

Investors Presentation

February, 2024



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)

	Dec. 22	Mar. 23	Dec. 23
USD	132.71	133.54	141.83
EUR	141.43	145.75	157.08

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)
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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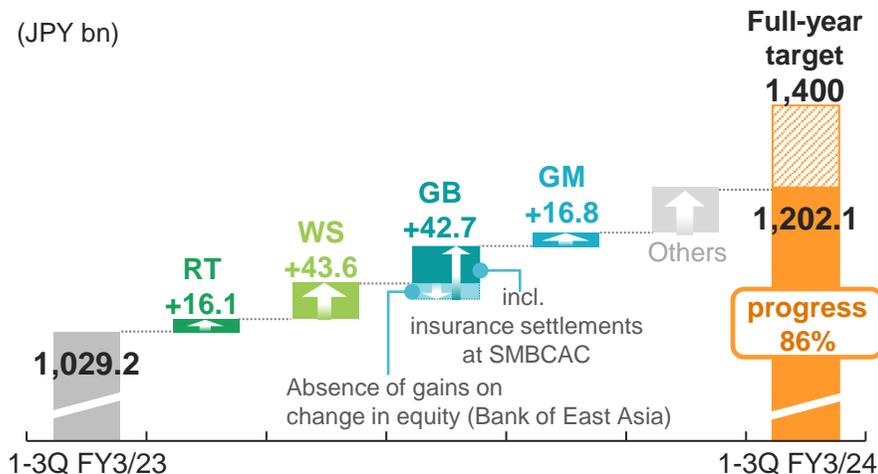


Appendix // 52

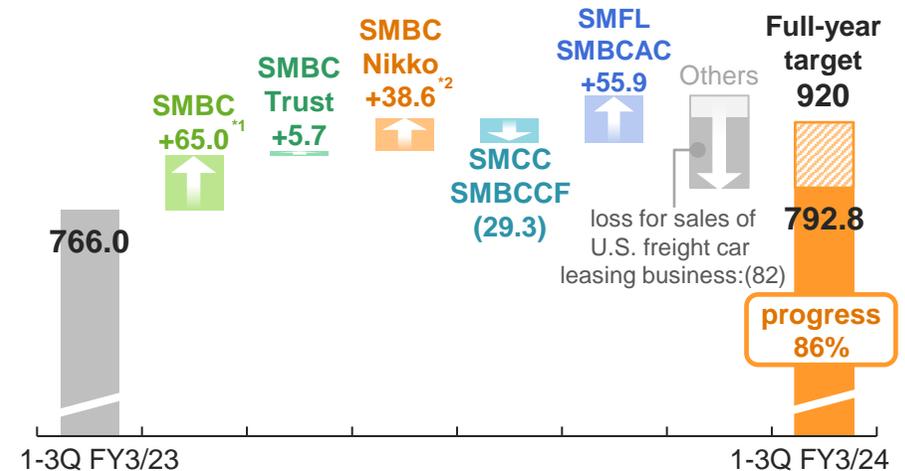
Financial Results

- ◆ Both consolidated net business profit and bottom-line profit have a high progress rate of **86%**
- ◆ Net business profit increased in every Business Unit as a result of the steady progress of the Medium-Term Management Plan ⇒ P21-22
- ◆ Bottom-line profit decreased at SMCC and SMBCCF due to an increase in credit costs, but successfully managed 3Q cost by controlling asset quality ⇒ P56-57

Changes in net business profit by Business Unit



Changes in bottom-line profit by entity



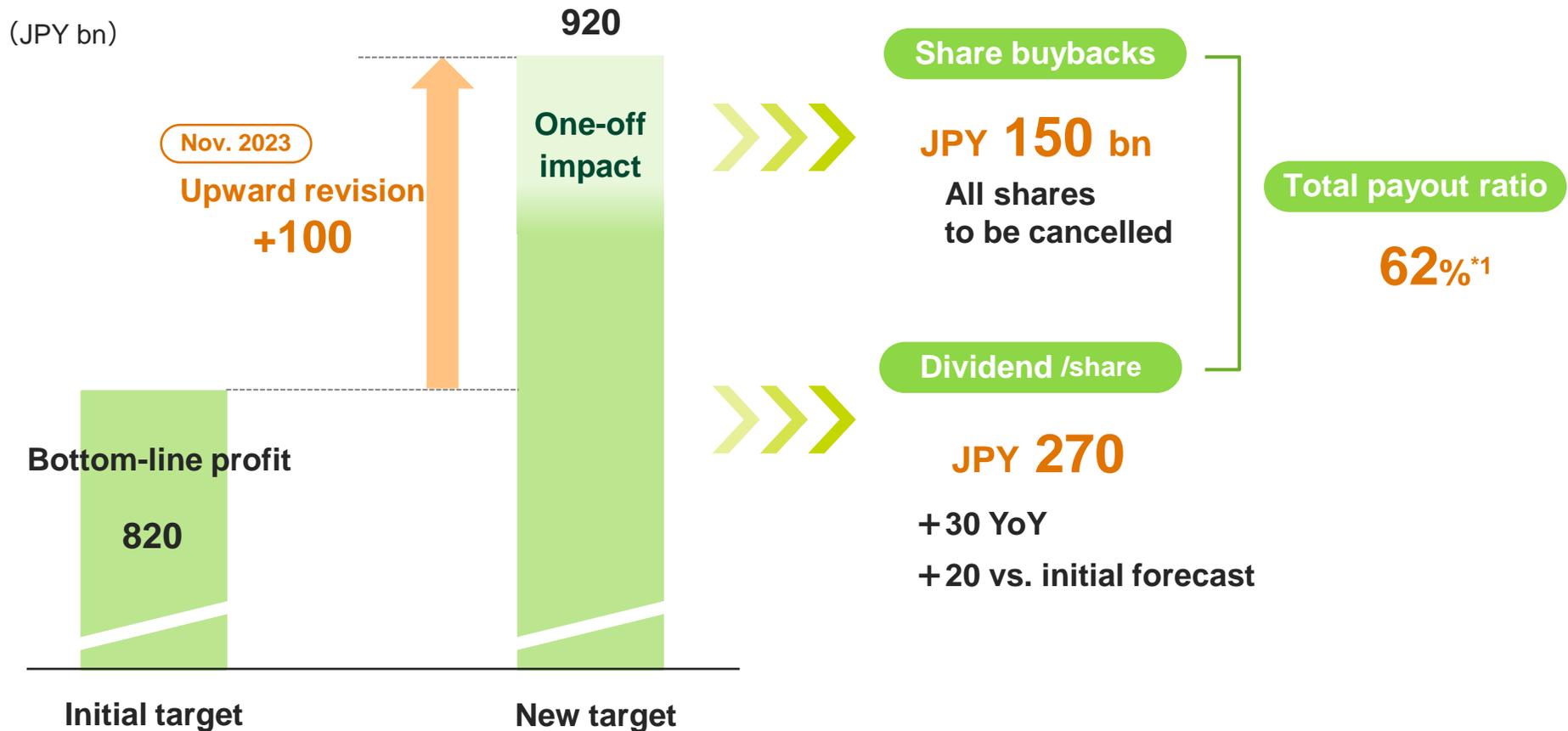
*1 Managerial accounting basis: sum of SMBC and overseas banking subsidiaries.

Excl. absence of one-time dividend from a subsidiary recorded in FY3/23 (42, eliminated in the consolidated P/L)

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

Financial highlights (2) Shareholders return

- Enhance shareholder returns +JPY 100 bn of upward revision of bottom-line target
- Dividend: increased to JPY 270/share (+30 YoY, +20 vs. initial forecast)
 - Share buybacks: resolved up to JPY 150 bn



*1 Incl. JPY 61.3 bn purchased in FY3/24 which was announced in FY3/23

	(JPY bn)	1-3Q FY3/24	YoY	FY3/24 target
1 Consolidated gross profit		2,726.3	+348.9	
2 G&A expenses		1,631.0	+203.3	
Overhead ratio		59.8%	(0.3)%	
3 Equity in gains (losses) of affiliates	Progress	106.8	+27.4	
4 Consolidated net business profit	86%	1,202.1	+172.9	1,400
5 Total credit cost		134.7	+23.6	230
6 Gains (losses) on stocks		144.6	+6.3	
7 Other income (expenses)		(15.3)	+8.3	
8 Ordinary profit		1,196.7	+164.1	1,320
9 Extraordinary gains (losses)		(112.1)	(109.7)	
10 Income taxes		288.1	+31.6	
11 Profit attributable to owners of parent	86%	792.8	+26.8	920
12 ROE incl. OCI ^{*1}		8.0%	(0.3)%	
13 ROE ^{*2}		10.1%	+0.1%	

- **Consolidated gross profit** increased YoY 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: +72
- **G&A expenses** increased YoY mainly due to
 - 1) inflation: +40
 - 2) higher variable marketing cost of SMCC: +26, which is successfully increasing new customers.
 Impact of FX: +36
- **Equity in gains of affiliates** increased YoY as profit of SMBCAC: (+55) including insurance settlement offset absence of gains on change in equity of BEA^{*3}: (20)
Impact of FX: +2
- **Total credit cost:** increased due to domestic consumer finance business: +27 but managed 3Q cost at low level by controlling asset quality
- **Gains on stocks** increased due to gains on sales of equity holdings: 162 (YoY +54), while impairment of overseas investment was recorded: (32)
- **Extraordinary losses:** recorded loss for sales of U.S. freight car leasing business: (107)

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

*2 Based on shareholder's equity

*3 Bank of East Asia

SMBC

	(JPY bn)	1-3Q FY3/24	YoY	FY3/24 target
1 Gross banking profit		1,345.7	+57.9	
2 o/w Net interest income		817.6	(53.7)	
3 o/w Gains (losses) on cancellation of investment trusts		6.0	(25.8)	
4 Domestic		430.9	(42.4)	
5 Overseas		386.7	(11.3)	
6 o/w Net fees and commissions		369.9	+33.5	
7 Domestic		164.3	+17.8	
8 Overseas		205.6	+15.7	
9 o/w Net trading income+ Net other operating income		156.1	+77.7	
10 o/w Gains (losses) on bonds		21.2	+99.1	
11 Expenses		724.2	+70.7	
12 Banking profit		621.6	(12.9)	765
13 Total credit cost		1.9	(52.4)	85
14 Gains (losses) on stocks		138.5	+10.5	
15 Extraordinary gains (losses)		9.3	(10.5)	
16 Net income		554.9	(8.8)	640

Absence of one-time dividend from a subsidiary : (42)

*eliminated in the consolidated P/L

Other major group companies

(left : results of 1-3Q FY3/24 / right : YoY)

	(JPY bn)	SMCC ^{*1}	SMBC Nikko ^{*2}	SMCCF ^{*1}
Gross profit		405.8 +41.0	334.1 +67.0	186.8 +11.6
Expenses		330.3 +39.6	290.0 +26.4	77.5 +4.3
Net business profit		76.9 +2.5	44.1 +40.5	93.9 (1.0)
Net income		27.6 (5.4)	33.2 +38.6	24.9 (23.9)

(Equity method affiliate)

	SMBC Trust	SMDAM	SMFL ^{*3}
Gross profit	52.4 +11.6	30.4 +3.3	216.6 +25.4
Expenses	30.3 +3.0	24.7 +1.8	91.7 +6.3
Net business profit	22.1 +8.7	5.7 +1.5	131.1 +17.7
Net income	16.9 +5.7	3.8 +1.3	119.9 +58.7

*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

(Ref.) Major one-off items

Insurance settlements of SMBCAC

34 aircraft lost in Russia (NBV USD 1.6 bn^{*1})

Total impairment
by Sep. 2023

Impact on bottom-line profit	JPY (81) bn ^{*2}
---------------------------------	---------------------------

3Q in FY3/24:
**insurance settlements received for 19 aircraft
previously leased to Aeroflot and S7**

Impact on bottom-line profit **+USD 317 mn^{*3}**

Insurance settlements: USD 756 mn



- Maximum impact of potential impairment on bottom-line profit : USD (70) mn

Sales of U.S. freight car leasing business

2013 : Entered into freight car leasing business

- Acquired Flagship Rail Services and renamed to SMBC Rail Services (SMBCRS)

2017 : Acquired American Railcar Leasing

- Aimed to expand business size by acquiring more profitable railcars

Became a leading freight car leasing company in the U.S.

Changes in the business environment and industry reorganization have led SMBCRS to bear potential impairment risks

Strengthened regulation

Shrinking margin

2023 : Sold to ITE

- Improve capital efficiency by reallocating resources to growth areas

Impact on

(CET1 ratio)

RWA	USD (2,900) mn	+4 bp
Bottom line profit	USD (580) mn ^{*4}	(7)bp

*1 Before write-down *2 After netting security deposits

*3 After netting impairment of NBV, recorded JPY 45 bn in 3Q (will be fixed at FX rate of Mar.24)

*4 Fixed at JPY 82 bn

Consolidated gross profit ^{*1}

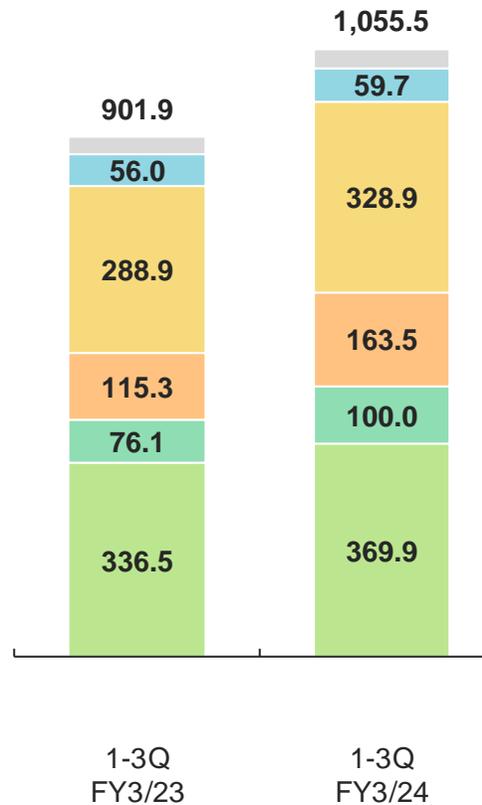
■ SMBC
 ■ Overseas banking subsidiaries
 ■ SMBC Nikko
 ■ SMCC
 ■ SMBCCF
 ■ SMICC
 ■ Others

Net interest income

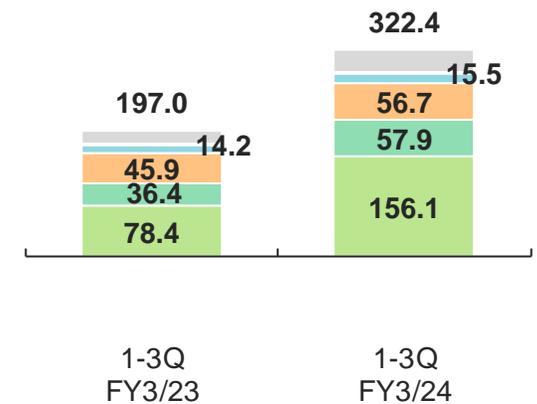
(JPY bn)



Net fees and commissions



Net trading income + Net other operating income



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

*2 Gains on cancellation of investment trusts

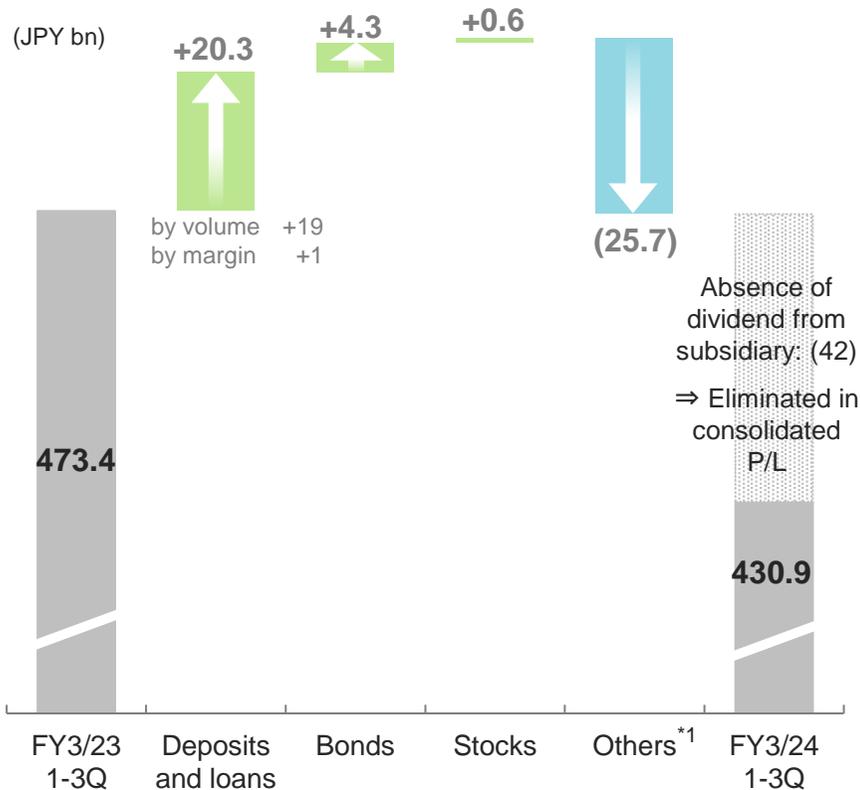
*3 Incl. dividend from subsidiary of JPY 42bn

(Ref.) Net interest income (SMBC)

Domestic

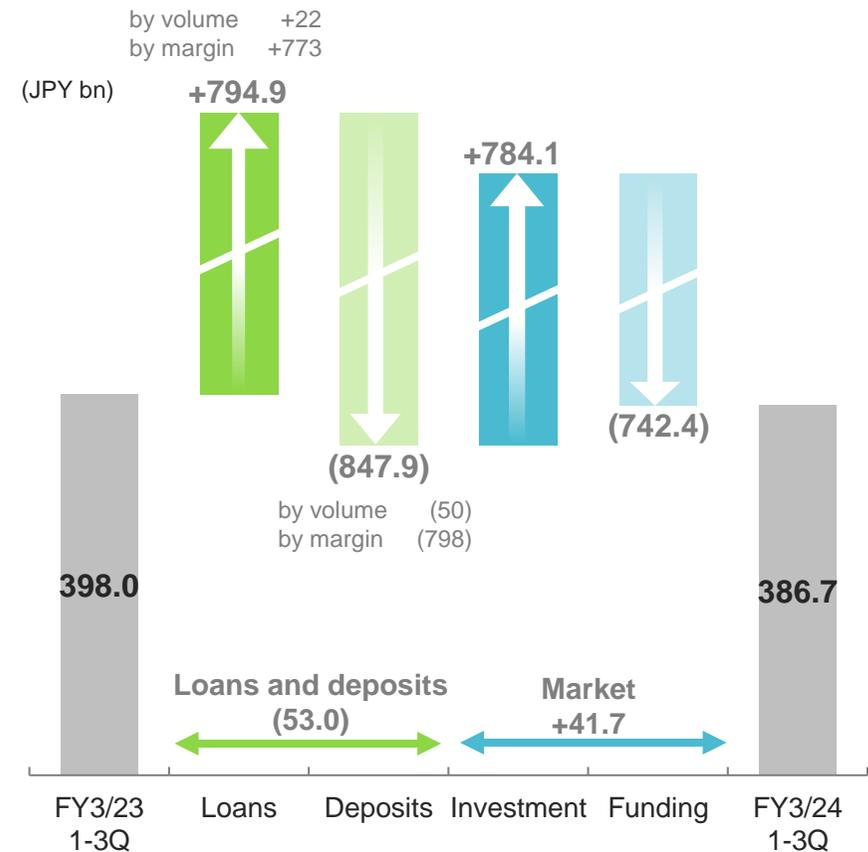
- Income from deposits and loans increased by both volume and margin, while gains on cancellation of investment trusts decreased.

*Dividends from subsidiary recorded in the previous fiscal year had no impact in consolidated P/L.



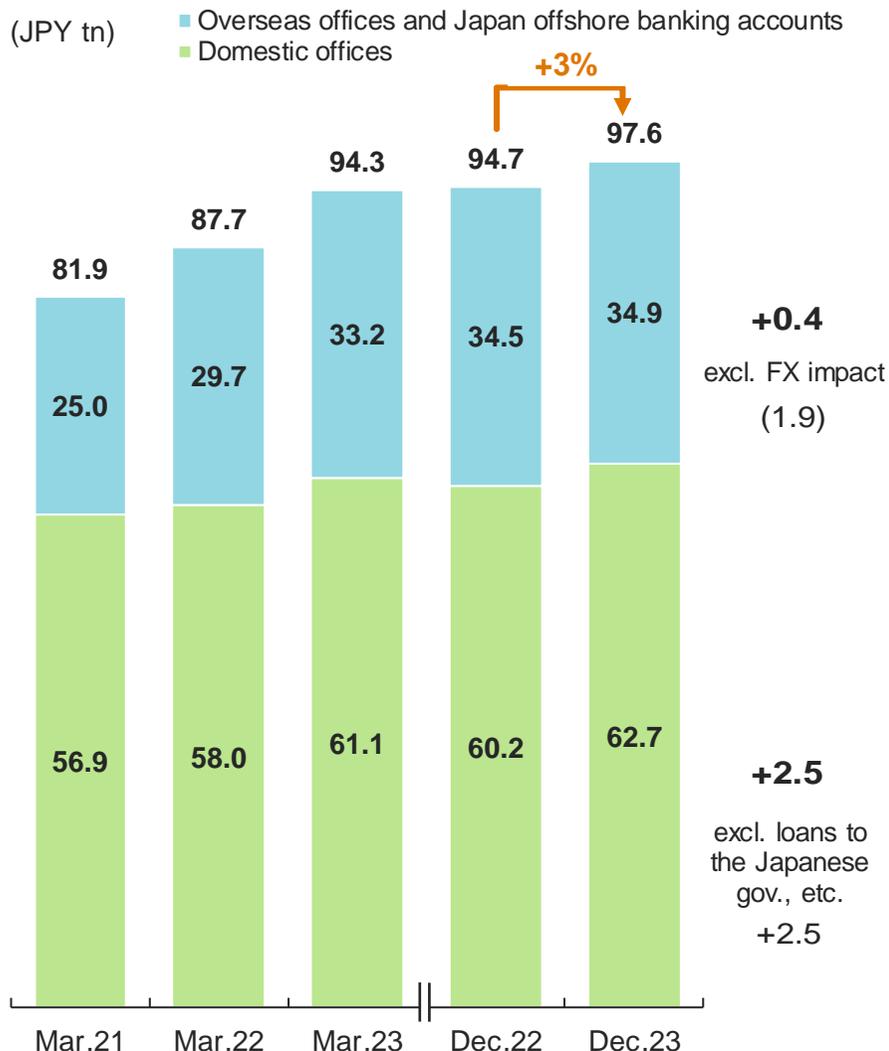
Overseas

- Deposit funding cost increased with liquidity prioritization due to financial instability from March 2023, further pushed by rising interest rates.



*1 Gains and losses on cancellation of investment trusts, etc.

Loan balance



Domestic loan-to-deposit spread

(%)	1-3Q FY3/24	YoY	1Q	2Q	3Q
Interest earned on loans and bills discounted	0.83	+0.00	0.82	0.83	0.85
Interest paid on deposits, etc.	0.00	+0.00	0.00	0.00	0.00
Loan-to-deposit spread	0.83	+0.00	0.82	0.83	0.85

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

(%)	1-3Q FY3/24	YoY	1Q	2Q	3Q
Interest earned on loans and bills discounted	0.85	+0.00	0.84	0.84	0.86
Loan-to-deposit spread	0.85	+0.00	0.84	0.84	0.86

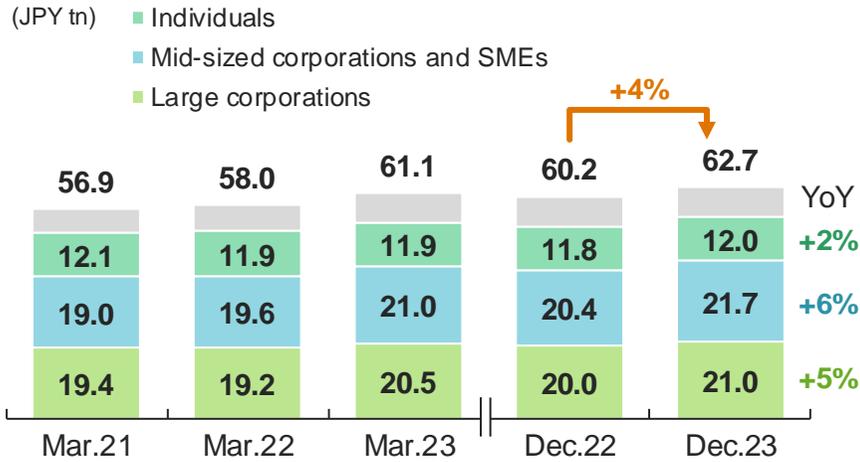
Average loan balance and spread*2

	Balance (JPY tn)		Spread (%)	
	1-3Q FY3/24	YoY ⁴	1-3Q FY3/24	YoY
Domestic loans	59.6	+2.5	0.72	+0.00
Excl. loans to the Japanese government, etc.	57.1	+2.5	0.74	(0.00)
o/w Large corporations	20.6	+1.1	0.56	+0.02
o/w Mid-sized corporations & SMEs	21.1	+1.2	0.64	+0.02
o/w Individuals	11.9	+0.1	1.37	(0.03)
GBU's interest earning assets ^{*3}	345.7 USD bn	(25.4) USD bn	1.20	+0.04

*1 SMBC *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

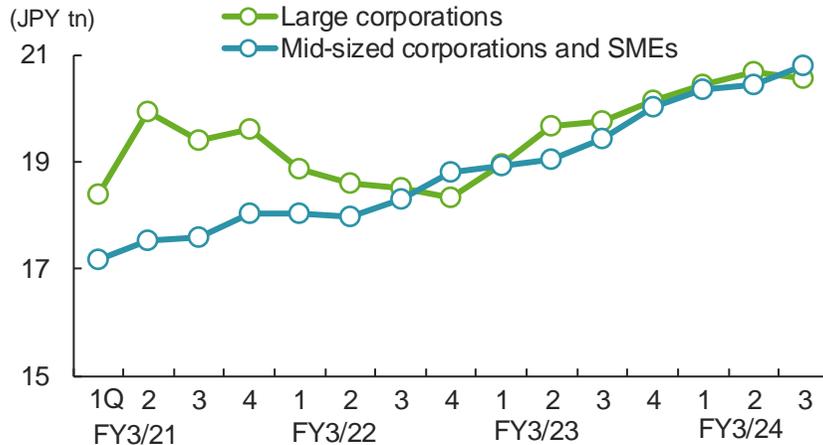
Loan balance*2



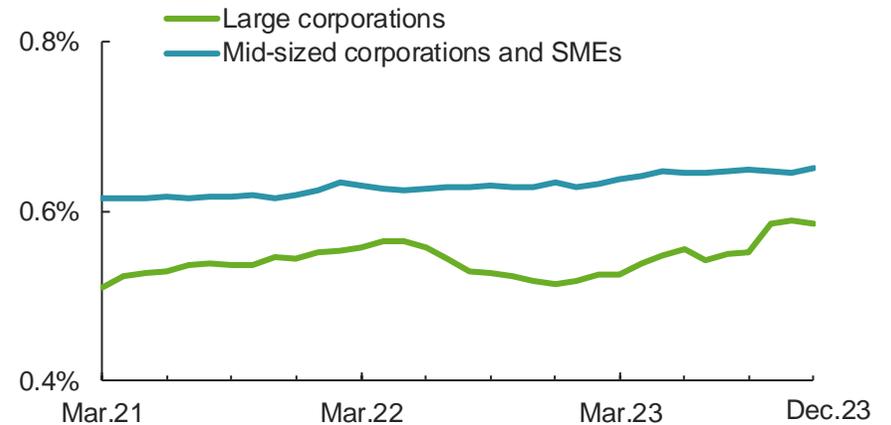
Deposit balance



Loan average balance for corporates*2,3



Loan spread for corporates*2,4



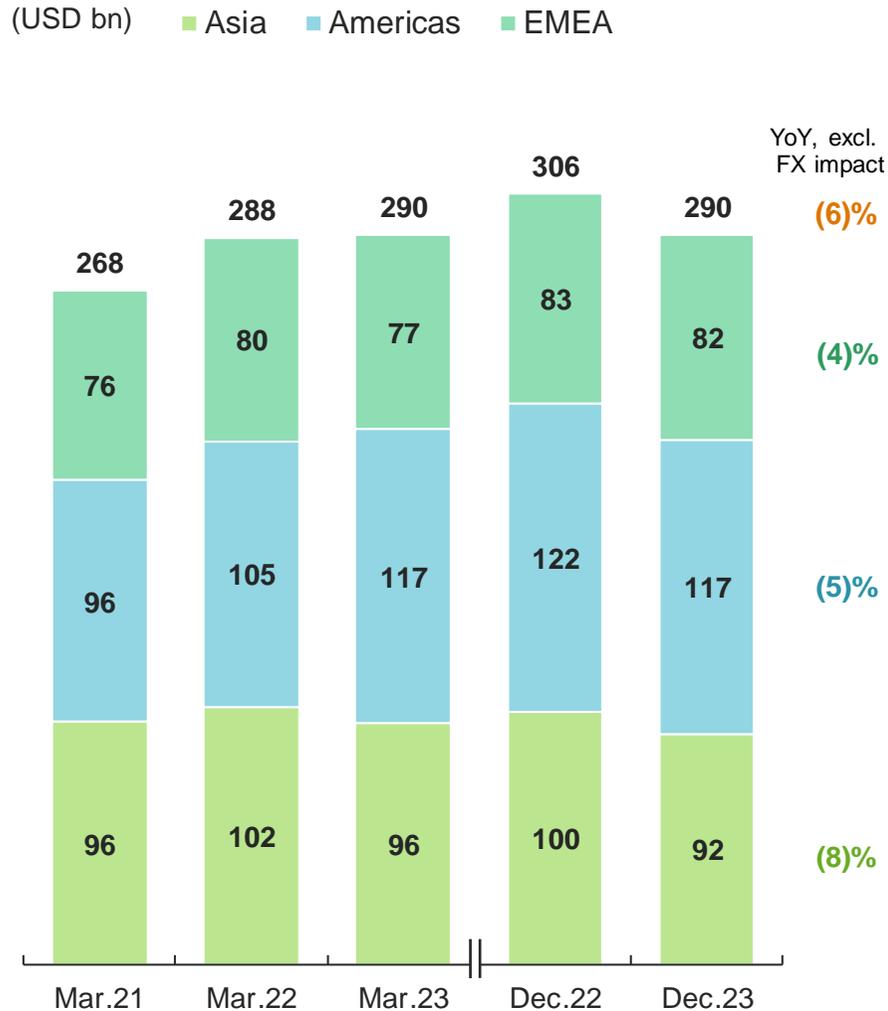
*1 SMBC *2 Managerial accounting basis *3 Quarterly average (excl. loans to the Japanese government)

Figures for SMEs are the outstanding balance of Corporate banking division

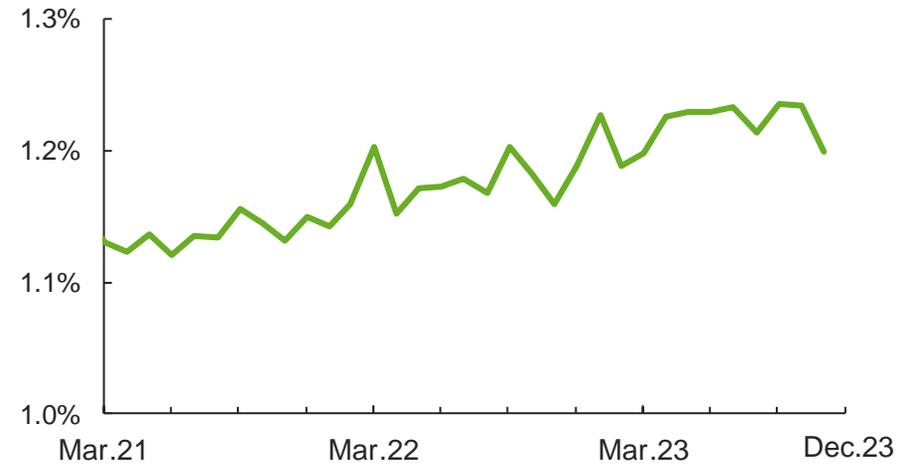
*4 Loan spread of existing loans (excl. loans to the Japanese government)

Overseas loans and deposits*1

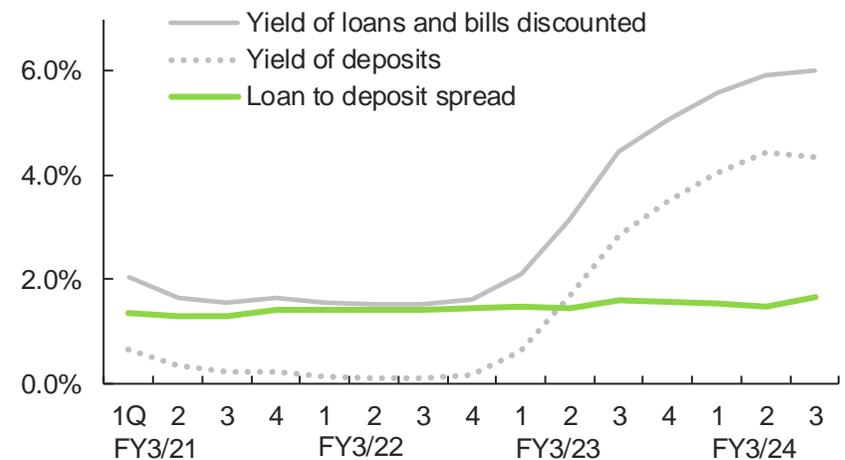
Loan balance



Loan spread*2



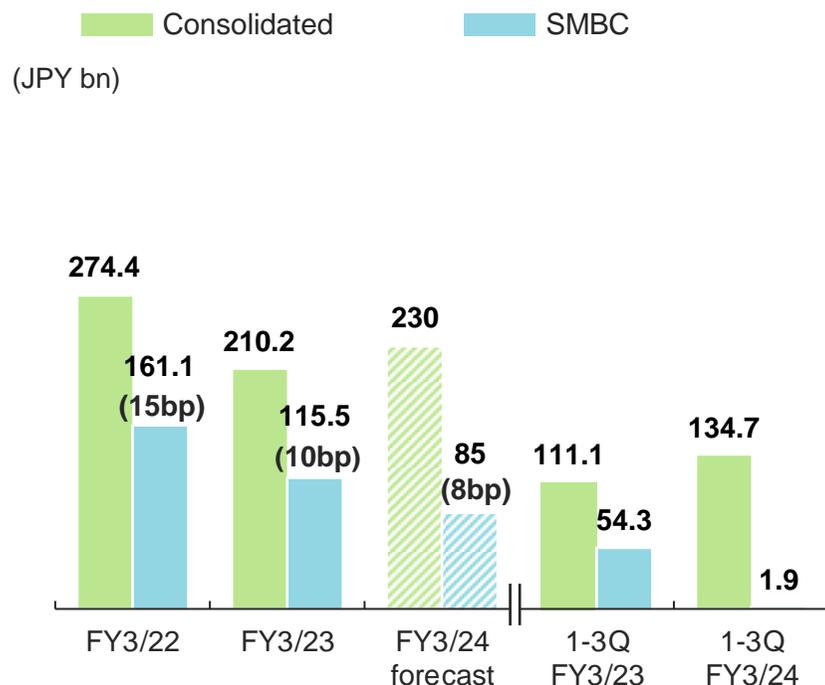
Loan to deposit spread



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

*2 Monthly average loan spread of existing loans

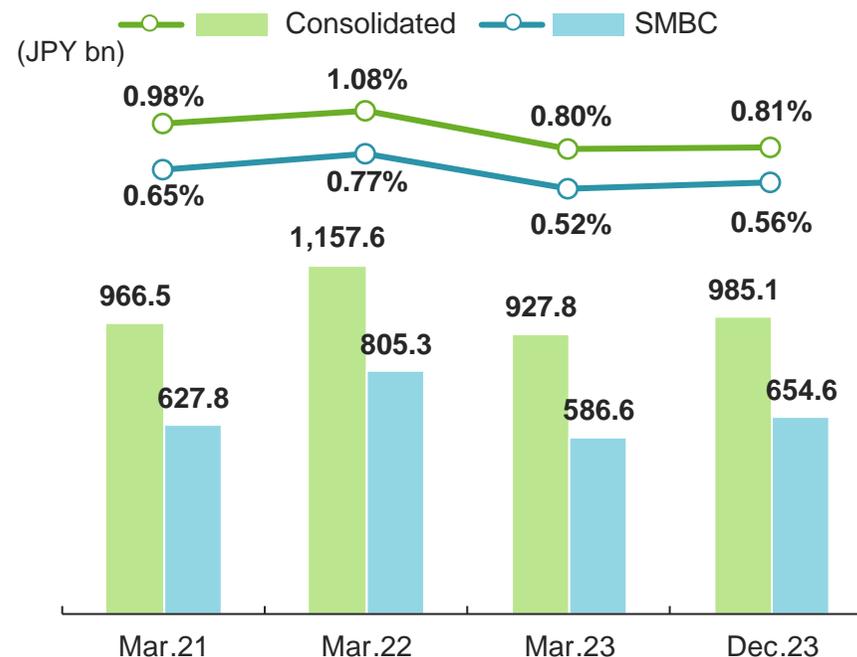
Credit costs



Major group companies

(JPY bn)	1-3QFY3/24	YoY
SMBCCF	54	+12*2
SMCC	38	+15*2
Overseas banking subsidiaries	23	+18
SMICC	17	+11
Adjustments of FX	-	+10*3

Non-performing loan balance*1



Total claims

	(JPY tn)		
Consolidated	107	116	122
SMBC	104	113	116
Claims on borrowers requiring caution (excl. claims to substandard borrowers)			
SMBC	1.9	1.8	1.7

*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 for SMBC.

Breakdown of other securities (consolidated)

	B/S amount		Unrealized gains (losses)	
	Dec.23	vs Mar.23	Dec.23	vs Mar.23
(JPY bn)				
Held-to-maturity	226.9	+61.3	(0.6)	(0.2)
Available for sales	35,639.2	+3,174.2	2,611.2	+696.0
Stocks (domestic)	3,657.1	+311.7	2,323.9	+379.2
Bonds (domestic)	12,209.0	(968.5)	(89.8)	(25.6)
o/w JGBs	8,879.6	(696.7)	(50.6)	(14.2)
Others	19,773.2	+3,831.1	377.0 ^{*1}	+342.4
o/w Foreign bonds	16,005.7	+2,924.2	(656.7)	+40.6

Risk volume is controlled by hedging and others

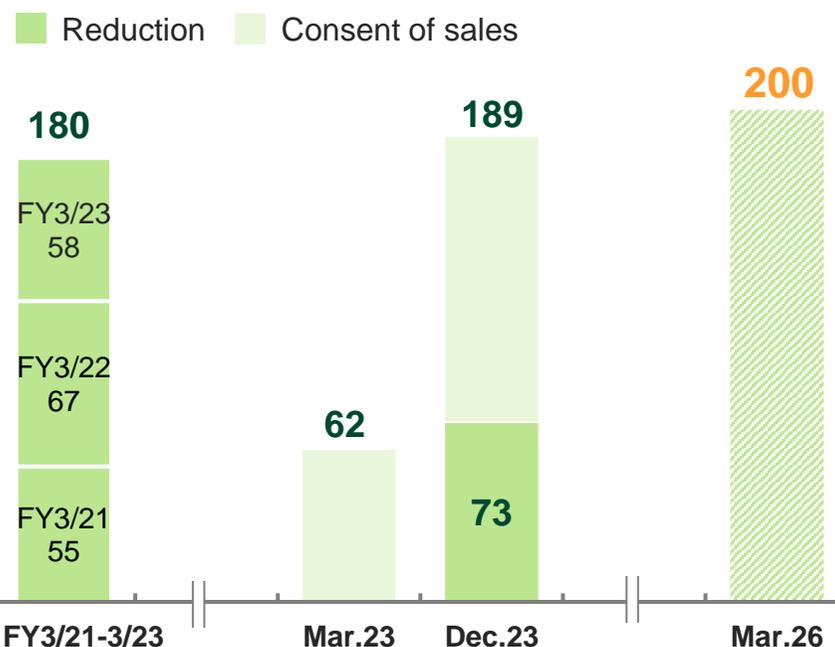
Unrealized gains

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



Equity holdings (Dec.23)

- Achieved annual reduction target by 3Q
- Accumulated consent of sales steadily



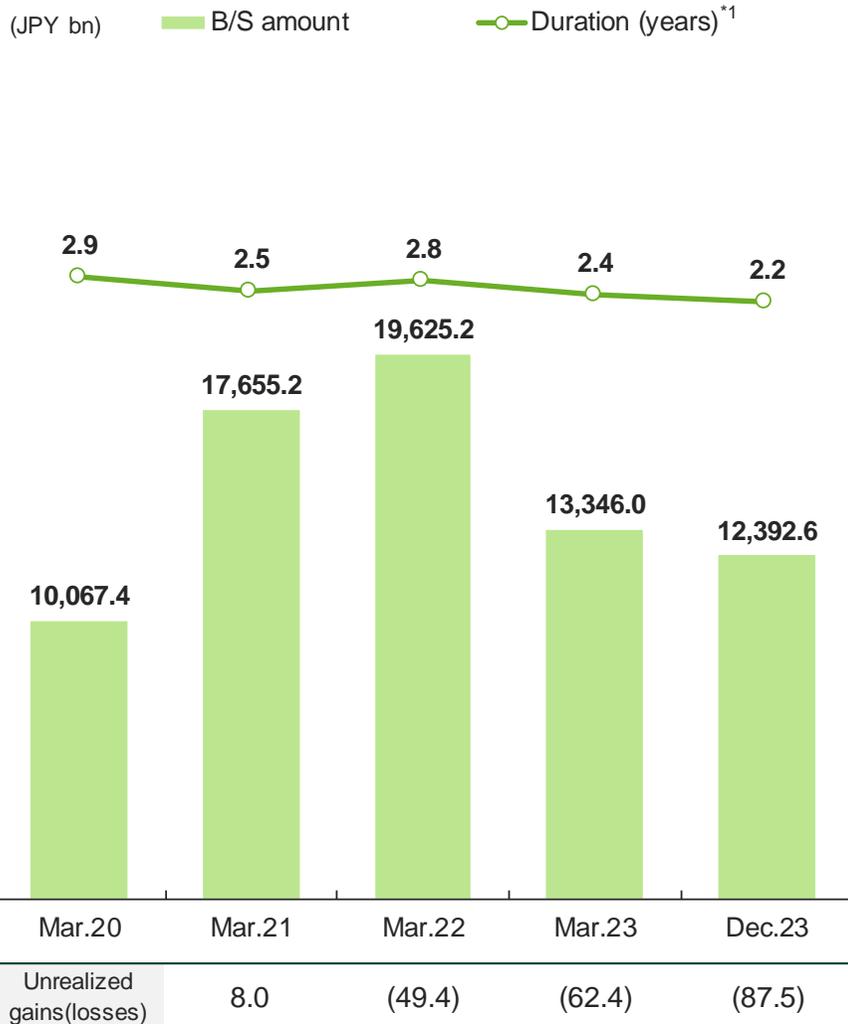
Reduction plan

- Reduce **JPY 200 bn** in 3 years (FY3/24-26)
- Aim for **<20%** market value to consolidated net assets^{*2} during the period of next Medium-Term Management Plan^{*3}

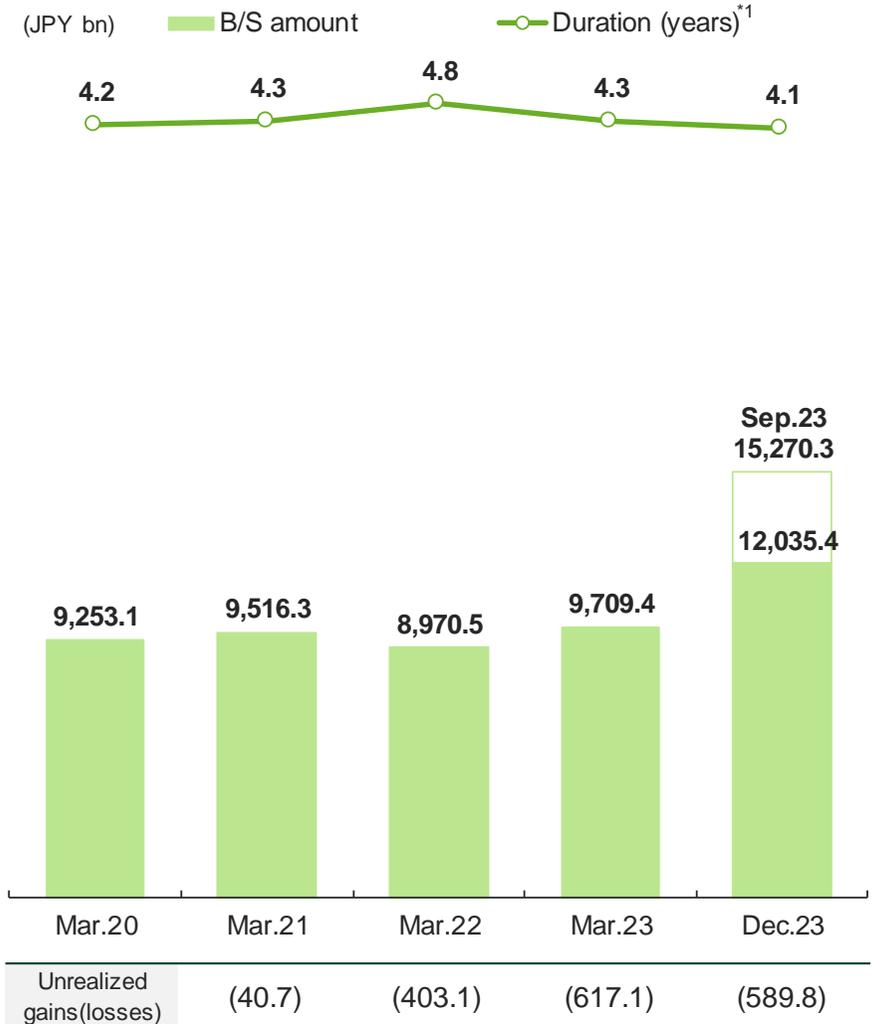
*1 The difference between foreign bonds and others is unrealized gain on foreign stocks

*2 Dec.23: 31.1%, incl. balance of deemed held shares in numerator *3 FY3/27-29

Yen-denominated bonds (SMBC)



Foreign bonds (SMBC)



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

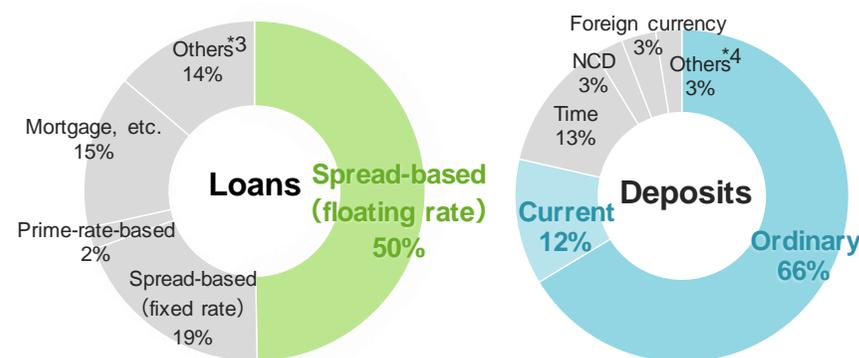
Consolidated

(vs Mar.23)

<p style="text-align: center;">Loans</p> <p style="text-align: center;">JPY 103.2 tn (+JPY 4.8 tn)</p> <table border="1" style="width: 100%;"> <tr> <td style="background-color: #90EE90;">Domestic loans^{*1,2}</td> <td style="text-align: right;">JPY 62.7 tn</td> </tr> </table>	Domestic loans ^{*1,2}	JPY 62.7 tn	<p style="text-align: center;">Deposits</p> <p style="text-align: center;">JPY 176.5tn (+JPY 4.7 tn)</p> <div style="border: 1px solid #ADD8E6; padding: 5px; text-align: center;"> <p>Loan to deposit ratio 58.5%</p> </div> <table border="1" style="width: 100%;"> <tr> <td style="background-color: #ADD8E6;">Domestic deposits^{*2}</td> <td style="text-align: right;">JPY 124.8 tn</td> </tr> <tr> <td style="background-color: #ADD8E6;">NCD</td> <td style="text-align: right;">JPY 13.9 tn</td> </tr> </table>	Domestic deposits ^{*2}	JPY 124.8 tn	NCD	JPY 13.9 tn		
Domestic loans ^{*1,2}	JPY 62.7 tn								
Domestic deposits ^{*2}	JPY 124.8 tn								
NCD	JPY 13.9 tn								
<p style="text-align: center;">Securities</p> <p style="text-align: center;">JPY 36.8 tn (+JPY 3.6 tn)</p> <table border="1" style="width: 100%;"> <tr> <td style="background-color: #90EE90;">JGBs</td> <td style="text-align: right;">JPY 8.9 tn</td> </tr> <tr> <td style="background-color: #90EE90;">Foreign bonds</td> <td style="text-align: right;">JPY 16.0 tn</td> </tr> </table>	JGBs	JPY 8.9 tn	Foreign bonds	JPY 16.0 tn	<p style="text-align: center;">Others</p> <p style="text-align: center;">JPY 145.7 tn (+JPY 6.9 tn)</p> <table border="1" style="width: 100%;"> <tr> <td style="background-color: #ADD8E6;">Cash and due from banks</td> <td style="text-align: right;">JPY 76.6 tn</td> </tr> <tr> <td style="background-color: #ADD8E6;">BoJ's current account^{*2}</td> <td style="text-align: right;">JPY 57.3tn</td> </tr> </table>	Cash and due from banks	JPY 76.6 tn	BoJ's current account ^{*2}	JPY 57.3tn
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Cash and due from banks	JPY 76.6 tn								
BoJ's current account ^{*2}	JPY 57.3tn								
<p style="text-align: center;">Total net assets</p> <p style="text-align: center;">JPY 13.9tn (+JPY 1.1tn)</p>									

Total assets JPY 285.8 tn (+JPY 15.3 tn)

Domestic loans and deposits^{*1,2}



Impact to net interest income from possible interest hike^{*5}

	Policy rate 0%	0.1%
Shor-term rate	JPY +30 bn	+ JPY +35 bn^{*7}
Medium-to long term rate	JPY +12 bn (1 st year) ^{*6}	
Assumption (range of increase)		
Macro add-on balance rate	-	+0.1%
Basic balance rate	-	-
5 yrs rate / 10 yrs rate	+0.3%	+0.1%

- Profit from market operation is not included; cautious approach to additional JGB investment considering further rate hike

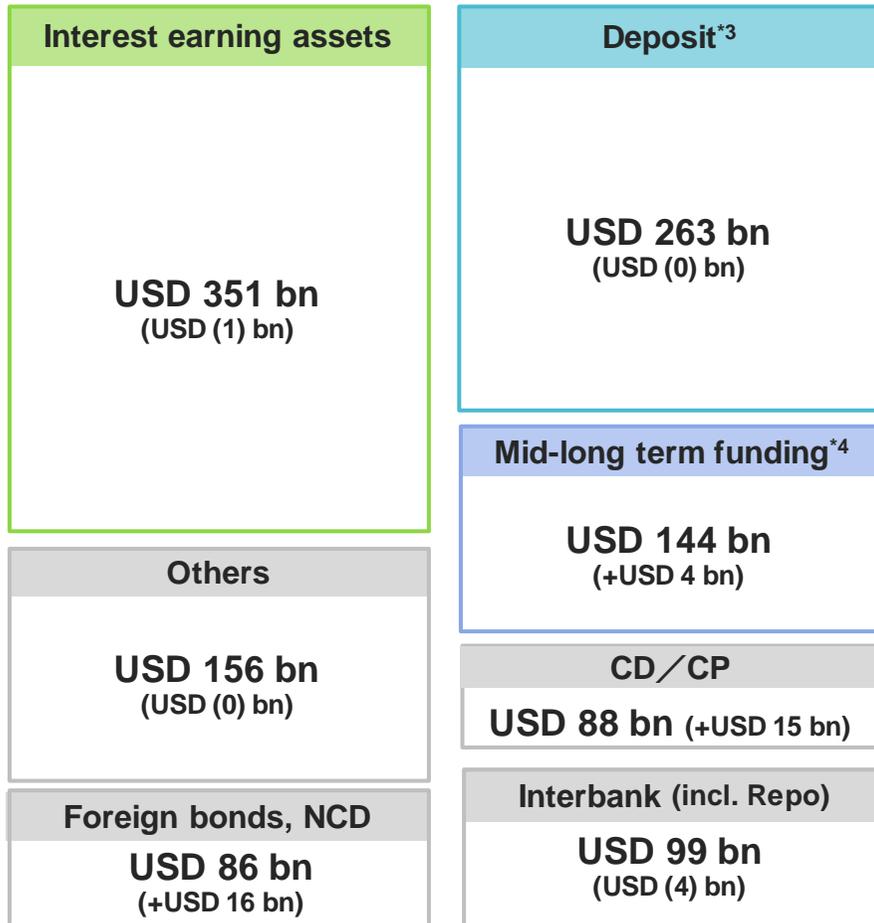
*1 Managerial accounting basis *2 SMBC *3 Overdraft, foreign-currency-denominated, etc.

*4 Sundry, etc. *5 Based on assumption of no change in balance sheet

*6 JPY +60 bn in 5th year by repricing of fixed rate loans *7 Based on assumption and will change by market environment

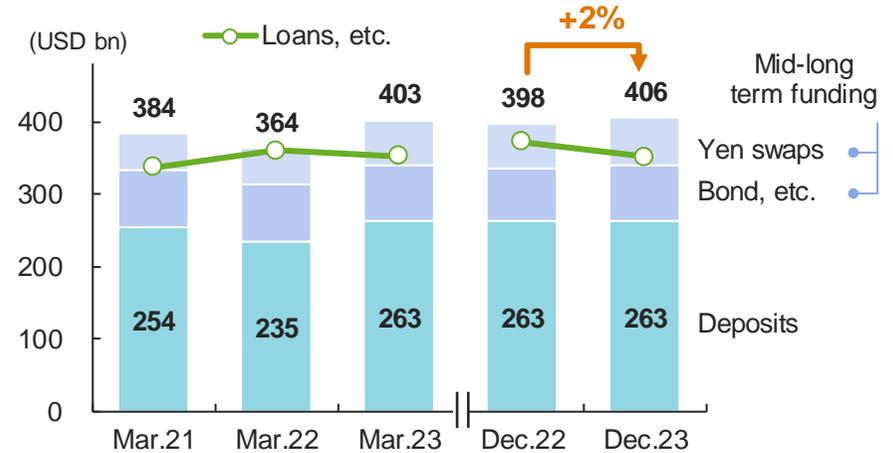
Non-JPY B/S^{*1,2}

(vs Mar.23)



Assets / Liabilities USD 593 bn (+USD 15 bn)

Foreign currency balance



Impact of interest rise

Loan/deposit

- Most of the loans / deposits are based on market rate (Benefit from deposits with low sensitivity to interest rate)

Foreign bonds

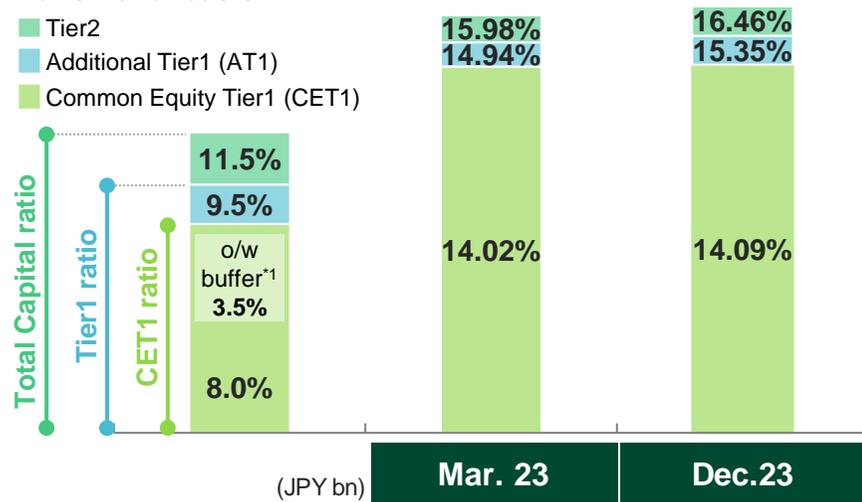
- Unrealized losses will increase when government bond yields rise
- Interest earnings on roll-overs improve while funding cost increases

*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 ratio

Transitional basis

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



	(JPY bn)	Mar. 23	Dec.23
Total capital		12,350.8	13,438.9
Tier1 capital		11,548.9	12,531.3
o/w CET1 capital		10,839.0	11,502.5
Tier2 capital		801.9	907.7
Risk-weighted assets		77,285.0	81,613.0
Finalized Basel III basis			
CET1 ratio		10.9%	10.8%
excl. net unrealized gains on other securities		10.1%	10.0%

Other requirement ratios

	Dec. 23	Requirement ^{*1}
External TLAC ratio		
RWA basis	25.92%	18.0%
Leverage exposure basis	9.72%	6.75%
Leverage ratio	5.04%	3.5%
LCR (Average 3Q FY3/24)	134.4%	100%

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

Results by Business Unit (1)

Retail

- Both gross profit and net business profit increased due to
 1) recovery of wealth management business and
 2) growth of payment business and consumer finance.
- Credit cost is well managed in 3Q under initiatives to control asset quality. (1H FY3/24: 43 ⇒ 1-3Q: 54)

	(JPY bn)	1-3Q FY3/24	YoY*1
Gross profit		944.8	+78.2
Income on loans and deposits*2		85.5	(3.5)
Wealth management business		220.2	+31.1
Payment business		405.3	+37.6
Consumer finance business		216.9	+13.7
Expenses		798.9	+63.4
<i>Overhead Ratio</i>		84.6%	(0.3)%
Net business profit		150.2	+16.1

Wholesale

- Loan income improved through enhancements in both balance and spread, while fee income also saw an increase.
- Both gross profit and net business profit improved YoY as group companies including SMBC Nikko also showed good performance.

	(JPY bn)	1-3Q FY3/24	YoY*1
Gross profit		590.6	+55.0
Income on loans and deposits		249.1	+24.8
FX and money transfer fees		101.4	(1.1)
SMBC Loan syndication		32.5	+1.4
Structured finance		26.0	+15.5
Real estate finance		10.8	+0.8
Securities business		48.2	+22.4
Expenses		+233.5	+18.9
<i>Overhead Ratio</i>		39.5%	(0.5)%
Net business profit		437.2	+43.6

*1 After adjustments of the changes of interest rates and exchange rates

*2 Excl. consumer finance

Results by Business Unit (2)

Global

- Gross profit improved as income on loan and deposit increased due to a rise in interest rates, while loan related fees turned to positive trend in 3Q.
- Net business profit increased due to a rise in equity in gains of affiliates*¹, even though expenses escalated as a result of inflation.

	(JPY bn)	1-3Q FY3/24	YoY* ²
Gross profit		952.7	+95.8
Income on loans and deposits		474.8	+65.6
Loan related fees		174.1	+14.4
Securities business		56.0	+7.8
Expenses		569.4	+77.1
<i>Overhead Ratio</i>		59.8%	+2.3%
Equity in gains(losses) of affiliates		69.8	+22.5
Net business profit		477.3	+42.7

Global market

- Both gross profit and net business profit increased due to profit accumulation with portfolio management and steady performance in sales and trading business.

	(JPY bn)	1-3Q FY3/24	YoY* ²
Gross profit		399.1	+29.9
SMBC		255.8	+5.7
SMBC Nikko		105.1	+17.4
Expenses		119.7	+11.9
<i>Overhead Ratio</i>		30.0%	+0.8%
Net business profit		301.1	+16.8

*1 Incl. insurance settlement at SMBCAC and absence of gains on change in equity of Bank of East Asia in FY3/23

*2 After adjustments of the changes of interest rates and exchange rates

Results by Business Unit*¹ (3)

	ROCE1* ²			Net Business Profit (JPY bn)			RWA (JPY tn)		
	1H FY3/24	YoY* ³	FY3/26 target	1H FY3/24	YoY* ³	FY3/26 target	1H FY3/24	vs Mar.23* ³	FY3/24- FY3/26 target
Retail	2.9%	(1.4)%	8%	98.4	+16.1	245	13.6	+0.4	+0.2
Wholesale	12.9%	+0.9%	10%	298.6	+39.7	570	35.4	+0.4	+1.5
Global	8.4%	(0.2)%	8%	311.3	+4.9	585	48.1	+0.1	+3.9
Global Market	20.2%	+0.8%	15%	222.5	+14.0	340	7.7	+1.4	+1.4

*1 Managerial accounting basis of FY3/24

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

*3 After adjustments of the changes of interest rates and exchange rates

Progress of Medium-Term Management Plan

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**

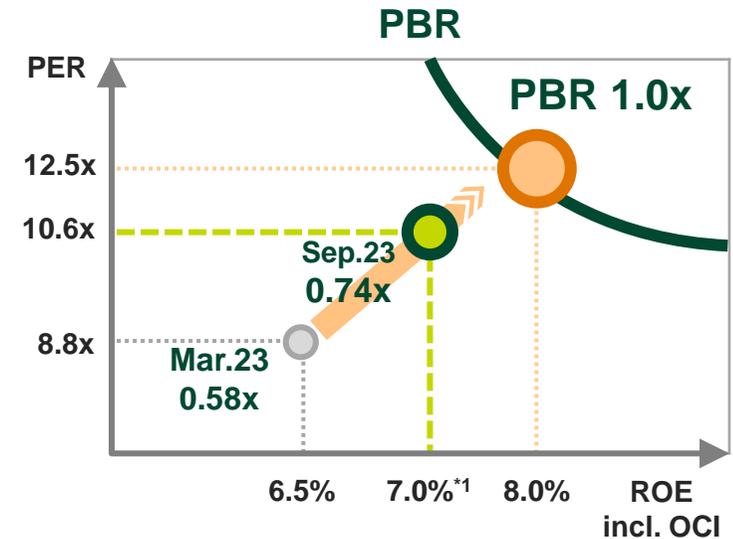
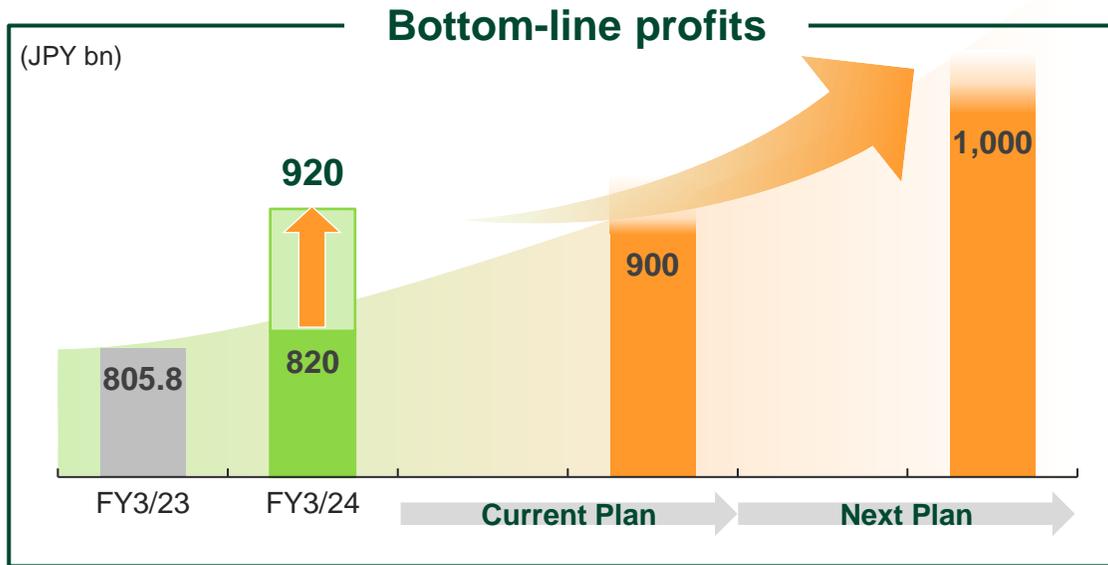
Transformation &
Growth

**Rebuild
Corporate
Infrastructure**

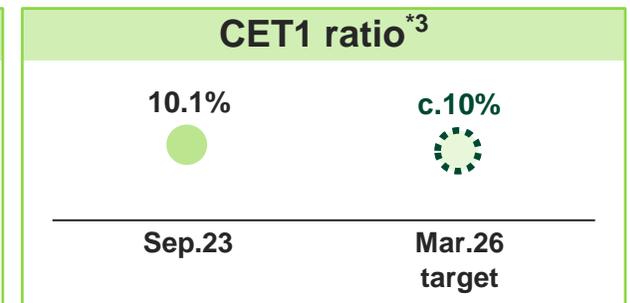
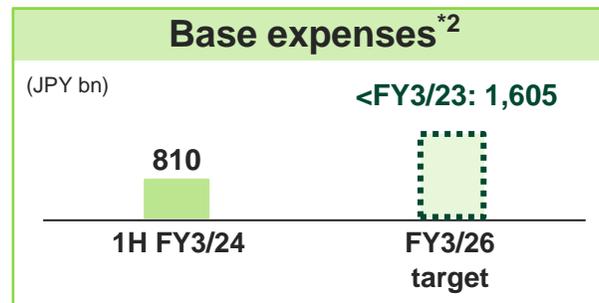
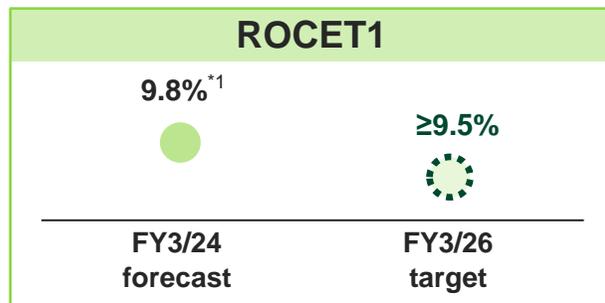
Quality builds
Trust

Progress of the Medium-Term Management Plan

Bottom-line profit target of the Medium-term Management Plan is expected to be achieved in the first year, with improving PBR through dynamic reallocation of management resources and growth strategies.



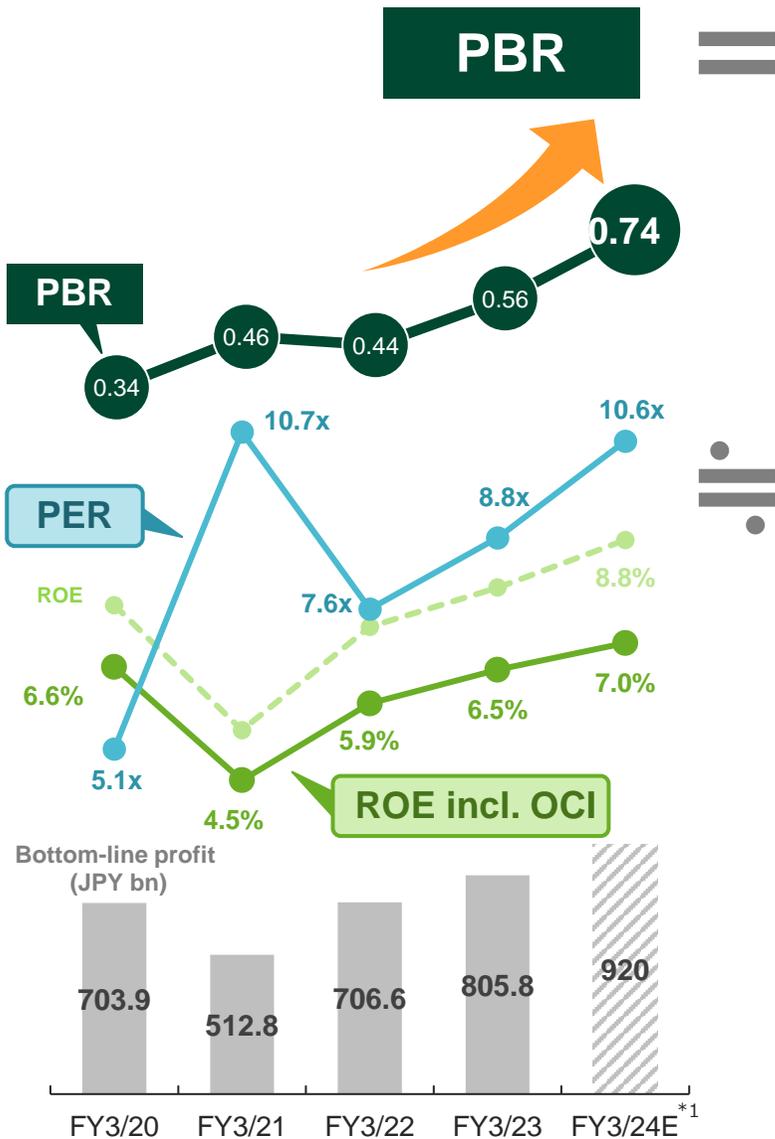
Financial Targets



^{*1} Numerator is the full-year forecast of JPY 920 bn ^{*2} G&A expenses excl. cost related to investment for future growth, revenue-linked variable cost, impact from market conditions, etc.

^{*3} Post-Basel III basis, excl. net unrealized gains on other securities

(Ref.) To improve PBR



PBR = **ROE** × **PER**

ROE

Dynamic reallocation of management resources

- Reduce low-profit asset and review significance of holding ⇒ P28
- Invest to key strategic areas ⇒ P30-34
- Cost control ⇒ P29

Capital cost

Minimize volatility

- Construct stable business portfolio generate profit ⇒ P30-32
- Enhance governance ⇒ P35-37

Mitigate information asymmetry

- Enhance non-financial disclosure
- Engage with investors

Expected growth ratio

Pursue profit growth

- Execute initiatives in key strategic areas
- e.g. Multi-Franchise Strategy U.S. businesses ⇒ P33-34

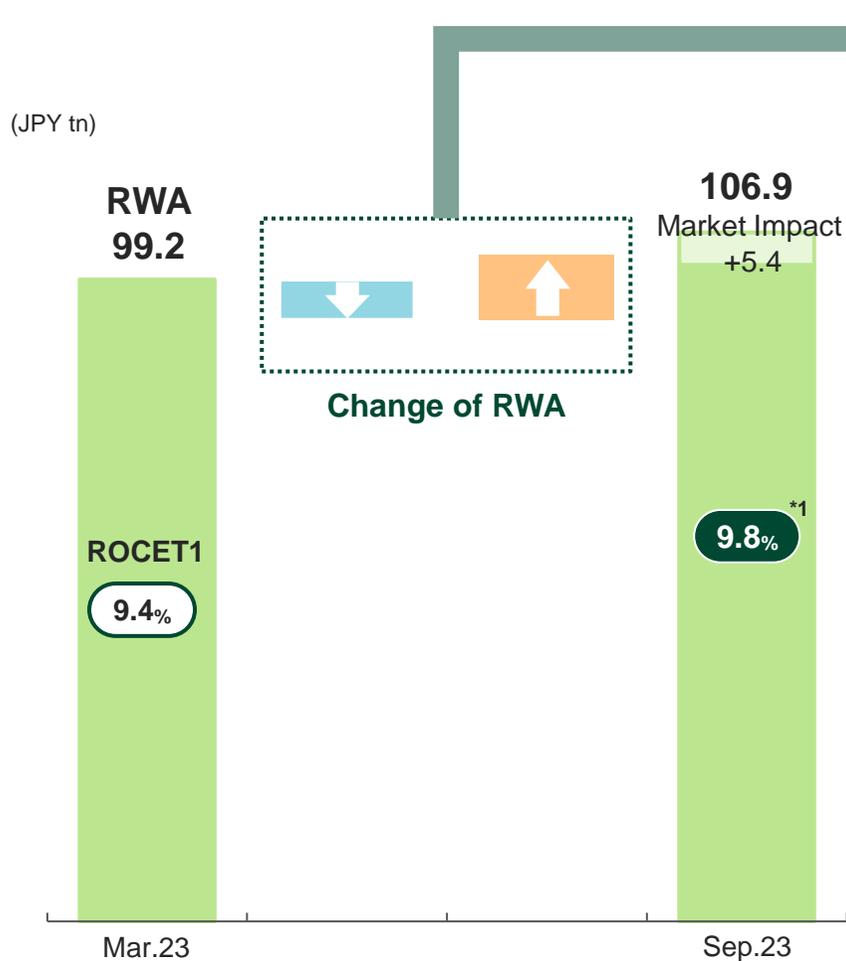
Enhance corporate value

- Create social value ⇒ P38-43

*1 PBR as of Sep.23, ROE and PER are based on the full-year forecast of JPY 920 bn

Improve capital efficiency / reallocate business portfolio

ROCE1 has improved by focusing on capital efficiency and strategically reallocating our business portfolio. Continue to allocate capital selectively to strategic areas by reducing unprofitable assets and equity holdings.



RWA Controls

Reduction ↓

3 years target	1H FY3/24
JPY (6) tn	JPY (1.7) tn

Reduce unprofitable assets

<ul style="list-style-type: none"> ● Project Finance ● Regions of low growth and excessive competition 	JPY (1.5) tn
--	--------------

Review significance of holding

<ul style="list-style-type: none"> ● Equity holdings ● U.S. freight car leasing 	JPY (0.2) tn
2H: USD (2.9) bn	

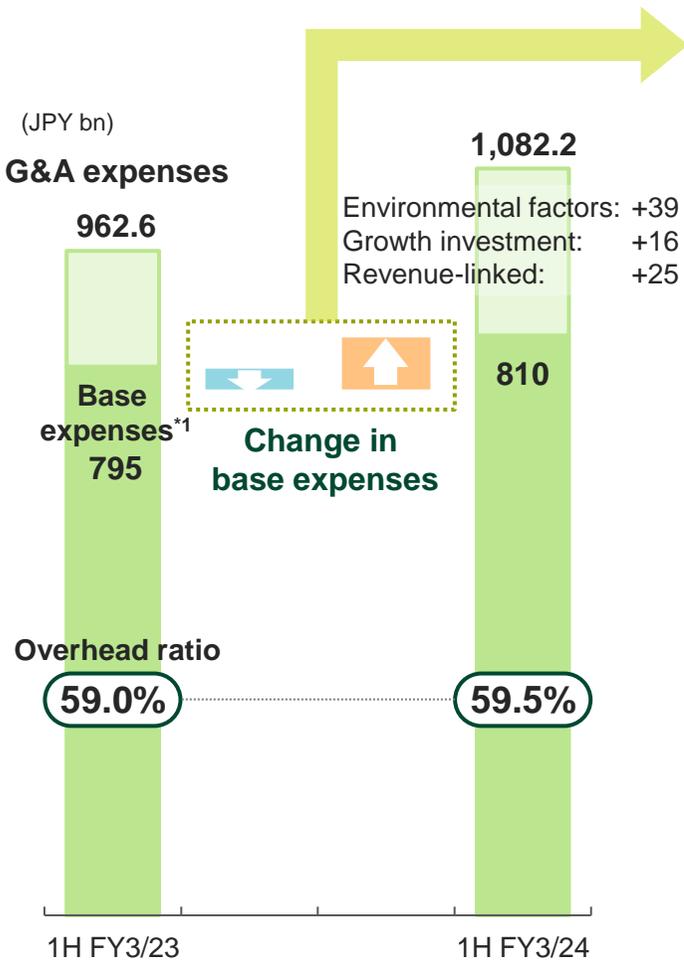
Investment ↑

3 years target	1H FY3/24
+JPY 11 tn	+JPY 4.0 tn

RT	Credit card and consumer finance business	+JPY 0.4 tn
WS	PE funds, real estate, etc.	+JPY 0.8 tn
GB	Americas and target countries of Multi-Franchise Strategy	+JPY 1.3 tn
GM	Portfolio management capturing market trends	+JPY 1.4 tn

*1 Numerator is the full-year forecast of bottom-line profit (JPY 920 bn)

Overhead ratio remains flat despite the increase in G&A expenses due to growth of top-line profit. Accelerate base expense control initiatives to offset increase due to proactive investments.



Base expense control

Reduction ↓

	1H FY3/24	3 years target
Base expense	JPY (12) bn	JPY (130) bn
Workload	(1,700) people	(7,000) people

Reform of domestic business

- e.g. 8 STOREs in 1H, aiming for 50 in FY3/24
- Digitize wholesale businesses

JPY (5) bn	JPY (60) bn
(800) people	(3,700) people

Group functions

- e.g. Optimize headquarter operation
- Integrate functions of SMCC and SMBCFS

JPY (6) bn	JPY (45) bn
(850) people	(2,800) people

Overseas operations

- Additional reduction measures

JPY (1) bn	JPY (25) bn
(50) people	(500) people

Investment ↑

	1H FY3/24	3 years target
Base expense	+ JPY 27 bn	+ JPY 130 bn
Workload	+2,100 people	+3,000 people

- Overseas personnel costs + JPY 15 bn
- Investment in strategic areas

- IT investment + JPY 3 bn
- Progress ahead of schedule

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

Build digital-based retail business

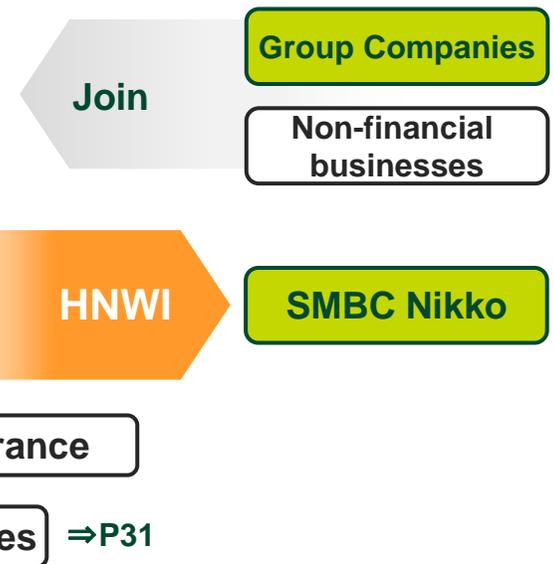
Olive is driving expansion of our customer base and deposit volume. Making steady progress in restructuring our business model to capture potential upside of interest rate hike.

SMBC

of Olive Accounts

Target
12 mn in 5 years

Over 1.2 mn in Sep.23



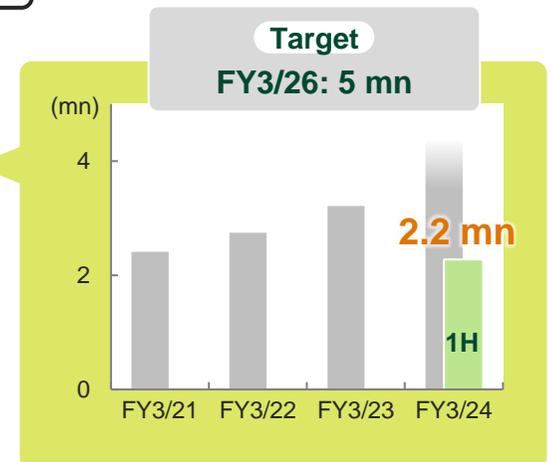
Deposits from new customers +30%*1

Expand deposit base with quality and volume

New region		Main bank account	
# of new accounts*2	YoY	Inflow ≥ JPY 10 mn*3	YoY
Kanto, Chubu, and Kansai	147%	# of deposits	144%
Other than the above	256%	Total Deposit Amount	162%

SMCC

New card holders



*1 YoY of balance as of Sep.23 for new SMBC account openers in Mar. - Aug.

*2 New account openers in Mar. - Sep.23

*3 New account openers in Mar. - Aug.23

Wealth / asset management business

Promote a shift “from saving to asset formation” and the development of a “virtuous cycle of growth and asset-based income” by improving the entire investment value chain.

Eliminate barriers to entry

Encourage beginners with Olive

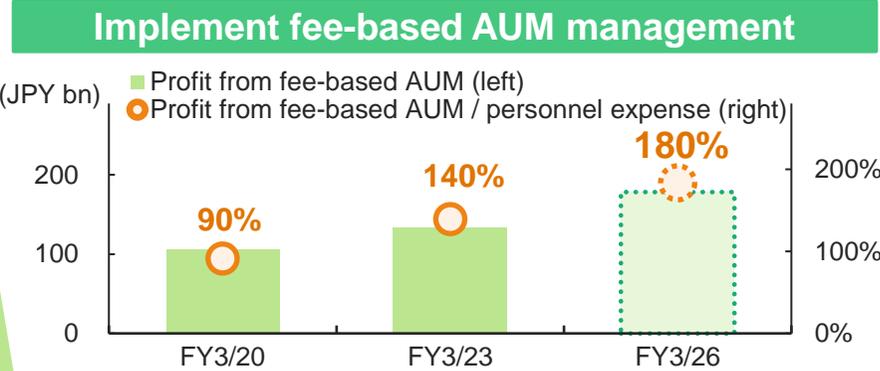
SBI brokerage / Credit card installment investment

- # of SBI brokerage accounts
- SMCC installment investment / month

Period	# of SBI brokerage accounts (K)	SMCC installment investment / month (JPY bn)
Jul.21	~100	~5
Mar.22	~150	~10
Mar.23	~300	~18
Sep.23	> 500 K	> JPY 20 bn

New NISA

Strengthen both sales and investment



Group-based wealth management business

Wealth Management Division Strengthen

Sophisticate asset management business

Customer-oriented products

Enhanced investment capabilities

Independent governance structure

Improve function of financial and capital markets

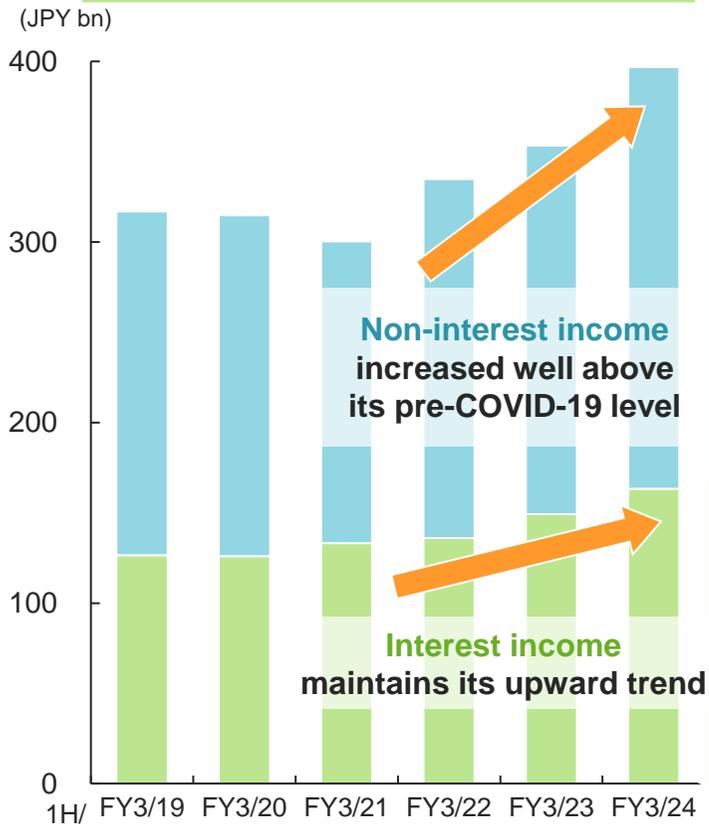
Support companies' sustainable growth

Virtuous cycle of growth and asset-based income

Enhance domestic corporate business

Both interest and non-interest income are increasing due to the steady progress of key initiatives in the Medium-Term Management Plan while strong momentum continues.

Consolidated Gross Profit of Wholesale Business Unit



Securities business

SMBC Nikko continues recovering

- League Table*1 -

Business Bonds	7th → 4th
M&A	3rd → 2nd

Real estate business

Deal size became larger by strengthening capability for funds and large corporations

- Average deal size -

1.4x YoY

Lending business



Both balances and spreads improve with value-added loans

- Business restructuring
- Real estate
- Startup
- Sustainability

Executed the first project of syndicated loan with stock acquisition rights

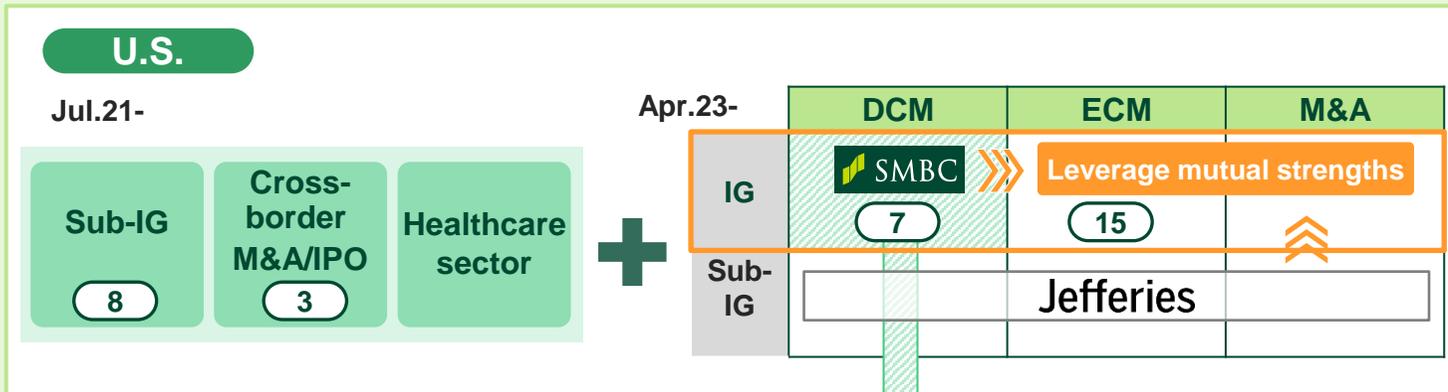
*1 1H result of FY3/23 and FY3/24. M&A deals of Japanese companies ≥ JPY 10 bn

Strengthen global CIB / U.S. businesses

Collaboration with Jefferies has progressed steadily and many projects have executed in various areas. U.S. Digital Bank opened in July to be a growth driver of the U.S. business in the medium- to long-term.

Global CIB gross profit **+USD 90 mn** YoY

Collaboration with Jefferies

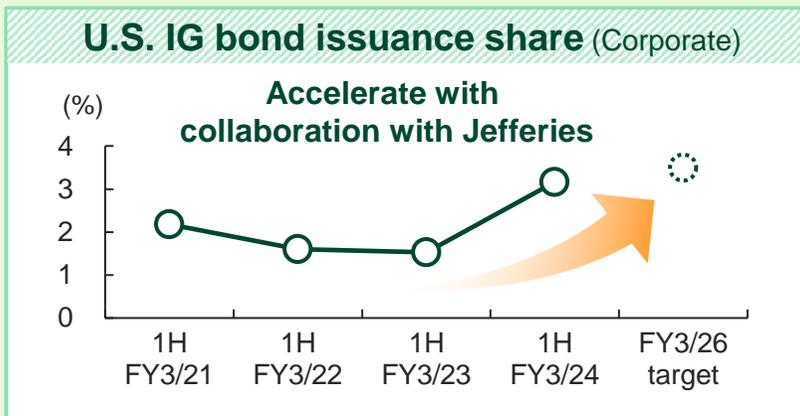


of deals closed

Europe

4

- Building pipeline through collaborative proposals



Digital Bank in the U.S. **jeniusbank**

- Jul.23 Personal loan
- Nov.23 Savings deposits
- '24- Expand product lineup
 - Mobile apps
 - Checking deposits
 - Credit card
 - Auto loans
 - Student loans

- Year 10 -
Bottom-line profit
USD <500mn
ROE ≥ 10%

Realize growth through Multi-Franchise Strategy

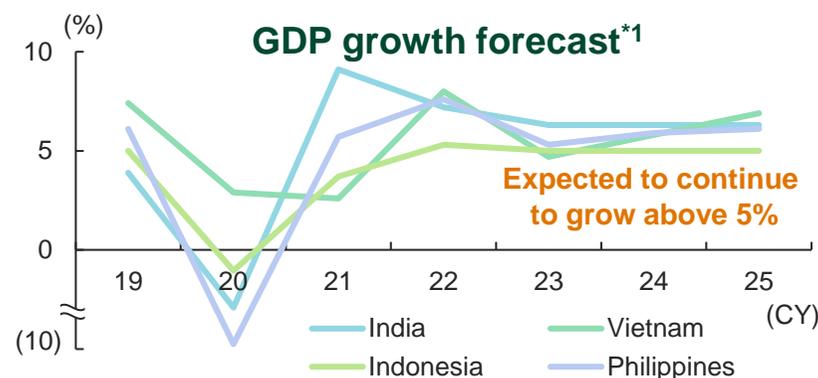
Develop as a future growth driver by focusing on PMI of each investee, on top of capturing macro growth.

Priority Areas in PMI

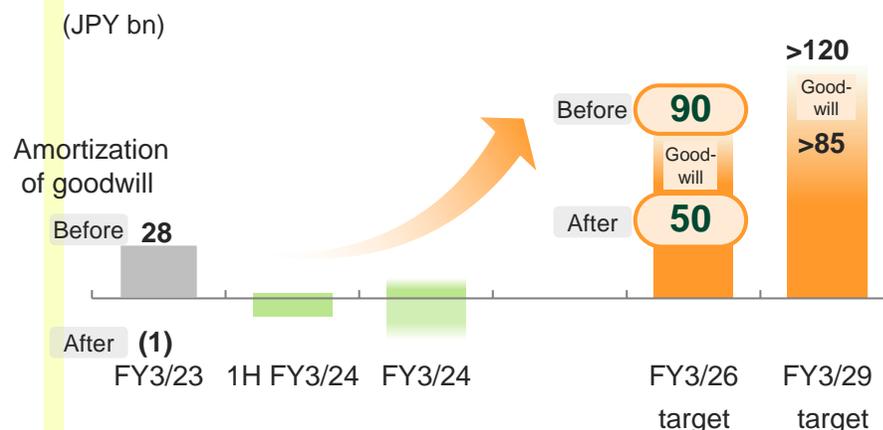
Bank BTPN Ownership ratio 92% OTO/SOF Ownership ratio 35%	SMICC Ownership ratio 75%
Strengthen Retail & SME business <ul style="list-style-type: none"> Promote digitalization and cross-selling Bolster the missing parts 	Expand business by capturing economic growth <ul style="list-style-type: none"> Diversify funding sources Expand sales financing with SMBC clients referrals

VPBank Ownership ratio 15% FE Credit Ownership ratio 49%	RCBC Ownership ratio 20%
Support recovery of FE Credit with VPBank <ul style="list-style-type: none"> Economy recover from '24 Focus on rebuilding FE Credit with VPBank 	Promote various type of business collaboration <ul style="list-style-type: none"> Establish Alliance Committee Dispatch directors and advisory board members

Economy is recovering



Bottom-line profit contribution



*1 IMF "World Economic Outlook Database"

Sophisticate human capital management

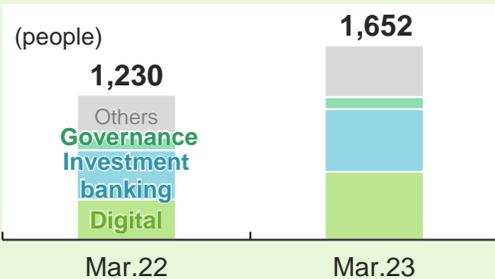
Thoroughly implement the “SMBC Group Talent Policy”
to create a workplace where employees can continuously challenge, grow, and generate additional value.

Build HR portfolio

Shift to strategic areas (people)

Improve efficiency	(1,700)
Strategic areas	+2,100

Certified experts

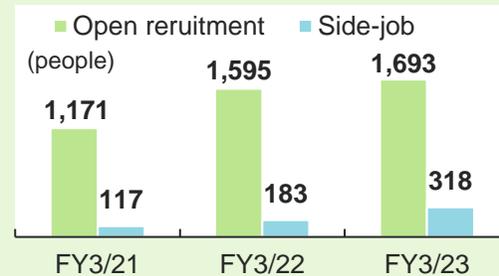


Promote employees' growth

Provide diversified experiences

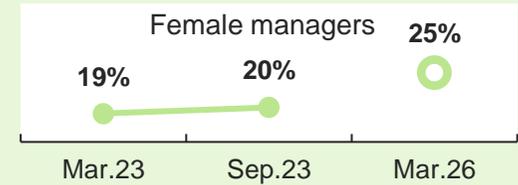


Support in creating one's own career



Maximize team performance

DE&I



Train future management



Inner communication

CHRO Seminars & Roundtable Discussions



Reflect in evaluation



Verify effectiveness

Survey



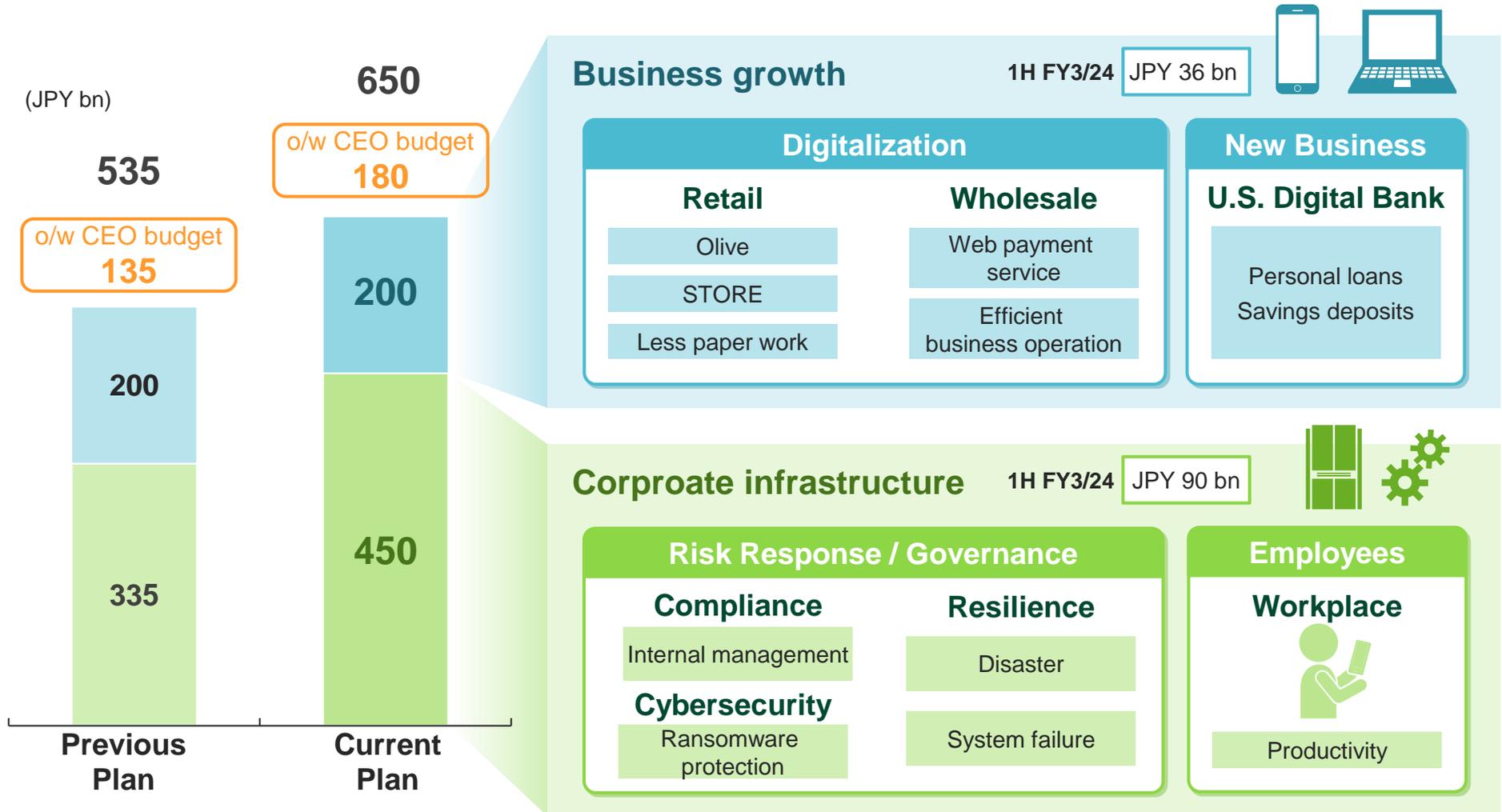
Plan-Do-Check-Act



SMBC Group Talent Policy

Reinforce IT infrastructures

Proceed with investment ahead of schedule to realize effects earlier,
by allocating resources both to business growth and corporate infrastructure.



Pursue Economic Value

Rebuild Corporate Infrastructure

Create Social Value

Create social value

Establish “Fulfilled Growth Dept.”

to enhance capability of execution and realize a virtuous cycle to create social value.

Five materialities set in the Medium-Term Management Plan

Environment



DE&I
Human Rights



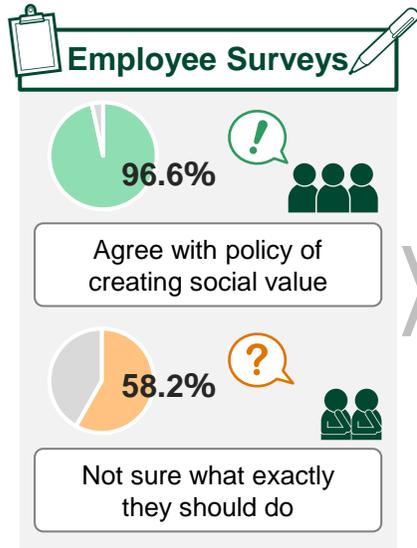
Poverty &
Inequality



Declining birthrate
Aging population



Japan's regrowth



Strengthen organization

New

Fulfilled Growth Dept.



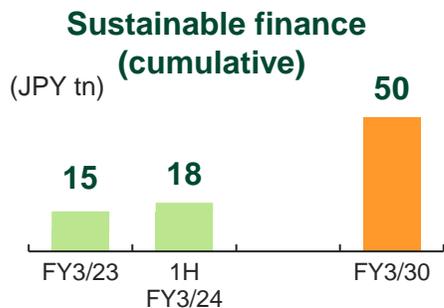
Direction

Support clients' transitions and technological innovation

Contribute to the conservation and restoration of natural capital

KPI

Sustainable finance (FY3/21-30)
JPY 50 tn



Support our clients' efforts

⇒ Detail of initiatives: P66

Sustainable Finance



Direction

Realize workplace where employees can challenge

Build system to conduct business with respect for human rights

KPI

Engagement score maintain at least 70

People as the source of competitiveness

Initiatives for LGBTQ



Highest rank for five consecutive years

DX Partner Awards



New business ideas

Global Japan Program



Mutual understanding among diverse talent

Pro-bono projects



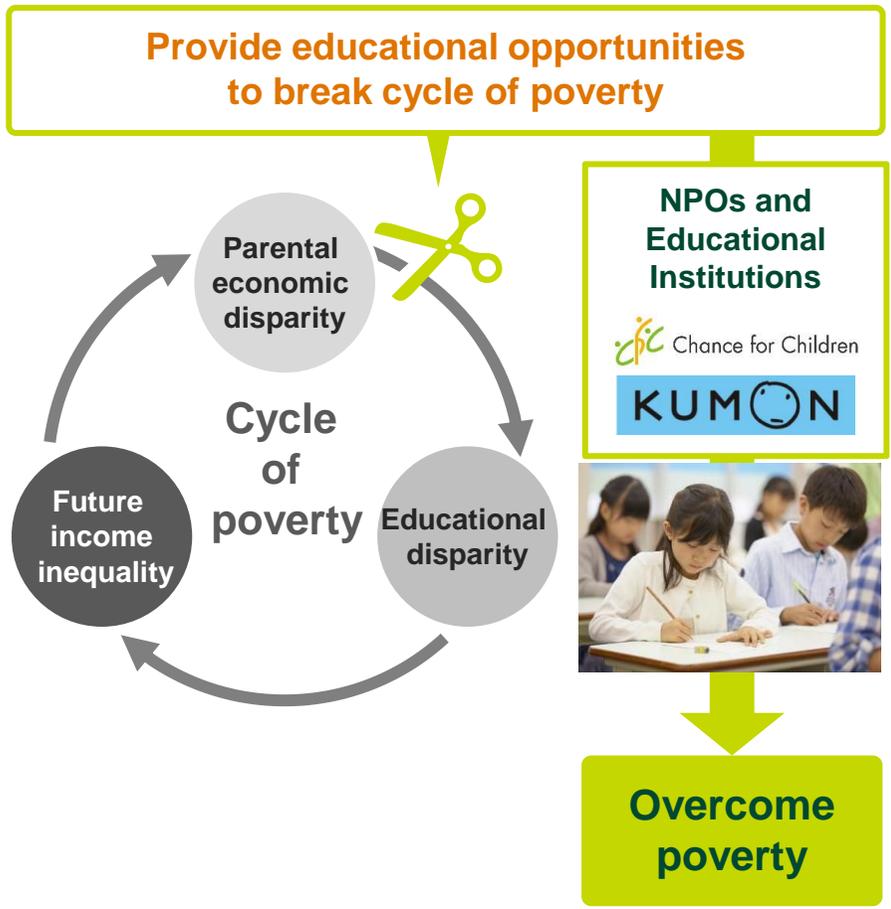
Expand to the entire group

Respect human rights of all stakeholders



Commit to respect for human rights
Enhance human rights due diligence

Direction	Provide children with opportunities of education	Provide microfinance in emerging countries for social independence	KPI	# of microfinance borrowers + 800K people
------------------	--	--	------------	---



Financial Services

- Deposit
- Microfinance
- Settlement



Support for social independence

- Financial education
- Entrepreneurial assistance
- Health & Welfare
- Vocational training

Pursue Economic Value
Rebuild Management Infrastructure
Create Social Value

Declining birthrate and aging population

Direction

Provide services to relieve anxiety about 100-year life era

Utilize digital technology to provide convenient services

KPI

AM / foreign currency balance
JPY **18** tn

The 100-year life era

Anxiety about money

Anxiety about health and well-being

Anxiety about no one to rely on

Breaking entry barriers to wealth management

Anytime and anywhere



Learn



SMBC
エルダープログラム

Comfortable living support

enjoy

live

Lifelong support

prepare

protect

Next generation

care

Elder Concierge



Assets under custody

>JPY 400 bn

(140% increase in 2 years)

of testamentary trusts

>5,000 cases

SMBC Digital Safety Box



Pass on assets and thoughts

Family Network Service



Monitor money, life, and health

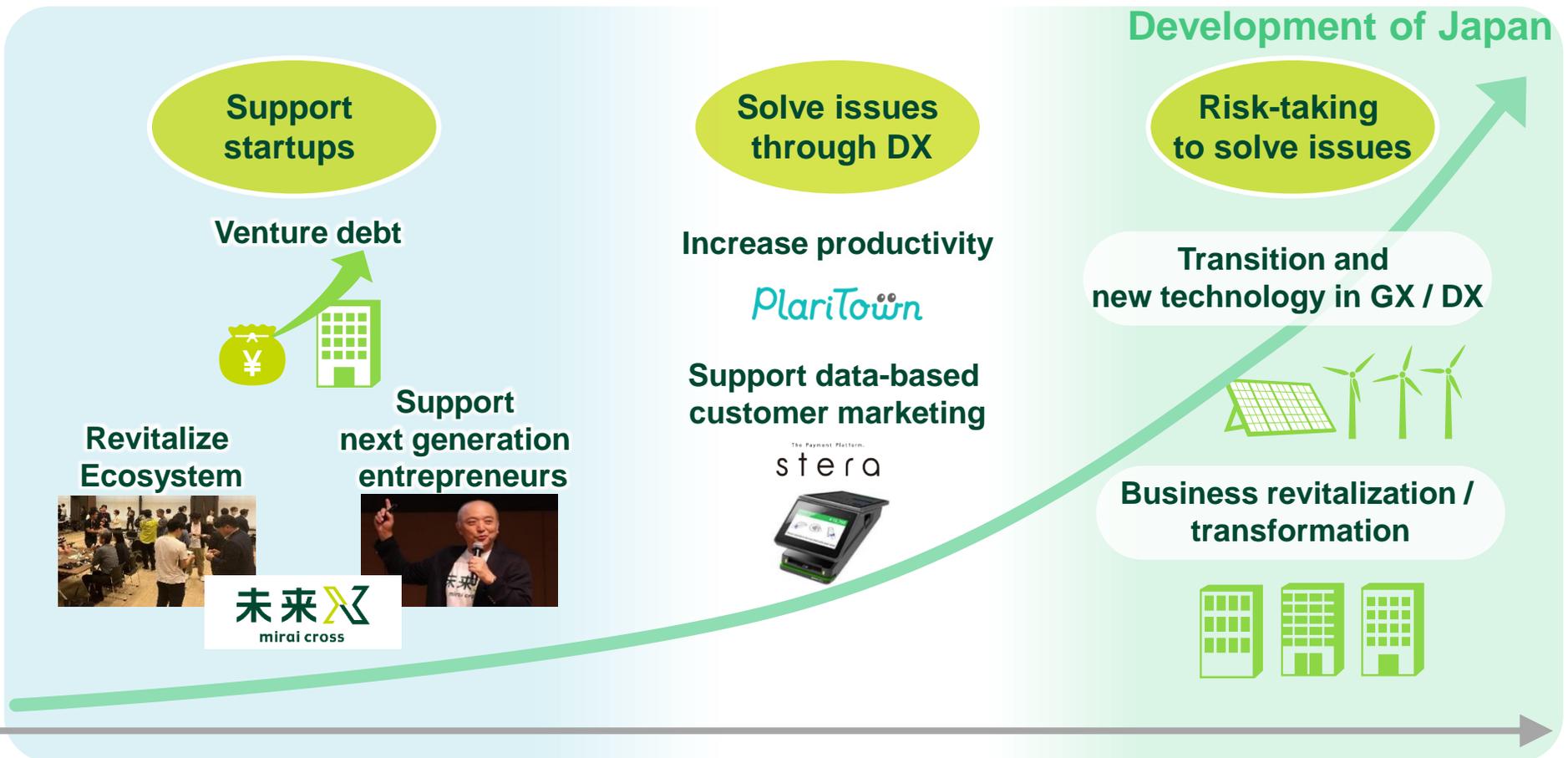
Direction

Support startups and clients with diverse risk-taking

Support transition and new technology in GX / DX

KPI

Investment and loans for startups
JPY **135** bn



Pursue Economic Value

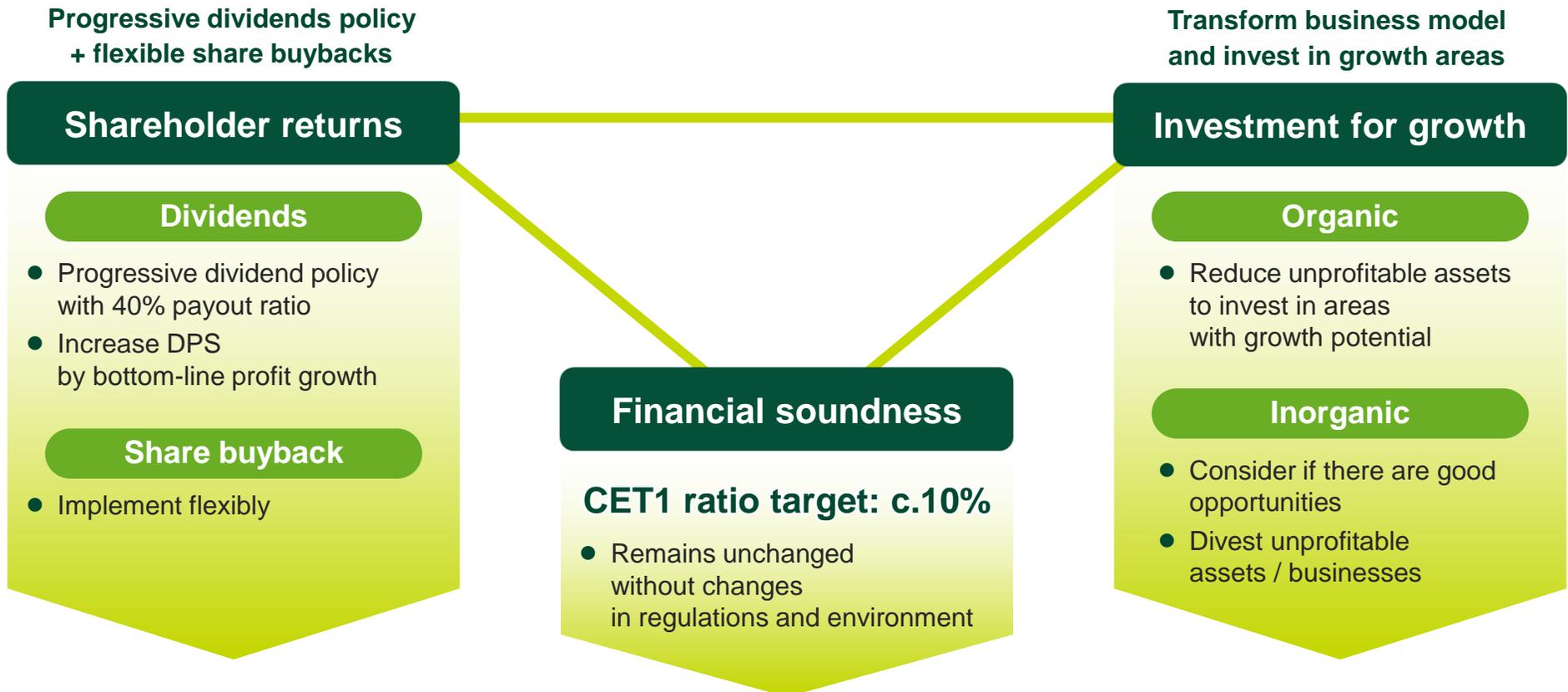
Rebuild Management Infrastructure

Create Social Value

Capital Policy

Basic capital policy

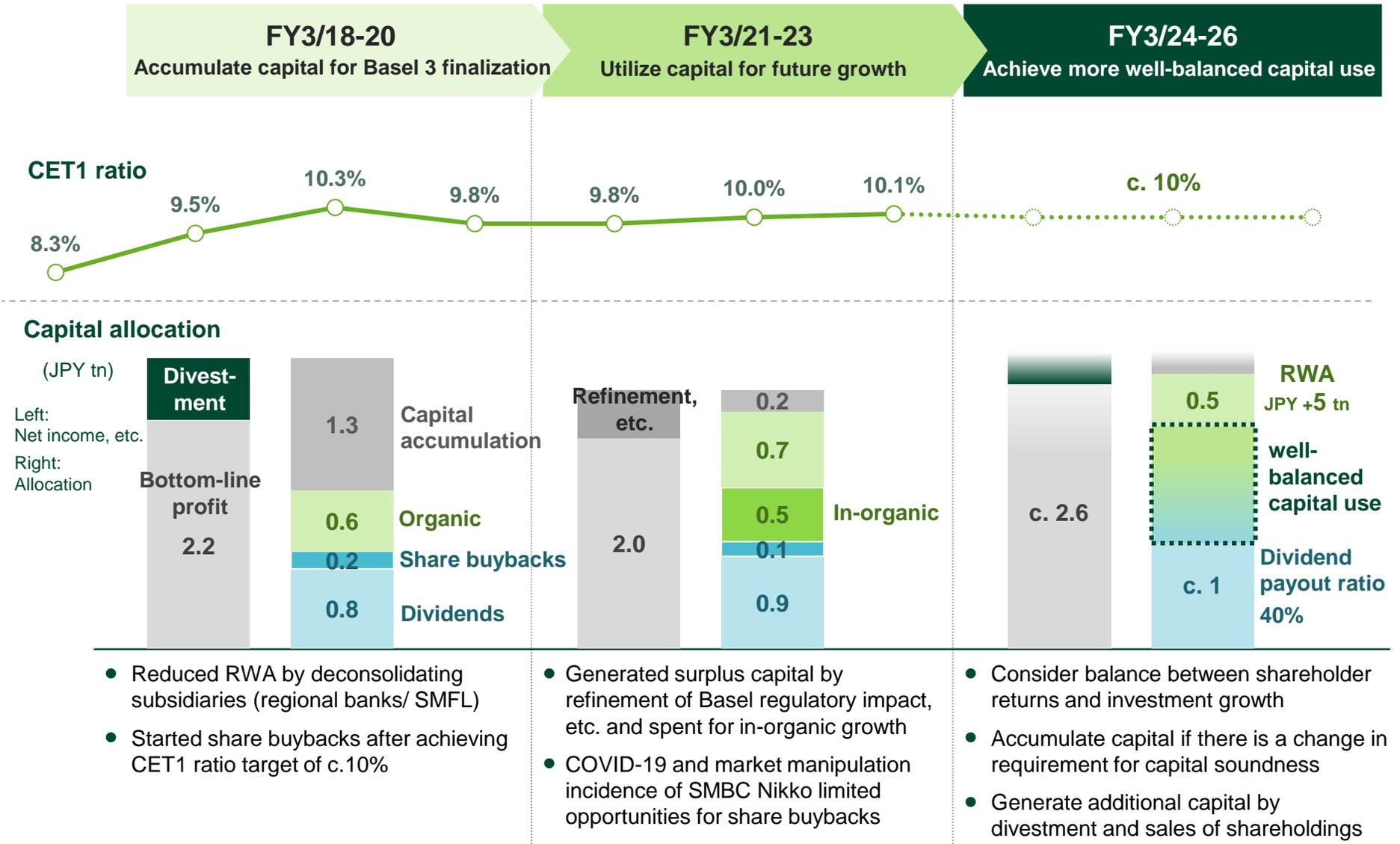
Achieving healthy balance among securing financial soundness, enhancing shareholder returns, and investing for growth.



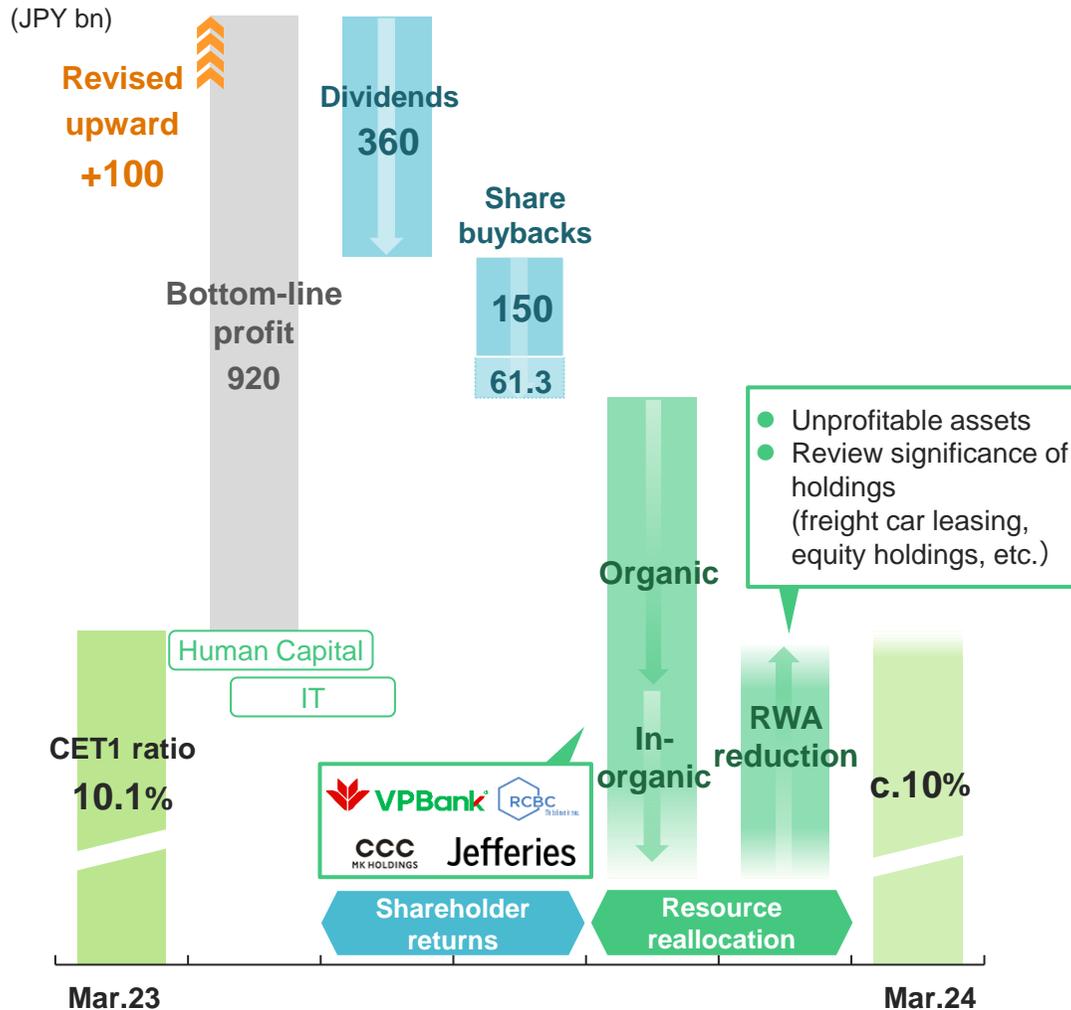
Growth with Quality

ROCET1 target: $\geq 9.5\%$

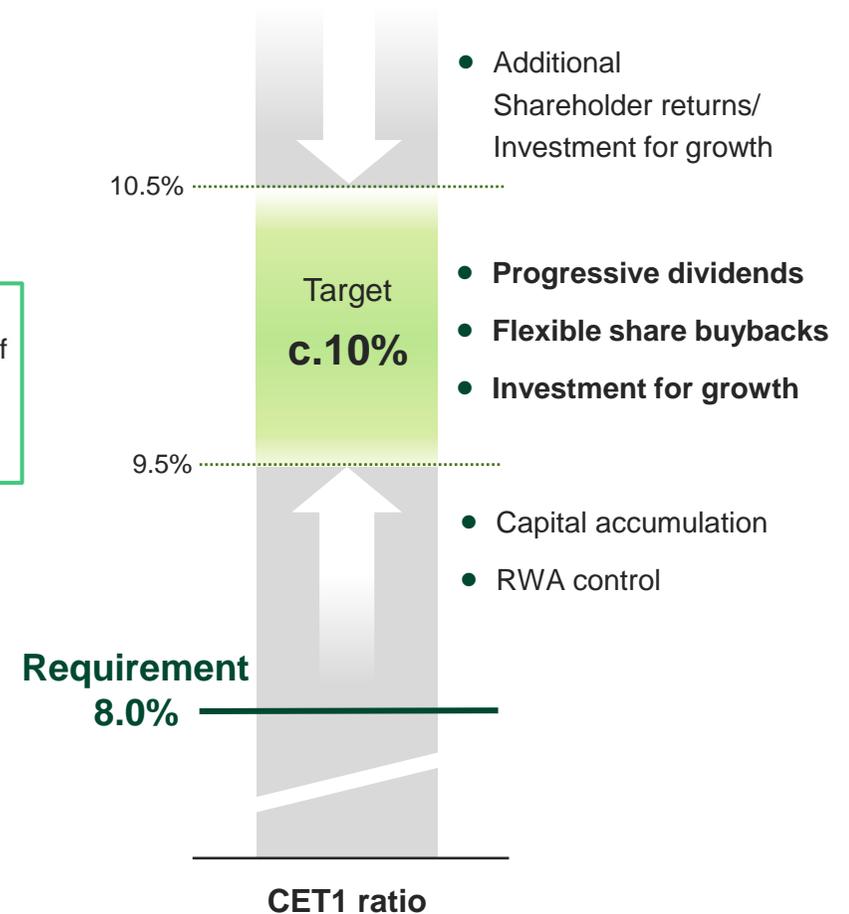
(Ref.) History of capital allocation



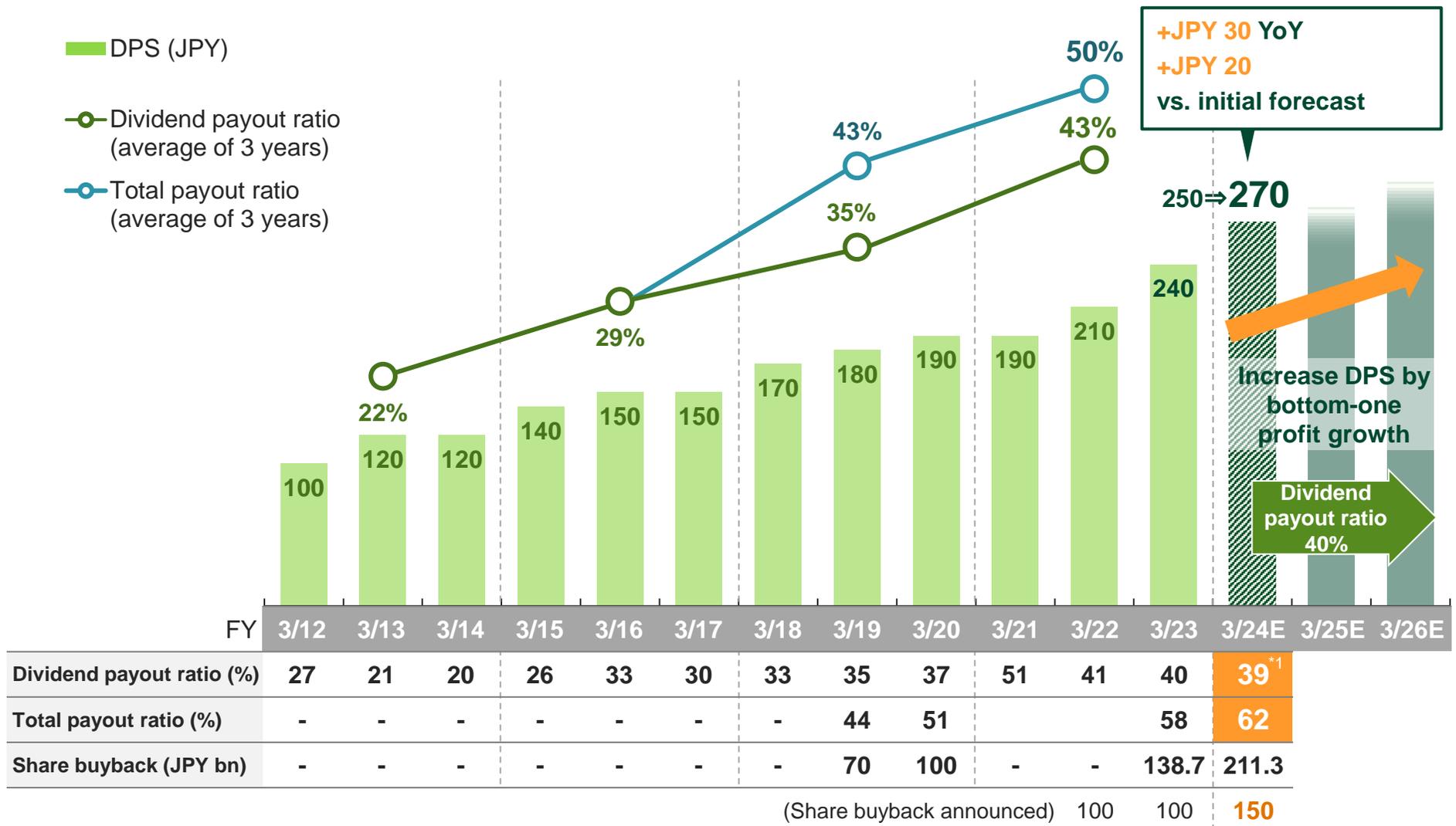
Allocation of FY3/24



CET1 ratio target



(Ref.) Shareholder returns

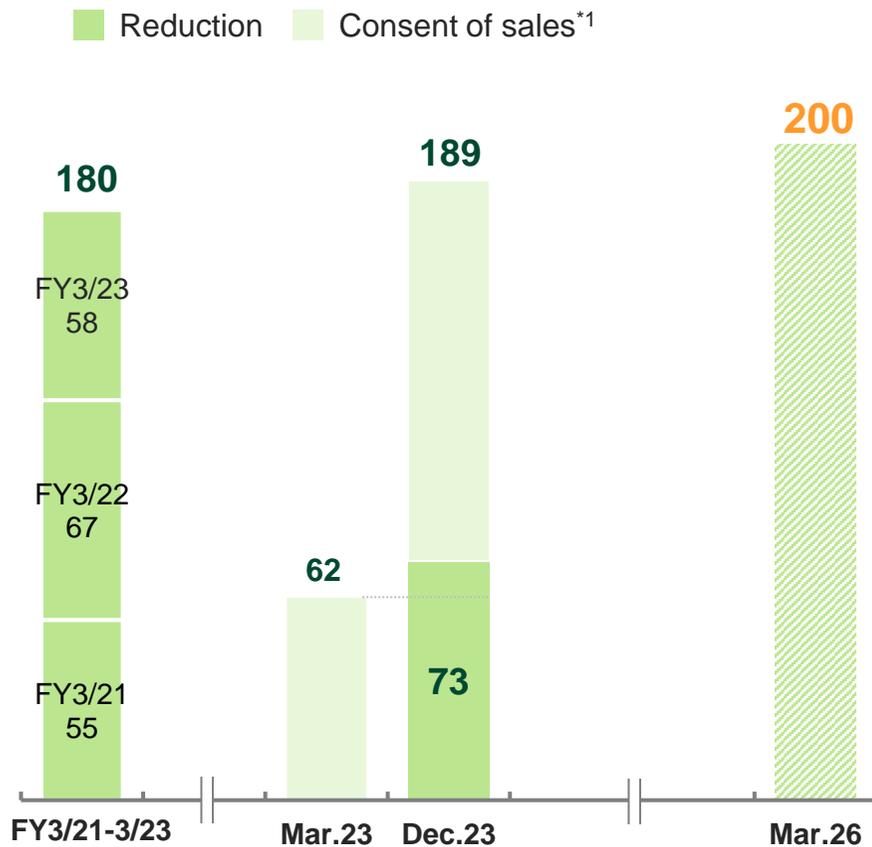


*1 Dividend payout ratio would be over 40% without one-off factor for an increase in bottom-line profit

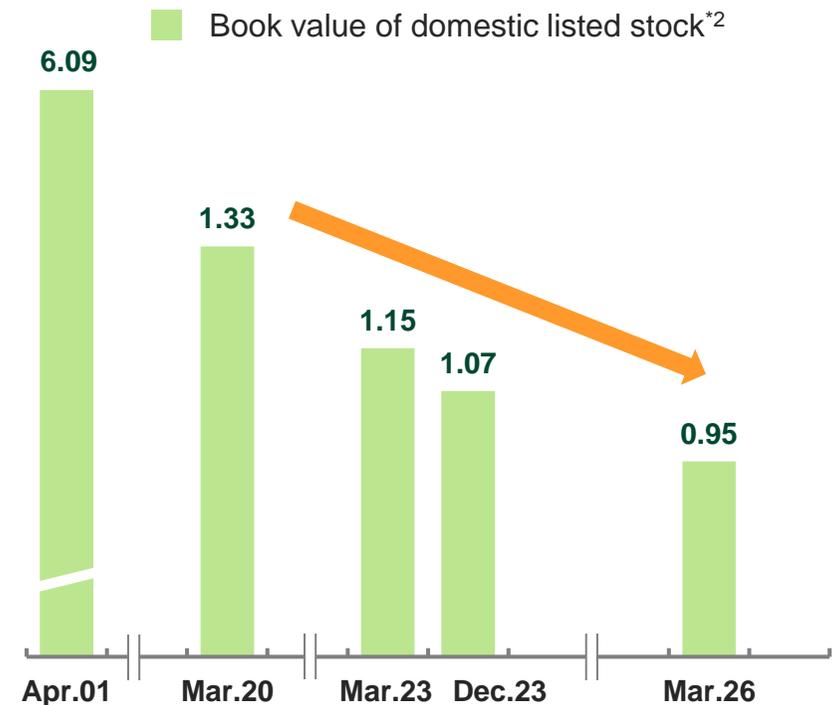
Reduction of equity holdings

Reduction plan of JPY 200 bn in 3 years is progressing steadily,
with the pace of accumulating consent of sales also increasing ahead of schedule.

Progress of Reduction Plan (JPY bn)



Balance of equity holdings (JPY tn)



Aim for <20% market value to consolidated net assets*3 during the period of next Medium-Term Management Plan*4

*1 Incl. the amount scheduled to be sold after FY3/25

*2 Excl. investments after Mar.20 for the business alliance purpose

*3 Sep.23: 32.2%, incl. balance of deemed held shares in numerator *4 FY3/27-29

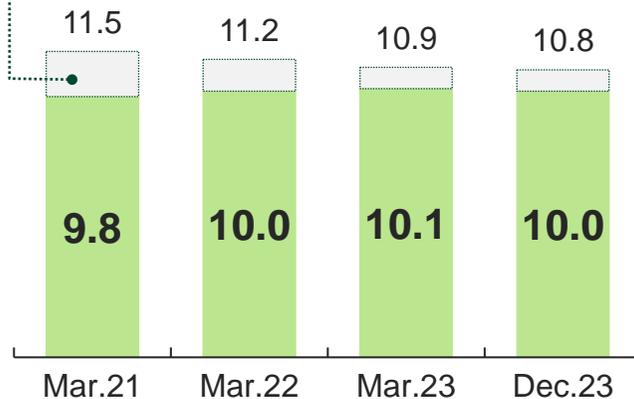
(Ref.) CET1 Ratio

Financial target CET1 ratio has already reflected the impact of RWA increase due to the Basel III finalization.

Post-Basel III (financial target)

(%)

Net unrealized gains on other securities

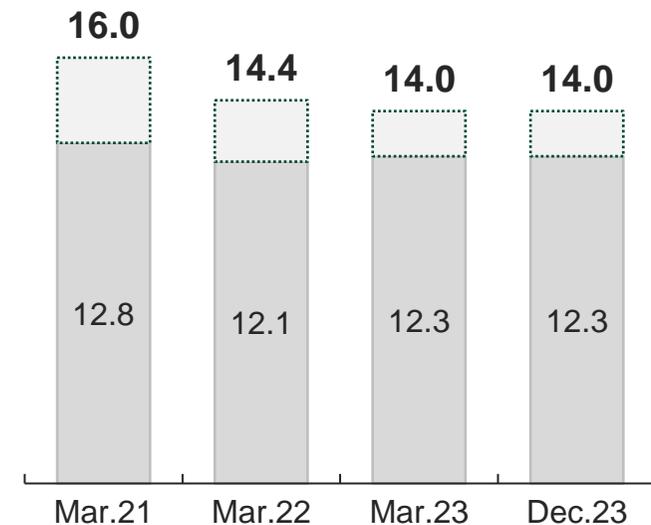


(JPY tn)

CET1 Capital	8.5	8.8	9.6	10.1
RWA	86.4	88.2	94.4	100.3

Basel III (transitional basis)

(%)



(JPY tn)

CET1 Capital	10.6	10.5	10.8	11.5
RWA	66.0	72.4	77.3	81.6

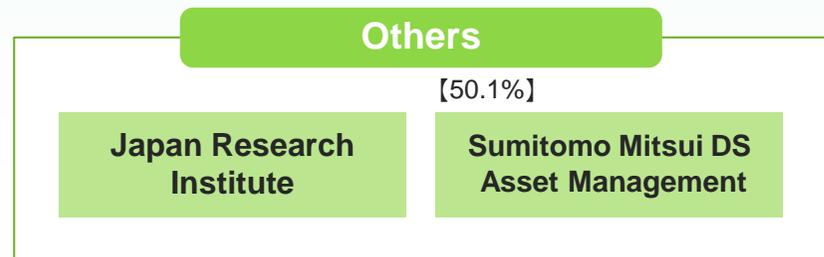
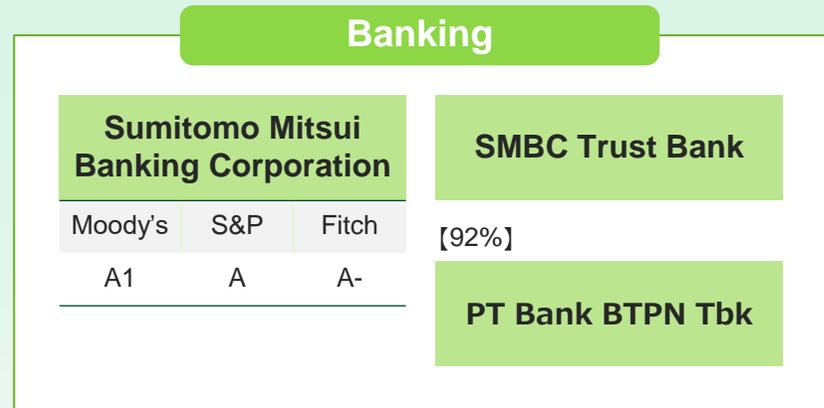
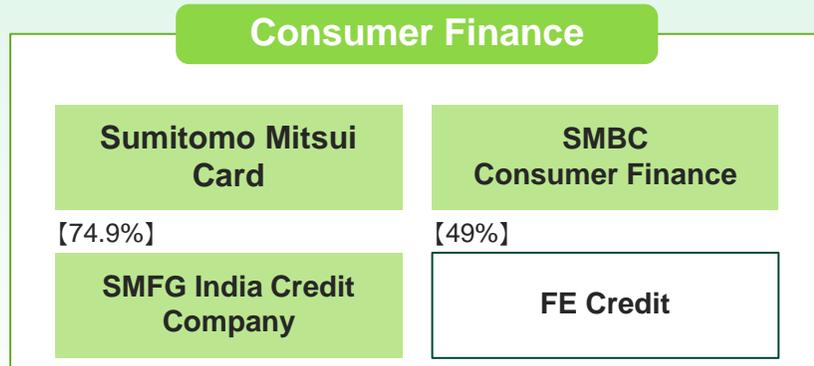
Plan for **Fulfilled Growth**

Appendix

Company overview (1) Group structure

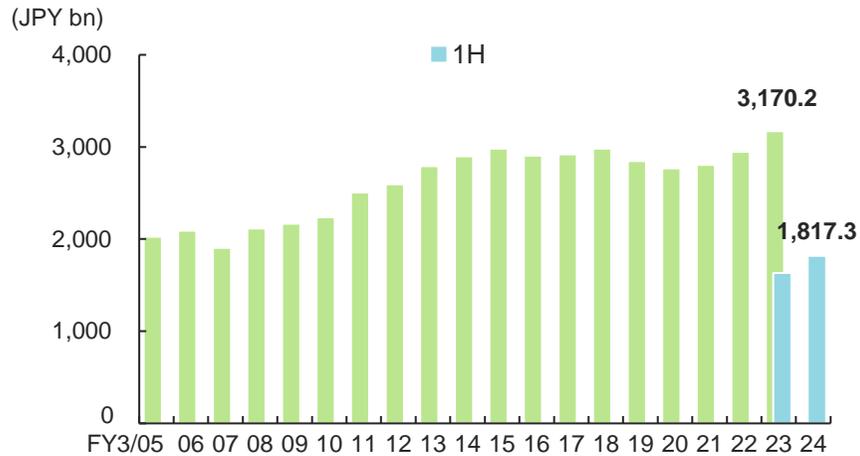
Sumitomo Mitsui Financial Group					
Consolidated total assets		JPY 294 tn			
Credit ratings	Moody's	S&P	Fitch	R&I	JCR
	A1/P-1	A-/-	A-/F1	A+/-	AA-/-

Consolidated subsidiary Equity-method affiliate

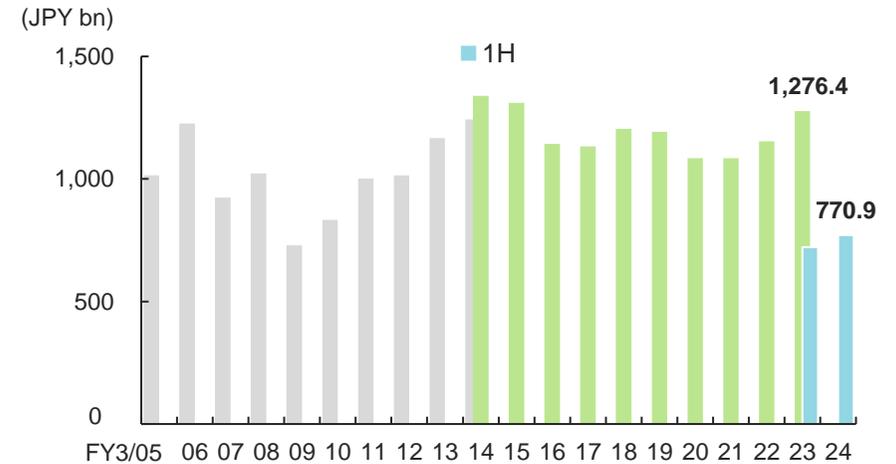


Company overview (2) Long-term results

Consolidated gross profit



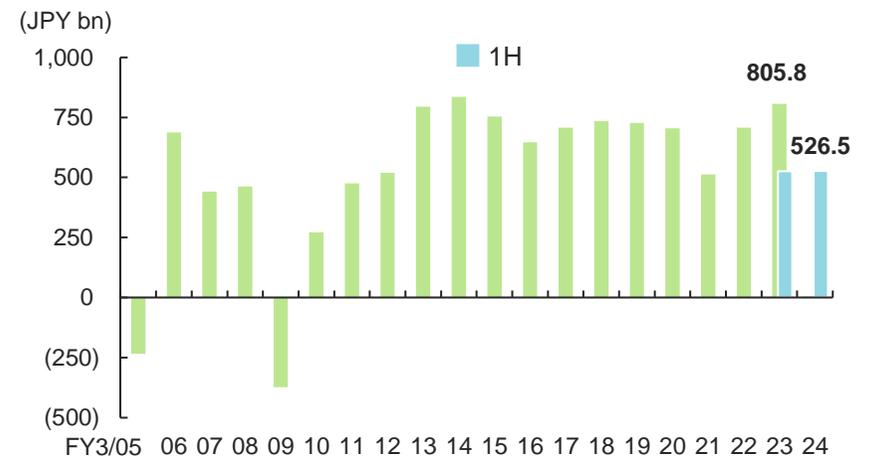
Consolidated net business profit*1



Breakdown of consolidated gross profit

	FY3/03		1H FY3/24
SMBC's domestic loan / deposit related	35%	↘	12%
International business (banking)	5%	↗	36%
Group companies excluding SMBC	18%	↗	36%

Profit attributable to owners of parent

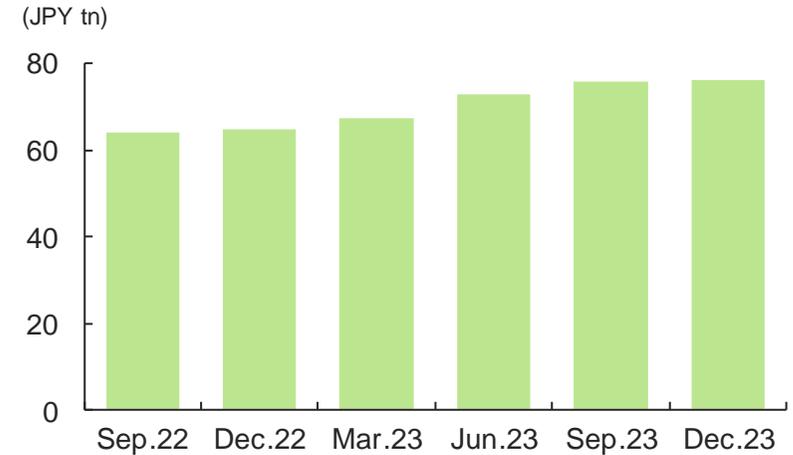


*1 Changed definition of consolidated net business profit from FY3/15. Adjusted retrospectively for FY3/14

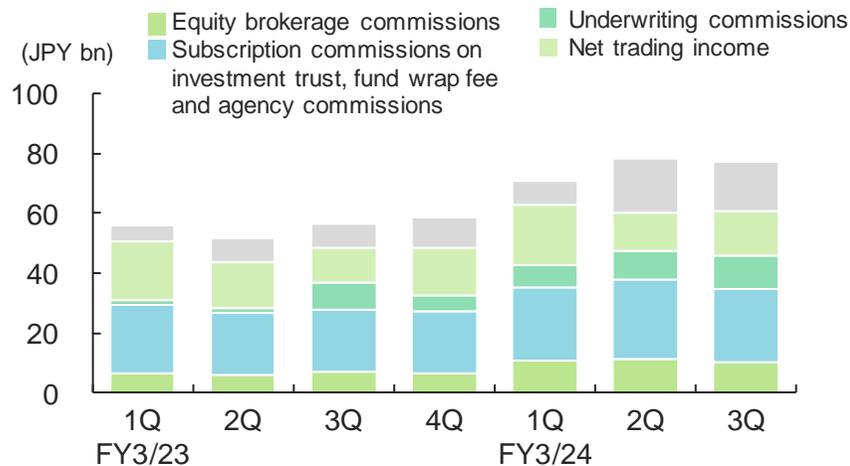
Financial results

(JPY bn)	FY3/23	1-3Q FY3/24	YoY
Net operating revenue	222.8	226.7	+62.5
SG&A expenses	267.3	208.9	+17.0
Ordinary income	(42.1)	19.7	+46.5
Net income	(39.8)	6.6 ^{*1}	+31.0

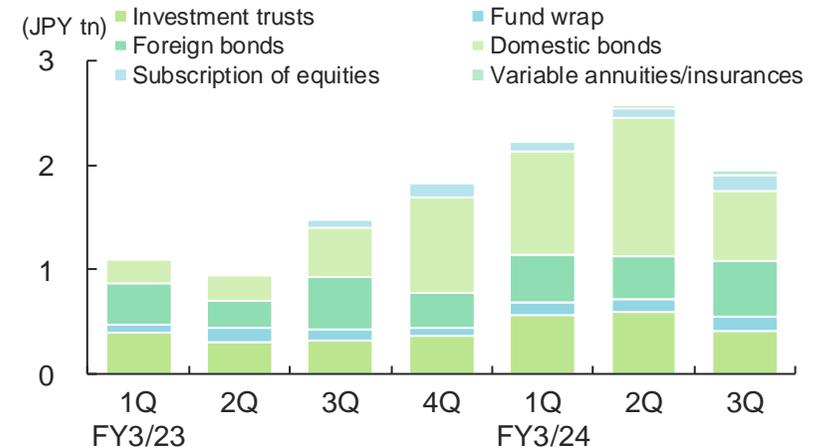
Client assets



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)

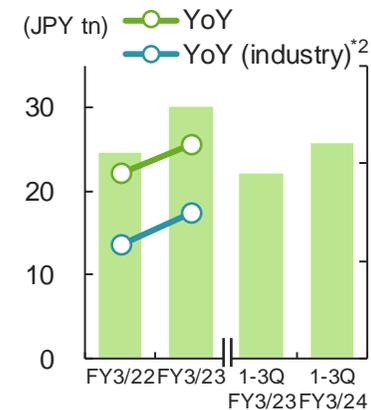
Group companies (2) SMCC

Financial results

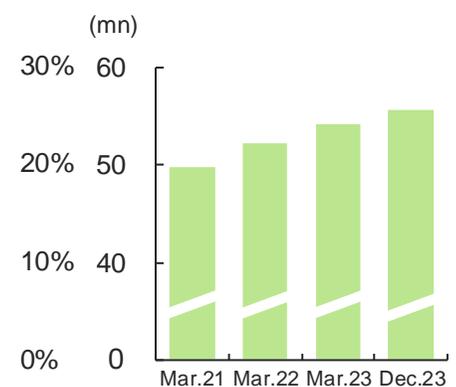
(JPY bn)	FY3/23	1-3Q FY3/24	YoY ^{*1}
Operating revenue	523.5	466.4	+79.1
o/w Commission fee	193.8	168.9	+25.0
Finance	103.3	119.0	+42.1
Sales on credit	28.0	21.0	(0.2)
Receipt agency	52.7	40.0	+1.1
Operating expense	490.7	428.0	+79.5
o/w Expenses for loan losses	34.1	39.5	+16.3
Expense for interest repayments	10.0	-	-
Ordinary profit (loss)	33.1	40.2	+1.4
Net income	21.8	27.6	+1.2
Finance outstanding	736.6	1,084.6	

Key figures

Sales handled

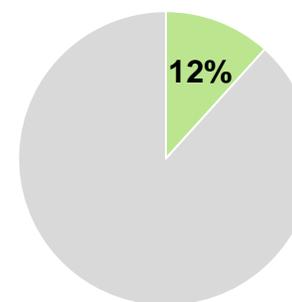


of card holders

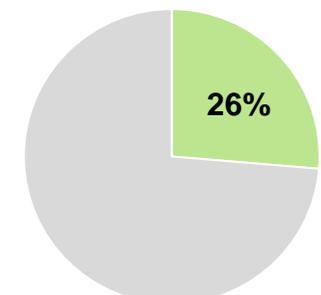


Market share ^{*3}

Issuing



Acquiring



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

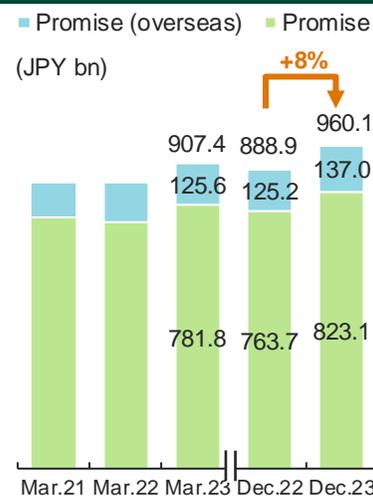
*2 Japan Consumer Credit Association "Credit card behavior investigation" Shopping credit amount

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

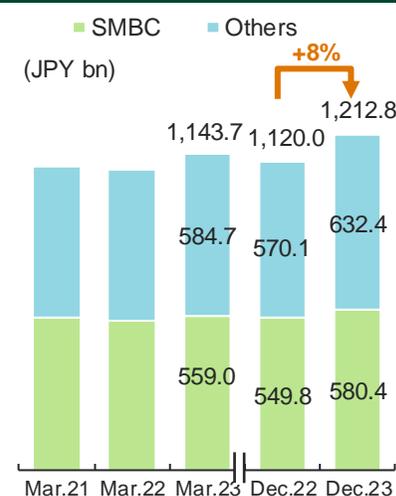
Financial results

(JPY bn)	FY3/23	1-3Q FY3/24	YoY ^{*1}
Operating income	294.1	200.8	(20.7)
o/w Interest revenues	183.4	109.5	(28.4)
Loan guarantee revenues	71.4	58.0	+4.4
Operating expenses	216.8	142.9	(2.7)
o/w Expenses for loan losses	56.8	54.9	+8.1
Expense for loan guarantees	11.4	8.6	+3.2
Expenses for interest repayments	19.0	-	-
Ordinary profit	59.5	40.8	(28.1)
Net income	44.1	24.9	(30.5)
NPLs	107.0	96.0	
(NPL ratio)	8.74%	10.00%	
Allowance on interest repayments (provision)	89.5	73.3	
	3.5 yrs	3.4 yrs	

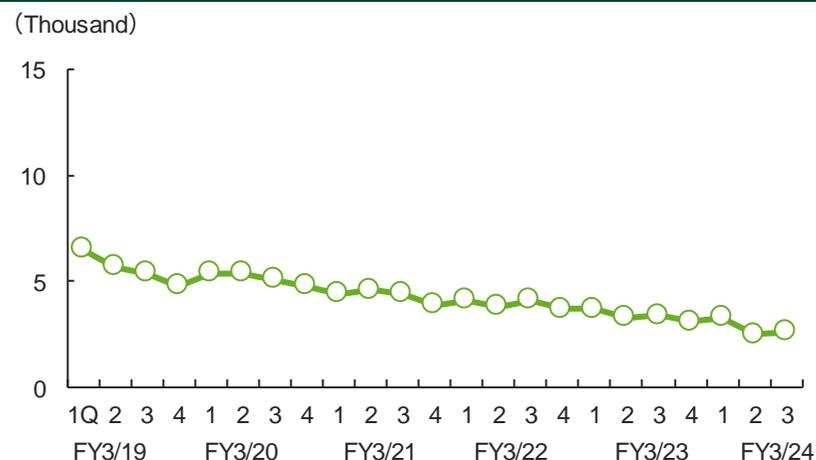
Consumer loans



Loan guarantee



No. of interest refund claims



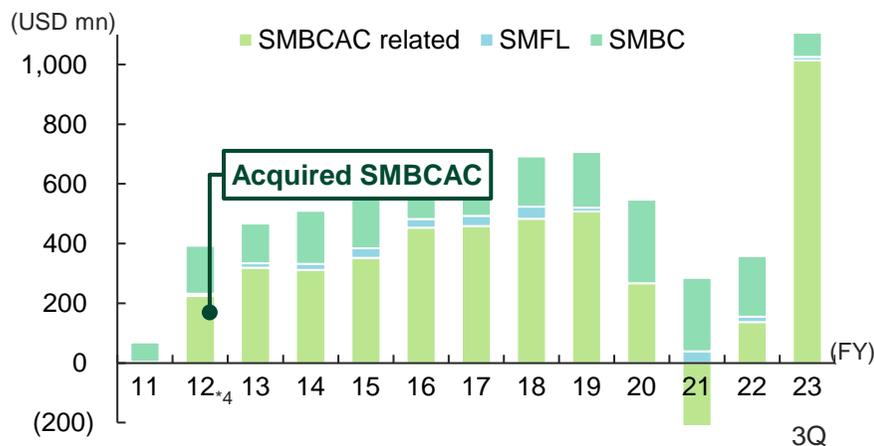
*1 Figure for FY3/23 and YoY change has not been adjusted to the reorganization of SMBC Mobit in Apr.23

Group companies (4) SMBCAC

Financial results

(USD mn)	FY3/23	1-3Q FY3/24	YoY
Total revenue	1,488	2,237	+1,260
o/w Lease revenue	1,428	2,188	+1,220
Credit / Asset impairment charges ^{*1}	(506)	(267)	(234)
Net income	(77)	786	+586
Aircraft assets ^{*2}	22,770	22,161	(1,012)
Net asset	3,245	4,031	+509
ROE	(2.4)%	19.5%	+13.8%

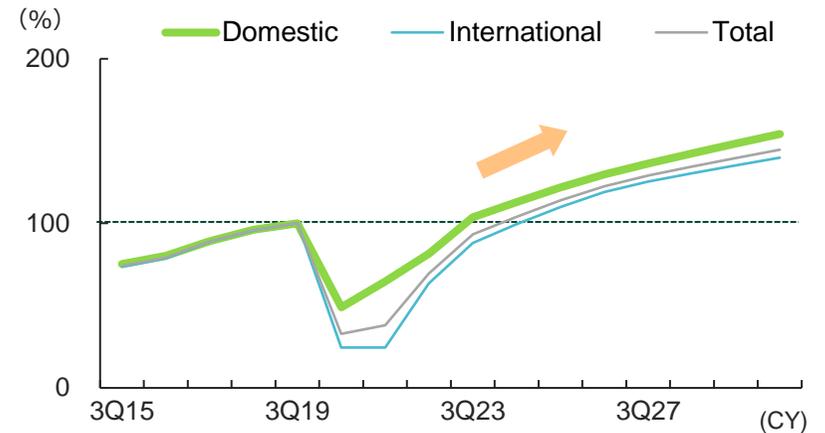
Aircraft Business of SMBC Group



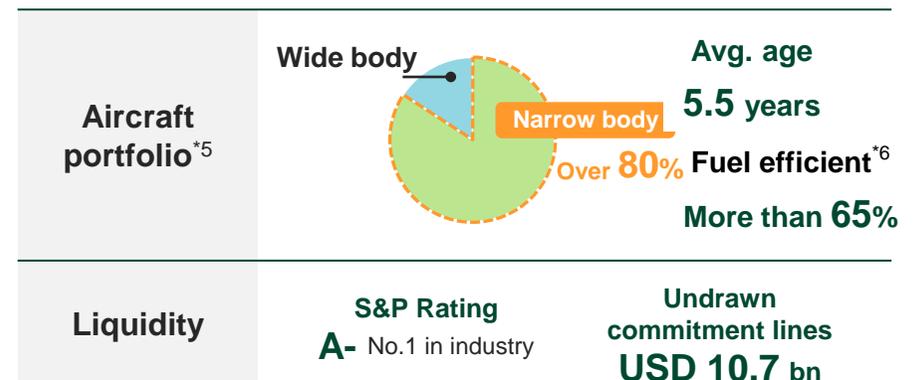
*1 Gross before netting guarantee deposits, etc. *2 Includes aircraft pre-delivery payment
 *3 IATA/Tourism Economics. Represent changes from CY-19
 *4 SMBCAC related includes revenue after the acquisition in June. *5 As of Dec.22
 *6 Neo/MAX/A350/B787

Global passenger demand forecast^{*3}

- Domestic demand exceeded pre-COVID-19 levels



Our strengths

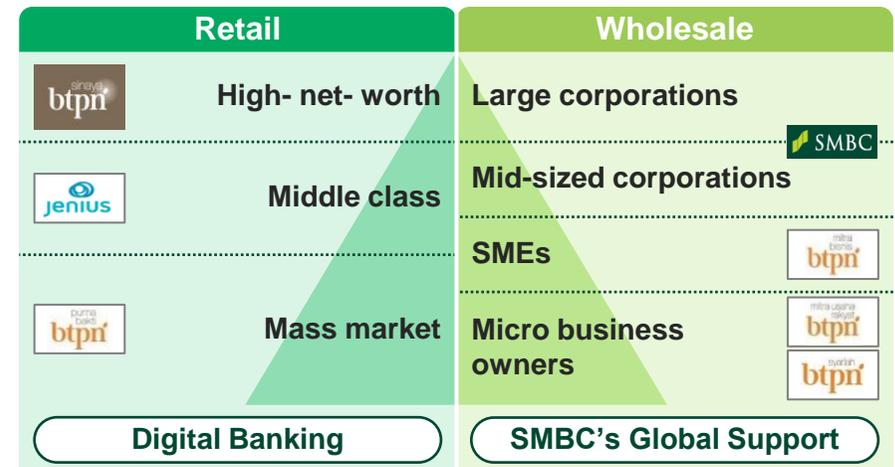


Group companies (5) BTPN

Financial results*1

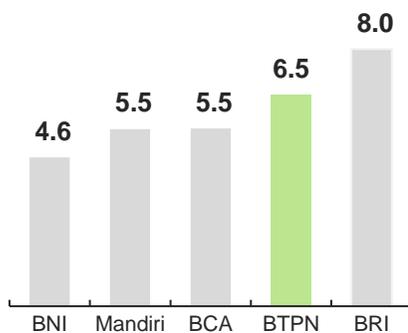
(JPY bn)	2020	2021	2022	2023
Gross banking profit	91.1	106.2	116.1	129.2
Operating expenses	50.9	56.6	60.9	69.3
Net profit	12.9	21.6	26.3	21.8
ROE	6.1%	8.6%	9.6%	6.6%
Loans	1,008.0	1,098.4	1,242.0	1,440.4
Deposits	745.8	886.0	976.4	995.4
Total Assets	1,355.4	1,554.5	1,777.9	1,854.0

Coverage



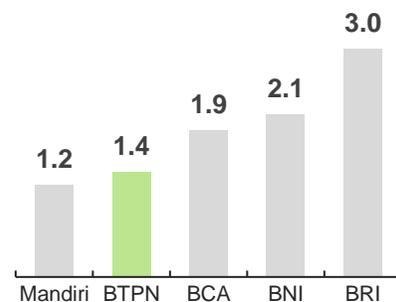
Net interest margin*2

(%)

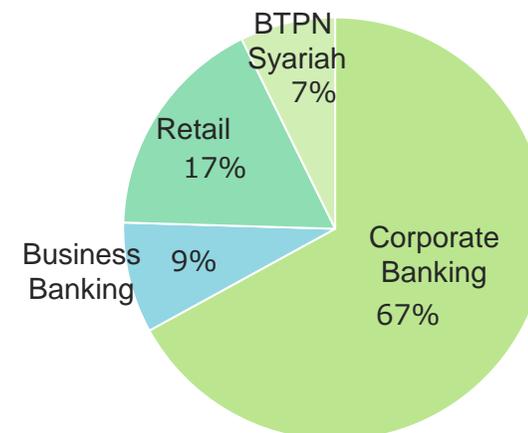


NPL ratio*2

(%)



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, Dec.23 IDR 1= 0.0092

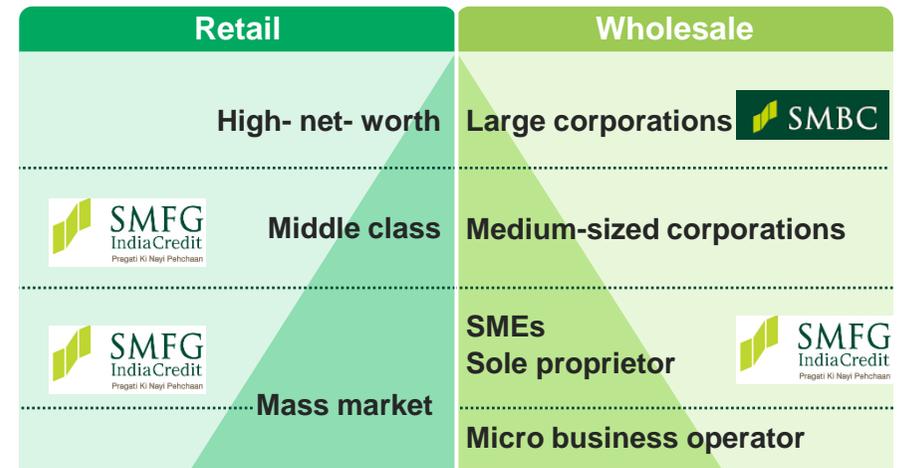
*2 Based on each company's disclosure (Dec.23 results) *3 As of Dec.23

Group companies (6) SMICC

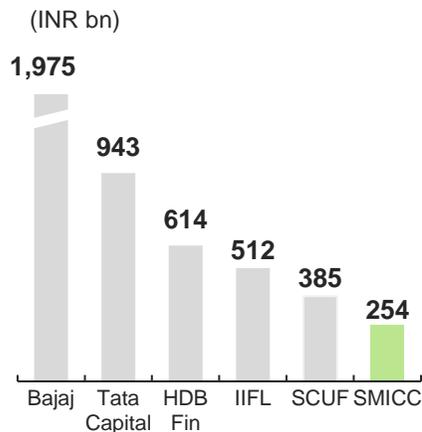
Financial results*1

(JPY bn)	FY3/21	FY3/22	FY3/23	1-3Q FY3/24
Gross operating profit	48.1	40.8	58.8	61.8
Operating expenses	18.0	23.5	33.8	35.2
Net profit	(18.3)	1.2	11.6	8.3
ROE	(24)%	2%	14.7%	12%
Loans	378.2	411.4	596.7	726.5
Total assets	419.3	441.4	666.7	817.4

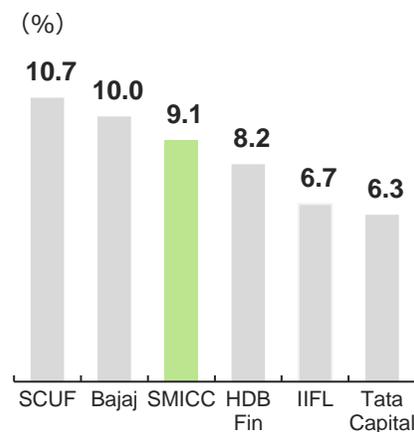
Coverage



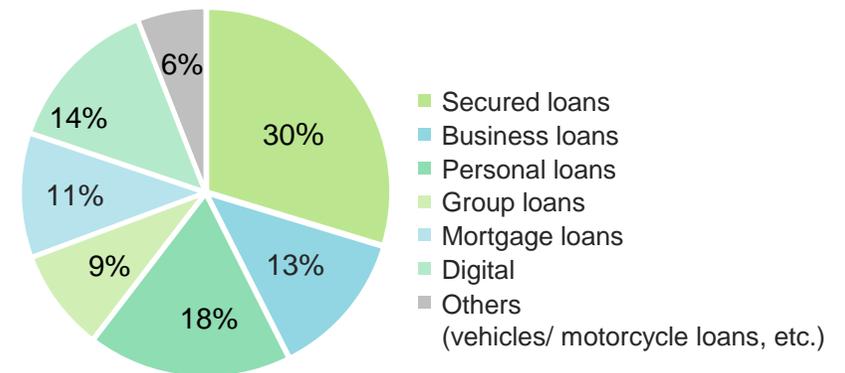
Loan balance*2



Loan spread*2



Loan breakdowns*3



*1 TTM as of Mar.21: INR1= 1.51, Mar.22: INR1=1.62, Mar.23: INR1= 1.63, Dec.23: INR1=1.71

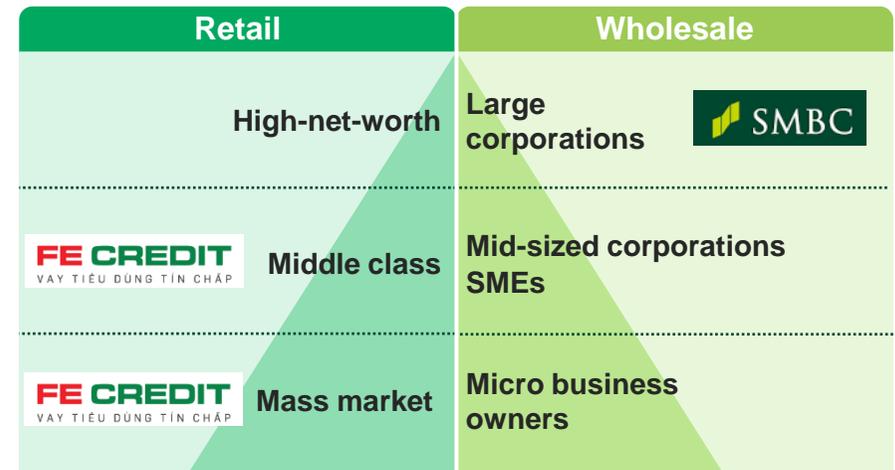
*2 Based on each company's published data (Mar.22 results) *3 As of data acquisition

Group companies (7) FE Credit

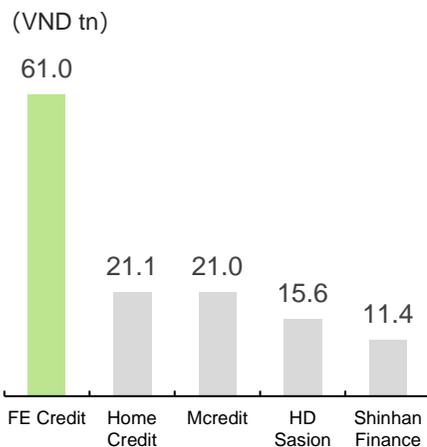
Financial results*1

(JPY bn)	2020	2021	2022	Jan.- Sep. 2023
Gross operating profit	78.4	77.0	84.9	49.8
Operating expenses	22.7	23.4	34.3	21.7
Net profit	13.4	0.6	(13.3)	(18.3)
ROE	21.2%	0.8%	(16.5)%	(38.9)%
Loans	297.2	377.1	385.4	351.9
Total assets	330.3	388.1	428.2	370.9

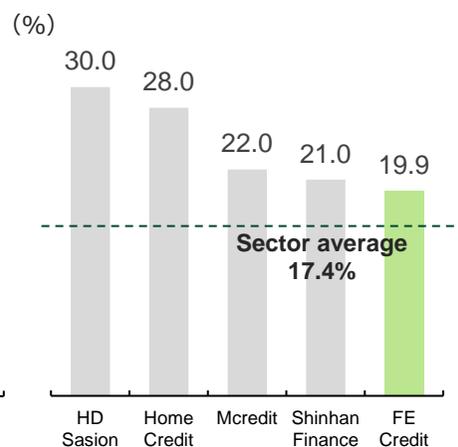
Coverage



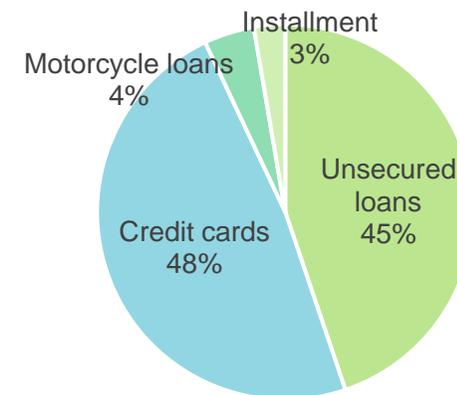
Loan balance*2



Loan spread*2



Loan breakdown*3



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

*2 Based on FiinGroup data (Jun. 23 results) *3 As of Sep.23

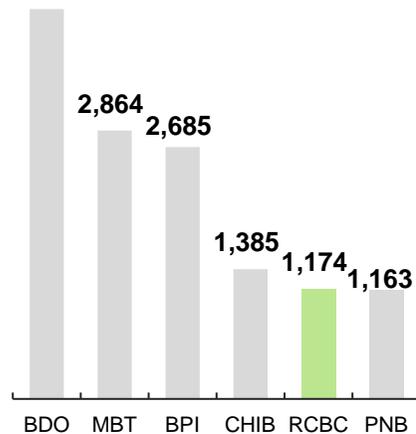
Financial results*1

(JPY bn)	2020	2021	2022	Jan.-Sep. 2023
Gross operating profit	81.9	81.9	105.8	94.9
Operating expenses	47.6	50.7	59.7	57.8
Net profit	10.8	15.9	28.8	23.8
ROE	5.5%	6.7%	10.1%	9.9%
Deposits	1,157.3	1,513.0	2,040.2	2,380.8
Loans	1,061.2	1,211.2	1,330.1	1,640.1
Total assets	1,667.7	2,158.0	2,746.8	3,168.7

Total assets*2

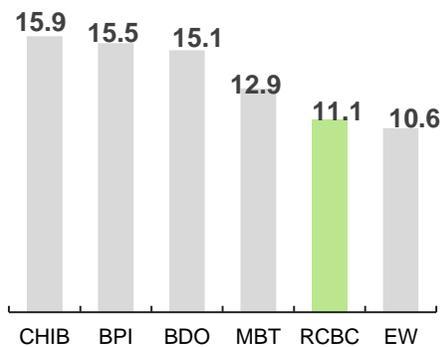
(PHP bn)

4,158

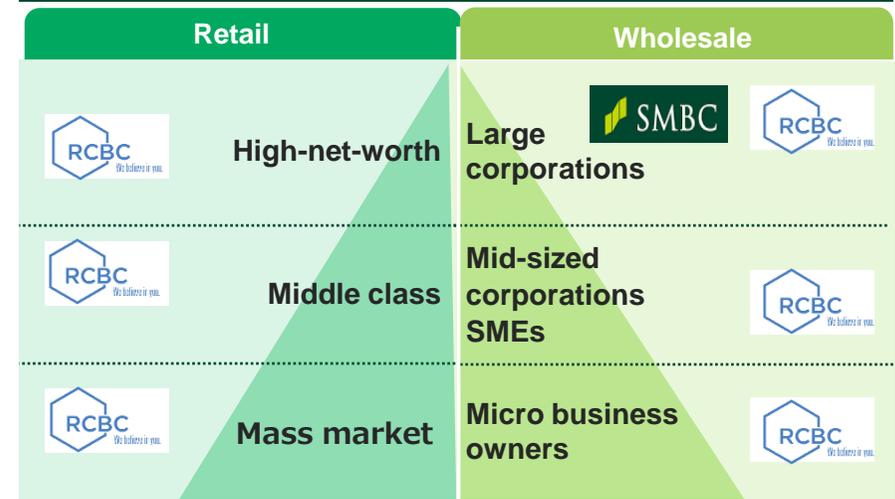


ROE*2

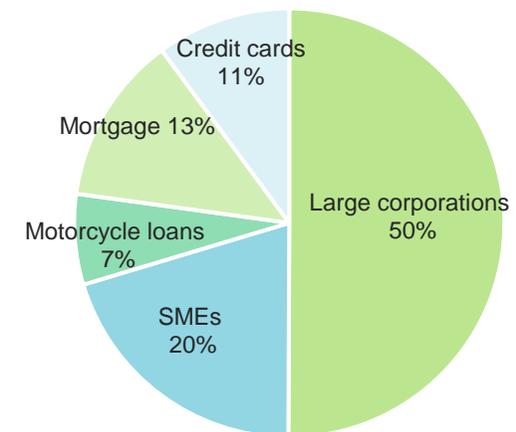
(%)



Coverage



Loan breakdown*2,3

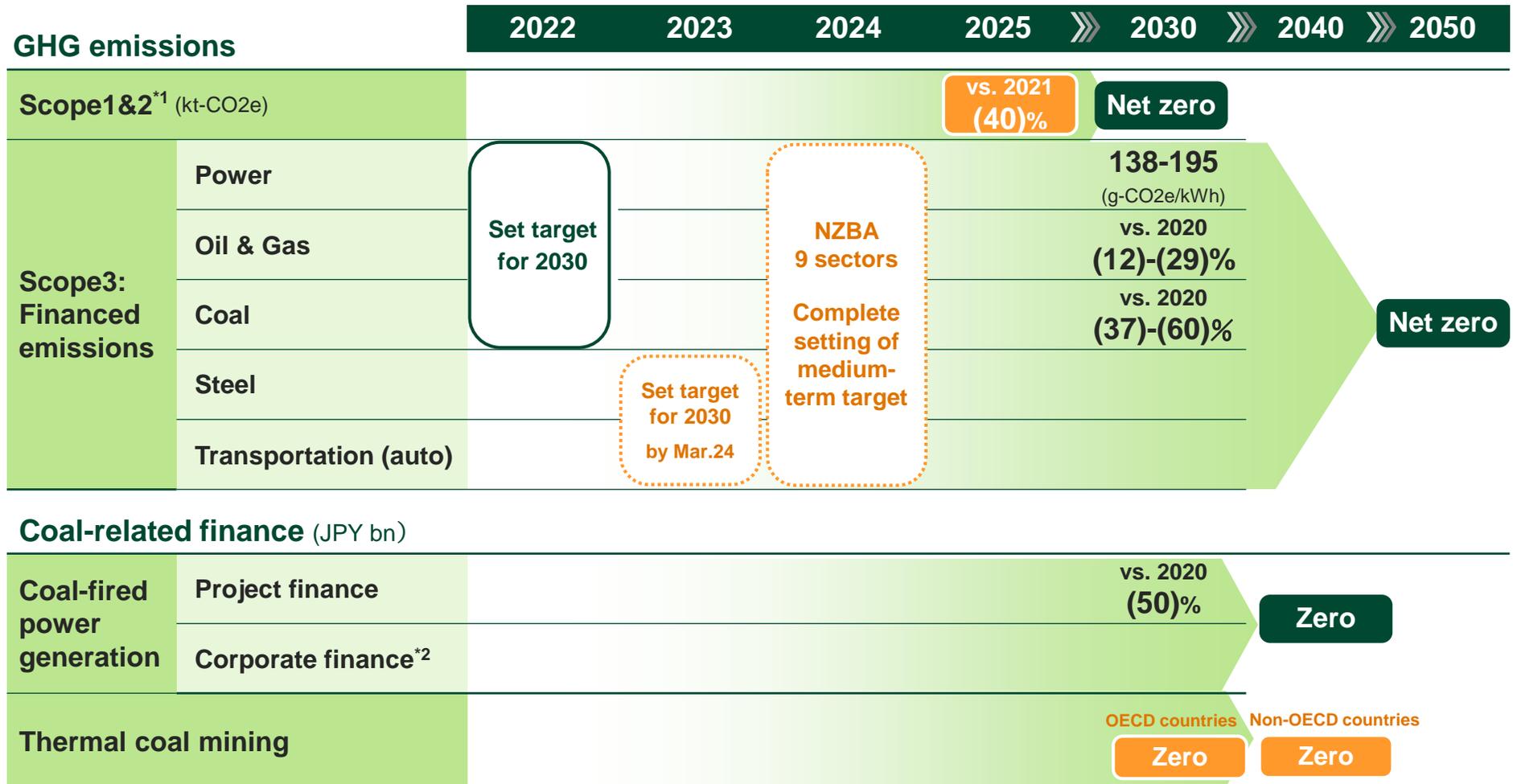


*1 TTM as of Dec.20: PHP1=2.16, Dec.21: PHP1=2.25, Dec.22: PHP1=2.38, Jun.23: PHP1=2.62

*2 As of Sep.23 *3 As of Sep.23. Figures are rounded off and will not necessarily be 100% in total.

ESG (1) Target towards decarbonized society

Set targets for reducing Scope 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.

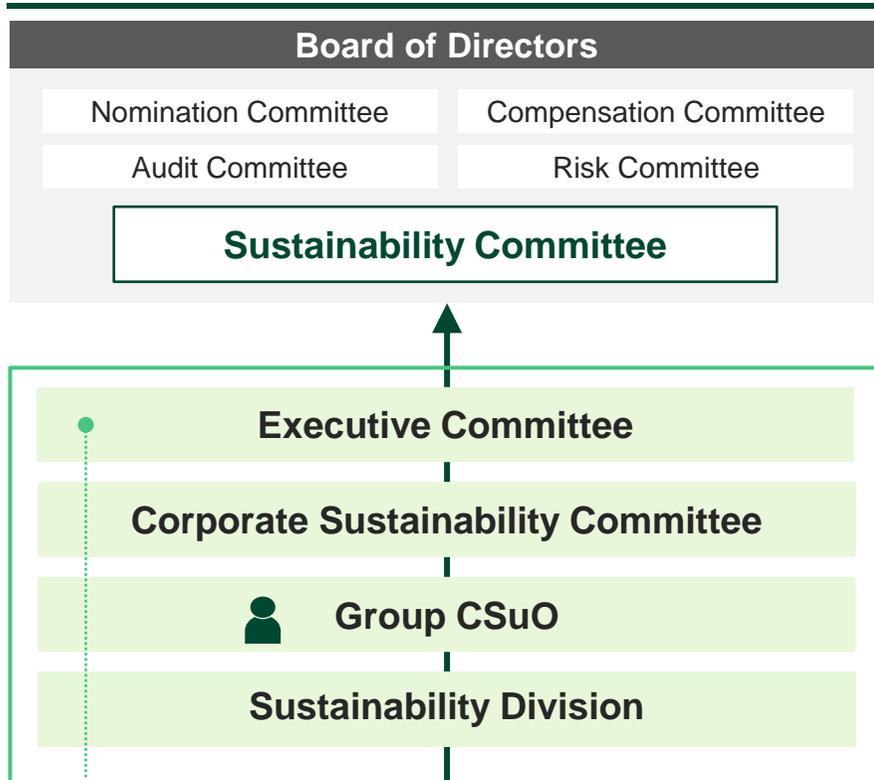


*1 Expanded boundary of calculation to both domestic and overseas offices of SMFG and its subsidiaries from 2021.

*2 Asset-specific financing

ESG (2) Sustainability management structure

Sustainability Management System



Global Advisors

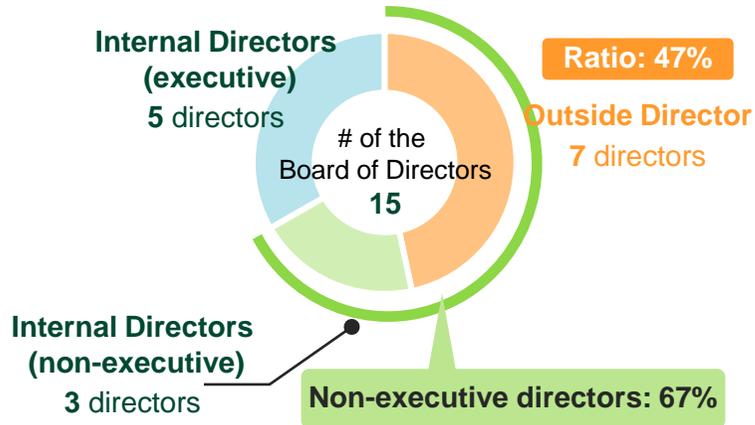
Mar.23 Appointed **Paul Polman**
United Nations Global Compact Vice Chair
(former CEO of the Unilever)



Executive compensation

Base salary	Fixed
Bonus ●Cash ●Stock Compensation Plan II	Linked annual performance (0-150%) <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 5px; margin-right: 10px;">Base amount</div> <div style="font-size: 2em; margin-right: 10px;">×</div> <div style="border: 1px solid black; padding: 5px; display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; justify-content: space-around; width: 100%;"> Annual ESG </div> <div style="border: 1px dashed black; padding: 2px; width: 100%;">Individuals' performance</div> </div> </div> <div style="border: 1px solid orange; padding: 5px; margin-top: 5px;"> <div style="display: flex; justify-content: space-between;"> Quantitative Achievement of KPIs*¹ ±10% </div> <div style="border: 1px solid orange; padding: 2px; margin-top: 2px;">Qualitative ESG ratings of major agencies</div> </div>
	Linked medium-term performance (0-150%) <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 5px; margin-right: 10px;">Base amount</div> <div style="font-size: 2em; margin-right: 10px;">×</div> <div style="border: 1px solid black; padding: 5px; display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; justify-content: space-around; width: 100%;"> Financial Stock </div> <div style="background-color: #f4a460; border-radius: 10px; padding: 2px 5px; width: 100%;">Non-financial</div> </div> </div> <div style="border: 1px solid orange; padding: 5px; margin-top: 5px;"> <div style="display: flex; justify-content: space-between;"> Quantitative Environment 15% </div> <ul style="list-style-type: none"> ● Sustainable finance ● Financed emissions <div style="margin-top: 5px;">Employees</div> <ul style="list-style-type: none"> ● Engagement score ● DE&I <div style="border: 1px solid orange; padding: 2px; margin-top: 2px;">Qualitative Materiality initiatives</div> </div>
Stock Compensation Plan I	
Stock Compensation Plan III	Promotion reward plan

ESG (3) Structure of the Board



Improve Board diversity



Female

13% >>> 20%



Foreign nationals

7% >>> 13%

<< New directors >>



Charles D. Lake II

Aflac Life Insurance Japan
Chairman and Representative Director



Jenifer Rogers

Asurion Japan Holdings
General Counsel Asia

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 (4) Initiatives for sustainability

Climate change

Various solutions for customer's decarbonization

GHG emissions calculation tool

Developed by SMBC Group
of users: ≥1,300



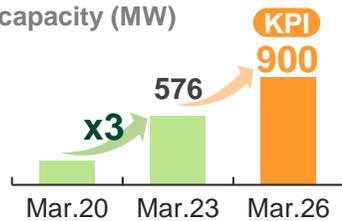
Transition Finance Playbook

Clarify definition and eligibility align with Paris Agreement



Renewable energy power generation business

Projects focusing on solar power generation
Solar power generation capacity (MW)



Carbon offset

Started customer referral for offsetting by J-Credit



Natural capital

Initiatives for Nature Positive

Mirai Farm Akita

Sustainable food and agricultural management¥

FANPS*1

Alliance to support efforts to nature positive

Furano Nature School

Support tree planting and environment education

The Reforestation Fund

Invest in the funds which afforest in South America

Publication of TNFC reports April. 23



First report by a Japanese bank illustrates stance on natural capital

CEO
メッセージ

地球の未来にとって節目の年となるであろう2023年に向けて、SMBCグループは、気候変動への対応と自然資本の健全・回復にグループ一丸となって取り組んでまいります。



*1 Finance Alliance for Nature Positive Solutions

ESG (5) 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 Index



FTSE4Good



Endorsed initiatives

WE SUPPORT



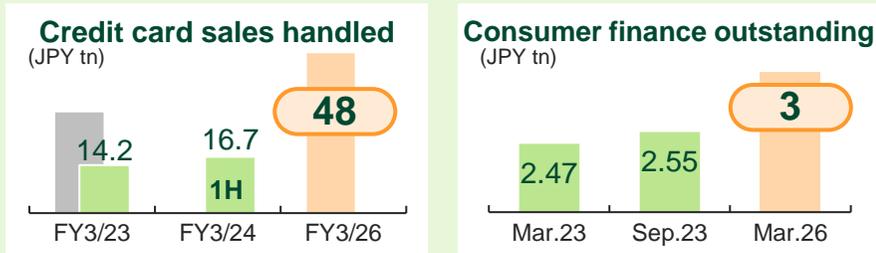
Signatory of:



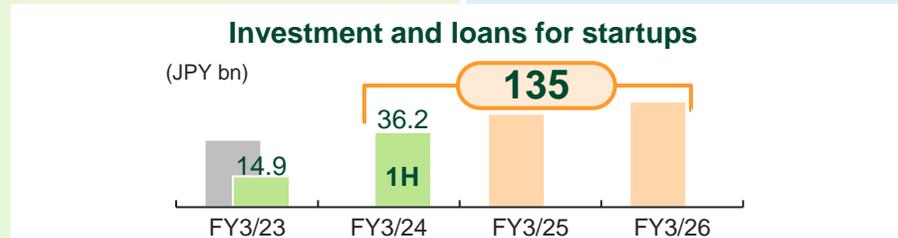
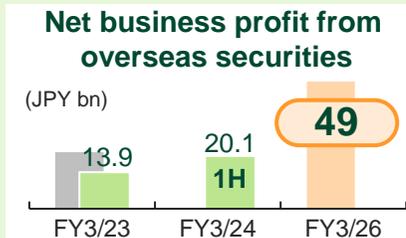
Progress of KPIs in the Medium-Term Management Plan

Economic Value

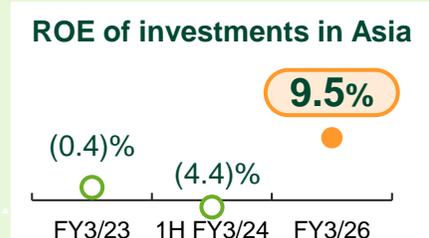
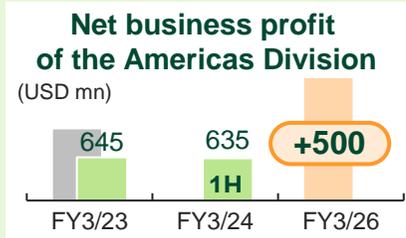
Reform domestic business for possible interest hike



Improve capital efficiency with B/S discipling

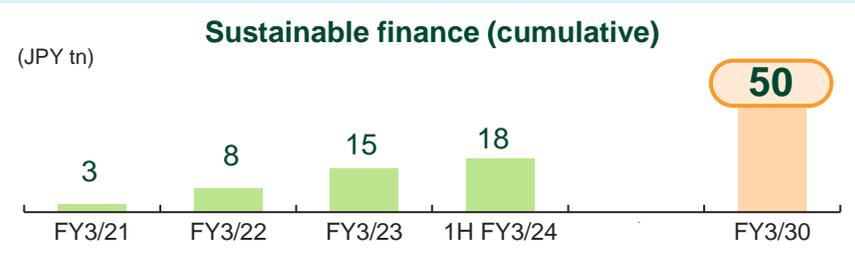


Build global portfolio based on growth potential



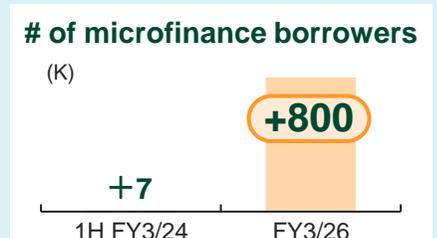
Social Value

Environment



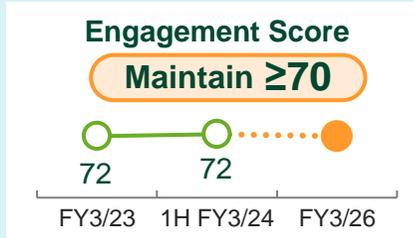
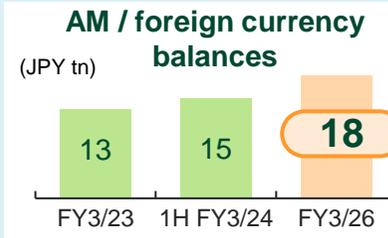
Japan's regrowth

Poverty and Inequality



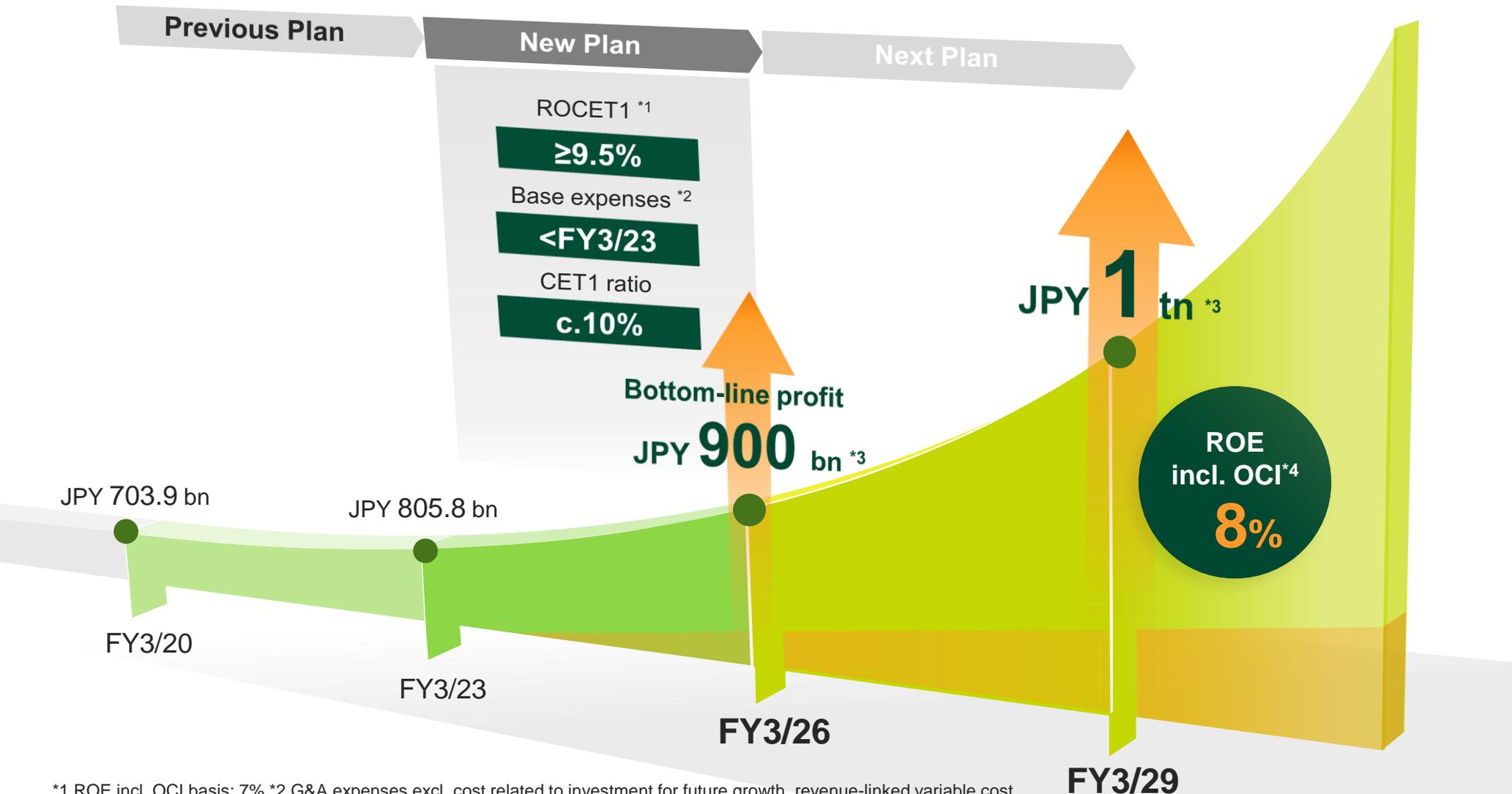
Declining birthrate & aging population

DE&I & Human Rights



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

Rebuild corporate infrastructure

RWA

+ JPY 11 tn

Workload

+ 3K

IT investment

+ JPY 650 bn

Expected return from past investment

Target

1 Businesses / assets with high asset and capital efficiency

Aircraft leasing

the U.S.

New areas

Digital

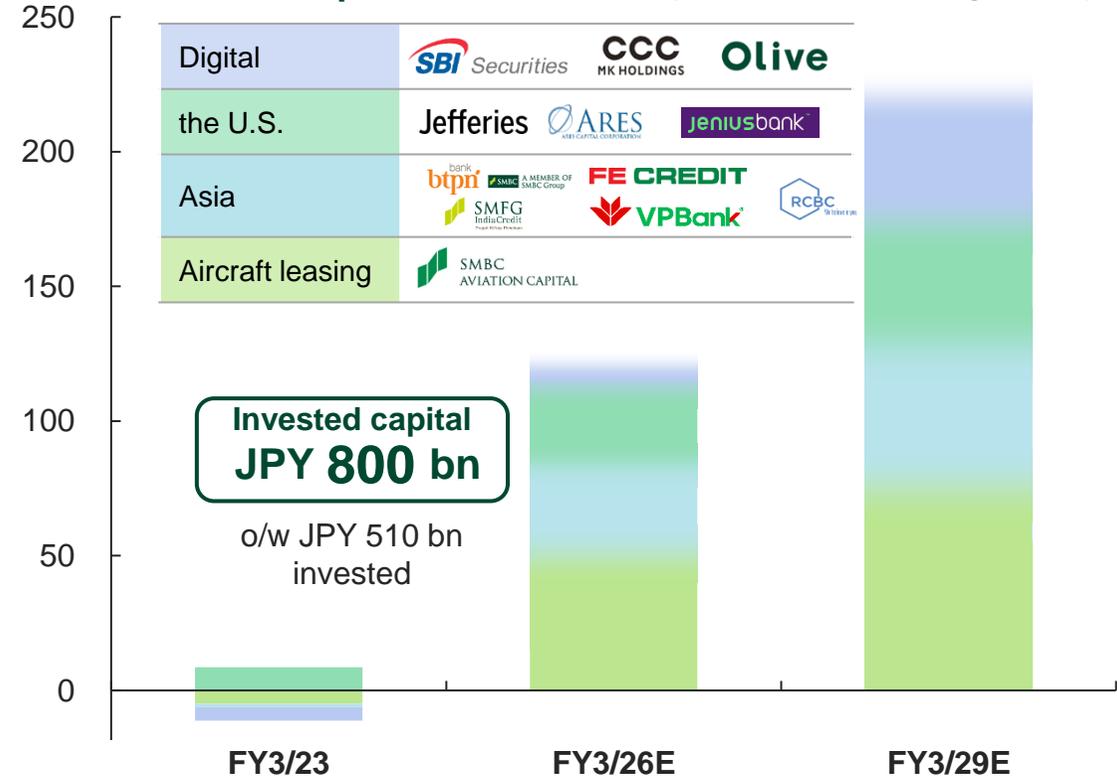
Sustainability

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

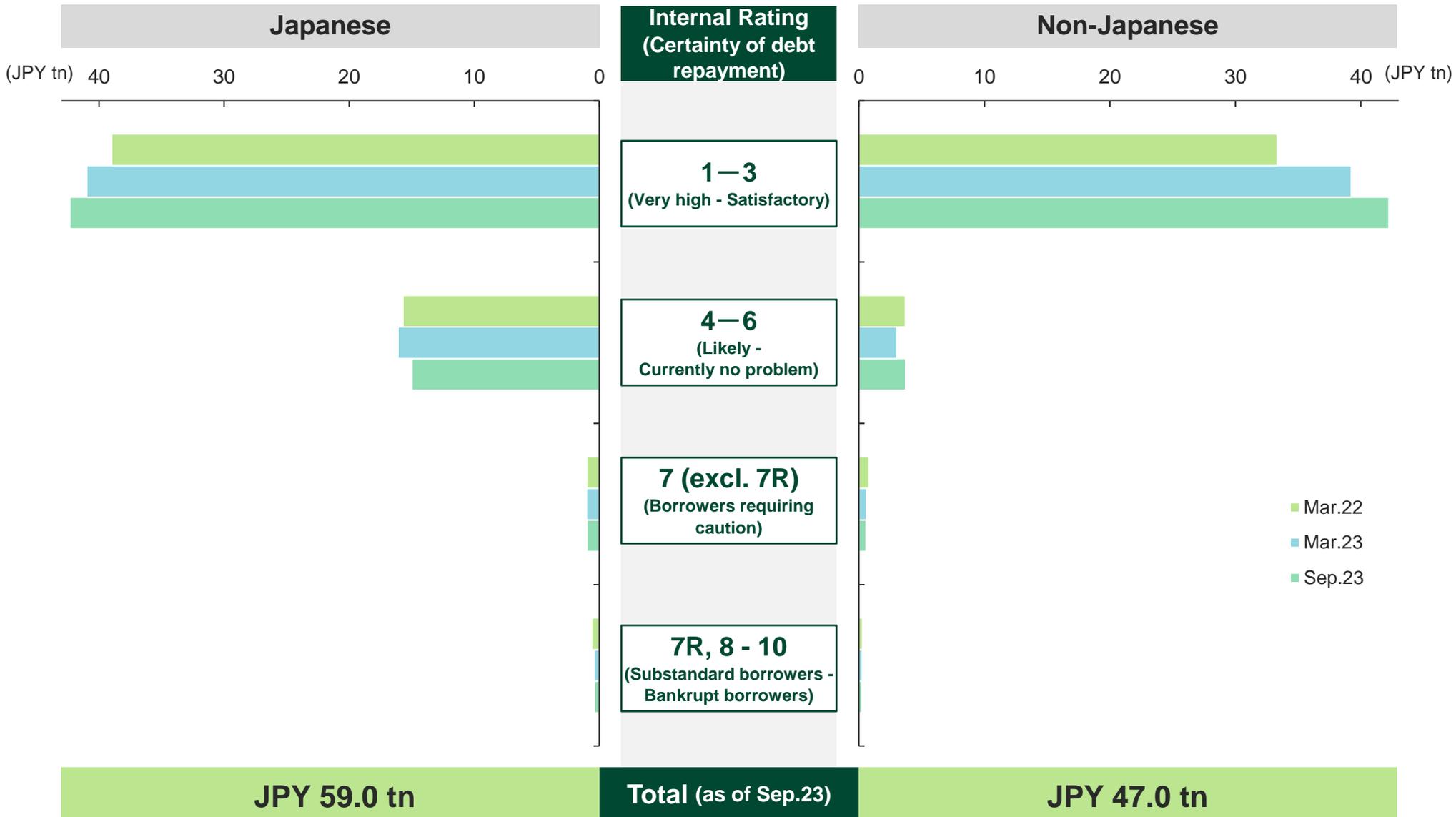
Review existing portfolio

Examples in previous plan

Eximbank

Moelis & Company

Breakdown by internal ratings*1



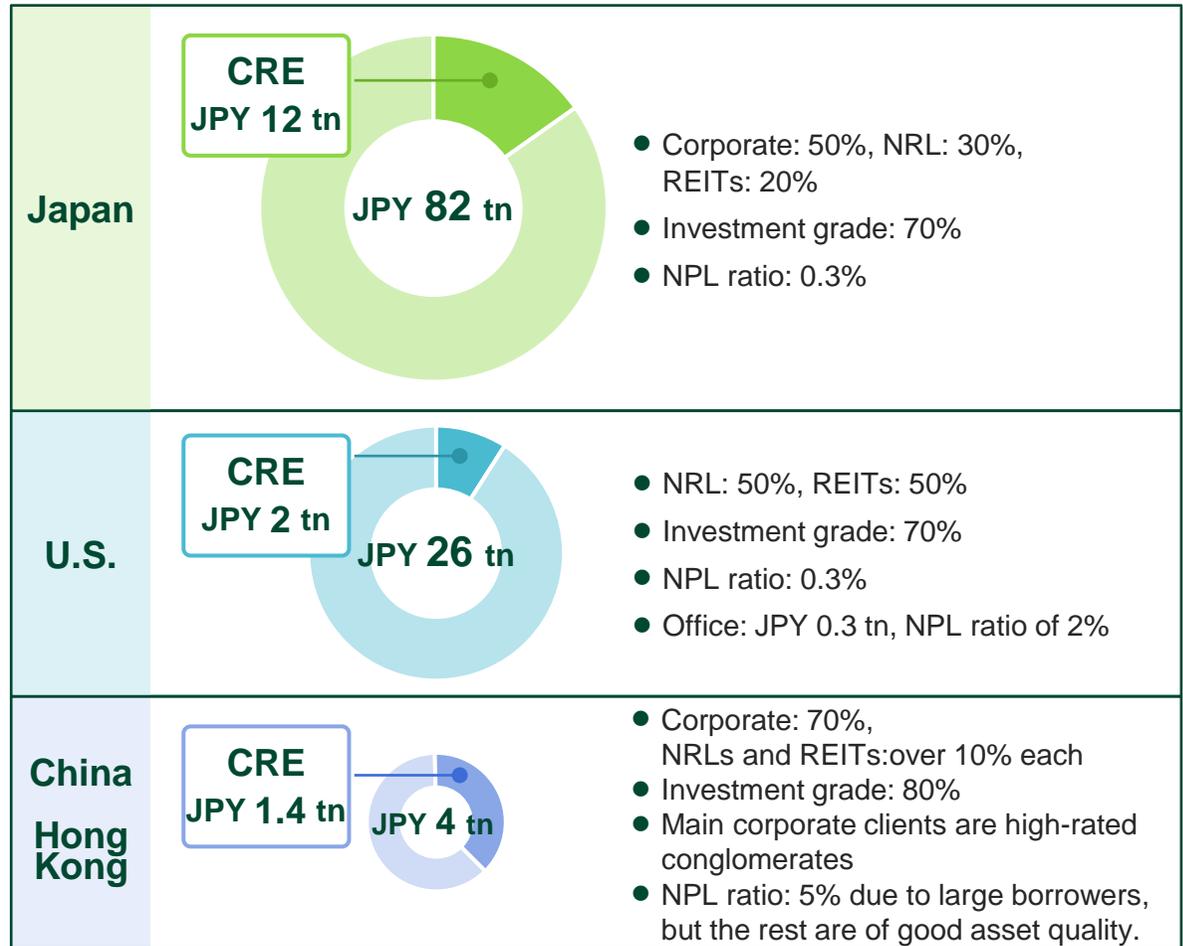
*1 Managerial accounting basis. Exposure includes loans, acceptances and guarantees, foreign exchanges, private placement, suspense payments, undrawn commitments, and derivatives, etc. Excluding the exposure to SMFG consolidated subsidiaries, retail customers in Japan, Japanese government, etc., and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

CRE Exposure (Sep.23)

SMBC Group's Exposure*1

CRE Exposure
JPY 19 tn

- 13% of total exposure
- NPL ratio: 0.5%

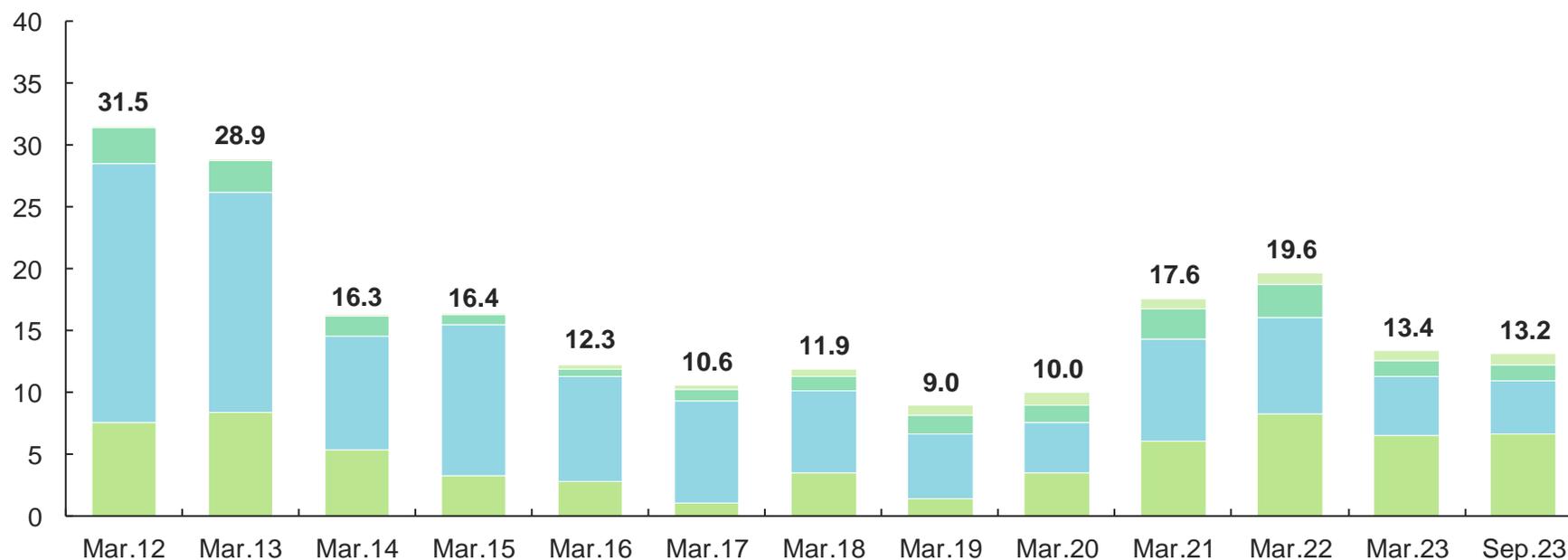


*1 SMBC consolidated, calculated based on location of headquarter, managerial accounting basis

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

(JPY tn)

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



of which JGBs
(JPY tn)

Mar.12	Mar.13	Mar.14	Mar.15	Mar.16	Mar.17	Mar.18	Mar.19	Mar.20	Mar.21	Mar.22	Mar.23	Sep.23
14.0	9.8	8.0	9.3	6.3	7.1	14.3	15.8	9.6	9.5			

Average duration (years)^{*1}

Mar.12	Mar.13	Mar.14	Mar.15	Mar.16	Mar.17	Mar.18	Mar.19	Mar.20	Mar.21	Mar.22	Mar.23	Sep.23
1.9	1.8	1.1	1.8	2.8	2.9	2.3	3.2	2.9	2.5	2.8	2.4	2.6

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

Mar.12	Mar.13	Mar.14	Mar.15	Mar.16	Mar.17	Mar.18	Mar.19	Mar.20	Mar.21	Mar.22	Mar.23	Sep.23
104.4	95.3	60.0	45.9	103.8	57.5	44.2	60.5	21.4	7.9	(49.7)	(62.8)	(117.7)

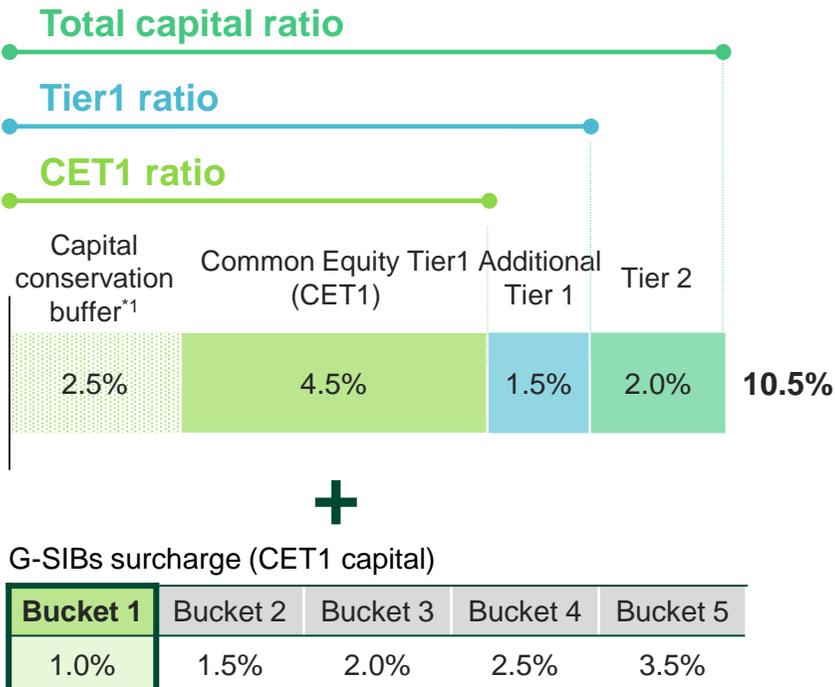
*1 Excl. bonds classified as held-to-maturity, for which hedge-accounting is applied, and private placement bonds

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

Application of Basel III (capital ratio)

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

Capital requirements

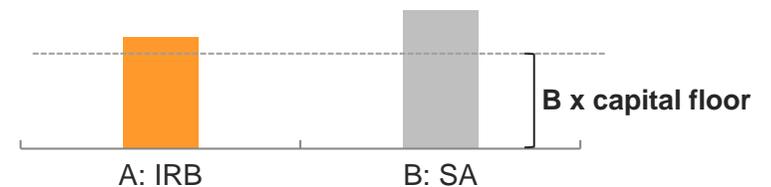


Implementation of output floor

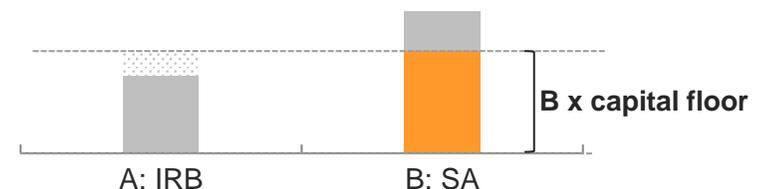
A: RWA based on internal ratings-based approach (IRB)

B: RWA based on standardized approach (SA)

$$A > B \times \text{capital floor} \rightarrow \text{RWA} = A$$



$$A \leq B \times \text{capital floor} \rightarrow \text{RWA} = B \times \text{capital floor}$$



*1 Countercyclical buffer (CCyB) omitted

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

(As of Nov. 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 Agricultural credit 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	<ul style="list-style-type: none"> 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 Societe Generale Standard Chartered Toronto Dominion 	<ul style="list-style-type: none"> Banco Santander Bank of America Barclays Bank BNP Paribas Citibank Agricultural credit Credit Suisse 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 Citibank Agricultural credit Credit Suisse Goldman Sachs Bank Standard Chartered UBS 	A+
A2	<ul style="list-style-type: none"> Banco Santander 	<ul style="list-style-type: none"> SMBC Agricultural Bank of China Bank of China BPCE China Construction Bank ICBC Mizuho Bank MUFG Bank Societe Generale 	<ul style="list-style-type: none"> Agricultural Bank of China Bank of China BPCE China Construction Bank ICBC 	A
A3	<ul style="list-style-type: none"> Credit Suisse 	<ul style="list-style-type: none"> Deutsche Bank 	<ul style="list-style-type: none"> SMBC Banco Santander Deutsche Bank Mizuho Bank MUFG Bank Societe Generale 	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

(As of Nov. 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	<ul style="list-style-type: none"> SMFG 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"> 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 Groupe BPCE Standard Chartered UBS 	A
A3	<ul style="list-style-type: none"> Citigroup HSBC 	<ul style="list-style-type: none"> Standard Chartered UBS 	<ul style="list-style-type: none"> SMFG Bank of America HSBC ING JPMorgan Mizuho Morgan Stanley 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, Senior unsecured ratings) for Moody's, long-term issuer local currency ratings for S&P, long-term issuer default ratings for Fitch