

**Pillar III Disclosures
2025**

as at March 31, 2026

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Pillar III Disclosures

Introduction

The ongoing capital requirements for international banks are now governed on an overall basis by a capital accord formulated by the Basel Committee on Banking Supervision, known as Basel III. The Basel III framework describes a more comprehensive measure and minimum standards for capital adequacy to ensure that a bank holds capital reserves appropriate to its risks. This requirement involves a three-pillar approach, with each individual pillar being an important and mutually reinforcing element in determining the overall capital an institution needs to have in place.

- **Pillar I - Minimum Capital requirement:** This pillar addresses the maintenance of regulatory capital calculated for three major components of risk: credit risk, market risk, and operational risk.
- **Pillar II - Supervisory Review:** This pillar addresses the regulatory response to the first pillar and all other risks that banks face. It enables the capture of other wider general risks to ensure that bank management exercises sound judgment and sets aside adequate capital for these risks.
- **Pillar III - Market Discipline:** This pillar promotes transparency in disclosing information on capital fund maintenance and risk management. It enables outsiders or market participants to use such information to assess the risk profile of each bank to build up a sound risk management system.

This annual disclosure report provides further explanatory details on the risk management practices of Sumitomo Mitsui Banking Corporation, Bangkok Branch (“SMBC” or “the Branch”), as well as the measures adopted to monitor and report within this framework. Detailed in this report are the major components of capital structure, key risk exposures, and associated capital requirements. The qualitative disclosures in this report will be updated annually, and more frequently if there are significant changes in risk management policy of the Branch during the disclosure period.

It is important to note that some quantitative figures have been prepared in accordance with the new regulatory capital requirement framework, as per the BOT guidelines, rather than in accordance with Thai Financial Reporting Standards (TFRS). Therefore, the information in the disclosure is not directly comparable with the information in the Annual Report.

Disclosure A: Scope of Application

The information disclosures of the Branch as of 31 March 2026 are available on a standalone basis within four months from the end of the accounting period on the Branch website at the following URL: <https://www.smbc.co.jp/asia/thailand/>. The Pillar III disclosures of the ultimate parent company, Sumitomo Mitsui Financial Group (“SMFG”), on a consolidated basis are available on the website: <https://www.smfg.co.jp/english/investor/financial/>.

The branch has adopted the Standardized Approach (SA) for measuring credit risk and market risk, and the Basic Indicator Approach (BIA) for measuring operational risk in order to compute its regulatory capital requirements.

Key Risk Indicators

The table below presents the Branch's key risk indicators as of 31 March 2026 and 30 September 2025.

Key prudential metrics		Unit : Million Baht	
Items	31/Mar/2026	30/Sep/2025	
Capital Fund			
Total capital	95,476	93,912	
Fully loaded ECL total capital	95,476	93,912	
Risk-Weighted Assets (RWA)			
Total Risk-Weighted Assets	423,534	386,824	
Total capital to risk-weighted assets (%)			
Total Capital ratio	22.54%	24.28%	
Fully loaded ECL total capital ratio	22.54%	24.28%	
Capital Buffers Ratio (%)			
Conservation buffer	2.50%	2.50%	
Countercyclical buffer	-	-	
Total Capital Buffer	2.50%	2.50%	
Capital ratio in excess of minimum requirements	11.54%	13.28%	
Liquidity Coverage Ratio (LCR)			
Total high-quality liquid assets (HQLA)	331,864	220,528	
Total net cash outflows	147,141	104,273	
LCR (%)	225.54%	211.49%	

Disclosure B: Capital

1. Capital Structure

Qualitative Disclosure: As of 31 March 2026, the net total regulatory capital after deduction was THB 95,476 million, consisting of assets or securities maintained in accordance with Section 32 of the Financial Institutions Business Act B.E.2551 and regulatory adjustment.

The total assets maintained under Section 32 of the branch comprised Thai government securities, bonds issued by the Bank of Thailand, deposits and debt instruments with state organizations or state enterprises established under specific laws or other state enterprises as approved by the Bank of Thailand

The Bank of Thailand ("BOT") has issued a notification to revise the components of regulatory capital with effective from 1 January 2013. Items to be deducted from capital that do not reflect true capital have been applied from 1 January 2014, onwards. The deduction items include goodwill, intangible assets, gains on sales related to securitization transactions, and significant investments in common shares and warrant, etc.

Table 1 : Capital of Foreign Bank Branches

Item	Unit : Million Baht	
	31/Mar/2026	30/Sep/2025
1. Assets required to be maintained under Section 32	99,530	100,300
2. Sum of net capital for maintenance of assets under Section 32 and net balance of inter-office accounts (2.1+2.2)	106,361	103,570
2.1 Capital for maintenance of assets under Section 32	95,498	93,933
2.2 Net balance of inter-office accounts which the branch is the debtor (the creditor) to the head office and other branches located in other countries, the parent company and subsidiaries of the head	10,863	9,637
3. Total regulatory capital (3.1-3.2)	95,476	93,912
3.1 Total regulatory capital before deductions (The lowest amount among item 1 item 2 and item 2.1)	95,498	93,933
3.2 Deductions	22	21

2. Capital Adequacy

Qualitative Disclosure: The Branch is required to maintain the minimum capital requirement of 11% in accordance with the Bank of Thailand's regulations. The capital adequacy position of the Branch is reviewed and monitored on a daily basis and reported to the Assets & Liabilities Management Committee (ALM) on a monthly basis.

In addition, the Branch conducts daily monitoring of deduction items from capital funds in accordance with the Bank of Thailand's notifications. This includes assessing the fair value at the end of the prior working day of all derivatives transactions and securities, monitoring net inter-office balances, and assessing the estimated capital adequacy of the Branch before undertaking additional derivatives transactions.

A summary of the Branch's capital requirement for credit risk, market risk and operational risk, as well as the capital adequacy ratio as of 31 March 2026, is presented below.

Table 2 Minimum capital requirement for credit risk classified by type of assets under the SA

Unit : Million Baht

	31/Mar/2026	30/Sep/2025
Performing claims		
1. Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns	23	4
2. Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	12,492	7,194
3. Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate	29,125	30,448
4. Claims on retail portfolios	-	-
5. Claims on housing loans	-	-
6. Other assets	70	52
Non-performing claims	1	1
First-to-default credit derivatives and Securitisation	-	-
Total minimum capital requirement for credit risk under the SA	41,711	37,699

**Table 3 Minimum capital requirement for market risk for positions in the trading book
(Standardized measurement approach/ Internal model approach)**

Unit : Million Baht

	31/Mar/2026	30/Sep/2025
1. Standardised approach	2,020	2,032
2. Internal model approach	-	-
Total minimum capital requirement for market risk	2,020	2,032

Table 4 Minimum capital requirement for operational risk (BIA)

	31/Mar/2026	30/Sep/2025
1. Calculate by Basic Indicator Approach	2,858	2,820
Total minimum capital requirement for operational risk	2,858	2,820

Table 5 Total risk-weighted capital ratio

	31/Mar/2026	30/Sep/2025
Total regulatory capital	95,476	93,912
Risk-weighted assets :		
Credit Risk	379,189	342,721
Market Risk	18,366	18,471
Operational Risk	25,980	25,632
Total risk-weighted assets	423,534	386,824
Total capital to risk-weighted assets	22.54%	24.28%
Minimum requirement for capital ratio	11.00%	11.00%

Disclosure C: Risk Exposure and Assessment

General Qualitative Disclosure

Business and risk view is shared across SMFG Group, and there is an overarching Risk Appetite Framework (RAF) for systematic management of risk. Within the SMFG Group's overall exercise of risk controls, we seek to secure appropriate balance of risk and return by clarifying the types and levels of risk that we are willing to take on or prepared to tolerate in pursuit of profit growth (risk appetite). Risk Appetite Framework (RAF) plays a key role in SMFG's realization of sustainable growth, and we position RAF and business strategy as the two pivots of our business management. Our basic position and risk appetite specifics are set out in an internal document for group-wide use. At SMFG, we have a Risk Appetite Statement that provides a qualitative explanation of our approach to risk taking and risk management for such categories as soundness, profitability, and liquidity. We also have quantitative Risk Appetite Measures that function as benchmarks for risks that we are considering taking and for risk and return.

At the local level, the Bangkok Branch aligns its Risk Appetite Framework with the APD/ID Top Risks as a key reference for identifying emerging and heightened risk themes. APD/ID Top Risks are selected with reference to SMBC Group's Top Risks and are embedded into the branch's environmental risk assessment and reported to the Risk Management Committee (RMC).

Cyber risk is one of our selections for top risks. Based on the growing sophistication and variety of cyberattacks and the scale of their social impact in case they cause information systems to crash, we have made reinforcement for attacks a top management priority.

Risk Management Committee (RMC) – Bangkok Branch

The RMC is responsible for executing the approved strategy and delivering the various strategic and performance goals within the approved risk appetite. The RMC will review the Risk Appetite Measures (RAMs) against the Risk Appetite Statements (RASs) stated herein on a quarterly basis. Further, the RMC will review the Risk Appetite Framework itself and approve any changes in appetite and limits as it considers appropriate and/or recommend risk mitigations strategies which should be undertaken.

The Branch has developed the operational risk management policy to generate stakeholder assurance by managing operational risk exposure adequately and in time. The policy is created based on SMBC Head Office's Operational Risk Management policy, rules, and procedure, APD/ID Operational Risk Management Framework, and local regulator (the Bank of Thailand) that governed the Branch.

These Policies are important that stipulate basic matters in the Branch's operational risk management. Since operational risk is inherent in all banking products, activities, processes, and systems, and it can also expose banks to potentially large losses. With the increased scope, products and services offered, new markets, regulatory changes and the high impact catastrophic external events experienced in the financial industry, there is a need to proactively manage operational risk in a comprehensive manner. This is to ensure the safety and soundness of SMBC's operating environment on an ongoing basis.

The Branch has also established the Risk Management Committee ("RMC"), which reports to the Country Head and Chief Risk Officer of the Branch. The RMC is responsible for considering the risks to which the branch is exposed as well as executing the approved strategy and delivering the various strategic and performance goals within the approved risk

appetite. In addition, the RMC will review the Risk Appetite Measures (RAMs) against the Risk Appetite Statements (RASs) stated herein on a quarterly basis and review the Risk Appetite Framework itself and approve any changes in appetite and limits as it considers appropriate and/or recommend risk mitigations strategies which should be undertaken.

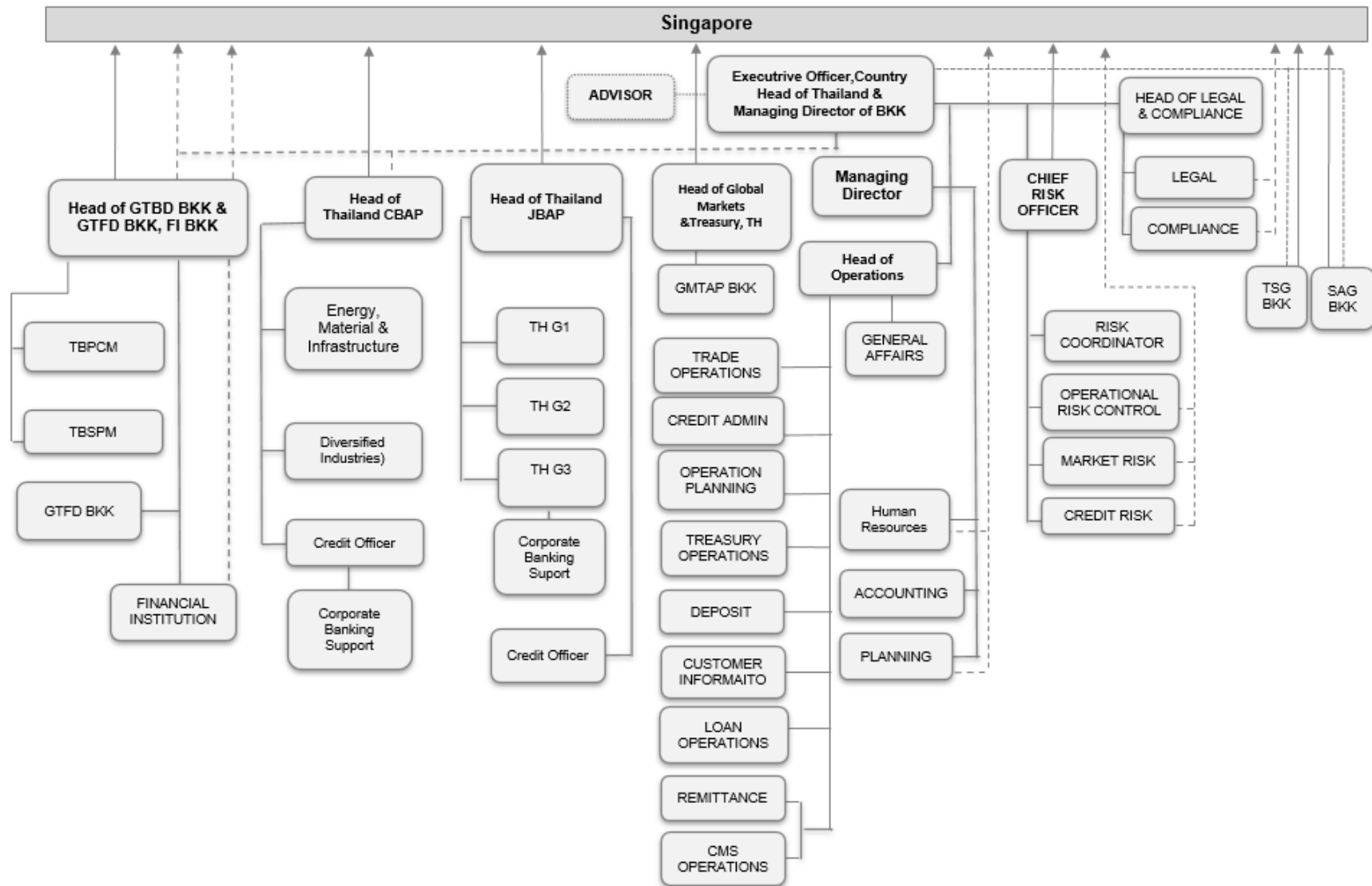
- Market Risk and Liquidity Risk issues are monitored by the Assets and Liability Management Committee.
- Credit Risk, Market Risk, Operational risk including IT, Legal and HRD report in Risk Management Committee.

SMBC, Bangkok Branch, recognizes the necessity of implementing effective mechanisms for articulating its risk management strategy, particularly concerning risk appetite. By establishing a Risk Appetite Statement, the branch will create a formal framework for monitoring and reviewing operational risks. The branch acknowledges that significant failures in risk management could threaten its viability. The Risk Appetite Statement aims to improve the monitoring, reporting, and management processes, ensuring that risks are effectively governed within a defined framework.

Risk Appetite Framework for SMBC, Bangkok Branch ("BKK-RAF") has been established. BKK-RAF consists of Risk Appetite Statements ("RASs"), Risk Appetite Measures ("RAMs"), Risk Control Measures ("RCMs") and Key Risk Indicators ("KRIs") and the roles and responsibilities of those overseeing the implementation, maintenance and monitoring of BKK-RAF, including reporting and escalation procedure when RAMs and RCMs are triggered. Moreover, the BKK-RAF is to evaluate opportunities for appropriate risk taking and act as a defense against excessive risk taking, be adaptable to changing business and market conditions in order to manage new types of risk and be aligned with the RAFs of SMBC Group and the Regional Head Office (APD/ID-RAF).

The risk appetite is detailed across the following risk categories: Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Conduct & Compliance Risk, Reputational Risk, Strategic Risk, Environmental & Climate (E&C) Risk, Model Risk, and AI Utilization Risk.

Organization Chart of Bangkok Branch



1. Qualitative and Quantitative Disclosures for each type of risk

Credit Risk

Qualitative Disclosure:

Item 1: General information on Credit Risk

1. Basic Approach to Credit Risk Management

1.1 Definition of Credit Risk

Credit risk is the possibility of a loss arising from a credit event, such as deterioration in the financial condition of a borrower, which causes an asset (including off-balance sheet transactions) to lose value or become worthless.

Overseas credit also includes an element of country risk, which is closely related to credit risk. This refers to the risk of loss resulting from changes in foreign exchange, or political or economic situations.

1.2 Basic Framework of Credit Risk Management

Credit risk is the most significant risk to which SMBC is exposed. Without effective credit risk management, the impact of the corresponding losses on operations can be overwhelming.

The purpose of credit risk management is to keep credit risk exposure to a permissible level relative to capital, to maintain the soundness of the Branch's assets, and to ensure returns commensurate with risk. This leads to a loan portfolio that achieves high returns on capital and assets.

1.3 Credit Policy

SMBC's credit policy comprises clearly stated universal and basic operating concepts, policies, and standards for credit operations, in accordance with the business mission and rules of conduct.

SMBC promotes understanding of and strict compliance with its credit policy among all its managers and employees. By conducting risk-sensitive credit management, SMBC aims to enhance shareholder value and play a key part in society by providing high-value-added financial services.

2. Parties Involved in Credit Risk Management

At SMBC, the Credit & Investment Planning Department ("CIPD") is responsible for the comprehensive management of credit risk. CIPD develops credit policies, the internal rating methodology and system related, credit authority guidelines, credit application guidelines, and manages non-performing loans (NPLs) and other aspects of credit portfolio management including stress testing and concentration risk.

CIPD also corporates with the Corporate Risk Management Department ("CPRMD") to develop risk appetite framework, quantifying credit risk and controls the group entire credit risk. CPRMD also develops and validates credit risk measurement methods including quantitative models.

Additionally, CIPD has active portfolio management function whereby credit derivatives and other market transactions are used to stabilize the portfolio's credit risk.

The Corporate Research Department ("CRSD") performs research on industries as well as investigates the business situations of borrower enterprises to detect early signs of problems or growth potential.

The Credit Department within each business unit conducts credit risk management along with business units, for loans handled by their units and manage their units' portfolios. The credit limits are based on the baseline amounts established for each grading category, with particular attention paid to evaluating and managing customers or loans perceived to have particularly high credit risk.

The Risk Management Department consults with CPRMD and CIPD to develop plans and determine credit portfolio governance, credit management data and measurement techniques, and model risk management.

Furthermore, SMBC has established the Risk Management Committee (RMC) to round out its oversight system for undertaking flexible and efficient control of credit risk and ensuring the overall soundness of the group loan operation. In addition, Risk Management Committee has been established to deliberate on overall risks concerning and to discuss risk recognitions, risk scenarios, risk appetite, and including stress tests.

The Internal Audit Unit (IAD) operates independently of the business units and risk management units, audits asset quality, accuracy of grading and self-assessment, and state of credit risk management, and reports the results directly to the Board of Directors and the Management Committee.

At the branch level, the business units have been working closely with head office and/or regional head office to ensure sound credit risk management. In approving credit facilities, General Manager in each business unit has approval authority, which is determined based on three sets of standards, i.e. (i) credit amount standard, (ii) obligor standards, and (iii) credit facility standards. Credit amount and obligors that falls outside the GM's approval authority is subject to Head Office approval. Each business unit as risk owner takes accountability on credit risk monitoring and controlling to ensure compliance of head office rules and the Bank of Thailand regulations.

3. Credit Risk Management Methods

3.1 Credit Risk Assessment and Quantification

At SMBC, we manage the risks associated with individual loans and the overall credit portfolio effectively. SMBC first acknowledges that every loans entail credit risks, assesses the credit risk posed by each borrower and loan using an internal rating system, and quantifies the risk for control purposes.

3.1.1 Internal Grading System

There is an internal rating system for each asset control category set according to portfolio characteristics. For example, credits to commercial and industrial companies, individuals for business purposes (domestic only), sovereigns, public sector entities, and financial institutions are assigned an “obligor grade,” which indicates the borrower’s creditworthiness, and/or “facility grade,” which indicates the collectability of assets taking into account transaction conditions such as guarantee/collateral, and tenor. An obligor grade is determined by first assigning a financial grade using a financial strength grading model and data obtained from the obligor’s financial statements. The financial grade is then adjusted taking into account the actual state of the obligor’s balance sheet and qualitative factors to derive the obligor grade. In the event that the borrower is domiciled overseas, internal ratings for credit are made after taking into consideration country rank, which represents an assessment of the credit quality of each country, based on its political and economic situation, as well as its current account balance and external debt. Self-assessment is the obligor grading process for assigning lower grades, and the borrower categories used in self-assessment are consistent with the obligor grade categories.

Obligor grades and facility grades are reviewed once a year, and, whenever necessary, such as when there are changes in the credit situation.

There are also grading systems for small-and medium-sized entity (SME) loans, loans to individuals, and project finance and other structured finance tailored according to the risk characteristics of these types of assets.

The Credit & Investment Planning Department centrally manages the internal rating systems, and properly designs, operates, supervises, and validates the grading models. It validates the grading models (including statistical validation) of main assets following the procedures manual once a year, to ensure their effectiveness and suitability.

3.1.2 Quantification of Credit Risk

At SMBC, credit risk quantification refers to the process of estimating the level of credit risk associated with a portfolio or an individual loan, taking into account not only the obligor’s probability of default (PD), but also the concentration of risk in specific customers or industries, as well as the impact of fluctuations in the value of collateral, such as real estate and securities

Specifically, the PD by grade, loss given default (LGD), credit quality correlations among obligors, and other relevant parameters are estimated using historical data of obligors and facilities stores in a database. These parameters are then used to calculate the credit risk. Based on these parameters, simulation of simultaneous default using the Monte Carlo method is performed to the estimate maximum potential loss that may be incurred.

Based on these quantitative results, SMBC allocates risk capital. Credit risk quantification is also executed for purposes such as identifying risk concentrations within the portfolio and conducting stress tests under various economic scenarios. The results are used for making optimal decisions across a wide range of business activities, including business planning and the assessment of individual credit applications.

3.2 Framework for Managing Individual Loans

3.2.1 Credit Assessment

At SMBC, credit assessment of corporate loans involves a variety of financial analyses, including cash flow, to predict an enterprise's capability of loan repayment and its growth prospects. These quantitative measures, when combined with qualitative analyses of industrial trends, the enterprise's R&D capabilities, the competitiveness of its products or services, and its management caliber, result in a comprehensive credit assessment. The loan application is analyzed in terms of the intended utilization of the funds and the repayment schedule. Thus, SMBC is able to arrive at an accurate and fair credit decision based on an objective examination of all relevant factors.

Increasing the understandability to customers of loan conditions and approval standards for specific borrowing purposes and loan categories is a part of SMBC's ongoing review of lending practices, which includes the revision of loan contract forms with the chief aim of clarifying lending conditions utilizing financial covenants.

3.2.2 Credit Monitoring System

At SMBC, in addition to analyzing loans at the application stage, the Credit Monitoring System is utilized to reassess obligor grades and review self-assessment and credit policies so that problems can be detected at an early stage, and quick and effective action can be taken. The system includes annual monitoring carried out each time an obligor enterprise discloses fiscal financial results, as well as ad hoc monitoring performed each time credit conditions change.

3.3 Framework for Credit Portfolio Management

In addition to managing individual loans, SMBC applies the following basic policies to the management of the entire credit portfolio in order to maintain and improve its soundness and profitability over the medium to long term.

Appropriate Risk Control within Capital

To take risk within the acceptable level of capital, SMBC set upper limits for overall risk capital based on risk appetite and portfolio plan of each business unit and monitor credit risk capital as a breakdown of overall risk capital.

Controlling Concentration Risk

Because the concentration of credit risk in an industry or corporate group has the potential to substantially impair capital, SMBC implements measures to prevent the excessive concentration of loans in an industry and to control large exposure to individual companies or corporate groups by setting guidelines for maximum loan amounts. 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

Against a backdrop of drastic change in the business environment, SMBC rigorously researches borrower companies' actual conditions. It 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 NPLs and potential NPLs, 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.

Proactive Portfolio Management

SMBC makes active use of credit derivatives, loan asset sales, and other instruments to proactively and flexibly manage its portfolio to stabilize credit risk.

3.4 Self-Assessment

SMBC conducts rigorous self-assessment of asset quality using criteria based on the Financial Inspection Manual of the Financial Services Agency and the Practical Guideline published by the Japanese Institute of Certified Public Accountants. Self-assessment is the latter stage of the obligor grading process for determining the borrower's ability to fulfill debt obligations, and the obligor grade criteria are consistent with the categories used in self-assessment.

At the same time, self-assessment is a preparatory task for ensuring SMBC's asset quality and calculating the appropriate level of write-offs and provisions. Each asset is assessed individually for its security and collectability. Depending on the borrower's current situation, the borrower is assigned to one of five categories: Normal Borrowers, Borrowers Requiring Caution, Potentially Bankrupt Borrowers, Virtually Bankrupt Borrowers, and Bankrupt Borrowers. Based on the borrower's category, claims on the borrower are classified into Classification I, II, III, and IV assets according to their default and impairment risk levels, taking into account such factors as collateral and guarantees. As part of our efforts to bolster risk management throughout the Group, our consolidated subsidiaries carry out self-assessment in substantially the same manner.

3.5 Expected Credit Loss ("ECL")

The Branch adopted Thai Financial Reporting Standard 9 ("TFRS 9") on 1 April 2021 as per BOT notification Sor.Nor.Sor 23/2561. Bangkok Branch uses ECL model for provisioning of financial assets and timely recognition of changes in credit quality since the initial recognition. Risk Management Department Asia Pacific (RMDAP) in Singapore has developed ECL model for Asia Pacific branches including Bangkok Branch.

Under TFRS 9, a financial asset is classified into one of the followings stages.

Stage 1 (Performing): Apply to financial assets that are no significant increase in credit risk ("SICR"). 12-month ECL is recognized.

Stage 2 (Under-Performing): Apply to financial assets that are SICR. Lifetime ECL is recognized.

Stage 3 (Non-Performing): Apply to financial assets that is considered as credit impaired. Lifetime ECL is recognized.

In order to determine whether SICR has taken place, The Branch uses both quantitative and qualitative factors on investment grade rating, a change in PD based on grading, as well as additional factors i.e. 30 days past due ("DPD") and whether a customer is internal rating in closely monitoring or in the Credit Alarm System (Watch List).

The Branch applies Internal rating to determine PD risk grade and SICR risk grade represented the credit worthiness and risk of default.

Key parameters to calculate ECL are PD, LGD and EAD and reflected with forward-looking information. PD and LGD parameters are derived from internally developed statistical models as developed by Regional Head Office and other historical data.

Item 2: Credit risk exposures classified by credit risk-weighted assets calculation approach chosen by commercial banks

Calculation of Credit Risk Assets

The Branch applies Standardized Approach (SA) to calculate credit risk assets, currently under which risk weight for claims on corporate debtors is assigned at 100%, except for NPLs, whereby risk weight of each debtor is subject to the provision level and overdue period.

As for claims on financial institutions, the Branch applies the Local Currency Rating or Foreign Currency Rating given by the following External Credit Assessment Institutions (ECAIs) in assigning risk weight.

- Standard & Poor's;
- Moody's Investors Services; and
- Fitch Ratings.

Item 3: Credit Risk Mitigation under the SA

In addition, SMBC has not applied Credit Risk Mitigation, which the Bank of Thailand allows commercial banks to use financial collateral, on-balance sheet netting, and guarantees and credit derivative to mitigate the credit risk. As such, when calculating credit risk assets, the debtor's risk weight solely applies.

Quantitative Disclosure:

Table 6 Outstanding amounts of significant on-balance sheet assets and off-balance sheet items before adjusted by credit risk mitigation (Show average outstandings during the period **, outstanding at the end of the period and at the end of the previous period)

Unit : Million Baht

Item	31/Mar/2026	31/Mar/2025
1. On-balance sheet assets (1.1 + 1.2 + 1.3 +1.4)	658,907	599,771
1.1 Net loans and Accrued Interest ^{1/}	427,527	413,210
1.2 Net Investment in debt securities ^{2/}	144,719	133,778
1.3 Deposits (including accrued interest receivables) ^{3/}	58,588	36,106
1.4 Derivative Assets	28,073	16,677
2. Off-balance sheet items ^{4/} (2.1 + 2.2 + 2.3)	1,586,382	1,768,972
2.1 Aval of bills, guarantees, and letter of credits	72,435	59,657
2.2 OTC derivatives ^{5/}	1,496,353	1,691,058
2.3 Undrawn committed line	17,593	18,257

* Assets on balance sheet **not including** equity exposures. Off-balance sheet items including equity exposures

^{1/} Including accrued interest income, net of deferred interest income, gains or losses due to changes in the conditions, and reserves for expected credit losses; including loans and accrued interest receivable of interbank and money market items

^{2/} Including investments in receivables but excluding accrued interest receivable and net of reserves for adjustments of security values and reserves for expected credit losses

^{3/} Including accrued interest income, net of reserves for expected credit losses

^{4/} Before multiplying by credit conversion factors

^{5/} Including equity-related derivatives

Table 7 Outstanding amounts of on-balance sheet assets and off-balance sheet items before adjusted credit risk mitigation classified by country or geographic area of debtor

31/Mar/2026									
Unit : Million Baht									
Country or geographic area of debtor	On-balance sheet assets				Derivative Assets	Off-balance sheet items ^{4/}			
	Total	Net loans and Accrued Interest ^{1/}	Net Investment in debt securities ^{2/}	Deposits (including accrued interest receivables) ^{3/}		Total	Aval of bills, guarantees of borrowings, and letter of credits	OTC derivatives ^{5/}	Undrawn committed line
1. Thailand	590,344	417,606	144,719	7,437	20,582	744,395	46,764	680,038	17,593
2. Asia Pacific (exclude Thailand)	42,925	6,034	-	34,589	2,302	468,939	16,735	452,204	-
3. North America and Latin America	7,685	3,826	-	7	3,852	271,444	8,936	262,508	-
4. Africa and Middle East	-	-	-	-	-	-	-	-	-
5. Europe	17,953	60	-	16,555	1,338	101,604	-	101,604	-
Total	658,907	427,527	144,719	58,588	28,073	1,586,382	72,435	1,496,353	17,593

31/Mar/2025									
Unit : Million Baht									
Country or geographic area of debtor	On-balance sheet assets				Derivative Assets	Off-balance sheet items ^{4/}			
	Total	Net loans and Accrued Interest ^{1/}	Net Investment in debt securities ^{2/}	Deposits (including accrued interest receivables) ^{3/}		Total	Aval of bills, guarantees of borrowings, and letter of credits	OTC derivatives ^{5/}	Undrawn committed line
1. Thailand	572,472	408,113	133,778	21,333	9,248	679,144	28,669	632,218	18,257
2. Asia Pacific (exclude Thailand)	23,476	4,596	-	13,813	5,067	650,377	20,986	629,390	-
3. North America and Latin America	3,024	501	-	909	1,614	255,605	10,002	245,603	-
4. Africa and Middle East	-	-	-	-	-	-	-	-	-
5. Europe	799	-	-	51	748	183,847	-	183,847	-
Total	599,771	413,210	133,778	36,106	16,677	1,768,972	59,657	1,691,058	18,257

^{1/} Including accrued interest income, net of deferred interest income, gains or losses due to changes in the conditions, and reserves for expected credit losses; including loans and accrued interest receivable of interbank and money market items

^{2/} Including investments in receivables but excluding accrued interest receivable and net of reserves for adjustments of security values and reserves for expected credit losses

^{3/} Including accrued interest income, net of reserves for expected credit losses

^{4/} Before multiplying by credit conversion factors

^{5/} Including equity-related derivatives

Table 8 Outstanding amounts of on-balance sheet assets and off balance sheet items before credit risk mitigation classified by residual maturity

Unit : Million Baht

Item	31/Mar/2026			31/Mar/2025		
	Maturity not exceeding 1 year	Maturity exceeding 1 year	Total	Maturity not exceeding 1 year	Maturity exceeding 1 year	Total
1. On-balance sheet assets (1.1 + 1.2 + 1.3 + 1.4)						
1.1 Net loans and accrued interest ^{1/}	237,057	190,469	427,527	284,981	128,229	413,210
1.2 Net Investment in debt securities ^{2/}	92,453	52,265	144,719	71,392	62,386	133,778
1.3 Deposits (including accrued interest receivables) ^{3/}	58,588	-	58,588	36,106	-	36,106
1.4 Derivative Assets	13,592	14,481	28,073	8,155	8,522	16,677
2. Off-balance sheet items ^{4/} (2.1 + 2.2 + 2.3)	-	-	-	-	-	-
2.1 Aval of bills, guarantees of borrowings , and letter of credits	24,147	48,288	72,435	58,298	1,359	59,657
2.2 OTC derivatives ^{5/}	842,913	653,440	1,496,353	1,137,233	553,825	1,691,058
2.3 Undrawn committed line	6,395	11,198	17,593	8,727	9,530	18,257

^{1/} Including accrued interest income, net of deferred interest income, gains or losses due to changes in the conditions, and reserves for expected credit losses; including loans and accrued interest receivable of interbank and money market items

^{2/} Including investments in receivables but excluding accrued interest receivable and net of reserves for adjustments of security values and reserves for expected credit losses

^{3/} Including accrued interest income, net of reserves for expected credit losses

^{4/} Before multiplying by credit conversion factors

^{5/} Including equity-related derivatives

Table 9 Outstanding amounts of financial instruments* before credit risk mitigation and provision (General Provision and Specific Provision)

Unit : Million Baht

Item	31/Mar/2026					
	Outstanding Amount		Provision ^{2/}	Provision under SA ^{2/}		Net Amount ^{3/}
	Defaulted Exposures ^{1/}	Non-defaulted exposures ^{1/}		General Provision	Specific Provision	
1. Net loans and accrued interest ^{4/}	1,031	427,837	1,342	307	1,035	427,527
2. Net investment in debt securities ^{5/}	-	144,719	-	-	-	144,719
3. Deposits (including accrued interest receivables) ^{6/}	-	58,588	-	-	-	58,588
4. Undrawn commitment and financial guarantees ^{7/}	-	17,593	-	-	-	17,593
	1,031	648,738	1,342	307	1,035	648,427

Item	31/Mar/2025					
	Outstanding Amount		Provision ^{2/}	Provision under SA ^{2/}		Net Amount ^{3/}
	Defaulted Exposures ^{1/}	Non-defaulted exposures ^{1/}		General Provision	Specific Provision	
1. Net loans and accrued interest ^{4/}	1,478	413,372	1,640	161	1,479	413,210
2. Net investment in debt securities ^{5/}	-	133,778	-	-	-	133,778
3. Deposits (including accrued interest receivables) ^{6/}	-	36,106	-	-	-	36,106
4. Undrawn commitment and financial guarantees ^{7/}	-	18,257	-	-	-	18,257
	1,478	601,513	1,640	161	1,479	601,351

* Only financial instruments subject to impairment requirements according to the Thai Financial Reporting Standard No.9 – Financial Instruments (TFRS 9)

1/ Depending on the approach used by the reporting bank, namely (1) SA: Non-performing claims and performing claims; and (2) IRB: Defaulted exposures and non-defaulted exposures.

In determining if any exposure is a "defaulted" exposure, commercial banks shall refer to the definition of credit-impaired assets (non-performing) as specified in the Bank of Thailand Notification

Re: Asset Classification and Provisioning of Financial Institutions.

2/ means reserves for expected credit losses according to TFRS 9. For financial instruments designated at fair value through other comprehensive income, the amount of provisions may not be disclosed

according to the Thai Financial Reporting Standard No. 7 – Disclosure Requirements for Financial Instruments (TFRS 7). And, the outstanding amounts of those instruments will be the amounts net of provisions.

3/ Net amount = Outstanding amount – Provisions

4/ Including accrued interest income, net of deferred income and gains or losses due to changes in the conditions, and including loans and accrued interest receivable of interbank and money market items

5/ Excluding accrued interest receivable, net of reserves for adjustments of security values, and excluding investments in receivables

6/ Including accrued interest income

7/ Before multiplying by credit conversion factors

Table 10 Outstanding amount of loans and including accrued interest receivables and investment in debt securities before adjusted by credit risk mitigation classified by countries and geographic area of debtors* and classification defined by the Bank of Thailand

Unit : Million Baht

31/Mar/2026							
Country or geographic area of debtor	Net Loans and accrued interest ^{1/}					Net Investment in Debt Securities ^{2/}	
	Performing	Under-performing	Non-performing	POCI	Total	Performing	Total
1. Thailand	395,195	22,411	-	-	417,606	144,719	144,719
2. Asia Pacific (exclude Thailand)	5,520	514	-	-	6,034	-	-
3. North America and Latin America	14	3,812	-	-	3,826	-	-
4. Africa and Middle East	-	-	-	-	-	-	-
5. Europe	60	-	-	-	60	-	-
Total	400,790	26,737	-	-	427,527	144,719	144,719

Table 10 Outstanding amount of loans and including accrued interest receivables and investment in debt securities before adjusted by credit risk mitigation classified by countries and geographic area of debtors* and classification defined by the Bank of Thailand

31/Mar/2025							
Country or geographic area of debtor	Net Loans and accrued interest ^{1/}					Net Investment in Debt Securities ^{2/}	
	Performing	Under-performing	Non-performing	POCI	Total	Performing	Total
1. Thailand	407,884	229	-	-	408,113	133,778	133,778
2. Asia Pacific (exclude Thailand)	4,410	-	-	-	4,410	-	-
3. North America and Latin America	501	-	-	-	501	-	-
4. Africa and Middle East	186	-	-	-	186	-	-
5. Europe	-	-	-	-	-	-	-
Total	412,981	229	-	-	413,210	133,778	133,778

* Commercial banks shall classify countries or geographic areas according to their internal guidelines and shall explain supporting reasons.

** For the first year that this Notification comes into effect, commercial banks shall disclose only the data of the current year (the comparison with the previous year data is not required)

1/ Including accrued interest income, net of deferred income and gains or losses due to changes in the conditions, and including loans and accrued interest receivable of interbank and money market items

2/ Excluding accrued interest receivable, net of reserves for adjustments of security values, and excluding investments in receivables

Table 11 Provisions (General provision and Specific provision) and bad debt written-off during period for loan including accrued interest receivables and investment in debt securities classified by country or geographic area of debtors*

31/Mar/2026				Unit : Million Baht	
Country or geographic area of debtors	Loans including accrued interest receivables ^{1/}		Bad debt written-off during period	Net Investment in Debt Securities ^{2/}	
	Provisions for exposures under the SA ^{3/}			Provisions for exposures under the SA ^{3/}	
	General provision ^{4/}	Specific provision		General provision ^{4/}	Specific provision
1. Thailand		1,035			17
2. Asia Pacific (exclude Thailand)		-			-
3. North America and Latin America		-			-
4. Africa and Middle East		-			-
5. Europe		-			-
Total	307	1,035	-		17

31/Mar/2025					Unit : Million Baht	
Country or geographic area of debtors	Loans including accrued interest receivables ^{1/}			Net Investment in Debt Securities ^{2/}		
	Provisions for exposures under the SA ^{3/}		Bad debt written-off during period	Provisions for exposures under the SA ^{3/}		
	General provision ^{4/}	Specific provision		General provision ^{4/}	Specific provision	
1. Thailand		409			15	
2. Asia Pacific (exclude Thailand)		-			-	
3. North America and Latin America		1,070			-	
4. Africa and Middle East		-			-	
5. Europe		-			-	
Total	161	1,479	-		15	

* Commercial banks shall classify countries or geographic areas according to their internal guidelines and shall explain supporting reasons.

^{1/} Including the amounts of provisions and write-offs during the period for loans including accrued interest receivable of interbank and money market items

^{2/} Excluding investments in receivables

^{3/} Reserves for expected credit losses

^{4/} Total amount will be disclosed

Table 12 Outstanding amount of loans including accrued interest receivable* before adjusted by credit risk mitigation classified by type of business and classification defined by the Bank of Thailand*

Unit : Million Baht

Type of business	31/Mar/2026					31/Mar/2025				
	Performing	Under-performing	Non-performing	POCI	Total	Performing	Under-performing	Non-performing	POCI	Total
- Agriculture and mining	85	-	-	-	85	85	-	-	-	85
- Manufacturing and commerce	43,049	9,467	-	-	52,516	68,819	30	-	-	68,849
- Real estate business and construction	8,078	182	-	-	8,260	10,929	-	-	-	10,929
- Public utilities and services	34,904	10,442	-	-	45,346	59,658	198	-	-	59,856
- Housing loans	-	-	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-	-	-
- Interbank and Money Market	224,019	-	-	-	224,019	175,639	-	-	-	175,639
- Other financial intermediation	90,655	6,645	-	-	97,300	97,852	-	-	-	97,852
- Others	-	1	-	-	1	-	1	-	-	1
Total	400,790	26,737	-	-	427,527	412,981	229	-	-	413,210

* Including accrued interest income, net of deferred income and gains or losses due to changes in the conditions, and including loans and accrued interest receivable of interbank and money market items

Table 13 Provisions (General provision and Specific provision) and bad debt written-off during period for loans including accrued interest receivables* classified by types of business

Unit : Million Baht

Type of business	31/Mar/2026			31/Mar/2025		
	Provisions for exposures under the SA ^{1/}		Bad debt written-off during period	Provisions for exposures under the SA ^{1/}		Bad debt written-off during period
	General provision ^{2/}	Specific provision		General provision ^{2/}	Specific provision	
- Agriculture and mining					-	
- Manufacturing and commerce		334			399	
- Real estate business and construction						
- Public utilities and services		689			1,070	
- Housing loans						
-Others (Commercial banks shall use their owns discretion to determine significance)						
- Interbank and Money Market						
- Other financial intermediation		9			9	
- Others						
Total	307	1,035	-	160.73	1,479	-

* Including the amount of provisions and bad debt write-offs during the period for loans and accrued interest receivable of interbank and money market items

1/ Reserves for expected credit losses

2/ Total amount of the provisions will be disclosed

Table 14 Reconciliation of change in provisions (General provision and Specific provision) for loans including accrued interest receivables*

Unit : Million Baht

Item	31/Mar/2026			31/Mar/2025		
	Provisions for exposures under the SA ^{1/}		Total	Provisions for exposures under the SA ^{1/}		Total
	General provision	Specific provision		General provision	Specific provision	
Provisions at the beginning of the period	161	1,479	1,640	126	1,690	1,815
Increases or Decreases of provisions during the period ^{2/}	146	(444)	(298)	35	(210)	(175)
Other provisions (provisions for losses from foreign exchange, provisions for merger and sale of businesses)	-	-	-	-	-	-
Bad debts written-off during the period	-	-	-	-	-	-
Provisions at the end of the period	307	1,035	1,342	161	1,479	1,640

* Including the amount of provisions for loans and accrued interest receivable of interbank and money market items

1/ Reserves for expected credit losses

2/ Excluding expected credit losses of financial instruments designated at fair value through other comprehensive income

Table 15 Outstanding amounts of on-balance sheet assets and credit equivalent amounts of off-balance sheet items (net of specific provisions) classified by type of assets under the SA

Unit : Million Baht

Type of asset	31/Mar/2026			31/Mar/2025		
	On balance sheet assets	Off balance sheet item *	Total	On balance sheet assets	Off balance sheet item *	Total
1. Performing claims						
1.1 Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns	152,128	209	152,337	155,036	-	155,036
1.2 Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	-	-	-	-	-	-
1.3 Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate	304,873	32,245	337,118	216,182	25,077	241,259
1.4 Claims on retail portfolios	-	-	-	-	-	-
1.5 Housing loans	203,985	60,788	264,773	237,520	48,941	286,461
1.6 Other assets	1	-	1	1	-	1
2. Non-performing claims	-	-	-	-	-	-
3. First-to-default credit derivatives and Securitisation	29,232	-	29,232	17,393	-	17,393
	-	11	11	11	13	25
	-	-	-	-	-	-
Total	690,219	93,254	783,473	626,143	74,032	700,174

* Including all Repo-style transactions (including Reverse repo transactions)

Credit risk exposures classified by method the commercial bank uses for maintaining minimum capital fund

Credit risk exposures under the SA*

Table 16 : Outstanding amount of net on-balance sheet assets and off-balance sheet items** after adjusted by credit risk mitigation for each type of asset, classified by risk weight under the SA

Type of asset	31-Mar-2026											Unit : Million Baht
	Rated outstanding amount					Unrated outstanding amount						
	0	20	50	100	150	0	20	50	35	75	100	
Performing claims												
1. Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns	152,128	-	-	209				-				-
2. Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	-	252,210	43,576	41,332								-
3. Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate	-	-	-	1,478								263,295
4. Claims on retail portfolios												1
5. Claims on housing loans												-
6. Other assets						28,600						632
Risk weight (%)			50	100	150							
Non-performing claims^{1/}				11								
Capital deduction items prescribed by the Bank of Thailand												

Type of asset	31-Mar-2025											Unit : Million Baht
	Rated outstanding amount					Unrated outstanding amount						
	0	20	50	100	150	0	20	50	35	75	100	
Performing claims												
1. Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns	155,036	-	-	-				-				-
2. Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	-	198,386	26,110	16,763								-
3. Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate	-	-	-	121								286,340
4. Claims on retail portfolios												1
5. Claims on housing loans												-
6. Other assets						16,882						511
Risk weight (%)			50	100	150							
Non-performing claims^{1/}				25								
Capital deduction items prescribed by the Bank of Thailand												

** After multiplying credit conversion factor

^{1/} For the portion claims with no credit risk mitigation of which risk weight are determined by the proportion of provision to total amount of claims

Credit risk mitigation* under SA

Table 17 Part of outstanding that is secured by collateral** under SA classified by type of assets and collateral

Unit : THB

Type of asset	31/Mar/2026		31/Mar/2025	
	Eligible financial collateral ^{1/}	Guarantee and credit derivatives	Eligible financial collateral ^{1/}	Guarantee and credit derivatives
Performing assets 1. Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on 2. Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms 3. Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate 4. Claims on retail portfolios 5. Claims on housing loans 6. Other assets Substandard assets	Nil		Nil	
Total				

* Excluding securitisation.

** Values after on-balance sheets and off-balance sheets netting

^{1/} Eligible financial collateral that the Bank of Thailand allows to use for risk mitigation. Commercial banks applying the comprehensive approach shall disclose the value after haircut.

Market & Liquidity Risk

Qualitative disclosure:

Market & Liquidity risk Management

Market risk is the risk of adverse deviation of the mark-to-market value of either an investment portfolio or a trading portfolio during the period required to liquidate the transactions. Decline in portfolio value is due to the change in value of the market risk factors such as stock prices, interest rates, foreign exchange rates or other market prices.

Liquidity risk is the risk that there may be difficulties in raising funds needed for settlements, as a result of the mismatching of uses of funds and sources of funds or unexpected outflows of funds, which may make it necessary to raise funds at higher rates than normal levels.

The Branch manages market & liquidity risk in line with Policies on Market / Liquidity Risk Management and Rules for Market / Liquidity Risk Management. Risk management is performed appropriately according to business strategy of Sub Global Dealer (SGD) and monitored by independent middle office. SMBC Bangkok is working to further enhance the effectiveness of its quantitative management of market and liquidity risks according to the given risk limits, ensuring the transparency of the risk management processes and clearly separating front-office, middle-office and back-office operations to establish a highly efficient system of mutual checks and balances.

To meet customer needs, SMBC provides various types of financial products including derivatives such as FX (spot, outright, swap), Currency option (plain and structure), Interest rate related products (IRS, CCS) and Interest rate option. Customers demand for interest rate derivative have been continued in increasing in current market. However, our policy has remained strong to balance risk and return with efficient risk management systems to measure, monitor and control risks with regular reporting to the management.

We have continued monitoring LCR or Liquidity Coverage Ratio process daily since January 2016. Start from the first year until present time, the results are satisfied above 100% with monitoring process to ensure that the daily LCR is maintained above minimum required. LCR was introduced by Basel committee after Principles for Sound Liquidity Risk Management and Supervision was published in 2008. The objective is to promote short-term resilience of bank's liquidity risk profile with sufficient HQLA or High Quality Liquid Assets to survive a significant stress scenario lasting for one month. The minimum requirement for LCR is set at 60% for the first year and rises in equal annual step to reach 100% on 1 January 2020.

Risk Management System

Risk management systems are in place at SMBC, Bangkok branch. The framework has been strengthened and prevented from unforeseen processing errors. We segregate responsibility and roles between front, middle and back according to the principle of separation between those who take risks and those who supervise them.

Control and monitoring are conducted against approved limits which are reviewed periodically by Corporate Risk Management Department in Head Office. The market risk limits for instance, Value at Risk (VaR) monitoring line, Position limits and Stop Loss limits are considered by various factors such as capital, historical data, current market situations, products and business type. Liquidity risk is monitored through Money gap limits and guidelines with the system of Supplementary liquidity to ensure sound operation. In addition, for emergency, there are contingency plans in place including an action plan with measures for reducing Money gap limits and guidelines. We conduct Contingency Liquidity drill annually to ensure staff understanding, assess the suitability of contingency plan and to identify risk for future improvement as well.

We established LCR framework to ensure that we have adequate stock of unencumbered HQLA to meet our liquidity needs for a 30calendar day liquidity stress scenario. The regulatory reporting is conducted on monthly basis while daily monitoring is in place to capture cash flow volatility that may arise.

NSFR is another framework to maintain a stable funding profile in relation to the composition of our assets and off-balance sheet activities. A regular assessment has been carried out to ensure the available amount of stable funding (ASF) above required amount of stable funding (RSF) comply to the regulation. We manage NSFR to meet requirement and report to Bank of Thailand on quarterly basis.

In Bangkok branch, there is local ALM committee consisting of Country Head, General Managers, and other core members from the highest ranking in Risk management area / Front office area / Business Promotion area / Planning area, Department head of Front office, Middle office and Planning dept. The meeting is conducted once a month to discuss related market / liquidity risk related including the result of ALM operation and policy.

Framework and Responsibility

To maintain a balance between risk and return

The Managements of SMBC, Bangkok Branch is responsible for monitoring and controlling all activities on the premises through various management reports, and for confirming enforcement of all risk management rules. Country Head or General Managers have the authorities to order relevant officers to correct any breach of such rules.

Market Risk Control Department as the function of the middle office performs its duty of assessing, controlling, monitoring and reporting of market and liquidity risk both in Trading and Banking book position within the risk management framework and the risk limits to the Management, Corporate Risk Management Department - Head Quarter and Risk Management Department Asia Pacific Division.

Measurement and Monitoring

Sumitomo Mitsui Banking Corporation, Bangkok Branch undertakes substantial market risk measurements including Basis Point Values, VaR, Net Open Positions, Stop Loss Limit, Position Limit and Option Limit. In terms of liquidity risk management, we establish Money gap limits and guidelines to avoid excessive dependence on short-term funding by considering the balance sheet management plan, environment and the actual funding situation. The measuring of daily LCR is calculated for 30 calendar days into the future. The value of the ratio has been maintained above 100% since the phase-in arrangement period in which stock of HQLA -is kept at least equal total net cash outflow on an ongoing basis. NSFR is well managed above the minimum required. The required ratio is equal or at least 100% calculated from the available amount of stable funding (ASF) over the required amount of stable funding (RSF). Market & liquidity risk measurement are monitored and performed daily by Middle office.

The global limit structure and risk management rules are identified by Tokyo Head Office and must be approved by Board of Directors. The Branch manages market risk by setting stop loss limit and market risk capital limit, which is determined by taking into account the bank's shareholders' equity and other principal indicators of the bank's financial and management resources.

The Branch has established Risk Appetite Framework (RAF) and developed Risk Appetite Measurement (RAM) to evaluate the opportunity for appropriate risk taking and avoid excessive risk taking. Risk indicators for market and liquidity risks are defined and monitored on daily basis. The measuring against the threshold level of "Green", "Amber" and "Red" will indicate the necessary action plan including the situation analysis,

Stress testing

The Branch prepares interest rate risk stress test to estimate the maximum loss from market rate changed on a monthly basis with 3 scenarios of interest rate shifted. The simulations are applied in Banking and Trading book. Foreign exchange stress tests are also conducted to measure the impact from unfavorable change of US dollar to open currency positions.

Liquidity stress test is conducted to simulate cash outflow under 3 scenarios, credit rating downgraded, market wide and the combination of both crises. The worst impact will be compared with the adequacy of supplementary liquidity. It should be supplemented by covering at least the net outflow of funds in local currency over 1 month under stress scenario.

The results of stress test in market & liquidity risks will be reported to ALM committee on monthly basis.

Capital Charge for Market risk

The Branch measures the exposure to market risk and maintains capital in respect of that exposure in the bank's Trading book. We apply Standardized method to measure market risk derived from changes in interest rates and foreign exchange rates. On the other hand, we apply Contingent Loss method to assess the risk inherent in options, The calculation model in Contingent Loss method is subjected to an oversight by the authority and we have obtained the approval from Bank of Thailand to calculate capital charge with this method. The capital charge is calculated as the total capital requirement in respect of each risk separately and reported to Bank of Thailand on monthly basis.

All items in Trading book are marked-to-market to meet with the relevant base for measuring the market risk pertaining to interest rate and foreign exchange.

For the treatment of options, the capital charge is calculated based upon Contingent Loss method. The calculation in Contingent Loss method is based on scenario matrix analysis for simultaneous change both in price and volatility. The matrix is distributed over the track of changes in the price of underlying into 7 sub-ranges, and on the volatility track into 3 sub-ranges. The range of changes of foreign exchange is +/- 8%. The range of changes in the volatility will be +/- 25%. The capital charge is then set equal to the largest loss arising within the matrix.

Quantitative Disclosure:

Market Risk Exposures and Assessment

The table below represents minimum capital requirements for each type of market risk under the Standardized approach (SA) as of 31 March 2026.

Market risk exposures

Market risk under the Standardised Approach

Table 18 Minimum capital requirements for each type of market risk under the Standardised Approach

Unit : Million Baht

Minimum capital requirements for market risk under the Standardized Approach	31/Mar/2026	30/Sep/2025
Interest rate risk	1,684	1,750
Equity position risk	-	-
Foreign exchange rate risk	336	281
Commodity risk	-	-
Total minimum capital requirements	2,020	2,032

Liquidity risk assessment

The quantitative analysis of liquidity risk is conducted and defined in liquidity ratios. We monitor risk level through Loan to Deposit ratio (L/D ratio) and Deposit withdrawal rate on daily basis. We have expanded monitoring tools by including the Early Warning Indicators (EWI) to capture the signal of unfavorable changes and able to manage it in timely manner.

Liquidity risk in FY2025 was well managed, L/D ratios were moving in the range 50%-80% according to ample deposit including none of unusual deposit withdrawn during the fiscal year.

Operational Risk

Qualitative Disclosure

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. In addition to processing risk and system risk, Operational risk also covers legal risk, personnel risk and physical asset risk. It comprises the following seven event types that may lead to the risk of loss ; (1) internal fraud, (2) external fraud, (3) employment practices and workplace safety, (4) clients, products and business practices, (5) damage to physical assets, (6) business disruption and system failures, and (7) execution, delivery and process management.

Measurement and Monitoring

The Branch has drawn up the "Operational Risk Management Policy of SMBC Bangkok Office" to define the basic rules to be observed in the conduct of operational risk management.

The department heads are responsible for maintaining an acceptable level of internal controls. They are responsible for identifying and assessing risks, designing controls and monitoring the effectiveness of these controls.

To ensure that operational risk events and losses are monitored effectively, the Branch registers incidents into the Connected Risk (CR) system on an ad-hoc basis as they occur. Incidents are categorized against defined thresholds to determine those requiring immediate/timely reporting. Registered incidents are monitored monthly and reported to the Risk Management Committee (RMC) on a quarterly basis. Approved cases are subsequently uploaded by RMDAP into the System of Consolidated Operational Risk Management ('SCOPE') for Head Office reporting.

The Branch calculates capital charge for operational risk by using the Basic Indicator Approach, utilizes the average of three-year gross income multiplied by a predefined factor.

Quantitative Disclosure

Minimum capital requirement for operational risk (BIA)

Unit : Million Baht

Minimum capital requirement for operational risk	31/Mar/2026	30/Sep/2025
Calculate by Basic Indicator Approach	2,858	2,820
Total minimum capital requirement for operational risk	2,858	2,820

Risk Control Assessment

The Branch uses the APD/ID Risk Register as the key tool for the 1st Line of Defence to identify inherent risks in their businesses and strategies, assess these risks, check the sufficiency of control measures, and set action plans to mitigate risks commensurate with residual risk levels. The Risk Register is maintained in the Connected Risk system. In addition, all operational risk losses and incidents are recorded in Connected Risk to support monitoring, root cause analysis, and implementation of preventive measures.

The organizational structure of SMBC Bangkok Branch.

The Branch organizes Risk Management Committee (RMC) meetings to monitor the operational risk profiles of each division and prioritize mitigating actions.

Moreover, the Internal Audit Department conducts periodic audits to ensure that operational risk management system is functioning properly.

Equity Exposure in banking book

As of 31 March 2026, the Branch had investment in non-marketable equity securities, which are classified as investments in equity securities measured at fair value through other comprehensive income.

The table below shows equity exposures in banking book.

Table 19 Equity exposures in banking book

		Unit : Million Baht	
Equity exposures		31/Mar/2026	31/Mar/2025
1. Equity exposures			
1.1 Equities listed and publicly traded in the Stock Exchange			
- Book value	-	-	-
- Fair value	-	-	-
1.2 Other equities (both within the country and abroad)		-	-
2. Gains (losses) of sale of equities in the reporting period		-	-
3. Net surplus (deficit) from revaluation of available for sale equities		-	-
4. Minimum capital requirements for equity exposures classified by the calculation methods		-	-
- SA	-	-	-
- IRB	-	-	-
5. Equity values for commercial banks applying IRB which the Bank of Thailand allows to use SA			

Interest Rate Risk in the Banking Book (IRRBB)

Qualitative Disclosure:

The interest rate risk is the risk of declines of earning due to the movements of interest rate. Sources of interest rate risk are as follows:

Repricing risk or Maturity mismatch risk has resulted from the difference in the timing of rate changes and the timing of cash flows that occur in the pricing and maturity of Bank's assets, liabilities, and off-balance sheet instruments.

Basis risk arises from a shift in the relationship of the rates in different financial markets or different financial instruments. Basis risk occurs when market rates for different financial instruments or the indices used to price assets and liabilities change at different time or by different amounts.

Yield curve risk arises from variations in the movement of interest rates across the maturity spectrum. It involves changes in the relationship between interest rates of different maturities of the same index or market.

Option risk arises when a Bank or a Bank's customers have the right to alter the level and timing of the cash flows of an asset, liability or off-balance sheet instrument.

Risk assessment and monitoring for IRRBB

1. Objective

To evaluate the potential impact of interest rate risk, we consider the effect on both its earning (the earning or accounting perspective) and underlying economic value (the economic or capital perspective). Both viewpoints are assessed to determine the full scope of a Bank's interest rate risk exposure.

The earning perspective captures the income effects from the change of interest rate. This is an analysis of the effects in the short term within 1 year.

The economic perspective focuses on the value of the Branch in today's interest rate environment and the sensitivity of the value from changes in interest rates. It also captures future exposure by evaluating the impact of potential rate changes on market values of all assets, liabilities and off-balance sheet contracts.

2. Measuring tools

To assess the impact of interest rate risk in Banking book, the Branch uses the simplest technique, the "Static repricing gap" to measure the effect of interest rate changes on the earnings and economic value. When it is used for assessing the interest rate risk on earnings, it is called "Repricing gap analysis". The "Static repricing gap" is also used to evaluate the basic effects on the economic values by applying sensitivity weights to each time band and multiplying the gap and interest rate changes in the respective time band to obtain duration weighted gap. By summing up of all time bands a rough estimate of the change in the economic value will be obtained. Such technique is called the "Duration-base gap analysis".

3. Stress testing

To emphasize on a good risk management, we perform stress testing for interest risk in Banking book on a quarterly basis and reflect the results in Bank of Thailand in DS_IRR report.

However, in order to comply with the Bank of Thailand's notification, re: Supervisory Guidelines on Interest Rate Risk in the Banking Book for Financial Institution", Sumitomo Mitsui Banking Corporation, Bangkok Branch calculates net earnings assuming upward 100 basis point (bps) changes in the interest rate. Furthermore, we conduct the simulation of 200 bps shifted to ensure that the economics value will not exceed 20 % of the entire capital.

Interest Rate Risk in the Banking Book

Quantitative Disclosure:

Interest rate risk in the banking book

Table 20 The effect of changes in interest rates* to net earnings

Unit : Million Baht

Currency	31/Mar/2026	31/Mar/2025
	Effect to net earnings	Effect to net earnings
Baht	207	975
USD	693	64
EURO	(1)	(1)
Others	(21)	204
Total effect of interest rate changes	878	1,242

* Use the percentage changes in interest rates of 100 bps .

Disclosure D: Additional disclosure of capital information under the BCBS requirements (Composition of capital disclosure requirements)

Capital information in transitional period under the Basel III

From 1 January 2014 onwards, the Bank of Thailand has revised the deduction items from the capital fund to be in line with the Basel III framework. At a conservative way, the bank applied one time (100%) deduction rather than gradually adjusted (5 years) according to the requirement.

Table 21 Composition of regulatory capital on a Basel III basis during the transition period

Value of capital, inclusions, adjustments and deductions for the period of March 31, 2026		Unit : Million Baht Residual regulatory adjustment
Capital fund	95,498	
<u>Less</u> Regulatory adjustment	22	-
Total Regulatory capital	95,476	