

Fixed Income Investor Presentation

May 2024

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. 23	The end of Mar. 24
USD	JPY 133.54	JPY 151.33
EUR	JPY 145.75	JPY 163.24

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
SMICC	SMFG India Credit Company (Former Fullerton India)
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

I	Overview / Financial Results	4
II	Funding / Capital Strategy	15
	Appendix	27



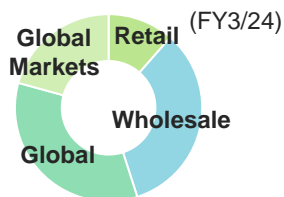
Overview / Financial Results

Key credit messages^{*1}

Earnings capability

USD 6.4 bn

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



Breakdown of consolidated net business profit by business unit

Sound loan portfolio

0.81%

SMFG NPL ratio

0.52%

SMBC NPL ratio (non-consolidated)

Robust liquidity

59.6%

Loan to deposit ratio

(average Jan. – Mar. 24)

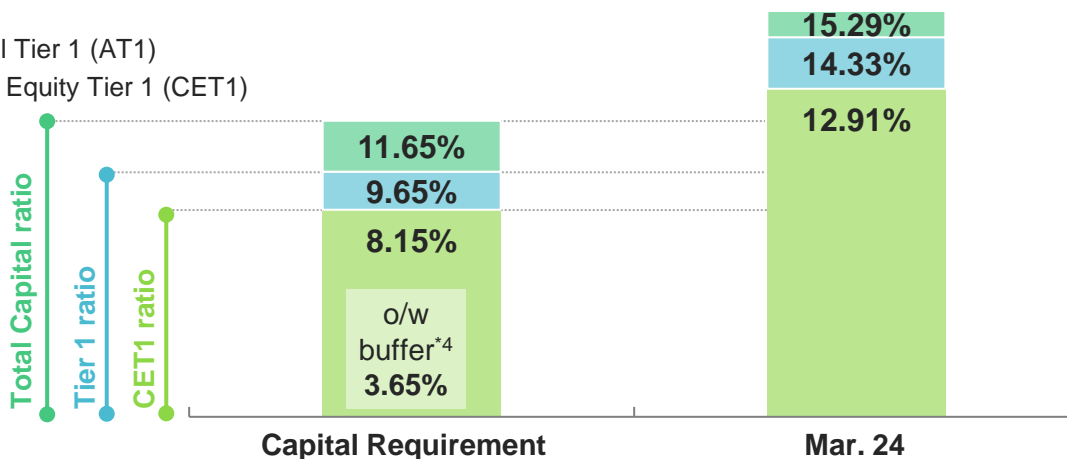
131.2%

LCR

Sound capital position

Transitional basis^{*3}

- Tier 2
- Additional Tier 1 (AT1)
- Common Equity Tier 1 (CET1)



High credit ratings

(As of May 2, 2024)

A1 / A1

SMBC/SMFG
Moody's Rating

A / A-

SMBC/SMFG
S&P Rating

^{*1} Consolidated, unless otherwise indicated, FY3/24 ^{*2} Converted into USD at period-end exchange rate

^{*3} Basel III finalization phased-in period started from Mar. 24

^{*4} Including Capital conservation buffer, G-SIB buffer and countercyclical buffer

FY3/24 financial results

	(JPY bn)	FY3/24	YoY	vs. target
1	Consolidated gross profit	3,738.8	+568.6	
	G&A expenses	2,250.6	+301.3	
2	Overhead ratio	60.2%	(1.3)%	
3	Equity in gains (losses) of affiliates	72.0	+16.5	
4	Consolidated net business profit	1,560.2	+283.8	+160.2
5	Total credit cost	274.0	+63.9	+44.0
6	Gains (losses) on stocks	249.8	+94.0	
7	Other income (expenses)	(69.9)	(8.7)	
8	Ordinary profit	1,466.1	+305.2	+146.1
9	Extraordinary gains (losses)	(123.8)	(61.3)	
10	Income taxes	373.7	+91.5	
11	Profit attributable to owners of parent	962.9	+157.1	+42.9
12	ROE incl. OCI^{*1}	7.0%	+0.5%	
13	ROE^{*2}	9.2%	+1.2%	

*1 Denominator: stockholders' equity + total accumulated other comprehensive income

*2 Based on stockholders' equity

*3 Bank of East Asia

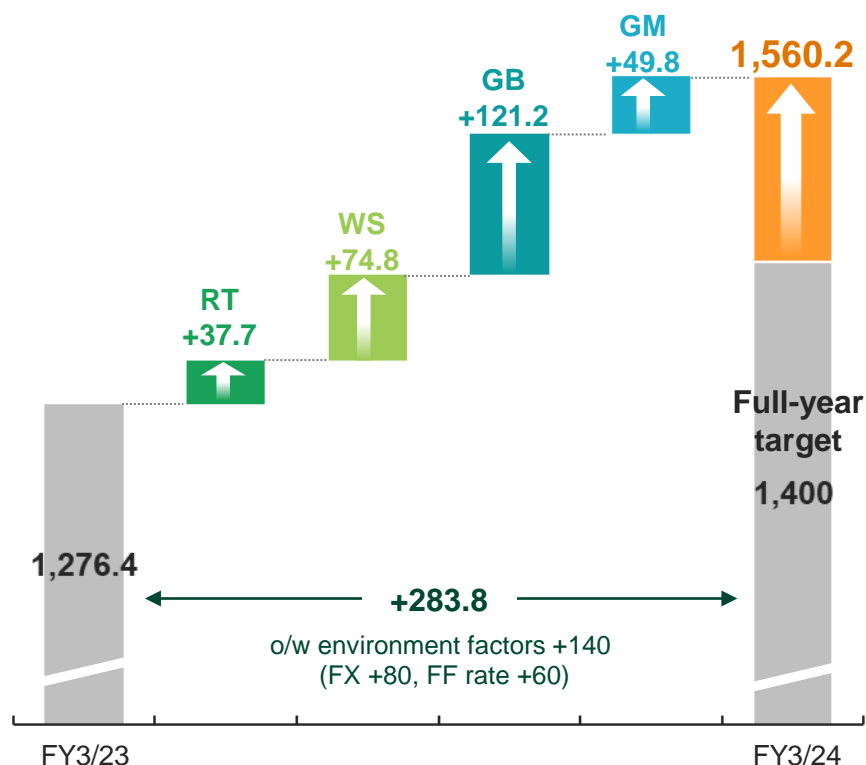
- **Consolidated gross profit:** increased YoY due to
 - 1) recovery of SMBC Nikko,
 - 2) strong performance of SMCC, and
 - 3) increase of income on loan in domestic and overseas.
 Impact of FX: +145
- **G&A expenses:** increased YoY mainly due to
 - 1) inflation: +54,
 - 2) higher variable marketing cost : +62, and
 - 3) strategic investment for future growth
 Impact of FX: +66
- **Equity in gains of affiliates:** increased YoY due to lower impact of impairment (+23) and insurance settlement (+48) at SMBCAC, despite loss of gains on change in equity in the BEA^{*3} (20) and impairment of FE Credit (46)
Impact of FX: +4
- **Total credit cost:** increased due to
 - 1) expanding consumer finance business: +20,
 - 2) booked forward looking provisions in 4Q:+36, and
 - 3) recorded provisions for several large borrowers
- **Gains on stocks:** increased due to gains on sales of equity holdings: 279 (YoY+145), while impairment of overseas investment was recorded: (39)
- **Other expenses:**
Allowance on interest repayment: 23. YoY (6)
- **Extraordinary losses:**
Loss for sales of U.S. freight car leasing businesses (108)

(Ref.) Detail of FY3/24

Both consolidated net business profit and bottom-line profit saw a strong increase due to a favorable environment and the growth of each Business Unit, alongside proactive preparation for potential risks.

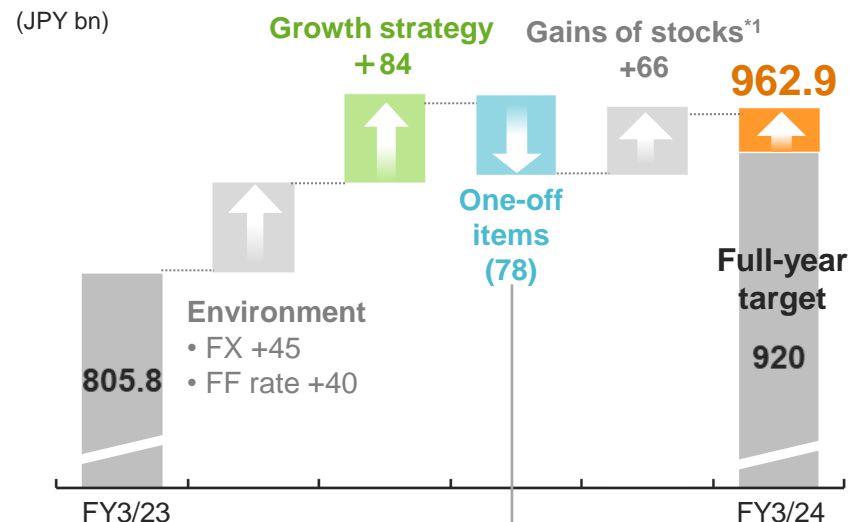
Breakdown of consolidated net business profit

(JPY bn)



Breakdown of bottom-line profit

(JPY bn)



(Major items)

- Impairment of FE Credit in Vietnam: (46)
 - Additional impairment of Aircraft leasing*2: (11)
 - Forward-looking provisions: (25)
 - Loss from sales of U.S. freight car leasing business: (82)
 - Receipt of insurance claims on aircraft leasing*3: +48
 - Absence of one-off items in FY3/23*4: +38
- Preparation for potential risks**

*1 Incl. an impairment of JPY 39 bn for overseas investment

*2 Impaired the entire remaining book value

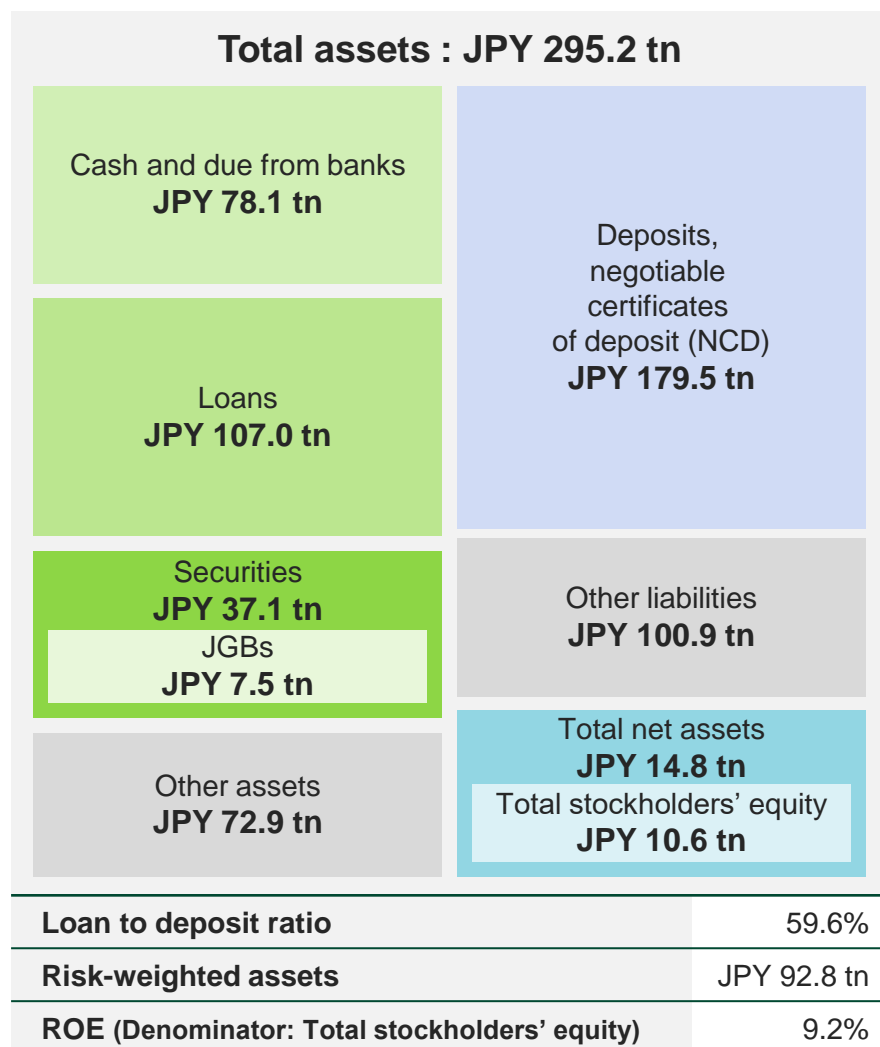
*3 Received for 19 of the 34 aircraft previously leased to Russian airlines

*4 Gains on change in equity (Bank of East Asia), impairment of aircraft leasing, impairment of branches, etc.

Balance sheet and loan balance

Balance sheet (as of Mar. 24)

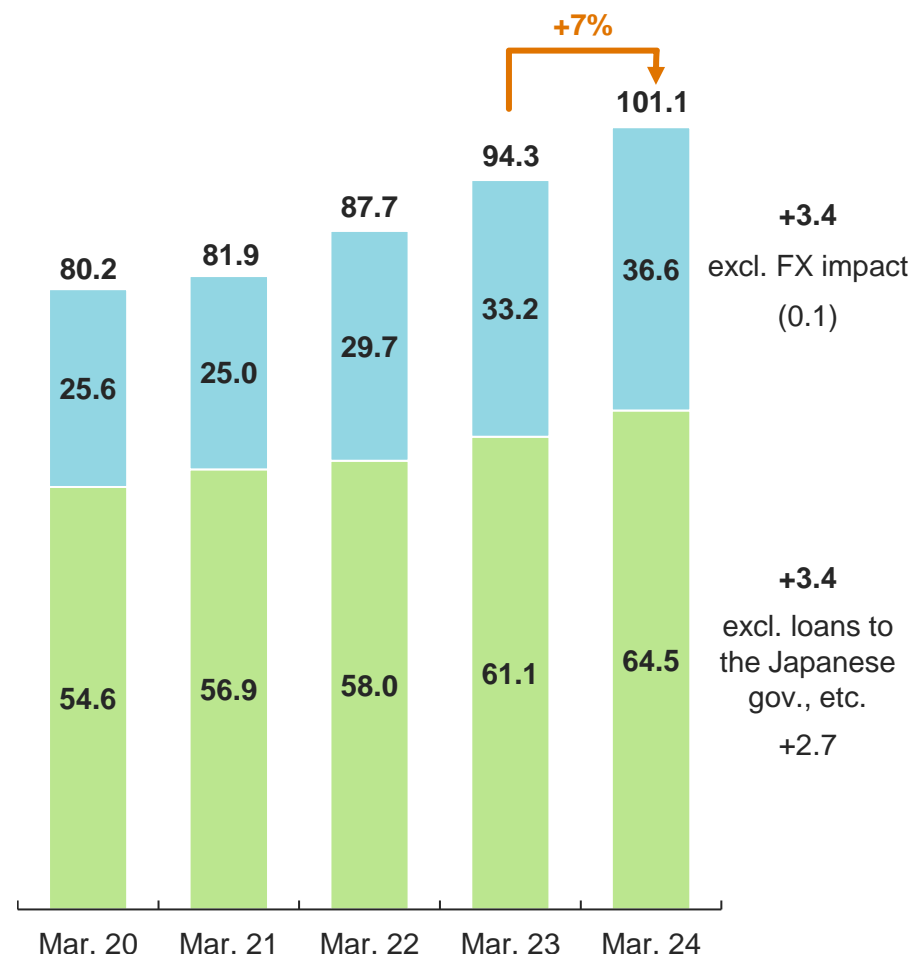
(Consolidated)



Loan balance

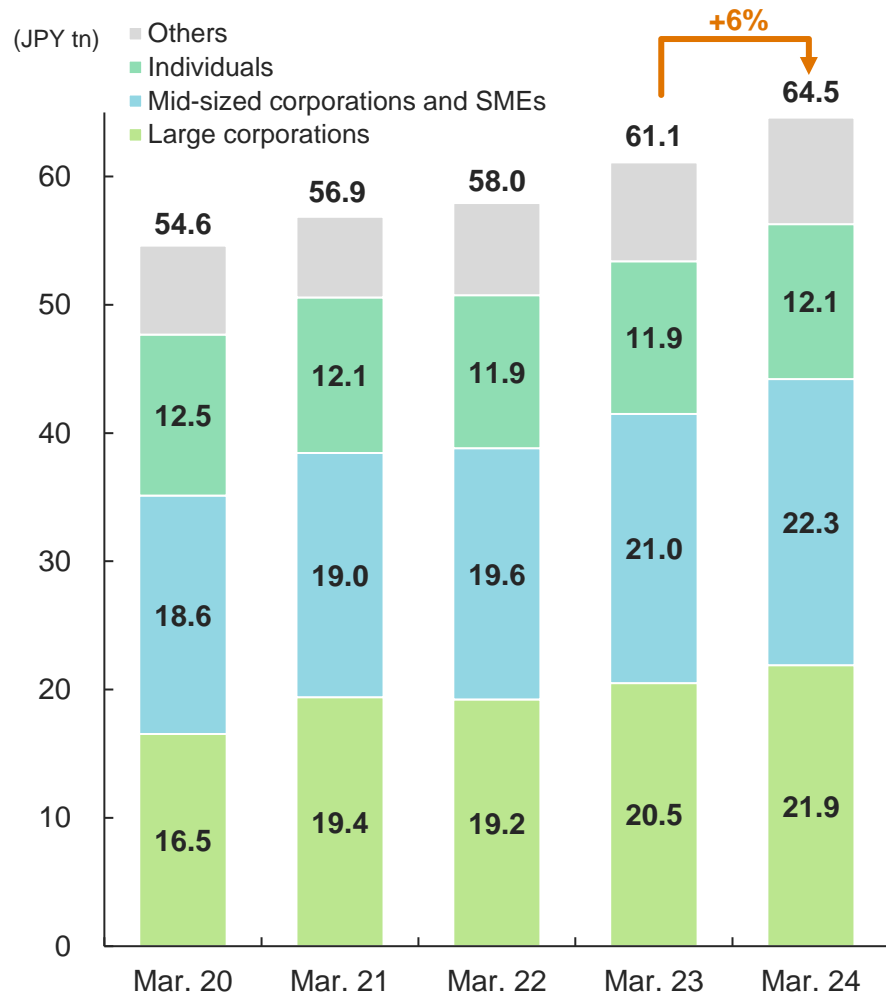
(Non-consolidated)

(JPY tn) ■ Domestic loans ■ Overseas loans

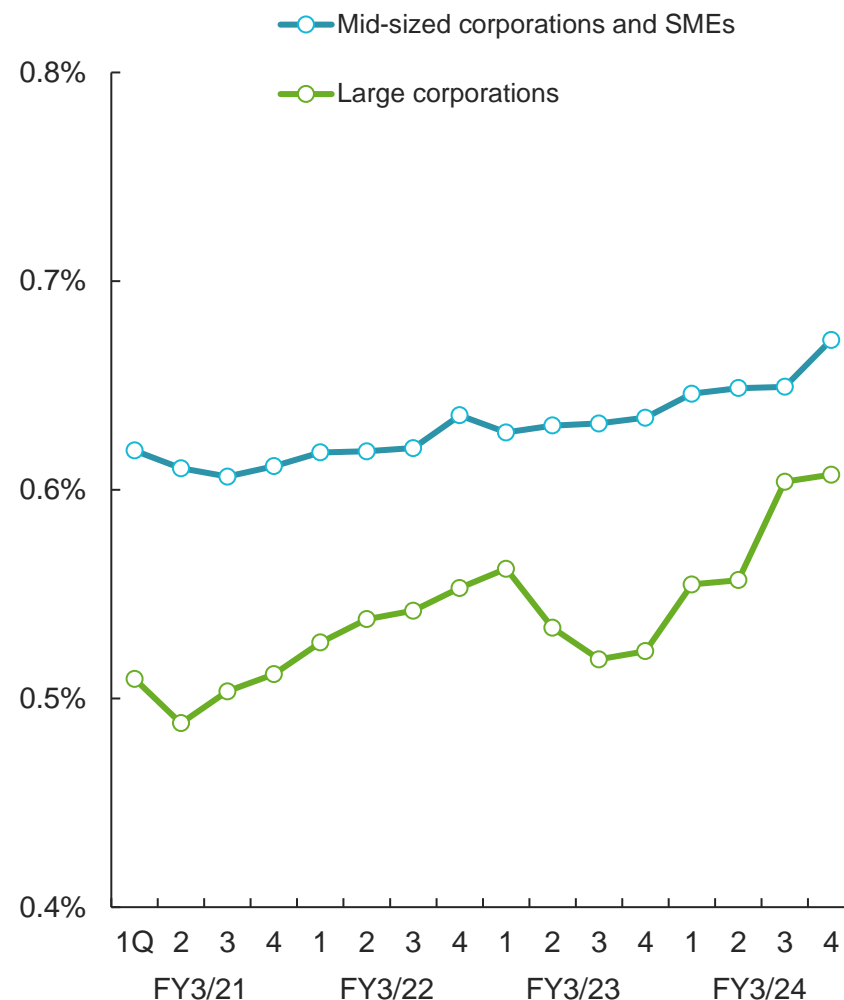


Domestic loans^{*1}

Balance



Spread^{*2}

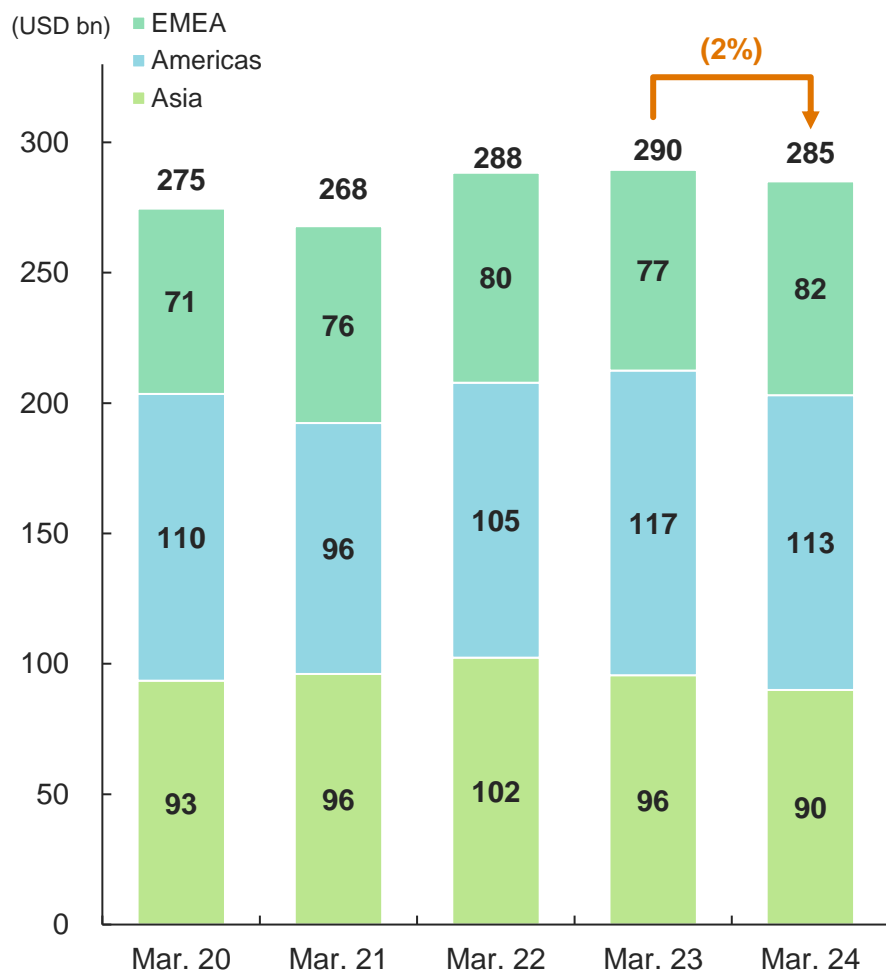


*1 Managerial accounting basis

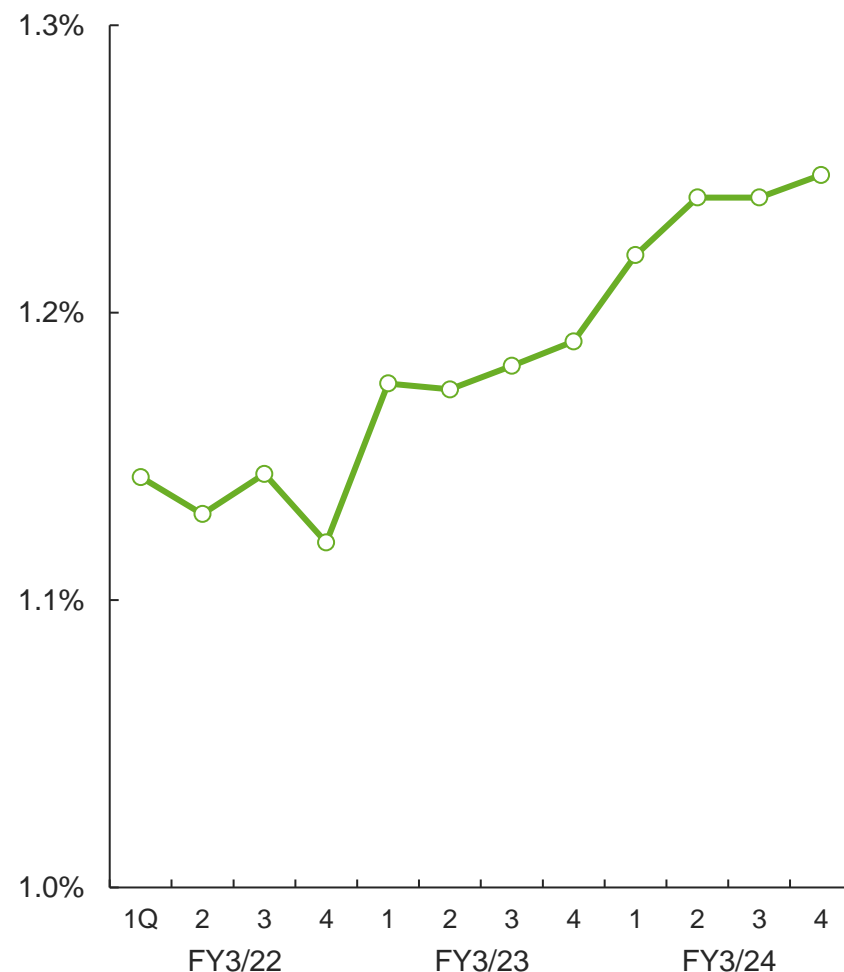
*2 Monthly average loan spread of existing loans, excluding loans to the Japanese government

Overseas loans^{*1}

Balance



Spread^{*2}

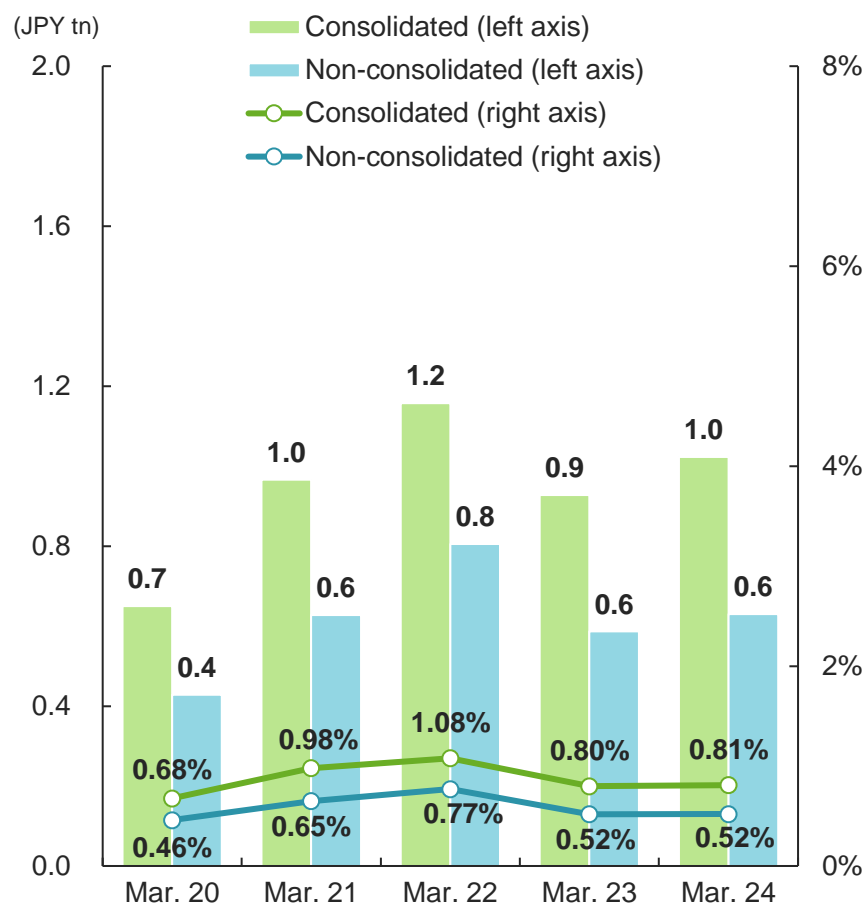


^{*1} Includes trade bills. Managerial accounting basis, converted into USD at respective period-end exchange rates.
Sum of SMBC and major local subsidiaries

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

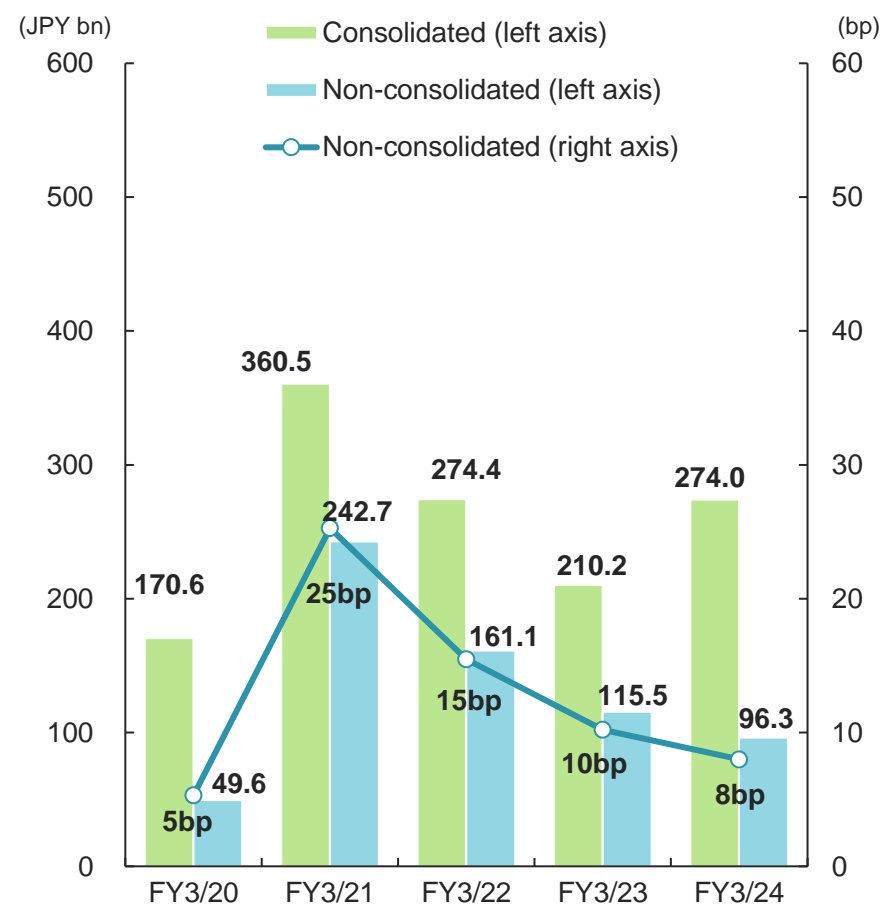
Asset quality – solid loan portfolio

NPLs and NPL ratio*1



Coverage ratio*3	Consolidated	68.89%	68.11%
	Non-consolidated	86.18%	89.53%

Total credit cost and total credit cost ratio*2



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

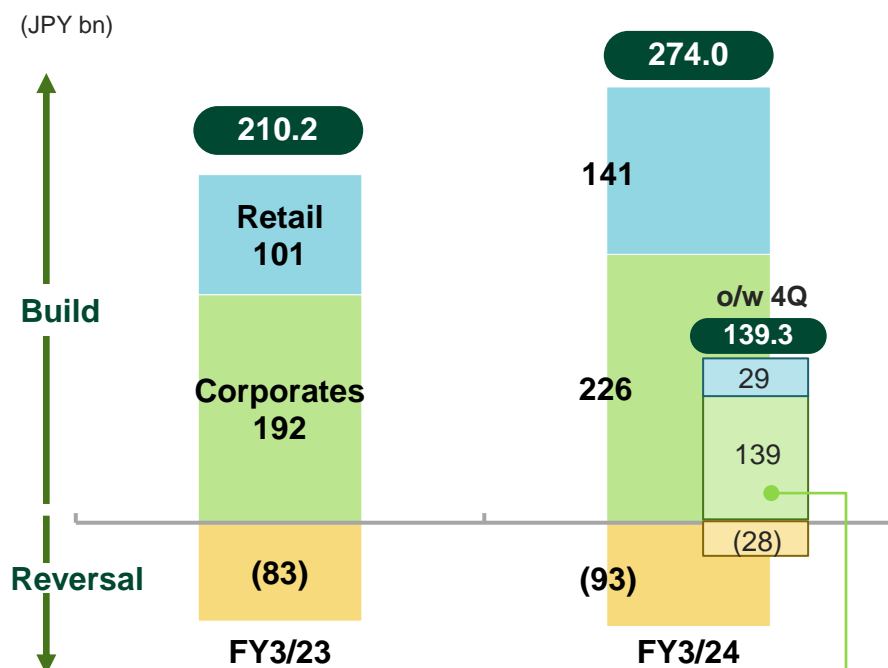
*2 Total credit cost ratio = Total credit cost / Total claims

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

Credit costs / CRE exposure

Credit costs increased mainly due to business expansion in the retail business and overseas subsidiaries.

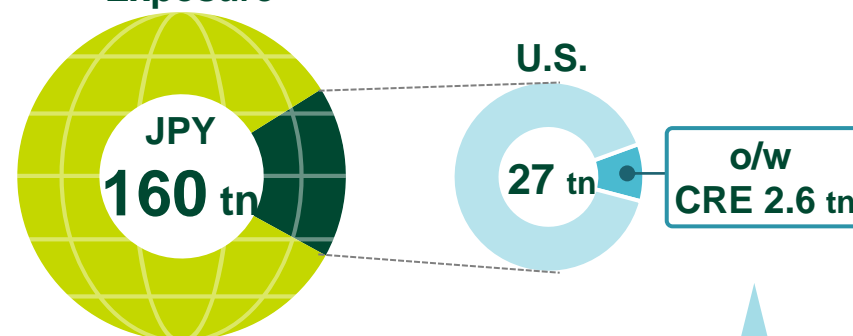
Credit cost



- Recorded forward-looking provision of 36 in 4Q, out of total 39 (Russia 13, Overseas rate hike 20, domestic 6)
- Recorded provision for several large borrowers

CRE exposure^{*1}

SMBC Group Exposure



U.S. CRE Exposure

- Less than 2% of SMBC Group's total exposure
- 60% in non-recourse loans and 40% in REITs and others
- 70% are investment grade and NPL ratio is as low as 0.3%
- LTV for non-recourse loans is about 60%

<o/w office sector>

- Outstanding JPY 0.3 tn, with NPL ratio of 3%
- 40% in non-recourse loans, LTV of 60% or less

Asset quality – securities portfolio

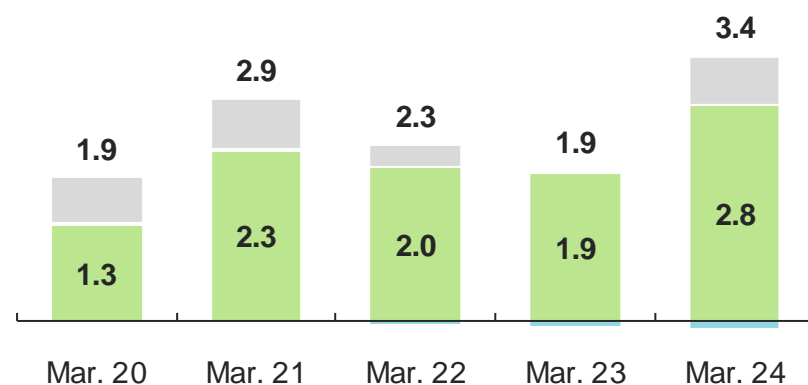
Breakdown of other securities (consolidated)

	B/S amount		Unrealized gains (losses)	
	Mar. 24	vs Mar. 23	Mar. 24	vs Mar. 23
(JPY bn)				
Held-to-maturity	234.1	+68.5	(1.4)	(1.0)
Available for sales	36,132.8	+3,667.8	3,393.1	+1,477.9
Stocks (domestic)	4,119.8	+774.4	2,837.0	+892.2
Bonds (domestic)	10,760.4	(2,417.1)	(100.1)	(35.9)
o/w JGBs	7,547.4	(2,028.9)	(54.8)	(18.4)
Others	21,252.7	+5,310.6	656.2 ^{*1}	+621.6
o/w Foreign bonds	16,836.2	+3,754.7	(690.6)	+6.7

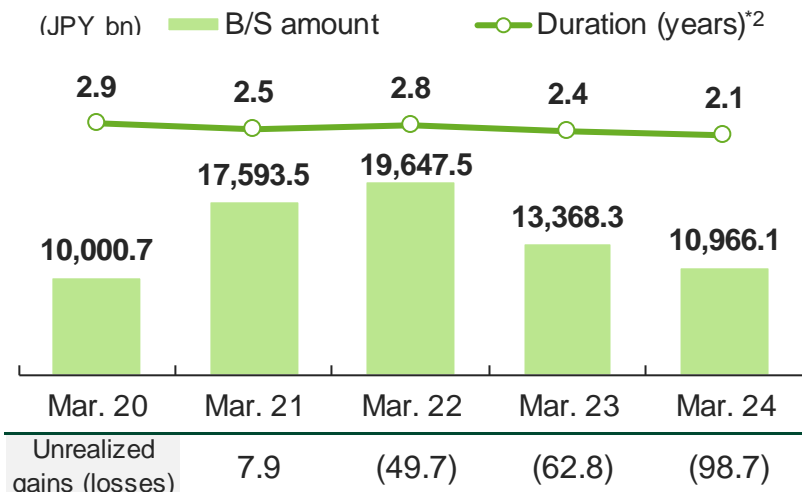
Risk volume is controlled by hedging and others

Unrealized gains

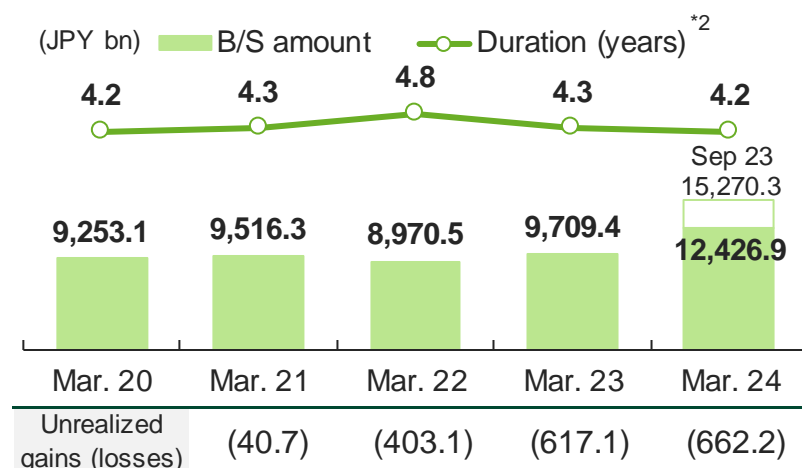
(JPY tn) ■ Stocks (domestic) ■ Bonds (domestic) ■ Others



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

(excl. bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds)

Balance sheet

Consolidated (as of Mar. 24)

(vs Mar. 23)

Loans		Deposits	
JPY 107.0 tn (+JPY 8.6 tn)		JPY 179.5 tn (+JPY 7.7 tn)	
Domestic loans ^{*1}	JPY 64.5 tn	Loan to deposit ratio: 59.6%	
Securities		Domestic deposits ^{*1}	JPY 127.7 tn
JPY 37.1 tn (+JPY 3.9 tn)		NCD	JPY 14.7 tn
JGBs	JPY 7.5 tn	Others	
Foreign bonds	JPY 16.8 tn	JPY100.9 tn (+JPY 15.1 tn)	
Others		Total net assets	
JPY151.1 tn (+JPY 12.3 tn)		JPY 14.8 tn (+JPY 2.0 tn)	
Cash and due from banks	JPY 78.1 tn		
BoJ's current account ^{*1}	JPY 57.8 tn		

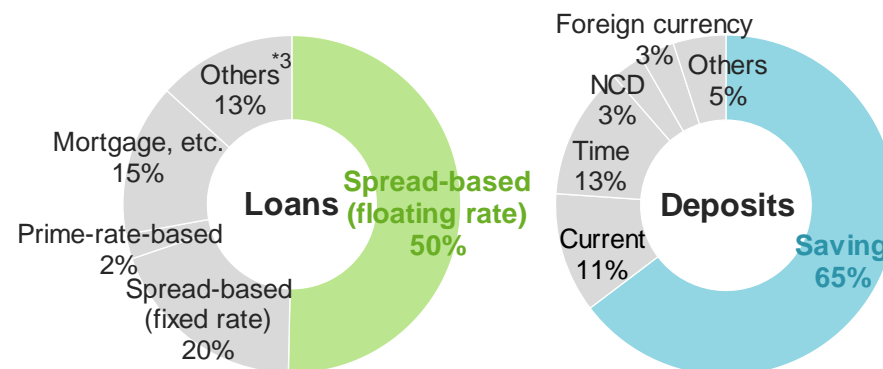
Total assets JPY 295.2 tn (+JPY 24.8 tn)

Impact of change in foreign interest rates

Loan/deposit

- Most of the loans and deposits are based on market rate
- Net interest income increases by JPY 20 bn when interest rate increases by 1%, as a part of the deposits have low sensitivity to interest rate and vice versa

Domestic loans and deposits^{*2}



Impact of possible interest hike^{*4}



	Mar. 24	Assumption
Floating rate loan	+10bps	+10bps in both short-term and long-term rate
Prime-rate based loan	-	
Fixed rate loan	-	
BOJ current account	+10bps	
JGBs	+10bps	
Ordinary deposit	+2bps	
Time deposit	+3bps	

*1 SMBC *2 Managerial accounting basis *3 Overdraft, foreign-currency-denominated, etc.

*4 Based on an assumption of no changes in balance sheet *5 Based on the assumption and will change by market environment

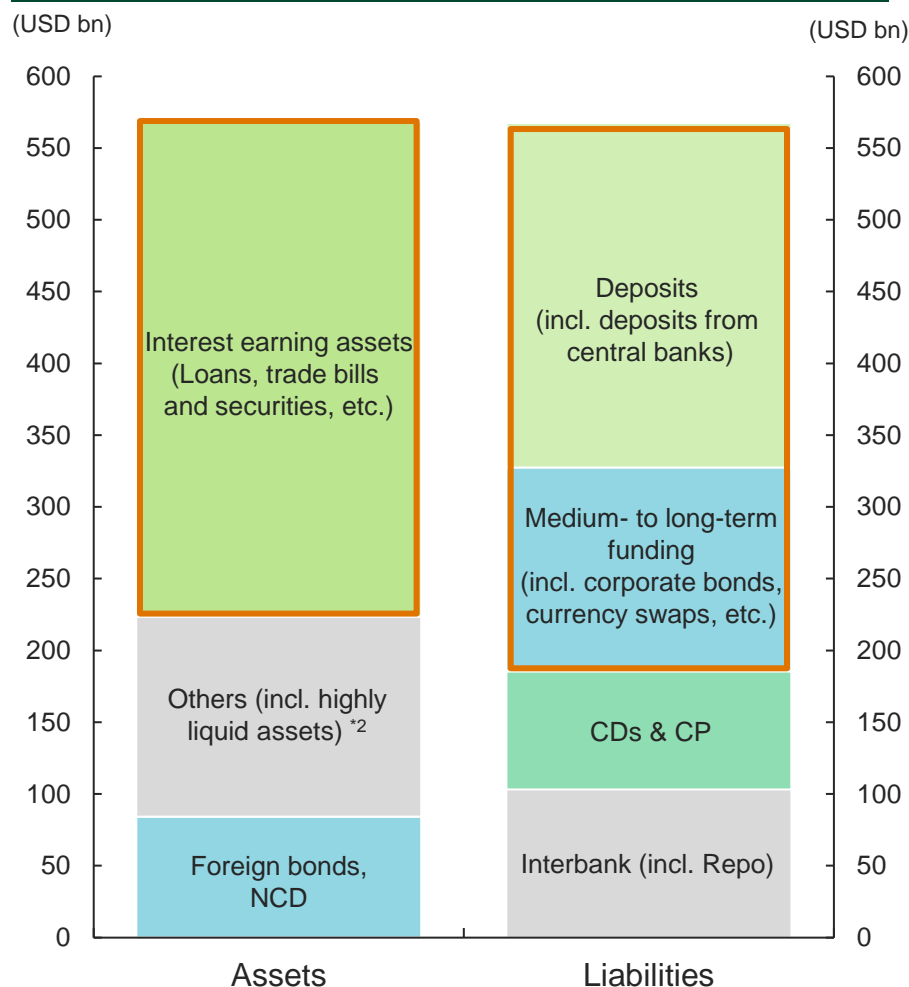


Funding / Capital Strategy

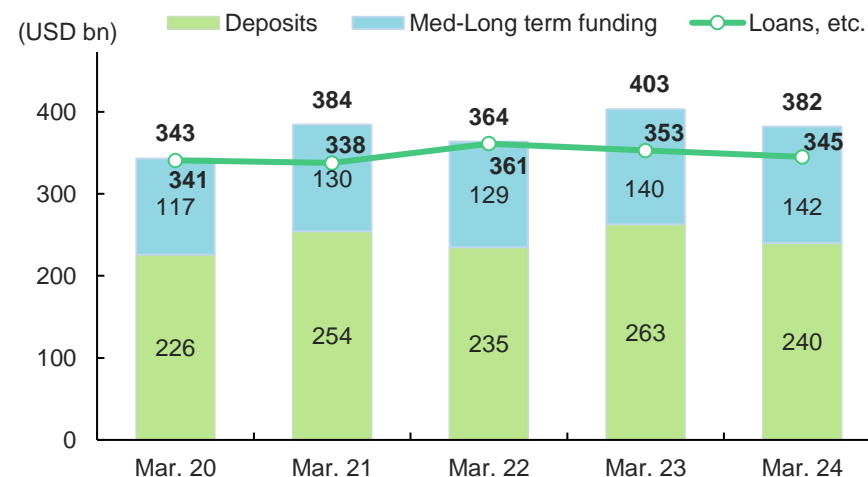
Foreign currency assets and funding

Non-JPY Balance sheet overview ^{*1}

(as of Mar. 24)

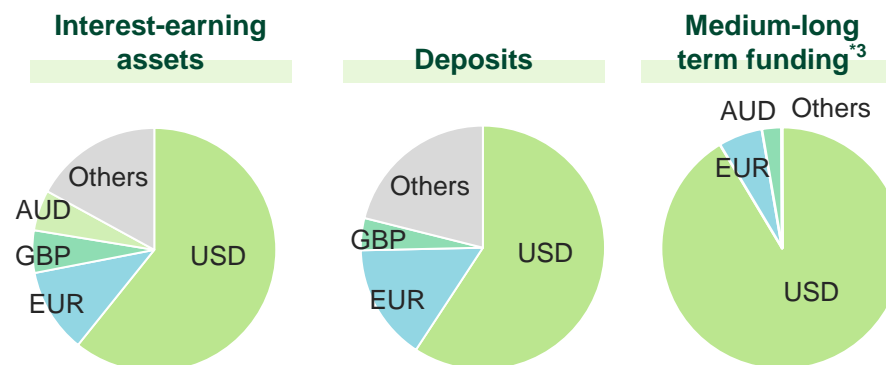


Non-JPY Balance sheet development



Currency breakdown

(as of Mar. 24)

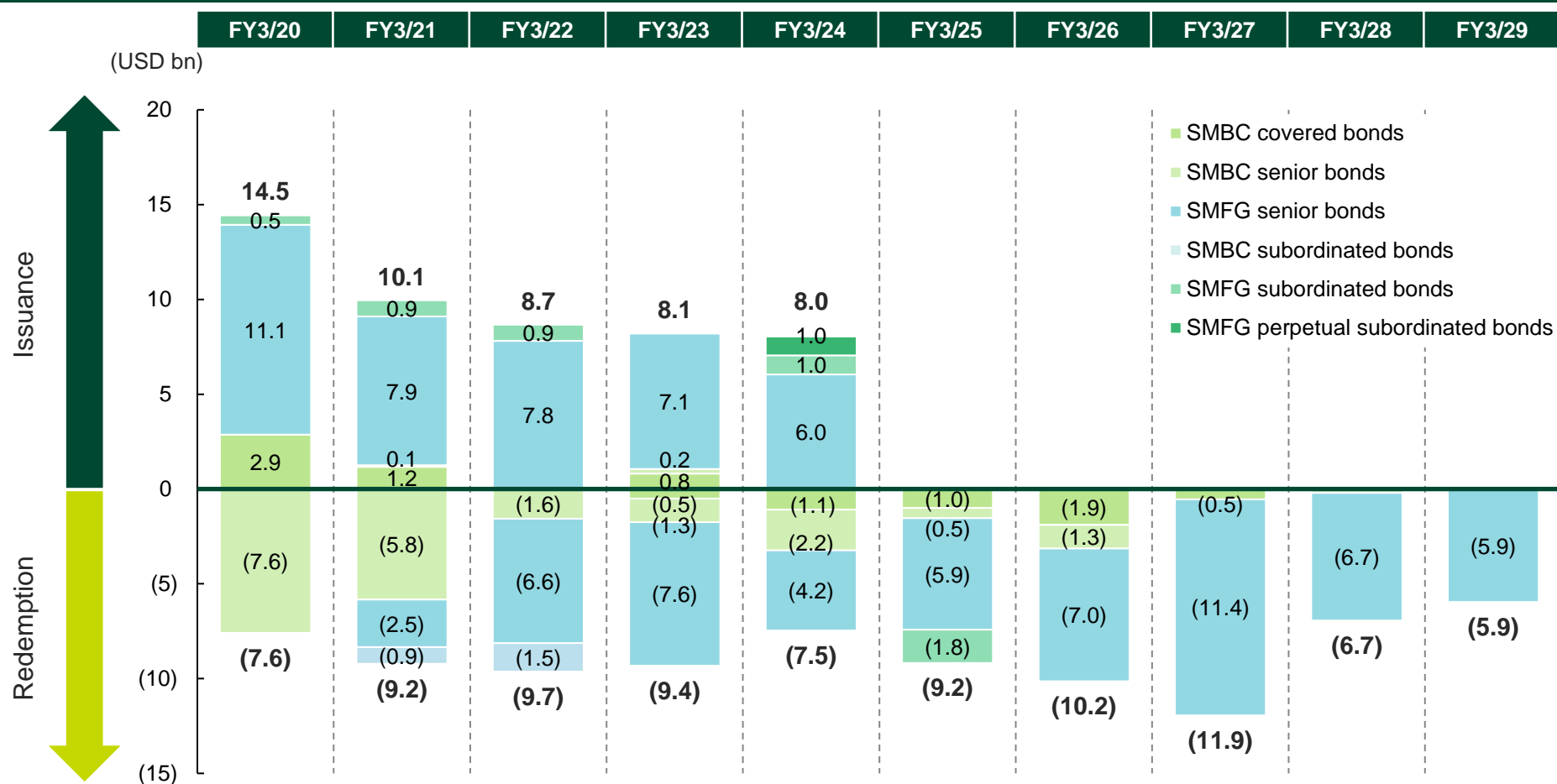


^{*1} Managerial accounting basis. Sum of SMBC and major local subsidiaries ^{*2} Deposits placed with central banks, etc.

^{*3} Among all bonds priced by Mar. 24, only includes issuance with original maturity of two years or more and its tap issue as of Mar. 24. Converted into USD at the exchange rates as of the end of Mar. 24

Foreign currency issuances and redemptions

Non-JPY issuances and redemptions^{*1}

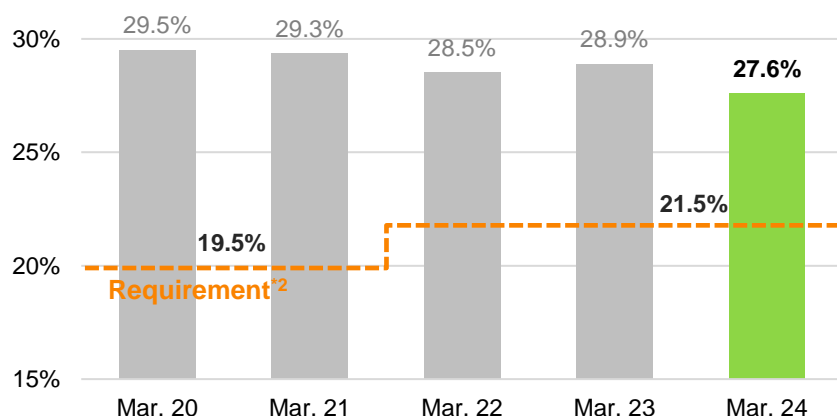


^{*1} The sum of SMFG and SMBC, each on a non-consolidated basis. Excludes JPY funding, certificate of deposits and transferable deposits. All redemptions were, or are expected, at maturity other than for callable notes, which were, or are expected to be, redeemed at their respective 1st call dates, while there is no assurance they will be redeemed at such time. Among all notes priced by Mar. 24, only includes issuance with original maturity of two years or more and its tap issue as of Mar. 24. Translated into USD at the exchange rate as of the end of each period for FY3/20-FY3/24, and as of Mar. 24 for FY3/25-FY3/29

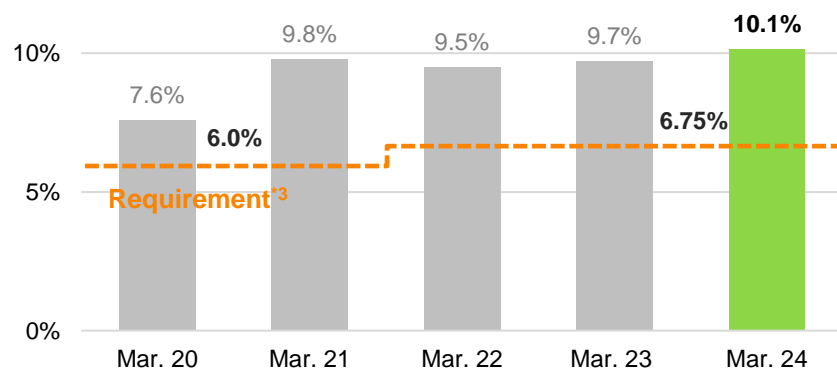
TLAC ratio and requirements

TLAC ratio (Transitional basis)*1

Risk-weighted assets basis (including capital buffers*2)



Leverage exposure basis



TLAC ratio (Transitional basis)*1

	(JPY bn)	Mar. 2024
External TLAC	A	25,603.1
Risk-weighted assets (RWA)	B	92,848.6
TLAC ratio (RWA basis) (A/B)	C	27.57%
Capital buffers (including CCyB)	D	(3.65%)
Ref: TLAC ratio of RWA (C+D)	E	23.92%
Leverage exposure (LE)	F	252,514.1 ^{*3}
TLAC ratio (LE basis) (A/F)	G	10.13%

Requirements

Minimum external TLAC (RWA basis)	18%
+ capital buffers*2	+3.5%
Effective level of minimum external TLAC (RWA basis)*2	21.5%
Minimum external TLAC (LE basis)*3	6.75%

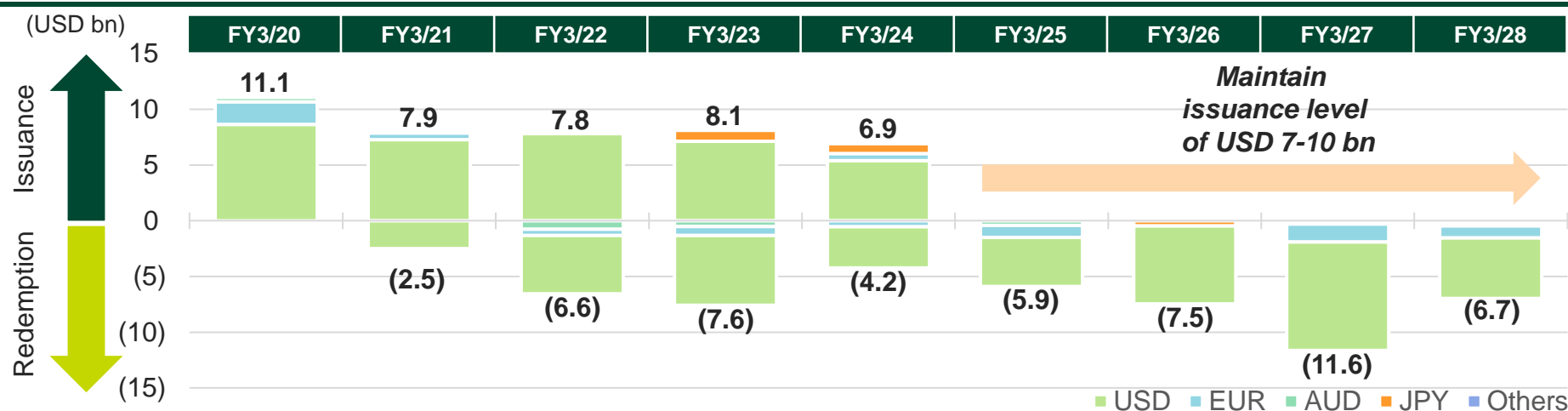
*1 Basel III finalization phased-in period started from Mar. 24. Revised RWA calculation will be fully implemented by Mar. 29. See p.75

*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

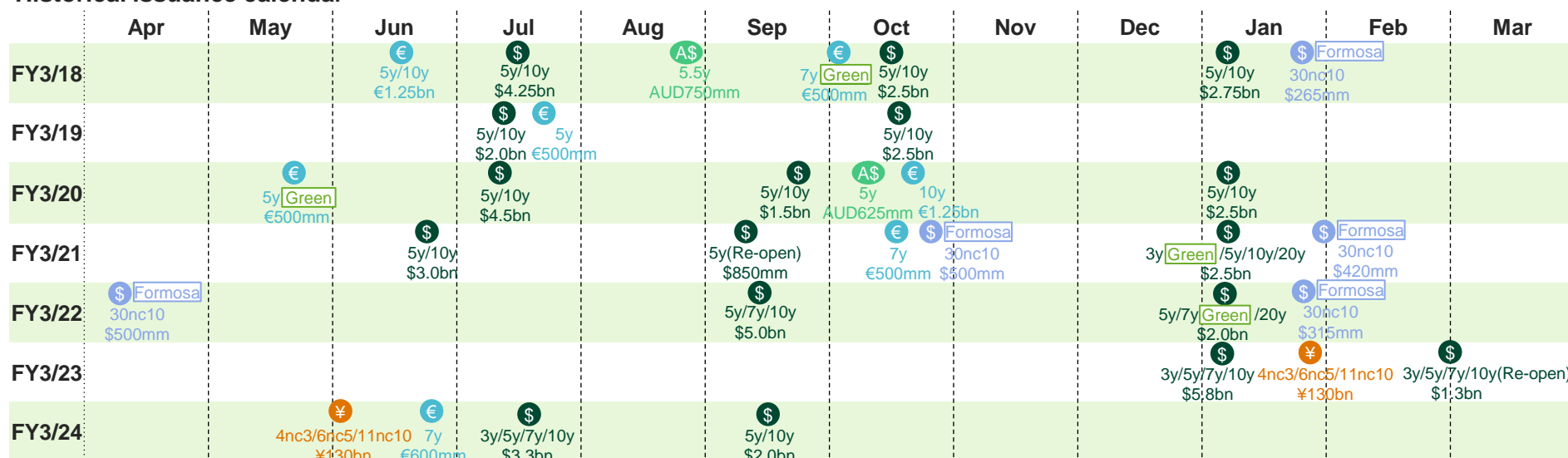
*3 LE excludes deposits with the Bank of Japan under the FSA's temporary relief on leverage ratio calculation from Jun. 2020. TLAC leverage ratio basis requirement is expected to increase to 7.10% from Apr. 2024

TLAC issuance results and strategy

TLAC issuances and redemptions^{*1}



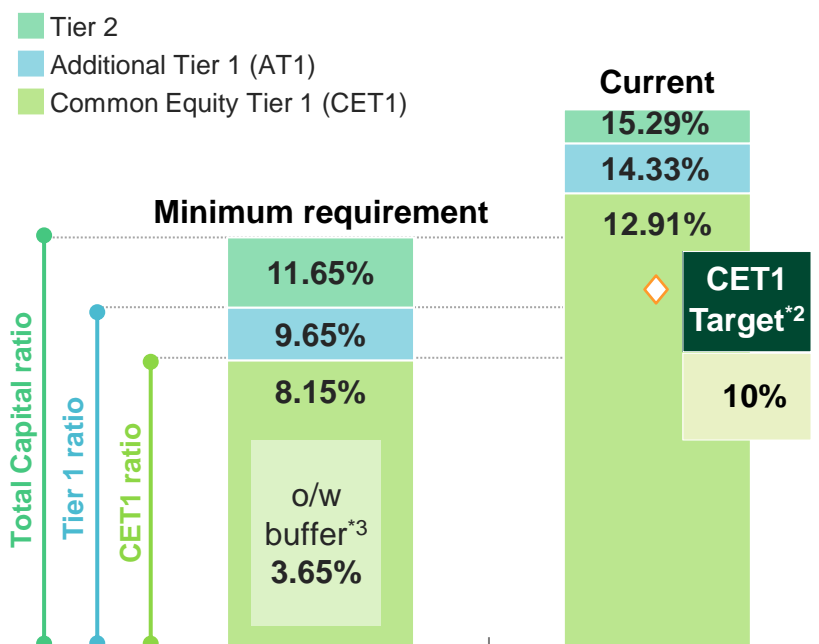
Historical issuance calendar^{*2}



^{*1} The sum of SMFG Senior notes issuances and redemptions. All redemptions were, or are expected, at maturity other than for callable notes, which were, or are assumed for illustration to be, redeemed at their respective 1st call dates, while there is no assurance they will be redeemed at such time. Among all notes priced by Mar. 24, only includes issuance with original maturity of two years or more and its tap issue as of Mar. 24. Translated into USD at the exchange rate as of the end of each period for FY3/20-FY3/24, and as of Mar. 24 for FY3/25-FY3/28 ^{*2} Based on pricing date

Capital

Capital ratio (Transitional basis)*1



(JPY bn)	Mar. 24
Total capital	14,197.9
Tier 1 capital	13,311.6
o/w CET1 capital	11,992.6
Tier 2 capital	886.3
Risk-weighted assets	92,848.6

Capital strategy*2

Tier 2	JPY 0.9 tn (0.9%) (as of Mar. 24)	<ul style="list-style-type: none"> Plan to fill 2.0% Tier 2 bucket in the medium term, taking account of RWA growth and AT1 capital accumulation
AT1	JPY 1.3 tn (1.3%) (as of Mar. 24)	<ul style="list-style-type: none"> Plan to continue issuing AT1 notes to fill 1.5% AT1 bucket
CET1		<ul style="list-style-type: none"> CET1 ratio target: 10% Target remains unchanged without changes in regulations and environment

(Ref.) Risk-weighted assets (pro forma) : JPY 102.3tn (Mar. 24)

Recent AT1 and Tier 2 offerings by SMFG

Security type	Issue date	Amount	Tenor	Coupon
AT1 (USD)	Mar. 5, 2024	USD 1bn	PerpNC10	6.600%
AT1	Jan. 26, 2024	JPY 125bn	PerpNC5	1.844%
AT1	Jan. 26, 2024	JPY 63bn	PerpNC10	2.248%
Tier 2	Oct. 30, 2023	JPY 85bn	10NC5	1.276%
Tier 2	Oct. 30, 2023	JPY 45bn	10y	1.758%
AT1	Sep. 15, 2023	JPY 114.5bn	PerpNC5	1.889%
AT1	Sep. 15, 2023	JPY 96.5bn	PerpNC10	2.292%
Tier 2 (USD)	Jul. 13, 2023	USD 1bn	20y	6.184%
AT1	Apr. 25, 2023	JPY 89bn	PerpNC5	1.879%
AT1	Apr. 25, 2023	JPY 51bn	PerpNC10	2.180%

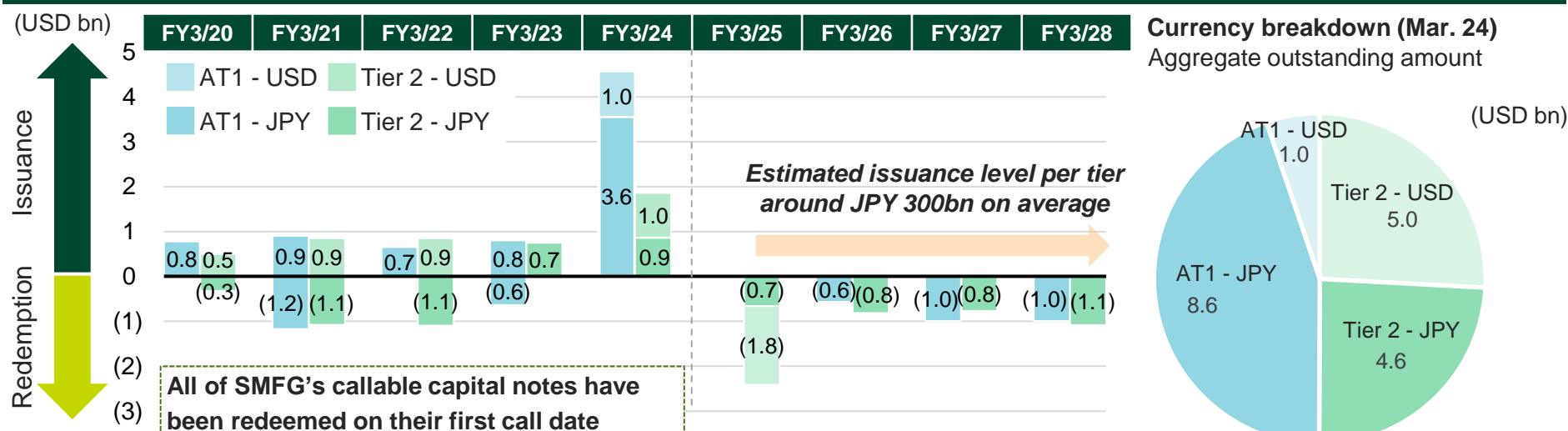
*1 Basel III finalization phased-in period started from Mar. 24. Revised RWA calculation will be fully implemented by Mar. 29. See p.75

*2 All percentages are calculated based on the fully implemented RWA which includes the impact of RWA inflation due to Basel III finalization and excludes RWA associated with net unrealized gains on stocks. CET1 capital excludes net unrealized gains on other securities.

*3 Including capital conservation buffer (2.50%), G-SIB buffer (1.00%) and countercyclical buffer (0.15%)

Subordinated notes issuance results and strategy

Subordinated notes issuances and redemptions^{*1}



Historical issuance calendar^{*2}

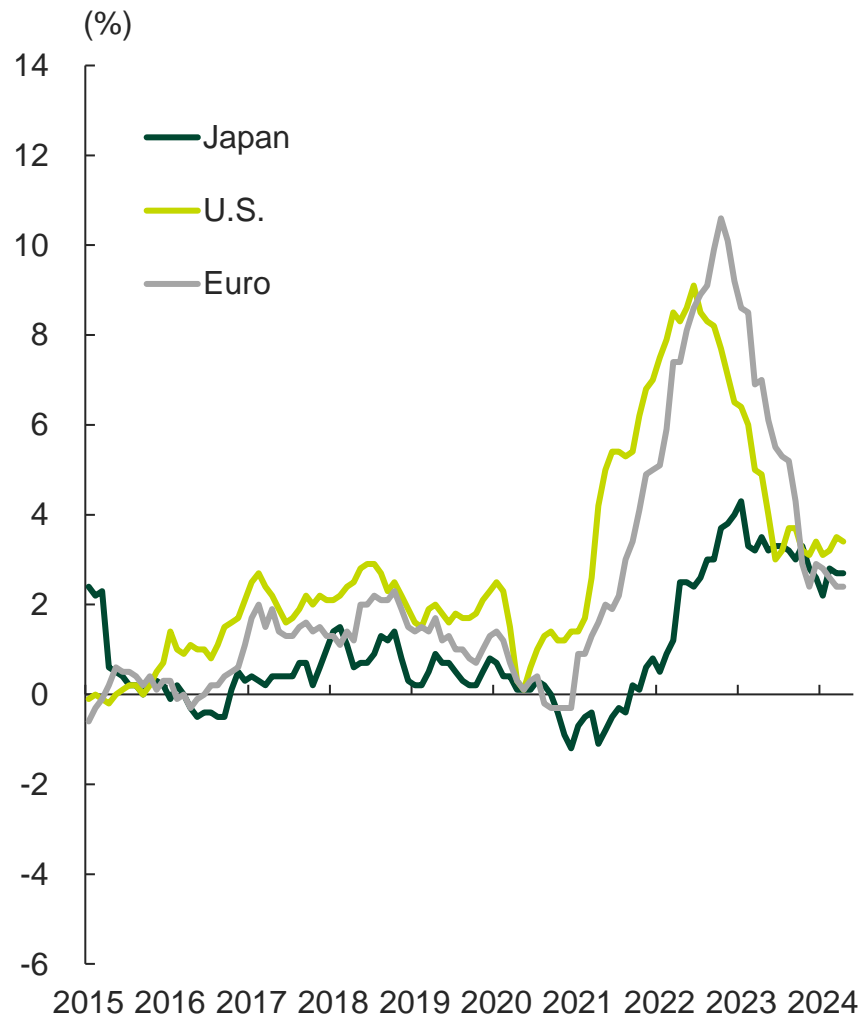
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
FY3/20			¥ AT1 PNC10 ¥85bn			\$ Tier2 10y \$500mn						
FY3/21						¥ AT1 PNC10 ¥100bn	\$ Tier2 10y \$850mn					
FY3/22						\$ Tier2 20y \$850mn				¥ AT1 PNC10 ¥80bn		
FY3/23									¥ AT1 PNC5/PNC10 ¥107bn			¥ Tier2 10NC5/10y ¥100bn
FY3/24	¥ AT1 PNC5/PNC10 ¥140bn			\$ Tier2 20y \$1bn		¥ AT1 PNC5/PNC10 ¥211bn	¥ Tier2 10NC5/10y ¥130bn			¥ AT1 PNC5/PNC10 ¥188bn	\$ AT1 PNC10 \$1bn	

^{*1} The sum of SMFG subordinated notes issuances and redemptions priced by Mar. 24. All redemptions were, or are expected to be, at maturity other than for callable notes, which were, or are assumed for illustrative purposes to be, redeemed at their respective 1st call dates, however, there is no assurance they will be redeemed at such time. Among all notes priced by Mar. 24. Converted into USD at the exchange rate as of the end of each period for FY3/20-FY3/23, and as of Mar. 24 for FY3/24-FY3/28

^{*2} Based on the pricing date

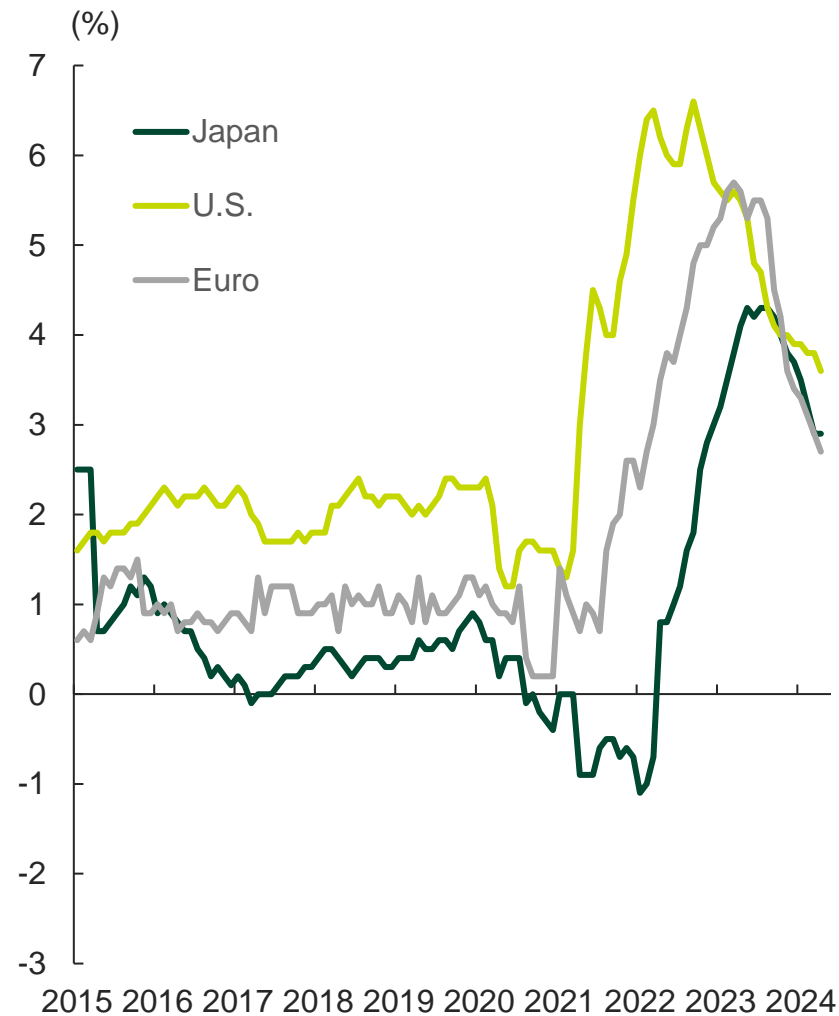
Comparison of inflation

CPI (YoY)*¹



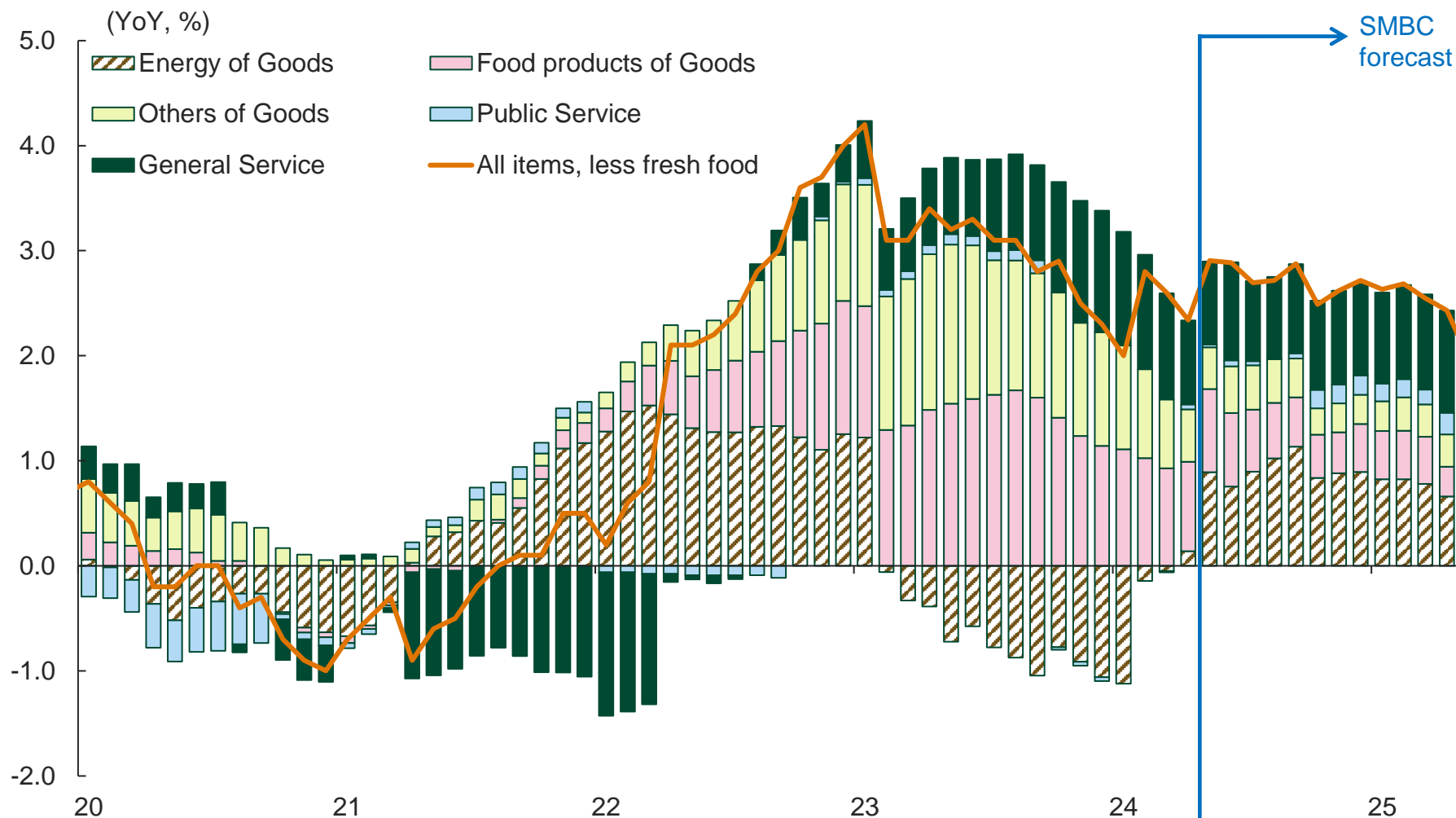
Core CPI (YoY)*¹

excluding food & energy



Outlook for Japan's CPI

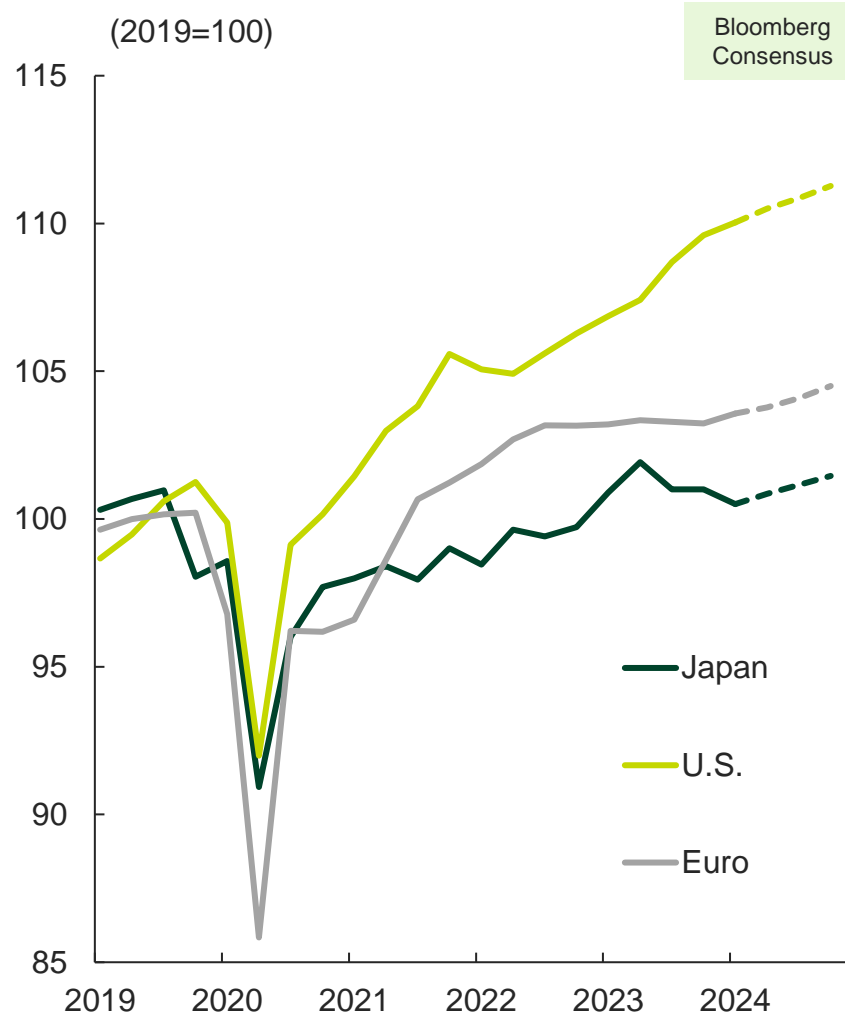
CPI Forecast (YoY)*1



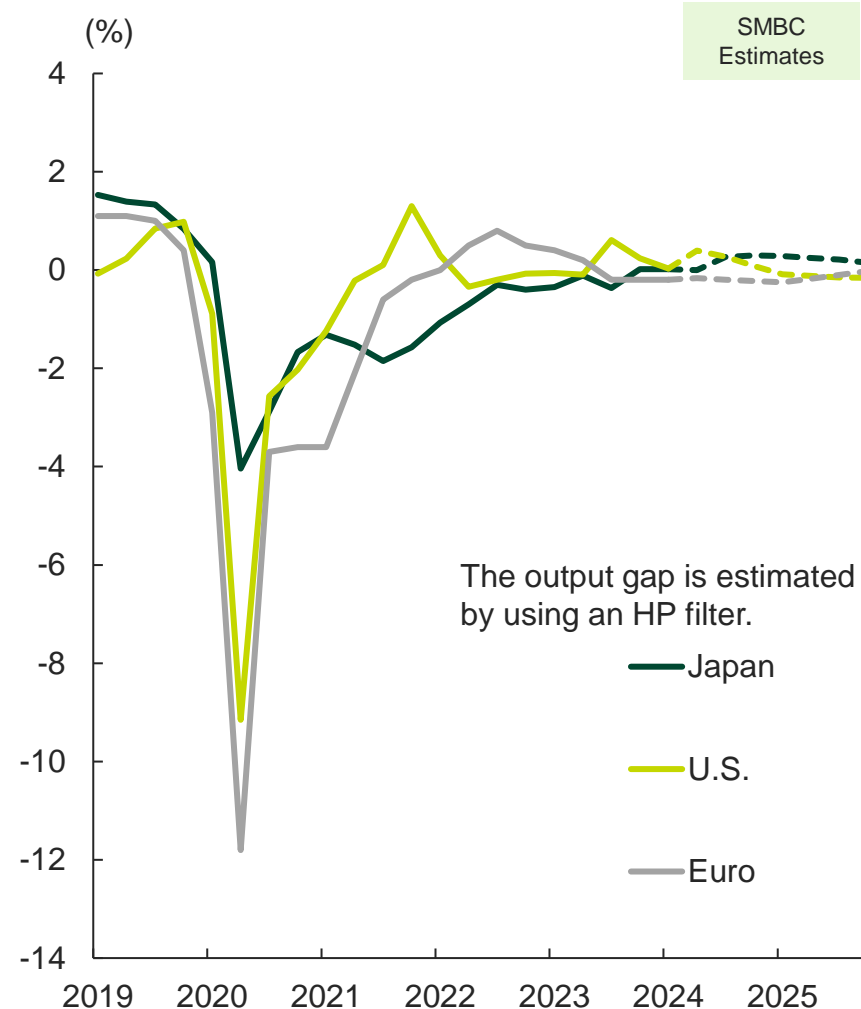
*1 Statistics Bureau of Japan, SMBC. Including SMBC Treasury Unit's own estimate as of May 1, 2024

Comparison of GDP & output gap

GDP level*¹



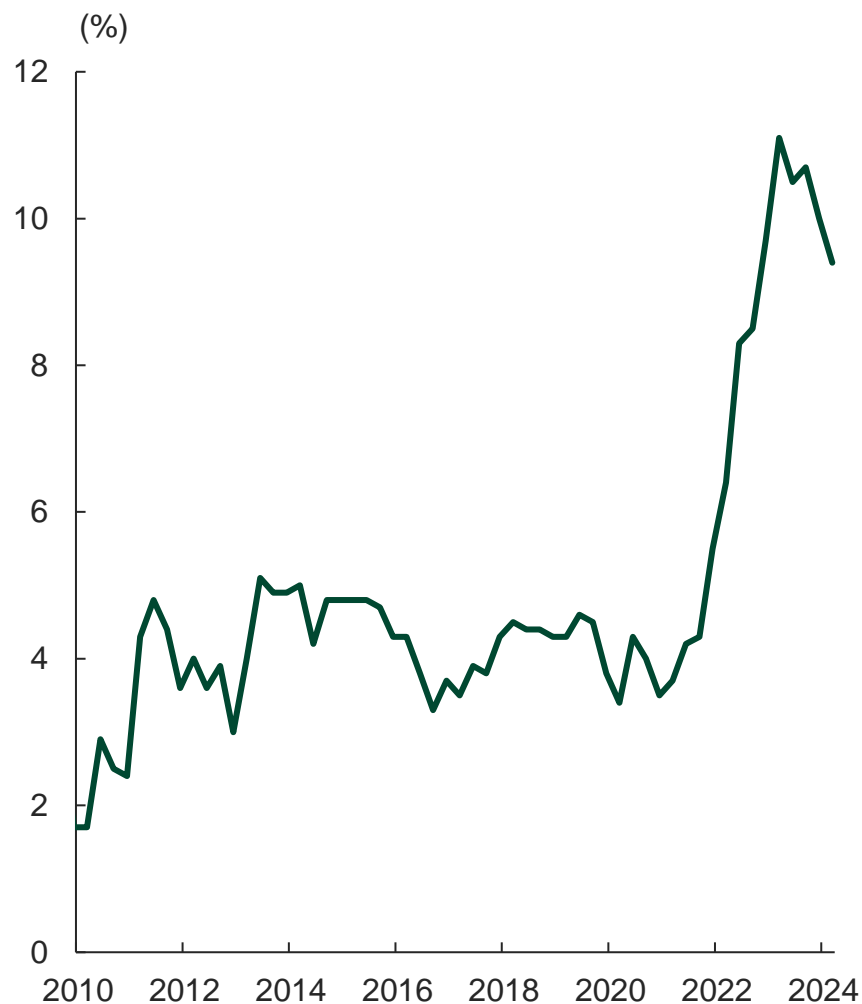
Output gap*¹



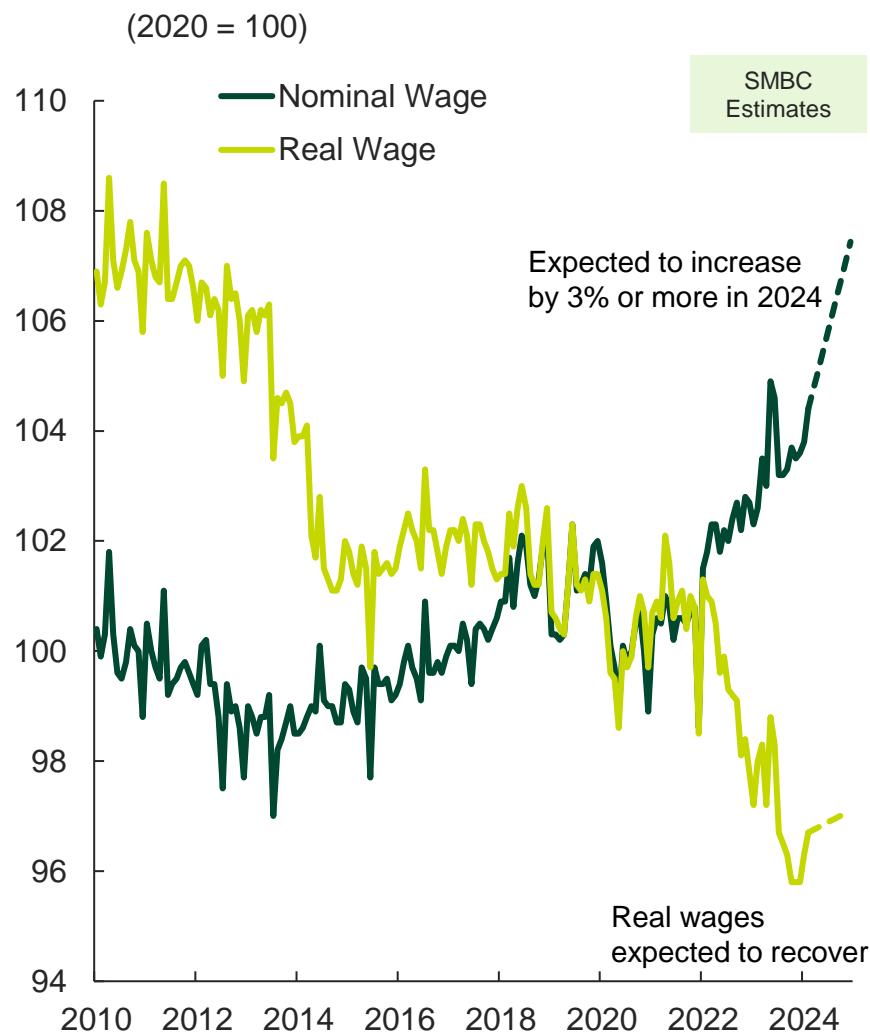
*¹ Cabinet Office, Congressional Budget Office, Bloomberg, SMBC. Including SMBC Treasury Unit's own estimate as of May 1, 2024

Consumption in Japan

Household inflation expectations^{*1}



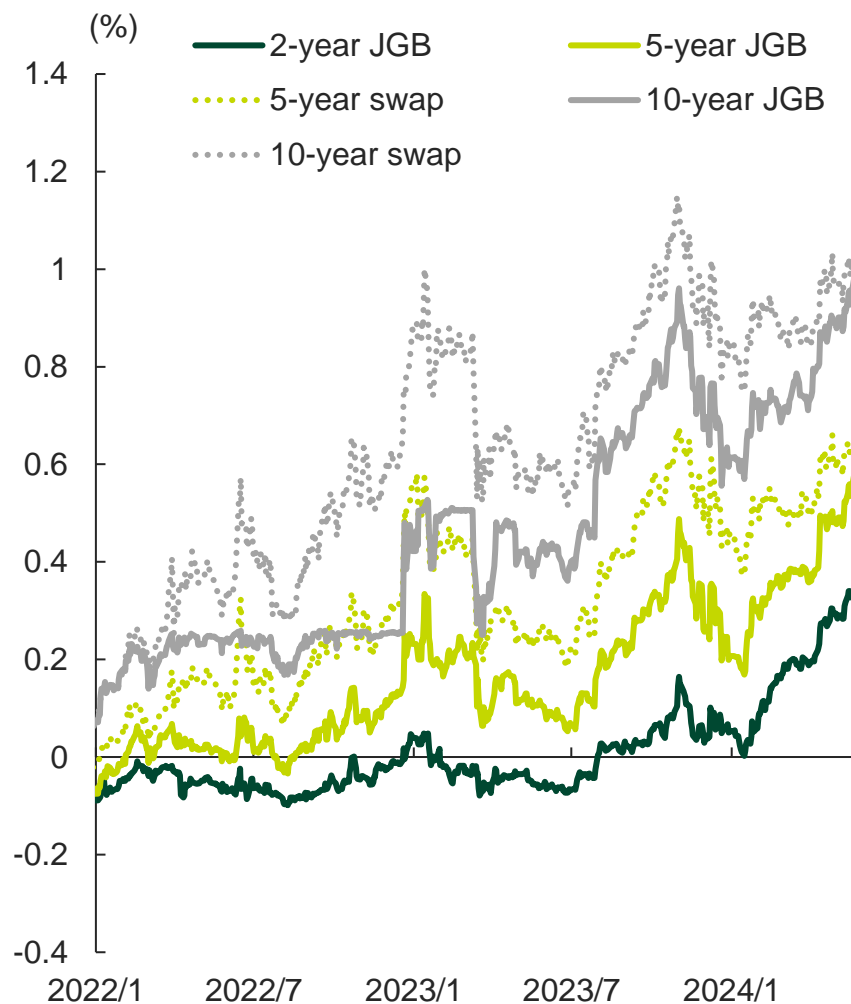
Nominal and real wage^{*1}



^{*1} Bank of Japan, Ministry of Health, Labour and Welfare, SMBC. Including SMBC Treasury Unit's own estimate as of May 1, 2024

Trends in Yen interest rate

Trends in short- and long-term rates*1



Trends in super-long-term rates*1





Appendix

Group structure*1

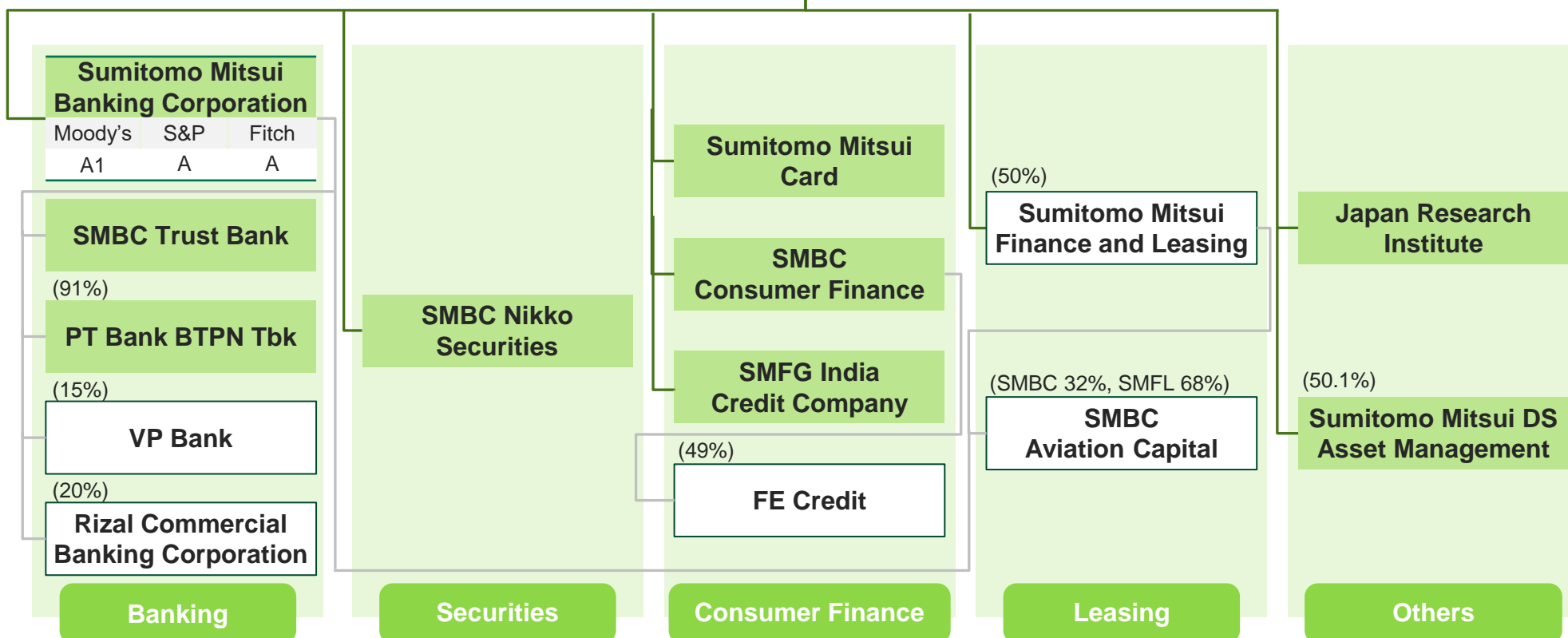
Consolidated subsidiary

Equity-method affiliate

Sumitomo Mitsui Financial Group

Consolidated total assets JPY 295 tn

Credit ratings*2	Moody's	S&P	Fitch	R&I	JCR
	A1/P-1	A-/-	A-/F1	AA-/ -	AA/ -



*1 As of the end of Mar. 24

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

*2 As of May 2, 2024

Credit ratings of selected G-SIBs

OpCo senior unsecured notes / Excluded liabilities TLAC eligible senior unsecured notes Basel III Tier 2 notes
Additional Tier 1 (AT1) securities ♦ Stand-alone ratings*¹ ● —● Notch Difference (between OpCo senior and TLAC senior notes)

Moody's

(As of the end of Apr. 24)

	SMFG	Mizuho	MUFG	BAC	Citi	JPM	Barclays	HSBC	DB* ²	BNP* ²	UBS* ³
Aa1				●							
Aa2				3 —●		●					
Aa3	0	0	0	3 —●	●	2 —●				●	●
A1	● —●	● —●	● —●	●	3 —●	●	●	●	●	●	●
A2				♦	3 —●	♦	3 —●	2 —●	3 —●	4 —●	3 —●
A3	♦		♦		●		3 —●	● ♦	3 —●	●	♦
Baa1		♦			♦		● ♦	● ♦	●	♦	
Baa2									♦		
Baa3											
Ba1											
Ba2											

S&P

(As of the end of Apr. 24)

	SMFG	Mizuho	MUFG	BAC	Citi	JPM	Barclays	HSBC	DB* ²	BNP* ²	UBS* ³
A+				●	●	●	●	●		●	●
A	♦ 1	● 1 ♦	● 1 ♦	♦ 2	3 —●	♦ 2	3 —●	♦ 2	●	♦ 2	♦ 2
A-	♦ 1	● 1 ♦	● 1 ♦	●	3 —●	●	3 —●	●	3 —●	●	●
BBB+					●		●		♦ 3		
BBB									●		
BBB-											
BB+											
BB											
BB-											

*1 Stand-alone ratings: Adjusted BCA for Moody's, SACP for S&P

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

*3 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
 Additional Tier 1 (AT1) securities ♦ Stand-alone ratings*¹ ● — ● Notch Difference (between OpCo senior and TLAC senior notes)

Moody's

(As of the end of Apr. 24)

	SMFG	BMO	BNS	RBC	TD	ANZ	CBA	NAB	Westpac
Aa1									
Aa2									
Aa3									
A1	♦ 1			♦ 2	♦ 1				
A2	♦ 1	♦ 2	♦ 2	♦ 2	♦ 1	♦	♦	♦	♦
A3	♦	♦ 2	♦ 2	♦					
Baa1									
Baa2									
Baa3									

S&P

(As of the end of Apr. 24)

	SMFG	BMO	BNS	RBC	TD	ANZ	CBA	NAB	Westpac
AA-									
A+				♦	♦	♦	♦	♦	♦
A	♦	♦	♦	♦ 1	♦ 1				
A-	♦ 1	♦ 1	♦ 1	♦ 1	♦ 1				
BBB+	♦ 1	♦ 1	♦ 1						
BBB									
BBB-									
BB+									

*1 Stand-alone ratings: Adjusted BCA for Moody's, SACP for S&P

Financial highlights – IFRS*1

Income statement data

(JPY bn)	FY3/22	FY3/23
Net interest income	1,443.9	1,755.1
Net Fee and commission income	1,038.5	1,039.8
Net Trading income	280.3	626.0
Other operating income	374.7	369.7
Total operating income	3,137.5	3,790.7
Net operating income	2,857.5	3,642.2
Profit before tax	676.5	1,261.9
Net profit	515.1	935.8

Statement of financial position data

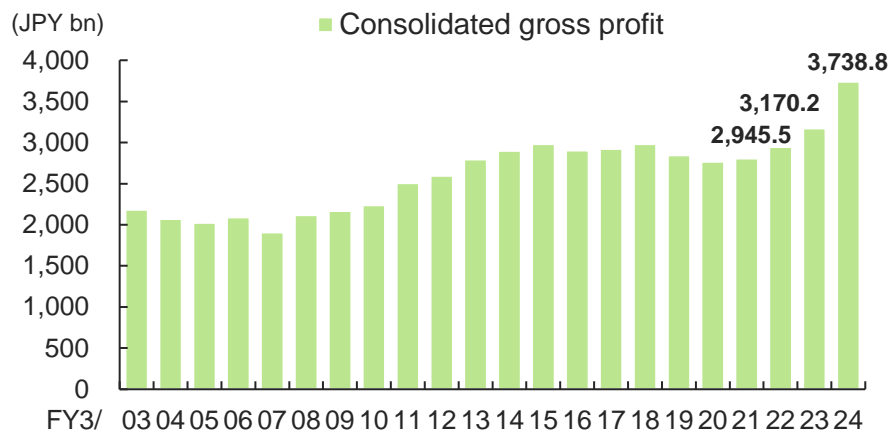
(JPY bn)	FY3/22	FY3/23
Total assets	248,160.8	257,687.0
Loans	104,635.8	111,891.1
Deposits	162,593.5	172,927.8
Total equity	12,781.7	13,537.0

Reconciliation with Japanese GAAP

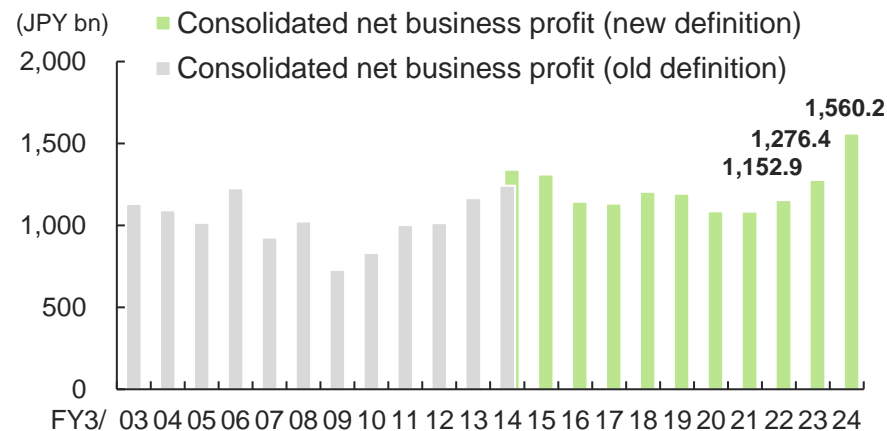
	(At and for FY3/23, JPY bn)	Total equity	Net profit
IFRS		13,537.0	935.8
Differences arising from different accounting methods for:	Scope of consolidation	96.7	(4.9)
	Derivative financial instruments	(504.3)	(374.0)
	Investment securities	(428.3)	147.0
	Loans and advances	407.7	(13.6)
	Investments in associates and joint ventures	221.1	10.6
	Property, plant and equipment	16.7	(1.6)
	Lease accounting	2.6	0.5
	Defined benefit plans	140.5	60.7
	Deferred tax assets	(61.4)	(25.3)
	Foreign currency translation	-	6.6
	Classification of equity and liability	(770.4)	(11.3)
	Others	40.9	29.9
	Tax effect of the above	92.3	69.2
Japanese GAAP		12,791.1	816.3

Trend of major income components – Consolidated

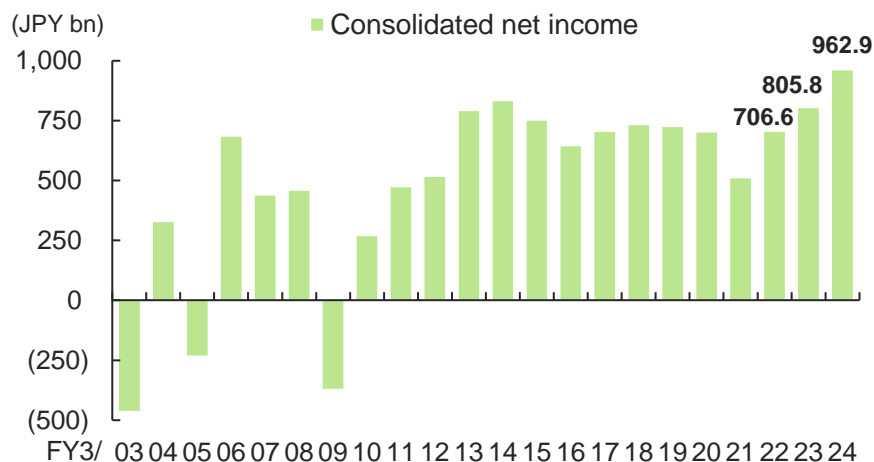
Consolidated gross profit



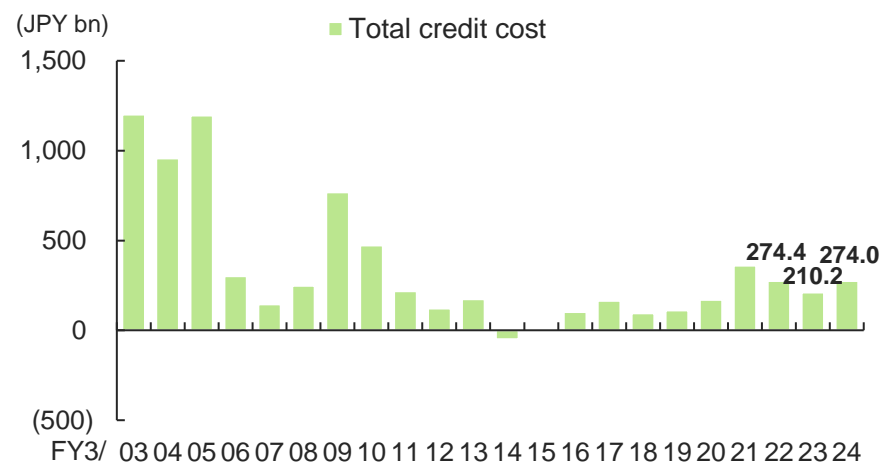
Consolidated net business profit^{*1}



Net income / Profit attributable to owners of parent



Total credit cost

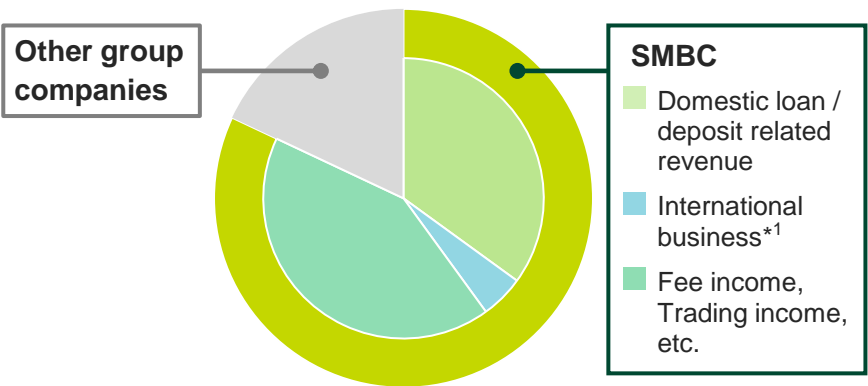


^{*1} We have changed the definition of “Consolidated net business profit” from FY3/15. The figure for FY3/14 has been adjusted retrospectively

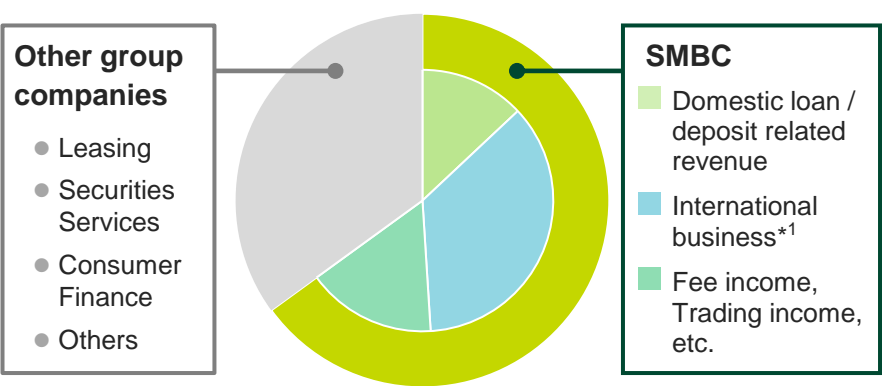
Diversified revenue sources

Breakdown of consolidated gross profit

FY3/03

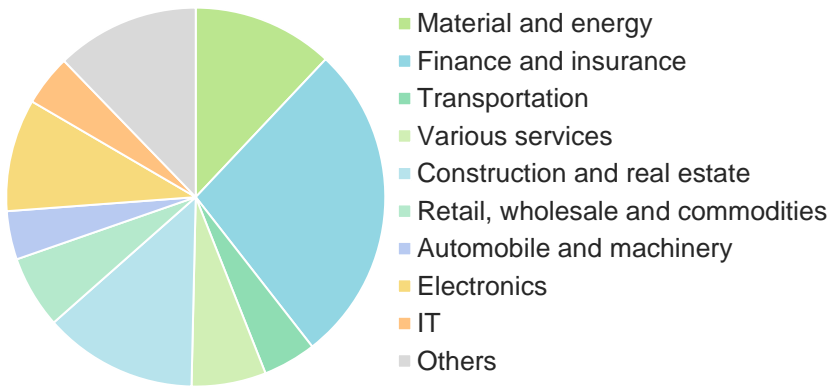


FY3/24

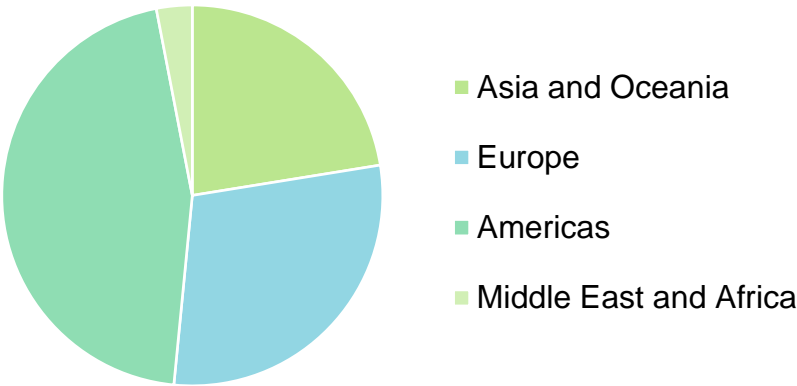


Breakdown of overseas loan balance (Mar. 24)

By industry

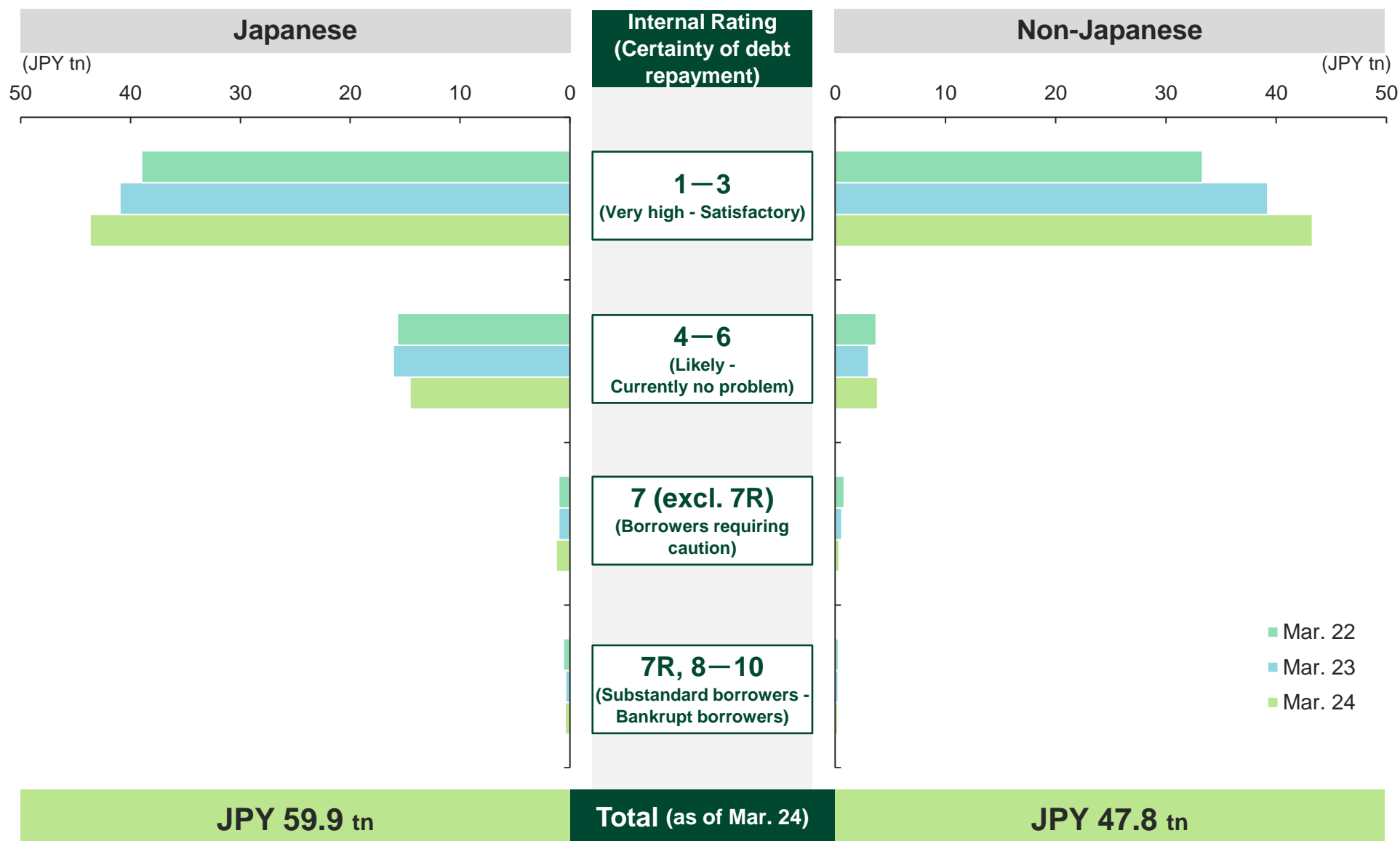


By domicile



*1 Includes major overseas banking subsidiaries

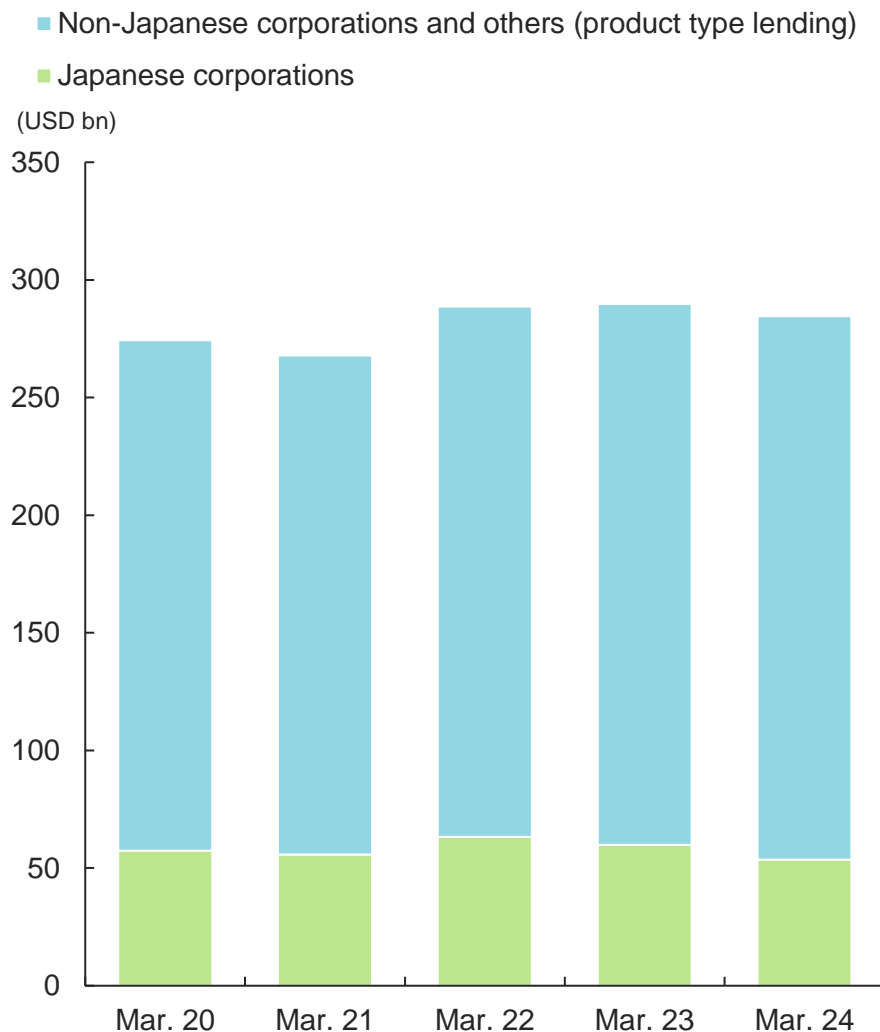
Japanese and non-Japanese corporate exposures^{*1}



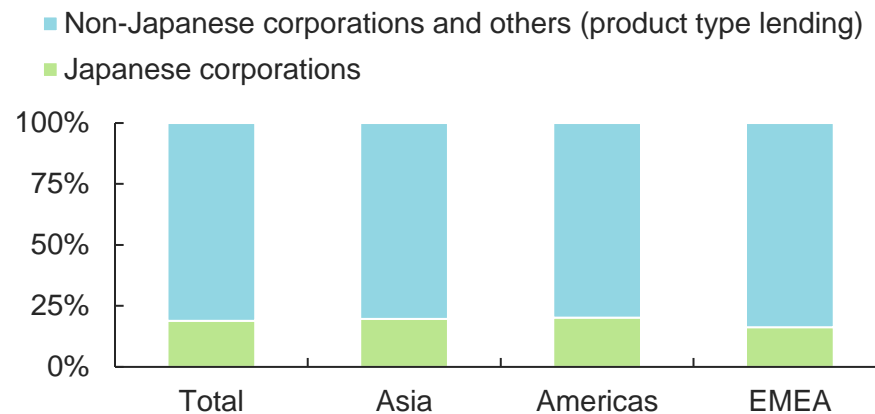
^{*1} Managerial accounting basis. Exposure includes loans, acceptances and guarantees, foreign exchanges, private placements, suspense payments, undrawn commitments, and derivatives, etc. Excluding the exposure to SMFG consolidated subsidiaries, retail customers in Japan, Japanese government, etc.,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

Overseas loan balance classified by borrower type*1

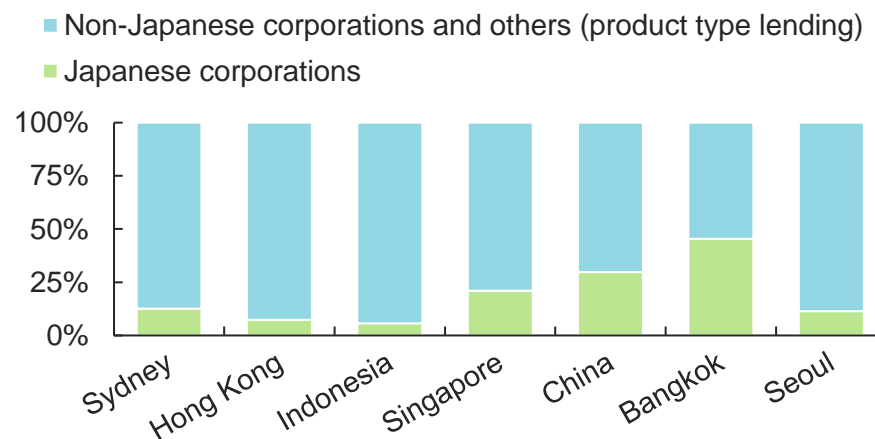
Total



By region (Mar. 24)



Major marketing channels in Asia (Mar. 24)*2

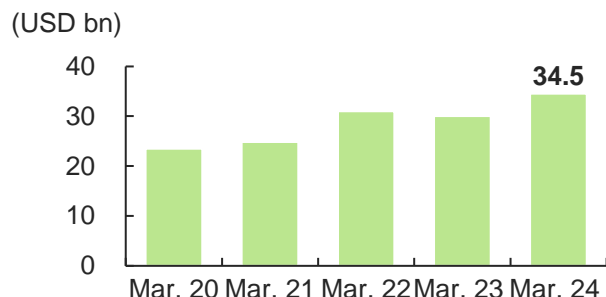


*1 Managerial accounting basis. Sum of SMBC and major local subsidiaries

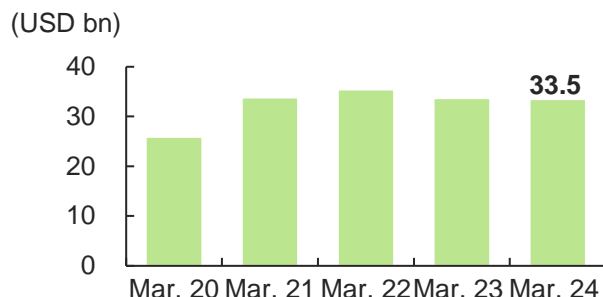
*2 Excludes BTPN in Indonesia

Exposure in selected APAC countries / areas^{*1}

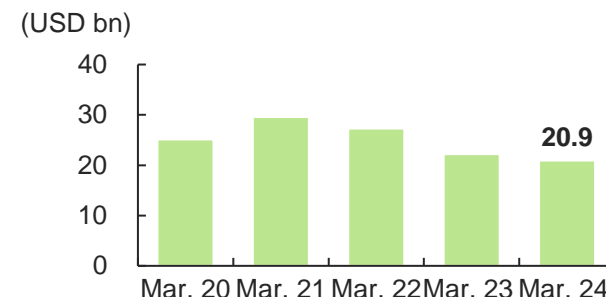
Singapore



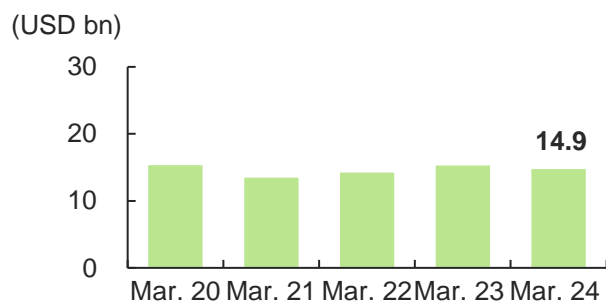
Australia



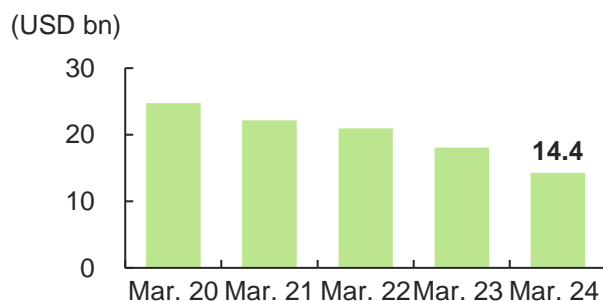
China



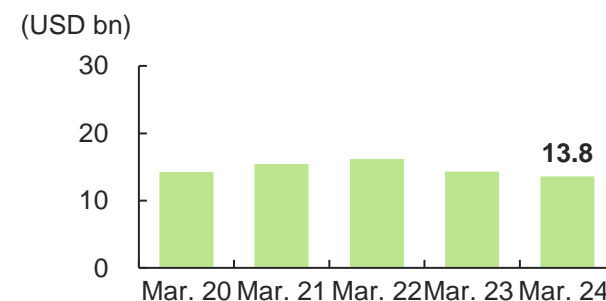
Indonesia



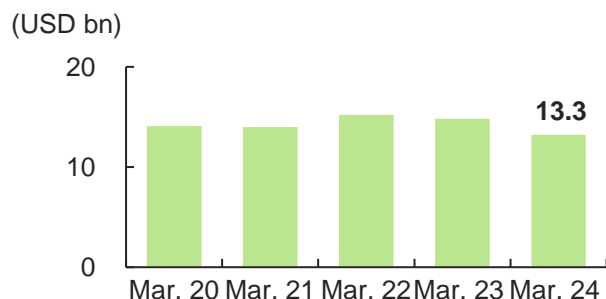
Hong Kong



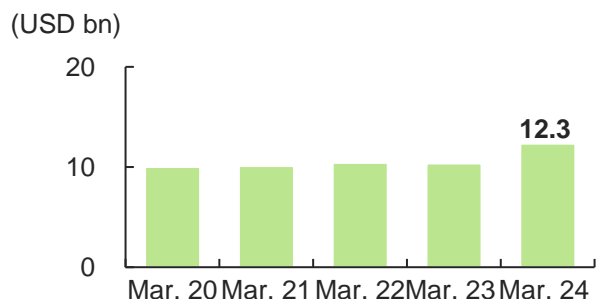
Korea



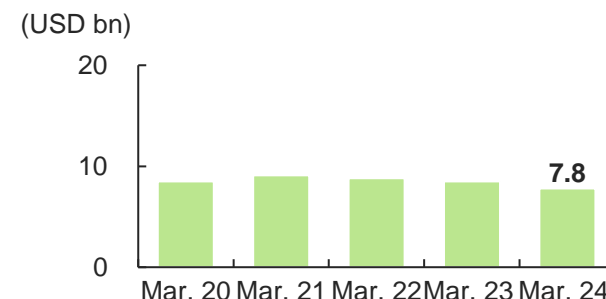
Thailand



India



Taiwan



^{*1} Managerial accounting basis. Loans, commitment lines, guarantees, investments, etc.

CRE exposure*1 (Mar. 24)

SMBC Group's Exposure

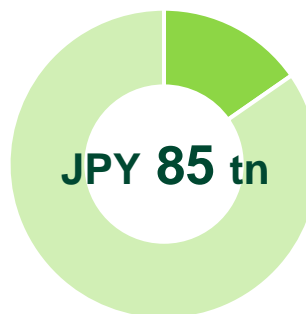
CRE Exposure
JPY 20 tn

- 13% of total exposure
- NPL ratio: 0.6%



Japan

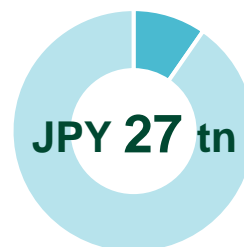
CRE
JPY 13 tn



- Corporate: 50%, NRL: 30%, REITs: 20%
- Investment grade: 70%
- LTV for NRL: < 60%
- NPL ratio: 0.2%

U.S.

CRE
JPY 2.6 tn



- NRL: 60%, REITs: 40%
- Investment grade: 70%
- NPL ratio: 0.3%
- LTV for NRL: c. 60%

<o/w office sector>

- Balance: JPY 0.3 tn, NPL ratio: 3%
- NRL: 40%
- LTV for NRL: < 60%

China/ Hong Kong

CRE
JPY 1.2 tn



- Corporate: 70%, NRLs and REITs: over 10% each
- Investment grade: 80%
- Main corporate clients are high-rated conglomerates
- NPL ratio: 6% due to large borrowers, but the rest are of good asset quality

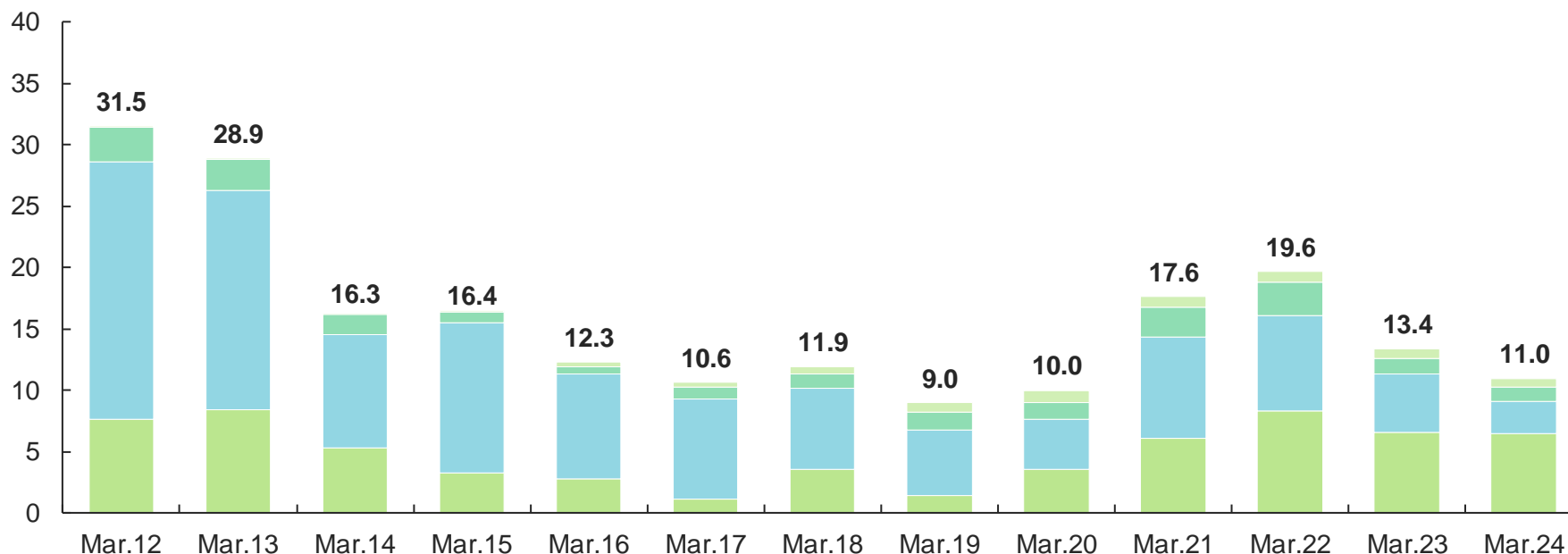
*1 Managerial accounting basis. SMBC consolidated, calculated based on location of headquarters

Yen bond portfolio

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

(JPY tn)

■ 1 year or less ■ 1 to 5 years ■ 5 to 10 years ■ More than 10 years



of which JGBs
(JPY tn)

14.0 9.8 8.0 9.3 6.3 7.1 14.3 15.8 9.6 7.5

Average
duration
(years)^{*1}

1.9 1.8 1.1 1.8 2.8 2.9 2.3 3.2 2.9 2.5 2.8 2.4 2.1

Unrealized
gains/losses
(JPY bn)^{*2}

104.4 95.3 60.0 45.9 103.8 57.5 44.2 60.5 21.4 7.9 (49.7) (62.8) (98.7)

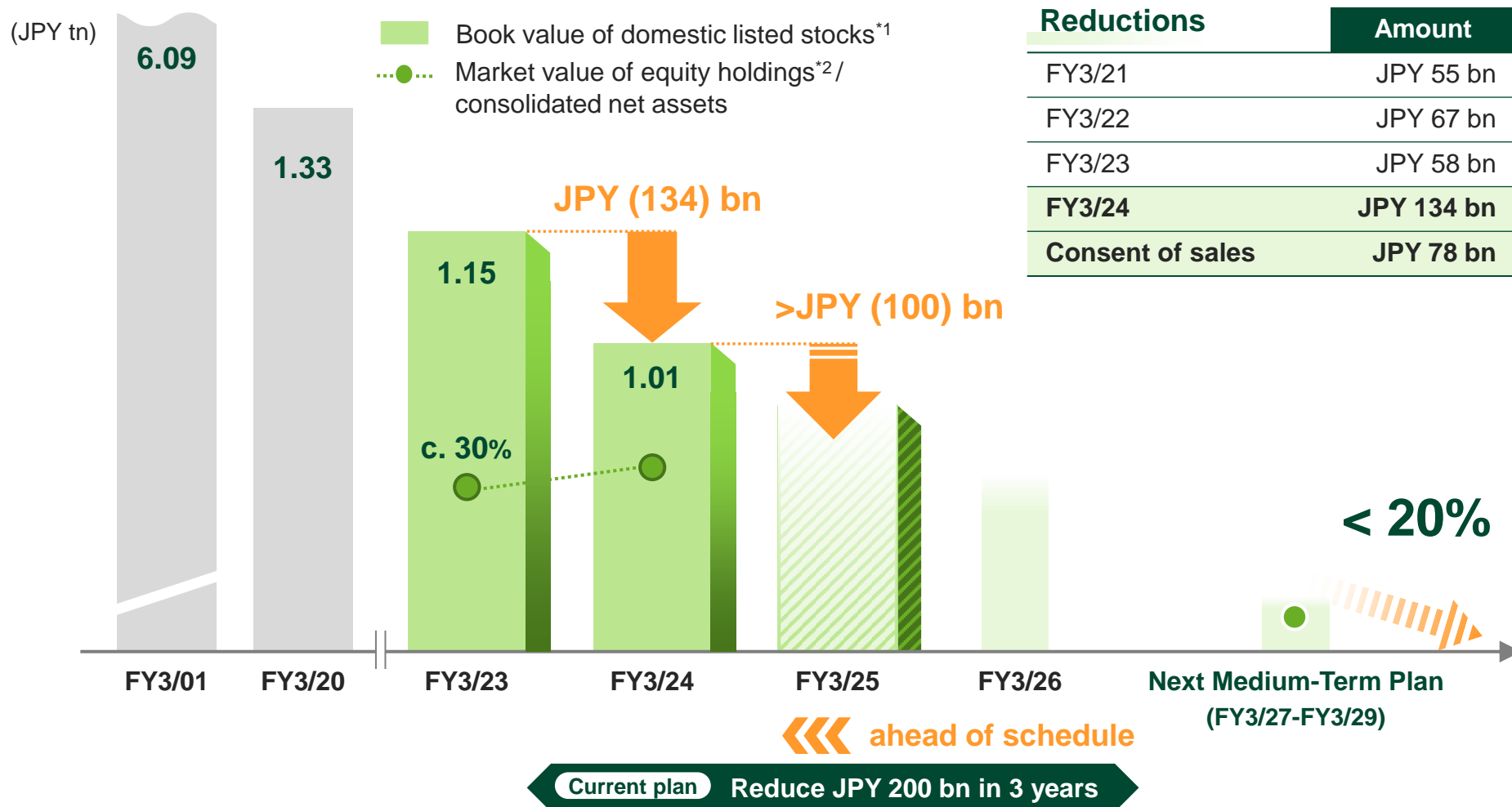
*1 Excl. bonds classified as held-to-maturity, for which hedge-accounting is applied, and private placement bonds

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

Reduction of equity holdings

Reduced JPY 134 bn of equity holdings in the first year of three years reduction plan of JPY 200 bn.

Aim to achieve current plan ahead by reducing >JPY 100 bn in FY3/25 and consider a new reduction plan.



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

FY3/24 performance of SMBC and group companies

SMBC

	(JPY bn)	FY3/24	YoY	vs. target
1 Gross banking profit		1,885.2	+185.7	
2 o/w Net interest income		1,166.0	+1.8	
3 o/w Gains (losses) on cancellation of investment trusts		20.8	(18.6)	Absence of dividend from subsidiary: (42) ⇒ eliminated in the consolidated P/L
4 Domestic		609.2	(25.5)	
5 Overseas		556.8	+27.4	
6 o/w Net fees and commissions		529.7	+73.7	
7 Domestic		248.6	+31.2	
8 Overseas		281.2	+42.4	
9 o/w Net trading income+ Net other operating income		186.5	+109.6	
10 o/w Gains (losses) on bonds		(45.5)	+41.3	
11 Expenses		983.9	+100.3	
12 Banking profit		901.3	+85.4	+136.3
13 Total credit cost		96.3	(19.2)	+11.3
14 Gains (losses) on stocks		235.9	+94.3	
15 Extraordinary gains (losses)		(0.5)	(24.3)	
16 Net income		762.6	+128.5	+122.6

Other major group companies

	(left : results of FY3/24 / right : YoY)					
	(JPY bn)	SMCC ^{*1}	SMBC Nikko ^{*2}	SMBCCF ^{*1}		
Gross profit	547.8	+53.8	473.6	+109.0	252.5	+18.8
Expenses	451.8	+51.5	401.7	+30.3	103.9	+2.0
Net business profit	98.0	+3.8	71.9	+78.7	91.3	(22.4)
Net income	25.6	(4.6)	55.7	+70.7	(4.4)	(40.1)

	(Equity method affiliate)					
	SMBC Trust	SMDAM	50.1%	SMFL ^{*4}	50%	
Gross profit	72.8	+14.5	42.4	+6.3	291.7	+20.7
Expenses	40.7	+3.8	33.2	+3.0	127.5	+5.1
Net business profit	32.1	+10.7	9.2	+3.4	173.0	+14.6
Net income	25.7	+8.6	4.2	+2.5	128.4	+76.6

*1 Incl. impact from reorganization of SMBC Mobit

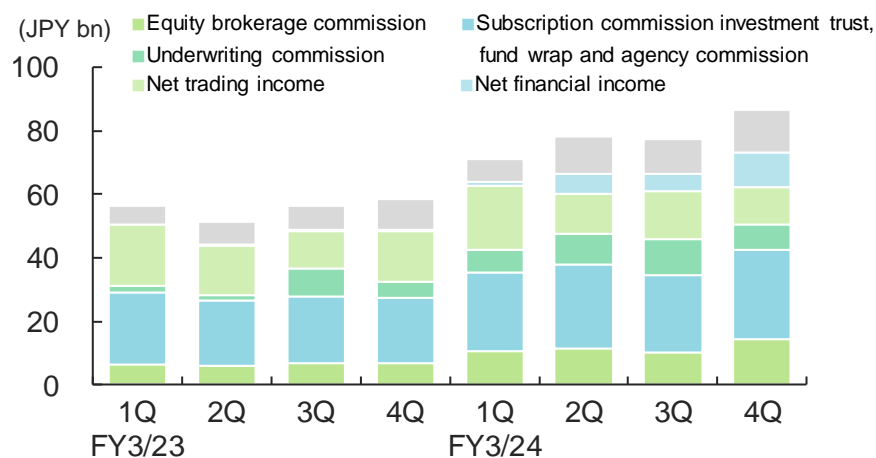
*2 Managerial accounting basis. Incl. profits from SMBC Nikko America and SMBC Capital Markets

*3 Mainly due to the goodwill impairment of the equity method affiliate FE Credit (JPY46 bn) *4 Managerial accounting basis

Financial results

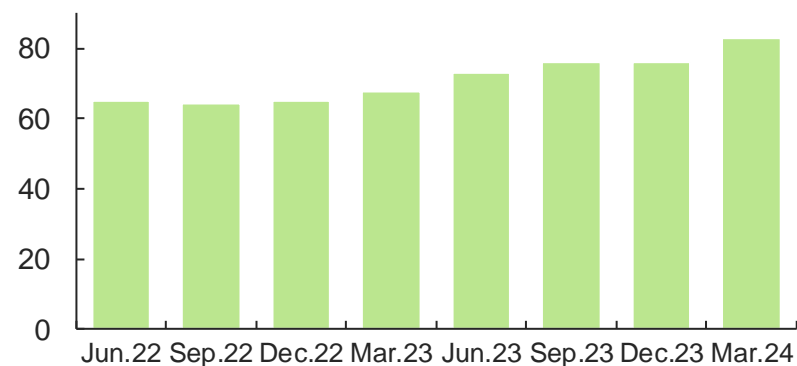
(JPY bn)	FY3/23	FY3/24	YoY
Net operating revenue	222.8	313.3	+90.5
SG&A expenses	267.3	285.8	+18.5
Ordinary income	(42.1)	31.9	+74.0
Net income	(39.8)	16.2 ^{*1}	+56.0

Net operating revenue

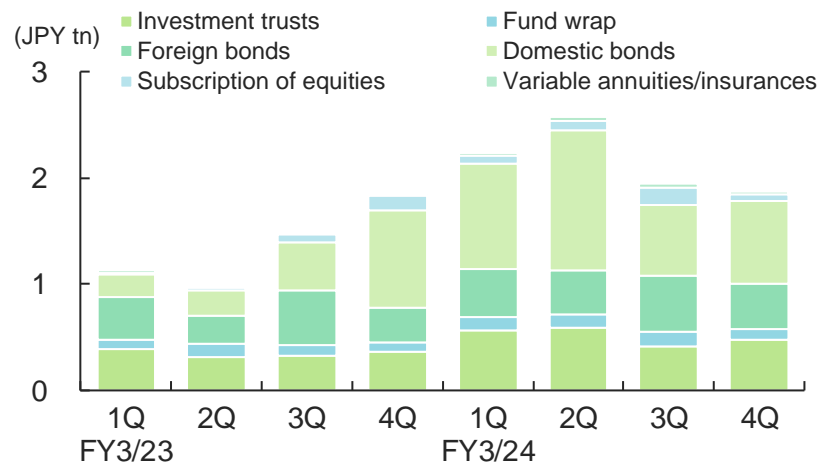


Client assets

(JPY tn)



Product sales



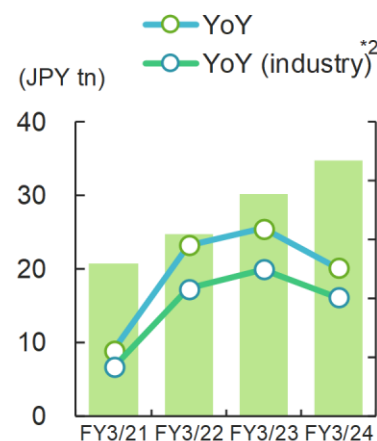
*1 Recorded loss of JPY 7.9 bn on sale of shares of a subsidiary related to Intermediate Parent Undertaking requirement (eliminated on consolidated basis)

Financial results

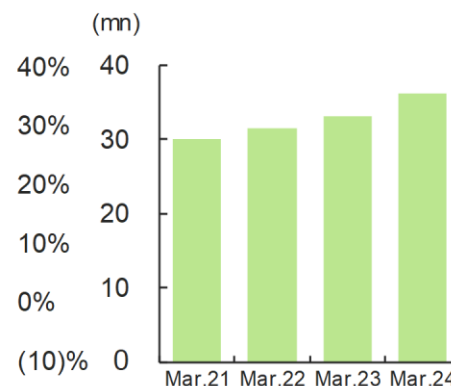
(JPY bn)	FY3/23	FY3/24	YoY*1
Operating revenue	523.5	632.9	+109.4
o/w Commission fee	193.8	228.4	+34.7
Finance	103.3	159.5	+56.2
Sales on credit	28.0	27.7	(0.3)
Receipt agency	52.7	53.4	+0.7
Operating expense	490.7	594.3	+103.6
o/w Expenses for loan losses	34.1	55.8	+21.7
Expense for interest repayments	10.0	8.0	(2.0)
Ordinary profit (loss)	33.1	40.8	+7.8
Net income	21.8	25.6	+3.7
Finance outstanding	736.6	1,102.6	

Key figures

Sales handled

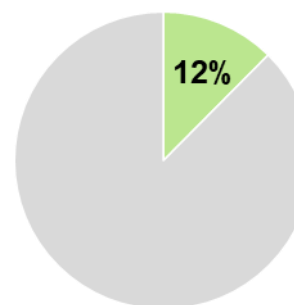


of card holders*3

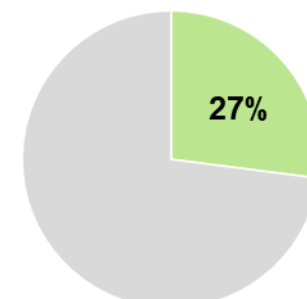


Market share*4

Issuing



Acquiring



*1 Figure for FY3/23 and YoY change has not been adjusted to the reorganization of SMBC Mobit in Apr.23

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

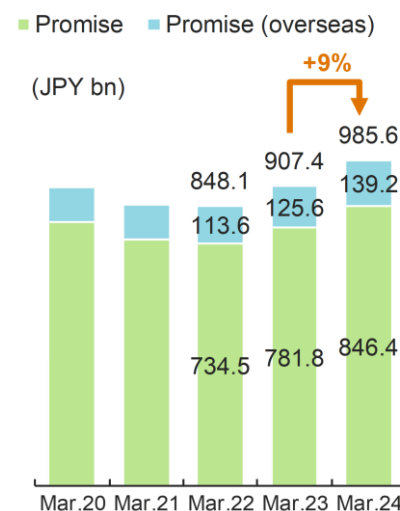
*3 Issued by SMCC only *4 METI "Indices of Tertiary Industry Activity" Sales credit business handled (2023 : JPY 90 tn)

Financial results

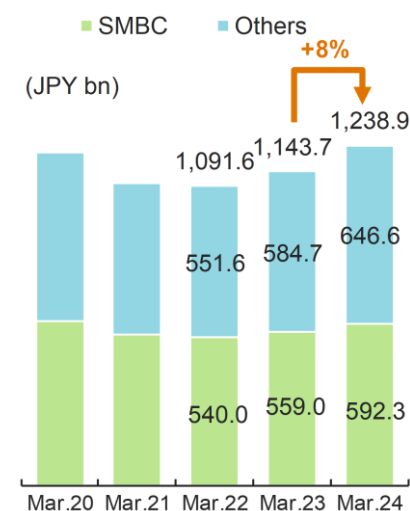
(JPY bn)	FY3/23	FY3/24	YoY* ¹
Operating income	294.1	268.8	(25.3)
o/w Interest revenues	183.4	147.0	(36.4)
Loan guarantee revenues	71.4	77.4	+6.0
Operating expenses	216.8	191.6	(25.2)
o/w Expenses for loan losses	56.8	54.0	(2.8)
Expense for loan guarantees	11.4	16.0	+4.6
Expenses for interest repayments	19.0	15.0	(4.0)
Operating profit	77.3	77.2	(0.1)
Ordinary profit	59.5	19.1	(40.4)
o/w Non-operating revenues	1.5	1.0	(0.5)
Non-operating expenses	19.3	59.1	(39.8)
Net income	44.1	(4.4)	(48.5)
NPLs (NPL ratio)	107.0 8.74%	98.9 10.04%	
Allowance on interest repayments (provision)	89.5 3.5 yrs	83.7 4.0 yrs	

Excl. impairment of goodwill for FE Credit : JPY 41.6 bn

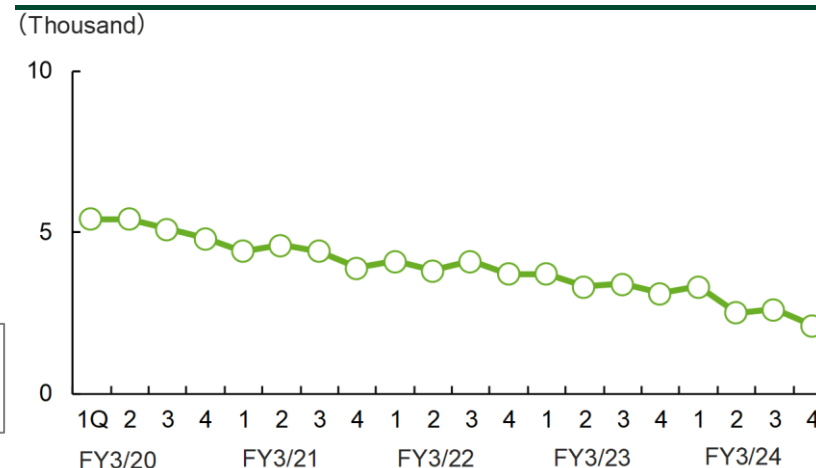
Consumer loans



Loan guarantee



No. of interest refund claims

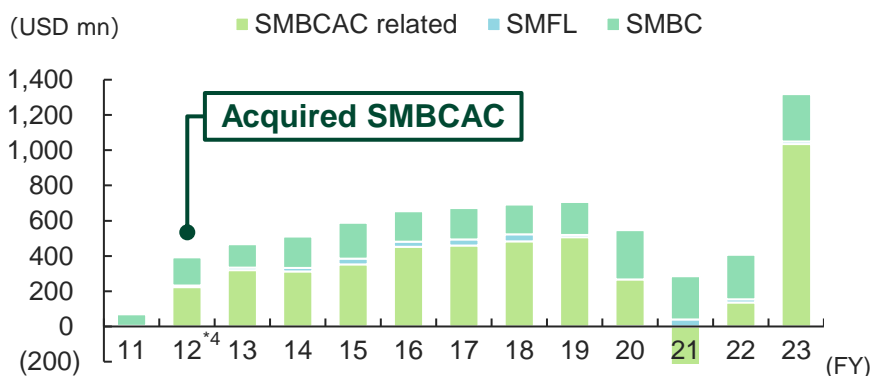


*1 Figure for FY3/23 and YoY change has not been adjusted to the reorganization of SMBC Mobit in Apr.23
(YoY after the adjustments excl. impairment of FE Credit: operating profit JPY+11.9bn, ordinary profit JPY+17.6bn, net profit JPY+5.9bn) *2 Mainly due to the impairment of FE Credit (JPY46 bn)

Financial results

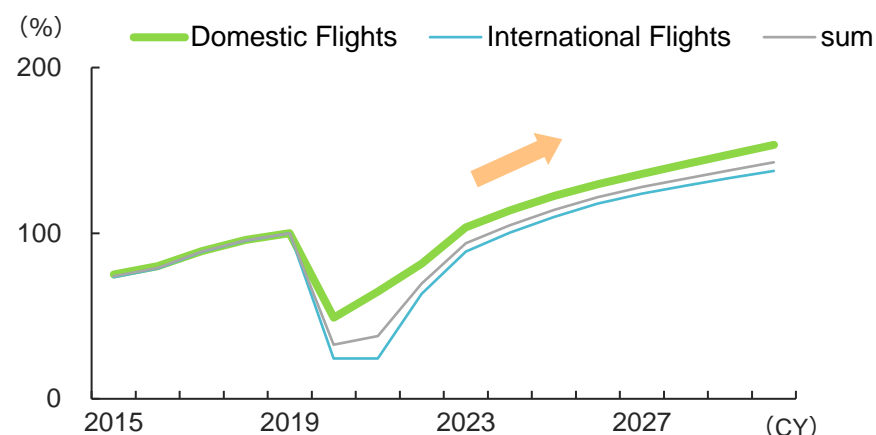
(USD mn)	FY3/23	FY3/24	YoY
Total revenue	1,488	2,717	+1,229
o/w Lease revenue	1,428	1,877	+449
Credit / Asset impairment charges^{*1}	(506)	(389)	+117
Net income	(77)	774	+851
Aircraft assets^{*2}	22,770	22,484	(286)
Net asset	4,707	5,379	+672
ROE	(1.6)%	14.4%	+16%

Aircraft Business of SMBC Group



Global passenger demand forecast^{*3}

- Domestic demand exceeded pre-COVID-19 levels



Our strengths

Aircraft portfolio^{*5}	Wide body (A350・B787) Narrow body Over 85%	Avg. age 5.5 years Fuel efficient^{*6} More than 60%
Liquidity	S&P Rating A- No.1 in industry	Undrawn commitment lines USD 10.7 bn

^{*1} Gross before netting guarantee deposits, etc. ^{*2} Includes aircraft pre-delivery payment

^{*3} IATA/Tourism Economics. Represent changes from CY-19

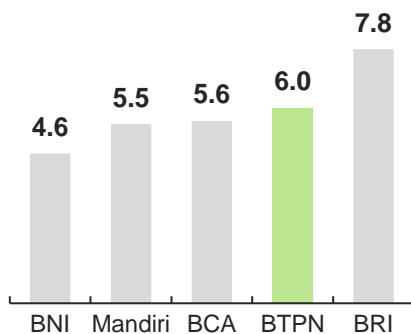
^{*4} SMBCAC related includes revenue after the acquisition in June. ^{*5} As of Mar.24 ^{*6} Neo/MAX/A350/B787

Financial results^{*1}

(JPY bn)	2021	2022	2023	Jan.- Mar. 2024
Gross banking profit	106.2	116.1	127.8	32.7
Operating expenses	56.6	60.9	67.8	19.2
Credit-related cost	17.1	15.6	27.8	6.0
Net profit	21.6	26.3	22.2	5.2
ROE	8.6%	9.6%	6.3%	5.7%
Loans	1,098.4	1,242.0	1,424.7	1,772.3 ^{*2}
Total Assets	1,554.5	1,777.9	1,833.8	2,282.1 ^{*2}

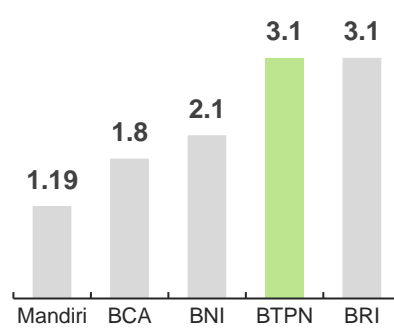
Net interest margin^{*3}

(%)

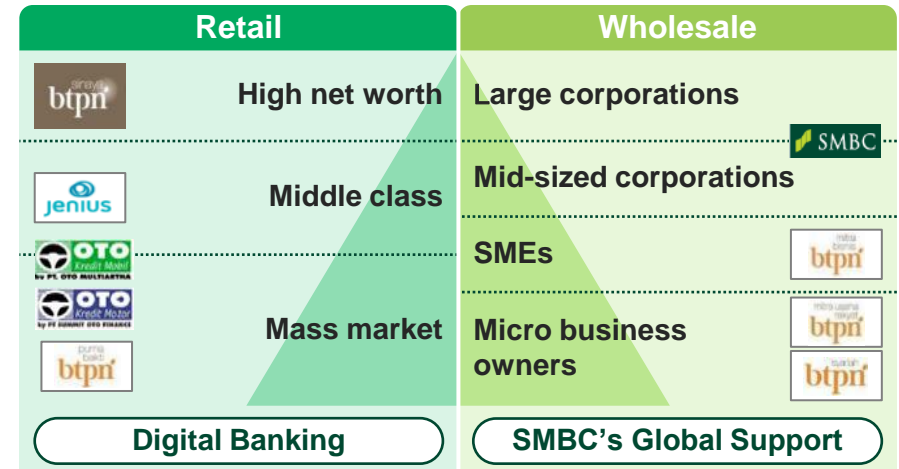


NPL ratio^{*3}

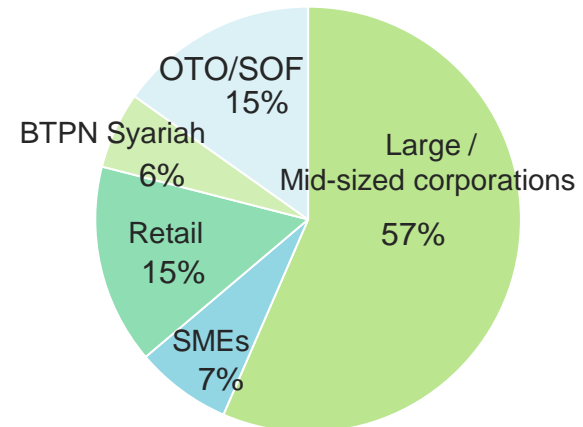
(%)



Coverage



Loan breakdown (Mar. 24)



^{*1} TTM as of Dec.21 IDR 1= 0.0081, Dec.22 IDR 1= 0.0085, Dec.23 IDR 1= 0.0092, Mar.24 IDR 1=0.0095

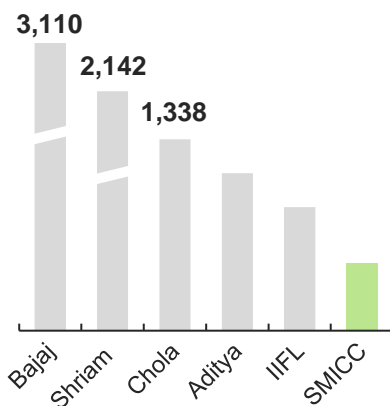
^{*2} Including OTO/SOF ^{*3} Based on data published by each company (Dec.23 or Mar. 24 results)

Financial results*1

(JPY bn)	FY3/21	FY3/22	FY3/23	FY3/24
Gross banking profit	48.1	40.8	58.8	91.3
Operating expenses	18.0	23.5	33.9	51.7
Credit-related cost	54.4	15.5	9.5	23.2
Net profit	(18.3)	1.2	11.6	12.1
ROE	(23.8)%	1.9%	14.7%	12.2%
Loans	378.2	411.4	596.8	822.5
Total Assets	419.3	441.4	666.7	877.6

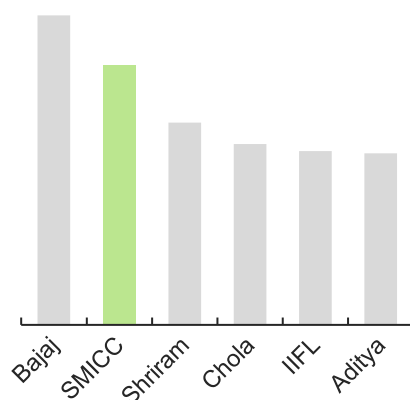
Loan balance*2

(INR bn)

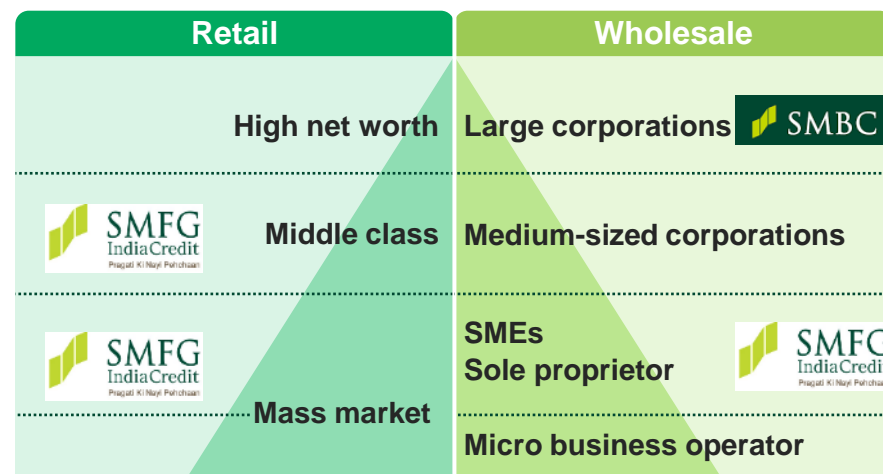


Loan spread*2

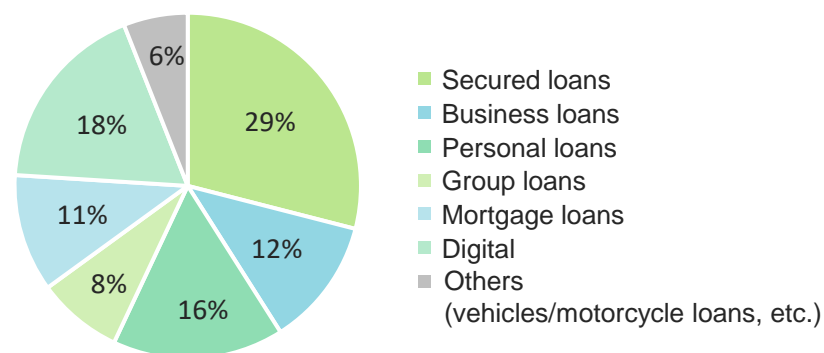
(%)



Coverage



Loan breakdown (Dec. 23)



*1 TTM as of Mar. 20: INR1=1.44, Mar.21: INR1= 1.51, Mar.22: INR1=1.62, Mar.23: INR1= 1.63, Mar.24: INR1=1.81

*2 Based on data published by each company (Dec. 23 results)

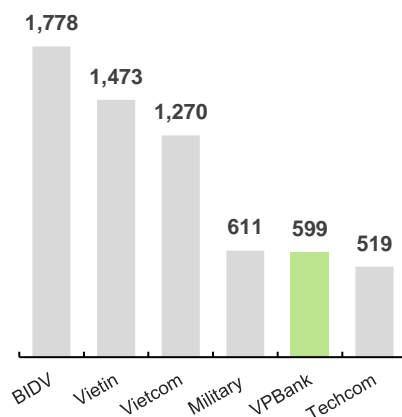
VPBank / FE Credit

VPBank Financial result*1

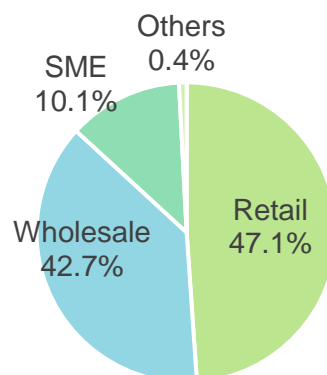
(JPY bn)	2020	2021	2022	2023
Gross operating profit	175.6	221.5	323.7	303.4
Operating expense	51.3	53.6	79.0	85.0
Credit-related cost	65.8	96.1	125.8	152.5
Net profit	46.9	57.4	94.7	51.8
ROE	22.0%	18.1%	20.3%	9.3%
Loans	1,453.0	1,920.1	2,686.6	3,656.7
Total Assets	1,885.6	2,737.0	3,533.7	4,987.2

Loans*2

(VND tn)



Loan Structure*3

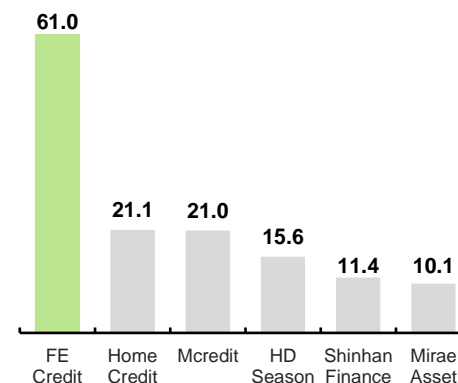


FE Credit Financial result*1

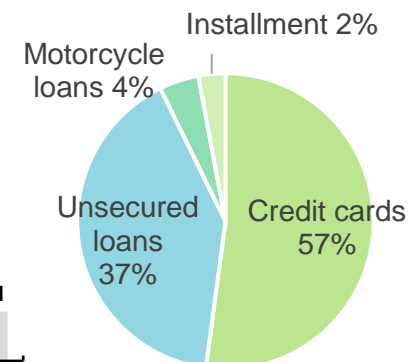
(JPY bn)	2020	2021	2022	2023
Gross operating profit	78.4	76.6	84.9	81.0
Operating expense	22.7	23.4	34.3	28.0
Credit-related cost	42.7	57.8	75.3	75.6
Net profit	13.4	0.6	(13.3)	(18.0)
ROE	21.2%	0.8%	(16.5)%	(25.2)%
Loans	297.2	377.1	385.4	343.5
Total Assets	330.3	388.1	428.2	384.7

Loans*2

(VND tn)



Loan Structure



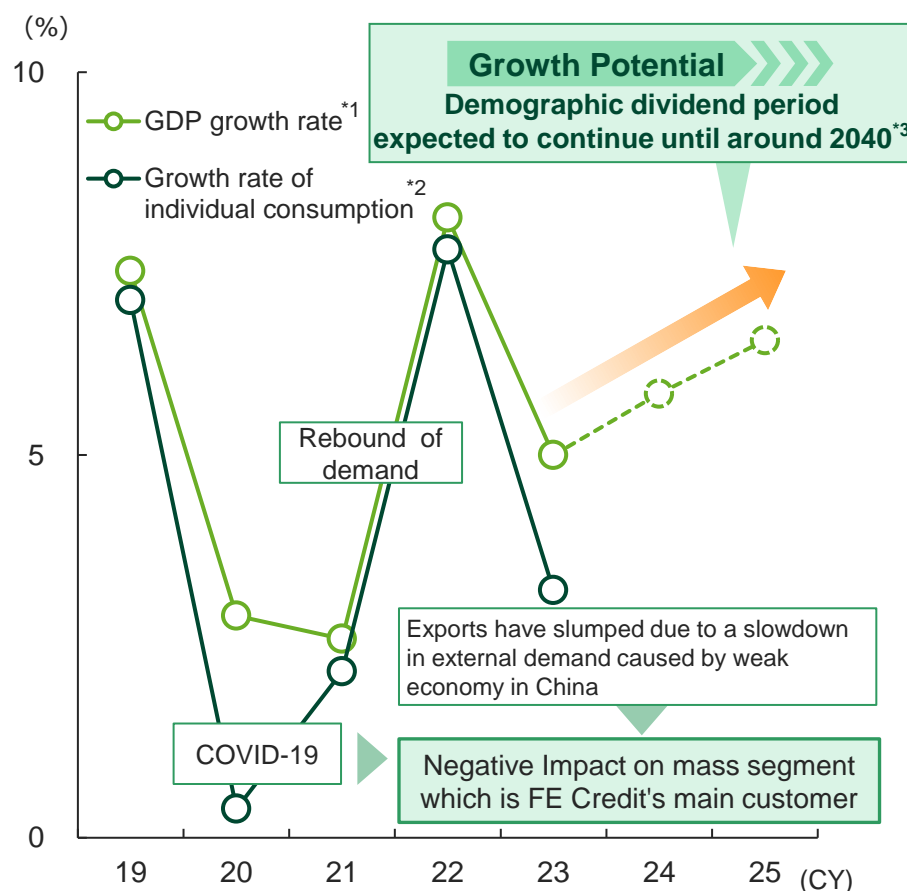
*1 TTM as of Dec.20:VND1=0.0045,Dec.21:VND1=0.0050,Dec.22:VND1=0.0056,Dec.23:VND1=0.0061

*2 Based on FiinGroup data (Jun.23 results) *3 Non-Consolidated

(Ref.) Current situation in Vietnam

Macroeconomy has been recovering from the impact of COVID-19 and sluggish exports due in part to weak Chinese economy. Aim for an early recovery under new management and through control of credit cost.

Macro environment



Key measures for recovery of FE Credit

(JPY bn)* ⁴	2020	2021	2022	2023
Gross Profit	78.4	76.6	84.9	81.0
Credit costs	42.7	57.8	75.3	75.6
Net profit	13.4	0.6	(13.3)	(18.0)
ROE	21.2%	0.8%	(16.5%)	(25.2%)
Loans	297.2	377.1	385.4	343.5

- Enhance management team under a new CEO
- Control credit costs by tightening credit standards
- Acquire new customers and enhance cross-selling by digitalizing of products and channels

Initiatives to accererate VPBank's growth ▶ P.47

- Support direct investment from foreign corporates, enhance retail and SME business
- Expand ecosystem of VPBank group
- Develop businesses by data analysis and digitalization

*1 IMF *2 Japan Research Institute *3 Estimated based on UN data

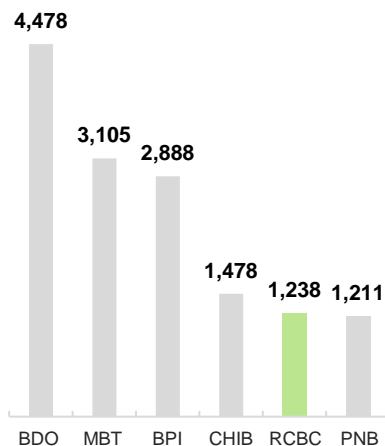
*4 Local accounting basis using FX rate at the end of each FY

Financial results^{*1}

(JPY bn)	2020	2021	2022	2023
Gross operating profit	81.9	81.9	105.8	127.9
Operating expenses	47.6	50.7	59.7	75.8
Credit-related cost	20.3	13.6	13.6	17.7
Net profit	10.8	15.9	28.8	31.3
ROE	5.5%	6.7%	11.2%	9.5%
Loans	1,061.2	1,211.2	1,330.1	1,663.8
Deposits	1,157.3	1,513.0	2,040.2	2,449.2
Total Assets	1,667.7	2,158.0	2,746.8	3,170.1

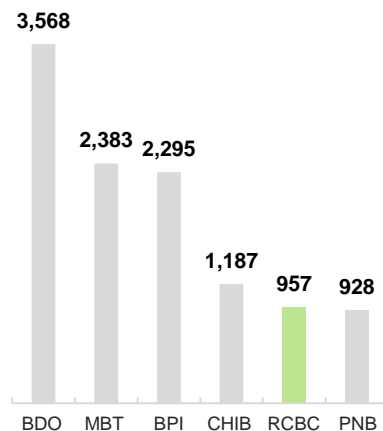
Total assets^{*2}

(PHP bn)

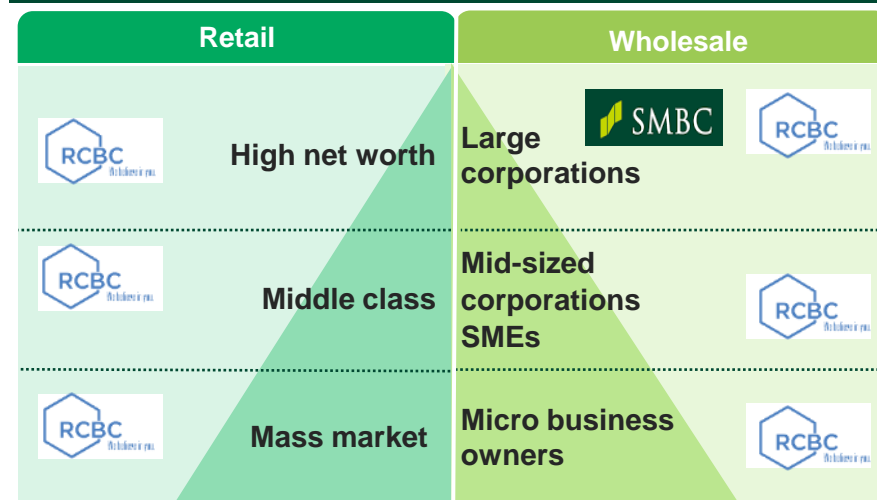


Deposits^{*2}

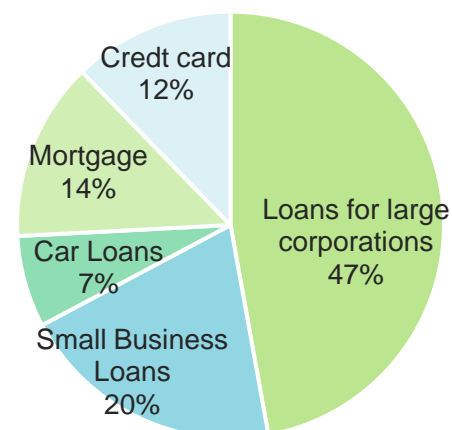
(PHP bn)



Coverage



Loan Breakdown (Dec. 23)



*1 TTM as of end of Dec. 20:PHP1= 2.16,Dec. 21:PHP1=2.25,Dec. 22:PHP1=2.38, Dec. 23:PHP1= 2.56

*2 As of the end of Dec. 23

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**

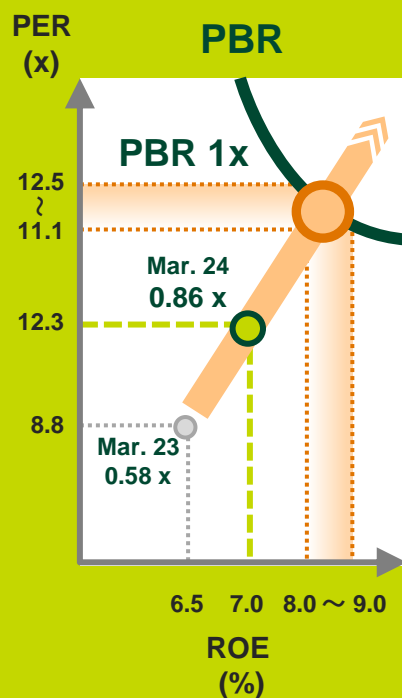
Transformation &
Growth

**Rebuild
Corporate
Infrastructure**

Quality builds
Trust

Initiatives to enhance corporate value

Improve PBR



ROE

Bottom-line profit

Capital

Improve RORA

Bottom-line profit

RWA

Financial leverage

RWA

Capital

Bottom-line growth

Enhance asset light businesses

Realize profit from past investments

Cost control

Reallocate business portfolio

Appropriate capital allocation

Enhance shareholder returns

PER

Stock price

Bottom-line profit

Improve expected growth rate

Cost of capital
c. 8%

Lower
cost of capital

Rebuild corporate infrastructure

Create social value

Mitigate information asymmetry

Enhance Global CIB through Collaboration with Jefferies

Closed almost 100 collaborated deals in FY3/24.

Enhance CIB business and improve ROE through further expanding the alliance with Jefferies.

Collaborated deals are steadily accumulating

Area	Category	# of deals
U.S.	ECM	31
	DCM	41
	M&A	1
	Sub-IG	12
EMEA	ECM	6
	Sub-IG	4

Total
95

Expand the scope of collaboration

Region

- Added EMEA and Canada

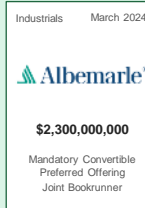
Target customers

- Increased joint coverage clients
- Enhance cross-selling on IG business
- Strengthen Sub-IG business (e.g. margin loans)

Examples of collaborated deals



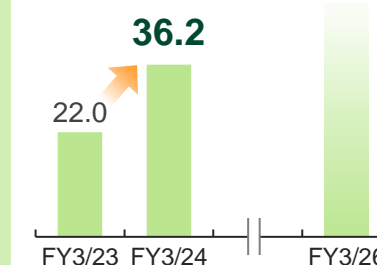
- Issuance of EUR 1 bn convertible bond by cellnex, a Spanish telecommunication company (Largest deal in Europe over two years)
- SMBC originated the deal and Jefferies was appointed as Joint Global Coordinator.



- Public offering of Albemarle, an U.S. chemical manufacturer (SMBC has a relationship for 20 years)
- Jefferies was appointed as bookrunner for the 1st time by Albemarle because of the alliance between SMBC and Jefferies.

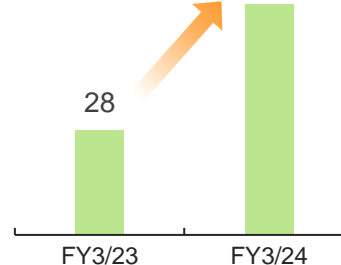
Net business profit from overseas securities

(JPY bn)



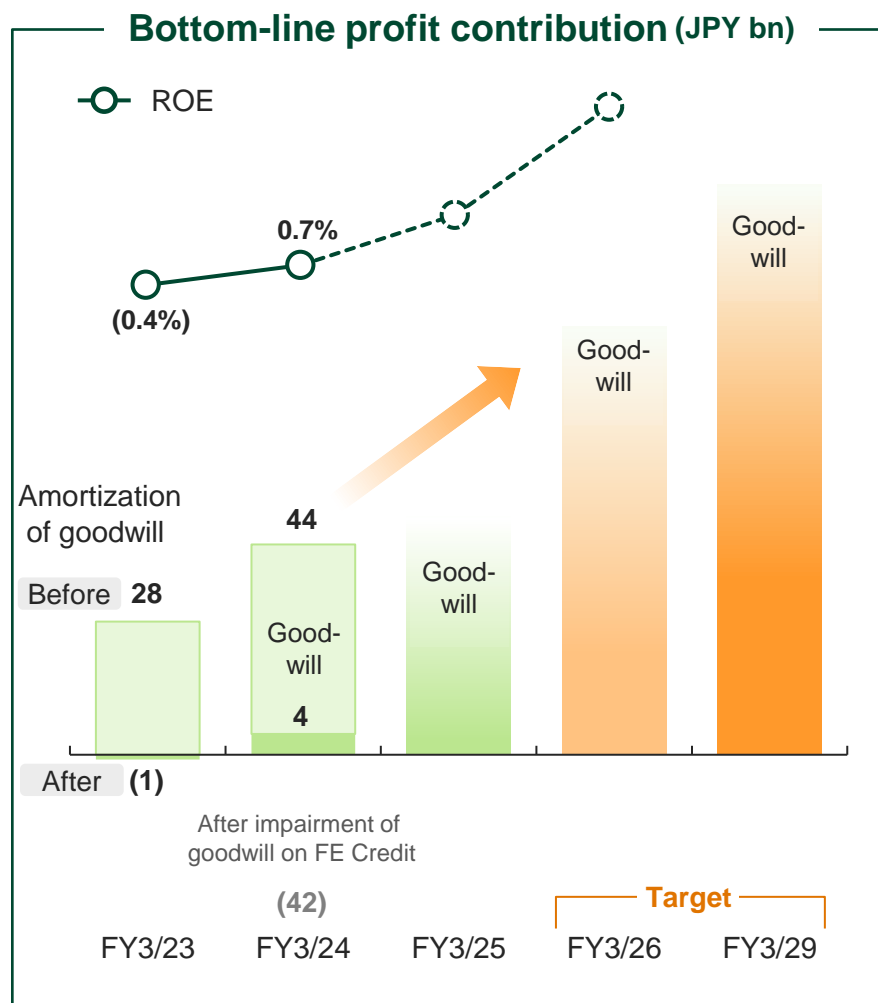
Profit from collaborated deals with Jefferies

(USD mn)



Realize growth through Multi-Franchise Strategy

The long-term growth forecast remains unchanged, although the current status varies among investees.
Aim to increase profit contribution to SMBC Group by supporting their growth strategies.



	SMICC	Ownership ratio: 75% → 100%	P.46
--	--------------	---------------------------------------	------

Loan has been growing by capturing growth of economy

- Accelerate business expansion by making SMICC a 100% subsidiary
- Enhance product lineups by utilizing digital channel
- Funding support – Capital infusion of JPY 25 bn in Apr. 24

Loans (FY3/24) (FY3/27)
JPY 0.8 tn » **1.6 tn**

ROE (FY3/24) (FY3/27)
12% » **18%**

	BTPN	91%	P.45
--	-------------	-----	------

Pursue growth as a whole group after consolidation

- Enhance both retail and corporate loans through group collaboration
- Expand product lineups of digital bank “Jenius” and digital services for SMEs

	RCBC	20%	P.49
--	-------------	-----	------

Diverse business collaboration on top of strong loan growth

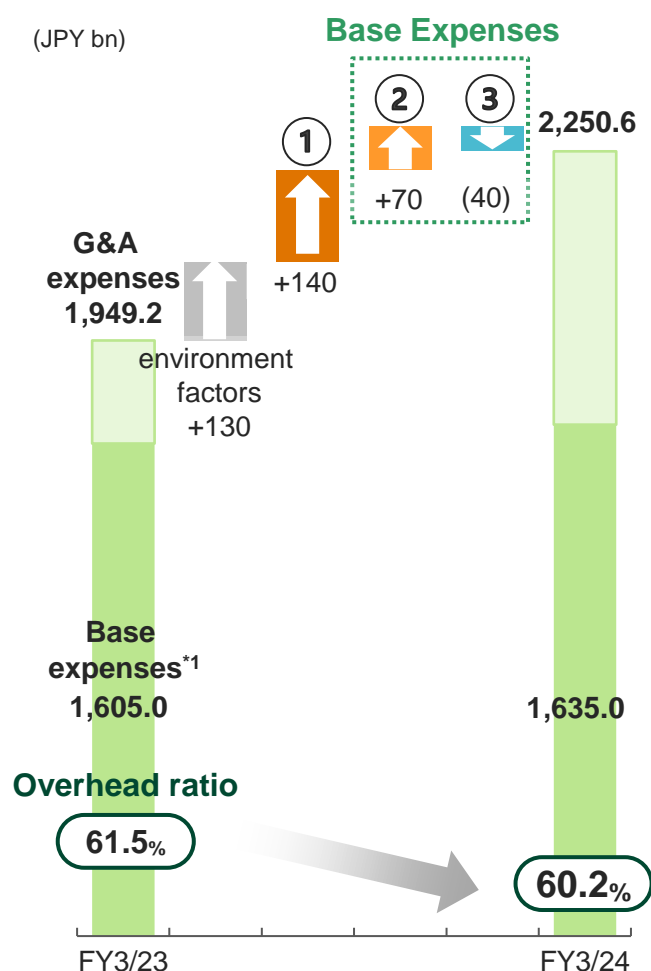
- Launched products by collaboration (employee marketing and RV loan)
- Acquire new customers from retail and SME segments

	FE Credit VPBank	49% 15%	P.47 P.48
--	-----------------------------------	------------	--------------

Recover FE Credit with the turnaround of local economy

Cost control and strategic expense investment

Overhead ratio improved by >1%, despite an increase in G&A expenses due to environmental factors and investment for growth. Aim to keep base expenses flat through additional cost reduction initiatives.



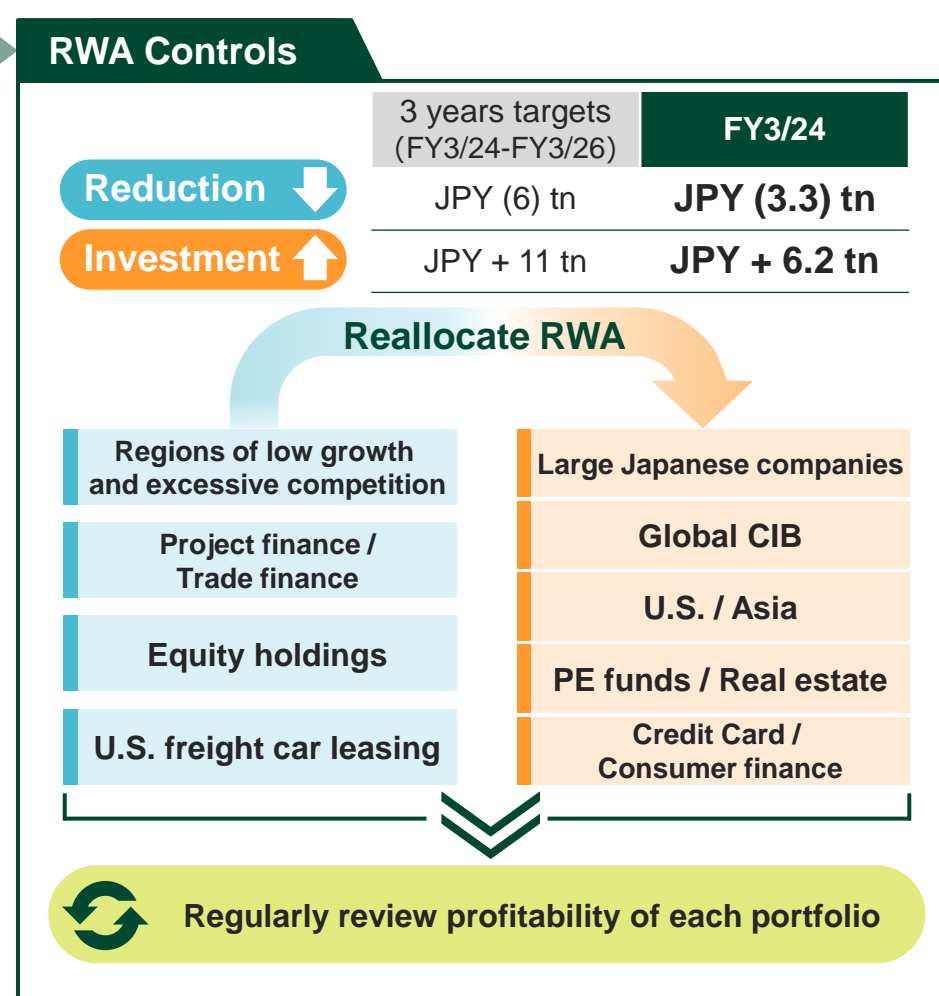
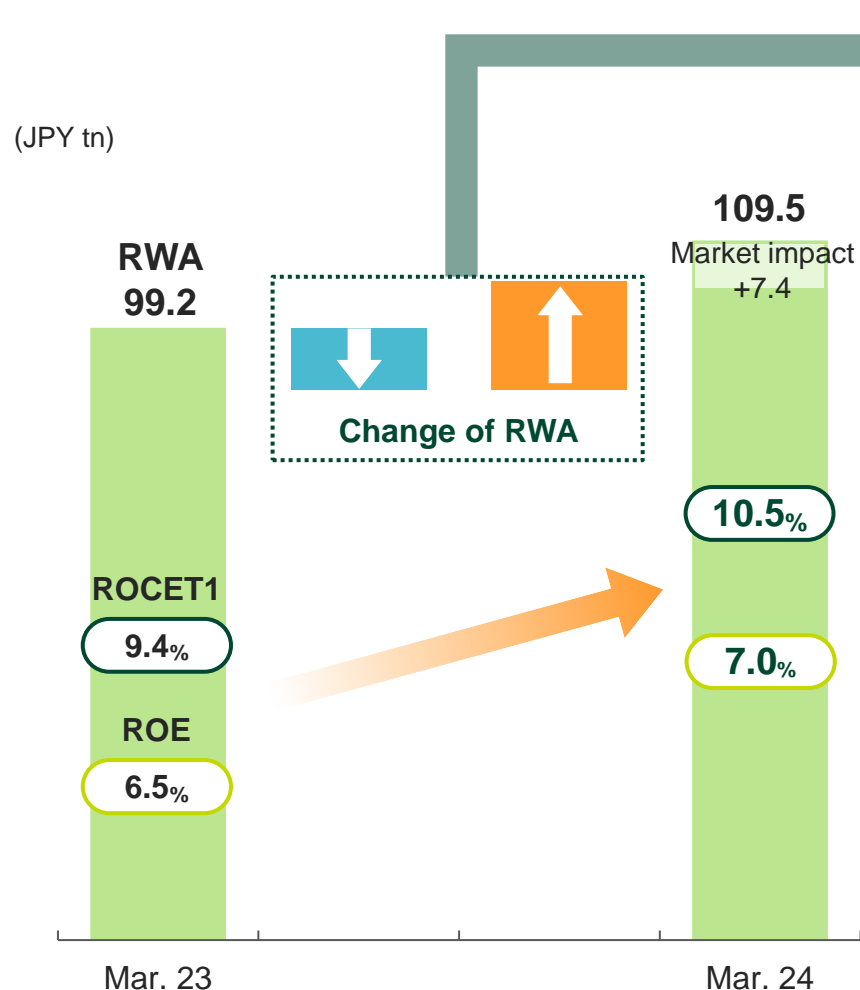
① Strategic investment for gross profit increase and future growth		SMCC gross profit +11%*2	# of Olive account 2.3 mn	Launched U.S. Digital Bank
② Base expenses ↑		FY3/24	3 years target (FY3/24-FY3/26)	
	Base expenses	+ 70 bn	+ 160 bn	
	Workload	+2,700 people	+3,000 people	
	HR cost in overseas businesses	+ 40 bn		
	IT investment (amortization)	+ 15 bn		
③ Base expenses ↓		FY3/24	3 years target (FY3/24-FY3/26)	
		(40) bn	(160) bn	
		(3,060) people	(7,000) people	
	Reform of domestic business e.g. <ul style="list-style-type: none">• STORE : 250 (FY3/24 : 50 opened)• Digitalize wholesale businesses	(10) bn	(60) bn	
	Group functions	(19) bn	(45) bn	
	Overseas operations	(11) bn	(25) bn	
Enhance existing / additional initiatives			(30) bn	

*1 G&A expenses excl. revenue linked variable cost, cost related to investment for future growth, impact from market conditions and others

*2 Excl. impact from reorganization of SMBC Mobit

Reallocate business portfolio to improve capital efficiency

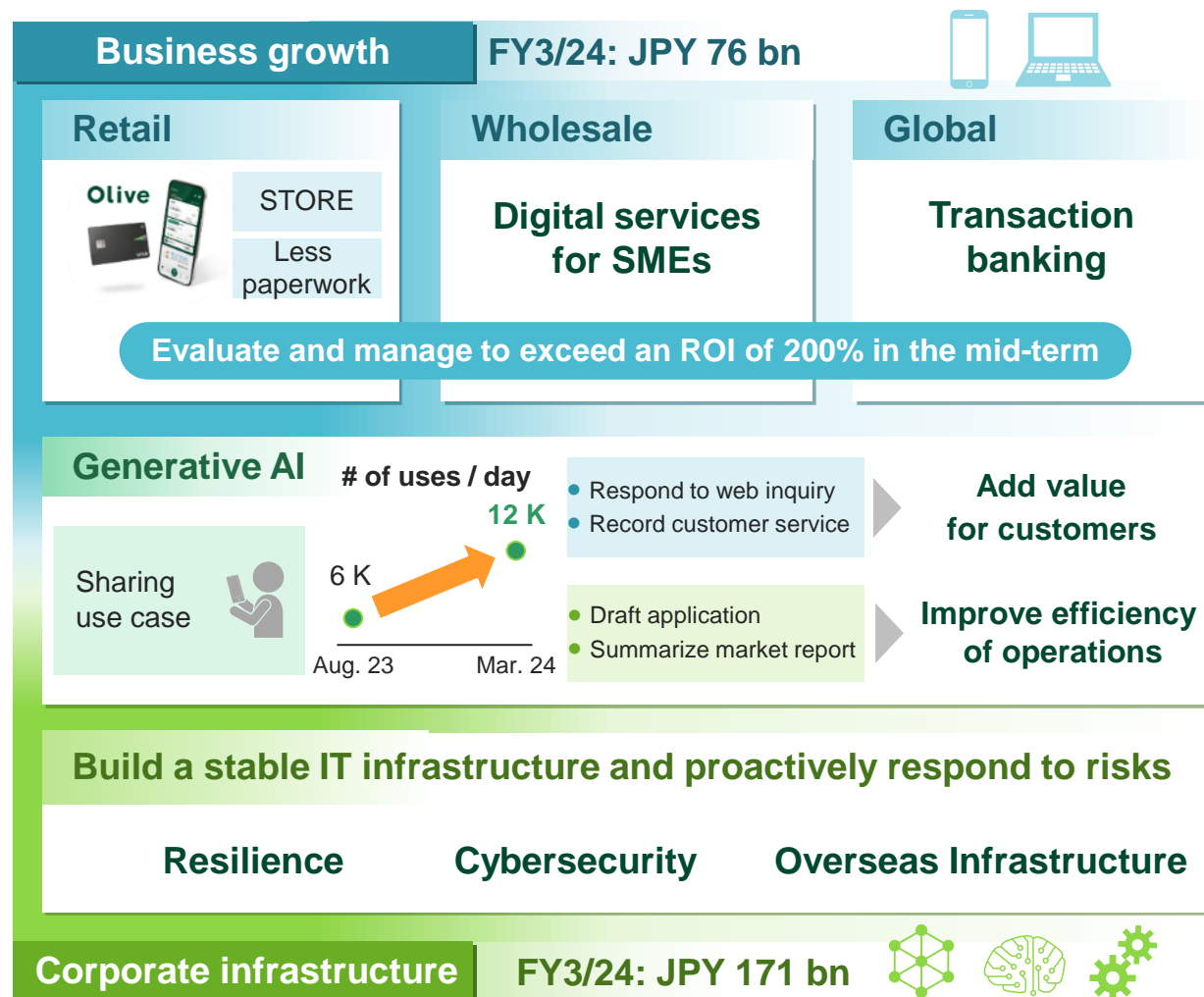
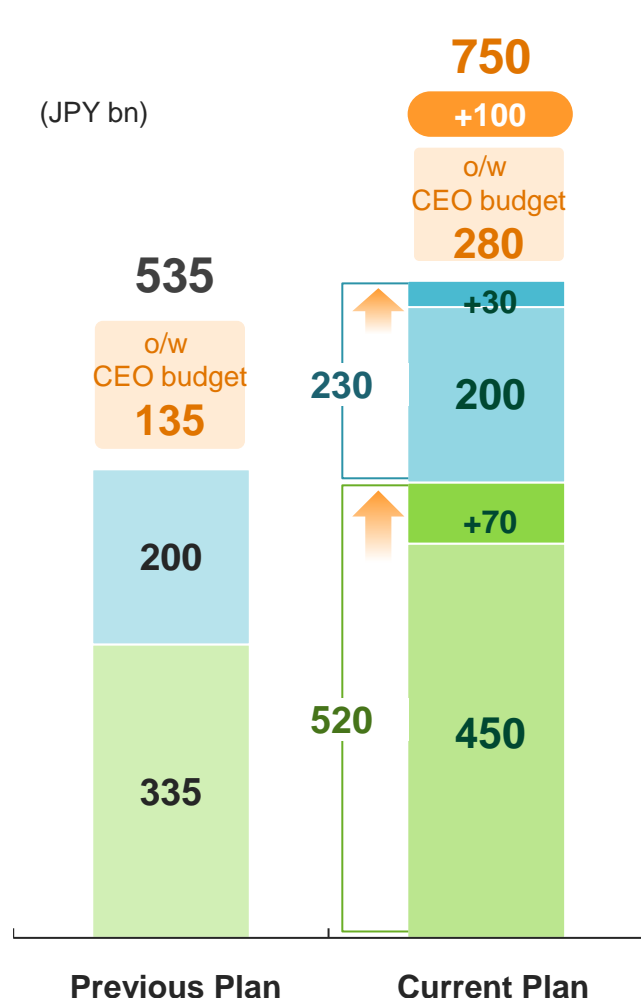
Improved profitability through a review of the business portfolio focused on capital efficiency.
Continue to allocate capital to strategic areas by reducing unprofitable assets and equity holdings.



IT investment to accelerate growth

Increased IT investment budget for the Medium-Term Management Plan by + JPY 100 bn.

Proactively enhance competitiveness through strengthening digital channels as well as governance.



Refine human capital management

SMBC Talent Policy

Realize the workplace and teams
where diverse professional talents aim high and feel rewarded

● Manage HR portfolio

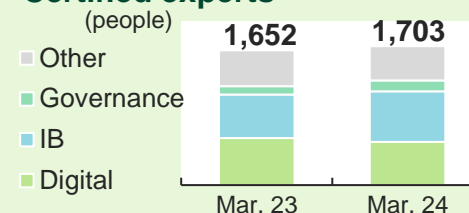
Allocate resources appropriately
(people)

Improve efficiency	(3,100)
Strategic areas	+8,500

Secure a diverse talent

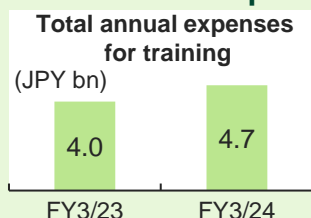
Mid-career recruitment	41%
Managers from mid-career recruitment	19%

Certified experts

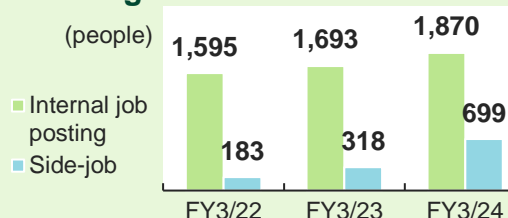


● Promote employees' growth

Human resource development



Challenge for new business



Career development

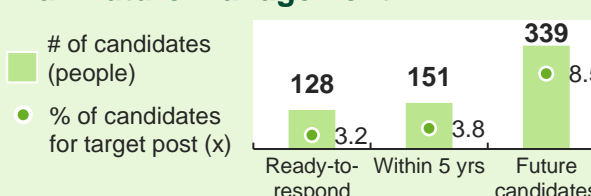
Start stock option program
for executives
of in-house startups

● Maximize team performance

Inclusion of diverse talent

	Mar. 24	Target (Mar. 26)
Female directors	21%	30%
Female managers	20%	25%
Foreign directors	24 ^{*1}	25

Train future management



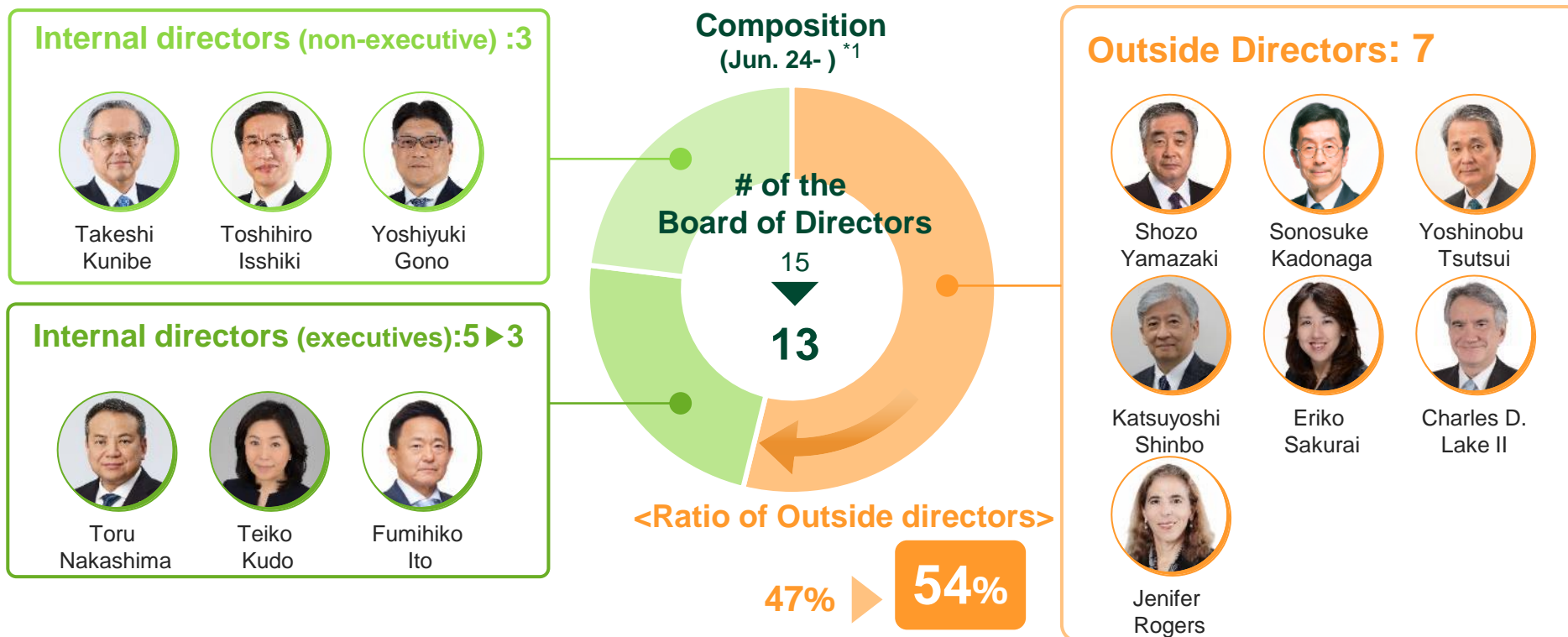
Stock-based compensation plan

Employees and management commit to improve corporate value

Human Capital Investment

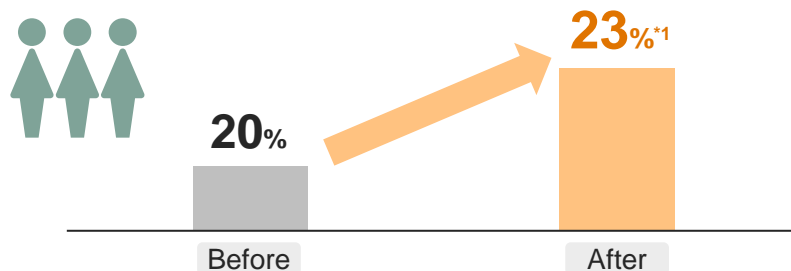
+7%

Diverse Board of Directors

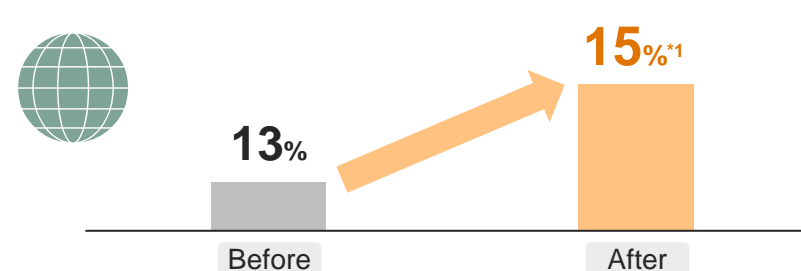


Improve diversity in the Board of Directors

Female



Foreign Nationals

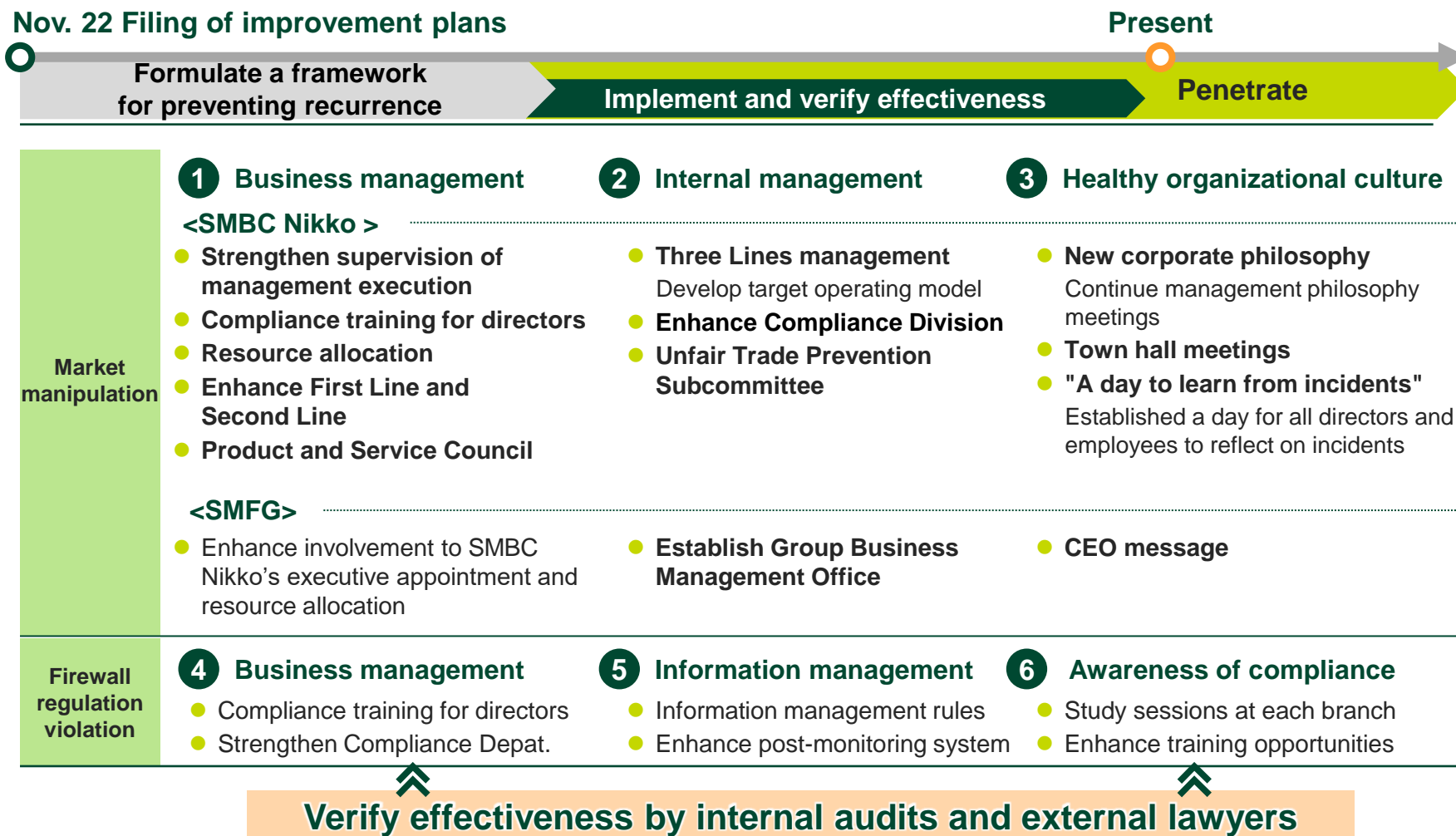


^{*1} Subject to resolution at the Ordinary General Meeting of Shareholders on Jun. 24

Improve the quality of governance and compliance

Completed verification of measures to prevent recurrence of misconduct.

Continue further penetration and implementation of the measures under new CEO's leadership.



Sustainability management structure

Sustainability Management System



Further enhance expertise

- **Sustainability study session**
- **Round-table discussion**
Held discussion for directors with Mr. Paul Polman, Global Advisor

Executive compensation

Base salary	Fixed								
Bonus <ul style="list-style-type: none">CashStock Compensation Plan II	Linked annual performance (0-150%) <table><tr><td>Performance</td><td>Consolidated net business profit SMFG net income</td></tr><tr><td>ESG</td><td>Achievement of KPIs ESG ratings of major agencies</td></tr><tr><td colspan="2">Individuals' performance</td></tr></table>	Performance	Consolidated net business profit SMFG net income	ESG	Achievement of KPIs ESG ratings of major agencies	Individuals' performance			
	Performance	Consolidated net business profit SMFG net income							
	ESG	Achievement of KPIs ESG ratings of major agencies							
	Individuals' performance								
Stock Compensation Plan I	Linked medium-term performance (0-150%) <table><tr><td>Financial</td><td>ROCE1 Base expense Consolidated gross profit SMFG net income</td></tr><tr><td>Stock</td><td>TSR (Total Shareholder Return)</td></tr><tr><td>Non-financial</td><td>Create social value</td></tr><tr><td>Adjustment</td><td>New business areas Compliance/ Customer-oriented initiatives / Risk management</td></tr></table> <div><div>Quantitative</div><div>Environment</div><div>Employees</div><div>Qualitative</div><div>Materiality initiatives</div><ul style="list-style-type: none">Sustainable financeFinanced emissionsEngagement scoreDE&I</div>	Financial	ROCE1 Base expense Consolidated gross profit SMFG net income	Stock	TSR (Total Shareholder Return)	Non-financial	Create social value	Adjustment	New business areas Compliance/ Customer-oriented initiatives / Risk management
	Financial	ROCE1 Base expense Consolidated gross profit SMFG net income							
	Stock	TSR (Total Shareholder Return)							
	Non-financial	Create social value							
	Adjustment	New business areas Compliance/ Customer-oriented initiatives / Risk management							
Stock Compensation Plan III	Promotion reward plan								

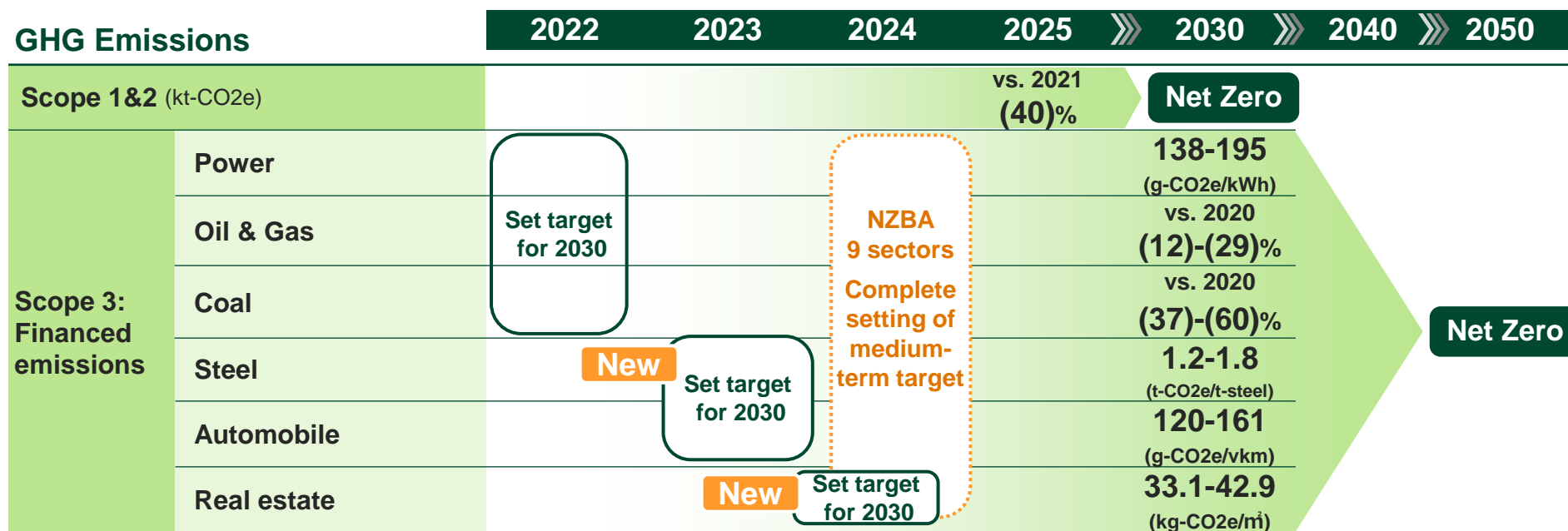
Stock compensation ratio
Linked performance ratio

Max 45% Max 60%

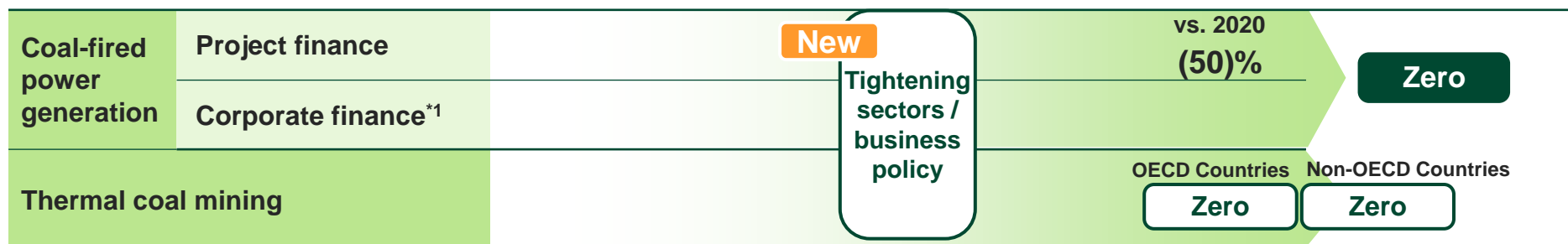
25% 40%

Targets towards decarbonized society

Set and disclosed medium-term GHG emissions reduction targets in the steel, automobile, and real estate sectors.



Coal-related finance



*1 Asset-specific financing

Rationale for issuing green bonds

SMBC Group's motivation toward green bond issuances

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 issuances

**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



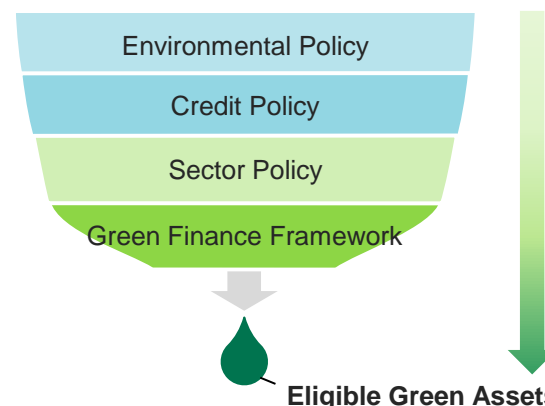
- Look Back Period : 24 months
- More than 90% of the funds are allocated to Renewable Energy



2. Evaluation and Selection

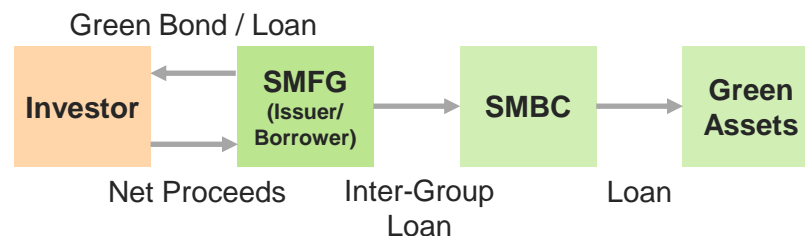
SMBC Group's
Sector policy

SMBC Group's
Green Finance
framework



3. Management of Proceeds

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



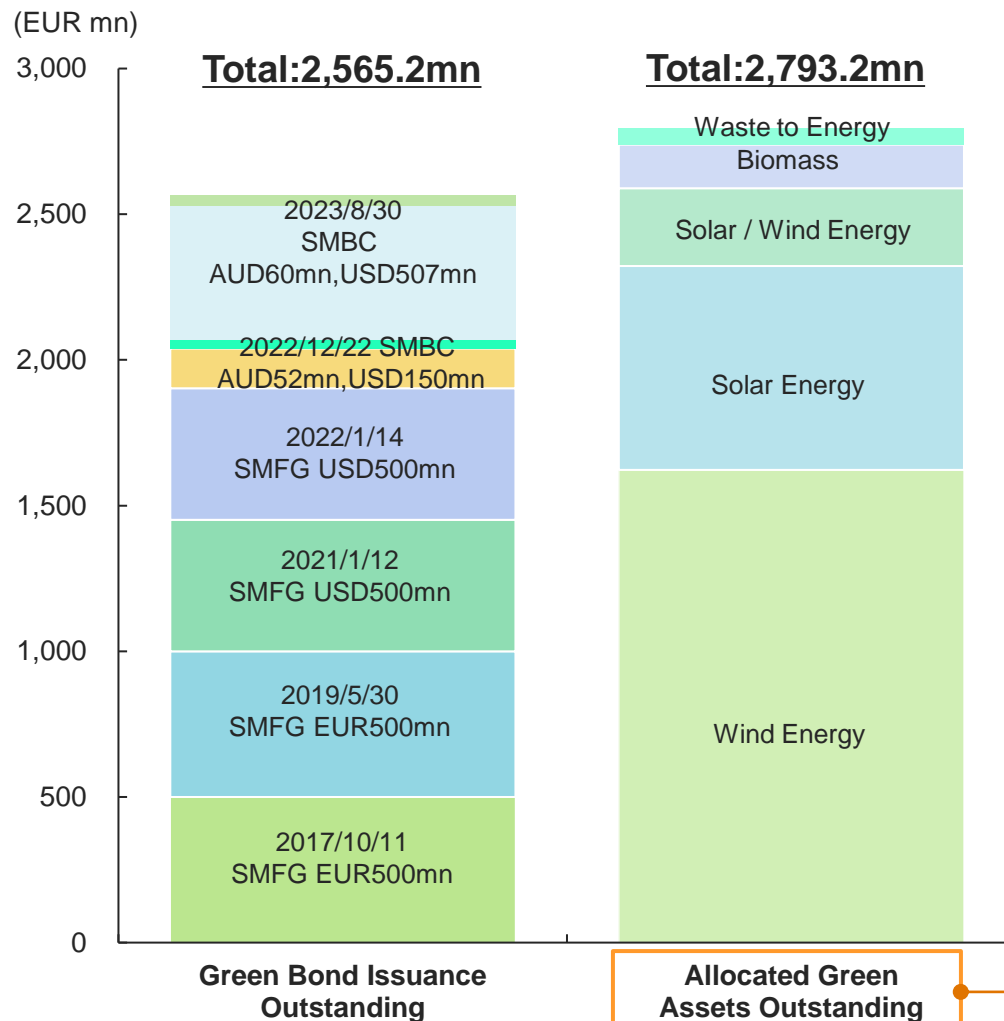
4. Reporting

- 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

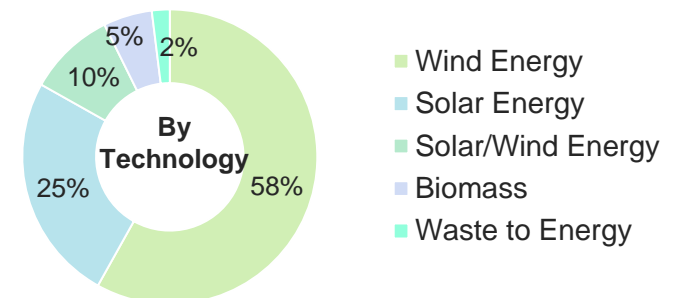
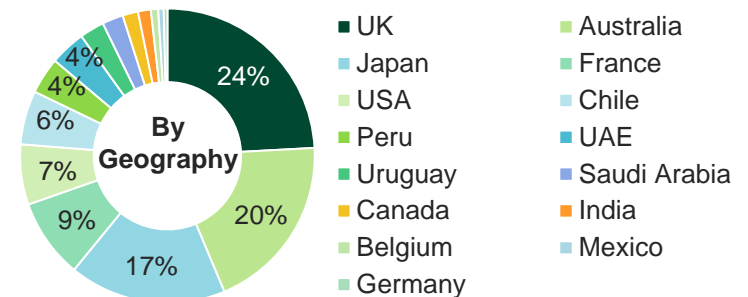


Overview of green bond issuance and allocated green assets

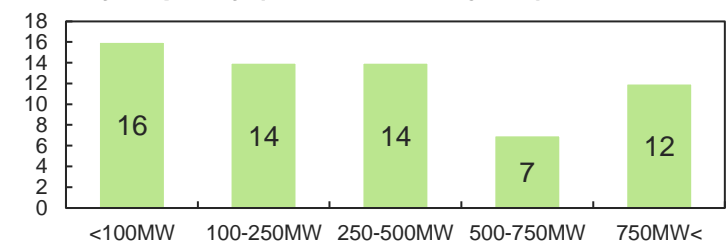
Balance of Green Bond Issuance and Allocated Green Assets*¹ (as of Dec. 23)



Overview of Allocated Green Assets



Facility Capacity (Number of Projects)



*¹ Converted into EUR at the exchange rates as of Dec. 23

Green bond impact reporting

Impact Reporting (as of Dec. 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	Australia, Belgium, Canada, Chile, France, Germany, Japan, UK, Uruguay, USA	36	20,283.53 MW	18,057,156.37 t-CO ₂	2,685,158.59 t-CO ₂
	Solar energy	Chile, France, India, Japan, Mexico, Peru, Saudi Arabia, UAE, USA	21	5,412.27 MW	5,722,058.44 t-CO ₂	3,390,531.06 t-CO ₂
	Solar/Wind energy	Australia	2	1,948.20 MW	3,212,204.86 t-CO ₂	430,801.46 t-CO ₂
	Biomass	Japan	3	349.90 MW	978,114.57 t-CO ₂	203,897.83 t-CO ₂
 Pollution Prevention & Control	Waste to Energy	Australia	1	36.00 MW	168,269.03 t-CO ₂	37,632.82 t-CO ₂
Total					28,137,803.26 t-CO ₂	6,748,021.77 t-CO ₂
SMFG/SMBC Green Bond Outstanding (as of Dec. 23)* ¹						EUR 2,565.2mn
CO ₂ Avoidance per EUR1mn						2,630.58 t-CO ₂

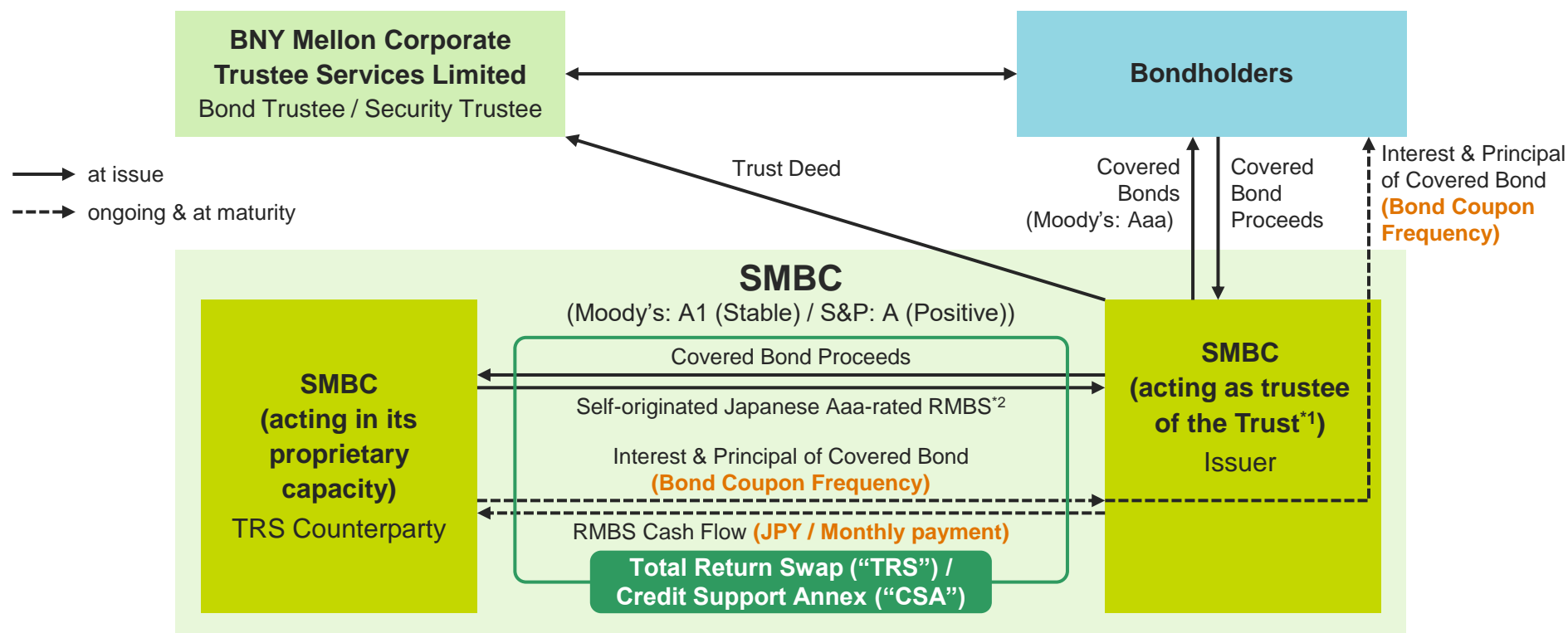
*1 Converted into EUR at the exchange rates as of Dec. 23

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 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 a financial institution which engages in trust business, acting as trustee on behalf of a specified money trust (*tokutei kinsen shintaku*) No. 0010-377600-0001 (the "Trust")

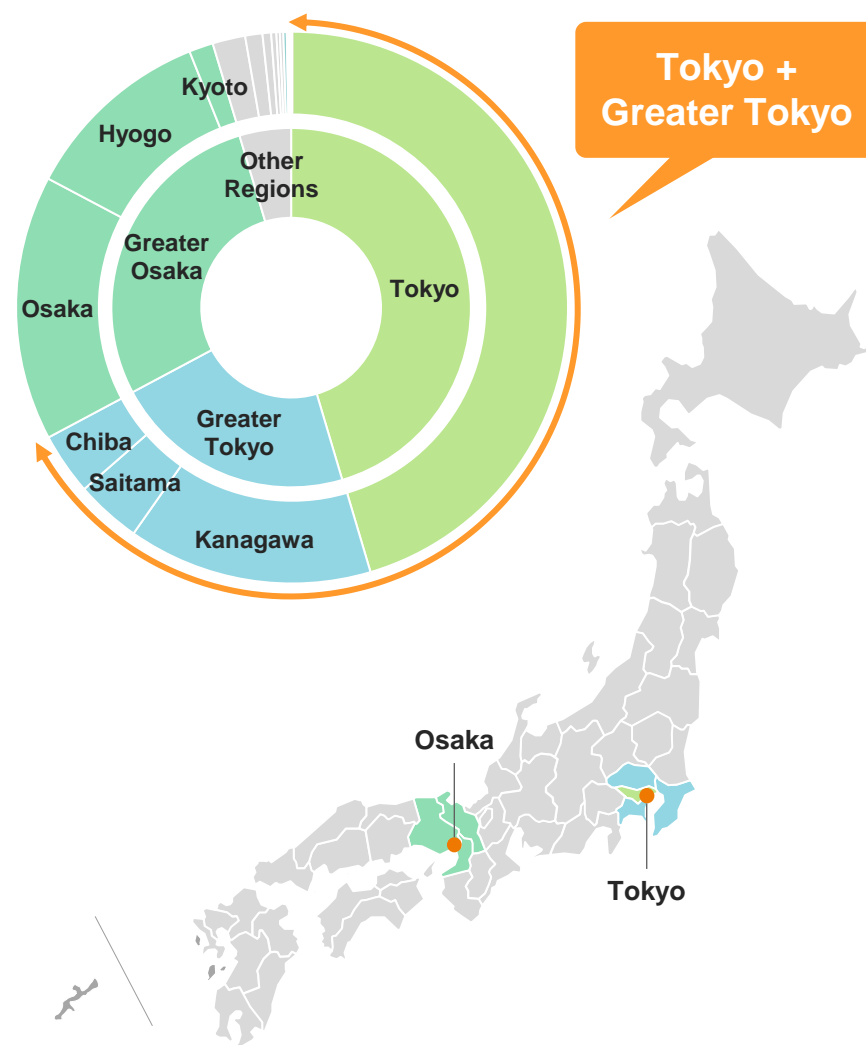
*2 Cover pool assets may include senior tranches Aa-rated RMBS where higher haircut ratio of 20% is applied, JGB and cash

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 200 mn
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. 24

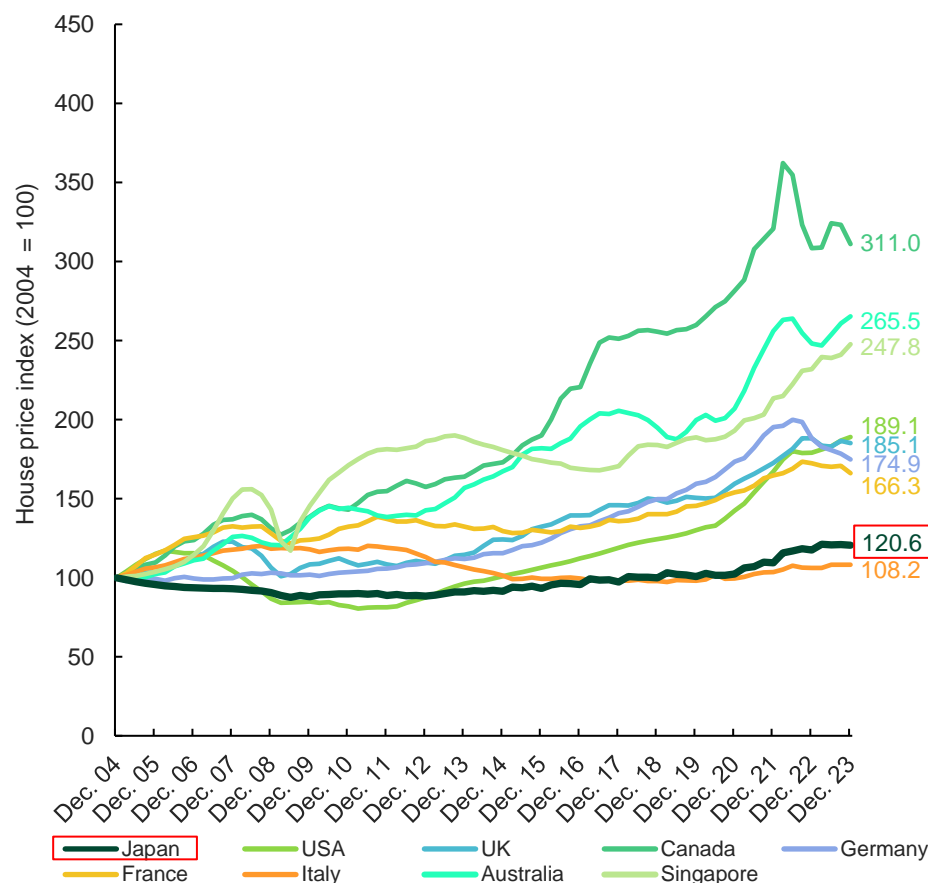
*2 By loan balance

Housing market developments

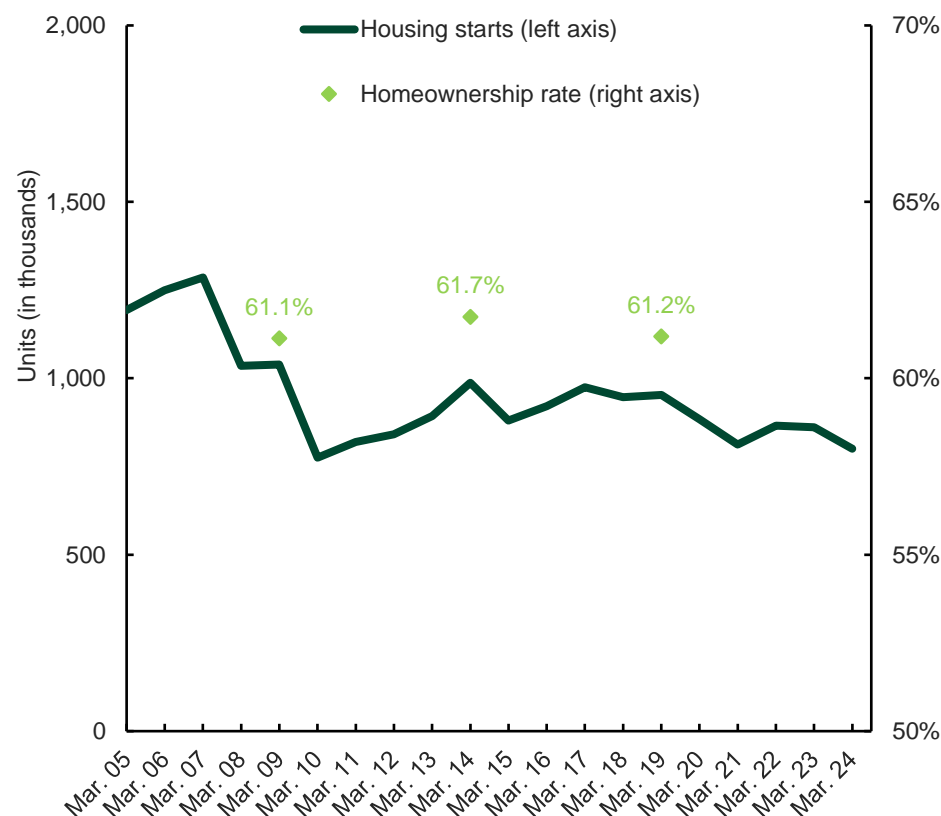
Japanese house prices have been stable with limited impact of the global financial crisis compared to other developed countries, and are now in an upward trend.

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

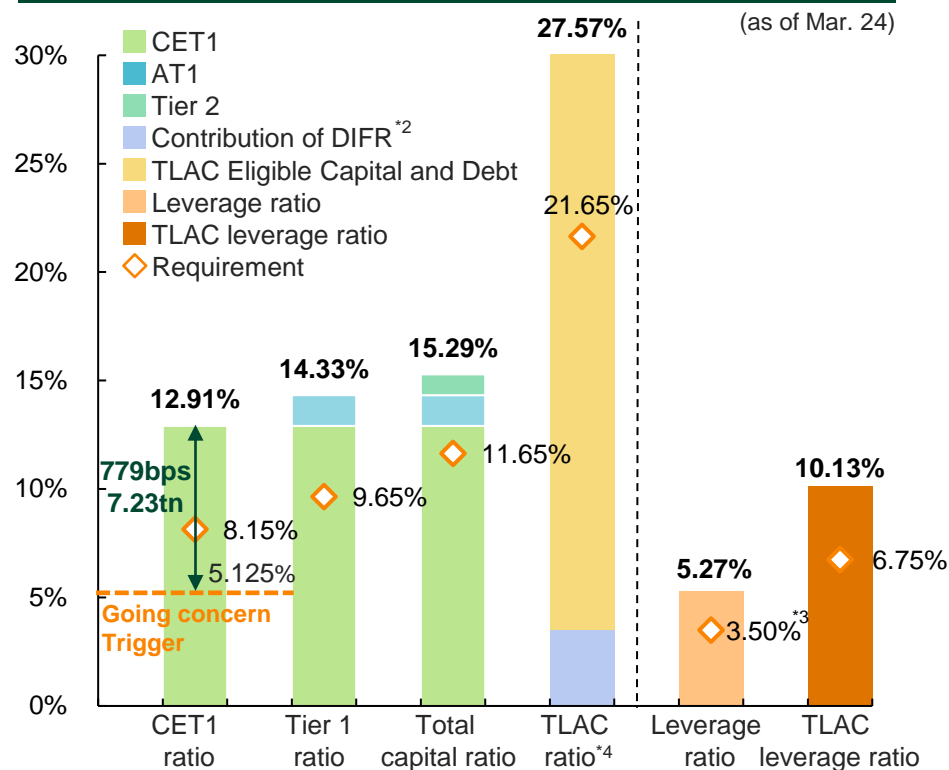


Housing starts / Homeownership rate



Capital ratio / leverage ratio (Transitional basis)

Capital ratio / leverage ratio (Transitional basis)*1



Buffer to requirement

476bps 468bps 364bps 592bps 177bps 338bps

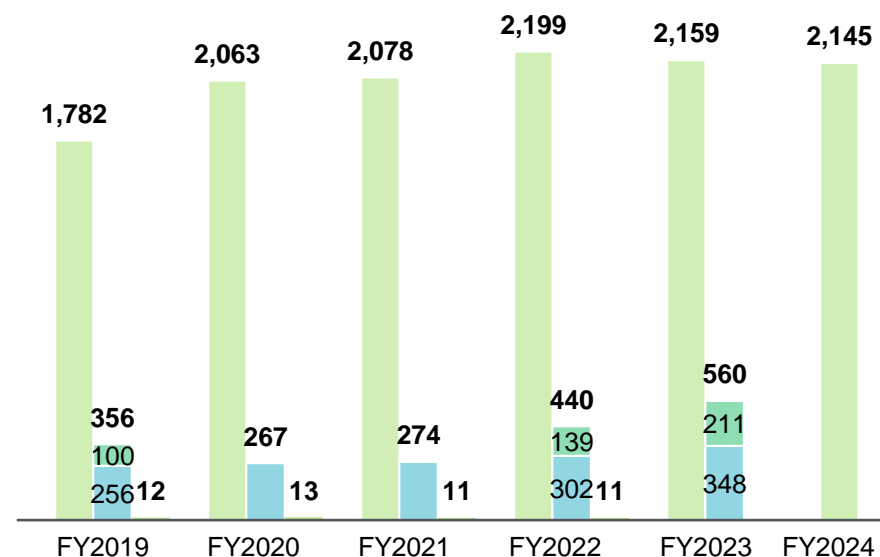
Buffer to requirement (JPY)

4.42tn 4.35tn 3.38tn 5.50tn 4.47tn 8.56tn

Track record of distributions on capital

(JPY bn) ■ Distributable amounts*5 ■ Dividends*6 ■ Buyback*6 ■ AT1 coupon*6

✓ AT1 coupon payouts for FY2023 have not yet been disclosed.



Profit attributable to owners of parent

- The last loss was JPY0.37tn in FY2008 during the financial crisis.
- After the financial crisis, net income has remained positive.

*1 Basel III finalization phased-in period started from Mar.24

*2 Contribution of Deposit Insurance Fund Reserves: Japanese Deposit Insurance Fund Reserves fulfill the requirements for ex-ante commitments to recapitalize a G-SIB in resolution set out in the FSB's TLAC termsheet (Can include 3.5% of RWAs, in external TLAC ratio)

*3 Including leverage buffer *4 Including capital buffer

*5 Refers to "Distributable amounts" within meaning of the Companies Act of Japan. Each Distributable amount is as of the end of previous fiscal year

*6 The amount of dividends, buyback and AT1 coupon are the amounts paid during the relevant fiscal year

Comparison of AT1 securities features

		SMFG/MUFG AT1 ^{*1}	U.K.	EU	Switzerland	Australia	U.S.
Going concern	Trigger	5.125%	7% ^{*2}	5.125%/7%/8%	High: 7% Low: 5.125%	5.125%	N/A
	Loss absorption mechanism	Temporary write-down (TWD)	Conversion	TWD or conversion	Write-down or conversion	Conversion	N/A
Gone concern PoNV mechanism & trigger		Contractual ^{*3} (Specified Item 2 measures)	Statutory	Statutory	Contractual	Contractual	Statutory ^{*4}
Public capital injection		<u>Does Not</u> constitute PoNV or TWD ^{*3} (Specified Item 1 measures, etc. won't trigger PoNV or TWD)	Constitutes PoNV	Constitutes PoNV	Constitutes PoNV	Constitutes PoNV	N/A ^{*4}
Dividend stopper		Yes	No	No	Yes	Yes	Yes

*1 SMFG/MUFG AT1 means USD-denominated AT1 securities issued by SMFG in February 2024 and USD-denominated AT1 securities issued by MUFG in October 2023

*2 Some institutions have defined the 7% trigger as a contractual base to include AT1 securities in their leverage ratio calculations

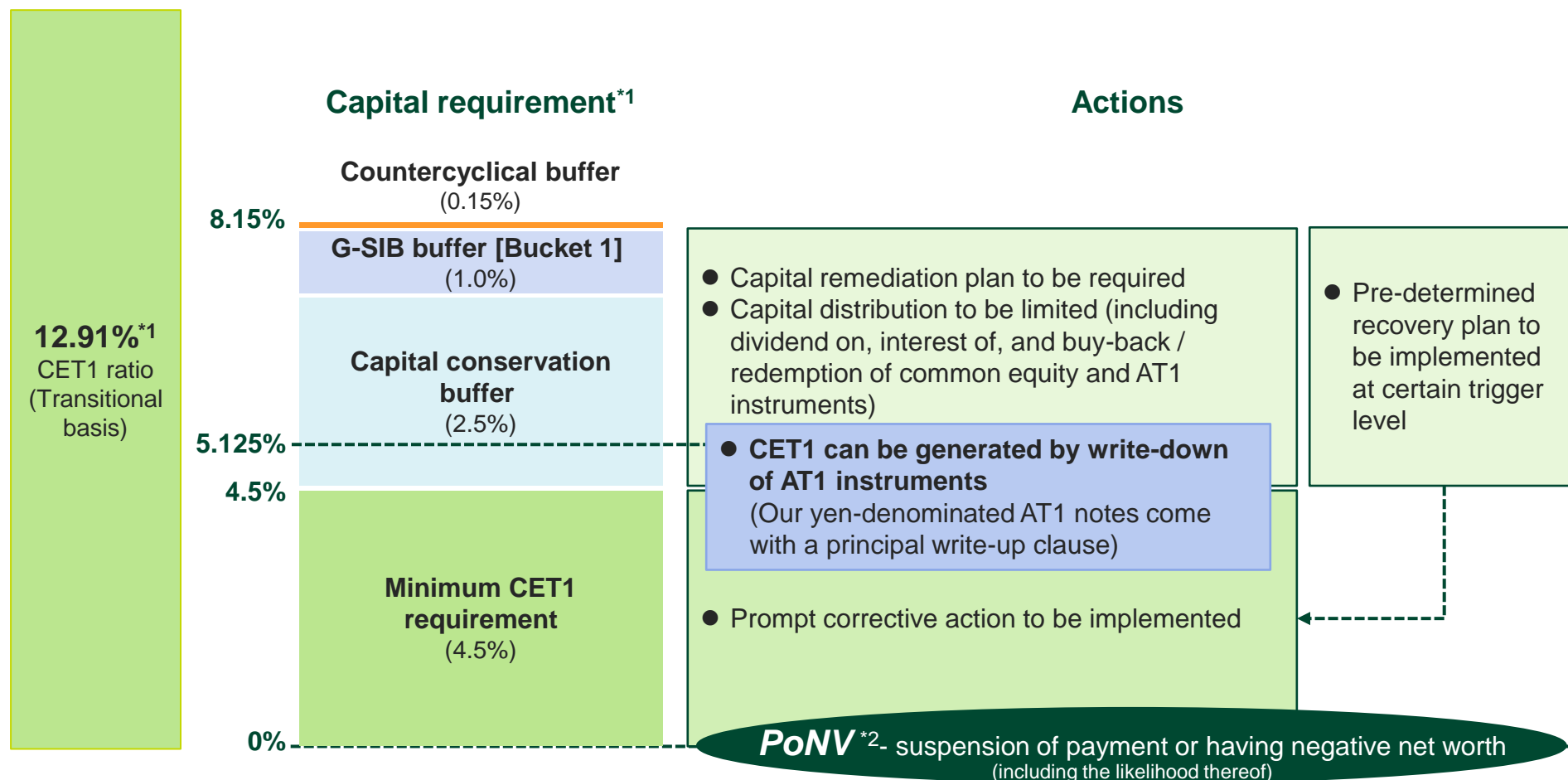
*3 PoNV will be triggered when the Prime Minister of Japan confirms ("*nintei*") that Specified Item 2 measures ("*tokutei dai nigo sochi*") need to be applied to us when our liabilities exceed or are likely to exceed our assets, or we have suspended or are likely to suspend payment of our obligations. However, (1) liquidity support and capital injection under Specified Item 1 measures, (2) capital injection under Act on Special Measures for Strengthening Financial Functions and (3) capital injection under Item 1 Measures could be applied before PoNV when the Prime Minister of Japan confirms necessity. Measures to be taken depend on each case. Specified Item 2 measures may be taken without the implementation of a capital injection prior to PoNV. Bankruptcy Event also triggers permanent full write-down

*4 Under U.S. resolution regimes, if banking organization enters receivership, insolvency, liquidation, or similar proceeding, AT1 instruments may be fully subordinated to interests held by U.S. government.

Actions before incurring losses at PoNV

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. 24

*2 Only an illustrative case based on the assumption that PoNV occurs when CET1 falls below 4.5%. However, the circumstances that could trigger PoNV are uncertain, and PoNV may be triggered even where CET1 is above 5.125% and without triggering a AT1 going concern write-down. PoNV will be deemed to have been 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 if and when its liabilities exceed or are likely to exceed its assets, or it has suspended or is likely to suspend payment of its obligations

Safeguards to prevent systemic disruption

PoNV	Framework	Subject entities
Prior to PoNV^{*1} suspension of payment or having negative net worth (including the likelihood thereof)	<ul style="list-style-type: none"> ● 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”)
	<ul style="list-style-type: none"> ● Capital injection Act on Special Measures for Strengthening Financial Functions 	Banks and BHCs
	<ul style="list-style-type: none"> ● Capital injection Item 1 Measures set forth in the DIA 	Banks and BHCs ^{*2}
Posterior to	<ul style="list-style-type: none"> ● 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 Tier 2 instruments 	Financial institutions Including banks and BHCs
	<ul style="list-style-type: none"> ● Financial assistance exceeding payout cost or Temporary nationalization 	Banks

Comparison of Measures established in 2014

Specified Item 1 Measures

Specified Item 2 Measures

Situation	<ul style="list-style-type: none"> ● Where there is a risk that severe disruption could occur in Japan's financial market and any other financial systems 	
Financial condition of target financial institution	<ul style="list-style-type: none"> ● Capital: <u>not</u> having negative net worth ● No requirement as to liquidity 	<ul style="list-style-type: none"> ● Capital: having negative net worth or ● Liquidity: suspension of payment (including the likelihood thereof)
Support tools	<ul style="list-style-type: none"> ● Liquidity support ● Capital injection 	<ul style="list-style-type: none"> ● Financial assistance
Write-down of AT1 securities	<ul style="list-style-type: none"> ● <u>Not required</u>^{*3} 	<ul style="list-style-type: none"> ● Full permanent write down at PoNV

*1 See note 2 on p.71

*2 The DIA permits capital injection into a BHC which is the parent company of the subject bank to enhance the bank's capital adequacy

*3 If the issuer's CET1 ratio is below 5.125% at the time Specified Item 1 Measures are applied, AT1 securities will be subject to partial or full write-down pursuant to the temporary write down clause

Precedents of public sector support and resolution

Precedents of public sector support and resolution in Japan

Framework*1		Precedents	Date	Amount (JPY bn)
Act on Special Measures for Strengthening Financial Functions	Capital injection	Recent precedents of banks		
		Jimoto Holdings (Kirayaka Bank)*2	Sep. 2023	18.0
		Howa Bank	Mar. 2014	16.0
		Jimoto Holdings (Kirayaka Bank)*2	Dec. 2012	30.0
		Tohoku Bank	Sep. 2012	10.0
		77 Bank	Dec. 2011	20.0
		Tsukuba Bank	Sep. 2011	35.0
	Jimoto Holdings (Sendai Bank)*2	Sep. 2011	30.0	
	Other precedents of banks before 2011	-	304.5 (12 cases)	
	Precedents of credit associations (Shinkumi / Shinkin)	-	252.5 (19 cases)	
			Total 716.0 (38 cases)	
Article 102, Paragraph 1 of Deposit Insurance Act (DIA)	Item 1 measures Capital injection	Resona Bank	Jun. 2003	1,960.0
	Item 2 measures Financial assistance exceeding payout cost	N.A.	N.A.	N.A.
	Item 3 measures Temporary nationalization	Ashikaga Bank	Nov. 2003	N.A.*3
Article 126-2 of DIA	Specified Item 1 measures Liquidity support Capital injection	N.A.	N.A.	N.A.
	Specified Item 2 measures Supervision or control and Financial assistance for orderly resolution	N.A.	N.A.	N.A.

PoNV^{*4}

PoNV^{*4}

*1 There is no assurance that any such measures would be applied in any given case

*2 Names of financial institutions in parentheses refer to the entities that effectively received capital injection

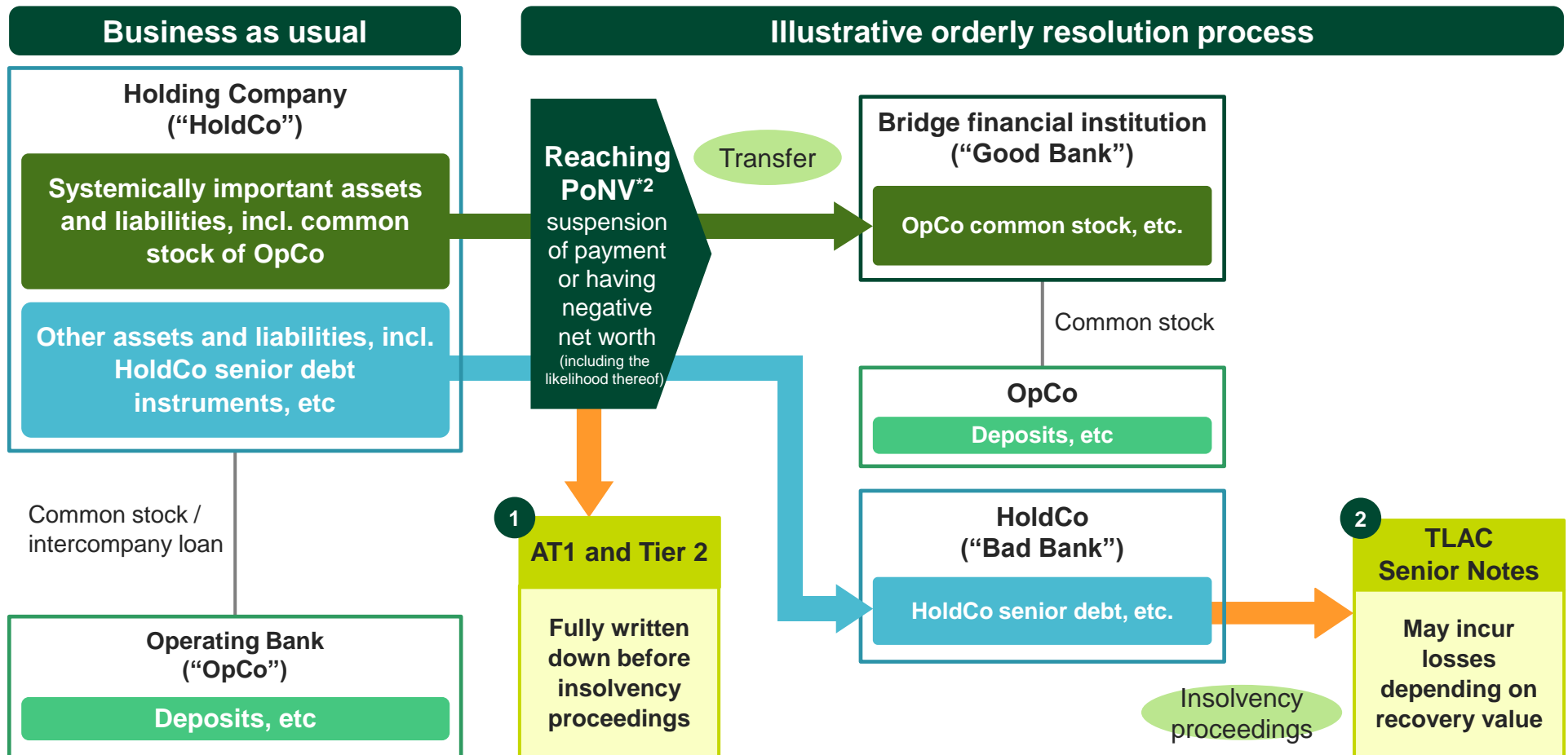
*3 The Deposit Insurance Company of Japan acquired all the shares of the bank against nil consideration

*4 See note 2 on p.71

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.

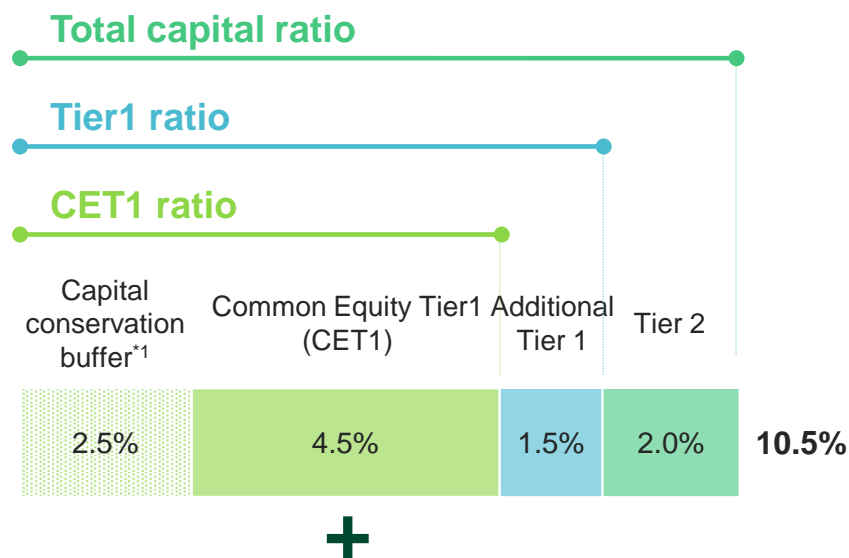


^{*1} Based on a possible model of Japanese G-SIB's resolution under the SPE resolution strategy, as stated in "The FSA's Approach to Introduce the TLAC Framework" published in Apr. 16 and revised in Apr. 18. However, it is uncertain which resolution strategy or specific measures will be taken in a given case, including whether or not the SPE resolution strategy is to be chosen and implemented in a given case. ^{*2} See note 2 on p.71

Application of Basel III (capital ratio)

		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%

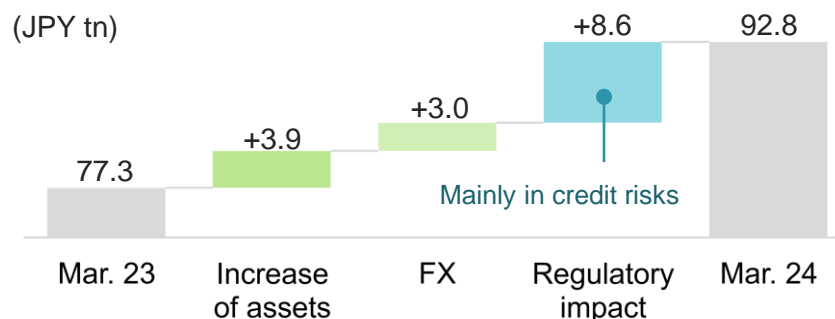
Capital requirements



G-SIB buffer (CET1 capital)

Bucket 1	Bucket 2	Bucket 3	Bucket 4	Bucket 5
1.0%	1.5%	2.0%	2.5%	3.5%

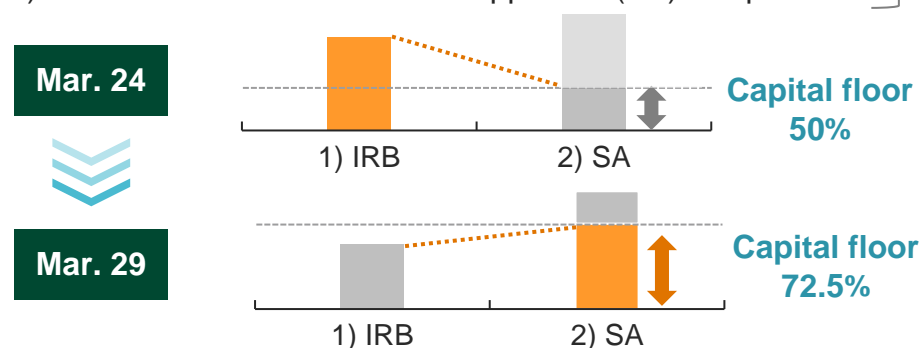
Breakdown of RWA increase (Transitional basis)^{*2}



Implementation of output floor

Calculate using larger figure

- 1) RWA based on internal ratings-based approach (IRB)
- 2) RWA based on standardized approach (SA) x capital floor



^{*1} Countercyclical buffer (CCyB) omitted

^{*2} Basel III finalization phased-in period started from Mar. 24

BOJ's monetary policy

Current Monetary Policy

July 2023

Change in YCC long-term interest rate target range

- Allow long-term interest rates to some extent over +0.5%
- Offer to purchase 10-year JGBs at 1.0% every business day through fixed-rate purchase operations, in the range of around $\pm 0.5\%$ from the target level

October 2023

YCC long-term interest rate target range revised again

- While BOJ maintains the target level of 10-year JGB yields at around 0%, it conducts YCC with the upper bound of 1.0% for these yields as a reference
- Determine the offer rate for fixed-rate purchase operations each time, taking account of market rates and other factors

March 2024

Terminate the negative interest rate policy

-0.1% \rightarrow 0.0 ~ +0.1%

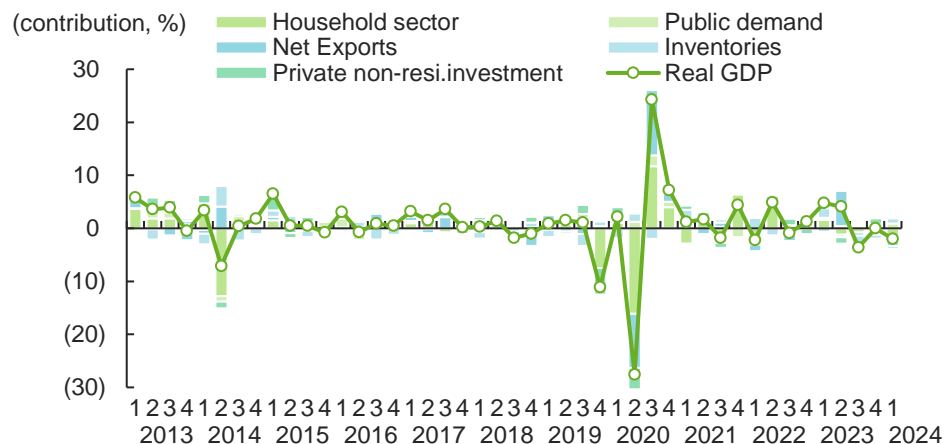
Terminate the Yield Curve Control framework

Major policy changes in March 2024

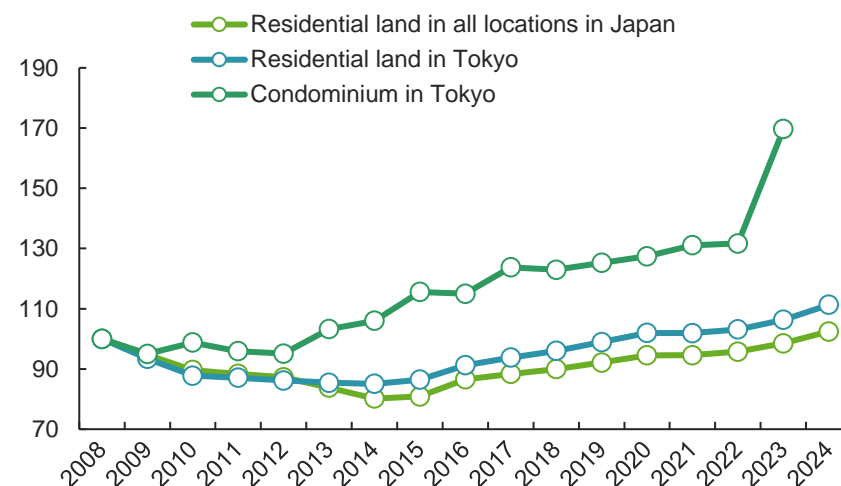
Short-term interest rate		<ul style="list-style-type: none"> • <u>Terminate the negative interest rate policy</u> • The policy interest rate is <u>set to the uncollateralized overnight call rate</u>, and BOJ <u>encourages it to remain at around 0 to 0.1%</u> (eliminating the Three-tier system)
Long-term interest rate		<ul style="list-style-type: none"> • <u>Eliminate the framework of Yield Curve Control (the target of 10-year JGB yields)</u> • On the other hand, <u>BOJ continues JGB purchases in broadly the same amount as before</u> • In case of a rapid rise in long-term interest rates, banks will make nimble responses by increasing the amount of JGBs purchases and conducting fixed-rate purchase operations of JGBs and the Funds-Supplying Operations against Pooled Collateral
Asset purchases	ETF・J-REIT	<ul style="list-style-type: none"> • <u>Discontinue purchases of ETFs and J-REITs</u>
	CP・Corporate Bonds	<ul style="list-style-type: none"> • Gradually reduce the amount of purchases of CP and corporate bonds and will discontinue the purchases in about one year
The inflation-overshooting commitment		<ul style="list-style-type: none"> • <u>Delete as fulfilling the conditions for its achievement</u>

Japanese economy

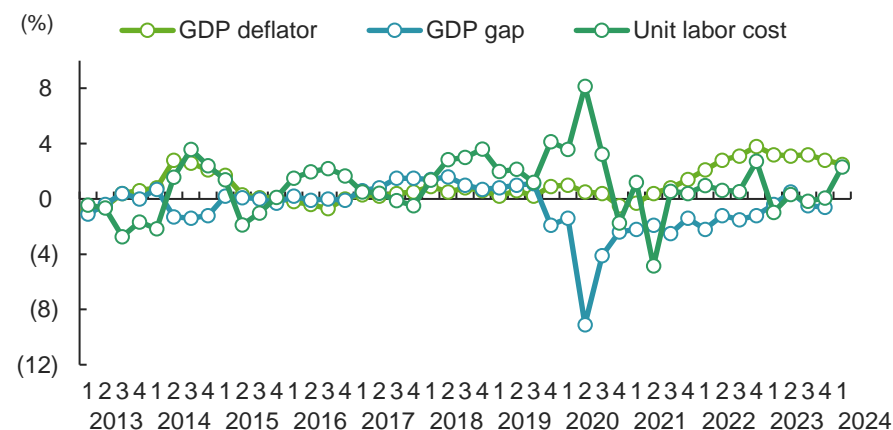
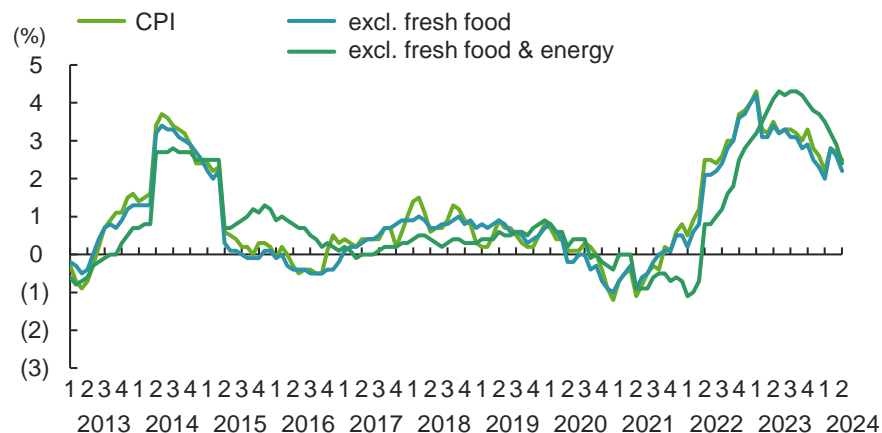
Real GDP growth rate (annualized QoQ change)*1



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



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



*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