

Investors Presentation

September 2023



SUMITOMO MITSUI
FINANCIAL GROUP

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

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

Exchange rates (TTM)

	Jun. 22	Mar. 23	Jun. 23
USD	136.64	133.54	144.99
EUR	142.65	145.75	157.60

Definitions

SMFG	Sumitomo Mitsui Financial Group, Inc.
SMBC	Sumitomo Mitsui Banking Corporation
SMBC Trust	SMBC Trust Bank
SMFL	Sumitomo Mitsui Finance and Leasing
SMBC Nikko	SMBC Nikko Securities
SMCC	Sumitomo Mitsui Card Company
SMBCCF	SMBC Consumer Finance
SMDAM	Sumitomo Mitsui DS Asset Management
SMBCAC	SMBC Aviation Capital
SMICC	SMFG India Credit Company (Former Fullerton India)
Major local subsidiaries	SMBC Bank International, SMBC Bank EU, SMBC (China)
Consolidated	SMFG consolidated
Non-consolidated	SMBC non-consolidated
Expenses (non-consolidated)	Excl. 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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Financial Results

Income statement

Progress rate of 1Q results toward FY3/24 full-year target:

Consolidated net business profit 27%, Profit attributable to owners of parent 30%

	(JPY bn)	1Q FY3/24	YoY	FY3/24 target
1 Consolidated gross profit		875.4	+78.5	
2 G&A expenses		535.1	+51.1	
Overhead ratio		61.1%	+0.4%	
3 Equity in gains (losses) of affiliates	Progress	16.9	(15.8)	
4 Consolidated net business profit	27%	357.2	+11.6	1,340
5 Total credit cost		43.9	+11.8	230
6 Gains (losses) on stocks		41.2	+4.4	
7 Other income (expenses)		(5.3)	(4.7)	
8 Ordinary profit		349.1	(0.5)	1,160
9 Extraordinary gains (losses)		(1.1)	(0.1)	
10 Income taxes		97.3	+3.3	
11 Profit attributable to owners of parent	30%	248.0	(4.4)	820
12 ROE incl. OCI ^{*1}		7.7%	(0.6)%	
13 ROE ^{*2}		9.6%	(0.5)%	

Consolidated gross profit: increased YoY as each Business Unit shows steady progress mainly due to

- 1) recovery of SMBC Nikko,
 - 2) strong performance of payment business, and
 - 3) increase of income on loan in domestic and overseas.
- Impact of FX: JPY+ 19 bn

G&A expenses: increased YoY mainly due to overseas expense related to inflation, as well as higher variable marketing cost of SMCC, which is successfully increasing new customers.
Impact of FX: JPY +10 bn

Equity in gains of affiliates: decreased YoY due to absence of gains on change in equity related to Bank of East Asia.

Total credit cost: increased due to domestic consumer finance business but managed to be lower than forecast.

Gains on stocks: increased YoY due to gains on sales of equity holdings (JPY 25 bn, YoY JPY 3 bn) and ETF sales, despite absence of profit from sales of Moelis shares.

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

*2 Based on shareholder's equity

(Ref.) Group companies

SMBC

	(JPY bn)	1Q FY3/24	YoY	FY3/24 target
1 Gross banking profit		423.3	(48.3)	
2 o/w Net interest income		240.1	(88.9)	
3 o/w Gains (losses) on cancellation of investment trusts		0.9	(28.3)	
4 Domestic		132.3	(67.4)	
5 Overseas		107.8	(21.5)	
6 o/w Net fees and commissions		110.6	+6.9	
7 Domestic		48.2	+4.5	
8 Overseas		62.4	+2.4	
9 o/w Net trading income+ Net other operating income		71.8	+33.5	
10 o/w Gains (losses) on bonds		(1.2)	+31.9	
11 Expenses		242.6	+20.9	
12 Banking profit		180.7	(69.2)	765
13 Total credit cost		(4.1)	(25.0)	85
14 Gains (losses) on stocks		37.5	+7.9	
15 Extraordinary gains (losses)		1.9	(19.3)	
16 Net income		163.7	(45.3)	520

Absence of dividend from subsidiary: (42)

Other major group companies

(left : results of 1Q FY3/24 / right : YoY)

(JPY bn)	SMCC ^{*1}		SMBC Nikko ^{*2}		SMBCCF ^{*1}	
Gross profit	131.2	+15.4	108.0	+15.3	61.0	+3.1
Expenses	109.3	+12.0	92.8	+6.1	26.3	+1.3
Net business profit	22.1	+3.4	15.2	+9.2	27.7	(4.4)
Net income	6.9	(0.3)	10.9	+2.1	2.8	(11.0)

(Equity method affiliate)

	SMBC Trust		SMDAM		SMFL ^{*3}	
			50%		50%	
Gross profit	15.1	+2.4	9.6	+0.4	69.5	+10.6
Expenses	9.7	+0.7	7.8	+0.1	31.2	+4.0
Net business profit	5.4	+1.7	1.8	+0.3	40.9	+6.2
Net income	4.9	+2.7	1.3	+0.3	20.1	+4.2

*1 Incl. impact from reorganization of SMBC Mobit

*2 Incl. profits from SMBC Nikko America and SMBC Capital Markets (managerial accounting basis)

*3 Managerial accounting basis

Target for FY3/24

Consolidated

	Results FY3/23	Target	
		FY3/24	1H
(JPY bn)			
Consolidated net business profit	1,276.4	① 1,340	670
Total credit cost	210.2	② 230	110
Ordinary profit	1,160.9	1,160	590
Profit attributable to owners of parent	805.8	820	420

①	YoY: JPY+63.6bn Due to the profit increase in RT, WS, and GB through proceeding initiatives of the Medium-Term Management Plan.
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②	YoY: JPY+19.8bn Due to increasing consumer finance.
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Non-Consolidated

	Results FY3/23	Target	
		FY3/24	1H
(JPY bn)			
Banking profit	815.9	765	380
Total credit cost	115.5	85	40
Ordinary profit	865.8	745	385
Net income	634.2	520	270

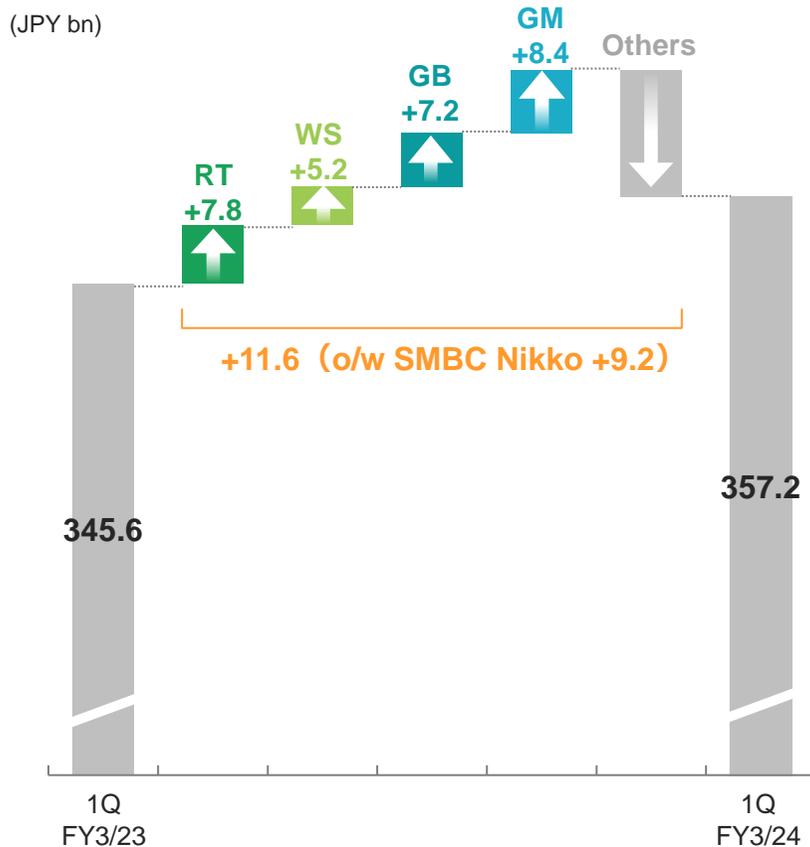
Assumptions

USD	JPY 120	EUR	JPY 130
Interest rate	Policy rate: (0.1)% JGB 10yr interest rate: 0.5%		

Consolidated net business profit

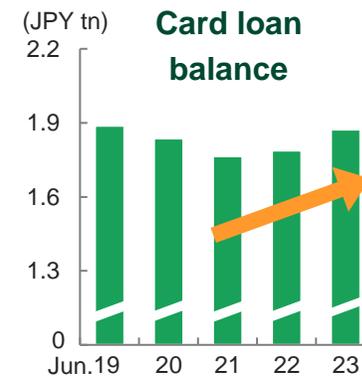
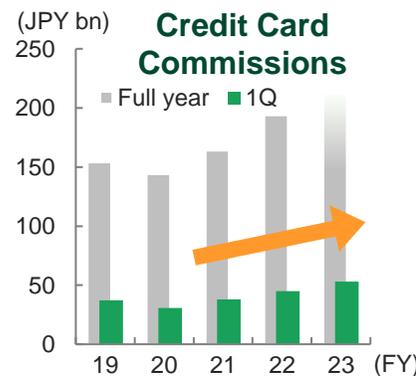
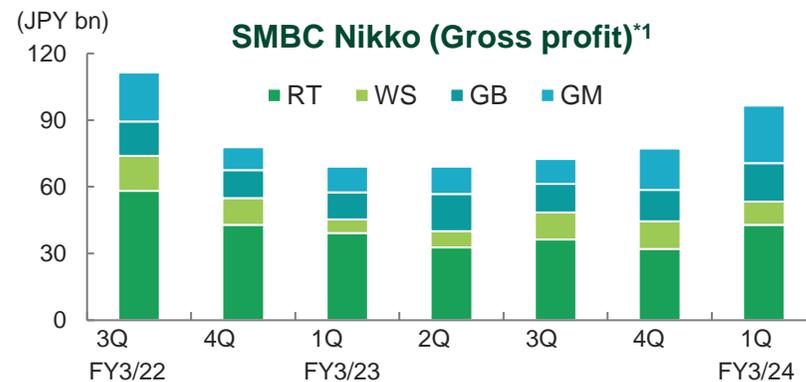
Increased +11.6 bn YoY as each Business Unit shows steady progress.

Breakdown by Business Units



Business line

- SMBC Nikko: increased in GM and RT, while pipeline is recovering in WS and GB Business Units
- Credit card and consumer finance business keep positive trend



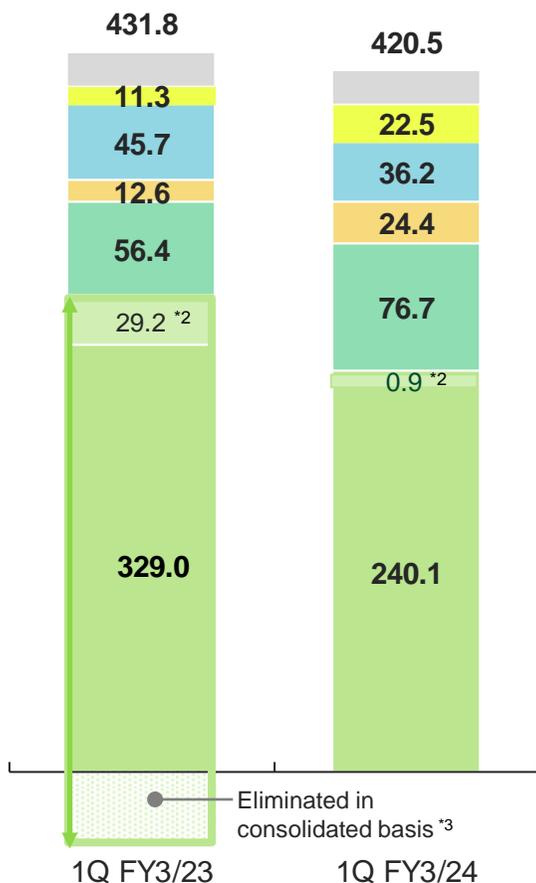
*1 Managerial accounting basis (excl. profits from overseas derivative)

Consolidated gross profit *1

■ SMBC
 ■ Overseas banking subsidiaries
 ■ SMBC Nikko
 ■ SMCC
 ■ SMBCCF
 ■ SMICC
 ■ Others

Net interest income

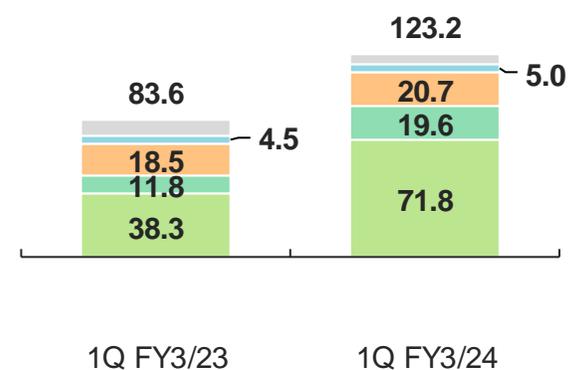
(JPY bn)



Net fees and commissions



Net trading income + Net other operating income

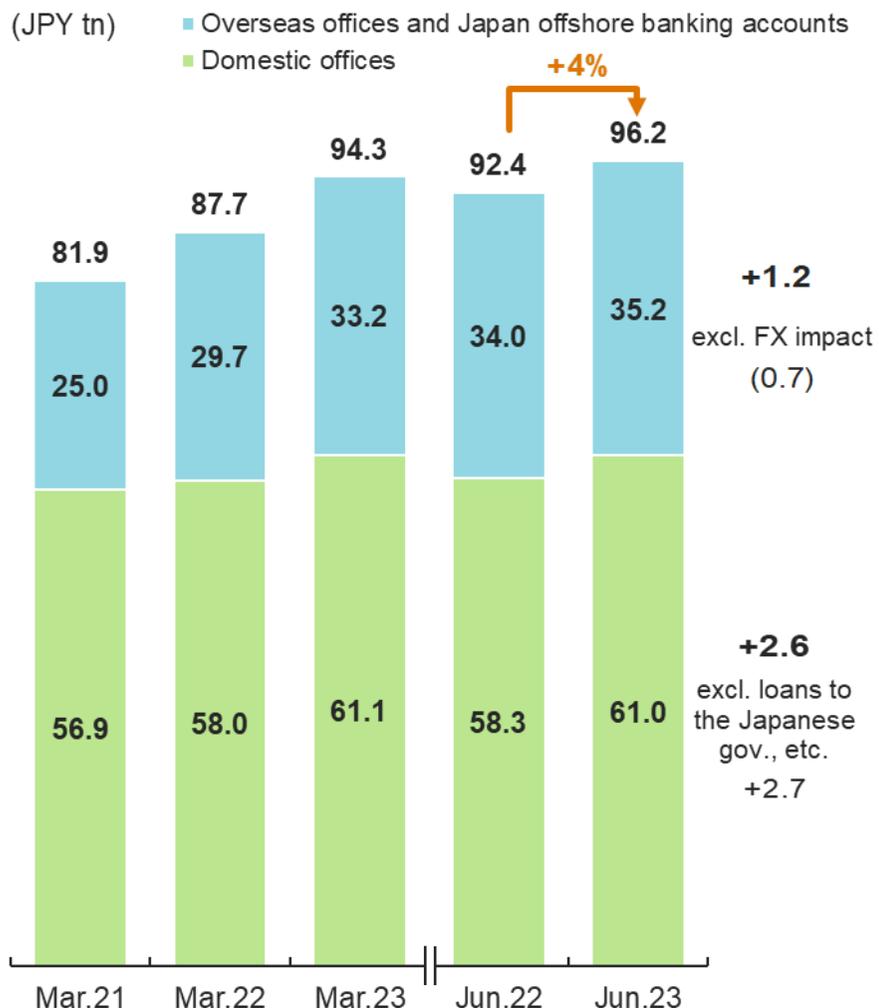


*1 The figure for FY3/23 has not been adjusted to the reorganization of SMBC Mobit in Apr.23

*2 Gains on cancellation of investment trusts *3 Incl. dividend from subsidiary: 42

Loans*1

Loan balance



Domestic loan-to-deposit spread

	FY3/24		FY3/23			
	1Q	YoY	1Q	2Q	3Q	4Q
Interest earned on loans and bills discounted (%)	0.82	(0.01)	0.83	0.84	0.81	0.82
Interest paid on deposits, etc.	0.00	(0.00)	0.00	0.00	0.00	0.00
Loan-to-deposit spread	0.82	(0.01)	0.83	0.84	0.81	0.82

(Ref.) Excl. loans to the Japanese government, etc.

Interest earned on loans and bills discounted	0.84	(0.01)	0.85	0.86	0.83	0.84
Loan-to-deposit spread	0.84	(0.01)	0.85	0.86	0.83	0.84

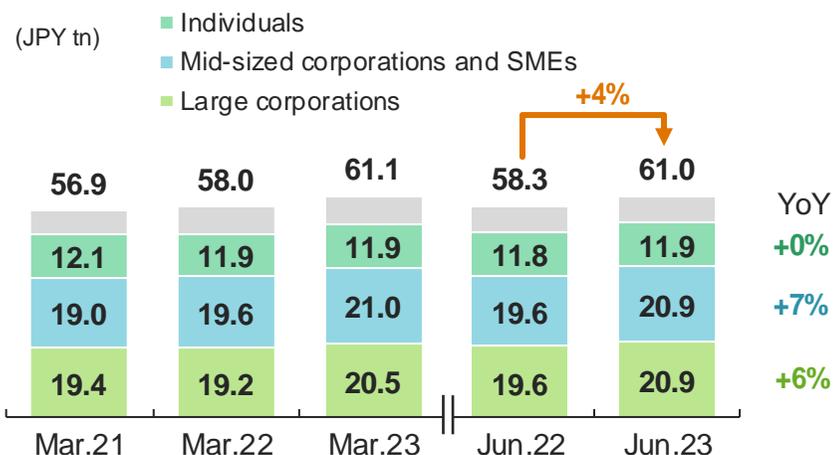
Average loan balance and spread*2

	Balance (JPY tn)		Spread (%)	
	1Q FY3/24	YoY*4	1Q FY3/24	YoY
Domestic loans	59.3	+3.1	0.71	(0.01)
Excl. loans to the Japanese government, etc.	56.8	+3.0	0.73	(0.01)
o/w Large corporations	20.4	+1.5	0.55	(0.02)
o/w Mid-sized corporations & SMEs	20.9	+1.2	0.63	+0.02
o/w Individuals	11.9	+0.1	1.37	(0.03)
GBU's interest earning assets*3	347.0	(10.6)	1.23	+0.06
	USD bn	USD bn		

*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. Change the definition of the spread due to cessation of USD Libor: from difference with the benchmark interest rate to with the cost of funds *4 After adjustments for exchange rates, etc.

Domestic loans and deposits*1

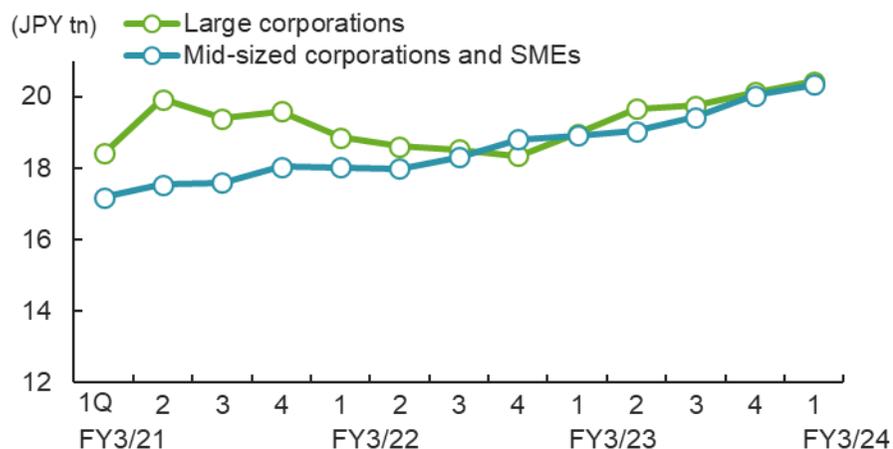
Loan balance*2



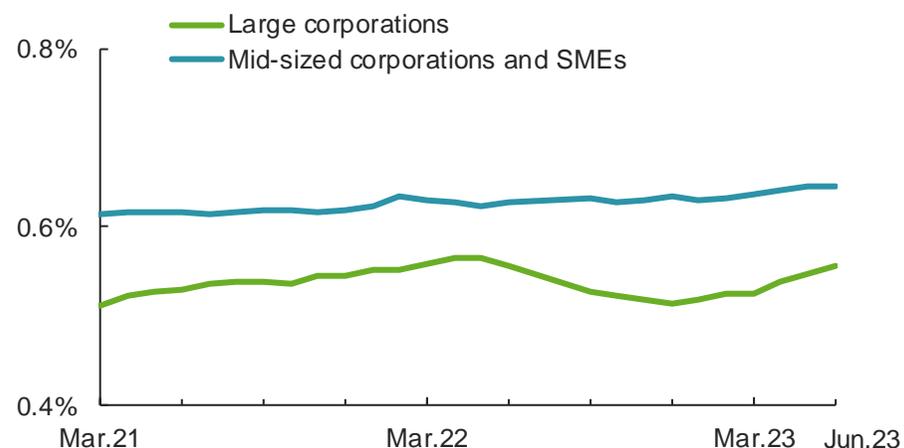
Deposit balance



Loan average balance for corporates*2,3



Loan spread for corporates*2,4



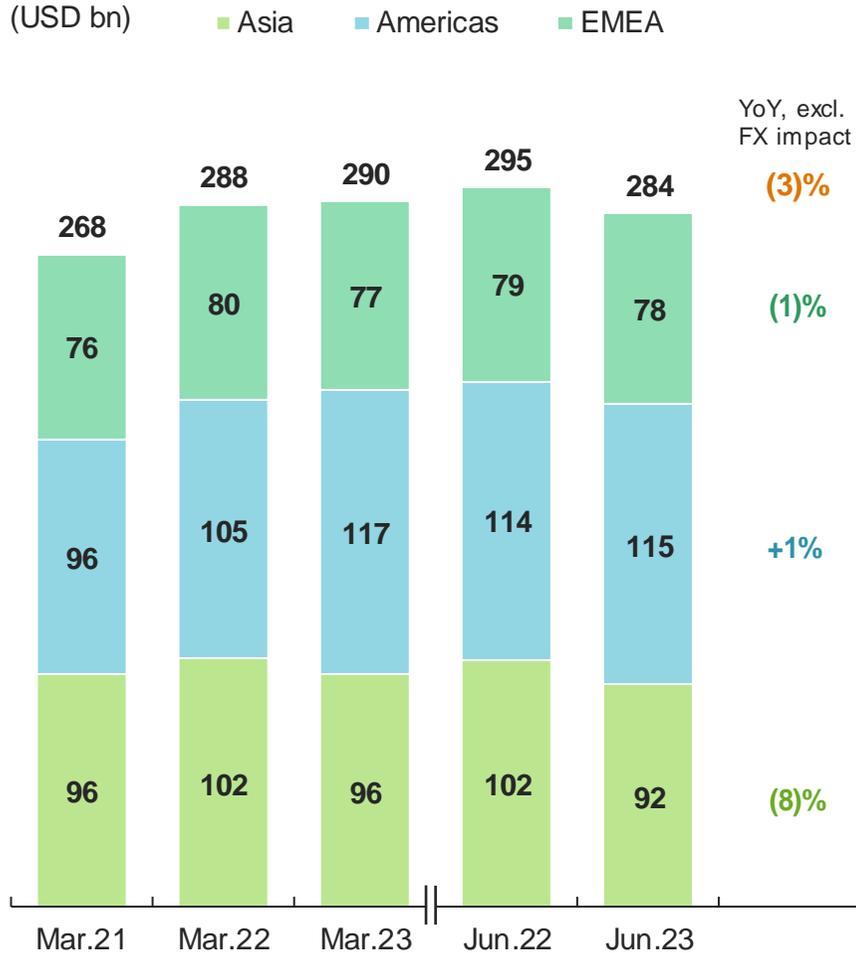
*1 Non-consolidated *2 Managerial accounting basis *3 Quarterly average (excl. loans to the Japanese government)

Figures for SMEs are the outstanding balance of Corporate banking division

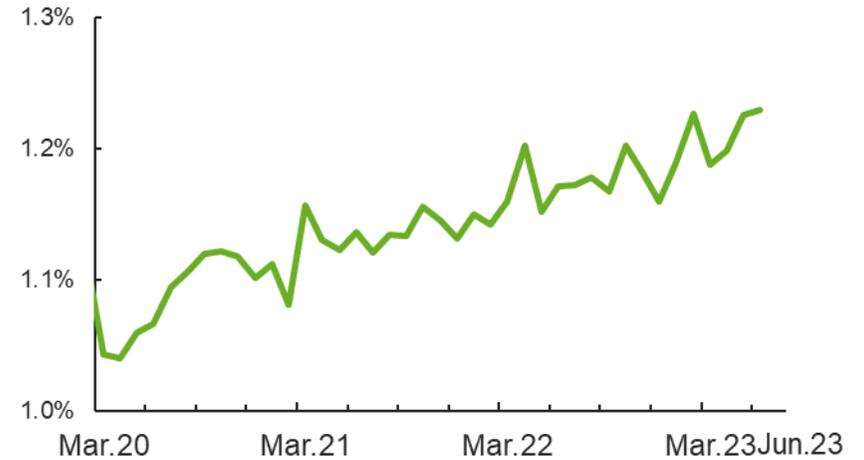
*4 Loan spread of existing loans (excl. loans to the Japanese government)

Overseas loans and deposits*1

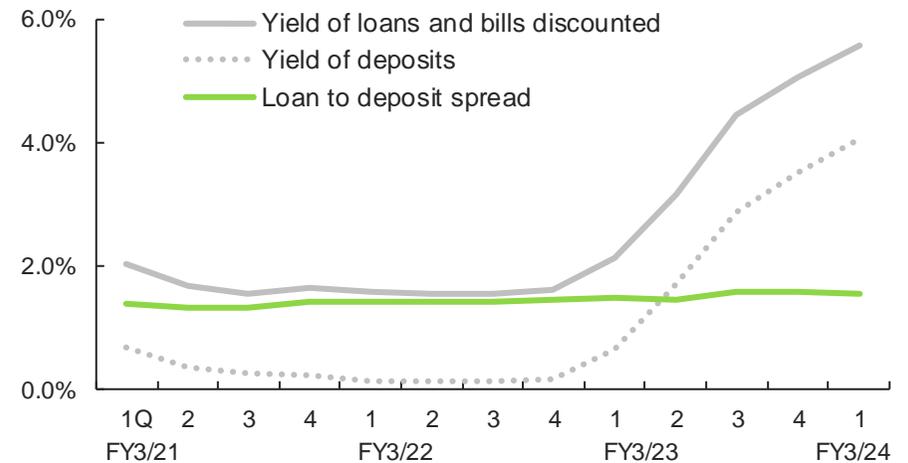
Loan balance



Loan spread*2,3



Loan to deposit spread



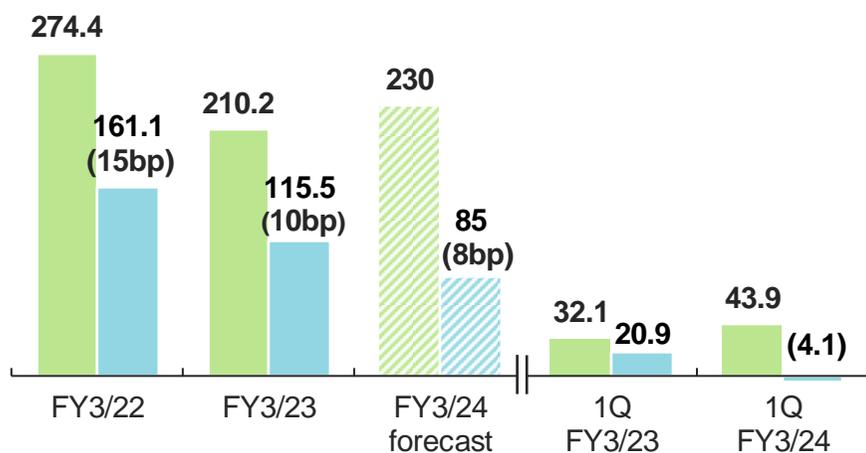
*1 Managerial accounting basis. Sum of SMBC and Major local subsidiaries

*2 Monthly average loan spread of existing loans *3 Change the definition of the spread due to cessation of USD Libor: from difference with the benchmark interest rate to with the cost of funds

Asset quality

Credit costs

(JPY bn) Consolidated Non-consolidated

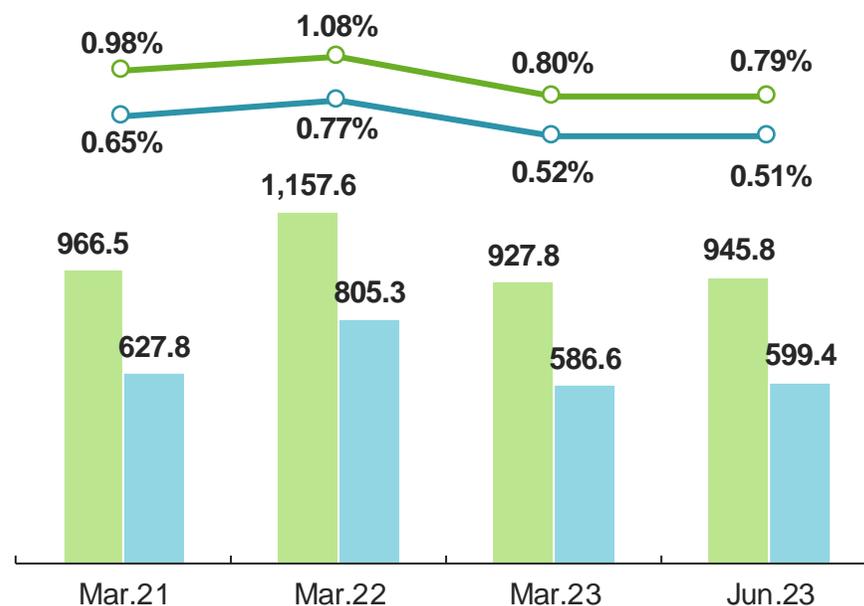


Major group companies

	(JPY bn)	1Q FY3/24	YoY
SMBCCF		23	+7 ^{*2}
SMCC		12	+5 ^{*2}
Overseas banking subsidiaries		6	+6
SMICC		6	+3
Adjustments of FX		-	+15 ^{*3}

Non-performing loan^{*1}

(JPY bn) Consolidated Non-consolidated



Total claims

	(JPY tn)		
Consolidated	107	116	120
Non-consolidated	104	113	116
Claims on borrowers requiring caution (excl. claims to substandard borrowers)			
Non-consolidated	1.9	1.8	1.8

*1 NPL ratio = NPLs based on the Banking Act and the Reconstruction Act (excl. normal assets) / Total claims

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

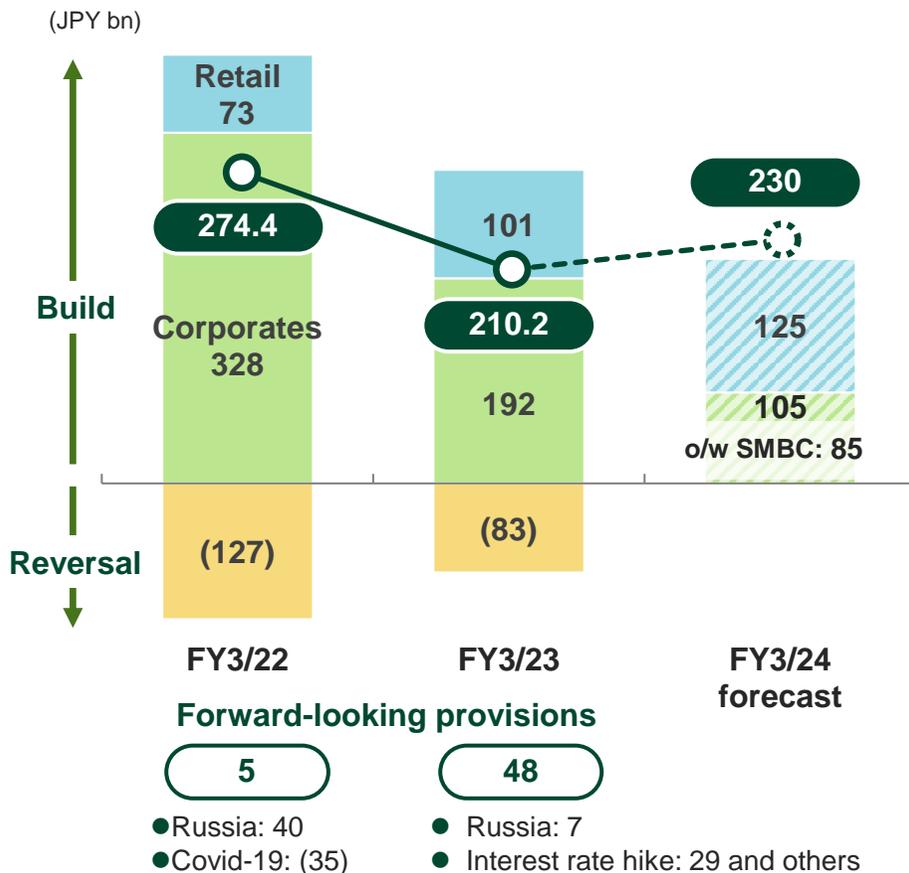
*3 Adjustments of FX is recorded in the total credit cost, as the total credit cost is net reversal on non-consolidated basis.

Credit cost/ financial impact from Russia

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

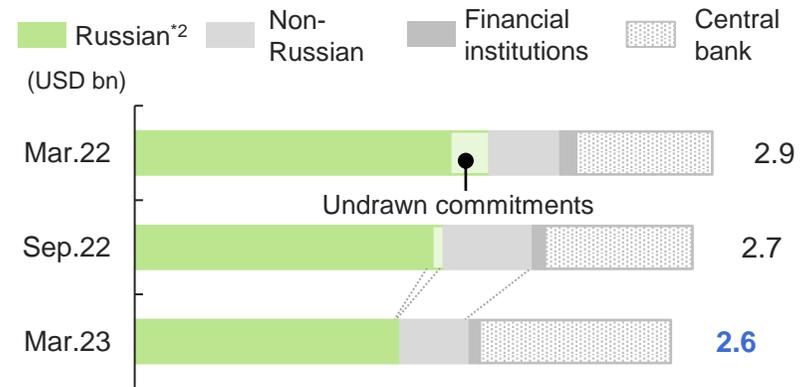
Booked additional impairment of aircraft leased to Russian airlines (JPY 59 bn, 27% of NBV.)

Credit cost



Impact from Russia

Banking exposure to Russia*1



Aircraft leasing

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

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

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

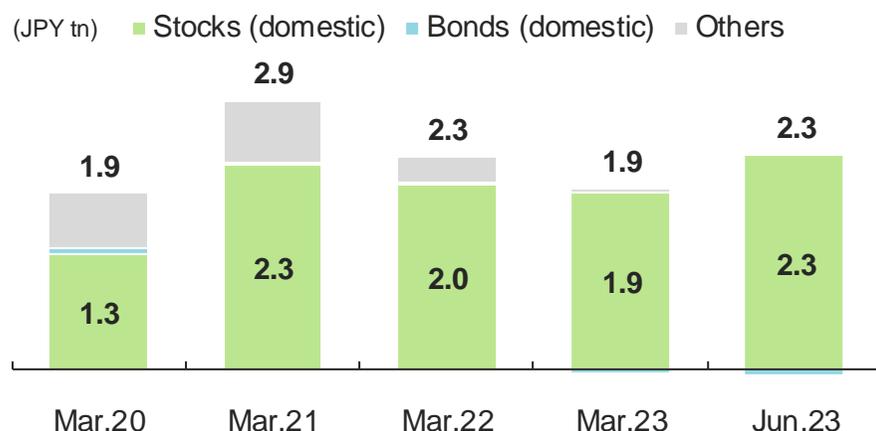
Securities

Breakdown of other securities (consolidated)

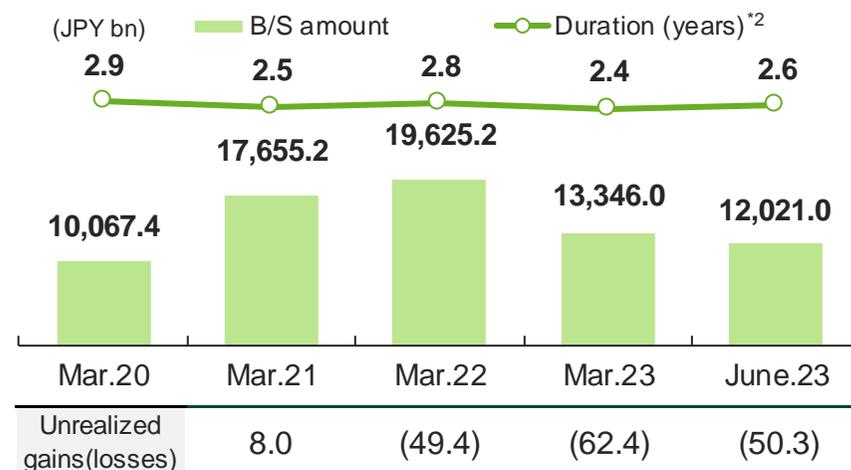
	B/S amount		Unrealized gains (losses)	
	Jun.23	vs Mar.23	Jun.23	vs Mar.23
(JPY bn)				
Held-to-maturity	199.8	+34.2	0.1	+0.5
Available for sales	32,952.3	+487.3	2,301.0	+385.9
Stocks (domestic)	3,729.0	+383.6	2,348.9	+404.1
Bonds (domestic)	11,840.6	(1,336.9)	(51.9)	+12.3
o/w JGBs	8,324.6	(1,251.7)	(30.6)	+5.8
Others	17,382.7	+1,440.6	4.1 ^{*1}	(30.5)
o/w Foreign bonds	14,296.2	+1,214.7	(873.2)	(175.9)

Risk volume is controlled by hedging and others

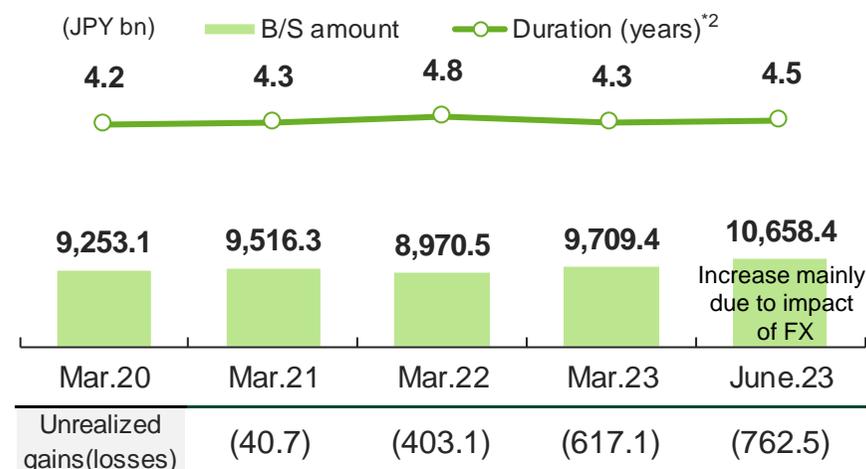
Unrealized gains



Yen-denominated bonds (Non-consolidated)



Foreign bonds (Non-consolidated)



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

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

Balance sheet

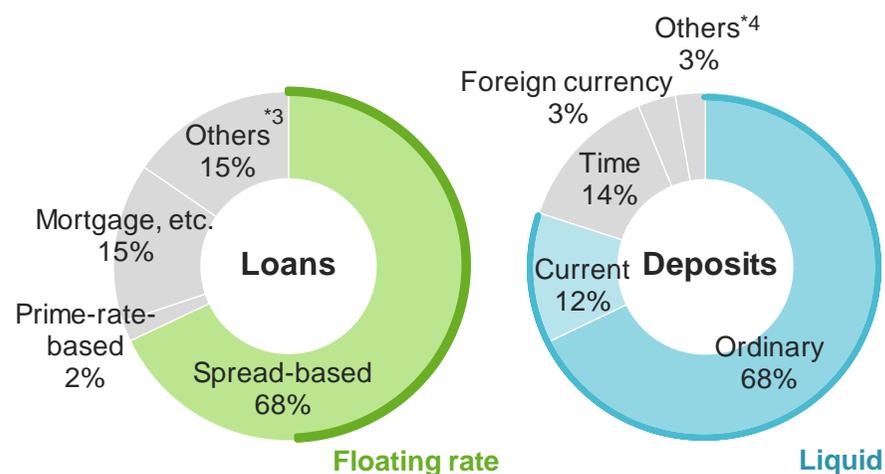
Consolidated

(vs Mar.23)

Loans JPY 101.3 tn (+JPY 2.9 tn)		Deposits JPY 174.4 tn (+JPY 3.2 tn)	
Domestic loans^{*2}	JPY 61.0 tn	Loan to deposit ratio 57.9%	
Securities JPY 33.8 tn (+JPY 0.6 tn)		Domestic deposits^{*1}	JPY 123.9 tn
JGBs	JPY 8.3 tn	NCD	JPY 14.1 tn
Foreign bonds	JPY 14.3 tn	Others JPY96.8 tn (+JPY 10.4 tn)	
Others JPY149.6 tn (+JPY 10.8 tn)		Total net assets JPY 13.4 tn (+JPY 0.6 tn)	
Cash and due from banks	JPY 76.7 tn		
BoJ's current account ^{*1}	JPY 58.3 tn		

Total assets JPY 284.6 tn (+JPY 14.2 tn)

Domestic loans and deposits^{*1,2}



Expected impact from possible interest hike

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

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

*4 Sundry, etc.

Foreign currency

Non-JPY B/S*1,2

(USD bn)

Interest earning assets	Deposit*3
348	253
Others	Mid-long term funding*4
152	141
Foreign bonds, NCD	CD/CP
73	73
	Interbank (Incl. Repo)
	105

Assets / Liabilities 573 (vs Mar.23 (5))

Foreign currency balance

(USD bn)



Impact of interest rise

Loan/deposit

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

Foreign bonds

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

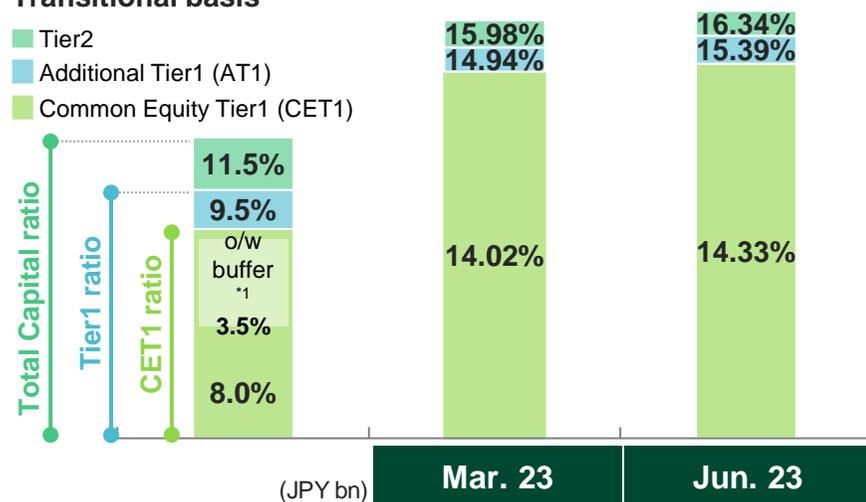
*1 Sum of SMBC and major local subsidiaries *2 Managerial accounting basis
*3 Incl. deposits from central banks *4 Corporate bonds, currency swaps, etc

Capital / RWA

Capital ratio

Transitional basis

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



	(JPY bn)	Mar. 23	Jun. 23
Total capital		12,350.8	13,142.7
Tier1 capital		11,548.9	12,378.3
o/w CET1 capital		10,839.0	11,525.6
Tier2 capital		801.9	764.4
Risk-weighted assets		77,285.0	80,383.4
Finalized Basel III basis			
CET1 ratio		10.9%	11.1%
excl. net unrealized gains on other securities		10.1%	10.2%

Other requirement ratios

	(JPY bn)	Jun. 23	Requirement*1
External TLAC ratio			
RWA basis		26.00%	18.0%
Leverage exposure basis		9.77%	6.75%
Leverage ratio		5.07%	3.5%
LCR (Average 1Q FY3/24)		131.3%	100%

*1 Capital conservation buffer: 2.5%, G-SIBs surcharge: 1.0%. Countercyclical buffer (CCyB) omitted

Results by Business Unit (1)

Retail

(JPY bn)	FY3/23	YoY*1
Gross profit	1,150.2	(14.0)
Income on loans and deposits*2	112.4	(3.7)
Wealth management business	227.5	(71.3)
Payment business	452.2	+47.3
Consumer finance business	315.2	+10.9
Expenses	933.3	+0.7
Base expenses	702.2	(38.1)
Net business profit	221.6	(13.5)
ROCE1*3	11.0%	+0.8%
RWA (JPY tn)	13.3	+0.6

Wholesale

(JPY bn)	FY3/23	YoY*1
Gross profit	773.7	+22.3
Income on loans and deposits	269.7	+28.3
FX and money transfer fees	136.6	+9.3
SMBC Loan syndication	46.4	+1.3
Structured finance	20.6	(2.3)
Real estate finance	15.5	+2.1
Securities business	42.2	(16.4)
Expenses	293.3	(9.3)
Base expenses	290.0	(4.3)
Net business profit	558.5	+43.6
ROCE1*4	14.6%	+3.4%
RWA (JPY tn)	31.2	+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

Results by Business Unit (2)

Global

	(JPY bn)	FY3/23	YoY*1
Gross profit		1,205.2	+144.4
Income on loans and deposits		539.9	+108.5
Loan related fees		192.0	(5.3)
Securities business		50.0	(19.9)
Expenses		637.9	+71.0
Base expenses		598.9	+57.2
Net business profit		612.2	+114.9
ROCET1*2		10.4%	+2.2%
RWA (JPY tn)		46.3	+1.6

Global Markets

	(JPY bn)	FY3/23	YoY*1
Gross profit		457.8	+49.2
SMBC's Treasury Unit		302.4	+23.0
Expenses		112.5	+7.0
Base expenses		110.0	+7.8
Net business profit		374.2	+44.1
ROCET1*3		16.7%	+1.8%
RWA (JPY tn)		6.6	+0.1

*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

Results by Business Unit (3)

	ROCE1 ^{*1,2}		Net Business Profit (JPY bn) ^{*2}		RWA (JPY tn) ^{*2}		
	FY3/23	FY3/23 Target ^{*3}	FY3/23	FY3/23 Target	Mar.23	vs. Mar.20	Mar.23 Target
Retail	11.0%	12%	221.6	305	13.3	+0.8	+0.4
Wholesale	14.6%	9%	558.5	405	31.2	+2.6	+1.6
Global	10.4%	9%	612.2	430	46.3	+4.4	+2.6
Global Markets	16.7%	17%	374.2	355	6.6	+0.7	+1.5

*1 Excl. impact from the provision for losses on interest repayments for RT
Excl. the impact from the medium- to long-term foreign currency funding costs for WS and GB
Incl. impact from the interest-rate risk associated to the banking account for GM

*2 Managerial accounting basis of FY3/23 *3 Managerial accounting basis of FY3/21



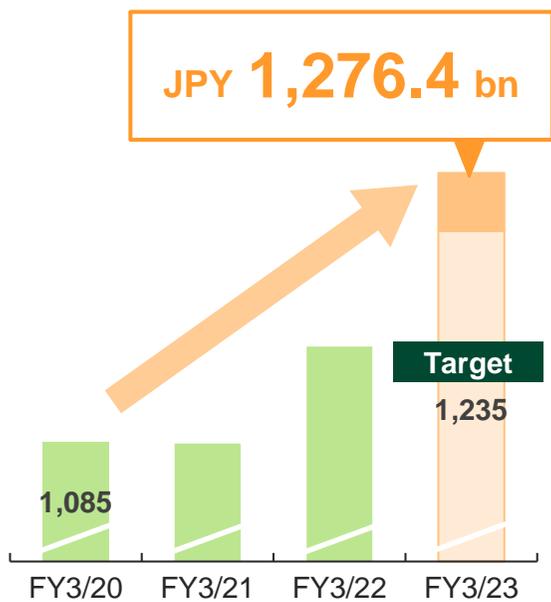
New Medium-Term Management Plan

(FY3/24-26)

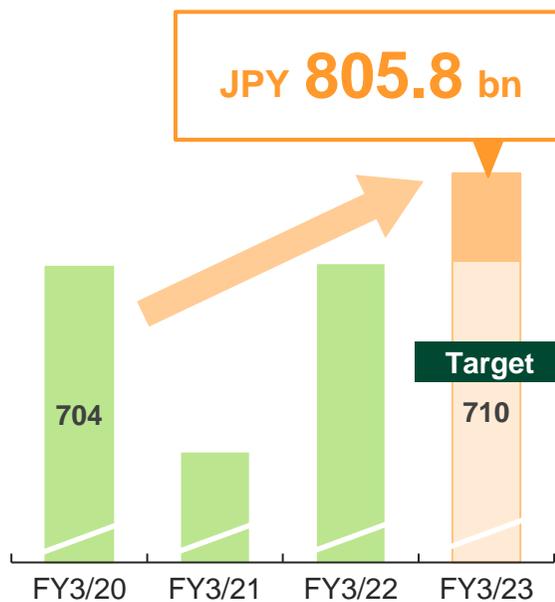
Review of Previous Plan (1)

- Achieved all financial targets and strengthened shareholder returns

Consolidated net business profit



Bottom-line profit



ROCE1

FY3/23 **9.4%** Target **8.5%**



Base expense

(JPY bn) FY3/23 **1,515** Target **<FY3/20 1,530**



Cost control
JPY (145) bn
(45)bn vs. target

Domestic headcount
(8.5) K
(2)K vs. target

Dividends

DPS

JPY 240
(+50 vs. FY3/20)

Dividend payout ratio

40%
(FY3/20: 37%)

Share buyback

JPY 200 bn
in 3 yrs

CET1 ratio

Mar.23 **10.1%** Target **10%**



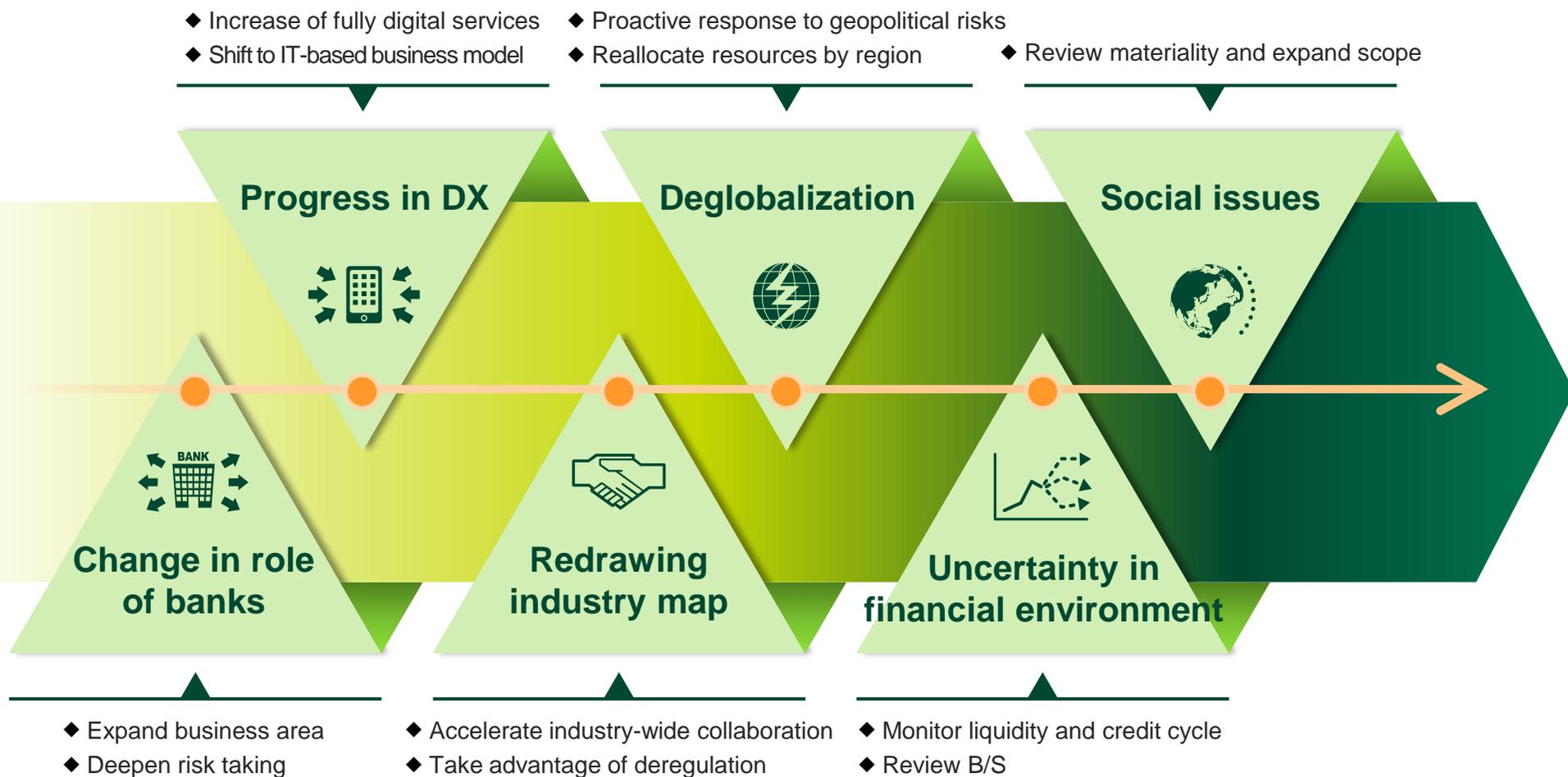
Review of Previous Plan (2)

- Areas we need to improve on also became clear

Topics	
Transformation Transform existing businesses	Wholesale business <ul style="list-style-type: none">Profit increase mainly relied on asset allocation (both domestic and overseas) RWA + JPY 7 tnNeed to prepare for possible interest rate hike Retail business <ul style="list-style-type: none">Expand client base leveraging “Olive” in anticipation of rising interest rates AUM + JPY 3 tn
Growth Seek new business opportunities	Business portfolio <ul style="list-style-type: none">COVID-19 impacted on our strengths (aircraft leasing/ consumer finance)Unable to capture favorable market opportunities in the overseas securities business and was left behind our peers Inorganic investment <ul style="list-style-type: none">Investments in line with strategyRealize J-curve growth through PMI and synergies Capital allocation JPY 510 bn
Quality Elevate quality in all aspects	Compliance / risk management <ul style="list-style-type: none">Compliance incidents occurredMust enhance governance system in line with business expansion Social Issues / human capital <ul style="list-style-type: none">Increasing demand for resolving social issues incl. climate change and human capital investment

Business environment

The direction we should pursue remains unchanged, while we must revise strategies in response to paradigm shifts.



Plan for **Fulfilled Growth**

Core Policies

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**

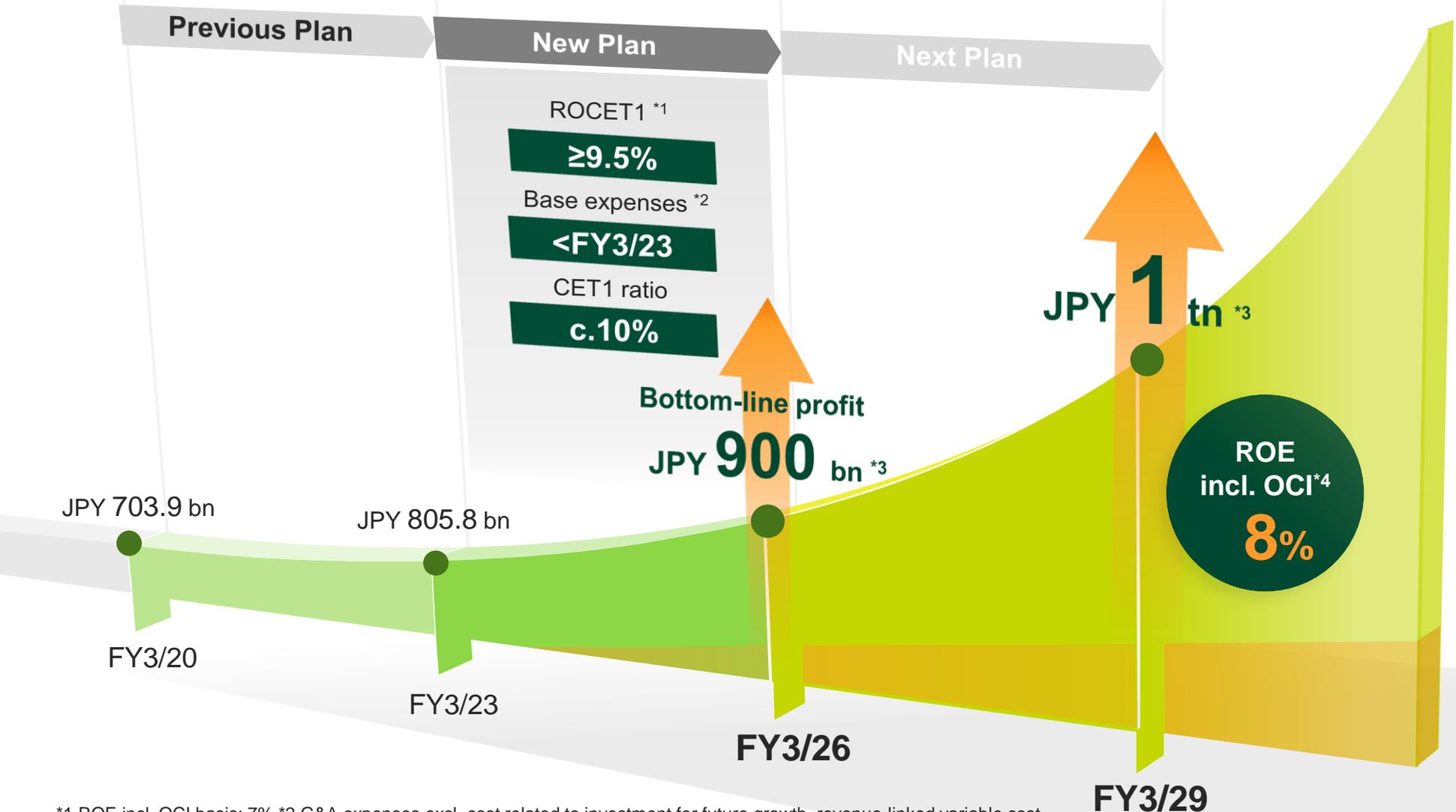
Transformation &
Growth

**Rebuild
Corporate
Infrastructure**

Quality builds
Trust

Financial targets

Set the targets for the New Plan to achieve bottom-line profit of over JPY 1 tn by FY3/29.



*1 ROE incl. OCI basis: 7% *2 G&A expenses excl. cost related to investment for future growth, revenue-linked variable cost, impact from market conditions and others *3 JGB 10yr interest rate: 0.5%, Policy rate: (0.1)%, USD1=JPY120

*4 Denominator: shareholders' equity + total accumulated other comprehensive income

(Ref.) ROCET1/ ROE

Financial target is unchanged from ROCET1 based on the Basel regulatory capital (\approx ROTCE) .
At the same time, accelerate the reduction of strategic shareholdings to improve ROE incl. OCI.



Dynamic reallocation of management resources

Reform domestic business model	Reduce unprofitable assets	Review significance of holding
<ul style="list-style-type: none"> ● Retail Business : Shift resources from human to IT by thorough digitalization ● Wholesale business : Shift personnel to growth areas by promoting digitization and efficiency 	<ul style="list-style-type: none"> ● Project finance : High RWA burden ● Trade finance : Short-term, low-interest margins ● Regions of low growth and excessive competition 	<ul style="list-style-type: none"> ● Review strategy for existing financial investees with limited growth potential ● Accelerate reduction pace of strategic shareholdings ● Shift to Green Assets toward a decarbonized society

RWA

JPY (6) tn ●..... x**1.5** reduction vs. previous plan

Domestic workload

(6.5) K ●..... >**10%** of domestic headcount

Shift management resources

Pursue economic value (P31)

Rebuild corporate infrastructure (P43)

RWA

+ JPY 11 tn

Workload

+ 3K

IT investment

+ JPY 650 bn

Pursue Economic Value -Transformation & Growth-

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and advancement of society

Growth with Quality

Create Social Value

Contribute to
“Fulfilled Growth”

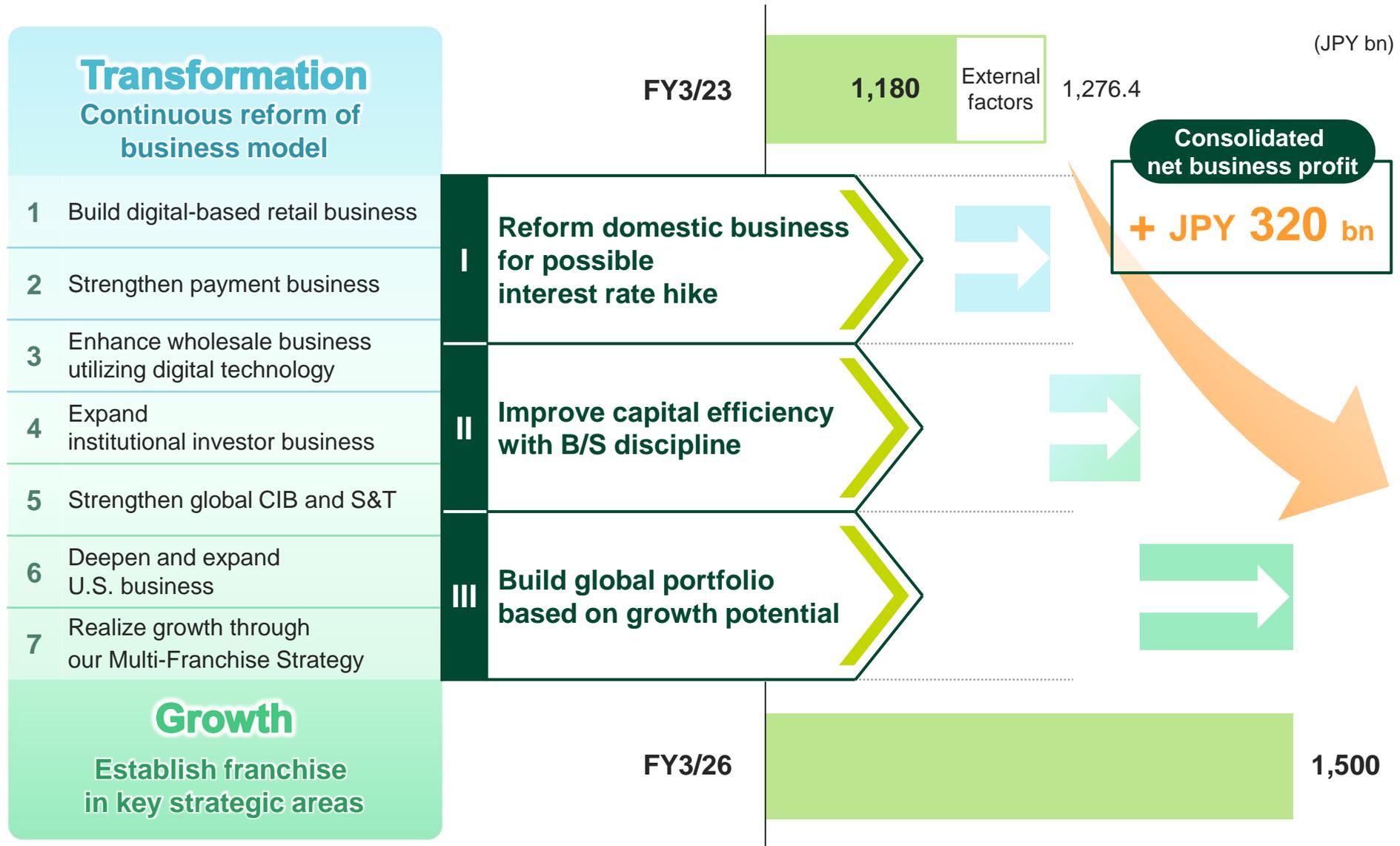
Pursue Economic Value

Transformation &
Growth

Rebuild Corporate Infrastructure

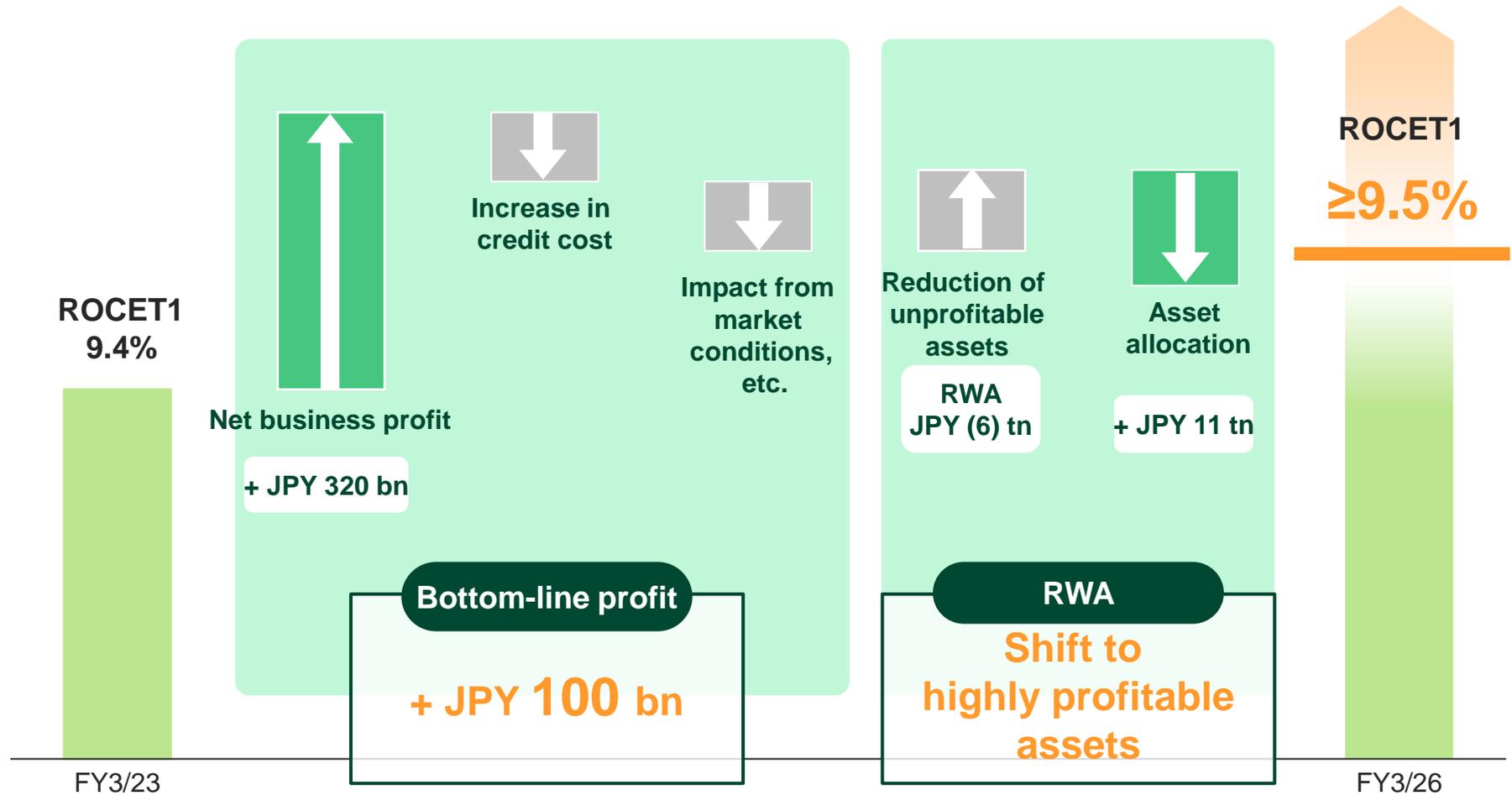
Quality builds
Trust

Key strategic areas



Enhance Capital Efficiency

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



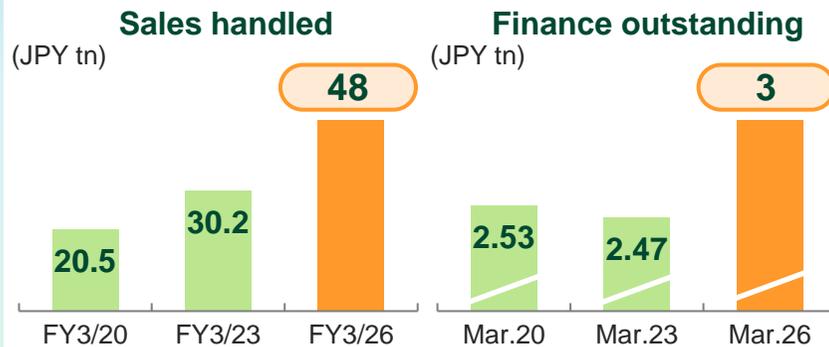
I. Reform domestic business for possible interest rate hike

Key initiatives

Build a digital-based retail business

Strengthen payment business

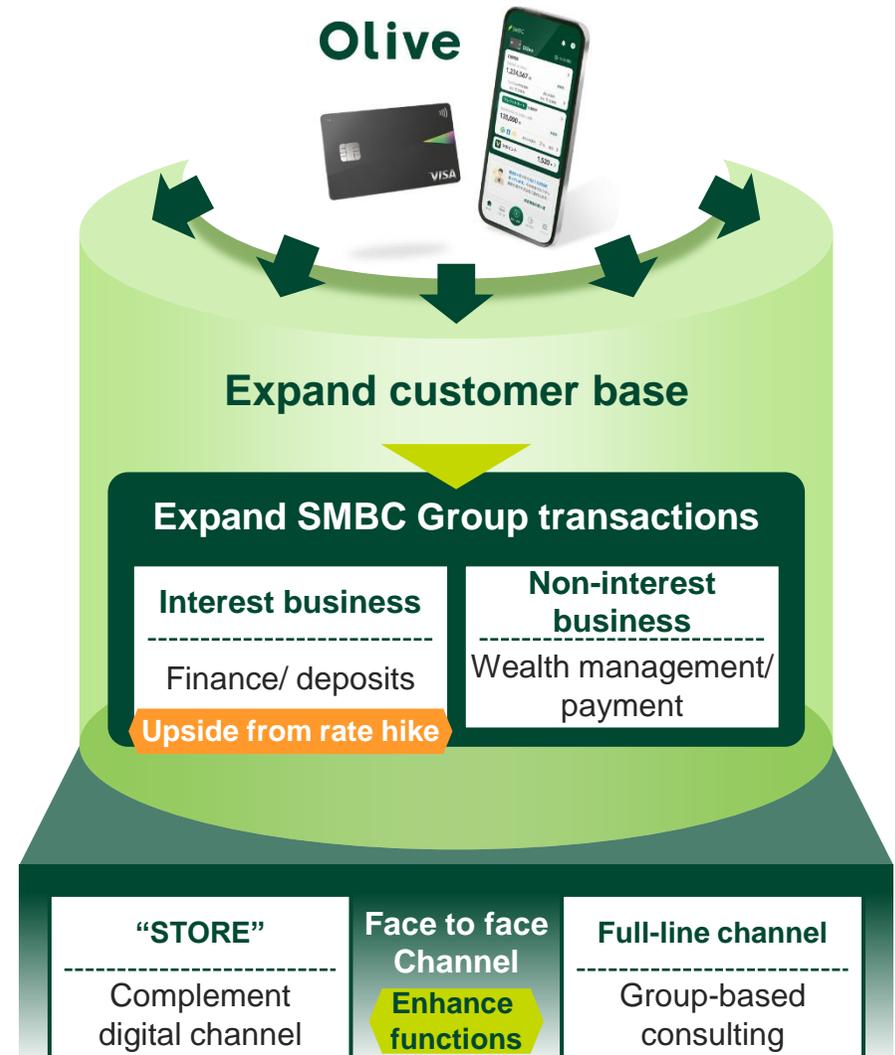
KPI



Social value

- Support stable asset building for all generations in line with the trend from savings to investment
- Create highly convenient digital infrastructure of payment and finance with Olive

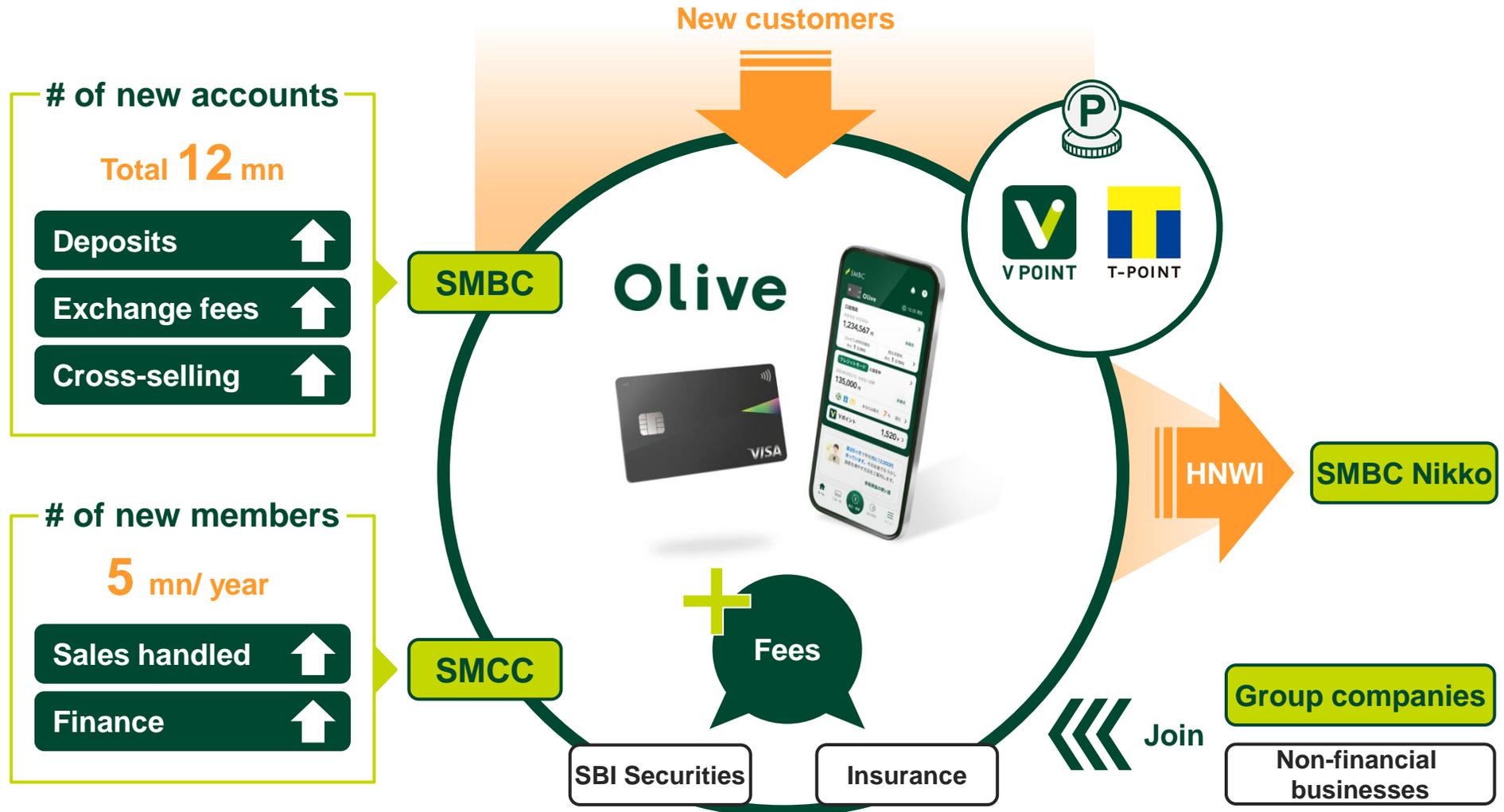
Olive-centered business model



I. Reform domestic business for possible interest rate hike

Vision for Olive in five years

Create a major ecosystem of services of group companies and partner companies by connecting these businesses with one of the largest point program in Japan.



II. Improve capital efficiency with B/S discipline

Key initiatives

Enhance wholesale business with digital

Expand institutional investor business

Strengthen global CIB and S&T

KPI

Investment and loans for startups

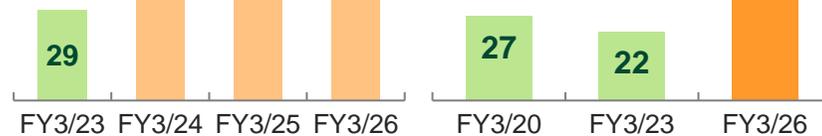
(JPY bn)

135

Net business profit from overseas securities

(JPY bn)

49



Social value

- Support corporate clients' digital transformation
- Support corporate transitions through sustainable finance and engagement

Build optimal structure for wholesale

SMEs

Mid-sized corp.

Large corp.

Digitalization

Specialized proposals

Paperless/
integration of operations

Sector coverage

One-stop online services
of group companies

Global collaboration

Use of data/ AI

Response to needs of
advanced finance

Improve asset efficiency of wholesale

Increase high-profit products with risk analysis

Startup

Revitalization
finance

Real estate
finance

LBO

Increase fee income by group collaboration

SMBC Nikko
Derivatives

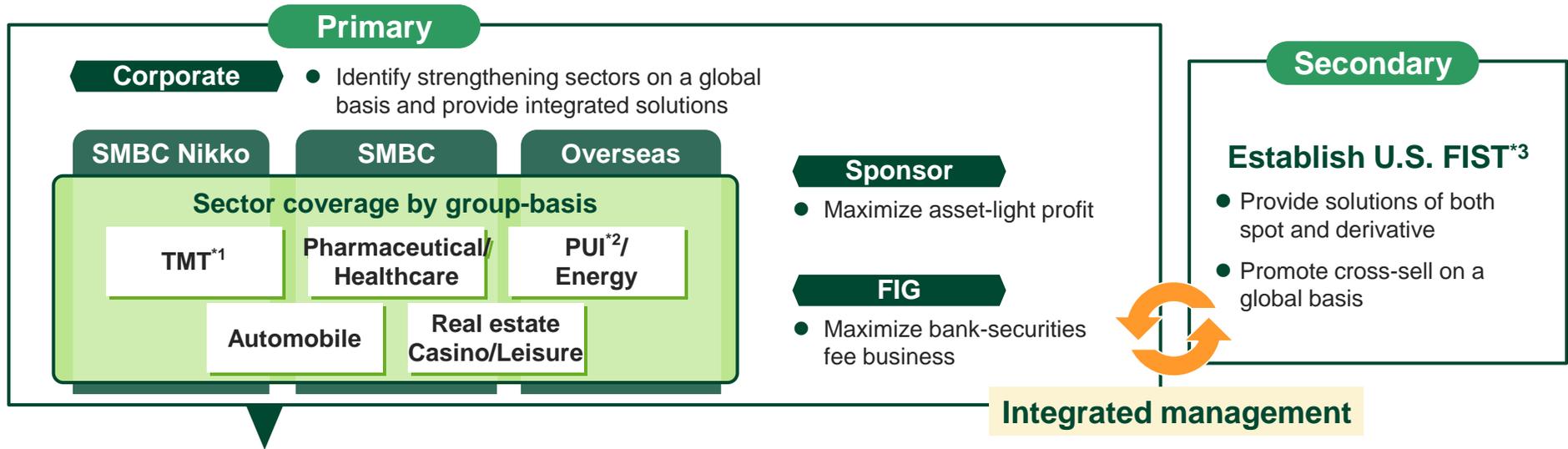
SMBC Trust
Real estate brokerage

SMCC
Corporate payment

Challenge to asset backed products business

Promote institutional investor business
leveraging group assets

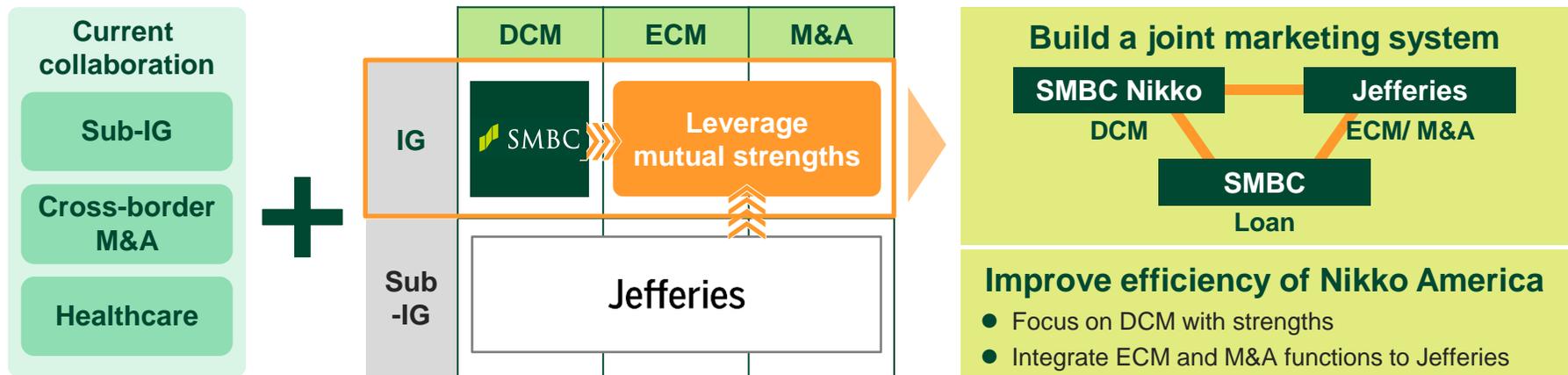
II. Improve capital efficiency with B/S discipline Strengthen global CIB and S&T



Enhance collaboration with Jefferies in the U.S.

Increase economic stake up to 15% (announced in Apr. 23)

ROE FY3/27: Approx. 10%



*1 Technology, Media, Telecommunications *2 Power, Utility, Infrastructure
*3 Fixed Income Sales & Trading

III. Build global portfolio based on growth potential

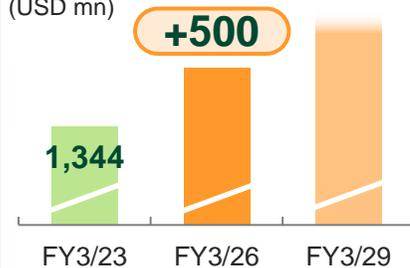
Key initiatives

Deepen and expand U.S. business

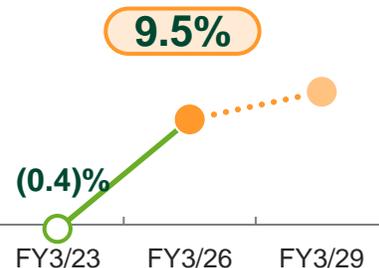
Realize growth of Multi-Franchise Strategy

KPI

Net business profit
of the Americas Division
(USD mn)



ROE of
investments in Asia

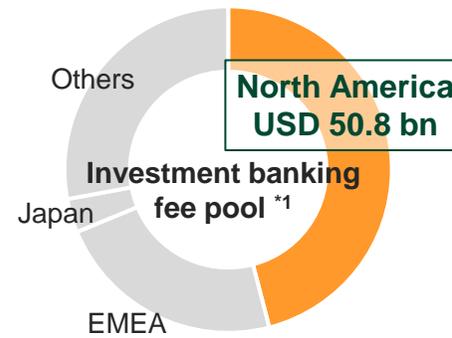


Social value

- Provide digital financial services to satisfy various needs
- Contribute to enhancing financial inclusion and literacy

Concentrate resources to the U.S.

Market size



Growth Investment

RWA increase

Global: + JPY 3.9 tn

Americas + JPY 2.7

CIB

Product *2

Digital banking

jeniusbank

Scheduled in 2023

- Aim to nurture into a medium-to long-term growth driver.
- Accumulate loans to targeted customers subsequently expanding product lineup

Year 10

ROE ≥ 10%

Bottom-line profit
USD <500mn



*1 Refinitiv CY2022

*2 Subscription finance, LBO, lender finance, real estate finance, etc.

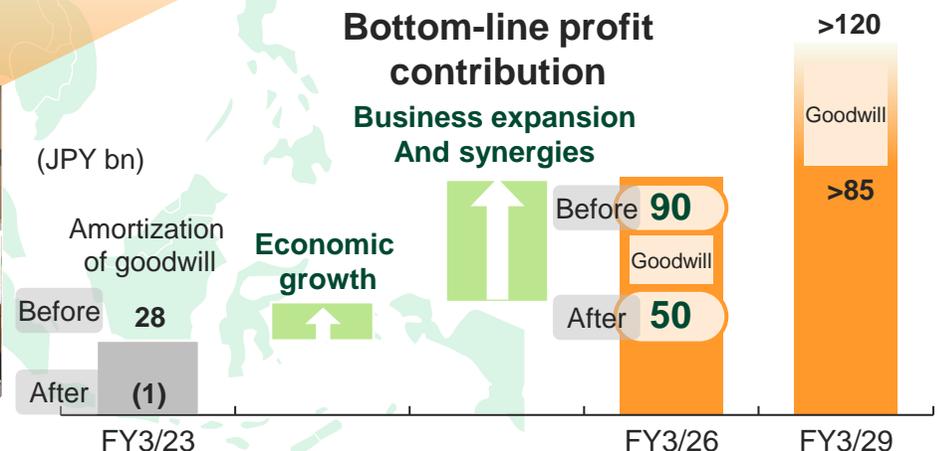
III. Build global portfolio based on growth potential

Multi-Franchise Strategy in Asia

Focus on PMI of investees under the previous Medium-Term Management Plan.
Achieve profitability by supporting business expansion and generating synergies.

 <p>Ownership ratio</p> <p>Bank BTPN 92%</p> <p>OTO/SOF 35%</p>	 <p>SMICC 75%</p>	 <p>VPBank 15% <small>scheduled 2H CY23</small></p> <p>FE Credit 49%</p>	 <p>RCBC 20%</p>
<p>Loans recovering</p> <ul style="list-style-type: none"> Wholesale and shariah performed well and focus on retail and SMEs businesses Auto loan balance recovered from COVID-19 	<p>Steadily recovering from COVID-19</p> <ul style="list-style-type: none"> New loans increased by 50% YoY Credit costs decreased by strengthening collection system 	<p>Mass market expected to recover in 2H CY23</p> <ul style="list-style-type: none"> Strengthened retail and SMEs in banking Accumulated healthy assets in the mass segment 	<p>Capture economic recovery</p> <ul style="list-style-type: none"> Profit increased by 70% YoY due to business expansion and less credit costs Ranked up to #5 private bank by total assets

Strengthen collaboration among investees



Expected return from past investment

Target

1 Businesses / assets with high asset and capital efficiency

Aircraft leasing

the U.S.

New areas

Digital

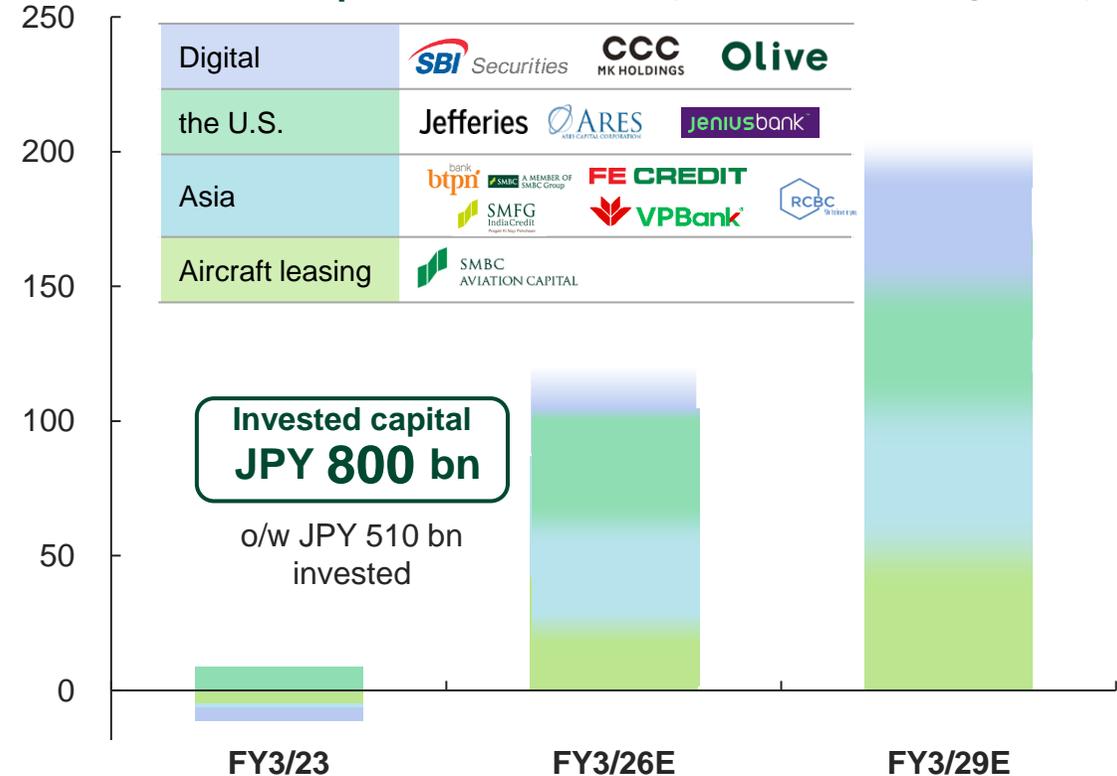
Sustainability

Securities

Asia

2 Platform for the future

(bn) Bottom-line profit contribution (after amortization of goodwill)



Discipline

Investment criteria

Fits with our strategy
ROCE1: $\geq 9.5\%$
Risk is manageable

Review existing portfolio

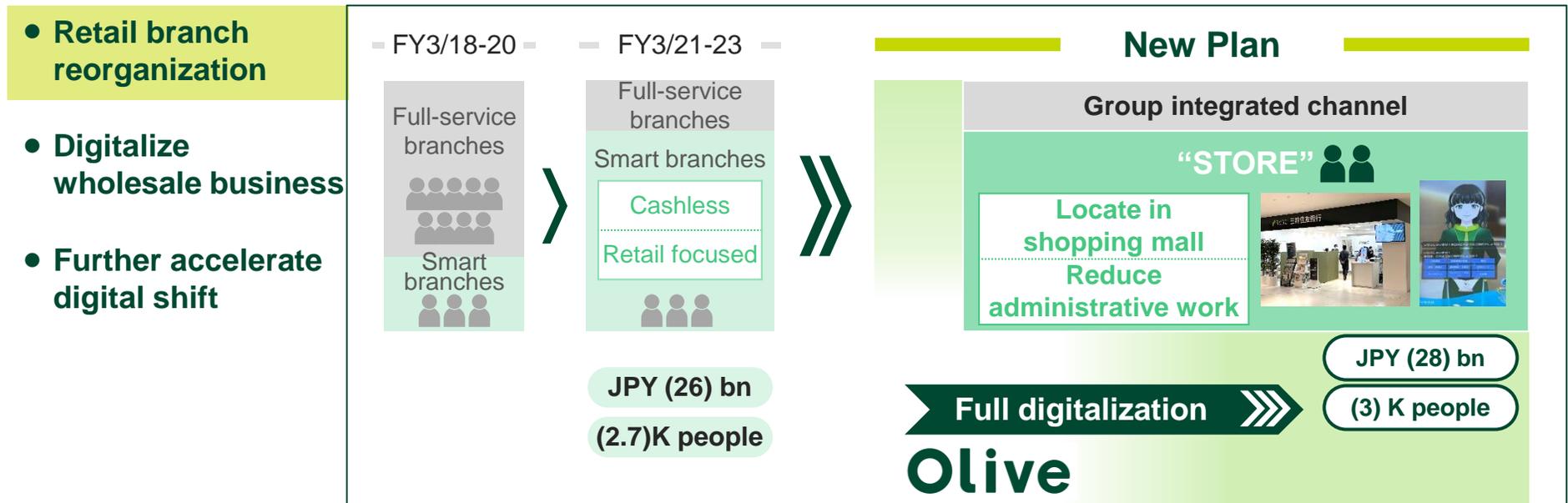
Examples in previous plan
Eximbank
Moelis & Company

Cost control

Reduce base expense by JPY 130 bn and workload by 7K in three years.
Reallocate resources to strengthen key strategic areas and corporate infrastructure.

Reform of domestic businesses

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



Group functions

JPY (45) bn (2.8) K people

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

Overseas operations

JPY (25) bn (0.5) K people

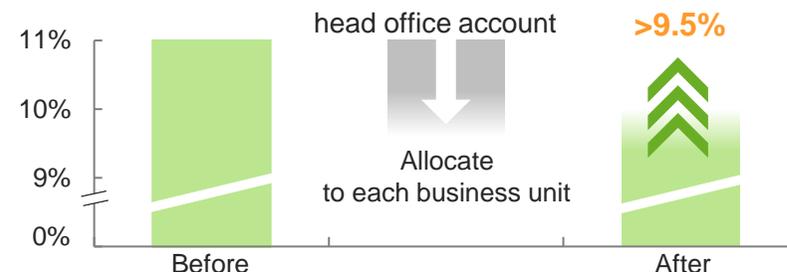
- Reallocate resources of unprofitable businesses and improve operation efficiency
- Review network and overlapping functions

(Ref.) Financial targets by business unit *1

Improve calculation method of ROCET1 by business unit to correlate with consolidated ROCET1, by allocating to each business unit with utmost RWA and profits/losses which was managed by head office.

	ROCET1		Net business profit (JPY bn)		RWA (JPY tn)		
	FY3/26 target	vs FY3/23	FY3/26 target	vs FY3/23	FY3/26 target	vs FY3/23	
Retail	8%	+3%	245	+65	13.7	+0.2	Improve efficiency by expanding customer base and steadily reducing expenses
Wholesale	10%	(2)%	570	+50	35.1	+1.5	Increase profit by allocating resources to growth areas, while ROCET1 will decline as credit costs returns to normalized level
Global	8%	+1%	585	+140	43.9	+3.9	Increase profit by focusing on key strategic areas and realizing growth of investees
Global markets	15%	(1)%	340	(5)	14.6	+1.4	Maintain high profit level by capturing turning points in uncertain market

Weighted average of ROCET1 by each Business Unit (FY3/26)



*1 Managerial accounting basis of FY3/24. After adjustments of the interest rates and exchange effects for FY3/23

*2 Incl. impact from the interest-rate risk associated to the banking account for Global Markets

Rebuild Corporate Infrastructure -Quality builds Trust-

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

Build resilient operations

I

Improve the quality of
governance and compliance

II

Sophisticate human capital management

III

Reinforce IT infrastructures

IV

Improve risk analysis
and risk control capabilities

I. Improve the quality of governance and compliance

Work on preventing recurrence of irregularities and enhance governance along with business expansion.

Build healthy corporate culture

- Implement measures to prevent recurrence
- Reiterate "Integrity" and "Customer First"

Five Values

Shared by all officers and employees

- Integrity
- Customer First
- Proactive & Innovative
- Speed & Quality
- Team "SMBC Group"

Group-based emergency system



Governance with business expansion

I Reform domestic business for possible interest rate hike

- Strengthen Three Lines of Defense to adapt to new business areas based on Olive
- Establish digital-specific risk monitoring system

II Improve capital efficiency with B/S discipline

- Strengthen product governance
- Control market risks

III Build global portfolio based on growth potential

- Upgrade AML and risk-management in the U.S.
- Implement PMI and strengthen governance
- Respond to issues in each country and region

I. Improve the quality of governance and compliance

Progress in framework to prevent recurrence

Developed measures to prevent recurrence.

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

Nov. 22 Filing of improvement plans

As of May 23



	1 Business management	2 Internal management	3 Healthy organizational culture
Market manipulation	<SMBC Nikko> <ul style="list-style-type: none"> Invited a new outside director Compliance training for directors Resource allocation >50 headcounts, >JPY 10 bn IT investment Enhance First Line and Second Line Product and Service Council 	<ul style="list-style-type: none"> Three Lines management Develop target operating models Reorganize compliance division Unfair Trade Prevention Subcommittee 	<ul style="list-style-type: none"> New corporate philosophy Includes SMFG's "Five Values" Town hall meeting (271 meetings held)
	<SMFG> <ul style="list-style-type: none"> Enhance involvement to SMBC Nikko's executive appointment and resource allocation 	<ul style="list-style-type: none"> Established Group Business Management Office. 	<ul style="list-style-type: none"> CEO message
Firewall regulation violation	4 Business Management <ul style="list-style-type: none"> Internal reporting workshops Strengthen Compliance Dept. 	5 Client Information Management <ul style="list-style-type: none"> Information management rules Monitoring with RPA · AI 	6 Awareness of Compliance <ul style="list-style-type: none"> Enhance training opportunities

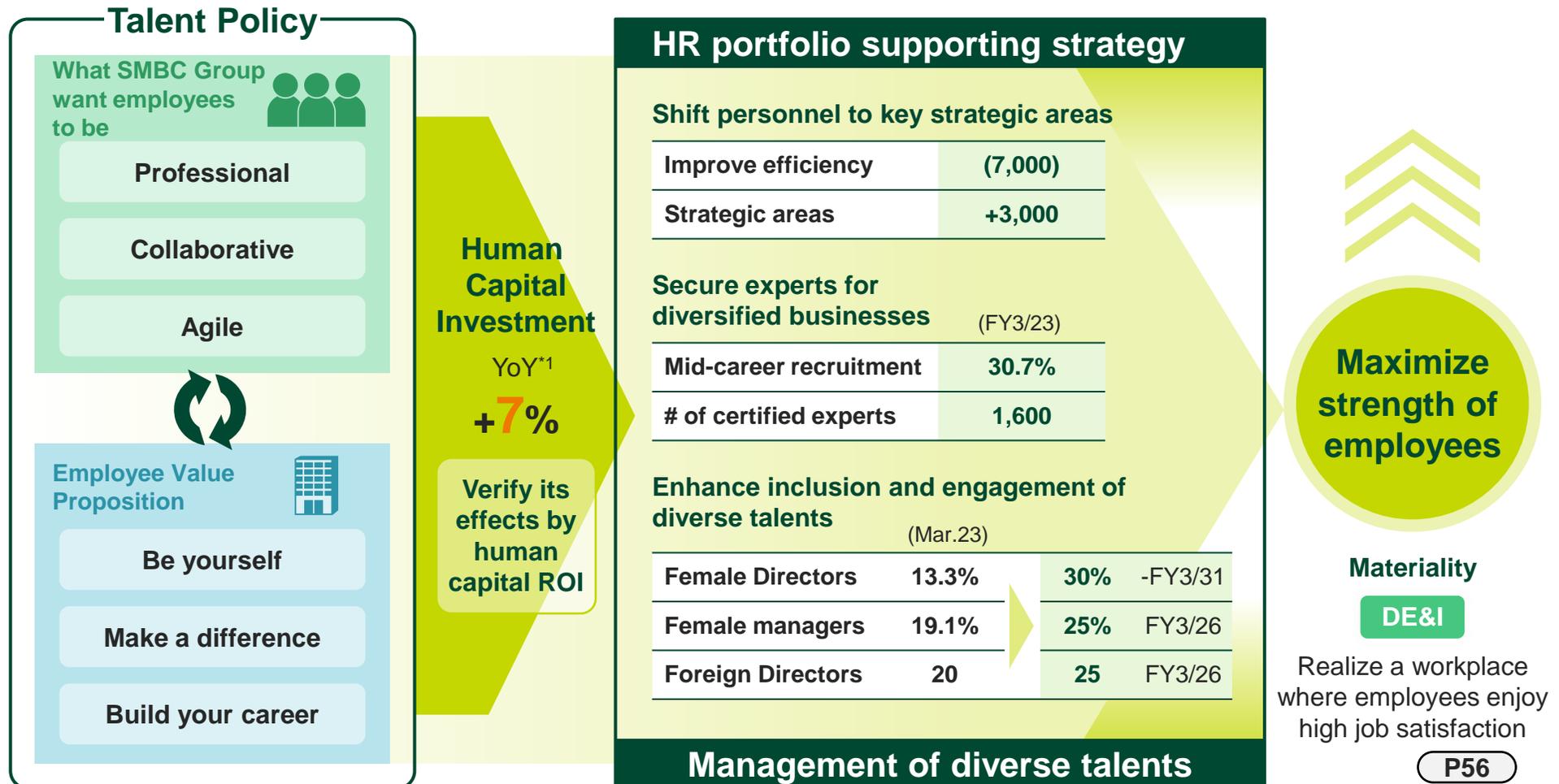
Pursue Economic Value

Rebuild Corporate Infrastructure

Create Social Value

II. Sophisticate human capital management

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



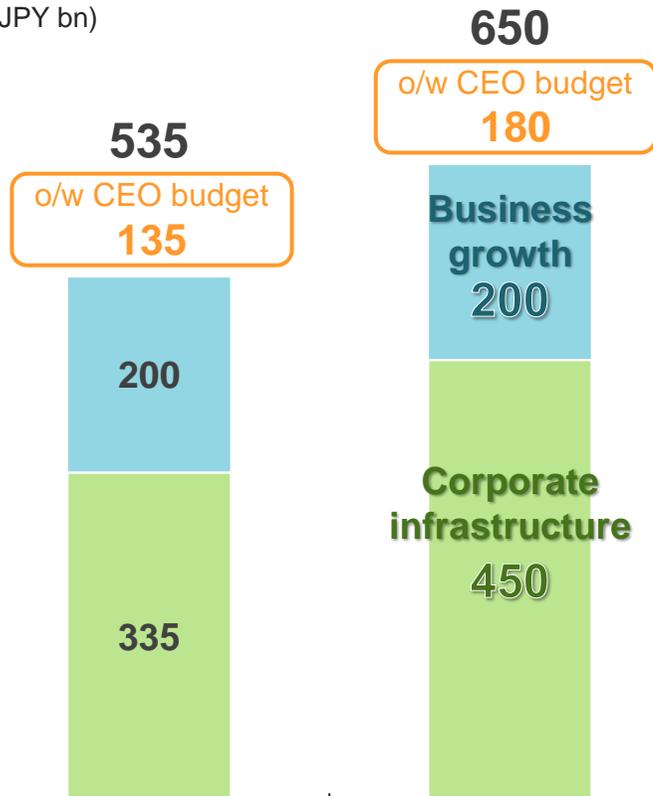
*1 Non-consolidated

III. Reinforce IT infrastructures

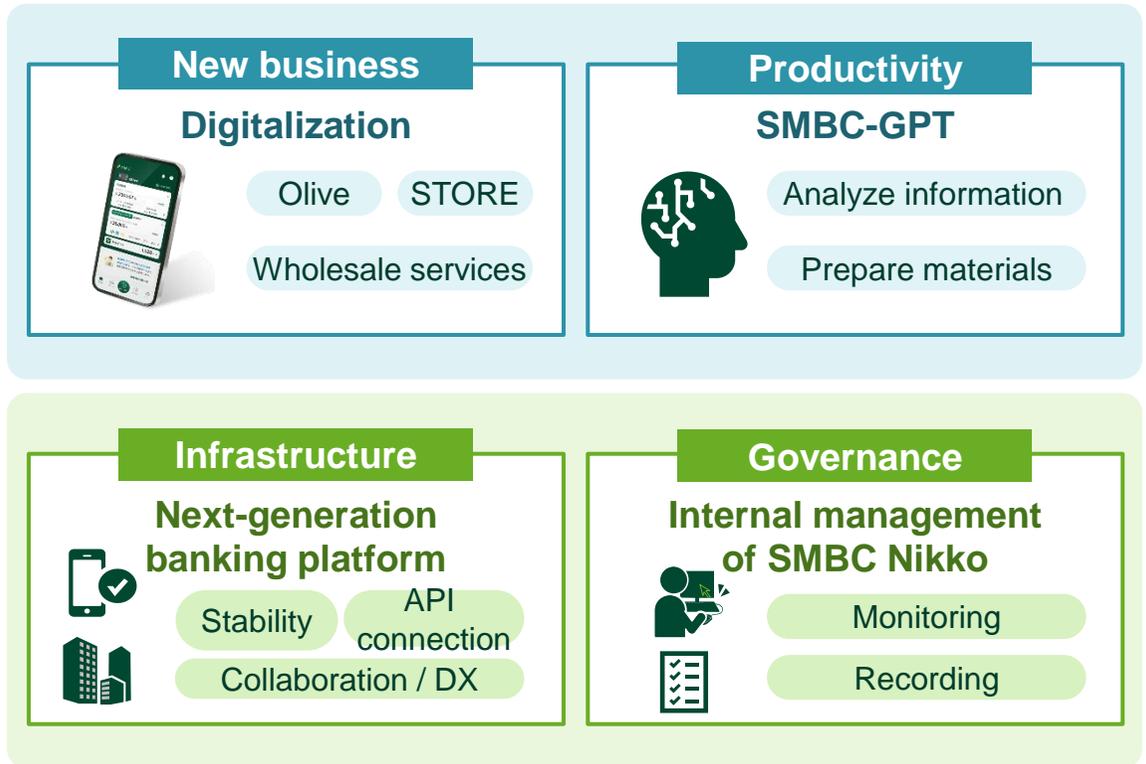
Increase investment for corporate infrastructure to build stable/ flexible system and strengthen governance.
Maintain same amount for investment to create new businesses and improve productivity.



(JPY bn)



Examples of IT investment



Pursue Economic Value

Rebuild Corporate Infrastructure

Create Social Value

IV. Improve risk analysis and risk control capabilities

Strengthen resilience and achieve professional risk-taking while carefully identifying uncertain environment.

Strengthen Resilience

Sign detection



- Sophisticate analysis to grasp change in market and industry-specific risks
- Upgrade stress testing and credit portfolio management with change of industrial structure

Resistance



- Develop proactive action plans to downside risks
- Stably manage foreign currency B/S
- Sophisticate risk management in overseas markets

Crisis response



- Implement action plans of risk case scenarios
- Conduct cyber security oversight
- Identify key third-party

Professional risk taking

Deepen equity investment

- Revitalize and value-up the investees
- Support domestic unicorn companies

Reorganize business portfolio

- Sophisticate renewable energy business
- Accelerate efforts for venture debt

Anticipate rising interest rates

- Create business model to maximize the upside impact of rising domestic interest rates

Develop credit and risk management systems to take appropriate risks

Create Social Value -Contribute to “Fulfilled Growth”-

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Transformation &
Growth

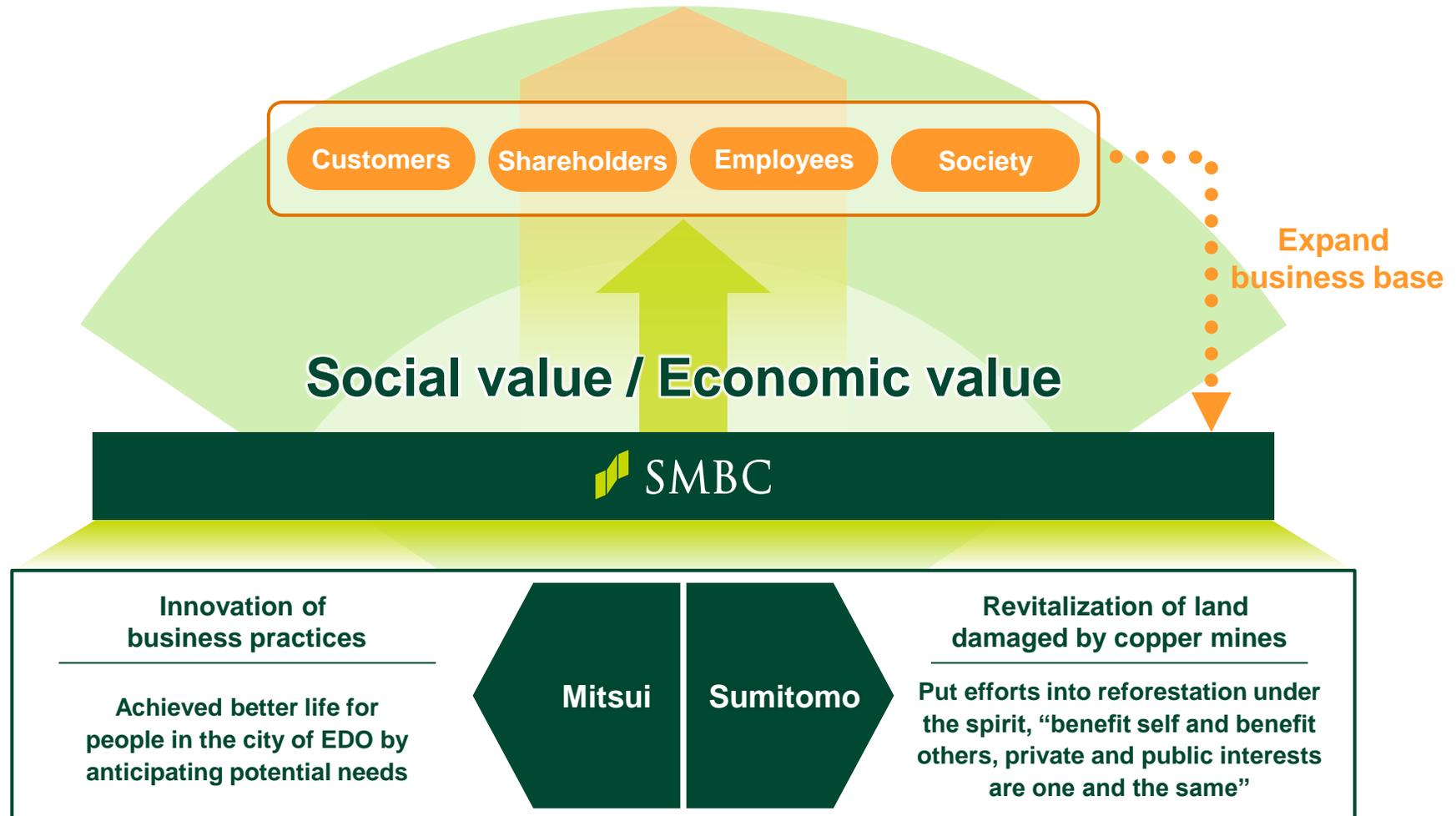
Rebuild
Corporate
Infrastructure

Quality builds
Trust

Build an era of “Fulfilled Growth”

Era of “Fulfilled Growth”

An era where people feel fulfilled as economic growth accompanies the resolution of social issues



Pursue Economic Value

Rebuild Corporate Infrastructure

Create Social Value

SMBC Group's new materialities

Set new materialities and 10 goals to resolve them.

More specific action plans will be established and promoted simultaneously.

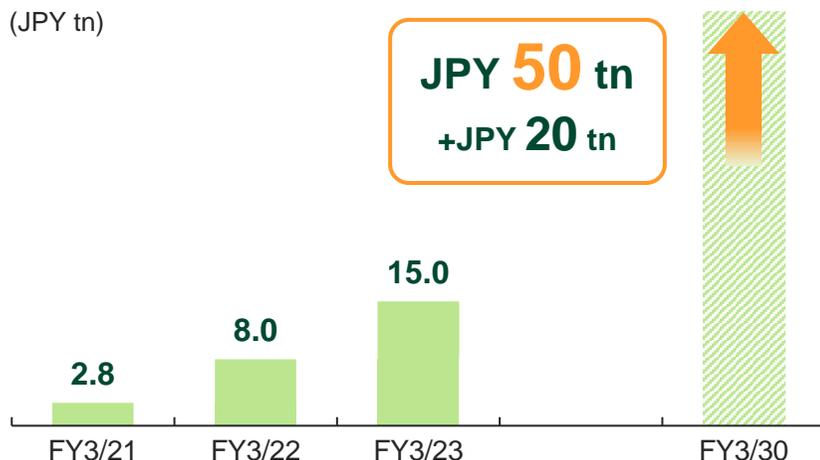
Environment	Support transition to achieve a decarbonized society	Sustainable finance Revised upward JPY 50 tn (FY3/21-30)	Establish more specific action plans
	Contribute to the conservation and restoration of natural capital		
DE&I/ Human Rights	Realize a workplace where employees enjoy high job satisfaction	Engagement score Maintain at least 70	
	Respect for human rights throughout the supply chain		
Poverty & Inequality	Break the cycle of poverty and inequality for the next generation	# of microfinance borrowers +0.8 mn	
	Contribute to financial inclusion in developing countries		
Declining Birthrate & Aging Population	Relieve anxiety about the 100-year life era	AM / foreign currency balance JPY 18 tn	
	Build user-friendly infrastructure to support a society with a declining population		
Japan's Regrowth	Support customers' business model transformation	Investment and loans for startups JPY 135 bn	
	Create innovation and foster new industries		

Support transition to achieve a decarbonized society

Sustainable Finance

KPI Sustainable finance

(JPY tn)



● Strict definition of “sustainable finance”

Type of finance

- Loans and underwriting (excl. leasing, investment and AUM)

Relevant to

- Green Bond Principles “Green Project Categories”
- Social Bond Principles “Social Project Categories”
- Compliant with “Transition Finance Handbook” of the International Capital Markets Association (ICMA)

Sustainability investment

Past investments

Carbon credit	Carbonplace
Forest Fund	The Reforestation Fund
Climate Tech Fund	Remarkable Ventures Climate Fund

Considering social investment

To support sound risk-taking

● Climate-related risk appetite framework*

Manage financed emissions of each sector and divisions to be consistent with the 1.5°C scenario

● Transition finance playbook*

Clarify definition and eligibility (scheduled May.23)

*1st as Japanese bank



Target towards decarbonized society

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

		2020	2021	2022	» 2025	» 2030	» 2040	» 2050
GHG emissions								
Scopes 1&2*¹ (kt-CO₂e)		140	177	167	vs. 2021 (40)%	Net zero		
Scope 3: Financed emissions	Power (g-CO ₂ e/kWh)	332	320			138-195		
	Oil & Gas (Mt-CO ₂ e)	40.8	32.7			vs. 2020 (12)-(29)%		
	Coal (Mt-CO ₂ e)	13.6	7.4			vs. 2020 (37)-(60)%		Net zero
	Steel (upper: Mt-CO ₂ e lower: tCO ₂ e/t-Steel)		8.2 2.0			FY3/24		
	Transportation (auto) (g-CO ₂ e/vkm)		217			FY3/24		
Coal-related finance (JPY bn)								
Coal-fired power generation	Project finance	270	230			vs. 2020 (50)%		Zero
	Corporate finance*²		80					
Thermal coal mining	OECD countries		20			Zero		
	Non-OECD countries		56					Zero

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

*2 Asset-specific financing

Initiatives for natural capital and human rights

Conserve and restore natural capital

TNFD Report

1st as Japanese bank



Group CEO Message

In anticipation of 2050, which is the year the world is set to achieve an environmental milestone, SMBC Group will make collective efforts to address climate change and to conserve and restore natural capital.



Support for nature positive

Finance Alliance for Nature Positive Solutions (FANPS)*1

Corporates



Solution Catalog

Advice



Academia

National Institute for Environmental Studies, University researchers, etc

Human rights throughout the supply chain

Human rights risk in the supply chain

Social demands

Following “The UN Guiding Principles on Business and Human Rights”

Oct.22- Sophisticate: Human rights due diligence

Done

Identify/ assess

Identify, analyze, and evaluate impact

Prevent/ mitigate

Decide how to control human rights risk

Strengthen

Disclose

Engage with stakeholders

Track/ review

Track and review results periodically

Apr.23

Revise: Statement on Human Rights

Scheduled
May.23

Publish: Human Rights Report

*1 Collaboration with MS&AD Holdings, Development Bank of Japan, and Norinchukin Bank

Workplace where employees enjoy high job satisfaction

Expand opportunities and support corresponding to diverse values of employees

Be yourself

Respect diverse value of each employee



Work style innovation



LGBTQ education

Support employees' challenge



SMBC Group Award



"Huddle Fukutome"

Make a difference

Provide opportunities for contributing to society

PRO BONO
SMBC NIKKO

Expand to other group companies



Proper compensation

Base up

+2.5%

Graduate starting salary

+25%

(SMBC)

Build your career

Develop globally competitive bankers



Global Leadership Program

Support career development

Open application

1,700 applicants

In-house side job

280 applicants

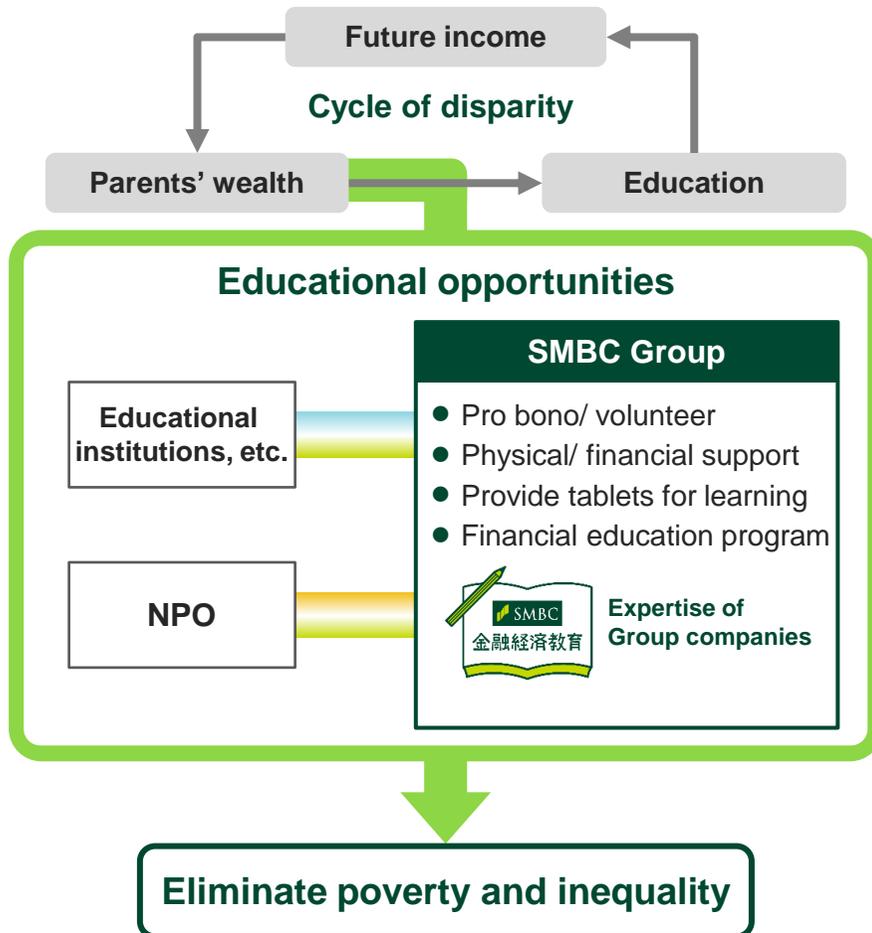
KPI

Engagement Score: maintain at least **70**

Eliminate poverty and inequality

Break the cycle of poverty and inequality

- Provide educational opportunities to children having financial difficulties



Financial Inclusion in emerging countries

- Support financial independence of "absolute poverty" households in multi-franchise targeting countries

KPI # of microfinance borrowers*1 +800 K

《 BTPN Syariah 》



Impact assessment*2 for the last three years

Customers below the poverty line **(8.5)%**

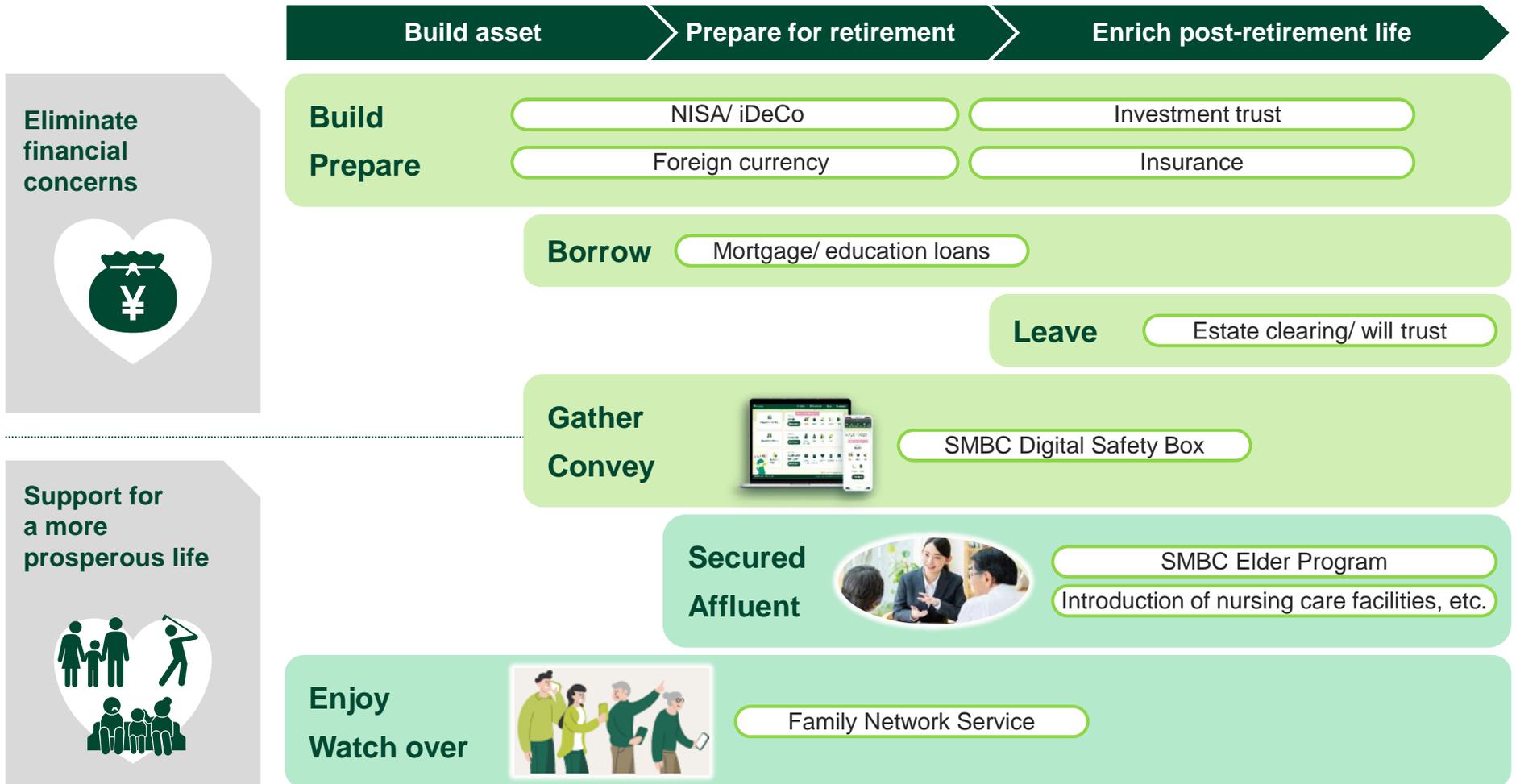
Average household expenditure **+23.2%**

*1 Bank BTPN Syariah, SMICC

*2 Source: Demographic Institute of the University of Indonesia

Relieve anxiety about the 100-year life era

Provide a service lineup that enables customers and their families to live a fulfilled life.



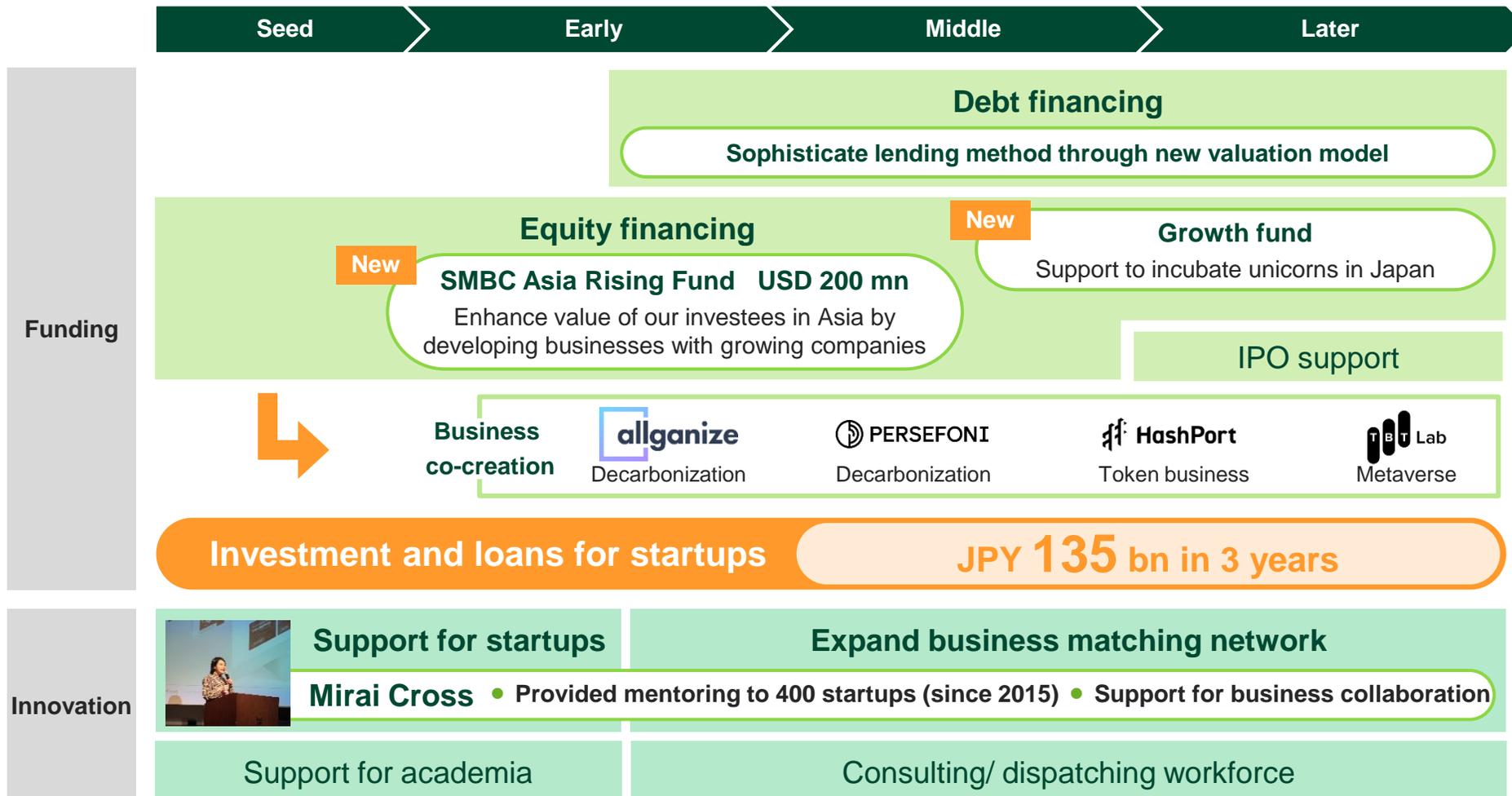
Pursue Economic Value

Rebuild Corporate Infrastructure

Create Social Value

Create innovation and foster new industries

Support innovation of clients in every growth stage to contribute to developing new industries



Pursue Economic Value

Rebuild Corporate Infrastructure

Create Social Value

Enhance governance system to create social value

Improve Board diversity



New directors



Charles D. Lake II
Aflac Life Insurance Japan
Chairman and Representative Director



Jenifer Rogers
Asurion Japan Holdings
General Counsel Asia

New Global Advisor



Paul Polman
United Nations Global Compact
Vice Chair
(Former CEO of Unilever)

Executive compensation

Base salary	Fixed
Bonus •Cash •Stock Compensation Plan II	Linked annual performance (0-150%) 
	Quantitative Achievement of KPIs*1 ±10% Qualitative ESG ratings of major agencies
Stock Compensation Plan I	Linked medium-term performance (0-150%) 
	Quantitative Environment 15% <ul style="list-style-type: none"> ● Sustainable finance ● Financed emissions Employees <ul style="list-style-type: none"> ● Engagement score ● DE&I Qualitative Materiality initiatives
Stock Compensation Plan III	Promotion reward plan

*1 Sustainable finance, Scopes 1&2 GHG emissions, etc.

(Ref.) Actions taken toward sustainability

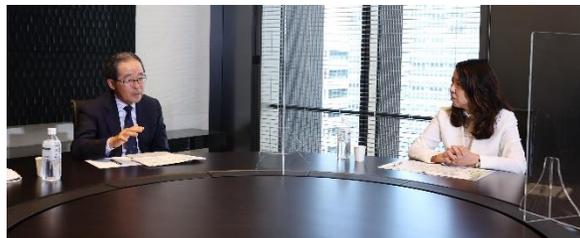
Management structure

Integration with Management Strategy

- Revised Group Mission
- Released Statement on Sustainability

Strengthen supervision and execution

- Established Sustainability Committee
- Appointed Group CSuO
- Established Sustainability Division
- Introduced ESG evaluation in executive compensation



Climate change

Reduction of GHG emissions

- Committed to 2050 net zero
- Set medium-term reduction targets for three sectors
- Joined NZBA and NZAMI
- Established Net Zero Transition Plan
- Promotion of customer engagement

Solution for decarbonization

- Set sustainable finance target
- Released Sustana



Other sustainability themes

Diversity

- Increased ratio of female directors
- Joined 30% Club Japan
- Set FY3/26 targets

Conservation of natural capital

- Participated in TNFD Forum

Respect for human rights

- Introduced human rights due diligence

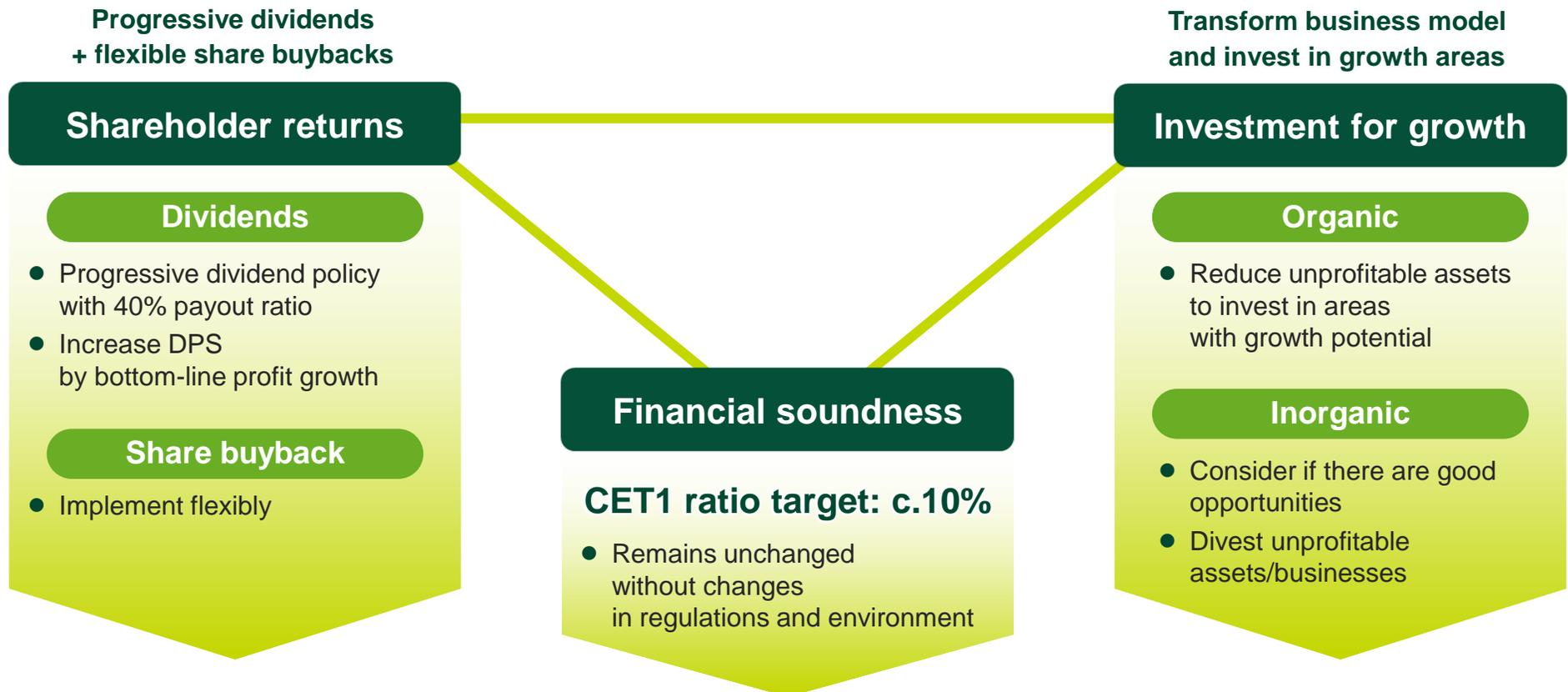




Capital Policy

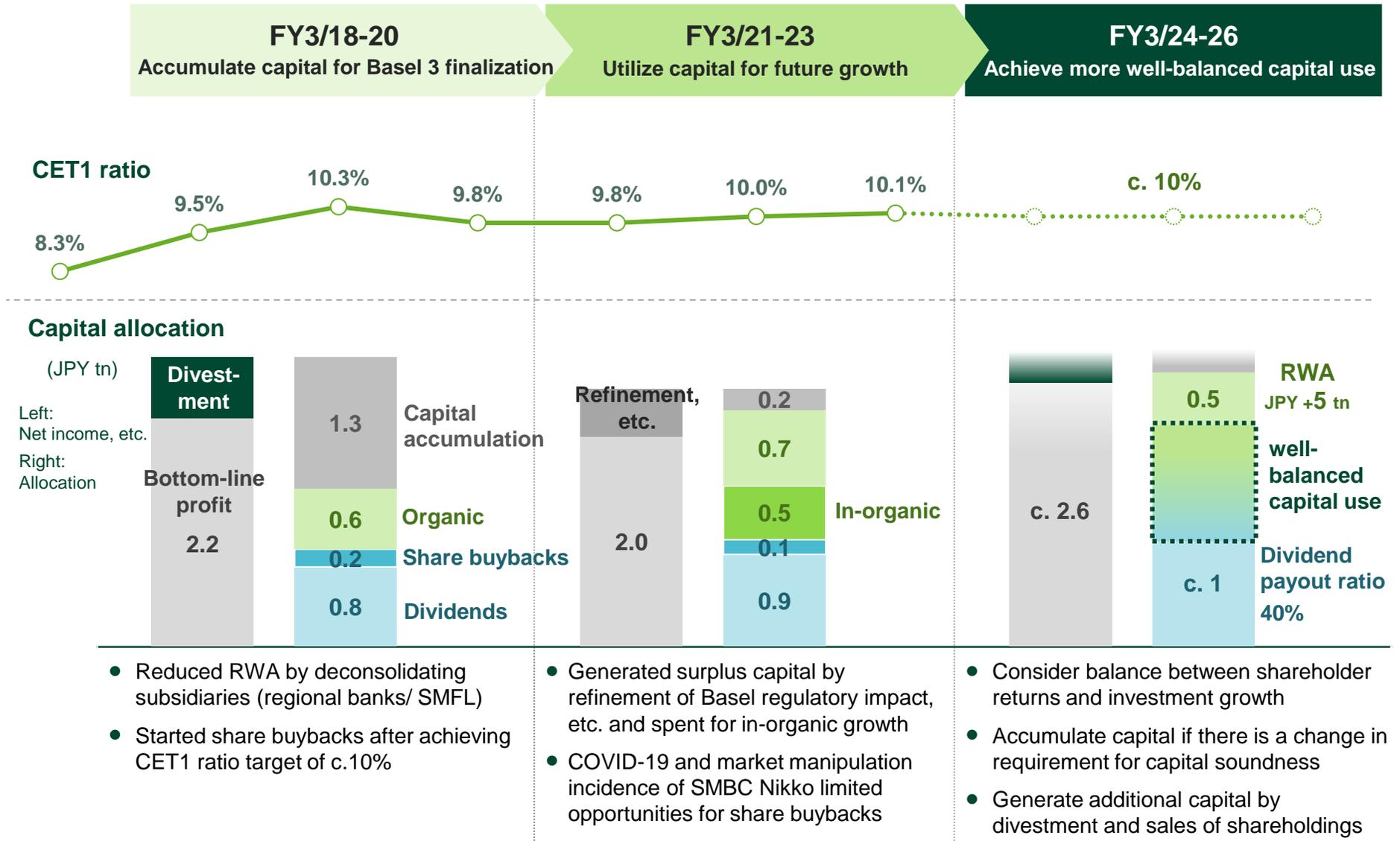
Basic capital policy

Basic capital policy is unchanged: Achieving healthy balance among securing financial soundness, enhancing shareholder returns, and investing for growth.



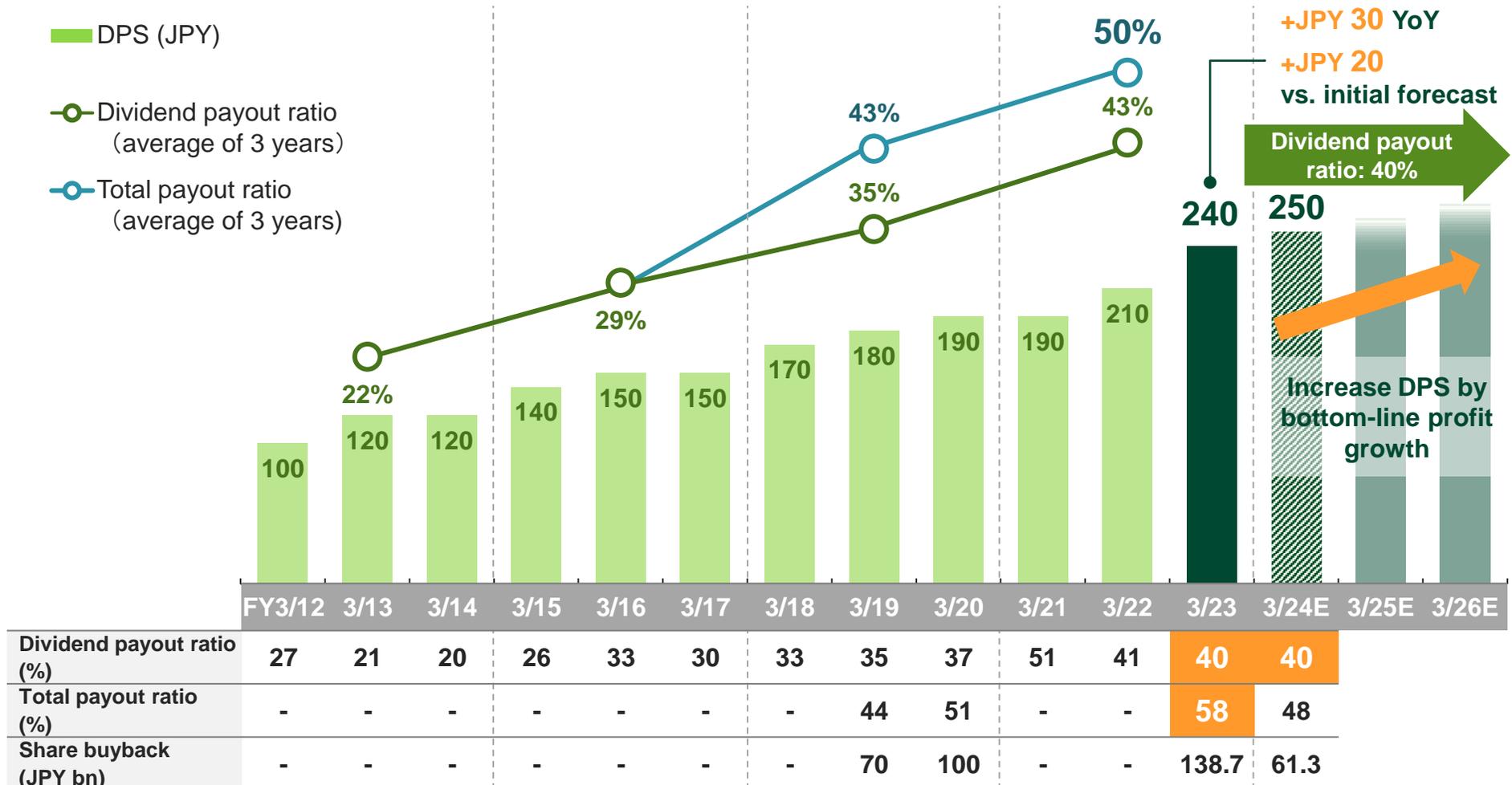
Growth with Quality **ROCE1 target: ≥ 9.5%**

(Ref.) History of capital allocation



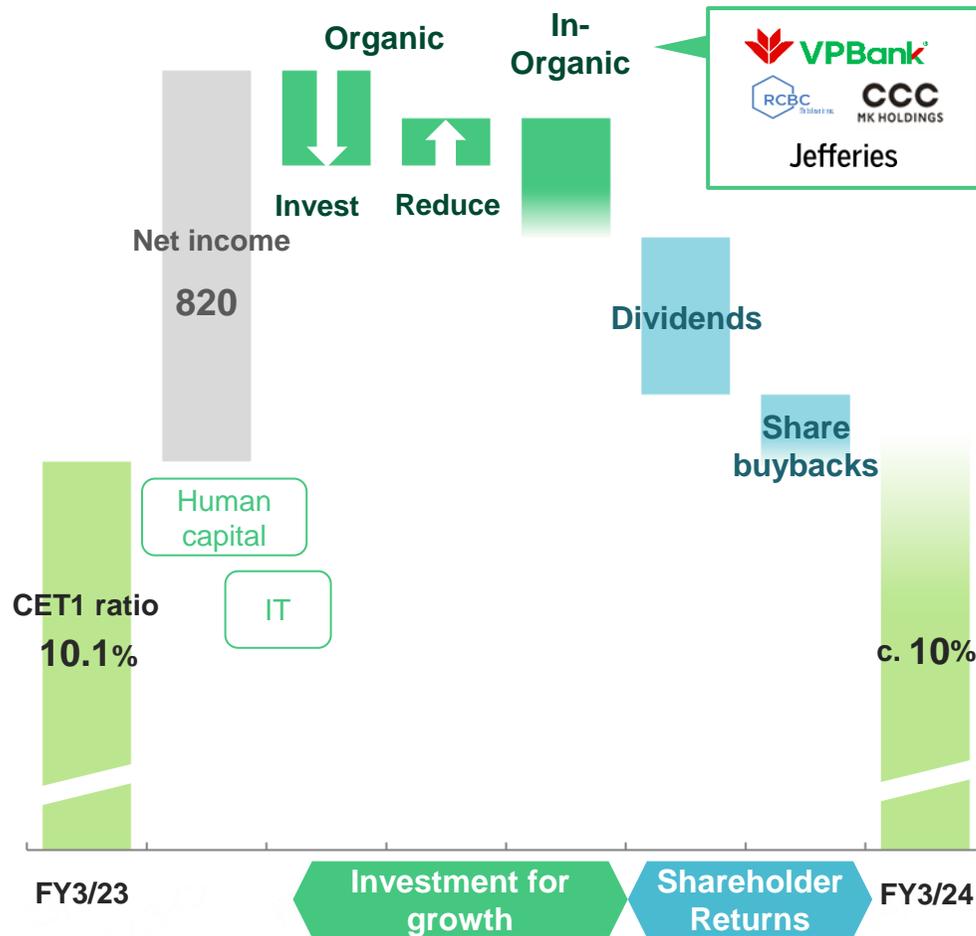
Shareholder returns

Dividend payout ratio maintains 40% (FY3/23: JPY 240, FY3/24 forecast: JPY 250.) No final decision on share buybacks until the announcement of the 1H FY3/24 results given the current uncertainty.

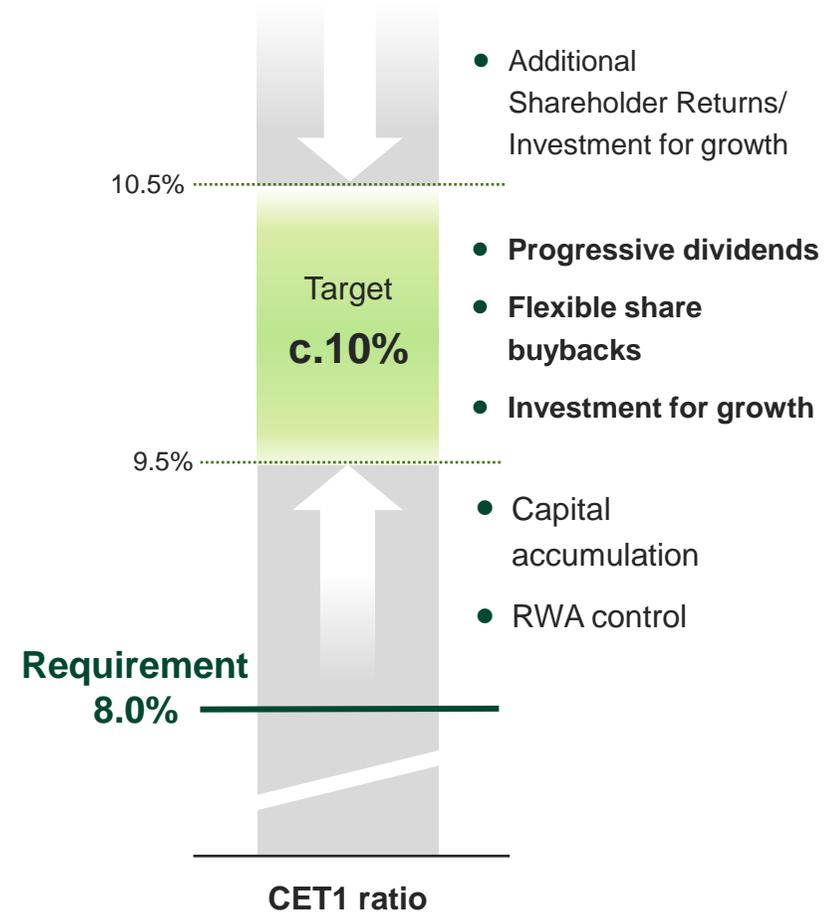


(Ref.) Capital allocation

Allocation of FY3/24



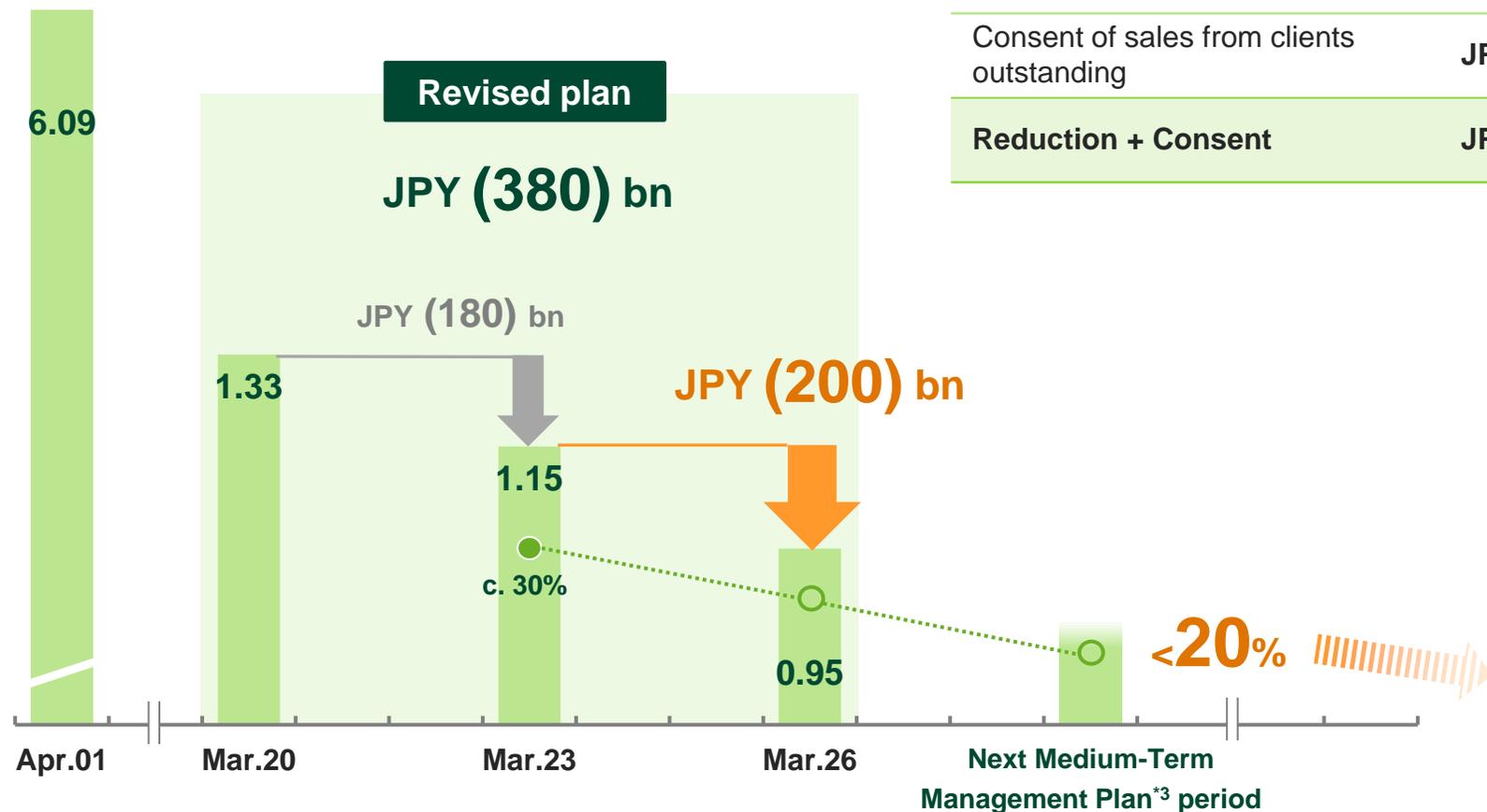
CET1 ratio target



Reduction of shareholdings

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

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



Reduction

Total reduction	JPY 11 bn
Consent of sales from clients outstanding	JPY 77 bn
Reduction + Consent	JPY 88 bn

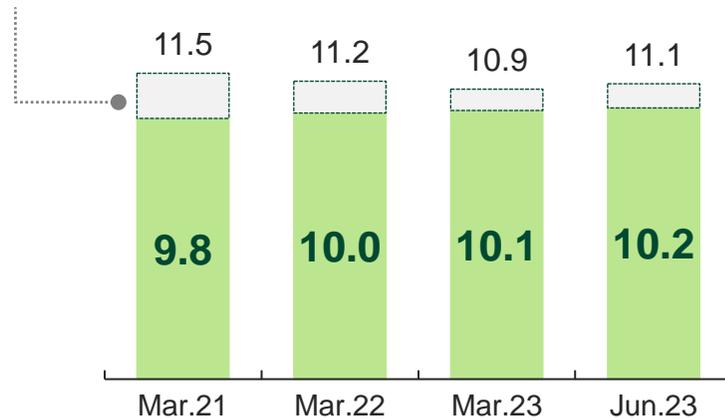
*1 Excl. investments after Mar.20 for the business alliance purpose *2 Incl. balance of deemed held shares
 *3 FY3/27-29

(Ref.) CET1 Ratio

Post-Basel III (financial target)

(%)

Net unrealized gains on other securities

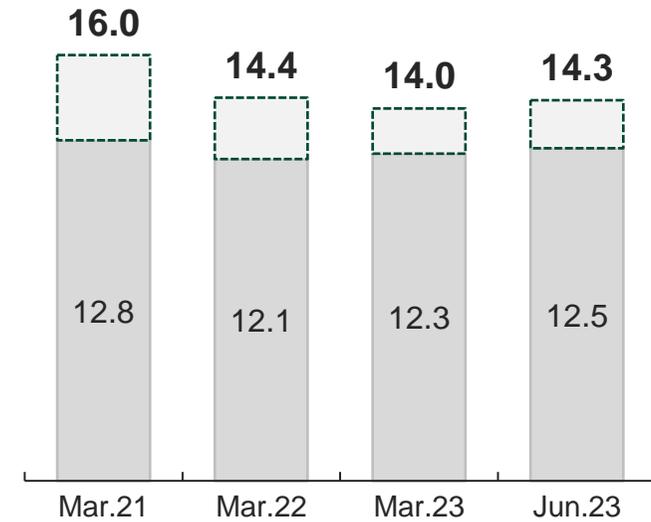


(JPY tn)

RWA	86.4	88.2	94.4	97.9
CET1 Capital	8.5	8.8	9.6	10.1

Basel III (transitional basis)

(%)



(JPY tn)

RWA	66.0	72.4	77.3	80.4
CET1 Capital	10.6	10.5	10.8	11.5



Closing remarks

The future after breaking the mold



Break the mold

Break the mold of precedent.
Break the mold of preconception.
Break the mold you created for yourself,
and open up to a wider world,
Change ourselves,
and we can change the times.

Jun Ohta
President and Group CEO
Sumitomo Mitsui Financial Group, Inc.

Jenius Bank



SMBB -beyond banker-




 Idea Makers～生産性向上編 メンバー数 728 人 参加する	 Idea Makers～新卒事業編 メンバー数 484 人 参加する	 歴史を知ろう～SMBBの歴史を知ろう！ メンバー数 414 人 参加する
 もう、だめかもしれない (動物)「...」 メンバー数 542 人 参加する	 色鮮やかなメンバー募集！ メンバー数 218 人 参加する	 自己紹介 メンバー数 288 人 参加する



Appendix

Company overview (1) Group structure

Sumitomo Mitsui Financial Group

Consolidated total assets JPY 270 tn

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

Consolidated subsidiary Equity-method affiliate

Consumer Finance

Sumitomo Mitsui Card

(74.9%)

SMICC

SMBC Consumer Finance

(49%)

FE Credit

Leasing

(50%)

Sumitomo Mitsui Finance and Leasing

(SMBC 32%, SMFL 68%)

SMBC Aviation Capital

Banking

Sumitomo Mitsui Banking Corporation

Moody's	S&P	Fitch
A1	A	A-

SMBC Trust Bank

(92%)

PT Bank BTPN Tbk

Securities

SMBC Nikko Securities

Others

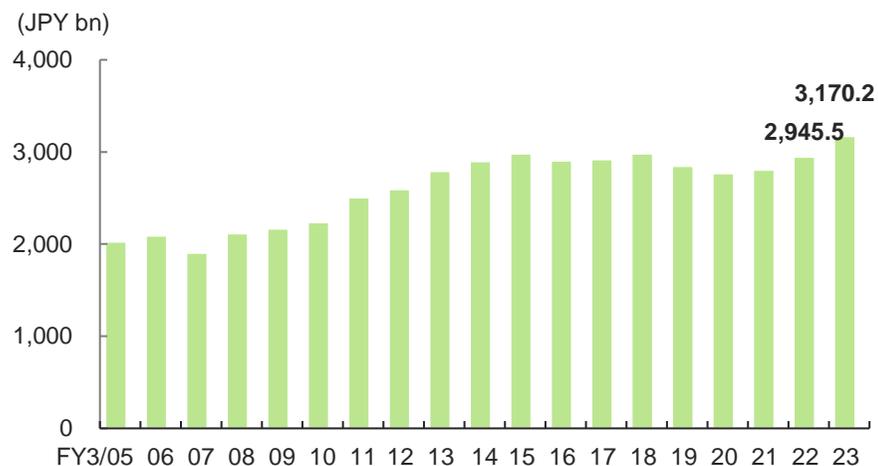
(50.1%)

Japan Research Institute

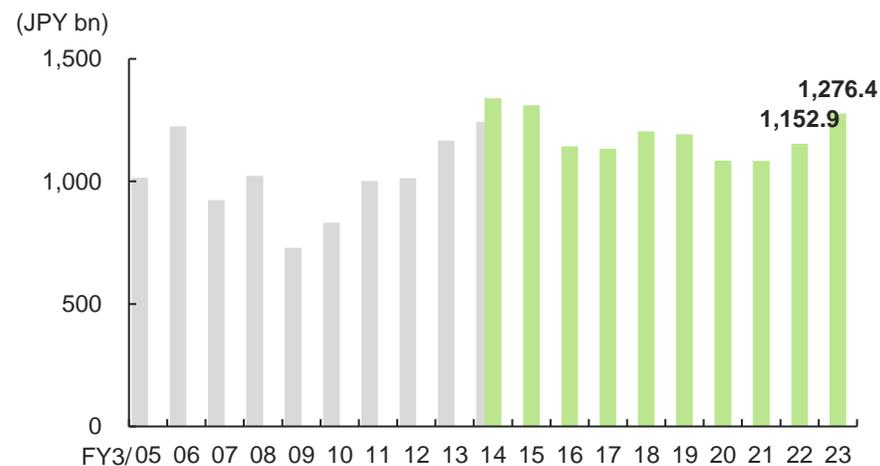
Sumitomo Mitsui DS Asset Management

Company overview (2) Long-term results

Consolidated gross profit



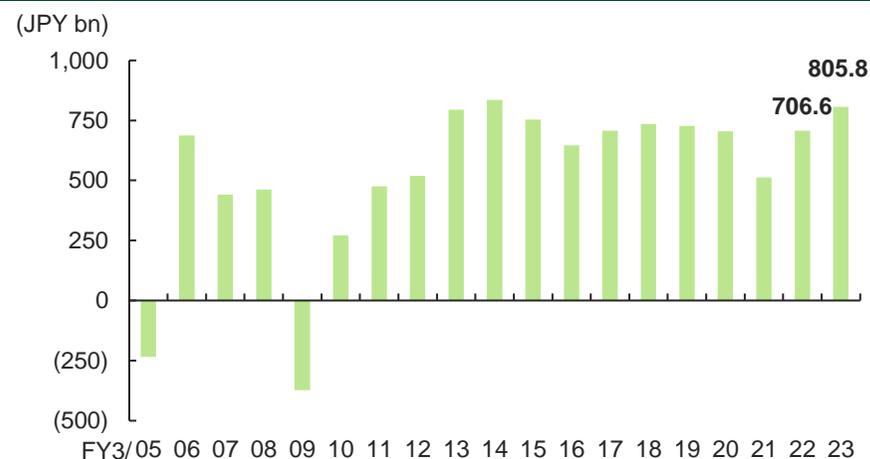
Consolidated net business profit*1



Breakdown of consolidated gross profit

	FY3/03		FY3/23
SMBC's domestic loan / deposit related	35%	↘	13%
International business (banking)	5%	↗	34%
Group companies excluding SMBC	18%	↗	34%

Profit attributable to owners of parent



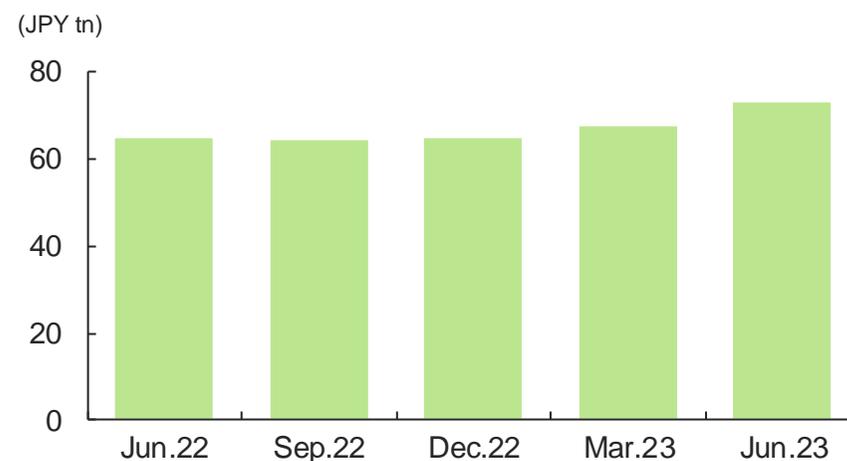
*1 Changed definition of consolidated net business profit from FY3/15. Adjusted retrospectively for FY3/14

Group companies (1) SMBC Nikko

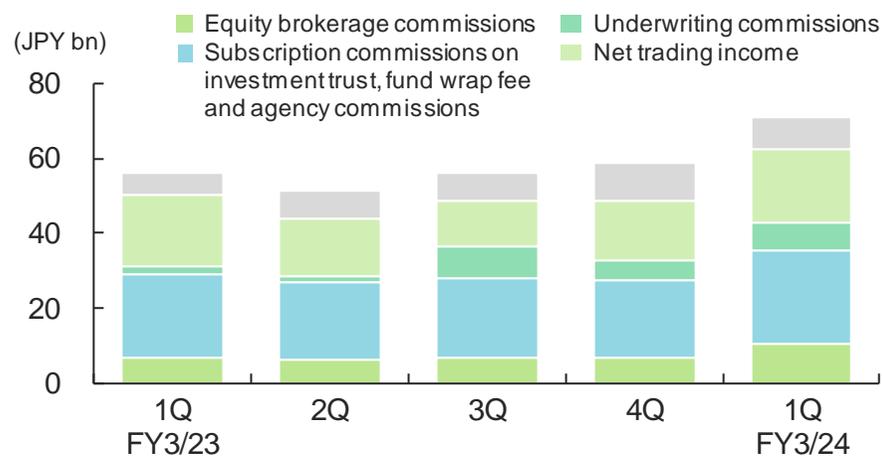
Financial results

(JPY bn)	FY3/23	1Q FY3/24	YoY
Net operating revenue	222.8	70.9	+14.7
SG&A expenses	267.3	66.7	+3.0
Ordinary income	(42.1)	4.1	+11.1
Net income	(39.8)	(5.9) ^{*1}	(2.3)

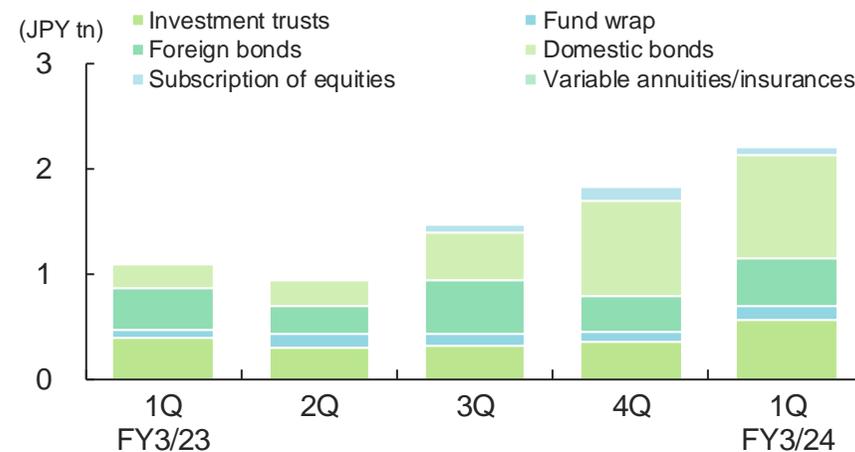
Client assets



Net operating revenue



Product sales



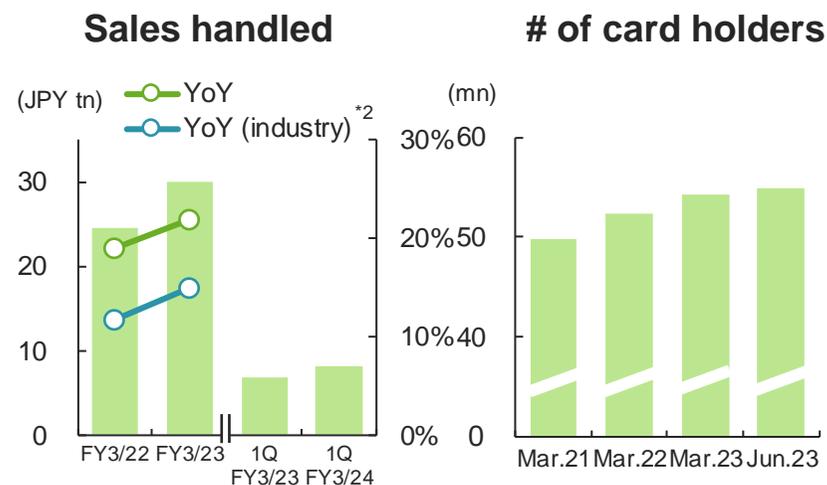
*1 Recorded JPY 7.9bn of loss on sale of shares of a subsidiary related to Intermediate Parent Undertaking (IPU) requirement (eliminated on consolidated basis)

Group companies (2) SMCC

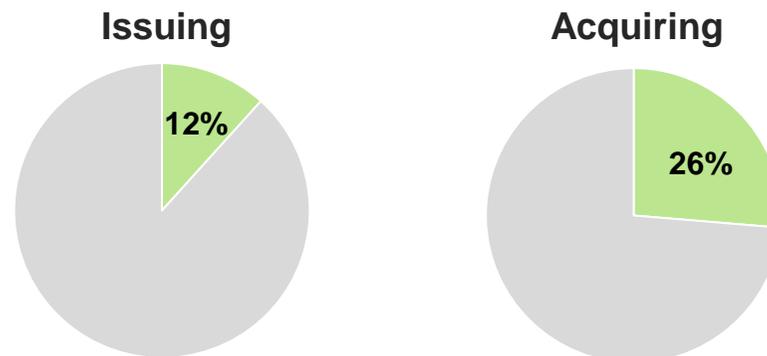
Financial results ^{*1}

(JPY bn)	FY3/23	1Q FY3/24	YoY
Operating revenue	523.5	151.2	+27.8
o/w Commission fee	193.8	53.0	+7.9
Finance	103.3	38.8	+13.8
Sales on credit	28.0	7.0	(0.1)
Receipt agency	52.7	13.7	+0.8
Operating expense	490.7	140.9	+25.7
o/w Expenses for loan losses	34.1	12.5	+5.5
Expense for interest repayments	10.0	-	-
Ordinary profit (loss)	33.1	10.5	+2.7
Net income	21.8	6.9	+1.6
Finance outstanding	736.6	1,047.2	

Key figures



Market share ^{*3}



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

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

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

Group companies (3) SMBCCF

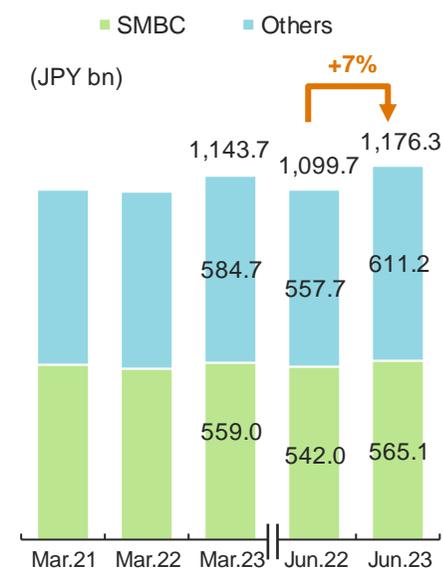
Financial results*1

(JPY bn)	FY3/23	1Q FY3/24	YoY
Operating income	294.1	64.9	(7.8)
o/w Interest revenues	183.4	35.6	(9.9)
Loan guarantee revenues	71.4	19.2	+1.3
Operating expenses	216.8	53.3	+1.6
o/w Expenses for loan losses	56.8	25.0	+5.7
Expense for loan guarantees	11.4	1.4	+1.0
Expenses for interest repayments	19.0	-	-
Ordinary profit	59.5	4.5	(15.5)
Net income	44.1	2.8	(12.9)
NPLs	107.0	89.6	
(NPL ratio)	8.74%	9.61%	
Allowance on interest repayments (provision)	3.5 yrs	3.3 yrs	

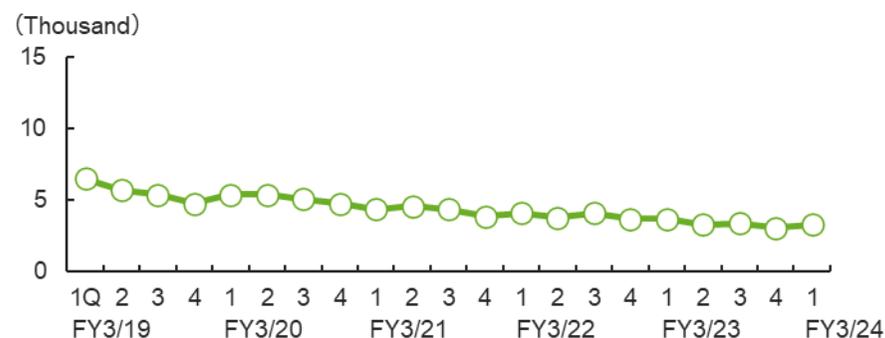
Consumer loans



Loan guarantee



of interest refund claims



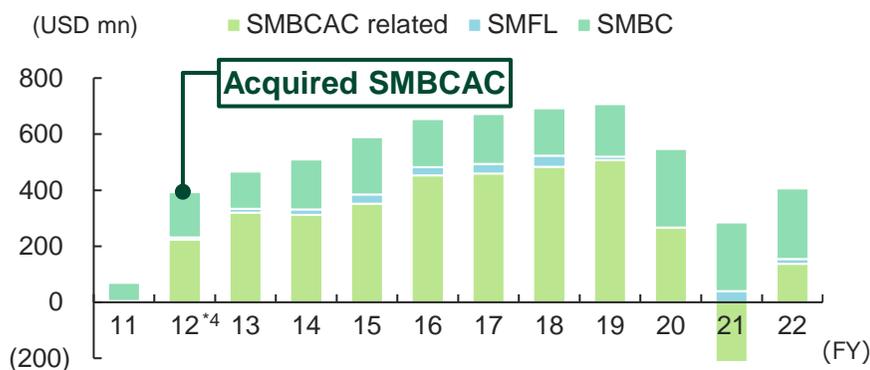
*1 The figure for FY3/23 and YoY change has not been adjusted to the reorganization of SMBC Mobit in Apr.23

Group companies (4) SMBCAC

Financial results

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

Aircraft business of SMBC Group



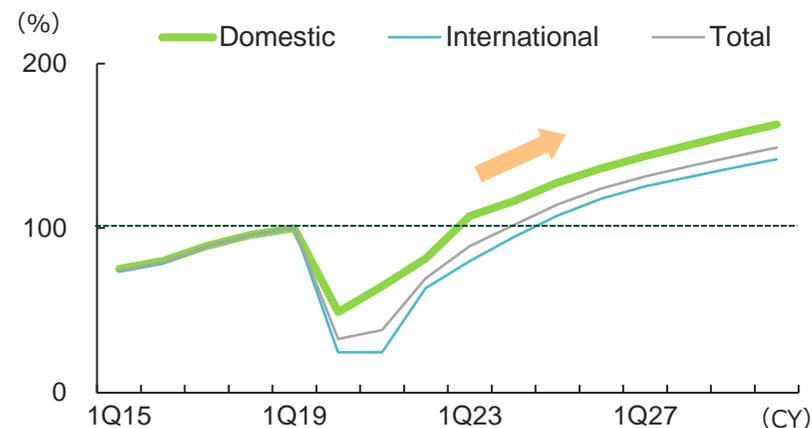
*1 Gross before netting guarantee deposits etc.

*2 Include aircraft pre-delivery payments *3 IATA / Tourism Economics. Represents changes from CY19.

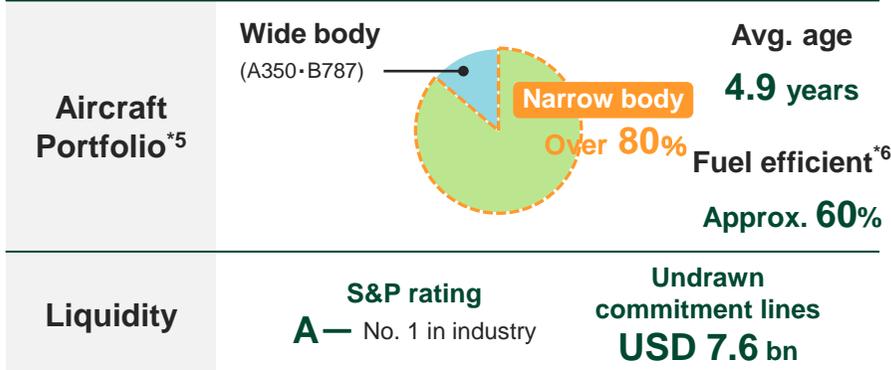
*4 SMBCAC related includes revenue after the acquisition in June *5 As of Dec.22 *6 Neo/MAX/A350/B787

Global passenger demand forecast*3

- Domestic demand is expected to recover in 1Q2023



Our strengths

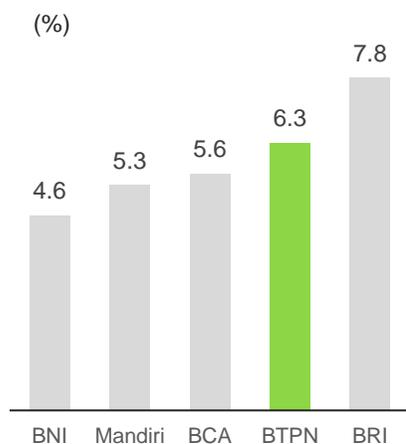


Group companies (5) BTPN

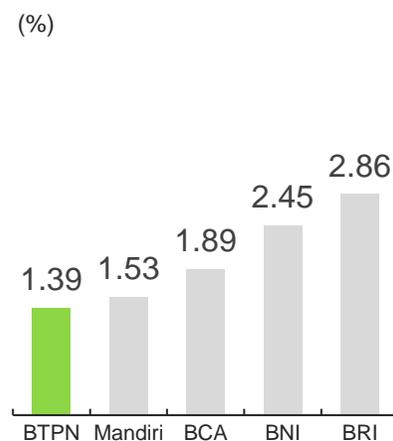
Financial results*1

(JPY bn)	2020	2021	2022	Jan-Jun. 2023
Gross banking profit	91.1	106.2	116.1	66.7
Operating expenses	50.9	56.6	60.9	34.8
Net profits	12.9	21.6	26.3	14.0
ROE	6.1%	8.6%	9.6%	9.8%
Loans	1,008.0	1,098.4	1,242.0	1,427.7
Deposits	745.8	886.0	976.4	1,030.5
Total assets	1,355.4	1,554.5	1,777.9	1,853.8

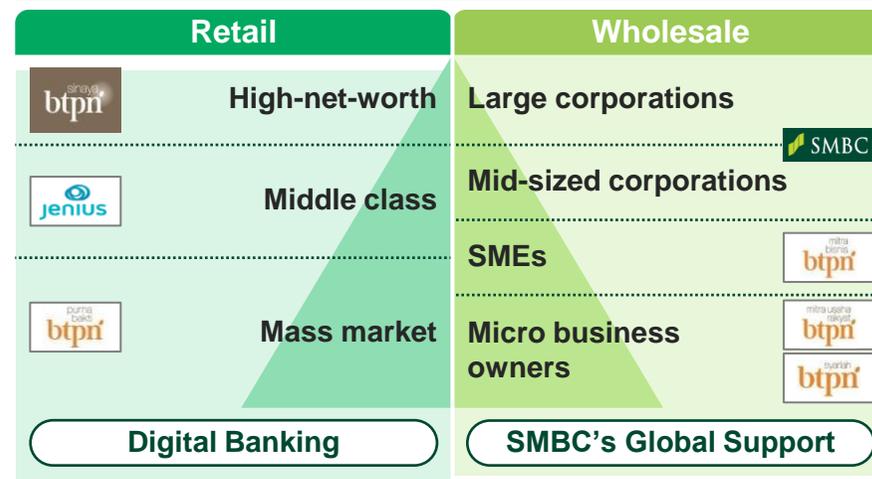
Net interest margin*2



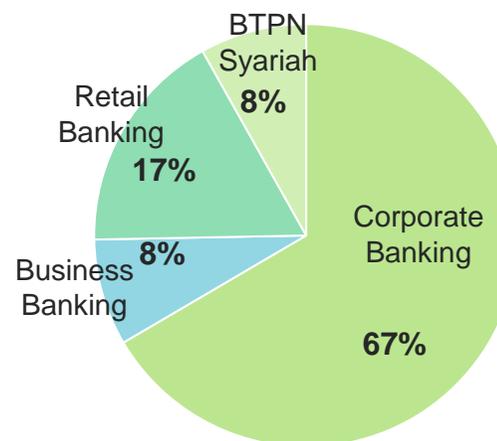
NPL ratio*2



Customer



Loan breakdown*3



*1 TTM as of Dec. 20: IDR 1 = 0.0074, Dec. 21: IDR 1 = 0.0081, Dec.22: IDR 1 = 0.0085, Jun. 23: IDR 1 = 0.0096

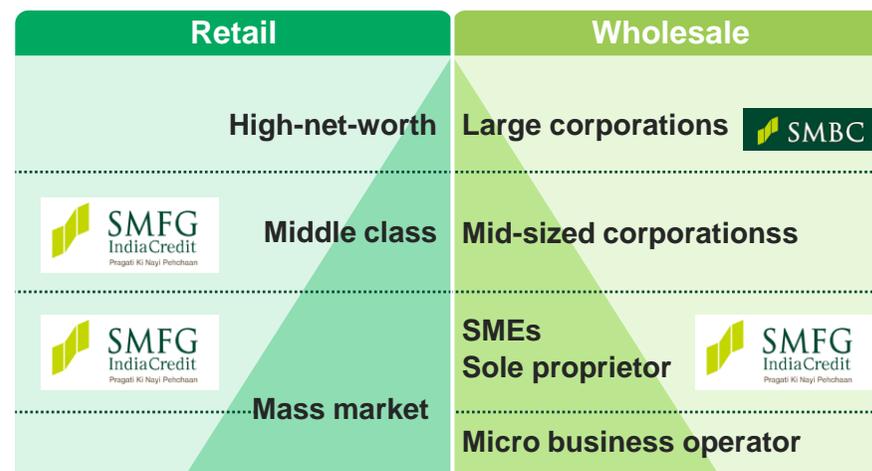
*2 Based on each company's disclosure (Jun. 23 results, BRI is based on Mar. 23 results.) *3 As of Jun. 23

Group companies (6) SMICC

Financial results*1

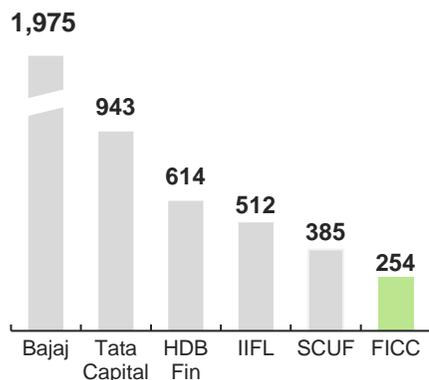
(JPY bn)	FY3/20	FY3/21	FY3/22	FY3/23
Gross operating profit	52.2	48.1	40.8	57.5
Operating expenses	19.1	18.0	23.5	32.3
Net profit	11.0	(18.3)	1.2	11.2
ROE	18%	(24)%	2%	20%
Loans	419.1	378.2	411.4	656.9
Total assets	473.6	419.3	441.4	728.1

Coverage



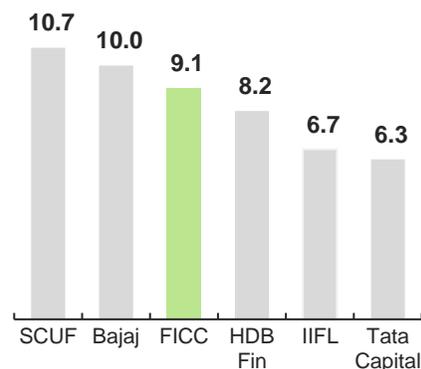
Loan balance*2

(INR bn)

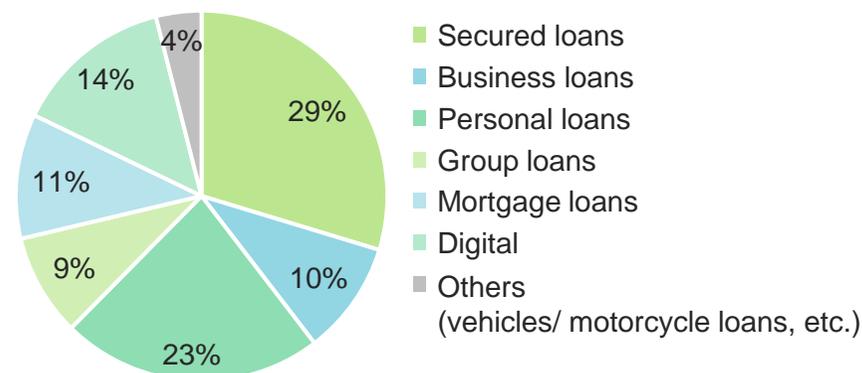


Loan spread*2

(%)



Loan breakdown*3



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

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

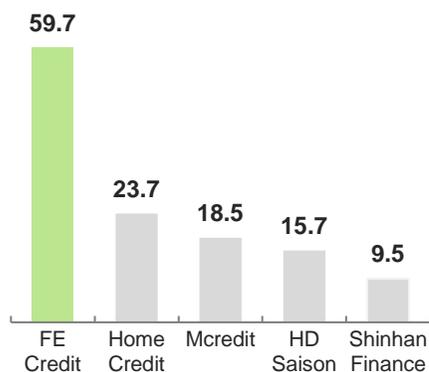
Group companies (7) FE Credit

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

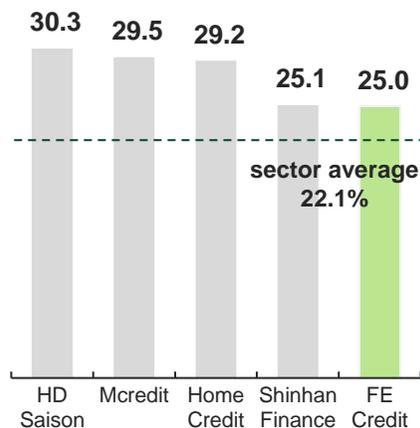
Loan balance*2

(VND tn)

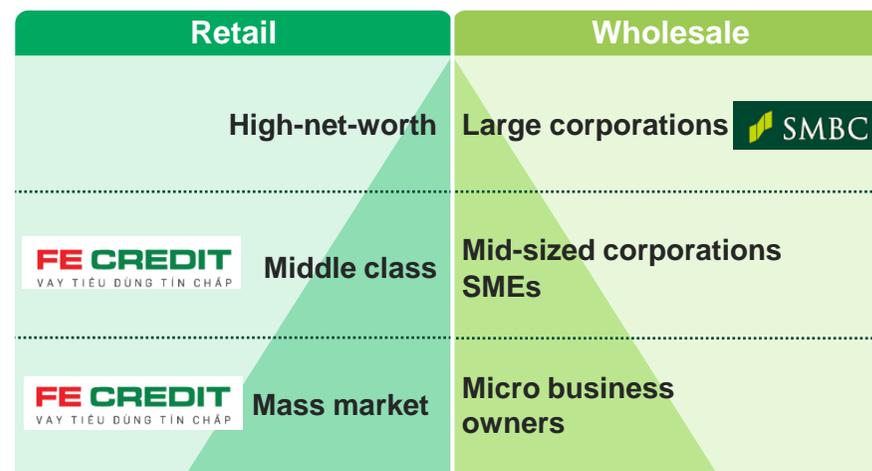


Loan spread*2

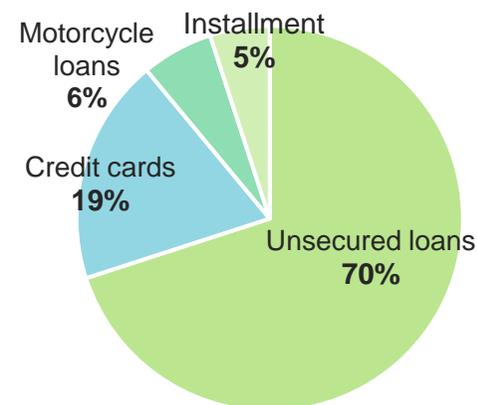
(%)



Coverage



Loan breakdown (Dec.22)

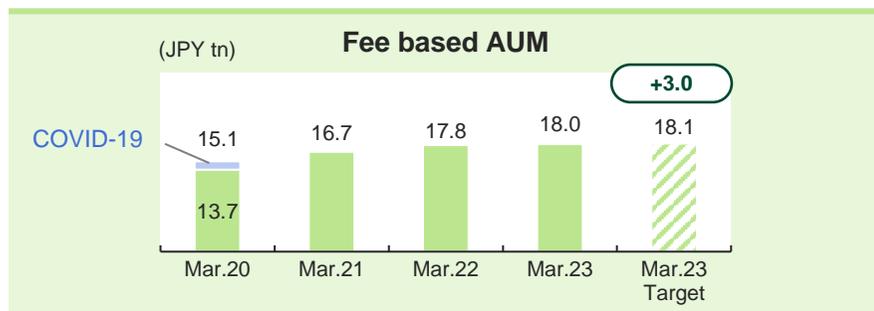


*1 TTM as of Dec.19: VND 1 = 0.0047, Dec.20: VND 1 = 0.0045, Dec.21: VND 1 = 0.0050, Dec.22: VND 1 = 0.0056

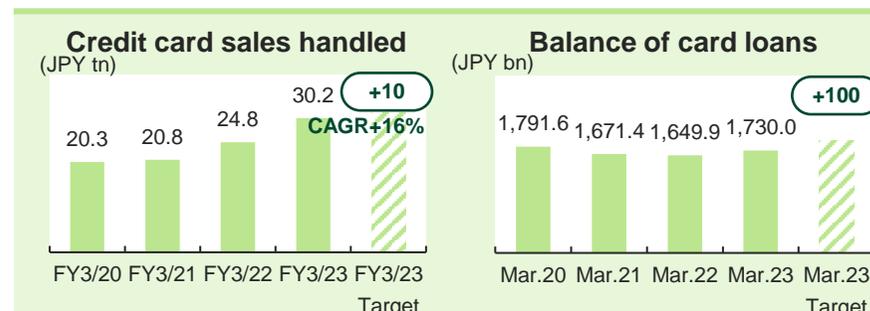
*2 Based on FiinGroup data (Jun.22 results)

KPI of previous Medium-Term Management Plan

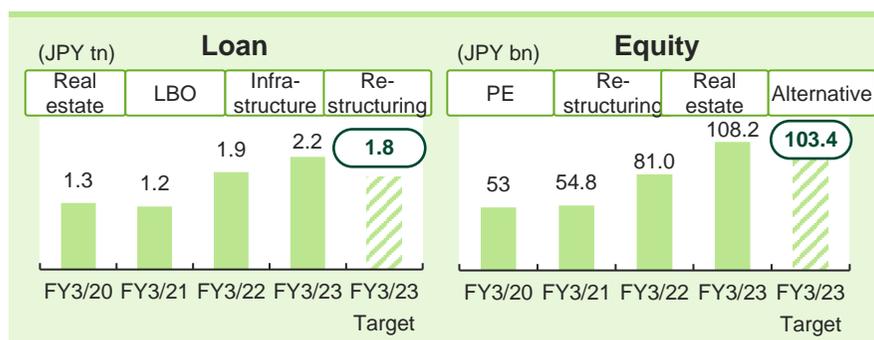
Wealth management business



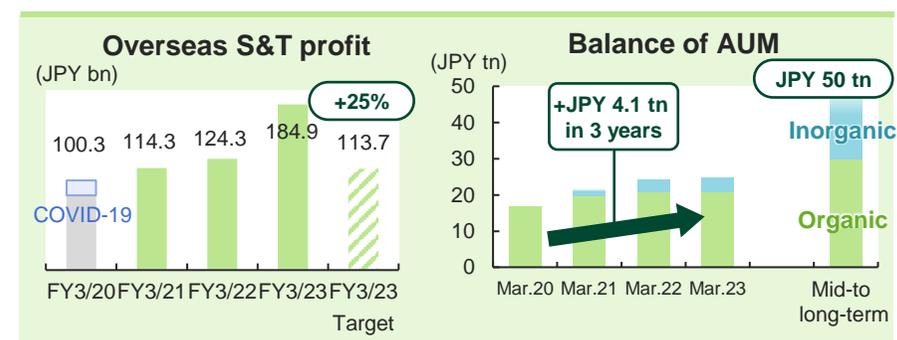
Payment business



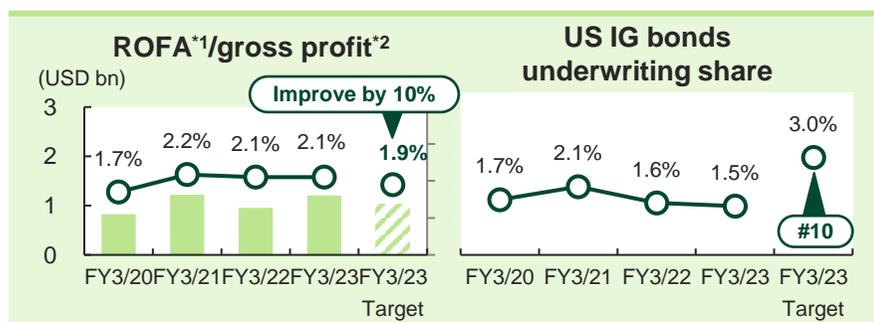
Domestic wholesale business



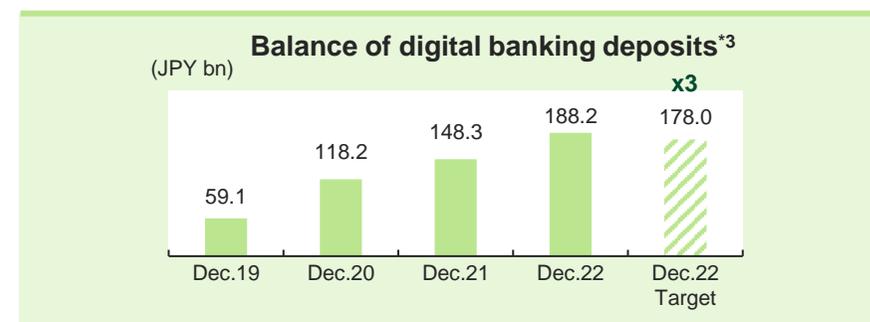
Asset-light business



Overseas CIB business

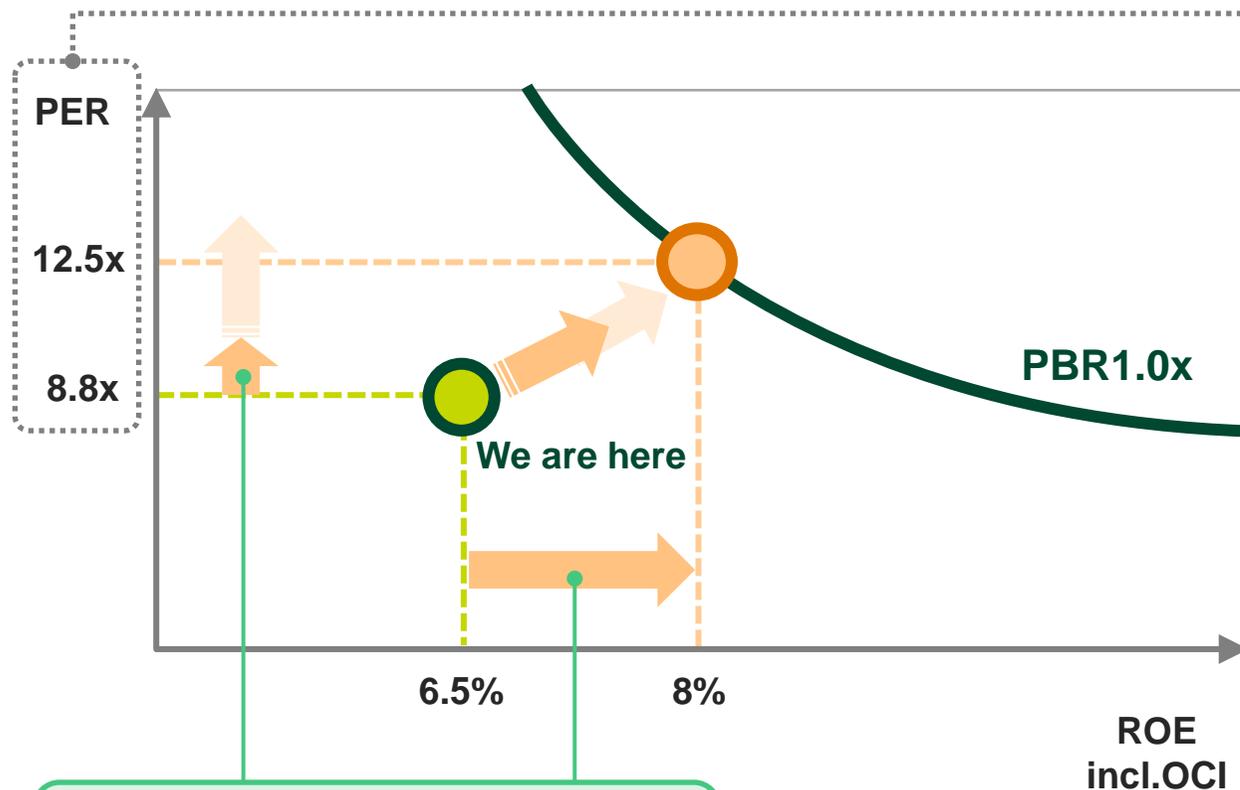


Multi-franchise strategy in Asia



To improve PBR

Optimize business portfolio and improve profitability to achieve ROE incl. OCI of 8% or higher. However, change of domestic interest rate is also necessary for our PBR to exceed 1x.



Our PER correlates with domestic interest rate



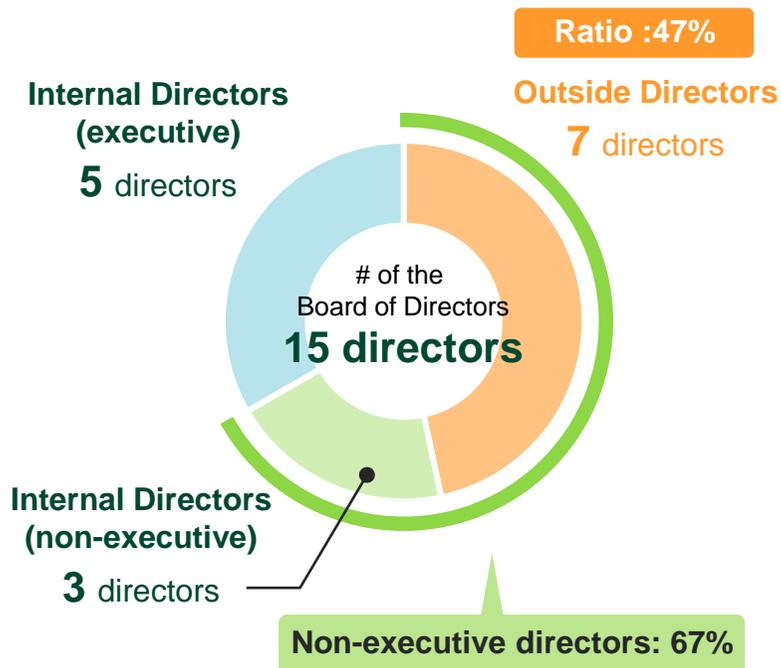
New Medium-Term Management Plan
Plan for
Fulfilled Growth



Next Medium-Term Management Plan

ESG (1) Governance

Structure of the Board (Jun.23-)



3 women



2 foreign national

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

ESG (2) ESG indices and initiatives

Selected ESG indices



**FTSE Blossom
Japan Sector
Relative Index**



**2023 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX**

**2023 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)**

GPIF selection indexes



Endorsed initiatives

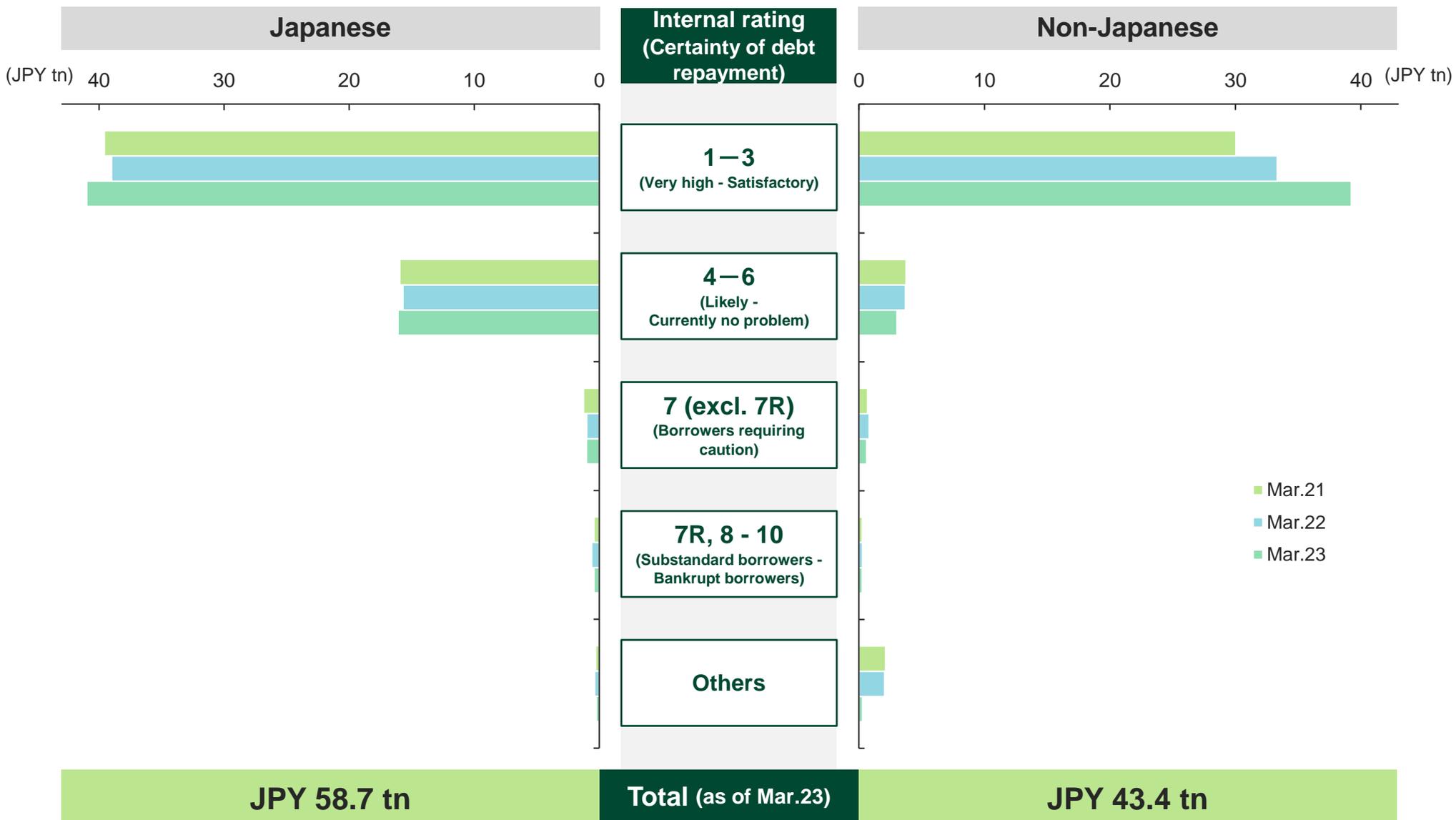
WE SUPPORT



Signatory of:



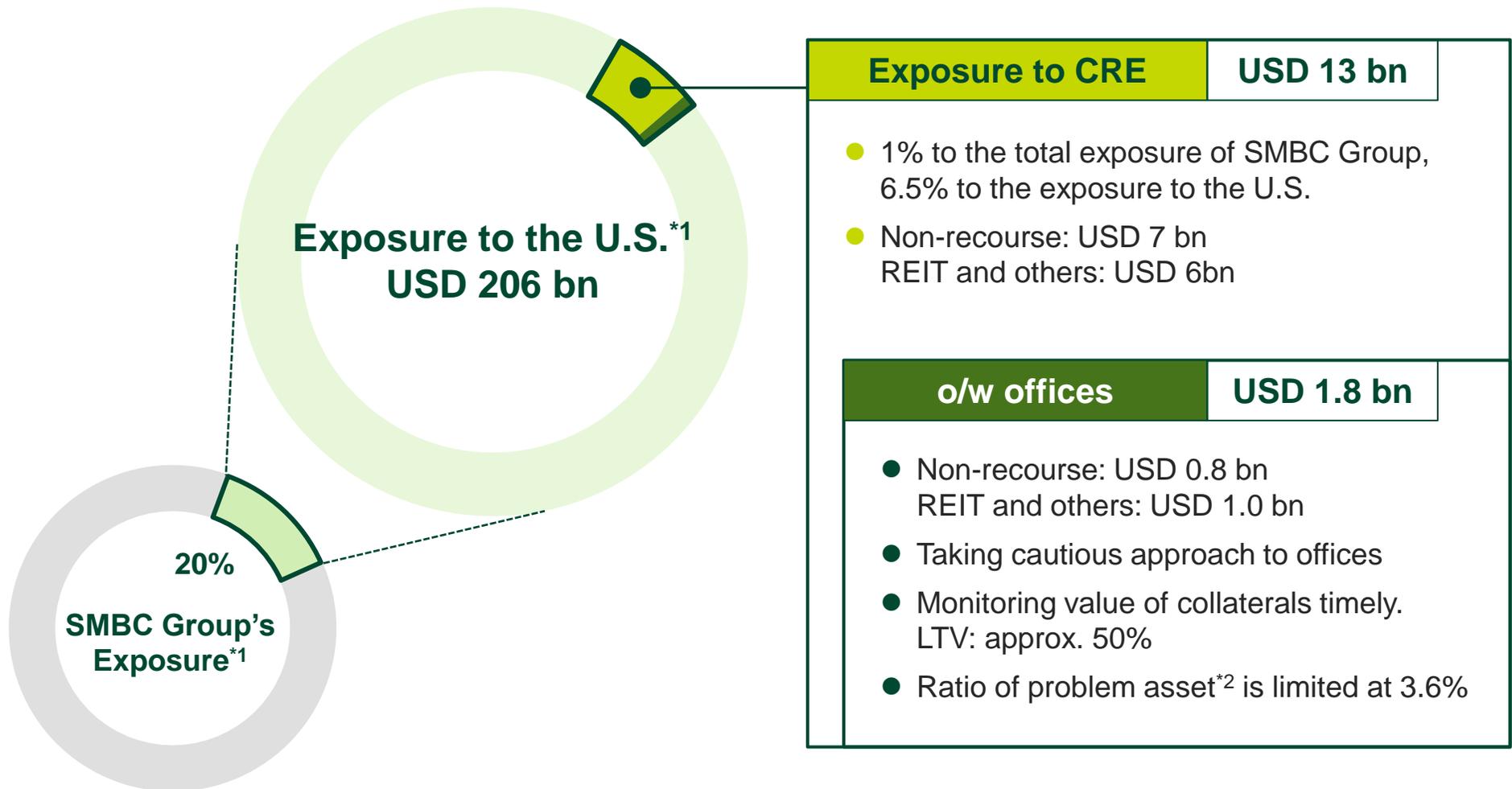
Breakdown by internal ratings*1



*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

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

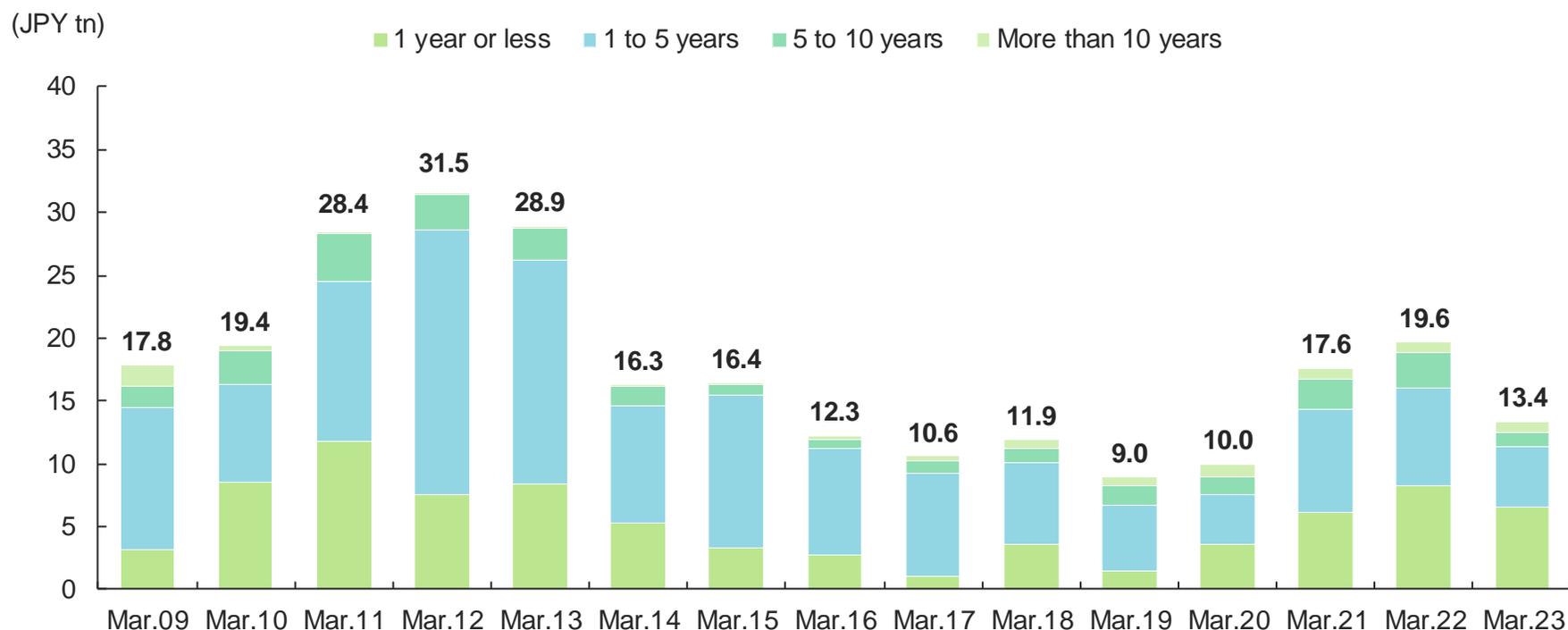
Exposure to U.S. CRE is limited compared to the total exposure of SMBC Group. There are currently no major concerns regarding asset quality of credit to offices.



*1 SMBC consolidated, calculated based on location of headquarter
 *2 Loans classified as Substandard, Doubtful and Loss in the U.S. regulatory basis

Yen bond portfolio

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



of which JGBs (JPY tn)	Mar.14	Mar.15	Mar.16	Mar.17	Mar.18	Mar.19	Mar.20	Mar.21	Mar.22	Mar.23
	14.0	9.8	8.0	9.3	6.3	7.1	14.3	15.8	9.6	

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

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

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

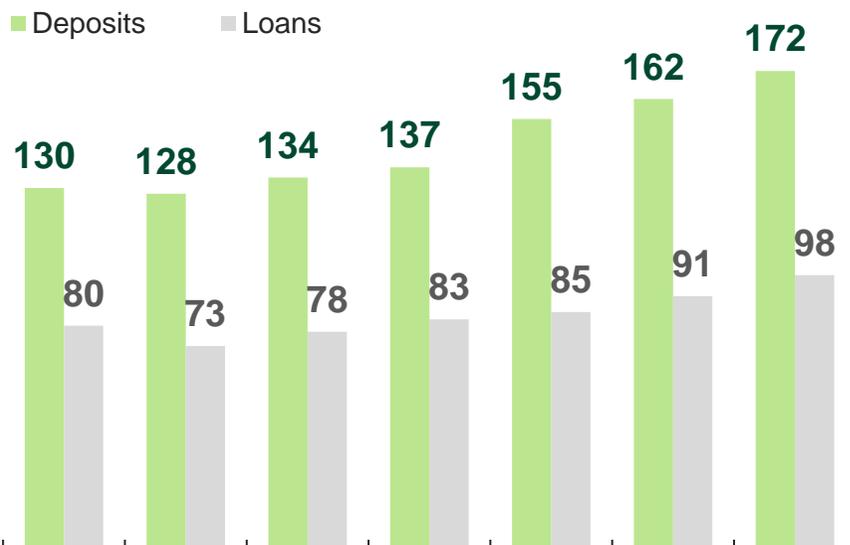
(Ref.) Loan-deposit balance

Loan to deposit ratio has been maintained under 60%, while LCR is at a sufficient level.

Overseas loan balance is covered by deposits and mid- to long-term funding, with regional diversity.

Loans and deposits

(JPY tn)



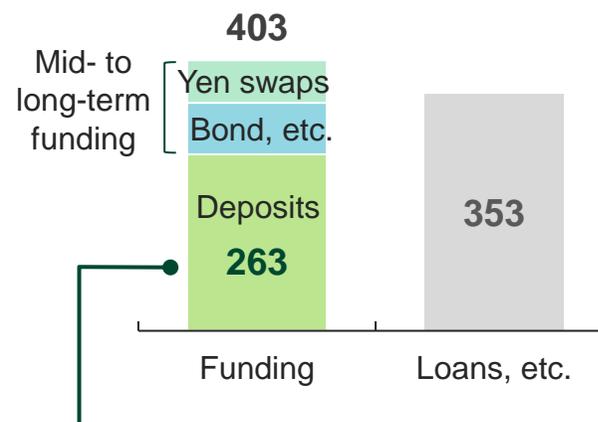
(%)

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

Minimum requirement: 100

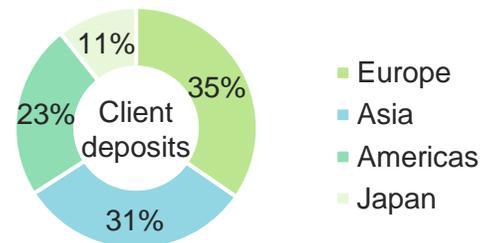
Foreign currency ALM (Mar.23)

(USD bn)



Breakdown by region

- Focus on acquiring client deposits

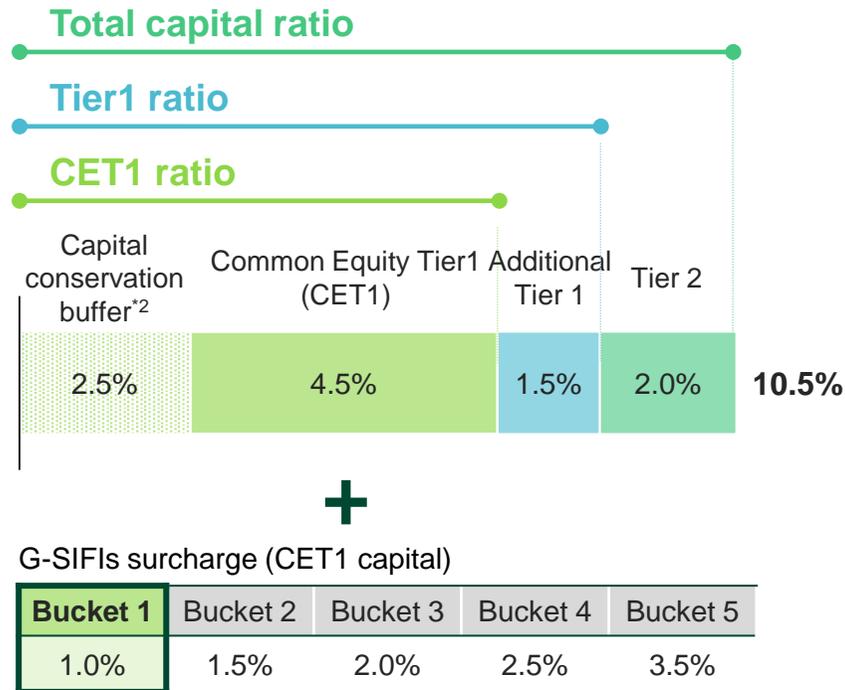


*Europe secures the most regarding local regulations

Application of Basel III (capital ratio)*1

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

Capital requirements

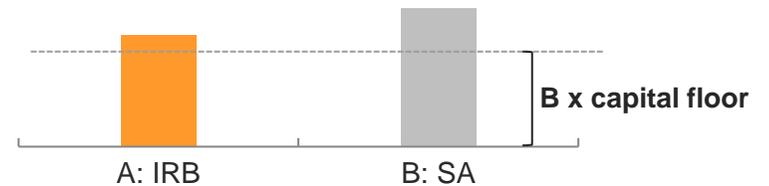


Implementation of output floor

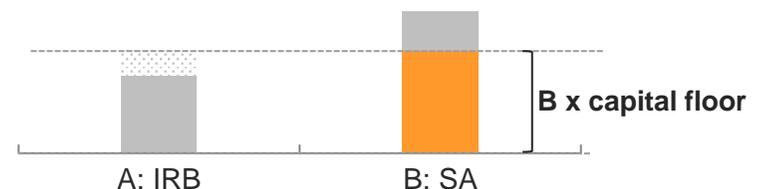
A: RWA based on internal ratings-based approach (IRB)

B: RWA based on standardized approach (SA)

A > B x capital floor → **RWA = A**



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



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

*2 Countercyclical buffer (CCyB) omitted

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

(As of August 1, 2023)

Moody's	Moody's	S&P	Fitch	S&P Fitch
Aaa				AAA
Aa1	<ul style="list-style-type: none"> Bank of America 			AA+
Aa2	<ul style="list-style-type: none"> Bank of New York Mellon JPMorgan Chase Bank Wells Fargo Bank 		<ul style="list-style-type: none"> Bank of America Bank of New York Mellon JPMorgan Chase Bank State Street Bank & Trust 	AA
Aa3	<ul style="list-style-type: none"> BNP Paribas Citibank Crédit Agricole ING Bank Morgan Stanley Bank State Street Bank & Trust UBS 	<ul style="list-style-type: none"> Bank of New York Mellon Royal Bank of Canada State Street Bank & Trust Toronto Dominion 	<ul style="list-style-type: none"> HSBC Bank ING Bank Morgan Stanley Bank Royal Bank of Canada Toronto Dominion Wells Fargo Bank 	AA-
A1	<p>SMBC</p> <ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Banco Santander Bank of America Barclays Bank BNP Paribas Citibank Crédit Agricole Goldman Sachs Bank HSBC Bank ING Bank JPMorgan Chase Bank Morgan Stanley Bank Standard Chartered UBS Wells Fargo Bank 	<ul style="list-style-type: none"> Barclays Bank BNP Paribas BPCE Citibank Crédit Agricole Credit Suisse Goldman Sachs Bank Standard Chartered UBS 	A+
A2	<ul style="list-style-type: none"> Banco Santander 	<p>SMBC</p> <ul style="list-style-type: none"> Agricultural Bank of China Bank of China BPCE China Construction Bank Credit Suisse ICBC Mizuho Bank MUFG Bank Société Générale 	<ul style="list-style-type: none"> Agricultural Bank of China Bank of China China Construction Bank ICBC 	A
A3	<ul style="list-style-type: none"> Credit Suisse 	<ul style="list-style-type: none"> Deutsche Bank 	<p>SMBC</p> <ul style="list-style-type: none"> Banco Santander Deutsche Bank Mizuho Bank MUFG Bank Société Générale 	A-
Baa1	<ul style="list-style-type: none"> UniCredit 			BBB+
Baa2		<ul style="list-style-type: none"> UniCredit 	<ul style="list-style-type: none"> 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

Credit ratings of G-SIBs (Holding companies)*1,2

(As of August 1, 2023)

Moody's	Moody's	S&P	Fitch	S&P Fitch
Aaa				AAA
Aa1				AA+
Aa2				AA
Aa3			<ul style="list-style-type: none"> Bank of America Bank of New York Mellon JPMorgan State Street 	AA-
A1	SMFG <ul style="list-style-type: none"> Bank of America Bank of New York Mellon JPMorgan 	<ul style="list-style-type: none"> Mizuho Morgan Stanley MUFG State Street Wells Fargo 	<ul style="list-style-type: none"> Groupe BPCE HSBC ING Morgan Stanley Wells Fargo 	A+
A2	<ul style="list-style-type: none"> Goldman Sachs 	<ul style="list-style-type: none"> Bank of New York Mellon State Street 	<ul style="list-style-type: none"> Barclays Citigroup Goldman Sachs Standard Chartered UBS 	A
A3	<ul style="list-style-type: none"> Citigroup HSBC 	SMFG <ul style="list-style-type: none"> Bank of America HSBC ING JPMorgan 	SMFG <ul style="list-style-type: none"> Mizuho MUFG UBS 	A-
Baa1	<ul style="list-style-type: none"> Barclays ING 	<ul style="list-style-type: none"> Barclays Citigroup Goldman Sachs 	<ul style="list-style-type: none"> Standard Chartered Wells Fargo 	BBB+
Baa2				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

*2 Credit Suisse Group AG (Hold-co) has dissolved due to acquisition by UBS on June 12, 2023