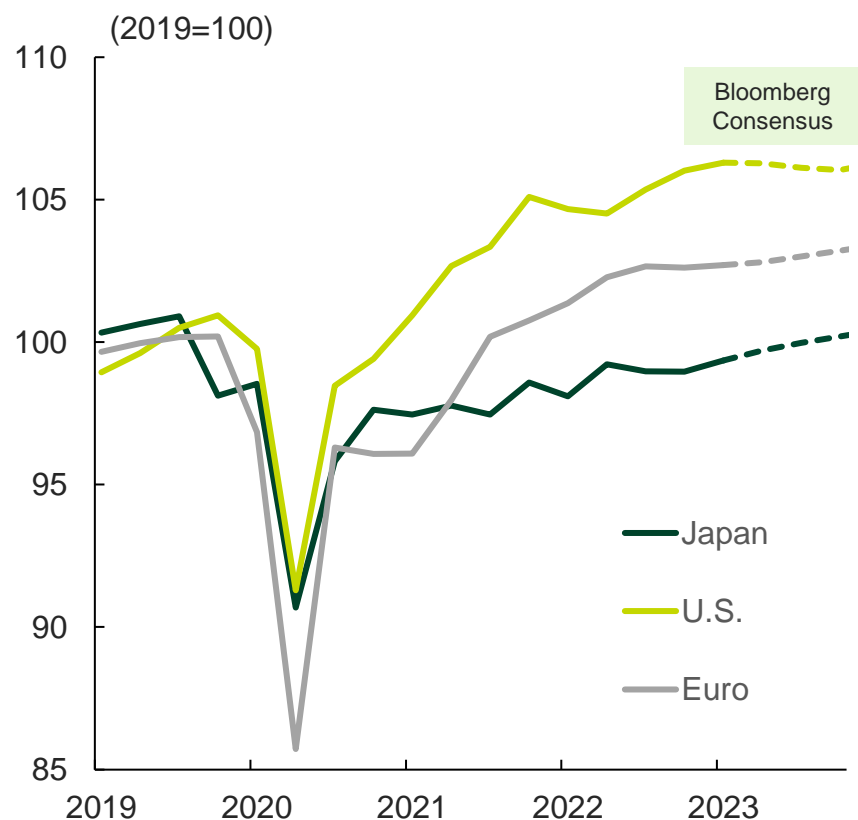
| | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
|--------|-----|-----------------------------|----------------------|-----|-----------------------------|--|-----|-----|----------------------------|-----------------------|-----|-----------------------------|
| FY3/17 | | ¥ Tier2 10NC5/10y ¥150bn | | | ¥ Tier2 10NC5/10y ¥100bn | | | | | ¥ AT1 PNC10 ¥150bn | | |
| FY3/18 | | | | | | | | | ¥ AT1 PNC10 ¥150bn | | | ¥ Tier2 10y ¥100bn |
| FY3/19 | | | | | | | | | | | | |
| FY3/20 | | | ¥ AT1 PNC10 ¥85bn | | | \$ Tier2 10y \$500mn | | | | | | |
| FY3/21 | | | | | | ¥ AT1 \$ Tier2 PNC10 ¥100bn 10y \$850mn | | | | | | |
| FY3/22 | | | | | | \$ Tier2 20y \$850mn | | | | ¥ AT1 PNC10 ¥80bn | | |
| FY3/23 | | | | | | | | | ¥ AT1 PNC5/PNC10 ¥107bn | | | ¥ Tier2 10NC5/10y ¥100bn |

^{*1} The sum of SMFG Subordinated Bonds issuances and redemptions. All redemptions were, or are expected, at maturity other than for callable bonds, which were, or are expected to be, redeemed at their respective 1st call dates, while there is no assurance they will be redeemed at such time. Among all bonds priced by May 23. Translated into USD at the exchange rate as of the end of each period for FY3/19-FY3/23, and as of Mar. 23 for FY3/24-FY3/28 ^{*2} Based on pricing date.

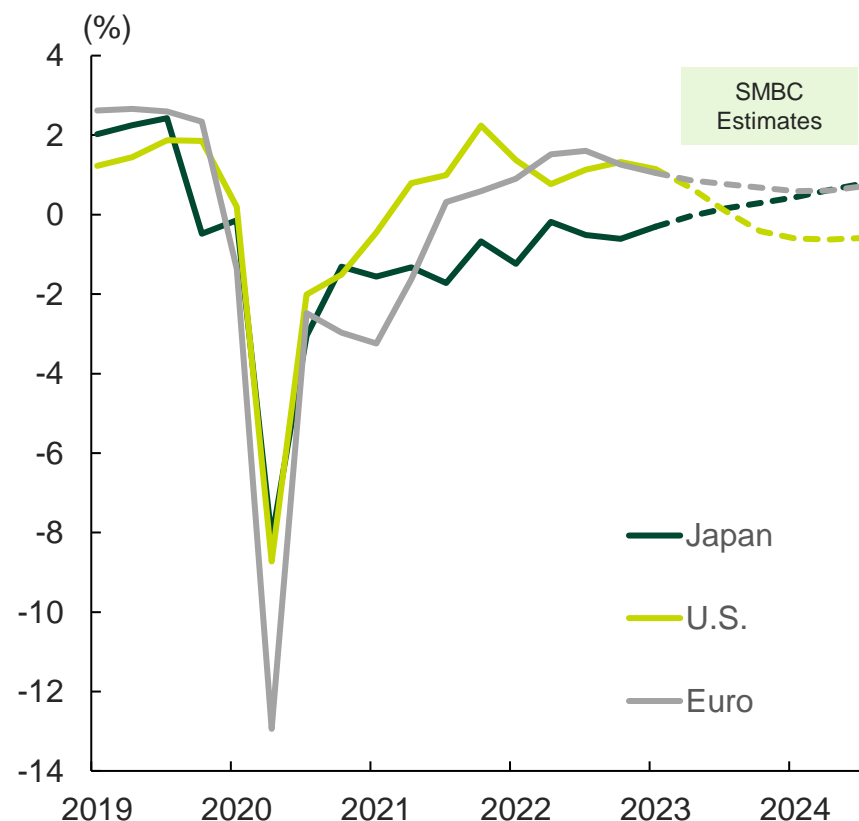
Comparison of GDP & Output Gap

- In terms of GDP levels, Japan recovered to pre-pandemic levels in Q2 2022. Recovery in Japan is slow because both the government and the people are very cautious about COVID-19. Recovery is just beginning.
- On the other hand, the U.S. and the Eurozone have returned to pre-pandemic economic activity. Rather, there are concerns about a near-term slowdown in the economy against the backdrop of high current inflation.
- Overall, we see a contrast between Japan, which is about to begin a recovery, and the U.S. and Europe, which are facing inflation.

GDP level^{*1}



Output gap^{*1}

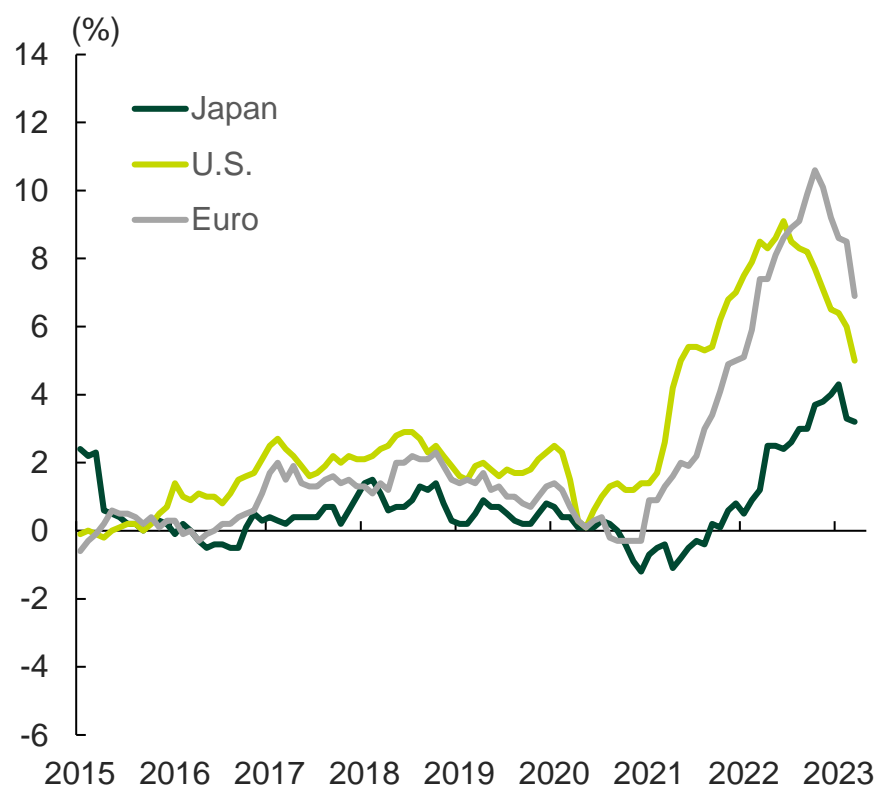


^{*1} Cabinet Office (CAO), Congressional Budget Office (CBO), Bloomberg, SMBC. Including SMBC Treasury Unit's own estimate as of May 18, 2023

Comparison of inflation (1/2)

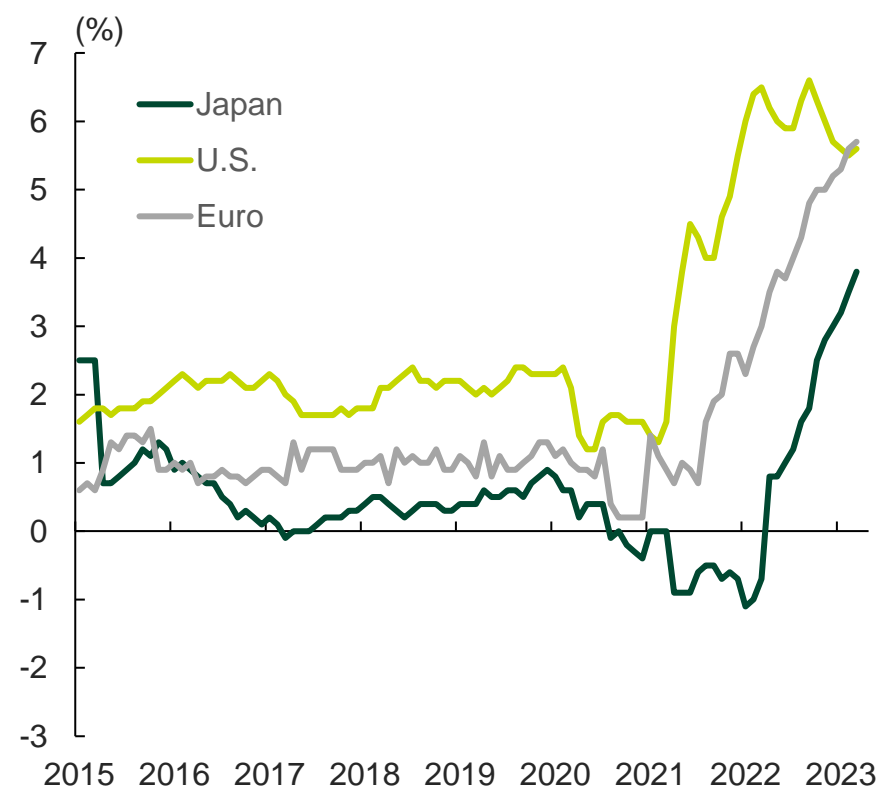
- Higher input costs, including supply chain disruptions and higher resource prices, have pushed prices higher in the early stages of the pandemic.
- From the end of the pandemic to the present, there is concern about rising inflation in the core, which excludes food and energy from the total CPI; the focus is on whether the core will fall back to the 2% inflation target.

CPI (YoY)*1



Core CPI (YoY)*1

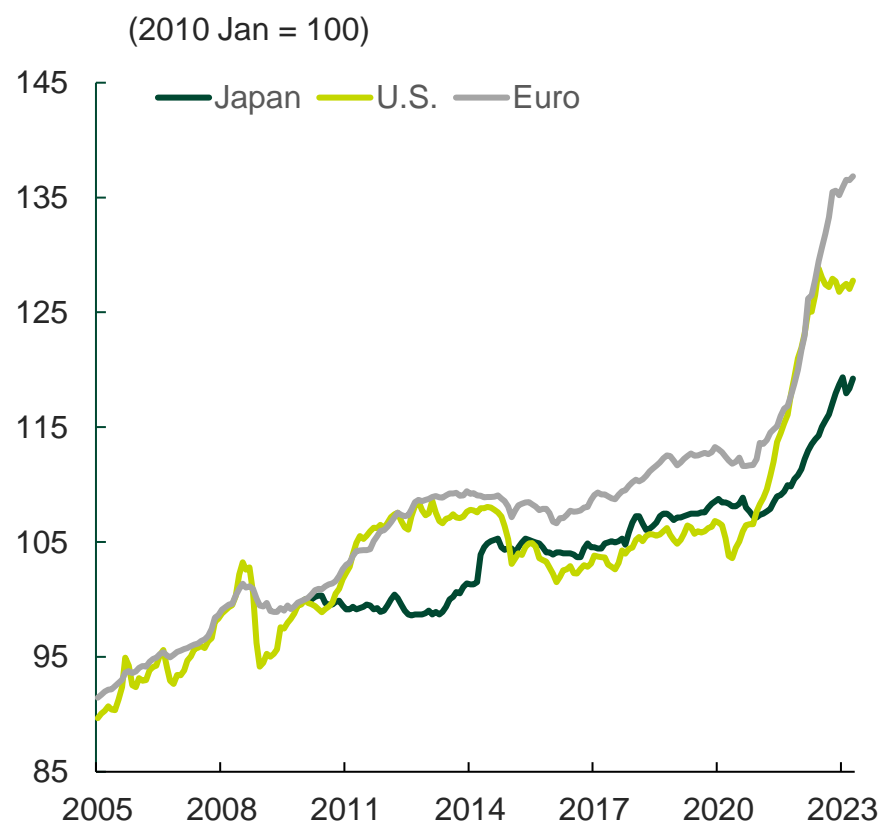
excluding food & energy



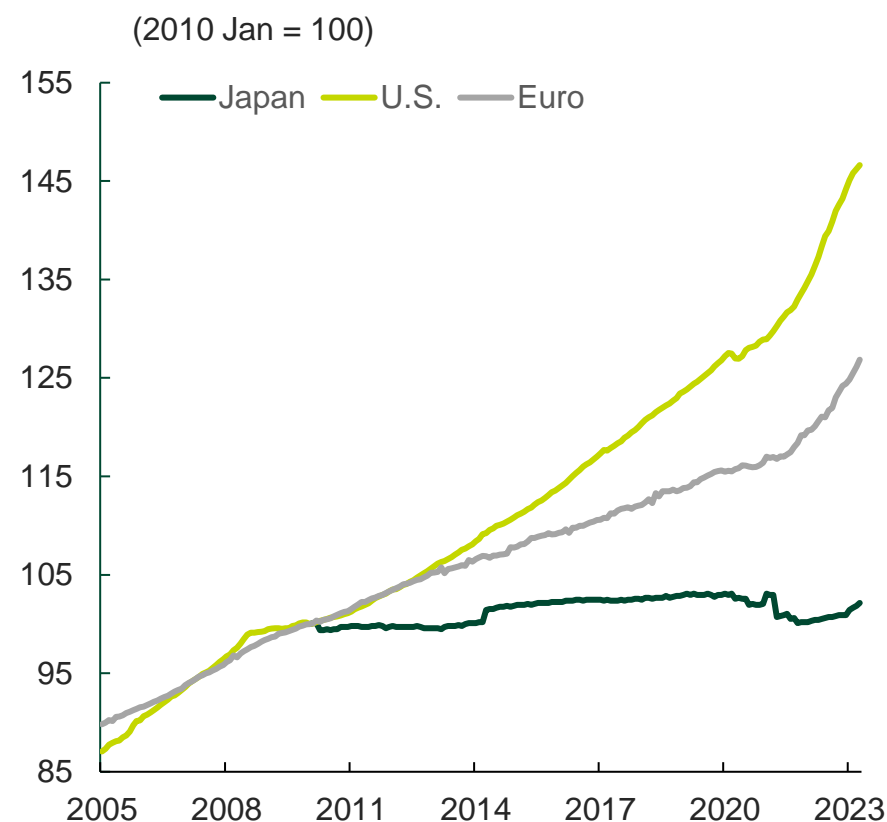
Comparison of inflation (2/2)

- As for goods, no significant differences are observed among regions/countries. However, there is a marked increase in the U.S. after 2020 and in the Eurozone after 2021. The recovery phase from the pandemic, supply chain disruption, and energy issues have had a significant impact.
- For services, Japan's trend differs significantly from others. The heterogeneity of Japanese service prices stands out.

CPI goods (level)^{*1}



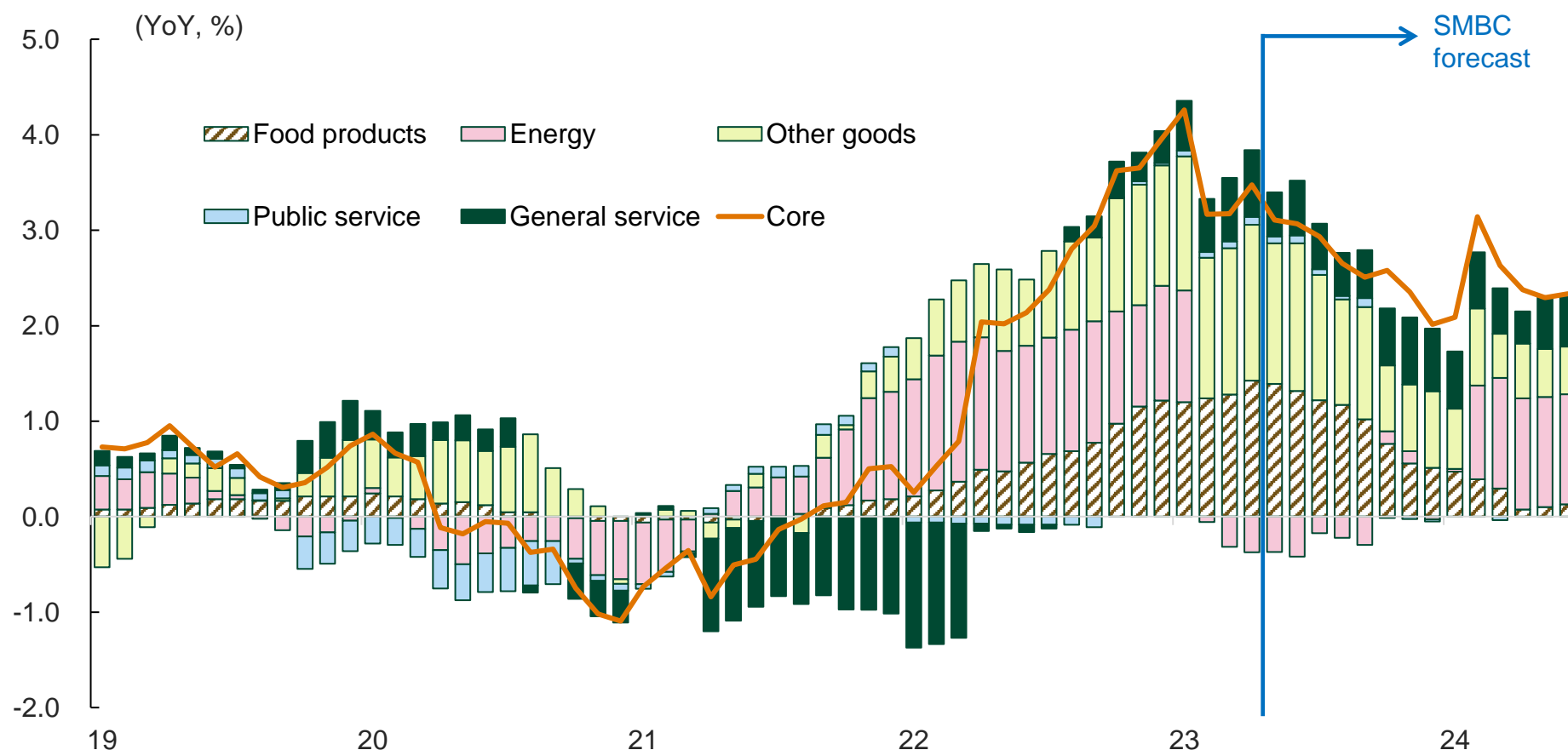
CPI services (level)^{*1}



CPI outlook for Japan

- Japan's CPI exceeded +2% YoY in April 2022.
- Energy subsidy is expected to push down the total CPI in 2023.
- Additionally, inflation is expected to slow down through the second half of 2023 as base effects fade.

CPI Forecast (YoY)*1



*1 Ministry of Internal Affairs and Communications (MIC), SMBC. Including SMBC Treasury Unit's own estimate as of May 18, 2023



Appendix

SMFG / SMBC overview

| | | SMFG (Consolidated) ^{*1} Global banking group originated in Japan | SMBC (Non-consolidated) ^{*1} Core operating entity within SMFG franchise |
|---|------------------------|--|---|
| Market Capitalization (TSE:8316, NYSE:SMFG) | | JPY 7.4 tn / USD 52.8 bn | unlisted (wholly-owned by SMFG) |
| B/S | Assets | JPY 270 tn / USD 2,025 bn | JPY 235 tn / USD 1,762 bn |
| | Loans | JPY 98 tn / USD 737 bn | JPY 94 tn / USD 706 bn |
| | Deposits ^{*2} | JPY 159 tn / USD 1,189 bn | JPY 150 tn / USD 1,123 bn |
| | Loans/Deposits | 57.3% | 57.9% |
| P/L | Gross Profit | JPY 3,170 bn / USD 23.7 bn Consolidated gross profit | JPY 1,699 bn / USD 12.7 bn Gross banking profit |
| | Net Income | JPY 806 bn / USD 6.0 bn Profit attributable to owners of parent | JPY 634 bn / USD 4.7 bn Net income |
| CET1 ratio | | 14.02% | - |
| NPL ratio | | 0.80% | 0.52% |
| Ratings (Moody's / S&P) | | A1 / A- | A1 / A |
| Business Franchise | | <ul style="list-style-type: none"> ● Holds top-tier companies in banking, leasing, securities services, consumer finance, and other businesses ● 152 overseas offices^{*3} | <ul style="list-style-type: none"> ● 455 domestic branches ● 28 million retail accounts |

^{*1} Converted into USD at March 2023 fiscal year-end exchange rate
Market capitalization converted to USD at the May 26, 2023 exchange rate

^{*2} Excludes negotiable certificates of deposits

^{*3} Excludes offices planned to be closed

Credit ratings of selected G-SIBs

OpCo senior unsecured notes / Excluded liabilities
TLAC eligible senior unsecured notes
Basel III Tier 2 notes

Notch Difference (between OpCo senior and TLAC senior notes)

(As of the end of Apr. 23)

Moody's

| | SMFG | Mizuho | MUFG | BAC | Citi | JPM | Barclays | HSBC | DB ^{*1} | BNP ^{*1} | CS | UBS ^{*2} |
|------|------|--------|------|-----|------|-----|----------|------|------------------|-------------------|----|-------------------|
| Aa2 | | | | | | | | | | | | |
| Aa3 | | 0 | 0 | | | 2 | | | | | | |
| A1 | 0 | | | 3 | 3 | | | | | | | 3 |
| A2 | | | | | | | 3 | 2 | 3 | 4 | | |
| A3 | | | | | | | | | | | | |
| Baa1 | | | | | | | | | | | 2 | |
| Baa2 | | | | | | | | | | | | |
| Baa3 | | | | | | | | | | | | |
| Ba1 | | | | | | | | | | | | |
| Ba2 | | | | | | | | | | | | |

S&P

| | SMFG | Mizuho | MUFG | BAC | Citi | JPM | Barclays | HSBC | DB ^{*1} | BNP ^{*1} | CS | UBS ^{*2} |
|------|------|--------|------|-----|------|-----|----------|------|------------------|-------------------|----|-------------------|
| AA- | | | | | | | | | | | | |
| A+ | | | | | | | | | | | | |
| A | 1 | 1 | 1 | 2 | 3 | 2 | | 2 | | 2 | | 2 |
| A- | | | | | | | 3 | | | | | |
| BBB+ | | | | | | | | | 3 | | 3 | |
| BBB | | | | | | | | | | | | |
| BBB- | | | | | | | | | | | | |
| BB+ | | | | | | | | | | | | |

*1 For DB and BNP, OpCo senior notes and TLAC eligible senior notes mean preferred senior notes and non-preferred senior notes, respectively

*2 Backed senior unsecured rating of UBS Group Funding (Switzerland) guaranteed by UBS Group AG for TLAC eligible senior notes

Credit ratings of Aussie and Canadian banks

OpCo senior unsecured notes / Excluded liabilities
TLAC eligible senior unsecured notes
Basel III Tier 2 notes

Notch Difference (between TLAC senior and Tier 2 notes)
 (As of the end of Apr. 23)

Moody's

| | SMFG | BMO | BNS | RBC | TD | ANZ | CBA | NAB | Westpac |
|------|------|-----|-----|-----|----|-----|-----|-----|---------|
| Aa1 | | | | | | | | | |
| Aa2 | | | | | | | | | |
| Aa3 | | | | | | | | | |
| A1 | | | | | | | | | |
| A2 | | | | | | | | | |
| A3 | | | | | | | | | |
| Baa1 | | | | | | | | | |
| Baa2 | | | | | | | | | |
| Baa3 | | | | | | | | | |

S&P

| | SMFG | BMO | BNS | RBC | TD | ANZ | CBA | NAB | Westpac |
|------|------|-----|-----|-----|----|-----|-----|-----|---------|
| AA- | | | | | | | | | |
| A+ | | | | | | | | | |
| A | | | | | | | | | |
| A- | | | | | | | | | |
| BBB+ | | | | | | | | | |
| BBB | | | | | | | | | |
| BBB- | | | | | | | | | |
| BB+ | | | | | | | | | |

Financial highlights – IFRS*1

Income statement data

| (JPY bn) | FY3/21 | FY3/22 |
|-------------------------------|---------|---------|
| Net interest income | 1,383.1 | 1,443.9 |
| Net Fee and commission income | 972.7 | 1,038.5 |
| Net Trading income | 237.7 | 280.3 |
| Other operating income | 572.1 | 374.7 |
| Total operating income | 3,165.6 | 3,137.5 |
| Net operating income | 2,883.1 | 2,857.5 |
| Profit before tax | 956.5 | 676.5 |
| Net profit | 705.1 | 515.1 |

Statement of financial position data

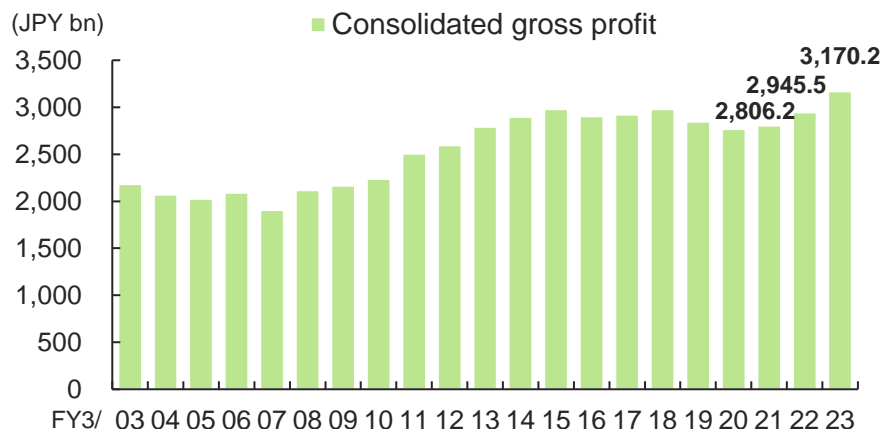
| (JPY bn) | FY3/21 | FY3/22 |
|--------------|-----------|-----------|
| Total assets | 235,025.0 | 248,160.8 |
| Loans | 97,714.9 | 104,635.8 |
| Deposits | 155,493.7 | 162,593.5 |
| Total equity | 12,276.2 | 12,781.7 |

Reconciliation with Japanese GAAP

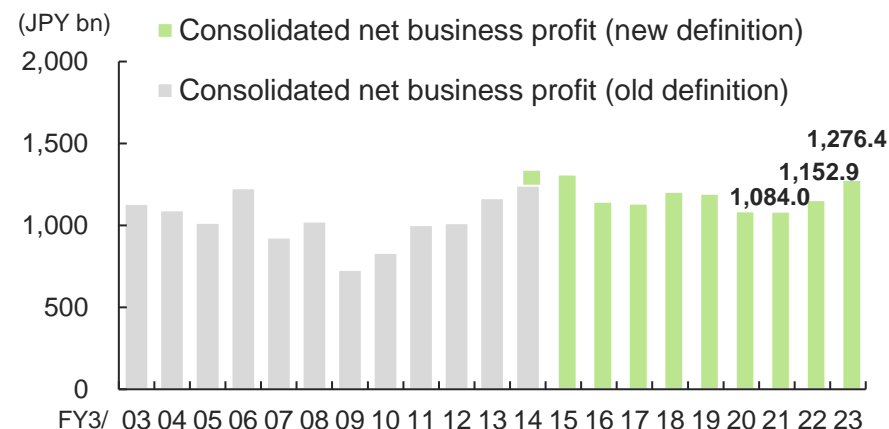
| | (At and for FY3/22, JPY bn) | Total equity | Net profit |
|--|--|--------------|------------|
| IFRS | | 12,781.7 | 515.1 |
| Differences arising from different accounting for: | Scope of consolidation | 137.3 | (3.0) |
| | Derivative financial instruments | (179.8) | (136.9) |
| | Investment securities | (424.1) | 189.2 |
| | Loans and advances | 406.6 | 54.4 |
| | Investments in associates and joint ventures | 177.3 | 61.5 |
| | Property, plant and equipment | 15.5 | (9.0) |
| | Lease accounting | 1.9 | 0.9 |
| | Defined benefit plans | 69.8 | 67.0 |
| | Deferred tax assets | (36.1) | 6.8 |
| | Foreign currency translation | - | 40.7 |
| | Classification of equity and liability | (738.5) | (10.9) |
| | Others | (12.5) | (0.8) |
| | Tax effect of the above | (1.6) | (59.9) |
| Japanese GAAP | | 12,197.3 | 715.1 |

Trend of major income components – Consolidated

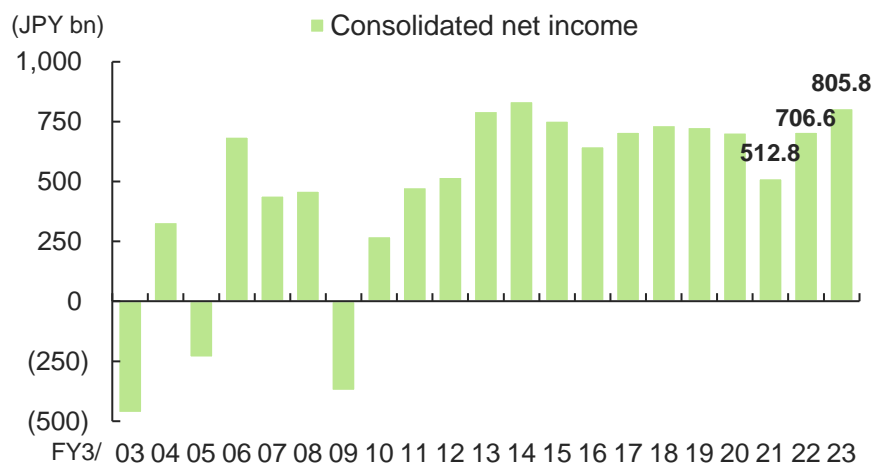
Consolidated gross profit



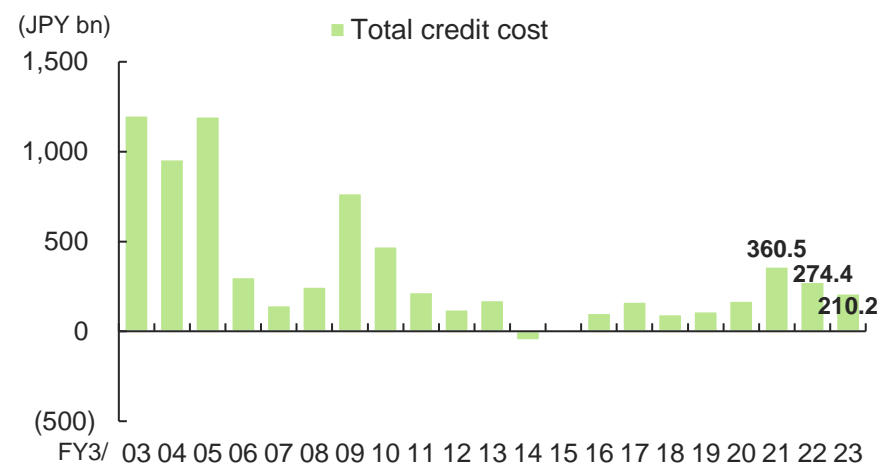
Consolidated net business profit*1



Net income / Profit attributable to owners of parent



Total credit cost

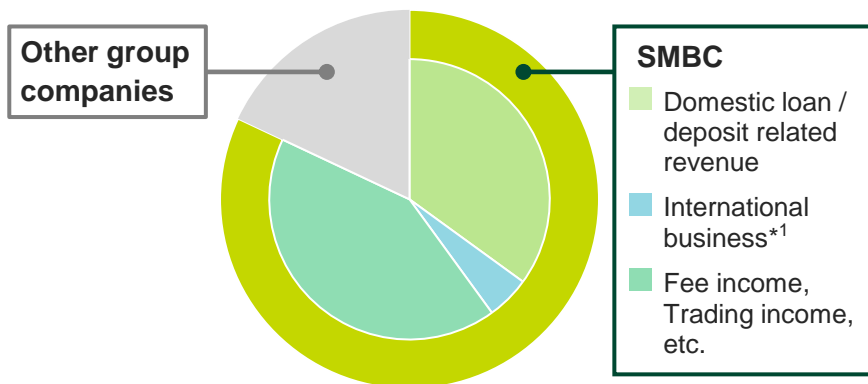


*1 We have changed the definition of "Consolidated net business profit" from the FY3/15. The figure for FY3/14 has been adjusted retrospectively

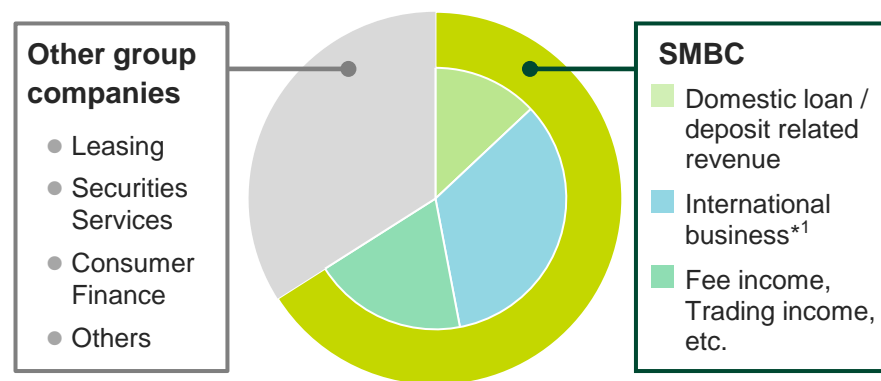
Diversified revenue sources

Breakdown of consolidated gross profit

FY3/04

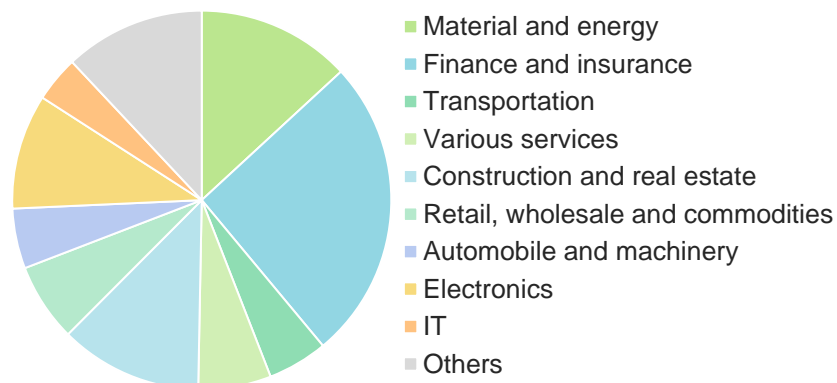


FY3/23

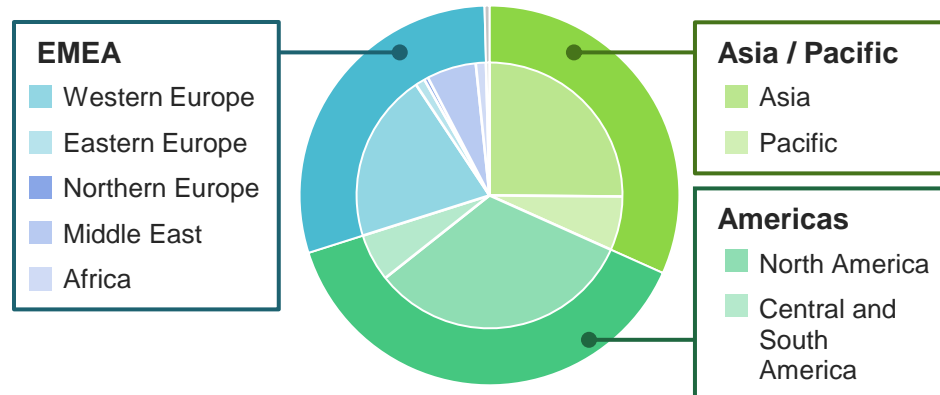


Breakdown of overseas loan balance (Mar. 23)

By industry

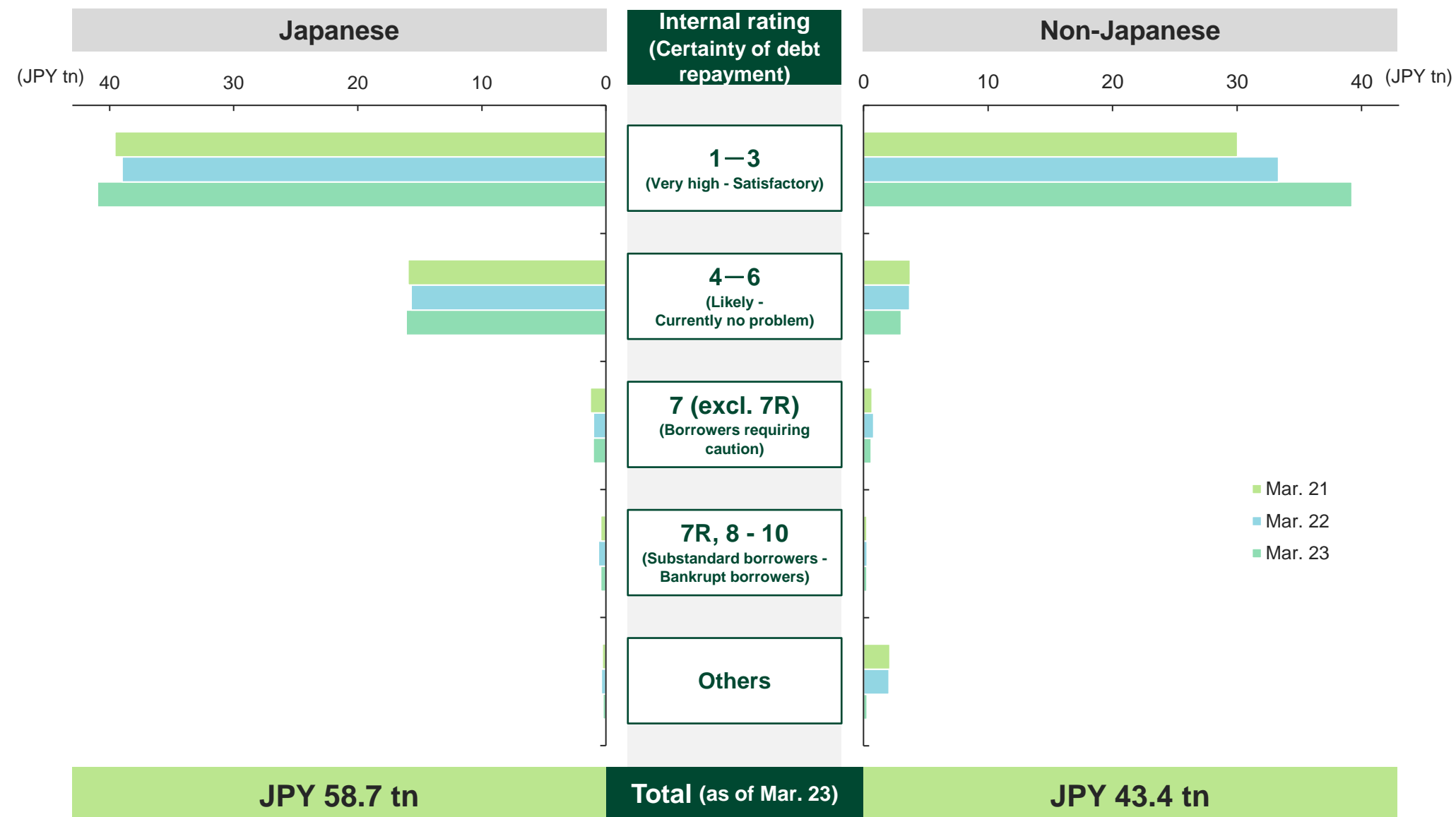


By domicile



*1 Includes major overseas banking subsidiaries

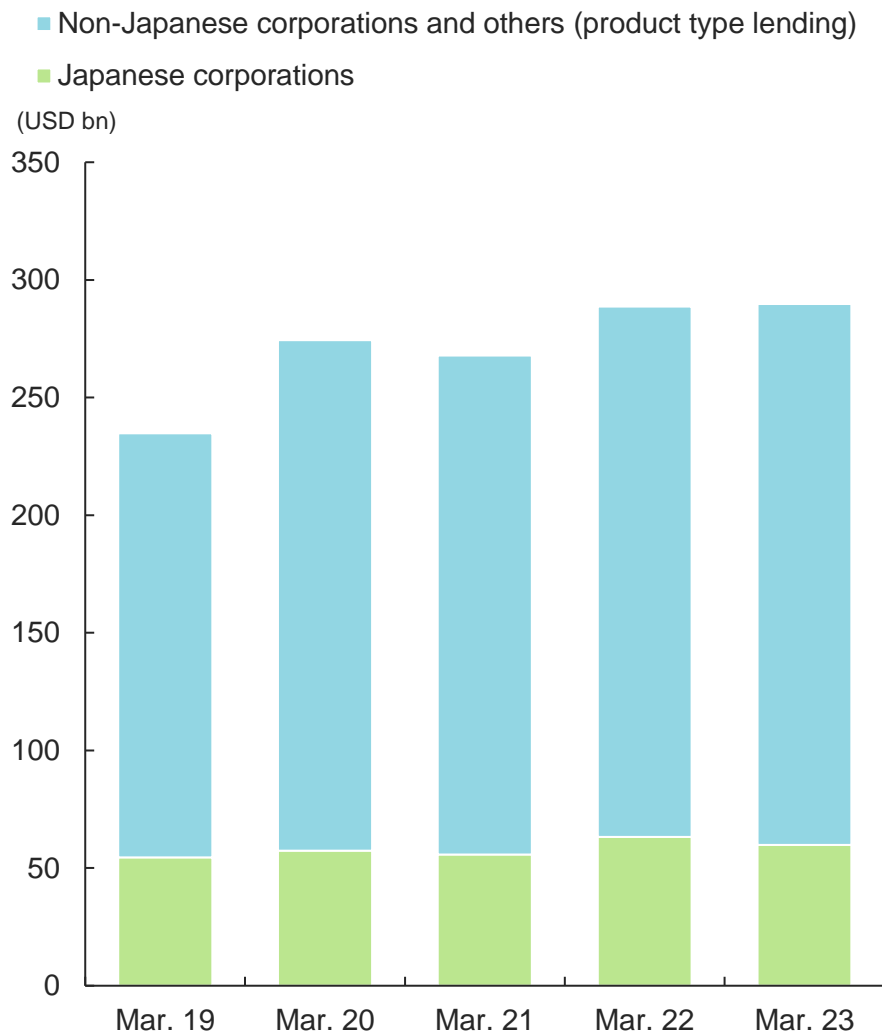
Japanese and non-Japanese corporate exposures^{*1}



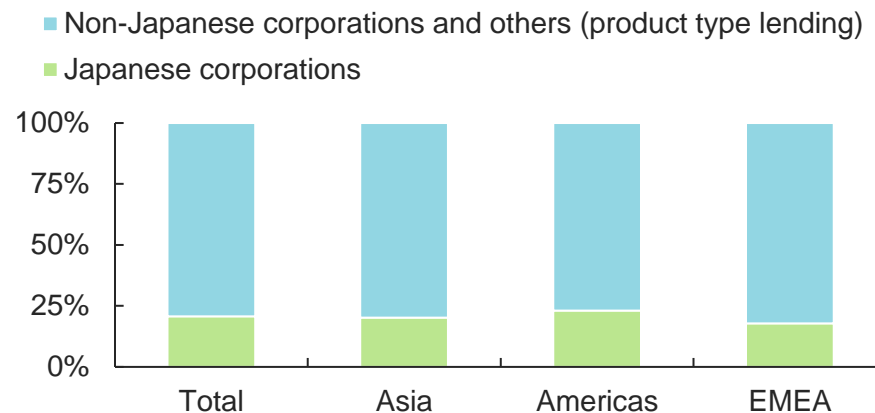
^{*1} Managerial accounting basis. Exposure includes loans, acceptances and guarantees, foreign exchanges, private placement, suspense payments, undrawn commitments, and derivatives, etc. Excluding the exposure to SMFG consolidated subsidiaries, retail customers in Japan, Japanese government, etc., and specialized lending

Overseas loan balance classified by borrower type*1

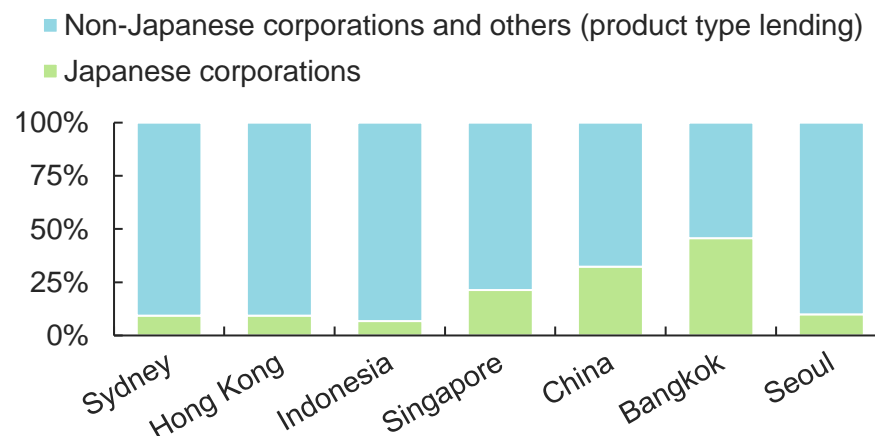
Total



By region (Mar. 23)



Major marketing channels in Asia (Mar. 23)*2

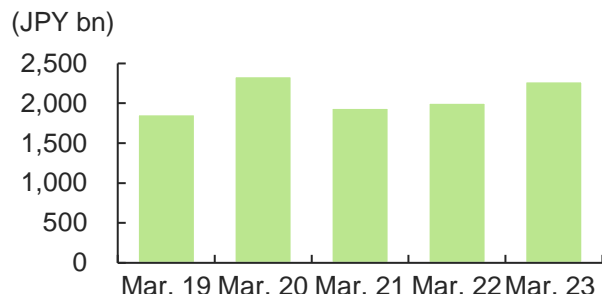


*1 Managerial accounting basis. Sum of SMBC and major local subsidiaries

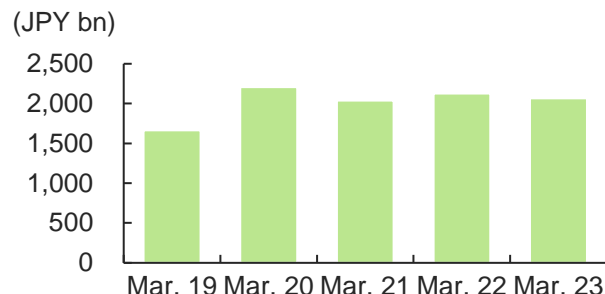
*2 Excludes BTPN in Indonesia

Loan balance in Asian countries / areas*1

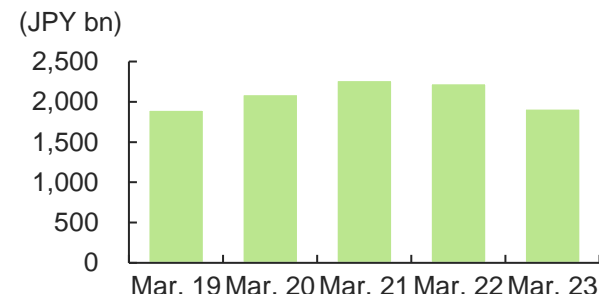
Australia



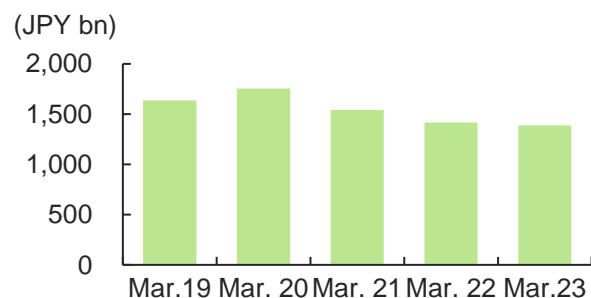
Singapore



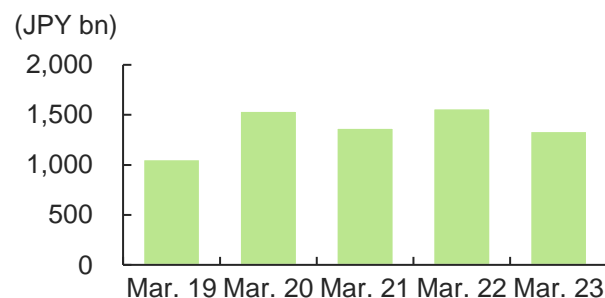
Hong Kong



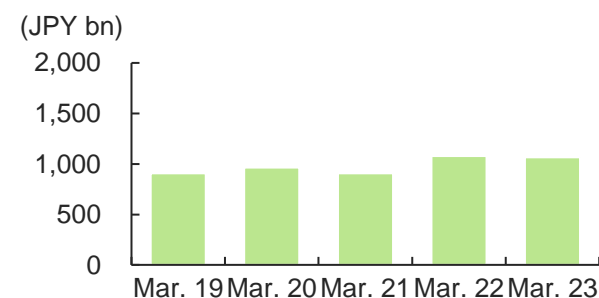
Indonesia



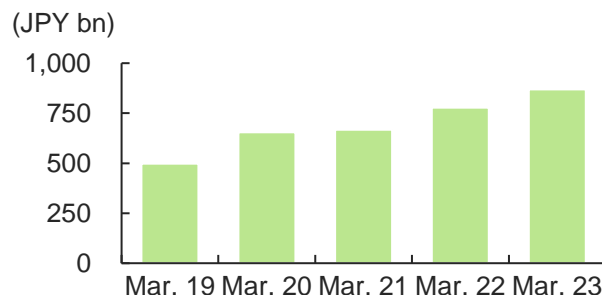
China



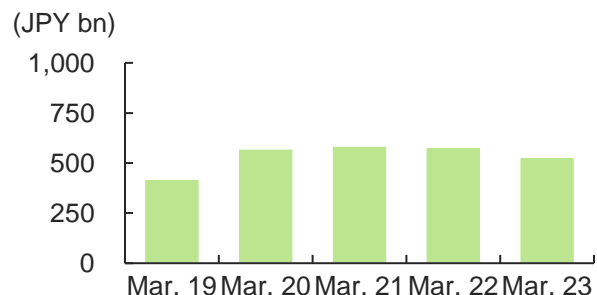
Thailand



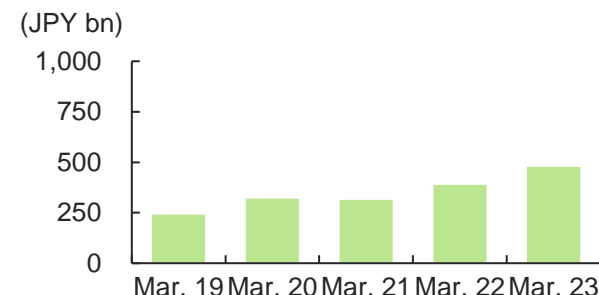
India



Taiwan

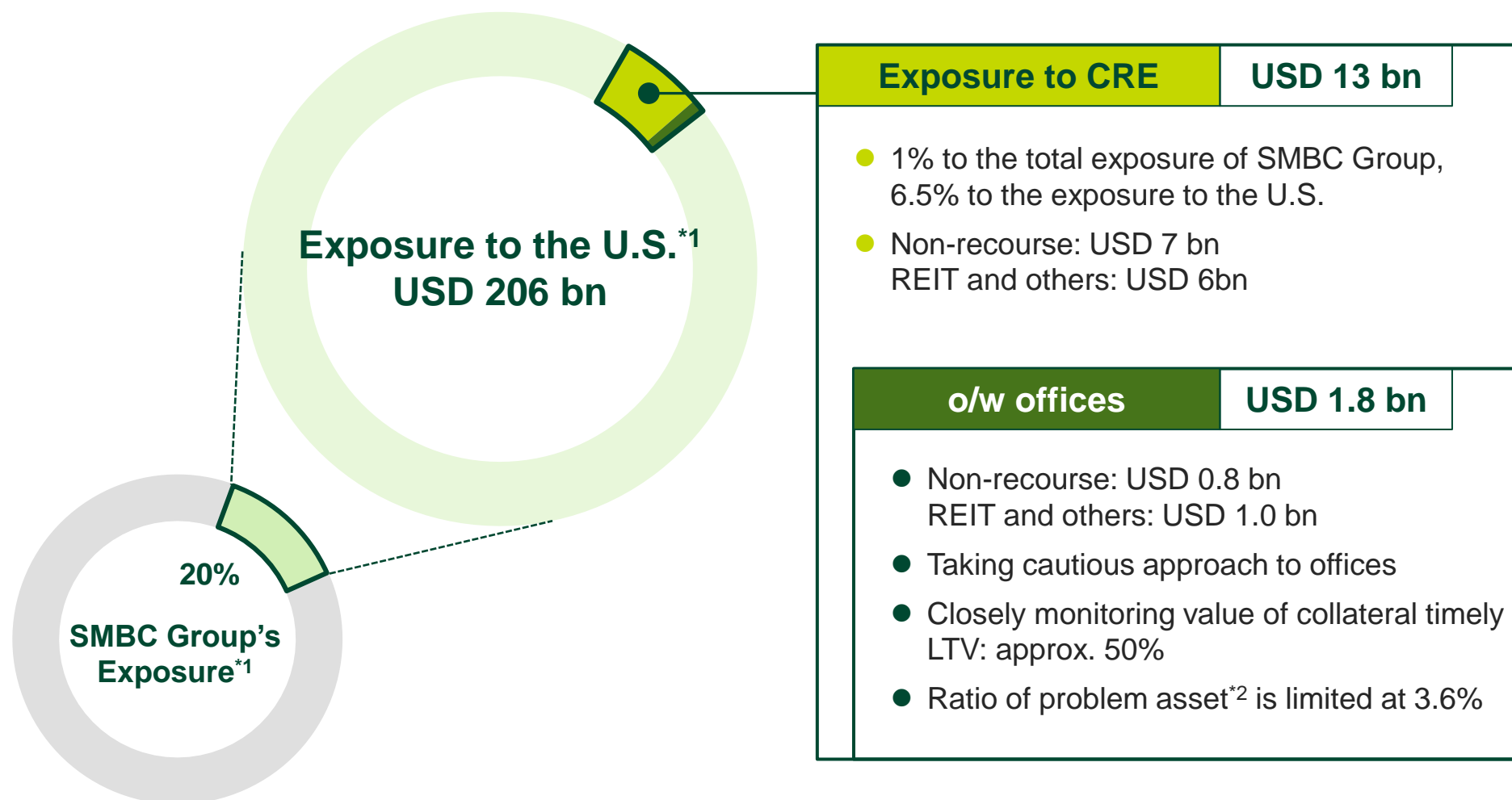


Korea



Exposure to U.S. CRE (Mar. 23)

Exposure to U.S. CRE (Commercial Real Estate) is limited compared to the total exposure of SMBC Group. There are currently no major concerns regarding asset quality of credit to offices.



*1 SMBC consolidated, calculated based on location of headquarter

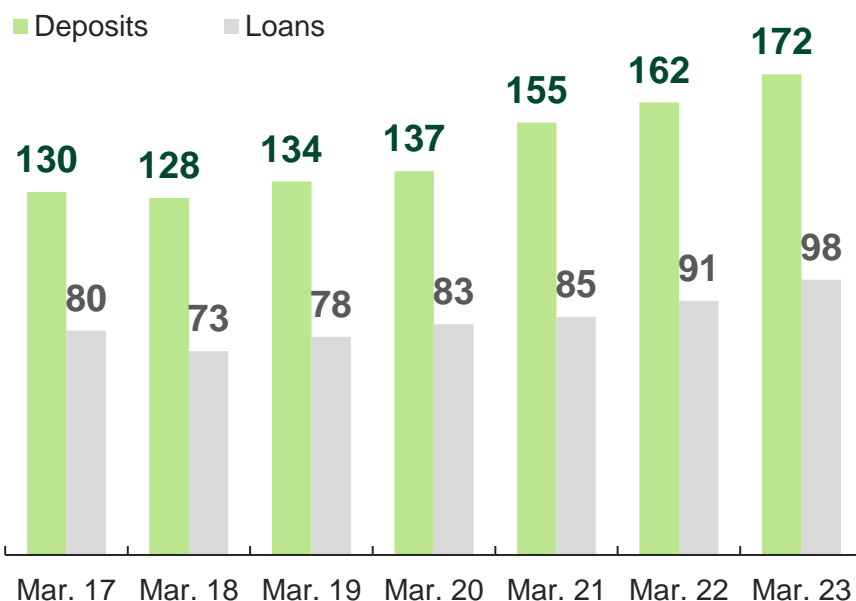
*2 Loans classified as Substandard, Doubtful and Loss in the U.S. regulatory basis

Loan-deposit balance

Loan to deposit ratio (LDR) has been maintained around 60% or below, while LCR is at a sufficient level. Overseas loan balance is covered by deposits and mid- to long-term funding, with regional diversity.

Loans and deposits

(JPY tn)



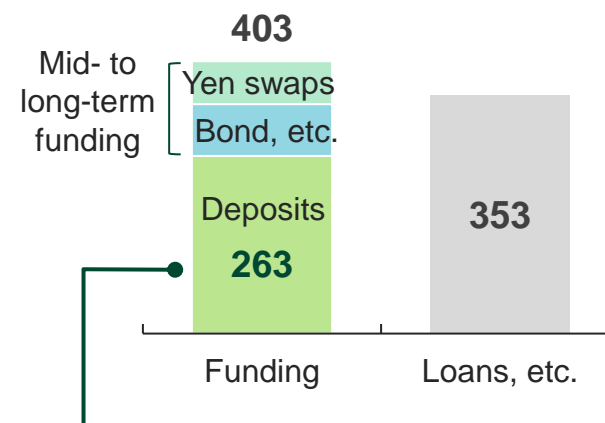
(%)

| | Mar. 17 | Mar. 18 | Mar. 19 | Mar. 20 | Mar. 21 | Mar. 22 | Mar. 23 |
|-----|---------|---------|---------|---------|---------|---------|---------|
| LDR | 62 | 57 | 58 | 60 | 55 | 56 | 57 |
| LCR | 119 | 127 | 131 | 125 | 140 | 141 | 130 |

Minimum requirement: 100

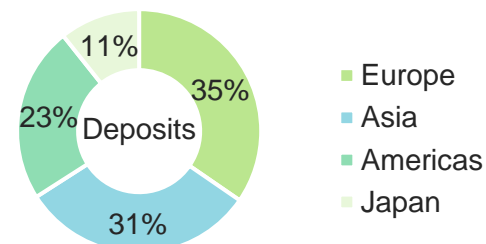
Foreign currency ALM (Mar. 23)

(USD bn)



Breakdown by region

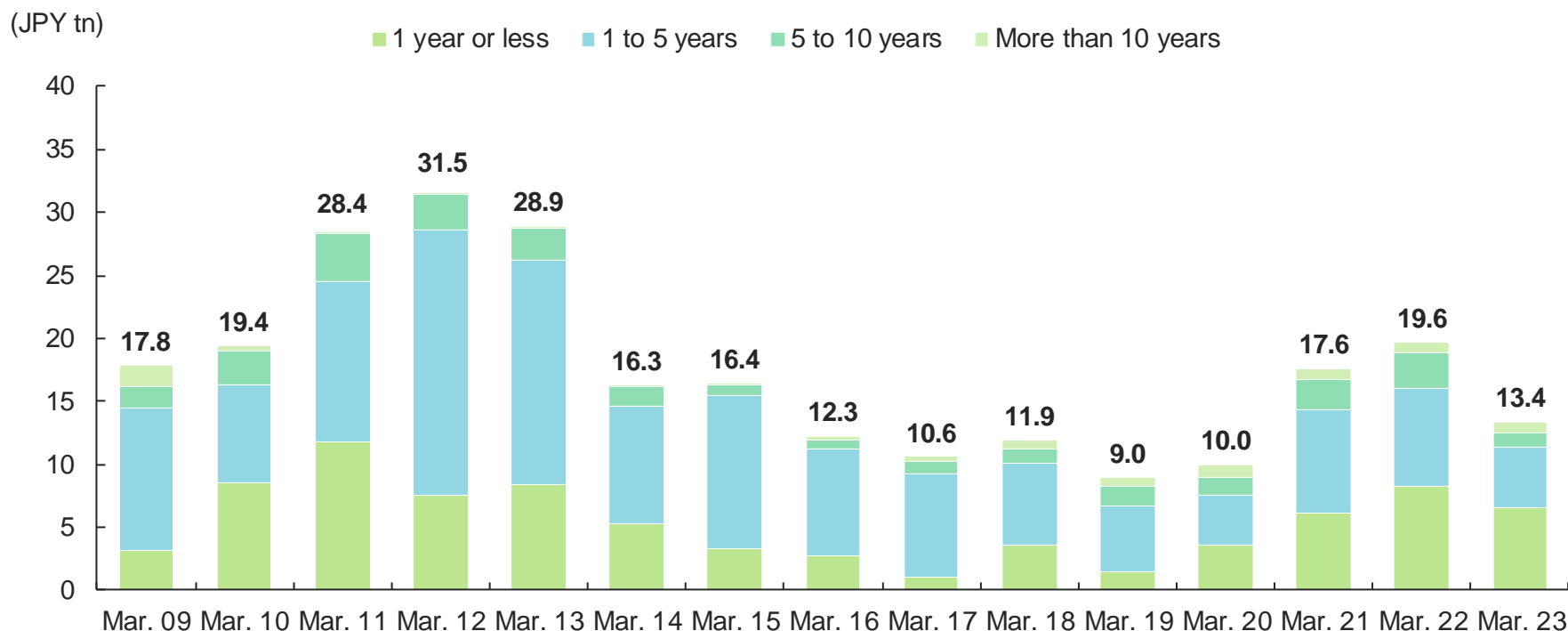
- Focus on acquiring corporate client deposits



* Deposits in Europe are also deemed sufficient in light of local regulations.

Yen bond portfolio

Non-consolidated (Total balance of other securities with maturities and bonds classified as held-to-maturity – total of JGBs, local gov. bonds and corporate bonds)



of which JGBs
(JPY tn)

14.0 9.8 8.0 9.3 6.3 7.1 14.3 15.8 9.6

| Average duration (years) ^{*1} | 1.8 | 1.1 | 1.4 | 1.9 | 1.8 | 1.1 | 1.8 | 2.8 | 2.9 | 2.3 | 3.2 | 2.9 | 2.5 | 2.8 | 2.4 |
|--|-------|-------|------|-------|------|------|------|-------|------|------|------|------|-----|--------|--------|
| Unrealized gains (losses) (JPY bn) ^{*2} | (1.2) | 116.1 | 71.9 | 104.4 | 95.3 | 60.0 | 45.9 | 103.8 | 57.5 | 44.2 | 60.5 | 21.4 | 7.9 | (49.7) | (62.8) |

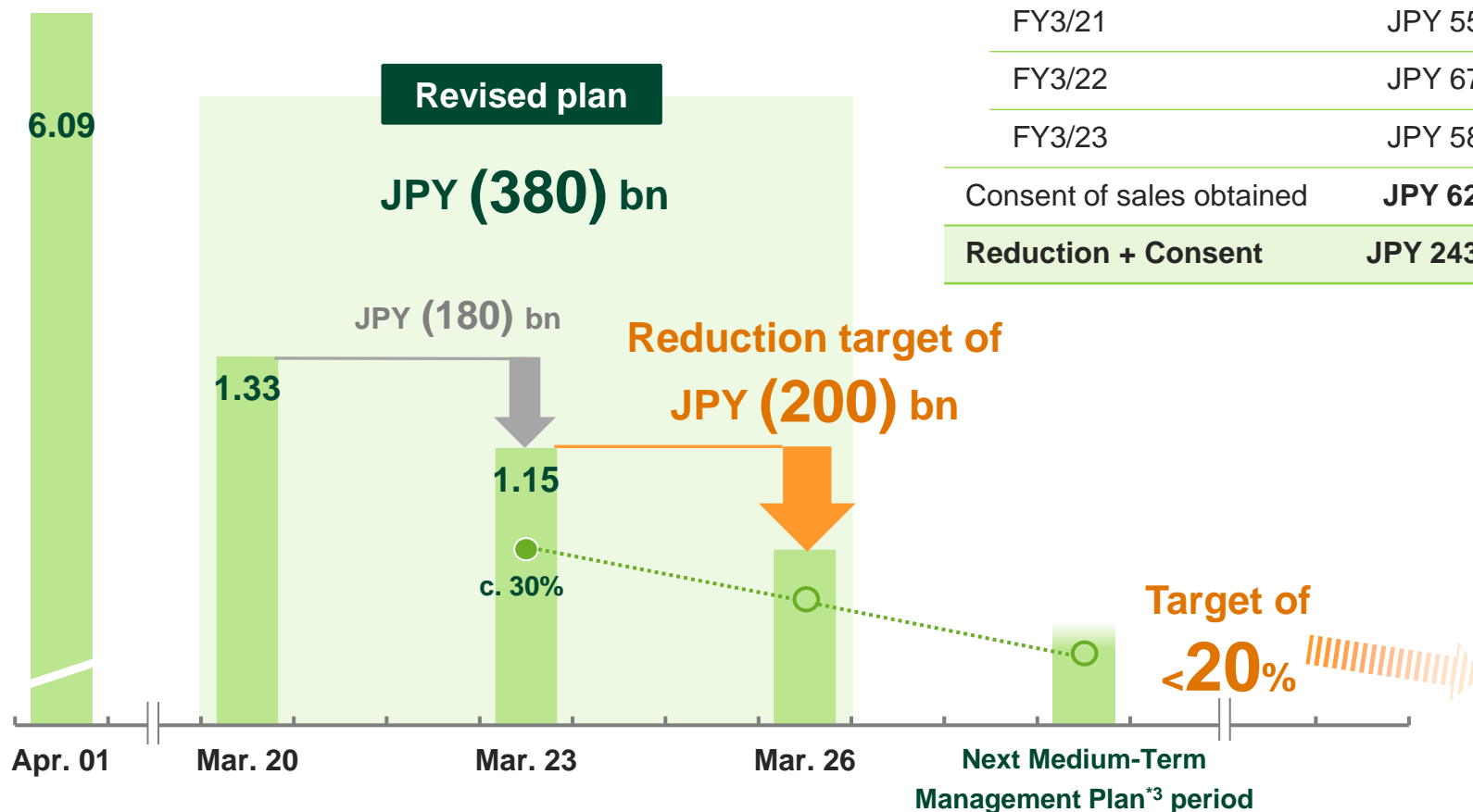
*1 Excluding bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds

*2 15-year floating-rate JGBs have been evaluated at their reasonably estimated price from Mar. 09 until Sep. 20

Reduction of shareholdings

Set a new reduction target of \geq JPY 200 bn by Mar. 26. Aim to earn a good prospect of achieving $<20\%$ market value to consolidated net assets during the period of next Medium-Term Management Plan.

(JPY tn) ■ Book value of domestic listed stocks*¹
● Market value of strategic shareholdings*² / consolidated net assets



*¹ Excl. investments after Mar. 20 for the business alliance purpose *² Incl. balance of deemed held shares

*³ FY3/27-29

FY3/2023 performance of SMBC and group companies

SMBC

| | (JPY bn) | FY3/23 | YoY | vs. target |
|---|----------|---------|--------|------------|
| 1 Gross banking profit | | 1,699.5 | +120.3 | |
| 2 o/w Net interest income | | 1,164.2 | +73.1 | |
| 3 o/w Gains (losses) on cancellation of investment trusts | | 39.3 | (2.2) | |
| 4 Domestic | | 634.7 | (4.1) | |
| 5 Overseas | | 529.5 | +77.2 | |
| 6 o/w Net fees and commissions | | 456.1 | +57.6 | |
| 7 Domestic | | 217.3 | +19.1 | |
| 8 Overseas | | 238.7 | +38.5 | |
| 9 o/w Net trading income+ Net other operating income | | 76.9 | (10.5) | |
| 10 o/w Gains (losses) on bonds | | (86.7) | (44.4) | |
| 11 Expenses | | 883.6 | +26.4 | |
| 12 Banking profit | | 815.9 | +93.9 | (24.1) |
| 13 Total credit cost | | 115.5 | (45.7) | +35.5 |
| 14 Gains (losses) on stocks | | 141.7 | (15.6) | |
| 15 Extraordinary gains (losses) | | 23.7 | (4.1) | |
| 16 Net income | | 634.2 | +87.9 | +44.2 |

*1 YoY includes the impact of group reorganization

*2 Including profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG)

*3 Managerial accounting basis

Other major group companies

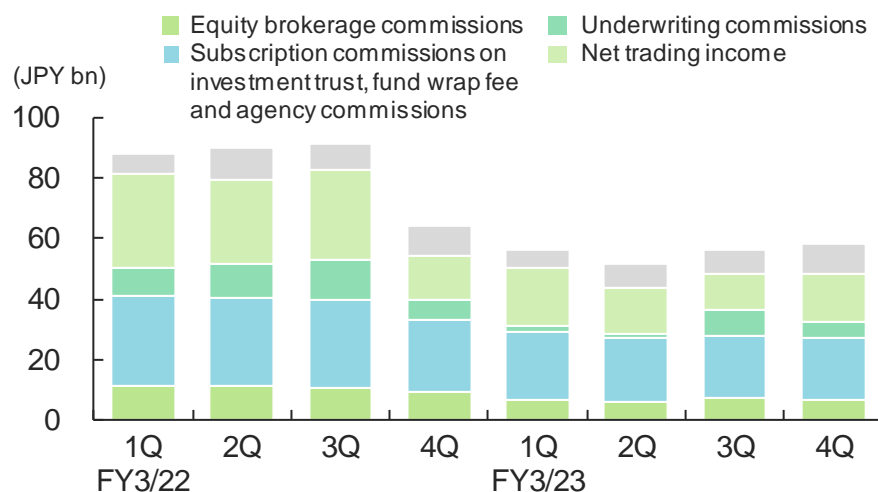
| | (left : results of FY3/23 / right : YoY) | | | | | |
|----------------------------|--|-------|----------------------|--------|--------------------------|---------|
| (JPY bn) | SMCC | | SMBCCF ^{*1} | | SMBC Nikko ^{*2} | |
| Gross profit | 449.4 | +43.4 | 278.4 | +7.4 | 263.4 | (125.4) |
| Expenses | 375.5 | +35.6 | 126.7 | +5.7 | 325.3 | +0.6 |
| Net business profit | 74.3 | +8.4 | 133.6 | (16.5) | (61.9) | (126.0) |
| Net income | 21.8 | +2.0 | 44.1 | (22.6) | (45.7) | (93.8) |

| | (Equity method affiliate) | | | | | |
|----------------------------|---------------------------|-------|-------|-------|------------------------------|-------|
| | SMBC Trust | | SMDAM | | 50.1% SMFL ^{*3} 50% | |
| Gross profit | 58.2 | +9.7 | 36.1 | (3.1) | 271.0 | +37.6 |
| Expenses | 36.8 | (7.3) | 30.3 | +0.1 | 122.4 | +19.2 |
| Net business profit | 21.4 | +17.0 | 5.8 | (3.2) | 158.4 | +20.2 |
| Net income | 17.1 | +33.0 | 3.3 | (2.1) | 51.8 | +16.4 |

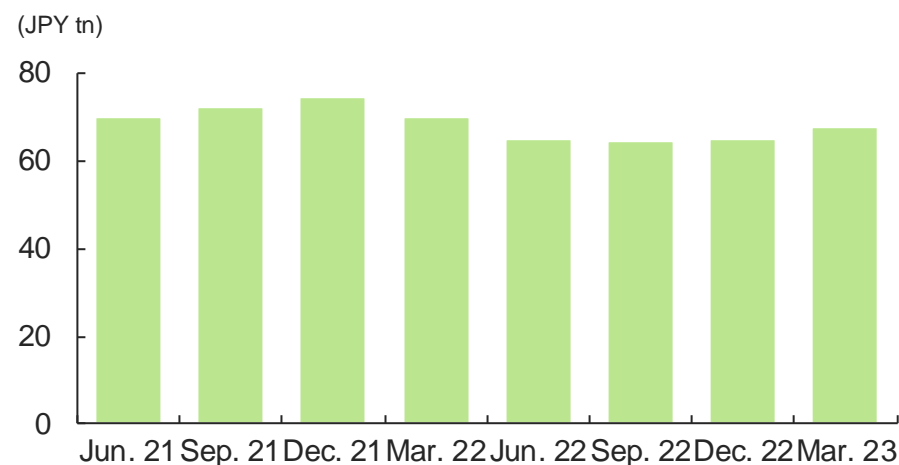
Financial results

| (JPY bn) | FY3/22 | FY3/23 | YoY |
|------------------------------|--------|--------|---------|
| Net operating revenue | 334.2 | 222.8 | (111.4) |
| SG&A expenses | 275.4 | 267.3 | (8.1) |
| Ordinary income | 65.3 | (42.1) | (107.4) |
| Net income | 49.7 | (39.8) | (89.5) |

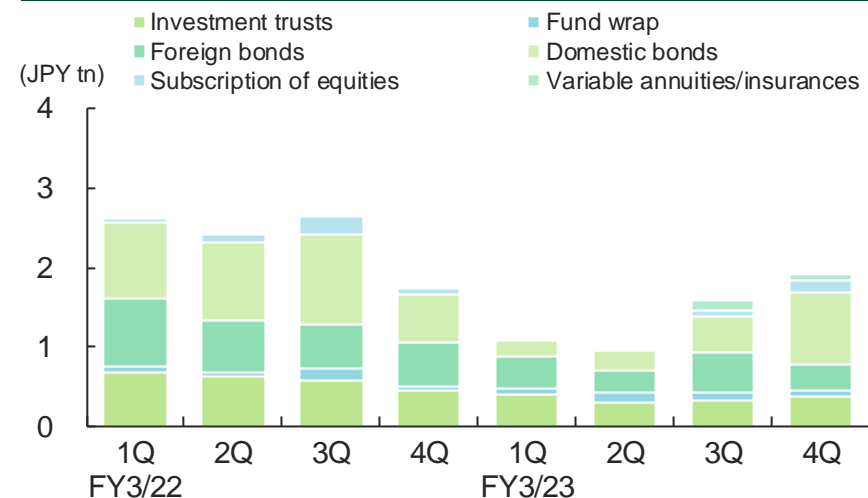
Net operating revenue



Client assets



Product sales

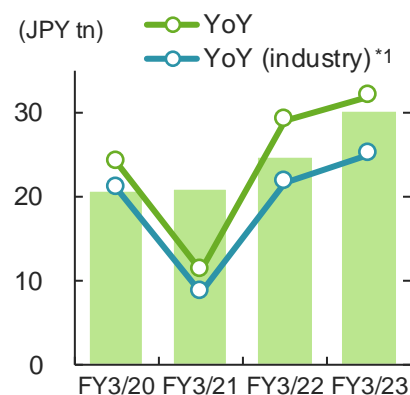


Financial results

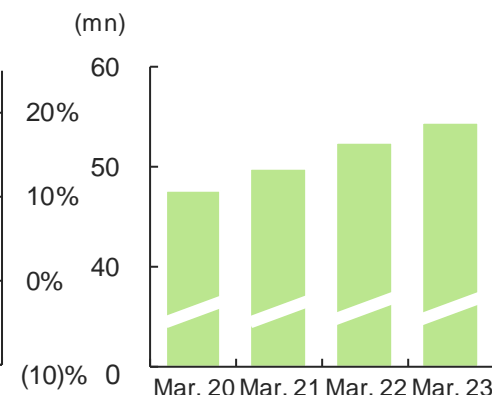
| (JPY bn) | FY3/22 | FY3/23 | YoY |
|---------------------------------|--------|--------|-------|
| Operating revenue | 470.5 | 523.5 | +53.0 |
| o/w Commission fee | 164.0 | 193.8 | +29.7 |
| Finance | 98.2 | 103.3 | +5.0 |
| Sales on credit | 29.5 | 28.0 | (1.5) |
| Receipt agency | 50.1 | 52.7 | +2.6 |
| Operating expense | 439.5 | 490.7 | +51.1 |
| o/w Expenses for loan losses | 25.6 | 34.1 | +8.6 |
| Expense for interest repayments | 10.0 | 10.0 | 0.0 |
| Ordinary profit (loss) | 34.1 | 33.1 | (1.1) |
| Net income | 19.8 | 21.8 | +2.0 |
| Finance outstanding | 677.9 | 736.6 | |

Key figures

Sales handled

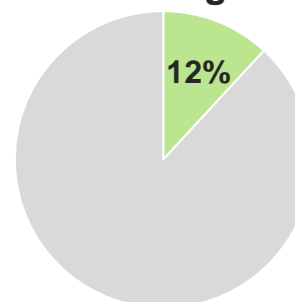


of card holders

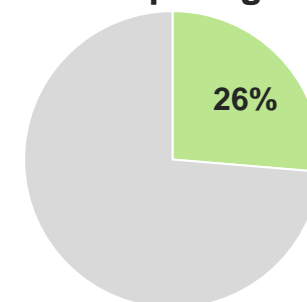


Market share*2

Issuing



Acquiring



*1 The Japan Consumer Credit Association "Credit card behavior investigation" Shopping credit amount

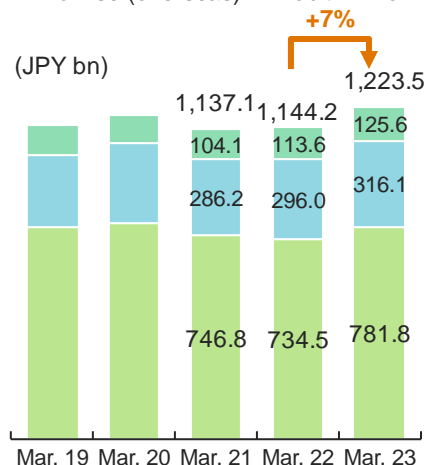
*2 METI "Indices of Tertiary Industry Activity" Sales credit business handled (2022 : JPY 79 tn)

Financial results

| (JPY bn) | FY3/22 | FY3/23 | YoY ^{*1} |
|---|---------|---------|-------------------|
| Operating income | 268.9 | 294.1 | +25.2 |
| o/w Interest revenues | 176.7 | 183.4 | +6.7 |
| Loan guarantee revenues | 57.1 | 71.4 | +14.3 |
| Operating expenses | 200.5 | 216.8 | +16.3 |
| o/w Expenses for loan losses | 48.7 | 56.8 | +8.1 |
| Expense for loan guarantees | 10.8 | 11.4 | +0.6 |
| Expenses for interest repayments | 22.0 | 19.0 | (3.0) |
| Ordinary profit | 68.6 | 59.5 | (9.1) |
| Net income | 85.2 | 44.1 | (41.1) |
| NPLs | 96.1 | 107.0 | |
| (NPL ratio) | 8.40% | 8.74% | |
| Allowance on interest repayments (provision) | 95.9 | 89.5 | |
| | 3.5 yrs | 3.5 yrs | |

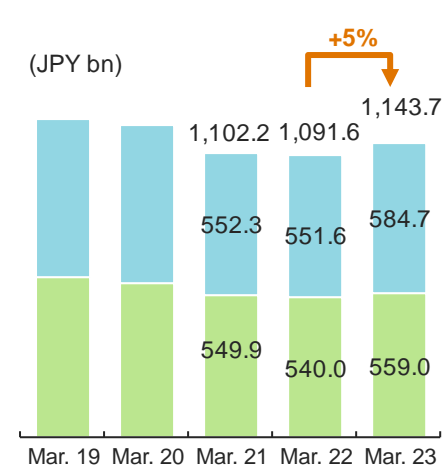
Consumer loans

■ Promise (overseas) ■ Mobit ■ Promise



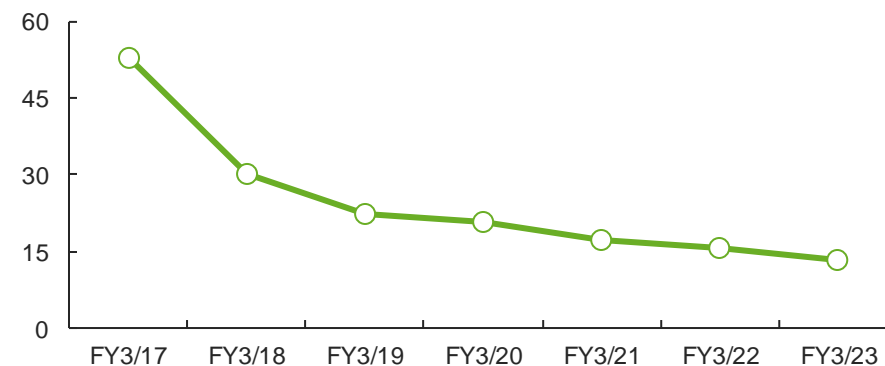
Loan guarantee

■ SMBC ■ Others



No. of interest refund claims

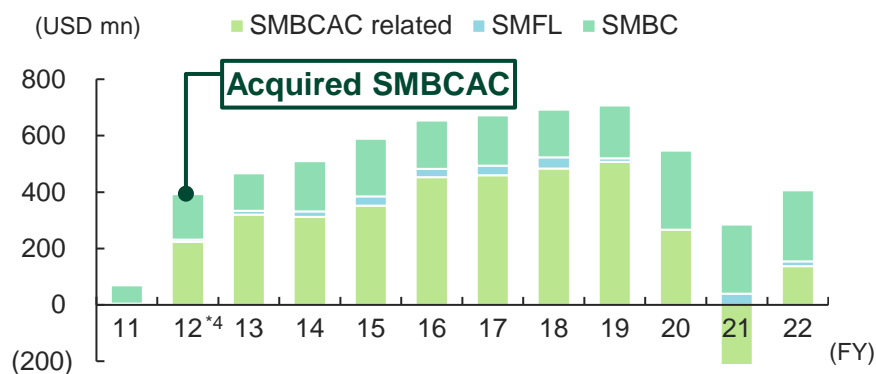
(Thousand)



Financial results

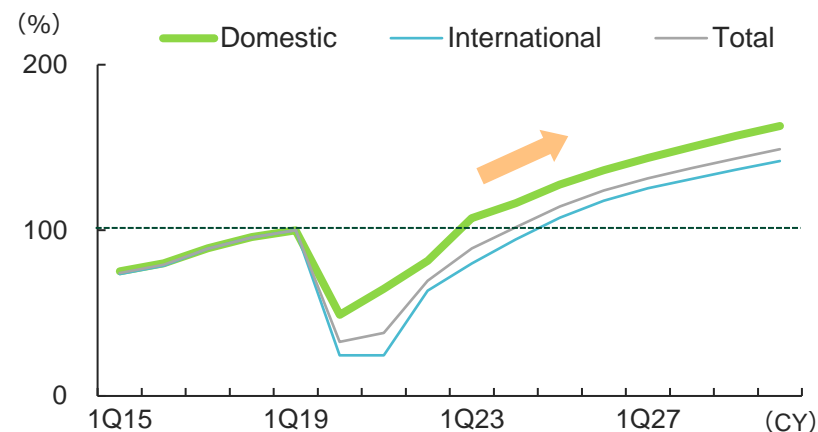
| (USD mn) | FY3/22 | FY3/23 | YoY |
|---|--------|--------|--------|
| Total revenue | 1,479 | 1,488 | +9 |
| o/w Lease revenue | 1,366 | 1,428 | +62 |
| Credit / Asset impairment charges^{*1} | 907 | 506 | (401) |
| Net income | (283) | (77) | +206 |
| Aircraft asset^{*2} | 16,210 | 22,770 | +6,560 |
| Net asset | 3,322 | 3,245 | (77) |
| ROE | (8.5)% | (2.4)% | +6.1% |

Aircraft business of SMBC Group

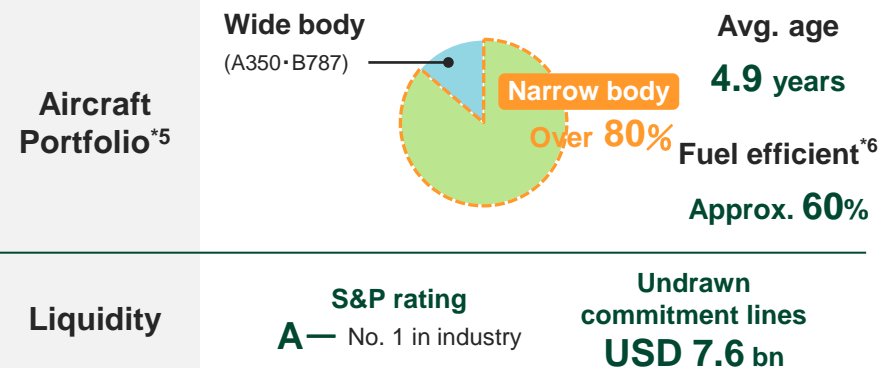


Global passenger demand forecast^{*3}

- Domestic demand is expected to recover in 1Q2023



Our Strengths



^{*1} Gross before netting guarantee deposits etc.

^{*2} Include aircraft pre-delivery payments ^{*3} Source: IATA / Tourism Economics. Represents changes from CY19

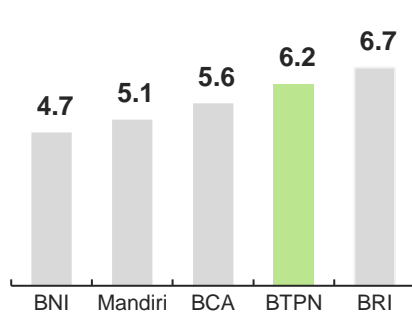
^{*4} SMBCAC related includes revenue after the acquisition in June ^{*5} As of Dec. 22 ^{*6} Neo/MAX/A350/B787

Financial results*¹

| (JPY bn) | 2020 | 2021 | 2022 | Jan.-Mar. 2023 |
|----------------------|---------|---------|---------|----------------|
| Gross banking profit | 91.1 | 106.2 | 116.1 | 27.4 |
| Operating expenses | 50.9 | 56.6 | 60.9 | 14.5 |
| Net profit | 12.9 | 21.6 | 26.3 | 6.4 |
| ROE | 6.1% | 8.6% | 9.6% | 9.9% |
| Loans | 1,008.0 | 1,098.4 | 1,242.0 | 1,199.2 |
| Deposits | 745.8 | 886.0 | 976.4 | 931.0 |
| Total assets | 1,355.4 | 1,554.5 | 1,777.9 | 1,632.0 |

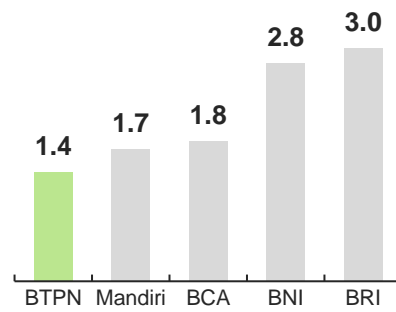
Net interest margin*²

(%)

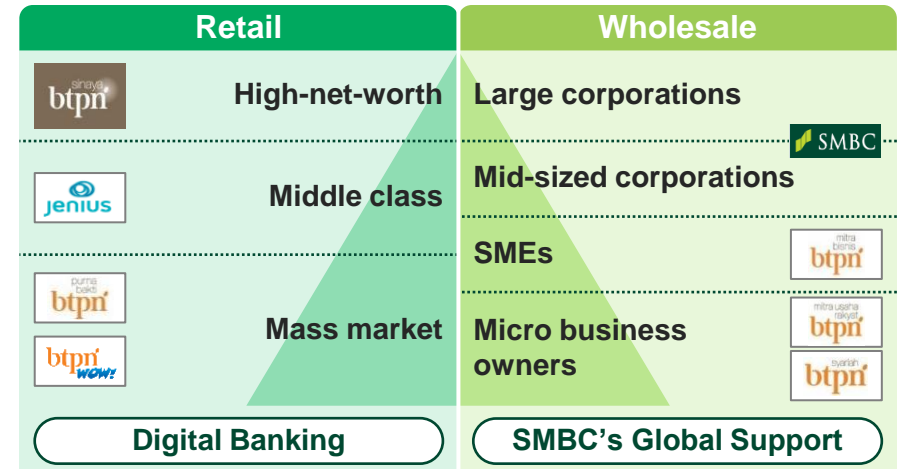


NPL ratio*²

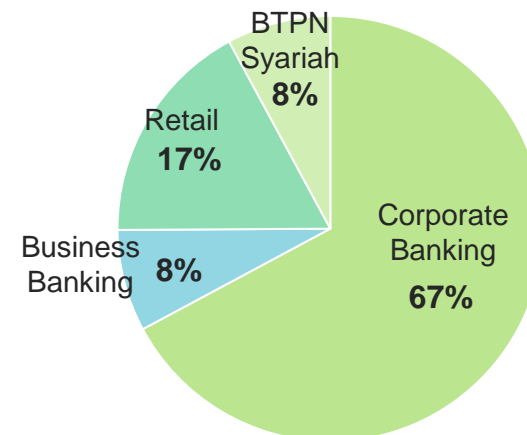
(%)



Coverage



Loan breakdown*³



*1 TTM as of Dec. 20: IDR 1 = 0.0074, Dec. 21: IDR 1 = 0.0081, Dec. 22: IDR 1 = 0.0085, Mar. 23: IDR 1 = 0.0089

*2 Based on each company's disclosure (Mar. 23 results) *3 As of Mar. 23

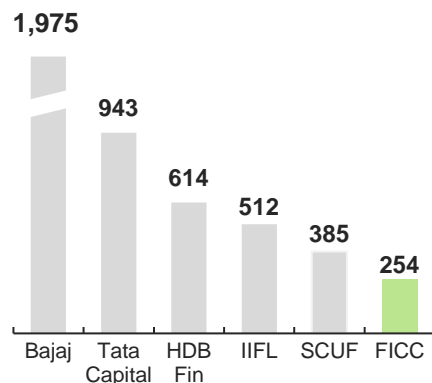
Fullerton India

Financial results^{*1}

| (JPY bn) | FY3/20 | FY3/21 | FY3/22 | 1H FY3/23 ^{*2} |
|------------------------|--------|--------|--------|-------------------------|
| Gross operating profit | 52.2 | 48.1 | 40.8 | 27.9 |
| Operating expenses | 19.1 | 18.0 | 23.5 | 15.8 |
| Net profit | 11.0 | (18.3) | 1.2 | 5.4 |
| ROE | 18% | (24)% | 2% | 13% |
| Loans | 419.1 | 378.2 | 411.4 | 543.9 |
| Total assets | 473.6 | 419.3 | 441.4 | 609.4 |

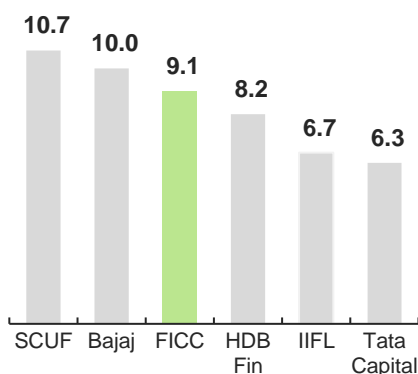
Loan balance^{*2}

(INR bn)

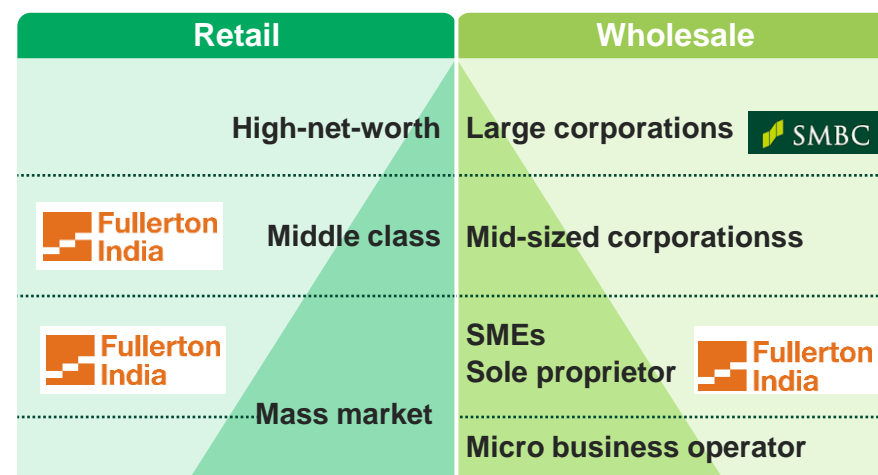


Loan spread^{*2}

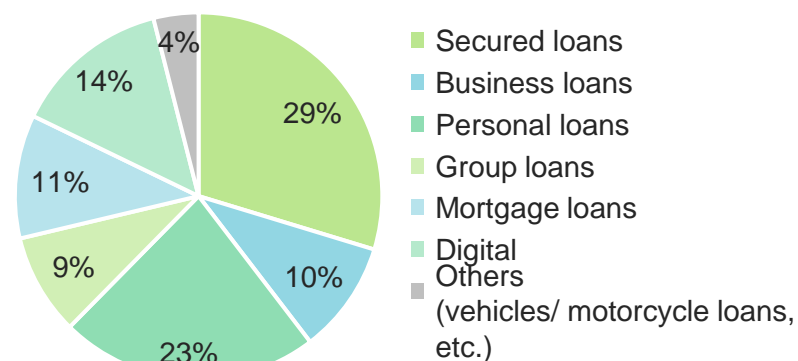
(%)



Coverage



Loan breakdown^{*3}



*1 TTM as of Mar. 20: INR 1 = 1.44, Mar. 21: INR 1 = 1.51, Mar. 22: INR 1 = 1.62, Mar. 23: INR=1.78

*2 Based on each company's published data (Mar.22 results) *3 As of data acquisition

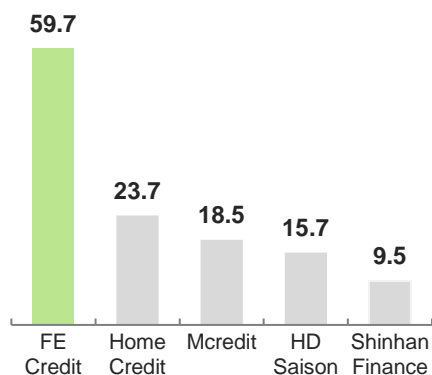
FE Credit

Financial results*1

| (JPY bn) | 2019 | 2020 | 2021 | 2022 |
|------------------------|-------|-------|-------|---------|
| Gross operating profit | 85.3 | 78.4 | 76.6 | 84.9 |
| Operating expenses | 26.7 | 22.7 | 23.4 | 34.1 |
| Net profit | 16.9 | 13.4 | 1.6 | (14.0) |
| ROE | 29.6% | 21.2% | 2.0% | (17.2)% |
| Loans | 284.8 | 297.2 | 377.1 | 385.4 |
| Total assets | 332.0 | 330.3 | 389.0 | 428.3 |

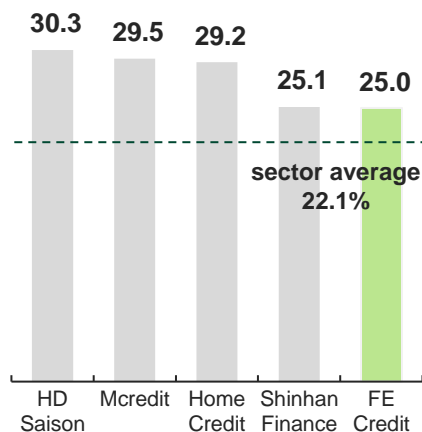
Loan balance*2

(VND tn)

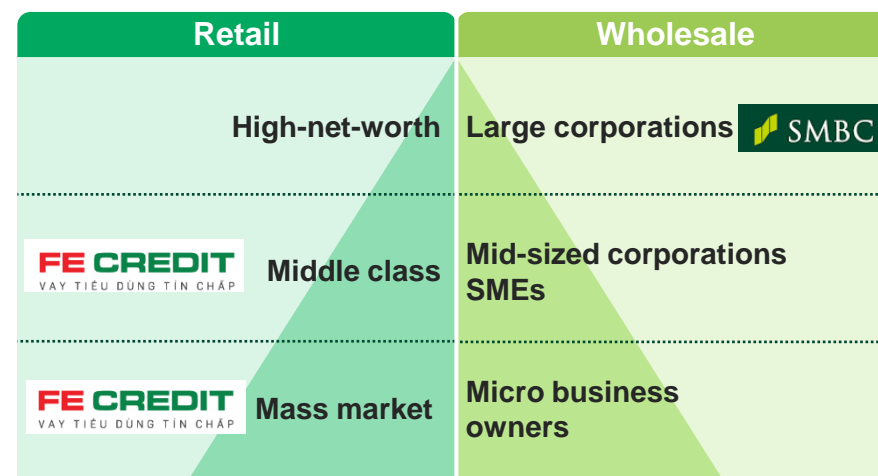


Loan spread*2

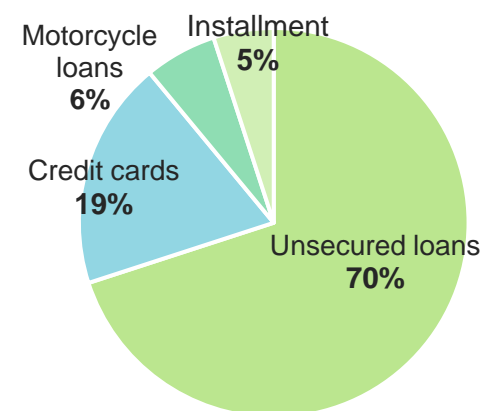
(%)



Coverage



Loan breakdown (Dec. 22)



*1 TTM as of Dec. 19: VND 1 = 0.0047, Dec. 20: VND 1 = 0.0045, Dec. 21: VND 1 = 0.0050, Dec. 22: VND 1 = 0.0056

*2 Based on FiinGroup data (Jun. 22 results)

Core Policy

VISION

A trusted global solution provider
committed to the growth of our customers
and advancement of society

Growth with Quality

Create Social Value

Contribute to
“Fulfilled Growth”

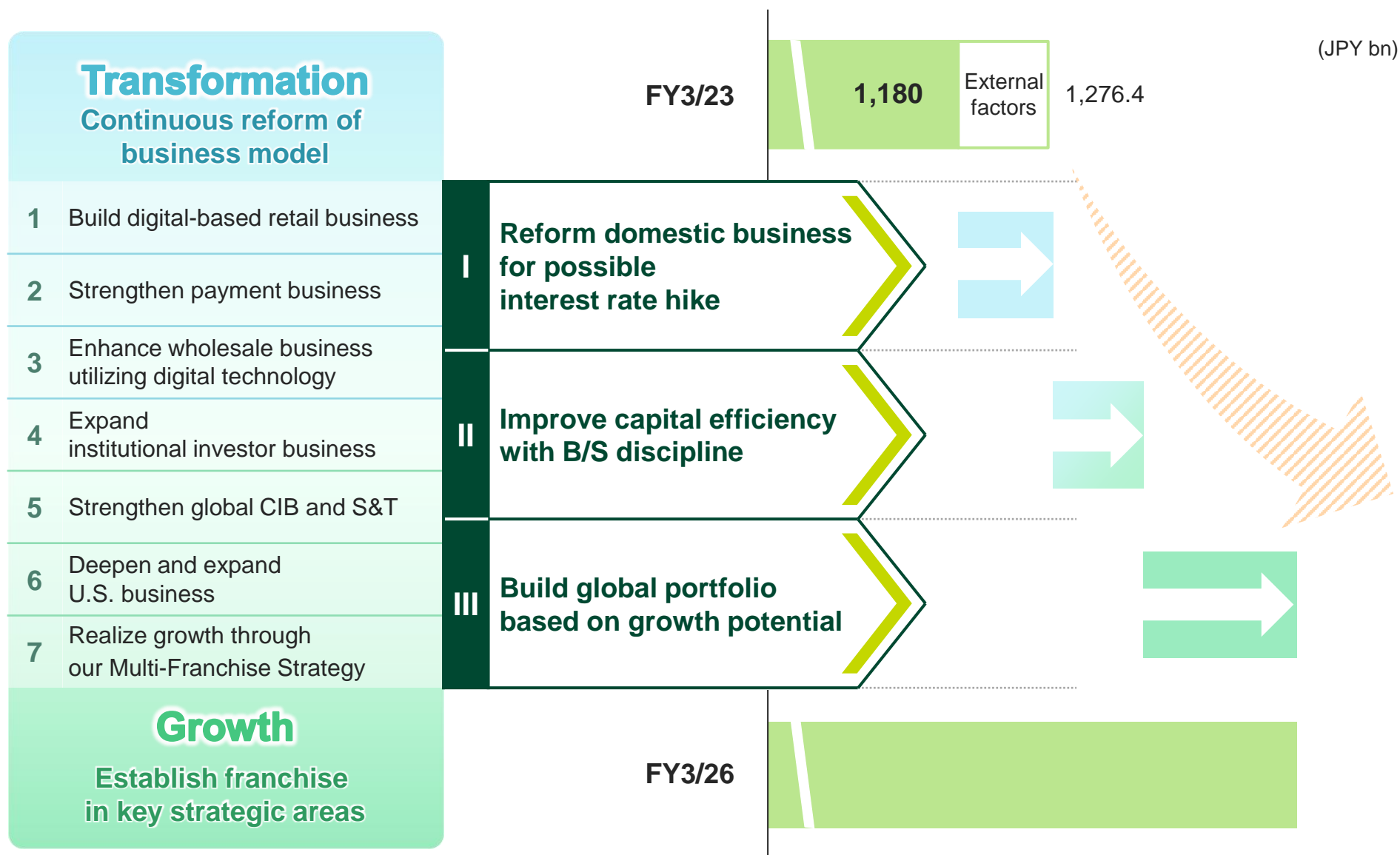
Pursue Economic Value

Transformation &
Growth

Rebuild Corporate Infrastructure

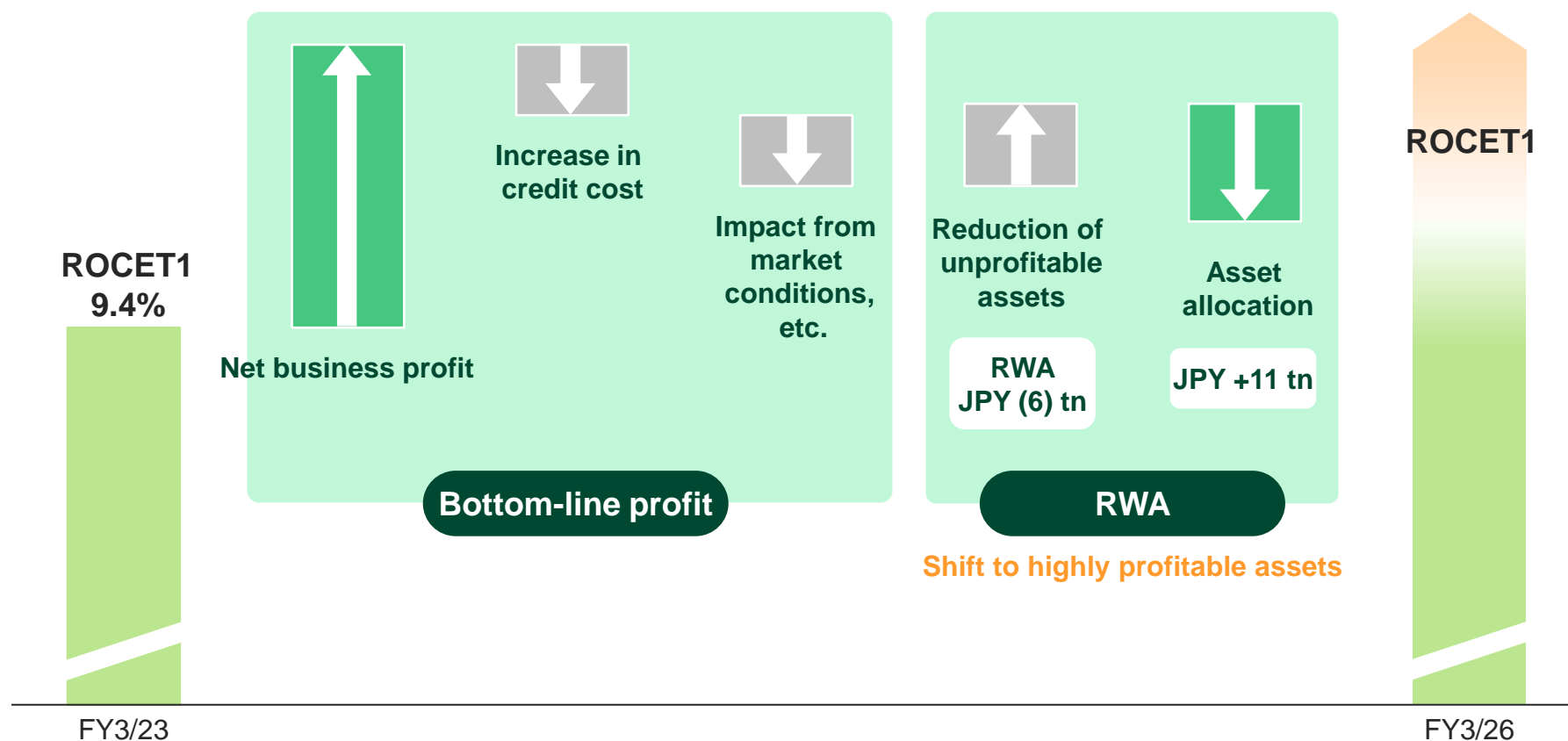
Quality builds
Trust

Key strategic areas



Enhance capital efficiency

Improve ROCET1 from both numerator and denominator by increasing profitability and controlling RWA.



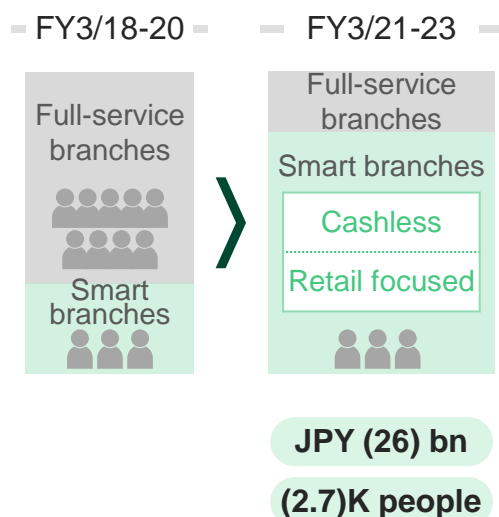
Cost control

Plan to reduce base expense by JPY 130 bn and workload by 7K people equivalent in next three years.
Reallocate resources to strengthen key strategic areas and corporate infrastructure.

Reform of domestic businesses

Base expenses **JPY (60) bn** Workload **(3.7)K people**

- Retail branch reorganization
- Digitalize wholesale business
- Further accelerate digital shift



Group functions

JPY (45) bn (2.8) K people

- Integrate functions of SMCC and SMBCFS
- Share and streamline systems

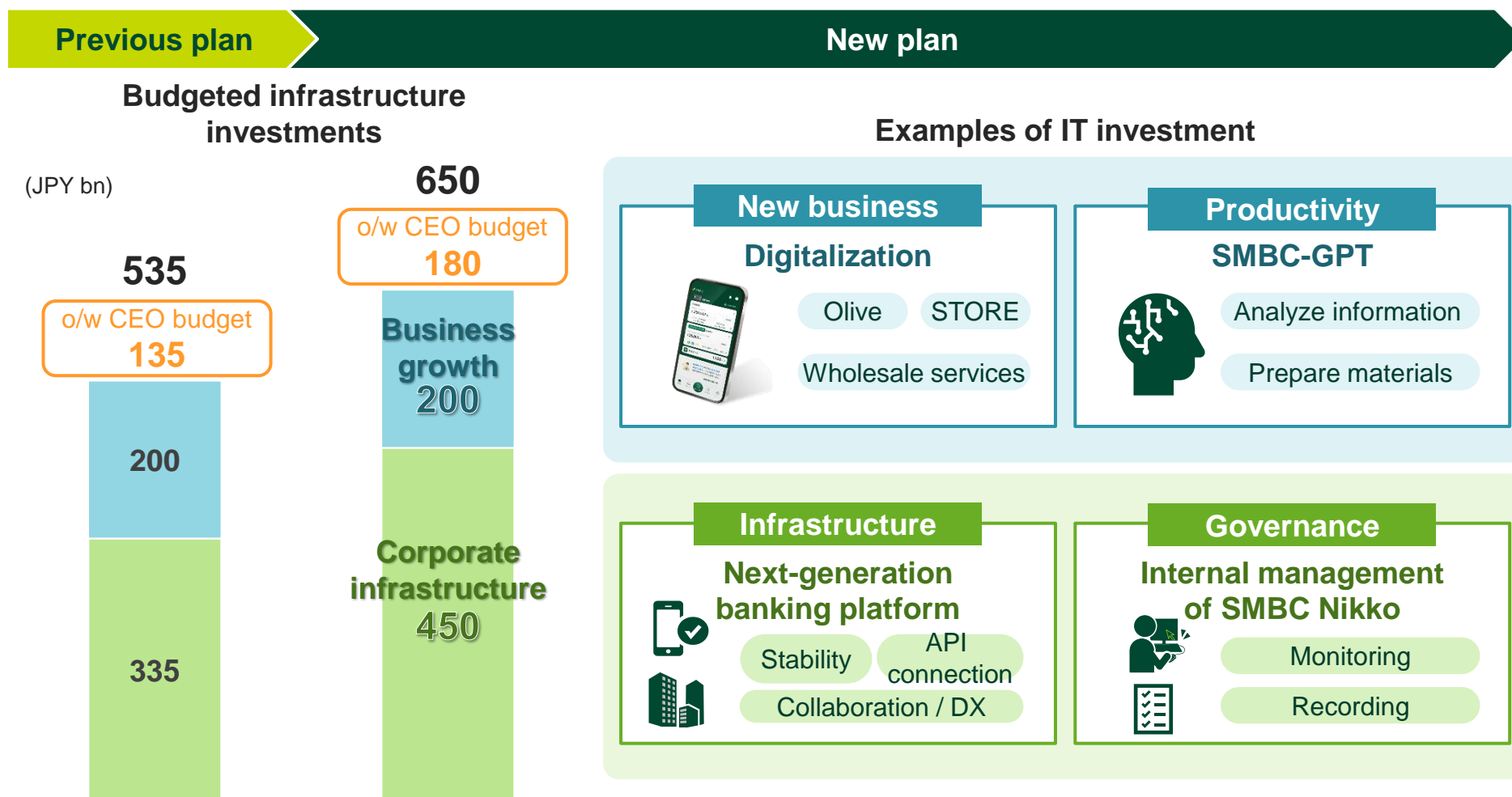
Overseas operations

JPY (25) bn (0.5) K people

- Reallocate resources of unprofitable businesses and improve operation efficiency
- Review network and overlapping functions

Reinforce IT infrastructures

Increase investment for corporate infrastructure to build stable/ flexible system and strengthen governance.
Maintain same amount for investment to create new businesses and improve productivity.



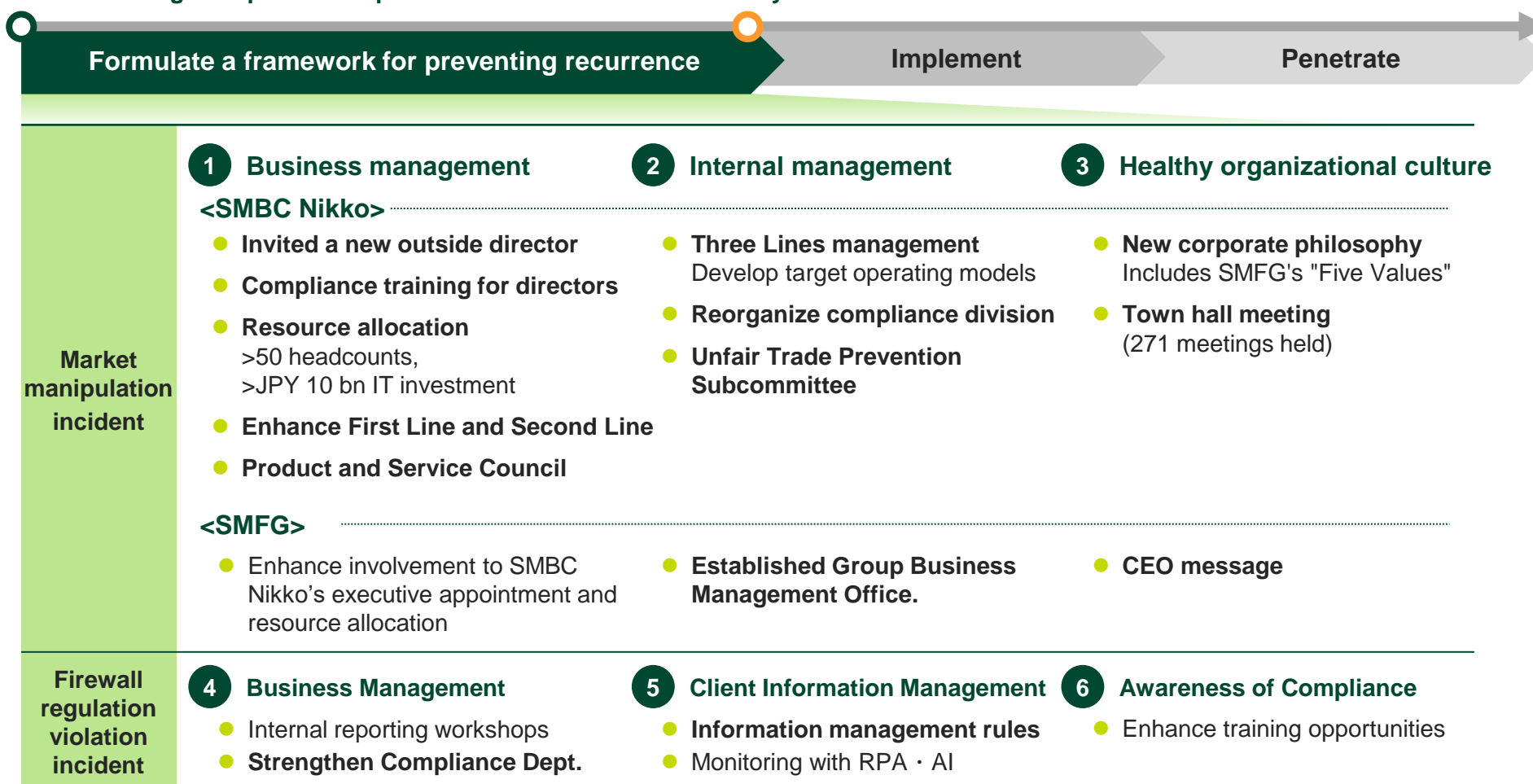
Improvements in governance and compliance

Developed measures to prevent recurrence based on JFSA administrative orders.

Will proceed implementation and penetration of these measures under top management's leadership.

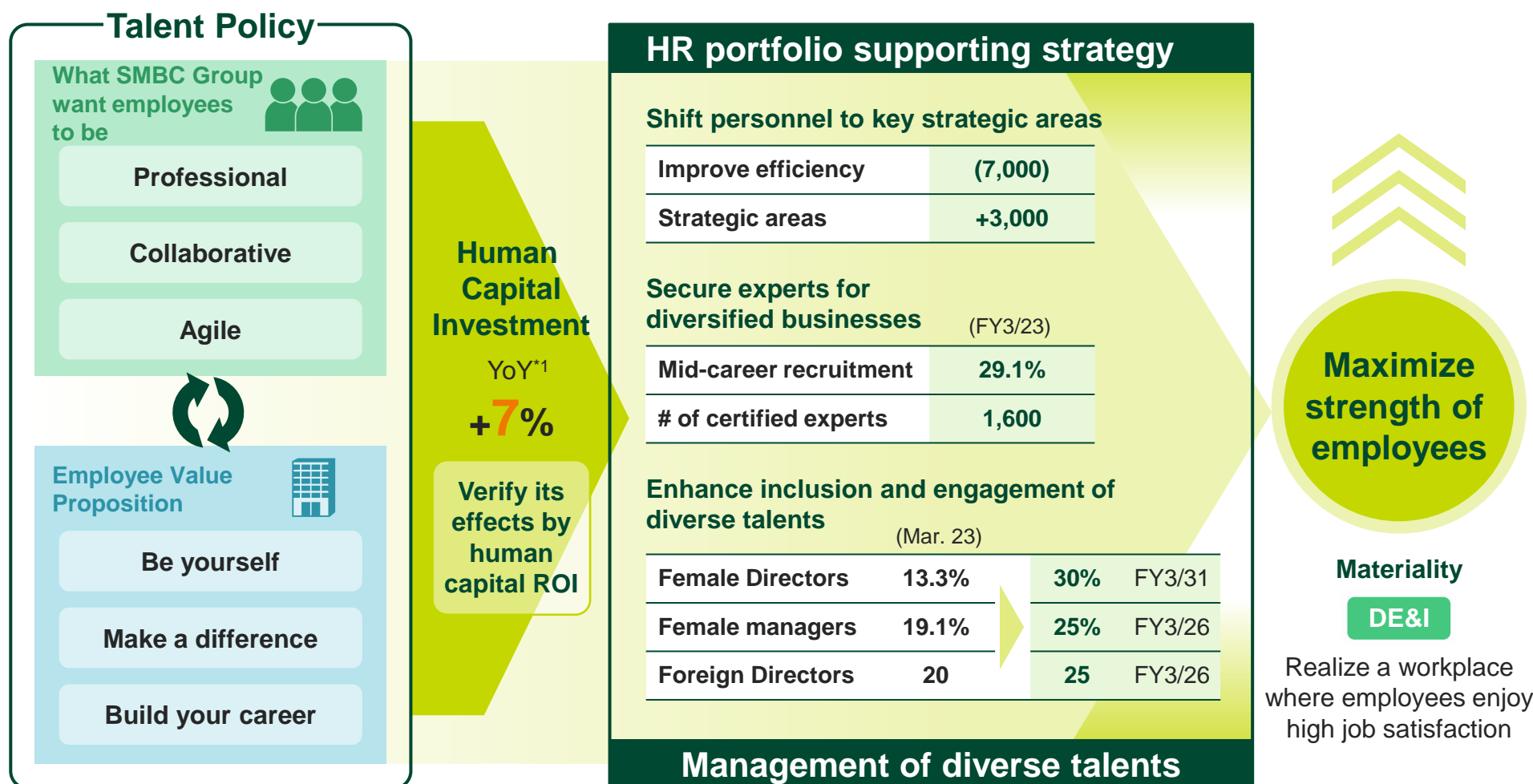
Nov. 22 Filing of improvement plans

As of May 23



Refine human capital management

Established 'SMBC Group Talent Policy' to promote human capital management, realizing the workplace and teams where diverse professional talents aim high and feel rewarding.



Target towards decarbonized society

Set targets for reducing Scopes 1&2 emissions and phasing out finance to thermal coal mining.
Will disclose medium-term reduction targets for steel and automotive sectors in FY3/24.

| | | 2020 | 2021 | 2022 | » | 2025 | » | 2030 | » | 2040 | » | 2050 |
|--|--|----------|------------|------------------------|-------------------|------|----------|------|---|------|---|------|
| GHG emissions | | | | | | | | | | | | |
| Scopes1&2*1 (kt-CO2e) | | 140 | 177 | 167 | vs. 2021 (40)% | | Net zero | | | | | |
| Scope3: Financed emissions | Power (g-CO2e/kWh) | 332 | 320 | 138-195 | | | | | | | | |
| | Oil & Gas (Mt-CO2e) | 40.8 | 32.7 | vs. 2020 (12)-(29)% | | | | | | | | |
| | Coal (Mt-CO2e) | 13.6 | 7.4 | vs. 2020 (37)-(60)% | | | | | | | | |
| | Steel (upper: Mt-CO2e lower: tCO2e/t-Steel) | | 8.2 2.0 | FY3/24 | | | | | | | | |
| | Transportation (auto) (g-CO2e/vkm) | | 217 | FY3/24 | | | | | | | | |
| Medium-term target for NZBA 9 sectors (by Oct.24) | | Net zero | | | | | | | | | | |
| Coal-related finance (JPY bn) | | | | | | | | | | | | |
| Coal-fired power generation | Project finance | 270 | 230 | vs. 2020 (50)% | | | | | | | | |
| | Corporate finance*2 | | 80 | Zero | | | | | | | | |
| Thermal coal mining | OECD countries | | 20 | Zero | | | | | | | | |
| | Non-OECD countries | | 56 | Zero | | | | | | | | |

*1 Expanded boundary of calculation to both domestic and overseas offices of SMFG and its subsidiaries from 2021

*2 Asset-specific financing

Enhancement of phase-out strategy for coal sector

Phase-out strategy is newly established for thermal coal mining sector, in addition to coal-fired power generations.

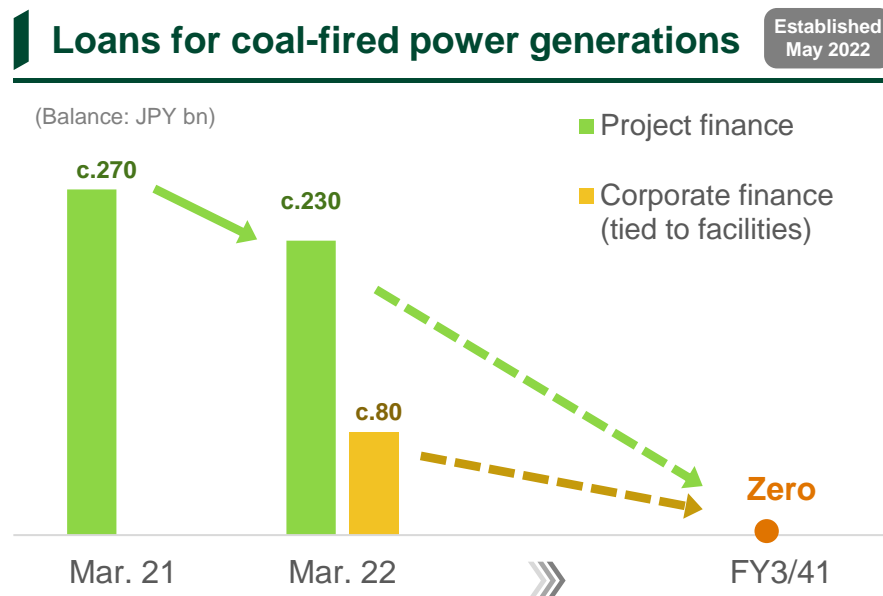
| Loans for thermal coal mining | | | | Established May 2023 |
|-------------------------------|---|--------------|------|-------------------------|
| (Loan Balance) | Mar. 22 | 2030 | 2040 | |
| OECD countries | c. JPY 20 bn | Zero balance | | |
| Non-OECD countries | c. JPY 56 bn | Zero balance | | |
| Target sector | Thermal coal mining projects, and companies whose main business are thermal coal mining | | | |
| Target assets | Loans (Total of corporate finance and project finance) | | | |

< Policies for specific businesses and sectors >

Revised
August 2022

Support for newly planned and expansion of thermal coal mining projects are not provided

- We will not provide support for companies whose main businesses are thermal coal mining or linked infrastructure development that do not have any existing transactions with SMBC Group.
- Support for newly planned and the expansion of infrastructure developments that are dedicated to above-mentioned projects are not provided.



< Policies for specific businesses and sectors >

Revised
August 2022

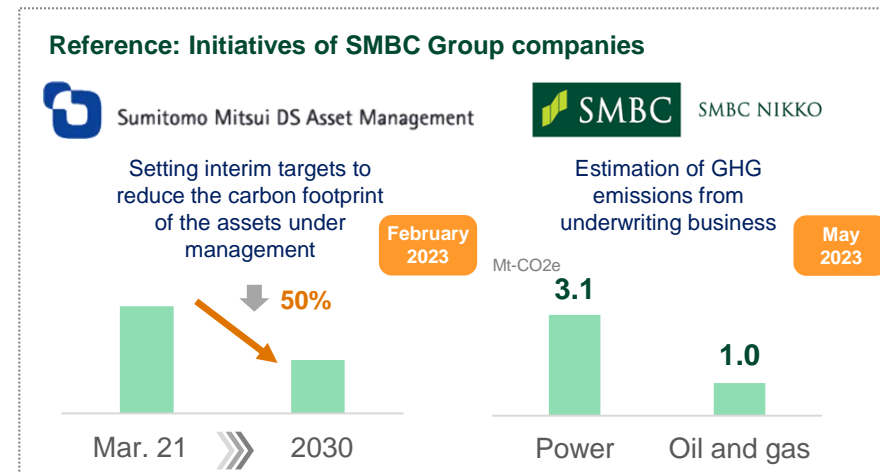
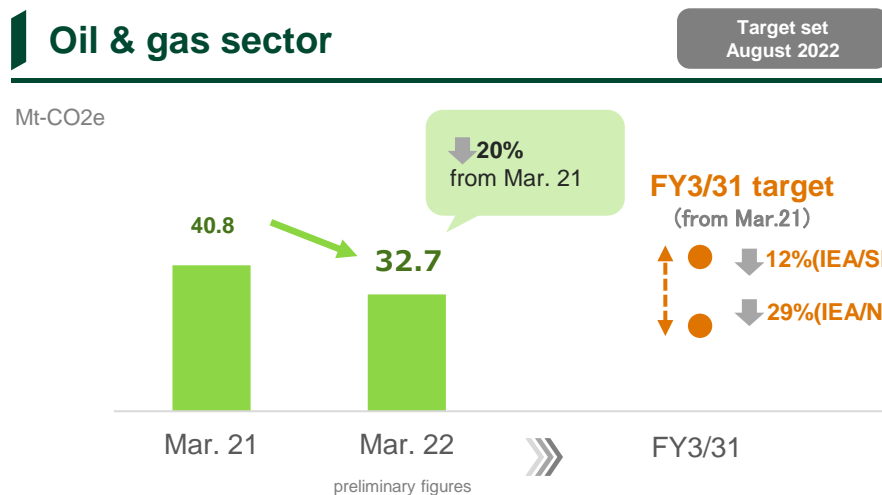
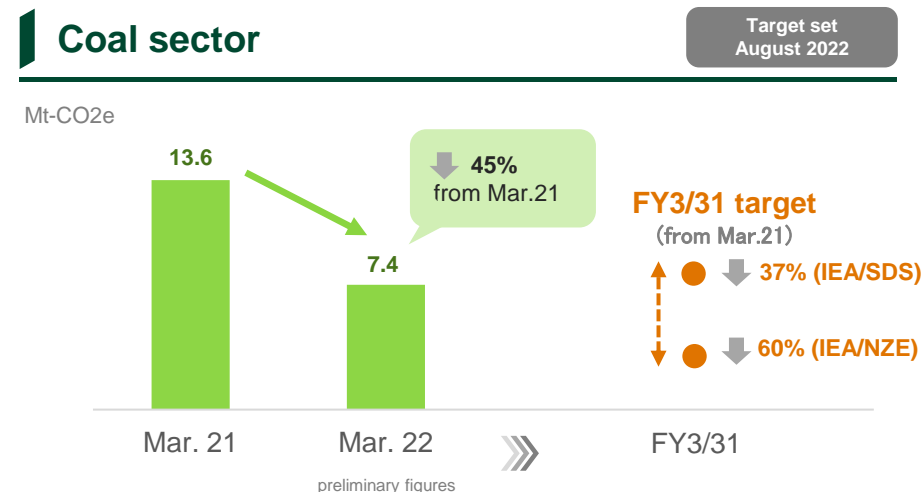
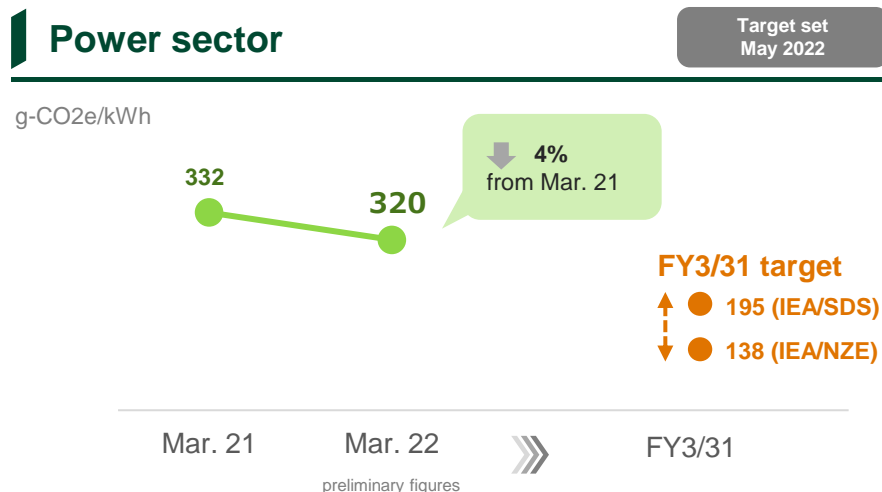
Support for newly planned and expansion of coal-fired power plants are not provided

< Understanding of the Business/Sector >

- SMBC Group expects our customers to establish and publicly announce long-term strategies aimed at realizing a carbon neutral business model and other initiatives to address climate change.
- SMBC Group will support the activities of our clients contributing to the transition toward and realization of a decarbonized society.

Strengthening efforts to reduce portfolio GHG emissions (Scope 3) (1)

Steady progress is being made in the 3 sectors (power, oil & gas, and coal) for which mid-term targets have been set for 2030.



Strengthening efforts to reduce portfolio GHG emissions (Scope 3) (2)

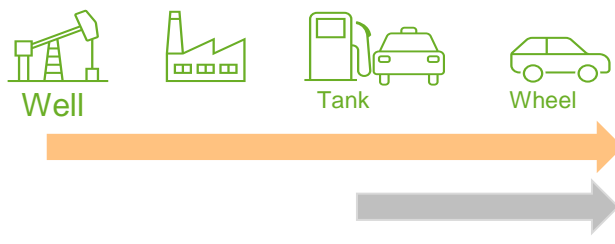
Mid-term targets for steel and transport (automobile) sectors to be announced during FY3/24.
Target-setting to be completed for total of 9 sectors covering majority of Scope3 by October 2024.

Steel and transport (automobile) sector

| | | FY3/22 Results (Estimated) | Mid-term target |
|---------------------------|-------------------------------|----------------------------------|----------------------------|
| Steel | Absolute (Mt-CO2e) | 8.2 | To be set during FY3/24 |
| | Intensity (t-CO2e/t-Steel) | 2.0 | |
| Transport (automobile) | Intensity (g-CO2e/vkm) | 217 | |

Our approach to mid-term targets setting

| | |
|------------|---|
| Steel | <ul style="list-style-type: none"> Consider Japan's and global demand and innovation while aiming to achieve 1.5° C targets |
| Automobile | <ul style="list-style-type: none"> Target-setting aligned with SBTi's guidance WTW (Well-to-Wheel) covering lifecycle emissions |



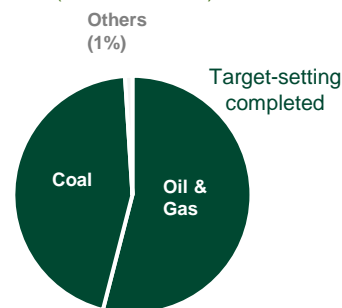
Sectoral target-setting process

| | |
|------|---|
| 2021 | <ul style="list-style-type: none"> Announced commitment to net zero by 2050 |
| 2022 | <ul style="list-style-type: none"> Mid-term reduction target-setting: power, oil & gas, coal |
| 2023 | <ul style="list-style-type: none"> Calculation of estimated sectoral GHG emissions (First half of FY3/24) Mid-term target: steel and automobile (During FY3/24) |
| 2024 | <ul style="list-style-type: none"> Completion of target-setting in NZBA 9 sectors |

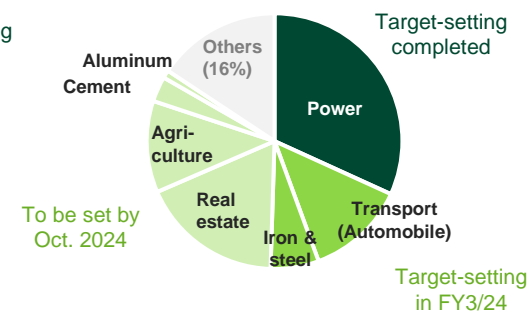
Complete mid-term reduction target-setting in majority of Scope3

(Reference) Breakdown of global CO2/GHG emissions

By energy supply*1 (CO2 emissions)



By sectoral demand*2 (GHG emissions)



Sustainability management structure

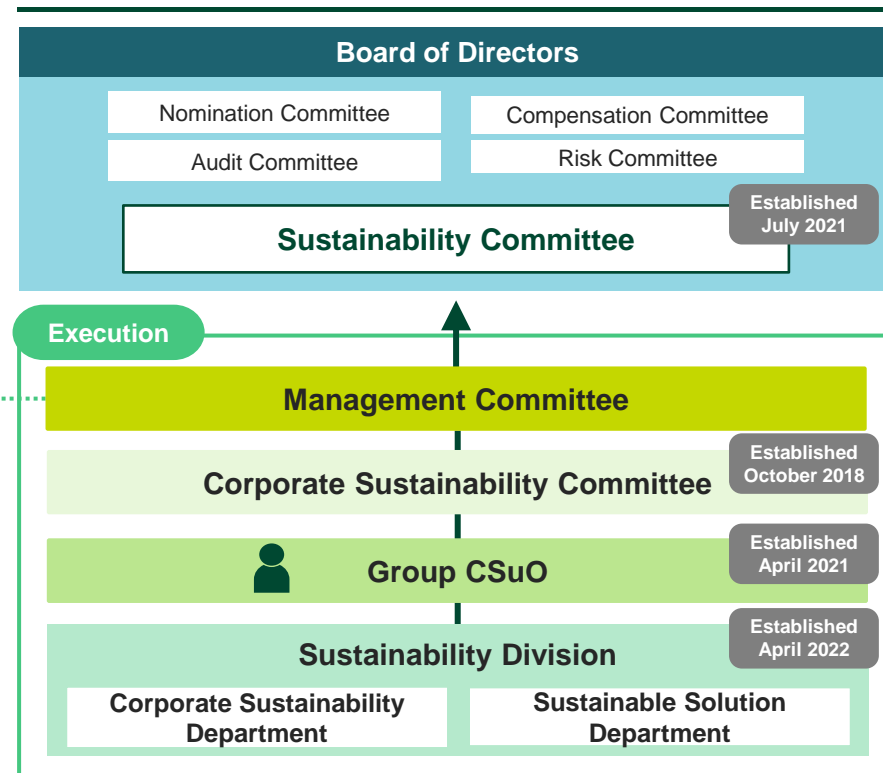
Revision of executive compensation system to incorporate ESG quantitative indicators, such as portfolio GHG emissions, in the medium-term performance-based compensation.

Appointment of Paul Polman, former CEO of Unilever PLC as Global Advisor.

Executive compensation system

| | |
|--|--|
| Base salary | Fixed compensation |
| Bonus | Annual performance-linked (0~150%) |
| <ul style="list-style-type: none"> Cash Stock Compensation Plan II | <div> <div>Base amount</div> <div>×</div> <div> Annual Individuals' performance ESG </div> </div> <div> Quantitative KPI Achievement (Sustainable finance, Scope1,2 GHG emissions, etc.) ±10% Qualitative ESG rating of major agencies </div> |
| Stock Compensation Plan I | Medium-term performance-linked (0~150%) <div> <div>Base amount</div> <div>×</div> <div> Medium-term performance, etc. Financial Stock Non-financial </div> </div> <div> Added sustainability-related indicators <ul style="list-style-type: none"> Quantitative Environment (Sustainable finance, Portfolio GHG emissions) 15% Employees (Engagement score, DE & I) Qualitative Efforts to address materiality </div> |
| Stock Compensation Plan III | Promotion reward plan |

New Global Advisor



Global Advisor

Appointed
March 2023

March 2023, appointed **Paul Polman** as new member
President Vice Chair, United Nations Global Compact
Former CEO of Unilever PLC



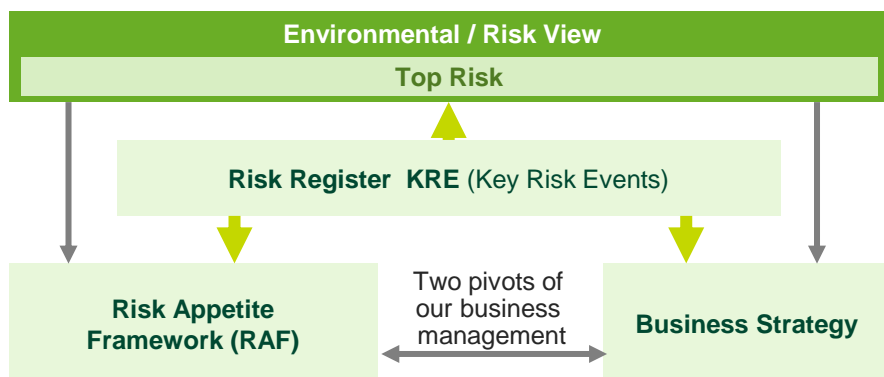
Reinforce environmental and social risk

Development of new framework to enhance climate-related risk management.

Enhancement of RAF

April 2023

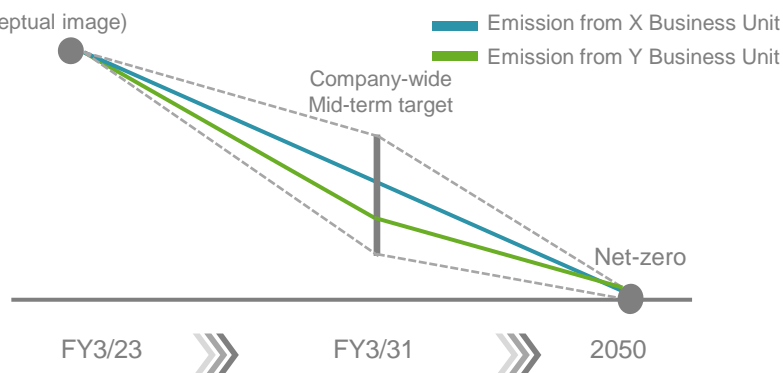
- Developed climate-related RAF and **manage portfolio GHG emissions in each sector/ business unit to align with the 1.5° C scenario**



Implementation of "Climate-Related RAF"

- Addition of portfolio GHG emissions as risk management metrics

(conceptual image)



Transition strategies assessment

Scheduled in FY3/24 1st half

- Review each customers' transition risk response** and use the results to enhance our strategy for customer engagement and account planning

Risk Management (traffic image)

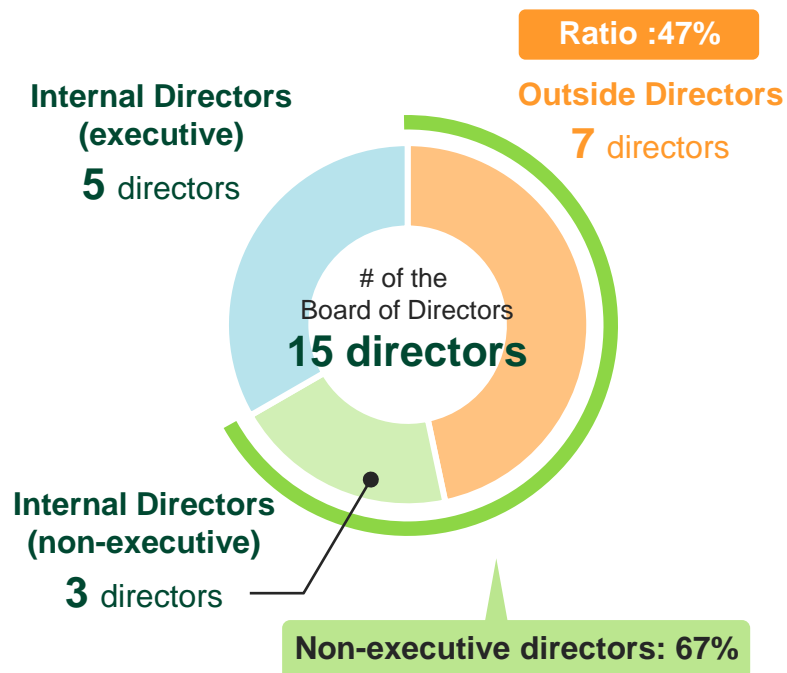
| | | Level of response to transition risks | | | | | Risk |
|---------------|--------|---------------------------------------|-------|--------|--------|-------|--------|
| | | 1 | 2 | 3 | 4 | 5 | |
| GHG Emissions | High | Red | Red | Red | Red | Green | High |
| | Medium | Red | Red | Yellow | Yellow | Green | Medium |
| | Low | Green | Green | Green | Green | Green | Low |

Enhancement of climate-related risk management (conceptual image)

| | Traditional metrics | New metrics |
|------------------------|-----------------------|--|
| 1 Portfolio management | Risk-weighted assets | Portfolio GHG emissions |
| 2 Account planning | Credit risk, etc. | Climate-related risks • Transition risk, and others |
| 3 Data governance | Financial information | Non-financial information |

Governance

Structure of the Board (Jun. 23-)



3 women



2 foreign national

| | Knowledge and experience we expect in particular | | | | | | |
|-------------|--|---------|--------|-----------------------|------------|-------|----------------|
| | Management | Finance | Global | Legal/risk management | Accounting | IT/DX | Sustainability |
| T.Kunibe | | | | | | | |
| J.Ohta | | | | | | | |
| A.Fukutome | | | | | | | |
| T.Kudo | | | | | | | |
| F.Ito | | | | | | | |
| T.Isshiki | | | | | | | |
| Y.Gono | | | | | | | |
| Y.Kawasaki | | | | | | | |
| M.Matsumoto | | | | | | | |
| S.Yamazaki | | | | | | | |
| Y.Tsutsui | | | | | | | |
| K.Shinbo | | | | | | | |
| E.Sakurai | | | | | | | |
| C.D.Lake II | | | | | | | |
| J.Rogers | | | | | | | |

Rationale for issuing green bonds

SMBC Group's motivation toward green bond issuance

Strong Track Record in Green Finance

SMBC Group's significant growth in Renewable Energy Finance

SMBC Group Green Bonds

Development of Green Bond Market

Green bonds have been utilized
for sustainability commitment

Attract New Investors

Attract new investors and thereby
diversify investor base



What will be achieved by green bond issuance

**Promotion of SMBC Group's
Sustainability Commitment**

**Transformation to
more resilient business model**

Key aspects of SMBC group's green finance framework based on green bond / loan principles



1. Use of Proceeds

- Project Categories

1. Renewable Energy 2. Energy Efficiency 3. Green Buildings



4. Clean Transportation



5. Pollution Prevention & Control



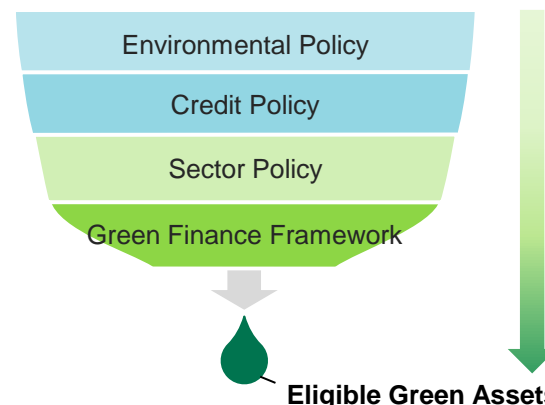
- Look Back Period : 24 months
- More than 90% of the funds are allocated to Renewable Energy



2. Evaluation and Selection

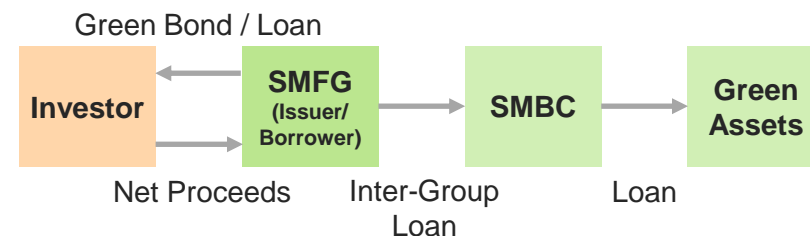
SMBC Group's
Sector policy

SMBC Group's
Green Finance
framework



3. Management of Proceeds

- Pending allocation of proceeds
: short-term financial instruments.



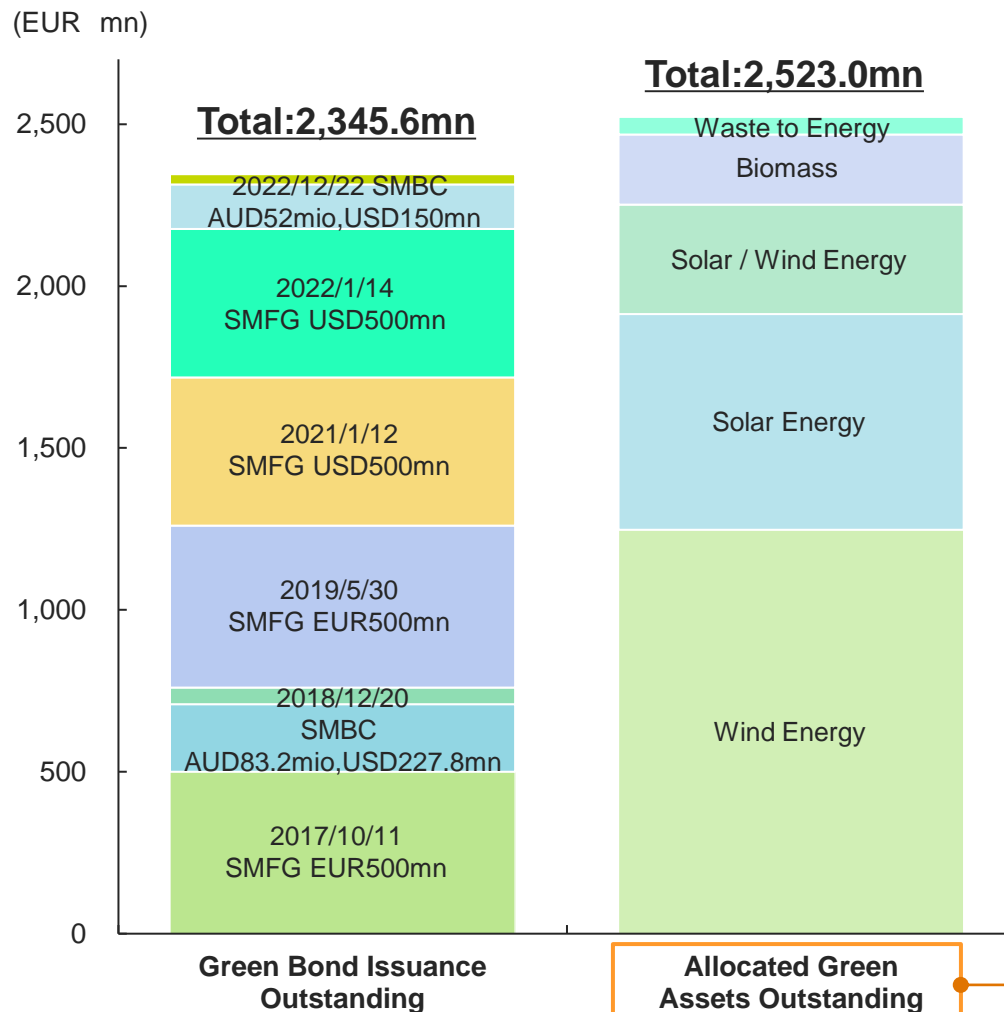
4. Reporting

- **Annually updated**
 - ✓ **Allocation Proceeds**
Project Category, Amount, Country, Agreement Date
 - ✓ **Impact Reporting**
CO₂ Emissions Reduction
(inc. o/w SMBC Financed base)
 - ✓ **External Review**
Report from Sustainalytics
- All of information is
 - ✓ Updated within one year from issue date
 - ✓ Available on our Website

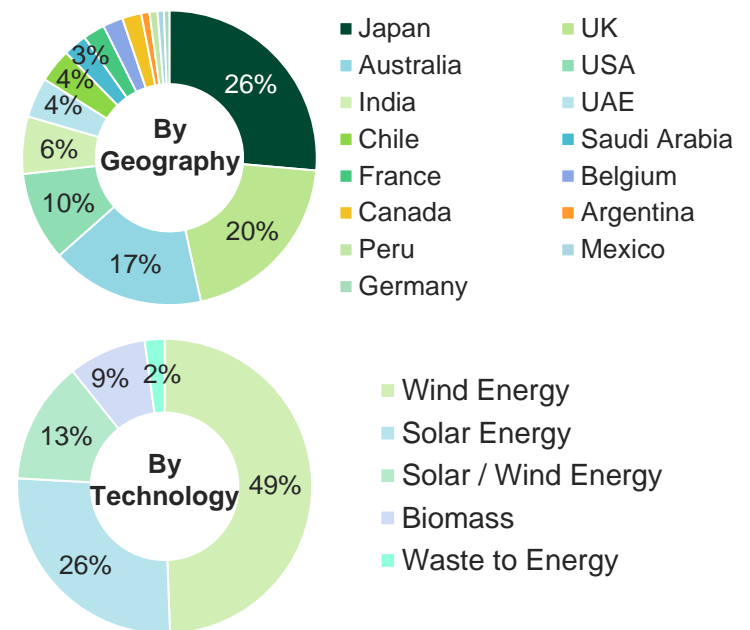


Overview of green bond issuance and allocated green assets

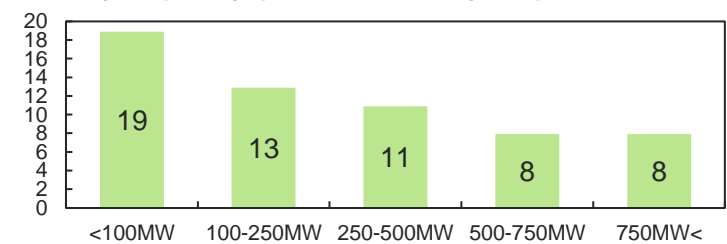
Balance of Green Bond Issuance and Allocated Green Assets*¹ (as of Mar. 23)



Overview of Allocated Green Assets





Facility Capacity (Number of Projects)



*1 Translated into EUR at the exchange rates as of Mar. 23

Green bond impact reporting

Impact Reporting (as of Mar. 23)

| Category | Sub Category | Country | Number of Projects | Capacity (MW) | Estimated CO ₂ emissions reduction (t-CO ₂ /Year) | |
|--|---------------------|---|--------------------|---------------|---|--------------------------------|
| | | | | | | o/w SMBC Group financed |
|  Renewable Energy | Wind energy | Argentina, Australia, Belgium, Canada, Chile, France, Germany, Japan, UK, USA | 29 | 13,993.32 MW | 13,676,275.31 t-CO ₂ | 2,096,094.67 t-CO ₂ |
| | Solar energy | France, India, Japan, Mexico, Peru, Saudi Arabia, UAE, USA | 22 | 5,690.80 MW | 4,888,505.70 t-CO ₂ | 2,004,895.51 t-CO ₂ |
| | Solar / Wind energy | Australia, India | 3 | 3,755.00 MW | 6,389,660.02 t-CO ₂ | 840,386.25 t-CO ₂ |
| | Biomass | Japan | 4 | 424.90 MW | 909,521.71 t-CO ₂ | 206,226.09 t-CO ₂ |
|  Pollution Prevention & Control | Waste to Energy | Australia | 1 | 34.00 MW | 204,700.18 t-CO ₂ | 45,780.53 t-CO ₂ |
| Total | | | | | 26,068,662.92 t-CO ₂ | 5,193,383.05 t-CO ₂ |
| SMFG/SMBC Green Bond Outstanding (as of Mar. 23)* ¹ | | | | | | EUR 2,345.6mn |
| CO ₂ Avoidance per EUR1mn | | | | | | 2,214.11 t-CO ₂ |

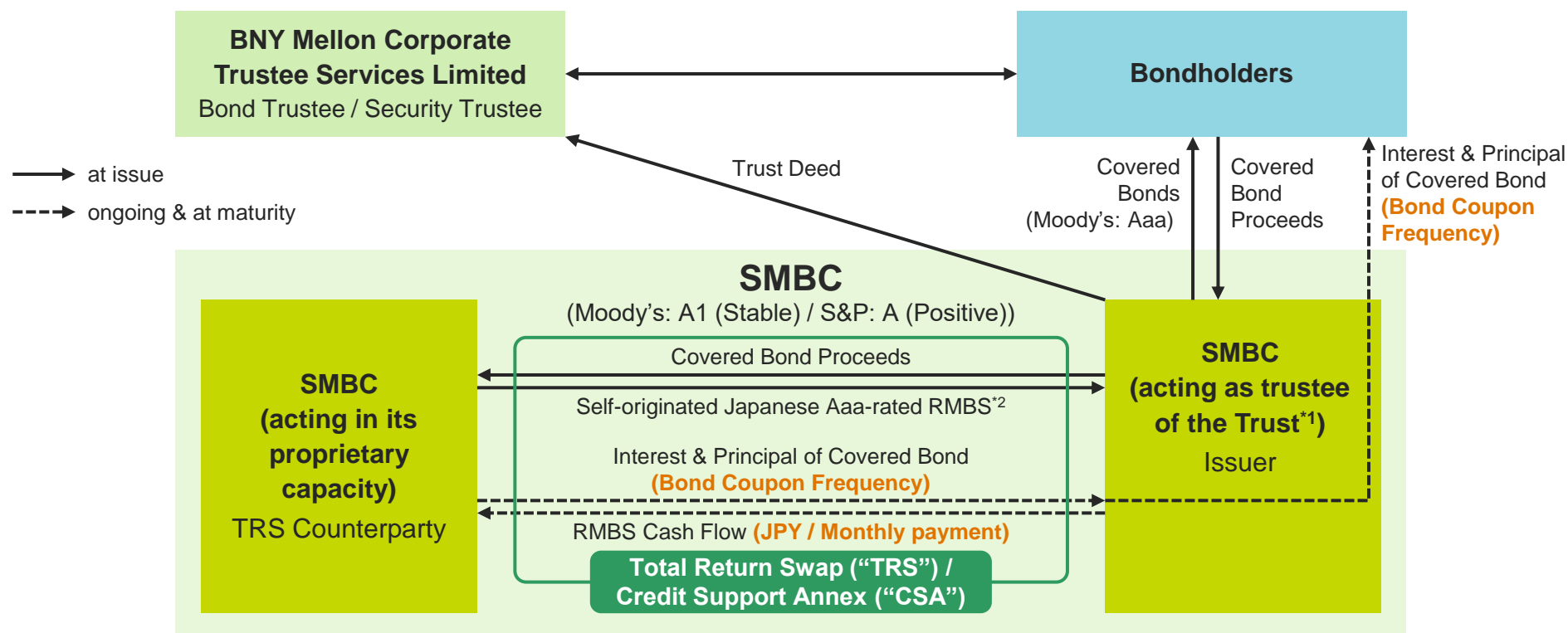
*1 Translated into EUR at the exchange rates as of Mar. 23

SMBC covered bond programme

Under the Trust Act of Japan, bondholders have dual recourse to SMBC's assets and the segregated cover pool assets.

To protect bondholders, the Programme puts self-originated Japanese RMBS as collateral under the TRS. Segregation of assets is ensured in the case of SMBC's insolvency because enforceability of the TRS is protected under the Netting Act of Japan.

Cover pool assets remain on the balance sheet of SMBC acting in its own capacity.



*1 SMBC, licensed by Japanese FSA as financial institutions which engage in trust business, acting as trustee on behalf of a specified money trust (tokutei kinsen shintaku) No. 0010-377600-0001 (the "Trust")

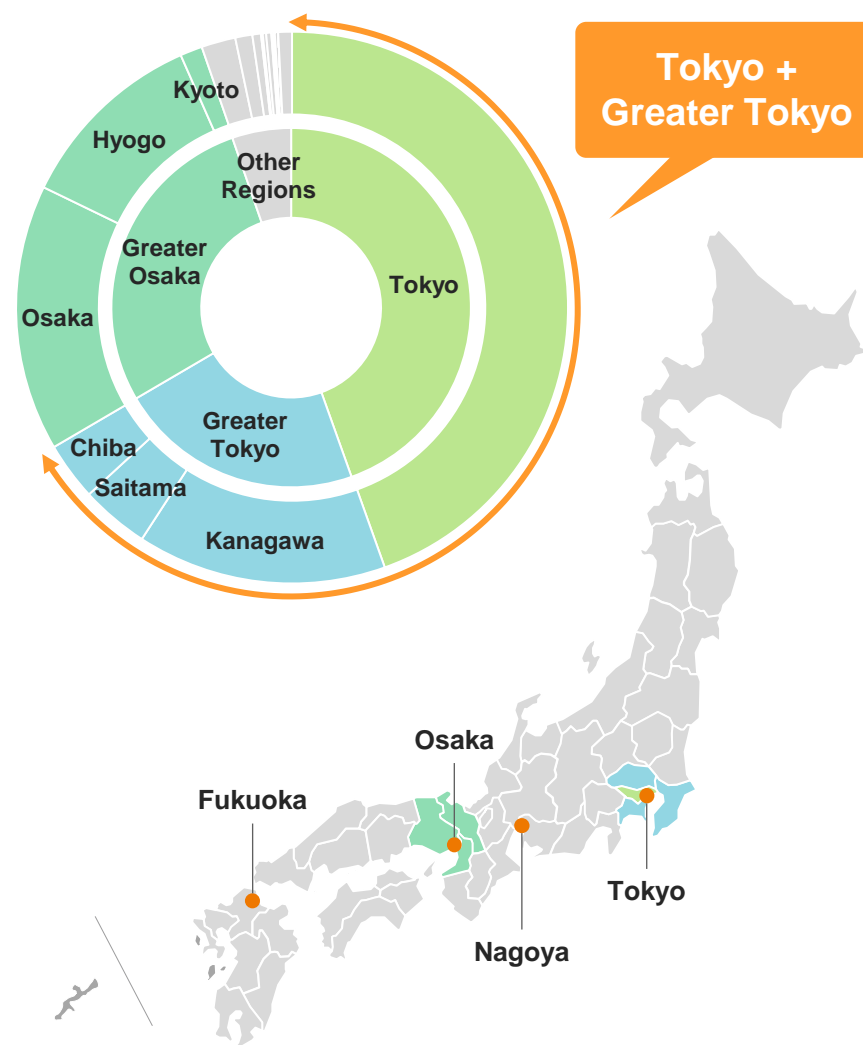
*2 Cover pool assets may include senior tranches Aa-rated RMBS where higher haircut ratio of 20% is applied, JGB and cash

SMBC covered bond: Cover pool summary

RMBS Summary Terms^{*1}

| | |
|----------------------------------|--|
| Collateral | Self originated residential loans |
| Originator / Servicer | SMBC |
| Asset Trustee | Sumitomo Mitsui Trust Bank |
| Revolving | Static pool |
| Format | Domestic trust beneficiary interest |
| Liquidity | Cash reserve |
| Interest Payments | Monthly / Fixed coupon |
| Principal Payments | Monthly / Pass through |
| Hedging Arrangements | None |
| Master Trust | Standalone structure |
| Clean-up Call | 10% |
| Back-up Servicer | Not appointed at closing |
| Credit Enhancement | Overcollateralisation Senior / subordinate tranching Excess spread |
| Maximum principal balance | JPY 200mn |
| Loan Term | Up to 35 years |
| Loan Guarantee | Guaranteed by SMBC Guarantee Co., Ltd. |
| Senior Tranche Rating | Moody's:Aaa (sf) |

Domestic Region^{*1*2}



*1 Pool data as of Feb. 23

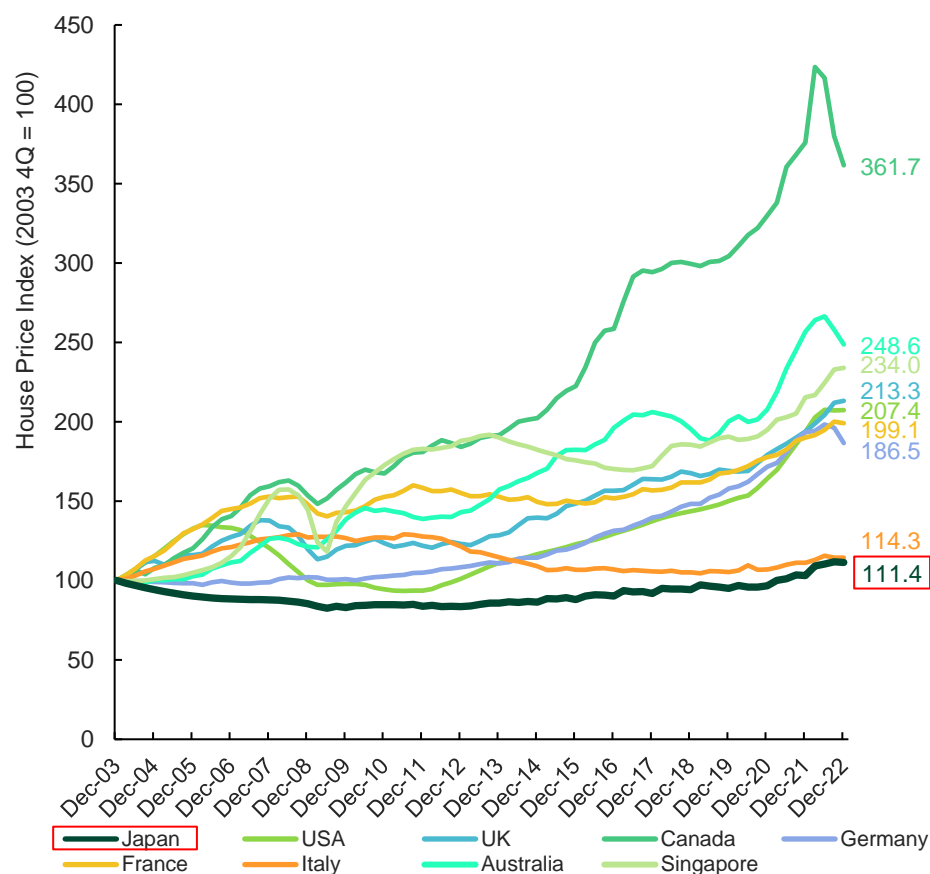
*2 By loan balance

Housing market developments

Japanese house prices have been stable with limited impact of the global financial crisis compared to other developed countries, and are now in an upward trend.

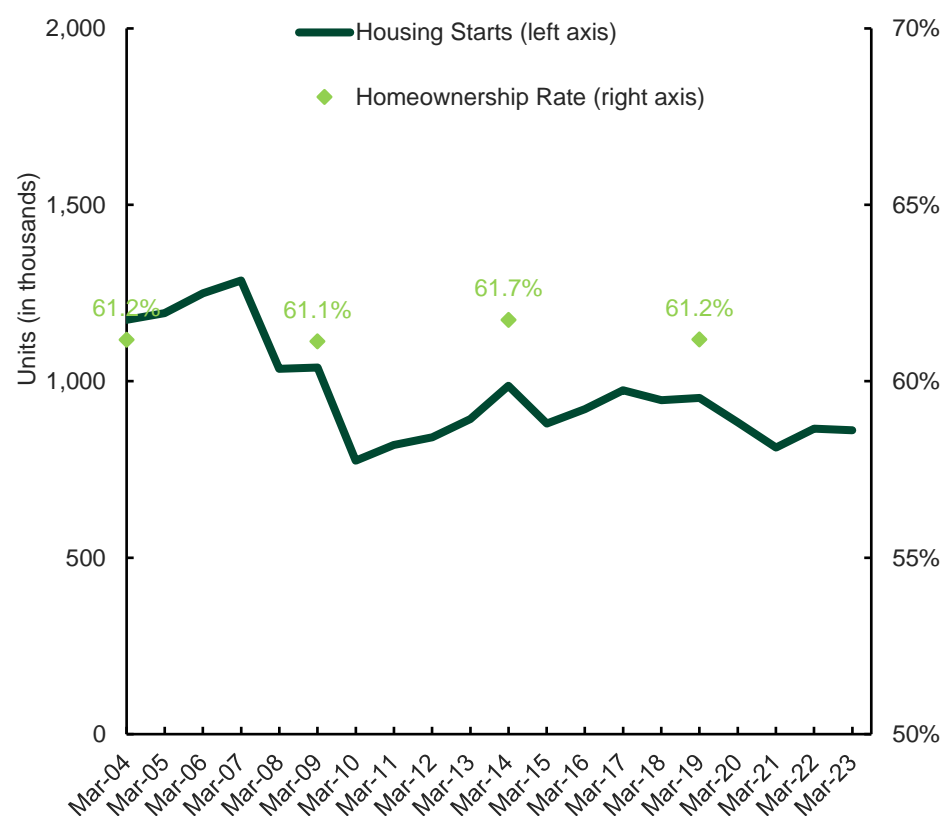
Negative impact of COVID-19 on housing starts is smaller than during the financial crisis and homeownership rate has been stable at approx. 60%.

House Prices



Source: Bank for International Settlements

Housing Starts / Homeownership Rate



Source: Ministry of Land, Infrastructure, Transport and Tourism, Statistics Bureau, Ministry of Internal Affairs and Communications

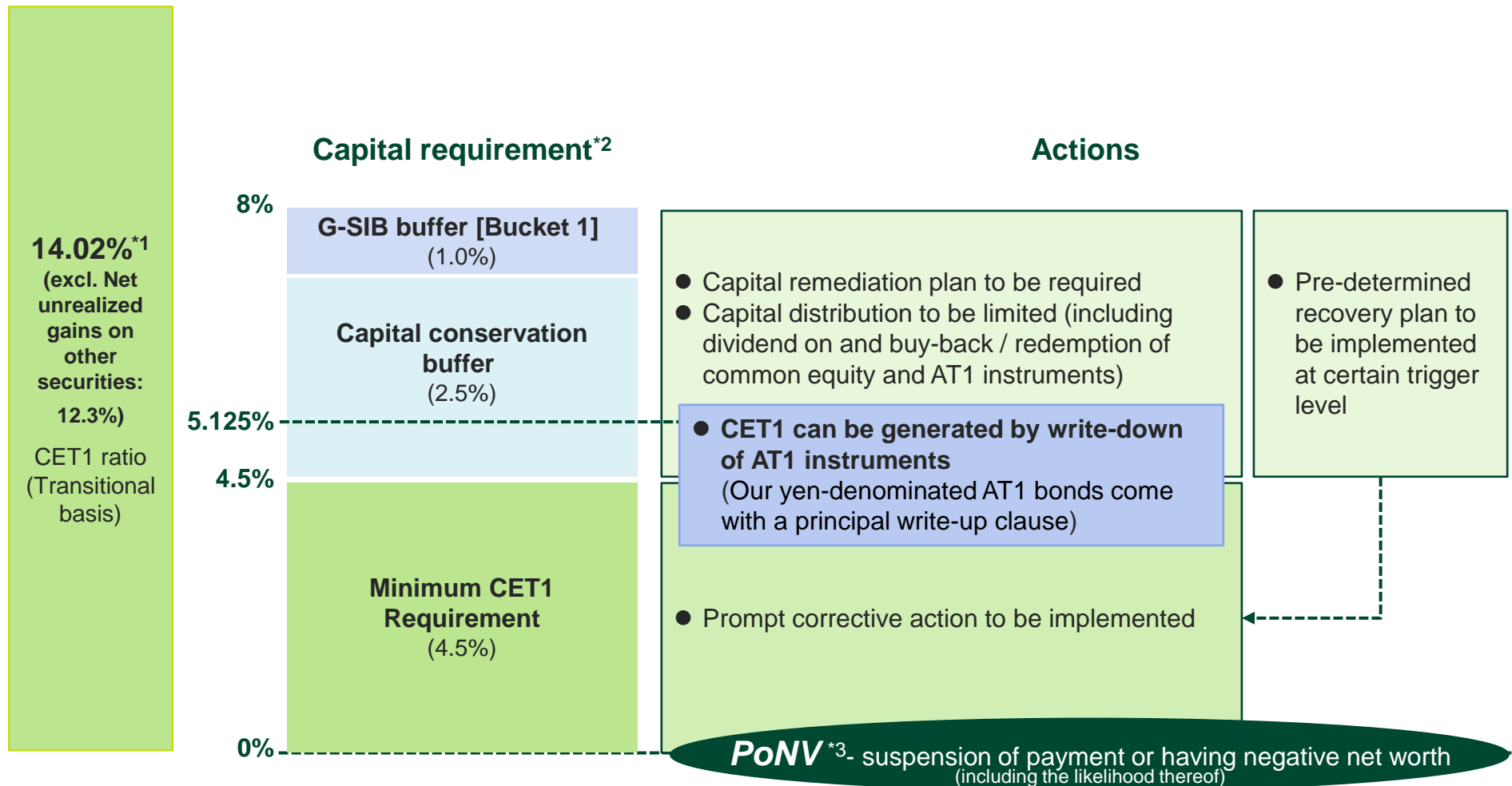
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Actions before incurring losses at PoNV

- capital requirement-based corrective measures

We will be required to meet various capital requirements before reaching a point of non-viability (“PoNV”).

CET1 ratio



*¹ As of the end of Mar. 23

*² Excluding countercyclical buffer

*³ PoNV will be deemed to have reached when the Prime Minister of Japan, following deliberation by Japan's Financial Crisis Response Council pursuant to the Deposit Insurance Act ("DIA"), confirms (nintei) that "specified Item 2 measures (tokutei dai nigo sochi)", which are the measures set forth in Article 126-2, Paragraph 1, Item 2 of the DIA, as then in effect, need to be applied to a financial institution under circumstances where its liabilities exceed or are likely to exceed its assets, or it has suspended or is likely to suspend payment of its obligations

Safeguards before incurring losses at PoNV

- safeguards to prevent systemic disruption

| PoNV | Framework | Subject entities |
|--------------|---|---|
| Prior to | Liquidity support and capital injection Specified Item 1 Measures set forth in the Deposit Insurance Act ("DIA") | Financial institutions Including banks and bank holding companies ("BHCs") |
| | Capital injection Act on Special Measures for Strengthening Financial Functions | Banks and BHCs |
| | Capital injection Item 1 Measures set forth in the DIA | Banks and BHCs |
| Posterior to | Financial assistance for orderly resolution Specified Item 2 Measures set forth in the DIA This measure can be applied after the non-viability event of both AT1 and Tier2 instruments | Financial institutions Including banks and BHCs |
| | Financial assistance exceeding payout cost or Temporary nationalization | Banks |

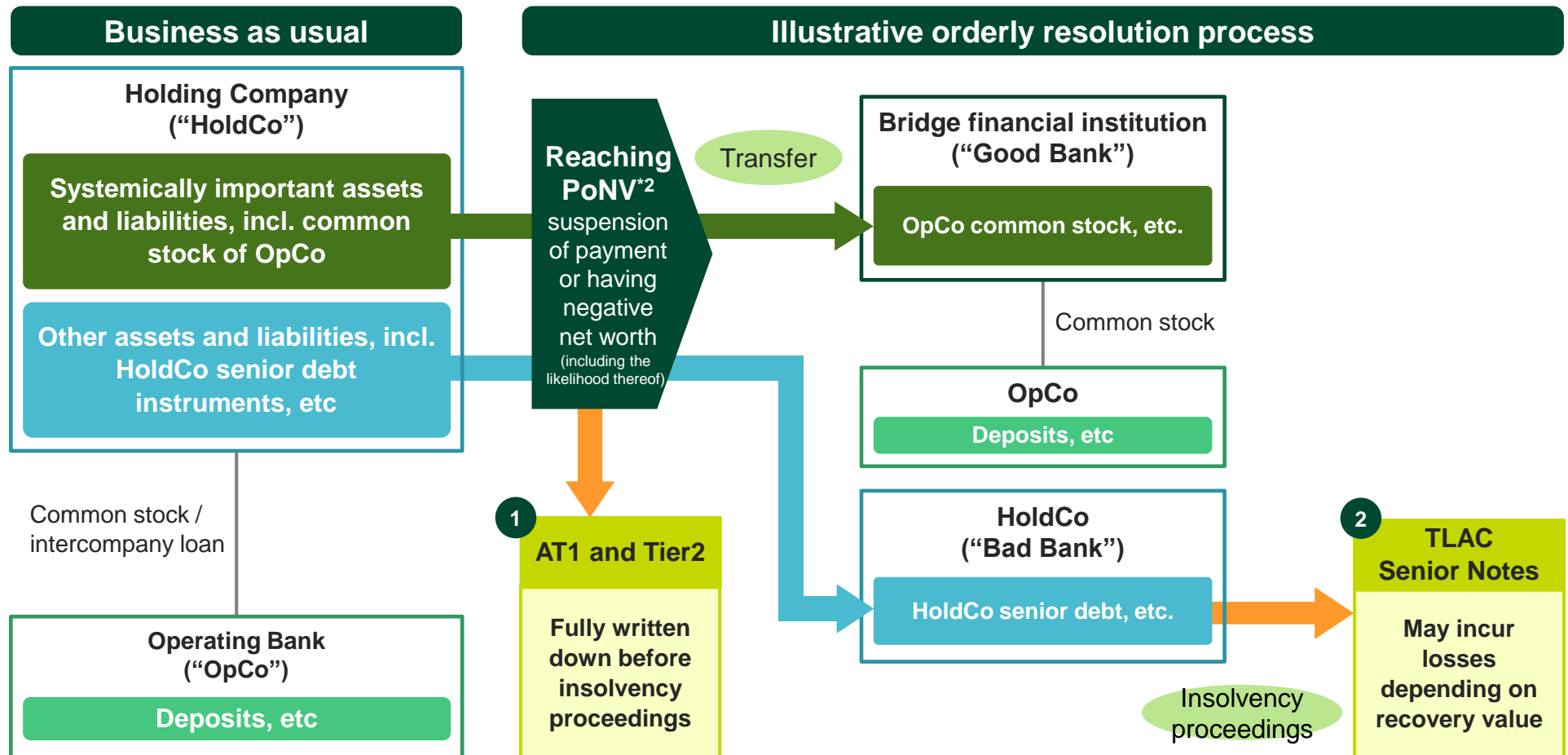
PoNV^{*1}
suspension of
payment or having
negative net worth
(including the likelihood thereof)

*1 See note 3 on p. 70

Orderly resolution regime in Japan^{*1}

An orderly resolution is expected to be commenced subsequent to PoNV after SMFG absorbs losses incurred by its material subsidiaries.

- ① All Basel III eligible AT1 and Tier 2 instruments will be fully written down upon PoNV pursuant to their terms.
- ② Senior notes may incur losses depending on recovery value through court-administered insolvency proceedings.



^{*1}: Based on a possible model of Japanese G-SIB's resolution under the SPE resolution strategy, as stated in "The FSA's Approach to Introduce the TLAC Framework" published in Apr. 16 and revised in Apr. 18. However, it is uncertain which resolution strategy or specific measures will be taken in a given case, including whether or not the SPE resolution strategy is to be chosen and implemented in a given case. ^{*2} See note 3 on p. 70

(Ref.) Structure Summary of SMFG Yen AT1

| | |
|--|--|
| Issuer | <ul style="list-style-type: none"> Sumitomo Mitsui Financial Group, Inc. (the “Issuer”) |
| Ranking | <ul style="list-style-type: none"> Deeply subordinated : Senior to ordinary shares of the Issuer and junior to the Issuer’s obligations including dated subordinated liabilities but excluding <i>pari passu</i> securities |
| Instrument Rating | <ul style="list-style-type: none"> A- by JCR as of May 31, 2023 |
| Maturity and Format | <ul style="list-style-type: none"> Perpetual bonds |
| Optional Redemption | <ul style="list-style-type: none"> Callable on the First Call Date and every coupon reset date thereafter*¹ Callable upon the occurrence of Tax or Regulatory event Securities callable at the prevailing principal amount plus accrued interest if any Subject to prior confirmation of the FSA Commissioner |
| Coupon | <ul style="list-style-type: none"> Fixed until the first call date, reset every 5 years thereafter (JGB+ initial spread)*² Payable semi-annually |
| Coupon Cancellation | <ul style="list-style-type: none"> Fully discretionary Mandatory cancellation upon insufficient Distributable Amounts calculated and defined by Japanese Corporate Law Non-cumulative |
| Principal Write-down | <ul style="list-style-type: none"> Temporary write-down upon Trigger Event The write-down amount will be the lower of <ul style="list-style-type: none"> (1) the amount required to recover above consolidated CET1 Ratio 5.125% (subject to the discussion with FSA) <i>pro rata</i> with similar loss absorption instruments, and (2) the amount necessary to reduce the prevailing principal amount of the securities to 1 yen |
| Trigger Event | <ul style="list-style-type: none"> Issuer’s consolidated CET1 Ratio < 5.125% (on a transitional basis) |
| Principal Write-up | <ul style="list-style-type: none"> Fully discretionary write-up and <i>pro rata</i> with other similar instruments Subject to regulatory approval for consolidated CET1 ratio to be maintained at a sufficiently high level after write-up |
| Principal Write-off at PONV | <ul style="list-style-type: none"> The full principal amount will be permanently written down to zero and the bonds and any right to claim will be cancelled upon the occurrence of Non-Viability Event A “Non-Viability Event” will be deemed to have occurred when the Prime Minister of Japan, following deliberation by Japan’s Financial Crisis Response Council pursuant to the Deposit Insurance Act confirms that “specified Item 2 measures,” which are the measures set forth in Article 126-2, Paragraph 1, Item 2 of the Deposit Insurance Act, as then in effect, need to be applied to the Issuer under circumstances where the Issuer’s liabilities exceed or are likely to exceed the Issuer’s assets, or the Issuer has suspended or is likely to suspend payment of the Issuer’s obligations |
| Principal Write-off at Bankruptcy Event | <ul style="list-style-type: none"> The full principal amount will be permanently written down to zero and the bonds and any right to claim will be cancelled upon the occurrence of Bankruptcy Event “Bankruptcy Event” includes (1) commencement of bankruptcy proceedings, (2) corporation reorganization, (3) civil rehabilitation proceedings, or (4) a special liquidation proceeding (tokubetsu seisan) pursuant to Japanese law or to any applicable law of any jurisdiction other than Japan |

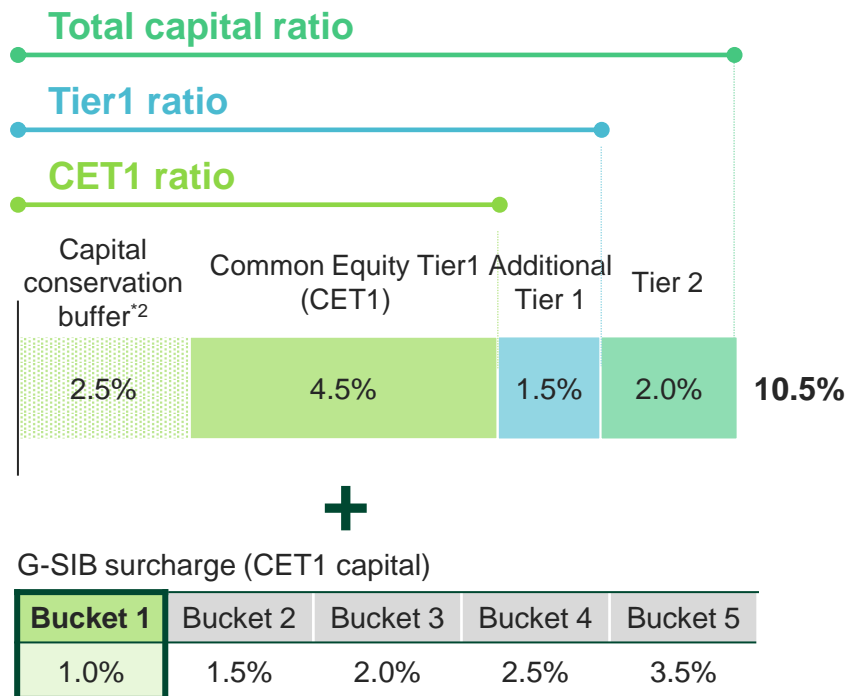
*1 Only if the prevailing principal amount is equal to the original principal amount

*2 For AT1 priced on and after Sep.2, 2020. Fixed until the first call date, and reset every 6 months thereafter (6m JPY Libor+ initial spread) for AT1 priced on and before Jun.14, 2019.

Application of Basel III (capital ratio)*1

| | | Mar. 24 | Mar. 25 | Mar. 26 | Mar. 27 | Mar. 28 | Mar. 29 |
|-----|---|-----------|---------|---------|---------|---------|---------|
| RWA | Revised standardized approach and internal ratings-based framework for credit | Implement | | | | | |
| | Revised credit valuation adjustment (CVA) framework | | | | | | |
| | Revised operational risk framework | | | | | | |
| | Output floor | 50% | 55% | 60% | 65% | 70% | 72.5% |

Capital requirements

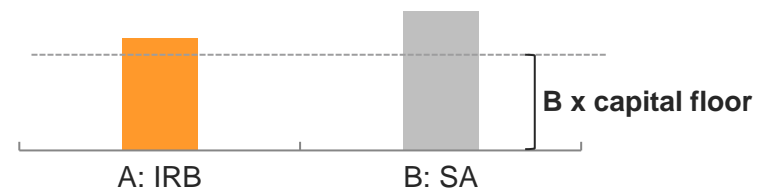


Implementation of output floor

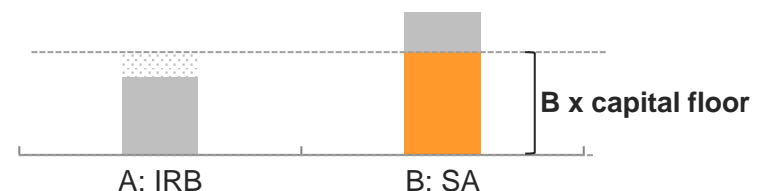
A: RWA based on internal ratings-based approach (IRB)

B: RWA based on standardized approach (SA)

A > B x capital floor → **RWA = A**



A ≤ B x capital floor → **RWA = B x capital floor**



*1 JFSA announced that it will postpone the implementation of unimplemented Basel III standards until Mar. 24

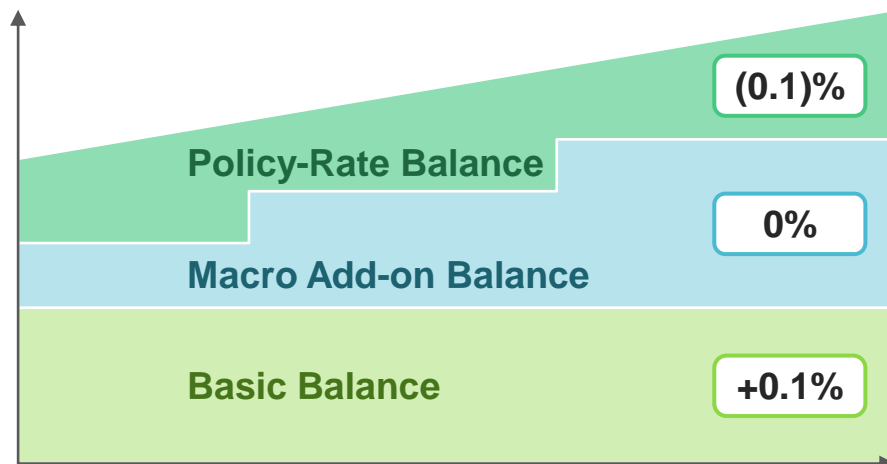
*2 Countercyclical buffer (CCyB) omitted

BOJ's monetary policy

Timeline

| | |
|------------------|--|
| Apr. 2013 | Introduction of the Quantitative and Qualitative Monetary Easing (QQE) |
| Jan. 2016 | Introduction of Negative Interest Rate Policy |
| Sep. 2016 | Introduction of QQE with yield curve control |
| Jul. 2018 | Introduction of forward guidance for policy rates |
| Mar. 2021 | Further Effective and Sustainable Monetary Easing |
| Sep. 2021 | Introduction of Climate Response Financing Operations |
| Apr. 2022 | Clarification of consecutive fixed-rate purchase operations |
| Dec. 2022 | Modification of the conduct of Yield Curve Control(YCC) |
| Apr. 2023 | First Monetary Policy Meeting led by New Bank of Japan Gov. Ueda |

Three-tier system in current accounts at BOJ



Recent announcements

Apr. 2022

• Clarification of consecutive fixed-rate purchase operations

- Clarified at the April meeting that the BOJ will offer to purchase 10-year JGBs at 0.25 percent every business day through fixed-rate purchase operations, unless it is highly likely that no bids will be submitted.

Dec. 2022

• Modification of the conduct of Yield Curve Control(YCC)

The following measures are decided at the December meeting to encourage a smoother formation of the entire yield curve.

- Significant increase in the amount of JGB purchases: from 7.3 trillion yen per month to about 9 trillion yen per month
- Expansion of the range of 10-year JGB yield fluctuations from the target level: from around $\pm 0.25\%$ to around $\pm 0.5\%$
- Nimble responses for each maturity:
 - Offer to purchase 10-year JGBs at 0.5% every business day through fixed-rate purchase operations
 - Make nimble responses for each maturity by increasing the amount of JGB purchases even more and conducting fixed-rate purchase operations when deemed necessary

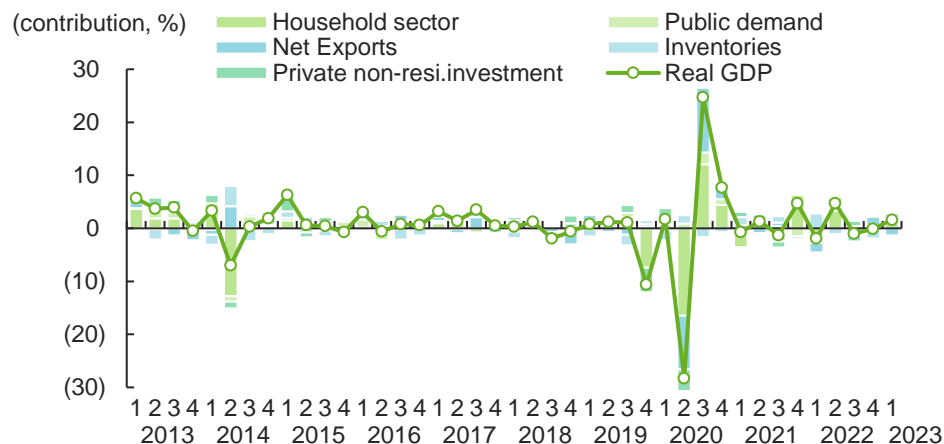
Apr. 2023

• First Monetary Policy Meeting led by New Bank of Japan Gov. Ueda

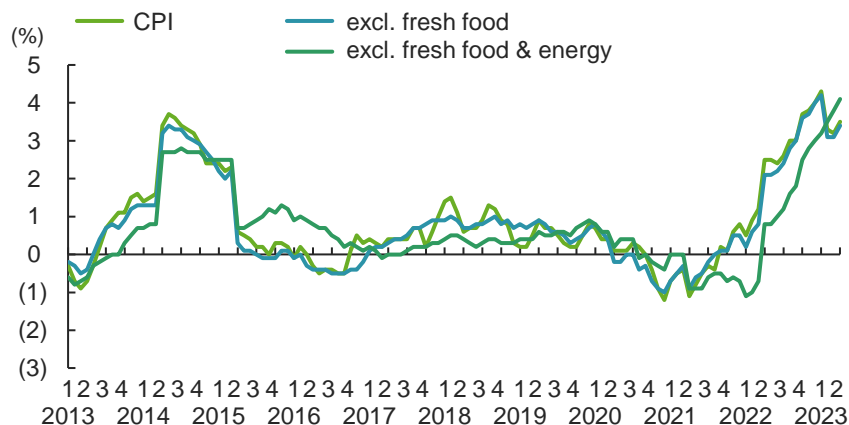
- Clarified that BOJ will retain monetary easing with Yield Curve Control as long as necessary to attain its 2% inflation target.

Japanese economy

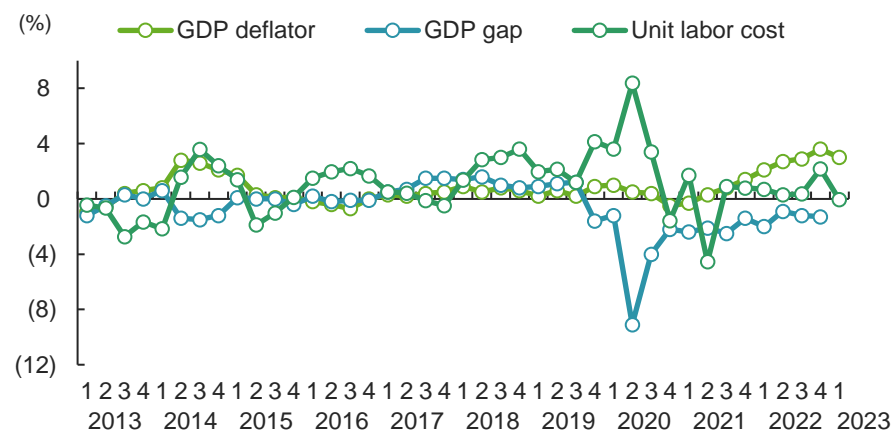
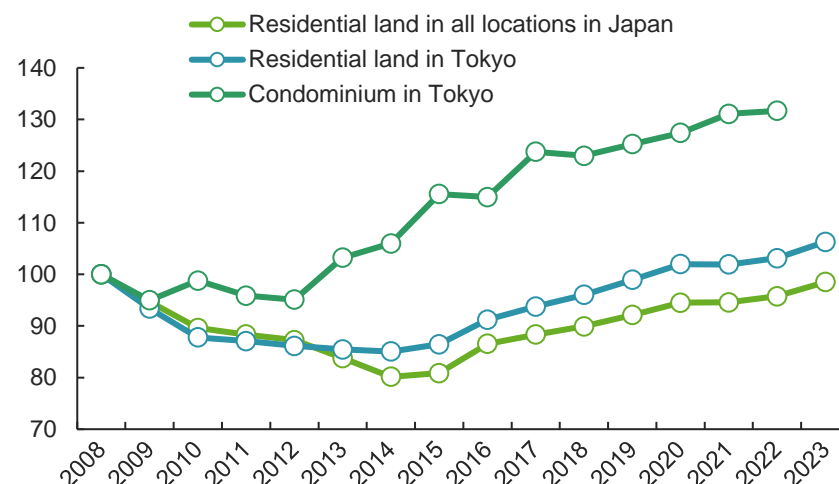
Real GDP growth rate (annualized QoQ change)*1



Indicators to measure progress out of deflation^{*3}



Property price of residential land and condominiums^{*2}



*1 Cabinet Office. Seasonally adjusted series. Household sector = Private consumption + Private residential investment, Inventories = Change in private and public inventory, Public demand = Government consumption + Public investment

*2 Ministry of Land, Infrastructure, Transport and Tourism. Real Estate Economic Institute Co., Ltd. Condominium in Tokyo is the first half of the year

*3 Statistics Bureau, Cabinet Office and Ministry of Internal Affairs and Communications