1000006/62

In accordance with Regulation 32 of the Overseas Companies Regulations 2009.

DON'T STAPLE

OS AA01

Statement of details of parent law and other information for an overseas company

Companies House

THURSDAY

A08 *AEDBI6NM* 16/10/2025 #27
COMPANIES HOUSE

✓ **What this form is for**
You may use this form to accompany your accounts disclosed under parent law.

✗ **What this form is NOT for**
You cannot use this form to r an alteration of manner of c with accounting requiremen

Part 1 Corporate company name

Corporate name of overseas company ❶	SUMITOMO MITSUI BANKING CORPORATION
UK establishment number	B R 0 1 9 7 9 0

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

❶ This is the name of the company in its home state.

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and audited.

Legislation ❷	FINANCIAL INSTRUMENTS AND EXCHANGE ACT

❷ This means the relevant rules or legislation which regulates the preparation of accounts.

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box.

☐ **No.** Go to **Section A3.**

☑ **Yes.** Please enter the name of the organisation or other body which issued those principles below, and then go to **Section A3.**

Name of organisation or body ❸	ACCOUNTING STANDARDS BOARD OF JAPAN

❸ Please insert the name of the appropriate accounting organisation or body.

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Statement of details of parent law and other information for an overseas company

A3 Audited accounts

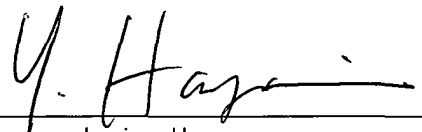
Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box. ☐ **No.** Go to **Part 3 'Signature'**. ☑ **Yes.** Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.	❶ Please insert the name of the appropriate accounting organisation or body.
Name of organisation or body ❶	BUSINESS ACCOUNTING COUNC...(SEE ATTACHED)	

Part 3 Signature

I am signing this form on behalf of the overseas company.

Signature

Signature

X  X

This form may be signed by:
Director, Secretary, Permanent representative.

OS AA01

Statement of details of parent law and other information for an overseas company

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	MORLEY ZHU
Company name	SMBC BI
Address	100 LIVERPOOL STREET
Post town	LONDON
County/Region	LONDON
Postcode	E C 2 M 2 A T
Country	UK
DX	
Telephone	020 4507 2864

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.

Important information

Please note that all this information will appear on the public record.

Where to send

You may return this form to any Companies House address:

England and Wales:
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1

Northern Ireland:
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.

Further information

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Continuation of section A3 Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Yes.

Name of organisation or body:

BUSINESS ACCOUNTING COUNCIL AND JAPANESE INSTITUTE OF CERTIFIED PUBLIC ACCOUTANTS

BR019790

I certify that the attached Financial Statements is a true copy of the original.

Signature: 

Date: 14 October 2025

Ms Yuka Hayashi, Permanent Representative, SMBC London Branch.

Independent Auditor's Report

To the Board of Directors of

Sumitomo Mitsui Banking Corporation.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sumitomo Mitsui Banking Corporation. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheets as at March 31, 2025 and 2024, the consolidated statements of income, comprehensive income, changes in net assets and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. The reasonableness of management's assessment of the reserve for possible loan losses for SMBC's corporate loans

The key audit matter

In the consolidated balance sheet of Sumitomo Mitsui Banking Corporation ("SMBC") as of March 31, 2025, the reserve for possible loan losses (the "Reserve") was ¥549,719 million on loans and bills discounted (the "Loans") of ¥111,544,762 million (or approximately 39.6% of total assets). Included in such balances were mainly corporate loans and the related reserve of SMBC. As discussed in the "Notes (Additional information, 1. The estimates of reserve for possible loan losses in consideration of tariff measures in the U.S.)" to the consolidated financial statements, a reserve of ¥46,500 million was recorded for possible loan losses for portfolios that were considered to be susceptible to rapid environment changes resulting from the high tariff measures imposed by the U.S. In addition, as discussed in the "Notes (Additional information, 2. The estimates of reserve for possible loan losses related to the impact of the current international situation involving Ukraine)" to the consolidated financial statements, a reserve of ¥105,334 million was recorded for

possible loan losses for Russia-related credits. Further, as discussed in the "Notes (Additional information, 3. The estimates of reserve for possible loan losses related to the impact of prolonged high interest rates overseas)" to the consolidated financial statements, a reserve of ¥35,000 million was recorded for possible loan losses for portfolios that were considered to be easily affected by prolonged high interest rates overseas. Finally, as discussed in the "Notes (Additional information, 4. The estimates of reserve for possible loan losses in consideration of changes in domestic business environment and other factors)" to the consolidated financial statements, a reserve of ¥12,000 million was recorded for possible loan losses for portfolios that were considered vulnerable to changes in the domestic business environment, such as continuously inflated raw material prices and an increase in labor cost, along with changes in the financial environment such as an increase in the policy interest rate.

As discussed in the "Notes (Significant accounting policies for preparing consolidated financial statements), 4. Accounting policy, (5) Reserve for possible loan losses" to the consolidated financial statements, SMBC assesses all claims including the Loans in accordance with the internal criteria for self-assessment of asset quality, and classifies borrowers into credit categories through examining individual credit risk profiles. On the basis of each borrower category, reserves and/or write-offs are recorded based on the methods including one that uses the historical loan-loss ratios or the probability of default to estimate possible loan losses and a discounted cash flow (DCF) method, in accordance with its internal policy for write-offs and provisions. For claims originated in specific overseas countries, an additional specific overseas reserve is recorded in the amount deemed necessary based on the assessment of political and economic conditions. Additionally, considering the recent economic environment and risk factors, a potential loss amount that was deemed necessary in specific portfolios, among others, was recorded in the Reserve at the end of the current fiscal year based on an overall assessment of a probable future outlook for those portfolios that has not been fully captured in the historical data or individual borrower classification.

As discussed in the "Notes (Significant Accounting Estimates)" and the "Notes (Additional information)" to the consolidated financial statements, the assessment of the Reserve for SMBC's corporate loans involved significant estimation uncertainty, and required significant management judgment primarily in the following aspects:

- classifying borrowers into appropriate credit categories through performing a qualitative assessment, including the use of forward-looking information;
- determining whether additional reserves for specific portfolios are deemed necessary, and selecting appropriate methodologies to estimate such additional reserves based on the future outlook in light of the recent economic environment and risk factors; and
- projecting future cash flow scenarios, as an input to the DCF method, for borrowers with large claims classified mainly as substandard or lower-level classifications.

In the judgment and estimation of these elements during the current fiscal year, the rapid environment changes resulting from the high tariff measures by the U.S., the uncertain business environment arising from the current international situation involving Ukraine, the impact of prolonged high interest rates overseas and the impact of changes in the domestic business environment and other factors, including continuously inflated raw material prices and an increase in labor cost, required consideration.

We, therefore, determined that management's assessment of the Reserve for SMBC's corporate loans, specifically, classifying borrowers into credit categories through a qualitative assessment including the use of forward-looking information, determining whether additional reserves for specific portfolios are deemed necessary based on the future outlook in light of the recent economic environment and risk factors as well as determining appropriate methodologies to estimate such additional reserves, and projecting cash flow scenarios used in the DCF method, was of most significance in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.

How the matter was addressed in our audit

The primary procedures we performed to assess the reasonableness of management's assessment of the

Reserve for SMBC's corporate loans included the following:

(1) Internal control testing

We evaluated the design and tested the operating effectiveness of certain of SMBC's internal controls over its process to assess the Reserve for SMBC's corporate loans. In this assessment, we focused on the controls that related to the:

- classification of individual borrowers into credit categories through a qualitative assessment;
- determination of additional reserves for specific portfolios based on the future outlook in light of the recent economic environment and risk factors; and
- projection of future cash flow scenarios used in the DCF method.

(2) Evaluation of borrower classification taking into account qualitative factors

For SMBC's corporate borrowers that we selected based on certain criteria, we involved credit risk specialists with industry-specific knowledge and expertise who assisted us in evaluating the appropriateness of borrower classification taking into account qualitative factors through:

- analyzing the borrowers' current business performance including the sufficiency of liquidity;
- assessing the appropriateness of the borrowers' business plans used as a basis for management's borrower classification, by comparing the plans with the industry outlook and the recent performance, and also by analyzing the impact of stressed scenarios considered by management; and
- analyzing the impact of economic sanctions imposed by the governments of each country and the countermeasures taken by the Russian government on the borrowers' debt-repayment capability and financial positions, including the analysis of the current repayment status.

(3) Evaluation of the reasonableness of additional reserves for specific portfolios based on the future outlook in light of the recent economic environment and risk factors

Given the rapid environment changes resulting from the high tariff measures by the U.S., the uncertain business environment caused by the current international situation involving Ukraine, the impact of prolonged high interest rates overseas and the impact of the changes in the domestic business environment and other factors including continuously inflated raw material prices and an increase in labor cost, we evaluated the reasonableness of additional reserves for specific portfolios through:

- assessing the appropriateness of the selection of portfolios subject to additional reserves in relation to the rapid environment changes resulting from the high tariff measures by the U.S.;
- assessing the consistency of assumptions used in estimating additional reserves, especially the assumptions about the potential future deterioration in the credit status of companies that are susceptible to rapid environment changes resulting from the high tariff measures imposed by the U.S. by comparing them with available external data;
- assessing the appropriateness of the selection of portfolios subject to additional reserves, considering the analysis of the prolonged impact of economic sanctions imposed by the governments of each country and the countermeasures taken by the Russian government;
- assessing assumptions used in estimating additional reserves, especially the risks of delinquency and loan modifications related to credit exposure in Russia, considering the analysis of the prolonged impact of the economic sanctions imposed by the governments of each country and the countermeasures taken by the Russian government, and the deterioration in the credit status of Russia, including the analysis of the observed trend in the repayment of the Russian government and corporates;
- assessing the appropriateness of the selection of portfolios subject to additional reserves in relation to the prolonged high interest rates overseas ;
- assessing the consistency of assumptions used in estimating additional reserves, especially the assumptions about changes in overseas interest rates by comparing them with available external data including interest

rates outlook;

- assessing the appropriateness of the selection of portfolios subject to additional reserves in relation to the changes in the domestic business environment by comparing them including continuously inflated raw material prices and an increase in labor cost;
- assessing the appropriateness of the selection of portfolios subject to additional reserves, considering the respective industry environment by using the relevant indices and other information published by external agencies; and
- involving credit risk specialists with industry-specific knowledge and expertise who assisted us in evaluating the appropriateness of the methodologies used to estimate additional reserves considering the nature of and risk factors identified in each portfolio as well as the result of a retrospective review.

(4) Evaluation of future cash flow scenarios used in the DCF method

For borrowers that we selected based on certain criteria among those for which the reserves were calculated using the DCF method, we evaluated the appropriateness of the borrowers' future cash flow scenarios through:

- assessing the feasibility of the restructuring plans considering the recent economic environment and the prospect of future economic conditions;
- assessing the borrowers' current progress against the restructuring plans; and
- assessing the borrower's ability to repay considering the schedule and underlying sources of repayments based on the restructuring plans.

Other Information

The other information comprises the information included in the disclosure documents that contain or accompany the audited financial statements, but does not include the financial statements and our auditor's report thereon.

We do not perform any work on the other information as we determine such information does not exist.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries for the current year are 4,286 million yen and 369 million yen, respectively.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2025 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in basis of presentation in the notes to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

/S/ Takashi Kondo
Designated Engagement Partner
Certified Public Accountant

/S/ Toshihiro Ozawa
Designated Engagement Partner
Certified Public Accountant

/S/ Bumbee Nishi
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
June 19, 2025

Notes to the Reader of Independent Auditor's Report:
This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEETS MARCH 31, 2024 AND 2025

March 31	Millions of yen		Millions of U.S. dollars
	2024	2025	2025
Assets:			
Cash and due from banks	*5 ¥ 75,046,469	*5 ¥ 71,788,392	$ 480,094
Call loans and bills bought	5,933,883	5,582,978	37,337
Receivables under resale agreements	6,163,573	14,569,328	97,434
Receivables under securities borrowing transactions	2,607,042	1,187,846	7,944
Monetary claims bought	6,094,883	5,613,431	37,541
Trading assets	*5 5,656,912	*5 5,594,108	37,411
Money held in trust	0	0	0
Securities	*1, *2, *3, *5, *12 35,622,891	*1, *2, *3, *5, *12 38,861,805	259,893
Loans and bills discounted	*3, *4, *5, *6 107,763,214	*3, *4, *5, *6 111,544,762	745,969
Foreign exchanges	*3, *4 2,068,885	*3, *4 2,712,573	18,141
Lease receivables and investment assets	207,645	231,199	1,546
Other assets	*3, *5 10,142,406	*3, *5 8,916,345	59,629
Tangible fixed assets	*7, *8, *9 841,538	*7, *8, *9 842,283	5,633
Buildings	244,159	252,325	1,687
Land	368,882	372,926	2,494
Lease assets	2,629	93	1
Construction in progress	39,596	46,691	312
Other tangible fixed assets	186,271	170,246	1,139
Intangible fixed assets	420,745	481,329	3,219
Software	374,213	449,543	3,006
Lease assets	—	26	0
Other intangible fixed assets	46,532	31,760	212
Net defined benefit asset	901,362	970,420	6,490
Deferred tax assets	53,836	57,648	386
Customers' liabilities for acceptances and guarantees	*3 13,426,544	*3 13,607,059	90,999
Reserve for possible loan losses	(653,587)	(760,726)	(5,087)
Total assets	¥ 272,298,248	¥ 281,800,788	$ 1,884,577

CONSOLIDATED BALANCE SHEETS MARCH 31, 2024 AND 2025 — (Continued)

March 31		Millions of yen 2024		2025	Millions of U.S. dollars 2025
Liabilities and net assets:					
Liabilities:					
Deposits	*5	¥ 165,146,962		¥ 171,857,892	$ 1,149,320
Negotiable certificates of deposit		15,149,775		17,855,891	119,413
Call money and bills sold		1,018,349		895,876	5,991
Payables under repurchase agreements	*5	15,830,507	*5	21,951,110	146,801
Payables under securities lending transactions	*5	791,908	*5	1,405,800	9,401
Commercial paper		2,429,179		2,672,952	17,876
Trading liabilities		4,312,954		4,342,014	29,038
Borrowed money	*5, *10	24,998,606	*5, *10	21,168,133	141,564
Foreign exchanges		2,873,784		1,772,828	11,856
Bonds	*5, *11	1,144,288	*5, *11	1,015,949	6,794
Due to trust account		1,246,198		1,041,660	6,966
Other liabilities		11,668,391		10,326,165	69,057
Reserve for employee bonuses		62,064		69,179	463
Reserve for executive bonuses		1,861		1,875	13
Net defined benefit liability		9,846		6,842	46
Reserve for executive retirement benefits		642		665	4
Reserve for point service program		1,581		2,163	14
Reserve for reimbursement of deposits		9,228		5,573	37
Deferred tax liabilities		653,976		364,552	2,438
Deferred tax liabilities for land revaluation	*7	27,316	*7	26,424	177
Acceptances and guarantees		13,426,544		13,607,059	90,999
Total liabilities		260,803,969		270,390,613	1,808,270
Net assets:					
Capital stock		1,770,996		1,771,093	11,844
Capital surplus		1,977,337		1,984,494	13,272
Retained earnings		4,598,846		5,106,143	34,148
Treasury stock		(210,003)		(210,003)	(1,404)
Total stockholders' equity		8,137,177		8,651,727	57,859
Net unrealized gains (losses) on other securities		1,779,511		1,280,412	8,563
Net deferred gains (losses) on hedges		(66,285)		(167,214)	(1,118)
Land revaluation excess	*7	34,936	*7	32,849	220
Foreign currency translation adjustments		1,124,445		1,184,170	7,919
Accumulated remeasurements of defined benefit plans		282,263		277,412	1,855
Total accumulated other comprehensive income		3,154,871		2,607,630	17,439
Non-controlling interests		202,229		150,815	1,009
Total net assets		11,494,278		11,410,174	76,307
Total liabilities and net assets		¥ 272,298,248		¥ 281,800,788	$ 1,884,577

CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED MARCH 31, 2024 AND 2025

Year ended March 31		Millions of yen 2024		2025	Millions of U.S. dollars 2025
Ordinary income		¥ 7,754,385		¥ 8,448,877	$ 56,503
Interest income		5,804,382		6,478,339	43,325
Interest on loans and discounts		3,279,861		3,597,723	24,060
Interest and dividends on securities		685,280		916,648	6,130
Interest on call loans and bills bought		207,442		184,000	1,231
Interest on receivables under resale agreements		208,512		382,356	2,557
Interest on receivables under securities borrowing transactions		1,280		3,831	26
Interest on deposits with banks		575,450		638,628	4,271
Interest on lease transactions		12,483		12,185	81
Other interest income		834,070		742,966	4,969
Trust fees		8,195		9,733	65
Fees and commissions		897,865		958,962	6,413
Trading income		85,386		310,784	2,078
Other operating income		563,650		111,777	748
Lease-related income		37,780		—	—
Other		525,869		111,777	748
Other income		394,905		579,279	3,874
Recoveries of written-off claims		3,069		1,840	12
Other	*1	391,836	*1	577,439	3,862
Ordinary expenses		6,397,812		6,713,044	44,894
Interest expenses		4,279,945		4,515,931	30,201
Interest on deposits		1,673,173		1,673,534	11,192
Interest on negotiable certificates of deposit		518,584		560,149	3,746
Interest on call money and bills sold		43,798		40,427	270
Interest on payables under repurchase agreements		752,390		843,364	5,640
Interest on payables under securities lending transactions		15,512		36,120	242
Interest on commercial paper		114,768		108,515	726
Interest on borrowed money		433,131		494,658	3,308
Interest on bonds		22,320		25,079	168
Other interest expenses		706,266		734,082	4,909
Fees and commissions payments		190,953		230,340	1,540
Trading losses		57,792		5,721	38
Other operating expenses		223,677		192,204	1,285
Lease-related expenses		30,915		—	—
Other		192,761		192,204	1,285
General and administrative expenses	*2	1,376,297	*2	1,476,472	9,874
Other expenses		269,145		292,373	1,955
Provision for reserve for possible loan losses		102,317		150,842	1,009
Other	*3	166,828	*3	141,531	947
Ordinary profit		1,356,572		1,735,832	11,609

CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED MARCH 31, 2024 AND 2025 — (Continued)

Year ended March 31		Millions of yen 2024		Millions of yen 2025	Millions of U.S. dollars 2025
Extraordinary gains		¥ 19,030		¥ 3,081	$ 21
Gains on disposal of fixed assets		1,083		3,081	21
Gains on negative goodwill		10,941		—	—
Other extraordinary gains	*4	7,004		—	—
Extraordinary losses		126,284		13,370	89
Losses on disposal of fixed assets		4,937		10,694	72
Losses on impairment of fixed assets	*6	13,155	*6	2,675	18
Other extraordinary losses	*5	108,191		—	—
Income before income taxes		1,249,318		1,725,543	11,540
Income taxes-current		419,980		518,257	3,466
Income taxes-deferred		(76,684)		(33,048)	(221)
Income taxes		343,295		485,208	3,245
Profit		906,023		1,240,334	8,295
Profit attributable to non-controlling interests		4,087		3,991	27
Profit attributable to owners of parent		¥ 901,935		¥ 1,236,342	$ 8,268

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED MARCH 31, 2024 AND 2025

Year ended March 31		Millions of yen			Millions of U.S. dollars
		2024		2025	2025
Profit		¥ 906,023		¥ 1,240,334	$ 8,295
Other comprehensive income (losses)	*1	1,345,270	*1	(546,809)	(3,657)
Net unrealized gains (losses) on other securities		798,029		(501,287)	(3,352)
Net deferred gains (losses) on hedges		(48,625)		(98,112)	(656)
Foreign currency translation adjustments		443,098		(7,257)	(49)
Remeasurements of defined benefit plans		151,620		(4,901)	(33)
Share of other comprehensive income of affiliates		1,148		64,749	433
Total comprehensive income		2,251,293		693,525	4,638
Comprehensive income attributable to owners of parent		2,235,783		691,189	4,622
Comprehensive income attributable to non-controlling interests		15,509		2,335	16

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED MARCH 31, 2024 AND 2025

	Millions of yen				
	Stockholders' equity				
Year ended March 31, 2024	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of the fiscal year	¥ 1,770,996	¥ 1,965,682	¥ 4,239,771	¥ (210,003)	¥ 7,766,447
Changes in the fiscal year					
Cash dividends			(542,929)		(542,929)
Profit attributable to owners of parent			901,935		901,935
Changes in shareholders' interest due to transaction with non-controlling interests		11,654			11,654
Reversal of land revaluation excess			68		68
Net changes in items other than stockholders' equity in the fiscal year					
Net changes in the fiscal year	—	11,654	359,074	—	370,729
Balance at the end of the fiscal year	¥ 1,770,996	¥ 1,977,337	¥ 4,598,846	¥ (210,003)	¥ 8,137,177

	Millions of yen					
	Accumulated other comprehensive income					
Year ended March 31, 2024	Net unrealized gains (losses) on other securities	Net deferred gains (losses) on hedges	Land revaluation excess	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total
Balance at the beginning of the fiscal year	¥ 972,941	¥ (15,964)	¥ 35,005	¥ 697,887	¥ 131,222	¥ 1,821,091
Changes in the fiscal year						
Cash dividends						
Profit attributable to owners of parent						
Changes in shareholders' interest due to transaction with non-controlling interests						
Reversal of land revaluation excess						
Net changes in items other than stockholders' equity in the fiscal year	806,570	(50,320)	(68)	426,557	151,040	1,333,779
Net changes in the fiscal year	806,570	(50,320)	(68)	426,557	151,040	1,333,779
Balance at the end of the fiscal year	¥ 1,779,511	¥ (66,285)	¥ 34,936	¥ 1,124,445	¥ 282,263	¥ 3,154,871

	Millions of yen	
Year ended March 31, 2024	Non-controlling interests	Total net assets
Balance at the beginning of the fiscal year	¥ 147,969	¥ 9,735,509
Changes in the fiscal year		
Cash dividends		(542,929)
Profit attributable to owners of parent		901,935
Changes in shareholders' interest due to transaction with non-controlling interests		11,654
Reversal of land revaluation excess		68
Net changes in items other than stockholders' equity in the fiscal year	54,259	1,388,039
Net changes in the fiscal year	54,259	1,758,769
Balance at the end of the fiscal year	¥ 202,229	¥ 11,494,278

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED MARCH 31, 2024 AND 2025 — (Continued)

	Millions of yen				
	Stockholders' equity				
Year ended March 31, 2025	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of the fiscal year	¥ 1,770,996	¥ 1,977,337	¥ 4,598,846	¥ (210,003)	¥ 8,137,177
Changes in the fiscal year					
Issuance of new stock	96	96			193
Cash dividends			(731,201)		(731,201)
Profit attributable to owners of parent			1,236,342		1,236,342
Changes in shareholders' interest due to transaction with non-controlling interests		309			309
Increase due to increase in subsidiaries		6,750			6,750
Increase due to decrease in subsidiaries			67		67
Reversal of land revaluation excess			2,087		2,087
Net changes in items other than stockholders' equity in the fiscal year					
Net changes in the fiscal year	96	7,157	507,296	—	514,550
Balance at the end of the fiscal year	¥ 1,771,093	¥ 1,984,494	¥ 5,106,143	¥ (210,003)	¥ 8,651,727

	Millions of yen					
	Accumulated other comprehensive income					
Year ended March 31, 2025	Net unrealized gains (losses) on other securities	Net deferred gains (losses) on hedges	Land revaluation excess	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total
Balance at the beginning of the fiscal year	¥ 1,779,511	¥ (66,285)	¥ 34,936	¥ 1,124,445	¥ 282,263	¥ 3,154,871
Changes in the fiscal year						
Issuance of new stock						
Cash dividends						
Profit attributable to owners of parent						
Changes in shareholders' interest due to transaction with non-controlling interests						
Increase due to increase in subsidiaries						
Increase due to decrease in subsidiaries						
Reversal of land revaluation excess						
Net changes in items other than stockholders' equity in the fiscal year	(499,099)	(100,928)	(2,087)	59,725	(4,850)	(547,240)
Net changes in the fiscal year	(499,099)	(100,928)	(2,087)	59,725	(4,850)	(547,240)
Balance at the end of the fiscal year	¥ 1,280,412	¥ (167,214)	¥ 32,849	¥ 1,184,170	¥ 277,412	¥ 2,607,630

Year ended March 31, 2025	Millions of yen	
	Non-controlling interests	Total net assets
Balance at the beginning of the fiscal year	¥ 202,229	¥ 11,494,278
Changes in the fiscal year		
Issuance of new stock		193
Cash dividends		(731,201)
Profit attributable to owners of parent		1,236,342
Changes in shareholders' interest due to transaction with non-controlling interests		309
Increase due to increase in subsidiaries		6,750
Increase due to decrease in subsidiaries		67
Reversal of land revaluation excess		2,087
Net changes in items other than stockholders' equity in the fiscal year	(51,413)	(598,654)
Net changes in the fiscal year	(51,413)	(84,104)
Balance at the end of the fiscal year	¥ 150,815	¥ 11,410,174

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED MARCH 31, 2024 AND 2025 — (Continued)

	Millions of U.S. dollars				
	Stockholders' equity				
Year ended March 31, 2025	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of the fiscal year	$ 11,844	$ 13,224	$ 30,755	$ (1,404)	$ 54,418
Changes in the fiscal year					
Issuance of new stock	1	1			1
Cash dividends			(4,890)		(4,890)
Profit attributable to owners of parent			8,268		8,268
Changes in shareholders' interest due to transaction with non-controlling interests		2			2
Increase due to increase in subsidiaries		45			45
Increase due to decrease in subsidiaries			0		0
Reversal of land revaluation excess			14		14
Net changes in items other than stockholders' equity in the fiscal year					
Net changes in the fiscal year	1	48	3,393	—	3,441
Balance at the end of the fiscal year	$ 11,844	$ 13,272	$ 34,148	$ (1,404)	$ 57,859

	Millions of U.S. dollars					
	Accumulated other comprehensive income					
Year ended March 31, 2025	Net unrealized gains (losses) on other securities	Net deferred gains (losses) on hedges	Land revaluation excess	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total
Balance at the beginning of the fiscal year	$ 11,901	$ (443)	$ 234	$ 7,520	$ 1,888	$ 21,099
Changes in the fiscal year						
Issuance of new stock						
Cash dividends						
Profit attributable to owners of parent						
Changes in shareholders' interest due to transaction with non-controlling interests						
Increase due to increase in subsidiaries						
Increase due to decrease in subsidiaries						
Reversal of land revaluation excess						
Net changes in items other than stockholders' equity in the fiscal year	(3,338)	(675)	(14)	399	(32)	(3,660)
Net changes in the fiscal year	(3,338)	(675)	(14)	399	(32)	(3,660)
Balance at the end of the fiscal year	$ 8,563	$ (1,118)	$ 220	$ 7,919	$ 1,855	$ 17,439

	Millions of U.S. dollars	
Year ended March 31, 2025	Non-controlling interests	Total net assets
Balance at the beginning of the fiscal year	$ 1,352	$ 76,869
Changes in the fiscal year		
Issuance of new stock		1
Cash dividends		(4,890)
Profit attributable to owners of parent		8,268
Changes in shareholders' interest due to transaction with non-controlling interests		2
Increase due to increase in subsidiaries		45
Increase due to decrease in subsidiaries		0
Reversal of land revaluation excess		14
Net changes in items other than stockholders' equity in the fiscal year	(344)	(4,004)
Net changes in the fiscal year	(344)	(562)
Balance at the end of the fiscal year	$ 1,009	$ 76,307

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2024 AND 2025

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2024	2025	2025
Cash flows from operating activities:			
Income before income taxes	¥ 1,249,318	¥ 1,725,543	$ 11,540
Depreciation	162,889	149,256	998
Losses on impairment of fixed assets	13,155	2,675	18
Amortization of goodwill	9,268	396	3
Gains on negative goodwill	(10,941)	—	—
Losses related to sale of freight car leasing business	108,191	—	—
Net (gains) losses on step acquisitions	(7,004)	—	—
Equity in net (gains) losses of affiliates	(57,831)	(2,678)	(18)
Net change in reserve for possible loan losses	37,819	109,077	729
Net change in reserve for employee bonuses	5,959	5,101	34
Net change in reserve for executive bonuses	228	31	0
Net change in net defined benefit asset and liability	(198,335)	(71,723)	(480)
Net change in reserve for executive retirement benefits	46	23	0
Net change in reserve for point service program	441	581	4
Net change in reserve for reimbursement of deposits	(1,616)	(3,655)	(24)
Interest income	(5,804,382)	(6,478,339)	(43,325)
Interest expenses	4,279,945	4,515,931	30,201
Net (gains) losses on securities	(154,212)	(443,488)	(2,966)
Net (gains) losses from money held in trust	(0)	(0)	(0)
Net exchange (gains) losses	(976,268)	(5,655)	(38)
Net (gains) losses from disposal of fixed assets	3,853	7,613	51
Net change in trading assets	(1,471,470)	(203,935)	(1,364)
Net change in trading liabilities	238,974	(88,044)	(589)
Net change in loans and bills discounted	(7,210,328)	(3,856,651)	(25,792)
Net change in deposits	4,700,176	6,804,160	45,504
Net change in negotiable certificates of deposit	1,865,774	2,709,958	18,123
Net change in borrowed money (excluding subordinated borrowings)	287,746	(4,106,137)	(27,460)
Net change in deposits with banks	(464,650)	2,232,432	14,930
Net change in call loans and bills bought and others	(954,333)	(7,342,495)	(49,104)
Net change in receivables under securities borrowing transactions	(994,626)	1,425,466	9,533
Net change in call money and bills sold and others	1,587,803	5,725,030	38,287
Net change in commercial paper	(23,991)	202,913	1,357
Net change in payables under securities lending transactions	353,814	608,220	4,068
Net change in foreign exchanges (assets)	(109,651)	(646,936)	(4,326)
Net change in foreign exchanges (liabilities)	1,373,002	(1,100,371)	(7,359)
Net change in lease receivables and investment assets	48,280	(16,993)	(114)
Issuance and redemption of bonds (excluding subordinated bonds)	1,041,789	(147,010)	(983)
Net change in due to trust account	(1,808,738)	(204,537)	(1,368)
Interest received	5,717,746	6,517,027	43,583
Interest paid	(4,126,886)	(4,516,304)	(30,203)
Other, net	882,809	581,489	3,889
Subtotal	(406,234)	4,087,971	27,339
Income taxes paid	(248,381)	(477,870)	(3,196)
Net cash provided by (used in) operating activities	(654,615)	3,610,101	24,143

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2024 AND 2025 — (Continued)

Year ended March 31		Millions of yen 2024		Millions of yen 2025	Millions of U.S. dollars 2025
Cash flows from investing activities:					
Purchases of securities		¥ (37,730,245)		¥ (49,539,926)	$ (331,304)
Proceeds from sale of securities		14,123,688		18,174,997	121,548
Proceeds from redemption of securities		23,091,154		27,475,830	183,748
Purchases of money held in trust		(0)		(0)	(0)
Proceeds from sale of money held in trust		0		0	0
Purchases of tangible fixed assets		(111,136)		(87,168)	(583)
Proceeds from sale of tangible fixed assets		3,768		7,925	53
Purchases of intangible fixed assets		(152,306)		(158,447)	(1,060)
Proceeds from acquisition of stocks of subsidiaries resulting in change in scope of consolidation		—		296	2
Purchases of stocks of subsidiaries resulting in change in scope of consolidation		(32,356)		(812)	(5)
Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation	*2	72,892		—	—
Net cash provided by (used in) investing activities		(734,541)		(4,127,304)	(27,602)
Cash flows from financing activities:					
Proceeds from subordinated borrowings		1,939,680		1,742,318	11,652
Repayment of subordinated borrowings		(620,342)		(1,360,759)	(9,100)
Dividends paid		(542,929)		(731,201)	(4,890)
Dividends paid to non-controlling stockholders		(8,271)		(611)	(4)
Purchases of treasury stocks of subsidiaries		—		(51,683)	(346)
Proceeds from sale of treasury stocks of subsidiaries		4		0	0
Net cash provided by (used in) financing activities		768,141		(401,937)	(2,688)
Effect of exchange rate changes on cash and cash equivalents		508,070		(46,759)	(313)
Net change in cash and cash equivalents		(112,945)		(965,899)	(6,460)
Cash and cash equivalents at the beginning of the fiscal year		64,265,790		64,152,845	429,030
Cash and cash equivalents at the end of the fiscal year	*1	¥ 64,152,845	*1	¥ 63,186,945	$ 422,570

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2024 AND 2025

(Basis of presentation)

Sumitomo Mitsui Banking Corporation ("SMBC"), a wholly owned subsidiary of Sumitomo Mitsui Financial Group, Inc. provides an extensive range of wholesale and retail banking services to its customers in Japan and overseas. SMBC has prepared the accompanying consolidated financial statements in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards ("IFRS").

The accounts of overseas subsidiaries and affiliated companies are, in principle, integrated with those of SMBC's accounting policies for purposes of consolidation unless they apply different accounting principles and standards as required under U.S. GAAP or IFRS, in which case a certain limited number of items are adjusted based on their materiality.

These consolidated financial statements are translated from the consolidated financial statements contained in the annual securities report filed under the Financial Instruments and Exchange Act of Japan ("FIEA based financial statements") except for the addition of the non-consolidated financial statements and U.S. dollar figures.

Amounts less than ¥1 million have been rounded down. As a result, the totals in Japanese yen shown in the financial statements do not necessarily agree with the sum of the individual amounts.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2025 which was ¥149.53 to US$1. These translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at that rate.

(Significant Accounting Policies for Preparing Consolidated Financial Statements)

1. Scope of consolidation

(1) Consolidated subsidiaries

The number of consolidated subsidiaries at March 31, 2025 was 113.

Principal companies: SMBC Trust Bank Ltd. ("SMBC Trust")
SMBC Bank International plc
SMBC Bank EU AG
Sumitomo Mitsui Banking Corporation (China) Limited
PT Bank SMBC Indonesia Tbk
SMBC Americas Holdings, Inc.

Changes in the consolidated subsidiaries in the fiscal year ended March 31, 2025 were as follows:
5 companies were newly included in the scope of consolidation due to new establishment and other reasons.
SMBC DIP Limited and 3 other companies were excluded from the scope of consolidation as they ceased to be subsidiaries due to the liquidation and other reasons.
PT Bank BTPN Tbk changed its name to PT Bank SMBC Indonesia Tbk.

(2) Unconsolidated subsidiaries

Principal company: Energy Opportunity Fund, L.P.

6 of the unconsolidated subsidiaries were investment partnerships, and neither their assets nor profit/loss were substantially attributable to the said subsidiaries, and thus were excluded from the scope of consolidation pursuant to Article 5, Paragraph 1, Item 2 of the Ordinance on the Terminology, Forms, and Preparation Methods of Consolidated Financial Statements.

(3) Entities not regarded as subsidiaries even though SMBC owns the majority of voting rights in its own account:

Tamago & Company Inc.
UDI Building Confirmations and Inspections. Inc.
Fustnot Inc.
Aqua Clara, inc.
Aqua Clara Lemon Gas Holdings Co., Ltd.

(Reasons not regarded as subsidiaries)
SMBC's consolidated subsidiary conducting investment business owned the majority of their voting rights primarily to obtain capital gains through investments or restructuring of their business, without any intent to control.

2. Application of the equity method

(1) Unconsolidated subsidiaries accounted for by the equity method

There were no corresponding companies.

(2) Equity method affiliates

The number of affiliates accounted for by the equity method at March 31, 2025 was 152.

Principal company: The Bank of East Asia, Limited

Changes in the equity method affiliates in the fiscal year ended March 31, 2025 were as follows:
1 company became equity method affiliates due to new establishment.
88 companies were excluded from the scope of equity method affiliates as they ceased to be equity method affiliates due to the liquidation and other reasons.

(3) Unconsolidated subsidiaries not accounted for by the equity method

6 of the unconsolidated subsidiaries not accounted for by the equity method were investment partnerships, and neither their assets nor profit/loss were substantially attributable to the said subsidiaries, and thus were excluded from the scope of equity method pursuant to Article 10, Paragraph 1, Item 2 of the Ordinance on the Terminology, Forms, and Preparation Methods of Consolidated Financial Statements.

(4) Affiliates not accounted for by the equity method

Principal company: Park Square Capital / SMBC Loan Programme S.à r.l.

Affiliates not accounted for by the equity method were also excluded from the scope of equity method because their total amounts of net income and retained earnings were immaterial, and as such, they did not hinder a rational judgment of financial position and results of operations of SMBC and its consolidated subsidiaries when excluded from the scope of equity method.

3. The balance sheet dates of consolidated subsidiaries

(1) The balance sheet dates of the consolidated subsidiaries at March 31, 2025 were as follows:

June 30	1
October 31	2
November 30	2
December 31	69
March 31	39

(2) The subsidiary with a balance sheet date of June 30 is consolidated using financial statements as of December 31. The subsidiaries with balance sheet dates of October 31 are consolidated using financial statements as of January 31. The subsidiaries with balance sheet dates of November 30 are consolidated using financial statements as of March 31. Certain subsidiaries with balance sheet dates of December 31 are consolidated using financial statements as of March 31. Other subsidiaries are consolidated using financial statements as of their respective balance sheet dates.

Appropriate adjustments are made to material transactions during the periods between their respective balance sheet dates and the consolidated closing dates.

4. Accounting policies

(1) Standards for recognition and measurement of trading assets/liabilities and trading income/losses

Transactions for trading purposes (seeking gains arising from short-term changes in interest rates, currency exchange rates, or market prices of securities and other market related indices or from variation among markets) are included in "Trading assets" or "Trading liabilities" on the consolidated balance sheets on a trade date basis. Profits and losses on trading-purpose transactions are recognized on a trade date basis, and recorded as "Trading income" and "Trading losses" on the consolidated statements of income.

Securities and monetary claims purchased for trading purposes are stated at the fiscal year-end market value, and financial derivatives such as swaps, futures and options are stated at amounts that would be settled if the transactions were terminated at the consolidated balance sheet date.

"Trading income" and "Trading losses" include interest received or paid during the fiscal year. The valuation differences of securities and monetary claims between the end of the fiscal year ended March 31, 2024 and the end of the fiscal year ended March 31, 2025 were also recorded in the above-mentioned accounts. As for the derivatives, assuming that the settlement will be made in cash, the valuation differences between the end of the fiscal year ended March 31, 2024 and the end of the fiscal year ended March 31, 2025 were also recorded in the above-mentioned accounts.

In terms of the evaluation of specific market risks and credit risks for derivative transactions, those fair values are calculated on a group basis of the financial assets and liabilities based on net asset or liability after offsetting.

(2) Standards for recognition and measurement of securities

1) Debt securities that are classified as held-to-maturity securities are carried at amortized cost (based on straight-line method) using the moving-average method. Investments in affiliates that are not accounted for by the equity method are carried at cost using the moving-average method. Other securities are carried at their period-end market prices (cost of securities sold is calculated using primarily the moving-average method). Stocks with no market prices are carried at cost using the moving-average method.

Net unrealized gains (losses) on other securities, net of income taxes, are included in "Net assets" except for the amount reflected on the gains or losses by applying fair value hedge accounting.

2) Securities included in money held in trust are carried in the same method as in (1) and (2) 1) above.

(3) Standards for recognition and measurement of derivative transactions

Derivative transactions, excluding those classified as trading derivatives, are carried at fair value.

In terms of the evaluation of specific market risks and credit risks for derivative transactions, those fair values are calculated on a group basis of the financial assets and liabilities based on net asset or liability after offsetting.

(4) Depreciation

1) Tangible fixed assets (excluding lease assets)

Buildings owned by SMBC are primarily depreciated using the straight-line method.
The estimated useful lives of major items are as follows:

Buildings: 7 to 50 years
Others: 2 to 20 years

The consolidated subsidiaries depreciate tangible fixed assets primarily using the straight-line method over the estimated useful lives of the respective assets.

2) Intangible fixed assets

Intangible fixed assets are depreciated using the straight-line method. Capitalized software for internal use owned by SMBC and its consolidated domestic subsidiaries is depreciated over its estimated useful life (5 to 10 years).

3) Lease assets

Lease assets with respect to non-transfer ownership finance leases, which are recorded in "Tangible fixed assets," are depreciated using the straight-line method, assuming that lease terms are their expected lifetime and salvage values are zero.

(5) Reserve for possible loan losses

The reserve for possible loan losses of SMBC and major consolidated subsidiaries is provided as detailed below in accordance with the internal standards for write-offs and provisions.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings ("Bankrupt borrowers") or borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation ("Effectively bankrupt borrowers"), a reserve is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees. For claims on borrowers that are not currently bankrupt but are perceived to have a high risk of falling into bankruptcy ("Potentially bankrupt borrowers"), a reserve is provided in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees.

SMBC applies Discounted Cash Flows ("DCF") method for claims of large borrowers exceeding a certain amount, of which borrowers categories are bankrupt borrowers, effectively bankrupt borrowers and potentially bankrupt borrowers and whole or part of loans are classified as "Past due loans (3 months or more)" or "Restructured loans" requiring close monitoring, and whose cash flows from collection of principals and interest can be rationally estimated. SMBC establishes a reserve for possible loan losses using the DCF method for such claims in the amount of the difference between the present value of principal and interest (calculated using the rationally estimated cash flows discounted at the initial contractual interest rate) and the book value.

For other claims, they are recorded by estimating the amount of expected loss in the next one year or three years. The estimated amount of expected loss is calculated by using average ratio of loan-loss ratio or probability of default for certain periods in the past based on actual loan losses or default in the past one year or three years, and by making necessary adjustments including future estimations.

In addition, in light of the latest economic situation and risk factors, for potential losses for specific portfolios that are based on the future prospects with high probability, but cannot be reflected in actual loan losses in the past and in any individual borrower's classification, a reserve is provided in the amount deemed necessary based on an overall assessment.

For claims originated in specific overseas countries, an additional reserve is provided in the amount deemed necessary based on the assessment of political and economic conditions.

Branches and credit supervision departments assess all claims in accordance with the internal rules for self-assessment of assets, and the credit review department, independent from these operating sections, audits their assessment.

The reserve for possible loan losses of other consolidated subsidiaries for general claims is provided in the amount deemed necessary based on the historical loan-loss ratios, and for doubtful claims in the amount deemed uncollectible based on assessment of each claim.

For collateralized or guaranteed claims on bankrupt borrowers and effectively bankrupt borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and written off against the total outstanding amount of the claims. The amounts written off for the fiscal years ended March 31, 2024, and 2025, were ¥223,779 million and ¥212,947 million, respectively.

(6) Reserve for employee bonuses

The reserve for employee bonuses is provided for payment of bonuses to employees, in the amount of estimated bonuses, which are attributable to the fiscal year.

(7) Reserve for executive bonuses

The reserve for executive bonuses is provided for payment of bonuses to executives, in the amount of estimated bonuses, which are attributable to the fiscal year.

(8) Reserve for executive retirement benefits

The reserve for executive retirement benefits is provided for payment of retirement benefits to executives, in the amount of deemed accrued at the period-end based on SMBC's internal regulations.

(9) Reserve for point service program

The reserve for point service program is provided for the potential future redemption of points awarded to customers under the "V Point" which is the Group-wide point service program. The amount is calculated by converting the outstanding points into a monetary amount, and rationally estimating and recognizing the amount that will be redeemed in the future.

(10) Reserve for reimbursement of deposits

The reserve for reimbursement of deposits which were derecognized as liabilities under certain conditions is provided for the possible losses on future claims of withdrawal based on the historical reimbursements.

(11) Employee retirement benefits

In calculating the projected benefit obligation, mainly the benefit formula basis is used to attribute the expected benefit to the period by the end of the fiscal year.

Unrecognized prior service cost is amortized on a straight-line basis, primarily over 9 years within the employees' average remaining service period at incurrence.

Unrecognized net actuarial gain (loss) is amortized on a straight-line basis, primarily over 9 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

(12) Revenue recognition

1) Revenue recognition

Revenue from contracts with customers is recognized by identifying the satisfaction of performance obligation of each of the transactions based on the actual transaction of the contractual coverage.

2) Revenue recognition of major transactions

Regarding revenue from contracts with customers, the contractual coverage and timing of identifying the satisfaction of performance obligation of each item of fees and commissions are determined as follows.

Revenue for deposits and loans, mainly including the commission fees, etc. for account transfer and commissions for administration fees during the loan period of syndicated loans, is recognized when the transaction starts with the customer or over the period of the transaction of the related services.

Revenue for remittances and transfers, mainly including the fees for domestic and overseas remittances, is recognized when the related services are provided.

Revenue for securities-related business, mainly including trading commissions such as sales commissions of stocks and bonds, is recognized when the transaction starts with the customer.

Revenue for agency business, mainly including the accepted commissions between banks due to online alliances commissions fees, etc. for proxy office management, is recognized when the transaction starts with the customer or over the period of the transaction of the related service.

Revenue for safe deposits, mainly including storage fees for safekeeping deposit and usage fees of safes and protective boxes, is recognized over the period of the transaction of the related service.

Revenue for investment trusts, mainly including the commissions for processing sales and records management of investment trusts, etc., is recognized when the transaction starts with the customer or over the period of the transaction of the related service.

(13) Translation of foreign currency assets and liabilities

Assets and liabilities of SMBC denominated in foreign currencies and accounts of SMBC overseas branches are translated into Japanese yen mainly at the exchange rate prevailing at the consolidated balance sheet date, with the exception of stocks of subsidiaries and affiliates translated at rates prevailing at the time of acquisition.

Consolidated subsidiaries' assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at their respective balance sheet dates.

(14) Lease transactions

1) Recognition of income on finance leases

Interest income is allocated to each period.

2) Recognition of income on operating leases

Primarily, lease-related income is recognized on a straight-line basis over the full term of the lease, based on the contractual amount of lease fees per month.

(15) Hedge accounting

1) Hedging against interest rate changes

As for the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, SMBC applies deferred hedge accounting.

SMBC applies deferred hedge accounting stipulated in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Committee Practical Guideline No. 24, March 17, 2022) to portfolio hedges on groups of large-volume, small-value monetary claims and debts.

As for the portfolio hedges to offset market fluctuation, SMBC assesses the effectiveness of such hedges by classifying the hedged items (such as deposits and loans) and the hedging instruments (such as interest rate swaps) by their maturity. As for the portfolio hedges to fix cash flows, SMBC assesses the effectiveness of such hedges by verifying the correlation between the hedged items and the hedging instruments.

As for the individual hedges, SMBC also assesses the effectiveness of such individual hedges.

2) Hedging against currency fluctuations

SMBC applies deferred hedge accounting stipulated in "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Committee Practical Guideline No. 25, October 8, 2020) to currency swap and foreign exchange swap transactions executed for the purpose of lending or borrowing funds in different currencies.

Pursuant to JICPA Industry Committee Practical Guideline No. 25, SMBC assesses the effectiveness of currency swap and foreign exchange swap transactions executed for the purpose of offsetting the risk of changes in currency exchange rates by verifying that there are foreign-currency monetary claims and debts corresponding to the foreign-currency positions.

In order to hedge risk arising from volatility of exchange rates for stocks of subsidiaries and affiliates and other securities (excluding bonds) denominated in foreign currencies, SMBC applies deferred hedge accounting or fair value hedge accounting, on the conditions that the hedged securities are designated in advance and that sufficient on-balance (actual) or off-balance (forward) liability exposure exists to cover the cost of the hedged securities denominated in the same foreign currencies.

3) Hedging against share price fluctuations

SMBC applies fair value hedge accounting to individual hedges offsetting the price fluctuation of the shares that are classified under other securities, and accordingly evaluates the effectiveness of such individual hedges.

4) Transactions between consolidated subsidiaries

As for derivative transactions between consolidated subsidiaries or internal transactions between trading accounts and other accounts (or among internal sections), SMBC manages the interest rate swaps and currency swaps that are designated as hedging instruments in accordance with the non-arbitrary and strict criteria for external transactions stipulated in JICPA Industry Committee Practical Guidelines No. 24 and No. 25. Therefore, SMBC accounts for the gains or losses that arise from interest rate swaps and currency swaps in its earnings or defers them, rather than eliminating them.

Certain consolidated subsidiaries apply the deferred hedge accounting, fair value hedge accounting or the special treatment for interest rate swaps.

(16) Amortization of goodwill

Goodwill is amortized using the straight-line method over a period in which its benefit is expected to be realized, not to exceed 20 years. Immaterial goodwill is charged or credited to income directly when incurred.

(17) Scope of "Cash and cash equivalents" on consolidated statements of cash flows

For the purposes of presenting the consolidated statements of cash flows, "Cash and cash equivalents" are cash on hand, non-interest earning deposits with banks and deposits with the Bank of Japan.

(18) Adoption of the group tax sharing system

SMBC and certain consolidated domestic subsidiaries apply the group tax sharing system in which Sumitomo Mitsui Financial Group, Inc. is the parent company of the group tax sharing system.

(Significant Accounting Estimates)

1. Reserve for possible loan losses

(1) The amount recorded in the consolidated financial statements for the fiscal year ended March 31, 2024 and 2025

	Millions of yen	
Year ended March 31	2024	2025
Reserve for possible loan losses	¥ 653,587	¥ 760,726

(2) Information on details of the significant accounting estimates for the identified item

Based on the assessment of all claims including loans and bills discounted conducted in accordance with the self-assessment procedures, and borrower category determined depending on their credit risk status, the following amounts are recorded as a reserve for possible loan losses.

- The estimated amount of expected loss calculated for each borrower category based on the average value of historical loan-loss ratio or probability of default over a certain past period is recorded as a reserve for loan losses

- As for claims classified as substandard or lower-level classifications whose cash flows from collection of principals and interest can rationally be estimated, the Discounted Cash Flows ("DCF") method is applied for ones with large borrowers of those claims and the amount calculated by the DCF method is recorded as a reserve for loan losses

- As for expected loss based on the future prospects with high probability, but cannot be reflected in historical loan-losses and in any individual borrower category, the amount deemed necessary based on an overall assessment is recorded as a reserve for loan losses

Reserve for possible loan losses recorded by the method above involves the following uncertainties in the process of estimation, hence requiring high-level managerial judgment.

- Consideration for qualitative factors including forward-looking information in determining borrower category

- Reasonable estimation of future individual cash flows in the DCF method

- Determination of a method for estimating expected loss based on future prospect in consideration of the latest economic environment and risk factors, and of the targeted portfolio

These may be affected by changes in the economic environment, which have a potentially significant impact on the amount of reserve for possible loan losses for the next fiscal year.

(Note) For the estimation of the reserve for possible loan losses in consideration of tariff measures in the U.S., the impact of the current international situation involving Ukraine, the impact of the prolonged high interest rates overseas, and the changes in domestic business environment and other factors, refer to (Additional Information).

2. Impairment loss for fixed assets

(1) The amount recorded in the consolidated financial statements for the fiscal year ended March 31, 2024 and 2025

	Millions of yen	
Year ended March 31	2024	2025
Tangible fixed assets	¥ 841,538	¥ 842,283
Intangible fixed assets	420,745	481,329
Losses on impairment of fixed assets	13,155	2,675

(2) Information on details of the significant accounting estimates for the identified item

(Grouping of assets)

As for land and buildings, etc., at SMBC, a branch is the smallest unit of asset group, and intangible fixed assets and assets of Head Office, etc. which do not produce independent cash flows are treated as corporate assets. Corporate assets that are reasonably deemed to be used solely by each business unit are identified as each business unit's corporate assets, and impairment assessments for these assets are conducted on a business unit basis together with other related fixed assets. As for other corporate assets, impairment is recognized on a company level.

(Identifying indication of impairment, and testing and calculating recognition of impairment loss)

Fixed assets that have an indication of impairment are tested for recognition of impairment loss, and if recognition is required, their book values are reduced to the recoverable amount and the reduced amount is recorded as impairment loss. Recoverable amount is either net realizable value, which is deducting expected disposal cost from fair value of the fixed asset, or value in use which is the present value of cash flows expected to derive from the continuous use and disposal of the fixed asset after use.

Future cash flows and the growth rate used for testing the recognition of impairment loss as well as for calculating value in use are determined based on the factors including the estimation or judgment by management and the market growth rate, etc. Discount rate used for calculating value in use is determined based on the market interest rate and other market conditions, and these may be affected by changes in economic and financial environment. Therefore, if modification is required, it may have a potentially significant impact on the amount of impairment loss for fixed assets for the next fiscal year.

3. Fair value of financial instruments

(1) The amount recorded in the consolidated financial statements for the fiscal year ended March 31, 2025

This is stated in (Notes to Financial Instruments).

(2) Information on details of the significant accounting estimates for the identified item

This is stated in (Notes to Financial Instruments).

4. Retirement benefits expenses and retirement benefit obligations

(1) The amount recorded in the consolidated financial statements for the fiscal year ended March 31, 2024 and 2025

	Millions of yen	
Year ended March 31	2024	2025
Net defined benefit asset	¥ 901,362	¥ 970,420
Net defined benefit liability	9,846	6,842
Retirement benefit expenses included in general and administrative expenses	(19,101)	(36,976)

(2) Information on details of the significant accounting estimates for the identified item

Retirement benefit expenses and retirement benefit obligations for the defined benefit plans for employees are recorded based on various assumptions including discount rate, employee turnover and future salary increase rate.

Discount rate is determined based on Japanese government bond yields, while the indicators such as employee turnover and future salary increase rate are determined based on historical data as well as the latest information on future outlook. Determining these key factors and metrics requires high-level managerial judgment, and if modifications are required, it may have significant impact on the amounts of retirement benefit expenses and retirement benefit obligations for the next fiscal year.

5. Deferred tax assets

(1) The amount recorded in the consolidated financial statements for the fiscal year ended March 31, 2024 and 2025

	Millions of yen	
Year ended March 31	2024	2025
Deferred tax assets	¥ 53,836	¥ 57,648
Deferred tax liabilities	653,976	364,552

(2) Information on details of the significant accounting estimates for the identified item

The amount of tax associated with temporary differences is recorded as deferred tax assets or deferred tax liabilities excluding the amount of tax that is not expected to be collected or paid in the future accounting periods. Deferred tax assets and deferred tax liabilities of the entire group tax sharing entities are offset and presented on a net basis.

While the recoverability of deferred tax assets is determined by reasonably estimating the scheduling of temporary differences and taxable income, in the event of changes to the scheduling of temporary differences, taxable income which is lower than initial estimation, or tax reform such as reduction of corporate income tax rate, there is a potentially significant impact on the amount of deferred tax assets for the next fiscal year.

(Changes in Accounting Policies)

Application of Accounting Standard for Current Income Taxes, etc.

SMBC applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No.27, October 28, 2022), the "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No.25, October 28, 2022) and the "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No.28, October 28, 2022) from the beginning of the fiscal year ended March 31, 2025.

As for the revision of accounting classification of current income taxes (taxation on Other comprehensive income) in accordance with the transitional treatment stipulated in the proviso of Paragraph 20-3 of the Accounting Standard for Current Income Taxes and the proviso of Paragraph 65-2, Item 2 of the Implementation Guidance on Accounting Standard for Tax Effect Accounting, the cumulative effects of the retroactive application of the new accounting policies prior to the beginning of the fiscal year ended March 31, 2025, were adjusted to "Retained earnings" at the beginning of the fiscal year ended March 31, 2025. Furthermore, the corresponding amounts were appropriately allocated among "Capital surplus", "Valuation and translation adjustments" or "Total accumulated other comprehensive income," and new accounting standards were applied from the beginning of the fiscal year ended March 31, 2025. As for the revision to review the treatment of gains or losses on sales arising from the sale of subsidiaries' stocks and others among consolidated companies in the consolidated financial statements, in cases where the gains or losses on sales are deferred for tax purposes, SMBC applied the Implementation Guidance on Accounting Standard for Tax Effect Accounting from the beginning of the fiscal year ended March 31, 2025.

There were no significant effects on SMBC's consolidated financial statements due to the application of the Implementation Guidance.

(Unapplied Accounting Standards and Others)

1. "Accounting Standard for Leases" (ASBJ Statement No.34, September 13, 2024) and "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No.33, September 13, 2024), etc.

(1) Outline

The Accounting Standard and the Implementation Guidance were revised to enhance comparability with the provisions of international accounting standards, with the aim of treating all leases as a form of financial provision for the lessee and separately recognizing depreciation expenses related to right-of-use assets and interest expenses on lease liabilities.

(2) Scheduled date of Application

SMBC will apply the Accounting Standard and the Implementation Guidance from the beginning of the fiscal year commencing on April 1, 2027.

(3) Effects of Application of the Accounting Standard and the Implementation Guidance

The effects of the application of the Accounting Standard and the Implementation Guidance are currently being assessed.

2. "Practical Guidelines on Accounting for Financial Instruments" (ASBJ Revised Transferred Guidance No.9, March 11, 2025)

(1) Outline

The Practical Guidelines allow for the option to measure unlisted stocks and others at fair value, which are incorporated into the investment portion of the venture capital funds held by listed companies, etc. and recognize the share of unrealized gains or losses in "Net assets."

(2) Scheduled date of Application

SMBC will apply the Practical Guidelines from the beginning of the fiscal year commencing on April 1, 2026.

(3) Effects of Application of the Practical Guidelines

The effects of the application of the Practical Guidelines are currently being assessed.

(Additional information)

1. The estimates of reserve for possible loan losses in consideration of tariff measures in the U.S.

Considering concerns over the potential future deterioration in the credit status of companies that are susceptible to rapid changes in the environment arising from the high tariff measures imposed by the U.S. on its trading partners, the estimation of the reserve for possible loan losses associated with such an impact is reflected in the consolidated financial statements by the following method.

For potential losses expected to be incurred related to individual borrowers due to deteriorating business performance and funding, a reserve for possible loan losses is provided by reviewing, as necessary, borrower category based on the most recent available information.

In addition, for potential losses which cannot be reflected in any individual borrower category, a reserve for possible loan losses is recorded at an amount deemed necessary based on an overall assessment. The assessment includes specifying the portfolios that are considered to be easily affected by the abovementioned factors from the perspectives of the country and industry, and estimating the impact of the tariff measures.

As a result, an additional reserve for possible loan losses at a total of ¥46,500 million was recorded for such portfolios.

2. The estimates of reserve for possible loan losses related to the impact of the current international situation involving Ukraine

Considering the uncertain business environment caused by the current international situation involving Ukraine, estimation of the reserve for possible loan losses associated with the Russia-related credits is reflected in the consolidated financial statements by the following method. The Russia-related credits are mainly related to corporate customers in Russia.

For losses expected to be incurred in connection with individual borrowers based on the impact of economic sanctions imposed by governments of each country and the countermeasures taken by the Russian government, etc., a reserve for possible loan losses is provided by reviewing, as necessary, borrower categories based on the most recent available information. In addition, a reserve for possible loan losses is recorded as a reserve for claims originated in specific overseas countries at an amount deemed necessary in consideration of the political and economic situation in Russia.

Furthermore, in light of the probability of delays in principal or interest payments and the easing of payment terms, etc. due to the prolonged impact of such economic sanctions and countermeasures, and the deterioration in the credit status of Russia including interest payments on Russian government bonds, a reserve for possible loan losses is recorded at an amount deemed necessary based on an overall assessment.

Also, regarding certain, including collection of claims from customers in Russia, given the prolonged difficulty in collecting the funds through overseas remittances as a result of the Russian Presidential decree and instructions of the Central Bank of the Russian Federation, the impact of the countermeasure is estimated, and a reserve for possible loan losses is recorded at an amount deemed necessary based on an overall assessment.

As a result, a reserve for possible loan losses at a total of ¥105,334 million was recorded for the Russia-related credits.

3. The estimates of reserve for possible loan losses related to the impact of prolonged high interest rates overseas

Considering the continually increasing burden of interest payments on companies due to prolonged high interest rates overseas, the estimation of the reserve for possible loan losses associated with such an impact is reflected in the consolidated financial statements by the following method.

For potential losses expected to be incurred related to individual borrowers due to deteriorating business performance and funding, a reserve for possible loan losses is provided by reviewing, as necessary, borrower category based on the most recent available information.

In addition, for potential losses which cannot be reflected in any individual borrower category, a reserve for possible loan losses is recorded at an amount deemed necessary based on an overall assessment. The assessment includes specifying the portfolios that are considered to be easily affected by the abovementioned factors from the perspectives of the forms of lending and industry, and estimating the impact of changes in the market conditions and the prolonged high interest rates.

As a result, an additional reserve for possible loan losses at a total of ¥35,000 million was recorded for such portfolios.

4. The estimates of reserve for possible loan losses in consideration of changes in domestic business environment and other factors

For certain portfolios, the estimation of the reserve for possible loan losses associated with impacts including changes in the domestic business environment such as continuously inflated raw material prices and an increase in labor cost, along with changes in the financial environment such as an increase in the policy interest rate, is reflected in the consolidated financial statements by the following method, considering concerns over the future deterioration in credit conditions.

For potential losses expected to be incurred related to individual borrowers due to deteriorating business performance and funding, a reserve for possible loan losses is provided by reviewing, as necessary, borrower category based on the most recent available information.

In addition, for potential losses which cannot be reflected in any individual borrower category, a reserve for possible loan losses is recorded at an amount deemed necessary based on an overall assessment. The assessment includes specifying the portfolios that are considered to be easily affected by the abovementioned factors from the perspectives of the forms of lending and ability of debt repayment, and estimating the impact of changes in the market condition.

As a result, an additional reserve for possible loan losses at a total of ¥12,000 million was recorded for such portfolios.

(Notes to consolidated balance sheets)

***1 Stocks and investments in unconsolidated subsidiaries and affiliates**

Stocks and investments in unconsolidated subsidiaries and affiliates at March 31, 2024 and 2025 were as follows:

	Millions of yen	
March 31	2024	2025
Stocks	¥ 1,019,833	¥ 1,057,427
Investments	5,878	14,821

Stocks of jointly controlled entities were as follows:

	Millions of yen	
March 31	2024	2025
Stocks of jointly controlled entities	¥ 4,952	¥ 2,108

***2 Unsecured loaned securities for which borrowers have the right to sell or pledge**

The amounts of unsecured loaned securities for which borrowers have the right to sell or pledge at March 31, 2024 and 2025 were as follows:

	Millions of yen	
March 31	2024	2025
Japanese government bonds and Japanese local government bonds in "Securities"	¥ 836,386	¥ 292,129

As for the unsecured borrowed securities, securities under resale agreements and securities borrowed with cash collateral with rights to sell or pledge without restrictions, those securities pledged, those securities lent and those securities held without being disposed at March 31, 2024 and 2025 were as follows:

	Millions of yen	
March 31	2024	2025
Securities pledged	¥ 6,086,530	¥ 6,381,923
Securities lent	15,492	7,795
Securities held without being disposed	5,891,079	12,193,250

***3 Claims under the Banking Act and the Act on Emergency Measures for the Revitalization of Financial Functions**

Claims under the Banking Act and the Act on Emergency Measures for the Revitalization of Financial Functions at March 31, 2024 and 2025 were as follows. The claims were items that were recorded under the following items on the consolidated balance sheet: bonds included in "Securities" (limited to bonds for which the redemption of principal and the payment of interest in whole or in part were guaranteed, and that were issued through private placements (under Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)), loans and bills discounted, foreign exchanges, accrued interest and suspense payments included in "Other assets," and customers' liabilities for acceptances and guarantees. If security lending listed in the notes was conducted, such securities (limited to those based on loan for a use agreement or lease agreement) were also included in the claims.

	Millions of yen	
March 31	2024	2025
Bankrupt and quasi-bankrupt loans	¥ 150,654	¥ 66,000
Doubtful loans	480,147	367,184
Substandard loans	138,500	191,461
Past due loans (3 months or more)	30,050	53,620
Restructured loans	108,449	137,841
Subtotal	769,303	624,646
Normal loans	124,319,594	128,891,914
Total	¥ 125,088,897	¥ 129,516,560

Bankrupt and quasi-bankrupt loans are claims to borrowers who have fallen into bankruptcy due to reasons such as commencement of bankruptcy proceedings, commencement of reorganization proceedings, or petition for commencement of rehabilitation proceedings, and other similar claims.

Doubtful loans are claims to borrowers who have not yet become bankrupt but whose financial condition and business performance have deteriorated and it is highly probable that the loan principal cannot be recovered and interest cannot be received in accordance with the contract, excluding bankrupt and quasi-bankrupt loans.

Past due loans (3 months or more) are loans for which the payment of principal or interest has been delayed for three months or more from the day after the agreed-upon payment date, excluding bankrupt and quasi-bankrupt loans and doubtful loans.

Restructured loans are loans on which terms and conditions have been amended in favor of the borrower with the objective of assisting the borrower's financial recovery, such as by reducing or exempting interest, postponing interest payment and principal repayment, and forgiving debts, excluding bankrupt and quasi-bankrupt loans, doubtful loans, and past due loans (3 months or more).

Normal loans are loans that do not fall under the classification of bankrupt and quasi-bankrupt loans, doubtful loans, past due loans (3 months or more), and restructured loans, and where the borrower has no financial or business performance problems.

The amounts of loans presented above were the amounts before deduction of reserve for possible loan losses.

***4 Bills discounted**

Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Committee Practical Guideline No. 24. SMBC and its banking subsidiaries have the right to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions, etc. The total face value at March 31, 2024 and 2025 were as follows:

	Millions of yen	
March 31	2024	2025
Bills discounted	¥ 847,887	¥ 870,770

***5 Assets pledged as collateral**

Assets pledged as collateral at March 31, 2024 and 2025 were as follows:

March 31, 2024	Millions of yen	March 31, 2025	Millions of yen
Assets pledged as collateral:		Assets pledged as collateral:	
Cash and due from banks	¥ 3,366	Cash and due from banks	¥ 3,047
Trading assets	50,988	Trading assets	342,087
Securities	13,347,001	Securities	13,144,628
Loans and bills discounted	11,520,240	Loans and bills discounted	9,792,381
Liabilities corresponding to assets pledged as collateral:		Liabilities corresponding to assets pledged as collateral:	
Deposits	2,836	Payables under repurchase agreements	11,885,528
Payables under repurchase agreements	10,306,131	Payables under securities lending transactions	1,365,241
Payables under securities lending transactions	742,545	Borrowed money	7,640,940
Borrowed money	11,449,994	Bonds	567,304
Bonds	641,472		

In addition to the assets presented above, the following assets were pledged as collateral for cash settlements, and substitution for margins of futures transactions and certain other purposes at March 31, 2024 and 2025:

March 31, 2024	Millions of yen	March 31, 2025	Millions of yen
Cash and due from banks	¥ 17,123	Cash and due from banks	¥ 16,934
Trading assets	39,846	Trading assets	13,988
Securities	4,717,168	Securities	8,336,914
Loans and bills discounted	101,005	Loans and bills discounted	553,201

Other assets include collateral money deposited for financial instruments, surety deposits, margins of futures markets and other margins. The amounts for such assets were as follows:

March 31, 2024	Millions of yen	March 31, 2025	Millions of yen
Collateral money deposited for financial instruments	¥ 2,744,340	Collateral money deposited for financial instruments	¥ 1,663,349
Surety deposits	54,822	Surety deposits	58,116
Margins of futures markets	11,645	Margins of futures markets	8,506
Other margins	7,516	Other margins	15,498

***6 Commitment line contracts on overdrafts and loans**

Commitment line contracts on overdrafts and loans are agreements to lend to customers, up to a prescribed amount, as long as there is no violation of any condition established in the contracts. The amounts of unused commitments at March 31, 2024 and 2025 were as follows:

	Millions of yen	
March 31	2024	2025
The amounts of unused commitments	¥ 86,847,345	¥ 89,444,706
The amounts of unused commitments whose original contract terms are within 1 year or unconditionally cancelable at any time	54,773,405	54,953,269

Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily affect actual future cash flow. Many of these commitments include clauses under which an application from customers can be rejected or contract amounts can be reduced in the event that economic conditions change, the necessity for securing claims, or other events occur. In addition, at the time of contract, collateral such as premises and securities are requested to be pledged. Also, after concluding the contracts, customer's financial positions are monitored regularly based on internal procedures, and necessary measures such as revising contracts and securing claims are taken when such needs arise.

***7 Land revaluation excess**

SMBC revaluated its own land for business activities in accordance with "Act on Revaluation of Land" (the "Act") (Act No. 34, effective March 31, 1998) and "Act for Partial Revision of Act on Revaluation of Land" (Act No. 19, effective March 31, 2001). The income taxes corresponding to the net unrealized gains are reported in "Liabilities" as "Deferred tax liabilities for land revaluation," and the net unrealized gains, net of deferred taxes, are reported as "Land revaluation excess" in "Net assets."

Date of the revaluation

March 31, 1998 and March 31, 2002

Method of revaluation (stipulated in Article 3, Paragraph 3 of the Act)

Fair values were determined by applying appropriate adjustments for land shape and timing of appraisal to the values stipulated in Article 2, item 3, 4 or 5 of "Order for Enforcement of Act on Revaluation of Land" (Cabinet Order No. 119 effective March 31, 1998).

***8 Accumulated depreciation on tangible fixed assets**

Accumulated depreciation on tangible fixed assets at March 31, 2024 and 2025 were as follows:

	Millions of yen	
March 31	2024	2025
Accumulated depreciation	¥ 706,162	¥ 708,500

***9 Deferred gain on tangible fixed assets deductible for tax purposes**

Deferred gain on tangible fixed assets deductible for tax purposes at March 31, 2024 and 2025 were as follows:

	Millions of yen	
March 31	2024	2025
Deferred gain on tangible fixed assets deductible for tax purposes	¥ 54,868	¥ 50,549
[The consolidated fiscal year concerned]	[—]	[—]

***10 Subordinated borrowings**

The balance of subordinated borrowings included in "Borrowed money" at March 31, 2024 and 2025 were as follows:

	Millions of yen	
March 31	2024	2025
Subordinated borrowings	¥ 12,215,062	¥ 12,507,424

***11 Subordinated bonds**

The balance of subordinated bonds included in "Bonds" at March 31, 2024 and 2025 were as follows:

	Millions of yen	
March 31	2024	2025
Subordinated bonds	¥ 79,998	¥ 79,998

***12 Guaranteed amount to privately-placed bonds**

The amounts guaranteed by SMBC and its banking subsidiaries to privately-placed bonds (stipulated by Article 2, Paragraph 3 of Financial Instruments and Exchange Act) in "Securities" at March 31, 2024 and 2025 were as follows:

	Millions of yen	
March 31	2024	2025
Guaranteed amounts to privately-placed bonds	¥ 1,204,673	¥ 1,006,735

***13 Money trusts with the principal indemnification agreement**

The principal amounts of money trusts with principal indemnification agreements which SMBC, as a trustee, has been administrating and operating at March 31, 2024 and 2025 were as follows:

	Millions of yen	
March 31	2024	2025
Money trusts	¥ 25,436	¥ 23,167

(Notes to consolidated statements of income)

***1 Other income**

"Other" in "Other income" for the fiscal years ended March 31, 2024 and 2025 included the following:

Year ended March 31, 2024	Millions of yen	Year ended March 31, 2025	Millions of yen
Gains on sales of stocks and others	¥ 312,551	Gains on sales of stocks and others	¥ 538,926

***2 General and administrative expenses**

"General and administrative expenses" for the fiscal years ended March 31, 2024 and 2025 included the following:

Year ended March 31, 2024	Millions of yen	Year ended March 31, 2025	Millions of yen
Salaries and related expenses	¥ 582,063	Salaries and related expenses	¥ 644,945
Depreciation	138,272		

***3 Other expenses**

"Other" in "Other expenses" for the fiscal years ended March 31, 2024 and 2025 included the following:

Year ended March 31, 2024	Millions of yen	Year ended March 31, 2025	Millions of yen
Write-off of stocks and others	¥ 62,257	Write-off of loans	¥ 30,784

***4 Other extraordinary gains**

"Other extraordinary gains" for the fiscal year ended March 31, 2024 was gains on step acquisitions.

***5 Other extraordinary losses**

"Other extraordinary losses" for the fiscal year ended March 31, 2024 was losses related to sale of freight car leasing business.

***6 Losses on impairment of fixed assets**

The differences between the recoverable amounts and the book value of the following assets were recognized as "Losses on impairment of fixed assets," and included in "Extraordinary losses" for the fiscal years ended March 31, 2024 and 2025.

Year ended March 31, 2024			Millions of yen
Area	Purpose of use	Type	Impairment loss
Tokyo metropolitan area	Idle assets (59 items)	Land and buildings, etc.	¥ 1,214
Kinki area	Idle assets (33 items)	Land and buildings, etc.	426
Other areas in Japan	Idle assets (15 items)	Land and buildings, etc.	210
Americas	Idle assets (1 item)	Buildings, etc.	1,674
—	—	Other intangible fixed assets, etc.	9,627

Year ended March 31, 2025			Millions of yen
Area	Purpose of use	Type	Impairment loss
Tokyo metropolitan area	Idle assets (121 items)	Land and buildings, etc.	¥ 1,193
Kinki area	Idle assets (32 items)	Land and buildings, etc.	411
Other areas in Japan	Idle assets (10 items)	Land and buildings, etc.	426
Europe	Idle assets (1 item)	Building	644

As for land and buildings, etc., each branch, which continuously manages and determines its income and expenses, was the smallest unit of asset group for recognition and measurement of impairment loss of fixed assets. Intangible fixed assets and assets such as corporate headquarters facilities, training facilities, data and system centers, and health and recreational facilities which did not produce independent cash flows at headquarters were treated as corporate assets. SMBC and certain consolidated subsidiaries utilized management accounting framework to identify corporate assets that were reasonably deemed to be used solely by each business unit as each business unit's corporate assets, and conducted impairment assessments on a business unit basis together with other related fixed assets.

As for idle assets, the assets group for recognition and measurement of impairment loss was each individual property level. The carrying amounts of idle assets were reduced to their recoverable amounts, and the reduced amounts were included in "Extraordinary losses" as "Losses on impairment of fixed assets," if there were indicators that the invested amounts might not be recoverable. The recoverable amount was calculated using net realizable value, which was basically determined by subtracting the expected disposal cost from the real estate appraisal value.

As for other intangible fixed assets, asset group for recognition and measurement of impairment loss is mainly each consolidated subsidiary.

(Notes to consolidated statements of comprehensive income)

***1 Reclassification adjustments and tax effect of other comprehensive income**

Year ended March 31	Millions of yen 2024	2025
Net unrealized gains (losses) on other securities:		
Amount arising during the fiscal year	¥ 1,385,533	¥ (187,237)
Reclassification adjustments	(230,811)	(529,077)
Before adjustments to income taxes and tax effect	1,154,721	(716,315)
Income taxes and tax effect	(356,692)	215,027
Net unrealized gains (losses) on other securities	798,029	(501,287)
Net deferred gains (losses) on hedges:		
Amount arising during the fiscal year	(382,479)	(569,549)
Reclassification adjustments	312,628	428,236
Before adjustments to income taxes and tax effect	(69,851)	(141,312)
Income taxes and tax effect	21,225	43,200
Net deferred gains (losses) on hedges	(48,625)	(98,112)
Foreign currency translation adjustments:		
Amount arising during the fiscal year	443,098	(7,257)
Reclassification adjustments	—	—
Before adjustments to income taxes and tax effect	443,098	(7,257)
Income taxes and tax effect	—	—
Foreign currency translation adjustments	443,098	(7,257)
Remeasurements of defined benefit plans:		
Amount arising during the fiscal year	238,046	30,640
Reclassification adjustments	(28,076)	(39,250)
Before adjustments to income taxes and tax effect	209,970	(8,609)
Income taxes and tax effect	(58,350)	3,708
Remeasurements of defined benefit plans	151,620	(4,901)
Share of other comprehensive income of equity method affiliates:		
Amount arising during the fiscal year	1,124	64,834
Reclassification adjustments	23	(84)
Before adjustments to income taxes and tax effect	1,148	64,749
Income taxes and tax effect	—	—
Share of other comprehensive income of equity method affiliates	1,148	64,749
Total other comprehensive income	¥ 1,345,270	¥ (546,809)

(Notes to consolidated statements of changes in net assets)

Fiscal year ended March 31, 2024

1. Type and number of shares issued and treasury stock

	Number of shares				
Year ended March 31, 2024	At the beginning of the fiscal year	Increase	Decrease	At the end of the fiscal year	Notes
Shares issued					
Common stock	106,248,400	—	—	106,248,400	
Preferred stock (1st series Type 6)	70,001	—	—	70,001	
Total	106,318,401	—	—	106,318,401	
Treasury stock					
Preferred stock (1st series Type 6)	70,001	—	—	70,001	
Total	70,001	—	—	70,001	

2. Information on stock acquisition rights

There were no corresponding transactions to be disclosed.

3. Information on dividends

(1) Dividends paid by cash in the fiscal year

		Millions of yen, except per share amount			
Date of resolution	Type of shares	Cash dividends	Cash dividends per share	Record date	Effective date
Meeting of the Board of Directors held on May 12, 2023	Common stock	¥ 71,505	¥ 673	March 31, 2023	May 16, 2023
Meeting of the Board of Directors held on November 14, 2023	Common stock	471,424	4,437	September 30, 2023	November 20, 2023

(2) Dividends to be paid in the next fiscal year

		Millions of yen, except per share amount				
Date of resolution	Type of shares	Cash dividends	Source of dividends	Cash dividends per share	Record date	Effective date
Meeting of the Board of Directors held on May 14, 2024	Common stock	¥ 322,145	Retained earnings	¥ 3,032	March 31, 2024	May 17, 2024

Fiscal year ended March 31, 2025

1. Type and number of shares issued and treasury stock

	Number of shares				
Year ended March 31, 2025	At the beginning of the fiscal year	Increase	Decrease	At the end of the fiscal year	Notes
Shares issued					
Common stock	106,248,400	2,552	—	106,250,952	1
Preferred stock (1st series Type 6)	70,001	—	—	70,001	
Total	106,318,401	2,552	—	106,320,953	
Treasury stock					
Preferred stock (1st series Type 6)	70,001	—	—	70,001	
Total	70,001	—	—	70,001	

Note: The increase of 2,552 shares in the total number of shares issued was due to issuance of new stocks through a third-party allotment.

2. Information on stock acquisition rights

There were no corresponding transactions to be disclosed.

3. Information on dividends

(1) Dividends paid by cash in the fiscal year

		Millions of yen, except per share amount			
Date of resolution	Type of shares	Cash dividends	Cash dividends per share	Record date	Effective date
Meeting of the Board of Directors held on May 14, 2024	Common stock	¥ 322,145	¥ 3,032	March 31, 2024	May 17, 2024
Meeting of the Board of Directors held on November 13, 2024	Common stock	409,056	3,850	September 30, 2024	November 20, 2024

(2) Dividends to be paid in the next fiscal year

		Millions of yen, except per share amount				
Date of resolution	Type of shares	Cash dividends	Source of dividends	Cash dividends per share	Record date	Effective date
Meeting of the Board of Directors held on May 14, 2025	Common stock	¥ 190,295	Retained earnings	¥ 1,791	March 31, 2025	May 19, 2025

(Notes to consolidated statements of cash flows)

***1 The reconciliation of balance of "Cash and cash equivalents" at the end of the fiscal year and the amounts of items stated on the consolidated balance sheets**

	Millions of yen	
Year ended March 31	**2024**	**2025**
Cash and due from banks	¥ 75,046,469	¥ 71,788,392
Interest earning deposits with banks (excluding the deposit with the Bank of Japan)	(10,893,624)	(8,601,446)
Cash and cash equivalents	¥ 64,152,845	¥ 63,186,945

***2 The major components of assets and liabilities of companies which were excluded from the scope of consolidation by sale of the shares**

SMBC Americas Holdings, Inc., a consolidated subsidiary of SMBC, sold its entire interest in SMBC Rail Services LLC ("SMBC RS") to ITE Management LP ("ITE"). As a result, SMBC RS was no longer a consolidated subsidiary of SMBC and its main breakdown of assets and liabilities, as well as the relationship between the sale price of the interest and the income from the sale were as follows.

Year ended March 31, 2024	**Millions of yen**
Assets	¥ 464,501
Liabilities	(385,185)
Gains (losses) on sale of shares, etc.	4,568
Selling price of shares	83,884
Accounts receivable	(8,456)
Cash and cash equivalents included in disposed assets of SMBC RS	(3,387)
Income from sale of shares	¥ 72,040

(Notes to lease transactions)

1. Finance leases

(1) Lessee side

1) Lease assets

(a) Tangible fixed assets

Tangible fixed assets mainly consisted of branches and equipment.

(b) Intangible fixed assets

Intangible fixed assets were software.

2) Depreciation method of lease assets

Depreciation method of lease assets is reported in "(Significant accounting policies for preparing consolidated financial statements) 4. Accounting policies (4) Depreciation."

(2) Lessor side

1) Breakdown of lease investment assets

	Millions of yen	
March 31	2024	2025
Lease receivables	¥ 260,831	¥ 292,143
Residual value	23,137	15,097
Unearned interest income	(76,323)	(76,041)
Total	¥ 207,645	¥ 231,199

2) The scheduled collections of lease payments receivable related to lease investment assets were as follows:

	Millions of yen	
March 31	2024	2025
Within 1 year	¥ 58,350	¥ 62,488
More than 1 year to 2 years	36,809	29,003
More than 2 years to 3 years	18,786	43,807
More than 3 years to 4 years	19,545	9,981
More than 4 years to 5 years	11,625	51,132
More than 5 years	115,714	95,729
Total	¥ 260,831	¥ 292,143

2. Operating leases

(1) Lessee side

Future minimum lease payments on operating leases which were not cancelable were as follows:

	Millions of yen	
March 31	2024	2025
Due within 1 year	¥ 25,543	¥ 25,331
Due after 1 year	155,541	135,613
Total	¥ 181,084	¥ 160,945

(2) Lessor side

There were no significant corresponding transactions to be disclosed regarding future minimum lease payments on operating leases which were not cancelable at March 31, 2024 and March 31, 2025.

(Notes to financial instruments)

1. Status of financial instruments

(1) Policies on financial instruments

SMBC and its group companies ("the Group") conduct banking and other financial services. Its banking business includes deposit taking, lending, securities trading and investment, remittance and transfer, foreign exchange, bond subscription agent, trust business, and over-the-counter sales of securities investment trusts and insurance products.

These services entail holding of financial assets such as loans and bills discounted, bonds, and stocks. Meanwhile, the Group raises funds through deposit taking, borrowing, bond offering, etc. Furthermore, it undertakes derivative transactions to meet customers' hedging needs to control market risk associated with deposit taking and lending ("ALM purposes"), and to make profit on short-term fluctuations in interest rates, foreign exchange rates, etc. ("Trading purposes"). At SMBC, derivative transactions for the ALM purposes are undertaken by the Treasury Department, the Global Investment Department, and the Portfolio Investment Department of the Treasury Unit, while derivative transactions for the Trading purposes are undertaken by the Trading Department of the Treasury Unit (derivative transactions for the both ALM and Trading purposes are undertaken by the Treasury Department, Asia Pacific Division in Asia Pacific region, and the Treasury Department, East Asia Division in East Asia region).

(2) Details of financial instruments and associated risks

1) Financial assets

The main financial assets held by the Group include loans to foreign and domestic companies and domestic individuals, and securities such as bonds (government and corporate bonds) and stocks (foreign and domestic stocks), etc. Bonds such as government bonds are held for the ALM purposes, as well as the Trading and held-to-maturity purposes. Stocks are held mainly for strategic investment purposes. These assets expose the Group to credit risk, market risk and liquidity risk. Credit risk is the risk of loss arising from nonperformance of obligations by the borrower or issuer due to factors such as deterioration in the borrower's/issuer's financial conditions. Market risk is the risk stemming from fluctuations in interest rates, exchange rates, or share prices. Liquidity risk is the risk arising from difficulty executing transactions in desired quantities at appropriate prices due to low market liquidity. These risks are properly monitored and managed based on "(3) Risk management framework for financial instruments" below.

2) Financial liabilities

Financial liabilities of the Group include borrowed money and bonds, etc. in addition to deposits. Deposits mainly comprise deposits of domestic and foreign companies and domestic individuals. Borrowed money and bonds include subordinated borrowings and subordinated bonds with special clauses specifying that the repayment order of borrowing or bond subordinates to other borrowings or bonds. Also, financial liabilities, like financial assets, expose the Group to not only market risk but also funding liquidity risk: the risk of the Group not being able to raise funds due to market turmoil, deterioration in the Group's creditworthiness or other factors. These risks are properly monitored and managed based on "(3) Risk management framework for financial instruments" below.

3) Derivative transactions

Derivatives handled by the Group include foreign exchange futures; futures, forwards, swaps and options related to interest rates, currencies, equities, bonds and commodities; and credit and weather derivatives.

Major risks associated with derivatives include market risk, liquidity risk, and credit risk arising from nonperformance of contractual obligations due to deterioration in the counterparty's financial conditions. These risks are properly monitored and managed based on "(3) Risk management framework for financial instruments" below.

Hedge accounting is applied to derivative transactions executed for ALM purposes, as necessary. Hedging instruments, hedged items, hedging policy and hedging method to assess the effectiveness of the hedge are described in "(Significant Accounting Policies for Preparing Consolidated Financial Statements), 4. Accounting policies, (15) Hedge accounting."

(3) Risk management framework for financial instruments

The fundamental matters on risk management for the entire Group are set forth in "Policies on Comprehensive Risk Management." SMBC's Management Committee establishes the basic risk management policy for the entire Group, based on the regulations, which is then approved by the Board of Directors. Each Group company has a risk management system based on the characteristics of its particular businesses and in accordance with the basic policy.

1) Management of credit risk

At SMBC, all group companies follow the fundamental principles established by the Group to manage credit risk on a group-wide basis. Each Group company must comprehensively manage credit risk according to the nature of its business, and manage credit risk of individual loans and credit portfolios quantitatively and using consistent standards.

(a) Credit risk management system

At SMBC, basic policies on credit risk management and other significant matters require the resolution of Management Committee and the approval of Board of Directors.

At SMBC, 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 establishes, revises or abolishes credit policies, the internal rating system, credit authority regulations, credit application regulations, and manages non-performing loans and other aspects of credit portfolio management. The department also cooperates with the Corporate Risk Management Department and Risk Management Information Department in quantifying credit risk (risk capital and risk-weighted assets) and controls SMBC's entire credit risk.

Moreover, the Credit & Investment Planning Department works to stabilize SMBC's overall credit portfolio through selling credit derivatives and loan claims.

The credit department in charge, in cooperation with branches, conducts credit risk assessment 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 mainly responsible for formulating and implementing measures to reduce the exposure of non-performing loans of borrowers classified as potentially bankrupt or lower. Through industrial and sector-specific surveys and studies of individual companies, the Corporate Research Department works to form an accurate idea of the condition of major borrower companies and identify those with potentially troubled credit positions at an early stage

Moreover, the Credit Risk Committee, a cross-departmental consultative body, rounds out SMBC's oversight system for undertaking flexible and efficient control of credit risks, and ensuring the overall soundness of SMBC's loan operations.

In addition to these, the Internal Audit Unit, operating independently of the business units, audits asset quality, the accuracy of gradings and self-assessment, and the state of the credit risk management, and reports the results directly to the Management Committee and the Audit and Supervisory Committee.

(b) Method of credit risk management

SMBC properly manages the credit risk inherent in individual loans and the entire portfolio by assessing and quantifying the credit risk of each borrower/loan using the internal rating system. In addition to management of individual loans through credit screening and monitoring, it manages the credit portfolio as described below in order to secure and improve the credit portfolio's soundness and medium-term profitability.

• Appropriate risk-taking within the capital

To take risks within the acceptable level of capital, SMBC sets upper limits for overall risk capital, which is an indicator of the risk appetite reflecting soundness, based on the risk appetite and portfolio plan of each business unit and monitors credit risk capital as a breakdown of overall risk capital.

• Controlling concentration of risk

Because concentration of credit risk in an industry or corporate group has the potential to impair SMBC's capital significantly, SMBC implements measures to prevent excessive concentration of loan in a single industry and to control large exposure to individual borrowers by setting maximum loan amounts and conducting loan reviews thoroughly. To manage country risk, SMBC also has credit limit guidelines based on each country's creditworthiness.

• Researching borrowers more rigorously and balancing risk and returns

SMBC rigorously researches borrower companies' actual conditions. SMBC runs credit operations on the basic principle of earning returns that are commensurate with the credit risk involved, and makes every effort to reduce credit and capital costs as well as general and administrative expenses.

• Preventing and reducing non-performing loans

On non-performing loans and potential non-performing loans, SMBC carries 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.

In regard to financial products, such as investments in certain 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 a marketable credit risk. For these types of products, SMBC manages credit risk by analyzing and assessing the characteristics of the underlying assets, but, for the sake of complete risk management, SMBC also applies the methods for management of market and liquidity risks. In addition, SMBC has established guidelines based on the characteristics of these types of risks and appropriately manages the risk of losses.

In regard to credit risk of derivative transactions, the potential exposure based on the market price is regularly calculated and properly managed. When the counterparty is a financial institution with which SMBC frequently conducts derivative transactions, measures such as a close-out netting provision, which provide offsetting credit exposures between two parties in a single net payment from one party to the other in case of bankruptcy or other default event, are implemented to reduce credit risk.

2) Management of market and liquidity risks

SMBC manages 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 for a highly effective system of mutual checks and balances.

(a) Market and liquidity risk management systems

At SMBC, important matters relating to the management of market and liquidity risks, such as basic policies and risk limits are determined by the Management Committee and then approved by the Board of Directors.

The Corporate Risk Management Department and Risk Management Information Department, which are independent from 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 situations but also report regularly to the Management Committee and the Audit and Supervisory Committee.

Furthermore, the ALM Committee at SMBC 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.

In addition, the Internal Audit Unit, which is independent of other departments, periodically performs comprehensive internal audits to verify that the risk management framework is properly functioning and reports the audit results to the Management Committee and the Audit and Supervisory Committee.

(b) Market and liquidity risk management methodology

• Market risk management

SMBC manages market risk by setting maximum loss and VaR (value at risk: maximum potential loss that may be incurred to a specific financial instrument for a given probability) within the market risk capital limit, which is set taking into account stockholders' equity and other factors in accordance with the business operating policies.

SMBC uses the historical simulation method (a method for estimating the maximum loss by running simulations of changes in profit and loss on market fluctuations scenarios based on historical data) to measure VaR. Regarding banking activities (activities for generating profit through management of interest rates, terms, and other aspects such as loans and bonds in assets, deposits in liabilities) and trading activities (activities for generating profit by taking advantage of short-term fluctuations in market values and differences in value among markets), SMBC calculates the maximum loss that may occur as a result of market fluctuations in 1 day with a probability of 1% based on 4 years of historical observation. With regard to the holding of shares (such as listed shares) for the purpose of strategic investment, SMBC calculates the maximum loss that may occur as a result of market fluctuations in 1 year with a probability of 1% based on 10 years of historical observation.

Regarding risks associated with foreign exchange rates, interest rates, equity risk, option prices and other market risk factors, SMBC manages such risks by setting a maximum limit on the indicator suited for each market risk factor such as BPV (basis point value: denotes the change in fair value of a financial instrument resulting from a 0.01 percentage-point change in the yield).

• Quantitative information on market risks

As of March 31, 2025, the total VaR of SMBC and its major consolidated subsidiaries was ¥62.3 billion for the banking activities, ¥23.9 billion for the trading activities, and ¥960.3 billion for the holding of shares (such as listed shares) for the purpose of strategic investment.

However, it should be noted that these figures are statistical figures that change according to changes in assumptions and calculation methods, and may not cover the risk of future market conditions fluctuating drastically compared to market fluctuations of the past.

• Liquidity risk management

SMBC manages liquidity risk based on the framework of "setting risk appetite measures" and "establishing contingency plans." Risk appetite measures are quantitative benchmarks that select the types and indicate the levels of risk that SMBC is willing to take on or tolerate. As an example, SMBC sets a lower limit on the number of days over which cash flows could be maintained under the stress conditions such as deposit outflow, so as to secure funding sources that do not fall below the benchmark to avoid excessive reliance on short term funding. In addition, SMBC develops contingency plans consisting of instructions, reporting lines and action plans in case of emergency.

Moreover, to manage the liquidity risk of marketable instruments, derivative transactions, etc., SMBC has trading limits for each business office classified by currency, instrument, transaction period, etc. As for financial futures, etc., risks are managed by restricting positions to within a certain percentage of open interest in the entire market.

(4) Supplementary explanations about matters concerning fair value of financial instruments

Fair values of financial instruments have been calculated based on certain assumptions and may differ if different assumptions are used.

2. Matters concerning fair value of financial instruments and breakdown by input level

The amounts on the consolidated balance sheet, the fair value of financial instruments as well as the difference between them, and fair value by input level are as follows.

The amounts shown in the following tables do not include stocks with no market price, etc., and investments in partnerships (refer to Note 3).

The fair values of financial instruments are classified into the following three levels depending on the observability and significance of the input used in the fair value measurement.

Level 1: Fair value determined based on the (unadjusted) quoted price in an active market for the same asset or liability

Level 2: Fair value determined based on directly or indirectly observable inputs other than Level 1 inputs

Level 3: Fair value determined based on significant unobservable inputs

If multiple inputs with a significant impact are used for the fair value measurement of a financial instrument, the financial instrument is classified as the lowest priority level of fair value measurement in which each input belongs.

(1) Financial assets and liabilities at fair value on the consolidated balance sheets

	Millions of yen			
	Consolidated balance sheet amount			
March 31, 2024	Level 1	Level 2	Level 3	Total
Monetary claims bought	¥ —	¥ 148,431	¥ 419,099	¥ 567,531
Trading assets	1,408,766	640,772	—	2,049,539
Money held in trust	—	0	—	0
Securities				
Other securities*1	20,287,925	13,404,202	12,976	33,705,105
Stocks	3,623,719	808	—	3,624,527
Japanese government bonds	7,547,376	—	—	7,547,376
Japanese local government bonds	1,008,686	44,645	—	1,053,332
Japanese short-term bonds	—	319,945	—	319,945
Japanese corporate bonds	—	2,127,843	11,833	2,139,676
Foreign stocks	501,189	140,361	—	641,550
Foreign bonds	7,037,027	9,813,269	1,143	16,851,439
Other	569,926	957,329	—	1,527,255
Total assets	¥ 21,696,692	¥ 14,193,406	¥ 432,076	¥ 36,322,175
Trading liabilities				
Trading securities sold for short sales	¥ 752,908	¥ 263,964	¥ —	¥ 1,016,873
Total liabilities	¥ 752,908	¥ 263,964	¥ —	¥ 1,016,873
Derivative transactions*2, 3				
Interest rate derivatives	¥ (2,890)	¥ (1,248,741)	¥ 2,716	¥ (1,248,915)
Currency derivatives	10,894	(469,117)	—	(458,223)
Equity derivatives	980	68	—	1,048
Bond derivatives	444	—	—	444
Commodity derivatives	170	738	—	909
Credit derivative transactions	—	(10,848)	—	(10,848)
Total derivative transactions	¥ 9,598	¥ (1,727,899)	¥ 2,716	¥ (1,715,584)

*1 The amounts of investment trusts that fall under the classification of Other securities are included in "Other" in the table above.
*2 The amounts collectively represent the derivative transactions which are recorded as "Trading assets," "Trading liabilities," "Other assets," and "Other liabilities." Debts and credits arising from derivative transactions are presented on a net basis, with a net debt presented in round brackets.
*3 As for derivative transactions applying hedge accounting, ¥(2,126,381) million was recorded on the consolidated balance sheet. These were interest rate swap and other derivative transactions designated as hedging instruments for stabilizing cash flows of loans and bills discounted, etc., that were hedged items. SMBC has mainly applied deferred hedge accounting for those derivative transactions.

	Millions of yen			
	Consolidated balance sheet amount			
March 31, 2025	Level 1	Level 2	Level 3	Total
Monetary claims bought	¥ —	¥ 114,591	¥ 381,139	¥ 495,731
Trading assets	1,124,042	860,778	—	1,984,820
Money held in trust	—	0	—	0
Securities				
Other securities*1	22,736,077	14,078,038	6,276	36,820,392
Stocks	2,604,505	795	—	2,605,301
Japanese government bonds	11,180,546	—	—	11,180,546
Japanese local government bonds	787,139	35,435	—	822,574
Japanese short-term bonds	—	49,942	—	49,942
Japanese corporate bonds	—	1,884,079	6,276	1,890,356
Foreign stocks	645,391	220,988	—	866,379
Foreign bonds	7,078,505	10,357,222	0	17,435,728
Other	439,987	1,529,574	—	1,969,562
Total assets	¥ 23,860,119	¥ 15,053,408	¥ 387,416	¥ 39,300,944
Trading liabilities				
Trading securities sold for short sales	¥ 1,164,407	¥ 304,413	¥ —	¥ 1,468,821
Total liabilities	¥ 1,164,407	¥ 304,413	¥ —	¥ 1,468,821
Derivative transactions*2, 3				
Interest rate derivatives	¥ (12,073)	¥ (175,094)	¥ 3,847	¥ (183,320)
Currency derivatives	2,526	(404,887)	—	(402,360)
Equity derivatives	728	214	—	942
Bond derivatives	(384)	(0)	—	(385)
Commodity derivatives	10	1,136	—	1,147
Credit derivative transactions	—	(12,356)	—	(12,356)
Total derivative transactions	¥ (9,192)	¥ (590,987)	¥ 3,847	¥ (596,332)

*1 The amounts of investment trusts that fall under the classification of Other securities are included in "Other" in the table above.
*2 The amounts collectively represent the derivative transactions which are recorded as "Trading assets," "Trading liabilities," "Other assets," and "Other liabilities." Debts and credits arising from derivative transactions are presented on a net basis, with a net debt presented in round brackets.
*3 As for derivative transactions applying hedge accounting, ¥(1,729,767) million was recorded on the consolidated balance sheet. These were interest rate swap and other derivative transactions designated as hedging instruments for stabilizing cash flows of loans and bills discounted, etc., that were hedged items. SMBC has mainly applied deferred hedge accounting for those derivative transactions.

(2) Financial assets and liabilities which are not stated at fair value on the consolidated balance sheets

Cash and due from banks, Call loans and bills bought, Receivables under resale agreements, Receivables under securities borrowing transactions, Foreign exchanges, Call money and bills sold, Payable under repurchase agreements, Payable under securities lending transactions, Commercial papers, Short-term bonds payable, and Due to trust account are not disclosed in the following tables since they are mostly short-term, and their fair values approximate their carrying amounts.

	Millions of yen					
	Fair value				Consolidated balance sheet amount	Difference
March 31, 2024	Level 1	Level 2	Level 3	Total		
Monetary claims bought*	¥ —	¥ —	¥ 5,595,632	¥ 5,595,632	¥ 5,523,103	¥ 72,529
Securities						
Bonds classified as held-to-maturity	219,713	12,975	—	232,689	234,095	(1,405)
Loans and bills discounted					107,763,214	
Reserve for possible loan losses*					(417,385)	
	—	—	108,523,650	108,523,650	107,345,829	1,177,821
Lease receivables and investment assets*	—	—	201,626	201,626	206,846	(5,219)
Total assets	¥ 219,713	¥ 12,975	¥ 114,320,909	¥ 114,553,598	¥ 113,309,873	¥ 1,243,724
Deposits	¥ —	¥ 165,149,122	¥ —	¥ 165,149,122	¥ 165,146,962	¥ 2,159
Negotiable certificates of deposit	—	15,150,814	—	15,150,814	15,149,775	1,038
Borrowed money	—	22,350,134	1,947,606	24,297,741	24,998,606	(700,864)
Bonds	—	1,108,248	689	1,108,937	1,144,288	(35,350)
Total liabilities	¥ —	¥ 203,758,319	¥ 1,948,296	¥ 205,706,616	¥ 206,439,633	¥ (733,017)

* General reserves and special reserves corresponding to loans were deducted. The reserves for possible loan losses on "Monetary claims bought" and "Lease receivables and investment assets" were deducted directly from consolidated balance sheet amounts since they were immaterial.

	Millions of yen					
	Fair value				Consolidated balance sheet amount	Difference
March 31, 2025	Level 1	Level 2	Level 3	Total		
Monetary claims bought*	¥ —	¥ —	¥ 5,165,643	¥ 5,165,643	¥ 5,113,836	¥ 51,806
Securities						
Bonds classified as held-to-maturity	255,558	12,681	—	268,240	274,414	(6,174)
Loans and bills discounted					111,544,762	
Reserve for possible loan losses*					(549,719)	
	—	—	112,476,520	112,476,520	110,995,042	1,481,477
Lease receivables and investment assets*	—	—	227,076	227,076	230,549	(3,473)
Total assets	¥ 255,558	¥ 12,681	¥117,869,239	¥118,137,480	¥116,613,843	¥ 1,523,636
Deposits	¥ —	¥172,390,876	¥ —	¥172,390,876	¥171,857,892	¥ 532,983
Negotiable certificates of deposit	—	17,942,689	—	17,942,689	17,855,891	86,798
Borrowed money	—	18,394,432	2,337,339	20,731,771	21,168,133	(436,361)
Bonds	—	966,228	21,339	987,567	1,015,949	(28,381)
Total liabilities	¥ —	¥209,694,226	¥ 2,358,678	¥212,052,905	¥211,897,867	¥ 155,038

* General reserves and special reserves corresponding to loans were deducted. The reserves for possible loan losses on "Monetary claims bought" and "Lease receivables and investment assets" were deducted directly from consolidated balance sheet amounts since they were immaterial.

(Note 1) Description of the valuation techniques and inputs used to measure fair value

Assets

Monetary claims bought

The fair values of subordinated trust beneficiary interests related to securitized housing loans among monetary claims bought are determined by estimating future cash flows using the probability of default, loss given default and prepayment rate, and assessing the value by deducting the value of senior beneficial interests, etc. from the value of underlying housing loans. The fair values of other transactions are, in principle, based on methods similar to the methods applied to Loans and bills discounted.

These transactions are mainly classified into Level 3.

Trading assets

The fair values of bonds and other securities held for trading purposes are, in principle, based on their market prices as of the end of the fiscal year ended March 31, 2025. The fair values of such bonds and other securities are mainly classified into Level 1 depending on the level of market activity. When fair value is determined based on either the prices quoted by the financial institutions, or future cash flows discounted using observable inputs such as interests, spreads, and others, they are classified into Level 2.

Money held in trust

The fair values of money held in trust are, in principle, fair values of securities in trust property calculated by the same method for securities that SMBC owns. They are classified into Level 2.

Securities

In principle, the fair values of stocks (including foreign stocks and listed investment trusts) are based on the market price as of the end of the fiscal year ended March 31, 2025. They are mainly classified into Level 1 depending on the level of market activity. The fair values of securities with market prices other than stocks are based on the market price as of the end of the fiscal year ended March 31, 2025. Japanese Government bonds, etc. are mainly classified into Level 1 and other bonds are classified into Level 2.

The fair values of privately-placed bonds with no market prices are based on the present value of estimated future cash flows, taking into account the borrower's probability of default, loss given default, etc. Those present values are discounted by a rate comprising a risk-free interest rate with certain adjustments. However, the fair values of bonds, such as privately-placed bonds issued by bankrupt borrowers, effectively bankrupt borrowers, and potentially bankrupt borrowers are based on the bond's book value after the deduction of the expected amount of a loss on the bond computed by using the same method applied to the estimation of a loan loss. The fair values of investment trusts with no market prices are based on the net asset value.

These transactions are mainly classified into Level 2.

Loans and bills discounted, and Lease receivables and investment assets

Of these transactions, considering the characteristics of these transactions, the fair values of overdrafts with no specified repayment dates are their book values as they are considered to approximate their fair values.

For short-term transactions, fair values are also their book values as they are considered to approximate their fair values.

The fair values of long-term transactions are, in principle, based on the present value of estimated future cash flows taking into account the borrower's probability of default, loss given default, etc. Those present values are discounted by a rate comprising a risk-free interest rate with certain adjustments. At certain consolidated subsidiaries of SMBC, the fair values are calculated based on the present values of estimated future cash flows, which are computed based on the contractual interest rate. Those present values are discounted by a rate comprising a risk-free rate and a credit risk premium.

Regarding claims on bankrupt borrowers, effectively bankrupt borrowers and potentially bankrupt borrowers, expected losses on such claims are calculated based on either the expected recoverable amount from disposal of collateral or guarantees, or the present value of expected future cash flows. The fair value is approximated by the amount derived from the claims' consolidated balance sheet amounts after deducting the allowance for doubtful accounts; therefore, this price is considered as the fair values.

These transactions are mainly classified into Level 3.

Liabilities

Trading liabilities

The fair values of bonds sold for short sales and other securities for trading purposes are, in principle, based on their market prices as of the end of the fiscal year ended March 31, 2025. They are mainly classified into Level 1.

Deposits and Negotiable certificates of deposit

Out of these transactions, the fair values of demand deposits and deposits without maturity are their book values. The fair values of transactions with a short-term remaining maturity are also their book values, as their book values are regarded to approximate their fair values. The fair values of transactions with a long-term remaining maturity are, in principle, based on the present value of estimated future cash flows discounted by the interest rate assuming that the same type of deposit is newly accepted until the end of the remaining maturity.

These transactions are classified into Level 2.

Borrowed money and Bonds

The fair values of short-term transactions are based on their book values, as their book values are considered to approximate their fair values. For long-term transactions, their fair values are based on the present value of estimated future cash flows discounted using the refinancing rate applied to the same type of instruments for the remaining maturity.

For transactions with the price quoted by industry associations, etc., fair value is based on the amount calculated by using the published price data, yield data, etc.

These transactions are mainly classified into Level 2.

Derivative transactions

The fair values of listed derivatives are based on their closing prices. The fair values of over-the-counter derivative transactions are based on the present value of the future cash flows, option valuation models, etc., using inputs such as interest rate, foreign exchange rate, stock price, commodity price, etc.

Over-the-counter derivative transactions take into account the counterparty's and SMBC's credit risks, and the liquidity risks of the unsecured lending funds. Listed derivative transactions are mainly classified into Level 1. Over-the-counter derivative transactions are classified into Level 2 if observable inputs are available or impact of unobservable inputs to the fair values is not significant. If the impact of unobservable inputs to the fair values is significant, they are classified into Level 3.

(Note 2) Quantitative information about financial assets and liabilities measured and stated on the consolidated balance sheet at fair value and classified in Level 3

1) Quantitative information on significant unobservable inputs

March 31, 2024	Valuation technique	Significant unobservable inputs	Range
Monetary claims bought	Discounted cash flow	Probability of default	0.1% — 100.0%
		Loss given default	0.0% — 51.2%
		Prepayment rate	2.0% — 6.5%
Securities:			
Japanese corporate bonds	Discounted cash flow	Probability of default	7.6% — 100.0%
		Loss given default	0.0% — 40.0%
Foreign bonds	Discounted cash flow	Probability of default	100.0%
		Loss given default	28.9% — 76.0%
Derivative transactions:			
Interest rate derivatives	Option valuation model	Correlation between interest rates	31.3% — 77.8%
		Correlation between interest rates and foreign exchange rates	10.6% — 48.6%

March 31, 2025	Valuation technique	Significant unobservable inputs	Range
Monetary claims bought	Discounted cash flow	Probability of default	0.1% — 100.0%
		Loss given default	0.0% — 50.8%
		Prepayment rate	2.0% — 6.5%
Securities:			
Japanese corporate bonds	Discounted cash flow	Probability of default	7.6% — 100.0%
		Loss given default	0.0% — 44.5%
Foreign bonds	Discounted cash flow	Probability of default	100.0%
		Loss given default	40.0% — 71.2%
Derivative transactions:			
Interest rate derivatives	Option valuation model	Correlation between interest rates	34.3% — 84.0%
		Correlation between interest rates and foreign exchange rates	14.1% — 52.4%

2) Reconciliation between the beginning and ending balance, and net unrealized gains (losses) recognized in the earnings of the period

	Millions of yen							
March 31, 2024	Beginning balance	Earnings of the period*1	Other comprehensive income*2	Net amount of purchase, sale, issuance and settlement	Transfer to Level 3*3	Transfer from Level 3*4	Ending balance	Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date among the amount recognized in the earnings of the period
Monetary claims bought	¥ 465,157	¥ (10,355)	¥ 4,426	¥ (40,129)	¥ —	¥ —	¥ 419,099	¥ —
Securities								
Other securities	25,725	1,054	(143)	(8,020)	1,165	(6,805)	12,976	254
Japanese corporate bonds	24,703	974	333	(8,539)	1,165	(6,805)	11,833	638
Foreign bonds	1,021	80	(476)	518	—	—	1,143	(384)
Derivative transactions								
Interest rate	2,460	191	—	64	—	—	2,716	255
Equity	48	(48)	—	—	—	—	—	(48)
Total	¥ 493,392	¥ (9,157)	¥ 4,283	¥ (48,085)	¥ 1,165	¥ (6,805)	¥ 434,792	¥ 461

*1 The amounts shown in the table above are included in consolidated statements of income.

*2 The amounts shown in the table above are included in "Net unrealized gains (losses) on other securities" under "Other comprehensive income (losses)."

*3 Transfer from Level 2 to Level 3 due in part to an increase in the impact on the fair value of unobservable inputs for privately-placed bonds etc. The transfer was made at the beginning of the fiscal year ended March 31, 2024.

*4 Transfer from Level 3 to Level 2 due in part to a decrease in the impact on the fair value of unobservable inputs for privately-placed bonds etc. The transfer was made at the beginning of the fiscal year ended March 31, 2024.

	Millions of yen							
March 31, 2025	Beginning balance	Earnings of the period*1	Other comprehensive income*2	Net amount of purchase, sale, issuance and settlement	Transfer to Level 3*3	Transfer from Level 3*4	Ending balance	Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date among the amount recognized in the earnings of the period
Monetary claims bought	¥ 419,099	¥ (11,844)	¥ (17,564)	¥ (8,550)	¥ —	¥ —	¥ 381,139	¥ —
Securities								
Other securities	12,976	92	504	(4,592)	960	(3,664)	6,276	59
Japanese corporate bonds	11,833	100	31	(2,984)	960	(3,664)	6,276	21
Foreign bonds	1,143	(8)	473	(1,608)	—	—	0	38
Derivative transactions								
Interest rate	2,716	1,130	—	—	—	—	3,847	1,144
Total	¥ 434,792	¥ (10,621)	¥ (17,059)	¥ (13,143)	¥ 960	¥ (3,664)	¥ 391,263	¥ 1,204

*1 The amounts shown in the table above are included in consolidated statements of income.
*2 The amounts shown in the table above are included in "Net unrealized gains (losses) on other securities" under "Other comprehensive income (losses)."
*3 Transfer from Level 2 to Level 3 due in part to an increase in the impact on the fair value of unobservable inputs for privately-placed bonds etc. The transfer was made at the beginning of the fiscal year ended March 31, 2025.
*4 Transfer from Level 3 to Level 2 due in part to a decrease in the impact on the fair value of unobservable inputs for privately-placed bonds etc. The transfer was made at the beginning of the fiscal year ended March 31, 2025.

3) Description of the fair value valuation process

At the Group, the middle division establishes policies and procedures for the calculation of fair value, and the front division develops valuation models in accordance with such policies and procedures. The middle division verifies the reasonableness of the fair value valuation models, the inputs used, and the appropriateness of the classified fair value level of the calculated fair value.

Observable data is utilized as much as possible for the valuation model. If quoted prices obtained from third parties are used, those values are verified by comparison with results recalculated by the Group using the inputs for the valuation.

4) Description of the sensitivity of the fair value to changes in significant unobservable inputs

Probability of default

Probability of default represents the likelihood that the default will occur, and is calculated based on actual defaults in the past. A significant increase (decrease) in the default rate would result in a significant decrease (increase) in fair value.

Loss given default

Loss given default is the proportion of estimated losses in the event that a default occurs, relative to the total balance of bonds or loans and bills discounted, and is calculated based on actual defaults in the past. A significant increase (decrease) in loss given default would result in a significant decrease (increase) in fair value.

Prepayment rate

Prepayment rate is the proportion of the principal of securities that is expected to be paid before maturity in each period, and is calculated based on actual payment in the past. In general, a significant change in the prepayment rate would result in a significant decrease (increase) in fair value according to the contractual terms and conditions of financial instruments.

Correlation

Correlation is an indicator of the relationship between changes in variables such as interest rate. It is estimated based on actual past results and is mainly used in valuation techniques for complex derivatives, etc. In general, a significant change in correlation would result in a significant increase (decrease) in fair value according to the contractual terms and conditions of financial instruments.

(Note 3) Consolidated balance sheet amounts of stocks with no market prices, etc. and investments in partnership, etc. are as follows. In accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020) and Paragraph 24-16 of "Guidance for Application of Fair Value Measurement" (ASBJ Guidance No.31, June 17, 2021), these amounts are not included in "Trading assets" and "Securities" stated on the tables disclosed in "Matters concerning fair value of financial instruments and breakdown by input level."

	Millions of yen	
March 31	2024	2025
Stocks with no market prices, etc.*1, 2	¥ 222,505	¥ 210,936
Investments in partnership, etc.*2	435,472	483,813
Total	¥ 657,978	¥ 694,749

*1 Unlisted stocks are included in stocks with no market prices, etc.
*2 Unlisted stocks and investments in partnerships totaling ¥22,919 million and ¥29,907 million were written off in the fiscal year ended March 31, 2024 and 2025, respectively.

(Note 4) Redemption schedule of monetary claims and securities with maturities

	Millions of yen			
March 31, 2024	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Monetary claims bought*1	¥ 4,555,801	¥ 838,286	¥ 469,578	¥ 208,663
Securities	11,386,819	9,646,628	3,388,193	5,212,192
Bonds classified as held-to-maturity	—	211,913	22,300	—
Japanese government bonds	—	78,600	—	—
Japanese local government bonds	—	120,313	22,300	—
Japanese corporate bonds	—	13,000	—	—
Other	—	—	—	—
Other securities with maturity	11,386,819	9,434,715	3,365,893	5,212,192
Japanese government bonds	5,794,350	1,325,800	120,200	338,500
Japanese local government bonds	71,280	266,144	727,745	10,289
Japanese corporate bonds	175,681	1,083,055	508,929	392,039
Other	5,345,507	6,759,716	2,009,017	4,471,363
Loans and bills discounted*1, 2	27,380,171	47,936,810	14,248,300	7,170,967
Lease receivables and investment assets	44,969	68,345	39,619	31,574
Total	¥ 43,367,761	¥ 58,490,071	¥ 18,145,691	¥ 12,623,396

*1 The amounts shown in the table above do not include amounts for claims, such as claims on bankrupt borrowers, effectively bankrupt borrowers and potentially bankrupt borrowers for which redemption is unlikely. The amounts for such claims are Monetary claims bought: ¥448 million, Loans and bills discounted: ¥497,476 million.

*2 Loans and bills discounted without the maturity dates are not included. Such amount is totaled to ¥10,818,000 million.

	Millions of yen			
March 31, 2025	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Monetary claims bought*1	¥ 4,115,031	¥ 728,794	¥ 533,027	¥ 231,692
Securities	14,757,224	9,680,501	3,512,780	5,548,615
Bonds classified as held-to-maturity	—	274,531	—	—
Japanese government bonds	—	109,600	—	—
Japanese local government bonds	—	151,931	—	—
Japanese corporate bonds	—	13,000	—	—
Other	—	—	—	—
Other securities with maturity	14,757,224	9,405,970	3,512,780	5,548,615
Japanese government bonds	9,677,520	1,367,000	40,000	148,000
Japanese local government bonds	126,384	256,388	476,958	4,466
Japanese corporate bonds	263,730	890,056	416,093	369,101
Other	4,689,590	6,892,525	2,579,728	5,027,046
Loans and bills discounted*1, 2	28,375,268	50,121,158	15,093,388	6,643,689
Lease receivables and investment assets	53,760	106,270	27,640	28,430
Total	¥ 47,301,285	¥ 60,636,724	¥ 19,166,837	¥ 12,452,427

*1 The amounts shown in the table above do not include amounts for claims, such as claims on bankrupt borrowers, effectively bankrupt borrowers and potentially bankrupt borrowers for which redemption is unlikely. The amounts for such claims are Monetary claims bought: ¥445 million, Loans and bills discounted: ¥254,351 million.

*2 Loans and bills discounted without the maturity dates are not included. Such amount is totaled to ¥11,550,636 million.

(Note 5) Repayment schedule of bonds, borrowed money and other interest-bearing debts

	Millions of yen			
March 31, 2024	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits*	¥ 160,952,252	¥ 3,073,959	¥ 710,623	¥ 410,127
Negotiable certificates of deposit	14,512,106	593,317	44,352	—
Borrowed money	7,312,562	11,670,355	3,066,003	2,949,685
Bonds	238,392	660,535	145,886	99,121
Total	¥ 183,015,313	¥ 15,998,167	¥ 3,966,865	¥ 3,458,933

* Demand deposits are included in "Within 1 year." "Deposits" include current deposits.

	Millions of yen			
March 31, 2025	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits*	¥ 167,184,330	¥ 3,616,914	¥ 646,502	¥ 410,144
Negotiable certificates of deposit	17,256,307	557,288	42,295	—
Borrowed money	4,853,603	9,989,540	2,826,126	3,498,862
Bonds	375,161	542,846	—	97,942
Total	¥ 189,669,402	¥ 14,706,590	¥ 3,514,925	¥ 4,006,949

* Demand deposits are included in "Within 1 year." "Deposits" include current deposits.

(Notes to securities)

The amounts shown in the following tables include trading securities and short-term bonds classified as "Trading assets," negotiable certificates of deposit classified as "Cash and due from banks," and beneficiary claims on loan trust classified as "Monetary claims bought," in addition to "Securities" stated in the consolidated balance sheets.

1. Securities classified as trading purposes

	Millions of yen	
March 31	2024	2025
Valuation gains (losses) included in the earnings for the fiscal year	¥ 5,495	¥ (2,413)

2. Bonds classified as held-to-maturity

		Millions of yen		
March 31, 2024		Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Bonds with unrealized gains:	Japanese government bonds	¥ —	¥ —	¥ —
	Japanese local government bonds	17,000	17,027	27
	Japanese corporate bonds	7,985	8,000	14
	Other	—	—	—
	Subtotal	24,985	25,027	41
Bonds with unrealized losses:	Japanese government bonds	78,561	78,095	(466)
	Japanese local government bonds	125,557	124,591	(965)
	Japanese corporate bonds	4,991	4,975	(15)
	Other	—	—	—
	Subtotal	209,109	207,661	(1,447)
Total		¥ 234,095	¥ 232,689	¥ (1,405)

		Millions of yen		
March 31, 2025		Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Bonds with unrealized gains:	Japanese government bonds	¥ —	¥ —	¥ —
	Japanese local government bonds	—	—	—
	Japanese corporate bonds	—	—	—
	Other	—	—	—
	Subtotal	—	—	—
Bonds with unrealized losses:	Japanese government bonds	109,550	107,656	(1,893)
	Japanese local government bonds	151,882	147,902	(3,980)
	Japanese corporate bonds	12,981	12,681	(300)
	Other	—	—	—
	Subtotal	274,414	268,240	(6,174)
Total		¥ 274,414	¥ 268,240	¥ (6,174)

3. Other securities

March 31, 2024		Millions of yen		
		Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other securities with unrealized gains:	Stocks	¥ 3,608,051	¥ 943,426	¥ 2,664,625
	Bonds	946,003	937,736	8,266
	Japanese government bonds	19,772	19,697	74
	Japanese local government bonds	98	97	0
	Japanese corporate bonds	926,132	917,940	8,191
	Other	7,864,452	7,156,746	707,705
	Subtotal	12,418,507	9,037,909	3,380,598
Other securities with unrealized losses:	Stocks	16,475	21,209	(4,733)
	Bonds	10,114,328	10,222,766	(108,438)
	Japanese government bonds	7,527,604	7,582,503	(54,898)
	Japanese local government bonds	1,053,233	1,075,795	(22,561)
	Japanese corporate bonds	1,533,489	1,564,467	(30,978)
	Other	12,071,872	12,840,047	(768,175)
	Subtotal	22,202,676	23,084,023	(881,347)
Total		¥ 34,621,184	¥ 32,121,932	¥ 2,499,251

Note: There were no net unrealized gains (losses) on other securities shown above for the fiscal year ended March 31, 2024 recognized in the earnings by applying fair value hedge accounting.

March 31, 2025		Millions of yen		
		Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other securities with unrealized gains:	Stocks	¥ 2,580,622	¥ 757,289	¥ 1,823,332
	Bonds	1,327,675	1,320,154	7,521
	Japanese government bonds	518,438	518,333	104
	Japanese local government bonds	10	10	0
	Japanese corporate bonds	809,227	801,810	7,416
	Other	10,365,995	9,674,368	691,626
	Subtotal	14,274,294	11,751,812	2,522,481
Other securities with unrealized losses:	Stocks	24,678	29,642	(4,963)
	Bonds	12,615,744	12,768,090	(152,345)
	Japanese government bonds	10,662,108	10,714,608	(52,500)
	Japanese local government bonds	822,564	864,374	(41,809)
	Japanese corporate bonds	1,131,071	1,189,107	(58,035)
	Other	10,953,129	11,535,637	(582,507)
	Subtotal	23,593,552	24,333,369	(739,816)
Total		¥ 37,867,846	¥ 36,085,182	¥ 1,782,664

Note: There were no net unrealized gains (losses) on other securities shown above for the fiscal year ended March 31, 2025 recognized in the earnings by applying fair value hedge accounting.

4. Held-to-maturity bonds sold during the fiscal year

Fiscal year ended March 31, 2024

There were no corresponding transactions.

Fiscal year ended March 31, 2025

There were no corresponding transactions.

5. Other securities sold during the fiscal year

	Millions of yen		
Year ended March 31, 2024	Sales amount	Gains on sales	Losses on sales
Stocks	¥ 421,484	¥ 279,996	¥ (658)
Bonds	3,374,369	3,049	(13,703)
Japanese government bonds	3,230,548	2,937	(13,069)
Japanese local government bonds	64,364	46	(602)
Japanese corporate bonds	79,456	64	(31)
Other	10,517,868	68,922	(118,658)
Total	¥ 14,313,721	¥ 351,968	¥ (133,020)

	Millions of yen		
Year ended March 31, 2025	Sales amount	Gains on sales	Losses on sales
Stocks	¥ 666,371	¥ 476,800	¥ (6,388)
Bonds	3,574,043	3,207	(43,602)
Japanese government bonds	3,145,713	2,804	(37,005)
Japanese local government bonds	184,260	20	(5,354)
Japanese corporate bonds	244,070	381	(1,243)
Other	14,063,270	121,556	(72,680)
Total	¥ 18,303,685	¥ 601,564	¥ (122,671)

6. Change of classification of securities

Fiscal year ended March 31, 2024

There were no significant corresponding transactions to be disclosed.

Fiscal year ended March 31, 2025

There were no significant corresponding transactions to be disclosed.

7. Write-down of securities

Bonds classified as held-to-maturity and other securities (excluding other securities whose consolidated balance sheet amounts are not measured at fair value) are considered as impaired if the fair value decreases materially below the acquisition cost, and such decline is not considered as recoverable. The fair value is recognized as the consolidated balance sheet amount, and the amount of write-down is accounted for as valuation loss for the fiscal year. Valuation losses for the fiscal years ended March 31, 2024 and 2025 were ¥42,067 million and ¥416 million, respectively. The rule for determining the "material decline" is as follows and is based on the classification of issuers under the rules of self-assessment of assets.

Bankrupt/Effectively bankrupt/Potentially bankrupt issuers:	Fair value is lower than acquisition cost.
Issuers requiring caution:	Fair value is 30% or lower than acquisition cost.
Normal issuers:	Fair value is 50% or lower than acquisition cost.

Bankrupt issuers: Issuers that are legally bankrupt or formally declared bankrupt.
Effectively bankrupt issuers: Issuers that are not legally bankrupt but regarded as substantially bankrupt.
Potentially bankrupt issuers: Issuers that are not bankrupt now but are perceived to have a high risk of falling into bankruptcy.
Issuers requiring caution: Issuers that are identified for close monitoring.
Normal issuers: Issuers other than the above 4 categories of issuers.

(Notes to money held in trust)

1. Money held in trust classified as trading purposes

Fiscal year ended March 31, 2024

There were no corresponding transactions.

Fiscal year ended March 31, 2025

There were no corresponding transactions.

2. Money held in trust classified as held-to-maturity

Fiscal year ended March 31, 2024

There were no corresponding transactions.

Fiscal year ended March 31, 2025

There were no corresponding transactions.

3. Other money held in trust (other than trading purpose and held-to-maturity)

	Millions of yen		
March 31, 2024	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other money held in trust	¥ 0	¥ 0	—

	Millions of yen		
March 31, 2025	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other money held in trust	¥ 0	¥ 0	—

(Notes to net unrealized gains (losses) on other securities)

The breakdown of "Net unrealized gains (losses) on other securities" reported on the consolidated balance sheets is as shown below:

March 31, 2024		Millions of yen
Net unrealized gains (losses)	¥	2,499,425
Other securities		2,499,425
Other money held in trust		—
(-) Deferred tax liabilities		716,949
Net unrealized gains (losses) on other securities (before following adjustments)		1,782,475
(-) Non-controlling interests		3,968
(+) SMBC's interest in net unrealized gains (losses) on valuation of other securities held by equity method affiliates		1,004
Net unrealized gains (losses) on other securities	¥	1,779,511

Notes: 1. *There were no net unrealized gains (losses) on other securities shown above for the fiscal year ended March 31, 2024 recognized in the fiscal year's earnings by applying fair value hedge accounting.*
2. Net unrealized gains (losses) on other securities included foreign currency translation adjustments on foreign currency denominated securities whose fair value was not recognized as consolidated balance sheet amount.

March 31, 2025		Millions of yen
Net unrealized gains (losses)	¥	1,783,110
Other securities		1,783,110
Other money held in trust		—
(-) Deferred tax liabilities		501,922
Net unrealized gains (losses) on other securities (before following adjustments)		1,281,188
(-) Non-controlling interests		3,999
(+) SMBC's interest in net unrealized gains (losses) on valuation of other securities held by equity method affiliates		3,223
Net unrealized gains (losses) on other securities	¥	1,280,412

Notes: 1. There were no net unrealized gains (losses) on other securities shown above for the fiscal year ended March 31, 2025 recognized in the fiscal year's earnings by applying fair value hedge accounting.
2. Net unrealized gains (losses) on other securities included foreign currency translation adjustments on foreign currency denominated securities whose fair value was not recognized as consolidated balance sheet amount.

(Notes to derivative transactions)

1. Derivative transactions to which the hedge accounting method was not applied

The following tables set forth the contract amount or the amount equivalent to the notional amount, fair value and valuation gains (losses) by type of derivative with respect to derivative transactions to which the hedge accounting method was not applied at the end of the fiscal year. Contract amount does not indicate the market risk relating to derivative transactions.

(1) Interest rate derivatives

	Millions of yen			
	Contract amount			
March 31, 2024	Total	Over 1 year	Fair value	Valuation gains (losses)
Listed				
Interest rate futures:				
Sold	¥ 27,478,096	¥ 2,725,575	¥ (11,275)	¥ (11,275)
Bought	90,498,936	11,401,366	(8,202)	(8,202)
Interest rate options:				
Sold	14,605,366	9,230,524	(12,567)	(12,567)
Bought	129,381,651	18,977,920	28,131	28,131
Over-the-counter				
Forward rate agreements:				
Sold	15,319,988	1,046,426	(5,401)	(5,401)
Bought	17,090,481	1,709,543	4,686	4,686
Interest rate swaps:	932,593,197	734,292,906	(302,872)	(302,872)
Receivable fixed rate/payable floating rate	423,606,025	346,205,273	(17,116,963)	(17,116,963)
Receivable floating rate/payable fixed rate	440,018,415	338,963,490	16,780,510	16,780,510
Receivable floating rate/payable floating rate	68,354,847	48,644,043	8,935	8,935
Interest rate swaptions:				
Sold	29,452,395	14,354,603	(450,591)	(450,591)
Bought	32,640,478	19,154,420	467,149	467,149
Caps:				
Sold	80,172,125	31,080,234	(854,735)	(854,735)
Bought	19,872,278	12,493,851	198,793	198,793
Floors:				
Sold	11,848,915	9,919,727	(19,918)	(19,918)
Bought	15,713,817	10,478,077	34,841	34,841
Other:				
Sold	29,193,076	9,406,003	(351,730)	(351,730)
Bought	52,716,749	23,192,691	326,946	326,946
Total	/	/	¥ (956,746)	¥ (956,746)

Note: The above transactions were valued at fair value, and the valuation gains (losses) were accounted for in the consolidated statements of income.

	Millions of yen			
	Contract amount			
March 31, 2025	Total	Over 1 year	Fair value	Valuation gains (losses)
Listed				
Interest rate futures:				
Sold	¥ 20,054,787	¥ 5,668,067	¥ 3,601	¥ 3,601
Bought	64,258,953	8,171,815	(817)	(817)
Interest rate options:				
Sold	28,259,600	9,383,425	(22,822)	(22,822)
Bought	98,859,073	18,793,820	18,306	18,306
Over-the-counter				
Forward rate agreements:				
Sold	18,573,211	2,885,194	8,792	8,792
Bought	20,854,430	4,378,015	(10,606)	(10,606)
Interest rate swaps:	966,689,789	777,725,906	(104,712)	(104,712)
Receivable fixed rate/payable floating rate	448,528,577	371,675,191	(11,508,559)	(11,508,559)
Receivable floating rate/payable fixed rate	457,126,481	362,161,770	11,398,859	11,398,859
Receivable floating rate/payable floating rate	61,027,212	43,881,425	5,693	5,693
Interest rate swaptions:				
Sold	41,108,303	18,876,685	(463,683)	(463,683)
Bought	41,840,268	22,122,379	507,201	507,201
Caps:				
Sold	83,649,044	36,614,008	(350,429)	(350,429)
Bought	21,427,151	13,660,652	85,245	85,245
Floors:				
Sold	14,227,781	10,502,453	(24,085)	(24,085)
Bought	15,938,494	11,918,012	38,813	38,813
Other:				
Sold	19,342,043	6,878,649	(99,290)	(99,290)
Bought	44,619,256	24,100,186	191,611	191,611
Total	/	/	¥ (222,875)	¥ (222,875)

Note: The above transactions were valued at fair value, and the valuation gains (losses) were accounted for in the consolidated statements of income.

(2) Currency derivatives

	Millions of yen			
	Contract amount			
March 31, 2024	Total	Over 1 year	Fair value	Valuation gains (losses)
Listed				
Currency futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Bought	11	—	(184)	(184)
Over-the-counter				
Currency swaps	106,820,605	81,234,713	1,689,064	379,260
Currency swaptions:				
Sold	2,490	2,490	0	0
Bought	1,643,049	1,643,049	682	682
Forward foreign exchange	118,484,643	14,556,618	(291,044)	(291,044)
Currency options:				
Sold	4,085,016	1,533,042	(142,111)	(142,111)
Bought	3,895,981	1,174,947	119,581	119,581
Total	/	/	¥ 1,375,989	¥ 66,185

Note: The above transactions were valued at fair value, and the valuation gains (losses) were accounted for in the consolidated statements of income.

	Millions of yen			
	Contract amount			
March 31, 2025	Total	Over 1 year	Fair value	Valuation gains (losses)
Listed				
Currency futures:				
Sold	¥ 615	¥ —	¥ 0	¥ 0
Bought	12,361	—	(93)	(93)
Over-the-counter				
Currency swaps	118,804,828	91,562,750	1,349,670	222,578
Currency swaptions:				
Sold	11,113	11,113	(34)	(34)
Bought	1,954,197	1,915,220	8,617	8,617
Forward foreign exchange	121,861,524	14,180,332	(341,455)	(341,455)
Currency options:				
Sold	5,123,921	1,454,923	(136,626)	(136,626)
Bought	4,532,561	1,070,258	114,708	114,708
Total	/	/	¥ 994,787	¥ (132,304)

Note: The above transactions were valued at fair value, and the valuation gains (losses) were accounted for in the consolidated statements of income.

(3) Equity derivatives

March 31, 2024	Millions of yen			
	Contract amount			
	Total	Over 1 year	Fair value	Valuation gains (losses)
Listed				
Equity price index futures:				
Sold	¥ 551,198	¥ —	¥ (11,936)	¥ (11,936)
Bought	538,280	—	12,939	12,939
Equity price index options:				
Sold	—	—	—	—
Bought	10,475	—	(22)	(22)
Over-the-counter				
Equity options:				
Sold	—	—	—	—
Bought	107	107	68	68
Total	/	/	¥ 1,048	¥ 1,048

Note: The above transactions were valued at fair value, and the valuation gains (losses) were accounted for in the consolidated statements of income.

March 31, 2025	Millions of yen			
	Contract amount			
	Total	Over 1 year	Fair value	Valuation gains (losses)
Listed				
Equity price index futures:				
Sold	¥ 576,573	¥ —	¥ 9,474	¥ 9,474
Bought	546,969	—	(8,746)	(8,746)
Over-the-counter				
Equity options:				
Sold	—	—	—	—
Bought	159	159	214	214
Total	/	/	¥ 942	¥ 942

Note: The above transactions were valued at fair value, and the valuation gains (losses) were accounted for in the consolidated statements of income.

(4) Bond derivatives

	Millions of yen			
	Contract amount			
March 31, 2024	Total	Over 1 year	Fair value	Valuation gains (losses)
Listed				
Bond futures:				
Sold	¥ 1,265,652	¥ —	¥ 246	¥ 246
Bought	1,303,571	—	198	198
Total	/	/	¥ 444	¥ 444

Note: The above transactions were valued at fair value, and the valuation gains (losses) were accounted for in the consolidated statements of income.

	Millions of yen			
	Contract amount			
March 31, 2025	Total	Over 1 year	Fair value	Valuation gains (losses)
Listed				
Bond futures:				
Sold	¥ 2,546,977	¥ 67,031	¥ (7,171)	¥ (7,171)
Bought	2,522,713	43,202	6,751	6,751
Bond futures options:				
Sold	10,467	—	(16)	(16)
Bought	11,962	—	51	51
Total	/	/	¥ (385)	¥ (385)

Note: The above transactions were valued at fair value, and the valuation gains (losses) were accounted for in the consolidated statements of income.

(5) Commodity derivatives

	Millions of yen			
	Contract amount			
March 31, 2024	Total	Over 1 year	Fair value	Valuation gains (losses)
Listed				
Commodity futures:				
Sold	¥ 24,819	¥ —	¥ (1,660)	¥ (1,660)
Bought	28,164	—	1,831	1,831
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price	33,621	18,298	(4,677)	(4,677)
Receivable floating price/payable fixed price	28,517	14,681	5,516	5,516
Commodity options:				
Sold	6,439	710	(159)	(159)
Bought	972	—	59	59
Total	/	/	¥ 909	¥ 909

Notes: 1. The above transactions were valued at fair value, and the valuation gains (losses) were accounted for in the consolidated statements of income.
2. Underlying assets of commodity derivatives were fuels and metals.

	Millions of yen			
	Contract amount			
March 31, 2025	Total	Over 1 year	Fair value	Valuation gains (losses)
Listed				
Commodity futures:				
Sold	¥ 42,257	¥ —	¥ 429	¥ 429
Bought	43,214	—	(419)	(419)
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price	45,313	30,414	609	609
Receivable floating price/payable fixed price	39,294	24,838	520	520
Commodity options:				
Sold	3,350	1,327	(6)	(6)
Bought	1,681	614	12	12
Total	/	/	¥ 1,147	¥ 1,147

Notes: 1. The above transactions were valued at fair value, and the valuation gains (losses) were accounted for in the consolidated statements of income.
2. Underlying assets of commodity derivatives were fuels and metals.

(6) Credit derivative transactions

	Millions of yen			
	Contract amount			
March 31, 2024	Total	Over 1 year	Fair value	Valuation gains (losses)
Over-the-counter				
Credit default options:				
Sold	¥ 163,930	¥ 163,930	¥ 2,295	¥ 2,295
Bought	736,198	733,171	(13,143)	(13,143)
Total	/	/	¥ (10,848)	¥ (10,848)

Notes: 1. The above transactions were valued at fair value, and the valuation gains (losses) were accounted for in the consolidated statements of income.
2. "Sold" represents transactions in which the credit risk was accepted; "Bought" represents transactions in which the credit risk was transferred.

	Millions of yen			
	Contract amount			
March 31, 2025	Total	Over 1 year	Fair value	Valuation gains (losses)
Over-the-counter				
Credit default options:				
Sold	¥ 137,008	¥ 131,472	¥ 3,789	¥ 3,789
Bought	789,840	764,320	(16,146)	(16,146)
Total	/	/	¥ (12,356)	¥ (12,356)

Notes: 1. The above transactions were valued at fair value, and the valuation gains (losses) were accounted for in the consolidated statements of income.
2. "Sold" represents transactions in which the credit risk was accepted; "Bought" represents transactions in which the credit risk was transferred.

2. Derivative transactions to which the hedge accounting method was applied

The following tables set forth the contract amount or the amount equivalent to the notional amount and fair value by type of derivative and hedge accounting method with respect to derivative transactions to which the hedge accounting method was applied at the end of the fiscal year. Contract amount does not indicate the market risk relating to derivative transactions.

(1) Interest rate derivatives

March 31, 2024

			Millions of yen		
			Contract amount		
Hedge accounting method	Type of derivative	Principal items hedged	Total	Over 1 year	Fair value
Deferral hedge method	Interest rate futures:	Interest-earning/bearing financial assets/liabilities such as loans and bills discounted, other securities, deposits and negotiable certificates of deposit			
	Sold		¥ 10,698,217	¥ 8,099,438	¥ 1,200
	Bought		1,815,960	1,815,960	(177)
	Interest rate swaps:				
	Receivable fixed rate/ payable floating rate		34,225,953	29,786,756	(856,112)
	Receivable floating rate/ payable fixed rate		20,182,698	18,952,713	566,945
	Receivable floating rate/ payable floating rate		143,850	139,332	803
	Interest rate swaptions:				
	Sold		210,348	210,348	(35,273)
	Bought		—	—	—
Recognition of gain or loss on the hedged items	Interest rate swaps:	Loans and bills discounted, deposits			
	Receivable fixed rate/ payable floating rate		19,333	—	(17)
	Receivable floating rate/ payable fixed rate		730,575	608,426	30,463
Special treatment for interest rate swaps	Interest rate swaps:	Borrowed money			
	Receivable floating rate/ payable fixed rate		67,198	66,983	(Note 2)
	Total		/	/	¥ (292,169)

Notes: 1. SMBC applied deferred hedge accounting stipulated in JICPA Industry Committee Practical Guideline No. 24.
2. Interest rate swap amounts measured by the special treatment for interest rate swaps were treated with the borrowed money that was subject to the hedge. Therefore, such a fair value was included in the fair value of the relevant borrowed money started in the (Notes to financial instruments).

March 31, 2025

Hedge accounting method	Type of derivative	Principal items hedged	Millions of yen		
			Contract amount		
			Total	Over 1 year	Fair value
Deferral hedge method	Interest rate futures:	Interest-earning/bearing financial assets/liabilities such as loans and bills discounted, other securities, deposits and negotiable certificates of deposit			
	Sold		¥ 5,999,652	¥ 5,986,074	¥ (7,810)
	Bought		4,784,960	2,990,600	(2,631)
	Interest rate swaps:				
	Receivable fixed rate/ payable floating rate		45,717,816	39,430,733	(761,940)
	Receivable floating rate/ payable fixed rate		24,075,237	22,969,348	452,072
	Receivable floating rate/ payable floating rate		517,660	92,660	5,004
	Interest rate swaptions:				
	Sold		207,846	207,846	(34,925)
	Bought		—	—	—
Recognition of gain or loss on the hedged items	Interest rate swaps:	Loans and bills discounted, deposits			
	Receivable fixed rate/ payable floating rate		129,315	—	(153)
	Receivable floating rate/ payable fixed rate		786,671	656,700	17,764
Special treatment for interest rate swaps	Interest rate swaps:	Borrowed money			
	Receivable floating rate/ payable fixed rate		60,623	60,402	(Note 2)
	Total		/	/	¥ (332,619)

Notes: 1. SMBC applied deferred hedge accounting stipulated in JICPA Industry Committee Practical Guideline No. 24.
2. Interest rate swap amounts measured by the special treatment for interest rate swaps were treated with the borrowed money that was subject to the hedge. Therefore, such a fair value was included in the fair value of the relevant borrowed money started in the (Notes to financial instruments).

(2) Currency derivatives

March 31, 2024

Hedge accounting method	Type of derivative	Principal items hedged	Millions of yen Contract amount Total	Over 1 year	Fair value
Deferral hedge method	Currency swaps	Foreign currency denominated loans and bills discounted, other securities, deposits, foreign currency exchange, etc.	¥ 13,512,498	¥ 9,140,365	¥ (1,866,797)
	Forward foreign exchange		3,732,678	—	26,825
Recognition of gain or loss on the hedged items	Currency swaps	Loans and bills discounted, other securities	74,681	50,544	5,759
	Total		/	/	¥ (1,834,212)

Note: SMBC applied deferred hedge accounting stipulated in JICPA Industry Committee Practical Guideline No. 25.

March 31, 2025

Hedge accounting method	Type of derivative	Principal items hedged	Millions of yen Contract amount Total	Over 1 year	Fair value
Deferral hedge method	Currency swaps	Foreign currency denominated loans and bills discounted, other securities, deposits, foreign currency exchange, etc.	¥ 13,746,034	¥ 8,858,500	¥ (1,376,445)
	Forward foreign exchange		4,878,815	—	(19,912)
Recognition of gain or loss on the hedged items	Currency swaps	Loans and bills discounted, other securities	38,046	33,389	(789)
	Total		/	/	¥ (1,397,147)

Note: SMBC applied deferred hedge accounting stipulated in JICPA Industry Committee Practical Guideline No. 25.

(Notes to employee retirement benefits)

1. Outline of employee retirement benefits

SMBC and its consolidated subsidiaries have funded and unfunded contributory defined benefit pension plans and defined-contribution pension plans for benefit payments to their employees.

Funded contributory defined benefit pension plans mainly consist of contributory funded defined benefit pension plans and lump-sum severance indemnity plans which set up employee retirement benefit trusts.

Unfunded contributory defined benefit pension plans are lump-sum severance indemnity plans which do not use such a trust scheme.

Some consolidated subsidiaries adopt the simplified method in calculating the projected benefit obligation. Additional benefits may also be granted when employees retire.

2. Contributory defined benefit pension plan

(1) Reconciliation of beginning and ending balances of projected benefit obligation

	Millions of yen	
Year ended, March 31	2024	2025
Beginning balance of projected benefit obligation	¥ 907,045	¥ 858,117
Service cost	22,063	20,502
Interest cost on projected benefit obligation	9,468	11,989
Unrecognized net actuarial gain or loss incurred	(31,706)	(64,687)
Payments of retirement benefits	(55,136)	(53,248)
Unrecognized prior service cost	—	—
Other	6,381	(1,525)
Ending balance of projected benefit obligation	¥ 858,117	¥ 771,147

(2) Reconciliation of beginning and ending balances of plan assets

	Millions of yen	
Year ended, March 31	2024	2025
Beginning balance of plan assets	¥ 1,599,653	¥ 1,749,632
Expected return on plan assets	41,831	48,264
Unrecognized net actuarial gain or loss incurred	206,194	(33,587)
Contributions by the employer	9,764	11,003
Payments of retirement benefits	(40,790)	(40,475)
Other	(67,020)	(112)
Ending balance of plan assets	¥ 1,749,632	¥ 1,734,724

(3) Reconciliation of ending balances of projected benefit obligation and plan assets to net defined benefit asset and net defined benefit liability reported on the consolidated balance sheets

	Millions of yen	
March 31	2024	2025
Funded projected benefit obligation	¥ (855,660)	¥ (768,597)
Plan assets	1,749,632	1,734,724
	893,972	966,127
Unfunded projected benefit obligation	(2,457)	(2,550)
Net amount of asset and liability reported on the consolidated balance sheet	¥ 891,515	¥ 963,577

	Millions of yen	
March 31	2024	2025
Net defined benefit asset	¥ 901,362	¥ 970,420
Net defined benefit liability	(9,846)	(6,842)
Net amount of asset and liability reported on the consolidated balance sheet	¥ 891,515	¥ 963,577

(4) Pension expenses

	Millions of yen	
Year ended March 31	2024	2025
Service cost	¥ 22,063	¥ 20,502
Interest cost on projected benefit obligation	9,468	11,989
Expected return on plan assets	(41,831)	(48,264)
Amortization of unrecognized net actuarial gain or loss	(25,673)	(36,847)
Amortization of unrecognized prior service cost	(2,402)	(2,402)
Other (nonrecurring additional retirement allowance paid and other)	8,886	6,772
Pension expenses	¥ (29,487)	¥ (48,250)

Note: Pension expenses of consolidated subsidiaries which adopt the simplified method are mainly included in "Service cost."

(5) Remeasurements of defined benefit plans

The breakdown of "Remeasurements of defined benefit plans" (before deducting income taxes and tax effect) was as shown below:

	Millions of yen	
Year ended March 31	2024	2025
Prior service cost	¥ 2,402	¥ 2,402
Net actuarial gain or loss	(212,373)	6,207
Total	¥ (209,970)	¥ 8,609

(6) Accumulated remeasurements of defined benefit plans

The breakdown of "Accumulated remeasurements of defined benefit plans" (before deducting income taxes and tax effect) was as shown below:

	Millions of yen	
March 31	2024	2025
Unrecognized prior service cost	¥ (11,860)	¥ (9,458)
Unrecognized net actuarial gain or loss	(387,838)	(381,630)
Total	¥ (399,698)	¥ (391,089)

(7) Plan assets

1) Major asset classes of plan assets

The proportion of major asset classes to the total plan assets was as follows:

March 31	2024	2025
Stocks	52.4 %	46.8 %
Bonds	11.4 %	10.6 %
General account of life insurance	1.7 %	0.5 %
Other	34.5 %	42.1 %
Total	100.0 %	100.0 %

Note: The retirement benefit trusts set up for employee pension plans and lump-sum severance indemnity plans account for 34.1% and 33.4% of the total plan assets at March 31, 2024 and 2025, respectively.

2) Method for setting the long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined based on the current and expected allocation of plan assets and the current and expected long-term rates of return on various asset classes of plan assets.

(8) Actuarial assumptions

The principal assumptions used in determining benefit obligation and pension expenses were as follows:

1) Discount rate

Year ended March 31, 2024	Percentages	Year ended March 31, 2025	Percentages
SMBC and its domestic consolidated subsidiaries	0.9% to 1.2%	SMBC and its domestic consolidated subsidiaries	0.8% to 1.9%
Overseas consolidated subsidiaries	2.0% to 6.7%	Overseas consolidated subsidiaries	2.0% to 7.0%

2) Long-term expected rate of return on plan assets

Year ended March 31, 2024	Percentages	Year ended March 31, 2025	Percentages
SMBC and its domestic consolidated subsidiaries	1.5% to 3.2%	SMBC and its domestic consolidated subsidiaries	0.0% to 3.2%
Overseas consolidated subsidiaries	4.8% to 6.7%	Overseas consolidated subsidiaries	5.8% to 7.0%

3. Defined contribution plan

Fiscal year ended March 31, 2024

The amount required to be contributed by SMBC and the consolidated subsidiaries was ¥10,386 million.

Fiscal year ended March 31, 2025

The amount required to be contributed by SMBC and the consolidated subsidiaries was ¥11,274 million.

(Notes to deferred tax assets and liabilities)

1. Significant components of deferred tax assets and liabilities

March 31, 2024	Millions of yen	March 31, 2025	Millions of yen
Deferred tax assets:		Deferred tax assets:	
Reserve for possible loan losses and write-off of loans	¥ 236,389	Reserve for possible loan losses and write-off of loans	¥ 275,318
Net deferred gains (losses) on hedge	35,394	Net deferred gains (losses) on hedge	77,592
Securities	45,341	Securities	19,340
Net operating loss carryforwards*	14,724	Net operating loss carryforwards*	8,982
Other	196,832	Other	250,549
Subtotal	528,682	Subtotal	631,782
Valuation allowance for net operating loss carryforwards*	(6,526)	Valuation allowance for net operating loss carryforwards*	(5,965)
Valuation allowance for total amount of deductible temporary differences etc.	(63,530)	Valuation allowance for total amount of deductible temporary differences etc.	(70,917)
Valuation allowance subtotal	(70,056)	Valuation allowance subtotal	(76,882)
Total deferred tax assets	458,625	Total deferred tax assets	554,900
Deferred tax liabilities:		Deferred tax liabilities:	
Net unrealized gains on other securities	(722,470)	Net unrealized gains on other securities	(500,961)
Accumulated remeasurements of defined benefit plans	(127,578)	Accumulated remeasurements of defined benefit plans	(124,230)
Retained earnings of subsidiaries	(65,246)	Retained earnings of subsidiaries	(71,012)
Other	(143,470)	Other	(165,599)
Total deferred tax liabilities	(1,058,766)	Total deferred tax liabilities	(861,804)
Net deferred tax assets (liabilities)	¥ (600,140)	Net deferred tax assets (liabilities)	¥ (306,903)

* Net operating loss carryforwards and the amount of its deferred tax assets by expiry date.

	Millions of yen				
March 31, 2024	Within 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Total
Net operating loss carryforwards*	¥ 1	¥ 1,541	¥ 3,326	¥ 9,854	¥ 14,724
Valuation allowance	(1)	(770)	(3,157)	(2,595)	(6,526)
Deferred tax assets	0	770	169	7,259	8,198

* Net operating loss carryforwards is multiplied by statutory tax rate.

	Millions of yen				
March 31, 2025	Within 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Total
Net operating loss carryforwards*	¥ 5	¥ 1,557	¥ 2,121	¥ 5,298	¥ 8,982
Valuation allowance	(5)	(1,154)	(1,497)	(3,307)	(5,965)
Deferred tax assets	0	402	624	1,991	3,017

* Net operating loss carryforwards is multiplied by statutory tax rate.

2. Significant components of difference between the statutory tax rate used by SMBC and the effective income tax rate

March 31, 2024	Percentages	March 31, 2025	Percentages
Statutory tax rate	30.62%	Statutory tax rate	30.62%
(Adjustments)		(Adjustments)	
Differences of the scope of taxable income between corporate income tax and enterprise income tax	(1.74)	Differences of effective income tax rate between SMBC and overseas consolidated subsidiaries	(1.27)
Equity in gains of affiliates	(1.42)	Differences of the scope of taxable income between corporate income tax and enterprise income tax	(1.20)
Foreign tax	(0.89)	Dividends exempted for income tax purposes	(0.76)
Retained earnings of subsidiaries	1.19	Dividends from overseas subsidiaries	0.42
Other	(0.28)	Other	0.31
Effective income tax rate	27.48%	Effective income tax rate	28.12%

3. Amendment of deferred tax assets and deferred tax liabilities amounts according to the change in income tax rate

"Special defense surtax" will be imposed on corporate income tax amounts for fiscal years beginning on or after April 1, 2026, pursuant to "Act for Partial Amendment of the Income Tax Act, etc." (Act No.13, 2025), enacted on March 31, 2025. Consequently, the statutory tax rate used for calculating deferred tax assets and deferred tax liabilities will be increased from 30.62% to 31.52% for the reversal of temporary differences, etc. arising in fiscal years beginning on or after April 1, 2026. The impact of this change in the statutory tax rate is immaterial.

4. Accounting treatment for corporate tax, local tax, and related tax effect accounting

SMBC and certain consolidated domestic subsidiaries apply the group tax sharing system in which Sumitomo Mitsui Financial Group, Inc. is a parent company of the group tax sharing system. Accordingly, corporate tax, local tax, and related tax effect accounting are accounted for and disclosed in accordance with "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ Practical Issue Task Force No. 42, August 12, 2021).

(Notes to asset retirement obligations)

Fiscal year ended March 31, 2024

There was no information to be disclosed since the total amount of asset retirement obligations was immaterial.

Fiscal year ended March 31, 2025

There was no information to be disclosed since the total amount of asset retirement obligations was immaterial.

(Notes to real estate for rent)

Fiscal year ended March 31, 2024

There was no significant information to be disclosed.

Fiscal year ended March 31, 2025

There was no significant information to be disclosed.

(Revenue recognition)

Information on breakdown of revenues from contracts with customers

	Millions of yen	
Year ended March 31	2024	2025
Ordinary income	¥ 7,754,385	¥ 8,448,877
Fees and commissions	897,865	958,962
Deposits and loans	296,310	331,214
Remittances and transfers	152,244	158,972
Securities-related business	62,791	80,070
Agency	8,603	8,695
Safe deposits	4,321	4,025
Guarantees	42,024	39,457
Investment trusts	33,912	38,535
Others	297,657	297,990

Note: Fees and commissions obtained through Deposits and loans principally arise in the Wholesale Banking Unit and the Global Banking Unit, Remittances and transfers principally arise in the Wholesale Banking Unit, the Retail Banking Unit, and the Global Banking Unit, Securities-related business principally arise in the Global Banking Unit. Income based on "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019) is also included in the table above.

(Notes to segment and other related information)

[Segment information]

1. Summary of reportable segment

SMBC and its group companies' reportable segment is defined as an operating segment for which discrete financial information is available and reviewed by the Board of Directors and SMBC's Management Committee regularly in order to make decisions about resources to be allocated to the segment and assess its performance.

The businesses operated by each business unit are as follows:

Wholesale Banking Unit:	Business to deal with domestic medium-to-large-sized and small-to-medium-sized corporate customers
Retail Banking Unit:	Business to deal with mainly domestic individual customers
Global Banking Unit:	Business to deal with international (including Japanese) corporate customers in overseas countries
Global Markets & Treasury Unit:	Business to deal with financial market
Head office account:	Business other than businesses above

2. Method of calculating profit and loss amount by reportable segment

Accounting methods applied to the reported business segment are the same as those described in "(Significant accounting policies for preparing consolidated financial statements)." In case several business units cooperate for transactions, profit and loss, and expenses related to the transactions are recognized in the business units cooperating for the transactions and those amounts are calculated in accordance with internal managerial accounting policy.

SMBC does not assess assets by business segments.

3. Information on profit and loss amount by reportable segment

	Millions of yen					
Year ended March 31, 2024	Wholesale Banking Unit	Retail Banking Unit	Global Banking Unit	Global Markets & Treasury Unit	Head office account and others	Total
Consolidated gross profit	¥ 937,100	¥ 351,700	¥ 1,377,000	¥ 435,300	¥ (493,990)	¥ 2,607,110
General and administrative expenses	(311,000)	(325,200)	(737,100)	(82,200)	79,203	(1,376,297)
Equity in gains (losses) of affiliates	—	4,400	27,500	—	25,931	57,831
Consolidated net business profit	¥ 626,100	¥ 30,900	¥ 667,400	¥ 353,100	¥ (388,856)	¥ 1,288,644

Notes: 1. Figures shown in the parenthesis represent the loss.
2. "Head office account and others" includes profit or loss to be eliminated as inter-segment transactions.

	Millions of yen					
Year ended March 31, 2025	Wholesale Banking Unit	Retail Banking Unit	Global Banking Unit	Global Markets & Treasury Unit	Head office account and others	Total
Consolidated gross profit	¥ 1,049,400	¥ 413,900	¥ 1,332,200	¥ 559,200	¥ (429,302)	¥ 2,925,398
General and administrative expenses	(339,000)	(341,100)	(823,500)	(105,500)	132,628	(1,476,472)
Equity in gains (losses) of affiliates	—	4,900	114,200	—	(116,422)	2,678
Consolidated net business profit	¥ 710,400	¥ 77,700	¥ 622,900	¥ 453,700	¥ (413,096)	¥ 1,451,604

Notes: 1. Figures shown in the parenthesis represent the loss.
2. "Head office account and others" includes profit or loss to be eliminated as inter-segment transactions.

4. Difference between total amount of consolidated net business profit by reportable segment and ordinary profit on consolidated statements of income (adjustment of difference)

Year ended March 31, 2024		Millions of yen
Consolidated net business profit	¥	1,288,644
Other ordinary income (excluding equity in gains of affiliates)		337,074
Other ordinary expenses		(269,145)
Ordinary profit on consolidated statements of income	¥	1,356,572

Note: Figures shown in the parenthesis represent the loss.

Year ended March 31, 2025		Millions of yen
Consolidated net business profit	¥	1,451,604
Other ordinary income (excluding equity in gains of affiliates)		576,601
Other ordinary expenses		(292,373)
Ordinary profit on consolidated statements of income	¥	1,735,832

Note: Figures shown in the parenthesis represent the loss.

[Related information]

Fiscal year ended March 31, 2024

1. Information on each service

There was no information to be disclosed since information on each service was similar to the segment information.

2. Geographic information

(1) Ordinary income

Millions of yen				
Japan	The Americas	Europe and Middle East	Asia and Oceania	Total
¥ 2,410,188	¥ 2,482,519	¥ 1,491,492	¥ 1,370,184	¥ 7,754,385

Notes:
1. Consolidated ordinary income is presented as a counterpart of sales of companies in other industries.
2. Ordinary income from transactions of SMBC (excluding overseas branches) and its domestic consolidated subsidiaries is classified as "Japan." Ordinary income from transactions of overseas branches of SMBC and overseas consolidated subsidiaries is classified as "The Americas," "Europe and Middle East," and "Asia and Oceania," based on their locations and in consideration of their geographic proximity and other factors.
3. The Americas includes the United States, Brazil, Canada, and others; Europe and Middle East includes the United Kingdom, Germany, and others; Asia and Oceania includes China, Singapore, Indonesia, and others except Japan.

(2) Tangible fixed assets

Millions of yen				
Japan	The Americas	Europe and Middle East	Asia and Oceania	Total
¥ 705,727	¥ 44,265	¥ 43,635	¥ 47,909	¥ 841,538

3. Information on major customers

There were no major customers individually accounting for 10% or more of ordinary income reported on the consolidated statements of income.

Fiscal year ended March 31, 2025

1. Information on each service

There was no information to be disclosed since information on each service was similar to the segment information.

2. Geographic information

(1) Ordinary income

Millions of yen				
Japan	The Americas	Europe and Middle East	Asia and Oceania	Total
¥ 2,868,789	¥ 2,604,948	¥ 1,575,370	¥ 1,399,768	¥ 8,448,877

Notes:
1. Consolidated ordinary income is presented as a counterpart of sales of companies in other industries.
2. Ordinary income from transactions of SMBC (excluding overseas branches) and its domestic consolidated subsidiaries is classified as "Japan." Ordinary income from transactions of overseas branches of SMBC and overseas consolidated subsidiaries is classified as "The Americas," "Europe and Middle East," and "Asia and Oceania," based on their locations and in consideration of their geographic proximity and other factors.
3. The Americas includes the United States, Brazil, Canada, and others; Europe and Middle East includes the United Kingdom, Germany, and others; Asia and Oceania includes China, Singapore, Indonesia, and others except Japan.

(2) Tangible fixed assets

Millions of yen				
Japan	The Americas	Europe and Middle East	Asia and Oceania	Total
¥ 702,816	¥ 50,664	¥ 38,237	¥ 50,564	¥ 842,283

3. Information on major customers

There were no major customers individually accounting for 10% or more of ordinary income reported on the consolidated statements of income.

[Information on impairment loss for fixed assets by reportable segment]

SMBC does not allocate impairment loss for fixed assets to the reportable segment.
Impairment loss for the fiscal year ended March 31, 2024 was ¥13,155 million.
Impairment loss for the fiscal year ended March 31, 2025 was ¥2,675 million.

[Information on amortization of goodwill and unamortized balance by reportable segment]

	Millions of yen					
Year ended March 31, 2024	Wholesale Banking Unit	Retail Banking Unit	Global Banking Unit	Treasury Unit	Head office account and others	Total
Amortization of goodwill	¥ —	¥ —	¥ 9,268	¥ —	¥ —	¥ 9,268
Unamortized balance	—	—	—	—	—	—

	Millions of yen					
Year ended March 31, 2025	Wholesale Banking Unit	Retail Banking Unit	Global Banking Unit	Treasury Unit	Head office account and others	Total
Amortization of goodwill	¥ —	¥ —	¥ 396	¥ —	¥ —	¥ 396
Unamortized balance	—	—	—	—	—	—

[Information on gains on negative goodwill by reportable segment]

Fiscal year ended March 31, 2024

There were no significant corresponding transactions to be disclosed.

Fiscal year ended March 31, 2025

There were no corresponding transactions.

[Information on related parties]

Fiscal year ended March 31, 2024

1. Transactions with related parties

There were no significant corresponding transactions to be disclosed.

2. Notes to the parent company or important affiliates

Information on the parent company
Sumitomo Mitsui Financial Group, Inc. (listed on the Tokyo Stock Exchange, the Nagoya Stock Exchange, and the New York Stock Exchange)

Fiscal year ended March 31, 2025

1. Transactions with related parties

There were no significant corresponding transactions to be disclosed.

2. Notes to the parent company or important affiliates

Information on the parent company
Sumitomo Mitsui Financial Group, Inc. (listed on the Tokyo Stock Exchange, the Nagoya Stock Exchange, and the New York Stock Exchange)

(Business combination)

There was no significant business combination to be disclosed.

(Per share data)

	Yen	
As of and year ended March 31	2024	2025
Net assets per share	¥ 106,279.71	¥ 105,969.48
Earnings per share	8,488.93	11,636.20
Earnings per share (diluted)	—	11,636.13

Notes: 1. Earnings per share and earnings per share (diluted) are calculated based on the following.

	Millions of yen except number of shares	
Year ended March 31	2024	2025
Earnings per share:		
Profit attributable to owners of parent	¥ 901,935	¥ 1,236,342
Amount not attributable to common stockholders	—	—
Profit attributable to owners of parent attributable to common stock	¥ 901,935	¥ 1,236,342
Average number of common stocks during the fiscal year (in thousands)	106,248	106,249
Earnings per share (diluted):		
Adjustment for profit attributable to owners of parent	¥ —	¥ (7)
Adjustment of dilutive shares issued by consolidated subsidiaries and equity method affiliates	—	(7)
Increase in number of common stock (in thousands)	—	—
Outline of dilutive shares which were not included in the calculation of "Earnings per share (diluted)" because they do not have dilutive effect:	—	—

2. Net assets per share are calculated based on the following.

	Millions of yen except number of shares	
March 31	2024	2025
Net assets	¥ 11,494,278	¥ 11,410,174
Amounts excluded from net assets	202,229	150,815
Non-controlling interests	202,229	150,815
Net assets attributable to common stock at the end of the fiscal year	¥ 11,292,048	¥ 11,259,358
Number of common stocks at the end of the fiscal year used for the calculation of net assets per share (in thousands)	106,248	106,250

(Significant subsequent events)

There were no significant subsequent events to be disclosed.

[Consolidated supplementary financial schedules]

[Schedule of bonds]

Company	Type of bonds	Date of issuance	Millions of yen: At the beginning of the fiscal year	Millions of yen: At the end of the fiscal year	Percentages: Interest rate (Note 1)	Collateral	Date of maturity
SMBC	Straight bonds, payable in U.S. dollars (Notes 3 and 4)	May 2014 ~ Aug. 2023	282,482 ($1,866,668 thousand) [75,665]	204,328 ($1,366,470 thousand) [74,765]	3.31 ~ 6.9	None	Jul. 2025 ~ Mar. 2030
	Straight bonds, payable in U.S. dollars (Note 3)	May 28, 2015	99,121 ($655,000 thousand)	97,942 ($655,000 thousand)	4.3	None	May 30, 2045
	Straight bonds, payable in Australian dollars (Notes 3 and 4)	Dec. 2022 ~ Aug. 2023	15,965 (A$161,985 thousand) [4,928]	10,526 (A$111,990 thousand) [—]	4.77~ 4.79	None	Sep. 2026 ~ Dec. 2027
	Straight bonds, payable in Hong Kong dollars (Notes 3 and 4)	Apr. 2015 ~ Feb. 2025	14,594 (HK$755,000 thousand)	22,199 (HK$1,155,006 thousand) [14,511]	2.92 ~ 4.16	None	Apr. 2025 ~ Feb. 2028
	Subordinated bonds, payable in Yen	Jun. 2011 ~ Dec. 2011	59,998	59,998	2.17 ~ 2.21	None	Jun. 2026 ~ Dec. 2026
(* 1)	Consolidated subsidiaries, straight bonds, payable in Indonesia rupiah (Notes 2, 3 and 4)	Jul. 2023 ~ Mar. 2025	10,654 (IDR1,121,514,085 thousand) [6,469]	33,650 (IDR3,738,975,786 thousand) [2,297]	6.35 ~ 7.1	None	Sep. 2025 ~ Mar. 2030
(* 2)	Consolidated subsidiaries, subordinated bonds, payable in Yen (Note 2)	Dec. 1997 ~ Feb. 1998	20,000	20,000	4 ~ 4.15	None	Jan. 28, 2028
(* 3)	Consolidated subsidiaries, straight bonds, payable in U.S. dollars (Notes 2, 3 and 4)	Jun. 18, 2019	151,330 ($1,000,000 thousand) [151,330]	—	—	—	—
(* 4)	Consolidated subsidiaries, straight bonds, payable in Euro (Notes 2, 3 and 4)	Jun. 2019 ~ Feb. 2025	490,142 (€3,002,587 thousand)	567,304 (€3,500,798 thousand) [283,587]	0.01 ~ 3.602	Existing	Sep. 2025 ~ Feb. 2030
Total		—	¥ 1,144,288	¥ 1,015,949	—	—	—

Notes:
1. "Interest rate" indicates a nominal interest rate which is applied at respective consolidated balance sheet dates. Therefore, this rate may differ from an actual interest rate.
2. (*1) This represents straight bonds issued in Indonesia rupiah by PT Bank SMBC Indonesia Tbk, an overseas consolidated subsidiary.
   (*2) This represents subordinated term bonds issued in Yen by SMBC International Finance N.V., an overseas consolidated subsidiary.
   (*3) This represents straight bonds issued in U.S dollar by the trust account in relation to covered bonds, which became a consolidated subsidiary of SMBC from the fiscal year ended March 31, 2024.
   (*4) This represents straight bonds issued in Euro by the trust account in relation to covered bonds, which became a consolidated subsidiary of SMBC from the fiscal year ended March 31, 2024.
3. Figures showed in ( ) in "At the beginning of the fiscal year" and "At the end of the fiscal year" are in foreign currency.
4. Figures showed in [ ] in "At the beginning of the fiscal year" and "At the end of the fiscal year" are the amounts to be redeemed within one year.
5. The redemption schedule over the next 5 years after respective balance sheet dates of the consolidated subsidiaries is as follows:

Millions of yen				
Within 1 year	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years
¥ 375,161	¥ 229,255	¥ 64,131	¥ 6,898	¥ 242,560

[Schedule of borrowings]

Classification	Millions of yen		Percentages	
	At the beginning of the fiscal year	At the end of the fiscal year	Average interest rate	Repayment Term
Borrowed money	¥ 24,998,606	¥ 21,168,133	2.23	—
Other borrowings	24,998,606	21,168,133	2.23	Apr. 2025 ~ Perpetual
Lease obligations	3,195	3,542	10.41	Apr. 2025 ~ Oct. 2038

Notes: 1. "Average interest rate" represents the weighted average interest rate based on the interest rates and "At the end of the fiscal year" at respective balance sheet dates of consolidated subsidiaries.
2. The redemption schedule over the next 5 years on Other borrowings and Lease obligations after respective balance sheet dates of the consolidated subsidiaries is as follows:

	Millions of yen				
	Within 1 year	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years
Other borrowings	¥ 4,853,603	¥ 3,761,213	¥ 3,713,370	¥ 1,100,716	¥ 1,414,240
Lease obligations	780	447	421	296	308

Since the commercial banking business accepts deposits and raises and manages funds through the call loan and commercial paper markets as a normal course of business, the schedule of borrowings shows a breakdown of "Borrowed money" included in the "Liabilities" and "Lease obligations" included in "Other liabilities" in the consolidated balance sheet.

Reference: Commercial paper issued for funding purpose as a normal course of business is as follows:

	Millions of yen		Percentage	
	At the beginning of the fiscal year	At the end of the fiscal year	Average interest rate	Repayment Term
Commercial paper	¥ 2,429,179	¥ 2,672,952	4.03	Apr. 2025 ~ Mar. 2026

[Schedule of asset retirement obligations]

Since the amount of asset retirement obligations accounts for 1% or less than the total of liabilities and net assets, the schedule of asset retirement obligations is not disclosed.

[Others]

Not applicable.

(Non-consolidated financial statements)

1. Non-consolidated balance sheets

March 31	Millions of yen		Millions of U.S. dollars
	2024	2025	2025
Assets:			
Cash and due from banks	¥ 72,661,204	¥ 69,761,979	$ 466,542
Call loans	4,305,503	4,484,770	29,992
Receivables under resale agreements	1,781,354	8,625,984	57,687
Receivables under securities borrowing transactions	2,538,794	1,131,736	7,569
Monetary claims bought	2,370,100	2,145,167	14,346
Trading assets	2,702,185	3,464,150	23,167
Securities	34,666,605	37,561,851	251,199
Loans and bills discounted	101,124,712	104,515,592	698,961
Foreign exchanges	1,941,854	2,533,415	16,943
Other assets	8,879,250	7,380,999	49,361
Tangible fixed assets	746,606	752,427	5,032
Intangible fixed assets	341,974	404,437	2,705
Prepaid pension cost	479,688	558,899	3,738
Customers' liabilities for acceptances and guarantees	15,712,360	14,999,422	100,310
Reserve for possible loan losses	(523,385)	(625,538)	(4,183)
Reserve for possible losses on investments	(6,630)	(92,570)	(619)
Total assets	¥ 249,722,179	¥ 257,602,725	$ 1,722,749
Liabilities and net assets:			
Liabilities:			
Deposits	¥ 153,494,437	¥ 159,731,671	$ 1,068,225
Negotiable certificates of deposit	14,826,777	17,489,575	116,964
Call money	1,028,135	938,008	6,273
Payables under repurchase agreements	12,357,578	17,373,975	116,191
Payables under securities lending transactions	669,425	1,301,084	8,701
Commercial paper	1,549,515	1,824,519	12,202
Trading liabilities	1,823,239	2,540,702	16,991
Borrowed money	25,119,261	21,160,696	141,515
Foreign exchanges	2,907,692	1,815,415	12,141
Bonds	472,161	395,058	2,642
Due to trust account	1,810,236	1,535,723	10,270
Other liabilities	9,427,116	8,529,896	57,045
Reserve for employee bonuses	14,343	14,557	97
Reserve for executive bonuses	1,344	1,292	9
Reserve for point service program	1,581	2,163	14
Reserve for reimbursement of deposits	8,283	4,669	31
Deferred tax liabilities	429,760	132,170	884
Deferred tax liabilities for land revaluation	27,316	26,424	177
Acceptances and guarantees	15,712,360	14,999,422	100,310
Total liabilities	241,680,568	249,817,028	1,670,682
Net assets:			
Capital stock	1,770,996	1,771,093	11,844
Capital surplus	1,774,554	1,774,651	11,868
Retained earnings	3,496,700	3,835,702	25,652
Treasury stock	(210,003)	(210,003)	(1,404)
Total stockholders' equity	6,832,248	7,171,443	47,960
Net unrealized gains (losses) on other securities	1,803,310	1,275,580	8,531
Net deferred gains (losses) on hedges	(618,692)	(684,434)	(4,577)
Land revaluation excess	24,744	23,107	155
Total valuation and translation adjustments	1,209,362	614,253	4,108
Total net assets	8,041,611	7,785,697	52,068
Total liabilities and net assets	¥ 249,722,179	¥ 257,602,725	$ 1,722,749

2. Non-consolidated statements of income

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2024	2025	2025
Ordinary income	¥ 6,349,899	¥ 7,105,687	$ 47,520
Interest income	4,856,033	5,497,147	36,763
Interest on loans and discounts	2,817,465	3,042,252	20,345
Interest and dividends on securities	631,848	947,130	6,334
Trust fees	3,114	3,509	23
Fees and commissions	734,870	775,113	5,184
Trading income	15,047	178,218	1,192
Other operating income	420,709	92,270	617
Other income	320,124	559,429	3,741
Ordinary expenses	5,309,428	5,617,625	37,569
Interest expenses	3,690,024	3,845,857	25,720
Interest on deposits	1,356,719	1,344,939	8,994
Fees and commissions payments	205,255	229,362	1,534
Trading losses	140,758	6,023	40
Other operating expenses	108,537	208,455	1,394
General and administrative expenses	965,023	1,039,108	6,949
Other expenses	199,829	288,817	1,932
Ordinary profit	1,040,471	1,488,062	9,952
Extraordinary gains	1,009	3,034	20
Extraordinary losses	8,256	12,513	84
Income before income taxes	1,033,223	1,478,583	9,888
Income taxes - current	306,913	440,708	2,947
Income taxes - deferred	(36,336)	(30,691)	(205)
Net income	¥ 762,646	¥ 1,068,566	$ 7,146

	Yen		U.S. dollars
	2024	2025	2025
Per share data:			
Earnings per share	¥ 7,177.95	¥ 10,057.12	$ 67.26
Earnings per share (diluted)	—	—	—

3. Non-consolidated statements of changes in net assets

	Millions of yen				
	Stockholders' equity				
Year ended March 31, 2024	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of the fiscal year	¥ 1,770,996	¥ 1,774,554	¥ 3,276,915	¥ (210,003)	¥ 6,612,463
Changes in the fiscal year:					
Issuance of new stock					—
Cash dividends			(542,929)		(542,929)
Net income			762,646		762,646
Reversal of land revaluation excess			68		68
Net changes in items other than stockholders' equity in the fiscal year					
Net changes in the fiscal year	—	—	219,785	—	219,785
Balance at the end of the fiscal year	¥ 1,770,996	¥ 1,774,554	¥ 3,496,700	¥ (210,003)	¥ 6,832,248

	Millions of yen				
	Valuation and translation adjustments				
Year ended March 31, 2024	Net unrealized gains (losses) on other securities	Net deferred gains (losses) on hedges	Land revaluation excess	Total	Total net assets
Balance at the beginning of the fiscal year	¥ 1,040,472	¥ (282,793)	¥ 24,813	¥ 782,492	¥ 7,394,955
Changes in the fiscal year:					
Issuance of new stock					—
Cash dividends					(542,929)
Net income					762,646
Reversal of land revaluation excess					68
Net changes in items other than stockholders' equity in the fiscal year	762,838	(335,899)	(68)	426,870	426,870
Net changes in the fiscal year	762,838	(335,899)	(68)	426,870	646,655
Balance at the end of the fiscal year	¥ 1,803,310	¥ (618,692)	¥ 24,744	¥ 1,209,362	¥ 8,041,611

	Millions of yen				
	Stockholders' equity				
Year ended March 31, 2025	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of the fiscal year	¥ 1,770,996	¥ 1,774,554	¥ 3,496,700	¥ (210,003)	¥ 6,832,248
Changes in the fiscal year:					
Issuance of new stock	96	96			193
Cash dividends			(731,201)		(731,201)
Net income			1,068,566		1,068,566
Reversal of land revaluation excess			1,636		1,636
Net changes in items other than stockholders' equity in the fiscal year					
Net changes in the fiscal year	96	96	339,001	—	339,195
Balance at the end of the fiscal year	¥ 1,771,093	¥ 1,774,651	¥ 3,835,702	¥ (210,003)	¥ 7,171,443

	Millions of yen				
	Valuation and translation adjustments				
Year ended March 31, 2025	Net unrealized gains (losses) on other securities	Net deferred gains (losses) on hedges	Land revaluation excess	Total	Total net assets
Balance at the beginning of the fiscal year	¥ 1,803,310	¥ (618,692)	¥ 24,744	¥ 1,209,362	¥ 8,041,611
Changes in the fiscal year:					
Issuance of new stock					193
Cash dividends					(731,201)
Net income					1,068,566
Reversal of land revaluation excess					1,636
Net changes in items other than stockholders' equity in the fiscal year	(527,730)	(65,741)	(1,636)	(595,109)	(595,109)
Net changes in the fiscal year	(527,730)	(65,741)	(1,636)	(595,109)	(255,914)
Balance at the end of the fiscal year	¥ 1,275,580	¥ (684,434)	¥ 23,107	¥ 614,253	¥ 7,785,697

	Millions of U. S. Dollars				
	Stockholders' equity				
Year ended March 31, 2025	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of the fiscal year	$ 11,844	$ 11,868	$ 23,385	$ (1,404)	$ 45,691
Changes in the fiscal year:					
Issuance of new stock	1	1			1
Cash dividends			(4,890)		(4,890)
Net income			7,146		7,146
Reversal of land revaluation excess			11		11
Net changes in items other than stockholders' equity in the fiscal year					
Net changes in the fiscal year	1	1	2,267	—	2,268
Balance at the end of the fiscal year	$ 11,844	$ 11,868	$ 25,652	$ (1,404)	$ 47,960

	Millions of U. S. Dollars				
	Valuation and translation adjustments				
Year ended March 31, 2025	Net unrealized gains (losses) on other securities	Net deferred gains (losses) on hedges	Land revaluation excess	Total	Total net assets
Balance at the beginning of the fiscal year	$ 12,060	$ (4,138)	$ 165	$ 8,088	$ 53,779
Changes in the fiscal year:					
Issuance of new stock					1
Cash dividends					(4,890)
Net income					7,146
Reversal of land revaluation excess					11
Net changes in items other than stockholders' equity in the fiscal year	(3,529)	(440)	(11)	(3,980)	(3,980)
Net changes in the fiscal year	(3,529)	(440)	(11)	(3,980)	(1,711)
Balance at the end of the fiscal year	$ 8,531	$ (4,577)	$ 155	$ 4,108	$ 52,068