

SMBC GROUP ANNUAL REPORT

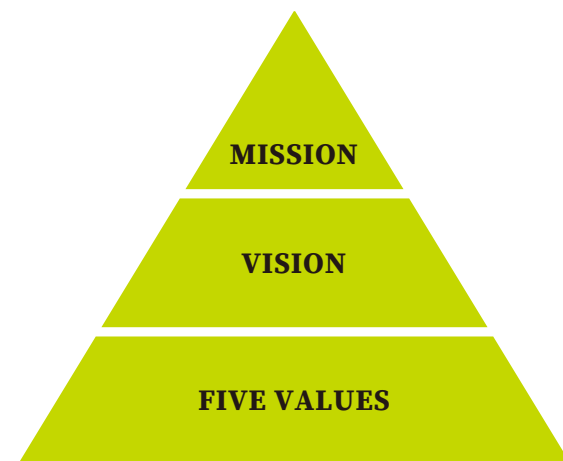
2025

YEAR ENDED MARCH 31, 2025



SUMITOMO MITSUI FINANCIAL GROUP

MISSION & VISION & FIVE VALUES



MISSION

We grow and prosper together with our customers, by providing services of greater value to them.

We aim to maximize our shareholders' value through the continuous growth of our business.

We create a work environment that encourages and rewards diligent and highly-motivated employees.

We contribute to a sustainable society by addressing environmental and social issues.

VISION

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

FIVE VALUES

Integrity

As a professional, always act with sincerity and a high ethical standard.

Customer First

Always look at it from the customer's point of view, and provide value based on their individual needs.

Proactive & Innovative

Embrace new ideas and perspectives, don't be deterred by failure.

Speed & Quality

Differentiate ourselves through the speed and quality of our decision-making and service delivery.

Team "SMBC Group"

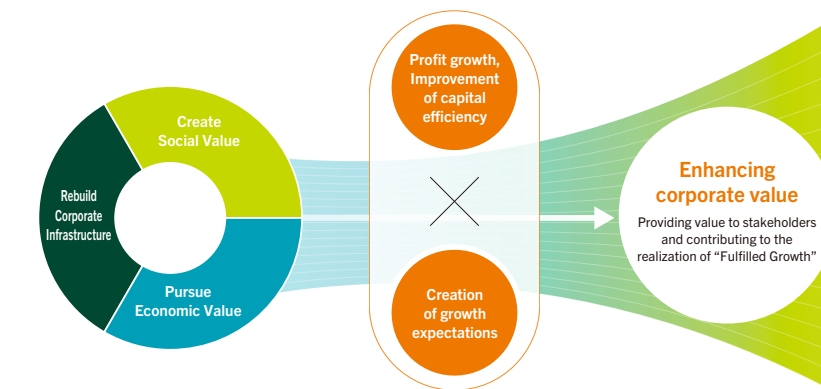
Respect and leverage the knowledge and diverse talent of our global organization, as a team.

Editorial Policy

This report aims to help all stakeholders understand how the SMBC Group enhances corporate value through its three key pillars: **"Create Social Value", "Pursue Economic Value", and "Rebuild Corporate Infrastructure"**. We provide integrated disclosure of both financial and non-financial information.

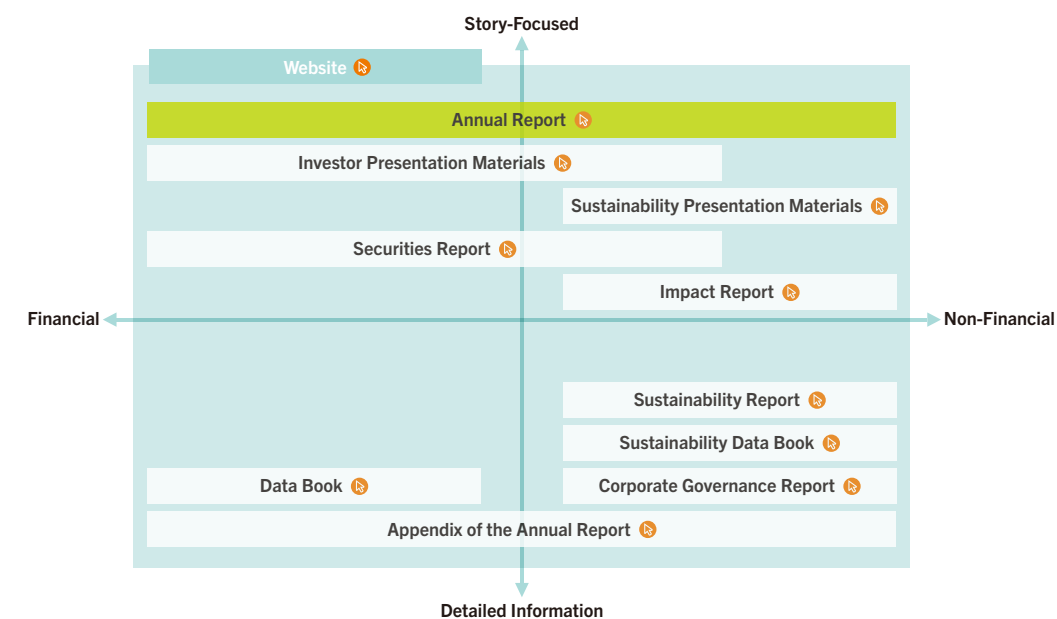
In editing this report, we have referred to resources including the IFRS Foundation's "International Integrated Reporting Framework" and the Ministry of Economy, Trade and Industry's "Guidance for Collaborative Value Creation."

For data and other information, please refer to the appendix section of "SMBC GROUP REPORT 2025," and for details on sustainability initiatives, see "Sustainability Report 2025," etc.



SMBC Group Information Disclosure

Various reports are available on our website for your reference.



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SMBC GROUP REPORT 2025 Highlight

Snapshots

This section summarizes an overview of SMBC Group and content that address the expectations and interests of our stakeholders.

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063 Creating the Future of Transportation in Japan with "stera transit"



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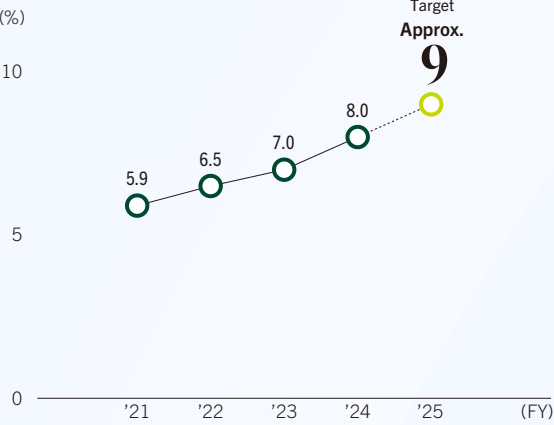
072 Growing Together with Customers and Contributing to Japan's Regrowth



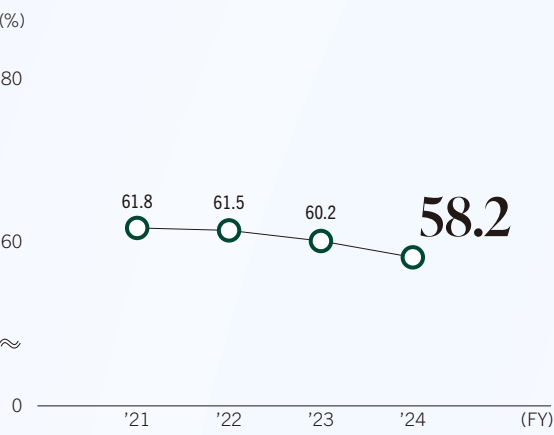
080 Practicing the "Three Is" and Contributing to Revenue Expansion by Capturing Market Trends

Financial Highlights

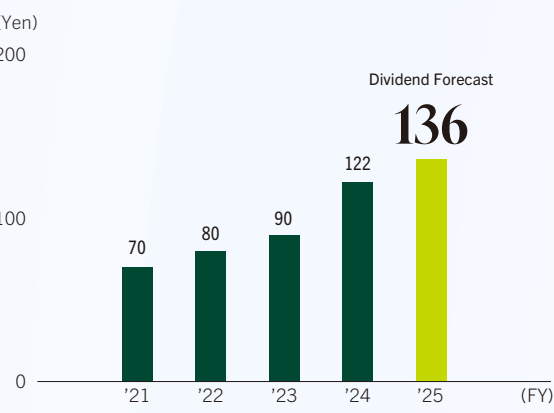
ROE Including OCI



Overhead Ratio

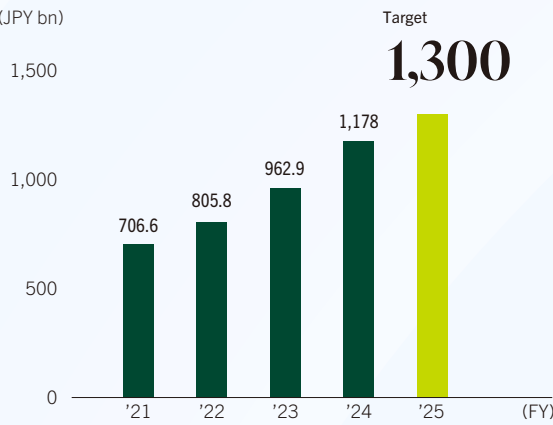


Dividend per Share of Common Stock*

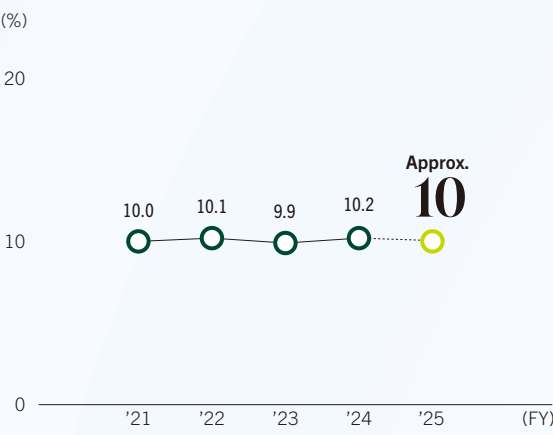


* Amounts have been retroactively adjusted to reflect the stock split implemented on October 1, 2024

Profit Attributable to Owners of Parent



Common Equity Tier 1 Capital Ratio (CET1 ratio)*



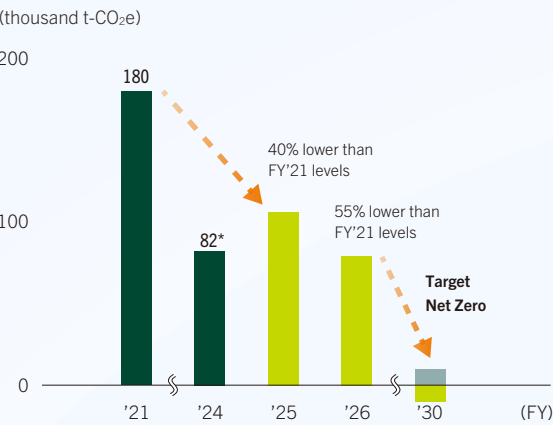
* Post-Basel III basis, excluding net unrealized gains (losses) on other securities

External Rating (as of the end of June 2025)

	Sumitomo Mitsui Financial Group		SMBC	
	Long-term	Short-term	Long-term	Short-term
Moody's	A1	P-1	A1	P-1
S&P	A-	—	A	A-1
Fitch	A-	F1	A	F1
R&I	AA-	—	AA	a-1+
JCR	AA	—	AA	J-1+

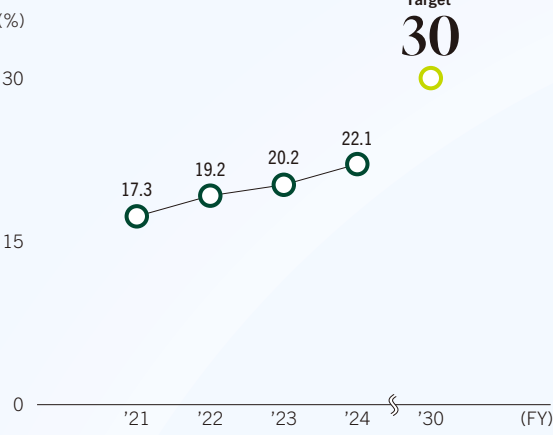
Non-Financial Highlights

Green house Gas (GHG) Emissions (Scope 1 & 2)



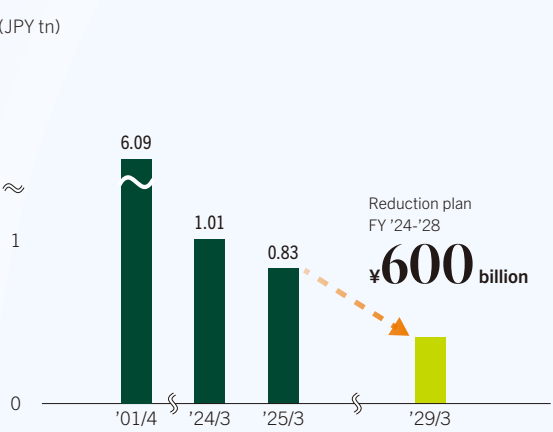
* Preliminary figures covering all domestic and overseas locations existing as of FY2021

Ratio of Female Managers*

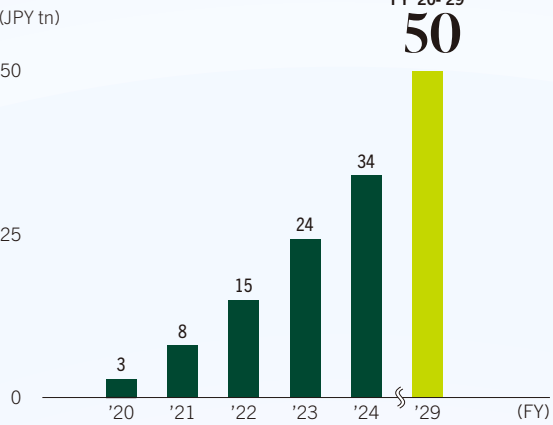


* Calculate based on the definition required by the Act on the Promotion of Female Participation and Career Advancement in the Workplace

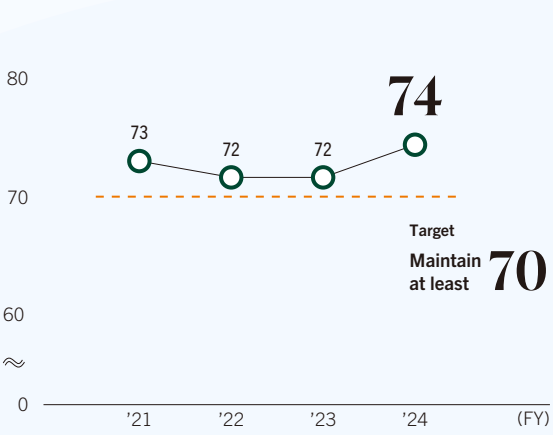
Equity Holdings



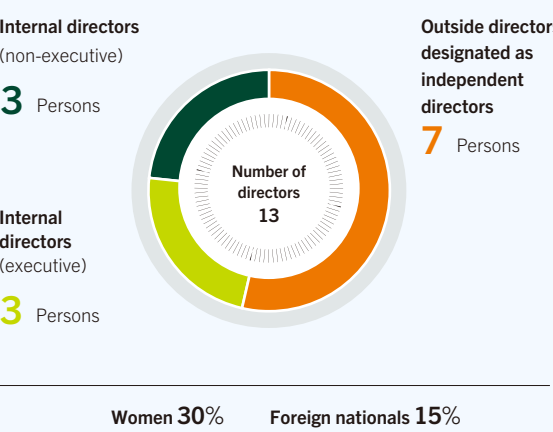
Sustainable Finance



Engagement Score



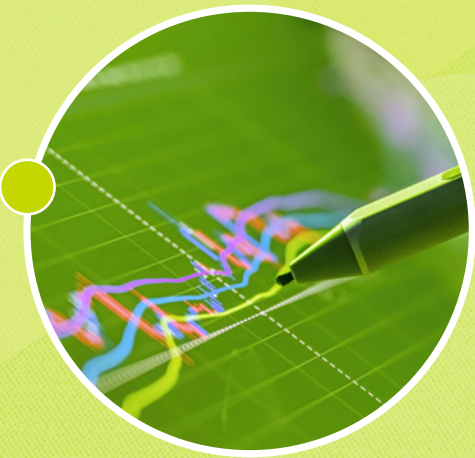
Composition of the Board of Directors (As of June 2025)



Source of SMBC Group's Competitiveness

Since its establishment, SMBC Group has expanded its business and regional wings, aiming for business growth. In the 2010s, for example, we brought securities companies, consumer finance firms, trust banks, and others into our Group. In the 2020s, we expanded our regional network mainly through our Multi-Franchise Strategy involving equity alliances with financial institutions in Asia. We have thus developed into a diversified financial group that grows its expanded businesses, and possesses diverse revenue sources, a domestic and international network of locations, and a wide range of talent supporting our management strategies.

Business Wings



Sumitomo Mitsui Banking Corporation established

Credit Card

Sumitomo Mitsui Card Company

Leasing

Sumitomo Mitsui Finance and Leasing

Sumitomo Mitsui Financial Group established

Consumer Finance

SMBC Consumer Finance

Securities

SMBC Nikko Securities

Trust

SMBC Trust

Asset Management

Sumitomo Mitsui DS Asset Management

2001

2002

2004

2009

2012

2013

2016

2021

2023

Aircraft Leasing

SMBC Aviation Capital (Ireland)

Multi-Franchise Strategies

Bank SMBC Indonesia (Indonesia)

SMFG India Credit Company (India)
FE Credit (Vietnam)
RCBC (Philippines)

VPBank (Vietnam)

U.S. Securities

Jefferies

U.S. Digital Bank

Jenius Bank

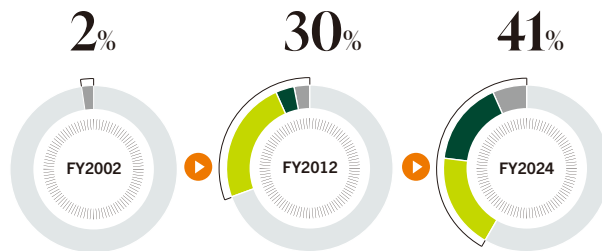
Regional Wings



Strengths ① Diverse Revenue Sources

Consolidated net business profit

Sumitomo Mitsui Banking Corporation Major Domestic Group Companies Overseas Group Companies Others



Strengths ② Global Network

Number of Locations

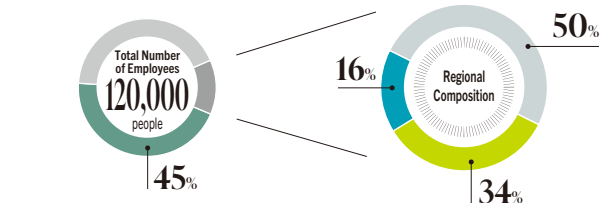
Japan	455*	Americas	31
EMEA	39	Asia	76
+			
SMFG India Credit Company	1,008	Bank SMBC Indonesia	458

* Number of SMBC branches

Strengths ③ Diverse Talent

Regional Staff Composition

Japan SMFG India Credit Company, Bank SMBC Indonesia, etc. Americas EMEA Asia



Enhancement of Diversity at Decision-Making Levels

	Actual performance*2	Target*3
Ratio of Female Directors	30.7%	30%
Ratio of Female Managers*1	22.1%	25%
Number of Foreign Executives	23 Persons	25 Persons

*1 Calculate based on the definition required by the Act on the Promotion of Female Participation and Career Advancement in the Workplace

*2 June 2025 (Ratio of Female Directors: FY2024)

*3 FY2025 (Ratio of Female Directors: FY2030)



MESSAGE FROM GROUP CEO

Navigate the Uncertainty and Advance Strategically

Toru Nakashima
Director President and Group CEO

Standing at the End of an Era

On April 2, 2025, the U.S. announced its reciprocal tariff policy, sending shockwaves throughout the global economy. This shook the very foundations of the free trade order that the U.S. had led throughout the post-war period, causing much confusion and volatility in financial markets. While President Trump soon announced a grace period, the calm brought by this announcement to markets is strictly temporary as we still face much uncertainty going forward.

There is a tangible risk that future developments in tariff negotiations could lead to a slowdown in the global economy.

For the foreseeable future, I expect for us to be in a state of flux, with very close attention being paid to the U.S. and the reactions of impacted countries and heads of state. We cannot let daily ups and downs overly impact us. We must remain calm and strive to understand the essence behind such occurrences.

SMBC Group must realize sustainable growth while at the same time fulfilling our role as a key part of social infrastructure as we face this challenging situation where a paradigm shift in the world causes various changes in our business environment.

I believe that the reciprocal tariffs and other measures implemented by the U.S. are not temporary occurrences that will be reversed when a new leader is elected. I believe they reflect a fundamental change in our environment. The current U.S. administration is the result of inequality, fragmentation, and disparities in the balance of trade brought about by the neoliberal framework that served as the basis for the modern global order. Nationalism, protectionism, confrontation by major powers, and other developments will not change simply because a new government has been elected. Humanity is standing at a historical turning point with rising geopolitical risk as illustrated by the Russia-Ukraine conflict and heightened tensions in the Middle East, the ever-accelerating evolution of AI and other key technologies, and the shift in energy sources as we strive to realize an economy with a sustainable carbon footprint combining with these significant changes in the global political and economic orders.

Of course, such a fundamental shift in the global order will have a material impact on the business environment of financial institutions.

The reversal of Great Globalization, a framework which promotes the free movement of people, goods, and capital is expected to slow global economic growth and raise

inflation rates. The era of low inflation and interest rates that lasted throughout the 2010s has come to an end, and I expect for a world with rising interest rates to become the new norm. Furthermore, the U.S. has stated it will pursue a strong-dollar policy as part of efforts to protect the dollar’s position as the world’s foremost reserve currency. However, we cannot deny the fact that the U.S. may pursue a weak-dollar policy in an attempt to correct global disparities, leading to the conclusion that we should expect elevated levels of volatility to continue. In addition, we expect enormous global demand for capital with numerous countries enhancing their semiconductor production capabilities, the reassessment of global supply chains, the construction of data centers to support the AI revolution, and the transition towards clean energy being a few causes. In an environment where rising interest rates are coupled with increased demand for capital, deposits will become even more important as they are a stable source of capital.

SMBC Group must realize sustainable growth while at the same time fulfilling our role as a key part of social infrastructure as we face this challenging situation where a paradigm shift in the world causes various changes in our business environment.

Generating Growth in a State of Flux

How can SMBC Group increase our corporate value by growing together with our clients and society in this age of change and uncertainty? This is the main theme of our next Medium-Term Management Plan that is scheduled to launch in FY2026. We are in the midst of preparing the next Medium-Term Management Plan, and we should be able to publicly announce specific initiatives and strategies at the start of FY2026. Since being appointed as Group CEO, our leadership team has continued discussions regarding the direction of strategies that were launched during the current Medium-Term Management Plan. Through these discussions, we have been able to obtain a broad understanding of medium-to long-term growth strategies, in addition to the current direction of strategies and awareness of issues.

Japan is our mother market and has the utmost importance for us. Thanks to efforts by the public and private sectors, Japan’s economy is winning its long-fought battle with deflation and has started to move towards regrowth. Leaders of Japanese corporations are gaining confidence and becoming more positive about growth investments. In the household sector, the shift from “savings to asset formation” is becoming clear. Even though the global order is undergoing disruption and volatility, it is vital that we maintain and accelerate the eagerly awaited momentum of Japan’s regrowth. As a financial institution, SMBC Group must take on appropriate levels of risk so that we are able to support our clients as they consider how to make optimal growth investments or how to best deal with tariffs. Japan is the source of our growth and the foundation of our global competitiveness. We must construct robust business foundations based on deposits so that we are able to support clients, regardless of external factors.

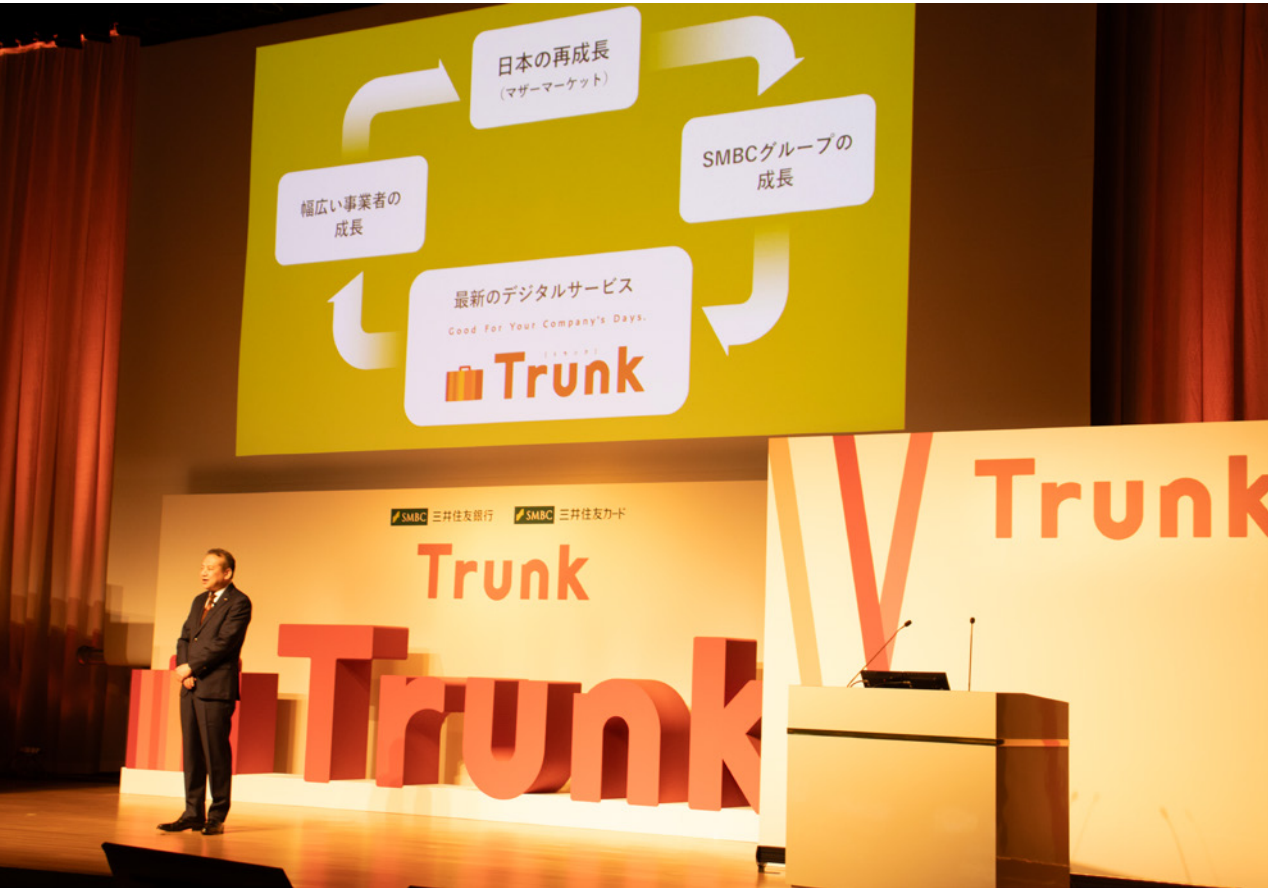
As geopolitical disorder rises due to intensifying competition between major powers, cooperation with our Southeast Asian and South Asian neighbors with whom Japan shares common values is becoming more and more important. India in particular is receiving close attention from the global community given its omnidirectional diplomacy, stable political environment, and economic growth potential. Through our longstanding network of branches and local subsidiaries in Asia, we have expanded our wholesale business by supporting Japanese, local, and global corporations. Furthermore, in recent years we have invested in local financial institutions as part of efforts to enter the small and medium-sized enterprise (SME) and retail businesses. Now is the time to leverage the franchise we have built up over the years. We will develop a deposit-based business model that is firmly rooted in the local economy so we can win upside opportunities by supporting the growth of Asian nations with their large, young populations. At the same time, it is vital that we also enhance the services and products offered by our local partners so that we are able to better support Japanese and other global corporations enter local markets and revise their supply chains.

In addition, capital markets will become increasingly important as a source of funds as traditional indirect financing by banks will struggle to satisfy the tremendous demand for funds by itself. In the U.S., the large and broad-based capital market supplements banks in the supply of funds. Over the past few years, we saw the expansion of private equity and private credit where funds and other nonbanks extended investments and loans. I expect this trend of supplementing the funding capacity of banks to spread to the rest of the world. The functions and roles of

Japan’s capital market are also expected to expand with the backdrop of corporate governance reform and efforts to promote Japan as a Leading Asset Management Center. In order to fulfill our role as a stable capital supplier who provides a diverse range of funding methods that match customers’ needs, we must develop global capabilities in capital markets and establish a robust presence in this area. For some time now our overseas securities business has been one of our weaknesses, and we have been out-done by our competitors. However, we can take the view that our overseas securities business has much potential for growth.

Based on this mindset, SMBC Group will pursue growth in the following three areas: “Lead Japan’s Re-growth,” “Capture Dynamic Growth with Partners,” and “Establish a strong Presence in Global Capital Markets.”

As the foundations to support our activities in these areas, we will: invest in IT to capture advances in AI and other key technologies; further strengthen human capital investment to develop human resources, which are the source of our competitiveness; and proceed with initiatives to create social value, including measures against climate change.



Introduction	Management Messages	Value Creation Story	Create Social Value / Pursue Economic Value	Rebuild Corporate Infrastructure
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Strategically Move Forward in a Calm and Flexible Manner

If we use rugby as an example, a state of confusion and uncertainty is also an opportunity to make great strides forward. It is important to buckle down and strengthen one’s defense while strategically moving forward each time an opportunity arises. FY2025 is the final year of the current Medium-Term Management Plan, and we will bring our various strategies to a strong conclusion while preparing the next Medium-Term Management Plan. We will also carry out the early implementation of initiatives when possible based on the direction of the above strategies.

Lead Japan’s Regrowth

“Olive,” SMBC Group’s integrated financial service for retail customers, has allowed us to steadily expand our retail customer base. We significantly increased the balance of retail deposits at a time that coincided with rising interest rates, and we are steadily increasing the volume of credit card transactions and credit card installment investment, which we are offering in partnership with SBI Securities. In May 2025, we announced our partnership with PayPay, the largest code payment provider. Japan’s cashless payment ratio is still approximately 40%, and I want to push forward the growth of the cashless payment market through this partnership by increasing the number of users and mer-

chants utilizing the platform. In our asset management business, SMBC, SMBC Nikko Securities, and SMBC Trust Bank will work together to provide their products and services to SMBC’s customers under a one-stop framework to support transition from “savings to asset formation.” In addition, for “digital affluent customers” who usually conduct their transactions online but want to receive in-person consulting from time-to-time, we are planning to work with SBI Securities to provide a new asset management service that combines the convenience of digital transactions with in-person consulting.

In our wholesale business, we will continue developing a framework that allows for expanded risk taking in our medium-sized companies business, an area of strength for SMBC Group, so that our highly-motivated employees can reach their full potential, thereby further expanding our presence in the market. In our business with large corporations, since the launch of SMBC Group we have caught up with our peers, and we will continue to proactively allocate resources to this effort. In our SME business, we will go on the offensive by applying digital technology to build a new business model in a rising interest rate environment. Through “Trunk,” our new comprehensive financial service, we will expand our client base in an efficient manner and secure sticky liquid deposits.

It is important to buckle down and strengthen one’s defense while strategically moving forward each time an opportunity arises.

Capture Dynamic Growth

In our overseas’ business, our priority is to improve profitability. Our immediate goal is to lay down the groundwork for further profitability by reducing low profit assets and reallocating freed-up resources to growth areas with our eye on ten, twenty years into the future.

Asia is the first focus area to which we will strategically allocate resources. We have balanced revenue growth with accumulating high-quality assets in our existing branch network in Asia. Under our Multi-Franchise Strategy, we established India, Indonesia, Vietnam, and the Philippines as the target countries and have been building platforms by investing in local financial institutions. In FY2025, we decided to invest in YES BANK, an Indian commercial bank, as the last missing piece of our Multi-Franchise Strategy. We have not yet been able to realize the anticipated profit from our investments, and the leadership team is engaging in earnest discussions on how to address this. Going forward, we will focus our efforts on improving the profitability of our partnership companies so that they can grow into pillars of SMBC Group’s revenue stream.

Establish a Presence in Global Capital Markets

In terms of capital markets, our other focus area, we are working to strengthen our Corporate & Investment Banking (“CIB”) business. For our organic growth strategy, we established a framework that allows for the integrated management of our primary and secondary markets businesses. We are starting to see synergies in the secondary markets business as a result of our efforts to heighten our market position in the primary markets business. Moreover, I am very confident in our partnership with Jefferies. We have expanded the scope of our collaborations and have built up a track record of successful deals at a steady pace. I believe that this partnership still has much room for growth. We will further accelerate global collaborations by bringing together the strengths of SMBC Group and Jefferies.

As we expect to see large corporations continue their revitalized activities in the domestic market, we will further enhance our proposal capabilities by further integrating the joint operations of SMBC and SMBC Nikko Securities and strengthening our industry research functions. This will allow us to continue meeting our customers’ diverse financial needs.



Introduction	Management Messages	Value Creation Story	Create Social Value / Pursue Economic Value	Rebuild Corporate Infrastructure
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SMBC Group will continue to launch projects leveraging our competitive edges after determining the focus areas where we can apply our strengths while also deepening collaborations with our stakeholders.

Proactively Invest in AI and Human Resources

We have clearly stated that IT investments, especially those in Generative AI, are a Group-wide priority issue. In FY2024, we set an AI investment budget of ¥50 billion. We will use AI and other key technologies to strengthen our business model, comprehensively enhance operational efficiency, and strengthen decision making. We will also secure top class global talent who will support such efforts and develop infrastructure that generates our competitiveness so that we can establish SMBC as an AI-leading Financial Institution. We are mindful of balancing the needs of AI investment and integration for the future, with our continuing commitment to protecting the privacy and security of our customers’ information.

In addition, we will expand investments in human capital. In “Our Mission,” we state: “We create a work environment that encourages and rewards diligent and highly-motivated employees.” In January 2026, SMBC is scheduled to fundamentally revise its personnel system with the goal of better rewarding diligent and highly motivated employees based on their roles and contributions. Employees will plan their own career paths as professionals and choose the optimal workstyle and career path based on their aspirations and lifestyle. While our diversity initiatives have made steady progress with the Japanese government acting as a tailwind, work philosophies and lifestyles continue to diversify, and the private and public sectors must work together to build an environment in

which all workers can select a workstyle based on their goals and values.

Create Social Value

In regard to creating social value, efforts to have all employees involved in such initiatives are generating results with more and more employees starting to take action aimed at solving social issues. SMBC Group will continue to launch projects leveraging our competitive edges after determining the focus areas where we can apply our strengths while also deepening collaborations with our stakeholders.

While fighting climate change remains an urgent issue, close attention is now being paid to how initiatives addressing the issue will impact national and regional industrial policies. This is due to the increasing uncertainty and complexity of the external environment, with a number of European nations starting to take a more pragmatic approach. We have consistently stated that we must balance stable energy supply and carbon reduction while controlling costs. Adopting a more pragmatic approach that considers factors unique to individual countries, regions, and business sectors, along with the development of new technologies and societal collaborations will drive growth in both Japan and worldwide. We will support customers’ sustainability goals in their business models by offering transition finance and taking risks related to new energy and technologies while enhancing our climate change business-related risk management capabilities.

Tireless Efforts to Enhance Corporate Value and Shareholder Returns

Our share price rose due to a significant increase in positive expectations for the banking sector with the return of interest rates and our steadily improving ROE. However, our share price saw a temporary decline during the April volatility as expectations for interest rate hikes fell. It is during times of uncertainty that we must strive to enhance our corporate value by working tirelessly to further improve our ROE and enhancing our PER by producing growth expectations that are not swayed by changes in the business environment.

In FY2024, mainly thanks to a positive business environment in Japan, we were able to grow our core businesses while allocating one-off profits to prepare for the future. While carrying out these measures, we were able to generate record profit for three consecutive years. In addition, in FY2025, we revised our original business plan given material changes to the business environment and set a minimum year-on-year profit growth target of 10% for the final year of the current Medium-Term Management Plan based on “most likely” scenarios at the time.

For our medium- to long-term financial results, given that we achieved our FY2025 8% ROE target announced in May 2024 one-year ahead of schedule, we set an ROE target of 9% to 10% for the final year of the next Medium-Term Management Plan. We will strive to reach profit attributable to owners of parent of ¥2 trillion and ROE of approximately 11% by FY2030.

We will make sure to return the revenue generated by this growth to our shareholders. Our basic capital policy is to achieve a healthy balance between shareholder returns and investment for growth while maintaining financial soundness. Our Common Equity Tier 1 (CET1) ratio target is set at approximately 10%. Dividends remain our principal approach to shareholder returns and we will maintain a progressive dividend policy and 40% dividend payout ratio while realizing an increase in dividend payments by growing bottom-line profit. We will also conduct flexible share buybacks. For FY2025, we announced a buyback program of ¥100 billion in May after increasing our dividend forecast in line with revenue growth and setting aside the required capital for the YES BANK investment. In this uncertain environment, we will carefully determine the capital required for organic growth while nimbly considering additional buybacks. In addition, we will discuss our capital policy for the next Medium-Term Management Plan.

We set a goal to reduce our equity holdings by ¥200 billion over the current Plan’s three years but managed to reach this goal ahead of schedule in FY2024. If we succeed in executing the new five year, ¥600 billion reduction plan, we will be in the final stretch of achieving our overall goal. We accelerated our equity reduction efforts in FY2024 and will strive to maintain this momentum in FY2025.



See “Message from Group CFO” on page 018 for details.

Introduction	Management Messages	Value Creation Story	Create Social Value / Pursue Economic Value	Rebuild Corporate Infrastructure
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In Closing

“The pessimist sees difficulty in every opportunity. The optimist sees opportunity in every difficulty.” These are the words of Sir Winston Churchill, 61st Prime Minister of the United Kingdom. The world is filled with uncertainty as it approaches a historic turning point, but I am an optimist at heart. I firmly believe that SMBC Group will be able to grow and prosper irrespective of the environment.

Our 120,000 talented employees, stationed across 38 countries and regions, are what make my optimism possible. SMBC Group’s strength is our ability to work together to execute, no matter the headwinds, initiatives based on our commitment to giving our best efforts to support customers and society. Since my appointment as Group CEO,

I have been encouraging employees—under the shared slogan “Make a Breakthrough”—to passionately take action and transform SMBC Group into a stronger, better organization.” Each and every one of our employees pursuing new challenges with a strong sense of ownership, combining our diverse strengths together into a scrum so that we can overcome difficulties by supporting each other. I have no doubt that we can break through the confusion and uncertainty to realize a bright future if we all work together. As Group CEO I am committed to standing at the forefront and boldly leading these efforts.

In closing, I would like to ask for the continued support and understanding of all our stakeholders.



MESSAGE FROM GROUP CFO

Regardless of the uncertain environment, we will bring our initiatives to a strong conclusion as we are in the final year of the current Medium-Term Management Plan, and enhance our corporate value in a sustainable manner by balancing ROE improvement and high profit growth.

I became Group CFO and Group CSO in April 2025. Holding both the Group CFO and CSO positions highlights our group's uniqueness. Since financial strategy and operational strategy are inseparable, I will work to further enhance our ROE through the optimal allocation of management resources as Group CFO, while I will work to increase our expected growth rate and PER through the formulation and execution of key strategies as Group CSO.

Kazuyuki Anchi

Group CFO & CSO
Director Senior Managing Executive Officer

Kazuyuki Anchi

Overview of FY2024

FY2024 started off on a positive note with the discontinuation of the negative interest rate regime, the yen's depreciation, rising stock markets, and interest rates in the U.S. remaining elevated. We decided to pursue profit attributable to owners of parent of ¥1 trillion, a historical record for SMBC Group, by accelerating the Medium-Term Management Plan's initiatives and proactively pursuing upside opportunities. We produced positive results in our core businesses with Olive allowing us to expand our domestic customer base while also capturing opportunities arising from the funding needs resulting from revitalized corporate activities. Outside of Japan, we steadily carried out our Multi-Franchise Strategy in Asia and strengthened our CIB business via our collaboration with Jefferies.

We carried out preparations to improve our future profitability with a significant increase in anticipated profit from the sale of equity holdings allowing us to divest low profit assets and fundamentally address the issue of

interest repayment. At the end of FY2024, we set aside provisions in preparation for the impact of the U.S. tariff policy. However, we were able to generate consolidated net business profit of ¥1.7193 trillion, a year-on-year increase of ¥159.1 billion and profit attributable to owners of parent of ¥1.178 trillion, a year-on-year increase of ¥215 billion, both record figures for SMBC Group. We were also able to achieve our ROE target of 8% one year ahead of schedule.

Financial Targets for FY2025

Our FY2025 targets for consolidated net business profit and profit attributable to owners of parent are ¥1.85 trillion and ¥1.3 trillion, respectively. These figures were decided based on extensive discussions by the leadership team which continued right up until we announced our financial results. It goes without saying that these discussions took

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place in a very volatile and uncertain environment following the announcement of the U.S. tariff policy. In addition to revising our assumptions about interest rates, currency exchange rates, and share prices, we carefully analyzed the impact on our business flow. As such, our targets for consolidated net business profit and profit attributable to owners of parent both have a negative ¥100 billion adjustment. While the environment remains uncertain, we will strive to bring our initiatives to a strong conclusion with FY2025 being the final year of the current Medium-Term Management Plan and generate year-on-year profit growth of at least 10%.

If we are able to achieve these targets, we will be able to secure an EPS growth rate of more than 19%, more than 13% if we exclude the gains from the sale of equity holdings, during the current Medium-Term Management Plan. We will increase profit and appropriately control capital as we strive to achieve further growth.

(JPY bn)	Result FY2024	Target FY2025	YoY
Consolidated net business profit	1,719.3	1,850.0	+130.7
Credit cost	344.5	300.0	(44.5)
Ordinary profit	1,719.5	1,800.0	+80.5
Profit attributable to owner of parent	1,178.0	1,300.0	+122.0

Enhancing Corporate Value

We will continue our unwavering efforts to enhance SMBC Group’s corporate value. In addition to continuously improving ROE, we will also increase PER. We will especially pay close attention to generating growth expectations that remain stable despite external factors, as the ratio of growth investors in SMBC Group steadily increases. We will further enhance our PBR by increasing both ROE and PER.

(1) ROE Focused Business Operations

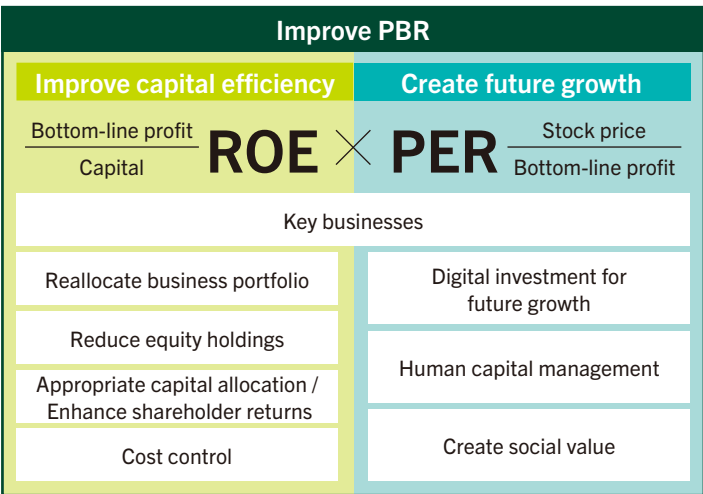
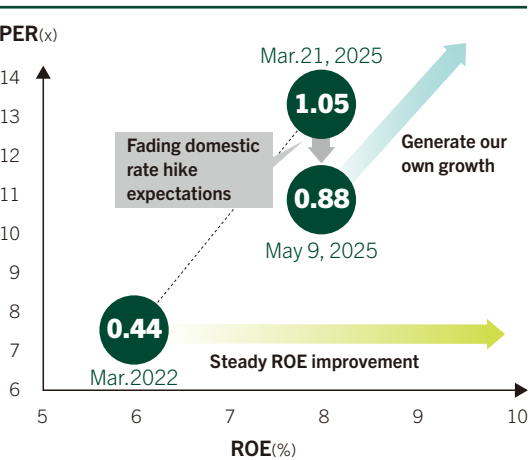
Starting with the current Medium-Term Management Plan, we have set ROE targets and ROE focused business operations are spreading to all parts of our organization. As Group CFO, to further improve ROE through the optimal allocation of capital, I will drive forward efforts to reach an ROE of approximately 9% by accelerating the disposal of low profit assets and the accumulation of high profit assets.

The cornerstone of transforming our business portfolio is the reduction of low profit assets overseas. Our overseas business, while it has driven SMBC Group’s growth with the domestic market suffering from the negative interest rate environment, has at times engaged in projects with low profitability in the pursuit of topline growth. In addition to selling our U.S. freight car leasing business in FY2023, we sold low profit project finance assets at a loss in FY2024. Through such efforts, we were able to reduce RWA by ¥8.4 trillion.

The capital which has been raised through these measures will be allocated to key strategic areas. In the domestic market, our business with large corporations enjoys a high capital efficiency, and we can expect further growth with rising interest rates and revitalized corporate activity. We will capture growth opportunities in this segment while further improving capital efficiency by increasing the number of joint banking-securities personnel to strengthen the bank-securities integration model. We will increase the profitability of our retail business by strengthening our credit card business and the financing of customers’ shopping payments. We will increase the capital efficiency of our overseas CIB business by strengthening the integrated management of our primary and secondary markets businesses. This will enhance our underwriting capability and expand our products, improving capital efficiency without relying on assets.

Furthermore, cost control is critical to increasing ROE. By reforming our domestic banking branches, streamlining shared Group functions, and other cost efficiency measures, we were able to reduce costs by ¥95 billion over the past two years. Through such efforts, we plan to keep net base expenses flat over the Medium-Term Management Plan. At the same time, we will allocate the necessary investments and expenses for future growth to accelerate profit growth.

Improve PBR



(2) Enhancing Our Expected Growth Rate and Controlling Capital Cost

In regard to enhancing our expected growth rate, a key component of PER, we will focus on businesses where we can expect medium-to long-term growth, and carefully explain the progress and results of our respective initiatives and profit level goals to investors.

We are differentiating ourselves from our competitors in our domestic business by winning opportunities arising from increasing domestic interest rates. In our retail business, the number of Olive accounts has exceeded 5.7 million and the growth rate of account balances is high, even when compared to our competitors. As a result, our Olive business became profitable in FY2024, one year ahead of schedule. We expect Olive to have earnings contribution of ¥80 billion by FY2028. We are also working with external partners to further enhance the convenience of Olive. I believe our partnership with PayPay will allow us to further grow our customer base by expanding the cashless payment market. Our partnership with SBI Securities will allow us to strengthen our asset management business targeting “digital affluent customers.”

In our wholesale business we launched “Trunk,” a new comprehensive financial service targeting SMEs. We will strengthen profitability in a world with interest rates by using digital technology to expand our client base in an efficient manner and obtaining sticky deposits.

In our overseas business, we will accelerate efforts to generate profit via our Multi-Franchise Strategy. Even though Japan has started its regrowth, we must capture Asia’s growth in order to realize a higher growth rate. However, we are well aware that our Multi-Franchise Strategy has yet to produce the anticipated financial results. Looking back, I believe one of the reasons for this issue is that our involvement in the management of our partner firms was insufficient. SMBC Group will transition to a more hands-on framework where we are more deeply involved from the planning stage of business strategies and financial goals, allowing us to manage our investees more closely. In addition, we are carrying out reforms that entail a degree of pain for our Vietnam investees. For example, changing the local leadership team and implementing stricter credit standards, to make a swift catch up to growth trend. We have especially high expectations for India’s growth and were excited to

announce our 20% investment in YES BANK. While an opportunity for a foreign financial institution to invest in an Indian commercial bank is limited, I believe that we conducted a very persistent and disciplined price negotiation. We will support YES BANK’s growth while also pursuing synergies. In addition, our CIB business still has much growth potential. We have worked on more than 250 deals with Jefferies. We will establish a partnership model that brings together the strengths of SMBC Group and Jefferies and expand our collaborations to include all of our business regions.

With regard to capital cost, in order to bring it below 8% we will rebuild our corporate infrastructure, create social value, and expand our information disclosure, including non-financial information. I would like to stress that the development of a stable IT system and the promotion of human capital investments are key components to rebuilding our corporate infrastructure.

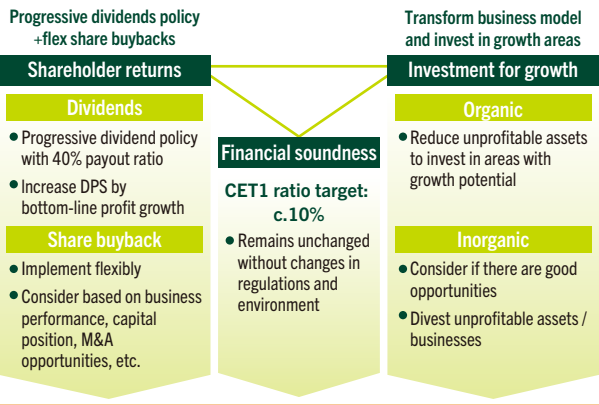
The importance of IT investment continues to increase. We will strengthen profitability through investments in Olive, Trunk, and other growth initiatives while investing in corporate infrastructure to enhance cybersecurity and governance. We increased the three-year IT investment budget of the Medium-Term Management Plan from ¥650 billion to ¥800 billion while also establishing an investment budget for Generative AI. We are seeing a number of AI use cases. Based on the understanding that AI will continue to spread, we should not only use it to enhance operational efficiency, but also adopt AI as a core pillar to transform our business model. I want to develop the necessary infrastructure and change employees’ mindsets so that we can establish SMBC Group as an AI-leading Financial Institution.

Investments in human capital for FY2025 at SMBC are expected to increase by 8% on a year-on-year basis. We will maximize our talent level by allocating resources to growth areas and securing personnel with the necessary expertise. In January 2026, SMBC is scheduled to fundamentally revise its personnel system. One of the key points is “Performance-Based”, which means we intend to break away from the seniority-based system and reward employees based on their roles and contributions. We must realize the statement in Our Mission: “We create a work environment that encourages and rewards diligent and highly motivated employees.”

Capital Policy

Basic Capital Policy

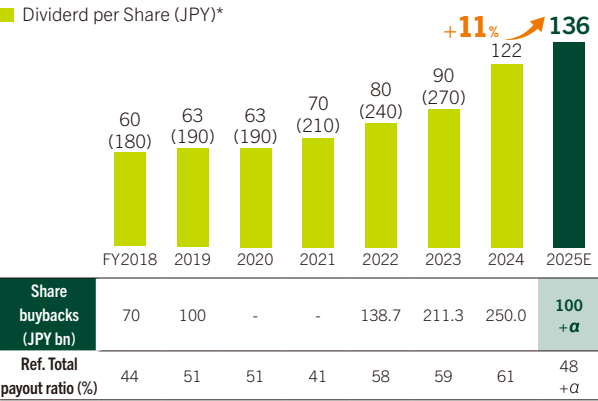
We will balance shareholder returns and investment for growth while maintaining financial soundness. Our CET1 ratio target, an indicator of financial soundness, has been set at approximately 10%. This figure has been calculated taking into account the full implementation of Basel III reforms and excludes net unrealized gains on other securities. Achieving a 10% CET1 ratio will provide us with a buffer of 2% which allows us to maintain the required 8% ratio under a variety of stress scenarios. Our CET1 ratio was 10.2% as of the end of March 2025, well within our target range. We will continue to allocate our capital in a flexible and effective manner while firmly keeping in mind our goal to improve ROE.



Growth with Quality

Enhancing Shareholder Returns

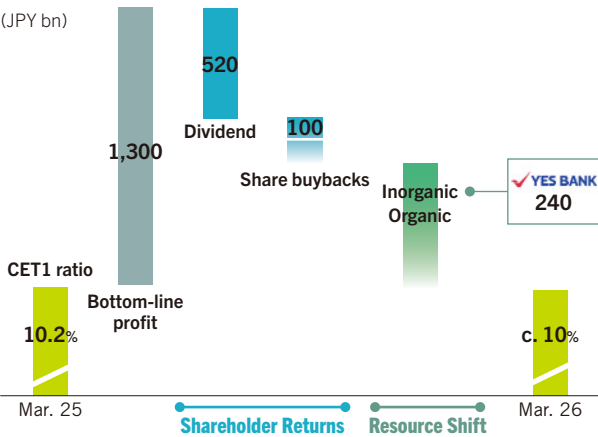
Dividends remain our principal approach to shareholder returns, and we will continue to pursue a progressive dividend policy, which is to increase, or at least maintain, dividend payments. We will maintain a dividend payout ratio of 40% and increase our dividend payout by growing our bottom-line profit. We raised our FY2024 dividend to ¥122 per share taking into consideration higher than expected final profit. Our dividend forecast for FY2025 is ¥136 per share, a year-on-year increase of ¥14. In May 2025, we announced a buyback program of ¥100 billion. We will consider additional buybacks during the fiscal year based on our progress towards our financial targets, the status of our capital, investment for growth opportunities, SMBC Group's share price, and other key factors.



* Amount adjusted retrospectively, based on the stock split (3-for-1) implemented on October 1, 2024 (rounded to the nearest whole number). The figures in parentheses indicate the DPS before split.

Investment for Growth

For investment for growth, we will pay careful attention to capital efficiency and focus on allocating assets to strategic areas which we expect to undergo high levels of growth. In our organic strategy, we will work to meet the robust demand for capital in domestic markets that is being driven by the Japan's regrowth. There is no change in our inorganic strategy's two investment targets: "Investments with high capital/asset efficiencies" and "Investments that contribute to the creation of a business platform to realize medium- to long-term growth." In Asia, we obtained a key piece to our Multi-Franchise Strategy with our investment in YES BANK. Going forward, we might consider increasing existing ownership or bolt-on investments, but have no plans to expand our target countries or invest in new businesses. Our focus will be on improving the profitability of our existing investments.



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Reducing Equity Holdings

Last November, we announced a plan to reduce equity holdings by ¥600 billion over a five-year period. In FY2024, we were able to complete a reduction of ¥185 billion, a reduction rate that was much higher than planned. While there is an increased risk that negotiations to reduce equity holdings will encounter difficulties with the uncertain business environment, we are committed to reducing our equity holdings by a minimum of ¥120 billion in FY2025.

We will continue our reduction efforts so that we can reduce the market value of equity holdings to consolidated net assets ratio to below 20% during the next Medium-Term Management Plan.

Financial Results to Achieve by 2030

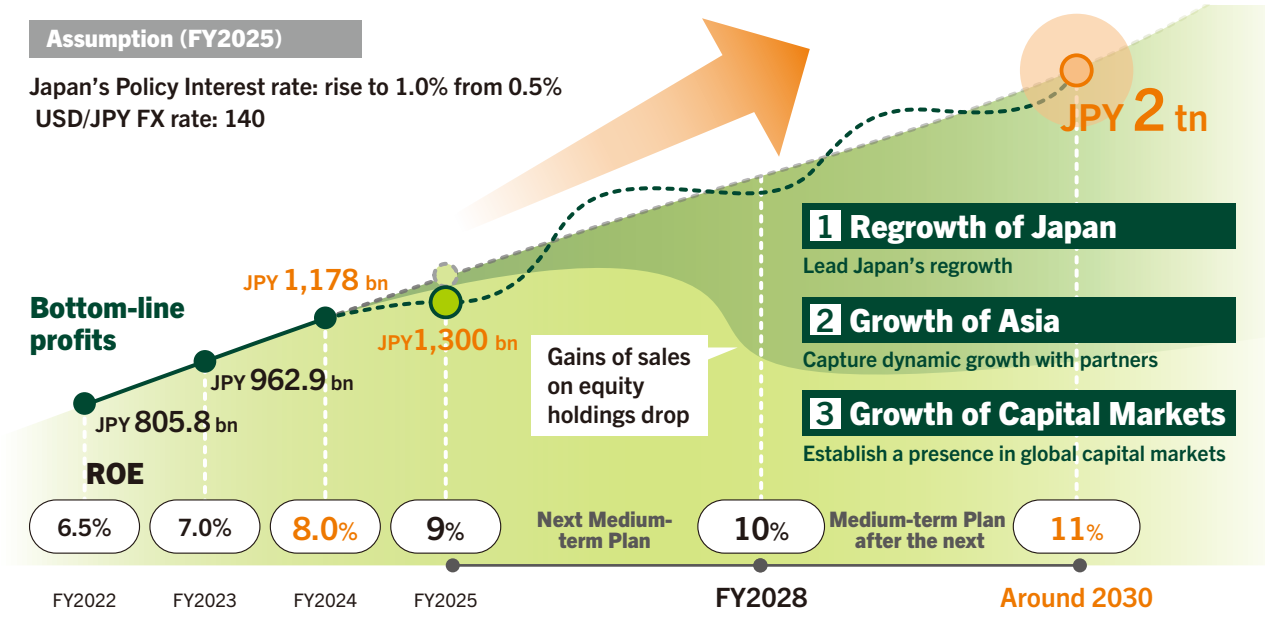
In May 2024, we announced that we would reach an ROE of 8% during FY2025 and 9% during the next Medium-Term Management Plan. As we reached our 8% ROE target one year ahead of schedule, we updated our goals and will strive to reach an ROE of 10% during the next Medium-Term Management Plan and 11% with profit attributable to owners of parent of ¥2 trillion in the Medium-Term Management Plan that will launch in FY2029. We are currently engaging in discussions regarding the next Medi-

um-Term Management Plan, and we have come to the conclusion that we will focus our growth efforts on three key areas: Japan, Asia, and Capital Markets. We will spend this year adding details and depth to the Plan so that we are able to realize sustainable growth.

Communicating with Stakeholders

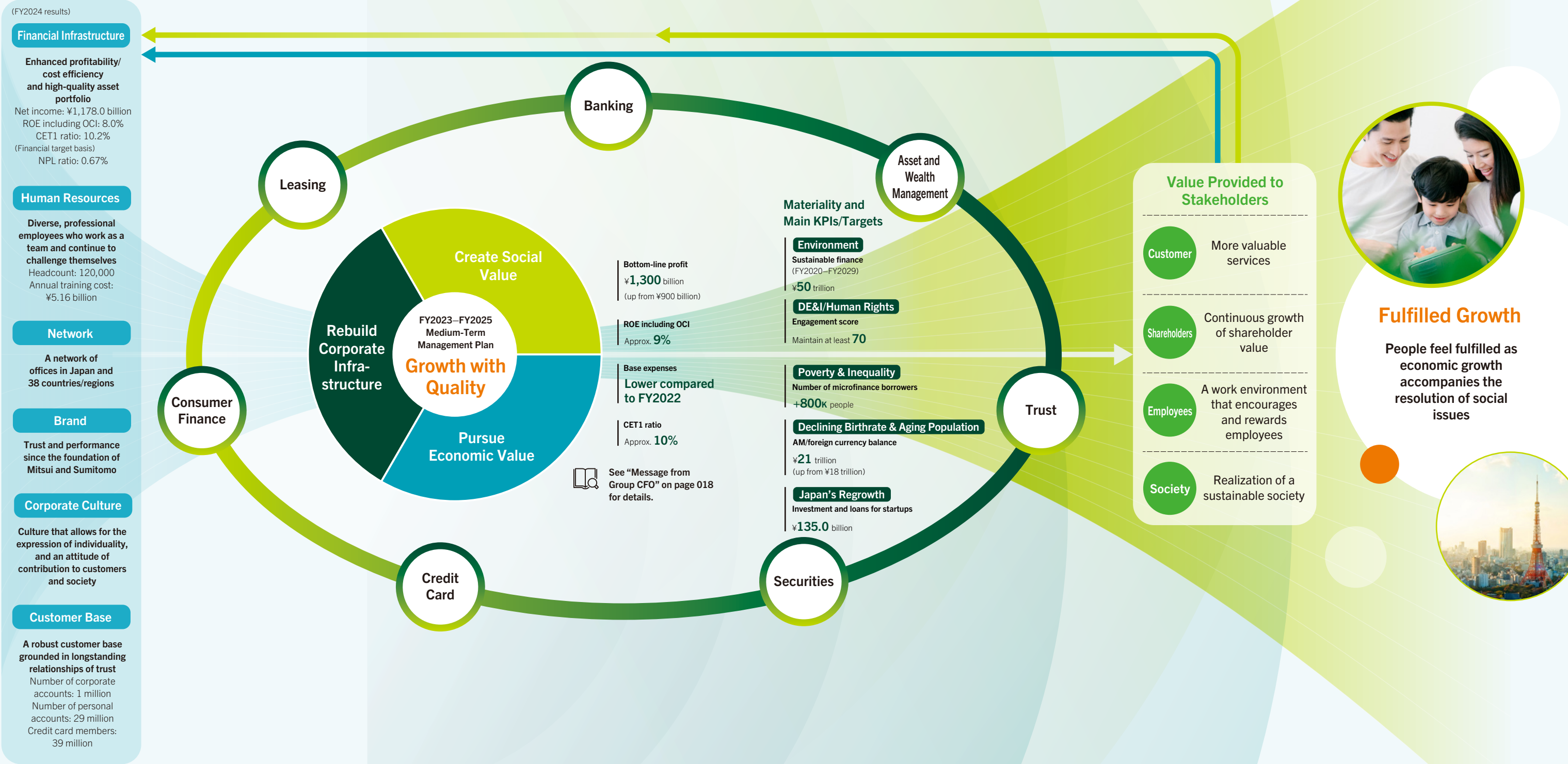
In FY2024, SMBC Group was selected for the "Award for Excellence in Corporate Disclosure" in the banking category by the Securities Analysts Association of Japan. I am delighted that we were chosen to receive this award. As the uncertain environment continues, SMBC Group will engage in the timely and easy-to-understand disclosure of topics in which stakeholders have a high interest.

Our new Medium-Term Management Plan will launch in FY2026. Engaging in constructive discussions with investors and other stakeholders is an important mission and also offers valuable learning opportunities for me as Group CFO. The feedback we receive is shared with the Board of Directors and the leadership team. The new Medium-Term Management Plan will reflect this feedback to ensure the sustainable growth of SMBC Group.



SMBC Group's Value Creation Process

Leveraging our strengths developed over many years, SMBC Group is committed to solving social issues by providing solutions that meet customer needs through our industry-leading companies. We will return social and economic value created through business activities to stakeholders and contribute to the realization of Fulfilled Growth.



Group Structure

SMBC Group is a global financial group that develops operations in a wide range of fields, including banking, leasing, securities, credit cards, and consumer finance. Serving as the holding company, Sumitomo Mitsui Financial Group has established four Business Units to draft and implement Groupwide strategies for each customer segment. At the Head Office, we have clarified the managers responsible for each type of management and planning task under the Group CxO system, and are taking steps to share management resources and optimize the allocation of resources on a Group-wide basis.

		Business Units			
		Retail	Wholesale	Global	Global Market
Banking	Sumitomo Mitsui Banking Corporation				
	SMBC Trust Bank				
Leasing	Sumitomo Mitsui Finance and Leasing				
Securities	SMBC Nikko Securities				
Credit Cards and Consumer Finance	Sumitomo Mitsui Card Company				
	SMBC Consumer Finance				
Other Income (expenses)	Japan Research Institute				
	Sumitomo Mitsui DS Asset Management				
Head Office (Group CxO System)		CFO Chief Financial Officer	CSO Chief Strategy Officer	CRO Chief Risk Officer	CCO Chief Compliance Officer
		CHRO Chief Human Resources Officer	CIO Chief Information Officer	CISO Chief Information Security Officer	CDAO Chief Data and Analytics Officer
		CDIO Chief Digital Innovation Officer	CSuO Chief Sustainability Officer	CAE Chief Audit Executive	

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Communication with Stakeholders

SMBC Group will provide greater value to society and build relationships with various stakeholders (“Customers,” “Shareholders and the markets,” “Employees,” and “Society”).

Customer

Value We Provide
More valuable services

We promote business from customer’s perspectives under “Customer First,” one of our “Five Values” which represent the core values we share with all SMBC Group employees.

See page 106 for more information on our customer-oriented initiatives.

- “Olive,” integrated financial service for retail customers, won the Grand Prize in the Customer Experience (CX) Category at the Japan DX Awards 2024, organized by the Japan DX Awards Executive Committee
- Launched “Trunk,” a digital comprehensive financial service centered on corporate online accounts and business cards

See page 066 for more information on “Olive” and page 071 for more information on “Trunk”.

Shareholders and the Markets

Value We Provide
Continuous growth of shareholder value

With fair disclosure as a given, we strive to accurately disclose information on our management strategy and financial situation through investor meetings, one-on-one sessions, and other means.

- Actively reflect feedback obtained through engagement with shareholders and the markets in our management strategies and information disclosure
- Selected as the best company in 2024 Award for Excellence in Corporate Disclosure organized by the Securities Analysts Association of Japan in the banking category

Activities (FY2024)

General meeting of shareholders	Participants: 1,240*
IR meetings for institutional investors and analysts	13 meetings
One-on-one meetings with institutional investors and analysts	625 meetings
Of which, implemented by managements	168 meetings
Of which foreign investors	443 meetings
Of which SR interviews	19 meetings
Conferences held by securities companies	7 conferences
Large meetings for individual investors	2 meetings

* Including 770 viewers of simultaneous Internet broadcast

Employees

Value We Provide
A work environment that encourages and rewards employees

To enable each of our diverse employees, who serve as the foundation of SMBC Group, to thrive, we are working to share values with our employees while fostering a supportive environment and cultivating an organizational culture in which employees are encouraged to take on challenges.

- To enhance employees’ mindset of participation in management, we establish varied opportunities for dialogues with top management through events, such as seminars, using our in-house SNS, and other means
- Human capital investment at Sumitomo Mitsui Banking Corporation in FY2025: +8% year on year



We regularly present information on the work that the Group CEO is performing through our in-house SNS

See page 036 for more information on human resource strategies.

Society

Value We Provide
Realization of a sustainable society

Positioning Create Social Value as a pillar of management, we are making efforts to resolve our five materialities from a medium- to long-term perspective.

- Established the Sustainability Division for Fulfilled Growth in April 2024, creating a cross-organizational promotion structure
- Held “Shaka-kachi Day,” an event designed to encourage employees to independently reflect on and take action toward creating social value



“Shaka-kachi DAY” Charity run and walking event

See page 046 for more information on Create Social Value.

Materiality

SMBC Group has selected five priority issues (materialities) to be proactively addressed: “Environment,” “DE&I/Human Rights,” “Poverty & Inequality,” “Declining Birthrate & Aging Population,” and “Japan’s Regrowth.” We are also promoting initiatives toward the creation of social value under ten goals along with key performance indicators (KPIs).

Materiality identification process

1 Identification of social issues to be addressed

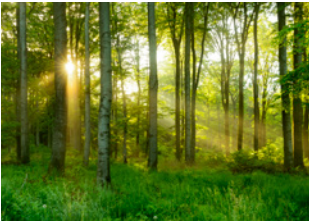
We identified social issues with the potential to have a significant impact on SMBC Group and society, based on our top risks and past efforts to resolve social issues as well as global issues and efforts by Japan’s government.

2 Discussion and examination

Approximately 20,000 employees in Japan and overseas responded to a questionnaire survey on social issues on which SMBC Group should focus. In addition to Management Committee meetings, DE&I Committee meetings, and other meetings on the executive side, discussions were held in Board of Directors meetings and Sustainability Committee meetings on the supervisory side. We selected five materialities and ten goals based on the results of the employee survey and on opinions from both the supervisory and executive sides (including the opinions of external committee members).

3 Institutional decisions

We added KPIs associated with our materialities and targets, with decisions made by the Board of Directors following deliberation by the Management Committee.

Materiality		10 goals	Medium-Term Management Plan key performance indicators (KPIs)		FY2024 results	Directions for action
Environment		Support transition to achieve a decarbonized society	Sustainable finance ¥50 trillion (FY2020–FY2029)		¥34 trillion	- Promoting environmental protection through an integrated approach to climate change, natural capital, and circular economy - Contributing to the realization of a decarbonized society by facilitating the flow of funds to initiatives supporting the transition and to investments in new energy and new technologies - Continuing appropriate climate-related risk management from the perspectives of policies, portfolios, individual companies and projects
		Contribute to the conservation and the restoration of natural capital				
DE&I/ Human Rights		Realize a workplace where employees enjoy high job satisfaction	Engagement score Maintain at least 70		74	- Creating a workplace where diverse employees respect each other and can fully demonstrate their abilities and individuality - Supporting the management of human capital not only for SMBC Group, but also for our customers - As an industrial hub, establishing a framework to respect the human rights of our stakeholders
		Respect for human rights throughout the supply chain				
Poverty & Inequality		Break the cycle of poverty and inequality for the next generation	Number of microfinance borrowers +800,000 people (compared to FY2022)		(234,000) people*	- Creating a society where people can thrive regardless of their backgrounds by providing opportunities for learning and challenges - Contributing to the elimination of absolute poverty with a focus on micro finance, as a company promoting a Multi-Franchise Strategy
		Contribute to financial inclusion in developing countries				
Declining Birthrate & Aging Population		Relieve anxiety about the 100-year life era	AM/foreign currency balance ¥21 trillion		¥19 trillion	- Eliminating the various anxieties about the era of 100-year life by providing a diverse range of products and services - Building a base to enable access to highly convenient financial services regardless of age or region by leveraging digital technology
		Build user-friendly infrastructure to support a society with a declining population				
Japan’s Regrowth		Support customers’ business model transformation	Investment and loans for startups ¥135 billion		¥185 billion	- Contributing to the development of Japan through resolving corporate issues and providing growth support as a proud Japanese megabank - Promoting Japan’s growth by taking on challenges beyond the boundaries of financial institution, such as supporting new industries and the next generation
		Create innovation and foster new industries				

* While new credit extensions were restrained due to the deterioration in the credit condition of the loan portfolio, the balance decreased as repayments progressed.

Roundtable Discussion with Outside Directors

Build Corporate Value with “Create Social Value” and “Pursue Economic Value” as the Key Pillars

Kazuyuki Anchi
Group CFO & CSO
Director and
Senior Managing Executive Officer

×

Eriko Sakurai
Outside Director
(Retired in June 2025)

×

Jenifer Rogers
Outside Director



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Anchi : SMBC Group is working to enhance corporate value through the current Medium-Term Management Plan, which entered its final phase in FY2025, with two pillars of “Create Social Value” and “Pursue Economic Value”. I would like to ask for your frank opinions regarding these two themes as outside directors whose responsibilities include the supervision of the leadership team. First, I would like to ask for Ms. Eriko Sakurai, who also is Chairperson of the Sustainability Committee, for her views regarding “Create Social Value.”

Sakurai : First, I will talk about the sustainability-related initiatives that SMBC Group has engaged in over the past few years. The Sustainability Committee was established in 2021. The Board of Directors engaged in repeated discussions during 2020 regarding the establishment of the Sustainability Committee as an internal committee. I believe that it was extremely valuable that we were able to hold fundamental discussions on how we can enhance SMBC Group’s sustainability and how SMBC can contribute to the realization of a sustainable society, including those on the executive side.

In 2023, we incorporated “Create Social Value” into the Medium-Term Management Plan and highlighted this goal. During this process, I asked the executive side to ensure that every SMBC Group employee engages in their duties with “Create Social Value” firmly in mind. However, during the first year of the current Medium-Term Management Plan, we received comments such as: “I believe creating social value is important, but I don’t know what I can do for it” from employee surveys. As such, we established “Full Participation” as our slogan and encouraged all employees to take action. This slogan has led to our employees engaging in meaningful initiatives such as correcting educational inequality and experience gaps. In addition, we received a lot of positive feedback from society.

Anchi : Over the past one to two years, disparities have appeared between countries and regions regarding sustainability-related efforts, and uncertainty about the future of sustainably is increasing. Given such a backdrop, what actions do you think are necessary?

Sakurai : We cannot deny that views and trends regarding climate change and DE&I initiatives are changing. However, I recognize that the general direction of SMBC Group’s initiatives will not undergo a material change. SMBC Group has selected five priority issues (materialities): “Environment,” DE&I/Human Rights,” “Poverty & Inequality,” “Declining Birthrate & Aging Population,” and “Japan’s Regrowth.” In regard to reducing carbon impact, SMBC Group’s mother market, Japan, has very limited energy resources. As such, green innovation not only benefits the environment, but it is also a key part of our efforts for “Japan’s Regrowth.”

In addition, if we consider the fundamental concept behind DE&I, we can see that it means creating an environment where all individuals can take an active role with a sense of purpose. Japan, in particular, is facing social challenges such as limited opportunities for women’s advancement and a lag in internationalization compared to other countries. SMBC Group must take action to address such issues. A workplace that supports the success of female employees is also a workplace which male employees will find comfortable to work in, and it is only logical that we all work to realize such an environment. I am proactively providing input via Board of Directors meetings and the Sustainability Committee regarding SMBC Group’s personnel initiatives. For example, SMBC Group recently introduced alumni hiring, which is common overseas. I hope SMBC Group continues with these efforts as I believe that the essence of DE&I is developing a workplace where a diverse human resources can play an active role with a variety of ideas, knowledge, and backgrounds.

Roundtable Discussion with Outside Directors



Rogers : Various discussions on sustainability initiatives, including what Ms. Sakurai just mentioned, are taking place at Board of Directors meetings, Sustainability Committee meetings, and Risk Committee meetings. We actively exchange opinions while incorporating the views and opinions of subject experts at Sustainability Committee meetings. For example, as outside directors , Mr. Charles D. Lake II and I are able to bring our perspectives on trends in the U.S. into board and other discussions, including regulatory and legal developments and concerns, by proactively communicating our respective viewpoints, to ensure they are reflected in discussions with the leadership team on SMFG’s various initiatives, including climate change and DE&I.

I share Ms. Sakurai’s view that there is no material change in the general direction of measures regarding climate change and DE&I. In fact, I believe that energy transition measures are increasing in importance. Given such an environment, I expect the Transition Finance Playbook released by SMBC Group in 2023 to play an even larger role.

The world is becoming extremely complex, but there is no change to the need for SMBC Group to address the fundamental question of how it can best contribute to society. I believe the mindset around our Materiality is correct. Having said that we must continue discussions based on various views at Board of Directors meetings given the need to address changes to our environment. I will pay special attention to providing guidance regarding risk mitigation given my background as a lawyer.

“
I felt it was very meaningful that we were able to update our financial targets for around 2030 in response to such input.
”
——— **Jenifer Rogers**

Anchi : Ms. Rogers brought up the matter of risk, and the executive side’s viewpoint often focuses on opportunity rather than risk mitigation. It is important that initiatives are carried out while balancing risk and opportunity, so we would be grateful to continuously receive a variety of feedback.

Next, I would like to move on to “Pursue Economic Value.” In May 2025, SMBC Group announced “The Medium-Term Financial Goal” and set a target of achieving bottom-line profit of ¥ 2 trillion and an ROE of 11% by around 2030. In the past, SMBC Group has set rather conservative financial targets, and we have received feedback from many investors stating that we should be setting more challenging ones. Taking into consideration such views, we revised our targets for “the medium-term financial goal” based on “most likely” scenarios. Please share your views regarding these goals.

Rogers : I’ve also stated in the past that SMBC Group’s earnings outlook and goal setting are too conservative. Furthermore, when setting “the medium-term financial goal,” I’ve commentated that SMBC Group needs to adopt a greater sense of speed if we are to become a global solution provider, and that SMBC Group is too cautious towards growth. I felt it was very meaningful that we were able to update our financial targets for around 2030 in response to such input. In times like these, when our stakeholders are having concerns as we face U.S. tariffs and other uncontrollable factors, SMBC Group must clearly

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communicate our goals. I also agree with pursuing growth in the following three areas: “Lead Japan’s Regrowth,” “Capture Dynamic Growth with Partners,” and “Establish a Presence in Global Capital Markets.”

Furthermore, how we can differentiate ourselves from our competitors will become crucial as we strive to realize sustainable growth. For example, SMBC Group has set robust goals in its investment strategies regarding AI and other digital technologies, increasing the current Medium-Term Management Plan’s IT investment budget to ¥ 800 billion. In the domestic market, SMBC Group released Olive, a comprehensive financial service for retail clients, and Trunk, for corporate clients. I believe that we can leverage digital technology to generate successful businesses opportunities with both retail customers and SME clients. SMBC Group is emphasizing AI investments and has established an AI investment budget of ¥ 50 billion, including the period of the next Medium-Term Management Plan. I will support SMBC Group’s efforts to become an AI-leading Financial Institution, while balancing risk and opportunity, mindful that AI can involve legal and regulatory risks particular to financial institutions.

In regard to the execution of SMBC Group’s inorganic strategy, the investment in YES BANK, an Indian commercial bank, was announced in FY2025. Among our Multi-Franchise Strategy, India has much growth potential, and we are paying particularly close attention to the country. This investment has a low PBR and was agreed without an excessive premium. We also recognize that the Indian commercial banking business is the last missing piece for our Multi-Franchise Strategy and is very important to SMBC Group. When considering this project, we engaged in detailed discussions regarding whether the deal aligned with SMBC Group’s strategy while also carefully determining the return on investment. However, in light of lessons learned from past investments, we must implement a follow-up framework that will allow us to check and monitor the status of these investments to properly evaluate capital efficiency.

Sakurai : As Ms. Rogers has just stated, SMBC Group has engaged in various investments, but they have not always produced the anticipated results with some deals resulting in impairments. To better analyze and evaluate growth investments, outside directors are provided with opportunities to attend lectures by experts on the macroeconomic conditions of potential investment countries. We also receive detailed explanations of growth strategies for each business segment. Furthermore, human resources are also important. We maintain regular contact with local management of our Group and support the development of talent in Japan who can manage our investees. Through these measures, we aim to support important decision-making while enhancing our own ability to assess the value of investment projects. Regarding Post-Merger Integration (PMI), we have opportunities to monitor progress in specific areas and receive periodic reports on our overall Multi-Franchise Strategy portfolio.

Anchi : Please allow me to add the perspective of the executive side. Impairments indicate that the initially anticipated synergies were not realized, reflecting the fact that our approach to PMI was inadequate. Previously, the teams who considered investments and those responsible for executing PMI were separate, but a few years ago, we shifted to a structure where the teams considering the investment directly conduct PMI on-site. Additionally, we have transitioned from the earlier approach, where head office used to assess the business plans reported by investees, to a more hands-on approach where we engage directly on-site, observe the market, and formulate business plans together. We take the impairments on our investments in Indonesia and Vietnam very seriously. In response, the leadership team is committed to emphasizing not only the application of stricter discipline at the entry stage of investments, but also to making significant improvements to PMI by engaging more thoroughly on-site with the appropriate local counterparties.

Roundtable Discussion with Outside Directors

“
In order for SMBC Group to maximize its corporate value, we must enhance our capabilities concerning, “Global”, “Digital”, and “Human Resources.”
”
————— **Eriko Sakurai**

Anchi : To bring this year’s roundtable to a close, I would like to ask for an overall assessment, including of our efforts to pursue social value and economic value. Ms. Sakurai has spent ten years as an SMBC Group outside director. Could you share with us your thoughts about how SMBC Group has changed or what issues we face going forward.

Sakurai : Looking back over the past ten years, I strongly feel both SMBC Group and society have undergone significant change. For example, ten years ago the Board of Directors’s agenda was focused almost exclusively on domestic topics. The globalization of SMBC Group has made much progress as Board of Directors meetings now cover topics regarding numerous regions and countries.

Looking back on my tenure as an outside director, I believe that there were main three themes. The first theme, a theme which I just talked about, is “Global.” The second is “Digital” and this theme is linked in some way to all of our projects, deals, and initiatives. Ten years ago, while AI was mentioned in Board of Directors meetings, the concept was still somewhat futuristic. The third theme is “Human Resources,” a theme which I have consistently placed great focus on. Reaching one’s potential is greatly impacted by an individual’s motivation and the expectations of colleagues. This is something I strongly feel when I see SMBC Group employees nowadays.

In order for SMBC Group to maximize its corporate value, we must enhance our capabilities concerning these



three themes. I have engaged in various discussions over the past ten years based on this mindset. I sincerely hope my efforts have helped SMBC Group increase its corporate value. My role as an outside director will come to an end, but I will continue to keep an eye on and support SMBC Group.

Anchi : Ms. Rogers joined SMBC Group as an outside director at the time of the current Medium-Term Management Plan’s launch. Could you please share with us your thoughts for the past two years while also talking about any points you would like to focus on going forward.

Rogers : Our PBR has improved to approximately one, a huge step forward for SMBC Group with investor interest in the Group shifting from value to growth. The achievement of the goals established under the Medium-Term Management Plan are in sight. However, in terms of “Differentiation,” a point we discussed earlier, I hope to see further efforts.

From a supervisory perspective, global governance is a key theme. I had the opportunity to visit our offices in New York with Ms. Sakurai. This trip provided me with the opportunity to confirm the supervisory functions of the US Board of Directors and meet with a number of local business leaders. In addition to fulfilling my supervisory duties as an outside director through such activities, I believe that speaking with talented personnel from around the world

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concerning a diverse range of topics is an important part of efforts to globalize SMBC Group. Furthermore, as we strengthen collaborations with YES BANK, Jefferies, and other new partners, outside directors must execute their supervisory responsibilities from a variety of standpoints, including how to address differences in local customs. A key issue is how to measure risk-return. As we have booked impairments for our investments in Vietnam, we must not only focus on growth investments. We must strengthen post-investment follow-ups by accurately evaluating risk-return from a discipline standpoint.

I appreciate the term Integrity from SMBC Group’s Five Values. It is vital to develop a corporate culture that values compliance, and SMBC Group is undertaking various efforts to prevent fraud and other incidents, as a matter of course. It is also vital that each and every one of our employees uphold “Integrity” as they work to expand our business in compliance with all rules and regulations. We need to use employee surveys and other tools to confirm if such a corporate culture is being integrated effectively throughout SMBC Group.

Anchi : Group-based global governance is going to become more and more important. In addition to currently

serving as a Director at Sumitomo Mitsui Banking Corporation, SMBC Nikko Securities, Sumitomo Mitsui Finance and Leasing, and SMBC Trust Bank, I participate as required at Board of Directors meetings held by our US and European entities and communicate Groupwide policies and important matters for consideration. In addition, ensuring the alignment of strategies on a global basis will become ever more important, so I will make even greater efforts to ensure that the contents of discussions that take place in the local Board of Directors meetings I just mentioned are properly communicated to Tokyo leadership.

As Ms. Sakurai mentioned, “Human Resources” is an important theme for SMBC Group, so in closing I would like to quickly touch upon the revised personnel system which is scheduled to launch in January 2026. At SMBC Group’s investor meetings, we have discussions regarding how we are moving towards a performance-based system and discontinuing the current seniority-based system. Our overseas investors often question why we are discussing such obvious improvements. I am committed to pushing forward the globalization of SMBC Group so that items not currently considered ordinary become commonplace. I want to thank the both of you for taking the time to share your valuable input with us today.



“
Group-based global governance is going to become more and more important.
”
————— **Kazuyuki Anchi**

 This article refers to panel discussions, etc. which were held in “Efforts for Social Value Creation in SMBC Group” in May 2025. For details, please refer to our website. <https://www.smfg.co.jp/investor/financial/presentation.html>

Human Resource Strategies



Empowering individuals to be resilient and strong.
Becoming a power for society.

People are our most valuable asset

To ensure that SMBC Group becomes indispensable to our customers and society, it is of utmost importance that each and every employee continues to take on challenges and achieve personal growth. People are our greatest asset and the source of our competitiveness.

Today, SMBC Group is home to 120,000 diverse employees, we truly take pride in their individual strengths. These strengths lie in the dedication and passion each person brings to their work, along with a relentless commitment to thinking through how they can best contribute to customers and society. Each person also reflects an attitude of valuing colleagues, fulfilling one’s responsibilities with a strong sense of accountability, and having the drive to boldly confront difficulties. These shared values have been passed down from our predecessors and form a part of our Group DNA.

In FY2023, we established the “SMBC Group Talent Policy” (“Talent Policy”) which clarifies our vision.

Building a mutual choice-based relationship through human capital management

To continue creating added value as a company chosen by customers and society, and to achieve sustained growth into the future, it is essential that we pursue the ideals set out in the Talent Policy and foster a virtuous cycle in which both the company and our employees maintain a mutual choice-based relationship. The Talent Policy serves as our “human resource compass,” forming the foundation of the various initiatives laid out in our current Medium-Term Management Plan.

In FY2025, we introduced Talent Policy Scores, which are our own unique indicators. These indicators allow us to visualize the extent to which our Talent Policy vision is being realized and to monitor progress. Moving forward, while aligning with management strategies such as the Medium-Term Management Plan, we will update initiatives based on the level of progress achieved.

As Group CHRO, I will position our Talent Policy as the foundation underlying our human resources measures, and will maximize our human resource capabilities to achieve the creation of social value and pursuit of economic value set forth in our management strategy.

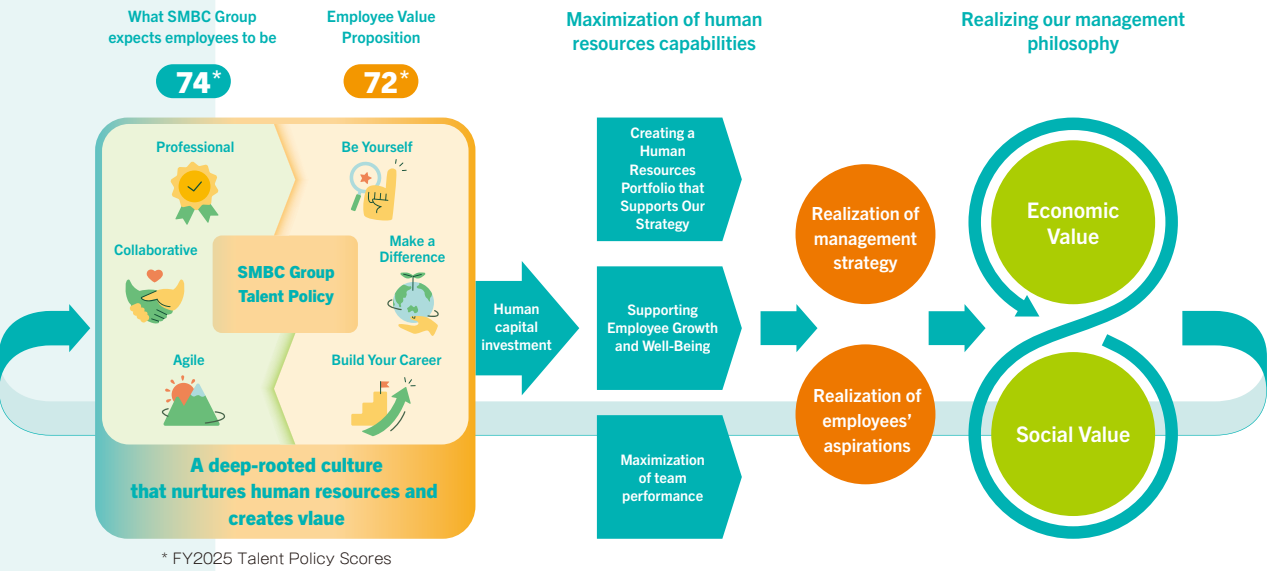
Thoughts on the revision of SMBC’s personnel system

At Sumitomo Mitsui Banking Corporation, we are aiming to further embody our Talent Policy through the revision of our personnel system, which is scheduled for January 2026. Through this revision, we seek to break away from legacy practices such as seniority-based systems and establish an environment that promotes challenges and draws out individual strengths by enabling employees to pursue professional careers by implementing thorough evaluations based on roles, actions, and contributions.

Through this revision, we are committed to ensuring that each and every employee of SMBC Group embodies a strong sense of professionalism and pride, continuously embracing challenges and driving growth. In doing so, we will remain an indispensable presence for our customers and society. As Group CHRO, I hereby express my unwavering commitment to maximizing the potential of our human capital to drive the evolution of the entire Group.

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The SMBC Group Human Capital Management Model



Talent Policy Scores

SMBC Group has newly introduced Talent Policy Scores as quantitative indicators to assess the degree to which the Talent Policy is being realized. These indicators allow us to visualize the virtuous cycle between what we expect employees to be and our value proposition to employees, two pillars that form the foundation of the SMBC Group Human Capital Management Model. The score is calculated by combining results from various items of the Engagement Survey, with a benchmark set at 70 or higher, aligned with our overall engagement score KPI.

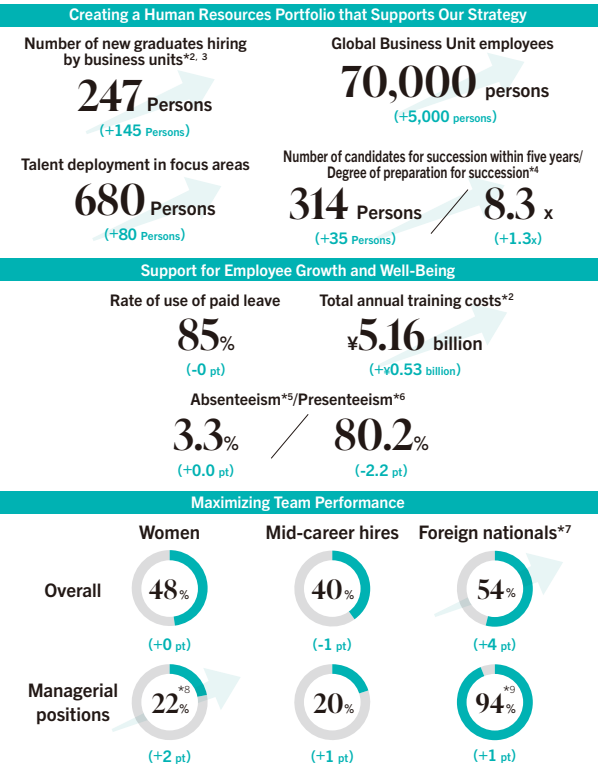
Currently, the score remains above this benchmark, and we consider this evidence that the Talent Policy is being effectively implemented across SMBC Group. We will continue monitoring this score and reflect the insights gained from them in our initiatives to deepen our approach to human capital management and achieve sustainable growth of SMBC Group.

Breakdown of FY2025 Talent Policy Scores

What SMBC Group expects employees to be	74	Employee Value Proposition	72
Professional	73	Be Yourself	71
Collaborative	75	Make a Difference	72
Agile	74	Build Your Career	72

Progress of human resource strategies*1 (FY2024)

Figures in parentheses indicate year-on-year changes



*1 Unless otherwise noted, calculations are for employees of eight major Group companies hired in Japan
*2 The data aggregation criteria have been revised with the figure for the previous year adjusted accordingly
*3 Number of new graduate hires entering the company in April 2025
*4 Ratio of number of candidates to number of target posts
*5 Percentage of employees with at least one day of absence or leave of absence in a year (SMBC)
*6 Assessed by asking employees the following question: “On a scale from 1% to 100%, where 100% is the best job performance you could have at your job if unimpeded by sickness or injury, how would you rate your overall job performance on the days you worked during the past four weeks (28 days)?” Measured using Single-Item Presenteeism Question, the University of Tokyo single-item edition (SMBC)
*7 Percentage of employees of consolidated SMBC Group
*8 Calculated based on the definition required by the Japanese Act on Promotion of Women’s Participation and Career Advancement in the Workplace
*9 Ratio of locally hired employees in management positions at overseas offices

Revision of SMBC’s personnel system

Goals we aim to achieve through the new personnel system

In response to evolving business environments and the increasing sophistication of expertise that we are required to possess, we aim to further expand our business by accelerating the recruitment and development of professional human resources in each domain and utilizing those human resources.

We will also aim to foster a virtuous cycle through our Talent Policy for the growth of the Company. This means building a relationship in which employees and the Company mutually choose and value one another. To achieve this, we will cultivate an inclusive organizational culture that respects diverse values and enables every employee to fully realize their potential. In such a workplace, we will recognize and reward those who are actively engaged in their work and deliver results through fair evaluation and treatment, creating an environment where individuals find greater motivation and fulfillment in their roles.

Overview of the personnel system revision

The new personnel system is guided by three core concepts.

1. Design of career paths that empower each individual to define their own professional foundation

Traditionally, we promoted uniform career paths where all employees broadly rotate through roles and aim for managerial positions. Under the new personnel system, we offer career paths that allow employees to deepen their expertise in specific domains and pursue excellence as professionals. This expands the range of career goals beyond management, enabling individuals to aspire to become top players in their respective fields.

2. Elimination of uniform, seniority-based operations

Regardless of tenure or age, evaluations and treatment are determined based on the roles, outcomes, and contributions required of professionals. This ensures that anyone can assume significant responsibilities and receive appropriate recognition based on ability.

3. Career and workstyle selection by individual employees

Employees are encouraged to choose their own career paths and adopt workstyles aligned with their life stage. At the same time, the framework ensures that such choices are fairly evaluated and compensated. This shift supports greater autonomy and a mindset transformation toward self-directed career development.

Key points for making the personnel system revision successful

As this is the first fundamental revision of the personnel system since the establishment of Sumitomo Mitsui Banking Corporation, it is anticipated that employees may feel uncertain about career development and performance-based systems, and that the responsibility on management may also increase.

For instance, in management, leaders will be expected to understand each team member’s aptitudes and career aspirations, and to provide growth-oriented feedback. To support increasingly diverse talent and maximize team performance, more advanced management skills will be required. Accordingly, we are expanding initiatives targeted at management-level employees.

Moreover, to ensure that all employees correctly understand the new personnel system and embrace change positively, management, Business Units, and HR engage in thorough, coordinated communication.



Session with employees aimed at promoting understanding and awareness of the personnel system revision

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① Creating a Human Resources Portfolio that Supports Our Strategy

Vision and future outlooks

We are further advancing talent portfolio management with the aim of securing professional talent in key focus areas and enabling flexible personnel deployment aligned with strategies. For example, at Sumitomo Mitsui Banking Corporation, we plan to introduce a system that allows employees to disclose their own skills and experience, enabling departments to make offers based on that information. We aim to create a more refined and flexible talent portfolio that can respond to increasingly diverse business needs.

Initiative

Expansion of human resources in focus areas

Key strategic areas for growth

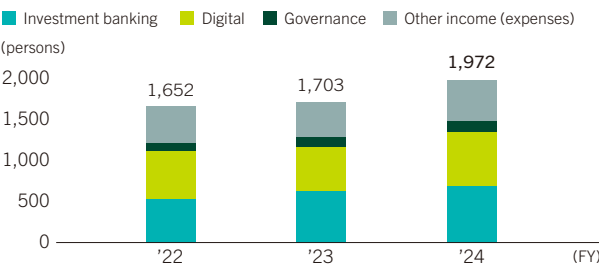
We have established a three-year talent deployment plan as part of the current Medium-Term Management Plan for the three focus areas and are advancing proactive recruitment and flexible personnel allocation accordingly. Specifically, we are focusing on expanding our workforce in DX talent, professionals supporting core management such as legal affairs and compliance management, and global talent driving the Global CIB business, Multi-Franchise Strategies, etc.

Focus areas	Talent Deployment Plan (3 years)		
	FY2023	FY2024	
Legal affairs, compliance, risk management, IT	+400 persons	+550 persons	+1,000 persons
DX, analytics	+150 persons	+100 persons	+300 persons
Global	+50 persons	+30 persons	+100 persons

Subject matter expert certification

To enhance employees’ professional skills, we are expanding our certification programs. Japan Research Institute has extended the scope of the “Expert Certification System” from the Systems Division to include the entire Head Office. Furthermore, Sumitomo Mitsui Banking Corporation, is accelerating the development of DX talent by utilizing the “SMBC DX Passport,” which indicates that they have obtained designated external qualifications.

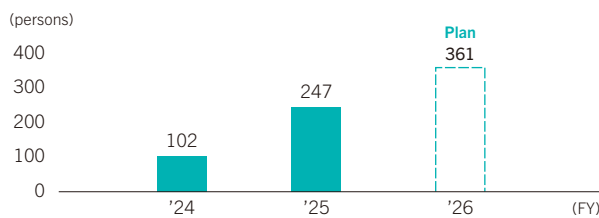
Number of subject matter experts across the group



Enhancing human resources acquisition

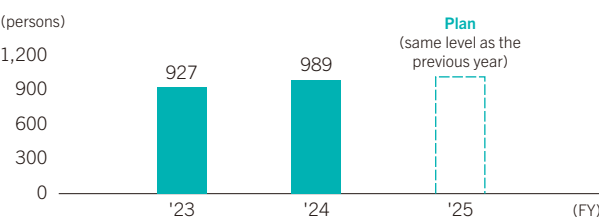
To enhance specialization in each area, we are promoting new graduates hiring by business units. At Sumitomo Mitsui Banking Corporation, we have expanded the IT and Digital Courses and newly established the Global Banking Course, which guarantees overseas assignments shortly after joining. We are diversifying mid-career recruitment approaches, including department-led scouting, referrals, and rehiring of former employees. The number of mid-career hires through scouting reached 99 in FY2024.

Number of new graduates hiring by business units*



* Number of new graduate hires entering the company for the year indicated. The data aggregation criteria for FY2024 and beyond have been revised with past results retroactively corrected.

Number of mid-career hires*



* Number of mid-career hires entering the company for the year indicated.

Promoting group/global-wide career opportunities

Seamless personnel deployment in Japan and overseas

We are developing systems and environments that enable diverse talent to work across the Group and on a global scale without restriction.

In addition to 3,200 employees participating in talent exchanges among Group companies, more cases of cross-company project team being formed are emerging.

On a global level, we are implementing a uniform Global Mobility Policy to govern cross-border assignments, paving the way for a more cohesive and unified approach to talent mobility. We aim to enable flexible global personnel deployment and provide a wide range of growth opportunities for employees and platforms for their success.

Global alignment through shared experiences

To allow employees in Japan and overseas to appreciate the diversity of SMBC Group’s businesses and talent while enhancing their skills and expertise as global professionals, we are promoting short-term assignments and secondments in both Japan and overseas.

At Sumitomo Mitsui Banking Corporation, we offer overseas employees practical opportunities such as the Global Japan Program, a short-term training initiative in Japan, and encourage Japan-based assignments. In FY2024, 90 overseas employees came to Japan, demonstrating high-level expertise and gaining opportunities for growth and success beyond employment location boundaries.

In addition to continuing the two-year overseas trainee program for Japan-based employees, we also launched a three-month short-term assignment program in FY 2024 for junior employees to India, which is a strategically important country for the Group. Through such programs, we focus on cultivating future global business leaders.



“Indo wo Shiro Program,” a short-term dispatch program where junior employees are assigned to work in India

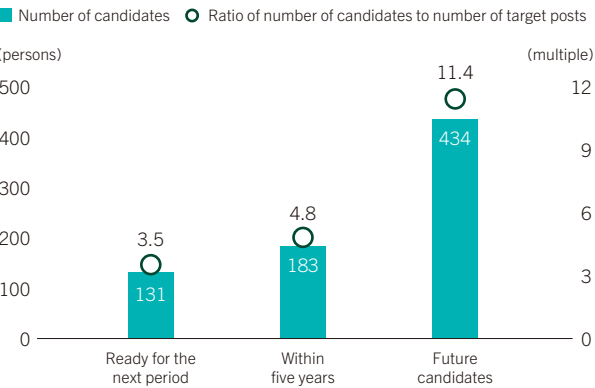
Fostering management human resources

Succession planning

To develop management talent with strong leadership skills for key domestic and international positions such as Group CxO and division heads roles, we have established a succession plan that promotes appointments based on performance and achievements, regardless of age or background. For example, we have appointed executive officers in their early 40s and appointed executive officers across Group companies.

We also conduct joint training sessions across the Group aimed at systematically developing future executive candidates. In addition to fostering a broad management perspective, the program strengthens unity to advance business by leveraging Group strengths.

Number of candidates for succession/
Degree of preparation for succession



Global talent management

To optimize placement in key global positions, in FY2024 we structured the process for appointing overseas executive officers under the Global Talent Management Framework. This framework clarifies all processes, from candidate selection to appointment, including 360-degree evaluations, and accelerates the appointment of optimal talent without being restricted by geographic location.

The Challenge of Enhancing Global HR

Advancing global HR functions

Overseas business is becoming increasingly important to the SMBC Group. In recent years, both our business scale and workforce have expanded significantly abroad with sustainable growth expected to continue. As overseas business expands and become more complex, there is a need for us to advance global HR functions. Accordingly, we are working to integrate HR functions globally by simplifying and streamlining operations, strengthening collaboration across countries and regions, and building an appropriate governance framework at the Head Office. Under “One Global HR,” we are executing talent strategies aligned globally to provide all Group employees, regardless of region, with opportunities to thrive, aiming for joint growth between the business and our people.

Building a unified platform

To realize a global talent strategy, we believe it is essential to have a unified HR platform that brings together organizations and operations across the globe.

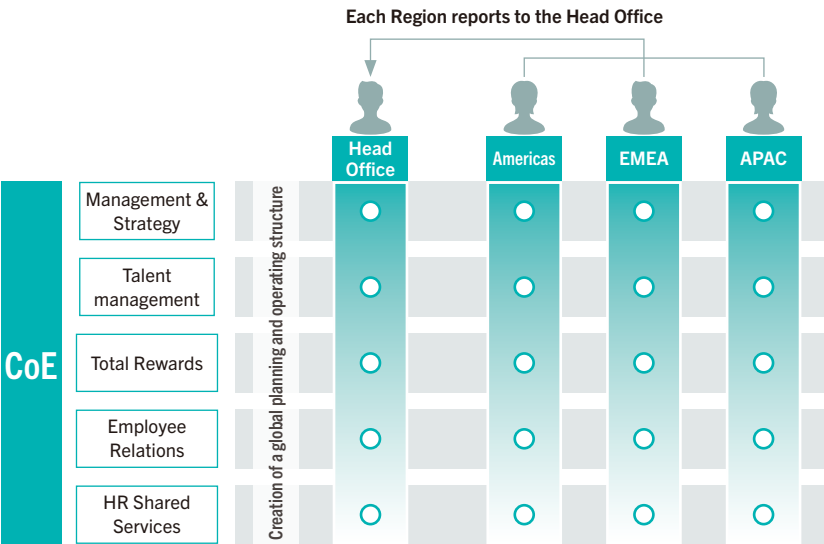
Therefore, in FY2025, we also established reporting lines from local HR heads to the Head Office Human Resources Department. We also created a global planning and operating structure by function through a Global CoE (Center of Excellence) model. Among the five CoE functions, four are led by overseas local employees, enabling talent deployment that transcends geographic limitations even within the Human Resources Department. Furthermore, in recognition of the integrated operations of banking

and securities overseas, we have initiated integrated HR operations between Sumitomo Mitsui Banking Corporation and SMBC Nikko Securities in global HR domains. Through this new structure, we will accelerate unified HR operations with overseas offices and maximize global talent capabilities across the Group.

We are also exploring the integration of HR systems overseas to enhance the global use of HR data. We aim to realize optimal human capital management across the globe by utilizing HR data for cross-border transfers and placements.



Joel Fastenberg
Executive Officer
Head of Global Human Resources



② Support for Employee Growth and Well-Being

Vision and future outlooks

SMBC Group is committed to creating systems that support employees in taking on new challenges and to building an environment where each individual can work in a physically and mentally healthy manner while expressing their individuality. We are also advancing initiatives to provide opportunities for employees to enhance their professionalism in their respective areas and further enrich their careers.

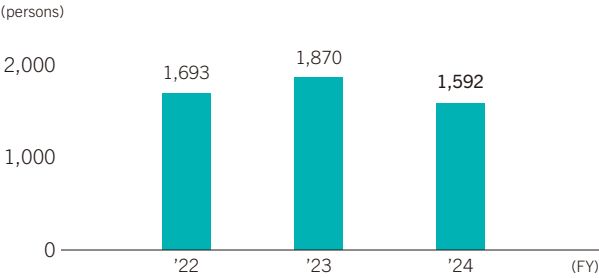
Initiative

System for supporting self-directed career development
Self-directed career engagement and opportunities for taking on challenges

Group supports employees in self-directed career development through initiatives such as an internal job posting system that allows applications for positions across the Group, and the regularly-held “job forum” information sessions to communicate the appeal of departments. Approximately 1,400 employees participated in the “job forum” information sessions held in FY2024. In addition to an internal job posting system, Sumitomo Mitsui Card Company introduced the “career challenge (FA system),” which enables employees to independently apply for positions or roles they are interested in. In FY2024, a total of 310 employees utilized this system together with the regular job posting system.

We also support initiatives for launching in-house ventures, providing opportunities to take on new challenges regardless of age or experience. As a result of this initiative, six new business “presidents” emerged in FY2024.

Number of applicants for Group-wide job posting system



Promoting growth through external dispatch and side jobs

We encourage the acquisition of diverse skills and experiences through mechanisms such as the external dispatch entry system and external/in-house side jobs. For example, SMBC Trust Bank and Sumitomo Mitsui Finance and Leasing offer opportunities for short-term workplace experience in other departments, helping to increase employee experience and clarify their career vision.

	FY2022	FY2023	FY2024*
Number of users of side job system (including, internal)	426	713	938

* The data aggregation criteria for FY2024 and beyond have been revised with past results retroactively corrected

Development programs focused on specialization

Group companies are also advancing initiatives to help employees build professional expertise. At Sumitomo Mitsui Finance and Leasing, we have established the learning platform “SMFL Academy,” providing a system that enables employees to take active steps toward acquiring specialized knowledge. At SMBC Consumer Finance, efforts are underway to bring about skills visualization and support employees in obtaining necessary qualifications.

Health and productivity management

Ensuring mental and physical health to support employees’ growth

We organize a variety of seminars and events across the Group to enhance awareness and literacy regarding employee health. We also provide subsidies for medical examinations and treatments, and have implemented flexible work systems. In recognition of these efforts, we were certified as one of 2025 Outstanding Organizations of KENKO Investment for Health “White 500” (Large Enterprise Category).

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③ Maximizing Team Performance

Vision and future outlooks

SMBC Group works to foster a corporate culture that respects diverse values among employees and generates results through teamwork. In particular, positioning DE&I as an important growth strategy of SMBC Group, a new structure was established in FY2024 to allow cross-group planning and development of measures by theme (such as work-life balance support). We will continue to implement a variety of initiatives that reflect evolving social conditions and the increasing diversity in employee values.

Initiative

Furthering DE&I

Enhancement of Diversity at Decision Making Levels

SMBC Group is promoting various initiatives to enhance diversity at decision making levels. For example, in light of gender gap challenges in Japan, Sumitomo Mitsui Banking Corporation has established a “Sponsor Program” in which executive officers serve as sponsors to support female executive candidates (sponsored individuals) through comprehensive career development assistance. In FY2025, 17 Management Committee members are serving as sponsors for 21 candidates.

	Actual performance	Target	
	FY2024	FY2025	FY2030
Number of female executive officers	40*1	30	—
Ratio of female managers*2	22.1%	25%	30%

*1 As of June 2025

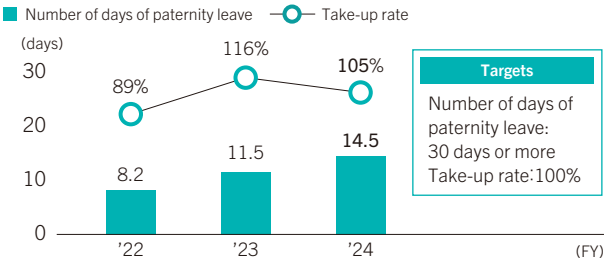
*2 Calculated based on the definition required by the Japanese Act on Promotion of Women’s Participation and Career Advancement in the Workplace

Promoting work-life balance support

To enable employees to fully thrive while balancing work and private life, we are expanding work-life balance support programs. This includes creating a work environment that facilitates parental leave regardless of gender and

issuing a caregiving guidebook to raise awareness and support for balancing work and caregiving responsibilities.

Average number of days and take-up rate of paternity leave*



* The paternity leave take-up rate may exceed 100% depending on how individuals who took paternity leave across fiscal years are accounted for.

Organizational culture that improves performance

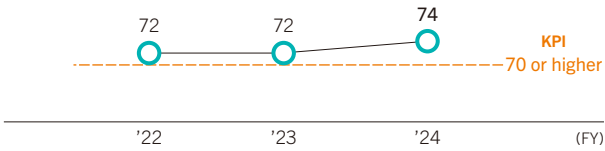
Developing management for leading the organization

We are strengthening the management capabilities of employees ranging from mid-career staff to executives. Managers are evaluated through 360-degree feedbacks by an average of 22 subordinates. This and other measures provide opportunities for reflection that help drive overall organizational performance.

Utilization of “Wevox”

The engagement survey “Wevox” is used throughout the Group and around the world to visualize employee sentiment. Based on this data, on-site teams take the lead in identifying and addressing issues. At Sumitomo Mitsui Banking Corporation, more than 3,000 employees serve as “Engagement Ambassadors,” playing a central role in workplace culture. While engagement scores remain high, we will continue conducting regular monitoring and use what we have learned through monitoring to enhance each type of HR measure.

Engagement score

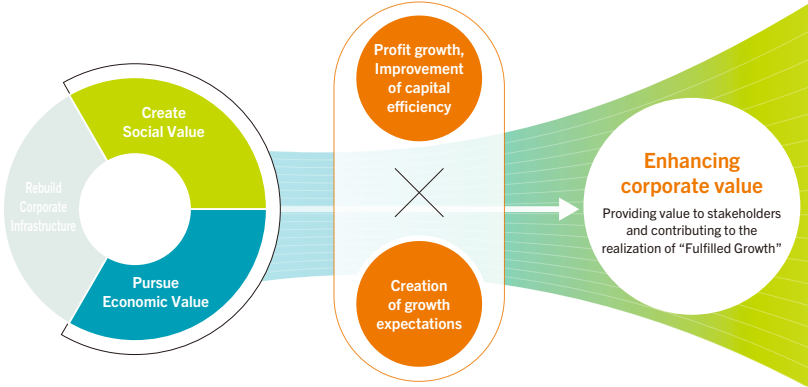




Create Social Value / Pursue Economic Value

Create Social Value / Pursue Economic Value

- 046 CSuO × Global Advisor Dialogue
- 048 Creation of Social Value by SMBC Group
- Strategies of Business Units
 - 064 Retail Business Unit
 - 070 Wholesale Business Unit
 - 074 Global Business Unit
 - 078 Global Markets Business Unit
- 082 Digital Strategy
- 084 Asset Management Strategy





Accelerating the SMBC Group’s Social Value Creation Initiatives Through Full Participation

profile

left
Paul Polman

Paul Polman was appointed as an SMBC Group Global Advisor on March 2023. During his time as CEO of Unilever PLC (“Unilever”), Mr. Polman introduced “Unilever Sustainable Living Plan (USLP),” a business plan that positioned the solving of social issues as a key pillar and endeavored to balance sustainability and corporate growth.

right
Masayuki Takanashi
Executive Officer
Group CSuO

Mr. Paul Polman, an SMBC Group Global Advisor, and Mr. Masayuki Takanashi, the Group Chief Sustainability Officer (CSuO) met to discuss the SMBC Group’s social value creation initiatives and the future outlook.

Takanashi: The SMBC Group has emphasized the importance of full participation—the involvement of all Group employees—in its initiatives to create social value. In the two years since the start of the Medium-Term Management Plan, our employees have definitely changed their mindset, as demonstrated by their focusing on the social issues affecting our customers and engaging in dialogue therewith to address these issues.

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Polman: I think that the SMBC Group’s initiatives to create social value have made steady progress relatively quickly. An important aspect of this change in mindset is the growing understanding among employees that their efforts to create social value will contribute directly to corporate growth. Looking back on my time as CEO of Unilever, it took around five years for employees to develop such a mindset. Accordingly, I have been impressed with how quickly the SMBC Group has worked to transform the mindset of its employees. Particularly noteworthy are the Group’s efforts to inspire employees to autonomously carry out unique initiatives, such as the holding of Shaka-kachi DAY, which involves employees at sites in Japan and overseas focusing on creating social value. I also commend the commitment demonstrated by the Group’s senior management team in incorporating sustainability-related evaluation criteria into the executive compensation system. It is clear that employees and senior management are working as one.

Takanashi: Thank you. In addition to full participation in the SMBC Group, we aim to expand the circle of social value creation initiatives to involve society as a whole. For example, we are working to create an investment framework for addressing social issues by leveraging our functions as a financial institution. We recently launched impact investment targeting start-ups and are developing products that will create a virtuous cycle of social value creation, including the provision of philanthropic advisory services allowing us to act as an intermediary between wealthy individuals and non-profit organizations and other bodies that tackle social issues. In 2024, we became the first major financial institution to issue Impact Report, which introduces the outcomes of our initiatives using the new metrics of impact.

Polman: The SMBC Group’s publication of an impact report ahead of its peers is a significant achievement that goes beyond mere information disclosure. I believe that quantitatively evaluating the Group’s social value creation initiatives and their outcomes and disclosing them in tangible form using the new metrics of impact help boost momentum for such initiatives both internally and externally.

Takanashi: I agree. We are convinced that presenting both positive and negative impacts of business activities on society and the environment will become increasingly important as a new metrics for measuring corporate value, so we will continue challenging ourselves to provide progressive disclosure. Meanwhile, as the SMBC Group can only achieve so much on its own in terms of creating social value, it is focusing efforts on building partnerships with a variety of stakeholders. For example, we strengthened our cooperation with academia in 2024 and are advancing various other efforts, including joint research on social issues with several universities and the practical application of research findings in society as well as the development of human resources. Also, we are actively promoting collaboration with NPOs and corporates.

Polman: Concerning environmental initiatives, I would also like to commend the SMBC Group for issuing its “Transition Finance Playbook” before other financial institutions. Looking at global energy investment trends, investments in green energy came to US\$2.1 trillion in 2024, and the green economy is projected to be worth US\$15 trillion by 2030. Supporting the energy transition is an important duty for financial institutions. Today, the world is facing a “polycrisis,” where multiple crises are proceeding simultaneously, including climate change, the loss of biodiversity, and rising poverty and inequality. Although these circumstances are challenging, as new alliances form and technological progress accelerates during this major transition period, I am confident that the SMBC Group will make steady progress in tapping into developing trends. I hope the Group will continue to grow as a global financial institution that contributes to the realization of a more sustainable, more inclusive world.

Takanashi: Today’s discussion has reaffirmed my belief that the SMBC Group’s initiatives are impacting society positively, at least in some small way. The Group will therefore continue playing a leading role in creating social value and taking action to address social issues through full participation, including myself. By doing so, the Group can make social value creation a strength in order to achieve its ultimate goal of realizing “Fulfilled Growth” and increasing its corporate value.

Creation of Social Value by SMBC Group

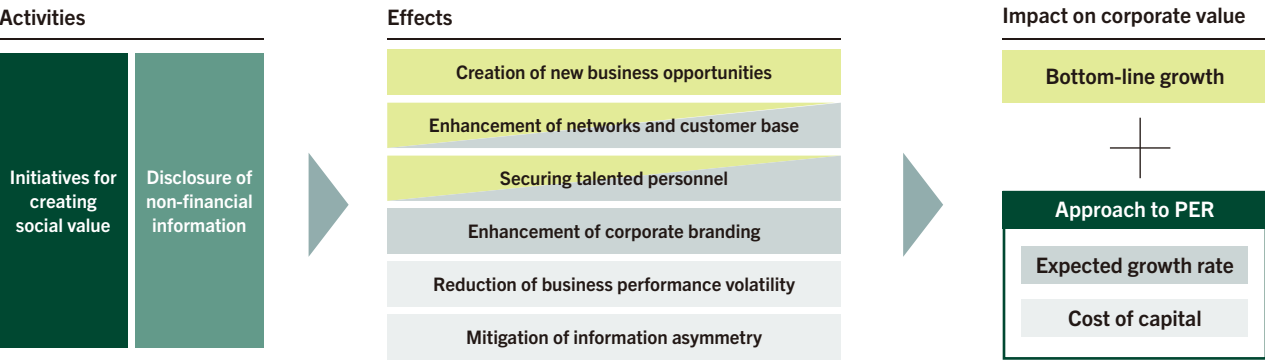
Toward “Fulfilled Growth” for Both Society and SMBC Group

The environment surrounding us is undergoing significant change, and we have entered an era of greater uncertainty than ever before. Nevertheless, SMBC Group remains committed to advancing toward “Fulfilled Growth,” where people feel fulfilled as economic growth accompanies the resolution of social issues.

To realize this “Fulfilled Growth,” the creation of social value remains important, along with the pursuit of economic value. We will continue to leverage the unique qualities and strengths of SMBC Group to contribute to solving increasingly complex and serious social issues.

We also believe that the creation of social value is one of the medium- to long-term growth drivers for SMBC Group. By working on and communicating the creation of social value to stakeholders, we can create new business opportunities, and strengthen our business foundation through, enhancement of networks and customer base, and strengthening of human resources, thereby generating a virtuous cycle that creates further social and economic value.

Going forward, we will continue to make every effort to create social value to realize “Fulfilled Growth” for both society and SMBC Group.



Promotion Structure

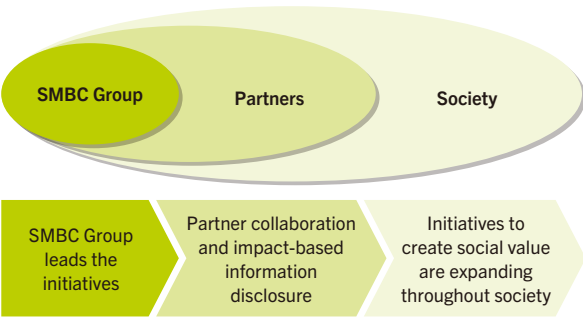
SMBC Group has established a Sustainability Committee on the supervisory side and a Corporate Sustainability Committee on the executive side to continuously enhance sustainability management.

In April 2025, we established a new organization specializing in advisory and solution development with a focus on sustainability.



Circle of Initiatives for Social Value Creation

Solving various social issues and realizing “Fulfilled Growth” cannot be achieved by SMBC Group alone. We aim not only to work together as SMBC Group on the creation of social value, but also to generate empathy for social value creation through our initiatives and disclosures, and to expand the circle of these initiatives to stakeholders, including our customers, and ultimately to society as a whole.



Expansion of the circle of initiatives

SMBC Group

Following the concept of “full participation,” it is important that each of our approximately 120,000 employees proactively participates. Two years have passed since we set creation of social value as a basic policy in our medium-term management plan, and employee surveys show that about 80% of employees are now more conscious of social value than before, indicating that empathy and activities among employees are steadily spreading. To further accelerate this movement, we will expand opportunities for employee participation and support for initiatives.

● Expansion of participation opportunities

Since FY2024, we have been implementing “Shaka-kachi DAY,” where employees think and act on social value creation themselves. In FY2024, 257 domestic and overseas locations set days to work on social value creation, and planned and implemented initiatives to solve social issues in collaboration with local communities, including customers, as well as participated in and supported the operation of social contribution activities. We also held the “Shaka-kachi AWARD” for the first time to recognize employees who proactively work on social value creation, and from 490 entries (about 2,500 people), the President’s Award and Employee Awards by employee vote were selected.

Through these measures, we will continue to provide opportunities for employees to learn about social issues and work on social value creation, aiming for further expansion of proactive initiatives.



“Shaka-kachi DAY”
Elementary school students seen participating in a company tour that teaches them about the appeal of local companies

● Supporting employees’ initiatives

Support for employees who voluntarily engage in social value creation is also being further expanded.

Specifically, in addition to a ¥10 billion expense budget for initiatives contributing to social value creation, we increased the investment budget to ¥50 billion. We are also working to enhance capabilities through in-house training.

At Sumitomo Mitsui Banking Corporation, we have appointed Shaka-kachi Ambassadors as leaders in each corporate sales department, and are promoting dialogue and support with customers based on social issues by creating discussion papers summarizing 50 social issues and solution approach sheets summarizing SMBC Group’s proposals for each issue. We have also developed the “SMBC Social Issues Resolution Promotion & Support Loan,” which supports customers’ efforts to solve social issues by analyzing the relationship between their business and social issues and supporting the formulation of action plans. In FY2024, we provided approximately ¥110 billion in support to 19 customers.

The SMBC Group’s Broadening Efforts to Create Social Value

In this discussion, four employees outlined the status of their respective social value creation initiatives, discussed the challenges they face and their future outlook, and received advice from SMBC Group Global Advisor Paul Polman.



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Sustainability Development Dept.
Vice President

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Vice President

Takeshi Murakami

Sumitomo Mitsui Banking Corporation
Sustainability Advisory Dept.
Senior Vice President

Decarbonizing Kikai Island

Hemmi: Kikai Island, located among the Amami Islands, which are famous for being formed by the uplift of coral reefs, aims to become carbon zero by 2050. To this end, Kikai Town, the municipality covering the entire island, has signed a partnership agreement with Sumitomo Mitsui Banking Corporation (SMBC), Sumitomo Mitsui Finance and Leasing Company, and Chiyoda Corporation. Currently, most of Kikai Island’s electricity is generated from

thermal power with fuel transported from outside the island, which means it faces issues in terms of both CO₂ emissions and costs. In addition, restoring power lines can be time-consuming during disasters, which had an enormous impact. When the island was struck by a typhoon in 2024, its power supply was disrupted for about a week. Meanwhile, the island has been unable to advance efforts to introduce solar power and other renewable energies due to the high cost. While it will be no easy feat for the island to become carbon zero,

we are promoting the introduction of renewable energy and efforts to bolster disaster resilience so that it can become a leading example for remote islands facing similar issues. **Murakami:** We are also providing support for securing resources to resolve issues related to people, goods, money, and information. We proposed to Kikai Town that they utilize the Ministry of Internal Affairs and Communications’ program for supporting the revitalization of municipalities. In addition, leveraging the knowledge of the Japan

Research Institute, we formulated a renewable energy introduction plan tailored to the characteristics of Kikai Town and examined the resources that were available. Starting with these sustainable, regional-level initiatives, we are also collaborating with domestic and overseas island regions facing similar challenges on international projects, and in the future, we expect to create business opportunities that contribute to resolving global issues.

Polman: Efforts to introduce renewable energy are crucial for Japan, which depends on overseas resources. Additionally, this project will not only lead to energy transition but also contribute to improving industrial productivity and revitalizing local communities by helping to resolve social issues such as mitigating the risk of power outages in the event of a disaster. I believe that resolving local issues will lead to a better life for residents, and I hope that you will learn a lot in the process of carrying out this project and make a significant contribution to the future growth of the SMBC Group.

Onishi: Another important initiative we are implementing through this project is to revitalize the region from within by utilizing local resources and people and improve the quality of life there through dialogue with residents. For example, we are working to resolve issues that impact quality of life, such as the termination of hospital shuttle services, by introducing a university-launched venture company with autonomous driving technology that is a customer

of SMBC. The challenges of Kikai Island are a microcosm of the various issues facing Japan. Going forward, we will monitor the effectiveness of these initiatives and draw on the strengths of the SMBC Group to create social value.

Fostering Momentum for Full Participation

Nakanishi: The SMBC Group promotes the creation of social value by encouraging the full participation of its employees. For example, it has set social value creation initiatives as one of the evaluation criteria for sales departments and stores and has established a system for recognizing and evaluating such initiatives at the organizational level. In addition, as a tool to encourage frontline employees to actively engage in such efforts, we have created discussion papers on social issues. These papers are used to provide information to customers and serve as conversation starters.

Polman: It is important that you do not overcomplicate the tools and listen carefully to those on the front lines. The SMBC Group has a wealth of outstanding human resources and is already expanding its pioneering initiatives in the field of social value creation. I hope that each employee will work with a sense of pride in being a member of a leading company and take a long-term perspective.

Creating social value is all about aligning your company with the world you want to realize. The first question to ask is what kind of impact you can have on resolving social issues. In the end, however, it will not work if it is not profitable. A lack of profit means that the funds necessary for activities will soon be depleted. I hope that you will keep in mind that economic value is a facet of social value and that you will create a system that encourages the full participation of employees in your efforts to this end.

Co-Creation Project to Realize the Vision of Achieving Regional Decarbonization on Remote Islands

The biodiversity and cultural practices of Kikai Island, which are derived from its environmental characteristics, are extremely rare in today’s world, and contributing to the maintenance and development of the island environment is of great significance. However, the issues facing the island are mounting, such as the increase in scale and frequency of natural disasters resulting from climate change and the insufficiency and inactivity of public infrastructure arising from its declining population. In light of these issues, Kikai Island signed a partnership agreement with SMBC, Sumitomo Mitsui Finance and Leasing Company, and Chiyoda Corporation in July 2024 to promote regional decarbonization on the island and revitalize its local communities. Kikai island will also collaborate with local companies and neighboring municipalities to promote initiatives focused on introducing renewable energy, bolstering disaster resilience, and contributing to improving public transport infrastructure.

Creation of Social Value by SMBC Group

Partners

● Industry-academia collaboration initiatives
In creating social value, it is important not only to work on our own, but also to collaborate with stakeholders, including customers and society. As part of this, we are promoting industry-academia collaboration initiatives. To date, we have concluded partnership agreements with Kyoto University, University of Tsukuba, and the University of Tokyo, working on research starting from social issues, social implementation of research results, transformation of university management, and development of entrepreneurial talent.

Society

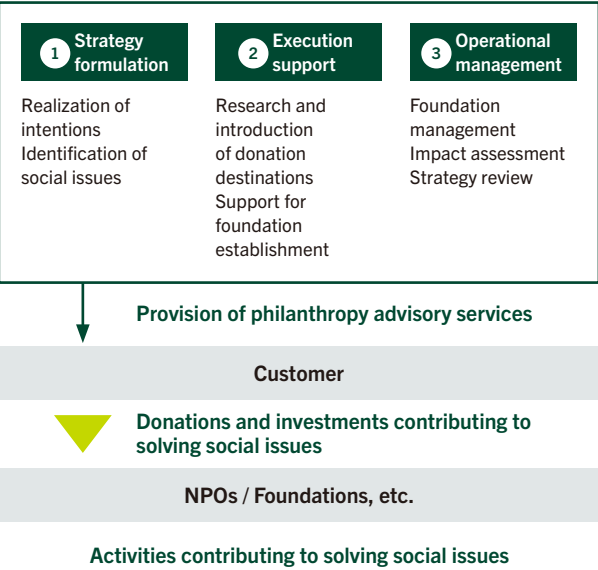
● A framework for facilitating funds to solving social issues
As a financial institution, SMBC Group financially connects customers who are tackling social issues and customers who wish to contribute to such efforts. By doing so, we aid the creation of mechanisms that promote the circulation of funds for solving social issues.

In FY2024, SMBC Venture Capital made its first impact investment by investing in HAKKI AFRICA, which provides microfinance to taxi drivers in the global South.

We also launched a philanthropy advisory service to connect customers, mainly affluent individuals, with non-profit organizations and public interest corporations working to solve social issues. We provide tailor-made, end-to-end support for customers’ social contribution and social issue resolution efforts, from proposing and supporting the execution of donation destinations to subsequent monitoring, in line with their wishes. Furthermore, we newly established the SMBC Group Foundation, a public interest incorporated foundation, as one of the donation destinations.

In addition, through existing products such as green deposits and social deposits, funds are steadily being circulated toward solving social issues. Going forward, as a financial institution, we will continue to build ecosystems to solve social issues.

● Corporate collaboration initiatives
We are working on collaboration with companies, including our customers. For example, at Sumitomo Mitsui Banking Corporation, we are collaborating with the CHITOSE Group, which leads the global bioeconomy, to promote the construction of an microalgae industry under the “MATSURI” project, building a value chain involving the industrial sector. In 2024, we also invested in this group using the social value creation investment fund. We will continue to work on creating social value through partnerships.



Introduction	Management Messages	Value Creation Story	Create Social Value / Pursue Economic Value	Rebuild Corporate Infrastructure
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Information Disclosure Anticipating Changes in the “Metrics”

● Impacts envisioned by SMBC Group and the significance of visualization
Along with the creation of social value, as impact becomes a new “yardstick” for measuring corporate value, SMBC Group is working to visualize impact.

Visualizing impact not only helps appropriately manage the progress and results of initiatives and expand related solutions, but also enables employees to feel the significance of working on social value creation and allows stakeholders, including investors, to quantitatively and objectively grasp the status of initiatives. Furthermore, by working on the creation of social value and widely demonstrating its results as impact to society, we believe that empathy for social value creation will be generated and the circle of initiatives will expand.

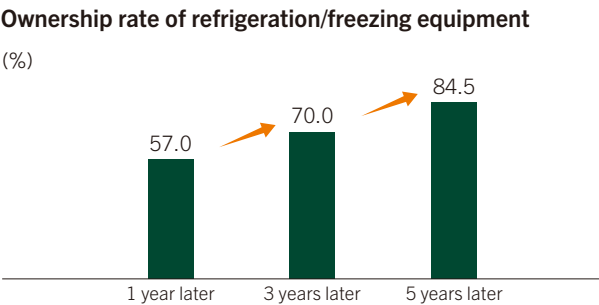
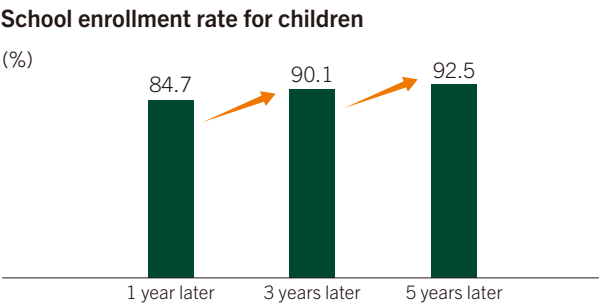
● Publication of “Impact Report 2024”
In August 2024, we published our first “Impact Report 2024.” This report presents social value creation initiatives and their results as impact for each of five materialities.

For example, in the pro bono work project supporting NPOs by utilizing skills and experience gained through work, surveys conducted before and after participation showed that it had a positive impact on participants’ sense of fulfillment and engagement. In addition, BTPN Sharia is working to support the social independence of the poor in Indonesia through the provision of financial and non-financial services, including microfinance, and has contributed to improving living environments, such as increased school enrollment rates for customers’ children and higher ownership rates of refrigerators and freezers in households.

Furthermore, the report introduces initiatives such as positive impact finance, impact IPO support, and impact investment as financial solutions utilizing impact.



<Impact through support for social independence>
Measuring changes in living environment after using BTPN Sharia by years elapsed



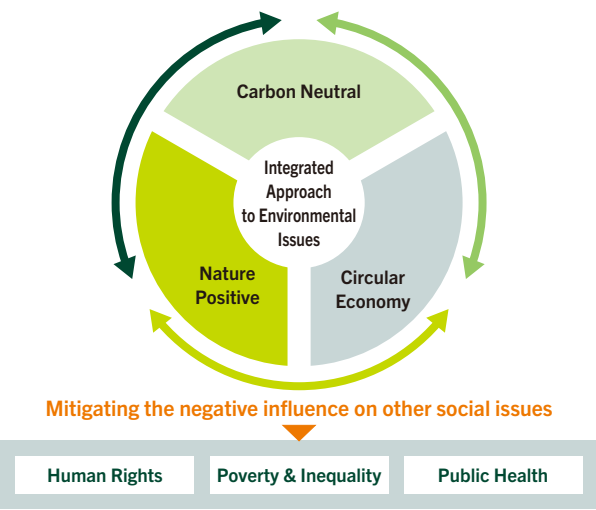
It should be noted that this report is not perfect. Since it takes time to generate impact and given that SMBC Group provides financial services across a broad range of business domains, we recognize the challenges in comprehensively capturing and expressing the full scope of our activities’ impact. By steadily expanding the scope of impact visualization and continuously disclosing it, we will continue to enhance our initiatives while receiving feedback from stakeholders.

Environment

Integrated Approach to the Environment

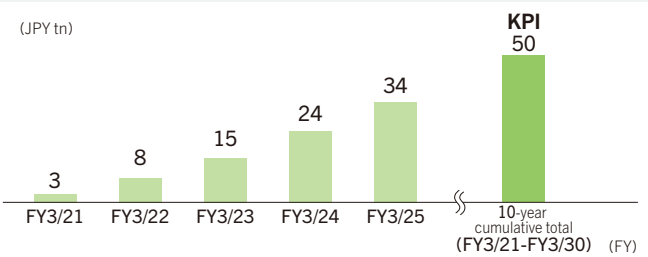
Responding to climate change, conserving and restoring natural capital, and transitioning to a circular economy are all interconnected. For example, protecting forests increases sinks for greenhouse gases (GHG), bringing us closer to carbon neutrality. In addition, transitioning to a circular economy promotes resource circulation, ensuring the sustainability of natural capital.

By taking an integrated approach to these three areas, SMBC Group will not only help solve environmental issues, but also contribute to suppressing and eliminating the negative chain reactions in which environmental issues cause other social problems.



Sustainable finance

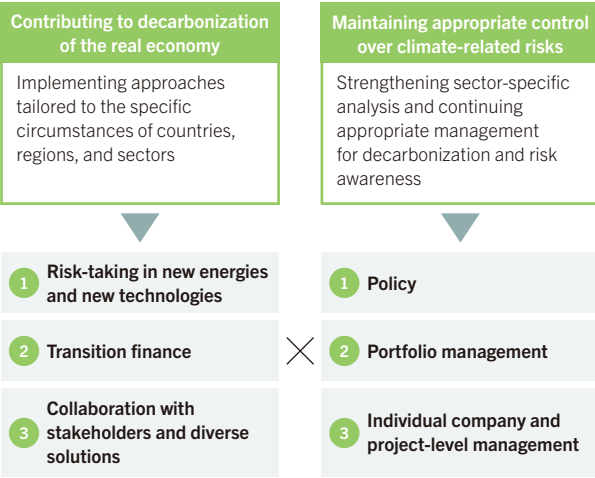
SMBC Group has set a cumulative ¥50 trillion as our target for sustainable finance for the 10 years from FY3/21 to FY3/30. The amount allocated to initiatives has reached ¥34 trillion as of FY3/25, progressing steadily.



Climate Change Response

The external environment surrounding climate change is becoming more complex and unstable, but there is no change in the fact that climate change is a pressing social issue that must be addressed. As SMBC Group, we will continue to contribute as much as possible to the decarbonization of the real economy without changing the direction of our initiatives, while appropriately managing SMBC Group's climate-related risks. In addition to the fact that the path to decarbonization differs by country and sector, it is also important to take a pragmatic approach tailored to the circumstances of each country, region, and sector, given that climate change measures and industrial policies are becoming more closely linked in national policies and decoupling is accelerating.

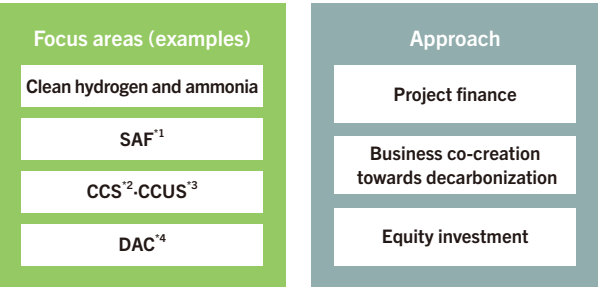
SMBC Group will accurately grasp each situation and leverage our strengths to support customers and society in decarbonization.



Promoting decarbonization of the real economy

● Taking risks on new energies and new technologies

The realization of a decarbonized society requires the development and social implementation of new energies and new technologies, but due to a lack of funding, delays are occurring. SMBC Group selects key areas for focus toward decarbonization, and by actively providing risk money especially in phases where funding tends to be insufficient, will accelerate the social implementation of new energies and new technologies.



^{*1} Sustainable Aviation Fuel
^{*2} Carbon dioxide Capture and Storage
^{*3} Carbon dioxide Capture, Utilization and Storage
^{*4} Direct Air Capture

● Transition finance

To realize a decarbonized society early, it is important to support the transition of hard-to-abate sectors where technical and economic alternatives for decarbonization are limited and a rapid shift is difficult. SMBC Group, ahead of many other financial institutions, has formulated the "Transition Finance Playbook," which sets a definitions for transition finance, and is promoting it. This sets standards for each region based on not only international principles but also the policies and regulations of each country and region. Using this, we have engaged with over 130 companies and executed 46 transition finance deals.

In 2024, we also published the "Transition Finance Scorebook," which presents practical issues and recommendations for solutions identified through the promotion of transition finance. This discusses, for example, the need to strengthen



support for companies that find it difficult to formulate decarbonization plans aligned with the Paris Agreement, and the role that gas-fired power generation can play in the transition. Utilizing this, we have conducted 60 dialogues with companies and governments to date. We will continue such dialogues to lead discussions on promoting global transition and contribute to its development and deepening.



● Collaboration with stakeholders and diverse solutions
Providing solutions through collaboration with other companies

Sumitomo Mitsui Banking Corporation is working on business co-creation that connects customers with decarbonization technologies to those with decarbonization needs. In addition, SMFL Mirai Partners, a strategic subsidiary of Sumitomo Mitsui Finance and Leasing, is working with customers and partner companies to supply renewable energy using virtual PPAs (Power Purchase Agreements) and to introduce battery storage co-located with renewable energy.

Policy advocacy

To steadily and realistically promote transition across society, we are also actively engaging in dialogue and policy advocacy with industry and government authorities. In Japan, we continue dialogue with the government on issues related to finance support for decarbonization and the need for public-private risk sharing such as blended finance. For decarbonization in Asia, we are making recommendations on support systems and funding supply based on the challenges faced by the region and our customers.

Environment

Appropriate management of climate-related risks

SMBC Group has established a climate-related risk management framework from the perspectives of policy, portfolio, and individual companies/projects. In particular, we are strengthening analysis by Sector and continuing appropriate management based on the key points for achieving decarbonization and climate-related risk awareness for each.

● Portfolio management

Setting of interim reduction targets

SMBC Group aims to achieve net zero GHG emissions (Scope 3) throughout our investment and loan portfolio by 2050. We have set medium-term reduction targets for the six sectors that account for about 70% of our portfolio: electric power, Oil and gas, coal, automobiles, steel, and real estate.

● Individual company/project management

Environmental and social due diligence

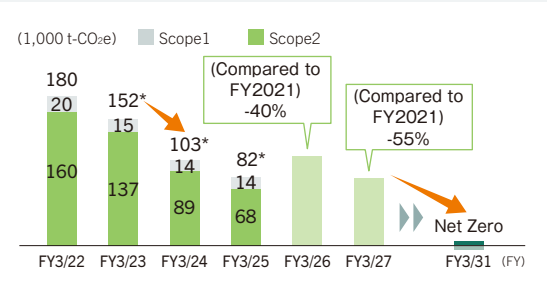
We have introduced environmental and social due diligence, which assesses environmental and social risks, for both corporate finance and project finance. The evaluation results are used to enhance credit decisions and in engagement with customers.

Sector	Scope of Emissions	Metric	Mid-term target for FY3/31	FY3/24	vs. baseline	Baseline (Base year)
Power	Scope1	Emission intensity (g-CO ₂ e/kWh)	138–195	276	(17)	332 (FY3/21)
Oil and gas	Scope1, 2, and 3	Absolute emissions (Mt-CO ₂ e)	12% to 29% reduction (Compared to FY3/21)	24.1	(41)	40.8 (FY3/21)
Coal	Scope1, 2, and 3	Absolute emissions (Mt-CO ₂ e)	37% to 60% reduction (Compared to FY3/21)	2.2	(84)	13.6 (FY3/21)
Automobiles	Scope1, 2, and 3	Emission intensity (g-CO ₂ e/vkm)	120–161	197	(4)	205 (FY3/22)
Steel	Scopes 1 and 2	Emission intensity (t-CO ₂ e/t-Steel)	1.2–1.8	2.0	-	2.0 (FY3/22)
Real estate	Scopes 1 and 2*	Emission intensity (kg-CO ₂ e/m ²)	33.1–42.9	79.9	(1.4)	81.0 (FY3/22)

* Domestic commercial real-estates (non-recourse loans and REITs), including Scope 3 Category 13 for REITs

Initiatives related to operational GHG emissions (Scope 1 & 2)

SMBC Group has set a target to achieve net zero operational GHG emissions by 2030. To first achieve the interim targets set in FY3/24, we are working on switching to renewable energy for electricity at our domestic properties and data centers, and converting company vehicles to environmentally friendly models, resulting in a reduction of emissions in FY3/25 by 20% compared to the previous year.



* Figures covering all domestic and overseas locations existing as of FY3/22. Preliminary figure used for FY3/25.

Realization of a Circular Economy

SMBC Group is working toward the realization of a circular economy by creating business in areas where high demand for recycled materials is expected and promoting collaboration between arterial and venous industries.

● Promoting circular use of EV batteries

Investment in MobiSavi

In April 2025, SMBC invested in MobiSavi, which operates an EV data utilization business. MobiSavi is working toward realizing a performance guarantee service using EV performance prediction technology. By providing support for MobiSavi, we will further contribute to the realization of a circular economy for EV batteries.

● Supporting collaboration

between arterial and venous industries

For the realization of a circular economy, collaboration between arterial industries responsible for product design and production and venous industries responsible for collection and recycling is essential. SMBC Group supports solving each challenge through a wide range of functions including finance, leasing, and consulting, and promote collaboration between arterial and venous industries by leveraging our broad customer base.



Conservation and Restoration of Natural Capital

As nature positive, which aims to halt and restore the loss of natural capital, becomes increasingly important for global environmental conservation, SMBC Group, as a pioneer in the financial industry in the field of natural capital, is focusing on supporting customer initiatives and strengthening our own efforts.

For example, by disseminating information and providing a solutions catalog through the Finance Alliance for Nature Positive Solutions (FANPS), we are supporting

customers' nature positive management. In addition, Sumitomo Mitsui Banking Corporation has acquired a forest in Isehara City, Kanagawa Prefecture, as "SMBC's Forests." We are conducting environmental education as "SMBC's Forests Isehara Nature School," as well as working on biodiversity conservation within the forest, carbon credit creation, and biomass power generation using thinned wood, utilizing the forest in a wide range of ways for environmental conservation.

Adaptation to climate change

While efforts to mitigate climate change through GHG reduction are expanding, the global average temperature continues to rise. In this situation, it is important to adapt to climate change in preparation for further increases in natural disasters. Sumitomo Mitsui Banking Corporation provides climate change adaptation loans that partially forgive debt in the event of wind or flood disasters, supporting customers' adaptation efforts.

DE&I/Human Rights

SMBC Group positions DE&I as one of its key growth strategies and is developing an environment where employees with diverse backgrounds can respect each other and fully demonstrate their abilities and individuality.

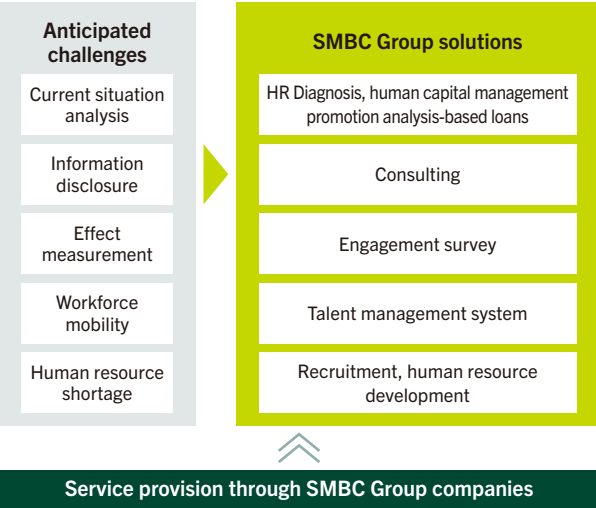
See page 036 for more information on human resource strategies.

Supporting Customers’ Human Capital Management

As human capital management, including DE&I initiatives, becomes essential as a corporate growth strategy, SMBC Group is also focusing on supporting customer initiatives.

For example, we provide the digital tool “HR Diagnosis,” which visualizes customers’ HR issues and determines SMBC Group solutions that contribute to their resolution. We also provide a range of solutions to address various HR issues, such as engagement surveys, talent management systems, and recruitment services, on a group basis.

Furthermore, we contribute to customers’ efforts to realize employees’ financial well-being by providing corporate/personal defined contribution plan and financial and economic education.



Respect for Human Rights

- **Our basic approach to human rights**
SMBC Group recognizes that respect for human rights is a corporate responsibility and that inadequate response can pose significant risks to management.
To fulfill our responsibility to respect human rights and appropriately manage risks, SMBC Group identifies potential negative impacts on various human rights holders based on the “Statement on Human Rights” and strives to prevent, mitigate, and remedy them. Through our efforts to respect human rights, we will build trust with society and contribute to the realization of a sustainable society.
- **Enhancing the human rights respect framework**
Update of the “Statement on Human Rights”
In April 2025, in light of the diversification of human rights issues such as new human rights violations arising from climate change and AI development, we revised the “Statement on Human Rights.”

Human rights due diligence
SMBC Group has established a system to confirm initiatives to respect human rights by customers and projects we finance or invest in, as well as external business partners we transact with.

Enhancing the grievance framework
To appropriately address complaints from a wide range of stakeholders, not limited to customers and employees, we have established a remedy and grievance mechanism using the “Engagement and Remedy Platform” operated and provided by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER).

Introduction	Management Messages	Value Creation Story	Create Social Value / Pursue Economic Value	Rebuild Corporate Infrastructure
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Poverty & Inequality

SMBC Group is working to eliminate poverty & inequality from a medium- to long-term perspective. Domestically, to break the negative cycle of poverty & inequality for the next generation, we are working to provide educational and experiential opportunities for children, and overseas, we support the social independence of the poor through contributions to financial inclusion in emerging countries.

Initiatives for the Next Generation of Children

Due to parents’ economic circumstances, children may lose opportunities for education and experience, and as a result, those children may also fall into poverty in the future, creating a negative cycle across generations. SMBC Group is working with NPOs and business corporations to provide educational and challenge opportunities for children to break this cycle, as well as to create safe and enjoyable places for children to spend time.

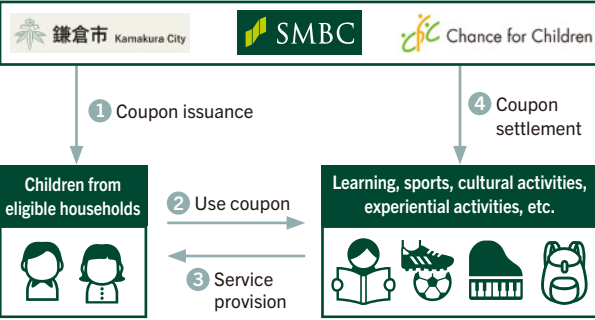
- **Providing Educational and Challenge Opportunities for Children**
Since May 2023, SMBC Group has been collaborating with Chance for Children, a public interest incorporated association (CFC) to provide the “SMBC Group Study Coupon,” which children can use for cram schools, lessons, and other activities. In addition to financial support, we also dispatch personnel for CFC and actively engage in planning and management.
From September 2024, the initiative to eliminate educational disparities for children in collaboration with CFC has been named “CHANCE!” and support for local governments working to eliminate educational disparities has also begun. As the first step, in cooperation with Kamakura City, Kanagawa Prefecture, we provided coupons to elementary and junior high school students in eligible households within the city, which can be used for a variety of learning

opportunities such as academics, sports, cultural activities, and experiential activities. Going forward, we aim to create model cases of community-based projects and expand them nationwide.

- **Providing Places and Experiential Opportunities for Children**
Due to changes in family structure associated with the declining birthrate and aging population, and the weakening of community ties, opportunities for children to interact and learn together are decreasing. Especially for upper-grade students, it is becoming difficult to find places to spend time in the community after school or during long vacations. To address such social issues, we opened “Atelier Banrai-ITABASHI-” in an idle bank branch. At this facility, in addition to hosting experiential programs by companies and organizations, we have a collection of about 4,000 books and open the space to the community for children’s cafeterias, providing a variety of experiences.



Atelier Banrai-ITABASHI-



Initiatives to Support Social Independence

SMBC Group is strengthening initiatives to contribute to financial inclusion, focusing on countries targeted by its Multi-Franchise Strategy. Specifically, through investees such as BTPN Sharia and SMFG India Credit Company, we provide microfinance to segments with insufficient access to financial services. In addition, by offering multifaceted support such as financial and economic education, health checkups, and vocational training—not limited to financial services—we support customers’ social independence and contribute to poverty alleviation.

Declining Birthrate & Aging Population

In the era of 100 year lifespans, an increasing-number of people are facing concerns about financial security in retirement, maintaining health, and the lack of nearby support for elderly individuals living alone. In addition, growing regional disparities have led to increasing concerns about the quality of life for people living in depopulating areas. To address these concerns, SMBC Group offers a comprehensive range of services across its group companies.

The role of SMBC Group

Asset Building Support

Promotion of NISA and investment products, and digital consultations tailored to customers' life stages

Integrated proposals for banking, securities, and trust

Life Shift Service

Providing services that enhance "money," "health," and "purpose in life" for seniors

SMBC エルダープログラム Testamentary trust

Digitalization of Financial Infrastructure

Through "Olive," providing a wide range of financial services regardless of regions

Olive POINT

● SMBC Elder Program

The "SMBC Elder Program" is a service in which concierges at Sumitomo Mitsui Banking Corporation support customers' lives, tailored to the increasing anxieties and concerns that come with age.

We support customers from multiple angles as a "reliable advisor," "daily life assistant," and "your personal banker."

In addition to support for wealth management such as consultations on gifts and testamentary trusts, we also introduce various affiliated and ancillary services from external companies according to customers' needs.

We will continue to strengthen initiatives that transform customers' anxieties about living a 100-year life into peace of mind, and powerfully support them so they can enjoy their precious time ahead.

● Financial and Economic Education

SMBC Group, aiming for a society where everyone can acquire correct knowledge about money and live with peace of mind, provides financial and economic education to a wide range of generations, leveraging the knowledge and know-how possessed by each group company. With concerns about increased financial troubles due to the lowering of the age of adulthood, the revision of curriculum guidelines making asset formation classes at high school mandatory, the government's promotion of Asset Management Nation, and the diversification of lifestyles, the necessity and importance of financial and economic education is increasing.

SMBC Group, led by SMBC Consumer Finance, which has provided financial and economic education program since 2011, has promoted these initiatives as a group. In September 2024, in collaboration with Japan Financial Literacy and Education Corporation (J-FLEC), we held the first-ever public-private co-hosted event on financial and economic education.

We will continue to leverage the know-how of each group company to provide financial and economic education to a wide range of generations.



Introduction	Management Messages	Value Creation Story	Create Social Value / Pursue Economic Value	Rebuild Corporate Infrastructure
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Japan's Regrowth

For SMBC Group, a financial group rooted in Japan, Japan's regrowth is a fundamental part of our mission. By solving customers' management issues, we support the growth of Japanese companies, industries, and regions, and will work to support new industries and the next generation that will lead Japan in the future.

● Support for Startups

SMBC Group has supported startups with a wide range of solutions, including funding through fund investments or direct loans and investments, IPO support, and collaboration support with large corporations. We are also focusing on supporting the creation of startups through industry-government-academia collaboration, by participating in organizations such as WE AT, a general incorporated association, which aims to create innovation to solve social issues, and the Startup Ecosystem Co-Creation Program of the Japan Science and Technology Agency. Furthermore, to break down structural barriers to the growth of startups, we are continuously expanding our support menu. In February 2025, in response to the increase in maturing investment funds, we established a secondary fund to enhance the liquidity of unlisted shares and support the sustainable growth of startups.

drug discovery seeds originating in Japan to engage in R&D and commercialization in the large U.S. market. In the medium- to long-term, by creating a mechanism to return the technology and capital gained there to Japan's drug discovery ecosystem, we will contribute to strengthening the international competitiveness of the drug discovery industry, one of Japan's growth industries.

● Supporting the Challenges of the Next Generation
"Shaka-kachi BOON BOON PROJECT"

In 2024, we launched "University Sports Support Program" to support the growth of student athletes belonging to university sports clubs. In addition to financial support from Sumitomo Mitsui Banking Corporation, we provide activity support through ambassadors and partner companies. We feel that students that have grown through this project will go on to work in society, contributing to Japan's regrowth.

● Fostering Growth Industries

Fostering new industries and supporting the development of industries that will drive Japan's future growth are also important roles for SMBC Group. As one specific initiative, in June 2025, aiming to expand Japan's drug discovery ecosystem, we entered into an investment contract with AN Venture Partners I, LP, which has created global biotechnology companies based on Japan's outstanding research and drug discovery seeds. In the drug discovery industry, there are high expectations for academia-originated startups with new technologies and cutting-edge knowledge, especially in biopharmaceuticals. Therefore, by leveraging the Fund's expertise and network, as well as SMBC Group's relationships with pharmaceutical companies and universities, we will first support startups with

"Shaka-kachi RISE PROJECT"

We have also launched "University Researcher Support Program". Among research projects that contribute to solving social issues, we provide up to ¥5 million per person per year for four years, to researchers who engaged in research aimed at commercialization and practical implementation as well as basic research which will lead to breakthroughs thereby providing an environment where they can focus on research over the medium- to long-term. In addition, we provide unique SMBC Group support tailored to each researcher's challenges, such as support for commercialization of research, leading to the resolution of social issues and the creation of innovation.

Insights from Employees Who Are Striving to Create Social Value

Providing a Blue Loan to Improve India’s Water Infrastructure

Abhinav: In India, securing safe drinking water in rural areas has long been an issue. HUDCO is a major governmental financial institution that implements the Indian government’s housing and urban development policies, and we have a long-standing business relationship with them. In response to a request from the Indian government, SMBC arranged a syndicated loan with a Blue Loan tranche totaling U.S.\$440 million for a project aimed at developing water infrastructure in rural areas of Rajasthan, India, and served as Mandated Lead Arranger, among other key roles. Blue Loans are a type of sustainable financing aimed at projects that contribute to the preservation and sustainable use of water resources. Still a novel concept, a clear definition of the term “Blue Loan” has yet to be established. However, by coordinating with the many stakeholders involved in the project, we have been able to build a highly effective framework that suits regional characteristics and meets international standards.

Abhishek: Since 2019, the Indian government has been promoting the Jal Jeevan Mission, a policy that aims to provide clean water to rural households in all parts of the country. As of October 2024, 78% of the approximately 152 million rural households in India had access to tap water. This project has enabled many people in rural Rajasthan to access running water, helping bring the figure closer to 100%. In addition, women who previously had to walk long distances to fetch water from wells can now devote that time and energy to self-improvement and small-scale business activities, allowing them to increase household income and enjoy greater independence.

I strongly feel that we succeeded in advancing this project thanks to everyone involved working together not only to carry out the tasks at hand but also to achieve the common goal of creating social value.

Giuseppe: I believe that this project will serve as an extremely valuable example when expanding the initiative to other regions and markets, such as Indonesia. It could be said that sharing such examples of success across various markets is one of SMBC Group’s strengths. Also, through Blue Loan transaction, I have been able to gain a real sense of how financing from banks can impact society at large, which has strongly reaffirmed my understanding of the important role of financial institutions. Rather than simply pursuing profit, financial institutions have a responsibility to contribute to the sustainable development of society as a whole.

It is expected that sustainable financing in the Asia-Pacific region will continue to see significant growth in the future. As countries become aware of their own issues and pursue initiatives to solve them, it will be important to gain a deeper understanding of the characteristics of each region and provide optimal solutions. We will continue to leverage SMBC Group’s global network and expertise to help realize a sustainable society.



Abhinav Karla

Global Financial Institutions Group, Sumitomo Mitsui Banking Corporation, New Delhi Branch

**Oversees transactions with Housing and Urban Development Corporation Limited (HUDCO), a governmental financial institution that contributes to the Indian government’s housing and infrastructure policies.*



Abhishek Gupta

Global Financial Institution Group, Sumitomo Mitsui Banking Corporation, Singapore Branch

**Has supported collaboration with HUDCO and led the structuring and execution of this Blue Loan transaction.*



Giuseppe Dell’Edera

Sustainability Solutions Group, Sumitomo Mitsui Banking Corporation, Singapore Branch

**Provides expertise in sustainable finance.*

Creating the Future of Japan’s Transportation with “stera transit”

Masatoshi Ishizuka

Sumitomo Mitsui Card Company
Head of Transit Division and
General Manager, Transit Business Planning Department



“Stera transit” is a service that enables the use of public transportation with credit card contactless payments, utilizing the “stera” payment platform, and is being introduced on railways and buses nationwide.

Around 2018, when we began considering the service, contactless payments for public transportation were starting to become widespread overseas, but had not yet taken hold in Japan, so it was necessary to help government officials and

transportation operators understand the benefits. In addition, Japan has the world’s fastest speed for passing through ticket gates, so there were technical challenges to achieve this. Therefore, by aligning images through hearings with operators and users, and by combining various patented technologies on the technical side, we achieved a processing speed of about 0.25 to 0.35 seconds.

Just then, in 2020, the COVID-19 pandemic struck, and the declaration of a state of emergency led to a series of project postponements. However, the pandemic greatly changed the way people think about “mobility,” and we anticipated that more flexible payment methods would be required. Looking ahead to the post-pandemic recovery of inbound tourism demand, we continued dialogue with transportation operators. Amidst this, in July 2020, we succeeded in introducing the service at Ibaraki Kotsu and began rolling out the service sequentially. In October 2024, in preparation for the Expo 2025, the service was introduced simultaneously by major private railways in the Kansai region. Furthermore, in fiscal 2025, we plan to expand the introduction to about 230 companies in 42 prefectures.

Since “stera transit” uses a unified cloud server covering the entire country, operators can significantly reduce introduction costs while making maximum use of existing infrastructure. In addition, the number of inbound foreign visitors is increasing year by year, and this service eliminates the hassle of purchasing tickets at vending machines when using transportation. As a result, the hurdle to using transportation in unfamiliar places is lowered and the desire for travel increases, which we believe will also lead to revitalization of local consumption activities. Additionally, by utilizing cashless data analysis support services, there are cases where both boarding/alighting data and consumption data are analyzed to implement measures to increase user circulation.

In this way, we believe that working to improve the convenience of public transportation and revitalize local economies through the provision of services will ultimately contribute to Japan’s regrowth. I myself always keep in mind the challenge of how to make the “norm” of daily life more convenient and advanced for the future, and I want to continue to provide customers with new experiences and services that are not bound by conventional wisdom.

 On our Shaka-kachi special website, we introduce many initiatives aimed at enhancing social value creation by employees.
https://www.smfg.co.jp/sustainability/social_value/interview/

Akio Uemura
Senior Managing Executive Officer
Head of Retail Business Unit

Strategies of Business Units



Retail Business Unit

In major fields such as asset and wealth management business, payment and consumer finance business, we will leverage “the Group’s Comprehensive Strength,” “Advanced Services,” and “High-Quality Consulting” as our strengths to build a sustainable business portfolio through business expansion by improving customer convenience and streamlining through business process reforms.

Retail Business Unit results

	FY2024	YoY ^{*1}
Gross profit	¥1,377.3 billion	+¥118.9 billion
Expenses	¥1,110.3 billion	+¥67.5 billion
Base expenses	¥745.4 billion	(¥6.5) billion
Net business profit	¥273.8 billion	+¥52.6 billion
Net income	(¥24.4) billion	(¥74.2) billion
Excluding temporary impact ^{*2}	¥103.2 billion	+¥53.5 billion
ROCE1 ^{*2}	8.6%	+3.1%
Risk-weighted Assets (RWA)	¥13.6 trillion	+¥0.6 trillion

^{*1} After adjustment for exchange rate impacts, etc.
^{*2} Excluding the impact of the radical allowance on interest repayment

Key strategies

Further expansion of group business centered on Olive
Strengthening group-based finance business
Expansion of deposits transactions and channel strategy based on Olive transactions
Differentiation and strengthening of competitiveness in the business for affluent customers integrating banking, securities, and trust

Introduction	Management Messages	Value Creation Story	Create Social Value / Pursue Economic Value	Rebuild Corporate Infrastructure
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In FY 2024, amid a continued favorable business environment, topline revenue expanded in major businesses such as asset and wealth management, payment and consumer finance, and deposits, resulting in net business profit exceeding the previous year.

In the asset and wealth management business, AM and foreign currency deposits balances increased by +¥1.6 trillion; in payment and consumer finance business, sales handled increased by +¥4.2 trillion, outpacing overall market growth; card loan balances rose +8%; and deposits balances increased by +¥1.3 trillion, steadily expanding our business scale. Progress on key measures of the Medium-Term Management Plan is also on track.

The number of Olive accounts continues to grow steadily, and we are also working on the rollout of “STOREs” and “Olive LOUNGE,” steadily building a hybrid model that integrates digital and physical channels. In addition, we have worked to enhance and streamline the Group’s business structure supporting key measures, such as the integrated group strategy combining banking, securities, and trust in the asset management business, the merger of Sumitomo Mitsui Card Company and SMBC

Finance Service, and the conversion of SMBC Consumer Finance into a subsidiary of it.

In FY2025, the final year of the current Medium-Term Management Plan, uncertainty is increasing regarding the outlook of business environment, especially overseas, but in Japan, the business environment is expected to remain generally favorable, with the Japanese economy regrowing and interest rates normalizing. We will continue to actively pursue growth areas such as cashless business and business for affluent customers, while also working to strengthen profitability through expansion of the customer base via Olive, and to improve productivity by accelerating digitalization and AI utilization, aiming for further improvement in ROE.

The retail business is presented with valuable growth opportunities arising from social issues, such as promoting asset formation toward “Japan as a Leading Asset Management Center”, advancing cashless payments, and preparing for the era of 100 year lifespans. By capturing changes in society and advancing our business model, we aim to achieve both social and economic value.

C O L U M N

The highest rank of Olive, “Olive Infinite”*



* The name is subject to change.

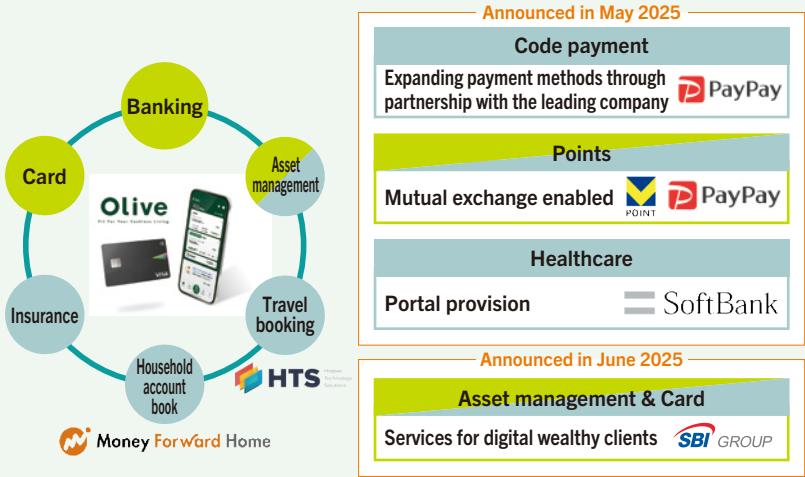
In June 2025, we announced the establishment of “Olive Infinite,” the highest rank of Olive. With “Olive Infinite,” both payment services and asset management services will be further enhanced beyond the conventional Olive.

For payment services, we will adopt Japan’s first “Visa Infinite,” the highest rank of Visa, offering outstanding economic benefits centered on V Points and extraordinary experiential value such as invitations to members-only events.

For wealth management services, a new joint venture to be established based on a business alliance with the SBI Group will be responsible. We plan to offer “Flexible Consulting,” which combines the highly convenient online securities functions of SBI Securities with the high-quality in-person consulting functions of SMBC Nikko Securities and Sumitomo Mitsui Banking Corporation.

By providing the highest-level services in a one-stop, digital-based manner, we aim to meet the needs of affluent customers who use digital channels on a daily basis.

Digitalization of retail business centered on Olive



Olive, a comprehensive financial service for individual customers, was released in March 2023.

The number of account openings has surpassed 5.7 million in about two years since release, progressing steadily toward the five-year target of 12 million.

Olive is a highly competitive service that allows seamless use of various financial and non-financial transactions like never before. With a single app, you can use bank accounts, card payments, finance, and, through partnerships with SBI Securities and Lifenet Insurance, also access online securities and insurance services. It also features the world's first flexible pay function, allowing you to switch between credit, debit, and point payments

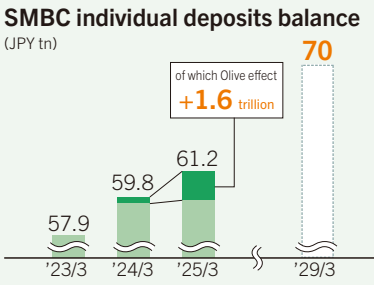
with a single card. Furthermore, by using various functions, V POINTs are awarded, and accumulated V POINTs can be used for payments at Visa member stores worldwide.

We are also advancing up-grades through collaboration with external partners: in July 2024, we announced and began development of service collaboration with Money Forward, and in March 2025, launched V Trip, a travel service with HTS (Hopper Technology Solutions) as the first non-financial service.

In May 2025, we also entered into a comprehensive partnership with SoftBank in the digital field. We envision providing innovative services by combining SoftBank and PayPay's digital/AI technologies and financial services. Furthermore,

in June 2025, we announced the establishment of a new company in partnership with the SBI Group to provide new wealth management and payment services for digital affluent customers. By offering flexible, high-quality consulting and the highest-ranked cards tailored to the lifestyles of customers who use digital services daily, we aim to create a world where customers feel "With Olive, I have lifelong peace of mind."

By providing services that leverage digital strengths, we are acquiring accounts and becoming the main bank even in areas where SMBC does not have any branches, leading to increased deposits balances amid rising domestic interest rates. Going forward, we will continue to upgrade Olive, further increase deposits acquisition, and expand profitability through cross-selling of various products and services within the Group.



Improving the Convenience of Olive Through Collaboration with External Partners

In July 2024, Sumitomo Mitsui Card Company, Limited (SMCC) announced a capital and business alliance with Money Forward, Inc., which offers household accounts and asset management apps. Thereafter, the two companies launched a joint venture by establishing Money Forward Home, Inc. SMCC and Money Forward are working together to develop and provide services, including seamless fund transfers and support for financial activities using AI assistants, to address customers' financial issues.



Meanwhile, in March 2025 SMCC launched V Trip, a travel reservation service, with Hopper Technology Solutions (HTS), a Hopper Inc. business. V Trip leverages travel fintech, cutting-edge technology that is a unique strength of HTS. The technology predicts changes in flight prices and proposes the optimal time to purchase tickets. SMCC will address diversifying travel needs by combining travel fintech with its digital services and V Point, one of Japan's largest loyalty programs.



On the following page, we present a dialogue between representatives from SMCC, Money Forward Home, and HTS who discuss the objectives of collaborative services and future outlook.

Dialogues with Partners



Raphael Lanfant
HTS
Asia Pacific and the Middle East
Vice President



Yuki Yamamoto
SMCC
Business Development Division
Product Owner

Mayu Takano
SMCC
IT Strategy Division
Deputy General Manager



Yoshimi Suezawa
Money Forward Home
Head of Product Division

Sumitomo Mitsui Card Company × Money Forward Home



Takano (SMCC): As we aim for further development of Olive, we believed that collaboration with external companies possessing excellent technologies and services is essential. Among them, the household account book and asset management service Money Forward ME was extremely attractive as a partner for building an open financial platform deeply rooted in customers' lives. We were convinced that by integrating with Olive, we could provide new value never seen before, which led to this partnership.

Suezawa (Money Forward Home): Thank you very much. Our Group has always aimed to become a money platform, and we deeply resonated with the idea of Olive evolving into an open service. By joining hands with Olive, which has a strong customer base as a bank and card company and is steadily increasing its membership, we strongly felt that we could realize a new service where anyone can enjoyably continue managing their money.

Takano: Money Forward ME boasts the top domestic share and an

overwhelming number of affiliated financial institutions, and I believe that this large number of connections leads to high quality and reliability. Not only do they provide data, but their clear vision of using that data to improve customers' lives is also wonderful.

Suezawa: By combining Money Forward Home's know-how in visualizing money with Olive's payment functions and strong customer base, I have high expectations that we can provide a new financial experience, seamlessly managing and utilizing money.

Takano: While advancing the project, I was also impressed by the speed of both parties. In particular, the rapid release of the V Point linkage function in Money Forward ME demonstrated their high in-house development capability and execution power. On the other hand, as a financial institution, the first prerequisite is that we must of course comply with rules and processes that must be observed, but we have worked with an awareness of swift decision-making. We will continue to

match the speed of Money Forward Home and respond flexibly and quickly.

Suezawa: We are grateful to have contributed to creating a safe and secure service through repeated discussions, and we would like to continue exploring further avenues of collaboration. For example, to further enhance the convenience of Olive's advantage of mobile comprehensive financial services, we would like to strengthen the integration between Olive and Money Forward ME so that users can check transaction data from any financial institution in the Olive app and seamlessly use it for actual transactions, thereby improving usability.

Takano: We design services with customer convenience as our top priority, while also capturing future trends such as the growing need for asset formation and increased digital usage among high-net-worth individuals, aiming to provide valuable digital financial services to all customers. Our greatest goal is to grow Olive into the most trusted financial service for our customers.

Sumitomo Mitsui Card Company × HTS



Yamamoto (SMCC): SMCC recognized the significance of travel in its quest to go beyond financial services and offer customers value in every aspect of their daily lives. We concluded that HTS would be the ideal partner for Olive in the travel industry, where prices are high and the shift to online activities is advanced, if we could leverage HTS's innovative technology and global deployment capabilities.

Lanfant (HTS): HTS was aware of the importance of the Japanese market from the outset. With its solid customer base, SMCC was the prime candidate to partner with us in offering our unique value to Japanese customers. In particular, SMCC's commitment to innovation, as seen with Olive, matched our vision of redefining travel experiences through technology, so we feel that our partnership is very meaningful.

Yamamoto: There are many travel reservation websites. However, in addition to featuring more than 500,000 hotels worldwide, HTS is far superior to any other in terms of accurate flight price prediction technology and the vast amount of data and machine-learning algorithms that drive said technology.

HTS also understood Olive's open platform concept. I feel that the flexible collaborative framework established by both parties helped realize the smooth execution of the V Trip project.

Lanfant: This partnership can provide benefits to many people. Combining our technology with Olive's financial services and V Point program enables customers to use V Points for travel and get the best deals on flights with peace of mind. For HTS, the collaboration with Olive means it can access a huge and active customer base in Japan.

Yamamoto: As you said, combining the powerful asset that is the V Point program with HTS's advanced technology is highly significant. I believe that our deep understanding of the Japanese market was essential to achieving this synergy.

Lanfant: The HTS team has extensive global experience, and it worked to understand circumstances specific to the Japanese market and implement localization. Establishing a dedicated local HTS team in Japan and ensuring effective communication helped us meet the needs and expectations of Japanese customers. We were impressed with not only the

thoroughness and professionalism of the SMCC team members but also their deep understanding of and ability to quickly learn about the travel industry.

Yamamoto: Thank you for your kind words. First, we aim to make V Trip the best platform for SMCC cardholders, including Olive users, and V Point members to book travel arrangements. In the future, we will further strengthen V Trip's integration with Olive. For example, we are examining the possibility of offering special travel plans specifically for Olive users.

Lanfant: HTS will continue to incorporate new technology and develop functions and services that benefit customers. In particular, package deal offerings that combine accommodation with flight or train options have the potential to enhance convenience and savings for customers, so we are very eager to partner with SMCC on this initiative.

Yamamoto: SMCC will maintain an emphasis on openness and seek to create new and comprehensive financial services that exceed the expectations of customers through collaboration with HTS and a variety of other external partners.

Domestic corporate clients’ management issues are becoming increasingly complex. The Wholesale Business Unit provides high-quality services leveraging the Group’s comprehensive strengths to address the diverse issues and needs of such clients.

In FY2024, by responding to changes in the interest rate environment, both the balance and profit of deposits and loans increased. We also responded accurately to active corporate actions, achieved results in business lines such as PE fund and real estate, and posted profits exceeding our initial plan.

Currently, various changes are becoming apparent, including the imposition of reciprocal tariffs in the U.S. As these may affect the business flows of domestic corporations, we will respond to our clients with even greater care.

Furthermore, for sustainable growth as a financial institution, we aim to strengthen existing businesses and establish new growth drivers. Here are some of our initiatives in this regard.

The first is strengthening the solution provision system for large and mid-sized companies. For large companies with high needs for direct finance and M&A, speedy solutions through collaboration between banking and secu-

rities are required. To respond quickly to such needs, we have significantly expanded the dual-role system between Sumitomo Mitsui Banking Corporation’s front office and SMBC Nikko Securities, enhancing our responsiveness. We will continue to collaborate with Jefferies to consistently meet global needs both domestically and internationally. For mid-sized companies pursuing further growth strategies, in light of the end of transitional measures at the Tokyo Stock Exchange and the new TOPIX management, we provide appropriate solutions mainly through specialized departments of Sumitomo Mitsui Banking Corporation and SMBC Nikko Securities.

The second is the creation of new business models for small and medium-sized enterprises. With advances in digital technology and the entry of players from other industries, the environment for financial services in the corporate sector continues to change. In this context, we released the digital comprehensive financial service “Trunk” in May 2025 as a core service to solve the management issues faced by SMEs, support business growth, and aim to acquire transaction deposits that tend to remain on deposit over time. We will provide this service to a wide range of businesses and support Japan’s regrowth.

C O L U M N

Digital Comprehensive Financial Service for Corporates “Trunk”

Good For Your Company's Days.



“Trunk” is a digital comprehensive financial service for corporate clients, centered on online accounts and business cards, offering money-related services in an integrated manner such as streamlining accounting operations, visualizing funds, and supporting cash management. In addition to enabling account opening as soon as the next business day after online application, we offer industry-lowest fees for transfers and other services via internet banking, achieving both convenience and cost performance.

Moreover, “Trunk” is designed not only to expand conventional functions for accounts and settlements, but also to provide a variety of features, emphasizing the ability to use them quickly and remotely at any time. Based on the know-how cultivated with the comprehensive financial service “Olive” for individuals, Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Card Company will work closely together to provide new digital services.

Strategies of Business Units



Wholesale Business Unit

For clients’ advanced management challenges, the SMBC Group as a whole provides a wide range of solutions related to fundraising, management, settlement, and more. By solving management issues, we will contribute to Japan’s regrowth and aim for sustainable growth together with our clients.

Wholesale Business Unit results

	FY2024	YoY*
Gross profit	¥931.3 billion	+¥105.4 billion
Expenses	¥328.1 billion	+¥21.5 billion
Base expenses	¥299.0 billion	+¥9.4 billion
Net business profit	¥729.2 billion	+¥95.0 billion
Net income	¥801.6 billion	+¥203.6 billion
ROCE1	21.2%	+5.3%
Risk-weighted Assets (RWA)	¥35.3 trillion	+¥0.4 trillion

* After adjustments for exchange rate impacts, etc.

Key strategies

Strengthening and creating group edge through enhanced expertise

Building a new sales structure fully utilizing digital technology

Building a high-ROE business portfolio by anticipating changes

Growing Together with Customers and Contributing to Japan’s Regrowth

Group collaboration as seen in the KIOXIA HD project

Taki (SMBC Corporate Research Dept.)

I am in charge of analyst work where I check the credit of businesses seeking large loans, and in recent years I have felt an increase in consultations regarding large MBOs and M&As as corporate actions have become more active. I believe this is due to the spread of the Corporate Governance Code and the review of market segments at the Tokyo Stock Exchange, which have prompted corporate management strategies to shift more toward emphasizing shareholders and corporate value.

Ichikawa (SMBC Tokyo Corporate Banking Dept.2)

Recognizing such changes, SMBC Group is making various proposals to support customers’

Introduction	Management Messages	Value Creation Story	Create Social Value / Pursue Economic Value	Rebuild Corporate Infrastructure
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corporate actions. I am in charge of major companies in the semiconductor industry, and in September 2024, KIOXIA Holdings (hereafter, KIOXIA HD) and a syndicate of banks including SMBC concluded a credit line agreement using a new finance scheme targeting semiconductor manufacturing equipment, etc.

Mori (SMBC Strategic Corporate Banking Dept.)

KIOXIA HD is aiming to list on the Tokyo Stock Exchange and needed to present a financial strategy to investors, including refinancing existing borrowings and raising funds for growth strategies. In the process of considering support for such fundraising, we faced a situation where, because the company was receiving government subsidies for the semiconductor industry, the transfer of ownership of subsidized equipment was restricted, making it impossible to apply a standard leasing contract. In response, we decided to build a new finance scheme focusing on the value of the equipment.

Matsukihira (SMBC Asset Finance Dept.)

In this financing, the method of valuing movable assets and the approach to management during the contract period were key issues. On this point, SMFL and SMFL Mirai Partners had expertise not available to banks, which was a major help in advancing the project. For management during the contract period, there was a problem in that periodic on-site visual inspections at the factory by bankers alone could not fully grasp the detailed status of the equipment. However, in this case, because a representative from SMFL Mirai Partners was stationed at the factory, it was possible to accurately understand the status of the equipment, enabling precise equipment evaluation and management during the contract period.

Shimoda (SMFL Mirai Partners)

SMFL Mirai Partners has long been engaged in the used trading of semiconductor manufacturing equipment, accumulating know-how in property evaluation and management during the contract period based on actual transactions.

In this finance scheme, we leveraged our expertise in physical assets to build a new business model that earns compensation by providing movable asset collateral evaluation and management during the contract period. We are very pleased to be able to return the new added value created through deeper group collaboration to our customers, and ultimately contribute to the growth of the semiconductor industry.

Satsuka (SMFL)

In taking up credit at SMFL, we cleared examination issues based on Mr. Taki’s research report and information sharing from Mr. Ichikawa. There were many other legal issues and contract clauses to sort out, and time was limited toward the listing, but by working closely with SMBC, we were able to close the deal. We have also built a framework to horizontally deploy similar schemes for future cases.

Ichikawa (SMBC Tokyo Corporate Banking Dept.2)

At times, we had tough discussions with customers, but in the end, we were able to provide solutions to their management issues, and I believe this was a case that contributed to our management philosophy of growing together with customers.

Currently, policy interest rates are being raised in stages, and customers’ fundraising methods are diversifying in a world with interest rates. Taking into account changes in the environment, we will strive to understand management issues through dialogue with each customer and provide value-added solutions like the KIOXIA HD project.

Taki (SMBC Corporate Research Dept.)

Through this collaboration, I have once again recognized the importance of leveraging expertise from a medium- to long-term perspective, not just for one-off project research. Going forward, I will proactively engage in strategic proposals for customers and research on industries and fields where new risk taking is expected, and through supporting corporate growth, contribute to the materiality of Japan’s regrowth.



Shoichi Satsuka
Sumitomo Mitsui Finance & Leasing (SMFL)
Tokyo Sales Division 1
Senior Vice President

Makoto Matsukihira
Sumitomo Mitsui Banking Corporation (SMBC)
Asset Finance Dept.
Vice President

Naruki Mori
Sumitomo Mitsui Banking Corporation (SMBC)
Strategic Corporate Banking Dept.
Vice President

Yuto Ichikawa
Sumitomo Mitsui Banking Corporation (SMBC)
Tokyo Corporate Banking Dept.2
Vice President

Yusuke Taki
Sumitomo Mitsui Banking Corporation (SMBC)
Corporate Research Dept.
Deputy General Manager

Chikara Shimoda
SMFL Mirai Partners
Electronic Device Equipment Department
General Manager



Keiichiro Nakamura
Senior Managing Executive Officer
Co-Head of Global Business Units

Yoshihiro Hyakutome
Deputy President and Executive Officer
Co-Head of Global Business Units



Strategies of Business Units

Global Business Unit

We will maximize our broad business foundation, from global CIB/Sales & Trading (S&T) business to our Multi-Franchise Strategy, and support the international business expansion of customers both in Japan and overseas as a unified Group.

Global Business Unit results

	FY2024	YoY ^{*1}
Gross profit	¥1,344.9 billion	+¥44.4 billion
Expenses	¥903.3 billion	+¥105.9 billion
Base expenses	¥795.2 billion	+¥65.4 billion
Net business profit	¥592.0 billion	(¥29.9) billion
Net income	¥333.7 billion	+¥5.3 billion
ROCET1 ^{*2}	7.7%	+0.6%
Risk-weighted Assets (RWA)	¥50.3 trillion	+¥1.1 trillion

^{*1} After adjustments for exchange rate impacts, etc.
^{*2} Excluding the impact from the sales of low-profit assets

Key strategies

Reinforcement of global CIB and S&T
Realizing growth through our Multi-Franchise Strategy
Creation of businesses that contribute to medium- to long-term growth
Building infrastructure linked to the increasing diversity and complexity of business

Introduction	Management Messages	Value Creation Story	Create Social Value / Pursue Economic Value	Rebuild Corporate Infrastructure
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In FY2024, although gross profit increased due to strengthening fund-related businesses, expenses also increased due to upfront investments in regulatory compliance and IT infrastructure. Furthermore, to improve portfolio quality, we reduced low-profitability assets, resulting in a temporary loss and net business profit falling below the previous year, but this led to an improvement in ROCET1. In terms of initiatives, we are steadily progressing, aiming to build a business portfolio that combines profitability and growth, and in our Multi-Franchise Strategy, we have completed the construction of investment platforms in each country.

In FY2025, we will focus on building a business foundation that will drive the Group as a medium- to long-term growth driver, and, while paying close attention to the highly uncertain business environment, we will steadily address the following four priority areas.

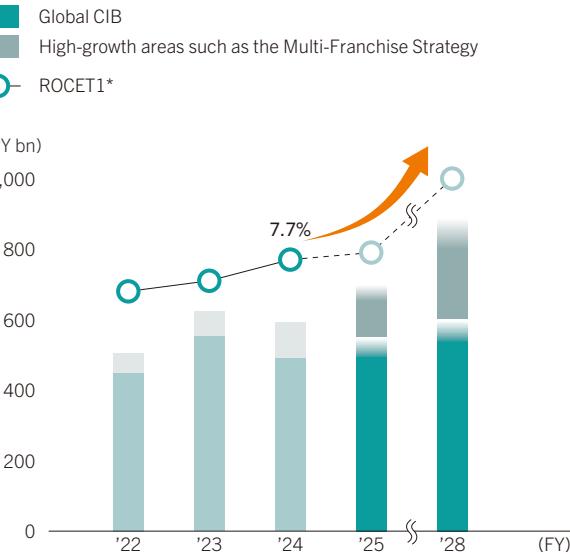
- ① Accelerating resource shift:** To further enhance profitability and growth, we will take more proactive measures to shift management resources from low-profit businesses to high-profit, high-growth businesses, building a high-quality business portfolio while controlling risk-weighted assets.
- ② Advancement of the global CIB business model:** By expanding collaboration with Jefferies, we will strengthen our fee business and promote primary-secondary collaboration through the integrated efforts of the Global Business Unit and Global Markets Business Unit. Furthermore, by advancing risk-taking in areas such as fund-related businesses where high profitability is expected, we aim to improve earning power.
- ③ Strengthening initiatives in high-growth areas:** In countries targeted by our Multi-Franchise Strategy with high growth prospects (India, Indonesia, Vietnam, and

the Philippines), we will advance initiatives as a unified group. In particular, in India, we have established the India Division and aim to capture high growth through integrated wholesale and retail operations.

- ④ Enhancement of management foundation:** While strengthening risk management in line with business diversification and increasing complexity, we will also invest in IT infrastructure and operations, focusing on strengthening governance and management foundations to support the acquisition of further growth opportunities and optimization of our business model.

Through these initiatives, while positioning the global CIB business that generates stable earnings as our core, we will expand high-growth areas such as Asian retail, which are expected to achieve high growth, aiming for sustainable growth with quality.

Net business profit



* Past results have been retroactively revised, excluding the impact from the sales of low-profit assets in FY2024. After adjustments for exchange rate impacts, etc.

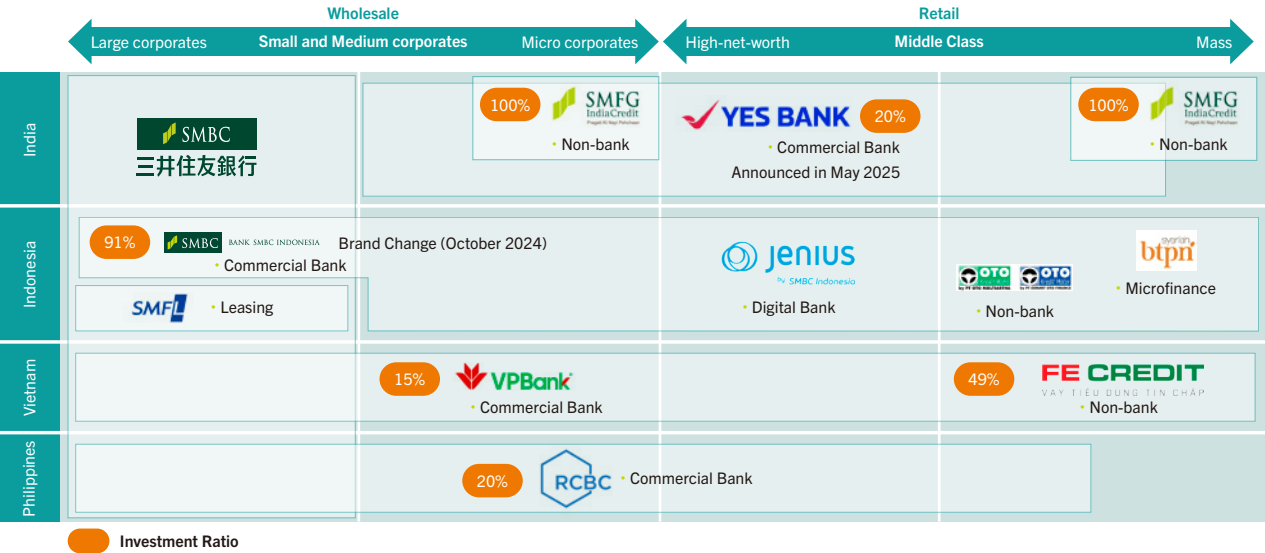
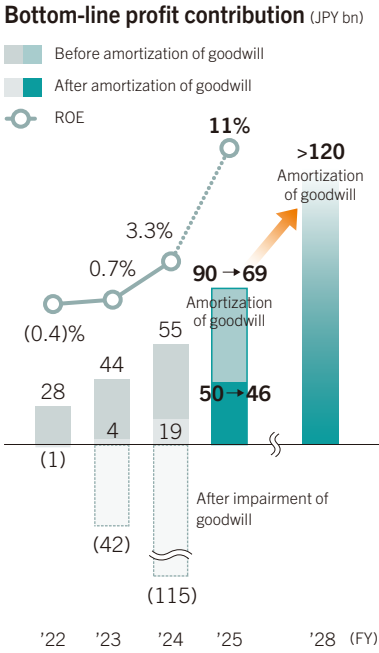
Creating growth for SMBC Group in Asia

Overview of our Multi-Franchise Strategy

SMBC Group aims to develop full-line banking services and build franchises in four countries with high growth prospects: India, Indonesia, Vietnam, and the Philippines.

In October 2024, BTPN rebranded as PT Bank SMBC Indonesia Tbk, becoming the first commercial bank overseas to handle both wholesale and retail operations under the SMBC name. We are placing emphasis on India due to growth potential in India’s commercial banking business. In April 2025, we have established India Division to strengthen its focus and commitment to India and accelerate its growth strategy. As announced in May 2025, we have acquired 20% equity stake in YES BANK Limited, a commercial bank in India, which is the last missing piece of our Multi-Franchise strategy. Although opportunities for foreign financial institutions to invest in commercial banks in India are limited, we had succeeded due to our persistent negotiations. Through supporting the growth of YES BANK, we will create synergies and develop a comprehensive range of banking services in India.

In Vietnam, we have recorded an impairment of goodwill in FY2024 due to declining business performance and in stock prices. In addition, there are recession risks triggered by U.S. tariff measures, hence the bottom-line profit contribution for FY2025 from these four countries that we invested in is expected to fall short of the initial targets. Nonetheless, the targets for FY2028 remains unchanged. In addition to accelerating growth in India, we will revitalize operations in Vietnam through management renewal, stricter credit standards, and continued support for fundraising and mutual customer referrals. We aim to achieve our medium- to long-term goals for each investee.



Message from Head of India Division



Rajeev Kannan
Managing Executive Officer, Head of India Division
Chairman of the Board of SMICC

SMBC Group's Business Strategy in India

SMBC Group’s motto for the region is “Rising in Asia, with Asia”. Since beginning our operations in Asia Pacific, we have been expanding our business significantly across the region and building out our multi-franchise strategy to great success. We have grown alongside our clients and contributed to the communities and economies in which we operate. SMBC Group is built on a 400-year history of providing solutions and creating value for our clients. Throughout the years, we have built trust and friendships, we have also overcome challenges and celebrated triumphs. Our enduring partnership with all our clients and partners is a true testament to our achievements.

Our vision is to develop a diversified global business portfolio that combines strong global wholesale operations with high-growth and high-profitability businesses in India’s retail and emerging sectors. India

has the highest growth potential among target countries of our Multi-Franchise Strategy. It is expected to become the third-largest country in the world within a few years, making its market both promising and important for the SMBC Group. SMBC Group has recognized India’s potential and has expanded its wholesale business organically through the expansion of its network.

As a group, we are focused on strengthening our commitment to India and accelerating our growth strategy. Whether it is supporting our clients, enhancing financial inclusion, or contributing to a sustainable future, we strive to contribute positively to the communities we serve and uphold the values that define our bank. We will continue to allocate resources strategically to elevate ROE, transforming our business models where necessary, investing in operational infrastructure to lay the groundwork for our medium- to long-term growth. As we continue to grow and strengthen SMBC Group’s businesses and brand in the Asia Pacific region, we are focused on creating an organization that is efficient, resilient, and positioned for growth.

Establishment of India Division

To that end, we have recently established the “India Division”, with an enhanced focus on India as one of the key target countries in our multi-franchise strategy. To accelerate our growth and streamline our operations, we consolidated our authority and responsibility for strategic planning, client engagement and investee management.

This is a new chapter in our Group’s history — one wherein decision-making will be more localized, more agile, and more attuned to the needs of our clients and the realities of the Indian financial landscape. This will allow us to be more innovative, more competitive, and more responsive to change, and letting us focus more on execution. This new structure will also enable us to collaborate more and facilitate synergy within the group — especially with SMFG India Credit Company. We will continue contributing to the society of India by capitalizing on our joint presence across Wholesale and Retail banking, driving financial growth and inclusion.

Arihiro Nagata
Senior Managing
Executive Officer
Head of Global
Markets
Business Unit

Strategies of Business Units

Global Markets Business Unit

As market risk professionals, we aim to enhance our own risk-taking while continuously strive to provide customers with value added services.

Global Markets Business Unit results

	FY2024	YoY ^{*1}
Gross profit	¥636.6 billion	+¥90.6 billion
Expenses	¥196.0 billion	+¥20.4 billion
Base expenses	¥113.5 billion	+¥5.7 billion
Net business profit	¥474.5 billion	+¥72.0 billion
Net income	¥330.6 billion	+¥48.9 billion
ROCET1 ^{*2}	20.9%	+1.9%
Risk-weighted Assets (RWA)	¥6.5 trillion	(¥0.9) trillion

^{*1} Based on adjustments for foreign exchange impacts, etc.
^{*2} Incl. impact from the interest-rate risk associated to the banking account.

Key strategies

- Portfolio management through a global macro approach
- Promotion of Fixed Income S&T and FX centered on yen and US dollar products
- Strengthening risk tolerance in global asset liability management(ALM)

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The Global Markets Business Unit conducts trading of foreign exchange, derivatives, bonds, stocks, etc. and offers solutions to our customers. We are also responsible for ALM operations that comprehensively manage balance sheet liquidity risks and market risks.

In addition to the deterioration of U.S.-China relations around 2018, the COVID-19 pandemic from 2020 accelerated the transition to an era of global division. Even in Japan, which has suffered from deflation for many years, inflation has become a social issue, and the economic and financial markets have entered a phase of high inflation and high volatility, placing us in a new market environment never experienced during the era of globalization.

In such a market environment brought about by this paradigm shift, conventional thinking may no longer apply, but we have adapted and dynamically rebalanced our portfolio and accumulated earnings.

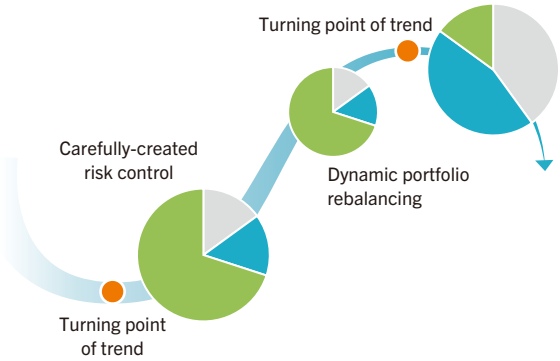
This is the result of continuously honing our trading capabilities—our strength—which is the ability to discern the

underlying essence of world affairs. Each member of the business unit collects and analyzes information on various daily events using the “Three Is”—Insight, Imagination, and Intelligence—engages in thorough discussions, expresses the scenarios thus drawn as positions, and review validity of these positions. This constant cycle fosters the ability to discern the underlying essence of world affairs.

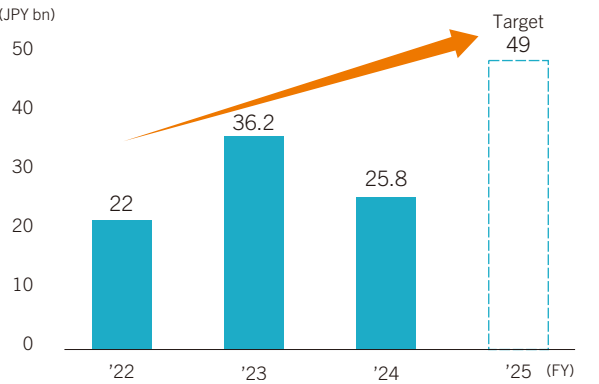
We will continue to maximize this strength, accurately capturing profit opportunities in portfolio management, and providing optimal solutions to customers’ market and funding needs.

FY2025 is the final year of the current Medium-Term Management Plan. Although the uncertainty caused by geopolitical issues continues, it is precisely at times like these that we will demonstrate our strengths and achieve our goals. We will also vigorously promote measures for further growth and breakthroughs in the next Medium-Term Management Plan and remain committed to contributing to the growth of our customers and SMBC Group.

Overview of Portfolio Rebalancing



Net business profit from overseas Securities (Joint KPI with the Global Business Unit)



Practicing the
“Three Is” and
Contributing to
Revenue Expansion
by Capturing
Market Trends

Takuya Komura
Deputy General Manager

SMBC
Global Investment
Department
Equity Investment Group



The “Three Is” mindset permeating
the team

I joined Sumitomo Mitsui Banking Corporation in 2017, worked at a branch counter and in corporate sales, and was assigned to the Global Markets Business Unit in 2021. I am currently engaged in equity management operations in the Global Investment Department.

In the Global Markets Business Unit, there are so many opportunities for each person to share their market views with others and engage in thorough discussions together. There are no boundaries of seniority, hierarchy, or department; it is common for young staff to directly discuss matters with their supervisors or other departments. I also often directly convey my market views, based on my own analysis, to the general manager, and frequently receive opinions from the department’s economists and strategists. Engaging in repeated discussions with senior colleagues who have faced the market for much longer than I have is extremely helpful in refining my own market view. I feel that this environment fosters a culture of actively sharing market views, leading to the permeation of the “Three Is”—Insight, Imagination, and Intelligence—and serving as the source of our operational capabilities.

The Equity Management Group I belong to engages in index investing, and when making

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investment decisions, it is essential not only to analyze macroeconomics and the monetary policies of each country, but also to gain insights into the real economy from the trends of individual stocks that make up the index. We always keep the “Three Is” in mind: capturing the core information from vast amounts of data, thoroughly assessing the actual economic situation not yet reflected in economic metrics, and imagining all possible risks that may arise in the future.

To assess market changes and make
swift investment decisions

The speed of information transmission in society has increased, and market participants receive the same information instantly. In this context, we strive to capture profit opportunities ahead of others and avoid risks through speedy investment decisions based on thorough discussions. One example is our operations during the Nikkei Stock Average crash in August 2024. After the

Bank of Japan ended its negative interest rate policy in March of the same year, despite the major shift from over a decade of monetary easing, market participants expected a gradual reduction in monetary easing. Stock prices were hitting new highs, and the dollar-yen exchange rate was at its weakest yen level in decades. However, we sensed an overheated market and prepared for the possibility of a short-term correction. As a result, when the Nikkei Stock Average subsequently crashed, we were able to avoid losses.

With the impact of international politics and geopolitical risks, market uncertainty is increasing day by day. In such an environment, the ability to discern the underlying essence of various events occurring around the world is even more required, making it important to continuously accumulate broad knowledge and maintain a mindset of constant deep consideration. Going forward, I want to continue valuing the “Three Is” and contribute to the company through my own growth as a market professional.



Digital Strategy

Creating a growth spiral starting from rapidly evolving digital technology

I am deeply committed to promoting digital transformation(DX) of existing financial businesses using digital technology, as well as to business creation that goes beyond the boundaries of financial institutions.

Why take on the challenge of going beyond the boundaries of financial institutions? It is because I feel that digital technology still has great potential to remove various constraints such as physical distance and the limits of human cognitive ability, and to dramatically improve labor productivity.

In Japan, where labor shortages due to the declining birthrate & aging population are a serious issue, we will contribute to Japan's regrowth by providing solutions that enhance labor productivity for Japanese companies, including SMBC Group, starting from digital technology. Furthermore, by leveraging digital power to expand business globally, we aim to capture global economic growth and create a growth spiral that leads to increased earnings for SMBC Group.



Akio Isowa
Senior Managing
Executive Officer
Group CDIO

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1 Embracing rapidly evolving digital technology

Establishing a brand as an AI-leading Financial Institution

As AI technology rapidly evolves, the gap between companies is likely to widen further depending on how well they utilize AI. SMBC Group has increased its IT investment budget to ¥800 billion and, aiming for new business creation utilizing AI technology, set an investment framework of ¥50 billion in October 2024, including for the next medium-term management plan. In the second half of FY2024, we have approved more than 30 projects, including examples such as AI-based credit screening and AI-CEO, which allows free communication with the president.

Continuous exploration of new technologies

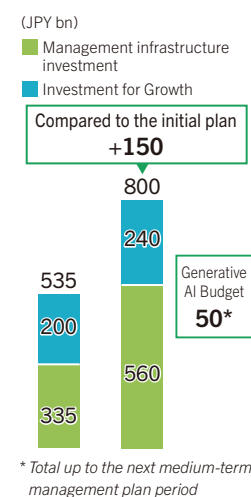
We are continuously exploring new technologies with an eye on the near future, promoting use case studies according to maturity and market penetration, and preparing for business development that captures the trends of the times. For example, we are currently focusing particularly on areas such as avatar technology, Web3, and quantum computers.

Topics

Consideration of commercialization of stablecoins

Regarding stablecoins, which have the potential to become new payment infrastructure in the future, we have signed basic agreements for joint consideration toward commercialization with TIS Inc., which is engaged in advanced initiatives both domestically and internationally, as well as with Ava Labs and Fireblocks, which are prominent overseas platforms. We will explore the possibilities of utilizing these for advanced settlement between financial institutions and businesses, as well as for business applications combined with digitized assets.

IT investment amount



2 Contributing to Japan's regrowth through digital business

SMBC Group has so far established more than 10 subsidiaries that provide solutions to solve various customer issues, and has been working to create new services that contribute to improving the labor productivity of Japanese companies.

In addition to solutions that directly address labor shortages through the digitization of operations, such as the electronic contract and contract management service provided by SMBC CloudSign, Inc., we also offer a wide range of solutions, including those from SMBC Wevox KK, which supports organizational strength enhancement, and from SMBC Cyberfront Inc, which supports cybersecurity measures that are a prerequisite for digitization.

Topics

Business development through co-creation with external companies

SMBC CyberFront is a company established in February 2025 together with Mitsui Sumitomo Insurance Co., Ltd., CyLeague Holdings, Inc., and E-Guardian Inc., providing cybersecurity support services for medium-sized and small businesses. We have also established services such as SMBC CloudSign and SMBC Wevox through joint investment with external companies, and are advancing business development by combining the assets of SMBC Group, such as its customer base, with the expertise of external companies, including startups.



3 Competing globally with technology as our tool

Collaboration with startups through overseas CVC

In May 2023, we launched the \$200 million corporate venture capital (CVC) fund "SMBC Asia Rising Fund" in the rapidly growing Asian region. Based on the track record of business development cases through collaboration with investee companies in this fund, we will also launch CVC functions in the U.S., where startups and advanced technologies are concentrated. In FY 2025 we will start investment activities with a U.S. \$300 million fund. Through this CVC, we will further accelerate collaboration with startups and the application to SMBC Group businesses, including in the Americas.

Launching AI businesses overseas

With a major paradigm shift expected as AI agents develop and become widespread, we will pursue global AI business development with an eye toward business expansion that anticipates "The Agentic Economy." As a starting point, we will invite world-class talent in the AI field to launch businesses utilizing AI agents. While promoting SMBC Group's AI transformation at a global standard, we plan to roll out customer services in the future.

Topics

SMBC Group's multifaceted digital transformation initiatives, such as the steady achievements of Olive, business model transformation and The creation of new business models using AI and data, have been recognized, and SMBC Group was selected to receive the "DX Brand" by the Ministry of Economy, Trade and Industry, Tokyo Stock Exchange, and Information-technology Promotion Agency for two consecutive years.



Asset Management Strategy



Bringing together the comprehensive strengths of SMBC Group to become the No.1 “asset management solution provider” for our customers

At SMBC Group, each Group company with strengths in the asset management business collaborates while leveraging their respective strengths to develop asset management strategies. To further deepen integrated Group management, management from each company gathered to discuss the current situation and issues.

Tadashi Hayakawa

SMBC Trust Bank
Executive Officer
General Manager, Wealth Management Planning Dept.

** Listed from left to right in the photo*

Ken Kobayashi

SMBC Global
Investment & Consulting (SGIC)
Representative Director, President

Hideyuki Omokawa

Managing Executive Officer
Group Deputy CSO
General Manager, Asset & Wealth Management Strategy Dept.

Junko Ikarashi

SMBC Nikko Securities
Managing Executive Officer
Head of Investment Solutions Unit

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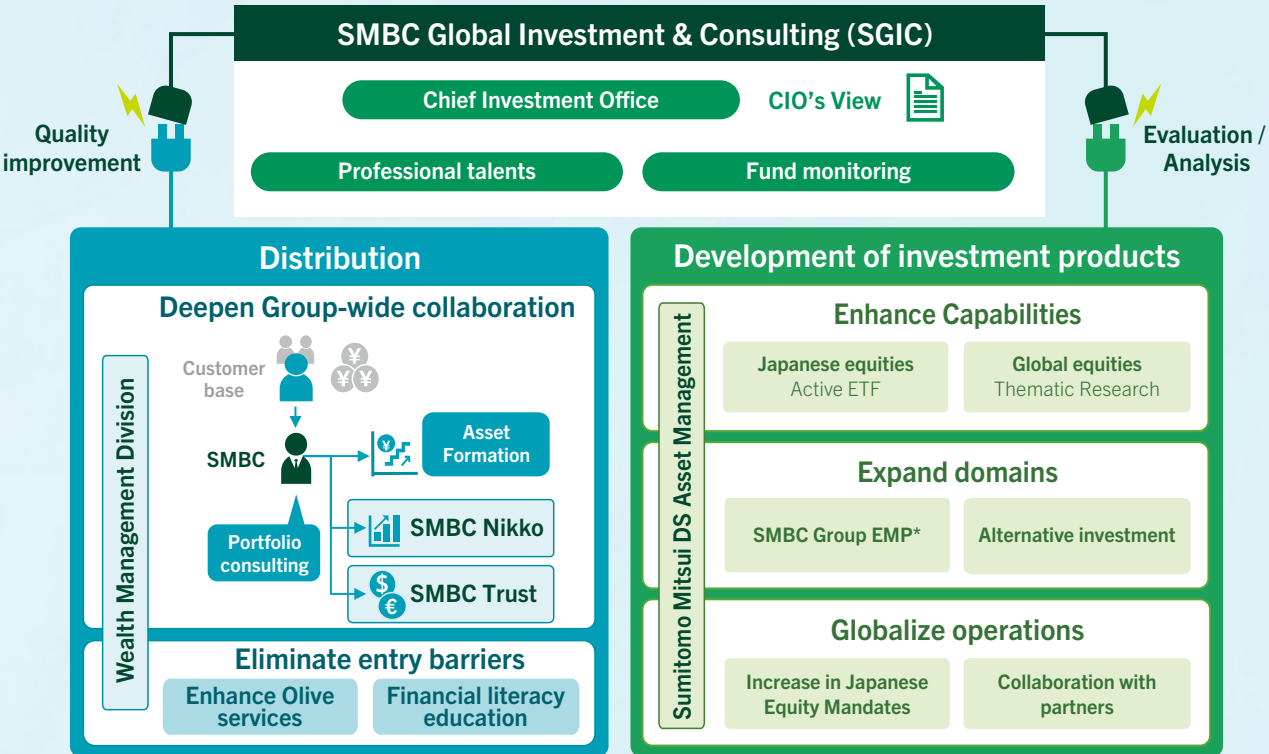
Strengthening the Group-wide asset management strategy promotion system centered on SGIC

Omokawa (Group Deputy CSO):
SMBC Group aims to become the No.1 asset management solution provider that is close to each customer’s diverse needs and provides optimal asset management services. To achieve this, we have established a system in which SGIC, as the core, provides neutral advice to Group companies responsible for wealth

consulting and for the formation and development of investment products, thereby improving service quality.

Kobayashi (SGIC): We are transferring necessary functions and resources to SGIC, and in the investment trust business, we consolidated fund due diligence and monitoring work. In the fund wrap business, we consolidated asset allocation and

fund selection work within fiscal 2024. In addition, we welcomed about 20 members of the CIO (Chief Investment Office) team specializing in providing information to support long-term diversified investment from SMBC Nikko Securities. From April 1, 2025, we regularly publish “CIO’s View,” which features SMBC Group’s official investment outlook.



** Emerging Manager Program*

Tsuneto Iki

Sumitomo Mitsui DS Asset Management (SMDAM)
Deputy President Executive Officer and COO

Toshihiko Kato

Managing Executive Officer
Deputy Head of Retail Business Unit
General Manager, Wealth Management Division

Asset management strategy

Kato (Deputy Head of Retail Business Unit):

At SMBC Group, the Wealth Management Division formulates and promotes comprehensive strategies so that customers can receive integrated consulting from SMBC, SMBC Nikko Securities, and SMBC Trust Bank. We have established the optimal sales structure to meet customer needs and are continuously working on portfolio consulting.

Ikarashi (SMBC Nikko Securities):

SGIC has advanced fund research functions and high expertise and know-how in asset allocation. By

utilizing the “CIO’s View,” which reflects this from a neutral standpoint, throughout the Group, we hope to provide higher-quality consulting.

Hayakawa (SMBC Trust Bank):

Currently, SMBC Trust Bank mainly handles foreign investment trusts, and we hope to utilize SGIC’s functions to further improve their quality. In addition, to be able to propose products from a neutral standpoint over the long term, regardless of market themes at any given time, we will work with SGIC to build the optimal lineup.

Iki (SMDAM): SMDAM’s mission is not only to manage its in-house products, but also to provide clients with access to excellent investment opportunities and managers around the world. Through years of fund wrap management, SGIC has developed strong capabilities in fund selection and in constructing portfolios that combine those funds effectively. We hope to select better funds and provide better portfolios through collaboration.

From savings to asset building
—Covering the expanding base of investors with the new NISA

Kato (Deputy Head of, Retail Business Unit):

For beginners starting to invest, there are hurdles such as lack of knowledge or funds, and anxiety about investment and risk. To resolve these matters and support customers’ asset formation, we conduct financial literacy education through outreach classes and seminars. Additionally, in January 2025, we released a financial literacy education game that allows users to easily learn about finance. Furthermore, with the launch of the new NISA in January 2024, “Olive” has taken the lead, and the base of investors is beginning to expand, especially among the younger generation with a high interest in digital tools and services. The number of

NISA accounts increased by 370,000 across SMBC Group in the past year, including SBI Securities intermediary accounts via Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Card Company, with a 20% year-on-year increase. In particular accounts opened via “Olive” accounted for a large proportion.

Ikarashi (SMBC Nikko Securities): At SMBC Nikko Securities, we are focusing on total asset consulting, handling all of our customers’ assets so that they can steadily increase their assets through medium- to long-term diversified investments. We believe our strength lies in being able to maintain long-term relationships with customers through follow-ups via life plan hearings, proposals, and reviews.

Hayakawa (SMBC Trust Bank): SMBC Trust Bank has strengths in foreign currency-denominated investment trusts and settlement services, and the Visa debit card “Global Pass,” which allows settlement in foreign currencies, is widely used by Japanese global company expatriates and business owners who frequently travel overseas. In addition, we propose reviews of total asset portfolios based on non-financial needs, including real estate, and customers’ potential needs, and differentiate ourselves by supporting not only wealth management but also loans, real estate brokerage, and the smooth succession of company shares.

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Leveraging human resources and uniting the Group’s asset management skills

Iki (SMDAM): SMDAM upholds “Be Active.” and focuses on active management. Recognizing that people are the source of enhancing our asset management capabilities, we are proactively leveraging the Group’s diverse talent pool to expand our lineup of investment products. For example, we welcomed asset management personnel from the Global Markets and Treasury Unit of Sumitomo Mitsui Banking Corporation, combining the asset management skills of both companies, and launched a global macro

strategy fund in 2023. On the other hand, many experienced asset management talents, including fund managers, have transferred from our company to Group companies, engaging in fund selection, evaluation of asset management companies, and asset management advisory operations. As personnel exchanges within the Group continue to progress, I strongly feel that opportunities for professionals in asset management will also expand.

Omokawa (Group Deputy CSO): In terms of strengthening asset man-

agement capabilities, we have also begun efforts to actively welcome new managers and incorporate excellent investment strategies to offer to customers, and via the “Emerging Manager Program,” we have set a medium-term goal of investing a total of ¥50 billion. SMDAM also provides functions such as this fund scheme and due diligence on emerging managers. Going forward, we hope to utilize the diverse functions of SMBC Group to promote collaboration with distinctive emerging managers.

With fiduciary duty at heart, becoming the choice of customers

Iki (SMDAM): I believe that the most important concept in the asset management business is fiduciary duty. In order to fulfill a higher level of fiduciary duty, a deeper understanding of asset management is essential. In recent years, as investment areas such as alternative investments have expanded, leadership with product governance, transparency, broad experience, and deep insight has become indispensable. Our management team is composed of talents who have accumulated many years

of experience in this industry, and it emphasizes extensive experience, knowledge, and insight in the asset management industry.
Kobayashi (SGIC): SGIC stands between the two functions of asset management and wealth consulting within the Group and evaluates products from a neutral standpoint. Upon becoming president, I have always considered how to balance fiduciary duty with collaboration within the Group. I believe the answer is for each affiliated company to become

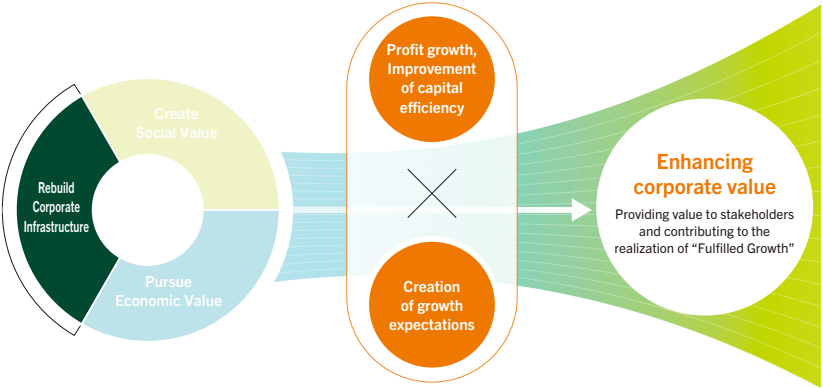
an even more professional organization. The ultimate goal is to provide high-quality services and make people want to actively use SGIC’s products and services.
Omokawa (Group Deputy CSO): As we move toward becoming a top class asset management solution provider, let’s continue to work closely together, aiming to be a presence that supports and stands by our customers throughout their lives.



Rebuild Corporate Infrastructure

Rebuild Corporate Infrastructure

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Corporate Governance

Basic Approach

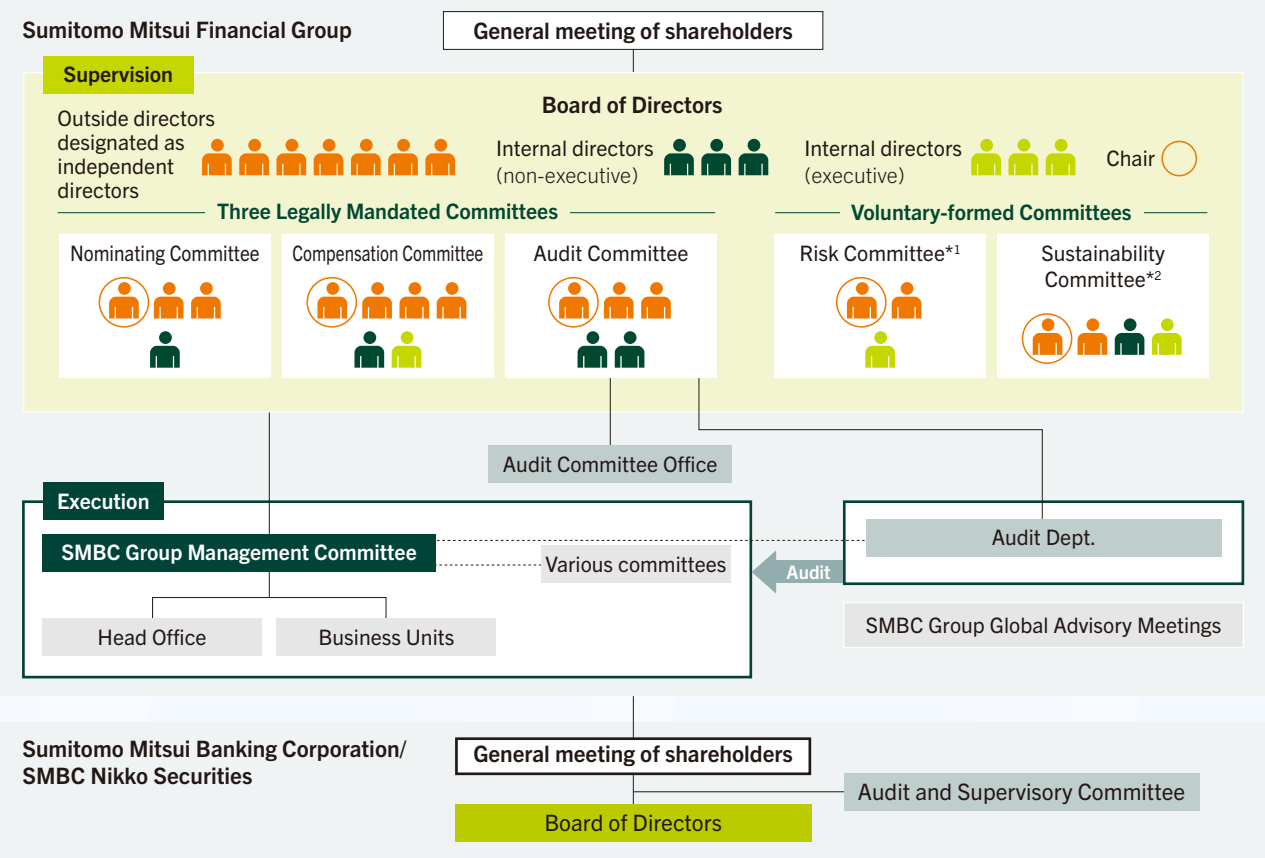
We position “Our Mission” as the universal philosophy underpinning the management of SMBC Group and as the foundation for all of our corporate activities. To achieve the approach outlined in “Our Mission,” we consider the strengthening and enhancement of corporate governance a top-priority issue as we pursue effective corporate governance.

Sumitomo Mitsui Financial Group’s Corporate Governance System

SMFG Group employs the Company with Three Committees structure. This structure was adopted in order to build a corporate governance system that is globally recognized and is aligned with international banking regulations and supervision requirements, as well as to achieve enhanced oversight of the exercise of duties by the Board of Directors and to expedite the exercise of duties. Core subsidiaries SMBC and SMBC Nikko Securities employ the Company with Audit and Supervisory Committee system described in the Companies Act.

Through the implementation of effective corporate governance systems, we aim to prevent corporate misconduct while also achieving ongoing growth and medium- to long-term improvements in corporate value. We realize that there is no perfect form for corporate governance structures. Accordingly, we will continue working toward the strengthening and enhancement of corporate governance in order to realize higher levels of effectiveness.

As of June 2025



*1 Hirohide Yamaguchi (Chairman of the Advisory Board of Nikko Research Center, former Deputy Governor of the Bank of Japan) and Tatsuo Yamasaki (Specially appointed professor of International University of Health and Welfare) serve as members of the Risk Committee in the capacity of external experts.
*2 Yukari Takamura (Professor at the University of Tokyo Institute for Future Initiatives) and Eiichiro Adachi (Japan Research Institute) serve as members of the Sustainability Committee in the capacity of experts.

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● Role of the Board of Directors

The Board of Directors of the Company is primarily responsible for making decisions on basic management policies and other matters that are within its legally mandated scope of authority, as well as overseeing the exercise of duties of executive officers and directors. Authority for decisions on execution of work other than decisions legally required of the Board of Directors will, in principle, be delegated to executive officers. The purpose of this delegation is to enhance the oversight function of the Board of Directors and to expedite the exercise of duties.

The Board of Directors works toward the realization of “Our Mission” and the long-term growth of corporate value and the common interests of the shareholders. Any action that may impede those objectives will be addressed with impartial decisions and response measures.

The Board of Directors is also responsible for establishing an environment that supports appropriate risk taking by executive officers. It is developing systems for ensuring the appropriateness of SMBC Group’s business operations pursuant to the Companies Act and other relevant legislation in order to maintain sound management.’ Another responsibility of the Board of Directors is exercising highly effective oversight of executive officers from an independent and objective standpoint. Accordingly, the Board of Directors endeavors to appropriately evaluate company performance and to reflect these evaluations in its assessment of executive officers.

Examples of matters discussed by the Board of Directors
● Progress of the Medium-Term Management Plan and business plans
● Global strategy/Inorganic strategy
● Digitalization initiatives
● Human resources initiatives (Human capital investment)
● System strategy policy, cybersecurity, and data governance
● Global compliance
● Policy for equity holdings
● Focused supervision of SMBC Nikko Securities in light of the administrative action taken by the Financial Services Agency
● Initiatives to create social value (including sustainability promotion)
● Capital policy (ROE and PBR improvement)
● Response to geopolitical risks/Response to trends in the financial markets

Initiatives for Improving Corporate Governance

2002	● Establishment of Sumitomo Mitsui Financial Group (“the Company”) ● Establishment of voluntary Nominating Committee, Compensation Committee, and Risk Management Committee as internal committees of the Board of Directors
2005	● Establishment of voluntary Audit Committee as an internal committee of the Board of Directors
2006	● Formulation of “Basic Policy on Internal Control Systems” through resolutions on internal control based on “Our Mission” and “Code of Conduct” in order to establish frameworks for ensuring appropriate operations
2010	● Listing of shares on the New York Stock Exchange to improve transparency of financial reporting, increase convenience for investors, and diversify fund procurement methods
2015	● Establishment of the “SMFG Corporate Governance Guidelines” ● Increase in the number of outside directors to five and in the number of outside corporate auditors to three
2016	● Commencement of evaluations of the effectiveness of the Board of Directors
2017	● Transition to a Company with Three Committees; increase in the number of outside directors to seven. Establishment of voluntary Risk Committee together with legally mandated Nomination Committee, Compensation Committee, and Audit Committee; and appointment of outside directors as chairmen of three legally mandated committees ● Institution of new Group governance system through introduction of group-wide Business Units and Group CxO system
2019	● Transition to Company with Audit and Supervisory Committee structure by core subsidiaries SMBC and SMBC Nikko Securities ● Decrease in the number of directors from 17 to 15 and increase in the ratio of outside directors to 47%
2020	● Appointment of an outside director as the chairman of the Risk Committee
2021	● Appointment of Group CSuO ● Establishment of voluntary Sustainability Committee (chaired by an outside director)
2023	● Establishment of Group Business Management Department
2024	● Change making outside directors a majority on the Board of Directors

Corporate Governance

● Composition of the Board of Directors

The Board of Directors is composed of directors of varied backgrounds and diverse expertise, experience, genders, and nationalities.

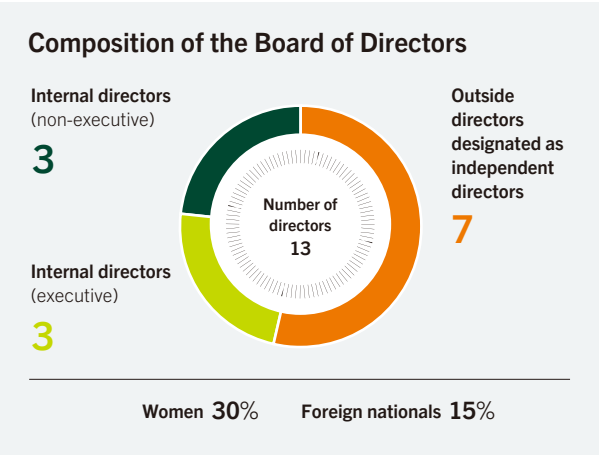
As of June 27, 2025, the Board of Directors is composed of 13 members. A majority of these, seven directors,

are outside directors. The chairman of the Board of Sumitomo Mitsui Financial Group, who does not have business execution responsibilities, serves as the chairman of the Board of Directors. This membership ensures an objective stance toward supervision of the exercise of duties by executive officers and directors.

Outside directors serve as chairmen and members of the Company’s legally mandated and voluntarily established committees. When necessary, outside directors request reports on compliance, risk management, and other matters from relevant departments to promote appropriate coordination and supervision.

● Skills Matrix of Directors

Directors have been selected for their knowledge and experience in corporate management, finance, global business, legal affairs/risk management, financial accounting, IT/DX, sustainability, and other areas in order to exercise sufficient supervisory functions as a Board of Directors of a global financial group, expected to contribute to the further development of SMBC Group.



	Appointed	Committees*1					Expected knowledge and experience in particular*2						
		Nomination Committee	Audit Committee	Compensation Committee	Risk Committee	Sustainability Committee	Corporate management	Finance	Global	Legal affairs/ Risk management	Financial accounting	IT/DX	Sustainability
Makoto Takashima	2025	○		○		○	👤	💰	🌐	⚖️	📊	💻	🌱
Toru Nakashima	2024			○		○	👤	💰	🌐	⚖️	📊	💻	🌱
Teiko Kudo	2021							💰	🌐	⚖️			🌱
Kazuyuki Anchi	2025				○			💰	🌐	⚖️	📊	💻	🌱
Toshihiro Isshiki	2021		○					💰		⚖️			
Honami Matsugasaki	2025		○					💰	🌐	⚖️			
Sonosuke Kadonaga	2024	○	◎				👤		🌐	⚖️			
Jun Sawada	2025	◎		○			👤		🌐			💻	🌱
Yoriko Goto	2025		○			◎	👤	💰	🌐	⚖️	📊		🌱
Isao Teshirogi	2025			◎	○		👤		🌐	⚖️			
Norimitsu Takashima	2025	○		○						⚖️			
Charles D. Lake II	2023		○		◎		👤	💰	🌐	⚖️			
Jenifer Rogers	2023			○		○	👤	💰	🌐	⚖️		💻	🌱

*1 ◎ indicates Chairman

*2 The items listed in “Skills Matrix of Directors” are areas particularly expected of the relevant directors and do not represent the entirety of the knowledge and experience possessed by the directors.

Sumitomo Mitsui Financial Group Directors



Makoto Takashima

Chairman of the Board



Toru Nakashima

Director President (Representative Corporate Executive Officer)
Group CEO



Teiko Kudo

Director Deputy President and Corporate Executive Officer (Representative Corporate Executive Officer)
Group CCO
Director and Deputy President of SMBC



Kazuyuki Anchi

Director Senior Managing Corporate Executive Officer
Group CFO, Group CSO
Director and Senior Managing Executive Officer of SMBC



Toshihiro Isshiki

Director



Honami Matsugasaki

Director



Sonosuke Kadonaga

Outside director
Representative of Intrinsics



Jun Sawada

Outside director
Chairman and Member of the Board of NTT, Inc.



Yoriko Goto

Outside director
Certified public accountant



Isao Teshirogi

Outside director
Representative Director, President, and CEO of Shionogi & Co., Ltd.



Norimitsu Takashima

Outside director
Attorney at law



Charles D. Lake II

Outside director
President of Allac International, Inc.
Chairman and Representative Director of Allac Life Insurance Japan Ltd.
Attorney at Law, admitted in Pennsylvania, the U.S.A.
Attorney at Law, admitted in Washington, D.C., the U.S.A.



Jenifer Rogers

Outside director
General Counsel International of Asurion Japan Holdings G.K.
Attorney at Law, admitted in New York, the U.S.A.

* The seven directors Sonosuke Kadonaga, Jun Sawada, Yoriko Goto, Isao Teshirogi, Norimitsu Takashima, Charles D. Lake II, and Jenifer Rogers are outside directors as provided for in Article 2, Item 15 of the Companies Act.



For career summaries, please refer to UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549 FORM20-F for the fiscal year ending March 31, 2025.

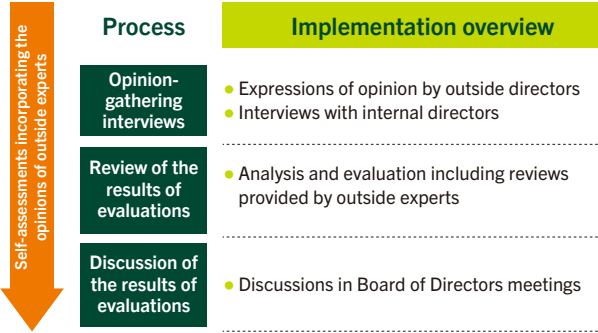
Corporate Governance

Evaluation of the Effectiveness of the Board of Directors

The “SMFG Corporate Governance Guideline” contains provisions on evaluating the effectiveness of the Board of Directors. In accordance with these provisions, the Board of Directors conducts annual analysis and evaluation to determine whether it is executing its duties in line with the guideline, and discloses the findings of these.

In FY2024, the evaluation focused on the role of the Board of Directors, operation of the Board of Directors and support systems for outside directors, and composition of the Board of Directors, for which provisions exist in Japan’s Corporate Governance Code and the “SMFG Corporate Governance Guideline.” All five outside directors were asked for their opinions regarding these areas at meetings of the Board of Directors held in April and May 2025, with interviews of internal directors conducted thereafter. Discussions were held at Board of Directors’ meetings in June based on the findings of these interviews with internal directors, after

which analyses and evaluations were carried out to determine whether the Board of Directors is executing its duties in line with the “SMFG Corporate Governance Guideline.” Reviews by knowledgeable experts from developed nations are received at each stage of the evaluation process.



Overview of Results of Evaluation of the Effectiveness of the Board of Directors

In FY2024, the Board of Directors was assessed to be sufficiently effective and to have improved its effectiveness, as a result of efforts to raise the level and effectiveness of deliberations at Board of Directors meetings following appropriate actions taken in response to the findings of the previous effectiveness evaluation. Based on the results of the latest effectiveness evaluation, along with diverse opinions by directors and recommendations by external experts gathered through the series of processes, the Board of Directors is working to further enhance its effectiveness by promoting mutual understanding between outside directors and internal officers and employees and by discussing fundamental issues aimed at enhancing corporate value.

PDCA Cycle for the Evaluation of the Effectiveness of the Board of Directors

The Board of Directors was assessed to be sufficiently effective and to have improved its effectiveness				
	FY2023	FY2024		FY2025
	Evaluation	Initiative	Evaluation	Initiative
Role of the Board of Directors	- Appropriately demonstrated its supervisory function through discussions on key topics including the creation of social value - Outside directors demonstrated a high level of expertise with the aim of enhancement of corporate value based on the interests of stakeholders	- Enhanced deliberations on inorganic strategy and global governance - Risks associated with global affairs, market trends, and other changes in the business environment were identified, analyzed, and then reported and discussed in a timely manner	- Appropriately exercised supervisory functions based on the timely provision of information, etc. - Outside directors continued to demonstrate a high level of expertise, and the Board of Directors and internal committees collaborated effectively	- Discussions are held on the formulation of the next Medium-Term Management Plan with a view toward the future vision of the SMBC Group and on enhancing the governance system - Enhanced deliberations on initiatives for creating social value and on the utilization of generative AI
Operation of the Board of Directors and Support Systems for Outside Directors	- Agenda items and the length of deliberations were appropriate, and discussions were invigorated by the chairman’s effective facilitation - Deepened understanding through information sharing and meetings regarding key group companies	- Enhanced opportunities for study sessions for outside directors and exchanges with management both in Japan and overseas - Clearly identified items in meeting materials that required discussion	- Meeting operations were smooth and effective (agenda items, length of deliberations, etc. were appropriate) - Further enhanced informal gatherings, which contributed to mutual information exchange and the fostering of trust between outside directors and internal officers	- Promoted two-way communication between outside directors and internal officers - Continuously reviewed our approach to providing materials and explanations for supporting effective discussions
Composition of the Board of Directors	Diversity was observed in the attributes of outside directors, and an atmosphere was established conducive to outside directors voicing opinions	The ideal composition was continuously reviewed and examined, led by the Nomination Committee, in light of the role of the Board of Directors	With an appropriate number of members and diverse attributes, the Board of Directors maintained a well-balanced composition in which each member demonstrated their expertise	Continued examination, primarily by the Nomination Committee, of the composition of the Board of Directors with a view toward the challenges and future direction of the SMBC Group

Introduction	Management Messages	Value Creation Story	Create Social Value / Pursue Economic Value	Rebuild Corporate Infrastructure
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Activities of Internal Committees (FY2024)

	Main role	Number of meetings (average attendance rate)	Activities
Nominating Committee	The Nominating Committee is responsible for preparing proposals regarding the appointment and dismissal of directors to be submitted to the general meeting of shareholders. The committee deliberates on matters including those related to future top management selection and personnel decisions pertaining to officers of major subsidiaries.	4 meetings (100%)	- Held ongoing discussions concerning succession planning for the Chairman of the Company, the Chairman of Sumitomo Mitsui Banking Corporation, and the presidents of Group companies, reaching consensus on the decisions - Reviewed the selection criteria for outside director candidates and deliberated on the proposal for appointing directors based on those criteria
Compensation Committee	The Compensation Committee is responsible for setting policies for determining the compensation of directors, corporate executive officers and executive officers of the Company as well as individual remuneration for directors and corporate executive officers of the Company. The committee also deliberates on policies for setting the compensation of the executive officers of major subsidiaries and the individual remuneration for executive officers of the Company.	7 meetings (100%)	- Deliberated on the revision of the executive compensation systems at the Company and Sumitomo Mitsui Banking Corporation in anticipation of the Group’s next Medium-Term Management Plan, which is to start in FY2026 - Deliberated on further expanding the eligibility for the Stock Compensation Plans for executives of SMBC Group companies to enhance the Group’s competitiveness.
Audit Committee	The Audit Committee is responsible for auditing the execution of duties by directors and executive officers of the Company, preparing audit reports, and determining the content of proposals related to the accounting auditor to be submitted to the general meeting of shareholders.	14 meetings (99%)	- In accordance with audit policy, audited the execution of duties by directors and executive officers by attending key meetings, interviewing directors and executive officers, receiving reports from internal departments, and conducting site visits at each location - Reported the results of deliberations in the Audit Committee to the Board of Directors and issued recommendations and opinions to executive officers, etc. where necessary
Risk Committee	The Risk Committee is responsible for deliberation on important matters relating to risk management, including environmental and risk awareness, operation of the Risk Appetite Framework, and implementation of risk management systems, and provides counsel to the Board of Directors on these matters.	4 meetings (100%)	- Discussed the political and macroeconomic trends of major countries, as well as geopolitical risks and related topics, and deliberated on risk appetite and policy for addressing risk scenarios when they materialize, based on the top risks and stress test results - Deliberated on matters including initiatives to foster a sound risk culture and ways to enhance operational resilience
Sustainability Committee	The Sustainability Committee is responsible for deliberating on the progress of measures to create social value, domestic and overseas conditions surrounding sustainability, and other important matters. It reports to and advises the Board of Directors.	2 meetings (100%)	- Reviewed the status of initiatives aimed at creating social value, and deliberated on measures for further expanding these initiatives as well as which direction we should head in for measuring and disclosing their impact - Deliberated on the need to revise SMBC Group strategies and tactics in light of changes in the external sustainability landscape, and on enhancing initiatives for the decarbonization of the real economy.

Corporate Governance

Support Systems for Outside Directors

The Company recognizes that outside directors require an in-depth understanding of the Group's business operations and business activities. Accordingly, we continually endeavor to supply outside directors with the business activity information and insights that are necessary to supervise management while also providing them with the opportunities needed to fulfill their roles.

In FY2024, we carried out the initiatives indicated at right.



Outside directors visit Group company location in New York



Outside directors visit Sumitomo Mitsui DS Asset Management

- Participation in meetings of general managers of core Group companies and other executive team meetings, tours of domestic and overseas bases of Group companies, and discussions with officers at overseas bases and presidents of Group companies for facilitating a greater understanding of business operations and business activities
- Informal meetings between outside directors and relevant departments on topics including the revision of SMBC's personnel system and the businesses of Group companies
- Explanatory sessions on Board of Directors' meeting agenda items prior to board meetings to assist in the understanding of items
- Study sessions led by external experts on sustainability, data governance, and Central Bank Digital Currencies
- Timely and effective provision of information on the proceedings of internal meetings, etc. to outside directors
- Outside directors-only meetings

Outside Director Independence Standards

In order to be classified as independent, an outside director of the Company must not fall under, or have recently fallen under, any of the following categories:

① Major business partner	● An entity that has the Company or SMBC as a major business partner, or an executive director, officer, or other person engaged in the execution of the business of such an entity ● An entity that is a major business partner of the Company or SMBC, or an executive director, officer, or other person engaged in the execution of the business of such an entity
② Specialist	● A legal expert, accounting expert, or consultant who has received money or other property from the Company or SMBC averaging over ¥10 million per year over the last three years, in addition to any compensation received as a director or corporate auditor ● A member of a Juridical Person, etc. or other organization that provides specialist services, such as a law firm, accounting firm, or consulting firm, which has received large amounts of money or other property from the Company or SMBC
③ Donations	● A person who has received donations or other payments from the Company or SMBC averaging more than ¥10 million per year or 2% of the recipient's annual revenue, whichever is greater, over the last three years, or an executive director, officer, or other person engaged in the execution of business of an entity which has received the same
④ Major shareholder	● A major shareholder of the Company or an executive director, officer, or other person engaged in the execution of business of a major shareholder (including anyone who has been a major shareholder, or an executive director, officer, or other person engaged in the execution of business of a major shareholder, within the last three years)
⑤ Close relative	● A close relative of any person (excluding non-material personnel) who falls under any of the following: (1) A person who falls under any of 1 through 4 above; or (2) A director, corporate auditor, executive officer, or other person engaged in the execution of business of the Company or a subsidiary thereof

See Reference 6 in "SMFG Corporate Governance Guideline" for details.
https://www.smfg.co.jp/aboutus/pdf/cg_guideline.pdf

Introduction	Management Messages	Value Creation Story	Create Social Value / Pursue Economic Value	Rebuild Corporate Infrastructure
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Equity Holdings

Policy for Equity Holdings

- (1) In principle, SMBC Group does not hold shares of other companies except in cases in which a rationale for holding shares is recognized. This policy exists to maintain SMBC Group's financial soundness, taking into consideration the standards of globally operating financial institutions and our proactive response to global regulation.
- (2) We deem cases in which shareholding will contribute to the enhancement of SMBC Group's corporate value over the medium to long term to be cases in which a rationale for holding shares is recognized. We determine this through comprehensive consideration based on (a) profitability, through an appropriate assessment and understanding of relevant factors including associated risks and the costs and returns of the holding; (b) the objectives for holding, such as maintaining and strengthening business relationships, capital and business alliances, and restructuring support; and (c) other relevant factors.
- (3) We examine rationale for holding shares on a regular basis. We continue to hold shares when a rationale for holding is recognized, and sell shares, with consideration of factors including market impact and the financial strategy of the issuer, when a rationale for holding is no longer recognized.

Plan for Reduction of Equity Holdings

SMBC Group engages in continuous efforts to reduce price fluctuation risks in order to ensure a financial foundation that allows us to sufficiently demonstrate our financial intermediary functions even under a stressful environment of drastically falling stock prices.

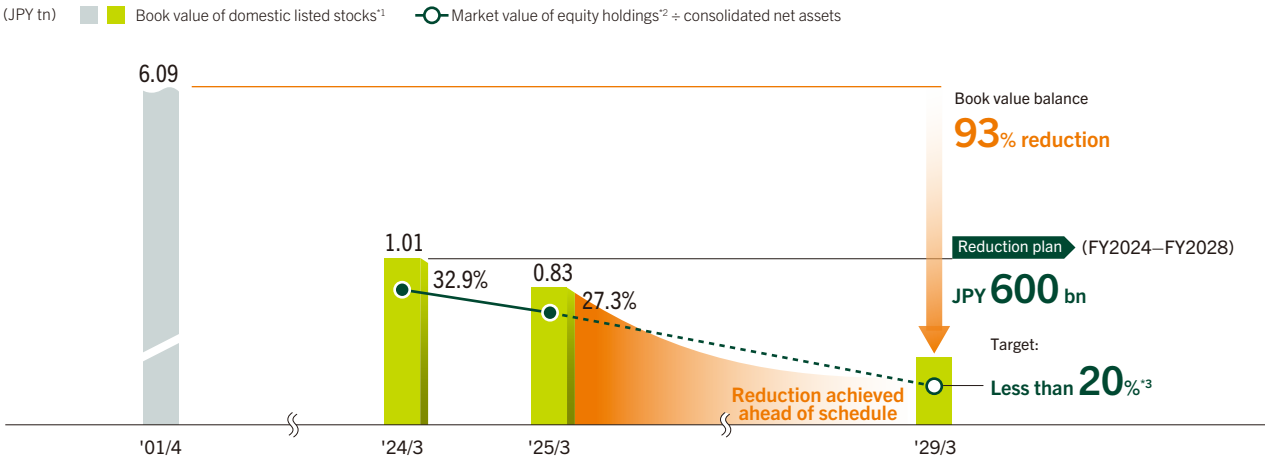
SMBC Group continuously makes efforts to reduce price fluctuation risks from the point of view of maintaining a foundation that can sufficiently demonstrate its financial intermediary function even in a stressful environment in which the prices of equities drastically fall.

Achieving the plan to reduce ¥200 billion (*) over three years from the end of March 2023 ahead of schedule by 1.5 years, in November 2024, we announced a plan to reduce the balance by ¥600 billion (*) over five years from the end of March 2024, and in fiscal 2024, we reduced it by ¥185 billion. With this plan, the cumulative reduction since the establishment of SMBC will exceed 90%, and during the next medium-term management plan period, the ratio of the market value of equity holdings to our consolidated net assets is expected to fall below 20%.

State of reduction

FY2024	¥185 billion
Consent of sales	¥85 billion

Plan for Reduction of Equity Holdings



^{*1} Excluding investments after the end of March 2020 for business alliance purposes ^{*2} Including balance of deemed held shares
^{*3} Approximately 16% when assuming the Nikkei Stock Average of ¥35,618 on March 31, 2025

See our website for more information on equity holdings.
<https://www.smfg.co.jp/company/organization/governance/structure/hold.html>

Corporate Governance

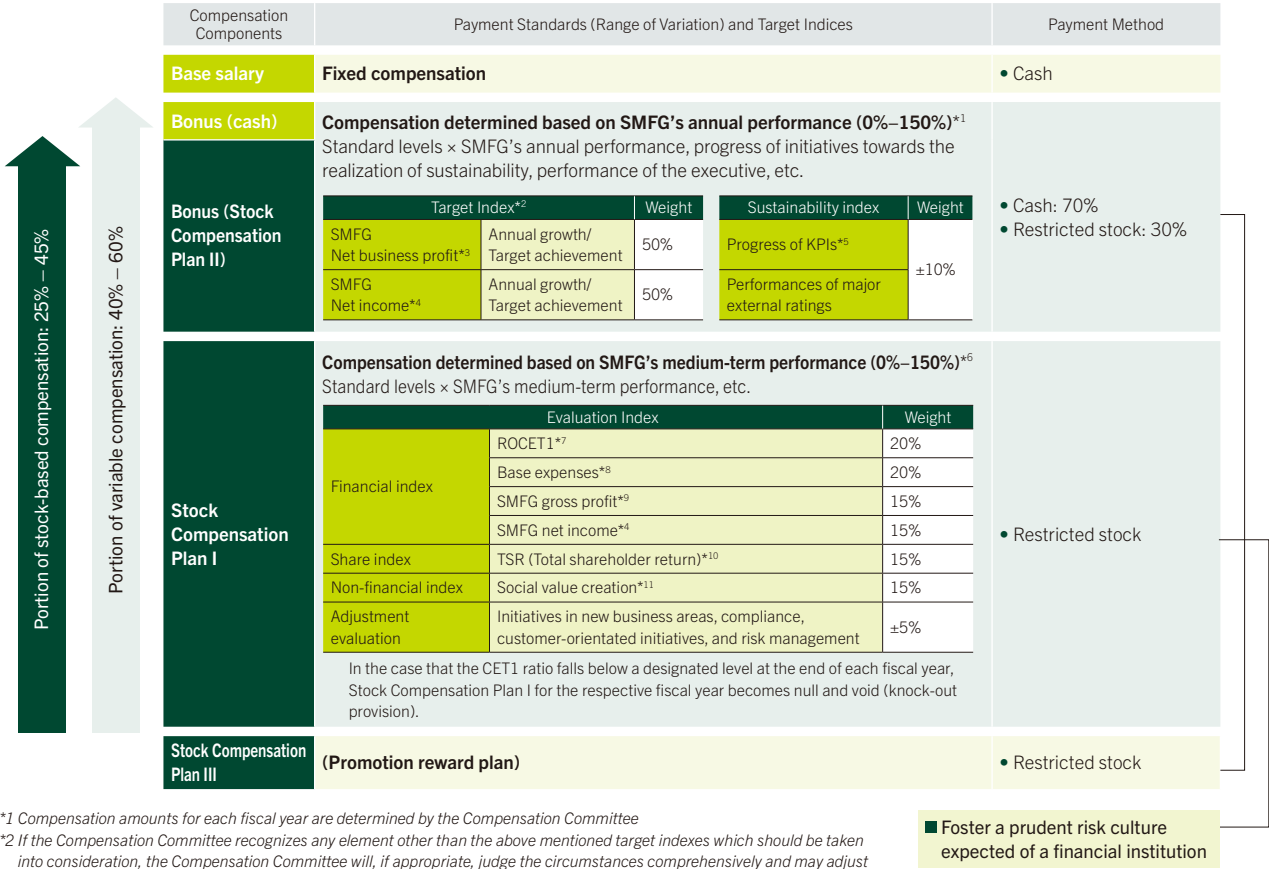
Compensation Program

To facilitate the fulfillment of Our Mission and the realization of Our Vision, SMBC Group’s medium- to long-term vision, we developed a compensation program for Directors, Corporate Executive Officers and Executive Officers (the “Executives”) and introduced Stock Compensation Plans as a part of Executives’ compensation programs, for the purpose of:

- ① Providing appropriately functioning incentives for Executives, strengthening linkage with our short-, medium-, and long-term performance, and
- ② Further aligning the interests of Executives with those of shareholders, by increasing the weight of stock compensation and enhancing the shareholding of our Executives.

Executive Compensation System (FY2025)

Cash compensation Stock compensation Variable compensation



*1 Compensation amounts for each fiscal year are determined by the Compensation Committee
*2 If the Compensation Committee recognizes any element other than the above mentioned target indexes which should be taken into consideration, the Compensation Committee will, if appropriate, judge the circumstances comprehensively and may adjust the compensation to be paid to the employee by a maximum of 5%, plus or minus
*3 The Company's consolidated net business profit
*4 The Company's consolidated profit attributable to owners of parent
*5 Annual performance of KPIs related to sustainability
*6 Compensation amounts determined by the Compensation Committee at the conclusion of the Medium-Term Management Plan
*7 Post-Basel III reforms basis, excludes net unrealized gains (losses) on other securities
*8 General and administrative expenses excluding "revenue-linked cost," "prior investment cost" and others
*9 The Company's consolidated gross profit
*10 The Compensation Committee determines progress of performance by relative evaluation of TSR during the term of the Group's Medium-Term Management Plan
*11 The Compensation Committee evaluates the achievement of KPIs related to the environment (FE reduction and amount of sustainability finance executed) and employees (employee engagement and DE&I), as well as the status of efforts to address the five priority issues set forth by the Group ("Environment," "DE&I/Human Rights," "Poverty & Inequality," "Declining Birthrate & Aging Population," and "Japan's Regrowth")

Executive Compensation Structure

In principle, executive compensation consists of base salary, bonuses and stock compensation. The performance-linked portion, which fluctuates with the business environment and performance, accounts for approximately 40% to 60% of total compensation, depending on position. Executive compensation and levels are determined by the Compensation Committee based on third-party surveys of manager compensation, economic and social trends, and the operating environment.

Annual Performance-Linked Compensation

Bonuses (cash) and Stock-Compensation Plan II are paid as annual performance-linked incentives. “SMFG Net Income,” which expresses the final outcome of SMBC Group management, and “SMFG Net Business Profit,” which indicates the profitability of SMBC Group, were adopted as FY2024 performance indexes. These enhance the connection between performance and executive compensation, ensuring that compensation functions as an appropriate incentive for performance. The performance evaluation coefficient of the annual performance-linked compensation is determined by the Compensation Committee each year. The data for FY2024 is provided below.

Results: Bonus (Cash) & Stock Compensation Plan II				
Target Index	Weight		Actual performance	Performance evaluation coefficient
SMFG Net business profit	50%	➡	53.7%	115%*
SMFG Net income	50%		57.2%	
Sustainability index	Weight	➡	Evaluation results	
Progress of KPIs	±10%		+5.0%	
Performances of major external ratings				

* The final performance evaluation coefficient is determined by summing the actual performance and the evaluation results and rounding down to the nearest whole number.

Medium-Term Performance-Linked Compensation

Stock Compensation Plan I is paid as medium-term performance-linked compensation. In order to improve accountability incentives for our medium- and long-term performance and to increase shareholder value, in addition to financial indexes such as ROCE1 and Base expenses, we have adopted TSR as a share index and Create Social Value as a non-financial index. Also, adjustment evaluation including initiatives in new business areas and compliance, customer-orientated initiatives, and risk management are considered to determine the medium-term performance-linked compensation.

Evaluation of efforts to create social value

We are incorporating an indicator evaluating efforts to create social value into executive compensation with the aim of further increasing our executives’ commitment to achieving a sustainable society.
From FY2022, the Compensation Committee will judge performances of annual progress of KPIs related to sustainability, such as the reduction of greenhouse gas emissions and performances of major external ratings. These performances will be reflected in annual performance-linked incentive by a maximum of 10%, plus or minus.
Create social value has been incorporated in the evaluation index of the medium-term performance-linked compensation since FY2023 as a non-financial index. Specifically, the Compensation Committee evaluates the KPI achievement rate for environmental and employee-related initiatives, as well as efforts to address the five materialities set by SMBC Group.

Ensuring Robust Business Operations

We have also introduced provisions for malus (forfeiture) of restricted stock and the claw-back of vested stock allocated under the Stock Compensation Plans in the event of incidents occurring such as material revisions to financial statements or material damage to the reputation of the Group.
We are working to restrain excessive risk-taking and foster a prudent risk culture expected of a financial institution.

Messages from Group CRO and Group CCO

MESSAGE FROM
Chief Risk Officer



Natsuhiro Samejima
Senior Managing Executive Officer
Group CRO

 See page 102 for more information on our risk management initiatives.

MESSAGE FROM
Chief Compliance Officer



Teiko Kudo
Director
Deputy President and
Executive Officer
Group CCO

 See page 104 for more information on our compliance system.

Risk Management

Basic Approach

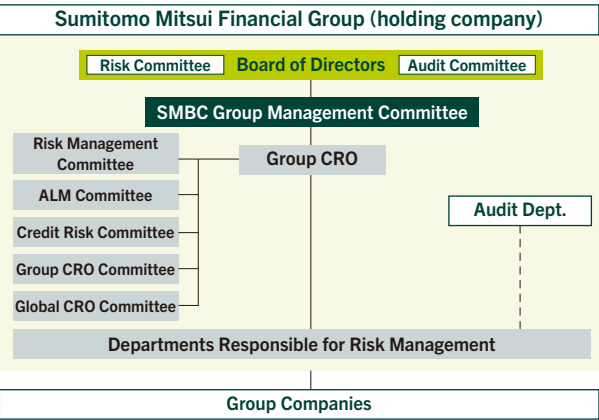
Since SMBC Group has positioned strengthening of compliance and risk management as a key issue, it is devoted to improving its systems in these areas in order to become a truly outstanding global group.

Risk Management Systems

Based on the recognition of the importance of risk management, top management is actively involved in the risk management process, and systems are in place for verifying and monitoring the effectiveness and appropriateness of this process. Specifically, the group-wide basic policies for risk management and the risk appetites are determined by the Management Committee and authorized by the Board of Directors. After that, the status of risk management based on these policies and risk appetites is reported to the Board of Directors by the Group CRO.

If the outlooks for the operating environment and risks change drastically from the assumption in the beginning of the fiscal year, we will review the Risk Appetite for the entire group in a timely and appropriate manner with approval by the Board of Directors. Furthermore, SMBC Group is strengthening groupwide risk management systems through the Group CRO Committee and the Global CRO Committee.

SMBC Group’s Risk Management System



Three Lines of Defense

The Basel Committee on Banking Supervision’s corporate governance principles for banks recommends “three lines of defense” as a framework for risk governance. Based on this framework, SMBC Group has clarified the roles and responsibilities of each unit.

Principal Organizations	Roles and Responsibilities
First Line Business Units	As risk owners concerning their operations, business units shall identify/evaluate risks and implement measures to reduce and manage risks accordance with the basic principles provided by Second Line. They shall also monitor risks and report within First Line and to Second Line. Additionally, they shall work to create and foster a sound risk culture.
Second Line Risk Management and Compliance Departments	The Risk Management and Compliance Departments shall draft and develop basic principles and frameworks in order to establish risk management and compliance systems as well as provide oversight, monitoring, and develop training programs for First Line.
Third Line Audit Department	Independent from First Line and Second Line, the Audit Department shall assess and verify the effectiveness and appropriateness of risk management and compliance systems, and report as well as provide recommendations to the Audit Committee and the SMBC Group Management Committee.

Risk Culture

In order for SMBC Group to realize and maintain a sustainable growth in corporate value as a Top Tier Global Financial Group, each one of our colleagues should think and judge on their own if their actions meet the expectations and requirements of customers, markets, and other stakeholders, not just if they are compliant with laws and regulations. SMBC Group has established the “Behavioral Guideline on Compliance and Risk” for every colleague to hold onto as a “keystone” of their daily business, providing a proper way to look at compliance and risk. Relevant concrete measures to foster a sound risk culture include internal surveys for monitoring the compliance awareness and risk sensitivity of our colleagues, as well as communication of messages from top management to employees, internal training, and a commendation system.

Behavioral Guideline on Compliance and Risk



Introduction	Management Messages	Value Creation Story	Create Social Value / Pursue Economic Value	Rebuild Corporate Infrastructure
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Risk Appetite Framework

SMBC Group has introduced a Risk Appetite Framework for controlling group-wide risks that clarifies the types and levels of risk that we are willing to take on or are prepared to tolerate in order to grow profits (risk appetite). It is one of two pillars of our business management alongside business strategies. In formulating business strategies and related matters, particularly significant management risks are identified as “top risks,” and risk analysis is conducted through stress testing. Taking into account the potential impact should risks materialize, the Board of Directors sets the risk appetite for each risk category, such as credit risk, market risk, and liquidity risk. Furthermore, individual risk

Risk Appetite Framework Positioning



Top Risks*

Political turmoil and social instability	Outbreak of serious infectious disease
Intensification of U.S.- China struggle for supremacy	Increase in disasters such as large-scale earthquakes, storms, and floods
Growing tensions over Russia-Ukraine conflict	Delayed response to industry structural changes caused by technological innovation
Unstable situations in Asia and the Middle East	Sophistication of disinformation and unexpected rapid spread of information
Increasing threats in cyberspace	Divide in policy, regulation and social norm on environment and human rights issues
World economic stagnation	Misconduct damaging customer protection and market integrity
Highly volatile markets, sudden deterioration of Non-JPY funding	Inadequate preparedness for AML/CFT
Manifestation of a global financial crisis	Inadequate responses to system failures
Japanese economic stagnation	Inadequate preparedness for heightened regulatory and supervisory scrutiny
Japanese fiscal instability	Difficulty in securing human resources

Note: The above is only a portion of the risks recognized by SMBC Group. It is possible that the materialization of risks other than those listed above could have a significant impact on our management.



See page 128 of the Appendix for more information on top risks.

appetites have been established for each business unit based on the business's strategy and the overall risk appetite of SMBC Group to facilitate appropriate management.

The outlooks for the operating environment and risks and the risk appetite situation are monitored throughout the course of the fiscal year. Measures and business strategies are revised in a flexible manner.

Additionally, in light of rising geopolitical risks, cyber-attacks, and the increasing frequency of natural disasters, each posing a serious threat to business operations, we are working to strengthen our operational resilience. This includes not only our existing risk management framework, but also the ability to maintain critical operations and recover swiftly in the event of a disruption.

● Stress testing

At SMBC Group, in addition to detecting early signs of risk through the collection of information on external events and other factors, we use stress testing to analyze and comprehend the impact of changes in economic or market conditions on SMBC Group's businesses, in order to plan and execute forward-looking business strategies. Based on the identification of top risks and discussions with experts, we develop scenarios that assume severe conditions such as deep recessions or market turmoil, in order to assess the Group’s risk-taking capacity and verify whether financial soundness can be maintained under stress.

In addition, when significant risk events occur during the fiscal year, we swiftly conduct stress tests to explore appropriate response measures.

Beyond these assessments, we also carry out detailed stress testing for credit, market, and liquidity risks, using the results to inform and revise our risk-taking policies.

● Risk register

A risk register is formulated for the purpose of realizing more sophisticated risk governance and enhancing business units’ risk ownership. In formulating these registers, business units communicate with risk management departments to identify the risks present in their business, and these risks are reflected in business strategies after they have been evaluated and the adequacy of measures for controlling them has been verified.

Compliance

Basic Approach

We position the strengthening of compliance and risk management as a priority issue in enabling SMBC Group to fulfill its public mission and social responsibilities as a global financial group. We are therefore working to entrench such practices into our operations as we aim to become a truly outstanding global group.

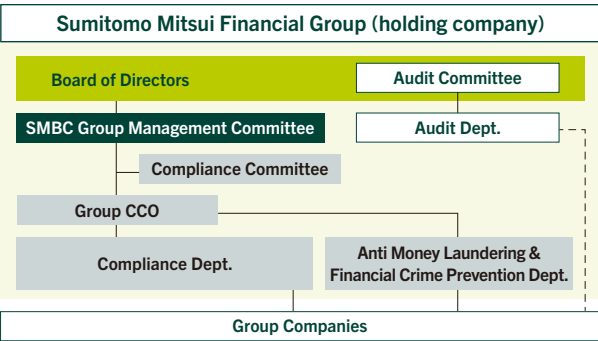
Compliance Management

SMBC Group seeks to maintain a compliance system that provides appropriate instruction, guidance, and monitoring for compliance to ensure sound and proper business operations on a Group-wide and global basis. We have put measures in place for the prevention, early detection, and correction of misconduct.

The Compliance Committee, chaired by the Group CCO, broadly reviews and deliberates on operations within SMBC Group. SMBC Group develops concrete implementation plans to achieve compliance and cultivates company-specific compliance structures. Additionally, at the Group level, compliance-related consultations and reports are received by the Compliance Committee from each Group company, while at the global level, the compliance frameworks of overseas offices are managed in a centralized manner. The committee provides counsel and guidance to ensure overall compliance within the Group and globally.

Efforts to ensure the dissemination and establishment of a series of recurrence prevention measures related to the administrative actions taken by the Financial Services Agency in 2022 are ongoing. We will continue working as a unified Group to strengthen our management and internal control systems, and to foster a healthy organizational culture.

Compliance Systems at SMBC Group



Progress of Improvement Plan Formulated in Response to Administrative Actions Taken by the Financial Services Agency in 2022



Initiatives for Achieving Healthy Risk Taking and Appropriate Risk Management

For companies to coexist with society and develop sustainably, it is crucial that they engage in sound risk taking and maintain appropriate risk management, including assurance of compliance. In particular, compliance and risk management are fundamental prerequisites for financial institutions to conduct business, given their public mission and weighty social responsibility. Based on this recognition, SMBC Group positions the strengthening of compliance and risk management as a priority issue in fulfilling our public mission and social responsibilities. We strive for unending improvement of the relevant structures in order to establish ourselves as a truly outstanding global group. Specifically, we have established the “Behavioral Guideline on Compliance and Risk” to ensure that all SMBC Group employees turn the values embodied in our “Mission”, “Vision”, and “Five Values” into concrete actions that reflect a balanced awareness of both risk taking and risk management. By putting the principles for risk taking and risk management, provided in the guide, into practice, we aim to achieve sustainable business growth and contribute to the enhancement of both corporate and social value.

Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT) and Economic Sanctions

SMBC Group recognizes the importance of preventing money laundering and terrorist financing (ML/TF), and adhering to economic sanctions regulations. Therefore, we undertake every effort to prevent ourselves and employees, from engaging in, and/or providing assistance to, the commission of ML/TF, and from violating economic sanctions regulations.

SMBC Group strictly complies with AML/CFT and economic sanctions regulations by establishing a Group Policy and by implementing effective internal control systems in each of the Group companies to ensure that our operations are sound and appropriate. The Group Policy and systems are implemented in accordance with the requirements of the relevant international organizations (e.g. the United Nations, the Financial Action Task Force Recommen-

dations), and the laws/regulations of relevant countries including Japan in which the SMBC Group has operations (e.g. U.S. “Office of Foreign Assets Control Regulations”).

Furthermore, in response to the increase of financial crimes, such as fraudulent withdrawals of deposits through special fraud schemes and phishing, we are working in cooperation with relevant regulatory authorities, industry associations such as the Japanese Bankers Association, and other parties to raise awareness and implement preventative measures.

Response to Anti-Social Forces

SMBC Group has established a basic policy stipulating that all Group companies must unite in establishing and maintaining a system that ensures that the Group does not have any connection with anti-social forces or related individuals. Specifically, the Group strives to ensure that no business transactions are made with anti-social forces or individuals. Contractual documents or terms and conditions state the exclusion of anti-social forces from any business relationship. In the event that it is discovered subsequent to the commencement of a deal or trading relationship that the opposite party belongs to or is affiliated with an anti-social force, we undertake appropriate remedial action by contacting outside professionals specializing in such matters.

Basic Policy for Anti-Social Forces

1. Completely sever any connections or relations from anti-social forces.
2. Repudiate any unjustifiable claims, and do not engage in any “backroom” deals. Further, promptly take legal action as necessary.
3. Appropriately respond as an organization to any anti-social forces by cooperating with outside professionals.

See our website for more information on our compliance system.
<https://www.smfg.co.jp/company/organization/compliance.html>

Customer-Oriented Initiatives

Basic Approach

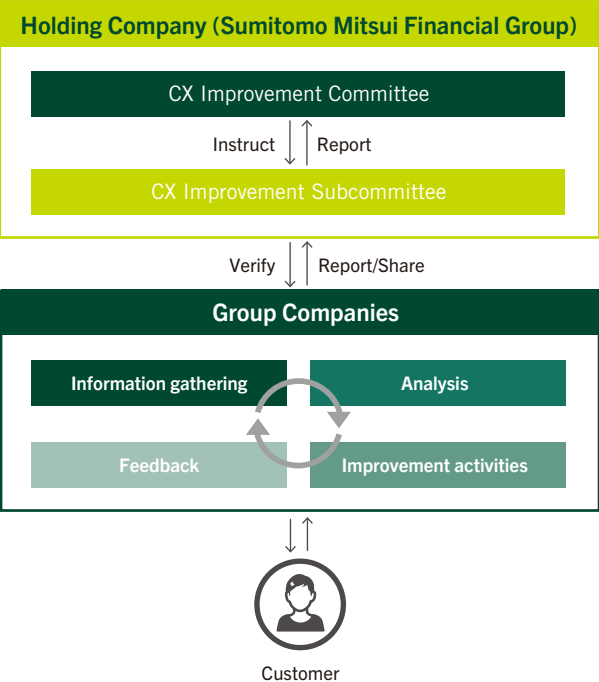
“We grow and prosper together with our customers by providing them with services of greater value.” Making this commitment a component of “Our Mission,” we work toward the enhancement of Customer Experience (CX) and quality through collaboration among Group companies.

Promotion Structure

We have established the CX Improvement Subcommittee and the CX Improvement Committee as bodies through which we advance initiatives, reinforce management systems, and promote Group coordination related to customer-oriented business operation.

The CX Improvement Subcommittee invites external experts as advisors and engages in exchanges of opinions for further entrenchment of customer orientation. The CX Improvement Committee, which has members of the Group Management Committee as its members, deliberates on measures based on reports from the CX Improvement Subcommittee.

Incorporation of Customer Feedback into Management



Declaration of Compliance with ISO 10002
SMBC, SMBC Nikko Securities, and SMBC Consumer Finance have declared their intent to comply with the ISO 10002 (JIS Q 10002) international standard with regard to their processes for incorporating customer feedback into management.

Initiatives to Improve Product and Service Quality

To provide products and services grounded in a customer-oriented approach, SMBC Group always confirms that a customer need for the products and services exists, and that adequate assessments and responses to potential risks are taken during the planning and development stages. We also carry out periodic quality reviews of existing services. The CX Improvement Subcommittee, composed of external experts and heads of relevant departments, reviews and discusses the efforts of Group companies to improve the quality of products and services.

Customer-Oriented Business Conduct

Based on the “Principles for Customer-Oriented Business Conduct” guidelines on fiduciary duties released by the Financial Services Agency, SMBC Group has formulated its “Basic Policy for Customer-Oriented Business Conduct” and “Basic Policy for Customer-Oriented Business Conduct in the Retail Business Unit.”

Basic Policy for Customer-Oriented Business Conduct* (excerpt)

■ Initiatives for Promoting Customer-Oriented Business Conduct

SMBC Group will implement the following initiatives to entrench the principles of customer-oriented business conduct into its activities.

- 1.Provision of Products and Services that Meet the Best Interests of Customers
- 2.Easy-to-Understand Explanation of Important Information
- 3.Clarification of Fees
- 4.Management of Conflicts of Interests
- 5.Frameworks for Properly Motivating Employees
- 6.Ensuring a Framework to Provide Products and Services that Meet the Best Interests of Customers

Through such initiatives, SMBC Group aims to facilitate the shift from savings to asset formation in Japan. To facilitate customers' understanding of SMBC Group's initiatives, we will regularly disclose information on the status of initiatives under our basic policy. To achieve better business operation, we verify the status and outcomes of initiatives, undertake revisions as necessary, and disclose details.

* Group companies subject to the basic policy:
Sumitomo Mitsui Banking Corporation, SMBC Trust Bank Ltd., SMBC Nikko Securities Inc., Sumitomo Mitsui DS Asset Management Company, Limited

See pages 146 and 147 of the Appendix for more information on the “Basic Policy for Customer-Oriented Business Conduct.”

Introduction	Management Messages	Value Creation Story	Create Social Value / Pursue Economic Value	Rebuild Corporate Infrastructure
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Policy on Specific Initiatives in the Retail Business Unit

Based on Sumitomo Mitsui Financial Group’s “Basic Policy for Customer-Oriented Business Conduct,” the Retail Business Unit further sets policy on specific initiatives for offering service as a retail company engaged in asset management and asset formation for retail customers. The Retail Business Unit acts under a Plan–Do–Check–Act (PDCA) cycle that entails disclosing specific “Integrity Indicators,” confirming and analyzing their status, and then utilizing them to improve business operation. Through these initiatives, we aim to deliver products and services that truly align with our customers’ needs, thereby realizing the best interests of each customer. By getting to know our customers well and ensuring they make informed decisions, we strive to provide personalized solutions tailored to each individual.

To help customers achieve a fulfilling and secure life, we are committed to adopting a customer-oriented performance evaluation system and enhancing the selection and introduction of appropriate products that serve their best interests.

- Policy on Initiatives
1. Customer-Oriented Wealth Management Proposals Based on Medium- to Long-Term Diversified Investment
With a focus on accurately addressing customers’ wealth management needs for asset protection and formation, we will offer customer-oriented wealth management proposals based on medium- to long-term diversified investment. Through this approach, we will focus on the customer-oriented provision of financial products.
 2. Improvement of our Products Lineup Based on Customer- Oriented Business Conduct
We will enhance our product lineup through ongoing revisions, utilizing third-party evaluations of our products and Group companies’ products as necessary, to accurately address customers’ needs for asset protection or formation. We will also enhance the information we provide to customers and take steps to make it easy to understand.
 3. Enhancement of Customer-Oriented After-Sales Services
We will strive for attentive after-sales services to support long-term holding of our wealth management products with confidence.

4. Improvement of Customer-Oriented Performance Evaluation Systems
We will improve our performance evaluation systems to encourage employees in carrying out effective customer-oriented sales activities.
5. Initiatives for the Improvement of Consulting Capabilities
We will continuously enhance our consulting capabilities to ensure that we propose optimal solutions to customers’ wide-ranging needs.

Integrity Indicator*

- ① Increase in balance of investment assets
- ② Balance of investment trusts and fund wraps
- ③ Number of customers holding wealth management products
- ④ Sales ratio by wealth management product
- ⑤ Investment trust cancellation rate
- ⑥ Fund wrap contract and cancellation amounts
- ⑦ Amount of fixed-term foreign currency deposits, foreign currency balance
- ⑧ Number of investment trust and automatic foreign currency deposit accounts
- ⑨ Investment trust and automatic foreign currency deposit amounts
- ⑩ Number of NISA Accounts
- ⑪ Lump-sum insurance product sales amounts by product
- ⑫ Ratio of investment trust products of Group companies
- ⑬ Investment trust (including fund wraps) sales (contract) amounts (by monthly payment type or other)
- ⑭ Customer ratio by investment trust/fund wrap operation gain/loss
- ⑮ Cost and return of top-ranked (by balance) investment trust products
- ⑯ Risk and return of top-ranked (by balance) investment trust products
- ⑰ Customer ratio by foreign currency-denominated insurance management rating
- ⑱ Cost and return by foreign currency-denominated insurance products
- ⑲ Status of FP qualification holding

* As of June 2025

See SMBC Group Retail Business Unit’s “Policy on Initiatives for Customer-Oriented Business Conduct” for details.
<https://www.smbc.co.jp/customer/resources/pdf/torikumi.pdf>

IT Governance

Basic Approach

We are reinforcing our resilience to protect our unchanging value and to respond to new risks associated with the provision of new value. In addition, we are continuously shifting from human-dependent processes to system-based operations while enhancing the project planning and development frameworks that support this shift, and establishing and managing our IT systems architecture. As a financial organization that plays a role in social infrastructure, we will continue to combine stability and flexibility while leveraging digital technology to drive our business.

Initiatives to Strengthen Resilience that Supports Stable IT systems Operation

In line with our progress toward digitalization, we are working to expand both services and functional linkages between internal and external systems to enhance customer convenience. At the same time, we face the growing possibility that system failures will have greater impacts on customers, making stable systems operation increasingly important. We are enacting measures to prevent system failures, such as enhancement of system resources, detection of early signs of system failures, and preventive maintenance, while also working to strengthen resilience in the event of a failure through ongoing improvements to our contingency plans, systematization of non-automated response to failures, and enhancement of training content to minimize the effects of failures.

In addition, the SMBC Group Technology Advisory Committee meets regularly to raise the level of IT-related initiatives.

In FY2024, discussions on the topics of “quantum computers and quantum-resistant cryptography” and “generative AI” addressed the current state of technology and future outlooks based on recent social trends.



See P. 114 for information on SMBC Group Technology Advisors.



SMBC Group Technology Advisory Committee

AI Governance

We are actively working to rapidly enhance our AI governance capabilities to address the increasing risks and social responsibilities associated with the advancement and broader use of AI technologies. In FY2024, we established and published our AI Policy as a common guideline for the entire SMBC Group. It is based on the core principles of “Ethical and Responsible Use of AI,” “Provision of Safe and Reliable AI,” and “Creation of Social Value through AI.” Additionally, to comprehensively manage the diverse risks surrounding AI, we have built and launched a cross-functional review framework involving relevant risk-related departments for AI use cases.

Contribution to Solving Social Issues and Endeavors to Create New Social Value

As part of our environmental initiatives identified as Group materiality, we aim to achieve net zero GHG emissions from our own operations by 2030. SMBC Group’s data centers account for about a quarter of our GHG emissions in Japan. We are undertaking measures to save energy at existing centers, including AI-driven air conditioning control optimization and expansion of solar power generation facilities, and will further reduce environmental impacts through energy conservation at planned next-generation data centers. In terms of contribution to “Japan’s Re-growth,” SMBC Group provides a variety of in-house digital and IT training content which is planned and supervised by Digital University, a digital and IT training organization within SMBC Group, while creating extensive opportunities for digital education. We will also agilely deploy IT resources in initiatives that contribute to the creation of social value and will contribute to solving social issues through the use of IT across SMBC Group.

Introduction	Management Messages	Value Creation Story	Create Social Value / Pursue Economic Value	Rebuild Corporate Infrastructure
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Cybersecurity

Basic Approach

Amid accelerating digitalization and a changing environment for financial services, the posed by cyberthreats is growing increasingly serious. To provide safer, more secure services to customers and achieve a society that is resistant to cyberthreats, SMBC Group will further strengthen our cybersecurity.

Cybersecurity Management System

Viewing cybersecurity risks as one of the top risks faced by our management, we continuously engage in cybersecurity initiatives led by management under our “Declaration of Cybersecurity Management.” We manage cybersecurity risks within the framework of company-wide risk management. The Cybersecurity Management Department, a dedicated department for cybersecurity, leads the formulation of basic policy on cybersecurity management, based on the external environment, business strategy, and other factors.

The SMBC Group Management Committee regularly deliberates to further strengthen cybersecurity management on the basis of the basic policy. In addition, the Board of Directors and internal committees such as the Risk Committee and the Audit Committee regularly deliberate cybersecurity management under the supervision of the Board of Directors.

To clarify the role of promoting effective cybersecurity measures, we have established the position of Group CISO*1 under the Group CIO and CRO. As the party responsible for general oversight of cybersecurity, the Group CISO engages in supervision and guidance for the development of Group and global system and the promotion of measures at sites from a professional perspective. Additionally, under the leadership of the Group CISO, we have appointed Group Vice CISOs and Regional CISOs, and have established a cybersecurity management structure encompassing over 700*2 professional staff on a Group and global basis.

*1 Chief Information Security Officer

*2 As of the end of March 2025

System for Responding to Cyber Incidents

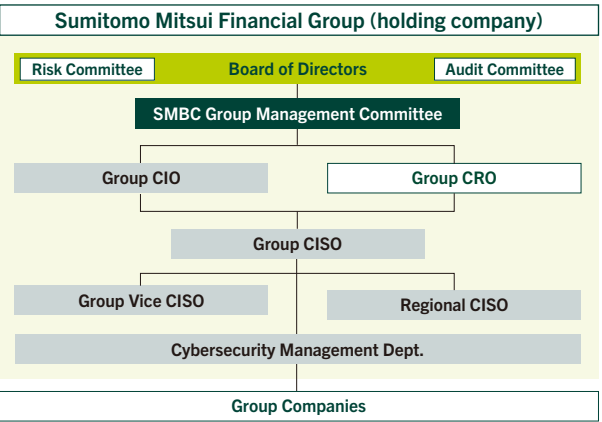
We have established a CSIRT*3 in preparation for cyber incidents. The CSIRT actively collects information on attack vectors and on vulnerabilities within and outside the Group, and coordinates with national authorities and bodies such as U.S.-based FS-ISAC*4 and Financials ISAC Japan. We have also established a SOC*5, a dedicated organization for network monitoring and analysis, under a 24-hour, 365-day full-time monitoring system. Additionally, through close collaboration with SOCs established in Europe, the U.S., and Asia, we will further strengthen security surveillance on a Group and global basis.

*3 Computer Security Incident Response Team

*4 Financial Service Information Sharing and Analysis Center

*5 Security Operation Center

SMBC Group’s Cybersecurity Management System



See our website for more information on cybersecurity.
<https://www.smfg.co.jp/company/organization/cybersecurity.html>

Message from Group CAE

MESSAGE FROM
Chief Audit Executive



Takeshi Mikami
Deputy President and Executive Officer
Group CAE

Contributing to the enhancement of SMBC Group’s corporate value through audit activities

Driven by heightened geopolitical risks and the growing severity of cyber threats, domestic and overseas business conditions surrounding SMBC Group are becoming more and more complex and uncertain.

Amid such a global landscape, SMBC Group is seeking the new growth areas, through the transformation of our business model through initiatives such as “Olive,” our integrated financial service for retail customers, and the acceleration of our India strategy. Against this backdrop, the need to further enhance the governance framework on the group and the globe and establish robust risk management framework, particularly in areas such as AI utilization and cybersecurity, has become more critical than ever.

The Internal Audit Unit is expected to assess the effectiveness of such internal controls independently from management and other departments, and provide the Board of Directors and other stakeholders with assurance*, advice, and foresights. Expectations for its enhancement are increasing.

Guided by our mission of “Enhancing SMBC Group’s Corporate Value through Audit Activities, we have adopted as our core policy the steady practice of “Audits That Contribute to Management and are working on a variety of initiatives under the “One Team” mindset across the group and the globe. Specifically, our efforts include deepening our understanding of management’s risk perceptions, fostering constructive dialogue with auditee departments, and enhancing audit quality through sharing the best practices and standardized procedures on a global basis. We are also focused on creating an environment that fosters cohesiveness among auditors, across regions and entities. Moreover, we are actively auditing emerging areas that are drawing heightened societal attention and also actively working to utilize generative AI and other technologies.

We will continue to enhance our internal audit capabilities to support SMBC Group’s sustainable growth into the future.

* Objective assessment of the operations and processes of auditee departments from an independent standpoint

Internal Audit

Basic Approach

In order to contribute to the continuous enhancement of SMBC Group’s corporate value, we conduct assessments on the effectiveness of internal controls of each Business Unit, Risk Management and Compliance Departments, and other departments from an independent standpoint.

Purpose of Internal Audit

The purpose of internal audit at SMBC Group is to enhance and preserve the Group’s value by providing risk-based and objective assurance, advice, insights, and foresight to management and the Board of Directors from a standpoint independent of each Business Unit, Risk Management and Compliance Departments, and other departments.

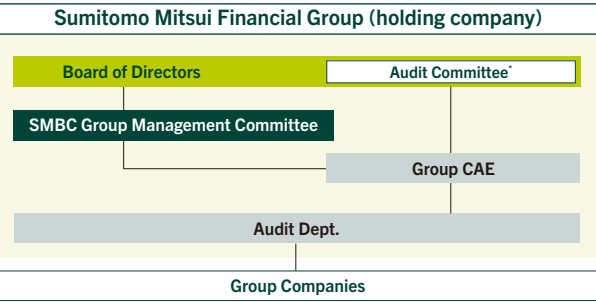
Internal Audit Framework

SMBC Group’s Internal Audit Unit (Third Line of Defense) has been established to assure independence from the Business Units (First Line of defense) and Risk Management and Compliance Departments, etc. (Second Line of Defense). The Group CAE oversees Group-wide internal audit activities.

 See page 102 for details on the Three Lines of Defense.

The Internal Audit Department of the Company conducts internal audits of the Company and Group companies, in accordance with the “Group Internal Audit Charter” and the basic audit policy approved by the Board of Directors and the Audit Committee. In addition, by continuously monitoring the internal audit activities of Group companies, we assess the appropriateness and effectiveness of the Group’s internal control framework. Major audit findings are promptly reported to the Board of Directors, Audit Committee, and Group Management Committee.

Internal Audit Framework



* The Audit Committee holds the right to consent regarding personnel affairs of the Group CAE.

Audits That Contribute to Management

Under the slogan of “One Team, New Audit,” SMBC Group has adopted the steady practice of “Audits That Contribute to Management,” as its core policy to support the realization of the Group’s “Growth with Quality.”

In addition to reporting individual audit findings, we are further contributing to enhancing the Group’s value by practicing Audits That Contribute to Management through analysis and reporting of the root causes which are common to multiple audit findings.

Five Pillars of the Medium-Term Management Plan’s Basic Audit Policy (FY2023 to FY2025)



Internal Audit

Looking Ahead: The Steady Implementation of Audits That Contribute to Management

To ensure the steady implementation of “Audits That Contribute to Management,” SMBC Group is focusing on strengthening collaboration with management and the First and Second Lines of Defense, advancing audit frameworks, at both the group and the globe, and actively engaging in audits in emerging areas that attract significant public attention. We are also actively incorporating technologies, such as generative AI, to enhance audit effectiveness.

Relationship with Management and the First/Second Lines of Defense

SMBC Group regularly hosts discussions with business unit heads, Group CxOs, and other parties to better understand executive perspectives on risk awareness.

We also continue to implement initiatives that strengthen constructive dialogue and collaboration with our First and Second Lines of Defense. Notably, we are expanding our Management Self-Identified Issues (MSII) framework, initially introduced at our overseas sites in Europe and North America, to domestic locations. This system enables departments, subject to audit, to actively report their self-identified issues and improvement plans to the Internal Audit Unit, helping embed the practice across the

group and the globe. To deepen our understanding of day-to-day operations and to remain vigilant on evolving risks, we actively conduct off-site monitoring, such as collecting risk-related information and conducting interviews, and revise the audit plans accordingly. In support of more agile and cohesive communication with First Line and Second Line departments, the audit sections of both the Company and Sumitomo Mitsui Banking Corporation are organized in alignment with business unit and Group CxO structures. Moreover, we continuously share the significance of these initiatives aimed at the implementation of “Audits That Contribute to Management” along with information useful for site operations, through internal newsletters and seminars.



A global meeting held with auditors invited from overseas

Introduction	Management Messages	Value Creation Story	Create Social Value / Pursue Economic Value	Rebuild Corporate Infrastructure
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Efforts to Enhance Our Global Base

SMBC Group not only complies with the standards of the Institute of Internal Auditors (IIA), an international internal audit organization, but also actively adopts advanced practices from financial institutions in Japan and overseas. We are working to standardize audit procedures and systems and enhance quality assessment.

To address common issues across regions, we have established cross-regional expert teams that share information globally on daily operations and issues as needed. Additionally, we comprehensively share audit achievements and challenges from each region in global meetings to further improve the overall quality of the internal audit function.

Efforts to Strengthen Collaboration among Group Companies

SMBC Group is enhancing the audit capabilities of each Group company through information-sharing, unifying audit procedures across the Group, and holding joint meetings. We also continuously support Group companies’ Internal Audit departments by dispatching auditors and providing audit programs and reports.

Furthermore, to strengthen collaboration among Group companies, the Internal Audit departments of the Company, Sumitomo Mitsui Banking Corporation/SMBC Nikko Securities, and SMBC Trust Bank are co-located in the same building to promote more cooperative and integrated operations.

Creating an Environment to Foster a “One Team” Mindset

Our Internal Audit Department has appointed engagement ambassadors who formulate and promote initiatives to improve engagement for the purpose of fostering a sense of unity among auditors. Additionally, we have introduced a mentorship program where experienced auditors advise less-experienced staff one-on-one. We have also revised office layouts to encourage more communication and are holding group-wide sessions to deepen mutual understanding of each audit team’s work. Through these efforts, we are actively creating an environment that fosters a “One Team” mindset.

Auditor Development

SMBC Group has established various programs to cultivate motivation and foster the development of individual auditors, encouraging them to actively pursue ongoing self improvement.

These efforts include practical training and support for obtaining international certifications such as Certified Internal Auditor (CIA) and Certified Information Systems Auditor (CISA), in order to enhance auditors’ expertise. We have also defined group-wide departmental KPIs, such as annual training goal progress rates and the rate of certification attainment rates. In addition to core auditing skills, we offer a wide range of training opportunities to develop key competencies necessary for audit activities, including communication and problem-solving skills, thereby promoting the overall growth of our auditors.

Auditing Emerging Areas

SMBC Group is also exploring audits in socially significant fields such as climate change, corporate culture, and the use of AI. By actively incorporating insights from Japan and abroad, and verifying the appropriateness of policies and rules, as well as their adaptability to future change, we aim to stay aligned with the diversification of SMBC Group’s business.

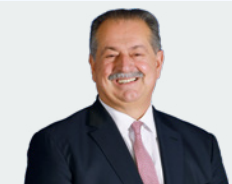
Promoting Use of Technology and Data Analysis

To enhance early risk detection and improve audit efficiency, the Internal Audit Department has established a dedicated team specializing in the advancement of audit practices through the use of AI and data analytics. Key initiatives of the team include AI-based systems to detect inappropriate communications through email and recorded phone conversations, as well as AI models, trained on past audit results and various internal indicators, to assess risk levels at each branch. These efforts reflect our proactive use of technology and data. We will continue to expand these practices across the group and the globe.

External Advisors

SMBC Group Global Advisors

SMBC Group appoints experts in politics, economics, and global business as SMBC Group Global Advisors who serve as an advisory body to the Group Management Committee, and regularly holds SMBC Group Global Advisory Meetings. We receive recommendations and counsel from SMBC Group Global Advisors based on global corporate management perspectives, along with exchanges of information on changes in global trends, regional political and economic situations, financial business trends, and other topics.



Andrew N. Liveris

2017–2018
Executive Chairman,
DowDuPont Inc.
2004-2017
Chairman and CEO,
The Dow Chemical Company



Joseph Yam

2017–Present
Member of the Executive Council,
Hong Kong SAR
1993–2009
Chief Executive of the Hong Kong
Monetary Authority



Randal Quarles

2017–2021
Vice Chair of the U.S. Federal
Reserve
2006–2013
Partner, Carlyle Group



Cesar V. Purisima

2010-2016
Secretary of Finance of the
Republic of the Philippines
2004-2005
Secretary of Trade and Industry of
the Republic of the Philippines



Paul Polman

2018–2024
Vice-Chair of the UN Global
Compact
2009–2019
Chief Executive Officer, Unilever

SMBC Group Technology Advisors

We appoint CTO-level representatives from information system-related companies as SMBC Group Technology Advisors as an advisory body to raise the level of IT-related initiatives, and receive counsel and advice regarding IT-related outlooks and directions for SMBC Group.



Motoo Nishihara

Corporate Executive Vice
President and CTO
President of Global Innovation
Business Unit NEC Corporation



Shigetoshi Sameshima

Vice President and Executive
Officer, CTO, GM of the Research &
Development Group
Hitachi, Ltd.



Kenzaburo Tamaru

Director
National Technology Officer
Microsoft Japan Co., Ltd.



Seishi Okamoto

Corporate Executive Officer, EVP
Head of Fujitsu Research
Fujitsu Limited



Norishige Morimoto

Vice President & CTO
IBM Japan, Ltd.

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Initiatives for Expo 2025

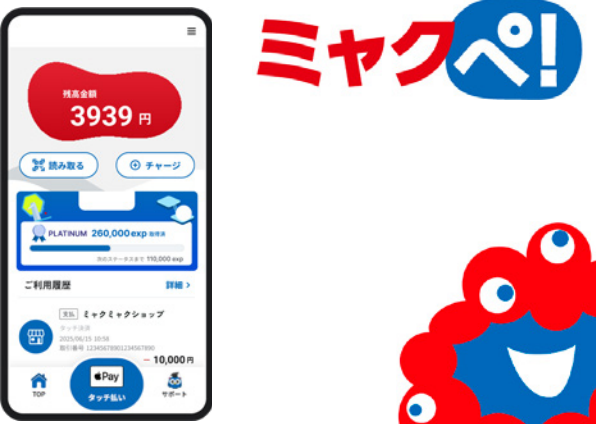
SMBC Group is a Platinum Partner for
Cashless Payments at Expo 2025

The Osaka-Kansai area is a core market for SMBC Group. In April 2021, Sumitomo Mitsui Banking Corporation established the Kansai Growth Strategy Department, committing to regional development and solving social challenges through major projects centered around Expo 2025. Recognizing Japan’s strong preference for cash and the resulting high costs of cash handling as a social issue, SMBC Group became a Platinum Partner of the Osaka-Kansai Expo’s cashless payment initiative, “MYAKU-PE!,” in October 2023 with the aim of using the Expo as a catalyst to promote cashless transactions.

● **Supporting the World’s First Fully Cashless Expo**
Expo 2025 is the first World Expo to go fully cashless. SMBC Group is supporting this ambitious goal by supplying approximately 1,350 stera terminals and stera mobile devices, comprehensive point-of-sale terminals that support nearly 70 types of domestic and international cashless payment methods. In addition, these terminals also offer facial recognition payment experiences for eligible ticket holders and users of the Expo’s original electronic payment service, “MYAKU-PE!”



● **“MYAKU-PE!” —Expo 2025’s original electronic payment service**
SMBC Group developed and is providing the original Expo electronic payment service, “MYAKU-PE!”
As users make purchases with “MYAKU-PE!,” their membership status can increase, unlocking access to special perks such as priority pavilion entry and commemorative gifts. To support this experience, SMBC Group has developed the platform for the “MYAKU-MYAKU Rewards Program”, which also contributes to making it enjoyable to use “MYAKU-PE!”



Beyond its contributions to cashless infrastructure, the SMBC Group is also participating in Expo 2025 through various avenues such as pavilion sponsorships and exhibits. We warmly invite you to visit the Expo.

Sumitomo Pavilion (19 companies from the Sumitomo Group will be exhibiting within the pavilion)



Expo 2025
Official Character
MYAKU-MYAKU
©Expo 2025

Financial Review

Principal Financial Data

Consolidated Performance Summary

	FY2015	FY2016	FY2017	FY2018		FY2019*1	FY2020	FY2021	FY2022	FY2023	FY2024
Consolidated gross profit	2,904.0	2,920.7	2,981.1	2,846.2		2,768.6	2,806.2	2,945.5	3,170.2	3,738.8	4,126.7
Net interest income	1,422.9	1,358.6	1,390.2	1,331.4		1,306.9	1,335.2	1,528.0	1,717.8	1,880.7	2,338.2
Net fees and commissions + Trust fees	1,007.5	1,017.1	1,070.5	1,064.6		1,088.1	1,098.9	1,205.5	1,225.7	1,490.2	1,568.9
Net trading income + Net other operating income	473.5	545.0	520.3	450.2		373.6	372.1	212.0	226.7	367.9	219.6
General and administrative expenses	1,724.8	1,812.4	1,816.2	1,715.1		1,739.6	1,747.1	1,821.1	1,949.2	2,250.6	2,402.0
Overhead ratio	59.4%	62.1%	60.9%	60.3%		62.8%	62.3%	61.8%	61.5%	60.2%	58.2%
Equity in gains (losses) of affiliates	(36.2)	24.6	39.0	61.1		56.1	25.0	28.5	55.5	72.0	(5.5)
Consolidated net business profit	1,142.9	1,132.9	1,203.8	1,192.3		1,085.0	1,084.0	1,152.9	1,276.4	1,560.2	1,719.3
Total credit cost (gains)	102.8	164.4	94.2	110.3		170.6	360.5	274.4	210.2	274.0	344.5
Gains (losses) on stock	69.0	55.0	118.9	116.3		80.5	92.6	209.1	155.9	249.8	509.8
Other income (expenses)	(123.9)	(17.6)	(64.5)	(63.1)		(62.8)	(105.0)	(46.9)	(61.2)	(69.9)	(165.1)
Ordinary profit	985.3	1,005.9	1,164.1	1,135.3		932.1	711.0	1,040.6	1,160.9	1,466.1	1,719.5
Extraordinary gains (losses)	(5.1)	(26.6)	(55.3)	(11.7)		(43.4)	(38.8)	(111.0)	(62.5)	(123.8)	(19.5)
Income taxes	225.0	171.0	270.5	331.4		167.7	156.3	214.5	282.1	373.7	513.1
Profit attributable to non-controlling interests	108.4	101.8	104.0	65.5		17.1	3.1	8.4	10.5	5.7	8.9
Profit attributable to owners of parent	646.7	706.5	734.4	726.7		703.9	512.8	706.6	805.8	962.9	1,178.0

	FY2019*1	FY2020	FY2021	FY2022	FY2023	FY2024
	219,863.5	242,584.3	257,704.6	270,428.6	295,236.7	306,282.0
	82,517.6	85,132.7	90,834.1	98,404.1	107,013.9	111,136.2
	27,128.8	36,549.0	38,538.7	33,213.2	37,142.8	40,761.0
	209,078.6	230,685.3	245,507.3	257,637.5	280,436.7	291,440.5
	127,042.2	142,026.2	148,585.5	158,770.3	164,839.4	171,498.7
	10,180.4	12,570.6	13,069.8	13,025.6	14,672.3	17,175.4
	10,784.9	11,899.0	12,197.3	12,791.1	14,800.0	14,841.5
	9,354.3	9,513.4	9,938.6	10,308.4	10,630.0	11,209.0
	6,336.3	6,492.6	6,916.5	7,423.6	7,843.5	8,290.2
	1,365.7	2,313.1	2,159.6	2,372.1	4,030.1	3,494.4
	62.9	70.8	97.6	109.5	138.9	137.3

	FY2019*1	FY2020	FY2021	FY2022	FY2023	FY2024
	18.75%	18.61%	16.56%	15.98%	15.29%	15.18%
	16.63%	16.96%	15.46%	14.94%	14.33%	14.23%
	15.55%	16.00%	14.45%	14.02%	12.91%	12.44%
	63	63	70	80	90	122
	37.0%	50.8%	40.7%	40.4%	37.1%	40.3%
	7.6%	5.4%	7.3%	8.0%	9.2%	10.8%
	6.6%	4.5%	5.9%	6.5%	7.0%	8.0%

	FY2019*1	FY2020	FY2021	FY2022	FY2023	FY2024
	18,917	29,179	27,821	28,041	40,369	35,618
	108.81	110.71	122.41	133.54	151.33	149.53

Consolidated Balance Sheet Summary

Total assets	186,585.8	197,791.6	199,049.1	203,659.1
Loans and bills discounted	75,066.1	80,237.3	72,945.9	77,979.2
Securities	25,264.4	24,631.8	25,712.7	24,338.0
Total liabilities	176,138.2	186,557.3	187,436.2	192,207.5
Deposits	110,668.8	117,830.2	116,477.5	122,325.0
Negotiable certificates of deposit	14,250.4	11,880.9	11,220.3	11,165.5
Total net assets	10,447.7	11,234.3	11,612.9	11,451.6
Shareholders' equity	7,454.3	8,119.1	8,637.0	9,054.4
Retained earnings	4,534.5	5,036.8	5,552.6	5,992.2
Accumulated other comprehensive income	1,459.5	1,612.5	1,753.4	1,713.9
Non-controlling interests	1,531.0	1,499.3	1,219.6	678.5

Financial Indicators

Total capital ratio (BIS guidelines)	17.02%	16.93%	19.36%	20.76%
Tier 1 capital ratio (BIS guidelines)	13.68%	14.07%	16.69%	18.19%
Common equity Tier 1 capital ratio (BIS guidelines)	11.81%	12.17%	14.50%	16.37%
Dividend per share (Yen)*2	50	50	57	60
Dividend payout ratio	32.7%	29.9%	32.7%	34.6%
ROE (on a stockholders' equity basis)	8.9%	9.1%	8.8%	8.2%
ROE (based on the Tokyo Stock Exchange standard)	7.2%	7.6%	7.3%	6.9%

Market Data (As of the end of the fiscal year)

Nikkei Stock Average (Yen)	16,759	18,909	21,454	21,206
Foreign exchange rate (USD/JPY)	112.62	112.19	106.25	111.00

*1 SMFG changed accounting treatment for installment sales transactions in FY2020; figures for FY2019 have been restated to reflect this change.
*2 Implemented a 3-for-1 stock split for common stocks on October 1, 2024. The amounts was adjusted, assuming the stock split had been implemented in prior fiscal years.

Financial Review

Consolidated Income Analysis Summary

Consolidated gross profit increased by ¥387.9 billion year-on-year to ¥4,126.7 billion due to the rise in policy interest rates, increase in income from domestic and overseas loans and deposits, good performance of wealth management business, payment business and consumer finance, as well as an increase in fee income from domestic wholesale business.

General and administrative expenses increased by ¥151.4 billion year-on-year to ¥2,402.0 billion due to effects of inflation and depreciation of yen and upfront investment for future growth. In contrast, base expenses*¹ decreased year-on-year due to effective cost controls, such as cost reduction measures, and the overhead ratio improved by 2.0% year-on-year.

Equity in gains (losses) of affiliates result in loss of ¥5.5 billion, a year-on-year decrease of ¥77.5 billion. This was due in part to insurance proceeds received by SMBC Aviation Capital related to aircraft leases for Russia, offset by impairment losses on goodwill at VP Bank and FE Credit, reflecting delayed recovery in the consumer finance business in Vietnam.

Total credit cost increased by ¥70.5 billion year-on-year to ¥344.5 billion as a result of the consolidation of OTO and SOF as subsidiaries, along with the recognizing forward- looking provisions to prepare for the potential recession risks stemming from U.S. tariff policies .

Gains (losses) on stock increased by ¥260.0 billion year-on-year to ¥509.8 billion, driven by the accelerated sale of equity holdings.

Profit attributable to owners of parent rose by ¥215.0 billion year-on-year to ¥1,178.0 billion. This increase was due to the factors mentioned above, as well as the additional recognition of allowances for interest repayment losses, which was a radical measure addressing interest repayment liabilities in our consumer finance business.

By making steady progress with our business strategy in addition to the continuation of a strong business environment, we achieved record high consolidated gross profit, consolidated net business profit, and profit attributable to owners of parent for the second consecutive year, even after making preventive provisions based on changes in current business environment.

	(JPY bn)	
	FY2024	Increase (Decrease)
Consolidated gross profit	4,126.7	+387.9
General and administrative expenses	2,402.0	+151.4
Equity in gains (losses) of affiliates	(5.5)	(77.5)
Consolidated net business profit	1,719.3	+159.1
Total credit cost (gains)	344.5	+70.5
Gains (losses) on stock	509.8	+260.0
Ordinary profit	1,719.5	+253.4
Profit attributable to owners of parent	1,178.0	+215.0

Performance of Major Group Companies

(Left: FY2024 performance; Right: Year-on-year comparison)

	SMBC		SMBC Trust	
Gross profit	2,256.6	+371.4	72.2	(0.6)
Expenses	1,072.2	+88.3	42.6	+1.9
Net business profit	1,184.4	+283.1	29.6	(2.5)
Net income	1,068.6	+305.9	22.3	(3.5)

	SMBC Nikko* ²		SMCC* ³	
Gross profit	520.6	+48.7	818.4	+18.1
Expenses	435.3	+34.1	569.0	+13.2
Net business profit	85.3	+14.6	182.8	(6.5)
Net income	72.7	+15.1	(64.3)* ⁴	(85.4)

	SMDAM* ⁵		SMFL* ⁶	
Gross profit	49.7	+7.3	305.9	+14.2
Expenses	36.3	+3.1	140.3	+12.8
Net business profit	13.4	+4.2	177.7	+4.8
Net income	5.8	+1.5	133.9	+5.5

Ratio of Ownership by SMFG

*1 General and administrative expenses excluding, revenue-linked variable cost, cost related to investment for future growth and others

*2 Figures are on a managerial accounting basis and include profit from SMBC Nikko Securities America and SMBC Capital Markets

*3 Includes figures from SMBC Consumer Finance

*4 Excluding special factors (impairment of FE Credit, the radical allowance on interest repayment, and the gain on extinguishment of tie-in shares related to the merger with SMCBFS), net income for the period was ¥75.9 billion (an increase of ¥8.7 billion year-on-year)

*5 Includes figures from SMBC Global Investment & Consulting

*6 Figures are on a managerial accounting basis

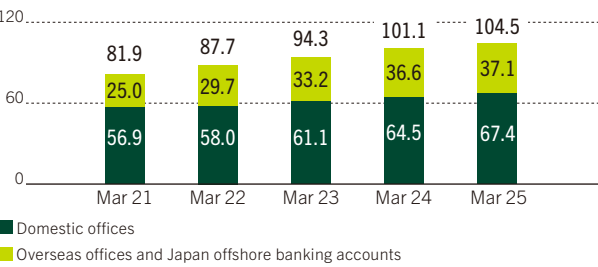
Introduction	Management Messages	Value Creation Story	Create Social Value / Pursue Economic Value	Rebuild Corporate Infrastructure
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Consolidated Balance Sheet Summary

Loans and Bills Discounted (SMBC, non-consolidated)

Total balances increased by ¥3.4 trillion year-on-year to ¥104.5 trillion. The increase was primarily due to steady funding demand driven by continued active corporate activities in Japan.

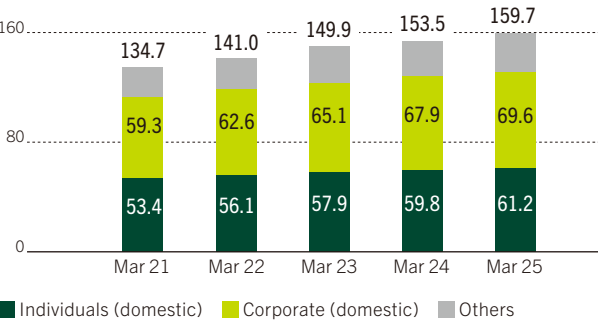
Balance of Loans (JPY tn)



Deposits (SMBC, non-consolidated)

Deposits increased by ¥6.2 trillion year-on-year to ¥159.7 trillion. This was due to promoting deposit acquisition initiatives in anticipation of rising interest rates in Japan, causing both individual and corporate deposit balances to increase.

Balance of Deposits (JPY tn)



Domestic Loan-to-Deposit Spread (SMBC, non-consolidated)

The domestic loan-to-deposit spread, calculated by subtracting the value of deposits from the value of loans, rose by 0.12% year-on-year to 0.96%. This was primarily due to rise in policy rates in Japan.

Domestic Loan-to-Deposit Spread

	FY2024					FY2023
	1Q	2Q	3Q	4Q	Yearly average	Yearly average
Interest earned on loans and bills discounted	0.92	0.97	1.04	1.15	1.02	0.84
Interest paid on deposits, etc.	0.01	0.05	0.09	0.10	0.06	0.00
Loan-to-deposit spread	0.91	0.92	0.95	1.05	0.96	0.84

Securities

Other securities increased by ¥3,644.0 billion year-on-year to ¥39,776.8 billion due to factors including an increase in the holding of short-term government bonds for collateral purposes at Sumitomo Mitsui Banking Corporation. Net unrealized gains decreased by ¥587.1 billion year-on-year to ¥2,806.0 billion, primarily due to the sale of equity holdings and decline in stock prices.

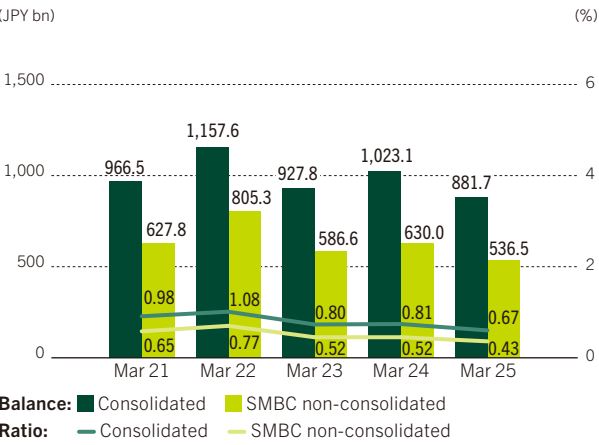
Unrealized Gains (Losses) on Other Securities

	Balance		Net unrealized gains (losses)	
	March 2025	YoY	March 2025	YoY
Stocks	3,045.2	(1,074.6)	1,960.9	(876.1)
Bonds	13,893.5	+3,133.1	(144.8)	(44.7)
Others	22,838.1	+1,585.5	989.9	+333.7
Total	39,776.8	+3,644.0	2,806.0	(587.1)

NPLs Based on the Banking Act and the Reconstruction Act

The balance of NPLs based on the Banking Act and the Reconstruction Act decreased by ¥141.4 billion year-on-year to ¥881.7 billion primarily due to decreases in balances of large obligors. The NPL ratio also decreased by 0.14% year-on-year to 0.67%.

NPLs Based on the Banking Act and the Reconstruction Act, and NPL Ratio



Financial Review

Capital

Capital
Common equity Tier 1 capital decreased by ¥407.5 billion year-on-year to ¥11,585.1 billion, primarily due to a decrease in unrealized gains on other securities resulting from the accelerated sale of equity holdings and a decline in stock prices. Tier 1 capital and total capital remained at the same level as at the end of the previous fiscal year, reaching ¥13,258.8 billion and ¥14,144.1 billion, respectively, due in part to the issuance of additional Tier1 bonds.

Risk-Weighted Assets
Risk-weighted assets increased by ¥268.6 billion year-on-year to ¥93,117.1 billion due to an increase in operational risk assets associated with business expansion.

Capital Ratio
As a result of the above, the Common Equity Tier 1 capital ratio, which represents the most important form of core capital, stood at 12.44%, while the total capital ratio was 15.18%. Both ratios remain at adequate levels.

Leverage Ratio
Although Tier 1 capital remained at the same level, the leverage ratio decreased by 0.26% year-on-year to 5.01% due to an increase in total exposure resulting primarily from higher balances related to repurchase agreements.

External TLAC Ratio
In addition to increasing our own equity capital, SMBC Group strives to increase external TLAC capital by procuring external TLAC bonds from overseas corporate bond markets. The external TLAC ratio was 23.61% on a risk-weighted asset basis and 9.60% on a total exposure basis, meeting mandated levels for both.

Consolidated Capital Ratio (BIS Guidelines)			
	March 2025	March 2024	YoY
Common equity Tier 1 capital	11,585.1	11,992.6	(407.5)
Additional Tier 1 capital	1,673.7	1,318.9	+354.8
Tier 1 capital	13,258.8	13,311.6	(52.7)
Tier 2 capital	885.3	886.3	(1.0)
Total capital	14,144.1	14,197.9	(53.8)
Risk-weighted assets	93,117.1	92,848.6	+268.6
Common Equity Tier 1 capital ratio	12.44%	12.91%	(0.47%)
Tier 1 ratio	14.23%	14.33%	(0.10%)
Total capital ratio	15.18%	15.29%	(0.11%)
Leverage Ratio			
Leverage ratio	5.01%	5.27%	(0.26%)
External TLAC Ratio			
RWA basis	23.61%	23.92%	(0.31%)
Leverage exposure basis	9.60%	10.13%	(0.53%)
Total Exposure			
Total exposure*	264,426.2	252,514.1	+11,912.1

* Excludes deposits with the Bank of Japan

Introduction	Management Messages	Value Creation Story	Create Social Value / Pursue Economic Value	Rebuild Corporate Infrastructure
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Sustainability Information

External sustainability ratings



Acquired Top Gold Rating in PRIDE index evaluation for LGBTQ-related initiatives
work with Pride



Certified as a company exercising superior health and productivity management
METI, Nippon Kenko Kaigi



Evaluated as a company in enhancement of productivity and sustainable growth through workstyle reform
Nikkei



Certified as a company engaged in supporting the nurturing at an even higher level^{*1}
Ministry of Health, Labour and Welfare
*1 Five major Group companies acquired this certification



Certified as a company having excellent initiatives to promote active participation by women^{*2}
Ministry of Health, Labour and Welfare
*2 Seven major Group companies acquired (Third rank: two companies, Second rank: five companies)



Certified as a company actively involved in conducting sports activities in order to promote the health of employees^{*3}
Japan Sports Agency
*3 Four major Group companies acquired

Endorsement of Initiatives in Japan and Overseas

As a global corporate citizen fully aware of the social impact of financial institutions, SMBC Group endorses the following initiatives in Japan and overseas (the action guidelines for corporate activities and principles).







Incorporation into ESG Indices

SMBC Group has been included in the following major global ESG indices (as of the end of June 2025).

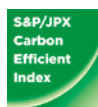
GPIF Selected Indices

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)



FTSE Blossom Japan Sector Relative Index

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX



S&P/JPX Carbon Efficient Index



FTSE Blossom Japan



FTSE4Good



2025 Sompo Sustainability Index

2025 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

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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 Sumitomo Mitsui Financial Group, Inc. (“the Company”) and its management with respect to the Company’s future financial condition and results of operations. This document also contains “sustainability statements” related to the sustainability activities of the Company concerning the environmental, social, and governance matters.

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 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 or sustainability statements contained or deemed to be contained herein. The risks and uncertainties which may affect future performance or results include: deterioration of Japanese and global economic conditions and financial markets; declines in the value of the Company’s securities portfolio; incurrence of significant credit-related costs; the Company’s ability to successfully implement its business strategy through its subsidiaries, affiliates and alliance partners; and exposure to new risks as the Company expands the scope of its business. Given these and other risks and uncertainties, you should not place undue reliance on forward-looking statements or sustainability statements, which speak only as of the date of this document. The Company undertakes no obligation to update or revise any forward-looking statements or sustainability statements. The sustainability initiatives of the Company described in the “sustainability statements” are based on policies and practices that seek to promote and responsive to its risk management and other investment and objectives. Each decision will be made subject to local legal requirements.

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

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Scope of Report
Period covered: FY2024 (April 2024 to March 2025)
Some subsequent information is also included.

Organizations covered: Sumitomo Mitsui Financial Group and its subsidiaries and affiliates

Published:
August 2025

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SUMITOMO MITSUI
FINANCIAL GROUP

www.smfg.co.jp/english/

The companies of Sumitomo Mitsui Financial Group primarily conduct commercial banking through the following financial services: leasing, securities, consumer finance, system development data processing, and asset management.

Business Mission

- We grow and prosper together with our customers, by providing services of greater value to them.
- We aim to maximize our shareholders' value through the continuous growth of our business.
- We create a work environment that encourages and rewards diligent and highly motivated employees.
- We contribute to a sustainable society by addressing environmental and social issues.

Company Name: Sumitomo Mitsui Financial Group, Inc.

Business Description:

1. Management of banking subsidiaries and other companies that can be treated as subsidiaries under the stipulations of Japan's Banking Act as well as the performance of ancillary functions
2. Functions that can be performed by bank holding companies under the stipulations of Japan's Banking Act

Establishment: December 2, 2002

Head Office: 1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan

Chairman of the Board: Makoto Takashima
(Assumed office on June 27, 2025)

President: Toru Nakashima

Capital: ¥2,345.9 billion

Stock Exchange Listings:

Tokyo Stock Exchange (Prime Market)

Nagoya Stock Exchange (Premier Market)

Notes:

1. American Depositary Receipts (ADR) are listed on the New York Stock Exchange.

Credit Ratings (as of June 30, 2025)

	Long-term	Short-term
Moody's	A1	P-1
Standard & Poor's	A-	—
Fitch Ratings	A-	F1
R&I	AA-	—
JCR	AA	—

Financial Information

(Consolidated basis, years ended March 31)

	Billions of yen			
	2025	2024	2023	2022
For the Year:				
Ordinary income.....	¥ 10,174.8	¥ 9,353.5	¥ 6,142.1	¥ 4,111.1
Ordinary profit.....	1,719.4	1,466.1	1,160.9	1,040.6
Profit attributable to owners of parent.....	1,177.9	962.9	805.8	706.6
At Year-End:				
Net assets	¥ 14,841.5	¥ 14,799.9	¥ 12,791.1	¥ 12,197.3
Total assets	306,282.0	295,236.7	270,428.5	257,704.6

Note: All amounts shown are rounded down to the nearest 100 million.



SMBC TRUST BANK

www.smbctb.co.jp/en



SMBC Trust Bank, formerly Societe General Private Banking (Japan), launched Citibank's retail banking business under the new brand "PRESTIA," and has advanced various initiatives to contribute to customers and society by providing comprehensive and advanced solutions that connect the three functions of foreign currency, real estate, and trust.

This November marks the 10th anniversary since the launch of "PRESTIA." Under the vision of "To be a 'Trust Bank' growing together with our customers and society as a solution provider of "Foreign Currency, Real Estate, and Trust services" we have set the slogan "Create the 'Next'" in our current Medium-Term Management Plan. As a trust bank, we will continue to "Create the Next" and contribute to customers and society more than ever through continued growth.

Company Name: SMBC Trust Bank Ltd.

Business Profile: Commercial banking and Trust Banking

Establishment: February 25, 1986

Head Office: 1-3-2, Marunouchi, Chiyoda-ku, Tokyo

President and CEO: Kotaro Hagiwara

Number of Employees: 1,737

Number of branches: In Japan: 26

Financial Information (Years ended March 31)

	Billions of yen			
	2025	2024	2023	2022
For the Year:				
Ordinary income	¥ 124.7	¥ 122.7	¥ 86.1	¥ 56.5
Ordinary profit (loss)...	29.6	33.0	23.3	4.6
Net income (loss)	22.2	25.7	17.0	(15.9)
At Year-End:				
Total assets	¥4,582.2	¥4,485.3	¥4,125.1	¥3,691.7

Note: All amounts shown are rounded down to the nearest 100 million.



SUMITOMO MITSUI
BANKING CORPORATION

www.smbc.co.jp/global/index.html



Sumitomo Mitsui Banking Corporation ("SMBC") was established in April 2001 through the merger of the two leading banks of The Sakura Bank, Limited and The Sumitomo Bank, Limited. Sumitomo Mitsui Financial Group, Inc. was established in December 2002 as a bank holding company through a share transfer, and SMBC became a wholly owned subsidiary of Sumitomo Mitsui Financial Group. In March 2003, SMBC merged with The Wakashio Bank, Ltd.

SMBC's competitive advantages include its solid and extensive client base, the expeditious implementation of strategies, and also the service providing capability of its predominant Group companies. Under the management of Sumitomo Mitsui Financial Group, SMBC will unite with other SMBC Group companies in an effort to provide highly sophisticated and comprehensive financial services to clients.

Company Name: Sumitomo Mitsui Banking Corporation

Business Profile: Commercial banking

Establishment: June 6, 1996

Head Office: 1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan

President and CEO: Akihiro Fukutome

Number of Employees: 28,063

Number of branches and other business locations:

In Japan:	1,808*
Branches:	529
(Including 47 specialized deposit account branches)	
Sub-branches:	396
Banking agencies:	2
Automated service centers:	881
Overseas:	46
Branches:	20
Sub-branches:	22
Representative offices:	4

* The number of domestic branches excludes ATMs located at retail convenience stores. The number of overseas branches excludes branches that are closing and locally incorporated companies overseas.

Credit Ratings (as of June 30, 2025)

	Long-term	Short-term
Moody's	A1	P-1
Standard & Poor's	A	A-1
Fitch Ratings	A	F1
R&I	AA	a-1+
JCR	AA	J-1+

Financial Information

(Consolidated basis, years ended March 31)

	Billions of yen			
	2025	2024	2023	2022
For the Year:				
Ordinary income.....	¥ 8,448.8	¥ 7,754.3	¥ 4,991.9	¥ 2,990.4
Ordinary profit	1,735.8	1,356.5	1,125.9	867.8
Net income	1,236.3	901.9	807.0	568.2
At Year-End:				
Net assets	¥ 11,410.1	¥ 11,494.2	¥ 9,735.5	¥ 9,219.8
Total assets	281,800.7	272,298.2	252,567.5	242,105.9

Note: All amounts shown are rounded down to the nearest 100 million.



Sumitomo Mitsui Finance and Leasing

www.smfl.co.jp/english/



Sumitomo Mitsui Finance and Leasing is a top-class comprehensive leasing company in Japan. Leveraging over 60 years of expertise in the leasing business, as well as the customer base and network of SMBC Group and Sumitomo Corporation, we offer a variety of services that contribute to solving customers' management and social issues.

Utilizing the expertise in leasing cultivated since our founding, and leveraging digital transformation as an advanced digital company, we aim to become a solution provider for carbon neutrality and a platform for the circular economy, pursuing the creation and expansion of both social and economic value. In addition to aircraft and helicopters, in FY 2024, we are also expanding our business domain by entering the container leasing business, and accelerating co-creation and collaboration with partner companies.

While leveraging our strengths as a business company with a wide range of financial functions, we will continue to contribute to the growth of our customers and society.

Company Name: Sumitomo Mitsui Finance and Leasing Company, Limited

Business Profile: Leasing

Establishment: February 4, 1963

Head Office:

Tokyo Head Office: 3-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan

Osaka Head Office: 3-10-19, Minami-Semba, Chuo-ku, Osaka

President and CEO: Tetsuro Imaeda

(Appointed effective June 1, 2025)

Number of Employees: 4,859

Credit Ratings (as of June 30, 2025)

	Long-term	Short-term
Standard & Poor's	A-	—
R&I	AA	a-1+
JCR	AA	J-1+

Financial Information

(Consolidated basis, years ended March 31)

	Billions of yen			
	2025	2024	2023	2022
For the Year:				
Leasing transaction volume	¥ 2,301.6	¥2,446.8	¥3,143.1	¥2,939.2
Operating revenue.....	2,209.1	2,267.5	2,159.3	1,818.5
Operating profit.....	171.4	157.4	133.1	116.2
Ordinary profit.....	165.8	149.7	136.5	119.4
Profit attributable to owners of parent.....	133.9	129.7	50.4	35.3
At Year-End:				
Total assets	¥10,133.6	¥9,696.1	¥9,245.6	¥7,795.9

Notes:

1. All amounts shown are rounded down to the nearest 100 million.
2. Consolidated subsidiaries include SMBC Aviation Capital Limited.



Ever since our foundation in 1918 as Kawa-shimaya Shoten, SMBC Nikko Securities Inc. has over the past 100 years been supported by many clients and we have grown together with our clients. Since October 2009, when we joined Sumitomo Mitsui Financial Group, we have been redoubling our efforts to further improve our ability to assist our clients, both individual and corporate clients, and to enhance our capabilities as an integrated securities company.

Together with our customers, we aim to become a company that earns the highest trust, under the brand slogan “Together, for tomorrow.” We will continue to pursue the best interests of our customers as financial professionals, providing highly innovative financial services.

Company Name: SMBC Nikko Securities Inc.
Business Profile: Securities
Establishment: June 15, 2009
Head Office: 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
President and CEO: Shuji Yoshioka
Number of Employees: 8,893
Number of Domestic Business Locations: 105 branches

Credit Ratings (as of June 30, 2025)

	Long-term	Short-term
Moody's	A1	P-1
Standard & Poor's	A	A-1
R&I	AA	a-1+
JCR	AA	—

Financial Information (Years ended March 31)

	Billions of yen			
	2025	2024	2023	2022
For the Year:				
Operating revenue.....	¥ 495.3	¥ 403.3	¥ 262.8	¥ 333.1
Operating income.....	48.1	24.6	(42.0)	56.6
Ordinary profit.....	52.0	36.1	(38.3)	59.6
Net income.....	76.7	26.8	(32.3)	44.2
At Year-End:				
Total assets	¥21,000.7	¥19,739.5	¥14,993.2	¥13,979.8

Notes:

1. All amounts shown are rounded down to the nearest 100 million.
2. Due to a change in the method of presentation of financial income beginning from FY2021, operating revenues adjusted values are presented for prior periods.

(Japanese only)



Since its start in 1967, Sumitomo Mitsui Card Company has led Japan's credit card industry as Japan's Visa card pioneer and as a comprehensive payment operator at the forefront of cashless payments.

In October 2024, SMBC Consumer Finance Co., Ltd. became a wholly owned subsidiary of Sumitomo Mitsui Card Company. As a core operator of the SMBC Group's payment finance business, we will further strengthen integrated group management and provide enhanced services.

By offering products and services that leverage the strengths of our business foundation, know-how, and creditworthiness as a top player in the industry, we will integrate our credit card business, credit sales business, and transaction business to become a “digital & innovation” company that is chosen by customers and supports their payments in every scenario.

Company Name: Sumitomo Mitsui Card Company, Limited
Business Profile: Credit card
Establishment: December 26, 1967
Head Office:
Tokyo Head Office: 2-2-31, Toyosu, Koto-ku, Tokyo
Osaka Head Office: 4-5-15, Imabashi, Chuo-ku, Osaka
President and CEO: Yukihiro Onishi
Number of Employees: 9,846

Credit Rating (as of June 30, 2025)

	Long-term	Short-term
R&I	AA	a-1+

Financial Information (Years ended March 31)

	Billions of yen			
	2025	2024	2023	2022
For the Year:				
Revenue from credit card operations.....	¥38,974.3	¥34,753.4	¥30,183.4	¥24,754.4
Operating revenue.....	968.0	901.6	817.6	739.4
Operating profit.....	(14.3)	115.8	110.1	99.4
Ordinary profit.....	(78.6)	57.5	92.5	102.7
Net income (loss)	(64.3)	21.1	65.9	104.8
At Year-End:				
Total assets				
Sumitomo Mitsui Card Company.....	¥ 6,923.0	¥ 4,401.3	¥ 3,400.1	¥ 2,852.2
Former SMBC Finance Service	—	¥ 2,161.9	¥ 2,062.7	¥ 2,382.6
SMBC Consumer Finance	¥ 1,602.7	¥ 1,627.4	¥ 1,917.1	¥ 1,818.1
Number of cardholders (in tens of thousands).....	389.3	361.5	331.6	314.3

Notes:

1. All amounts shown are rounded down to the nearest 100 million.
2. In light of the integrated management of Sumitomo Mitsui Card Company and SMBC Consumer Finance, the above figures for operating revenue, operating profit, ordinary profit, and net income are internal management figures calculated by simply adding the consolidated figures for each company (however, the consolidated figures for Sumitomo Mitsui Card Company do not include the consolidated figures for SMBC Consumer Finance).
3. Sales handled by credit cards include e-money and QR code transactions.
4. Number of cardholders includes the number of debit cardholders.
5. Number of cardholders is only for cards issued by the company.



Since its establishment in 1962, SMBC Consumer Finance has developed and provided highly convenient and secure personal loan products in response to changes in lifestyles and living conditions. We have established a system for accepting various consultations and contracts to promptly respond to the diverse funding needs of our customers.

In October 2024, our company became a wholly owned subsidiary of Sumitomo Mitsui Card Company, and by working together to improve services, we will further meet customers' needs for digital services. We aim to become the “No.1 consumer finance brand continuously chosen by customers.”

Company Name: SMBC Consumer Finance Co., Ltd.
Business Profile: Consumer lending
Establishment: March 20, 1962
Head Office: 2-2-31, Toyosu, Koto-ku, Tokyo
President and CEO: Terumasa Takahashi
Number of Employees: 1,989

(Note) Based on the integrated management of Sumitomo Mitsui Card Company and SMBC Consumer Finance, the financial information of both companies is shown in the previous page under Sumitomo Mitsui Card Company.



Japan Research Institute is a comprehensive information services company with three functions: think tank, consulting, and IT solutions.

Under the fundamental principle of “co-creation of new customer value,” JRI offers concrete proposals for identifying and resolving issues as well as support for implementing those solutions.

JRI conducts a wide range of activities, including research and analysis of domestic and foreign economies and policy recommendation, incubation for the creation of new businesses, consulting on management strategies and administrative reforms, planning and building strategic information systems based on IT, and providing outsourcing services.

Company Name: The Japan Research Institute, Limited
Business Profile: Think tank operations, consulting services, system development and information processing
Establishment: November 1, 2002
Head Office:
Tokyo Head Office: 2-18-1 Higashi-Gotanda, Shinagawa-ku, Tokyo
Osaka Head Office: 2-2-4 Tosabori, Nishi-ku, Osaka
President and CEO: Jun Uchikawa (Appointed effective June 27, 2025)
Number of Employees: 3,786

Financial Information (Years ended March 31)

	Billions of yen			
	2025	2024	2023	2022
For the Year:				
Operating revenue.....	¥299.4	¥249.6	¥219.7	¥214.3
Operating profit.....	2.8	2.7	4.0	4.5
Ordinary profit.....	4.4	3.9	5.0	5.0
Net income.....	3.7	3.9	3.5	3.6
At Year-End:				
Total assets	¥137.6	¥131.3	¥124.3	¥116.8

Notes:

1. All amounts shown are rounded down to the nearest 100 million.



Sumitomo Mitsui DS Asset Management Company, Limited is an asset management company with strengths in active investing, supported by an industry-leading investment research platform and a global network.

Sumitomo Mitsui DS Asset Management Company provides high-quality asset management services that meet the specific needs of its diverse client base that ranges from Japanese and non-Japanese institutional (pension funds, financial institutions, etc.) to individual investors. The company's vision is to become the best asset management firm that enhances the quality of life for its clients and other stakeholders.

Company Name: Sumitomo Mitsui DS Asset Management Company, Limited
Business Activities: Investment management business, investment advisory/agency business, and business related to Type II financial instruments business
Establishment: July 15, 1985
Head Office: 1-17-1 Toranomon, Minato-ku, Tokyo
Representative: Wataru Ogiwara (Appointed effective April 1, 2025)
Number of Employees: 838

Financial Information (Years ended March 31)

	Billions of yen			
	2025	2024	2023	2022
For the Year:				
Operating revenue.....	¥ 93.7	¥ 82.7	¥ 71.9	¥ 77.2
Operating profit.....	10.3	6.3	3.7	5.8
Ordinary profit.....	10.8	17.6	3.3	7.0
Net income.....	8.5	25.2	2.0	4.1
At Year-End:				
Total assets	¥133.4	¥140.0	¥107.8	¥113.8

Notes:

1. All amounts shown are rounded down to the nearest 100 million.

Risk Management Categories

SMBC Group defines the following risk management categories and conducts management of these risks accordingly. Group companies manage risk in accordance with the characteristics of their particular businesses. These risk categories are continuously reviewed and new ones may be added in response to changes in the operating environment.

Risk Category		Department in Charge
Credit risk	Credit risk is the possibility of a loss arising from a credit event, such as deterioration in the financial condition of a borrower, that causes an asset (including off-balance sheet transactions) to lose value or become worthless.	Credit & Investment Planning Department
Market risk	Market risk is the possibility that fluctuations in interest rates, foreign exchange rates, equity prices, or other market prices will change the market value of financial products, leading to a loss.	Corporate Risk Management Department Risk Management Information Department
Liquidity risk	Liquidity risk is defined as uncertainty around the ability of the firm to meet debt obligations without incurring unacceptably large losses. Examples of such risk include the possible inability to meet current and future cash flow / collateral needs, both expected and unexpected. In such cases, the firm may be required to raise funds at less-than-favorable rates or be unable to raise sufficient funds for settlement.	Corporate Risk Management Department Risk Management Information Department
Operational risk	Operational risk is the possibility of losses arising from inadequate or failed internal processes, people, and systems or from external events (see page 138 for information on risk categories and the departments in charge).	Corporate Risk Management Department Risk Management Information Department
Conduct risk	Conduct risk is the risk that our conduct negatively affects customers, market integrity, effective competition, public interest, and the SMBC Group's stakeholders through acts that violate laws and regulations or social norms.	Corporate Risk Management Department Compliance Department
Model risk	Model risk is the risk of potential adverse consequences or financial loss resulting from misinformed decision making based on inaccurate model outputs or using the model inappropriately.	Corporate Risk Management Department
Reputational risk	Reputational risk refers to the risk of not meeting the expectations for high ethics, integrity, etc. by the stakeholders (that is, customers, shareholders, market, society, environment, employees, etc.) due to the business of the SMBC Group and the behavior of employees and other related parties, as well as of leading to impairment of the Enterprise Value and decline in trust.	General Affairs Department Public Relations Department
Environmental and social risk	Environmental and social risks are the risks that environmental and social factors become risk drivers and transmit through various pathways to each risk category, ultimately resulting in losses to the SMBC Group.	Environmental & Social Risk Management Department of Credit & Investment Planning Department Sustainability Planning Department

Top Risks

Top Risks, risks that threaten to significantly impact management, recognized by SMBC Group are listed in the table below.

Top Risks	Example Scenarios
Political turmoil and social instability	・ Deterioration of the business environment due to radical policies in areas such as trade, diplomacy, and finance
Intensification of U.S.-China struggle for supremacy	・ Deterioration of the business environment due to political conflict between the U.S. and China, and growing concerns over the security environment
Growing tensions over Russia-Ukraine conflict	・ Escalation of confrontation between Russia and NATO over ceasefire negotiations
Unstable situations in Asia and the Middle East	・ Occurrence of emergency incidents on the Korean Peninsula, and sudden surge in resource prices due to worsening situation in the Middle East
Increasing threats in cyberspace	・ Business suspension or information leakage due to cyberattacks targeting SMBC Group or third parties
World economic stagnation	・ Shift back to monetary tightening in the western countries due to a resurgence of inflation
Highly volatile markets, sudden deterioration of Non-JPY funding condition	・ Rapid position adjustments following central banks' policy changes
Manifestation of a global financial crisis	・ Emergence of a global financial crisis due to the failures of banks and rapid outflow of funds from shadow banks
Japanese economic stagnation	・ Economic recession due to rapid yen appreciation and worsening external demand
Japanese fiscal instability	・ Increased concerns over government debt due to rising fiscal expansion pressures
Outbreak of serious infectious disease	・ Occurrence of a pandemic due to the emergence of a virus or bacterium that is highly infectious to humans
Increase in disasters such as large-scale earthquakes, storms, and floods	・ Negative impact caused by the occurrence of large-scale earthquakes and volcanic eruptions, the increased frequency of extreme weather events and natural disasters
Delayed response to industry structural changes caused by technological innovation	・ Decline in competitiveness due to rapid digitalization of financial services
Sophistication of disinformation and unexpected rapid spread of information	・ Delayed response to unexpected spread of information via Social Networking Services
Divide in policy, regulation and social norm on environment and human rights issues	・ Reputational damage and emergence of stranded assets due to diverse views on environmental and human rights issues and inadequate response to climate change
Misconduct damaging customer protection and market integrity	・ Administrative actions and deterioration of our company's reputation due to employees' inappropriate behavior and serious disciplinary violations
Inadequate preparedness for AML/CFT	・ Administrative actions and deterioration of our company's reputation due to inadequate preparedness for AML/CFT/CPF controls
Inadequate responses to system failures	・ Significantly negative impact on customers and deterioration of our reputation due to system failures of our company and third parties
Inadequate preparedness for heightened regulatory and supervisory scrutiny	・ Impact on our business due to the strengthening of financial supervision and regulation
Difficulty in securing human resources	・ Shortage of personnel and specialists appropriate for business strategy and management foundation, and decline in medium- to long-term competitiveness

Note: The above is only a portion of the risks recognized by SMBC Group. It is possible that the materialization of risks other than those listed above could have a significant impact on our management.

Stress Testing

SMBC Group conducts stress testing for each category of risks as well as stress testing used to verify the overall soundness of comprehensive risk management practices. The level of soundness used for verification here is determined from the perspective of risk appetite, based on the intensity of the assumed scenario.

When evaluating group-wide soundness, evaluations are made using consolidated balance sheets and consolidated statements of income, which include data from affiliates, with the goal of identifying major risks to our business and asset portfolio. Specifically, scenarios are selected based on the aforementioned severity level as well as background conditions that cover all areas in which we may face risks (e.g. an outlook encompassing the entire world). We also employ methodology for ensuring scenarios can be accurately reflected and for incorporating business and portfolio characteristics.

When developing our stress testing methodology, we normally adopt widely accepted statistical techniques. Since it is necessary to estimate outliers under stressed condi-

tions, we do not always select methods with high statistical accuracy, but sometimes based on the ability to reproduce those outliers. Moreover, because some scenarios are with no historical precedent, it is permitted to override the model's estimates with expert judgments when necessary.

In this manner, stress testing processes often require a variety of expertise. When selecting the background conditions for scenarios, expertise regarding macroeconomic conditions and geopolitical risks is required.

When selecting methodologies, insight into the statistical and other mathematical analysis techniques is crucial. When calculating impacts on SMBC Group as a whole, insight into SMBC Group and the businesses of its customers must be used. Stress testing processes will thus be based on discussions and opinions of directors, members of upper management, specialists, and representatives from relevant organizations and records will be created of these discussions and opinions in order to ensure objectivity, transparency, and reproducibility. In this way, measures for practicing proper governance of stress testing will be applied.

■ Stress Testing Process



Risk-Weighted Assets

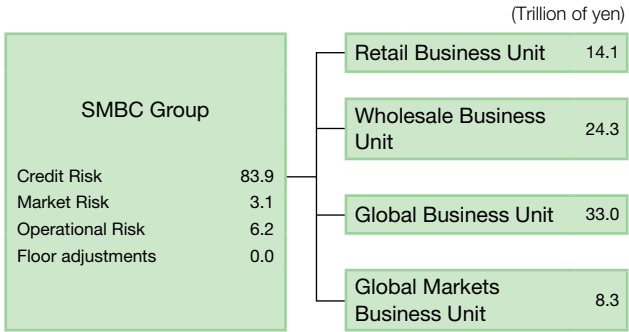
Risk-weighted assets under the Basel III framework as of the end of March 2025 increased by 268.6 billion yen from the end of March 2024 to 93,117.1 billion yen. The main factors causing fluctuations in risk assets are increases in domestic and overseas credit balances, the impact of yen appreciation, and stock price declines.

■ Risk-Weighted Assets as of March 31, 2025

(Trillion of yen)			
	End of March 2024	End of March 2025	Increase (decrease)
Credit risk	84.3	83.9	(0.5)
Market risk	2.9	3.1	+0.2
Operational risk	5.5	6.2	+0.6
Floor adjustments*	0.0	0.0	±0.0
Total	92.8	93.1	+0.3

(*) Adjustment amount due to the difference between the internal model approach and the standardized approach

■ Risk Assets of Individual Business Units



Credit Risk

1. Basic Approach to Credit Risk Management

(1) Characteristics of Credit Risk

Credit risk is characterized by the possibility of a loss arising from a credit event, such as deterioration in the financial condition of a borrower, that causes an asset (including off-balance sheet transactions) to lose value or become worthless.

(2) Fundamental Principles for Credit Risk Management

All Group companies follow the fundamental principles established by SMBC Group to assess and manage credit risk on a group-wide basis and further raise the level of accuracy and comprehensiveness of group-wide credit risk management. Each Group company must comprehensively manage credit risk according to the nature of its business, and assess and

manage credit risk of individual loans and credit portfolios quantitatively under consistent standards.

Credit risk is the most significant risk to which SMBC Group is exposed. Without effective credit risk management, the impact of the corresponding losses on operations can be overwhelming.

The purposes of credit risk management are to keep credit risk exposure to a permissible level relative to capital, to maintain the soundness of group-wide assets, and to ensure returns commensurate with risk. Doing so leads to a loan portfolio that achieves high returns on capital and assets.

(3) Credit Policy

SMBC Group's credit policy comprises clearly stated universal and basic operating concepts, policies, and standards for credit operations, in accordance with our business mission and rules of conduct. SMBC Group is promoting the understanding of and strict adherence to its Group credit policy among all its managers and employees. By fostering a culture of appropriate levels of risk-taking and providing high-value-added financial services, SMBC Group aims to enhance shareholder value and play a key contributory role in the community.

2. Credit Risk Management System

At SMBC Group, the Group CRO formulates credit risk management policies each year based on the group-wide basic policies for risk management. Meanwhile, the Credit & Investment Planning Department is responsible for the comprehensive management of credit risk. This department drafts and administers credit risk regulations, including the Group credit policies, manages non-performing loans (NPLs), and performs other aspects of credit portfolio management. We have also established the Credit Risk Committee to serve as a body for deliberating on matters related to group-wide credit portfolios.

At SMBC, the core bank of SMBC Group, the Credit & Investment Planning Department within the Risk Management Unit furnishes the credit risk management system and is thus responsible for the comprehensive management of credit risk. This department drafts and administers credit policies, the internal rating system, credit authority guidelines, and credit application guidelines, and also manages NPLs and performs other aspects of credit portfolio management, including active portfolio management using credit derivatives.

The department also cooperates with the Corporate Risk Management Department in quantifying credit risk (risk capital and risk-weighted assets) and controls the bank's entire credit risk.

The credit department in charge, in cooperation with branches, conducts credit risk assessments and manages

credit portfolios within each credit department's jurisdiction. The credit approval authority is determined based on the credit amount and internal grades, while credit departments focus on the analysis and management of customers and transactions with relatively high credit risk. The Credit Administration Department is responsible for handling NPLs of borrowers classified as potentially bankrupt or lower, and draws up plans for their workouts, including write-offs. It works to efficiently reduce the amount of NPLs through Group company SMBC Servicer Co., Ltd., which engages in related services, and by such means as the sell-off of claims. Through industrial and sector-specific surveys and studies of individual companies, the Corporate Research Department works to form an accurate idea of the circumstances of borrower companies and quickly identify those with potentially troubled credit positions as well as promising growth companies.

The Compliance Unit has in place a system of coordinating to establish systems for providing explanations to customers and develop information management practices for the purpose of customer protection and to prevent transactions with antisocial forces, among other tasks.

The Internal Audit Unit, operating independently of the business units, audits asset quality, the accuracy of gradings and self-assessment, and the state of credit risk

management, and reports the results directly to the Audit and Supervisory Committee and the Management Committee.

SMBC has established the Credit Risk Committee as a consultative body to round out its oversight system for undertaking flexible and efficient control of credit risks, and ensuring the overall soundness of the bank's loan operations.

3. Credit Risk Management Methods

(1) Credit Risk Assessment and Quantification

At SMBC Group, to effectively manage the risk involved in individual loans as well as the credit portfolio as a whole, we first acknowledge that every loan entails credit risks, assess the credit risk posed by each borrower and loan using an internal rating system, and quantify that risk for control purposes.

(a) Internal Rating System

There is an internal rating system for each asset control category established according to portfolio characteristics. For example, credits to corporates are assigned an "obligor grade," which indicates the borrower's creditworthiness, and/or "facility grade," which indicates the collectibility of assets taking into account transaction conditions, such as guarantee/collateral, credit period, and tenor. An obligor grade is determined by first assigning a financial grade using a financial strength grading model and data obtained from

■ SMBC's Domestic Obligor Grading System

Obligor Grade	Definition	Borrower Category	Financial Reconstruction Act Based Disclosure Category
1	Very high certainty of debt repayment	Normal Borrowers	Normal Assets
2	High certainty of debt repayment		
3	Satisfactory certainty of debt repayment		
4	Debt repayment is likely but this could change in cases of significant changes in economic trends or business environment depending on the situation		
5	No problem with debt repayment over the short term, but not satisfactory over the mid to long term and the situation could change in cases of any changes in economic trends or business environment		
6	Currently no problem with debt repayment, but it is highly likely that this could change in cases of significant changes in economic trends or business environment	Borrowers Requiring Caution	Substandard Loans
7	Close monitoring is required due to problems in meeting loan terms and conditions, sluggish/unstable business, or financial problems (Borrowers Requiring Caution identified as Substandard Borrowers)		
8	Currently, there is no situation of business bankruptcy, but the company is in financial difficulty, and the progress of business improvement plans, etc. is not favorable, and it is recognized that there is a high possibility of falling into bankruptcy in the future	Potentially Bankrupt Borrowers	Doubtful Assets
9	Although there has been no legal or formal bankruptcy, the company is in a state of serious financial difficulty with no prospect of rehabilitation, and is effectively bankrupt	Virtually Bankrupt Borrowers	Bankrupt and Quasi-Bankrupt Assets
10	Legally or formally bankrupt	Bankrupt Borrowers	

the obligor’s financial statements. The financial grade is then adjusted taking into account the actual state of the obligor’s balance sheet and qualitative factors to derive the obligor grade. In the event that the borrower is domiciled overseas, internal ratings for credit are made after taking into consideration country rank, which represents an assessment of the credit quality of each country, based on its political and economic situation as well as its current account balance and external debt. The borrower categories used in self-assessment are consistent with the obligor grade categories.

Obligor grades and facility grades are reviewed once a year, and whenever necessary, such as when there are changes in the credit situation. There are also grading systems for loans to individuals and project finance and other structured finance tailored according to the risk characteristics of these types of assets.

The Credit & Investment Planning Department centrally manages the internal rating systems and properly designs, operates, supervises, and validates the grading models. It validates the grading models and systems of main assets following the procedures manual (including those for statistical validation) once a year to ensure their effectiveness and suitability and submits reports with this regard. SMBC, the core bank of SMBC Group, employs a total of 28 grading models for corporate, specialized lending, and retail applications. For details on internal rating methods, please refer to Appendix II.

(b) Quantification of Credit Risk

Credit risk quantification refers to the process of estimating the degree of credit risk of a portfolio or individual loan taking into account not just the obligor’s Probability of Default (PD) but also the concentration of risk in a specific customer or industry and the loss impact of fluctuations in the value of collateral, such as real estate and securities.

Specifically, first, the PD by grade, Loss Given Default (LGD), credit quality correlation among obligors, and other parameter values are estimated using historical data of obligors and facilities stored in a database to calculate the credit risk. Then, based on these parameters, we run a simulation of simultaneous default using the Monte Carlo method to calculate our maximum loss exposure to the estimated amount of the maximum losses that may be incurred. Based on these quantitative results, we allocate risk capital.

Risk quantification is also executed for purposes such as to determine the portfolio’s risk concentration, or to simulate economic movements (stress tests), and the results are used for making optimal decisions across the whole range of business operations, including formulating business plans and providing a standard against which individual credit applications are assessed. For details on internal rating methods, please refer to Appendix II.

(2) Framework for Managing Individual Loans

SMBC Group strives to maintain a sound portfolio through appropriate credit assessments and monitoring conducted over credit periods. The following framework is used for managing individual loans at SMBC, the core bank of SMBC Group.

(a) Credit Assessment

At SMBC, credit assessment of corporate loans involves a variety of financial analyses, including cash flow, to predict an enterprise’s capability of loan repayment and its growth prospects. These quantitative measures, when combined with qualitative analyses of industrial trends, the enterprise’s R&D capabilities, the competitiveness of its products or services, and its management caliber, result in a comprehensive credit assessment. The loan application is analyzed in terms of the intended utilization of the funds and the repayment schedule. Thus, SMBC is able to arrive at an accurate and fair credit decision based on an objective examination of all relevant factors.

Increasing the understandability to customers of loan conditions and approval standards for specific borrowing purposes and loan categories is a part of SMBC’s ongoing review of lending practices, which includes the revision of loan contract forms with the chief aim of clarifying lending conditions utilizing financial covenants.

To respond proactively and promptly to customers’ funding needs—particularly those of SMEs—we employ a standardized credit risk assessment process for SMEs that uses a credit-scoring model. With this process, we are building a regime for efficiently marketing our Business Select Loan and other SME loans.

In the field of housing loans for individuals, we employ a credit assessment model based on credit data amassed and analyzed by SMBC over many years. This model enables our loan officers to efficiently make rational decisions on housing loan applications and to reply to the customers without delay. It also facilitates the effective management of credit risk as well as the flexible setting of interest rates.

We also provide loans to individuals who rent out properties such as apartments. The loan applications are subjected to a precise credit risk assessment process utilizing a risk assessment model that factors in the projected revenue from the rental business. We also provide advice to such customers on how to revise their business plans.

(b) Credit Monitoring System

At SMBC, in addition to analyzing loans at the application stage, the Credit Monitoring System is utilized to maintain an understanding of the circumstances surrounding the obligor in order to reassess obligor grades and review self-assessment and credit policies so that problems can be detected at an early stage and quick and effective action can be taken. The system includes periodic monitoring carried out each

time an obligor enterprise discloses financial results as well as continuous monitoring performed each time credit conditions change, as indicated in the diagram below.

(3) Framework for Credit Portfolio Management

In addition to managing individual loans, SMBC Group applies the following basic policies to the management of the entire credit portfolio to maintain and improve its soundness and profitability over the medium to long term. Information on the status of credit portfolio management is reported to the Management Committee and the Board of Directors and regular monitoring is performed through the Risk Appetite Framework (RAF).

(a) Appropriate Risk Control within Capital

To take risks within the acceptable level of capital, we set upper limits for overall risk capital based on the risk appetite and portfolio plan of each business unit and monitor credit risk capital as a breakdown of overall risk capital.

(b) Controlling Concentration Risk

As the equity capital of SMBC Group may be materially impaired in the event that the credit concentration risk becomes apparent, we implement measures to manage credit toward industrial sectors with excessive risk concentration and introduce large exposure limit lines and conduct intensive loan review for obligors with large exposure.

To manage country risk, we also have credit limit guidelines based on each country’s creditworthiness.

(c) Researching Borrowers More Rigorously and Balancing Risk and Returns

Against a backdrop of drastic change in the business environment, we rigorously research borrower companies’ actual conditions. We run credit operations on the basic principle of earning returns that are commensurate with the credit risk involved, and make every effort to reduce credit

and capital costs as well as general and administrative expenses.

(d) Preventing and Reducing Non-Performing Loans

On NPLs and potential NPLs, we carry out regular loan reviews to clarify handling policies and action plans, enabling it to swiftly implement measures to prevent deterioration of borrowers’ business situations, support business recoveries, collect on loans, and enhance loan security.

(e) Actively Managing Portfolios

We engage in flexible portfolio control aimed at stabilization of our credit portfolio through credit control methods.

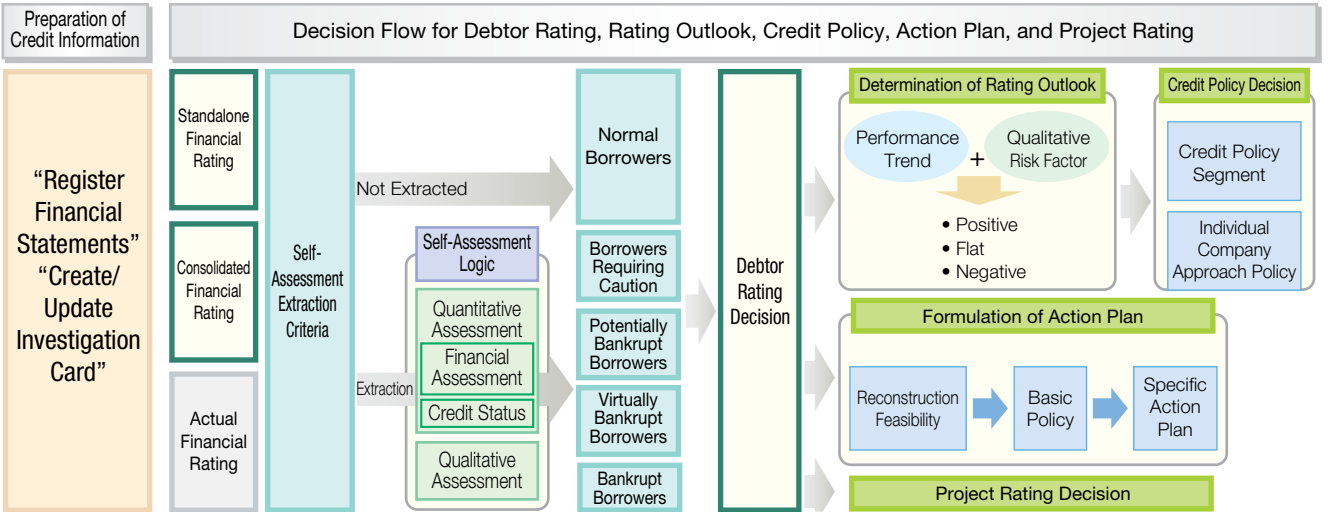
(4) Self-Assessment, Write-Offs and Provisions, Non-Performing Loans Disclosure

(a) Self-Assessment

Self-assessment is a preparatory task for ensuring SMBC Group’s asset quality and calculating the appropriate level of write-offs and provisions. Each asset is assessed individually for its security and collectibility. Depending on the borrower’s current situation, the borrower is assigned to one of five categories: Normal Borrowers, Borrowers Requiring Caution, Potentially Bankrupt Borrowers, Virtually Bankrupt Borrowers, and Bankrupt Borrowers. Based on the borrower’s category, claims on the borrower are classified into Classification I, II, III, and IV assets according to their default and impairment risk levels, taking into account such factors as collateral and guarantees.

Self-assessment is the latter stage of the obligor grading process for determining the borrower’s ability to fulfill debt obligations, and the obligor grade criteria are consistent with the categories used in self-assessment. As part of our efforts to bolster risk management throughout SMBC Group, consolidated subsidiaries carry out self-assessment in substantially the same manner.

■ SMBC’s Credit Monitoring System



Borrower Categories, Defined	
Normal Borrowers	Borrowers with good earnings performances and no significant financial problems
Borrowers Requiring Caution	Borrowers identified for close monitoring
Potentially Bankrupt Borrowers	Borrowers perceived to have a high risk of falling into bankruptcy
Virtually Bankrupt Borrowers	Borrowers that may not have legally or formally declared bankruptcy but are essentially bankrupt
Bankrupt Borrowers	Borrowers that have been legally or formally declared bankrupt

Asset Classifications, Defined	
Classification I (Unclassified)	Assets not classified under Classifications II, III, or IV
Classification II	Assets perceived to have an above-average risk of uncollectibility
Classification III	Assets for which final collection or asset value is very doubtful and which pose a high risk of incurring a loss
Classification IV	Assets assessed as uncollectible or worthless

(b) Write-Offs and Provisions

In cases in which claims have been determined to be uncollectible or deemed to be uncollectible, write-offs signify the recognition of losses on the account books with respect to such claims. Write-offs can be made either in the form of loss recognition by offsetting uncollectible amounts against corresponding balance sheet items, referred to as a direct write-off, or else by recognition of a loan loss provision on a contra-asset account in the amount deemed uncollectible, referred to as an indirect write-off. Recognition of indirect write-offs is generally known as provision for the reserve for possible loan losses.

The write-off and provision standards and procedures for each self-assessment borrower category at SMBC, the core bank of SMBC Group, are shown on the right. As part of our overall measures to strengthen credit risk management throughout SMBC Group, all consolidated subsidiaries use substantially the same standards as SMBC for write-offs and provisions.

SMBC's Standards for Write-Offs and Provisions	
Normal Borrowers	The expected loss amount for the next one year is calculated for each grade based on historical bankruptcy rates and recorded as a provision for the general reserve for possible loan losses (Note 1).
Borrowers Requiring Caution	Assets are grouped according to the level of default risk, and for each group, the expected future loss amount is calculated based on historical bankruptcy rates* and recorded as a provision for the general reserve for possible loan losses (Note 1). Further, when cash flows can be estimated reasonably accurately, the discounted cash flow (DCF) method is applied mainly to large claims for calculating the provision amount. * Grouping is divided into "claims on Substandard Borrowers" and "claims on other Borrowers Requiring Caution." The latter group is further subdivided according to the borrower's financial position, credit situation, and other factors.
Potentially Bankrupt Borrowers	For each borrower, the necessary amount for Classification III (excluding portions expected to be recovered through collateral, guarantees, etc.) is calculated and recorded as a specific reserve for possible loan losses (Note 2). Further, when cash flows can be estimated reasonably accurately, the DCF method is applied mainly to large claims for calculating the provision amount.
Virtually Bankrupt / Bankrupt Borrowers	For each borrower, the full amount of Classification IV (deemed to be uncollectible or of no value) is, in principle, directly written off, and the full amount of Classification III is recorded as a specific reserve for possible loan losses (Note 2). Further, when cash flows from future reconstruction can be estimated reasonably accurately, the DCF method is applied mainly to large claims for calculating the provision amount.
Note 1: General Reserve for Possible Loan Losses	Provisions made for the general inherent risk of uncollectibility in loan claims, without identifying individual claims.
Note 2: Specific Reserve for Possible Loan Losses	Provisions made for claims (individually evaluated) that are recognized as uncollectible in whole or in part.
* Discounted Cash Flow Method SMBC uses the discounted cash flow (DCF) method to calculate the provision amounts for large claims on Substandard Borrowers or below when the cash flow from repayment of principal and interest received can be estimated reasonably accurately. SMBC then makes provisions equivalent to the excess of the book value of the claims over the said cash inflow discounted by the initial contractual interest rate or the effective interest rate at the time of origination. One of the major advantages of the DCF method over conventional methods of calculating the provision amount is that it enables effective evaluation of each individual borrower. However, as the provision amount depends on the future cash flow estimated on the basis of the borrower's business reconstruction plan and the DCF formula input values, such as the discount rate and the probability of the borrower going into bankruptcy, SMBC makes every effort to utilize up-to-date and correct data to realize the most accurate estimates possible.	
* Forward-Looking Provisions SMBC records general reserves in amounts deemed necessary through comprehensive judgments to prepare for future losses in accordance with forecasts for specific portfolios with a high likelihood of occurrence and that cannot be reflected in past performance or in the borrower categories of specific companies based on recent operating environment and risk trends.	

(c) Non-Performing Loans Disclosure

Non-Performing Loans are loans and other claims of which recovery of either principal or interest appears doubtful. In disclosing Non-Performing Loans, the disclosure category is determined by the borrower categories assigned during self-assessment, and are disclosed as Non-Performing Loans based on the Banking Act and the Reconstruction Act.

4. Risk Management of Marketable Credit Transactions

Financial products, such as investments in funds, securitized products, and credit derivatives, that bear indirect risk arising from underlying assets such as bonds and loan obligations are considered to be exposed to both credit risk from the underlying assets as well as “market risk” and “liquidity risk” that arise from their trading as financial products. This is referred to as marketable credit risk.

For these types of products, we manage credit risk by analyzing and assessing the characteristics of the underlying assets, but, for the sake of complete risk management, we also apply the methods for management of market and liquidity risks.

In addition, we have established guidelines based on the characteristics of these types of risks and appropriately manage the risk of losses.

Market and Liquidity Risks

1. Basic Approach to Market and Liquidity Risk Management

(1) Definitions of Market and Liquidity Risks

Market risk is the possibility that fluctuations in interest rates, foreign exchange rates, equity prices, or other market prices will change the market value of financial products, leading to a loss.

Liquidity risk is defined as the uncertainty around the ability of the firm to meet debt obligations without incurring unacceptably large losses. Examples of such risk include the possible inability to meet current and future cash flow/collateral needs, both expected and unexpected. In such cases, the firm may be required to raise funds at less than favorable rates or be unable to raise sufficient funds for settlement.

(2) Fundamental Principles for Market and Liquidity Risk Management

SMBC Group is working to further enhance the effectiveness of its quantitative management of market and liquidity risks across the entire Group by setting allowable risk limits; ensuring the transparency of the risk management process; and clearly separating front-office, middle-office, and back-office operations to establish a highly efficient system of mutual checks and balances.

2. Market and Liquidity Risk Management System

In accordance with the group-wide basic policies for risk management decided upon by the Management Committee, SMBC Group determines important matters relating to the management of market and liquidity risks, such as basic policies and risk limits, in order to manage these risks. The ALM Committee meets four times a year, in principle, to report on the state of market and liquidity risk management and to discuss ALM operation policies. The Corporate Risk Management Department and the Risk Management Information Department which are independent of the business units that directly handle market transactions, manage market and liquidity risks in an integrated manner. These departments not only monitor the current risk situation but also regularly report to the Management Committee and the Board of Directors. Furthermore, the ALM Committee at SMBC, the core bank of SMBC Group, meets on a monthly basis to examine reports on the state of observance of limits on market and liquidity risks and to discuss ALM operation policies.

The Audit Department conducts regular internal audits to verify that these risk management systems are functioning properly.

3. Market and Liquidity Risk Management Methods

(1) Market Risk Management

SMBC Group manages market risk by controlling amounts of value at risk (VaR), losses, and risk capital based on consideration for the Group's shareholders' equity and other principal indicators of the Group's Financial position and management resources, business policies pertaining to market transactions and market liquidity.

Market risk can be divided into various factors: foreign exchange rates, interest rates, equity prices, and option risks. SMBC Group manages each of these risk categories by employing VaR as well as supplemental indicators suitable for managing the risk of each risk factor, such as the BPV.

Trading activities are market operations that gain profits by taking advantage of fluctuations in market prices over the short term or price differences among markets. We assess and manage the market risk of trading activities on a daily basis by utilizing VaR and other tools. Banking activities are market operations which gain profits by controlling interest rates and term period for assets (loans, bonds, etc.) and liabilities (deposits, etc.). In the same way as in the case of trading activities, we assess and manage the market risk of banking activities on a daily basis, utilizing VaR and other tools.

The risk of interest rate fluctuation differs substantially depending on the method for recognizing maturity dates of demand deposits (current accounts and ordinary deposit accounts that can be withdrawn at any time) and the method for estimating the time of cancellation prior to maturity of time deposits and consumer loans. At SMBC, the

maturity of demand deposits that are expected to be left with the bank for a prolonged period is assumed to be up to 5 years (2.5 years on average). The cancellation prior to maturity of time deposits and consumer loans is estimated based on historical data.

(a) Market Risks

a. Trading activities

Trading activities are market operations that gain profits by taking advantage of fluctuations in market prices over the short term or price differences among markets. At SMBC Group, we assess and manage the market risk of trading activities on a daily basis by utilizing VaR and other tools.

The following table shows the VaR results of the Group’s trading activities during fiscal 2024.

b. Banking activities

Banking activities are market operations which gain profits by controlling interest rates and term period for assets

(loans, bonds, etc.) and liabilities (deposits, etc.). At SMBC Group, in the same way as in the case of trading activities, we assess and manage the market risk of banking activities on a daily basis, utilizing VaR and other tools.

The following table shows the VaR results of the Group’s banking activities during fiscal 2024.

(b) Market Risk Measurement Model

a. Overview

SMBC Group uses an internal model to measure VaR. In our internal VaR model, various market fluctuation scenarios are drawn up on the basis of past data, and the historical simulation method is used to run profit-and-loss movement simulations that enable us to forecast probable maximum losses. The appropriateness of the internal model is verified through back-testing. Additionally, this model undergoes regular audits by an independent auditing firm and has been evaluated as appropriate.

■VaR for Trading Activities

	Fiscal 2024					End of March 2024
	End of March 2025	End of September 2024	Maximum	Minimum	Average	
Sumitomo Mitsui Financial Group (consolidated)	40.8	42.7	61.8	38.4	42.1	40.0
Interest rates	18.3	19.7	24.1	17.8	19.5	19.5
Foreign exchange	7.1	7.3	8.4	4.5	6.5	5.2
Equities, commodities, etc.	22.1	22.6	43.8	15.3	22.7	21.4
SMBC (consolidated)	23.9	23.2	26.9	17.8	22.6	17.5
SMBC (non-consolidated)	4.4	5.2	6.7	3.5	5.0	3.8

(Note) 1. VaR for a one-day holding period with a one-sided confidence interval of 99.0% [computed daily using the historical simulation method (based on four years of historical observations)].
2. For products and positions to which the historical simulation method is not applied, the amount of risk measured by a reasonable and conservative method is simply added to the amount of risk by the historical simulation method.

■VaR for Banking Activities

	Fiscal 2024					End of March 2024
	End of March 2025	End of September 2024	Maximum	Minimum	Average	
Sumitomo Mitsui Financial Group (consolidated)	63.4	67.9	96.3	59.5	75.0	95.1
Interest rates	62.5	61.6	82.1	57.6	68.2	79.6
Equities, etc.	32.7	18.8	35.8	12.6	28.0	31.8
SMBC (consolidated)	62.3	66.5	94.7	58.2	73.7	93.5
SMBC (non-consolidated)	49.5	54.2	80.9	45.2	60.2	79.2

(Note) 1. VaR for a one-day holding period with a one-sided confidence interval of 99.0% [computed daily using the historical simulation method (based on four years of historical observations)].
2. For products and positions to which the historical simulation method is not applied, the amount of risk measured by a reasonable and conservative method is simply added to the amount of risk by the historical simulation method.
3. Strategic shareholdings are not included in the above equities.

b. Validity verification process

SMBC Group conducts back-testing on major portfolios as a procedure for verifying of the internal model. Specifically, we compare the figures calculated by the internal model with the losses of the target portfolio on a daily basis to confirm the appropriateness of the model and the adequacy of risk capital management.

We also regularly conduct verification and analysis related to the autocorrelation of risk factors and the effect of the observation period to confirm the validity of the model.

c. Substitute indicators

SMBC Group employs, as substitute indicators, VaR wherein presumptions for the model (observation periods, etc.) change.

d. Changes in model from fiscal year 2023

There have been no changes in the model from fiscal year 2023.

(c) Stress Testing

The market occasionally undergoes extreme fluctuations that exceed projections. To manage market risk, therefore, it is important to run simulations of unforeseen situations that may occur in financial markets (stress testing). SMBC Group conducts stress tests regularly, assuming various scenarios, and has measures in place for irregular events.

(d) Management of Equity Holdings

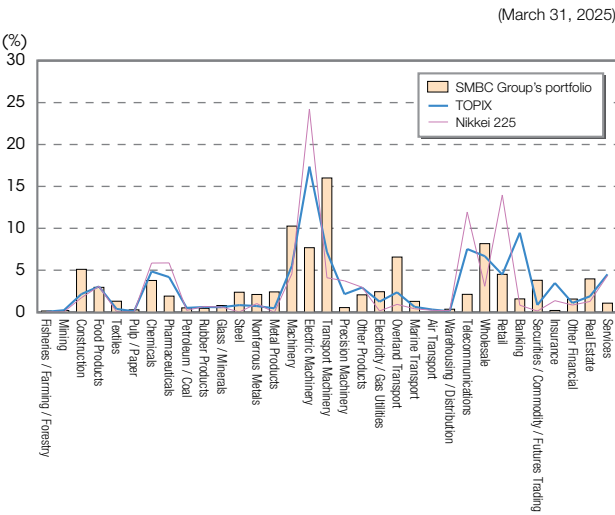
SMBC Group establishes risk allowance limits for total risk capital to control equity price fluctuation risk appropriately. Risk capital associated with equity holdings is monitored as a component of total risk capital. More specifically, VaR (1 year holding period) computed from profit-and-loss simulations based on historical market fluctuation data and aggregated fluctuation in market price from the beginning of the fiscal year are subject to the risk capital management and monitored on a daily basis.

Since our plan to reduce equity holdings by ¥200 billion (*) over three years from the end of March 2023 was achieved 1.5 years ahead of schedule, we announced a plan in November 2024 to reduce holdings by ¥600 billion (*) over five years from the end of March 2024, and achieved a reduction of ¥185 billion in FY2024.

If the plan is successful, we expect a cumulative reduction of equity holdings of more than 90% since the establishment of Sumitomo Mitsui Banking Corporation, and to reduce the market value of our equity holdings to less than 20% of our consolidated net assets during the period of the next Medium-Term Management Plan.

(*) The book value of Japanese listed equities held by SMBC Group.

■Composition, by Industry, of Listed Equity Portfolio



(2) Liquidity Risk Management

At SMBC Group, liquidity risk is regarded as one of the major risks. The Group’s liquidity risk management is based on a framework consisting of setting Risk Appetite Measures and establishing contingency plans.

The Risk Appetite Measures are measures for selecting the types and levels of risk that we are willing to take on or tolerate. As the level of liquidity risk is evaluated based on cash flow and balance sheet conditions, Risk Appetite Measures have been set for both of these areas. These measures include Liquidity Coverage Ratio and Net Stable Funding Ratio, a liquidity regulation. Measures are set to ensure it will be possible to maintain funding levels even under stress due to deposit outflow or other factors, and to ensure the ratio maintains stable funding to cover loans.

The tolerated levels of risk are set based on account funding status, cash management planning, economic environments, and other factors, and measures are monitored on a daily or monthly basis in order to limit reliance on short-term funding and appropriately manage liquidity.

As a framework to complement the Risk Appetite Measures, upper limits are set in place on both a Group company basis and an individual branch basis with regard to funding gaps, which is defined as a maturity mismatch between the source of funds and use of funds.

Furthermore, contingency plans are established in preparation for emergency situations. These plans contain information on chains of command and lines of reporting as well as detailed action plans depending on the existing situation (i.e., normal, concerned, or critical). Meanwhile, SMBC carries out quantitative management of alert indications based on early warning indicators established to assist the bank in promptly and systematically detecting liquidity risks.

Operational Risk

1. Basic Approach to Operational Risk Management
(1) Definition of Operational Risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, people, and systems or from external events. Specifically, the risk—which, in addition to processing risk and system risk, covers legal risk, human resources risk, and tangible asset risk, and third party risk—consists of the following seven event types that may lead to the risk of loss defined in the Basel Capital Accord: (1) internal fraud, (2) external fraud, (3) employment practices and workplace safety, (4) clients, products, and business practices, (5) damage to physical assets, (6) business disruption and system failures, and (7) execution, delivery, and process management.

(2) Fundamental Principles for Operational Risk Management

SMBC Group has set the policies on Operational Risk Management that stipulate basic matters in the conduct of operational risk management. Following these policies, we are enhancing operational risk management across the Group under basic principles that include the establishment of an effective framework for identifying, assessing, controlling, and monitoring material risks and the establishment of an incident response structure and emergency response structure in preparation for the materialization of risks. Based on the framework of Basel Capital Accord, we continuously strive to raise the level of risk management across the Group.

2. Operational Risk Management System

SMBC Group has developed an operational risk management structure atop the Risk Management Principle Policy. Our basic policy for operational risk management is decided by the Group Management Committee and approved by the Board of Directors.

The Corporate Risk Management Department and the Risk Management Information Department oversee management of operational risks overall, working with departments responsible for subcategories such as processing risk and system risks to comprehensively manage operational risks. The Internal Audit Department conducts periodic internal audits to verify that this operational risk management structure functions properly.

3. Operational Risk Management Methodology

SMBC Group manages internal loss data and key risk indicators (KRI), and creates risk registers. Internal loss data is defined as “information on the events in which the Bank incurs losses due to operational risk.” We examine measures for prevention of recurrence by analyzing collected data and perform risk management based on loss events that have occurred. KRI shall be the monitoring indicator to ascertain the symptoms of the potential operational risks and to ensure effective control for them. When risks are considered to have heightened, we analyze the causes and formulate improvement measures. At the end of March 2024, SMBC Group adopted the standardised approach for calculating the operational risk equivalent amount under Basel Capital Accord.

4. Processing Risk Management

Processing risk is the risk of losses arising from the failure of directors and employees to perform administrative duties in accordance with administrative rules and procedures, or from accidents or misconduct.

SMBC Group has clarified the divisions responsible for the oversight functions for processing risk management, and we are working to raise the level of sophistication of our management of processing risk across the whole Group on a risk basis by establishing systems for managing the processing risks faced by Group companies, ensuring in-office

inspection, minimizing losses in the event of processing risk materialization by drafting exhaustive contingency plans, and carrying out thorough quantification of the risk under management as basic principles.

Basic policies for processing risk management are decided by the Management Committee and then approved by the Board of Directors. The status of processing risk management is reported to the Management Committee and the Board of Directors regularly and when necessary. These and other steps are taken to ensure that we can provide customers with high-quality services.

Based on the group-wide basic policies for risk management, Group companies promote appropriate operating practices by establishing operating rules and regulations, systematizing transaction processing, receiving guidance from business divisions, and inspecting conditions related to transaction processing.

5. System Risk Management

System risk is the risk arising from nonconformity to business strategies, inappropriate technologies applied, changes to the development plan and delays in development when building an information system, and the risk of loss incurred due to system breakdown including those caused by cyber attack, malfunction, deficiency or unauthorized use (unauthorized alteration, destruction, duplication and leakage of information).

SMBC Group recognizes systems as an integral part of our management strategy. Our basic principles are to minimize system risks and to minimize losses if a system risk materializes. To achieve this, we have established various regulations and specific management standards, including a security policy, and have developed contingency plans for system failures and cyberattacks. Thus, we have established a system risk management framework and are implementing appropriate risk management measures.

Making reference to The Center for Financial Industry Information Systems (FISC) safety measures standards and U.S. safety measures standards (NIST SP800), we continuously improve our management standards. Across Group companies that require advanced risk management and our supply chains overall, we are strengthening our management, addressing areas in order of their level of risk.

Furthermore, as we actively and openly incorporate technological evolution and advance digitalization in every field to improve customer convenience, create new businesses beyond the boundaries of finance, and improve productivity and efficiency, we are taking steps to identify newly arising risks and to implement management systems that match the extent of these risks. SMBC Group is strengthening IT governance across the Group. As SMBC Group adopts AI (generative AI), cloud, RPA, low-code, API, and other

technologies, we have established guidelines that define necessary countermeasure standards and monitoring procedures specific to the risks associated with these technologies. We are implementing timely and appropriate risk management that addresses technological and environmental changes.

The risk from cyber threats is becoming increasingly severe amid the expansion of areas targeted by cyber attacks due to the acceleration of digitalization in financial services and heightening geopolitical tensions. In preparation against this growing threat, SMBC Group has developed technical measures related to cyber security and a structure for intelligence functions and security monitoring, while working to develop related expert human resources. We regularly participate in training and exercises for the enhancement of effectiveness, and undergo third-party evaluations of our response structure.

SMBC recognize the significant social impact that system failures at banks can cause, as well as the diversification and increasing complexity of system risks due to advances in IT technology and the expansion of business fields. We consider the stable operation and prompt recovery of information systems to be a critical responsibility. To this end, we have implemented various measures to prevent system failures, including the multiplexing of various systems and infrastructure, and the installation of disaster-prevention systems at our eastern and western computer centers. In addition, we are strengthening our preparedness for unforeseeable circumstances by creating contingency plans and conducting drills that simulate system failures. Additionally, recognizing the importance of information protection, we take all possible measures to ensure the protection of customer privacy and prevent information leaks. This includes encrypting sensitive information and implementing measures to block and detect unauthorized external access.

Operational Resilience

1. Basic Approach to Operational Resilience
(1) Definition of Operational Resilience

Operational resilience is the ability to ensure the continuity and prompt recovery of critical operations on the premise that business interruptions may occur.

(2) Basic Principles of Operational Resilience

SMBC Group has established the “Rules on Operational Resilience Management”, which set out the fundamentals for managing operational resilience, we are working to ensure effective operational resilience by verifying the appropriateness of resource allocated to managing critical operations and reviewing it based on the internal and external environment.

2. Operational Resilience Management Structure

SMBC Group has established an operational resilience management structure based on the group-wide policies for risk management.

In addition, the Corporate Risk Management Department and General Affairs Department perform a central role in operational resilience management, collaborating with departments responsible for critical operations and resource management to promote and support measures related to the overall operational resilience framework and policies.

3. Operational Resilience Management Methodology

SMBC Group identifies critical operations that could pose significant risks should service interruptions occur, sets maximum tolerable downtime alongside considering alternative measures, and identifies essential management resources for the provision of critical operations. Furthermore, we assume severe but plausible scenarios and verify the appropriateness of management resource allocation.

We also review actual incidents such as natural disasters and system failures and leverage the lessons learned to enhance overall resilience. Through these initiatives, we continuously strengthen our framework to ensure the stability of services provided to our customers.

Conduct Risk

1. Basic Approach to Conduct Risk Management (1) Definition of Conduct Risk

Conduct risk is the risk that our conduct negatively affects customers, market integrity, effective competition, public interests, and the SMBC Group’s stakeholders, through acts that violate laws and regulations or social norms.

(2) Fundamental Principles of Conduct Risk Management

SMBC Group’s fundamental stance is that its business is not to negatively affect customers, market integrity, effective competition, public interests, and stakeholders. Efforts are being made to improve group-wide conduct risk management. Focuses of these efforts include preemptively identifying phenomena with the potential to cause significant deterioration in the trust of the Group and preventing the materialization of serious management risks by being keenly responsive to environmental changes.

2. Conduct Risk Management System

Based on the group-wide basic policies for risk management, SMBC Group has developed a conduct risk management system. The Management Committee makes decisions on basic policies for conduct risk management, and these decisions are authorized by the Board

of Directors. In addition, the Corporate Risk Management Department and the Compliance Department oversee the overall management of conduct risks and promote basic conduct risk management policies, frameworks, and measures. In addition, these bodies report on circumstances pertaining to conduct risk management to the Audit Committee and Risk Committee and discuss these circumstances to ensure the effectiveness of conduct risk management. Furthermore, the Internal Audit Unit verifies and evaluates the conduct risk management system.

3. Conduct Risk Management Methodology

Using frameworks including risk registers, new product and service development, compliance-related monitoring, and collection of customer voice, each business unit in SMBC Group identifies conduct risks inherent in their operations/initiatives, formulates control measures corresponding to the degree of materiality, and undertakes risk reduction and control.

Risk management departments verify the sufficiency of identified risks and corresponding control measures assessed by business units.

We also work to prevent misconduct through the practice of business units’ risk ownership and our supports for this practice.

Risks for AI Utilization

1. Basic Approach to Risk Management for AI Utilization

(1) Definition of Risks for AI Utilization

Risks for AI utilization refer to risks where ethical and technical issues or applicability inherent in AI utilization act as risk drivers, spreading across various risk categories in different forms, and ultimately adversely affecting SMBC Group and stakeholders. Specifically, these include uncertainty, lack of rationale, low accuracy, information leakage, and rights infringement regarding AI outputs, but risks are not limited to these as they change with shifts in the environment and technological advances.

(2) Fundamental Principles of Risk Management for AI Utilization

SMBC Group has formulated and published the “Responsible AI Policy,” which is based on the core principles of “Using AI Ethically and Responsibly,” “Providing Highly Safe and Trustworthy AI,” and “Creating Social Value through AI” as common guidelines.

2. Risk Management System for AI Utilization

SMBC Group has established a system to manage risks for AI utilization based on the group-wide basic policies for risk management.

In addition, since risks arising from AI utilization are diverse, the Corporate Risk Management Department, as the central department, forms a governance team together with the IT Planning Department, Cybersecurity Management Department, Data Management Department, General Affairs Department, and Compliance Department, all of which have relevant expertise, to plan and promote risk management for AI utilization.

3. Risk Management Methodology for AI Utilization

SMBC Group manages and reviews AI utilization projects to prepare for issues such as ethics and transparency inherent in AI. We conduct reviews based on a risk-based approach and strive to ensure effectiveness.

Furthermore, to address the increasing risks associated with the rapid development and expansion of AI technology, we will continue to work on the swift advancement of risk management for AI utilization.

Model Risk

1. Basic Approach to Model Risk Management

(1) Definition of Model Risk

Model risk is the risk of potential adverse consequences or financial loss resulting from misinformed decision making based on inaccurate model outputs or using the model inappropriately.

(2) Fundamental Principles of Model Risk Management

SMBC Group is working to improve model risk management across the Group by adhering to basic principles such as performing management based on a risk-based approach, evaluating model risk and carrying out quantitative management.

2. Model Risk Management System

SMBC Group has established a system for managing model risk based on the group-wide basic policies for risk management. The Management Committee makes decisions on basic policies for model risk management, and these decisions are authorized by the Board of Directors.

In addition, the Corporate Risk Management Department centrally oversees model risk management and is responsible for drafting model risk management plans, as well as

their operation, promotion and support. The Internal Audit Department carries out regular audits of the efficacy of the model risk management system.

3. Model Risk Management Methodology

SMBC Group strives to reduce model risk by implementing appropriate controls for each process of model development and usage. This is to prepare for the emergence of model risks due to financial and economic environments beyond that anticipated when developing the model and due to the improper use of models by employees. For example, we carry out validations during the development of models or when we start to use them, and periodic validation throughout model lifecycle to prevent their obsolescence or deterioration of their accuracy. In addition, we also strive to strengthen risk management according to model importance by assessing the risks present in each model.

Reputational Risk

1. Basic Approach to Reputational Risk Management

(1) Definition of Reputational Risk

Reputational risk refers to the risk of not meeting the expectations for high ethics, integrity, etc. by the stakeholders (that is, customers, shareholders, market, society, environment, employees, etc.) due to the business of the SMBC Group and the behavior of employees and other related parties, as well as of leading to impairment of the Enterprise Value and decline in trust.

(2) Fundamental Principles of Reputational Risk Management

SMBC Group has set forth the rules on Reputational Risk Management to define the basic rules to be observed in the conduct of its reputational risk management. Under these rules, SMBC Group has been working to enhance the reputational risk management framework across the whole Group by clarifying a management structure as well as management system, methodologies, and rules.

2. Reputational Risk Management System

Based on the group-wide basic policies for risk management, SMBC Group has developed a reputational risk management system.

In addition, General Affairs Department and Public Relations Department control the reputational risk management in a centralized manner and formulate and operate the

plan for reputational risk management, promote and provide support for the related matters as well as summarize and analyze information related to reputational risk. The matter leading to the reputational risk is discussed in the reputational risk management committee to consider various measures to minimize the risk, as necessary.

3. Methods of Reputational Risk Management

SMBC Group minimizes the losses by adequately gathering information about the situations where reputational risk could materialize as well as taking proper measures against such situations.

General Affairs Department and Public Relations Department strive to control and reduce the risk by gathering information about the situations where reputational risk could materialize and taking proper measures against the reputational risk matters identified.

Environmental and Social Risk

1. Basic Approach to Environmental and Social Risk Management

(1) Definition of Environmental and Social Risk

Environmental and social risks are the risks that environmental and social factors become risk drivers and transmit through various pathways to each risk category, ultimately resulting in losses to the SMBC Group. Specifically, risks such as climate-related risks, nature-related risks, and human rights risks are subject to management.

Risk	Definition
Climate-related risks (transition risks and physical risks)	the risks that the SMBC Group incurs losses initiated by changes related to climate change which transmit to each risk category through various pathways
Nature-related risks	the risks that the SMBC Group may incur losses due to potential threats arising from its dependence on and influence on nature which transmit to each risk category through various pathways
Human rights risks	the risks that the SMBC Group may incur losses as a result of violations of the human rights of stakeholders which transmit to each risk category through various pathways

(2) Basic Principles of Environmental and Social Risk Management

SMBC Group has established Group Policies on Environmental and Social Risk Management that stipulate basic matters for carrying out environmental and social risk management. We are working to enhance environmental and social risk management throughout the Group by clarifying our management structure and basic concepts such as understanding the transmission pathways of environmental and social risks in the management of each risk, recognizing the location of environmental and social risks, and implementing appropriate management according to the risk characteristics.

2. Environmental and Social Risk Management System

SMBC Group has developed an environmental and social risk management system based on the group-wide basic policies for risk management. The Management Committee makes decisions on basic policies for environmental and social risk management, and these decisions are authorized by the Board of Directors. The Audit Department conducts audits of our risk management structure. The Environmental & Social Risk Management Department of the Credit & Investment Planning Department oversees environmental and social risk management overall. Each risk management department is responsible for managing each risk category to which environmental and social factors transmit as risk drivers.

3. Methods of Environmental and Social Risk Management

SMBC Group has identified top risks that could have a significant impact on management, such as reputational damage and emergence of stranded assets due to diverse views on environmental and human rights issues and inadequate responses to climate change. As a specific management method, in response to environmental and social risks above that transmit to credit risks, we set policies for specific businesses and sectors, undertake customer engagement through environmental and social due diligence that includes assessment of transition plans and human rights due diligence, and work to enhance credit assessment. In the area of climate-related risks, we manage portfolio GHG emissions through our climate-related RAF, create heat maps that evaluate risks by sector, and conduct scenario analysis of physical risks and transition risks.

Glossary

ALM

Asset Liability Management abbreviation.
Method for comprehensive management of assets and liabilities, with appropriate controls on market risk (interest rates, exchange rates, etc.) and liquidity risk.

Back-testing

A formal statistical framework that consists of verifying that actual losses are in line with projected losses.
For example, in the case of VaR, compare and verify the VaR value and profit/loss.

BPV

Basis Point Value abbreviation.
Potential change in present value of financial product corresponding to 0.01-percentage-point increase in interest rates.

Credit cost

Average losses expected to occur during the coming year.

Historical simulation method

Method of simulating future fluctuations without the use of random numbers, by using historical data for risk factors.

LGD

Abbreviation for Loss Given Default.
Percentage of loss assumed in the event of default by obligor; ratio of uncollectible amount of the exposure owned in the event of default.

Monte Carlo simulation method

General term used for a simulation method which uses random numbers.

Operational Risk Equivalent Amount

The amount of regulatory capital required under the Basel regulations for operational risk.

PD

Abbreviation for Probability of Default.
Probability of default by the obligor during one year.

Present value

A future amount of money that has been discounted to reflect its current value taking into account the interest rate and the extent of credit risk.

Risk appetite

The types and levels of risk that we are willing to take on or tolerate to drive earnings growth.

Risk capital

The amount of capital required to cover the theoretical maximum potential loss arising from risks of business operations. It differs from the minimum regulatory capital requirements, and it is being used in the risk management framework voluntarily developed by financial institutions for the purpose of internal management.

Risk factor

In the case of market risk, this would be factors such as the equity price or interest rate; in the case of credit risk, this would be factors such as the economic environment.

Risk-weighted assets

The denominator used in the calculation of the capital ratio designed to maintain prudential standards for banks.

Standardised approach

A method for calculating operational risk equivalent amounts by multiplying the amount of the Business Indicator Component (BIC) by the Internal Loss Multiplier (ILM).

VaR

Value at Risk abbreviation.
The maximum loss that can be expected to occur with a certain degree of probability when holding a financial asset portfolio for a given amount of time.

Internal Reporting Systems and Hotline for
Inappropriate Accounting and Auditing Activities

We have set up the SMBC Group Alarm Line internal whistleblower line, available to all Group employees inside and outside their companies, to enhance self-correction through early detection and correction of actions that violate laws and regulations. In addition, SMBC and other Group companies have established internal reporting systems for their employees.

Sumitomo Mitsui Financial Group Accounting and Auditing Hotline is aimed at strengthening the Group's self-correction function by encouraging early detection and rectification of improper actions relating to accounting, accounting internal controls, and auditing at the Company and its consolidated subsidiaries. The hotline can be used from inside or outside the Group to report accounting and auditing irregularities.

SMFG Accounting and Auditing Hotline/Designated Dispute Resolution Agencies

SMFG Accounting and Auditing Hotline
Reports may be submitted by regular mail or e-mail to the following addresses.
Mailing address: SMFG Accounting and Auditing Hotline Iwata Godo Attorneys and Counselors at Law 15th floor, Marunouchi Building 2-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-6315 E-mail address: smfghotline@iwatagodo.com
- The hotline accepts any alerts of inappropriate activities concerning accounting and auditing at the Company or its consolidated subsidiaries. - Anonymous reports will also be accepted. Since an investigation cannot be conducted without adequate information, please provide as much detail as possible of the circumstance. - Personal information will not be disclosed to any third parties without your consent, unless such disclosure is required by law.

Designated Dispute Resolution Agencies
For the handling of any complaints received from and conflicts with our clients, SMBC has executed agreements, respectively, with the Japanese Bankers Association, a designated dispute resolution agency under the Banking Act, and the Trust Companies Association of Japan, a Designated Dispute Resolution Organization under the Trust Business Act and Act on Provision, etc. of Trust Business by Financial Institutions and the specified non-profit organization of "Financial Instruments Mediation Assistance Center," one of the "Designated Dispute Resolution Agencies" under the Financial Instruments and Exchange Act.
Japanese Bankers Association: Contact information: Consultation office, Japanese Bankers Association Telephone numbers: (Japan) 0570-017109 or 03-5252-3772 Business hours: Mondays through Fridays (except public and bank holidays) 9:00 am to 5:00 pm
Trust Companies Association of Japan: Contact information: Consultation office, Trust Companies Association of Japan Telephone numbers: (Japan) 0120-817335 or 03-6206-3988 Business hours: Mondays through Fridays (except public and bank holidays) 9:00 am to 5:15 pm
Financial Instruments Mediation Assistance Center Contact information: Financial Instruments Mediation Assistance Center Telephone number: (Japan) 0120-64-5005 Fax: (Japan) 03-3669-9833 Business hours: Mondays through Fridays (except public and bank holidays) 9:00 am to 5:00 pm

The Basic Policy for Customer-Oriented Business Conduct

SMBC Group^{*1} have formulated the Basic Policy for Customer-Oriented Business Conduct for their domestic asset management and asset formulation businesses, based on which they are promoting customer-oriented business conduct.

This policy informs our basic stance of emphasizing the dispersing of investments over the medium to long term through which we seek to support customers in stable asset formulation. Also based on this policy, SMBC Group aim to contribute to the development of capital markets that provide companies with the funds they need to grow and to economic growth through their asset management and asset formulation businesses.

1. SMBC Group's Customer-Oriented Business Conduct

Sumitomo Mitsui Financial Group, Inc. established “Our Mission” and one of the content of that is “We grow and prosper together with our customers, by providing services of greater value to them.” On the basis of this principle, Sumitomo Mitsui Financial Group, Inc. has defined “Five Values”, a list of five key words that includes “Customer First”, shared by all the executives and employees in SMBC Group. SMBC Group continues to push forward with various initiatives to actualize these values and action guidelines.

Sumitomo Mitsui Financial Group, Inc. is fully aware of the severity of the government penalties imposed on Sumitomo Mitsui Banking Corporation in April 2006 in relation to its sales practices for interest rate swaps and has committed to preventing the reoccurrence of such malpractice. Accordingly, Sumitomo Mitsui Financial Group, Inc. has adopted a customer-oriented perspective in pursuing sustainability throughout its management, internal control, and compliance

■ Five Values



systems, endeavoring to regain trust from customers and from society as a whole.

Furthermore, the Customer Experience (CX) Improvement Sub-committee has been set up to incorporate customer input into management. The opinions of external experts^{*2} are utilized in meetings of this committee as discussions on and verification of initiatives at Group companies are carried out to promote the exercise of a customer-oriented perspective on a group-wide basis. In addition, the CX Improvement Committee, which is membered by officers sitting on the Group Management Committee, convenes to hold regular discussions on customer-oriented business conduct.

SMBC Group is convinced that the ongoing quest to provide quality products and services based on customer needs and desires will contribute to economic growth and subsequently growth for SMBC Group. Everyone at SMBC Group will thus carry out their duties in an earnest and just manner while exercising a high degree of specialized knowledge and good business ethics. SMBC Group will never let up in its efforts to ensure that it always thinks and acts based on a customer-oriented perspective in the truest sense as it strives to generate the greatest profits for its customers.

2. Initiatives for Promoting Customer-Oriented Business Conduct

SMBC Group will implement the following initiatives to entrench the principles of customer-oriented business conduct into its activities.

(1) Provision of Products and Services that meet the best interests of customers

When drawing up and underwriting financial products, we will act with an accurate understanding of customer needs, determining the ideal target customer group based on the risks and complexity of the products, in order properly develop and select products.

We will also help customers to find products and services that meet the best interests. To this end, we will be to learn about our customers, and work to accurately understand the needs of each customer. We will next look at their level of knowledge, investment experience, and asset portfolios so that we can propose products and services that meet the best interests of our customers.

If we think that a product may not be in the best interests of customers based on its characteristics or risks, we will discuss this matter with the customer as necessary and refrain from proposing such products when doing so is inappropriate.

(2) Easy-to-Understand Explanation of Important Information

The amount of information provided to customers on the characteristics, risks, and fees of the products we handle as well as on the economic climate and market trends will

be enhanced to help customers make informed decisions. Furthermore, we will strive to explain this information in an easy-to-understand manner.

(3) Clarification of Fees

SMBC Group receives fees from customers for the products and services it provides out of consideration for the need to develop and improve the quality of products and services and to supply various types of information as well as for processing- and infrastructure-related expenses. We will seek to provide thorough explanations of these fees that are as easy to understand as possible.

(4) Management of Conflicts of Interests

Performing duties in an earnest and just manner based on a customer-oriented perspective entails managing any potential conflicts of interests to ensure that our operations are truly customer oriented.

On the basis of the Management Policy Concerning Conflicts of Interest in SMBC Group, we have defined the types of conflicts of interest requiring management as well as the types of transactions that tend to present conflicts of interests and procedures for identifying these transactions, methods and systems for managing conflicts of interest, and the scope of Group companies at which conflicts of interest should be managed. In this manner, we take steps to ensure that conflicts of interest are properly managed and so that customer's interests will not be unduly harmed.

(5) Frameworks for Properly Motivating Employees

Always thinking and acting based on a customer-oriented perspective in the truest sense requires our employees to be properly motivated so that they can remain dedicated and effective in their work. SMBC Group thus develops its performance evaluation systems from a long-term perspective with the aim of encouraging customer-oriented sales activities. At the same time, we are expanding our range of training programs for promoting earnest and just work practices and higher levels of business ethics.

SMBC Group aim to facilitate the shift from savings to asset holding seen in Japan through such initiatives.

Furthermore, we will periodically disclose information on initiatives by SMFG and its Group companies based on this policy with the aim of facilitating understanding regarding these initiatives among customers. In addition, the status of initiatives and their results will be verified so that initiatives can be revised as necessary to improve upon operating practices. Information regarding these verifications and revisions will be disclosed.

(6) Ensuring a Framework to Provide Products and Services that Meet the Best Interests of Customers

With the aim of providing products and services that meet the best interests of our customers, we will address the following ① to ④.

① Developing a Framework

We will implement appropriate quality control in each process of structuring, provision and management of products and services, and develop a framework to ensure the effectiveness of these processes.

② Actions During the Composition of Products and Services We will evaluate the sustainability, risk, return, and cost rationality of our products and services while considering whether their features align most closely with the anticipated needs of our customers. We will also identify appropriate customer segments and work to enhance our sales staff's understanding. If the composition company and the sales company are different entities, necessary information will be shared between them to effectively address these efforts.

③ Follow-up Actions After the Composition of Products and Services

We will continuously evaluate whether the intended product and service features at the time of composition and use the results to improve and review products and services. In addition, we will evaluate whether the intended customers match the actual customers and use this information to improve the way we provide products and services and to compose products and services thereafter. If the composition company and the sales company are different entities, necessary information will be shared between them to effectively address these efforts.

④ Easy-to-understand Explanation of information

We will ensure customers have access to clear and comprehensive information about product and service operational structure and product governance systems, enabling them to make more informed and appropriate choices.

Through such initiatives, SMBC Group aims to facilitate the shift from savings to asset formation in Japan. To facilitate customers' understanding of SMBC Group's initiatives, we will regularly disclose information on the status of initiatives under our basic policy. To achieve better business operation, we verify the status and outcomes of initiatives, undertake revisions as necessary, and disclose details.

^{*1}: SMBC Group is a collective name for Sumitomo Mitsui Financial Group, Inc.'s Group companies. Group companies applicable under this policy: Sumitomo Mitsui Banking Corporation; SMBC Trust Bank Ltd.; SMBC Nikko Securities Inc.;

^{*2}: External experts* are invited to meetings of the CX Improvement Sub-committee to provide advice and suggestions with the aim of incorporating a wide range of perspectives into management that includes and goes beyond input and requests from customers. *External experts (in alphabetical order)

Name	Position
Hideki Kanda	Emeritus Professor, University of Tokyo
Kumiko Bando	Advisor, Consumer Affairs Agency (former Secretary-General of the Consumer Affairs Agency)
Taku Umezawa	Partner, Nagashima Ohno & Tsunematsu

Support for Mid-Sized Corporations and SMEs, Vitalization of Local Regions in Japan

Services for Corporations

SMBC provides services to mid-sized and SME clients mainly through the Area Corporate Office. This office has in place a system for providing specialized services utilizing the networks of SMBC Group companies to address customers’ funding needs, wide-ranging financial needs, and management issues. We also engage in fundraising support aimed at business continuity for SME customers who face difficult circumstances due to factors including soaring prices and labor shortages.

Going forward, we will continue to fulfill our social responsibility as a financial institution by providing support based on the customer’s standpoint.

Collaboration with Local Credit Guarantee

Associations

SMBC offers Business Select Loans, a loan product that offers unsecured and unguaranteed financing, and collaborates with local credit guarantee corporations to offer prefectural and other program financing and partnership guarantees to meet the funding needs of customers who face ongoing difficult circumstances due to soaring prices, labor shortages, and other causes.

We will continue offering services to fund and support the management of the mid-sized corporations and SMEs that form the backbone of the Japanese economy.

Credit Guarantee Corporation	Name
Credit Guarantee Corporation of Tokyo	Loans proposed by financial institutions (support for computerization of promissory notes, etc.)
Credit Guarantee Corporation of Kanagawa	Kanagawa Asset 200
Credit Guarantee Corporation of Osaka	CS Next Guarantee
Credit Guarantee Corporation of Hyogo-Ken	HIYAKU

Management Support Tailored to Customers’ Issues and Life Stages

SMBC strives to smoothly fulfill its financial intermediary functions, while also quickly addressing management issues faced by customers, proposing optimal solutions tailored to each management issue and life stage from the customer’s perspective, and further enhancing its consulting functions.

For startups, in addition to providing financing support through large-scale and diverse methods such as loans with stock acquisition rights, social loans, loans utilizing SME Organization guarantees and syndicated loans, we are actively engaged in supporting both investment and financing, including large-scale equity support at the growth stage through the growth fund established in 2023.

The bank also promotes business co-creation, such as the establishment of joint ventures with startups.

As a part of our support for business establishment and commercialization, we operate the “mirai cross” platform that promotes business creation with the participation of startups and other companies, venture capitalists, national and local governments, and other stakeholders.

As an example of business revitalization support, we perform revitalization financing in line with requests by business revitalization attorneys, accountants, and other experts. We provide funds required for the revitalization of SMEs, take part in selection of business sponsors for revitalized companies, and support business revitalization.

Efforts to Revitalize Communities

SMBC Group works in partnership with business operators, local governments, and regional banks to address social issues facing regions.

March 2025, SMBC and Change Holdings, Inc. entered into a business alliance. Through initiatives such as utilizing the hometown tax donation system, we are working with customers to contribute to local communities.

In Fukuoka City, at a startup support facility, the Ministry of Land, Infrastructure, Transport and Tourism and SMBC co-hosted the event “Green Infrastructure Startup X (cross) @FUKUOKA”. At this event, technologies contributing to solving urban issues by utilizing natural functions were introduced and opinions were exchanged.

In addition, Osaka Prefecture, Osaka City, SMBC, and SMBC Consumer Finance signed a four-party “Cooperation Agreement on Promoting Initiatives for International Financial City OSAKA”. Through attracting investment for startup growth and other initiatives, we will contribute to further development of the region.

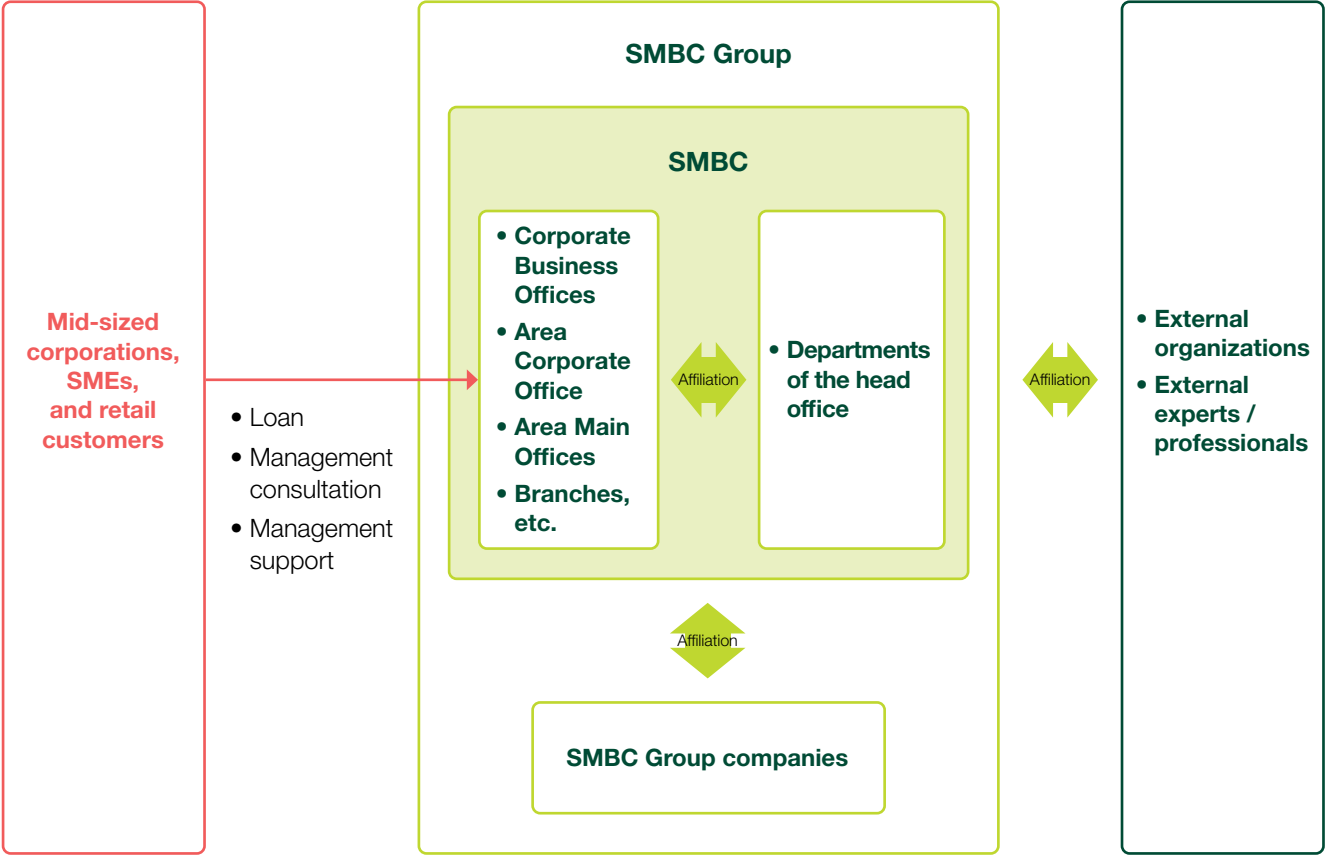
In other regions as well, SMBC Group is working to revitalize local economies by making effective use of public land, supporting the development of tourism resources, and streamlining payment methods for transportation, utilizing SMBC Group solutions.

In these ways, SMBC Group will continue to leverage its all-round strengths to contribute to the revitalization of local economies.



Scenes from the “Green Infrastructure Startup X (cross) @FUKUOKA” co-hosted with the Ministry of Land, Infrastructure, Transport and Tourism

Support System for Mid-Sized Corporations and SMEs



Measures for Finance Facilitation

SMBC’s “Basic Policy for Finance Facilitation” underlies efforts to be diligent and thorough in the provision of funding and consultation.

Basic Policy for Finance Facilitation

1. Conduct appropriate review of applications submitted for a new loan or requests to modify loan conditions
2. Provide appropriate management consultation and guidance for clients and appropriate support for management improvements
3. Strive to improve the ability to assess the value of a client’s business appropriately
4. Provide appropriate and thorough explanations to clients in consultations and applications for new loans or modification of loan conditions
5. Respond appropriately and adequately to client inquiries regarding new loan and modification consultations and applications and to consulting requests or complaints
6. Liaise closely with other financial institutions involved in applications for modifying loan conditions, applications for support through public and third-party institutions, or other applications
7. Respond appropriately in respect of personal guarantees in accordance with the “Guidelines for Personal Guarantee Provided by Business Owners”



◆ SMBC

	End of March 2023	End of March 2024	End of March 2025
Number of employees ^(*)	25,099	24,615	24,432
Male	11,198	10,899	10,748
Percentage of total	44.62%	44.28%	43.99%
Female	13,901	13,716	13,684
Percentage of total	55.38%	55.72%	56.01%
Average age	39 years 7 months	40 years 3 months	40 years 9 months
Male	41 years 3 months	41 years 8 months	41 years 10 months
Female	38 years 3 months	39 years 2 months	39 years 11 months
Average years of service	15 years 8 months	16 years 3 months	16 years 8 months
Male	16 years 11 months	17 years 2 months	17 years 4 months
Female	14 years 8 months	15 years 6 months	16 years 2 months
Number of women in managerial positions	933	950	985
Ratio of employees with disabilities (% of total) ^{(*)2}	2.83%	2.89%	2.87%

(*) Number of employees. Including employees seconded to other companies, excluding executive officers, contract employees, staff, temporary staff, and locally hired employees at overseas branches.
(*)2 As of March 1 of each year

	April 2023	April 2024	April 2025
Number of new hires	363	481	508
Number of newly employed female graduates	137	202	179
Ratio of newly employed females to total new employees	37.7%	42.0%	35.2%

	Fiscal 2022	Fiscal 2023	Fiscal 2024
Number of employees taking parental leave	1,509 (of which male 516 people)	1,606 (of which male 671 people)	1,384 (of which male 524 people)
Number of career hires	97	207	252

◆ SMBC Trust Bank

	End of March 2023	End of March 2024	End of March 2025
Number of employees ^(*)	1,723	1,804	1,880
Male	877	916	946
Percentage of total	50.90%	50.78%	50.32%
Female	846	888	934
Percentage of total	49.10%	49.22%	49.68%
Average age	44 years 11 months	45 years 4 months	45 years 9 months
Male	46 years 0 months	46 years 6 months	46 years 11 months
Female	43 years 11 months	44 years 2 months	44 years 7 months
Average years of service	10 years 10 months	11 years 0 months	11 years 0 months
Male	9 years 4 months	9 years 8 months	10 years 0 months
Female	12 years 5 months	12 years 5 months	12 years 1 months
Number of women in managerial positions	55	54	59
Ratio of employees with disabilities (% of total)	2.52%	2.40%	2.40%

(*) Number of employees. Including employees seconded to other companies, excluding employees seconded from other companies, directors, contract employees, part-time employees, and temporary staff.

	April 2023	April 2024	April 2025
Number of new hires	23	37	41
Number of newly employed female graduates	9	17	14
Ratio of newly employed females to total new employees	39.1%	45.9%	34.1%

	Fiscal 2022	Fiscal 2023	Fiscal 2024
Number of employees taking parental leave	60 (of which male 15 people)	44 (of which male 20 people)	46 (of which male 24 people)
Number of career hires	28	78	67

◆ Sumitomo Mitsui Finance and Leasing

	End of March 2023	End of March 2024	End of March 2025
Number of employees ^(*)	2,456	2,533	2,634
Male	1,544	1,566	1,574
Percentage of total	62.87%	61.82%	59.76%
Female	912	967	1,060
Percentage of total	37.13%	38.18%	40.24%
Average age	42 years 8 months	42 years 7 months	42 years 5 months
Male	43 years 11 months	43 years 10 months	43 years 6 months
Female	40 years 6 months	40 years 8 months	40 years 9 months
Average years of service	15 years 2 months	14 years 10 months	14 years 1 months
Male	16 years 4 months	16 years 1 months	15 years 5 months
Female	13 years 2 months	12 years 10 months	12 years 2 months
Number of women in managerial positions	70	91	108
Ratio of employees with disabilities (% of total) ^{(*)2}	2.42%	2.77%	2.66%

(*) Sumitomo Mitsui Finance and Leasing number of employees. Including employees seconded to other companies, excluding employees seconded from other companies, executive officers, contract employees, part-time employees, temporary staff, and full-time employees of affiliates (including overseas subsidiaries).
(*)2 As of March 1 of each year

	April 2023	April 2024	April 2025
Number of new hires	87	73	95
Number of newly employed female graduates	40	39	55
Ratio of newly employed females to total new employees	46.0%	53.4%	57.9%

	Fiscal 2022	Fiscal 2023	Fiscal 2024
Number of employees taking parental leave	76 (of which male 39 people)	79 (of which male 45 people)	75 (of which male 51 people)
Number of career hires	52	72	105

◆ SMBC Nikko Securities

	End of March 2023	End of March 2024	End of March 2025
Number of employees ^(*)	9,306	9,304	9,217
Male	5,701	5,688	5,557
Percentage of total	61.26%	61.13%	60.29%
Female	3,605	3,616	3,660
Percentage of total	38.74%	38.87%	39.71%
Average age	42 years 2 months	42 years 7 months	42 years 11 months
Male	43 years 0 months	43 years 3 months	43 years 6 months
Female	40 years 11 months	41 years 6 months	42 years 0 months
Average years of service ^{(*)2}	14 years 2 months	14 years 6 months	14 years 10 months
Male	14 years 1 months	14 years 2 months	14 years 6 months
Female	14 years 5 months	14 years 11 months	15 years 4 months
Number of women in managerial positions	215	222	258
Ratio of employees with disabilities (% of total) ^{(*)3}	2.86%	2.82%	2.89%

(*) Excluding executive officers, part-time employees, dispatched employees, and locally hired employees at overseas branches.
(*)2 Average for employees. Years of service for employees joined through the merger with SMBC Friend Securities are counted from the date of the merger.
(*)3 As of the end of March each year

	April 2023	April 2024	April 2025
Number of new hires	299	273	261
Number of newly employed female graduates	115	115	119
Ratio of newly employed females to total new employees	38.5%	42.1%	45.6%

	Fiscal 2022	Fiscal 2023	Fiscal 2024
Number of employees taking parental leave ^{(*)4}	371 (of which male 220 people)	410 (of which male 269 people)	331 (of which male 194 people)
Number of career hires	72	110	75

(*)4 Revision of the short-term childcare leave system and creation of a new special leave for childcare in FY2021.

◆ Sumitomo Mitsui Card

	End of March 2023	End of March 2024	End of March 2025
Number of employees ^(*)	5,850	5,984	5,897
Male	2,957	3,037	3,062
Percentage of total	50.55%	50.75%	51.92%
Female	2,893	2,947	2,835
Percentage of total	49.45%	49.25%	48.08%
Average age	42 years 9 months	42 years 10 months	42 years 10 months
Male	44 years 4 months	44 years 2 months	43 years 7 months
Female	41 years 2 months	41 years 8 months	42 years 1 months
Average years of service	17 years 8 months	17 years 7 months	17 years 9 months
Male	19 years 2 months	18 years 6 months	17 years 10 months
Female	16 years 2 months	16 years 8 months	17 years 7 months
Number of women in managerial positions	86	97	141
Ratio of employees with disabilities (% of total) ^{(*)2}	2.41%	2.66%	2.67%

(*) Number of employees. Excluding executives, advisors, counselors, accepted seconded employees, contract employees, and part-time employees.
(*)2 As of the end of March each year.

	April 2023	April 2024	April 2025
Number of new hires	103	167	163
Number of newly employed female graduates	39	43	70
Ratio of newly employed females to total new employees	37.9%	25.7%	42.9%

	Fiscal 2022	Fiscal 2023	Fiscal 2024
Number of employees taking parental leave	178 (of which male 65 people)	171 (of which male 66 people)	180 (of which male 86 people)
Number of career hires	71	188	172

◆ SMBC Consumer Finance

	End of March 2023	End of March 2024	End of March 2025
Number of employees ^(*)	2,594	2,576	2,556
Male	1,460	1,461	1,439
Percentage of total	56.28%	56.72%	56.30%
Female	1,134	1,115	1,117
Percentage of total	43.72%	43.28%	43.70%
Average age	42 years 12 months	43 years 8 months	44 years 2 months
Male	44 years 5 months	44 years 12 months	45 years 5 months
Female	41 years 1 months	41 years 11 months	42 years 7 months
Average years of service	17 years 1 months	17 years 9 months	18 years 3 months
Male	19 years 2 months	19 years 8 months	20 years 2 months
Female	14 years 6 months	15 years 4 months	15 years 11 months
Number of women in managerial positions	166	184	200
Ratio of employees with disabilities (% of total) ^{(*)2}	2.67%	2.59%	2.87%

(*) SMBC Consumer Finance (standalone) number of employees. The following list of employees is deducted from the total number of employees: employees seconded from other companies, locally hired employees at overseas branches, executive officers, contract employees, part-time employees, and employees of temporary employment agencies.
(*)2 As of the end of March each year

	April 2023	April 2024	April 2025
Number of new hires	35	48	60
Number of newly employed female graduates	12	22	23
Ratio of newly employed females to total new employees	34.3%	45.8%	38.3%

	Fiscal 2022	Fiscal 2023	Fiscal 2024
Number of employees taking parental leave	34 (of which male 13 people)	37 (of which male 16 people)	44 (of which male 23 people)
Number of career hires	1	10	16

◆ Japan Research Institute

	End of March 2023	End of March 2024	End of March 2025
Number of employees ^{(*)1(*)2}	2,777	2,958	3,248
Male	2,000	2,125	2,286
Percentage of total	72.02%	71.84%	70.38%
Female	777	833	962
Percentage of total	27.98%	28.16%	29.62%
Average age ^{(*)3}	40 years 8 months	38 years 8 months	37 years 9 months
Male	41 years 3 months	39 years 1 months	38 years 2 months
Female	39 years 2 months	37 years 7 months	36 years 9 months
Average years of service	12 years 8 months	11 years 3 months	10 years 10 months
Male	13 years 1 months	11 years 4 months	11 years 1 months
Female	11 years 11 months	11 years 1 months	10 years 3 months
Ratio of employees with disabilities (% of total) ^{(*)3}	2.16%	2.22%	2.46%

(*)1 Number of employees. Including employees seconded to other companies, excluding executive officers, advisors, contract employees, part-time employees, temporary staff, locally hired employees at overseas branches, and employees of affiliates.
(*)2 As of the end of March each year

	April 2023	April 2024	April 2025
Number of new hires	168	245	318
Number of newly employed female graduates	52	74	105
Ratio of newly employed females to total new employees	31.0%	30.2%	33.0%

	Fiscal 2022	Fiscal 2023	Fiscal 2024
Number of employees taking parental leave	44 (of which male 26 people)	109 (of which male 72 people)	100 (of which male 76 people)
Number of Career Hires ^{(*)3}	134	225	265

(*)3 Excluding former bank employees transferred to the company.

◆ Sumitomo Mitsui DS Asset Management

	End of March 2023	End of March 2024	End of March 2025
Number of employees ^(*)	747	769	767
Male	509	516	500
Percentage of total	68.14%	67.10%	65.19%
Female	238	253	267
Percentage of total	31.86%	32.90%	34.81%
Average age	46 years 4 months	46 years 0 months	45 years 5 months
Male	47 years 11 months	47 years 6 months	46 years 10 months
Female	43 years 0 months	42 years 11 months	42 years 8 months
Average years of service	12 years 11 months	12 years 9 months	12 years 5 months
Male	13 years 4 months	13 years 3 months	12 years 11 months
Female	11 years 10 months	11 years 10 months	11 years 6 months
Number of women in managerial positions	11	13	11
Ratio of employees with disabilities (% of total)	—	—	2.57%

(*)1 Number of employees. This excludes directors, dispatched employees, and locally hired employees at overseas branches.

	April 2023	April 2024	April 2025
Number of new hires	20	22	18
Number of newly employed female graduates	8	13	8
Ratio of newly employed females to total new employees	40.0%	59.1%	44.4%

	Fiscal 2022	Fiscal 2023	Fiscal 2024
Number of employees taking parental leave	24 (of which male 12 people)	21 (of which male 10 people)	21 (of which male 14 people)
Number of career hires	32	37	37

Note: In April 2019, Sumitomo Mitsui Asset Management and Daiwa SB Investments merged to form a new company.

Main Work-Life Balance Support System

	Parental leave	Childcare leave system	Shorter working hours	Restrictions on overtime	Exemption from late-night work	Other principal systems
SMBC	<Childcare Leave> Up to 1 year and 6 months Up to the age of 2 in case of inability to place in daycare center May be taken in installments <Childcare leave at birth> 4 weeks within 8 weeks after birth (up to 28 days) May be taken in installments	Until March 31 of the 6th grade (For 1 child: 10 days per year, 2 or more children: 20 days per year) *Applicable for caring for sick children as well as for school events and other reasons	Until March 31 of the 3th grade Employees can choose shorter working hours for each day or fewer days worked per week	Until March 31 of the 3th grade	Until March 31 of the 3th grade	• Short-term childcare leave (by the hour) • Work relocations • Primary Work Location Registration system • Work Location of Choice system • Childcare expense subsidy system • Leave for nursing care • Shorter working hours allowed for nursing care • Nursing care leave system (by the hour) • Career design leave system • System for rehiring former employees • Special leave for childbirth • Carryover leave (infertility treatment) • Medical Leave • Half-day leave • Annual leave in hour increments • Teleworking system • Staggered working hours • Side Job System
SMBC Trust Bank	<Childcare Leave> May be taken in installments up to the age of 1 (Up to the age of 2 years and 2 months in case of inability to place in daycare center) May be taken in installments <Childcare leave at birth> 4 weeks within 8 weeks after birth (up to 28 days) May be taken in installments	Until March 31 of the 6th grade (For 1 child: 10 days per year, 2 or more children: 20 days per year) Can be acquired on a by-hour, half-day, or full-day basis	Until March 31 of the 6th grade Employees can work shortened hours equivalent to working a minimum of 6 hours per day	Until March 31 of the 6th grade	Until March 31 of the 6th grade	• Flextime system • Teleworking system • Paternity leave (3 days) • Leave for nursing care • Short-term childcare leave • Annual leave in hour increments • Shorter working hours allowed for nursing care • Family care time off (by the hour) • Family support leave • Short-term childcare leave • Annual leave in hour increments
Sumitomo Mitsui Finance & Leasing	<Childcare Leave> May be taken in installments up to the age of 1 If unable to enter nursery, etc. Up to 2 years old May be taken in installments <Childcare leave at birth> 4 weeks within 8 weeks after birth (up to 28 days) May be taken in installments	Until March 31 of the 6th grade (For 1 child: 5 days per year, 2 or more children: 10 days per year)	Until March 31 of the 3th grade Employees can reduce daily working hours to a minimum of 5 hours 30 minutes Shortened working hour flextime system available allowing for 6.5- and 7-hour workdays	Until the entry into elementary school	Until the entry into elementary school	• Work relocations • Short-term Childcare Leave System • Leave for nursing care • Shorter working hours allowed for nursing care • Nursing care leave system • Half-day leave • Staggered working hours • Flextime system • Shortened working hour flextime system • Life support leave system • System for rehiring former employees • Career support leave system • Childcare Support Allowance
SMBC Nikko Securities	<Childcare Leave> May be taken in installments up to the age of 3 May be taken in installments <Childcare leave at birth> 4 weeks within 8 weeks after birth (up to 28 days) May be taken in installments	Until March 31 of the 6th grade (For 1 child: 5 days per year, 2 or more children: 30 minutes up to a maximum of 2 hours and 30 minutes per day) Can be acquired on a by-hour, half-day, or full-day basis *Applicable for caring for sick children as well as for school events and other reasons	Until March 31 of the 6th grade Employees may reduce daily working hours in increments of 2 hours and 30 minutes per day	Until March 31 of the 6th grade	Until March 31 of the 6th grade	• Short-term childcare leave • Discount coupon for nursing care • Special leave for childbirth • Leave for nursing care • Special leave for nursing care (by the hour) • Shorter working hours allowed for nursing care • Short-term leave for nursing care • Staggered working hours (working in shifts) • System for rehiring former employees • Childcare subsidies • Teleworking system • Half-day paid leave • Hourly paid leave • Reserved Holiday • Secondary job • Long-Term Self Development Leave Policy as "Challenge Leave" • Three-day or four-day workweeks • Corporate-led nursery school • Baby-sitter discount system • Special leave for childcare • Memorial leave system • Special leave for volunteer activity • Reverse leave system • Pro bono work • Personal care leave • Leave for balancing work with medical treatment
Sumitomo Mitsui Card	<Childcare Leave> Up to 1 year and 6 months old If unable to enter nursery, up to 2 years old May be taken in installments <Childcare leave at birth> 4 weeks within 8 weeks after birth (up to 28 days) May be taken in installments	Until March 31 of the 6th grade (For 1 child: 40 hours per year, 2 or more children: 80 hours per year) *Applicable for caring for sick children as well as for school events and other reasons	Until March 31 of the 3th grade Employees can choose to reduce daily working hours by 30, 60, 90, 120, or 150 minutes, or reduce the number of days worked per week	Until March 31 of the 3th grade	Until March 31 of the 3th grade	• Short-term childcare leave • Annual leave in hour increments • Staggered working hours • Flextime System • Special leave for childbirth • Half-day paid leave • Health-purpose or anniversary leave • Work relocations • Work Area Limitation System • Remote Work System Between Distant Locations • Career design leave system • Maternity leave • Special leave for childbirth • Childcare subsidies • Nursing care leave system • Nursing care leave system (by the hour) • Shorter working hours allowed for nursing care • Comeback System
SMBC Consumer Finance	<Childcare Leave> Up to 1 year and 6 months old If unable to enter nursery, up to 2 years old May be taken in installments <Childcare Leave at Birth> 4 weeks within 8 weeks after birth (up to 28 days) May be taken in installments	(Child Nursing Leave, etc.) Until the child starts junior high school (For 1 child: 7 days per year, 2 or more children: 12 days per year)	Until March 31 of the 6th grade Employees can choose to work 5, 5.5, 6, 6.5, or 7 hours a day	Until the child starts junior high school	Until the child starts junior high school	• Area-limited employment system • Rehiring retirees • A grace period for job rotation • Leave for nursing care • Shorter working hours allowed for nursing care • Paid leave by the hour • Half-day paid leave • Leave for supporting the transition to daycare • Childcare leave (2 days) • Rehiring of former employees who quit for childcare or care-giving reasons • Paternity leave (3 days) • Rollover of unused paid vacation • Family care time off (by the hour) • Adjustment of work start and end times • Career design leave system
Japan Research Institute	<Childcare Leave> Up to 1 year and 6 months old If unable to enter nursery, etc. Up to 2 years old May be taken in installments Paid leave for the first 15 days of maternity leave <Childcare leave at birth> 4 weeks within 8 weeks after birth (up to 28 days) May be taken in installments Maximum 28 days paid leave	Until March 31 of the 6th grade (For 1 child: 5 days per year, for children under 3 years old: 10 days per year, no upper limit)	Until March 31 of the 3th grade Employees can choose to work 4, 5, 6, or 7 hours per day (can also be combined with flextime)	Until the entry into elementary school	Until the entry into elementary school	• Childcare subsidies • Flexibility in the work place • Flextime system • Leave for nursing care • Shorter working hours (for nursing care, etc.) • Time off and shorter working hours • Days off for nursing care (by the hour) • Congratulatory or Condolence Leave (spouse's childbirth, grandchild's birth) • Half-day leave • Leave system for receiving treatment while working • Career design leave system • Carryover leave • Side work system • Equity workplace system • Reduced working hours • Baby-sitter discount system • Corporate-led nursery school
Sumitomo Mitsui DS Asset Management	<Childcare Leave> May be taken in installments up to the age of 1 If unable to enter nursery, up to 3 years old May be taken in installments <Childcare leave at birth> 4 weeks within 8 weeks after birth (up to 28 days) May be taken in installments	Until March 31 of the 6th grade (For 1 child: 10 days per year, 2 or more children: 20 days per year)	Until March 31 of the 6th grade Employees can choose to work 5, 6, 6.5, or 7 hours a day	Until March 31 of the 6th grade	Until March 31 of the 6th grade	• Leave for childbirth by spouse • Family care time off (by the hour) • Annual leave in half-day increments • Teleworking system • Leave for nursing care • Shorter working hours allowed for nursing care • OOL Leave • Paid leave for the first 28 days of maternity leave • Annual leave in hour increments • Flextime system • Daycare subsidies • Celebratory gifts for birth of 3rd child • Leave for accompanying spouse undergoing job relocation • Job return system • Wellness Leave

Corporate Data

Sumitomo Mitsui Financial Group, Inc.

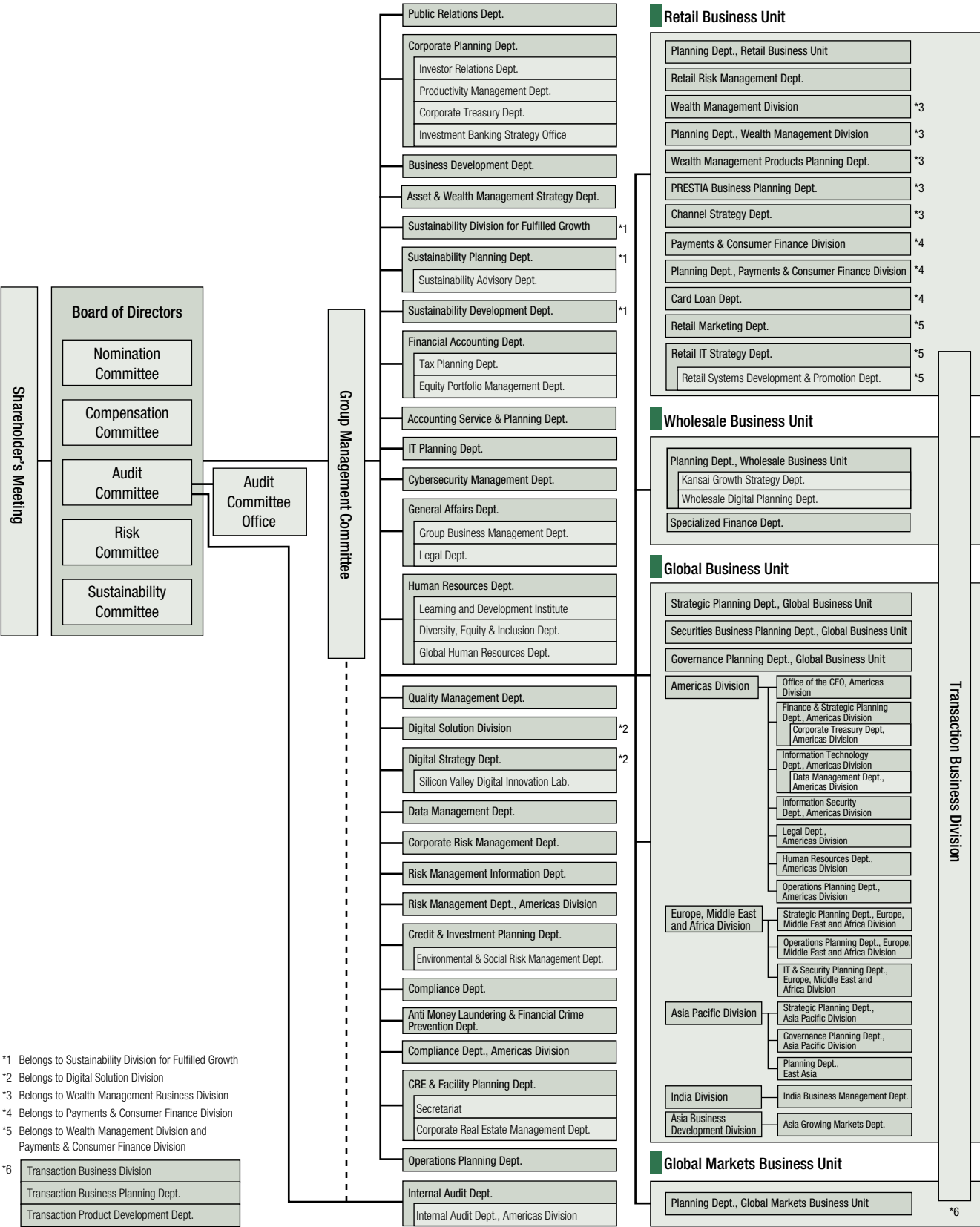
■ Directors and Executive Officers

(as of June 30, 2025)

DIRECTORS AND CORPORATE EXECUTIVE OFFICERS
<i>Chairman of the Board</i> Makoto Takashima <i>Director President</i> <i>(Representative Executive Officer)</i> Toru Nakashima Group CEO <i>Director Deputy President and Executive Officer</i> <i>(Representative Executive Officer)</i> Teiko Kudo Group CCO Compliance Dept., Compliance Dept., Americas Division, Anti Money Laundering & Financial Crime Prevention Dept. <i>Director Senior Managing Executive Officer</i> Kazuyuki Anchi Group CFO and Group CSO Sustainability Division for Fulfilled Growth, Public Relations Dept., Corporate Planning Dept., Business Development Dept., Asset & Wealth Management Strategy Dept., Sustainability Planning Dept., Sustainability Development Dept., Financial Accounting Dept., Accounting Service & Planning Dept. Digital Strategy Dept. <i>Directors</i> Toshihiro Ishshiki Honami Matsugasaki Sonosuke Kadonaga⁽¹⁾ Jun Sawada⁽¹⁾ Yoriko Goto⁽¹⁾ Isao Teshirogi⁽¹⁾ Norimitsu Takashima⁽¹⁾ Charles D. Lake II⁽¹⁾ Jeffer Rogers⁽¹⁾ <i>Deputy President and Executive Officers</i> <i>(Representative Executive Officers)</i> Yoshihiro Hyakutome Co-Head of Global Business Unit (Head office departments (Global Business Unit), Asia Pacific Division) Investment Banking Strategy Office, Corporate Planning Dept. Takeshi Mikami Group CAE Internal Audit Dept. <i>Senior Managing Executive Officers</i> Keiichiro Nakamura Co-Head of Global Business Unit (Americas Division, Europe, Middle East & Africa Division) Akio Isowa Group CCO Digital Solution Division, Digital Strategy Dept., Deputy Head of Wholesale Business Unit (Wholesale Digital Planning Dept., Planning Dept., Wholesale Business Unit) Fumihiko Ito Co-Head of Wholesale Business Unit Takeshi Kobayashi Group CHRO General Affairs Dept., Human Resources Dept., Quality Management Dept., CRE & Facility Planning Dept. Natsuhiro Samejima Group CRO Corporate Risk Management Dept., Risk Management Information Dept., Risk Management Dept., Americas Division, Credit & Investment Planning Dept. Hideki Takamatsu Group CIO and Group CDAO IT Planning Dept., Cybersecurity Management Dept., Data Management Dept., Operations Planning Dept. Yukihiro Mabuchi Co-Head of Wholesale Business Unit (Head office departments (Wholesale Business Unit)) Akio Uemura Head of Retail Business Unit Arihiro Nagata Head of Global Markets Business Unit (1) Mr. Kadonaga, Mr. Sawada, Ms. Goto, Mr. Teshirogi, Mr. Takashima, Mr. Lake II and Ms. Rogers satisfy the requirements for an "outside director" under the Companies Act.
<i>Group CxO</i> Group CEO Toru Nakashima Group CFO and Group CSO Kazuyuki Anchi Group CRO Natsuhiro Samejima Group CCO Teiko Kudo Group CHRO Takeshi Kobayashi Group CIO and Group CDAO Hideki Takamatsu Group CISO Daisuke Shirai Group CDIO Akio Isowa
Group CSuO Masayuki Takanashi Group CAE Takeshi Mikami <i>Head of Business Units</i> Head of Retail Business Unit Akio Uemura Co-Head of Wholesale Business Unit Fumihiko Ito Co-Head of Wholesale Business Unit Yukihiro Mabuchi Co-Head of Global Business Unit Yoshihiro Hyakutome Co-Head of Global Business Unit Keiichiro Nakamura Head of Global Markets Business Unit Arihiro Nagata

EXECUTIVE OFFICERS
<i>Senior Managing Executive Officers</i> Hirofumi Otsuka Head of Americas Division Ichiro Okawara Credit & Investment Planning Dept. Kazuya Ikeda Transaction Business Division, Deputy Head of Global Business Unit <i>Managing Executive Officers</i> Kenichi Hida Group Deputy CCO Tatsuya Suzuki Deputy Head of Wholesale Business Unit, Deputy Head of Global Business Unit Tetsuya Shindo Retail Business Unit Katsuyuki Tokuda Deputy Head of Retail Business Unit, Head of Payments & Consumer Finance Division Kenji Hirao Deputy Head of Wholesale Business Unit Fumito Yoshioka Wholesale Business Unit Takafumi Tsuji Wholesale Business Unit (Specialized Finance Dept.) Toshihiko Umetani Deputy Head of Americas Business Unit, Deputy Head of Global Business Unit Shinichiro Watanabe Global Business Unit Nobuaki Nakamura Deputy Head of Global Markets Business Unit Katsufumi Uchida Head of Asia Pacific Division Carl Adams Deputy Head of Americas Division and Functional Head (Head of Verticals) Richard A. Eisenberg Deputy Head of Americas Division and Functional Head (Head of Verticals) Rajeev Veeravalli Kannan Head of India Division Norikazu Akedo Deputy Head of Global Markets Business Unit Akira Yamamoto Group Deputy CRO Tatsuya Shine Group Deputy CHRO Eiichi Takasaki Wholesale Business Unit Daiji Nakata Deputy Head of Retail Business Unit Hideo Kawafune Head of Europe, Middle East & Africa Division Takahiko Hirashima Group Deputy CCO Haruyuki Yoshikawa Group Deputy CAE Internal Audit Dept. Hideyuki Omokawa Group Deputy CSO Corporate Planning Dept. Retail Business Unit, General Manager, Asset & Wealth Management Strategy Dept. Hiroshi Tsutsui Group Deputy CIO and Group Deputy CISO Bungo Miura Deputy Head of Global Business Unit Tomomi Izawa Deputy Head of Wholesale Business Unit Takeshi Kimoto Head of Asia Business Development Division Ayumu Goto Group Deputy CFO and Group Deputy CSO Tamaki Shibuya Corporate Risk Management Dept., Risk Management Information Dept., Risk Management Dept., Americas Division, Credit & Investment Planning Dept.
Noriyuki Watanabe Wholesale Business Unit Munehiro Yamada Deputy Head of Wholesale Business Unit Hideki Niyama Wholesale Business Unit Toshihiko Kato Deputy Head of Retail Business Unit, Head of Wealth Management Division Hirokazu Sakamoto Deputy Head of Wealth Management Division Nobuyuki Takiguchi Group Deputy CIO and Group Deputy CDAO Global Business Unit Masaru Ishibashi General Manager, Planning Dept., Global Markets Business Unit Hiroshi Ibaraki Deputy Head of Europe, Middle East & Africa Division Toshinori Tajima General Manager, Planning Dept., Wholesale Business Unit Masahiro Yoshimura General Manager, Corporate Planning Dept. Takahiko Watanabe General Affairs Dept., Human Resources Dept., Quality Management Dept., Compliance Dept., Compliance Dept., Americas Division, Anti Money Laundering & Financial Crime Prevention Dept. <i>Executive Officers</i> Tatsuya Okumura General Manager, Audit Committee Office Akihiro Kawara General Manager, Planning Dept., Global Markets Business Unit Shinsuke Yoshioka Group Deputy CIO Naoki Shirashi Head of Digital Solution Division Shigeru Kaneko Wholesale Business Unit Masayuki Takanashi Group CSuO Sustainability Planning Dept., Sustainability Development Dept., Head of Sustainability Division for Fulfilled Growth Hironori Shimojima Deputy Head of Americas Division Yoshihiro Kitagawa General Manager, Credit & Investment Planning Dept. Hiroshi Nishimura General Manager, Strategic Planning Dept., Global Business Unit Lisette Lieberman Regional CCO (Americas) Functional Head (US CCO) and Co-General Manager, Compliance Dept., Americas Division Scott A. Ashby Deputy Head of Americas Division and Functional Head (Head of Verticals) John Nolan Functional Head (US CAE) Glenn Swanton Co-Regional CRO (Europe, Middle East & Africa) Takako Hayashi Group Deputy CHRO Katsuya Fujita Global Markets Business Unit Seiji Ito General Manager, Internal Audit Dept. Jun Okahashi General Manager, Financial Accounting Dept. Taisuke Naito General Manager, Operations Planning Dept. Kenji Irie General Manager, Sustainability Planning Dept.
Naoki Endo Head of Transaction Business Division Norimitsu Kobayashi General Manager, Business Development Dept. Koichi Nunami General Manager, Strategic Planning Dept., Europe, Middle East & Africa Division Seiya Fujimori General Manager, Corporate Risk Management Dept. and General Manager, Risk Management Information Dept. Osahiro Yamamoto Global Markets Business Unit, General Manager, Planning Dept., Global Markets Business Unit Antony Yates Deputy Head of Europe, Middle East & Africa Division Martin Coulson General Manager, Internal Audit Dept. Kimiki Iritani Wholesale Business Unit Yoshihiro Takami Global Business Unit Masahito Nonaka Deputy Head of Americas Division and Functional Head (Head of Verticals) Toshitake Funaki Deputy Head of India Division Hajime Yokohata Deputy Head of Asia Pacific Division Reiko Mori Deputy Head of Asia Pacific Division Masahiro Yamaguchi General Manager, Planning Dept., Wealth Management Division Kensuke Tanaka Group Deputy CFO Corporate Treasury Dept., Corporate Planning Dept. Tomoya Hasebe Corporate Planning Dept. Masakazu Matsui General Manager, Compliance Dept. Tsutomu Ohashi General Manager, Planning Dept., Retail Business Unit Motoo Kanazashi General Manager, Asia Growing Markets Dept. Takako Fujiki Regional CRO (East Asia) Takeshi Morita General Manager, Corporate Planning Dept. Hironori Kurata General Manager, Human Resources Dept. Osamu Mashiko General Manager, Transaction Business Planning Dept. Takehiro Miki General Manager, General Affairs Dept. Osamu Yagi Functional Head (US Chief of Staff) and General Manager, Office of the CEO, Americas Division Tomoyuki Saito General Manager, Planning Dept., Payments & Consumer Finance Division Joel Fastenberg Deputy Head of Retail Business Unit Mark Cortell Regional CRO (Americas) Functional Head (US CRO) and Co-General Manager, Risk Management Dept., Americas Division Rick Davison Functional Head (US CFO) and General Manager, Finance & Strategic Planning Dept., Americas Division

Sumitomo Mitsui Financial Group Organization (as of June 30, 2025)



^{*1} Belongs to Sustainability Division for Fulfilled Growth
^{*2} Belongs to Digital Solution Division
^{*3} Belongs to Wealth Management Business Division
^{*4} Belongs to Payments & Consumer Finance Division
^{*5} Belongs to Wealth Management Division and Payments & Consumer Finance Division

^{*6} Transaction Business Division
Transaction Business Planning Dept.
Transaction Product Development Dept.

Sumitomo Mitsui Banking Corporation

■ Directors, Members of the Audit and Supervisory Committee and Executive Officers (as of June 30, 2025)

DIRECTORS

Chairman of the Board
Masaki Tachibana
President and Chief Executive Officer (Representative Director)
Akihiro Fukutome*
Directors and Deputy Presidents (Representative Directors)

Teiko Kudo*
Compliance Dept., Compliance Depts., Americas Division, Europe, Middle East and Africa Division and Asia Pacific Division, Anti Money Laundering & Financial Crime Prevention Dept.

Toshihiro Michioka*
Located at Osaka, Deputy Head of Wholesale Banking Unit (in charge of West Japan)

Directors and Senior Managing Executive Officers

Takashi Kobayashi*
General Affairs Dept., Human Resources Dept., Human Resources Development Dept., Quality Management Dept., CRE & Facility Planning Dept.

Natsuihiro Samejima*
Corporate Risk Management Dept., Risk Management Information Dept., Risk Management Depts., Americas Division, Europe, Middle East and Africa Division, Asia Pacific Division and East Asia, Credit & Investment Planning Dept., Credit Depts., Americas Division, Europe, Middle East and Africa Division and Asia Pacific Division, Global Credit Dept.

Hideki Takamatsu*
IT Planning Dept., Cybersecurity Management Dept., Data Management Dept., Operations Planning Dept., Inter-Market Settlement Dept.

Kazuyuki Anchi*
Sustainability Division for Fulfilled Growth, Public Relations Dept., Corporate Planning Dept., Business Development Dept., Asset & Wealth Management Strategy Dept., Sustainability Planning Dept., Sustainability Development Dept., Financial Accounting Dept., Accounting Service & Planning Dept. Digital Strategy Dept.

Directors

Paul Yonamine⁽¹⁾
Yuko Nakahira⁽¹⁾

* These Directors are appointed as Executive Officers also.

⁽¹⁾ Mr. Yonamine and Ms. Nakahira satisfy the requirements for an "outside director" under the Companies Act.

DIRECTORS, MEMBERS OF THE AUDIT AND SUPERVISORY COMMITTEE

Takayuki Inoue
Yoshiyuki Gono
Michiko Kuboyama⁽²⁾
Chikamoto Hodo⁽²⁾
Daiken Tsunoda⁽²⁾

⁽²⁾ Ms. Kuboyama, Mr. Hodo and Mr. Tsunoda satisfy the requirements for an "outside director" under the Companies Act.

EXECUTIVE OFFICERS

Deputy President Executive Officer

Yoshihiro Hyakutome
Co-Head of Global Banking Unit
(Head office departments (Global Banking Unit), The Asia Pacific Division)
Investment Banking Strategy Office, Corporate Planning Dept.

Senior Managing Executive Officers

Keiichiro Nakamura
Co-Head of Global Banking Unit
(The Americas Division, Europe, Middle East and Africa Division)

Akio Isowa
Digital Solution Division, Digital Strategy Dept.,
Deputy Head of Wholesale Banking Unit (Wholesale Digital Planning Dept., Planning Dept.,
Wholesale Banking Unit, Growth Business Development Dept.)

Fumihiko Ito
Co-Head of Wholesale Banking Unit, Head of Global Corporate Banking Division

Hirofumi Otsuka
Head of The Americas Division and President of SMBC Americas Holdings, Inc.

Yukihiro Mabuchi
Co-Head of Wholesale Banking Unit
(Head office departments (Wholesale Banking Unit))

Akio Uemura
Head of Retail Banking Unit

Ichiro Okawara
Credit & Investment Planning Dept., Deputy Head of Wholesale Banking Unit
(Corporate Credit Dept., Credit Administration Dept., Trust Services Dept.)

Kazuya Ikeda
Transaction Business Division, Deputy Head of Global Banking Unit
Chairman of Sumitomo Mitsui Banking Corporation (China) Limited

Arihiro Nagata
Head of Global Markets & Treasury Unit

Managing Executive Officers

Katsufumi Uchida
Head of The Asia Pacific Division

Rajeev Veeravalli Kannan
Head of India Division

Takafumi Tsuji
Head of Financial Solutions Division

Yasuhiro Shirai
Deputy Head of Global Corporate Banking Division
Tokyo Corporate Banking Division (Tokyo Corporate Banking Depts. II and IX),
Deputy Head of Corporate Advisory Division

Carl Adams
Deputy Head of The Americas Division, Functional Head (Head of Verticals) and General
Manager, Fund Finance Solutions Dept., Americas Division

Stanislas Roger
Deputy Head of Europe, Middle East and Africa Division and CEO of SMBC Bank EU AG

Richard A. Eisenberg
Deputy Head of The Americas Division and Functional Head (Head of Verticals)

Eiichi Takasaki
Deputy Head of Wholesale Banking Unit

Seiichi Katsuyama
Head of Corporate Advisory Division and Deputy Head of Financial Solutions Division

Hideo Kawafune
Head of Europe, Middle East and Africa Division and CEO of SMBC Bank International plc

Mikiko Hyodo
Deputy Head of Retail Banking Unit

Hideyuki Omokawa
Corporate Planning Dept., Deputy Head of Retail Banking Unit, Deputy Head of
Wholesale Banking Unit (in charge of investment business), Deputy Head of Global
Banking Unit (in charge of investment business), General Manager, Asset & Wealth
Management Strategy Dept.

Tomomi Izawa
Deputy Head of Wholesale Banking Unit, Head of Corporate Banking Division

Kenji Kawabata
Deputy Head of Corporate Advisory Division

Takeshi Kimoto
Head of Asia Business Development Division and Deputy Head of The Asia Pacific Division

Hitoshi Ryoji
Deputy Head of Global Corporate Banking Division
Tokyo Corporate Banking Division (Tokyo Corporate Banking Depts. I, V and VII),
Deputy Head of Corporate Advisory Division

Hiroshi Kawamura
Deputy Head of Global Corporate Banking Division
Nagoya Corporate Banking Division (Nagoya Corporate Banking Dept.),
Head of Nagoya Middle Market Banking Division

Tamaki Shibuya
Corporate Risk Management Dept., Risk Management Information Dept.,
Risk Management Depts., Americas Division, Europe, Middle East and Africa Division,
Asia Pacific Division and East Asia, Credit & Investment Planning Dept.

Toshihiko Kato
Deputy Head of Retail Banking Unit

Hirokazu Sakamoto
Private Advisory Division, Private Banking Division, Deputy Head of Wholesale Banking Unit,
Head of Private Banking Division

Nobuyuki Takiguchi
Deputy Head of Global Banking Unit

Hidetaka Matsuda
Deputy Head of Global Corporate Banking Division

Tokyo Corporate Banking Division (Tokyo Corporate Banking Depts. III and X),
Deputy Head of Corporate Advisory Division

Masaru Ishibashi
General Manager, Planning Dept., Global Markets & Treasury Unit

Hiroshi Ibaraki
Deputy Head of Europe, Middle East and Africa Division

Shinji Kodera
Deputy Head of Global Corporate Banking Division
Tokyo Corporate Banking Division (Tokyo Corporate Banking Depts. IV, VI and VIII),
Deputy Head of Corporate Advisory Division

Toshinori Tajima
General Manager, Planning Dept., Wholesale Banking Unit

Masahiro Yoshimura
Corporate Planning Dept.

Takahiko Watanabe
General Affairs Dept., Human Resources Dept., Human Resource Development Dept.,
Quality Management Dept., Compliance Dept., Compliance Depts., Americas Division,
Europe, Middle East and Africa Division and Asia Pacific Division, Anti Money Laundering
& Financial Crime Prevention Dept.

Yoshihiro Miyake
Deputy Head of Global Corporate Banking Division
Osaka Corporate Banking Division (Osaka Corporate Banking Depts. I and II)

Executive Officers

Antony Yates
Deputy Head of Europe, Middle East & Africa Division and
President of SMBC Nikko Capital Markets Limited

Tatsuya Okumura
General Manager, Audit & Supervisory Committee Office

Akihiro Kawara
Chairman and President of SMBC Capital Markets, Inc.

Katsuyuki Kubo
Deputy Head of Financial Solutions Division

Naoki Shiraishi
Head of Digital Solution Division

Paul Derek Gibbon
General Manager, Loan Capital Markets Dept., Europe, Middle East and Africa Division

Naoki Kanbayashi
Internal Audit Dept., Domestic Branches Audit Dept.

Akira Masuda
Deputy Head of Financial Solutions Division

Makiko Kaji
General Manager, Tokyo Corporate Banking Dept. VI

Ko Aoki
Deputy Head of Wholesale Banking Unit (Credit Dept., Wholesale Banking Unit, Strategic
Finance Promotion Office), Deputy Head of Retail Banking Unit (Retail Credit Dept.)
Corporate Research Dept.

Yoshihiro Takami
Deputy Head of Global Banking Unit

Hajime Yokohata
Deputy Head of The Asia Pacific Division, Country Head of China and President of
Sumitomo Mitsui Banking Corporation (China) Limited

Motonori Yuki
Head of Kobe Middle Market Banking Division

Kimiaki Iritani
Deputy Head of Wholesale Banking Unit

Tsuyoshi Kuzuma
Deputy Head of Global Corporate Banking Division
Kyoto Corporate Banking Division (Kyoto Corporate Banking Dept.),
Head of Kyoto Hokuriku Middle Market Banking Division

Masayuki Takanashi
Sustainability Planning Dept., Sustainability Development Dept., Head of Sustainability
Division for Fulfilled Growth

Takanori Ueda
Head of Higashinihon Daiyon Middle Market Banking Division

Hironori Shimojima
Deputy Head of The Americas Division

Reiko Mori
Deputy Head of The Asia Pacific Division

Yoshihiro Kitagawa
General Manager, Credit & Investment Planning Dept.

Kensuke Tanaka
Corporate Treasury Dept., Corporate Planning Dept.

Hiroshi Nishimura
General Manager, Strategic Planning Dept., Global Banking Unit

Lisette Lieberman
Functional Head (US CCO) and Co-General Manager, Compliance Dept., Americas
Division

Anjali Mohan
Deputy Head of The Asia Pacific Division and Co-General Manager, Compliance Dept.,
Asia Pacific Division

John Nolan
Functional Head (US CAE)

Elena Paitra
Functional Head (Head of Verticals)

Glenn Swanton
Co-General Manager, Risk Management Dept., Europe, Middle East and Africa Division

Hiroshi Asami
Head of Higashinihon Daisan Middle Market Banking Division

Jun Okahashi
General Manager, Financial Accounting Dept.

Shinichiro Nishino
Credit Depts., Americas Division, Europe, Middle East and Africa Division and Asia Pacific
Division, Global Credit Dept.

Taisuke Naito
General Manager, Operations Planning Dept.

Kenji Irie
General Manager, Sustainability Planning Dept.

Kosuke Uchida
General Manager, Strategic Corporate Banking Dept.

Naoki Endo
Head of Transaction Business Division

Masanori Fujima
General Manager, Global Client Business Dept.

Hisa Matsuda
Head of Higashinihon Daini Middle Market Banking Division

Koichiro Yui
Country Head of Thailand and General Manager, Bangkok Branch

Norimitsu Kobayashi
General Manager, Business Development Dept.

Yoshimi Nishikubo
General Manager, Business Promotion Dept., Retail Banking Unit

Koichi Nunami
General Manager, Strategic Planning Dept., Europe, Middle East and Africa Division

Seiya Fujimori
General Manager, Corporate Risk Management Dept. and General Manager, Risk
Management Information Dept.

Osahiro Yamamoto
SMBC Nikko Securities Inc.

Carsten Stoehr
Deputy Head of The Asia Pacific Division and Functional Head (Head of Verticals)

Salim Zaman
Functional Head (Head of Verticals),
Co-General Manager, Global Markets & Treasury Dept., Asia Pacific Division and
Co-General Manager, Global Markets & Treasury Dept., East Asia

Owen Verrier-Jones
Functional Head (Head of Verticals)

Martin Coulson
Co-General Manager, Internal Audit Dept., Europe, Middle East and Africa Division,
Internal Audit Dept.

Takashi Toyoda
Deputy Head of Global Banking Unit, Deputy Head of Transaction Business Division

Masahito Nonaka
Deputy Head of The Americas Division and Functional Head (Head of Verticals)

Toshitake Funaki
Deputy Head of India Division and Co-General Manager, Corporate & Investment Banking
Dept., India

Akira Moriya
Head of Nishinihon Daisan Middle Market Banking Division

Masashi Nagashima
Deputy Head of Retail Banking Unit

Masahiro Yamaguchi
Deputy Head of Retail Banking Unit

Akira Kagawa
General Manager, Tokyo Corporate Banking Dept. IX

Tomoya Hasebe
Corporate Planning Dept.

Hiroyuki Suzuki
General Manager, Japanese and Asian Corporate Banking Dept., Americas Division

Yui Takahashi
General Manager, Treasury Dept.

Masakazu Matsui
General Manager, Compliance Dept.

Takashi Yoshimura
General Manager, Osaka Corporate Banking Dept. II

Tsutomu Ohashi
General Manager, Asia Growing Markets Dept. (Tokyo)

Motoo Kanazashi
General Manager, Asia Growing Markets Dept.

Yoshimichi Takeshita
General Manager, Marunouchi Corporate Business Office

Takako Fujiki
General Manager, Risk Management Dept., East Asia

Takashi Morita
General Manager, Corporate Planning Dept.

Takahisa Kagayama
General Manager, Tokyo Corporate Banking Dept. III

Hironori Kurata
General Manager, Human Resources Dept.

Osamu Mashiko
General Manager, Transaction Business Planning Dept.

Takehiro Miki
General Manager, General Affairs Dept.

Osamu Yagi
Functional Head (US Chief of Staff) and General Manager, Office of the CEO,
Americas Division

Tomoyuki Saito
Sumitomo Mitsui Card Company, Limited

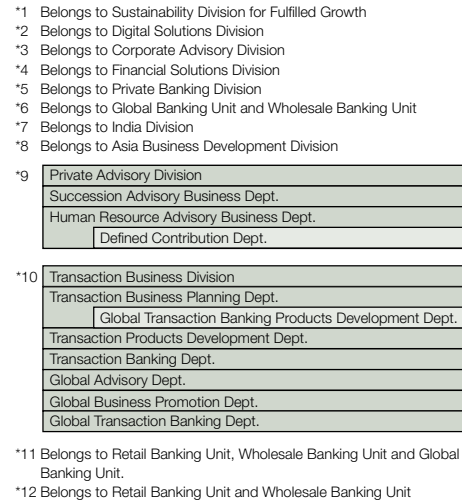
Joel Fastenberg
General Manager, Human Resources Dept.

Ryosuke Ito
Deputy Head of Retail Banking Unit

Mark Corteil
Functional Head (US CRO) and Co-General Manager, Risk Management Dept.,
Americas Division

Rick Davison
Functional Head (US CFO) and General Manager, Finance & Strategic Planning Dept.,
Americas Division

(as of June 30, 2025)



Principal Subsidiaries and Affiliates (as of March 31, 2025)

All companies shown hereunder are consolidated subsidiaries or affiliates of Sumitomo Mitsui Financial Group, Inc.
Those printed in green ink are consolidated subsidiaries or affiliates of Sumitomo Mitsui Banking Corporation.

Principal Domestic Subsidiaries

Note: Figures in parentheses () in the voting rights columns indicate voting rights held indirectly via subsidiaries and affiliates.

Company Name	Issued Capital (Millions of Yen)	Percentage of SMFG's Voting Rights (%)	Percentage of SMBC's Voting Rights (%)	Date of Establishment or Investment	Main Business
Sumitomo Mitsui Banking Corporation	1,771,093	100	—	Jun. 6, 1996	Commercial banking
SMBC Trust Bank Ltd.	87,550	0 (100)	100	Feb. 25, 1986	Trust service and commercial banking
SMBC Nikko Securities Inc.	135,000	100	—	Jun. 15, 2009	Securities
Sumitomo Mitsui Card Company, Limited	34,000	100	—	Dec. 26, 1967	Credit card services
SMBC Consumer Finance Co., Ltd.	140,737	100	—	Mar. 20, 1962	Consumer loans
JRI Holdings, Limited	100	100	—	Apr. 1, 2024	Business Management Operations
The Japan Research Institute, Limited	10,000	0 (100)	—	Nov. 1, 2002	System engineering, data processing, management consulting, and economic research
Sumitomo Mitsui DS Asset Management Company, Limited	2,000	50.12	—	Dec. 1, 2002	Investment management
SMBC Global Investment & Consulting Ltd.	1,499	100	—	Dec. 20, 2002	Investment management services, investment advisory services
SMBC Guarantee Co., Ltd.	187,720	0 (100)	—	Jul. 14, 1976	Credit guarantee
Nikko Systems Solutions, Ltd.	3,000	0 (100)	0	Dec. 1, 1977	System engineering and data processing
JAIS, Limited	450	0 (100)	—	Oct. 16, 1990	System engineering and data processing
Alternative Investment Capital Limited	400	0 (60)	60	Jul. 15, 2002	Investment management and advisory services
BPORTUS Co., Ltd.	100	64.40	—	Jul. 1, 2023	Data processing service and e-trading consulting
plus medi corp.	100	96.45	—	Dec. 15, 2016	Information services
SMBC VALUE CREATION CO., LTD.	495	0 (100)	100	Feb. 20, 2019	Data processing service and e-trading consulting
SMBC GMO PAYMENT, Inc.	490	0 (60)	10	Nov. 2, 2015	Settlement agent
SMBC Venture Capital Management Co., Ltd.	643	0 (40)	40	Jul. 1, 2010	Management consulting services, investment management services
SMBC Venture Capital Co., Ltd.	500	0 (100)	0 (100)	Sep. 22, 2005	Venture capital
SMBC Consulting Co., Ltd.	1,100	0 (98.36)	50 (1.63)	May 1, 1981	Management consulting and seminar organizer
Japan Pension Navigator Co., Ltd.	1,600	0 (69.71)	69.71	Sep. 21, 2000	Defined contribution plan administrator
SMBC ReSolutions Inc.	10	100	—	Apr. 1, 2020	Real estate management
Plari Town, Inc.	100	100	—	May 26, 2020	Platform management and operation
SMBC Servicer Co., Ltd.	1,000	0 (100)	100	Mar. 11, 1999	Servicer
SMBC Electronic Monetary Claims Recording Co., Ltd.	500	0 (100)	100	Apr. 16, 2009	Electronic monetary claims recording
SMBC Staff Service Co., Ltd.	90	0 (100)	100	Jul. 15, 1982	Fee-based headhunting services and contracting of human resources-related procedures
SMBC Learning Support Co., Ltd.	10	0 (100)	100	May 27, 1998	Training services
SMBC PERSONNEL SUPPORT CO., LTD.	10	0 (100)	100	Apr. 15, 2002	HR related clerical services
SMBC OPERATION SERVICE CO., LTD.	30	0 (100)	100	Jan. 31, 1996	Banking clerical work
SMBC Green Service Co., Ltd.	30	0 (100)	100	Mar. 15, 1990	Entrusted Administrative Services for Deposit Investigation and Related Tasks
SMBC Real Estate Appraisal Service Co., Ltd.	30	0 (100)	100	Feb. 1, 1984	Collateral real estate survey and appraisal
SMBC REIT Management Co., Ltd.	250	0 (80)	80	Mar. 10, 2020	Asset management
SMBC Capital Partners Co., Ltd.	100	0 (100)	100	Feb. 10, 2020	Investments
SMBC CLOUDSIGN, Inc.	50	51	—	Oct. 1, 2019	Cloud-based electronic contract services
SMBC Wevox, Inc.	50	55	—	Oct. 2, 2023	Support services for improving companies' organizational capabilities and corporate value, etc.
SMBC Digital Marketing, Ltd.	100	66	—	Jul. 8, 2021	Advertising and marketing
SMBC HUMAN CAREER Co., Ltd.	150	0 (100)	100	Mar. 1, 1987	Job introduction and staffing
SMBC CyberFront Inc.	250	60	—	Feb. 17, 2025	Cybersecurity measures, Consulting, etc.
Incloop, Inc.	50	85	—	Aug. 23, 2024	SaaS implementation support consulting Consulting

Principal Overseas Subsidiaries

Company Name	Country	Issued Capital	Percentage of SMFG's Voting Rights (%)	Percentage of SMBC's Voting Rights (%)	Date of Establishment or Investment	Main Business
SMBC Bank International plc	U.K.	US\$3,200 million	0 (100)	100	Mar. 3, 2003	Commercial banking
Sumitomo Mitsui Banking Corporation (China) Limited	China	CNY10.0 billion	0 (100)	100	Apr. 27, 2009	Commercial banking
PT Bank SMBC Indonesia Tbk	Indonesia	Rp212,918 million	0 (91.04)	91.04	Feb. 5, 1958	Commercial banking
SMBC Americas Holdings, Inc.	U.S.A.	US\$3,010.5	0 (100)	100	Aug. 8, 1990	Management of the US BHC and US BHC subsidiaries
SMBC MANUBANK	U.S.A.	US\$1,030.786 million	0 (100)	0 (100)	Jun. 26, 1962	Commercial banking
Banco Sumitomo Mitsui Brasileiro S.A.	Brazil	R\$1,675.699 million	0 (100)	100	Oct. 6, 1958	Commercial banking
JSC Sumitomo Mitsui Rus Bank	Russia	RUB6.4 billion	0 (100)	99 (1)	May 8, 2009	Commercial banking
SMBC Bank EU AG	Germany	€5,100 million	0 (100)	100	Nov. 23, 2017	Commercial banking, securities business, derivatives and investments, financial intermediation services, ancillary services
Sumitomo Mitsui Banking Corporation Malaysia Berhad	Malaysia	MYR2,452 million	0 (100)	100	Dec. 22, 2010	Commercial banking
SMBC Leasing and Finance, Inc.	U.S.A.	US\$4,350	0 (100)	0 (100)	Nov. 9, 1990	Leasing, investments, deferred payment services
SMBC Nikko Securities America, Inc.	U.S.A.	US\$655	0 (100)	0 (100)	Aug. 8, 1990	Securities, investments
SMBC Nikko Capital Markets Limited	U.K.	US\$1,138 million	0 (100)	84.84	Mar. 13, 1990	Swap-related services, investments and loans, financial intermediary, incidental, securities-related, and M&A advisory services
SMBC Capital Markets, Inc.	U.S.A.	US\$100	0 (100)	0 (100)	Dec. 4, 1986	Derivatives and investments, leasing, securities business
TT International Asset Management Ltd	U.K.	£92 million	0 (100)	—	Feb. 28, 2020	Investment management
SMBC Asset Management Services (UK) Limited	U.K.	£240 million	100	—	Oct. 16, 2019	Stock holding
SFVI Limited	British Virgin Islands	US\$9,600	0 (100)	100	Jul. 30, 1997	Investments
SMBC, S.A.P.I. DE C.V., SOFOM, E.N.R.	Mexico	MXN2,660 million	0 (100)	100	Sep. 18, 2014	Money lending business, derivatives business and services related to leasing
SMBC International Finance N.V.	Curaçao	US\$200,000	0 (100)	100	Jun. 25, 1990	Finance
Sumitomo Mitsui Finance Dublin Limited	Ireland	US\$12 million	0 (100)	100	Sep. 19, 1989	Operations service to group companies
Sakura Finance Asia Limited	Hong Kong	US\$65.5 million	0 (100)	100	Oct. 17, 1977	Investments
SMBC Derivative Products Limited	U.K.	US\$200 million	0 (100)	0 (100)	Apr. 18, 1995	Derivatives and investments
SMBC Advisory Services Saudi Arabia LLC	Saudi Arabia	SAR18 million	0 (100)	100	Dec. 29, 2017	Consulting, research and study services
SMFG India Credit Company Limited	India	INR26,549 million	100	—	Aug. 30, 1994	Lending business
PT Bank BTPN Syariah Tbk	Indonesia	Rp770,370 million	0 (70)	0 (70)	Mar. 7, 1991	Banking services based on sharia principles
PT Oto Multiartha	Indonesia	Rp928,707 million	0 (51)	0 (51)	Mar. 28, 1994	Automotive financing
PT Summit Oto Finance	Indonesia	Rp2,442,060 million	0 (51)	0 (51)	Sep. 20, 1990	Motorcycle financing

Principal Affiliates

Company Name	Issued Capital (Millions of Yen)	Percentage of SMFG's Voting Rights (%)	Percentage of SMBC's Voting Rights (%)	Date of Establishment or Investment	Main Business	
PayPay Bank Corporation	72,216	0	(46.57)	46.57	Sep. 19, 2000	Commercial banking
ACLEDA Bank Plc.	US\$433 million	0	(18.06)	18.06	Dec. 1, 2003	Commercial banking
The Bank of East Asia, Limited	HKD38,298 million	0	(21.84)	21.84	Nov. 14, 1918	Commercial banking
Sumitomo Mitsui Finance and Leasing Company, Limited	15,000	50	—	Feb. 4, 1963	Leasing	
Sumitomo Mitsui Auto Service Company, Limited	13,636	26.16	(59.56)	—	Feb. 21, 1981	Leasing
SMBC Aviation Capital Limited	US\$2,249 million	0	(32)	32	Aug. 14, 1997	Leasing
Osaka Digital Exchange Co.,Ltd.	300	20	—	Apr. 1, 2021	Proprietary Trading System (PTS) Management	
Vietnam Prosperity Joint-Stock Commercial Bank	VND103,331,782 million	0	(15)	15	Oct. 20, 2023	Commercial Banking
VPBank SMBC Finance Company Limited	VND10,928,000 million	0	(49)	—	Oct. 28, 2021	Consumer finance business
POCKET CARD CO., LTD.	14,374	0	(20)	20	May 25, 1982	Credit card services
JSOL CORPORATION	5,000	0	(50)	—	Jul. 3, 2006	System engineering and data processing
Sakura Information Systems Co., Ltd.	600	0	(49)	49	Nov. 29, 1972	System engineering and data processing
SAKURA KCS Corporation	2,054	0	(29.78)	28.53 (29.78)	Mar. 29, 1969	System engineering and data processing
China Post & Capital Fund Management Co., Ltd.	CNY304 million	0	(23.67)	23.67	Apr. 24, 2012	Investment management
Spring Infrastructure Capital Co., Ltd.	250	0	(24.50)	24.50	Jul. 31, 2018	Investments
BrainCell, Inc.	300	49	—	Jun. 1, 2018	Marketing	
Cotra Ltd.	1,700	0	(25)	25	Jul. 1, 2021	Planning and operation of fund settlement infrastructure
Rizal Commercial Banking Corporation	PHP24,198 million	0	(20)	20	Sep. 23, 1960	Commercial Banking
CCC MK HOLDINGS Co.,Ltd.	100	40	(20)	—	Oct. 1, 2012	V POINT business and advertising and marketing services
eXstend Ltd.	1,000	50	—	Nov. 6, 2024	Hedging services related to electricity, etc.	

International Directory (as of June 30, 2025)

Asia and Oceania

SMBC Branches and Representative Offices

Hong Kong Branch

8th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong
Special Administrative Region, The People's Republic of China
Tel: 852-2206-2000

Hong Kong Branch Kowloon Office

19F, The Metropolis Tower, 10 Metropolis Drive, Hunghom, Kowloon, Hong Kong
Tel: 852-2206-2000

Hong Kong Branch Quarry Bay Office

9F, Two Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
Tel: 852-2206-2000

Taipei Branch

3F, Walsin Lihwa Xinyi Building, No. 1 Songzhi Road, Xinyi District, Taipei 11047, Taiwan
Tel: 886 (2) 2720-8100

Seoul Branch

12F, Mirae Asset CENTER1 Bldg. West Tower, 26, Eulji-ro 5-gil, Jung-gu Seoul, 04539, The Republic of Korea
Tel: 82 (2) 6364-7000

Singapore Branch

88 Market Street, #33-01, CapitaSpring, Singapore 048948
Tel: 65-6882-0000

Sydney Branch

Level 35, The Chifley Tower, 2 Chifley Square, Sydney, NSW 2000, Australia
Tel: 61 (2) 9376-1800

Perth Branch

Level 19, Exchange Tower, 2 The Esplanade, Perth, Western Australia 6000, Australia
Tel: 61 (8) 9492-4900

Bangkok Branch

8th-10th Floor, Q.House Lumpini Building, 1 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand
Tel: 66 (2) 353-8000

Chonburi Branch

12th Floor Harbor Mall, 12B01, 12C01 4/222 Moo 10 Sukhumvit Road, Tungsukla, Sriracha Chonburi 20230, Thailand
Tel: 66 (2) 353-8000

Ho Chi Minh City Branch

15th Floor, Times Square Building, 22-36 Nguyen Hue Street, District 1, Ho Chi Minh City, Vietnam
Tel: 84 (28) 3520-2525

Hanoi Branch

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Tel: 84 (24) 3946-1100

Manila Branch

21st Floor, Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City, The Philippines 1226
Tel: 63 (2) 8880-7100

Yangon Branch

Level #5 Strand Square, No.53 Strand Road, Pabedan Township, Yangon, Myanmar
Tel: 95 (1) 2307380

Yangon Branch Thilawa Front Office

Room No. 103, Administration Building, Corner of Thilawa Development Road and Dagon - Thilawa Road, Thilawa SEZ, Thanlyin Township, Yangon, Myanmar
Tel: 95 (1) 2309100

Labuan Branch

Level 12 (B&C), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Labuan, Federal Territory, Malaysia
Tel: 60 (87) 410955

Labuan Branch
Kuala Lumpur Office

Suite 22-03, Level 22, Integra Tower, The Intermark, 348, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Tel: 60 (3) 2176-1700

Phnom Penh Representative Office

Exchange Square (7th Floor) Unit 701, No.19 and 20, Street 106, Sangkat Wat Phnom, Village 2, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia
Tel: 855 (23) 964-080

Mumbai Branch

Unit No. 601, 6th Floor, Platina Building, Plot No. C-59, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India
Tel: 91 (22) 6229-5000

GIFT City Branch

201B, 2nd floor, Brigade International Financial Center, Building No. 14A, Block 14, Zone 1, GIFT City SEZ, Gandhinagar, India, 382355
Tel: 91 (79) 6926-8600

Chennai Branch

10th Floor, Chaitanya Imperial Tower, Plot No.610, 610A, 612, D. No.1/104-BB, Block A, Annasalai, Teynampet, Chennai, 600018, Tamil Nadu, India
Tel: 91 (44) 6144-9999

New Delhi Branch

2nd Floor, Worldmark3, Hospitality District, Aerocity, New Delhi 110037
Tel: 91 (11) 4768-9111

SMBC Principal Subsidiaries/
Affiliates
SMFG Network

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(China) Limited Head Office (Shanghai)

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Sumitomo Mitsui Banking Corporation
(China) Limited Guangzhou Branch

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Sumitomo Mitsui Banking Corporation
(China) Limited Hangzhou Branch

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Sumitomo Mitsui Banking Corporation
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The People’s Republic of China
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Sumitomo Mitsui Banking Corporation (China) Limited Shenyang Branch
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The People’s Republic of China
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The People’s Republic of China
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Financial Center, 100 Century Avenue,
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Sumitomo Mitsui Banking Corporation (China) Limited Shanghai Puxi Sub-Branch
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SMBC Nikko Securities (Hong Kong) Limited (TTP Office)
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PT Summit Oto Finance
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Vietnam Prosperity Joint-Stock Commercial Bank
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VPBank SMBC Finance Company Limited
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SMFG India Credit Company Limited
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The Japan Research Institute (Shanghai) Solution Co., Ltd.
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Shanghai 200335
The People’s Republic of China
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SMFL Leasing (Thailand) Co., Ltd.
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Financial Center, 757 Mengzi Road,
Huangpu District, Shanghai, China
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SMFL Leasing (Malaysia) Sdn. Bhd.
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The Intermark No. 348, Jalan Tun Razak,
50400 Kuala Lumpur, Malaysia
Tel: 60-3-2710-0170

PT. SMFL Leasing Indonesia
Menara SMBC, 31st Floor,
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Tel: 66-2252-9511

Summit Auto Lease Australia Pty Ltd.
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NSW 2116 Australia
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SMAS Auto Leasing India Private Limited
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Aerocity Hospitality District,
New Delhi-110037, India
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PROMISE (HONG KONG) CO., LTD.
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Wanchai, Hong Kong
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Liang Jing Co., Ltd.
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Taipei, Taiwan 104, R.O.C.
Tel: 886 (2) 2515-1598

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SMBC Aero Engine Lease B.V.

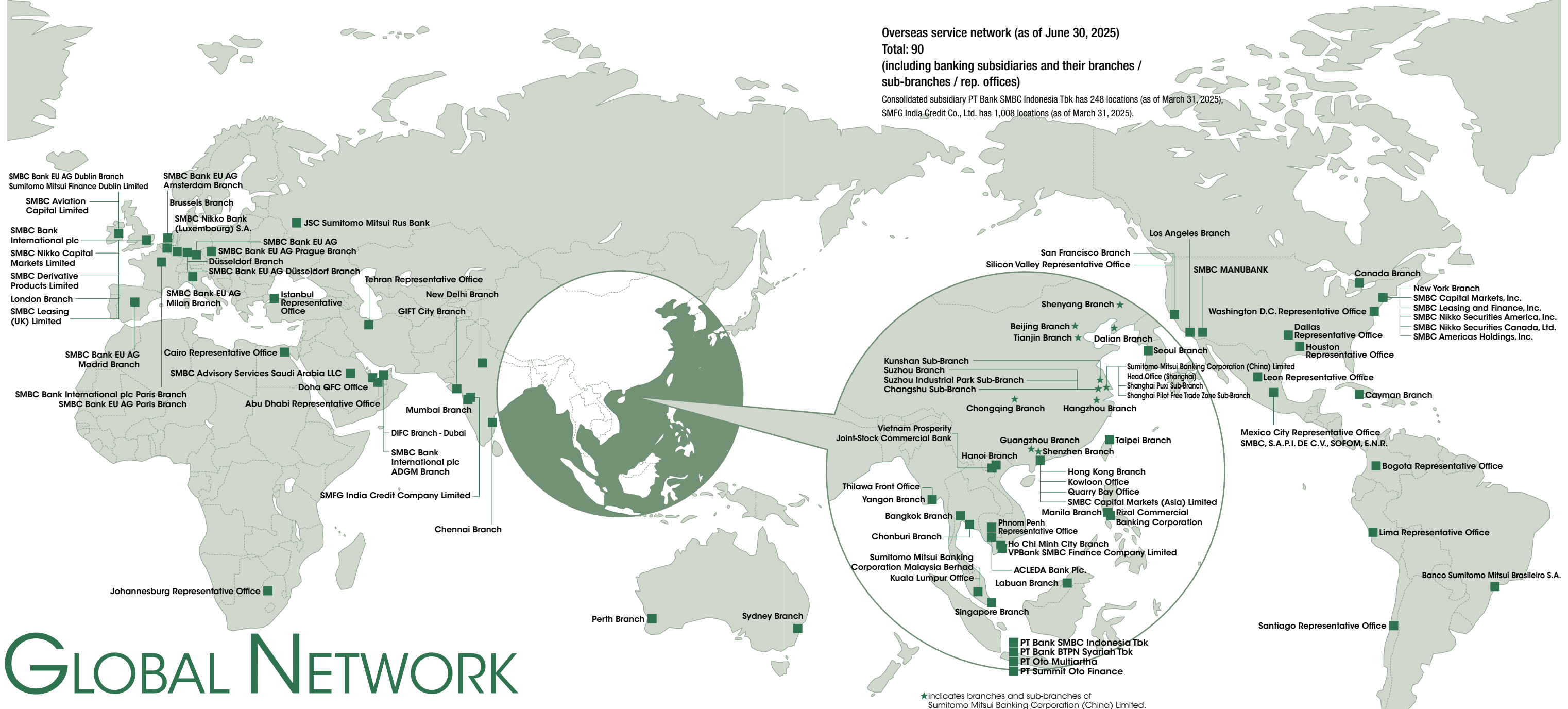
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GLOBAL NETWORK

Asia and Oceania

- Sumitomo Mitsui Banking Corporation (China) Limited Head Office (Shanghai)
- Sumitomo Mitsui Banking Corporation (China) Limited Guangzhou Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Hangzhou Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Chongqing Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Shenzhen Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Shenyang Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Suzhou Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Dalian Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Tianjin Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Beijing Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Kunshan Sub-Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Shanghai Pilot Free Trade Zone Sub-Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Shanghai Puxi Sub-Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Changshu Sub-Branch
- Sumitomo Mitsui Banking Corporation (China) Limited Suzhou Industrial Park Sub-Branch
- PT Bank SMBC Indonesia Tbk
- PT Bank BTPN Syariah Tbk
- Sumitomo Mitsui Banking Corporation Malaysia Berhad
- Hong Kong Branch
- Taipei Branch
- Seoul Branch
- Singapore Branch
- Sydney Branch
- Mumbai Branch
- GIFT City Branch
- Bangkok Branch
- Ho Chi Minh City Branch
- Hanoi Branch
- Manila Branch
- Yangon Branch
- Labuan Branch
- Hong Kong Branch Kowloon Office
- Hong Kong Branch Quarry Bay Office
- Perth Branch
- Chennai Branch
- New Delhi Branch
- Chonburi Branch
- Yangon Branch Thilawa Front Office
- Labuan Branch Kuala Lumpur Office
- Phnom Penh Representative Office
- SMBC Capital Markets (Asia) Limited
- PT Oto Multiartha
- PT Summit Oto Finance
- ACLEDA Bank Plc.
- SMFG India Credit Company Limited
- Vietnam Prosperity Joint-Stock Commercial Bank
- Rizal Commercial Banking Corporation
- VPBank SMBC Finance Company Limited

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- SMBC Leasing and Finance, Inc.
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- SMBC Advisory Services Saudi Arabia LLC
- SMBC Leasing (UK) Limited
- SMBC Nikko Bank (Luxembourg) S.A.

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Financial Highlights

Financial Data (Excerpt from Securities Report) of Sumitomo Mitsui Financial Group can be found on our website.
URL: https://www.smfg.co.jp/english/investor/library/annual/cy2025annu_eng_smfg.html

Sumitomo Mitsui Financial Group (Consolidated)

Year ended March 31	2025	2024	2023	2022	2021
For the Year:					
Ordinary income.....	¥ 10,174,894	¥ 9,353,590	¥ 6,142,155	¥ 4,111,127	¥ 3,902,307
Ordinary profit	1,719,482	1,466,128	1,160,930	1,040,621	711,018
Profit attributable to owners of parent	1,177,996	962,946	805,842	706,631	512,812
Comprehensive income	712,549	2,629,723	1,031,712	561,887	1,465,014
At Year-End:					
Total net assets	¥ 14,841,509	¥ 14,799,967	¥ 12,791,106	¥ 12,197,331	¥ 11,899,046
Total assets	306,282,015	295,236,701	270,428,564	257,704,625	242,584,308
Total capital ratio (BIS guidelines).....	15.18%	15.29%	15.98%	16.56%	18.61%
Tier 1 capital ratio (BIS guidelines).....	14.23%	14.33%	14.94%	15.46%	16.96%
Common equity Tier 1 capital ratio (BIS guidelines)	12.44%	12.91%	14.02%	14.45%	16.00%
Number of employees.....	122,978	120,373	105,955	101,023	86,781

Note: "Number of employees" has been reported on the basis of full-time workers, including locally hired overseas staff members but excluding contract employees and temporary staff.

Basel III Information

Capital Ratio and Leverage Ratio Information (Consolidated)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Regarding the calculation of the capital ratio and leverage ratio of Sumitomo Mitsui Financial Group, an external audit was performed by KPMG AZSA LLC pursuant to the Technical Practical Guidelines 4465 “Practical Guidelines on Agreed-Upon Procedures for the Capital Ratio and Leverage Ratio Calculation Framework.” The aforementioned external audit was not meant to provide a statement of opinions or conclusions on the capital ratio and leverage ratio themselves, or our internal control framework for calculating these ratios, but to present us a report on the results of the procedure performed within the scope agreed upon between the external auditor and us. It constitutes neither part of the audit of consolidated financial statements nor part of the audit of our internal control over financial reporting. “Consolidated Capital Ratio and Leverage Ratio Information” was prepared principally based on the Notification, and the terms and details in the section may differ from those in other sections of this report.

■ Scope of Consolidation

1. Consolidated Capital Ratio Calculation

- Number of consolidated subsidiaries: 172
Please refer to “Principal Subsidiaries and Affiliates” on page 160 for their names and business outline.
- Scope of consolidated subsidiaries for calculation of the consolidated capital ratio is based on the scope of consolidated subsidiaries for preparing consolidated financial statements.
- There are no affiliates to which the proportionate consolidation method is applied.

2. Restrictions on Movement of Funds and Capital within Holding Company Group

There are no special restrictions on movement of funds and capital among us and its group companies.

3. Names of companies among subsidiaries of bank-holding companies (other financial institutions), with the Basel Capital Accord required amount, and total shortfall amount

Not applicable.

■ Capital Ratio Information (Consolidated)

The consolidated capital ratio is calculated using the method stipulated in “Standards for Bank Holding Company to Examine the Adequacy of Its Capital Based on Assets, Etc. Held by It and Its Subsidiaries Pursuant to Article 52-25 of the Banking Act” (Notification No. 20 issued by the Japanese Financial Services Agency in 2006; hereinafter referred to as “the Notification”). In addition to the method stipulated in the Notification to calculate the consolidated capital ratio (referred to as “International Standard” in the Notification), we have adopted the Advanced Internal Ratings-Based (AIRB) approach for calculating credit risk-weighted asset amounts and the standardised approach for calculating the operational risk equivalent amount.

■ CC1: Composition of regulatory capital

(Millions of yen, except percentages)

Basel III Template No.	Items	a	b	c
		As of March 31, 2025	As of March 31, 2024	Reference to Template CC2
Common Equity Tier 1 capital: instruments and reserves (1)				
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	10,968,839	10,452,598	
1a	of which: capital and capital surplus	2,957,383	2,954,181	
2	of which: retained earnings	8,290,170	7,843,470	
1c	of which: treasury stock (-)	38,512	167,671	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	240,202	177,382	
	of which: other than the above	—	—	
1b	Stock subscription rights and stock acquisition rights to common shares	767	931	
3	Accumulated other comprehensive income and other disclosed reserves	3,494,393	4,030,129	(a)
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1,715	2,243	
6	Common Equity Tier 1 capital: instruments and reserves (A)	14,465,716	14,485,903	
Common Equity Tier 1 capital: regulatory adjustments (2)				
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	832,236	957,397	
8	of which: goodwill (including those equivalent)	283,591	461,174	
9	of which: other intangibles other than goodwill and mortgage servicing rights	548,645	496,223	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,531	4,693	
11	Net deferred gains or losses on hedges	(227,601)	(144,850)	
12	Shortfall of eligible provisions to expected losses	7,093	—	
13	Securitisation gain on sale	42,282	47,724	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	29,569	24,314	
15	Net defined benefit asset	685,033	634,121	
16	Investments in own shares (excluding those reported in the Net assets section)	21,355	6,812	
17	Reciprocal cross-holdings in common equity	—	—	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	1,047,640	719,737	
19+20+21	Amount exceeding the 10% threshold on specified items	441,490	243,324	
19	of which: significant investments in the common stock of financials	441,490	243,324	
20	of which: mortgage servicing rights	—	—	
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	
22	Amount exceeding the 15% threshold on specified items	—	—	
23	of which: significant investments in the common stock of financials	—	—	
24	of which: mortgage servicing rights	—	—	
25	of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	—	—	
28	Common Equity Tier 1 capital: regulatory adjustments (B)	2,880,632	2,493,275	
Common Equity Tier 1 capital (CET1)				
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	11,585,083	11,992,628	

(Millions of yen, except percentages)

Basel III Template No.		Items	a	b	c
			As of March 31, 2025	As of March 31, 2024	Reference to Template CC2
Additional Tier 1 capital: instruments (3)					
30	31a	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	—	
	31b	Stock subscription rights and stock acquisition rights to Additional Tier 1 instruments	—	—	
	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,868,708	1,463,945	
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	
	34	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)	15,732	12,239	
	36	Additional Tier 1 capital: instruments (D)	1,884,440	1,476,185	
Additional Tier 1 capital: regulatory adjustments					
	37	Investments in own Additional Tier 1 instruments	—	—	
	38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	
	39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	127,505	74,283	
	40	Significant investments in the Additional Tier 1 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	83,202	82,978	
	42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—	—	
	43	Additional Tier 1 capital: regulatory adjustments (E)	210,708	157,262	
Additional Tier 1 capital (AT1)					
	44	Additional Tier 1 capital ((D)-(E)) (F)	1,673,732	1,318,922	
Tier 1 capital (T1 = CET1 + AT1)					
	45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	13,258,816	13,311,550	
Tier 2 capital: instruments and provisions (4)					
46		Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	—	
		Stock subscription rights and stock acquisition rights to Tier 2 instruments	—	—	
		Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,034,733	946,577	
		Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	
	48	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group T2)	3,256	3,071	
	50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	115,275	129,692	
	50a	of which: general reserve for possible loan losses	115,275	105,555	
	50b	of which: eligible provisions	—	24,136	
	51	Tier 2 capital: instruments and provisions (H)	1,153,264	1,079,340	

(Millions of yen, except percentages)

Basel III Template No.	Items	a	b	c
		As of March 31, 2025	As of March 31, 2024	Reference to Template CC2
Tier 2 capital: regulatory adjustments (5)				
52	Investments in own Tier 2 instruments	196	99	
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	—	—	
54	Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	222,938	147,523	
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions	—	—	
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	44,859	45,399	
57	Tier 2 capital: regulatory adjustments (I)	267,994	193,022	
Tier 2 capital (T2)				
58	Tier 2 capital (T2) ((H)-(I)) (J)	885,269	886,318	
Total capital (TC = T1 + T2)				
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	14,144,086	14,197,869	
Risk weighted assets (6)				
60	Total risk-weighted assets (RWA) (L)	93,117,128	92,848,578	
Capital ratios (consolidated) and buffers (7)				
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	12.44%	12.91%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	14.23%	14.33%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	15.18%	15.29%	
64	CET1 specific buffer requirement	3.66%	3.65%	
65	of which: capital conservation buffer requirement	2.50%	2.50%	
66	of which: countercyclical buffer requirement	0.16%	0.15%	
67	of which: G-SIB/D-SIB additional requirement	1.00%	1.00%	
68	CET1 available after meeting the minimum capital requirements	7.18%	7.29%	
Regulatory adjustments (8)				
72	Non-significant investments in the capital and other TLAC liabilities of other financials that are below the thresholds for deduction (before risk weighting)	1,307,421	1,295,569	
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)	1,202,657	1,223,595	
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—	—	
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	162,756	45,227	
Provisions included in Tier 2 capital: instruments and provisions (9)				
76	Provisions (general reserve for possible loan losses)	115,275	105,555	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	161,821	108,011	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as “nil”)	—	24,136	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	410,649	439,582	

(Millions of yen)

Items	As of March 31, 2025	As of March 31, 2024
Required capital ((L) × 8%)	7,449,370	7,427,886

■ Overview of RWA (OV1)

(Millions of yen)

OV1: Overview of RWA					
Basel III Template No.		a	b	c	d
		RWA		Minimum capital requirements	
		As of March 31, 2025	As of March 31, 2024	As of March 31, 2025	As of March 31, 2024
1	Credit risk (excluding counterparty credit risk)	66,991,573	66,152,556	5,359,325	5,292,204
2	Of which: standardised approach (SA)	8,555,323	4,534,078	684,425	362,726
3	Of which: foundation internal ratings-based (F-IRB) approach	38,565,153	42,010,716	3,085,212	3,360,857
4	Of which: supervisory slotting criteria approach	770,143	644,912	61,611	51,593
5	Of which: advanced internal ratings-based (A-IRB) approach	15,016,937	14,658,740	1,201,354	1,172,699
	Of which: significant investments in commercial entities	—	—	—	—
	Of which: lease residual value	21,604	32,604	1,728	2,608
	Other assets	4,062,411	4,271,504	324,992	341,720
6	Counterparty credit risk (CCR)	2,803,175	2,767,485	224,254	221,398
7	Of which: standardised approach for counterparty credit risk (SA-CCR)	1,949,003	1,828,241	155,920	146,259
8	Of which: internal model method (IMM)	—	—	—	—
	Of which: Central Counterparty (CCP)	85,901	59,849	6,872	4,787
9	Others	768,270	879,393	61,461	70,351
10	Credit valuation adjustment (CVA)	2,393,806	2,412,722	191,504	193,017
	of which: the standardisd approach (SA-CVA)	—	—	—	—
	of which: the full basic approach (full BA-CVA)	1,690,052	1,808,479	135,204	144,678
	of which: the reduced basic approach (reduced BA-CVA)	703,753	604,242	56,300	48,339
11	Equity positions in banking book under market-based approach during the five-year linear phase-in period	1,359,735	2,329,143	108,778	186,331
12	Equity investments in funds - look-through approach	4,008,025	4,691,335	320,642	375,306
13	Equity investments in funds - mandate-based approach	—	—	—	—
	Equity investments in funds - simple approach (subject to 250% risk weight)	256,155	252,616	20,492	20,209
	Equity investments in funds - simple approach (subject to 400% risk weight)	751,874	540,466	60,149	43,237
14	Equity investments in funds - fall-back approach	228,137	570,086	18,251	45,606
15	Settlement risk	8	0	0	0
16	Securitisation exposures in banking book	1,660,983	1,488,838	132,878	119,107
17	Of which: securitisation IRB approach (SEC-IRBA)	1,374,545	1,317,929	109,963	105,434
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	249,076	168,648	19,926	13,491
19	Of which: securitisation standardised approach (SEC-SA)	27,132	2,260	2,170	180
	Of which: RW 1250% is applied	10,228	—	818	—
20	Market risk	3,083,723	2,926,210	246,697	234,096
21	Of which: standardised approach (SA)	2,978,917	2,812,666	238,313	225,013
22	Of which: internal model approaches (IMA)	—	—	—	—
	Of which: simplified standardised approach (SSA)	104,806	113,543	8,384	9,083
23	Capital charge for switch between trading book and banking book	—	—	—	—
24	Operational risk	6,166,393	5,545,060	493,311	443,604
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	3,413,535	3,172,056	273,082	253,764
26	Floor adjustment	—	—	—	—
27	Total	93,117,128	92,848,578	7,449,370	7,427,886

■ Credit Quality of Assets

1. Overview of Criteria for Accounting Provisions and Write-Offs

(1) Policies and Methods of Provisions and Write-Offs

For “Policies and Methods of Provisions and Write-Offs,” please refer to pages 131 to 135 (Risk Management - 3. Credit Risk Management Methods - (1) Credit Risk Assessment and Quantification, (4) Self-Assessment, Write-Offs and Provisions, Non-Performing Loans Disclosure).

(2) Extent of the Number of Delinquency Days of “Past Due Loans of Three Months or More” that are Allowed Not to Classify Their Loan Category as “Doubtful Assets” or Below (or Not to Judge as Loans to Parties Classified as Potentially Bankrupt Borrowers or Below) and Reasons Thereof

At SMBC, as a core bank of SMBC Group, the delinquency period of past due loans of three months or more that are allowed not to classify loans as doubtful assets or below (or not to judge as loans to parties classified as potentially bankrupt borrowers or below) is generally less than six months, and they are loans to parties that are expected to improve business conditions. If there are any past due loans of six months or more, they shall be in principle classified as loans to potentially bankrupt borrowers or below.

(3) Definition of Loans Whose Loan Terms and Conditions were Restructured

At SMBC, as a core bank of SMBC Group, loans whose loan terms and conditions were restructured are defined as loans with interest rate reduction, deferred payment of interest, deferred repayment of principal amount, abandonment of loans, or other arrangements that are advantageous for the obligors, for the purpose of business rehabilitation or support for the obligors. Obligor s with loans whose loan terms and conditions were restructured may not be classified as doubtful assets or below depending on the outlook for business conditions, financial statements and loan terms and conditions. If the borrower category deteriorates due to restructuring of loan terms and conditions, provisions will increase.

(4) Key Differences in Parameters of Credit Risks Used to Calculate Provisions and Capital Ratio, Respectively

SMBC, as a core bank of SMBC Group, uses Probability of Default and loan-loss ratio as parameters for calculation of provisions. Probability of Default is calculated based on the actual performance in the past of the deterioration rate for one year from each borrower category to potentially bankrupt borrowers or below (regarding the deterioration rate to potentially bankrupt borrowers, the deterioration transition rates equivalent to three accumulated years from potentially bankrupt borrowers to virtually bankrupt borrowers or below are included). For the PD used to calculate the capital ratio, deterioration to substandard borrowers or below is defined as default, and assuming a long-term average value of the default rate, conservative estimation for some portfolios is conducted, which is the major difference from the Probability of Default used to calculate provisions.

Loan-loss ratio is calculated using the loan-loss amount including direct write-offs and indirect write-offs incurred during the year for each borrower category to the amount of initial existing exposure by borrower category.

For details of parameters used to calculate the capital ratio, please refer to pages 182 to 183 “3. Overview of Internal Rating System (2) Parameter Estimation and Its Validation System.”

2. Credit Quality of Assets (CR1)

(Millions of yen)

CR1: Credit quality of assets		As of March 31, 2025				As of March 31, 2024			
Item No.		a	b	c	d	a	b	c	d
		Gross carrying values of:		Allowances	Net values (a+b−c)	Gross carrying values of:		Allowances	Net values (a+b−c)
		Defaulted exposures	Non-defaulted exposures			Defaulted exposures	Non-defaulted exposures		
On-balance sheet assets									
1	Loans	1,083,914	108,382,441	930,095	108,536,260	1,111,185	104,655,700	857,810	104,909,075
2	Securities (of which: debt securities)	328	30,426,702	—	30,427,031	2,807	26,618,145	—	26,620,953
3	Other on-balance sheet assets (of which: debt-based assets)	157,350	86,058,345	44,656	86,171,040	131,143	88,291,562	39,519	88,383,186
4	Subtotal (1+2+3)	1,241,594	224,867,490	974,751	225,134,332	1,245,136	219,565,409	897,330	219,913,215
Off-balance sheet assets									
5	Acceptances and guarantees, etc.	18,187	15,561,524	70,754	15,508,957	13,146	15,176,915	67,277	15,122,784
6	Commitments, etc.	144,115	38,508,515	106,279	38,546,351	39,476	70,393,763	82,202	70,351,036
7	Subtotal (5+6)	162,303	54,070,039	177,033	54,055,308	52,622	85,570,678	149,479	85,473,821
Total									
8	Total (4+7)	1,403,897	278,937,529	1,151,785	279,189,641	1,297,759	305,136,087	1,046,810	305,387,037

3. Changes in stock of defaulted loans and securities (of which: debt securities) (CR2)

(Millions of yen)

CR2: Changes in stock of defaulted loans and securities (of which: debt securities)			
Item No.		Amount	
1	Stock of loans and securities (of which: debt securities) that were placed in defaulted status as of March 31, 2024	1,245,136	
2		Amounts defaulted	355,049
3	Changes in loans and securities (of which: debt securities) by factors during the current interim period	Amounts returned to non-defaulted status	69,710
4		Amounts written off	178,035
5		Other changes	(110,846)
6	Stock of loans and securities (of which: debt securities) that were placed in defaulted status as of March 31, 2025 (1+2-3-4+5)	1,241,594	

Note: The major factor for other changes is due to decreases in stock of receivables by collection and sale of receivables that were placed in defaulted status at the end of the previous fiscal year.

(Millions of yen)

CR2: Changes in stock of defaulted loans and securities (of which: debt securities)			
Item No.		Amount	
1	Stock of loans and securities (of which: debt securities) that were placed in defaulted status as of March 31, 2023	1,064,872	
2		Amounts defaulted	345,137
3	Changes in loans and securities (of which: debt securities) by factors during the current interim period	Amounts returned to non-defaulted status	102,843
4		Amounts written off	221,720
5		Other changes	159,690
6	Stock of loans and securities (of which: debt securities) that were placed in defaulted status as of March 31, 2024 (1+2-3-4+5)	1,245,136	

Note: The major factor for other changes is that, despite decreases in stock by collection and sale of receivables that were placed in defaulted status at the end of the previous fiscal year, the stock of receivables increased owing to the foreign exchange impact, resulting in an increase.

4. Term-End Balance of Exposures by Category and Their Breakdown by Major Type of Assets

(1) Exposure Balance by Type of Assets, Geographic Region and Industry

(Millions of yen)

Category	As of March 31, 2025				As of March 31, 2024			
	Loans, commitments and other off-balance sheet exposures except derivatives	Bonds	Others	Total	Loans, commitments and other off-balance sheet exposures except derivatives	Bonds	Others	Total
Domestic operations (excluding offshore banking accounts)	147,641,534	21,460,152	8,915,940	178,017,627	143,366,874	17,743,697	10,119,428	171,230,000
Manufacturing	14,901,012	39,000	1,667,165	16,607,178	13,914,859	137,843	2,422,404	16,475,107
Agriculture, forestry, fishery and mining	318,160	1,683	2,706	322,550	297,304	6,601	3,100	307,005
Construction	1,493,236	45,247	149,916	1,688,400	1,502,663	44,919	167,997	1,715,579
Transport, information, communications and utilities	8,022,260	191,587	467,004	8,680,851	7,420,992	222,759	525,692	8,169,445
Wholesale and retail	7,637,021	90,728	378,401	8,106,151	7,177,814	99,216	491,170	7,768,201
Financial and insurance	63,233,059	1,896,971	207,768	65,337,800	65,187,622	2,161,489	244,459	67,593,571
Real estate, goods rental and leasing	17,729,366	998,010	152,197	18,879,574	16,463,335	1,080,765	175,653	17,719,754
Services	5,543,398	151,327	79,804	5,774,530	5,653,386	188,336	70,833	5,912,556
Local municipal corporations	1,874,654	197,951	1,938	2,074,545	2,504,475	202,550	1,866	2,708,892
Other industries	26,889,363	17,847,644	5,809,035	50,546,043	23,244,420	13,599,214	6,016,250	42,859,885
Overseas operations and offshore banking accounts	84,015,240	8,996,846	2,011,755	95,023,842	83,841,232	8,890,044	2,110,811	94,842,088
Sovereigns	17,486,388	5,692,776	19,432	23,198,597	19,747,186	5,990,310	21,730	25,759,228
Financial institutions	10,281,971	2,188,611	583,590	13,054,173	8,557,208	1,770,182	647,401	10,974,792
C&I companies	45,780,004	799,946	—	46,579,951	46,146,623	793,464	—	46,940,088
Others	10,466,875	315,511	1,408,732	12,191,119	9,390,214	336,086	1,441,679	11,167,979
Total	231,656,774	30,456,998	10,927,695	273,041,469	227,208,107	26,633,741	12,230,239	266,072,089

- Notes: 1. The above amounts are exposures after Credit Risk Mitigation (CRM).
2. The above amounts do not include “securitisation exposures” and “credit RWA under Article 145 of the Notification.”
3. “Domestic operations” comprises the operations of us, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. “Overseas operations” comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

(2) Exposure Balance by Type of Assets and Residual Term (Millions of yen)

Category	As of March 31, 2025				As of March 31, 2024			
	Loans, commitments and other off-balance sheet exposures except derivatives	Bonds	Others	Total	Loans, commitments and other off-balance sheet exposures except derivatives	Bonds	Others	Total
To 1 year	62,791,408	13,936,922	30,077	76,758,407	52,050,172	10,226,693	—	62,276,865
More than 1 year to 3 years	30,597,652	3,911,736	—	34,509,388	31,328,032	3,173,218	—	34,501,250
More than 3 years to 5 years	25,401,734	2,786,365	—	28,188,099	23,025,485	3,624,008	—	26,649,494
More than 5 years to 7 years	8,802,080	1,847,899	—	10,649,980	8,698,233	1,547,057	—	10,245,291
More than 7 years	24,171,459	5,404,911	—	29,576,370	23,548,332	5,549,658	—	29,097,990
No fixed maturity	79,892,440	2,569,164	10,897,617	93,359,222	88,557,851	2,513,105	12,230,239	103,301,196
Total	231,656,774	30,456,998	10,927,695	273,041,469	227,208,107	26,633,741	12,230,239	266,072,089

Notes: 1. The above amounts are exposures after CRM.
2. The above amounts do not include “securitisation exposures” and “credit RWA under Article 145 of the Notification.”
3. “No fixed maturity” includes exposures not classified by residual term.

5. Amounts of Reserves and Write-offs Corresponding to the Term-End Balance of Obligors’ Exposures Related to Loans Prescribed in the Provisions of Article 4, Paragraph 2 (Bankrupt and Quasi-Bankrupt Assets), Paragraph 3 (Doubtful Assets) or Paragraph 4 (Substandard Loans) of the Ordinance for Enforcement of the Act on Emergency Measures for the Revitalization of Financial Functions, as well as Breakdown by Each of the Following Categories

(1) By Geographic Region (Billions of yen)

	Fiscal 2024			Fiscal 2023		
	Term-end balance	Term-end Reserves	Write-offs for the year	Term-end balance	Term-end Reserves	Write-offs for the year
Domestic operations (excluding offshore banking accounts)	787.5	277.4	103.0	806.4	203.4	77.9
Overseas operations and offshore banking accounts	677.8	285.5	41.0	612.8	297.1	52.9
Asia	300.9	171.2	31.2	343.5	184.2	43.6
North America	80.3	23.0	0.9	60.4	21.2	1.0
Other regions	296.4	91.2	8.8	208.8	91.6	8.2
Total	1,465.3	562.9	144.0	1,419.2	500.5	130.8

(2) By Industry (Billions of yen)

	Fiscal 2024			Fiscal 2023		
	Term-end balance	Term-end Reserves	Write-offs for the year	Term-end balance	Term-end Reserves	Write-offs for the year
Domestic operations (excluding offshore banking accounts)	787.5	277.4	103.0	806.4	203.4	77.9
Manufacturing	211.6	110.9	1.1	110.6	41.6	11.8
Agriculture, forestry, fishery and mining	1.6	1.2	0.0	2.2	1.4	0.1
Construction	6.9	1.5	0.0	8.3	1.8	0.3
Transport, information, communications and utilities	20.3	4.8	(1.2)	28.1	10.9	(0.2)
Wholesale and retail	56.5	18.3	1.5	83.2	32.6	0.4
Financial and insurance	5.5	5.4	0.0	5.5	0.1	0.0
Real estate, goods rental and leasing	32.0	13.0	9.8	36.4	3.5	(0.8)
Services	70.8	21.1	(1.9)	172.8	31.8	(1.1)
Other industries	381.7	100.7	93.7	359.0	79.3	67.2
Overseas operations and offshore banking accounts	677.8	285.5	41.0	612.8	297.1	52.9
Financial institutions	18.6	18.6	0.0	20.4	18.8	(0.5)
C&I companies	581.4	241.2	11.5	540.8	254.1	11.1
Others	77.7	25.7	29.4	51.5	24.1	42.3
Total	1,465.3	562.9	144.0	1,419.2	500.5	130.8

Notes: 1. Term-end Reserves include partial direct write-offs (direct reduction).
2. “Domestic operations” comprises the operations of SMBC Group (excluding overseas branches) and domestic consolidated subsidiaries. “Overseas operations” comprises the operations of SMBC Group’s overseas branches and overseas consolidated subsidiaries, and the term-end balances are calculated based on the obligor’s domicile country.

6. Term-End Balance of Exposures by Past Due Periods

(Billions of yen)

Fiscal 2024				
Less than 1 month	1 month or more to less than 2 months	2 months or more to less than 3 months	3 months or more	Total
219.2	77.2	48.3	114.3	459.2

Notes: 1. Bankrupt and Quasi-Bankrupt Assets prescribed in Article 4, Paragraph 2 of the Ordinance for Enforcement of the Act on Emergency Measures for the Revitalization of Financial Functions and doubtful assets prescribed in Paragraph 3 of the said Article are excluded.
2. Items that are not accompanied by deterioration of business conditions/cash flows are excluded.

(Billions of yen)

Fiscal 2023				
Less than 1 month	1 month or more to less than 2 months	2 months or more to less than 3 months	3 months or more	Total
222.2	74.1	45.5	114.9	456.9

Notes: 1. Bankrupt and Quasi-Bankrupt Assets prescribed in Article 4, Paragraph 2 of the Ordinance for Enforcement of the Act on Emergency Measures for the Revitalization of Financial Functions and doubtful assets prescribed in Paragraph 3 of the said Article are excluded.
2. Items that are not accompanied by deterioration of business conditions/cash flows are excluded.

7. Term-End Balance of Exposures of Obligors Whose Loan Conditions were Restructured for Business Rehabilitation or Support; of Which Amounts of Increased Reserves for Such Exposures and Other Amounts due to the Restructuring of the Loan Conditions

(Billions of yen)

Fiscal 2024			Fiscal 2023		
Term-end balance	Of which: amounts of increased Reserves for such exposures due to the restructuring of the loan conditions	Of which: other amounts	Term-end balance	Of which: amounts of increased Reserves for such exposures due to the restructuring of the loan conditions	Of which: other amounts
384.2	384.2	0.0	257.4	257.4	0.0

Note: Bankrupt and Quasi-Bankrupt Assets prescribed in Article 4, Paragraph 2 of the Ordinance for Enforcement of the Act on Emergency Measures for the Revitalization of Financial Functions, doubtful assets prescribed in Paragraph 3 of the said Article, and loans past due three months or more prescribed in Paragraph 4 of the said Article are excluded.

Internal Ratings-Based (IRB) Approach

1. Background on Determining the Scope of Application of Internal Ratings-Based (IRB) Approach

When the criteria of materiality defined by us according to business characteristics and business conditions, etc. are met, in principle, the IRB approach is adopted by the unit of our asset class or by the unit of the affiliated group companies. In addition, for the asset class or group companies that meet the quantitative criteria specified by the authorities, the IRB approach is in principle adopted regardless of whether the criteria of materiality are met.

For adopting the IRB approach, the Advanced Internal Ratings-Based (AIRB) approach is in principle adopted. However, for group companies which were judged unnecessary or inappropriate to adopt the AIRB approach in light of the scale, business contents, etc., the Foundation Internal Ratings-Based (FIRB) approach is adopted.

2. Scope

We and the following consolidated subsidiaries have adopted the Advanced Internal Ratings-Based (AIRB) approach for exposures as of March 31, 2009.

(1) Domestic Operations

Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Card Company, Limited and SMBC Guarantee Co., Ltd., and SMBC Trust Bank Ltd.

(2) Overseas Operations

SMBC Bank International plc, Sumitomo Mitsui Banking Corporation (China) Limited, Banco Sumitomo Mitsui Brasileiro S.A., JSC Sumitomo Mitsui Rus Bank, Sumitomo Mitsui Banking Corporation Malaysia Berhad, SMBC Leasing and Finance, Inc., SMBC Capital Markets, Inc., SMBC Nikko Capital Markets Limited, SMBC Derivative Products Limited, SMBC Capital Markets (Asia) Limited, SMBC Bank EU AG, PT Bank SMBC Indonesia Tbk, PT BANK BTPN SYARIAH TBK and SMBC Leasing (UK) Limited.

Note: Directly controlled SPCs and limited partnerships for investment of consolidated subsidiaries using the AIRB approach have also adopted the AIRB approach. Further, the AIRB approach is applied to equity exposures on a group basis, including equity exposures of consolidated subsidiaries applying the standardised approach.
(*) Only when risk-weighted assets are calculated using the PD/LGD approach and the market-based approach in accordance with the transitional arrangements for equity exposures

3. Overview of Internal Rating System

(1) Rating Procedures

(A) Corporate Exposures

- “Corporate, sovereign and bank exposures” includes credits to domestic and overseas commercial/industrial (C&I) companies, individuals for business purposes (domestic only), sovereigns, public sector entities, and financial institutions. Business loans such as apartment construction loans are, in principle, included in “retail exposures.” However, credits of more than ¥100 million are treated as corporate exposures in accordance with the Notification.
- An obligor is assigned an obligor grade by first assigning a financial grade using a financial strength grading model and data obtained from the obligor’s financial statements. The financial grade is then adjusted taking into account the actual state of the obligor’s balance sheet and qualitative factors to derive the obligor grade (for details, please refer to “Credit Risk Assessment and Quantification” on pages 131 to 132). Different rating series are used for domestic and overseas obligors — J1 ~ J10 for domestic obligors and G1 ~ G10 for overseas obligors — as shown in the table following page due to differences in actual default rate levels and portfolios’ grade distribution. Different Probability of Default (PD) values are applied also.
- In addition to the above basic rating procedure which builds on the financial grade assigned at the beginning, in some cases, the obligor grade is assigned based on the parent company’s credit quality or credit ratings published by external rating agencies. The Japanese government, local authorities and other public sector entities with special basis for existence and unconventional financial statements are assigned obligor grades based on their attributes (for example, “local municipal corporations”), as the data on these obligors are not suitable for conventional grading models. Further, credits to individuals for business purposes and business loans are assigned obligor grades using grading models developed specifically for these exposures.
- PDs used for calculating credit risk-weighted assets are estimated based on the default experience for each grade and taking into account the possibility of estimation errors. In addition to internal data, external data are used to estimate and validate PDs. The definition of default is the definition stipulated in the Notification (an event that would lead to an exposure being classified as “substandard loans,” “doubtful assets” or “bankrupt and quasi-bankrupt assets” occurring to the obligor).
- Loss Given Defaults (LGDs) used in the calculation of credit risk-weighted assets are estimated based on historical loss experience of credits in default, taking into account the possibility of estimation errors. Exposure at default (EAD) used is the value designated by the authorities based on the Foundation Internal Ratings-Based (FIRB) approach.

Obligor Grade	Definition	Borrower Category
Domestic Corporate		
J1	Very high certainty of debt repayment	Normal Borrowers
J2	High certainty of debt repayment	
J3	Satisfactory certainty of debt repayment	
J4	Debt repayment is likely but this could change in cases of significant changes in economic trends or business environment depending on the situation	Borrowers Requiring Caution
J5	No problem with debt repayment over the short term, but not satisfactory over the mid to long term and the situation could change in cases of any changes in economic trends or business environment	
J6	Currently no problem with debt repayment, but it is highly likely that this could change in cases of significant changes in economic trends or business environment	
J7	Close monitoring is required due to problems in meeting loan terms and conditions, sluggish/unstable business, or financial problems	Substandard Borrowers
J7R	Borrowers Requiring Caution identified as Substandard Borrowers	
J8	Currently not bankrupt, but experiencing business difficulties, making insufficient progress in restructuring, and highly likely to go bankrupt	Potentially Bankrupt Borrowers
J9	Though not yet legally or formally bankrupt, has serious business difficulties and rehabilitation is unlikely; thus, effectively bankrupt	
J10	Legally or formally bankrupt	Bankrupt Borrowers

Obligor Grade	Definition	Borrower Category
Overseas Corporate		
G1	Very high certainty or high certainty of debt repayment	Normal Borrowers
G2	Satisfactory certainty of debt repayment	
G3	Debt repayment is likely but this could change in cases of significant changes in economic trends or business environment depending on the situation	
G4	Debt repayment is likely but this could change in cases of significant changes in economic trends or business environment	Borrowers Requiring Caution
G5	No problem with debt repayment over the short term, but not satisfactory over the mid to long term and the situation could change in cases of any changes in economic trends or business environment	
G6	Currently no problem with debt repayment, but it is highly likely that this could change in cases of significant changes in economic trends or business environment	
G7	Close monitoring is required due to problems in meeting loan terms and conditions, sluggish/unstable business, or financial problems	Substandard Borrowers
G7R	Borrowers Requiring Caution identified as Substandard Borrowers	
G8	Currently not bankrupt, but experiencing business difficulties, making insufficient progress in restructuring, and highly likely to go bankrupt	Potentially Bankrupt Borrowers
G9	Though not yet legally or formally bankrupt, has serious business difficulties and rehabilitation is unlikely; thus, effectively bankrupt	
G10	Legally or formally bankrupt	Bankrupt Borrowers

- “Specialized lending” is sub-classified into “project finance,” “object finance,” “commodity finance,” “income-producing real estate” (IPRE) and “high-volatility commercial real estate” (HVCRE) in accordance with the Notification. Project finance is financing of a single project, such as a power plant or transportation infrastructure, and cash flows generated by the project are the primary source of repayment. Object finance includes aircraft finance and ship finance, and IPRE and HVCRE include real estate finance (a primary example is non-recourse real estate finance). There were no commodity finance exposures as of March 31, 2025.
- Each SL product is classified as either a facility assigned a PD grade and LGD grade or a facility assigned a grade based primarily on the expected loss ratio, both using grading models and qualitative assessment. The former has the same grading structure as that of corporate, and the latter has ten grade levels as with obligor grades but the definition of each grade differs from that of the obligor grade which is focused on PD.
For the credit risk-weighted asset amount for the SL category, the former facility is calculated in a manner similar to corporate exposures, while the latter facility is calculated by mapping the expected loss-based facility grades to the five categories (hereinafter the “slotting criteria”) of the Notification because it does not satisfy the requirements for PD application specified in the Notification.

(B) Retail Exposures

- “Residential mortgage exposures” includes mortgage loans to individuals and some real estate loans in which the property consists of both residential and commercial facilities such as a store or rental apartment units, but excludes apartment construction loans.
- Mortgage loans are rated as follows.

Mortgage loans are allocated to a portfolio segment with similar risk characteristics in terms of default risk determined using loan contract information, a borrower category under self-assessment in accordance with an exclusive grading model, and recovery risk at the time of default determined using Loan To Value (LTV) calculated based on the assessment value of collateral real estate. PDs and LGDs are estimated based on the default experience for each segment and taking into account the possibility of estimation errors.

Further, the portfolio is subdivided based on the lapse of years from the contract date, and the effectiveness of segmentation in terms of default risk and recovery risk is validated periodically.

Internal data are used to estimate and validate PDs and LGDs. The definition of default is the definition stipulated in the Notification.

- “Qualifying revolving retail exposures” includes card loans and credit card balances.
- Card loans and credit card balances are rated as follows.

Card loans and credit card balances are allocated to a portfolio segment with similar risk characteristics determined based, for card loans, on the credit quality of the loan guarantee company, credit limit, settlement account balance and payment history, and, for credit card balances, on repayment history and frequency of use.

PDs and LGDs used to calculate credit risk-weighted asset amounts are estimated based on the default experience for each segment and taking into account the possibility of estimation errors.

Further, the effectiveness of segmentation in terms of default risk and recovery risk is validated periodically.

Internal data are used to estimate and validate PDs and LGDs. The definition of default is the definition stipulated in the Notification.

- “Other retail exposures” includes business loans such as apartment construction loans and consumer loans such as My Car Loan.
- Business loans and consumer loans are rated as follows.

a. Business loans are allocated to a portfolio segment with similar risk characteristics in terms of default risk determined using loan contract information, a borrower category under self-assessment in accordance with an exclusive grading model, and recovery risk determined based on LTV for business loans.

PDs and LGDs are estimated based on the default experience for each segment and taking into account the possibility of estimation errors.

b. Rating procedures for consumer loans depends on whether the loan is collateralized. Collateralized consumer loans are allocated to a portfolio segment using the same standards as for mortgage loans of “Residential Mortgage Exposures.” Uncollateralized consumer loans are allocated to a portfolio segment based on account history. PDs and LGDs are estimated based on the default experience for each segment and taking into account the possibility of estimation errors.

Further, the effectiveness of segmentation in terms of default risk and recovery risk is validated periodically.

Internal data are used to estimate and validate PDs and LGDs. The definition of default is the definition stipulated in the Notification.

(C) Equity Exposures

When acquiring equities subject to the PD/LGD approach, issuers are assigned obligor grades using the same rules as those of general credits to C&I companies, sovereigns and financial institutions. The obligors are monitored (for details, please refer to page 132 to 133) and their grades are revised if necessary (credit risk-weighted asset amount is set to 1.5 times when they are not monitored individually). In the case there is no credit transaction with the issuer or it is difficult to obtain financial information, internal grades are assigned using ratings of external rating agencies if it is a qualifying investment.

In the case it is difficult to obtain financial information and it is not a qualifying investment, the simple risk weight method under the market-based approach is applied.

(2) Parameter Estimation and Its Validation System

A. PD

This is defined as the probability that obligors could default over one year. PD is estimated as the expected value in the long term regardless of the business cycle using the default rate for each fiscal year based on the historical data for five consecutive fiscal years or more. In principle, the default rate for each fiscal year is measured by the initial number of target obligors as the denominator and the number of defaults occurred during the fiscal year as the numerator.

For assets and ratings applicable to LDP (LDP: Low Default Portfolio), conservative PD is estimated by creating virtual rating transition data based on Monte Carlo simulation and by using the floor value proposed under Basel Capital Accord.

For most portfolios, the actual default rates are lower than PD estimate values applied for the respective periods, because the long-term average value including the recession period is estimated, and also because the possibility of estimation errors is taken into account.

Validation consists of two systems: “backtesting” to retrospectively compare and validate the parameter estimated value and the actual value for the respective applicable period, and “pretesting” to validate before applying the parameter for the purpose of complementing the “backtesting.” The overview for each is as follows.

(a) Backtesting

This is to compare the estimated value with the actual value at least once a year, and to validate that the degree of divergence is within the statistically assumed range.

In case of hitting the predetermined excess criteria as a result of validation, reviews shall be taken including revising the estimation method or rating system.

(b) Pretesting

This is to compare and validate the estimated value to be applied and the historical value. In the case of hitting the predetermined excess criteria, the estimated value shall be conservatively corrected.

The purpose is to prevent underestimation by making adjustments, if necessary.

B. LGD

This is defined as the ratio of loss amounts after default to the amount of receivable at the time of default. LGD is estimated as a long-term average value calculated based on historical data over seven consecutive fiscal years (for retail, five fiscal years) or more. However, in the case where a high positive correlation with the default rate is observed, taking into account the possibility that the loss rate of the recession period will exceed the long-term average value, LGD is estimated mainly by one of the following methods.

- By taking into account the influence of the recession period on the discount rate for calculating the economic loss to be used for estimation
- By taking into account the influence of the recession period by modeling the relationship between the loss ratio and economic and financial indicators, etc.

For the purpose of estimating LGD using economic loss based on requirement of Basel Capital Accord, discount rate is estimated using recovery cost. The averaged period from the time of default to the termination of recovery is used as discount period.

As for validation, backtesting and pretesting are conducted as in A. PD.

C. EAD

This is defined as the amount of exposure at the time of default. For each exposure, estimation by the Bank or the value designated by the authorities based on the Foundation Internal Ratings-Based (FIRB) approach is used.

Regarding estimation by the Bank, the increase is estimated by comparing the balance at default with the balance one year prior to the default, and by taking an average value for each segment, etc.

As for validation, backtesting and pretesting are conducted as in A. PD.

4. Percentage of EAD by Asset Class by Type of Approach for Calculating Credit RWA to Total EAD

	As of March 31, 2025	As of March 31, 2024
IRB approach	92.92 %	94.31 %
Corporate exposures (Advanced Internal Ratings-Based (AIRB) approach)	45.71 %	45.94 %
Corporate exposures (Foundation Internal Ratings-Based (FIRB) approach)	37.17 %	36.97 %
Retail exposures	6.50 %	6.25 %
Equity exposures	0.49 %	2.07 %
Purchased receivables (AIRB approach)	0.08 %	0.08 %
Purchased receivables (FIRB approach)	1.14 %	1.09 %
Other assets, etc.	1.80 %	1.88 %
SA	7.07 %	5.68 %
Total	100.00 %	100.00 %

5. CR Exposures by Portfolio and PD (CR6)

(Millions of yen, %, the number of data in thousands, years)

CR6: IRB - CR exposures by portfolio and PD range		As of March 31, 2025											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre CCF (Credit Conversion Factor) and pre CRM	Average CCF (%)	EAD post CCF and post CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity	Credit RWA amounts	RWA density (%)	EL	Eligible provisions
Sovereign exposures (AIRB approach)													
1	0.00 to <0.15	95,784,847	1,618,497	48.90	98,920,315	0.00	0.5	34.32	3.6	285,167	0.28	371	
2	0.15 to <0.25	410,156	59,699	40.89	543,911	0.15	0.0	35.03	2.6	182,482	33.55	290	
3	0.25 to <0.50	55,764	22,693	100.00	75,322	0.33	0.0	31.98	1.6	24,492	32.51	82	
4	0.50 to <0.75	376	3,536	62.87	2,600	0.69	0.0	35.00	4.7	2,303	88.58	6	
5	0.75 to <2.50	164,517	151,286	25.57	149,717	1.04	0.0	34.34	1.9	100,832	67.34	536	
6	2.50 to <10.00	55,493	154,551	94.59	114,590	3.83	0.0	34.18	3.4	129,710	113.19	1,500	
7	10.00 to <100.00	14,619	2,019	100.00	15,820	14.02	0.0	35.00	1.2	25,188	159.21	776	
8	100.00 (Default)	139,891	—	—	139,891	100.00	0.0	49.69	1.0	70,645	50.50	69,524	
9	Subtotal	96,625,666	2,012,284	51.07	99,962,169	0.15	0.6	34.34	3.6	820,823	0.82	73,088	6,199
Sovereign exposures (FIRB approach)													
1	0.00 to <0.15	—	—	—	—	—	—	—	—	—	—	—	
2	0.15 to <0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to <0.50	—	—	—	—	—	—	—	—	—	—	—	
4	0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to <2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to <10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Bank exposures (AIRB approach)													
1	0.00 to <0.15	—	—	—	—	—	—	—	—	—	—	—	
2	0.15 to <0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to <0.50	—	—	—	—	—	—	—	—	—	—	—	
4	0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to <2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to <10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Bank exposures (FIRB approach)													
1	0.00 to <0.15	6,468,441	2,919,605	36.61	8,441,816	0.05	0.7	44.99	2.1	2,061,314	24.41	2,009	
2	0.15 to <0.25	659,661	334,226	40.51	782,417	0.15	0.1	44.99	1.4	282,901	36.15	555	
3	0.25 to <0.50	232,424	62,451	69.89	262,449	0.34	0.0	44.52	1.1	124,253	47.34	399	
4	0.50 to <0.75	201	100	10.00	211	0.69	0.0	0.38	1.2	2	1.23	0	
5	0.75 to <2.50	573,590	2,034,621	17.26	874,283	1.34	0.2	44.22	1.2	812,384	92.91	5,150	
6	2.50 to <10.00	99,478	53,866	80.81	51,886	3.85	0.0	44.06	0.8	65,896	127.00	881	
7	10.00 to <100.00	1,357	—	—	509	12.59	0.0	45.00	1.0	1,137	223.07	28	
8	100.00 (Default)	329	—	—	329	100.00	0.0	78.60	1.0	32	9.75	258	
9	Subtotal	8,035,485	5,404,871	30.39	10,413,904	0.19	1.2	44.91	2.0	3,347,923	32.14	9,283	15,736
Corporate exposures (AIRB approach)													
1	0.00 to <0.15	2,033,339	599,381	48.87	2,466,254	0.07	2.1	29.27	2.5	391,852	15.88	518	
2	0.15 to <0.25	2,382,101	451,442	37.50	2,499,005	0.18	3.4	26.31	2.6	611,892	24.48	1,211	
3	0.25 to <0.50	588,846	86,061	46.65	612,636	0.44	0.8	27.38	2.5	243,868	39.80	736	
4	0.50 to <0.75	167,236	18,203	43.99	170,362	0.68	0.4	27.40	2.0	75,242	44.16	322	
5	0.75 to <2.50	432,858	319,606	18.36	435,554	1.43	0.8	29.30	2.4	289,696	66.51	1,829	
6	2.50 to <10.00	244,812	35,242	44.78	248,732	6.46	0.2	27.87	2.2	244,988	98.49	4,550	
7	10.00 to <100.00	44,769	3,709	41.00	44,428	20.29	0.1	27.70	2.2	62,972	141.73	2,529	
8	100.00 (Default)	86,355	8,810	43.34	88,445	100.00	0.1	46.91	1.5	18,897	21.36	41,497	
9	Subtotal	5,980,320	1,522,457	38.77	6,565,421	1.98	8.1	28.10	2.5	1,939,410	29.53	53,195	253,891

(Millions of yen, %, the number of data in thousands, years)

CR6: IRB - CR exposures by portfolio and PD range		As of March 31, 2025											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre CCF and pre CRM	Average CCF (%)	EAD post CCF and post CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity	Credit RWA amounts	RWA density (%)	EL	Eligible provisions
Corporate exposures (FIRB approach)													
1	0.00 to <0.15	40,037,113	42,634,838	31.11	58,509,367	0.06	7.0	42.33	2.4	13,506,613	23.08	15,926	
2	0.15 to <0.25	14,004,471	13,422,891	43.71	17,225,386	0.16	4.6	41.19	2.3	6,639,213	38.54	11,549	
3	0.25 to <0.50	5,222,741	4,659,435	44.95	5,271,087	0.34	1.2	40.92	2.6	3,015,880	57.21	7,379	
4	0.50 to <0.75	353,077	130,685	32.24	392,571	0.68	0.1	39.97	3.6	359,336	91.53	1,082	
5	0.75 to <2.50	5,653,128	10,568,923	19.01	6,537,228	1.36	4.7	37.31	3.1	6,107,986	93.43	31,873	
6	2.50 to <10.00	921,453	673,851	46.70	876,942	5.12	0.4	40.19	2.7	1,234,460	140.76	18,056	
7	10.00 to <100.00	566,447	410,686	44.77	669,458	16.59	0.1	40.06	1.8	1,307,757	195.34	44,488	
8	100.00 (Default)	400,858	44,119	35.66	411,898	100.00	0.1	39.95	2.3	—	0.00	164,577	
9	Subtotal	67,159,289	72,545,432	32.79	89,893,939	0.82	18.5	41.61	2.5	32,171,248	35.78	294,932	
Mid-sized corporations and small-medium enterprises (SMEs) exposures (AIRB approach)													
1	0.00 to <0.15	563,847	24,796	28.94	584,658	0.07	1.3	22.11	3.0	69,983	11.96	100	
2	0.15 to <0.25	1,727,407	66,762	54.68	1,700,305	0.18	7.9	25.78	3.6	421,464	24.78	812	
3	0.25 to <0.50	599,125	25,045	62.58	579,085	0.42	3.4	28.25	3.6	228,022	39.37	683	
4	0.50 to <0.75	354,744	822,987	11.33	409,489	0.68	2.7	28.03	4.0	202,646	49.48	780	
5	0.75 to <2.50	1,187,861	193,755	25.43	1,012,268	1.61	15.1	24.26	3.7	525,163	51.87	3,920	
6	2.50 to <10.00	146,390	14,124	44.43	128,800	7.89	0.9	23.82	2.2	96,365	74.81	2,323	
7	10.00 to <100.00	91,883	2,062	13.28	46,254	24.69	2.0	42.17	1.9	86,693	187.42	4,827	
8	100.00 (Default)	164,405	9,478	13.98	124,638	100.00	2.5	45.23	1.6	14,323	11.49	56,381	
9	Subtotal	4,835,666	1,159,012	18.10	4,585,500	3.73	36.1	26.13	3.5	1,644,663	35.86	69,831	
Mid-sized corporations and SMEs exposures (FIRB approach)													
1	0.00 to <0.15	190,823	11,374	51.02	192,062	0.07	0.0	43.15	2.7	55,535	28.91	62	
2	0.15 to <0.25	208,676	258,814	48.38	108,850	0.16	0.0	40.70	2.9	45,578	41.87	72	
3	0.25 to <0.50	162,097	96,109	42.27	56,682	0.40	0.0	41.31	1.8	30,830	54.39	94	
4	0.50 to <0.75	10,333	11,378	36.72	14,253	0.69	0.0	39.80	2.7	10,916	76.59	39	
5	0.75 to <2.50	59,868	101,814	27.68	33,342	1.58	0.1	42.21	2.4	33,881	101.61	222	
6	2.50 to <10.00	85,063	8,255	99.94	93,303	3.90	0.0	44.65	1.0	92,635	99.28	1,613	
7	10.00 to <100.00	621	—	—	286	24.93	0.0	36.00	1.2	488	170.58	25	
8	100.00 (Default)	1,411	36	100.00	1,296	100.00	0.0	34.58	1.2	—	0.00	448	
9	Subtotal	718,895	487,782	43.52	500,078	1.23	0.4	42.50	2.3	269,866	53.96	2,578	
Specialized lending (SL)													
1	0.00 to <0.15	4,916,289	212,388	43.55	4,952,759	0.06	0.5	27.65	3.0	803,064	16.21	932	
2	0.15 to <0.25	2,077,499	708,824	46.64	2,340,873	0.16	0.3	27.33	3.3	661,566	28.26	1,076	
3	0.25 to <0.50	3,217,534	1,451,456	46.26	3,641,617	0.32	0.4	31.86	3.2	1,623,230	44.57	3,792	
4	0.50 to <0.75	14,286	—	—	14,286	0.69	0.0	29.58	2.7	7,770	54.38	29	
5	0.75 to <2.50	2,208,287	775,320	56.30	2,083,411	0.97	0.2	28.61	3.5	1,343,117	64.46	5,787	
6	2.50 to <10.00	376,774	41,166	48.65	326,044	3.83	0.0	34.27	3.3	372,454	114.23	4,280	
7	10.00 to <100.00	352,030	90,992	50.24	322,806	14.05	0.0	42.64	3.4	691,018	214.06	19,243	
8	100.00 (Default)	167,655	151,966	43.45	151,136	100.00	0.0	45.08	2.5	76,323	50.50	68,139	
9	Subtotal	13,330,356	3,432,114	48.45	13,832,934	1.79	1.7	29.55	3.2	5,578,546	40.32	103,282	
Equity exposures													
1	0.00 to <0.15	646,979	—	—	646,979	0.07	0.0	90.00	5.0	964,993	149.15	—	
2	0.15 to <0.25	235,390	—	—	235,390	0.16	0.1	90.00	5.0	376,726	160.04	—	
3	0.25 to <0.50	5,109	—	—	5,109	0.44	0.0	90.00	5.0	10,301	201.62	—	
4	0.50 to <0.75	2,761	—	—	2,761	0.69	0.0	90.00	5.0	7,093	256.87	—	
5	0.75 to <2.50	44,195	—	—	44,195	1.21	0.1	90.00	5.0	138,793	314.04	—	
6	2.50 to <10.00	7,153	—	—	7,153	8.63	0.0	90.00	5.0	36,122	504.94	—	
7	10.00 to <100.00	455	—	—	455	24.77	0.0	90.00	5.0	3,656	802.39	—	
8	100.00 (Default)	184	—	—	184	100.00	0.0	90.00	5.0	2,079	1,124.99	—	
9	Subtotal	942,230	—	—	942,230	0.25	0.5	90.00	5.0	1,539,768	163.41	—	

(Millions of yen, %, the number of data in thousands, years)

CR6: IRB - CR exposures by portfolio and PD range		As of March 31, 2025											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre CCF and pre CRM	Average CCF (%)	EAD post CCF and post CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity	Credit RWA amounts	RWA density (%)	EL	Eligible provisions
Purchased receivables (corporates) (the amount equivalent to default risks) (AIRB approach)													
1	0.00 to <0.15	108,289	12,536	100.00	119,359	0.05	0.9	38.07	1.4	15,191	12.72	26	
2	0.15 to <0.25	14,626	21,985	100.00	36,432	0.17	1.7	53.18	1.0	11,667	32.02	35	
3	0.25 to <0.50	4,952	9,147	100.00	14,036	0.40	0.6	52.85	1.0	7,577	53.98	32	
4	0.50 to <0.75	524	6,546	100.00	7,062	0.68	0.4	62.82	1.0	5,751	81.44	30	
5	0.75 to <2.50	3,354	33,101	100.00	36,424	1.81	3.5	62.29	1.0	39,382	108.11	419	
6	2.50 to <10.00	865	1,042	100.00	1,897	6.45	0.1	47.10	1.0	2,931	154.49	66	
7	10.00 to <100.00	327	516	100.00	840	24.50	0.0	49.60	1.0	1,985	236.31	103	
8	100.00 (Default)	925	207	100.00	1,114	100.00	0.1	41.38	1.9	108	9.75	461	
9	Subtotal	133,865	85,084	100.00	217,168	1.07	7.6	46.57	1.2	84,596	38.95	1,174	1,240
Purchased receivables (corporates) (the amount equivalent to dilution risks) (AIRB approach)													
1	0.00 to <0.15	15,696	—	—	15,696	0.04	0.0	35.00	1.0	1,016	6.47	2	
2	0.15 to <0.25	12,311	—	—	12,311	0.20	0.0	35.00	1.0	2,871	23.32	8	
3	0.25 to <0.50	8,578	—	—	8,578	0.46	0.0	35.00	1.0	3,324	38.75	13	
4	0.50 to <0.75	954	—	—	954	0.69	0.0	35.00	1.0	457	47.96	2	
5	0.75 to <2.50	6,411	—	—	6,411	1.13	0.0	35.00	4.6	7,742	120.76	25	
6	2.50 to <10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	3,870	—	—	3,870	100.00	0.0	44.49	3.0	377	9.75	1,721	
9	Subtotal	47,823	—	—	47,823	8.40	0.0	35.76	1.6	15,791	33.02	1,774	91
Purchased receivables (corporates) (the amount equivalent to default risks) (FIRB approach)													
1	0.00 to <0.15	1,906,522	166,613	100.00	2,046,282	0.06	5.1	43.40	1.0	334,257	16.33	601	
2	0.15 to <0.25	513,654	47,348	100.00	556,124	0.16	3.7	41.72	1.0	139,711	25.12	393	
3	0.25 to <0.50	69,941	71,820	100.00	140,787	0.35	7.2	42.78	1.0	57,313	40.70	214	
4	0.50 to <0.75	783	32,915	100.00	33,683	0.58	3.8	44.96	1.0	19,165	56.89	88	
5	0.75 to <2.50	216,962	86,176	100.00	300,815	1.58	15.2	41.80	3.0	315,007	104.71	1,970	
6	2.50 to <10.00	9,272	3,817	100.00	12,977	3.70	0.6	41.48	1.0	14,202	109.43	200	
7	10.00 to <100.00	—	811	100.00	811	92.25	0.0	45.00	1.0	163	20.16	336	
8	100.00 (Default)	6,118	108	100.00	6,139	100.00	0.0	4.99	1.3	—	0.00	306	
9	Subtotal	2,723,255	409,610	100.00	3,097,622	0.48	36.0	42.85	1.2	879,822	28.40	4,112	6,618
Purchased receivables (corporates) (the amount equivalent to dilution risks) (FIRB approach)													
1	0.00 to <0.15	1,195,276	—	—	1,195,276	0.05	0.1	44.25	1.2	176,903	14.80	314	
2	0.15 to <0.25	421,321	—	—	421,321	0.16	0.0	42.26	1.0	107,858	25.60	295	
3	0.25 to <0.50	29,376	—	—	29,376	0.38	0.0	42.00	1.0	12,274	41.78	47	
4	0.50 to <0.75	0	—	—	0	0.58	0.0	45.00	1.0	0	56.45	0	
5	0.75 to <2.50	4,294	—	—	4,294	0.92	0.0	44.80	1.0	3,025	70.46	17	
6	2.50 to <10.00	33,015	—	—	33,015	8.63	0.0	42.82	1.0	51,907	157.21	1,220	
7	10.00 to <100.00	1,602	—	—	1,602	24.93	0.0	45.00	1.0	3,726	232.52	179	
8	100.00 (Default)	508	—	—	508	100.00	0.0	45.00	1.0	—	0.00	228	
9	Subtotal	1,685,397	—	—	1,685,397	0.31	0.1	43.69	1.1	355,697	21.10	2,303	3,608
Purchased receivables (retail) (the amount equivalent to default risks)													
1	0.00 to <0.15	3,201	—	—	3,201	0.07	0.3	65.00	—	407	12.72	1	
2	0.15 to <0.25	1,249	—	—	1,249	0.18	0.1	65.00	—	306	24.49	1	
3	0.25 to <0.50	1,193	—	—	1,193	0.32	0.1	52.66	—	351	29.45	2	
4	0.50 to <0.75	168	—	—	168	0.57	0.0	63.86	—	84	49.88	0	
5	0.75 to <2.50	84	19	100.00	104	0.92	0.0	65.00	—	65	62.88	0	
6	2.50 to <10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	5,898	19	100.00	5,918	0.17	0.6	62.47	—	1,215	20.53	6	10

(Millions of yen, %, the number of data in thousands, years)

CR6: IRB - CR exposures by portfolio and PD range		As of March 31, 2025											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre CCF and pre CRM	Average CCF (%)	EAD post CCF and post CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity	Credit RWA amounts	RWA density (%)	EL	Eligible provisions
Purchased receivables (retail) (the amount equivalent to dilution risks) (AIRB approach)													
1	0.00 to <0.15	—	—	—	—	—	—	—	—	—	—	—	
2	0.15 to <0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to <0.50	—	—	—	—	—	—	—	—	—	—	—	
4	0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to <2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to <10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Qualifying revolving retail exposures (QRRE)													
1	0.00 to <0.15	98,565	1,079,680	11.82	1,178,246	0.10	14,995.5	65.66		46,565	3.95	773	
2	0.15 to <0.25	535,914	516,119	12.72	1,052,033	0.23	3,739.9	69.19		87,041	8.27	1,674	
3	0.25 to <0.50	88,144	172,773	4.60	260,918	0.29	2,911.9	61.63		23,207	8.89	466	
4	0.50 to <0.75	815,893	309,618	16.82	1,125,512	0.58	1,201.9	70.21		198,459	17.63	4,601	
5	0.75 to <2.50	489,683	182,548	9.88	672,231	1.61	2,305.9	75.00		274,978	40.90	8,180	
6	2.50 to <10.00	1,059,544	388,133	14.92	1,447,677	4.51	3,426.8	72.77		1,161,430	80.22	47,549	
7	10.00 to <100.00	285,724	131,412	32.83	417,137	18.64	2,226.8	73.12		611,083	146.49	56,566	
8	100.00 (Default)	116,225	52,264	100.00	168,490	100.00	1,038.3	68.35		223,618	132.71	115,175	
9	Subtotal	3,489,696	2,832,549	11.91	6,322,246	5.27	31,847.3	70.08		2,626,384	41.54	234,987	238,447
Residential mortgage exposures													
1	0.00 to <0.15	—	—	—	22,358	0.05	2.9	40.90		6,165	27.57	4	
2	0.15 to <0.25	—	—	—	1,667	0.15	0.1	53.99		648	38.87	1	
3	0.25 to <0.50	8,011,477	3,369	100.00	8,014,847	0.30	431.4	22.33		969,897	12.10	5,384	
4	0.50 to <0.75	1,126,245	1,256	100.00	1,127,522	0.60	70.6	23.52		235,994	20.93	1,606	
5	0.75 to <2.50	291,514	477	100.00	269,787	1.04	26.8	35.77		125,729	46.60	1,024	
6	2.50 to <10.00	—	—	—	—	—	—	—		—	—	—	
7	10.00 to <100.00	17,135	397	100.00	15,690	20.27	1.6	24.37		19,978	127.32	760	
8	100.00 (Default)	48,634	54	100.00	48,688	100.00	4.2	21.23		8,843	18.16	10,339	
9	Subtotal	9,495,006	5,555	100.00	9,500,562	0.90	537.9	22.90		1,367,257	14.39	19,122	19,338
Other retail exposures													
1	0.00 to <0.15	7	71	100.00	79	0.10	0.9	65.66		12	16.28	0	
2	0.15 to <0.25	156,234	71	100.00	156,305	0.18	4.1	33.88		19,900	12.73	96	
3	0.25 to <0.50	257,727	400,438	100.00	658,165	0.44	276.8	48.26		216,400	32.87	1,451	
4	0.50 to <0.75	120,038	3,056	100.00	123,094	0.65	31.9	50.96		52,249	42.44	411	
5	0.75 to <2.50	604,605	329,050	90.59	933,656	1.25	1,142.6	51.01		516,834	55.35	5,916	
6	2.50 to <10.00	12,136	199	100.00	12,336	5.10	0.9	41.66		7,708	62.48	284	
7	10.00 to <100.00	13,432	7,723	100.00	21,155	22.86	25.4	54.73		25,748	121.70	2,653	
8	100.00 (Default)	38,398	692	100.00	39,091	100.00	105.6	58.30		100,220	256.37	22,793	
9	Subtotal	1,202,582	741,303	95.59	1,943,885	3.10	1,588.6	48.83		939,075	48.30	33,606	24,031
Total (all portfolios)		216,411,437	90,638,080	36.52	249,516,805	0.79	34,086.0	37.81	—	53,582,090	21.47	903,280	957,226

(Millions of yen, %, the number of data in thousands, years)

CR6: IRB - CR exposures by portfolio and PD range		As of March 31, 2024											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre CCF (Credit Conversion Factor) and pre CRM	Average CCF (%)	EAD post CCF and post CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity	Credit RWA amounts	RWA density (%)	EL	Eligible provisions
Sovereign exposures (AIRB approach)													
1	0.00 to <0.15	94,134,565	513,038	85.20	96,973,305	0.00	0.5	33.87	3.6	228,795	0.23	354	
2	0.15 to <0.25	408,011	136,436	40.66	574,046	0.16	0.0	31.02	2.6	178,849	31.15	289	
3	0.25 to <0.50	55,516	20,408	43.35	43,144	0.41	0.0	28.87	2.1	16,913	39.20	51	
4	0.50 to <0.75	560	4,426	63.11	3,354	0.71	0.0	35.00	4.8	3,073	91.62	8	
5	0.75 to <2.50	154,183	169,308	93.26	214,558	1.57	0.0	30.60	2.9	162,078	75.54	962	
6	2.50 to <10.00	42,178	12,123	40.00	11,784	4.16	0.0	28.03	1.5	9,754	82.76	137	
7	10.00 to <100.00	10,560	2,043	100.00	11,775	15.24	0.0	30.00	1.0	16,322	138.62	538	
8	100.00 (Default)	114,567	—	—	114,567	100.00	0.0	49.92	1.0	49,264	43.00	57,202	
9	Subtotal	94,920,143	857,785	77.99	97,946,536	0.12	0.6	33.86	3.6	665,051	0.67	59,543	3,589
Sovereign exposures (FIRB approach)													
1	0.00 to <0.15	—	—	—	—	—	—	—	—	—	—	—	
2	0.15 to <0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to <0.50	—	—	—	—	—	—	—	—	—	—	—	
4	0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to <2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to <10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Bank exposures (AIRB approach)													
1	0.00 to <0.15	—	—	—	—	—	—	—	—	—	—	—	
2	0.15 to <0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to <0.50	—	—	—	—	—	—	—	—	—	—	—	
4	0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to <2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to <10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Bank exposures (FIRB approach)													
1	0.00 to <0.15	5,651,723	1,585,946	71.13	9,523,162	0.05	1.3	44.98	2.2	2,368,812	24.87	2,347	
2	0.15 to <0.25	746,840	299,840	67.31	895,337	0.16	0.1	44.84	1.4	326,765	36.49	647	
3	0.25 to <0.50	175,072	119,178	42.29	210,086	0.35	0.0	44.44	1.6	120,792	57.49	328	
4	0.50 to <0.75	1	—	—	1	0.71	0.0	45.00	5.0	2	144.46	0	
5	0.75 to <2.50	533,619	252,960	93.60	750,721	1.39	0.2	44.95	1.1	707,066	94.18	3,171	
6	2.50 to <10.00	259,497	65,172	46.54	244,286	4.16	0.0	42.19	1.3	311,088	127.34	4,293	
7	10.00 to <100.00	1,404	—	—	375	13.30	0.0	45.00	1.0	853	227.17	22	
8	100.00 (Default)	441	—	—	441	100.00	0.0	79.00	1.0	56	12.75	348	
9	Subtotal	7,368,603	2,323,097	70.91	11,624,414	0.24	1.8	44.90	2.0	3,835,438	32.99	11,160	16,619
Corporate exposures (AIRB approach)													
1	0.00 to <0.15	2,353,233	353,241	66.74	2,686,016	0.07	2.0	31.26	2.8	538,193	20.03	592	
2	0.15 to <0.25	2,557,481	297,729	47.37	2,639,038	0.18	3.4	26.33	2.6	655,129	24.82	1,310	
3	0.25 to <0.50	619,632	97,928	48.43	638,962	0.44	0.8	27.19	2.2	240,269	37.60	770	
4	0.50 to <0.75	229,840	17,039	49.91	228,803	0.71	0.4	28.02	2.3	110,169	48.15	455	
5	0.75 to <2.50	521,603	162,883	54.04	525,316	1.48	0.8	29.27	2.5	354,123	67.41	2,292	
6	2.50 to <10.00	245,697	48,126	50.92	258,850	6.77	0.2	29.14	2.1	273,901	105.81	5,325	
7	10.00 to <100.00	66,521	4,439	55.56	67,246	18.96	0.1	25.73	2.0	86,711	128.94	3,307	
8	100.00 (Default)	108,954	10,953	100.00	115,460	100.00	0.1	42.80	1.6	23,186	20.08	49,425	
9	Subtotal	6,702,963	992,340	56.30	7,159,695	2.30	8.3	28.89	2.6	2,281,684	31.86	63,479	282,272

(Millions of yen, %, the number of data in thousands, years)

CR6: IRB - CR exposures by portfolio and PD range		As of March 31, 2024											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre CCF and pre CRM	Average CCF (%)	EAD post CCF and post CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity	Credit RWA amounts	RWA density (%)	EL	Eligible provisions
Corporate exposures (FIRB approach)													
1	0.00 to <0.15	38,966,510	23,912,900	53.49	55,084,256	0.06	6.3	41.79	2.5	12,275,810	22.28	14,816	
2	0.15 to <0.25	14,603,617	11,388,176	48.53	17,462,122	0.16	4.6	41.11	2.3	6,634,197	37.99	12,063	
3	0.25 to <0.50	5,214,456	4,234,662	48.25	5,272,420	0.37	1.3	40.94	2.4	3,080,396	58.42	8,142	
4	0.50 to <0.75	309,288	124,121	52.15	367,014	0.70	0.1	40.17	3.6	342,796	93.40	1,046	
5	0.75 to <2.50	4,842,183	3,788,754	57.68	6,203,306	1.40	5.0	40.67	2.9	6,426,110	103.59	32,303	
6	2.50 to <10.00	1,220,172	689,475	49.12	1,022,315	5.51	0.4	39.42	2.6	1,431,935	140.06	22,254	
7	10.00 to <100.00	522,017	218,950	45.77	569,821	18.28	0.1	40.15	2.4	1,169,023	205.15	41,746	
8	100.00 (Default)	460,660	9,052	100.00	442,675	100.00	0.1	40.05	2.1	110	0.02	177,319	
9	Subtotal	66,138,906	44,366,092	51.98	86,423,933	0.89	18.4	41.46	2.5	31,360,382	36.28	309,694	202,945
Mid-sized corporations and small-medium enterprises (SMEs) exposures (AIRB approach)													
1	0.00 to <0.15	617,040	18,753	56.83	634,998	0.07	1.3	22.65	2.9	75,978	11.96	112	
2	0.15 to <0.25	1,592,451	115,362	87.35	1,629,012	0.18	7.4	25.55	3.5	381,743	23.43	748	
3	0.25 to <0.50	747,966	11,985	52.70	715,145	0.39	4.5	29.62	4.0	295,109	41.26	797	
4	0.50 to <0.75	379,935	14,523	88.27	350,089	0.69	3.0	26.57	3.6	158,360	45.23	647	
5	0.75 to <2.50	1,353,304	35,733	68.59	1,104,134	1.69	17.8	25.20	3.6	598,247	54.18	4,691	
6	2.50 to <10.00	162,304	9,567	49.44	143,111	8.16	1.0	21.76	2.5	100,776	70.41	2,491	
7	10.00 to <100.00	113,010	182	51.60	62,597	24.79	2.1	37.38	2.1	105,472	168.49	5,809	
8	100.00 (Default)	185,893	1,528	100.00	136,079	100.00	2.8	45.59	1.7	19,762	14.52	62,042	
9	Subtotal	5,151,907	207,637	77.74	4,775,168	3.99	40.3	26.38	3.4	1,735,450	36.34	77,341	71,068
Mid-sized corporations and SMEs exposures (FIRB approach)													
1	0.00 to <0.15	120,116	56,825	51.93	138,412	0.08	0.0	43.21	2.6	42,958	31.03	52	
2	0.15 to <0.25	240,557	246,271	47.63	154,312	0.17	0.0	39.86	2.7	65,662	42.55	111	
3	0.25 to <0.50	126,941	109,524	54.08	40,257	0.38	0.0	41.86	1.4	18,937	47.04	63	
4	0.50 to <0.75	8,245	4,646	100.00	12,502	0.70	0.0	37.59	3.9	11,255	90.02	33	
5	0.75 to <2.50	60,536	25,511	48.97	43,238	1.51	0.1	43.43	1.8	42,293	97.81	280	
6	2.50 to <10.00	14,879	12,776	96.15	21,432	4.68	0.0	43.12	1.4	26,660	124.39	416	
7	10.00 to <100.00	6,935	23	95.56	6,685	24.90	0.0	44.44	2.1	16,008	239.43	739	
8	100.00 (Default)	764	2,547	100.00	2,243	100.00	0.0	21.79	1.0	—	0.00	488	
9	Subtotal	578,976	458,127	51.96	419,085	1.48	0.4	41.60	2.4	223,775	53.39	2,186	2,601
Specialized lending (SL)													
1	0.00 to <0.15	4,540,301	216,514	43.60	4,579,933	0.07	—	27.29	3.2	798,002	17.42	923	
2	0.15 to <0.25	2,369,264	738,646	47.07	2,615,908	0.16	—	27.55	3.4	753,974	28.82	1,213	
3	0.25 to <0.50	3,393,089	1,518,728	47.94	3,597,900	0.36	—	30.98	3.5	1,715,695	47.68	4,085	
4	0.50 to <0.75	8,521	—	—	8,521	0.71	—	29.69	2.5	4,610	54.09	17	
5	0.75 to <2.50	1,741,463	614,853	56.35	1,783,835	1.14	—	30.67	3.4	1,278,157	71.65	6,333	
6	2.50 to <10.00	347,798	23,912	40.00	299,757	4.16	—	36.76	3.0	371,950	124.08	4,584	
7	10.00 to <100.00	314,169	86,382	55.36	288,279	15.42	—	48.71	3.2	720,147	249.80	21,685	
8	100.00 (Default)	154,244	39,882	100.00	114,160	100.00	—	49.50	3.6	49,089	43.00	56,512	
9	Subtotal	12,868,852	3,238,919	49.83	13,288,297	1.60	—	29.66	3.3	5,691,628	42.83	95,355	115,217
Equity exposures													
1	0.00 to <0.15	4,526,638	—	—	4,526,638	0.05	1.1	90.00	5.0	4,866,163	107.50	—	
2	0.15 to <0.25	276,591	—	—	276,591	0.16	0.5	90.00	5.0	418,368	151.25	—	
3	0.25 to <0.50	7,934	—	—	7,934	0.45	0.0	90.00	5.0	17,980	226.59	—	
4	0.50 to <0.75	4,403	—	—	4,403	0.71	0.0	90.00	5.0	10,941	248.45	—	
5	0.75 to <2.50	16,889	—	—	16,889	1.92	0.1	90.00	5.0	56,843	336.56	—	
6	2.50 to <10.00	7,611	—	—	7,611	8.74	0.0	90.00	5.0	39,761	522.39	—	
7	10.00 to <100.00	1,011	—	—	1,011	24.81	0.0	90.00	5.0	7,815	772.62	—	
8	100.00 (Default)	202	—	—	202	100.00	0.0	90.00	5.0	2,279	1,125.00	—	
9	Subtotal	4,841,283	—	—	4,841,283	0.09	2.0	90.00	5.0	5,420,152	111.95	—	—

(Millions of yen, %, the number of data in thousands, years)

CR6: IRB - CR exposures by portfolio and PD range		As of March 31, 2024											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre CCF and pre CRM	Average CCF (%)	EAD post CCF and post CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity	Credit RWA amounts	RWA density (%)	EL	Eligible provisions
Purchased receivables (corporates) (the amount equivalent to default risks) (AIRB approach)													
1	0.00 to <0.15	98,770	9,091	100.00	106,687	0.05	0.9	37.59	1.4	13,917	13.04	23	
2	0.15 to <0.25	15,530	22,135	100.00	37,443	0.18	1.7	52.82	1.0	12,225	32.64	36	
3	0.25 to <0.50	5,874	8,679	100.00	14,471	0.46	0.8	50.70	1.0	7,883	54.47	34	
4	0.50 to <0.75	767	7,572	100.00	8,328	0.70	0.5	62.35	1.0	6,814	81.81	36	
5	0.75 to <2.50	7,638	31,369	100.00	38,930	1.75	3.8	57.58	1.0	39,082	100.39	414	
6	2.50 to <10.00	58	1,339	100.00	1,396	8.52	0.1	63.76	1.0	3,100	221.97	76	
7	10.00 to <100.00	7	659	100.00	667	25.39	0.1	64.65	1.0	2,027	303.68	108	
8	100.00 (Default)	712	42	100.00	746	100.00	0.1	42.81	1.0	95	12.75	319	
9	Subtotal	129,359	80,890	100.00	208,672	0.94	8.3	46.23	1.2	85,146	40.80	1,050	1,120
Purchased receivables (corporates) (the amount equivalent to dilution risks) (AIRB approach)													
1	0.00 to <0.15	11,666	—	—	11,666	0.02	0.0	28.51	1.3	506	4.34	1	
2	0.15 to <0.25	16,287	—	—	16,287	0.19	0.0	35.00	1.0	3,755	23.05	11	
3	0.25 to <0.50	6,484	—	—	6,484	0.47	0.0	35.00	2.4	3,370	51.97	10	
4	0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to <2.50	696	—	—	696	0.82	0.0	25.00	1.0	259	37.22	1	
6	2.50 to <10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	35,133	—	—	35,133	0.20	0.0	32.64	1.3	7,891	22.46	24	37
Purchased receivables (corporates) (the amount equivalent to default risks) (FIRB approach)													
1	0.00 to <0.15	2,058,360	148,021	100.00	2,174,183	0.07	5.2	43.08	1.0	388,471	17.86	682	
2	0.15 to <0.25	331,350	43,618	100.00	371,056	0.17	4.0	41.70	1.0	95,497	25.73	269	
3	0.25 to <0.50	122,158	70,233	100.00	190,290	0.35	7.5	42.17	1.0	76,645	40.27	285	
4	0.50 to <0.75	917	29,208	100.00	30,113	0.60	3.9	44.83	1.0	17,351	57.62	81	
5	0.75 to <2.50	56,781	74,533	100.00	129,589	1.42	14.2	43.69	1.2	179,595	138.58	801	
6	2.50 to <10.00	29	4,275	100.00	4,304	3.51	0.6	44.91	1.0	4,951	115.02	67	
7	10.00 to <100.00	4	1,505	100.00	1,509	96.74	0.1	45.00	1.0	152	10.10	657	
8	100.00 (Default)	569	145	100.00	701	100.00	0.0	45.00	1.0	—	0.00	315	
9	Subtotal	2,570,172	371,540	100.00	2,901,749	0.24	35.7	42.89	1.0	762,664	26.28	3,161	4,362
Purchased receivables (corporates) (the amount equivalent to dilution risks) (FIRB approach)													
1	0.00 to <0.15	1,162,276	—	—	1,162,276	0.06	0.1	44.16	1.1	170,138	14.63	313	
2	0.15 to <0.25	510,312	—	—	510,312	0.18	0.0	42.05	1.0	141,439	27.71	404	
3	0.25 to <0.50	35,168	—	—	35,168	0.29	0.0	42.13	1.0	12,694	36.09	44	
4	0.50 to <0.75	2	—	—	2	0.60	0.0	45.00	1.0	1	57.45	0	
5	0.75 to <2.50	11,804	—	—	11,804	1.04	0.0	45.00	3.1	14,277	120.94	55	
6	2.50 to <10.00	16,712	—	—	16,712	8.67	0.0	44.93	1.0	27,629	165.31	652	
7	10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	1,736,277	—	—	1,736,277	0.19	0.1	43.51	1.1	366,180	21.08	1,470	2,253
Purchased receivables (retail) (the amount equivalent to default risks)													
1	0.00 to <0.15	5,340	—	—	5,340	0.07	0.3	65.00	—	720	13.50	2	
2	0.15 to <0.25	1,376	—	—	1,376	0.19	0.1	65.00	—	349	25.42	1	
3	0.25 to <0.50	1,636	—	—	1,636	0.34	0.2	53.95	—	513	31.38	3	
4	0.50 to <0.75	240	—	—	240	0.59	0.0	64.22	—	122	51.07	0	
5	0.75 to <2.50	43	20	100.00	63	1.02	0.0	65.00	—	42	65.98	0	
6	2.50 to <10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	8,637	20	100.00	8,657	0.16	0.7	62.89	—	1,749	20.20	8	13

(Millions of yen, %, the number of data in thousands, years)

CR6: IRB - CR exposures by portfolio and PD range		As of March 31, 2024											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre CCF and pre CRM	Average CCF (%)	EAD post CCF and post CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity	Credit RWA amounts	RWA density (%)	EL	Eligible provisions
Purchased receivables (retail) (the amount equivalent to dilution risks) (AIRB approach)													
1	0.00 to <0.15	—	—	—	—	—	—	—	—	—	—	—	
2	0.15 to <0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to <0.50	—	—	—	—	—	—	—	—	—	—	—	
4	0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to <2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to <10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Qualifying revolving retail exposures (QRRE)													
1	0.00 to <0.15	92,600	985,449	17.65	1,078,049	0.10	14,077.8	66.24		42,981	3.98	714	
2	0.15 to <0.25	471,599	502,807	14.63	974,406	0.22	3,307.9	68.78		77,290	7.93	1,474	
3	0.25 to <0.50	278,438	—	—	278,438	0.29	2,158.3	61.77		24,823	8.91	498	
4	0.50 to <0.75	727,084	256,131	18.01	983,215	0.59	1,024.5	68.87		172,106	17.50	4,005	
5	0.75 to <2.50	467,816	174,899	9.87	642,716	1.61	2,267.2	75.35		263,429	40.98	7,824	
6	2.50 to <10.00	969,918	395,683	12.21	1,365,602	4.56	3,617.7	71.39		1,080,624	79.13	44,321	
7	10.00 to <100.00	44,481	13,462	19.47	57,943	51.27	105.5	70.11		92,222	159.15	20,799	
8	100.00 (Default)	101,483	16,814	100.00	118,297	100.00	314.4	73.03		136,165	115.10	86,403	
9	Subtotal	3,153,422	2,345,248	42.65	5,498,671	4.19	26,873.6	69.46		1,889,644	34.36	166,042	144,761
Residential mortgage exposures													
1	0.00 to <0.15	—	—	—	26,792	0.05	3.3	40.91		7,479	27.91	5	
2	0.15 to <0.25	—	—	—	2,099	0.16	0.1	54.13		844	40.21	1	
3	0.25 to <0.50	7,790,723	3,653	100.00	7,794,377	0.30	435.7	23.23		982,640	12.60	5,458	
4	0.50 to <0.75	1,148,162	1,315	100.00	1,149,501	0.62	72.7	24.59		255,938	22.26	1,756	
5	0.75 to <2.50	326,875	585	100.00	300,719	1.08	29.5	36.54		146,468	48.70	1,207	
6	2.50 to <10.00	—	—	—	—	—	—	—		—	—	—	
7	10.00 to <100.00	19,409	468	100.00	17,704	20.76	1.8	25.32		23,576	133.16	909	
8	100.00 (Default)	56,103	61	100.00	56,164	100.00	4.7	20.28		10,960	19.51	11,394	
9	Subtotal	9,341,275	6,084	100.00	9,347,359	1.00	548.1	23.87		1,427,906	15.27	20,734	18,771
Other retail exposures													
1	0.00 to <0.15	1	4	100.00	6	0.10	0.0	66.24		1	16.43	0	
2	0.15 to <0.25	103,982	16	100.00	103,998	0.15	2.4	34.12		11,783	11.33	53	
3	0.25 to <0.50	253,629	63	100.00	253,692	0.34	7.5	34.92		50,976	20.09	307	
4	0.50 to <0.75	194,552	377,482	100.00	572,035	0.53	296.9	51.89		220,597	38.56	1,583	
5	0.75 to <2.50	596,464	310,363	89.28	906,827	1.29	1,020.1	50.49		502,443	55.40	5,864	
6	2.50 to <10.00	12,679	244	100.00	12,923	4.73	1.0	39.37		7,562	58.51	260	
7	10.00 to <100.00	12,304	6,068	100.00	18,372	22.54	21.5	54.45		22,079	120.17	2,264	
8	100.00 (Default)	40,852	679	88.52	41,531	100.00	100.4	54.78		99,264	239.01	22,751	
9	Subtotal	1,214,467	694,921	100.00	1,909,389	3.25	1,450.3	48.00		914,709	47.90	33,084	21,374
Total (all portfolios)		216,760,383	55,942,707	56.06	248,124,325	0.76	28,989.3	38.33	—	56,669,456	22.83	844,338	887,009

6. Effect on Credit RWA of Credit Derivatives Used as CRM Techniques (CR7)

(Millions of yen)

CR7: IRB – Effect on credit RWA of credit derivatives used as CRM techniques		As of March 31, 2025		As of March 31, 2024	
Item No.	Portfolio	a	b	c	d
		Pre-credit derivatives credit RWA	Actual credit RWA	Pre-credit derivatives credit RWA	Actual credit RWA
1	Sovereign exposures - FIRB	—	—	25,660	25,660
2	Sovereign exposures - AIRB	696,194	696,194	501,010	501,010
3	Bank exposures - FIRB	3,119,234	3,119,234	3,272,624	3,272,624
4	Bank exposures - AIRB	—	—	145,387	145,387
5	Corporate exposures (excluding SL) - FIRB	32,485,596	32,485,151	31,790,773	31,790,773
6	Corporate exposures (excluding SL) - AIRB	3,703,200	3,703,200	4,150,739	4,150,739
7	SL - FIRB	940,273	940,273	830,061	830,061
8	SL- AIRB	5,598,570	5,598,570	5,722,064	5,722,064
9	Retail - QRRE	2,626,384	2,626,384	1,889,644	1,889,644
10	Retail - Residential mortgage exposures	1,367,257	1,367,257	1,427,906	1,427,906
11	Retail - Other retail exposures	939,075	939,075	914,709	914,709
12	Purchased receivables - FIRB	1,235,519	1,235,519	1,128,845	1,128,845
13	Purchased receivables - AIRB	101,603	101,603	94,787	94,787
14	Total	52,812,910	52,812,465	51,894,216	51,894,216

7. RWA flow statements of credit risk exposures under IRB approach (CR8)

(One hundred billions of yen)

CR8: RWA flow statements of credit risk exposures under IRB approach			
Item No.			RWA amounts
1	RWA as of March 31, 2024		596
2	Breakdown of variations in the credit risk-weighted assets	Asset size	11
3		Asset quality	(12)
4		Model updates	—
5		Methodology and policy	(32)
6		Acquisitions and disposals	—
7		Foreign exchange movements	(5)
8		Other	—
9	RWA as of March 31, 2025		557

(One hundred billions of yen)

CR8: RWA flow statements of credit risk exposures under IRB approach			
Item No.			RWA amounts
1	RWA as of March 31, 2023		410
2	Breakdown of variations in the credit risk-weighted assets	Asset size	32
3		Asset quality	(2)
4		Model updates	—
5		Methodology and policy	132
6		Acquisitions and disposals	—
7		Foreign exchange movements	22
8		Other	—
9	RWA as of March 31, 2024		596

8. Backtesting of Probability of Default (PD) per Portfolio (CR9)

(%, the number of data)

CR9: IRB - Backtesting of PD per portfolio													
a	b	c					d	e	f		g	h	i
Portfolio	PD Range	External rating equivalent					Weighted average PD (EAD weighted)	Arithmetic average PD (by obligors)	Number of obligors		Number of defaulted obligors in the year	Of which: number of new defaulted obligors in the year	Average historical annual default rate (5 years)
		S&P	Moody's	Fitch	R&I	JCR			As of March 31, 2024	As of March 31, 2023			
Corporates	0.00 to < 0.10	AAA~A-	Aaa~A3	AAA~A-	AAA-BBB-	AAA-BBB-	0.01%	0.06%	6,801	6,801	1	0	0.02%
	0.10 to < 0.50	BBB+~BB	Baa1~Ba2	BBB+~BB	BB+~BB-	BB+~BB-	0.21%	0.25%	15,557	15,556	15	1	0.11%
	0.50 to < 1.00	BB~B+	Ba3~B1	BB~B+	BB+~BB-	BB+~BB-	0.85%	0.77%	3,494	3,493	9	1	0.22%
	1.00 to < 2.50	B	B2	B	BB+~B-	BB+~B-	2.01%	1.95%	14,105	14,104	96	1	0.53%
	2.50 to < 100.00	B~	B3~	B~	CCC+~	CCC+~	9.80%	17.12%	3,305	3,303	570	2	15.02%
Qualifying revolving retail	0.00 to < 0.10						0.08%	0.08%	7,122,237	7,119,790	6,999	2,447	0.09%
	0.10 to < 0.50						0.28%	0.24%	6,772,062	6,768,887	16,810	3,175	0.19%
	0.50 to < 1.00						0.62%	0.62%	149,461	149,408	1,304	53	0.77%
	1.00 to < 2.50						1.67%	1.64%	857,853	853,856	18,031	4,955	1.57%
	2.50 to < 100.00						6.38%	6.87%	1,627,679	1,595,814	115,297	5,567	5.38%
Residential mortgage	0.00 to < 0.10						—	—	—	—	—	—	—
	0.10 to < 0.50						0.31%	0.31%	621,258	624,435	358	0	0.09%
	0.50 to < 1.00						0.64%	0.65%	104,564	108,029	221	0	0.31%
	1.00 to < 2.50						1.15%	1.15%	28,228	30,165	63	1	0.34%
	2.50 to < 100.00						20.93%	22.16%	1,892	1,908	160	0	9.55%
Other retail	0.00 to < 0.10						—	—	—	—	—	—	—
	0.10 to < 0.50						0.29%	0.30%	11,974	13,142	8	0	0.06%
	0.50 to < 1.00						0.71%	0.85%	1,289,775	1,289,480	5,718	32	0.32%
	1.00 to < 2.50						1.45%	1.49%	484,009	484,133	2,790	34	0.50%
	2.50 to < 100.00						5.16%	8.18%	173,938	173,768	9,460	305	4.91%

- Notes: 1. IRB model presented in this table covers all models used within the scope of regulatory consolidation.
2. Applicable portfolios of each IRB model take into account the portfolio classification under Basel Capital Accord. “Corporates” include “Sovereign,” “Banks,” “Specialized lending,” “Equity (PD/LGD approach)” and “Purchased receivables (corporates),” and “Residential mortgage” and “Other retail” include “Purchased receivables (retail).” Therefore, the same classifications are used in this table.
3. A maximum of ten categories of obligor rating in the internal rating system are consolidated into five categories as PD categories.
4. For the external ratings associated with, external ratings equivalent to the PD of non-Japanese companies mainly are listed in the columns of S&P, Moody’s, and Fitch, and external ratings equivalent to the PD of Japanese companies mainly are listed in the columns of R&I and JCR.
5. The number of obligors of “Qualifying revolving retail,” “Residential mortgage” and “Other retail” states the number of receivables.
6. The proportion of credit risk-weighted assets subject to the IRB approach is that “Corporates” accounts for 91.49 percent, “Qualifying revolving retail” accounts for 3.29 percent, “Residential mortgage” accounts for 2.47 percent, and “Other retail” accounts for 1.59 percent.

9. SL (Slotting Criteria Approach) and Equity Exposures (Market-Based Approach, etc.) (CR10)

(Millions of yen, except percentages)

CR10: IRB - SL (slotting criteria approach) and equity exposures (market-based approach, etc.)		As of March 31, 2025											
		a	b	c	d	e	f	g	h	i	j	k	l
SL (slotting criteria approach)													
Other than high-volatility commercial real estate (HVCRE)													
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	RW	Exposure amount (EAD)					Credit RWA amount	Expected losses		
					PF	OF	CF	IPRE	Total				
Strong	Less than 2.5 years	8,380	42,960	50%	46,240	1,214	—	—	47,455	23,727	—		
	Equal to or more than 2.5 years	66,340	—	70%	40,312	26,028	—	—	66,340	46,438	265		
Good	Less than 2.5 years	43,154	3,375	70%	44,504	—	—	—	44,504	31,153	178		
	Equal to or more than 2.5 years	203,893	31,311	90%	216,548	—	—	—	216,548	194,893	1,732		
Satisfactory		3,800	7,562	115%	6,892	—	—	—	6,892	7,926	192		
Weak		3,308	—	250%	3,308	—	—	—	3,308	8,270	264		
Default		4,301	—	—	4,301	—	—	—	4,301	—	2,150		
Total		333,181	85,209	—	362,108	27,242	—	—	389,351	312,409	4,784		
HVCRE													
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	RW						Exposure amount (EAD)	Credit RWA amount	Expected losses	
Strong	Less than 2.5 years	36,923	45,042	70%						54,940	38,458	219	
	Equal to or more than 2.5 years	4,941	33,802	95%						18,462	17,539	73	
Good	Less than 2.5 years	69,224	39,604	95%						85,065	80,812	340	
	Equal to or more than 2.5 years	113,107	26,065	120%						124,000	148,800	496	
Satisfactory		121,971	2,434	140%						122,944	172,122	3,442	
Weak		—	—	250%						—	—	—	
Default		—	—	—						—	—	—	
Total		346,168	146,949	—						405,414	457,734	4,572	

(Millions of yen, except percentages)

CR10: IRB - SL (slotting criteria approach)		As of March 31, 2024										
a	b	c	d	e	f	g	h	i	j	k	l	
SL (slotting criteria approach)												
Other than high-volatility commercial real estate (HVCRE)												
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	RW	Exposure amount (EAD)					Credit RWA amount	Expected losses	
					PF	OF	CF	IPRE	Total			
Strong	Less than 2.5 years	3,789	58,759	50%	62,549	—	—	—	62,549	31,274	—	
	Equal to or more than 2.5 years	25,850	—	70%	9,103	16,747	—	—	25,850	18,095	103	
Good	Less than 2.5 years	22,071	—	70%	22,071	—	—	—	22,071	15,449	88	
	Equal to or more than 2.5 years	186,928	4,334	90%	188,805	—	—	—	188,805	169,925	1,510	
Satisfactory		9,206	12,684	115%	14,280	—	—	—	14,280	16,422	366	
Weak		—	—	250%	—	—	—	—	—	—	—	
Default		4,335	—	—	4,335	—	—	—	4,335	—	2,167	
Total		252,181	75,779	—	301,145	16,747	—	—	317,892	251,167	4,235	
HVCRE												
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	RW					Exposure amount (EAD)	Credit RWA amount	Expected losses	
Strong	Less than 2.5 years	17,136	11,243	70%					21,633	15,143	86	
	Equal to or more than 2.5 years	7,062	29,840	95%					18,998	18,048	75	
Good	Less than 2.5 years	76,246	11,024	95%					83,658	79,475	334	
	Equal to or more than 2.5 years	86,665	36,825	120%					103,175	123,810	412	
Satisfactory		111,403	2,326	140%					112,333	157,266	3,145	
Weak		—	—	250%					—	—	—	
Default		—	—	—					—	—	—	
Total		298,514	91,259	—					339,799	393,745	4,055	

10. Credit Risk-Weighted Assets under Article 145 of the Notification

Exposures under Article 145 of the Notification include investments to funds. In the case of such exposures, in principle, each underlying asset of the fund is assigned an obligor grade to calculate the asset’s credit risk-weighted asset amount and the amounts are totaled to derive the credit risk-weighted asset amount of the fund. When it is difficult to calculate the credit risk-weighted asset amount of individual underlying assets, the weighted average of the risk weight of individual underlying assets is calculated, where risk weight of 250%/ 400% is applied if the result of such calculation proved to be 250%/400% or less, while 1,250% is applied otherwise.

(Millions of yen)

Calculation method	As of March 31, 2025	As of March 31, 2024
Look-through approach	1,970,690	1,384,604
Mandate-based approach	—	—
Simple approach (subject to 250% risk weight)	102,462	101,046
Simple approach (subject to 400% risk weight)	187,968	135,116
Fall-back approach	18,251	45,606

■ Standardised Approach

1. Scope

The following consolidated subsidiaries have adopted the standardised approach for exposures as of March 31, 2024 (i.e. consolidated subsidiaries not listed in the “Internal Ratings-Based (IRB) Approach: 1. Scope” on page 180).

(1) Consolidated Subsidiaries Planning to Adopt Phased Rollout of the AIRB Approach
SMBC Consumer Finance Co., Ltd.

(2) Consolidated Subsidiaries Planning to Adopt Phased Rollout of the FIRB Approach
SMBC Nikko Securities Inc.

(3) Other Consolidated Subsidiaries
These are consolidated subsidiaries judged not to be significant in terms of credit risk management based on the type of business, scale, and other factors. These subsidiaries will adopt the standardised approach on a permanent basis.

2. Credit Risk-Weighted Asset Calculation Methodology

Consolidated subsidiaries that have adopted the standardized approach use the following qualifying rating agencies for determination of risk weights: Rating and Investment Information, Inc., Japan Credit Rating Agency, Ltd., Moody’s Investors Service, Inc., S&P Global Ratings, and Fitch Ratings Ltd. Certain consolidated subsidiaries use country risk scores published by the Organization for Economic Co-operation and Development (OECD) for determination of risk weights of sovereign exposure.

3. CR Exposure and Credit Risk Mitigation (CRM) Effects (CR4)

(Millions of yen, except percentages)

CR4: SA – CR exposure and CRM effects		As of March 31, 2025					
Item No.		a	b	c	d	e	f
		Exposures pre-CCF and pre-CRM	Exposures post-CCF and post-CRM	Exposures pre-CCF and pre-CRM	Exposures post-CCF and post-CRM	Credit RWA amount	RWA density
	Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount		
1a	Government of Japan and Bank of Japan (BOJ)	5,370,065	—	5,370,065	—	0	0.00%
1b	Foreign central governments and foreign central banks	2,763,791	—	2,763,791	—	40,371	1.46%
1c	Bank for International Settlements, etc.	3,784	—	3,784	—	0	0.00%
2a	Local governments of Japan	173,440	—	173,440	—	0	0.00%
2b	Foreign non-central government public sector entities (PSEs)	50,272	—	50,272	—	10,054	20.00%
2c	Japan Finance Organization for Municipalities (JFM)	28,700	—	28,700	—	2,870	10.00%
2d	Government- affiliated agencies of Japan	76,546	—	76,546	—	6,354	8.30%
2e	The three local public corporations	—	—	—	—	—	—
3	Multilateral development banks (MDBs)	7,284	—	7,284	—	0	0.00%
4	Banks, securities firms and insurance companies	1,141,757	—	1,141,757	—	352,295	30.85%
	Of which: securities firms and insurance companies	25,072	—	25,072	—	29,366	117.12%
5	Covered bonds	—	—	—	—	—	—
6	Corporates including specialized lending	1,259,017	1,022,832	1,243,848	207,743	1,427,232	98.32%
	Of which: specialized lending	—	—	—	—	—	—
7a	Subordinated debt and other capital	—	—	—	—	—	—
7b	Equity	2,873,926	—	2,873,926	—	3,736,104	130.00%
8	SMEs and individuals	2,622,750	1,496,735	2,622,750	828,840	2,641,662	76.53%
	Of which transactors	—	—	—	—	—	—
9	Real estate	253,777	—	253,777	—	86,634	34.13%
	Of which: general RRE	237,218	—	237,218	—	79,430	33.48%
	Of which: IPRRE	16,558	—	16,558	—	7,203	43.50%
	Of which: general CRE	—	—	—	—	—	—
	Of which: Other real estate related	—	—	—	—	—	—
	Of which: ADC	—	—	—	—	—	—
10a	Delinquency excluding general RRE	162,441	117	162,319	117	232,991	143.43%
10b	Delinquency for general RRE	13	—	13	—	13	100.00%
11a	Cash	22,717	—	22,717	—	0	0.00%
11b	Bills in the course of collection	93,687	—	93,687	—	18,737	20.00%
	Guaranteed by credit guarantee associations, etc.	—	—	—	—	—	—
	Guaranteed by Regional Economy Vitalization Corporation of Japan (REVIC), etc.	—	—	—	—	—	—
12	Total	16,903,975	2,519,685	16,888,685	1,036,701	8,555,323	47.72%

(Millions of yen, except percentages)

CR4: SA – CR exposure and CRM effects		As of March 31, 2024					
Item No.	Asset classes	a	b	c	d	e	f
		Exposures pre-CCF and pre-CRM	Exposures post-CCF and post-CRM	On-balance sheet amount	Off-balance sheet amount	Credit RWA amount	RWA density
1a	Government of Japan and Bank of Japan (BOJ)	4,424,030	—	4,424,030	—	0	0.00%
1b	Foreign central governments and foreign central banks	2,724,420	—	2,724,420	—	45,207	1.65%
1c	Bank for International Settlements, etc.	3,700	—	3,700	—	0	0.00%
2a	Local governments of Japan	163,273	—	163,273	—	0	0.00%
2b	Foreign non-central government public sector entities (PSEs)	28,146	—	28,146	—	5,629	20.00%
2c	Japan Finance Organization for Municipalities (JFM)	37,637	—	37,637	—	3,763	10.00%
2d	Government- affiliated agencies of Japan	78,814	—	78,814	—	7,881	10.00%
2e	The three local public corporations	—	—	—	—	—	—
3	Multilateral development banks (MDBs)	7,112	—	7,112	—	0	0.00%
4	Banks, securities firms and insurance companies	1,305,857	—	1,305,857	—	348,042	26.65%
	Of which: securities firms and insurance companies	35,386	—	35,386	—	16,008	45.23%
5	Covered bonds	—	—	—	—	—	—
6	Corporates including specialized lending	1,148,649	356,941	1,136,062	133,850	1,244,632	98.00%
	Of which: specialized lending	—	—	—	—	—	—
7a	Subordinated debt and other capital	—	—	—	—	—	—
7b	Equity	—	—	—	—	—	—
8	SMEs and individuals	2,574,274	1,428,801	2,574,274	783,497	2,533,535	75.45%
	Of which transactors	—	—	—	—	—	—
9	Real estate	242,058	—	242,058	—	83,112	34.33%
	Of which: general RRE	225,904	—	225,904	—	76,344	33.79%
	Of which: IPRRE	16,154	—	16,154	—	6,768	41.89%
	Of which: general CRE	—	—	—	—	—	—
	Of which: Other real estate related	—	—	—	—	—	—
	Of which: ADC	—	—	—	—	—	—
10a	Delinquency excluding general RRE	186,533	119	186,405	119	262,258	140.60%
10b	Delinquency for general RRE	14	—	14	—	14	100.00%
11a	Cash	23,511	—	23,511	—	0	0.00%
11b	Bills in the course of collection	—	—	—	—	—	—
	Guaranteed by credit guarantee associations, etc.	—	—	—	—	—	—
	Guaranteed by Regional Economy Vitalization Corporation of Japan (REVIC), etc.	—	—	—	—	—	—
12	Total	12,948,036	1,785,862	12,935,320	917,466	4,534,078	32.73%

4. CR Exposures by Asset Classes and Risk Weights (CR5a)

(Millions of yen)

CR5a: SA – CR exposures by asset classes and risk weights		As of March 31, 2025							
Item No.	Asset classes	Total credit exposures amount (post CCF and post-CRM)							
		Risk weight	0%	20%	50%	100%	150%	Others	Total
1a	Government of Japan and BOJ		5,370,065	—	—	—	—	—	5,370,065
1b	Foreign central governments and foreign central banks		2,683,048	—	80,743	—	—	—	2,763,791
1c	Bank for International Settlements, etc.		3,784	—	—	—	—	—	3,784
2a	Local governments of Japan		173,440	—	—	—	—	—	173,440
2b	Foreign non-central government PSEs		—	—	50,272	—	—	—	50,272
2c	JFM		—	28,700	—	—	—	—	28,700
2d	Government- affiliated agencies of Japan		12,997	63,548	—	—	—	—	76,546
2e	The three local public corporations		—	—	—	—	—	—	—
3	MDBs		7,284	—	—	—	—	—	7,284
4	Banks, securities firms and insurance companies		778,971	276,165	8,730	6,674	—	71,214	1,141,757
	Of which: securities firms and insurance companies		1,678	5,049	—	—	—	18,344	25,072
5	Covered bonds		—	—	—	—	—	—	—
6	Corporates including specialized lending		17,332	7,099	12	—	135,699	1,288,212	1,451,591
	Of which: specialized lending		—	—	—	—	—	—	—
7a	Subordinated debt and other capital		—	—	—	—	—	—	—
7b	Equity		—	—	2,873,926	—	—	—	2,873,926
8	SMEs and individuals		3,797	3,233,639	213,015	1,138	3,451,591		
9a	Real estate Of which: general RRE		35,924	23,493	95,365	45,867	31,305	3,678	237,218
	Of which: mortgage is second priority and meets eligibility criteria		—	—	—	—	—	—	—
9b	Real estate Of which: IPRRE		4,375	2,582	7,855	476	549	717	16,558
	Of which: mortgage is second priority and meets eligibility criteria		—	—	—	—	—	—	—

(Millions of yen)

CR5a: SA – CR exposures by asset classes and risk weights		As of March 31, 2025					
Item No.	Asset classes	Risk weight	Total credit exposures amount (post CCF and post-CRM)				
			70%	90%	110%	150%	Others
9c	Real estate Of which: general CRE		–	–	–	–	–
			70%	112.5%			Others
	Of which: mortgage is second priority and meets eligibility criteria		–	–	–	–	–
9d			60%		Others		Total
	Real estate Of which: Other real estate related		–		–		–
			60%		Others		Total
	Of which: mortgage is second priority and meets eligibility criteria		–		–		–
9e			100%		150%		Others
	Real estate Of which: ADC		–		–		–
10a			50%		100%		Others
	Delinquency excluding general RRE		6,987		7,354		162,437
10b	Delinquency for general RRE		–		13		13
11a			0%		10%		Others
	Cash		22,717		–		22,717
11b	Bills in the course of collection		–		93,687		93,687
	Guaranteed by credit guarantee associations, etc.		–		–		–
	Guaranteed by REVIC of Japan, etc.		–		–		–

(Millions of yen)

CR5a: SA – CR exposures by asset classes and risk weights		As of March 31, 2024							
Item No.	Asset classes	Risk weight	Total credit exposures amount (post CCF and post-CRM)						
			0%	20%	50%	100%	150%	Others	Total
1a	Government of Japan and BOJ		4,424,030	–	–	–	–	–	4,424,030
1b	Foreign central governments and foreign central banks		2,634,005	–	90,414	–	–	–	2,724,420
1c	Bank for International Settlements, etc.		3,700	–	–	–	–	–	3,700
2a			0%	10%	20%	50%	100%	150%	Others
	Local governments of Japan		163,273	–	–	–	–	–	163,273
2b	Foreign non-central government PSEs		–	–	28,146	–	–	–	28,146
2c	JFM		–	37,637	–	–	–	–	37,637
2d	Government- affiliated agencies of Japan		–	78,814	–	–	–	–	78,814
2e	The three local public corporations		–	–	–	–	–	–	–
3			0%	20%	30%	50%	100%	150%	Others
	MDBs		7,112	–	–	–	–	–	7,112
4			20%	30%	40%	50%	75%	100%	150%
	Banks, securities firms and insurane companies		913,459	333,823	7,226	14,709	0	–	36,638
	Of which: securities firms and insurance companies		13,733	16,015	–	0	–	–	5,638
5			10%	15%	20%	25%	35%	50%	100%
	Covered bonds		–	–	–	–	–	–	–
6			20%	50%	75%	80%	85%	100%	130%
	Corporates including specialized lending		17,888	13,548	43	–	140,993	1,097,436	–
	Of which: specialized lending		–	–	–	–	–	–	–
7a			100%	150%	100%	100%		Others	Total
	Subordinated debt and other capital		–	–	–	–	–	–	–
7b	Equity		–	–	–	–	–	–	–
8			45%	75%	100%		Others	Total	
	SMEs and individuals		882	3,296,811	59,175	903	3,357,772		
9a			20%	25%	30%	40%	50%	70%	75%
	Real estate Of which: general RRE		33,127	20,798	86,284	47,890	35,145	1,768	889
			20%	31.25%	37.5%	50%	62.5%		
	Of which: mortgage is second priority and meets eligibility criteria		–	–	–	–	–	–	–
9b			30%	35%	45%	60%	75%	105%	150%
	Real estate Of which: IPRRE		4,863	2,339	7,311	793	546	298	–
			30%	43.75%	56.25%	75%	93.75%		
	Of which: mortgage is second priority and meets eligibility criteria		–	–	–	–	–	–	–

(Millions of yen)

CR5a: SA – CR exposures by asset classes and risk weights		As of March 31, 2024						
Item No.	Asset classes	Risk weight	Total credit exposures amount (post CCF and post-CRM)					
			70%	90%	110%	150%	Others	Total
9c	Real estate Of which: general CRE		–	–	–	–	–	–
			70%	112.5%			Others	Total
	Of which: mortgage is second priority and meets eligibility criteria		–	–	–	–	–	–
9d			60%		Others		Total	
	Real estate Of which: Other real estate related		–		–		–	
			60%		Others		Total	
	Of which: mortgage is second priority and meets eligibility criteria		–		–		–	
9e			100%	150%	Others		Total	
	Real estate Of which: ADC		–	–	–		–	
10a			50%	100%	150%	Others	Total	
	Delinquency excluding general RRE		11,510	12,034	162,979	–	186,524	
10b	Delinquency for general RRE		–	14	–	–	14	
11a			0%	10%	20%	Others	Total	
	Cash		23,511	–	–	–	23,511	
	Bills in the course of collection		–	–	–	–	–	
	Guaranteed by credit guarantee associations, etc.		–	–	–	–	–	
	Guaranteed by REVIC of Japan, etc.		–	–	–	–	–	

5. exposures and CCF by risk weight (CR5b)

(Millions of yen, except percentages)

CR5b: Standardized approach – exposures and CCF by risk weight		As of March 31, 2025			
Item No.	Risk weight	a	b	c	d
		On-balance sheet exposure	Off-balance sheet exposures	Weighted average CCF	Exposure (post-CCF and post-CRM)
1	Less than 40%	9,746,995	–	–	9,746,995
2	40%-70%	203,214	2	100.00%	203,216
3	75%	2,414,549	1,420,691	57.80%	3,235,786
	80%	–	–	–	–
4	85%	131,711	39,879	10.00%	135,699
5	90%-100%	1,312,405	1,058,997	22.78%	1,508,595
6	105%-130%	717	–	–	717
7	150%	220,455	114	100.00%	220,448
8	130%	2,873,926	–	–	2,873,926
9	160%	–	–	–	–
10	1,250%	–	–	–	–
11	Total exposures	16,903,975	2,519,685	42.33%	17,925,386

(Millions of yen, except percentages)

CR5b: Standardized approach – exposures and CCF by risk weight		As of March 31, 2024			
Item No.	Risk weight	a	b	c	d
		On-balance sheet exposure	Off-balance sheet exposures	Weighted average CCF	Exposure (post-CCF and post-CRM)
1	Less than 40%	8,812,817	–	–	8,812,817
2	40%-70%	231,196	6	100.00%	231,202
3	75%	2,518,604	1,390,692	56.06%	3,298,291
	80%	–	–	–	–
4	85%	136,601	43,923	10.00%	140,993
5	90%-100%	1,047,976	351,129	37.95%	1,168,660
6	105%-130%	298	–	–	298
7	150%	200,540	110	100.00%	200,522
8	100%	–	–	–	–
9	100%	–	–	–	–
10	1,250%	–	–	–	–
11	Total exposures	12,948,036	1,785,862	51.37%	13,852,787

6. Comparison of modelled and standardized RWA at risk level (CMS1)

(Millions of yen)

CMS1: Comparison of modelled and standardized RWA at risk level		As of March 31, 2025			
Item No.		a	b	c	d
		RWA			
		RWA for modelled approaches that banks have supervisory approval to use	RWA for portfolios where standardized approaches are used	Total Actual RWA	RWA calculated using full standardised approach and prior to the application of the output floor (ie RWA used in capital floor computation)
1	Credit risk (excluding counterparty credit risk)	53,582,090	9,325,467	62,907,557	118,635,777
2	Counterparty credit risk (CCR)	1,911,104	892,071	2,803,175	5,877,333
3	Credit valuation adjustment (CVA)		2,393,806	2,393,806	2,393,806
4	Securitisation exposures in the banking book	1,374,545	286,437	1,660,983	2,469,626
5	Market risk	—	3,083,723	3,083,723	3,083,723
6	Operational risk		6,166,393	6,166,393	6,166,393
7	Residual RWA		14,101,488	14,101,488	11,282,729
8	Total	56,867,740	36,249,388	93,117,128	149,909,391

(Millions of yen)

CMS1: Comparison of modelled and standardized RWA at risk level		As of March 31, 2024			
Item No.		a	b	c	d
		RWA			
		RWA for modelled approaches that banks have supervisory approval to use	RWA for portfolios where standardized approaches are used	Total Actual RWA	RWA calculated using full standardised approach and prior to the application of the output floor (ie RWA used in capital floor computation)
1	Credit risk (excluding counterparty credit risk)	56,669,456	5,178,991	61,848,447	116,056,356
2	Counterparty credit risk (CCR)	1,780,375	987,110	2,767,485	5,522,521
3	Credit valuation adjustment (CVA)		2,412,722	2,412,722	2,412,722
4	Securitisation exposures in the banking book	1,317,929	170,908	1,488,838	2,314,186
5	Market risk	—	2,926,210	2,926,210	2,926,210
6	Operational risk		5,545,060	5,545,060	5,545,060
7	Residual RWA		15,859,814	15,859,814	11,531,998
8	Total	59,767,761	33,080,817	92,848,578	146,309,056

7. Comparison of modelled and standardized RWA for credit risk at asset class level (CMS2)

(Millions of yen)

CMS2: Comparison of modelled and standardized RWA for credit risk at asset class level		As of March 31, 2025			
Item No.		a	b	c	d
		RWA			
		RWA for modelled approaches that banks have supervisory approval to use	RWA for column (a) if re-computed using the standardized approach	Total Actual RWA	RWA calculated using full standardised approach and prior to the application of the output floor (ie RWA used in capital floor computation)
1	Sovereign	820,823	59,651	880,474	1,756,786
	Of which: Local governments of Japan	33,979	—	33,979	46,160
	Of which: Foreign non-central government public sector entities (PSEs)	197,587	10,054	207,642	950,836
	Of which: Multilateral development banks (MDBs)	—	—	—	—
	Of which: Japan Finance Organization for Municipalities (JFM)	—	2,870	2,870	2,870
	Of which: Government-affiliated agencies of Japan	1,339	6,354	7,694	92,803
	Of which: The three local public corporations	1,957	—	1,957	4,021
2	Banks	3,347,923	371,033	3,718,956	4,550,236
3	Equity	1,539,768	3,736,104	5,275,873	4,961,006
4	Purchased receivables	1,337,123	—	1,337,123	3,013,945
5	Corporate excluding specialized lending and mid-sized corporations and SMEs	34,110,659	1,437,036	35,547,695	73,625,197
	Of which: FIRB is applied	32,171,248		32,171,248	
	Of which: AIRB is applied	1,939,410		1,939,410	
6	Mid-sized corporations and SMEs	1,914,529	8,580	1,923,109	4,144,479
	Of which: FIRB is applied	269,866		269,866	
	Of which: AIRB is applied	1,644,663		1,644,663	
7	Residential mortgage	1,367,257	79,444	1,446,702	3,840,570
8	Qualifying revolving retail	2,626,384	—	2,626,384	3,311,543
9	Other retail	939,075	2,863,473	3,802,548	4,239,055
10	Specialized lending	5,578,546	770,143	6,348,689	15,192,956
	Of which: Commercial real estate and high-volatility commercial real estate	1,430,478	457,734	1,888,212	5,976,974
11	Total	53,582,090	9,325,467	62,907,557	118,635,777

(Millions of yen)

CMS2: Comparison of modelled and standardized RWA for credit risk at asset class level		As of March 31, 2024			
Item No.		a	b	c	d
		RWA			
		RWA for modelled approaches that banks have supervisory approval to use	RWA for column (a) if re-computed using the standardized approach	Total Actual RWA	RWA calculated using full standardised approach and prior to the application of the output floor (ie RWA used in capital floor computation)
1	Sovereign	665,051	62,482	727,533	1,497,926
	Of which: Local governments of Japan	45,360	—	45,360	55,348
	Of which: Foreign non-central government public sector entities (PSEs)	198,115	5,629	203,744	411,494
	Of which: Multilateral development banks (MDBs)	—	—	—	—
	Of which: Japan Finance Organization for Municipalities (JFM)	—	3,763	3,763	3,763
	Of which: Government-affiliated agencies of Japan	1,344	7,881	9,226	98,482
	Of which: The three local public corporations	2,481	—	2,481	3,981
2	Banks	3,835,438	348,042	4,183,480	5,392,201
3	Equity	5,420,152	—	5,420,152	4,841,283
4	Purchased receivables	1,223,633	—	1,223,633	3,205,250
5	Corporate excluding specialized lending and mid-sized corporations and SMEs	33,642,067	1,171,269	34,813,336	71,786,223
	Of which: FIRB is applied	31,360,382		31,360,382	
	Of which: AIRB is applied	2,281,684		2,281,684	
6	Mid-sized corporations and SMEs	1,959,225	119,844	2,079,070	4,193,968
	Of which: FIRB is applied	223,775		223,775	
	Of which: AIRB is applied	1,735,450		1,735,450	
7	Residential mortgage	1,427,906	76,359	1,504,265	3,790,641
8	Qualifying revolving retail	1,889,644	—	1,889,644	2,674,590
9	Other retail	914,709	2,756,080	3,670,789	4,106,999
10	Specialized lending	5,691,628	644,912	6,336,541	14,567,270
	Of which: Commercial real estate and high-volatility commercial real estate	1,417,636	393,745	1,811,381	5,510,007
11	Total	56,669,456	5,178,991	61,848,447	116,056,356

Note: The criteria for classifying the exposures to which the standardized approach is applied to the IRBA portfolio is as described below:

- Exposures to individuals other than those that come under Item 7 “Residential mortgage exposures” are classified under Item 9 “Other retail exposures.”
- Exposures other than the above are classified in accordance with the definition of the IRBA portfolio.

■ Credit Risk Mitigation (CRM) Techniques

1. Overview of Risk Characteristics, Risk Management Policy, Risk Management Procedures and Risk Management System

In calculating credit risk-weighted asset amounts, we take into account credit risk mitigation (CRM) techniques. Specifically, amounts are adjusted for eligible financial or real estate collateral, guarantees, and credit derivatives. The methods and scope of these adjustments and methods of management are as follows.

(1) Scope and Management

A. Collateral (Eligible Financial or Real Estate Collateral)

SMBC designates deposits and securities as eligible financial collateral, and land and buildings as eligible real estate collateral.

Real estate collateral is evaluated by taking into account its fair value, appraisal value, and current condition, as well as our lien position. Real estate collateral must maintain sufficient collateral value in the event security rights must be exercised due to delinquency. However, during the period from acquiring the rights to exercising the rights, the property may deteriorate or suffer damage from earthquakes or other natural disasters, or there may be changes in the lien position due to, for example, attachment or establishment of liens by a third party. Therefore, the regular monitoring of collateral is implemented according to the type of property and the type of security interest.

B. Guarantees and Credit Derivatives

Guarantors are sovereigns, municipal corporations, credit guarantee corporations and other public entities, financial institutions, and C&I companies. Counterparties to credit derivative transactions are mostly domestic and overseas banks and securities companies.

Credit risk-weighted asset amounts are calculated taking into account credit risk mitigation of guarantees and credit derivatives acquired from entities with sufficient ability to provide protection such as sovereigns, municipal corporations and other public sector entities of comparable credit quality, and financial institutions and C&I companies with sufficient credit ratings.

(2) Concentration of Credit Risk and Market Risk under Credit Risk Mitigation Techniques

There is a framework in place for controlling concentration of risk in obligors with large exposures which includes large exposure limit lines, risk concentration monitoring, and reporting to the Credit Risk Committee (please refer to pages 130 to 135). Further, exposures to these obligors are monitored on a group basis, taking into account risk concentration in their parent companies in cases that exposures to the obligors are guaranteed by the parent companies for risk mitigation.

In addition, when marketable financial products (for example, credit derivatives) are used as credit risk mitigants, market risk generated by these products is controlled by setting upper limits.

As credit risk mitigation techniques, eligible real estate collateral and guarantees have shown a certain effect.

2. Credit Risk Mitigation Techniques (CR3)

(Millions of yen)

CR3: CRM techniques		As of March 31, 2025				
Item No.		a	b	c	d	e
		Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	78,593,860	29,942,400	12,321,911	13,464,904	—
2	Securities (of which: Debt securities)	30,195,503	231,528	76,700	44,644	—
3	Other on-balance sheet assets (of which: debt-based assets)	85,531,209	639,830	5,011	622,879	—
4	Total (1+2+3)	194,320,573	30,813,758	12,403,623	14,132,428	—
5	Of which: defaulted	1,103,001	138,592	61,624	30,610	—

(Millions of yen)

CR3: CRM techniques		As of March 31, 2024				
Item No.		a	b	c	d	e
		Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	75,640,079	29,268,996	12,329,056	12,621,786	—
2	Securities (of which: Debt securities)	26,350,070	270,883	101,003	20,046	—
3	Other on-balance sheet assets (of which: debt-based assets)	87,958,680	424,506	3,118	413,427	—
4	Total (1+2+3)	189,948,829	29,964,386	12,433,177	13,055,260	—
5	Of which: defaulted	1,066,812	178,324	65,959	36,848	—

Counterparty Credit Risk

1. Overview of Risk Characteristics

Counterparty credit risk is actualized when counterparties become default in a condition where derivative transactions, etc. have a positive value, and risks fluctuate according to the credit quality of counterparties and related market indicators.

2. Risk Management Policy and Procedures

(1) Risk Management Policy

For counterparty credit risks, credit limits are set according to the frameworks of credit management in each SMBC Group company. For transactions with CCP, credit risks are managed after validating the financial base and the default management process, etc.

(2) Policy on Collateral Security and Impact of Deterioration of Our Credit Quality

Collateralized derivative is a CRM technique in which collateral is delivered or received regularly in accordance with replacement cost. The Group conducts collateralized derivative transactions as necessary, thereby reducing credit risk. In the event our credit quality deteriorates, however, the counterparty may demand additional collateral, but its impact is deemed to be insignificant.

(3) Netting

Netting is another CRM technique, and “close-out netting” is the main type of netting. In close-out netting, when a default event, such as bankruptcy, occurs to the counterparty, all claims against, and obligations to, the counterparty, regardless of maturity and currency, are netted out to create a single claim or obligation. Close-out netting is applied to foreign exchange and swap transactions covered under a master agreement with a net-out clause or other means of securing legal effectiveness, and the effect of CRM is taken into account only for such claims and obligations.

3. Amount of Counter Party Credit Risk (CCR) Exposure by Approach (CCR1)

(Millions of yen)

CCR1: Amount of CCR exposure by approach		As of March 31, 2025					
Item No.		a	b	c	d	e	f
		Replacement cost	PFE	Effective EPE (EEPE)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR	1,515,213	3,327,935		1.4	6,780,408	1,949,003
	CEM	—	—			—	—
2	Expected exposure method (IMM)			—	—	—	—
3	Simple approach for CRM					—	—
4	Comprehensive approach for CRM					2,392,733	768,270
5	Exposure fluctuation estimation model					—	—
6	Total						2,717,274

(Millions of yen)

CCR1: Amount of CCR exposure by approach		As of March 31, 2024					
Item No.		a	b	c	d	e	f
		Replacement cost	PFE	Effective EPE (EEPE)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR	1,687,432	2,728,055		1.4	6,181,683	1,828,241
	CEM	—	—			—	—
2	Expected exposure method (IMM)			—	—	—	—
3	Simple approach for CRM					—	—
4	Comprehensive approach for CRM					2,170,189	879,393
5	Exposure fluctuation estimation model					—	—
6	Total						2,707,635

4. CCR Exposures by Regulatory Portfolio and Risk Weights (CCR3)

(Millions of yen)

CCR3: CCR exposures by regulatory portfolio and risk weights		As of March 31, 2025													
Item No.	Risk weight	a	b	c	d	e	f	g	h	i	j	k	l	m	n
		Credit equivalent amounts (post-CRM)													
	Regulatory portfolio	0%	10%	20%	30%	40%	50%	75%	80%	85%	100%	130%	150%	Others	Total
1	Government of Japan and BOJ	450,360	-	-	-	-	-	-	-	-	-	-	-	-	450,360
2	Foreign central governments and foreign central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Bank for International Settlements, etc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Local governments of Japan	34	-	-	-	-	-	-	-	-	-	-	-	-	34
5	Foreign non-central government PSEs	-	-	-	-	-	-	-	-	-	754	-	-	-	754
6	MDBs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	JFM	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Government- affiliated agencies of Japan	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	The three local public corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Banks, securities firms and insuranse companies	-	-	193,246	142,807	30,386	1,138	-	-	-	-	-	31	-	367,610
11	Corporates	-	-	13,216	-	-	40,199	2,423	-	-	547,772	-	-	-	603,611
12	SMEs and retail	-	-	-	-	-	-	84,513	-	-	-	-	-	-	84,513
13	Other than the above	-	-	-	-	-	-	-	-	-	75,433	-	-	-	75,433
14	Total	450,395	-	206,463	142,807	30,386	41,337	86,936	-	-	623,961	-	31	-	1,582,319

(Millions of yen)

CCR3: CCR exposures by regulatory portfolio and risk weights		As of March 31, 2024													
Item No.	Risk weight	a	b	c	d	e	f	g	h	i	j	k	l	m	n
		Credit equivalent amounts (post-CRM)													
	Regulatory portfolio	0%	10%	20%	30%	40%	50%	75%	80%	85%	100%	130%	150%	Others	Total
1	Government of Japan and BOJ	207,124	-	-	-	-	-	-	-	-	-	-	-	-	207,124
2	Foreign central governments and foreign central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Bank for International Settlements, etc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Local governments of Japan	16	-	-	-	-	-	-	-	-	-	-	-	-	16
5	Foreign non-central government PSEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	MDBs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	JFM	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Government- affiliated agencies of Japan	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	The three local public corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Banks, securities firms and insuranse companies	-	-	218,652	138,678	758	2,722	-	-	-	-	-	28,893	-	389,705
11	Corporates	-	-	7,099	-	-	92,996	243	-	-	589,735	-	-	-	690,075
12	SMEs and retail	-	-	-	-	-	-	80,201	-	-	-	-	-	-	80,201
13	Other than the above	-	-	-	-	-	-	-	-	-	98,933	-	-	-	98,933
14	Total	207,141	-	225,751	138,678	758	95,719	80,445	-	-	688,669	-	28,893	-	1,466,057

5. IRB Approach – CCR Exposures by Portfolio and PD Scale (CCR4)

(Millions of yen, %, the number of data in thousands, years)

CCR4: IRB - CCR exposures by portfolio and PD scale		As of March 31, 2025						
		a	b	c	d	e	f	g
Item No.	PD scale	EAD post-CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity	Credit RWA	RWA density (%)
Sovereign exposures (AIRB approach)								
1	0.00 to <0.15	223,403	0.03	0.1	35.00	1.2	8,255	3.69
2	0.15 to <0.25	5,173	0.16	0.0	35.00	1.0	1,349	26.08
3	0.25 to <0.50	—	—	—	—	—	—	—
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	3,406	1.37	0.0	35.00	1.0	2,158	63.37
6	2.50 to <10.00	439	3.83	0.0	35.00	1.0	421	95.75
7	10.00 to <100.00	1	12.59	0.0	35.00	1.0	2	149.81
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	232,424	0.06	0.2	35.00	1.2	12,187	5.24
Sovereign exposures (FIRB approach)								
1	0.00 to <0.15	—	—	—	—	—	—	—
2	0.15 to <0.25	—	—	—	—	—	—	—
3	0.25 to <0.50	—	—	—	—	—	—	—
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	—	—	—	—	—	—	—
6	2.50 to <10.00	—	—	—	—	—	—	—
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—
Bank exposures (AIRB approach)								
1	0.00 to <0.15	—	—	—	—	—	—	—
2	0.15 to <0.25	—	—	—	—	—	—	—
3	0.25 to <0.50	—	—	—	—	—	—	—
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	—	—	—	—	—	—	—
6	2.50 to <10.00	—	—	—	—	—	—	—
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—
Bank exposures (FIRB approach)								
1	0.00 to <0.15	1,537,970	0.05	6.6	45.00	1.0	261,521	17.00
2	0.15 to <0.25	38,711	0.15	0.3	45.00	0.9	12,483	32.24
3	0.25 to <0.50	2,588	0.38	0.0	45.00	1.0	1,287	49.75
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	23,177	0.86	0.1	45.00	0.7	17,692	76.33
6	2.50 to <10.00	3,766	8.39	0.0	45.00	1.0	7,221	191.72
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	1,606,213	0.09	7.0	45.00	1.0	300,206	18.69

(Millions of yen, %, the number of data in thousands, years)

CCR4: IRB - CCR exposures by portfolio and PD scale		As of March 31, 2025						
		a	b	c	d	e	f	g
Item No.	PD scale	EAD post-CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity	Credit RWA	RWA density (%)
Corporate exposures (AIRB approach)								
1	0.00 to <0.15	33,174	0.07	3.3	35.16	0.9	4,053	12.21
2	0.15 to <0.25	56,393	0.17	4.9	35.00	1.0	12,101	21.45
3	0.25 to <0.50	18,335	0.40	0.9	35.00	1.0	6,509	35.50
4	0.50 to <0.75	1,885	0.69	0.4	35.00	1.0	904	47.96
5	0.75 to <2.50	5,479	1.42	0.9	35.00	1.0	3,592	65.55
6	2.50 to <10.00	752	8.39	0.2	35.00	1.0	954	126.79
7	10.00 to <100.00	31	24.93	0.0	35.00	1.0	56	180.85
8	100.00 (Default)	17	100.00	0.0	44.49	1.0	1	9.75
9	Subtotal	116,069	0.32	10.8	35.04	0.9	28,173	24.27
Corporate exposures (FIRB approach)								
1	0.00 to <0.15	3,569,111	0.06	46.1	41.03	1.0	523,942	14.67
2	0.15 to <0.25	758,372	0.15	16.8	41.12	0.9	190,288	25.09
3	0.25 to <0.50	179,318	0.35	1.8	42.09	1.0	81,767	45.59
4	0.50 to <0.75	1,307	0.69	0.1	41.97	1.0	845	64.68
5	0.75 to <2.50	553,857	1.88	13.2	40.18	1.0	543,423	98.11
6	2.50 to <10.00	34,802	6.29	0.2	40.06	1.0	44,413	127.61
7	10.00 to <100.00	27,171	19.25	0.0	42.91	1.0	60,718	223.46
8	100.00 (Default)	92,348	100.00	0.0	40.00	1.0	—	0.00
9	Subtotal	5,216,290	2.19	78.6	40.97	1.0	1,445,399	27.70
Mid-sized corporations and SMEs exposures (AIRB approach)								
1	0.00 to <0.15	17,475	0.07	0.5	35.00	1.0	1,951	11.16
2	0.15 to <0.25	21,706	0.18	4.3	35.00	1.0	4,268	19.66
3	0.25 to <0.50	4,408	0.46	0.7	35.00	1.0	1,531	34.73
4	0.50 to <0.75	1,956	0.68	0.6	35.00	1.0	813	41.59
5	0.75 to <2.50	4,422	1.37	2.2	35.00	1.0	2,413	54.57
6	2.50 to <10.00	2,244	6.65	0.1	35.00	1.0	2,107	93.87
7	10.00 to <100.00	76	24.64	0.0	35.00	2.0	124	162.53
8	100.00 (Default)	19	100.00	0.0	44.49	1.0	1	9.75
9	Subtotal	52,310	0.64	8.6	35.00	1.0	13,211	25.25
Mid-sized corporations and SMEs exposures (FIRB approach)								
1	0.00 to <0.15	1,582	0.12	0.0	45.00	1.0	413	26.15
2	0.15 to <0.25	16	0.15	0.0	45.00	1.0	4	26.69
3	0.25 to <0.50	60	0.46	0.0	45.00	1.0	33	54.81
4	0.50 to <0.75	40	0.69	0.0	45.00	1.0	27	66.87
5	0.75 to <2.50	50	2.02	0.0	45.00	1.0	54	107.77
6	2.50 to <10.00	9	8.63	0.0	45.00	1.0	12	125.75
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	1,760	0.25	0.0	45.00	1.0	545	30.96

(Millions of yen, %, the number of data in thousands, years)

CCR4: IRB - CCR exposures by portfolio and PD scale		As of March 31, 2025						
		a	b	c	d	e	f	g
Item No.	PD scale	EAD post-CRM	Average PD (%)	Number of counterparties	Average LGD (%)	Average maturity	Credit RWA	RWA density (%)
SL								
1	0.00 to <0.15	98,825	0.09	0.3	30.20	1.6	16,886	17.08
2	0.15 to <0.25	98,299	0.16	0.2	34.23	1.1	19,710	20.05
3	0.25 to <0.50	94,506	0.34	0.3	32.74	1.3	28,781	30.45
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	63,365	0.90	0.2	31.91	1.8	34,055	53.74
6	2.50 to <10.00	6,728	3.83	0.0	35.00	1.0	6,254	92.95
7	10.00 to <100.00	3,685	12.59	0.0	35.00	1.0	5,522	149.81
8	100.00 (Default)	340	100.00	0.0	49.70	1.0	171	50.50
9	Subtotal	365,752	0.60	1.3	32.39	1.4	111,381	30.45
Equity exposures								
1	0.00 to <0.15	—	—	—	—	—	—	—
2	0.15 to <0.25	—	—	—	—	—	—	—
3	0.25 to <0.50	—	—	—	—	—	—	—
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	—	—	—	—	—	—	—
6	2.50 to <10.00	—	—	—	—	—	—	—
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—
Other retail exposures								
1	0.00 to <0.15	—	—	—	—		—	—
2	0.15 to <0.25	—	—	—	—		—	—
3	0.25 to <0.50	—	—	—	—		—	—
4	0.50 to <0.75	—	—	—	—		—	—
5	0.75 to <2.50	—	—	—	—		—	—
6	2.50 to <10.00	—	—	—	—		—	—
7	10.00 to <100.00	—	—	—	—		—	—
8	100.00 (Default)	—	—	—	—		—	—
9	Subtotal	—	—	—	—		—	—
Total (sum of portfolios)		7,590,822	1.56	106.8	41.10	1.0	1,911,104	25.17

(Millions of yen, %, the number of data in thousands, years)

CCR4: IRB - CCR exposures by portfolio and PD scale		As of March 31, 2024						
		a	b	c	d	e	f	g
Item No.	PD scale	EAD post-CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity	Credit RWA	RWA density (%)
Sovereign exposures (AIRB approach)								
1	0.00 to <0.15	113,083	0.02	0.1	35.00	0.6	727	0.64
2	0.15 to <0.25	3,220	0.17	0.0	35.00	1.0	841	26.12
3	0.25 to <0.50	410	0.47	0.0	35.00	1.0	160	39.22
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	4,140	1.00	0.0	35.00	1.0	2,361	57.04
6	2.50 to <10.00	26	4.16	0.0	35.00	1.0	30	115.58
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	120,881	0.06	0.1	35.00	0.6	4,122	3.40
Sovereign exposures (FIRB approach)								
1	0.00 to <0.15	—	—	—	—	—	—	—
2	0.15 to <0.25	—	—	—	—	—	—	—
3	0.25 to <0.50	—	—	—	—	—	—	—
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	—	—	—	—	—	—	—
6	2.50 to <10.00	—	—	—	—	—	—	—
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—
Bank exposures (AIRB approach)								
1	0.00 to <0.15	—	—	—	—	—	—	—
2	0.15 to <0.25	—	—	—	—	—	—	—
3	0.25 to <0.50	—	—	—	—	—	—	—
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	—	—	—	—	—	—	—
6	2.50 to <10.00	—	—	—	—	—	—	—
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—
Bank exposures (FIRB approach)								
1	0.00 to <0.15	1,468,018	0.05	7.2	45.00	0.9	233,067	15.87
2	0.15 to <0.25	68,369	0.16	0.2	45.00	1.0	23,217	33.95
3	0.25 to <0.50	1,247	0.41	0.0	45.00	1.0	632	50.66
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	30,053	1.67	0.1	45.00	2.4	32,485	108.09
6	2.50 to <10.00	2,093	8.36	0.0	45.00	1.0	4,004	191.26
7	10.00 to <100.00	47	13.30	0.0	45.00	5.0	131	278.90
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	1,569,830	0.10	7.6	45.00	1.0	293,538	18.69

(Millions of yen, %, the number of data in thousands, years)

CCR4: IRB - CCR exposures by portfolio and PD scale		As of March 31, 2024						
		a	b	c	d	e	f	g
Item No.	PD scale	EAD post-CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity	Credit RWA	RWA density (%)
Corporate exposures (AIRB approach)								
1	0.00 to <0.15	36,859	0.07	2.7	35.01	0.9	4,350	11.80
2	0.15 to <0.25	47,681	0.18	4.3	34.97	1.0	10,459	21.93
3	0.25 to <0.50	85,606	0.29	1.0	4.96	0.1	4,380	5.11
4	0.50 to <0.75	1,669	0.71	0.2	35.00	1.0	812	48.64
5	0.75 to <2.50	6,451	1.63	0.9	35.00	1.0	4,395	68.13
6	2.50 to <10.00	938	8.47	0.1	35.00	1.0	1,194	127.25
7	10.00 to <100.00	1,897	24.90	0.0	35.00	1.0	3,430	180.82
8	100.00 (Default)	876	100.00	0.0	44.84	1.0	111	12.75
9	Subtotal	181,981	1.05	9.7	20.91	0.5	29,136	16.01
Corporate exposures (FIRB approach)								
1	0.00 to <0.15	3,026,845	0.06	38.0	40.78	0.9	426,339	14.08
2	0.15 to <0.25	738,108	0.16	13.2	40.72	0.9	189,998	25.74
3	0.25 to <0.50	185,206	0.37	1.5	41.76	1.0	82,948	44.78
4	0.50 to <0.75	408	0.71	0.1	41.78	1.0	264	64.63
5	0.75 to <2.50	669,283	1.87	14.2	40.85	1.1	625,218	93.41
6	2.50 to <10.00	14,211	7.61	0.3	40.12	1.0	19,792	139.27
7	10.00 to <100.00	2,825	22.27	0.0	40.69	1.0	5,842	206.75
8	100.00 (Default)	0	100.00	0.0	40.00	1.0	—	0.00
9	Subtotal	4,636,889	0.39	67.5	40.81	1.0	1,350,405	29.12
Mid-sized corporations and SMEs exposures (AIRB approach)								
1	0.00 to <0.15	11,953	0.07	0.4	35.00	1.0	1,354	11.32
2	0.15 to <0.25	21,098	0.19	3.3	35.00	1.0	4,458	21.13
3	0.25 to <0.50	6,694	0.46	0.9	35.00	1.0	2,401	35.87
4	0.50 to <0.75	2,899	0.71	0.5	35.00	1.0	1,237	42.67
5	0.75 to <2.50	3,041	1.79	1.6	35.00	1.0	1,809	59.51
6	2.50 to <10.00	1,663	4.92	0.1	35.00	1.0	1,377	82.77
7	10.00 to <100.00	192	23.67	0.0	35.00	1.4	294	153.32
8	100.00 (Default)	1	100.00	0.0	44.85	1.0	0	12.75
9	Subtotal	47,543	0.60	7.2	35.00	1.0	12,932	27.20
Mid-sized corporations and SMEs exposures (FIRB approach)								
1	0.00 to <0.15	25	0.08	0.0	45.00	1.0	5	20.66
2	0.15 to <0.25	100	0.20	0.0	45.00	1.0	27	27.24
3	0.25 to <0.50	122	0.47	0.0	45.00	1.0	70	57.92
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	132	1.33	0.0	45.00	1.0	109	82.99
6	2.50 to <10.00	26	8.74	0.0	45.00	1.0	33	126.43
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	406	1.20	0.0	45.00	1.0	246	60.64

(Millions of yen, %, the number of data in thousands, years)

CCR4: IRB - CCR exposures by portfolio and PD scale		As of March 31, 2024						
		a	b	c	d	e	f	g
Item No.	PD scale	EAD post-CRM	Average PD (%)	Number of counterparties	Average LGD (%)	Average maturity	Credit RWA	RWA density (%)
SL								
1	0.00 to <0.15	128,765	0.09	0.3	29.69	1.0	19,210	14.91
2	0.15 to <0.25	82,374	0.16	0.2	35.00	1.0	16,978	20.61
3	0.25 to <0.50	76,537	0.36	0.3	35.00	1.0	25,718	33.60
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	32,266	1.10	0.1	35.00	1.0	18,652	57.80
6	2.50 to <10.00	4,958	4.16	0.0	35.00	1.0	4,747	95.75
7	10.00 to <100.00	2,916	13.64	0.0	35.00	1.0	4,484	153.76
8	100.00 (Default)	464	100.00	0.0	49.93	1.0	199	43.00
9	Subtotal	328,283	0.59	1.2	32.93	1.0	89,992	27.41
Equity exposures								
1	0.00 to <0.15	—	—	—	—	—	—	—
2	0.15 to <0.25	—	—	—	—	—	—	—
3	0.25 to <0.50	—	—	—	—	—	—	—
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	—	—	—	—	—	—	—
6	2.50 to <10.00	—	—	—	—	—	—	—
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—
Other retail exposures								
1	0.00 to <0.15	—	—	—	—		—	—
2	0.15 to <0.25	—	—	—	—		—	—
3	0.25 to <0.50	—	—	—	—		—	—
4	0.50 to <0.75	—	—	—	—		—	—
5	0.75 to <2.50	—	—	—	—		—	—
6	2.50 to <10.00	—	—	—	—		—	—
7	10.00 to <100.00	—	—	—	—		—	—
8	100.00 (Default)	—	—	—	—		—	—
9	Subtotal	—	—	—	—		—	—
Total (sum of portfolios)		6,885,815	0.34	93.5	40.72	0.9	1,780,375	25.85

6. Asset encumbrance (ENC1)

(Millions of yen)

ENC1: Assets encumbrance		As of March 31, 2025			
Item No.		a	b	c	d
		Encumbered assets	Unencumbered assets	Total	Of which: Securitization exposures
1	Cash and due from banks	20,742	75,569,840	75,590,583	—
2	Trading assets	3,089,873	8,886,502	11,976,375	—
3	Securities	21,653,252	19,107,715	40,760,968	1,170,199
4	Loans and bills discounted	11,281,302	99,854,936	111,136,239	3,358,431
5	Other assets	2,163,018	11,559,941	13,722,960	1,894,254
	Total	38,208,190	214,978,936	253,187,126	6,422,885

(Millions of yen)

ENC1: Assets encumbrance		As of March 31, 2024			
Item No.		a	b	c	d
		Encumbered assets	Unencumbered assets	Total	Of which: Securitization exposures
1	Cash and due from banks	20,979	78,122,121	78,143,100	—
2	Trading assets	2,890,448	8,649,614	11,540,063	—
3	Securities	18,870,572	18,272,236	37,142,808	1,205,122
4	Loans and bills discounted	12,398,553	94,615,353	107,013,907	2,639,595
5	Other assets	3,225,117	12,088,428	15,313,546	1,903,345
	Total	37,405,670	211,747,754	249,153,425	5,748,063

7. Composition of Collateral for CCR Exposure (CCR5)

(Millions of yen)

CCR5: Composition of collateral for CCR exposure		As of March 31, 2025					
Item No.		a	b	c	d	e	f
		Collateral used in derivative transactions				Collateral used in securities financing transactions (SFTs)	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash (domestic currency)	—	504,331	—	276,475	8,832,489	9,082,788
2	Cash (other currencies)	—	397,084	—	538,353	6,386,813	13,197,462
3	Domestic sovereign debt	—	54,544	—	104,403	6,525,852	8,143,815
4	Other sovereign debt	—	112,633	—	48,832	14,462,447	5,586,372
5	Government agency debt	—	7,042	—	—	505,557	—
6	Corporate bonds	—	1,936	—	—	492,526	965,528
7	Equity securities	—	—	—	—	2,508,561	1,358,204
8	Other collateral	—	—	—	—	—	—
9	Total	—	1,077,573	—	968,063	39,714,247	38,334,171

(Millions of yen)

CCR5: Composition of collateral for CCR exposure		As of March 31, 2024					
Item No.		a	b	c	d	e	f
		Collateral used in derivative transactions				Collateral used in securities financing transactions (SFTs)	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash (domestic currency)	—	346,882	—	467,434	6,776,928	10,599,672
2	Cash (other currencies)	—	977,872	—	527,307	5,806,583	4,471,986
3	Domestic sovereign debt	—	145,066	—	160,324	6,994,393	6,580,549
4	Other sovereign debt	—	170,914	—	86,104	5,526,379	5,384,128
5	Government agency debt	—	375	—	—	602,978	2,168
6	Corporate bonds	—	92	—	—	506,238	696,430
7	Equity securities	—	—	—	—	3,205,290	1,612,330
8	Other collateral	—	—	—	—	—	—
9	Total	—	1,641,204	—	1,241,171	29,418,793	29,347,266

8. Credit Derivative Transaction Exposures (CCR6)

(Millions of yen)

CCR6: Credit derivative transaction exposures		As of March 31, 2025		As of March 31, 2024	
Item No.		a	b	a	b
		Protection bought	Protection sold	Protection bought	Protection sold
Notionals					
1	Single-name credit default swaps	388,009	626,804	431,282	690,955
2	Index credit default swaps	1,310,646	841,592	1,269,501	754,387
3	Total return swaps	—	—	—	—
4	Credit options	74,765	—	60,532	—
5	Other credit derivatives	—	—	—	—
6	Total notionals	1,773,420	1,468,397	1,761,316	1,445,342
Fair values					
7	Positive fair value (asset)	1,750	19,349	3,735	19,087
8	Negative fair value (liability)	29,819	3,732	29,428	4,025

9. RWA flow statements of CCR exposures under the Expected exposure method (IMM) (CCR7)

Not applicable.

10. Exposures to Central Counterparties (CCR8)

(Millions of yen)

CCR8: Exposures to central counterparties (CCP)		As of March 31, 2025		As of March 31, 2024	
Item No.		a	b	a	b
		EAD to CCP (post-CRM)	RWA	EAD to CCP (post-CRM)	RWA
1	Exposures to qualifying central counterparties (QCCPs) (total)		85,901		59,849
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	2,250,727	45,014	2,046,957	41,089
3	(i) OTC derivatives	1,806,600	36,132	1,710,027	34,200
4	(ii) Exchange-traded derivatives	224,417	4,488	181,358	3,777
5	(iii) SFTs	219,709	4,394	155,571	3,111
6	(iv) Netting sets where cross-product netting has been approved	—	—	—	—
7	Segregated initial margin	—		0	
8	Non-segregated initial margin	251,860	5,037	7,775	155
9	Pre-funded default fund contributions	288,172	35,849	51,312	17,508
10	Unfunded default fund contributions	—	—	1,357	1,096
11	Exposures to non-QCCPs (total)		—		—
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	—	—	—	—
13	(i) OTC derivatives	—	—	—	—
14	(ii) Exchange-traded derivatives	—	—	—	—
15	(iii) SFTs	—	—	—	—
16	(iv) Netting sets where cross-product netting has been approved	—	—	—	—
17	Segregated initial margin	—		—	
18	Non-segregated initial margin	—	—	—	—
19	Pre-funded default fund contributions	—	—	—	—
20	Unfunded default fund contributions	—	—	—	—

■ Securitisation Transactions

1. Overview of Risk Characteristics

Securitisation exposures have, in addition to credit risk and market risk, the following intrinsic risks, which are properly managed based on the nature of each risk.

(1) Dilution Risk

Means the risk of a decrease in purchased receivables due to cancellation or termination of the original contract for the purchased receivables, or netting of debts between the original obligor and the original obligee.

(2) Servicer Risk

A. Commingling Risk

Means the risk of uncollectible funds, which should be collected from the underlying assets, due to the bankruptcy of the servicer before the delivery of the funds collected from the obligor of the receivables.

B. Performance Risk

Means the risk of difficulty in maintenance and collection due to the servicer's failure to properly and accurately perform its clerical duties and procedures.

(3) Liquidity Risk

Means the risk that cash flows related to the underlying assets may be insufficient for paying the principal and interest of the securitisation exposure due to a timing mismatch between the securitisation conduit's receipt of the cash flows related to the underlying assets and payment of the securitisation exposure of the principal and interest, etc.

(4) Fraud Risk

Means the risk of a decrease in or complete loss of the receivables subject to collection due to a fraud, prejudicial or other malicious act by a customer or a third-party obligor.

2. Overview of Risk Management Policy and Procedures

Definition of securitisation exposure has been clarified in order to properly identify, measure, evaluate and report risks, and a risk management department, independent of business units, has been established to centrally manage risks from recognizing securitisation exposures to measuring, evaluating and reporting risks.

Securitisation transactions are subject to the following policies.

- Undertake those which allow separate assessment of underlying short-term assets by making credit decisions on individual underlying assets.
- Undertake those which cover short-term receivables, etc., by creating a framework mainly to estimate the default rate of the underlying assets based on the historical loan-loss ratio and ensure that they have sufficient subordination.
- Undertake others such as those requiring special management by implementing additional management, such as an analysis of the market environment. Particularly, with respect to securitisation transactions backed by retail loans whose creditworthiness is relatively inferior, such as subprime loans in the U.S., the Group deals only with transactions that are sufficiently structured by taking into account not only the above policies, but others such as the underlying asset selection criteria of the originator and the average life.

The Group shall basically not conduct resecuritisation transactions.

Its policy is to conduct securitisation transactions by verifying effectiveness in mitigating credit risk through the use of the asset transfer type or synthetic type securitisation transactions covering domestic and foreign exposures and using them as underlying exposures if securitisation transactions are used as an approach for credit risk mitigation.

The Group takes one of the following positions for securitisation transactions.

- Originator (a direct or indirect originator of underlying assets or a sponsor of an ABCP conduit or a similar program that acquires exposures from third-party entities)
- Investor
- Others (for example, provider of swap for preventing a mismatch between the dividend on trust beneficiary rights and cash flows generated by underlying assets on which the rights are issued)

3. Name of Securitisation Conduit and Whether or Not It Possesses Securitisation Exposure Related to Securitisation Transactions, as well as Names of Subsidiaries and Affiliated Companies of us Which Hold Securitisation Exposures Related to Securitisation Transactions Conducted by us and we Engage in the Management of the Company or Provides Advice

In order to undertake securitisation transactions related to third-party assets, the Group mainly uses a special purpose company (SPC) as a securitisation conduit.

- Manhattan Asset Funding Company LLC
- Chelsea Capital Corporation
- Forest Corporation
- Spur Funding Corporation
- Taeguk Funding Designated Activity Company
- Feathertop Funding Limited

Excluding consolidated subsidiaries, subsidiaries or affiliated companies holding securitisation exposures related to the security transactions conducted by the Holding Company Group are as follows:

- PayPay Bank Corporation

4. Name of Securitisation Conduit that Provides Non-Contractual Credit Enhancement, etc. and Impacts on Capital by Such Non-Contractual Credit Enhancement, etc. for Each Securitisation Conduit

Not applicable.

5. Accounting Policy on Securitisation Transactions

The recognition of the generation and extinguishment of financial assets and financial liabilities associated with securitisation transactions and the valuation and accounting treatment thereof are mainly governed by the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10).

6. Names of Qualifying External Ratings Agencies

In order to calculate the amount of credit risk weighted asset for securitisation exposure with the external ratings-based approach or the standardised approach, or to calculate the amount of market risk associated with specific risk, the risk weights are determined by mapping the ratings of qualifying rating agencies to the risk weights stipulated in the Notification. The qualifying rating agencies are Rating and Investment Information, Inc. (R&I), Japan Credit Rating Agency, Ltd. (JCR), Moody's Investors Service, Inc. (Moody's), S&P Global Ratings (S&P), and Fitch Ratings Ltd. (Fitch).

When more than one rating is available for an exposure, the second smallest risk weight is used, in accordance with the Notification.

7. Securitisation Exposures in the Banking Book (SEC1)

(Millions of yen)

SEC1: Securitisation exposures in the banking book		As of March 31, 2025								
Item No.	Type of underlying asset	a	b	c	d	e	f	g	h	i
		Bank acts as originator			Bank acts as sponsor			Bank acts as investor		
		Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal
1	Retail (total) - of which	381,139	—	381,139	1,299,749	—	1,299,749	2,382,574	—	2,382,574
2	Residential mortgage	381,139	—	381,139	22,740	—	22,740	489,797	—	489,797
3	Credit card	—	—	—	20,000	—	20,000	344,148	—	344,148
4	Other retail exposures	—	—	—	1,257,008	—	1,257,008	1,548,628	—	1,548,628
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) - of which	420,283	3	420,286	1,101,503	—	1,101,503	2,482,105	—	2,482,105
7	Loans to corporates	420,151	3	420,154	—	—	—	1,934,734	—	1,934,734
8	Commercial mortgage	—	—	—	—	—	—	44,548	—	44,548
9	Lease and receivables	—	—	—	978,125	—	978,125	390,344	—	390,344
10	Other wholesale	132	—	132	123,377	—	123,377	112,478	—	112,478
11	Re-securitisation	—	—	—	—	—	—	—	—	—

(Millions of yen)

SEC1: Securitisation exposures in the banking book		As of March 31, 2024								
Item No.	Type of underlying asset	a	b	c	d	e	f	g	h	i
		Bank acts as originator			Bank acts as sponsor			Bank acts as investor		
		Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal
1	Retail (total) - of which	419,099	—	419,099	961,717	—	961,717	1,735,534	—	1,735,534
2	Residential mortgage	419,099	—	419,099	8,206	—	8,206	373,269	—	373,269
3	Credit card	—	—	—	30,000	—	30,000	263,381	—	263,381
4	Other retail exposures	—	—	—	923,511	—	923,511	1,098,882	—	1,098,882
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) - of which	355,584	4	355,588	1,087,968	—	1,087,968	2,264,175	—	2,264,175
7	Loans to corporates	355,584	4	355,588	78,704	—	78,704	1,895,168	—	1,895,168
8	Commercial mortgage	—	—	—	—	—	—	—	—	—
9	Lease and receivables	—	—	—	938,386	—	938,386	273,655	—	273,655
10	Other wholesale	—	—	—	70,877	—	70,877	95,352	—	95,352
11	Re-securitisation	—	—	—	—	—	—	—	—	—

8. Securitisation Exposures in the Trading Book (SEC2)

(Millions of yen)

SEC2: Securitisation exposures in the trading book		As of March 31, 2025								
Item No.	Type of underlying asset	a	b	c	d	e	f	g	h	i
		Bank acts as originator			Bank acts as sponsor			Bank acts as investor		
		Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal
1	Retail (total) - of which	—	—	—	—	—	—	62,533	—	62,533
2	Residential mortgage	—	—	—	—	—	—	26,073	—	26,073
3	Credit card	—	—	—	—	—	—	7,511	—	7,511
4	Other retail exposures	—	—	—	—	—	—	28,949	—	28,949
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) - of which	—	—	—	—	—	—	34,370	—	34,370
7	Loans to corporates	—	—	—	—	—	—	34,370	—	34,370
8	Commercial mortgage	—	—	—	—	—	—	—	—	—
9	Lease and receivables	—	—	—	—	—	—	—	—	—
10	Other wholesale	—	—	—	—	—	—	—	—	—
11	Re-securitisation	—	—	—	—	—	—	—	—	—

(Millions of yen)

SEC2: Securitisation exposures in the trading book		As of March 31, 2024								
Item No.	Type of underlying asset	a	b	c	d	e	f	g	h	i
		Bank acts as originator			Bank acts as sponsor			Bank acts as investor		
		Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal
1	Retail (total) - of which	—	—	—	—	—	—	16,372	—	16,372
2	Residential mortgage	—	—	—	—	—	—	9,334	—	9,334
3	Credit card	—	—	—	—	—	—	4,101	—	4,101
4	Other retail exposures	—	—	—	—	—	—	2,936	—	2,936
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) - of which	—	—	—	—	—	—	27,423	—	27,423
7	Loans to corporates	—	—	—	—	—	—	27,423	—	27,423
8	Commercial mortgage	—	—	—	—	—	—	—	—	—
9	Lease and receivables	—	—	—	—	—	—	—	—	—
10	Other wholesale	—	—	—	—	—	—	—	—	—
11	Re-securitisation	—	—	—	—	—	—	—	—	—

9. Securitisation Exposures in the Banking Book and Associated Regulatory Capital Requirements
(Bank Acting as Originator or as Sponsor) (SEC3)

(Millions of yen)

SEC3: Securitisation exposures in the banking book and associated capital regulatory requirements (bank acting as originator or sponsor) (1/2)		As of March 31, 2025								
Item No.		a	b	c	d	e	f	g	h	
		Total	Traditional securitisation (subtotal)	Securitisation	Retail underlying		Wholesale	Re-securitisation	Senior	Non-senior
Exposure values (by RW bands)										
1	≤20% RW	2,566,067	2,566,067	2,566,067	1,315,276	1,250,790	—	—	—	
2	>20% to 50% RW	247,434	247,434	247,434	101,933	145,501	—	—	—	
3	>50% to 100% RW	325,021	325,021	325,021	263,678	61,342	—	—	—	
4	>100% to <1250% RW	63,498	63,498	63,498	—	63,498	—	—	—	
5	1250% RW	656	653	653	—	653	—	—	—	
Exposure values (by regulatory approach)										
6	SEC-IRBA	2,934,496	2,934,493	2,934,493	1,502,557	1,431,936	—	—	—	
7	SEC-ERBA or IAA	232,770	232,770	232,770	143,052	89,718	—	—	—	
8	SEC-SA	35,411	35,411	35,411	35,278	132	—	—	—	
9	1250% RW	—	—	—	—	—	—	—	—	
Credit RWA amounts (by regulatory approach)										
10	SEC-IRBA	736,468	736,428	736,428	392,478	343,950	—	—	—	
11	SEC-ERBA or IAA	56,683	56,683	56,683	31,179	25,503	—	—	—	
12	SEC-SA	24,893	24,893	24,893	23,235	1,658	—	—	—	
13	1250% RW	—	—	—	—	—	—	—	—	
Capital charge after cap (by regulatory approach)										
14	SEC-IRBA	58,917	58,914	58,914	31,398	27,516	—	—	—	
15	SEC-ERBA or IAA	4,534	4,534	4,534	2,494	2,040	—	—	—	
16	SEC-SA	1,991	1,991	1,991	1,858	132	—	—	—	
17	1250% RW	—	—	—	—	—	—	—	—	

SEC3: Securitisation exposures in the banking book and associated regulatory capital requirements (bank acting as originator or sponsor) (2/2)		As of March 31, 2025						
Item No.		i	j	k	l	m	n	o
		Synthetic securitisation (subtotal)	Securitisation	Retail underlying	Wholesale	Re-securitisation	Senior	Non-senior
Exposure values (by RW bands)								
1	≤20% RW	—	—	—	—	—	—	—
2	>20% to 50% RW	—	—	—	—	—	—	—
3	>50% to 100% RW	—	—	—	—	—	—	—
4	>100% to <1250% RW	—	—	—	—	—	—	—
5	1250% RW	3	3	—	3	—	—	—
Exposure values (by regulatory approach)								
6	SEC-IRBA	3	3	—	3	—	—	—
7	SEC-ERBA or IAA	—	—	—	—	—	—	—
8	SEC-SA	—	—	—	—	—	—	—
9	1250% RW	—	—	—	—	—	—	—
Credit RWA amounts (by regulatory approach)								
10	SEC-IRBA	39	39	—	39	—	—	—
11	SEC-ERBA or IAA	—	—	—	—	—	—	—
12	SEC-SA	—	—	—	—	—	—	—
13	1250% RW	—	—	—	—	—	—	—
Capital requirement values (by regulatory approach)								
14	SEC-IRBA	3	3	—	3	—	—	—
15	SEC-ERBA or IAA	—	—	—	—	—	—	—
16	SEC-SA	—	—	—	—	—	—	—
17	1250% RW	—	—	—	—	—	—	—

(Millions of yen)

SEC3: Securitisation exposures in the banking book and associated capital regulatory requirements (bank acting as originator or sponsor) (1/2)		As of March 31, 2024							
Item No.		a	b	c	d	e	f	g	h
		Total	Traditional securitisation (subtotal)	Securitisation	Retail underlying	Wholesale	Re-securitisation	Senior	Non-senior
Exposure values (by RW bands)									
1	≤20% RW	2,099,025	2,099,025	2,099,025	938,713	1,160,312	—	—	—
2	>20% to 50% RW	261,255	261,255	261,255	108,281	152,973	—	—	—
3	>50% to 100% RW	392,328	392,328	392,328	324,868	67,460	—	—	—
4	>100% to <1250% RW	71,244	71,244	71,244	8,954	62,289	—	—	—
5	1250% RW	520	516	516	—	516	—	—	—
Exposure values (by regulatory approach)									
6	SEC-IRBA	2,713,601	2,713,597	2,713,597	1,346,023	1,367,573	—	—	—
7	SEC-ERBA or IAA	102,566	102,566	102,566	26,587	75,979	—	—	—
8	SEC-SA	8,206	8,206	8,206	8,206	—	—	—	—
9	1250% RW	—	—	—	—	—	—	—	—
Credit RWA amounts (by regulatory approach)									
10	SEC-IRBA	787,970	787,919	787,919	424,364	363,555	—	—	—
11	SEC-ERBA or IAA	25,142	25,142	25,142	6,261	18,881	—	—	—
12	SEC-SA	2,260	2,260	2,260	2,260	—	—	—	—
13	1250% RW	—	—	—	—	—	—	—	—
Capital charge after cap (by regulatory approach)									
14	SEC-IRBA	63,037	63,033	63,033	33,949	29,084	—	—	—
15	SEC-ERBA or IAA	2,011	2,011	2,011	500	1,510	—	—	—
16	SEC-SA	180	180	180	180	—	—	—	—
17	1250% RW	—	—	—	—	—	—	—	—

(Millions of yen)

(Millions of yen)

SEC3: Securitisation exposures in the banking book and associated regulatory capital requirements (bank acting as originator or sponsor) (2/2)		As of March 31, 2024						
Item No.		i	j	k	l	m	n	o
		Synthetic securitisation (subtotal)	Securitisation	Retail underlying	Wholesale	Re-securitisation	Senior	Non-senior
Exposure values (by RW bands)								
1	≤20% RW	—	—	—	—	—	—	—
2	>20% to 50% RW	—	—	—	—	—	—	—
3	>50% to 100% RW	—	—	—	—	—	—	—
4	>100% to <1250% RW	—	—	—	—	—	—	—
5	1250% RW	4	4	—	4	—	—	—
Exposure values (by regulatory approach)								
6	SEC-IRBA	4	4	—	4	—	—	—
7	SEC-ERBA or IAA	—	—	—	—	—	—	—
8	SEC-SA	—	—	—	—	—	—	—
9	1250% RW	—	—	—	—	—	—	—
Credit RWA amounts (by regulatory approach)								
10	SEC-IRBA	50	50	—	50	—	—	—
11	SEC-ERBA or IAA	—	—	—	—	—	—	—
12	SEC-SA	—	—	—	—	—	—	—
13	1250% RW	—	—	—	—	—	—	—
Capital requirement values (by regulatory approach)								
14	SEC-IRBA	4	4	—	4	—	—	—
15	SEC-ERBA or IAA	—	—	—	—	—	—	—
16	SEC-SA	—	—	—	—	—	—	—
17	1250% RW	—	—	—	—	—	—	—

10. Securitisation Exposures in the Banking Book Associated Capital Requirements
(Bank Acting as Investor) (SEC4)

(Millions of yen)

SEC4: Securitisation exposures in the banking book and associated capital requirements (bank acting as investor) (1/2)		As of March 31, 2025							
Item No.		a	b	c	d	e	f	g	h
		Total	Traditional securitisation (subtotal)	Securitisation	Retail underlying	Wholesale	Re-securitisation	Senior	Non-senior
Exposure values (by RW bands)									
1	≤20% RW	4,534,296	4,534,296	4,534,296	2,245,658	2,288,638	—	—	—
2	>20% to 50% RW	270,674	270,674	270,674	130,863	139,810	—	—	—
3	>50% to 100% RW	8,572	8,572	8,572	6,051	2,520	—	—	—
4	>100% to <1250% RW	50,317	50,317	50,317	—	50,317	—	—	—
5	1250% RW	818	818	818	—	818	—	—	—
Exposure values (by regulatory approach)									
6	SEC-IRBA	4,076,896	4,076,896	4,076,896	1,859,671	2,217,224	—	—	—
7	SEC-ERBA or IAA	784,444	784,444	784,444	522,902	261,541	—	—	—
8	SEC-SA	2,520	2,520	2,520	—	2,520	—	—	—
9	1250% RW	818	818	818	—	818	—	—	—
Credit RWA amounts (by regulatory approach)									
10	SEC-IRBA	638,077	638,077	638,077	274,781	363,295	—	—	—
11	SEC-ERBA or IAA	192,393	192,393	192,393	89,501	102,891	—	—	—
12	SEC-SA	2,239	2,239	2,239	—	2,239	—	—	—
13	1250% RW	10,228	10,228	10,228	—	10,228	—	—	—
Capital charge after cap (by regulatory approach)									
14	SEC-IRBA	51,046	51,046	51,046	21,982	29,063	—	—	—
15	SEC-ERBA or IAA	15,391	15,391	15,391	7,160	8,231	—	—	—
16	SEC-SA	179	179	179	—	179	—	—	—
17	1250% RW	818	818	818	—	818	—	—	—

(Millions of yen)

SEC4: Securitisation exposures in the banking book and associated capital requirements (bank acting as investor) (2/2)		As of March 31, 2025						
Item No.		i	j	k	l	m	n	o
		Synthetic securitisation (subtotal)	Securitisation	Retail underlying	Wholesale	Re-securitisation	Senior	Non-senior
Exposure values (by RW bands)								
1	≤20% RW	—	—	—	—	—	—	—
2	>20% to 50% RW	—	—	—	—	—	—	—
3	>50% to 100% RW	—	—	—	—	—	—	—
4	>100% to <1250% RW	—	—	—	—	—	—	—
5	1250% RW	—	—	—	—	—	—	—
Exposure values (by regulatory approach)								
6	SEC-IRBA	—	—	—	—	—	—	—
7	SEC-ERBA or IAA	—	—	—	—	—	—	—
8	SEC-SA	—	—	—	—	—	—	—
9	1250% RW	—	—	—	—	—	—	—
Credit RWA amounts (by regulatory approach)								
10	SEC-IRBA	—	—	—	—	—	—	—
11	SEC-ERBA or IAA	—	—	—	—	—	—	—
12	SEC-SA	—	—	—	—	—	—	—
13	1250% RW	—	—	—	—	—	—	—
Capital charge after cap (by regulatory approach)								
14	SEC-IRBA	—	—	—	—	—	—	—
15	SEC-ERBA or IAA	—	—	—	—	—	—	—
16	SEC-SA	—	—	—	—	—	—	—
17	1250% RW	—	—	—	—	—	—	—

(Millions of yen)

SEC4: Securitisation exposures in the banking book and associated capital requirements (bank acting as investor) (1/2)		As of March 31, 2024							
Item No.		a	b	c	d	e	f	g	h
		Total	Traditional securitisation (subtotal)	Securitisation	Retail underlying	Wholesale	Re-securitisation	Senior	Non-senior
Exposure values (by RW bands)									
1	≤20% RW	3,811,314	3,811,314	3,811,314	1,586,673	2,224,641	—	—	—
2	>20% to 50% RW	152,255	152,255	152,255	135,947	16,308	—	—	—
3	>50% to 100% RW	15,477	15,477	15,477	12,682	2,794	—	—	—
4	>100% to <1250% RW	20,662	20,662	20,662	231	20,430	—	—	—
5	1250% RW	—	—	—	—	—	—	—	—
Exposure values (by regulatory approach)									
6	SEC-IRBA	3,402,802	3,402,802	3,402,802	1,294,723	2,108,078	—	—	—
7	SEC-ERBA or IAA	596,908	596,908	596,908	440,810	156,097	—	—	—
8	SEC-SA	—	—	—	—	—	—	—	—
9	1250% RW	—	—	—	—	—	—	—	—
Credit RWA amounts (by regulatory approach)									
10	SEC-IRBA	529,959	529,959	529,959	211,047	318,912	—	—	—
11	SEC-ERBA or IAA	143,505	143,505	143,505	88,260	55,244	—	—	—
12	SEC-SA	—	—	—	—	—	—	—	—
13	1250% RW	—	—	—	—	—	—	—	—
Capital charge after cap (by regulatory approach)									
14	SEC-IRBA	42,396	42,396	42,396	16,883	25,512	—	—	—
15	SEC-ERBA or IAA	11,480	11,480	11,480	7,060	4,419	—	—	—
16	SEC-SA	—	—	—	—	—	—	—	—
17	1250% RW	—	—	—	—	—	—	—	—

(Millions of yen)

SEC4: Securitisation exposures in the banking book and associated capital requirements (bank acting as investor) (2/2)		As of March 31, 2024						
Item No.		i	j	k	l	m	n	o
		Synthetic securitisation (subtotal)	Securitisation	Retail underlying	Wholesale	Re-securitisation	Senior	Non-senior
Exposure values (by RW bands)								
1	≤20% RW	—	—	—	—	—	—	—
2	>20% to 50% RW	—	—	—	—	—	—	—
3	>50% to 100% RW	—	—	—	—	—	—	—
4	>100% to <1250% RW	—	—	—	—	—	—	—
5	1250% RW	—	—	—	—	—	—	—
Exposure values (by regulatory approach)								
6	SEC-IRBA	—	—	—	—	—	—	—
7	SEC-ERBA or IAA	—	—	—	—	—	—	—
8	SEC-SA	—	—	—	—	—	—	—
9	1250% RW	—	—	—	—	—	—	—
Credit RWA amounts (by regulatory approach)								
10	SEC-IRBA	—	—	—	—	—	—	—
11	SEC-ERBA or IAA	—	—	—	—	—	—	—
12	SEC-SA	—	—	—	—	—	—	—
13	1250% RW	—	—	—	—	—	—	—
Capital charge after cap (by regulatory approach)								
14	SEC-IRBA	—	—	—	—	—	—	—
15	SEC-ERBA or IAA	—	—	—	—	—	—	—
16	SEC-SA	—	—	—	—	—	—	—
17	1250% RW	—	—	—	—	—	—	—

CVA Risk

1. Overview of CVA Risk Characteristics and Risk Management System

(1) Overview of risk characteristics

CVA risk is defined as “the risk of losses arising from changing CVA values” and involves credit risk in response to changes in counterparty credit spreads and risk of market-price fluctuation associated with fluctuation of market indices.

(2) Overview of the risk management framework

We use credit default swaps (CDS) and other hedging transactions to control CVA risk. In addition, we set certain thresholds for CVA gains/losses and risk. Moreover, the policy on engaging in hedging transactions and the statuses of gains/losses and risk are regularly reported to management.

2. CVA Risk Equivalent Amount Calculation Methodology and Overview of the Transactions Subject to Each Approach

We calculate CVA risk equivalent amount using the reduced BA-CVA and full BA-CVA approaches. The following consolidated subsidiaries use the full BA-CVA approach and other consolidated subsidiaries use the reduced BA-CVA approach.

Sumitomo Mitsui Banking Corporation (Note), SMBC Capital Markets, Inc., and SMBC Nikko Capital Markets Limited

Note: The reduced BA-CVA approach is used for certain transactions.

3. The reduced basic approach for CVA (CVA1)

(Millions of yen)

CVA1: The reduced basic approach for CVA		As of March 31, 2025		As of March 31, 2024	
Item No.		a	b	c	d
		Components	BA-CVA RWA (CVA risk divided 8%)	Components	BA-CVA RWA (CVA risk divided 8%)
1	Aggregation of systematic components of CVA risk	151,542		135,732	
2	Aggregation of idiosyncratic components of CVA risk	35,310		26,122	
3	Total		56,300		48,339

4. The full basic approach for CVA (CVA2)

(Millions of yen)

CVA2: The full basic approach for CVA		As of March 31, 2025	As of March 31, 2024
Item No.		a	b
		CVA risk equivalent	CVA risk equivalent
1	K Reduced	161,157	161,195
2	K Hedged	126,553	139,172
3	Total	135,204	144,678

■ Equity Exposures

1. Overview of Risk Management Policy and Procedures

Securities in the banking book are properly managed, for example, by setting upper limits on the allowable amount of risk under the market or credit risk management framework selected according to their holding purpose and risk characteristics.

For securities held as “available-for-sale securities,” the upper limits are also set in terms of price fluctuation risk and default risk.

In addition, regarding stocks of subsidiaries, assets and liabilities of subsidiaries are categorized into corresponding risk categories and risk-managed on a consolidated basis, in light of the upper limits set for each risk.

As for stocks of affiliates, risks related to gains and losses from investments are managed with the upper limits.

The limits are established within the maximum amount of overall risk capital, taking into account the financial and business situations of SMBC Group.

2. Valuation of Securities and Other Significant Accounting Policies

Stocks of non-consolidated subsidiaries and affiliates not accounted for by the equity method are carried at amortized cost using the moving-average method. Available-for-sale securities are carried at their market prices (cost of securities sold is calculated using primarily the moving-average method), and those with no available market prices are carried at cost using the moving-average method.

Net unrealized gains (losses) on available-for-sale securities and net of income taxes are reported as a component of “net assets.”

■ Market Risk

1. Classification of various instruments into regulatory capital accounts

In accordance with the Capital adequacy ratio notification, instruments that are held with the intention of short-term resale and/or with the expectation of profiting from short-term price movements in markets and other indices, and instruments that are stipulated to be classified as trading book (however, certain instruments are classified as banking book after notifying the Commissioner of the Financial Services Agency) are classified as trading book.

2. Market Risk under standardised approach (MR1)

(Millions of yen)

MR1: Market risk under standardised approach			
		As of March 31, 2025	As of March 31, 2024
Item No.		Capital requirement in standardized approach	Capital requirement in standardized approach
1	General interest rate risk	56,305	70,229
2	Equity risk	33,997	16,557
3	Commodity risk	1,076	1,043
4	Foreign exchange risk	20,049	28,481
5	Credit spread risk – non-securitizations	45,486	55,966
6	Credit spread risk – securitizations (non-correlation trading portfolio)	2,496	1,293
7	Credit spread risk – securitization (correlation trading portfolio)	0	0
8	Default risk – non-securitizations	29,889	31,379
9	Default risk – securitizations (non-correlation trading portfolio)	29,899	3,942
10	Default risk – securitizations (correlation trading portfolio)	0	0
11	Residual risk add-on	19,116	16,122
	Other	0	0
12	Total	238,313	225,013

3. Breakdown of Market Risk under IMA (MR2)

Not applicable

4. Market Risk under simplified approach (MR3)

(Millions of yen)

MR3: Market Risk under simplified Approach		As of March 31, 2025				As of March 31, 2024			
Item No.		a	b	c	d	a	b	c	d
		Other than options	Options			Other than options	Options		
			Simplified approach	Delta-plus method	Scenario approach		Simplified approach	Delta-plus method	Scenario approach
1	Interest rate risk (general and specific)	3,405	0	0	0	4,946	0	0	0
2	Equity risk (general and specific)	144	0	0	0	0	0	0	0
3	Commodity risk	0	0	0	0	0	0	0	0
4	Foreign exchange risk	4,079	756	0	0	4,138	0	0	0
5	Specific risk related to securitization exposures	0	—	—	—	0	—	—	—
6	Total	7,628	756	0	0	9,084	0	0	0

Interest Rate Risk in the Banking Book

1. Overview of Risk Management Policy and Procedures

Interest rate risk in the banking book is the risk to the present value of a bank’s assets and liabilities and/or the future earnings (interest income) from the rate-sensitive instruments when interest rates change. SMBC Group recognizes interest rate risk as a significant risk and manages it in an integrated manner, together with other market risks (equity position risk, etc.) (For details, please refer to pages 135 to 136). Interest rate risk management is conducted using basis point value (BPV) as a measure of the risk, which denotes the change of present value given a basis point rise in the interest rate. Appropriate limits on BPV is set for each significant subsidiary including SMBC according to its capital and business plan, and BPV is monitored daily for risk management. BPV is managed not only by changing the balance and term structures of assets and liabilities, but also by using hedging instruments such as interest rate swaps and futures.

2. Calculation Method of Interest Rate Risk

Interest rate risk in the banking book is measured based on the future cash flows of the bank’s assets and liabilities. Especially, the method of recognizing the maturity of demand deposits (current accounts and ordinary deposit accounts that can be withdrawn at any time) and the method of estimating the time of cancellation prior to maturity of time deposits and mortgage loans affect the risk significantly. Key assumptions for measuring interest rate risk of such instruments are as follows.

Method of recognizing the maturity of demand deposits

The amount of the bank’s core deposits is identified as the amount of demand deposits expected to be left with the bank after 5 years (with 50% of the lowest balance during the past 5 years as the upper limit). The maturity of the core deposits is regarded to be 5 years as the maximum term (2.5 years on average). The maturity of the bank’s demand deposits is regarded to be 5 years as the maximum term (0.8 year on average).

Method of estimating the time of cancellation prior to maturity of time deposits and mortgage loans

Cash flows of mortgage loans tend to be different from the initial scheduled ones, as customers may exercise their prepayment options to redeem early in a bonus month or as time passes. Similarly, time deposits may be canceled prior to maturity. For such instruments, interest rate risk is managed by using statistical models to estimate cash flows for each instrument, considering the seasonality, elapsed years, interest rate levels at the effective time, etc. These models are validated and reviewed regularly.

3. Interest Rate Risk

Table IRRBB1 shows changes in economic value of equity (ΔEVE) and net interest income (ΔNII) in the banking book, simulated based on a set of prescribed interest rate shock scenarios. As stipulated under the Pillar 2 of Basel Framework (Supervisory Review Process), in order to identify banks that may have taken excess interest rate risk, the Japan FSA applies a “materiality test” comparing the bank’s ΔEVE with 15% of its Tier 1 capital, under a set of prescribed interest rate shock scenarios. The measurement result of SMBC Group’s ΔEVE shows that the economic value of equity declines when interest rates rise and the maximum change amount is under the prescribed parallel shock up scenario. SMBC Groups’ ΔEVE is 2.9% of our Tier 1 capital, not larger than 15%. As for ΔNII, net interest income declines under the prescribed parallel shock down scenario and increases under the parallel shock up scenario. Due to the assumption of zero floor on the interest rate of customer’s deposits in JPY, which limits reduction of the funding cost when interest rates move down, the change amount is larger under the parallel shock down scenario. The measurement scope, the definition of each figure and the calculation assumption are as follows.

Scope

- The consolidated subsidiary banks of SMBC
- ΔEVE is calculated by simple aggregation of the decrease in economic value for all currencies.
- ΔNII is calculated by simple aggregation of the change amount of interest income for each currency which covers 5% or more of the total amount of interest rate-sensitive assets and liabilities.

Definition of Each Figure and Calculation Assumption

- ΔEVE
Decrease in economic value (EVE, Economic Value on Equity) against interest rate shock (excluding the credit spread).
- ΔNII
Decrease in 1 year interest income (NII, Net Interest Income) under each the interest rate shock. It is calculated under the constant balance sheet, which means that the balance sheet does not change through a year. In each simulation, we do not allow negative interest rate for domestic yen deposits and loans in any scenario.

(Millions of yen)

IRRBB1: Interest rate risk					
Item No.		a	b	c	d
		ΔEVE		ΔNII	
		As of March 31, 2025	As of March 31, 2024	As of March 31, 2025	As of March 31, 2024
1	Parallel up	378,348	295,781	(251,515)	(506,058)
2	Parallel down	107,358	172,664	378,580	692,663
3	Steepener	19,198	40,471		
4	Flattener	281,367	224,554		
5	Short rate up	342,405	173,899		
6	Short rate down	11,485	39,796		
7	Maximum	378,348	295,781	378,580	692,663
		e		f	
		As of March 31, 2025		As of March 31, 2024	
8	Tier 1 capital	13,258,816		13,311,550	

Note: Interest rate shocks of deposits with central banks is considered to be the same with the standardized interest rate shocks when calculating ΔNII.

Operational Risk

1. Overview of Risk Management Policy and Procedures

For the overview of risk management policy and procedures, please refer to pages 138 to 139.

2. BI Calculation Method

The business indicator (BI) is calculated as the sum of the interest, leases and dividend component (ILDC), the services component (SC), and the financial component (FC).

3. ILM Calculation Method

The Internal Loss Multiplier (ILM) is calculated by 15 times average annual operational risk losses using all net losses in excess of 2 million yen over the previous 10 years, excluding certain losses which are no longer relevant to our risk profile. However, certain consolidated subsidiaries that do not meet the criteria set forth in the Financial Services Agency Notification use conservative estimates for ILM.

4. Business Units Excluded from Calculation of the BI for the Operational Risk Equivalent Amount

Not applicable

5. Losses Excluded from Calculation of the ILM for the Operational Risk Equivalent Amount

Losses that meet the criteria set forth in the Financial Services Agency Notification are excluded from the calculation of ILM.

6. Historical losses (OR1)

As of March 31, 2025(Millions of yen, the number of items)

OR1: Historical losses												
Item No.		a	b	c	d	e	f	g	h	i	j	k
		T	T-1	T-2	T-3	T-4	T-5	T-6	T-7	T-8	T-9	Ten-year average
Using ¥2,000,000 threshold												
1	Total amount of operational losses net of recoveries (no exclusions)	23,133	22,600	32,420	23,125	26,627	28,946	25,909	37,669	43,720	41,036	30,519
2	Total number of operational risk losses	3,712	5,194	5,822	6,150	6,602	7,050	6,929	9,804	12,233	11,985	7,548
3	Total amount of excluded operational risk losses	13,093	18,209	21,072	22,350	23,315	24,911	24,630	34,417	42,416	39,705	26,412
4	Total number of exclusions	3,438	4,921	5,651	6,083	6,484	6,828	6,870	9,738	12,166	11,831	7,401
5	Total amount of operational losses net of recoveries and net of excluded losses	10,040	4,391	11,348	775	3,311	4,034	1,279	3,252	1,304	1,330	4,106
Using ¥10,000,000 threshold												
6	Total amount of operational losses net of recoveries (no exclusions)	9,400	3,829	11,132	1,175	3,287	3,891	1,861	3,785	1,728	1,352	4,144
7	Total number of operational risk losses	52	78	67	66	51	80	79	84	71	72	70
8	Total amount of excluded operational risk losses	300	510	414	604	353	653	734	742	669	528	551
9	Total number of exclusions	26	41	35	48	30	54	61	63	56	43	45
10	Total amount of operational losses net of recoveries and net of excluded losses	9,100	3,319	10,717	571	2,933	3,237	1,126	3,043	1,059	824	3,593
Details of operational risk capital calculation												
11	Are losses used to calculate the ILM (yes/no)?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
12	If “no” in row 11, is the exclusion of internal loss data due to non-compliance with the minimum loss data standards (yes/no)?	—	—	—	—	—	—	—	—	—	—	—

As of March 31, 2024(Millions of yen, the number of items)

OR1: Historical losses												
Item No.		a	b	c	d	e	f	g	h	i	j	k
		T	T-1	T-2	T-3	T-4	T-5	T-6	T-7	T-8	T-9	Ten-year average
Using ¥2,000,000 threshold												
1	Total amount of operational losses net of recoveries (no exclusions)	23,057	38,202	23,138	26,627	28,957	25,949	38,167	44,211	41,045	45,607	33,496
2	Total number of operational risk losses	5,222	5,824	6,151	6,602	7,054	6,930	9,806	12,234	11,985	12,681	8,448
3	Total amount of excluded operational risk losses	18,209	21,072	22,350	23,315	24,911	24,630	34,417	42,416	39,705	42,004	29,303
4	Total number of exclusions	4,921	5,651	6,083	6,484	6,828	6,870	9,738	12,166	11,831	12,582	8,315
5	Total amount of operational losses net of recoveries and net of excluded losses	4,848	17,130	788	3,311	4,045	1,319	3,750	1,794	1,339	3,602	4,193
Using ¥10,000,000 threshold												
6	Total amount of operational losses net of recoveries (no exclusions)	4,163	16,909	1,188	3,287	3,891	1,901	4,283	2,219	1,364	3,716	4,292
7	Total number of operational risk losses	82	68	67	51	80	80	86	72	73	68	72
8	Total amount of excluded operational risk losses	510	414	604	353	653	734	742	669	528	390	560
9	Total number of exclusions	41	35	48	30	54	61	63	56	43	34	46
10	Total amount of operational losses net of recoveries and net of excluded losses	3,653	16,494	584	2,933	3,237	1,166	3,541	1,550	835	3,326	3,732
Details of operational risk capital calculation												
11	Are losses used to calculate the ILM (yes/no)?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
12	If “no” in row 11, is the exclusion of internal loss data due to non-compliance with the minimum loss data standards (yes/no)?	—	—	—	—	—	—	—	—	—	—	—

Note: Conservative estimates are used for ILM as regards certain consolidated subsidiaries which do not meet the criteria set forth in the Financial Services Agency Notification.

7. Business Indicator component and its subcomponents (OR2)

As of March 31, 2025 (Millions of yen, the number)

OR2: Business Indicator component and its subcomponents				
Item No.		a	b	c
		T	T-1	T-2
1	ILDC: Interest, lease and dividend component	2,010,117		
2	Interest and lease income	6,014,230	5,585,040	3,422,981
3	Interest and lease expense	4,611,847	4,372,359	2,084,308
4	Interest earning assets	190,314,599	179,493,800	163,158,295
5	Dividend income	935,429	704,133	437,052
6	SC: Services component	1,831,530		
7	Fee and commission income	1,884,668	1,724,532	1,450,362
8	Fee and commission expense	315,758	234,305	223,192
9	Other operating income	80,395	(235,761)	(237,280)
10	Other operating expense	365,550	27,498	41,978
11	FC: Financial component	587,794		
12	Net P&L on the trading book	412,170	572,409	447,600
13	Net P&L on the banking book	254,741	30,092	(46,368)
14	BI: Business indicator	4,429,442		
15	BIC: Business indicator component	704,299		
16	BI gross of excluded divested activities	4,429,442		
17	Reduction in BI due to excluded divested activities	—		

As of March 31, 2024 (Millions of yen, the number)

OR2: Business Indicator component and its subcomponents				
Item No.		a	b	c
		T	T-1	T-2
1	ILDC: Interest, lease and dividend component	1,744,692		
2	Interest and lease income	5,585,124	3,399,531	1,600,090
3	Interest and lease expense	4,372,397	2,079,699	387,819
4	Interest earning assets	179,493,749	163,158,672	156,419,297
5	Dividend income	704,133	437,252	347,862
6	SC: Services component	1,732,119		
7	Fee and commission income	1,724,530	1,448,583	1,421,371
8	Fee and commission expense	234,305	222,957	216,069
9	Other operating income	65,845	60,484	60,901
10	Other operating expense	205,835	219,793	176,245
11	FC: Financial component	503,400		
12	Net P&L on the trading book	572,409	447,726	328,826
13	Net P&L on the banking book	27,405	(47,397)	86,436
14	BI: Business indicator	3,980,213		
15	BIC: Business indicator component	623,438		
16	BI gross of excluded divested activities	3,980,213		
17	Reduction in BI due to excluded divested activities	—		

8. Minimum required operational risk capital (OR3)

(Millions of yen)

OR3: Minimum required operational risk capital		As of march 31, 2025	As of march 31, 2024
Item No.			
1	BIC: Business indicator component	679,223	593,393
2	ILM: Internal loss multiplier	0.72	0.74
3	Minimum required operational risk capital	493,311	443,604
4	Operational risk RWA	6,166,393	5,545,060

■ CC2: Reconciliation of regulatory capital to balance sheet

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

(Millions of yen)

Items	a		b	c
	Consolidated balance sheet as in published financial statements		Reference to Template CC1	Reference to appended table
	As of March 31, 2025	As of March 31, 2024		
(Assets)				
Cash and due from banks	75,590,583	78,143,100		
Call loans and bills bought	5,197,978	5,333,883		
Receivables under resale agreements	16,205,759	8,525,688		
Receivables under securities borrowing transactions	5,799,821	6,799,541		
Monetary claims bought	5,618,985	6,103,091		
Trading assets	11,976,375	11,540,063		7-a
Money held in trust	32,272	23,751		
Securities	40,760,968	37,142,808		3-b,7-b
Loans and bills discounted	111,136,239	107,013,907		7-c
Foreign exchanges	2,712,573	2,068,885		
Lease receivables and investment assets	231,199	207,645		
Other assets	13,722,960	15,313,546		7-d
Tangible fixed assets	1,006,556	1,006,883		
Intangible fixed assets	1,017,322	976,706		3-a
Net defined benefit asset	987,288	913,791		4
Deferred tax assets	71,261	71,427		5-a
Customers' liabilities for acceptances and guarantees	15,139,799	14,869,558		
Reserve for possible loan losses	(925,931)	(817,578)		
Total assets	306,282,015	295,236,701		
(Liabilities)				
Deposits	171,498,651	164,839,357		
Negotiable certificates of deposit	17,175,391	14,672,275		
Call money and bills sold	4,378,276	3,138,049		
Payables under repurchase agreements	25,797,136	19,625,877		
Payables under securities lending transactions	2,183,655	1,736,935		
Commercial paper	2,686,483	2,429,179		
Trading liabilities	9,726,615	9,689,434		7-e
Borrowed money	11,355,209	14,705,266		9-a
Foreign exchanges	1,771,839	2,872,560		
Short-term bonds	728,200	863,000		
Bonds	13,352,392	13,120,274		9-b
Due to trust account	1,041,660	1,246,198		
Other liabilities	13,700,199	15,573,044		7-f
Reserve for employee bonuses	130,464	115,488		
Reserve for executive bonuses	5,433	4,411		
Net defined benefit liability	33,890	37,263		
Reserve for executive retirement benefits	1,007	1,179		
Reserve for point service program	32,656	35,622		
Reserve for reimbursement of deposits	5,573	9,228		
Reserve for losses on interest repayment	242,127	121,947		
Reserves under the special laws	5,365	4,631		
Deferred tax liabilities	422,050	698,632		5-b
Deferred tax liabilities for land revaluation	26,424	27,316		5-c
Acceptances and guarantees	15,139,799	14,869,558		
Total liabilities	291,440,506	280,436,734		
(Net assets)				
Capital stock	2,345,960	2,344,038		1-a
Capital surplus	611,423	610,143		1-b
Retained earnings	8,290,170	7,843,470		1-c
Treasury stock	(38,512)	(167,671)		1-d
Total stockholders' equity	11,209,042	10,629,980		
Net unrealized gains or losses on other securities	1,930,834	2,406,883		
Net deferred gains or losses on hedges	(168,604)	(65,073)		6
Land revaluation excess	32,849	34,936		
Foreign currency translation adjustments	1,411,827	1,362,647		
Accumulated remeasurements of defined benefit plans	287,487	290,735		
Total accumulated other comprehensive income	3,494,393	4,030,129	(a)	
Stock acquisition rights	767	931		2,8-a
Non-controlling interests	137,306	138,925		8-b
Total net assets	14,841,509	14,799,967		
Total liabilities and net assets	306,282,015	295,236,701		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appended Table)

1. Stockholders’ equity

(1) Consolidated balance sheet (Millions of yen)

Consolidated balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks	Ref. No.
Capital stock	2,345,960	2,344,038		1-a
Capital surplus	611,423	610,143		1-b
Retained earnings	8,290,170	7,843,470		1-c
Treasury stock	(38,512)	(167,671)		1-d
Total stockholders’ equity	11,209,042	10,629,980		

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	11,209,042	10,629,980	Stockholders’ equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	2,957,383	2,954,181		1a
of which: retained earnings	8,290,170	7,843,470		2
of which: treasury stock (–)	38,512	167,671		1c
of which: other than the above	—	—		
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	—	Stockholders’ equity attributable to preferred shares with a loss absorbency clause upon entering into effectively bankruptcy	31a

2. Stock acquisition rights

(1) Consolidated balance sheet (Millions of yen)

Consolidated balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks	Ref. No.
Stock acquisition rights	767	931		2
of which: Stock acquisition rights issued by bank holding company	767	931		

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks	Basel III Template No.
Stock subscription rights and stock acquisition rights to common shares	767	931		1b
Stock subscription rights and stock acquisition rights to Additional Tier 1 instruments	—	—		31b
Stock subscription rights and stock acquisition rights to Tier 2 instruments	—	—		46

3. Intangible fixed assets

(1) Consolidated balance sheet (Millions of yen)

Consolidated balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks	Ref. No.
Intangible fixed assets	1,017,322	976,706		3-a
Securities	40,760,968	37,142,808		3-b
of which: goodwill attributable to equity-method investees	53,521	192,340		

Income taxes related to above	238,607	211,648	
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(2) Composition of capital (Millions of yen)

Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks	Basel III Template No.
Goodwill (including those equivalent)	283,591	461,174		8
Other intangibles other than goodwill and mortgage servicing rights	548,645	496,223	Software and other	9
Mortgage servicing rights	—	—		
Amount exceeding the 10% threshold on specified items	—	—		20
Amount exceeding the 15% threshold on specified items	—	—		24
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—	—		74

4. Net defined benefit asset

(1) Consolidated balance sheet (Millions of yen)

Consolidated balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks	Ref. No.
Net defined benefit asset	987,288	913,791		4

Income taxes related to above	302,254	279,669	
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(2) Composition of capital (Millions of yen)

Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks	Basel III Template No.
Net defined benefit asset	685,033	634,121		15

5. Deferred tax assets

(1) Consolidated balance sheet (Millions of yen)

Consolidated balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks	Ref. No.
Deferred tax assets	71,261	71,427		5-a
Deferred tax liabilities	422,050	698,632		5-b
Deferred tax liabilities for land revaluation	26,424	27,316		5-c

Tax effects on intangible fixed assets	238,607	211,648	
Tax effects on net defined benefit asset	302,254	279,669	

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks	Basel III Template No.
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,531	4,693	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.	10
Deferred tax assets arising from temporary differences (net of related tax liability)	162,756	45,227	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.	
Amount exceeding the 10% threshold on specified items	—	—		21
Amount exceeding the 15% threshold on specified items	—	—		25
Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	162,756	45,227		75

6. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet (Millions of yen)

Consolidated balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks	Ref. No.
Net deferred gains or losses on hedges	(168,604)	(65,073)		6

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks	Basel III Template No.
Net deferred gains or losses on hedges	(227,601)	(144,850)	Excluding those items whose valuation differences arising from hedged items are recognized as “Accumulated other comprehensive income”	11

7. Items associated with investments in the capital of financial institutions

(1) Consolidated balance sheet (Millions of yen)

Consolidated balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks	Ref. No.
Trading assets	11,976,375	11,540,063	Including trading account securities and derivatives for trading assets	7-a
Securities	40,760,968	37,142,808		7-b
Loans and bills discounted	111,136,239	107,013,907	Including subordinated loans	7-c
Other assets	13,722,960	15,313,546	Including derivatives	7-d
Trading liabilities	9,726,615	9,689,434	Including trading account securities sold and derivatives for trading liabilities	7-e
Other liabilities	13,700,199	15,573,044	Including derivatives	7-f

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks
Investments in own capital instruments	21,552	6,912	
Common Equity Tier 1 capital	21,355	6,812	
Additional Tier 1 capital	—	—	
Tier 2 capital	196	99	
Reciprocal cross-holdings in the capital of banking, financial and insurance entities	—	—	
Common Equity Tier 1 capital	—	—	
Additional Tier 1 capital	—	—	
Tier 2 capital and other TLAC liabilities	—	—	
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	2,705,505	2,237,113	
Common Equity Tier 1 capital	1,047,640	719,737	
Additional Tier 1 capital	127,505	74,283	
Tier 2 capital and other TLAC liabilities	222,938	147,523	
Non-significant investments in the capital and other TLAC liabilities of other financials that are below the thresholds for deductions (before risk weighting)	1,307,421	1,295,569	
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	1,772,209	1,595,297	
Amount exceeding the 10% threshold on specified items	441,490	243,324	
Amount exceeding the 15% threshold on specified items	—	—	
Additional Tier 1 capital	83,202	82,978	
Tier 2 capital and other TLAC liabilities	44,859	45,399	
Significant investments in the common stock of other financials that are below the thresholds for deductions (before risk weighting)	1,202,657	1,223,595	

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8. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks
Stock acquisition rights	767	931	
Non-controlling interests	137,306	138,925	

Ref. No.

8-a
8-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks
Amount allowed in group CET1	1,715	2,243	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)
Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)
Amount allowed in group AT1	15,732	12,239	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)
Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)
Amount allowed in group T2	3,256	3,071	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)

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9. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks
Borrowed money	11,355,209	14,705,266	
Bonds	13,352,392	13,120,274	
Total	24,707,601	27,825,541	

Ref. No.

9-a
9-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,868,708	1,463,945	
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,034,733	946,577	

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■ Linkages between Regulatory Exposure Amounts and Carrying Values in Consolidated Financial Statements
Differences between Regulatory Exposure Amounts and Carrying Values in Consolidated Financial Statements and Explanations of the Factors

1. Differences between Accounting and Regulatory Scopes of Consolidation and Mapping of Consolidated Financial Statement Categories with Regulatory Risk Categories (LI1)

(Millions of yen)

LI1: Differences between accounting and regulatory scopes of consolidation and mapping of consolidated financial statement categories with regulatory risk categories	As of March 31, 2025						
	a	b	c	d	e	f	g
	Carrying values as reported in published Consolidated financial statement	Carrying values under scope of regulatory consolidation	Carrying values of items:				
			CR (excluding amounts relevant to d and e)	CCR	Securitisation (excluding amounts relevant to f) (Note 2)	Market risk (Note 3)	Items not subject to capital requirements or subject to deduction from capital
Assets							
Cash and due from banks	75,590,583	75,590,583	75,590,583	—	—	—	—
Call loans and bills bought	5,197,978	5,197,978	5,197,978	—	—	—	—
Receivables under resale agreements	16,205,759	16,205,759	—	16,205,759	—	—	—
Receivables under securities borrowing transactions	5,799,821	5,799,821	—	5,799,821	—	—	—
Monetary claims bought	5,618,985	5,618,985	3,727,090	—	1,891,895	—	—
Trading assets (Note 1)	11,976,375	11,976,375	1,093	5,835,704	—	11,976,375	59,253
Money held in trust	32,272	32,272	32,272	—	—	—	—
Securities	40,760,968	40,760,968	37,983,224	—	1,170,199	—	1,607,544
Loans and bills discounted	111,136,239	111,136,239	107,729,848	—	3,358,431	—	47,959
Foreign exchanges	2,712,573	2,712,573	2,712,573	—	—	—	—
Lease receivables and investment assets	231,199	231,199	231,199	—	—	—	—
Other assets	13,722,960	13,722,960	5,973,879	6,531,993	2,358	—	1,214,727
Tangible fixed assets	1,006,556	1,006,556	1,006,556	—	—	—	—
Intangible fixed assets	1,017,322	1,017,322	238,607	—	—	—	778,715
Net defined benefit asset	987,288	987,288	302,254	—	—	—	685,033
Deferred tax assets	71,261	71,261	34,876	—	—	—	36,385
Customers' liabilities for acceptances and guarantees	15,139,799	15,139,799	15,139,799	—	—	—	—
Reserve for possible loan losses	(925,931)	(925,931)	(925,931)	—	—	—	—
Total assets	306,282,015	306,282,015	254,975,906	34,373,279	6,422,885	11,976,375	4,429,619
Liabilities							
Deposits	171,498,651	171,498,651	107,785	—	—	—	171,390,865
Negotiable certificates of deposit	17,175,391	17,175,391	—	—	—	—	17,175,391
Call money and bills sold	4,378,276	4,378,276	—	—	—	—	4,378,276
Payables under repurchase agreements	25,797,136	25,797,136	—	10,638,305	—	—	15,158,831
Payables under securities lending transactions	2,183,655	2,183,655	—	5,266,147	—	—	(3,082,492)
Commercial paper	2,686,483	2,686,483	—	—	—	—	2,686,483
Trading liabilities	9,726,615	9,726,615	—	4,891,148	—	9,726,615	691
Borrowed money	11,355,209	11,355,209	—	—	—	—	11,355,209
Foreign exchanges	1,771,839	1,771,839	—	—	—	—	1,771,839
Short-term bonds	728,200	728,200	—	—	—	—	728,200
Bonds	13,352,392	13,352,392	—	—	—	—	13,352,392
Due to trust account	1,041,660	1,041,660	—	—	—	—	1,041,660
Other liabilities	13,700,199	13,700,199	—	4,800,935	—	—	8,899,264
Reserve for employee bonuses	130,464	130,464	—	—	—	—	130,464
Reserve for executive bonuses	5,433	5,433	—	—	—	—	5,433
Net defined benefit liability	33,890	33,890	—	—	—	—	33,890
Reserve for executive retirement benefits	1,007	1,007	—	—	—	—	1,007
Reserve for point service program	32,656	32,656	—	—	—	—	32,656
Reserve for reimbursement of deposits	5,573	5,573	—	—	—	—	5,573
Reserve for losses on interest repayment	242,127	242,127	—	—	—	—	242,127
Reserve under the special laws	5,365	5,365	—	—	—	—	5,365
Deferred tax liabilities	422,050	422,050	—	—	—	—	422,050
Deferred tax liabilities for land revaluation	26,424	26,424	—	—	—	—	26,424
Acceptances and guarantees	15,139,799	15,139,799	—	—	—	—	15,139,799
Total liabilities	291,440,506	291,440,506	107,785	25,596,536	—	9,726,615	260,901,408

(Millions of yen)

LI1: Differences between accounting and regulatory scopes of consolidation and mapping of consolidated financial statement categories with regulatory risk categories	As of March 31, 2024						
	a	b	c	d	e	f	g
	Carrying values as reported in published Consolidated financial statement	Carrying values under scope of regulatory consolidation	Carrying values of items:				
			CR (excluding amounts relevant to d and e)	CCR	Securitisation (excluding amounts relevant to f) (Note 2)	Market risk (Note 3)	Items not subject to capital requirements or subject to deduction from capital
Assets							
Cash and due from banks	78,143,100	78,143,100	78,143,100	—	—	—	—
Call loans and bills bought	5,333,883	5,333,883	5,333,883	—	—	—	—
Receivables under resale agreements	8,525,688	8,525,688	51,221	8,474,466	—	—	—
Receivables under securities borrowing transactions	6,799,541	6,799,541	—	6,799,541	—	—	—
Monetary claims bought	6,103,091	6,103,091	4,199,745	—	1,903,345	—	—
Trading assets (Note 1)	11,540,063	11,540,063	19,483	5,053,764	—	11,540,063	41,500
Money held in trust	23,751	23,751	23,751	—	—	—	—
Securities	37,142,808	37,142,808	34,742,952	—	1,205,122	—	1,194,733
Loans and bills discounted	107,013,907	107,013,907	104,326,387	—	2,639,595	—	47,924
Foreign exchanges	2,068,885	2,068,885	2,068,885	—	—	—	—
Lease receivables and investment assets	207,645	207,645	207,645	—	—	—	—
Other assets	15,313,546	15,313,546	6,431,810	7,620,653	—	—	1,261,082
Tangible fixed assets	1,006,883	1,006,883	1,006,883	—	—	—	—
Intangible fixed assets	976,706	976,706	211,648	—	—	—	765,057
Net defined benefit asset	913,791	913,791	279,669	—	—	—	634,121
Deferred tax assets	71,427	71,427	32,607	—	—	—	38,820
Customers' liabilities for acceptances and guarantees	14,869,558	14,869,558	14,869,558	—	—	—	—
Reserve for possible loan losses	(817,578)	(817,578)	(817,578)	—	—	—	—
Total assets	295,236,701	295,236,701	251,131,657	27,948,425	5,748,063	11,540,063	3,983,240
Liabilities							
Deposits	164,839,357	164,839,357	62,463	—	—	—	164,776,894
Negotiable certificates of deposit	14,672,275	14,672,275	—	—	—	—	14,672,275
Call money and bills sold	3,138,049	3,138,049	—	—	—	—	3,138,049
Payables under repurchase agreements	19,625,877	19,625,877	—	7,536,131	—	—	12,089,745
Payables under securities lending transactions	1,736,935	1,736,935	—	5,792,487	—	—	(4,055,551)
Commercial paper	2,429,179	2,429,179	—	—	—	—	2,429,179
Trading liabilities	9,689,434	9,689,434	—	4,768,119	—	9,689,434	1,330
Borrowed money	14,705,266	14,705,266	—	—	—	—	14,705,266
Foreign exchanges	2,872,560	2,872,560	—	—	—	—	2,872,560
Short-term bonds	863,000	863,000	—	—	—	—	863,000
Bonds	13,120,274	13,120,274	—	—	—	—	13,120,274
Due to trust account	1,246,198	1,246,198	—	—	—	—	1,246,198
Other liabilities	15,573,044	15,573,044	—	5,869,898	—	—	9,703,145
Reserve for employee bonuses	115,488	115,488	—	—	—	—	115,488
Reserve for executive bonuses	4,411	4,411	—	—	—	—	4,411
Net defined benefit liability	37,263	37,263	—	—	—	—	37,263
Reserve for executive retirement benefits	1,179	1,179	—	—	—	—	1,179
Reserve for point service program	35,622	35,622	—	—	—	—	35,622
Reserve for reimbursement of deposits	9,228	9,228	—	—	—	—	9,228
Reserve for losses on interest repayment	121,947	121,947	—	—	—	—	121,947
Reserve under the special laws	4,631	4,631	—	—	—	—	4,631
Deferred tax liabilities	698,632	698,632	—	—	—	—	698,632
Deferred tax liabilities for land revaluation	27,316	27,316	—	—	—	—	27,316
Acceptances and guarantees	14,869,558	14,869,558	—	—	—	—	14,869,558
Total liabilities	280,436,734	280,436,734	62,463	23,966,637	—	9,689,434	251,487,647

- Notes: 1. Transactions in the trading book including derivative transactions extend over multiple risk categories, since they are subject to both market risks and counterparty credit risks.
2. Account titles including monetary claims boughts are subject to securitisation products if they have a characteristic of securitisation products, otherwise they are subject to CR, therefore, they extend over multiple risk categories.
3. Foreign exchange risk and commodities risk in the banking book are not included in column f “Market risk,” since it is difficult to link them with account titles.

2. Main Sources of Differences between Regulatory Exposure Amounts and Carrying Values in Consolidated Financial Statements (LI2)

(Millions of yen)

LI2: Main sources of differences between regulatory exposure amounts and carrying values in consolidated financial statements amounts		As of March 31, 2025				
Item No.		a	b	c	d	e
		Total	Items subject to:			
			CR (excluding amounts relevant to c and d)	CCR	Securitisation (excluding amounts relevant to e)	Market risk
1	Asset carrying value amount under scope of regulatory consolidation	301,852,396	254,975,906	34,373,279	6,422,885	11,976,375
2	Liabilities carrying value amount under scope of regulatory consolidation	30,539,097	107,785	25,596,536	—	9,726,615
3	Total net amount under regulatory scope of consolidation	271,313,298	254,868,121	8,776,742	6,422,885	2,249,760
4	Off-balance sheet amounts	32,457,621	18,998,013 (Note 1)	11,819,627	1,639,980	—
5	Differences due to consideration of provisions and write-offs	1,095,593	1,095,593 (Note 2)	—	—	—
6	Differences due to derivative transactions	7,218,944	—	6,210,917 (Note 3)	3,815	—
7	Differences due to SFTs	(14,842,035)	—	(14,842,035)	—	—
8	Other differences	605,464	606,137	(1,350)	—	—
9	Regulatory exposure amounts	297,848,885	275,567,865	11,963,902	8,067,358	2,249,760

(Millions of yen)

LI2: Main sources of differences between regulatory exposure amounts and carrying values in consolidated financial statements amounts		As of March 31, 2024				
Item No.		a	b	c	d	e
		Total	Items subject to:			
			CR (excluding amounts relevant to c and d)	CCR	Securitisation (excluding amounts relevant to e)	Market risk
1	Asset carrying value amount under scope of regulatory consolidation	291,253,461	251,131,657	27,948,425	5,748,063	11,540,063
2	Liabilities carrying value amount under scope of regulatory consolidation	28,949,086	62,463	23,966,637	—	9,689,434
3	Total net amount under regulatory scope of consolidation	262,304,375	251,069,194	3,981,787	5,748,063	1,850,628
4	Off-balance sheet amounts	29,466,147	17,508,486 (Note 1)	10,890,655	1,067,004	—
5	Differences due to consideration of provisions and write-offs	1,009,112	1,009,112 (Note 2)	—	—	—
6	Differences due to derivative transactions	5,679,211	—	5,333,912 (Note 3)	—	—
7	Differences due to SFTs	(9,869,058)	—	(9,869,058)	—	—
8	Other differences	293,604	162,608	121,978	—	—
9	Regulatory exposure amounts	288,883,392	269,749,402	10,459,276	6,824,084	1,850,628

Notes: 1. This mainly comprises exposures due to commitment lines.
2. This mainly comprises assets subject to the IRB approach added with specific reserve and partial direct write-offs.
3. This mainly comprises the aggregation of the addition of derivative liabilities and regulatory add-on amounts, and the deduction of regulatory netting effect.

Countercyclical buffer requirement by country or region

■ Countercyclical buffer requirement by country or region

(Millions of yen, except percentages)

CCyB1: Countercyclical buffer (CCyB) requirement by country or region				
	As of March 31, 2025			
	a	b	c	d
Geographical breakdown	Applicable CCyB ratio in effect	RWAs used in the computation of CCyB ratio	Bank-specific CCyB ratio	CCyB amount
Australia	1.00%	1,433,591		
France	1.00%	843,208		
Germany	0.75%	1,072,314		
Hong Kong	0.50%	1,701,575		
Luxembourg	0.50%	647,574		
Netherlands	2.00%	587,245		
Sweden	2.00%	75,083		
U.K.	2.00%	3,046,986		
South Korea	1.00%	381,954		
Belgium	1.00%	117,770		
小計		9,907,300		
合計		71,833,401	0.16%	121,739

(Millions of yen, except percentages)

CCyB1: Countercyclical buffer (CCyB) requirement by country or region				
	As of March 31, 2024			
	a	b	c	d
Geographical breakdown	Applicable CCyB ratio in effect	RWAs used in the computation of CCyB ratio	Bank-specific CCyB ratio	CCyB amount
Australia	1.00%	1,308,386		
France	1.00%	667,330		
Germany	0.75%	845,462		
Hong Kong	1.00%	1,438,445		
Luxembourg	0.50%	573,818		
Netherlands	1.00%	631,247		
Sweden	2.00%	63,850		
U.K.	2.00%	2,817,146		
Subtotal		8,345,684		
Total		71,281,543	0.15%	107,284

Note: While credit risk-weighted asset shall be calculated on an ultimate risk basis where feasible, some assets including funds and other assets or portion of assets subject to standardized approach, are calculated on an obligor basis or on a country of undertaking basis.

Indicators for assessing Global Systemically Important Banks (G-SIBs)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Indicators for assessing Global Systemically Important Banks (G-SIBs)

(Millions of yen)

GSIB1: G-SIB indicators			
Basel III Template No.			As of March 31, 2025
1	Cross-jurisdictional activity	Cross-jurisdictional claims	102,151,747
2		Cross-jurisdictional liabilities	77,084,109
3	Size	Total exposures	328,491,252
4	Mutual relevance	Intra-financial system assets	60,454,887
5		Intra-financial system liabilities	24,294,110
6		Securities outstanding	48,683,938
7	Substitutability/ financial institution infrastructure	Assets under custody	20,406,405
8		Annual total amount of payments settled through settlement systems	6,109,605,459
9		Annual total amount of underwritten transactions in debt and equity markets	13,577,672
10a		Trading volume fixed income	100,085,055
10b		Trading volume equities and other securities	98,547,985
11	Complexity	Total amount of notional amount of OTC derivatives and long settlement transactions with other financial institutions	1,786,566,652
12		Level 3 assets	431,368
13		Held-for-trading (HFT) securities and available-for-sale (AFS) securities, excluding HFT and AFS securities that meet the definition of Level 1 assets and Level 2 assets with haircuts	16,387,884

(Millions of yen)

GSIB1: G-SIB indicators			
Basel III Template No.			As of March 31, 2024
1	Cross-jurisdictional activity	Cross-jurisdictional claims	100,058,511
2		Cross-jurisdictional liabilities	74,639,376
3	Size	Total exposures	316,522,252
4	Mutual relevance	Intra-financial system assets	55,073,343
5		Intra-financial system liabilities	24,377,143
6		Securities outstanding	43,000,776
7	Substitutability/ financial institution infrastructure	Assets under custody	19,668,879
8		Annual total amount of payments settled through settlement systems	5,433,594,969
9		Annual total amount of underwritten transactions in debt and equity markets	10,018,848
10a		Trading volume fixed income	89,370,953
10b		Trading volume equities and other securities	83,080,646
11	Complexity	Total amount of notional amount of OTC derivatives and long settlement transactions with other financial institutions	1,661,132,343
12		Level 3 assets	452,714
13		Held-for-trading (HFT) securities and available-for-sale (AFS) securities, excluding HFT and AFS securities that meet the definition of Level 1 assets and Level 2 assets with haircuts	16,384,385

Composition of Leverage Ratio

(In million yen)

Basel III Template No.	Items	As of March 31, 2025	As of March 31, 2024
1	Total assets reported in the consolidated balance sheet	306,282,015	295,236,701
2	The amount of assets of subsidiaries that are not included in the scope of the leverage ratio on a consolidated basis (–)	–	–
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	–	–
4	Adjustments for exemption of central bank reserves (–)	60,817,997	61,284,825
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure (–)		
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	1,112,074	1,076,148
7	Adjustments for eligible cash pooling transactions	–	–
8	Adjustments for total exposures related to derivatives transactions, etc.	1,857,702	749,438
8a	Total exposures related to derivatives transactions, etc.	12,359,418	11,991,542
8b	The amount of deductions from the exposures above (line 8a) (–)	10,501,716	11,242,104
9	Adjustment for total exposures related to repo transactions, etc.	967,582	637,513
9a	Total exposures related to repo transactions, etc.	22,973,164	15,962,743
9b	The amount of deductions from the exposures above (line 9a) (–)	22,005,581	15,325,230
10	Adjustments for total off-balance sheet exposures	34,116,479	34,416,562
11	The amount of adjustments associated with Tier 1 capital (specific and general provisions) (–)	7,093	–
12	Other adjustments	(19,084,598)	(18,317,462)
12a	The amount of adjustments associated with Tier 1 capital (excluding specific and general provisions) (–)	3,239,996	2,723,350
12b	The amount of customers' liabilities for acceptances and guarantees (–)	15,139,799	14,869,558
12c	The amount of receivables arising from providing collateral, provided where deducted from the consolidated balance sheet pursuant to the operative accounting framework	–	–
12d	The amount of receivables arising from providing cash variation margin (–)	704,803	724,554
12e	The amount of assets of subsidiaries that are included in the scope of the leverage ratio on a consolidated basis (excluding those included in the total assets reported in the consolidated balance sheet)	–	–
13	Total exposures	264,426,165	252,514,076

(In million yen, %)			
Basel III Template No.	Items	As of March 31, 2025	As of March 31, 2024
On-balance sheet exposures (1)			
1	On-balance sheet exposures before deducting adjustments	198,928,995	193,591,132
2	The amount of receivables arising from providing collateral, provided where deducted from the consolidated balance sheet pursuant to the operative accounting framework	—	—
3	The amount of receivables arising from providing cash variation margin (–)	704,803	724,554
4	Adjustment for securities received under repo transactions that are recognised as assets (–)	—	—
5	The amount of adjustments associated with Tier 1 capital (specific and general provisions) (–)	7,093	—
6	The amount of adjustments associated with Tier 1 capital (excluding specific and general provisions) (–)	3,239,996	2,723,350
7	Total on-balance sheet exposures (a)	194,977,102	190,143,228
Exposures related to derivatives transactions, etc. (2)			
8	Replacement cost associated with derivatives transactions, etc. (with the 1.4 alpha factor applied)	4,209,455	5,306,692
9	Add-on amounts for potential future exposure associated with derivatives transactions, etc. (with the 1.4 alpha factor applied)	7,935,495	6,417,609
10	Exempted central counterparty (CCP) leg of client-cleared trade exposures (–)	—	—
11	Adjusted effective notional amount of written credit derivatives	1,374,854	1,445,342
12	The amount of deductions from effective notional amount of written credit derivatives (–)	1,160,385	1,178,102
13	Total exposures related to derivatives transactions, etc. (b)	12,359,418	11,991,542
Exposures related to repo transactions, etc. (3)			
14	The amount of assets related to repo transactions, etc.	22,005,581	15,325,230
15	The amount of deductions from the assets above (line 14) (–)	—	—
16	The exposures for counterparty credit risk for repo transactions, etc.	967,582	637,513
17	The exposures for agent repo transaction		
18	Total exposures related to repo transactions, etc. (c)	22,973,164	15,962,743
Exposures related to off-balance sheet transactions (4)			
19	Notional amount of off-balance sheet items	94,170,772	92,108,666
20	The amount of adjustments for conversion to off-balance sheet exposures (–)	60,054,292	57,692,103
22	Total off-balance sheet exposures (d)	34,116,479	34,416,562
Leverage ratio on a consolidated basis (5)			
23	The amount of capital (Tier 1 capital) (e)	13,258,816	13,311,550
24	Total exposures ((a)+(b)+(c)+(d)) (f)	264,426,165	252,514,076
25	Leverage ratio on a consolidated basis ((e)/(f))	5.01%	5.27%
26	Minimum leverage ratio requirement	3.15%	3.00%
27	Applicable leverage buffer requirement	0.55%	0.50%
Leverage ratio on a consolidated basis (including due from Bank of Japan) (6)			
	Total exposures (f)	264,426,165	252,514,076
	The amount of due from Bank of Japan	60,817,997	61,284,825
	Total exposures (including due from Bank of Japan) (f')	325,244,163	313,798,901
	Leverage ratio on a consolidated basis (including due from Bank of Japan) ((e)/(f'))	4.07%	4.24%
Disclosure of mean values (7)			
28	Mean value of assets related to repo transactions, etc. (after the deductions) ((g)+(h))	17,587,215	12,891,568
	Mean value of assets related to repo transactions, etc. (g)	17,587,215	12,891,568
	Mean value of deductions from the assets above (–) (h)	—	—
29	Quarter-end value of assets related to repo transactions, etc. (after the deductions) ((i)+(j))	22,005,581	15,325,230
	14 Quarter-end value of assets related to repo transactions, etc. (i)	22,005,581	15,325,230
	15 Quarter-end value of deductions from the assets above (line 14) (–) (j)	—	—
30	Total exposures (including mean value above (line 28), but excluding due from Bank of Japan) (k)	260,007,799	250,080,415
30a	Total exposures (including mean value above (line 28) and due from Bank of Japan) (l)	320,825,797	311,365,240
31	Leverage ratio on a consolidated basis (including mean value above (line 28), but excluding due from Bank of Japan) ((e)/(k))	5.09%	5.32%
31a	Leverage ratio on a consolidated basis (including mean value above (line 28) and due from Bank of Japan) ((e)/(l))	4.13%	4.27%

TLAC information

■ TLAC1: TLAC composition for G-SIBs (at resolution group level)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

(Millions of yen, except percentages)

Basel III Template No.	Items	As of March 31, 2025	As of March 31, 2024
Preferred resolution strategy (1)			
The SPE (Single Point of Entry) resolution strategy is considered to be the preferred resolution strategy for Sumitomo Mitsui Financial Group, Inc. (SMFG) and its subsidiaries. More concretely, at the time of a stress, following the relevant authority’s determination that one or more of the material sub-groups, i.e. Sumitomo Mitsui Banking Corporation and SMBC Nikko Securities Inc., have reached the point of non-viability, losses incurred to them would be passed to SMFG, the ultimate holding company. While this could lead to a resolution of SMFG, the material sub-groups are expected to continue their business as usual under the Specified Bridge Financial Institution, etc. incorporated by the Deposit Insurance Corporation of Japan (DICJ) to which SMFG transfers its business.			
Regulatory capital elements of TLAC and adjustments (2)			
1	Common Equity Tier 1 capital (CET1) (A)	11,585,083	11,992,628
2	Additional Tier 1capital (AT1) before TLAC adjustments (B)	1,673,732	1,318,922
3	AT1 ineligible as TLAC as issued out of subsidiaries to third parties (C)	—	—
4	Other adjustments (D)	15,732	12,239
5	AT1 instruments eligible under the TLAC framework ((B) - (C) - (D)) (E)	1,658,000	1,306,683
6	Tier 2 capital (T2) before TLAC adjustments (F)	885,269	886,318
7	Amortised portion of T2 instruments where remaining maturity > 1 year (G)	(130,698)	(176,513)
8	T2 capital ineligible as TLAC as issued out of subsidiaries to third parties (H)	—	—
9	Other adjustments (I)	3,256	3,071
10	T2 instruments eligible under the TLAC framework ((F) - (G) - (H) - (I)) (J)	1,012,711	1,059,760
11	TLAC arising from regulatory capital ((A) + (E) + (J)) (K)	14,255,795	14,359,071
Non-regulatory capital elements of TLAC (3)			
12	External TLAC instruments issued directly by the bank and subordinated to excluded liabilities (L)	7,881,757	7,994,297
13	External TLAC instruments issued directly by the bank which are not subordinated to excluded liabilities but meet all other TLAC term sheet requirements		
14	Of which: amount eligible as TLAC after application of the caps		
15	External TLAC instruments issued by funding vehicles prior to 1 January 2022		
16	Eligible ex ante commitments to recapitalise a G-SIB in resolution (M)	3,259,099	3,249,700
17	TLAC arising from non-regulatory capital instruments before adjustments ((L) + (M)) (N)	11,140,857	11,243,997
Non-regulatory capital elements of TLAC: adjustments (4)			
18	TLAC before deductions ((K) + (N)) (O)	25,396,653	25,603,069
19	Deductions of exposures between MPE resolution groups that correspond to items eligible for TLAC (not applicable to SPE G-SIBs) (P)	—	—
20	Deduction of investments in own other TLAC liabilities (Q)	—	—
21	Other adjustment to TLAC (R)	—	—
22	TLAC after deductions ((O) - (P) - (Q) - (R)) (S)	25,396,653	25,603,069
Risk-weighted assets and leverage exposure measure for TLAC purposes (5)			
23	Total risk-weighted assets (RWA) (T)	93,117,128	92,848,578
24	Total exposures (U)	264,426,165	252,514,076
TLAC ratios and buffers (6)			
25	TLAC before deduction of CET1 specific buffer requirement (as a percentage of RWA) ((S) / (T))	27.27%	27.57%
25a	TLAC (as a percentage of RWA)	23.61%	23.92%
26	TLAC (as a percentage of total exposures) ((S) / (U))	9.60%	10.13%
27	CET1 available after meeting the minimum capital requirements	7.18%	7.29%
28	CET1 specific buffer requirement	3.66%	3.65%
29	of which: capital conservation buffer requirement	2.50%	2.50%
30	of which: countercyclical buffer requirement	0.16%	0.15%
31	of which: G-SIB/D-SIB additional requirement	1.00%	1.00%
TLAC (as a percentage of total exposures) (including deposits with the Bank of Japan) (7)			
	Total exposures (U)	264,426,165	252,514,076
	The amount of deposits with the Bank of Japan	60,817,997	61,284,825
	Total exposures (including deposits with the Bank of Japan) (U')	325,244,163	313,798,901
	TLAC (as a percentage of total exposures) (including deposits with the Bank of Japan) ((S)/(U'))	7.80%	8.15%

■ TLAC2: - Material subgroup entity - creditor ranking at legal entity level

Sumitomo Mitsui Banking Corporation

(Millions of yen)

Basel III Template No.		Items	As of March 31, 2025								Sum of 1 to 4
			Creditor ranking								
			1		2		3		4		
		(most junior)						(most senior)			
1	Is the resolution entity the creditor/investor?	Yes	No	Yes	No	Yes	No	Yes	No		
2	Description of creditor ranking	Common share capital		Additional Tier 1 instruments		Tier 2 instruments		Other internal TLAC liabilities			
3	Total capital and liabilities net of credit risk mitigation (A)	3,545,744	–	2,375,442	–	1,286,644	–	8,750,336	–	15,958,168	
4	Subset of row 3 that are excluded liabilities (B)	–	–	–	–	–	–	–	–	–	
5	Total capital and liabilities less excluded liabilities ((A)-(B))	3,545,744	–	2,375,442	–	1,286,644	–	8,750,336	–	15,958,168	
6	Subset of row 5 that are eligible as TLAC	3,545,744	–	2,375,442	–	1,155,644	–	7,704,374	–	14,781,206	
7	1 year ≤ residual maturity < 2 years	–	–	–	–	116,000	–	1,672,090	–	1,788,090	
8	2 years ≤ residual maturity < 5 years	–	–	–	–	353,459	–	3,247,306	–	3,600,766	
9	5 years ≤ residual maturity < 10 years	–	–	–	–	260,024	–	2,133,120	–	2,393,144	
10	10 years ≤ residual maturity (excluding perpetual securities)	–	–	–	–	426,160	–	651,857	–	1,078,017	
11	Perpetual securities	3,545,744	–	2,375,442	–	–	–	–	–	5,921,186	

Sumitomo Mitsui Banking Corporation

(Millions of yen)

Basel III Template No.		As of March 31, 2024							
		Creditor ranking							
		1		2		3		4	
	Items	(most junior)						(most senior)	
1	Is the resolution entity the creditor/investor?	Yes	No	Yes	No	Yes	No	Yes	No
2	Description of creditor ranking	Common share capital		Additional Tier 1 instruments		Tier 2 instruments		Other internal TLAC liabilities	
3	Total capital and liabilities net of credit risk mitigation (A)	3,545,551	—	1,967,330	—	1,492,083	—	8,640,648	—
4	Subset of row 3 that are excluded liabilities (B)	—	—	—	—	—	—	—	—
5	Total capital and liabilities less excluded liabilities ((A)-(B))	3,545,551	—	1,967,330	—	1,492,083	—	8,640,648	—
6	Subset of row 5 that are eligible as TLAC	3,545,551	—	1,967,330	—	1,114,256	—	7,749,956	—
7	1 year ≤ residual maturity < 2 years	—	—	—	—	131,000	—	1,058,553	—
8	2 years ≤ residual maturity < 5 years	—	—	—	—	365,000	—	3,705,363	—
9	5 years ≤ residual maturity < 10 years	—	—	—	—	338,295	—	2,335,242	—
10	10 years ≤ residual maturity (excluding perpetual securities)	—	—	—	—	279,960	—	650,797	—
11	Perpetual securities	3,545,551	—	1,967,330	—	—	—	—	—

SMBC Nikko Securities Inc.

(Millions of yen)

Basel III Template No.		Items	As of March 31, 2025						Sum of 1 to 3
			Creditor ranking						
			1		2		3		
(most junior)		(most senior)							
1	Is the resolution entity the creditor/investor?	Yes	No	Yes	No	Yes	No		
2	Description of creditor ranking	Common share capital		Subordinated debts		Other internal TLAC liabilities			
3	Total capital and liabilities net of credit risk mitigation (A)	704,755	—	—	—	—	—	704,755	
4	Subset of row 3 that are excluded liabilities (B)	—	—	—	—	—	—	—	
5	Total capital and liabilities less excluded liabilities ((A)-(B))	704,755	—	—	—	—	—	704,755	
6	Subset of row 5 that are eligible as TLAC	704,755	—	—	—	—	—	704,755	
7	1 year ≤ residual maturity < 2 years	—	—	—	—	—	—	—	
8	2 years ≤ residual maturity < 5 years	—	—	—	—	—	—	—	
9	5 years ≤ residual maturity < 10 years	—	—	—	—	—	—	—	
10	10 years ≤ residual maturity (excluding perpetual securities)	—	—	—	—	—	—	—	
11	Perpetual securities	704,755	—	—	—	—	—	704,755	

SMBC Nikko Securities Inc.

(Millions of yen)

Basel III Template No.		As of March 31, 2024					
		Creditor ranking					
		1		2		3	
	Items	(most junior)				(most senior)	
1	Is the resolution entity the creditor/investor?	Yes	No	Yes	No	Yes	No
2	Description of creditor ranking	Common share capital		Subordinated debts		Other internal TLAC liabilities	
3	Total capital and liabilities net of credit risk mitigation (A)	717,714	—	—	—	—	—
4	Subset of row 3 that are excluded liabilities (B)	—	—	—	—	—	—
5	Total capital and liabilities less excluded liabilities ((A)-(B))	717,714	—	—	—	—	—
6	Subset of row 5 that are eligible as TLAC	717,714	—	—	—	—	—
7	1 year ≤ residual maturity < 2 years	—	—	—	—	—	—
8	2 years ≤ residual maturity < 5 years	—	—	—	—	—	—
9	5 years ≤ residual maturity < 10 years	—	—	—	—	—	—
10	10 years ≤ residual maturity (excluding perpetual securities)	—	—	—	—	—	—
11	Perpetual securities	717,714	—	—	—	—	—

■ TLAC3: Creditor ranking of external TLAC, etc.

Sumitomo Mitsui Financial Group, Inc. (Millions of yen)

		As of March 31, 2025				
Basel III Template No.	Items	Creditor ranking				Sum of 1 to 4
		1	2	3	4	
		(most junior)			(most senior)	
1	Description of creditor ranking	Common share capital	Additional Tier 1 instruments	Tier 2 instruments	Unsecured senior bonds *1	
2	Total capital and liabilities net of credit risk mitigation (A)	3,913,397	1,875,442	1,286,644	9,116,017	16,191,502
3	Subset of row 2 that are excluded liabilities *2 (B)	—	—	—	101,011	101,011
4	Total capital and liabilities less excluded liabilities ((A)-(B))	3,913,397	1,875,442	1,286,644	9,015,006	16,090,491
5	Subset of row 4 that are eligible as TLAC	3,913,397	1,875,442	1,155,644	7,899,419	14,843,904
6	1 year ≤ residual maturity < 2 years	—	—	116,000	1,707,090	1,823,090
7	2 years ≤ residual maturity < 5 years	—	—	353,459	3,338,225	3,691,685
8	5 years ≤ residual maturity < 10 years	—	—	260,024	2,198,167	2,458,191
9	10 years ≤ residual maturity (excluding perpetual securities)	—	—	426,160	655,936	1,082,096
10	Perpetual securities	3,913,397	1,875,442	—	—	5,788,839

*1 Excluding those owed to group companies
*2 Conservatively estimated in light of quantitative materiality

Sumitomo Mitsui Financial Group, Inc. (Millions of yen)

		As of March 31, 2024				
Basel III Template No.	Items	Creditor ranking				Sum of 1 to 4
		1	2	3	4	
		(most junior)			(most senior)	
1	Description of creditor ranking	Common share capital	Additional Tier 1 instruments	Tier 2 instruments	Unsecured senior bonds *1	
2	Total capital and liabilities net of credit risk mitigation (A)	3,909,552	1,467,330	1,492,083	8,997,988	15,866,954
3	Subset of row 2 that are excluded liabilities *2 (B)	—	—	—	92,146	92,146
4	Total capital and liabilities less excluded liabilities ((A)-(B))	3,909,552	1,467,330	1,492,083	8,905,842	15,774,808
5	Subset of row 4 that are eligible as TLAC	3,909,552	1,467,330	1,114,256	8,015,150	14,506,289
6	1 year ≤ residual maturity < 2 years	—	—	131,000	1,128,720	1,259,720
7	2 years ≤ residual maturity < 5 years	—	—	365,000	3,831,068	4,196,068
8	5 years ≤ residual maturity < 10 years	—	—	338,295	2,400,568	2,738,864
9	10 years ≤ residual maturity (excluding perpetual securities)	—	—	279,960	654,792	934,753
10	Perpetual securities	3,909,552	1,467,330	—	—	5,376,882

*1 Excluding those owed to group companies
*2 Conservatively estimated in light of quantitative materiality

Liquidity Coverage Ratio Information (Consolidated)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Since March 31, 2015, the “Liquidity Coverage Ratio” (hereinafter referred to as “LCR”), the liquidity ratio regulation under the Basel III, has been introduced in Japan. In addition to the application of uniform international standards, Sumitomo Mitsui Financial Group calculates its consolidated LCR using the calculation formula stipulated in the “Criteria for Evaluating the Soundness of Liquidity Status Set Forth by a Bank Holding Company as a Benchmark for Judging the Soundness of Management of Itself and its Subsidiaries, etc., Based on the Provision of Article 52-25 of the Banking Act, and Which Are Also the Criteria to be Referred to for Judging the Soundness of Management in Banks” (Notification No. 62 issued by the Japanese Financial Services Agency in 2014; hereinafter referred to as the “Liquidity Ratio Notification”).

■ Disclosure of Qualitative Information about Liquidity Coverage Ratio

1. Intra-period Changes in Consolidated LCR

As described on the following page, the LCR has remained stable since the introduction of the liquidity ratio regulation on March 31, 2015.

2. Assessment of Consolidated LCR

The Liquidity Ratio Notification stipulates the minimum requirement of the LCR at 100%. The LCR of Sumitomo Mitsui Financial Group (consolidated) exceeds the minimum requirements of the LCR, having no cause for concern. In terms of the future LCR forecasts, Sumitomo Mitsui Financial Group does not expect significant deviations from the disclosed ratios. In addition, the actual LCR does not differ significantly from the initial forecast.

3. Composition of High-Quality Liquid Assets

Regarding the high-quality liquid assets allowed to be included in the calculation, there are no significant changes in locations and properties of currency denominations, categories and so on. In addition, in respect of major currencies (those of which the aggregate amount of liabilities denominated in a certain currency accounts for 5% or more of Sumitomo Mitsui Financial Group’s total liabilities on the consolidated basis), there is no significant mismatch in currency denomination between the total amount of the high-quality liquid assets allowed to be included in the calculation and the amount of net cash outflows.

4. Other Information Concerning Consolidated LCR

Sumitomo Mitsui Financial Group has not applied “special provisions concerning qualifying operational deposits” prescribed in Article 28 of the Liquidity Ratio Notification and “increased liquidity needs related to market valuation changes on derivative or other transactions simulated through Scenario Approach” prescribed in Article 37 of the Liquidity Ratio Notification. Meanwhile, Sumitomo Mitsui Financial Group records “cash outflows related to small-sized consolidated subsidiaries,” etc. under “cash outflows based on other contracts” prescribed in Article 59 of the Liquidity Ratio Notification.

■ Disclosure of Quantitative Information about Liquidity Coverage Ratio (Consolidated)

(In million yen, %, the number of data)

Item		Current Quarter (From 2025/1/1 To 2025/3/31)		Prior Quarter (From 2024/10/1 To 2024/12/31)	
High-Quality Liquid Assets (1)					
1	Total high-quality liquid assets (HQLA)	91,634,083		89,145,163	
Cash Outflows (2)		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
2	Cash outflows related to unsecured retail funding	65,573,574	5,085,829	64,825,828	5,024,599
3	of which, Stable deposits	21,115,678	636,516	20,920,823	630,449
4	of which, Less stable deposits	44,457,896	4,449,313	43,905,005	4,394,150
5	Cash outflows related to unsecured wholesale funding	96,933,274	48,396,289	94,688,415	46,746,272
6	of which, Qualifying operational deposits	—	—	—	—
7	of which, Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	91,173,923	42,636,938	89,906,111	41,963,968
8	of which, Debt securities	5,759,351	5,759,351	4,782,303	4,782,303
9	Cash outflows related to secured funding, etc.		942,024		990,346
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	42,105,566	14,793,416	41,204,628	14,700,143
11	of which, Cash outflows related to derivative transactions, etc.	1,979,493	1,979,493	2,137,796	2,137,796
12	of which, Cash outflows related to funding programs	416,391	416,391	368,072	368,072
13	of which, Cash outflows related to credit and liquidity facilities	39,709,681	12,397,530	38,698,759	12,194,274
14	Cash outflows related to contractual funding obligations, etc.	13,289,054	8,994,524	12,710,104	8,575,454
15	Cash outflows related to contingencies	92,918,046	2,418,744	91,677,759	2,303,843
16	Total cash outflows		80,630,828		78,340,660
Cash Inflows (3)		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
17	Cash inflows related to secured lending, etc.	15,127,075	1,106,333	13,202,137	942,407
18	Cash inflows related to collection of loans, etc.	15,782,894	9,643,464	13,013,343	8,125,667
19	Other cash inflows	6,679,083	3,408,720	7,060,667	3,248,348
20	Total cash inflows	37,589,053	14,158,517	33,276,148	12,316,423
Consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA allowed to be included in the calculation		91,634,083		89,145,163
22	Net cash outflows		66,472,311		66,024,237
23	Consolidated liquidity coverage ratio (LCR)		137.8%		135.0%
24	The number of data used to calculate the average value	57		63	

Notes: 1. The data after the introduction of the liquidity ratio regulation on March 31, 2015 is available on Sumitomo Mitsui Financial Group’s website.
(https://www.smfg.co.jp/english/investor/financial/basel_3.html)
2. The average values are calculated based on daily data in accordance with Notification No. 7 issued by the Japanese Financial Services Agency in 2015. Some data, such as attribute information of customers and data on consolidated subsidiaries, is updated on the monthly or quarterly basis.

■ Breakdown of High-Quality Liquid Assets

(In million yen)

Item		Current Quarter (From 2025/1/1 To 2025/3/31)	Prior Quarter (From 2024/10/1 To 2024/12/31)
1	Cash and due from banks	80,416,923	77,637,930
2	Securities	11,217,160	11,507,233
3	of which, government bonds, etc.	7,333,520	7,744,167
4	of which, municipal bonds, etc.	207,657	127,282
5	of which, other bonds	1,744,864	1,588,915
6	of which, stocks	1,931,117	2,046,868
7	Total high-quality liquid assets (HQLA)	91,634,083	89,145,163

Note: The above amounts are those of high-quality liquid assets in accordance with the liquidity ratio regulation under the Basel III and do not correspond to the financial amounts.
The amounts stated are those after multiplying factors in the liquidity ratio regulation under the Basel III.

Net Stable Funding Ratio Information (Consolidated)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Since September 30, 2021, the “Net Stable Funding Ratio” (hereinafter referred to as “NSFR”), the liquidity ratio regulation under the Basel III, has been introduced in Japan. In addition to the application of uniform international standards, Sumitomo Mitsui Financial Group calculates its consolidated NSFR using the calculation formula stipulated in the “Criteria for Evaluating the Soundness of Liquidity Status Set Forth by a Bank Holding Company as a Benchmark for Judging the Soundness of Management of Itself and its Subsidiaries, etc., Based on the Provision of Article 52-25 of the Banking Act, and Which Are Also the Criteria to be Referred to for Judging the Soundness of Management in Banks” (Notification No. 62 issued by the Japanese Financial Services Agency in 2014; hereinafter referred to as the “Liquidity Ratio Notification”).

■ Disclosure of Qualitative Information about Net Stable Funding Ratio

1. Intra-period Changes in Consolidated NSFR

As described on the following page, the NSFR has remained stable since the introduction of the liquidity ratio regulation on September 30, 2021.

2. Special Provisions Pertaining to Interdependent Assets and Liabilities

Sumitomo Mitsui Financial Group has not applied the “special provisions pertaining to interdependent assets and liabilities” prescribed in Article 99 of the Liquidity Ratio Notification to its NSFR.

3. Other Information Concerning Consolidated NSFR

The Liquidity Ratio Notification stipulates the minimum requirement of the NSFR at 100%. The NSFR of Sumitomo Mitsui Financial Group (consolidated) exceeds the minimum requirements of the NSFR, having no cause for concern. In terms of the future NSFR forecasts, Sumitomo Mitsui Financial Group does not expect significant deviations from the disclosed ratios. In addition, the actual NSFR does not differ significantly from the initial forecast.

Financial Highlights

■ Disclosure of Quantitative Information about Net Stable Funding Ratio (Consolidated)

(In million yen, %)

Item		Current Quarter (From 2025/1/1 To 2025/3/31)					Prior Quarter (From 2024/10/1 To 2024/12/31)				
		Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) items (1)											
1	Capital; of which:	14,724,908	48,266	156,647	2,814,208	17,659,687	15,159,799	58,266	153,187	2,988,724	18,267,617
2	Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (excluding the proportion of Tier 2 instruments with residual maturity of less than one year) before the application of capital deductions	14,724,908	0	84,494	2,683,510	17,492,912	15,159,799	0	85,000	2,868,373	18,113,172
3	Other capital instruments that are not included in the above category	0	48,266	72,152	130,698	166,774	0	58,266	68,187	120,351	154,445
4	Funding from retail and small business customers; of which:	65,592,827	0	0	108,768	60,206,474	66,030,259	0	0	114,932	60,621,014
5	Stable deposits	21,283,224	0	0	0	20,219,062	21,576,970	0	0	0	20,498,122
6	Less stable deposits	44,309,603	0	0	108,768	39,987,411	44,453,289	0	0	114,932	40,122,892
7	Wholesale funding; of which:	69,072,523	85,750,646	6,265,198	17,361,694	61,871,451	68,699,016	81,191,276	7,390,968	18,404,420	63,114,258
8	Operational deposits	—	—	—	—	—	—	—	—	—	—
9	Other wholesale funding	69,072,523	85,750,646	6,265,198	17,361,694	61,871,451	68,699,016	81,191,276	7,390,968	18,404,420	63,114,258
10	Liabilities with matching interdependent assets	—	—	—	—	—	—	—	—	—	—
11	Other liabilities; of which:	1,966,307	13,755,869	0	173,678	116,601	2,164,886	17,578,019	0	118,901	121,976
12	Derivative liabilities	—	—	—	0	—	—	—	—	0	—
13	All other liabilities and equity not included in the above categories	1,966,307	13,755,869	0	173,678	116,601	2,164,886	17,578,019	0	118,901	121,976
14	Total available stable funding	—	—	—	—	139,854,214	—	—	—	—	142,124,866
Required stable funding (RSF) items (2)											
15	HQLA	—	—	—	—	4,445,601	—	—	—	—	4,319,451
16	Deposits held at financial institutions for operational purposes	500,513	39,286	0	0	269,899	547,493	109,666	0	0	328,579
17	Loans, repo transactions-related assets, securities and other similar assets; of which:	2,053,561	50,302,473	13,252,054	79,048,416	88,216,548	1,692,972	53,948,550	12,421,839	79,521,876	89,408,429
18	Loans to- and repo transactions with- financial institutions (secured by level 1 HQLA)	0	16,444,738	0	73,540	295,764	0	16,420,590	0	2,564	163,822
19	Loans to- and repo transactions with- financial institutions (not included in item 18)	314,560	9,751,309	3,384,862	12,469,514	15,927,902	223,834	9,423,293	3,870,683	12,526,345	16,026,843
20	Loans and repo transactions-related assets (not included in item 18, 19 and 22); of which:	1,290,010	22,108,178	8,652,482	52,232,409	59,018,387	1,024,493	26,022,952	7,445,162	52,292,106	59,920,689
21	With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	24,048	3,277,337	762,088	5,125,768	4,608,741	3,461	5,525,350	719,793	5,651,919	5,863,274
22	Residential mortgages; of which:	0	275,710	270,030	10,675,989	8,170,583	0	286,208	285,555	10,935,638	8,373,962
23	With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	0	159,427	157,063	5,884,390	3,983,099	0	165,414	164,897	6,036,060	4,088,594
24	Securities that are not in default and do not qualify as HQLA and other similar assets	448,990	1,722,535	944,679	3,596,962	4,803,910	444,644	1,795,506	820,437	3,765,222	4,923,111
25	Assets with matching interdependent liabilities	—	—	—	—	—	—	—	—	—	—
26	Other assets; of which:	4,752,638	1,229,569	114,558	19,527,521	24,309,146	4,800,744	1,258,922	122,144	19,910,345	25,124,151
27	Physical traded commodities, including gold	0	—	—	—	0	0	—	—	—	0
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs (including those that are not recorded on consolidated balance sheet)	—	—	—	1,024,164	870,539	—	—	—	1,048,280	891,038
29	Derivative assets	—	—	—	295,839	295,839	—	—	—	157,390	157,390
30	Derivative liabilities (before deduction of variation margin posted)	—	—	—	194,551	194,551	—	—	—	265,271	265,271
31	All other assets not included in the above categories	4,752,638	1,229,569	114,558	18,012,966	22,948,215	4,800,744	1,258,922	122,144	18,439,404	23,810,452
32	Off-balance sheet items	—	—	—	137,101,660	2,842,259	—	—	—	135,324,929	2,923,462
33	Total required stable funding	—	—	—	—	120,083,456	—	—	—	—	122,104,075
34	Consolidated net stable funding ratio (NSFR)	—	—	—	—	116.4%	—	—	—	—	116.3%

Financial Data (Excerpt from Securities Report) of Sumitomo Mitsui Banking Corporation can be found on our website.

URL: https://www.smfg.co.jp/english/investor/library/annual/cy2025annu_eng_smfg.html

Sumitomo Mitsui Banking Corporation

■ Consolidated

		Millions of yen				
Year ended March 31		2025	2024	2023	2022	2021
For the Year:						
Ordinary income.....	¥	8,448,877	¥ 7,754,385	¥ 4,991,948	¥ 2,990,450	¥ 2,786,647
Ordinary profit		1,735,832	1,356,572	1,125,928	867,849	534,722
Profit attributable to owners of parent		1,236,342	901,935	807,042	568,244	406,093
Comprehensive income		693,525	2,251,293	952,014	327,943	1,238,547
At Year-End:						
Total net assets	¥	11,410,174	¥ 11,494,278	¥ 9,735,509	¥ 9,219,858	¥ 9,256,369
Total assets		281,800,788	272,298,248	252,567,523	242,105,934	228,066,567
Total capital ratio (BIS guidelines)		16.78%	16.11%	15.34%	15.78%	17.72%
Tier 1 capital ratio (BIS guidelines)		15.32%	14.80%	14.15%	14.53%	15.89%
Common equity Tier 1 capital ratio (BIS guidelines)		12.50%	12.42%	12.43%	12.67%	13.98%
Number of employees.....		71,071	68,750	59,399	58,041	58,127

Note: "Number of employees" has been reported on the basis of full-time workers, including locally hired overseas staff members but excluding contract employees and temporary staff.

■ Non-consolidated

		Millions of yen				
Year ended March 31		2025	2024	2023	2022	2021
For the Year:						
Ordinary income.....	¥	7,105,687	¥ 6,349,899	¥ 4,133,627	¥ 2,477,287	¥ 2,283,356
Trust fees		3,509	3,114	2,451	2,254	2,076
Gross banking profit (A)		2,256,559	1,885,198	1,699,474	1,579,178	1,481,662
Expenses (excluding nonrecurring losses) (B)		1,072,173	983,886	883,603	857,233	816,488
Overhead ratio (B) / (A)		47.5%	52.2%	52.0%	54.3%	55.1%
Banking profit						
(before provision for general reserve for possible loan losses)		1,184,386	901,311	815,871	721,944	665,173
Core banking profit		1,239,580	946,809	902,618	764,309	585,189
Core banking profit (excluding gains or losses on cancellation of investment trusts)						
		1,155,583	926,024	863,278	722,805	551,401
Banking profit		1,080,886	880,652	797,003	715,731	502,679
Ordinary profit		1,488,062	1,040,471	865,797	745,950	436,062
Net income		1,068,566	762,646	634,154	546,294	338,036
At Year-End:						
Total net assets	¥	7,785,697	¥ 8,041,611	¥ 7,394,955	¥ 7,546,483	¥ 8,065,866
Total assets		257,602,725	249,722,179	235,337,464	227,964,729	215,846,732
Deposits		159,731,671	153,494,437	149,948,880	141,015,245	134,685,582
Loans and bills discounted		104,515,592	101,124,712	94,307,397	87,671,294	81,937,725
Securities		37,561,851	34,666,605	32,210,394	38,238,579	36,487,225
Trust assets and liabilities		6,078,455	6,377,557	5,108,905	4,622,304	4,484,901
Loans and bills discounted in trust account		2,006,214	1,738,854	1,070,590	751,760	671,654
Securities in trust account (excluding electronically recorded transferable rights on securities in trust account)						
		360,607	916,967	900,799	889,179	922,114
Electronic payment instruments in trust account and performance-guarantee electronic payment instruments						
	—	—	—	—	—	—
Crypto-assets in trust account and performance-guarantee crypto-assets						
	—	—	—	—	—	—
Electronically recorded transferable rights on securities in trust account						
	—	—	—	—	—	—
Capital stock		1,771,093	1,770,996	1,770,996	1,770,996	1,770,996
Number of shares issued (in thousands)						
Common stock		106,250	106,248	106,248	106,248	106,248
Preferred stock		70	70	70	70	70
Dividend payout ratio		56.09%	104.05%	73.46%	70.61%	77.79%
Total capital ratio (BIS guidelines)		14.72%	14.27%	13.97%	14.77%	16.96%
Tier 1 capital ratio (BIS guidelines)		13.03%	12.86%	12.63%	13.49%	15.08%
Common equity Tier 1 capital ratio (BIS guidelines)						
		10.01%	10.35%	10.81%	11.53%	13.09%
Number of employees		28,063	27,808	27,839	27,851	28,104

Notes: 1. Core banking profit = Banking profit (before provision of general reserve for possible loan losses) – Gains (losses) on bonds
2. "Number of employees" has been reported on the basis of full-time workers, including locally hired overseas staff members but excluding contract employees, temporary staff, and executive officers who do not concurrently serve as Directors.

Basel III Information

Capital Ratio and Leverage Ratio Information (Consolidated)

Sumitomo Mitsui Banking Corporation and Subsidiaries

■ CC1: Composition of regulatory capital

(Millions of yen, except percentages)

Basel III Template No.	Items	a	b	c
		As of March 31,2025	As of March 31,2024	Reference to Template CC2
Common Equity Tier 1 capital: instruments and reserves (1)				
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	8,461,432	7,815,032	
1a	of which: capital and capital surplus	3,545,584	3,538,331	
2	of which: retained earnings	5,106,143	4,598,846	
1c	of which: treasury stock (–)	—	—	
26	of which: national specific regulatory adjustments (earnings to be distributed) (–)	190,295	322,145	
	of which: other than the above	—	—	
1b	Stock subscription rights and stock acquisition rights to common shares	—	—	
3	Accumulated other comprehensive income and other disclosed reserves	2,607,630	3,154,871	(a)
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1,736	2,135	
6	Common Equity Tier 1 capital: instruments and reserves (A)	11,070,799	10,972,039	
Common Equity Tier 1 capital: regulatory adjustments (2)				
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	337,524	395,920	
8	of which: goodwill (including those equivalent)	—	99,142	
9	of which: other intangibles other than goodwill and mortgage servicing rights	337,524	296,777	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,382	3,949	
11	Net deferred gains or losses on hedges	(226,210)	(146,062)	
12	Shortfall of eligible provisions to expected losses	—	—	
13	Securitisation gain on sale	42,282	47,724	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	28,324	23,464	
15	Net defined benefit asset	673,434	625,498	
16	Investments in own shares (excluding those reported in the Net assets section)	—	—	
17	Reciprocal cross-holdings in common equity	—	—	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	84,112	—	
19+20+21	Amount exceeding the 10% threshold on specified items	—	—	
19	of which: significant investments in the common stock of financials	—	—	
20	of which: mortgage servicing rights	—	—	
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	
22	Amount exceeding the 15% threshold on specified items	—	—	
23	of which: significant investments in the common stock of financials	—	—	
24	of which: mortgage servicing rights	—	—	
25	of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	—	—	
28	Common Equity Tier 1 capital: regulatory adjustments (B)	940,850	950,493	
Common Equity Tier 1 capital (CET1)				
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	10,129,948	10,021,546	

(Millions of yen, except percentages)

Basel III Template No.		Items	a	b	c
			As of March 31,2025	As of March 31,2024	Reference to Template CC2
Additional Tier 1 capital: instruments (3)					
30	31a	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	—	
	31b	Stock subscription rights and stock acquisition rights to Additional Tier 1 instruments	—	—	
	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	2,375,442	1,967,330	
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	
	34	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)	12,354	31,984	
	36	Additional Tier 1 capital: instruments (D)	2,387,797	1,999,314	
Additional Tier 1 capital: regulatory adjustments					
	37	Investments in own Additional Tier 1 instruments	—	—	
	38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	
	39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	23,486	—	
	40	Significant investments in the Additional Tier 1 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	83,572	82,978	
	42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—	—	
	43	Additional Tier 1 capital: regulatory adjustments (E)	107,058	82,978	
Additional Tier 1 capital (AT1)					
	44	Additional Tier 1 capital ((D)-(E)) (F)	2,280,738	1,916,335	
Tier 1 capital (T1 = CET1 + AT1)					
	45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	12,410,687	11,937,881	
Tier 2 capital: instruments and provisions (4)					
46		Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	—	
		Stock subscription rights and stock acquisition rights to Tier 2 instruments	—	—	
		Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,035,385	948,121	
		Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	
	48	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group T2)	2,466	7,692	
	50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	196,212	150,417	
	50a	of which: general reserve for possible loan losses	47,742	30,761	
	50b	of which: eligible provisions	148,469	119,655	
	51	Tier 2 capital: instruments and provisions (H)	1,234,064	1,106,230	

(Millions of yen, except percentages)

Basel III Template No.	Items	a	b	c
		As of March 31,2025	As of March 31,2024	Reference to Template CC2
Tier 2 capital: regulatory adjustments (5)				
52	Investments in own Tier 2 instruments	—	—	
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	—	—	
54	Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	6,558	—	
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	44,859	45,399	
57	Tier 2 capital: regulatory adjustments (I)	51,417	45,399	
Tier 2 capital (T2)				
58	Tier 2 capital (T2) ((H)-(I)) (J)	1,182,646	1,060,831	
Total capital (TC = T1 + T2)				
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	13,593,334	12,998,713	
Risk weighted assets (6)				
60	Total risk-weighted assets (RWA) (L)	81,008,450	80,641,252	
Capital ratios (consolidated) (7)				
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	12.50%	12.42%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	15.32%	14.80%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	16.78%	16.11%	
Regulatory adjustments (8)				
72	Non-significant investments in the capital and other TLAC liabilities of other financials that are below the thresholds for deduction (before risk weighting)	1,021,406	907,607	
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)	987,944	841,929	
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—	—	
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	109,630	32,421	
Provisions included in Tier 2 capital: instruments and provisions (9)				
76	Provisions (general reserve for possible loan losses)	47,742	30,761	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	100,298	50,704	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as “nil”)	148,469	119,655	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	384,947	412,505	

(Millions of yen)

Items	As of March 31,2025	As of March 31,2024
Required capital ((L) X 8%)	6,480,676	6,451,300

■ CC2: Reconciliation of regulatory capital to balance sheet

Sumitomo Mitsui Banking Corporation and Subsidiaries

(Millions of yen)

Items	a		b	c
	Consolidated balance sheet as in published financial statements		Reference to Template CC1	Reference to appended table
	As of March 31, 2025	As of March 31, 2024		
(Assets)				
Cash and due from banks	71,788,392	75,046,469		
Call loans and bills bought	5,582,978	5,933,883		
Receivables under resale agreements	14,569,328	6,163,573		
Receivables under securities borrowing transactions	1,187,846	2,607,042		
Monetary claims bought	5,613,431	6,094,883		
Trading assets	5,594,108	5,656,912		6-a
Money held in trust	0	0		
Securities	38,861,805	35,622,891		2-b,6-b
Loans and bills discounted	111,544,762	107,763,214		6-c
Foreign exchanges	2,712,573	2,068,885		
Lease receivables and investment assets	231,199	207,645		
Other assets	8,916,345	10,142,406		6-d
Tangible fixed assets	842,283	841,538		
Intangible fixed assets	481,329	420,745		2-a
Net defined benefit asset	970,420	901,362		3
Deferred tax assets	57,648	53,836		4-a
Customers' liabilities for acceptances and guarantees	13,607,059	13,426,544		
Reserve for possible loan losses	(760,726)	(653,587)		
Total assets	281,800,788	272,298,248		
(Liabilities)				
Deposits	171,857,892	165,146,962		
Negotiable certificates of deposit	17,855,891	15,149,775		
Call money and bills sold	895,876	1,018,349		
Payables under repurchase agreements	21,951,110	15,830,507		
Payables under securities lending transactions	1,405,800	791,908		
Commercial paper	2,672,952	2,429,179		
Trading liabilities	4,342,014	4,312,954		6-e
Borrowed money	21,168,133	24,998,606		8-a
Foreign exchanges	1,772,828	2,873,784		
Bonds	1,015,949	1,144,288		8-b
Due to trust account	1,041,660	1,246,198		
Other liabilities	10,326,165	11,668,391		6-f
Reserve for employee bonuses	69,179	62,064		
Reserve for executive bonuses	1,875	1,861		
Net defined benefit liability	6,842	9,846		
Reserve for executive retirement benefits	665	642		
Reserve for point service program	2,163	1,581		
Reserve for reimbursement of deposits	5,573	9,228		
Deferred tax liabilities	364,552	653,976		4-b
Deferred tax liabilities for land revaluation	26,424	27,316		4-c
Acceptances and guarantees	13,607,059	13,426,544		
Total liabilities	270,390,613	260,803,969		
(Net assets)				
Capital stock	1,771,093	1,770,996		1-a
Capital surplus	1,984,494	1,977,337		1-b
Retained earnings	5,106,143	4,598,846		1-c
Treasury stock	(210,003)	(210,003)		1-d
Total stockholders' equity	8,651,727	8,137,177		
Net unrealized gains or losses on other securities	1,280,412	1,779,511		
Net deferred gains or losses on hedges	(167,214)	(66,285)		5
Land revaluation excess	32,849	34,936		
Foreign currency translation adjustments	1,184,170	1,124,445		
Accumulated remeasurements of defined benefit plans	277,412	282,263		
Total accumulated other comprehensive income	2,607,630	3,154,871	(a)	
Non-controlling interests	150,815	202,229		7-b
Total net assets	11,410,174	11,494,278		
Total liabilities and net assets	281,800,788	272,298,248		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appended Table)

1. Stockholders' equity

(1) Consolidated balance sheet

(Millions of yen)			
Consolidated balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks
Capital stock	1,771,093	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement
Capital surplus	1,984,494	1,977,337	Including eligible Tier 1 capital instruments subject to transitional arrangement
Retained earnings	5,106,143	4,598,846	
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement
Total stockholders' equity	8,651,727	8,137,177	

(2) Composition of capital

(Millions of yen)			
Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks
Directly issued qualifying common share capital plus related capital surplus and retained earnings	8,651,727	8,137,177	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
of which: capital and capital surplus	3,545,584	3,538,331	
of which: retained earnings	5,106,143	4,598,846	
of which: treasury stock (–)	—	—	
of which: other than the above	—	—	
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	—	Stockholders' equity attributable to preferred shares with a loss absorbency clause upon entering into effectively bankruptcy

2. Intangible fixed assets

(1) Consolidated balance sheet

(Millions of yen)			
Consolidated balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks
Intangible fixed assets	481,329	420,745	
Securities	38,861,805	35,622,891	
of which: goodwill attributable to equity-method investees	—	99,142	

Income taxes related to above	143,804	123,968	
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(2) Composition of capital

(Millions of yen)			
Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks
Goodwill (including those equivalent)	—	99,142	
Other intangibles other than goodwill and mortgage servicing rights	337,524	296,777	Software and other
Mortgage servicing rights	—	—	
Amount exceeding the 10% threshold on specified items	—	—	
Amount exceeding the 15% threshold on specified items	—	—	
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—	—	

3. Net defined benefit asset

(1) Consolidated balance sheet

(Millions of yen)			
Consolidated balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks
Net defined benefit asset	970,420	901,362	

Income taxes related to above	296,985	275,863	
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(2) Composition of capital

(Millions of yen)			
Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks
Net defined benefit asset	673,434	625,498	

4. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)			
Consolidated balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks
Deferred tax assets	57,648	53,836	
Deferred tax liabilities	364,552	653,976	
Deferred tax liabilities for land revaluation	26,424	27,316	

Tax effects on intangible fixed assets	143,804	123,968	
Tax effects on net defined benefit asset	296,985	275,863	

(2) Composition of capital

(Millions of yen)			
Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,382	3,949	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.
Deferred tax assets arising from temporary differences (net of related tax liability)	109,630	32,421	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.
Amount exceeding the 10% threshold on specified items	—	—	
Amount exceeding the 15% threshold on specified items	—	—	
Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	109,630	32,421	

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

(Millions of yen)			
Consolidated balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks
Net deferred gains or losses on hedges	(167,214)	(66,285)	

(2) Composition of capital

(Millions of yen)			
Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks
Net deferred gains or losses on hedges	(226,210)	(146,062)	Excluding those items whose valuation differences arising from hedged items are recognized as “Accumulated other comprehensive income”

6. Items associated with investments in the capital of financial institutions

(1) Consolidated balance sheet

(Millions of yen)			
Consolidated balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks
Trading assets	5,594,108	5,656,912	Including trading account securities and derivatives for trading assets
Securities	38,861,805	35,622,891	
Loans and bills discounted	111,544,762	107,763,214	Including subordinated loans
Other assets	8,916,345	10,142,406	Including derivatives
Trading liabilities	4,342,014	4,312,954	Including trading account securities sold and derivatives for trading liabilities
Other liabilities	10,326,165	11,668,391	Including derivatives

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks	Basel III Template No.
Investments in own capital instruments	—	—		
Common Equity Tier 1 capital	—	—		16
Additional Tier 1 capital	—	—		37
Tier 2 capital	—	—		52
Reciprocal cross-holdings in the capital of banking, financial and insurance entities	—	—		
Common Equity Tier 1 capital	—	—		17
Additional Tier 1 capital	—	—		38
Tier 2 capital and other TLAC liabilities	—	—		53
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	1,135,562	907,607		
Common Equity Tier 1 capital	84,112	—		18
Additional Tier 1 capital	23,486	—		39
Tier 2 capital and other TLAC liabilities	6,558	—		54
Non-significant investments in the capital and other TLAC liabilities of other financials that are below the thresholds for deductions (before risk weighting)	1,021,406	907,607		72
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	1,116,375	970,307		
Amount exceeding the 10% threshold on specified items	—	—		19
Amount exceeding the 15% threshold on specified items	—	—		23
Additional Tier 1 capital	83,572	82,978		40
Tier 2 capital and other TLAC liabilities	44,859	45,399		55
Significant investments in the common stock of other financials that are below the thresholds for deductions (before risk weighting)	987,944	841,929		73

7. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks	Ref. No.
Non-controlling interests	150,815	202,229		7-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks	Basel III Template No.
Amount allowed in group CET1	1,736	2,135	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)	5
Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)	30-31ab-32
Amount allowed in group AT1	12,354	31,984	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)	34
Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)	46
Amount allowed in group T2	2,466	7,692	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)	48

8. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks	Ref. No.
Borrowed money	21,168,133	24,998,606		8-a
Bonds	1,015,949	1,144,288		8-b
Total	22,184,082	26,142,894		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks	Basel III Template No.
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	2,375,442	1,967,330		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,035,385	948,121		46

■ Composition of Leverage Ratio

(In million yen)			
Basel Ⅲ Template No.	Items	As of March 31, 2025	As of March 31, 2024
1	Total assets reported in the consolidated balance sheet	281,800,788	272,298,248
2	The amount of assets of subsidiaries that are not included in the scope of the leverage ratio on a consolidated basis (-)	—	—
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	—	—
4	Adjustments for exemption of central bank reserves (-)	58,026,601	59,381,657
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure (-)		
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	156,705	306,966
7	Adjustments for eligible cash pooling transactions	—	—
8	Adjustments for total exposures related to derivatives transactions, etc.	2,460,193	1,372,731
8a	Total exposures related to derivatives transactions, etc.	10,739,448	11,160,008
	The amount of deductions from the exposures above (line 8a) (-)	8,279,254	9,787,276
9	Adjustment for total exposures related to repo transactions, etc.	635,957	447,928
9a	Total exposures related to repo transactions, etc.	16,393,132	9,218,544
	The amount of deductions from the exposures above (line 9a) (-)	15,757,175	8,770,615
10	Adjustments for total off-balance sheet exposures	31,736,163	30,202,520
11	The amount of adjustments associated with Tier 1 capital (specific and general provisions) (-)	—	—
12	Other adjustments	(15,533,315)	(15,252,560)
12a	The amount of adjustments associated with Tier 1 capital (excluding specific and general provisions) (-)	1,203,512	1,108,346
	The amount of customers' liabilities for acceptances and guarantees (-)	13,607,059	13,426,544
12c	The amount of receivables arising from providing collateral, provided where deducted from the consolidated balance sheet pursuant to the operative accounting framework	—	—
12d	The amount of receivables arising from providing cash variation margin (-)	722,743	717,669
12e	The amount of assets of subsidiaries that are included in the scope of the leverage ratio on a consolidated basis (excluding those included in the total assets reported in the consolidated balance sheet)	—	—
13	Total exposures	243,229,890	229,994,176

(In million yen, %)			
Basel Ⅲ Template No.	Items	As of March 31, 2025	As of March 31, 2024
On-balance sheet exposures (1)			
1	On-balance sheet exposures before deducting adjustments	186,287,402	181,239,119
2	The amount of receivables arising from providing collateral, provided where deducted from the consolidated balance sheet pursuant to the operative accounting framework	—	—
3	The amount of receivables arising from providing cash variation margin (-)	722,743	717,669
4	Adjustment for securities received under repo transactions that are recognised as assets (-)	—	—
5	The amount of adjustments associated with Tier 1 capital (specific and general provisions) (-)	—	—
6	The amount of adjustments associated with Tier 1 capital (excluding specific and general provisions) (-)	1,203,512	1,108,346
7	Total on-balance sheet exposures (a)	184,361,146	179,413,103
Exposures related to derivatives transactions, etc. (2)			
8	Replacement cost associated with derivatives transactions, etc. (with the 1.4 alpha factor applied)	3,532,458	4,805,289
9	Add-on amounts for potential future exposure associated with derivatives transactions, etc. (with the 1.4 alpha factor applied)	7,088,888	6,194,333
10	Exempted central counterparty (CCP) leg of client-cleared trade exposures (-)	—	—
11	Adjusted effective notional amount of written credit derivatives	118,101	160,384
12	The amount of deductions from effective notional amount of written credit derivatives (-)	—	—
13	Total exposures related to derivatives transactions, etc. (b)	10,739,448	11,160,008
Exposures related to repo transactions, etc. (3)			
14	The amount of assets related to repo transactions, etc.	15,757,175	8,770,615
15	The amount of deductions from the assets above (line 14) (-)	—	—
16	The exposures for counterparty credit risk for repo transactions, etc.	635,957	447,928
17	The exposures for agent repo transaction		
18	Total exposures related to repo transactions, etc. (c)	16,393,132	9,218,543
Exposures related to off-balance sheet transactions (4)			
19	Notional amount of off-balance sheet items	88,767,859	84,868,227
20	The amount of adjustments for conversion to off-balance sheet exposures (-)	57,031,695	54,665,706
22	Total off-balance sheet exposures (d)	31,736,163	30,202,520
Leverage ratio on a consolidated basis (5)			
23	The amount of capital (Tier 1 capital) (e)	12,410,687	11,937,881
24	Total exposures ((a)+(b)+(c)+(d)) (f)	243,229,890	229,994,176
25	Leverage ratio on a consolidated basis ((e)/(f))	5.10%	5.19%
26	Minimum leverage ratio requirement	3.15%	3.00%
27	Applicable leverage buffer requirement	—	—
Leverage ratio on a consolidated basis (including due from Bank of Japan) (6)			
	Total exposures (f)	243,229,890	229,994,176
	The amount of due from Bank of Japan	58,026,601	59,381,657
	Total exposures (including due from Bank of Japan) (f')	301,256,492	289,375,834
	Leverage ratio on a consolidated basis (including due from Bank of Japan) ((e)/(f'))	4.11%	4.12%
Disclosure of mean values (7)			
28	Mean value of assets related to repo transactions, etc. (after the deductions) ((g)+(h))	11,886,140	7,689,801
	Mean value of assets related to repo transactions, etc. (g)	11,886,140	7,689,801
	Mean value of deductions from the assets above (-) (h)	—	—
29	Quarter-end value of assets related to repo transactions, etc. (after the deductions) ((i)+(j))	15,757,175	8,770,615
	Quarter-end value of assets related to repo transactions, etc. (i)	15,757,175	8,770,615
	Quarter-end value of deductions from the assets above (line 14) (-) (j)	—	—
30	Total exposures (including mean value above (line 28), but excluding due from Bank of Japan) (k)	239,358,855	228,913,361
30a	Total exposures (including mean value above (line 28) and due from Bank of Japan) (l)	297,385,457	288,295,019
31	Leverage ratio on a consolidated basis (including mean value above (line 28), but excluding due from Bank of Japan) ((e)/(k))	5.18%	5.21%
31a	Leverage ratio on a consolidated basis (including mean value above (line 28) and due from Bank of Japan) ((e)/(l))	4.17%	4.14%

Liquidity Coverage Ratio Information (Consolidated)

Sumitomo Mitsui Banking Corporation and Subsidiaries

Since March 31, 2015, the “Liquidity Coverage Ratio” (hereinafter referred to as “LCR”), the liquidity ratio regulation under the Basel III, has been introduced in Japan. In addition to the application of uniform international standards, SMBC calculates its consolidated LCR using the calculation formula stipulated in the “Criteria for Evaluating the Soundness of Liquidity Status Set Forth by a Bank as a Benchmark for Judging its Soundness of Management, Based on the Provision of Article 14-2 of the Banking Act” (Notification No. 60 issued by the Japanese Financial Services Agency in 2014; hereinafter referred to as the “Liquidity Ratio Notification”).

■ Disclosure of Qualitative Information about Liquidity Coverage Ratio

1. Intra-period Changes in Consolidated LCR

As described on the following page, the LCR has remained stable since the introduction of the liquidity ratio regulation on March 31, 2015.

2. Assessment of Consolidated LCR

The Liquidity Ratio Notification stipulates the minimum requirement of the LCR at 100%. The LCR of SMBC (consolidated) exceeds the minimum requirements of the LCR, having no cause for concern. In terms of the future LCR forecasts, SMBC does not expect significant deviations from the disclosed ratios. In addition, the actual LCR does not differ significantly from the initial forecast.

3. Composition of High-Quality Liquid Assets

Regarding the high-quality liquid assets allowed to be included in the calculation, there are no significant changes in locations and properties of currency denominations, categories and so on. In addition, in respect of major currencies (those of which the aggregate amount of liabilities denominated in a certain currency accounts for 5% or more of SMBC’s total liabilities on the consolidated basis), there is no significant mismatch in currency denomination between the total amount of the high-quality liquid assets allowed to be included in the calculation and the amount of net cash outflows.

4. Other Information Concerning Consolidated LCR

SMBC has not applied “special provisions concerning qualifying operational deposits” prescribed in Article 29 of the Liquidity Ratio Notification and “increased liquidity needs related to market valuation changes on derivative or other transactions simulated through Scenario Approach” prescribed in Article 38 of the Liquidity Ratio Notification. Meanwhile, SMBC records “cash outflows related to small-sized consolidated subsidiaries,” etc. under “cash outflows based on other contracts” prescribed in Article 60 of the Liquidity Ratio Notification.

■ Disclosure of Quantitative Information about Liquidity Coverage Ratio (Consolidated)

(In million yen, %, the number of data)

Item		Current Quarter (From 2025/1/1 To 2025/3/31)		Prior Quarter (From 2024/10/1 To 2024/12/31)	
High-Quality Liquid Assets (1)					
1	Total high-quality liquid assets (HQLA)	88,013,962		85,220,918	
Cash Outflows (2)		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
2	Cash outflows related to unsecured retail funding	65,573,663	5,085,832	64,825,900	5,024,601
3	of which, Stable deposits	21,115,767	636,518	20,920,894	630,451
4	of which, Less stable deposits	44,457,896	4,449,313	43,905,005	4,394,150
5	Cash outflows related to unsecured wholesale funding	95,045,609	46,506,977	92,499,573	44,556,027
6	of which, Qualifying operational deposits	–	–	–	–
7	of which, Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	88,963,570	40,424,938	87,658,553	39,715,006
8	of which, Debt securities	6,082,038	6,082,038	4,841,020	4,841,020
9	Cash outflows related to secured funding, etc.		782,992		882,574
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	41,787,257	14,415,028	40,996,527	14,432,042
11	of which, Cash outflows related to derivative transactions, etc.	1,577,240	1,577,240	1,845,072	1,845,072
12	of which, Cash outflows related to funding programs	416,391	416,391	368,072	368,072
13	of which, Cash outflows related to credit and liquidity facilities	39,793,625	12,421,396	38,783,382	12,218,897
14	Cash outflows related to contractual funding obligations, etc.	8,698,696	5,152,654	8,529,244	5,068,917
15	Cash outflows related to contingencies	88,976,685	2,300,954	87,720,565	2,185,294
16	Total cash outflows		74,244,440		72,149,457
Cash Inflows (3)		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
17	Cash inflows related to secured lending, etc.	8,034,084	412,092	6,622,453	296,671
18	Cash inflows related to collection of loans, etc.	15,906,463	10,374,994	12,388,893	7,990,096
19	Other cash inflows	5,160,593	2,328,800	5,531,628	2,212,714
20	Total cash inflows	29,101,141	13,115,887	24,542,976	10,499,482
Consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA allowed to be included in the calculation		88,013,962		85,220,918
22	Net cash outflows		61,128,552		61,649,975
23	Consolidated liquidity coverage ratio (LCR)		143.9%		138.2%
24	The number of data used to calculate the average value		57		63

- Notes: 1. The data after the introduction of the liquidity ratio regulation on March 31, 2015 is available on Sumitomo Mitsui Financial Group’s website. (https://www.smfg.co.jp/english/investor/financial/basel_3.html)
2. The average values are calculated based on daily data in accordance with Notification No. 7 issued by the Japanese Financial Services Agency in 2015. Some data, such as attribute information of customers and data on consolidated subsidiaries, is updated on the monthly or quarterly basis.

■ Breakdown of High-Quality Liquid Assets

(In million yen)

Item		Current Quarter (From 2025/1/1 To 2025/3/31)	Prior Quarter (From 2024/10/1 To 2024/12/31)
1	Cash and due from banks	77,656,646	74,545,961
2	Securities	10,357,316	10,674,956
3	of which, government bonds, etc.	7,304,210	7,720,027
4	of which, municipal bonds, etc.	90,074	73,255
5	of which, other bonds	1,655,756	1,507,986
6	of which, stocks	1,307,274	1,373,686
7	Total high-quality liquid assets (HQLA)	88,013,962	85,220,918

Note: The above amounts are those of high-quality liquid assets in accordance with the liquidity ratio regulation under the Basel III and do not correspond to the financial amounts. The amounts stated are those after multiplying factors in the liquidity ratio regulation under the Basel III.

Net Stable Funding Ratio Information (Consolidated)

Sumitomo Mitsui Banking Corporation and Subsidiaries

Since September 30, 2021, the “Net Stable Funding Ratio” (hereinafter referred to as “NSFR”), the liquidity ratio regulation under the Basel III, has been introduced in Japan. In addition to the application of uniform international standards, SMBC calculates its consolidated NSFR using the calculation formula stipulated in the “Criteria for Evaluating the Soundness of Liquidity Status Set Forth by a Bank as a Benchmark for Judging its Soundness of Management, Based on the Provision of Article 14-2 of the Banking Act” (Notification No. 60 issued by the Japanese Financial Services Agency in 2014; hereinafter referred to as the “Liquidity Ratio Notification”).

■ Disclosure of Qualitative Information about Net Stable Funding Ratio

1. Intra-period Changes in Consolidated NSFR

As described on the following page, the NSFR has remained stable since the introduction of the liquidity ratio regulation on September 30, 2021.

2. Special Provisions Pertaining to Interdependent Assets and Liabilities

SMBC has not applied the “special provisions pertaining to interdependent assets and liabilities” prescribed in Article 101 of the Liquidity Ratio Notification to its NSFR.

3. Other Information Concerning Consolidated NSFR

The Liquidity Ratio Notification stipulates the minimum requirement of the NSFR at 100%. The NSFR of SMBC (consolidated) exceeds the minimum requirements of the NSFR, having no cause for concern. In terms of the future NSFR forecasts, SMBC does not expect significant deviations from the disclosed ratios. In addition, the actual NSFR does not differ significantly from the initial forecast.

■ Disclosure of Quantitative Information about Net Stable Funding Ratio (Consolidated)

(In million yen, %)

Item		Current Quarter (From 2025/1/1 To 2025/3/31)					Prior Quarter (From 2024/10/1 To 2024/12/31)				
		Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) items (1)											
1	Capital; of which:	11,275,915	48,266	157,216	3,452,004	14,849,028	11,561,471	58,266	153,224	3,478,043	15,158,626
2	Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (excluding the proportion of Tier 2 instruments with residual maturity of less than one year) before the application of capital deductions	11,275,915	0	85,000	3,321,228	14,682,144	11,561,471	0	85,000	3,357,323	15,003,794
3	Other capital instruments that are not included in the above category	0	48,266	72,216	130,775	166,884	0	58,266	68,224	120,720	154,832
4	Funding from retail and small business customers; of which:	65,563,179	0	0	108,768	60,178,308	65,998,310	0	0	114,723	60,590,454
5	Stable deposits	21,253,575	0	0	0	20,190,896	21,545,021	0	0	0	20,467,770
6	Less stable deposits	44,309,603	0	0	108,768	39,987,411	44,453,289	0	0	114,723	40,122,684
7	Wholesale funding; of which:	69,374,011	76,380,699	6,009,262	16,853,889	61,268,529	68,979,945	73,870,170	7,200,742	18,004,726	62,583,497
8	Operational deposits	—	—	—	—	—	—	—	—	—	—
9	Other wholesale funding	69,374,011	76,380,699	6,009,262	16,853,889	61,268,529	68,979,945	73,870,170	7,200,742	18,004,726	62,583,497
10	Liabilities with matching interdependent assets	—	—	—	—	—	—	—	—	—	—
11	Other liabilities; of which:	2,079,438	5,611,094	0	264,071	134,258	2,318,257	5,860,757	0	206,907	149,814
12	Derivative liabilities	—	—	—	153,905	—	—	—	—	132,149	—
13	All other liabilities and equity not included in the above categories	2,079,438	5,611,094	0	110,166	134,258	2,318,257	5,860,757	0	74,758	149,814
14	Total available stable funding	—	—	—	—	136,430,125	—	—	—	—	138,482,393
Required stable funding (RSF) items (2)											
15	HQLA	—	—	—	—	3,702,673	—	—	—	—	3,500,745
16	Deposits held at financial institutions for operational purposes	500,513	39,286	0	0	269,899	547,493	109,666	0	0	328,579
17	Loans, repo transactions-related assets, securities and other similar assets; of which:	2,054,055	44,836,199	15,598,682	77,543,565	87,933,118	1,694,767	50,728,332	12,676,227	77,947,841	88,723,997
18	Loans to- and repo transactions with- financial institutions (secured by level 1 HQLA)	0	11,755,986	0	73,540	205,396	0	10,979,526	0	2,564	163,680
19	Loans to- and repo transactions with- financial institutions (not included in item 18)	315,055	9,079,016	5,750,599	12,800,360	17,300,841	224,049	11,242,719	4,153,785	12,698,318	16,575,048
20	Loans and repo transactions-related assets (not included in item 18, 19 and 22); of which:	1,290,010	21,968,143	8,652,482	50,878,264	57,858,701	1,024,493	26,136,300	7,447,038	50,966,402	58,918,663
21	With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	24,048	3,142,264	762,088	5,125,768	4,602,559	3,461	5,390,536	719,793	5,651,919	5,863,077
22	Residential mortgages; of which:	0	275,710	270,030	10,675,989	8,170,583	0	286,208	285,555	10,935,638	8,373,962
23	With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	0	159,427	157,063	5,884,390	3,983,099	0	165,414	164,897	6,036,060	4,088,594
24	Securities that are not in default and do not qualify as HQLA and other similar assets	448,990	1,757,342	925,569	3,115,410	4,397,596	446,223	2,083,577	789,847	3,344,917	4,692,642
25	Assets with matching interdependent liabilities	—	—	—	—	—	—	—	—	—	—
26	Other assets; of which:	4,761,515	614,732	114,558	10,223,468	15,030,527	4,814,996	560,629	122,144	9,238,097	14,499,852
27	Physical traded commodities, including gold	0	—	—	—	0	0	—	—	—	0
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs (including those that are not recorded on consolidated balance sheet)	—	—	—	862,783	733,365	—	—	—	823,637	700,091
29	Derivative assets	—	—	—	0	0	—	—	—	0	0
30	Derivative liabilities (before deduction of variation margin posted)	—	—	—	184,473	184,473	—	—	—	250,954	250,954
31	All other assets not included in the above categories	4,761,515	614,732	114,558	9,176,212	14,112,688	4,814,996	560,629	122,144	8,163,505	13,548,805
32	Off-balance sheet items	—	—	—	131,515,739	2,700,933	—	—	—	129,752,537	2,779,088
33	Total required stable funding	—	—	—	—	109,637,152	—	—	—	—	109,832,263
34	Consolidated net stable funding ratio (NSFR)	—	—	—	—	124.4%	—	—	—	—	126.0%

Capital Ratio and Leverage Ratio Information (Non-consolidated)

Sumitomo Mitsui Banking Corporation

■ CC1: Composition of regulatory capital

(Millions of yen, except percentages)

Basel III Template No.	Items	a	b	c
		As of March 31,2025	As of March 31,2024	Reference to Template CC2
Common Equity Tier 1 capital: instruments and reserves (1)				
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,981,148	6,510,103	
1a	of which: capital and capital surplus	3,335,741	3,335,548	
2	of which: retained earnings	3,835,702	3,496,700	
1c	of which: treasury stock (–)	—	—	
26	of which: national specific regulatory adjustments (earnings to be distributed) (–)	190,295	322,145	
	of which: other than the above	—	—	
1b	Stock subscription rights and stock acquisition rights to common shares	—	—	
3	Valuation and translation adjustment and other disclosed reserves	614,253	1,209,362	(a)
6	Common Equity Tier 1 capital: instruments and reserves (A)	7,595,401	7,719,466	
Common Equity Tier 1 capital: regulatory adjustments (2)				
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	280,598	237,262	
8	of which: goodwill	—	—	
9	of which: other intangibles other than goodwill and mortgage servicing rights	280,598	237,262	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	—	—	
11	Net deferred gains or losses on hedges	(743,393)	(698,455)	
12	Shortfall of eligible provisions to expected losses	—	—	
13	Securitisation gain on sale	42,282	47,724	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	21,109	17,277	
15	Prepaid pension cost	387,764	332,807	
16	Investments in own shares (excluding those reported in the Net assets section)	—	—	
17	Reciprocal cross-holdings in common equity	—	—	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	241,846	69,027	
19+20+21	Amount exceeding the 10% threshold on specified items	—	—	
19	of which: significant investments in the common stock of financials	—	—	
20	of which: mortgage servicing rights	—	—	
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	
22	Amount exceeding the 15% threshold on specified items	—	—	
23	of which: significant investments in the common stock of financials	—	—	
24	of which: mortgage servicing rights	—	—	
25	of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	—	—	
28	Common Equity Tier 1 capital: regulatory adjustments (B)	230,207	5,644	
Common Equity Tier 1 capital (CET1)				
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,365,194	7,713,821	

(Millions of yen, except percentages)

Basel III Template No.		Items	a	b	c
			As of March 31,2025	As of March 31,2024	Reference to Template CC2
Additional Tier 1 capital: instruments (3)					
30	31a	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	—	
	31b	Stock subscription rights and stock acquisition rights to Additional Tier 1 instruments	—	—	
	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	2,375,442	1,967,330	
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	
36		Additional Tier 1 capital: instruments (D)	2,375,442	1,967,330	
Additional Tier 1 capital: regulatory adjustments					
37		Investments in own Additional Tier 1 instruments	—	—	
38		Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	
39		Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	67,261	14,973	
40		Significant investments in the Additional Tier 1 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	83,572	82,978	
42		Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—	—	
43		Additional Tier 1 capital: regulatory adjustments (E)	150,833	97,952	
Additional Tier 1 capital (AT1)					
44		Additional Tier 1 capital ((D)-(E)) (F)	2,224,609	1,869,377	
Tier 1 capital (T1 = CET1 + AT1)					
45		Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	9,589,803	9,583,198	
Tier 2 capital: instruments and provisions (4)					
46	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown		—	—	
	Stock subscription rights and stock acquisition rights to Tier 2 instruments		—	—	
	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards		1,035,385	948,121	
	Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities		—	—	
50		Total of general reserve for possible loan losses and eligible provisions included in Tier 2	254,121	157,055	
50a	of which: general reserve for possible loan losses		—	—	
50b	of which: eligible provisions		254,121	157,055	
51		Tier 2 capital: instruments and provisions (H)	1,289,507	1,105,176	

(Millions of yen, except percentages)

Basel III Template No.	Items	a	b	c
		As of March 31,2025	As of March 31,2024	Reference to Template CC2
Tier 2 capital: regulatory adjustments (5)				
52	Investments in own Tier 2 instruments	—	—	
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	—	—	
54	Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	2,180	4,838	
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	44,859	45,399	
57	Tier 2 capital: regulatory adjustments (I)	47,039	50,237	
Tier 2 capital (T2)				
58	Tier 2 capital (T2) ((H)-(I)) (J)	1,242,468	1,054,938	
Total capital (TC = T1 + T2)				
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	10,832,271	10,638,137	
Risk weighted assets (6)				
60	Total risk-weighted assets (RWA) (L)	73,556,542	74,498,621	
Capital ratios (7)				
61	Common Equity Tier 1 risk-weighted capital ratio ((C)/(L))	10.01%	10.35%	
62	Tier 1 risk-weighted capital ratio ((G)/(L))	13.03%	12.86%	
63	Total risk-weighted capital ratio ((K)/(L))	14.72%	14.27%	
Regulatory adjustments (8)				
72	Non-significant investments in the capital and other TLAC liabilities of other financials that are below the thresholds for deduction (before risk weighting)	760,704	778,284	
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)	526,188	522,362	
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—	—	
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	136,378	—	
Provisions included in Tier 2 capital: instruments and provisions (9)				
76	Provisions (general reserve for possible loan losses)	—	—	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	142,237	25,247	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as “nil”)	254,121	157,055	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	342,596	407,292	

(Millions of yen)

Items	As of March 31,2025	As of March 31,2024
Required capital ((L) X 8%)	5,884,523	5,959,889

■ CC2: Reconciliation of regulatory capital to balance sheet

Sumitomo Mitsui Banking Corporation

(Millions of yen)

Items	a		b	c
	Balance sheet as in published financial statements		Reference to Template CC1	Reference to appended table
	As of March 31, 2025	As of March 31, 2024		
(Assets)				
Cash and due from banks	69,761,979	72,661,204		
Call loans	4,484,770	4,305,503		
Receivables under resale agreements	8,625,984	1,781,354		
Receivables under securities borrowing transactions	1,131,736	2,538,794		
Monetary claims bought	2,145,167	2,370,100		
Trading assets	3,464,150	2,702,185		6-a
Securities	37,561,851	34,666,605		6-b
Loans and bills discounted	104,515,592	101,124,712		6-c
Foreign exchanges	2,533,415	1,941,854		
Other assets	7,380,999	8,879,250		6-d
Tangible fixed assets	752,427	746,606		
Intangible fixed assets	404,437	341,974		2
Prepaid pension cost	558,899	479,688		3
Customers' liabilities for acceptances and guarantees	14,999,422	15,712,360		
Reserve for possible loan losses	(625,538)	(523,385)		
Reserve for possible loan losses on investments	(92,570)	(6,630)		
Total assets	257,602,725	249,722,179		
(Liabilities)				
Deposits	159,731,671	153,494,437		
Negotiable certificates of deposit	17,489,575	14,826,777		
Call money	938,008	1,028,135		
Payables under repurchase agreements	17,373,975	12,357,578		
Payables under securities lending transactions	1,301,084	669,425		
Commercial paper	1,824,519	1,549,515		
Trading liabilities	2,540,702	1,823,239		6-e
Borrowed money	21,160,696	25,119,261		7-a
Foreign exchanges	1,815,415	2,907,692		
Bonds	395,058	472,161		7-b
Due to trust account	1,535,723	1,810,236		
Other liabilities	8,529,896	9,427,116		6-f
Reserve for employee bonuses	14,557	14,343		
Reserve for executive bonuses	1,292	1,344		
Reserve for point service program	2,163	1,581		
Reserve for reimbursement of deposits	4,669	8,283		
Deferred tax liabilities	132,170	429,760		4-a
Deferred tax liabilities for land revaluation	26,424	27,316		4-b
Acceptances and guarantees	14,999,422	15,712,360		
Total liabilities	249,817,028	241,680,568		
(Net assets)				
Capital stock	1,771,093	1,770,996		1-a
Capital surplus	1,774,651	1,774,554		1-b
Retained earnings	3,835,702	3,496,700		1-c
Treasury stock	(210,003)	(210,003)		1-d
Total stockholders' equity	7,171,443	6,832,248		
Net unrealized gains or losses on other securities	1,275,580	1,803,310		
Net deferred gains or losses on hedges	(684,434)	(618,692)		5
Land revaluation excess	23,107	24,744		
Total valuation and translation adjustments	614,253	1,209,362	(a)	
Total net assets	7,785,697	8,041,611		
Total liabilities and net assets	257,602,725	249,722,179		

Note: The regulatory balance sheet is the same as the accounting balance sheet.

(Appended Table)

1. Stockholders' equity

(1) Balance sheet

(Millions of yen)				Ref. No.
Balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks	
Capital stock	1,771,093	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-a
Capital surplus	1,774,651	1,774,554	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	3,835,702	3,496,700		1-c
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	7,171,443	6,832,248		

(2) Composition of capital

(Millions of yen)				Ref. No.
Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks	
Directly issued qualifying common share capital plus related capital surplus and retained earnings	7,171,443	6,832,248	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	1a 2 1c
of which: capital and capital surplus	3,335,741	3,335,548		
of which: retained earnings	3,835,702	3,496,700		
of which: treasury stock (-)	—	—		
of which: other than the above	—	—		
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	—	Stockholders' equity attributable to preferred shares with a loss absorbency clause upon entering into effectively bankruptcy	31a

2. Intangible fixed assets

(1) Balance sheet

(Millions of yen)				Ref. No.
Balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks	
Intangible fixed assets	404,437	341,974		2

Income taxes related to above	123,838	104,712	
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(2) Composition of capital

(Millions of yen)				Ref. No.
Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks	
Goodwill	—	—		8
Other intangibles other than goodwill and mortgage servicing rights	280,598	237,262	Software and other	9
Mortgage servicing rights	—	—		20 24 74
Amount exceeding the 10% threshold on specified items	—	—		
Amount exceeding the 15% threshold on specified items	—	—		
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—	—		

3. Prepaid pension cost

(1) Balance sheet

(Millions of yen)				Ref. No.
Balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks	
Prepaid pension cost	558,899	479,688		3

Income taxes related to above	171,135	146,880	
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(2) Composition of capital

(Millions of yen)				Ref. No.
Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks	
Prepaid pension cost	387,764	332,807		15

4. Deferred tax assets

(1) Balance sheet

(Millions of yen)				Ref. No.
Balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks	
Deferred tax liabilities	132,170	429,760		4-a
Deferred tax liabilities for land revaluation	26,424	27,316		4-b

Tax effects on intangible fixed assets	123,838	104,712	
Tax effects on prepaid pension cost	171,135	146,880	

(2) Composition of capital

(Millions of yen)				Ref. No.
Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks	
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	—	—	This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities.	10
Deferred tax assets arising from temporary differences (net of related tax liability)	136,378	—	This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities.	21 25 75
Amount exceeding the 10% threshold on specified items	—	—		
Amount exceeding the 15% threshold on specified items	—	—		
Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	136,378	—		

5. Deferred gains or losses on derivatives under hedge accounting

(1) Balance sheet

(Millions of yen)				Ref. No.
Balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks	
Net deferred gains or losses on hedges	(684,434)	(618,692)		5

(2) Composition of capital

(Millions of yen)				Ref. No.
Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks	
Net deferred gains or losses on hedges	(743,393)	(698,455)	Excluding those items whose valuation differences arising from hedged items are recognized as "Total valuation and translation adjustments"	11

6. Items associated with investments in the capital of financial institutions

(1) Balance sheet

(Millions of yen)				Ref. No.
Balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks	
Trading assets	3,464,150	2,702,185	Including trading account securities and derivatives for trading assets	6-a
Securities	37,561,851	34,666,605		6-b
Loans and bills discounted	104,515,592	101,124,712	Including subordinated loans	6-c
Other assets	7,380,999	8,879,250	Including derivatives	6-d
Trading liabilities	2,540,702	1,823,239	Including trading account securities sold and derivatives for trading liabilities	6-e
Other liabilities	8,529,896	9,427,116	Including derivatives	6-f

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks	Basel III Template No.
Investments in own capital instruments	—	—		16
Common Equity Tier 1 capital	—	—		37
Additional Tier 1 capital	—	—		52
Tier 2 capital	—	—		
Reciprocal cross-holdings in the capital of banking, financial and insurance entities	—	—		17
Common Equity Tier 1 capital	—	—		38
Additional Tier 1 capital	—	—		53
Tier 2 capital and other TLAC liabilities	—	—		
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	1,071,992	867,125		
Common Equity Tier 1 capital	241,846	69,027		18
Additional Tier 1 capital	67,261	14,973		39
Tier 2 capital and other TLAC liabilities	2,180	4,838		54
Non-significant investments in the capital and other TLAC liabilities of other financials that are below the thresholds for deductions (before risk weighting)	760,704	778,284		72
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	654,619	650,740		
Amount exceeding the 10% threshold on specified items	—	—		19
Amount exceeding the 15% threshold on specified items	—	—		23
Additional Tier 1 capital	83,572	82,978		40
Tier 2 capital and other TLAC liabilities	44,859	45,399		55
Significant investments in the common stock of other financials that are below the thresholds for deductions (before risk weighting)	526,188	522,362		73

7. Other capital instruments

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2025	As of March 31, 2024	Remarks	Ref. No.
Borrowed money	21,160,696	25,119,261		7-a
Bonds	395,058	472,161		7-b
Total	21,555,754	25,591,423		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2025	As of March 31, 2024	Remarks	Basel III Template No.
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	2,375,442	1,967,330		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,035,385	948,121		46

■ Composition of Leverage Ratio

(In million yen)

Basel III Template No.	Items	As of March 31, 2025	As of March 31, 2024
1	Total assets reported in the balance sheet	257,602,725	249,722,179
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	—	—
4	Adjustments for exemption of central bank reserves (–)	55,906,448	57,765,831
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure (–)		
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	156,705	306,966
7	Adjustments for eligible cash pooling transactions	—	—
8	Adjustments for total exposures related to derivatives transactions, etc.	(719,218)	(1,031,152)
8a	Total exposures related to derivatives transactions, etc.	6,687,990	7,215,830
8b	The amount of deductions from the exposures above (line 8a) (–)	7,407,208	8,246,983
9	Adjustment for total exposures related to repo transactions, etc.	449,885	350,524
9a	Total exposures related to repo transactions, etc.	10,207,606	4,670,673
9b	The amount of deductions from the exposures above (line 9a) (–)	9,757,720	4,320,149
10	Adjustments for total off-balance sheet exposures	32,359,724	31,933,189
11	The amount of adjustments associated with Tier 1 capital (specific and general provisions) (–)	—	—
12	Other adjustments	(16,543,296)	(16,930,213)
12a	The amount of adjustments associated with Tier 1 capital (excluding specific and general provisions) (–)	1,061,043	737,050
12b	The amount of customers' liabilities for acceptances and guarantees (–)	14,999,422	15,712,360
12c	The amount of receivables arising from providing collateral, provided where deducted from the balance sheet pursuant to the operative accounting framework	—	—
12d	The amount of receivables arising from providing cash variation margin (–)	482,831	480,802
13	Total exposures	217,400,077	206,585,662

(In million yen, %)			
Basel Ⅲ Template No.	Items	As of March 31, 2025	As of March 31, 2024
On-balance sheet exposures (1)			
1	On-balance sheet exposures before deducting adjustments	169,688,630	163,983,822
2	The amount of receivables arising from providing collateral, provided where deducted from the balance sheet pursuant to the operative accounting framework	—	—
3	The amount of receivables arising from providing cash variation margin (–)	482,831	480,802
4	Adjustment for securities received under repo transactions that are recognised as assets (–)	—	—
5	The amount of adjustments associated with Tier 1 capital (specific and general provisions) (–)	—	—
6	The amount of adjustments associated with Tier 1 capital (excluding specific and general provisions) (–)	1,061,043	737,050
7	Total on-balance sheet exposures (a)	168,144,755	162,765,968
Exposures related to derivatives transactions, etc. (2)			
8	Replacement cost associated with derivatives transactions, etc. (with the 1.4 alpha factor applied)	1,905,224	2,881,503
9	Add-on amounts for potential future exposure associated with derivatives transactions, etc. (with the 1.4 alpha factor applied)	4,745,383	4,326,760
10	Exempted central counterparty (CCP) leg of client-cleared trade exposures (–)	—	—
11	Adjusted effective notional amount of written credit derivatives	37,382	7,566
12	The amount of deductions from effective notional amount of written credit derivatives (–)	—	—
13	Total exposures related to derivatives transactions, etc. (b)	6,687,990	7,215,830
Exposures related to repo transactions, etc. (3)			
14	The amount of assets related to repo transactions, etc.	9,757,720	4,320,149
15	The amount of deductions from the assets above (line 14) (–)	—	—
16	The exposures for counterparty credit risk for repo transactions, etc.	449,885	350,524
17	The exposures for agent repo transaction		
18	Total exposures related to repo transactions, etc. (c)	10,207,606	4,670,673
Exposures related to off-balance sheet transactions (4)			
19	Notional amount of off-balance sheet items	81,271,104	78,721,904
20	The amount of adjustments for conversion to off-balance sheet exposures (–)	48,911,379	46,788,715
22	Total off-balance sheet exposures (d)	32,359,724	31,933,189
Leverage ratio (5)			
23	The amount of capital (Tier 1 capital) (e)	9,589,803	9,583,198
24	Total exposures ((a)+(b)+(c)+(d)) (f)	217,400,077	206,585,662
25	Leverage ratio ((e)/(f))	4.41%	4.63%
26	Minimum leverage ratio requirement	3.15%	3.00%
27	Applicable leverage buffer requirement	—	—
Leverage ratio (including due from Bank of Japan) (6)			
	Total exposures (f)	217,400,077	206,585,662
	The amount of due from Bank of Japan	55,906,448	57,765,831
	Total exposures (including due from Bank of Japan) (f')	273,306,526	264,351,493
	Leverage ratio (including due from Bank of Japan) ((e)/(f'))	3.50%	3.62%
Disclosure of mean values (7)			
28	Mean value of assets related to repo transactions, etc. (after the deductions) ((g)+(h))	5,955,205	3,341,732
	Mean value of assets related to repo transactions, etc. (g)	5,955,205	3,341,732
	Mean value of deductions from the assets above (–) (h)	—	—
29	Quarter-end value of assets related to repo transactions, etc. (after the deductions) ((i)+(j))	9,757,720	4,320,149
	14 Quarter-end value of assets related to repo transactions, etc. (i)	9,757,720	4,320,149
	15 Quarter-end value of deductions from the assets above (line 14) (–) (j)	—	—
30	Total exposures (including mean value above (line 28), but excluding due from Bank of Japan) (k)	213,597,562	205,607,245
30a	Total exposures (including mean value above (line 28) and due from Bank of Japan) (l)	269,504,011	263,373,076
31	Leverage ratio (including mean value above (line 28), but excluding due from Bank of Japan) ((e)/(k))	4.48%	4.66%
31a	Leverage ratio (including mean value above (line 28) and due from Bank of Japan) ((e)/(l))	3.55%	3.63%

Liquidity Coverage Ratio Information (Non-consolidated)

Sumitomo Mitsui Banking Corporation

Since March 31, 2015, the “Liquidity Coverage Ratio” (hereinafter referred to as “LCR”), the liquidity ratio regulation under the Basel III, has been introduced in Japan. In addition to the application of uniform international standards, SMBC calculates its non-consolidated LCR using the calculation formula stipulated in the “Criteria for Evaluating the Soundness of Liquidity Status Set Forth by a Bank as a Benchmark for Judging its Soundness of Management, Based on the Provision of Article 14-2 of the Banking Act” (Notification No. 60 issued by the Japanese Financial Services Agency in 2014; hereinafter referred to as the “Liquidity Ratio Notification”).

■ Disclosure of Qualitative Information about Liquidity Coverage Ratio

1. Intra-period Changes in Non-consolidated LCR

As described on the following page, the LCR has remained stable since the introduction of the liquidity ratio regulation on March 31, 2015.

2. Assessment of Non-consolidated LCR

The Liquidity Ratio Notification stipulates the minimum requirement of the LCR at 100%. The LCR of SMBC exceeds the minimum requirements of the LCR, having no cause for concern. In terms of the future LCR forecasts, SMBC does not expect significant deviations from the disclosed ratios. In addition, the actual LCR does not differ significantly from the initial forecast.

3. Composition of High-Quality Liquid Assets

Regarding the high-quality liquid assets allowed to be included in the calculation, there are no significant changes in locations and properties of currency denominations, categories and so on. In addition, in respect of major currencies (those of which the aggregate amount of liabilities denominated in a certain currency accounts for 5% or more of SMBC’s total liabilities), there is no significant mismatch in currency denomination between the total amount of the high-quality liquid assets allowed to be included in the calculation and the amount of net cash outflows.

4. Other Information Concerning Non-consolidated LCR

SMBC has not applied “special provisions concerning qualifying operational deposits” prescribed in Article 29 of the Liquidity Ratio Notification and “increased liquidity needs related to market valuation changes on derivative or other transactions simulated through Scenario Approach” prescribed in Article 38 of the Liquidity Ratio Notification. Meanwhile, SMBC records “due to trust account,” etc. under “cash outflows based on other contracts” prescribed in Article 60 of the Liquidity Ratio Notification.

■ Disclosure of Quantitative Information about Liquidity Coverage Ratio (Non-Consolidated)

(In million yen, %, the number of data)

Item		Current Quarter (From 2025/1/1 To 2025/3/31)		Prior Quarter (From 2024/10/1 To 2024/12/31)	
High-Quality Liquid Assets (1)					
1	Total high-quality liquid assets (HQLA)	79,293,758		77,651,430	
Cash Outflows (2)		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
2	Cash outflows related to unsecured retail funding	61,428,550	4,710,883	60,843,719	4,665,354
3	of which, Stable deposits	20,507,081	615,212	20,323,825	609,714
4	of which, Less stable deposits	40,921,468	4,095,670	40,519,894	4,055,639
5	Cash outflows related to unsecured wholesale funding	88,174,596	42,765,594	86,206,649	41,265,650
6	of which, Qualifying operational deposits	—	—	—	—
7	of which, Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	82,141,593	36,732,591	81,356,371	36,415,372
8	of which, Debt securities	6,033,002	6,033,002	4,850,277	4,850,277
9	Cash outflows related to secured funding, etc.		446,653		543,031
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	37,317,463	12,894,240	36,485,618	12,916,565
11	of which, Cash outflows related to derivative transactions, etc.	710,245	710,245	920,839	920,839
12	of which, Cash outflows related to funding programs	416,391	416,391	368,072	368,072
13	of which, Cash outflows related to credit and liquidity facilities	36,190,826	11,767,603	35,196,706	11,627,653
14	Cash outflows related to contractual funding obligations, etc.	8,318,738	3,426,934	8,414,138	3,414,008
15	Cash outflows related to contingencies	88,663,893	2,205,963	87,283,724	2,085,578
16	Total cash outflows		66,450,269		64,890,188
Cash Inflows (3)		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
17	Cash inflows related to secured lending, etc.	4,063,096	97,958	3,946,639	60,667
18	Cash inflows related to collection of loans, etc.	16,854,208	11,739,189	13,110,541	9,089,845
19	Other cash inflows	3,191,993	1,404,746	3,871,532	1,500,636
20	Total cash inflows	24,109,298	13,241,893	20,928,713	10,651,150
Non-Consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA allowed to be included in the calculation		79,293,758		77,651,430
22	Net cash outflows		53,208,376		54,239,037
23	Non-consolidated liquidity coverage ratio (LCR)		149.0%		143.1%
24	The number of data used to calculate the average value	57		63	

Notes: 1. The data after the introduction of the liquidity ratio regulation on March 31, 2015 is available on Sumitomo Mitsui Financial Group’s website.
(https://www.smfg.co.jp/english/investor/financial/basel_3.html)
2. The average values are calculated based on daily data in accordance with Notification No. 7 issued by the Japanese Financial Services Agency in 2015. Some data such as attribute information of customers, is updated on the monthly or quarterly basis.

■ Breakdown of High-Quality Liquid Assets

(In million yen)

Item		Current Quarter (From 2025/1/1 To 2025/3/31)	Prior Quarter (From 2024/10/1 To 2024/12/31)
1	Cash and due from banks	70,758,183	68,241,842
2	Securities	8,535,575	9,409,587
3	of which, government bonds, etc.	5,919,095	6,861,144
4	of which, municipal bonds, etc.	38,015	19,867
5	of which, other bonds	1,271,189	1,154,889
6	of which, stocks	1,307,274	1,373,686
7	Total high-quality liquid assets (HQLA)	79,293,758	77,651,430

Note: The above amounts are those of high-quality liquid assets in accordance with the liquidity ratio regulation under the Basel III and do not correspond to the financial amounts.
The amounts stated are those after multiplying factors in the liquidity ratio regulation under the Basel III.

Net Stable Funding Ratio Information (Non-consolidated)

Sumitomo Mitsui Banking Corporation

Since September 30, 2021, the “Net Stable Funding Ratio” (hereinafter referred to as “NSFR”), the liquidity ratio regulation under the Basel III, has been introduced in Japan. In addition to the application of uniform international standards, SMBC calculates its non-consolidated NSFR using the calculation formula stipulated in the “Criteria for Evaluating the Soundness of Liquidity Status Set Forth by a Bank as a Benchmark for Judging its Soundness of Management, Based on the Provision of Article 14-2 of the Banking Act” (Notification No. 60 issued by the Japanese Financial Services Agency in 2014; hereinafter referred to as the “Liquidity Ratio Notification”).

■ Disclosure of Qualitative Information about Net Stable Funding Ratio

1. Intra-period Changes in Non-consolidated NSFR

As described on the following page, the NSFR has remained stable since the introduction of the liquidity ratio regulation on September 30, 2021.

2. Special Provisions Pertaining to Interdependent Assets and Liabilities

SMBC has not applied the “special provisions pertaining to interdependent assets and liabilities” prescribed in Article 101 of the Liquidity Ratio Notification to its NSFR.

3. Other Information Concerning Non-consolidated NSFR

The Liquidity Ratio Notification stipulates the minimum requirement of the NSFR at 100%. The NSFR of SMBC (non-consolidated) exceeds the minimum requirements of the NSFR, having no cause for concern. In terms of the future NSFR forecasts, SMBC does not expect significant deviations from the disclosed ratios. In addition, the actual NSFR does not differ significantly from the initial forecast.

■ Disclosure of Quantitative Information about Net Stable Funding Ratio (Non-consolidated)

(In million yen, %)

Item		Current Quarter (From 2025/1/1 To 2025/3/31)					Prior Quarter (From 2024/10/1 To 2024/12/31)				
		Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) items (1)											
1	Capital; of which:	7,785,697	48,266	157,216	3,509,913	11,416,719	7,950,902	58,266	153,224	3,547,885	11,617,900
2	Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (excluding the proportion of Tier 2 instruments with residual maturity of less than one year) before the application of capital deductions	7,785,697	0	85,000	3,379,137	11,249,834	7,950,902	0	85,000	3,427,165	11,463,067
3	Other capital instruments that are not included in the above category	0	48,266	72,216	130,775	166,884	0	58,266	68,224	120,720	154,832
4	Funding from retail and small business customers; of which:	61,348,431	0	0	108,768	56,357,655	62,100,934	0	0	114,932	57,072,007
5	Stable deposits	20,705,974	0	0	0	19,670,675	21,324,694	0	0	0	20,258,459
6	Less stable deposits	40,642,457	0	0	108,768	36,686,979	40,776,240	0	0	114,932	36,813,548
7	Wholesale funding; of which:	67,578,347	66,456,998	6,326,741	16,545,772	57,813,904	66,922,841	64,641,585	7,423,281	17,846,305	59,255,798
8	Operational deposits	—	—	—	—	—	—	—	—	—	—
9	Other wholesale funding	67,578,347	66,456,998	6,326,741	16,545,772	57,813,904	66,922,841	64,641,585	7,423,281	17,846,305	59,255,798
10	Liabilities with matching interdependent assets	—	—	—	—	—	—	—	—	—	—
11	Other liabilities; of which:	2,072,416	1,882,966	228,643	190,156	5,303	2,196,610	2,437,186	234,461	239,982	6,142
12	Derivative liabilities	—	—	—	190,137	—	—	—	—	239,982	—
13	All other liabilities and equity not included in the above categories	2,072,416	1,882,966	228,643	19	5,303	2,196,610	2,437,186	234,461	0	6,142
14	Total available stable funding	—	—	—	—	125,593,582	—	—	—	—	127,951,849
Required stable funding (RSF) items (2)											
15	HQLA	—	—	—	—	3,683,847	—	—	—	—	3,502,905
16	Deposits held at financial institutions for operational purposes	501,148	0	0	0	250,574	576,180	0	0	0	288,090
17	Loans, repo transactions-related assets, securities and other similar assets; of which:	2,044,711	39,339,477	15,010,977	72,456,955	82,458,888	1,687,946	44,608,191	12,032,795	73,102,819	83,149,982
18	Loans to- and repo transactions with- financial institutions (secured by level 1 HQLA)	0	7,012,909	0	0	0	0	6,867,776	0	0	55,418
19	Loans to- and repo transactions with- financial institutions (not included in item 18)	314,988	10,910,627	6,046,741	13,964,452	18,891,252	222,281	12,118,950	4,597,350	14,011,726	18,183,299
20	Loans and repo transactions-related assets (not included in item 18, 19 and 22); of which:	1,280,733	19,860,412	7,962,245	45,943,938	52,350,355	1,019,928	23,832,193	6,570,809	46,106,443	53,298,298
21	With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	24,048	3,126,489	747,924	4,781,322	4,363,699	3,461	5,412,424	688,999	5,379,014	5,681,236
22	Residential mortgages; of which:	0	275,616	269,902	10,444,208	8,019,815	0	286,106	285,426	10,702,095	8,222,044
23	With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	0	159,422	157,023	5,652,609	3,832,418	0	165,404	164,860	5,802,517	3,936,769
24	Securities that are not in default and do not qualify as HQLA and other similar assets	448,990	1,279,911	732,088	2,104,356	3,197,465	445,736	1,503,163	579,208	2,282,553	3,390,920
25	Assets with matching interdependent liabilities	—	—	—	—	—	—	—	—	—	—
26	Other assets; of which:	8,661,272	419,127	87,925	4,814,241	13,318,482	8,614,195	531,076	90,123	4,429,456	13,401,035
27	Physical traded commodities, including gold	0	—	—	—	0	0	—	—	—	0
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs (including those that are not recorded on consolidated balance sheet)	—	—	—	977,362	830,758	—	—	—	934,452	794,285
29	Derivative assets	—	—	—	0	0	—	—	—	0	0
30	Derivative liabilities (before deduction of variation margin posted)	—	—	—	119,831	119,831	—	—	—	160,980	160,980
31	All other assets not included in the above categories	8,661,272	419,127	87,925	3,717,047	12,367,892	8,614,195	531,076	90,123	3,334,023	12,445,770
32	Off-balance sheet items	—	—	—	125,606,176	2,467,725	—	—	—	124,935,375	2,569,032
33	Total required stable funding	—	—	—	—	102,179,517	—	—	—	—	102,911,045
34	Non-Consolidated net stable funding ratio (NSFR)	—	—	—	—	122.9%	—	—	—	—	124.3%

Glossary

ABL

Abbreviation for Asset Based Lending
Lending having movable assets as collateral such as accounts receivable and/or inventory.

Calculation of credit risk-weighted assets under Article 145 of the Notification

Method used for calculating the credit risk-weighted assets for the fund exposure, etc. There is a method of making the total credit risk-weighted asset of individual underlying asset of funds, etc. as the relevant exposure of the credit risk-weighted asset; or a method of applying the risk weight determined based on the formation of underlying assets to the relevant exposure.

Capital adequacy ratio notification (“the Notification”)

Administrative action or written ordinance by which the Financial Services Agency officially informs Japanese banks of regulations regarding capital adequacy ratio based on the Basel Agreement.

CCF

Abbreviation for Credit Conversion Factor
Ratio required for converting commitments and off-balance sheet items such as guarantees into on-balance sheet credit exposure equivalents.

CCP-related exposure

Exposure to a central counterparty (CCP) that interposes itself between counterparties to contracts traded in one or more financial markets, becoming the buyer to every seller and the seller to every buyer and thereby ensuring the future performance of open contracts.

CDS

Abbreviation for Credit Default Swap
Derivative transactions which transfer the credit risk.

Credit Risk Mitigation (CRM) techniques

Techniques for reducing credit risk by guarantees, collateral and purchase of credit derivatives, etc.

Credit risk-weighted assets

Total assets (lending exposures, including credit equivalent amount of off-balance sheet transactions, etc.) which is re-evaluated according to the level of credit risk.

CVA

Abbreviation for Credit Valuation Adjustment
Adjustment to a derivative's price to reflect counterparty credit in the valuation of a derivative transaction.

EL

Abbreviation for Expected Loss
Average loss expected to occur over the coming one year.

Full BA-CVA

An approach for calculating CVA risk equivalent amounts. EAD of a derivative transaction, the remaining maturity, the counterparty's industry and credit rating are used as input variables and the formula specified by the authorities is used for calculation. Hedging effects of BA-CVA eligible hedging transactions are recognized.

High-quality liquid assets (HQLA)

Liquid assets that can be converted easily and immediately into cash to meet liquidity needs in a specified stress scenario for the subsequent 30 calendar days.

Internal models approach

An approach for calculating market risk equivalent amount using models unique to each bank.

LGD

Abbreviation for Loss Given Default
Percentage of loss assumed in the event of default by obligor; ratio of uncollectible amount of the exposure owned in the event of default.

Liquidity Ratio Notification

Administrative action and written ordinance to be used for official notification to the general public concerning the LCR and NSFR of financial institutions in Japan, as decided by the Japan FSA based on the Basel Agreement.

Market risk equivalent amount

Pursuant to the Basel Capital Accord, the required capital amount imposed on the market-related risk calculated for the risk categories mainly in the trading book: interest rates, credit spreads, equities, foreign exchanges, and commodities.

Market-based approach

A method of calculating the risk assets of equity exposures, etc., by using the simple risk weight method or internal model method. We use the simple risk weight method for calculation of risk assets.

Net cash outflows

Net cash flows calculated as total expected cash outflows minus total expected cash inflows in a specified stress scenario for the subsequent 30 calendar days.

Object finance

Of credit provided for purchasing ships or aircraft, a type of finance for which the only source of repayments is profits generated from said tangible assets; and said tangible assets serve as collateral, and there is an appreciable extent of control over said tangible assets and profits generated from said tangible assets.

Operational risk equivalent amount

Operational risk capital requirements under the Basel Capital Accord.

Originator

The term “originator” is used in the case that we are directly or indirectly involved in the formation of underlying assets for securitisation transactions when we have securitisation exposure; or in cases of providing the back-up line for ABCP issued by the securitisation conduit for the purpose of obtaining exposure from the third party, or providing ABL to the securitisation conduit (as sponsor).

PD

Abbreviation for Probability of Default
Probability of becoming default by obligor during one year.

Phased rollout

Under the Basel Capital Accord, it is a transition made by certain group companies planning to apply the Internal Ratings-Based Approach after the implementation of such methods on a consolidated basis.

Project finance

Of credit provided for specified businesses such as electric power plants and transportation infrastructure, a type of finance for which the only source of repayments is profits generated from said businesses and tangible assets of said businesses serve as collateral, and there is an appreciable extent of control over said tangible assets and profits generated from said tangible assets.

Qualifying Revolving Retail Exposures (QRRE)

Exposure which may fluctuate up to the upper limit set forth by an agreement according to the individual's voluntary decision, such as card loan and credit card, etc., and the upper limit of the exposure without any collateral is 10 million yen or less.

Reduced BA-CVA

An approach for calculating CVA risk equivalent amounts. EAD of a derivative transaction, the remaining maturity, the counterparty's industry and credit rating are used as input variables and the formula specified by the authorities is used for calculation.

Resecuritisation transaction

Of securitisation transactions, it is a transaction with securitisation exposure for part of or entire underlying assets. However, this excludes cases such as a securitisation transaction in which entire underlying assets are securitisation exposures,and the cash flows of the exposures related to the securitisation transaction could be replicated in all circumstances and conditions as the cash flows of the exposures related to a single securitisation transaction of a single pool of underlying assets that contains no securitisation exposures, etc.

Risk capital

The amount of capital required to cover the theoretical maximum potential loss arising from risks of business operations. It differs from the minimum regulatory capital requirements, and it is being used in the risk management framework voluntarily developed by financial institutions for the purpose of internal management.

Risk weight

Indicator which indicates the extent of credit risk determined by the types of assets (claims) owned. Risk weight becomes higher for assets with high risk of default.

SA-CCR

An approach for calculating credit equivalent amounts (exposure amounts) of transactions of derivative instruments, etc. Under SA-CCR, exposure amount is calculated by multiplying 1.4 by the sum of the replacement cost calculated by mark-to-market valuation of a transaction and the amount of future exposure obtained by multiplying the notional principal by a multiplier according to instrument types and the remaining term.

Securitisation transaction

A transaction which stratifies the credit risk for the underlying assets into more than two exposures of senior/subordinated structure and has the quality of transferring part or all of the exposure to the third party.

Servicer risk

The risk of becoming unable to claim the receivables, in cases of which the bankruptcy of the supplier/servicer occurs prior to collecting receivables, in securitisation and purchased claims transactions.

Simple risk weight method

One of the market-based approaches for calculating the risk-weighted asset amount for the equity exposure, etc. by multiplying the listed shares and unlisted shares with risk weights of 300% and 400%, respectively.

Slotting criteria

For risk-weighted asset calculation under the Internal Ratings-Based (IRB) Approach, it is a method of mapping the credit rating to the risk-weight in 5 levels set forth by the Financial Services Agency for Specialised Lending.

Small-sized consolidated subsidiaries

Consolidated subsidiaries that have an extremely small impact on the level of the consolidated LCR.

Specialized Lending (SL)

General term used for project finance, object finance, commodity finance and lending for commercial real estate.

Standardised method

A method of calculating market risk equivalent amount using the formula determined by the Financial Services Agency.

The Internal Ratings-Based (IRB) Approach

An approach for calculating the risk asset by applying PD (Probability of Default) estimated internally by a financial institution which conducts sophisticated risk management. There are two methods to calculate exposures to corporate clients, etc.: the Advanced Internal Ratings-Based (AIRB) Approach and the Foundation Internal Ratings-Based (FIRB) Approach. The former uses self-estimated LGD and EAD values, while the latter uses LGD and EAD values designated by the authorities.

The Standardised Approach (SA)

An approach for calculating risk-weighted assets by multiplying credit equivalent amounts by the risk-weight designated by the authorities for each obligor classification (corporates, financial institution, sovereign, retail, etc.).

Standardised approach

A method for calculating operational risk equivalent amounts by multiplying the amount of the Business Indicator Component (BIC) by the Internal Loss Multiplier (ILM).

Underlying assets

General term used for assets which serve as the source of payments for principal and interest for securitisation exposures, etc.

VaR

Abbreviation for Value at Risk
The maximum loss that can be expected to occur with a certain degree of probability when holding a financial asset portfolio for a given amount of time.

Compensation

Sumitomo Mitsui Financial Group

■ Compensation Framework of Sumitomo Mitsui Financial Group and Its Group Companies

1. Scope of Officers, Employees and Others

The scope of officers, employees and others whose compensation is subject to disclosure under the revised Cabinet Office on Disclosure of Corporate Affairs, etc. and other ordinances are as described below.

(1) Scope of Officers

Officers subject to compensation disclosure are directors and corporate executive officers of Sumitomo Mitsui Financial Group during the fiscal year under review (excluding outside directors).

(2) Scope of Employees and Others

Employees and others subject to compensation disclosure are employees of Sumitomo Mitsui Financial Group and officers and employees of its major consolidated subsidiaries who are highly compensated and have a material influence on the business management or the assets of Sumitomo Mitsui Financial Group and its major consolidated subsidiaries.

a) Scope of major consolidated subsidiaries

A major consolidated subsidiary is a consolidated subsidiary of Sumitomo Mitsui Financial Group with total assets accounting for more than 2% of the total consolidated assets of Sumitomo Mitsui Financial Group and has a material influence on the management of Sumitomo Mitsui Financial Group and its group companies. Specifically, they are Sumitomo Mitsui Banking Corporation, SMBC Nikko Securities Inc., Limited Sumitomo Mitsui Card Company, Limited and overseas subsidiaries such as SMBC Bank International plc.

b) Scope of highly compensated persons

A highly compensated person is an individual whose compensation paid by Sumitomo Mitsui Financial Group or its major subsidiaries is equal to or more than the base amount. The base amount of Sumitomo Mitsui Financial Group is set at ¥100 million, which is based on the average amount of compensation paid to the officers of Sumitomo Mitsui Financial Group and SMBC (including officers appointed or retired during the fiscal year in question) over the last three fiscal years (hereinafter “executive compensation amount”) and is applied to all group companies. This is because many of the officers of Sumitomo Mitsui Financial Group also serve as officers of SMBC, and their executive compensation amount is determined according to their contribution to the group as a whole. With respect to lump-sum retirement payment for officers serving in Japan, the executive compensation amount for the fiscal year in question is “(his/her executive compensation amount – lump-sum retirement payment) + (lump-sum retirement payment/years of service)” and the executive compensation amount calculated using this formula is compared to the base amount.

c) Material influence on the business management or assets of Sumitomo Mitsui Financial Group and its major consolidated subsidiaries

A person has a material influence on the business management or assets of Sumitomo Mitsui Financial Group and its major consolidated subsidiaries if his/her regular transactions or regular matters managed by him/her have a substantial impact on the business management of Sumitomo Mitsui Financial Group and its group companies, or losses incurred through such actions have a significant impact on the financial situation of Sumitomo Mitsui Financial Group and its group companies. Specifically, persons having such influence are directors, corporate auditors and corporate officers of Sumitomo Mitsui Financial Group and its major consolidated subsidiaries, both domestic and overseas.

2. Names, Compositions, and Duties of the Main Bodies, Such as the Committee Responsible for Supervising Business Execution Concerning the Determination of Compensation, Its Payment and Other Related Matters

(1) Establishment and Maintenance of the Compensation Committee

Sumitomo Mitsui Financial Group, as a Company with Three Committees, has established a Compensation Committee to resolve the “policy to determine individual remuneration for directors, corporate executive officers and executive officers,” “executive compensation programme and relevant regulations,” and “individual remuneration for Sumitomo Mitsui Financial Group’s directors and corporate executive officers.” The Compensation Committee is a body independent from the influence of business units, chaired by an outside director, with the majority of its members being also outside directors, and tasked to determine and deliberate matters related to executive compensation of Sumitomo Mitsui Financial Group and its group companies. In addition, Sumitomo Mitsui Financial Group Compensation Committee reviews and discusses executive compensation programmes/practices of group companies of Sumitomo Mitsui Financial Group and the individual remuneration for Sumitomo Mitsui Financial Group’s other executive officers. Furthermore, group companies of Sumitomo Mitsui Financial Group respect the details of the deliberations at the Compensation Committee of Sumitomo Mitsui Financial Group and determine the compensation for directors and corporate auditors within the maximum total amount of compensation approved at an ordinary general meeting of shareholders.

In fiscal 2024, the outside director who chaired the Compensation Committee passed away on February 8, 2025, and accordingly ceased to be a director on the same day. Subsequently, no successor chair was selected for the Compensation Committee, and another Compensation Committee member acted as chair in accordance with the regulations.

(2) For Employees and Others

The amount and type of compensation paid to the employees of Sumitomo Mitsui Financial Group and SMBC and the officers and employees of major consolidated subsidiaries are determined and paid according to the compensation policies established by the boards of directors of Sumitomo Mitsui Financial Group and its major consolidated subsidiaries. Compensation systems based on the compensation policies are designed and documented by the HR departments of respective companies, independent from the influence of business units. The compensation policies of major consolidated subsidiaries are regularly reported to the HR department of Sumitomo Mitsui Financial Group for review. The amount and type of compensation for overseas officers and employees is determined and paid under the compensation system established by the relevant office or subsidiary in accordance with local laws, regulations and employment practices.

(3) Total Amount of Compensation Paid to Compensation Committee Members and Number of Compensation Committee Meetings Held

	Number of Meetings Held (April 1, 2024 to March 31, 2025)
Compensation Committee (Sumitomo Mitsui Financial Group).....	7
Executive Nomination and Compensation Committee (SMBC Nikko Securities Inc.).....	6

Note: The total amount of compensation is not provided because the portion of the compensation paid to a committee member for services rendered as a committee member cannot be calculated as the amount of compensation paid is based on the committee member's position in the company.

■ Assessment of Design and Operation of Compensation Structure

Compensation Policies for Officers, Employees and Others

(1) For Officers

Sumitomo Mitsui Financial Group hereby establishes the Executive Compensation Policy (the “Policy”) in order to determine individual remuneration for its directors, corporate executive officers and executive officers (the “Executives”). The Policy’s aim is that executive compensation pursuant to it shall provide the appropriate incentives for the Executives to pursue our Mission while materializing our medium-/long-term vision.

<Basic Concept>

Executive compensation at SMBC Group shall be determined based on the following concept.

- I. SMBC Group’s executive compensation aims at providing appropriate incentives toward the realization of our mission and our vision.
- II. SMBC Group’s executive compensation shall reflect the changing business environment and the short-, medium-and long-term performance of the group, and shall account for the contribution to shareholder value, customer satisfaction, and realisation of sustainable society.
- III. Individual remuneration shall reflect the assigned roles and responsibilities as well as the performance of the respective Executive.
- IV. SMBC Group shall research and review market practices, including the use of third-party surveys, in order to provide its Executives with a competitive remuneration package.
- V. SMBC Group’s executive compensation shall discourage excessive risk-taking and foster a prudent risk culture expected of a financial institution.
- VI. Both external and internal regulations/guidelines on executive compensation shall be observed and respected.
- VII. SMBC Group shall establish appropriate governance and controls of the compensation process, and shall regularly review to update its executive compensation practices according to changing market practices and/or business environment.

<Compensation Programme>

- I. SMBC Group’s executive compensation programme (the “Programme”) shall have three components: base salary, cash bonus, and stock compensation. However, compensation for outside directors and Audit Committee members shall comprise base salary alone, in consideration of the nature of their role of management supervision.
- II. In order to hold the Executives accountable and provide them with appropriate incentives for the performance of the Group, the Programme targets the variable compensation component of total remuneration (performance-linked portion, which varies in light of the business environment and performance) at 40% to 60%, in accordance with the corporate titles of each Executive, if paid at standard levels. Corresponding with performance of SMBC Group and the degree of contribution to realization of a sustainable society, the variable component could range from 0% to 150% of the standard levels, which shall be determined by corporate titles of the Executives.
- III. In order to enhance shareholding of the Executives and align their interests with shareholders, the Programme targets its stock-based compensation components at 25% to 45% of total remuneration, in accordance with the corporate titles of each Executive, if paid at standard levels.
- IV. The above target levels shall be appropriately set in accordance with the roles, responsibilities, etc. of each Executive.
- V. Base salary shall be periodically paid in cash and shall be, in principle, determined by the corporate titles of each Executive, reflecting the roles, responsibilities, etc.
- VI. Annual incentives shall be determined based on the performance of previous fiscal year of SMBC Group and the business unit each Executive is accountable for, the degree of contribution to realization of a sustainable society, as well as on the performance of each Executive reviewed both from short-term and medium-/long-term perspectives. 70% of the determined amount shall be, in principle, paid as a cash bonus and the remaining 30% shall be paid under Stock Compensation Plan II (annual performance share plan).

a. Weight by each target index is as follows:

Target index		Weight
SMFG Net Business profit*1	Annual growth/Target achievement	50%
SMFG Net income*2	Annual growth/Target achievement	50%

*1 The Group’s consolidated net business profit

*2 The Group’s profit attributable to owners of parent.

*If the Compensation Committee recognizes any element other than the above mentioned target indexes which should be taken into consideration, the Compensation Committee will, if appropriate, judge the circumstances comprehensively and may adjust the compensation to be paid to the employee by a maximum of 5%, plus or minus.

- b. The degree of contribution to realization of a sustainable society shall be reflected as an adjustment to the score determined in a., by a maximum of 10%, plus or minus, based on the annual progress of KPIs and results of ratings by major external rating institutions.
- VII. Stock compensation plans consist of Stock Compensation Plan I (the “Plan I”), under which the remuneration of the Executives shall be determined based on the Group’s medium-term performance, etc., Stock Compensation Plan II (the “Plan II”), determined based on the Group’s annual performance, etc. and Stock Compensation Plan III (the “Plan III”), determined based on corporate titles, etc.
- a. Under the stock compensation plans, the Executives shall receive remuneration via shares of the Company’s common stock. The transfer of such stock shall be restricted for appropriately defined periods.
 - b. Remuneration under Plan I shall be determined based on the Group’s performance against the Medium-Term Management Plan, performance of the Company’s shares, and the percentage of achievement of KPIs with respect to creating social value after the term the Group’s Medium-Term Management Plan ends. Regarding the evaluation indexes, 70% is determined based on financial index (Medium-Term Management Plan target), 15% is determined based on share index, and 15% is determined based on non-financial index. Evaluation indexes and weight by each evaluation index are as follows:

Evaluation index *1,2		Weight
Financial index	ROCE1*3	20%
	Base expense*4	20%
	Gross profit*5	15%
	Net income*6	15%
Share index	TSR (Total shareholder return)*7	15%
Non-financial index	Create social value*8	15%

*1 (Qualitative evaluation) The Compensation Committee determines the score within a range of plus or minus 5% of such figure taking into account comprehensively two items, “Initiatives in new business areas” and “Compliance, customer-oriented initiatives, and risk management.”

*2 (Knock-out provision) If the “CET1 ratio (Post-Basel III reforms basis, excluding net unrealized gains (losses) on other securities)” falls below a designated level at the end of each fiscal year, Plan I for the respective fiscal year becomes null and void.

*3 Post-Basel III reforms basis, excluding net unrealized gains (losses) on other securities

*4 General and administrative expenses excluding “revenue-linked cost,” “prior investment cost” and others

*5 The Group’s consolidated gross profit

*6 The Group’s profit attributable to owners of parent

*7 The Compensation Committee determines progress of performance by relative evaluation of TSR during the term of the Medium-Term Management Plan.

*8 The Compensation Committee evaluates based on the percentage of achievement of KPIs related to the environment (Financed Emissions reduction and amount of sustainability financing provided) and employees (employee engagement and DE&I) as well as the progress of initiatives with respect to the five key challenges identified by SMBC Group (i.e., environment, DE&I/human rights, declining birthrate and aging population, regrowth of Japan, and poverty and inequality).

- c. Remunerations under Plan II shall be determined based on the performance of the previous fiscal year of SMBC Group and the business unit each Executive is accountable for, the contribution to a sustainable society, as well as on the performance of each Executive reviewed both from a short-term and medium-/long-term perspectives. Remuneration paid by restricted shares, they shall effectively act as deferred compensation.
- d. Remuneration under Plan III shall be determined based on corporate titles, roles, and responsibilities, etc.

VIII. In the event of material amendments to the financial statements or material reputational damages caused by the Executives, remunerations under the Plans could be reduced or fully forfeited.

IX. Notwithstanding the above, if the Compensation Committee determines that it is not appropriate to apply the above matters due to the role of an Executive in each Group company or other reasonable circumstances, or if the Compensation Committee determines that it is not appropriate to apply the above matters to an Executive domiciled outside Japan, compensation shall be designed on an individual basis and determined not only in accordance with the above Core Principles, but also with consideration to local regulations, guidelines, and other local market practices, whilst ensuring the compensation should not incentivize for excessive risk-taking.

<Governance and Control of the Compensation Processes>

Sumitomo Mitsui Financial Group, as a Company with Three Committees, establishes a “Compensation Committee” to resolve the following:

- The Policy, executive compensation programme including the aforementioned compensation programme and regulations concerning the Policy
- Individual remunerations for Sumitomo Mitsui Financial Group’s directors and corporate executive officers

In addition to the above, the Compensation Committee shall review and discuss the below:

- The individual remuneration for Sumitomo Mitsui Financial Group’s corporate officers and other officers.
- Executive compensation programmes/practices of group companies of Sumitomo Mitsui Financial Group.

(2) For Employees and Others

In order to link the business philosophy and strategy of the company to the roles and responsibilities of employees and others, Sumitomo Mitsui Financial Group and its major consolidated subsidiaries determine the domestic compensation taking into account their job responsibilities, business performance and other factors. Compensation for employees and others are determined by the HR departments of respective SMBC Group companies by comprehensively taking into account the surrounding business environment, performance trends, pay history and other factors. Compensation policies for overseas employees are determined following the aforementioned compensation policy for employees and others in Japan as well as in accordance with local laws, regulations and employment practices.

■ Consistency between Compensation Structure and Risk Management and Link between Compensation and Performance

1. Sumitomo Mitsui Financial Group and SMBC

In determining the compensation for the officers of Sumitomo Mitsui Financial Group, the details of individual compensation for directors and corporate executive officers are determined by the mandatory Compensation Committee, where the majority of the committee members are the outside directors. The compensation for the officers of SMBC are determined within the scope approved at a shareholders’ meeting with the President, delegated by the Board of Directors, determining the details of compensation for each individual, reflecting the assigned roles and responsibilities as well as achievements at SMBC, in light of the deliberations of the SMFG Compensation Committee.

In order to hold the Executives accountable and provide them with appropriate incentives for the performance of the Group, the Programme targets the variable compensation component of total remuneration (performance-linked portion, which is variable in light of the business environment and performance) at 40% to 60%, in accordance with the corporate titles of each Executive, if paid at standard levels. The performance-linked portion consists of cash bonus and stock compensation. Cash bonus shall be determined and paid each fiscal year based on the Group’s and SMBC’s performance in the previous year, as well as on the performance of the respective Executive reviewed both from short-term and medium-/long-term perspectives. Stock compensation is determined and paid based on the progress of targets during the period of the Medium-Term Management Plan, performance of Sumitomo Mitsui Financial Group shares, and the percentage of achievement of KPIs for creating social value, etc. Sumitomo Mitsui Financial Group and SMBC allot restricted stocks via the Plans to Executives to effectively defer part of executive compensation.

Stock Compensation Plan I involves removal of the restriction on transfer, after the expiry of Sumitomo Mitsui Financial Group’s Medium-term Management Plan. In the event that the finalized amount of compensation falls short of the initially allocated amount, Sumitomo Mitsui Financial Group will retrieve all or part of the allotted shares at nil cost in the case the final amount falls below the initial amount.

Stock Compensation Plan II involves step-by-step removal of the restriction on transfer, one third in each year over the three years following the payment.

Stock Compensation Plan III involves removal of the restriction on transfer, either 30 years after payment or at the time of retirement from the position of officer.

In addition, Sumitomo Mitsui Financial Group and SMBC introduced the malus (forfeiture) of restricted stock and the claw-back of vested stock allocated to the Executives under the Plans in order to restrain excessive risk-taking and foster a prudent risk culture expected of a financial institution. Provisions on malus and clawbacks are included in the Allotment Agreement and they shall be exercised in the event of material amendments to the financial statements or material reputational damage caused by the Executives after thorough review at the Compensation Committee.

In addition, in determining the compensation for employees, their job responsibilities and business performance are taken into account. For variable compensation, in order to avoid an excessive result-oriented approach, it is determined after comprehensive evaluation based on not only short-term performance results but also qualitative evaluation. Compensation is individually designed with consideration to local regulations, guidelines, and other market practices, whilst ensuring the compensation should not incentivize for excessive risk-taking.

2. Other Major Consolidated Subsidiaries

The compensation for officers and employees of other major subsidiaries of Sumitomo Mitsui Financial Group are determined by comprehensively taking into account the assessment of the subsidiaries’ medium- and long-term earnings, and in the case of an overseas subsidiary, local laws, regulations and employment practices, and a compensation structure that could affect the risk management of SMBC Group has not been adopted. While terms of employment presented at the time of recruitment may include the minimum amount of compensation within a reasonable scope under local practice, the compensation structure is designed to avoid an excessive result-oriented approach. In addition, expenses for employee retention are recorded for employees of certain major consolidated subsidiaries.

■ Type, Total Amount Paid, and Payment Method of Compensation for Officers, Employees and Others of Sumitomo Mitsui Financial Group and Its Group Companies

Compensation, etc. allocated to the applicable fiscal year (Headcount, millions of yen)

Item No.			(a)	(b)
			Officers	Employees and others
1	Fixed compensation	Number of applicable officers, employees and others	18	276
2		Total fixed compensation (3+5+7)	1,112	17,183
3		of which: cash compensation	1,070	16,753
4		of which in 3: deferred amount	—	—
5		of which: amount of stock compensation or stock-linked compensation	34	77
6		of which in 5: deferred amount	34	77
7		of which: other compensation	6	352
8		of which in 7: deferred amount	—	—
9	Variable compensation	Number of applicable officers, employees and others	15	276
10		Total variable compensation (11+13+15)	996	21,810
11		of which: cash compensation	343	20,145
12		of which in 11: deferred amount	—	8,191
13		of which: amount of stock compensation or stock-linked compensation	652	1,664
14		of which in 13: deferred amount	652	947
15		of which: amount of other compensation	—	—
16		of which in 15: deferred amount	—	—
17	Retirement allowance	Number of applicable officers, employees and others	—	240
18		Amount of retirement allowance	—	1,351
19		of which: deferred amount	—	—
20	Other compensation	Number of applicable officers, employees and others	—	10
21		Amount of other compensation	—	166
22		of which: deferred amount	—	—
23	Total compensation, etc. (2+10+18+21)		2,108	40,511

Notes: 1. Compensation amount includes those amounts of major consolidated subsidiaries.
2. Stock Compensation Plan III is classified as fixed compensation because the amount allotted depends on the individual's position. Other stock compensation involves an amount of issuance prone to performance-linked fluctuations, and is thus classified as variable compensation.

Special compensation, etc. (Headcount, millions of yen)

	(a)	(b)	(c)	(d)	(e)	(f)
	Bonus guarantee		One-off recruitment payment		Additional retirement allowance	
	Headcount	Total amount	Headcount	Total amount	Headcount	Total amount
Officers	—	—	—	—	—	—
Employees and others	35	5,772	1	43	—	—

■ Other Information Regarding Compensation Structures of Sumitomo Mitsui Financial Group and its Group Companies

Deferred compensation, etc. (Millions of yen)

		(a)	(b)	(c)	(d)	(e)
		Balance of deferred compensation, etc.	Of the amount in (a), balance of deferred compensation, etc. subjected to adjustment or prone to fluctuations	With respect to post allocation compensation, amount of fluctuation after adjustment not linked to fluctuations of criteria in the applicable fiscal year	With respect to post allocation compensation, amount of fluctuation after adjustment linked to fluctuations of criteria in the applicable fiscal year	Amount of deferred compensation, etc. paid in the applicable fiscal year
Officers	Amount of cash compensation	—	—	—	—	—
	Amount of stock compensation or stock-linked compensation	1,669	1,528	—	—	101
	Amount of other compensation	—	—	—	—	—
Employees and others	Amount of cash compensation	14,344	1,184	—	—	4,789
	Amount of stock compensation or stock-linked compensation	2,288	2,247	—	269	518
	Amount of other compensation	—	—	—	—	—
Total amount		18,301	4,960	—	269	5,410

Compensation

Sumitomo Mitsui Banking Corporation (SMBC) and Its Group Companies

■ Compensation Framework of SMBC Group

1. Scope of Officers and Employees

The scope of officers, employees and others whose compensation is subject to disclosure under the revised Cabinet Office on Disclosure of Corporate Affairs, etc. and other ordinances are as described below.

(1) Scope of Officers

Officers subject to compensation disclosure are directors of SMBC during the fiscal year under review (excluding outside directors).

(2) Scope of Employees and Others

Employees and others subject to compensation disclosure are employees of SMBC and officers and employees of its major consolidated subsidiaries who are highly compensated and have a material influence on the business management or the assets of SMBC and its major consolidated subsidiaries.

a) Scope of major consolidated subsidiaries

A major consolidated subsidiary is a consolidated subsidiary of SMBC with total assets accounting for more than 2% of the total consolidated assets of SMBC and has a material influence on the management of SMBC and its group companies. Specifically, they are Ltd. and overseas subsidiaries such as SMBC Bank International plc.

b) Scope of highly compensated persons

A highly compensated person is an individual whose compensation paid by SMBC or its major subsidiaries is equal to or more than the base amount. The base amount of SMBC is set at ¥100 million, which is based on the average amount of compensation paid to the officers of Sumitomo Mitsui Financial Group and SMBC (including officers appointed or retired during the fiscal year in question) over the last three fiscal years (hereinafter “executive compensation amount”) and is applied to all group companies. This is because many of the officers of Sumitomo Mitsui Financial Group also serve as officers of SMBC, and their executive compensation amount is determined according to their contribution to the group as a whole. With respect to lump-sum retirement payment for officers serving in Japan, the executive compensation amount for the fiscal year in question is “(his/her executive compensation amount – lump-sum retirement payment) + (lump-sum retirement payment/years of service)” and the executive compensation amount calculated using this formula is compared to the base amount.

c) Material influence on the business management or assets of SMBC and its major consolidated subsidiaries

A person has a material influence on the business management or assets of SMBC and its major consolidated subsidiaries if his/her regular transactions or regular matters managed by him/her have a substantial impact on the business management of SMBC and its group companies, or losses incurred through such actions have a significant impact on the financial situation of SMBC and its group companies. Specifically, persons having such influence are directors, corporate auditors and corporate officers of SMBC and its major consolidated subsidiaries, both domestic and overseas.

2. Names, Compositions, and Duties of the Main Bodies, Such as the Committee Responsible for Supervising Business Execution Concerning the Determination of Compensation, Its Payment and Other Related Matters

(1) Determination of compensation for officers

Compensation for SMBC’s Directors (excluding members of the Audit and Supervisory Committee) is determined within the limit approved at a shareholders’ meeting with the President, delegated by the Board of Directors, determining the amount of compensation for each individual, reflecting the assigned roles and responsibilities as well as achievements at SMBC, in light of the deliberations of the SMFG Compensation Committee.

The details of the above determination are reported to SMBC’s Audit and Supervisory Committee.

Individual compensation for Directors who are members of the Audit and Supervisory Committee is determined within the scope approved at a shareholders’ meeting, through discussion by Directors who are members of the Audit and Supervisory Committee.

(2) Determination of compensation for employees

Compensation for employees is stated in “Compensation” of Sumitomo Mitsui Financial Group (please refer to “2. Names, Compositions, and Duties of the Main Bodies, Such as the Committee Responsible for Supervising Business Execution Concerning the Determination of Compensation, Its Payment and Other Related Matters (2) For Employees and Others” on page 291).

■ Assessment of Design and Operation of Compensation Structure

Compensation Policy

Compensation Policies for Officers, Employees and Others

(1) For Officers

Sumitomo Mitsui Banking Corporation hereby establishes the Executive Compensation Policy (the “Policy”) in order to determine individual remuneration for its directors and executive officers (the “Executives”).

The Policy’s aim is that executive compensation pursuant to it shall provide the appropriate incentives for the Executives to pursue our Group Mission while materializing our medium-/long-term vision.

<Basic Concept>

Executive compensation at SMBC shall be determined based on the following concept.

- I. SMBC Group’s executive compensation aims at providing appropriate incentives toward the realization of our mission and our vision.
- II. SMBC Group’s executive compensation shall reflect the changing business environment and the short-, medium- and long-term performance of the group, and shall account for the contribution to shareholder value, customer satisfaction, and realization of sustainable society.
- III. Individual remuneration shall reflect the assigned roles and responsibilities as well as the performance of the respective Executive.
- IV. SMBC Group shall research and review market practices, including the use of third-party surveys, in order to provide its Executives with a competitive remuneration package.
- V. SMBC Group’s executive compensation shall discourage excessive risk-taking and foster a prudent risk culture expected of a financial institution.
- VI. Both external and internal regulations/guidelines on executive compensation shall be observed and respected.
- VII. SMBC Group shall establish appropriate governance and controls of the compensation process, and shall regularly review to update its executive compensation practices according to changing market practices and/or business environment.

<Compensation Programme>

- I. SMBC executive compensation programme (the “Programme”) shall have three components: base salary, cash bonus, and stock compensation. However, compensation for outside directors and Audit and Supervisory Committee members shall comprise base salary alone, in consideration of the nature of their role of management supervision.
- II. In order to hold the Executives accountable and provide them with appropriate incentives for the performance of the Group, the Programme targets the variable compensation component of total remuneration (performance-linked portion, which varies in light of the business environment and performance) at 40% to 60%, in accordance with the corporate titles of each Executive, if paid at standard levels. Corresponding with performance of SMBC Group and the degree of contribution to realization of a sustainable society, the variable component could range from 0% to 150% of the standard levels, which shall be determined by corporate titles of the Executives.
- III. In order to enhance shareholding of the Executives and align their interests with shareholders of Sumitomo Mitsui Financial Group (“SMFG”), the parent, the Programme targets its stock-based compensation components of SMFG stocks at 25% to 45% of total remuneration in accordance with the corporate titles of each Executive, if paid at standard levels.
- IV. The above target levels shall be appropriately set in accordance with the roles, responsibilities, etc. of each Executive.
- V. Base salary shall be periodically paid in cash and shall be, in principle, determined by the corporate titles of each Executive, reflecting the roles, responsibilities, etc.
- VI. Annual incentives shall be determined based on the performance of previous fiscal year of SMBC Group and the business unit each Executive is accountable for, the degree of contribution to realization of a sustainable society, as well as on the performance of each Executive reviewed both from short-term and medium-/long-term perspectives. 70% of the determined amount shall be, in principle, paid as a cash bonus and the remaining 30% shall be paid under Stock Compensation Plan II (annual performance share plan).

a. Weight by each target index is as follows:

Target index		Weight
SMBC Banking profit*1	Annual growth/Target achievement	50%
SMBC Net income (Pre-Tax)*2	Annual growth/Target achievement	25%
SMFG Net income*3	Annual growth/Target achievement	25%

*1 Adding cooperated profit and loss recorded by SMBC Group companies, etc. on a managerial accounting basis to business profit at SMBC.

*2 Income before income taxes at SMBC.

*3 SMFG’s profit attributable to owners of parent.

*If the SMFG Compensation Committee recognizes any element other than the above mentioned target indexes which should be taken into consideration, the SMFG Compensation Committee will, if appropriate, judge the circumstances comprehensively and may adjust the compensation to be paid to the employee by a maximum of 5%, plus or minus.

b. The degree of contribution to realization of a sustainable society shall be reflected as an adjustment to the score determined in a., by a maximum of 10%, plus or minus, based on the annual progress of KPIs and results of ratings by major external rating institutions.

- VII. Stock compensation plans consist of Stock Compensation Plan I (the “Plan I”), under which the remuneration of the Executives shall be determined based on the Group’s medium-term performance, etc., Stock Compensation Plan II (the “Plan II”), determined based on the Group’s annual performance, etc. and Stock Compensation Plan III (the “Plan III”), determined based on corporate titles, etc.
- a. Under the stock compensation plans, the Executives shall receive remuneration via shares of the SMFG’s common stock. The transfer of such stock shall be restricted for appropriately defined periods.
- b. Remuneration under Plan I shall be determined based on the Group’s performance against the Medium-Term Management Plan, performance of the Company’s shares, and the percentage of achievement of KPIs with respect to creating social value after the term the Group’s Medium-Term Management Plan ends. Regarding the evaluation indexes, 70% is determined based on financial index (Medium-Term Management Plan target), 15% is determined based on share index, and 15% is determined based on non-financial index. Evaluation indexes and weight by each evaluation index are as follows:

Evaluation index ^{*1, 2}		Weight
Financial index	ROCET1 ^{*3}	20%
	Base expense ^{*4}	20%
	Gross profit ^{*5}	15%
	Net income ^{*6}	15%
Share index	TSR (Total shareholder return) ^{*7}	15%
Non-financial index	Create social value ^{*8}	15%

^{*1} (Qualitative evaluation) The SMFG Compensation Committee determines the score within a range of plus or minus 5% of such figure taking into account comprehensively two items, “Initiatives in new business areas” and “Compliance, customer-oriented initiatives, and risk management.”

^{*2} (Knock-out provision) If the “CET1 ratio (Post-Basel III reforms basis, excluding net unrealized gains (losses) on other securities)” falls below a designated level at the end of each fiscal year, Plan I for the respective fiscal year becomes null and void.

^{*3} Post-Basel III reforms basis, excluding net unrealized gains (losses) on other securities

^{*4} General and administrative expenses excluding “revenue-linked cost,” “prior investment cost” and others

^{*5} SMFG’s consolidated gross profit

^{*6} SMFG’s profit attributable to owners of parent

^{*7} The SMFG Compensation Committee determines progress of performance by relative evaluation of TSR during the term of the Medium-Term Management Plan.

^{*8} The SMFG Compensation Committee evaluates based on the percentage of achievement of KPIs related to the environment (Financed Emissions reduction and amount of sustainability financing provided) and employees (employee engagement and DE&I) as well as the progress of initiatives with respect to the five key challenges identified by SMBC Group (i.e., environment, DE&I/human rights, declining birthrate and aging population, regrowth of Japan, and poverty and inequality).

- c. Remunerations under Plan II shall be determined based on the performance of the previous fiscal year of SMBC Group and the business unit each Executive is accountable for, the contribution to a sustainable society, as well as on the performance of each Executive reviewed both from a short-term and medium-/long-term perspectives. Remuneration paid by restricted shares, they shall effectively act as deferred compensation.
- d. Remuneration under Plan III shall be determined based on corporate titles, roles, and responsibilities, etc.
- VIII. In the event of material amendments to the financial statements or material reputational damages caused by the Executives, remunerations under the Plans could be reduced or fully forfeited.
- IX. Notwithstanding the above, if the SMFG Compensation Committee determines that it is not appropriate to apply the above matters due to the role of an Executive in each Group company or other reasonable circumstances, or if the SMFG Compensation Committee determines that it is not appropriate to apply the above matters to an Executive domiciled outside Japan, compensation shall be designed on an individual basis and determined not only in accordance with the above Core Principles, but also with consideration to local regulations, guidelines, and other local market practices, whilst ensuring the compensation should not incentivize for excessive risk-taking.

<Governance and Control of the Compensation Processes>

- I. This Policy is determined at SMBC’s Board of Directors in light of the “Executive Compensation Policy” determined by SMFG Compensation Committee.
- II. Compensation for SMBC’s Directors (excluding members of the Audit and Supervisory Committee) is determined within the limit approved at a shareholders’ meeting with the President, delegated by the Board of Directors, determining the amount of compensation for each individual, reflecting the assigned roles and responsibilities as well as achievements at SMBC, in light of the deliberations of the SMFG Compensation Committee.
- III. The details of the determination in II above are reported to SMBC Audit and Supervisory Committee.
- IV. The specific amount, payment period, and method of compensation for SMBC’s executive officers is determined by the President, reflecting the assigned roles and responsibilities as well as achievements at SMBC.
- V. Individual remuneration for Directors who are members of the Audit and Supervisory Committee is determined within the limit approved at a shareholders’ meeting, through discussion by Directors who are members of the Audit and Supervisory Committee.

■ **Consistency between Compensation Structure and Risk Management and Link between Compensation and Performance**

Consistency between compensation structure and risk management and link between compensation and performance is stated in “Compensation” of Sumitomo Mitsui Financial Group (please refer to “Consistency between Compensation Structure and Risk Management and Link between Compensation and Performance” on page 293).

■ **Type, Total Amount Paid, and Payment Method of Compensation for Officers, Employees and Others of SMBC and Its Group Companies**

1. **Compensation Allocated in the Applicable Fiscal Year (SMBC consolidated)**

			(Headcount, millions of yen)	
Item No.			(a)	(b)
			Officers	Employees and others
1	Fixed compensation	Number of applicable officers, employees and others	12	270
2		Total fixed compensation (3+5+7)	810	16,696
3		of which: cash compensation	750	16,295
4		of which in 3: deferred amount	—	—
5		of which: amount of stock compensation or stock-linked compensation	42	59
6		of which in 5: deferred amount	42	59
7		of which: other compensation	16	340
8		of which in 7: deferred amount	—	—
9	Variable compensation	Number of applicable officers, employees and others	9	270
10		Total variable compensation (11+13+15)	599	21,239
11		of which: cash compensation	209	19,747
12		of which in 11: deferred amount	—	7,823
13		of which: amount of stock compensation or stock-linked compensation	389	1,491
14		of which in 13: deferred amount	389	879
15		of which: amount of other compensation	—	—
16		of which in 15: deferred amount	—	—
17	Retirement allowance	Number of applicable officers, employees and others	—	240
18		Amount of retirement allowance	—	1,351
19		of which: deferred amount	—	—
20	Other compensation	Number of applicable officers, employees and others	—	10
21		Amount of other compensation	—	166
22		of which: deferred amount	—	—
23	Total compensation, etc. (2+10+18+21)		1,409	39,453

Notes: 1. Compensation amount includes those amounts of major consolidated subsidiaries.

2. Stock Compensation Plan III is classified as fixed compensation because the amount allotted depends on the individual’s position. Other stock compensation involves an amount of issuance prone to performance-linked fluctuations, and is thus classified as variable compensation.

2. **Special Compensation, Etc.**

							(Headcount, millions of yen)
	(a)	(b)	(c)	(d)	(e)	(f)	
	Bonus guarantee		One-off recruitment payment		Additional retirement allowance		
	Headcount	Total amount	Headcount	Total amount	Headcount	Total amount	
Officers	—	—	—	—	—	—	—
Employees and others	35	5,772	1	43	—	—	—

1. Compensation Allocated in the Applicable Fiscal Year (SMBC non-consolidated)

(Headcount, millions of yen)

Item No.			(a)	(b)
			Officers	Employees and others
1	Fixed compensation	Number of applicable officers, employees and others	12	144
2		Total fixed compensation (3+5+7)	810	9,056
3		of which: cash compensation	750	8,655
4		of which in 3: deferred amount	—	—
5		of which: amount of stock compensation or stock-linked compensation	42	59
6		of which in 5: deferred amount	42	59
7		of which: other compensation	16	340
8		of which in 7: deferred amount	—	—
9	Variable compensation	Number of applicable officers, employees and others	9	144
10		Total variable compensation (11+13+15)	599	10,290
11		of which: cash compensation	209	9,968
12		of which in 11: deferred amount	—	3,572
13		of which: amount of stock compensation or stock-linked compensation	389	321
14		of which in 13: deferred amount	389	321
15		of which: amount of other compensation	—	—
16		of which in 15: deferred amount	—	—
17	Retirement allowance	Number of applicable officers, employees and others	—	127
18		Amount of retirement allowance	—	684
19		of which: deferred amount	—	—
20	Other compensation	Number of applicable officers, employees and others	—	3
21		Amount of other compensation	—	104
22		of which: deferred amount	—	—
23	Total compensation, etc. (2+10+18+21)		1,409	20,136

Notes: 1. Compensation amount includes those amounts of major consolidated subsidiaries.

2. Stock Compensation Plan III is classified as fixed compensation because the amount allotted depends on the individual's position. Other stock compensation involves an amount of issuance prone to performance-linked fluctuations, and is thus classified as variable compensation.

2. Special Compensation, Etc.

(Headcount, millions of yen)

	(a)	(b)	(c)	(d)	(e)	(f)
	Bonus guarantee		One-off recruitment payment		Additional retirement allowance	
	Headcount	Total amount	Headcount	Total amount	Headcount	Total amount
Officers	—	—	—	—	—	—
Employees and others	13	2,236	1	43	—	—

■ Other Information Regarding Compensation Structures of Sumitomo Mitsui Financial Group and its Group Companies

Amount of Deferred Compensation, Etc. (SMBC consolidated)

Deferred compensation, etc.

(Millions of yen)

		(a)	(b)	(c)	(d)	(e)
		Balance of deferred compensation, etc.	Of the amount in (a), balance of deferred compensation, etc. subjected to adjustment or prone to fluctuations	With respect to post allocation compensation, amount of fluctuation after adjustment not linked to fluctuations of criteria in the applicable fiscal year	With respect to post allocation compensation, amount of fluctuation after adjustment linked to fluctuations of criteria in the applicable fiscal year	Amount of deferred compensation, etc. paid in the applicable fiscal year
Officers	Amount of cash compensation	—	—	—	—	—
	Amount of stock compensation or stock-linked compensation	1,066	1,001	—	—	65
	Amount of other compensation	—	—	—	—	—
Employees and others	Amount of cash compensation	14,225	1,184	—	—	4,746
	Amount of stock compensation or stock-linked compensation	2,157	2,102	—	269	507
	Amount of other compensation	—	—	—	—	—
Total amount		17,449	4,288	—	269	5,320

Amount of Deferred Compensation, Etc. (SMBC non-consolidated)

Deferred compensation, etc.

(Millions of yen)

		(a)	(b)	(c)	(d)	(e)
		Balance of deferred compensation, etc.	Of the amount in (a), balance of deferred compensation, etc. subjected to adjustment or prone to fluctuations	With respect to post allocation compensation, amount of fluctuation after adjustment not linked to fluctuations of criteria in the applicable fiscal year	With respect to post allocation compensation, amount of fluctuation after adjustment linked to fluctuations of criteria in the applicable fiscal year	Amount of deferred compensation, etc. paid in the applicable fiscal year
Officers	Amount of cash compensation	—	—	—	—	—
	Amount of stock compensation or stock-linked compensation	1,066	1,001	—	—	65
	Amount of other compensation	—	—	—	—	—
Employees and others	Amount of cash compensation	6,713	16	—	—	2,465
	Amount of stock compensation or stock-linked compensation	1,009	955	—	—	50
	Amount of other compensation	—	—	—	—	—
Total amount		8,789	1,973	—	—	2,582



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All Group companies use the SMBC logo and promote the SMBC brand in order to enhance the brand power of the entire SMBC Group.

Rising Mark

The Rising Mark is the upward curving strip seen beside the letters “SMBC.” This mark indicates our desire for the Group to grow together with our customers, shareholders, and society by providing high-value-added, cutting-edge, and revolutionary services.

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