



SUMITOMO MITSUI FINANCIAL GROUP, INC.

Annual Report for the Year ended March 31, 2024

BOARD OF DIRECTORS (As of June 27, 2024)

CHAIRMAN OF THE BOARD
Takeshi Kunibe

DIRECTOR PRESIDENT
Toru Nakashima

DIRECTOR DEPUTY PRESIDENT AND EXECUTIVE OFFICER
Teiko Kudo

DIRECTORS AND EXECUTIVE OFFICERS

Fumihiko Ito	Yoshinobu Tsutsui	Muneo Kanamaru	Takeshi Mikami
Toshihiro Isshiki	Katsuyoshi Shinbo	Masamichi Koike	Keiichi Nakamura
Yoshiyuki Gono	Eriko Sakurai	Takashi Yamashita	Akio Isowa
Shozo Yamazaki	Charles D. Lake II	Jun Uchikawa	Takashi Kobayashi
Sonosuke Kadonaga	Jenifer Rogers	Yoshihiro Hyakutome	Natsuhiko Samejima

PRINCIPAL SUBSIDIARIES (as of March 31, 2024)

Sumitomo Mitsui Banking Corporation ("SMBC")
SMBC Trust Bank Ltd.
SMBC Nikko Securities Inc.
Suminomo Mitsui Card Company, Limited
SMBC Finance Service Co., Ltd.
SMBC Consumer Finance Co., Ltd.
The Japan Research Institute, Limited
Sumitomo Mitsui DS Asset Management Company, Limited
SMBC Bank International plc
SMBC Bank EU AG
Sumitomo Mitsui Banking Corporation (China) Limited
PT Bank BTPN Tbk
SMBC Americas Holdings, Inc.
SMBC Guarantee Co., Ltd.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Year ended March 31	Millions of Yen	
	2023	2024
Profit	¥ 816,324	¥ 968,687
Other comprehensive income (losses)	215,388	1,661,035
Net unrealized gains (losses) on other securities	(252,078)	1,024,910
Net deferred gains (losses) on hedges	54,055	(49,928)
Foreign currency translation adjustments	327,919	502,786
Remeasurements of defined benefit plans	12,078	156,856
Share of other comprehensive income of affiliates	73,412	26,410
Total comprehensive income	1,031,712	2,629,723
Comprehensive income attributable to owners of parent	1,019,625	2,621,070
Comprehensive income attributable to non-controlling interests	12,087	8,653

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Basel III basis	2023	2024
1. Tier 1 capital ratio	14.94%	14.33%
Consolidated capital ratio	15.98%	15.29%
2. There is currently no requirement for our Head Office in Japan to confer lower priority to depositors of the foreign offices to the Bank vis-à-vis depositors in Japan, in the repayment of deposits in the event of receivership, winding up proceedings or equivalent proceedings of the Bank.		
3. The audited balance sheet and profit and loss statements contain notes that form an integral part of the financial statements. Reference should be made to the complete set of the audited financial statements for a full understanding of the statements and the state of affairs of the Group.		

Copies of our Group's Annual Report 2024 can be obtained on written request, from the General Administration Department, Sumitomo Mitsui Banking Corporation, Singapore Branch, 88 Market Street, #33-01 CapitaSpring Singapore 048948.

CONSOLIDATED STATEMENTS OF INCOME

Year ended March 31	Millions of Yen	
	2023	2024
Ordinary income	¥ 6,142,155	¥ 9,353,590
Interest income	3,779,715	6,213,520
Interest on loans and discounts	2,465,859	3,636,796
Interest and dividends on securities	437,385	704,565
Interest on call loans and bills bought	76,714	207,201
Interest on receivables under resale agreements	20,232	119,755
Interest on receivables under securities borrowing transactions	34,078	87,502
Interest on deposits with banks	304,299	580,295
Interest on lease transactions	8,676	12,483
Interest on deferred payment	22,409	21,969
Other interest income	410,058	842,949
Trust fees	6,752	8,195
Fees and commissions	1,441,313	1,716,335
Trading income	120,727	371,135
Other operating income	477,892	609,082
Lease related income	39,721	37,436
Other	438,170	571,645
Other income	315,754	435,320
Recoveries of written-off claims	16,923	16,934
Other	298,830	418,386
Ordinary expenses	4,981,224	7,887,462
Interest expenses	2,061,922	4,332,866
Interest on deposits	796,781	1,670,570
Interest on negotiable certificates of deposit	259,422	518,385
Interest on call money and bills sold	18,057	43,855
Interest on payables under repurchase agreements	275,765	749,371
Interest on payables under securities lending transactions	3,165	15,792
Interest on commercial paper	45,081	116,199
Interest on borrowed money	86,175	154,318
Interest on short-term bonds	30	210
Interest on bonds	256,862	352,806
Other interest expenses	320,579	711,354
Fees and commissions payments	222,321	234,305
Trading losses	—	263,379
Other operating expenses	371,925	348,899
Lease-related expenses	31,314	30,915
Other	340,610	317,984
General and administrative expenses	1,949,245	2,250,593
Other expenses	375,809	457,417
Provision for reserve for possible loan losses	88,272	118,388
Other	287,537	339,028
Ordinary profit	1,160,930	1,466,128
Extraordinary gains	¥ 3,110	¥ 8,181
Gains on disposal of fixed assets	3,110	1,101
Reversal of reserve for eventual future operating losses from financial instruments transactions	0	—
Other extraordinary gains	—	7,080
Extraordinary losses	65,569	131,959
Losses on disposal of fixed assets	6,523	9,341
Losses on impairment of fixed assets	59,045	13,696
Provision for reserve for eventual future operating losses from financial instruments transactions	—	729
Other extraordinary losses	—	108,191
Income before income taxes	1,098,472	1,342,349
Income taxes-current	222,522	442,736
Income taxes-deferred	59,625	(69,073)
Income taxes	282,148	373,662
Profit	816,324	968,687
Profit attributable to non-controlling interests	10,481	5,740
Profit attributable to owners of parent	¥ 805,842	¥ 962,946

CONSOLIDATED BALANCE SHEETS

March 31	Millions of Yen	
	2023	2024
Assets		
Cash and due from banks	¥ 75,913,960	¥ 78,143,100
Call loans and bills bought	5,684,812	5,333,883
Receivables under resale agreements	5,785,945	8,525,688
Receivables under securities borrowing transactions	5,576,612	6,799,541
Monetary claims bought	5,558,287	6,103,091
Trading assets	8,751,204	11,540,063
Money held in trust	12,957	23,751
Securities	33,213,165	37,142,808
Loans and bills discounted	98,404,137	107,013,907
Foreign exchanges	1,942,764	2,068,885
Lease receivables and investment assets	226,302	207,645
Other assets	13,243,899	15,313,546
Tangible fixed assets	1,494,527	1,006,883
Assets for rent	519,308	—
Buildings	323,411	323,967
Land	412,045	405,761
Lease assets	23,317	29,892
Construction in progress	30,983	40,894
Other tangible fixed assets	185,460	206,368
Intangible fixed assets	897,848	976,706
Software	521,545	623,266
Goodwill	277,311	268,833
Lease assets	451	323
Other intangible fixed assets	98,539	84,283
Net defined benefit asset	704,654	913,791
Deferred tax assets	74,084	71,427
Customers' liabilities for acceptances and guarantees	13,693,771	14,869,558
Reserve for possible loan losses	(750,369)	(817,578)
Total assets	¥ 270,428,564	¥ 295,236,701
Liabilities and net assets		
Liabilities		
Deposits	¥ 158,770,253	¥ 164,839,357
Negotiable certificates of deposit	13,025,555	14,672,275
Call money and bills sold	2,569,055	3,138,049
Payables under repurchase agreements	16,772,716	19,625,877
Payables under securities lending transactions	1,521,271	1,736,935
Commercial paper	2,349,956	2,429,179
Trading liabilities	8,066,745	9,689,434
Borrowed money	13,674,830	14,705,266
Foreign exchanges	1,465,847	2,872,560
Short-term bonds	424,000	863,000
Bonds	10,365,003	13,120,274
Due to trust account	2,413,464	1,246,198
Other liabilities	11,923,748	15,573,044
Reserve for employee bonuses	96,254	115,488
Reserve for executive bonuses	3,307	4,411
Net defined benefit liability	35,449	37,263
Reserve for executive retirement benefits	1,133	1,179
Reserve for point service program	28,659	35,622
Reserve for reimbursement of deposits	10,845	9,228
Reserve for losses on interest repayment	128,378	121,947
Reserves under the special laws	3,902	4,631
Deferred tax liabilities	265,354	698,632
Deferred tax liabilities for land revaluation	27,952	27,316
Acceptances and guarantees	13,693,771	14,869,558
Total liabilities	¥ 257,637,458	¥ 280,436,734
Net assets:		
Capital stock	2,342,537	2,344,038
Capital surplus	694,052	610,143
Retained earnings	7,423,600	7,843,470
Treasury stock	(151,798)	(167,671)
Total stockholders' equity	10,308,391	10,629,980
Net unrealized gains (losses) on other securities	1,373,521	2,406,883
Net deferred gains (losses) on hedges	(13,293)	(65,073)
Land revaluation excess	35,005	34,936
Foreign currency translation adjustments	843,614	1,362,647
Accumulated remeasurements of defined benefit plans	133,226	290,735
Total accumulated other comprehensive income	2,372,074	4,030,129
Stock acquisition rights	1,145	931
Non-controlling interests	109,945	138,925
Total net assets	12,791,106	14,799,967
Total liabilities and net assets	¥ 270,428,564	¥ 295,236,701

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Sumitomo Mitsui Financial Group, Inc.:

Takashi Kondo
Designated Engagement Partner
Certified Public Accountant

Kazuhide Niki
Designated Engagement Partner
Certified Public Accountant

Bumbee Nishi
Designated Engagement Partner
Certified Public Accountant

Opinion

We have audited the accompanying consolidated financial statements of Sumitomo Mitsui Financial Group, Inc. ("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.

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 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 Committee is responsible for overseeing the directors and the corporate executive officers' 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 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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit 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.

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.

KPMG AZSA LLC
Tokyo Office, Japan
June 20, 2024