

Fixed Income Investor Presentation

November 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 Sumitomo Mitsui Financial Group, Inc. (“the Company”) and its management with respect to the Company’s 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 the Company’s securities portfolio; incurrence of significant credit-related costs; the Company’s ability to successfully implement its business strategy through its subsidiaries, affiliates and alliance partners; and exposure to new risks as the Company expands the scope of its 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. The Company undertakes no obligation to update or revise any forward-looking statements.

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

Exchange rates (TTM)

	The end of Sep. 23	The end of Mar. 24	The end of Sep. 24
USD	JPY 149.58	JPY 151.33	JPY 142.82
EUR	JPY 157.99	JPY 163.24	JPY 159.53
(Average rate)			
USD	JPY 141.07	JPY 144.59	JPY 152.78
EUR	JPY 153.46	JPY 156.76	JPY 166.06

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
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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Overview / Financial Results

Key credit messages^{*1}

Earnings capability

(FY3/24)

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

0.73%

SMFG NPL ratio

0.44%

SMBC NPL ratio (non-consolidated)

Robust liquidity

59.4%

Loan to deposit ratio

(average Jul. – Sep. 24)

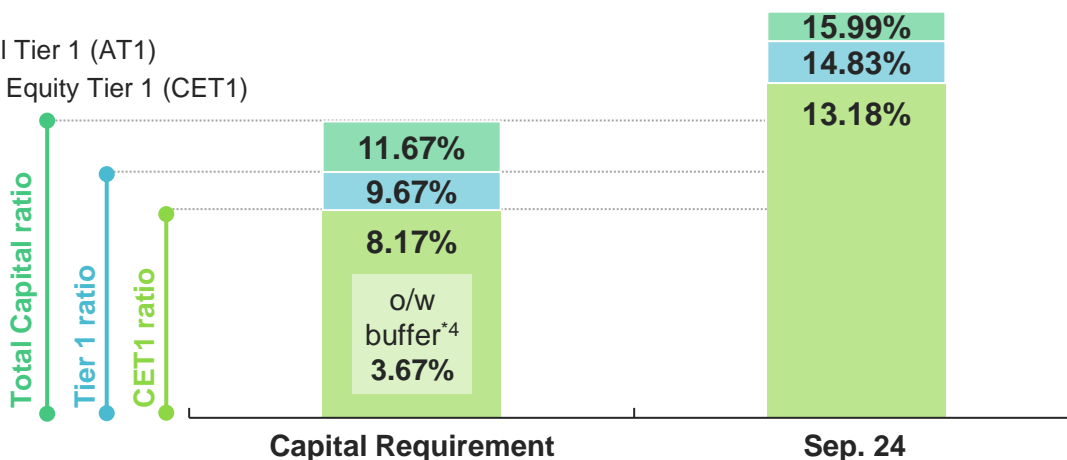
133.6%

LCR

Sound capital position

Transitional basis^{*3}

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



High credit ratings (As of Oct 31, 2024)

A1 / A1

SMBC/SMFG
Moody's Rating

A / A-

SMBC/SMFG
S&P Rating

^{*1} Consolidated, unless otherwise indicated, 1H FY3/25 ^{*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

1H FY3/25 financial results

	(JPY bn)	1H FY3/25	YoY
1 Consolidated gross profit		2,045.3	+227.9
G&A expenses		1,172.7	+90.5
2 Overhead ratio		57.3%	(2.2)%
3 Equity in gains (losses) of affiliates		45.7	+9.9
4 Consolidated net business profit		918.2	+147.3
5 Total credit cost		83.9	(16.4)
6 Gains (losses) on stocks		294.2	+247.4
7 Other income (expenses)		(98.1)	(89.9)
8 Ordinary profit		1,030.5	+321.2
9 Extraordinary gains (losses)		(3.1)	(0.2)
10 Income taxes		297.6	+119.8
11 Profit attributable to owners of parent		725.2	+198.7
12 ROE incl. OCI ^{*1}		9.8%	+1.8%
13 ROE ^{*2}		13.3%	+3.3%

- **Consolidated gross profit:** increased YoY due to:
 - 1) increase of domestic and overseas income on loan and deposit
 - 2) good performance of wealth management business, payment business and consumer finance, and
 - 3) increase of fee income in domestic wholesale business.
 Impact of FX: +26
- **G&A expenses:** increased YoY mainly due to inflation (+23) and higher variable marketing cost (+40), while overhead ratio improved due to top-line growth
Impact of FX: +13
- **Equity in gains of affiliates:** increased YoY due to:
 - 1) good performance in aircraft leasing business: +6, and
 - 2) making VPBank and RCBC equity-method affiliates: +3.
 Impact of FX: none
- **Total credit cost:** decreased due to lower costs at SMBC, despite an increase from the consolidation of OTO/SOF and the expansion of the overseas banking subsidiaries business
- **Gains on stocks:** increased due to gains on sales of equity holdings: 279 (YoY+218)
- **Others:** booked a radical allowance on interest repayment of consumer finance: (99)

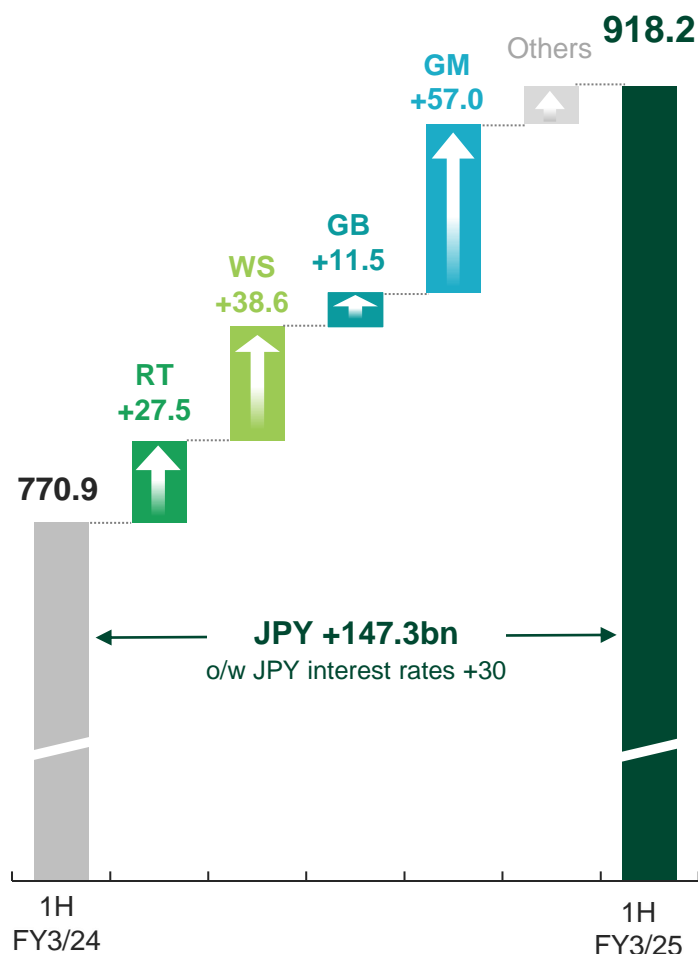
*1 Denominator: Shareholder's equity + total accumulated other comprehensive income

*2 Based on shareholder's equity

(Ref.) Breakdown of net business profit and bottom-line profit

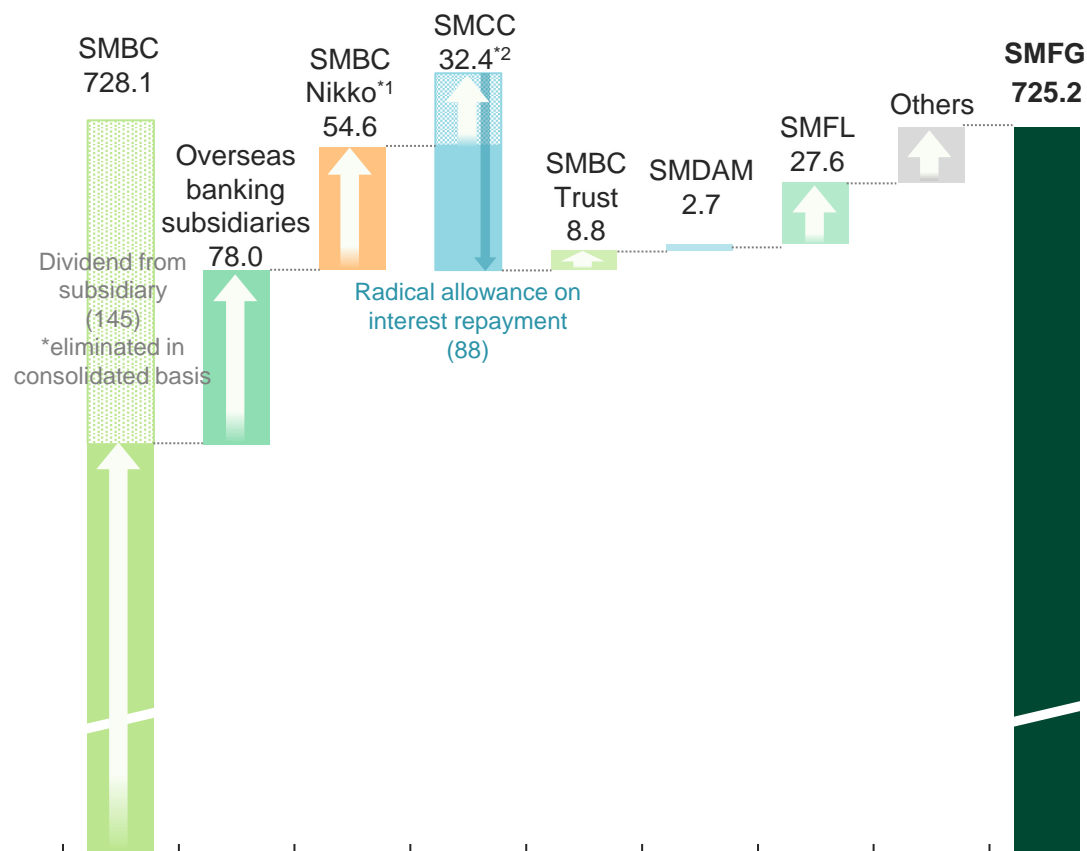
Consolidated net business profit (YoY)

(JPY bn)



Bottom-line profit (group companies)

(JPY bn)



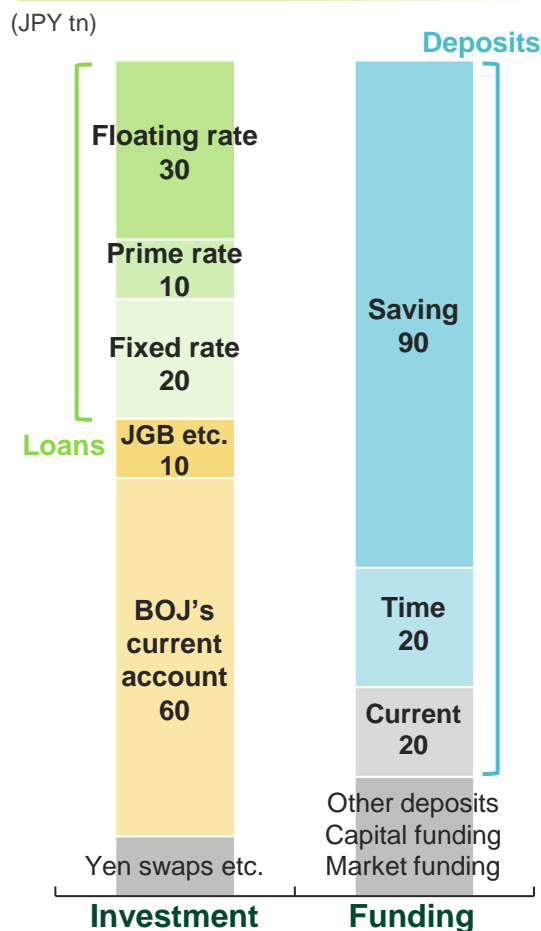
*1 Including profits from SMBC Nikko America and SMBC Capital Markets (managerial accounting basis)

*2 Including SMBCCF (excl. impact on the allowance on interest repayment)

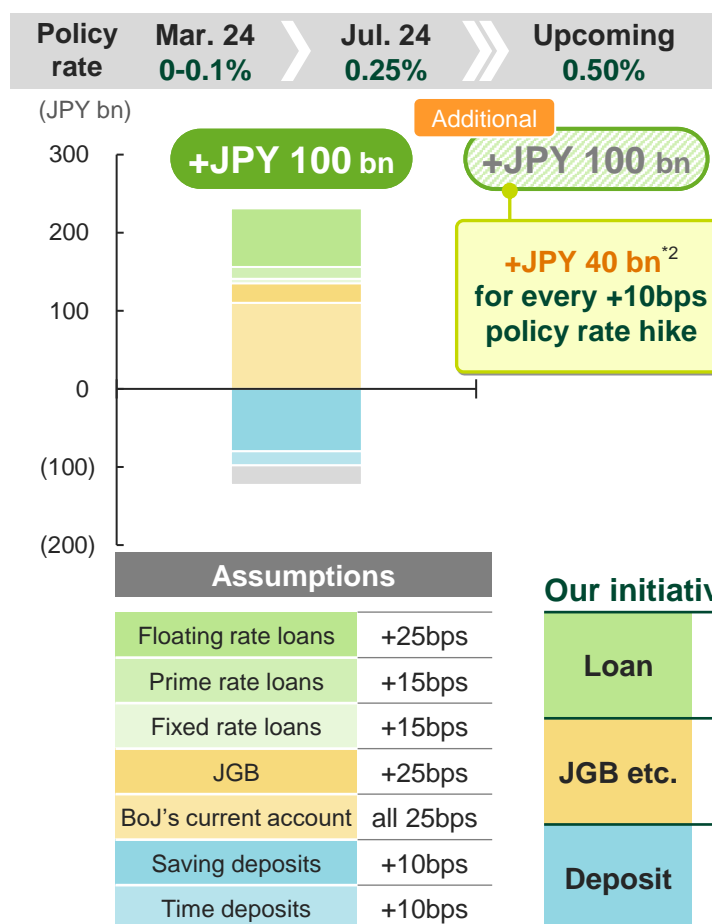
(Ref.) Simulation of rise on JPY interest rates

The past two BOJ rate hikes could increase net interest income by JPY 100 bn, with JPY 70 bn impacting FY3/25. When the policy rate is raised to 0.50%, it could add another JPY 100 bn annually.

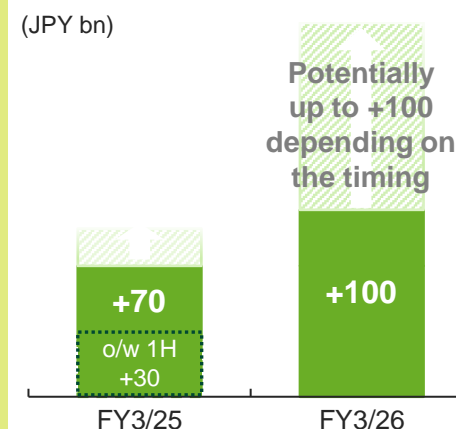
B/S JPY 145 tn (Sep. 24)



Impact on net interest income*1



Timing of profit contribution



Our initiatives

Loan	<ul style="list-style-type: none"> Loan spreads improved YoY on top of base rate increase; focus remains on further enhancement
JGB etc.	<ul style="list-style-type: none"> Grasp market trends and flexibly control balances
Deposit	<ul style="list-style-type: none"> Focus on acquiring sticky, low-cost liquid deposit Olive: deposit increase +30%*3

*1 Based on assumption of no change in balance sheet *2 +10bps increase in both short-term and long-term rate

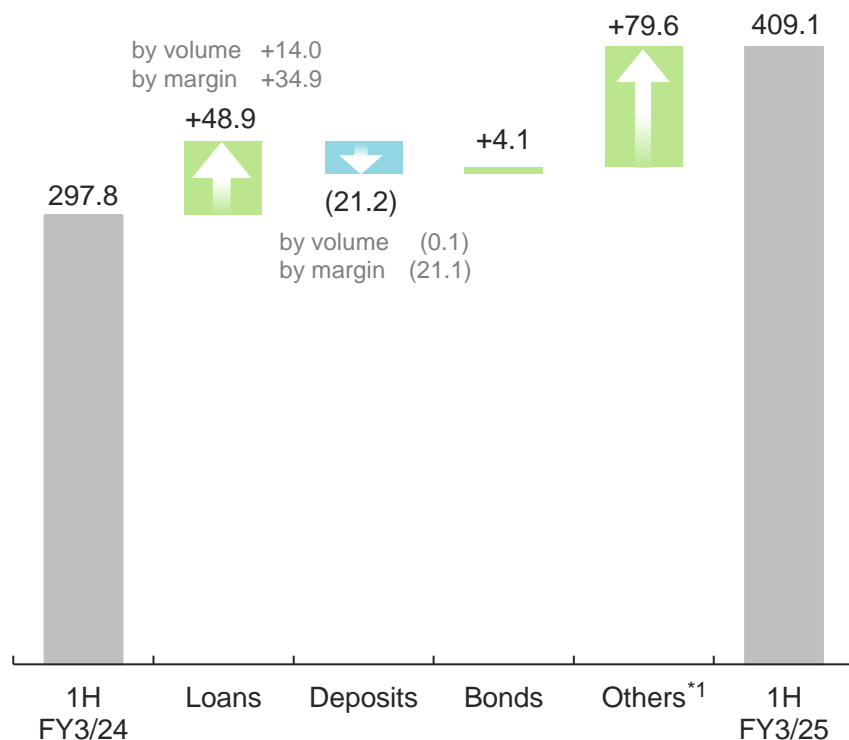
*3 Comparison of the average deposit balances (i) as of end of Sep. 23 of new account holders who opened their accounts between Mar. 22 and Feb. 23 (which is before Olive release), and (ii) as of end of Sep. 24 of new account holders who opened their accounts between Mar. 23 and Feb. 24 (which is after Olive release)

(Ref.) Net interest income (SMBC)

Domestic

- Income from loans and deposits increased due to both loan volume and margins, despite higher deposit costs.
- Gains on cancellation of investment trusts increased under favorable stock market conditions.

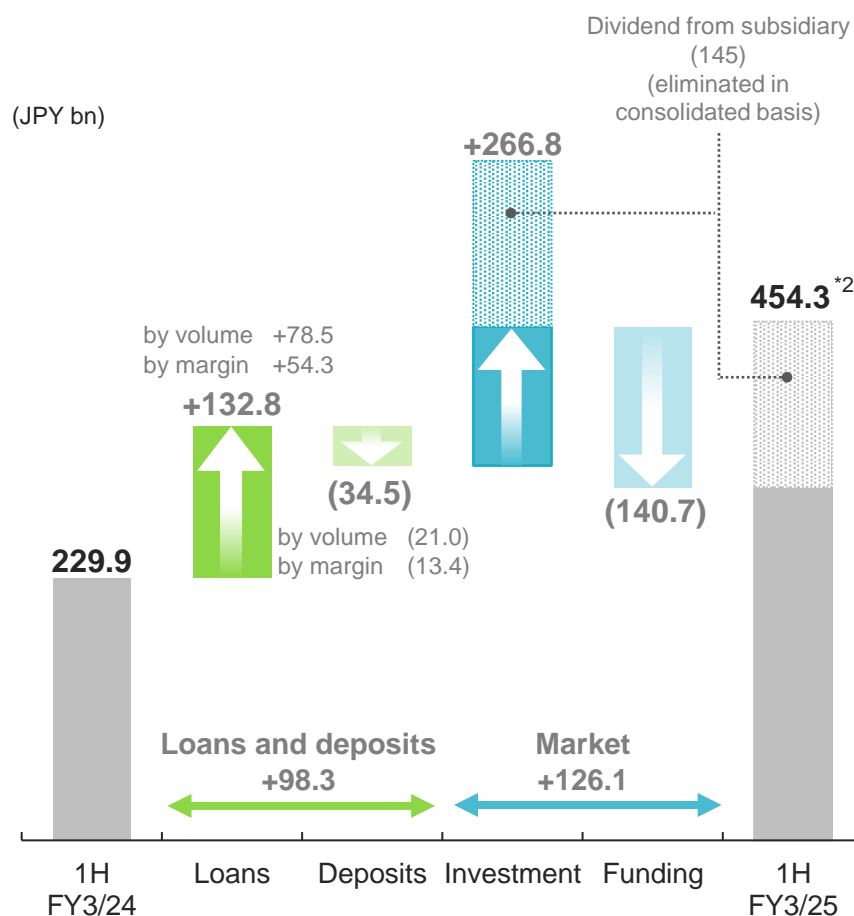
(JPY bn)



Overseas

- Income from loans and deposits increased due to both loan volume and margins, despite the continued increase in deposit costs.

(JPY bn)



*1 Including gains on cancellation of investment trusts *2 Including dividend from subsidiary

Balance sheet and loan balance

Balance sheet (as of Sep. 24)

(Consolidated)

Total assets : JPY 290.0 tn	
Cash and due from banks JPY 73.6 tn	Deposits, negotiable certificates of deposit (NCD) JPY 176.9 tn
Loans JPY 105.0 tn	
Securities JPY 38.8 tn	Other liabilities JPY 98.3 tn
JGBs JPY 9.3 tn	
Other assets JPY 72.5 tn	Total net assets JPY 14.9 tn
	Total stockholders' equity JPY 11.1 tn

Loan to deposit ratio	59.4%
Risk-weighted assets	JPY 90.5 tn
ROE (Denominator: Total stockholders' equity)	13.3%

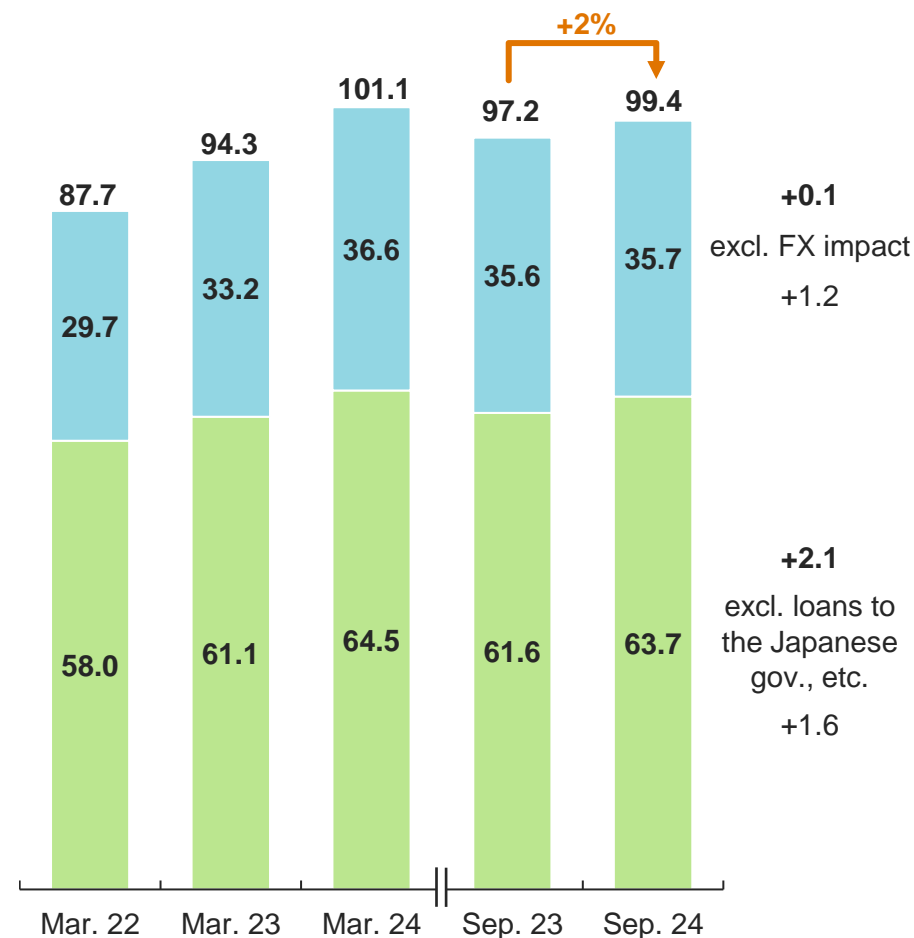
Domestic loan-to-deposit spread

(%)	1H FY3/25	YoY	1Q	2Q
Interest earned on loans and bills discounted	0.94	+0.12	0.92	0.97
Interest paid on deposits, etc.	0.03	+0.03	0.01	0.05
Loan-to-deposit spread	0.91	+0.09	0.91	0.92
(Ref.) Excl. loans to the Japanese government, etc.				
Interest earned on loans and bills discounted	0.97	+0.13	0.94	0.99
Loan-to-deposit spread	0.94	+0.10	0.93	0.94

Loan balance

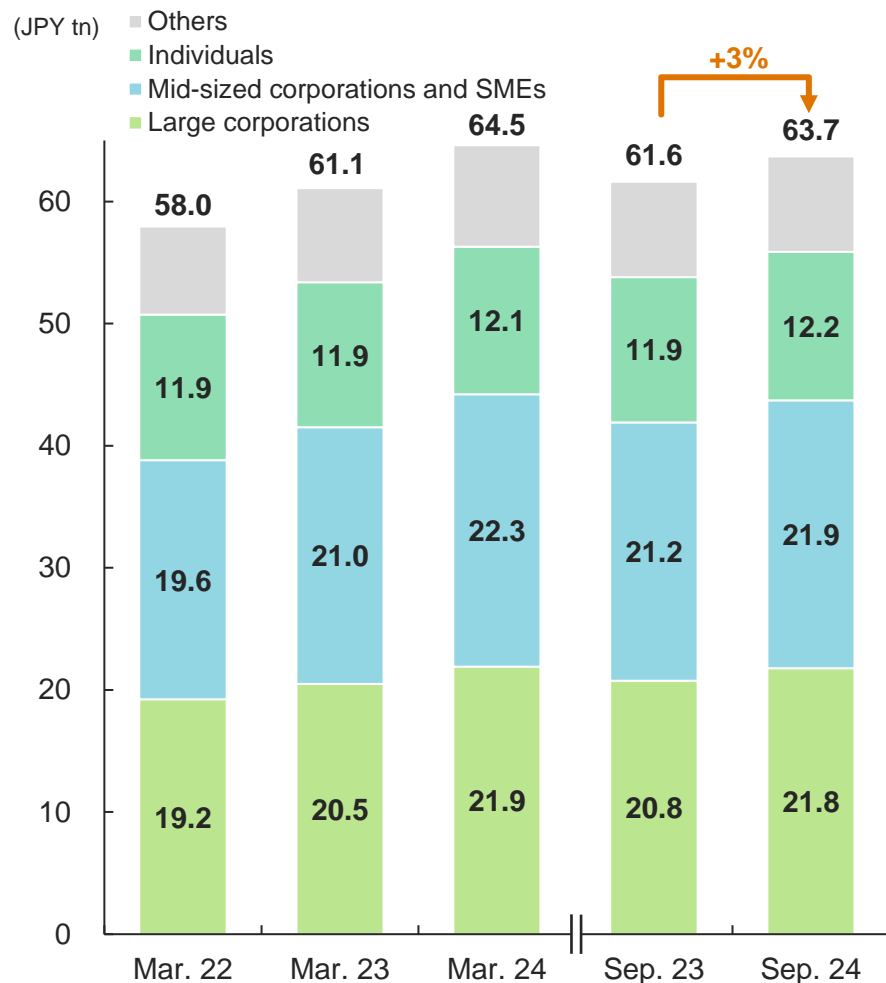
(Non-consolidated)

(JPY tn) ■ Domestic loans ■ Overseas loans

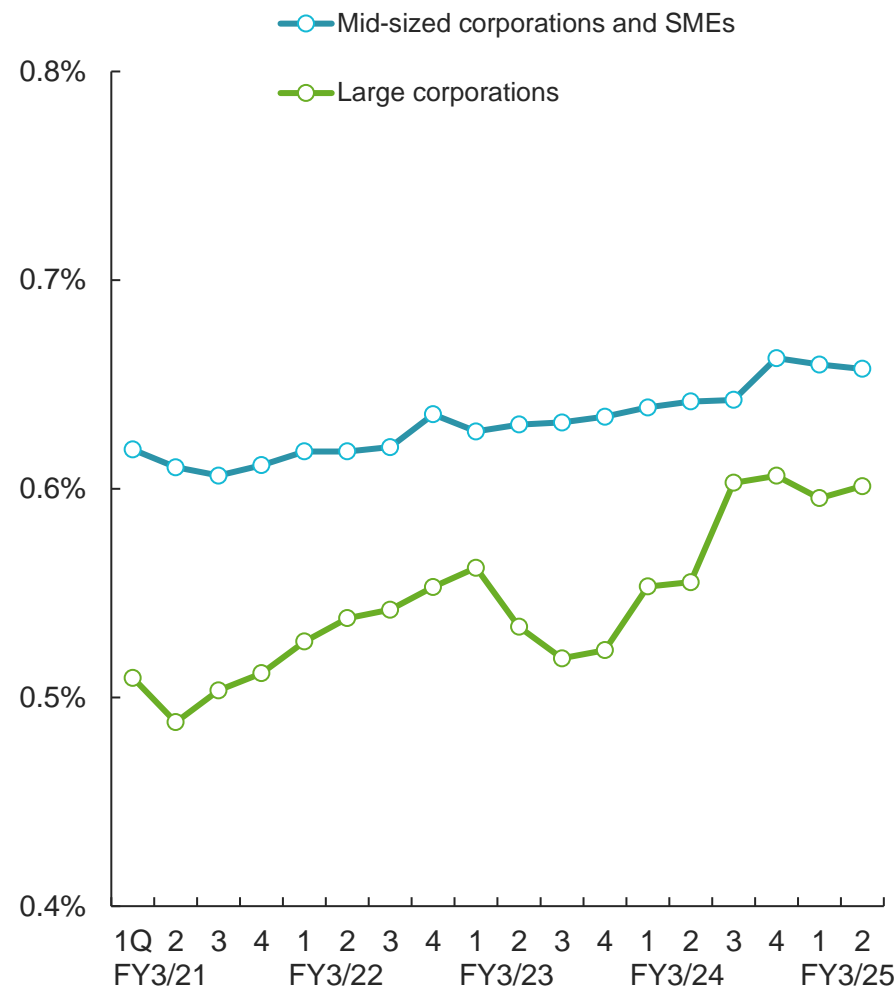


Domestic loans*1

Balance



Spread*2

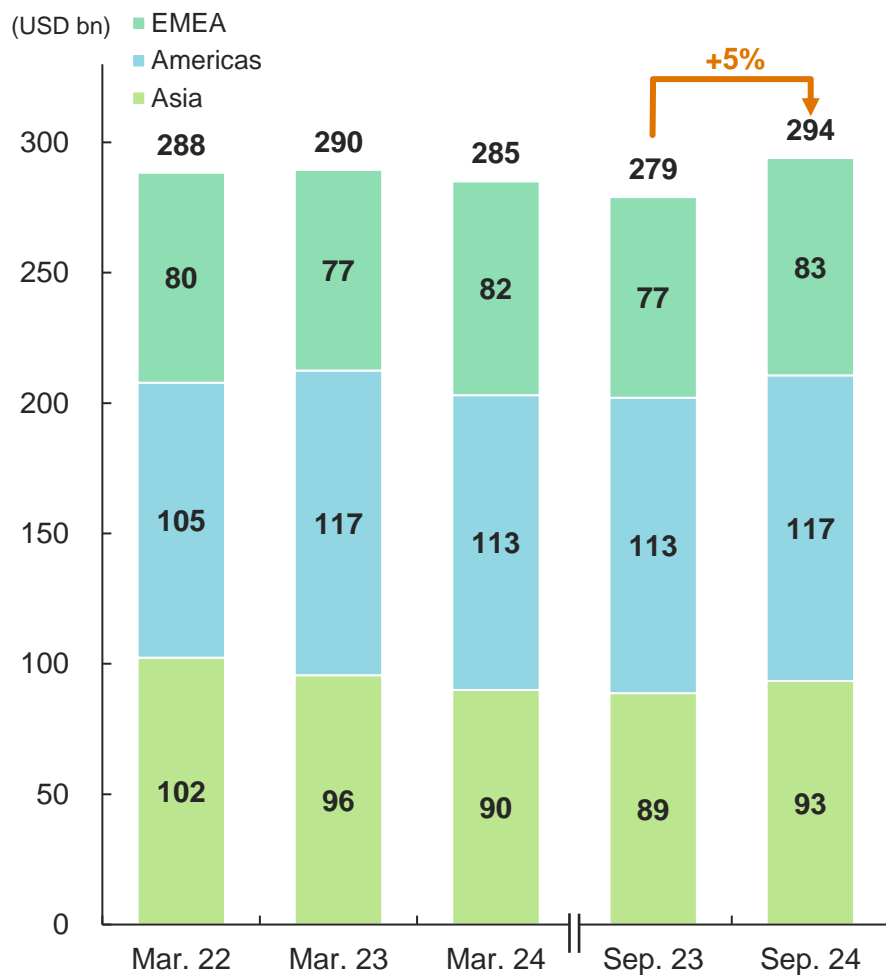


*1 SMBC, Managerial accounting basis

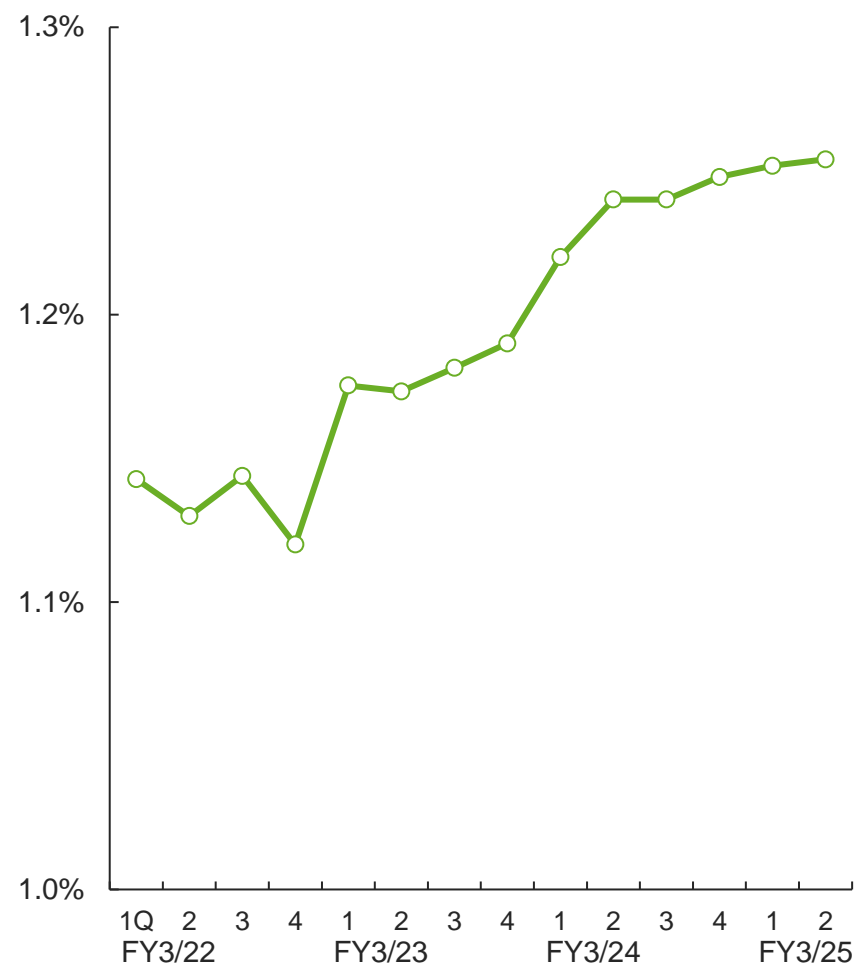
*2 Monthly average loan spread of existing loans, excluding loans to the Japanese government

Overseas loans^{*1}

Balance



Spread^{*2}

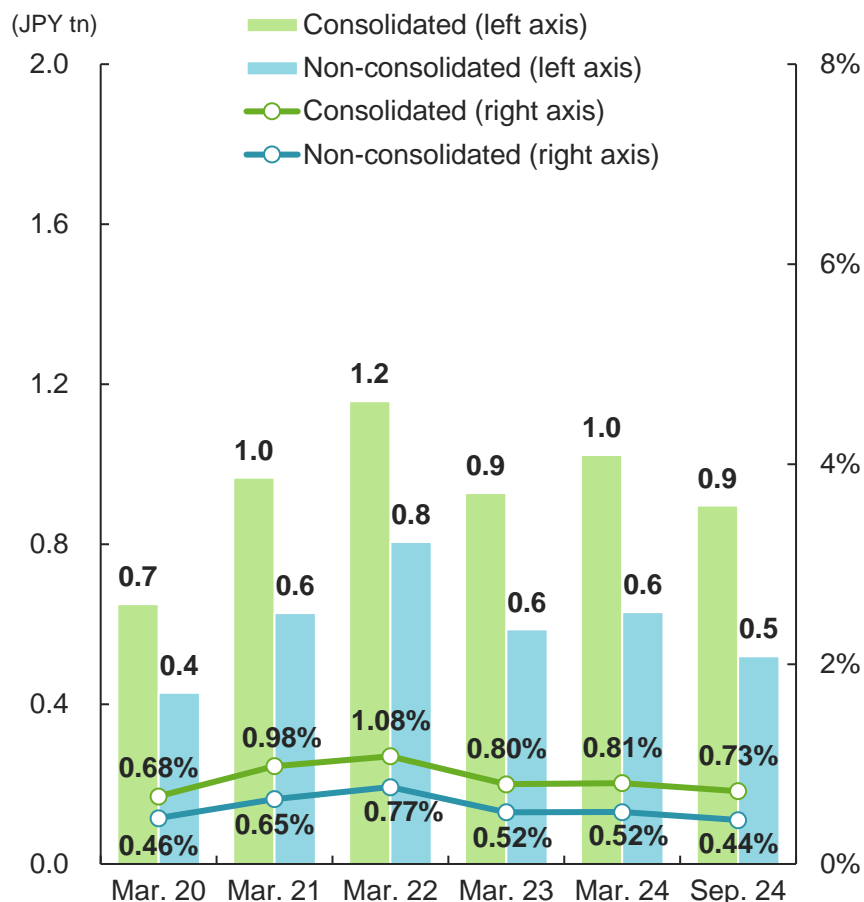


^{*1} Includes trade bills. Managerial accounting basis, converted into USD at respective period-end exchange rates.
Sum of SMBC and major local subsidiaries

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

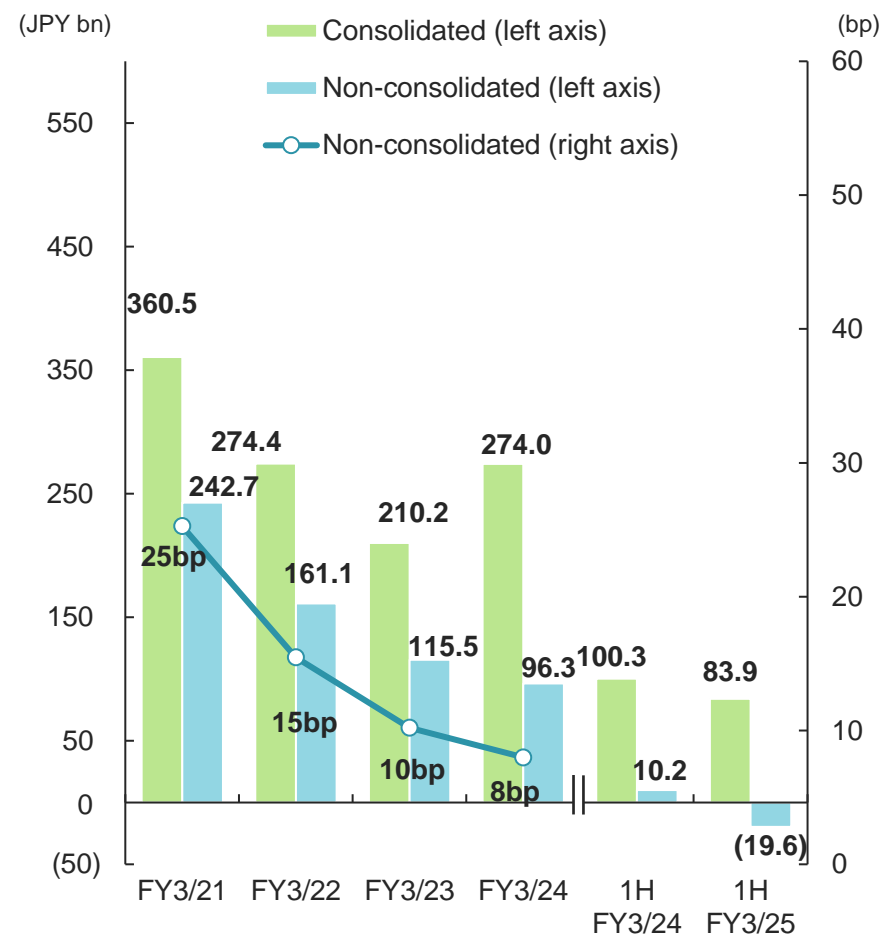
Asset quality – solid loan portfolio

NPLs and NPL ratio*1



Coverage ratio*3	Consolidated	68.11%	63.04%
	Non-consolidated	89.53%	86.43%

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

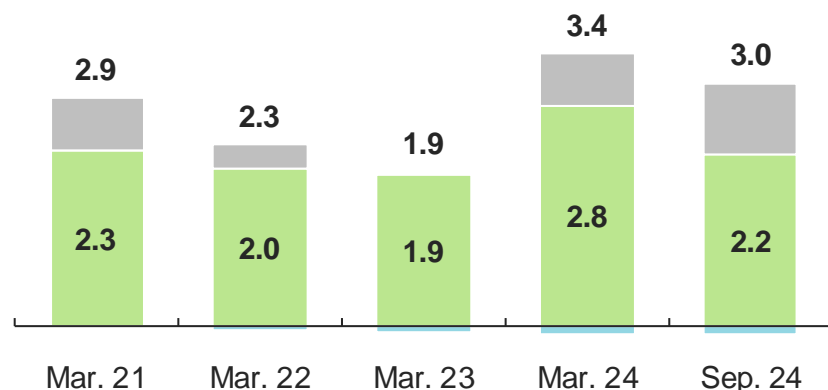
Breakdown of other securities (consolidated)

(JPY bn)	B/S amount		Unrealized gains (losses)	
	Sep. 24	vs Mar. 24	Sep. 24	vs Mar. 24
Held-to-maturity	259.4	+25.3	(2.4)	(1.0)
Available for sales	37,824.1	+1,691.3	3,029.5	(363.6)
Stocks (domestic)	3,398.2	(721.6)	2,210.3	(626.8)
Bonds (domestic)	12,250.3	+1,489.9	(93.5)	+6.7
o/w JGBs	9,302.7	+1,755.3	(44.2)	+10.6
Others	22,175.6	+923.0	912.7 ^{*1}	+256.5
o/w Foreign bonds	17,607.6	+771.3	(402.4)	+288.2

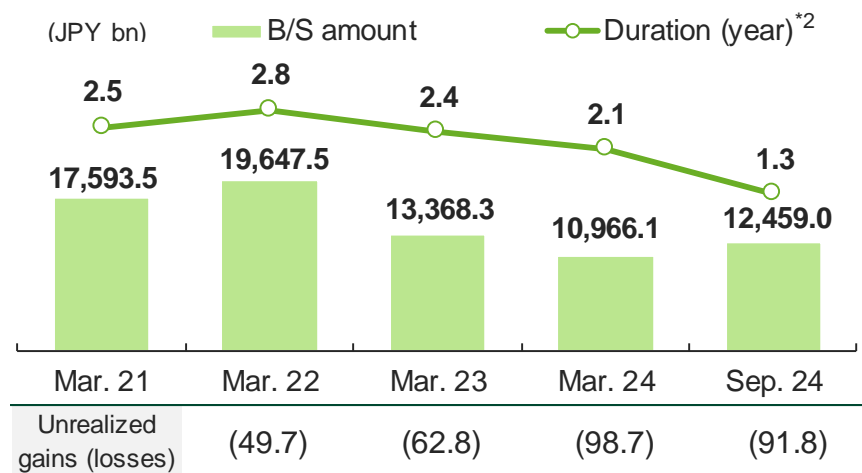
Risk volume is controlled by hedging and others

Unrealized gains

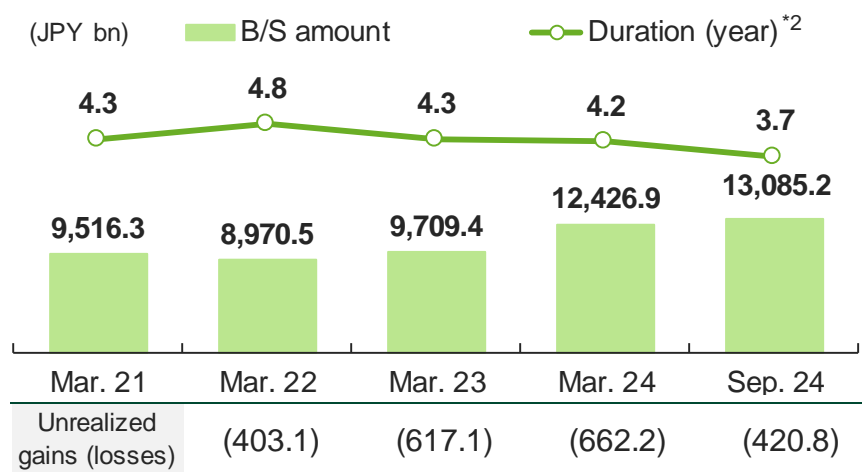
(JPY tn) ■ Stocks (domestic) ■ Bonds (domestic) ■ Others



Yen-denominated bonds (SMBC)



Foreign bonds (SMBC)



*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 Sep. 24)

(vs Mar. 24)

Loans		Deposits	
JPY 105.0 tn (JPY (2.0) tn)		JPY 176.9 tn (JPY (2.6) tn)	
Domestic loans ^{*1}	JPY 63.7 tn	Loan to deposit ratio: 59.4%	
Securities		Domestic deposits ^{*1}	JPY 127.6 tn
JPY 38.8 tn (+JPY 1.7 tn)		NCD	JPY 13.3 tn
JGBs	JPY 9.3 tn	Others	
Foreign bonds	JPY 17.6 tn	JPY 98.3 tn (JPY (2.7) tn)	
Others		Total net assets	
JPY 146.2 tn (JPY (4.9) tn)		JPY 14.9 tn (+JPY 0.1 tn)	
Cash and due from banks	JPY 73.6 tn		
BoJ's current account ^{*1}	JPY 57.5 tn		

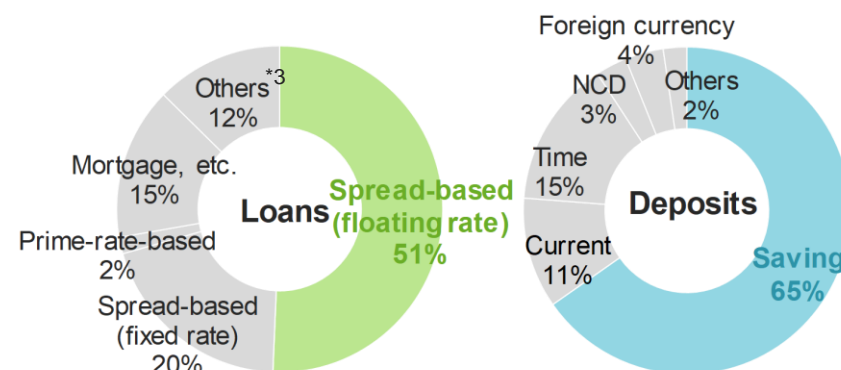
Total assets JPY 290.0 tn (JPY (5.2) tn)

Impact of change in foreign interest rates

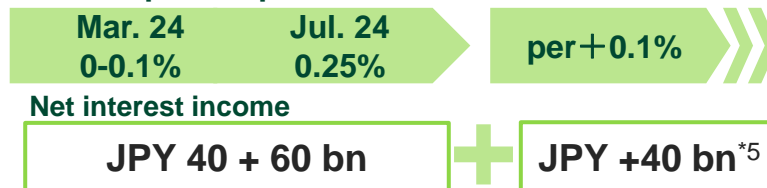
Loan/deposit

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

Domestic loans and deposits^{*2}



Impact of possible BOJ interest hike^{*4}



Assumption

Floating rate loan	+25bps	+10bps in both short-term and long-term rate
Prime-rate based loan	+15bps	
Fixed rate loan	+15bps	
JGBs	+25bps	
BOJ current account	all 25bps	
Ordinary deposit	+10bps	
Time deposit	+10bps	

*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

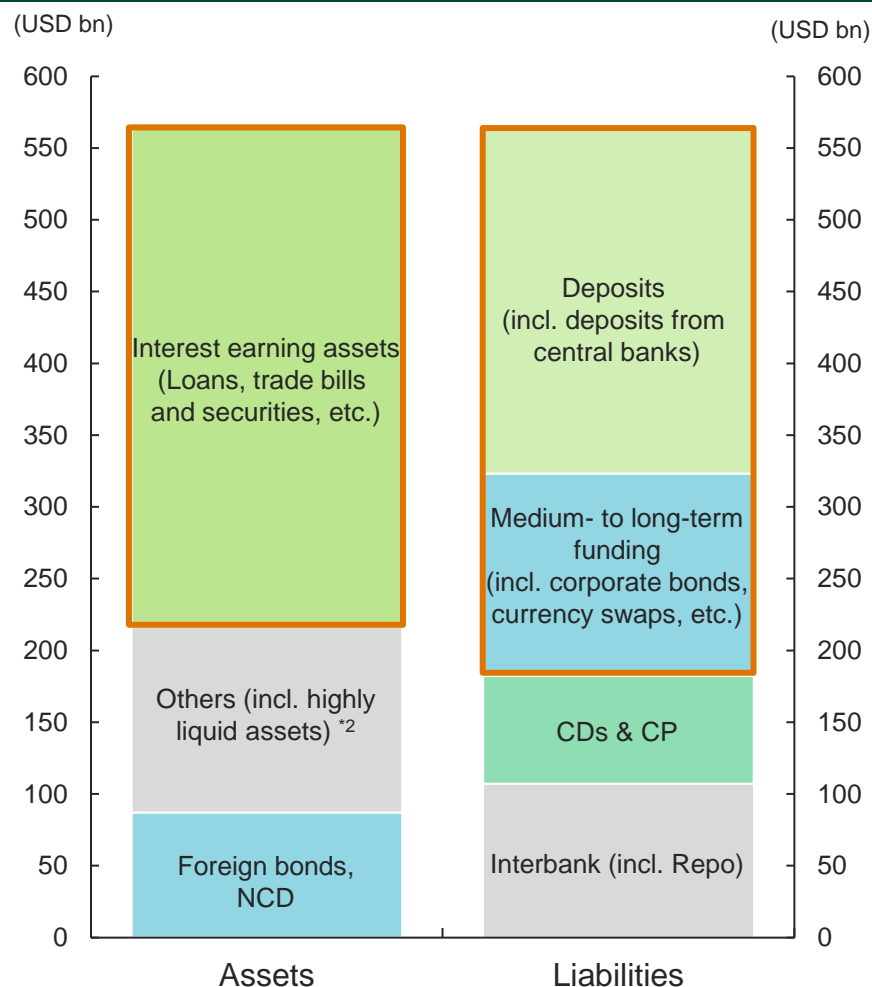


Funding / Capital Strategy

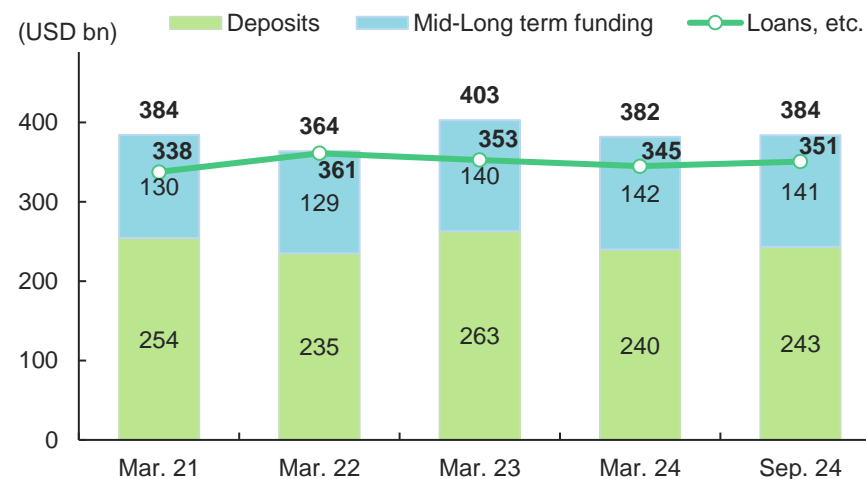
Foreign currency assets and funding

Non-JPY Balance sheet overview ^{*1}

(as of Sep. 24)

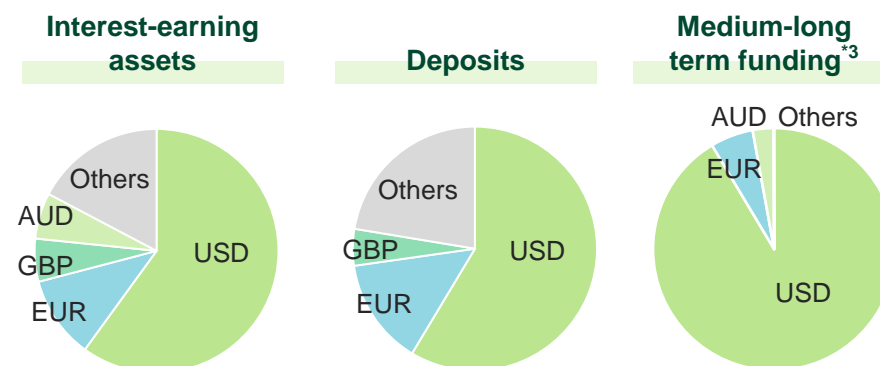


Non-JPY Balance sheet development



Currency breakdown

(as of Sep. 24)

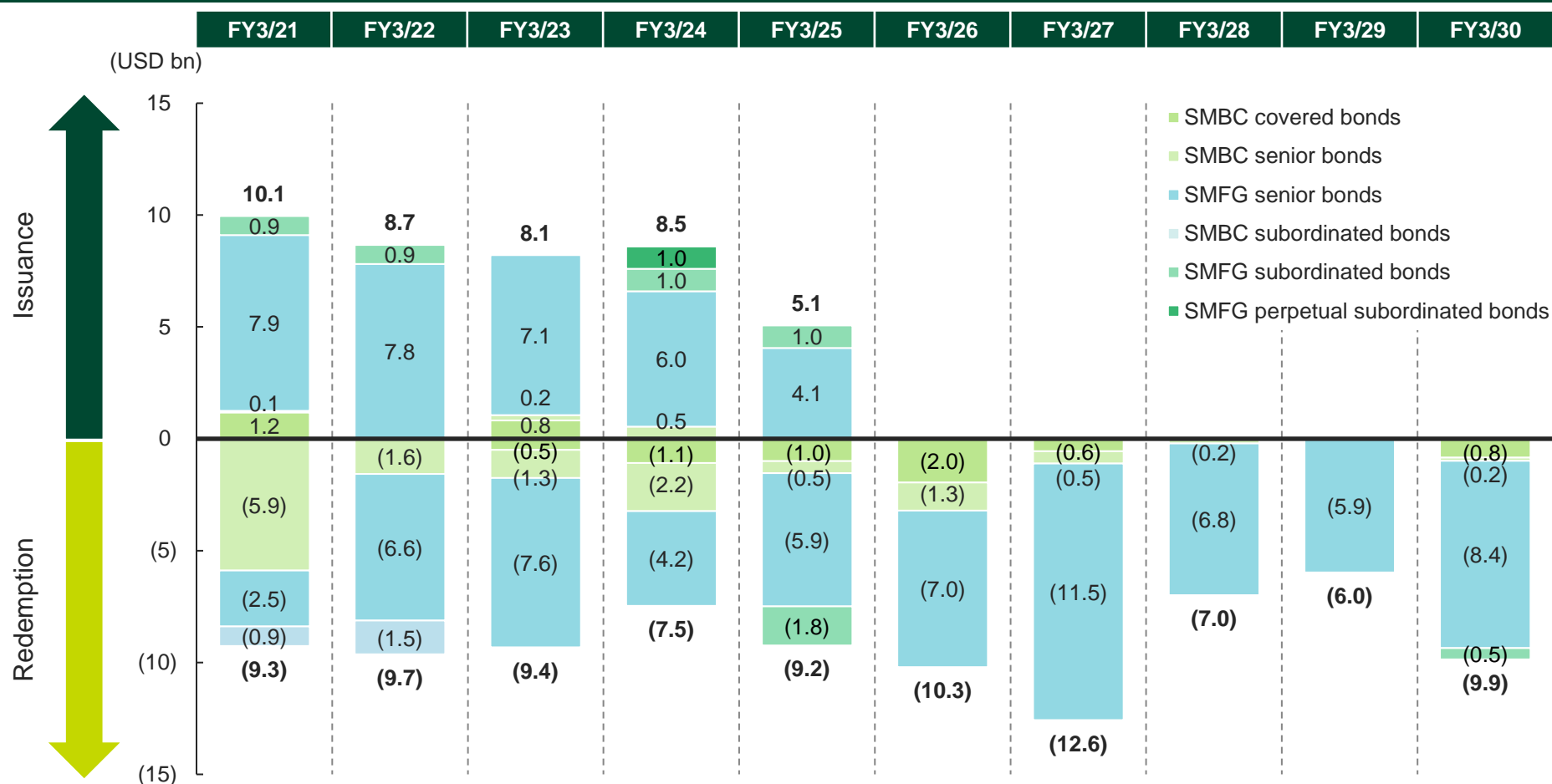


^{*1} Managerial accounting basis. Sum of SMBC and major local subsidiaries ^{*2} Deposits placed with central banks, etc.

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

Foreign currency issuances and redemptions

Non-JPY issuances and redemptions^{*1}

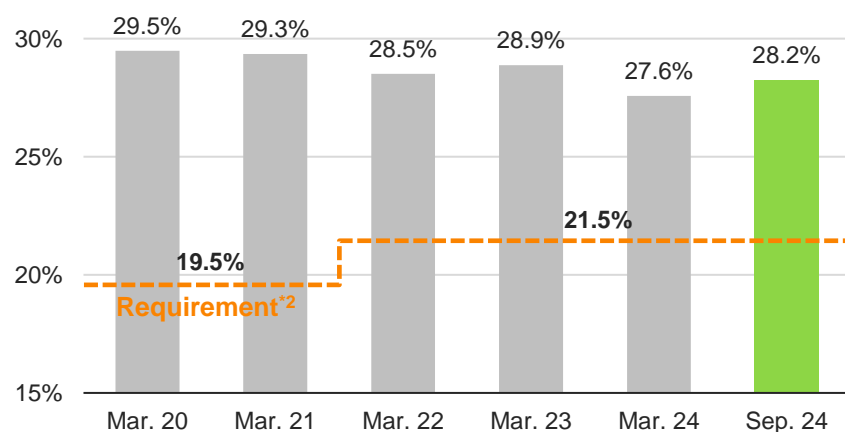


^{*1} The sum of SMFG and SMBC, each on a non-consolidated basis. Excludes JPY funding, certificate of deposits and transferable deposits. All redemptions were, or are expected, at maturity other than for callable notes, which were, or are expected to be, redeemed at their respective 1st call dates, while there is no assurance they will be redeemed at such time. Among all notes priced by Sep. 24, only includes issuance with original maturity of two years or more and its tap issue as of Sep. 24. Translated into USD at the exchange rate as of the end of each period for FY3/21-FY3/24, and as of Sep. 24 for FY3/25-FY3/29

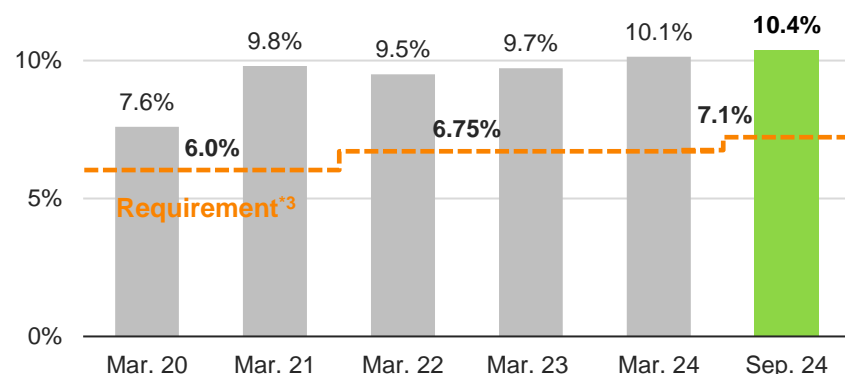
TLAC ratio and requirements

TLAC ratio (Transitional basis)^{*1} and requirements

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



Leverage exposure basis



	(JPY bn)	Sep. 2024
External TLAC	A	25,551.6
Risk-weighted assets (RWA)	B	90,490.9
TLAC ratio (RWA basis) (A/B)	C	28.23%
Capital buffers (including CCyB)	D	(3.67%)
Ref: TLAC ratio of RWA (C+D)	E	24.56%
Leverage exposure (LE)	F	245,759.1 ^{*3}
TLAC ratio (LE basis) (A/F)	G	10.39%

Funding Strategy

TLAC

- Expect the current TLAC ratio to decrease gradually due to the impact of RWA inflation as the Basel III finalization started
- Plan to secure the necessary and sufficient TLAC eligible senior debt in a balanced manner over the medium to long term

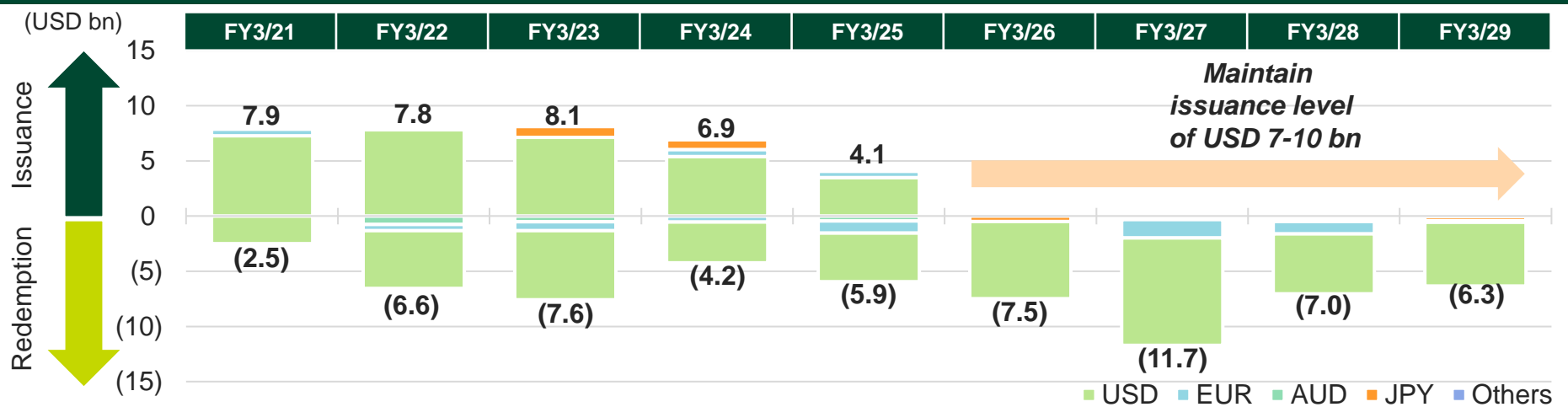
^{*1} Basel III finalization phased-in period started from Mar. 24. Revised RWA calculation will be fully implemented by Mar. 29. See p.71

^{*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

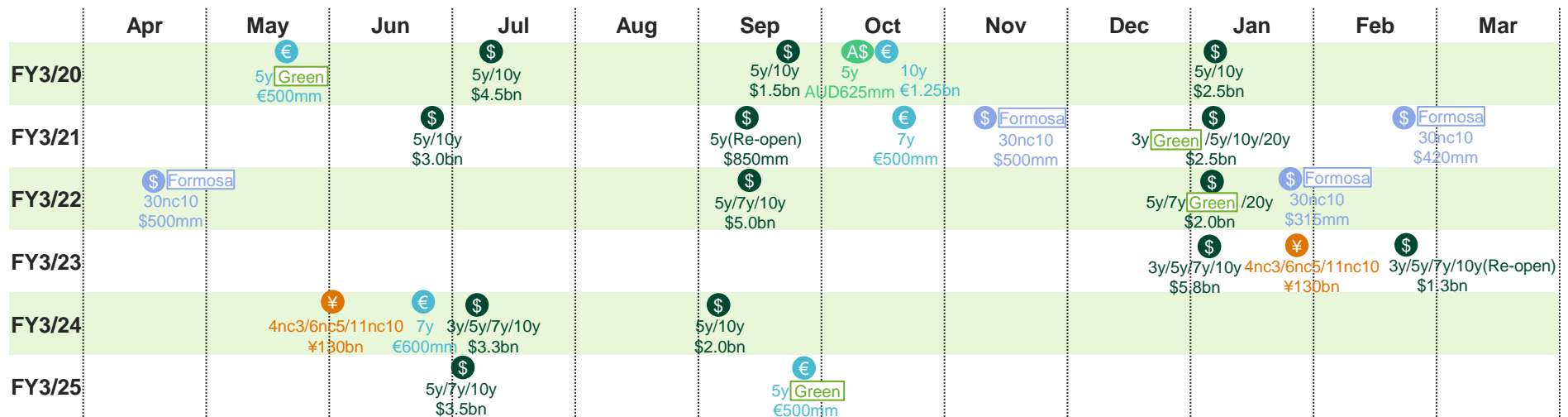
^{*3} LE excludes deposits with the Bank of Japan under the FSA's temporary relief on leverage ratio calculation from Jun. 20.

TLAC issuance results and strategy

TLAC issuances and redemptions^{*1}



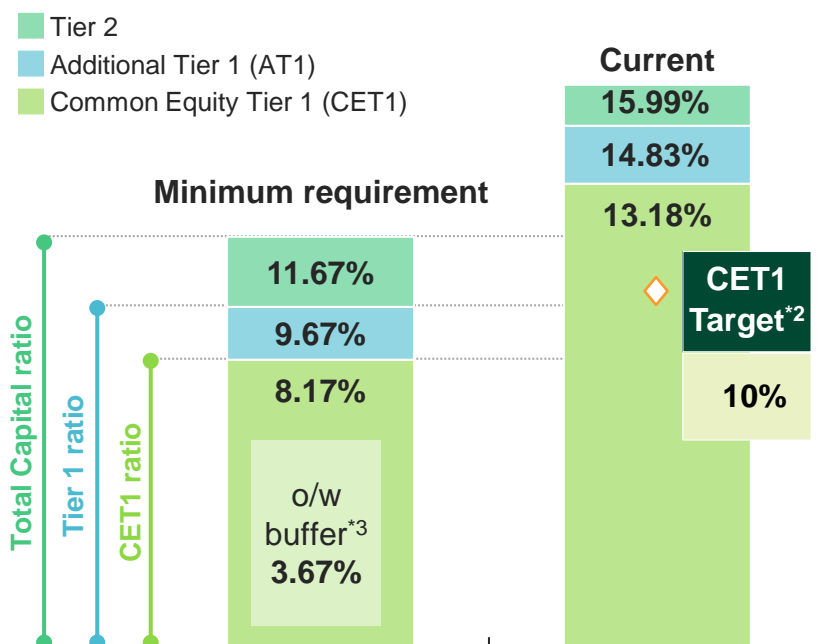
Historical issuance calendar^{*2}



^{*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 Sep. 24, only includes issuance with original maturity of two years or more and its tap issue as of Sep. 24. Translated into USD at the exchange rate as of the end of each period for FY3/21-FY3/24, and as of Sep. 24 for FY3/25-FY3/29 ^{*2} Based on pricing date

Capital

Capital ratio (Transitional basis)^{*1}



	(JPY bn)	Sep. 24
Total capital		14,477.2
Tier 1 capital		13,420.9
o/w CET1 capital		11,930.3
Tier 2 capital		1,056.3
Risk-weighted assets		90,490.9

Capital strategy^{*2}

Tier 2	JPY 1.1 tn (1.1%) (as of Sep. 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 1.5 tn (1.5%) (as of Sep. 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 99.2tn (Sep. 24)

Recent AT1 and Tier 2 offerings by SMFG

Security type	Issue date	Amount	Tenor	Coupon
Tier 2	Jun. 30, 2024	JPY 42bn	10y	1.946%
Tier 2	Jun. 30, 2024	JPY 58bn	10NC5	1.393%
Tier 2 (USD)	Jul. 9, 2024	USD 1bn	20y	5.836%
AT1	Jun. 7, 2024	JPY 14.4bn	PerpNC15	2.949%
AT1	Jun. 7, 2024	JPY 13bn	PerpNC12	2.680%
AT1	Jun. 7, 2024	JPY 44.3bn	PerpNC10	2.481%
AT1	Jun. 7, 2024	JPY 38.3bn	PerpNC7	2.168%
AT1	Jun. 7, 2024	JPY 80bn	PerpNC5.5	2.045%
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%

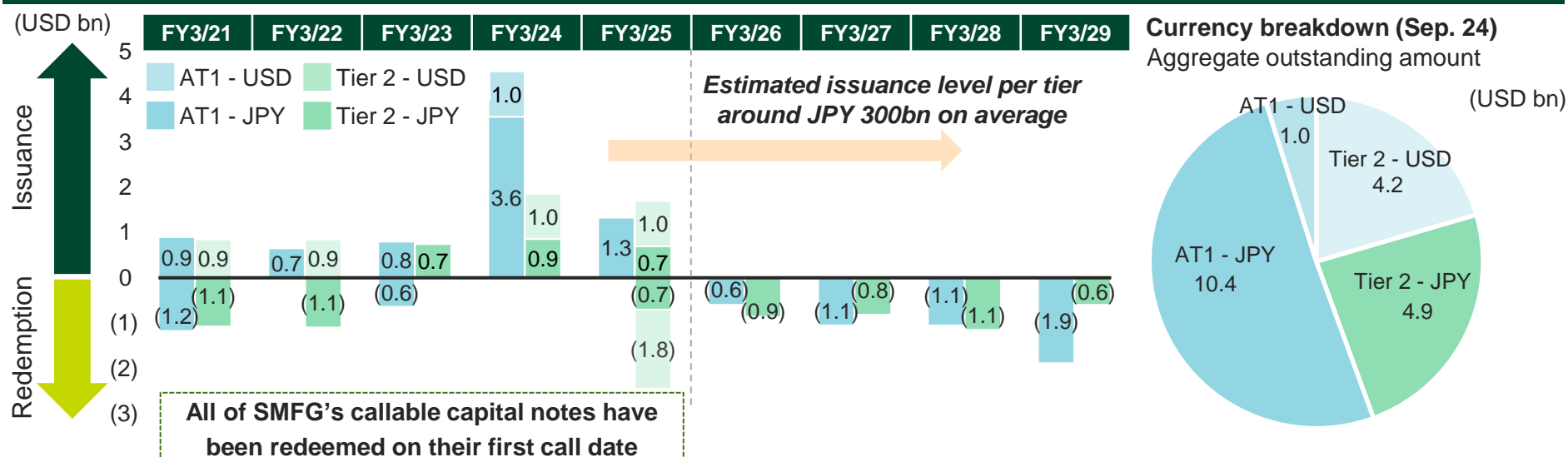
^{*1} Basel III finalization phased-in period started from Mar. 24. Revised RWA calculation will be fully implemented by Mar. 29. See p.71

^{*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.

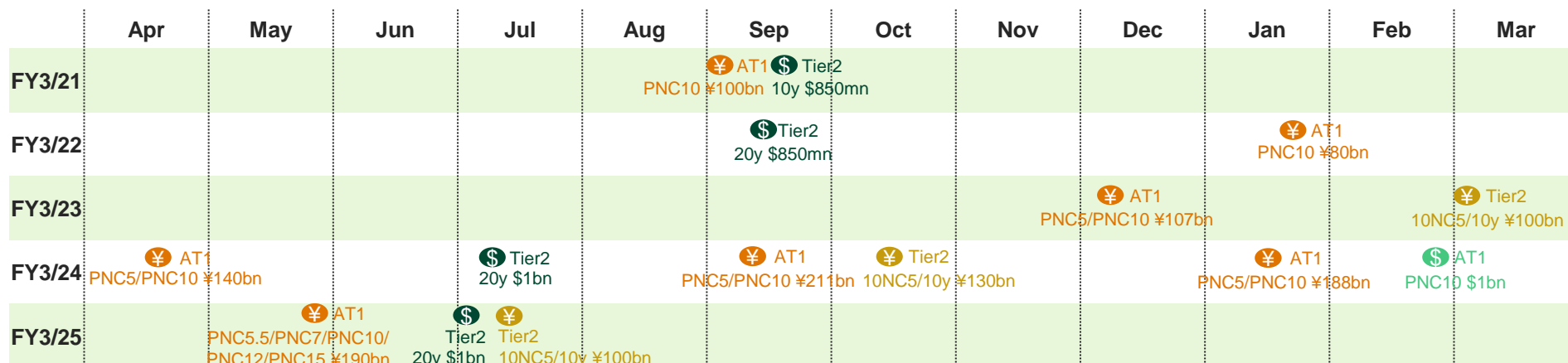
^{*3} Including capital conservation buffer (2.50%), G-SIB buffer (1.00%) and countercyclical buffer (0.17%)

Subordinated notes issuance results and strategy

Subordinated notes issuances and redemptions^{*1}



Historical issuance calendar^{*2}



^{*1} The sum of SMFG subordinated notes issuances and redemptions priced by Sep. 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. Amounts converted into USD at the exchange rate as of the end of each period for FY3/21-FY3/24, and as of Sep. 24 for FY3/25-FY3/29

^{*2} Based on the pricing date

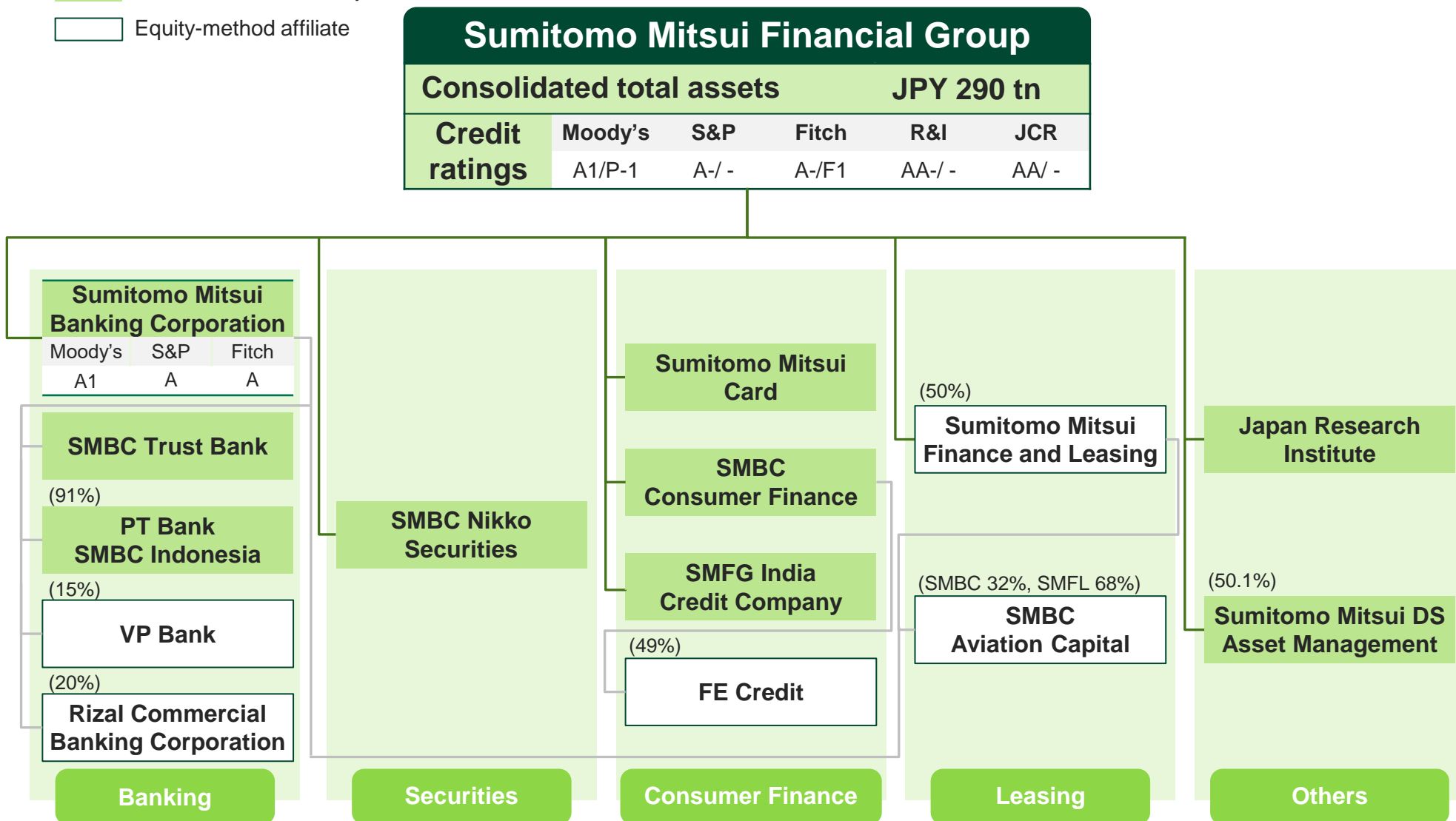


Appendix

Group structure*1

Consolidated subsidiary

Equity-method affiliate



*1 As of the end of Sep. 24

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

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 Oct. 24)

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

S&P

(As of the end of Oct. 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-									3		
BBB+											
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 TLAC senior and Tier 2 notes)

Moody's

(As of the end of Oct. 24)

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

S&P

(As of the end of Oct. 24)

	SMFG	BMO	BNS	RBC	TD	ANZ	CBA	NAB	Westpac
AA-									
A+									
A									
A-									
BBB+									
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)	FY3/23	FY3/24
Net interest income	1,755.1	1,890.8
Net Fee and commission income	1,039.8	1,236.1
Net Trading income	626.0	349.5
Other operating income	369.7	472.7
Total operating income	3,790.7	3,949.1
Net operating income	3,642.2	3,744.0
Profit before tax	1,261.9	1,207.8
Net profit	935.8	895.8

Statement of financial position data

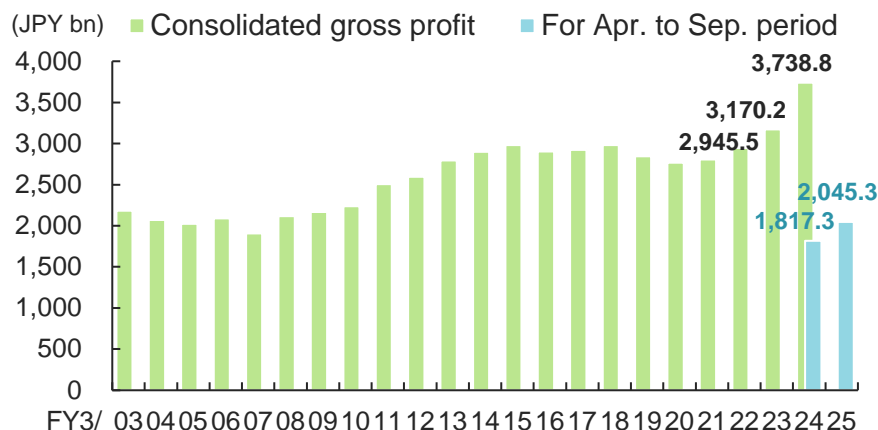
(JPY bn)	FY3/23	FY3/24
Total assets	257,687.0	281,271.6
Loans	111,891.1	121,716.4
Deposits	172,927.8	182,097.3
Total equity	13,537.0	16,279.1

Reconciliation with Japanese GAAP

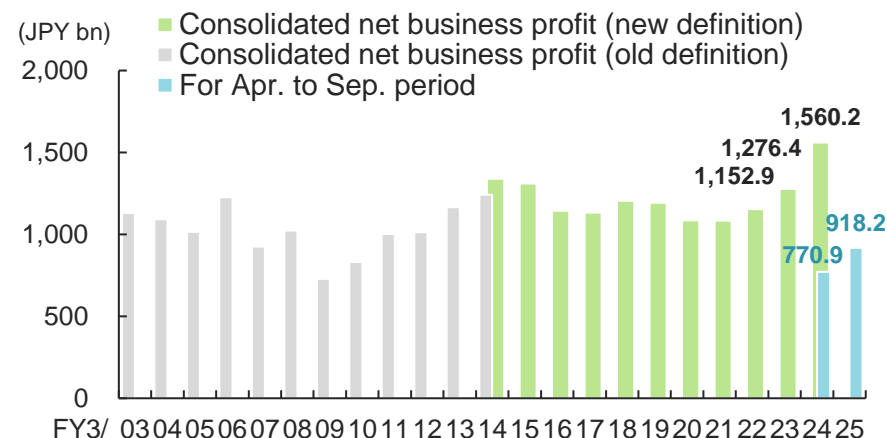
	(At and for FY3/24, JPY bn)	Total equity	Net profit
IFRS		16,279.1	895.8
Differences arising from different accounting methods for:	Scope of consolidation	93.6	(7.4)
	Derivative financial instruments	(520.0)	111.6
	Investment securities	(490.0)	43.4
	Loans and advances	434.8	(2.4)
	Investments in associates and joint ventures	239.2	20.2
	Property, plant and equipment	(4.8)	(22.7)
	Lease accounting	5.0	1.9
	Defined benefit plans	370.1	53.8
	Deferred tax assets	(70.8)	(6.6)
	Foreign currency translation	-	32.2
	Classification of equity and liability	(1,473.8)	(18.9)
	Others	(101.0)	(77.2)
	Tax effect of the above	38.6	(55.0)
Japanese GAAP		14,800.0	968.7

Trend of major income components – Consolidated

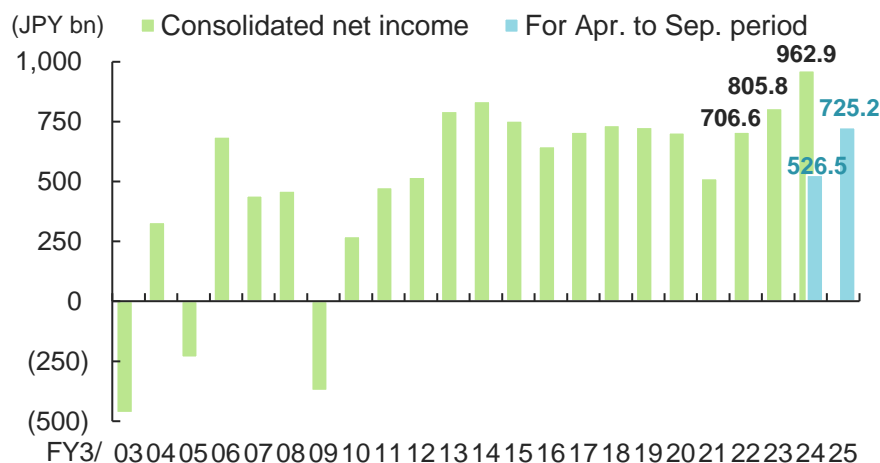
Consolidated gross profit



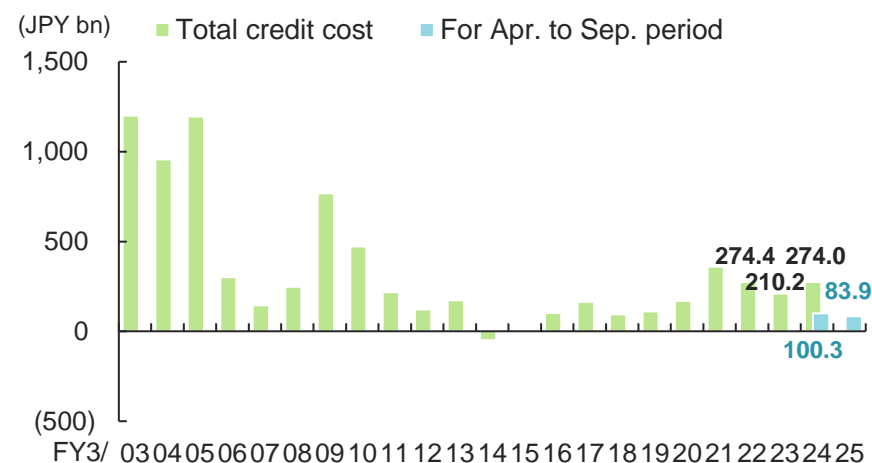
Consolidated net business profit*1



Net income / Profit attributable to owners of parent



Total credit cost

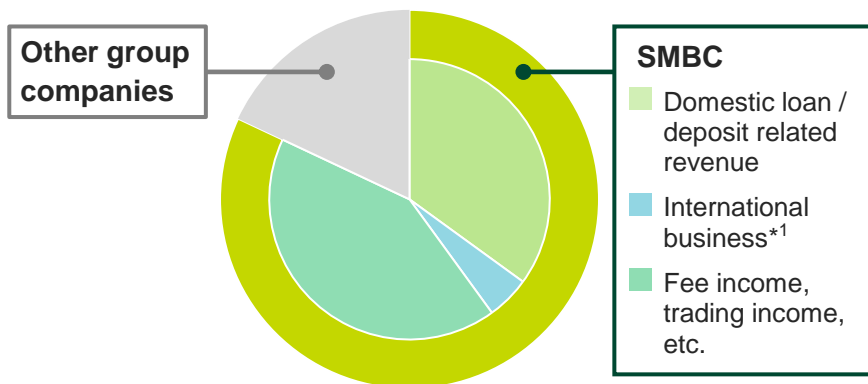


*1 We have changed the definition of “Consolidated net business profit” from FY3/15. The figure for FY3/14 has been adjusted retrospectively

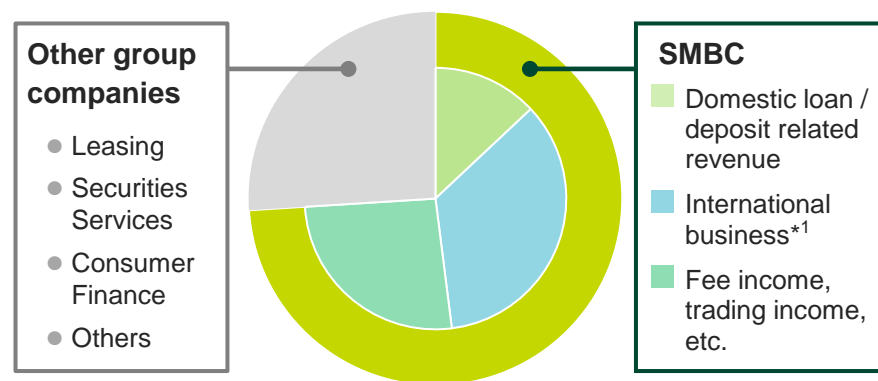
Diversified revenue sources

Breakdown of consolidated gross profit

FY3/03

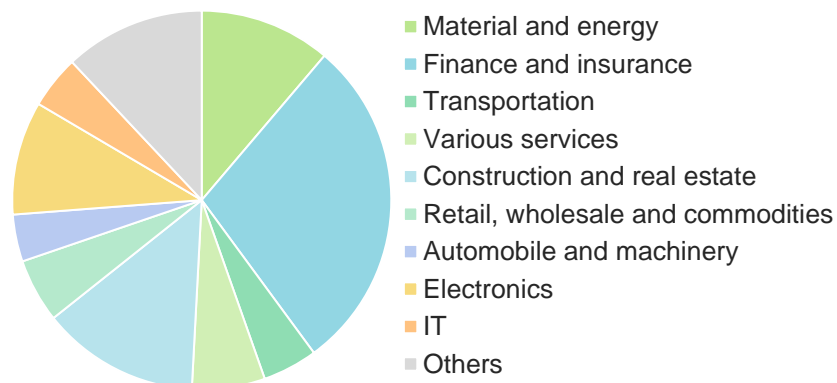


1H FY3/25

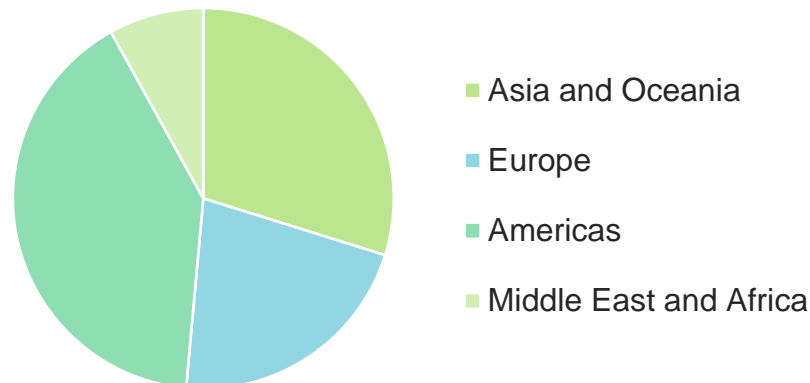


Breakdown of overseas loan balance (Sep. 24)

By industry

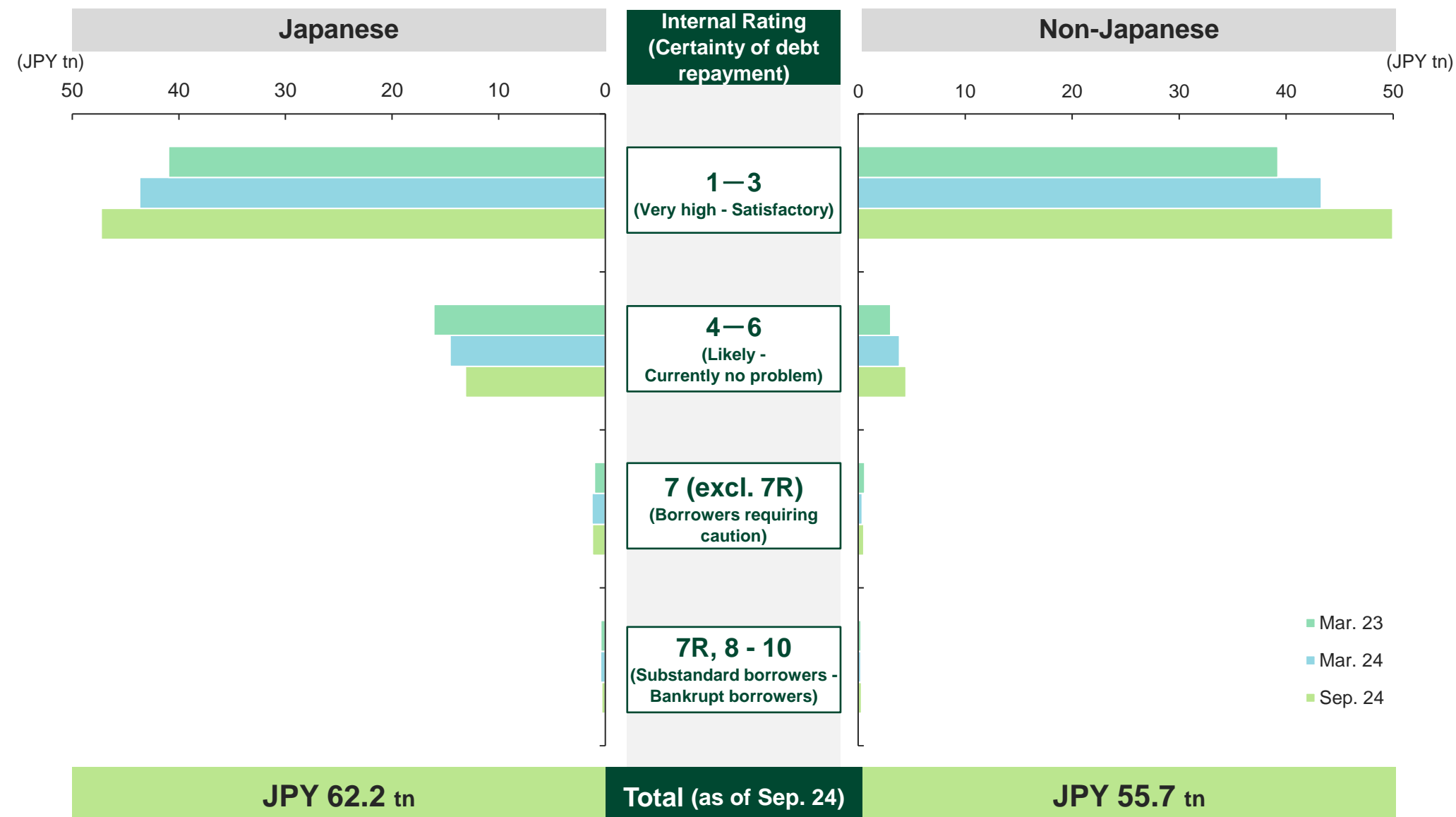


By domicile



*1 Includes major overseas banking subsidiaries

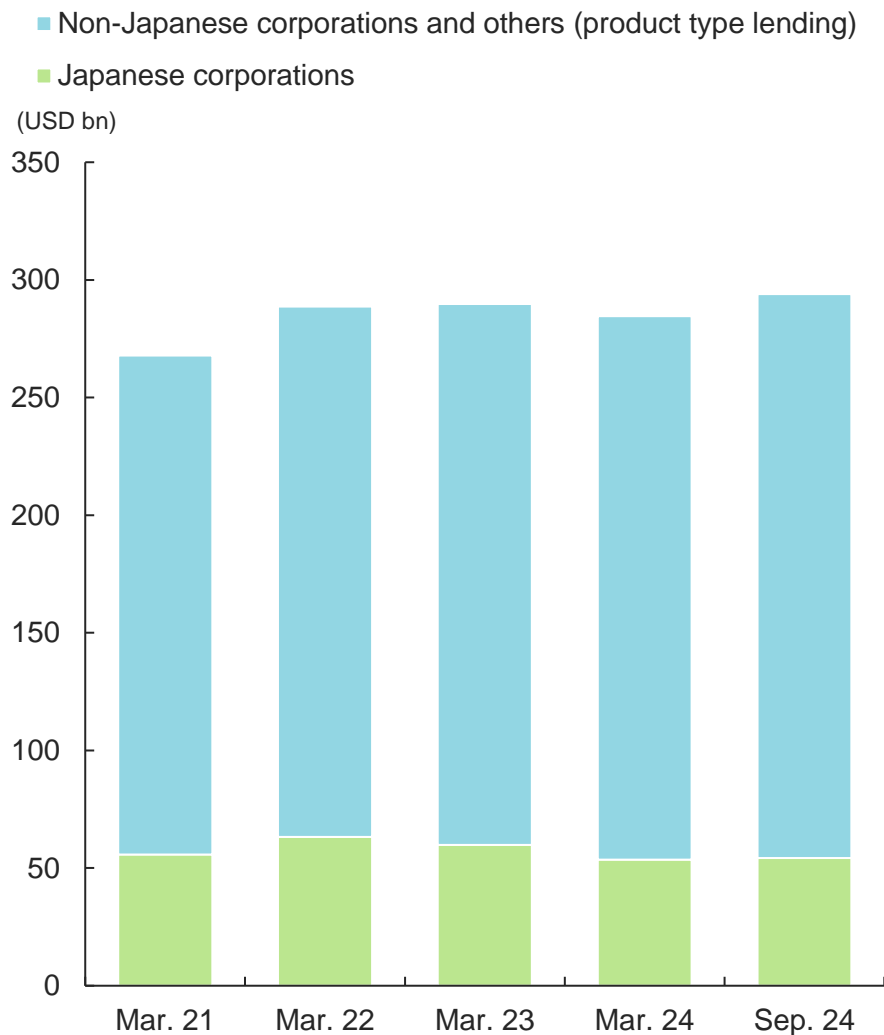
Japanese and non-Japanese corporate exposures^{*1}



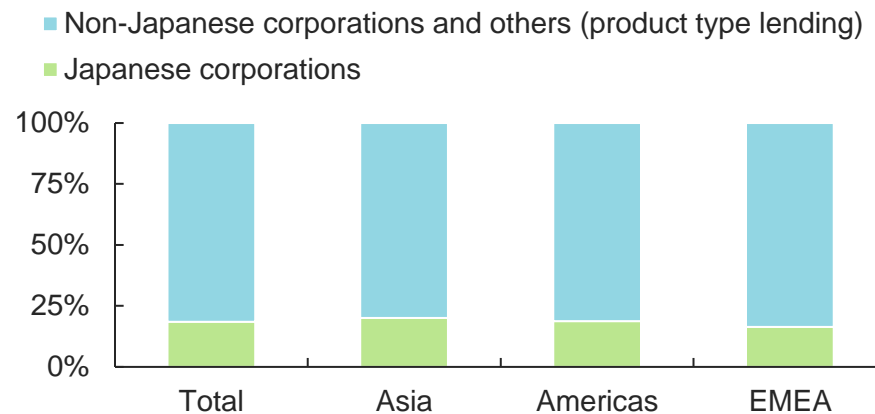
^{*1} Managerial accounting basis. Exposure include loans, acceptances and guarantees. Foreign exchanges, private placement, suspense payments, undrawn commitments, and derivatives, etc. Excluding the exposure to SMFG consolidated subsidiaries, retail customers in Japan, Japanese government, etc., and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

Overseas loan balance classified by borrower type^{*1}

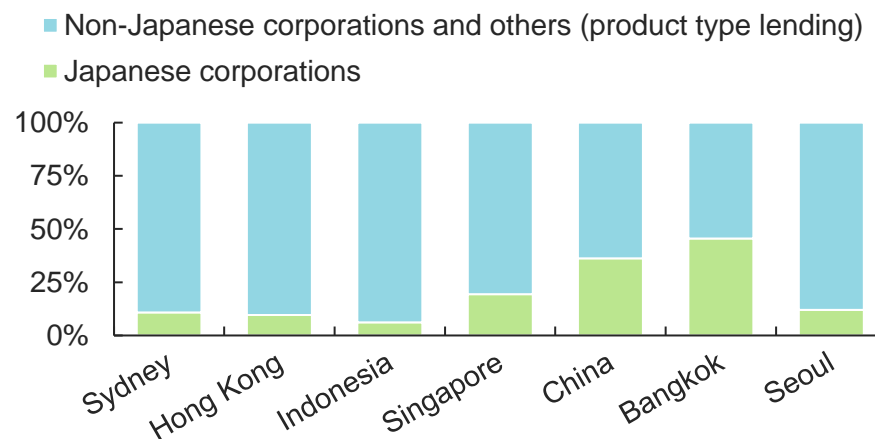
Total



By region (Sep. 24)



Major marketing channels in Asia (Sep. 24)^{*2}

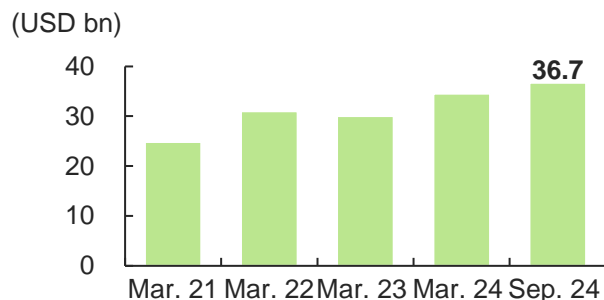


^{*1} Managerial accounting basis. Sum of SMBC and major local subsidiaries

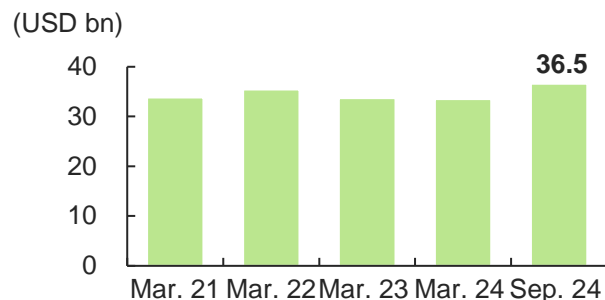
^{*2} Excludes BTPN in Indonesia

Exposure in selected APAC countries / areas*1

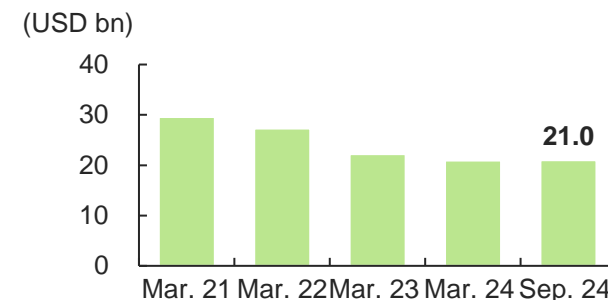
Singapore



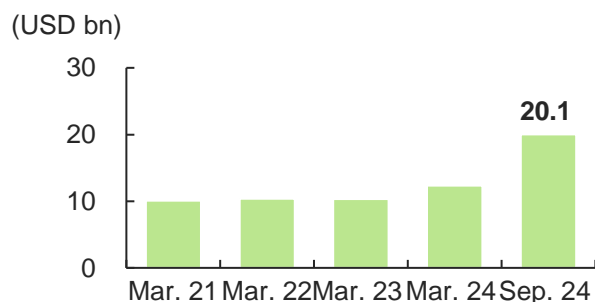
Australia



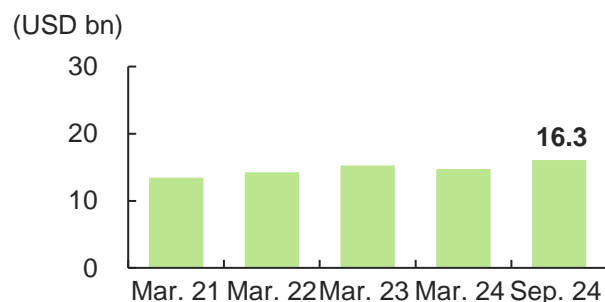
China



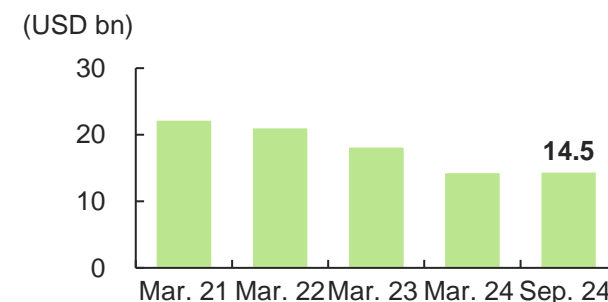
India



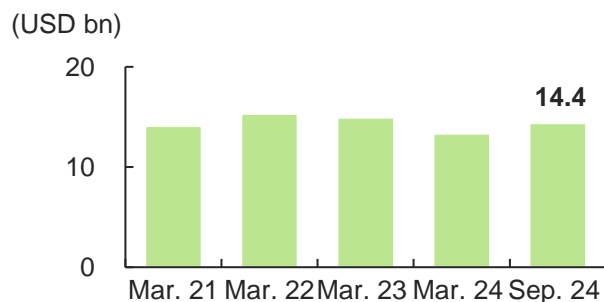
Indonesia



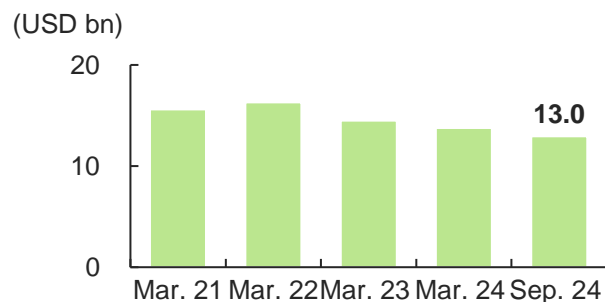
Hong Kong



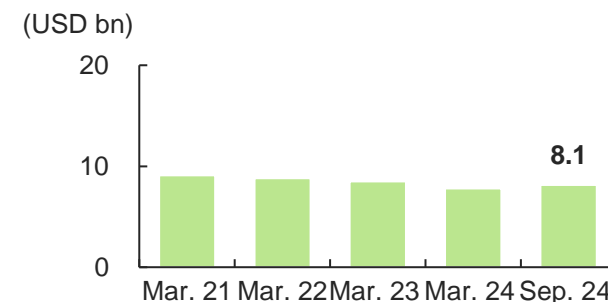
Thailand



Korea



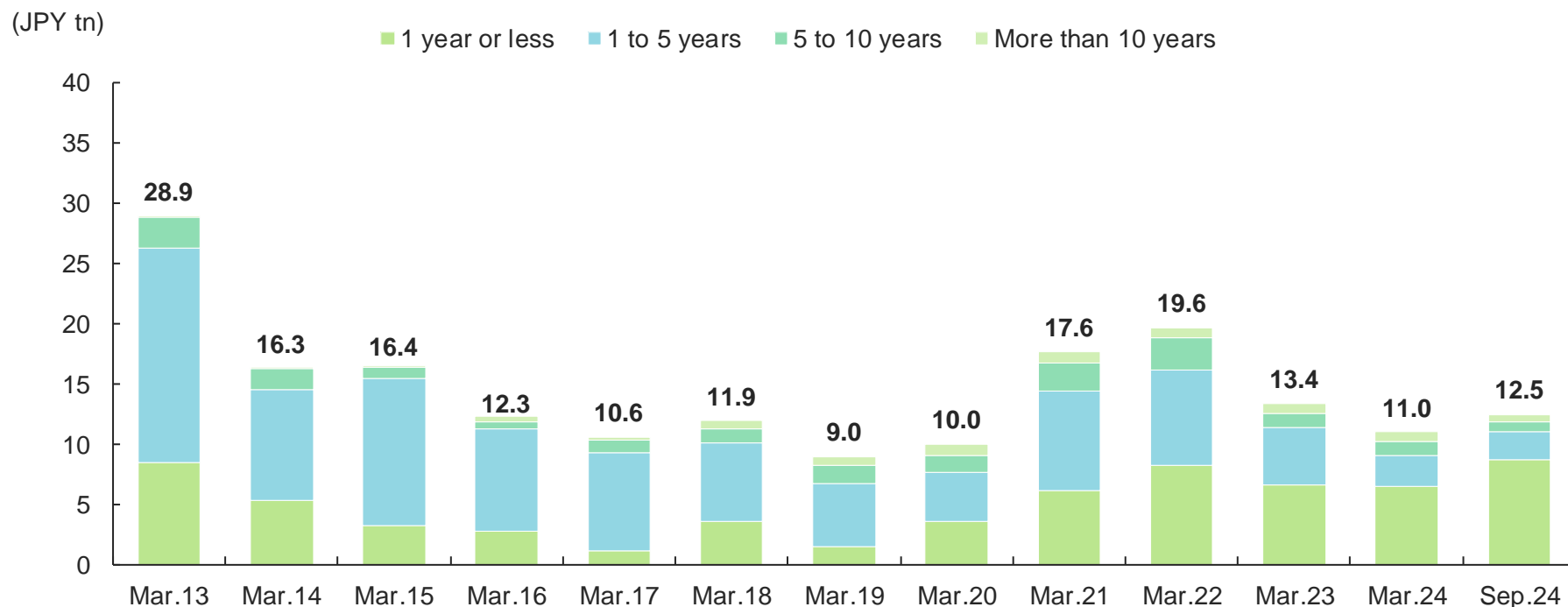
Taiwan



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

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)



of which JGBs
(JPY tn)

9.8	8.0	9.3	6.3	7.1	14.3	15.8	9.6	7.5	9.3
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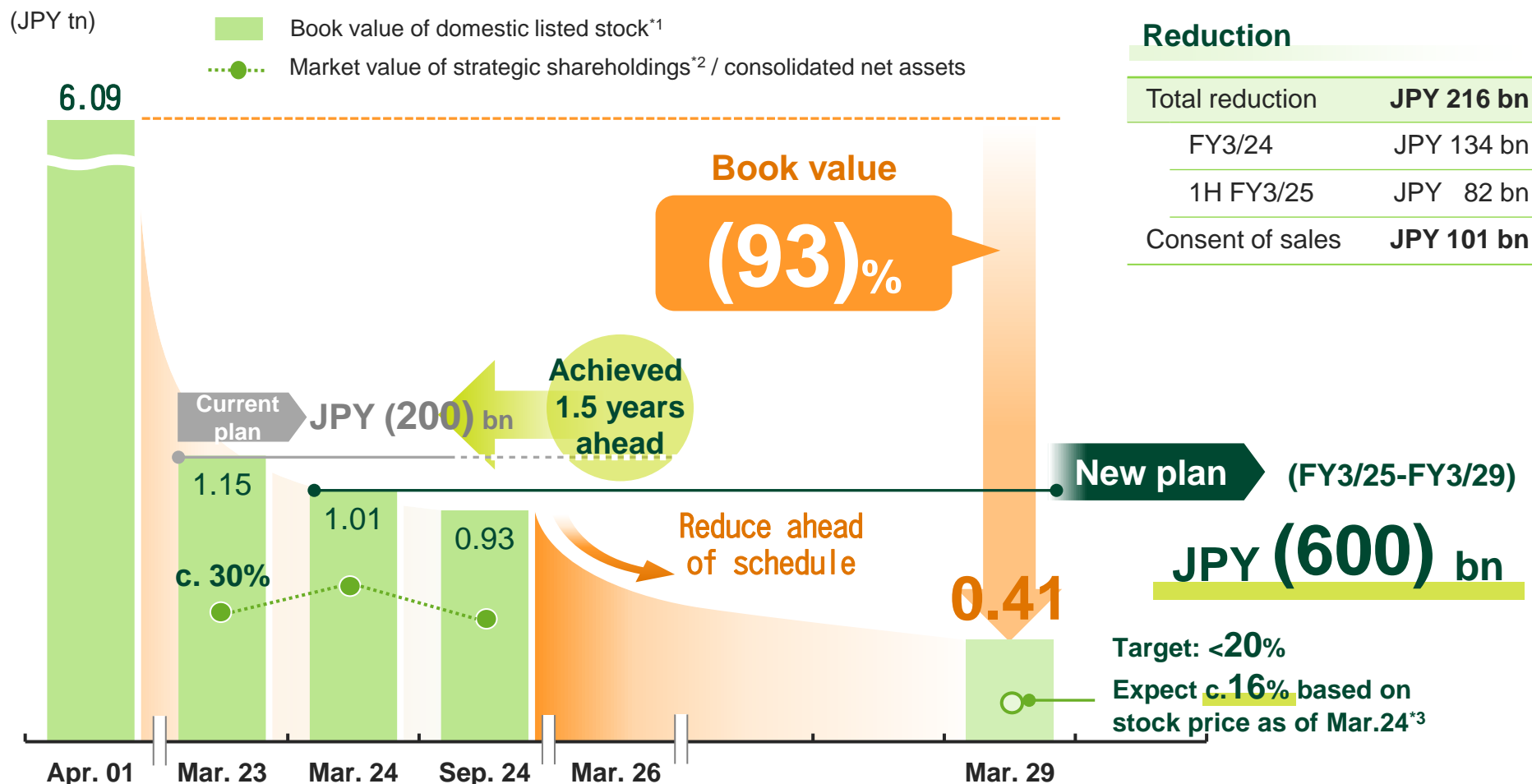
Average duration (years) ^{*1}	1.8	1.1	1.8	2.8	2.9	2.3	3.2	2.9	2.5	2.8	2.4	2.1	1.3
Unrealized gains/losses (JPY bn) ^{*2}	95.3	60.0	45.9	103.8	57.5	44.2	60.5	21.4	7.9	(49.7)	(62.8)	(98.7)	(91.8)

*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

Achieved the initial plan 1.5 years ahead of schedule and set a new reduction plan of JPY 600 bn over five years. Expect to reduce book value by over 90% from April 2001 and achieve less than 20% market value to net assets.



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

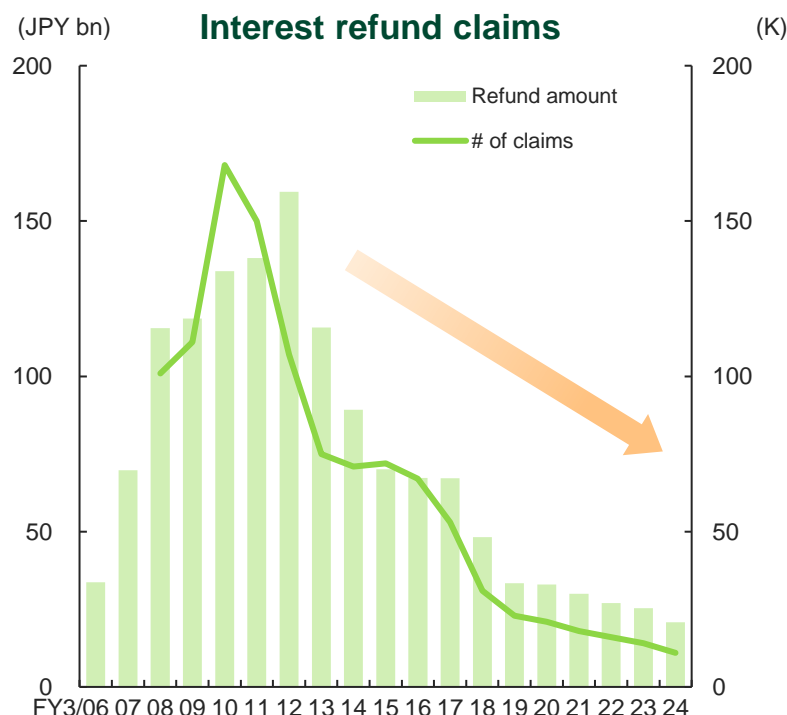
*3 Nikkei Index of JPY 40,369 as of Mar. 24

Radical allowance on interest repayment

A one-time provision of JPY 99 bn (pre-tax) has been made for interest repayment at SMBCCF.
Reduce earnings volatility and transform a business model through proactive digital investments.

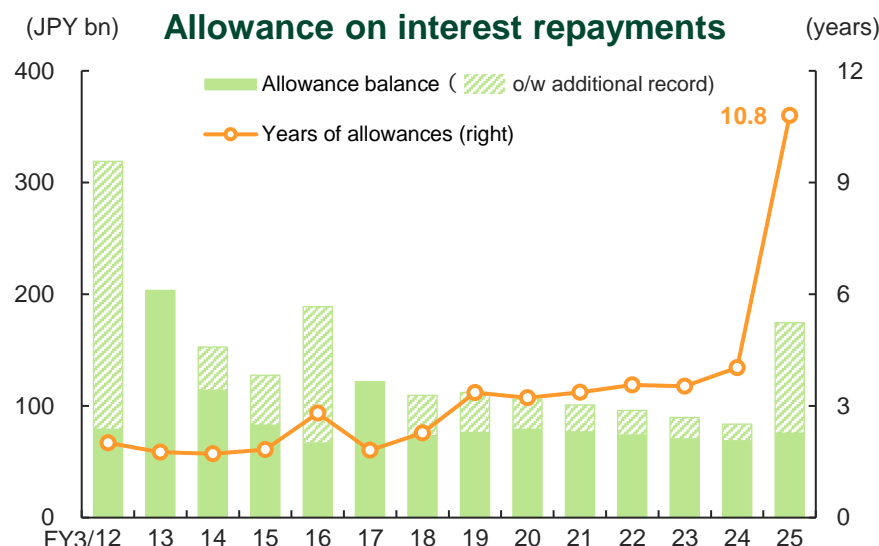
Claims for Interest refund have been decreasing

- Both the number of claims and refund amount have significantly decreased due to repayments and the statute of limitations



Record radical allowance on interest repayment

- Profit increase absorbs the impact of this allowance on the consolidated basis.
- Total allowance will cover a period exceeding 10 years.



Reduce earnings volatility

Transform a business model through digital investment

CRE exposure*1 (Sep. 24)

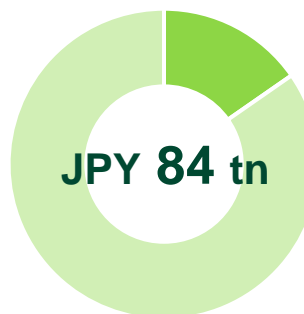
CRE Exposure
JPY 21 tn

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



Japan

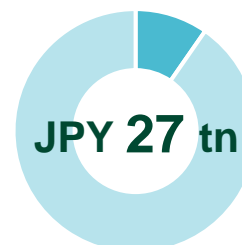
CRE
JPY 13 tn



- Corporate: 50%, NRL: 30%, REITs: 20%
- Investment grade: 70%
- LTV for NRL: < 60%
- NPL ratio: 0.1%

U.S.

CRE
JPY 2.8 tn



- NRL: 60%, REITs: 40%
- Investment grade: 70%
- NPL ratio: 0.1%
- LTV for NRL: c. 60%

o/w for offices

- Balance: JPY 0.2 tn
< 1% of U.S. Portfolio
- NPL ratio: 0.6%
- NRL: c.50%
LTV for NRL: <50%

**China/
Hong Kong**

CRE
JPY 1.1 tn



- Corporate: 70%, NRLs :20%, RETIs:10%
- Investment grade: 70%
- Main corporate clients are high-rated conglomerates
- NPL ratio: 7% due to large borrowers, but the rest are of good asset quality.

*1 SMBC consolidated, calculated based on location for headquarter, managerial accounting basis

1H FY3/25 performance of SMBC and group companies

SMBC

	(JPY bn)	1H FY3/25	YoY
1 Gross banking profit		1,161.8	+266.4
2 o/w Net interest income		863.5	+335.7
3 o/w Gains (losses) on cancellation of investment trusts		57.9	+53.2
4 Domestic		409.1	+111.3
5 Overseas		454.3	+224.4
6 o/w Net fees and commissions		256.1	+24.5
7 Domestic		113.7	+1.8
8 Overseas		142.4	+22.7
9 o/w Net trading income		40.7	(94.0)
Net other operating income			
10 o/w Gains (losses) on bonds		6.8	+7.0
11 Expenses		519.8	+38.3
12 Banking profit		642.0	+228.1
13 Total credit cost		(19.6)	(29.8)
14 Gains (losses) on stocks		276.1	+235.5
15 Extraordinary gains (losses)		27.0	+20.2
16 Net income		728.1	+382.4

Dividend from subsidiary (+145)
⇒ eliminated in the consolidated P/L

Other major group companies

(left : results of 1H FY3/25 / right : YoY)

(JPY bn)	SMBC Nikko ^{*1}		SMCC ^{*2}		SMBC Trust	
Gross profit	272.1	+56.4	400.6	+10.9	32.8	(2.7)
Expenses	215.6	+24.9	273.5	+4.1	20.8	+1.1
Net business	56.5	+31.5	122.9	+15.0	11.9	(3.8) ^{*3}
Net income	54.6	+27.8	(55.6)	(81.6)	8.8	(3.6)

(Equity method affiliate)

	SMDAM ^{*4}		SMFL ^{*5}	
		50.1%		50%
Gross profit	23.5	+3.6	152.0	+11.7
Expenses	17.1	+0.8	65.1	+4.0
Net business	6.4	+2.9	94.6	+10.3
Net income	2.7	+1.0	55.3	+13.1

*1 Including profits from SMBC Nikko America and SMBC Capital Markets (managerial accounting basis) *2 Including SMBCCF

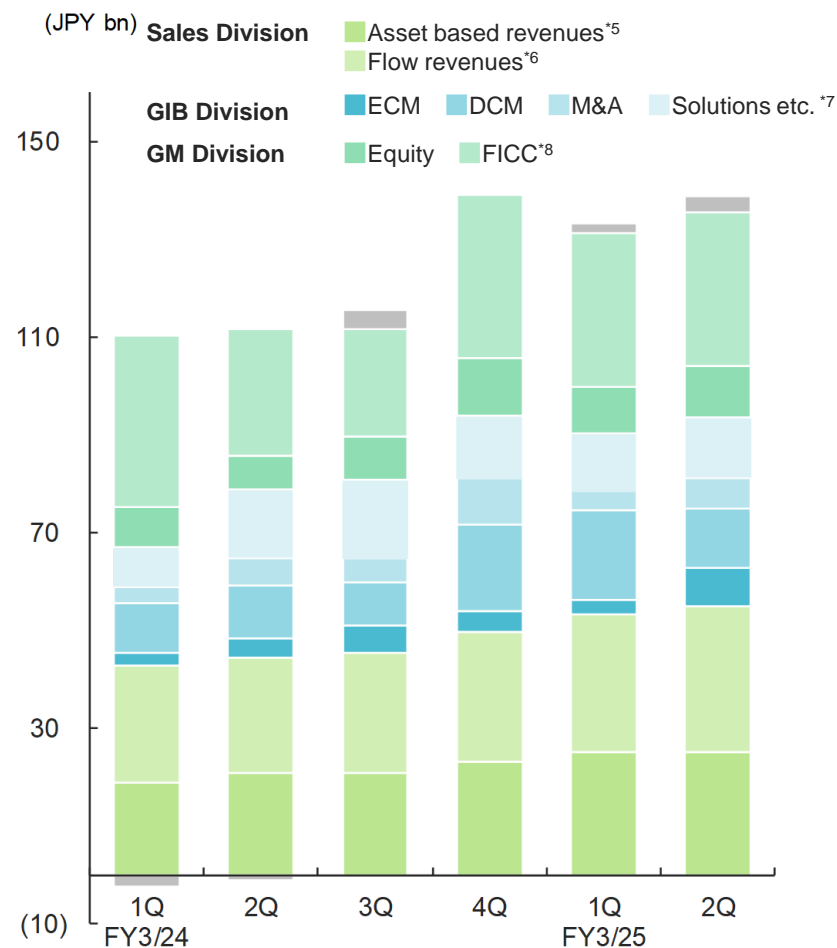
*3 Including the radical allowance on interest repayment : JPY (88) bn *4 Including SMBC Global Investment & Consulting

*5 Managerial accounting basis

Financial results

	FY3/24	1H FY3/25	YoY
(JPY bn)			
Net Operating revenue	473.5	272.0	+53.6
SG&A expenses	401.9	215.5	+22.3
Operating profits	71.6	56.5	+31.3
o/w Sales Division	10.1	15.3	+12.2
GIB Division^{*2}	21.8	13.2	+9.7
GM Division^{*3}	45.5	27.3	+1.1
Ordinary profits	80.2	58.2	+31.5
Net income	57.6	54.6	+35.9
Client assets^{*4}			
(JPY tn)	82.7	80.4	

Net operating revenue



*1 Including profits from SMBC Nikko America and SMBC Capital Markets (managerial accounting basis)

*2 Global Investment Banking Division *3 Global Markets Division *4 Non-consolidated

*5 Agency commissions on investment trusts, insurance and fund wrap discretionary investment fee, etc.

*6 Equity brokerage commissions, etc. *7 Mainly, business that utilizes the company's balance sheet and derivatives

*8 Fixed Income, Currency and Commodities

SMCC (incl. SMBCCF)

Financial results

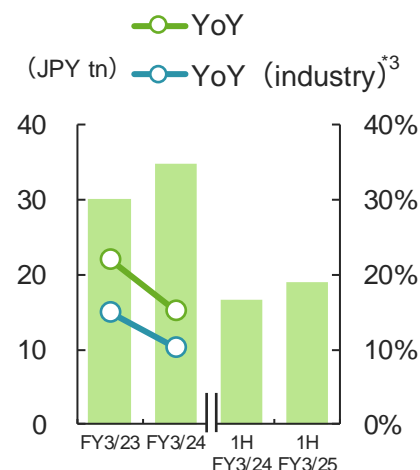
(JPY bn)	FY3/24	1H FY3/25	YoY
Operating revenue	901.7	470.4	+33.0
o/w Commission fee	228.4	124.5	+15.2
Finance	306.4	160.8	+10.3
o/w SMBCCF	147.0	77.2	+5.0
Sales on credit and receipt agency	81.1	41.0	(0.2)
Loan guarantee revenue	77.4	41.0	+3.0
Operating expenses	785.8	515.2	+130.6
o/w For loan losses	109.8	74.2	+1.8
o/w SMBCCF	54.0	45.9	(0.3)
For interest repayment	23.0	99.0	+99.0
For loan guarantees	16.0	3.1	(0.4)
Ordinary profit	57.6	(48.1)	(7.1)
o/w Non-operating revenue	1.2	2.3	+1.5
Non-operating expenses	59.5	5.6	(8.4)
Net income	21.2	(8.8) ^{*1}	(35.0)
NPLs^{*2}	98.9	104.2	
(NPL ratio)	10.04%	10.21%	
Allowance on interest^{*2}	87.3	174.6	
Allowance coverage in years	4.0yrs	10.8yrs	

*1 Net income: JPY 32.6 bn, excl. the gain on extinguishment of tie-in shares related to the merger with SMBCFS: +JPY 46.6 bn and the radical allowance on interest repayment: (88)bn *2 Only SMBCCF

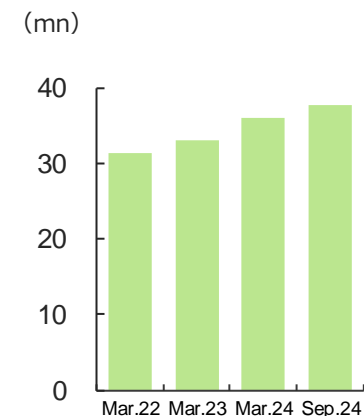
*3 Japan Consumer Credit Association "Credit card behavior investigation" Shopping credit amount

*4 FY3/23 figure retrospectively adjusted to reflect reorganization of SMBC Mobit in Apr. 23

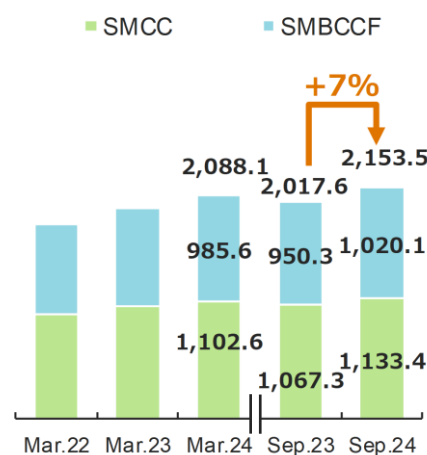
Sales handled



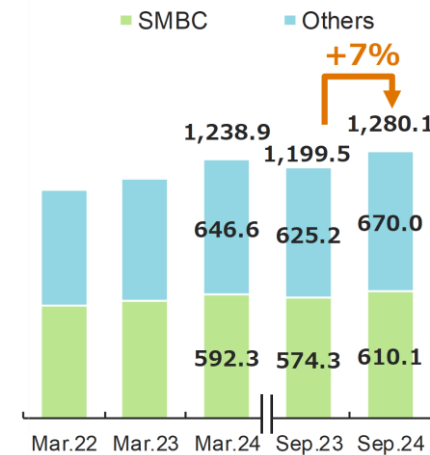
of card holders



Consumer loans^{*4}



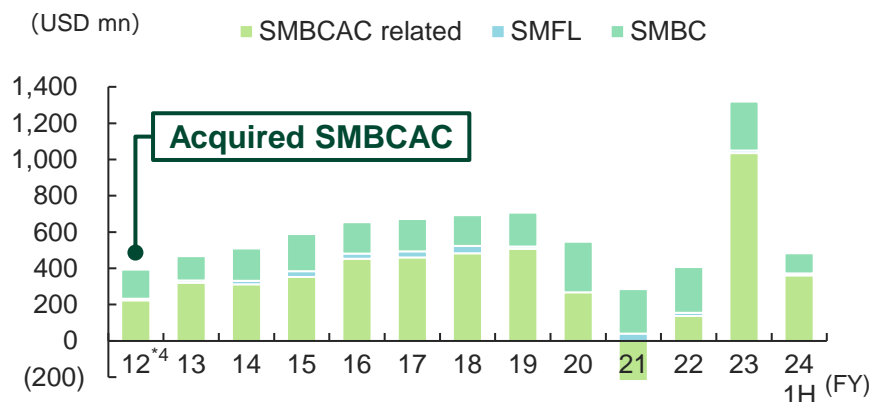
Loan guarantee^{*2}



Financial results

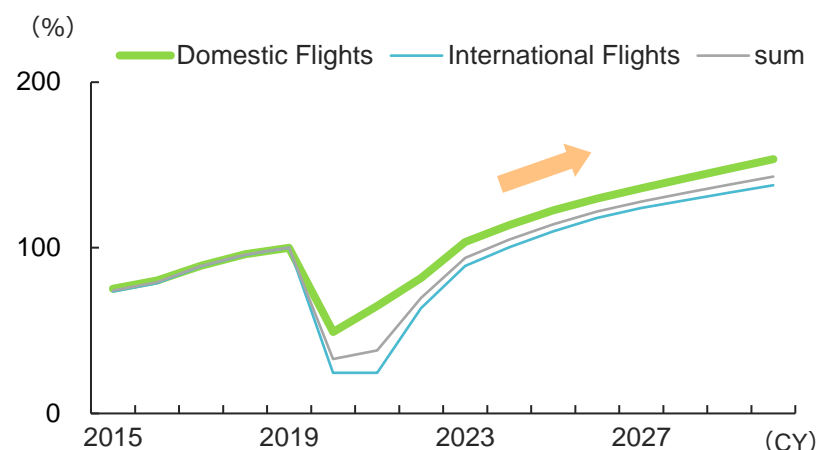
(USD mn)	FY3/24	1H FY3/25	YoY
Total revenue	2,717 ^{*1}	1,045	+55
o/w Lease revenue	1,877	969	+7
Credit / Asset impairment charges^{*2}	(389)	8	+23
Net income	774	237	+55
Aircraft assets^{*3}	22,484	23,081	+857
Net asset	5,379	5,546	+867
ROE	14.4%	8.5%	+0.7%

Aircraft Business of SMBC Group

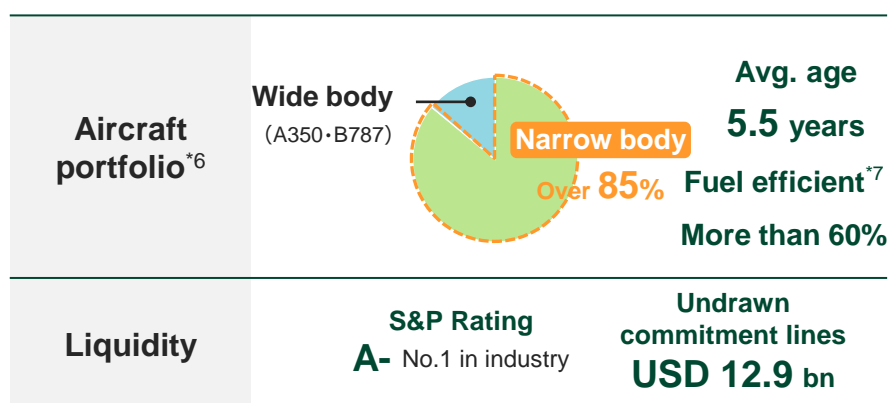


Global passenger demand forecast^{*5}

- Domestic demand exceeded pre-COVID-19 levels



Our strengths



^{*1} Including \$756mn Russian insurance settlement ^{*2} Gross before netting guarantee deposits, etc.

^{*3} Including aircraft pre-delivery payment ^{*4} SMBCAC related includes revenue after the acquisition in June.

^{*5} IATA/Tourism Economics. Represent changes from C'Y-19 ^{*6} As of Sep. 24. ^{*7} Neo/MAX/A350/B787

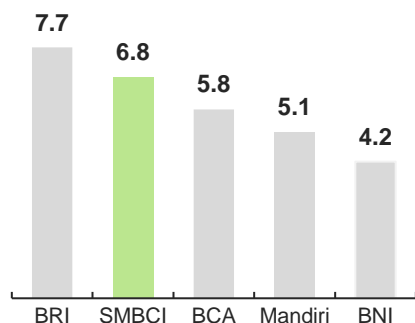
SMBC Indonesia

Financial results^{*1}

(JPY bn)	2021	2022	2023	Jan.- Sep. 2024 ^{*2}
Gross banking profit	106.2	116.1	127.8	122.2
Operating expenses	56.6	60.9	67.8	66.1
Credit-related cost	17.1	15.6	27.8	28.3
Net profit	21.6	26.3	22.2	18.9
ROE	8.6%	9.6%	6.3%	6.6%
Loans	1,098.4	1,242.0	1,424.7	1,663.5
Total Assets	1,554.5	1,777.9	1,833.8	2,171.6

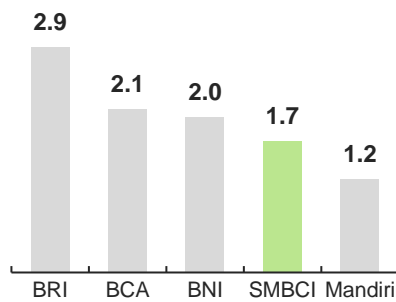
Net interest margin^{*3}

(%)

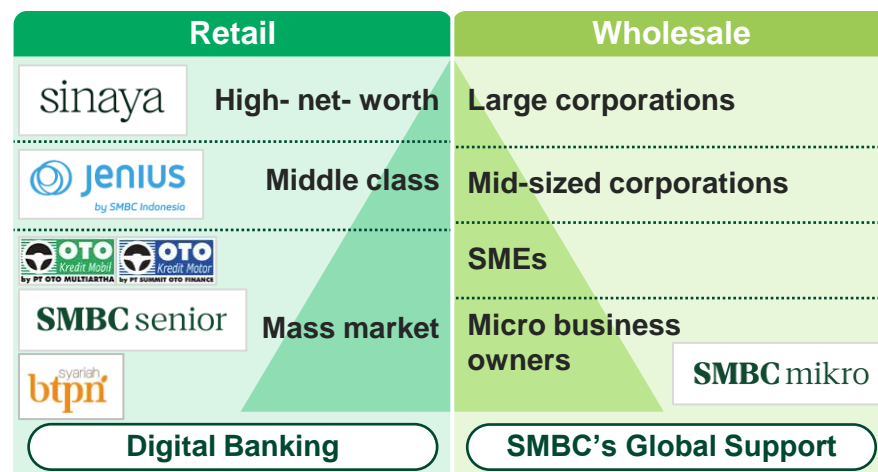


NPL ratio^{*3}

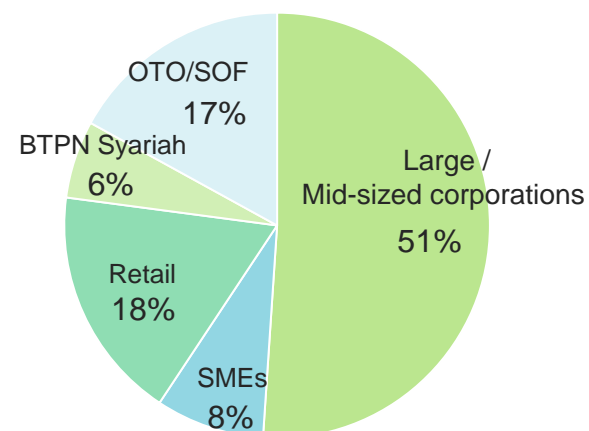
(%)



Coverage



Loan breakdown (Sep. 24)



*1 TTM as of Dec. 21 IDR 1= 0.0081, Dec. 22 IDR 1= 0.0085, Dec. 23 IDR 1= 0.0092, Sep. 24 IDR 1=0.0095

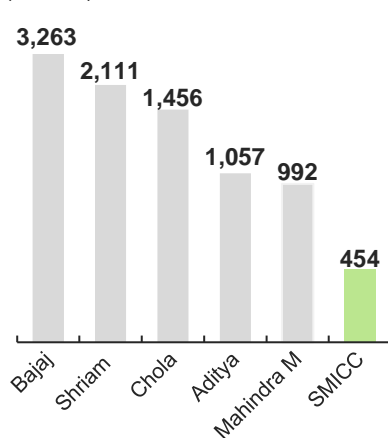
*2 Including OTO/SOF *3 Based on data published by each company (Jun. or Sep. 24 results)

Financial results*1

(JPY bn)	FY3/22	FY3/23	FY3/24	1H FY3/25
Gross banking profit	40.8	58.8	91.3	50.6
Operating expenses	23.5	33.9	51.7	32.4
Credit-related cost	15.5	9.5	23.2	11.9
Net profit	1.2	11.6	12.1	4.5
ROE	1.9%	14.7%	12.2%	7.5%
Loans	411.4	596.8	822.5	846.4
Total Assets	441.4	666.7	877.6	942.9

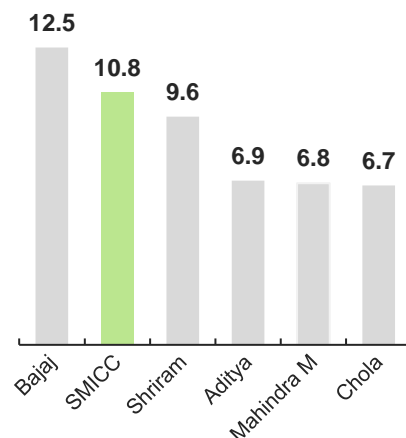
Loan balance*2

(INR bn)

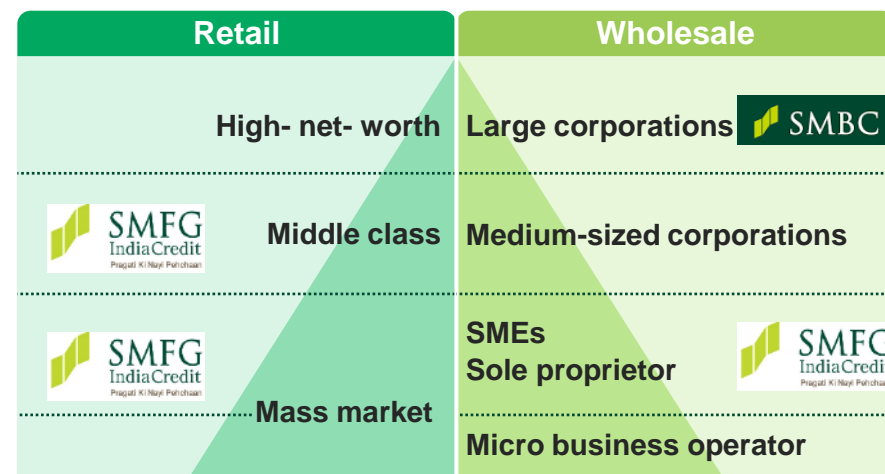


Loan spread*2

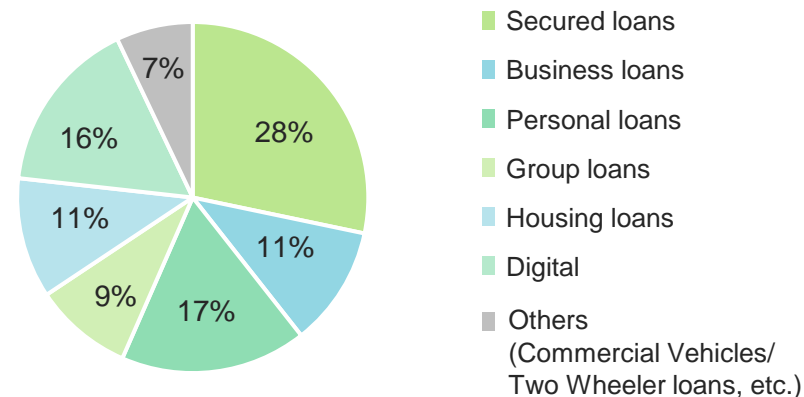
(%)



Coverage



Loan breakdown (Jun. 24)



*1 TTM as of, Mar. 22: INR1=1.62, Mar. 23: INR1= 1.63, Mar. 24: INR1=1.81, Sep. 30 INR1=1.71

*2 Based on each company's published data (Mar. 24 results)

VPBank / FE Credit

VPBank Financial result^{*1}

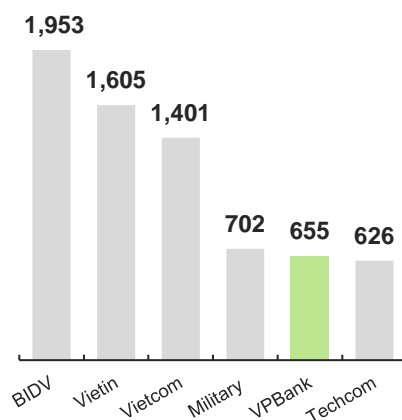
(JPY bn)	2021	2022	2023	Jan-Sep. 2024
Gross operating profit	221.5	323.7	303.4	258.7
Operating expense	53.6	79.0	85.0	61.2
Credit-related cost	96.1	125.8	152.5	117.2
Net profit	57.4	94.7	51.8	63.5
ROE	18.1%	20.3%	9.3%	11.0%
Loans	1,920.1	2,686.6	3,656.7	3,796.8
Total Assets	2,737.0	3,533.7	4,987.2	4,981.5

FE Credit Financial result^{*1}

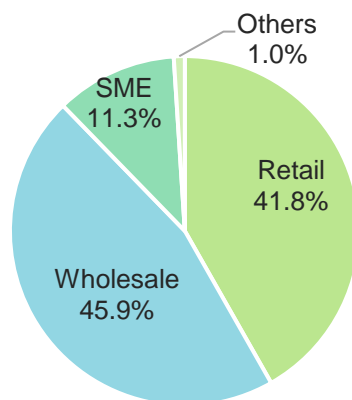
(JPY bn)	2021	2022	2023	Jan-Sep. 2024
Gross operating profit	76.6	84.9	81.0	64.7
Operating expense	23.4	34.3	28.0	16.1
Credit-related cost	57.8	75.3	75.6	51.1
Net profit	0.6	(13.3)	(18.0)	(2.5)
ROE	0.8%	(16.5)%	(25.2)%	(4.3)%
Loans	377.1	385.4	343.5	325.3
Total Assets	388.1	428.2	384.7	342.4

Loans^{*2}

(VND tn)

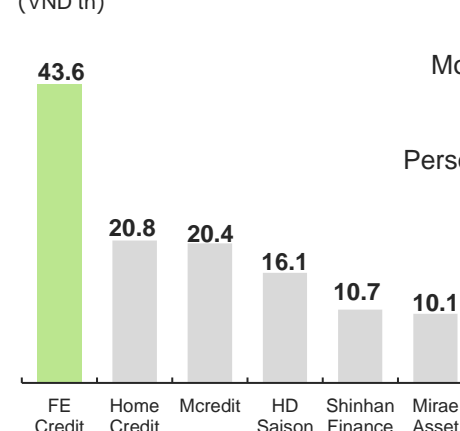


Loan Structure^{*3}

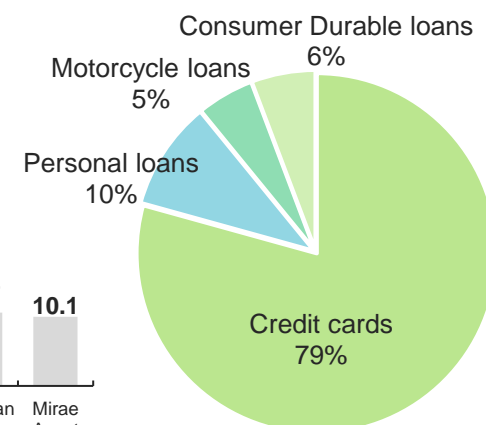


Loans^{*2}

(VND tn)



Loan Structure



*1 TTM as of Dec. 21: VND1=0.0050, Dec. 22: VND1=0.0056, Dec. 23: VND1=0.0061, Sep. 24: VND1=0.0058

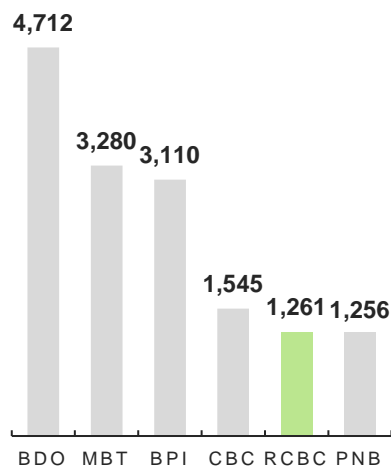
*2 VPBank: Based on Bloomberg data (Sep. 24 results), FE Credit: Based on FiinGroup data (Dec. 23 results) *3 Non-Consolidated

Financial results*1

(JPY bn)	2021	2022	2023	Jan-Sep. 2024
Gross operating profit	81.9	105.8	127.9	96.3
Operating expenses	50.7	59.7	75.8	59.4
Credit-related cost	13.6	13.6	17.7	14.3
Net profit	15.9	28.8	31.3	15.8
ROE	6.7%	11.2%	9.5%	5.2%
Loans	1,211.2	1,330.1	1,663.8	1,779.2
Deposits	1,513.0	2,040.2	2,449.2	2,525.6
Total Assets	2,158.0	2,746.8	3,170.1	3,276.7

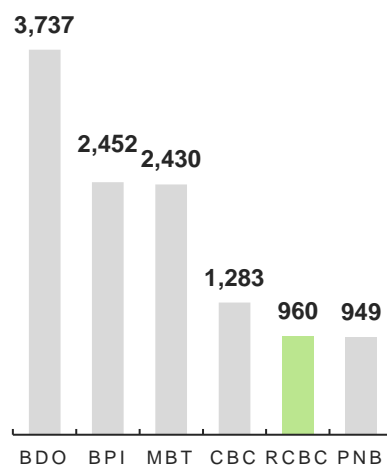
Total assets*2

(PHP bn)

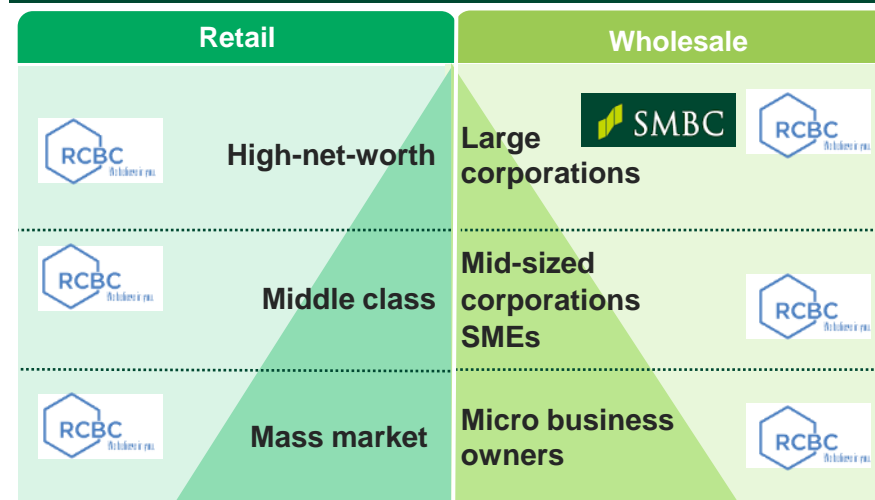


Deposits*2

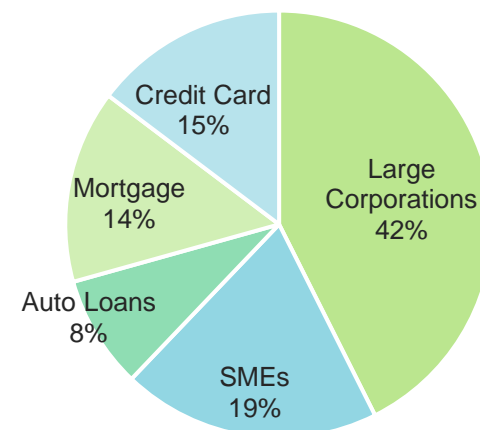
(PHP bn)



Coverage



Loan Breakdown (Sep. 24)



*1 TTM as of end of Dec. 21:PHP=2.25, Dec. 22:PHP=2.38, Dec. 23:PHP= 2.56, Sep. 24:PHP=2.55

*2 As of the end of Jun. 24

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**

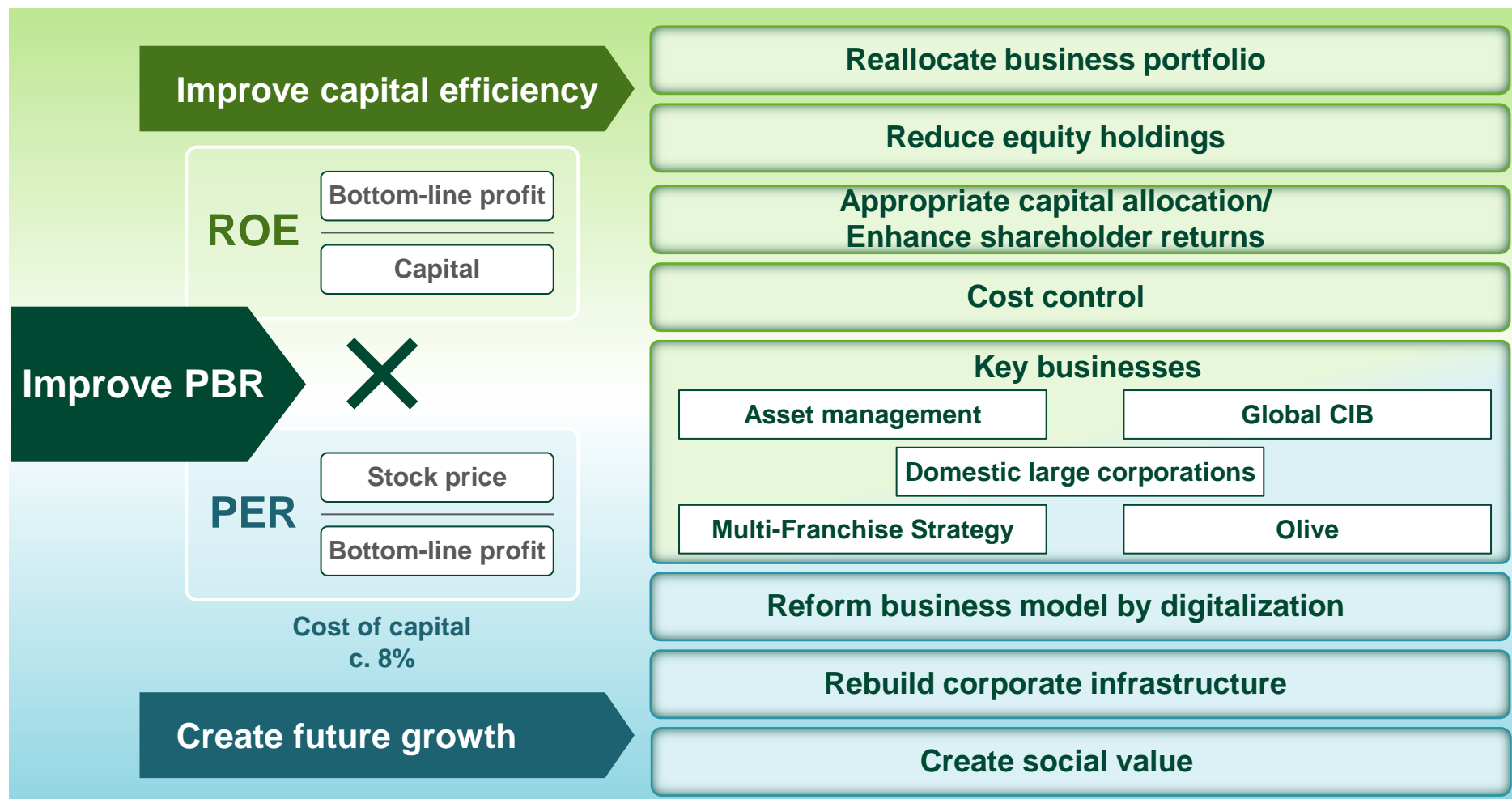
Transformation &
Growth

**Rebuild
Corporate
Infrastructure**

Quality builds
Trust

Initiatives to enhance corporate value

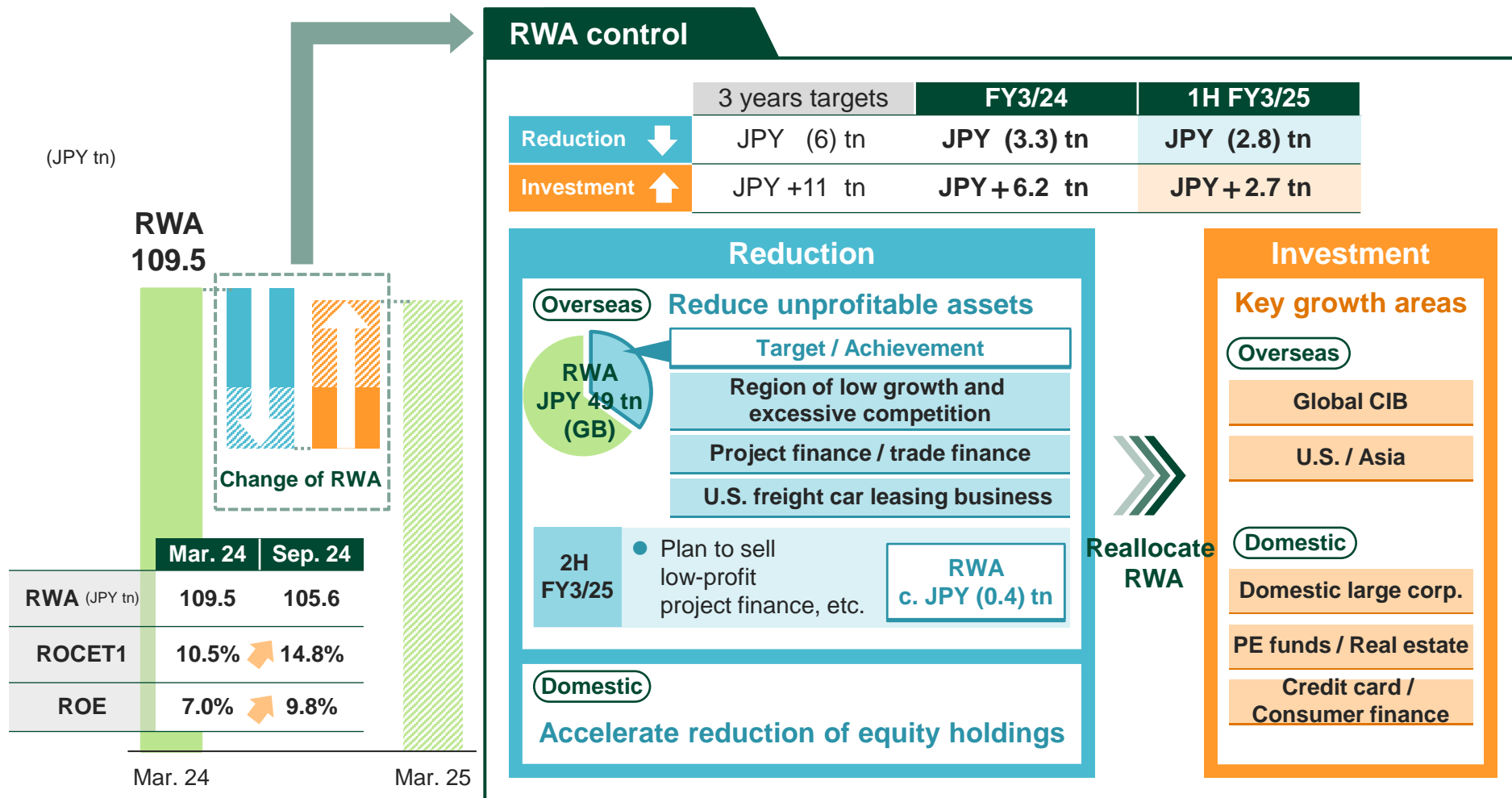
Enhance corporate value by improving capital efficiency and raising expected growth rate.



Reallocate business portfolio

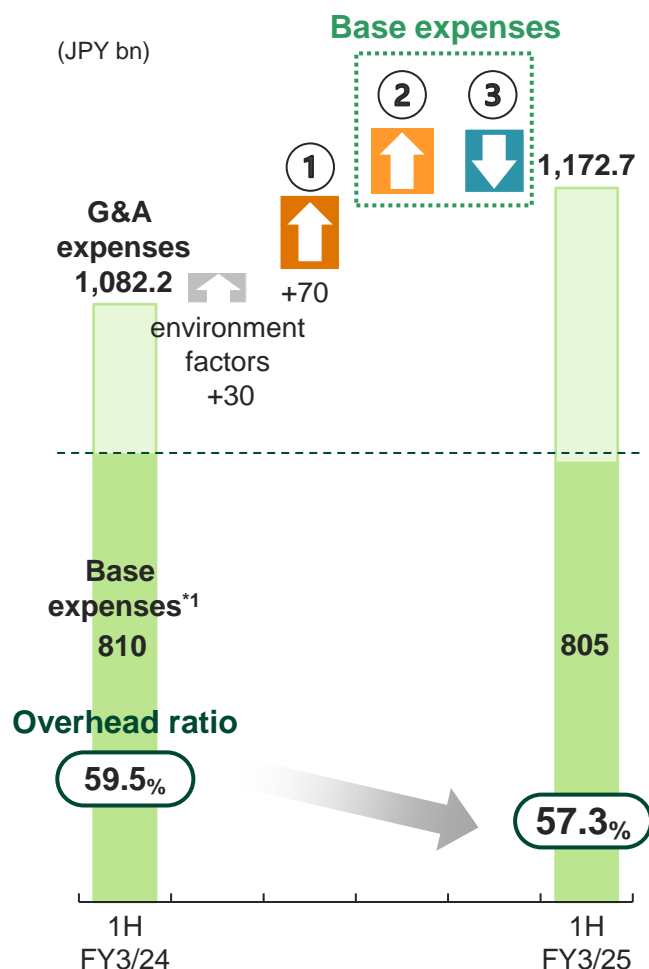
Continue to improve capital efficiency with a focus on RWA control.

Plan to sell unprofitable assets in 2H to further improve ROE by shifting to key growth areas.



Cost control

Overhead ratio improved through base expense control and top-line growth.
Continue cost control initiatives to realize strategic investment for future growth.



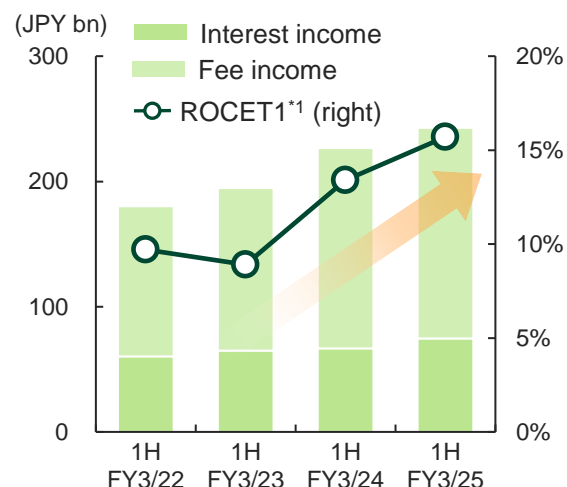
① Investment for top-line growth	SMCC commission fee +14%	# of Olive accounts 3.3mn
② Base expenses ↑	by 1H FY3/25 3 years target	
	Base expenses	+ 85 bn + 160 bn
	Workload	+4,570 people +3,000 people
	HR cost in overseas businesses	+ 60 bn
③ Base expenses ↓	IT investment ahead of schedule	+ 25 bn
	by 1H FY3/25 3 years target	
		(60) bn (160) bn
		(5,410) people (7,000) people
	Reform of domestic business e.g. 250 STOREs (60 completed by Sep. 24) Digitalize wholesale businesses	(17) bn (60) bn
	Group functions	(23) bn (45) bn
	Overseas operations	(15) bn (25) bn
	Enhance existing / additional initiatives	(5) bn (30) bn

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

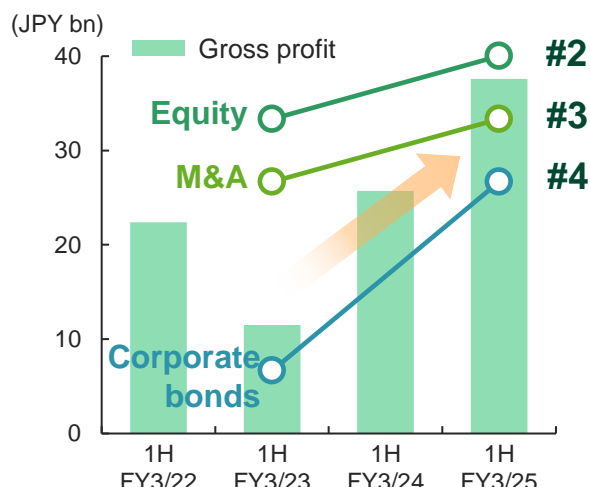
Sophisticate domestic large corporate business

Proactive support for corporate activities has led to growth in gross profit and profitability.
Continuous resource allocation and group wide collaboration to further enhance large corporate business.

SMBC
Gross profit / ROCET1 (large corporation)



SMBC Nikko
Gross profit*2 / league table*3



Successful example

Support large-scale funding
> JPY 200 bn

SMBC Nikko

- Proposed funding through asset securitization by capturing changes in business environment
- Appointed as a solo arranger, recognized for proposals that considered needs of global investors

SMBC

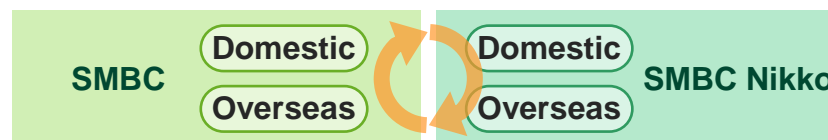
- Stimulated investor demand by combining currency hedging



Capture corporate activities



Bank-Securities / global collaboration



*1 Managerial accounting basis, excl. equity holdings *2 Domestic gross profit of Wholesale Business Unit

*3 Equity: underwriting amount as lead manager, M&A: # of Japanese corporate deals > JPY 10 bn, corporate bonds; amount of lead manager deals (excl. self-led deals)

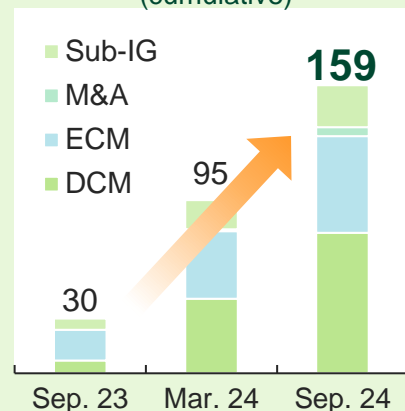
Enhance Global CIB through collaboration with Jefferies

Investment in Jefferies was completed as planned in Sep. 2024. (economic stake: 14.5%)

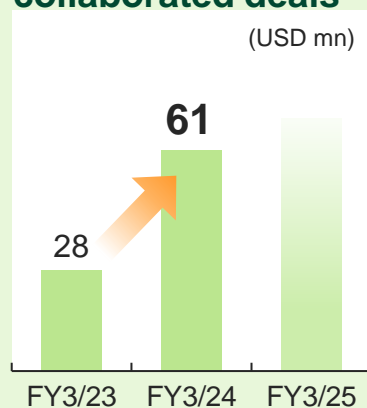
Aim to further enhance collaboration by expanding the scope.

Collaborated deals are steadily increasing

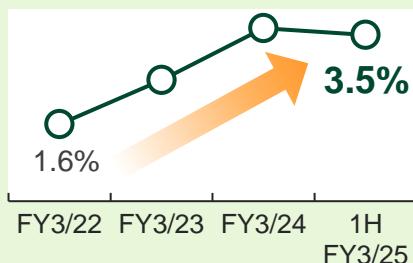
of collaborated deals
(cumulative)



Profit from
collaborated deals
(USD mn)



U.S. IG bond underwriting share



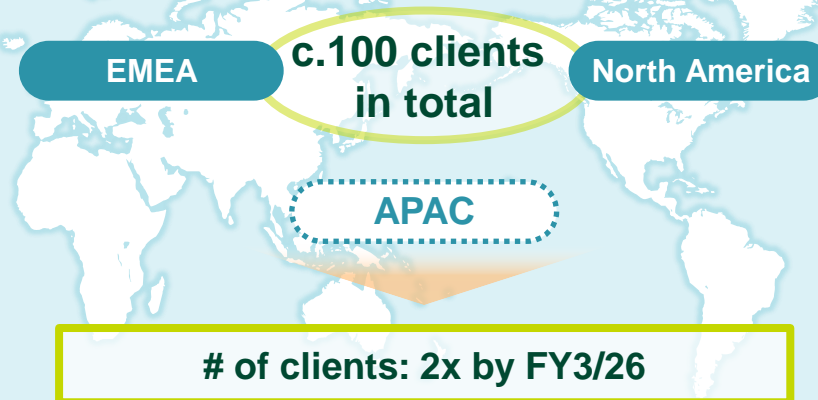
Example of Collaborated deals



- SMBC Nikko and Jefferies advised Alliance, one of the largest multifamily and senior housing developers in the U.S., on its sale of a minority interest to Daiwa House, the largest homebuilder in Japan
- SMBC and Jefferies were jointly mandated as sell-side FA, evaluated for our industry expertise, cross-border reach, and execution capability

Expand the scope of collaboration

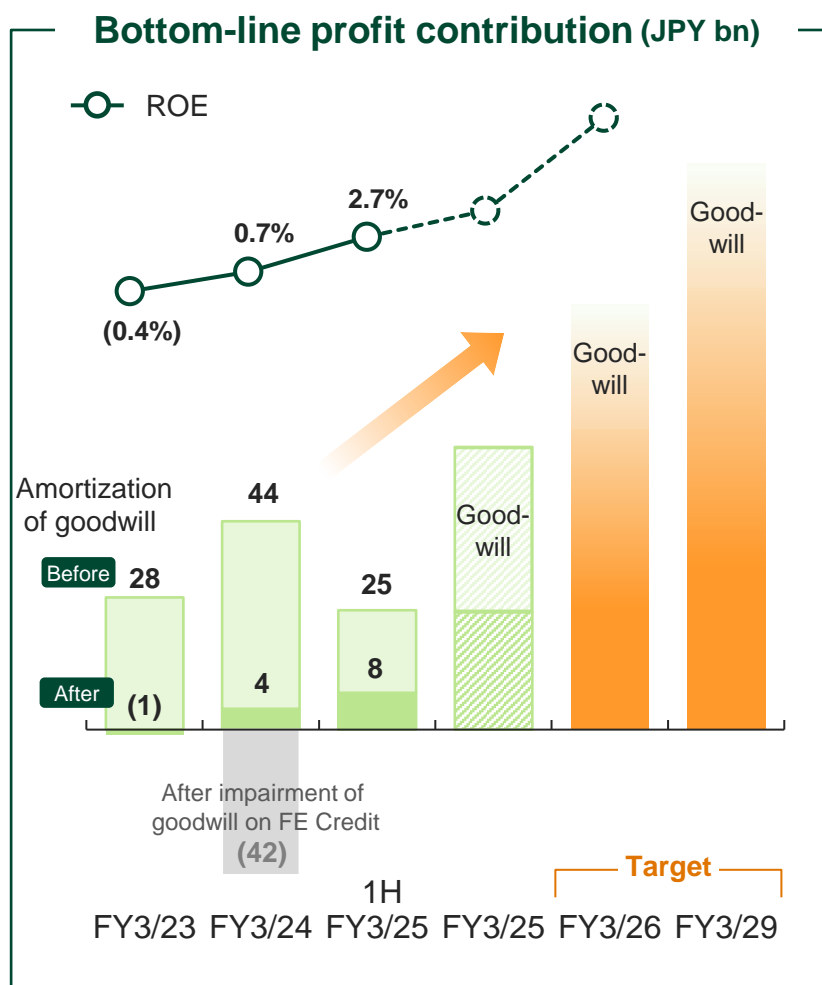
of joint coverage clients with Jefferies



Realize growth through Multi-Franchise Strategy

Business in Vietnam has finally bottomed out with the recovery of its economy.

Aim to achieve target of FY3/26 and FY3/29 by supporting the growth strategies of each investee.



Aim for balance increase by allocating necessary resources

SMICC	P.42	Ownership ratio 100%
-------	------	----------------------

Enhance SME and retail loans, while focusing on capturing commercial flows and deposits

SMBCI*1	P.41	91%
---------	------	-----

Business performance has bottomed out with recovery of local economy

FE Credit

- Aim to achieve a full-year profit by controlling credit cost

VPBank

- Improve profitability by collection and acquisition of good customers, while credit cost increased due to early amortization

FE Credit	P.43	49%
VPBank	P.43	15%

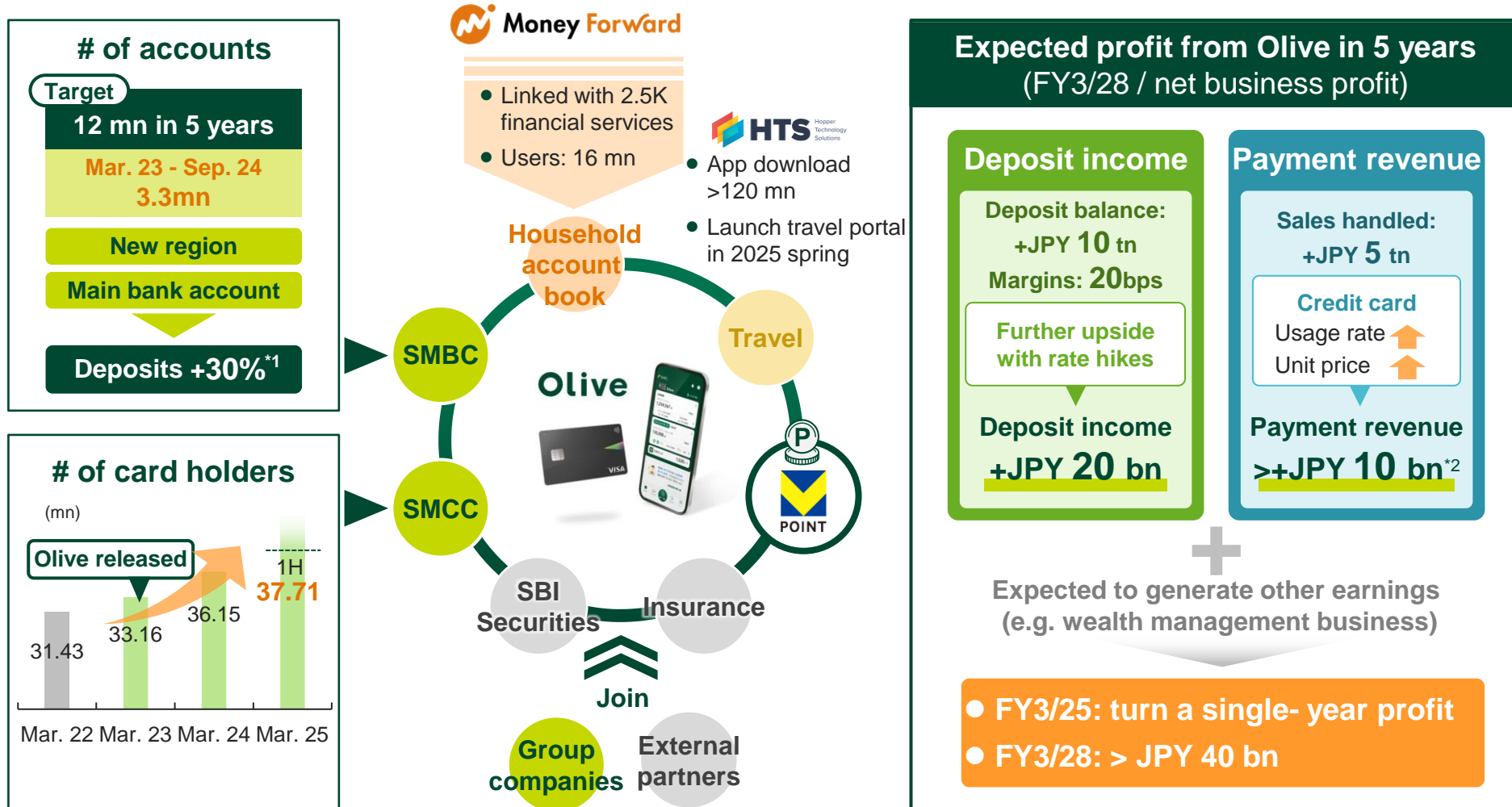
Improve portfolio profitability by increasing high-profit loans

RCBC	P.44	20%
------	------	-----

*1 BTPN changed its name to SMBC Indonesia (SMBCI) on October 2.

Build digital-based retail business centered on Olive

Olive's customer base has been steadily expanding through collaboration with external partners. Expect profit contribution over JPY 40 bn in FY3/28 with the tailwind of interest rate hikes.



*1 Comparison of the average deposit balances (i) as of end of Sep. 23 of new account holders who opened their accounts between Mar. 22 and Feb. 23 (which is before Olive release), and (ii) as of end of Sep. 24 of new account holders who opened their accounts between Mar. 23 and Feb 24 (which is after Olive release)

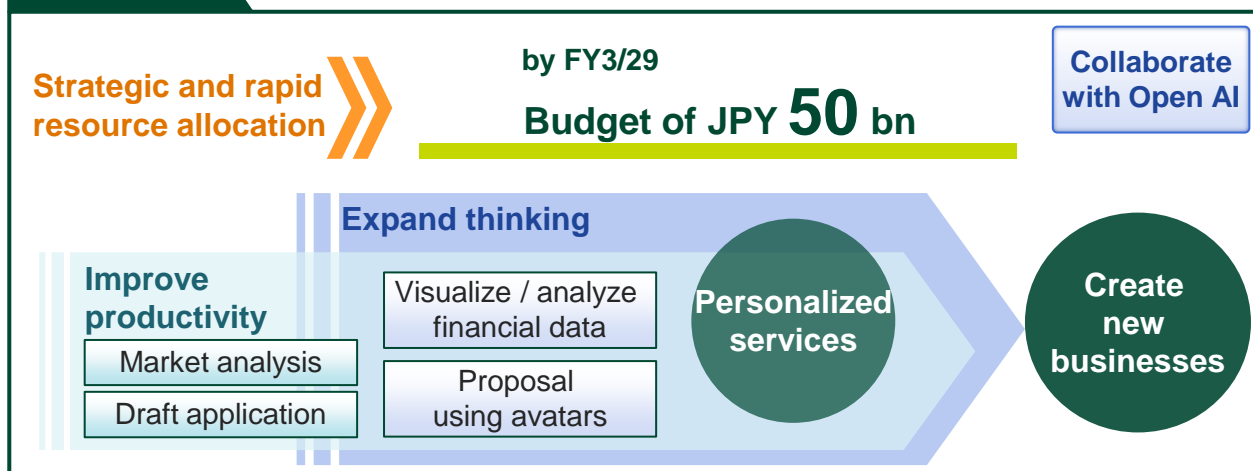
*2 After deduction of revenue-linked expenses

Reform business model by digitalization

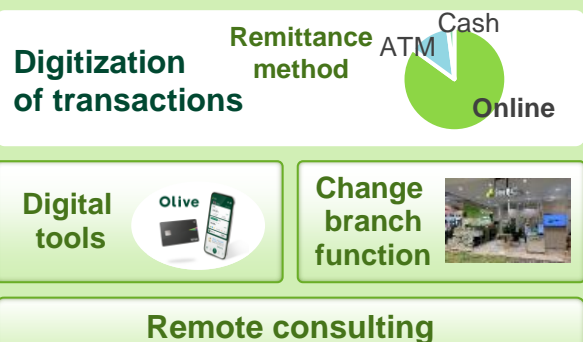
Continue IT investments for business model transformation that leads to future growth.

Secured an investment budget of JPY 50 bn to create new business by effectively utilizing generative AI.

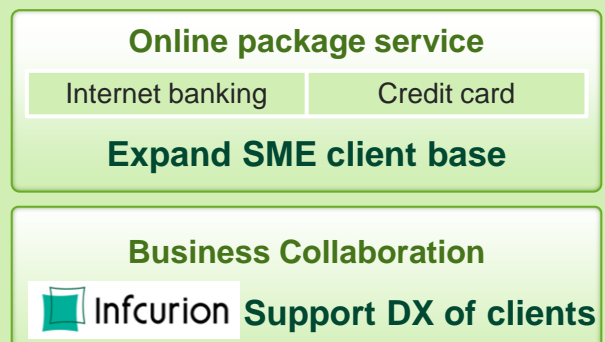
Generative AI



Retail

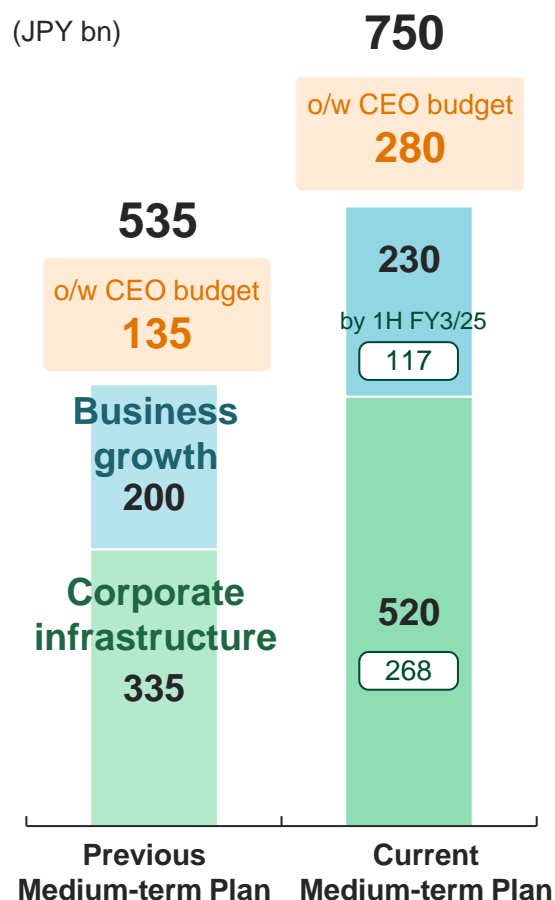


Wholesale



IT Investments

(JPY bn)



Rebuild corporate infrastructure - Integrity, Passion, Solidarity-

Strengthen the management foundation that supports business growth: engage with stakeholders fairly and sincerely, embody integrity, and build a strong team through human capital management.

Governance and compliance

Integrity

Continuous commitment by top management

Group CEO



Group CCO



Foster a Culture of Compliance

Learn from incidents



Culture sessions



Compliance Awards

Evaluate and share employees' initiatives

Internal SNS

Check penetration through awareness surveys

Human capital management

Passion

Solidarity

SMBC Talent Policy

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

SMBC

Revision of the personnel system (Jan. 26)

Professionalism

Merit-based

DE&I

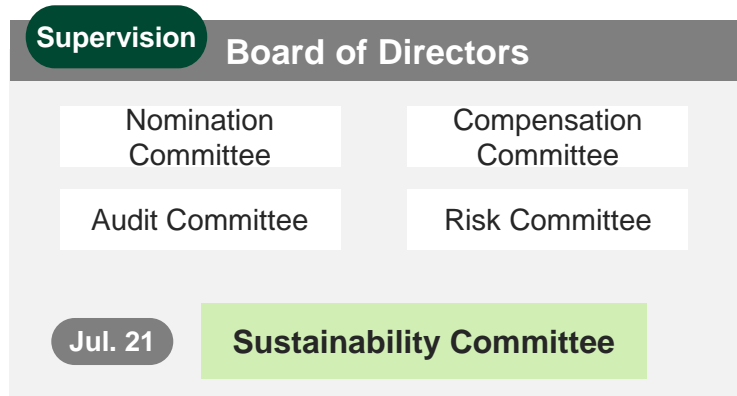
Secure and include diverse talents

		Results	Target ^{*3}
Gender	Female directors	25.0%	30%
	Female managers	21.7%	25%
Foreign nationals	Female in management positions	25.8% ^{*1}	30%
	# of foreign directors	22 ^{*2}	25
Mid-Career	Mid-career recruitment	40.8% ^{*1}	30.7%
	Managers from mid-career recruitment	18.8% ^{*1}	18%

*1 As of Mar. 24 *2 As of Jun. 24 *3 FY3/26 (ratio of female directors in FY3/31)

Sustainability management structure (1)

Sustainability Management System



Executive compensation

Base salary	Fixed
Bonus ●Cash ●Stock Compensation Plan II	Linked annual performance (0-150%)
	PerformanceConsolidated net business profit SMFG net income
	ESGAchievement of KPIs ESG ratings of major agencies
	Individuals' performance
Stock Compensation Plan I	Linked medium-term performance (0-150%)
	FinancialROCET1Base expense Consolidated gross profit SMFG net income
	StockTSR (Total Shareholder Return)
	Non-financialCreate social value
	AdjustmentNew business areas Compliance/ Customer-oriented initiatives / Risk management
	QuantitativeEnvironmentEmployeesQualitativeMateriality initiatives
	Sustainable finance Financed emissions Engagement score DE&I
Stock Compensation Plan III	Promotion reward plan

Stock compensation ratio

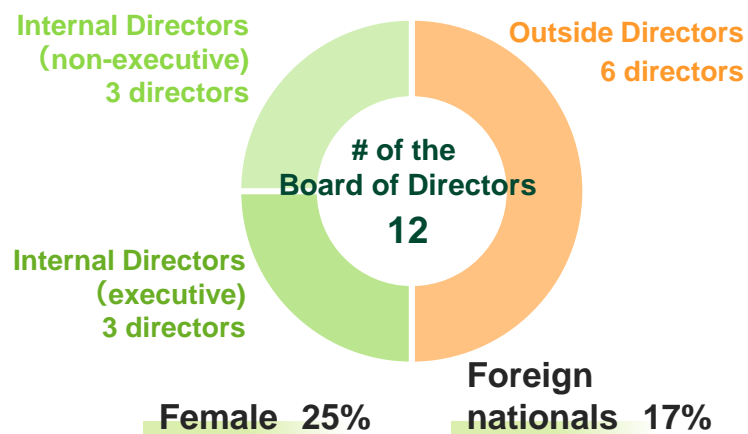
25%
-
45%

Linked performance ratio

40%
-
60%

Sustainability management structure (2)

Improve board diversity



Further enhance expertise

















































Directors/executives

- Study sessions for management
- Round- table discussions

Group employees

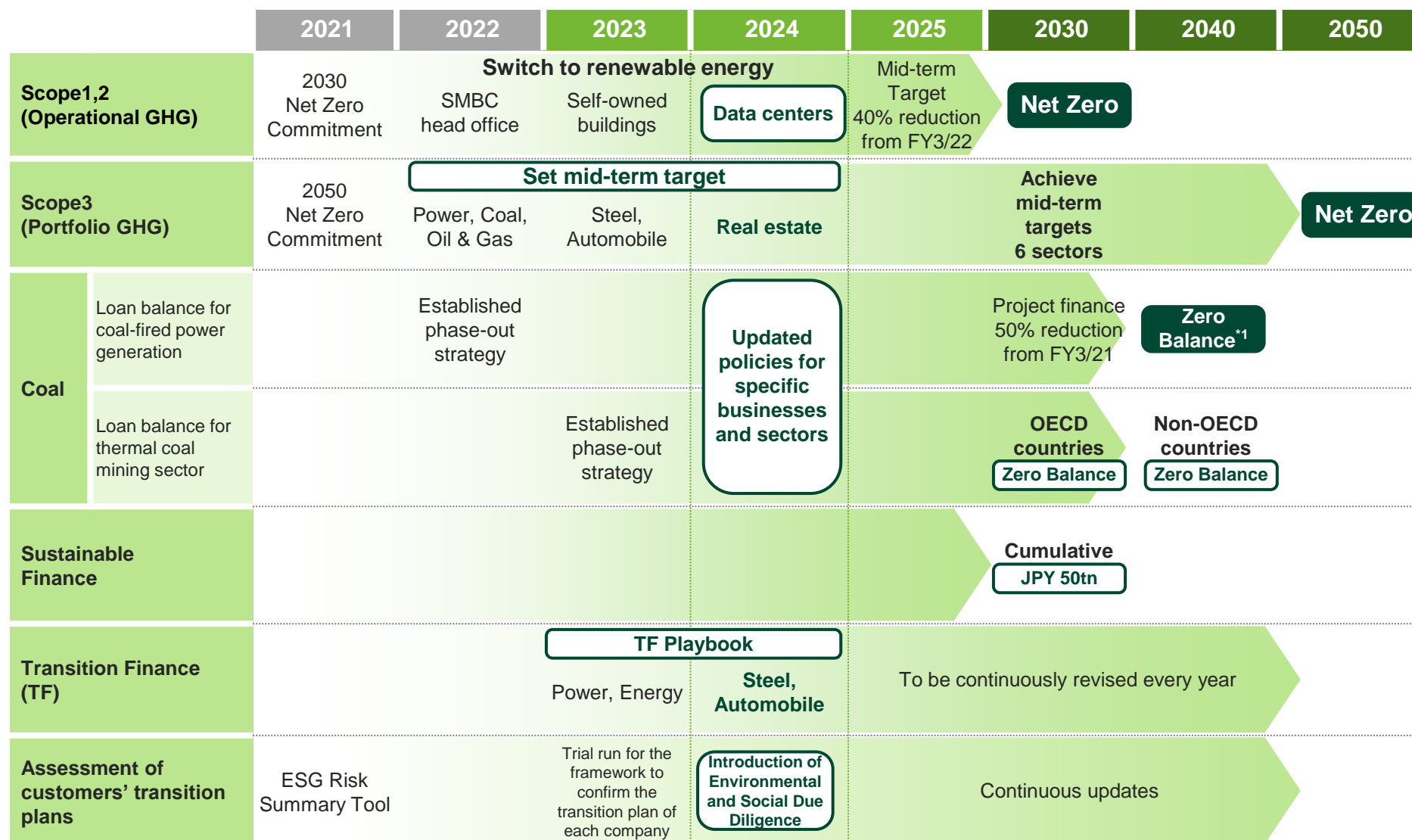
- Foster awareness of “All-hands participation”
- Training programs

Structure of the Board/ Skills Matrix

	Internal Director (non-executive)		Internal Director (executive)		Outside Director		
	Knowledge and experience expected in particular						
	Management	Finance	Global	Legal/risk management	Accounting	IT/DX	Sustainability
Takeshi Kunibe							
Toru Nakashima							
Teiko Kudo							
Fumihiko Ito							
Toshihiro Isshiki							
Yoshiyuki Gono							
Sonosuke Kadonaga							
Yoshinobu Tsutsui							
Katsuyoshi Shinbo							
Eriko Sakurai							
Charles D. Lake II							
Jenifer Rogers							

Approach to Net Zero

Current Medium-Term Management Plan



*1 Project finance and corporate finance tied to facilities

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



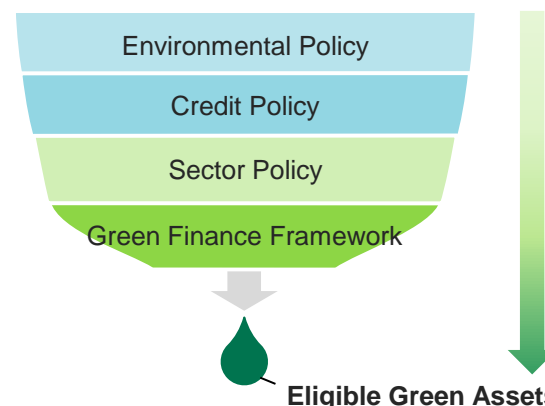
- Look Back Period : 24 months
- More than 90% of the funds are allocated to Renewable Energy



2. Evaluation and Selection

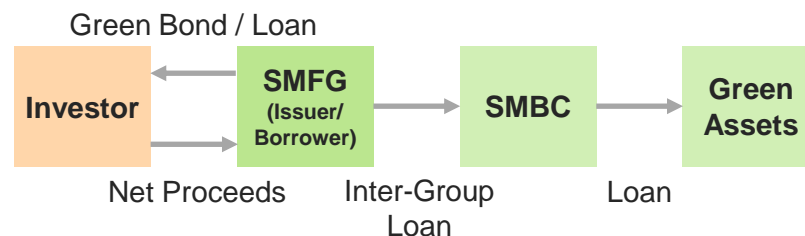
SMBC Group's
Sector policy

SMBC Group's
Green Finance
framework



3. Management of Proceeds

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



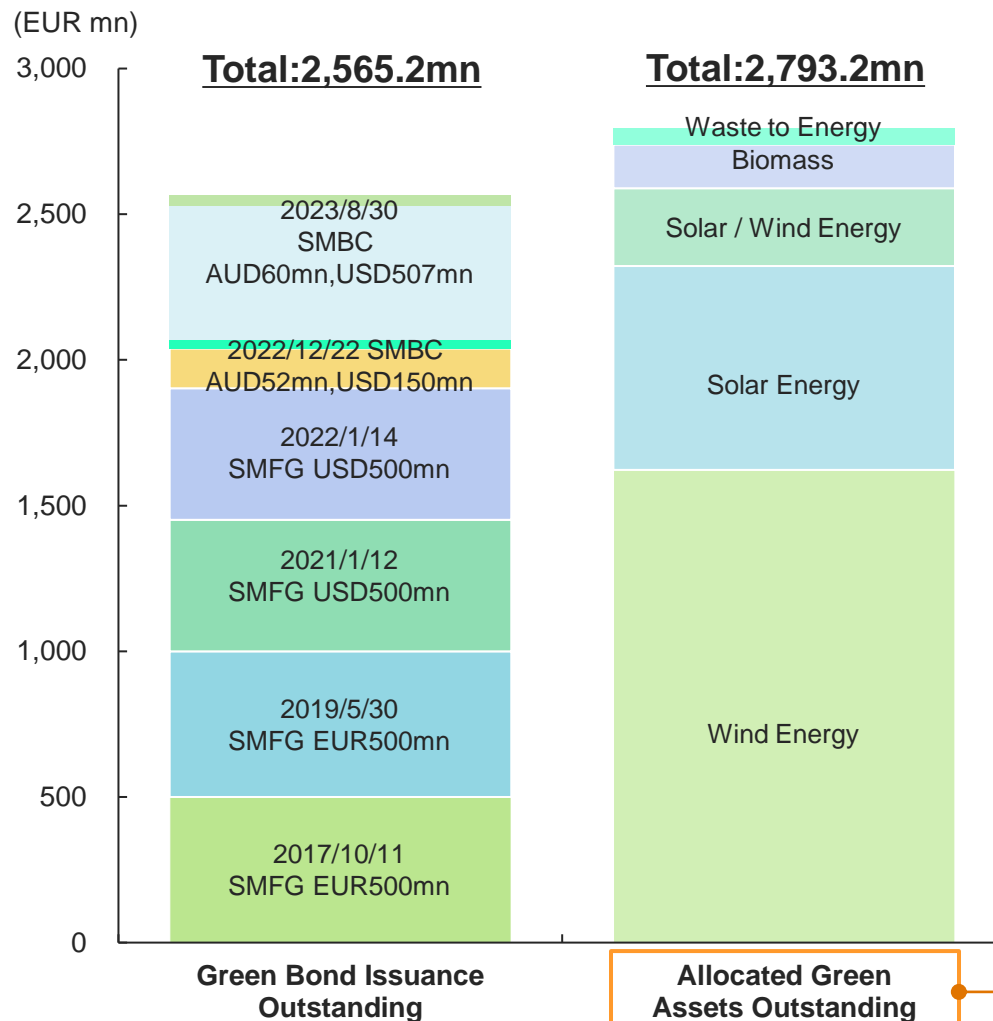
4. Reporting

- **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

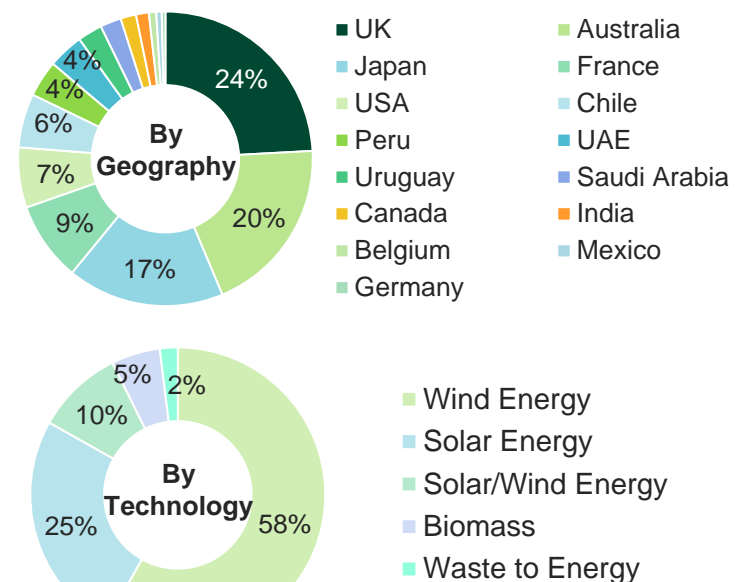


Overview of green bond issuance and allocated green assets

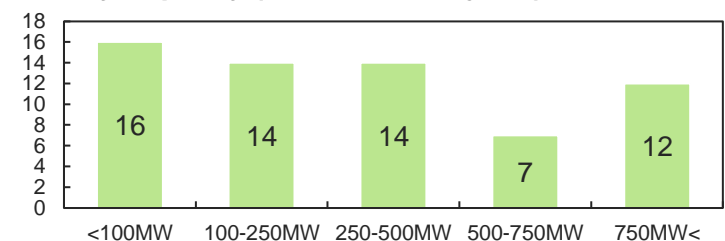
Balance of Green Bond Issuance and Allocated Green Assets*¹ (as of Dec. 23)



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

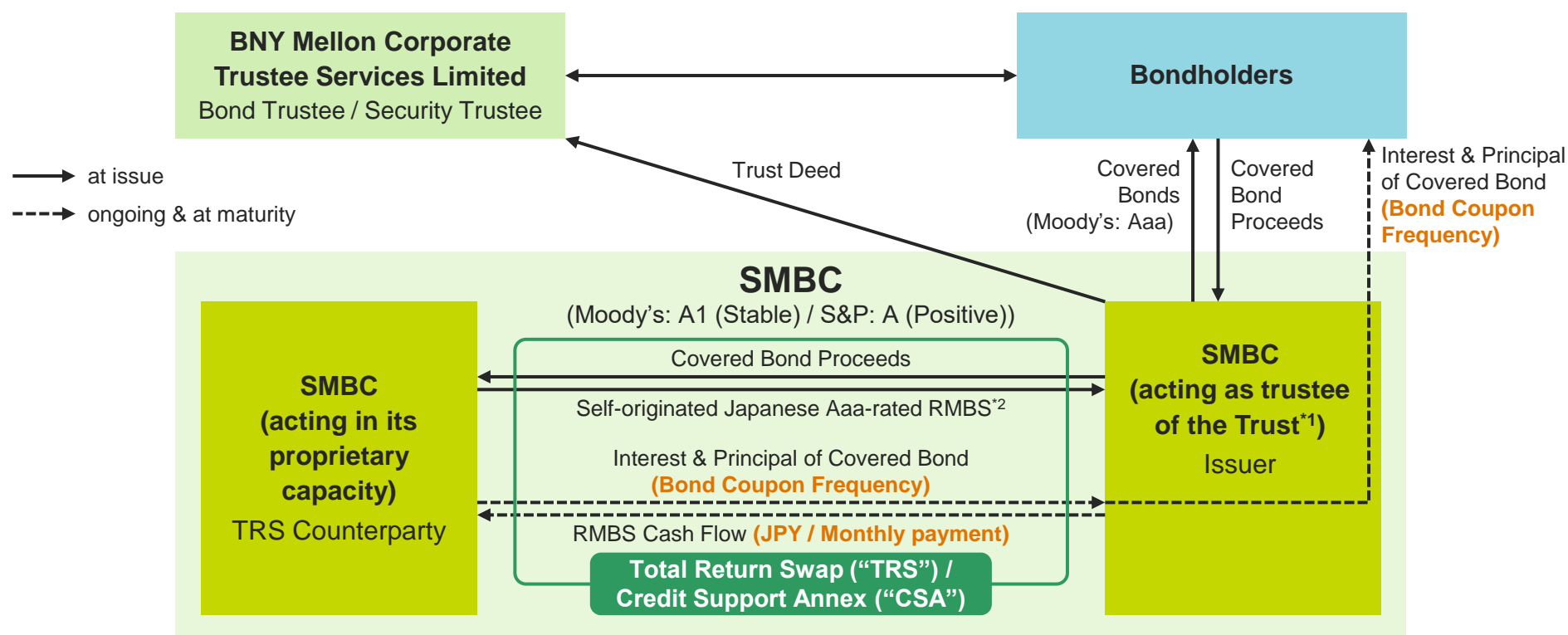
*1 Converted into EUR at the exchange rates as of Dec. 23

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")

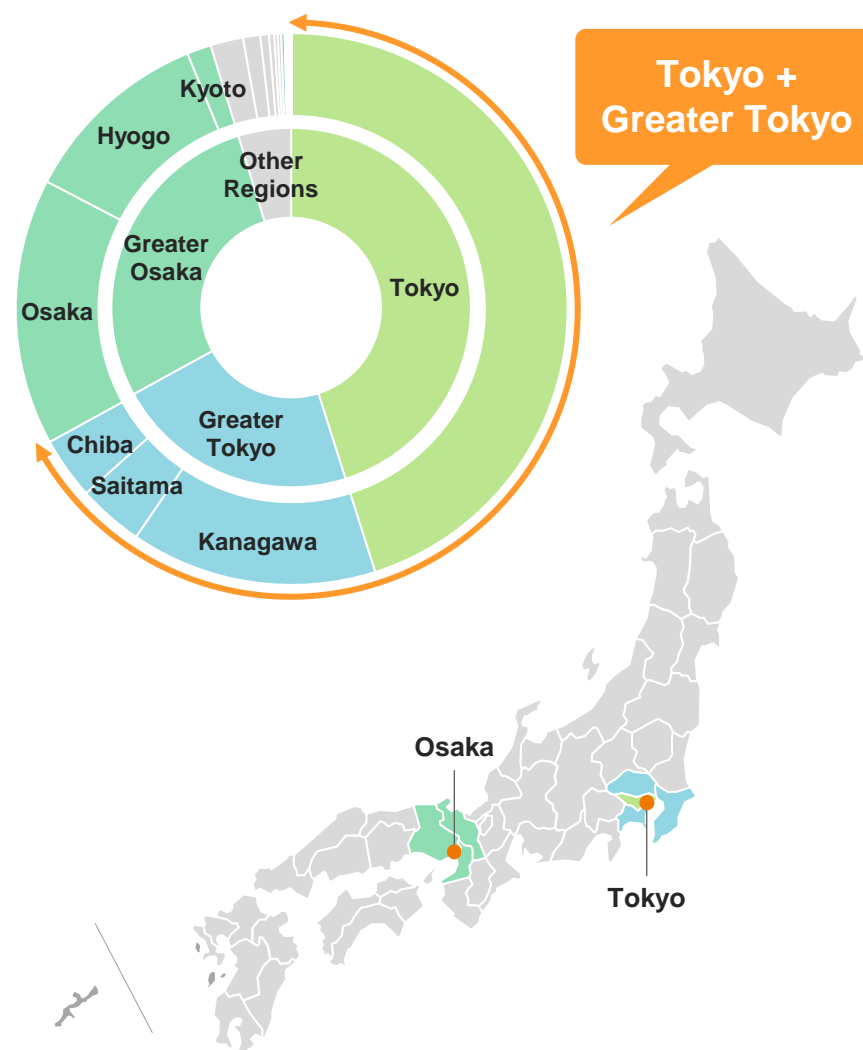
*2 Cover pool assets may include senior tranches Aa-rated RMBS where higher haircut ratio of 20% is applied, JGB and cash

SMBC covered bond: Cover pool summary

RMBS summary terms

Collateral	Self originated residential loans
Originator / Servicer	SMBC
Asset Trustee	Sumitomo Mitsui Trust Bank
Pool	Static pool
Format	Domestic trust beneficiary interest
Liquidity	Cash reserve
Interest Payments	Monthly / Fixed coupon
Principal Payments	Monthly / Pass through
Hedging Arrangements	None
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}



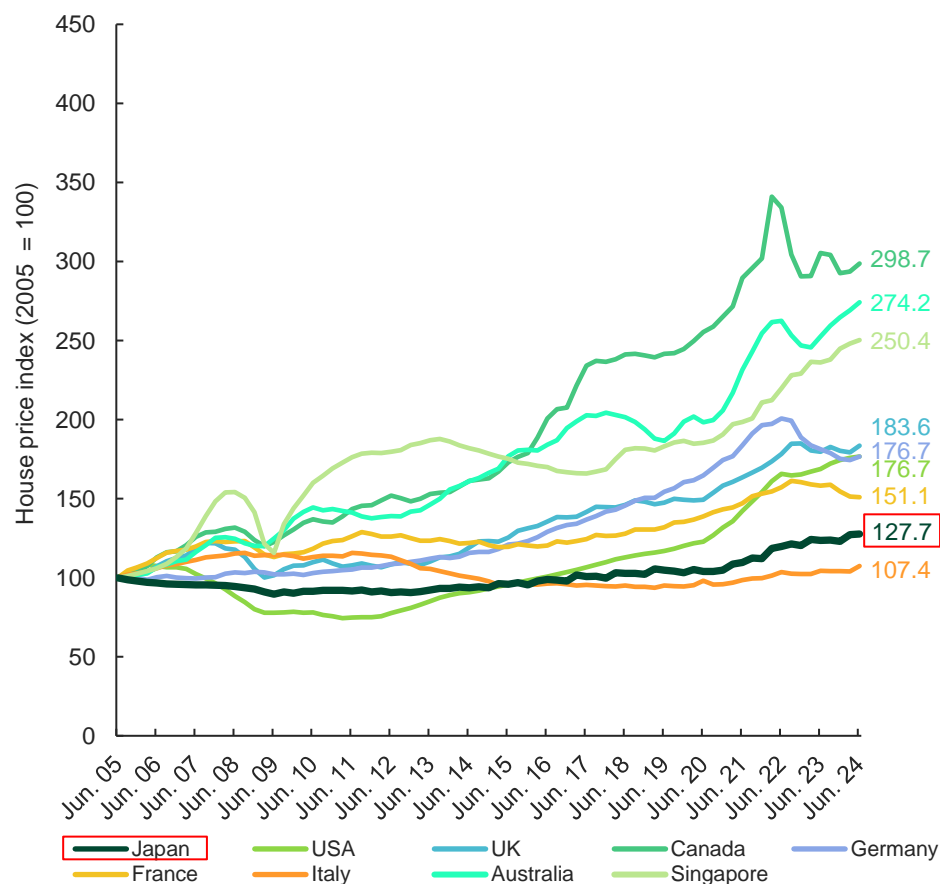
*1 By loan balance as of the end of Jun. 24

Housing market developments

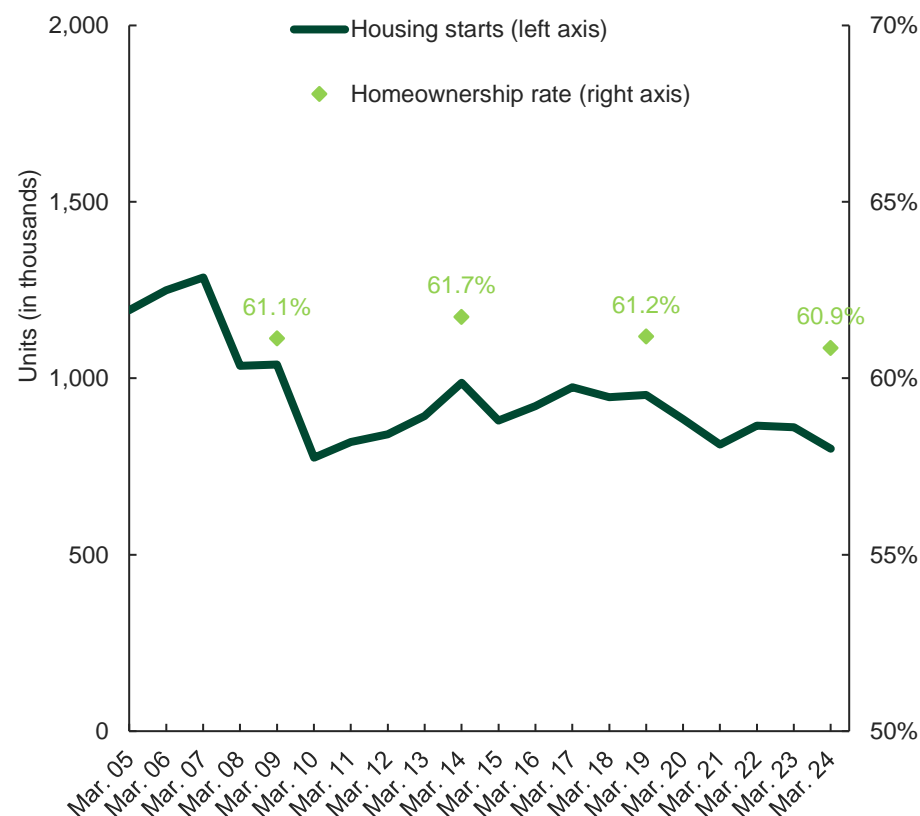
Japanese house prices are recently on an upward trend due to inflation but still stable compared to other developed countries.

Homeownership rate has been stable at approx. 60%.

House prices



Housing starts / Homeownership rate

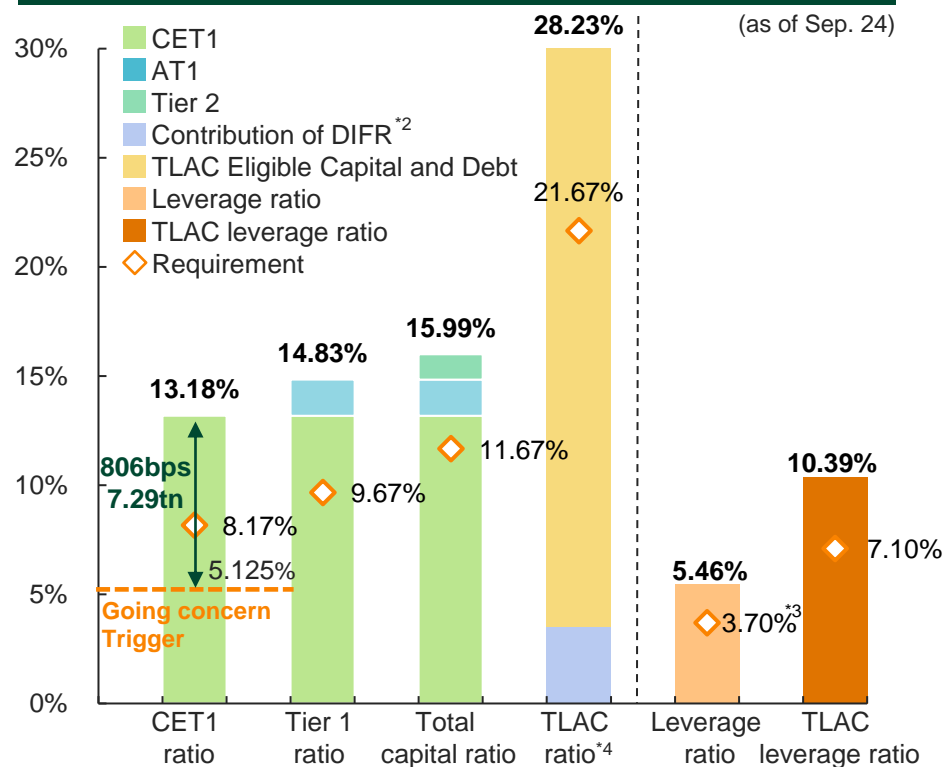


Source: Ministry of Land, Infrastructure, Transport and Tourism
Statistics Bureau, Ministry of Internal Affairs and Communications

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Capital ratio / leverage ratio (Transitional basis)

Capital ratio / leverage ratio (Transitional basis)*1



Buffer to requirement

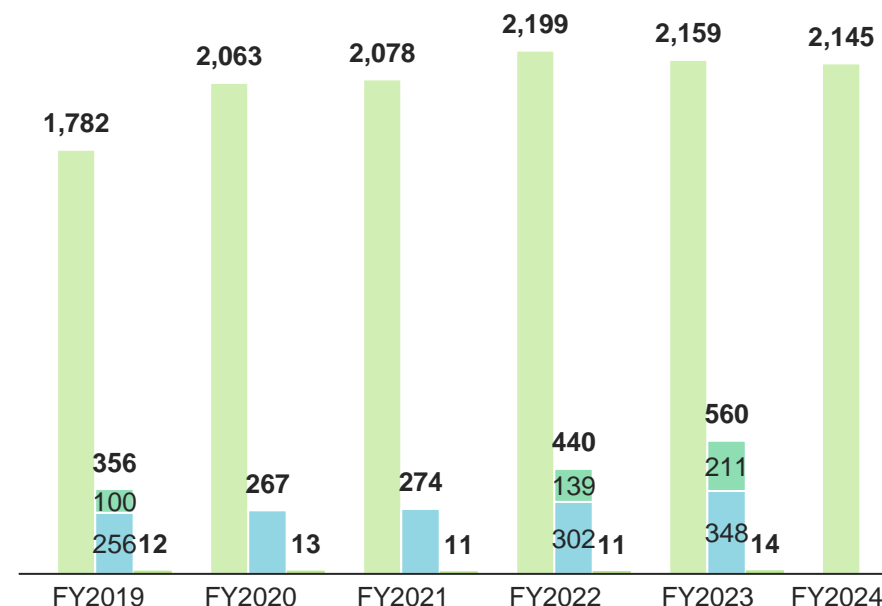
501bps 516bps 432bps 656bps 176bps 329bps

Buffer to requirement (JPY)

4.53tn 4.67tn 3.91tn 5.94tn 4.33tn 8.10tn

Track record of distributions on capital

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



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

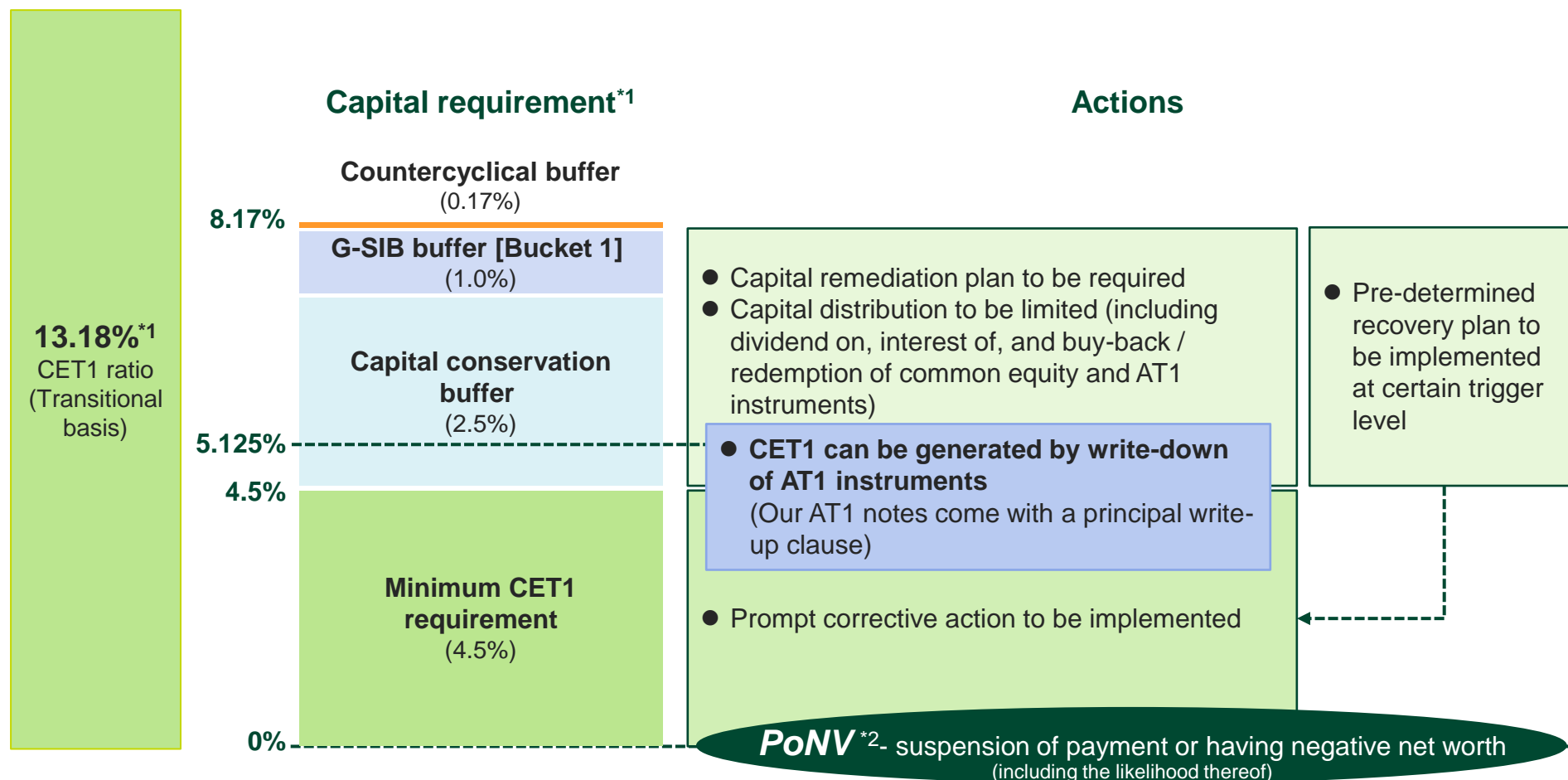
^{*3} PoNV will be triggered when the Prime Minister of Japan confirms ("*nintei*") that Specified Item 2 measures ("*tokutei dai nigo sochi*") need to be applied to us when our liabilities exceed or are likely to exceed our assets, or we have suspended or are likely to suspend payment of our obligations. 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 Sep. 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.67

*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 <i>Capital injection</i>	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 (<i>Shinkumi</i> / <i>Shinkin</i>)	-	252.5 (19 cases)
			Total 716.0 (38 cases)
Article 102, Paragraph 1 of Deposit Insurance Act (DIA)	Item 1 measures <i>Capital injection</i>	Resona Bank	Jun. 2003 1,960.0
	Item 2 measures <i>Financial assistance exceeding payout cost</i>	N.A.	N.A.
	Item 3 measures <i>Temporary nationalization</i>	Ashikaga Bank	Nov. 2003 N.A. ^{*3}
Article 126-2 of DIA	Specified Item 1 measures <i>Liquidity support Capital injection</i>	N.A.	N.A.
	Specified Item 2 measures <i>Supervision or control and Financial assistance for orderly resolution</i>	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

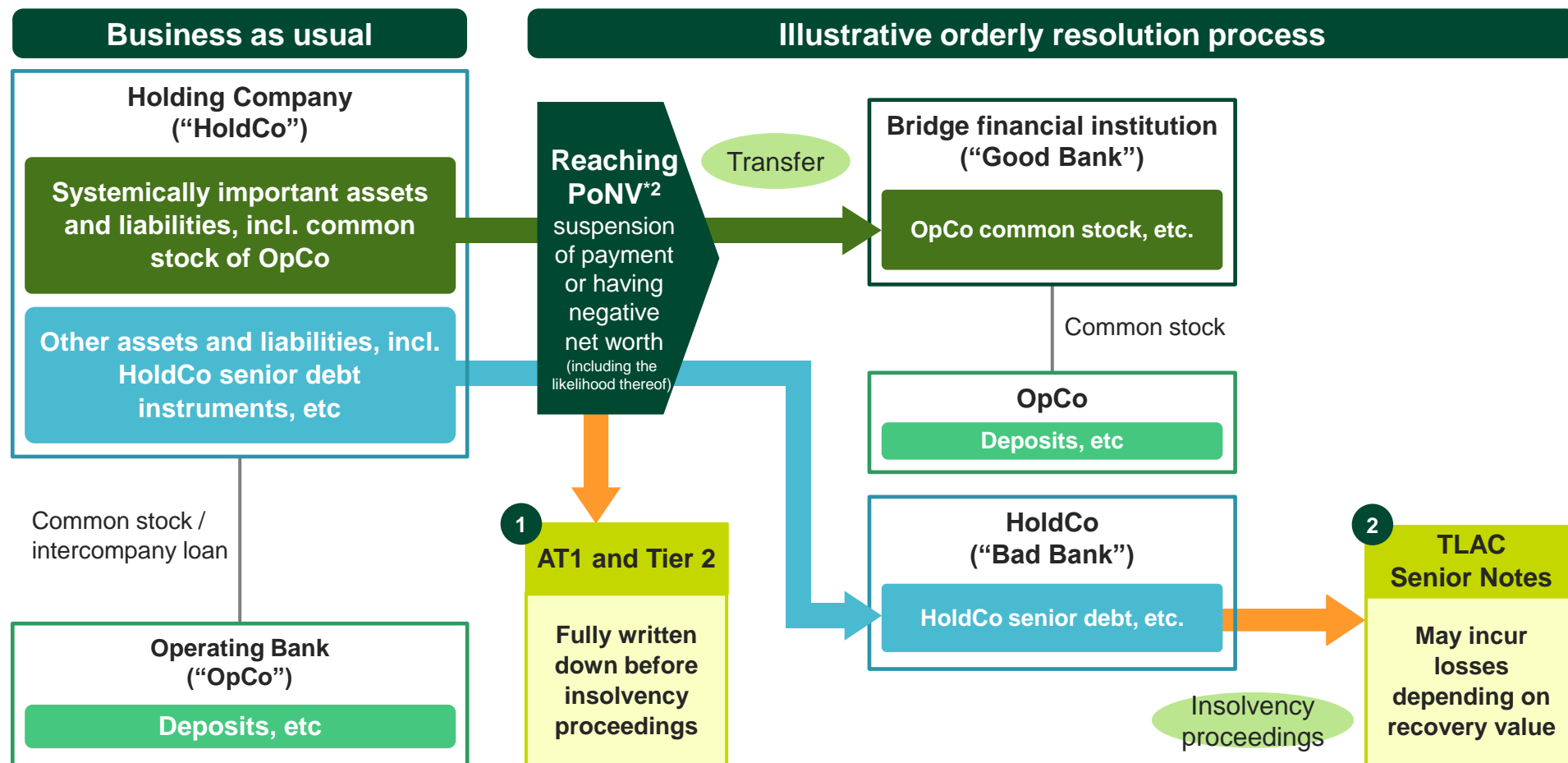
*3 The Deposit Insurance Company of Japan acquired all the shares of the bank against nil consideration

*4 See note 2 on p.67

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.

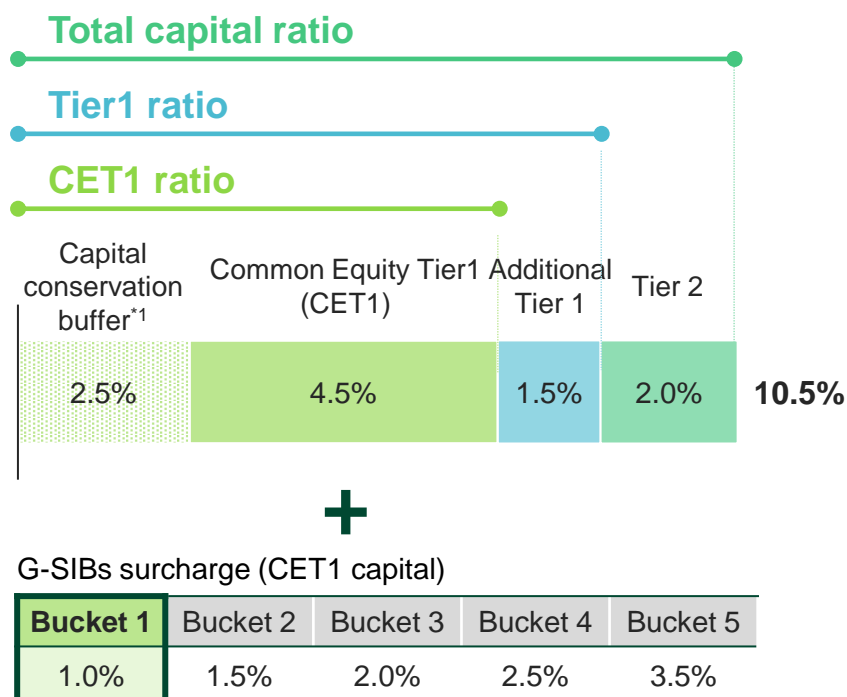


^{*1} Based on a possible model of Japanese G-SIB's resolution under the SPE resolution strategy, as stated in "The FSA's Approach to Introduce the TLAC Framework" published in Apr. 16 and revised in Apr. 18. However, it is uncertain which resolution strategy or specific measures will be taken in a given 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.67

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

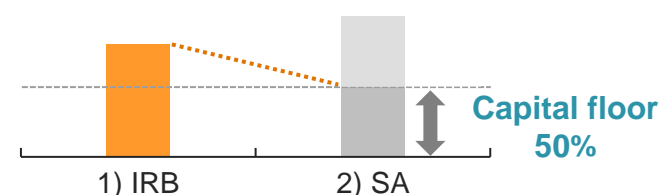


Implementation of output floor

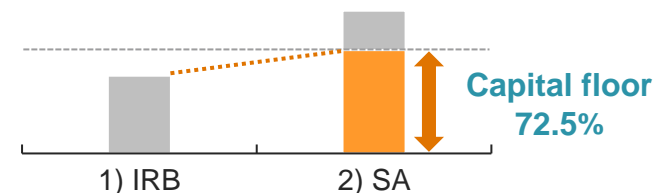
Calculate using larger figure

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

Mar. 24



Mar. 29



*1 Countercyclical buffer (CCyB) omitted

BOJ's monetary policy

BOJ terminated the negative interest rate policy in March 2024 and made an additional rate hike in July 2024.

Recent Developments and Outlook in monetary policy

2023

Introduced flexible targets for YCC in July and October

March 2024

Terminated the negative interest rate policy
-0.1% → 0.0 ~ +0.1%

Terminated the Yield Curve Control framework

July 2024

Raised short-term interest rate additionally

Announced a plan to reduce JGB purchases (reduction was decided in June)

January 2025~

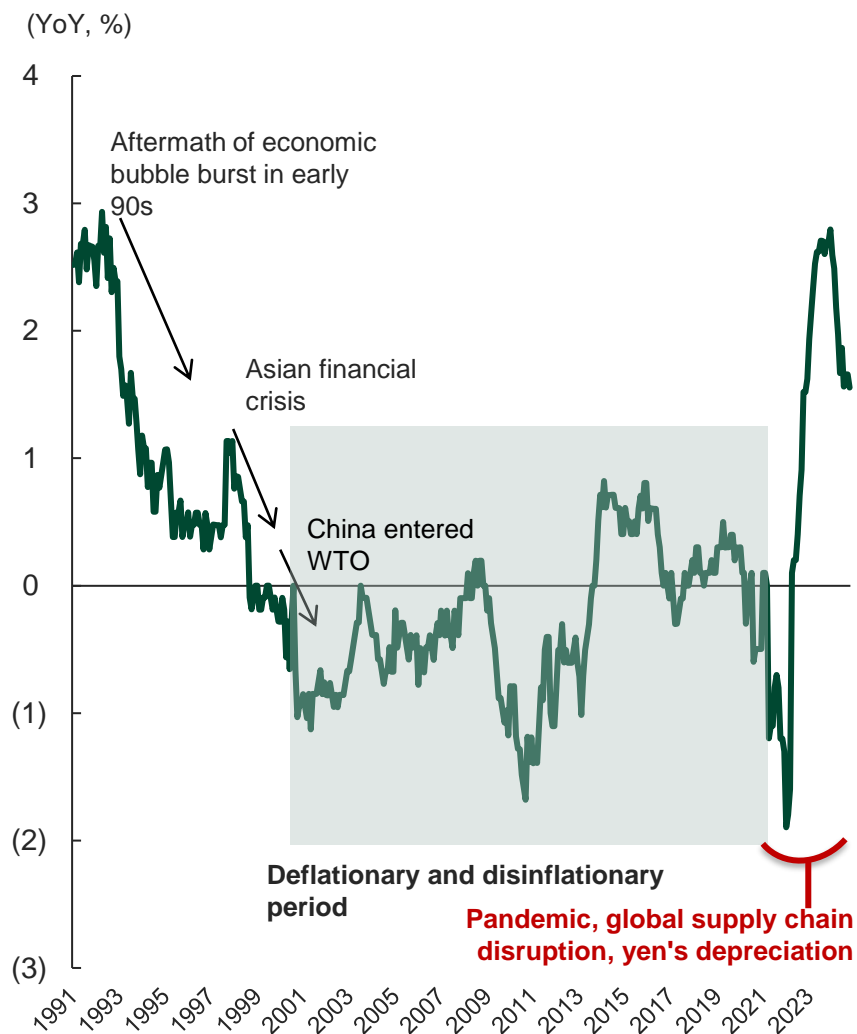
Additional rate hike semi-annually to be expected

Major policy changes in July 2024

Guideline for money market operations		<ul style="list-style-type: none">Encourage <u>the uncollateralized overnight call rate to hover “around 0.25%”</u>.
JGB purchases		<ul style="list-style-type: none"><u>BOJ will decrease the planned amount of monthly JGB purchases by approx. 400 billion yen every quarter in principle, and the purchases for Q1 2026 would reach 3 trillion yen.</u>
Interest rates applicable to various plans	Compliment ary deposit facility	<ul style="list-style-type: none">The interest rate applied to the complementary deposit facility (the interest rate applied to current account balances held by financial institutions at the Bank, excluding required reserve balances) will be 0.25%.
	Basic loan rate	<ul style="list-style-type: none">The basic loan rate applicable under the complementary lending facility will be 0.5 %.
	Fund-provisioning measures, etc.	<ul style="list-style-type: none">The interest rate for loans to financial institutions in disaster areas and climate change responses will be 0.25%. Regarding the fund-provisioning measure to stimulate bank lending, BOJ will provide the loans on a floating rate basis.

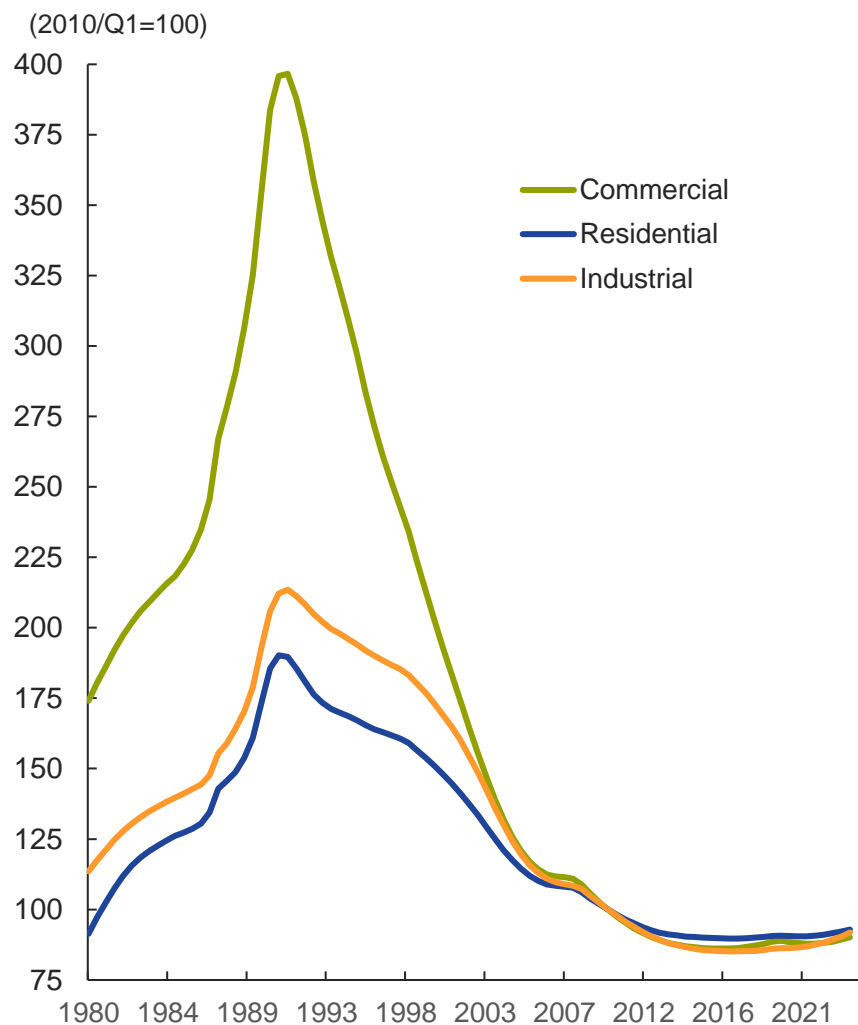
Japanese inflation dynamics

Long term trend of Core CPI (YoY)



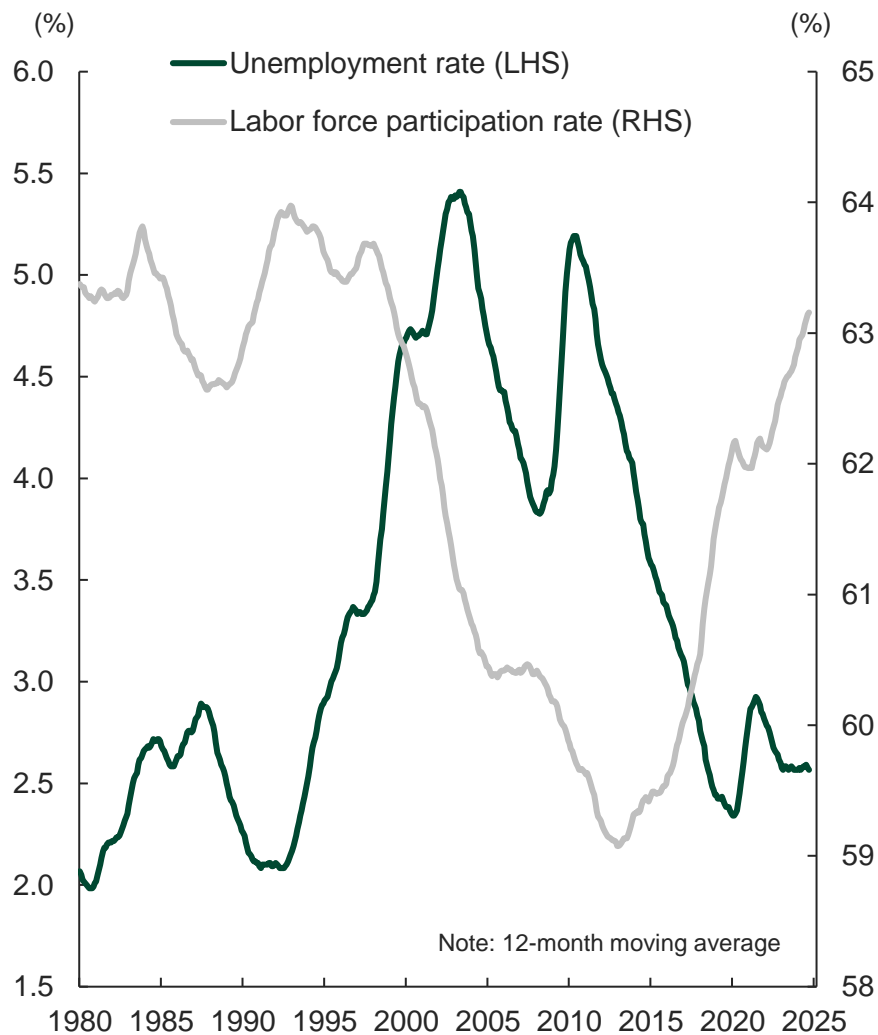
(Source) Statistics Bureau of Japan

Land Price

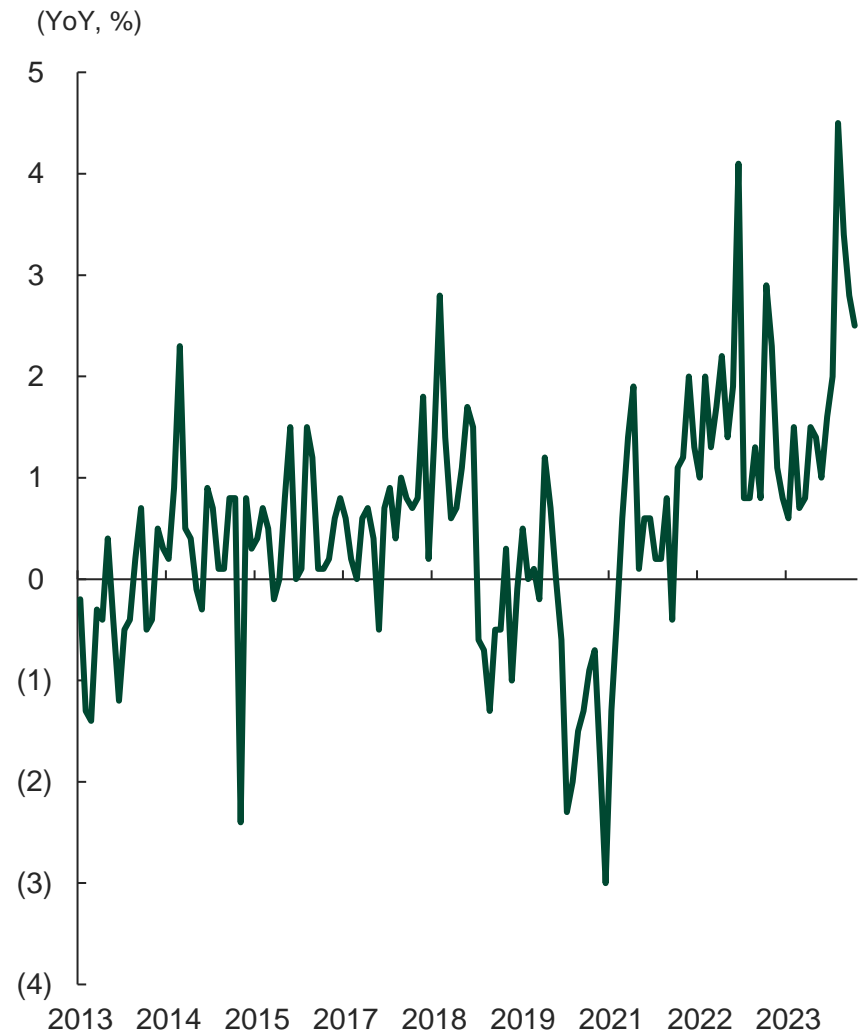


Japanese labor market

Unemployment and Labor Participation Rates

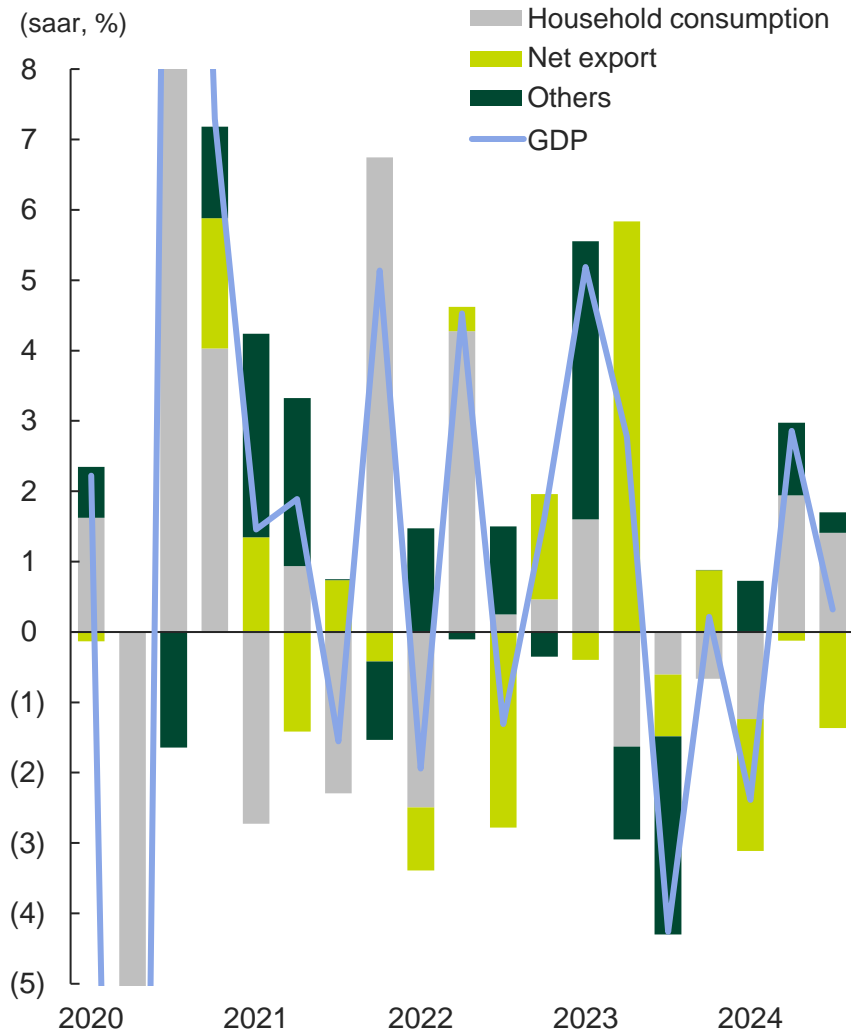


Wage Growth

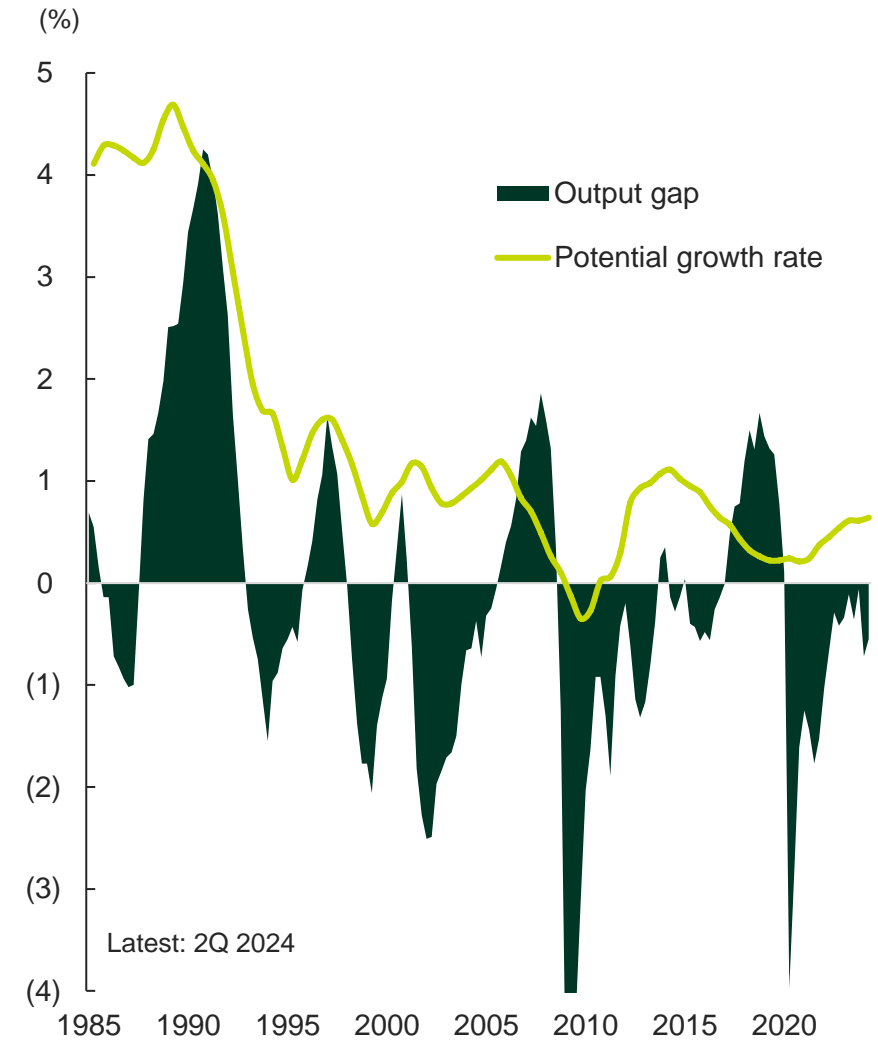


Japanese GDP growth and output gap

GDP Growth



Output gap

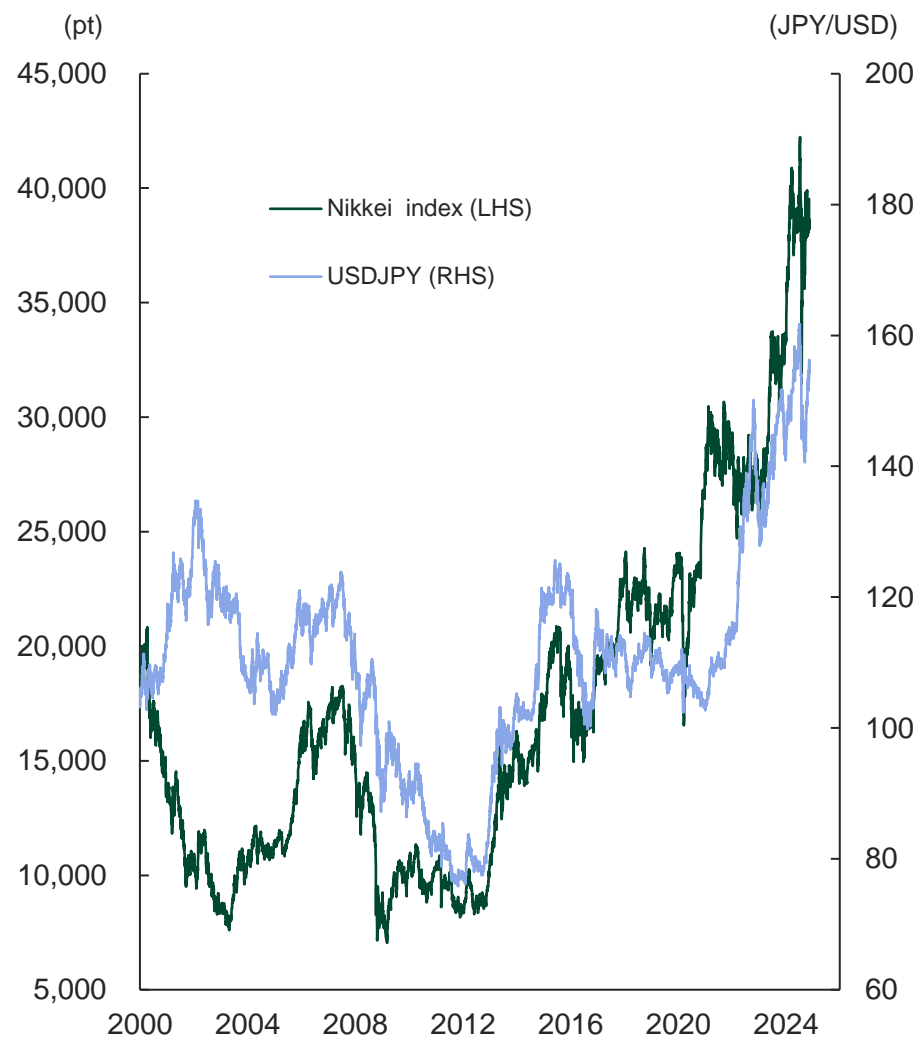


Japanese market

Interest rates

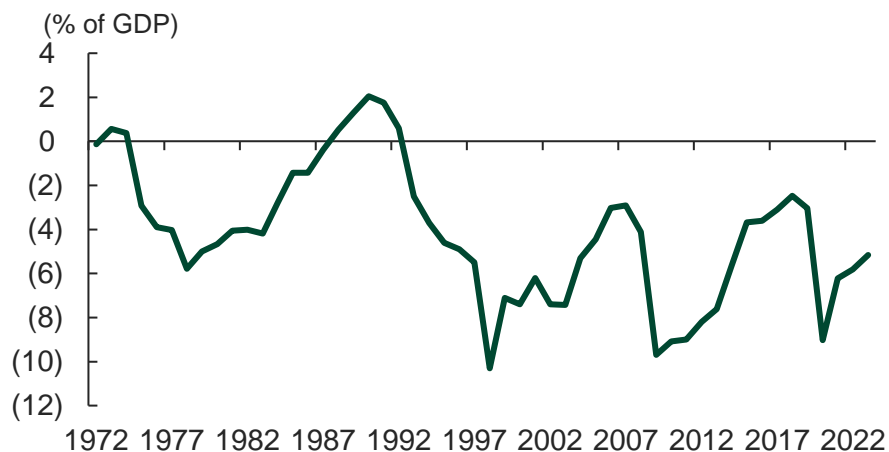


FX and Nikkei



Japanese financial balance

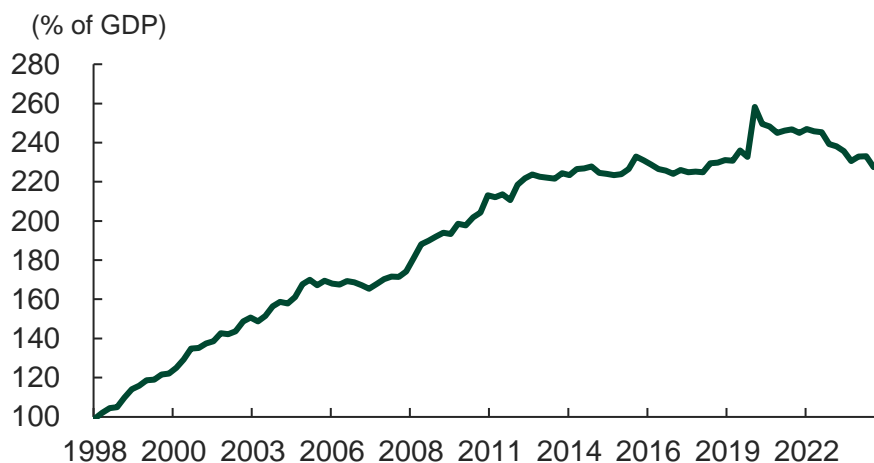
Fiscal Balance



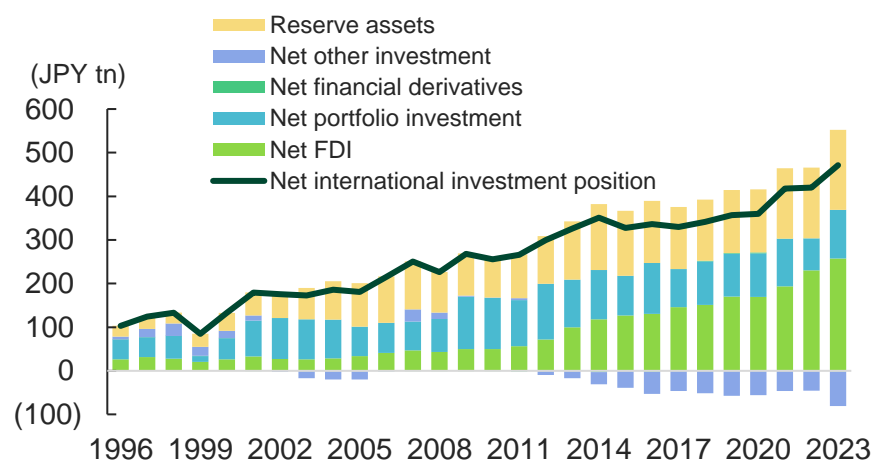
Current account balance



Fiscal Debt to GDP

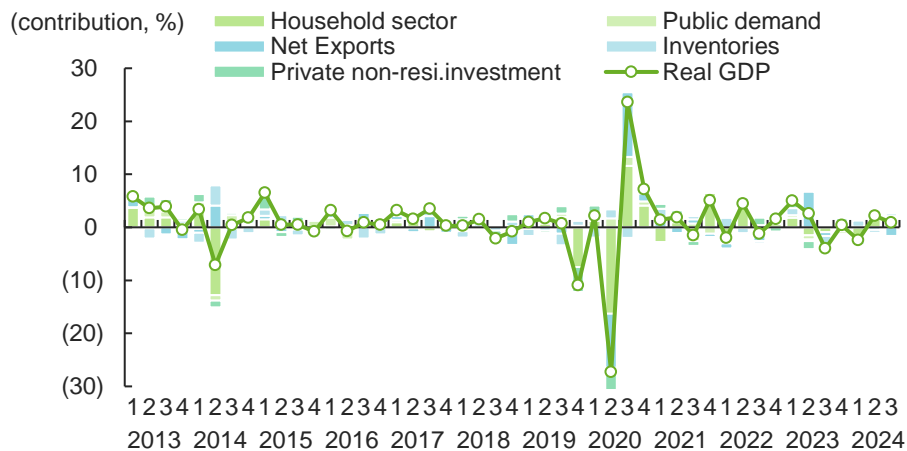


Net External Asset

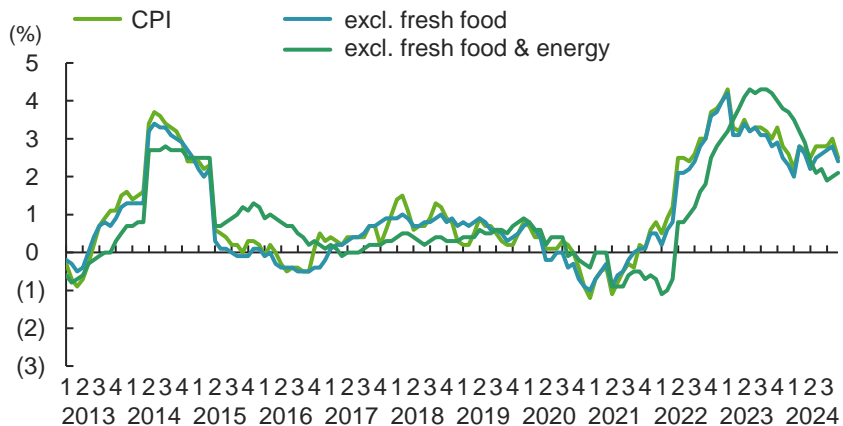


Japanese economy

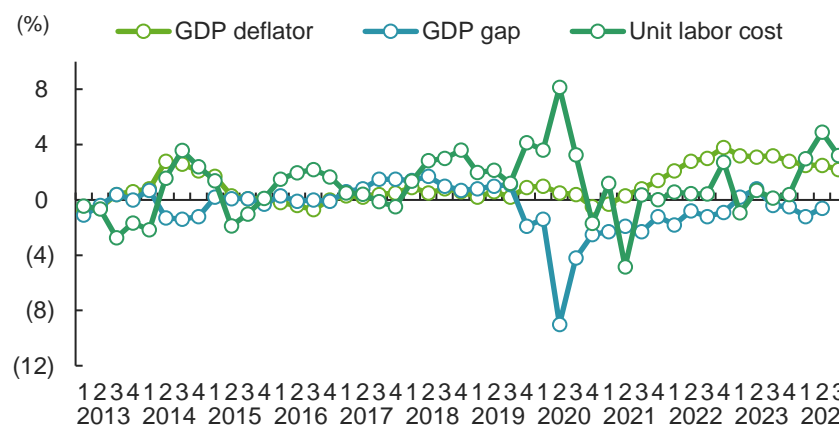
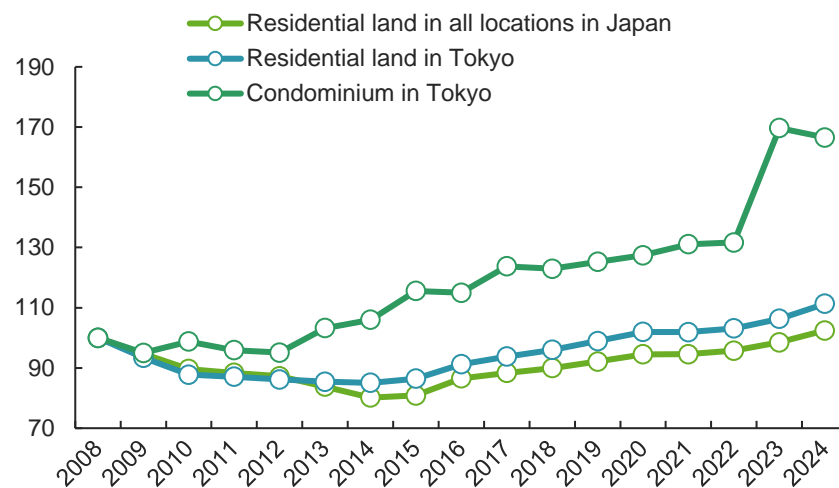
Real GDP growth rate (annualized QoQ change)*1



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