Investment in RCBC

November 2, 2022

SUMITOMO MITSUI FINANCIAL GROUP

SUMITOMO MITSUI BANKING CORPORATION

1. Summary of investment

Basic information

Investee company	• Rizal Commercial Banking Corporation ("RCBC"), one of the largest universal banks in the Philippines
Overview	• SMBC acquired 4.99% stake in RCBC in June 2021 • SMBC will acquire additional 15.01% newly issued common stock*[1] in RCBC for PHP27.126bn (approximately USD461mn*[2]) • RCBC will become an equity method affiliate company of SMFG and SMBC
Financial impact	• Investment return: Expect to reach our profit criteria from the 1st year of investment • CET1 ratio: Approximately ▲7bps
Strategic rationale	1. Contribute to enhancing RCBC's financial soundness and accelerating growth 2. Strengthen SMBC's capability to service customers in the Philippines 3. Enjoy increased financial benefits

SMBC: Sumitomo Mitsui Banking Corporation. SMFG: Sumitomo Mitsui Financial Group, Inc.
*1 Includes treasury shares *2 Assuming PHP/USD of 58.87

Strategy for franchise in Asia
- Positioning of this transaction

Establishment of a strong partnership as core component of multi-franchise strategy in the Philippines

Multi-franchise strategy

Corporates: Large corporations – SMEs / Micro
Individuals: High-net-worth – Middle / Mass

Indonesia
- SMBC
- btpn*1 ● Commercial bank; jenius ● Digital bank
- SMBC SMBC NIKKO*2 ● Securities
- SMFL*3 ● Leasing
- OTO Kredit Motor / OTO Kredit Mobil*4 ● Auto loan

India
- Fullerton India ● Secured loan ● Business loan
- Fullerton India ● Unsecured loan ● Housing loan

Vietnam
- VPBank ● Commercial bank (Business alliance)
- FE CREDIT*5 VAY TIÊU DÙNG TÍN CHẤP ● Unsecured loan ● Credit card

The Philippines
- RCBC We believe in you.
  - ● Commercial bank
  - ● Auto loan
  - ● Credit card
  - ● Unsecured loan
  - ● Digital bank
  - 4.99% → 20.0%

This transaction

- SMBC will own **20.0%** stake in RCBC post-transaction
- RCBC will become SMFG's & SMBC's **equity-method affiliate**

- RCBC & SMBC will jointly pursue enhancement of **full-line financial service platform in the Philippines**
- SMBC can strengthen its capability to service customers in the Philippines through this partnership

*1 PT Bank BTPN Tbk *2 PT Nikko Sekuritas Indonesia *3 PT SMFL Leasing Indonesia
*4 PT Oto Multiartha / PT Summit Oto Finance *5 VPBank Finance Company Limited

2. Strategic rationale

SMBC to contribute to enhancing RCBC's financial soundness and accelerating growth

- **RCBC's organic growth capability**

  RCBC is a promising bank having strong growth potentials with the innovative initiatives in the Philippines which has attractive long-term economic growth

+

- **SMBC's capital support and business synergy for accelerating growth**

(1) Capital support

- Enhance financial soundness and expand room for further growth
- Rank up to top tier banks on CET1 ratio

(2) Business synergy

- Expand customer base
- Strengthen products & services
- Increase efficiency

(3) Work jointly to make RCBC a top tier bank in the Philippines over mid/long-term

Realize SMBC's multi-franchise strategy

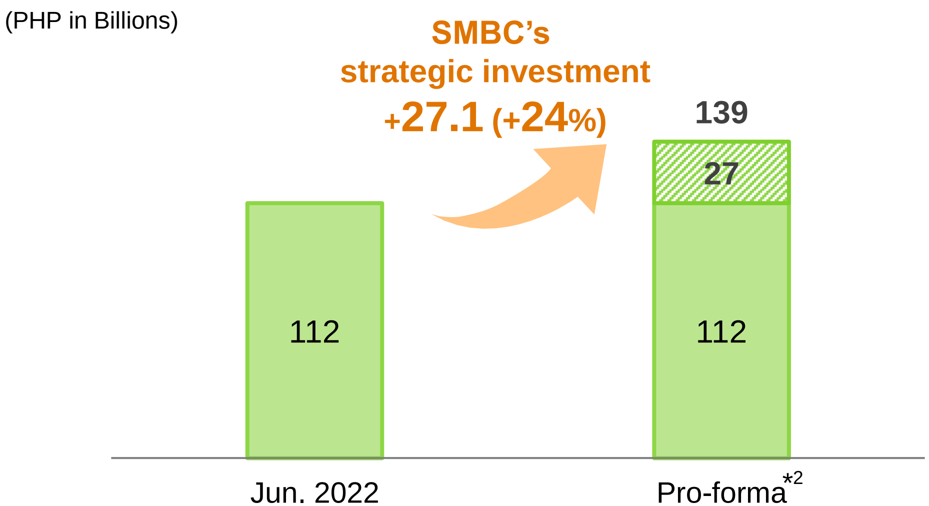
- **SMBC can strengthen its capability to service customers in the Philippines through this partnership**
- **Enjoy increased financial benefits**

2. Strategic rationale
(1) Capital support

SMBC's strategic investment will enable RCBC to expand room for further growth

Enhance financial soundness and expand room for growth

Pro-forma total capital*1



The investment will support :

- long-term risk asset growth
- digital investment
- human resources for expanding branch network

Rank up to top tier banks

Pro-forma CET1 ratio*1

Union Bank	20.6%	
Metrobank	16.8%	
Security Bank	16.7%	
RCBC*2 (Pro-forma)	**16.5%**	4th*3
Bank of the Philippine Islands	15.9%	
China Bank	14.8%	
Philippine National Bank	14.5%	
EastWest Bank	13.6%	
BDO Unibank	13.4%	
RCBC (2Q 2022)	12.4%	

*1 As of the end of June 2022 *2 After this transaction (additional 15.01% investment by SMBC) *3 Among private banks

2. Strategic rationale
(2) Business synergy

Leveraging strategic alliances to grow into the Philippines' top presence in each area

SMBC SUMITOMO MITSUI FINANCIAL GROUP × RCBC We believe in you.

– Potential collaboration areas –

Expand customer base

- **Support Japanese clients**

SMBC RCBC → Japanese corp.

- **Business matching**

Japanese corp. × Filipino corp.

- **Group collaboration**

SMFL × RCBC Leasing

SMBC SUMITOMO MITSUI CARD × RCBC Bankard

Strengthen products & services

- **Project finance**
  - Renewable energy
  - Infrastructure etc.

- **Sustainable finance**
  - Clean water, Healthcare etc.

- **Mass market loan**
  - Collaborate with FE Credit

RCBC

SMBC FE CREDIT VAY TIÊU DÙNG TÍN CHẤP

- **Wealth management**
  - Collaborate with SMBC Nikko

SMBC SMBC NIKKO × RCBC

Increase efficiency

- **Branch office efficiency**

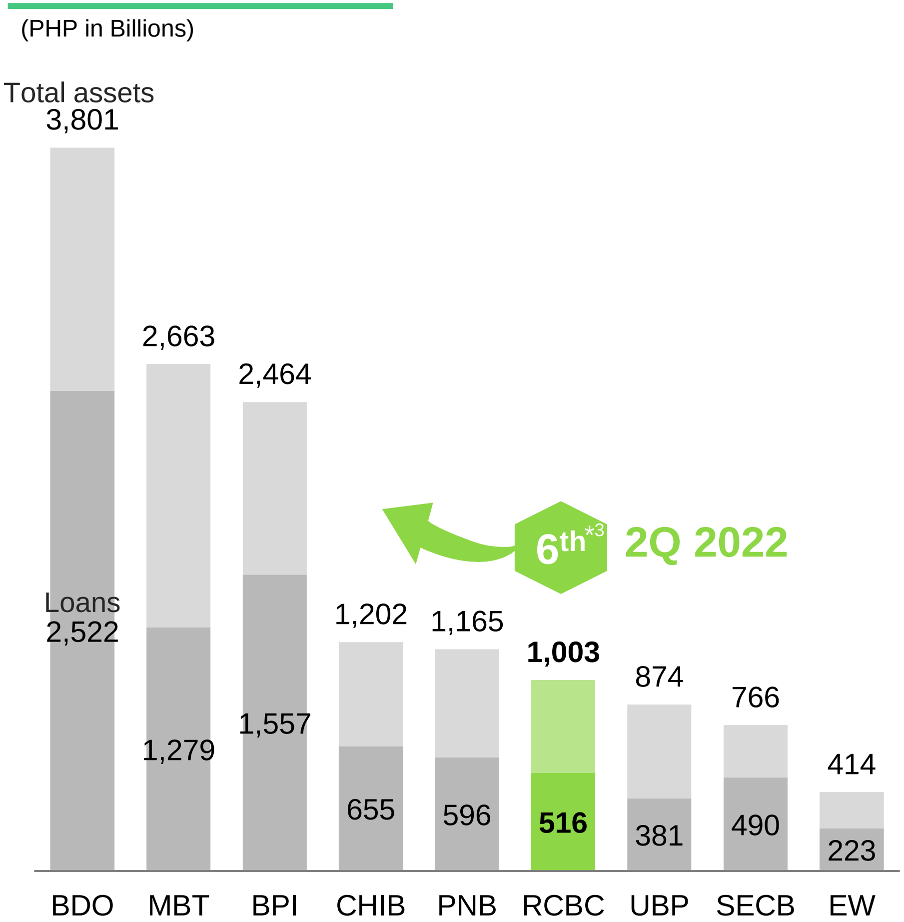
- **Utilize digital innovation**

2. Strategic rationale
(3) Work jointly to make RCBC a top tier bank over mid/long-term

SMBC will work with RCBC to achieve its mid/long-term aspiration to become a top tier bank in the Philippines

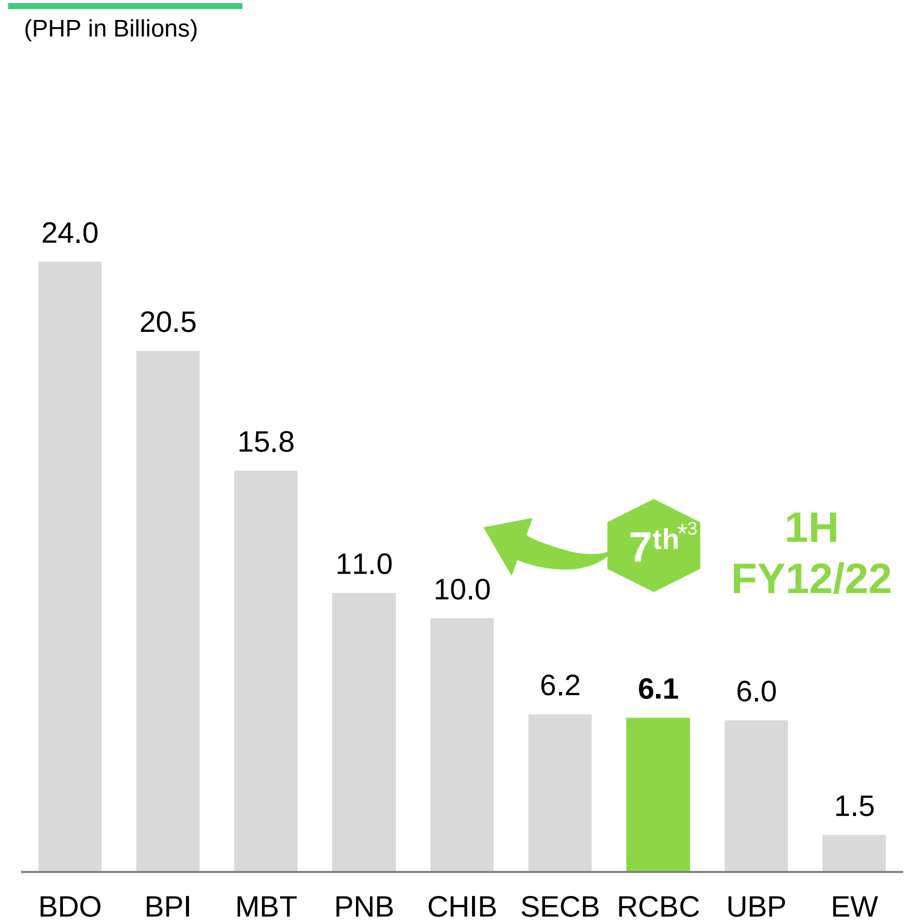
Realize sustainable asset growth

Total assets[*1] / Loans[*1]



Aim to expand business performance

Net income[*2]



*1 As of the end of June 2022 *2 1H FY12/22 *3 Among private banks

3. Overview of RCBC (1)

RCBC is a leading universal bank with prominent presence and reputable brand in the Philippines providing comprehensive financial services including securities, leasing, and credit cards on a group basis

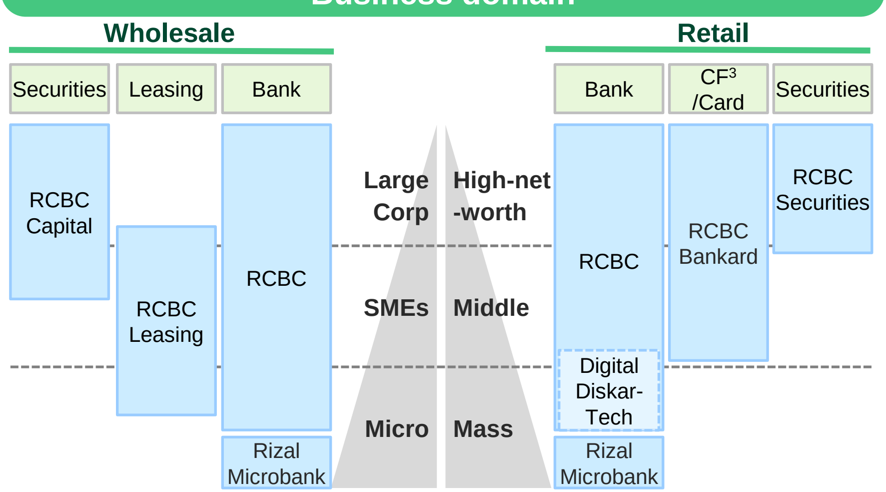
Company information

Company name	Rizal Commercial Banking Corporation
History	1960: Established 1986: Listed on the PSE 1989: Obtained Universal Banking License 2021: Received investment from SMBC (4.99%)
CEO	Mr. Eugene Sering Acevedo
Employees	Approximately 6,000
Network	Over 440 branches and approximately 2,500 ATMs throughout the Philippines
Position	Ranked No. 6 by asset size among private banks in the Philippines*1

Key financials*2

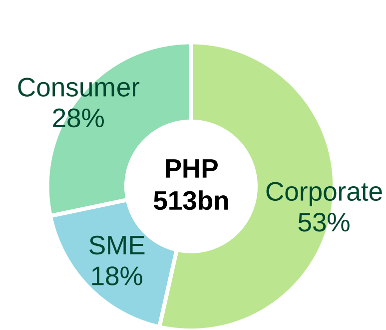
JPY in Billions	FY12/19	FY12/20	FY12/21	1H FY12/22
Operating income	89.3	94.4	90.6	52.9
Net profit	13.4	12.5	17.6	15.3
Total assets	1,910.0	1,922.5	2,388.2	2,498.2
Loans	1,118.6	1,223.3	1,340.4	1,284.9
Deposits	1,136.9	1,334.1	1,674.4	1,841.4
ROE	6.5%	5.5%	6.7%	9.5%
NPL ratio	2.2%	2.9%	3.3%	2.7%
CET1 ratio	12.9%	12.6%	12.2%	12.4%

Business domain

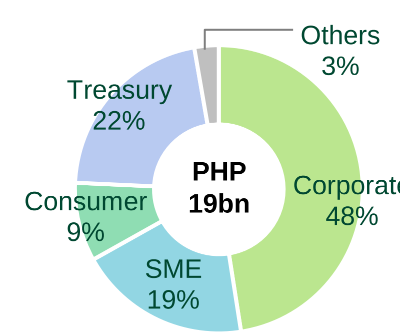


Business portfolio

Loan portfolio*4



Net operating income*4

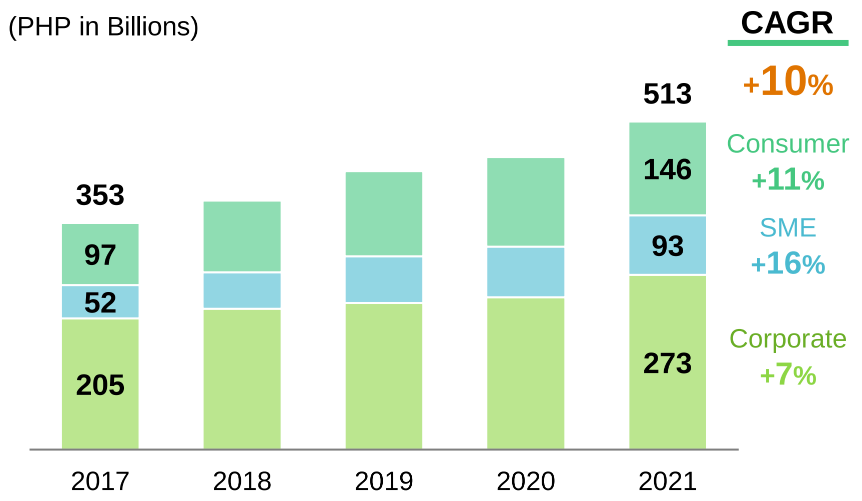


*1 As of June 2022 *2 Assuming PHP/JPY of 2.49 *3 CF refers to consumer finance *4 As of December 2021. Figures are rounded and may not add up to 100%

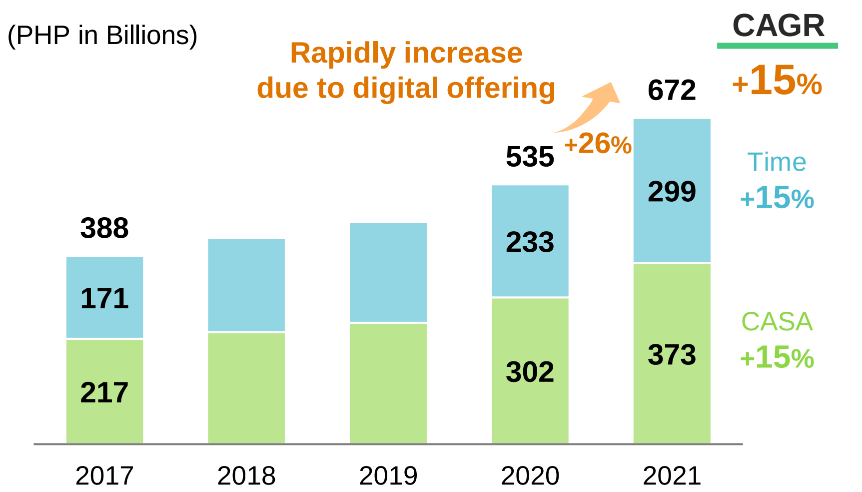
3. Overview of RCBC (2)

Strong core business growth driving sustainable expansion

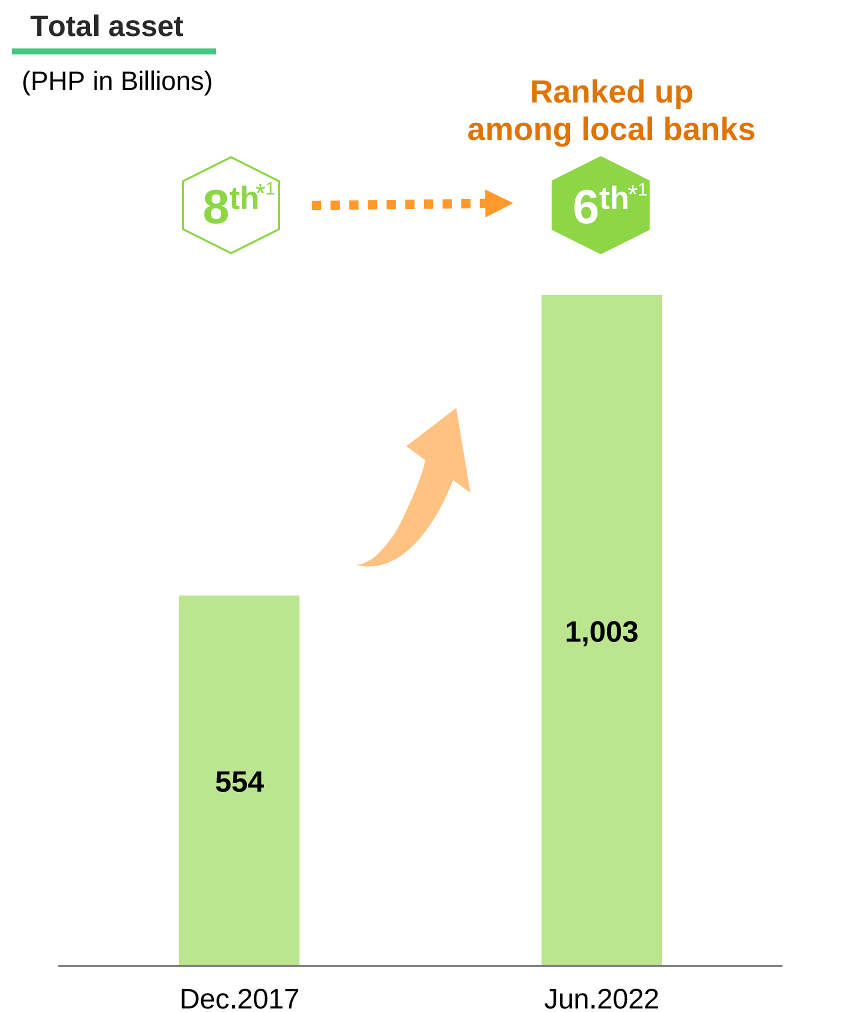
Growth of loan portfolio



Growth of deposit portfolio



Roughly doubled in size over 5 years



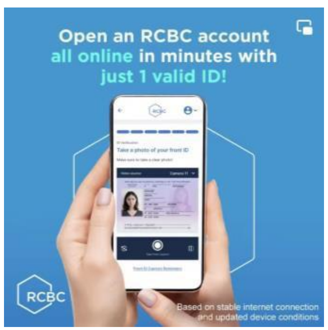
*1 Among private banks

3. Overview of RCBC (3)

RCBC's innovative initiatives are key drivers for sustainable growth in the future

Innovative digital solutions spur customer acquisition and increased usage

259%*1
More new retail accounts onboarded digitally



32%*1
Growth in low-cost CASA deposits from cash management clients

77%*1
Increase in cash processed via RCBC's CashCube

Forefront of sustainable financing

RCBC is the 1st Philippine universal bank to issue green and sustainable financing instruments under global standards

MSCI
AA
ESG rating

PHP 70bn*2
Loans eligible under sustainable financing

60%*2
Of the loans eligible under sustainable financing are related to renewable energy and energy efficiency

PHP 73.89bn in total*2
Raised under the Bank's Sustainable Finance Framework from 2019

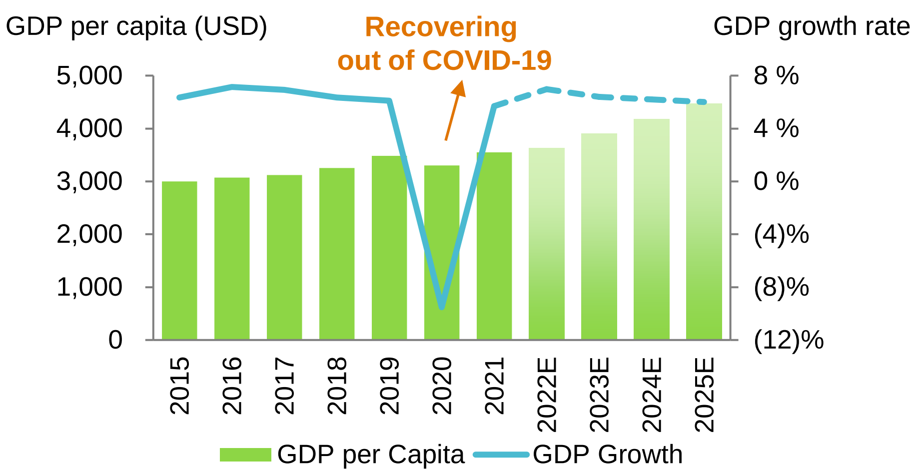
PHP 14.8bn
Raised from the issuance of ASEAN sustainability bonds in February 2022

*1 Growth versus last year (as of December 2021) *2 As of June 2022

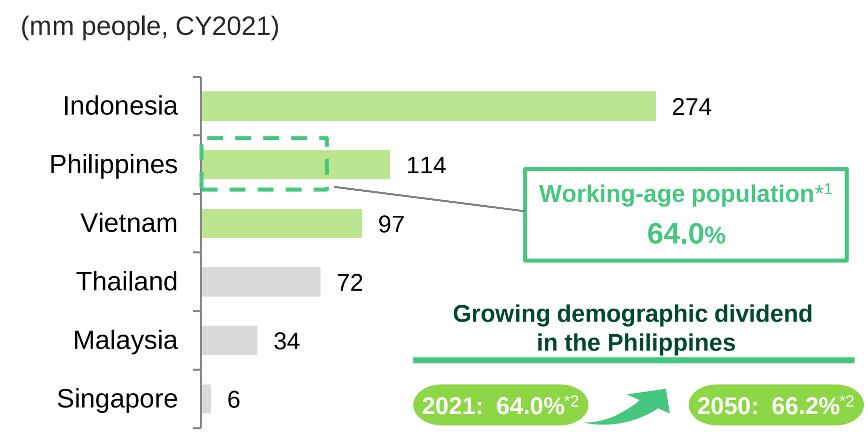
Appendix：Attractiveness of the Philippines

Philippines has strong potential for growth, as well as other focus countries in the Asian region

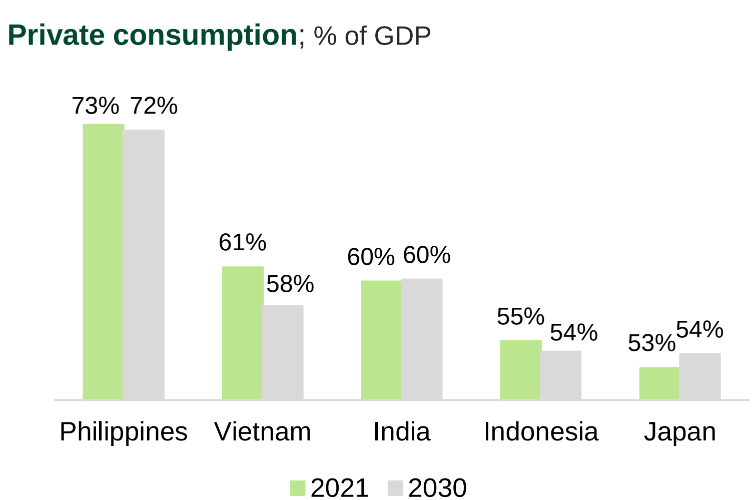
1. Stable economic growth



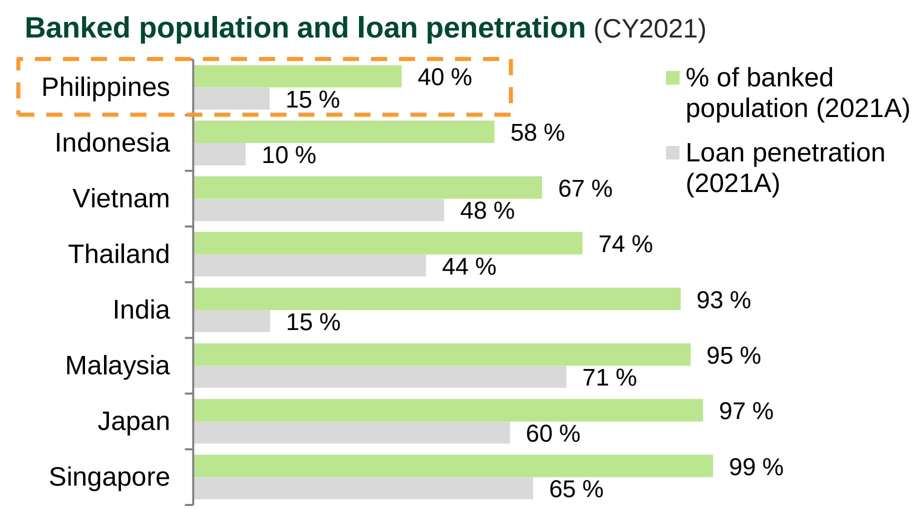
2. 2nd largest population in Southeast Asia



3. One of the highest private consumption



4. Growth potential of banking business



Source: BMI Research, FiinResearch, S&P Global Market Intelligence, Euromonitor, United Nations
*1 Population with 15-64 years old *2 Ratio of working-age population to total population