Financial Review

Consolidated Performance Summary

(JPY bn)

	FY2016	FY2017	FY2018	FY2019*1	FY2020	FY2021	FY2022	FY2023	FY2024	**FY2025**
Consolidated gross profit	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	**4,844.7**
Net interest income	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	**2,719.6**
Net fees and commissions + Trust fees	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	**1,832.3**
Net trading income + Net other operating income	545.0	520.3	450.2	373.6	372.1	212.0	226.7	367.9	219.6	**292.8**
General and administrative expenses	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	**2,651.5**
Overhead ratio	62.1%	60.9%	60.3%	62.8%	62.3%	61.8%	61.5%	60.2%	58.2%	**54.7%**
Equity in gains (losses) of affiliates	24.6	39.0	61.1	56.1	25.0	28.5	55.5	72.0	(5.5)	**137.7**
Consolidated net business profit	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	**2,330.9**
Total credit cost (gains)	164.4	94.2	110.3	170.6	360.5	274.4	210.2	274.0	344.5	**388.4**
Gains (losses) on stock	55.0	118.9	116.3	80.5	92.6	209.1	155.9	249.8	509.8	**446.1**
Other income (expenses)	(17.6)	(64.5)	(63.1)	(62.8)	(105.0)	(46.9)	(61.2)	(69.9)	(165.1)	**(85.2)**
Ordinary profit	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	**2,303.4**
Extraordinary gains (losses)	(26.6)	(55.3)	(11.7)	(43.4)	(38.8)	(111.0)	(62.5)	(123.8)	(19.5)	**(51.6)**
Income taxes	171.0	270.5	331.4	167.7	156.3	214.5	282.1	373.7	513.1	**666.9**
Profit attributable to non-controlling interests	101.8	104.0	65.5	17.1	3.1	8.4	10.5	5.7	8.9	**1.8**
Profit attributable to owners of parent	706.5	734.4	726.7	703.9	512.8	706.6	805.8	962.9	1,178.0	**1,583.0**

**1 Changed accounting treatment for installment sales transactions from FY2020 retrospective adjustments applied for FY2019*

Financial Review

Consolidated Balance Sheet Summary

(JPY bn)

	March 2017	March 2018	March 2019	March 2020*1	March 2021	March 2022	March 2023	March 2024	March 2025	**March 2026**
Total assets	197,791.6	199,049.1	203,659.1	219,863.5	242,584.3	257,704.6	270,428.6	295,236.7	306,282.0	**328,511.1**
Loans and bills discounted	80,237.3	72,945.9	77,979.2	82,517.6	85,132.7	90,834.1	98,404.1	107,013.9	111,136.2	**117,629.2**
Securities	24,631.8	25,712.7	24,338.0	27,128.8	36,549.0	38,538.7	33,213.2	37,142.8	40,761.0	**39,974.1**
Total liabilities	186,557.3	187,436.2	192,207.5	209,078.6	230,685.3	245,507.3	257,637.5	280,436.7	291,440.5	**312,578.0**
Deposits	117,830.2	116,477.5	122,325.0	127,042.2	142,026.2	148,585.5	158,770.3	164,839.4	171,498.7	**185,674.2**
Negotiable certificates of deposit	11,880.9	11,220.3	11,165.5	10,180.4	12,570.6	13,069.8	13,025.6	14,672.3	17,175.4	**15,667.1**
Total net assets	11,234.3	11,612.9	11,451.6	10,784.9	11,899.0	12,197.3	12,791.1	14,800.0	14,841.5	**15,933.1**
Shareholders' equity	8,119.1	8,637.0	9,054.4	9,354.3	9,513.4	9,938.6	10,308.4	10,630.0	11,209.0	**11,752.0**
Retained earnings	5,036.8	5,552.6	5,992.2	6,336.3	6,492.6	6,916.5	7,423.6	7,843.5	8,290.2	**8,871.1**
Accumulated other comprehensive income	1,612.5	1,753.4	1,713.9	1,365.7	2,313.1	2,159.6	2,372.1	4,030.1	3,494.4	**4,033.4**
Non-controlling interests	1,499.3	1,219.6	678.5	62.9	70.8	97.6	109.5	138.9	137.3	**147.1**

Financial Indicators

	March 2017	March 2018	March 2019	March 2020*1	March 2021	March 2022	March 2023	March 2024	March 2025	**March 2026**
Total capital ratio (BIS guidelines)	16.93%	19.36%	20.76%	18.75%	18.61%	16.56%	15.98%	15.29%	15.18%	**15.69%**
Tier 1 capital ratio (BIS guidelines)	14.07%	16.69%	18.19%	16.63%	16.96%	15.46%	14.94%	14.33%	14.23%	**14.49%**
Common equity Tier 1 capital ratio (BIS guidelines)	12.17%	14.50%	16.37%	15.55%	16.00%	14.45%	14.02%	12.91%	12.44%	**12.41%**
Dividend per share (Yen)*2	50	57	60	63	63	70	80	90	122	**157**
Dividend payout ratio	29.9%	32.7%	34.6%	37.0%	50.8%	40.7%	40.4%	37.1%	40.3%	**38.0%**
ROE (on a stockholders' equity basis)	9.1%	8.8%	8.2%	7.6%	5.4%	7.3%	8.0%	9.2%	10.8%	**13.8%**
ROE (based on the Tokyo Stock Exchange standard)	7.6%	7.3%	6.9%	6.6%	4.5%	5.9%	6.5%	7.0%	8.0%	**10.4%**

Market Data

	March 2017	March 2018	March 2019	March 2020*1	March 2021	March 2022	March 2023	March 2024	March 2025	**March 2026**
Nikkei Stock Average (Yen)	18,909	21,454	21,206	18,917	29,179	27,821	28,041	40,369	35,618	**51,064**
Foreign exchange rate (USD/JPY)	112.19	106.25	111.00	108.81	110.71	122.41	133.54	151.33	149.53	**159.90**

**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 were adjusted, assuming the stock split had been implemented in prior fiscal years.*

Financial Review

Consolidated Income Analysis Summary

Consolidated gross profit increased by ¥717.9 billion year-on-year to ¥4,844.7 billion due to an increase in net interest income in Japan, driven by an increase in loan balances and the tailwind of rising interest rates, as well as an increase in fee income resulting from capturing active corporate actions and strong performance in asset management, payment business and consumer finance businesses.

General and administrative expenses increased by ¥249.6 billion year-on-year to ¥2,651.5 billion due to factors such as the impact of inflation, depreciation of yen, and an increase in revenue linked expenses. On the other hand, the overhead ratio significantly improved, declining by 3.5% year-on-year, due to appropriate cost controls including cost reduction measures and top-line growth.

Equity in gains (losses) of affiliates rose by ¥143.2 billion year-on-year to ¥137.7 billion. This was primarily due to the absence of the goodwill impairment loss recorded in FY2024 for VPBank and FE Credit.

Credit cost increased by ¥43.9 billion year-on-year to ¥388.4 billion due to the recording of forward-looking provisions for the deteriorating Middle East situation, and the disposal of non-performing loans at OTO/SOF.

Gains (losses) on stock decreased by ¥63.8 billion year-on-year to ¥446.1 billion due to the absence of gains on sales of equity holdings in major unrealized gain stocks from the previous year and losses from the sale of Bank of East Asia shares, while the gain on the sale of Kotak shares had a positive effect.

In addition, while losses were recorded due to the reorganization of U.S. banking subsidiaries and allowance for dormant deposits, profit attributable to owners of parent increased by ¥405.0 billion year-on-year to ¥1,583.0 billion.

Thus, as a result of continued strong core business performance, particularly in Japan, under a favorable business environment, we took measures to enhance future profitability and still achieved new record highs for the third consecutive year for consolidated gross profit, consolidated net business profit, and profit attributable to owners of parent.

(JPY bn)

	FY2025	YoY
Consolidated gross profit	4,844.7	+717.9
General and administrative expenses	2,651.5	+249.6
Equity in gains (losses) of affiliates	137.7	+143.2
Consolidated net business profit	2,330.9	+611.6
Total credit cost (gains)	388.4	+43.9
Gains (losses) on stock	446.1	(63.8)
Ordinary profit	2,303.4	+583.9
Profit attributable to owners of parent	1,583.0	+405.0

Performance of Major Group Companies

(Left: FY2025 performance; Right: Year-on-year comparison) (JPY bn)

	SMBC		SMBC Trust	
Gross profit	2,677.9	+421.3	80.7	+8.5
Expenses	1,186.0	+113.9	45.7	+3.1
Net business profit	1,491.9	+307.5	35.1	+5.5
Net income	1,411.7	+343.1	26.4	+4.1

	SMBC Nikko*1		SMCC*2	
Gross profit	586.4	+51.0	884.4	+66.0
Expenses	470.7	+23.8	627.0	+58.1
Net business profit	115.7	+27.2	262.9	+80.1
Net income	128.3	+55.0	105.7	+170.0

	SMDA 50%		SMFL*3 50%	
Gross profit	51.6	+7.8	411.2	+105.3
Expenses	35.4	+1.9	179.2	+38.9
Net business profit	16.3	+6.0	240.9	+63.2
Net income	5.8	+2.1	120.1	(13.8)

Ratio of Ownership by SMFG

*1 Internal management basis, including profits from SMBC Nikko America and SMBC Capital Markets
*2 Includes figures from SMBC Consumer Finance
*3 Figures are on a managerial accounting basis

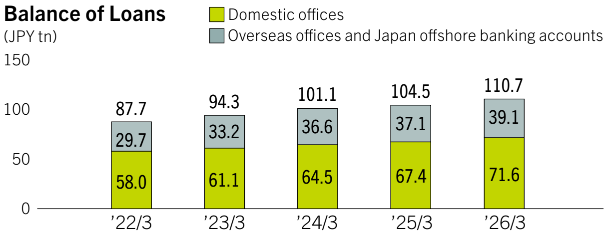
Financial Review

Consolidated Balance Sheet Summary

Loans and Bills Discounted (SMBC, non-consolidated)

In Japan, the balance of loans and bills discounted increased by ¥6.2 trillion year-on-year to ¥110.7 trillion, primarily due to continued strong funding demand driven by active corporate actions.

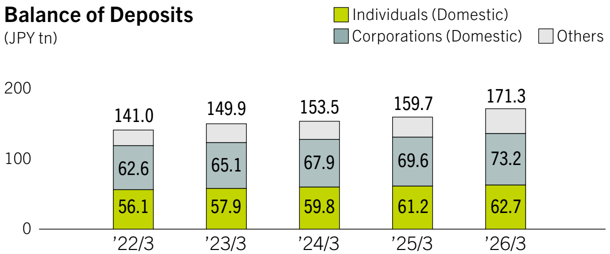
Balance of Loans



Deposits (SMBC, non-consolidated)

In Japan, against an environment where the rate of deposit growth across the entire market is decelerating, by promoting deposit acquisition measures centering on Olive for individuals and capturing appropriate investment needs and implementing flexible interest rate management for corporations, balances for both individual and corporate deposits increased. As a result, the balance of deposits increased by ¥11.6 trillion from the end of the previous fiscal year to ¥171.3 trillion.

Balance of Deposits



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

The domestic loan-to-deposit spread, calculated by subtracting the yield on deposits, etc. from the yield on loans, rose by 0.18% year-on-year to 1.14%. This was primarily due to the rise in domestic policy interest rates.

Domestic Loan-to-Deposit Spread (%)

	FY2025					FY2024
	1Q	2Q	3Q	4Q	Yearly average	Yearly average
Interest earned on loans and bills discounted	1.26	1.30	1.34	1.47	1.34	1.02
Interest paid on deposits, etc.	0.18	0.19	0.19	0.26	0.20	0.06
Loan-to-deposit spread	1.08	1.11	1.15	1.21	1.14	0.96

Securities

The balance of other securities at the end of the period decreased by ¥4,974.5 billion from the end of the previous fiscal year to ¥34,802.3 billion, mainly due to a decrease in short-term Japanese government bonds held for collateral purposes. Net unrealized gains (losses) on other securities increased by ¥414.2 billion from the end of the previous fiscal year to ¥3,220.2 billion, primarily due to rising stock prices.

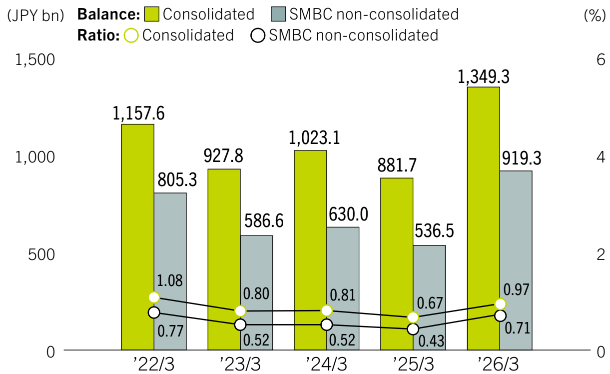
Unrealized Gains (Losses) on Other Securities (JPY bn)

	Balance		Net unrealized gains (losses)	
	March 2026	YoY	March 2026	YoY
Domestic stocks	3,503.3	+458.1	2,497.2	+536.3
Domestic bonds	7,556.7	(6,336.8)	(271.2)	(126.4)
Other income (expenses)	23,742.3	+904.2	994.3	+4.3
Total	34,802.3	(4,974.5)	3,220.2	+414.2

Non-Performing Loans (NPLs) Based on the Banking Act and the Reconstruction Act

Balances of NPLs based on the Banking Act and the Reconstruction Act increased by ¥467.6 billion from the end of the previous fiscal year to ¥1,349.3 billion primarily due to deterioration of overseas large borrowers. The NPL ratio also rose by 0.30% from the end of the previous fiscal year to 0.97%.

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



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Capital

Capital
Common Equity Tier 1 capital increased by ¥958.9 billion from the end of the previous fiscal year to ¥12,544.0 billion. This was primarily due to profit accumulation and an increase in net unrealized gains (losses) on other securities related to equity holdings, driven by a rise in stock prices. Tier 1 capital and total capital increased from the end of the previous fiscal year to ¥14,655.9 billion and ¥15,865.9 billion, respectively, due to factors such as the issuance of perpetual subordinated bonds.

Risk-Weighted Assets
Risk-Weighted Assets increased by ¥7,961.1 billion from the end of the previous fiscal year to ¥101,078.2 billion primarily due to an increase in domestic loan balances and the impact of foreign exchange rates due to depreciation of yen leading to an increase in credit Risk-Weighted Assets.

Capital Ratio
As shown in the table on the right, the Common equity Tier 1 capital ratio, which represents the most important form of core capital, stood at 12.41%, while the total capital ratio was 15.69%. Both ratios remain at adequate levels.

Leverage Ratio
Total exposure increased mainly due to an increase in the balance of derivative transactions and repurchase agreements. However, as Tier 1 capital also increased, the leverage ratio stands at 5.00%, satisfying the required level.

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 23.86% on a Risk-Weighted Asset basis and 9.51% on a total exposure basis, meeting mandated levels for both.

Consolidated Capital Ratio (BIS Guidelines) (JPY bn)

	March 2026	March 2025	YoY
Common equity Tier 1 capital	12,544.0	**11,585.1**	+958.9
Additional Tier 1 capital	2,111.9	**1,673.7**	+438.2
Tier 1 capital	14,655.9	**13,258.8**	+1,397.1
Tier 2 capital	1,210.1	**885.3**	+324.8
Total capital	15,865.9	**14,144.1**	+1,721.8
Risk-Weighted Assets	101,078.2	**93,117.1**	+7,961.1
Common equity Tier 1 capital ratio	12.41%	**12.44%**	(0.03%)
Tier 1 ratio	14.49%	**14.23%**	+0.26%
Total capital ratio	15.69%	**15.18%**	+0.51%

Leverage Ratio

Leverage ratio	5.00%	**5.01%**	(0.01%)

External TLAC Ratio

Risk-Weighted Assets basis	23.86%	**23.61%**	0.25%
Leverage exposure basis	9.51%	**9.60%**	(0.09%)

Total Exposure

Total exposure*	292,746.5	**264,426.2**	+28,320.3

** Excludes deposits with the Bank of Japan*