

# Investor Meeting 1H FY3/2022

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November 17, 2021



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)

	Sep. 20	Mar. 21	Sep. 21
USD	105.78	110.71	111.95
EUR	124.18	129.75	129.90

## Definitions

SMFG	Sumitomo Mitsui Financial Group, Inc.
SMBC	Sumitomo Mitsui Banking Corporation
SMBC Trust	SMBC Trust Bank
SMFL	Sumitomo Mitsui Finance and Leasing
SMBC Nikko	SMBC Nikko Securities
SMCC	Sumitomo Mitsui Card Company
SMBCCF	SMBC Consumer Finance
SMDAM	Sumitomo Mitsui DS Asset Management
SMBCAC	SMBC Aviation Capital
Major local subsidiaries	SMBC Bank International, SMBC Bank EU, SMBC (China)
Consolidated	SMFG consolidated
Non-consolidated	SMBC non-consolidated
Expenses (non-consolidated)	Excluding non-recurring losses
Net business profit	Before provision for general reserve for possible loan losses
Retail Business Unit (RT)	Domestic retail business
Wholesale Business Unit (WS)	Domestic wholesale business
Global Business Unit (GB)	International business
Global Markets Business Unit (GM)	Market / Treasury related businesses
OCI	Net unrealized gains on other securities

# Agenda

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# **I. Financial Results**

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# Income statement

**Progress rate of 1H: Consolidated net business profit 52%, Profit attributable to owners of parent 76%**  
**Raised full-year target of Profit attributable to owners of parent to JPY 670 bn.**

	(JPY bn)	1H FY3/22	YoY	FY3/22 target
1 Consolidated gross profit		1,431.3	+53.9	
2 G&A expenses		875.9	+39.5	
Overhead ratio		61.2%	+0.5%	
3 Equity in gains (losses) of affiliates	Progress	30.7	+20.5	
4 Consolidated net business profit	52%	586.1	+34.9	1,120
5 Total credit cost		26.7	(173.5)	300
6 Gains (losses) on stocks		81.2	+44.9	New 200
7 Other income (expenses)		(10.6)	+30.4	
8 Ordinary profit		630.0	+283.7	880
9 Extraordinary gains (losses)		(3.3)	+1.1	New 980
10 Income taxes		167.4	+96.0	
11 Profit attributable to owners of parent	76%	456.1	+185.9	600
12 ROE		9.4%	+3.7%	New 670

**Consolidated gross profit:** increased YoY due to steady progress of RT, WS, and GB Business Units, despite lower gains on sales of bonds in GM Business Unit.

**G&A expenses:** increased YoY mainly due to business recovery from COVID-19, as well as higher marketing cost of SMCC, which is successfully increasing new customers.

**Equity in gains of affiliates:** increased YoY mainly due to business recovery in SMFL (incl. SMBCAC) and affiliates in Asia.

**Total credit cost:** sharply decreased YoY due to the reversal of credit cost mainly from large borrowers at SMBC.

**Gains on stocks:** increased YoY due to gains on sales of stocks related to the reorganization of Kansai Mirai FG and higher gains on ETF sales.

Gains on sales of strategic shareholdings: JPY 36 bn (YoY JPY 1 bn)

**Other income:** increased YoY due to the absence of the loss from forward dealings recorded in FY3/21, which aim to mitigate risk of stock prices.

# (Ref.) Group companies

## SMBC

	(JPY bn)	1H FY3/22	YoY
1 <b>Gross banking profit</b>		746.6	(2.0)
2 o/w Net interest income		488.6	+53.0
3 o/w Gains (losses) on cancellation of investment trusts		31.0	+19.4
4 Domestic		298.7	+27.1
5 Overseas		189.9	+25.9
6 o/w Net fees and commissions		166.9	+22.7
7 Domestic		85.9	+17.5
8 Overseas		81.0	+5.2
9 o/w Net trading income+ Net other operating income		90.1	(77.8)
10 o/w Gains (losses) on bonds		27.8	(77.3)
11 <b>Expenses</b>		418.3	+20.4
12 <b>Banking profit</b>		328.3	(22.4)
13 <b>Total credit cost</b>		(24.9)	(153.5)
14 <b>Gains (losses) on stocks</b>		57.6	+23.4
15 <b>Extraordinary gains (losses)</b>		5.0	+70.4
16 <b>Net income</b>		286.2	+141.8

## Other major group companies

(left : results of 1H FY3/22 / right : YoY)

	(JPY bn)	SMBC Nikko <sup>*1</sup>	SMCC	SMBCCF
<b>Gross profit</b>		205.7 +6.8	197.7 +9.3	127.6 (3.7)
<b>Expenses</b>		156.6 +8.4	164.2 +11.6	58.3 +6.2
<b>Net business profit</b>		49.1 (1.6)	33.3 (2.7)	69.3 (9.9)
<b>Net income</b>		36.2 (4.0)	14.8 (4.1)	32.1 (11.7)

(Equity method affiliate)

	SMBC Trust	SMDAM 50%	SMFL <sup>*2</sup> 50%
<b>Gross profit</b>	21.9 +3.7	19.0 +3.1	108.3 +28.0
<b>Expenses</b>	21.9 (0.3)	14.8 (1.2)	49.7 +8.4
<b>Net business profit</b>	0.0 +4.0	4.2 +4.3	63.0 +21.8
<b>Net income</b>	(0.2) +5.8	2.7 +3.3	35.9 +23.2

\*1 Including profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG)

\*2 Managerial accounting basis

# FY3/2022 target

Revised full-year target mainly due to decrease of credit costs.

## Consolidated

(JPY bn)	1H FY3/22		FY3/22	
	Initial target	Results	Initial target	New target
<b>Consolidated net business profit</b>	550	586.1	1,120	1,120
<b>Total credit cost</b>	160	26.7	300	200
<b>Ordinary profit</b>	430	630.0	880	980
<b>Profit attributable to owners of parent</b>	300	456.1	600	670

## Non-consolidated

(JPY bn)	1H FY3/22		FY3/22	
	Initial target	Results	Initial target	New target
<b>Banking profit</b>	290	328.3	615	675 <sup>*1</sup>
<b>Total credit cost</b>	100	(24.9)	170	80
<b>Ordinary profit</b>	240	415.8	530	660 <sup>*2</sup>
<b>Net income</b>	170	286.2	370	460

\*1 Raised the target mainly due to the dividends from group company planned in 2H. (Eliminated in consolidated figures)

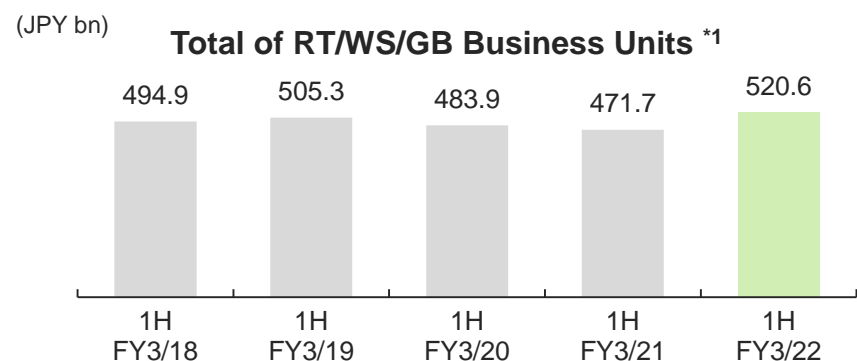
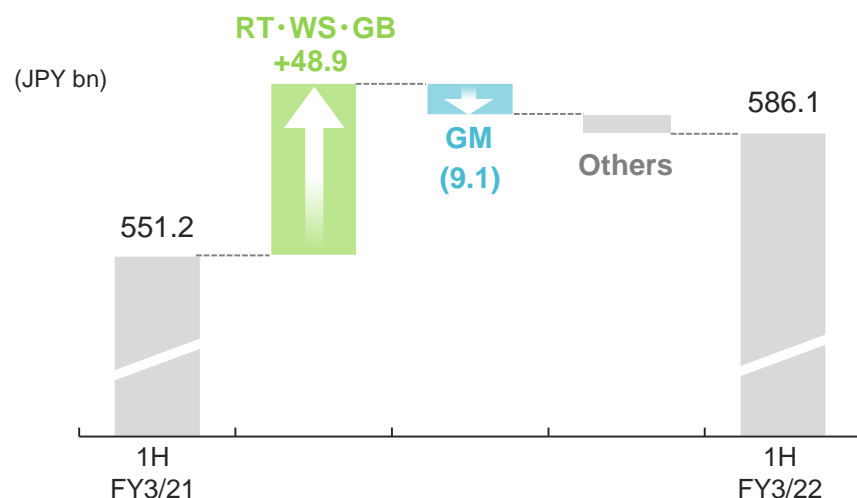
\*2 Recorded impairment on investment in the Bank of East Asia in 2Q. (Eliminated in consolidated figures)

# Impact of COVID-19 (1) Consolidated net business profit

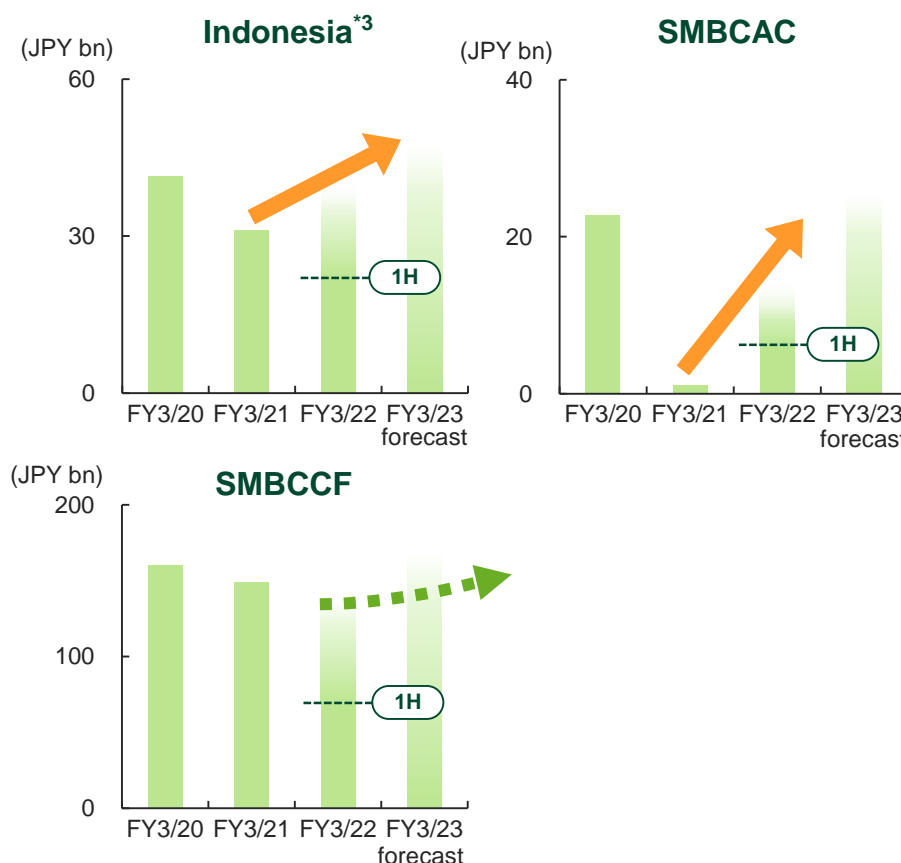
Increased due to business recovery in the RT, WS, and GB Business Units.

Businesses in Indonesia and aircraft leasing are expected to recover to the pre-COVID level in FY3/23.

## Consolidated net business profit



## Businesses impacted by COVID-19\*2



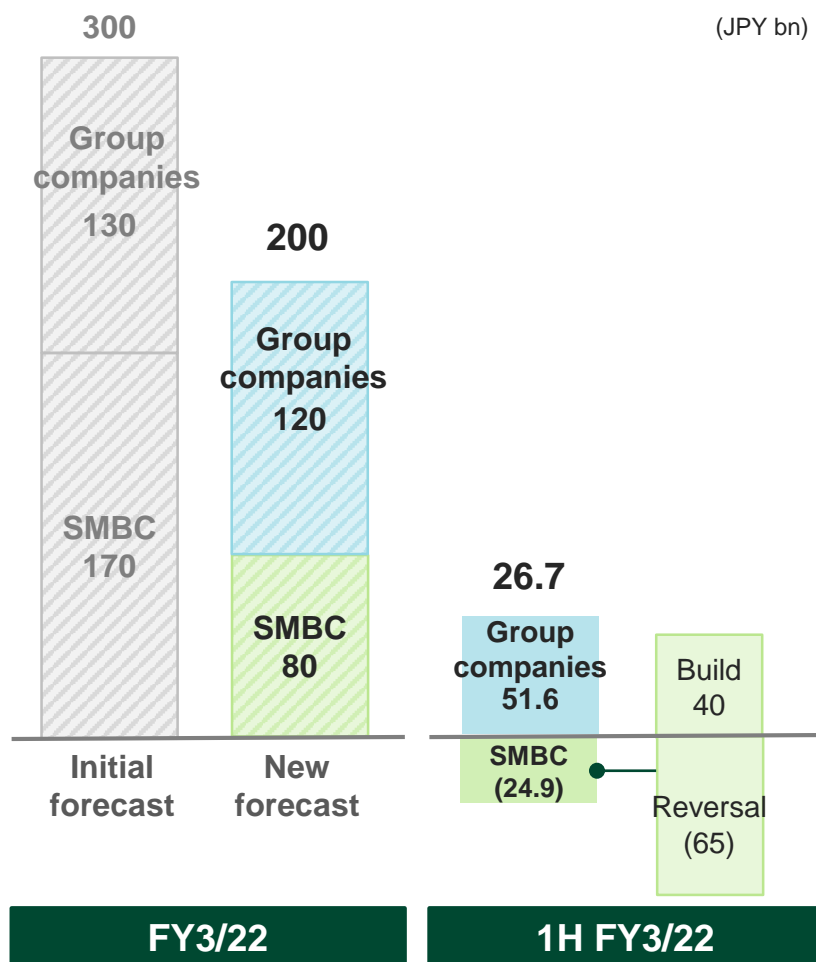
\*1 Reflecting the change in the management accounting system in FY3/22

\*2 Contribution to consolidated net business profit \*3 Total of Bank BTPN, Oto Multiartha and Summit Oto Finance

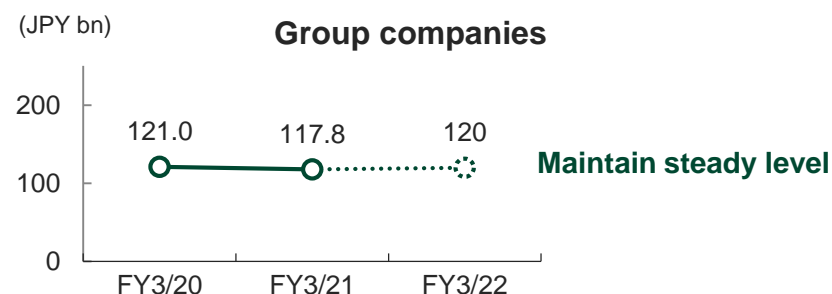
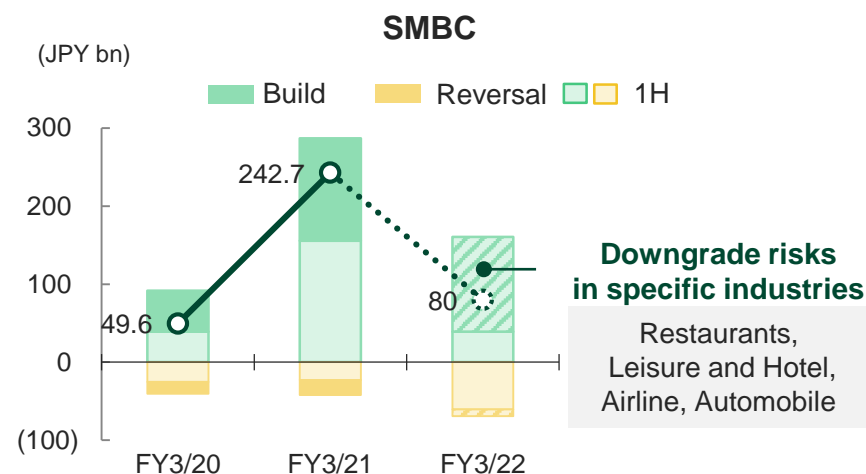


## Impact of COVID-19 (2) Credit cost

Full-year forecast was revised to JPY 200 bn. Credit cost in 1H sharply decreased due to the reversals, but there are some downgrade risks in specific industries in 2H.



### Breakdown of credit costs



## (Ref.) Impact of COVID-19 Summary

	FY3/22				(Ref.) FY3/21			
	COVID-19 impact *1		Result		COVID-19 impact*1		Result	
	1H		1H	New target	1H		1H	
	A	B	C	D	E	F	G	H
(JPY bn)								
Consolidated net business profit	(30)	(70)	586.1	1,120	(60)	(100)	551.2	1,084.0
Total credit cost	(65)	-	26.7	200	+ 100	+ 170	200.2	360.5
Profit attributable to owners of parent	+ 25	(50)	456.1	670	(110)	(190)	270.1	512.8

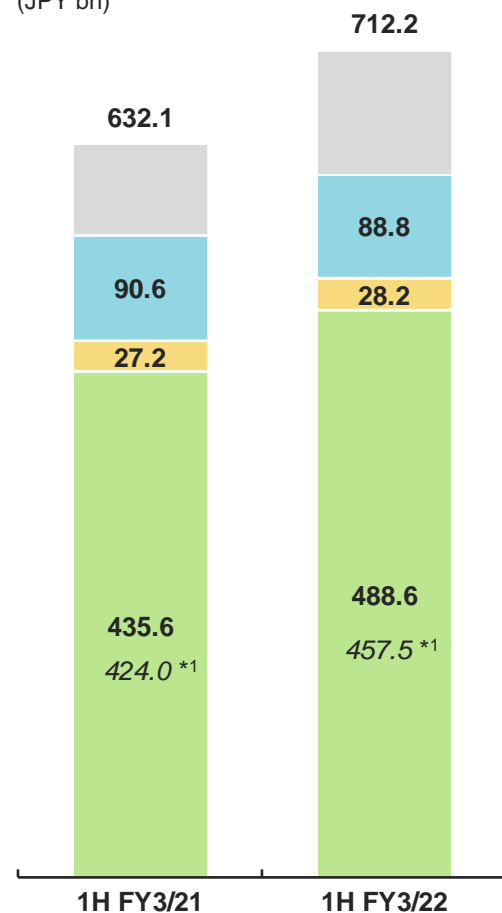
\*1 In round numbers

# Consolidated gross profit

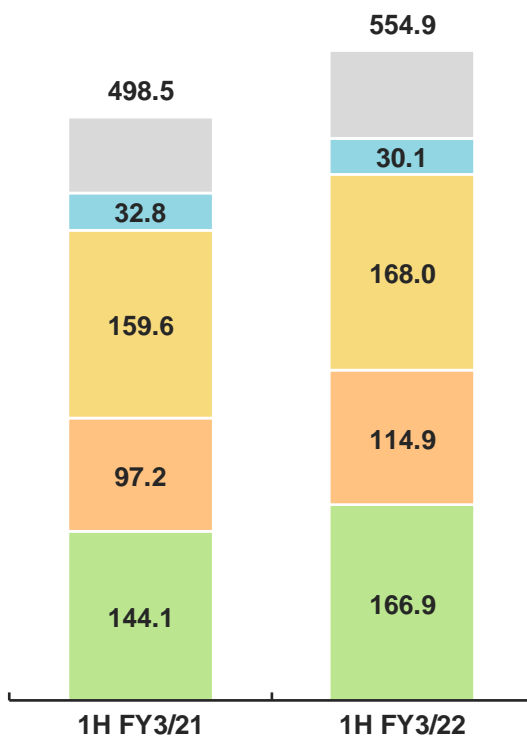
■ SMBC ■ SMBC Nikko ■ SMCC ■ SMBCCF ■ Others

## Net interest income

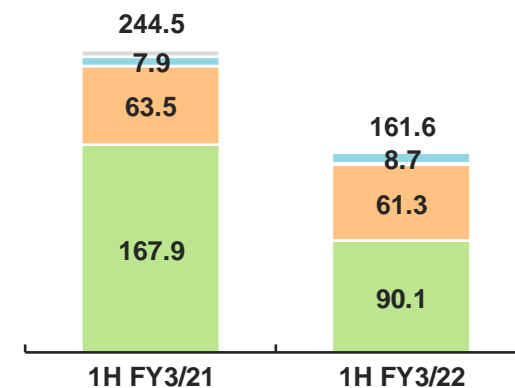
(JPY bn)



## Net fees and commissions



## Net trading income + Net other operating income



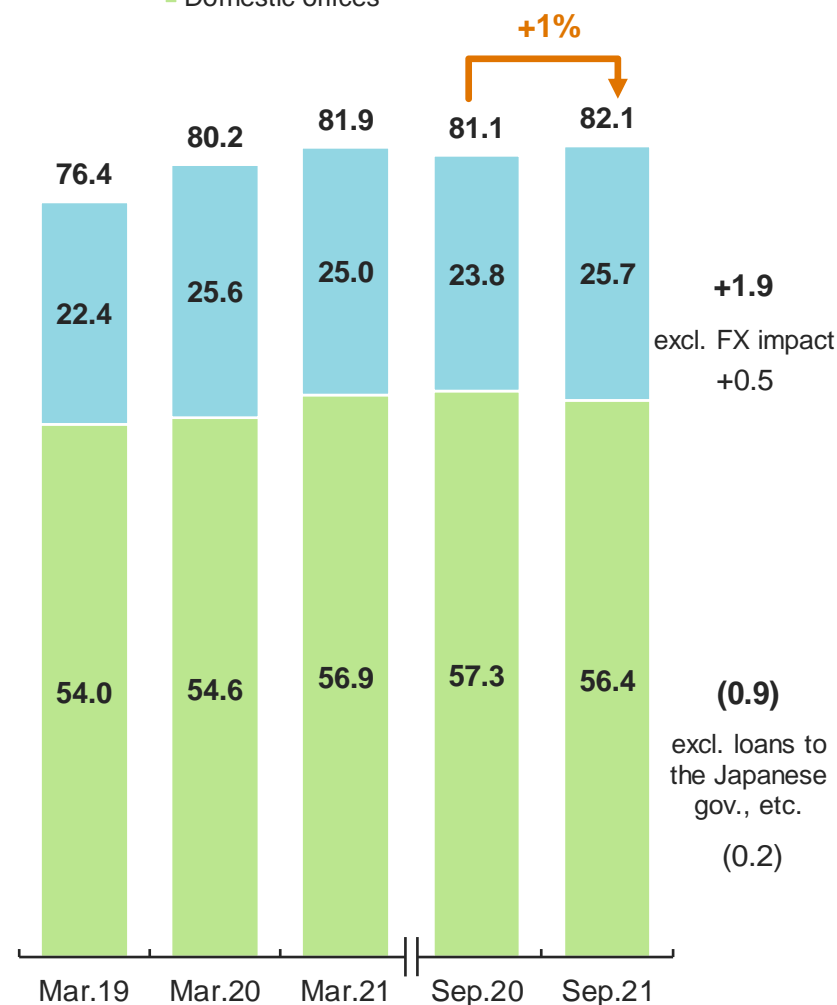
\*1 Excluding gains on cancellation of investment trusts

# Loans\*1

## Loan balance

(JPY tn)

- Overseas offices and Japan offshore banking accounts
- Domestic offices



## Domestic loan-to-deposit spread

	1H FY3/22	YoY	1Q	2Q
(%)				
Interest earned on loans and bills discounted	0.85	+0.02	0.85	0.85
Interest paid on deposits, etc.	0.00	(0.00)	0.00	0.00
Loan-to-deposit spread	0.85	+0.02	0.85	0.85
(Ref.) Excludes loans to the Japanese government, etc.				
Interest earned on loans and bills discounted	0.86	+0.00	0.86	0.86
Loan-to-deposit spread	0.86	+0.00	0.86	0.86

## Average loan balance and spread\*2

	Balance (JPY tn)		Spread (%)	
	1H FY3/22	YoY*4	1H FY3/22	YoY
Domestic loans	55.2	(1.4)	0.72	+0.02
Excluding loans to the Japanese government, etc.	52.8	(0.8)	0.74	+0.01
o/w Large corporations	18.7	(0.3)	0.53	+0.03
o/w Mid-sized corporations & SMEs	19.0	+0.2	0.61	+0.00
o/w Individuals	12.1	(0.4)	1.38	(0.05)
GBU's interest earning assets*3	332.2 USD bn	(13.7) USD bn	1.17	+0.03

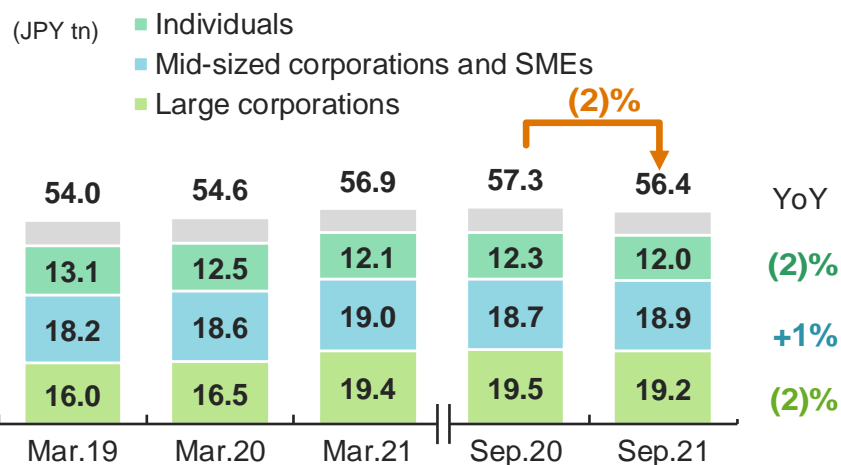
\*1 Non-consolidated \*2 Managerial accounting basis

\*3 Sum of SMBC, Major local subsidiaries and SMBC Trust, etc. Sum of loans, trade bills, and securities

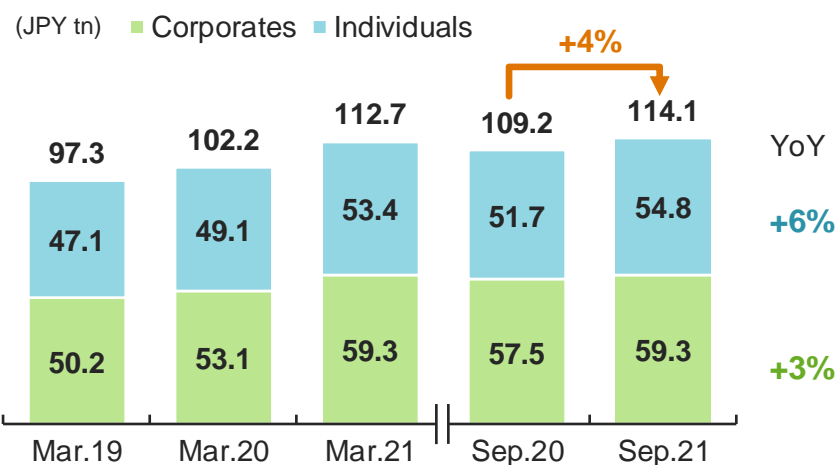
\*4 After adjustments for exchange rates, etc.

# Domestic loans and deposits\*1

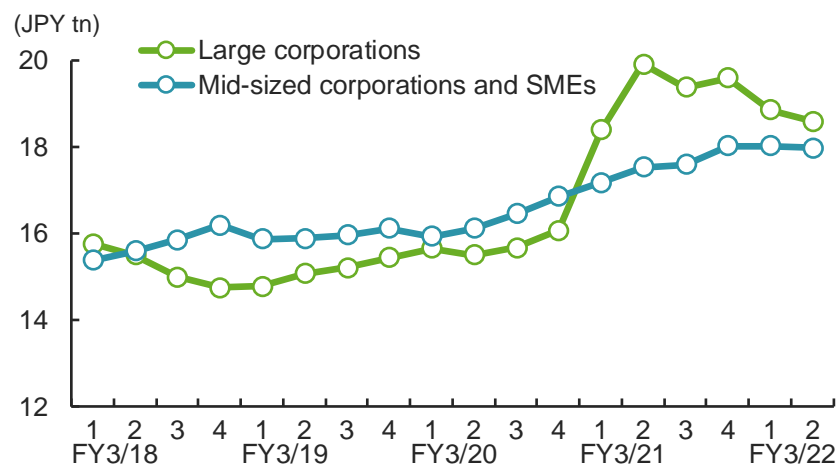
## Loan balance\*2



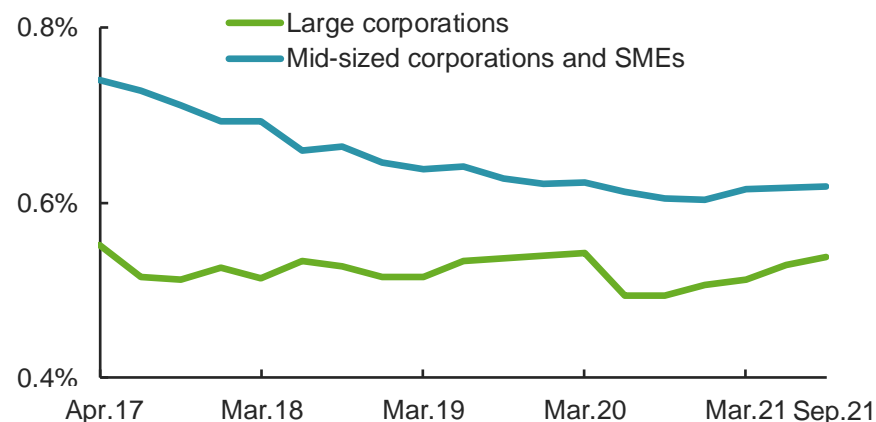
## Deposit balance



## Loan average balance for corporates\*2,3



## Loan spread for corporates\*2,4



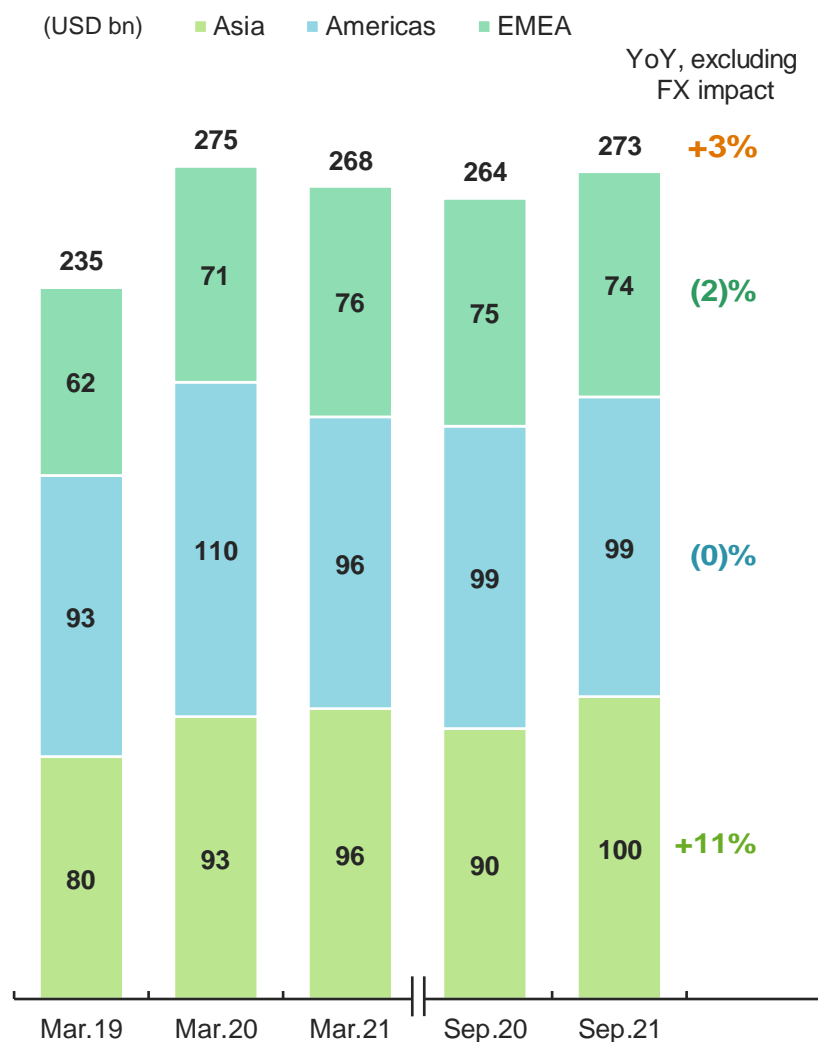
\*1 Non-consolidated \*2 Managerial accounting basis \*3 Quarterly average, excluding loans to the Japanese government.

Figures for SMEs are the outstanding balance of Corporate banking division

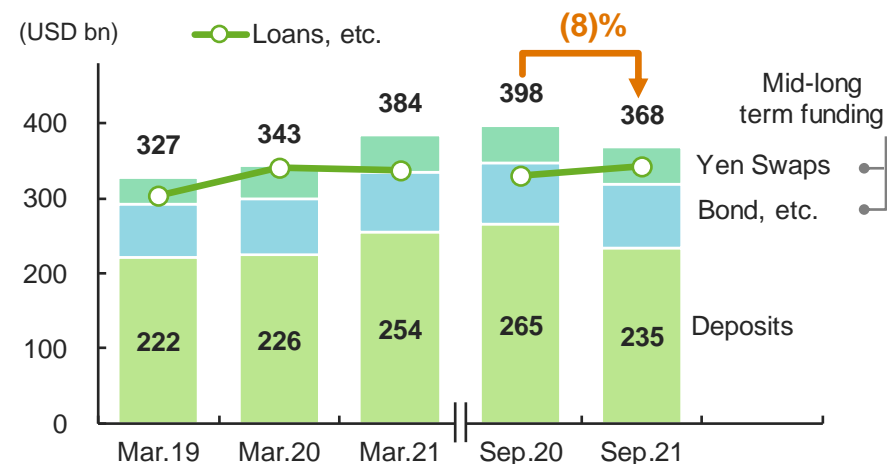
\*4 Loan spread of existing loans, excluding loans to the Japanese government

# Overseas loans and deposits\*1

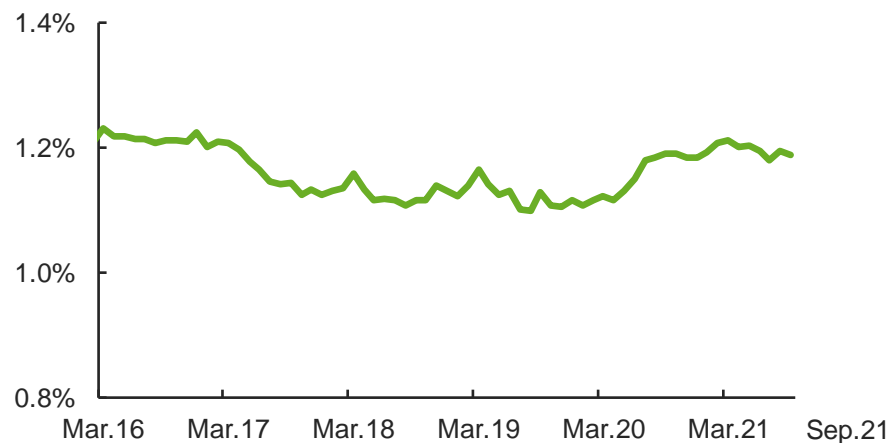
## Loan balance



## Foreign currency balance



## Loan spread\*2

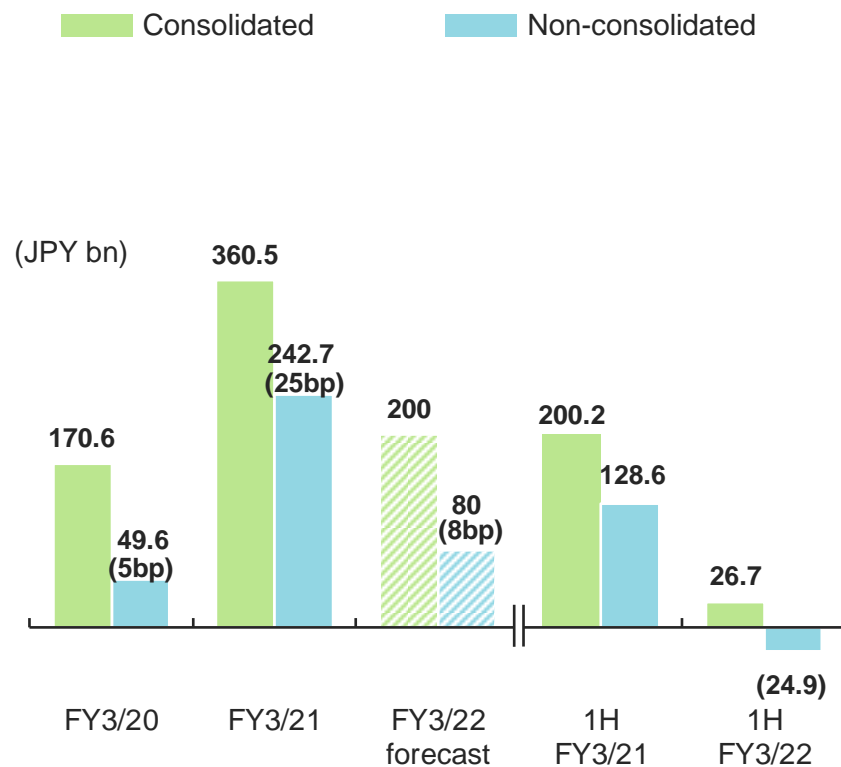


\*1 Managerial accounting basis. Sum of SMBC and Major local subsidiaries

\*2 Monthly average loan spread of existing loans

# Asset quality

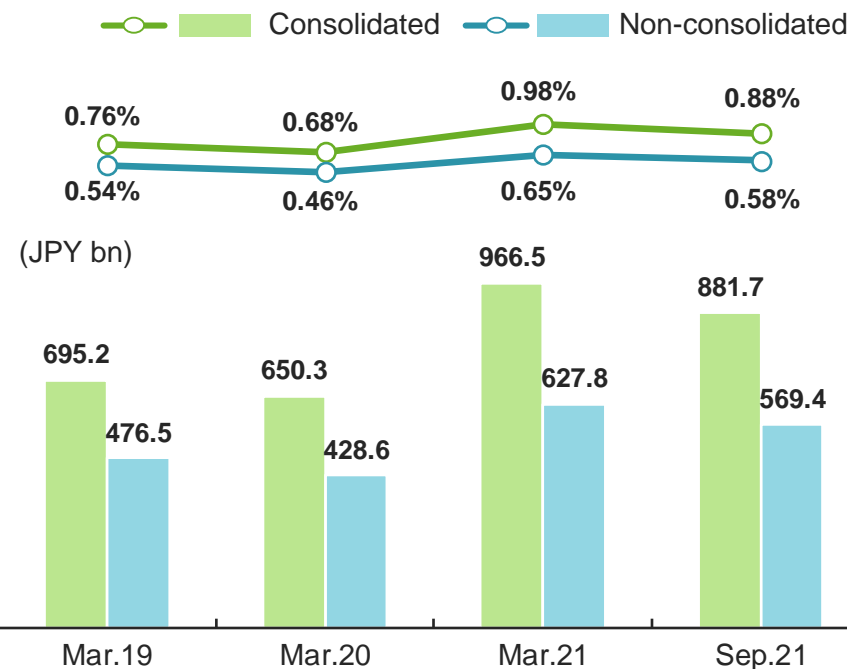
## Credit costs<sup>\*1</sup>



## Major group companies

(JPY bn)	1H FY3/22	YoY
SMBCCF	30	+3
SMCC	11	(0)
Overseas subsidiaries	10	(13)

## Non-performing loan balance<sup>\*2</sup>



## Total claims

	96	99	100
Consolidated			
Non-consolidated	93	96	97

## Claims on borrowers requiring caution (excluding claims to substandard borrowers)

	0.9	1.9	2.0
Non-consolidated			

\*1 Total credit cost ratio = Total credit cost / Total claims

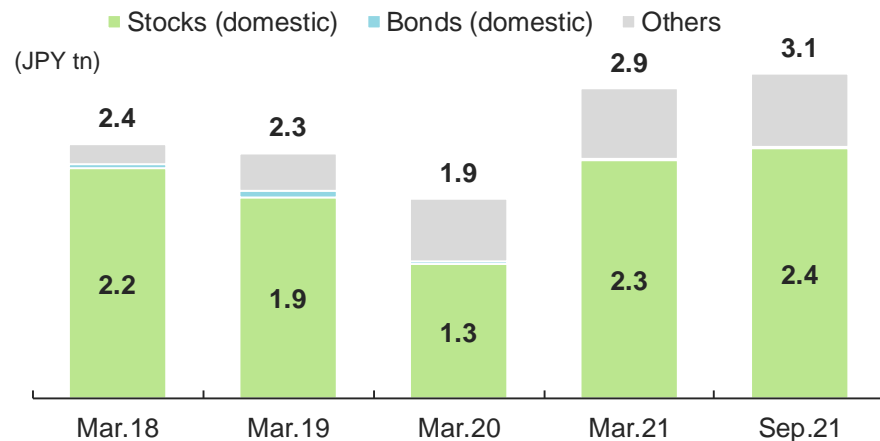
\*2 NPL ratio = NPLs based on the Financial Reconstruction Act (excluding normal assets) / Total claims

# Securities (1)

## Breakdown of other securities (consolidated)

	B/S amount		Unrealized gains (losses)	
	Sep.21	vs Mar.21	Sep.21	vs Mar.21
(JPY bn)				
<b>Total</b>	36,089.6	(321.6)	3,072.2	+140.4
Stocks (domestic)	3,769.8	+76.5	2,364.5	+108.8
Bonds (domestic)	17,042.1	(613.1)	11.7	+3.7
o/w JGBs	13,446.0	(847.6)	(11.8)	+2.3
Others	15,277.7	+215.0	696.1	+27.9
o/w Foreign bonds	12,169.2	+59.1	(19.1)	(20.4)

## Unrealized gains

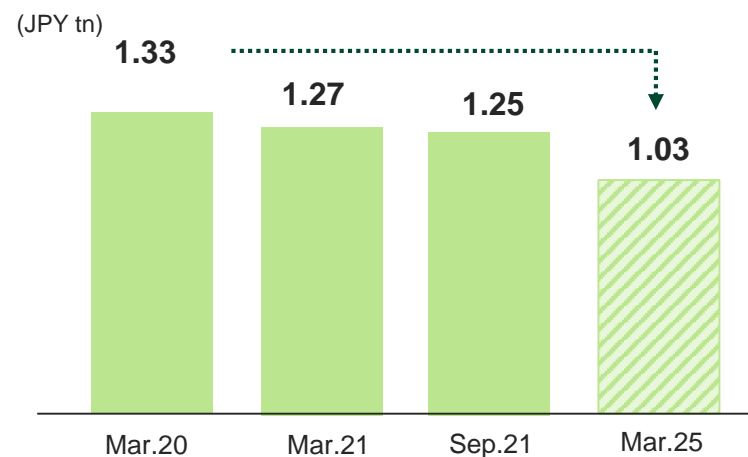


## Strategic shareholdings

<b>Progress as of Sep.21</b>	FY3/21	JPY 55 bn
	1H FY3/22	JPY 21 bn
	<b>Total Reduction</b>	<b>JPY 76 bn</b>
	Consent of sales from clients outstanding	JPY 48 bn
	<b>Reduction + Consent</b>	<b>JPY 124 bn</b>

## Reduction plan

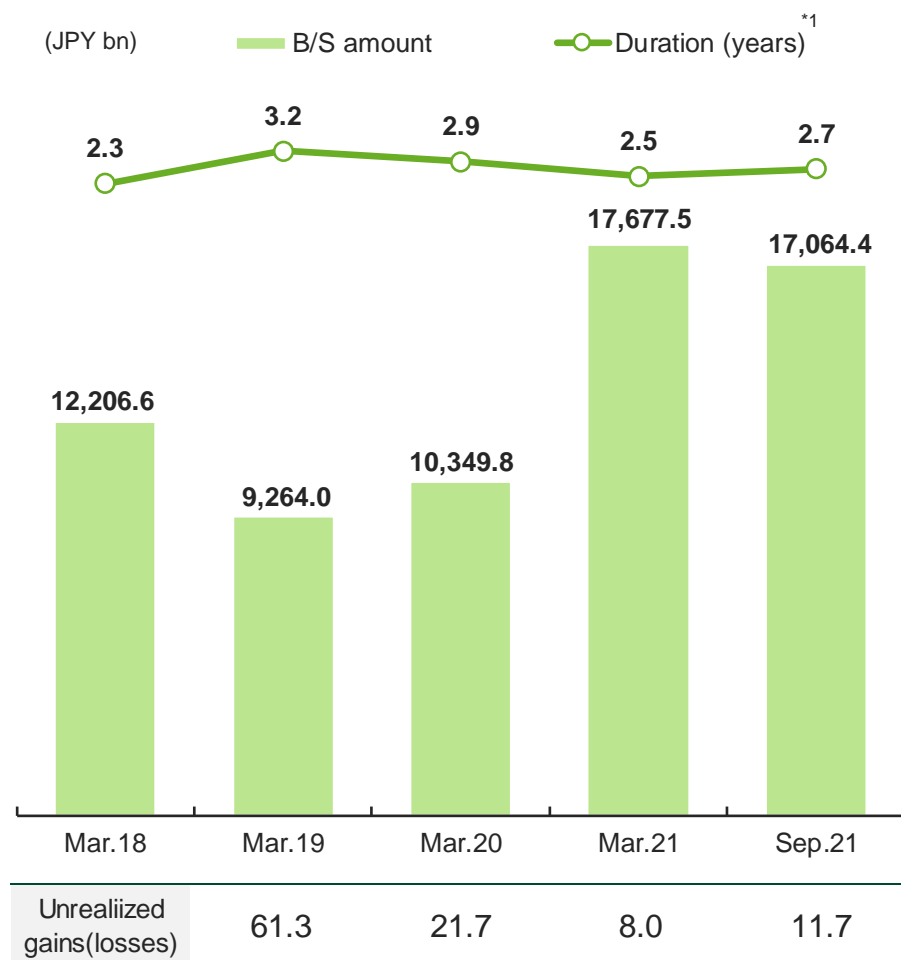
Reduce JPY 300 bn in 5 years (FY3/21-FY3/25)



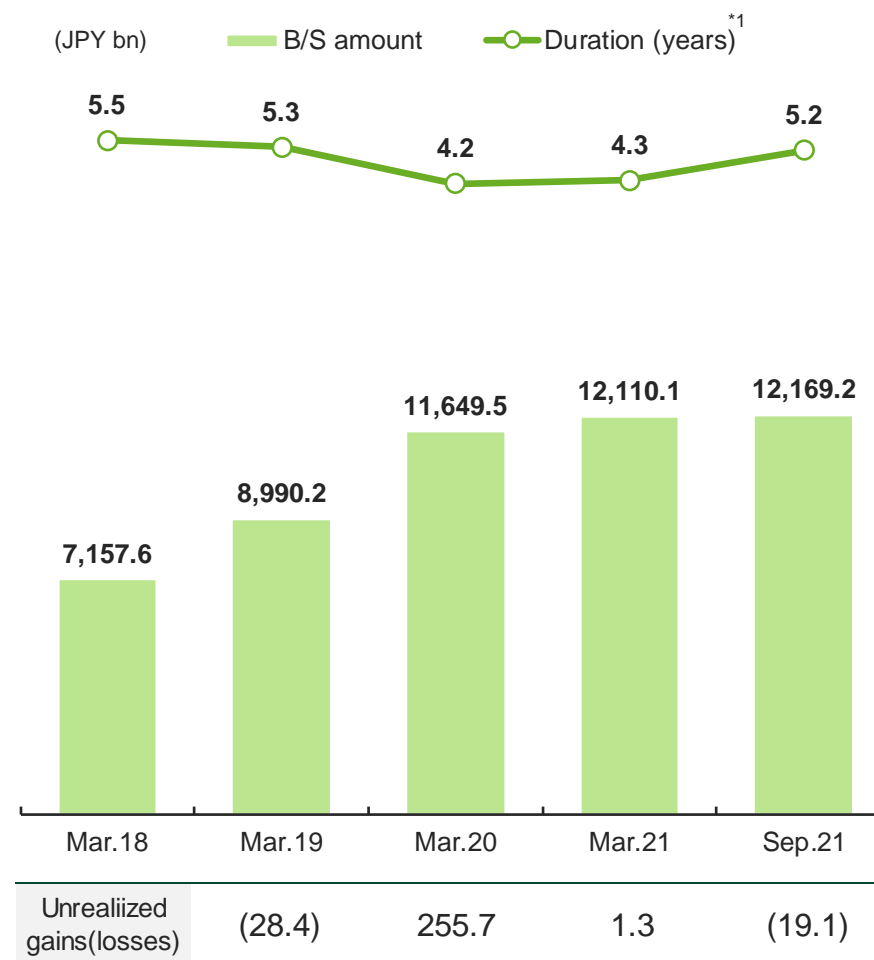


# Securities (2)

## Yen-denominated bonds (consolidated)



## Foreign bonds (consolidated)



<sup>\*1</sup> Non-consolidated. Excluding bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero.

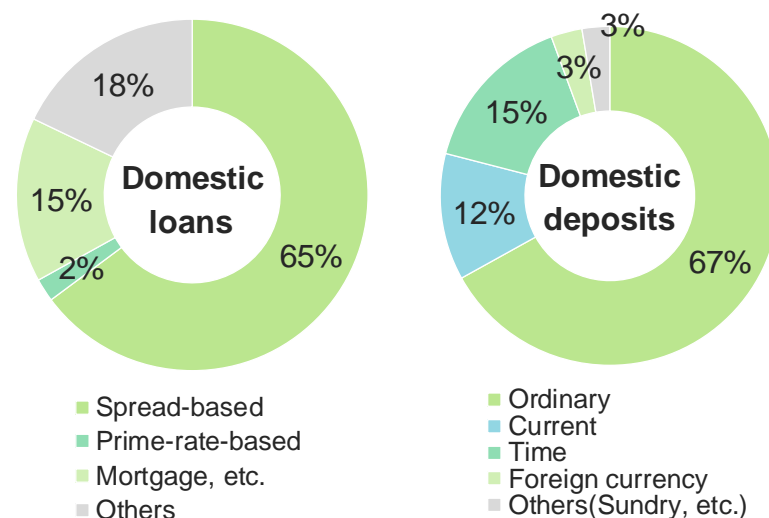
# Balance sheet

## Consolidated

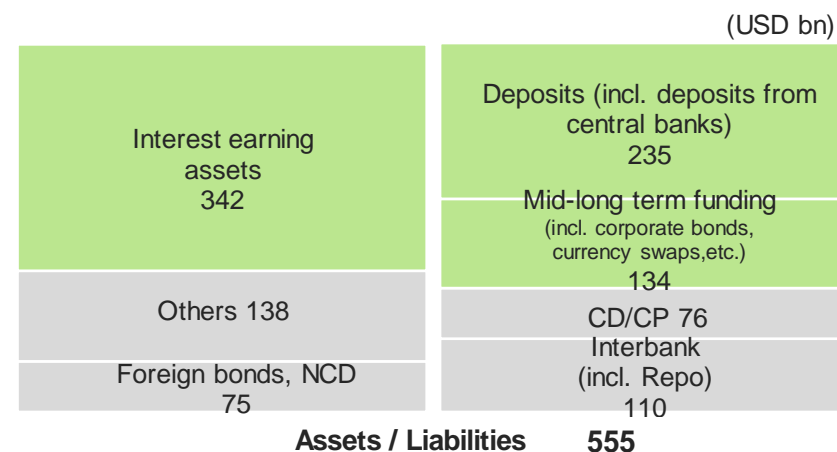
	(JPY tn)	Sep.21	vs Mar.21
<b>Total assets</b>		<b>241.3</b>	<b>(1.2)</b>
o/w Cash and due from banks		70.9	(1.6)
o/w BOJ's current account balance <sup>*1</sup>		56.8	(3.0)
o/w Loans		85.0	(0.1)
o/w Domestic loans <sup>*1</sup>		56.4	(0.5)
o/w Large corporations <sup>*2</sup>		19.2	(0.2)
55 Mid-sized corporations & SMEs <sup>*2</sup>		18.9	(0.1)
55 Individuals <sup>*2</sup>		12.0	(0.2)
o/w Securities		36.3	(0.3)
o/w Other securities		36.1	(0.3)
o/w Stocks		3.8	+0.1
55 JGBs		13.4	(0.8)
55 Foreign bonds		12.2	+0.1
<b>Total liabilities</b>		<b>229.0</b>	<b>(1.7)</b>
o/w Deposits		141.3	(0.7)
o/w Domestic deposits <sup>*1</sup>		114.1	+1.4
Individuals		54.8	+1.3
Corporates		59.3	+0.1
o/w NCD		12.0	(0.6)
<b>Total net assets</b>		<b>12.4</b>	<b>+0.5</b>
<b>Loan to deposit ratio</b>		<b>55.5%</b>	

<sup>\*3</sup>

## Composition of loans and deposits<sup>\*1,2</sup>



## Non-JPY B/S<sup>\*2,4</sup>



<sup>\*1</sup> Non-consolidated <sup>\*2</sup> Managerial accounting basis <sup>\*3</sup> After adding back the portion of housing loans securitized in 1H, FY3/22 of JPY53.3bn <sup>\*4</sup> Sum of SMBC and major local subsidiaries

# Capital / RWA

	Sep. 21	Requirement*1
<b>Capital ratio</b>		
Total capital ratio	<b>18.28%</b>	11.5%
CET1 ratio (Basel III fully-loaded basis)	<b>15.92%</b>	8%
excl. OCI	<b>12.7%</b>	-
CET1 ratio (Post-Basel III reforms)	<b>11.7%</b>	8%
excl. OCI	<b>10.0%</b>	-
<b>External TLAC ratio</b>		
RWA basis	<b>25.67%</b>	16%
Leverage exposure basis	<b>10.03%</b>	6%
<b>Leverage ratio</b>	<b>5.79%</b>	3%
<b>LCR (Average 2Q FY3/22)</b>	<b>144.7%</b>	100%

	(JPY bn)	Mar. 21	Sep. 21
<b>Total capital</b>		<b>12,289.3</b>	<b>12,563.1</b>
Tier1 capital		11,199.3	11,577.4
o/w CET1 capital		10,562.8	10,938.9
Tier2 capital		1,090.0	985.7
<b>External TLAC</b>		<b>19,373.3</b>	<b>20,052.9</b>
<b>Risk-weighted assets</b>		<b>66,008.0</b>	<b>68,689.4</b>
<b>Leverage exposure</b>		<b>198,170.8</b>	<b>199,852.5</b>

\*1 Excluding countercyclical buffer

## Results by business unit (1)

	ROCET1 <sup>*1,2</sup>			Net Business Profit (JPY bn) <sup>*2</sup>			RWA (JPY tn) <sup>*2</sup>		
	1H FY3/22	YoY	FY3/23 Target <sup>*3</sup>	1H YF3/22	YoY	FY3/23 Target <sup>*3</sup>	1H FY3/22	YoY	FY3/21-23 <sup>*3</sup>
Retail	8.3%	(0.7)%	12%	104.0	+0.1	305.0	12.5	+0.2	+0.4
Wholesale	9.7%	+5.1%	9%	210.9	+36.0	405.0	30.4	(0.1)	+1.1
Global	10.2%	+3.6%	9%	205.7	+12.8	430.0	36.1	+1.1	+2.5
Global markets	21.8%	(0.3)%	17%	225.5	(9.1)	365.0	6.1	+0.7	+1.7

\*1 Excluding impact from the provision for losses on interest repayments for Retail

Excluding the impact from the medium- to long-term foreign currency funding costs for Wholesale and Global

Including impact from the interest-rate risk associated to the banking account for Global Markets

\*2 Results and YoY are managerial accounting basis of FY3/22.

After adjustments of the changes of interest rates and exchange rates \*3 Managerial accounting basis of FY3/21

## Results by business unit (2)

### Retail

(JPY bn)	1H FY3/22	YoY*1
Gross profit	568.1	+20.9
Income on loans and deposits*2	58.6	(2.7)
Wealth management business	148.2	+19.0
Payment business	195.0	+7.3
Consumer finance business	144.1	(3.9)
Expenses	464.9	+20.4
Base expenses	367.5	+1.2
Net business profit	104.0	+0.1
ROCET1*3	8.3%	▲0.7%
RWA (JPY tn)	12.5	+0.2

### Wholesale

(JPY bn)	1H FY3/22	YoY*1
Gross profit	329.5	+34.5
Income on loans and deposits	106.9	+2.9
FX and money transfer fees	62.3	+6.0
SMBC Loan syndication	19.0	(1.3)
Structured finance	6.8	+2.4
Real estate finance	7.5	+4.3
Securities business	28.6	+4.5
Expenses	148.9	+4.4
Base expenses	144.9	+3.1
Net business profit	210.9	+36.0
ROCET1*4	9.7%	+5.1%
RWA (JPY tn)	30.4	△0.1

\*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 med-long-term funding costs

## Results by business unit (3)

### ■ Global

(JPY bn)	1H FY3/22	YoY <sup>*1</sup>
Gross profit	394.5	+23.0
Income on loans and deposits	161.8	+15.0
Loan related fees	72.6	+7.0
Securities business	34.9	(8.2)
Expenses	213.9	+24.3
Base expenses	206.5	+21.6
Net business profit	205.7	+12.8
ROCET1 <sup>*2</sup>	10.2%	+3.6%
RWA (JPY tn)	36.1	+1.1

### ■ Global markets

(JPY bn)	1H FY3/22	YoY <sup>*1</sup>
Gross profit	250.9	(7.5)
SMBC's Treasury Unit	191.8	(2.2)
Expenses	43.0	+2.1
Base expenses	41.9	+2.1
Net business profit	225.5	(9.1)
ROCET1 <sup>*3</sup>	21.8%	(0.3)%
RWA (JPY tn)	6.1	+0.7

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

\*2 Excluding impact from med-long term funding costs

\*3 Including impact from the interest-rate risk associated to the banking account

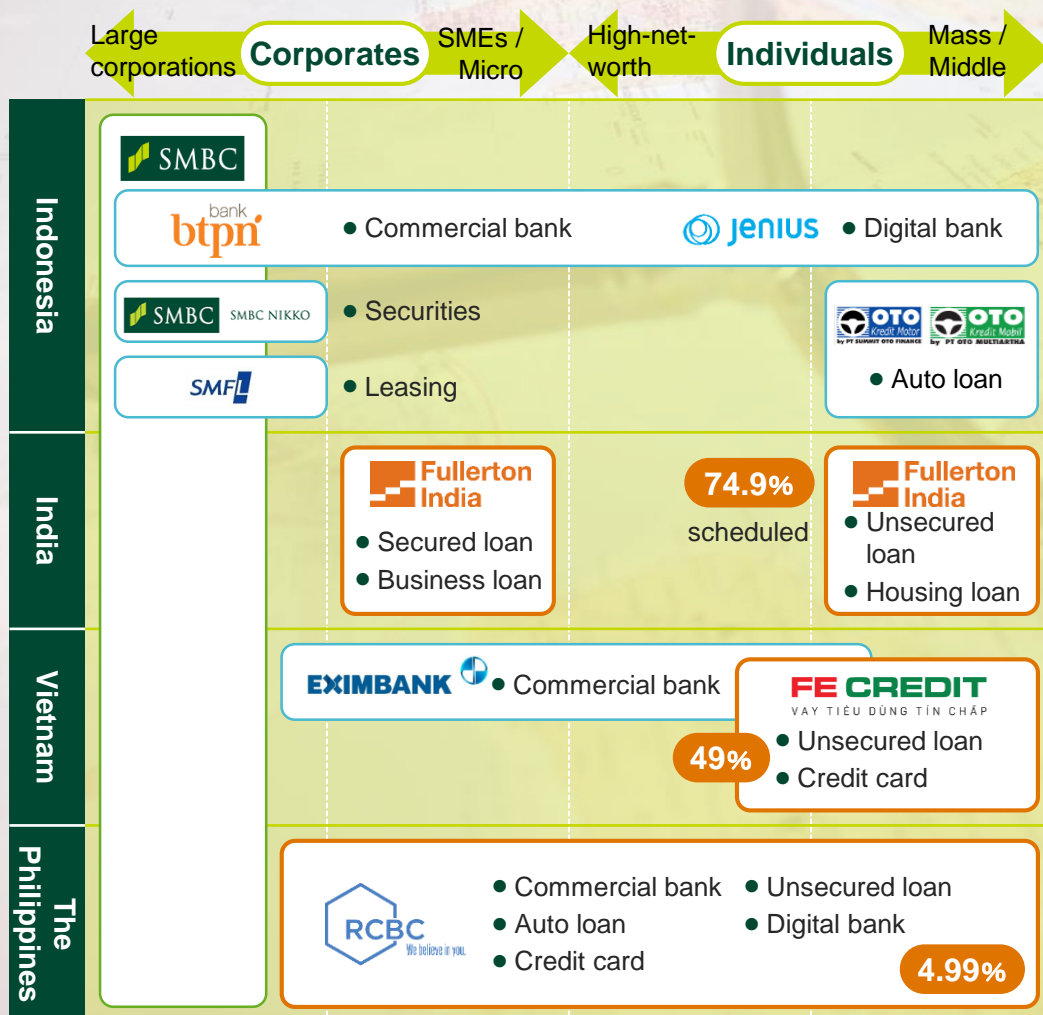


## **II. Aim for growth with quality**

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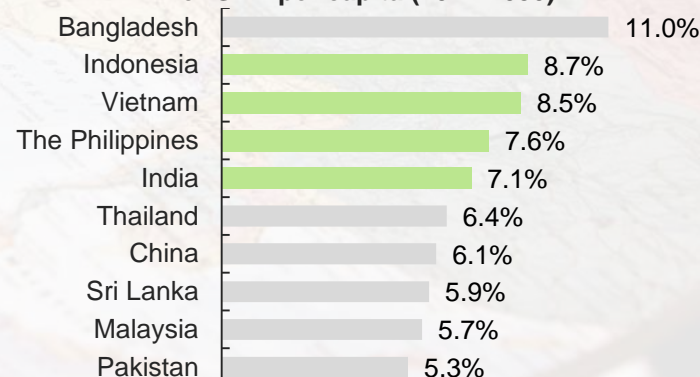
# Create a second and third SMBC Group

Executing the multi-franchise strategy to build a platform and capture growth in each country.  
Announced investments in target countries with high growth potential.



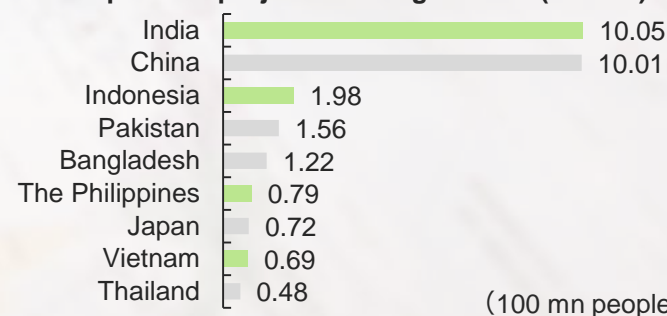
## Strong economic growth\*<sup>1</sup>

Projected average annual growth rate of GDP per capita (2021-2030)



## Working-age population supporting economic growth\*<sup>1</sup>

Population projection for ages 15-65 (in 2027)

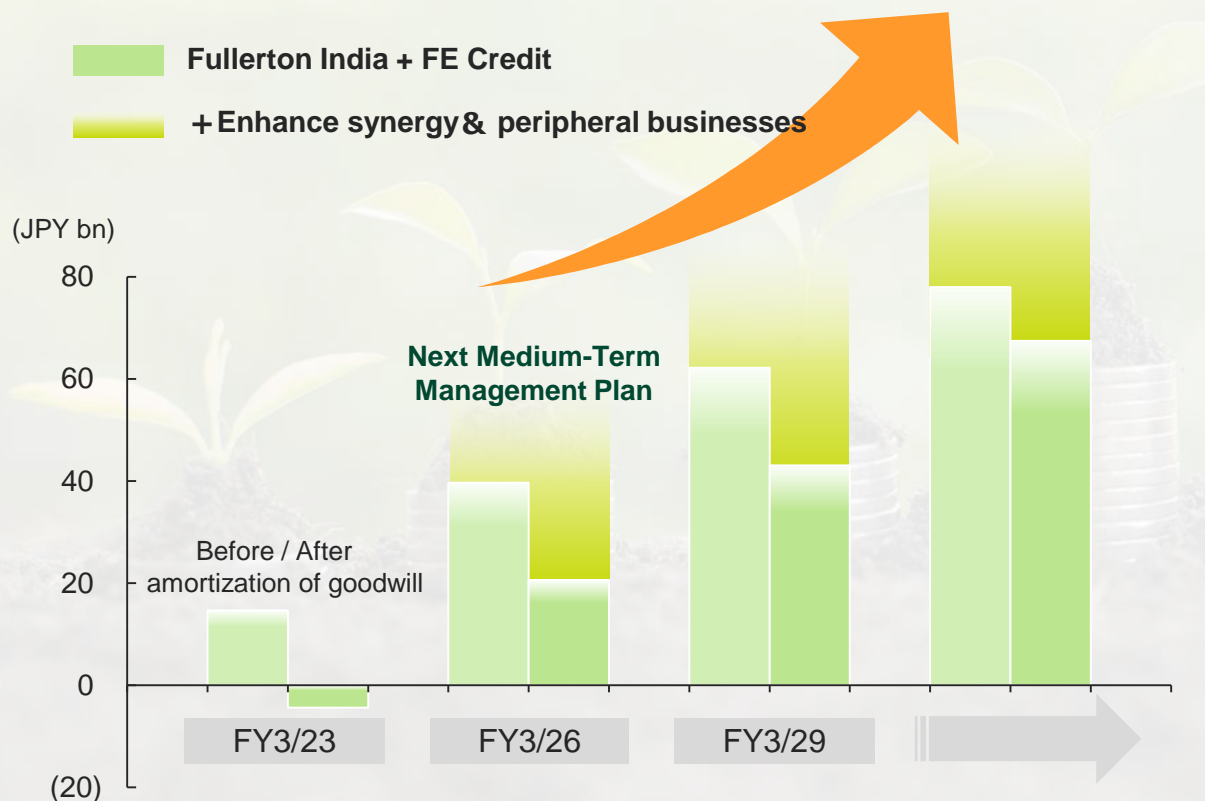




# Capture growth in Asia

Draw J-curve growth in bottom-line profit by enhancing synergies and expanding business areas.

## Bottom-line profit contribution in medium-to long-term



### India



Investment	JPY 220 bn
Voting rights	74.9%

### Vietnam



Investment	Max. JPY 150 bn
Voting rights	49%

### The Philippines



Investment	JPY 10 bn
Voting rights	4.99%

# Enhance overseas CIB business -Alliance with Jefferies-

Collaborate with Jefferies to improve our presence in the highly growing U.S. securities market. Started collaborations in the three areas of Sub-IG, cross-border M&A, and healthcare.

1

## U.S. Sub-Investment Grade

Expand businesses with Sub-IG clients through joint underwriting of LBOs and collaboration in IB deals

**Finance income + IB business income**

2

## Cross-border M&A

Provide proposals for Japanese clients utilizing Jefferies' global knowledge and network

**Joint FA in Japanese cross-border large M&A**

3

## Healthcare

Leverage Jefferies' industry-leading coverage as well as SMBC's customer base and balance sheet

**M&A advisory and ECM in large-scale deals**

### League table\*<sup>1</sup> Jefferies

Global M&A			
Rank	Investment Bank	Fee Market Share	Δ since FY 2016
1	Goldman Sachs	11.5%	
2	JPMorgan	9.5%	
3	Morgan Stanley	7.4%	
4	BofA Securities	5.4%	
5	Citi	3.9%	
6	<b>Jefferies</b>	<b>3.8%</b>	<b>↑ from 13</b>
7	Barclays	3.4%	
8	Credit Suisse	3.2%	

U.S. Sponsor Backed LBO Financings			
Rank	Investment Bank	Fee Market Share	# of transactions
1	Credit Suisse	8.1%	100
2	BofA Securities	6.9%	81
3	<b>Jefferies</b>	<b>6.6%</b>	<b>79</b>
4	JPMorgan	6.3%	43
5	Barclays	6.1%	85
6	Antares Capital	5.6%	66
7	Deutsche Bank	5.0%	71
8	Goldman Sachs	4.7%	60

# Aim for growth with quality

Focus on Post-merger Integration (PMI) and enhancing alliances with investees, while pursuing high-quality growth opportunities with discipline.

## Discipline

### Investment criteria

Fits with our strategy

ROCE1  $\geq$  8.5%

Risk is manageable

### Review existing portfolio

Examples

Deconsolidation of  
Kansai regional banks

Deconsolidation of SMFL

## Target

### 1 High asset / capital efficiency

Aircraft leasing

LBO

New business areas (ESG, etc.)

### 2 Future platforms

Asia

Digital

Securities

Trust

Asset Management

## Direction

- **Focus on PMI of investees in Asia. Consider additional investments / acquiring related businesses.**
- **Enhance group function through alliances with investees.**
- **Flexible acquisition of profitable assets.**

Fullerton  
India

RCBC  
We believe in you.

FE CREDIT  
VAY TIÊU DÙNG TÍN CHẤP

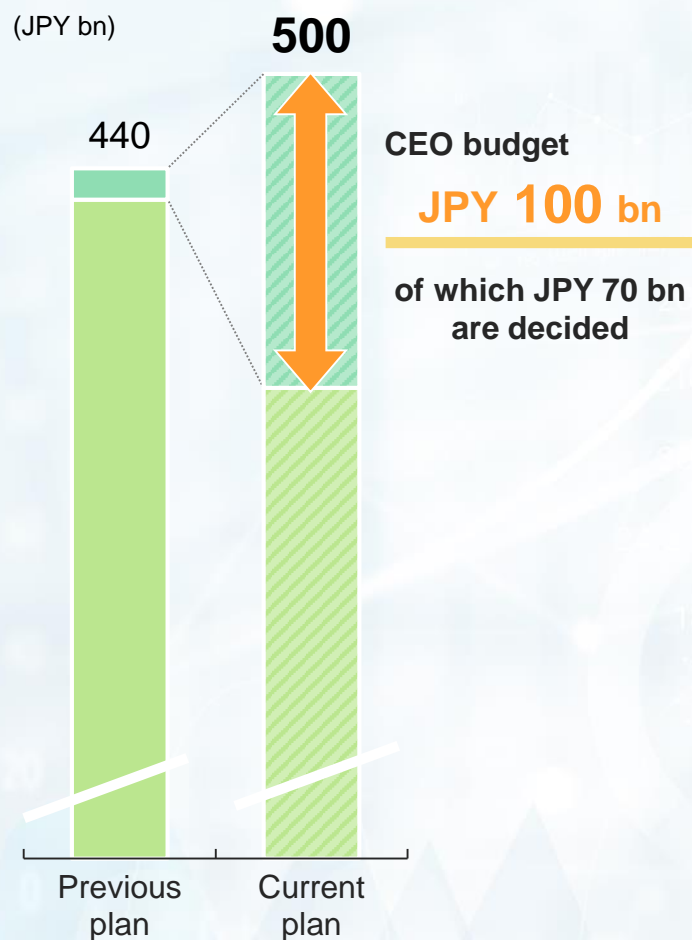
Jefferies  
KENEDIX

ARES  
ARES CAPITAL CORPORATION  
ARA



# IT investment for future growth

## IT investment and the use of CEO budget in the Medium-Term Management Plan



### Enhance management base

**JPY 50 bn**

- Group accounting system



- Improve productivity



### Digital / New business

**JPY 30 bn**

- Digital solutions for corporates
- Visualize GHG emissions



### Business strategy

**JPY 20 bn**

- Retail branch reorganization



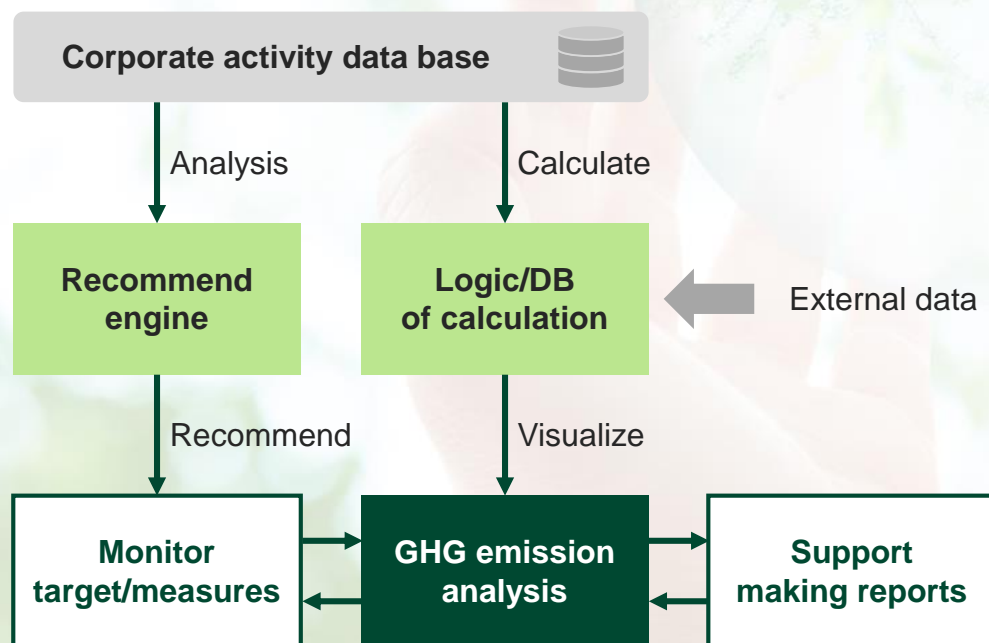
- Remote marketing tool



# Green × Digital Transformation

## Cloud service of visualizing GHG emissions

**Sustainability + Analyze =**



Image

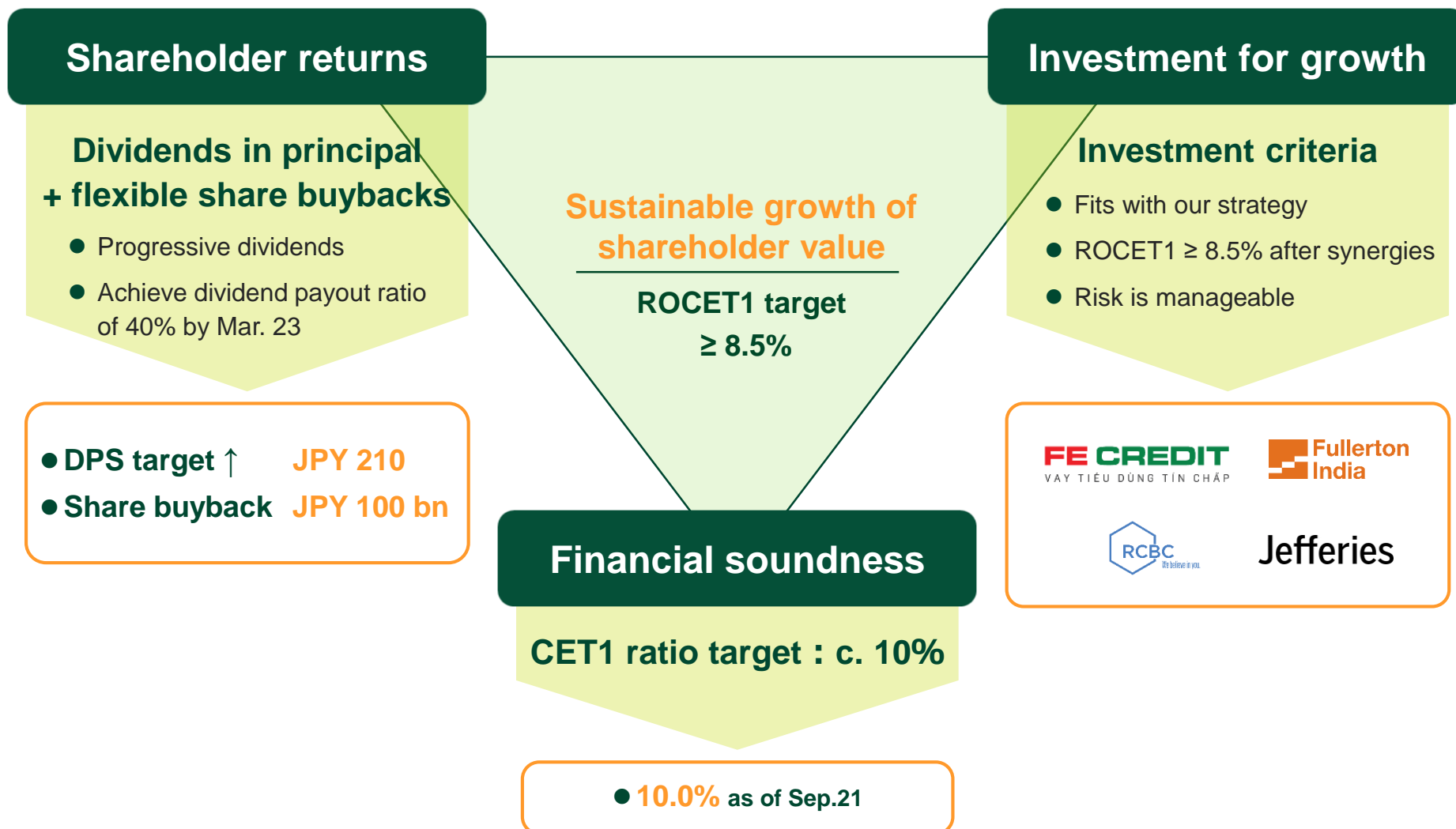




## **III. Capital Policy**

---

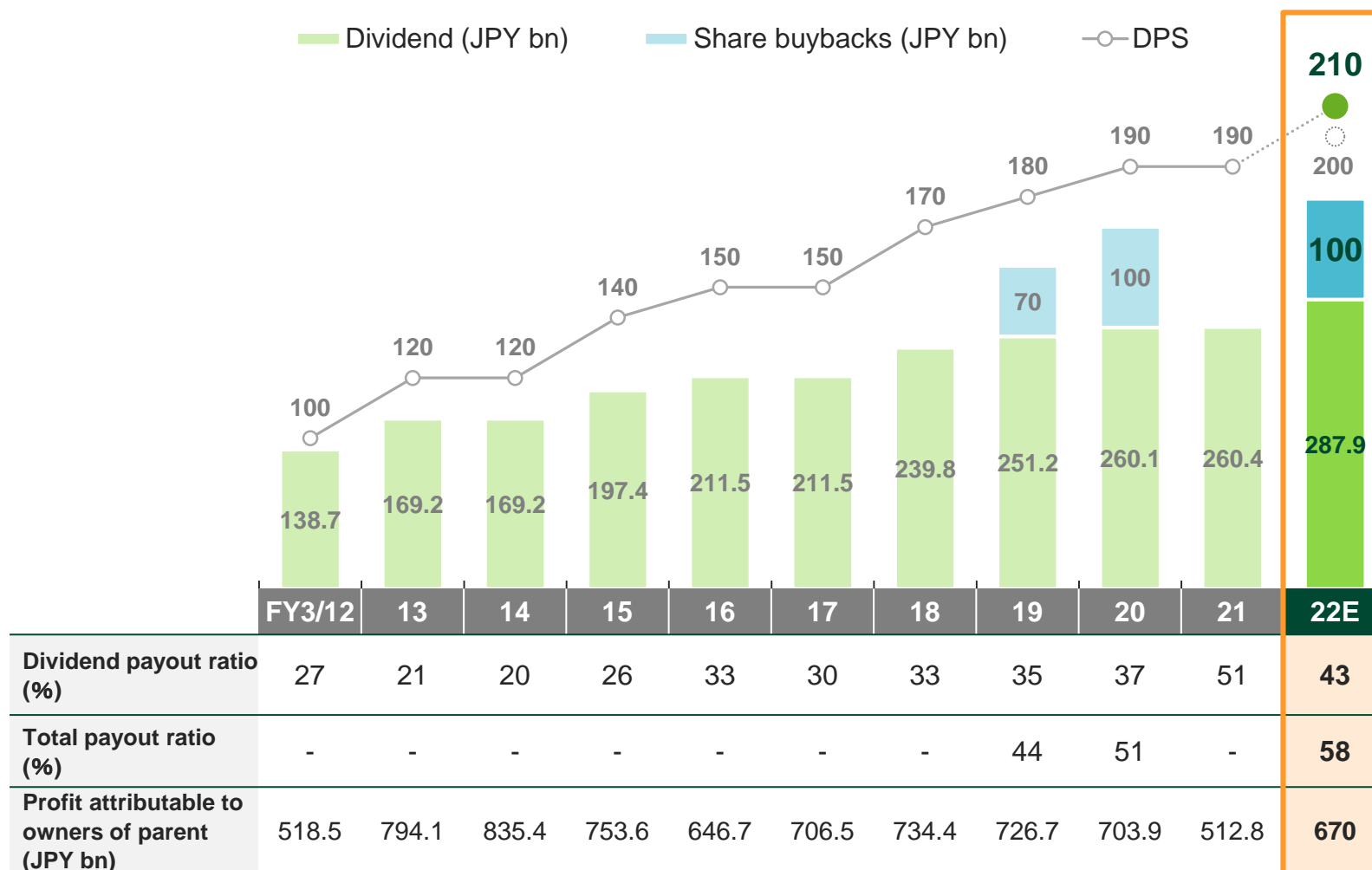
# Basic Capital Policy



# Shareholder returns

**Dividends:** FY3/22 JPY210 (+JPY 20 YoY, +JPY 10 each for interim and year-end)

**Share buyback:** resolved up to JPY 100 bn (all of the repurchased shares will be cancelled.)



**DPS target**

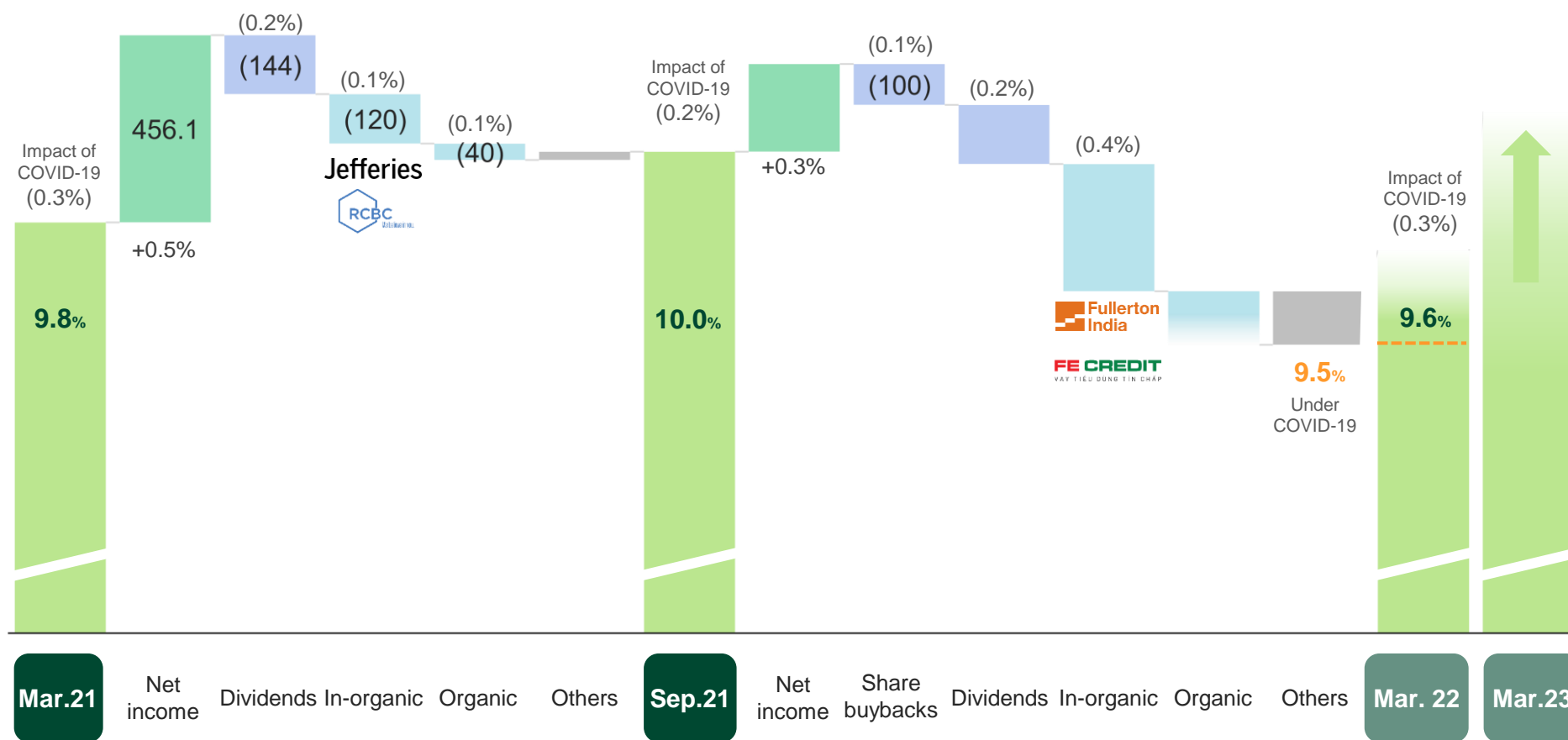
- YoY : **+20**
- vs initial : **+10**

**Share buyback**



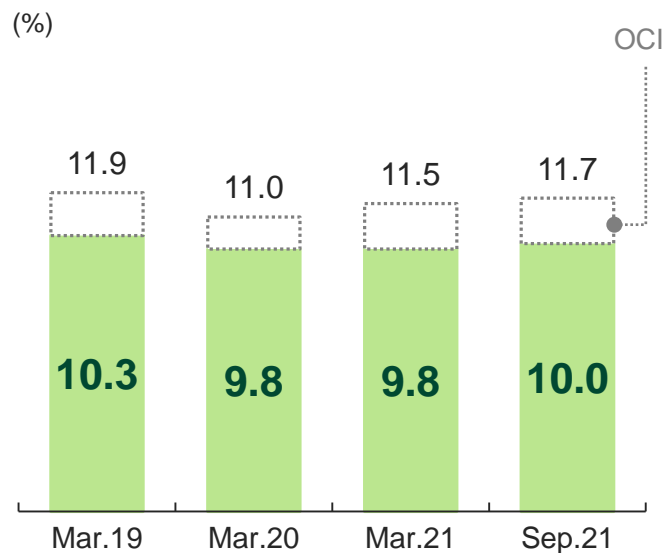
# Capital Allocation

Maintain financial soundness after investment for growth and shareholder returns. CET1 ratio is expected to be within the current target range as of Mar.22 and to recover to the initial target level as of Mar.23.



# (Ref.) CET1 Ratio

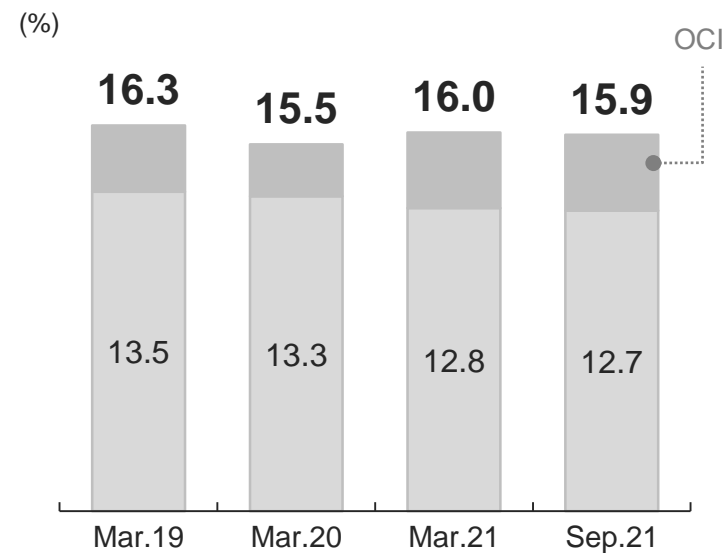
## Post-Basel III excl. OCI (financial target)



(JPY tn)

RWA	76.8	83.5	86.4	87.4
CET1 Capital	8.0	8.2	8.5	8.7

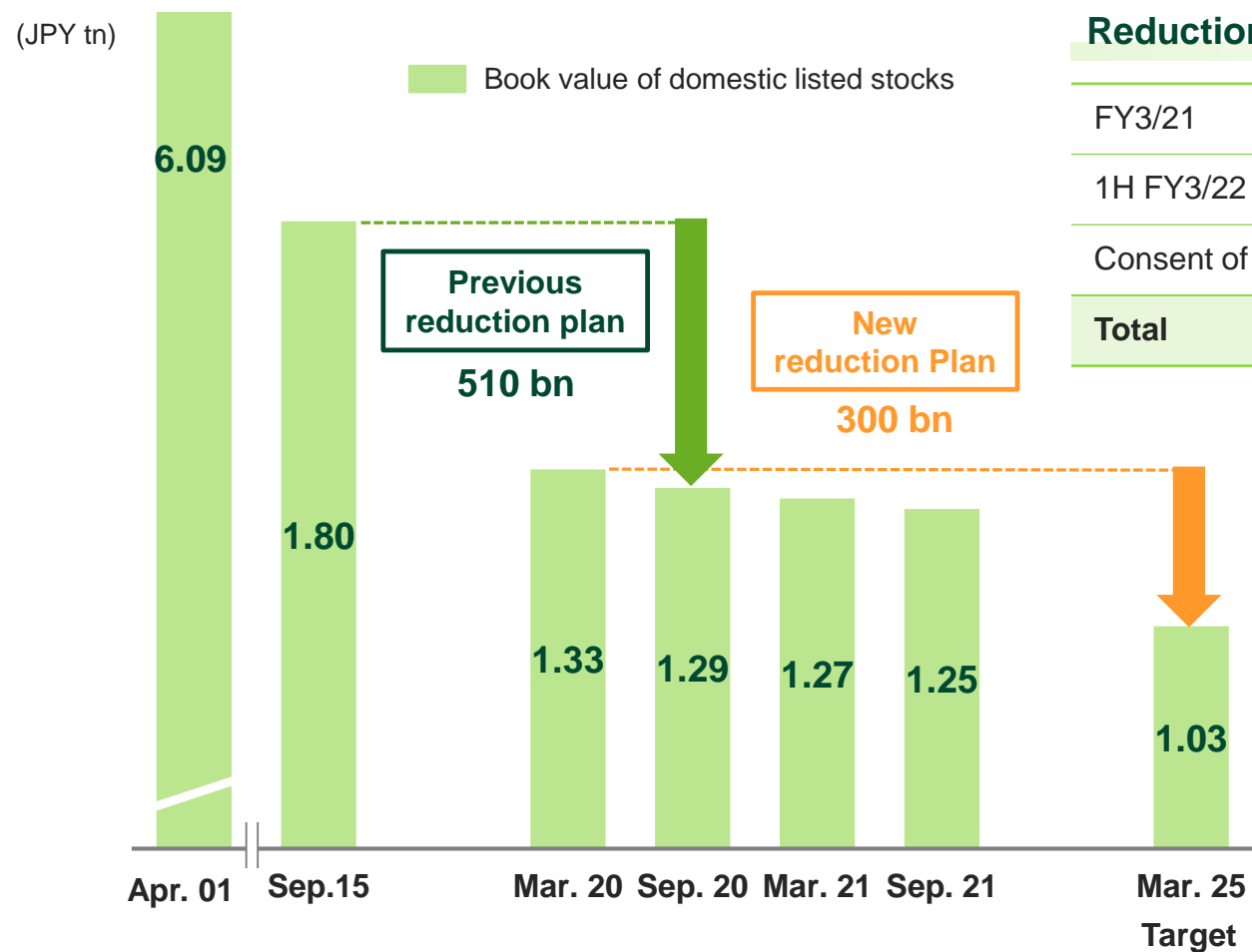
## Basel III fully-loaded basis



(JPY tn)

	58.9	61.6	66.0	68.7
	9.7	9.6	10.6	10.9

# Strategic shareholdings



## Reduction

FY3/21	JPY 55 bn
1H FY3/22	JPY 21 bn
Consent of sales	JPY 48 bn
<b>Total</b>	<b>JPY 124 bn</b>

## Ratio of shares to CET1\*1

149%	28%	16%	16%	15%	15%	10%
------	-----	-----	-----	-----	-----	-----

\*1 Basel III fully-loaded basis, excl. OCI



## **IV. Progress of Medium-Term Management Plan**

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# Financial Targets

## Medium-Term Management Plan (FY3/21-FY3/23)

### Core Policy

#### Transformation

Transform  
existing businesses

#### Growth

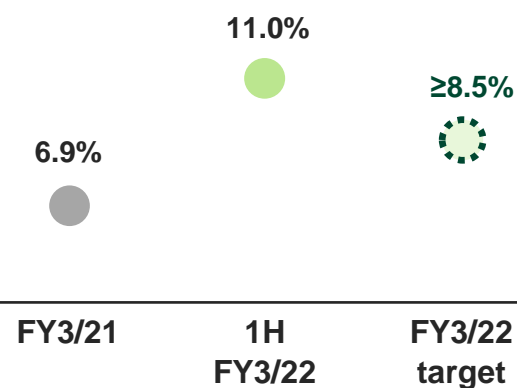
Seek new  
growth opportunities

#### Quality

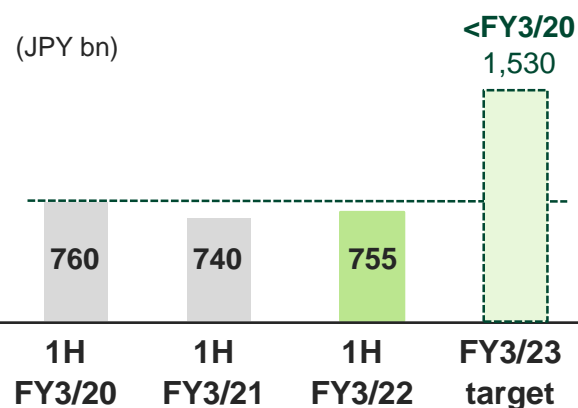
Elevate quality  
in all aspects

### Financial targets

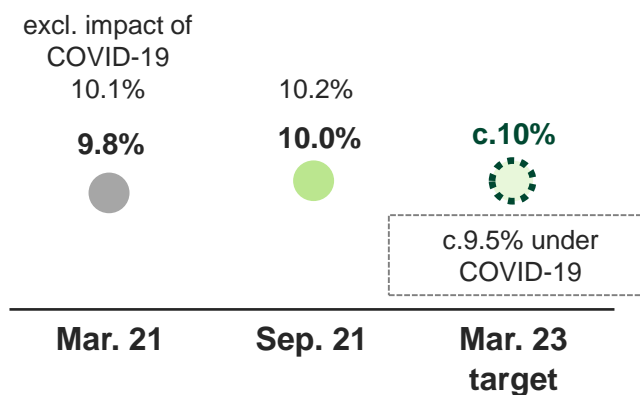
#### ROCE<sup>1</sup>



#### Base expenses<sup>\*1</sup>



#### CET1 ratio<sup>\*2</sup>

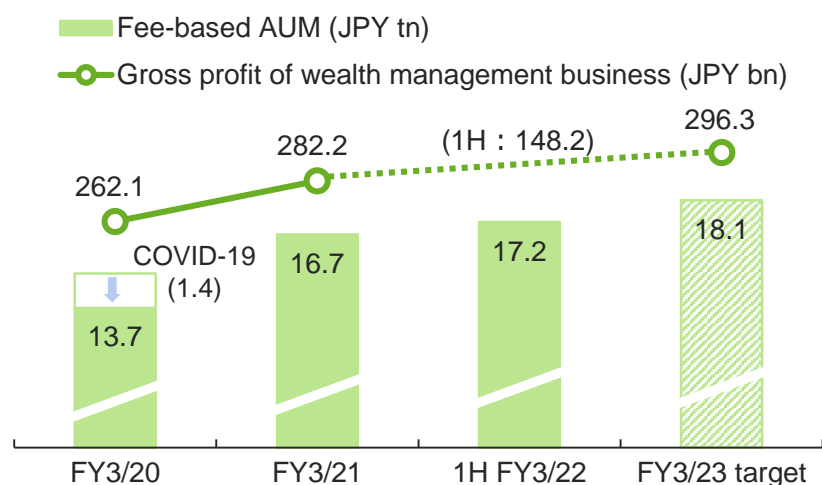


\*1 G&A expenses excluding cost related to investment for future growth, revenue-linked variable cost and others.  
Exchanged at USD1=JPY105 \*2 Post-Basel III reforms basis, excludes OCI

# Wealth management business

Group-based approach and acquisition of new customers resulted in steady profit growth.

## Expand profit by group collaboration



### Digital channels



### Group-based product planning

1<sup>st</sup> product

PIMCO Global Target Strategy Bond Fund

Jun. 21

## Acquire new customers

### Affluent customers

Regional private banker

Approach to business owners on a group-basis



New

Securities Sales Dept.

Acquire customers of SMBC by RM from SMBC Nikko



### Young generation / beginner investors



### Installment investment with credit cards



Save V points



Start from JPY 100



Tsumitate NISA

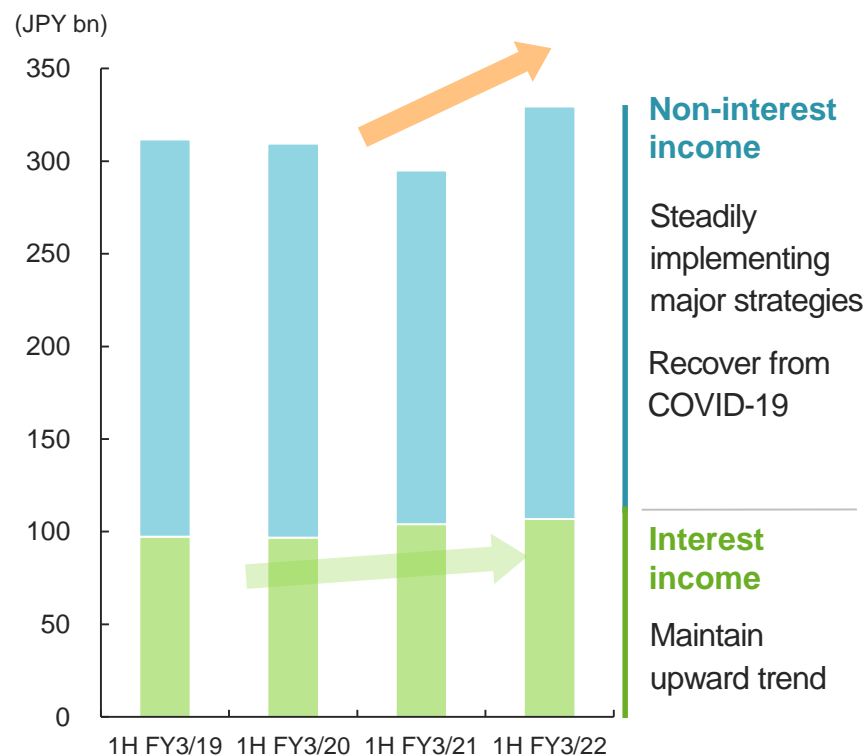
# Domestic wholesale business

Interest income maintains its upward trend.

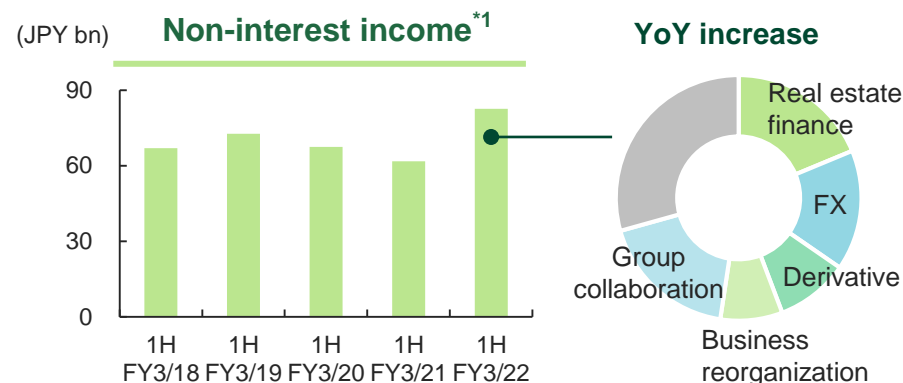
Non-interest income also increased mainly due to the strong performance of businesses with SMEs.

## Trend of profit structure

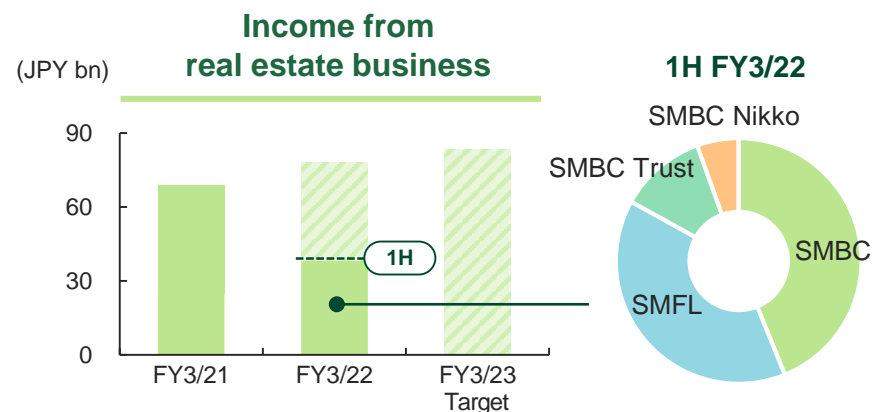
### Consolidated gross profit (WS)



## Business with SMEs



## Group-based approach to real estate business



# Payment business

## New services of credit card business

### Acquiring

#### Payment platform

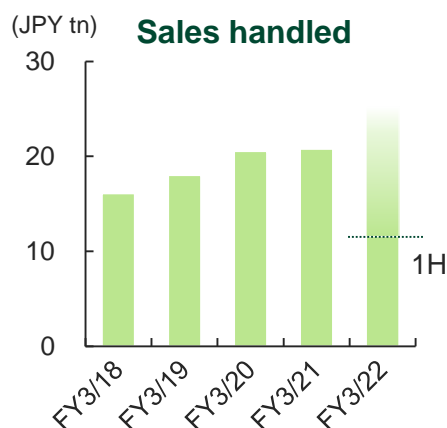
The Payment Platform.  
**stera**



New



Mobile stera



### Issuing

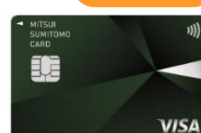
#### Next-generation card

#### Number-less card

Issued  
**0.7 mn**  
by Aug.21

# of gold card application:  
**> x10**

Feb. 21



Jul. 21



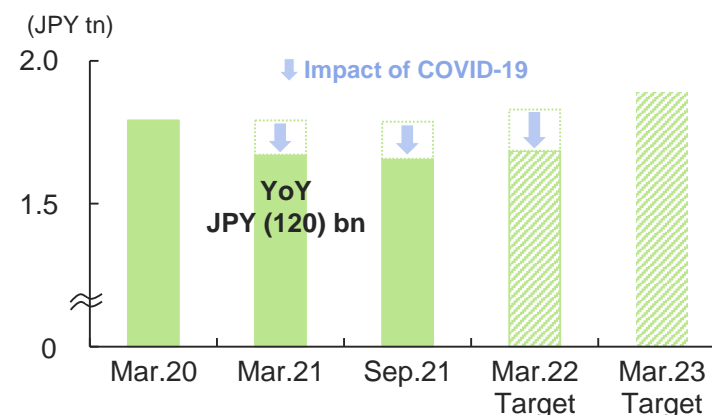
#### Card-less card

Oct. 21



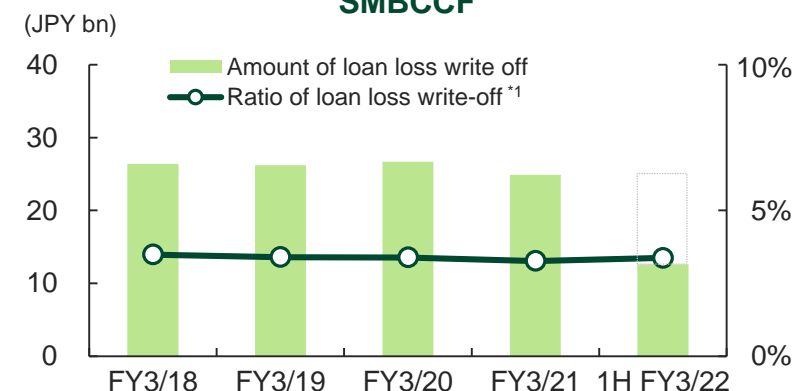
## Consumer finance takes time to recover

### Card loan balance



## No significant change in asset quality

### SMBCCF



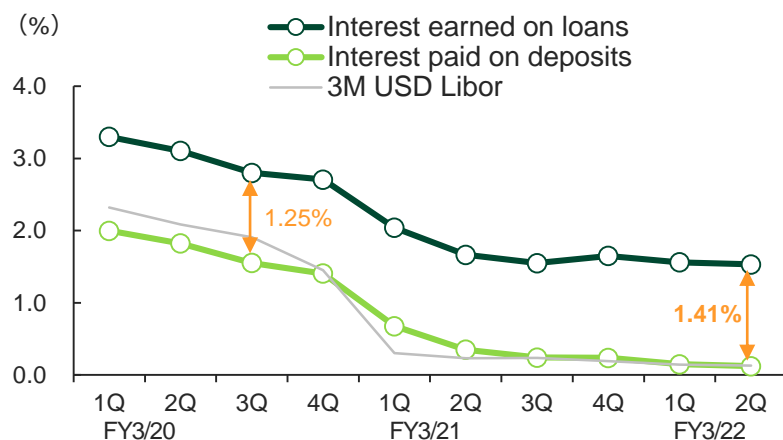
\*1 1H FY3/22 is calculated by doubling the amount of loan loss write-off



# Asset and capital efficiency

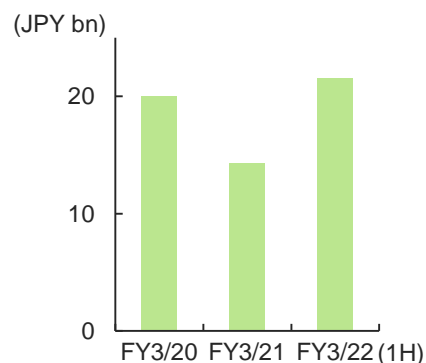
## Improve profitability

### Overseas loan-to-deposit spread

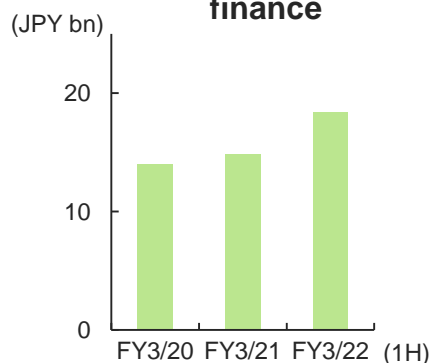


### High-profit products (overseas)

#### LBO finance



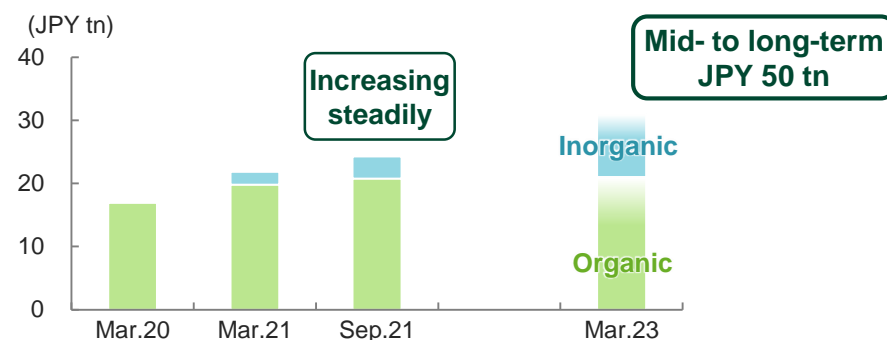
#### Subscription finance



## Enhance asset light business

### Asset management business<sup>\*1</sup>

#### Balance of AUM



	U.S.	Europe	Asia	Japan
Stocks		TT International 100%	China Post & Capital Fund Management	SMDAM
Bonds	ESG AIM	15.6%	23.7%	50.1%
Alternative	ARES Management 5.9%	ARA Asset Management <sup>*2</sup> 10%	Alternative Investment Capital 60%	Kenedix 70% <sup>*3</sup>

<sup>\*1</sup> Boxes with shades are invested after 2020

<sup>\*2</sup> To be acquired 100% by ESR Cayman Limited. SMBC will hold 4.6% after transaction

<sup>\*3</sup> Shareholding ratio of SMFL

# Cost Control

Steady progress of initiatives toward the reduction target of JPY 100 bn and additional.

Key initiatives	Target	Results	Status of initiatives
<div>Reform of domestic business</div> <div>Acceleration of Digital Shift</div>	(50) bn	(31) bn	<ul style="list-style-type: none"> <li>Reduced workload of 2.3K people                             <ul style="list-style-type: none"> <li>a) reform retail business</li> <li>b) reallocate workforce of wholesale business</li> <li>c) improve efficiency of headquarters</li> </ul> </li> </ul>
Retail branch reorganization	(25) bn	(11) bn	<ul style="list-style-type: none"> <li>Shift to smart branch: 94, 250 will be completed in FY3/22</li> <li>Cashless branches: 60</li> </ul>
Integration of group operations	(25) bn	(13) bn	<ul style="list-style-type: none"> <li>Integrate functions of SMCC and SMBCFS</li> <li>Review overseas expenses</li> </ul>
		(55) bn	

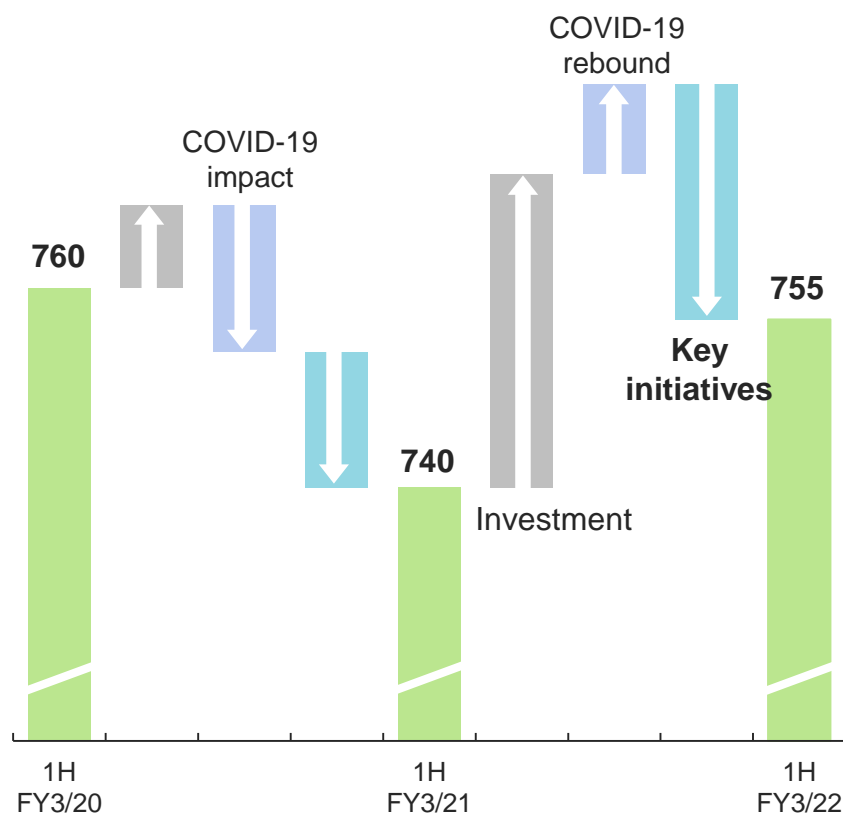
(10)bn - (20)bn

# (Ref.) Base expenses and headcount

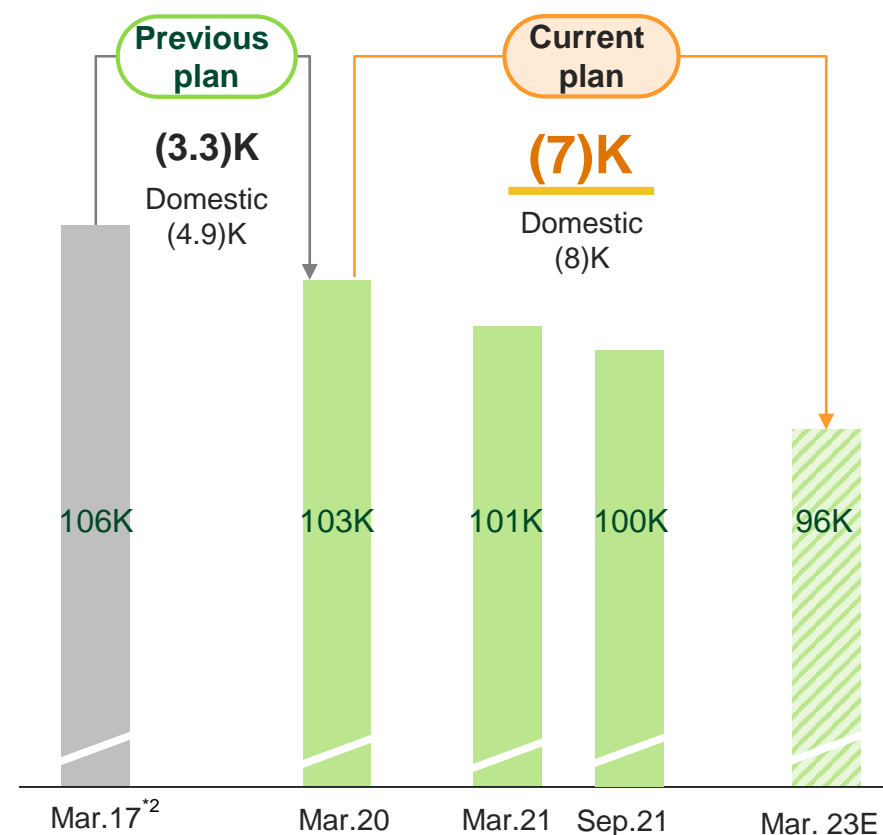
Base expenses increased YoY due to the rebound of COVID-19 but decreased from 1H FY3/20. Amount of investment came back on track by recovering from COVID-19.

## Base expenses<sup>\*1</sup>

(JPY bn)



## Headcount



<sup>\*1</sup> G&A expenses excluding cost related to investment for future growth, revenue-linked variable cost and others. Exchanged at USD1=JPY105. <sup>\*2</sup> Added the impact of group reorganization retrospectively

# Digital platform

## UI/UX transformation



### For individuals

- Available 24/365 **1st mega bank**
- Increase transactions which can be completed on website

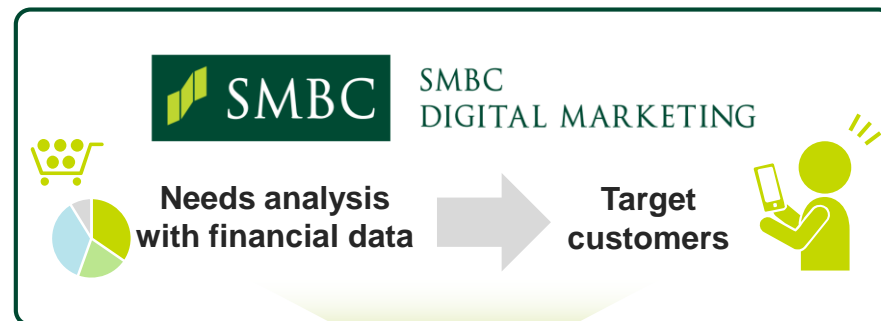


### For corporates

- All corporate accounts can use SMBC online banking system
- Web passbook



## Advertising business



Example

SHISEIDO

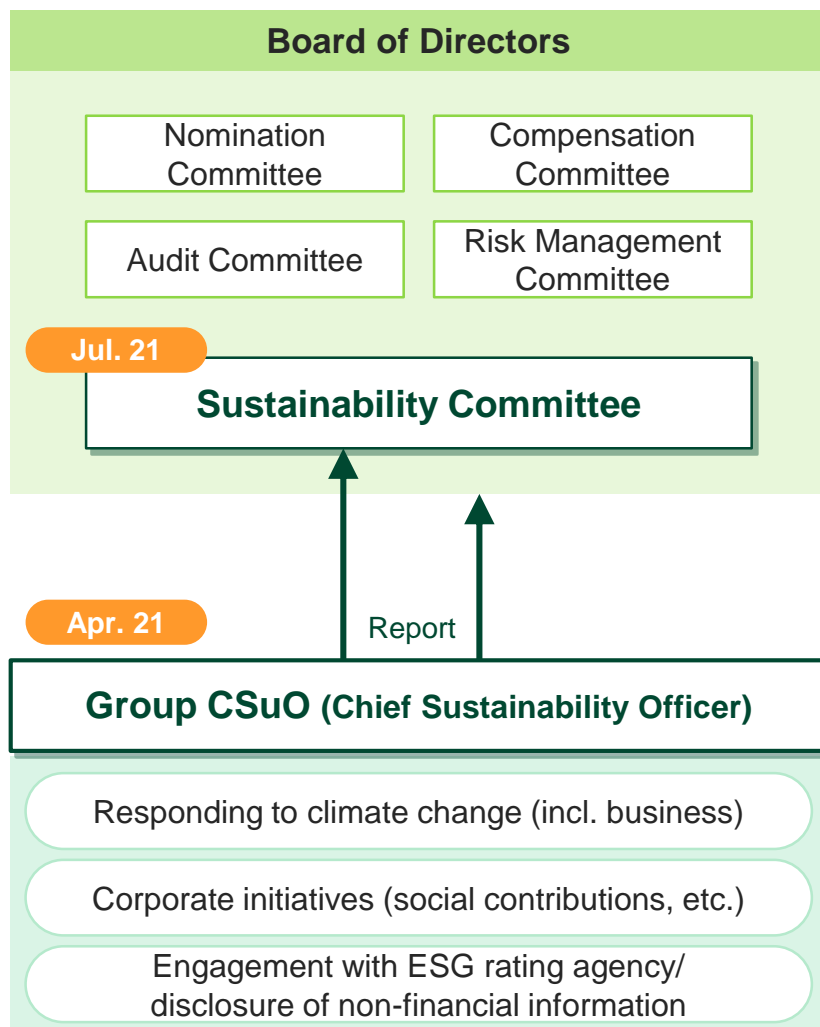




## **V. Initiatives for Sustainability**

---

# Sophisticate sustainability management



## First Sustainability Committee

- Shared values and awareness of problems
- Plan to discuss specific issues at future committees, e.g. climate change, human rights

### Chairman



Director  
Eriko Sakurai



Director  
Masaharu Kohno



UTokyo Prof.  
Yukari Takamura



Chairman  
Takeshi Kunibe



Director  
Jun Ohta



JRI  
Senior Counselor  
Eiichiro Adachi

# (Ref.) Governance

## Structure of the Board

**Internal Directors  
(executive)**  
5 directors



**Ratio :47%**

**Outside Directors**  
7 directors

**Internal Directors  
(non-executive)**  
3 directors

**Non-executive directors: 67%**



**2 women**



**1 foreign national**

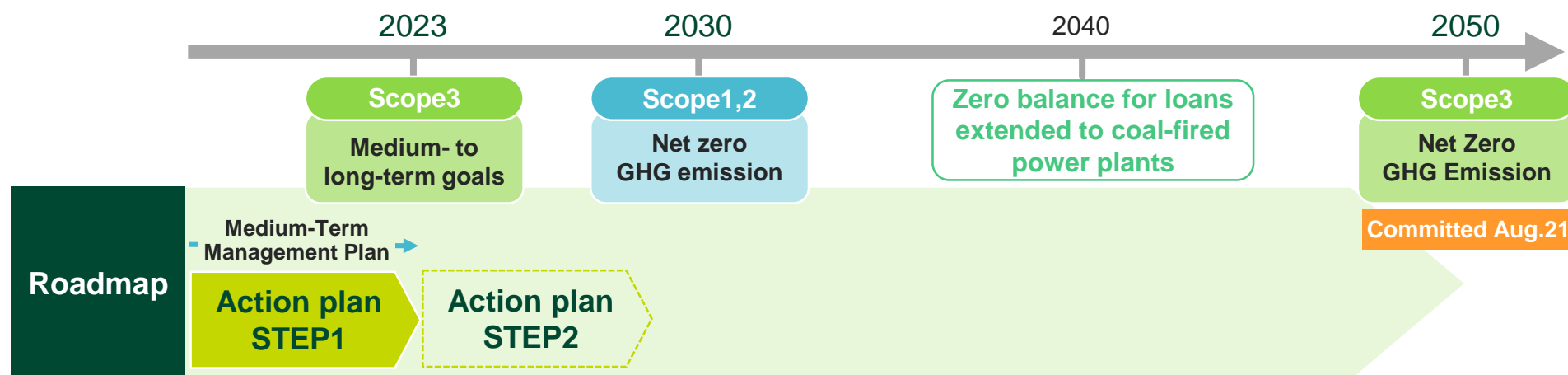
		Knowledge and experience we expect in particular				
		Management	Finance	Global	Legal	Accounting
Masayuki Matsumoto						
Arthur M. Mitchell						
Shozo Yamazaki						
Masaharu Kohno						
Yoshinobu Tsutsui						
Katsuyoshi Shinbo						
Eriko Sakurai						



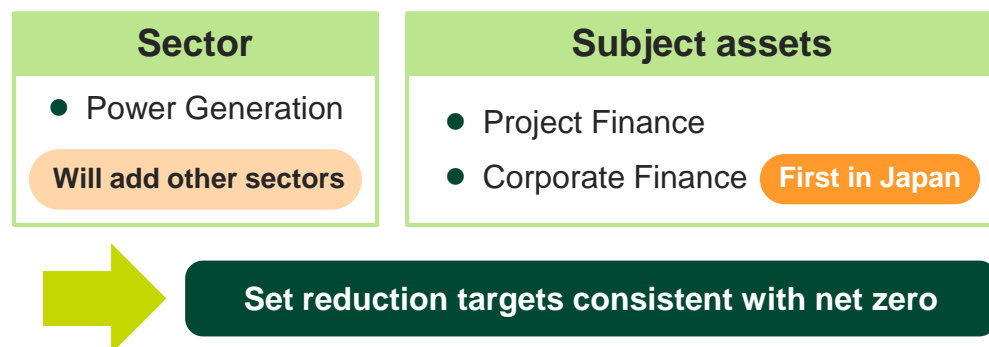
# Initiatives against climate change

Committed to achieve net zero GHG emissions of Scope3<sup>\*1</sup> by 2050.

Accelerate climate change actions through participation in global initiatives.



## Calculate Scope3 GHG emissions



## Participate in global initiatives



<sup>\*1</sup> Investment and loan portfolio



# Manage climate change risks

## Sophisticate scenario analysis

### Physical risks

JPY 55-65 bn cumulative  
(up to 2050)

Hazard map  
(Japan)



AI analysis of  
satellite images  
(global)

New

### Transition risks

JPY 2-24 bn annual  
(up to 2050)

#### Mitigate CO2 emissions

natural resource  
price

energy demand

carbon price

1.5°C scenario of NGFS<sup>\*1</sup>/IEA<sup>\*2</sup>

New

## Stricter Sector and Business Policies

Coal-fired power  
generation

Oil and Gas

Hydroelectric  
power  
generation

Coal mining

Tobacco  
manufacturing

Nature  
conservation  
areas

Palm oil  
plantation  
development

Deforestation

Weapon  
manufacturing

Revised FY3/22

### Coal-fired power generation

**Support for newly planned coal-fired power plants and the expansion of existing plants are not provided.**

<Understanding of the business/sector>

- SMBC Group expects our customers to establish and publicly announce long-term strategies aimed at realizing a carbon neutral business model and other initiatives to address climate change.
- Moreover, SMBC Group will support the activities of our clients contributing to the transition toward and realization of a decarbonized society.

### Palm oil plantation development and deforestation

**Added a passage requesting customers to comply with NDPE**

(No Deforestation, No Peat, No Exploitation)

# Solutions to climate change

Support clients' climate change initiatives as well as promote new businesses with digital solutions.

## Provide solutions on a group-wide basis

KPI (2030)

Apr.20-Sep.21

JPY 4.6 tn<sup>\*1</sup>

Sustainable finance

JPY 30 tn

Green finance

JPY 20 tn

SMBC

- Green loans to hydrogen business
- Transition finance
- Green deposit

SMBC Nikko

- Sustainability-linked bonds (donation-type)
- Transition bonds

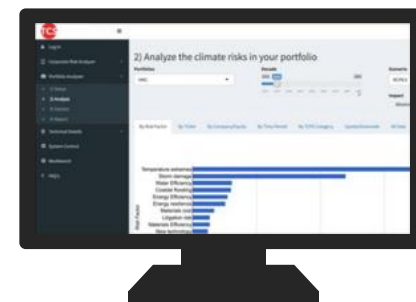
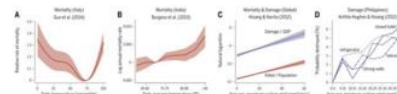
SMFL

- SDGs leasing (donation-type)
- Mobile hydrogen station lease

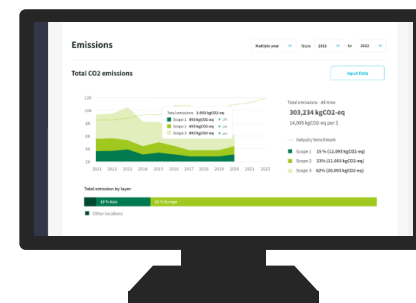
## Digital solutions

### Support TCFD disclosure

- Analyze climate change risks
- Visualize financial impacts



### Visualize GHG emissions



\*1 Excluding sustainability finance in FY3/21

## Achieving sustainability

Create a society in which today's generation can enjoy economic prosperity and well-being, and pass it on to future generations.



“We are merely borrowing the earth  
from future generations.”

A monument placed on “The Trails of the Earth” at Furano Field in Hokkaido, founded by Mr. Soh Kuramoto (screenwriter)



# Appendix

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# Company overview (1) Group structure

## Sumitomo Mitsui Financial Group

**Consolidated total assets** JPY 241 tn

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

 Consolidated subsidiary  Equity-method affiliate

### Banking

**Sumitomo Mitsui Banking Corporation**

Moody's	S&P	Fitch
A1	A	A

**SMBC Trust Bank**

(92%)

**PT Bank BTPN Tbk**

### Leasing

(50%)

**Sumitomo Mitsui Finance and Leasing**

(SMBC 32%, SMFL 68%)

**SMBC Aviation Capital**

### Securities

**SMBC Nikko Securities**

### Consumer Finance

**Sumitomo Mitsui Card**

**SMBC Consumer Finance**

### Others

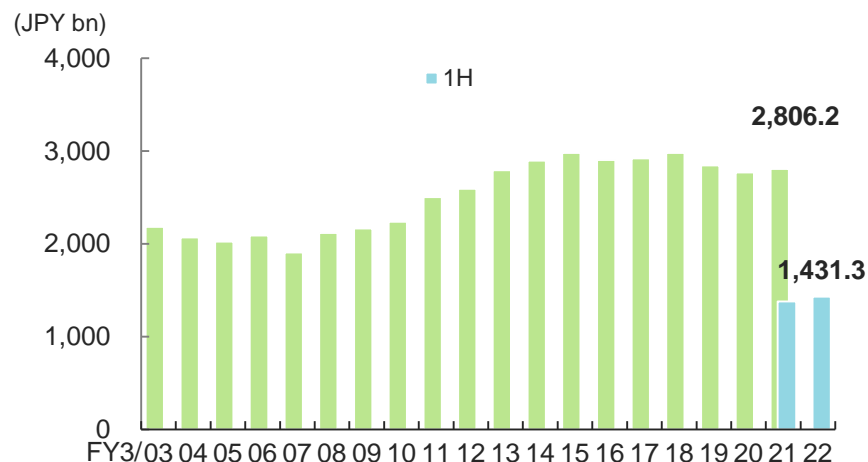
(50.1%)

**Japan Research Institute**

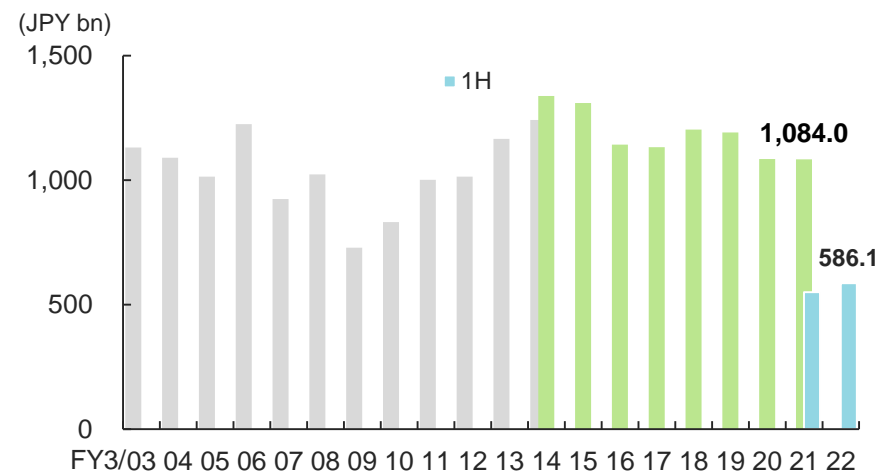
**Sumitomo Mitsui DS Asset Management**

# Company overview (2) Long-term results

## Consolidated gross profit



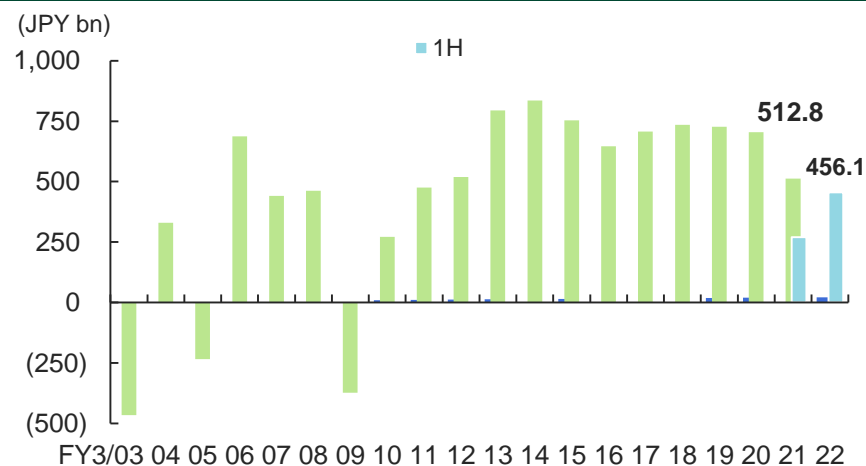
## Consolidated net business profit\*1



## Breakdown of consolidated gross profit

	FY3/03		1H FY3/22
SMBC's Domestic loan / deposit related	35%	↘	15%
International business (banking)	5%	↗	25%
Group companies excluding SMBC	18%	↗	38%

## Profit attributable to owners of parent



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

# Medium-Term Management Plan

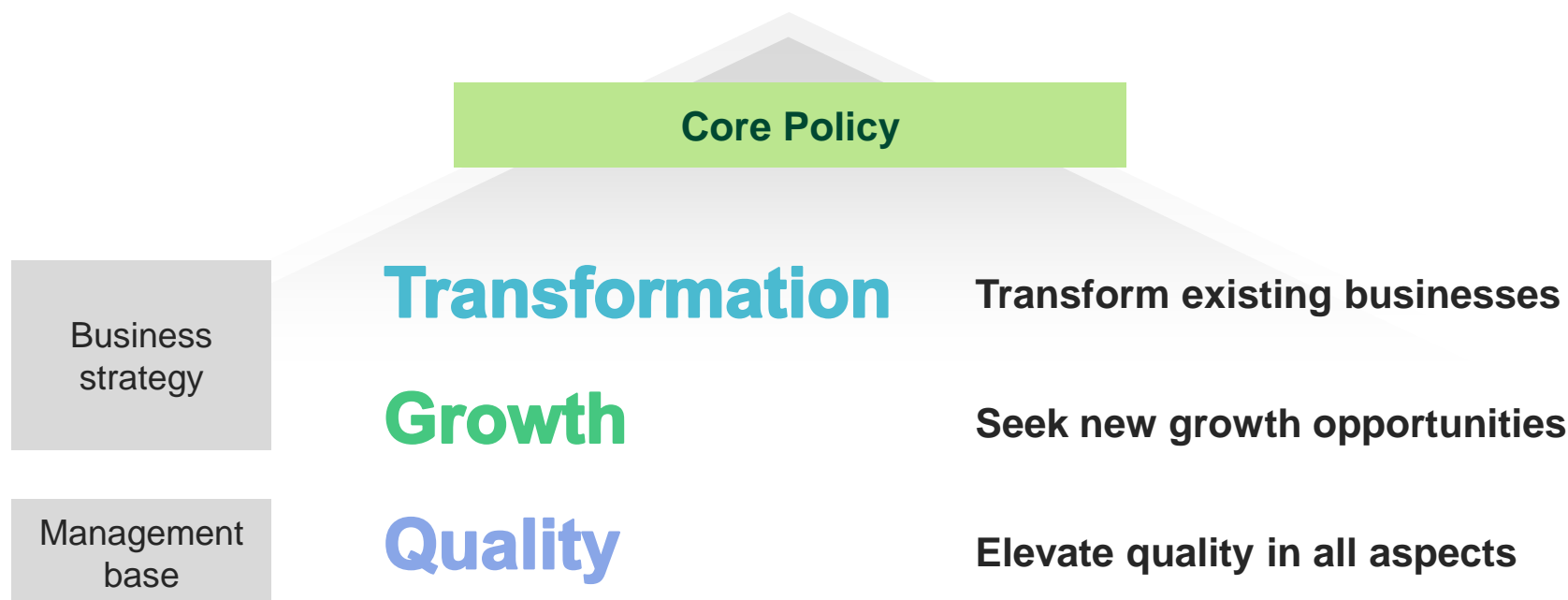
## (1) Core Policy

Announced in May 2020

### Mid-long term Vision

A trusted global solution provider committed to the growth of our customers and advancement of society

Future directions   **1** Data oriented   **2** Building platforms   **3** Solution provider



# Medium-Term Management Plan

Announced in May 2020

## (2) Business strategies – Transformation & Growth –

Transform businesses to overcome intense competition and create new value for future growth.





# Quality

Elevate quality in all aspects

## ESG

- Contribute to realize a sustainable society
- Enhance corporate governance suitable for a global bank

## Resource management

- Sophisticate HR management to motivate employees
- Build flexible and robust IT/cyber infrastructure

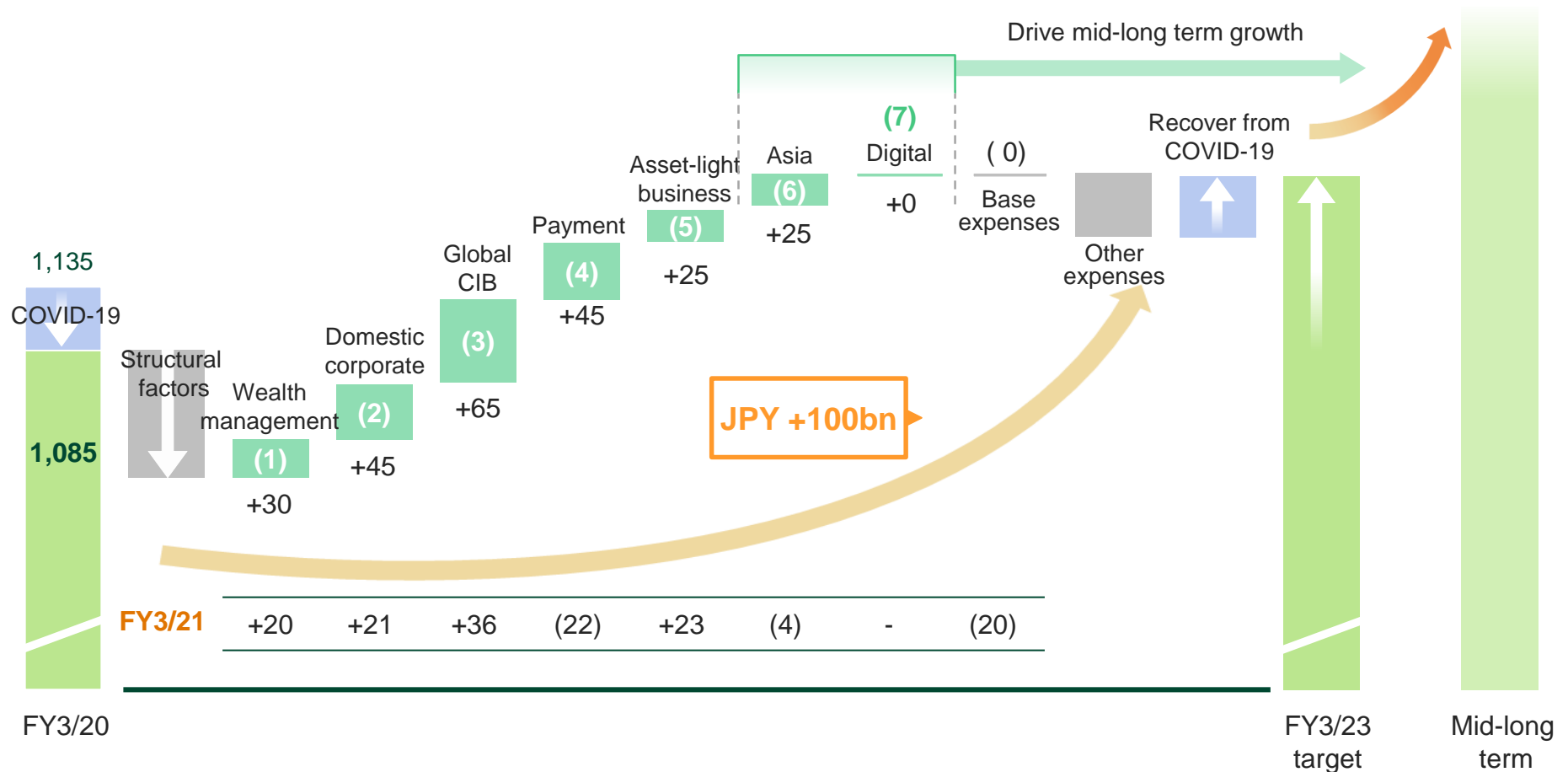
## Business management

- Enforce sound risk-taking
- Pursue efficient and scientific management

# Roadmap to 2022 (1) Profit

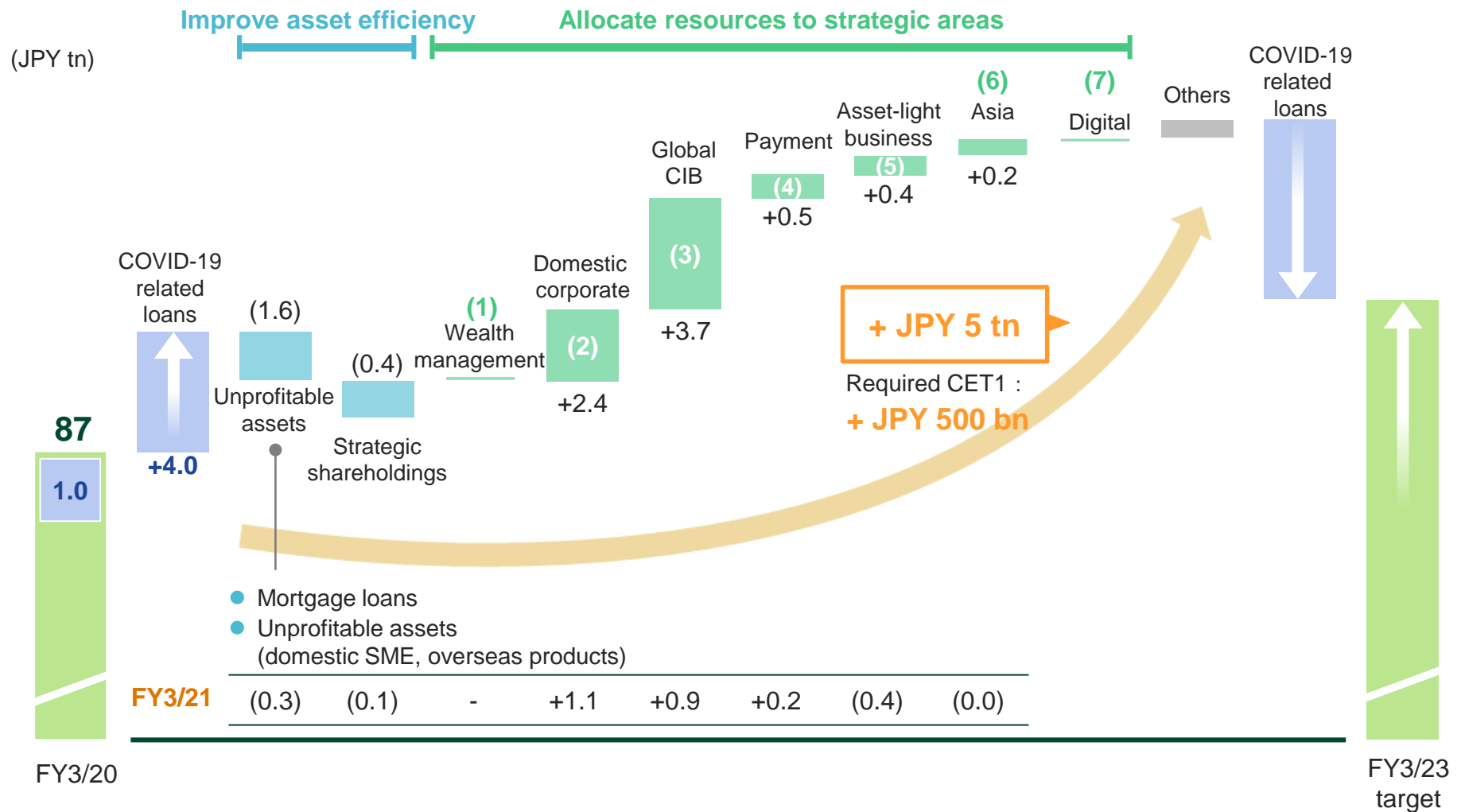
Consolidated net business profit increased steadily overall, despite the negative impact from COVID-19 in business areas e.g. payment business and businesses in Asia.

(JPY bn)



# Roadmap to 2022 (2) RWA

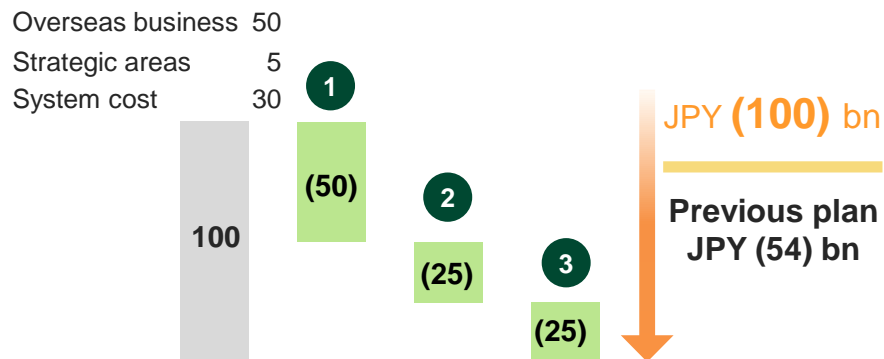
Allocate capital in growth areas while reducing unprofitable assets.



# Roadmap to 2022 (3) Cost

## Control of base expenses

(JPY bn)



1 Reform of domestic businesses

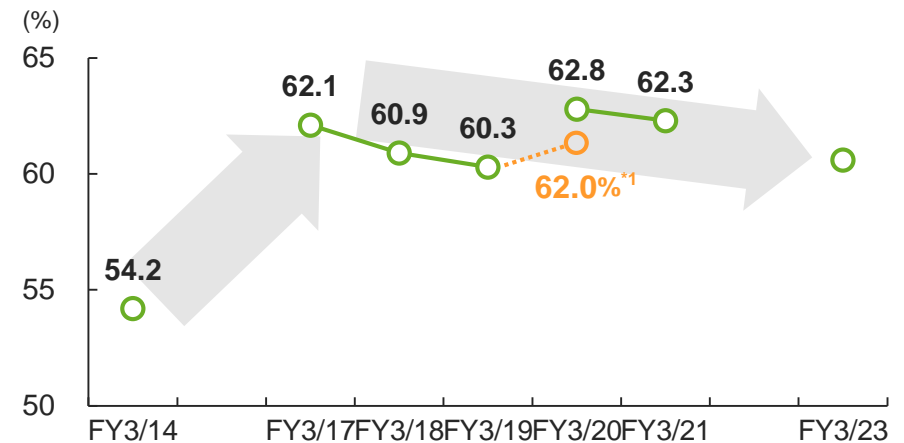
2 Retail branch reorganization

3 Integration of group operations

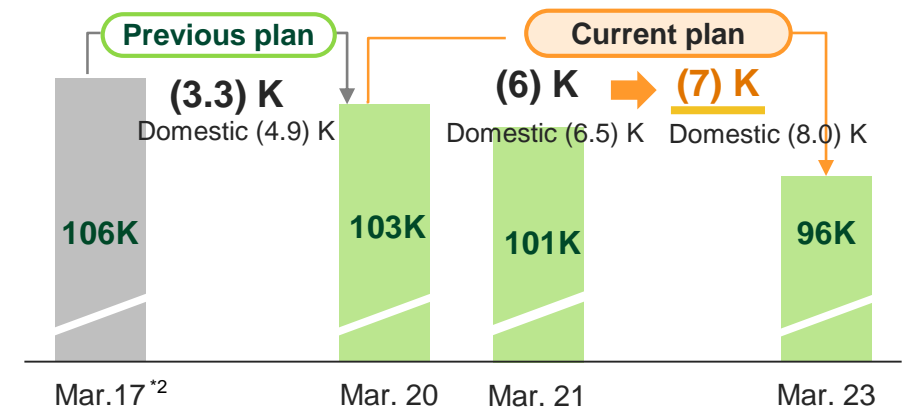
1.5tn

FY3/20

## OHR



## Headcount



# Roadmap to 2022 (3) Cost

## Key initiatives of cost reduction

### 1 Reform of domestic businesses

Cost

JPY (50) bn

Workload

(5.0) K people

#### Reform of retail business

Optimize resource allocation of wealth management business  
Digitalize mortgage loan procedures

#### Reallocate workforce of domestic wholesale business

Reduce headcounts of headquarters  
(30)%

### 2 Retail branch reorganization

JPY (25) bn

### 3 Integration of group operations

JPY (25) bn

Relocate SMCC and SMBCCF to integrate operations

PMI of asset management business

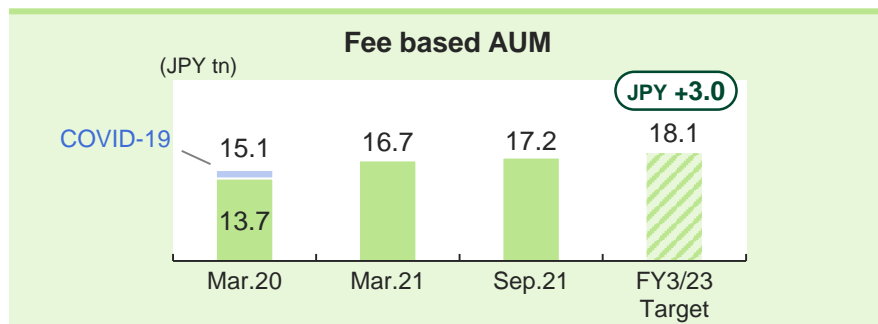
Consolidate data centers / base systems of group companies

(1.9) K people

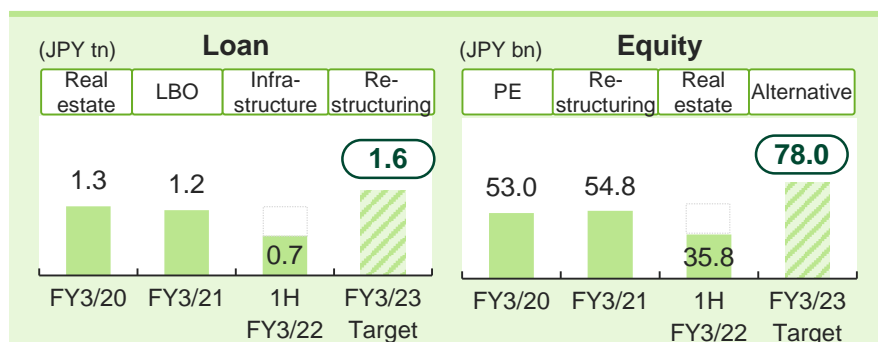


# Roadmap to 2022 (4) KPI

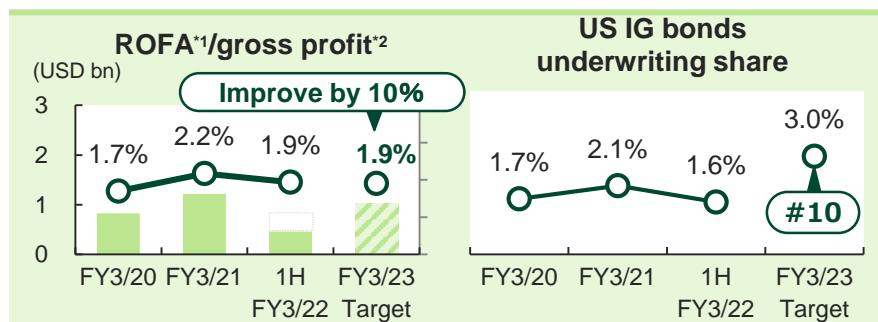
## Wealth management business



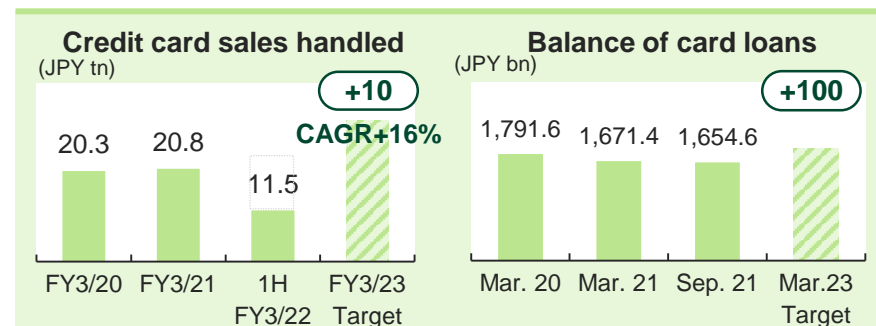
## Domestic wholesale business



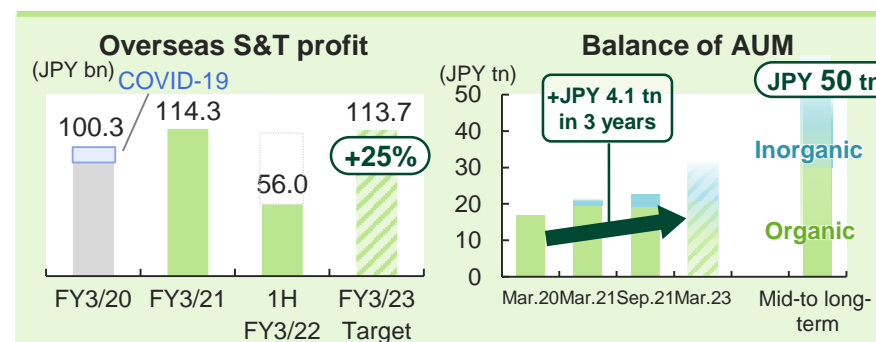
## Overseas CIB business



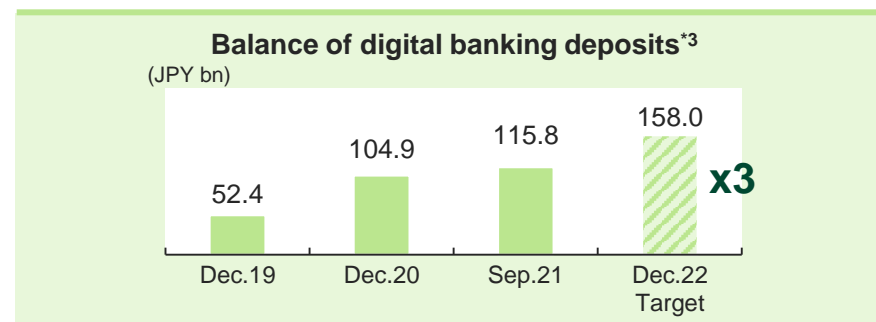
## Payment business



## Asset-light business



## Multi-franchise strategy in Asia



# ESG (1) Engagement with stakeholders

## KPIs

	KPI	Target	Results
Environment	Green finance	JPY 20 tn Apr.20-Mar.30	JPY 4.6 tn -Sep.21
	Green bond issuance	at least <b>once a year</b>	-
Community	Retail deposits in Asia	vs Dec.19 <b>x3</b> by Dec. 22	<b>x2.3</b> Sep. 21
Next Generation	Finance education	<b>1.5 mn people</b> Apr.20-Mar.30	<b>0.13 mn</b> -Mar.21
Human Resources	Female managers	<b>20 %</b> by Mar. 26	<b>15.8 %</b> Mar.21
	Childcare leave	<b>100 %</b>	<b>100 %</b> Mar.21

## Enhance corporate value through engagement

Disclose non-financial information



Engage

Ease information asymmetry (lower capital cost)

Enhance corporate value

Improve ESG ratings



Corporate value

Information asymmetry

External evaluation

Disclosure/ dialogue

Fair Value

Non-financial value

Financial value

## ESG (2) ESG indices and initiatives

### Selected ESG indices



FTSE Blossom  
Japan



2021 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

GPIF Selected



FTSE4Good

2021 MSCI ESG Leaders  
Indexes Constituent

2021



Sampo Sustainability Index



### Endorsed initiatives

WE SUPPORT



PRINCIPLES FOR  
RESPONSIBLE  
BANKING

Signatory of:



Net-Zero Banking Alliance



Integrity Council on  
Voluntary Carbon Markets



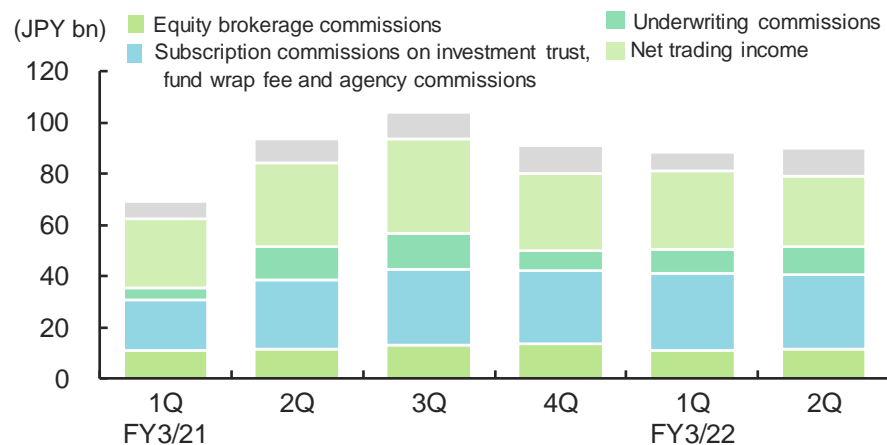


# Group companies (1) SMBC Nikko

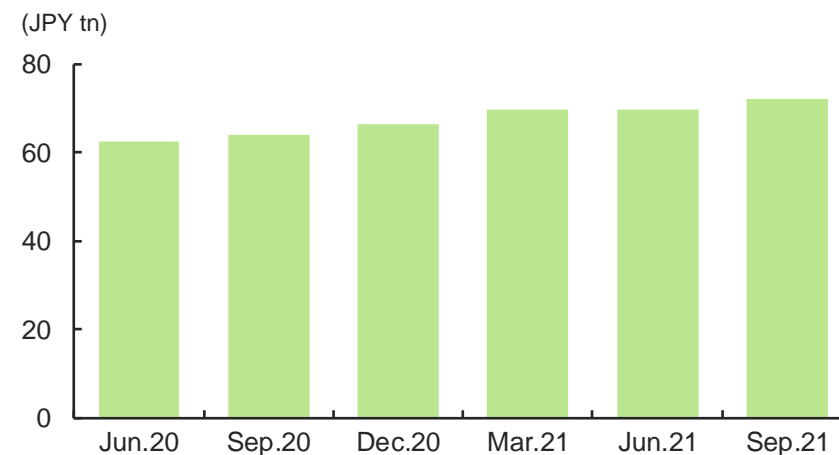
## Financial results

(JPY bn)	FY3/21	1H FY3/22	YoY
<b>Net operating revenue</b>	357.9	178.3	+15.4
<b>SG&amp;A expenses</b>	273.4	138.2	+7.7
<b>Ordinary income</b>	90.7	43.8	+7.9
<b>Net income</b>	71.7	32.6	+4.3

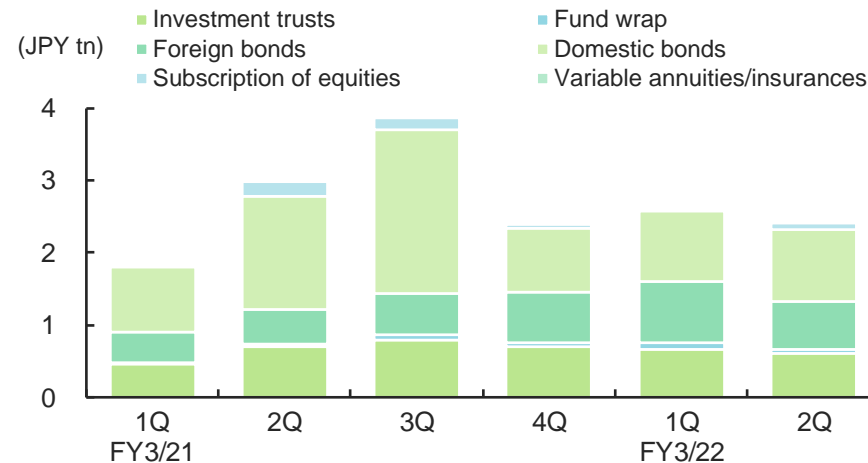
## Net operating revenue



## Client assets



## Product sales



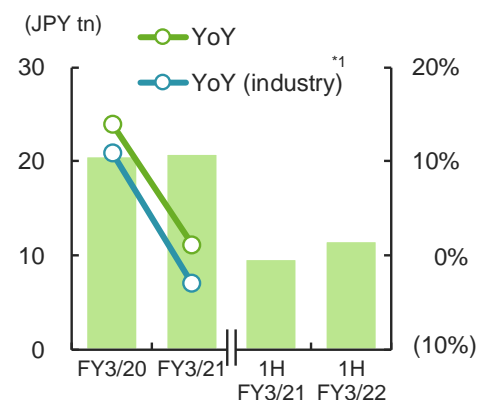
# Group companies (2) SMCC

## Financial results

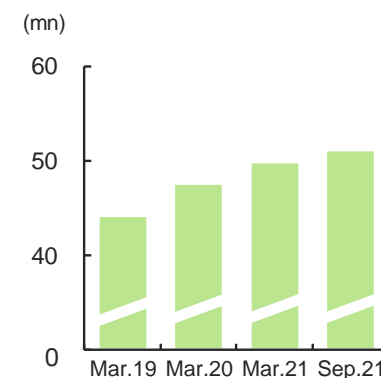
(JPY bn)	FY3/21	1H FY3/22	YoY
<b>Operating revenue</b>	447.5	227.0	+10.2
o/w Commission fee	143.7	77.1	+10.0
Finance	101.5	49.0	(3.1)
Sales on credit	32.3	15.1	(1.5)
Receipt agency	48.1	25.0	+1.3
<b>Operating expense</b>	413.0	206.9	+14.8
o/w Expenses for loan losses	22.7	11.6	+0.0
Expense for interest repayments	14.4	-	-
<b>Ordinary profit (loss)</b>	35.3	23.2	(2.1)
<b>Net income</b>	35.8	14.8	(4.1)
<b>Finance outstanding</b>	667.5	662.4	

## Key figures

### Sales handled

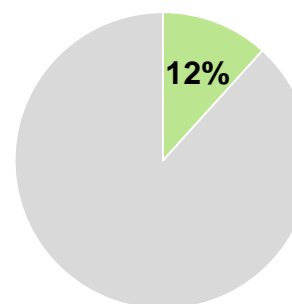


### # of card holders

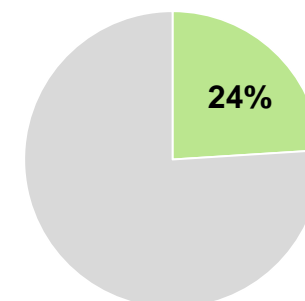


### Market share <sup>\*2</sup>

#### Issuing



#### Acquiring



\*1 The Japan Consumer Credit Association "Credit card behavior investigation" Shopping credit amount

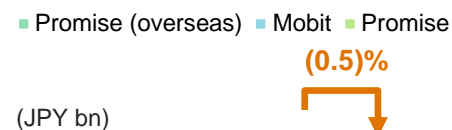
\*2 METI "Indices of Tertiary Industry Activity" Sales credit business handled (2020 : JPY 62 tn)

# Group companies (3) SMBCCF

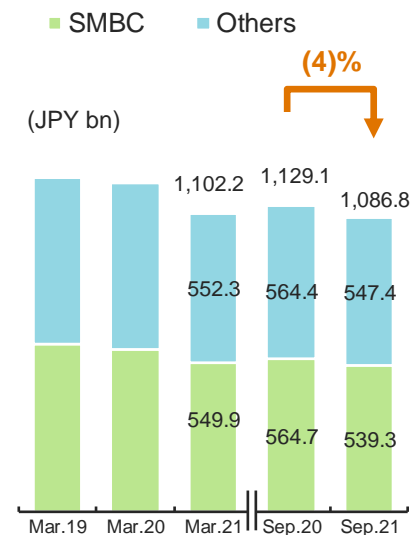
## Financial results

(JPY bn)	FY3/21	1H FY3/22	YoY
<b>Operating income</b>	273.5	134.9	(3.4)
o/w Interest revenues	178.8	88.7	(1.8)
Loan guarantee revenues	61.1	28.6	(2.7)
<b>Operating expenses</b>	200.8	95.5	+9.1
o/w Expenses for loan losses	53.3	33.0	+2.3
Expense for loan guarantees	9.9	2.8	+0.8
Expenses for interest repayments	24.0	-	-
<b>Ordinary profit</b>	73.5	39.5	(12.9)
<b>Net income</b>	54.1	32.1	(11.7)
<b>NPLs</b>	85.2	91.8	
(NPL ratio)	7.49%	8.08%	
<b>Allowance on interest repayments (provision)</b>	100.8	87.2	
	3.4 yrs	3.2 yrs	

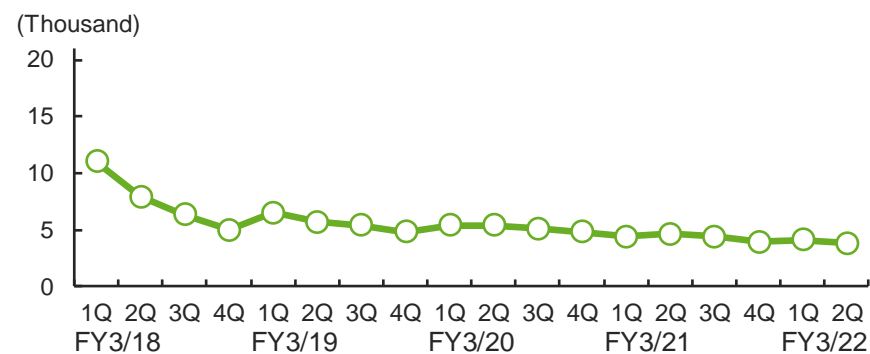
## Consumer loans



## Loan guarantee



## No. of interest refund claims

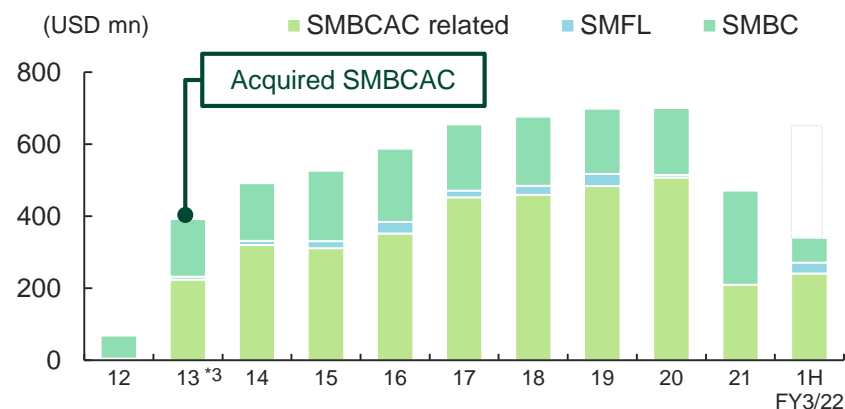


# Group companies (4) SMBCAC

## Financial results

(USD mn)	FY3/21	1H FY3/22	YOY
<b>Total revenue</b>	1,214	650	+73
<b>Lease revenue</b>	1,119	603	+32
<b>Credit / Asset impairment charges</b>	334	70	+55
<b>Net income</b>	17	83	+64
<b>Aircraft asset<sup>*1</sup></b>	15,340	16,349	+1,918
<b>Net asset</b>	3,305	3,366	+297
<b>ROE</b>	0.5%	2.5%	+1.3%

## Aircraft business of SMBC Group

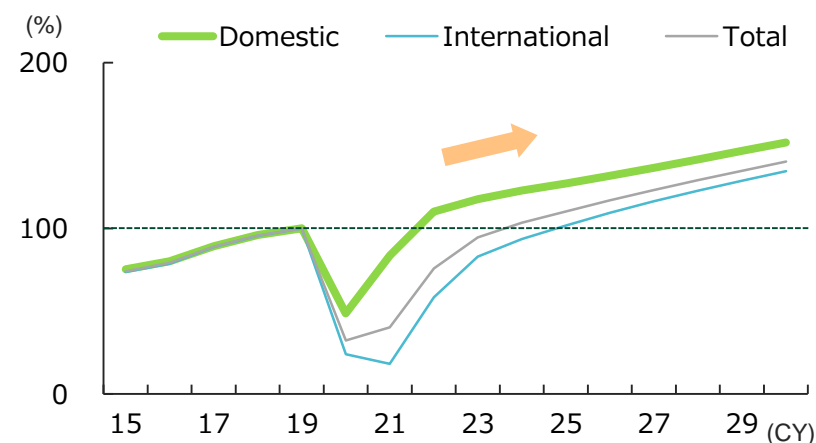


\*1 Include Aircraft pre-delivery payments \*2 IATA / Tourism Economics. Represents changes from CY19.

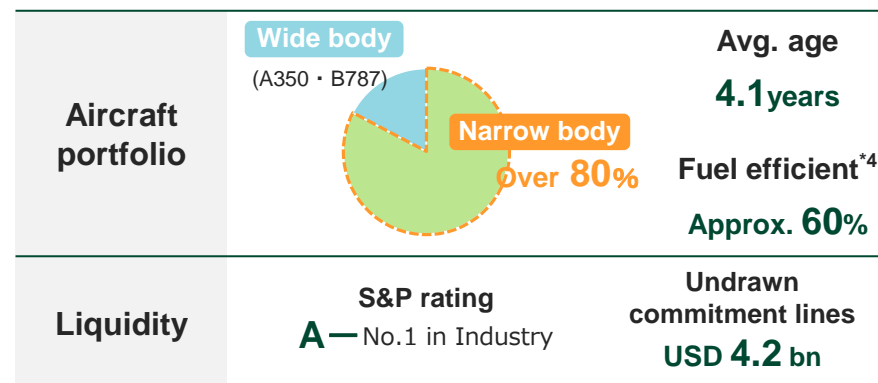
\*3 SMBCAC related includes revenue after the acquisition in June \*4 Neo/MAX/A350/B787

## Global passenger demand forecast<sup>\*2</sup>

- Domestic demand is expected to recover in 2022



## Strengths

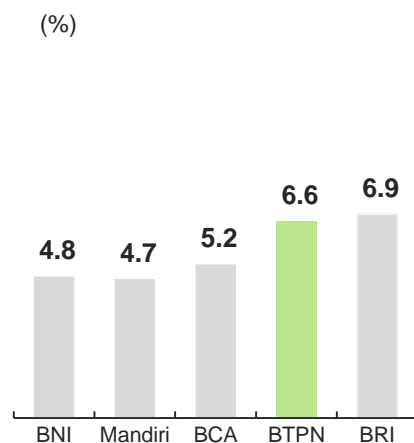


# Group companies (5) BTPN

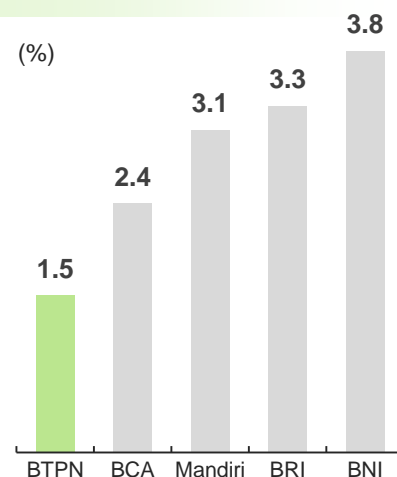
## Financial results<sup>\*1</sup>

(JPY bn)	2018	2019	2020	Jan-Sept. 2021
Gross banking profit	77.5	99.6	91.1	76.2
Operating expenses	44.7	56.3	50.9	39.9
Net profits	14.0	20.3	12.9	16.0
ROE	11.6%	9.9%	6.1%	8.9%
Loans	517.8	1,119.9	1,008.0	1,073.7
Deposits	538.4	686.8	745.8	805.2
Total assets	770.2	1,434.9	1,355.4	1,427.6

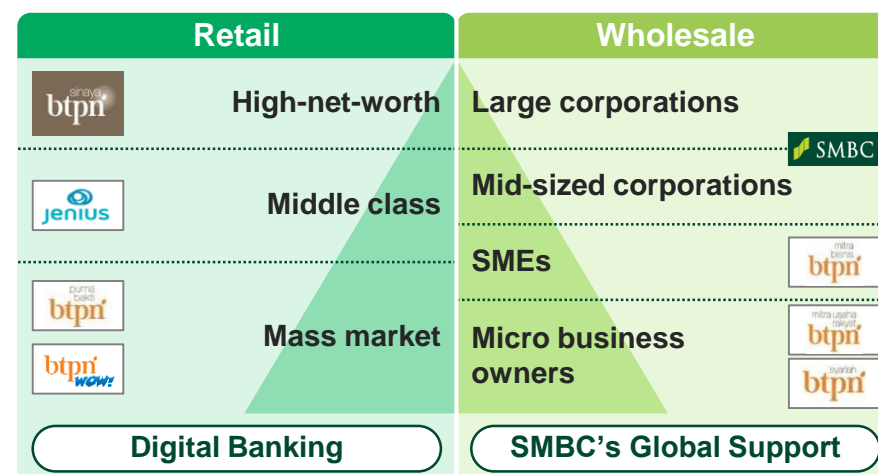
## Net interest margin<sup>\*2</sup>



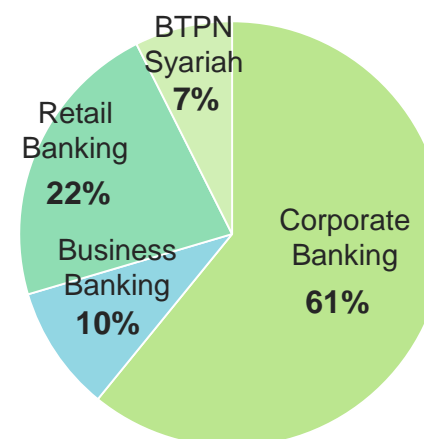
## NPL ratio<sup>\*2</sup>



## Customer



## Loan breakdown<sup>\*3</sup>



<sup>\*1</sup> TTM as of Dec. 18: IDR 1 = 0.0076, Dec. 19: IDR 1 = 0.0079, Dec. 20: IDR 1 = 0.0074, Sept. 21: IDR 1 = 0.0078

<sup>\*2</sup> Based on each company's disclosure (Sept. 21 results) <sup>\*3</sup> As of Sept. 21

# Outline of investees

## Fullerton India

<b>Company name</b>	Fullerton India Credit Company Limited	
<b>Business</b>	Excellent non-bank with nation-wide network	
<b>Establishment</b>	1994	
<b>Address</b>	Mumbai, India	
<b># of employees</b>	Approx. 14,000	
<b>Results*<sup>1</sup> (2021/3)</b>	Net income	JPY (18.2) bn <sup>*2</sup>
	Total assets	JPY 416.5 bn

- Will acquire 74.9% of shares for approximately JPY 220 bn

## RCBC

<b>Company name</b>	Rizal Commercial Banking Corporation	
<b>Business</b>	6th largest regional bank in total assets	
<b>Establishment</b>	1960	
<b>Address</b>	Manila, Philippines	
<b># of employees</b>	Approx. 6,000	
<b>Results*<sup>1</sup> (2020/12)</b>	Net income	JPY 10.8 bn
	Total assets	JPY 1.7 tn

- Acquired 4.99% of shares for approximately JPY 10 bn

## FE Credit

<b>Company name</b>	VPBank SMBC Finance Company Limited	
<b>Business</b>	Leading player in the domestic CF industry	
<b>Establishment</b>	2015	
<b>Address</b>	Ho Chi Minh City, Vietnam	
<b># of employees</b>	Approx. 13,000	
<b>Results*<sup>1</sup> (2020/12)</b>	Net income	JPY 13.7 bn
	Total assets	JPY 337.6 bn

- Acquired 49.9% of shares for max. JPY 150 bn

## Jefferies

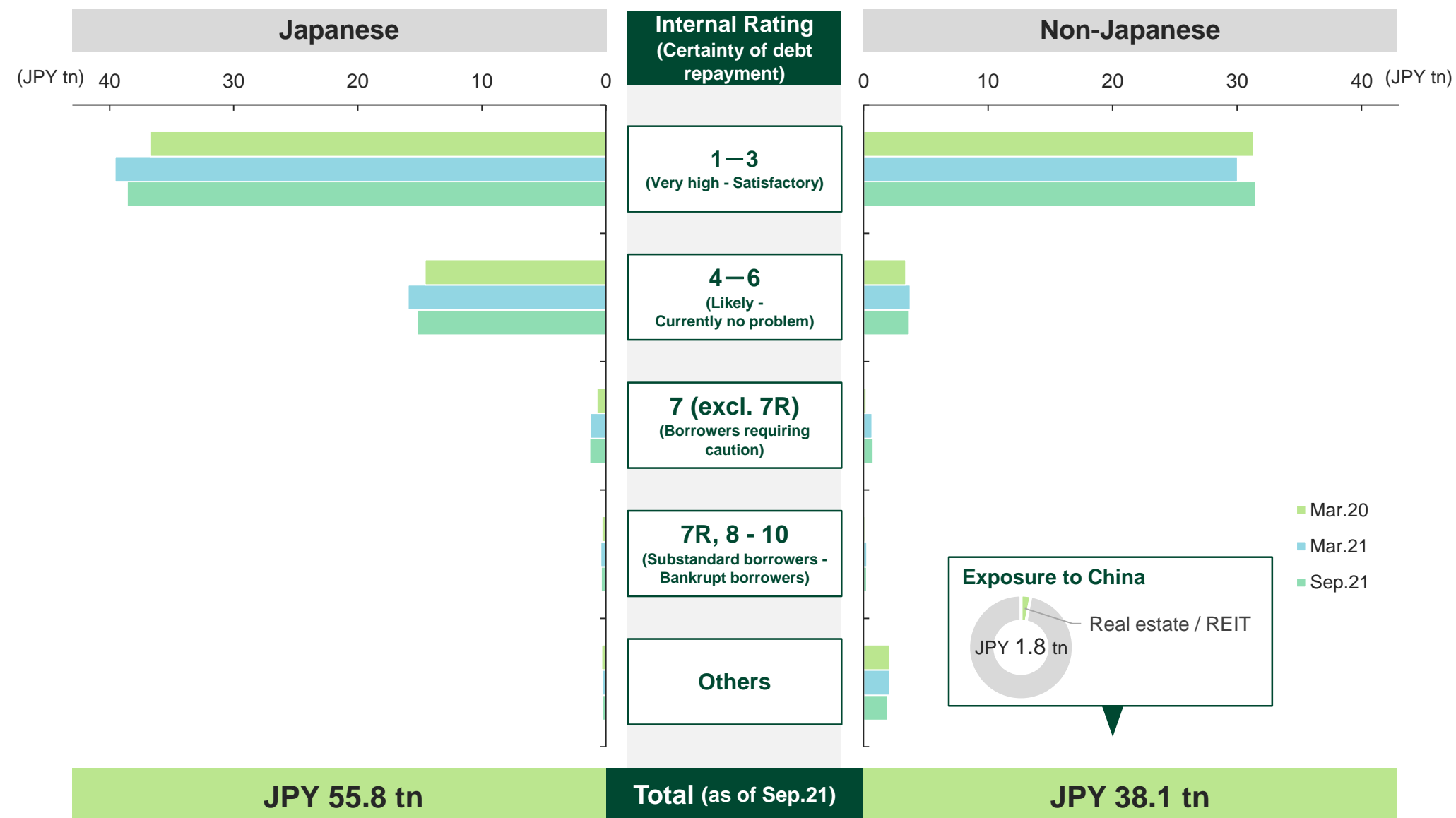
<b>Company name</b>	Jefferies Financial Group Inc.	
<b>Business</b>	Independent securities	
<b>Establishment</b>	1962	
<b>Address</b>	New York, U.S.	
<b># of employees</b>	Approx. 5000	
<b>Results*<sup>1</sup> (2020/12)</b>	Net income	JPY 79.9 bn
	Total assets	JPY 5.5 tn

- Acquired 4.3% of shares for approximately USD 400 mn

\*1 Exchange rates: JPY0.0074/IDR, JPY0.0046/VND, JPY2.16/PHP, JPY 1.50/INR, JPY103.86/USD

\*2 Includes one-time items of JPY 27.3 bn: restructuring related provision and management overlay

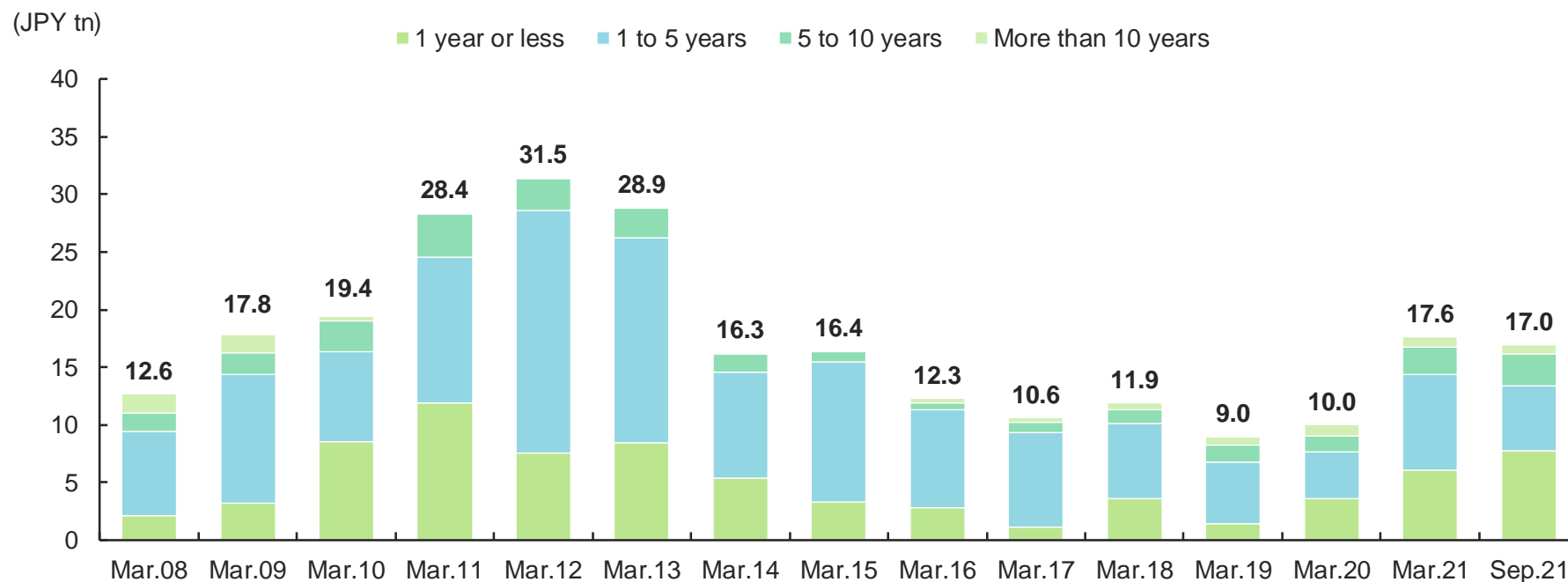
## (Ref.) Breakdown by internal ratings\*1



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

# 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)

13.8 14.0 9.8 8.0 9.3 6.3 7.1 14.3 13.4

Average duration (years) <sup>*1</sup>	2.4	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	2.7
Unrealized gains (losses) (JPY bn) <sup>*2</sup>	(129.5)	(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	11.6

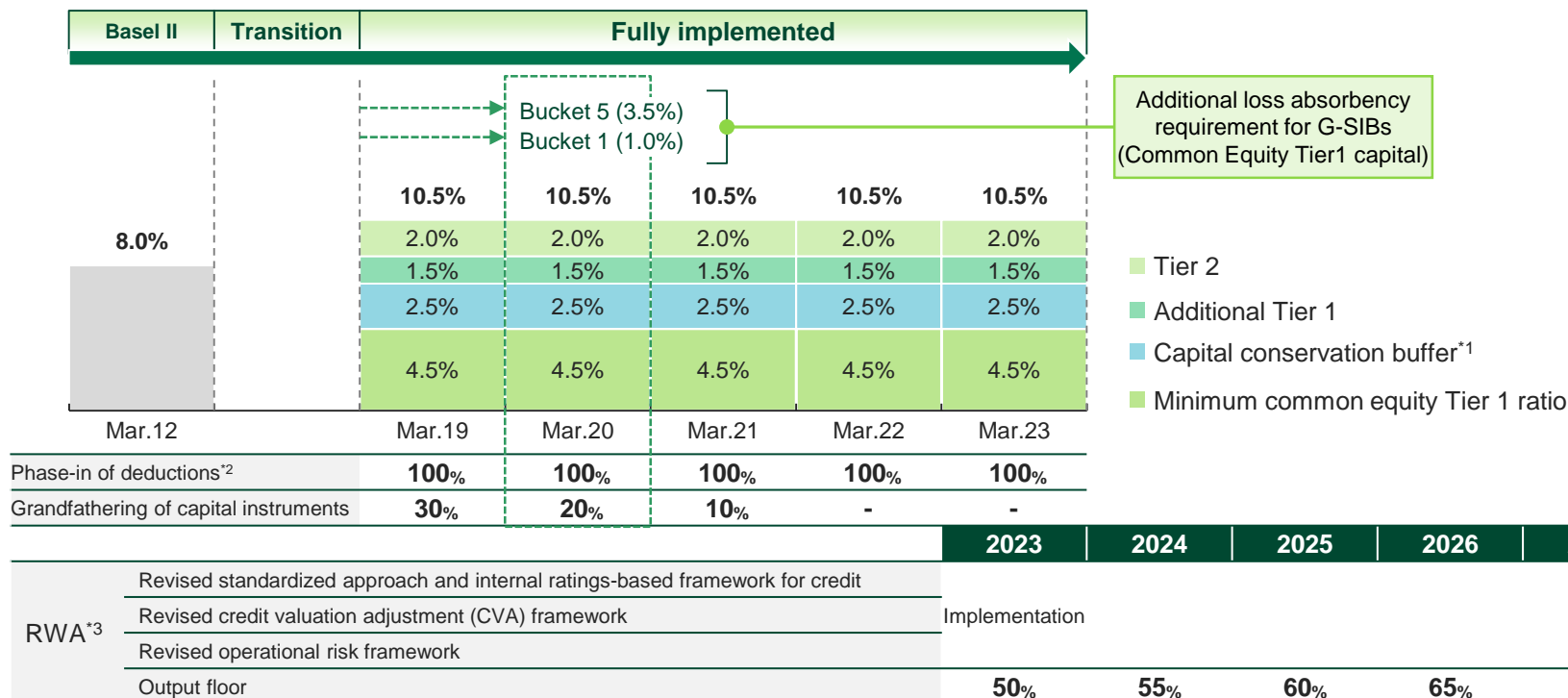
\*1 Excluding bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero. Duration at Mar. 02 is for JGB portfolio only

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



# Application of Basel III

## Capital requirements



## Leverage ratio and liquidity rules

	2019	2020	2021	2022	2023
Leverage ratio	Implementation				
Revised Leverage ratio*3, 4	Implementation				
LCR	100%				
NSFR	Implementation				

\*1 Countercyclical buffer (CCyB) omitted

\*2 Intangible fixed assets, deferred tax assets and investment of unconsolidated financial institutions, etc.

\*3 GHOS, the higher committee of the Basel announced that it will postpone the implementation of unimplemented Basel III standards in Mar. 20 (2022 to 2023) \*4 Revised exposure definition and G-SIB buffer

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

(As of Nov. 1, 2021)

Moody's	Moody's	S&P	Fitch	S&P Fitch
Aaa				AAA
Aa1				AA+
Aa2	<ul style="list-style-type: none"> <li>Bank of America</li> <li>Bank of New York Mellon</li> <li>JPMorgan Chase Bank</li> <li>Wells Fargo Bank</li> </ul>		<ul style="list-style-type: none"> <li>Bank of America</li> <li>Bank of New York Mellon</li> <li>JPMorgan Chase Bank</li> <li>State Street Bank &amp; Trust</li> </ul>	AA
Aa3	<ul style="list-style-type: none"> <li>BNP Paribas</li> <li>Citibank</li> <li>Crédit Agricole</li> <li>ING Bank</li> <li>Morgan Stanley Bank</li> <li>State Street Bank &amp; Trust</li> <li>UBS</li> </ul>	<ul style="list-style-type: none"> <li>Bank of New York Mellon</li> <li>Royal Bank of Canada</li> <li>State Street Bank &amp; Trust</li> <li>Toronto Dominion</li> </ul>	<ul style="list-style-type: none"> <li>HSBC Bank</li> <li>ING Bank</li> <li>Royal Bank of Canada</li> <li>Toronto Dominion</li> <li>UBS</li> <li>Wells Fargo Bank</li> </ul>	AA-
A1	<b>SMBC</b> <ul style="list-style-type: none"> <li>Agricultural Bank of China</li> <li>Bank of China</li> <li>Barclays Bank</li> <li>BPCE</li> <li>China Construction Bank</li> <li>Credit Suisse</li> <li>Goldman Sachs Bank</li> <li>HSBC Bank</li> <li>ICBC</li> <li><b>Mizuho Bank</b></li> <li><b>MUFG Bank</b></li> <li>Société Générale</li> <li>Standard Chartered</li> <li>Toronto Dominion</li> </ul>	<ul style="list-style-type: none"> <li>Bank of America</li> <li>BNP Paribas</li> <li>Citibank</li> <li>Crédit Agricole</li> <li>Credit Suisse</li> <li>Goldman Sachs Bank</li> <li>HSBC Bank</li> <li>ING Bank</li> <li>JPMorgan Chase Bank</li> <li>Morgan Stanley Bank</li> <li>UBS</li> <li>Wells Fargo Bank</li> </ul>	<ul style="list-style-type: none"> <li>Barclays Bank</li> <li>BNP Paribas</li> <li>BPCE</li> <li>Citibank</li> <li>Crédit Agricole</li> <li>Goldman Sachs Bank</li> <li>Morgan Stanley Bank</li> <li>Standard Chartered</li> </ul>	A+
A2	<ul style="list-style-type: none"> <li>Banco Santander</li> <li>Deutsche Bank</li> <li>Royal Bank of Canada</li> </ul>	<b>SMBC</b> <ul style="list-style-type: none"> <li>Agricultural Bank of China</li> <li>Banco Santander</li> <li>Bank of China</li> <li>Barclays Bank</li> <li>BPCE</li> <li>China Construction Bank</li> <li>ICBC</li> <li><b>Mizuho Bank</b></li> <li><b>MUFG Bank</b></li> <li>Société Générale</li> <li>Standard Chartered</li> </ul>	<b>SMBC</b> <ul style="list-style-type: none"> <li>Agricultural Bank of China</li> <li>Bank of China</li> <li>China Construction Bank</li> <li>Credit Suisse</li> <li>ICBC</li> </ul>	A
A3			<ul style="list-style-type: none"> <li>Banco Santander</li> <li><b>Mizuho Bank</b></li> <li><b>MUFG Bank</b></li> <li>Société Générale</li> </ul>	A-
Baa1	<ul style="list-style-type: none"> <li>UniCredit</li> </ul>	<ul style="list-style-type: none"> <li>Deutsche Bank</li> </ul>	<ul style="list-style-type: none"> <li>Deutsche Bank</li> </ul>	BBB+
Baa2		<ul style="list-style-type: none"> <li>UniCredit</li> </ul>		BBB
Baa3			<ul style="list-style-type: none"> <li>UniCredit</li> </ul>	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, 2021)

Moody's	Moody's	S&P	Fitch	S&P Fitch
Aaa				AAA
Aa1				AA+
Aa2				AA
Aa3			<ul style="list-style-type: none"> <li>Bank of America</li> <li>Bank of New York Mellon</li> <li>JPMorgan</li> <li>State Street</li> </ul>	AA-
A1	<b>SMFG</b> <ul style="list-style-type: none"> <li>Bank of New York Mellon</li> <li>Mizuho</li> </ul> <ul style="list-style-type: none"> <li>MUFG</li> <li>Morgan Stanley</li> <li>State Street</li> <li>Wells Fargo</li> </ul>		<ul style="list-style-type: none"> <li>Groupe BPCE</li> <li>HSBC</li> <li>ING</li> <li>UBS</li> <li>Wells Fargo</li> </ul>	A+
A2	<ul style="list-style-type: none"> <li>Bank of America</li> <li>Goldman Sachs</li> <li>JPMorgan</li> </ul>	<ul style="list-style-type: none"> <li>Bank of New York Mellon</li> <li>State Street</li> </ul>	<b>SMFG</b> <ul style="list-style-type: none"> <li>Barclays</li> <li>Citigroup</li> <li>Goldman Sachs</li> </ul> <ul style="list-style-type: none"> <li>Morgan Stanley</li> <li>Standard Chartered</li> </ul>	A
A3	<ul style="list-style-type: none"> <li>Citigroup</li> <li>HSBC</li> </ul> <ul style="list-style-type: none"> <li>Standard Chartered</li> <li>UBS</li> </ul>	<b>SMFG</b> <ul style="list-style-type: none"> <li>Bank of America</li> <li>HSBC</li> <li>ING</li> <li>JPMorgan</li> </ul> <ul style="list-style-type: none"> <li>Mizuho</li> <li>MUFG</li> <li>UBS</li> </ul>	<ul style="list-style-type: none"> <li>Credit Suisse</li> <li>MUFG</li> <li>Mizuho</li> </ul>	A-
Baa1	<ul style="list-style-type: none"> <li>ING</li> <li>Credit Suisse</li> </ul>	<ul style="list-style-type: none"> <li>Citigroup</li> <li>Credit Suisse</li> <li>Goldman Sachs</li> </ul> <ul style="list-style-type: none"> <li>Morgan Stanley</li> <li>Standard Chartered</li> <li>Wells Fargo</li> </ul>		BBB+
Baa2	<ul style="list-style-type: none"> <li>Barclays</li> </ul>	<ul style="list-style-type: none"> <li>Barclays</li> </ul>		BBB
Baa3				BBB-
Ba1				BB+
Ba2				BB

\*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