

Financial Review

Principal Financial Data

Consolidated Performance Summary

	FY2015	FY2016	FY2017	FY2018
Consolidated gross profit	2,904.0	2,920.7	2,981.1	2,846.2
Net interest income	1,422.9	1,358.6	1,390.2	1,331.4
Net fees and commissions + Trust fees	1,007.5	1,017.1	1,070.5	1,064.6
Net trading income + Net other operating income	473.5	545.0	520.3	450.2
General and administrative expenses	1,724.8	1,812.4	1,816.2	1,715.1
Overhead ratio	59.4%	62.1%	60.9%	60.3%
Equity in gains (losses) of affiliates	(36.2)	24.6	39.0	61.1
Consolidated net business profit	1,142.9	1,132.9	1,203.8	1,192.3
Total credit cost (gains)	102.8	164.4	94.2	110.3
Gains (losses) on stock	69.0	55.0	118.9	116.3
Other income (expenses)	(123.9)	(17.6)	(64.5)	(63.1)
Ordinary profit	985.3	1,005.9	1,164.1	1,135.3
Extraordinary gains (losses)	(5.1)	(26.6)	(55.3)	(11.7)
Income taxes	225.0	171.0	270.5	331.4
Profit attributable to non-controlling interests	108.4	101.8	104.0	65.5
Profit attributable to owners of parent	646.7	706.5	734.4	726.7

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.

Introduction	Management Messages	Value Creation Story	Create Social Value / Pursue Economic Value	Rebuild Corporate Infrastructure
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(JPY bn)

FY2019*1	FY2020	FY2021	FY2022	FY2023	FY2024
2,768.6	2,806.2	2,945.5	3,170.2	3,738.8	4,126.7
1,306.9	1,335.2	1,528.0	1,717.8	1,880.7	2,338.2
1,088.1	1,098.9	1,205.5	1,225.7	1,490.2	1,568.9
373.6	372.1	212.0	226.7	367.9	219.6
1,739.6	1,747.1	1,821.1	1,949.2	2,250.6	2,402.0
62.8%	62.3%	61.8%	61.5%	60.2%	58.2%
56.1	25.0	28.5	55.5	72.0	(5.5)
1,085.0	1,084.0	1,152.9	1,276.4	1,560.2	1,719.3
170.6	360.5	274.4	210.2	274.0	344.5
80.5	92.6	209.1	155.9	249.8	509.8
(62.8)	(105.0)	(46.9)	(61.2)	(69.9)	(165.1)
932.1	711.0	1,040.6	1,160.9	1,466.1	1,719.5
(43.4)	(38.8)	(111.0)	(62.5)	(123.8)	(19.5)
167.7	156.3	214.5	282.1	373.7	513.1
17.1	3.1	8.4	10.5	5.7	8.9
703.9	512.8	706.6	805.8	962.9	1,178.0

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

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%

18,917	29,179	27,821	28,041	40,369	35,618
108.81	110.71	122.41	133.54	151.33	149.53

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 whole-sale 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	
		50%		50%
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 SMBCFS), 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

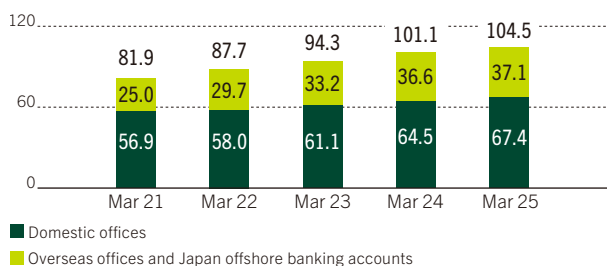
*⁶ Figures are on a managerial accounting basis

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.

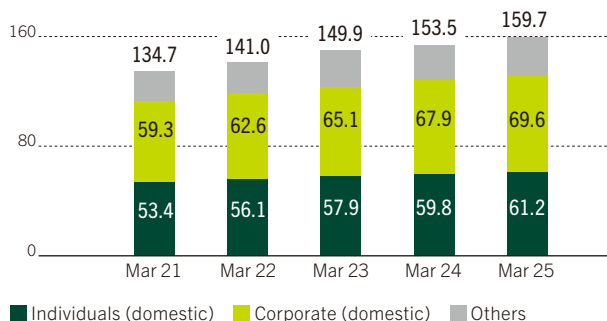
Balance of Loans (JPY tn)



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

(JPY bn)

	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)

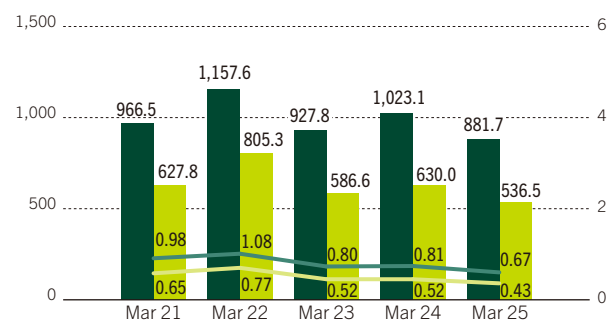
NPLs Based on the Banking Act and the Reconstruction Act

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

(JPY bn)

(%)



Balance: Consolidated (dark green), SMBC non-consolidated (yellow)

Ratio: Consolidated (dark green line), SMBC non-consolidated (yellow line)

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)

(JPY bn)

	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%)
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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
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* Excludes deposits with the Bank of Japan