

Small Meeting on SMBC's Multi Franchise Strategy in Asia
Major questions and answers

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Q1. What are the initiatives to achieve bottom-line profit contribution target?

A1. We are committed to accelerate the growth by capitalizing on the economic growth in each country in order to achieve the ambitious targets outlined in the Medium-Term Management Plan. In Indonesia, BTPN Group will grow its retail business by consolidating OTO/SOF. In India, SMICC, which became a 100% subsidiary of SMFG, will expand assets and increase profits while ensuring credit quality. Profit contribution of Vietnam and the Philippines will begin from FY3/25 for full-year basis. We will work to rebuild FE Credit, a consumer finance company, and further strengthen funding support, thereby facilitating an early recovery in its business performance and developing it as a future growth driver.

Q2. How is the progress of synergies in terms of support as the parent company / shareholder and business collaboration among investees?

A2. As the parent company / shareholder, we promote collaboration in areas such as commercial flows linked to SMBC corporate clients, employee marketing, and sales financing in addition to funding support, such as investment and loans to investees and diversification of funding using SMBC Group's creditworthiness. We will also further strengthen business collaboration among our investees going forward. Working team has started sharing the know-how of "Jenius", digital banking service that BTPN has created ahead of other companies, and various knowledge and best practices among its investees. We will support these efforts as well.

Q3. What is the direction of India's strategy going forward?

A3. SMICC has been capturing strong loan demand for funds spurred by strong economic growth in India. We will grow the entire portfolio in a well-balanced manner while considering capital increases in accordance with future asset growth. To develop a franchise that can provide a full line of financial services, which is the concept of our Multi Franchise Strategy, we will continue to accelerate the expansion of our business in India.

Q4. What is the current situation and challenges in Vietnam?

A4 : The challenge is to quickly rebuild FE Credit, which has been struggling due to the slow recovery of consumption among its main customer segments. We will support strengthening funding capabilities as well as group collaboration with VPBank and strategic marketing. VPBank is working on to increase liquid deposits, which are the source of competitiveness. To reduce funding costs and acquire new customers, we will support by utilizing SMBC's relationships to capture corporate transactions and local commercial flows linked to them.

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