

Fixed Income Investor Presentation

December 2021

Unless otherwise indicated, the financial figures for SMFG and SMBC included in this presentation are prepared in accordance with generally accepted accounting principles in Japan, or Japanese GAAP



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: the COVID-19 pandemic and collateral events; 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 condition and our operating results, and investors’ decisions.

Exchange rates (TTM)

	Sep. 20	Mar. 21	Sep. 21
USD	JPY 105.78	JPY 110.71	JPY 111.95
EUR	JPY 124.18	JPY 129.75	JPY 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)	Expenses excluding non-recurring losses
Net business profit	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

Results


- Key credit messages
 - Financial results
 - Impact of COVID-19
 - Balance sheet and loan balance
 - Loans
 - Asset quality
-

Funding & Capital

- Foreign currency assets and funding
- Foreign currency issuance and redemptions
- TLAC
- Capital strategy
- Credit ratings of selected G-SIBs

Key credit messages

(Consolidated, unless otherwise indicated, 1H FY3/22)

Strong and diversified earnings capability	USD 4.6 bn SMFG's profit attributable to owners of parent*1 (FY3/21)	Breakdown of consolidated net business profit by business unit 
Sound loan portfolio	0.88% SMFG NPL ratio	0.58% SMBC NPL ratio (non-consolidated)
Robust liquidity	55.5% Loan to deposit ratio	144.7% LCR (average Jul. –Sep. 21)
Sound capital position	15.92% CET1 ratio (Fully-loaded basis)	18.28% Total capital ratio
High credit ratings	A1 / A1 SMBC/SMFG Moody's rating	A / A- SMBC/SMFG S&P rating (As of Oct. 31, 2021)

*1 Converted into USD at period-end exchange rate

1H FY3/2022 financial results

	(JPY bn)	FY3/21	1H FY3/22	YoY
1	Consolidated gross profit	2,806.2	1,431.3	+53.9
2	G&A expenses	1,747.1	875.9	+39.5
	Overhead ratio	62.3%	61.2%	+0.5%
3	Equity in gains (losses) of affiliates	25.0	30.7	+20.5
4	Consolidated net business profit	1,084.0	586.1	+34.9
5	Total credit cost	360.5	26.7	(173.5)
6	Gains (losses) on stocks	92.6	81.2	+44.9
7	Other income (expenses)	(105.0)	(10.6)	+30.4
8	Ordinary profit	711.0	630.0	+283.7
9	Extraordinary gains (losses)	(38.8)	(3.3)	+1.1
10	Income taxes	156.3	167.4	+96.0
11	Profit attributable to owners of parent	512.8	456.1	+185.9
12	ROE	5.4%	9.4%	+3.7%

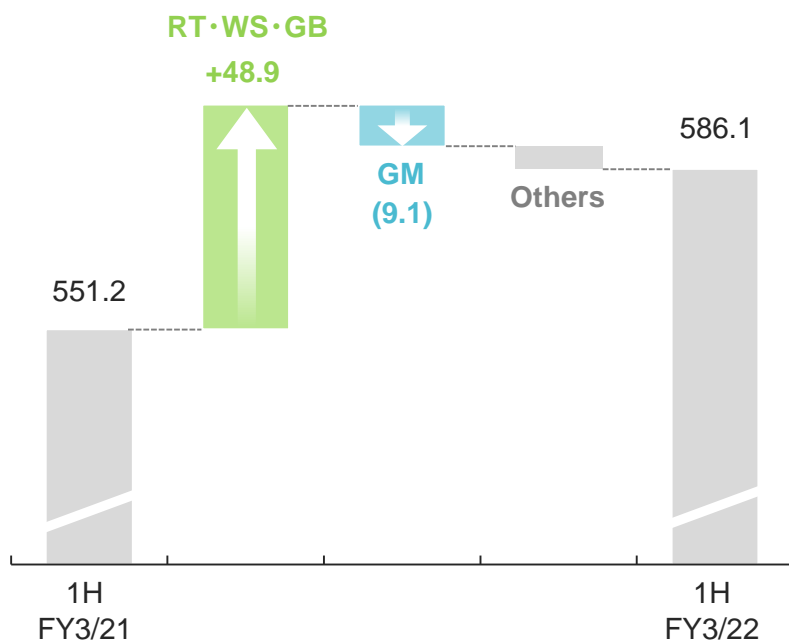
- **Consolidated gross profit:** increased YoY due to steady progress of RT, WS, and GB Business Units, despite lower gains on sales of bonds in GM Business Unit.
- **G&A expenses:** increased YoY mainly due to business recovery from COVID-19, as well as higher marketing cost of SMCC, which is successfully 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.

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

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

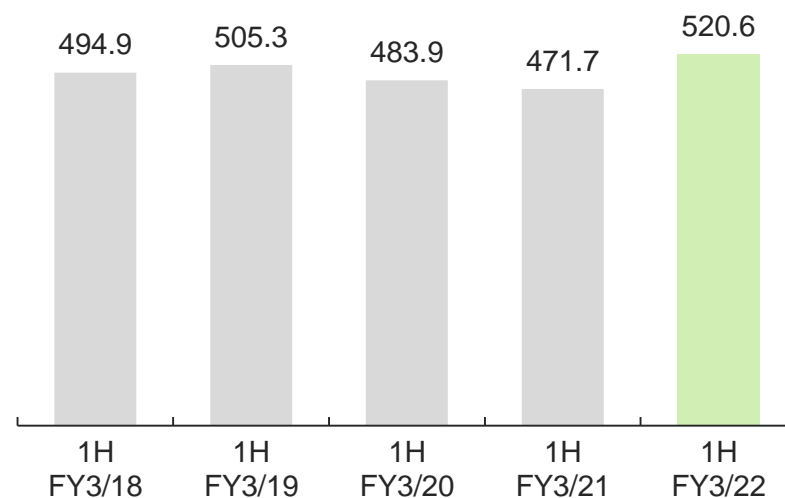
Consolidated net business profit

(JPY bn)



Total of RT/WS/GB Business Units ^{*1}

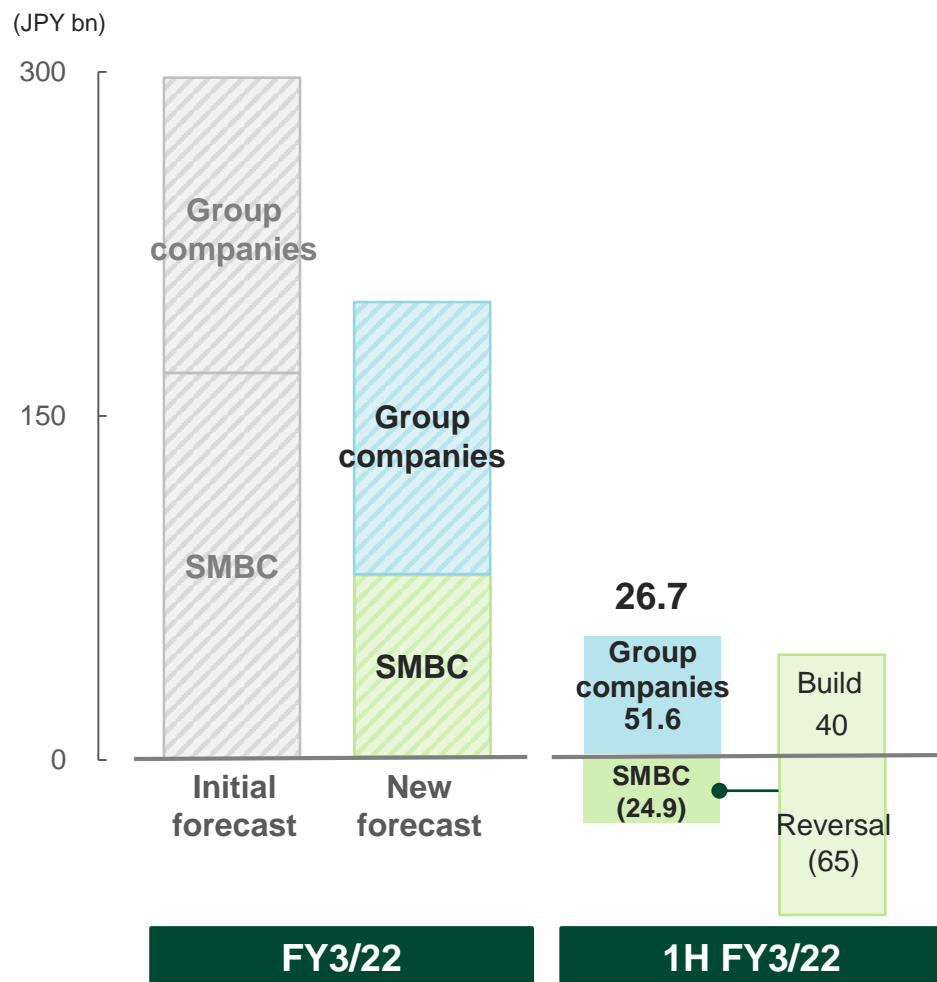
(JPY bn)



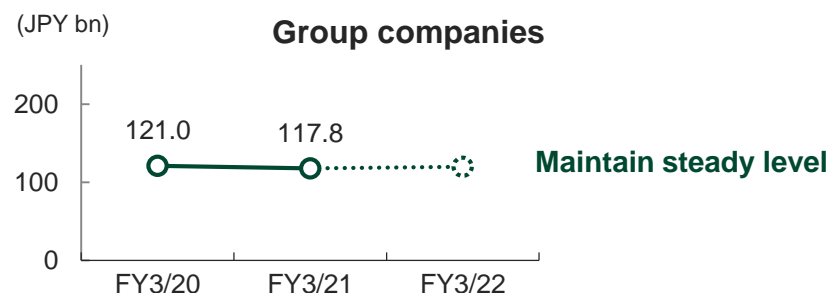
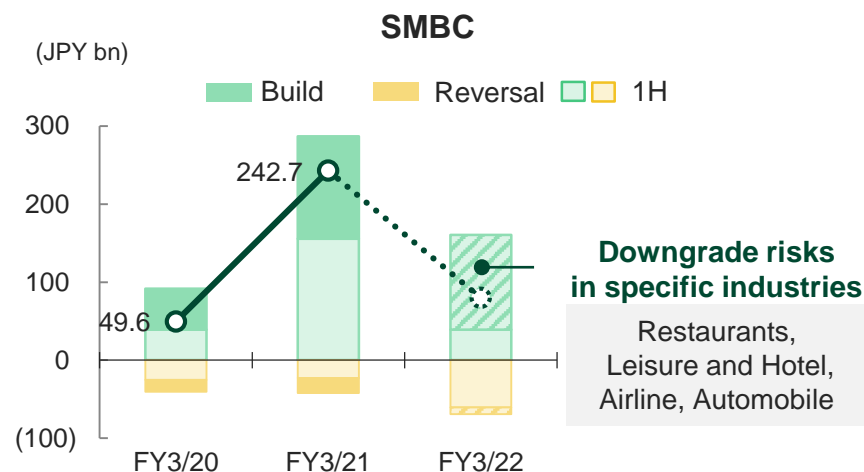
*1 Reflecting the change in the management accounting system in FY3/22

Impact of COVID-19 (2) Credit cost

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



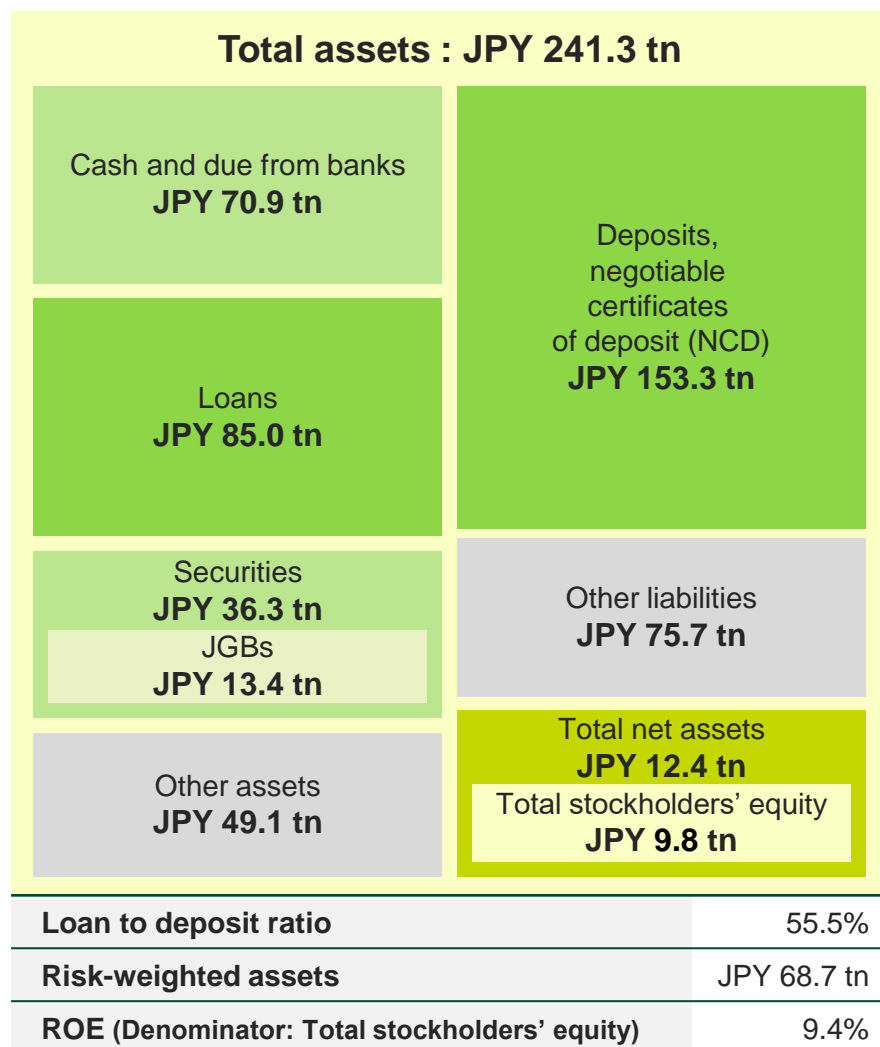
Breakdown of credit costs



Balance sheet and loan balance

Balance sheet (as of Sep. 21)

(Consolidated)

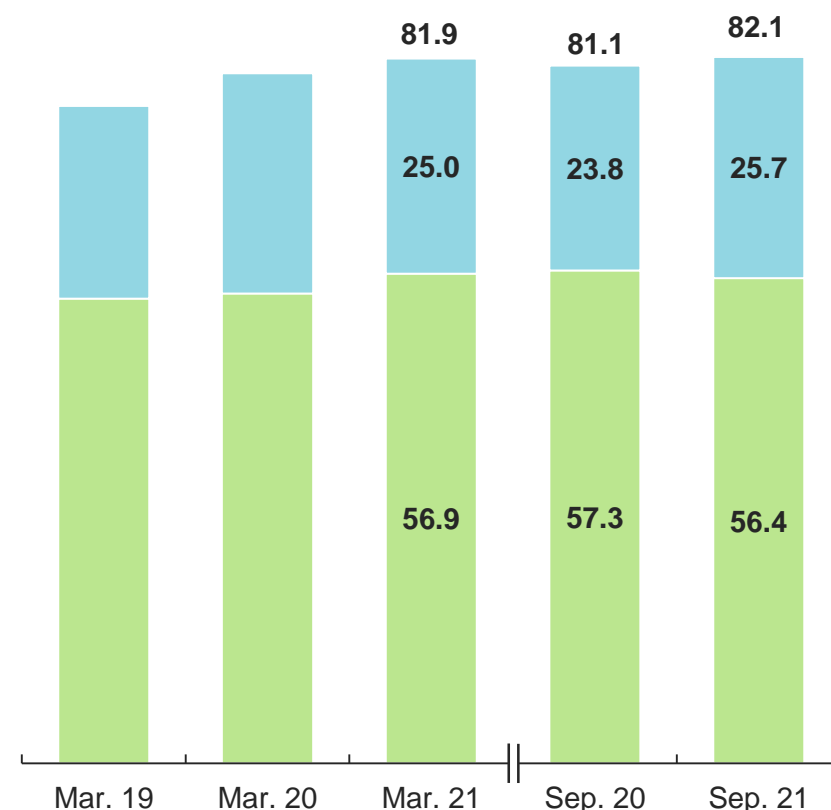


Loan balance

(Non-consolidated)

(JPY tn)

■ Domestic loans ■ Overseas loans



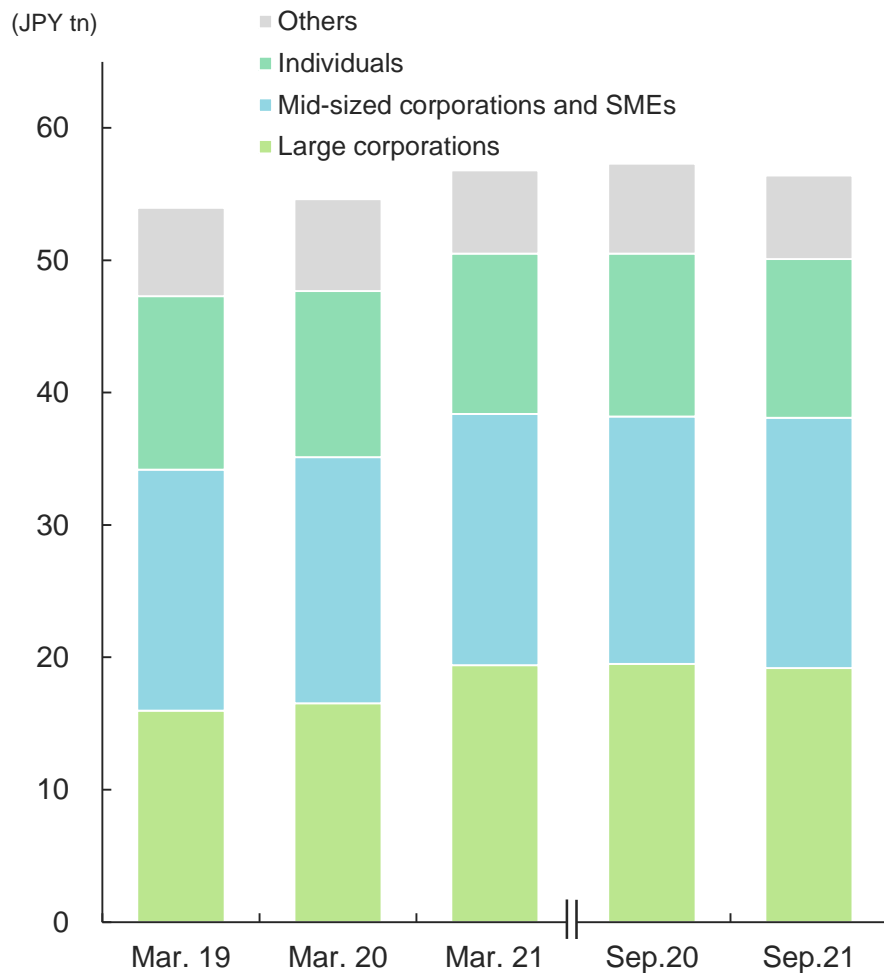
Of which loans to the Japanese government, etc. and SMFG

2.6 tn 3.0 tn 2.2 tn

Domestic loans*1

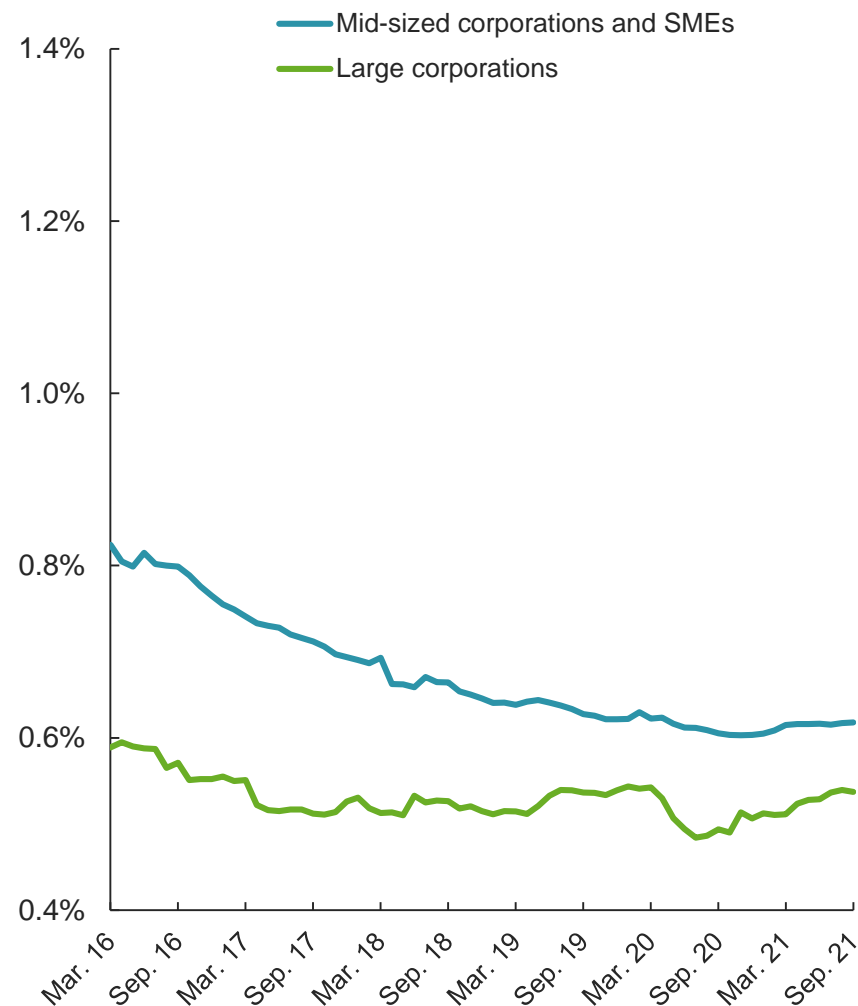
Balance

(Non-consolidated)



Spread*2

(Non-consolidated)

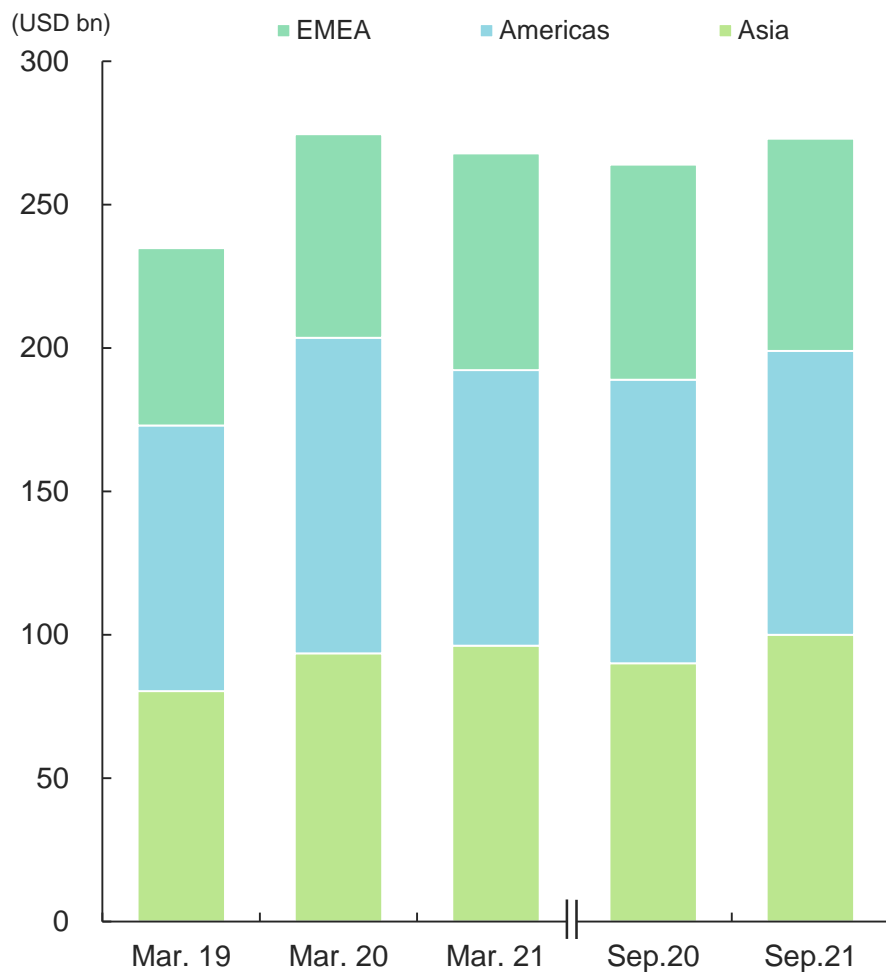


*1 Managerial accounting basis

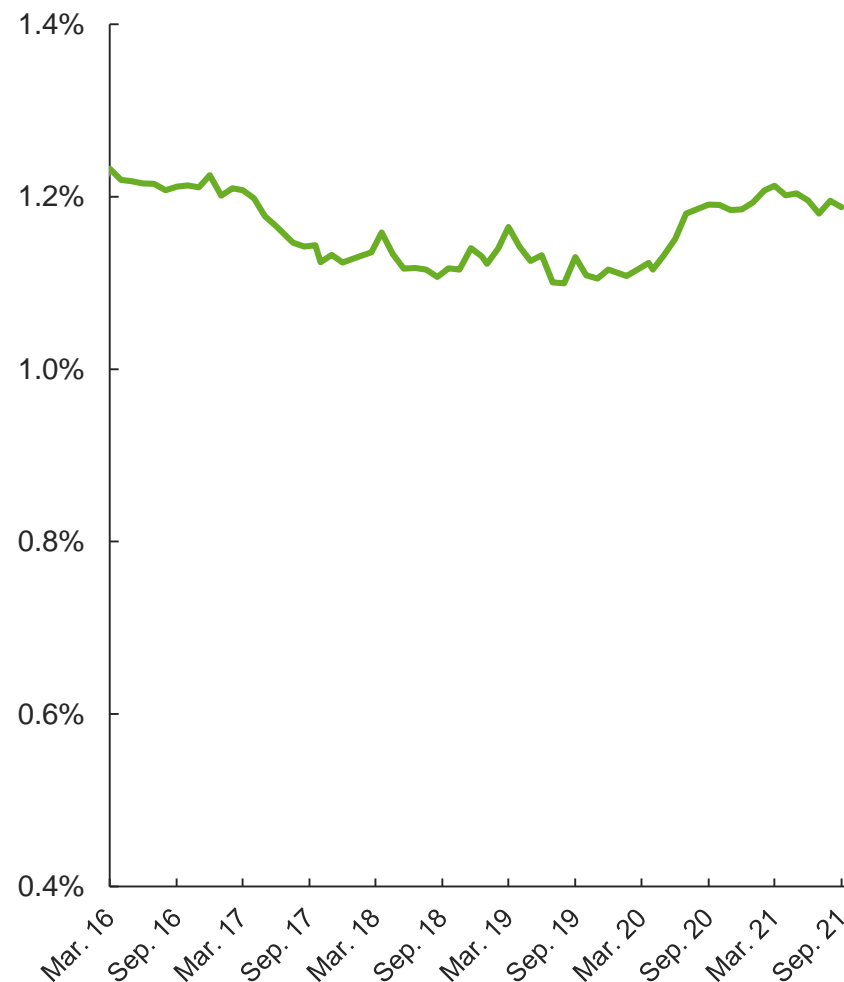
*2 Monthly average loan spread of existing loans, excludes loans to the Japanese government

Overseas loans^{*1}

Balance



Spread^{*2}

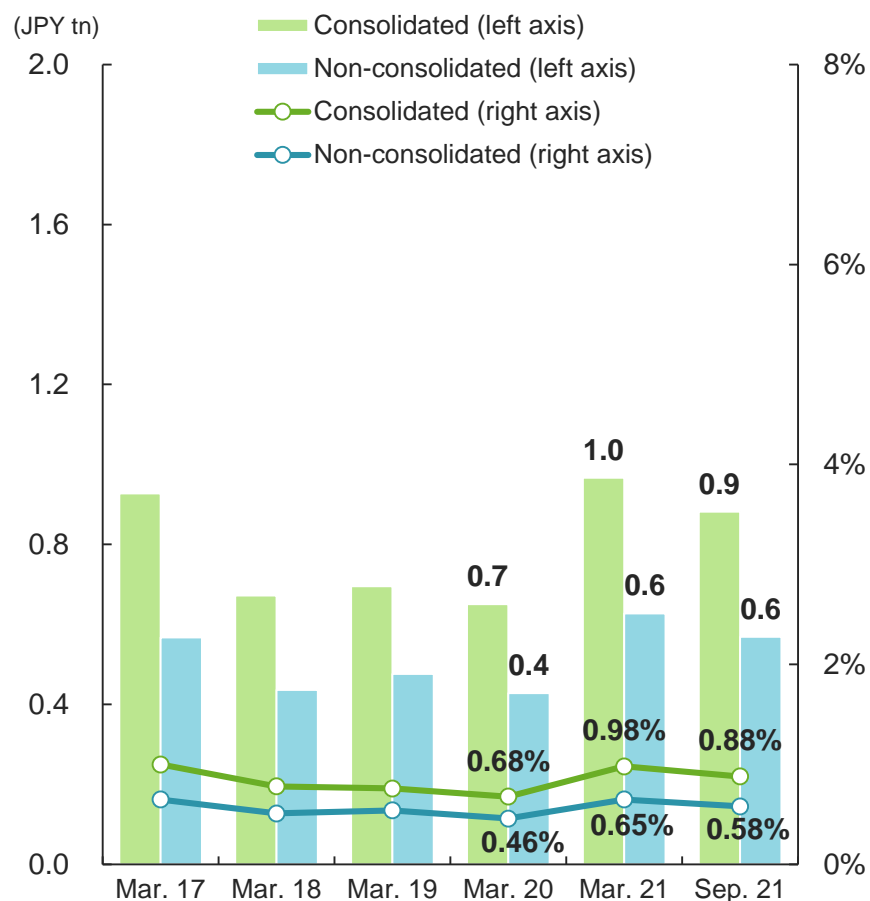


^{*1} Includes trade bills. Managerial accounting basis, translated into USD at respective period-end exchange rates.
Sum of SMBC and Major local subsidiaries

^{*2} Managerial accounting basis. Monthly average loan spread of existing loans

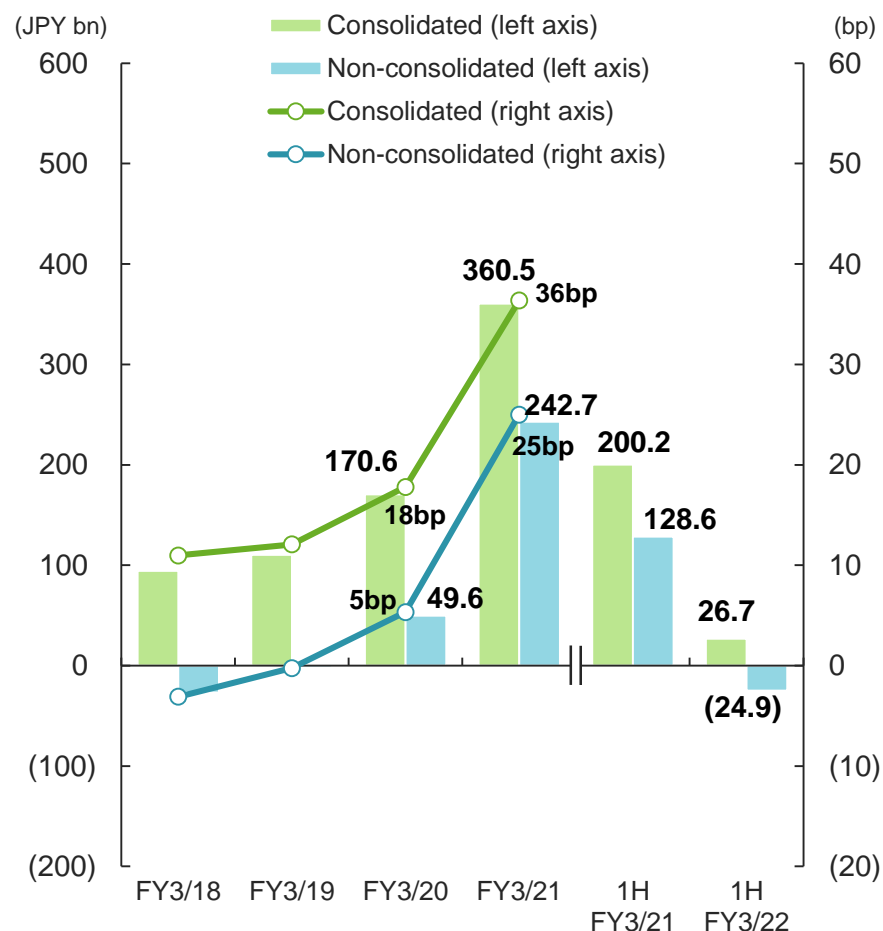
Asset quality – solid loan portfolio

NPLs and NPL ratio*1



Coverage ratio*3	Consolidated	66.26%	65.37%
	Non-consolidated	81.71%	80.50%

Total credit cost and total credit cost ratio*2



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

*2 Total credit cost ratio = Total credit cost / Total claims

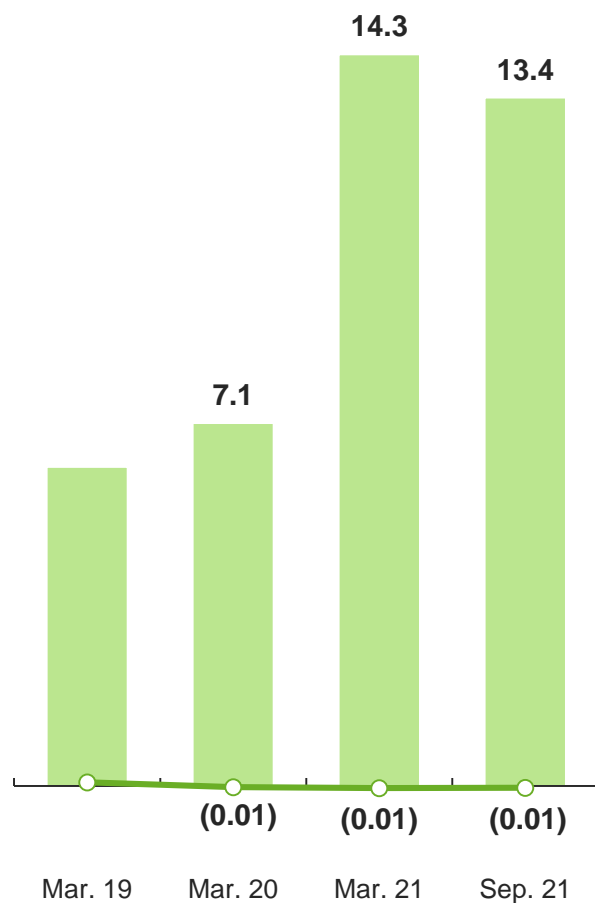
*3 Ratio of the collateral, guarantees and specific and general reserves to total NPLs

Asset quality – securities portfolio*1

(Consolidated)

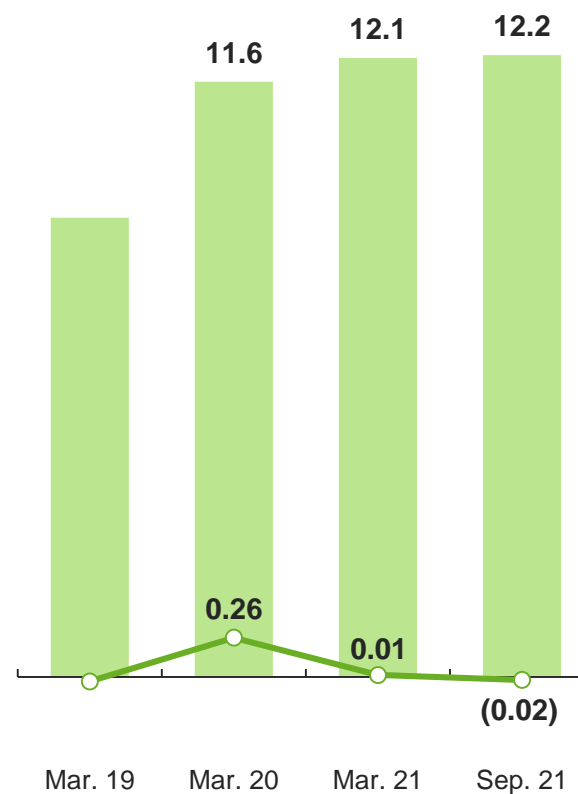
JGBs

(JPY tn) JGBs
Net unrealized gains (losses)



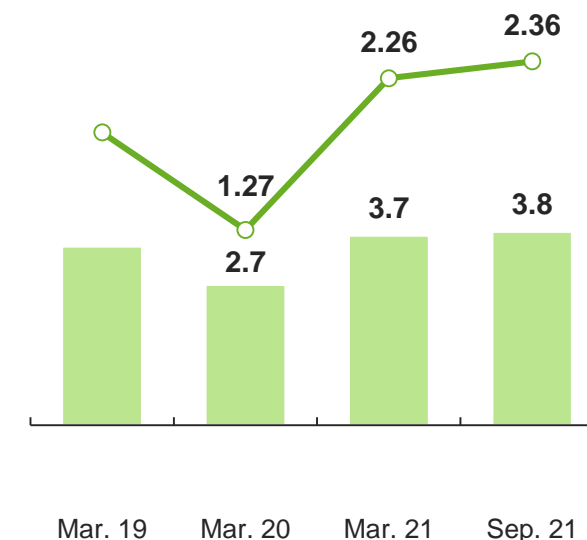
Foreign bonds

(JPY tn) Foreign bonds
Net unrealized gains (losses)



Stocks

(JPY tn) Stocks
Net unrealized gains (losses)



*1 Securities classified as other securities. Includes negotiable certificates of deposit classified as "Cash and due from banks," and beneficiary claims on loan trust classified as "Monetary claims bought," in addition to "Securities" stated in the consolidated balance sheets

Agenda

Results

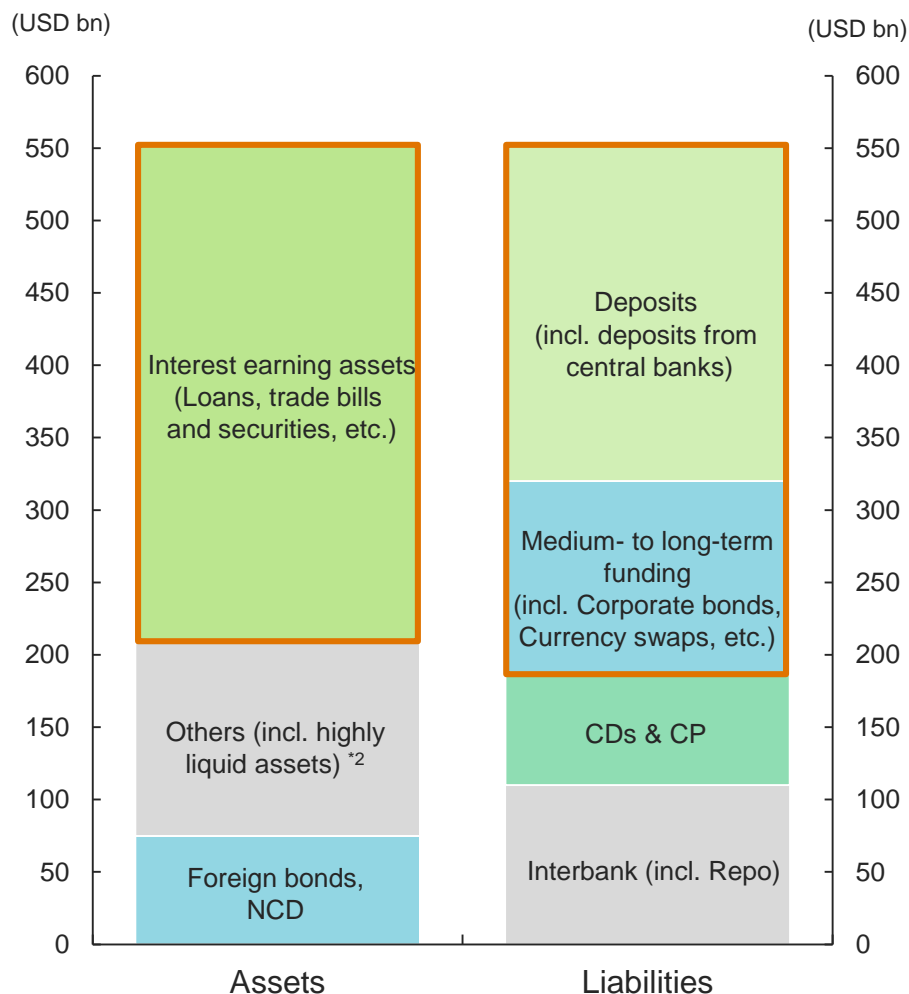
- Key credit messages
 - Financial results
 - Impact of COVID-19
 - Balance sheet and loan balance
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 - Asset quality
-

Funding & Capital

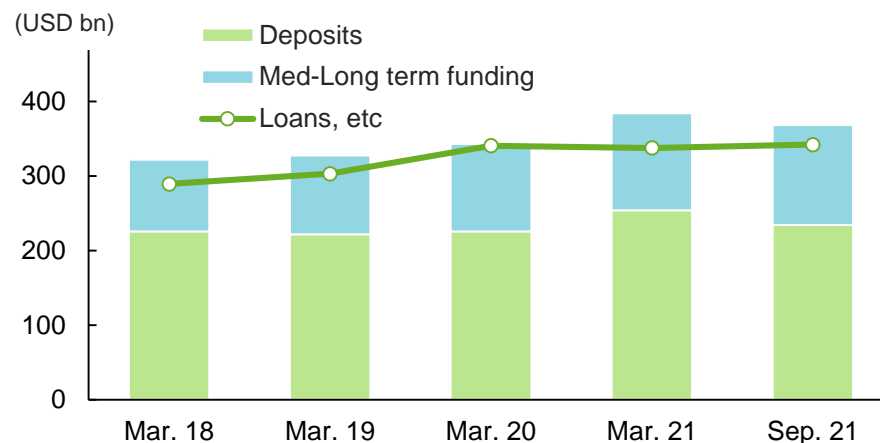
- Foreign currency assets and funding
- Foreign currency issuance and redemptions
- TLAC
- Capital strategy
- Credit ratings of selected G-SIBs

Foreign currency assets and funding

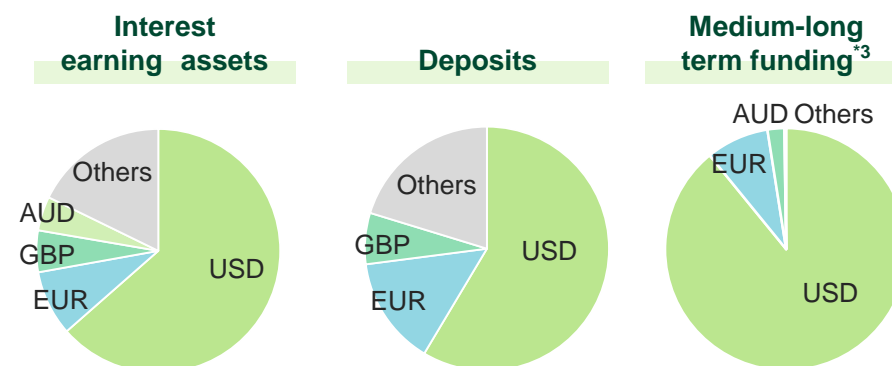
Non-JPY Balance Sheet Overview ^{*1} (as of Sep. 21)



Non-JPY Balance Sheet Development



Currency Breakdown

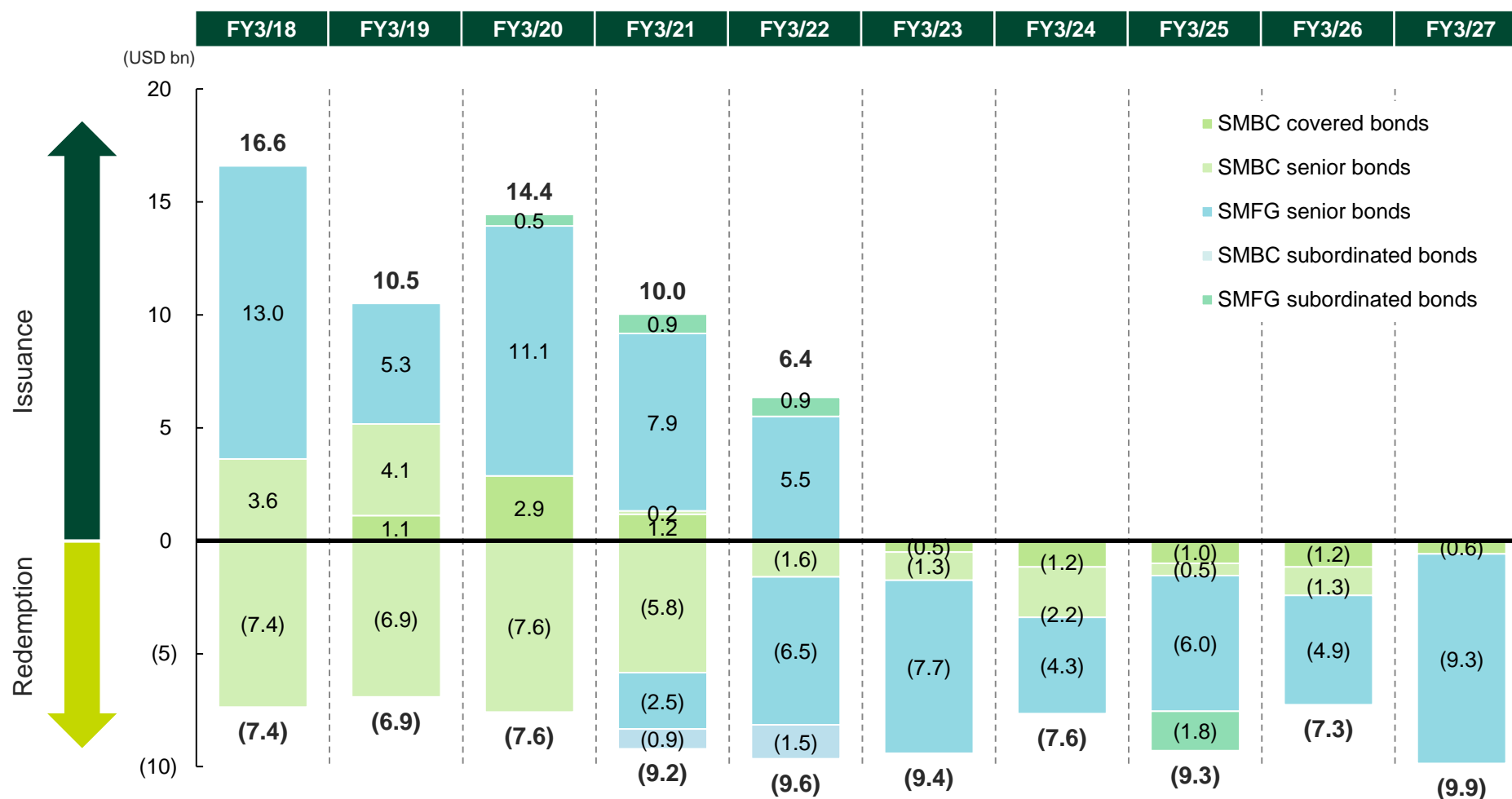


^{*1} Managerial accounting basis. Sum of SMBC and Major local subsidiaries ^{*2} Deposit placed with central banks, etc.

^{*3} Excludes JPY funding, certificate of deposits and transferable deposits. Among all bonds priced by Sep. 21, only includes issuance with original maturity of two years or more and tap its issue as of Sep. 21. Translated into USD at the exchange rates as of Sep. 21.

Foreign currency issuances and redemptions

Non-JPY issuances and redemptions*1



*1 The sum of SMFG and SMBC, each on a non-consolidated basis. Excludes JPY funding, certificate of deposits and transferable deposits. All redemptions were, or are expected, at maturity other than for callable bonds, which were, or are expected to be, redeemed at their respective 1st call dates, while there is no assurance they will be redeemed at such time. Among all bonds priced by Sep. 21, only includes issuance with original maturity of two years or more and its tap issue as of Sep. 21. Translated into USD at the exchange rate as of the end of each period for FY3/18-FY3/21, and as of Sep. 21 for FY3/22-FY3/27

TLAC requirements

TLAC and capital buffer requirements

	2019 - 2021	After 2022
Minimum external TLAC requirements (RWA basis)	16%	18%
+) capital buffers*1	+3.5%	+3.5%
Effective required level of minimum external TLAC (RWA basis)	19.5%	21.5%
Minimum external TLAC requirements (LE basis)	6%	6.75%

TLAC ratio (transitional basis)

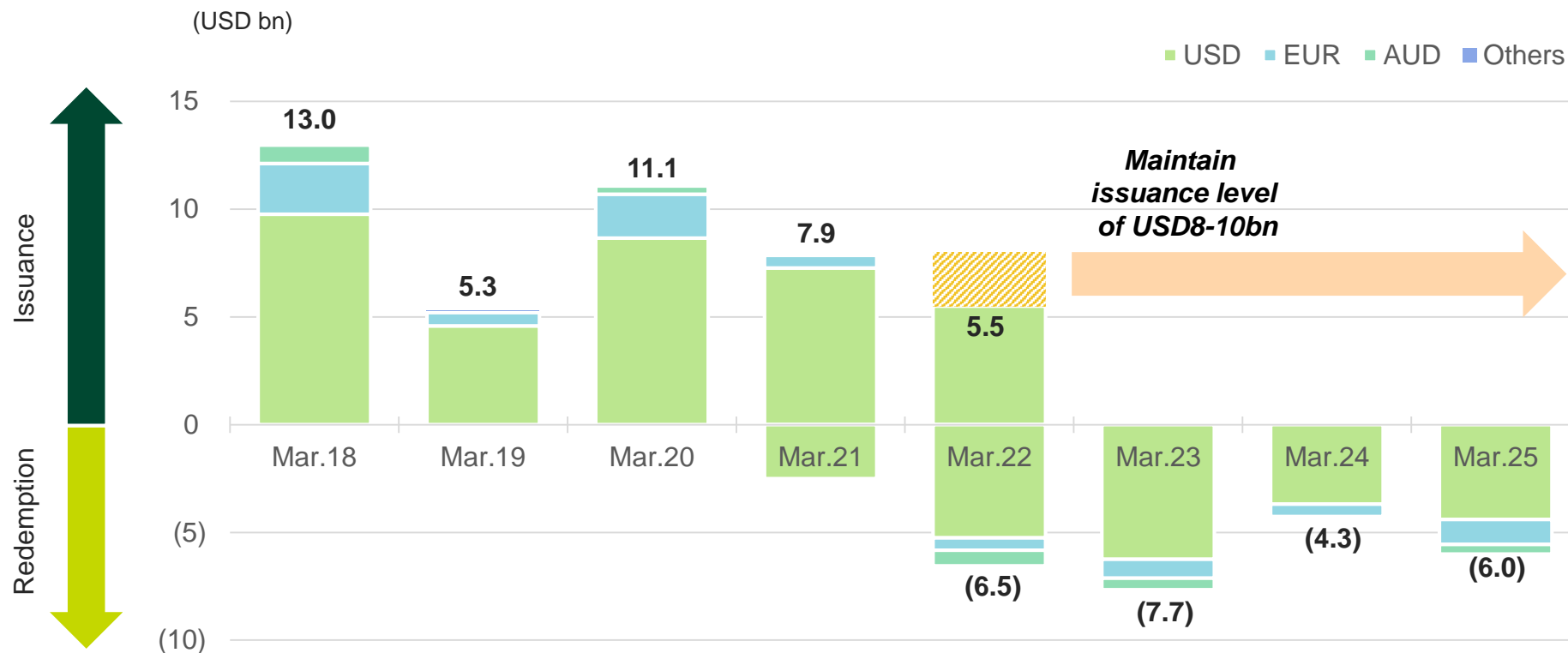
	(JPY bn)	Sep 21
External TLAC (before deduction of capital buffers)	A	20,052.9
Risk-weighted assets (RWA)	B	68,689.4
TLAC ratio (RWA basis) (A/B)	C	29.19%
Capital buffers (including CCyB)	D	(3.52%)
Ref: TLAC ratio of RWA (after deduction basis) (C-D)	E	25.67%
Leverage exposure (LE)	F	199,852.5 ^{*2}
TLAC ratio (LE basis) (A/F)	G	10.03%

*1 Excludes countercyclical buffer (CCyB) for RWA requirements. As for the G-SIB buffer, SMFG was allocated to bucket 1 according to the latest list published by the FSB

*2 LE excludes deposits with the Bank of Japan under the FSA's temporary relief on leverage ratio calculation until Mar 22

TLAC Issuance Results and Strategy

TLAC issuances and redemptions*1



TLAC Ratio (RWA) *2

Requirement	-	19.5%	19.5%	19.5%	21.5%	21.5%	21.5%	21.5%
SMFG	24.7%	30.5%	29.5%	29.3%	-	-	-	-

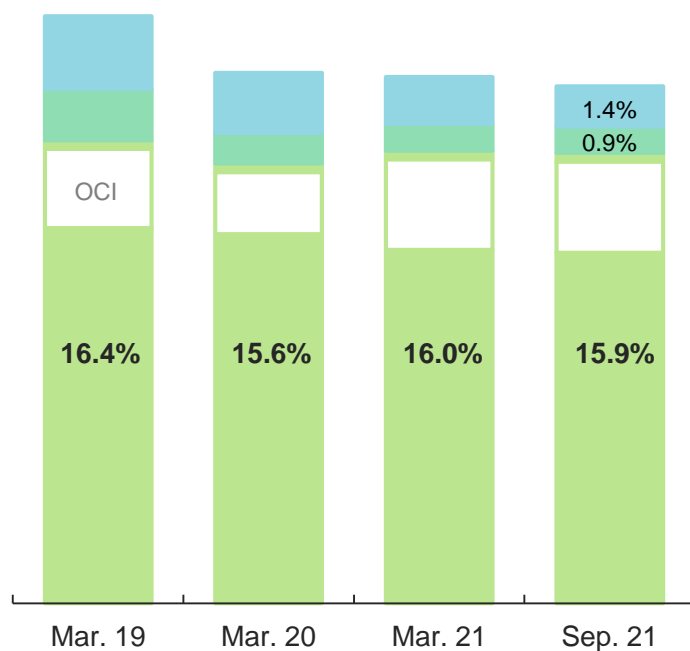
*1 The sum of SMFG Senior Bonds issuances and redemptions. All redemptions were, or are expected, at maturity other than for callable bonds, which were, or are expected to be, redeemed at their respective 1st call dates, while there is no assurance they will be redeemed at such time. Among all bonds priced by Sep. 21, only includes issuance with original maturity of two years or more and its tap issue as of Sep. 21. Translated into USD at the exchange rate as of the end of each period for FY3/18-FY3/21, and as of Sep. 21 for FY3/22-FY3/25

*2 including capital buffers (other than CCyB)

Capital

Basel III fully-loaded basis

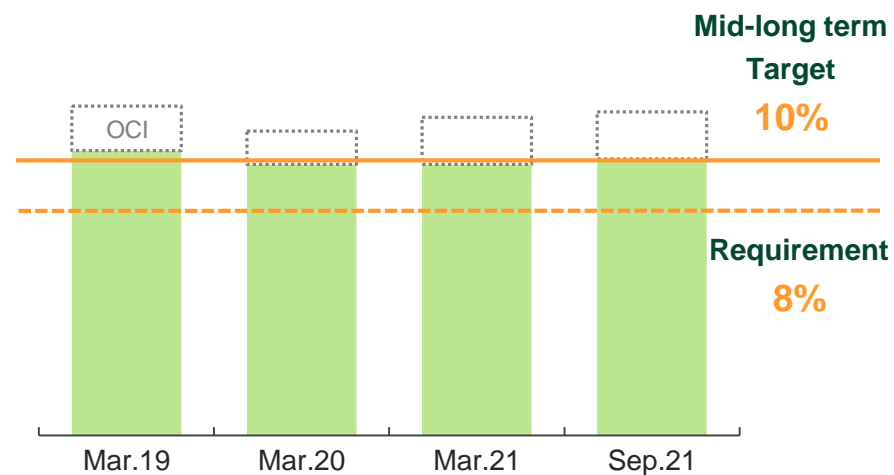
■ CET1 ■ OCI ■ AT1 ■ Tier2



(JPY tn)

RWA	58.9	61.6	66.0	68.7
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Post-Basel III excl. OCI (financial target)



Subordinated bonds

Investment highlights

High credit quality

- Strong capital : High CET1 ratio
- Strong liquidity : Low loan to deposit ratio
- Strong credit : Low NPL ratio

High credit rating

- High credit rating of senior and subordinated bonds (Tier 2) due in part to the support framework

Scarcity value

- Offers investment diversification opportunities to investors

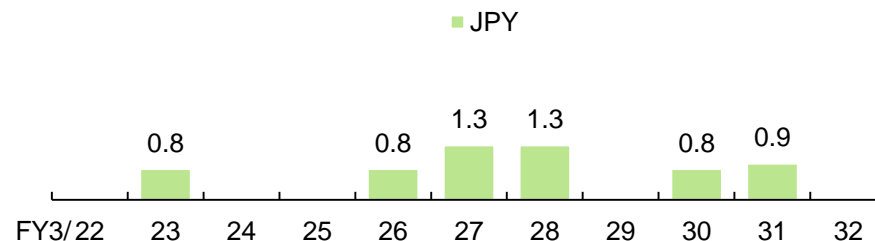
Recent issuances and maturity profile

Recent issuances (AT1/Tier 2)

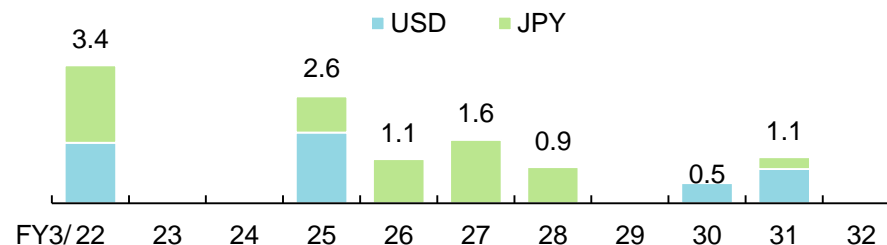
Security type	Issue date	Amount	Tenor	Coupon
AT1	Sep. 9, 2020	JPY 100 bn	PerpNC10	1.109% ^{*1}
Tier 2 (USD)	Sep. 17, 2021	USD 850 mn	20y	2.930%

Maturity profile by debt class^{*2}

• AT1 (USD bn)



• Tier 2 (USD bn)



^{*1} Reset at 5y JGB+105bp every 5 years after the first call date

^{*2} AT1 Capital and Tier 2 Capital include previously issued Basel 2-eligible bonds. The sum of SMFG and SMBC, each on a non-consolidated basis. All redemptions were, or are expected at maturity other than for callable bonds, which were, or are expected to be redeemed at their respective 1st call dates, while there is no assurance they will be redeemed at such time. Include all bonds priced by Sep. 21. Translated at the exchange rate as of Sep. 21

Credit ratings of selected G-SIBs

OpCo senior unsecured notes / Excluded liabilities
 TLAC eligible senior unsecured notes
 Basel III Tier 2 notes

● — ● Notch Difference (between OpCo senior and TLAC senior notes)

(As of Oct. 31, 2021)

Moody's

	SMFG	Mizuho	MUFG	BAC	Citi	JPM	Barclays	HSBC	DB ^{*1}	BNP ^{*1}	CS	UBS ^{*2}
Aa2				●		●						
Aa3	0	0	0	3	●	3				●		●
A1	●	●	●	3	3	3	●	●			●	
A2				●	3	●		2	●	4	3	3
A3					●		4	●	3			●
Baa1										●	●	
Baa2							●		●			
Baa3												
Ba1												
Ba2												

S&P

	SMFG	Mizuho	MUFG	BAC	Citi	JPM	Barclays	HSBC	DB ^{*1}	BNP ^{*1}	CS	UBS ^{*2}
AA-				●	●	●		●		●	●	●
A+				2	3	2	●	2		2	3	2
A	1	1	1	2	3	2	3	2		2	3	2
A-	1	1	1	2	3	2	3	2		2	3	2
BBB+					●		3		●		●	●
BBB							●		2			
BBB-									●			
BB+												

*1 For DB and BNP, OpCo senior notes and TLAC eligible senior notes mean preferred senior notes and Non-preferred senior notes, respectively

*2 Backed senior unsecured rating of UBS Group Funding (Switzerland) guaranteed by UBS Group AG for TLAC eligible senior notes



Appendix

SMFG / SMBC overview

(FY3/21)		SMFG (Consolidated) ^{*1} Global banking group originated in Japan	SMBC (Non-consolidated) ^{*1} Core operating entity within SMFG franchise
Market Capitalization (TSE:8316, NYSE:SMFG)		JPY 5.4 tn / USD 46.4 bn (As of Nov. 24, 2021)	unlisted (wholly-owned by SMFG)
B/S	Assets	JPY 243 tn / USD 2,191 bn	JPY 216 tn / USD 1,950 bn
	Loans	JPY 85 tn / USD 769 bn	JPY 82 tn / USD 740 bn
	Deposits ^{*2}	JPY 142 tn / USD 1,283 bn	JPY 135 tn / USD 1,217 bn
	Loans/Deposits	55.1%	60.8%
P/L	Gross Profit	JPY 2,806 bn / USD 25.3 bn Consolidated gross profit	JPY 1,482 bn / USD 13.4 bn Gross banking profit
	Net Income	JPY 513 bn / USD 4.6 bn Profit attributable to owners of parent	JPY 338 bn / USD 3.1 bn Net income
CET1 ratio		16.00%	-
NPL ratio		0.98%	0.65%
Ratings (Moody's / S&P)		A1 / A- (As of Oct 31, 2021)	A1 / A (As of Oct 31, 2021)
Business Franchise		<ul style="list-style-type: none"> ● Holds top-tier companies in banking, leasing, securities services, consumer finance, and other businesses ● 149 overseas offices^{*3} (As of Sep. 30, 2021) 	<ul style="list-style-type: none"> ● 453 domestic branches ● 27 million retail accounts (As of Sep. 30, 2021)

^{*1} Converted into USD at March 2021 fiscal year-end exchange rate
Market capitalization converted to USD at the Nov. 24, 2021 exchange rate

^{*2} Excludes negotiable certificates of deposits

^{*3} Excludes offices planned to be closed

Group structure*1

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

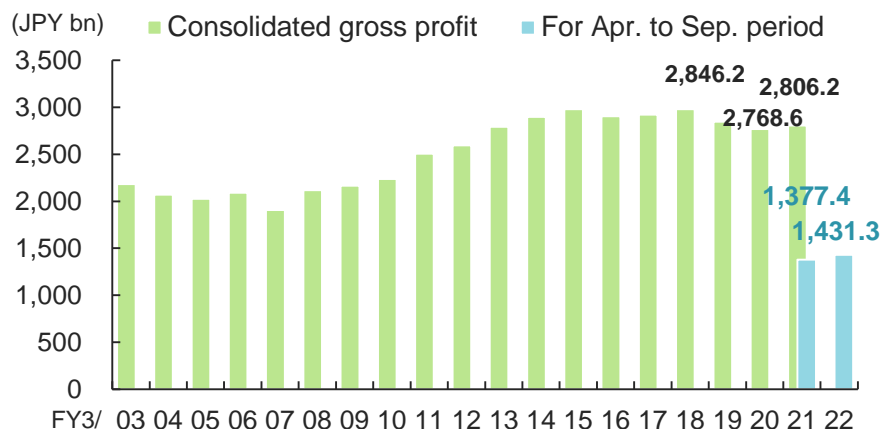
Sumitomo Mitsui DS Asset Management

*1 As of Sep. 21

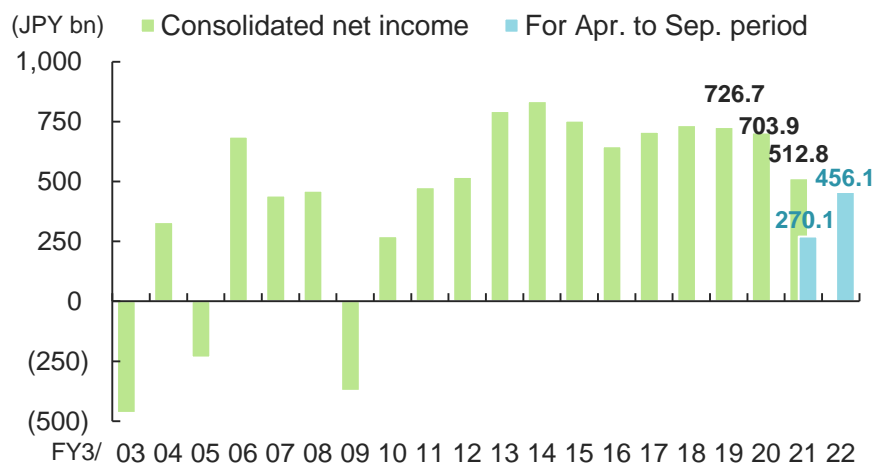
Unless otherwise stated, each consolidated subsidiary is a wholly owned subsidiary of Sumitomo Mitsui Financial Group

Trend of major income components – Consolidated

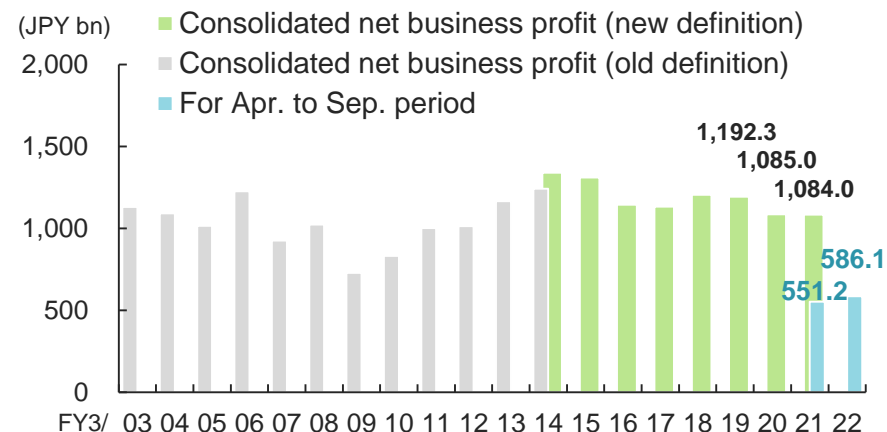
Consolidated gross profit



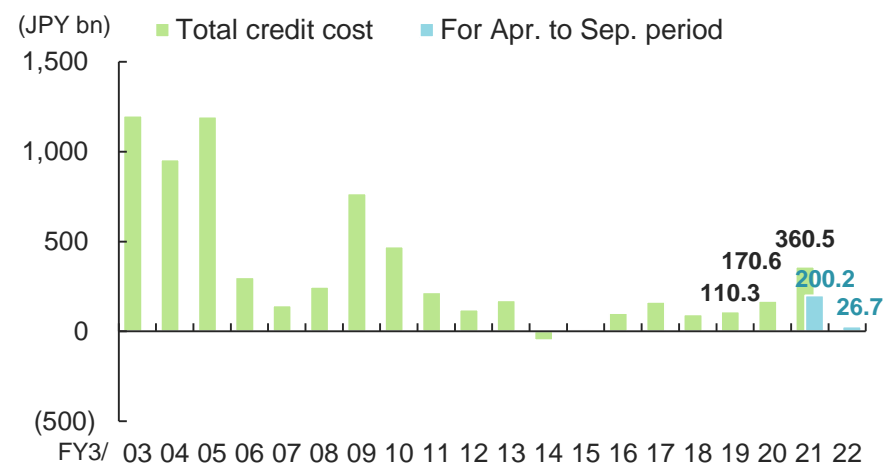
Net income / Profit attributable to owners of parent



Consolidated net business profit*1



Total credit cost

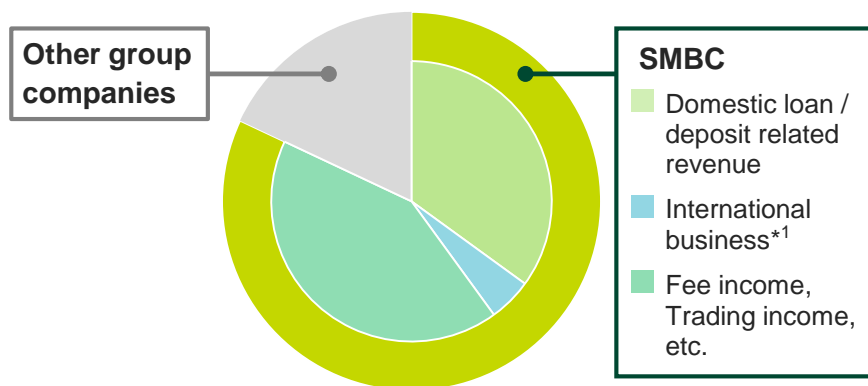


*1 We have changed the definition of "Consolidated net business profit" from the FY 3/15. The figure for FY 3/14 has been adjusted retrospectively

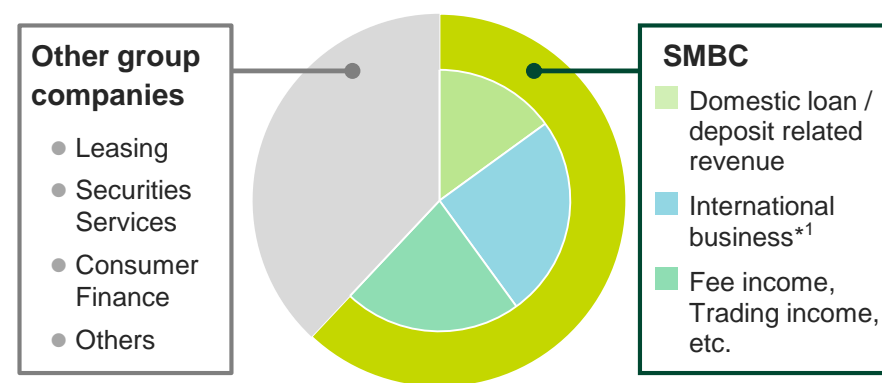
Diversified revenue sources

Breakdown of consolidated gross profit

FY3/03

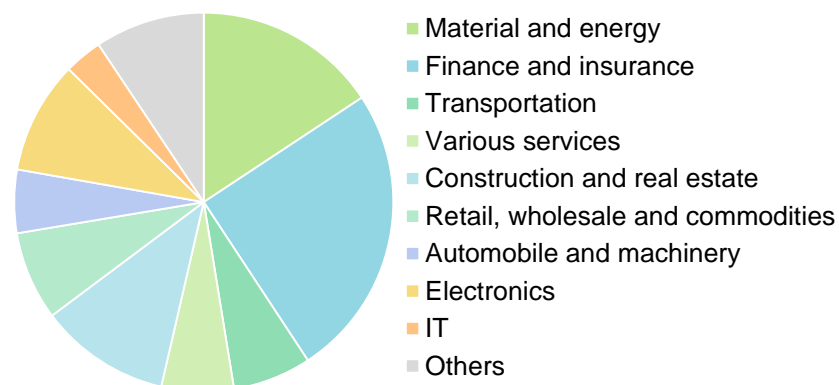


1H FY3/22

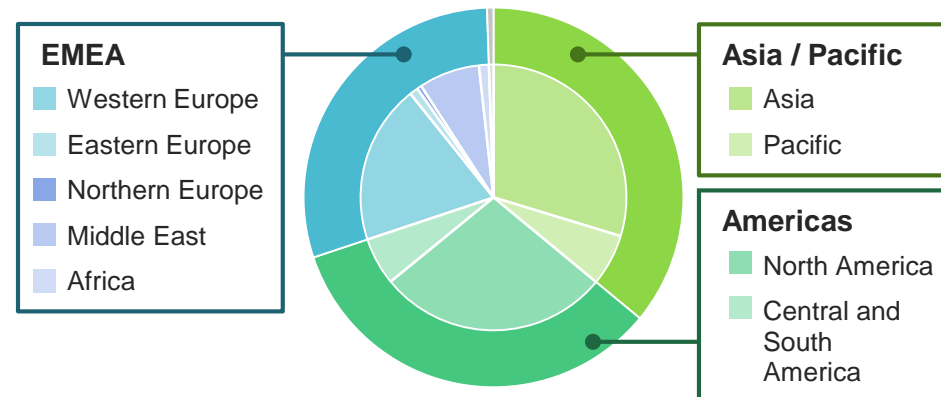


Breakdown of overseas loan balance (Sep. 21)

By industry



By domicile



*1 Includes major overseas banking subsidiaries

Performance of SMBC and group companies

SMBC

	(JPY bn)	1H FY3/22	YoY
1 Gross banking profit		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 Expenses		418.3	+20.4
12 Banking profit		328.3	(22.4)
13 Total credit cost		(24.9)	(153.5)
14 Gains (losses) on stocks		57.6	+23.4
15 Extraordinary gains (losses)		5.0	+70.4
16 Net income		286.2	+141.8

Other major group companies

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

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

(Equity method affiliate)

	SMBC Trust	SMDAM 50%	SMFL ^{*2} 50%
Gross profit	21.9 +3.7	19.0 +3.1	108.3 +28.0
Expenses	21.9 (0.3)	14.8 (1.2)	49.7 +8.4
Net business profit	0.0 +4.0	4.2 +4.3	63.0 +21.8
Net income	(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)

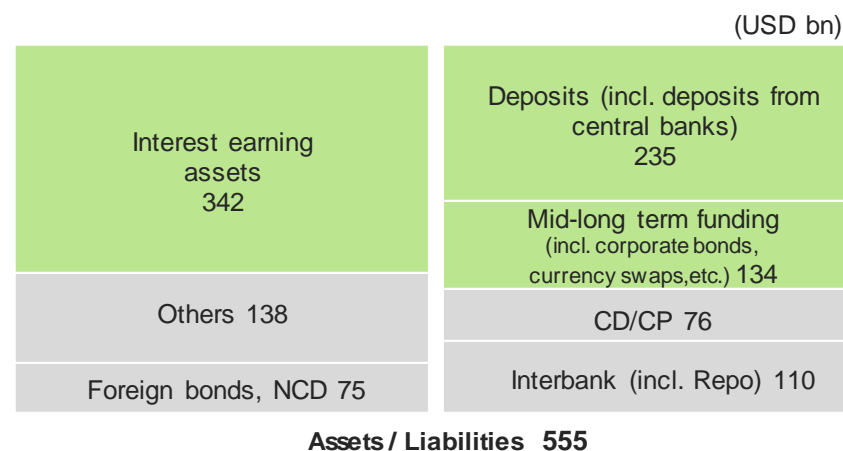
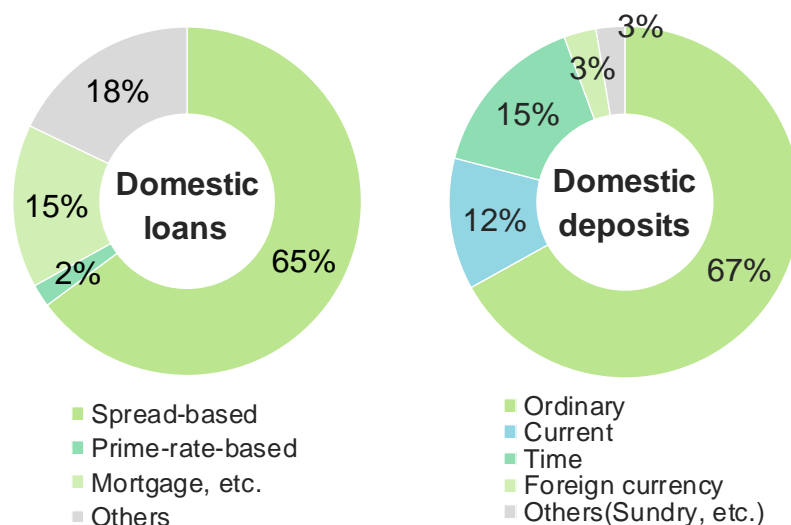
*2 Managerial accounting basis

Balance sheet

Consolidated

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

Composition of loans and deposits^{*1,2}



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

Capital / RWA

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

	(JPY bn)	Mar. 21	Sep. 21
Total capital		12,289.3	12,563.1
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
External TLAC		19,373.3	20,052.9
Risk-weighted assets		66,008.0	68,689.4
Leverage exposure		198,170.8	199,852.5

*1 Excluding countercyclical buffer

Financial highlights – IFRS*1

Income statement data

(JPY bn)	FY3/20	FY3/21
Net interest income	1,316.3	1,383.1
Net Fee and commission income	943.3	972.7
Net Trading income	134.1	237.7
Other operating income	310.2	572.1
Total operating income	2,703.9	3,165.6
Net operating income	2,443.9	2,883.1
Profit before tax	282.8	956.5
Net profit	231.0	705.1

Statement of financial position data

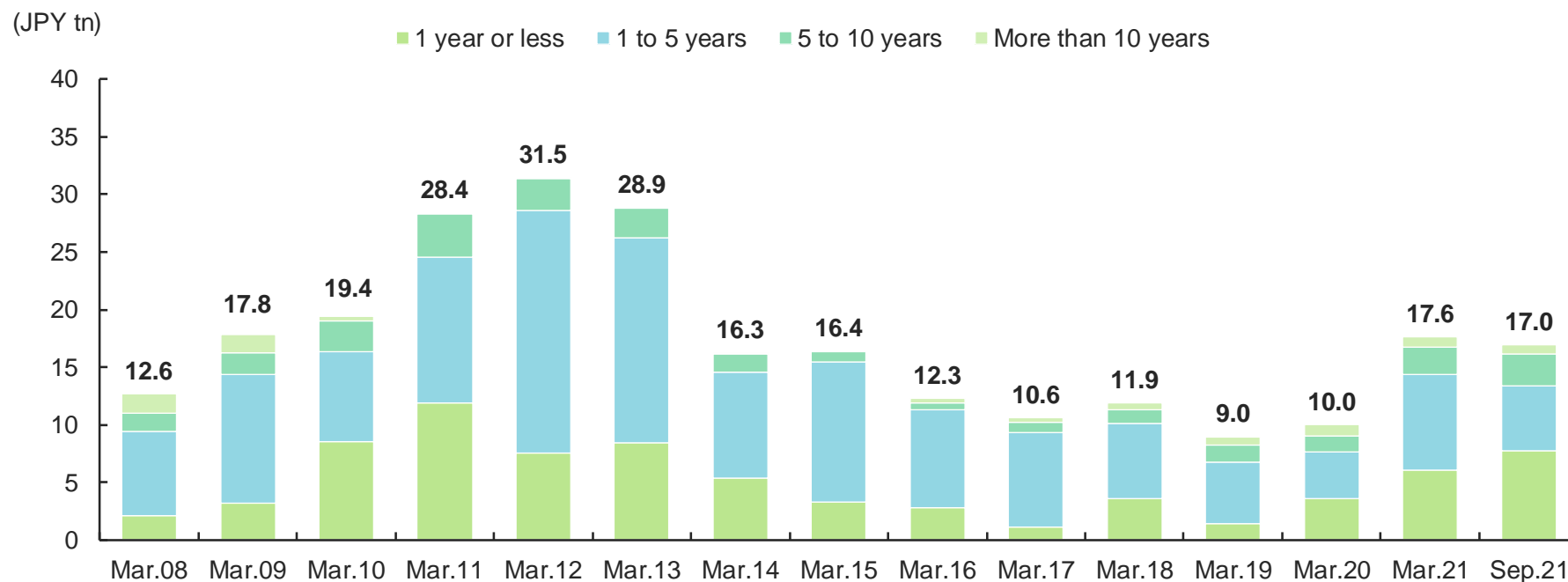
(JPY bn)	FY3/20	FY3/21
Total assets	212,158.5	235,025.0
Loans	94,671.8	97,714.9
Deposits	138,431.4	155,493.7
Total equity	10,934.9	12,276.2

Reconciliation with Japanese GAAP

	(At and for FY3/21, JPY bn)	Total equity	Net profit
IFRS		12,276.2	705.1
Differences arising from different accounting for:	Scope of consolidation	144.1	(5.7)
	Derivative financial instruments	235.0	(94.8)
	Investment securities	(342.9)	(113.3)
	Loans and advances	337.9	(60.9)
	Investments in associates and joint ventures	95.5	(3.4)
	Property, plant and equipment	22.2	2.5
	Lease accounting	0.8	(1.0)
	Defined benefit plans	46.0	0.0
	Deferred tax assets	(36.7)	15.5
	Foreign currency translation	-	20.2
	Classification of equity and liability	(658.4)	(12.5)
	Others	(95.8)	(15.4)
	Tax effect of the above	(124.7)	79.6
Japanese GAAP		11,899.1	515.9

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)

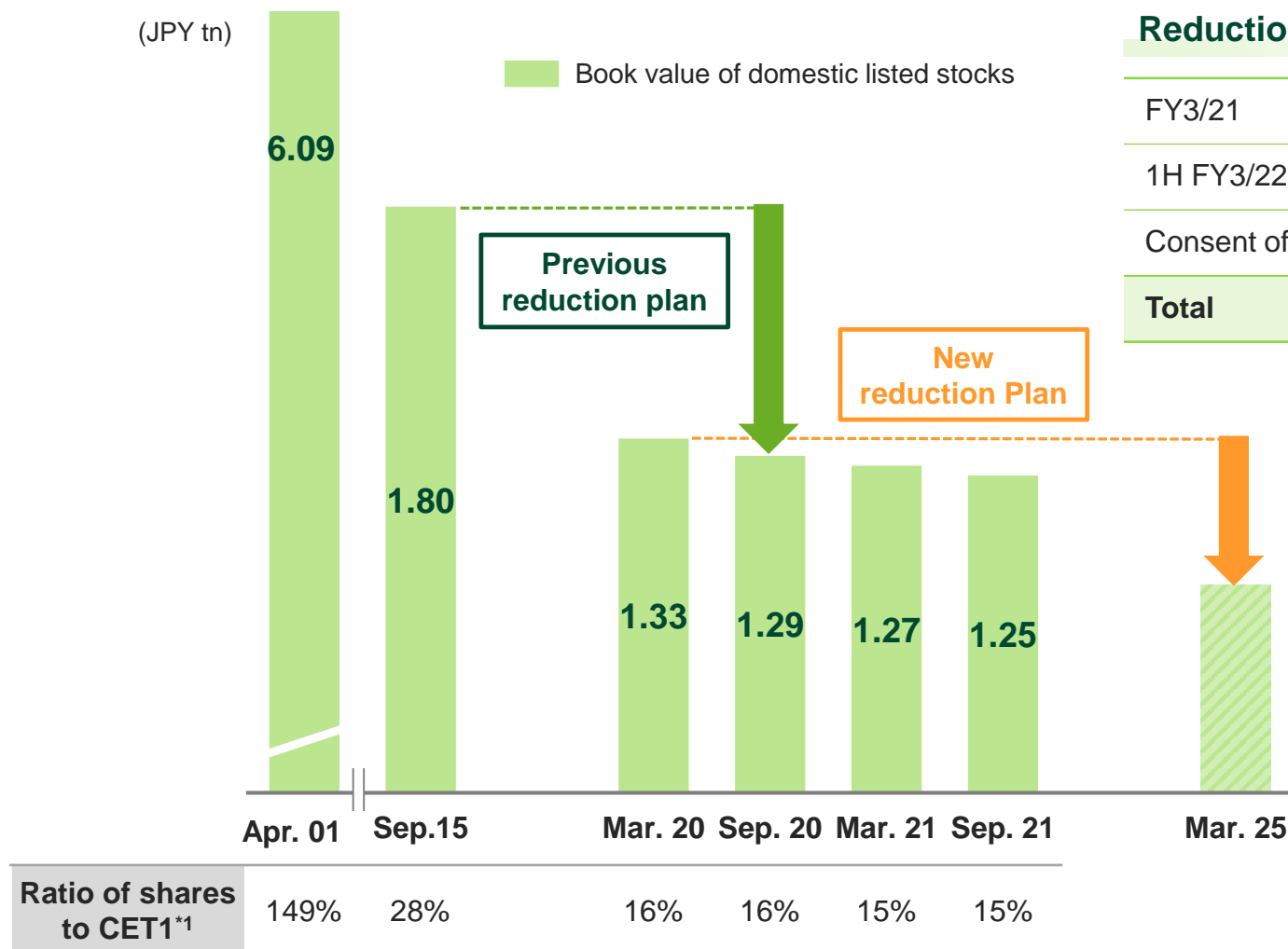
13.8 14.0 9.8 8.0 9.3 6.3 7.1 14.3 13.4

Average duration (years) ^{*1}	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) ^{*2}	(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

Strategic shareholdings

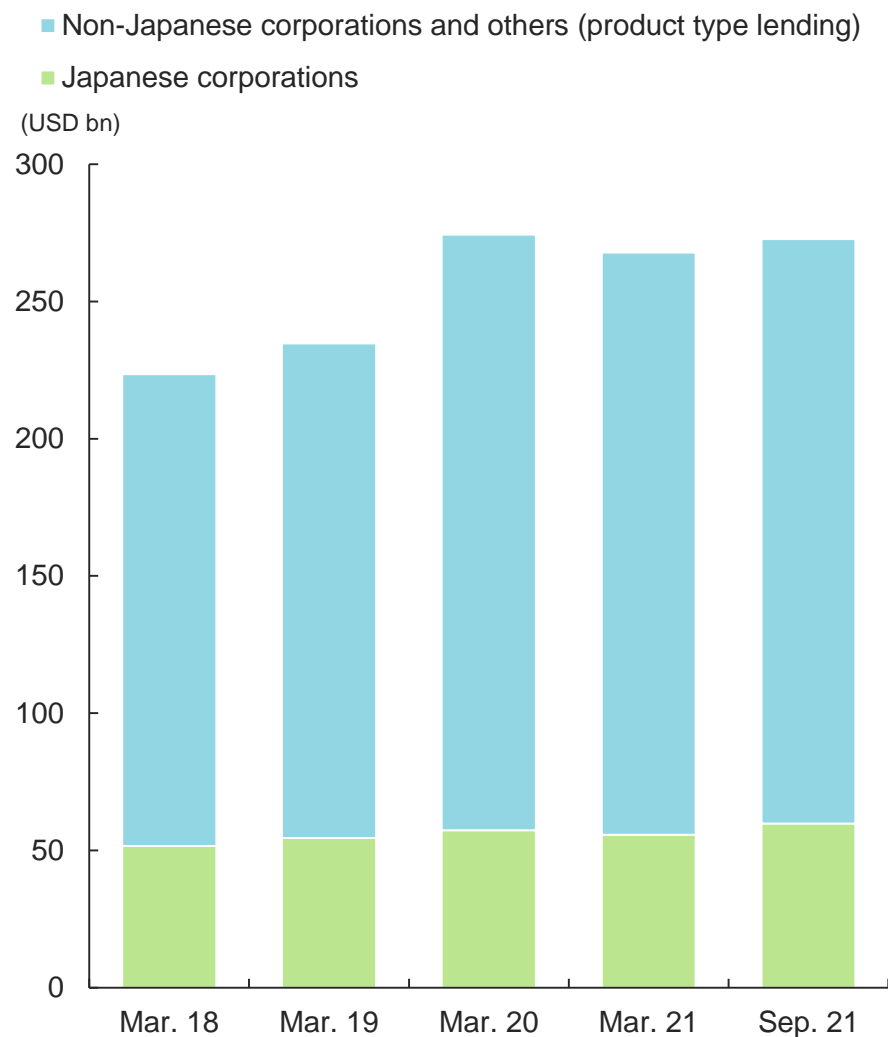


Reduction

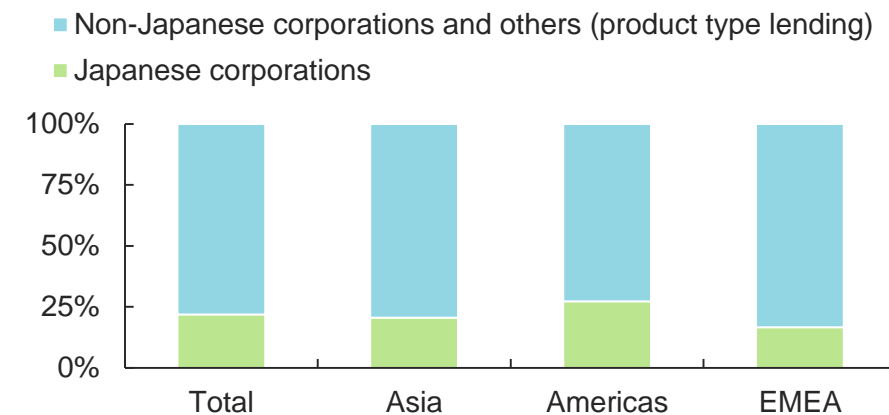
FY3/21	JPY 55 bn
1H FY3/22	JPY 21 bn
Consent of sales	JPY 48 bn
Total	JPY 124 bn

Overseas loan balance classified by borrower type^{*1}

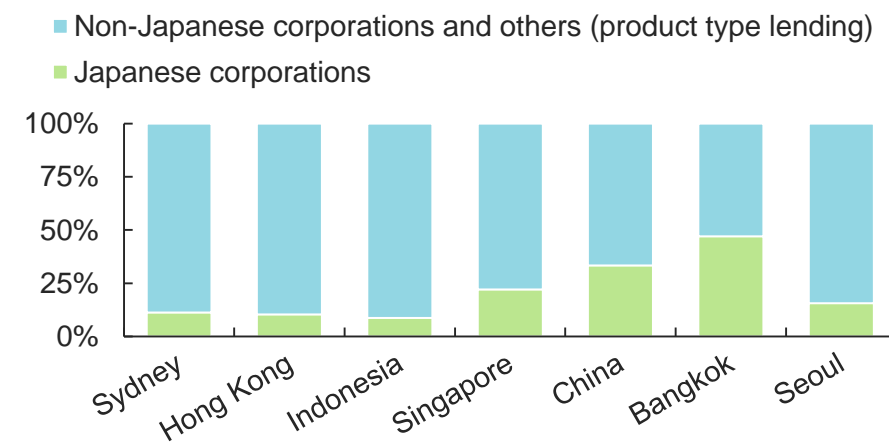
Total



By region (Sep. 21)



Major marketing channels in Asia (Sep. 21)^{*2}

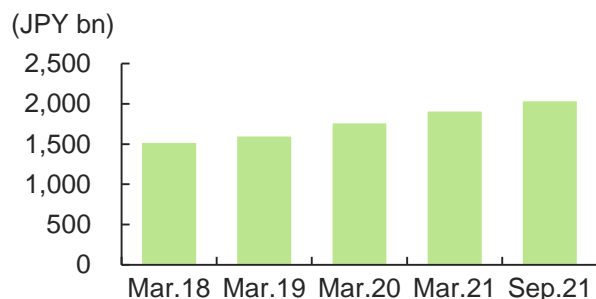


^{*1} Managerial accounting basis. Sum of SMBC and Major local subsidiaries

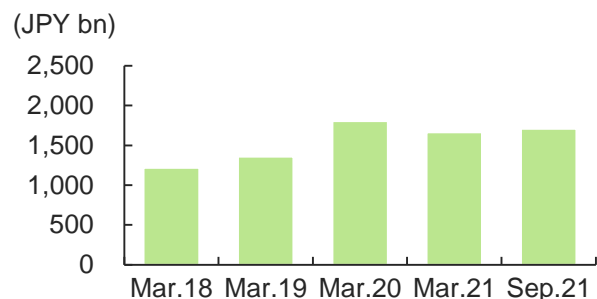
^{*2} Excludes BTPN in Indonesia

Loan balance in Asian countries/areas*1

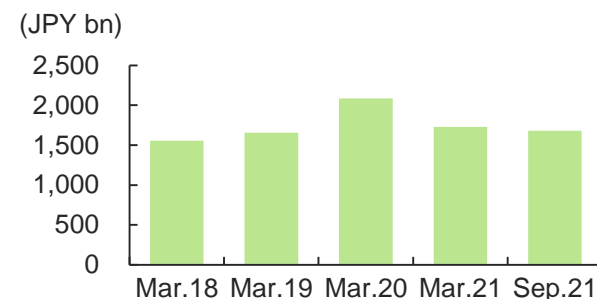
Hong Kong



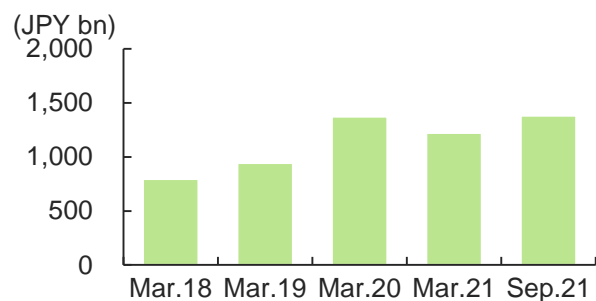
Singapore



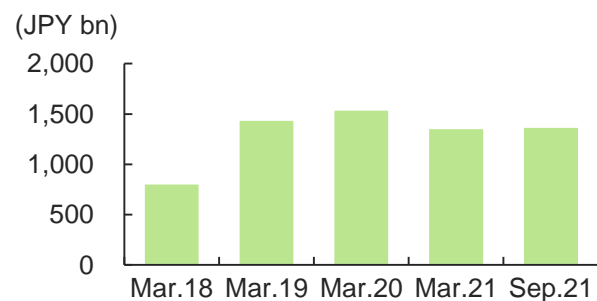
Australia



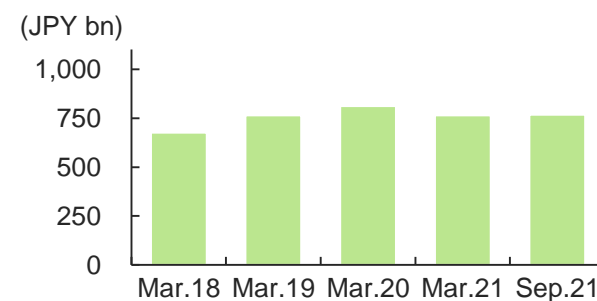
China



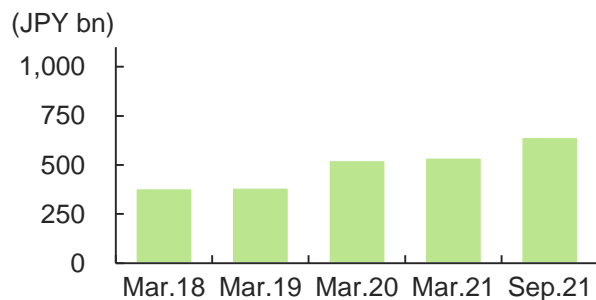
Indonesia



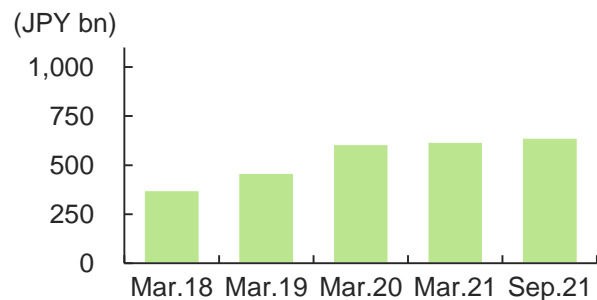
Thailand



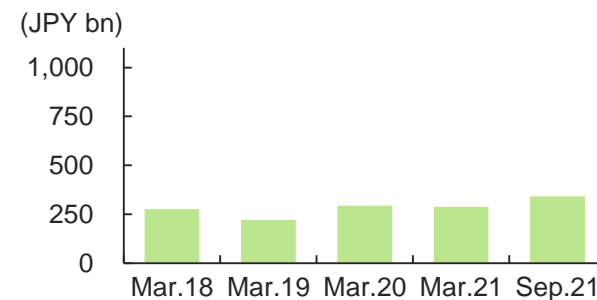
Taiwan



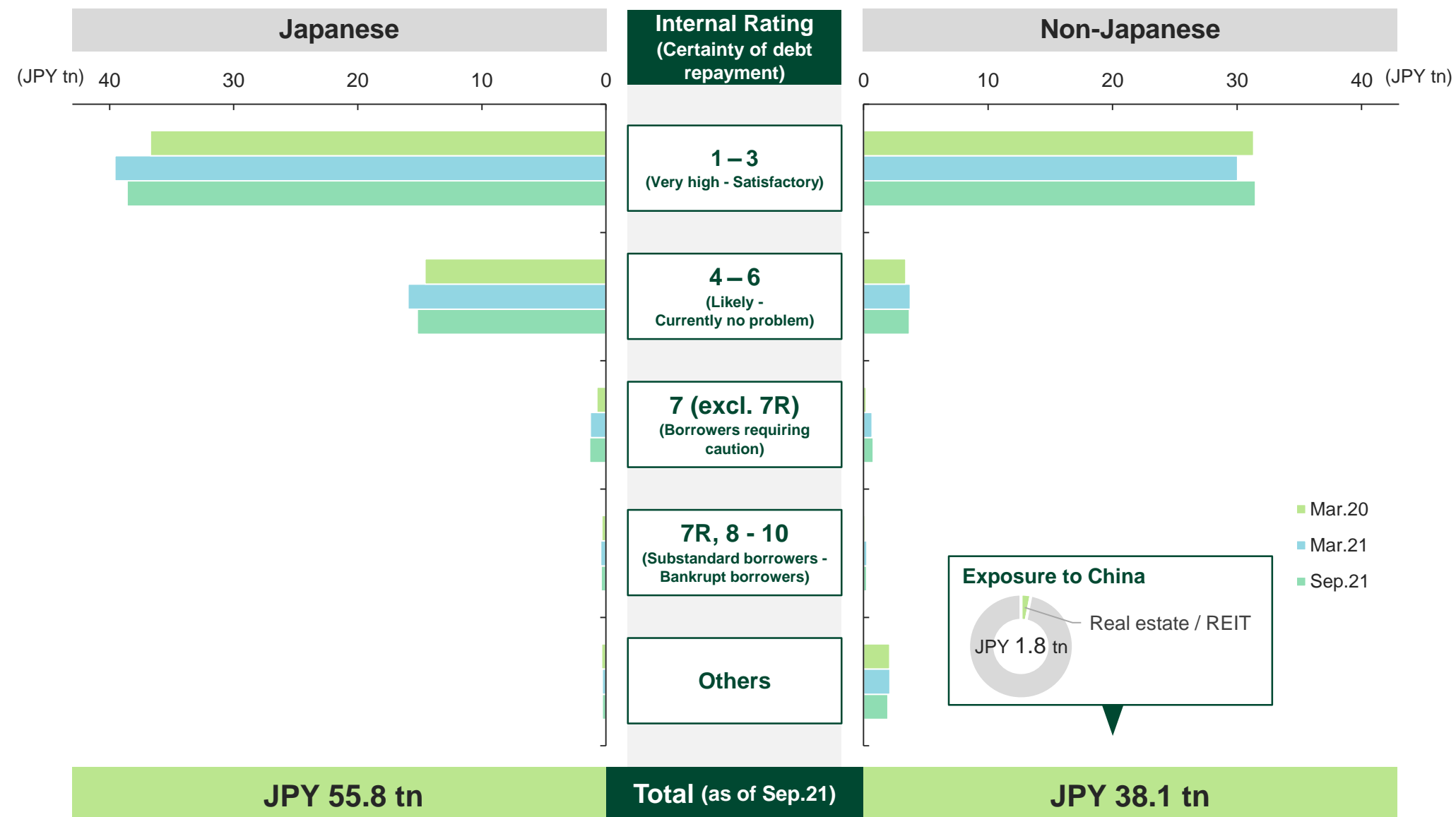
India



Korea



Japanese and non-Japanese corporate exposures*1

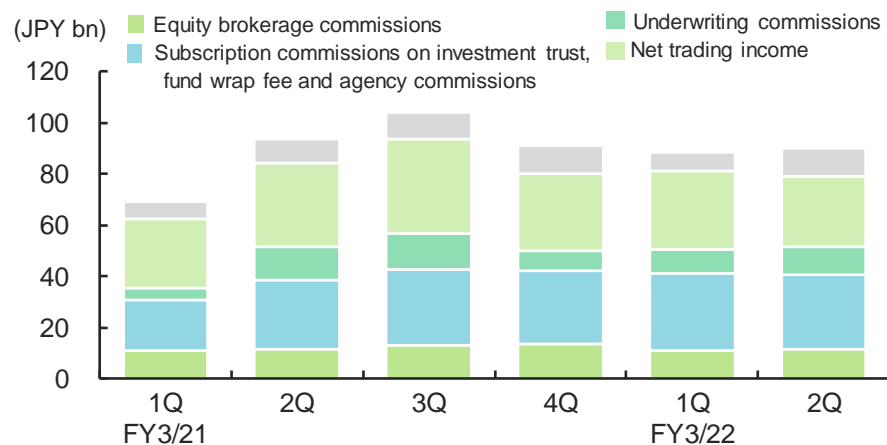


*1 Managerial accounting basis. Exposure includes loans, acceptances and guarantees, foreign exchanges, private placement, suspense payments, undrawn commitments, and derivatives, etc. Excluding the exposure to SMFG consolidated subsidiaries, retail customers in Japan, Japanese government, etc., and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

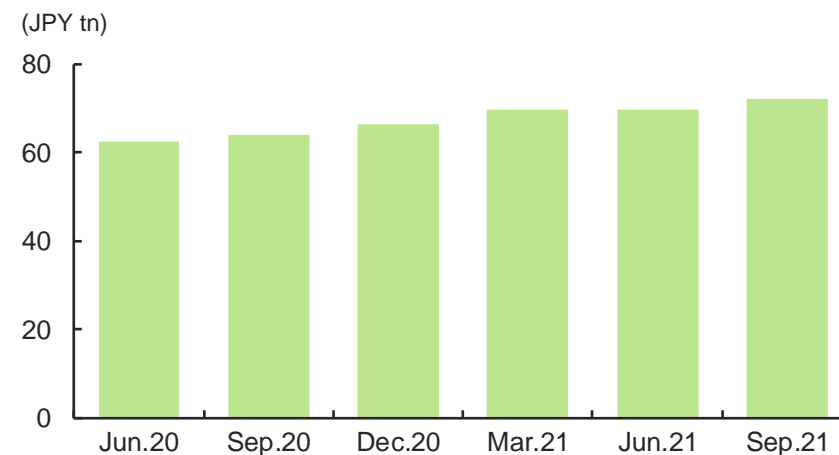
Financial results

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

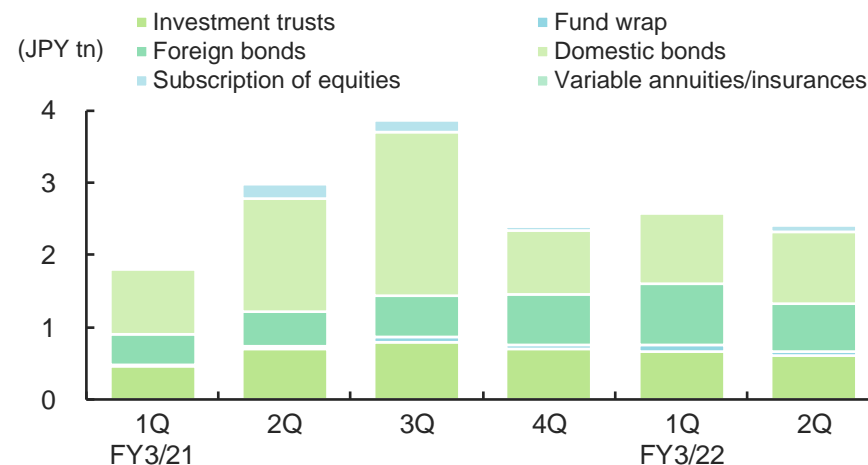
Net operating revenue



Client assets



Product sales

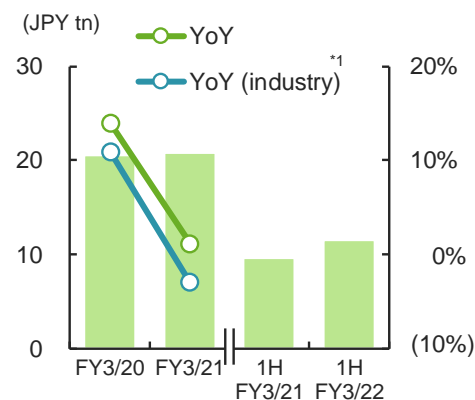


Financial results

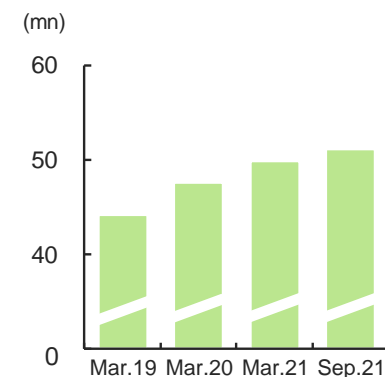
(JPY bn)	FY3/21	1H FY3/22	YoY
Operating revenue	447.5	227.0	+10.2
o/w Commission fee	143.7	77.1	+10.0
Finance	101.5	49.0	(3.1)
Sales on credit	32.3	15.1	(1.5)
Receipt agency	48.1	25.0	+1.3
Operating expense	413.0	206.9	+14.8
o/w Expenses for loan losses	22.7	11.6	+0.0
Expense for interest repayments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

Key figures

Sales handled

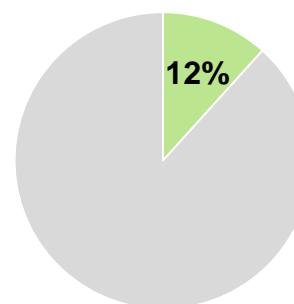


of card holders

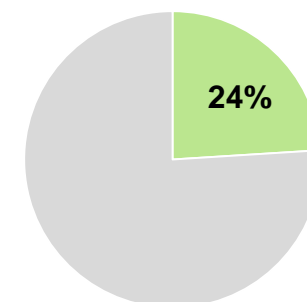


Market share ^{*2}

Issuing



Acquiring



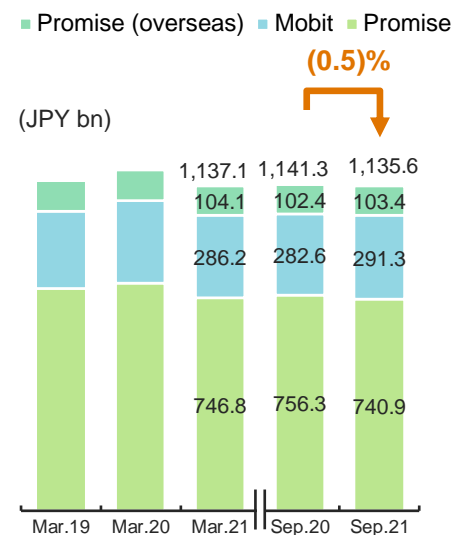
*1 The Japan Consumer Credit Association "Credit card behavior investigation" Shopping credit amount

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

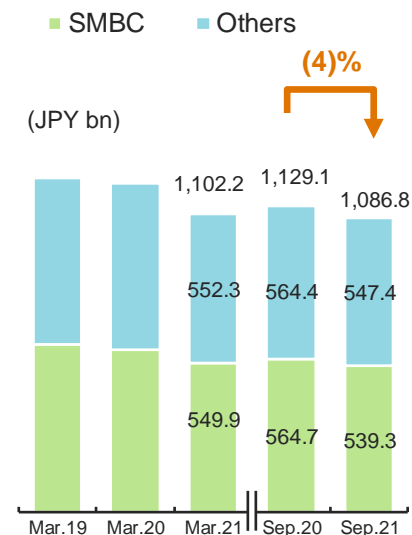
Financial results

(JPY bn)	FY3/21	1H FY3/22	YoY
Operating income	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)
Operating expenses	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	-	-
Ordinary profit	73.5	39.5	(12.9)
Net income	54.1	32.1	(11.7)
NPLs	85.2	91.8	
(NPL ratio)	7.49%	8.08%	
Allowance on interest repayments (provision)	100.8	87.2	
	3.4 yrs	3.2 yrs	

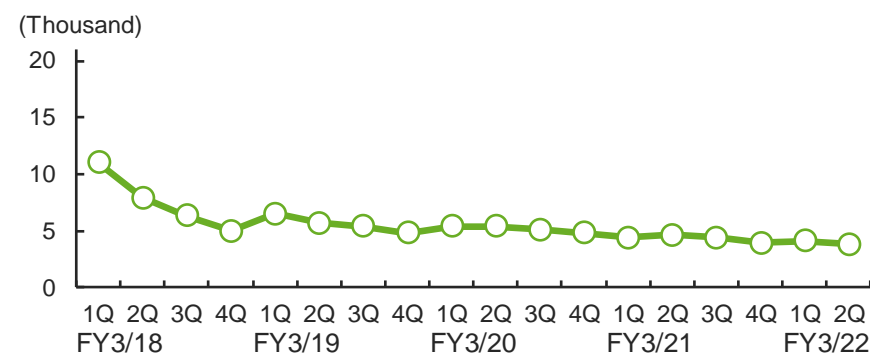
Consumer loans



Loan guarantee



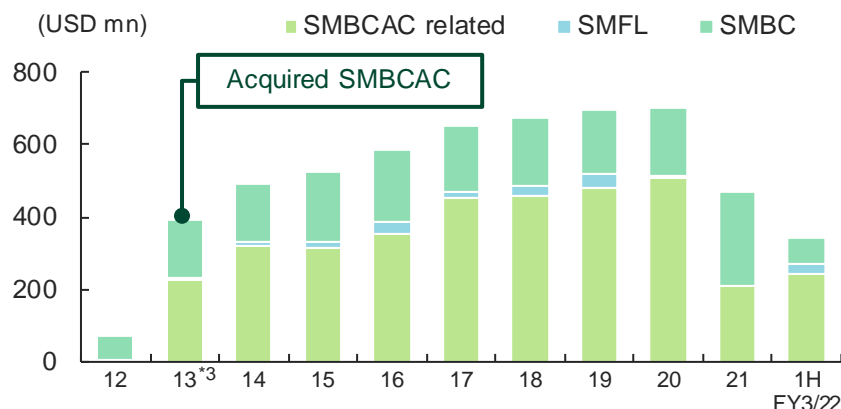
No. of interest refund claims



Financial results

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

Aircraft business of SMBC Group

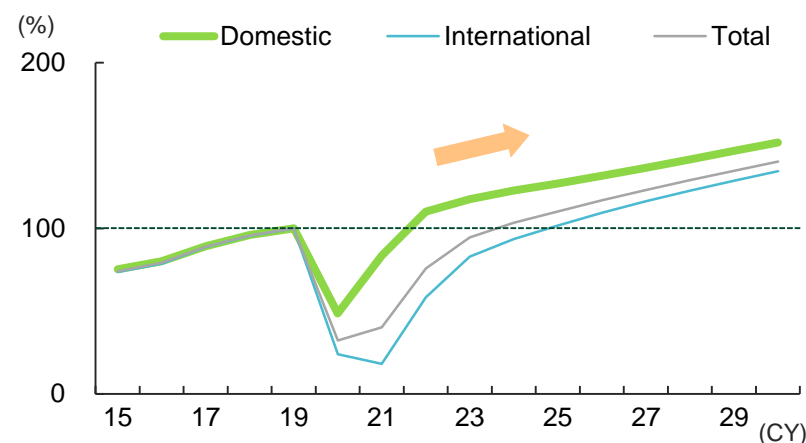


*1 Include Aircraft pre-delivery payments *2 IATA / Tourism Economics. Represents changes from CY19.

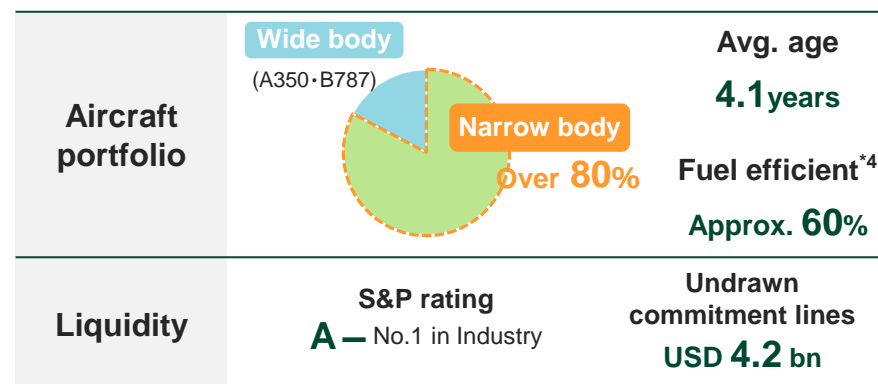
*3 SMBCAC related includes revenue after the acquisition in June *4 Neo/MAX/A350/B787

Global passenger demand forecast^{*2}

- Domestic demand is expected to recover in 2022



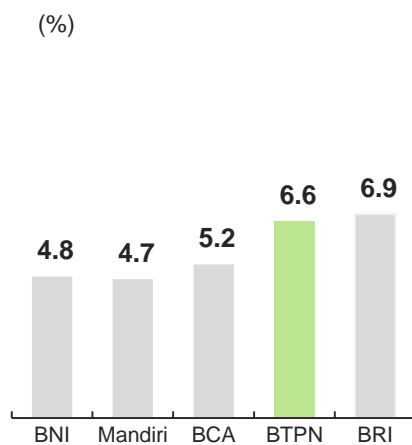
Strengths



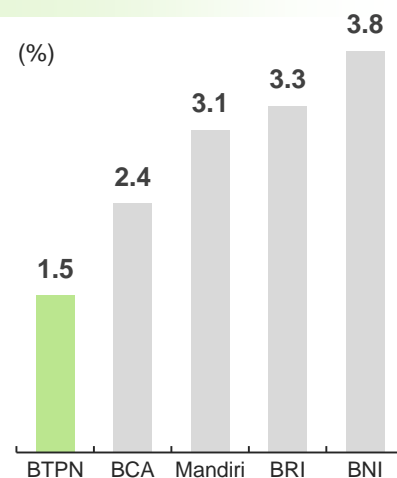
Financial results*1

(JPY bn)	2018	2019	2020	Jan.-Sep. 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

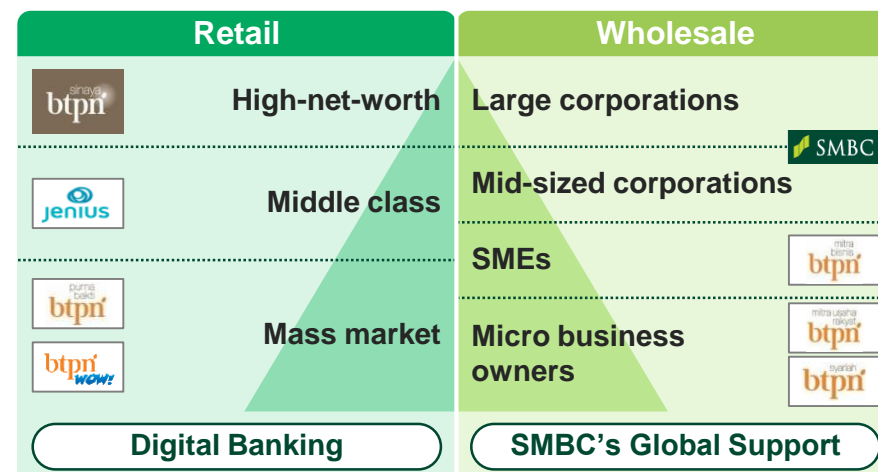
Net interest margin*2



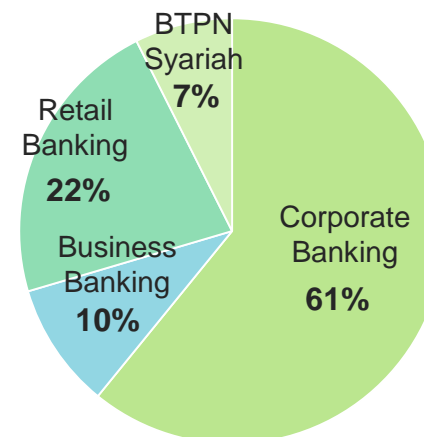
NPL ratio*2



Customer



Loan breakdown*3



*1 TTM as of Dec. 18: IDR 1 = 0.0076, Dec. 19: IDR 1 = 0.0079, Dec. 20: IDR 1 = 0.0074, Sep. 21: IDR 1 = 0.0078

*2 Based on each company's disclosure (Sep. 21 results) *3 As of Sep. 21

Credit ratings of Aussie and Canadian banks

OpCo senior unsecured notes / Excluded liabilities
 TLAC eligible senior unsecured notes
 Basel III Tier 2 notes

Notch Difference (between TLAC senior and Tier 2 notes)

(As of Oct. 31, 2021)

Moody's

	SMFG	BMO	BNS	RBC	TD	ANZ	CBA	NAB	Westpac
Aa1									
Aa2									
Aa3									
A1									
A2									
A3									
Baa1									
Baa2									
Baa3									

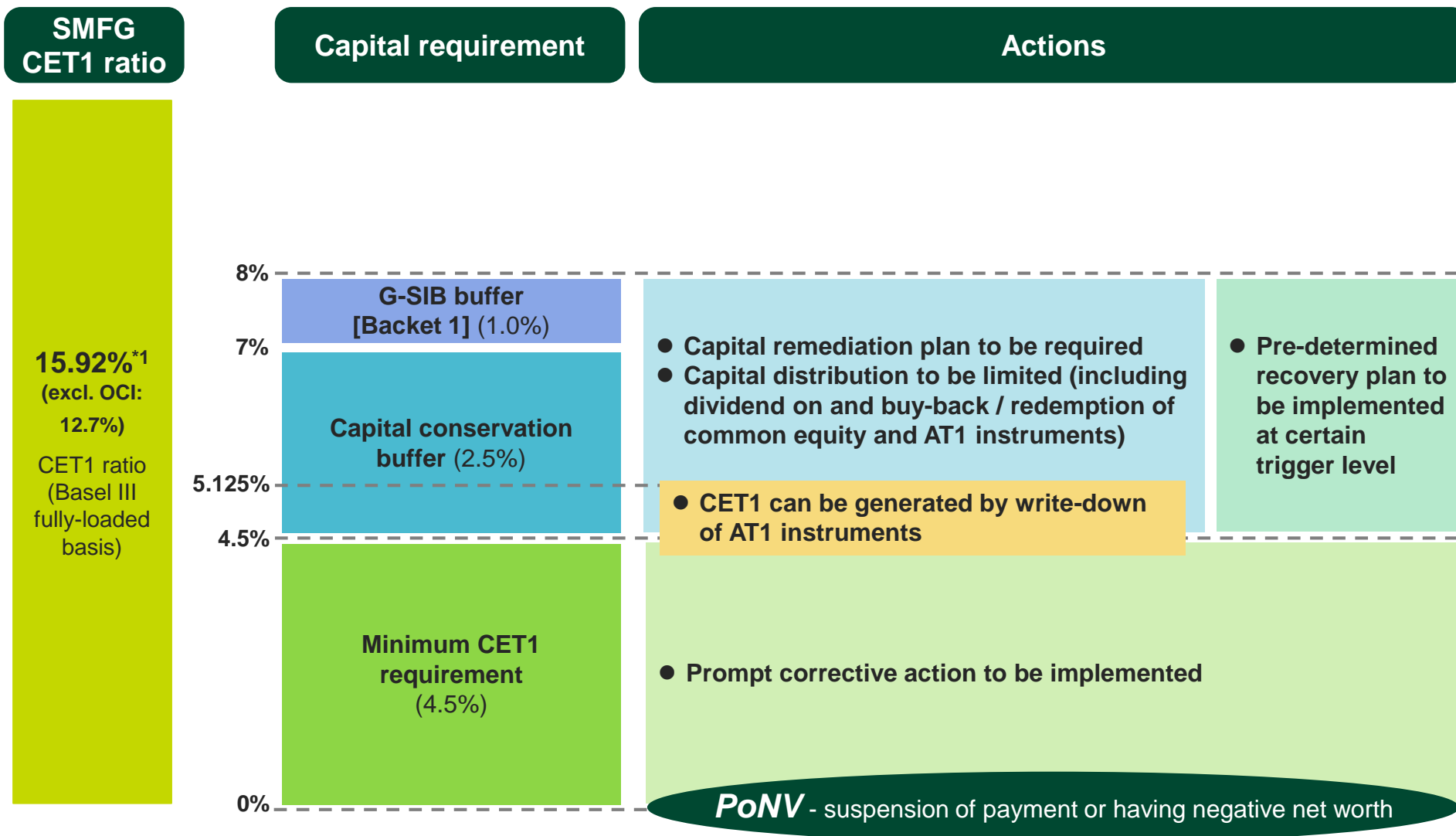
S&P

	SMFG	BMO	BNS	RBC	TD	ANZ	CBA	NAB	Westpac
AA-									
A+									
A									
A-									
BBB+									
BBB									
BBB-									
BB+									

Safeguards before incurring losses at PoNV

- capital requirement-based corrective measures

We will be required to meet various capital requirements before reaching a point of non-viability (“PoNV”)



*1: as of Sep. 21

Safeguards before incurring losses at PoNV

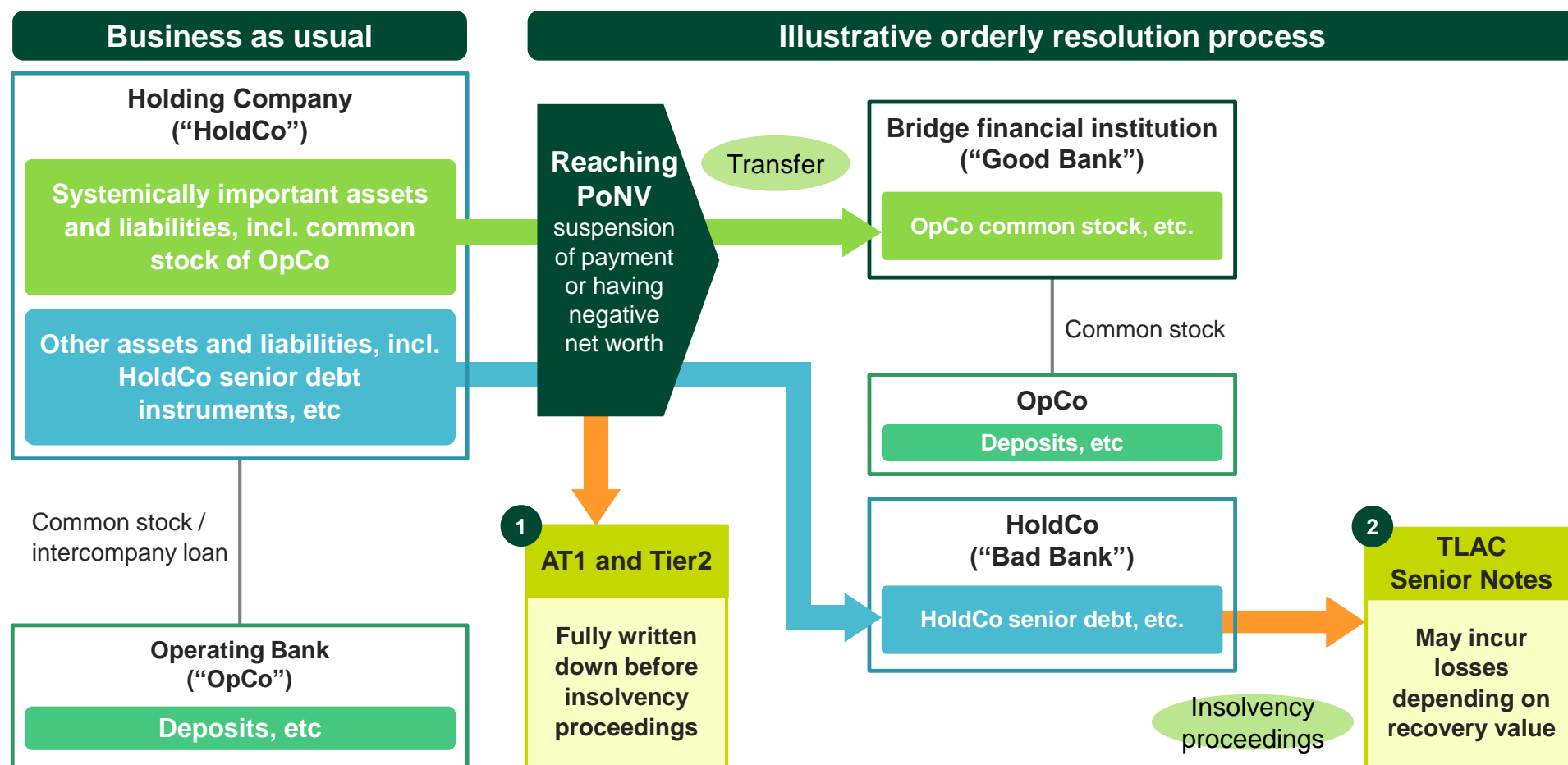
- safeguards to prevent systemic disruption

PoNV	Framework	Subject entities
Prior to	Liquidity support and capital injection Specified Item 1 Measures set forth in the Deposit Insurance Act ("DIA")	Financial institutions Including banks and bank holding companies ("BHCs")
	Capital injection Act on Special Measures for Strengthening Financial Functions	Banks and BHCs
	Capital injection Item 1 Measures set forth in the DIA	Banks and BHCs
PoNV suspension of payment or having negative net worth Posterior to	Financial assistance for orderly resolution Specified Item 2 Measures set forth in the DIA	Financial institutions Including banks and BHCs
	Financial assistance exceeding payout cost or Temporary nationalization	Banks

Orderly resolution regime in Japan

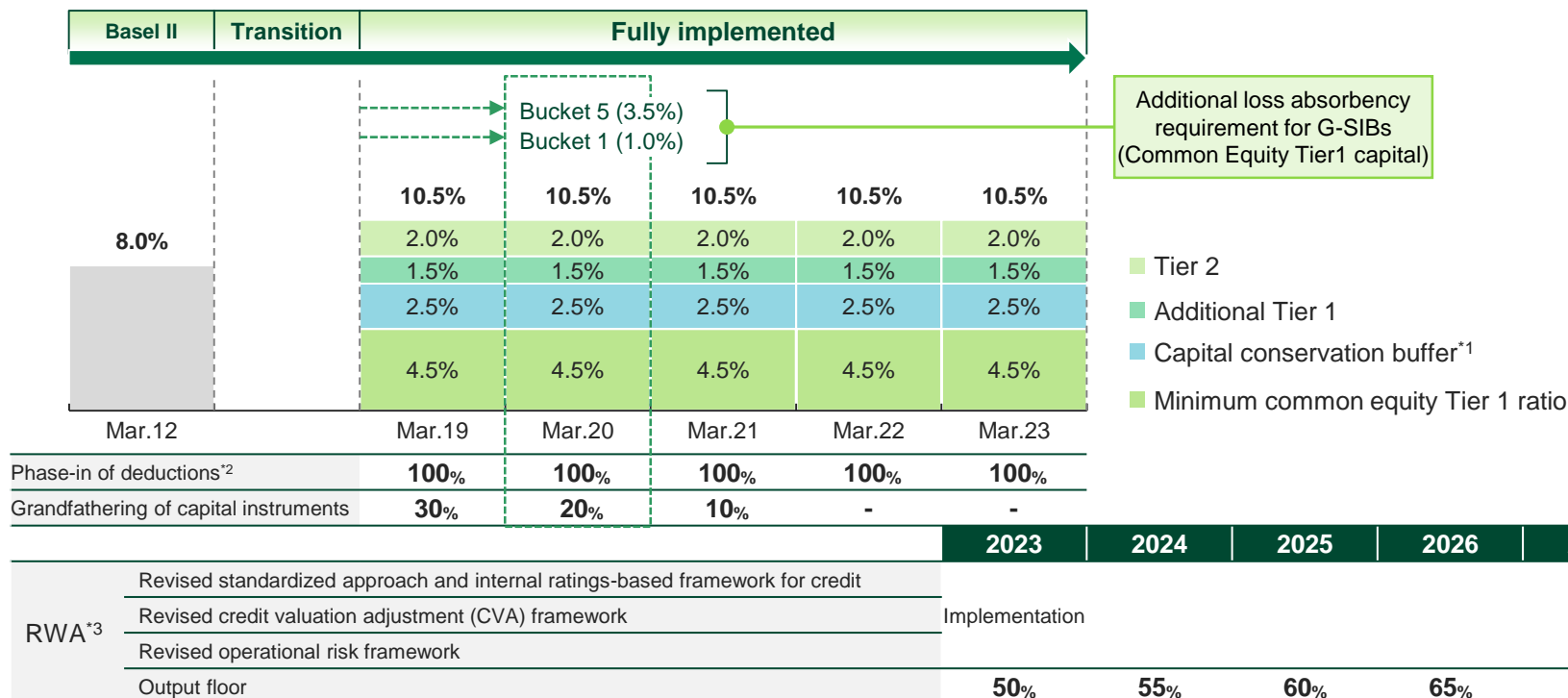
An orderly resolution is expected to be commenced subsequent to PoNV after SMFG absorbs losses incurred by its material subsidiaries.

- 1 All Basel III eligible AT1 and Tier 2 instruments will be fully written down upon PoNV pursuant to their terms.
- 2 Senior notes may incur losses depending on recovery value through court-administered insolvency proceedings.



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

Major regulatory updates related to COVID-19

1-year deferral of Basel III implementation

Postponement of the implementation date for the Basel III standards was declared by GHOS to respond to the immediate financial stability priorities on the global banking system.

Revision Standard	Original implementation date	Revised implementation date
Leverage ratio framework and G-SIB buffer	January 2022	January 2023
Standardized approach for credit risk		
IRB approach for credit risk		
Operational risk framework		
CVA framework		
Market risk framework		
Output floor	January 2022 transitional arrangements to January 2027	January 2023 transitional arrangements to January 2028
Pillar 3 disclosure framework	January 2022	January 2023

Temporary relief on leverage ratio calculation in Japan

The temporarily relieved leverage ratio requirements have been applied by Japanese FSA, in accordance with the Bank of Japan's extended monetary policy easing.

- Exclusion of the deposits at BOJ from the denominator of the leverage ratio calculation until Mar. 2022
- Maintaining the current minimum requirement of 3%

Core policy of the new Medium-Term Management Plan

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

Core Policy

Business
strategy

Transformation

Transform existing businesses

Growth

Seek new growth opportunities

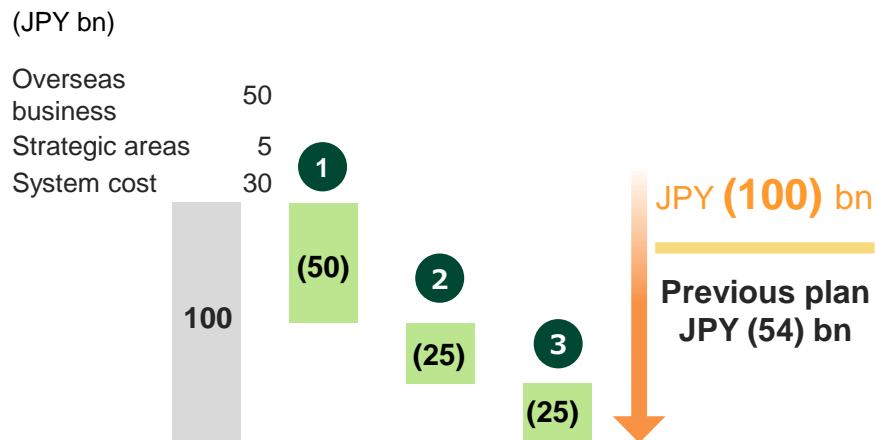
Management
base

Quality

Elevate quality in all aspects

Roadmap to 2022 ~ Cost ~

Control of base expenses



① Reform of domestic businesses

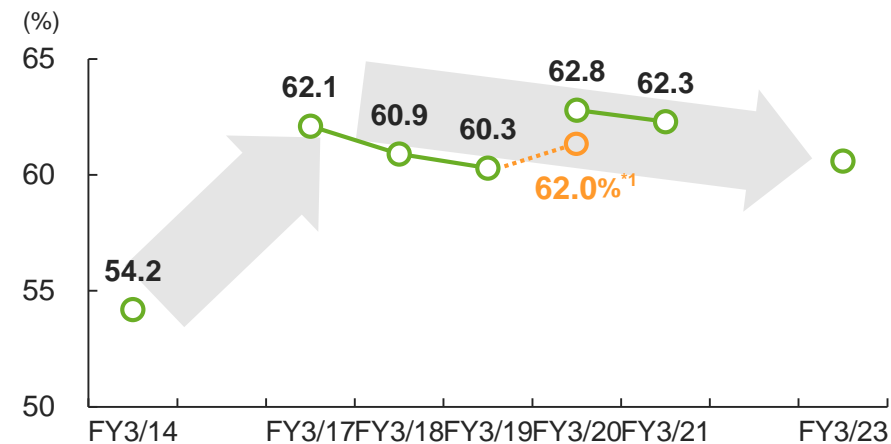
② Retail branch reorganization

③ Integration of group operations

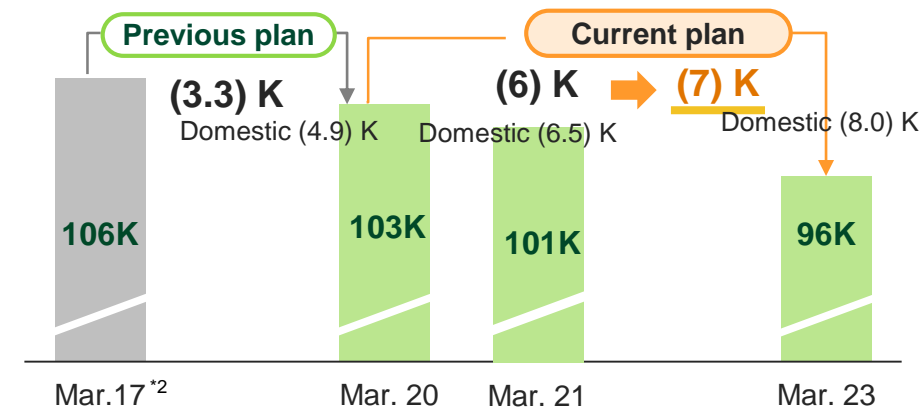
1.5tn

FY3/20

OHR



Headcount



Roadmap to 2022 ~ 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

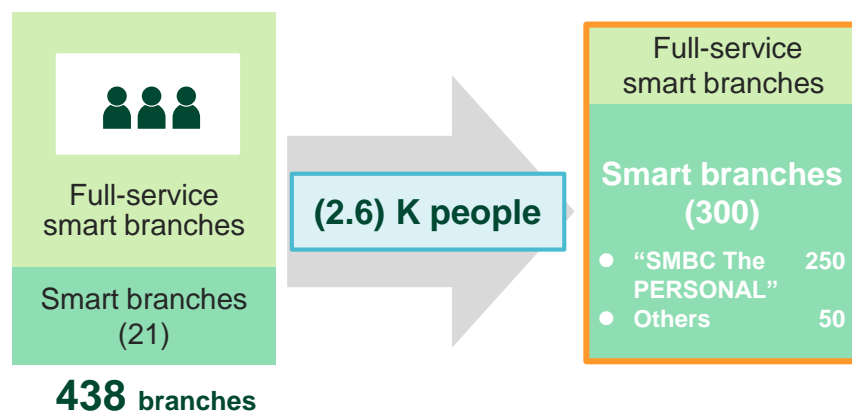
JPY (25) bn

Relocate SMCC and SMBCCF to integrate operations

PMI of asset management business

Consolidate data centers / base systems of group companies

(1.9) K people



Seven key strategies

Transformation

Transform existing businesses

Growth

Seek new growth opportunities

1

Pursue sustainable growth of wealth management business

2

Improve productivity and strengthen solutions in the domestic wholesale business

3

Enhance overseas CIB business to improve asset / capital efficiency

4

Hold the number one position in payment business

5

Enhance asset-light business on a global basis

6

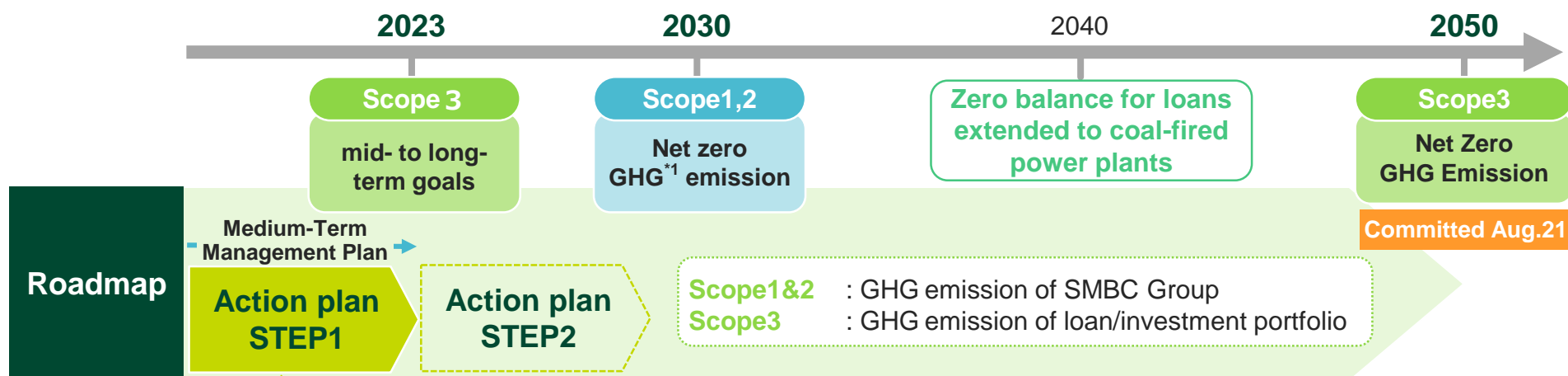
Expand franchise in Asia and strengthen digital banking

7

Develop digital solutions for corporate clients

Initiatives against climate change

Established “Roadmap Addressing Climate Change”
and committed to achieve net zero GHG emissions of Scope3 by 2050.



Main measures	Specific efforts
1 Establish mid-/long-term targets for GHG emissions generated by its loan/investment portfolio	Achieve net zero (Scope3) by 2050
2 Reduce the GHG emissions of the entire SMBC Group	Achieve net zero (Scope1,2) by 2030
3 Enhance businesses addressing climate change and decarbonization	Execute JPY 30 tn of sustainable finance by 2030
4 Enhance governance/ business management framework	Appoint Group CSuO and establish Sustainability Committee
5 Enhance risk management framework	Expand scenario analysis and revise lending policies by sectors and businesses

Participate in global initiatives



Net-Zero Banking Alliance



Integrity Council on Voluntary Carbon Markets

*1 Greenhouse Gas

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^{*1}/IEA^{*2}

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)

Enhance sustainability management

Continue to enhance the management structure to realize sustainability under the Group CEO's initiative.

Establishment of sustainability management

Oct. 18

Establishment of Corporate Sustainability Committee

- **Chairman** Group CEO
- **Members** CEO of group companies

Apr. 20

Amendment of Group Mission "Declaration of Statement on Sustainability"

SMBC Group "GREEN x GLOBE 2030"

"Create the future of the earth and humanity with our customers"

Apr. 21

Appointment of Group CSuO

Jul. 21

Establishment of Sustainability Committee

Planning

KPIs

SDGs

Materiality

Environment

- ▶ Green finance
- ▶ Green bond issuance



Community

Next Generation

- ▶ Retail deposits in Asia
- ▶ Finance education



Human Resources

Governance

- ▶ Female managers
- ▶ Childcare leave



Engagement with stakeholders

Customers

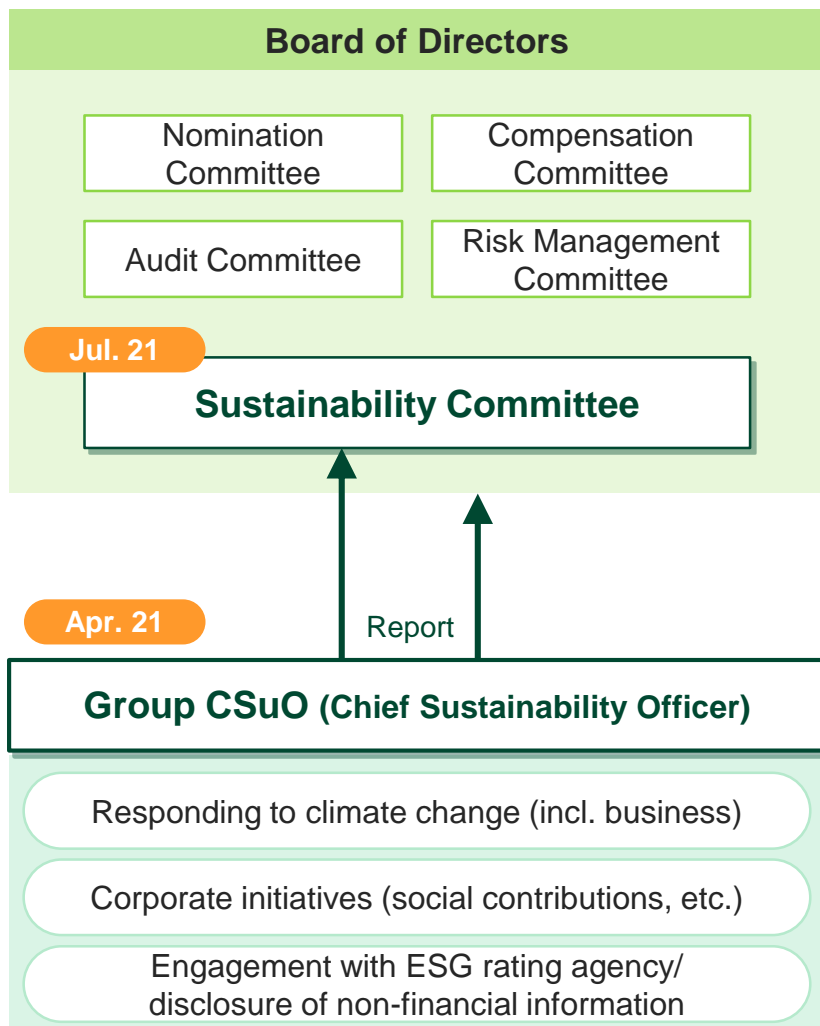
Shareholders

Employees

Society

Governance

Enhance sustainability management



Improve the diversity of the Board

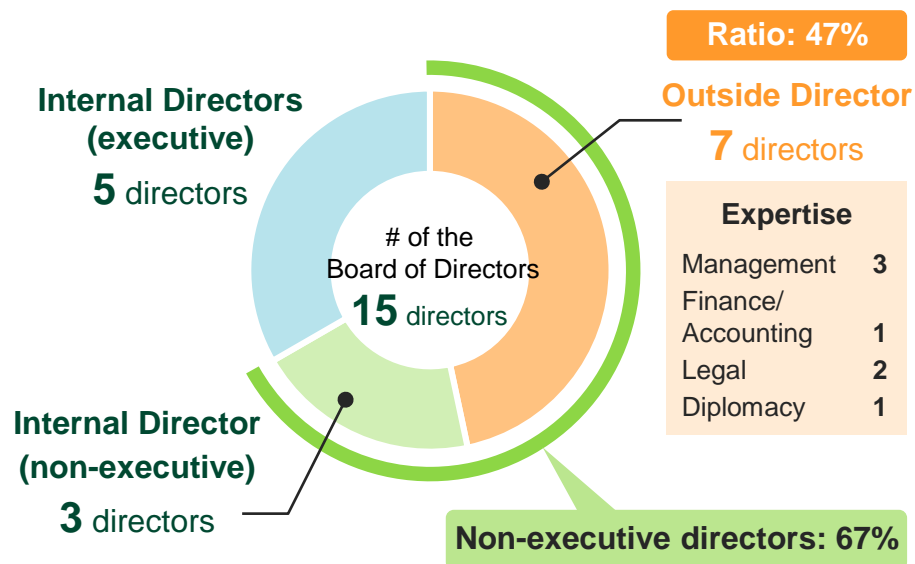


2 women



1 foreign national

Joined 30% Club Japan in Apr. 21



Rationale for Issuing Green Bonds

SMBC Group's motivation toward green bond issuance

Strong Track Record in Green Finance

SMBC Group's significant growth in Renewable Energy Finance

SMBC Group Green Bonds

Development of Green Bond Market

Green bonds have been utilized
for sustainability commitment

Attract New Investors

Attract new investors and thereby
diversify investor base

What will be achieved by green bond issuance

**Promotion of SMBC Group's
Sustainability Commitment**

**Transformation to
more resilient business model**

Key Aspects of SMBC Group's Green Bond Framework Based on Green Bond Principles



1. Use of Proceeds

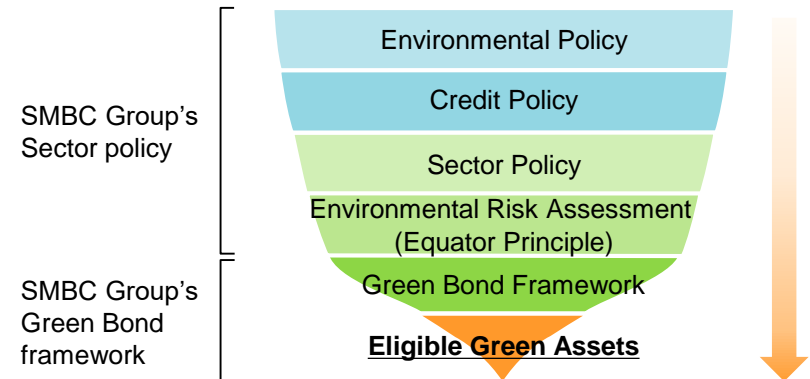
• Project Categories

Project Categories		Allocated Ratio
1. Renewable Energy		97%
2. Energy Efficiency		0%
3. Green Buildings		0%
4. Clean Transportation		0%
5. Pollution Prevention and Control		3%

- Look Back Period : 24 months
- Category B or C under the Equator Principle

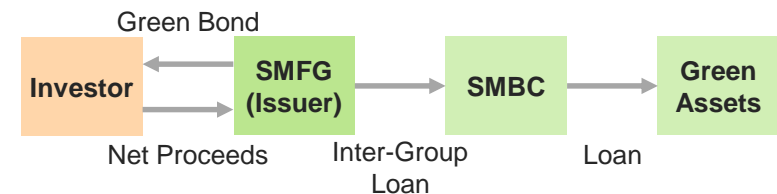


2. Evaluation and Selection



3. Management of Proceeds

- Pending allocation of proceeds : short-term financial instruments.
- Fully allocated the net proceeds, as of Mar. 21



4. Reporting

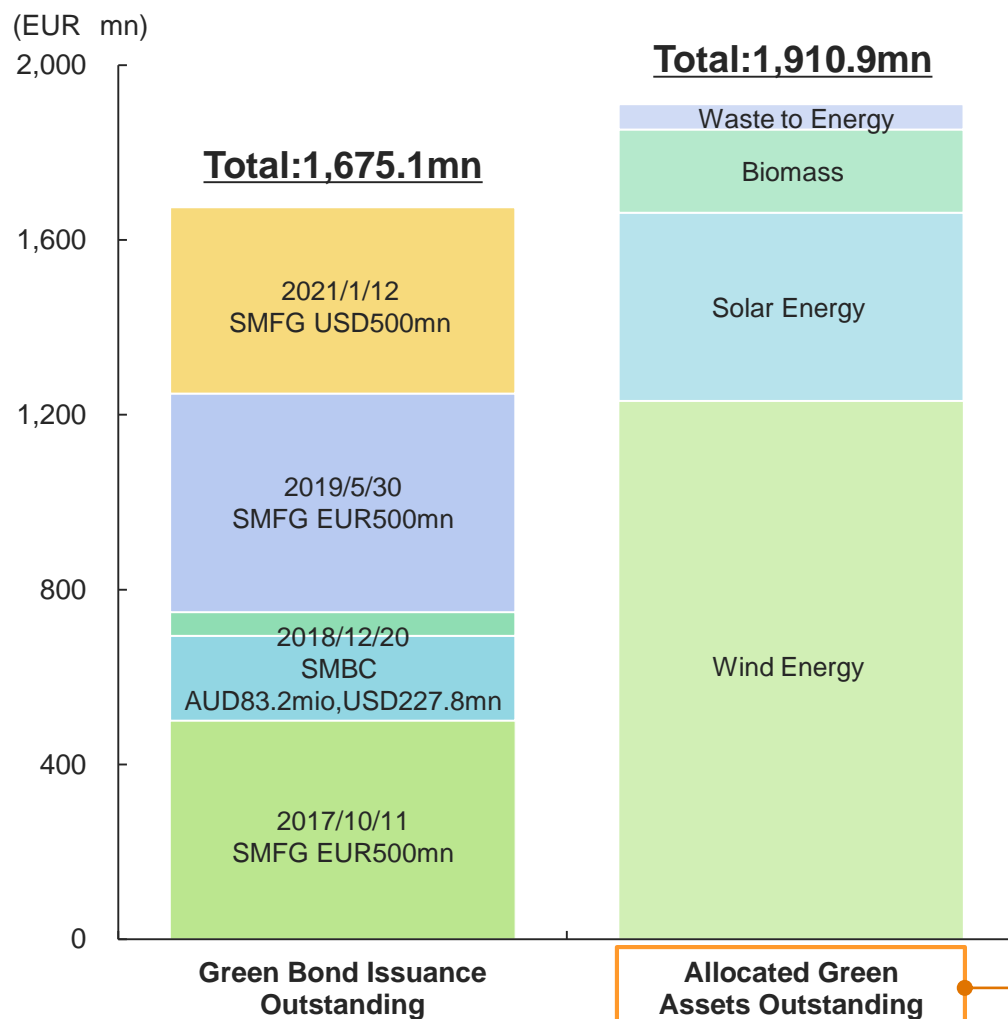
• Annually updated

- ✓ **Allocation Proceeds**
Project Category, Amount, Country, Agreement Date
- ✓ **Impact Reporting**
CO₂ Emissions Reduction (inc. o/w SMBC Financed base)
- ✓ **External Review**
Report from Sustainalytics
- All of information is
 - ✓ Updated within one year from issue date
 - ✓ Available on our Website

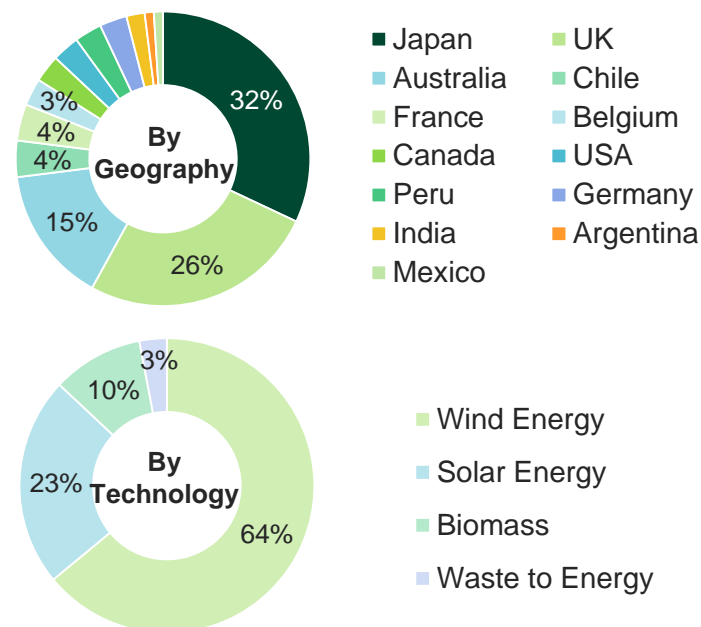


Overview of Green Bond Issuance and Allocated Green Assets

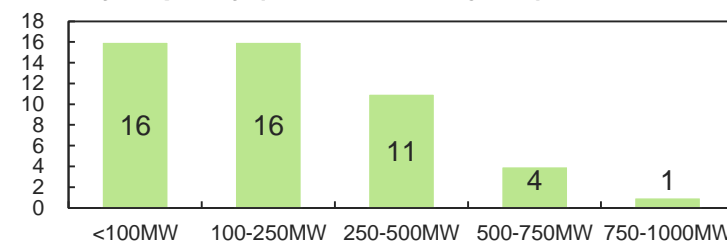
Balance of Green Bond Issuance and Allocated Green Assets*1 (as of Mar. 21)



Overview of Allocated Green Assets





Facility Capacity (Number of Projects)



*1 Translated into EUR at the exchange rates as of Mar. 21

Green Bond Impact Reporting

Impact Reporting (as of Mar. 21)

Category	Sub Category	Country	Number of Projects	Capacity (MW)	Estimated CO ₂ emissions reduction (t-CO ₂ /Year)	
						o/w SMBC Group financed
 Renewable Energy	Wind energy	Argentina, Australia, Belgium, Canada, Chile, France, Germany, Japan, Peru, UK	27	8,429.15 MW	9,248,043.51 t-CO ₂	1,792,903.59 t-CO ₂
	Solar energy	Australia, France, India, Japan, Mexico, USA	16	1,753.64 MW	1,791,986.80 t-CO ₂	396,831.16 t-CO ₂
	Biomass	Japan, UK	4	424.90 MW	1,969,653.27 t-CO ₂	454,523.79 t-CO ₂
 Pollution Prevention & Control	Waste to Energy	Australia	1	36.00 MW	147,478.56 t-CO ₂	32,985.11 t-CO ₂
Total					13,157,171.14 t-CO ₂	2,677,243.66 t-CO ₂
SMFG/SMBC Green Bond Outstanding (as of Mar. 21)* ¹						EUR 1,675.1mn
CO ₂ Avoidance per EUR1mn						1,598.29 t-CO ₂

*1 Translated into EUR at the exchange rates as of Mar. 21

Use of Proceeds Statement for each Issuance 1/4

2017/10/11 SMFG Green Bond EUR500mn

Net Proceeds from Note Issuance

- Sumitomo Mitsui Financial Group EUR500,000,000 0.934% Senior Notes due 2024

EUR 500mn

Use of Proceeds as of Mar. 2021

Category	Sub-Category	Loan Agreement Date	Currency	Country	Loan balance (EUR mn) ^{*1}	CO ₂ Emissions Reduction (t-CO ₂)	
						(o/w SMBC Group Financed)	
Renewable Energy	Wind Energy	2018/12	GBP	UK	88	532,108	45,701
Renewable Energy	Wind Energy	2017/2	EUR	Germany	9	403,135	40,851
Renewable Energy	Wind Energy	2019/7	GBP	UK	76	519,746	22,105
Renewable Energy	Wind Energy	2018/6	EUR	Germany	46	364,710	30,422
Renewable Energy	Wind Energy	2017/5	EUR	Belgium	23	128,542	16,977
Renewable Energy	Wind Energy	2017/12	EUR	Belgium	8	93,472	24,216
Renewable Energy	Wind Energy	2017/7	EUR	France	17	21,128	7,183
Renewable Energy	Wind Energy	2017/11	EUR	France	30	18,211	4,431
Renewable Energy	Wind Energy	2018/12	GBP	UK	36	411,038	58,745
Renewable Energy	Solar Energy	2017/3	EUR	France	21	2,689	592
Renewable Energy	Solar Energy	2016/8	USD	USA	14	243,814	48,045
Renewable Energy	Solar Energy	2016/12	USD	USA	22	409,512	37,931
Renewable Energy	Solar Energy	2016/11	AUD	Australia	15	301,742	60,346
Renewable Energy	Solar Energy	2016/9	JPY	Japan	77	27,862	21,495
Renewable Energy	Solar Energy	2015/12	JPY	Japan	24	14,374	8,033
Renewable Energy	Solar Energy	2019/7	JPY	Japan	21	25,727	8,351
Total					528	3,517,814	435,423
Net Proceeds from Note Issuance							EUR 500mn
CO₂ avoidance per EUR1mn							870.85 t-CO ₂

*1 Translated into EUR at the exchange rates as of Mar. 21

Use of Proceeds Statement for each Issuance 2/4

2018/12/20 SMBC Green Bond USD227.8mn/AUD83.2mn

Net Proceeds from Note Issuance

- Sumitomo Mitsui Banking Corporation USD227,800,000 3.370% Senior Notes due 2023 USD 227.8mn
- Sumitomo Mitsui Banking Corporation AUD83,200,000 2.900% Senior Notes due 2023 AUD 83.2mn

Use of Proceeds as of Mar. 2021

Category	Sub-Category	Loan Agreement Date	Currency	Country	Loan balance (EUR mn) ^{*1}	CO ₂ Emissions Reduction (t-CO ₂)	
							(o/w SMBC Group Financed)
Renewable Energy	Wind Energy	2018/3	JPY	Japan	39	263,994	37,298
Renewable Energy	Wind Energy	2017/1	AUD	Australia	27	344,290	68,367
Renewable Energy	Wind Energy	2018/5	EUR	Belgium	34	101,380	12,941
Renewable Energy	Wind Energy	2018/6	USD	Argentina	15	37,192	15,619
Renewable Energy	Wind Energy	2018/6	USD	Argentina	10	66,830	28,066
Renewable Energy	Solar Energy	2018/3	JPY	Japan	41	20,744	13,511
Renewable Energy	Solar Energy	2018/6	JPY	Japan	26	29,307	7,866
Renewable Energy	Solar Energy	2017/3	JPY	Japan	17	8,046	5,875
Renewable Energy	Solar Energy	2017/4	JPY	Japan	9	7,378	3,320
Renewable Energy	Solar Energy	2017/5	USD	USA	21	76,767	15,353
Renewable Energy	Biomass	2018/3	JPY	Japan	54	268,647	102,527
Total					293	1,224,576	310,743
Net Proceeds from Note Issuance							USD 227.8mn AUD 83.2mn (EUR 248.44mn equiv.) ^{*1}
CO₂ avoidance per EUR1mn							1,250.78 t-CO ₂

^{*1} Translated into EUR at the exchange rates as of Mar. 21

Use of Proceeds Statement for each Issuance 3/4

2019/05/30 SMFG Green Bond EUR500mn

Net Proceeds from Note Issuance

- Sumitomo Mitsui Financial Group EUR500,000,000 0.465% Senior Notes due 2024

EUR 500mn

Use of Proceeds as of Mar. 2021

Category	Sub-Category	Loan Agreement Date	Currency	Country	Loan balance (EUR mn) ^{*1}	CO ₂ Emissions Reduction (t-CO ₂)	
							(o/w SMBC Group Financed)
Renewable Energy	Wind Energy	2018/12	GBP	UK	27	380,302	18,287
Renewable Energy	Wind Energy	2018/11	GBP	UK	99	777,941	388,970
Renewable Energy	Wind Energy	2017/8	AUD	Australia	51	752,386	85,531
Renewable Energy	Wind Energy	2018/6	AUD	Australia	32	378,684	94,671
Renewable Energy	Wind Energy	2018/12	CAD	Canada	64	205,687	44,257
Renewable Energy	Wind Energy	2017/8	USD	Peru	57	184,058	29,776
Renewable Energy	Wind Energy	2018/8	JPY	Japan	86	1,235,160	369,195
Pollution Prevention & Control	Waste to Energy	2018/10	AUD	Australia	58	147,488	32,985
Renewable Energy	Solar Energy	2018/3	USD	Mexico	19	141,809	31,837
Renewable Energy	Solar Energy	2018/6	JPY	Japan	25	16,601	5,953
Renewable Energy	Biomass	2018/6	JPY	Japan	84	279,886	83,320
Renewable Energy	Biomass	2018/9	JPY	Japan	30	1,140,000	230,393
Total					633	5,640,000	1,415,177
Net Proceeds from Note Issuance							EUR 500mn
CO₂ avoidance per EUR1mn							2,830.35 t-CO ₂

*1 Translated into EUR at the exchange rates as of Mar. 21

Use of Proceeds Statement for each Issuance 4/4

2021/01/12 SMFG Green Bond USD500mn

Net Proceeds from Note Issuance

- Sumitomo Mitsui Financial Group USD500,000,000 0.508% Senior Notes due 2024

USD 500mn

Use of Proceeds as of Mar. 2021

Category	Sub-Category	Loan Agreement Date	Currency	Country	Loan balance (EUR mn) ^{*1}	CO ₂ Emissions Reduction (t-CO ₂)	
							(o/w SMBC Group Financed)
Renewable Energy	Wind Energy	2019/11	USD	Chile	69	198,578	25,611
Renewable Energy	Wind Energy	2019/3	GBP	UK	90	192,500	43,313
Renewable Energy	Wind Energy	2019/8	GBP	UK	82	336,528	66,933
Renewable Energy	Wind Energy	2019/8	AUD	Australia	46	590,525	90,687
Renewable Energy	Wind Energy	2020/7	AUD	Australia	48	630,025	108,751
Renewable Energy	Wind Energy	2020/2	JPY	Japan	23	79,890	13,999
Renewable Energy	Solar Energy	2019/4	EUR	India	45	433,878	115,589
Renewable Energy	Solar Energy	2020/2	JPY	Japan	31	31,737	12,734
Renewable Energy	Biomass	2020/3	JPY	Japan	23	281,120	38,284
Total					457	2,774,781	515,901

Net Proceeds from Note Issuance

USD 500mn
(EUR 426.6mn equiv.)^{*1}

CO₂ avoidance per EUR1mn

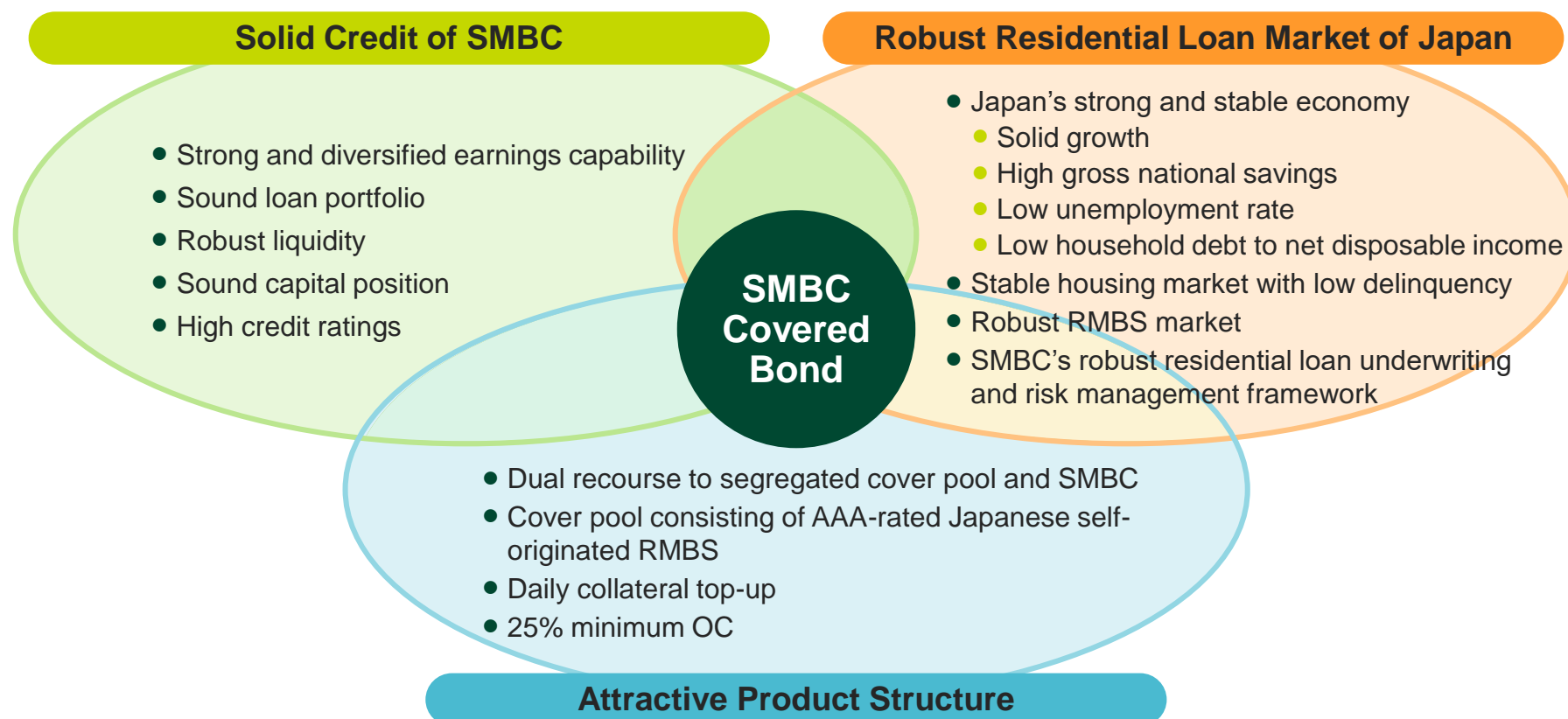
1,209.33 t-CO₂

^{*1} Translated into EUR at the exchange rates as of Mar. 21

SMBC covered bond: Investment highlights

The SMBC Covered Bond Programme offers an opportunity to gain exposure to one of the highest quality asset classes in Japan with a top notch rating.

Historically, Japanese banks have not been active in the secured market due to absence of dedicated covered bond legislation. Our contractual framework will satisfy key covered bond requirements for investors and enable SMBC to gain access to broader capital markets and to further diversify its investor base.

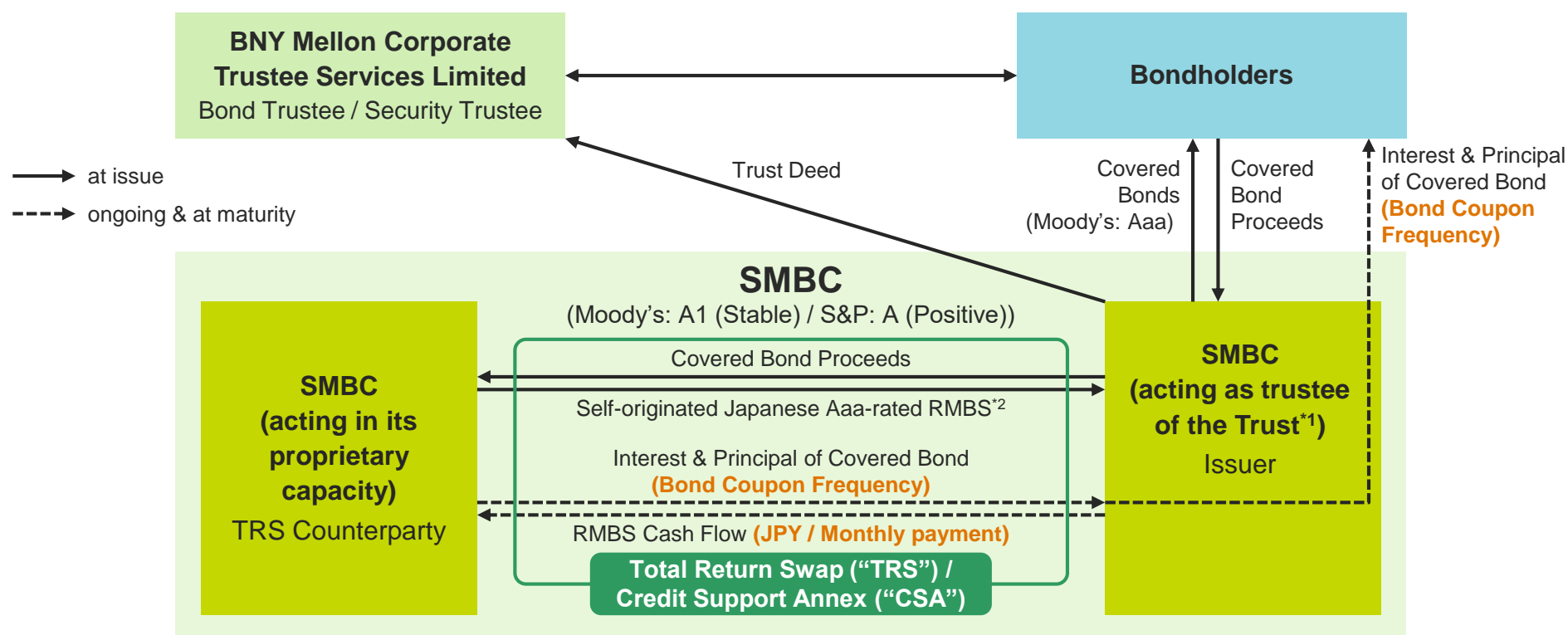


SMBC Covered Bond Programme

Under the Trust Act of Japan, bondholders have dual recourse to SMBC's assets and the segregated cover pool assets.

To protect bondholders, the Programme puts self-originated Japanese RMBS as collateral under the TRS. Segregation of assets is ensured in the case of SMBC's insolvency because enforceability of the TRS is protected under the Netting Act of Japan.

Cover pool assets remain on the balance sheet of SMBC acting in its own capacity.



*1 SMBC, licensed by Japanese FSA as financial institutions which engage in trust business, acting as trustee on behalf of a specified money trust (*tokutei kinsen shintaku*) No. 0010-377600-0001 (the "Trust")

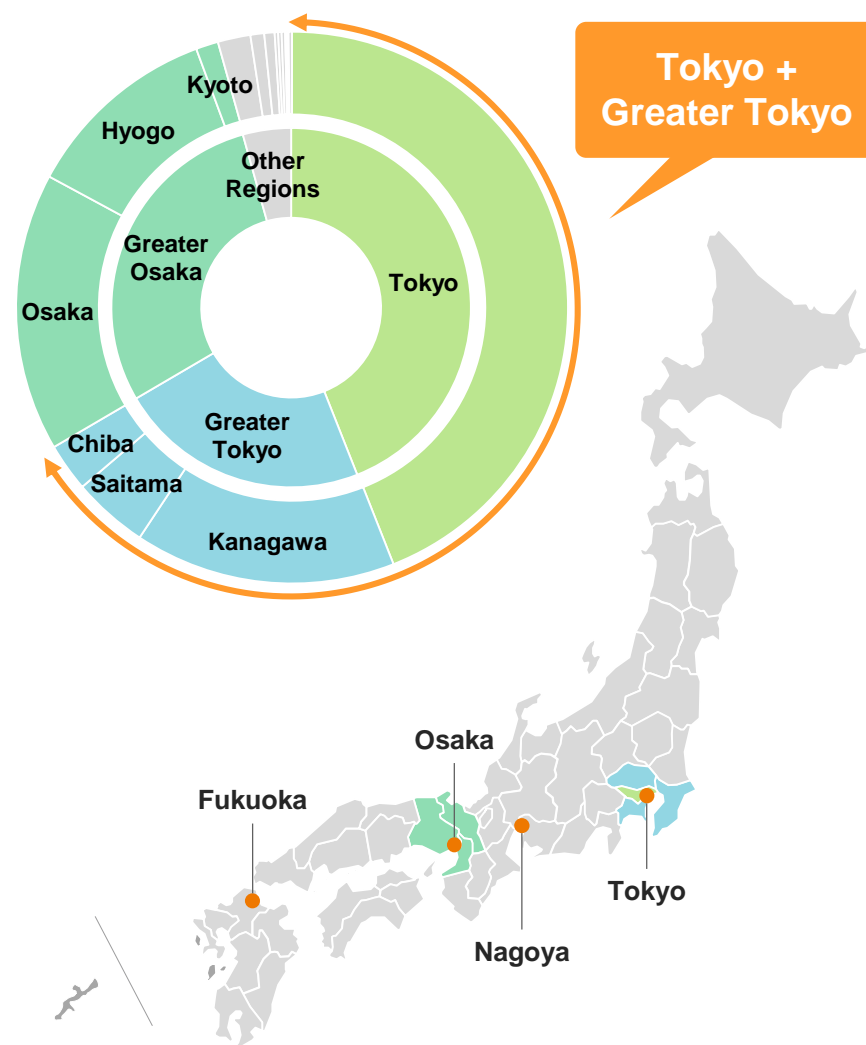
*2 Cover pool assets may include senior tranches Aa-rated RMBS where higher haircut ratio of 20% is applied, JGB and cash

SMBC covered bond: Cover pool summary

RMBS Summary Terms*1

Collateral	Self originated residential loans
Originator / Servicer	SMBC
Asset Trustee	Sumitomo Mitsui Trust Bank
Revolving	Static pool
Format	Domestic trust beneficiary interest
Liquidity	Cash reserve
Interest Payments	Monthly / Fixed coupon
Principal Payments	Monthly / Pass through
Hedging Arrangements	None
Master Trust	Standalone structure
Clean-up Call	10%
Back-up Servicer	Not appointed at closing
Credit Enhancement	Overcollateralisation Senior / subordinate tranching Excess spread
Maximum principal balance	JPY 200million
Loan Term	Up to 35 years
Loan Guarantee	Guaranteed by SMBC Guarantee Co., Ltd.
Senior Tranche Rating	Moody's:Aaa (sf)

Domestic Region*1*2



*1 Pool data as of Aug. 21

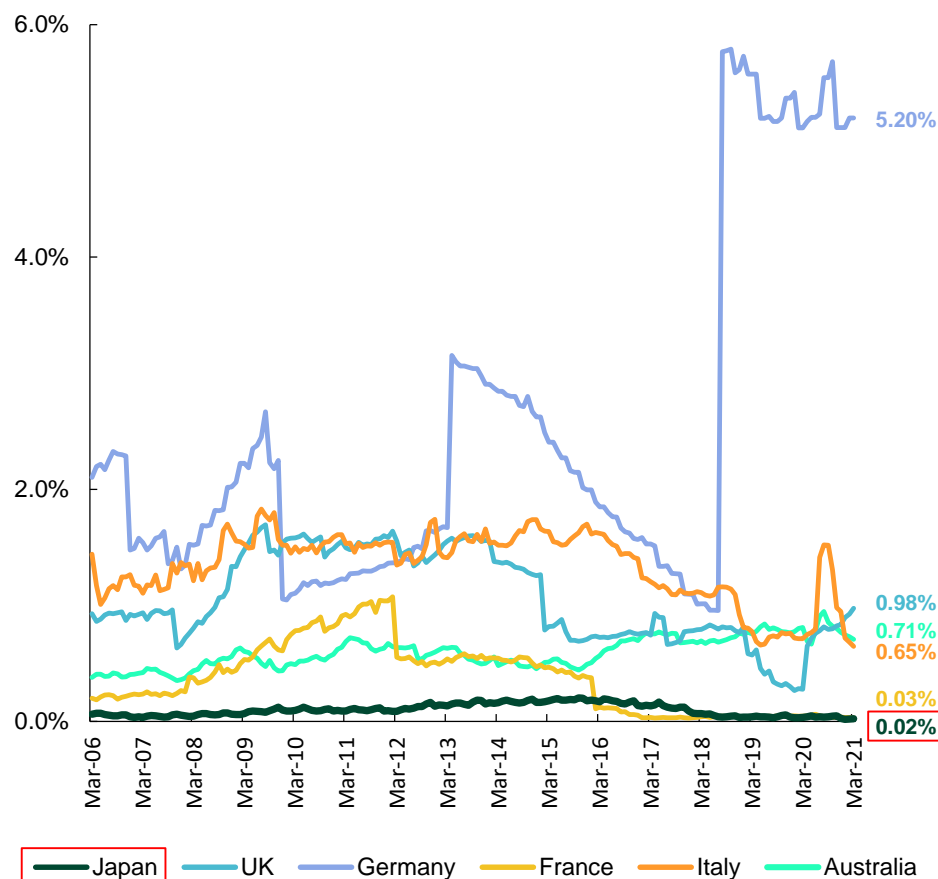
*2 By loan balance

Historical trend of delinquency and prepayment rate

Delinquency rate in the Japanese RMBS market has been low supported by the strong job market and stringent underwriting practices.

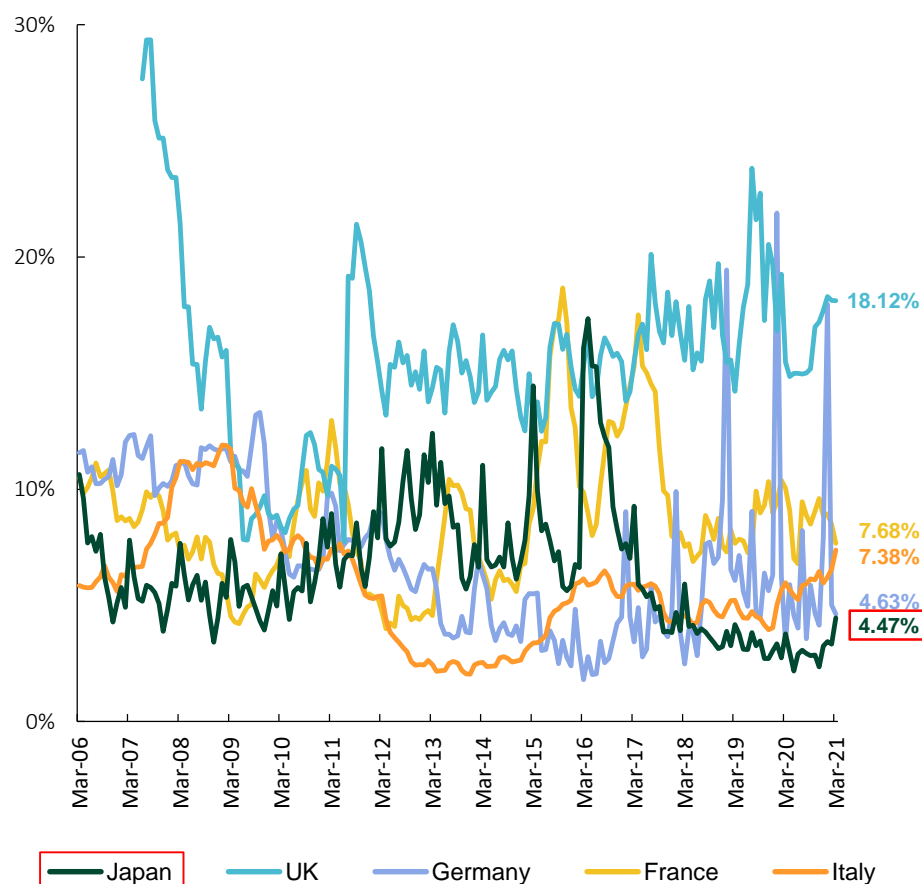
Current Prepayment rate of Japanese RMBS market is low compared to other developed countries.

RMBS 90+ Days Delinquency



Source: Moody's

Prepayment Rate



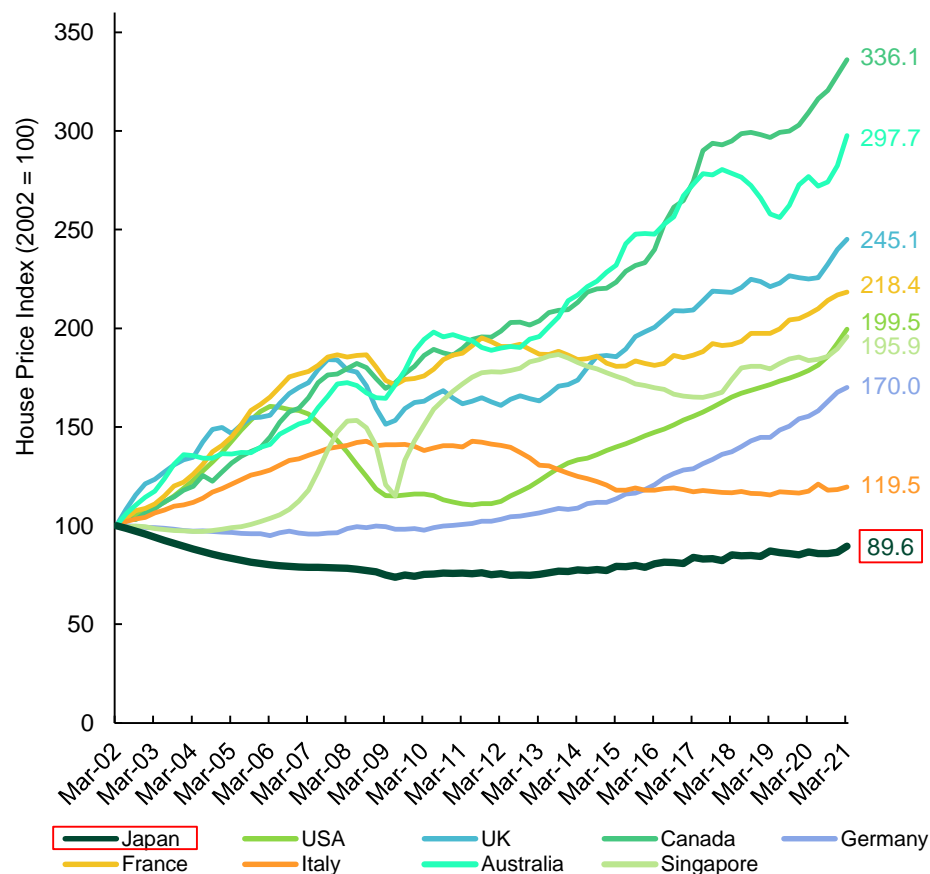
Note: UK data between Mar 2006 and May 2007 is not available
Source: Moody's

Housing market developments

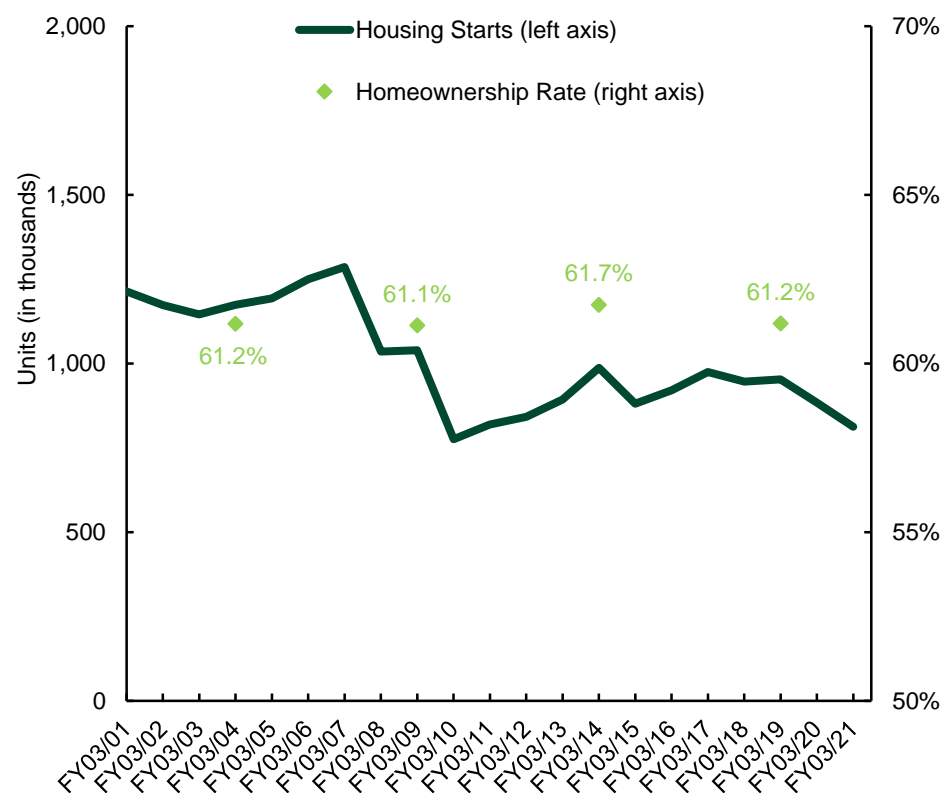
Japanese house prices have been stable with limited impact of the global financial crisis compared to other developed countries, and are now in an upward trend.

Negative impact of COVID-19 on Housing starts is smaller than during the financial crisis and homeownership rate has been stable at approx. 60%.

House Prices



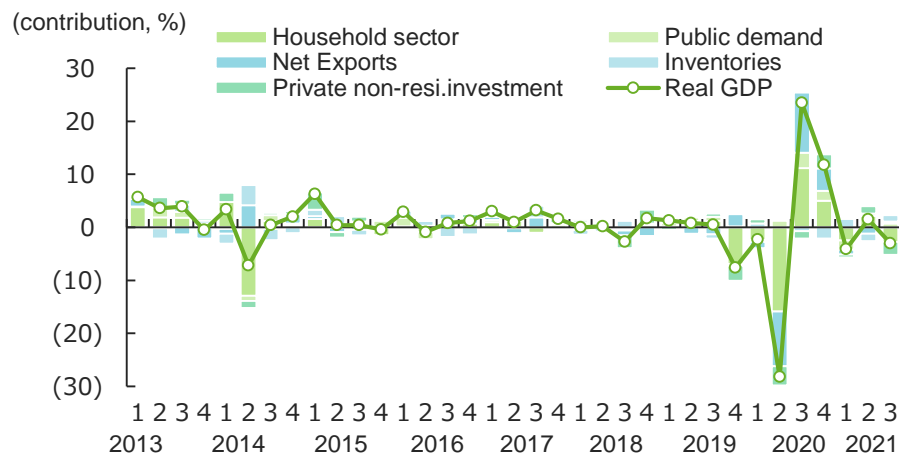
Housing Starts / Homeownership Rate



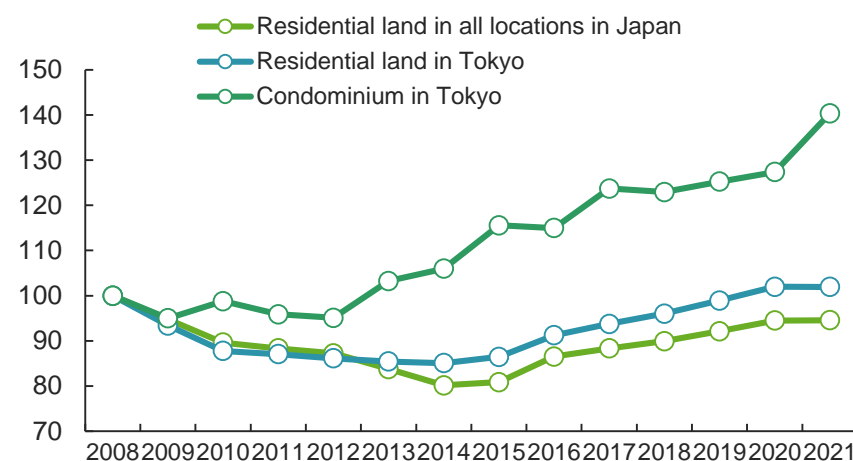
Source: Ministry of Land, Infrastructure, Transport and Tourism, Statistics Bureau, Ministry of Internal Affairs and Communications

Japanese economy

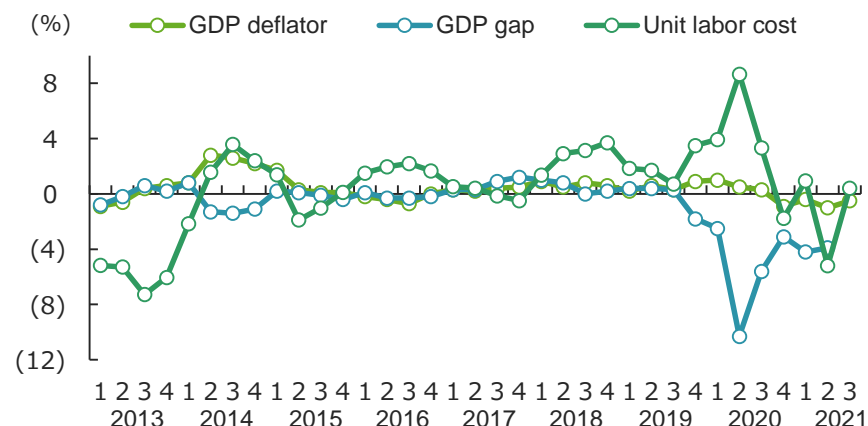
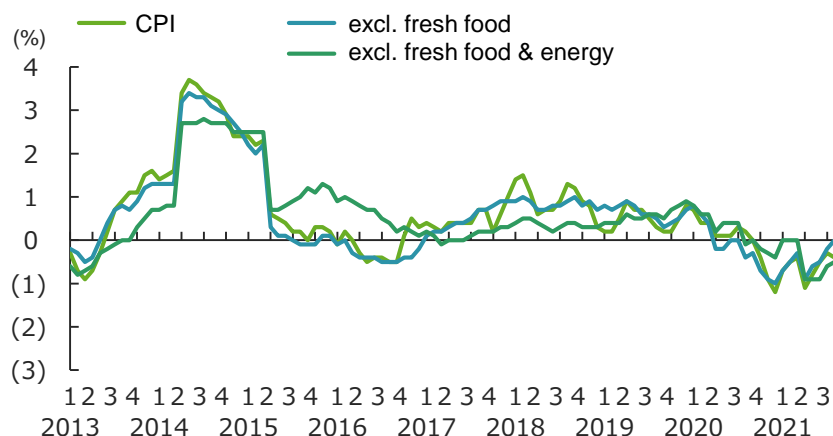
Real GDP growth rate (annualized QOQ change)*1



Residential land and condominiums^{*2}



Indicators to measure progress out of deflation^{*3}



*1 Cabinet Office. Seasonally adjusted series. Household sector = Private consumption + Private residential investment, Inventories = Change in private and public inventory, Public demand = Government consumption + Public investment

*2 Ministry of Land, Infrastructure, Transport and Tourism. Real Estate Economic Institute Co., Ltd. Condominium in Tokyo is the first half of the year.

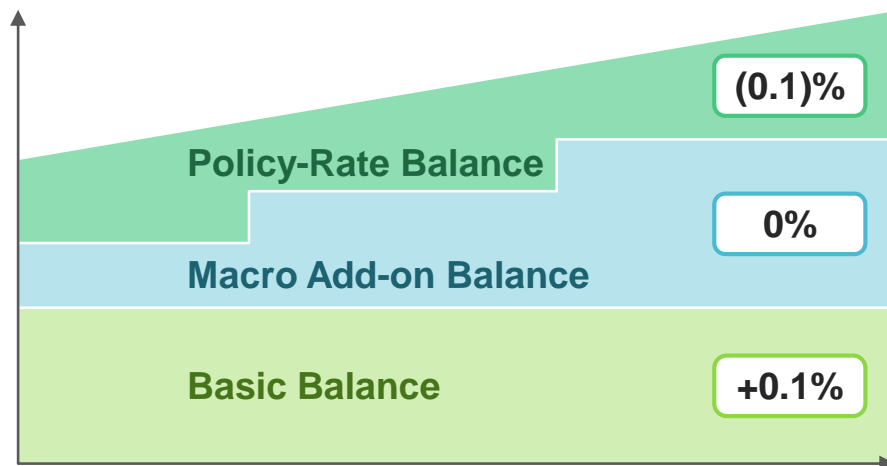
*3 Statistics Bureau, Cabinet Office and Ministry of Internal Affairs and Communications

BOJ's monetary policy

Timeline

Apr. 2013	Introduction of the Quantitative and Qualitative Monetary Easing (QQE)
Jan. 2016	Introduction of Negative Interest Rate Policy
Sep. 2016	Introduction of QQE with yield curve control
Jul. 2018	Introduction of forward guidance for policy rates
Apr. 2019	Clarification of forward guidance for policy rates
Oct. 2019	Update of forward guidance for policy rates
Apr. 2020	Enhancement of monetary easing
Mar. 2021	Further Effective and Sustainable Monetary Easing
Sep. 2021	Introduction of Climate Response Financing Operations

Three-tier system in current accounts at BOJ



Recent announcements

Apr. 2020

- **Enhancement of monetary easing**
 - Increase in purchase of CP and corporate bonds
 - Strengthening of the Special Funds-Supplying Operations to Facilitate Financing
 - Further active purchase of JGBs and T-Bills
- **Yield curve control**
 - Purchase a necessary amount of JGBs without setting an upper limit so that 10-year JGB yield will remain at around zero percent.

Mar. 2021

- **Yield curve control**
 - Purchase a necessary amount of JGBs without setting an upper limit so that 10-year JGB yield will remain at around zero percent.
 - Yield fluctuations range of +/-0.25% from the target
- **Guidelines for asset purchases**
 - Maintain annual paces of increase for ETFs and J-REITs
 - Extend purchase of CP and corporate bonds till Sep. 2021

Sep. 2021

- **Climate Response Financing Operations**
 - To provide funds to financial institutions within the amount outstanding of their investment or loans that contribute to Japan's actions to address climate change, with a view to supporting private sector efforts on climate change.
 - Interest rate on its program at 0% with the duration of loan being 1 year (it can be rolled over).

BOJ's initial monetary policy responses to COVID-19

BOJ's initiative to support the Japanese economy

• Measures to facilitate corporate financing

- Temporary increase in purchase of CP and corporate bonds
- Introduction of special funds-supplying operation by facilitating banks to extend loans to companies affected by COVID-19

• FX liquidity support to banks

- Enhance the provision of liquidity via the standing USD liquidity swap line arrangements, in coordination with 6 major central banks

• Stabilizing financial markets

- Further active purchases of ETFs & J-REIT as well as JGBs & T-Bills

Initiatives	Notes with most recent update
CP/Corporate Bond Purchase	JPY 20tn holding limit and up to 5yr maturity until Mar. 2021 (increase from JPY 5.4tn and up to 3yr maturity) => Extended till Mar. 2022
Special funds-supplying operations ("SFSO") ^{*1}	New scheme introduced in Mar. 2021 where BOJ set applied interest rate/incentive for categories as following; 0.2% for Category I, 0.1% for Category II and 0% for Category III. Category I is loans through SFSO by financial institutions themselves, Category II is loans through SFSO including private debt pledged as collateral and Category III is loans through Loan Support Program (Including Climate Response Financing Operations).
USD Funds-Supplying Operations	At OIS + 25bps (cut by 25bps) and for 1-week maturity operations (84 days maturity operation was discontinued as of July 1st 2021)
ETF/J-REIT purchase	Increase of the purchase amounts at annual paces of up to about JPY 12tn and about JPY 180bn, respectively for the time being. (In principle, about JPY 6tn and JPY 90bn) => Maintaining the same annual pace increase
JGBs & T-Bills purchase	Purchasing a necessary amounts of JGBs without setting an upper limit for 10-year JGB yields with yield fluctuation range of +/-0.25% to remain at around zero percent. (Previously purchase at an annual pace of holding amounts increase up to about JPY 80tn)

^{*1} Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19)
Source : Bank of Japan