

# Investors Presentation

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September 2024



SUMITOMO MITSUI  
FINANCIAL GROUP

This document contains “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995), regarding the intent, belief or current expectations of us and our managements with respect to our future financial condition and results of operations. In many cases but not all, these statements contain words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “probability,” “risk,” “project,” “should,” “seek,” “target,” “will” and similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those expressed in or implied by such forward-looking statements contained or deemed to be contained herein. The risks and uncertainties which may affect future performance include: deterioration of Japanese and global economic conditions and financial markets; declines in the value of our securities portfolio; incurrence of significant credit-related costs; our ability to successfully implement our business strategy through our subsidiaries, affiliates and alliance partners; and exposure to new risks as we expand the scope of our business. Given these and other risks and uncertainties, you should not place undue reliance on forward-looking statements, which speak only as of the date of this document. We undertake no obligation to update or revise any forward-looking statements.

Please refer to our most recent disclosure documents such as our annual report on Form 20-F and other documents submitted to the U.S. Securities and Exchange Commission, as well as our earnings press releases, for a more detailed description of the risks and uncertainties that may affect our financial conditions and our operating results, and investors’ decisions.

## Exchange rates (TTM)

	Jun. 23	Mar. 24	Jun.24
USD	144.99	151.33	161.03
EUR	157.60	163.24	172.29

## Definitions

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

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# **Our Journey**

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## Vision

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

### **Integrity**

Engage with stakeholders fairly and sincerely

### **Passion**

Challenge for future growth with courage

### **Solidarity**

Unite the power of individuals as One Team

Pursue opportunities for further growth as the environment has become more positive than our initial assumptions, while remaining aware of the potential for significant market and economic volatility.

**Economy and Market**

**Domestic economy is improving / Overseas economy remains stronger than expected**

		FY3/25	FY3/26
<b>Policy Rate (Maximum)</b>	Japan	NIRP continues	
		0.1%	0.1%
	U.S.	3.5%	2.5%
		5.0%	4.5%
<b>FX rate</b>	USD	JPY 120	JPY 120
		JPY 140	JPY 140

Upper: Original  
Bottom: Revised

**Strategies remains unchanged**

**Challenge for higher goals**

**Corporate governance**

**Accelerate reduction of equity holdings**

Benefit from gains on stocks due to the high stock price

**Top risks**

Volatile financial and economic environment	Change of globalism
Decline in the vitality of Japanese society	Increasing external threats

FY3/24

- Sale of U.S. freight car leasing business
- Impairment of goodwill on FE Credit
- Forward looking provision

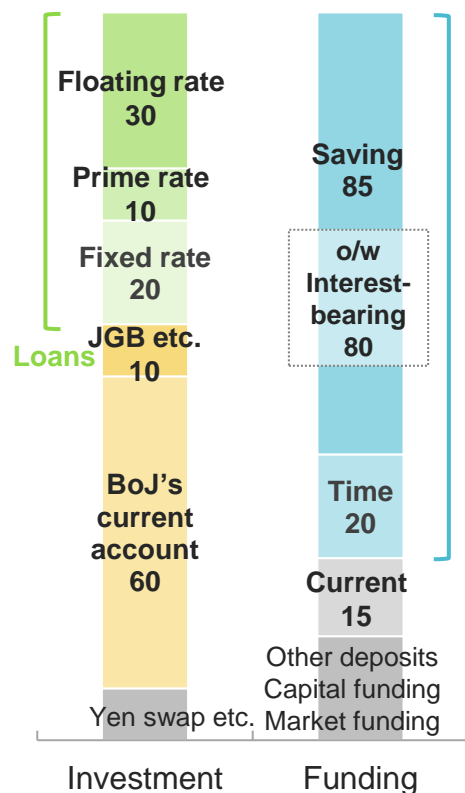
**Address risks proactively**

# Simulation of rise on JPY interest rates

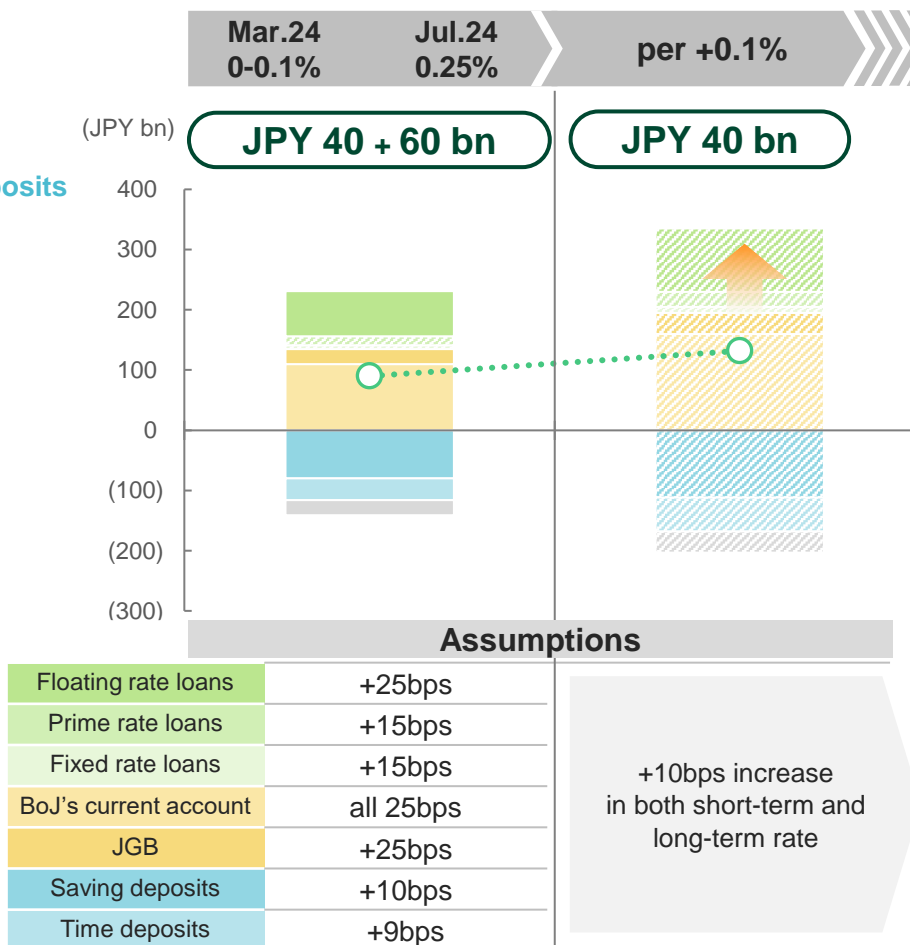
Plan for  
**Fulfilled Growth**

Net interest income is expected to increase by JPY +100 bn due to the BOJ's policy changes in both March and July 2024, with about 70% of this increase contributing to FY3/25.

**B/S JPY 145 tn (Jun. 24)**



**Impact on net interest income\*1**



**Our initiatives**

## Loan

- Loan demand remains strong (YoY +5%)
- Focus on improving loan spreads on top of base rate increase

## JGB etc.

- Grasp market trends and flexibly control balances

## Deposit

- Increase rate based on market trend, etc.
- Focus on acquiring sticky, low-cost liquid deposit

**Olive: +25% in deposits\*2**

\*1 Based on assumption of no change in balance sheet

\*2 YoY of balance as of Mar.24 for new SMBC account openers in Mar.23 - Feb.24

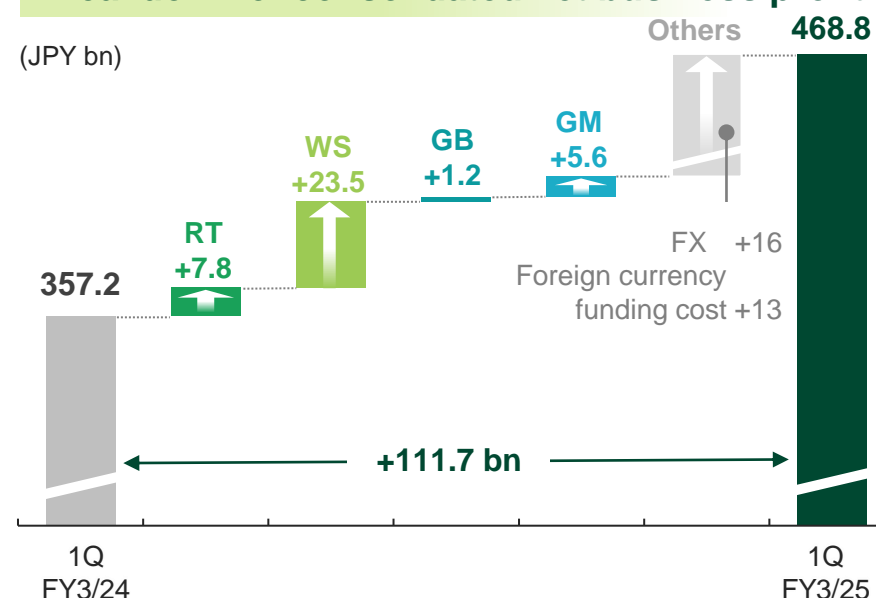
# Financial highlights

Plan for  
**Fulfilled Growth**

- ◆ Both consolidated net business profit and bottom-line profit increased strongly, achieving a record high.
- ◆ Growth has been driven mainly by WS and RT Business Units, while initiatives of the Medium-Term Management Plan initiatives are making steady progress under positive business environment.
- ◆ Overhead ratio improved due to top-line growth and credit costs have been well controlled without significant deterioration.

(JPY bn)	1Q FY3/25	YoY	FY3/25 Target
Consolidated gross profit	1,029.8	+154.5	
G&A expenses (Overhead ratio)	592.4 57.5%	+57.3 (3.6)%	
Equity in gains (losses) of affiliates	31.4	+14.5	
Consolidated net business profit	<b>468.8</b>	<b>+111.7</b>	<b>1,620</b>
Total credit cost	29.2	(14.7)	260
Gains (losses) on stocks	82.3	+41.1	
Ordinary profit	520.9	+171.8	1,560
Profit attributable to owners of parent	<b>371.4</b>	<b>+123.3</b>	<b>1,060</b>
ROE incl. OCI*1	10.1%	+2.4%	

## Breakdown of consolidated net business profit



	Assumption	Jun.24
Policy rate (Maximum)	Japan	0.1%
	U.S.	5.0%
FX rate	USD	JPY 140

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



# Target of FY3/25

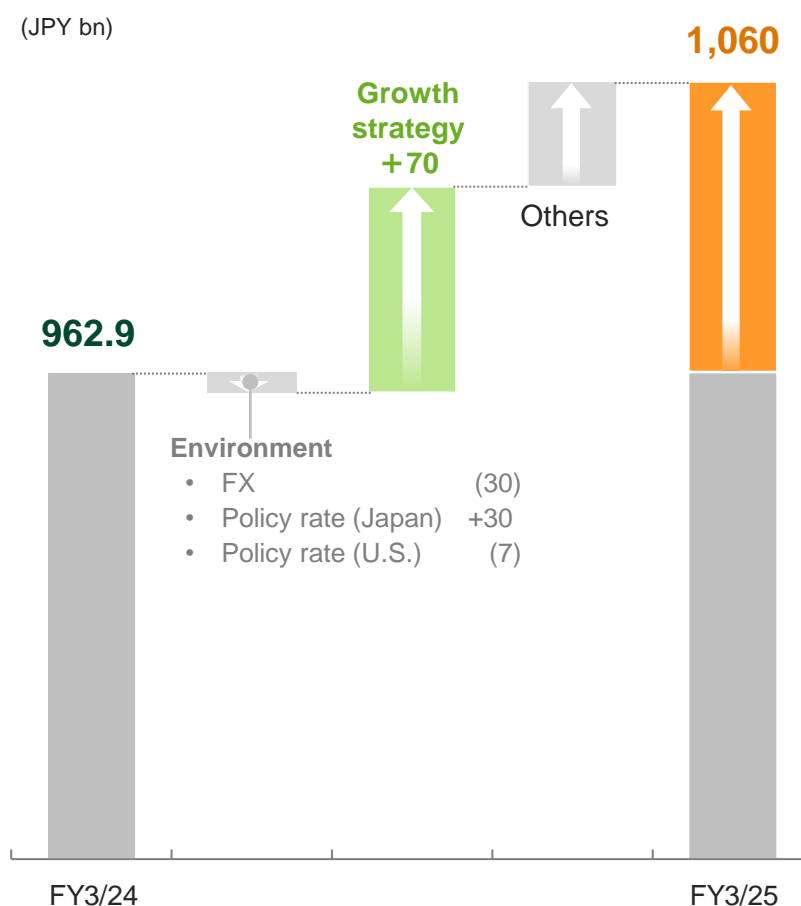
Plan for  
**Fulfilled Growth**

Aim to achieve a bottom-line profit exceeding JPY 1 tn for the first time  
by further strengthening core earnings on top of capturing a favorable business environment.

(JPY bn)	Result FY3/24	Target FY3/25	YoY
Consolidated net business profit	1,560.2	1,620	+59.8
Credit cost	274.0	260	(14.0)
Ordinary profit	1,466.1	1,560	+93.9
Profit attributable to owner of parent	962.9	1,060	+97.1

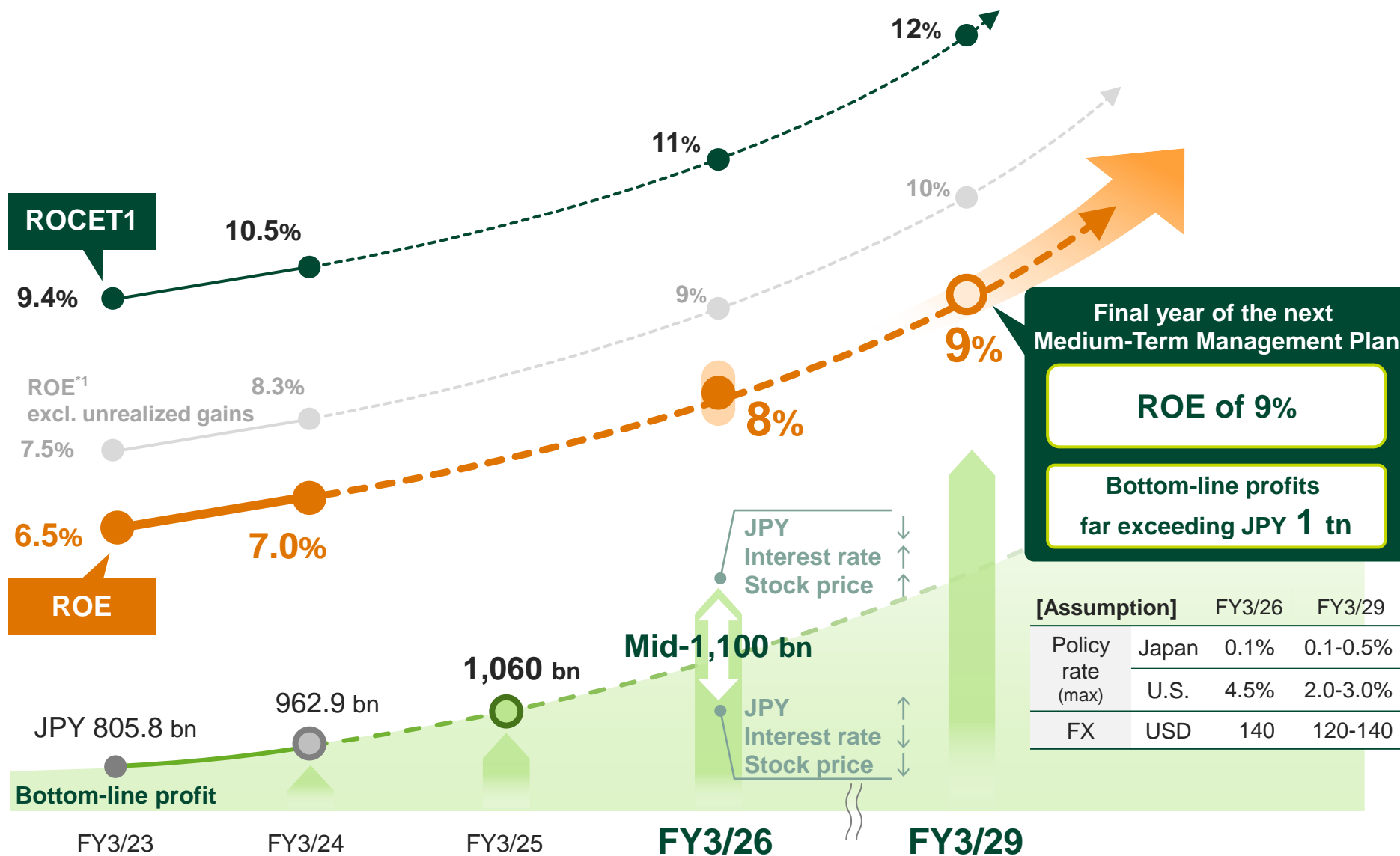
[Assumption]		(Mar. 24)	(FY3/25)
Policy rate (Max)	Japan	0.1%	0.1%
	U.S.	5.5%	5.0%
FX	USD	JPY 151.33	JPY 140

## Breakdown of bottom-line profit



# Financial goal in five years

Plan for  
**Fulfilled Growth**



\*1 Profits attributable to owners of parent

$\frac{\{(Total\ shareholders\ equity\ at\ the\ beginning\ of\ period + Foreign\ currency\ adjustments\ at\ the\ beginning\ of\ the\ period) + (Total\ shareholders\ equity\ at\ the\ end\ of\ the\ period + Foreign\ currency\ adjustments\ at\ the\ end\ of\ the\ period)\}}{2} \times 100$

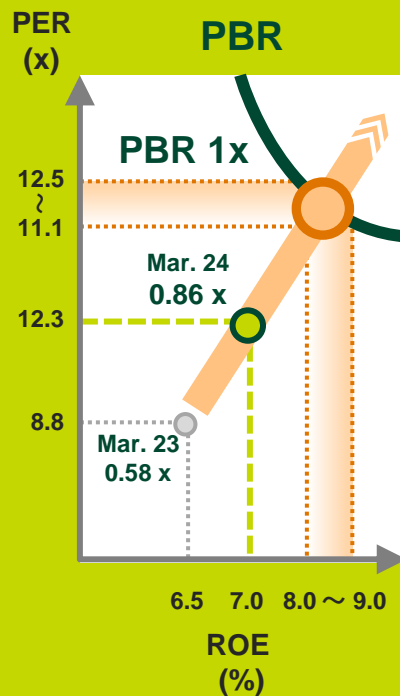


# **Enhance Corporate Value**

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# Initiatives to enhance corporate value

## Improve PBR



### ROE

Bottom-line profit

Capital

### Improve RORA

Bottom-line profit

RWA

### Financial leverage

RWA

Capital

### Bottom-line growth

Enhance asset light businesses

Realize profit from past investments

Cost control

Reallocate business portfolio

Appropriate capital allocation

Enhance shareholder returns

### PER

Stock price

Bottom-line profit

### Improve expected growth rate

Cost of capital  
c. 8%

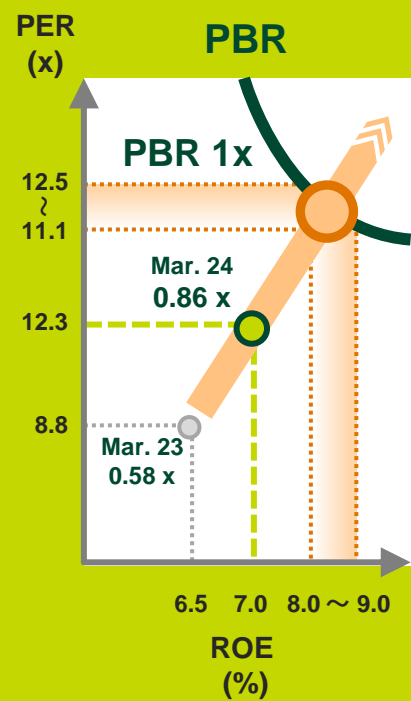
Lower cost of capital

Rebuild corporate infrastructure

Create social value

Mitigate information asymmetry

Improve PBR



ROE

Bottom-line profit

Capital

Improve RORA

Bottom-line profit

RWA

Financial leverage

RWA

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Improve expected growth rate

Cost of capital  
c. 8%

Lower cost of capital

Rebuild corporate infrastructure

Create social value

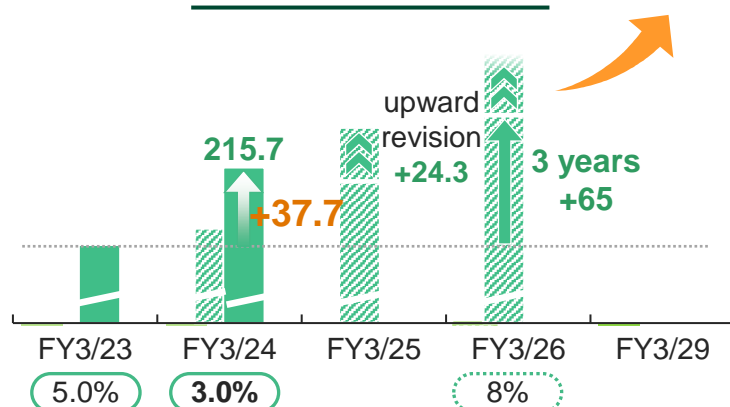
Mitigate information asymmetry

# Progress of Medium-Term Management Plan (by Business Unit)

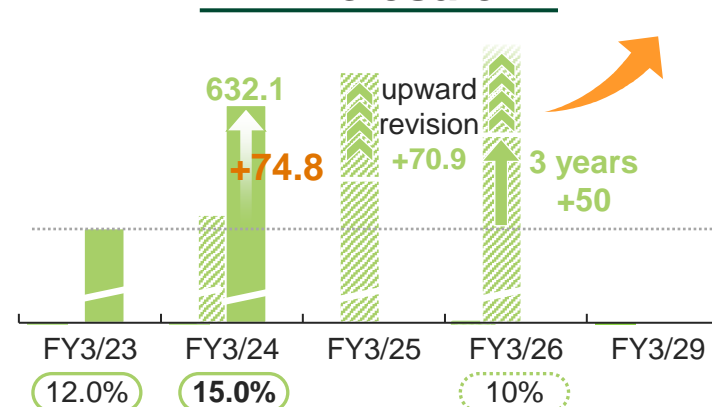
Every Business Unit shows higher growth than expected by progress of measures in the Medium-Term Management Plan on top of favorable market environment.

Net business profit (JPY bn) ROCET1

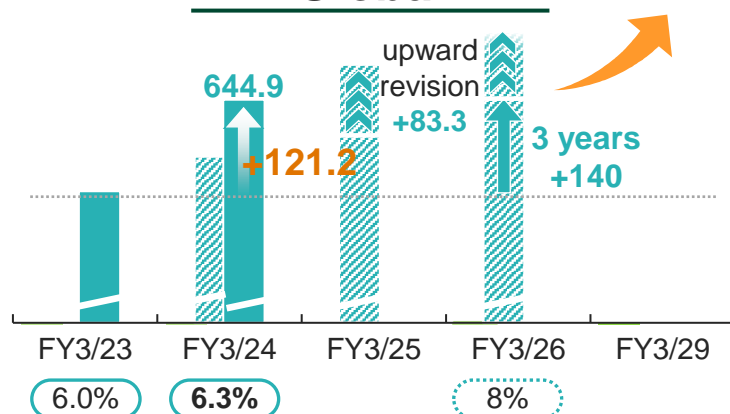
## Retail



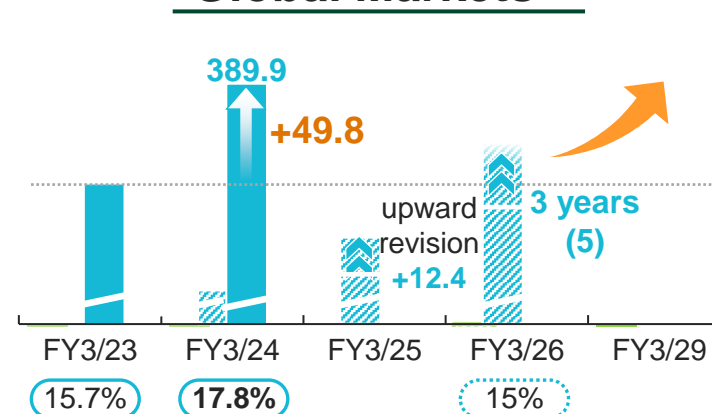
## Wholesale



## Global



## Global Markets<sup>\*1</sup>



<sup>\*1</sup> The initial plan for FY3/24 assumed a decline in profit from trading which was strong in FY3/23 and profit from banking due to rising interest rates

# Build digital-based retail business

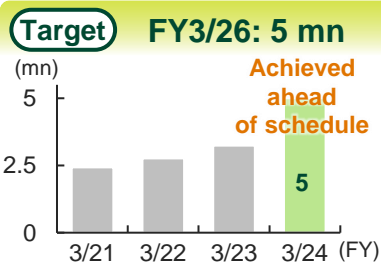
Increase customer touchpoints while reducing expenses through a hybrid strategy of Olive and STORE.  
Merge V Point and T-Point to increase number of customers, deposit, and finance / fee income.

**Digital**

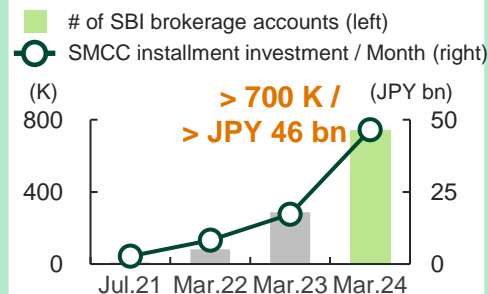
Hybrid Strategy

**Real****Olive**# of Olive  
accountsTarget 12 mn  
in 5 years3.0 mn  
Mar.23- July.24Merger with  
T-Point  
(Apr.24)16 mn  
users70 mn  
users**SMBC**Acquire customers  
in new regionsBecome main  
bank account+25%  
in deposits<sup>\*1</sup>**SMCC**

# of new card holders



Credit card installment investment

Traditional  
branch**STORE**

FY3/24 : 50 STOREs

FY3/26 : 250 STOREs

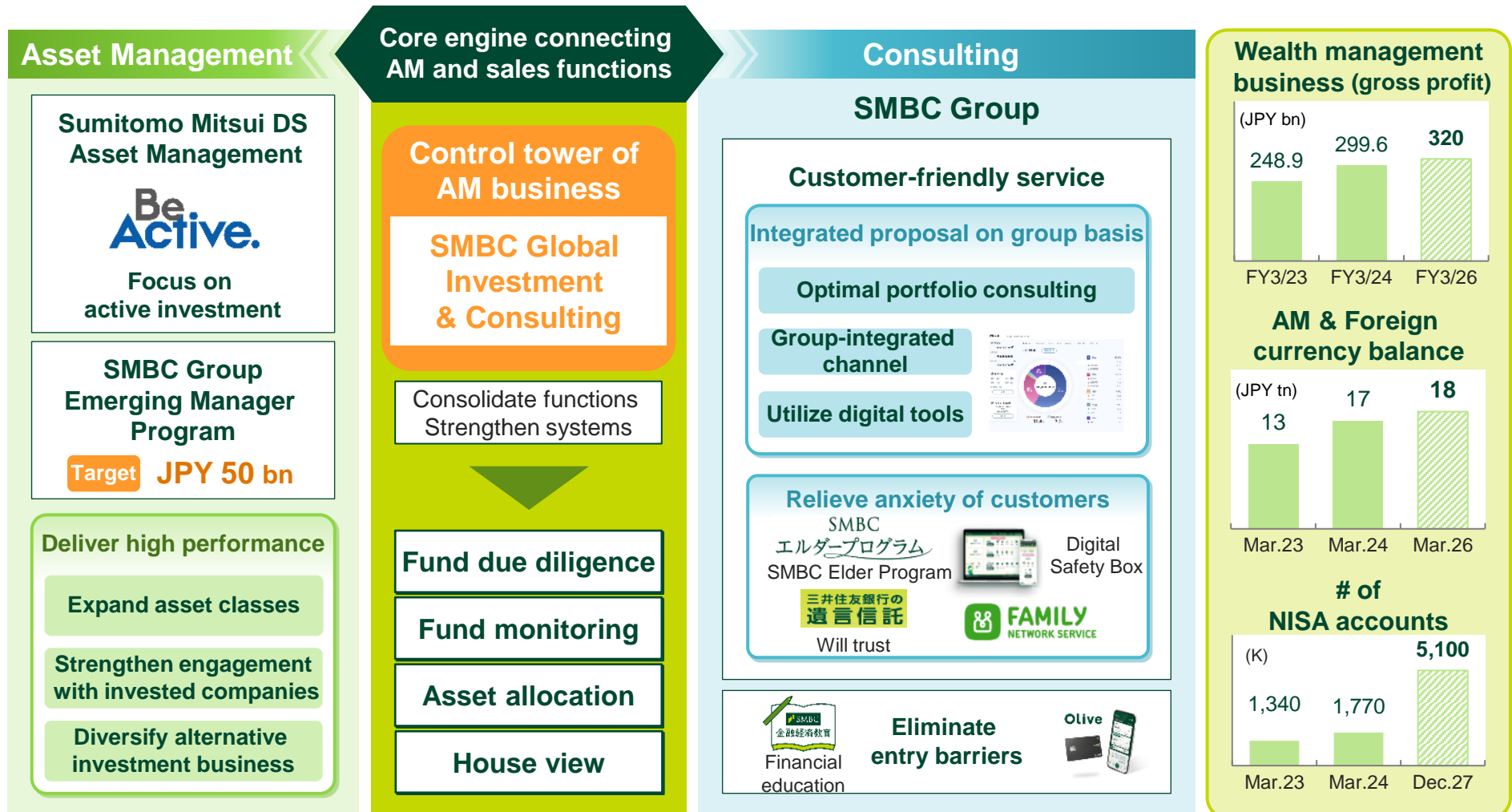
Reduce branch  
and administrative cost  
Expense : JPY (28) bnExpand  
customer touchpoints  
# of visitors: 2.7 x<sup>\*2</sup>

\*1 YoY of balance as of Mar.24 for new SMBC account openers in Mar.23 - Feb.24

\*2 Average number of visitors for 30 stores opened by Mar.24 (customers for consultations, wealth management, and notification, excl. withdrawals or transfers, etc.)

# Strengthen asset management business

Set up a control tower of the Group to cover entire value chain from asset management to consulting.  
Provide diverse solutions to support shift from savings to investment.





# Enhance Global CIB through Collaboration with Jefferies

Closed almost 100 collaborated deals in FY3/24.

Enhance CIB business and improve ROE through further expanding the alliance with Jefferies.

## Collaborated deals are steadily accumulating

Area	Category	# of deals
U.S.	ECM	31
	DCM	41
	M&A	1
	Sub-IG	12
EMEA	ECM	6
	Sub-IG	4

**Total  
95**

## Expand the scope of collaboration

### Region

- Added EMEA and Canada

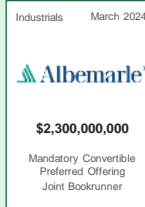
### Target customers

- Increased joint coverage clients
- Enhance cross-selling on IG business
- Strengthen Sub-IG business (e.g. margin loans)

## Examples of collaborated deals

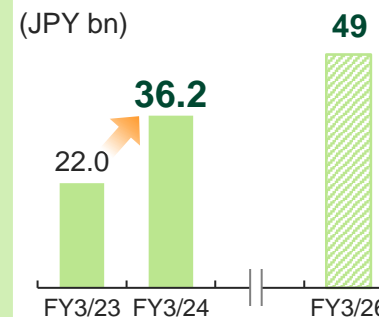


- Issuance of EUR 1 bn convertible bond by cellnex, a Spanish telecommunication company (Largest deal in Europe over two years)
- SMBC originated the deal and Jefferies was appointed as Joint Global Coordinator.

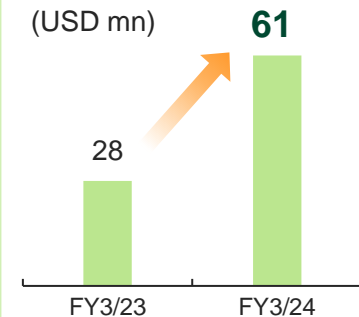


- Public offering of Albemarle, an U.S. chemical manufacturer (SMBC has a relationship for 20 years)
- Jefferies was appointed as bookrunner for the 1st time by Albemarle because of the alliance between SMBC and Jefferies.

### Net business profit from overseas securities

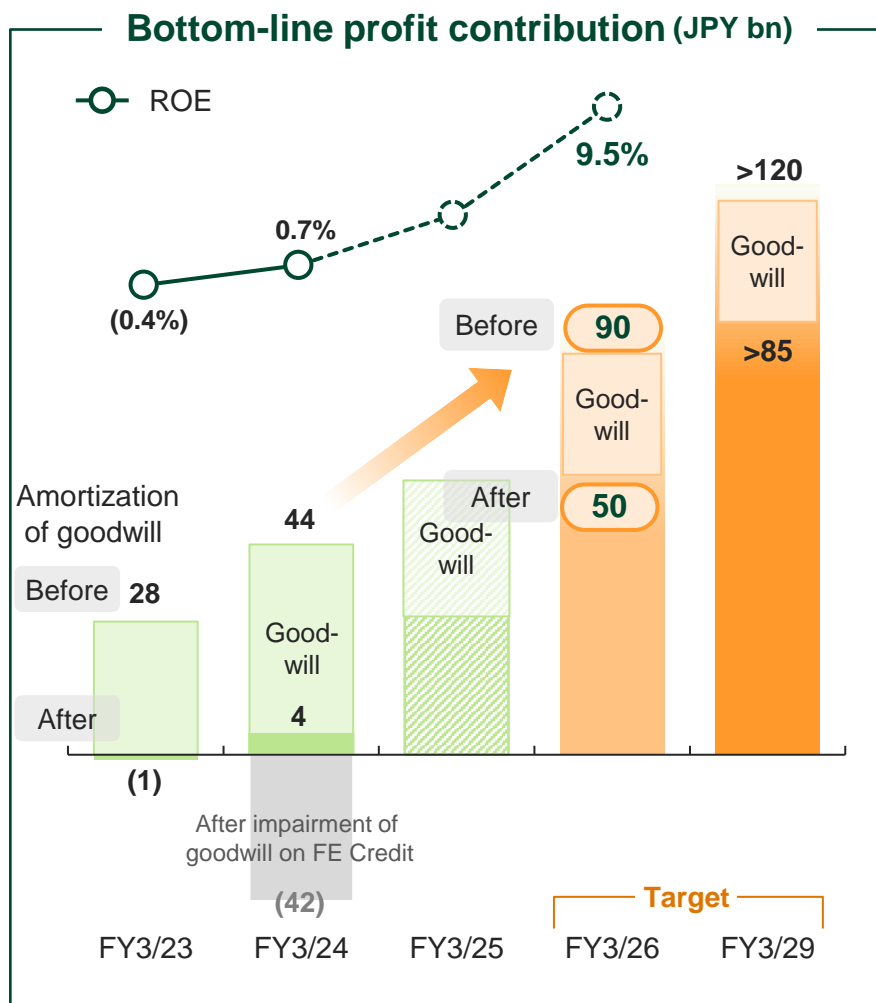


### Profit from collaborated deals with Jefferies



# Realize growth through Multi-Franchise Strategy

The long-term growth forecast remains unchanged, although the current status varies among investees.  
Aim to increase profit contribution to SMBC Group by supporting their growth strategies.



	<b>SMICC</b>	Ownership ratio: 75% → <b>100%</b>	P.65
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## Loan has been growing by capturing growth of economy

- Accelerate business expansion by making SMICC a 100% subsidiary
- Enhance product lineups by utilizing digital channel
- Funding support – Capital infusion of JPY 25 bn in Apr. 24

**Loans** (FY3/24) (FY3/27)  
JPY 0.8 tn » **1.6 tn**

**ROE** (FY3/24) (FY3/27)  
12% » **18%**

	<b>BTPN</b>	91%	P.64
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## Pursue growth as a whole group after consolidation

- Enhance both retail and corporate loans through group collaboration
- Expand product lineups of digital bank "Jenius" and digital services for SMEs

	<b>RCBC</b>	20%	P.67
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## Diverse business collaboration on top of strong loan growth

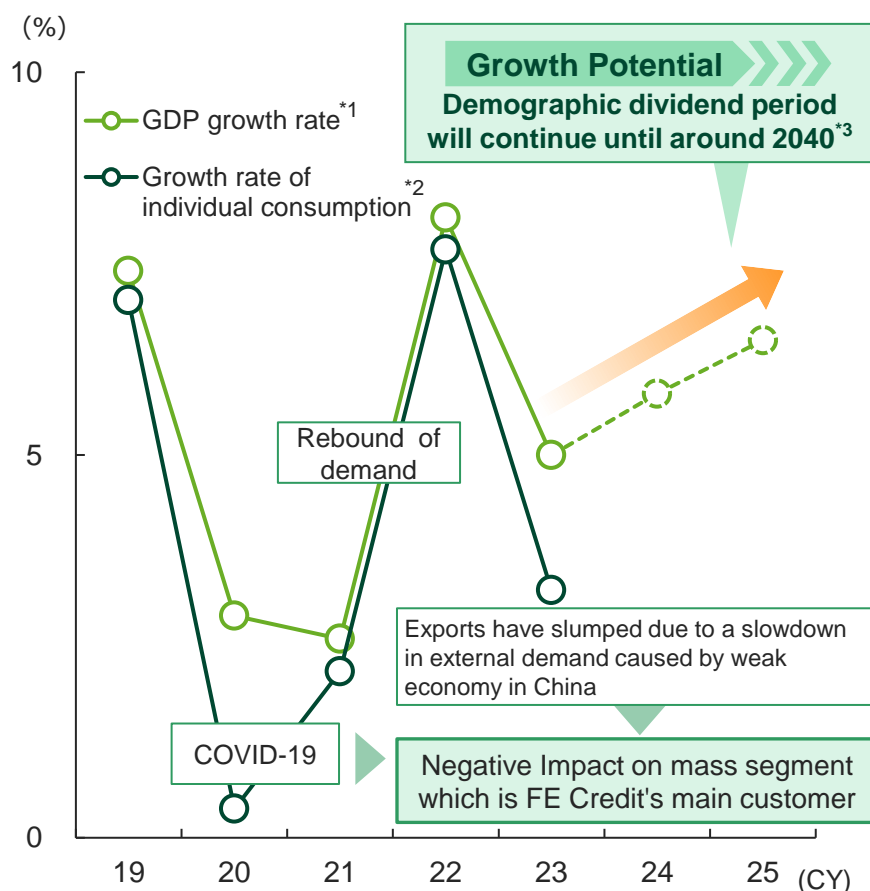
- Launched products by collaboration (employee marketing and RV loan)
- Acquire new customers from retail and SME segments

	<b>FE Credit</b> <b>VPBank</b>	49% 15%	P.19 P.66
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## Recover FE Credit with the turnaround of local economy

Macroeconomy has been recovering from the impacts of COVID-19 and sluggish exports due to weak Chinese economy. Aim for an early recovery under new management and through credit costs control.

## Macro environment



## Key measures for recovery of FE Credit

(JPY bn) <sup>*4</sup>	2020	2021	2022	2023
Gross Profit	78.4	76.6	84.9	<b>81.0</b>
Credit costs	42.7	57.8	75.3	<b>75.6</b>
Net profit	13.4	0.6	(13.3)	<b>(18.0)</b>
ROE	21.2%	0.8%	(16.5%)	<b>(25.2%)</b>
Loans	297.2	377.1	385.4	<b>343.5</b>

- Enhance management team under a new CEO
- Control credit costs by tightening credit standards
- Acquire new customers and enhance cross-selling by digitalizing of products and channels

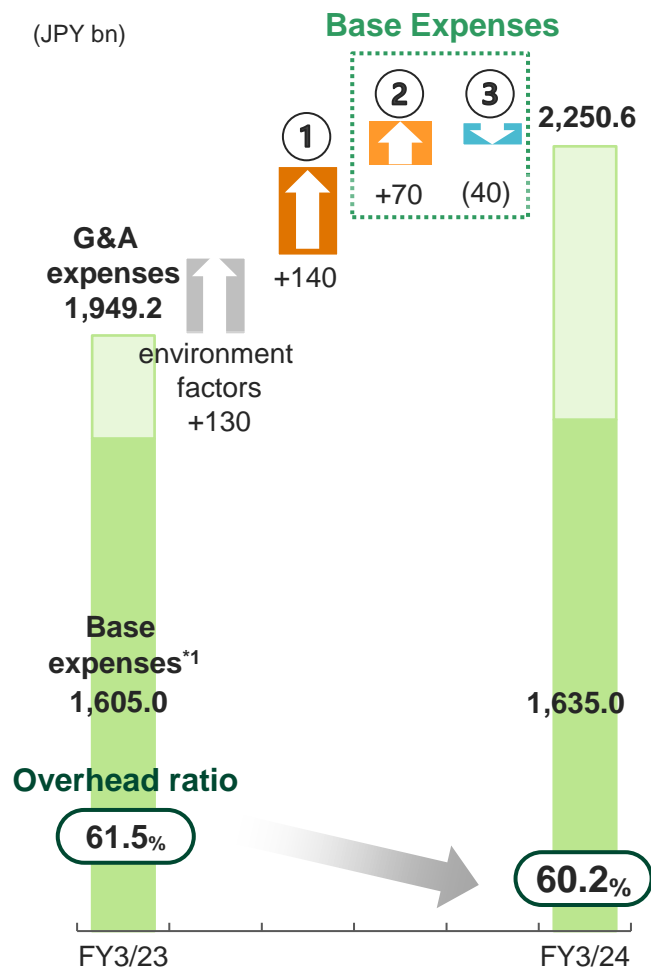
## Initiatives to accelerate VPBank's growth ▶ P.66

- Support direct investment from foreign corporates, enhance retail and SME business
- Expand ecosystem of VPBank group
- Develop businesses by data analysis and digitalization

\*1 IMF \*2 Japan Research Institute \*3 Estimated based on UN data  
\*4 Local accounting basis using FX rate at the end of each FY

# Cost control and strategic expense investment

Overhead ratio improved by >1%, despite an increase in G&A expenses due to environmental factors and investment for growth. Aim to keep base expenses flat by additional cost reduction initiatives.



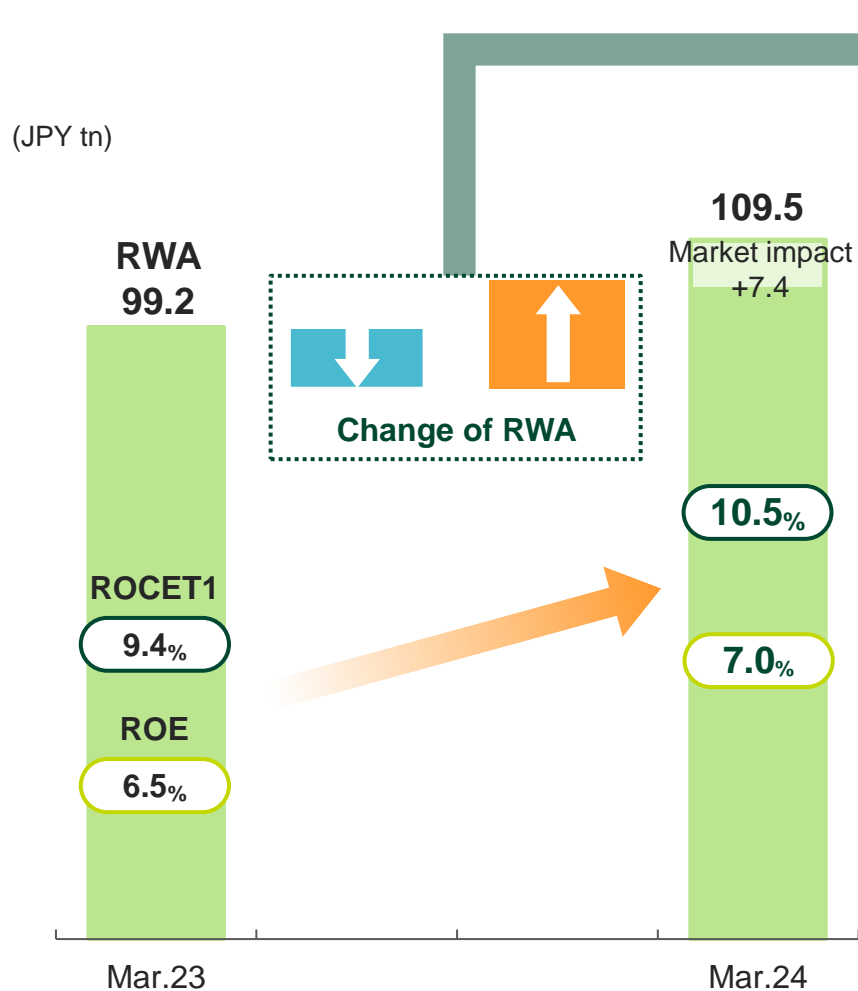
① Strategic investment for gross profit increase and future growth	SMCC gross profit +11%*2	# of Olive account 3.0 mn	Launched U.S. Digital Bank
② Base expenses ↑	FY3/24		3 years target
	Base expenses	+ 70 bn	+ 160 bn
	Workload	+2,700 people	+3,000 people
	HR cost in overseas businesses	+ 40 bn	
③ Base expenses ↓	IT investment (amortization)	+ 15 bn	
	FY3/24		3 years target
		(40) bn	(160) bn
		(3,060) people	(7,000) people
	Reform of domestic business e.g. • STORE : 250 (FY3/24 : 50 opened) • Digitalize wholesale businesses	(10) bn	(60) bn
	Group functions	(19) bn	(45) bn
	Overseas operations	(11) bn	(25) bn
	Enhance existing / additional initiatives		(30) bn

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

\*2 Excl. impact from reorganization of SMBC Mobit

# Reallocate business portfolio to improve capital efficiency

Improved profitability through a review of the business portfolio focused on capital efficiency.  
Continue to allocate capital to strategic areas by reducing unprofitable assets and equity holdings.



## RWA Controls

Reduction ↓

3 years targets

FY3/24

JPY (6) tn

JPY (3.3) tn

Investment ↑

JPY + 11 tn

JPY + 6.2 tn

### Reallocate RWA

Regions of low growth  
and excessive competitionProject finance /  
Trade finance

Equity holdings

U.S. freight car leasing

Large Japanese companies

Global CIB

U.S. / Asia

PE funds / Real estate

Credit Card /  
Consumer finance

Regularly review profitability of each portfolio

# Sophisticate domestic wholesale business

Allocate resources to capture corporate activities in large and medium-sized companies.

Build more efficient client coverage model thorough digitalization for small companies.

## Large and medium-sized companies

Tailor-made / Human resources

Resource  
shift

## Small companies

Standardized  
digital services

### Increasing corporate activities

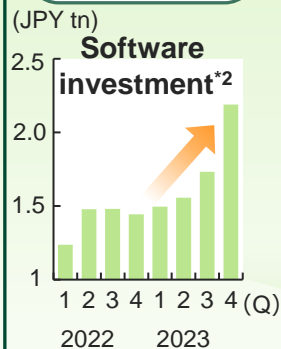
GX<sup>\*1</sup>

Investment of  
**JPY 150 tn**  
over 10 years

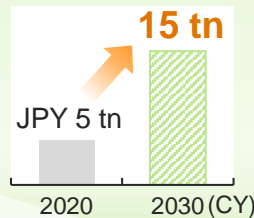
Buyout

DX

Supply chain

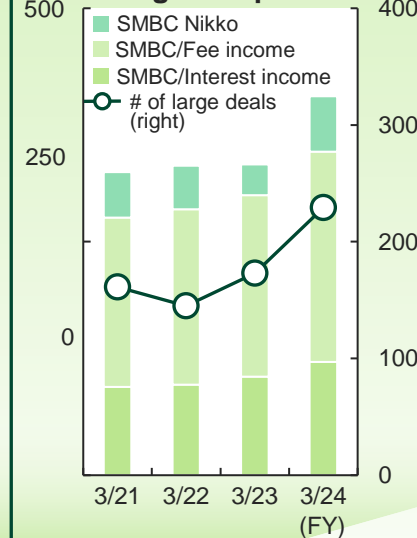


Sales volume of semiconductor<sup>\*1</sup>

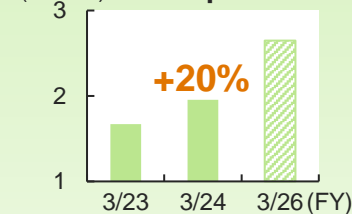


### Provide group-base solutions

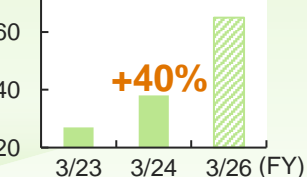
Gross profit from large companies<sup>\*3</sup>



SMCC payment volume for corporates



SMBC Trust # of real estate brokerage transactions<sup>\*4</sup>



Improve ROE by further capturing large-scale deals

### All transactions completed online

Internet banking



Credit card



Finance



External Partners

More efficient  
client coverage model

<sup>\*1</sup> Targets and estimates by Government of Japan <sup>\*2</sup> Financial Statement Statistics of Corporations by Industry

<sup>\*3</sup> SMBC and SMBC Nikko only. Figure of SMBC Nikko is gross profit of

WS division in Japan. # of large deals which had profit >JPY 100 mn. <sup>\*4</sup> # of transactions >JPY 3 bn.

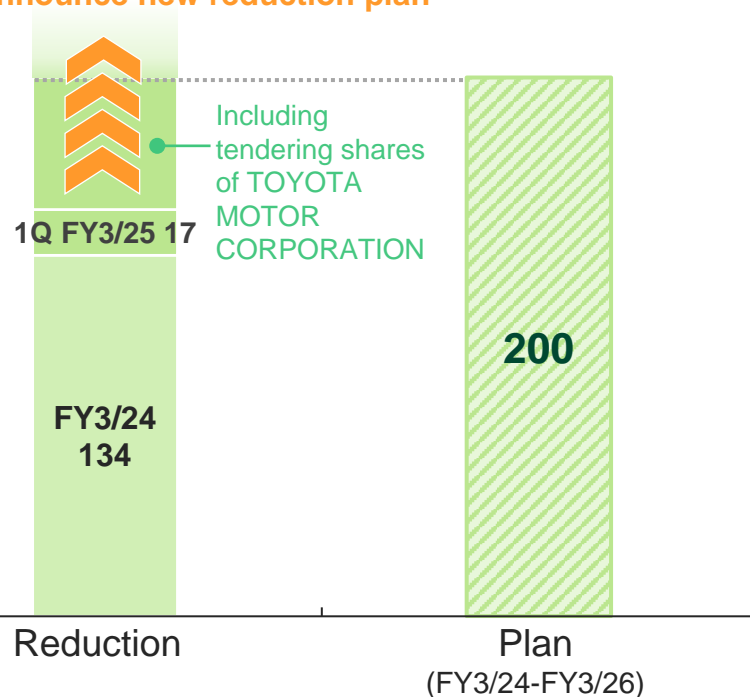
# Reduction of equity holdings

Aim to achieve three years reduction plan of JPY 200 bn in 1H FY3/25.

A new reduction plan is scheduled to be announced with the 1H financial result.

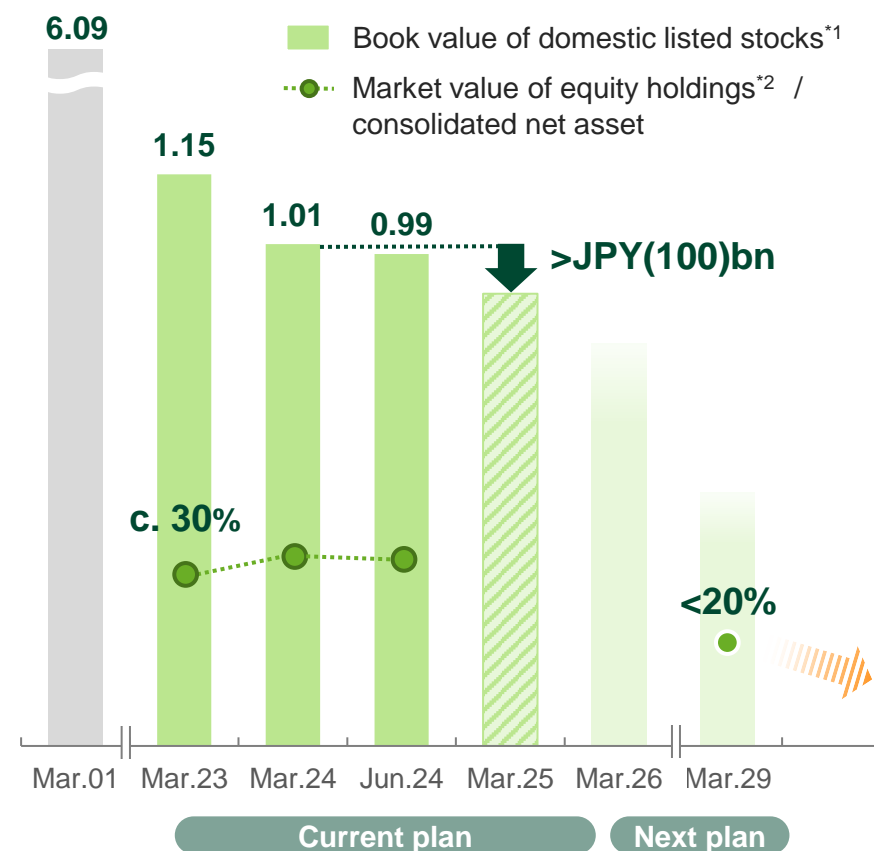
## Progress (JPY bn)

Achieve current plan in 1H FY3/25  
and announce new reduction plan



Reduction (total)	JPY 151 bn
Consent of sales	JPY 114 bn

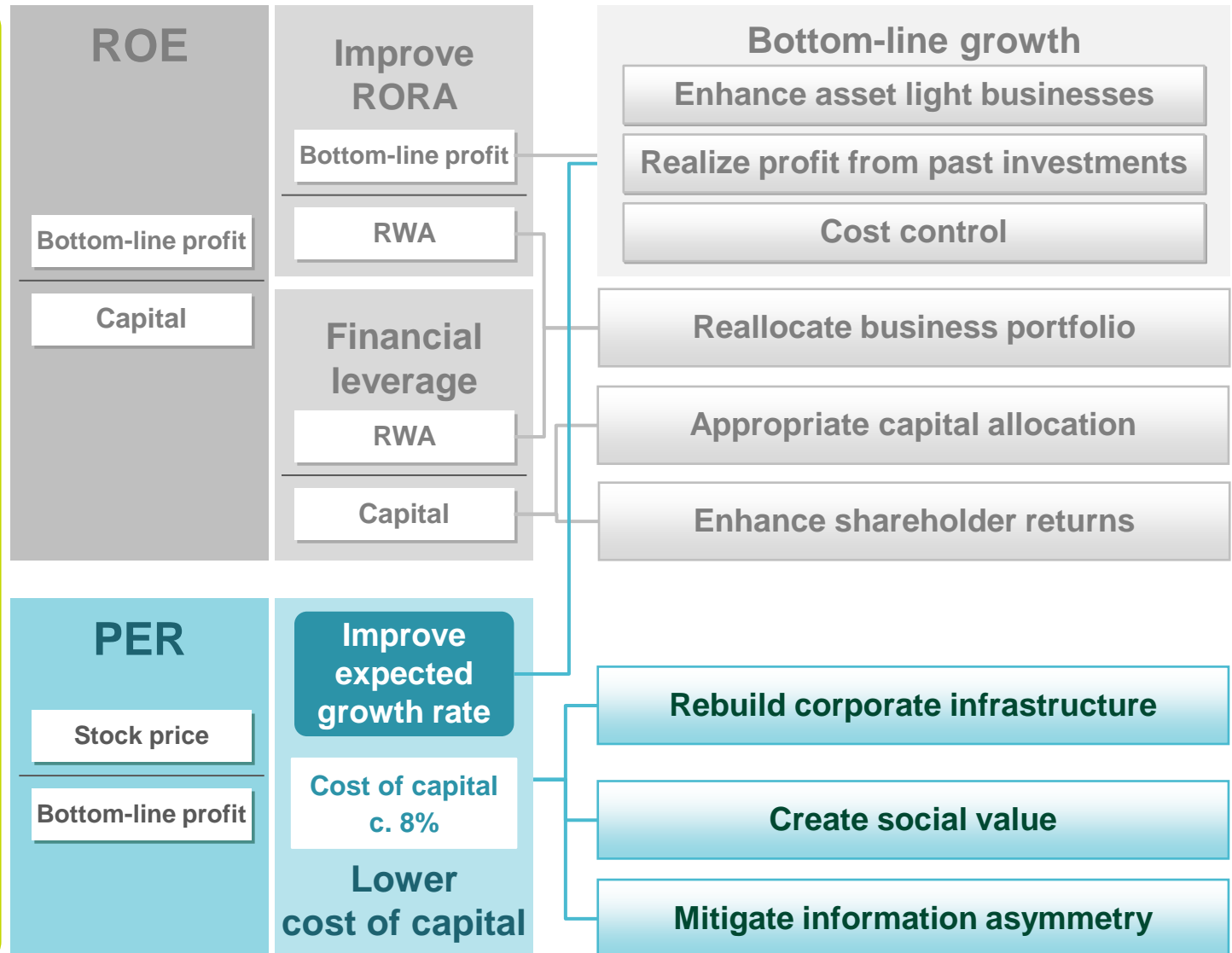
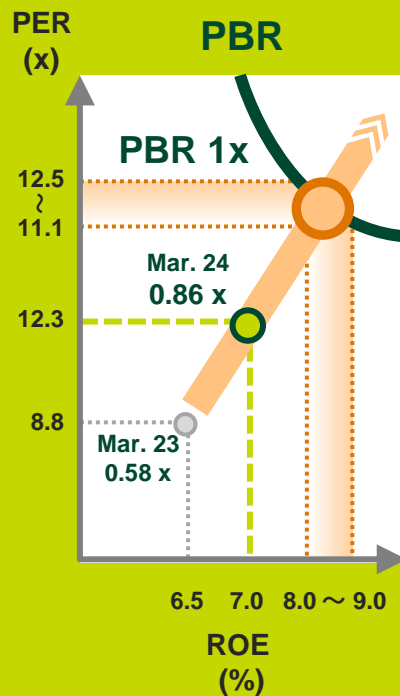
## Balance of equity holdings (JPY tn)





# Control cost of capital and increase expected growth rate

## Improve PBR

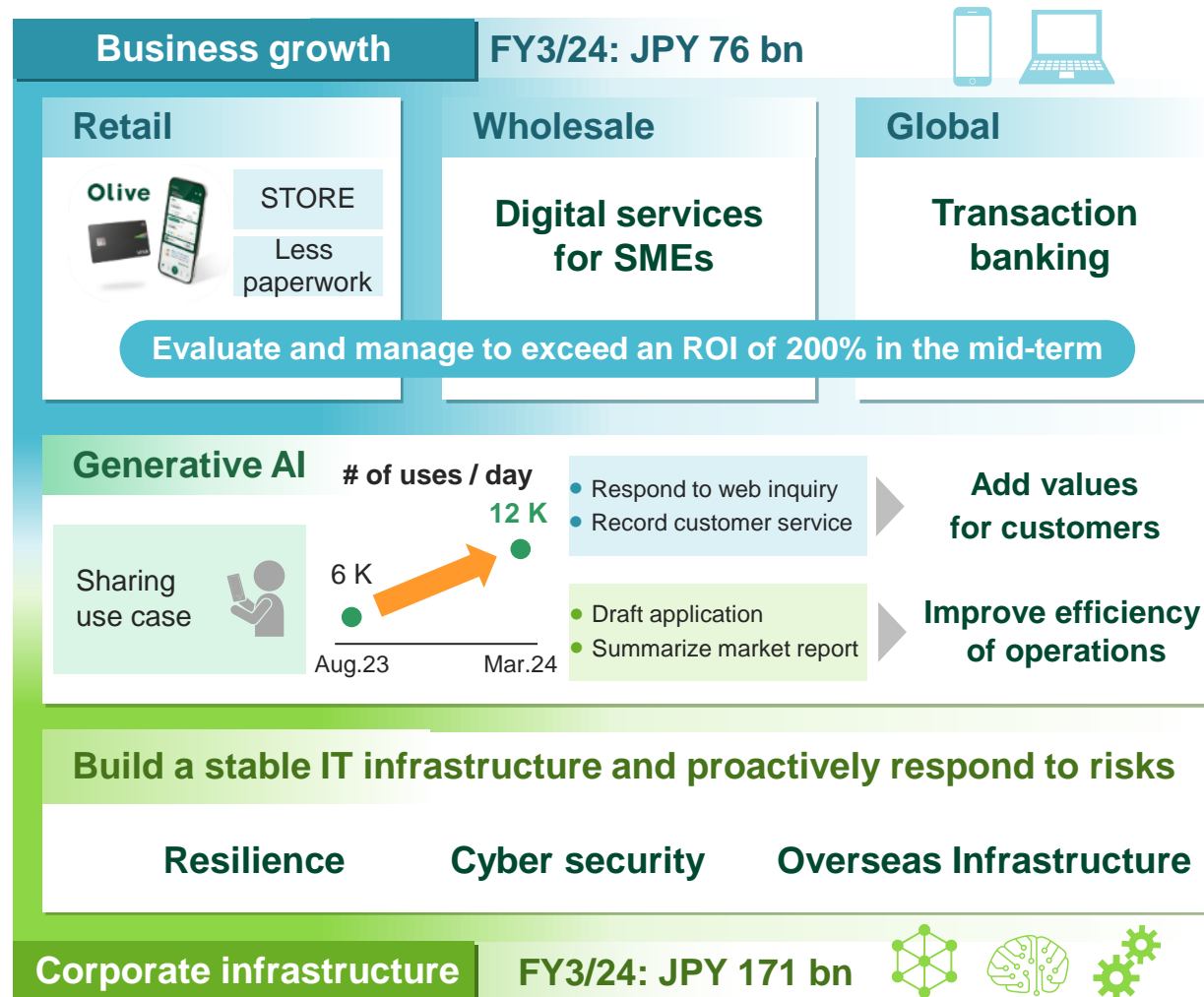
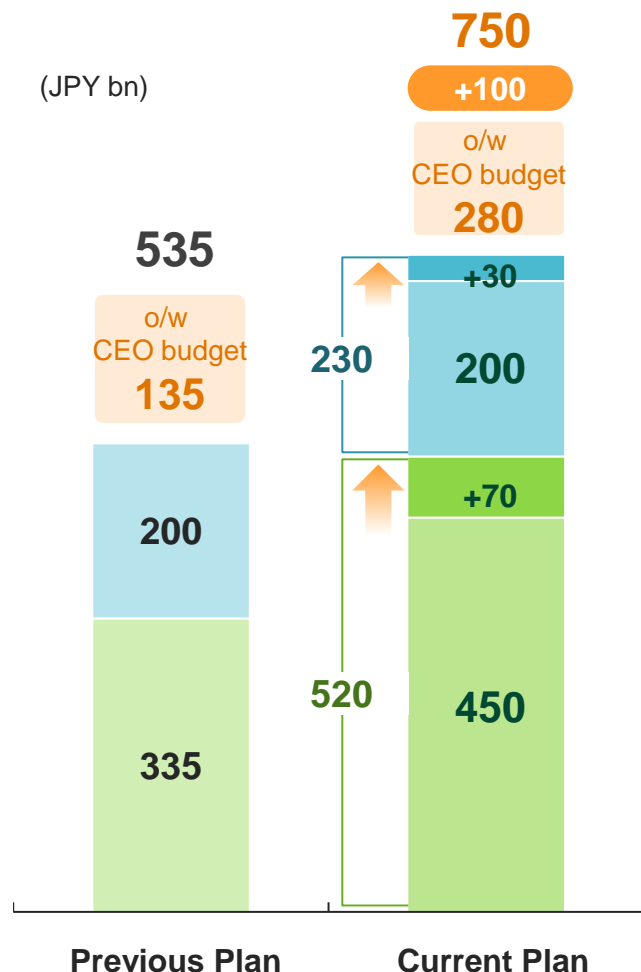




# IT Investment to accelerate growth

Increased IT investment budget for the Medium-Term Management Plan by + JPY 100 bn.

Proactively enhance competitiveness through strengthening digital channels as well as governance.



## Sophisticate human capital management

## SMBC Talent Policy

Realize the workplace and teams  
where diverse professional talents aim high and feel rewarding

## ● Manage HR portfolio

## Allocate resource appropriately

(people)

Improve efficiency	(3,100)
Strategic areas	+8,500

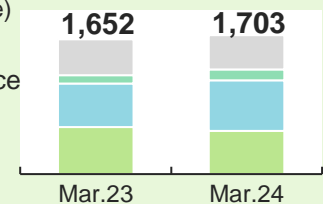
## Secure a diverse talent

Mid-career recruitment	41%
Managers from mid-career recruitment	19%

## Certified experts

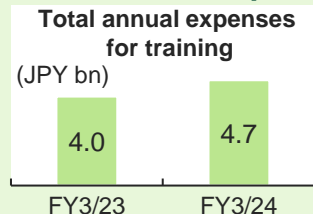
(people)

Other  
Governance  
IB  
Digital

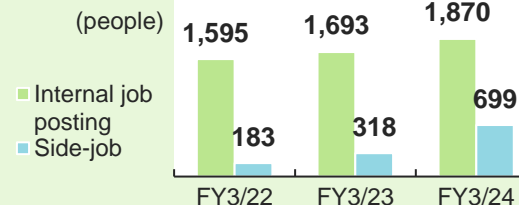


## ● Promote employees' growth

## Human resource development



## Challenge for new business



## Career development

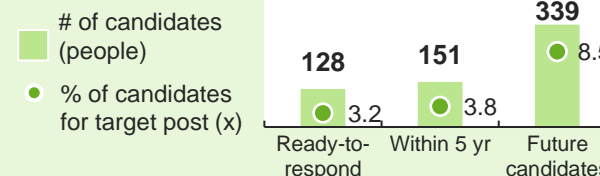
Start stock options program  
for executives  
of in-house startups

## ● Maximize team performance

## Inclusion of diverse talents

	Mar.24	Target
Female directors	21%	30%
Female managers	20%	25%
Foreign directors	24 <sup>*1</sup>	25

## Train future management



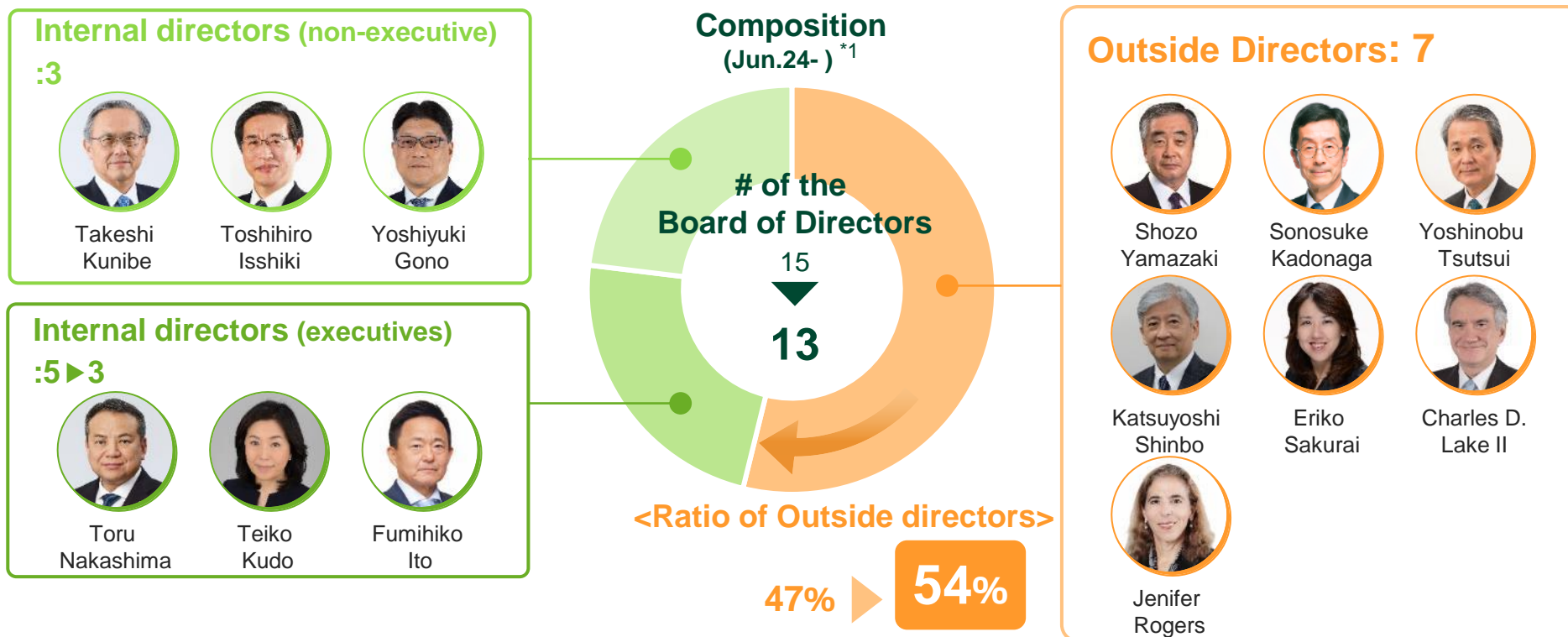
## Stock-based compensation plan

Employees and management commit to improve corporate value

Human Capital Investment

+7%

# Diversify the Board of Directors



## Improve diversity in the Board of Directors

### Female



20%

23%

### Foreign Nationals



13%

15%

\*1 Subject to resolution at the Ordinary General Meeting of Shareholders on Jun. 24

# Improve the quality of governance and compliance

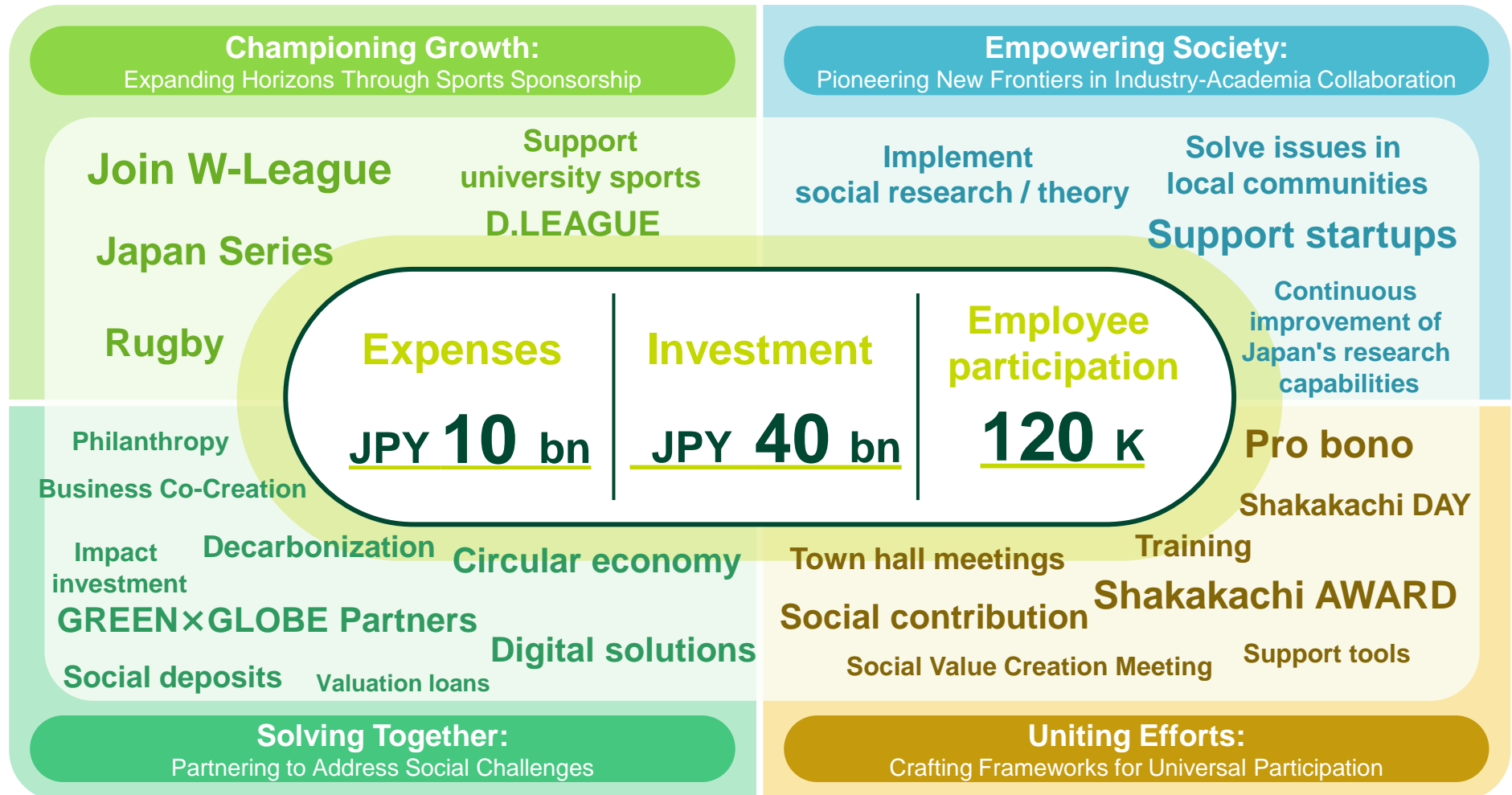
Completed verification of measures to prevent recurrence.

Continue further penetration and implementation of the measures under new CEO's leadership.



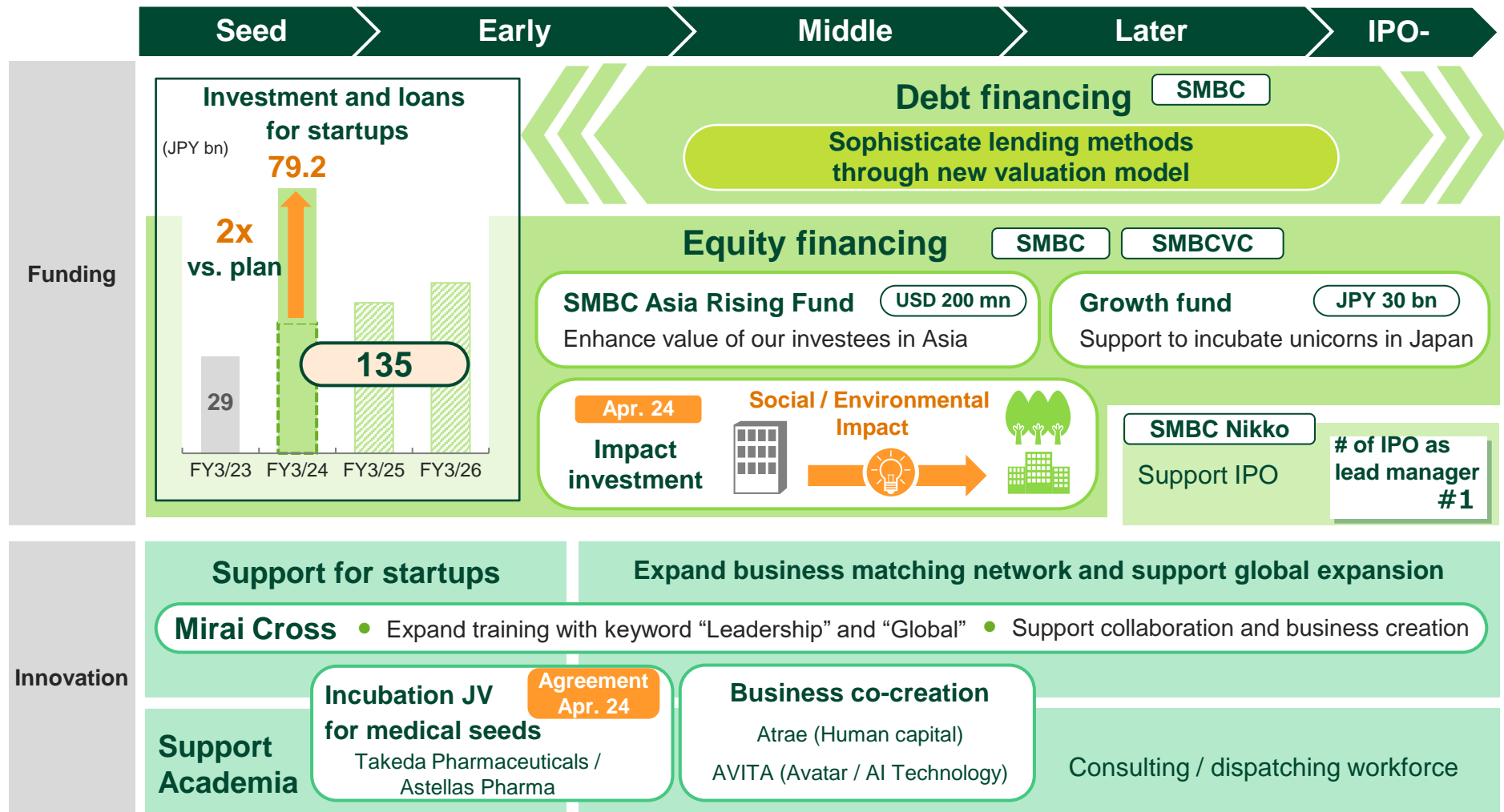
# Create social value through universal participation

Allocate a JPY 10 bn expense budget, equivalent to 1% of bottom-line profit, to accelerate initiatives to create social value.



# Support startups

Contribute to Japan's regrowth by supporting clients at every stage and revitalizing the ecosystem.

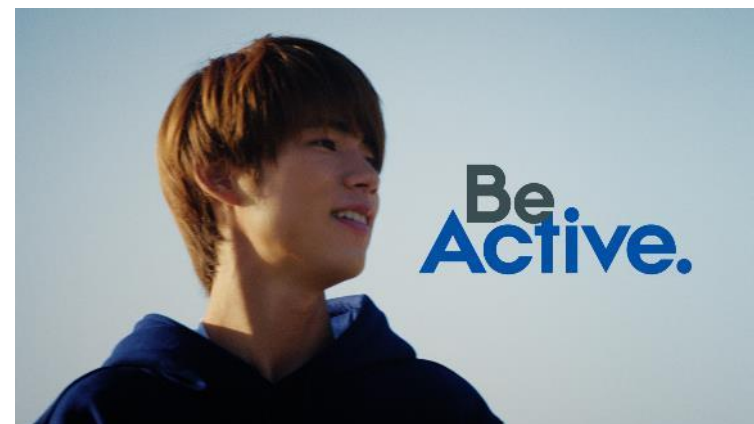




# Champion growth through sports sponsorship



Sumitomo Mitsui DS Asset Management



**(Ref.) Enhance disclosure including social impact**

Enhance disclosure of natural capital, human rights, climate change, etc. in various reports.  
Disclose impact indicators going forward.

**Annual Report****TCFD Report****TNFD Report****Human Rights Report Website**

Wide range of contents

- Sustainability policy
- SMBC Group's sustainability initiatives
- Various reports / data

**Impact indicators**

Expand disclosure in addition to KPIs of the Medium-Term Management Plan

<b>Environment</b>	Sustainable finance
<b>DE&amp;I / Human Rights</b>	Engagement score
<b>Poverty &amp; Inequality</b>	# of microfinance borrowers
<b>Declining birthrate &amp; Aging population</b>	AM / Foreign currency balance
<b>Japan's Regrowth</b>	Investment and loans for startups

**Example of impact indicators**

**Contribution of GHG reduction**

**19 mn t-CO<sub>2</sub>**  
(FY3/23)

**Customers below the poverty line<sup>\*1</sup>**

**11% improvement**  
in last three years



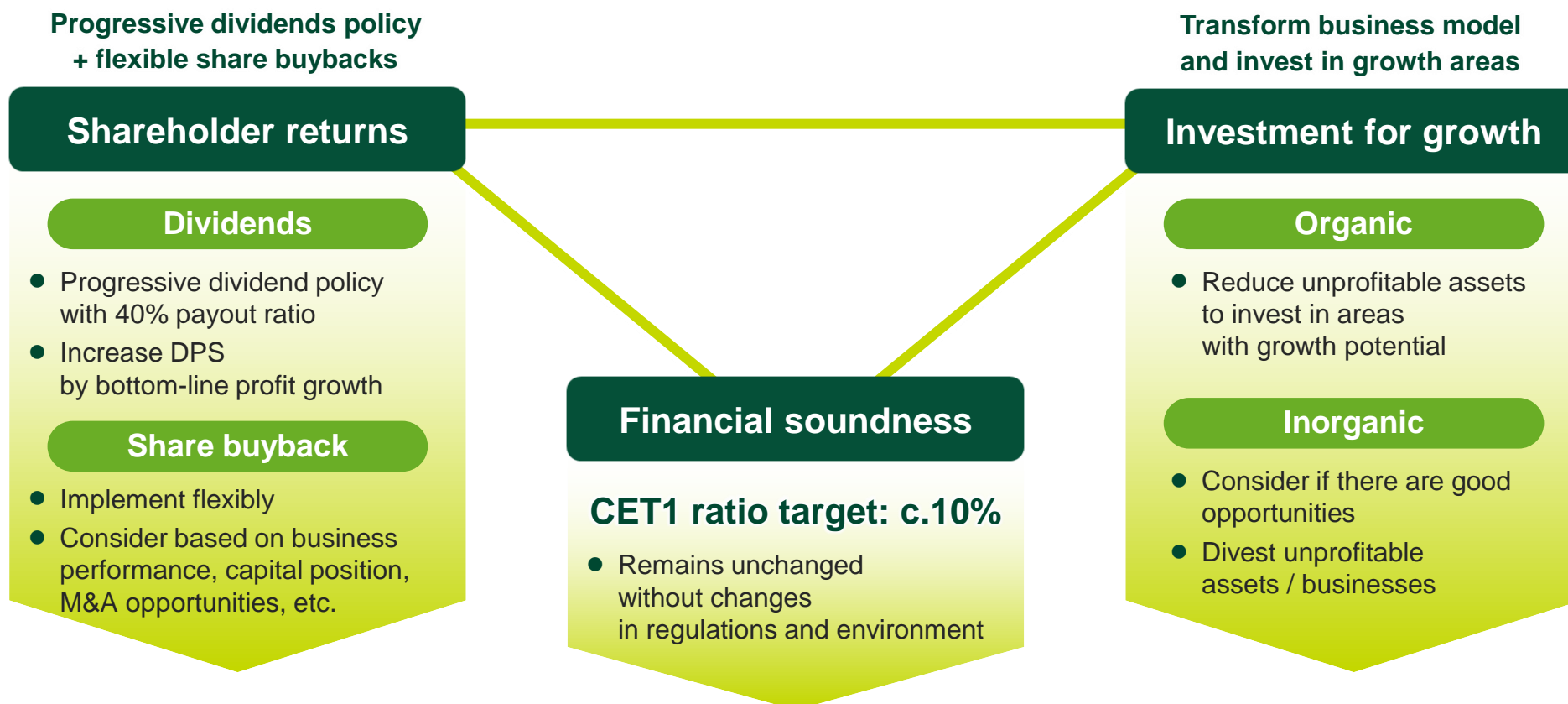


# Capital Policy

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## Basic capital policy

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

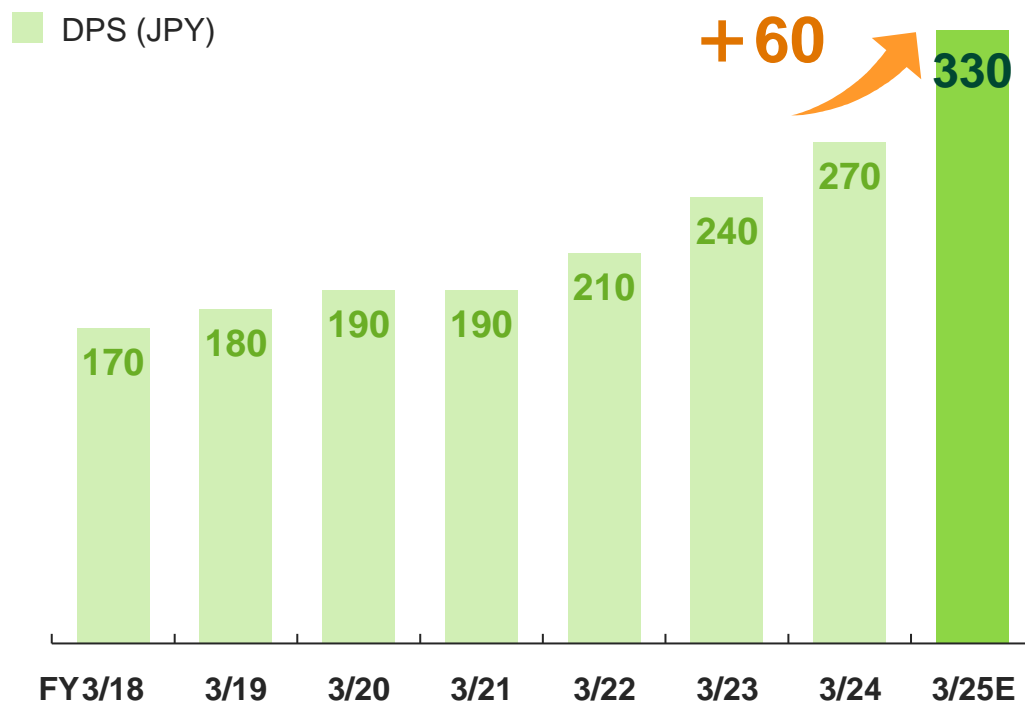


## Growth with Quality

# Shareholders return

**Dividend: increased to JPY 330/share (+60 YoY, 40% of dividend payout ratio)**

**Share buybacks: resolved up to JPY 100 bn and will consider additional purchases during this fiscal year**



## Shareholder returns in FY3/25

### Dividend

- FY25/3 forecast is **JPY 330<sup>\*1</sup>** (40% of dividend payout ratio)
- **Largest DPS increase ever (+60)**

### Share buybacks

- Resolved **JPY 100 bn** in May
- **Will consider additional purchases**, depending on our financial progress, RWA accumulation, M&A opportunities, stock price, etc.

### Stock split<sup>\*2</sup>

Seek to develop a more investor-friendly environment

Ratio

Split into **3**

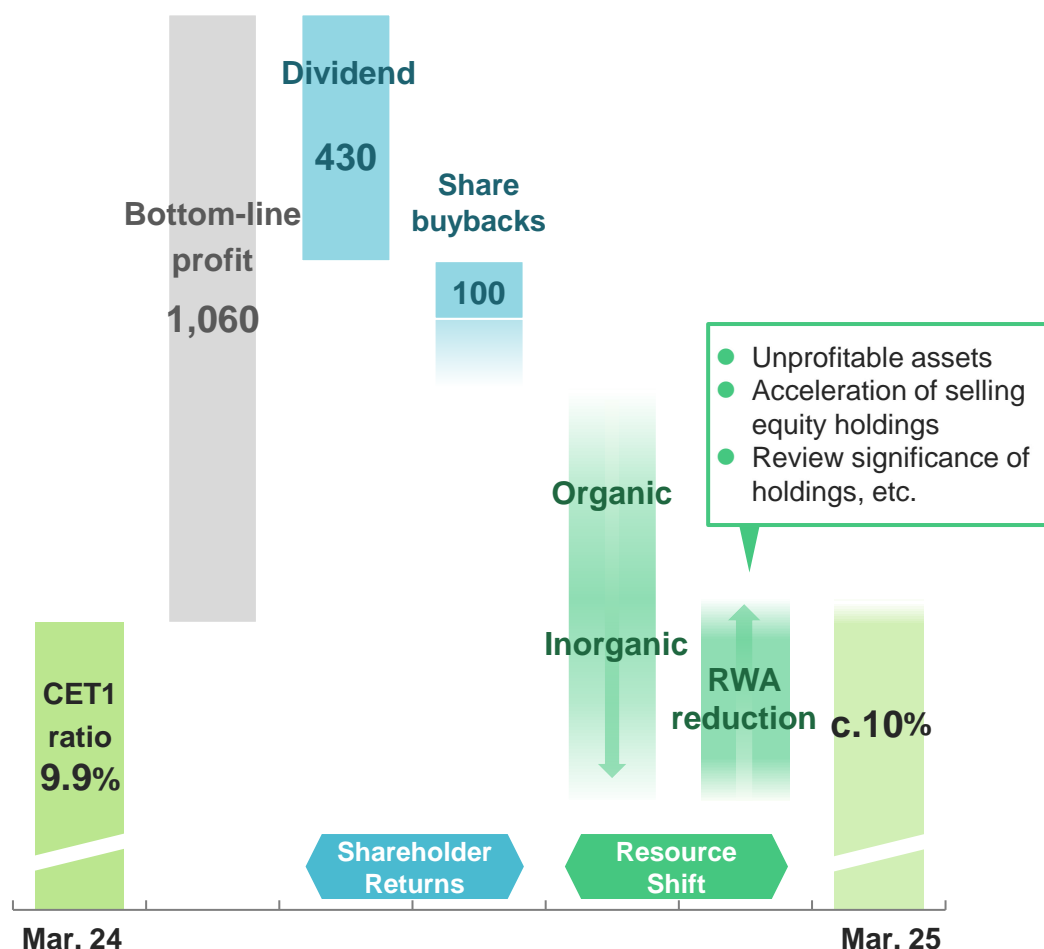
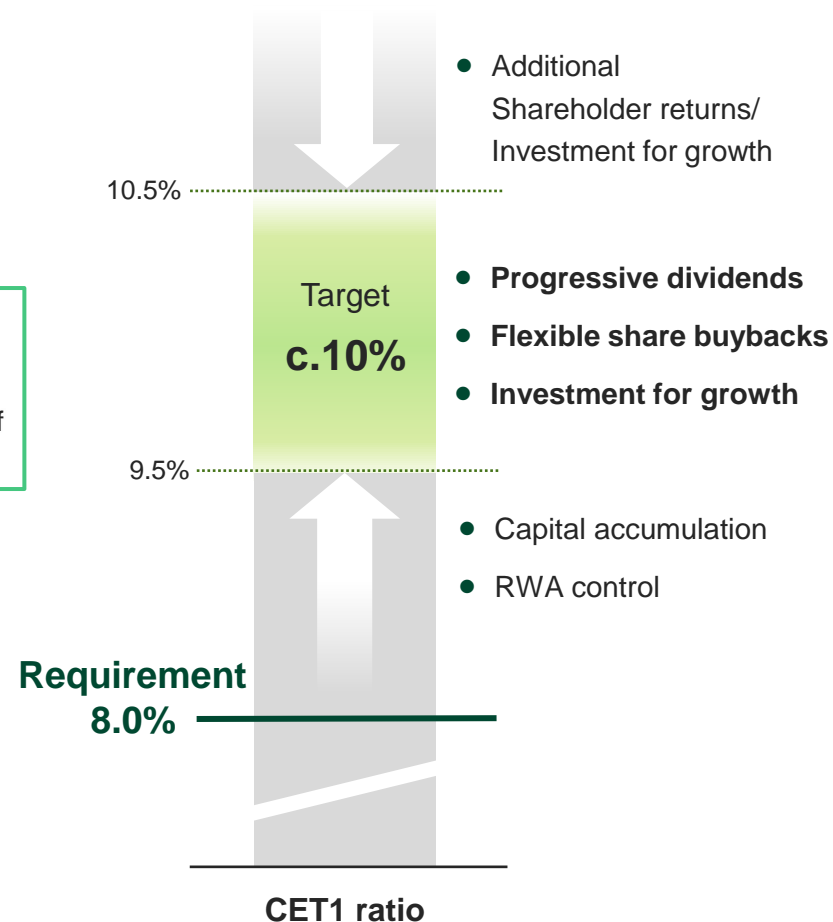
	FY3/18	3/19	3/20	3/21	3/22	3/23	3/24	3/25E
Share buybacks (JPY bn)	-	70	100	-	-	138.7	211.3	100 +α
Total payout ratio (%)	33	44	51	51	41	58	59	50 +α

<sup>\*1</sup> DPS after stock split: JPY 110

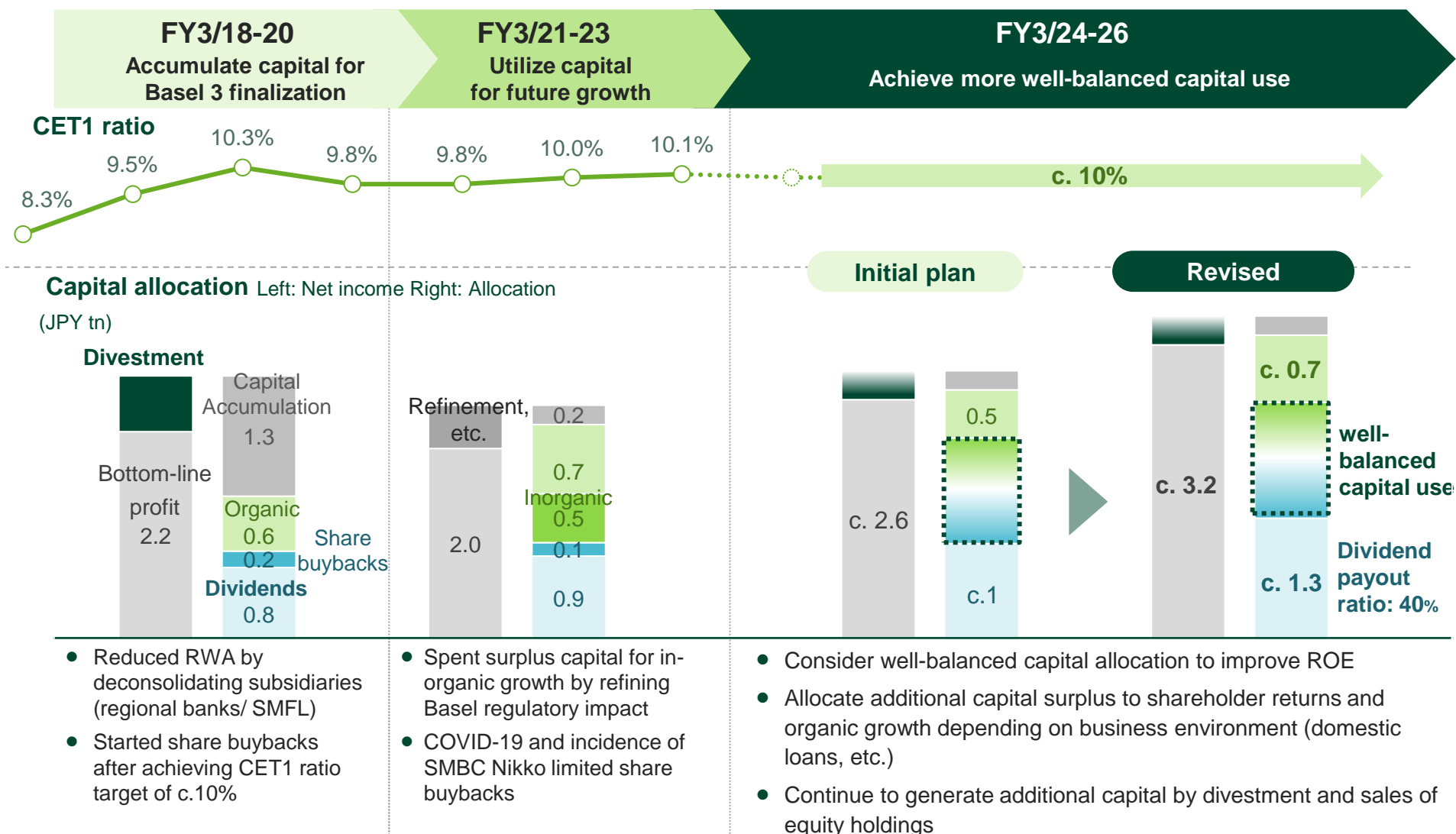
<sup>\*2</sup> Will be effective on Oct.1<sup>st</sup>, 2024, following the approval of partial amendments to the Articles of Incorporation related to the stock split at our ordinary general meeting of shareholders to be held on Jun.27<sup>th</sup>, 2024

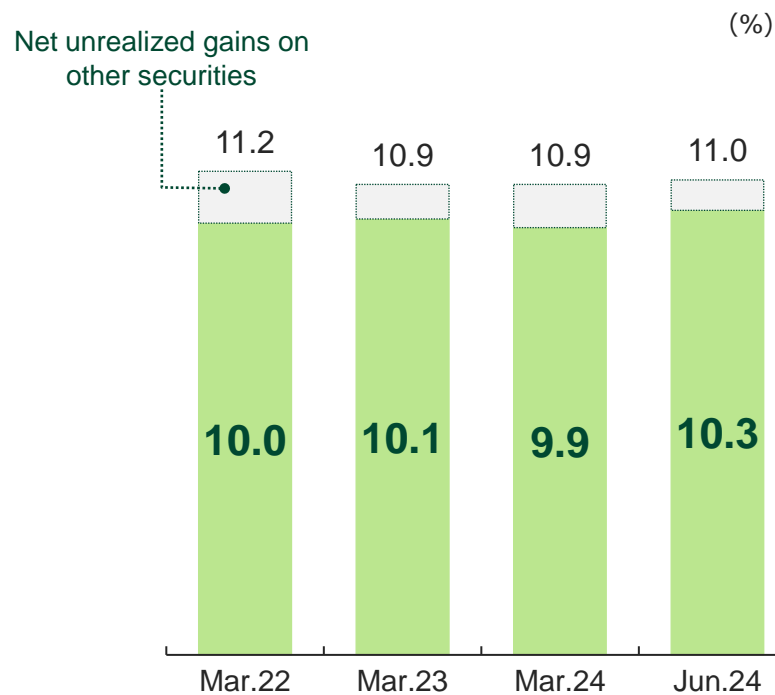
**(Ref.) Capital Allocation****FY3/25 outlook**

(JPY bn)

**CET1 ratio target**

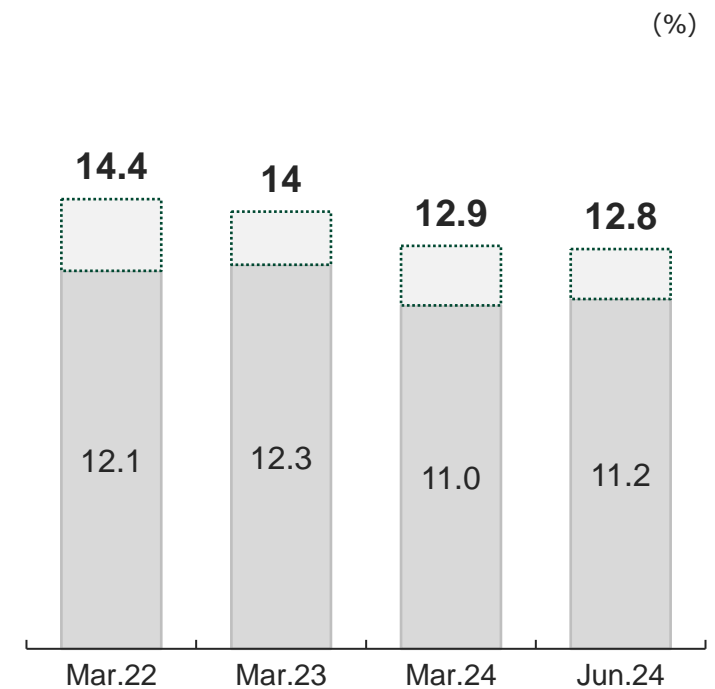
## (Ref.) History of capital allocation



**(Ref.) CET1 ratio****Finalized Basel III basis (financial target)**

(JPY tn)

CET1 Capital	8.8	9.6	10.2	10.9
RWA	88.2	94.4	102.3	105.4

**Transitional basis**

(JPY tn)

CET1 Capital	10.5	10.8	12.0	12.4
RWA	72.4	77.3	92.8	96.7



# Make a breakthrough

Plan for  
**Fulfilled Growth**



## Make a breakthrough.

Break free from the gathered crowd as quickly as possible.  
Our single-minded goal is not just to win,  
but to work in harmony, grow stronger, and win with integrity.  
Push through the middle. Move straight down the line. Advance with dignity.  
For there is nothing to fear. Be adventurous and challenge yourself every day.  
Every breakthrough begins with courage.

  
Toru Makashima  
President and Group Chief Executive Officer  
Sumitomo Mitsui Financial Group, Inc.





# **Financial Results of 1Q FY3/2025**

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# Income statement

Plan for  
**Fulfilled Growth**

	(JPY bn)	1Q FY3/25	YoY	FY3/25 target
1 Consolidated gross profit		1,029.8	+154.5	
G&A expenses		592.4	+57.3	
2 Overhead ratio		57.5%	(3.6)%	
3 Equity in gains (losses) of affiliates	Progress	31.4	+14.5	
4 Consolidated net business profit	29%	468.8	+111.7	1,620
5 Total credit cost		29.2	(14.7)	260
6 Gains (losses) on stocks		82.3	+41.1	
7 Other income (expenses)		(1.1)	+4.3	
8 Ordinary profit		520.9	+171.8	1,560
9 Extraordinary gains (losses)		(2.7)	(1.6)	
10 Income taxes		144.8	+47.5	
11 Profit attributable to owners of parent	35%	371.4	+123.3	1,060
12 ROE incl. OCI <sup>*1</sup>		10.1%	+2.4%	
13 ROE <sup>*2</sup>		13.8%	+4.2%	

- **Consolidated gross profit:** increased YoY due to
  - 1) increase of income on loan in domestic and overseas,
  - 2) good performance of wealth management business, payment business and consumer finance, and
  - 3) increase of fee income in domestic wholesale business.
 Impact of FX: +34
- **G&A expenses:** increased YoY mainly due to
  - 1) inflation: +11, and
  - 2) higher variable marketing cost : +10
 Overhead ratio improved by an increase of consolidated gross profit mainly led by wealth management business and domestic wholesale business.  
Impact of FX: +20
- **Equity in gains of affiliates:** increased YoY due to
  - 1) good performance in aircraft leasing business: +7, and
  - 2) making VPBank and RCBC equity-method affiliates: +2
 Impact of FX: +2
- **Total credit cost:** decreased due to lower costs at SMBC, despite an increase from the consolidation of OTO/SOF and the expansion of the consumer finance business.
- **Gains on stocks:** increased due to gains on sales of equity holdings: 83 (YoY+58), while ETF sales decreased: (14)

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

\*2 Based on shareholder's equity

# (Ref.) Group companies

Plan for  
**Fulfilled Growth**

## SMBC

	(JPY bn)	1Q FY3/25	YoY	FY3/25 target
1 <b>Gross banking profit</b>		519.5	+96.2	
2 o/w Net interest income		318.4	+78.3	
3 o/w Gains (losses) on cancellation of investment trusts		21.8	+20.8	
4 Domestic		180.1	+47.7	
5 Overseas		138.3	+30.5	
6 o/w Net fees and commissions		127.5	+16.9	
7 Domestic		58.6	+10.5	
8 Overseas		68.8	+6.4	
9 o/w Net trading income+ Net other operating income		72.9	+1.1	
10 o/w Gains (losses) on bonds		10.0	+11.2	
11 <b>Expenses</b>		267.3	+24.8	
12 <b>Banking profit</b>		252.2	+71.5	880
13 <b>Total credit cost</b>		(29.1)	(25.0)	45
14 <b>Gains (losses) on stocks</b>		82.1	+44.6	
15 <b>Extraordinary gains (losses)</b>		8.8	+7.0	
16 <b>Net income</b>		261.5	+97.8	730

## Other major group companies

(left : results of 1Q FY3/25 / right : YoY)

	(JPY bn)	SMCC		SMBC Nikko <sup>*2</sup>		SMBCCF	
<b>Gross profit</b>		136.2	+5.0	133.2	+20.7	65.6	+4.6
<b>Expenses</b>		110.4	+1.1	108.6	+12.4	28.0	+1.7
<b>Net business profit</b>		25.9	+3.7	24.6	+8.3	33.9	+6.2
<b>Net income</b>		7.1 <sup>*1</sup>	+0.2	20.1	+2.2	8.3	+5.5

(Equity method affiliate)

		SMBC Trust		SMDAM		SMFL <sup>*3</sup>	
				50%		50%	
<b>Gross profit</b>		14.8	(0.4)	11.5	+1.9	85.4	+15.9
<b>Expenses</b>		10.1	+0.4	8.4	+0.7	32.9	+1.7
<b>Net business profit</b>		4.6	(0.8)	3.0	+1.2	56.0	+15.1
<b>Net income</b>		3.4	(1.6)	1.4	+0.7	33.0	+12.9

\*1 Eliminated the gain on extinguishment of tie-in shares related to the merger with SMBCFS (Eliminated in consolidated basis)

\*2 Incl. profits from SMBC Nikko America and SMBC Capital Markets (managerial accounting basis)

\*3 Managerial accounting basis

# Consolidated gross profit

Plan for  
**Fulfilled Growth**

Net interest income was strong due to loan income and gains on cancellation of investment trusts at SMBC, as well as steady performance of overseas banking subsidiaries.

Fee income was led by SMBC and SMBC Nikko, mainly in wealth management and loan-related fees.

## Net interest income

■ SMBC ■ Overseas banking subsidiaries

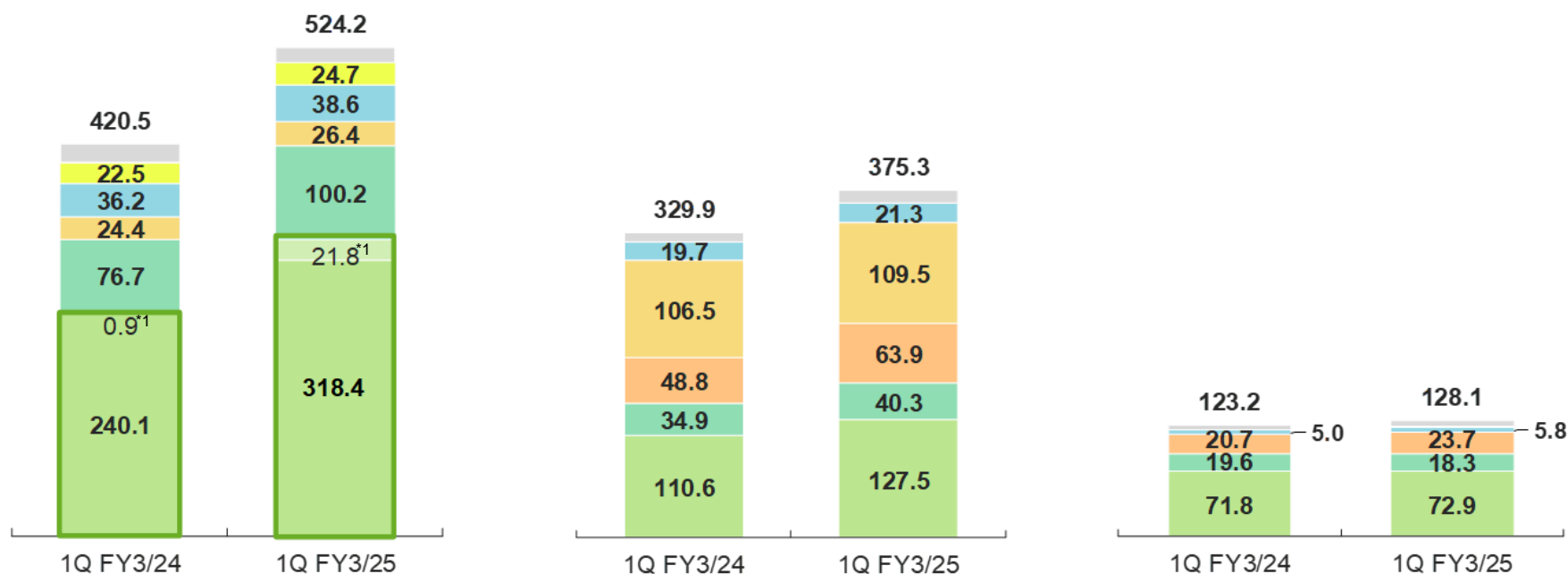
## Net fees and commissions

■ SMBC Nikko ■ SMCC ■ SMBCCF

## Net trading income + Net other operating income

■ SMICC ■ Others

(JPY bn)



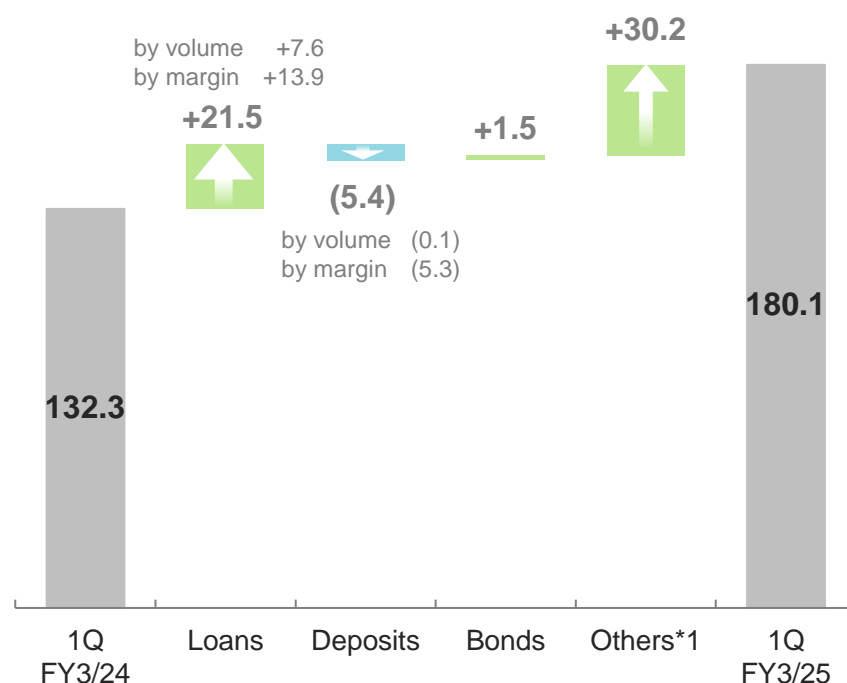
\*1 Gains on cancellation of investment trusts

# (Ref.) Net interest income (SMBC)

## Domestic

- Income from loans and deposits increased due to a rise in loan volume and improved margins, despite higher deposit costs resulting from rising interest rates.
- Gains on cancellation of investment trusts increased under favorable stock market.

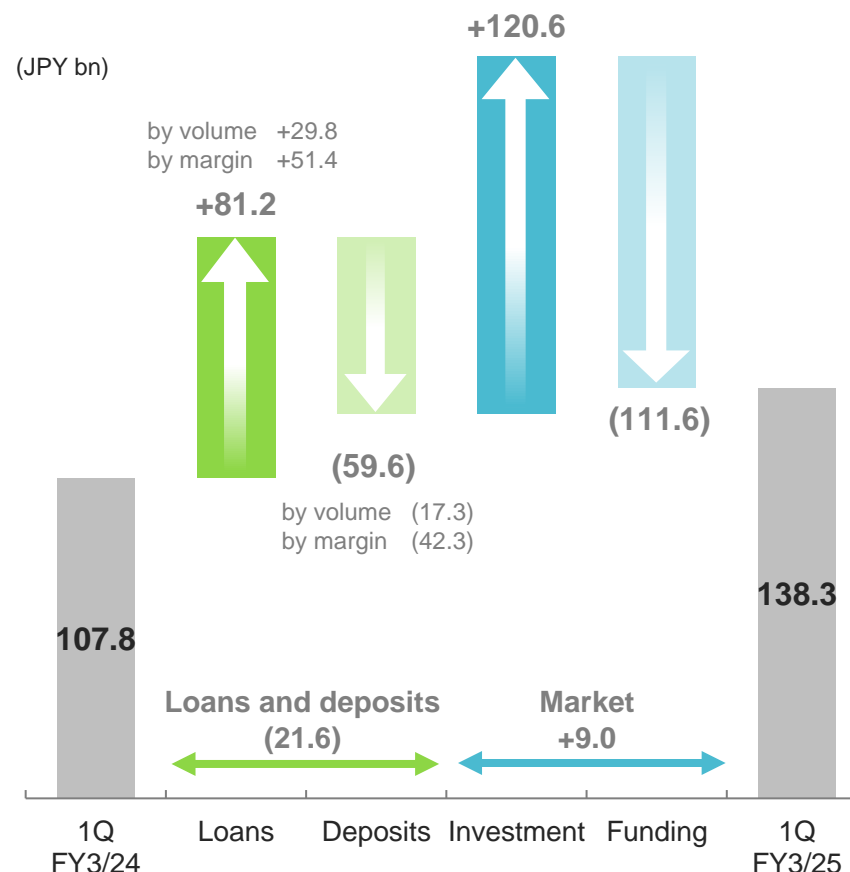
(JPY bn)



## Overseas

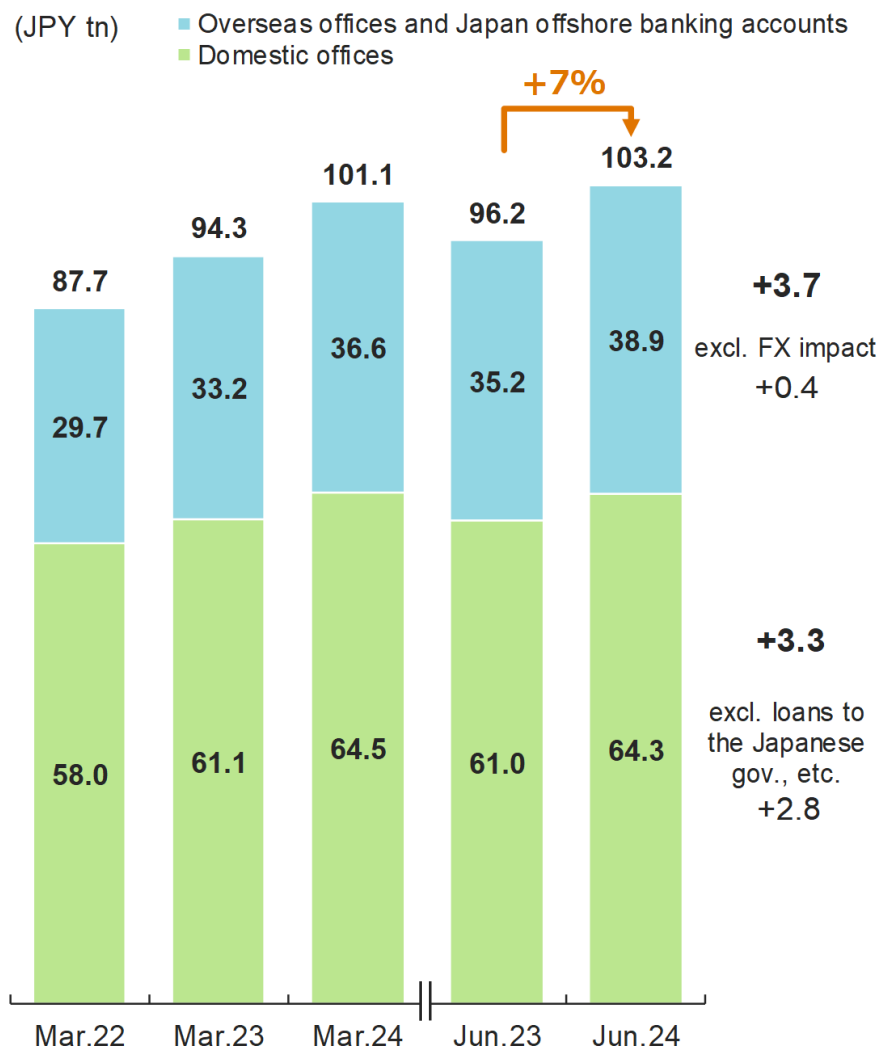
- Income from loans and deposits increased due to an improved margins, despite the continued increase in deposit costs.

(JPY bn)



\*1 Gains on cancellation of investment trusts

## Loan balance



## Domestic loan-to-deposit spread

	FY3/25		FY3/24			
	1Q	YoY	1Q	2Q	3Q	4Q
(%) Interest earned on loans and bills discounted	0.92	+0.10	0.82	0.83	0.85	0.86
Interest paid on deposits, etc.	0.01	(0.01)	0.00	0.00	0.00	0.00
Loan-to-deposit spread	0.91	+0.09	0.82	0.83	0.85	0.86
(Ref.) Excl. loans to the Japanese government, etc.						
Interest earned on loans and bills discounted	0.94	+0.10	0.84	0.84	0.86	0.88
Loan-to-deposit spread	0.93	+0.09	0.84	0.84	0.86	0.88

## Average loan balance and spread\*2

	Balance (JPY tn)		Spread (%)	
	1Q FY3/25	YoY*4	1Q FY3/25	YoY
Domestic loans	62.1	+2.8	0.70	+0.01
Excl. loans to the Japanese government, etc.	59.0	+2.2	0.72	+0.02
o/w Large corporations	22.2	+1.7	0.60	+0.04
o/w Mid-sized corporations & SMEs	21.8	+0.9	0.65	+0.02
o/w Individuals	12.1	+0.2	1.22	(0.03)
GBU's interest earning assets*3	344.2 USD bn	+1.6 USD bn	1.25	+0.03

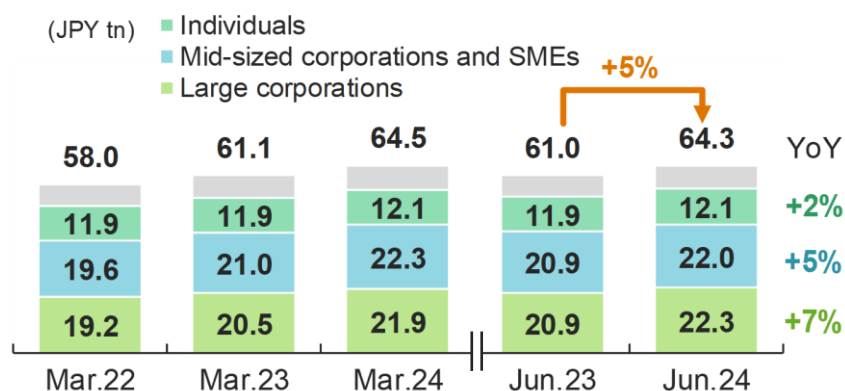
\*1 SMBC \*2 Managerial accounting basis \*3 Sum of SMBC, Major local subsidiaries and SMBC Trust, etc. Sum of loans, trade bills, and securities. Change the definition of the spread due to cessation of USD Libor: from difference with the benchmark interest rate to with the cost of funds \*4 After adjustments for exchange rates, etc.

# Domestic loans and deposits\*1

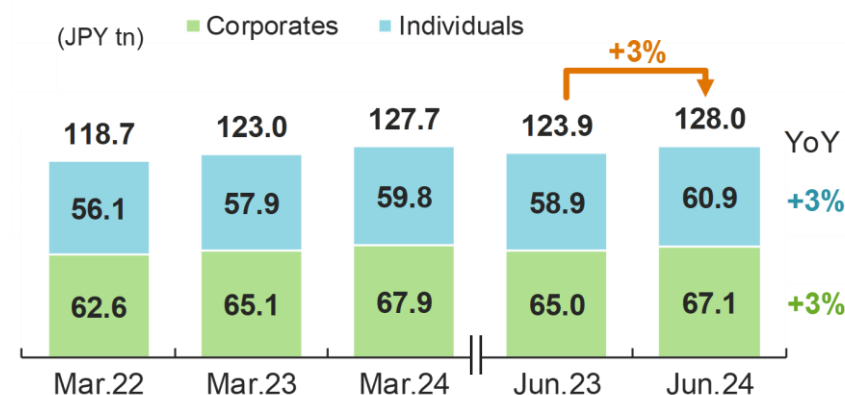
Plan for  
**Fulfilled Growth**

Loan balance increased mainly in large corporations by capturing opportunities related to corporate actions. Loan spread improved YoY, despite a decline in 1Q due to the repayments of large M&A loans.

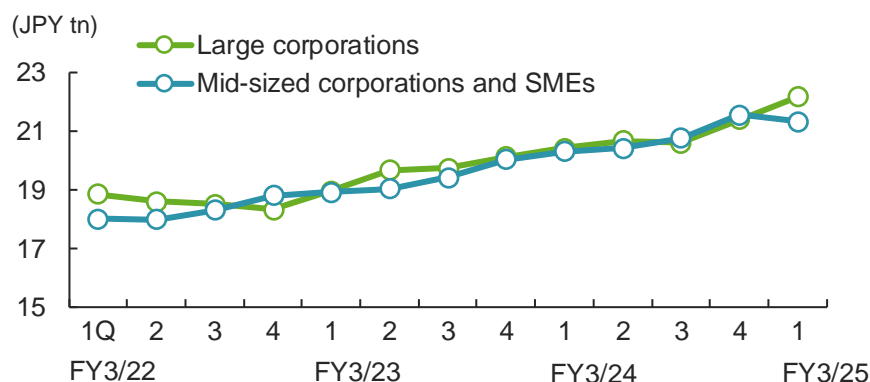
## Loan balance\*2



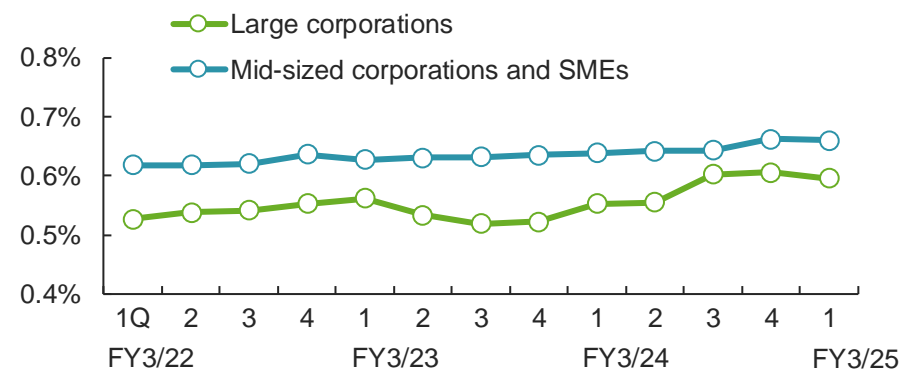
## Deposit balance



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



## Loan spread for corporates\*2,4



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

Figures for SMEs are the outstanding balance of Corporate banking division

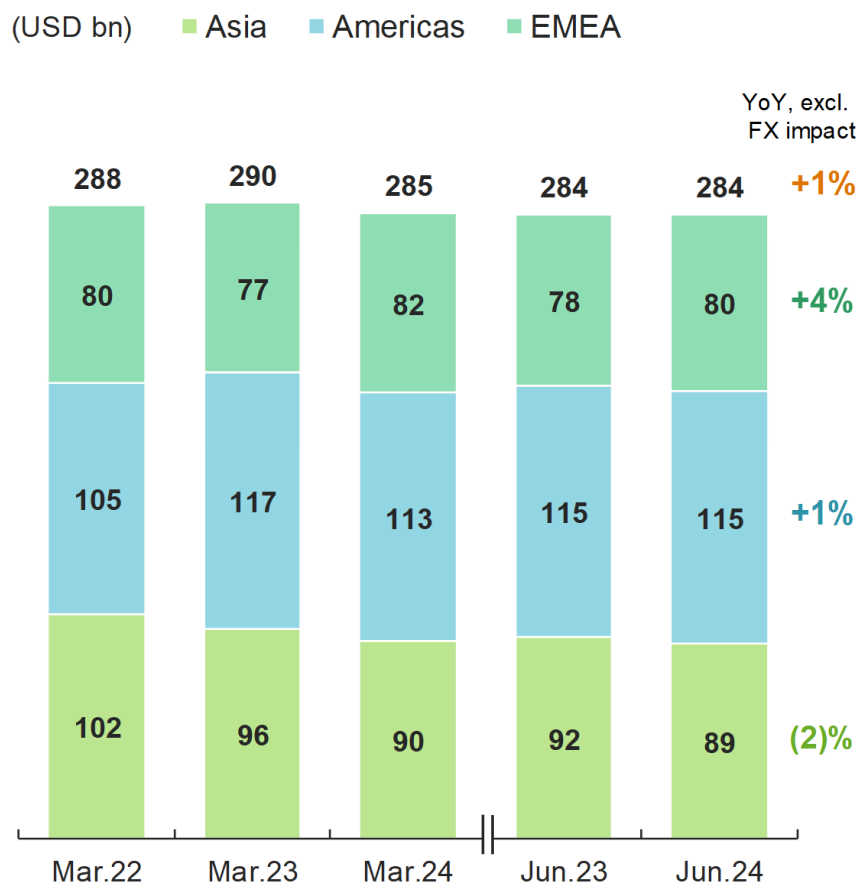
\*4 Loan spread of existing loans (excl. loans to the Japanese government)

# Overseas loans and deposits\*1

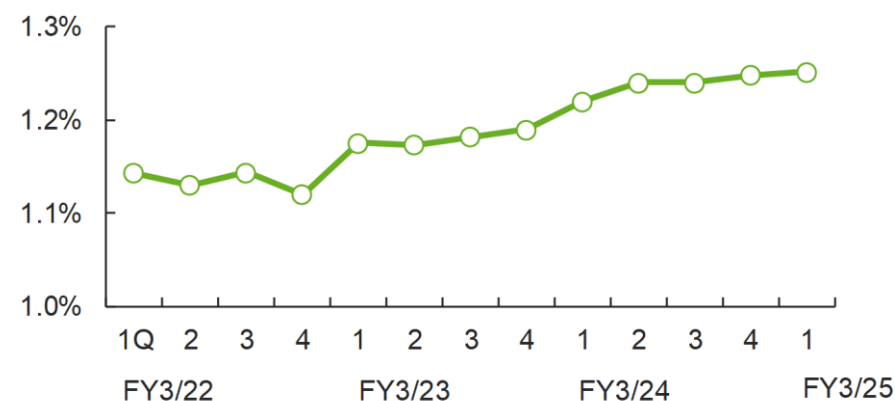
Plan for  
**Fulfilled Growth**

By reducing low profitable assets with a focus on ROE,  
the loan balance remained almost flat, while the loan spread gradually improved.

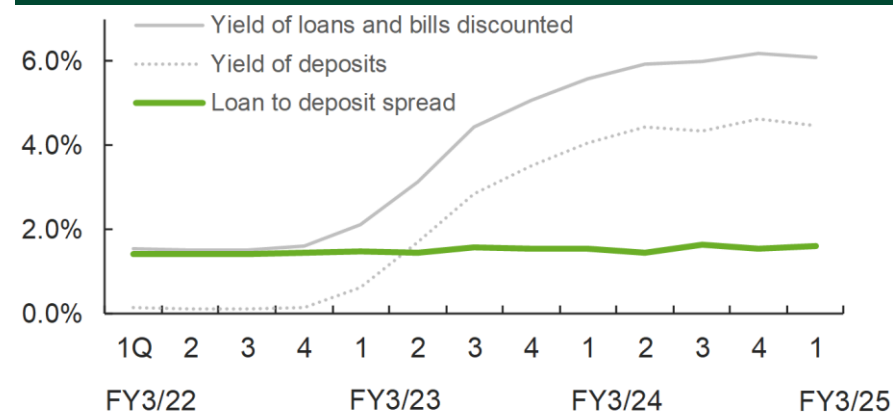
## Loan balance



## Loan spread\*2



## Loan to deposit spread

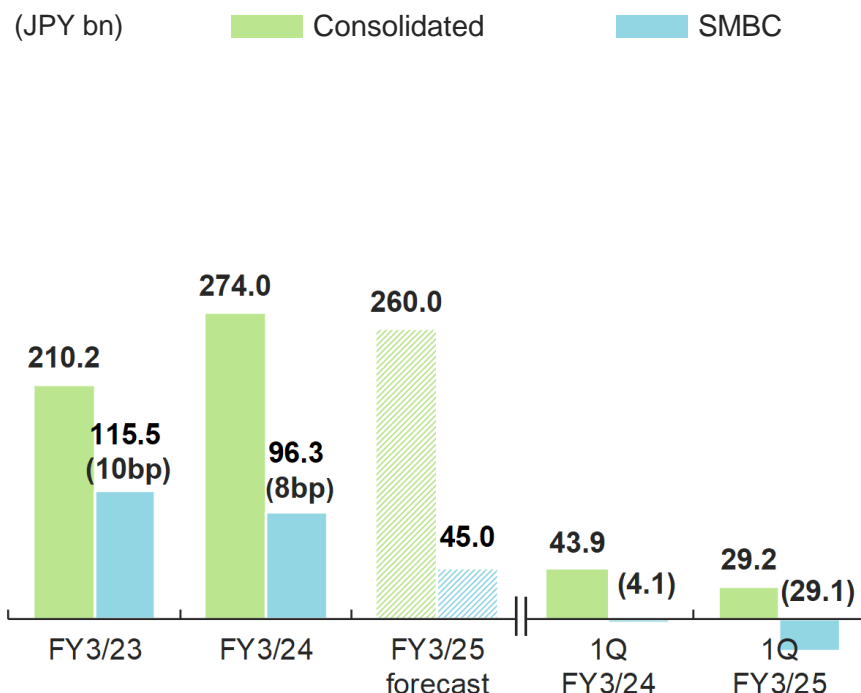


\*1 Managerial accounting basis. Sum of SMBC and Major local subsidiaries

\*2 Quarterly average loan spread of existing loans



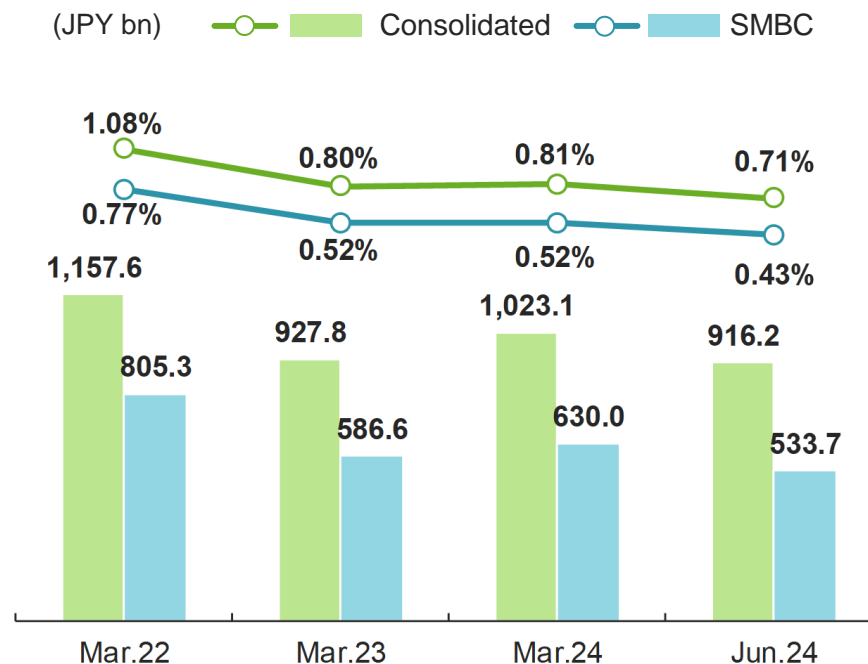
## Credit costs



## Major group companies

(JPY bn)	1Q FY3/25	YoY
SMBCCF	23	(1)
SMCC	15	+3
Overseas banking subsidiaries	11	+5
SMICC	9	+2

## Non-performing loan ratio and balance<sup>\*1</sup>



## Total claims

	(JPY tn)		
Consolidated	116	126	129
SMBC	113	120	123

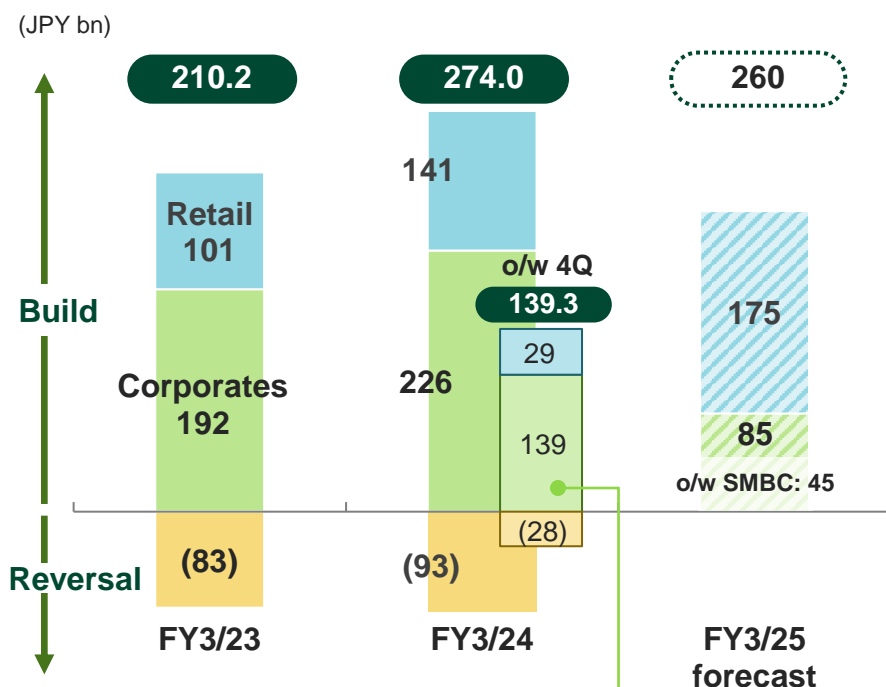
  

Claims on borrowers requiring caution (excl. claims to substandard borrowers)			
SMBC	1.8	1.8	1.8

<sup>\*1</sup> NPL ratio = NPLs based on the Banking Act and the Reconstruction Act (excl. normal assets) / Total claims

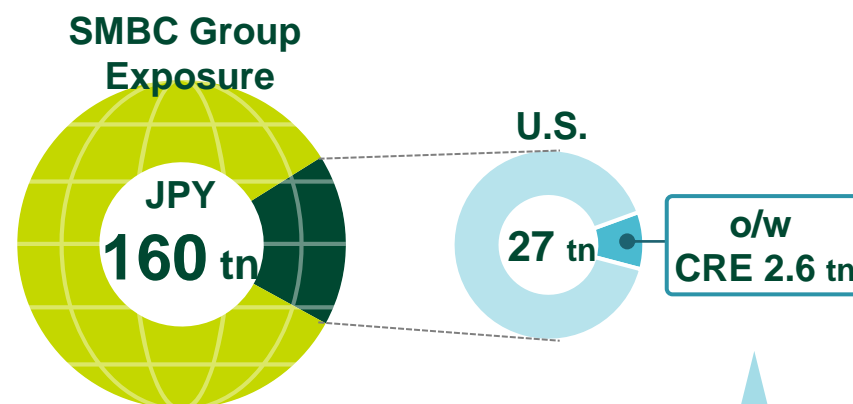
Credit costs increased mainly due to business expansion in the retail business and overseas subsidiaries

## Credit Cost



- Recorded forward-looking provision of 36 in 4Q, out of total 39. (Russia 13, Overseas rate hike 20, domestic 6)
- Recorded provision for several large borrowers

## CRE Exposure<sup>\*1</sup>



### U.S. CRE Exposure

- Less than 2% of SMBC Group's total exposure
- 60% of non-recourse loans, 40% of REITs and others
- 70% are investment grade and NPL ratio is as low as 0.3%
- LTV for non-recourse loans is about 60%

#### <o/w for offices>

- Outstanding JPY 0.3 tn, with NPL ratio of 3%
- 40% for non-recourse loans, LTV of 60% or less

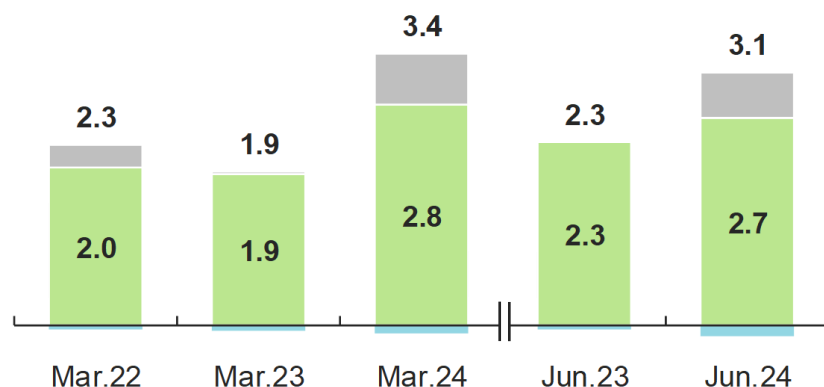
## Breakdown of other securities (consolidated)

(JPY bn)	B/S amount		Unrealized gains (losses)	
	Jun.24	vs Mar.24	Jun.24	vs Mar.24
<b>Held-to-maturity</b>	259.4	+25.3	(2.9)	(1.5)
<b>Available for sales</b>	40,201.3	+4,068.5	3,117.8	(275.3)
Stocks (domestic)	3,941.1	(178.6)	2,668.3	(168.7)
Bonds (domestic)	11,730.1	+969.7	(138.9)	(38.8)
o/w JGBs	8,609.7	+1,062.3	(70.8)	(15.9)
Others	24,530.0	+3,277.4	588.4 <sup>*1</sup>	(67.8)
o/w Foreign bonds	19,987.2	+3,151.0	(795.7)	(105.1)

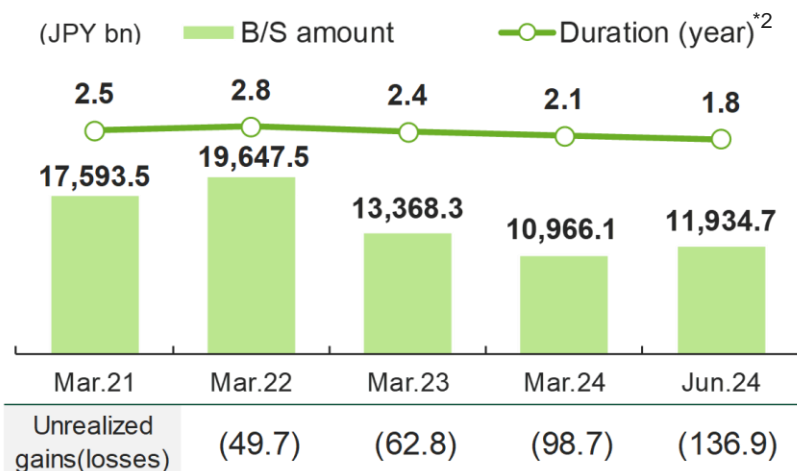
Risk volume is controlled by hedging and others

## Unrealized gains

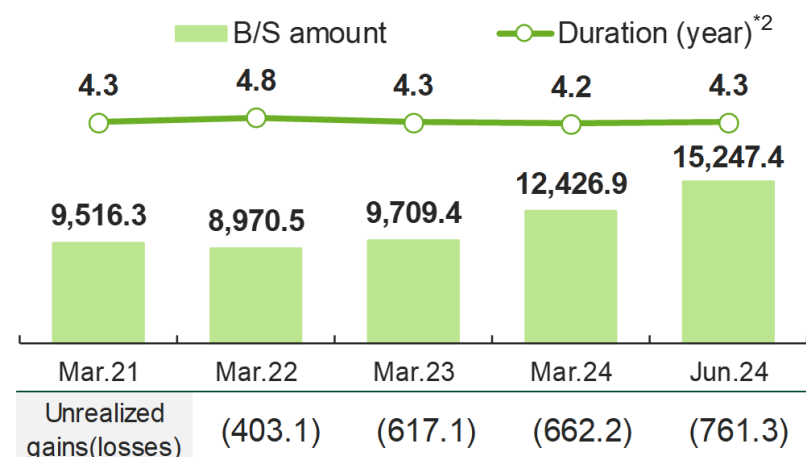
(JPY tn) ■ Stocks(domestic) ■ Bonds(domestic) ■ Others



## Yen-denominated bonds (SMBC)



## Foreign bonds (SMBC)



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

\*2 Managerial accounting basis (excl. bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds)

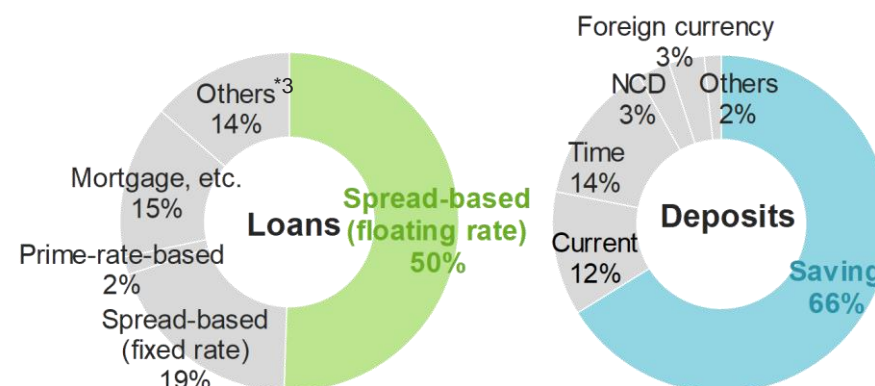
## Consolidated

(vs Mar.24)

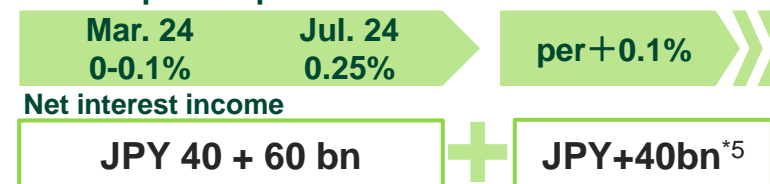
Loans		Deposits	
JPY 109.6 tn (+JPY 2.5 tn)		JPY 180.5 tn (+JPY 1.0 tn)	
Domestic loans <sup>*1</sup>	JPY 64.3 tn	Loan to deposit ratio 60.7%	
Securities		Domestic deposits <sup>*1</sup>	JPY 128.0 tn
JPY 41.3 tn (+JPY 4.1 tn)		NCD	JPY 14.9 tn
JGBs	JPY 8.6 tn	Others	
Foreign bonds	JPY 20.0 tn		
Others		JPY106.4 tn (+JPY 5.5 tn)	
JPY151.1 tn (+JPY 0.1 tn)		Total net assets	
Cash and due from banks	JPY 77.1 tn	JPY 15.1 tn (+JPY 0.3tn)	
BoJ's current account <sup>*1</sup>	JPY 58.8tn		

**Total assets JPY 302.0 tn (+JPY 6.8 tn)**

## Domestic loans and deposits<sup>\*2</sup>



### Impact of possible interest hike<sup>\*4</sup>



### Assumption

Floating rate loan	+25bps	+10bps in both short-term and long-term rate
Prime-rate based loan	+15bps	
Fixed rate loan	+15bps	
BOJ current account	all 25bps	
JGBs	+25bps	
Ordinary deposit	+10bps	
Time deposit	+9bps	

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

\*4 Based on assumption of no change in balance sheet \*5 Based on assumption and will change by market environment

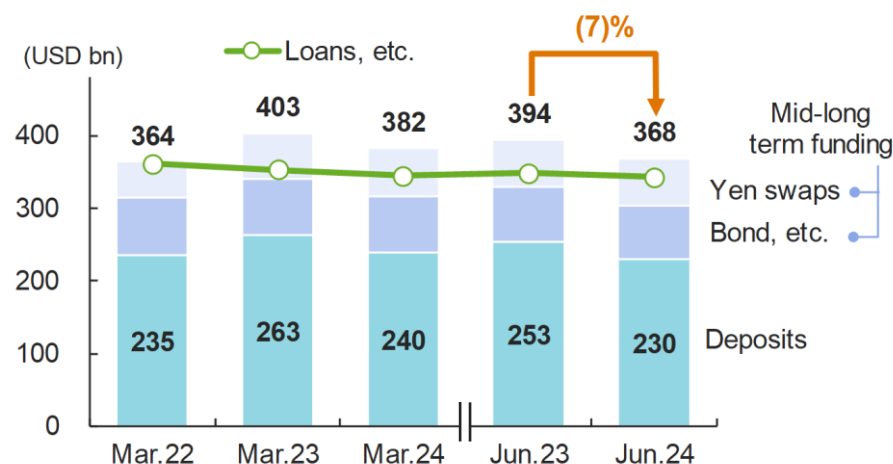
## Non-JPY B/S<sup>\*1,2</sup>

(vs Mar.24)

<b>Interest earning assets</b>	<b>Deposit<sup>*3</sup></b>
<b>USD 343 bn</b> (USD (2) bn)	<b>USD 230 bn</b> (USD (10) bn)
<b>Others</b>	<b>Mid-long term funding<sup>*4</sup></b>
<b>USD 123 bn</b> (USD (16) bn)	<b>USD 139 bn</b> (USD (3) bn)
<b>Foreign bonds, NCD</b>	<b>CD/CP</b>
<b>USD 98 bn</b> (+USD 14 bn)	<b>USD 80 bn</b> (USD (2) bn)
	<b>Interbank (incl. Repo)</b>
	<b>USD 115 bn</b> (+USD 12 bn)

**Assets / Liabilities USD 564 bn (USD (3) bn)**

## Foreign currency balance



## (Ref.) Impact of change in foreign interest rate

### Loan/deposit

- Most of the loans and deposits are based on market rate
- Net interest income increase by JPY 20 bn when interest rate increase by 1%, as a part of the deposits have low sensitivity to interest rate and vice versa

\*1 Managerial accounting basis \*2 Sum of SMBC and major local subsidiaries

\*3 Incl. deposits from central banks \*4 Corporate bonds, currency swaps, etc

# Results by Business Unit (1)

## Retail

- Both gross profit and net business profit increased by good performance of wealth management business, payment business, and consumer finance.
- Expenses increased due to the growing payment business, but overhead ratio improved simultaneously.

(JPY bn)	1Q FY3/25	YoY <sup>*1</sup>
Gross profit	339.0	+30.4
Income on loans and deposits <sup>*2</sup>	31.4	+0.9
Wealth management business	82.3	+11.3
Payment business	142.5	+10.7
Consumer finance business	75.0	+4.7
Expenses	281.1	+21.1
Overhead Ratio	82.9%	(1.3)%
Net business profit	58.3	+7.8

	FY3/24	1Q FY3/25	KPI <sup>*3</sup>
AM / foreign currency balances (JPY tn)	17.2	18.3	18
Consumer finance outstanding (JPY tn)	2.6	2.7	3
# of NISA accounts (K) <sup>*4</sup>	1,770	1,860	5,100 <sup>*5</sup>

# of Olive accounts	target :12 mn in 5 years	Jul.24 : 3 mn
---------------------	--------------------------	---------------

## Wholesale

- Loan income improved due to a rise in loan volume and improved margins, while fee income also increased mainly in structured finance.
- Both gross profit and net business profit improved YoY as securities business also showed good performance.

(JPY bn)	1Q FY3/25	YoY <sup>*1</sup>
Gross profit	204.1	+26.9
Income on loans and deposits	95.2	+8.1
FX and money transfer fees	34.4	+0.8
SMBC Loan syndication	9.6	+1.2
Structured finance	10.4	+7.1
Real estate finance	3.6	+0.1
Securities business	17.3	+6.5
Expenses	82.4	+7.5
Overhead Ratio	40.4%	(1.9)%
Net business profit	151.4	+23.5

	FY3/24	1Q FY3/25	KPI <sup>*3</sup>
Investment and financing for startups (total / bn)	79.2	97.9	135

\*1 Managerial accounting basis (after adjustments of the changes in exchange rates)

\*2 Excl. consumer finance \*3 Medium-Term of Management Plan

\*4 SMBC, SMBC Nikko and SBI brokerage accounts \*5 As of Dec.27

## Results by Business Unit (2)

### Global

- Gross profit increased, but overhead ratio rose due to higher expenses from inflation.
- Net business profit slightly increased due to an improvement of equity in gains of affiliates led by good performance in aircraft leasing business and the addition of new equity-method affiliates (VPBank and RCBC.)

(JPY bn)	1Q FY3/25	YoY <sup>*1</sup>
Gross profit	353.2	+16.3
Income on loans and deposits	176.4	+9.4
Loan related fees	65.3	+5.9
Securities business	23.3	+4.0
Expenses	234.5	+25.3
Overhead Ratio	66.4%	+4.3%
Equity in gains(losses) of affiliates	19.7	+8.5
Net business profit	144.3	+1.2

	FY3/24	1Q FY3/25	KPI <sup>*2</sup>
Net business profit of the Americas Division (USD mn)	1,583	324	+500 <sup>*3</sup>

### Global market

- Both gross profit and net business profit increased due to profit accumulation by the nimble operation.

(JPY bn)	1Q FY3/25	YoY <sup>*1</sup>
Gross profit	168.6	+12.0
SMBC	105.8	+10.8
SMBC Nikko	41.9	(5.3)
Expenses	49.9	+6.2
Overhead Ratio	29.6%	+1.7%
Net business profit	126.5	+5.6

	FY3/24	1Q FY3/25	KPI <sup>*2</sup>
Net business profits from overseas securities (JPY bn)	39.8	8.2	49

\*1 Managerial accounting basis (after adjustments of the changes in exchange rates)

\*2 Medium-Term of Management Plan \*3 Target is compared to FY3/23





# Appendix

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# Group overview (1) Group structure

## Sumitomo Mitsui Financial Group

**Consolidated total assets** JPY 295 tn

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

### Consumer Finance

**Sumitomo Mitsui Card**

[100%]

**SMFG India Credit Company**

**SMBC Consumer Finance**

[49%]

**FE Credit**

### Leasing

[50%]

**Sumitomo Mitsui Finance and Leasing**

[SMBC 32%, SMFL 68%]

**SMBC Aviation Capital**

Consolidated subsidiary    Equity-method affiliate

### Banking

**Sumitomo Mitsui Banking Corporation**

Moody's	S&P	Fitch
A1	A	A

[15%]

**VPBank**

**SMBC Trust Bank**

[91%]

**PT Bank BTPN Tbk**

[20%]

**Rizal Commercial Banking Corporation**

### Securities

**SMBC Nikko Securities**

### Others

**Japan Research Institute**

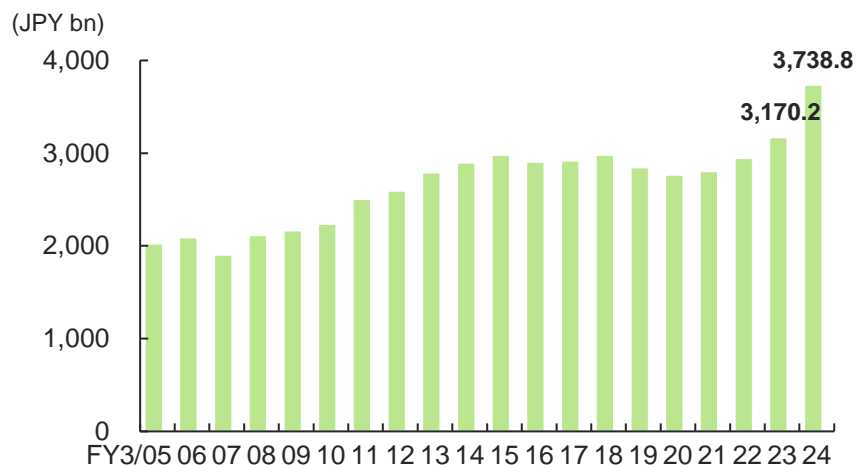
[50.1%]

**Sumitomo Mitsui DS Asset Management**

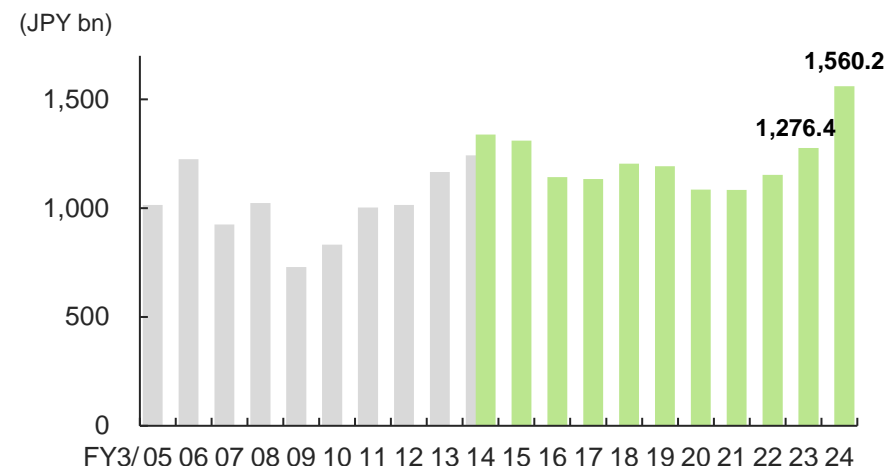
# Group Overview (2) Long-term results

Plan for  
**Fulfilled Growth**

## Consolidated gross profit



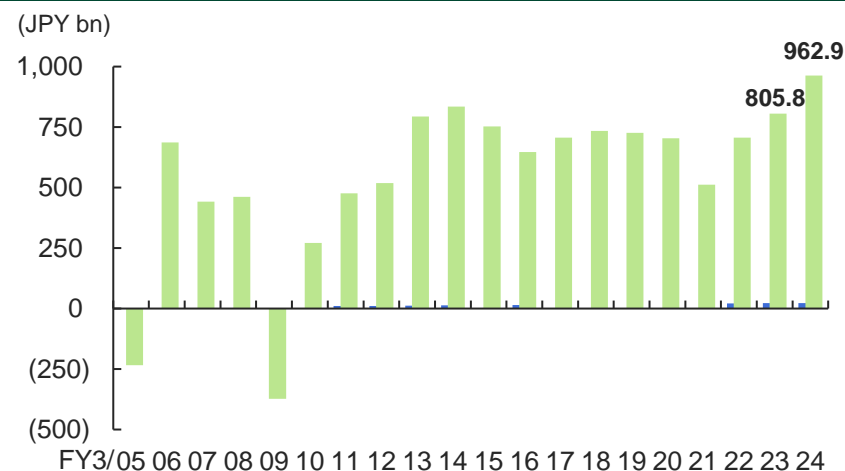
## Consolidated net business profit \*1



## Breakdown of consolidated gross profit

	FY3/03		FY3/24
SMBC's domestic loan / deposit related	35%	↘	13%
International business (banking)	5%	↗	36%
Group companies excluding SMBC	18%	↗	35%

## Profit attributable to owners of parent

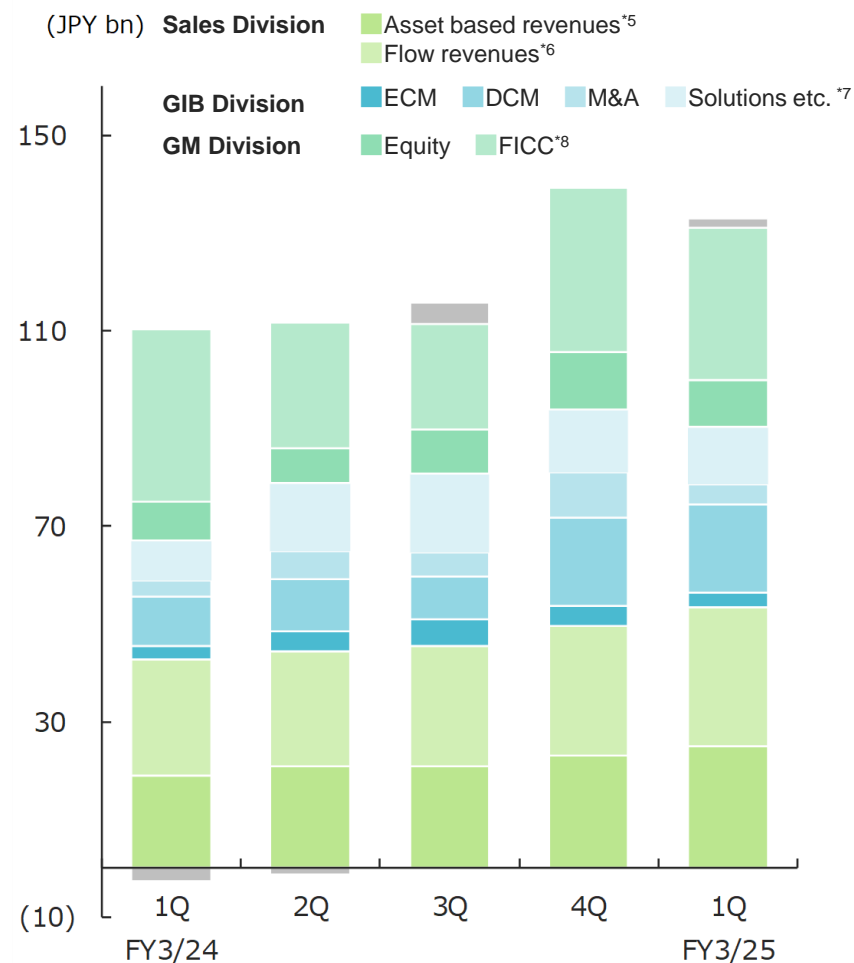


\*1 Changed definition of consolidated net business profit from FY3/15. Adjusted retrospectively for FY3/14.

## Financial results

	(JPY bn)	FY3/24	1Q FY3/25	YoY
Net Operating revenue		473.5	133.1	+25.2
SG&A expenses		401.9	108.6	+15.8
Operating profits		71.6	24.5	+9.4
o/w Sales Division		10.1	8.0	+6.2
GIB Division*2		22.0	5.4	+6.6
GM Division*3		45.5	12.3	(8.6)
Ordinary profits		80.2	27.4	+12.7
Net income		57.6	20.1	+11.8
Client assets*4 (JPY tn)		82.7	82.8	

## Net operating revenue



\*1 Incl. profits from SMBC Nikko America and SMBC Capital Markets (managerial accounting basis)\*2 Global Investment Banking Division

\*3 Global Markets Division \*4 Non-consolidated

\*5 Agency commissions on investment trusts, insurance and fund wrap discretionary Investment fee, etc.

\*6 Equity brokerage commissions, etc. \*7 Mainly, business that utilizes the company's balance sheet and derivatives

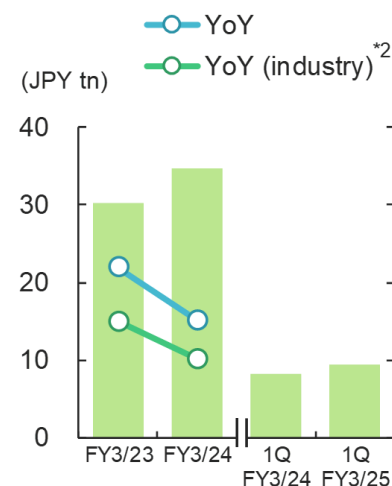
\*8 Fixed Income, Currency and Commodities

## Financial results

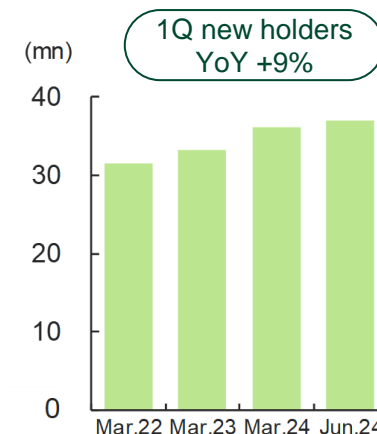
(JPY bn)	FY3/24	1Q FY3/25	YoY
Operating revenue	632.9	165.6	+14.4
o/w Commission fee	228.4	61.7	+8.7
Finance	159.5	41.6	+2.7
Sales on credit	27.7	6.8	(0.2)
Receipt agency	53.4	13.7	(0.0)
Operating expense	594.3	155.2	+14.3
o/w Expenses for loan losses	55.8	15.5	+3.0
Expense for interest repayments	8.0	-	-
Ordinary profit (loss)	40.8	10.5	(0.0)
Net income	25.6	53.7 <sup>*1</sup>	+46.8
Finance outstanding	1,102.6	1,119.1	

## Key figures

### Sales handled

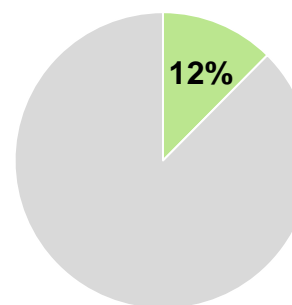


### # of card holders<sup>\*3</sup>

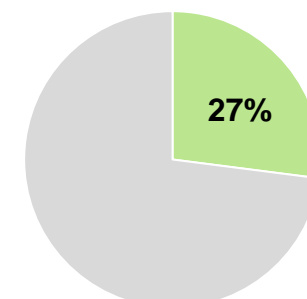


### Market share<sup>\*4</sup>

#### Issuing



#### Acquiring



\*1 Recorded the gain on extinguishment of tie-in shares related to the merger with SMBCFS: +JPY 46.6 bn

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

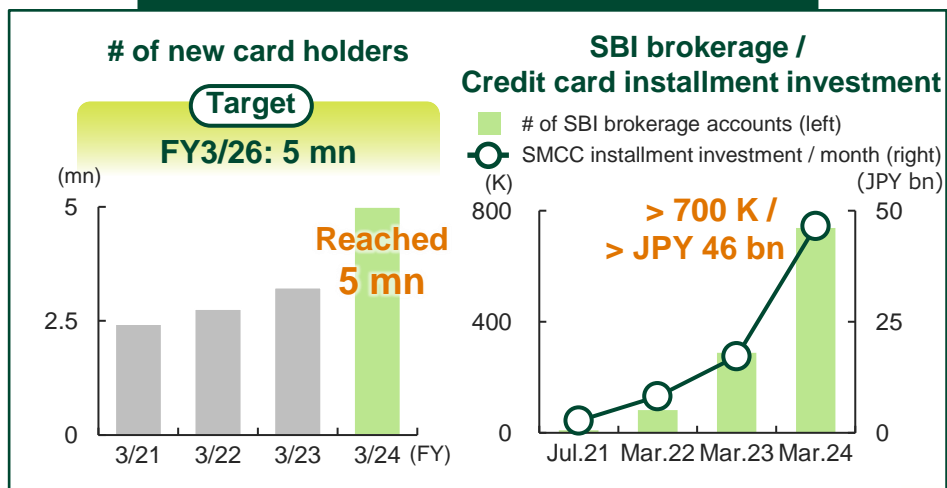
\*3 Issued by the company only \*4 METI "Indices of Tertiary Industry Activity" Sales credit business handled (2023 : JPY 90 tn)

# (Ref.) Cashless payment strategy of SMCC

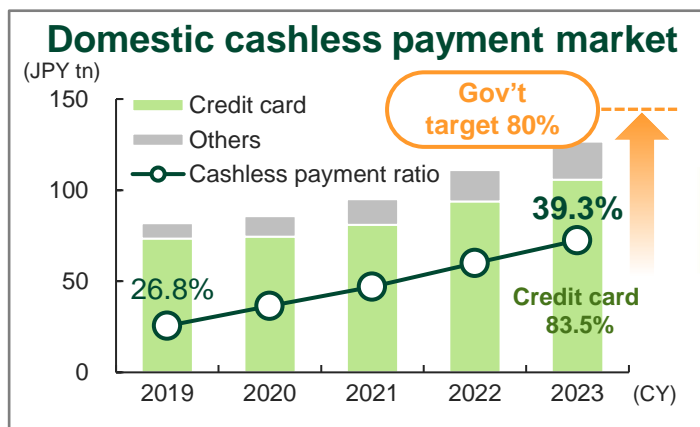
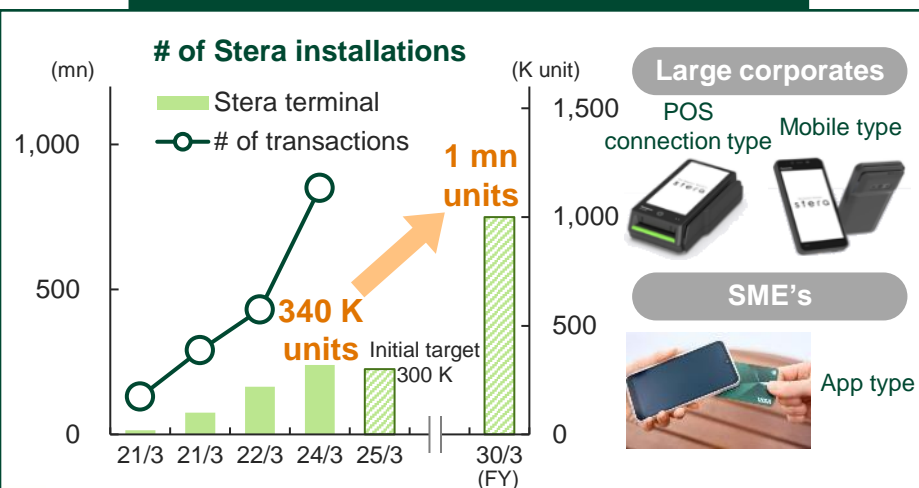
Plan for  
Fulfilled Growth

Capture the growing cashless payment market through issuing on Olive and acquiring on stera.

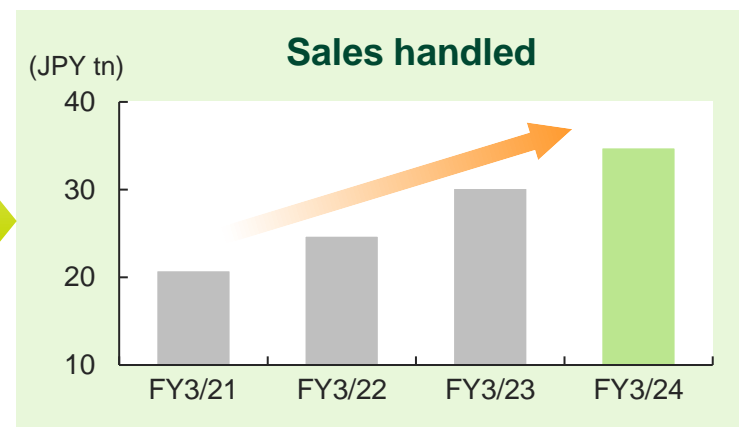
## Olive



## Stera



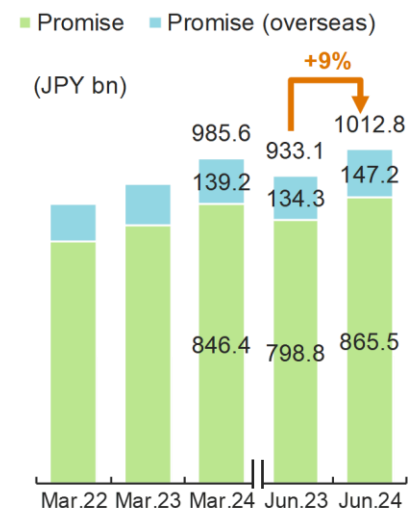
Increase in  
# of usage /  
unit price



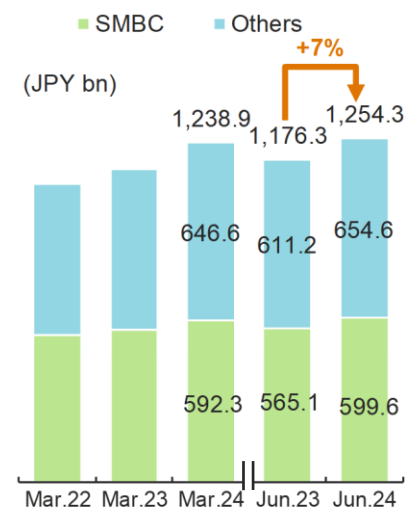
## Financial results

(JPY bn)	FY3/24	1Q FY3/25	YoY
<b>Operating income</b>	268.8	70.2	+5.3
o/w Interest revenues	147.0	38.4	+2.8
o/w Loan guarantee revenues	77.4	20.7	+1.5
<b>Operating expenses</b>	191.6	55.0	+1.8
o/w Expenses for loan losses	54.0	24.9	(0.2)
o/w Expense for loan guarantees	16.0	1.3	(0.0)
o/w Expenses for interest repayments	15.0	-	-
<b>Operating profit</b>	77.2	15.2	+3.5
<b>Ordinary profit</b>	19.1	12.8	+8.3
o/w Non-operating revenues	1.0	1.8	+1.4
Non-operating expenses	59.1	4.2	(3.3)
<b>Net income</b>	(4.4)	8.3	+5.5
<b>NPLs (NPL ratio)</b>	98.9 10.04%	103.8 10.24%	
<b>Allowance on interest repayments (provision)</b>	83.7 4.0 yrs	79.7 5.0 yrs	

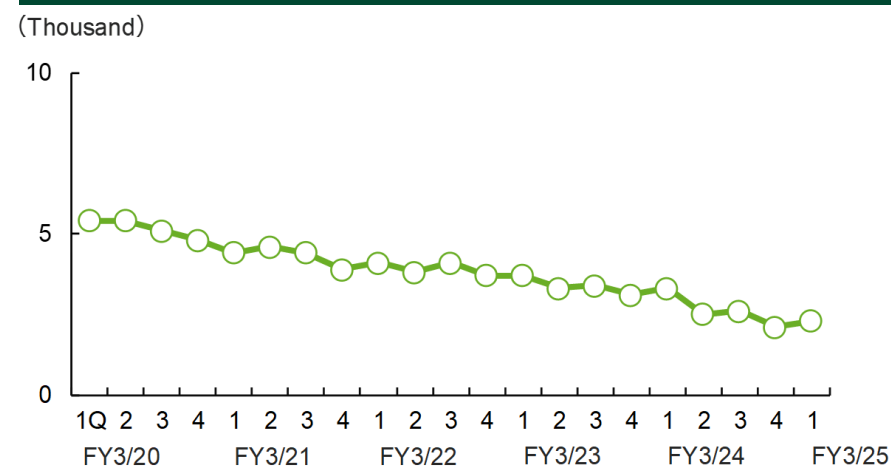
## Consumer loans



## Loan guarantee



## No. of interest refund claims

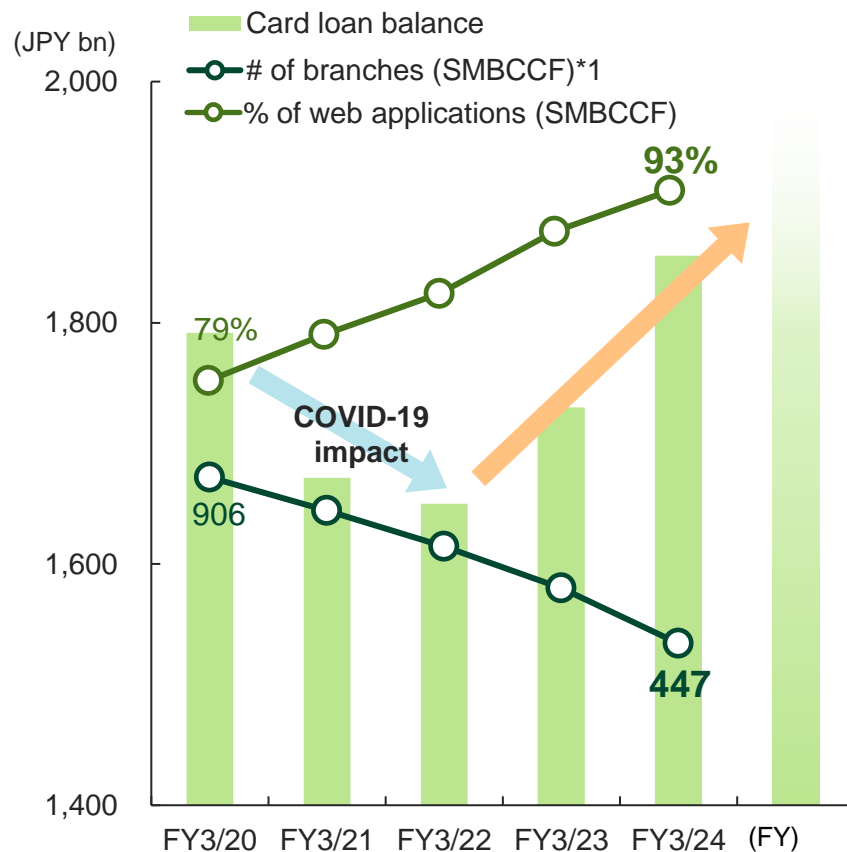




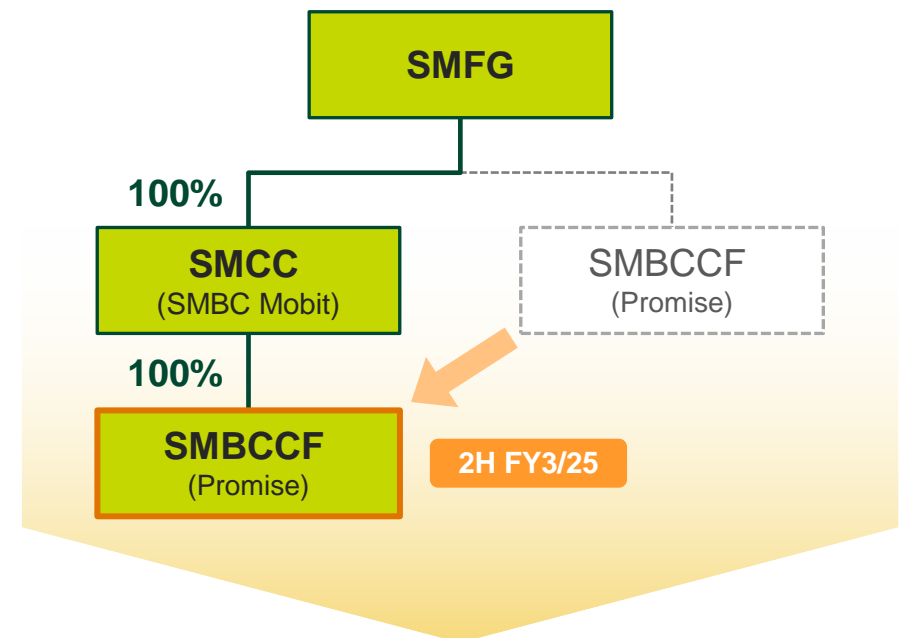
## (Ref.) Card loan business

Reorganize SMBCCF as a subsidiary of SMCC.  
Further accelerate digitalization and operational efficiency.

### Increase loan balance by digitalization



### Reorganization of card loan business



Leverage SMCC's strengths on  
product development and digital marketing

\*1 Unstaffed service channels with ACMs

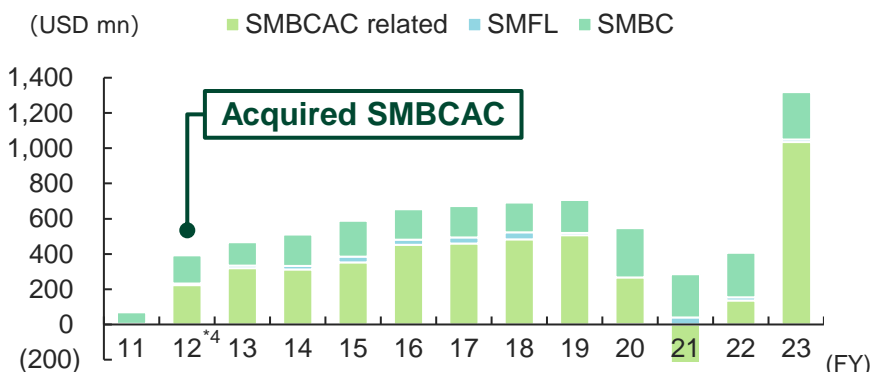
# Group companies (4) SMBCAC

Plan for  
**Fulfilled Growth**

## Financial results

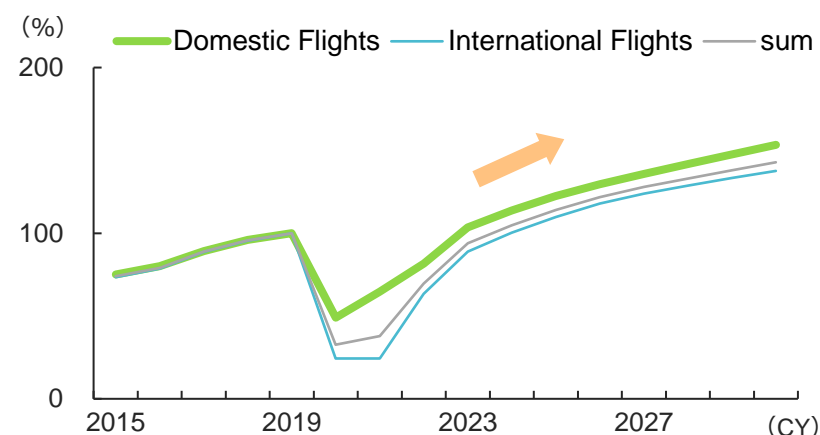
(USD mn)	FY3/24	FY3/24 1Q	YoY
<b>Total revenue</b>	2,717	545	+34
<b>o/w Lease revenue</b>	1,877	477	▲ 15
<b>Credit / Asset impairment charges<sup>*1</sup></b>	(389)	1	+24
<b>Net income</b>	774	144	+40
<b>Aircraft assets<sup>*2</sup></b>	22,484	23,109	+261
<b>Net asset</b>	5,379	5,532	+977
<b>ROE</b>	14.4%	10.4%	+1.27%

## Aircraft Business of SMBC Group

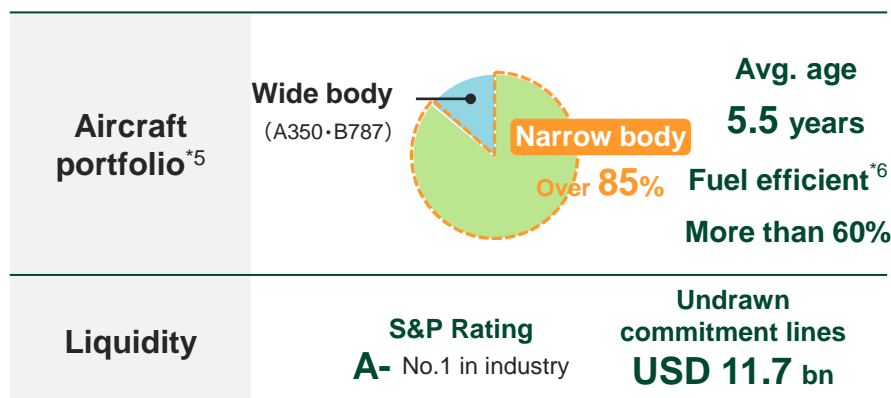


## Global passenger demand forecast<sup>\*3</sup>

- Domestic demand exceeded pre-COVID-19 levels



## Our strengths



<sup>\*1</sup> Gross before netting guarantee deposits, etc. <sup>\*2</sup> Includes aircraft pre-delivery payment

<sup>\*3</sup> IATA/Tourism Economics. Represent changes from CY-19

<sup>\*4</sup> SMBCAC related includes revenue after the acquisition in June. <sup>\*5</sup> As of June 24. <sup>\*6</sup> Neo/MAX/A350/B787

# Group companies (5) BTPN

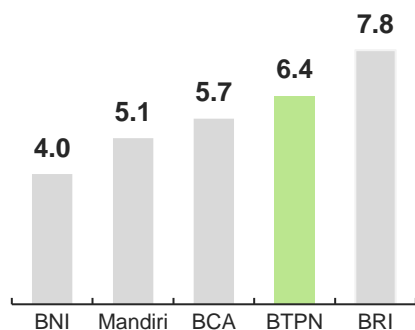
Plan for  
**Fulfilled Growth**

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

(JPY bn)	2021	2022	2023	Jan.- Jun. 2024
Gross banking profit	106.2	116.1	127.8	79.6
Operating expenses	56.6	60.9	67.8	44.2
Credit-related cost	17.1	15.6	27.8	17.7
Net profit	21.6	26.3	22.2	12.2
ROE	8.6%	9.6%	6.3%	6.3%
Loans	1,098.4	1,242.0	1,424.7	1,727.2 <sup>*2</sup>
Total Assets	1,554.5	1,777.9	1,833.8	2,311.1 <sup>*2</sup>

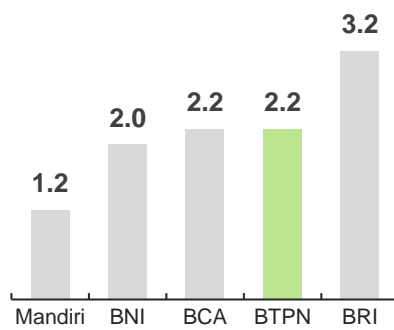
## Net interest margin<sup>\*3</sup>

(%)

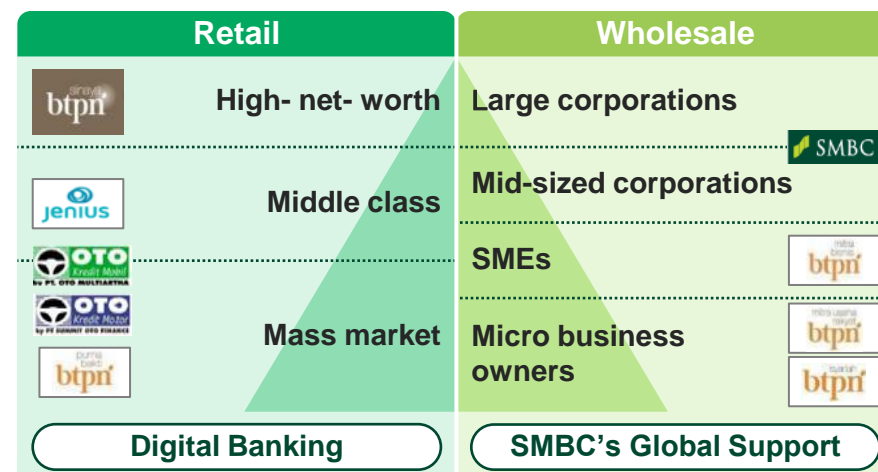


## NPL ratio<sup>\*3</sup>

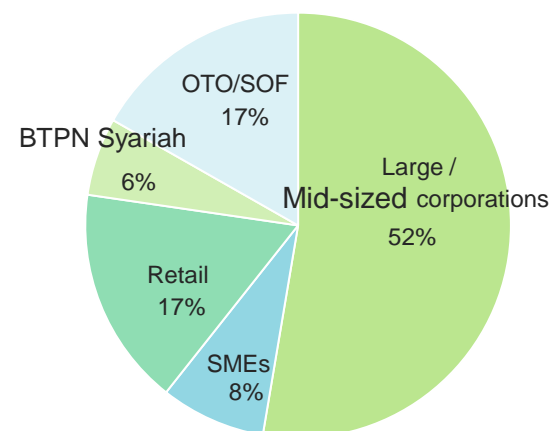
(%)



## Coverage



## Loan breakdown (Mar.24)



<sup>\*1</sup> TTM as of Dec.21 IDR 1= 0.0081, Dec.22 IDR 1= 0.0085, Dec.23 IDR 1= 0.0092, June.24 IDR 1=0.0098

<sup>\*2</sup> Including OTO/SOF <sup>\*3</sup> Based on data published by each company (June. 24 results)

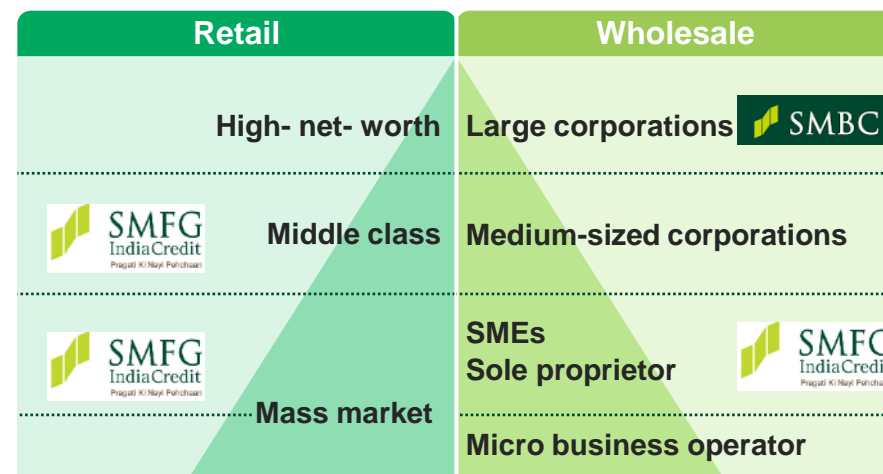
# Group companies (6) SMICC

Plan for  
**Fulfilled Growth**

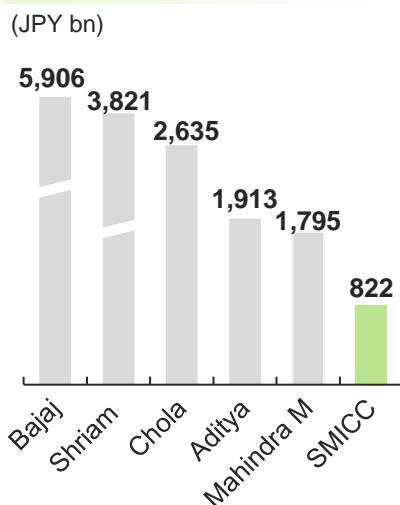
## Financial results\*1

(JPY bn)	FY3/22	FY3/23	FY3/24	FY3/25 1Q
Gross banking profit	40.8	58.8	91.3	27.8
Operating expenses	23.5	33.9	51.7	16.2
Credit-related cost	15.5	9.5	23.2	9.2
Net profit	1.2	11.6	12.1	1.7
ROE	1.9%	14.7%	12.2%	5.1%
Loans	411.4	596.8	822.5	898.3
Total Assets	441.4	666.7	877.6	1013.2

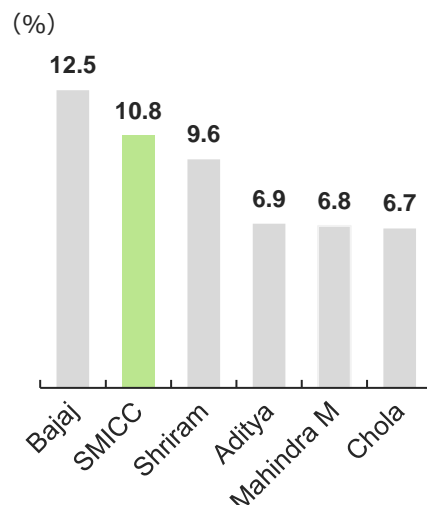
## Coverage



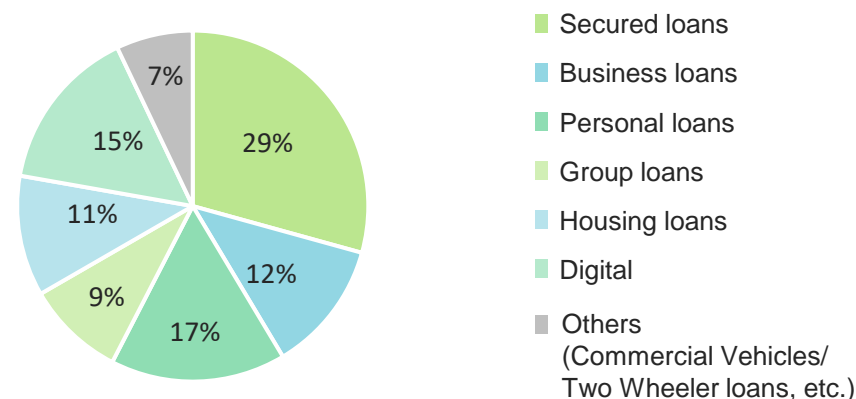
## Loan balance\*2



## Loan spread\*2



## Loan breakdown (Mar.24)



\*1 TTM as of, Mar.22: INR1=1.62, Mar.23: INR1= 1.63, Mar.24: INR1=1.81, June28 INR1=1.93

\*2 Based on each company's published data (Mar 24 results)

# Group companies (7) VPBank / FE Credit

Plan for  
**Fulfilled Growth**

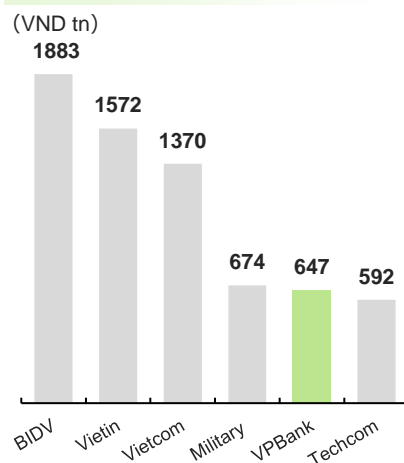
## VPBank Financial result <sup>\*1</sup>

(JPY bn)	2021	2022	2023	Jan-Jun. 2024
Gross operating profit	221.5	323.7	303.4	186.1
Operating expense	53.6	79.0	85.0	42.8
Credit-related cost	96.1	125.8	152.5	88.7
Net profit	57.4	94.7	51.8	42.7
ROE	18.1%	20.3%	9.3%	10.5%
Loans	1,920.1	2,686.6	3,656.7	4,074.1
Total Assets	2,737.0	3,533.7	4,987.2	5,445.7

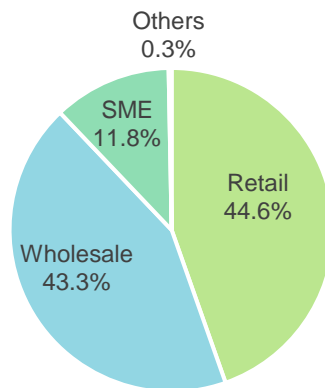
## FE Credit Financial result <sup>\*1</sup>

(JPY bn)	2021	2022	2023	Jan-Jun. 2024
Gross operating profit	76.6	84.9	81.0	45.2
Operating expense	23.4	34.3	28.0	11.5
Credit-related cost	57.8	75.3	75.6	38.2
Net profit	0.6	(13.3)	(18.0)	(4.5)
ROE	0.8%	(16.5)%	(25.2)%	(7.4)%
Loans	377.1	385.4	343.5	357.3
Total Assets	388.1	428.2	384.7	366.9

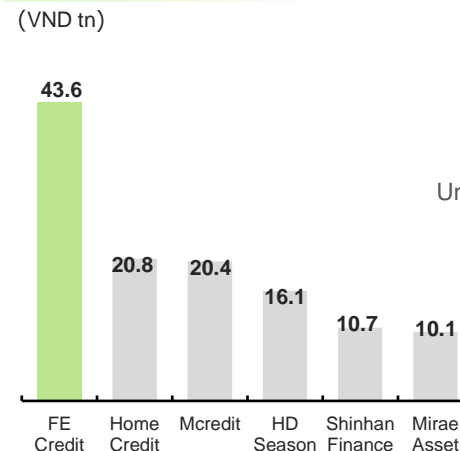
## Loans <sup>\*2</sup>



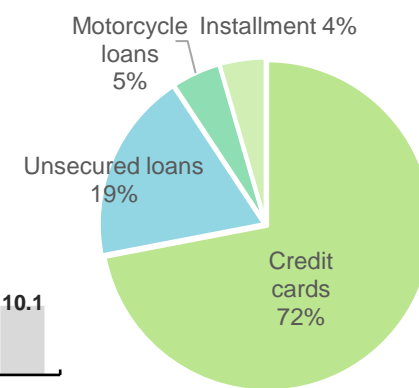
## Loan Structure <sup>\*3</sup>



## Loans <sup>\*2</sup>



## Loan Structure



<sup>\*1</sup> TTM as of Dec.20: VND1=0.0045, Dec.21: VND1=0.0050, Dec.22: VND1=0.0056, Dec.23: VND1=0.0061, Jun.24: VND1=0.0063

<sup>\*2</sup> VPBank: Based on Bloomberg data (Jun 24 results) FE Credit: Based on FiinGroup data (Dec 23 results) <sup>\*3</sup> Non-Consolidated

# Group companies (8) RCBC

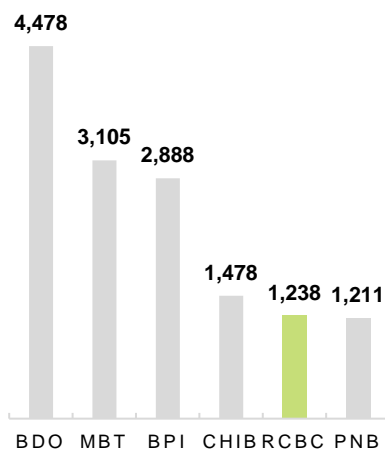
Plan for  
**Fulfilled Growth**

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

(JPY bn)	2021	2022	2023	Jan-Jun. 2024
Gross operating profit	81.9	105.8	127.9	68.8
Operating expenses	50.7	59.7	75.8	42.3
Credit-related cost	13.6	13.6	17.7	9.9
Net profit	15.9	28.8	31.3	12.2
ROE	6.7%	11.2%	9.5%	5.7%
Loans	1,211.2	1,330.1	1,663.8	1,799.9
Deposits	1,513.0	2,040.2	2,449.2	2,639.8
Total Assets	2,158.0	2,746.8	3,170.1	3,467.5

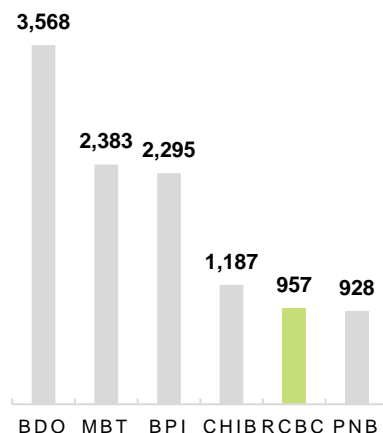
## Total assets<sup>\*2</sup>

(PHP bn)

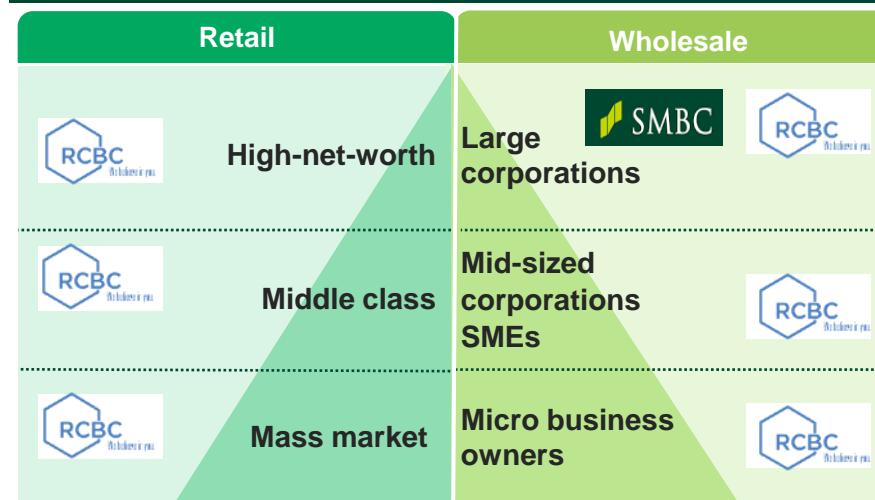


## Deposits<sup>\*2</sup>

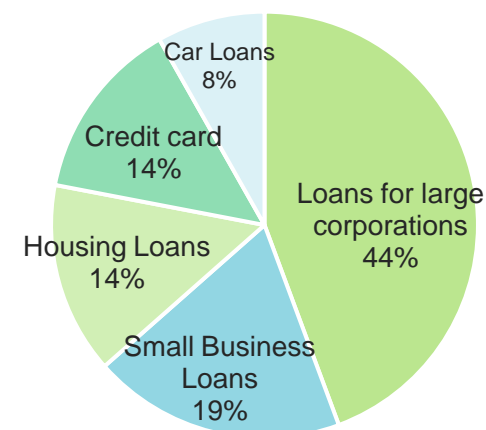
(PHP bn)



## Coverage



## Loan Breakdown (Jun.24)



\*1 TTM as of end of Dec.20:PHP1= 2.16,Dec.21:PHP1=2.25,Dec.22:PHP1=2.38, Dec23:PHP1= 2.56

\*2 As of the end of Dec. 23

# Sustainability management structure

## Sustainability Management System



## Further enhance expertise

- **Sustainability study session**
- **Round-table discussion**  
Held discussion for directors with Mr. Paul Polman, Global Advisor

## Executive compensation

Base salary	Fixed								
Bonus <ul style="list-style-type: none"><li>● Cash</li><li>● Stock Compensation Plan II</li></ul>	<b>Linked annual performance (0-150%)</b> <table><tr><td>Performance</td><td>Consolidated net business profit SMFG net income</td></tr><tr><td>ESG</td><td>Achievement of KPIs ESG ratings of major agencies</td></tr><tr><td colspan="2">Individuals' performance</td></tr></table>	Performance	Consolidated net business profit SMFG net income	ESG	Achievement of KPIs ESG ratings of major agencies	Individuals' performance			
	Performance	Consolidated net business profit SMFG net income							
	ESG	Achievement of KPIs ESG ratings of major agencies							
	Individuals' performance								
Stock Compensation Plan I	<b>Linked medium-term performance (0-150%)</b> <table><tr><td>Financial</td><td>ROCE1      Base expense Consolidated gross profit SMFG net income</td></tr><tr><td>Stock</td><td>TSR (Total Shareholder Return)</td></tr><tr><td>Non-financial</td><td>Create social value</td></tr><tr><td>Adjustment</td><td>New business areas Compliance/ Customer-oriented initiatives / Risk management</td></tr></table> <div><div><b>Quantitative</b></div><div><b>Environment</b></div><div><b>Employees</b></div><div><b>Qualitative</b></div><div><b>Materiality initiatives</b></div><ul style="list-style-type: none"><li>● Sustainable finance</li><li>● Financed emissions</li><li>● Engagement score</li><li>● DE&amp;I</li></ul></div>	Financial	ROCE1      Base expense Consolidated gross profit SMFG net income	Stock	TSR (Total Shareholder Return)	Non-financial	Create social value	Adjustment	New business areas Compliance/ Customer-oriented initiatives / Risk management
	Financial	ROCE1      Base expense Consolidated gross profit SMFG net income							
	Stock	TSR (Total Shareholder Return)							
	Non-financial	Create social value							
	Adjustment	New business areas Compliance/ Customer-oriented initiatives / Risk management							
	Stock compensation ratio								
	Linked performance ratio								
	Max 45%								
	Max 60%								
Stock Compensation Plan III	Promotion reward plan								

Stock compensation ratio  
Linked performance ratio

Max 45% Max 60%

25% 40%



## Board Skills Matrix\*1

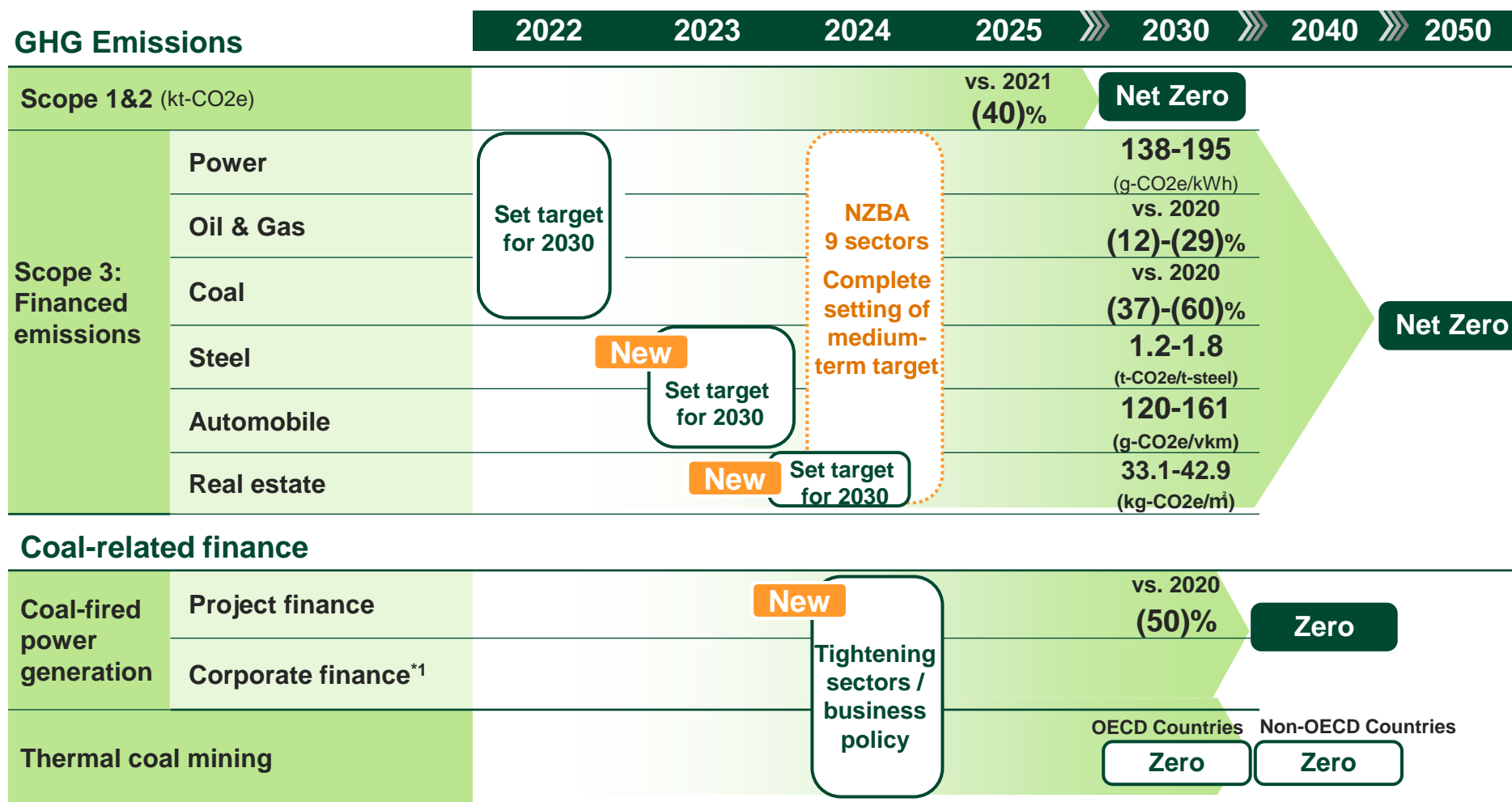
## Knowledge and experience expected in particular

	Internal Director (non-executive)				Internal Director (executive)		Outside Director
	Management	Finance	Global	Legal /risk management	Accounting	IT/DX	Sustainability
Takeshi Kunibe							
Toru Nakashima							
Teiko Kudo							
Fumihiko Ito							
Toshihiro Isshiki							
Yoshiyuki Gono							
Shozo Yamazaki							
Sonosuke Kadonaga							
Yoshinobu Tsutsui							
Katsuyoshi Shinbo							
Eriko Sakurai							
Charles D. Lake II							
Jenifer Rogers							

\*1 Subject to resolution at the Ordinary General Meeting of Shareholders on Jun. 24

# Target towards decarbonized society

Set and disclosed medium-term GHG emissions reduction targets in the steel, automobile, and real estate sectors.



\*1 Asset-specific financing

## Selected ESG Indices



**FTSE Blossom  
Japan Sector  
Relative Index**



**2024 CONSTITUENT MSCI NIHONKABU  
ESG SELECT LEADERS INDEX**

**2024 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)**

**GPIF Selection Index**



**FTSE4Good**

**2024 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX**

## Endorsed initiatives



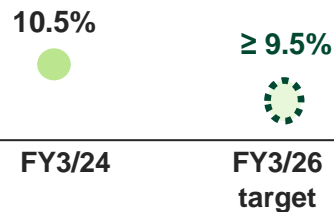
Signatory of:



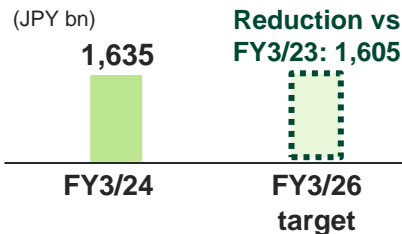
# KPI Progress of the Medium-Term Management Plan

## Financial targets

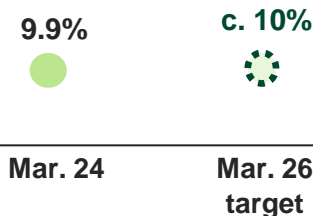
### ROCET1



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

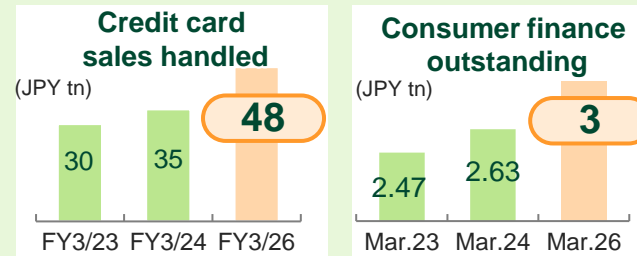


### CET1 ratio<sup>\*2</sup>

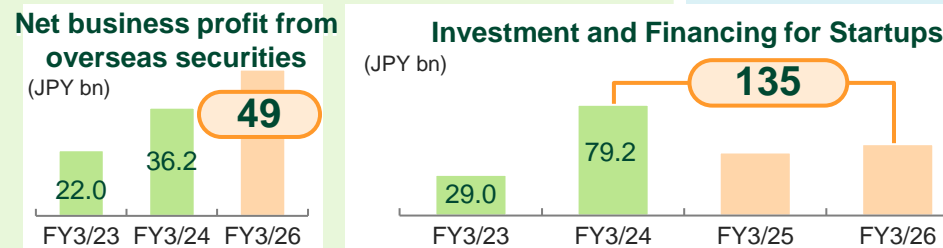


## Economic value

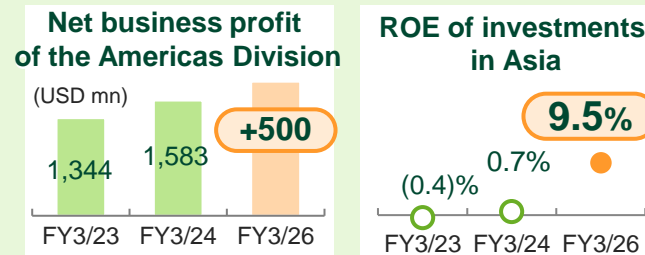
### Reform domestic business for possible interest hike



### Improve capital efficiency with B/S discipline

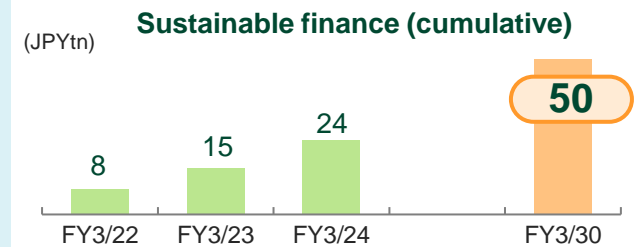


### Build global portfolio based on growth potential



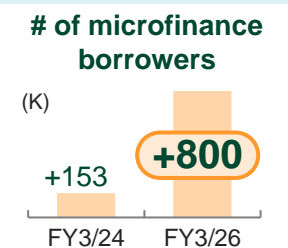
## Social Value

### Environment

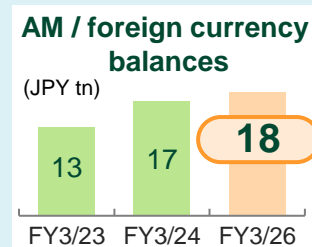


### Regrowth of Japan

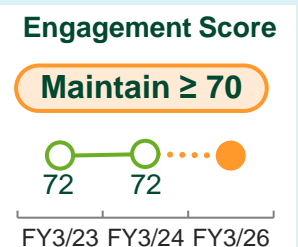
### Poverty and Inequality



### Declining birthrate & aging population



### DE&I & Human rights



\*1 G&A expenses excl. cost related to investment for future growth, revenue-linked variable cost, impact from market conditions, etc. \*2 Post-Basel III basis, excl.net unrealized gains on other securities

## VISION

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

## Growth with Quality

### Create Social Value

Contribute to  
“Fulfilled Growth”

### Pursue Economic Value

Transformation &  
Growth

### Rebuild Corporate Infrastructure

Quality builds  
Trust

## Dynamic reallocation of management resources

Reform domestic business model	Reduce unprofitable assets	Review significance of holding
<ul style="list-style-type: none"> <li>● <b>Retail Business :</b> Shift resources from human to IT by thorough digitalization</li> <li>● <b>Wholesale business :</b> Shift personnel to growth areas by promoting digitization and efficiency</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Project finance :</b> High RWA burden</li> <li>● <b>Trade finance :</b> Short-term, low-interest margins</li> <li>● <b>Regions of low growth and excessive competition</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>Review strategy for existing financial investees</b> with limited growth potential</li> <li>● <b>Accelerate reduction pace of strategic shareholdings</b></li> <li>● <b>Shift to Green Assets</b> toward a decarbonized society</li> </ul>

RWA

JPY (6) tn •..... X**1.5** reduction  
vs. previous plan

Domestic workload

(6.5) K •..... >**10%** of  
domestic headcount

## Shift management resources

## Pursue economic value

RWA

+ JPY 11 tn

Workload

+ 3K

## Rebuild corporate infrastructure

IT  
investment

+ JPY 750 bn



# Expected return from past investment

## Target

### 1 Businesses / assets with high asset and capital efficiency

Aircraft leasing

the U.S.

New areas

Digital

Sustainability

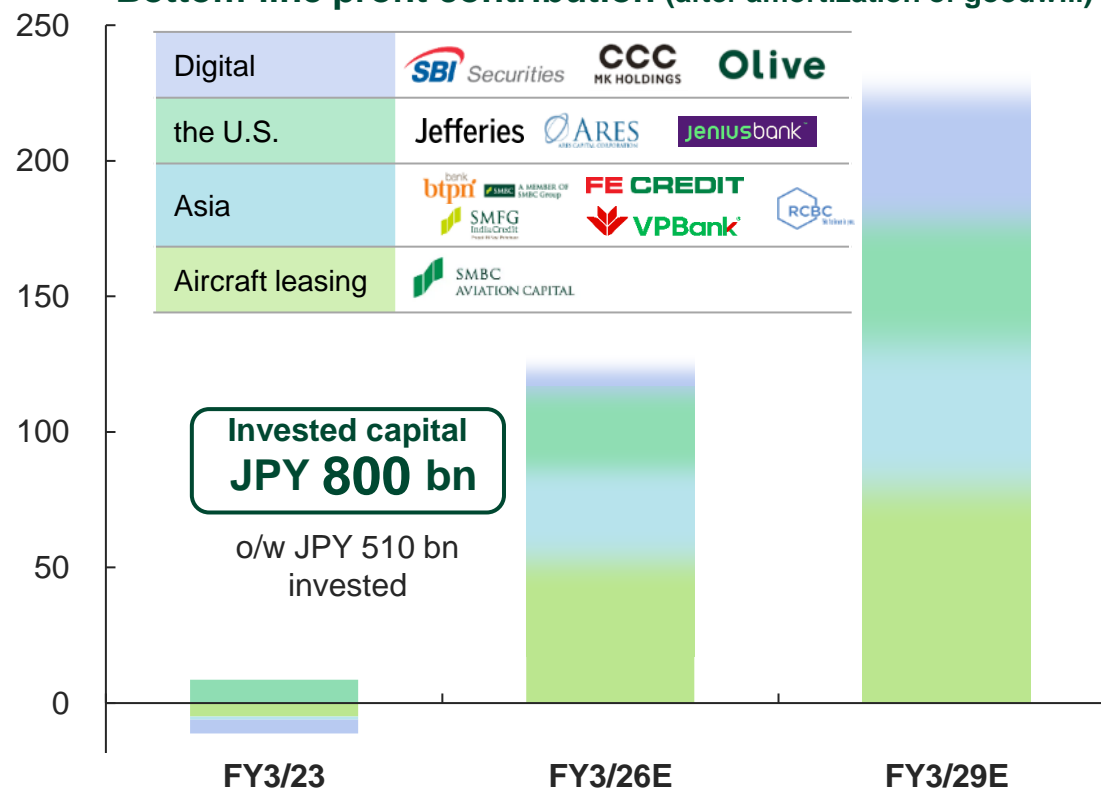
Securities

Asia

### 2 Platform for the future

(JPY bn)

## Bottom-line profit contribution (after amortization of goodwill)



## Discipline

### Investment criteria

Fits with our strategy

ROCET1:  $\geq 9.5\%$

Risk is manageable

### Review existing portfolio

Examples in previous plan

Eximbank

Moelis & Company

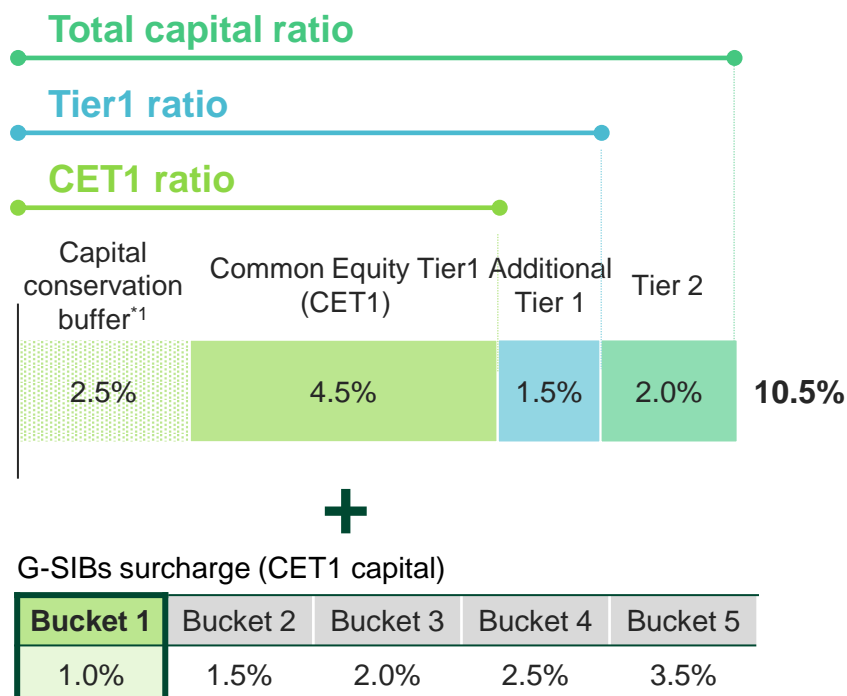


# Application of Basel III (capital ratio)

Plan for  
Fulfilled Growth

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

## Capital requirements

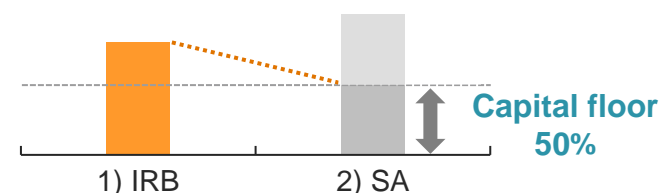


## Implementation of output floor

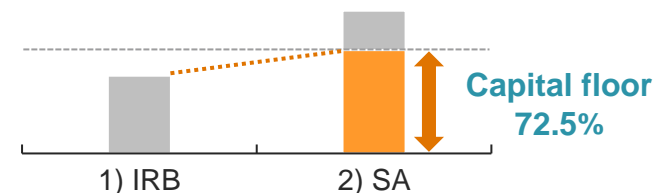
Calculate using larger figure

- 1) RWA based on internal ratings-based approach (IRB)
- 2) RWA based on standardized approach (SA) x capital floor

Mar. 24



Mar. 29

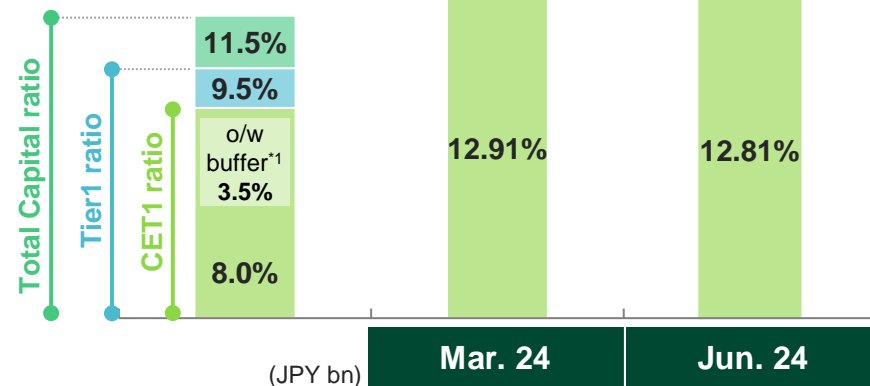


\*1 Countercyclical buffer (CCyB) omitted

## Capital ratio

### Transitional basis

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



	Mar. 24	Jun. 24
<b>Total capital</b>	<b>14,197.9</b>	<b>14,760.1</b>
Tier1 capital	13,311.6	13,870.7
o/w CET1 capital	11,992.6	12,393.4
Tier2 capital	886.3	889.3
<b>Risk-weighted assets</b>	<b>92,848.6</b>	<b>96,712.3</b>
<b>Finalized Basel III basis</b>		
CET1 ratio	10.9%	11.0%
excl. net unrealized gains on other securities	<b>9.9%</b>	<b>10.3%</b>

## Other requirement ratios

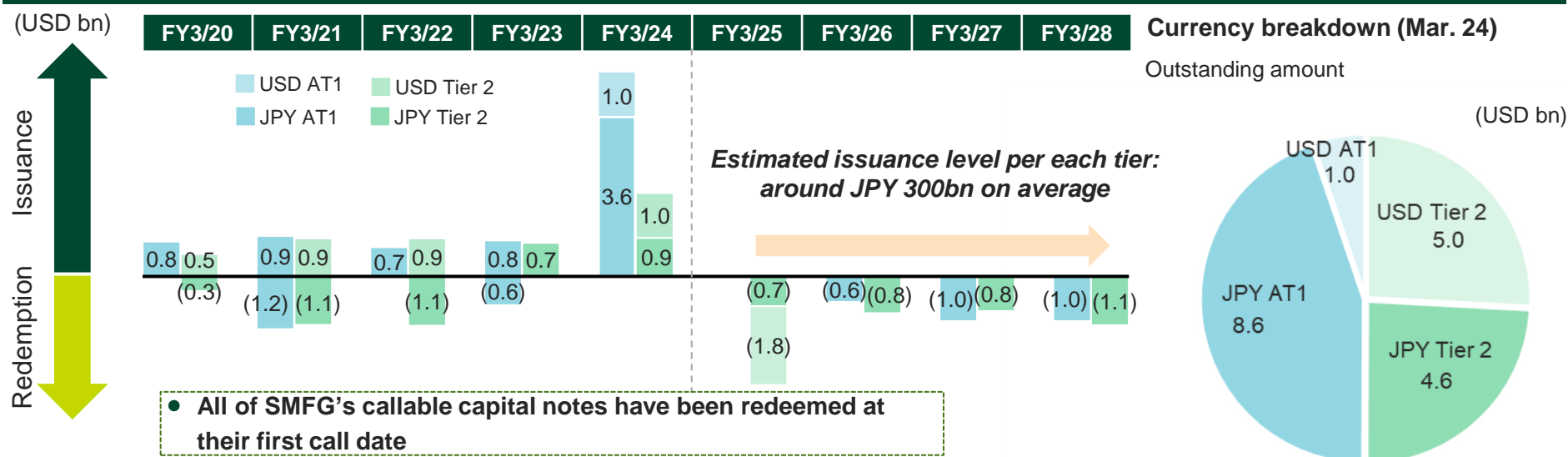
	Jun. 24	Requirement <sup>*1</sup>
<b>External TLAC ratio</b>		
RWA basis	<b>24.00%</b>	18.0%
Leverage exposure basis	<b>10.31%</b>	7.10%
<b>Leverage ratio</b>	<b>5.34%</b>	3.7%
<b>LCR (Average 1Q FY3/25)</b>	<b>129.9%</b>	100%

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

# Subordinated notes issuance results and strategy

Plan for  
**Fulfilled Growth**

## Subordinated notes issuances and redemptions<sup>\*1</sup>

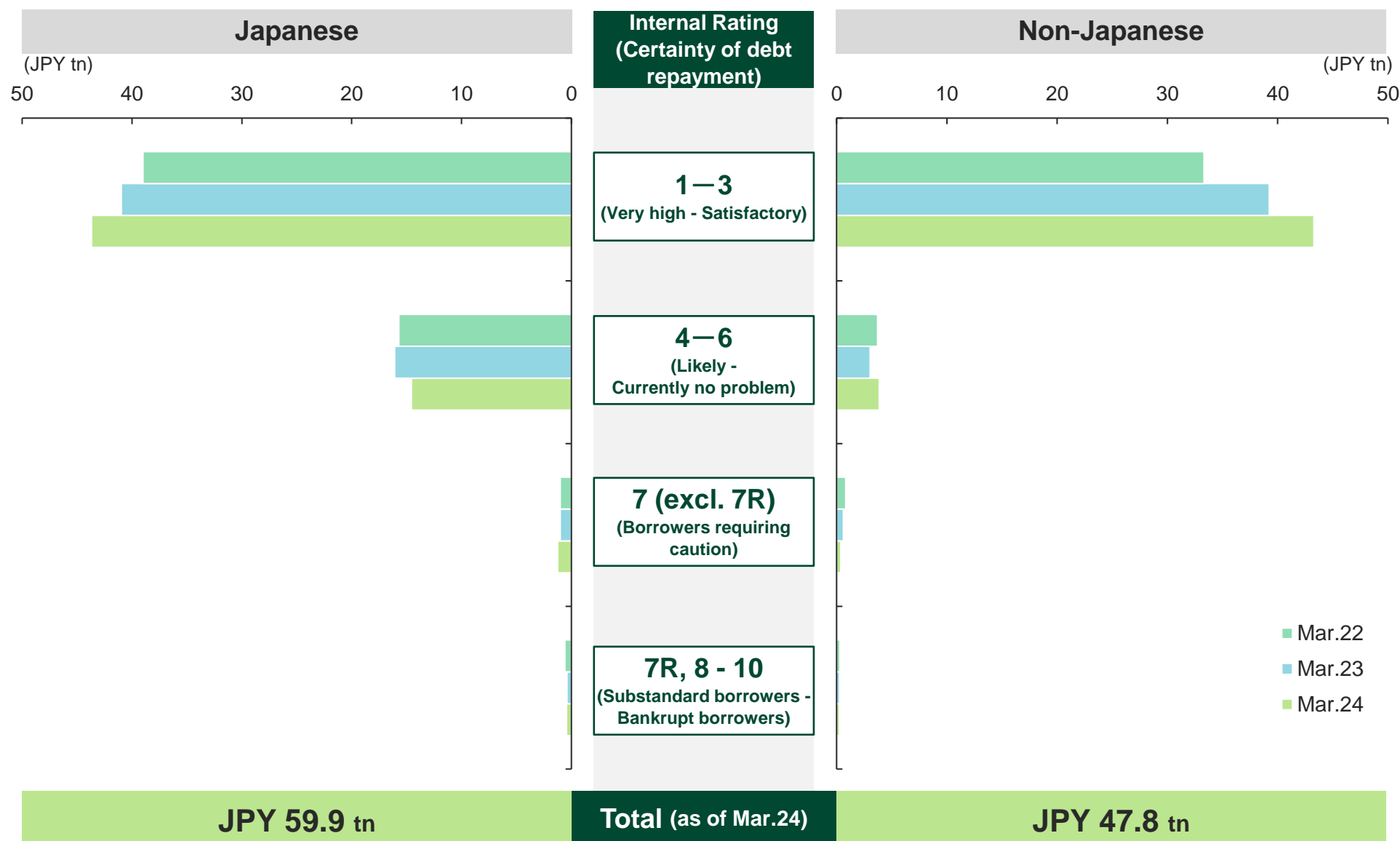


## Historical issuance calendar<sup>\*3</sup>

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
FY3/20			¥ AT1 PNC10 ¥85bn			\$ Tier2 10y \$500mn						
FY3/21						¥ AT1 \$ Tier2 PNC10 ¥100bn 10y \$850mn						
FY3/22						\$ Tier2 20y \$850mn				¥ AT1 PNC10 ¥80bn		
FY3/23								¥ AT1 PNC5/PNC10 ¥107bn				¥ Tier2 10NC5/10y ¥100bn
FY3/24	¥ AT1 PNC5/PNC10 ¥140bn			\$ Tier2 20y \$1bn		¥ AT1 PNC5/PNC10 ¥211bn	¥ Tier2 10NC5/10y ¥130bn			¥ AT1 PNC5/PNC10 ¥188bn		\$ AT1 PNC10 \$1bn

<sup>\*1</sup> Callable notes were, or are assumed for illustration to be, redeemed at their respective 1st call dates, while there is no assurance they will be redeemed at such time.

# Breakdown by internal ratings\*1



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

# CRE Exposure \*1 (Mar.24)

## SMBC Group's Exposure

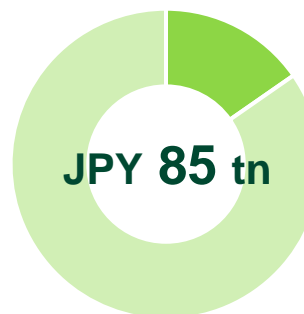
**CRE Exposure**  
**JPY 20 tn**

- 13% of total exposure
- NPL ratio: 0.6%



### Japan

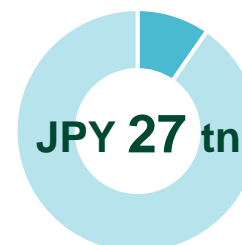
**CRE**  
**JPY 13 tn**



- Corporate: 50%, NRL: 30%, REITs: 20%
- Investment grade: 70%
- LTV for NRL: < 60%
- NPL ratio: 0.2%

### U.S.

**CRE**  
**JPY 2.6 tn**



- NRL: 60%, REITs: 40%
- Investment grade: 70%
- NPL ratio: 0.3%
- LTV for NRL: c. 60%

#### < o/w for offices >

- Balance: JPY 0.3 tn, NPL ratio: 3%
- NRL: 40%,
- LTV for NRL: < 60%

### China/ Hong Kong

**CRE**  
**JPY 1.2 tn**



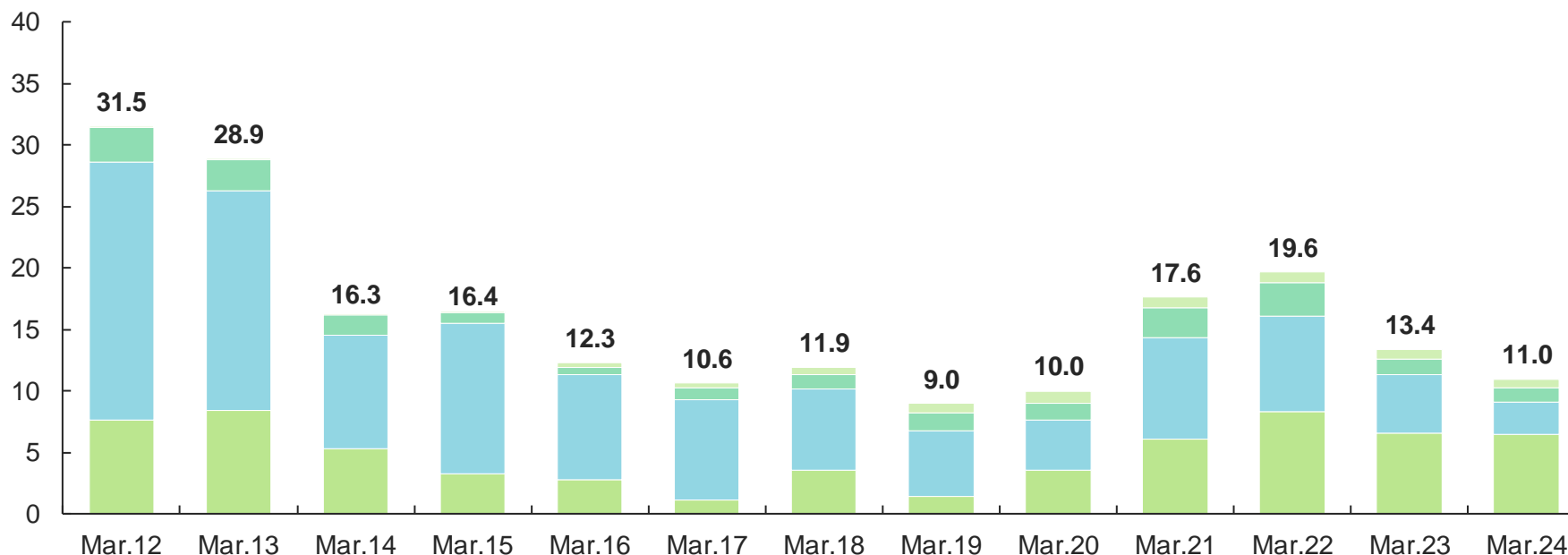
- Corporate: 70%, NRLs and REITs: over 10% each
- Investment grade: 80%
- Main corporate clients are high-rated conglomerates
- NPL ratio: 6% due to large borrowers, but the rest are of good asset quality.

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

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

(JPY tn)

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



of which JGBs  
(JPY tn)

14.0 9.8 8.0 9.3 6.3 7.1 14.3 15.8 9.6 7.5

Average  
duration  
(years)<sup>\*1</sup>

1.9 1.8 1.1 1.8 2.8 2.9 2.3 3.2 2.9 2.5 2.8 2.4 2.1

Unrealized  
gains/losses  
(JPY bn)<sup>\*2</sup>

104.4 95.3 60.0 45.9 103.8 57.5 44.2 60.5 21.4 7.9 (49.7) (62.8) (98.7)

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

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

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

(As of August. 1, 2024)

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

\*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 (2) Holding companies\*1

Plan for  
Fulfilled Growth

(As of August. 1, 2024)

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 America</li> <li>Bank of New York Mellon</li> <li>JPMorgan</li> </ul> <ul style="list-style-type: none"> <li><b>Mizuho</b></li> <li>Morgan Stanley</li> <li><b>MUFG</b></li> <li>State Street</li> <li>Wells Fargo</li> </ul>		<ul style="list-style-type: none"> <li>HSBC</li> <li>ING</li> <li>Morgan Stanley</li> <li>Wells Fargo</li> </ul>	A+
A2	<ul style="list-style-type: none"> <li>Goldman Sachs</li> </ul>	<ul style="list-style-type: none"> <li>Bank of New York Mellon</li> <li>State Street</li> </ul>	<ul style="list-style-type: none"> <li>Barclays</li> <li>Citigroup</li> <li>Goldman Sachs</li> <li>Groupe BPCE</li> <li>Standard Chartered</li> <li>UBS</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><b>Mizuho</b></li> <li>Morgan Stanley</li> <li><b>MUFG</b></li> <li>UBS</li> </ul>	<b>SMFG</b> <ul style="list-style-type: none"> <li><b>Mizuho</b></li> <li><b>MUFG</b></li> </ul>	A-
Baa1	<ul style="list-style-type: none"> <li>Barclays</li> <li>ING</li> </ul>	<ul style="list-style-type: none"> <li>Barclays</li> <li>Citigroup</li> <li>Goldman Sachs</li> </ul> <ul style="list-style-type: none"> <li>Standard Chartered</li> <li>Wells Fargo</li> </ul>		BBB+
Baa2				BBB
Baa3				BBB-

\*1 Long-term issuer ratings (if not available, Senior unsecured ratings) for Moody's, long-term issuer local currency ratings for S&P, long-term issuer default ratings for Fitch