Investors Presentation

March 2023

SMBC SUMITOMO MITSUI FINANCIAL GROUP

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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)

	Dec.21	Mar.22	Dec.22
USD	JPY 115.01	JPY 122.41	JPY 132.71
EUR	JPY 130.51	JPY 136.81	JPY 141.43

Definitions

SMFG	Sumitomo Mitsui Financial Group, Inc.
SMBC	Sumitomo Mitsui Banking Corporation
SMBC Trust	SMBC Trust Bank
SMFL	Sumitomo Mitsui Finance and Leasing
SMBC Nikko	SMBC Nikko Securities
SMCC	Sumitomo Mitsui Card Company
SMBCCF	SMBC Consumer Finance
SMDAM	Sumitomo Mitsui DS Asset Management
SMBCAC	SMBC Aviation Capital
Major local subsidiaries	SMBC Bank International, SMBC Bank EU, SMBC (China)

Consolidated	SMFG consolidated
Non-consolidated	SMBC non-consolidated
Expenses (non-consolidated)	Excluding non-recurring losses
Net business profit	Before provision for general reserve for possible loan losses

Retail Business Unit (RT)	Domestic retail business
Wholesale Business Unit (WS)	Domestic wholesale business
Global Business Unit (GB)	International business
Global Markets Business Unit (GM)	Market / Treasury related businesses

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Agenda

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I. Financial Results

Income statement

Progress rate of 1-3Q: Consolidated net business profit 81%, Profit attributable to owners of parent 99%

Full-year target remains unchanged considering uncertain global economy.

	(JPY bn)	1-3Q FY3/23	YoY	FY3/23 target
1	Consolidated gross profit	2,377.4	+195.4	
2	G&A expenses	1,427.7	+97.3	
	Overhead ratio	*60.1%*	*(0.9)%*	
3	Equity in gains (losses) of affiliates	79.5	+25.4	
	Progress			
4	Consolidated net business profit (81%)	1,029.2	+123.5	1,265
5	Total credit cost	111.1	(46.6)	210
6	Gains (losses) on stocks	138.2	+3.5	
7	Other income (expenses)	(23.7)	(8.4)	
8	Ordinary profit	1,032.6	+165.2	1,120
9	Extraordinary gains (losses)	(2.5)	+2.7	
10	Income taxes	256.5	+24.2	
11	Profit attributable to owners of parent (99%)	766.0	+141.2	770
12	ROE	10.0%	+1.4%	

Consolidated gross profit: increased YoY due to
1) loan growth and related transactions in WS and GB, and
2) strong performance of payment business.
Impact of FX: +119

G&A expenses: maintained the same level YoY, excluding the impact of FX (+66) and consolidation of Fullerton India (+32).

Equity in gains of affiliates: increased YoY mainly due to gains on change in equity of Bank of East Asia.
Impact of FX: +10

Total credit cost: decreased YoY mainly due to the absence of reserves recorded for large borrowers in 3Q FY3/22.

Gains on stocks: increased YoY due to larger gains on sales of strategic shareholdings (108, YoY +33), while ETF sales decreased.

Impact of consolidating Fullerton India (JPY bn)

Consolidated gross profit	+40	Total credit cost	+7
G&A expenses (incl. goodwill amortization)	+32	Profit attributable to owners of parent	(3)
Consolidated net business profit	+8		

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(Ref.) Group companies

SMBC

	(JPY bn)	1-3Q FY3/23	YoY	FY3/23 target
1	**Gross banking profit**	1,287.9	+156.7	
2	o/w Net interest income	871.3	+128.4	
3	o/w Gains (losses) on cancellation of investment trusts	31.8	(6.9)	
4	Domestic	473.3	+46.5	
5	Overseas	398.0	+81.9	
6	o/w Net fees and commissions	336.5	+60.9	
7	Domestic	146.6	+10.8	
8	Overseas	189.9	+50.1	
9	o/w Net trading income+ Net other operating income	78.4	(32.7)	
10	o/w Gains (lossses) on bonds	(77.9)	(95.7)	
11	**Expenses**	653.4	+23.7	
12	**Banking profit**	634.4	+133.1	840
13	**Total credit cost**	54.3	(33.5)	80
14	**Gains (losses) on stocks**	127.9	+45.3	
15	**Extraordinary gains (losses)**	19.9	+5.7	
16	**Net income**	563.7	+219.2	590

Other major group companies

(left : results of 1-3Q FY3/22 / right : YoY)

(JPY bn)	SMCC		SMBCCF*1		SMBC Nikko*2	
Gross profit	331.5	+27.1	208.6	+3.9	188.8	(124.4)
Expenses	272.8	+22.4	91.2	+0.9	235.2	(10.6)
Net business profit	59.0	+5.1	110.4	(4.1)	(46.4)	(113.8)
Net income	26.4	+1.8	55.4	(6.5)	(41.3)	(88.8)

(Equity method affiliate)

	SMBC Trust		SMDAM		SMFL*3 50%	
Gross profit	40.8	+6.4	27.1	(1.6)	191.2	+29.1
Expenses	27.3	(6.1)	22.9	+0.5	85.4	+10.7
Net business profit	13.4	+12.5	4.2	(2.2)	113.4	+20.3
Net income	11.2	+11.4	2.5	(1.4)	61.2	+4.3

*1 YoY includes the impact of group reorganization
*2 Incl. profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG)
*3 Managerial accounting basis

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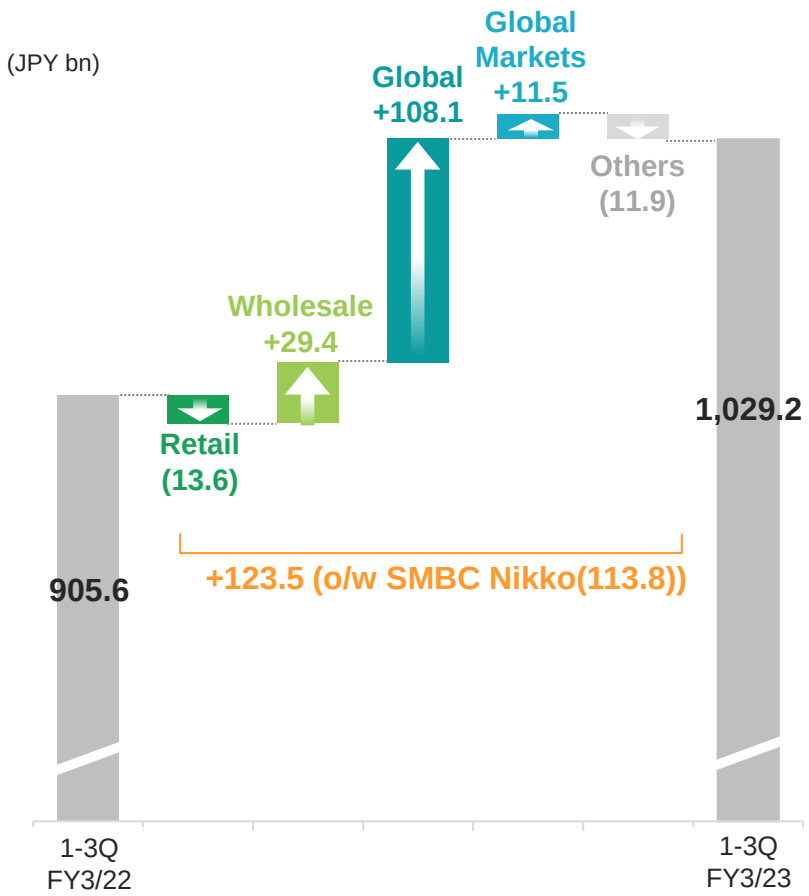
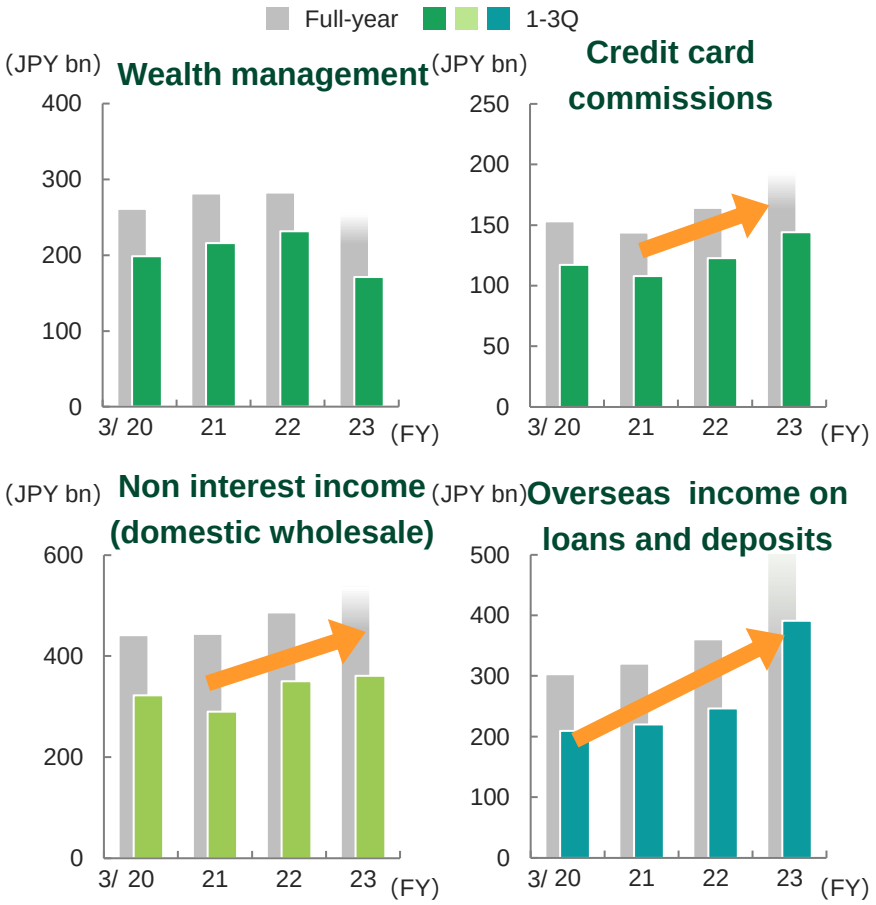
Consolidated net business profit

Remains solid with progress rate of 81.4% (YoY +123.5bn.) Profit decline in SMBC Nikko and the wealth management business was offset by strong growth of other businesses.

Breakdown of YoY



Business (Gross profit)



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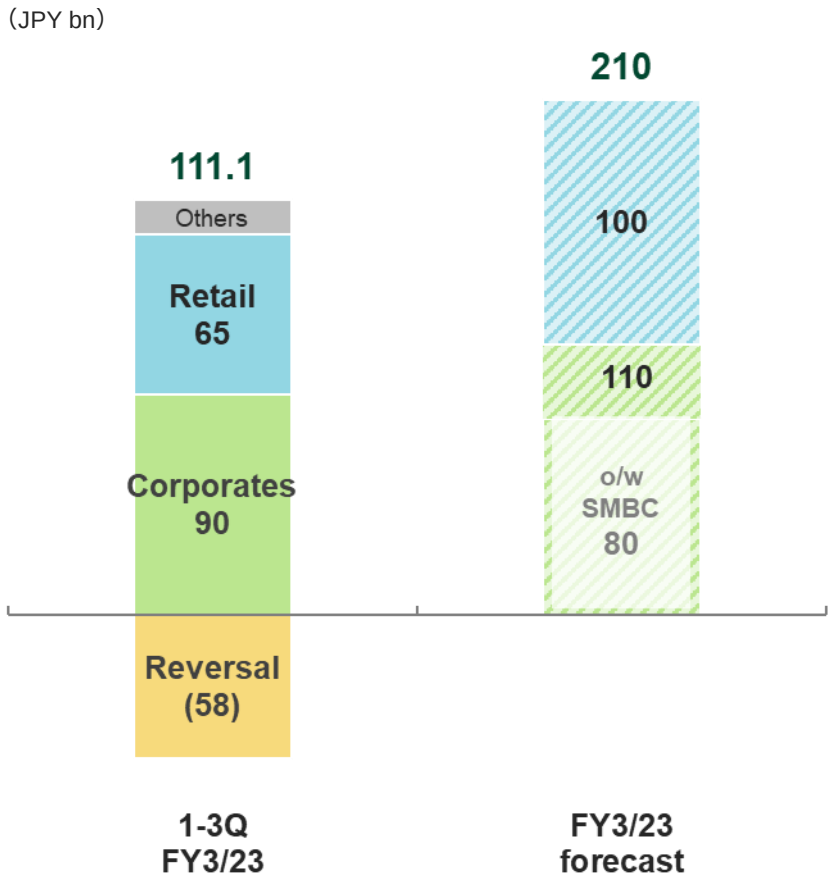
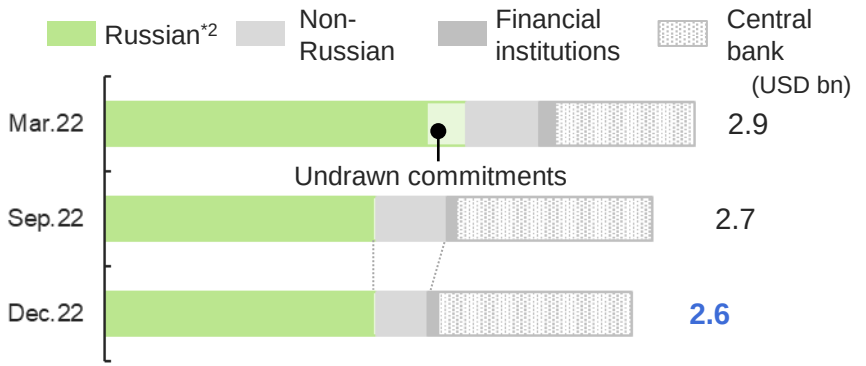
Credit costs / Financial impact from Russia

Credit cost was managed at low level compared with full-year forecast due to reversals.
Full-year forecast remains unchanged at JPY 210 bn considering uncertain global economy.

Credit costs



Banking exposure to Russia[*1]



Aircraft leasing

- Impairment of aircraft: JPY 47 bn in FY3/22 (52% of NBV– after net guarantee deposit, etc)
- Downside: Additional impairment (≤USD 460 mn[*3])
- All aircraft are insured, insurance claims are submitted

*1 Managerial accounting basis. Loans, commitment lines, guarantee investments, etc. of SMBC and local subsidiary calculated based on ultimate risk countries *2 Incl. project finance and ship finance
*3 After considering tax and ownership ratio (66%)

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FY3/23 target

Consolidated

(JPY bn)	1H FY23 Initial target	1H FY23 Results	FY23 Initial target	FY23 New target
Consolidated net business profit	600	721.9	1,235	1,265
Total credit cost	100	83.1	210	210
Ordinary profit	520	726.1	1,060	1,120
Profit attributable to owners of parent	350	525.4	730	770

- Revision of FX assumption[*1]: +60
- Strong core business: +30
- Uncertainties: (60)
- Higher gain on stocks: +30

Non-consolidated

(JPY bn)	1H FY23 Initial target	1H FY23 Results	FY23 Initial target	FY23 New target
Banking profit	370	484.5	730	840
Total credit cost	40	63.5	80	80
Ordinary profit	360	541.4	710	850
Net income	260	399.8	490	590

*1 From JPY120/USD to JPY140/USD

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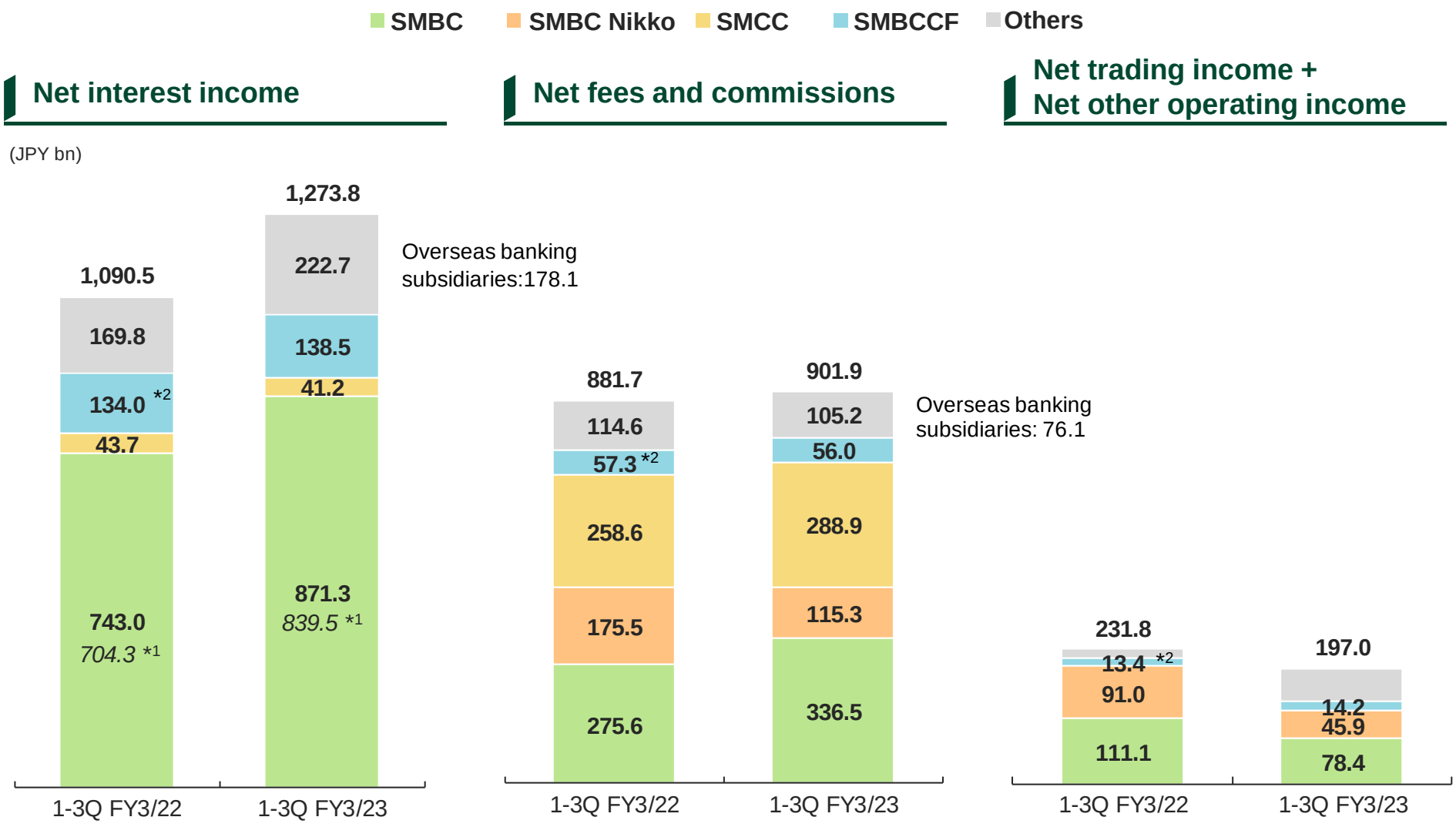
Consolidated gross profit



*1 Excl. gains on cancellation of investment trusts *2 Incl. impact of group reorganization

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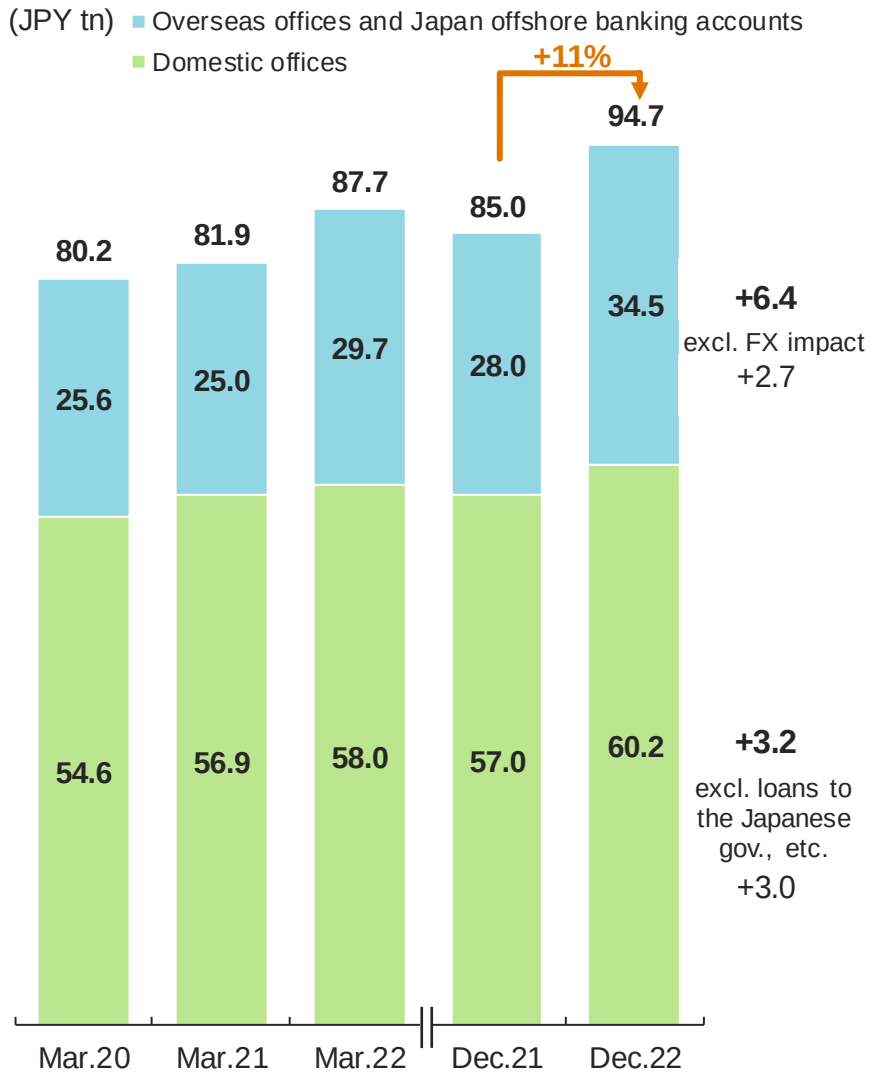
Loans*1

Loan balance



Domestic loan-to-deposit spread

(%)	1-3Q FY3/23	YoY	1Q	2Q	3Q
Interest earned on loans and bills discounted	0.83	(0.01)	0.83	0.84	0.81
Interest paid on deposits, etc.	0.00	+0.00	0.00	0.00	0.00
Loan-to-deposit spread	0.83	(0.01)	0.83	0.84	0.81
(Ref.) Excludes loans to the Japanese government, etc.					
Interest earned on loans and bills discounted	0.85	(0.01)	0.85	0.86	0.83
Loan-to-deposit spread	0.85	(0.01)	0.85	0.86	0.83

Average loan balance and spread*2

	Balance (JPY tn)		Spread (%)	
	1-3Q FY3/23	YoY*4	1-3Q FY3/23	YoY
Domestic loans	57.1	+1.9	0.71	(0.01)
Excluding loans to the Japanese government, etc.	54.5	+1.7	0.73	(0.01)
o/w Large corporations	19.5	+0.8	0.55	+0.02
o/w Mid-sized corporations & SME	19.8	+0.8	0.62	+0.01
o/w Individuals	11.8	(0.2)	1.36	(0.03)
GBU's interest earning assets*3	361.3 USD bn	+38.6 USD bn	1.24	+0.04

*1 Non-consolidated *2 Managerial accounting basis
*3 Sum of SMBC, major local subsidiaries and SMBC Trust, etc. Sum of loans, trade bills, and securities
*4 After adjustments for exchange rates, etc.

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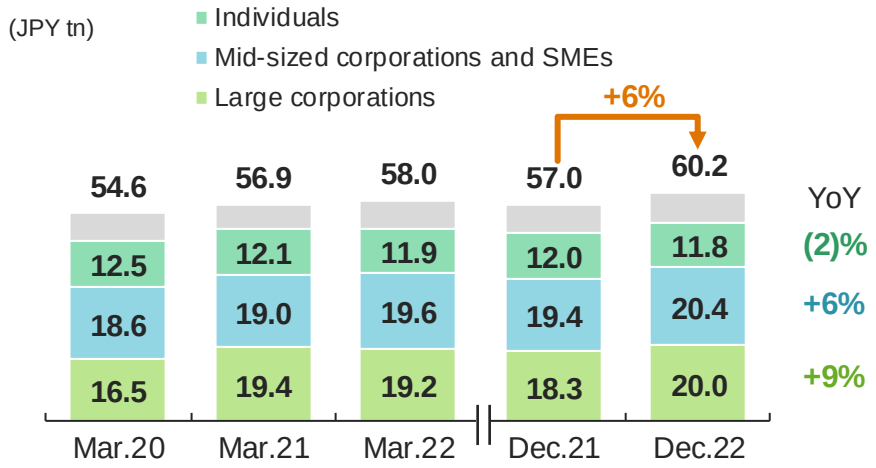
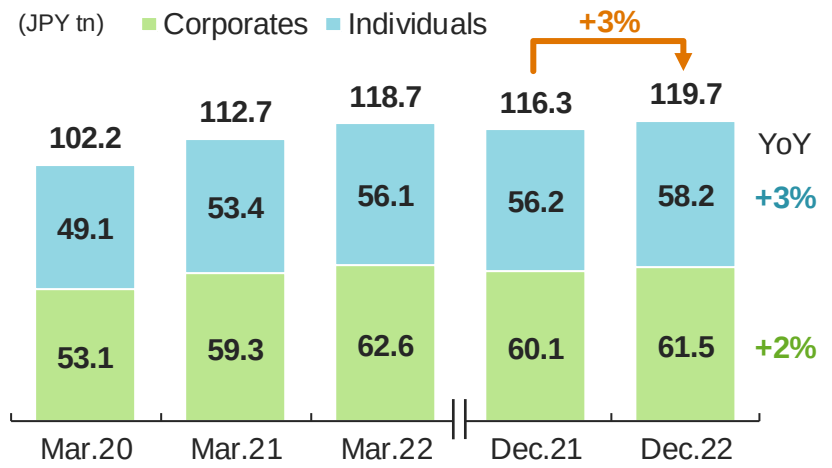
Domestic loans and deposits*1

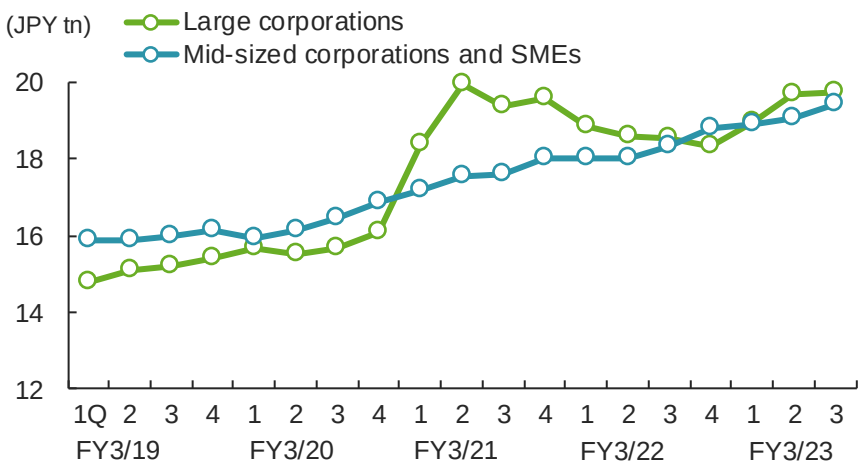
Loan balance*2



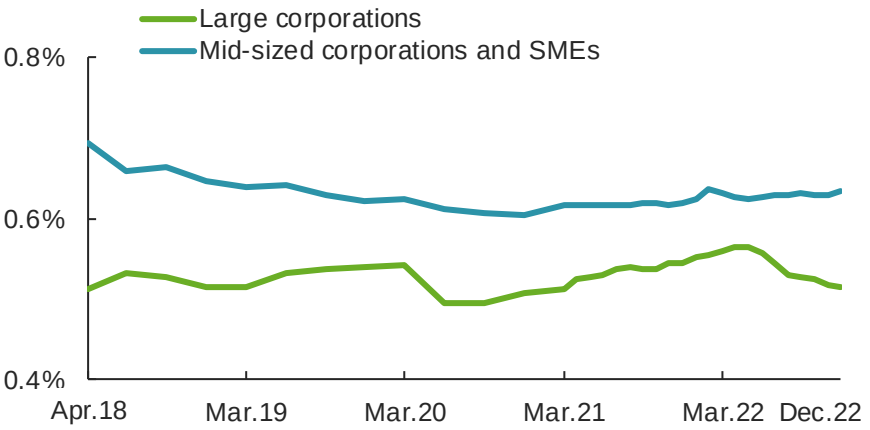
Deposit balance



Loan average balance for corporates*2,3



Loan spread for corporates*2,4



*1 Non-consolidated *2 Managerial accounting basis *3 Quarterly average, excluding loans to the Japanese government.
Figures for SMEs are the outstanding balance of Corporate banking division
*4 Loan spread of existing loans, excluding loans to the Japanese government

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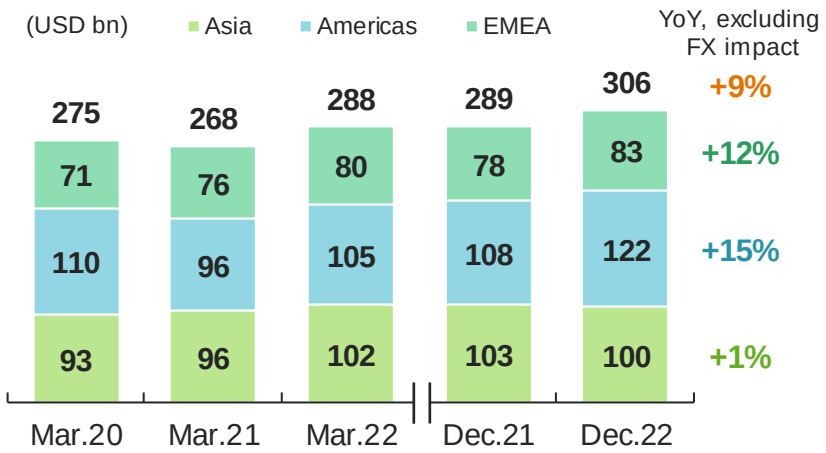
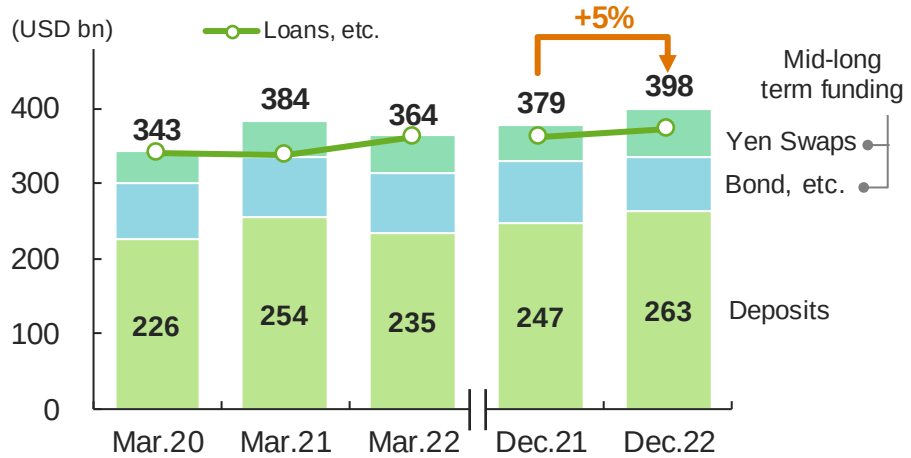
Overseas loans and deposits*1

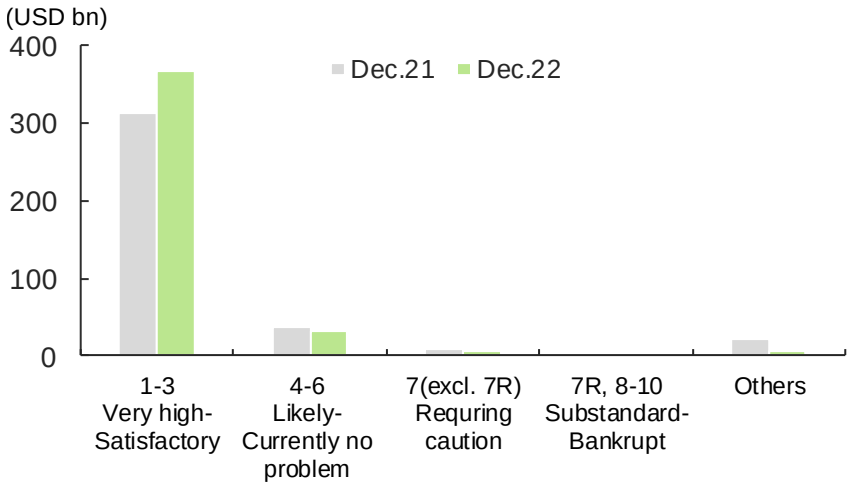
Loan balance



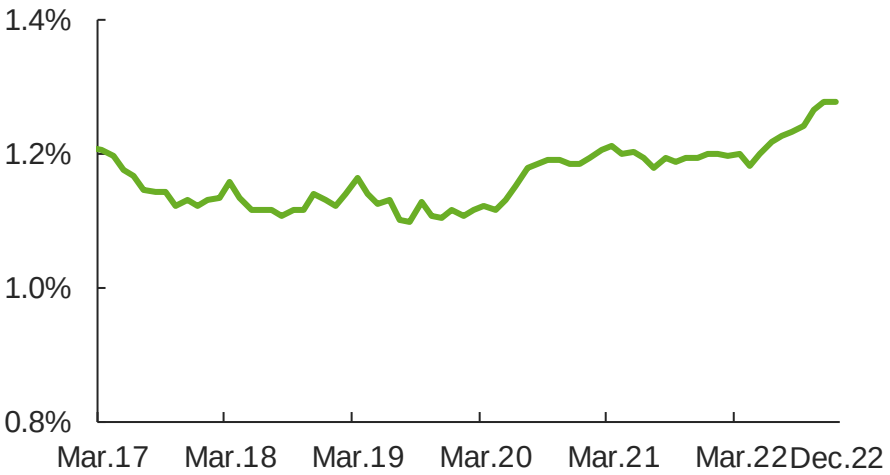
Foreign currency balance



Breakdown of exposure*2 by internal ratings



Loan spread*3



*1 Managerial accounting basis. Sum of SMBC and major local subsidiaries
*2 To non-Japanese clients, incl. undrawn commitments, and derivatives, etc.
*3 Monthly average loan spread of existing loans

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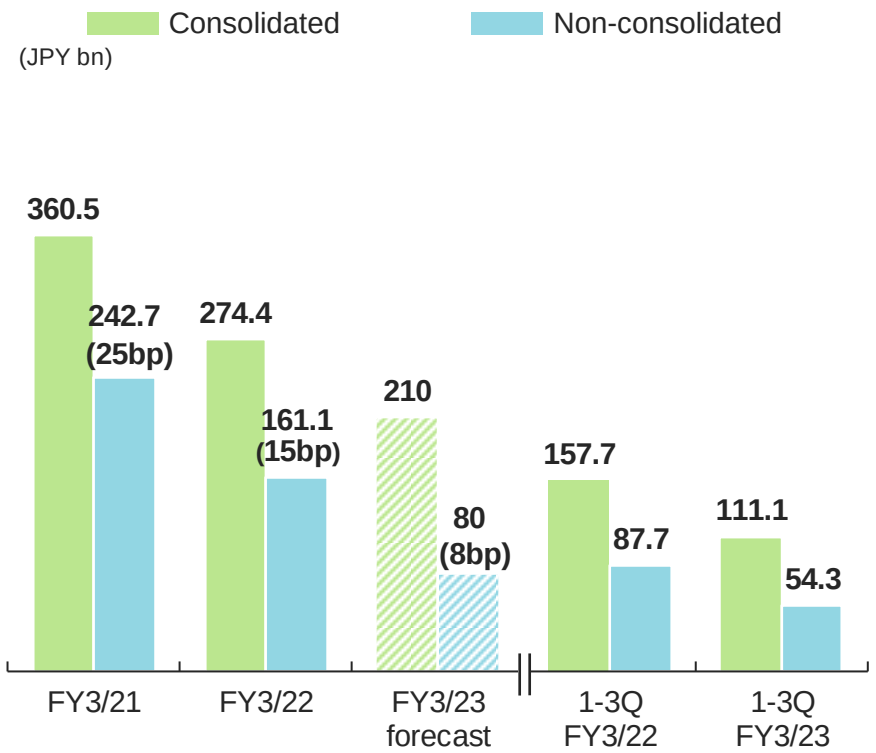
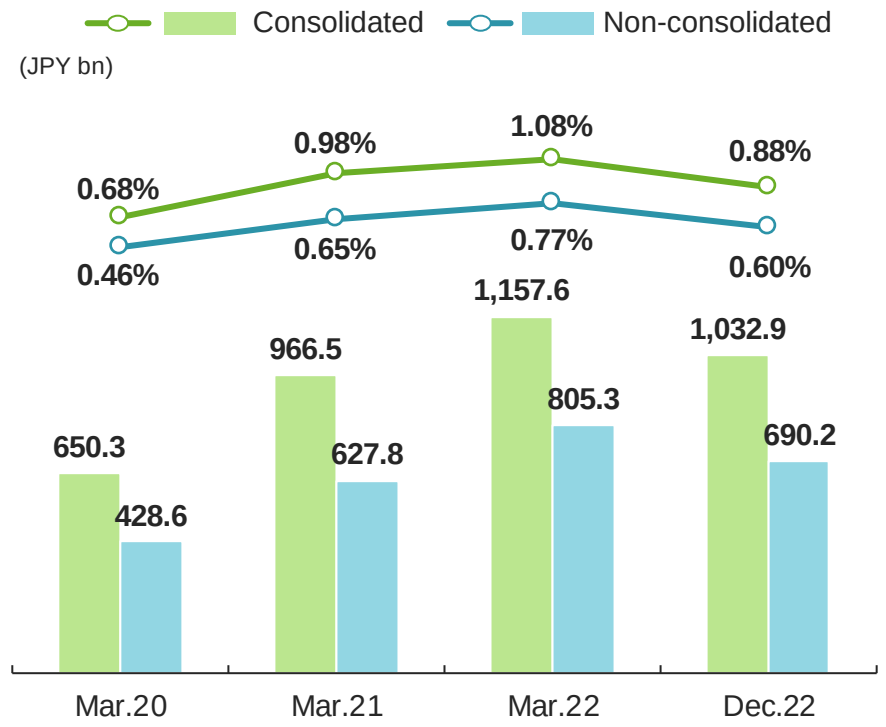
Asset quality

Credit costs*1



Non-performing loan balance*2



Major group companies

(JPY bn)	1-3Q FY3/23	YoY
SMBCCF	42	+5 *3
SMCC	23	+5
Overseas banking subsidiaries	5	(10)
Adjustments of FX	(10)	(10)

Total claims

(JPY tn)

Consolidated	99	107	117
Non-consolidated	96	104	114
Claims on borrowers requiring caution (excl. claims to substandard borrowers)			
Non-consolidated	1.9	1.9	1.8

*1 Total credit cost ratio = Total credit cost / Total claims
*2 NPL ratio = NPLs based on the Financial Reconstruction Act (excluding normal assets) / Total claims
*3 Incl. the impact of group reorganization

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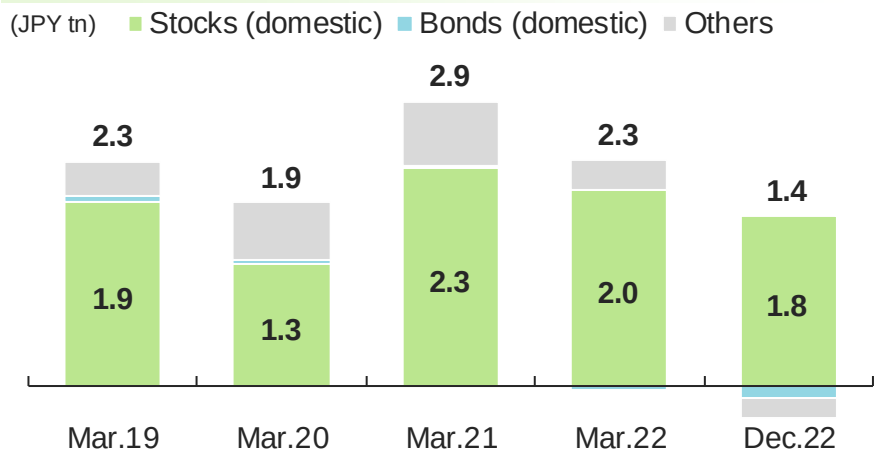
Securities (1)

Breakdown of securities (consolidated)

(JPY bn)	B/S amount		Unrealized gains (losses)	
	Dec.22	vs Mar.22	Dec.22	vs Mar.22
Held-to-maturity	150.3	+124.6	(1.8)	(1.6)
Available for sales	30,329.4	(7,785.6)	1,430.8	(846.4)
Stocks (domestic)	3,166.4	(237.0)	1,757.3	(276.3)
Bonds (domestic)	13,174.3	(6,386.1)	(130.7)	(80.7)
o/w JGBs	9,441.0	(6,333.2)	(75.7)	(28.6)
Others	13,988.7	(1,162.5)	(195.8) *1	(489.4)
o/w Foreign bonds	11,554.1	(501.6)	(855.3)	(406.5)

Risk volume is controlled by hedging and others

Unrealized gains

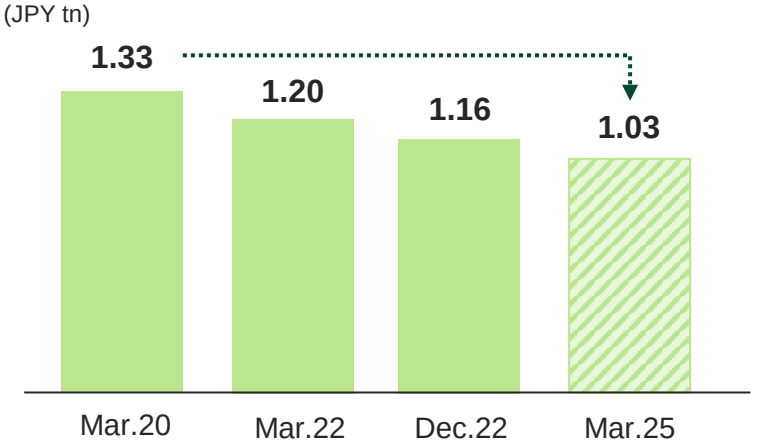


Reduction of shareholdings

Total reduction	**JPY 169 bn**
FY3/21	JPY 55 bn
FY3/22	JPY 67 bn
1-3Q FY3/23	JPY 46 bn
Consent of sales from clients outstanding	**JPY 70 bn**
Reduction + Consent	**JPY 239 bn**

Reduction plan*2

Reduce JPY 300 bn in 5 years (FY3/21-FY3/25)



*1 The difference between foreign bonds and others is unrealized gain on foreign stocks
*2 Excl. investments after Mar.20 for business alliance purpose

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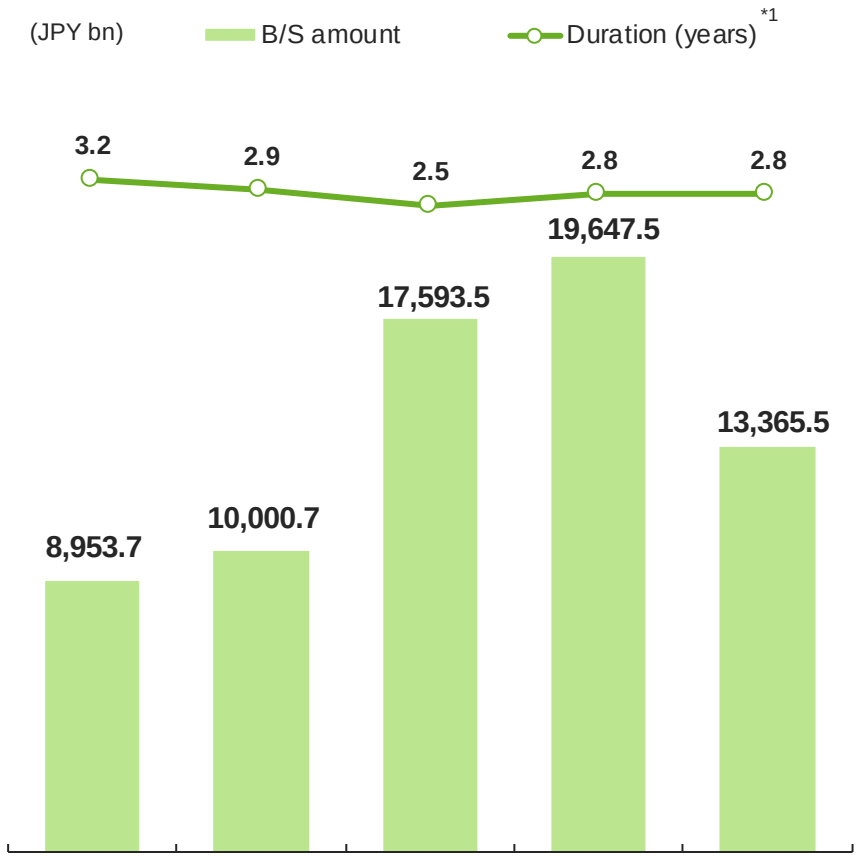
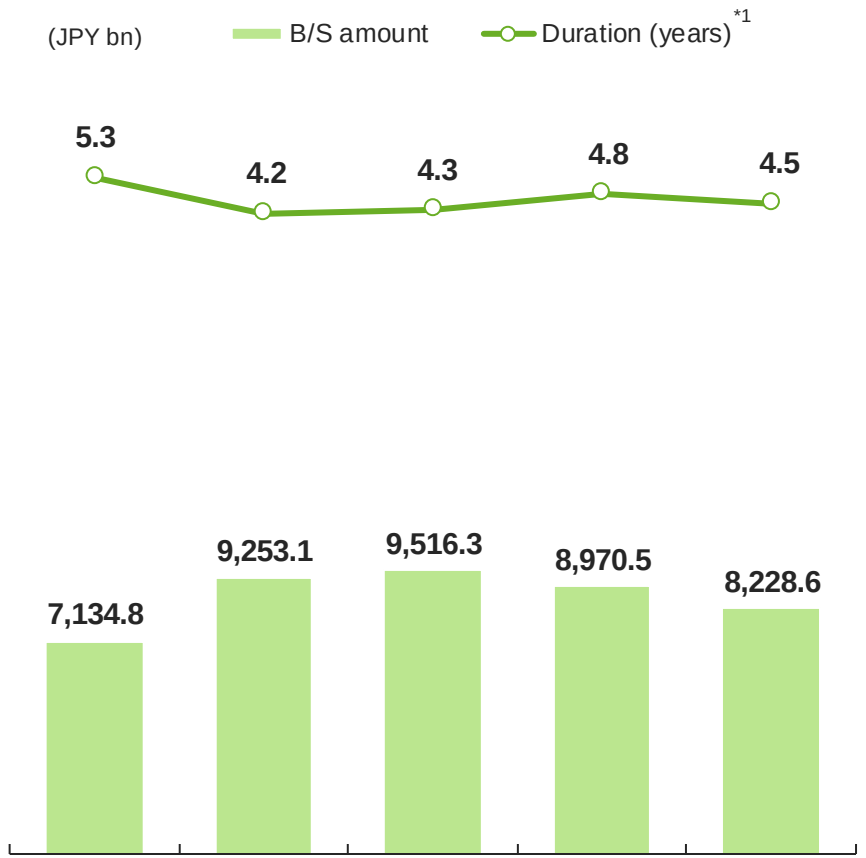
Securities (2)

Yen-denominated bonds (Non-consolidated)



	Mar.19	Mar.20	Mar.21	Mar.22	Dec.22
Unrealiized gains(losses)		21.4	7.9	(49.7)	(128.7)

Foreign bonds (Non-consolidated)



	Mar.19	Mar.20	Mar.21	Mar.22	Dec.22
Unrealiized gains(losses)		183.4	(40.7)	(403.1)	(735.1)

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

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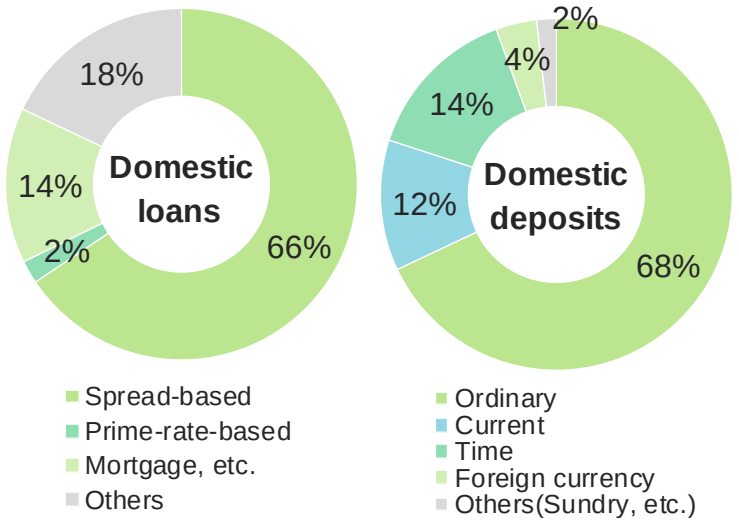
Balance sheet

Consolidated

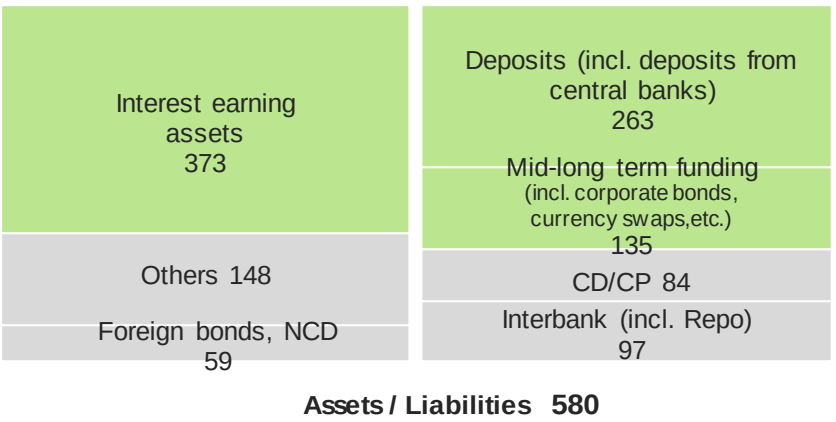
(JPY tn)	Dec.22	vs Mar.22
Total assets	**264.6**	**+6.9**
o/w Cash and due from banks	67.7	(7.1)
o/w BOJ's current account balance*1	52.1	(6.5)
o/w Loans	98.9	+8.1
o/w Domestic loans*1	60.2	+2.2
o/w Large corporations*2	20.0	+0.8
うち Mid-sized corporations & SMEs*2	20.4	+0.8
うち Individuals*2	11.8	(0.0) *3
o/w Securities	31.1	(7.4)
o/w Other securities	30.3	(7.8)
o/w Stocks	3.2	(0.2)
うち JGBs	9.4	(6.3)
うち Foreign bonds	11.6	(0.5)
Total liabilities	**252.2**	**+6.7**
o/w Deposits	155.7	+7.1
o/w Domestic deposits*1	119.7	+1.0
Individuals	58.2	+2.0
Corporates	61.5	(1.0)
o/w NCD	13.8	+0.7
Total net assets	**12.5**	**+0.3**
Loan to deposit ratio	**58.4%**	

Composition of loans and deposits*1,2



Non-JPY B/S*2,4

(USD bn)



Assets / Liabilities 580

*1 Non-consolidated *2 Managerial accounting basis
*3 After adding back the portion of housing loans securitized in 1-3Q FY3/23 of JPY 103.6 bn
*4 Sum of SMBC and major local subsidiaries

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Capital / RWA

	Dec. 22	Requirement[*1]
Capital ratio		
Total capital ratio	**15.73%**	11.5%
CET1 ratio (Transitional basis)	**13.88%**	8%
excl. net unrealized gains on other securities	**12.5%**	-
CET1 ratio (Finalized Basel III basis)	**10.8%**	8%
excl. net unrealized gains on other securities	**10.2%**	-
External TLAC ratio		
RWA basis	**23.68%**	18.0%
Leverage exposure basis	**9.18%**	6.75%
Leverage ratio	**4.98%**	3%
LCR (Average 3Q FY3/23)	**128.7%**	100%

(JPY bn)	Mar. 22	Dec. 22
Total capital	**11,983.8**	**12,120.5**
Tier1 capital	11,186.2	11,391.7
o/w CET1 capital	10,458.4	10,692.0
Tier2 capital	797.5	728.7
External TLAC	**20,628.1**	**21,003.5**
Risk-weighted assets	**72,350.1**	**77,025.3**
Leverage exposure	**216,080.4**	**228,592.4**

*1 Excl. countercyclical buffer

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Results by Business Unit (1)

Retail

(JPY bn)	1H FY3/23	YoY[*1]
Gross profit	553.8	(18.3)
Income on loans and deposits[*2]	56.5	(2.3)
Wealth management business	110.7	(41.5)
Payment business	216.2	+21.2
Consumer finance business	156.0	+3.8
Expenses	456.2	(5.2)
Base expenses	353.7	(12.6)
Net business profit	99.7	(11.8)
ROCET1[*3]	6.2%	(3.3)%
RWA (JPY tn)	12.7	+0.1

Wholesale

(JPY bn)		1H FY3/23	YoY[*1]
Gross profit		367.4	+18.6
SMBC	Income on loans and deposits	126.6	+13.2
	FX and money transfer fees	69.4	+7.7
	Loan syndication	21.1	+2.2
	Structured finance	3.6	(3.2)
	Real estate finance	6.6	(0.9)
Securities business		15.8	(13.2)
Expenses		145.5	(4.5)
Base expenses		144.1	(1.6)
Net business profit		259.2	+30.3
ROCET1[*4]		13.9%	+3.2%
RWA (JPY tn)		30.6	+0.8

*1 After adjustments of the changes of interest rates and exchange rates *2 Excluding consumer finance
*3 Excluding impact from the provision for losses on interest repayments, etc.
*4 Excluding mid-long-term funding costs

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Results by Business Unit (2)

Global

(JPY bn)	1H FY3/23	YoY[*1]
Gross profit	601.1	+77.5
Income on loans and deposits	253.2	+42.2
Loan related fees	108.0	+14.6
Securities business	19.9	(18.8)
Expenses	314.7	+33.1
Base expenses	297.2	+27.3
Net business profit	332.4	+71.5
ROCET1[*2]	10.7%	+1.5%
RWA (JPY tn)	50.8	+4.7

Global Markets

(JPY bn)	1H FY3/23	YoY[*1]
Gross profit	266.0	+8.6
SMBC's Treasury Unit	187.2	(4.6)
Expenses	56.7	+4.4
Base expenses	54.5	+3.7
Net business profit	224.7	+6.5
ROCET1[*3]	20.2%	(0.2)%
RWA (JPY tn)	4.9	(1.9)

*1 After adjustments of the changes of interest rates and exchange rates
*2 Excluding impact from mid-long term funding costs
*3 Including impact from the interest-rate risk associated to the banking account

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Progress of Medium-Term Management Plan by Business Unit

	ROCET1[*1,2]			Net Business Profit (JPY bn) [*2]			RWA (JPY tn) [*2]		
	1H FY3/23	YoY	FY3/23 Target[*3]	1H FY3/23	YoY	FY3/23 Target	Sep.22	vs. Mar.20	Mar.23 Target
Retail	6.2%	(3.3)%	12%	99.7	(11.8)	305	12.7	+0.2	+0.4
Wholesale	13.9%	+3.2%	9%	259.2	+30.3	440	30.6	+1.9	+1.6
Global	10.7%	+1.5%	9%	332.4	+71.5	465	50.8	+5.8	+2.6
Global Markets	20.2%	(0.2)%	17%	224.7	+6.5	355	4.9	(1.0)	+1.5

*1 Excl. impact from the provision for losses on interest repayments for Retail
Excl. the impact from the medium- to long-term foreign currency funding costs for Wholesale and Global
Incl. impact from the interest-rate risk associated to the banking account for Global Markets
*2 Managerial accounting basis of FY3/23, after adjustments of the changes of interest rates and exchange rates
*3 Managerial accounting basis of FY3/21

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II. Progress of Medium-Term Management Plan

Progress of Medium-Term Management Plan

Core Policy

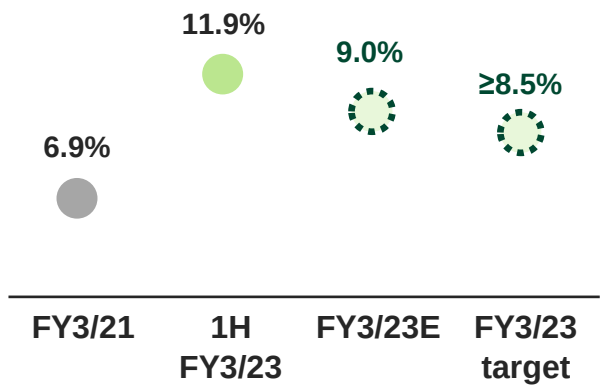
Transformation	Growth	Quality
Transform existing businesses	Seek new growth opportunities	Elevate quality in all aspects
Business strategies		Management base

Accelerating trends

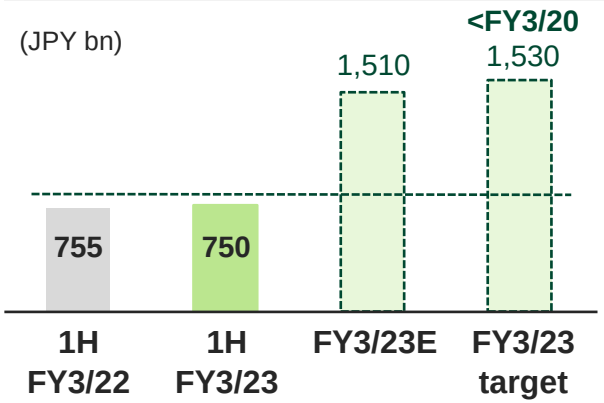
Digital　　Green

Financial targets

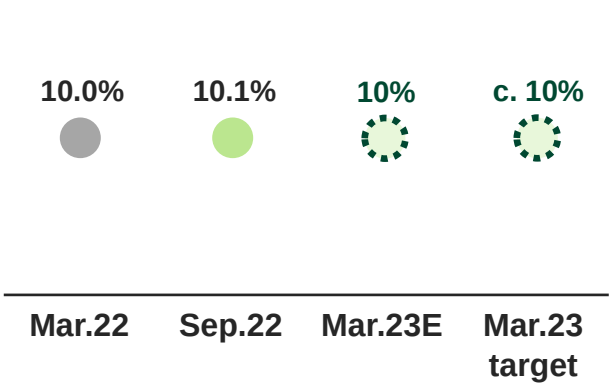
ROCET1



Base expenses*1



CET1 ratio*2



*1 G&A expenses excluding cost related to investment for future growth, revenue-linked variable cost and others. Exchanged at USD1=JPY105　*2 Post-Basel III reforms basis, excludes net unrealized gains on other securities

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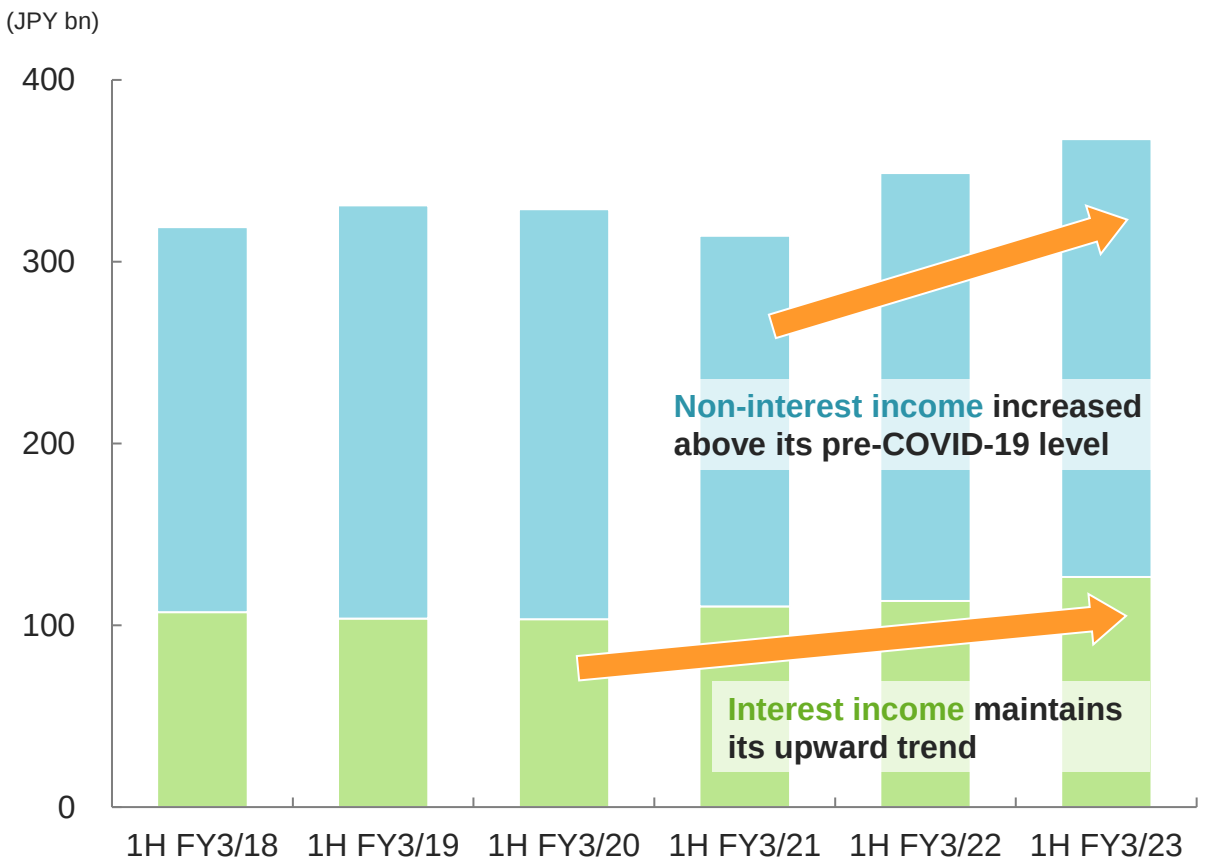
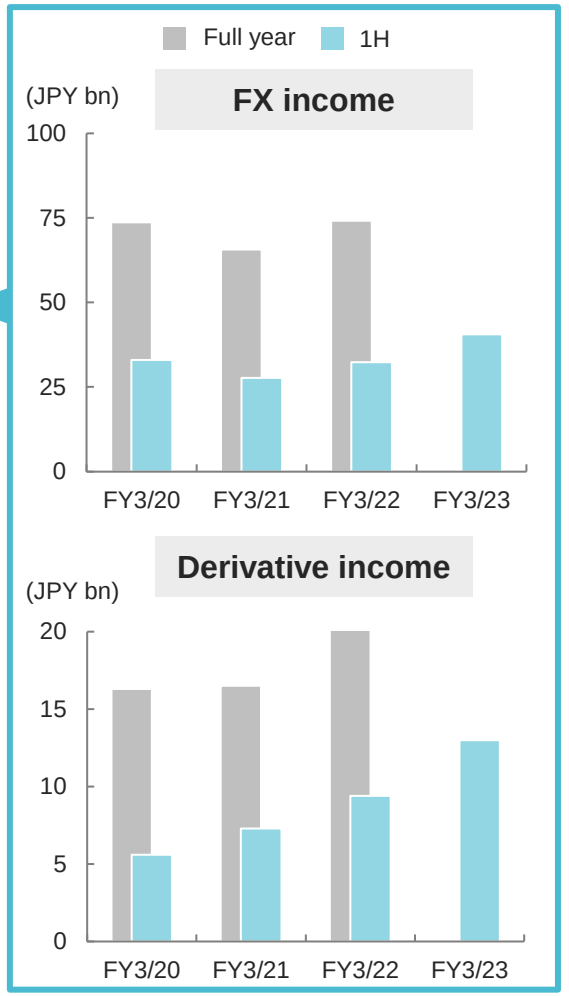
Transformation & Growth (1) Domestic wholesale business

Domestic wholesale business made good progress on the back of increasing corporate activities.
Especially, non-interest income was strong due to FX and derivatives under a volatile market environment.

Consolidated gross profit (WS)





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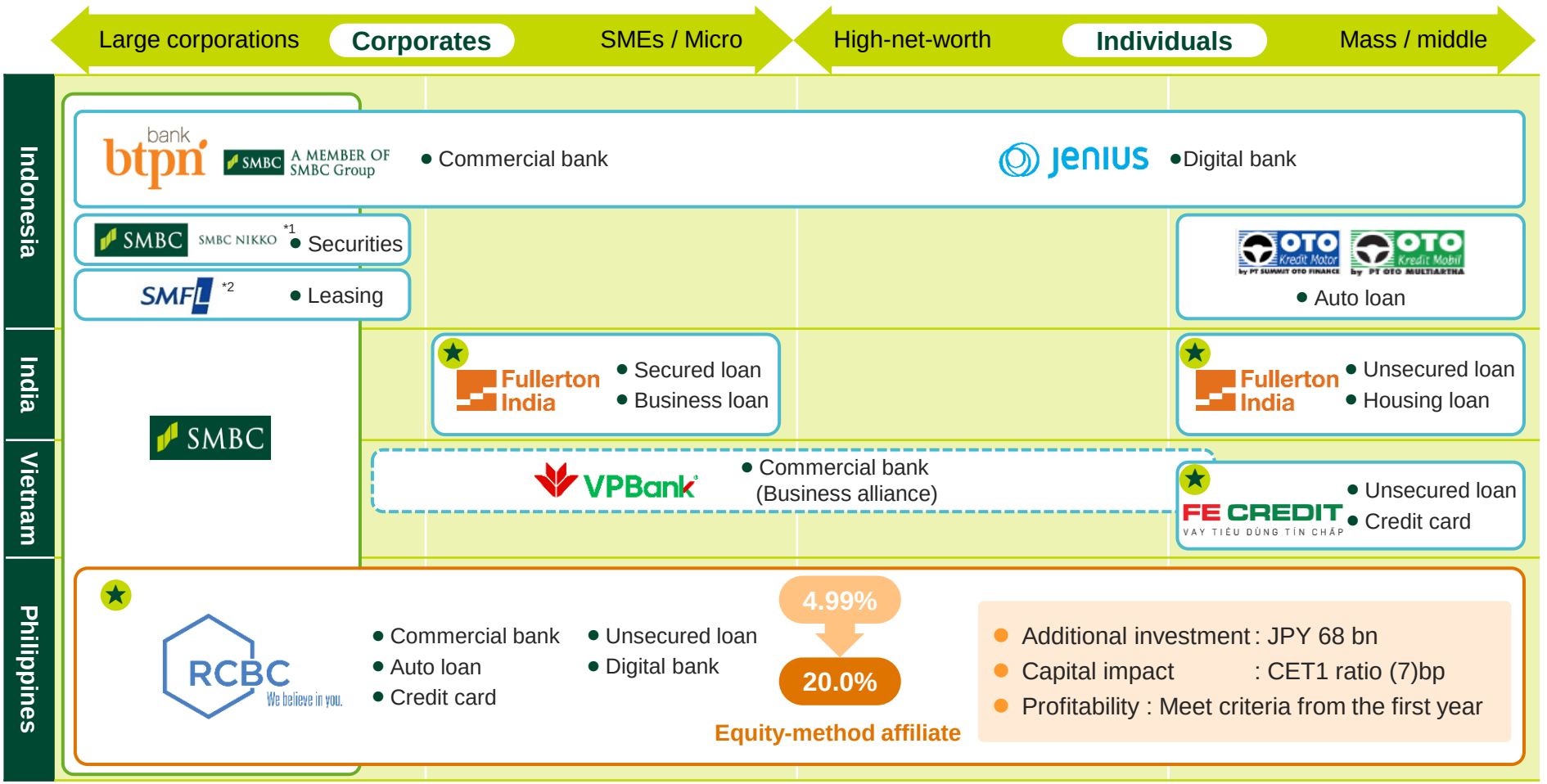
Transformation & Growth (2) Multi-franchise strategy

Accelerate the multi-franchise strategy by making RCBC into an equity-method affiliate.



*1 PT Nikko Sekuritas Indonesia *2 PT SMFL Leasing Indonesia

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(Ref.) Progress of investment

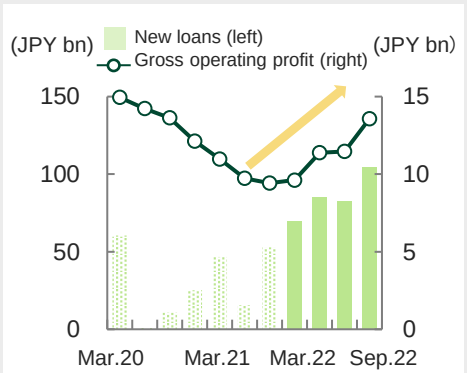
Fullerton India

Investment ratio 74.9%

Action Enter growing retail and SME businesses

Strong recovery from COVID-19
- Recovering demand for new loans
- Lower credit costs

Synergies
- Promote sales finance
- Support funding
- Collaborate with fintech



FE Credit

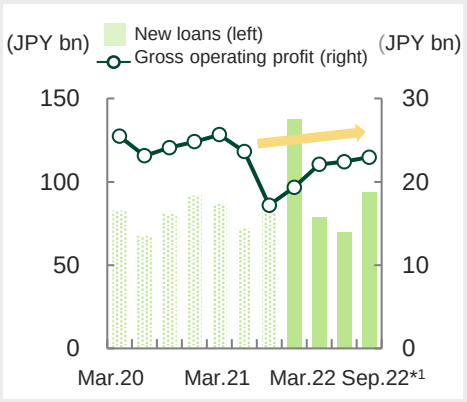
49%

Action Access the retail market with the industry's largest player

Delayed recovery from COVID-19
- Credit costs remain high

Synergies
- Introduce Japanese clients (started sales of new products)
- Support funding
- Collaborate with fintech

Collaborate w/ VP Bank



RCBC

To be completed in 1Q FY3/24

20%

Action Expand business areas by collaborating with a local commercial bank

- **Announced an additional investment in RCBC to make it an equity-method affiliate**
- **Accelerate its growth by collaborating on a group-wide basis**

Jefferies

4.3%

Action Strengthen CIB business in the U.S.

- **Expand business collaboration**
  Collaborating in EMEA and new sectors/ products in addition to Sub-IG, cross-border M&A, and U.S. healthcare
- **Consider further alliance**

Goshawk

To be completed by Dec.22

66%

Action Establish top-class position in the market

- **Expect to integrate management in a few years**
- **Strengthen asset-turnover business (JOL / aircraft funds)**
- **Aim for net income of USD 700 mn in five years**

*1 Preliminary figures

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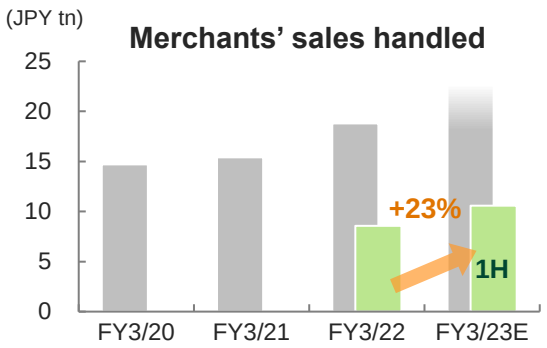
Transformation & Growth (3) Payment business

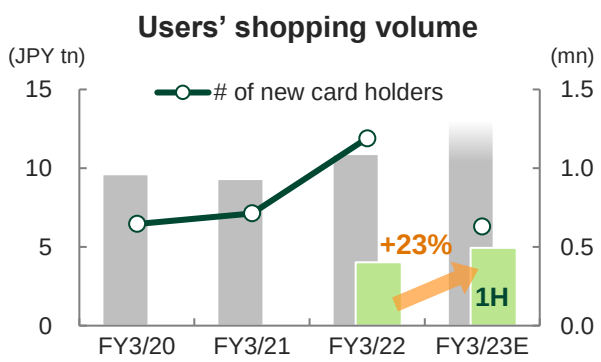
Credit card business: recovery of consumption is accelerating the growth of both acquiring and issuing.
Consumer finance: loan balance bottomed out with the # of new contracts exceeding its pre-COVID level.

Growth of credit card business

Acquiring



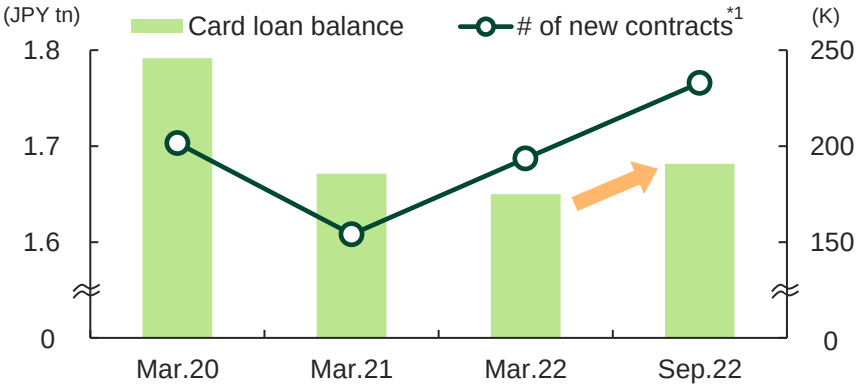
Issuing



Number-less Card

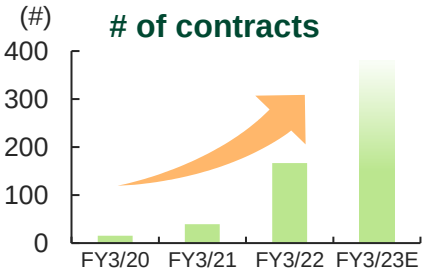
V-Point app

Recovery of consumer finance



Data analysis marketing

Custella



New services

- Market trend
- Revenue trend
- Issue analysis
- Advertisement
- \+
- AI analysis
- Attitude survey
- Marketing area analysis

*1 Half-yearly average for FY3/20-22

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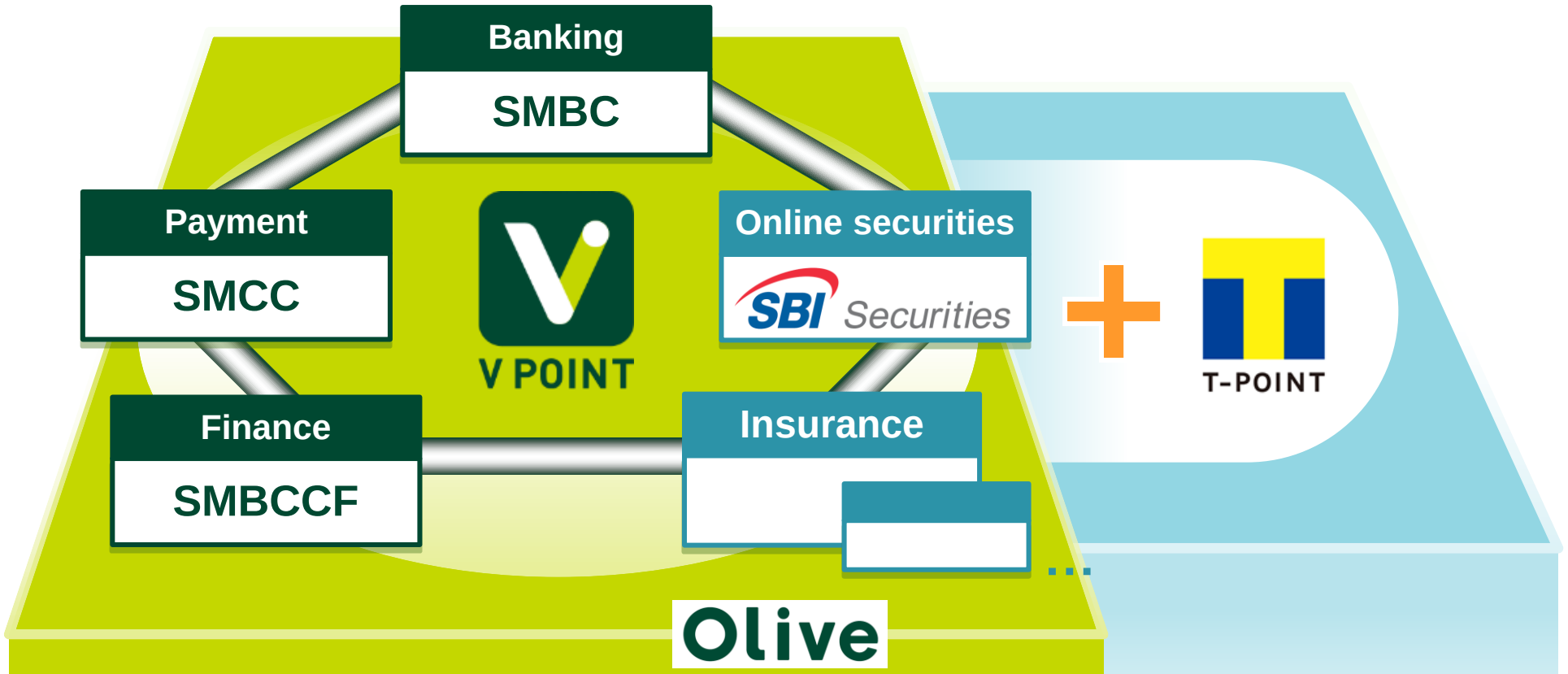
Digital (1) Expand retail platform through digitalization

Build No.1 retail financial platform by providing various services seamlessly and leveraging alliances with external partners.



New digital financial service for retail customers (in Mar. 23)

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Digital (2) New challenge: U.S. digital retail banking

Expand business step by step in the huge U.S. retail banking market by leveraging our uniqueness

U.S. retail banking market

Top-line revenue*1

USD **720** bn

CAGR **+5%**

jenius bank™

Year 10

Bottom-line profit

USD **<500** mn

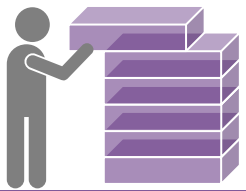
ROE

≥10%

Step by Step

Phase1 (2023-) Build business base

- Flexible system development
- High-quality customer base (Accumulate assets)

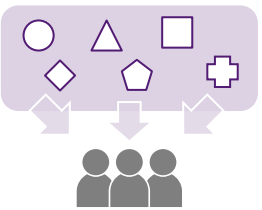


Phase2 Differentiate/ expand profit

- Continuous UI/UX improvement
- Expand marketing

Phase3 Establish platform

- Expand product line-ups
- Cross-selling



Uniqueness

1 Latecomer Advantage

- No legacy cost
- Latest core system

2 Customer experience

- UI/UX
- Personalization

3 SMBC's support

- Banking license
- Capital support

*1 Estimated figures

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Green (1) Decarbonization solutions

Provide a wide range of solutions to support clients' efforts for decarbonization.

New businesses with Marathon Capital

MARATHON CAPITAL

Sector knowledge in renewable/ clean energy

Clean energy advisor*1
1

SMBC

Global network/ finance

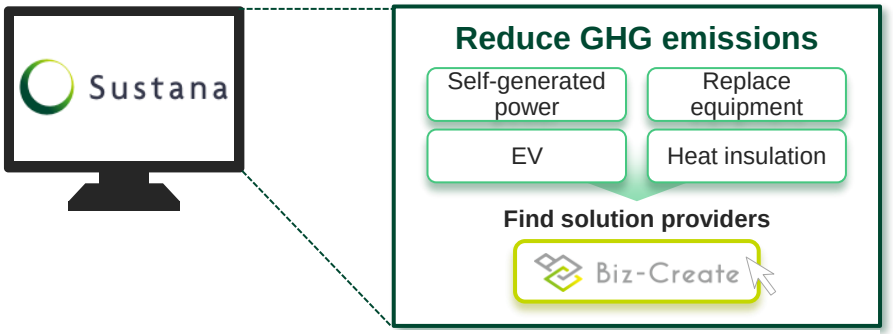
Renewable energy project finance*2
1

Collaborate in ESG areas

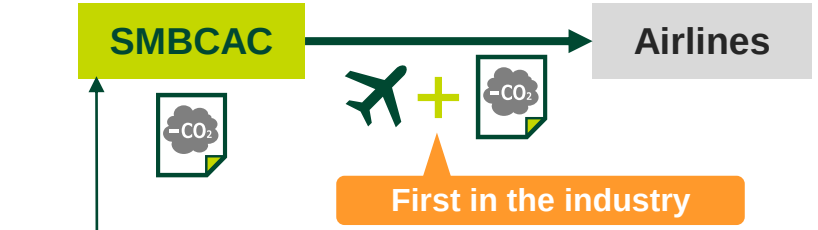
Renewable/ clean energy finance	Support for energy transition	Advisory in energy sector

Sustana

Sep. 22 **Added a function that recommends measures to reduce GHG emissions**



Carbon credit sales in aircraft leasing



- Invest in carbon credit projects
- Purchase from suppliers

*1 Source: Bloomberg (North America, 2019-2021, # of deals) *2 Source: IJ Global (global, 2021, amount)

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Green (2) Reduction target toward 2050 net zero

Set new interim reduction target for financed emissions from the energy sector (oil&gas, coal).

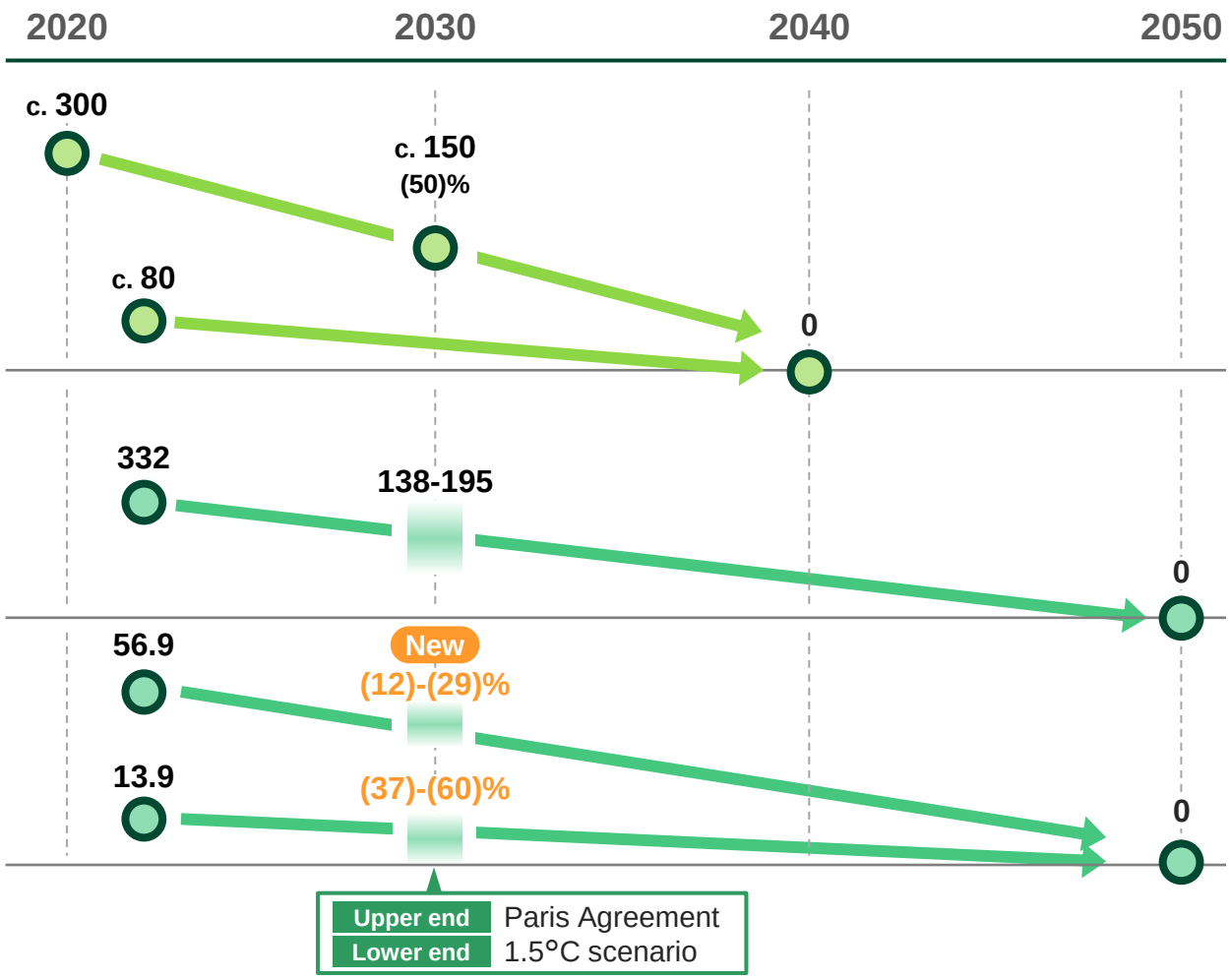
Loan balance for coal-fired power generation
(JPY bn)

- Project Finance
- Corporate Finance (tied to facilities)

Financed emissions Power sector
(g-CO2e/kWh)

Financed emissions Energy sector
(MtCO2e)

- Oil & Gas
- Coal



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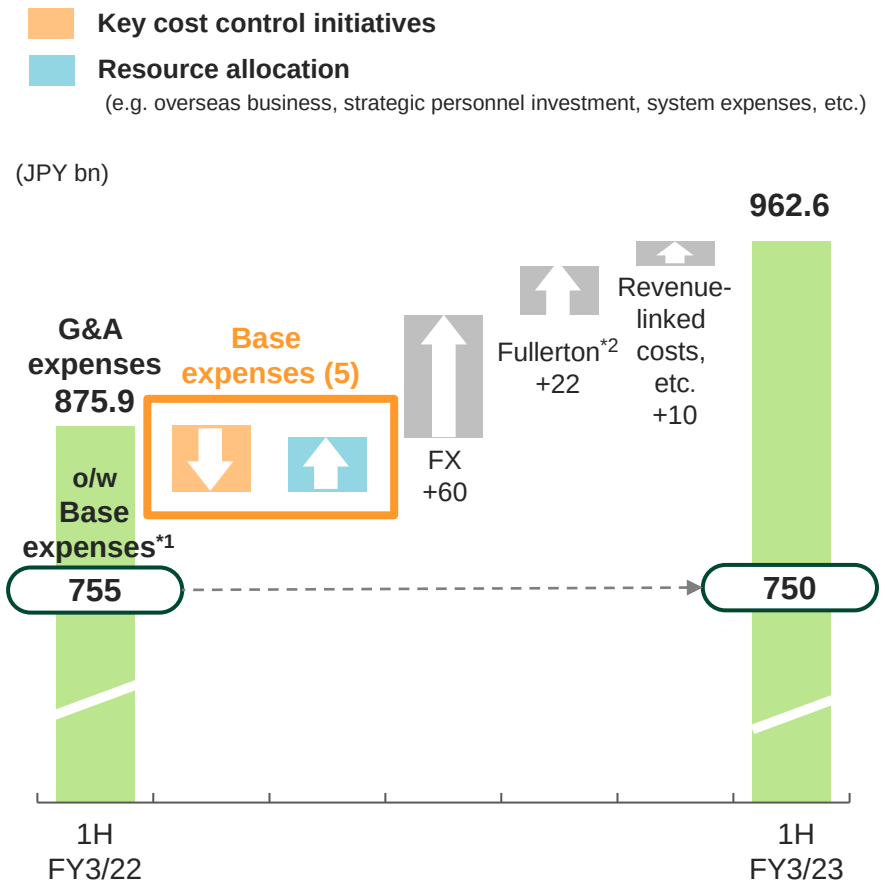
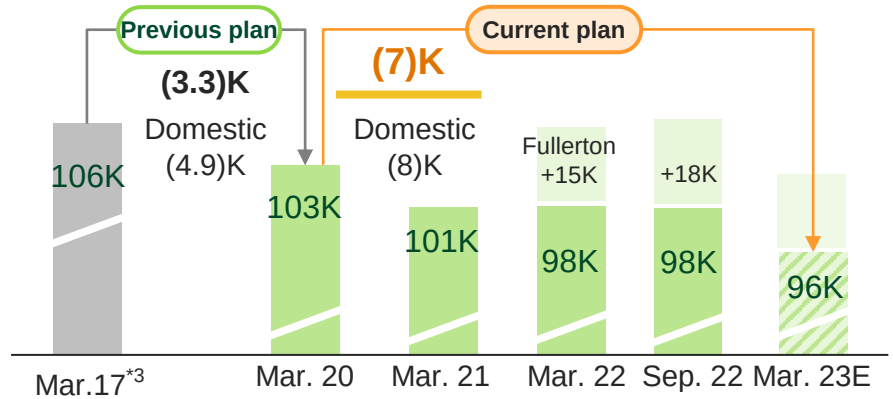
Cost-control / IT investment

Managed to decrease base expenses, while G&A expenses increased due to FX impact, etc.
Increased IT investment budget further by JPY 5 bn to ensure governance improvement.

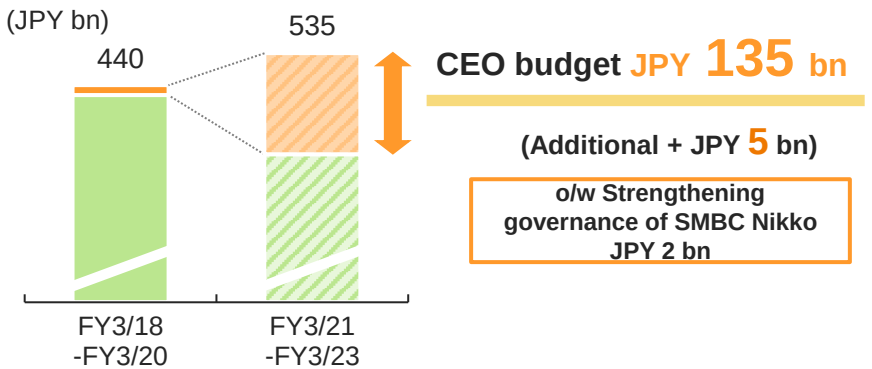
Cost control



Headcount



IT investment



*1 G&A expenses excluding cost related to investment for future growth, revenue-linked costs, etc.
Exchange rate at USD1 = JPY105
*2 Includes amortization of goodwill and intangible assets *3 Added the impact of group reorganization retrospectively

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Cost Control

Achieved the reduction target of JPY100 bn ahead of schedule.

Pursue further reductions and allocate additional resources to strengthen resilience.

(upper: initial target / lower: results)

		Status of initiatives	Base expense	Workload
Reform of domestic business	Acceleration of digital shift	● Digitalize and rationalize payment business ● Reallocate workforce of domestic wholesale and wealth management businesses ● Improve operating efficiency of headquarters	(50) bn **(76) bn**	(4.6)K people **(5.05)K people**
Retail branch reorganization		● Realize cost reduction from shifting to smart branches completed ahead of schedule ● Integrate branches and share ATM	(25) bn **(26) bn**	(2.2)K people **(2.7)K people**
Integration of group operations		● Review of overseas expenses ● Integrate functions of SMCC and SMBCFS ● Share systems and review assets	(25) bn **(41) bn**	(1.2)K people **(1.9)K people**
		Initial target	**JPY (100) bn**	**(8.0)K people**
		Results in 3 years	**JPY (143) bn**	**(9.65)K people**

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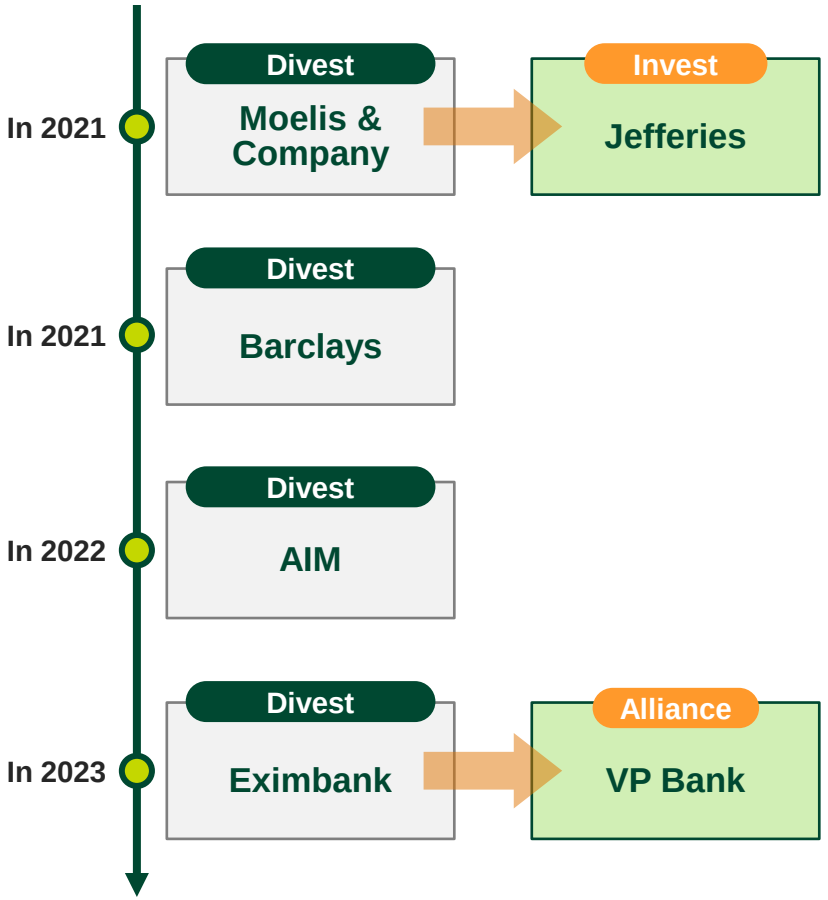
Asset control

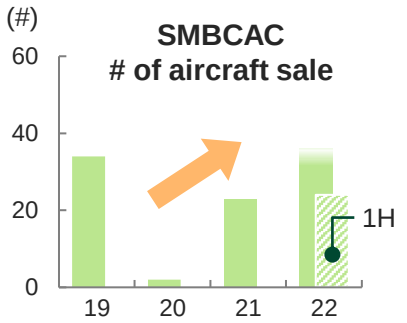
Sophisticate business portfolio management focusing on asset and capital efficiency.

Flexible review of assets and alliances

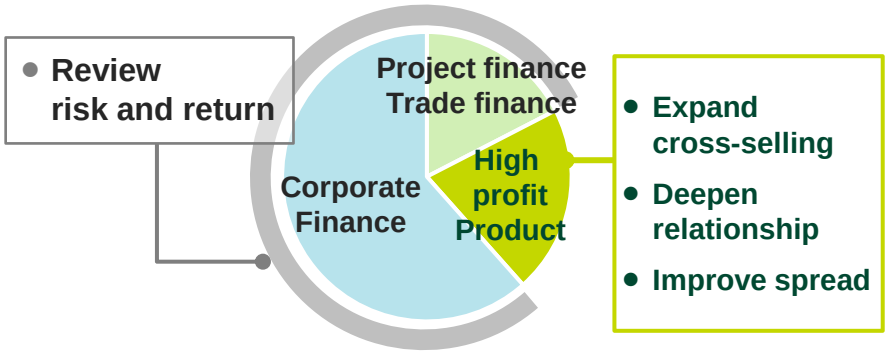


Aircraft leasing

- Strengthen asset turnover business through acquisition of Goshawk
  - Aircraft fund
  - JOL
  - ABS
- Maintain strong portfolio through sales of aircraft



Overseas loan portfolio



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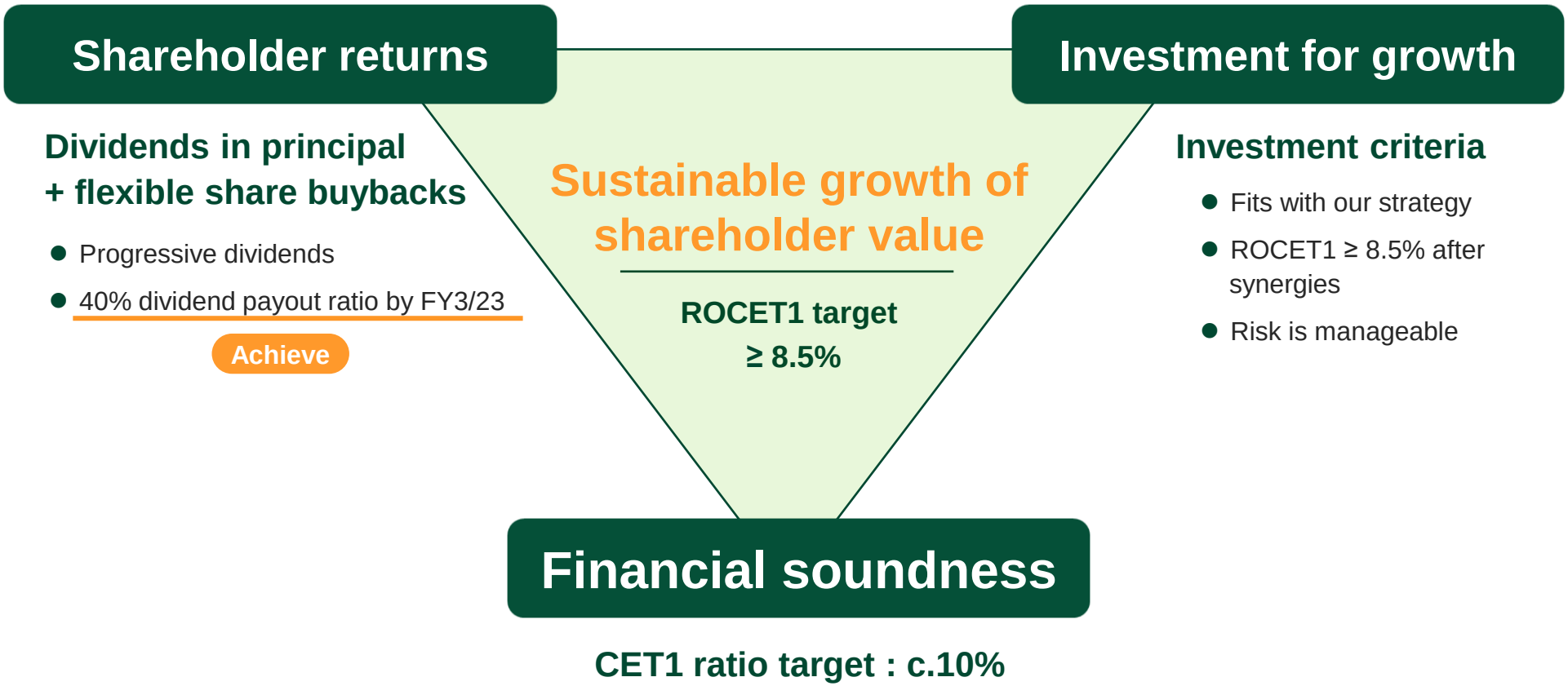
III. Capital Policy

Basic capital policy

Achieve a healthy balance among securing financial soundness, enhancing shareholder returns, and investing for growth



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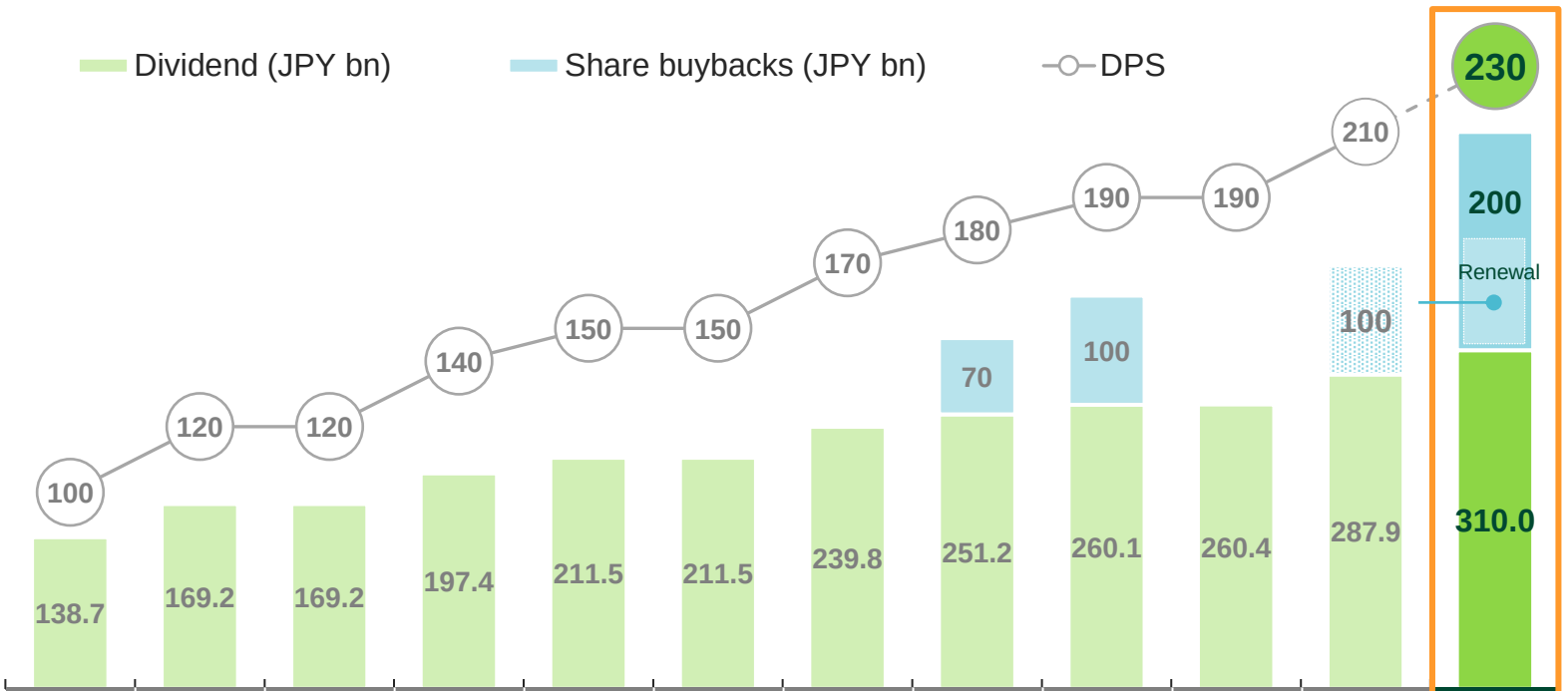
Shareholder returns

Dividends : JPY 230 (+20 YoY, +10 vs. initial forecast)

Share buyback : Up to JPY 200 bn, all shares to be cancelled (of which 100 is renewal of the FY3/22 program.)



	FY3/12	13	14	15	16	17	18	19	20	21	22	23E
Dividend payout ratio (%)	27	21	20	26	33	30	33	35	37	51	41	40
Total payout ratio (%)	-	-	-	-	-	-	-	44	51	-	-	66 *1
Profit attributable to owners of parent (JPY bn)	518.5	794.1	835.4	753.6	646.7	706.5	734.4	726.7	703.9	512.8	706.6	770

*1 Total payout ratio would have been 55% in FY3/22 and 53% in FY3/23 if JPY100 bn of announced share buyback had been executed as planned.

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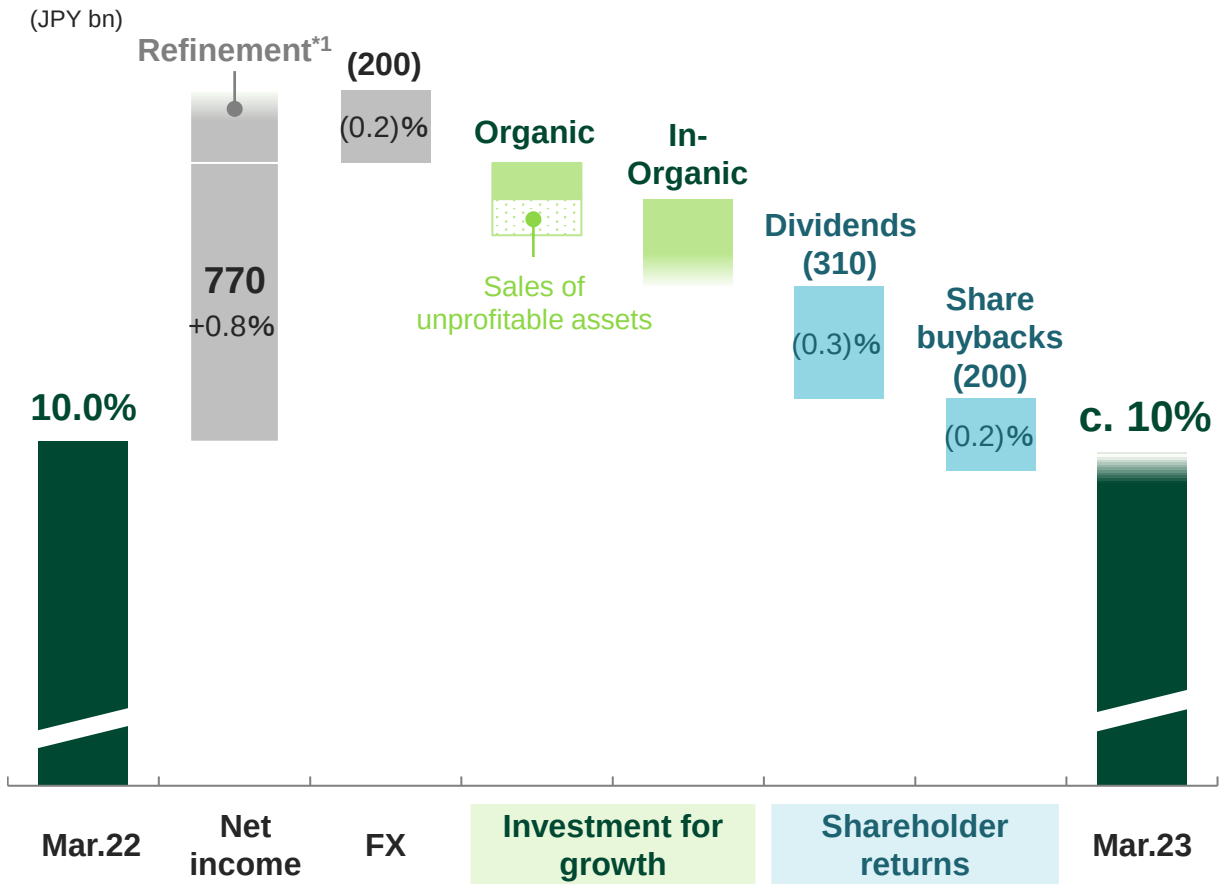
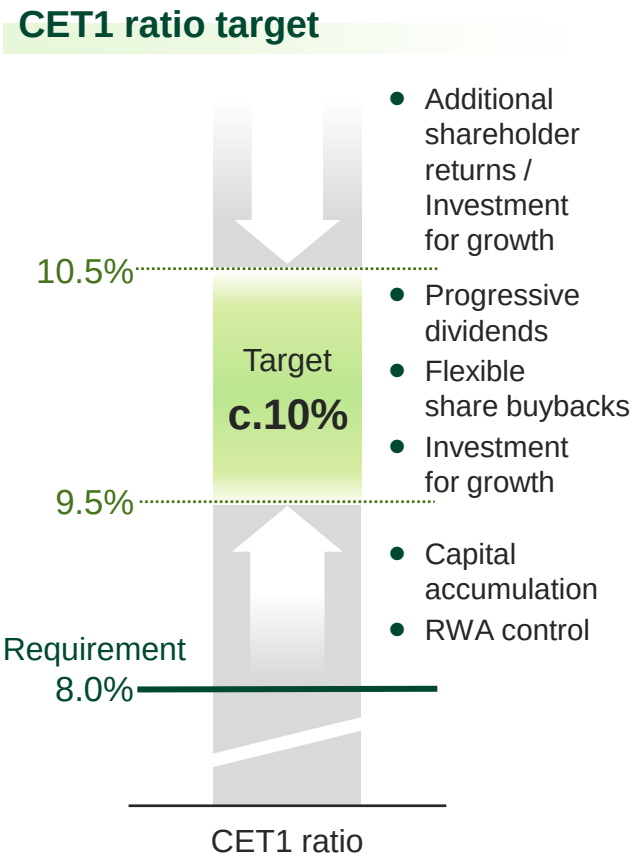
Capital Allocation

Expect to maintain CET1 ratio at around 10% even after investments for growth and shareholder returns.





*1 Revision of double-gearing calculation method for investment to financial institutions, etc.

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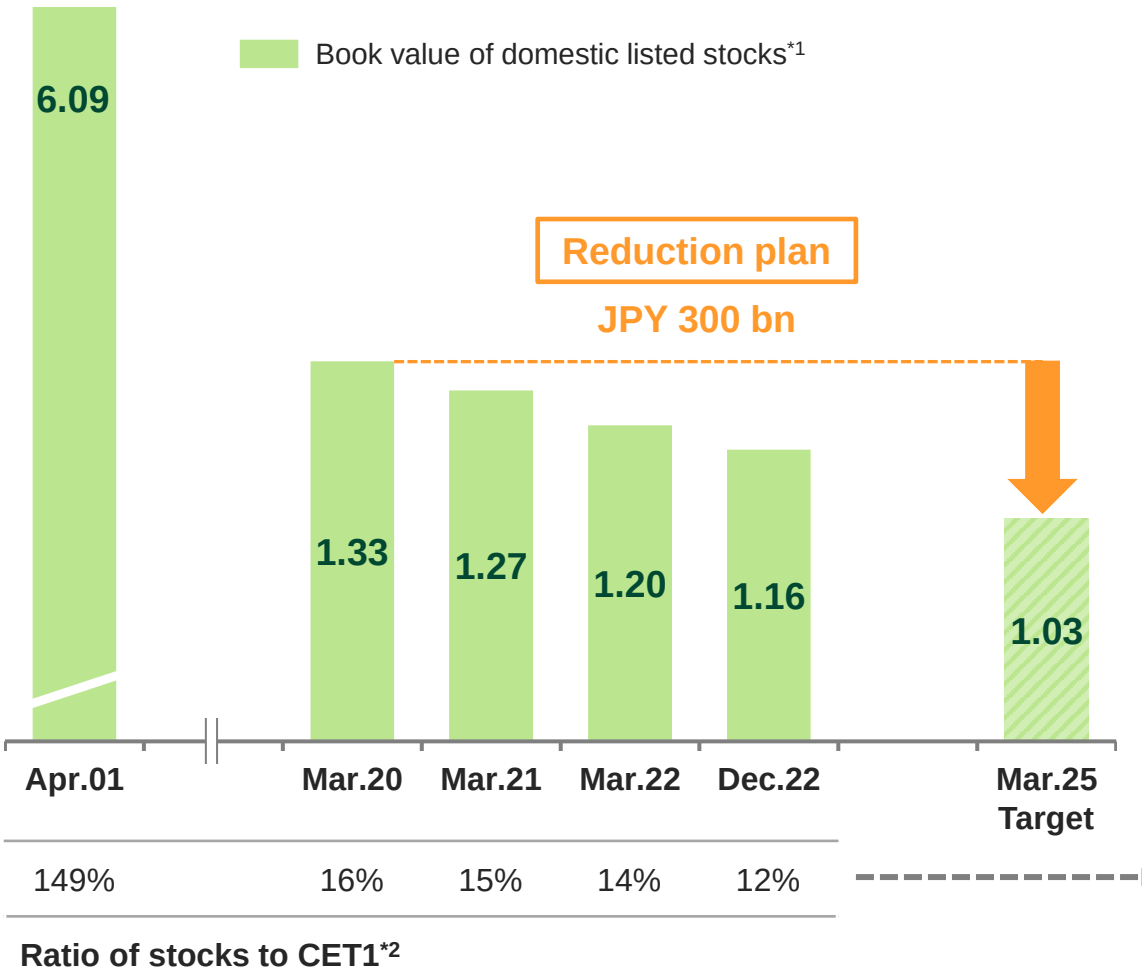
Reduction of shareholdings

(JPY tn)



Ratio of stocks to CET1*2

Reduction

Amount of reduction	**JPY 169 bn**
FY3/21	JPY 55 bn
FY3/22	JPY 67 bn
3Q FY3/23	JPY 46 bn
Consent of sales	JPY 70 bn
Total	**JPY 239 bn**

*1 Excl. investments after Mar.20 for the business alliance purpose
*2 Transitional basis, excl. net unrealized gains on other securities

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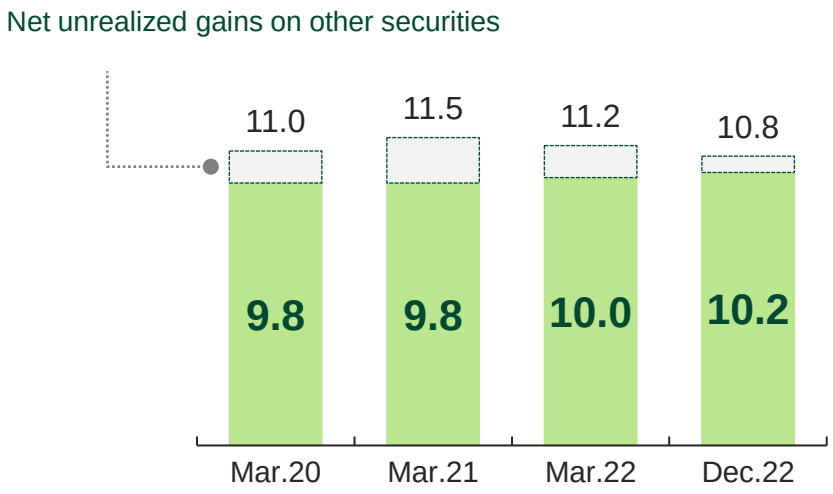
(Ref.) CET1 Ratio

Finalized Basel III basis (financial target)

(%)

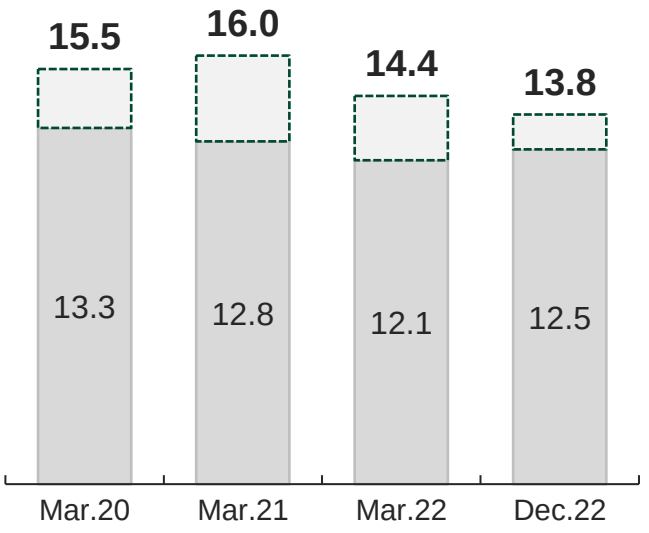


(JPY tn)

	Mar.20	Mar.21	Mar.22	Dec.22
RWA	83.5	86.4	88.2	94.4
CET1 Capital	8.2	8.5	8.8	9.7

Transitional basis

(%)



(JPY tn)

Mar.20	Mar.21	Mar.22	Dec.22
61.6	66.0	72.4	77.0
9.6	10.6	10.5	10.7

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IV. Challenges for the future

Toward the Next Medium-Term Management Plan

Aim for growth with quality

Growth strategy to improve capital efficiency

Sophisticated management base

Social value

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Be a strong team

Each member is strong

Producing new CEOs

Diversity & Inclusion

All members share the same goal

CEO seminar / Town hall meeting

1on1 meeting

Everyone prioritizes team play

SMBC Group Awards

ミドルボ

Exchange thoughts in SNS

Team SMBC

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Appendix

Company overview (1) Group structure

Sumitomo Mitsui Financial Group

Consolidated total assets JPY 272 tn

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

Consolidated subsidiary Equity-method affiliate

Banking

Sumitomo Mitsui Banking Corporation

Moody's	S&P	Fitch
A1	A	A

SMBC Trust Bank

(92%)

PT Bank BTPN Tbk

Consumer Finance

Sumitomo Mitsui Card

(74.9%)

Fullerton India

SMBC Consumer Finance

(49%)

FE Credit

Securities

SMBC Nikko Securities

Leasing

(50%)

Sumitomo Mitsui Finance and Leasing

(SMBC 32%, SMFL 68%)

SMBC Aviation Capital

Others

(50.1%)

Japan Research Institute

Sumitomo Mitsui DS Asset Management

*As of Sep.22

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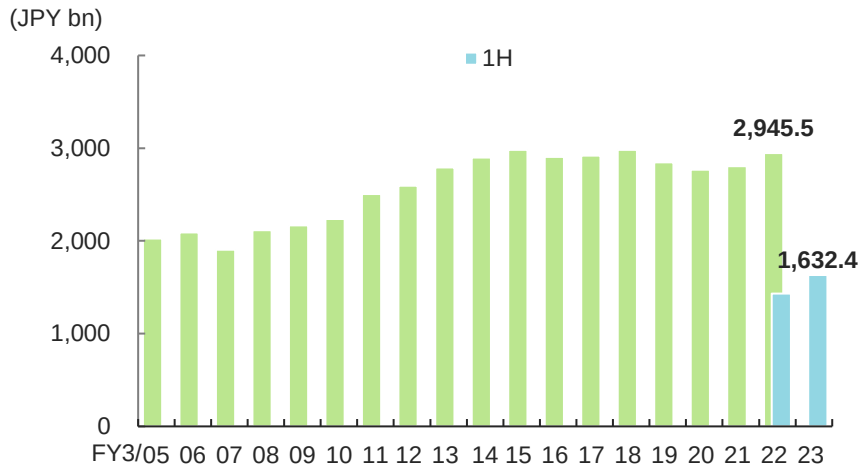
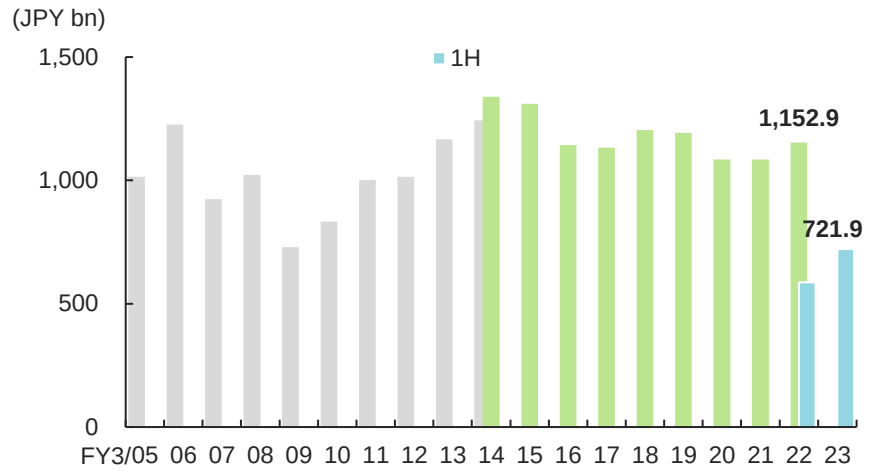
Company overview (2) Long-term results

Consolidated gross profit



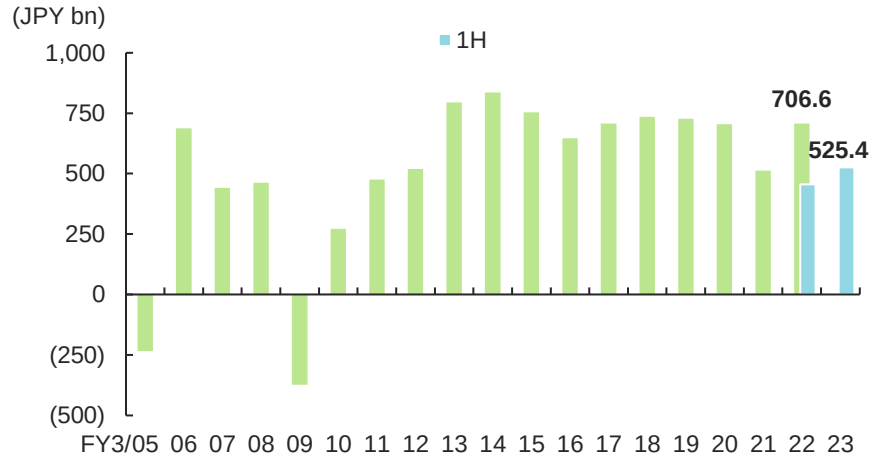
Consolidated net business profit*1



Breakdown of consolidated gross profit

	FY3/03		1H FY3/23
SMBC's domestic loan / deposit related	35%	↘	13%
International business (banking)	5%	↗	32%
Group companies excluding SMBC	18%	↗	31%

Profit attributable to owners of parent



*1 Changed definition of consolidated net business profit from FY3/15. Adjusted retrospectively for FY3/14

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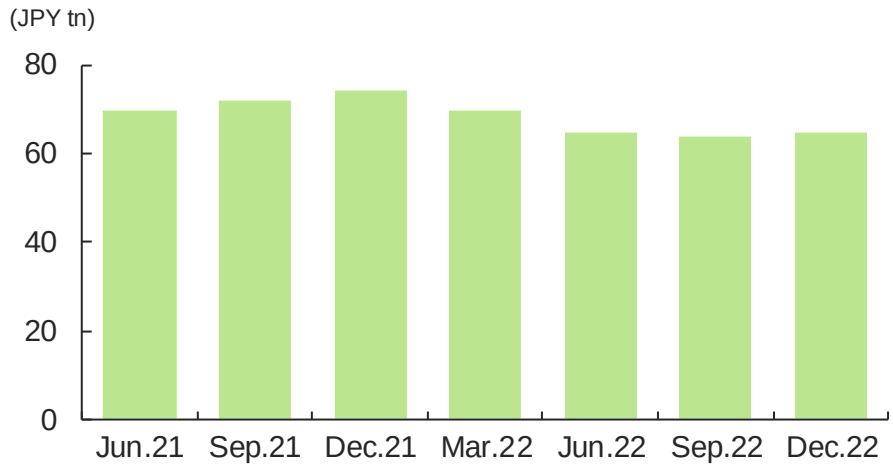
Group companies (1) SMBC Nikko

Financial results

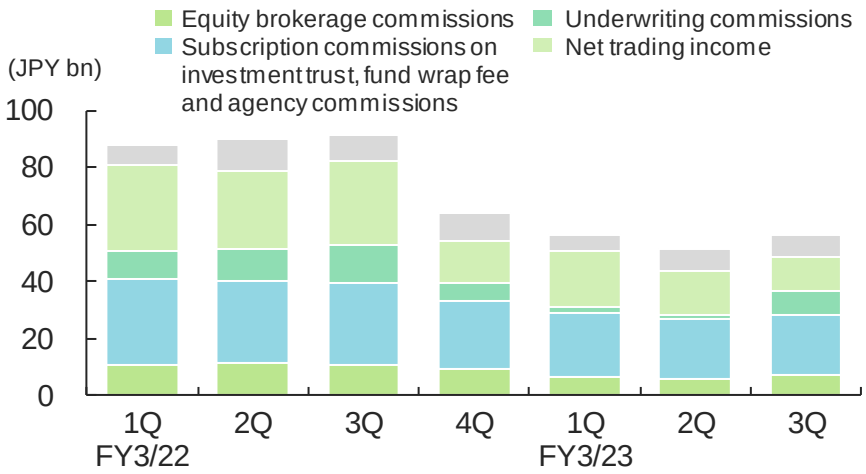
(JPY bn)	FY3/22	1-3Q FY3/23	YoY
Net operating revenue	334.2	164.2	(105.8)
SG&A expenses	275.4	192.0	(17.0)
Ordinary income	65.3	(26.8)	(92.8)
Net income	49.7	(24.4)	(72.2)

- Impact from the case of market manipulation on 1) net operating revenue: JPY (33) bn and 2) extraordinary losses: JPY 5.7 bn
- Allocation of resources to prevent recurrence is 1) expense: JPY 10 bn, 2) IT investment: JPY 2 bn

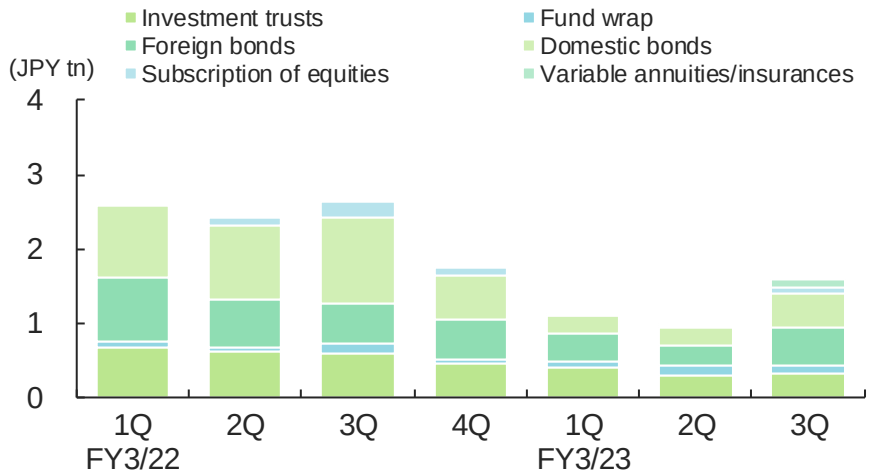
Client assets



Net operating revenue



Product sales



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Group companies (2) SMCC

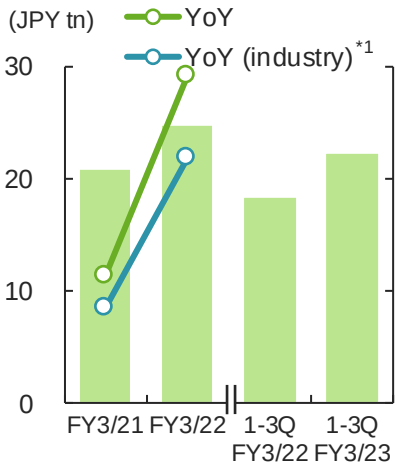
Financial results

(JPY bn)	FY3/22	1-3Q FY3/23	YoY
Operating revenue	470.5	387.3	+36.1
o/w Commission fee	164.0	144.0	+21.2
Finance	98.2	76.9	+3.2
Sales on credit	29.5	21.2	(1.3)
Receipt agency	50.1	39.0	+1.5
Operating expense	439.5	348.5	+32.4
o/w Expenses for loan losses	25.6	23.2	+5.4
Expense for interest repayments	10.0	–	–
Ordinary profit (loss)	34.1	38.8	+0.5
Net income	19.8	26.4	+1.8

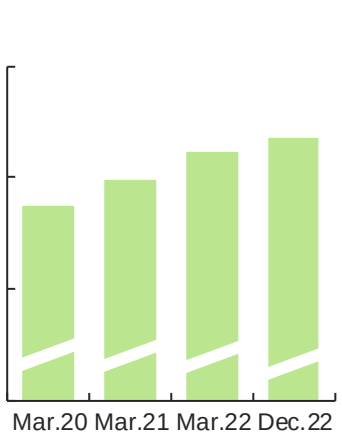
Finance outstanding	677.9	718.0

Key figures

Sales handled

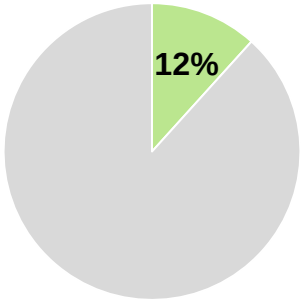


of card holders

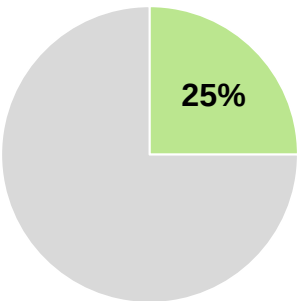


Market share*2

Issuing



Acquiring



*1 The Japan Consumer Credit Association “Credit card behavior investigation” Shopping credit amount
*2 METI "Indices of Tertiary Industry Activity" Sales credit business handled (2021 : JPY 68 tn)

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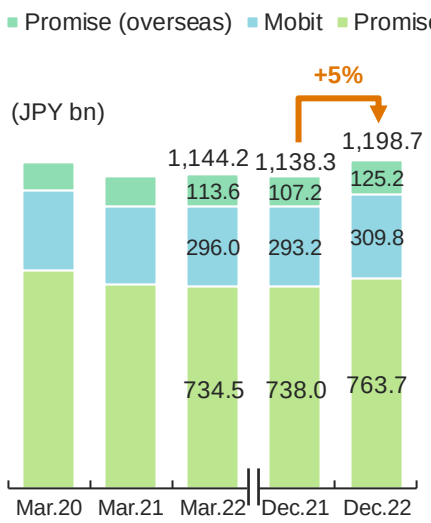
Group companies (3) SMBCCF

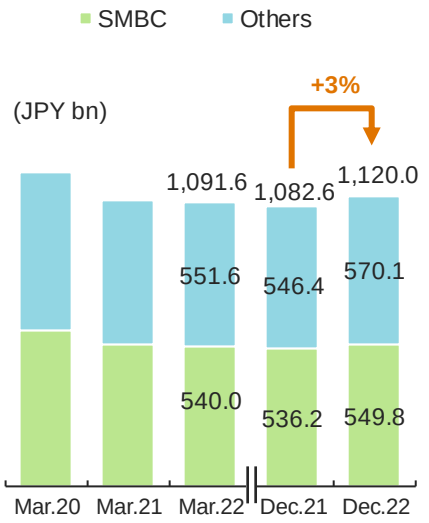
Financial results

(JPY bn)	FY3/22	1-3Q FY3/23	YoY *1
Operating income	268.9	221.5	+18.3
o/w Interest revenues	176.7	137.9	+4.4
Loan guarantee revenues	57.1	53.6	+10.7
Operating expenses	200.5	145.6	+7.6
o/w Expenses for loan losses	48.7	46.8	+4.5
Expense for loan guarantees	10.8	5.4	(1.3)
Expenses for interest repayments	22.0	-	-
Ordinary profit	68.6	68.9	+3.6
Net income	85.2	55.4	+1.6
NPLs	96.1	107.5	
(NPL ratio)	8.40%	8.97%	
Allowance on interest repayments (provision)	95.9 3.5 yrs	77.5 3.1 yrs	

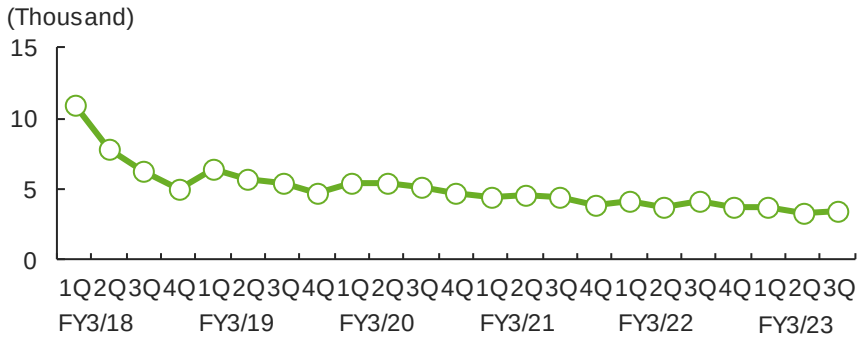
Consumer loans



Loan guarantee



No. of interest refund claims



*1 Excl. the impact of group reorganization

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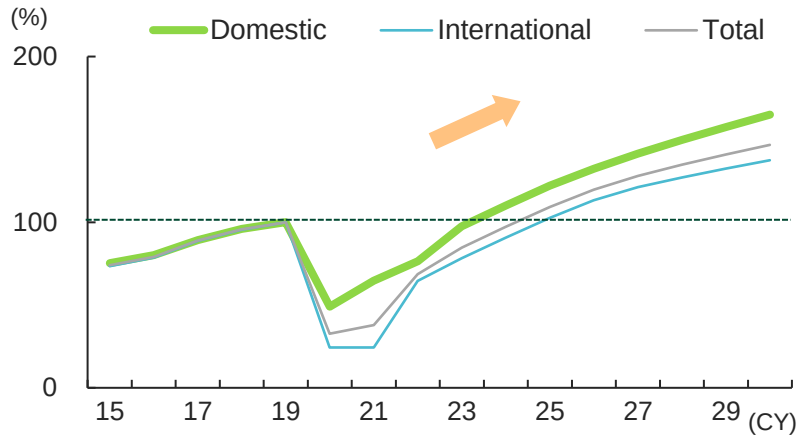
Group companies (4) SMBCAC

Financial results[*1]

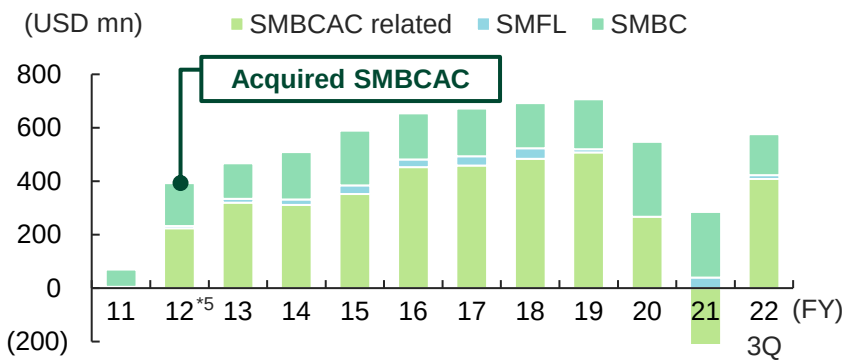
(USD mn)	FY3/22	1-3Q FY3/23	YoY
Total revenue	1,479	977	+61
o/w Lease revenue	1,366	942	+66
Credit / Asset impairment charges[*2]	907	(42)	(3)
Net income	(283)	211	+51
Aircraft asset[*3]	16,210	16,805	(256)
Net asset	3,322	3,533	+68
ROE	(8.5)%	6.0%	+1.4%

Global passenger demand forecast[*4]

- Domestic demand is expected to exceed pre-COVID level in around 2023



Aircraft business of SMBC Group[*1]



Our strengths

Aircraft portfolio[*1]	**Wide body** (A350・B787) **Narrow body** Over 85%	**Avg. age** 4.4 years **Fuel efficient[*6]** Approx. 72%
Liquidity	**S&P rating** A- Top level in industry	**Undrawn commitment lines** USD 5.9 bn

*1 Excluding SMBC Aviation Capital Management Limited (ex-Goshawk Management Limited)
*2 Gross before security deposit and other net *3 Includes PDP (prepaid aircraft manufacturing)
*4 IATA/Tourism Economics Percentage change in each year when the 19-year result is set at 100
*5 SMBCAC-related revenues are recorded from June after acquisition *6 Neo/MAX/A350/B787

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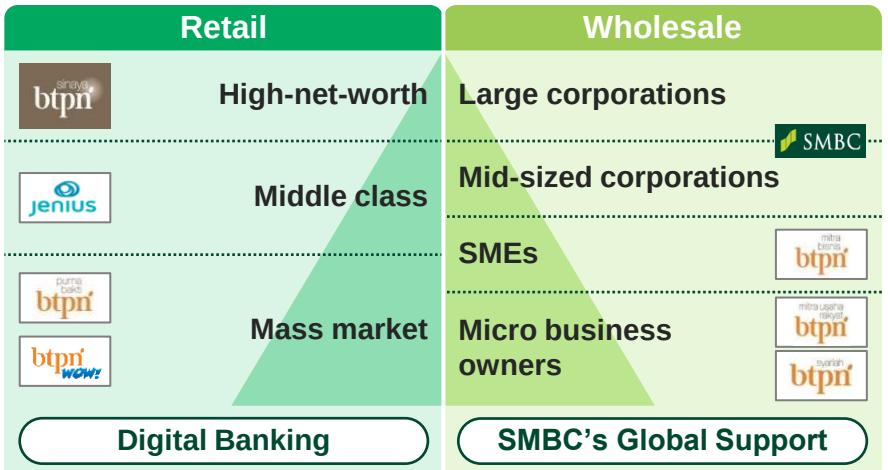
Group companies (5) BTPN

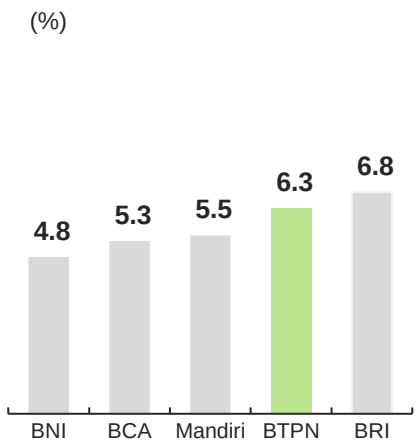
Financial results*1

(JPY bn)	2019	2020	2021	2022
Gross banking profit	99.6	91.1	106.2	116.2
Operating expenses	56.3	50.9	56.6	61.7
Net profit	20.3	12.9	21.6	26.1
ROE	9.9%	6.1%	8.6%	9.1%
Loans	1,119.9	1,008.0	1,098.4	1,244.7
Deposits	686.8	745.8	886.0	976.4
Total assets	1,434.9	1,355.4	1,554.5	1,778.7

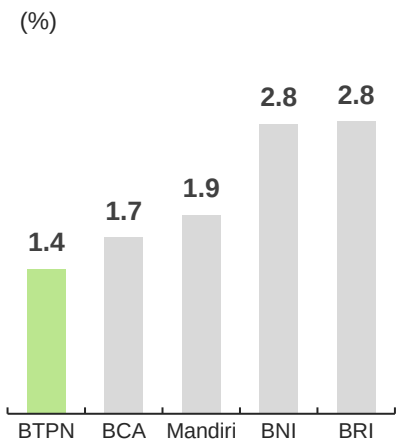
Coverage



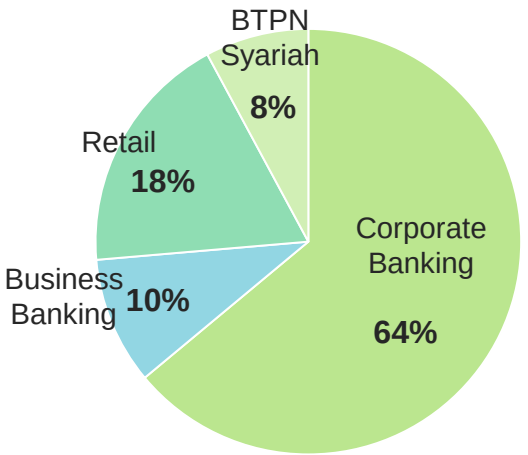
Net interest margin*2



NPL ratio*2



Loan breakdown*3



*1 TTM as of Dec.19: IDR 1 = 0.0079, Dec.20: IDR 1 = 0.0074, Dec.21: IDR 1 = 0.0081, Dec.22: IDR 1 = 0.0085
*2 Based on each company's disclosure (Dec.22 results) *3 As of Dec.22

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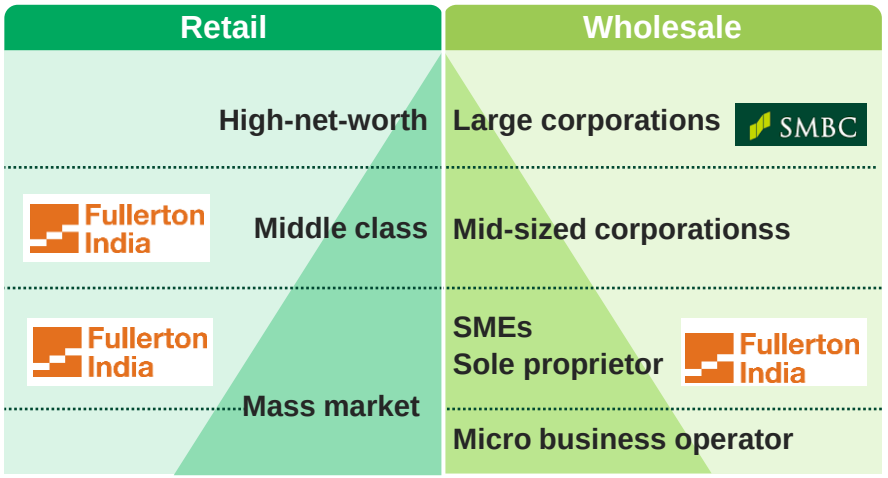
Group companies (6) Fullerton India

Financial results*1

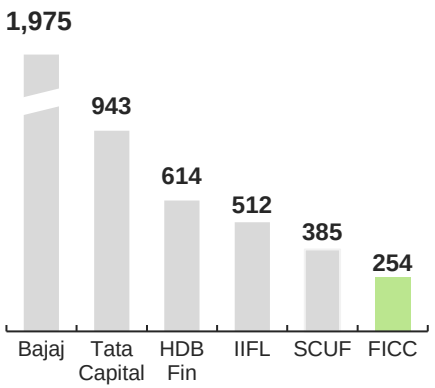
(JPY bn)	FY3/20	FY3/21	FY3/22	3Q FY3/23*2
Gross operating profit	52.2	48.1	40.8	40.2
Operating expenses	19.1	18.0	23.5	21.9
Net profit	11.0	(18.3)	1.2	8.8
ROE	18%	(24)%	2%	15%
Loans	419.1	378.2	411.4	546.2
Total assets	473.6	419.3	441.4	599.8

Coverage



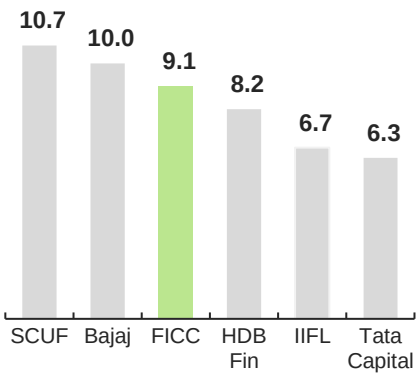
Loan balance *3

(INR bn)

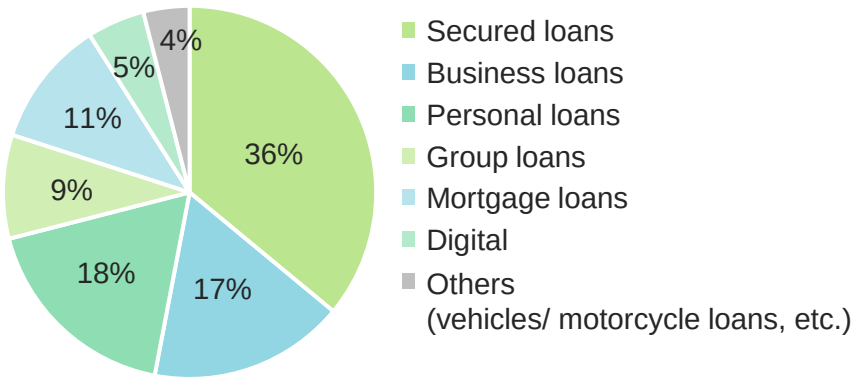


Loan spread*3

(%)



Loan breakdown*4



*1 TTM as of Mar.20: INR 1 = 1.44, Mar.21: INR 1 = 1.51, Mar.22: INR 1 = 1.62, Dec30: INR=1.60
*2 Unaudited *3 Based on each company's published data (Mar.22 results) *4 As of Mar.22

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Group companies (7) FE Credit

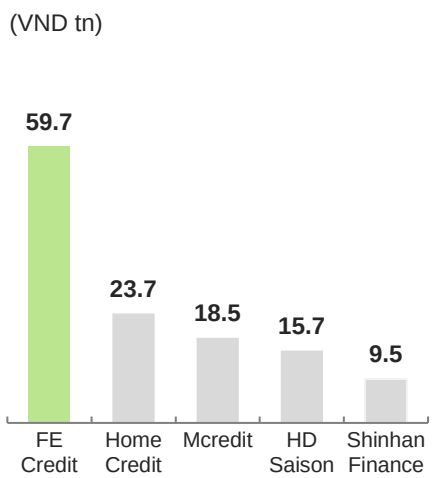
Financial results*1

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

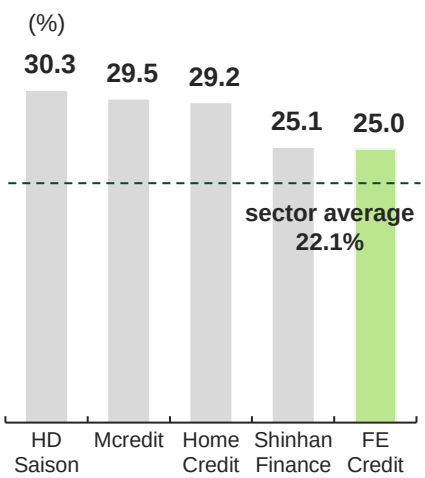
Coverage

Retail	Wholesale
High-net-worth	Large corporations
FE CREDIT VAY TIÊU DÙNG TÍN CHẤP Middle class	Mid-sized corporations SMEs
FE CREDIT VAY TIÊU DÙNG TÍN CHẤP Mass market	Micro business owners

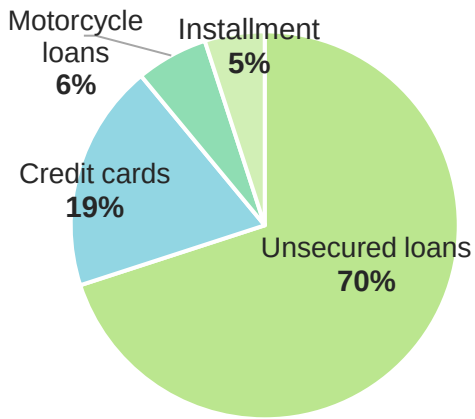
Loan balance*2



Loan spread*2



Loan breakdown (Dec.22)



*1 TTM as of Dec.19: VND 1 = 0.0047, Dec.20: VND 1 = 0.0045, Dec.21: VND 1 = 0.0050, Jun.22: VND 1 = 0.0059
*2 Based on FiinGroup data (Jun.22 results)

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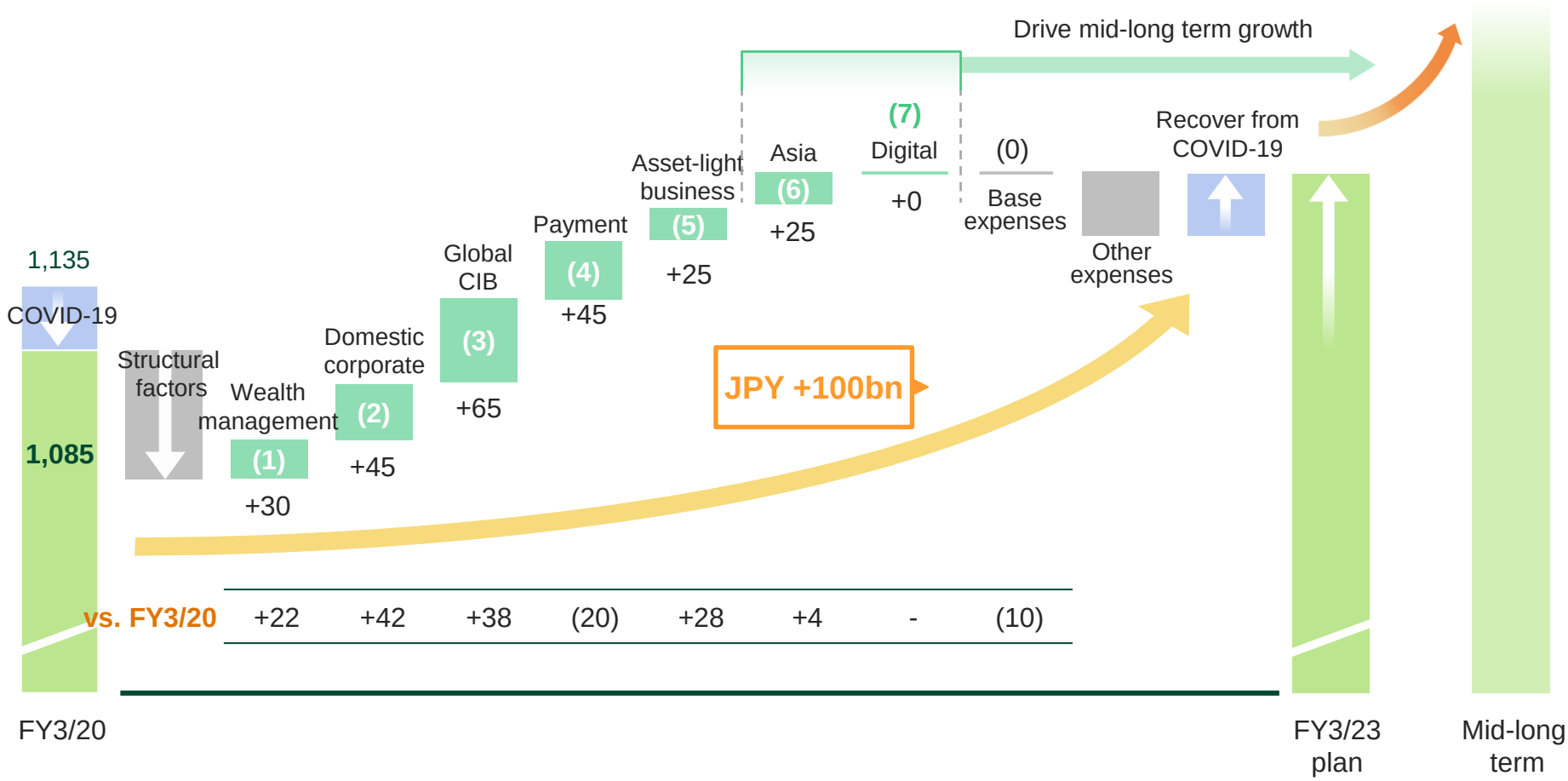
Announced in May 2022

Roadmap to 2022 (1) Profit

(JPY bn)



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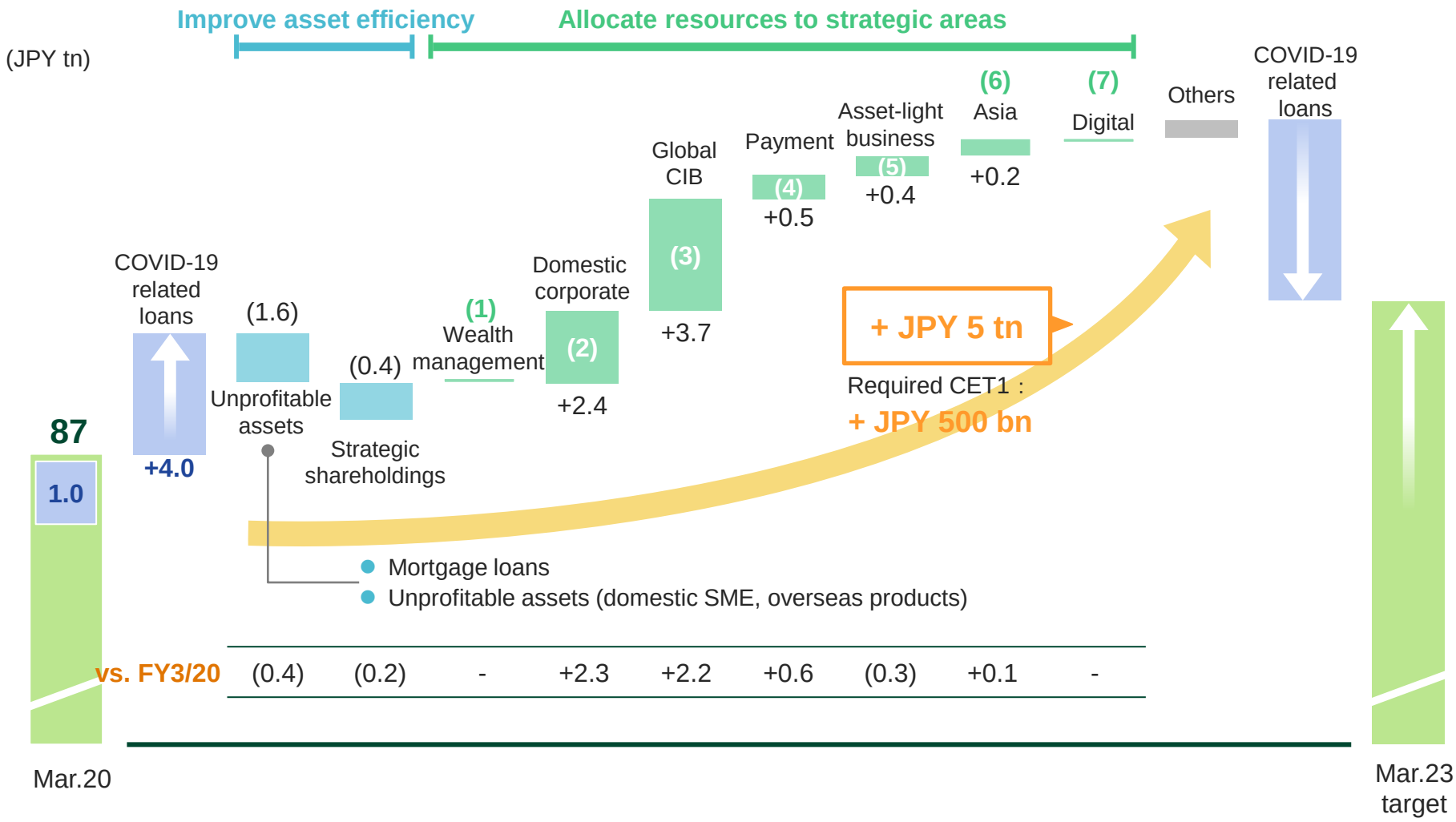
Announced in May 2022

Roadmap to 2022 (2) RWA



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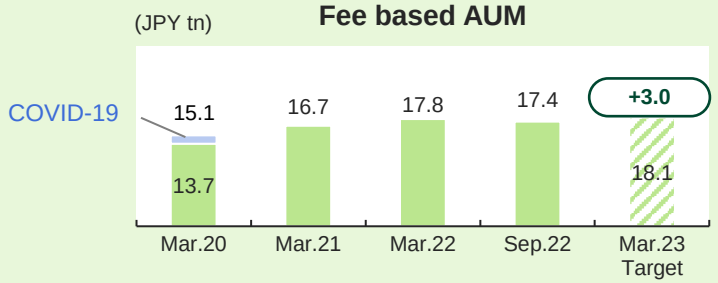
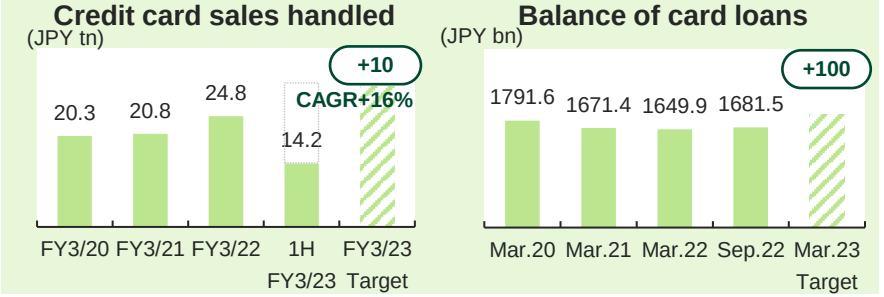
Roadmap to 2022 (3) KPI Progress

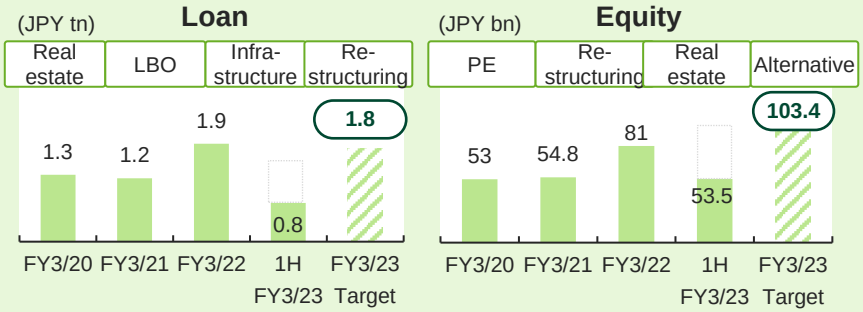
Wealth management business



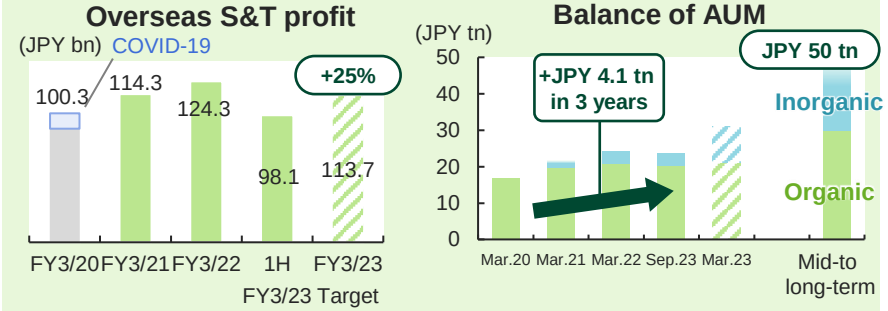
Payment business



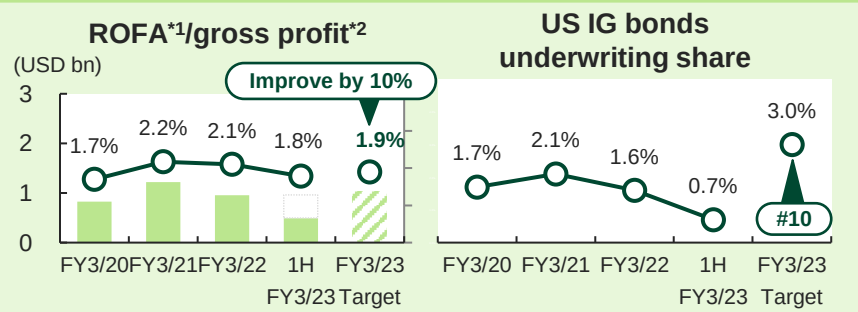
Domestic wholesale business



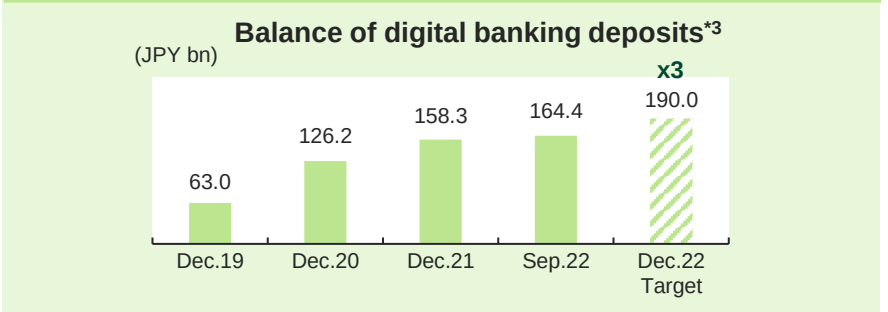
Asset-light business



Overseas CIB business



Multi-franchise strategy in Asia



*1 Return on Funded Asset *2 Non-Japanese in the U.S. and Europe *3 1IDR=0.0095

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ESG (1) Sustainability management structure

Management structure

Board of directors

Nomination committee	Compensation committee
Audit committee	Risk committee

Sustainability committee

Chairperson

External Director Eriko Sakurai	External Director Masaharu Kohno	Professor, Univ. of Tokyo Yukari Takamura
Chairman of the Board of Directors Takeshi Kunibe	Director Jun Ohta	JRI Senior Counselor Eiichiro Adachi

Group CSuO

Sustainability Division

Sustainable Solution Dept. | Corporate Sustainability Dept.

Combining knowledge/ expertise of the Group

All domestic Corporate Business Offices

Sustainability Ambassador

Reflection of ESG in executive compensation

Base salary	Fixed compensation
Bonus ●**Cash** ●**Stock Compensation Plan II**	**Annual performance-linked (0-150%)** Base amount × (Annual, ESG, Individuals' performance) ±10% **Quantitative** Achievement of targets for ● Sustainable finance ● Scope1/2 GHG emissions **Qualitative** ESG ratings of major agencies
Stock Compensation Plan I	**Medium-term performance-linked (0-150%)** Base amount × (Financial, Stock, Qualitative evaluation) Incl. "ESG Initiatives"
Stock Compensation Plan III	Promotion reward plan

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ESG (2) Net Zero Transition Plan

Action Plan STEP1 ★

Scope1&2 Net Zero

Financed emissions Net Zero

2020 | **2023** | **2024** | **2030** | **2040** | **2050**

- Owned properties: shift to zero-emissions power sources
- Complete goal-setting for NZBA 9 sectors
- All offices (incl. leased): shift to zero-emissions power sources
- Achieve interim reduction targets
  - Power : **138-195g-CO2e/kWh**
  - Oil&gas : **(12)-(29)% vs. FY3/21**
  - coal : **(37)-(60)% vs. FY3/21**
- Loan balance for coal-fired power generation
  - Project finance: (**50)% vs. Mar.21**
- Sustainable finance: **JPY 30 tn in 10 years**
- Loan balance for coal-fired power generation: **Zero**
  - Project finance + corporate finance (tied to facilities)

Expanding growth opportunities associated with mitigating transition risks and decarbonization

System developments	Goal-setting	Implementation strategy	Engagement
★ **Strengthen governance**	★ **Calculation of financed emissions and setting reduction targets**	★ **Strengthen risk management**	● **Customer approach**
● **Capability-building**		★ **Promote decarbonization business**	● **Response to other stakeholders**
		★ **Reduce scope1&2 emissions**	

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ESG (3) Response to Environmental and Social Risks

Climate change risk scenario analysis

Physical risk

Aug. 22 SSP scenario[*1] analysis newly added

IPCC[*2]／RCP[*3] | IPCC／SSP

2°C and 4°C scenario

Expected increase in credit cost (up to 2050)

Cumulative JPY 55-65 bn → JPY **67-85** bn

Transition risk

Apr. 22 Steel and automotive sectors newly added to the transition risk scenario analysis

Energy | Power | Automotive | Steel

1.5°C and 3°C scenarios

Expected increase in credit cost (up to 2050)

JPY 2-24 bn annual → JPY **2.5-28** bn annual

Effort for new issues

Respect for Human Rights

Statement on Human Rights

- Employees
- Customers
- Suppliers

Oct. 22 Human rights due diligence

Apr. 22 Sustainable Procurement Policy

Conservation of natural capital

Risk Management

- Prohibit support for new projects in nature conservation areas
- Conduct environmental and social risk assessments when financing large-scale projects

Disclosure

- Participate in TNFD[*4] Forum

*1 Common socio-economic path scenario (Shared Socioeconomic Pathway) *2 Intergovernmental Panel on Climate Change (Intergovernmental Panel on Climate Change) *3 Representative Concentration Path Scenarios (Representative Concentration Pathways) *4 Taskforce on Nature-related Financial Disclosures

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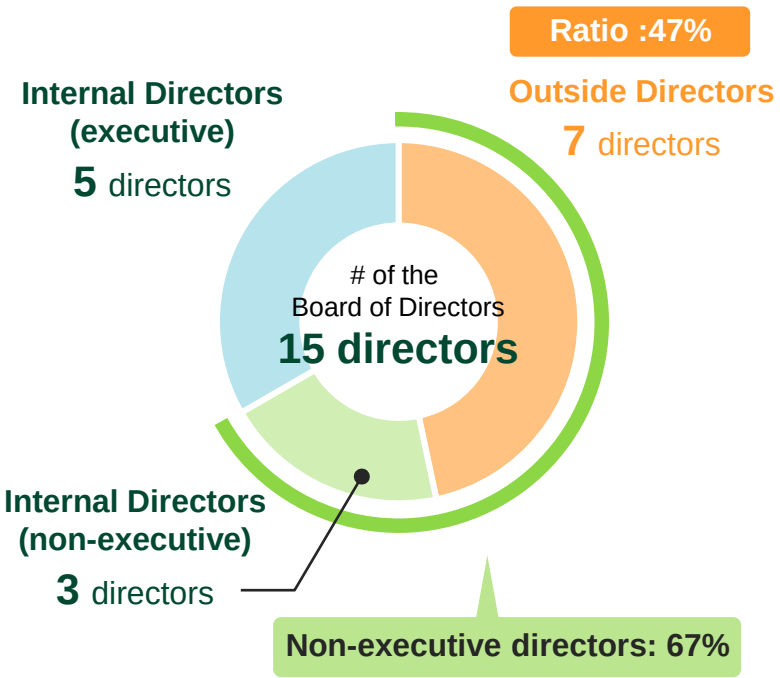
ESG (4) Governance

Structure of the Board



2 women

1 foreign national

	Knowledge and experience we expect in particular						
	Manage-ment	Finance	Global	Legal/risk manage-ment	Accounti-ng	IT/DX	Sustaina-bility
T.Kunibe	●	●	●	●	●	●	●
J.Ohta	●	●	●	●	●	●	●
M.Takashima	●	●	●	●	●	●	●
T.Nakashima		●		●	●	●	●
T.Kudo		●	●	●			●
A.Inoue		●		●			
T.Isshiki		●		●			
Y.Kawasaki	●	●	●				
M.Matsumoto	●			●			
A.M.Mitchell	●	●	●	●			
S.Yamazaki				●	●		
M.Kohno			●	●			●
Y.Tsutsui	●	●					
K.Shinbo				●			
E.Sakurai	●		●				●

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ESG (5) Engagement with stakeholders

KPIs

	KPI	Target	Results
Environment	Sustainable finance	JPY 30 tn Apr.20-Mar.30	JPY 11.1 tn -Sep.22
	o/w Green finance	JPY 20 tn	JPY 10.2 tn
	Green bond issuance	at least once a year	-
Community	Retail deposits in Asia	vs Dec.19 x3 by Dec. 22	x2.6 -Sep.22
Next Generation	Finance education	1.5 mn people Apr.20-Mar.30	298 k -Mar.22
Human Resources	Female managers	20 % by Mar. 26	17.0 % Mar. 22
	Childcare leave (male)*1	100 %	100 % Mar. 22

Enhance corporate value through engagement

Disclose non-financial information

Engage

Ease information asymmetry (lower capital cost)

Enhance corporate value

Improve ESG ratings

MSCI ESG RATINGS AA

CCC | B | BB | BBB | A | AA | AAA

Corporate value

Information asymmetry

External evaluation

Disclosure/ dialogue

Fair Value

Non-financial value

Financial value

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ESG (6) ESG indices and initiatives

Selected ESG indices

FTSE Blossom Japan

FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

GPIF selection indexes

FTSE4Good

Endorsed initiatives

WE SUPPORT UN GLOBAL COMPACT

UNEP FINANCE INITIATIVE

PFA21 Principles for Financial Action for the 21st Century

Signatory of:

PRI Principles for Responsible Investment

CDP DISCLOSURE INSIGHT ACTION

EQUATOR PRINCIPLES

POSEIDON PRINCIPLES

TASKFORCE ON SCALING VOLUNTARY CARBON MARKETS

PCAF

GFANZ Glasgow Financial Alliance for Net Zero

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

G20 EMPOWER Empowerment and Progression of Women's Economic Representation

We Support WOMEN'S EMPOWERMENT PRINCIPLES EQUALITY MEANS BUSINESS UN WOMEN UNITED NATIONS GLOBAL COMPACT www.weprinciples.org

30% Club GROWTH THROUGH DIVERSITY

The Valuable 500

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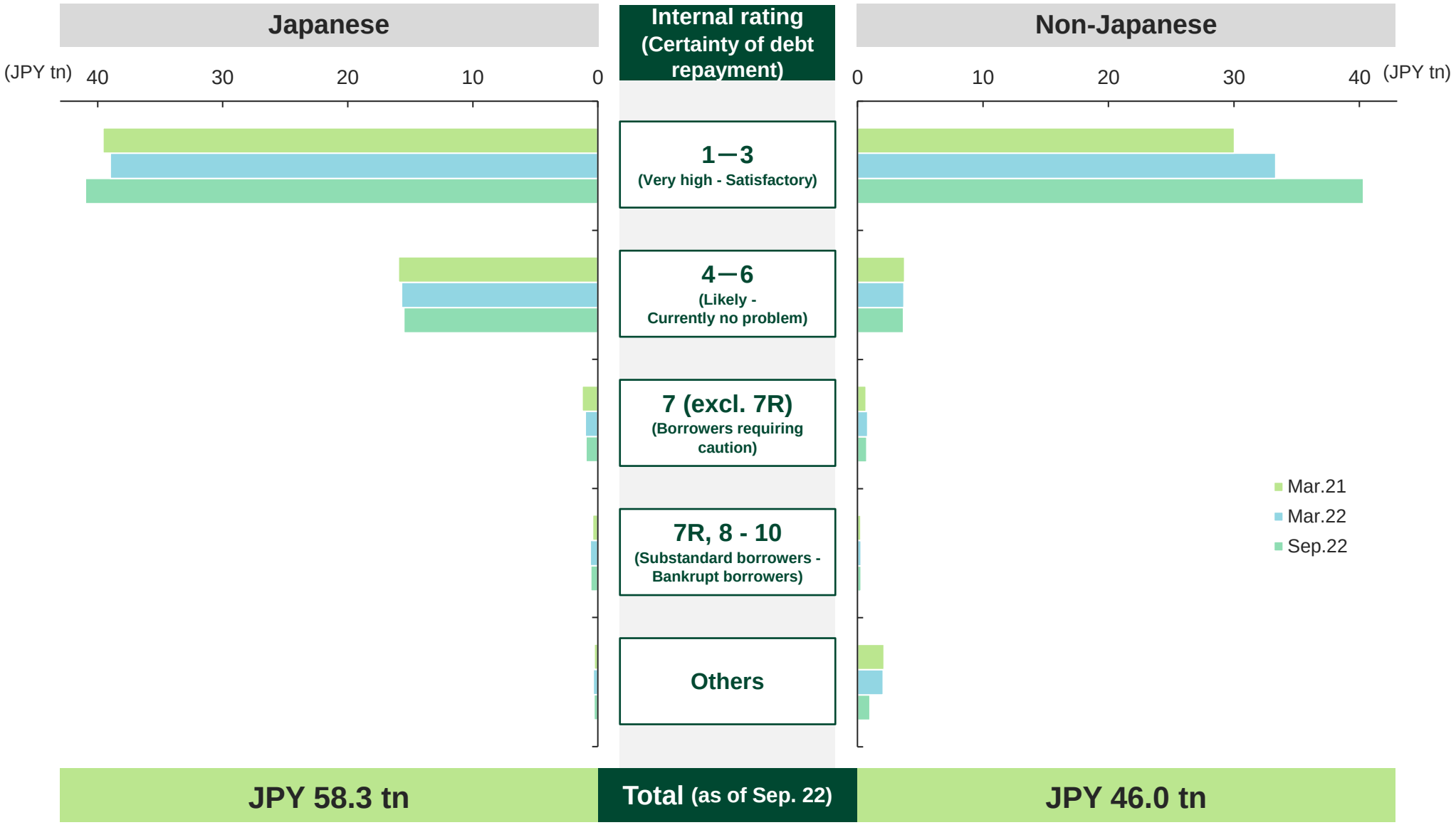
(Ref.) Breakdown by internal ratings*1



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

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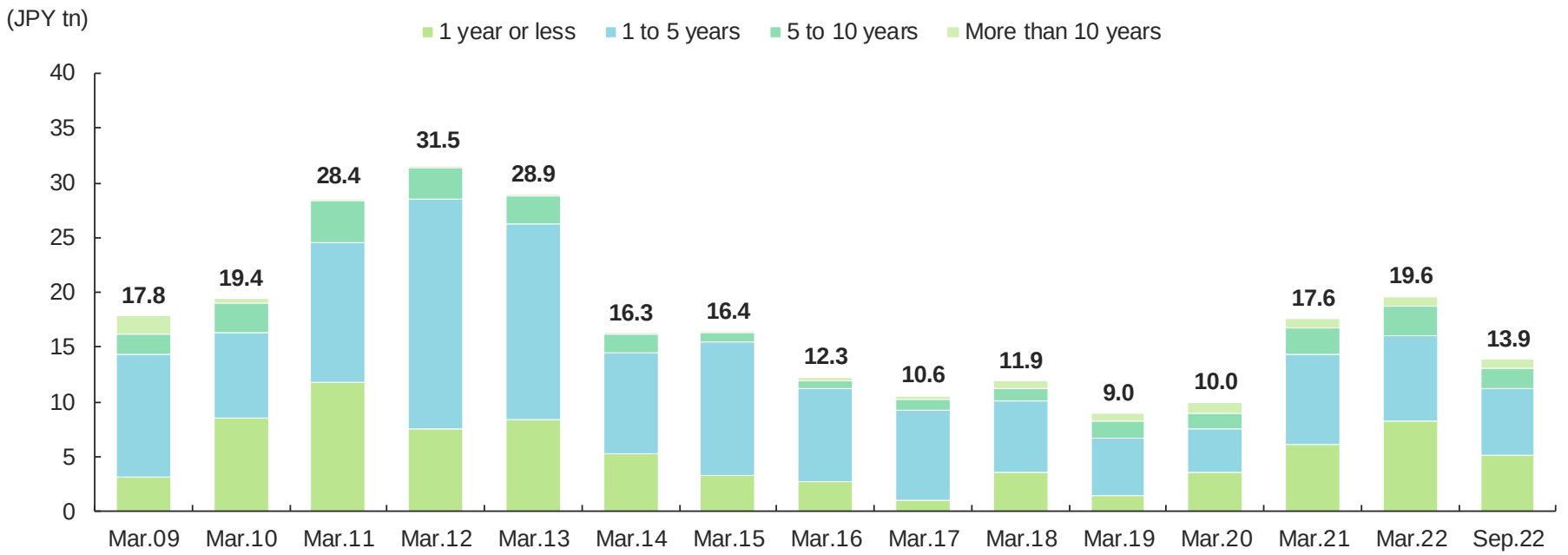
Yen bond portfolio

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



	Mar.09	Mar.10	Mar.11	Mar.12	Mar.13	Mar.14	Mar.15	Mar.16	Mar.17	Mar.18	Mar.19	Mar.20	Mar.21	Mar.22	Sep.22
of which JGBs (JPY tn)							14.0	9.8	8.0	9.3	6.3	7.1	14.3	15.8	10.0
Average duration (years)[*1]	1.8	1.1	1.4	1.9	1.8	1.1	1.8	2.8	2.9	2.3	3.2	2.9	2.5	2.8	2.9
Unrealized gains (losses) (JPY bn)[*2]	(1.2)	116.1	71.9	104.4	95.3	60.0	45.9	103.8	57.5	44.2	60.5	21.4	7.9	(49.7)	(66.3)

*1 Excluding bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero
*2 15-year floating-rate JGBs have been evaluated at their reasonably estimated price from Mar.09

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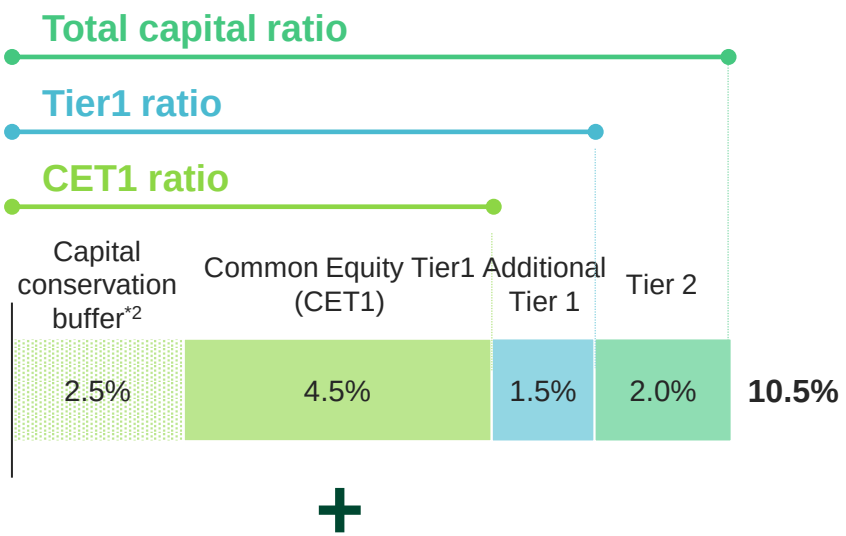
Application of Basel III (capital ratio)*1

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

Capital requirements



+

G-SIFIs surcharge (CET1 capital)

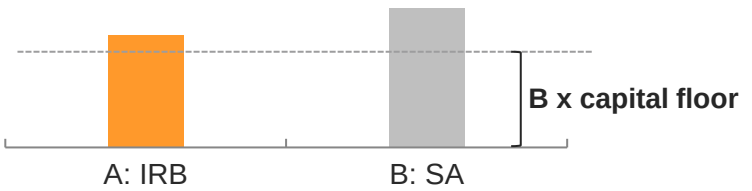
Bucket 1	Bucket 2	Bucket 3	Bucket 4	Bucket 5
1.0%	1.5%	2.0%	2.5%	3.5%

Implementation of output floor

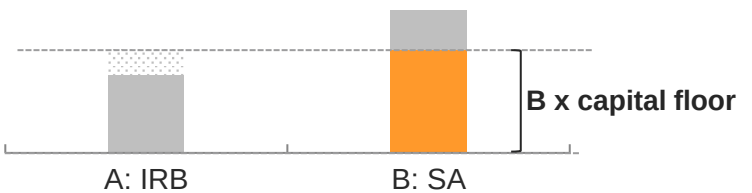
A: RWA based on internal ratings-based approach (IRB)

B: RWA based on standardized approach (SA)

A > B x capital floor ➡ **RWA = A**



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



*1 JFSA announced that it will postpone the implementation of unimplemented Basel III standards until Mar.24
*2 Countercyclical buffer (CCyB) omitted *3 Internal ratings-based approach *4 Standardized approach

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Credit ratings of G-SIBs (Operating banks)*1

(As of Feb. 1, 2023)

Moody's	Moody's	S&P	Fitch	S&P Fitch
Aaa				AAA
Aa1				AA+
Aa2	• Bank of America • Bank of New York Mellon • JPMorgan Chase Bank • Wells Fargo Bank		• Bank of America • Bank of New York Mellon • JPMorgan Chase Bank • State Street Bank & Trust	AA
Aa3	• BNP Paribas • Citibank • Crédit Agricole • ING Bank • Morgan Stanley Bank • State Street Bank & Trust • UBS	• Bank of New York Mellon • Royal Bank of Canada • State Street Bank & Trust • Toronto Dominion	• HSBC Bank • ING Bank • Morgan Stanley Bank • Royal Bank of Canada • Toronto Dominion • UBS • Wells Fargo Bank	AA-
A1	SMBC • Agricultural Bank of China • Bank of China • Barclays Bank • BPCE • China Construction Bank • Deutsche Bank • Goldman Sachs Bank • HSBC Bank • ICBC • ***Mizuho Bank*** • ***MUFG Bank*** • Royal Bank of Canada • Société Générale • Standard Chartered • Toronto Dominion	• Banco Santander • Bank of America • BNP Paribas • Citibank • Crédit Agricole • Goldman Sachs Bank • HSBC Bank • ING Bank • JPMorgan Chase Bank • Morgan Stanley Bank • Standard Chartered • UBS • Wells Fargo Bank	• Barclays Bank • BNP Paribas • BPCE • Citibank • Crédit Agricole • Goldman Sachs Bank • Standard Chartered	A+
A2	• Banco Santander	SMBC • Agricultural Bank of China • Bank of China • Barclays Bank • BPCE • China Construction Bank • ICBC • ***Mizuho Bank*** • ***MUFG Bank*** • Société Générale	• Agricultural Bank of China • Bank of China • China Construction Bank • ICBC	A
A3	• Credit Suisse	• Credit Suisse • Deutsche Bank	SMBC • Banco Santander • ***Mizuho Bank*** • ***MUFG Bank*** • Société Générale	A-
Baa1	• UniCredit		• Credit Suisse • Deutsche Bank	BBB+
Baa2		• UniCredit	• UniCredit	BBB
Baa3				BBB-

*1 Long-term issuer ratings (if not available, long-term deposit ratings) for Moody's, long-term issuer local issuer currency ratings for S&P, long-term issuer default ratings for Fitch

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Credit ratings of G-SIBs (Holding companies)*1

(As of Feb. 1, 2023)

Moody's	Moody's	S&P	Fitch	S&P Fitch
Aaa				AAA
Aa1				AA+
Aa2				AA
Aa3			• Bank of America • Bank of New York Mellon • JPMorgan • State Street	AA-
A1	SMFG • Bank of New York Mellon • JPMorgan • ***Mizuho*** • Morgan Stanley • ***MUFG*** • State Street • Wells Fargo		• Groupe BPCE • HSBC • ING • Morgan Stanley • UBS • Wells Fargo	A+
A2	• Bank of America • Goldman Sachs	• Bank of New York Mellon • State Street	• Barclays • Citigroup • Goldman Sachs • Standard Chartered	A
A3	• Citigroup • HSBC • Standard Chartered • UBS	SMFG • Bank of America • HSBC • ING • JPMorgan • ***Mizuho*** • Morgan Stanley • ***MUFG*** • UBS	SMFG • ***MUFG*** • ***Mizuho***	A-
Baa1	• ING	• Citigroup • Goldman Sachs • Standard Chartered • Wells Fargo		BBB+
Baa2	• Barclays • Credit Suisse	• Barclays	• Credit Suisse	BBB
Baa3		• Credit Suisse		BBB-

*1 Long-term issuer ratings (if not available, Senior unsecured ratings) for Moody's, long-term issuer local currency ratings for S&P, long-term issuer default ratings for Fitch

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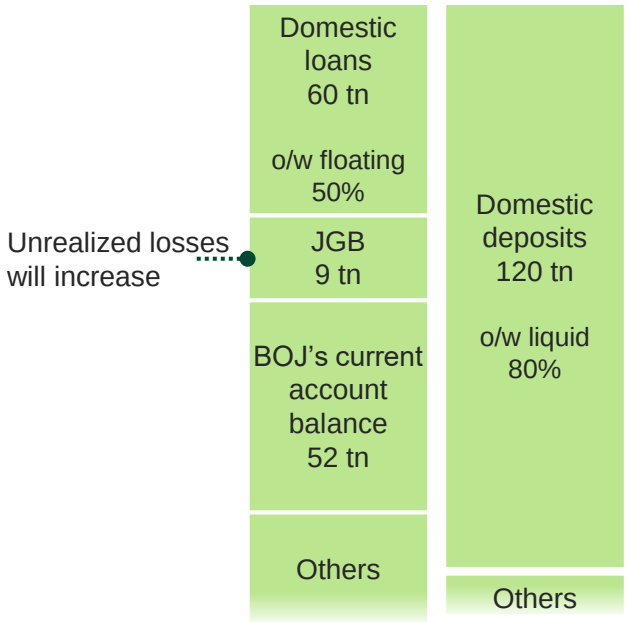
Financial impact from rising rates / Progress of buyback

B/S impact from rise of interest rate in Japan*1

JPY B/S (Dec.22)



Short term rate: Net interest income +JPY 30 bn
mainly from loans interest income

Mid-to long-term rate: Expect further improvement
incl. profit from market operation

<Simulation scenario>

- Interest rate: policy rate 0%, 5Y 0.5%, 10Y 1.0%
  (Dec.22: policy rate (0.1)%, 5Y 0.23%, 10Y 0.41%)
- Interest on BOJ's basic balance: unchanged at 0.10%

Share buyback

Progress of buyback (Until the end of Jan. 2023)

Aggregate number of shares repurchased	15,789,500 shares (25.9%)
Aggregate amount repurchased	JPY 77.73 bn (38.9%)

(Ref.) Press release in Nov. 2022

Aggregate number of shares	Up to 61,000,000 shares
Aggregate amount	Up to JPY 200 bn
Repurchase period	From November 15, 2022 to May 31, 2023

*1 Non-consolidated, round figures

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