100005 / 62.

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

OS AA01

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

Companies House

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

✗ **What this f**
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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, if applicable, the legislation under which the accounts have been audited.

Legislation ❷	FINANCIAL INSTRUMENTS AND EXCHANGE ACT

❷ This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit 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.

A3 Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box.

☐ **No.** Go to **Section A5.**

☑ **Yes.** Go to **Section A4.**

OS AA01

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

A4 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'**.

Name of organisation or body ❶

BUSINESS ACCOUNTING COUNCIL AND JAPANESE INSTITUTE

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

A5 Unaudited accounts

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box.

☐ **No.**

☐ **Yes.**

Part 3 Signature

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

Signature

Signature

X Y. Hay 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 SUMITOMO MITSUI BANKING CORPORATION

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.

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The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

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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.

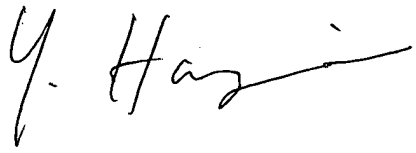
Further information

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

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

BR019790

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

Signature: 

Date: 10 October 2024

Ms Yuka Hayashi, Permanent Representative, SMBC London Branch.

SUMITOMO MITSUI BANKING CORPORATION

Consolidated Financial Statements
as of and for the year ended March 31, 2024

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEETS MARCH 31, 2023 AND 2024

March 31	Millions of yen		Millions of U.S. dollars
	2023	2024	2024
Assets:			
Cash and due from banks	*5 ¥ 73,403,912	*5 ¥ 75,046,469	$ 495,913
Call loans and bills bought	6,374,812	5,933,883	39,212
Receivables under resale agreements	4,603,145	6,163,573	40,729
Receivables under securities borrowing transactions	1,612,415	2,607,042	17,228
Monetary claims bought	5,549,887	6,094,883	40,275
Trading assets	*5 4,084,755	*5 5,656,912	37,381
Money held in trust	0	0	0
Securities	*1, *2, *3, *5, *13 32,074,167	*1, *2, *3, *5, *13 35,622,891	235,399
Loans and bills discounted	*3, *4, *5, *6 99,823,911	*3, *4, *5, *6 107,763,214	712,107
Foreign exchanges	*3, *4 1,940,736	*3, *4 2,068,885	13,671
Lease receivables and investment assets	226,302	207,645	1,372
Other assets	*3, *5 8,753,186	*3, *5 10,142,406	67,022
Tangible fixed assets	*7, *8, *9 1,337,805	*7, *8, *9 841,538	5,561
Assets for rent	519,308	—	—
Buildings	244,155	244,159	1,613
Land	375,127	368,882	2,438
Lease assets	275	2,629	17
Construction in progress	30,557	39,596	262
Other tangible fixed assets	168,381	186,271	1,231
Intangible fixed assets	354,939	420,745	2,780
Software	307,444	374,213	2,473
Other intangible fixed assets	47,494	46,532	307
Net defined benefit asset	698,974	901,362	5,956
Deferred tax assets	57,428	53,836	356
Customers' liabilities for acceptances and guarantees	*3 12,278,891	*3 13,426,544	88,724
Reserve for possible loan losses	(607,747)	(653,587)	(4,319)
Total assets	¥ 252,567,523	¥ 272,298,248	$ 1,799,367

CONSOLIDATED BALANCE SHEETS MARCH 31, 2023 AND 2024 — (Continued)

March 31		Millions of yen 2023		2024	Millions of U.S. dollars 2024
Liabilities and net assets:					
Liabilities:					
Deposits	*5	¥ 159,251,139	*5	¥ 165,146,962	$ 1,091,304
Negotiable certificates of deposit		13,252,060		15,149,775	100,111
Call money and bills sold		786,055		1,018,349	6,729
Payables under repurchase agreements	*5	14,194,027	*5	15,830,507	104,609
Payables under securities lending transactions	*5	438,094	*5	791,908	5,233
Commercial paper		2,320,969		2,429,179	16,052
Trading liabilities		4,234,268		4,312,954	28,500
Borrowed money	*5, *10	22,246,521	*5, *10	24,998,606	165,193
Foreign exchanges		1,496,765		2,873,784	18,990
Bonds	*11	681,821	*5, *11	1,144,288	7,562
Due to trust account	*5, *12	2,413,464		1,246,198	8,235
Other liabilities		8,811,706		11,668,391	77,106
Reserve for employee bonuses		52,102		62,064	410
Reserve for executive bonuses		1,623		1,861	12
Net defined benefit liability		6,367		9,846	65
Reserve for executive retirement benefits		596		642	4
Reserve for point service program		1,140		1,581	10
Reserve for reimbursement of deposits		10,845		9,228	61
Deferred tax liabilities		325,598		653,976	4,322
Deferred tax liabilities for land revaluation	*7	27,952	*7	27,316	181
Acceptances and guarantees		12,278,891		13,426,544	88,724
Total liabilities		242,832,013		260,803,969	1,723,412
Net assets:					
Capital stock		1,770,996		1,770,996	11,703
Capital surplus		1,965,682		1,977,337	13,066
Retained earnings		4,239,771		4,598,846	30,390
Treasury stock		(210,003)		(210,003)	(1,388)
Total stockholders' equity		7,766,447		8,137,177	53,771
Net unrealized gains (losses) on other securities		972,941		1,779,511	11,759
Net deferred gains (losses) on hedges		(15,964)		(66,285)	(438)
Land revaluation excess	*7	35,005	*7	34,936	231
Foreign currency translation adjustments		697,887		1,124,445	7,430
Accumulated remeasurements of defined benefit plans		131,222		282,263	1,865
Total accumulated other comprehensive income		1,821,091		3,154,871	20,848
Non-controlling interests		147,969		202,229	1,336
Total net assets		9,735,509		11,494,278	75,955
Total liabilities and net assets		¥ 252,567,523		¥ 272,298,248	$ 1,799,367

CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED MARCH 31, 2023 AND 2024

Year ended March 31		Millions of yen 2023		Millions of yen 2024	Millions of U.S. dollars 2024
Ordinary income		¥ 4,991,948		¥ 7,754,385	$ 51,242
Interest income		3,464,103		5,804,382	38,356
Interest on loans and discounts		2,189,970		3,279,861	21,674
Interest and dividends on securities		423,966		685,280	4,528
Interest on call loans and bills bought		77,003		207,442	1,371
Interest on receivables under resale agreements		60,800		208,512	1,378
Interest on receivables under securities borrowing transactions		579		1,280	8
Interest on deposits with banks		300,521		575,450	3,803
Interest on lease transactions		8,676		12,483	82
Other interest income		402,582		834,070	5,512
Trust fees		6,752		8,195	54
Fees and commissions		748,894		897,865	5,933
Trading income		59,815		85,386	564
Other operating income		436,543		563,650	3,725
Lease-related income		39,707		37,780	250
Other		396,835		525,869	3,475
Other income		275,839		394,905	2,610
Recoveries of written-off claims		4,412		3,069	20
Other	*1	271,426	*1	391,836	2,589
Ordinary expenses		3,866,020		6,397,812	42,277
Interest expenses		2,040,212		4,279,945	28,282
Interest on deposits		796,922		1,673,173	11,056
Interest on negotiable certificates of deposit		259,659		518,584	3,427
Interest on call money and bills sold		18,007		43,798	289
Interest on payables under repurchase agreements		281,456		752,390	4,972
Interest on payables under securities lending transactions		2,909		15,512	103
Interest on commercial paper		44,181		114,768	758
Interest on borrowed money		291,998		433,131	2,862
Interest on bonds		27,959		22,320	147
Other interest expenses		317,118		706,266	4,667
Fees and commissions payments		175,674		190,953	1,262
Trading losses		—		57,792	382
Other operating expenses		262,061		223,677	1,478
Lease-related expenses		31,314		30,915	204
Other		230,746		192,761	1,274
General and administrative expenses	*2	1,178,706	*2	1,376,297	9,095
Other expenses		209,365		269,145	1,779
Provision for reserve for possible loan losses		80,973		102,317	676
Other	*3	128,392	*3	166,828	1,102
Ordinary profit		1,125,928		1,356,572	8,964

CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED MARCH 31, 2023 AND 2024 — (Continued)

		Millions of yen			Millions of U.S. dollars
Year ended March 31		2023		2024	2024
Extraordinary gains		¥ 2,576		¥ 19,030	$ 126
Gains on disposal of fixed assets		2,363		1,083	7
Gains on negative goodwill		—		10,941	72
Other extraordinary gains		213	*4	7,004	46
Extraordinary losses		34,445		126,284	834
Losses on disposal of fixed assets		2,256		4,937	33
Losses on impairment of fixed assets	*6	32,189	*6	13,155	87
Other extraordinary losses		—	*5	108,191	715
Income before income taxes		1,094,059		1,249,318	8,256
Income taxes-current		215,915		419,980	2,775
Income taxes-deferred		65,473		(76,684)	(507)
Income taxes		281,389		343,295	2,269
Profit		812,669		906,023	5,987
Profit attributable to non-controlling interests		5,627		4,087	27
Profit attributable to owners of parent		¥ 807,042		¥ 901,935	$ 5,960

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED MARCH 31, 2023 AND 2024

Year ended March 31		Millions of yen			Millions of U.S. dollars
		2023		2024	2024
Profit		¥ 812,669		¥ 906,023	$ 5,987
Other comprehensive income (losses)	*1	139,344	*1	1,345,270	8,890
Net unrealized gains (losses) on other securities		(273,054)		798,029	5,273
Net deferred gains (losses) on hedges		52,588		(48,625)	(321)
Foreign currency translation adjustments		310,859		443,098	2,928
Remeasurements of defined benefit plans		12,788		151,620	1,002
Share of other comprehensive income of affiliates		36,162		1,148	8
Total comprehensive income		952,014		2,251,293	14,877
Comprehensive income attributable to owners of parent		933,751		2,235,783	14,774
Comprehensive income attributable to non-controlling interests		18,262		15,509	102

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED MARCH 31, 2023 AND 2024

	Millions of yen				
	Stockholders' equity				
Year ended March 31, 2023	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of the fiscal year	¥ 1,770,996	¥ 1,966,205	¥ 3,867,551	¥ (210,003)	¥ 7,394,750
Changes in the fiscal year					
Cash dividends			(437,849)		(437,849)
Profit attributable to owners of parent			807,042		807,042
Changes in shareholders' interest due to transaction with non-controlling interests		(522)			(522)
Increase due to decrease in affiliates accounted for by the equity method			1,712		1,712
Reversal of land revaluation excess			1,314		1,314
Net changes in items other than stockholders' equity in the fiscal year					
Net changes in the fiscal year	—	(522)	372,219	—	371,697
Balance at the end of the fiscal year	¥ 1,770,996	¥ 1,965,682	¥ 4,239,771	¥ (210,003)	¥ 7,766,447

	Millions of yen					
	Accumulated other comprehensive income					
Year ended March 31, 2023	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	¥ 1,253,370	¥ (74,044)	¥ 36,320	¥ 361,502	¥ 118,548	¥ 1,695,697
Changes in the fiscal year						
Cash dividends						
Profit attributable to owners of parent						
Changes in shareholders' interest due to transaction with non-controlling interests						
Increase due to decrease in affiliates accounted for by the equity method						
Reversal of land revaluation excess						
Net changes in items other than stockholders' equity in the fiscal year	(280,429)	58,079	(1,314)	336,385	12,673	125,394
Net changes in the fiscal year	(280,429)	58,079	(1,314)	336,385	12,673	125,394
Balance at the end of the fiscal year	¥ 972,941	¥ (15,964)	¥ 35,005	¥ 697,887	¥ 131,222	¥ 1,821,091

	Millions of yen	
Year ended March 31, 2023	Non-controlling interests	Total net assets
Balance at the beginning of the fiscal year	¥ 129,411	¥ 9,219,858
Changes in the fiscal year		
Cash dividends		(437,849)
Profit attributable to owners of parent		807,042
Changes in shareholders' interest due to transaction with non-controlling interests		(522)
Increase due to decrease in affiliates accounted for by the equity method		1,712
Reversal of land revaluation excess		1,314
Net changes in items other than stockholders' equity in the fiscal year	18,558	143,953
Net changes in the fiscal year	18,558	515,650
Balance at the end of the fiscal year	¥ 147,969	¥ 9,735,509

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED MARCH 31, 2023 AND 2024 — (Continued)

	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, 2023 AND 2024 — (Continued)

	Millions of U.S. dollars				
	Stockholders' equity				
Year ended March 31, 2024	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of the fiscal year	$ 11,703	$ 12,989	$ 28,017	$ (1,388)	$ 51,321
Changes in the fiscal year					
Cash dividends			(3,588)		(3,588)
Profit attributable to owners of parent			5,960		5,960
Changes in shareholders' interest due to transaction with non-controlling interests		77			77
Reversal of land revaluation excess			0		0
Net changes in items other than stockholders' equity in the fiscal year					
Net changes in the fiscal year	—	77	2,373	—	2,450
Balance at the end of the fiscal year	$ 11,703	$ 13,066	$ 30,390	$ (1,388)	$ 53,771

	Millions of U.S. dollars					
	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	$ 6,429	$ (105)	$ 231	$ 4,612	$ 867	$ 12,034
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	5,330	(333)	(0)	2,819	998	8,814
Net changes in the fiscal year	5,330	(333)	(0)	2,819	998	8,814
Balance at the end of the fiscal year	$ 11,759	$ (438)	$ 231	$ 7,430	$ 1,865	$ 20,848

	Millions of U.S. dollars	
Year ended March 31, 2024	Non-controlling interests	Total net assets
Balance at the beginning of the fiscal year	$ 978	$ 64,333
Changes in the fiscal year		
Cash dividends		(3,588)
Profit attributable to owners of parent		5,960
Changes in shareholders' interest due to transaction with non-controlling interests		77
Reversal of land revaluation excess		0
Net changes in items other than stockholders' equity in the fiscal year	359	9,172
Net changes in the fiscal year	359	11,622
Balance at the end of the fiscal year	$ 1,336	$ 75,955

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2023 AND 2024

	Millions of yen		Millions of U.S. dollars
Year ended March 31	2023	2024	2024
Cash flows from operating activities:			
Income before income taxes	¥ 1,094,059	¥ 1,249,318	$ 8,256
Depreciation	153,133	162,889	1,076
Losses on impairment of fixed assets	32,189	13,155	87
Amortization of goodwill	1,649	9,268	61
Gains on negative goodwill	—	(10,941)	(72)
Losses related to sale of freight car leasing business	—	108,191	715
Net (gains) losses on step acquisitions	(213)	(7,004)	(46)
Equity in net (gains) losses of affiliates	(41,409)	(57,831)	(382)
Net change in reserve for possible loan losses	(78,196)	37,819	250
Net change in reserve for employee bonuses	4,178	5,959	39
Net change in reserve for executive bonuses	113	228	2
Net change in net defined benefit asset and liability	(86,961)	(198,335)	(1,311)
Net change in reserve for executive retirement benefits	15	46	0
Net change in reserve for point service program	269	441	3
Net change in reserve for reimbursement of deposits	5,077	(1,616)	(11)
Interest income	(3,464,103)	(5,804,382)	(38,356)
Interest expenses	2,040,212	4,279,945	28,282
Net (gains) losses on securities	(49,766)	(154,212)	(1,019)
Net (gains) losses from money held in trust	(0)	(0)	(0)
Net exchange (gains) losses	(645,090)	(976,268)	(6,451)
Net (gains) losses from disposal of fixed assets	(107)	3,853	25
Net change in trading assets	136,557	(1,471,470)	(9,724)
Net change in trading liabilities	1,095,302	238,974	1,579
Net change in loans and bills discounted	(6,892,002)	(7,210,328)	(47,646)
Net change in deposits	9,294,165	4,700,176	31,059
Net change in negotiable certificates of deposit	(221,022)	1,865,774	12,329
Net change in borrowed money (excluding subordinated borrowings)	(5,522,195)	287,746	1,901
Net change in deposits with banks	(519,758)	(464,650)	(3,070)
Net change in call loans and bills bought and others	(3,626,798)	(954,333)	(6,306)
Net change in receivables under securities borrowing transactions	261,806	(994,626)	(6,573)
Net change in call money and bills sold and others	(2,337,887)	1,587,803	10,492
Net change in commercial paper	384,060	(23,991)	(159)
Net change in payables under securities lending transactions	132,314	353,814	2,338
Net change in foreign exchanges (assets)	866,374	(109,651)	(725)
Net change in foreign exchanges (liabilities)	227,522	1,373,002	9,073
Net change in lease receivables and investment assets	20,819	48,280	319
Issuance and redemption of bonds (excluding subordinated bonds)	(209,404)	1,041,789	6,884
Net change in due to trust account	(30,408)	(1,808,738)	(11,952)
Interest received	3,217,226	5,717,746	37,783
Interest paid	(1,890,927)	(4,126,886)	(27,271)
Other, net	335,745	882,809	5,834
Subtotal	(6,313,459)	(406,234)	(2,684)
Income taxes paid	(357,596)	(248,381)	(1,641)
Net cash provided by (used in) operating activities	(6,671,056)	(654,615)	(4,326)

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2023 AND 2024 — (Continued)

Year ended March 31	Millions of yen 2023		Millions of yen 2024		Millions of U.S. dollars 2024
Cash flows from investing activities:					
Purchases of securities	¥ (33,395,512)		¥ (37,730,245)		$ (249,324)
Proceeds from sale of securities	17,876,486		14,123,688		93,330
Proceeds from redemption of securities	21,746,425		23,091,154		152,588
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	(81,171)		(111,136)		(734)
Proceeds from sale of tangible fixed assets	9,162		3,768		25
Purchases of intangible fixed assets	(116,037)		(152,306)		(1,006)
Purchases of stocks of subsidiaries resulting in change in scope of consolidation	—		(32,356)		(214)
Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation	—	*2	72,892		482
Net cash provided by (used in) investing activities	6,039,352		(734,541)		(4,854)
Cash flows from financing activities:					
Proceeds from subordinated borrowings	1,336,104		1,939,680		12,818
Repayment of subordinated borrowings	(1,192,013)		(620,342)		(4,099)
Dividends paid	(437,849)		(542,929)		(3,588)
Dividends paid to non-controlling stockholders	(2,044)		(8,271)		(55)
Proceeds from sale of stocks of subsidiaries	—		4		0
Proceeds from sale of stocks of subsidiaries not resulting in change in scope of consolidation	956		—		—
Net cash provided by (used in) financing activities	(294,845)		768,141		5,076
Effect of exchange rate changes on cash and cash equivalents	355,868		508,070		3,357
Net change in cash and cash equivalents	(570,681)		(112,945)		(746)
Cash and cash equivalents at the beginning of the fiscal year	64,836,471		64,265,790		424,673
Cash and cash equivalents at the end of the fiscal year	*1 ¥ 64,265,790	*1	¥ 64,152,845		$ 423,927

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED MARCH 31, 2023 AND 2024

(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, 2024 which was ¥151.33 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, 2024 was 112.

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

Changes in the consolidated subsidiaries in the fiscal year ended March 31, 2024 were as follows:
9 companies were newly included in the scope of consolidation as a result of new establishment and for other reasons.
NCore Co., Ltd. was excluded from the scope of consolidation because of the merger, and SMBC Rail Services LLC and 13 other companies were excluded from the scope of consolidation as they ceased to be subsidiaries due to the sale and for other reasons.

(2) Unconsolidated subsidiaries

Principal company: Energy Opportunity Fund, L.P.

6 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 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.
Peraichi Inc.
All Japan Building Inspection Group 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, 2024 was 239.

Principal company: The Bank of East Asia, Limited

Changes in the equity method affiliates in the fiscal year ended March 31, 2024 were as follows:
Rizal Commercial Banking Corporation and Vietnam Prosperity Joint-Stock Commercial Bank and 26 other companies became equity method affiliates due to the acquisition of stocks and for other reasons.
20 companies were excluded from the scope of equity method affiliates as they ceased to be equity method affiliates due to the liquidation and for other reasons.

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

6 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 in terms of net income and retained earnings were immaterial respectively, and as such, they did not hinder a rational judgment of the 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, 2024 were as follows:

June 30	1
October 31	2
November 30	2
December 31	68
March 31	39

(2) The subsidiary with balance sheets dated June 30 is consolidated using the financial statements as of December 31, the subsidiaries with balance sheets dated October 31 are consolidated using the financial statements as of January 31, and certain subsidiaries with balance sheets dated December 31 are consolidated using the financial statements as of March 31. Other subsidiaries are consolidated using the 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 date.

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 year-on-year valuation differences of securities and monetary claims are also recorded in the above-mentioned accounts. As for the derivatives, assuming that the settlement will be made in cash, the year-on-year valuation differences are 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 by 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 the fiscal year-end market value (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 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 by group basis of the financial assets and liabilities based on net asset or liability after offsetting.

(4) Depreciation

1) Tangible fixed assets (excluding assets for rent and 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) Assets for rent

Assets for rent are depreciated using the straight-line method, assuming that lease terms or useful lives of such assets are, in principle, their depreciation period and the salvage values are estimated disposal values when the lease period expires.

4) 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 borrower 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 bankruptcies for certain periods in the past based on actual loan losses or bankruptcies 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 of write-off for the fiscal years ended March 31, 2023 and 2024 were ¥131,148 million and ¥223,779 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 deemed accrued at the period-end based on our 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 when the cost is incurred.

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 fee 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, etc. 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 a 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, 2023 and 2024

	Millions of yen	
Year ended March 31	2023	2024
Reserve for possible loan losses	¥ 607,747	¥ 653,587

(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 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 the impact of the current international situation involving Ukraine, the impact of the tightening monetary policies 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, 2023 and 2024

	Millions of yen	
Year ended March 31	2023	2024
Tangible fixed assets	¥ 1,337,805	¥ 841,538
Intangible fixed assets	354,939	420,745
Losses on impairment of fixed assets	32,189	13,155

(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 conducted impairment assessments 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, 2024

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, 2023 and 2024

	Millions of yen	
Year ended March 31	2023	2024
Net defined benefit asset	¥ 698,974	¥ 901,362
Net defined benefit liability	6,367	9,846
Retirement benefit expenses included in general and administrative expenses	(27,829)	(19,101)

(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, 2023 and 2024

	Millions of yen	
Year ended March 31	2023	2024
Deferred tax assets	¥ 57,428	¥ 53,836
Deferred tax liabilities	325,598	653,976

(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 entity 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.

(Unapplied Accounting Standards and Others)

1. "Accounting Standard for Current Income Taxes" (ASBJ Statement No.27, October 28, 2022), "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No.25, October 28, 2022) and "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No.28, October 28, 2022)

   (1) Outline

   The Accounting Standards and the Implementation Guidance define the treatment of corporate income tax etc. imposed on other comprehensive income and the tax effect accounting for sales of stocks of consolidated subsidiaries in case of implementing the group taxation regime.

   (2) Date of Application

   SMBC will apply the Accounting Standards and the Implementation Guidance from the beginning of the fiscal year commencing on April 1, 2024.

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

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

2. "The Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules" (ASBJ Practical Solution No.46, March 22, 2024)

   (1) Outline

   The Practical Solution defines the accounting for and disclosure of current taxes related to the global minimum tax rules.

   (2) Date of Application

   SMBC will apply the Practical Solution from the beginning of the fiscal year commencing on April 1, 2024.

   (3) Effects of Application of the Practical Solution

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

(Additional information)

1. 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 funds of repayment 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 ¥85,553 million was recorded for the Russia-related credits.

2. The estimates of reserve for possible loan losses related to the impact of the tightening monetary policies overseas

Considering the increasing burden of interest payments for companies due to tightening monetary policies in various countries following suppressed inflationary pressures overseas, the estimation of the reserve for possible loan losses associated with such 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 of 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 perspectives of the forms of lending and industry, and estimating the impact of changes in the market condition and the rising interest rates.

As a result, an additional reserve for possible loan losses at a total of ¥32,000 million was recorded for such portfolios.

3. 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 cutback of the governmental funding support to businesses and lifting of negative interest rate policy, 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 deterioration in 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 of 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 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 ¥16,000 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, 2023 and 2024 were as follows:

	Millions of yen	
March 31	2023	2024
Stocks	¥ 683,216	¥ 1,019,833
Investments	595	5,878

Stocks of jointly controlled entities were as follows:

	Millions of yen	
March 31	2023	2024
Stocks of jointly controlled entities	¥ 6,184	¥ 4,952

***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, 2023 and 2024 were as follows:

	Millions of yen	
March 31	2023	2024
Japanese government bonds and Japanese local government bonds in "Securities"	¥ 468,390	¥ 836,386

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, 2023 and 2024 were as follows:

	Millions of yen	
March 31	2023	2024
Securities pledged	¥ 6,002,761	¥ 6,086,530
Securities lent	19,036	15,492
Securities held without being disposed	3,142,444	5,891,079

*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, 2023 and 2024 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	2023	2024
Bankrupt and quasi-bankrupt loans	¥ 83,554	¥ 150,654
Doubtful loans	421,769	480,147
Substandard loans	185,867	138,500
Past due loans (3 months or more)	12,100	30,050
Restructured loans	173,767	108,449
Subtotal	691,191	769,303
Normal loans	115,121,869	124,319,594
Total	¥ 115,813,060	¥ 125,088,897

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 collected 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 rights 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, 2023 and 2024 were as follows:

	Millions of yen	
March 31	2023	2024
Bills discounted	¥ 822,762	¥ 847,887

***5 Assets pledged as collateral**

Assets pledged as collateral at March 31, 2023 and 2024 were as follows:

March 31, 2023	Millions of yen	March 31, 2024	Millions of yen
Assets pledged as collateral:		Assets pledged as collateral:	
Cash and due from banks	¥ 12,971	Cash and due from banks	¥ 3,366
Trading assets	48,997	Trading assets	50,988
Securities	12,458,656	Securities	13,347,001
Loans and bills discounted	11,903,309	Loans and bills discounted	11,520,240
Liabilities corresponding to assets pledged as collateral:		Liabilities corresponding to assets pledged as collateral:	
Deposits	2,654	Deposits	2,836
Payables under repurchase agreements	9,709,823	Payables under repurchase agreements	10,306,131
Payables under securities lending transactions	412,944	Payables under securities lending transactions	742,545
Borrowed money	10,826,571	Borrowed money	11,449,994
Due to trust account	717,178	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, 2023 and 2024:

March 31, 2023	Millions of yen	March 31, 2024	Millions of yen
Cash and due from banks	¥ 15,164	Cash and due from banks	¥ 17,123
Trading assets	583	Trading assets	39,846
Securities	5,149,925	Securities	4,717,168
Loans and bills discounted	21,015	Loans and bills discounted	101,005

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, 2023	Millions of yen	March 31, 2024	Millions of yen
Collateral money deposited for financial instruments	¥ 2,881,128	Collateral money deposited for financial instruments	¥ 2,744,340
Surety deposits	55,142	Surety deposits	54,822
Margins of futures markets	13,156	Margins of futures markets	11,645
Other margins	14,763	Other margins	7,516

***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, 2023 and 2024 were as follows:

	Millions of yen	
March 31	2023	2024
The amounts of unused commitments	¥ 76,357,609	¥ 86,847,345
The amounts of unused commitments whose original contract terms are within 1 year or unconditionally cancelable at any time	49,145,316	54,773,405

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, 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, 2023 and 2024 were as follows:

	Millions of yen	
March 31	2023	2024
Accumulated depreciation	¥ 809,064	¥ 706,162

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

Deferred gain on tangible fixed assets deductible for tax purposes at March 31, 2023 and 2024 were as follows:

	Millions of yen	
March 31	2023	2024
Deferred gain on tangible fixed assets deductible for tax purposes	¥ 55,240	¥ 54,868
[The consolidated fiscal year concerned]	[149]	[—]

*10 Subordinated borrowings

The balance of subordinated borrowings included in "Borrowed money" at March 31, 2023 and 2024 were as follows:

	Millions of yen	
March 31	2023	2024
Subordinated borrowings	¥ 9,938,263	¥ 12,215,062

*11 Subordinated bonds

The balance of subordinated bonds included in "Bonds" at March 31, 2023 and 2024 were as follows:

	Millions of yen	
March 31	2023	2024
Subordinated bonds	¥ 79,997	¥ 79,998

*12 Borrowings from trust account in relation to covered bonds issued by trust account

The amounts of borrowings from trust account in relation to covered bonds issued by trust account included in "Due to trust account" at March 31, 2023 and 2024 were as follows. The trust account became a consolidated subsidiary of SMBC in the fiscal year ended March 31, 2024. As a result, the amount of the borrowings from the trust account was included in "Bonds" in the fiscal year ended March 31, 2024.

	Millions of yen	
March 31	2023	2024
The amounts of borrowings from trust account in relation to covered bonds issued by trust account	¥ 717,178	¥ —

*13 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, 2023 and 2024 were as follows:

	Millions of yen	
March 31	2023	2024
Guaranteed amounts to privately-placed bonds	¥ 1,316,824	¥ 1,204,673

14 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, 2023 and 2024 were as follows:

	Millions of yen	
March 31	2023	2024
Money trusts	¥ 26,574	¥ 25,436

(Notes to consolidated statements of income)

***1 Other income**

"Other" in "Other income" for the fiscal years ended March 31, 2023 and 2024 included the following:

Year ended March 31, 2023	Millions of yen	Year ended March 31, 2024	Millions of yen
Gains on sales of stocks and others	¥ 207,613	Gains on sales of stocks and others	¥ 312,551

***2 General and administrative expenses**

"General and administrative expenses" for the fiscal years ended March 31, 2023 and 2024 included the following:

Year ended March 31, 2023	Millions of yen	Year ended March 31, 2024	Millions of yen
Salaries and related expenses	¥ 523,588	Salaries and related expenses	¥ 582,063
Depreciation	127,961	Depreciation	138,272

***3 Other expenses**

"Other" in "Other expenses" for the fiscal years ended March 31, 2023 and 2024 included the following:

Year ended March 31, 2023	Millions of yen	Year ended March 31, 2024	Millions of yen
Losses on sales of stocks and others	¥ 30,451	Write-off of stocks and others	¥ 62,257

***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, 2023 and 2024.

Year ended March 31, 2023			Millions of yen
Area	Purpose of use	Type	Impairment loss
Tokyo metropolitan area	Idle assets (117 items)	Land and buildings, etc.	¥ 13,488
Kinki area	Idle assets (94 items)	Land and buildings, etc.	17,681
Other areas in Japan	Idle assets (18 items)	Land and buildings, etc.	1,019

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

As for land and buildings, etc., each branch, which continuously manages and determines its income and expenses, is 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 do not produce independent cash flows are treated as corporate assets. SMBC and certain consolidated subsidiaries utilized management accounting framework to identify corporate assets that are 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, each individual property is treated as an asset group for recognition and measurement of impairment. The carrying amounts of idle assets are reduced to their recoverable amounts, and the decreased amounts are included in "Extraordinary losses" as "Losses on impairment of fixed assets," if there are indicators that the invested amounts may not be recoverable. The recoverable amount is calculated using net realizable value, which is basically determined by subtracting the expected disposal cost from the real estate appraisal value. In the fiscal year ended March 31, 2023, at SMBC, certain branches were expected to be relocated due to the revision of domestic marketing framework under the next Medium-Term Management Plan. Therefore, the carrying amounts of such branches were reduced to their recoverable amounts, and the decreased amounts were included in "Extraordinary losses" as "Losses on impairment of fixed assets."

(Notes to consolidated statements of comprehensive income)

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

	Millions of yen	
Year ended March 31	2023	2024
Net unrealized gains (losses) on other securities:		
Amount arising during the fiscal year	¥ (287,278)	¥ 1,385,533
Reclassification adjustments	(103,626)	(230,811)
Before adjustments to tax effect	(390,904)	1,154,721
Tax effect	117,849	(356,692)
Net unrealized gains (losses) on other securities	(273,054)	798,029
Net deferred gains (losses) on hedges:		
Amount arising during the fiscal year	(32,837)	(382,479)
Reclassification adjustments	109,008	312,628
Before adjustments to tax effect	76,171	(69,851)
Tax effect	(23,582)	21,225
Net deferred gains (losses) on hedges	52,588	(48,625)
Foreign currency translation adjustments:		
Amount arising during the fiscal year	310,859	443,098
Reclassification adjustments	—	—
Before adjustments to tax effect	310,859	443,098
Tax effect	—	—
Foreign currency translation adjustments	310,859	443,098
Remeasurements of defined benefit plans:		
Amount arising during the fiscal year	52,560	238,046
Reclassification adjustments	(33,835)	(28,076)
Before adjustments to tax effect	18,724	209,970
Tax effect	(5,935)	(58,350)
Remeasurements of defined benefit plans	12,788	151,620
Share of other comprehensive income of equity method affiliates:		
Amount arising during the fiscal year	35,005	1,124
Reclassification adjustments	1,156	23
Before adjustments to tax effect	36,162	1,148
Tax effect	—	—
Share of other comprehensive income of equity method affiliates	36,162	1,148
Total other comprehensive income	¥ 139,344	¥ 1,345,270

(Notes to consolidated statements of changes in net assets)

Fiscal year ended March 31, 2023

1. Type and number of shares issued and treasury stock

	Number of shares				
Year ended March 31, 2023	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, 2022	Common stock	¥ 43,455	¥ 409	March 31, 2022	May 16, 2022
Meeting of the Board of Directors held on November 11, 2022	Common stock	394,394	3,712	September 30, 2022	November 24, 2022

(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 12, 2023	Common stock	¥ 71,505	Retained earnings	¥ 673	March 31, 2023	May 16, 2023

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

(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	2023	2024
Cash and due from banks	¥ 73,403,912	¥ 75,046,469
Interest earning deposits with banks (excluding the deposit with the Bank of Japan)	(9,138,121)	(10,893,624)
Cash and cash equivalents	¥ 64,265,790	¥ 64,152,845

***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 the 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	2023	2024
Lease receivables	¥ 302,063	¥ 260,831
Residual value	28,278	23,137
Unearned interest income	(104,040)	(76,323)
Total	¥ 226,302	¥ 207,645

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

	Millions of yen	
March 31	2023	2024
Within 1 year	¥ 25,559	¥ 58,350
More than 1 year to 2 years	22,678	36,809
More than 2 years to 3 years	21,939	18,786
More than 3 years to 4 years	36,947	19,545
More than 4 years to 5 years	16,934	11,625
More than 5 years	178,004	115,714
Total	¥ 302,063	¥ 260,831

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	2023	2024
Due within 1 year	¥ 23,047	¥ 25,543
Due after 1 year	149,310	155,541
Total	¥ 172,358	¥ 181,084

(2) Lessor side

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

	Millions of yen	
March 31	2023	2024
Due within 1 year	¥ 35,454	¥ —
Due after 1 year	83,282	—
Total	¥ 118,737	¥ —

(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 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 clause 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 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 efficient 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 market transaction 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, 2024, total VaR of SMBC and its major consolidated subsidiaries was ¥93.5 billion for the banking activities, ¥17.5 billion for the trading activities, and ¥1,252.7 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 using certain assumptions, and may differ if calculated based on different assumptions.

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 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 to 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, 2023	Level 1	Level 2	Level 3	Total
Monetary claims bought	¥ —	¥ 100,379	¥ 465,157	¥ 565,537
Trading assets				
Securities classified as trading purposes	513,891	265,088	—	778,979
Money held in trust	—	0	—	0
Securities				
Other securities*1	20,140,776	10,504,318	25,725	30,670,819
Stocks	2,974,749	778	—	2,975,528
Japanese government bonds	9,576,298	—	—	9,576,298
Japanese local government bonds	1,041,285	46,339	—	1,087,625
Japanese short-term bonds	—	424,956	—	424,956
Japanese corporate bonds	—	2,363,868	24,703	2,388,572
Foreign stocks	393,890	15,608	—	409,498
Foreign bonds	5,802,603	7,274,217	1,021	13,077,841
Other	351,948	378,549	—	730,498
Total assets	¥ 20,654,667	¥ 10,869,787	¥ 490,883	¥ 32,015,337
Trading liabilities				
Trading securities sold for short sales	¥ 226,546	¥ 72,802	¥ —	¥ 299,349
Total liabilities	¥ 226,546	¥ 72,802	¥ —	¥ 299,349
Derivative transactions*2, 3				
Interest rate derivatives	¥ 218,391	¥ (1,879,008)	¥ 2,460	¥ (1,658,156)
Currency derivatives	2,808	(109,606)	—	(106,798)
Equity derivatives	(299)	—	48	(250)
Bond derivatives	(1,299)	—	—	(1,299)
Commodity derivatives	(839)	1,893	—	1,053
Credit derivative transactions	—	(2,527)	—	(2,527)
Total derivative transactions	¥ 218,762	¥ (1,989,249)	¥ 2,508	¥ (1,767,978)

*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, ¥(1,345,162) million was recorded on the consolidated balance sheet.
These are interest rate swap and other derivative transactions designated as hedging instruments for stabilizing cash flows of loans and bills discounted, etc., that are hedged items. SMBC has mainly applied deferred hedge accounting for those derivative transactions. For these hedging relationships, SMBC has applied "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (PITF No. 40, March 17, 2022).

	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				
Securities classified as trading purposes	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 are interest rate swap and other derivative transactions designated as hedging instruments for stabilizing cash flows of loans and bills discounted, etc., that are hedged items. SMBC has mainly applied deferred hedge accounting for those derivative transactions. For these hedging relationships, SMBC has applied "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (PITF No. 40, March 17, 2022).

(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, and Short-term bonds payable is not disclosed in the following tables since they are mostly short-term, and their fair values approximate their carrying amounts in the fiscal year ended March 31, 2023.

In addition to the above categories, Due to trust account is not also disclosed in the following tables for the same reasons in the fiscal year ended March 31, 2024.

	Millions of yen					
	Fair value				Consolidated balance sheet amount	Difference
March 31, 2023	Level 1	Level 2	Level 3	Total		
Monetary claims bought*	¥ —	¥ —	¥ 5,031,961	¥ 5,031,961	¥ 4,982,701	¥ 49,259
Securities						
Bonds classified as held-to-maturity	165,207	—	—	165,207	165,592	(384)
Loans and bills discounted					99,823,911	
Reserve for possible loan losses*					(398,808)	
	—	1,327	100,584,272	100,585,600	99,425,102	1,160,497
Lease receivables and investment assets*	—	—	220,569	220,569	226,071	(5,501)
Total assets	¥ 165,207	¥ 1,327	¥ 105,836,803	¥ 106,003,339	¥ 104,799,468	¥ 1,203,870
Deposits	¥ —	¥ 159,102,301	¥ —	¥ 159,102,301	¥ 159,251,139	¥ (148,838)
Negotiable certificates of deposit	—	13,116,669	—	13,116,669	13,252,060	(135,391)
Borrowed money	—	20,209,831	1,246,430	21,456,262	22,246,521	(790,259)
Bonds	—	663,781	2,405	666,186	681,821	(15,634)
Due to trust account	—	2,366,787	—	2,366,787	2,413,464	(46,676)
Total liabilities	¥ —	¥ 195,459,372	¥ 1,248,835	¥ 196,708,208	¥ 197,845,008	¥ (1,136,800)

* 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 amount since they were immaterial.

	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 amount 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 consolidated balance sheet date. 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 consolidated balance sheet date. 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 consolidated balance sheet date. 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 based on their book values as they are considered to approximate their fair values.

For short-term transactions, the fair values are also based on 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. Since the claims' consolidated balance sheet amounts minus the expected amount of loan losses approximate their fair values, such amounts are considered to be their 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 consolidated balance sheet date. They are mainly classified into Level 1.

Deposits, Negotiable certificates of deposit, and Due to trust account

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.

The fair values of borrowings from the trust account related to covered bond issued by the trust account are based on the amount calculated in accordance with the price quoted by industry associations, etc.

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 calculated 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 discounted 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 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, 2023	Valuation technique	Significant unobservable inputs	Range
Monetary claims bought	Discounted cash flow	Probability of default	0.1% — 100.0%
		Loss given default	0.0% — 51.3%
		Prepayment rate	2.0% — 7.0%
Securities:			
Japanese corporate bonds	Discounted cash flow	Probability of default	7.8% — 100.0%
		Loss given default	0.0% — 50.0%
Foreign bonds	Discounted cash flow	Probability of default	100.0%
		Loss given default	32.1% — 78.0%
Derivative transactions:			
Interest rate derivatives	Option valuation model	Correlation between interest rates	26.3% — 62.9%
		Correlation between interest rates and foreign exchange rates	5.5% — 41.6%

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%

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, 2023	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	¥ 453,676	¥ (10,817)	¥ (35,036)	¥ 57,334	¥ —	¥ —	¥ 465,157	¥ —
Securities								
Other securities	38,988	1,256	(50)	(13,124)	4,771	(6,115)	25,725	715
Japanese corporate bonds	37,949	1,135	(50)	(12,985)	4,771	(6,115)	24,703	889
Foreign bonds	1,038	121	—	(138)	—	—	1,021	(174)
Derivative transactions								
Interest rate	1,505	195	—	759	—	—	2,460	163
Currency	5,522	—	—	—	—	(5,522)	—	—
Equity	—	48	—	—	—	—	48	48
Total	¥ 499,692	¥ (9,316)	¥ (35,086)	¥ 44,969	¥ 4,771	¥ (11,637)	¥ 493,392	¥ 927

*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, 2023.
*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 derivatives and privately-placed bonds etc. The transfer was made at the beginning of the fiscal year ended March 31, 2023.

	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
Currency	—	—	—	—	—	—	—	—
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 derivatives and privately-placed bonds etc. The transfer was made at the beginning of the fiscal year ended March 31, 2024.

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 default occurs 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, foreign exchange rate, Credit Default Swap (CDS) spread, and stock price. 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 generally 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", 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	2023	2024
Stocks with no market prices, etc.*1, 2	¥ 201,625	¥ 222,505
Investments in partnership, etc.*2	352,318	435,472
Total	¥ 553,943	¥ 657,978

*1 Unlisted stocks are included in stocks with no market prices, etc.
*2 Unlisted stocks and investments in partnership totaling ¥24,790 million and ¥22,919 million were written-off in the fiscal year ended March 31, 2023 and 2024, respectively.

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

	Millions of yen			
March 31, 2023	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Monetary claims bought*1	¥ 4,079,430	¥ 824,019	¥ 381,543	¥ 239,232
Securities	10,135,223	10,018,846	3,783,492	3,863,447
Bonds classified as held-to-maturity	—	143,384	22,300	—
Japanese government bonds	—	72,600	—	—
Japanese local government bonds	—	70,784	22,300	—
Japanese corporate bonds	—	—	—	—
Other	—	—	—	—
Other securities with maturity	10,135,223	9,875,462	3,761,192	3,863,447
Japanese government bonds	5,904,790	3,228,000	90,200	354,800
Japanese local government bonds	17,990	283,069	794,153	10,937
Japanese corporate bonds	143,938	1,305,969	510,766	432,315
Other	4,068,504	5,058,424	2,366,072	3,065,394
Loans and bills discounted*1, *2	24,009,534	43,389,977	13,749,166	7,405,742
Lease receivables and investment assets	13,771	69,209	67,920	47,122
Total	¥ 38,237,960	¥ 54,302,052	¥ 17,982,122	¥ 11,555,545

*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: ¥400 million, Loans and bills discounted: ¥436,885 million.

*2 Loans and bills discounted without the maturity dates are not included. Such amount is totaled to ¥10,844,008 million.

	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.

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

	Millions of yen			
March 31, 2023	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits*	¥ 155,230,170	¥ 3,128,821	¥ 467,217	¥ 424,930
Negotiable certificates of deposit	12,722,835	529,225	—	—
Borrowed money	3,005,083	14,307,836	2,820,246	2,113,354
Bonds	309,069	260,030	25,372	87,468
Due to trust account	1,842,674	461,477	109,312	—
Total	¥ 173,109,834	¥ 18,687,391	¥ 3,422,149	¥ 2,625,753

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

	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.

(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	2023	2024
Valuation gains (losses) included in the earnings for the fiscal year	¥ 8,101	¥ 5,495

2. Bonds classified as held-to-maturity

		Millions of yen		
March 31, 2023		Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Bonds with unrealized gains:	Japanese government bonds	¥ 4,995	¥ 4,997	¥ 1
	Japanese local government bonds	28,744	28,857	113
	Japanese corporate bonds	—	—	—
	Other	—	—	—
	Subtotal	33,739	33,854	114
Bonds with unrealized losses:	Japanese government bonds	67,553	67,521	(31)
	Japanese local government bonds	64,299	63,831	(467)
	Japanese corporate bonds	—	—	—
	Other	—	—	—
	Subtotal	131,852	131,352	(499)
Total		¥ 165,592	¥ 165,207	¥ (384)

		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)

3. Other securities

		Millions of yen		
March 31, 2023		Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other securities with unrealized gains:	Stocks	¥ 2,870,304	¥ 970,634	¥ 1,899,670
	Bonds	6,093,490	6,079,646	13,844
	Japanese government bonds	4,938,689	4,936,506	2,182
	Japanese local government bonds	4,110	4,105	4
	Japanese corporate bonds	1,150,691	1,139,033	11,657
	Other	4,822,553	4,525,086	297,466
	Subtotal	13,786,348	11,575,367	2,210,980
Other securities with unrealized losses:	Stocks	105,223	122,027	(16,803)
	Bonds	7,383,962	7,462,050	(78,088)
	Japanese government bonds	4,637,608	4,676,224	(38,615)
	Japanese local government bonds	1,083,514	1,102,772	(19,257)
	Japanese corporate bonds	1,662,838	1,683,054	(20,216)
	Other	10,103,677	10,876,033	(772,356)
	Subtotal	17,592,863	18,460,112	(867,249)
Total		¥ 31,379,211	¥ 30,035,479	¥ 1,343,731

Note: There were no net unrealized gains (losses) on other securities shown above for the fiscal year ended March 31, 2023 recognized in the earnings by applying fair value hedge accounting.

		Millions of yen		
March 31, 2024		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.

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

Fiscal year ended March 31, 2023

There were no corresponding transactions.

Fiscal year ended March 31, 2024

There were no corresponding transactions.

5. Other securities sold during the fiscal year

	Millions of yen		
Year ended March 31, 2023	Sales amount	Gains on sales	Losses on sales
Stocks	¥ 194,281	¥ 130,424	¥ (1,875)
Bonds	7,804,179	6,858	(23,730)
Japanese government bonds	7,556,122	6,643	(22,619)
Japanese local government bonds	131,726	28	(1,106)
Japanese corporate bonds	116,329	186	(4)
Other	9,512,523	117,242	(145,525)
Total	¥ 17,510,984	¥ 254,524	¥ (171,131)

	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)

6. Change of classification of securities

Fiscal year ended March 31, 2023

There were no significant corresponding transactions to be disclosed.

Fiscal year ended March 31, 2024

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, 2023 and 2024 were ¥381 million and ¥42,067 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, 2023

There were no corresponding transactions.

Fiscal year ended March 31, 2024

There were no corresponding transactions.

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

Fiscal year ended March 31, 2023

There were no corresponding transactions.

Fiscal year ended March 31, 2024

There were no corresponding transactions.

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

	Millions of yen		
March 31, 2023	Consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other money held in trust	¥ 0	¥ 0	—

	Millions of yen		
March 31, 2024	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, 2023		Millions of yen
Net unrealized gains (losses)	¥	1,344,019
Other securities		1,344,019
Other money held in trust		—
(-) Deferred tax liabilities		360,257
Net unrealized gains (losses) on other securities (before following adjustments)		983,762
(-) Non-controlling interests		6,984
(+) SMBC's interest in net unrealized gains (losses) on valuation of other securities held by equity method affiliates		(3,836)
Net unrealized gains (losses) on other securities	¥	972,941

Notes: 1. There were no net unrealized gains (losses) on other securities shown above for the fiscal year ended March 31, 2023 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, 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.

(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, 2023	Total	Over 1 year	Fair value	Valuation gains (losses)
Listed				
Interest rate futures:				
Sold	¥ 107,086,292	¥ 26,234,540	¥ 7,582	¥ 7,582
Bought	18,705,937	7,686,959	(6,717)	(6,717)
Interest rate options:				
Sold	22,304,732	2,718,740	(52,887)	(52,887)
Bought	239,810,263	29,902,944	87,569	87,569
Over-the-counter				
Forward rate agreements:				
Sold	10,219,200	163,981	(13,649)	(13,649)
Bought	14,113,874	518,042	20,039	20,039
Interest rate swaps:	989,482,786	720,489,798	(286,898)	(286,898)
Receivable fixed rate/payable floating rate	405,562,504	332,166,540	(15,374,814)	(15,374,814)
Receivable floating rate/payable fixed rate	440,779,024	334,464,360	15,072,473	15,072,473
Receivable floating rate/payable floating rate	142,879,562	53,597,203	4,950	4,950
Interest rate swaptions:				
Sold	25,616,138	10,409,262	(312,659)	(312,659)
Bought	26,424,759	13,181,121	325,489	325,489
Caps:				
Sold	97,262,212	46,576,691	(1,648,233)	(1,648,233)
Bought	24,314,848	12,616,453	371,614	371,614
Floors:				
Sold	7,738,408	6,417,853	(24,909)	(24,909)
Bought	9,869,309	8,588,997	40,994	40,994
Other:				
Sold	9,507,746	4,634,071	(139,372)	(139,372)
Bought	32,961,001	26,866,264	242,793	242,793
Total	/	/	¥ (1,389,244)	¥ (1,389,244)

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, 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.

(2) Currency derivatives

	Millions of yen			
	Contract amount			
March 31, 2023	Total	Over 1 year	Fair value	Valuation gains (losses)
Listed				
Currency futures:				
Sold	¥ 1,114	¥ —	¥ 145	¥ 145
Bought	—	—	—	—
Over-the-counter				
Currency swaps	90,324,059	68,844,762	1,090,547	265,172
Currency swaptions:				
Sold	16,817	16,817	(95)	(95)
Bought	2,340,112	2,129,430	14,092	14,092
Forward foreign exchange	117,981,256	16,200,696	(155,321)	(155,321)
Currency options:				
Sold	3,897,938	1,540,087	(103,932)	(103,932)
Bought	3,508,399	1,197,138	124,016	124,016
Total	/	/	¥ 969,452	¥ 144,077

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, 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.

(3) Equity derivatives

	Millions of yen			
	Contract amount			
March 31, 2023	Total	Over 1 year	Fair value	Valuation gains (losses)
Listed				
Equity price index futures:				
Sold	¥ 378,067	¥ —	¥ (8,664)	¥ (8,664)
Bought	425,865	—	8,365	8,365
Equity price index options:				
Sold	1,302	—	0	0
Bought	1,335	—	(0)	(0)
Over-the-counter				
Equity options:				
Sold	—	—	—	—
Bought	100	100	48	48
Total	/	/	¥ (250)	¥ (250)

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, 2024	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.

(4) Bond derivatives

	Millions of yen			
	Contract amount			
March 31, 2023	Total	Over 1 year	Fair value	Valuation gains (losses)
Listed				
Bond futures:				
Sold	¥ 1,767,755	¥ —	¥ (17,214)	¥ (17,214)
Bought	1,760,383	—	15,915	15,915
Bond futures options:				
Sold	7,344	—	(18)	(18)
Bought	7,344	—	18	18
Total	/	/	¥ (1,299)	¥ (1,299)

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, 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.

(5) Commodity derivatives

	Millions of yen			
	Contract amount			
March 31, 2023	Total	Over 1 year	Fair value	Valuation gains (losses)
Listed				
Commodity futures:				
Sold	¥ 9,910	¥ —	¥ 136	¥ 136
Bought	15,516	—	(976)	(976)
Over-the-counter				
Commodity swaps:				
Receivable fixed price/payable floating price	40,878	20,027	(3,015)	(3,015)
Receivable floating price/payable fixed price	32,062	14,153	5,158	5,158
Receivable floating price/payable floating price	69	—	(15)	(15)
Commodity options:				
Sold	16,055	948	(179)	(179)
Bought	14,994	8	(55)	(55)
Total	/	/	¥ 1,053	¥ 1,053

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, 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.

(6) Credit derivative transactions

	Millions of yen			
	Contract amount			
March 31, 2023	Total	Over 1 year	Fair value	Valuation gains (losses)
Over-the-counter				
Credit default options:				
Sold	¥ 97,400	¥ 73,650	¥ 1,397	¥ 1,397
Bought	468,742	421,242	(3,924)	(3,924)
Total	/	/	¥ (2,527)	¥ (2,527)

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, 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.

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, 2023			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		¥ 6,342,990	¥ 3,372,276	¥ (1,312)
	Bought		2,403,720	1,335,400	4,467
	Interest rate swaps:				
	Receivable fixed rate/ payable floating rate		32,812,237	28,630,312	(931,456)
	Receivable floating rate/ payable fixed rate		22,472,430	20,788,379	640,823
	Interest rate swaptions:				
	Sold		185,620	185,620	(21,332)
	Bought		—	—	—
Recognition of gain or loss on the hedged items	Interest rate swaps:	Loans and bills discounted			
	Receivable floating rate/ payable fixed rate		720,281	591,205	39,900
Special treatment for interest rate swaps	Interest rate swaps:	Borrowed money			
	Receivable floating rate/ payable fixed rate		63,310	50,410	(Note 2)
	Total		/	/	¥ (268,911)

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, 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).

(2) Currency derivatives

March 31, 2023

			Millions of yen		
			Contract amount		
Hedge accounting method	Type of derivative	Principal items hedged	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.	¥ 14,035,451	¥ 8,354,826	¥ (1,073,360)
	Forward foreign exchange		4,323,798	—	(14,979)
Recognition of gain or loss on the hedged items	Currency swaps	Loans and bills discounted, other securities	88,468	44,459	12,088
	Total		/	/	¥ (1,076,250)

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

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	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.

(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	2023	2024
Beginning balance of projected benefit obligation	¥ 972,449	¥ 907,045
Service cost	24,274	22,063
Interest cost on projected benefit obligation	6,862	9,468
Unrecognized net actuarial gain or loss incurred	(37,545)	(31,706)
Payments of retirement benefits	(53,586)	(55,136)
Unrecognized prior service cost	(4,077)	—
Other	(1,330)	6,381
Ending balance of projected benefit obligation	¥ 907,045	¥ 858,117

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

	Millions of yen	
Year ended, March 31	2023	2024
Beginning balance of plan assets	¥ 1,577,670	¥ 1,599,653
Expected return on plan assets	40,982	41,831
Unrecognized net actuarial gain or loss incurred	10,669	206,194
Contributions by the employer	10,020	9,764
Payments of retirement benefits	(40,313)	(40,790)
Other	623	(67,020)
Ending balance of plan assets	¥ 1,599,653	¥ 1,749,632

(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	2023	2024
Funded projected benefit obligation	¥ (904,717)	¥ (855,660)
Plan assets	1,599,653	1,749,632
	694,935	893,972
Unfunded projected benefit obligation	(2,328)	(2,457)
Net amount of asset and liability reported on the consolidated balance sheet	¥ 692,607	¥ 891,515

	Millions of yen	
March 31	2023	2024
Net defined benefit asset	¥ 698,974	¥ 901,362
Net defined benefit liability	(6,367)	(9,846)
Net amount of asset and liability reported on the consolidated balance sheet	¥ 692,607	¥ 891,515

(4) Pension expenses

	Millions of yen	
Year ended March 31	2023	2024
Service cost	¥ 24,274	¥ 22,063
Interest cost on projected benefit obligation	6,862	9,468
Expected return on plan assets	(40,982)	(41,831)
Amortization of unrecognized net actuarial gain or loss	(31,538)	(25,673)
Amortization of unrecognized prior service cost	(2,297)	(2,402)
Other (nonrecurring additional retirement allowance paid and other)	7,086	8,886
Pension expenses	¥ (36,596)	¥ (29,487)

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 tax effect) was as shown below:

	Millions of yen	
Year ended March 31	2023	2024
Prior service cost	¥ (1,779)	¥ 2,402
Net actuarial gain or loss	(16,945)	(212,373)
Total	¥ (18,724)	¥ (209,970)

(6) Accumulated remeasurements of defined benefit plans

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

	Millions of yen	
March 31	2023	2024
Unrecognized prior service cost	¥ (14,263)	¥ (11,860)
Unrecognized net actuarial gain or loss	(175,465)	(387,838)
Total	¥ (189,728)	¥ (399,698)

(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	2023	2024
Stocks	51.6 %	52.4 %
Bonds	12.8 %	11.4 %
General account of life insurance	1.8 %	1.7 %
Other	33.8 %	34.5 %
Total	100.0 %	100.0 %

Note: The retirement benefit trusts set up for employee pension plans and lump-sum severance indemnity plans account for 37.4% and 34.1% of the total plan assets at March 31, 2023 and 2024, 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, 2023	Percentages	Year ended March 31, 2024	Percentages
SMBC and its domestic consolidated subsidiaries	0.6% to 0.9%	SMBC and its domestic consolidated subsidiaries	0.9% to 1.2%
Overseas consolidated subsidiaries	0.0% to 7.0%	Overseas consolidated subsidiaries	2.0% to 6.7%

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

Year ended March 31, 2023	Percentages	Year ended March 31, 2024	Percentages
SMBC and its domestic consolidated subsidiaries	1.5% to 3.6%	SMBC and its domestic consolidated subsidiaries	1.5% to 3.2%
Overseas consolidated subsidiaries	0.0% to 7.0%	Overseas consolidated subsidiaries	4.8% to 6.7%

3. Defined contribution plan

Fiscal year ended March 31, 2023

The amount required to be contributed by SMBC and the consolidated subsidiaries was ¥8,767 million.

Fiscal year ended March 31, 2024

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

(Notes to deferred tax assets and liabilities)

1. Significant components of deferred tax assets and liabilities

March 31, 2023	Millions of yen	March 31, 2024	Millions of yen
Deferred tax assets:		Deferred tax assets:	
Reserve for possible loan losses and write-off of loans	¥ 204,917	Reserve for possible loan losses and write-off of loans	¥ 236,389
Securities	45,089	Securities	45,341
Net deferred gains (losses) on hedge	10,727	Net deferred gains (losses) on hedge	35,394
Net operating loss carryforwards*	77,628	Net operating loss carryforwards*	14,724
Other	173,562	Other	196,832
Subtotal	511,925	Subtotal	528,682
Valuation allowance for net operating loss carryforwards*	(7,626)	Valuation allowance for net operating loss carryforwards*	(6,526)
Valuation allowance for total amount of deductible temporary differences etc.	(55,200)	Valuation allowance for total amount of deductible temporary differences etc.	(63,530)
Valuation allowance subtotal	(62,826)	Valuation allowance subtotal	(70,056)
Total deferred tax assets	449,098	Total deferred tax assets	458,625
Deferred tax liabilities:		Deferred tax liabilities:	
Net unrealized gains on other securities	(389,616)	Net unrealized gains on other securities	(722,470)
Accumulated remeasurements of defined benefit plans	(60,431)	Accumulated remeasurements of defined benefit plans	(127,578)
Retained earnings of subsidiaries	(50,340)	Retained earnings of subsidiaries	(65,246)
Other	(216,880)	Other	(143,470)
Total deferred tax liabilities	(717,269)	Total deferred tax liabilities	(1,058,766)
Net deferred tax assets (liabilities)	¥ (268,170)	Net deferred tax assets (liabilities)	¥ (600,140)

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

	Millions of yen				
March 31, 2023	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*	¥ 3	¥ 2,203	¥ 5,400	¥ 70,021	¥ 77,628
Valuation allowance	(3)	(871)	(5,032)	(1,719)	(7,626)
Deferred tax assets	0	1,331	368	68,301	70,001

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

	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	—	770	169	7,259	8,198

* 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, 2023	Percentages	March 31, 2024	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	(1.34)	Differences of the scope of taxable income between corporate income tax and enterprise income tax	(1.74)
Equity in gains of affiliates	(1.13)	Equity in gains of affiliates	(1.42)
Difference of effective income tax rate between SMBC and overseas consolidated subsidiaries	(0.55)	Foreign tax	(0.89)
Dividends exempted for income tax purposes	(0.55)	Retained earnings of subsidiaries	1.19
Retained earnings of subsidiaries	2.50	Other	(0.28)
Other	(3.83)	Effective income tax rate	27.48%
Effective income tax rate	25.72%		

3. 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, 2023

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

Fiscal year ended March 31, 2024

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, 2023

There was no significant information to be disclosed.

Fiscal year ended March 31, 2024

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	**2023**	**2024**
Ordinary income	¥ 4,991,948	¥ 7,754,385
Fees and commissions	748,894	897,865
Deposits and loans	237,441	296,310
Remittances and transfers	146,131	152,244
Securities-related business	36,261	62,791
Agency	8,202	8,603
Safe deposits	4,228	4,321
Guarantees	36,390	42,024
Investment trusts	26,828	33,912
Others	253,410	297,657

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, 2023	Wholesale Banking Unit	Retail Banking Unit	Global Banking Unit	Global Markets & Treasury Unit	Head office account and others	Total
Consolidated gross profit	¥ 828,100	¥ 323,300	¥ 1,201,900	¥ 461,900	¥ (577,039)	¥ 2,238,161
General and administrative expenses	(284,600)	(285,900)	(577,300)	(79,800)	48,894	(1,178,706)
Equity in gains (losses) of affiliates	—	3,200	32,200	—	6,009	41,409
Consolidated net business profit	¥ 543,500	¥ 40,600	¥ 656,800	¥ 382,100	¥ (522,136)	¥ 1,100,864

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.

The changes in the methods of head office profit and loss allocation to each business unit were made during the fiscal year ended March 31, 2024. The results of retrospective application for the changes were as follows:

	Millions of yen					
Year ended March 31, 2023	Wholesale Banking Unit	Retail Banking Unit	Global Banking Unit	Global Markets & Treasury Unit	Head office account and others	Total
Consolidated gross profit	¥ 838,200	¥ 331,800	¥ 1,225,400	¥ 401,100	¥ (558,339)	¥ 2,238,161
General and administrative expenses	(292,200)	(310,200)	(646,000)	(78,000)	147,694	(1,178,706)
Equity in gains (losses) of affiliates	—	3,200	(31,300)	—	69,509	41,409
Consolidated net business profit	¥ 546,000	¥ 24,800	¥ 548,100	¥ 323,100	¥ (341,136)	¥ 1,100,864

	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.

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, 2023		Millions of yen
Consolidated net business profit	¥	1,100,864
Other ordinary income (excluding equity in gains of affiliates)		234,429
Other ordinary expenses		(209,365)
Ordinary profit on consolidated statements of income	¥	1,125,928

Note: Figures shown in the parenthesis represent the loss.

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.

[Related information]

Fiscal year ended March 31, 2023

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
¥ 1,938,590	¥ 1,388,638	¥ 718,697	¥ 946,022	¥ 4,991,948

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
¥ 704,005	¥ 558,648	¥ 38,815	¥ 36,335	¥ 1,337,805

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, 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.

[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, 2023 was ¥32,189 million.
Impairment loss for the fiscal year ended March 31, 2024 was ¥13,155 million.

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

	Millions of yen					
Year ended March 31, 2023	Wholesale Banking Unit	Retail Banking Unit	Global Banking Unit	Treasury Unit	Head office account and others	Total
Amortization of goodwill	¥ —	¥ —	¥ —	¥ —	¥ 1,649	¥ 1,649
Unamortized balance	—	—	—	—	—	—

	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	—	—	—	—	—	—

[Information on gains on negative goodwill by reportable segment]

Fiscal year ended March 31, 2023

There were no corresponding transactions.

Fiscal year ended March 31, 2024

There were no significant corresponding transactions to be disclosed.

[Information on related parties]

Fiscal year ended March 31, 2023

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 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, 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 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)

Fiscal year ended March 31, 2024

<Sale of interest of a subsidiary>

Sale of interest of SMBC Rail Services LLC

On December 14, 2023, SMBC Americas Holdings, Inc., a consolidated subsidiary of the company, sold the entire interest (the "Sale of interest") in SMBC Rail Services LLC ("SMBC RS") to ITE Management LP ("ITE").

1. Objectives of the Sale of interest

With the acquisition of Flagship Rail Services LLC in 2013 and American Railcar Leasing in 2017, SMBC RS had become a leading freight car leasing company in the U.S. with over 50,000 freight cars. However, under recent financial regulatory environment, SMBC RS, as a subsidiary of a financial institution, was required to fully comply with regulations. While at the same time, as a result of the restructure of the freight car leasing industry and changes in the business environment, it had become an issue to further expand its business to improve efficiency and maintain competitiveness. Considering this situation, the Group had decided to transfer SMBC RS to ITE, which was another leading freight car leasing company in the industry, in order to maximize the value of SMBC RS.

Through the Sale of interest, the Group aimed to realize a more capital-efficient business portfolio and resilient business operations by reallocating the management resources to growth areas, as well as to measures that would contribute to strengthening the management foundation.

2. Outline of the accounting treatments implemented

(1) Amount of gains or losses on sale

Losses related to sale of freight car leasing business: ¥ 108,191 million

(2) Accounting treatments

The Company applied the accounting treatments stipulated in "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22) and "Practical Guidelines on Accounting Standards for Capital Consolidation Procedures in Preparing Consolidated Financial Statements" (JICPA Accounting Practice Committee Statement No.7).

3. Period of the financial results of SMBC RS included in the consolidated financial statements

From January 1, 2023 to December 14, 2023

4. Outline of the subsidiary excluded from the scope of consolidation (as of December 14, 2023)

SMBC RS (Reporting segment: Global Business Unit)

Total assets:	¥	464,501 million
Tangible fixed assets		437,027 million
Total liabilities:		385,185 million
Borrowed money		376,700 million
Ordinary income		43,256 million
Losses attributable to owners of parent		85,122 million

(Note) Ordinary income is used as a substitute of "Sales" for other industries. Losses attributable to owners of parent includes the losses on the fair value valuation related to tangible fixed assets subject to sale, associated with the conclusion of the Sale of interest agreement.

(Per share data)

	Yen	
As of and year ended March 31	2023	2024
Net assets per share	¥ 90,237.03	¥ 106,279.71
Earnings per share	7,595.81	8,488.93

Notes: 1. Earnings per share and earnings per share (diluted) are calculated based on the following.
Earnings per share (diluted) for the fiscal year ended March 31, 2024 is not disclosed because earnings per share does not decrease due to the adjustment of dilutive shares.

	Millions of yen except number of shares	
Year ended March 31	2023	2024
Earnings per share:		
Profit attributable to owners of parent	¥ 807,042	¥ 901,935
Amount not attributable to common stockholders	—	—
Profit attributable to owners of parent attributable to common stock	¥ 807,042	¥ 901,935
Average number of common stock during the fiscal year (in thousands)	106,248	106,248

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

	Millions of yen except number of shares	
March 31	2023	2024
Net assets	¥ 9,735,509	¥ 11,494,278
Amounts excluded from net assets	147,969	202,229
Non-controlling interests	147,969	202,229
Net assets attributable to common stock at the fiscal year-end	¥ 9,587,539	¥ 11,292,048
Number of common stock at the fiscal year-end used for the calculation of net assets per share (in thousands)	106,248	106,248

(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)	Percentages: Collateral	Date of maturity
SMBC	Straight bonds, payable in U.S. dollars (Notes 3 and 4)	May 2014 ~ Aug. 2023	372,200 ($2,787,180 thousand) [190,668]	282,482 ($1,866,668 thousand) [75,665]	3.31 ~ 6.58	None	Jul. 2024 ~ Mar. 2030
	Straight bonds, payable in U.S. dollars (Note 3)	May 28, 2015	87,468 ($655,000 thousand)	99,121 ($655,000 thousand)	4.3	None	May 30, 2045
	Straight bonds, payable in Euro (Notes 3 and 4)	Jul. 24, 2013	72,862 (€499,914 thousand) [72,875]	—	—	—	—
	Straight bonds, payable in Australian dollars (Notes 3 and 4)	Mar. 2015 ~ Aug. 2023	16,611 (A$185,193 thousand) [7,463]	15,965 (A$161,985 thousand) [4,928]	3.67 ~ 4.79	None	Mar. 2025 ~ Dec. 2027
	Straight bonds, payable in Hong Kong dollars (Note 3)	Apr. 30, 2015	12,850 (HK$755,000 thousand)	14,594 (HK$755,000 thousand)	2.92	None	Apr. 30, 2025
	Straight bonds, payable in Chinese Yuan (Notes 3 and 4)	Jun. 8, 2020	19,420 (CNY1,000,000 thousand) [19,420]	—	—	—	—
	Subordinated bonds, payable in Yen	Jun. 2011 ~ Dec. 2011	59,997	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)	Nov. 2019 ~ Oct. 2023	1,782 (IDR200,239,931 thousand) [—]	10,654 (IDR1,121,514,085 thousand) [6,469]	6.35 ~ 9.25	None	Apr. 2024 ~ Jul. 2028
(* 2)	Consolidated subsidiaries, straight bonds, payable in Chinese Yuan (Notes 2, 3 and 4)	Oct. 14, 2022	18,628 (CNY959,249 thousand) [18,643]	—	—	—	—
(* 3)	Consolidated subsidiaries, subordinated bonds, payable in Yen (Note 2)	Dec. 1997 ~ Feb. 1998	20,000	20,000	4 ~ 4.15	None	Jan. 28, 2028
(* 4)	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]	2.44	Existing	Jun. 18, 2024
(* 5)	Consolidated subsidiaries, straight bonds, payable in Euro (Notes 2 and 3)	Jun. 2019 ~ Feb. 2023	—	490,142 (€3,002,587 thousand)	0.01 ~ 3.602	Existing	Sep. 2025 ~ Nov. 2029
Total		—	¥ 681,821	¥ 1,144,288	—	—	—

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 BTPN Tbk, an overseas consolidated subsidiary.
   (*2) This represents straight bonds issued in Chinese Yuan by Sumitomo Mitsui Banking Corporation (China) Limited, an overseas consolidated subsidiary.
   (*3) This represents subordinated term bonds issued in Yen by SMBC International Finance N.V., an overseas consolidated subsidiary.
   (*4) 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.
   (*5) 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 was 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
¥ 238,392	¥ 375,929	¥ 226,701	¥ 50,851	¥ 7,054

[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	¥ 22,246,521	¥ 24,998,606	1.86	—
Other borrowings	22,246,521	24,998,606	1.86	Apr. 2024 ~ Perpetual
Lease obligations	2,014	3,195	2.33	Apr. 2024 ~ Sep. 2033

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 Borrowings and Lease obligations after respective balance sheet dates of the consolidated subsidiaries was 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	¥ 7,312,562	¥ 3,048,158	¥ 3,796,620	¥ 3,851,278	¥ 974,297
Lease obligations	423	324	282	265	231

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	¥ 2,320,969	¥ 2,429,179	4.92	Apr. 2024 ~ Aug. 2024

[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 obligation is not disclosed.

[Others]

Not applicable.

(Non-consolidated financial statements)

1. Non-consolidated balance sheets

March 31	Millions of yen 2023	Millions of yen 2024	Millions of U.S. dollars 2024
Assets:			
Cash and due from banks	¥ 70,818,701	¥ 72,661,204	$ 480,151
Call loans	5,285,838	4,305,503	28,451
Receivables under resale agreements	1,437,595	1,781,354	11,771
Receivables under securities borrowing transactions	1,598,124	2,538,794	16,777
Monetary claims bought	1,944,291	2,370,100	15,662
Trading assets	2,379,930	2,702,185	17,856
Securities	32,210,394	34,666,605	229,080
Loans and bills discounted	94,307,397	101,124,712	668,240
Foreign exchanges	1,824,364	1,941,854	12,832
Other assets	7,129,287	8,879,250	58,675
Tangible fixed assets	737,253	746,606	4,934
Intangible fixed assets	285,986	341,974	2,260
Prepaid pension cost	496,328	479,688	3,170
Customers' liabilities for acceptances and guarantees	15,405,856	15,712,360	103,828
Reserve for possible loan losses	(523,888)	(523,385)	(3,459)
Reserve for possible losses on investments	—	(6,630)	(44)
Total assets	¥ 235,337,464	¥ 249,722,179	$ 1,650,183
Liabilities and net assets:			
Liabilities:			
Deposits	¥ 149,948,880	¥ 153,494,437	$ 1,014,303
Negotiable certificates of deposit	12,929,824	14,826,777	97,976
Call money	774,968	1,028,135	6,794
Payables under repurchase agreements	12,041,367	12,357,578	81,660
Payables under securities lending transactions	370,514	669,425	4,424
Commercial paper	1,292,198	1,549,515	10,239
Trading liabilities	1,643,213	1,823,239	12,048
Borrowed money	21,905,262	25,119,261	165,990
Foreign exchanges	1,516,160	2,907,692	19,214
Bonds	641,410	472,161	3,120
Due to trust account	2,277,046	1,810,236	11,962
Other liabilities	6,991,747	9,427,116	62,295
Reserve for employee bonuses	13,542	14,343	95
Reserve for executive bonuses	1,202	1,344	9
Reserve for point service program	1,140	1,581	10
Reserve for reimbursement of deposits	9,998	8,283	55
Deferred tax liabilities	150,223	429,760	2,840
Deferred tax liabilities for land revaluation	27,952	27,316	181
Acceptances and guarantees	15,405,856	15,712,360	103,828
Total liabilities	227,942,508	241,680,568	1,597,043
Net assets:			
Capital stock	1,770,996	1,770,996	11,703
Capital surplus	1,774,554	1,774,554	11,726
Retained earnings	3,276,915	3,496,700	23,106
Treasury stock	(210,003)	(210,003)	(1,388)
Total stockholders' equity	6,612,463	6,832,248	45,148
Net unrealized gains (losses) on other securities	1,040,472	1,803,310	11,916
Net deferred gains (losses) on hedges	(282,793)	(618,692)	(4,088)
Land revaluation excess	24,813	24,744	164
Total valuation and translation adjustments	782,492	1,209,362	7,992
Total net assets	7,394,955	8,041,611	53,140
Total liabilities and net assets	¥ 235,337,464	¥ 249,722,179	$ 1,650,183

2. Non-consolidated statements of income

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2023	2024	2024
Ordinary income	¥ 4,133,627	¥ 6,349,899	$ 41,961
Interest income	2,962,282	4,856,033	32,089
Interest on loans and discounts	1,868,741	2,817,465	18,618
Interest and dividends on securities	413,923	631,848	4,175
Trust fees	2,451	3,114	21
Fees and commissions	645,135	734,870	4,856
Trading income	4,315	15,047	99
Other operating income	310,067	420,709	2,780
Other income	209,376	320,124	2,115
Ordinary expenses	3,267,830	5,309,428	35,085
Interest expenses	1,798,082	3,690,024	24,384
Interest on deposits	648,542	1,356,719	8,965
Fees and commissions payments	189,174	205,255	1,356
Trading losses	58,229	140,758	930
Other operating expenses	179,290	108,537	717
General and administrative expenses	856,867	965,023	6,377
Other expenses	186,185	199,829	1,320
Ordinary profit	865,797	1,040,471	6,876
Extraordinary gains	2,292	1,009	7
Extraordinary losses	34,307	8,256	55
Income before income taxes	833,782	1,033,223	6,828
Income taxes - current	183,467	306,913	2,028
Income taxes - deferred	16,159	(36,336)	(240)
Net income	¥ 634,154	¥ 762,646	$ 5,040

	Yen		U.S. dollars
	2023	2024	2024
Per share data:			
Earnings per share	¥ 5,968.60	¥ 7,177.95	$ 47.43
Earnings per share (diluted)	—	—	—

3. Non-consolidated statements of changes in net assets

	Millions of yen				
	Stockholders' equity				
Year ended March 31, 2023	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of the fiscal year	¥ 1,770,996	¥ 1,774,554	¥ 3,079,860	¥ (210,003)	¥ 6,415,408
Changes in the fiscal year:					
Cash dividends			(437,849)		(437,849)
Net income			634,154		634,154
Reversal of land revaluation excess			749		749
Net changes in items other than stockholders' equity in the fiscal year					
Net changes in the fiscal year	—	—	197,054	—	197,054
Balance at the end of the fiscal year	¥ 1,770,996	¥ 1,774,554	¥ 3,276,915	¥ (210,003)	¥ 6,612,463

	Millions of yen				
	Valuation and translation adjustments				
Year ended March 31, 2023	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	¥ 1,288,414	¥ (182,902)	¥ 25,563	¥ 1,131,074	¥ 7,546,483
Changes in the fiscal year:					
Cash dividends					(437,849)
Net income					634,154
Reversal of land revaluation excess					749
Net changes in items other than stockholders' equity in the fiscal year	(247,941)	(99,890)	(749)	(348,582)	(348,582)
Net changes in the fiscal year	(247,941)	(99,890)	(749)	(348,582)	(151,527)
Balance at the end of the fiscal year	¥ 1,040,472	¥ (282,793)	¥ 24,813	¥ 782,492	¥ 7,394,955

	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:					
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:					
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 U. S. Dollars				
	Stockholders' equity				
Year ended March 31, 2024	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of the fiscal year	$ 11,703	$ 11,726	$ 21,654	$ (1,388)	$ 43,696
Changes in the fiscal year:					
Cash dividends			(3,588)		(3,588)
Net income			5,040		5,040
Reversal of land revaluation excess			0		0
Net changes in items other than stockholders' equity in the fiscal year					
Net changes in the fiscal year	—	—	1,452	—	1,452
Balance at the end of the fiscal year	$ 11,703	$ 11,726	$ 23,106	$ (1,388)	$ 45,148

	Millions of U. S. Dollars				
	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	$ 6,876	$ (1,869)	$ 164	$ 5,171	$ 48,866
Changes in the fiscal year:					
Cash dividends					(3,588)
Net income					5,040
Reversal of land revaluation excess					0
Net changes in items other than stockholders' equity in the fiscal year	5,041	(2,220)	(0)	2,821	2,821
Net changes in the fiscal year	5,041	(2,220)	(0)	2,821	4,273
Balance at the end of the fiscal year	$ 11,916	$ (4,088)	$ 164	$ 7,992	$ 53,140

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024, the reserve for possible loan losses (the "Reserve") was ¥417,385 million on loans and bills discounted (the "Loans") of ¥107,763,214 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 related to the impact of the current international situation involving Ukraine)" to the consolidated financial statements, a reserve of ¥85,553 million was recorded for possible loan losses for Russia-related credits. In addition, as discussed in the "Notes (Additional information, 2. The estimates of reserve for possible loan losses related to the impact of the tightening monetary policies overseas)" to the consolidated financial statements, a reserve of ¥32,000 million was recorded for possible loan losses for portfolios that were considered to be easily affected by the prolonged high interest rates. Further, as discussed in the "Notes

(Additional information, 3. 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 ¥16,000 million was recorded for possible loan losses for portfolios that were considered vulnerable to changes in the domestic business environment, such as persisting high raw material prices and rising labor costs, the cutback of the government funding support to businesses, and changes in the financial environment, such as the lifting of negative interest rate policy.

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 prolonged uncertain business environment arising from the current international situation involving Ukraine, the impact of tightening monetary policies overseas and the impact of changes in the domestic business environment, including persisting high raw material prices and rising labor costs, 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:

- approval of the internal rules for accounting for the Reserve, including the criteria for self-assessment and the policy for write-offs and provisions;

- validation of the obligor grading models;
- 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 the policy for the Reserve and the obligor grading models

We evaluated the policy for the Reserve for SMBC's corporate loans for compliance with the accounting principles generally accepted in Japan. Additionally, we involved credit risk specialists with industry-specific knowledge and expertise who assisted us in evaluating the appropriateness of the obligor grading models, which provided the basis for borrower classification, through analyzing the consistency of the obligor grades with external ratings, and also through a retrospective review of the models' performance.

(3) 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.

(4) 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 prolonged uncertain business environment caused by the current international situation involving Ukraine, the impact of tightening monetary policies overseas and the impact of the changes in the domestic business environment including persisting high raw material prices and rising labor costs, we evaluated the reasonableness of additional reserves for specific portfolios through:

- 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;
- 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, considering the analysis of the impact of tightening monetary policies overseas;
- assessing the consistency of assumptions used in estimating additional reserves, especially the assumptions about changes in overseas interest rates 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 including persisting high raw material prices and rising labor costs; 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.

(5) 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 3,964 million yen and 402 million yen, respectively.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2024 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/ Kazuhide Niki
Designated Engagement Partner
Certified Public Accountant

/S/ Bumbee Nishi
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
June 20, 2024

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.