SMBC Group

SMBC Bank EU AG

Combined Management Report and Financial Statements

Convenience Translation of the Binding German Version

Year ended 31 March 2025

Contents

Auditor’s Report

The English language text below is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may arise from the translation.

Independent Auditor’s Report

To SMBC Bank EU AG, Frankfurt am Main

Report on the Audit of the Annual Financial Statements and of the Combined Management Report

Opinions

We have audited the annual financial statements of SMBC Bank EU AG, Frankfurt am Main, which comprise the balance sheet as at 31 March 2025, and the statement of profit and loss for the financial year from 1 April 2024 to 31 March 2025, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the combined management report of SMBC Bank EU AG for the financial year from 1 April 2024 to 31 March 2025.

In accordance with the German legal requirements, we have not audited the content of the components of the combined management report referred to in the "Other information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2025 and of its financial performance for the financial year from 1 April 2024 to 31 March 2025 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company’s position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those parts of the combined management report listed in the "Other information" section.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No. 537/2014 (referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report” section of our auditor’s report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 April 2024 to 31 March 2025. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Calculation of the specific valuation allowances on receivables to customers

For information on the accounting policies applied by SMBC Bank EU AG, please refer to Section II. „Accounting and Valuation Methods” in the Notes to the Company’s financial statements.

THE FINANCIAL STATEMENT RISK

SMBC Bank EU AG reports receivables to customers in the amount of EUR 13,536,4 million as at 31 March 2025. For acute counterparty credit risks, specific valuation allowances on receivables to customers have been recognised in the annual financial statements.

Specific valuation allowances are calculated on the basis of probability-weighted scenarios. The calculation of specific valuation allowances for receivables to customers is therefore discretionary. It requires assumptions about the contractual cash flows still to be expected and/or about the expected cash flows from the realization of the loan collateral provided. The assumptions are made depending on the selected restructuring or wind-down strategy.

In particular, the risk for the financial statements is that no appropriate assumptions are made about the amount of the contractual cash flows still to be expected or about the amount of the cash flows to be expected from the realization of the loan collateral provided when determining the specific valuation allowance. Incorrect assumptions about the amount of expected cash flows and/or the realization of loan collateral provided result in receivables being measured inappropriately and thus the counterparty risks are not being adequately taken into account.

It was therefore of particular importance for our audit that the number of scenarios analyzed was in line with the complexity of the circumstances determining the default risks in the individual case, including the dependence on macroeconomic factors. We also considered it significant that the selection of the specific scenarios, the estimation of the probability of occurrence per scenario and the estimation of the cash flows expected in each scenario were performed in a comprehensible, objectively substantiated and consistent manner.

OUR AUDIT APPROACH

Based on our risk analysis and the assessment of the risks of error, we based our audit opinion on control-based and substantive audit procedures. Accordingly, we performed the following audit procedures, among others:

- In a first step, we gained a comprehensive insight into the performance of the loan portfolio, the related counterparty credit risks and also the internal control system in relation to the identification, monitoring and assessment of the counterparty credit risks in the loan portfolio.
- For the assessment of the adequacy of the internal control system with regard to the identification, management and monitoring of receivables to customers, we inspected the relevant organizational guidelines and performed interviews. In addition, we assured ourselves of the appropriateness, implementation and effectiveness of relevant controls.
- For the IT systems used for receivables to customers and for the calculation of risk provisions systems used for receivables to customers and for determining risk provisions, we have the effectiveness of the rules and procedures relating to the relevant IT applications and applications and support the effectiveness of application controls, reviewed.
- Based on a deliberate selection of individual exposures determined on the basis of materiality and risk aspects, we performed substantive audit procedures and assessed the recoverability of the receivables from customers. In particular, we assessed whether the selected exposures met criteria indicating a need for specific valuation allowances and whether this was properly identified. We satisfied ourselves that the allowance for losses on receivables recognized for these exposures was recognized on an accrual basis and was adequate. In doing so, we assessed assumptions about the contractual cash flows still to be expected and/or the expected cash flows from the liquidation of the loan collateral provided. Where loan collateral has been provided for an exposure and is used in the valuation, we have assessed the legal existence and recoverability of this collateral. In the case of guarantees, we assessed the creditworthiness of the guarantors. For the selected exposures, we also verified the arithmetical calculation of the specific valuation allowance recognized.

OUR OBSERVATIONS

The assumptions underlying the calculation of the specific valuation allowance regarding the amount of the expected cash flows from the economic performance of the borrowers or from the realization of collateral were selected appropriately and are in accordance with the accounting principles applicable to the measurement of specific valuation allowances.

Other Information

Management is responsible for the other information. The other information comprises the following non-audited components of the summarized management report:

- the consolidated non-financial statement of the SMBC Bank EU AG Group, which is included in chapters seven and eight of the combined management report.

Our opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information referred to above and, in doing so, consider whether the other information

- is materially inconsistent with the annual financial statements, with the audited content of the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i. e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 annual financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of the 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 Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. 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 Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the

underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the combined management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by management in the combined management report. Based on sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual 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.

Other Legal and Regulatory Requirements

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 26 November 2024. We were engaged by the supervisory board on 4 February 2025. We have been the auditor of the SMBC Bank EU AG without interruption since the financial year 2019.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (longform audit report).

In addition to the financial statement audit, we have provided to the Company or its subsidiaries the following services that are not disclosed in the annual financial statements or in the combined management report:

- Audit of the securities services business in accordance with Section 89 of the Wertpapier-handelsgesetz (WpHG – German Securities Trading Act)
- Review of the Group reporting package as of 30 September 2024
- Training of the Supervisory Board
- Audit of the IT systems used in connection with the prevention of anti-money laundering

- Quality assurance in relation to sustainability reporting in accordance with CSRD

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Markus Fox.

Frankfurt am Main, 31 July 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Fox	Hunstock
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Combined Management Report

Introduction

This Management Report combines the Management Report of SMBC Bank EU AG and SMBC EU Group (combined Management Report with respect to § 315 Sec. 5 HGB in conjunction with § 298 Sec. 2 Sent. 2 HGB). In principle, figures apply to SMBC EU Group. To the extent that there are material differences with respect to accounting or risk figures between SMBC Bank EU AG and SMBC EU Group, figures for SMBC Bank EU AG are reported separately. For the first time, the management report includes the consolidated non-financial statement in Section VI and the annex to the EU Taxonomy Reporting in Section VII, which were not subject to the auditor's audit.

I. Fundamental Information about SMBC EU Group

1. SMBC EU Group's Business Model and Strategy

SMBC Bank EU AG (SMBC EU or the "SMBC EU Group") is a credit institution based in Frankfurt-Main, Germany, to support SMBC's business activities in the European Economic Area (EEA). The SMBC EU Group is authorised by the European Central Bank (ECB) and supervised by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) since November 2018 and is the parent company of the SMBC EU Group.

The SMBC EU Group is a wholly-owned subsidiary of Sumitomo Mitsui Banking Corporation (SMBC Tokyo), a Japanese bank, and forms part of the SMBC Group of companies. SMBC Tokyo is a wholly-owned subsidiary of the Japanese Sumitomo Mitsui Financial Group (SMFG), which is ranked amongst the largest 29 banks globally by assets and classified as a global systemically important bank (G-SIBs – Global Systemically Important Banks).

S&P and Fitch Ratings have both affirmed an international A/A- rating for SMBC Bank EU AG, Frankfurt. These ratings reflect the strong support the Bank receives from the parent company in all areas such as risk management and funding arrangements as well as information technology and operational infrastructure.

The SMBC EU Group offers a wide range of financial products, including: syndicated and bilateral financing, specialised advice for project, trade and asset financing, as well as deposit and currency transactions. As a provider of integrated financial and investment banking solutions, the SMBC EU Group also offers its clients capital market products and derivative financial products and, through its subsidiary SMBC Nikko Bank (Luxembourg) S.A., the Group is also active in fund management. The SMBC EU Group's main objective is to serve its corporate clients in the EU/EEA, while pursuing and adhering to the vision, mission and identity of the SMBC Group, which focuses on creating sustainable value for clients and shareholders. With its business model, the SMBC EU Group aims to ensure long-term sustainable growth and a balanced risk/return ratio. The strategy pursues the following objectives:

Serving customers

The SMBC EU Group, in cooperation with other SMBC companies, aims to offer high-quality value-added services to EU/EEA clients as their bank of choice.

Sustainable growth

The aim is to conduct the business activities of the SMBC EU Group in a way that is balanced and sustainable. In addition, an efficient and effective infrastructure is to be built to support further business growth.

Competitive edges

Expansion and development of the areas in which the SMBC EU Group has a particularly strong position in terms of customer relationships, product expertise and global reach.

Team "SMBC Group"

Communicating the mission and vision of the SMBC Group and how they are implemented

2. Organisation and Governance Structure

On 1 March 2025, SMBC EU marked the 6th anniversary of the formal commencement of operations of the SMBC EU Group. It has grown significantly since its inception, showing the strong relationships with an increasing number of core clients and stakeholders, while establishing robust governance and operational excellence that meets regulators´ requirements.

In order to fulfil its objective of servicing SMBC Tokyo's EU/EEA customers, and to comply with the CRD V Intermediate Parent Undertaking (IPU) regulation, restructuring initiatives have continued. In May 2023, SMBC EU Group completed the formation of an EU-domiciled IPU (Intermediate Parent Undertaking) with SMBC Nikko Bank (Luxembourg) S.A.(SNBL) becoming the wholly-owned subsidiary of SMBC EU in May 2023. SMBC EU Group now includes SMBC Bank EU AG as parent and SMBC Nikko Bank (Luxembourg) S.A. as subsidiary. SMBC EU has its head office in Frankfurt-Main, Germany, with branches in Amsterdam, Prague, Madrid, Dublin, Milan, Paris and Düsseldorf. Of the named branches, only the Milan branch undertakes loan and deposit transactions as a risk-taking function. All other branches are marketing offices without any entry functions for customer transactions.

As of 31 March 2025, the SMBC EU Group has 573 employees, of which 373 are in Germany, 115 in its EU branches (PY: 516 employees, thereof 328 in Germany and 104 in EU branches) and 85 are in SNBL.

The members of the Executive Board of SMBC EU are responsible for all operations of the Bank.

The Executive Board has established several committees to control and monitor various areas of SMBC EU and SMBC EU Group. All committees have delegated approval powers from the Executive Board and include, alongside Executive Board members, selected department heads as voting members.

The Credit and Prudential Risk Management Committee (CPRC) and the Group Credit and Prudential Risk Management Committee act as the responsible body for oversight and governance for all credit and prudential-related matters (except individual credit risks) at SMBC EU and SMBC EU Group level. It serves as the main forum to discuss and debate credit and credit risk management framework elements, the coordination of ICAAP/RRP, models, model risk management and stress testing as well as environmental, social and governance (ESG) matters and overall risk governance.

The Asset Liability Risk Management Committee (ALMCO) and Group Asset Liability Risk Management Committee (GALRMC) act as the responsible body for oversight and governance for market, liquidity and derivatives risk. This includes trading and ALM-related matters as well as a forum for discussion and approval of the elements and the results of the Internal Liquidity Adequacy Assessment Process (ILAAP).

The Operational, General & Third Party Risk Management Committee (OGTPRM) and the Group Operational and Third Party Risk Management Committee are the bodies responsible for oversight and governance of non-financial risk management (in particular Operational Risk and Third Party Risk Management) and in/outsourcing matters. It further serves as a forum for discussion and approval of the relevant elements of the Internal Capital Adequacy Assessment Process (ICAAP) and Reduced Risk Products (RRP). It acts as a forum for the first line of defence management of in- and outsourcing.

The Product Approval Committee (PAC) and the Group Product Approval Committee act as the governance bodies responsible for approving any new types of products or services (NPS) the entity intends to offer and implement into, including testing and reviewing of the new products or services. It is embedded into the EMEA product approval process and members of the local product consultation group participate in screening meetings at EMEA level and the EMEA Product Approval Committee, both hosted by SMBC Bank International plc London (SMBC BI).

The Transaction Approval Committee (TAC) acts as a responsible body for new transactions with unusual features, large volumes or potential effects that could be relevant to the company or the SMBC Group in terms of supervisory law, reputation, conflicts of interest, sustainability aspects or problems with client suitability.

The Credit Approval Committee (CAC) and the Group Credit Approval Committee act as the governance body to discuss and debate the credit risk of proposed lending and loan underwriting transactions and follows the SMBC Credit & Underwriting Authority Approval Matrix.

The Compliance and Anti-Money Laundering Committee (CAMLC) oversees the adherence to the SMBC EU Group's implemented anti-money laundering preventative measures and general compliance structure and measures on SMBC EU and SMBC EU Group level. It provides governance, technical and strategic support, and examines matters in respect of identified compliance, anti-money-laundering, financial crime and other regulatory risks relating to the SMBC EU Group.

A Supervisory Board has been established and was elected by the Annual General Meeting in accordance with statutory requirements to supervise and monitor the bank's business activities. The Supervisory Board has established four committees to monitor various functions of the Bank and SMBC EU Group. The Audit Committee monitors the accounting processes, the internal control system and the (group) annual financial statements, as well as the independence of the auditor. The Risk Committee advises the Supervisory Board on risk management issues, including risk strategy and risk appetite. The Remuneration Control Committee is responsible for monitoring the appropriate design of the remuneration systems. The Nomination

Committee supports the Supervisory Board in monitoring and performing the Supervisory Board's duties in personnel matters.

The SMBC EU Group is supported by various group entities in its day-to-day operations by way of intra-group outsourcing arrangements. This operating framework is widely used by SMBC Group throughout the EMEA region, under which several operations are centrally performed by SMBC BI and other relevant Group entities. The SMBC EU Group provides insourcing services primarily for business units and control functions of the SMBC Düsseldorf branch.

The Bank's investment decisions, including those that take sustainability considerations into account, are made in accordance with the Bank's independently established policies and practices, which reflect the strategies, investment objectives and risk management approach of the Bank and the SMBC Group.

All the Bank's engagements with other companies or organizations on sustainability or related topics are guided by the independently established policies and practices mentioned above. All sustainability-related decisions are made by the Bank in accordance with the applicable laws and regulations of the respective jurisdictions.

II. Macroeconomic Environment and Competitive Situation

Economic activity in Europe accelerated marginally last year. Real GDP growth in 2024 stood at 0.9% y/y in the euro area and 1.0% y/y in the European Union (EU), with both figures representing a slightly higher growth rate than that observed over the previous year.[1] Economic performance nevertheless varied considerably at the national level. Of the larger economies in the region, Germany exhibited a mild contraction in output for a second consecutive year (-0.2% y/y). By contrast, France and Italy registered growth, at a similar pace than in 2023 (1.2% y/y and 0.7% y/y, respectively). Spain, meanwhile, continued to outperform the regional average, with growth even picking up slightly relative to the previous year (3.2% y/y).

At the aggregate level, the drivers of growth remained tilted toward consumption. Household spending benefitted from resilient labor market conditions last year, which alongside receding inflationary pressures helped to lift real disposable incomes. Indeed, headline inflation eased back to an average of 2.4% y/y in the euro area and 2.6% y/y in the EU.[2] By contrast, investment across the continent remained weak. This likely reflected a combination of subdued demand, relatively restrictive financial conditions, and elevated policy uncertainty. Investment in both housing and equipment appeared particularly subdued last year. By contrast, non-residential construction investment was more resilient, supported in part by public sector infrastructure projects. Finally, trading business provided a limited boost to growth last year, as a small rise in exports of goods and services was accompanied by similar growth in imports.

Fiscal and monetary policy developments last year were somewhat mixed. After a modestly expansionary fiscal stance in the EU in 2023, fiscal policy became slightly contractionary last year, driven in part by declining government subsidies for private investments and a comparatively lower amount of spending financed by EU budget funds.[3] By contrast, the European Central Bank (ECB) initiated a cycle of interest rate cuts in June last year. Given the significant tightening in monetary policy over the preceding months, however, overall financial conditions last year were still restrictive relative to historical norms.

1 Unless otherwise stated GDP figures for the euro area, EU, and member states reflect Eurostat data (https://ec.europa.eu/eurostat).
2 Harmonized index of consumer prices (HICP). Data from Eurostat (https://ec.europa.eu/eurostat)
3 The aggregate fiscal stance reflects estimates contained in the European Commission's Spring Forecast, May 2025. Note, spending financed by EU funds was particularly high in 2023, as drawdowns under the last multi-annual financial framework accelerated that year.

III. Report on Business Development and Financial Position

1. Business Performance

Against the uncertain economic backdrop, the SMBC EU Group's focus has remained on lending to investment grade borrowers but has also expanded risk appetite to allow for the development of high margin transactions and products on a selective basis while maintaining a well-diversified credit portfolio. Corporate loan demand continued to be relatively strong during much of 2024. The SMBC EU Group benefitted from this development and could provide additional liquidity to its customers. Our customers have begun to adjust their business models to adapt to climate change and reduce their impact. SMBC EU Group used new business opportunities available in this space and could provide financing solutions in the areas of energy production and energy supply. Sustainable structured finance solutions have also contributed positively to the commission income result of the Bank. With respect to bonds issues, there was a positive development on the part of issuers on the capital market in view of the increased capital requirements. This was reflected in a good result for the Bank in the debt capital markets area.

Despite a decline in funding rates, the SMBC EU Group was able to achieve a significant increase in net interest income. In addition to the above-mentioned development, this is also due to the bank's strong capital base. At the same time, costs were kept under control despite inflationary pressures.

Despite several geopolitical tensions, the risk profile of the SMBC EU Group has proven to be stable. The general loan loss provisions were increased in line with exposure growth without an above-average burden on earnings.

2. Financial Developments SMBC EU Group

The financial position of the Group was solid: it remained at all times in full compliance with all regulatory and internal limits with respect to its capital, liquidity and refinancing positions. Exchange rate movements had a negligible impact on the financial position.

The Group has defined three key performance indicators (KPIs) to measure business development in terms of costs, profitability and capital:

- Return on Equity (ROE): the ratio between post tax profits and average equity – $Return\ on\ Equity\ (ROE) = \frac{Post\ Tax\ Profit}{Average\ Equity}$
- Cost Income Ratio (CIR): the ratio between operating expenses and income – $Cost\ Income\ Ratio = \frac{Operating\ Expenses}{Operating\ Income}$
- Common Equity Tier 1 (CET1): the ratio between CET1 capital and risk-weighted assets – $CET1\ Ratio = \frac{CET1\ Capital}{Risk{-}Weighted\ Assets}$

Subsequently, SMBC EU Group financials are based on IFRS.

Due to the dynamic business development and despite decreasing interest rate levels, profitability has increased significantly, with a net income after tax of EUR 229.94 million (PY: EUR 173.4 million); all KPIs developed positively and better than the expectation of management and the owner. The Return on average Equity ("ROE") increased to 4.05% (PY: 3.19%). The profitability increased significantly due to high net interest income combined with lower growth in administrative expenses. Operating income increased by 8.7% in FY2024/25 compared with FY2023/24 while operating expenses increased by 6.7%.

The Cost Income Ratio ("CIR") stands at 40.3% (PY: 41.0%). This development is mainly driven by higher revenues and relatively stable costs compared to the previous year.

As a result of the dynamic development, the CET1 ratio has slightly increased to 27.2% at year-end (PY: 26.4%), very clearly above the regulatory minimum of 11.1% in 2024 and 11.0% in 2025. This ensures a strong financial standing and sufficient capitalisation, indicating the SMBC EU Group's ability to absorb losses while continuing operations, thus enhancing its resilience in the face of financial downturns. In view of the expected growth, the high CET1 ratio does not indicate inefficient use of capital.

Balance sheet of SMBC EU Group

Total assets as of 31 March 2025 stand at EUR 25,571 million, an increase of EUR 2,442 million or 10.6% compared with 31 March 2024 (PY: EUR 23,129 million). The increase compared with the previous year resulted primarily from an organic growth of the credit portfolio with an increase of EUR 2,382 million compared to the previous year. SNBLs portion in total assets stands at EUR 509 million. Assets recognised in Milan increased by EUR 1,710 million compared to prior year with a total amount of EUR 4,287 million (PY: EUR 2,577 million).

The liquidity reserves of EUR 9,463 million* (PY: EUR 9,132* million) were primarily kept in Germany at the Bundesbank and with other SMBC banks. Cash and balances at central banks decreased to EUR 114 million (PY: EUR 162 million) due to shift to overnight deposits which are reported under receivables to banks.

Lending exposures, the most important asset type of the SMBC EU Group, are classified under receivables to customers and banks as well as debt securities and other fixed income securities and amounted to EUR 14,800 million (PY: EUR 12,418* million).The development of receivables to customers and banks with an amount of EUR 2,382 million were primarily driven by a growth in portfolio in Frankfurt and Milan.

Financial assets held for trading consist of FX and interest derivatives. As of 31 March 2025, the trading portfolio amounts to EUR 983 million (PY: EUR 1,266 million) and decreased primarily due to market price movements. The market risk arising from derivative trades with customers is hedged by matching transactions with Group companies. The liability trading portfolio is therefore almost identical to the asset position.

* The prior-year figures marked with * have been adjusted for better comparability. For details, please refer to Section III -Significant Accounting Policies- in the notes.

Other assets, at 1.7% (PY: 0.7*%) of total assets, account for only a small portion of the balance sheet and comprise primarily hedging products, investment and liquidity securities, fixed assets and deferred tax assets.

The assets are funded primarily with equity, customer deposits and intra-group funding from SMBC Tokyo via its branch in Brussels. Equity increased to EUR 5,673 million (PY: EUR 5,441 million). This change was mainly driven by an increase in retained earnings to EUR 472 million and in the legal reserve (to EUR 24 million). Subscribed capital and capital reserves remained stable at EUR 5,100 million and EUR 70 million respectively.

The liabilities include customer and bank deposits, financial liabilities held for trading, and other short-term borrowings as well as long-term debt.

Liabilities to customers remained relatively stable compared to the previous year with an amount of EUR 11,165 million (PY: EUR 11,539* million. Liabilities to banks increased to EUR 7,064 million (PY: EUR 4,586* million). The reason for this is an increase in business volume. Against the same backdrop, intra-group financing increased to EUR 5,064 million (PY: EUR 4,578 million).

The financial liabilities held for trading decreased to EUR 960 million (PY: EUR 1,251 million) in line with the development of the trading assets.

In addition, the SMBC EU Group has off-balance sheet liabilities, specifically guarantees and irrevocable loan commitments, amounting to EUR 16,125 million (PY: EUR 14,954 million), of which EUR 4,260 million in Milan (PY: EUR 5,186 million) and EUR 11,868 million (PY: EUR 9,773 million) in Frankfurt.

Due to increased business volume, short-term borrowings increased to EUR 2,014 million (PY: EUR 1,479* million), long-term debt increased to EUR 5,050 million (PY: EUR 3,107 million).

Provisions amounted to EUR 19 million (PY: EUR 37 million).

Lease liabilities slightly increased to EUR 16.1 million in March 2025 (PY: EUR 11.2 million).

The SMBC EU Group was granted a committed credit line by SMBC Tokyo in the amount of EUR 1,500 million, which has not been drawn.

The capital adequacy of SMBC EU AG is described under section V. in the Risk Report.

Income statement of SMBC EU Group

In the sixth year of operation in 2024/25, the SMBC EU Group generated a **net profit** of EUR 229.94 million (PY: EUR 173.37 million). Due to strong business development and tight cost control, the profitability could be increased significantly. The profit of SMBC Nikko Bank (Luxembourg) S.A. (SNBL) which was acquired in the previous year was EUR 4.17 million.

The operating income in SMBC EU AG amounted to EUR 559.11 million (PY: EUR 514.59 million), comprising net interest income, net fee and commission income, income from FVPL financial instruments, results from hedging relationships and other net operating income.

The net interest income increased to EUR 415.88 million (PY: EUR 355.67 million) and is mainly due to interest income from the lending and money market businesses of the SMBC EU Group. Higher interest income is partly offset by higher interest expenses for Deposits and Funding. The Milan branch generated a net interest income of EUR 62.40 million (PY: EUR 25.28 million). Despite the negative development of decreased interest base rates, a higher net interest income than in the previous year was achieved due to an increase in customer portfolio. Interest expenses for deposits from banks and from customers increased to EUR 646.31 million (PY: EUR 575.15 million), due to higher business volumes (i.e. liabilities to customers) in 2024.

The net fee and commission income of EUR 101.12 million (PY: EUR 83.04 million) was primarily driven by commitment fees of EUR 40.33 million (PY: EUR 30.86 million) and commission from the securities business (EUR 30.55 million, PY: EUR 33.28 million). The increase compared with last year results primarily from higher commitment fees. The Milan branch generated a net commission loss of EUR (10.86) million (PY: EUR (4.53) million).

The income from FVPL financial instruments resulted in a net gain of EUR 29.62 million (PY: EUR 49.42 million), primarily from FX and interest rate derivative transactions. The net trading income comprises gains less losses related to trading assets and liabilities as well as gains less losses related to derivative instruments that do not meet the criteria to be designated as a hedge and are measured at fair value. The result includes all realised and unrealised fair value changes, interest and foreign exchange differences. The gains and losses were mainly driven by the increased market volatility of derivative financial instruments. The decrease compared to last year resulted mainly from gains and losses in foreign exchange trades.

Other operating income contributed with a positive result of EUR 16,29 million (PY: EUR 24.82 million), derived primarily from insourcing Service Level Agreements (SLAs), predominantly middle and back-office services for SMBC Düsseldorf and the sale of loans.

Administrative expenses of EUR 218.71 million (PY: EUR 208.22 million) include primarily personnel expenses of EUR 103.76 million (PY: EUR 90.88 million) and expenses related to outsourcing arrangements with Group companies of EUR 55.71 million (PY: EUR 51.77 million). Other administrative expenses comprise, amongst others, VAT expenses of EUR 11.13 million (PY: EUR 15.17 million), global IT charges of EUR 9.13 million (PY: EUR 8.20 million) and legal & consultancy fees of EUR 11.43 million (PY: EUR 15.34 million). The increase in administrative expenses is primarily related to an increase in business volume and consequentially higher number of employees and higher SLA charges. The Milan branch generated expenses of EUR 9.26 million (PY: EUR 8.41 million).

Gains and losses from derecognition of financial assets resulted in a net loss of EUR (0.07) million (PY: net gain of EUR 1.54 million).

Amortisation, depreciation and write-downs for intangible assets and property and equipment of EUR 4.88 million (PY: EUR 3.63 million) relate to expenses for IFRS 16 depreciation on right-of-use assets and straight-line amortisation/depreciation of fixed assets. IFRS 16 depreciation for Frankfurt is included in this position with an amount of EUR 1.15 million (PY: EUR 1.15 million). Milan's portion of IFRS 16 depreciation is EUR 0.07 million (PY: EUR 0.20 million).

The net risk provision expenses amount to EUR (2.19) million (PY: EUR (42.96) million). The decrease compared to the previous year results primarily from the release of risk provision after the sale of loans that were previously written down.

The tax expense of EUR 101,68 million (PY: EUR 87.07 million) mainly relates to income tax expenses for profit generated. Milan generated tax expenses of EUR 21,07 million (PY: EUR 8.01 million). The increase in Milan results from an increased business volume as well as an adjustment to the tax expenses for fiscal year 2023/24.

3. Financial Developments SMBC Bank EU AG

The financial position of the Bank was solid: it remained at all times in full compliance with all regulatory and internal limits with respect to its capital, liquidity and refinancing positions. Exchange rate movements had a negligible impact on the financial position.

The bank has defined three key performance indicators (KPIs) to measure business development in terms of costs, profitability and capital:

- Return on Equity (ROE): the ratio between post tax profits and average equity – $\boldsymbol{Return\ on\ Equity\ (ROE)} = \frac{\boldsymbol{Post\ Tax\ Profit}}{\boldsymbol{Average\ Equity}}$
- Cost Income Ratio (CIR): the ratio between operating expenses and income – $\boldsymbol{Cost\ Income\ Ratio} = \frac{\boldsymbol{Operating\ Expenses}}{\boldsymbol{Operating\ Income}}$
- Common Equity Tier 1 (CET1): the ratio between CET1 capital and risk-weighted assets – $\boldsymbol{CET1\ Ratio} = \frac{\boldsymbol{CET1\ Capital}}{\boldsymbol{Risk{-}Weighted\ Assets}}$

Subsequent SMBC EU AG financials are based on German GAAP.

Due to dynamic business development and despite decreasing interest rate levels, profitability has increased significantly, with a net income after tax of EUR 253.29 million (PY: EUR 205.67 million); all KPIs developed positively and better than the expectation of management and the owner. The Return on average Equity increased to 4.59%, (PY: 3.89%). The profitability increased significantly due to high net interest income combined with lower growth in administrative expenses. Operating income increased by 7.2% in FY2024/25 compared to the previous year but operating expenses increased by only 4.1%.

The Cost Income Ratio stands at 35.5% (PY: 36.5%, expectation < 50%). This development is mainly driven by higher operating income compared to last FY and the delayed increase in personnel expenses due to late hirings.

As a result of the dynamic development, the CET1 ratio has increased to 27.7% at year-end (PY: 26.7%) and is still very clearly above the regulatory minimum of 11.1% in 2024 and 11.0% in 2025. This ensures strong financial standing and sufficient capitalisation, indicating the Bank's ability to absorb losses while continuing operations, thus enhancing its resilience in the face of financial downturns. The high CET1 ratio is not an indication of inefficient capital utilisation, taking into account increasing profitability and further growth plans.

Balance Sheet of SMBC EU AG

Total assets as of 31 March 2025 stand at EUR 25,111 million, an increase of EUR 2,441 million or 10.8% compared to 31 March 2024 (PY: EUR 22,670 million). The increase compared with the previous year resulted primarily from the further organic growth of the credit portfolio.

Lending exposures, the most important asset type of the Bank, are classified under receivables to customers and banks as well as debt securities and other fixed income securities and amounted to EUR 14,887 million (PY: EUR 12,503 million), of which EUR 11,542 million (PY: EUR 10,044 million) were recognised in Frankfurt and EUR 3,349 million (PY: EUR 2,483 million) in Milan. The development of receivables to customers and banks were primarily driven by growth in portfolio in Frankfurt and Milan which amounted to EUR 2,383 million. The liquidity reserves of EUR 9,069 million (PY: EUR 8,705 million) were primarily kept in Germany at the Bundesbank and with other SMBC banks.

Financial assets held for trading consist of FX and interest derivatives. As of 31 March 2025, the trading portfolio amounts to EUR 950 million and decreased to prior year (PY: EUR 1,231 million). The decrease is primarily caused by market price movements. The market risk arising from derivative trades with customers is hedged by matching transactions with Group companies. The liability trading portfolio is therefore almost identical to the asset position.

Other assets, at less than < 1.3% (PY: < 1.6%) of total assets, account for only a small portion of the balance sheet and comprise primarily goodwill and fixed assets. The goodwill was generated through the acquisition of the branches at inception of the Bank in 2019, as well as the transfer of employees from the SMBC Tokyo Düsseldorf branch and the SMBC BI Paris branch.

The assets are funded primarily with equity, customer deposits and intra-group funding from SMBC Tokyo via its branch in Brussels.

Equity increased to EUR 5,643 million (PY: EUR 5,390 million). This change was mainly driven by an increase in retained earnings. Subscribed capital and capital reserves remained unchanged at EUR 5,100 million and EUR 74 million respectively.

The liabilities include customer and bank deposits, financial liabilities held for trading, and other short-term borrowings as well as long-term debt.

Liabilities to non-bank customers slightly decreased to EUR 10,888 million (PY: EUR 11,051 million) compared to last year. Liabilities to banks increased significantly to EUR 7,017 million (PY: EUR 4,579 million) due to higher business volumes than in the previous year.

The financial liabilities held for trading increased to EUR 939 million (PY: EUR 1,231 million) in line with the development on the asset side.

In addition, SMBC Bank EU AG had off-balance sheet liabilities, specifically guarantees and irrevocable loan commitments, amounting to EUR 16,125 million (PY: EUR 14,954 million), of which EUR 4,260 million in Milan (PY: EUR 5,186 million) and EUR 11,868 million (PY: EUR 9,773 million) in Frankfurt.

Short-term borrowings increased to EUR 1,967 million compared with prior year (PY: EUR 1,472 million). Long-term debt also increased to EUR 5,050 million (PY: EUR 3,107 million) due to increased business volumes.

Provisions amounted to EUR 79 million (PY: EUR 109 million). Compared with the previous year this was a decrease due to concentrated settlement of open invoices in March 2025 and due to lower loan loss provisions.

The Bank was granted a committed credit line by SMBC Tokyo for EUR 1,500 million, which has not been drawn.

The capital adequacy of SMBC EU AG is described under section V. in the Risk Report.

Income statement of SMBC EU AG

In the sixth year of operation in 2024/25, the Bank generated a **net profit** of EUR 253.29 million (PY: EUR 205.67 million). Due to strong business development and tight cost control, the profitability could be increased significantly. The strong business development was mainly supported by a strong organic growth in the customer portfolio.

The operating income of SMBC Bank EU AG amounted to EUR 585.72 million (PY: EUR 546.33 million), comprising net interest income, net fee and commission income, gains and losses of trading activities and other net operating income.

The net interest income increased to EUR 422.21 million (PY: EUR 391.87 million) and is mainly due to interest income from the lending and money market businesses of SMBC Bank EU AG. Higher interest income is partly offset by higher interest expenses for Deposits and Funding. The Milan branch generated a net interest income of EUR 61.07 million

(PY: EUR 21.16 million). The increase in net interest income was primarily generated by portfolio growth. Due to a changed interest environment with decreasing interest base rates, interest income from liquidity reserves has decreased. Interest expenses for deposits from banks and from customers increased to EUR 642.64 million (PY: EUR 572.88 million), due to higher business volumes (i.e. liabilities to customers).

The net fee and commission income of EUR 134.21 million (PY: EUR 132.61 million) was primarily the result of income derived from guarantees and upfront fees (EUR 103.62 million, PY: EUR 107.50 million) as well as income generated in the securities business of EUR 30.55 million (PY: EUR 33.28 million). The increase compared with last year results primarily from higher upfront fees due to increased lending business. The Milan branch generated a net commission income of EUR 12.22 million (PY: EUR 6.82 million).

The net trading result shows a net gain of EUR 17.56 million (PY: EUR 4.81 million), primarily from FX and interest rate derivative transactions. The increase is mainly driven by adjustments to the fair value of derivative contracts (xVA-adjustments).

Other operating income contributed with a positive result of EUR 11.74 million (PY: EUR 17.10 million), derived primarily from insourcing Service Level Agreements (SLAs), predominantly middle and back-office services for SMBC Düsseldorf.

Administrative expenses of EUR 202.02 million (PY: EUR 191.87 million) include primarily personnel expenses of EUR 91.24 million (PY: EUR 81.09 million) and expenses related to outsourcing arrangements with Group companies of EUR 55.71 million (PY: EUR 51.77 million). Other administrative expenses are, amongst others, related to legal & consultancy fees of EUR 11.20 million (PY: EUR 14.65 million), VAT of EUR 11.13 million (PY: EUR 15.12 million) or global IT charges of EUR 9.05 million (PY: EUR 8.13 million). The increase in administrative expenses is primarily related to an increase in business volume, a higher number of employees and higher SLA charges. The Milan branch generated expenses of EUR 9.49 million (PY: EUR 8.62 million).

Amortisation, depreciation and write-downs for intangible assets and property and equipment of EUR 4.60 million (PY: EUR 7.06 million) relate to expenses for straight-line amortisation/depreciation of fixed assets and goodwill. Milan does not generate any expenses in this position, because assets are either rented or fully depreciated. The net result of write-downs and valuation allowances for receivables and income from write-ups of loans include net expenses incurred for portfolio loan loss allowances and reserves according to Section 340f of the German Commercial Code (HGB) in the amount of EUR 10.88 million (PY: EUR 35.88 million).

The tax expense of EUR 113.80 million (PY: EUR 105.58 million) relates to income tax expenses for profit generated. Milan generated tax expenses of EUR 21.09 million (PY: EUR 8.23 million). The increase in Milan results from an increased business volume as well as an adjustment to the tax expenses for fiscal year 2023/24.

IV. Forecast Including Business Opportunities and Risks

The Continental European Region enjoyed a strong start to 2025. Real GDP expanded by 0.6% compared to previous quarter across both the euro area and EU, marking the strongest pace of growth since 2022. Nevertheless, some caution is warranted in interpreting the data. The strength in the aggregate figure was in part driven by an outsized contribution from Ireland, where GDP figures can be volatile (and prone to revision) owing to the activities of multinational corporations headquartered in the country. The strong momentum at the start of the year may also have been flattered by a temporary boost in production and exports as companies looked to get ahead of trade restrictions announced by the United States (US) administration.

Global trade policy is in a state of flux. The US administration unveiled sweeping new tariffs on imports earlier this year, culminating in the announcement of a near-universal "reciprocal" tariff regime on 2 April. Since then, the US has engaged in bilateral trade negotiations with several jurisdictions. As these talks are still underway, the ultimate landing zone for tariffs remains unclear at this stage. However, the administration's conviction that tariffs can help correct the US's trade imbalances, boost fiscal revenues, and incentivize a reshoring of manufacturing all point to a meaningful level of tariffs remaining in place throughout the current administration's tenure.

The more protectionist economic environment will inevitably weigh on global economic activity. For export-oriented economies in Europe, the increased trade barriers they face from the US can weigh on export performance directly by reducing the competitiveness of goods relative to those produced locally, with the effect amplified by the recent appreciation of the euro. Trade friction can also weigh on economic activity through other channels. For example, increased uncertainty may contribute to delays in business investment decisions and may also dampen consumers' propensity to spend. Overall, many public and private sector institutions have marked down their growth projections for this year on the back of the more restrictive trade environment. The European Commission's most recent forecasts published in May 2025 envisage growth of 0.9% y/y in the euro area this year and 1.1% y/y in the EU, representing downward revisions of -0.6 percentage points in both cases relative to estimates published back in February 2025[4].

Still, while the external environment appears more volatile, there is scope for domestic demand to continue propelling activity this year and beyond. Labor market conditions remain sound across the whole union, with headline unemployment in the euro area standing at 6.3% in May, close to record lows seen earlier this year.[5] Despite some signs of cooling, the fundamental tightness of the labor market should continue to support nominal wage growth. Together with receding inflationary pressures, this will further boost household's spending power in real terms. Private investment may also benefit from the ECB's interest rate normalization cycle. The 200 basis points in cuts to the deposit rate implemented over the last year should progressively feed through to support financing conditions for the real economy. Finally, government spending also looks set to play an increasingly important role in driving economic activity; while national budgets remain constrained, EU policymakers have highlighted the need to prioritize spending on growth-enhancing infrastructure projects, as well as defense and security needs. At the national level, Germany's coalition government has notably pledged to make more use of its fiscal space, with a new €500 billion fund alongside changes to constitutional rules paving the way for a significant ramp up in spending. At the EU level, governments may also look to accelerate their use of funding allocations from the EU budget, including grants and loans available from the recovery and resilience facility (RRF). If EU public investment initiatives are implemented fully and in a timely way, the boost to short-term GDP and long-term growth potential could be significant. However, parallel structural reforms will also be critical in supporting the region's long-term competitiveness and resilience.

Against the backdrop of these external factors, we intend to continue executing our growth strategy focusing on improving profitability and growing revenues while remaining disciplined in our cost management despite inflationary pressures. We anticipate our business will grow further, even though demand for refinancing might be dampened due to the economic environment. Firstly, this growth will be generated by further development of the marketing activities. Secondly, growth will be generated by assets' lifecycle events originating from SMBC BI, notably loan extensions of EU customers being booked at their final booking destination, SMBC EU Frankfurt, as a result of Brexit.

To measure our development and success, we use the KPIs that are defined in section III.2 and which are aligned with our internal controls (namely ROE, CIR, CET1).

Considering the planned asset growth, we expect the CET1 ratio for SMBC EU Group to significantly decrease but remain well above the regulatory requirement. The bank is facing a phase of transformation and restructuring. The bank plans to make material investments in personnel and resources in the coming years. This is to be understood as a material investment in the bank's capabilities and strengths in the areas of governance, control and reporting. The transformation will have an impact on the bank's profitability in the short term. At currently 4.05% (previous year: 3.19%), the return on equity is expected to decrease strongly by the end of FY2025/26. We also expect the cost-income ratio, which was 40.3% in the current year (previous year: 41.0%), to rise noticeably. In addition to the above, both the return on equity and the cost-income ratio reflects an expected change in the interest rate environment, which has a negative impact on the bank's profitability. A similar development is expected at the level of SMBC EU AG.

4 European Commission Spring 2025 Economic Forecast (https://economy-finance.ec.europa.eu).
5 Labor market data from Eurostat (https://ec.europa.eu/eurostat.

SMBC EU Group will prepare for the next stage of accelerated growth. As such, the actual outlook for the next two to three years is a phase of investment in staff and capabilities in Germany, the Bank's branches and the subsidiary SNBL in Luxembourg. A stable revenue expectation will allow us to partially fund those investments. Despite that, we expect a decline in net income, which is forecasted to move sideways in the following next two years. The cost-income ratio will rise, and the bank will show a reduced return on equity. The SMBC EU Group's business model, throughout the planning period, will predominantly stay a loan-related business. Long-term funding will be covered by customer deposits and Group funding, complemented by the planned issuance of securities. Dependency on Group funding will be reduced in proportion relatively but increase in absolute terms. If there is a further deterioration in economic activity in the EU due to the current macroeconomic environment, the expected level of growth is likely to be reduced and should increase the level of loan losses.

The SMBC EU Group has analysed several possible scenarios and is adequately provided with liquidity and capital should a deterioration occur.

Our results could be impacted positively by a stronger than expected economic recovery and related demand for financing. Further, we see business opportunities in the field of sustainable financing solutions for energy supply and energy generation customers.

Events after the balance sheet date that are of material significance for FY2024/25 are included in the notes section on subsequent events.

V. Risk Report

1. Risk Management Framework

The SMBC EU Group's intended business model is to be an integrated corporate and investment banking institution that concentrates its resources on carefully selected sectors and regional customer partnerships in order to achieve sustainable and balanced long-term growth. The Executive Board defines the risk strategy, which is based on and consistent with the approved business strategy. The risk strategy's design, implementation and monitoring are achieved through the risk management framework. This framework comprises the following components: (i) the assessment and management of the Bank's capital and liquidity resources; (ii) the definition and determination of the Bank's risk appetite; and (iii) a series of processes to identify and assess, measure, control and mitigate the risks incurred in the pursuit of the strategic objectives and to report on these.

The Executive Board is ultimately responsible for the organisation, implementation and execution of risk management in the SMBC EU Group, including its branches. The Executive Board's overall risk control is carried out via the SMBC EU Group's organisational structure, the risk governance framework, and the internal risk control system.

Roles and responsibilities for risk management across the Bank

The SMBC EU Group uses the industry-wide standard Three Lines of Defence (3 LOD) model to manage its risks across the enterprise. The model is used as a means to achieve and ensure overall effective risk governance, management and assurance, reflecting and reinforcing the SMBC EU Group's internal control framework.

The 3 LOD approach separates the ownership and management of risks from the functions that monitor the risks and the function that provides independent assurance.

The 1st Line of Defence is responsible for identifying, implementing controls, regularly monitoring, and reporting on potential risks in the day-to-day operations of the respective departments. This responsibility lies with the process owners.

The Bank's risk management is a function of the 2nd Line of Defence and is independent of the business areas. It defines the risk management and compliance framework and monitors compliance with the risk appetite in the 1st Line of Defence. It is under the responsibility of the Bank's Chief Risk Officer (CRO), who is a member of the Executive Board.

The SMBC EU Group's risk management team includes the risk controlling function of 39 specialists (in addition to the CRO) who can rely on the operational support of SMBC BI's risk management resources and, for some aspects of derivatives risk management, on the risk management department of SMBC Nikko CM Ltd. Risk management services provided by SMBC BI and SMBC Nikko CM Ltd. are provided under outsourcing SLAs.

The 3rd Line of Defence analyses and secures the processes regarding risk management and control in the first two defence lines. Primary responsibility is in the scope of the Group Audit function.

Risk Committees

The SMBC EU Group has established four Risk Management Committees plus two sub committees to ensure sound overall management and monitoring of risks. Further details are provided within the first section.

In general, the responsibilities of the Risk Management Committees with respect to risk management matters are to provide a forum for monitoring and reviewing risk management as well as the design and execution of the risk management framework itself. Approval powers delegated to these committees are limited to non-strategic operational matters (for example: limit changes in market and liquidity risk if these are within the risk appetite, mitigation of non-material breaches of KRIs or Early Warning Indicators (EWIs)). The Executive Board remains the ultimate body responsible for the risk management and operations of the SMBC EU Group.

In addition to the risk-related committees, the SMBC EU Group has implemented four transaction committees. These transaction committees are namely the PAC ('Product Approval Committee'), the CAC ('Credit Approval Committee') and the S-TAC ('Securities Transaction Approval Committee') and D-TAC ('Derivatives Transaction Approval Committee'). The PAC is responsible for the approval of new products, including implementation in accordance with MaRisk AT 8.1. The TACs and the CAC are responsible for approving individual transactions within each approved product.

Risk culture

The Executive Board is required to define, promote, assess and monitor an integrated and institution-wide risk culture.

The SMBC EU Group focuses on embedding the risk culture through:

- **the 3 LOD model**, which clearly defines risk ownership, roles and responsibilities;
- **the governance structure**, which encourages transparency, debate and challenges within the SMBC EU Group's various committees;
- **the remuneration structure** and other human resource processes; and
- **the organisational guidelines** through which business activities are defined and conducted.

Risk strategy and appetite framework

The definition of the SMBC EU Group's risk strategy is an integral part of the strategic planning process, which involves the establishment of a multi-year plan based on business development planning, as well as the ICAAP and ILAAP assessments to maintain this plan. The core elements of the risk strategy related to ICAAP and ILAAP for the FY2025/26 were submitted to and approved by the Executive Board and the Supervisory Board in March 2025. The risk strategy was formally submitted to and approved by the Executive Board in May 2025. It is embedded in the SMBC EU Group's business and operations through the risk appetite framework (including all risk metrics), which defines its risk tolerance and thus the associated level of risk that SMBC EU Group is prepared to accept in the pursuit of its strategic objectives for the financial year.

The SMBC EU Group has identified four risk pillars, which are critical areas where the formulation of strategy is most strongly influenced by the consideration of risk. High level strategic objectives are defined in strategic statements for each of the four pillars. These statements are further cascaded and embedded in the risk appetite framework through risk tolerances (quantitative measures to prevent the SMBC EU Group from exceeding the desired level of risk) and control measures and limits (a more granular set of metrics for reporting and controlling risks in accordance with the risk appetite). The overall risk appetite framework is supported by the various underlying risk management policies and procedures at business and individual risk levels.

The SMBC EU Group's risk appetite framework is structured into the following four pillars with the following high level strategic objectives:

1. Business model – Attaining and maintaining long-term sustainable growth.
2. Solvency and liquidity – Compliance with regulatory standards and minimisation of capital and earnings volatility.
3. Operational risk and resilience – Planning for all plausible operational risk scenarios and strict control of outsourced and insourced activities.
4. Business conduct – Putting the company's values, cultural statements and reputation with the wider stakeholder group at the centre of all business behaviours.

Capital and liquidity assessment process

The SMBC EU Group's corporate and risk strategic planning process is performed in alignment and simultaneously with the Bank's capital and liquidity requirements assessment and planning processes. The SMBC EU Group performs an annual ICAAP (see Capital Management section for details) as well as an ILAAP (see Management of Individual Risks section for details). The ongoing adequacy of resources is monitored throughout the financial year.

Core risk management processes comprising the risk management framework

Risk identification and assessment

The risk inventory process is the SMBC EU Group's key process for identifying and assessing the Bank's existing risks and associated controls. It assesses the applicability and criticality of each inherent risk listed in a generic risk library. For each applicable risk, it also assesses the effectiveness of associated controls and results in an evaluation of the severity of all residual risks to which the SMBC EU Group is exposed, and which could negatively impact the achievement of its strategic objectives.

The following risks have been identified as material within the meaning of MaRisk AT 2.2:

- Credit risk – especially credit quality and concentration risk
- Market risk – especially market price risks from underwriting activities
- Liquidity risk – especially solvency risk, funding concentration risk, funding cost risk, Group reliance and intra-day liquidity risk
- Operational risk – especially fraud; employment practices and workplace; clients, products and business practices; business disruption and system failure as well as execution, delivery and process management

– Enterprise risk – especially business risk, governance risk; culture risk; reputational risk and Group risk

Accordingly, the following risks have been identified as non-material: Interest risk rate in the trading and banking book, credit spread risk in the banking book, FX risk and CVA risk.

The above-mentioned significant risks are part of the ICAAP and/or ILAAP, which are performed from a normative and economic perspective. Liquidity risk, except for funding cost risk, as well as enterprise risk are not covered through capital requirements.

ESG-related risks are not considered as a stand-alone risk category. However, ESG-related risks act as drivers of the original risk categories. To assess the extent of the impact of ESG factors on the risk categories, SMBC EU conducted a transmission channel analysis. ESG transmission channels describe the causal relationship of how ESG risk drivers transform ESG factors into potential adverse impacts at the level of the original risk categories. ESG factors assessed as having a material impact on original risk categories are integrated in existing risk framework and processes. As part of the transmission channel analysis, climate-related risk is considered to have a material inherent, long-term impact on credit risk. While the impact of climate risk on credit risk stands out in terms of materiality, a material impact of climate-related risks has also been identified with respect to liquidity (medium- to long-term), operational and enterprise risks (long-term). Social risk drivers particularly include the aspects that are recorded in the bank's risk inventory under the operational risk category "Employment Practices and Workplace Safety" and have been classified as inherently material. In addition, governance-related risk drivers have been assessed as materially impacting operational and enterprise risks.

Risk measurement and quantification

Pillar 1

In accordance with the regulatory capital requirements outlined under Pillar 1 of the Basel III framework, the SMBC EU Group has successfully implemented the updated regulatory standards. The transition to the new Basel III regime has been completed in a timely and effective manner, ensuring full compliance with the enhanced prudential requirements.

To align with the regulatory expectations and internal risk management strategy, the SMBC EU Group has adopted the following standardized approaches for the calculation of minimum capital requirements:

- **Credit Risk:** The SMBC EU Group applies the Standardised Approach for credit risk under Basel III, using external credit ratings to assign risk weights to exposures. The updated framework introduces several refinements to enhance risk sensitivity and regulatory alignment. These include, among others, adjustments to Credit Conversion Factors (CCFs)—for example, reducing the CCF for certain off-balance sheet items from 50% to 40%—as well as the introduction of more granular risk weights. Additionally, enhanced due diligence requirements have been implemented to ensure appropriate capital treatment in cases where external ratings are available.
- **Market Risk:** In line with the regulatory authority's official communication, SMBC calculates the capital requirements under the Fundamental Review of the Trading Book (FRTB) framework starting from fiscal year 2026/27. The framework, formally will be introduced in December 2025, aims to enhance the boundary between trading and banking books, improve risk sensitivity, and ensure more consistent capital requirements across institutions.
- **Operational Risk:** The Group applies the Standardised Measurement Approach (SMA) introduced under Basel III, which calculates capital requirements based on a business indicator and internal loss experience.

Pillar 2 and internal Pillar 2 Requirements

SMBC EU Group employs internal economic models to quantify capital requirements from both an economic and a normative perspective. For the economic view, these models provide a forward-looking assessment of capital adequacy based on the Group's internal risk profile and strategic objectives. In parallel, in the normative approach they are used to determine Internal Pillar 2 Requirements (iP2R), which address material risks not fully captured under Pillar 1.

The iP2R is compared against the supervisory Pillar 2 Requirement (P2R), with the higher of the two applied in calculating the Overall Capital Requirement (OCR). The iP2R also acts as a bridge between the economic and normative perspectives, incorporating economically assessed risks that may not be fully addressed in the normative framework.

The table below compares the methodologies applied under the iP2R framework with those used for the economic perspective across major risk categories.

Risk type	Calculation iP2R under normative approach	Calculation under economic approach
Material Risks		
Credit risk	Expected credit costs	Credit portfolio model (Monte Carlo Simulation 1 year)
Credit concentration risk	Portfolio model-based approach (difference between fully diversified portfolio and actual portfolio (1 year)	Credit portfolio model (Monte Carlo Simulation 1 year)
Loan underwriting risk	Methodology using Duration and historical Spread shifts (1 year)	Methodology using Duration and historical Spread shifts (1 year)
Funding risk	Historical simulation based on deterministic funding gaps and simulated spreads (1 year)	Historical simulation based on deterministic funding gaps and simulated spreads
Operational risk	Scenario-based simulation of the loss distribution (1 year)	Scenario-based simulation of the loss distribution (1 year)
Non-Material Risks		
Interest rate risk in the trading book	Result of change in present value due to interest rate changes. Historical simulation Value-at-Risk (VaR) (recent and stressed period) (5 year recent, 1 year stressed)	Result of change in present value due to interest rate changes. Historical simulation Value-at-Risk (VaR) (recent and stressed period) (5 year recent, 1 year stressed)
Interest rate risk in the banking book	Result of change in present value due to interest rate changes (historical simulation VaR, 5 year recent, 1 year stressed)	Interest rate risk in the banking book
FX risk	Historical simulation VaR (recent and stressed period) (5 year recent, 1 year stressed)	Historical simulation VaR (recent and stressed period) (5 year recent, 1 year stressed)
Credit spread risk in the banking book	Result of change in present value due to credit spread changes. Historical simulation VaR (recent and stressed period) (5 year recent, 1 year stressed)	Result of change in present value due to credit spread changes. Historical simulation VaR (recent and stressed period) (5 year recent, 1 year stressed)
CVA risk	Result of change in CVA due to risk factor changes. Historical simulation VaR (normal and stressed period (5 year recent, 1 year stressed)	Result of change in CVA due to risk factor changes. Historical simulation VaR (normal and stressed period) (5 year recent, 1 year stressed)
Non-quantifiable	5-% Add-on over all quantifiable risks	5-% Add-on over all quantifiable risks

Stress testing framework

The SMBC EU Group uses a range of stress testing methodologies across the various risk categories. The methodologies, assumptions and results are submitted to the Enterprise Risk Management Committee for discussion and review and are ultimately approved by the Executive Board. The Bank's stress testing framework includes: (i) macroeconomic stress scenarios; (ii) operational risk scenario analysis; (iii) reverse stress tests; and (iv) sensitivity analysis. Regarding the macroeconomic stress scenarios, the SMBC EU Group defined three different stress scenarios, a global recession, an EU recession, and a climate changes scenario, which are applied in the ICAAP and ILAAP.

The parameters for the calculation of these macroeconomic scenarios are defined on a yearly basis within the ICAAP to reflect current market conditions and outlook. Each scenario, including a baseline which supports the Multi-Year Plan, is described with a storyline of drivers and benchmarked against regulatory scenarios. As stipulated by MaRisk, at least one scenario is a macroeconomic scenario, with a description of the scenario for the years 1 to 3 in the planning period. These scenario narratives are translated into a set of macroeconomic parameters for calculation of the scenario effects which are achieved by comparison against the impact of the baseline scenario. Although the scenarios are defined annually, they are monitored on a quarterly basis to ensure they remain relevant. If material deviations are observed—based on predefined thresholds, this would trigger a review and potential update of the scenarios to maintain alignment with evolving market conditions.

Stress Testing and Scenario Analysis

The SMBC EU Group employs a comprehensive stress testing framework across key risk categories, including credit, market, liquidity, and operational risks. A variety of quantitative and qualitative stress testing methodologies are used to assess the Group's resilience under adverse conditions. These methodologies are designed to capture both idiosyncratic and systemic risk factors.

The design, assumptions, and outcomes of all stress tests are reviewed by the relevant Risk Committees and are subject to challenge and validation before final approval by the Executive Board. This governance structure ensures that stress testing remains an integral part of the Group's risk management and strategic decision-making processes.

The framework includes the following components:

1. Macroeconomic Stress Scenarios: Two forward-looking scenarios are developed based on severe but plausible macroeconomic shocks (e.g., recession, interest rate spikes, geopolitical tensions). These scenarios assess the impact on capital adequacy, profitability, and liquidity.
2. ESG Scenario Analysis: This scenario evaluates the financial impact of sustainability risks, focusing on an immediate policy response to achieve a net-zero transition. It reflects elevated transition risks, physical risks and is complemented by idiosyncratic risk elements such as operational, reputational and business model risks.
3. Reverse Stress Testing: This method identifies scenarios that could render the Group's business model unviable, helping to uncover hidden vulnerabilities and define risk thresholds.

Together, these stress testing components provide a robust view of the Group's risk profile under extreme but plausible conditions, supporting proactive risk mitigation and capital planning.

Risk reporting

Regular and event-driven ad-hoc reporting on the risk profile of the Bank is submitted to the Risk Committees, the Executive Board and the Supervisory Board according to the terms of reference of each committee/meeting and as required by the economic environment. Limit and Early Warning Indicators are linked to a severity-based documented escalation process.

2. Management of Individual Risks

Credit risk

Credit risk at the level of individual counterparty and loan

As a bank focused on corporate lending, credit risk is the largest risk facing the Bank. In general, the SMBC EU Group assesses and manages the credit risk of individual loans using SMBC Group policies and procedures which have been adapted to local legal and regulatory requirements and specificities. The SMBC EU Group uses the global internal ratings framework from the SMBC Group to derive ratings for the credit risk of credit counterparties. The ongoing performance and validity of these rating models is managed in compliance with the SMBC EU Group's model risk management framework.

At the time of its establishment, the SMBC EU Group implemented a credit approval process that has been progressively enhanced to reflect the Group's growth. Among other improvements, the strengthening of its credit sanctioning capacity, through an expanded senior management team, has contributed to enhancing both the quality and speed of the credit approval process. All credit decisions are taken by the SMBC EU Group's Executive Board or delegated bodies which are stipulated in SMBC Bank EU AG Credit Approval Authority Policy and follow an approval path that ensures the continuous segregation of duties. All credit risk decisions are taken after an initial recommendation by both the local front office and the credit risk analysis department (back office).

The Credit Risk Analysis Department is responsible for credit monitoring and the management of underperforming loans. Risk quantification is carried out through continuous monitoring of the obligor's performance under existing credit facilities, combined with periodic formal reassessments of the obligor's financial condition. This process includes regular reviews and updates of internal credit ratings, which serve as a key input for both economic capital modelling and regulatory capital calculations.

Credit portfolio risk

The quality of the credit portfolio, including concentration risks, is managed through a set of tolerances and limits set on single obligor groups, countries, and economic sectors.

To manage the exposure to a single counterparty within the agreed internal single obligor limit, the SMBC EU Group uses a credit risk transfer mechanism (the risk participation scheme) under which the credit risk of the counterparty is transferred to another SMBC Group entity (generally SMBC Brussels branch). In order to mitigate the exposure to the SMBC Group created by the risk participation, SMBC EU can call collateral (usually provided as cash) from the SMBC Group up to the entire amount of the committed covered exposure.

Quantification of credit risk capital

Credit risk is quantified differently in the normative and the economic perspectives of the risk-bearing capacity.

In the normative perspective, risks that are not sufficiently covered under Pillar 1 are addressed through additional capital requirements under Pillar 2. For credit risk, the SMBC EU Group applies the Standardised Approach under Pillar 1 to calculate regulatory capital requirements.

Under adverse macroeconomic scenarios, additional capital needs are assessed by estimating incremental frontloaded credit costs over the 3-year planning horizon resulting from the deterioration of the credit portfolio. These additional credit costs represent the potential shortfall beyond Pillar 1 coverage and are used to determine the iP2R capital buffer required to maintain resilience under stress conditions.

Concentration risk is calculated as an add-on to the credit risk equal to the difference in capital requirement between a correlated credit risk model and a fully diversified calculation. The concentration risk is mainly driven by the structure of the portfolio and is not significantly influenced by adverse scenarios.

In the economic perspective, the calculation is made using a correlated Value at Risk (VaR) credit risk model, which estimates the loss distribution of the portfolio based on fair value changes due to credit rating migrations. The model also accounts for concentration risk, ensuring that exposure to individual counterparties or sectors are appropriately reflected in the overall risk profile.

The final capital requirements from credit risk as of March 2025 are as follows:

- In the normative perspective (18.0% of RWA): EUR 3,515.2 million (PY: EUR 3,280.2 million)
- In the economic approach (1 year): EUR 687.1 million (PY: EUR 744.4 million)

Structure of the loan portfolio as of 31 March 2025

SMBC EU employs two key approaches to measure credit exposure: gross exposure and net exposure. These approaches provide different perspectives on the Bank's risk profile and are essential for effective credit risk management.

Gross Exposure

Gross exposure represents the total nominal amount of a credit facility before any risk mitigation techniques are applied. It reflects the full size of the Bank's initial commitment and is used to assess the overall scale of credit activity.

Net Exposure
Net exposure, on the other hand, reflects the amount of risk retained on the Bank's books after applying risk participations or other risk transfer mechanisms. This measure provides a more accurate view of the Bank's actual credit risk, taking into account the effects of risk mitigation.

A key factor in the difference between gross and net exposure is the use of risk participation. This is a risk management tool that allows the Bank to transfer portions of its exposure to other financial institutions within the wider SMBC Group, thereby helping to manage internal limits, concentration risk, and overall credit risk more effectively.

Total credit exposure
When reconciling the total committed loan exposure with the balance sheet, it is important to note that the Nostro account balances—EUR 6.1 billion with the Deutsche Bundesbank (prior year: EUR 8.4 billion) and EUR 0.1 billion with SMBC entities—are excluded from the total exposure amount.

Total committed credit exposure as of the end of March 2025 on a gross and net basis:

	Risk Exposure amount as of 31.03.2025 (in million EUR)	Receivable amount as of 31.03.2024 (in million EUR)
Total gross exposure(1)	**30,405**	27,351
Total net exposure(2)	**29,219**	25,876
Net take %	**96.10%**	94.61%
Risk participation engagement	**1,186**	1,476
Risk participated exposure %	**3.90%**	5.39%

(1) Before risk participation.
(2) After risk participation.

Credit quality
For the purposes of credit risk management and credit risk capital assessment, the SMBC EU Group uses SMBC global internal ratings. Each internal rating reflects a probability of default (PD). For corporate customers, these internal ratings are assigned based on a quantitative and qualitative assessment of the borrower's financial standing and economic and business position.

[6] The NPL ratio follows the EBA definition AQT 3.2. "Level of non-performing loans and advances". Receivables to central banks daily due and off-balance exposures are not considered.

Based on the Bank's internal rating model, the quality of the portfolio, under consideration of guarantees received, as of 31 March 2025, was distributed as follows:

Internal rating linked to annual PD	**Net exposure as of 31.03.2025 (in million EUR)**	Net exposure as of 31.03.2024 (in million EUR)
PD < 0.2%	**20,412.41**	18,522.22
0.2% <= PD < 2.0%	**7,260.92**	6,114.16
PD => 2.0%	**1,545.42**	1,239.18

The largest portion of the portfolio, EUR 12.81 billion, is concentrated in loans with a very low probability of default (PD) between 0.14% and 0.17%, reflecting strong credit quality. In contrast, loans with a PD of 0.71% or higher represent only a very small share of the total portfolio, amounting to just €4 million in net exposure. This distribution highlights the overall high credit quality of the SMBC EU Group's lending portfolio as of 31 March 2025. As of the end of March 2025, there were five customers with an impaired credit facility. In comparison with the previous reporting period, the average portfolio PD of the Bank has slightly deteriorated to 0.68% (PY: 0.60%). This marginal increase remains well within the Bank's defined risk strategy and does not indicate a material shift in credit quality. Nonetheless, the development is subject to continued close monitoring to ensure early identification of any emerging trends or potential risk concentrations.

Total exposure to non-performing loans was EUR 63.39 million as of the end of March 2025 (PY: EUR 102.10 million). The NPL ratio (Non-Performing-Loan-Ratio)[6] as of 31 March 2025 stood at 0.44% (PY: 0.82%). This decrease is primarily attributed to the successful sale of a non-performing exposure and the credit quality improvement of another obligor, which led to its reclassification out of non-performing status. These developments reflect ongoing efforts in active credit portfolio management and are consistent with the Bank's risk strategy.

Single counterparty exposure

The internal limit is dependent on the customer's internal credit grading. For example, the EUR 1.1 billion limit applies specifically to customers with the highest internal rating (G1). This limit is set below regulatory thresholds, providing a management buffer and ensuring a more conservative risk posture.

By aligning internal limits with credit quality, the Bank ensures that exposure levels are appropriately calibrated to the risk profile of each counterparty. The net committed exposure to the top 10 counterparties accounted for 17.94% (PY: 26.10%) of the total portfolio net committed exposure.

Country concentration

The country concentration as of 31 March 2025 is shown in the table below:

	Net exposure		Gross exposure	
Country	**as of 31.03.2025 (in million EUR)**	as of 31.03.2024 (in million EUR)	**as of 31.03.2025 (in million EUR)**	as of 31.03.2024 (in million EUR)
IT	**4,253.2**	4,807.2	**5,247.0**	5,390.1
NL	**3,800.9**	3,425.0	**3,800.9**	3,425.0
ES	**3,224.1**	3,015.6	**3,224.1**	3,015.6
FR	**2,501.7**	1,399.0	**2,501.7**	1,399.0
DE	**2,375.5**	2,546.7	**2,.375.5**	2,549.0
JP	**2,384.3**	1,628.6	**2,576.6**	2,518.9
CZ	**1,554.9**	1,102.0	**1,554.9**	1,102.0
Other	**9,124.2**	7,951.5	**9,124.2**	7,951.5

The country is defined as the risk country of the counterparty (i.e. the country where most of the revenues are generated) and is subject to an exposure limit of EUR 5,367 million, except for the following countries which are subject to different limits:

- Japan EUR 10,735 million
- Eastern European countries with increased risk due to the Russia-Ukraine conflict, which have a limit of EUR 2,684 million.

Sector concentration

The sector concentration is shown in the following table. The sector exposure of the Bank is well diversified and is subject to a limit of EUR 5,367 million with respect to each sector.

	Net exposure		Gross exposure	
Economic sector	**as of 31.03.2025 (in million EUR)**	as of 31.03.2024 (in million EUR)	**as of 31.03.2025 (in million EUR)**	as of 31.03.2024 (in million EUR)
Electric Utilities	**3,143.9**	3,450.2	**3,143.9**	3,450.2
Real Estate Operating Companies	**2,129.6**	1,059.4	**2,129.6**	1,059.4
Diversified Banks	**1,430.8**	984.6	**1,430.8**	984.6
Alternative Carriers	**1,229.5**	1,122.4	**1,229.5**	1,122.4
Internet Services & Infrastructure	**1,160.7**	1,553.9	**1,160.7**	1,553.9
Integrated Oil & Gas	**1,096.1**	1,177.1	**1,530.1**	1,177.1
Renewable Electricity	**991.6**	443.3	**991.6**	443.3
Integrated Telecommunication Services	**936.4**	988.1	**936.4**	988.1
Industrial Conglomerates	**902.1**	513.8	**1,654.2**	631.68
Oil & Gas Storage & Transportation	**818.5**	656.5	**818.5**	656.5
Auto Parts & Equipment	**725.7**	620.8	**725.7**	620.8
Wireless Telecommunication Services	**649.3**	683.7	**649.3**	683.7
Others	**14,004.4**	12,621.2	**14,004.4**	13,979.4

Compared to the previous year, the sector concentration of the portfolio has shifted based on net exposure. Notably, exposures to both Renewable Electricity and Real Estate sectors have doubled, reflecting a significant increase in lending activity within these key economic areas.

Market risk

The SMBC EU Group's risk appetite is low, as the risk strategy for the banking book and trading book business consists of largely hedging the market price risk through back-to-back hedging transactions with Group companies with congruent maturities and amounts. Risks to a minor extent remain in relation to interest rate risk in the banking book, credit spread risk, foreign currency risk (FX risk), CVA risk and the basis risk from derivative transactions.

Foreign currency risk (FX risk)

Foreign currency risk (FX risk) refers to the potential financial loss that can arise from fluctuations in the currency exchange rates. The FX risk of the SMBC EU Group comprises FX risk in the banking book resulting from currency mismatch between asset and liability and in the trading book resulting from trading activities.

From a normative perspective, the foreign currency risk is calculated using a historical simulation Value-at-Risk model at a 99% confidence level and from next year in accordance with the FRTB. From an economic perspective, the foreign currency risk is determined by net cash flows in non-euro currencies, which are mainly driven by currency mismatches in assets and liabilities. FX risk in the trading book is minimal due to the back-to-back nature of the trades and is mainly driven by margin on client-side in non-EUR currencies. Economic capital quantification of FX risk is done using a historical simulation Value-at-Risk approach at 99.9% confidence level.

In the normative perspective, the capital requirement is EUR 17.8 million. In the economic perspective, a value at risk of 99.9% is calculated using a historical simulation. The foreign currency risk as at the end of March 2025 is EUR 18.5 million.

Interest rate risk in the trading book

The Interest rate risk in the trading book arises from the derivatives business with customers. In accordance with the trading strategy, all positions are closed out by means of corresponding mirror transactions on a back-to-back basis. A residual interest rate basis risk arises from asymmetrical CSA agreements between customers and group companies. This risk is measured and monitored using limits on basis point value (BPV), VaR and stop-loss limits.

In the normative perspective, a risk amount is calculated using a historical simulation Value-at-Risk model at a 99% confidence level. The capital requirement is EUR 3.9 million.

In the economic perspective, a VaR at 99.9% confidence level is calculated using a historical simulation. The risk position as of March 2025 is EUR 5.4 million.

The market price risk from other capital market activities, such as trading in fixed-interest securities or issuing securities, is zero, as the hedging with SMBC CM Ltd. London is carried out completely and without risk.

Interest rate risk in the banking book

The SMBC EU Group's main exposure to interest rate fluctuations is on the banking book positions (IRRBB). IRRBB is actively managed using interest rate derivatives. All interest-bearing positions with a fixed interest rate of more than one year are closed out with an offsetting transaction with matching maturities and amounts. As part of the risk-bearing capacity calculation, this risk is quantified using a risk value from a sensitivity-based historical simulation Value-at-Risk applying a 99% confidence interval for the normative perspective.

For the economic perspective a confidence interval of 99.9% is used.

In the normative approach a risk addon based on the above-described methodology is EUR 57.4 million. In the economic perspective the risk position as of end of March 2025 is EUR 58.1 million.

Credit spread risk in the banking book

Credit spread risk in the banking book (CSRBB) is driven by changes of the market price for credit risk, for liquidity and for potentially other characteristics of credit-risky instruments, which is not captured by another existing prudential framework such as IRRBB or by expected credit/(jump-to-) default risk. CSRBB captures the risk of an instrument's changing credit spread while assuming the same level of creditworthiness.

The range of products that are sensitive to credit spread change are loans held for sale including committed lines (underwriting business) and bonds available for sale (incl. HQLA). The modelling approaches differ depending on the products evaluated. For liquid bonds, the model incorporates the liquidity risk (risk associated with cost of liquidating the bond) within the historical simulation.

As part of the risk-bearing capacity calculation, this risk is quantified using a risk value from a sensitivity-based historical simulation Value-at-Risk applying a 99% confidence interval for the normative perspective. For the economic perspective a confidence interval of 99.9% is used.

In the normative approach a risk addon based on the above-described methodology is EUR 3.2 million. In the economic perspective the risk position as of end of March 2025 is EUR 3.4 million.

Credit Valuation Adjustment (CVA) risk

The CVA risk in SMBC EU arises primarily from the derivatives business with customers not covered under the SMBC Tokyo Guarantee. This risk is measured by calculating the impact on CVA from a change in the credit default swap (CDS), interest rates and FX risk factors.

In the normative approach, the potential loss estimation is based on the changes in rates and market prices that affect the CVA value of a portfolio. These changes in market prices are driven by underlying movement in the Interest Rates, FX and CDS risk factors. The portfolio CVA Value-at-Risk (VaR) is estimated by simulating the historical movements of these risk factors over a 5Y recent history and 1Y stressed period to calculate a sensitivity-based portfolio Profit and Loss (PnL) at 99% confidence level. The holding period is 250 days. For the economic perspective a confidence interval of 99.9% is used.

In the normative approach a risk addon based on the above-described methodology is EUR 2.6 million. In the economic perspective the risk position as of end of March 2025 is EUR 6.1 million.

Loan underwriting risk

SMBC EU Group engages in syndication in the form of loans, facilities, and guarantees. The underwriting business was established with the explicit objective of distributing loans in the secondary market, except for the portion retained by the SMBC EU Group itself. These retained positions are fully covered through the Group's credit risk calculation to ensure appropriate risk assessment and capital adequacy.

This objective of placing and selling positions on the market also generates a market risk component—namely, the risk that the value of the loan may decline—which is actively monitored and limited. The limit structure includes controls for total unsold risk exposure, both at the product level and in aggregate.

A stress loss is computed monthly based on the unsold exposure for that month. Shock factors in credit spreads are computed over a 12-month period. The stress loss is quantified as the product of the unsold exposure, validated standard duration factors and the shock factors.

The underwriting risk stress loss, calculated based on the unsold underwriting position as of the end of March 2025, was:

- Normative iP2R = EUR 5.3 million (PY: EUR 114.5 million)
- Economic Approach = EUR 6 million (PY: EUR 121.1 million)

Due to the volatile nature of the business, underwriting risk fluctuates significantly. As underwriting risk is calculated based on unsold positions, the very low volume of such positions as of March 31, 2025, resulted in very low underwriting risk at that reporting date.

Liquidity risk

Background and risk strategy

The liquidity risk management framework ensures that the SMBC EU Group maintains an adequate level of liquidity in all plausible scenarios and appropriately plans future funding and liquidity requirements. The SMBC EU Group has also implemented a Liquidity contingency plan to define measures and steps to be taken in case of a deterioration of the liquidity and funding position of the Bank. In accordance with the Risk Appetite Framework, the SMBC EU Group aims to achieve solid liquidity management and a well-diversified financing structure.

Liquidity risk is controlled within the three Lines of Defence (LOD) model. As the 1st Line of Defence, the treasury department manages the liquidity risk. The risk management department represents the 2nd Line of Defence and is responsible for establishing the liquidity risk management framework and the exercise of oversight. Internal Audit, as 3rd Line of Defence, audits the adequacy of the internal control systems and if an effective internal control environment has been established.

The assessment of liquidity needs is fully integrated into the annual strategic planning process through the independent ILAAP. The ILAAP is aligned with the corporate strategy and with the capital assessment process (ICAAP) and considers the funding requirements required to support the corporate strategy. Through the risk identification and assessment processes, the ILAAP identifies the scenarios and risks that are relevant for the SMBC EU Group and measures those risks in relation to short-term and longer-term base and stressed environments. The ILAAP is assessed, documented and reviewed at least annually and approved by the Executive and Supervisory Boards. For the FY2024/25, it was approved by the Executive Board and the Supervisory Board in March 2024 and is the basis for the management of liquidity in FY2024/25.

The ILAAP reviews all elements of the liquidity risk framework, including the liquidity risk appetite (including all associated risk metrics), the stress testing framework and the contingency plan.

Liquidity risk monitoring and key performance indicators

In accordance with the Bank's risk profile and ILAAP requirements, the Net Stable Funding Ratio (NSFR) and Liquidity Coverage Ratio (LCR) have been monitored daily. The NSFR is a minimum standard for reducing refinancing risk over a longer time horizon. The required stable funding has always been met in accordance with the NSFR requirements.

The LCR is another regulatory requirement under Basel III that ensures banks hold enough High-Quality Liquid Assets (HQLA) to cover their total net cash outflows over 30 days during a period of intense financial stress. The aim is to promote short-term resilience of banks to potential liquidity disruptions by ensuring they can meet their immediate obligations without being forced to sell assets at a loss. The SMBC EU Group maintained a HQLA buffer, held in cash at Deutsche Bundesbank.

For the management of the liquidity position in the day-to-day business, the SMBC EU Group has implemented three main measurements: (i) LCR; (ii) NSFR; and (iii) Money Gap. The SMBC EU Group aims to maintain LCR levels in excess of 120% warning and 110% limit, and NSFR levels in excess of 115% warning and 105% limit, respectively. Money Gap is the Bank's primary method for monitoring and managing its business-as-usual dispositive liquidity requirements. The purpose of the Money Gap is to limit the SMBC EU Group's reliance on short-term funding (its scope includes assets and liabilities with tenors between overnight and one month) as well as to ensure a sufficient level of day-to-day liquidity. The limits and framework are reviewed on an annual basis and approved by the Executive Board.

Other risk measurement and controlling measures include stress testing framework and Early Warning Indicator (EWI) framework focusing on market indices and benchmarks and key idiosyncratic liquidity metrics. The survival period, EWIs, as well as other limits and tolerances are linked to the Bank's liquidity contingency plan.

Risk factors

An increase in liquidity risk may arise through the following risk factors, either alone or in combination:

- Funding risk
- Drawdown risk
- Funding concentration risk
- Intragroup reliance Risk

Liquidity stress tests

As part of the ILAAP process, the SMBC EU Group assesses its key liquidity risk drivers. Liquidity stress tests are used to test the vulnerability to liquidity outflows and the adequacy of its liquidity buffer in market, idiosyncratic and combined scenarios.

Liquidity stress test framework

The liquidity stress testing framework is designed to assess the adequacy of the bank's liquidity buffer under certain liquidity stress testing scenarios at a given point in time and incorporates several elements based on the risk assessment to determine an appropriate level of risk appetite. The following stress tests are incorporated into the liquidity stress testing framework:

1. Stress test to determine the survival horizon: Liquidity stress test that is calculated as part of the SMBC EU Group's survival horizon tolerance at a specific point in time on the basis of stressed outflow and inflow rates according to specific scenarios.
2. Reverse Stress Test: Monthly stress test used to ascertain the circumstances under which the SMBC EU Group could not survive for a minimum 30 days with additional deposit outflow and committed facilities drawdowns.
3. FX Stress Test: Monthly stress test of non-EUR major currencies to understand the liquidity impact of foreign currency positions.
4. Intraday Liquidity Stress Test: Monthly stress test to better understand the intraday condition and to allow further evaluation of potential stress situations and determine early response actions.
5. Ad-Hoc: Additional balance sheet specific liquidity stress test scenarios might be used according to the needs.

The main risks are used as an anchor point when creating the narratives of the scenarios to address the assessed weaknesses of SMBC EU Group.

The scenarios were then selected and created through an identification and assessment process. Regarding the survival stress test the SMBC EU Group has defined three stress scenarios:

1. Global market recession
2. SMBC idiosyncratic liquidity stress test
3. Combined liquidity stress test (combination of market and idiosyncratic)

As of end of March 2025 the survival period on the combined liquidity stress scenario (most severe scenario) was 64 days and thus above the Bank's target of 30 days. In the reverse stress test, the survival period amounted to 29 days identifying the critical point between reverse and regular stress test with regard to deposits outflow and drawdowns under committed lines.

In addition to these liquidity risk-specific stress tests, the SMBC EU Group uses the adverse scenarios as per ICAAP to estimate the impact on its liquidity position, specifically the impact on NSFR and LCR ratios. For end of March 2026, the NSFR reduces to 105%, while the LCR reduces to 110% in the global recession scenario, which is the most severe scenario for both the NSFR and the LCR.

Liquidity risk position as of 31 March 2025

The SMBC EU Group's main liquidity and funding source is its parent. As of 31 March 2025, all liquidity limits and ratios were fulfilled, and no limit breach was observed during the last financial year.

As of 31 March 2025, the Bank's HQLA stood at EUR 5,983 million (PY: EUR 8,545 million), all held as central bank reserves at the Bundesbank. LCR stood at 145% (PY: 129%) and NSFR at 130% (PY: 131%).

Funding risk

Funding risk is a risk arising from higher funding costs due to a shift in funding spreads which are determined as a delta between the market yield curve and the funding curve of the institution. Funding risk results primarily from the maturity transformation and the maturity ladder as well as the simulation of funding spreads over market yield.

Economic capital is calculated by measuring the hypothetical additional cost for closure of all open liquidity gaps within the upcoming 12 months at a confidence level of 99% (normative approach) and 99.9% (economic approach) applied on simulated funding spreads. Deterministic cash flows including amortisations are used as basis for the calculation. For the determination of the funding spreads, a historical simulation is used.

The expected financing costs under normative perspective amount to EUR 38.2 million (99% confidence level, holding period of 250 days).

The expected financing costs under the economic perspective from March 2025 amount to EUR 66.0 million (99.9% confidence level, holding period of 250 days).

Operational risk

The SMBC EU Group defines operational risk as the risk of losses resulting from inadequate or failed internal processes, people and systems, or from external events. This includes legal risks but excludes reputational. Operational risks have very heterogenous causes and propagation mechanisms. The diversity of potential operational losses is covered by diverse operational risk scenarios that are identified by process-, governance-, and system-owners as well as HR. Significant drivers of operational risk are complexity, weak controls, and missing corporate values.

The operational risk taxonomy of the SMBC EU Group is based on industry standards as projected by the Basel Committee on Banking Supervision in the document International Convergence of Capital Measurement and Capital Standards. The primary objective of the Bank's operational risk management framework (ORMF) is to identify, measure, monitor, mitigate, report and escalate operational risks matters.

Key elements of the Bank's operational risk management framework include:

- Tolerances related to Operational Risk;
- Operational Risk Event Reporting;
- Issue Management;
- Risk and Control Self-Assessment;
- New Product and Services Process;
- Governance Framework for the Key Risk Indicator (KRI);
- Operational Risk Scenario Analysis;
- Third Party Risk Management;
- Project Impact Risk Assessment (PIRA); and
- Training on Operational Risk.

Operational risk capital assessment

The SMBC EU Group uses the standardised approach (TSA) for the calculation of its regulatory capital requirement for operational risk under Pillar 1.

The SMBC EU Group assesses all additional capital requirements for operational risk using a loss distribution approach (LDA) based on historical loss data and additional loss scenarios. The LDA uses a frequency and a severity distribution to calculate operational risk exposure that must be covered with capital. The frequency distribution is based on the historical loss events of the SMBC EU Group and SMBC Group, which are recorded in the loss event database as well as external loss data. The severity distribution is based on the results of internal scenario analysis covering potential damages for each operational risk category. In the adverse scenarios operational risks are stressed by increasing the likelihood of particular events (frequency) of events, that have been considered as affected in the scenario.

The operational risk in the risk-bearing capacity is performed quarterly and can be subdivided into three major steps. Starting with the provision of scenarios, the SMBC EU Group provides quarterly data for the operational risk scenarios and different scenario sets for the base and the adverse case. Based on the scenarios, the calculation of the operational risk scenario is done in SMBC BI modelling, the Operational Risk Management Group (ORMG) in SMBC BI provides an update on the loss data used for the calibration of the frequency distribution (SMBC BI and SMBC EU loss data). The data for the calibration of the severity distribution is refreshed annually and not updated during the year. The results obtained from the calculation are used for the risk-bearing capacity whereby a 99% confidence level is used in the normative approach, and a 99.9% confidence level is used in the economic approach.

As of 31 March 2025, the SMBC EU Group calculates Pillar 1 capital requirement for operational risk in its risk-bearing capacity calculation of EUR 47.5 million (PY: EUR 28.1 million). Changes are mainly due to increased operational income. In addition, in the normative approach the SMBC EU Group calculates additional risk capital requirement for operational risk of EUR 58.1 million (PY: EUR 50.6 million). In the economic approach the risk capital required for operational risk amounts to EUR 266 million (PY: EUR 160.5 million) mainly driven by the assessed increase of operational risk due to Group operations, accompanied by increased process-related requirements and operational tasks.

The central collection of loss data enables the SMBC EU Group to detect specific patterns, concentrations and trends of operational risks. Therefore, in addition to direct losses (for which no materiality threshold is defined), the SMBC EU Group records indirect losses, near misses, opportunity costs and real concerns, as well as implemented measures. A report of the loss data is provided to the Executive Board on a regular basis. The Board can take additional measures to control risk on this basis.

As of 31 March 2025, the SMBC EU Group had experienced KEUR 38.2 of operational losses over the last financial year (PY: KEUR 292.2). In total, 12 operational risk loss events impacting SMBC EU Group were reported.

In terms of the development of the individual risk categories that determine the overall internal risk indicator for operational risks, deteriorations were observed in relation to Data Confidentiality Risk, Payments and Settlement Risk, Product Design, Intra-Group Outsourcing Risk, Regulatory Breaches – Financial Crime, Regulatory Adherence/Changes, Business Disruption Due to Unavailability of ICT Solutions. Improvements were recognised in the areas of People Risk, Cyber Security, Inappropriate Change/Project Management, Fraud and Theft, Processing Errors.

Risk Level	Category	Target/Threshold	Actual as of 31 March 2025
High	Fraud and Theft	>=33/66	0
High	Cyber Security	>=33/66	6.25
High	People Risk	>=33/66	11.54
Medium	Risk Related to Tax Matter	>=33/66	0
Very high	Inappropriate Change/Project Management	>=33/66	7.14
Low	External Vendor and Supplier Risk	>=33/66	20
Very high	Business Disruption Due to Unavailability of ICT Solutions	>=33/66	27.78
Low	Damage to Physical Assets	>=33/66	0
Medium	Processing Errors	>=33/66	0
High	EUC Risk	>=33/66	0
Very high	Regulatory Adherence/Changes	>=33/66	26.47
Medium	Product Design	>=33/66	10
Medium	Sales Process	>=33/66	28.57
Medium	Data Confidentiality Risk	>=33/66	33.33
Very high	Market Conduct	>=33/66	0
Very high	Conflicts of Interest	>=33/66	0
Very high	Regulatory Breaches – Financial Crime	>=33/66	12.5
High	Regulatory Reporting Failure	>=33/66	0
Medium	Payments and Settlement Risk	>=33/66	16.67
Very high	Group Outsourcing Risk	>=33/66	35.71

The values here are defined as the average status of the indicators. [all red = 100, all yellow = 50, all green = 0]

SMBC EU Group's business model relies extensively on intra-group outsourced operations and control of this is a key element of the operational risk strategy and risk management framework. Outsourcing risk management is an element of operational risk. It is integrated into the operational risk management framework but documented separately and controlled through specific metrics. The overall metric for outsourcing risk deteriorated and was flagged amber as of end of March 2025.

Enterprise risk

Enterprise risk combines risks that materialise through other risks and are thus measured through these respective models. It covers reputational risk, business risk, governance risk, culture risk, and group risk.

Reputational risks may arise from loss of confidence through SMBC EU Group's actions, peers' actions or unsubstantiated rumours and mainly materialises through business risk and liquidity risks. Business risks encompass a flawed strategy and/or execution, an unfavourable business or competitive environment and mainly materialises through exposure volume & pricing risk. Governance and culture risk are closely connected risk types and primarily materialise through other risks, in particular operational risks (like Internal Fraud, Clients, Products and Business Practices risk, Legal Risk etc.) and can accordingly be modelled via operational risk scenarios. Group risk is closely connected to liquidity risk, especially funding cost risk. Group risk may in turn also increase business risk or lead to operational risks due to the interconnectivity of the Bank with its parent or other Group entities.

Enterprise risks either materialise through other risk types, and thus are indirectly covered in the capital requirements of these risks, or they are assessed through scenario analysis with impact on PnL and capital. Consequently, no additional capital requirements are calculated for enterprise risk. Enterprise risk is fully covered in the elements of the risk management framework.

ESG-related risks

In the past year, SMBC EU Group made further progress in embedding ESG risks into its risk management framework. Building on a newly developed Climate Risk Model, SMBC EU Group applied a climate overlay to credit cost projections in the ICAAP base case. The existing Net Zero transition scenario was further developed into an adverse scenario with enhanced granularity and the inclusion of idiosyncratic elements, such as an operational risk component related to greenwashing. A dedicated ILAAP scenario is aligned with the assumptions of the corresponding ICAAP scenario, ensuring consistency in ESG risk assessment across capital and liquidity planning. A supplementing long-term scenario analysis covering a 30-year horizon was implemented, enabling a more forward-looking assessment of climate-related risks. ESG risk appetite metrics were formally introduced to support ongoing monitoring and management of ESG risks. At the obligor level, the Climate Change Rating Assessment (CCRA) model has been further enhanced; and a ES Due Diligence (ES DD) tool for in-depth E and S-risk assessment introduced to achieve systematic ESG analysis in the credit lifecycle. The transmission channel analysis was also refined through a more granular mapping of ESG factors and an improved sector-specific view on credit risk-related impacts. In addition, the Sustainability Risk Framework was enhanced to further improve risk governance and control processes with evolving regulatory and stakeholder expectations. Further sustainability strategy related management are detailed in a separate section.

3. Capital Management

The SMBC EU Group's capital management relies on the continuous monitoring and assessment of the Bank's risk-bearing capacity. The risk-bearing capacity of the SMBC EU Group is assessed by calculating the internal capital required to cover not only all material risks identified through the risk register process, where capital is considered an appropriate mitigant, but also relevant non-material risks, ensuring a comprehensive and prudent approach to risk management. The SMBC EU Group assesses its risk-bearing capacity under two approaches: (i) a normative; and (ii) an economic perspective.

Within the normative approach, the SMBC EU Group analyses its ability to fulfil its regulatory requirements over a three-year planning horizon under a base and several adverse scenarios. Under the economic approach, the SMBC EU Group analyses its ability to cover all its economic risks at a point in time for base and adverse scenarios. For Pillar 1, risks are calculated based on the Standardised Approach (SA). For benchmarking purposes, iP2R involves the use of internal quantification methodologies to assess risks that are either not covered or not sufficiently covered under Pillar 1. If deemed not covered adequately under Pillar 1, or if not covered at all under pillar 1, an additional internal quantification of the risk is determined and compared to the regulatory requirement for P2R. In the economic approach, all risks are quantified based on present value methods (an overview of the methodologies can be found in the section Risk Identification and Assessment).

Under both approaches, all material and also relevant non-material risks are quantified and aggregated to determine the required amount of capital. In general, material risks identified through the risk register process are mitigated by holding capital resources and quantified as part of the Bank's initial capital assessment and ongoing risk-bearing capacity analysis. Liquidity risk, except for funding risk, is not covered by capital resources, but by liquidity reserves, as the primary aim is to ensure sufficient liquidity at all times. Enterprise risk is also not directly covered by capital resources. Due to its cross-risk nature of enterprise risk types, Enterprise risks either materialise through other risk types, and thus are indirectly covered in the capital requirements of these risks, or they are assessed through scenario analysis with impact on profit and losses and capital.

The aggregated amount of required capital is in turn compared with the available amount of capital (i.e., risk coverage potential). In the FY2024/25 capital planning assessment, for both the normative and economic perspectives, the SMBC EU Group's available capital used to determine its risk coverage potential is derived from the regulatory capital amount, with specific adjustments made under the economic perspective to obtain the economic capital as defined by regulatory requirements. As of the end of March 2025, the risk coverage potential after all adjustments was calculated as EUR 5,642.1 million in the normative approach (PY: EUR 5,163.7 million) and EUR 5,344 million in the economic approach (PY: EUR 5,079.0 million).

Results of the normative approach as of 31 March 2025

As part of the ICAAP for the FY2024/25, the SMBC EU Group has set an internal target (risk appetite) to maintain a Total Capital Ratio of 18.0% at all times. This target includes a 3.0 percentage points management buffer above the Overall Capital Requirements (OCR), ensuring a prudent capital position that supports the Group's risk-bearing capacity and strategic objectives. As of the end of March 2025, the risk-bearing capacity assessment and the contribution of material risks were as follows:

		Current year Amount (in million EUR)	Previous year Amount (in million EUR)
Total risk weighted assets (RWA)		20,746.9	19,301.9
Pillar 1 regulatory capital requirement	Credit risk	1,562.3	1,457.8
	CCR (SA)	49	51.4
	Market risk	0.2	0.0
	Operational risk	47.5	28.1
	CVA	1.0	–
	FX	0.0	–
	Settlement	0.0	–
Total Pillar 1 capital requirement (based on 8% of RWA)		1611.2	1,544.1
iP2R capital requirement	**Material Risk**	**–**	–
	Credit risk		
	Concentration risk	49.6	37.5
	Underwriting Risk	5.3	114.5
	Operational Risk	58.1	50.6
	Funding Risk	38.2	58.0
	Non-Material, Quantifiable Risk		
	IRRBB	57.4	76.8
	FX Risk	17.8	0.1
	CSRBB	3.2	–
	Interest Rate Risk in the Trading Book	3.9	5.0
	CVA Risk	2.6	–
	Non-Material and Non-Quantifiable Risk Buffer (5%)	11.8	–
Total iP2R capital requirement (based on 8% capital ratio)		247.9	342.5
Total capital requirement (TSCR)		1,859.1	1,886.6
Total capital requirement for Total Capital target ratio of 18.0% (Pillar 1 RWAs only)		3,734.4	3,473.3
Available Total Capital		5,642.11	5,163.7
Total Capital Ratio		27.20%	26.75.%

The table above presents the regulatory capital requirements under Pillar 1, calculated as 8% of the total Risk-Weighted Assets (RWA).

In addition to Pillar 1 requirements, the SMBC EU Group applies the normative approach to determine internal capital needs under iP2R. This approach captures risks not fully captured by Pillar 1 methodologies. The internally calculated iP2R is benchmarked against the supervisory P2R set by the competent authority. Where the internal P2R exceeds the regulatory benchmark, the higher internal value is applied in determining the Overall Capital Requirement (OCR), which also includes the relevant CRD IV combined capital buffers above Pillar 1 and P2R.

Subsequently, the SMBC EU Group assesses compliance with the total capital requirement defined in the Risk Appetite Framework (RAF), currently set at 18%. The RAF also incorporates a management buffer above the OCR established by the competent authority, ensuring a conservative and resilient capital position is maintained.

The presentation of values is limited exclusively to the consolidated group figures. A separate disclosure of the standalone (solo) values has been omitted due to the immaterial nature of the deviations between the group and standalone values, as well as the absence of any structural differences.

Capital planning for financial year 2025/26 and beyond

The Bank adopts a forward-looking normative perspective in the capital planning process, assessing expected capital requirements over a three-year horizon under both baseline and adverse scenarios. The baseline scenario and adverse scenarios are aligned with the Bank's multi-year planning framework, which supports the broader corporate strategy.

To assess resilience under stress, the SMBC EU Group developed three adverse scenarios: two macroeconomic stress scenarios and one climate change scenario. The most severe scenario was a global recession, primarily driven by escalating global trade tensions resulting from tariffs, the ongoing Russia-Ukraine conflict, and heightened geopolitical instability in the Middle East.

As part of its capital planning process, the Bank projects that its Total Capital Ratio will consistently remain above the revised risk appetite threshold of 17%, which was formally approved by the Executive Board and Supervisory Board in March 2025 for the three-year planning horizon. The anticipated integration of the Paris branch is expected to enhance portfolio diversification and result in a lower overall risk profile, which allows for the reduction from 18% to 17%. This ratio is expected to be maintained through to March 2028, despite a slight decline anticipated at that time due to continued growth in the existing portfolio and asset expansion following the Paris branch transfer. However, with the implementation of planned risk participation measures, the Total Capital Ratio is expected to remain above the approved 17% threshold throughout the entire forecast horizon. In line with the capital planning assumptions and the underlying risk quantification methodologies, the projected Risk-Weighted Assets (RWA) and the associated capital required to cover these risks are presented below for the upcoming three-year period:

- 31 March 2026: RWA: EUR 31,850 million and Total Capital: EUR 5,681 million
- 31 March 2027: RWA: EUR 33,914 million and Total Capital: EUR 5,803 million
- 31 March 2028: RWA: EUR 35,983 million and Total Capital: EUR 5,935 million

The SMBC EU Group adopts a proactive approach to capital utilisation, ensuring robust oversight and effective management of exposures. Gross exposures are actively managed through hedging strategies supported by the wider SMBC Group, aligning with the Group's capital planning objectives. Throughout the financial planning period, the Group expects to remain fully compliant with the capital risk appetite threshold.

Results of the economic perspective as of 31 March 2025

As of the end of March 2025, the quantification and distribution of risks under the economic approach were as follows:

Risk Type	Current year Amount (in million EUR)	Previous year Amount (in million EUR)	Limit (in million EUR)	Utilisation
Material Risks				
Credit Risk and Concentration Risk	687	744	1,440	47.7%
Funding Risk	66	97	135	48.9%
Market Risk from Loan Underwriting	6	121	170	3.5%
Operational risk	235	161	300	78.5%
Non-material, Quantifiable Risks				
CCR (Derivatives)	0	0	13	1.1%
CVA (Derivatives)	6	0	26	23.8%
Interest Rate Risk in the Trading Book	5	8	40	13.6%
FX Risk (Banking and Trading)	18	0	65	28.4%
CSRBB	3	N/A	6	57.0%
IRRBB	58	59	150	38.7%
Non-Material and Non-Quantifiable Risk Buffer (5%)	54	N/A	N/A	N/A
Total Capital Requirements	1,140	1,190	5,344	21.3%

All limits under the economic perspective were complied with in the financial year; the risk-bearing capacity under the economic perspective was maintained at all times.

ICAAP

The annual Internal Capital Adequacy Assessment Process and the ongoing assessment and monitoring of risk-bearing capacity are overseen by the appropriate governing bodies within the SMBC EU Group. The newly established Enterprise Risk Management Committee (ERMC) has been designated as the principal forum for steering ICAAP-related activities, including progress tracking, results review, and the validation of underlying models and assumptions. The Executive Board remains ultimately accountable for the oversight of the institution's risk-bearing capacity assessment. During the annual capital assessment exercise and review process, monthly updates are made to the Executive Board on the progress of the analysis and all supporting components, having first been discussed, reviewed and challenged in the ERMC. The continuous monitoring of the SMBC EU Group's risk-bearing capacity is also within the remit of the ERMC. The reporting of the risk-bearing capacity assessment is split into three parts:

- monthly point in time calculation under both normative and economic approaches excluding planning components and modelling of adverse stress scenarios;
- Quarterly calculations under both approaches, incorporating three-year planning parameters as defined in the annual ICAAP review process. This includes all adverse macroeconomic scenarios currently defined in the ICAAP and ESG scenarios—as well as a stress analysis from an economic perspective. While most scenarios are assessed quarterly, the ESG scenario is reviewed and recalculated on an annual basis in line with its specific methodology.
- As part of the annual ICAAP, the parameters for capital planning—including the base case and stress scenarios—are set, approved, and calibrated. These parameters remain valid until the next ICAAP cycle unless a revision is deemed necessary during the financial year. To ensure the ongoing validity of the scenarios, the underlying parameters are monitored on a quarterly basis. Significant deviations in macroeconomic indicators beyond predefined thresholds may trigger a review and, if necessary, an update of the scenarios within the financial year. Additionally, material changes in the Bank's business strategy may also prompt a re-evaluation and re-planning of the ICAAP assumptions. As a key element of the annual ICAAP, risk appetite limits and tolerances are defined. This includes individual risk limits in the economic perspective, overall risk limits in the economic and normative perspectives, and specific limits such as position limits for syndication, in order to determine the framework for the use of capital within the scope of the two capital measurement approaches. These tolerances and the associated limits and

control measures are used to monitor and manage the risk-bearing capacity and the underlying assumptions.

Stress testing

The SMBC EU Group performs quarterly stress tests as part of the risk-bearing capacity calculation. In this financial year, this stress testing included three adverse scenarios (two economic downturn scenarios and a climate change scenario) in the normative approach and economic approach.

The Bank's risk-bearing capacity was assessed to be adequate even in the stressed environment.

4. Summary and Outlook

The SMBC EU Group started the FY2024/25 in a business environment characterised by uncertainty surrounding the development of the Russia-Ukraine crisis and the war in the Middle East. However, against this backdrop, the SMBC EU Group has managed its risk profile well, remaining within the risk appetite and the available capital and liquidity resources. In addition, the SMBC EU Group continued to enhance its risk management framework, refining the income statement components in the adverse scenarios, strengthening the limit system in the economic perspective and improving the process documentation in response to findings from external audits.

Further development of the risk management system will continue in the next financial year, as will the close management of the risk profile in light of the ongoing challenging economic environment. The focus of risk management in the coming year will be on improving the framework conditions for SMBC EU Group and the group risk management in all areas of the universal bank. The market environment will be actively monitored and measures will be taken to ensure compliance with the SMBC EU Group's risk appetite.

VI. Internal Control System and Risk Management System in the Financial Reporting Process

The internal control and risk management system in respect of SMBC EU Frankfurt's financial reporting process comprises the principles, procedures and measures to ensure a compliant application of financial reporting requirements. The significant risks in respect of compliant financial reporting are misstatement of the assets, liabilities, financial position and financial performance or late publication. The internal control system in the financial reporting process is subject to the general principles of the Bank's risk management approach and is thus an integral component of the risk management system.

Primary responsibility for the internal control and risk management system in the financial reporting process, and thus for its effectiveness and monitoring, lies with the Executive Board. The Executive Board establishes the general principles and defines areas of responsibility. The finance department implements the requirements of the Executive Board and defines the specific parameters within the given framework. Operational risk has the responsibility for identifying and assessing risks on a regular basis. The risk assessment comprises an evaluation of operational and fraud risks as well as a review of the effectiveness of the respective controls. If necessary, appropriate measures are defined and implemented in order to limit the identified risks.

The financial reporting process is supported by a multi-step control system. This ensures compliance with legal requirements and the implementation of internal policies. The accounting processes are largely automated, and functionalities of the key IT applications have been defined on a centralised basis. IT permissions are defined in accordance with the respective policies and regularly monitored.

In addition, Internal Audit supports management and the Supervisory Board in their control functions through independent and objective risk-oriented audits. Regular audits are performed on the financial reporting processes to determine whether they are effective, orderly and efficient.

VII. Consolidated Non-Financial Report (not part of the audit of the external auditor)

1. General

Basis for preparation

Scope of consolidation of the non-financial statement

The consolidated non-financial statement of SMBC EU Group for the year-ended 31 March 2025 has been prepared according to the same principles as the financial statements, on a consolidated basis, including SMBC EU as parent and SNBL, its wholly-owned subsidiary.

Regulatory basis

The consolidated non-financial statement fulfils the requirements according to section 315c and section section 340i (5) in conjunction with sections 289b–289e of the German Commercial Code ('HGB'), as well as the reporting requirement Article 8 of the EU Taxonomy Regulation (EU/2020/852).

Since the Corporate Sustainability Reporting Directive has not yet been adopted into German law, the consolidated non-financial statement is prepared in accordance with the current legislation (HGB and DRS20). In line with this and the publication of the EU Omnibus proposal, SMBC EU Group adjusted its sustainability reporting approach. While SMBC EU Group's Double Materiality Assessment ('DMA') approach is influenced by European Sustainability Reporting Standards ('ESRS') as part of the initial Corporate Sustainability Reporting Directive ('CSRD') preparation, the Bank is not using the ESRS as the framework for the consolidated non-financial statement in accordance with section 289d HGB.

SMBC EU Group's consolidated non-financial statement covers concepts on the following HGB aspects and related material sustainability matters:

HGB aspect	DMA material sustainability matters	HGB aspect
Environmental matters	Climate change	2.2. Climate
	Biodiversity & ecosystems	2.3. Nature
Employee-related matters	Own workforce	3.1. Own employees
Social matters	n/a	3.2. Social aspects
Respect for human rights	n/a	3.3 Respect for human rights
Combatting corruption and bribery	n/a	4.3 Anti-corruption and bribery

For the disclosure on the five aspects prescribed by the HGB, the respective concepts are described. Described material risks and impacts in SMBC EU's own operations refer to the principal risks that are related to SMBC EU's own business activities and that are highly likely to cause, now or in the future, material adverse impacts on the aspects as prescribed by section 289c para. 3 no. 3 HGB. The material risks and impacts described in relation to SMBC EU's upstream and downstream value chain refer to the principal risks related to SMBC EU's business relationships, products and services which are very likely to cause, now or in future, material adverse impacts on the aspects as prescribed by section 289c para. 3 no. 4 HGB. In the disclosure text of the topical chapters Environment, Social and Governance, the terms "Strategy" and "IRO Management" refer to the specific strategies, targets, actions, policies, procedures and due diligence processes that SMBC EU Group employs to achieve the non-financial aspects outlined in section 289c para. 2 HGB. The term "IRO Management" also refers to a description how SMBC manages principal risks as required by section 289c para. 3 no. 3 and 4 HGB.

The report covers concepts related to sustainability matters for the group on a consolidated basis. Concepts on sustainability matters that were not material for the subsidiary SNBL on a stand-alone basis are not explicitly mentioned in the report.

Double Materiality Assessment

SMBC EU has conducted a DMA to identify material sustainability matters based on ESRS methodology and definitions. Therefore, the Group applies a definition of materiality for this report that includes, but goes beyond, HGB requirements, resulting in a wider scope of material sustainability matters. The consolidated non-financial statement addresses the material aspects of both upstream and downstream value chain activities and own operations as assessed during the DMA. For the upstream value chain, it covers assessments of suppliers, depositors and investors (parent company), with a focus on integrating sustainability criteria. For the downstream value chain, it includes clients of SMBC EU. The value chain of SNBL consists of their upstream suppliers, their own operations, and their downstream business covering the custodian services and their bond portfolios.

Strategy & business model

SMBC Bank EU AG ('SMBC EU', or the 'SMBC EU Group') is a credit institution established in Frankfurt am Main, Germany, to support SMBC's business activities in the European Economic Area ('EEA'). The SMBC EU Group is authorised by the European Central Bank ('ECB') and has been supervised by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, or 'BaFin') since November 2018, and is the parent company of the SMBC EU Group.

The SMBC EU Group is a wholly-owned subsidiary of Sumitomo Mitsui Banking Corporation ('SMBC Tokyo'), a Japanese bank, and forms part of the SMBC Group of companies. SMBC Tokyo is a wholly-owned subsidiary of the Japanese Sumitomo Mitsui Financial Group ('SMFG'), which is ranked among the largest 29 banks globally by assets ('G-SIFIs' – Global Systemically Important Financial Institutions).

S&P and Fitch Ratings have both affirmed an international A/A- rating for SMBC Bank EU AG, Frankfurt. These ratings reflect the strong support the Bank receives from the parent company in all areas such as risk management and funding arrangements, as well as information technology and operational infrastructure.

The SMBC EU Group offers a wide range of financial products, including: syndicated and bilateral financing, specialised advice for project, trade and asset financing, as well as deposit and currency transactions. As a provider of integrated financial and investment banking solutions, the SMBC EU Group also offers its clients capital market products and derivative financial products and, through its subsidiary SNBL, the Group is also active in fund management.

The SMBC EU Group's main objective is to serve its corporate clients in the EU/EEA, while pursuing and adhering to the vision, mission and identity of the SMBC Group, which focuses on creating sustainable value for clients and shareholders. With its business model, the SMBC EU Group aims to ensure long-term sustainable growth and a balanced risk/return ratio.

As a subsidiary of SMFG, SMBC EU has embarked on a multi-year journey to actively manage the risks and opportunities presented by sustainability topics and to create positive social value. Starting in 2020, SMFG introduced its sustainability strategy, followed by the setting of a net zero target for the bank's financing activities by 2050 in 2021, and most recently introducing the 'Plan for Fulfilled Growth' starting from 2023. Following SMFG's sustainability footsteps, SMBC EU began its own journey in 2023 by appointing a Head of EU Sustainability Strategy and by launching an indicative Double Materiality Assessment. This was followed by its inaugural Sustainability Strategy and first formal DMA, with the aim of publishing its inaugural Sustainability report in 2025. The SMBC EU Sustainability Strategy consists of four Strategic Ambitions statements, which supports SFMG's 'Plan for Fulfilled' 2023–2025 Medium Term Management Plan & Material Sustainability Topics:

'Our clients': support the Bank's clients in their journey to sustainability

'Our solutions': recognised as a leading provider of green and sustainable finance solutions

'Our business': embed sustainability management in our culture, risk appetite and all aspects of our business

'Our impact': pursue long-term economic growth through social value creation for stakeholders.

Thus far, the Bank identified two key indicators to support its sustainability strategy aligned with the 'Our clients' and 'Our solutions' pillars: the number of mandates as sustainability coordinator and the volume of sustainable finance that it has facilitated. In FY2024/25, for the first time, the Bank set targets to be appointed as sustainability coordinator for five mandates and to finance sustainable transactions totalling USD 4,893 million. These targets are derived from the Europe, Middle East and Africa ('EMEA') region's overarching goals, aiming to contribute 20% of the sustainability mandates undertaken by the EMEA region and 40% of the sustainable finance volume mobilised by the EMEA region. In FY2024/25, the Bank surpassed its targets through being appointed as sustainability coordinator for ten mandates and financing sustainable transactions totalling USD 6,144 million.

Through these actions, SMBC EU's goal is to be a solution provider that meets the needs of clients and supports them in achieving their sustainability objectives. In line with this aspiration, the Bank is working to enhance awareness and provide guidance across all areas of the business landscape, offering financial solutions to support the necessary investments for this transition. To further support its clients in their sustainability efforts, SMBC EU offers a range of specialised products designed to meet the diverse needs of our clients and promote environmental and social responsibility. For example, through social or green loans, the use of proceeds contributes directly to sustainable development projects, such as renewable energy initiatives, affordable housing and emergency medical services. Another example of a sustainable finance solution is sustainability-linked loans, where clients are provided with incentives to take environmental or social-related actions through the legal terms of their financing. Products under consideration to be labelled 'Green', 'Social' or 'Sustainability-linked' must align with the Bank's internal sustainable finance policies, procedures and checklists based mainly on the Loan Market Association ('LMA') guidance and in line with market practice. In 2024, USD 6,144 million was mobilised in sustainable finance (Table 1), with almost USD 2,357 million financing utilities, being the sector benefitting the most from sustainable finance (42%), followed by real estate (24%) and the financial sectors (21%). Offering sustainable finance products and services to customers is one way the bank can both act on opportunities and mitigate sustainability risks, in order to reduce negative impacts and enhance positive outcomes. The engagement and promotion in sustainable finance contributes to addressing the Bank's sustainability focal points identified as material in the DMA, specifically climate change, and biodiversity and ecosystems, as well as sustainability matters material to its clients.

Table 1: Sustainable finance volumes for SMBC and SMBC EU, broken down by product type

	FY2024/25 Sustainable finance – greater of lending / underwriting amount and arrangement amount (USDm)[7]	
Product	**EMEA**	**Of which SMBC EU**
Sustainability-linked Loan	6,482	3,089
Green Loan	1,766	356
Social Loan	315	200
Sustainability Loan	527	0
Finanzierung erneuerbarer Projekte	2,136	183
Sustainability-linked Bond	399	264
Green Bond	3,467	2,051
Sustainability Bonds	744	0
Gesamt	**15,835**	**6,144**

[7] The basis for measurement of sustainable finance is that SMBC EU counts the greater of lending, arrangement or underwriting amount as the amount of sustainable finance. It is aligned to the SMBC Group target to facilitate JPY 50 trillion of sustainable finance by 2030, i.e. by arranging a transaction, SMBC is facilitating that financing, even if other banks are lending the money.

The Bank understands that equity, fairness and transparency are key to enabling colleagues to be their most authentic selves at work. The Bank is an inclusive and equal opportunities employer, and its policy is that all individuals are appointed, trained, developed and promoted on the basis of merit and ability. Selection criteria and procedures are designed to eliminate bias, and opportunities for challenge are embedded within these to ensure processes are fair and equitable.

The Bank recognises the importance of attracting, developing and retaining diverse talents. During FY2024/25, SMBC EMEA launched a new DEI (Diversity, Equity & Inclusion) strategy focusing on the three priority areas:

- Where We Belong – Our behaviours create a culture where everyone feels part of Team SMBC;
- Every Moment Matters – Our decisions and actions ensure we are an equitable organisation where everyone can fulfil their potential;
- Make a Difference – Through collaboration with our clients and communities, our contribution to society supports wider change.

Under this strategy, to support gender diversity and the advancement of women, the Bank set targets in Germany to reach 45% proportion of female employees and 23.5% of women in a senior leadership position by 2027, with interim targets of 40% proportion of female employees and 18% of women in senior leadership position in FY2024/25. As at 31 March 2025, SMBC EU in Germany has surpassed these targets, with 41.5% proportion of female employees and 23.1% of women in senior leadership position.

Ensuring that leaders set the tone from the top that every moment matters, diversity and inclusion remains a key metric in senior management performance evaluation, and linked to variable remuneration, and all leaders across SMBC EU participated in training this year to support the leaders in progressing towards the Bank's goals.

The DRIVE (diversity, respect, inclusion, value and equality) employee resource groups operate across the EMEA region and play a key role in creating an inclusive culture at SMBC EU Group. With events and activities that take place both in person and virtually, employees are able to participate wherever they are located. There are local DRIVE groups in some of SMBC EU Group's larger locations who support engagement and delivery with DRIVE locally, and the DRIVE group for Germany was relaunched this year with great success in enhancing engagement. Besides, the Germany Country Council for DEI and Culture was established to oversee and DRIVE initiatives related to diversity, equity and inclusion (DEI) and culture within Germany. The Council aims to ensure alignment with the broader EMEA DEI and Culture Strategy, local regulatory requirements and the local business strategy, fostering an inclusive and respectful workplace.

Through these efforts, SMBC EU demonstrates its commitment to social responsibility.

Sustainability governance

Executive Board and Supervisory Board composition

The Executive Board of SMBC EU consists of five executive members. The Supervisory Board consists also of five executive members, including one independent member. Both Executive Board and Supervisory Board currently have a gender diversity ratio of 20%, with one female member each.

The criteria for the election of Supervisory Board and / or Executive Board members are reflected in a dedicated policy outlining the individual and collective requirements in line with German law, BaFin guidelines as well as European Banking Authority ('EBA') and European Securities and Markets Authority ('ESMA') guidelines. In the annual evaluation of the boards' composition and the self-assessment undertaken by the members of the Supervisory Board and Executive Board, both individual and collective skills are assessed. The diverse composition of the boards, paired with the advanced expertise of the members in the relevant areas – i.e. banking, global and capital markets, as well as functional expertise – was deemed as adequate.

Roles and responsibilities

Executive Board and Board Committees

The Chief Risk Officer ('CRO') is the member of the Executive Board responsible for oversight of sustainability-related impacts, risks and opportunities. The Executive Board has established several committees to control and monitor various areas of the Bank. All committees have delegated approval powers from the Executive Board and include, alongside Executive Board members, selected department heads as voting members. The CRO reports to the Supervisory Board and as of March 2024, due to the classification of SMBC EU as potentially systemically relevant institution ('PSI') the Risk Committee, among other committees, was established at the Supervisory Board level.

Risk Committee governance

The Bank follows the Risk Committee governance to ensure sustainability risk matters are overseen with the Enterprise Risk Management Committee ('ERMC') and its sub-committee, the Sustainability Risk Management Committee ('SMRC'), acting as the main governance bodies authorised by the Executive Board. If required, matters arising from the Committee are reported to the Executive Board operating under the supervision of the Supervisory Board, reinforcing accountability and governance at all organisational levels.

The ERMC advises and supports the Executive Board, as necessary, in its supervising function on the Banks' overall, enterprise-wide risk-related matters, including sustainability risk. To the extent sustainability risk impacts traditional risk categories, this mandate covers advice, oversight and challenge to the reports and content presented in this Committee and escalates if necessary to the Executive Board, on risk framework elements of risk register, risk appetite, risk strategy, stress testing framework, Internal Capital Adequacy Assessment Process ('ICAAP') and Internal Liquidity Adequacy Assessment Process ('ILAAP'), recovery and resolution planning ('RRP'), as well as overall risk governance.

The SRMC, established as a sub-committee of SMBC EU's ERMC, acts as the body responsible for oversight and governance for all sustainability-related risk matters (excluding individual transaction approval) at the Bank. The SRMC serves as a main forum to discuss and debate sustainability-related risk management framework elements, including sustainability risk-related alignment between risk strategy and business strategy; the coordination of sustainability-related aspects in ICAAP and sustainability-related stress testing. This is also a forum where sustainability-related regulatory developments are being presented and discussed. Voting members of the SRMC have rights to approve and also recommend approval of key items to the ERMC.

The Model Risk Management Committee ('MRMC'), established as a sub-committee of the ERMC, acts as the body responsible for oversight and governance for all models, including sustainability-related models.

EMEA forums, product / transaction level

The Bank participates in any discussion held under the governance framework in the EMEA division and liaises with appropriate departments where necessary. To this extent, any decision made by an EMEA forum is further subjected to the Bank's formal governance approval escalation processes.

The Sustainable Finance Transaction Review Forum (EMEA division) is tasked with deal review governance for specific 'Sustainable Finance' labelled transactions, as well as to review the sales pipeline. The mandate includes the management of the Sustainable Finance Programme, including but not limited to, new product planning, client events, managing procedures and monitoring regional Sustainable Finance performance. Where necessary and where no consent is formed, transactions are escalated to the EMEA Reputational Risk Committee.

The Reputational Risk Forum (EMEA division) ('EMEA RRF') is established to consider reputational matters relating to 'customer activities' (i.e., customers, transactions, products). The scope of the EMEA RRF is limited to customer activities. The RRF's main function is consultative, to assist front office groups to identify, assess and mitigate reputational risks. The RRF is also responsible for escalating matters to the EMEA Reputational Risk Committee.

The Reputational Risk Committee (EMEA division) is responsible for overseeing the embedding of EMEA division's approach to reputational risk, including the extent which this relates to sustainability matters. The Committee considers situations where reputational risks may arise in respect of customer activities.

Frequency of reporting

As part of regular reporting, the CRO provides the Executive Board monthly and the Supervisory Board quarterly with an assessment of the latest Sustainability Strategy and risk appetite profile, as well as updates on all related strategy and risk matters. As part of the Risk Committee governance, sustainability risk matters are reported to the ERMC and SRMC on a bi-monthly basis. At the EMEA level, product and transaction matters related to sustainability are addressed on a fortnightly basis as part of the EMEA Sustainable Finance Transaction Review Forum and, on a quarterly, as well as ad-hoc, basis, as part of the EMEA RRF.

Sustainability-related skills and expertise

According to section 25c para. 1a of the German Banking Act, the Executive Board in its entirety must possess an adequate scope of knowledge, abilities and experience. All members of the Executive Board are acquainted with sustainability aspects relevant to their respective roles, whereas the CRO, mandated by the Executive Board with a dedicated sustainability role, possesses extensive knowledge regarding sustainability matters. Therefore, the aforementioned legal requirement is met on an individual and a collective level.

In addition, the requirement applicable to the Supervisory Board of SMBC EU in accordance with section 25d para. 2 of the German Banking Act, is also met given that several Supervisory Board members possess deeper knowledge of sustainability-related topics and receive regular sustainability training ensuring both individual and collective suitability in this field.

The Bank provides regular training to the Executive Board to ensure that the members maintain and continuously enhance their knowledge and skillset. With respect to sustainability, the Executive Board was provided with a dedicated sustainability training session by an external law firm in 2024 as well as several internal sustainability-related training sessions and presentations in 2024 and 2025. Moreover, SMBC EU and its boards engage with various external experts providing sustainability advice in European and international contexts.

Additionally, the organisation mandates an annual eLearning module on sustainability strategy for all employees, including members of the Executive and Supervisory Boards. Regular checks are conducted to ensure that all participants complete the training. This mandatory training underscores SMBC EU's commitment to embedding sustainability knowledge across all levels of the Bank.

To deepen the alignment of SNBL's Sustainability Strategy with SMBC EU's goals, senior management of SNBL received training on the sustainability framework and EU regulation. This training ensures that SNBL's leadership is aligned with the Bank's sustainability goals and regulatory requirements.

By implementing these training programmes and regular updates, the boards ensure they have the necessary skills and expertise to oversee sustainability matters effectively. This approach not only strengthens their competencies but also aligns with the Bank's commitment to sustainability, ensuring that they are well equipped to navigate the evolving landscape of sustainability challenges and opportunities.

Executive compensation system

In SMBC EU there is a dual Board structure, with the Executive Board exercising the management function and the Supervisory Board being responsible for the supervision of the management function.

The Executive Board of SMBC EU is responsible for the appropriate design of the remuneration systems for employees. The remuneration systems are reviewed annually for their appropriateness and compatibility with the business and risk strategy of the bank and are adjusted if necessary, with the approval of the Executive Board. Accordingly, SMBC EU is committed to ensuring that the remuneration systems for the Bank's employees are appropriate and transparent and are geared towards the sustainable development of the institution.

In line with the business and risk strategy, delivery against SMBC EU's Sustainability Strategy is a component of SMBC EU's overall bonus pool allocation, and the individual bonus awards for employees, including members of the Executive Board.

The Supervisory Board of SMBC EU is responsible for the appropriate design of remuneration for the Executive Board. The remuneration structure of the Executive Board is aligned to the remuneration structure of employees, albeit their performance targets are also overseen by the Supervisory Board. Employee and Executive Board remuneration is divided into fixed and variable components, which may vary by location and function.

Fixed remuneration

The fixed remuneration compensates employees according to their qualifications, experience and competencies, as well as the requirements, importance and scope of their function. Fixed remuneration includes not just the salary but may also include any allowances or other fixed benefits.

Variable remuneration

Variable remuneration is determined annually on an individual basis, and takes into account the success of the Bank, the department and personal performance. Employees thus have the opportunity to participate in the Bank's success in years of good performance. Conversely, poor performance and / or losses or negative contributions to success are reflected in lower, or no, variable remuneration.

The Bank's success in this context is evaluated under two categories of metrics:

- Financial success
- Non-financial performance, including the area of sustainability, cultural initiatives, risk management and compliance, and sustainable and balanced growth.

All employees categorised as Material Risk Takers have their performance managed against defined targets, including a sustainability goal. 'Material Risk Taker' is a term deriving from remuneration regulation. It refers to 'employees whose professional activities significantly impact the institution's risk profile's. Members of the Executive Board and other senior management roles (both business leaders and heads of control & support functions) are identified as MRTs.

For Material Risk Takers, their target-setting includes a sustainability goal and a focus on DEI targets. For other employees, each employee may set their own goals that align with the Bank's corporate strategy, including its focus on Social Value Creation, which includes a focus on sustainability. The remuneration policies in place are subject to regular review, including consultation with the Remuneration Officer and often with the input of external professional advisors. These policies are then subject to local governance for approval.

Governance process for management of material IROs
The Executive and Supervisory Boards are committed to integrating sustainability aspects into all the Bank's activities. This encompasses the management of material impacts, risks and opportunities ('IROs') arising from these aspects. The DMA process resulting in the Bank's material IRO profile is conducted on an annual basis, and is presented to the SRMC, reported to the ERMC and officially approved by the Executive Board.

Material IROs are communicated to and approved by the Executive Board prior to being presented to the Supervisory Board on an annual basis. Furthermore, the Executive Board receives monthly updates on metrics and targets related to the identified sustainability IROs, as well as the Sustainability Strategy, while the Supervisory Board is provided with quarterly updates.

These IROs are considered in the various decisions approved by the Executive Board, forming an integral component of the SMBC EU's general management and control framework. The Bank's strategy and objectives in terms of sustainability are defined by considering the IROs that are of relative importance to the Bank. Consequently, the Sustainability Strategy is updated on an annual basis to reflect the latest insights, seamlessly integrating these elements into the SMBC EU's strategic framework and underscoring its unwavering commitment to sustainability and long-term sustainable growth.

Sustainability risk appetite
The CRO is accountable for the establishment of the Bank's Sustainability Risk Management Framework ('SRF'), including setting of the Bank's sustainability risk appetite. The Bank's SRF consists of the adaptation of SMBC EMEA SRF together with a Bank-specific Addendum. DMA is one key element of the Bank's SRF to assess IROs. The EMEA SRF together with the SMBC EU Addendum describing specific arrangements, processes and governance elements of SMBC EU, is approved by the Executive Board. The Bank's SRF is governed through the Bank's dedicated SRMC. The inclusion of sustainability considerations within each of the strategic pillars of the risk strategy is operationalised through the Risk Appetite Framework ('RAF') and the embedding of the sustainability risk appetite. The review and challenge of the sustainability risk appetite is subject to relevant Risk Committees in advance of the Executive and Supervisory Boards' approval or acknowledgement. The Risk Department is responsible for developing, maintaining and tracking risk appetite metrics and thresholds, as well as developing proposals for changes to the sustainability risk appetite. The sustainability risk appetite metrics constitute an integral part of the RAF and hence follow the same framework for approval process.

Sustainability impacts and opportunities
The Bank has established dedicated controls and procedures to manage impacts and opportunities. These elements are managed at the departmental level, with each team applying the usual controls pertinent to their specific functions. Opportunities, particularly deals involving labelled transactions, are subject to distinct procedures. Such opportunities require the approval of the Sustainable Finance Transaction Review Forum, ensuring that they meet the Bank's sustainability criteria and align with its overall strategic goals. Similar controls and procedures are in place for managing impacts. For instance, transactions with a potential negative impact that are subject to specific procedures due to their classification must also receive approval from the Sustainable Finance Transaction Review Forum. This ensures that all transactions are reviewed and assessed for their potential impacts.

Stakeholder engagement
SMBC EU Group's primary stakeholders encompass both internal and external parties, including employees, clients, suppliers, parent company ('SMFG') and regulatory authorities, who contribute to and benefit from the organisation's growth and development. Engaging in

dialogues with these stakeholders shapes strategic management decisions and day-to-day operations across financial services delivery, sustainable finance efforts, ethical procurement practices, strategic business partnerships as well as employee wellbeing, inclusion and development initiatives, including regulatory sustainability committees, science-based target initiatives and global industry sustainability events.

SMBC EU Group believes that a sustainable society cannot be achieved without cooperative relationships with the various stakeholders. To this end, SMBC EU Group is involved with external parties through participation and involvement in various domestic and international initiatives. Each stakeholder group has distinct needs and perspectives, which can result in both positive and negative impacts on its value chain. SMBC EU Group's objective is to remain informed and proactively address opportunities and risks identified through its interactions with key stakeholders. Therefore, its stakeholder engagement approach varies by stakeholder group, utilising a combination of informal and formal channels and methods to maintain effective communication.

For its credit and capital markets clients, the Bank regularly evaluates their needs through conversations with relationship managers. The Bank's 'Customer First' value drives us to provide personalised value and continuously improve its products and services based on feedback. SMBC EU Group has established points of contact to receive and act on customer feedback, ensuring SMBC EU Group meets their evolving needs.

The business model of a bank highly depends on sufficient human resources to fulfil strategic objectives, making employees a key stakeholder for the Bank. SMBC EU Group recognises its people as its key asset and is committed to developing their skills and diversity. It promotes high ethical standards and a culture of authenticity, supported by initiatives like hybrid working practices and professional development plans, which include training programmes and secondments. Additionally, the DRIVE employee groups play a key role in fostering understanding and allyship through various events and activities. SMBC EU Group conducts a bi-annual employee engagement survey for guiding the Bank to understand and prioritise key engagement topics.

The interests and views of SMBC EU Group's key stakeholders vary based on the nature of their relationship with us. Stakeholder engagement is a crucial part of the Bank's ongoing sustainability due diligence efforts, both for suppliers in the upstream value chain and for clients in the downstream value chain. The annual review by SMBC EU Group and its stakeholders' sustainability statements highlight the most important topics for its stakeholders, considering the identified interdependencies and IROs related to its value chain.

To maintain alignment with stakeholder interests, updates on departmental activities and ongoing business operations are presented at the Executive Board meetings. The DMA results, including the stakeholder representative workshop process, are approved by internal management committees such as the EU Sustainability Risk Management Committee and the Executive Board.

Double Materiality Assessment

DMA methodology and process

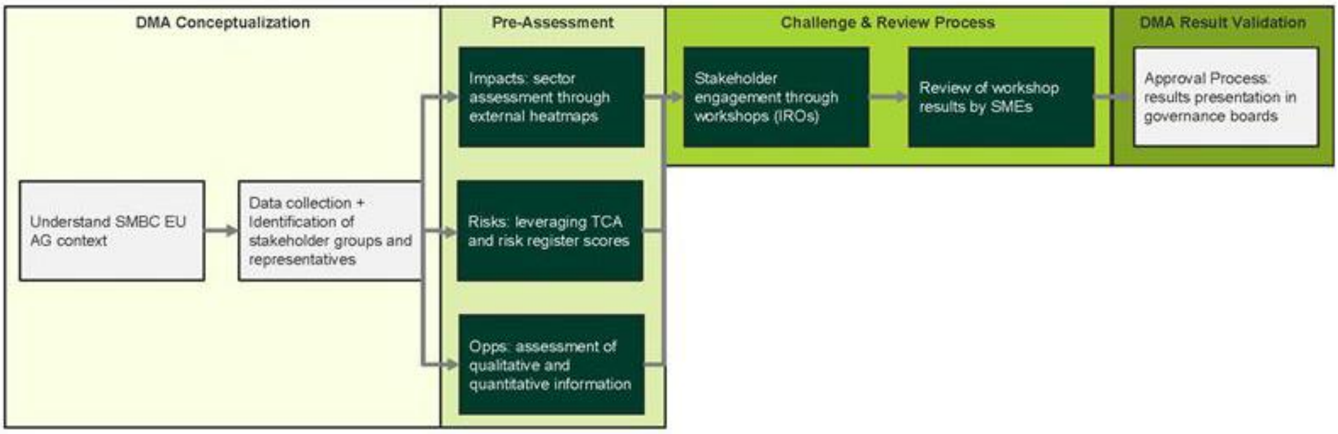
SMBC EU Group follows the concept outlined in the ESRS to identify the material sustainability matters and related IROs through a DMA. The concept of double materiality considers two dimensions: the Impact and the Financial Materiality. The Impact Materiality dimension assesses how business activities of SMBC EU Group impact[8] the environment and people from inside-out, negatively or positively. The Financial Materiality dimension assesses how sustainability matters affect the financial position of SMBC EU Group from outside-in, as a risk or opportunity.

8 Legal disclaimer: 'impact' in the Lending & Capital Markets Business is derived from the definitions of 'Impact on Society and the Environment' within the CSRD and the 'impact' on society and the environment (based on [public sources/industry databases] for certain industry sectors) of clients to whom the Bank provides financial services which may be deemed to be 'connected' to SMBC EU / SMFG as a result of sustainability reporting requirements. This does not imply, and should not be inferred to imply, any legal liability of SMBC EU / SMFG for the activities or impacts of those clients.

Therefore, in an ESRS context, a sustainability matter can be material for SMBC EU Group, if its business activities have a positive or negative impact on people and environment or if it leads to risks or opportunities for SMBC EU Group's business performance. For the reporting obligation, it is sufficient if a sustainability matter is material from at least one of the perspectives. The assessment defined aspects that SMBC EU Group can control, such as own products and services, as well as aspects arising due to SMBC EU Group's direct and indirect business relationships in the upstream and downstream value chain.

To identify and assess material sustainability matters in relation to IROs, the following process was implemented:

Figure 1: Double Materiality Assessment process overview



1. Understanding the context and preparation

a) Process determination and defining scope of entities included in materiality assessment: As a first step in the DMA process, SMBC EU Group analysed its own business context and entities in scope. Due to the structure of SMBC EU Group, it was concluded that the scope of consolidation for the assessment is the same as for financial reporting, including SMBC EU and its subsidiary SNBL.

b) Defining value chain segments and identifying business relationships: A next step, the direct and indirect business relationships in relevant segments of the upstream and downstream value chain, as well as the own operations of SMBC EU Group, were identified and analysed.

c) Preparation of stakeholder representative engagement: SMBC EU Group conducts the stakeholder engagement for the DMA through internal stakeholder representatives / subject-matter experts and a mix of in-house data and objective third party data.

d) Defining the list of sustainability matters for the assessment: For identifying the relevant sustainability matters in scope of the assessment, the list of EFRAG AR 16 was used as a starting point. The non-exhaustive list of matters was further assessed to be supplemented by additional risk management department topics and SMFG impact report topics. The relevance of this list of topics was, in the next step, evaluated for SMBC EU Group's value chain segments. That led to an exclusion of risk management – or SMFG – topics that were already included in ESRS topics or financial reporting or not relevant for SMBC EU Group's business model (e.g., retail business). Furthermore, ESRS sustainability matters not relevant for certain value chain segments were excluded (e.g., child labour for own operations).

e) Collecting, preparing and analysing internal information (e.g., client data) and external data sources for DMA (e.g., proxy heatmap data) for each value chain segment considered: Based on the defined sub-segments of the value chain to be assessed, relevant internal data and information was collected and prepared. For instance, for the credit business segment, the relevant client exposure data was aggregated on a sector level to serve as an input for the portfolio analysis. Thereby, significant high-exposure industry sectors in SMBC EU Group's value chain were identified.

A second part of the preparations for the portfolio analysis was consolidating external data sources from heatmaps such as from the science-based database 'Exploring Natural Capital Opportunities, Risk and Exposure' ('ENCORE') to serve as an input to the assessment.

2. Pre-assessment and scoring of actual and potential negative and positive IROs for each value chain segment

A sustainability matter is material from an impact perspective when it pertains to the SMBC EU Group's material actual or potential, positive or negative impacts on people or the environment over the short, medium or long term. Therefore, the assessment of impact materiality was implemented through performing a scoring exercise for actual and potential negative and positive impacts on a sector level for each sub-segment of the upstream and downstream value chain, as well as own operations. Internal data sources informed the evaluation of own operations, while external data supported the assessment of upstream and downstream portfolios. These insights were aggregated to determine overall impact materiality by sustainability matter.

Identifying the risks relevant to SMBC EU Group forms the basis of a functioning risk management system. Sustainability-related risks or opportunities can have negative or positive financial effects that materially affect (or could reasonably be expected to affect) SMBC EU Group's cash flows, access to finance, or cost of capital over the short, medium or long term. For the assessment of risks and opportunities, the Bank considers whether a financial effect stems from a trigger event with regards to dependencies on the continuation of use of resources or reliance on relationships. Secondly, it needs to be determined if a risk or opportunity affects SMBC EU Group's development, financial position, financial performance, cash flow, access to finance or cost of capital.

The assessment of risks leverages existing risk management processes at SMBC EU Group to ensure consistency. Sustainability-related risks are assessed across clearly defined transmission channels, which link environmental, social and governance ('ESG') factors to EBA-defined risk drivers (EBA/REP/2021/18). This involves identifying causal links between ESG factors to (traditional) risk categories in the risk register. The materiality of each transmission channel is mapped to risk inventory categories focusing on inherent risk before consideration of mitigation controls.

During the pre-assessment, sub-scores were derived to reflect the severity of each impact, using a structured framework that incorporates key dimensions such as scale, scope, remediability and likelihood. The evaluation of risks and opportunities considered both their magnitude and likelihood. Predefined thresholds were applied to determine whether an impact, risk or opportunity is considered material.

3. Stakeholder engagement and validation of assessment

a) Discussion and validation of pre-assessment in workshops with stakeholder representatives for each value chain segment: As a next step, workshop sessions with stakeholders representing SMBC EU Group's value chain (upstream and downstream) and own operations were held to discuss and validate the preliminary assessment. To ensure the consideration of stakeholder views, amendments to the preliminary assessment are made where required based on the workshop sessions.

b) Final review and challenge of results by SMEs in SMBC EU Group CSRD Project team and consolidation of results: In a further step, the pre-assessment topic scores that were challenged by stakeholder representatives in the workshops were further reviewed and, if necessary, adjusted by SMBC EU Group sustainability subject-matter experts ('SMEs'). The SMEs are part of departments such as Sustainability Planning and Risk Management that are involved in the EU sustainability regulation project at the Bank. This step was taken to eliminate potential business unit bias. The final results were then consolidated and documented.

c) Control and validation of results by Senior Management in executive committees: As a final step, the consolidated results were acknowledged, validated and signed-off by the management of SMBC EU Group. For this purpose, the results were presented in several SMBC EU governance bodies, such as the EU Sustainability Risk Committee, EU Enterprise Risk Management Committee and Executive Board.

4. Integration into overall management processes

SMBC EU Group considers its material IROs in its Sustainability Strategy process. The Bank also manages its sustainability impacts arising in the downstream value chain by supporting customers on their journey towards sustainability and decarbonisation. This contributes to SMBC EU Group's aim of driving positive change while creating economic value. Further details on the integration of material IROs into SMBC EU Group's management processes are included in the topical report sections on Environment, Social and Governance aspects. The sustainability risk is managed under the 'three lines of defence' model. In relation to sustainability risk, the first line of defence is responsible for managing its business activities in a manner consistent with this framework, and business risk appetite, operating its sustainability risk processes and controls and data and assessment quality. The second line of defence defines SMBC EMEA's Sustainability Risk Policy and sustainability risk appetite, and is responsible for providing oversight of risk-taking activities at the portfolio and transaction level and independently challenge first line of defence proposals. The third line of defence is the Audit department – Internal Audit. As part of ongoing reviews, the department will ensure sustainability risk issues are appropriately monitored, documented and escalated. In parallel, the Executive Board has established several committees to control and monitor various areas of SMBC EU. All committees have delegated approval powers from the Executive Board and include, alongside Executive Board members, selected department heads as voting members.

Opportunities are managed by each marketing department and relationship manager in relation to their respective client portfolio. Sustainable finance opportunities deducted from completed deals are consolidated across departments, monitored in the Sustainability Planning department and communicated in forums and committees.

DMA outcome: material impacts, risks and opportunities

The DMA at SMBC EU Group led to the material topics as displayed in Table 2 and Error! Reference source not found.3.

For the impact materiality, the topic of climate change has been identified as having material positive and negative impacts through the Bank's downstream activities. The impacts are related to relationships with clients in high greenhouse gas ('GHG') emitting sectors and financing the transition to a low carbon economy. Biodiversity and ecosystems have been identified having material negative impacts, also stemming from the downstream value chain, arising through the connection with climate change as key driver for biodiversity loss. Within the Bank's own operations, own workforce has been identified as having material positive and negative impacts, particularly around the topic of work–life balance. However, for SNBL, only positive impacts have been identified, particularly in areas such as work–life balance and health benefits, which are above regulatory requirements. A specific DMA was conducted for SNBL due to the distinct nature of its business and value chain. Due to the nature of SMBC EU Group's business model as a financial institution, the assessment of the upstream value chain in relation to suppliers did not lead to material impacts.

From the Financial Materiality perspective, material risks and opportunities have been identified for the Bank's downstream activities in relation to climate change. Physical and transition risks are affecting SMBC EU Group clients, exposing the Bank to climate change risks. Nonetheless, there has been an increased call for increase for transition / green finance from the Bank's clients, demonstrating that climate change can also trigger financial opportunities. Material risks and opportunities have also been identified for the Bank's own operations related to the Bank's own workforce. The inherent risks arise from compliance with employment law / satisfaction with working conditions, equal treatment, diversity and data privacy. Conversely, positive reputational effects attracting or retaining highly qualified employees are opportunities that have been identified for the Bank. There are inherent material risks identified in the Bank's own operations around business conduct for corporate culture due to a risk of low employee awareness on risk taking with lack of relevant controls. All risks are assessed at an inherent level in the materiality assessment and are managed through controls and systems, resulting in lower residual risks for SMBC EU.

The outcome of the DMA has been considered from FY2024/25 onwards in the SMBC EU Sustainability Strategy, whereby objectives and targets are defined. The Sustainability Strategy feeds into the overall Corporate Strategy. This takes into account that the material IROs originate and are connected to SMBC EU Group's banking business model, which is highly dependent on efficient corporate governance processes and sufficient human resources in its own operations, as well as on lending and investing in different corporate sectors across the whole economy.

Addressing IROs in further developing the Bank's business model and strategy enhances the resilience of SMBC EU Group. These targets and corresponding IRO management are outlined in each topical section:

Material impacts

Table 2: Material impacts

ESRS	Positive / negative	Value chain segment	Description	Time horizons	Reference
Climate change (E1)	Negative	Downstream: Credit & Loan Deposits Capital Markets	Material volume of GHG emissions attributable to clients	Short to long term	Chapter 2.2 Climate
	Positive	Downstream: Credit & Loan Deposits Capital Markets	Financing the climate- and energy-related transition of clients	Short to long term	
Biodiversity and ecosystems (E4)	Negative	Downstream: Credit & Loan Deposits Capital Markets	Considerable volume of GHG emissions attributable to clients contributing to climate change-related biodiversity loss	Short to long term	Chapter 2.3 Nature
Own workforce (S1)	Negative	Own operations	High workload affecting work–life balance	Short to long term	Chapter 3 Social
	Positive	Own operations	Employee benefits and flexible working conditions	Short to long term	

No material impacts identified for: Pollution (E2), Water and marine resources (E3), Workers in the value chain (S2), Affected communities (S3), Consumers and end-users (S4), Governance (G1).*Wesentliche Risiken und Chancen*

Material risks and opportunities

Table 3: Material risks an opportunities

ESRS	Opportunity /risk	Value chain segment	Description	Time horizons	Reference
Climate change (E1)	Opportunity	Downstream: Credit & Loan Deposits Capital Markets	Increased need for transition / green finance from clients, leading to business opportunities for SMBC EU	Long term	Chapter 2.2 Climate
	Risk	Downstream: Credit & Loan Deposits Capital Markets	Physical and transition risks affecting SMBC EU's clients, exposing the Bank to climate change risks	Medium to long term	
Own workforce (S1)	Opportunity	Own operations	Positive reputational effects, attracting or retaining highly qualified employees	Short to medium term	Chapter 3 Social
	Risk	Own operations	Compliance with employment law / satisfaction with working conditions, equal treatment, diversity and related to data privacy	Short to medium term	
Business conduct (G1)	Risk	Own operations	The potential risk of low employee awareness on risk taking with lack of relevant controls, leading to material risk for SMBC EU Group in relation to corporate culture	Short to medium term	Chapter 4 Governance

No material risks / opportunities identified for: Pollution (E2), Water and marine resources (E3), Biodiversity and ecosystems (E4), Workers in the value chain (S2), Affected communities (S3), Consumers and end-users (S4).

2. Environment

EU Taxonomy

FY2024/25 marks the first year SMBC EU Group publishes a report in accordance with Article 8 of the EU Taxonomy Regulation (EU/2020/852). Therefore, no information for the previous year is included in the report. The reporting of SMBC EU Group's Taxonomy key performance indicators ('KPIs') is based on the prudential scope of consolidation. The corresponding gross carrying amounts, as defined in the financial reporting ('FINREP') reporting templates, are used for the calculation of the Green Asset Ratio ('GAR').

The central KPI to measure sustainability for credit institutions is the GAR. This metric is calculated by dividing the taxonomy-aligned exposure by the gross carrying amount of all covered assets. Financing provided to clients subject to the NFRD can be included in the numerator of the GAR. For loans or securities that are financing a specific project or where the use of proceeds is known, the financed activity is assessed according to the criteria in the EU Taxonomy delegated acts for its eligibility and alignment. For general purpose loans (unknown use of proceeds), the exposure is weighted with the clients' taxonomy-alignment KPIs. The KPIs are sourced from the clients' published reports.

A high portion of SMBC EU Group's assets are central bank exposures and trading assets, which are not covered in the GAR calculation. The trading portfolio is made up entirely of derivatives, with no securities included. Most of the loan portfolio is with clients not subject to NFRD/EU Taxonomy and therefore not contributing to the taxonomy-aligned exposure but is still considered in the denominator of the GAR. Loans eligible for the GAR calculation are mostly with non-financial clients and only to a minor extent 'known use of proceeds' loans. As a result, the GAR is driven mainly by the taxonomy-alignment of SMBC EU Group's client base and mostly contributes to climate change mitigation.

SMBC EU Group's turnover-based GAR is 2.50% and the CapEx-based GAR is 3.83%.

Currently, the EU Taxonomy does not have a direct impact on the business strategy or a decisive influence on operations. However, developments around the EU Taxonomy continue to be monitored, and it will be reassessed in the future whether the EU Taxonomy can be integrated.

Climate

Strategy

The Bank recognises that climate change presents both risks and opportunities for its business. In addition, its business could have impacts on climate change. As detailed in section Double Materiality Assessment, these IROs are all material for the Bank, and therefore are considered in its strategic planning process, and incorporated into the Bank's Sustainability Strategy, which has been approved and is overseen by its Executive Board.

SMBC EU's Sustainability Strategy considers IROs resulting from climate change, in its four Strategic Ambition Statements. It supports the SMFG's approach to Sustainability Strategy.

- Our clients: Firstly, SMBC EU aims to 'Support our clients on their journey to sustainability'. SMBC EU works with clients directly on their response to climate change, within the boundaries of its Sustainability Client Engagement Framework. The Framework sets out engagement approaches used with clients in higher carbon sectors and those involved in the energy transition, with the aim of driving positive change while creating economic value. A focused group of sustainability experts within the Sustainability Solutions team provide advice to customers on topics such as how to finance their low carbon transition needs, technological and sectoral developments, and investor perspectives.
- Our solutions: Secondly, SMBC EU aims to be 'Recognised as a leading provider of green and sustainable finance solutions'. At present, SMBC EU offers: green loans, sustainability-linked loans, social loans, green deposits, lead arranging and advisory services for renewable energy, new energy and energy transition, and ESG-related capital markets activity. Mitigating and adapting to climate change is a primary focus of much of the sustainable finance facilitated by SMBC EU, either because the use of proceeds directly contributes to mitigation and / or adaptation, for example proceeds of project financing used for developing new renewable energy assets, or because climate action by clients is directly incentivised through the legal terms of financing.
- Our business: Thirdly, SMBC EU aims to embed sustainability management in our culture, risk

appetite and all aspects of our business. Examples of this are ensuring all clients are assessed using SMBC EU's Climate Change Ratings Assessment ('CCRA')[9] annually, and ensuring all colleagues go through mandatory training related to climate change annually.

– Our impact: Finally, SMBC EU aims to 'Pursue long-term economic growth through social value creation for stakeholders'. One aspect of this is reducing the sustainability impacts of SMBC EU's business, including impacts on climate change. A key way in which it can do so is by supporting its clients' transition to a low carbon economy, in line with SMFG's public commitments to achieve net zero emissions in its overall loan and investment portfolio by 2050, as well as in its own operations by 2030. SMFG has also set medium-term GHG emissions reduction targets for the power, oil and gas, coal, steel and automotive sectors and has also established a Net Zero Transition Plan. SMBC EU is working towards translating these targets at the entity level, as well as working towards reporting on its emissions, including financed emissions. While SMBC EU works towards this, it manages the financed emissions related to new transactions with origination guidelines, to ensure it is contributing to the SMFG's overall net zero commitment and targets. The origination guidelines are detailed in Climate IRO management.

SMFG is also a signatory to the Poseidon Principles, and measures the carbon emissions of its lending portfolio of financed ships and discloses the alignment of its portfolio with the trajectory to achieve the United Nations' International Maritime Organisation's Greenhouse Gas Strategy, which was updated in 2023 in order to manage well-to-wake emissions.

Climate IRO assessment

General information on climate impacts, risks and opportunities assessment

Throughout the analysis, the Bank consistently considered climate adaptation, climate mitigation and energy aspects.

[9] The Climate Change Ratings Assessment (CCRA) tool is an internal platform that allows the Bank to consider both physical and transition risks within the portfolio by assigning a Climate Risk Score to all in-scope customers.

For the IRO pre-assessment of impacts in its own operations related to climate change, operational CO2 emissions and the fraction of renewable energy usage of SMBC EU Group offices were considered. The assessment focused on two different perspectives on own operations, the physical assets and infrastructure of the Bank and its core banking processes. For assessing the impact in the downstream and upstream value chain, SMBC EU analysed sector breakdowns with science-based heatmaps on their impact related to CO2 emissions. In relation to opportunities, the SMFG sustainable finance target and EU sustainable finance deals were considered. The risk materiality assessment leveraged a dedicated transmission channels assessment ('TCA') that is explained below. In workshops, stakeholders of SMBC EU critically challenged the pre-assessment and discussed how climate change could affect SMBC EU Group's business financially and how SMBC EU Group's operations, suppliers or clients impact climate change.

Assessing climate-related (physical and transition) risk

Climate change has the potential to substantially impact (financially, reputationally or physically) SMBC EU, its customers, the environment and society. Climate-related risk can manifest across all risk types.

The Bank has embedded a climate-related risk assessment process into its broader risk assessment framework. A central component of the Bank's Sustainability Risk Framework is the identification and evaluation process of climate-related risks through an analysis of relevant transmission channels, the causal chains and avenues through which ESG factors and risk drivers impact the prudential risk categories. The Bank specifically considers climate-related risks in the form of physical risks, stemming from the physical impacts of climate change as well as transition risks which emerge from uncertainties in pace, timing and magnitude of the societal, economic and regulatory shift towards a low carbon, sustainable economy. The materiality analysis combines ESG factors based on ESRS sustainability matters and ESG risk drivers based on an EBA report (EBA/REP/2021/18). The risk materiality assessment considers four distinct time horizons covering the short-, medium- and long-term time horizons and is conducted separately for own operations, upstream stakeholders (such as depositors and suppliers) and downstream activities (including lending and capital markets).

Table 4: Consideration of ESG factors, risk drivers and risk register categories in the TCA

ESG factor (ESRS topic)	Risk drivers	Risk register categories
Climate change adaptation	Physical risk – Acute risk – Chronic risk	– Credit risk – Market risk – Liquidity risk – Operational risk – Enterprise risk
Climate change mitigation/ energy	Transitional risk – Policy changes – Technological changes – Behavioural changes	

Physical risks, both acute and chronic, may affect the financial situation of obligors either directly or indirectly through impacts on operations, supply chains and markets. The risk materiality analysis for physical risks takes into account the portfolio's CCRA acute physical risk score. This is complemented by a breakdown of lending exposures' vulnerability to climate-related hazards. The key climate-related hazards considered in this analysis include the following:

Table 5: Consideration of acute and chronic physical risks in the TCA

Acute	Chronic
– River flood – Urban flood – Coastal flood – Landslide – Cyclone – Wildfire	– Water scarcity – Extreme heat

In addition to assessing counterparties, SMBC EU evaluates its own exposure to physical climate risk. This includes both direct and indirect vulnerabilities that could affect the Bank's ability to maintain operational continuity. Beyond its own infrastructure, the Bank considers third party dependencies in its assessment of operational physical risk. SMBC EU relies on several external service providers to support its business functions. If these providers are affected by climate-related physical hazards, the Bank may experience disruptions through service interruptions or delays.

The analysis of climate transition risks is structured around key types of transition risk drivers: policy changes, technological changes and behavioural changes:

- **Policy changes:** Arising from evolving climate-related regulations, such as stricter emission standards and carbon-pricing mechanisms, these policy shifts may increase compliance costs, restrict certain business activities and erode the long-term viability of carbon-intensive operations.
- **Technological changes:** Rapid advances in low carbon technologies may render existing products, processes or assets less competitive or obsolete, eventually leading to stranded assets, reduced market share or increased capital expenditure to adopt clean alternatives.
- **Behavioural changes:** Shifts in the attitudes and patterns of decision-making of customer, consumer and investors. Consumers may choose to support companies that prioritise sustainability principles. Investors are increasingly integrating sustainability considerations into their investment decisions, pushing for greater transparency around ESG factors and related risks and more robust sustainability strategies. These shifts in behaviour may lead to reduced demand for existing offerings and may lead to reputational risks affecting access to capital and funding if a company is perceived as lagging in its climate transition.

For the evaluation of credit risk impact, the analysis of transition risk is conducted at the sector level for the lending portfolio as the economic activity is considered a key determinant of a counterparty's exposure to transition risk, and transition dynamics vary significantly by sector. For other risk categories, the assessment is conducted in a sector-agnostic approach. This includes the evaluation of transition risk impact on the Bank's funding capacity. The assessment is conducted from the Bank's own perspective where applicable, in particular with respect to operational risk as well as reputational and business risks.

The resulting risk materiality assessments are mapped to the Bank's prudential risk categories as part of the annual risk register process, ensuring their consideration in the broader risk management processes.

Scenario and resilience analysis

Scenarios in SMBC EUs climate-related risk assessments

SMBC EU employs climate-related scenario analysis to identify and assess transition risks and opportunities over short-, medium- and long-term horizons. This process involves evaluating various climate scenarios to understand their potential impacts on the Bank's financial position. The analysis anticipates risks such as regulatory changes, demand shifts, and evolving market dynamics and technological advancements. Scenarios with varying degrees of climate ambition are explored to assess the long-term viability of the business model and the resilience of the value chain. This approach allows the Bank to develop strategies that are resilient to different future outcomes, supporting its commitment to sustainability and responsible business practices.

The analysis of climate-related transmission channels is informed by scientific climate scenarios, including those published by the Network for the Greening of the Financial System ('NGFS') and other globally recognised institutions. These scenarios provide broader transition narratives, including orderly and disorderly transition pathways, against which the materiality of transition events is assessed. The results of the transmission channel analysis serve as the foundation for subsequent applications of climate scenario analysis, including ICAAP, ILAAP and long-term stress testing. In the context of physical climate risks, SMBC EU applies a long-term perspective that aligns with the underlying dynamics of the climate system and the expected timeline for materialisation of acute and chronic climate-related hazards. The transmission channel analysis incorporates assumptions consistent with high emission climate scenarios, acknowledging the cumulative impact of historical emissions and the inertia inherent in climate processes. The transmission channel analysis and CCRA physical risk scores are used as inputs into the ICAAP quantification.

Resilience analysis as part of ICAAP / ILAAP

SMBC EU conducts a climate resilience analysis on an annual basis as an integral part of its risk management and capital planning processes. The scope of the analysis includes both the Internal Capital Adequacy Assessment Process and the Internal Liquidity Adequacy Assessment Process, as well as a long-term scenario framework. These processes ensure that the Bank maintains sufficient capital and liquidity under both normal and stressed conditions. All material climate-related risks, including both physical and transition risks, are reflected in the scenario design. The scenarios used are based on scientifically grounded pathways, particularly those developed by the Network for the NGFS. These scenarios incorporate assumptions on how the transition to a low carbon economy may affect macroeconomic developments, energy consumption and mix, as well as the pace and scale of low carbon technology deployment. SMBC EMEA has developed an in-house climate scenario model to support forward-looking risk management, strategic planning and regulatory capital and liquidity assessments.

Results of the resilience analysis

The outcomes of SMBC EU's climate resilience analysis indicate that while climate-related risks have a measurable impact on the Bank's financial position, the institution remains resilient across the ICAAP and ILAAP horizon. Over the ICAAP horizon, the net zero scenario represents a comparatively more adverse trajectory than the ICAAP base case, reflecting both the gradual transmission of transition and physical risks into the credit portfolio and the inclusion of additional impacts for reputation and business risks under the scenario assumptions. In the long-term scenario analysis, the net zero scenario leads to the highest expected credit loss impact initially, reflecting the frontloading of transition-related impacts under an orderly transition pathway. However, in later years, disorderly scenarios of delayed transition and fragmented world exhibit more credit loss impacts primarily due to disruptive policy responses and physical risk impacts. These results support the conclusion that SMBC EU maintains a sound capital and liquidity resilience under a range of plausible climate scenarios while also highlighting the evolving nature of climate risk and its increasing materiality over longer time horizons. The Bank acknowledges the fact that NGFS scenarios used represent plausible but not predictive pathways, illustrating one possible trajectory of how the transition to a low carbon and climate-resilient economy could unfold.

Climate IRO management

The Bank's aim to be a leading provider of sustainable solutions, and offering sustainability-related products, is supported by Origination Procedures for sustainability-related products. Teams originating transactions are required to review the sustainability-related provisions, to ensure the best practice as defined by industry guidelines is followed. Cases can be escalated for review by an expert forum, for example transactions labelled as sustainable for a borrower in a sector with high climate change impacts are afforded additional due diligence to ensure they reach a high bar of positive impact.

These Origination Procedures outline the steps the Bank takes with the aim of ensuring that products and transactions, intended to support sustainability outcomes like climate change mitigation or adaptation, target sustainability performance improvement and minimise the risk of greenwashing.

On the other side of the impact equation, the Bank has implemented Guidelines for business originating in the energy and power sectors, to manage negative climate change impacts and contribute to SMFG's overall net zero commitment and targets. In line with these Guidelines, all transactions in these sectors are reviewed with the aim of originating business with clients that have transition plans aligned to the Bank's ambition. The Bank has defined what is required of its clients' transition plans within its internal Guidelines, and assesses transition plans as part of its Climate Change Ratings Assessment.

By supporting and engaging with clients with credible transition plans, the Bank intends to reduce impact and mitigate climate change based on real-world emissions reductions.

In addition to assessing client transition plans, the financed emissions impact of new transactions is assessed as part of the Guidelines, with the aim of ensuring business conducted by the Bank reflects SMFG's commitments and targets to transition its lending and investment portfolio in line with net zero by 2050.

The Bank has a process to deal with transactions in the energy and power sectors if they are misaligned with its Guidelines.

SMBC EU recognises climate risk in the form of transition and physical risk as a driver of financial risk that can affect the creditworthiness of individual clients and the overall risk profile of the portfolio. Climate-related risks are therefore integrated into the credit lifecycle, including client onboarding, transaction assessment, and reviews, as well as portfolio-level analysis. The credit guidelines, which outline requirements for assessing clients' emissions and evaluating exposure to carbon-intensive sectors, therefore also serve as a key tool for managing transition risks by supporting the integration of climate considerations into risk-relevant decision-making processes. While financed emissions are a central metric in assessing the Bank's environmental impact, they are also highly relevant from a transition risk perspective as they serve as an indicator of exposure to sectors and counterparties that may be vulnerable to decarbonisation policies, technologic disruption and / or market shifts. Accordingly, climate risk is embedded across ESG risk appetite, credit policies and broader risk management processes. A key instrument in operationalising these climate risk considerations is the internally developed CCRA tool. The CCRA platform enables structured assessment and monitoring of climate-related risk at both obligor and portfolio level:

- Assignment of transition and physical risk scores at client level, reflecting factors such as sectoral exposure, carbon intensity and vulnerability to climate hazards;
- Collection of GHG emissions data;
- Evaluation of client transition plans as key risk mitigation from SMBC EU's perspective;
- Triggers for in-depth review;
- Climate Risk Score assigned to all in-scope customers.

CCRA outputs are integrated in the credit and transaction approval process. CCRA data also informs materiality assessments, ESG risk appetite-setting as well as climate-related internal reporting.

In parallel, the Bank conducts Environmental and Social Due Diligence ('ES DD') for clients in targeted sectors and subject to defined exposure thresholds. While ES DD covers a broader range of ESG risk factors, the climate-related component is methodologically aligned with the CCRA's sector transition risk classification. The process includes assessment of clients' risk exposure and mitigation measures as well as the assignment of an overall sustainability risk category.

Together, these tools and processes establish a forward-looking framework for the identification, assessment and management of climate-related risks, supporting the Bank's risk management objectives.

Nature

Strategy

SMBC EU operates in line with SMFG's strategic direction, including sustainability considerations and the protection of nature and biodiversity. SMBC EU and SMFG recognise nature as fundamental and encompassing natural resources – such as plants, animals, atmosphere, water and soil – collectively known as 'natural capital'. Biodiversity supports the stability of natural capital, and its loss impacts the environment, economy and society. Damage to natural capital affects the entire supply chain.

Natural capital and climate change are interdependent. Changes in natural capital (including, e.g., atmosphere and forests) impact the climate, while climate change affects natural capital through increased precipitation and natural disasters. Collaborative efforts can promote societal change and achieve natural preservation goals. Loss of natural capital, including biodiversity, may impact business activities, increase inherent risks and reduce the value of financial assets. Conversely, conserving and restoring natural capital enriches people's lives and improves health. Understanding the interdependence between climate change and natural capital enhances control of climate change and maximises the benefits of ecosystem services.

Financial institutions have a strong relationship with natural capital through transactions with corporate and individual clients. Assessing risks and opportunities related to nature involves analysing customers' activities and their interface with natural capital. SMBC EU and SMFG prioritise understanding of these relationships to address nature-related risks and opportunities, advancing the risk management framework and supporting nature-positive efforts by customers.

Nature IRO assessment

The identification of actual and potential nature-related IROs covering pollution, water and marine resources, biodiversity and ecosystems, circular economy and resource use follows the previously mentioned DMA approach. This process is consistently applied across the entire DMA, with adjustments to address the specific focus of each nature-related aspect and the relevant stakeholders. The pre-assessment of impacts and opportunities is conducted through science-based heatmaps, internal information and expert judgement and provided an initial indication of which nature-related subtopics were likely to be material and which stakeholders are most affected. The heatmap-based pre-assessment considers the sub-topics defined in the ESRS related to E2–E5 through assessing global averages on the impact of the sectors related to heatmap components such as air pollutants, toxic pollutants to water and soil, water use, invasive species and solid-waste generation. In workshops, stakeholders of SMBC EU critically challenged the pre-assessment and discussed how nature could affect SMBC EU Group's business financially and how SMBC EU Group's operations, suppliers or clients impact nature.

Regarding the Bank's buildings and sites, all offices of SMBC EU Group in Europe are located inside cities. As a result, the Bank assessed that it does not have any building in or near particular biodiversity-sensitive areas, nor are the Bank's own operations dependent on specific ecosystem services. Due to the office-based banking operations in cities, no endangerment of nature or operational risk can be concluded. Overall, no IROs were assessed as material for sub-sub-topics related to biodiversity and ecosystems in the value chain segment of own operations. Therefore, currently no biodiversity mitigation measures need to be implemented for SMBC EU Group's own operations.

In the downstream value chain, the nature and biodiversity-related physical and transition risks including dependencies on ecosystem services were considered as part of the transmission channel analysis and assessed for their potential to drive credit and enterprise risk. The assessment concludes that biodiversity-related risks are currently immaterial to the Bank's business model and financial performance.

Nature IRO management

SMFG promotes the conservation and restoration of natural capital, striving to achieve nature-positive initiatives. It assesses environmental risks to reduce the impacts from its activities. SMFG offers financial products, information and solutions to support clients in addressing environmental issues and transition to a decarbonised society. SMFG has implemented decarbonisation practices and climate-related risk management with nature and biodiversity conservation in mind.

SMBC EU aligns with SMFG, implementing due diligence to address environmental and social risks affecting credit and reputational risks. This includes evaluating customers' risk-mitigation measures for sector-specific issues like emissions, waste, resource use and biodiversity. The goal is to integrate sustainability risk into the credit approval process, as well as promote engagement with customers on their transition plans and identify ESG risk mitigants. In the credit- and lending-related risk assessments, particularly in project finance, environmental impacts related to climate change and nature connected to the Bank's clients are considered. In particular, project finance transactions undergo a thorough assessment of environmental and social risks that cover the impact perspective. The environmental screening process involves classifying the project into one of three categories based on the magnitude of potential impacts and risks, specifically related to significance, extent and potential irreversibility. An environmental review step ensures that the project meets environmental and social considerations. It also verifies compliance with international guidelines when making decisions about providing support. After support has been granted, the ongoing environmental monitoring process verifies that the project continues to comply with international guidelines. These steps ensure that all project finance transactions are rigorously evaluated for their environmental and social impacts, aligning with SMFG's commitment to sustainability and responsible financing.

Overall, SMBC EU's initiatives to mitigate climate change also contribute to reducing biodiversity loss, which is driven by the effects of climate change and has been identified as material in the DMA within the Bank's downstream value chain. The procedures and measures implemented by SMBC EU to address climate change mitigation are detailed further in section Climate.

These steps ensure that all project finance transactions are rigorously evaluated for their environmental and social impacts, aligning with SMFG's commitment to sustainability and responsible investment.

3. Social

Own workforce

Strategy

The term 'Own workforce' includes all employees who might be significantly affected by the Company's actions. This covers both permanent and temporary staff working for SMBC EU, including expatriates on secondment. Impacts related to 'Own workforce' have been identified as material.

SMBC EU relies heavily on a skilled and qualified workforce to operate efficiently and achieve its strategic goals. Inadequate or uncompetitive working conditions pose a risk to SMBC's ability to compete, attract and retain a sufficient and qualified workforce.

Material subtopics include:

- Working time: ensuring fair and manageable working hours.
- Work–life balance: promoting a healthy balance between work and personal life.
- Gender equality and equal pay: committing to equal opportunities and pay for all genders.
- Diversity: fostering an inclusive and diverse workplace.
- Data privacy: protecting the privacy and security of employee data.
- Ensuring equal treatment and opportunities for all is essential.

The business model and strategy take these material topics into account by integrating them into core operational and strategic decisions. The following section outlines the actions taken to address each topic.

Own workforce IRO assessment

The assessment for Own workforce was carried out in accordance with the previously mentioned DMA process. Own workforce-related impacts and opportunities were evaluated using employee engagement survey data, internal documents, policies and available human resources metrics for each sub-sub-matter. The risk assessment leveraged the results of SMBC EU's risk register process. The validation of the assessment was carried out through workshops involving the human resources department, the data privacy officer and the EU workers' council.

Own workforce IRO management

Working time: The Bank adheres to regulations in all locations where it operates. Employees are informed of their applicable working hours through their individual contracts or the Employee Handbook. To reduce the risk on working time, the Bank locally addresses policies on overtime monitoring where feasible. In Germany, a joint working council agreement applies for 'flextime, working rules and recording'. Additional local arrangements are designed to offer flexible, remote and smart working options. The Bank supports 'agile' working styles, recognising their importance in fostering work–life balance. Social KPIs including overtime and hybrid working are monitored and reported to the Executive Board.

Work–life balance: The Bank's policies and programmes aim to support a healthy balance between work and personal life, including hybrid working conditions and wellness programmes. Hybrid working allows employees to choose the environment that best suits their tasks and objectives and mitigates against negative impacts on work–life balance. Wellness resources are readily available, and weekly communication provides a list of upcoming events, programmes, training and actions. The Bank is committed to engaging in social dialogue to enhance agile working arrangements and support local family-leave policies.

Gender equality and equal pay: The Bank is committed to being an inclusive and equal opportunity employer, appointing, training, developing and promoting individuals based on merit and ability. Promotion criteria and procedures are designed to prevent unconscious bias, with opportunities for challenge to ensure fairness. To promote equal opportunities and remove risk of unfair treatment, the Bank implements unbiased recruitment processes as well as training, and promotes women in leadership roles. It commits to equal pay for all genders by conducting regular pay reviews, ensuring fair salaries relative to peers, and aligning salary growth with employees' skills and experience. These principles aim to create equitable career prospects and employability of the Bank's workforce.

Diversity: The Bank recognises the importance of attracting, developing and retaining diverse talent. At the executive level, diversity and inclusion initiatives are overseen by the EMEA Diversity, Equity and Inclusion ('DEI') Steering Committee, which reports to the Board and Executive Committee. There is a local, German DEI country council that reports to the EMEA DEI Steering Committee. DRIVE (Diversity, Respect, Inclusion, Value, and Equality) is the umbrella for the Bank's employee resources groups. It aims to drive and elevate the sustainable growth of the Bank by fostering a diverse and inclusive workplace.

DRIVE is comprised of various networks, each focused on a key aspect of diversity and inclusion, namely Balance (gender), BE&A (Black employees and allies), Collaborate (inclusion), Niji (LGBTQ+), Social Mobility (socio-economic mobility) and UNIQUE EMEA (neurodiversity and disability).

Data privacy: Protecting employee data privacy is a priority, with data protection policies and practices in place. The Bank is committed to ensuring compliance with regulations and builds trust with employees by adhering to GDPR and local federal acts, applying additional measures as needed.

The Bank employs a variety of policies and tools to secure data privacy, including measures to prevent data leakage and manage insider risks. These policies and tools are designed to mitigate any potential risks. Regular employee training sessions and awareness programmes are conducted at all levels to reinforce these measures. Additionally, the Bank aims to continuously enhance the robustness of its applications to further safeguard data.

It is important to the Bank to create a supportive and competitive work environment that attracts and retains skilled and qualified employees, driving long-term success.

Metrics and targets

Gender diversity targets

SMBC Group is a proud signatory of the Women in Finance Charter ('WiFC'), and in July 2023 the Bank achieved its target to have 30% female representation in EMEA at Director level and above. In recognition of the importance of sustaining the focus on gender diversity, and to further accelerate progress, the Bank set a new target at the more senior level of Executive Director and above 30% by 2027. As at the end of March 2025, the business has 27% of females in senior leadership roles and therefore our 2027 WiFC target is achievable.

With the heightened emphasis on regulatory reporting and the expected growth of SMBC EU, it was recognised that additional measures were necessary to enhance employee diversity in Germany. Consequently, several annual diversity targets focused on female representation have been established and are monitored monthly.

Number of employees in SMBC EU Group

The number of permanent, expatriate and temporary employees in SMBC EU Group as at 31 March 2025 is as follows:

	Number
Permanent and expatriate employees	553[1]
Temporary employees	28

[1] Members of the executive board of SMBC Bank EU AG and SNBL are included (5+3)

Number of employees in SMBC EU Group who belong to a workers' council / equivalent employee representative group

The table below shows the number of permanent employees who belong to a workers' council or equivalent employee representative group as at 31 March 2025:

	Location				
	Dusseldorf	Frankfurt	Luxembourg	Paris	Total
Number of employees	7	9	3	8	27

Women In Finance Charter – Women in senior leadership in SMBC EMEA

The Women in Finance Charter target is to achieve 30% female representation in senior leadership positions across SMBC EMEA by 2027.

This table shows the proportion of women in senior leadership in SMBC EMEA as a number and a percentage as at 31 March 2025:

	Female	Male	Total
Number	99	267	366
Percentage	27.0%	73.0%	100%

Gender distribution at top management level in SMBC EU Group

This table shows the gender distribution of top management of SMBC EU Group as a number and a percentage as at 31 March 2025:

	Female	Male	Total
Number	14	50	64
Percentage	21.9%	78.1%	100%

Employee age distribution

This table shows the age distribution of all permanent employees in SMBC EU Group as at 31 March 25:

	Age below 30	Age 30–50	Age 50 and above
Percentage	10.6%	72.0%	17.4%

Performance reviews and career conversations

All permanent employees in SMBC EU Group who were eligible for a performance review and career conversation in FY2024/25 completed the process.

Employee Class Definitions

- **Permanent** – This is defined as individuals directly employed by SMBC EU Group in their respective home country or region. These employees have a formal contract with SMBC EU Group that specifies the terms and conditions of their employment and has no specified end date. This population has an Employee Class of 'Permanent'.
- **Expatriate** – This is defined as employees working for SMBC EU Group outside of their home country. These employees have a formal employment contract with SMBC Tokyo and either: i) a secondment agreement between SMBC Tokyo and EUAG with a specified end date, or ii) a formal employment contract with SNBL. This population has an Employee Class of 'Expatriate'.
- **Fixed Term** – This refers to individuals who are directly employed by SMBC EU Group for a set period in their respective home country or region. These employees have a formal contract with SMBC EU Group that outlines the terms and conditions of their employment, including a specified end date. This group is classified under the Employee Class 'Fixed Term'.
- **Contingent** – This refers to individuals who are hired through a recruitment agency in their respective home country or region for a defined period. These individuals have a formal contract with the recruitment agency, which in turn has a contractual agreement with SMBC EU Group. This group is classified under the Employee Class 'Contingent'. This does not include consultants.
- **Intern** – This typically refers to students who are gaining practical work experience in their respective home country or region for a specified period of time. The students have a formal contract with SMBC EU Group that outlines the terms and conditions of their employment, including a specified end date. This group is classified under the Employee Class 'Intern'.

For the purpose of consolidated non-financial statement, the following definitions have been used.

- **Permanent employees in SMBC EU Group** – Total number of employees in SMBC EU Group with an Employee Class of 'Permanent' or 'Expatriate'.
- **Temporary employees in SMBC EU Group** – Total number of employees in SMBC EU Group with an Employee Class of 'Fixed Term' or 'Intern'.
- **Number of Employees in SMBC EU Group who belong to a workers' council / equivalent employee representative group** – this is made of up the total number of employees in SMBC EU Group belonging to a workers' council or equivalent staff representative group with an Employee Class of 'Permanent'. This does not include substitute members.
- **Women in Finance Charter** – Women in senior leadership in SMBC EMEA – this is the percentage of females in SMBC EMEA (except SNBL) whose Employee Class is 'Permanent' or 'Fixed Term' with a corporate title of Executive Director ('ED') or Managing Director ('MD').
- **Gender distribution at top management level in SMBC EU Group** – This refers to the percentage of female and male employees in SMBC EU Group with

an Employee Class of 'Permanent' or 'Fixed Term' and a corporate title of ED or MD.

- **Proportion of women in senior leadership in SMBC EU Group Germany** – The percentage of female employees in SMBC EU Group Germany with an Employee Class of 'Permanent' or 'Fixed Term' and a corporate title of ED or MD.
- **Total proportion for female employees in SMBC EU Group Germany – T**he percentage of female employees in SMBC EU Group Germany with an Employee Class of 'Permanent' or 'Fixed Term'.
- **Employee age distribution in SMBC EU Group –** This metric shows how all employees in SMBC EU Group with an Employee Class of 'Permanent' are placed across different age groups. It is reported as a percentage for each age group, which is calculated based on the birth date of each. For reporting purposes, the ages are categorised into three groups: under 30, 30–50 and over 50.
- **Percentage of employees that participated in regular performance and career development reviews** – This is the percentage of all eligible employees in SMBC EU Group with an Employee Class of 'Permanent' who participated in regular performance and career development reviews. Employees on leave of absence during the review period are excluded from the eligible population.

Social aspects

The Bank recognises the importance of making a positive contribution to the societies in which it operates and encourages all employees to think about how they can create social value as part of their day-to-day roles, including, but not limited to, volunteering with community or charitable organisations and fundraising. The Bank does not pursue policies regarding social matters aligned with section 289c para. 3 no. 1 HGB, as the DMA has identified it as an immaterial aspect. Nevertheless, the Bank is actively engaged in this regard through the following initiatives. In FY2024/25, the Bank and its employees contributed to a globally coordinated Social Value Creation week of Corporate Social Responsibility ('CSR') activities, where SMBC EU employees and representatives of the Executive Board participated in a series of volunteering events, including:

- Partnership with Frankfurter-Tafel, Tafel Düsseldorf e.V. and Kindertafel Düsseldorf Tafel to support Tafel's mission of redistributing surplus food to those in need by SMBC EU colleagues, including SMBC EU's CEO, Mr Stanislas Roger. This initiative not only tackles food waste, but also provides vital assistance to individuals experiencing food insecurity.
- SMBC EU's Paris branch co-hosted a large group of underprivileged high-school students for a Career Morning to provide a unique opportunity for students to gain insights into the banking sector and explore potential future career paths. The event featured workshops and panel discussions involving a range of senior staff, including SMBC EU's CEO, Mr Stanislas Roger.
- SMBC EU Dublin branch employees and senior management volunteered together to provide, organise, package and deliver Food Donation Care Packs to the Dublin Simon Community, a local charity that works to prevent and address homelessness across Ireland and enable people to move to a place they can call home.
- SMBC EU Madrid branch took part in the annual Big Food Collection campaign organised by the Food Bank of Madrid by volunteering in shifts at local supermarkets, helping collect food and financial donations to support individuals in poverty or at risk of social exclusion.

The Bank will promote such initiatives in upcoming years to expand existing relationships and identify new community organisations to which the Bank's staff may contribute time, skills and expertise.

Respect for human rights

Even though this topic is considered immaterial by the DMA, the Bank pursues the following HGB-compliant policies and actions in this regard.

SMBC EU Group's approach to slavery and human trafficking is guided by the principle that it should not be involved, directly or indirectly, in the commission or facilitation of slavery or human trafficking. This includes a cautious due diligence process in the selection of customers, business partners, suppliers and other third parties, to provide reasonable assurance that they are not involved in the commission or facilitation of slavery and / or human trafficking.

SMBC EU Group supports the SMBC Group Human Rights Report and Statement on Human Rights, based on the United Nations' Guiding Principles on Business and Human Rights ('UNGPs'). As such, SMBC EU Group is committed to protecting and respecting human rights in accordance with international human rights standards.

Social-related risks may manifest in financial and non-financial risks not only for customers but also for financial institutions. Human rights-related risks were considered as part of the transmission channel analysis (described in detail in section 2.1.2) and assessed for their potential to drive the traditional risk categories. Human rights-related risks may affect individual counterparties, but from the Bank's perspective the overall risk materiality is considered immaterial.

Supplier due diligence for human rights

SMBC Group commits to meet its responsibility to respect human rights in its supply chain. Therefore, SMBC Group has established the Sustainable Procurement Policy (Supplier Code of Conduct), which requires suppliers to comply with the laws and regulations applicable in the countries in which they operate, as well as to seek their understanding and cooperation on appropriate standards considered by SMBC Group.

As such, SMBC EU Group follows globally aligned standards and processes for evaluating, onboarding and managing external suppliers. SMBC EU Group has adopted the Sustainable Procurement Policy of SMBC Group. Those partnering with SMBC EU Group must meet rigorous business, compliance and financial stability criteria while adhering to the Bank's ethical guidelines, which outline expectations for responsible and sustainable business conduct. Suppliers operating in sectors with elevated ESG risks or heightened concerns related to modern slavery and human trafficking undergo enhanced due diligence and ongoing monitoring. The supplier due diligence process at SMBC EU Group consists of an annual service provider risk assessment which includes an ESG questionnaire, covering adherence to international standards on human rights such as the European Convention on Human Rights, as well as international standards on working conditions and the prohibition on human rights.

Human rights due diligence in customer onboarding and lending transaction processes

SMBC EU has policies and processes in place to prohibit transactions with businesses that cause child labour, forced labour and human trafficking. The Bank's credit management considers social-related risks in its decision-making on doing business with new and existing customers. For that purpose, SMBC EU implemented, aligned with SMFG, a human rights due diligence process which includes usage of the Environmental and Social Due Diligence ('ES DD') tool. The purpose of the ESDD is to recognise and assess the impact of various factors in affecting credit and reputational risks. Furthermore, the tool aims to promote engagement with customers on their transition plans and evolving ESG risk mitigants.

The implemented standards and processes at SMBC EU Group support its commitment to protecting and respecting human rights in FY2024/25.

4. Governance

Governance IRO assessment

The identification of actual and potential business conduct-related IROs follows the same structured approach detailed in the previously mentioned DMA process. This process is consistently applied across the entire DMA, with adjustments to address the specific focus of each business conduct-related aspect and the relevant stakeholders. The pre-assessment, conducted through internal governance-related information, provided an initial indication of which business conduct-related sub-topics were likely to be material and the stakeholders most affected. The pre-assessment considers the sub-topics defined in the ESRS: corporate culture, protection of whistleblowers, animal welfare, political engagement and lobbying activities, management of relationships with suppliers including payment practices, and corruption and bribery. In workshops, stakeholder of SMBC EU critically challenged the pre-assessment and discussed how those governance aspects could affect SMBC EU Group's business financially and how SMBC EU Group's operations, suppliers or clients impact them.

In the downstream value chain, the governance-related risks were considered as part of the transmission channel analysis and assessed for their potential to drive traditional risk categories. The assessment concludes governance-related risks originating from downstream activities are immaterial to the Bank's overall risk profile. With respect to the Bank's own business conduct, i.e. corporate culture risks related to the potential for an inadequate management of environment and social risks, the risk potential has been assessed as immaterial as well. Wider corporate culture risks in the form of risk culture have been assessed as material on the inherent risk dimension (before mitigating action) as part of the risk register process.

Corporate culture

SMBC EU Group is committed to fostering a culture that aligns with regulatory expectations, internal governance standards, and the broader EMEA culture framework. Our approach is grounded in SMBC's five global values – Integrity, Customer First, Speed & Quality, Innovation & Proactiveness, and One 'Team SMBC' – which underpin behaviours, decision-making and collective accountability across the organisation. These values are embedded in the Bank's Mission, Vision, and Culture Statement and serve as a foundation for how we lead, collaborate and engage with each other and stakeholders.

The Bank's Culture Governance Framework includes key mechanisms such as the EMEA Culture Governance Panel and network of Culture Champions across the Bank. These structures play a critical role in driving cultural alignment across all SMBC EU locations, aiming to ensure that local activities reinforce shared values while meeting regulatory and supervisory expectations.

All cultural initiatives, employee engagement activities and governance measures are designed to support a healthy, inclusive and values-driven environment. The Bank monitors and assesses the effectiveness of its cultural framework through structured oversight, bi-annual employee engagement surveys and the implementation of Culture Action Plans ('CAPs'), enabling us to identify areas for improvement and ensure continuous alignment with strategic and cultural priorities.

Business conduct

Within its roles and responsibilities, the Executive and Supervisory Boards aim to ensure that through internal structures, risk management functions, as well as policies and procedures, the SMBC EU Group has established a robust corporate governance culture. This particularly includes the 'three lines of defence' model, including functions such as Compliance, Risk Management and Audit. Therefore, all business conduct-related topics are led from the top.

SMBC EU Group defines standards and behaviours through an extensive framework of policies and procedures for identifying, reporting and investigating unlawful behaviours or breaches of its Code of Conduct. Essential rules for compliant and general behaviour are also defined in the respective Code of Conduct document. Within the Code of Conduct, guiding principles, responsibilities and Company-specific aspects are further outlined. Therefore, concrete reporting obligations are defined for internal stakeholders.

In line with national whistleblower regulations, SMBC EU Group has established internal policies and procedures to accommodate whistleblowing cases for both employees and other stakeholders, particularly including non-employee stakeholders.

SMBC EU Group has established dedicated reporting channels, both internally and externally. Investigations and reporting are conducted in line with the respective national whistleblowing regulations. SMBC EU Group therefore ensures whistleblowers are protected in accordance with national regulations.

SMBC EU Group has established processes to investigate business conduct incidents promptly, independently and objectively.

SMBC EU Group has defined a training concept within its policies and procedures, divided into three pillars. These training methods include face-to-face sessions, group sessions and electronic learning. They also cover conduct-related topics, among others.

Anti-bribery and corruption

Even though this topic is considered immaterial by the DMA, the Bank pursues the following HGB-compliant policies and actions in this regard.

The Bank faces both employee and third party bribery and corruption risks. The key bribery and corruption risk typologies that the Bank and its employees face are defined in the Bank's anti-bribery and corruption ('ABC') policy. These are focused on gifts and entertainment, hiring, donations and sponsorships, third-party intermediaries and vendors, and transactions. All departments and employees of the Bank that are exposed to one or more of these risk typologies face an enhanced risk for bribery and corruption. The Bank's Financial Crime Risk Assessment ('FCRA') has highlighted that customer-facing departments will inherently face an enhanced bribery and corruption risk compared with other departments due to the nature of their activities. However, it is important to note that all departments and all employees are at risk. The Bank has several procedures in place covering the prevention of bribery and corruption, as well as procedures covering other types of financial crime that mitigate the Bank's exposure to bribery and corruption, such as money laundering, terrorist financing, fraud, and sanctions evasion.

A policy for anti-bribery and corruption is in place and has been mapped to the UN Convention against Corruption. The mapping did not show any gaps between the convention and the relevant policy, which means that the Bank is satisfied that all relevant requirements of the UN Convention against Corruption are implemented within the Bank's ABC policy. The Bank conducts risk-based due diligence on its suppliers and associated parties. These third parties are also screened for negative news, sanctions, politically exposed persons and other public positions. High-risk suppliers and associated parties that fall outside the Bank's ABC risk appetite will not be accepted.

Gifts and entertainment ('G&E'), both given to and received by the Bank's employees, are subject to the EMEA Division G&E policy. This policy outlines the requirements for all employees to register all G&E in the Bank's G&E register and to seek the appropriate levels of management pre-approvals where necessary.

The Bank has a whistleblowing procedure in place where all employees can find the appropriate channel to raise their concerns. The procedure also covers how these concerns should be handled and investigated, and the protection for employees from unfair treatment.

The ABC policy outlines the requirement for all employees to escalate bribery and corruption concerns to the relevant Money Laundering Reporting Officer ('MLRO').

Independent investigations are carried out in the second line of defence by Compliance, which is fully independent from both an operational and managerial perspective from those business departments that sit in the first line of defence.

Bribery and corruption management information is to be made available to the respective local MLRO, local compliance officer or senior management, on a regular basis or when requested on an ad-hoc basis. This management information will also be reported to the appropriate committees to enable senior management to fulfil their function. The management information will be shared with supervisory bodies upon request. Outcomes of specific cases or incidents are reported ad-hoc to the Executive Board.

If an employee has committed a high-risk breach or repeatedly committed low or medium breaches, this will be escalated both to Compliance and at least the head of the department. All serious or material misconduct must be escalated to the regional chief compliance officer to ensure that any necessary regulatory notification is given.

All policies are available to all employees through the Bank's intranet and central policy and procedure depository. All new policies and updates to existing policies are distributed via email and are addressed in standing calls between the first and second lines of defence. Training is also provided on the relevant policies and their contents.

All new joiners need to complete anti-bribery and corruption training. All employees are also subject to annual refresher training. The trainings cover the expectations set in regulations, policies and procedures, as well as the processes and tools in place to mitigate bribery and corruption risks. Most of the trainings are held online as eLearnings. Attendance is monitored, tracked and escalated to relevant management. Non-attendance is not tolerated.

Currently, all employees receive the same training, which means that administrative, supervisory and management bodies of the Bank receive the same training as all other employees. The Bank recognises that appropriate training on bribery and corruption must be provided to all employees at least annually to ensure they are aware of their personal obligations and the relevant regulatory requirements. The Bank will conduct training that covers general risk awareness of ABC for all employees and contractors at induction; additional mandatory refresher training will take place every year. The training will cover the key factors for employees to be aware of, and whom to contact should they identify an issue or require more information.

There have been no convictions for violation of anti-corruption and anti-bribery laws and there have been no fines for violation of anti-corruption and anti-bribery laws in the current reporting period.

There have also not been any breaches during this reporting period, so no actions have been taken. In the event of a breach of policy, procedure or any applicable laws or regulations, the matter will be escalated and investigated in line with the Bank's incident reporting policy or via the whistleblowing framework.

The Bank may employ external legal counsel or other external advisors if required and will report any identified crime to the appropriate law enforcement agencies or regulators. Employees found to have infringed policy, procedure, or any law or regulation shall be subject to appropriate disciplinary action, up to and including dismissal, in accordance with applicable employment laws, and may be subject to criminal prosecution.

VIII. Annex for EU Taxonomy Reporting (not part of the audit of the external auditor)

Template 00.: Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

			0010		0020	0030	0040	0050	0060
			Total environmentally sustainable assets (turnover based)	Total environmentally sustainable assets (CAPEX based)	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
10	Main KPI	Green asset ratio (GAR) stock	463.18	708.80	2.50	3.83	72.31	61.60	27.69

			Total environmentall y sustainable activities		KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
20	*Additional KPIs*	*GAR (flow)*	93.35	36.51	0.83	0.32	26.34	23.72	73.66
30		*Trading book**							
40		*Financial guarantees*	39.75	78.82	8.54	16.93			
		GAR (flow) financial guarantees	131.00	192.79	24.36	35.85			
50		*Assets under management*							
60		*Fees and commissions income***							

* For Credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

** Fees and commissions income from services other than lending and AuM

Institutions shall disclose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

*** % of assets covered by the KPI over banks' total assets

**** based on the Turnover KPI of the counterparty

***** based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

Note 1: Accross the reporting templates: cells shaded in black should not be reported.
Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs'inclusion in these KPI will only apply subject to a positive result of an impact assessment

Table 1.1.: Assets for the calculation of GAR (Capex KPIs)

		a	b	c	d	e	f	g	h	i	j
											31.03.2025
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
	In million EUR	**Total [gross] carrying amount**			**Of which Use of Proceeds**	**Of which transi-tional**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**
GAR - Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	2,743.72	1,829.01	667.69	135.36	148.06	121.15	186.49	41.11		3.21
2	Financial undertakings	1,050.58	783.51	197.56		93.28	4.29	178.87	37.78		0.11
3	Credit institutions										
4	Loans and advances										
5	Debt securities, including UoP										
6	Equity instruments										
7	Other financial corporations	1,050.58	783.51	197.56		93.28	4.29	178.87	37.78		0.11
8	of which investment firms	102.89	101.56	101.50			4.00				
9	Loans and advances	102.89	101.56	101.50			4.00				
10	Debt securities, including UoP										
11	Equity instruments										
12	of which management companies										
13	Loans and advances										
14	Debt securities, including UoP										
15	Equity instruments										
16	of which insurance undertakings	0.01	0.00	0.00		0.00					
17	Loans and advances	0.01	0.00	0.00		0.00					
18	Debt securities, including UoP										
19	Equity instruments										
20	Non-financial undertakings	1,693.13	1,045.50	470.13	135.36	54.78	116.86	7.62	3.34		3.10
21	Loans and advances	1,693.13	1,045.50	470.13	135.36	54.78	116.86	7.62	3.34		3.10
22	Debt securities, including UoP										
23	Equity instruments										
24	Households										
25	of which loans collateralised by residential immovable property										
26	of which building renovation loans										
27	of which motor vehicle loans										
28	Local governments financing										
29	Housing financing										
30	Other local government financing										
31	Collateral obtained by taking possession:										

		a	b	c	d	e	f	g	h	i	j
											31.03.2025
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
In million EUR		Total [gross] carrying amount			Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling
	residential and commercial immovable properties										
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	15,785.90									
33	Financial and Non-financial undertakings	14,990.13									
34	SME's and NFCs (other then SMEs) not subject to NFRD disclosure obligations	10,974.48									
35	Loans and advances	10,779.14									
36	of which loans collateralised by commercial immovable property	359.20									
37	of which building renovation loans										
38	Debt securities	195.34									
39	Equity instruments										
40	Non-EU country counterparties not subject to NFRD disclosure obligations	4,015.65									
41	Loans and advances	4,015.65									
42	Debt securities										
43	Equity instruments										
44	Derivatives	25.23									
45	On demand interbank loans	399.57									
46	Cash and cash-related assets										
47	Other categories of assets (e.g. Goodwill, commodities etc.)	370.98									
48	Total GAR assets	18,529.62	1,829.01	667.69	135.36	148.06	121.15	186.49	41.11		3.21
49	Assets not covered for GAR calculation	7,095.97									
50	Central governments and Supranational issuers	0.02									
51	Central banks exposures	6,113.78									
52	Trading book	982.17									
53	Total assets	25,625.59	1,829.01	667.69	135.36	148.06	121.15	186.49	41.11		3.21
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations											
54	Financial guarantees	465.57	198.61	78.68		8.68	19.93	4.54	0.13		
55	Assets under management										
56	Of which debt securities										
57	Of which equity instruments										

		k	l	m	n	o	p	q	r
									31.03.2025
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
in million EUR				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	123.50	0.00			123.50	0.00		
2	Financial undertakings	114.67				114.67			
3	Credit institutions								
4	Loans and advances								
5	Debt securities, including UoP								
6	Equity instruments								
7	Other financial corporations	114.67				114.67			
8	of which investment firms								
9	Loans and advances								
10	Debt securities, including UoP								
11	Equity instruments								
12	of which management companies								
13	Loans and advances								
14	Debt securities, including UoP								
15	Equity instruments								
16	of which insurance undertakings								
17	Loans and advances								
18	Debt securities, including UoP								
19	Equity instruments								
20	Non-financial undertakings	8.83	0.00			8.83	0.00		
21	Loans and advances	8.83	0.00			8.83	0.00		
22	Debt securities, including UoP								
23	Equity instruments								
24	Households								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	Local governments financing								
29	Housing financing								
30	Other local government financing								
31	Collateral obtained by taking possession: residential and commercial immovable properties								
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)								
33	Financial and Non-financial undertakings								
34	SME's and NFCs (other then SMEs) not subject to NFRD disclosure obligations								
35	Loans and advances								
36	of which loans collateralised by commercial immovable property								
37	of which building renovation loans								
38	Debt securities								
39	Equity instruments								

		k	l	m	n	o	p	q	r
									31.03.2025
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
in million EUR				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
40	Non-EU country counterparties not subject to NFRD disclosure obligations								
41	Loans and advances								
42	Debt securities								
43	Equity instruments								
44	Derivatives								
45	On demand interbank loans								
46	Cash and cash-related assets								
47	Other categories of assets (e.g. Goodwill, commodities etc.)								
48	Total GAR assets	123.50	0.00			123.50	0.00		
49	Assets not covered for GAR calculation								
50	Central governments and Supranational issuers								
51	Central banks exposures								
52	Trading book								
53	Total assets	123.50	0.00			123.50	0.00		
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations									
54	Financial guarantees	5.09				5.10			
55	Assets under management								
56	Of which debt securities								
57	Of which equity instruments								

	In million EUR	s	t	u	v	w	x	z	aa
		31.03.2025							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which transitional
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.04							
2	Financial undertakings								
3	Credit institutions								
4	Loans and advances								
5	Debt securities, including UoP								
6	Equity instruments								
7	Other financial corporations								
8	of which investment firms								
9	Loans and advances								
10	Debt securities, including UoP								
11	Equity instruments								
12	of which management companies								
13	Loans and advances								
14	Debt securities, including UoP								
15	Equity instruments								
16	of which insurance undertakings								
17	Loans and advances								
18	Debt securities, including UoP								
19	Equity instruments								
20	Non-financial undertakings	0.04							
21	Loans and advances	0.04							
22	Debt securities, including UoP								
23	Equity instruments								
24	Households								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	Local governments financing								
29	Housing financing								
30	Other local government financing								
31	Collateral obtained by taking possession: residential and commercial immovable properties								
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)								
33	Financial and Non-financial undertakings								
34	SME's and NFCs (other then SMEs) not subject to NFRD disclosure obligations								
35	Loans and advances								
36	of which loans collateralised by commercial immovable property								
37	of which building renovation loans								
38	Debt securities								
39	Equity instruments								

		s	t	u	v	w	x	z	aa
									31.03.2025
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
In million EUR				Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which transitional
40	Non-EU country counterparties not subject to NFRD disclosure obligations								
41	Loans and advances								
42	Debt securities								
43	Equity instruments								
44	Derivatives								
45	On demand interbank loans								
46	Cash and cash-related assets								
47	Other categories of assets (e.g. Goodwill, commodities etc.)								
48	Total GAR assets	0.04							
49	Assets not covered for GAR calculation								
50	Central governments and Supranational issuers								
51	Central banks exposures								
52	Trading book								
53	Total assets	0.04							
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations									
54	Financial guarantees								
55	Assets under management								
56	Of which debt securities								
57	Of which equity instruments								

		ab	ac	ad	ae	af
						31.03.2025
						TOTAL (CCM + CCA + WTR + CE + PPC + BIO)
						Of which towards taxonomy relevant sectors (Taxonomy-eligible)
						Of which environmentally sustainable (Taxonomy-aligned)
in million EUR				**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**
GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	2,262.54	708.80	135.36	148.06	124.36
2	Financial undertakings	1,191.72	235.34		93.28	4.40
3	Credit institutions					
4	Loans and advances					
5	Debt securities, including UoP					
6	Equity instruments					
7	Other financial corporations	1,191.72	235.34		93.28	4.40
8	of which investment firms	101.56	101.50			4.40
9	Loans and advances	101.56	101.50			4.40
10	Debt securities, including UoP					
11	Equity instruments					
12	of which management companies					
13	Loans and advances					
14	Debt securities, including UoP					
15	Equity instruments					
16	of which insurance undertakings	0.00	0.00		0.00	
17	Loans and advances	0.00	0.00		0.00	
18	Debt securities, including UoP					
19	Equity instruments					
20	Non-financial undertakings	1,070.82	473.47	135.36	54.78	119.96
21	Loans and advances	1,070.82	473.47	135.36	54.78	119.96
22	Debt securities, including UoP					
23	Equity instruments					
24	Households					
25	of which loans collateralised by residential immovable property					
26	of which building renovation loans					
27	of which motor vehicle loans					
28	Local governments financing					
29	Housing financing					
30	Other local government financing					
31	Collateral obtained by taking possession: residential and commercial immovable properties					
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)					
33	Financial and Non-financial undertakings					
34	SME's and NFCs (other then SMEs) not subject to NFRD disclosure obligations					
35	Loans and advances					
36	of which loans collateralised by commercial immovable property					
37	of which building renovation loans					
38	Debt securities					
39	Equity instruments					
40	Non-EU country counterparties not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities					
43	Equity instruments					

		ab	ac	ad	ae	af
						31.03.2025
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)		
in million EUR				**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**
44	Derivatives					
45	On demand interbank loans					
46	Cash and cash-related assets					
47	Other categories of assets (e.g. Goodwill, commodities etc.)					
48	Total GAR assets	2,262.54	708.80	135.36	148.06	124.36
49	Assets not covered for GAR calculation					
50	Central governments and Supranational issuers					
51	Central banks exposures					
52	Trading book					
53	Total assets	2,262.54	708.80	135.36	148.06	124.36
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations						
54	Financial guarantees	213.33	78.82		8.68	19.93
55	Assets under management					
56	Of which debt securities					
57	Of which equity instruments					

Table 1.2.: Assets for the calculation of GAR (Turnover KPIs)

		a	b	c	d	e	f	g	h	i	j
											31.03.2025
							Climate Change Mitigation (CCM)				**Climate Change Adaptation (CCA)**
							Of which towards taxonomy relevant sectors (Taxonomy-eligible)				**Of which towards taxonomy relevant sectors (Taxonomy-eligible)**
							Of which environmentally sustainable (Taxonomy-aligned)				**Of which environmentally sustainable (Taxonomy-aligned)**
in million EUR		**Total [gross] carrying amount**			**Of which Use of Proceeds**	**Of which transi-tional**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**
GAR - Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	2,743.72	1,092.24	358.71	135.36	98.47	43.57	189.92	104.41		0.36
2	Financial undertakings	1,050.58	458.71	96.71		42.50	2.83	179.30	104.07		0.35
3	Credit institutions										
4	Loans and advances										
5	Debt securities, including UoP										
6	Equity instruments										
7	Other financial corporations	1,050.58	458.71	96.71		42.50	2.83	179.30	104.07		0.35
8	of which investment firms	102.89	55.30	54.00			2.82				
9	Loans and advances	102.89	55.30	54.00			2.82				
10	Debt securities, including UoP										
11	Equity instruments										
12	of which management companies										
13	Loans and advances										
14	Debt securities, including UoP										
15	Equity instruments										
16	of which insurance undertakings	0.01	0.00	0.00		0.00					
17	Loans and advances	0.01	0.00	0.00		0.00					
18	Debt securities, including UoP										
19	Equity instruments										
20	Non-financial undertakings	1,693.13	633.53	262.01	135.36	55.98	40.75	10.62	0.34		0.00
21	Loans and advances	1,693.13	633.53	262.01	135.36	55.98	40.75	10.62	0.34		0.00
22	Debt securities, including UoP										
23	Equity instruments										
24	Households										
25	of which loans collateralised by residential immovable property										
26	of which building renovation loans										

	a	b	c	d	e	f	g	h	i	j
										31.03.2025
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
in million EUR	Total [gross] carrying amount			Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling
27 of which motor vehicle loans										
28 Local governments financing										
29 Housing financing										
30 Other local government financing										
31 Collateral obtained by taking possession: residential and commercial immovable properties										
32 Assets excluded from the numerator for GAR calculation (covered in the denominator)	15,785.90									
33 Financial and Non-financial undertakings	14,990.13									
34 SME's and NFCs (other then SMEs) not subject to NFRD disclosure obligations	10,974.48									
35 Loans and advances	10,779.14									
36 of which loans collateralised by commercial immovable property	359.20									
37 of which building renovation loans										
38 Debt securities	195.34									
39 Equity instruments										
40 Non-EU country counterparties not subject to NFRD disclosure obligations	4,015.65									
41 Loans and advances	4,015.65									
42 Debt securities										
43 Equity instruments										
44 Derivatives	25.23									
45 On demand interbank loans	399.57									
46 Cash and cash-related assets										
47 Other categories of assets (e.g. Goodwill, commodities etc.)	370.98									
48 Total GAR assets	18,529.62	1,092.24	358.71	135.36	98.47	43.57	189.92	104.41		0.36
49 Assets not covered for GAR calculation	7,095.97									

		a	b	c	d	e	f	g	h	i	j
											31.03.2025
			Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					**Of which towards taxonomy relevant sectors (Taxonomy-eligible)**			
				Of which environmentally sustainable (Taxonomy-aligned)					**Of which environmentally sustainable (Taxonomy-aligned)**		
in million EUR		**Total [gross] carrying amount**			**Of which Use of Proceeds**	**Of which transi-tional**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**
50	Central governments and Supranational issuers	0.02									
51	Central banks exposures	6,113.78									
52	Trading book	982.17									
53	<u>Total assets</u>	25,625.59	1,092.24	358.71	135.36	98.47	43.57	189.92	104.41		0.36
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations											
54	Financial guarantees	465.57	138.99	39.75		4.02	10.58	2.53			
55	Assets under management										
56	Of which debt securities										
57	Of which equity instruments										

		k	l	m	n	o	p	q	r
									31.03.2025
		Water and marine resources (WTR)				**Circular economy (CE)**			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				**Of which towards taxonomy relevant sectors (Taxonomy-eligible)**			
			Of which environmentally sustainable (Taxonomy-aligned)				**Of which environmentally sustainable (Taxonomy-aligned)**		
in million EUR				**Of which specialised lending**	**Of which enabling**			**Of which specialised lending**	**Of which enabling**
GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.05	0.05		0.04	135.81	0.00		
2	Financial undertakings	0.04	0.04		0.04	135.77			
3	Credit institutions								
4	Loans and advances								
5	Debt securities, including UoP								
6	Equity instruments								
7	Other financial corporations	0.04	0.04		0.04	135.77			
8	of which investment firms								
9	Loans and advances								
10	Debt securities, including UoP								
11	Equity instruments								
12	of which management companies								

		k	l	m	n	o	p	q	r
									31.03.2025
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
in million EUR				Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling
13	Loans and advances								
14	Debt securities, including UoP								
15	Equity instruments								
16	of which insurance undertakings								
17	Loans and advances								
18	Debt securities, including UoP								
19	Equity instruments								
20	Non-financial undertakings	0.02	0.02			0.05	0.00		
21	Loans and advances	0.02	0.02			0.05	0.00		
22	Debt securities, including UoP								
23	Equity instruments								
24	Households								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	Local governments financing								
29	Housing financing								
30	Other local government financing								
31	Collateral obtained by taking possession: residential and commercial immovable properties								
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)								
33	Financial and Non-financial undertakings								
34	SME's and NFCs (other then SMEs) not subject to NFRD disclosure obligations								
35	Loans and advances								
36	of which loans collateralised by commercial immovable property								

		k	l	m	n	o	p	q	r
									31.03.2025
		Water and marine resources (WTR)				**Circular economy (CE)**			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				**Of which towards taxonomy relevant sectors (Taxonomy-eligible)**			
			Of which environmentally sustainable (Taxonomy-aligned)				**Of which environmentally sustainable (Taxonomy-aligned)**		
in million EUR				**Of which specialised lending**	**Of which enabling**			**Of which specialised lending**	**Of which enabling**
37	of which building renovation loans								
38	Debt securities								
39	Equity instruments								
40	Non-EU country counterparties not subject to NFRD disclosure obligations								
41	Loans and advances								
42	Debt securities								
43	Equity instruments								
44	Derivatives								
45	On demand interbank loans								
46	Cash and cash-related assets								
47	Other categories of assets (e.g. Goodwill, commodities etc.)								
48	Total GAR assets	0.05	0.05		0.04	135.81	0.00		
49	Assets not covered for GAR calculation								
50	Central governments and Supranational issuers								
51	Central banks exposures								
52	Trading book								
53	Total assets	0.05	0.05		0.04	135.81	0.00		
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations									
54	Financial guarantees	0.01	0.00			9.55			
55	Assets under management								
56	Of which debt securities								
57	Of which equity instruments								

	in million EUR	s	t	u	v	w	x	z	aa
									31.03.2025
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which transitional
GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00	0.00			0.26			
2	Financial undertakings								
3	Credit institutions								
4	Loans and advances								
5	Debt securities, including UoP								
6	Equity instruments								
7	Other financial corporations								
8	of which investment firms								
9	Loans and advances								
10	Debt securities, including UoP								
11	Equity instruments								
12	of which management companies								
13	Loans and advances								
14	Debt securities, including UoP								
15	Equity instruments								
16	of which insurance undertakings								
17	Loans and advances								
18	Debt securities, including UoP								
19	Equity instruments								
20	Non-financial undertakings	0.00	0.00			0.26			
21	Loans and advances	0.00	0.00			0.26			
22	Debt securities, including UoP								
23	Equity instruments								
24	Households								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	Local governments financing								
29	Housing financing								
30	Other local government financing								
31	Collateral obtained by taking possession: residential and commercial immovable properties								
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)								
33	Financial and Non-financial undertakings								
34	SME's and NFCs (other then SMEs) not subject to NFRD disclosure obligations								

		s	t	u	v	w	x	z	aa
									31.03.2025
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
in million EUR				Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which transitional
35	Loans and advances								
36	of which loans collateralised by commercial immovable property								
37	of which building renovation loans								
38	Debt securities								
39	Equity instruments								
40	Non-EU country counterparties not subject to NFRD disclosure obligations								
41	Loans and advances								
42	Debt securities								
43	Equity instruments								
44	Derivatives								
45	On demand interbank loans								
46	Cash and cash-related assets								
47	Other categories of assets (e.g. Goodwill, commodities etc.)								
48	Total GAR assets	0.00	0.00			0.26			
49	Assets not covered for GAR calculation								
50	Central governments and Supranational issuers								
51	Central banks exposures								
52	Trading book								
53	Total assets	0.00	0.00			0.26			
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations									
54	Financial guarantees								
55	Assets under management								
56	Of which debt securities								
57	Of which equity instruments								

	in million EUR	ab	ac	ad	ae	af
						31.03.2025
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,418.29	463.18	135.36	98.47	43.97
2	Financial undertakings	773.81	200.82		42.50	43.22
3	Credit institutions					
4	Loans and advances					
5	Debt securities, including UoP					
6	Equity instruments					
7	Other financial corporations	773.81	200.82		42.50	43.22
8	of which investment firms	55.30	54.00			2.82
9	Loans and advances	55.30	54.00			2.82
10	Debt securities, including UoP					
11	Equity instruments					
12	of which management companies					
13	Loans and advances					
14	Debt securities, including UoP					
15	Equity instruments					
16	of which insurance undertakings	0.00	0.00		0.00	
17	Loans and advances	0.00	0.00		0.00	
18	Debt securities, including UoP					
19	Equity instruments					
20	Non-financial undertakings	644.48	262.36	135.36	55.98	40.75
21	Loans and advances	644.48	262.36	135.36	55.98	40.75
22	Debt securities, including UoP					
23	Equity instruments					
24	Households					
25	of which loans collateralised by residential immovable property					
26	of which building renovation loans					
27	of which motor vehicle loans					
28	Local governments financing					
29	Housing financing					
30	Other local government financing					
31	Collateral obtained by taking possession: residential and commercial immovable properties					
32	<u>Assets excluded from the numerator for GAR calculation (covered in the denominator)</u>					
33	Financial and Non-financial undertakings					
34	SME's and NFCs (other then SMEs) not subject to NFRD disclosure obligations					
35	Loans and advances					
36	of which loans collateralised by commercial immovable property					
37	of which building renovation loans					
38	Debt securities					
39	Equity instruments					
40	Non-EU country counterparties not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities					
43	Equity instruments					

		ab	ac	ad	ae	af
						31.03.2025
						TOTAL (CCM + CCA + WTR + CE + PPC + BIO)
						Of which towards taxonomy relevant sectors (Taxonomy-eligible)
						Of which environmentally sustainable (Taxonomy-aligned)
in million EUR				**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**
44	Derivatives					
45	On demand interbank loans					
46	Cash and cash-related assets					
47	Other categories of assets (e.g. Goodwill, commodities etc.)					
48	Total GAR assets	1,418.29	463.18	135.36	98.47	43.97
49	Assets not covered for GAR calculation					
50	Central governments and Supranational issuers					
51	Central banks exposures					
52	Trading book					
53	Total assets	1,418.29	463.18	135.36	98.47	43.97
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations						
54	Financial guarantees	151.08	39.75		4.02	10.58
55	Assets under management					
56	Of which debt securities					
57	Of which equity instruments					

Table 2.1.: GAR sector information (Turnover KPIs)

		a	b	c	d	e	f	g	h
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in million EUR	Of which environmentally sustainable (CCM)	in million EUR	Of which environmentally sustainable (CCM)	in million EUR	Of which environmentally sustainable (CCA)	in million EUR	Of which environmentally sustainable (CCA)
1	B06.10	66.01							
13	B09.10	125.45	1.13						
21	C19.20	30.24	0.01						
22	C20.11	0.00							
32	C20.15	0.00	0.00						
42	C26.11	0.01							
46	C29.10	5.52	0.39						
51	C30.30	0.06							
52	D35.11	276.01	75.50						
53	D35.12	0.04	0.03						
54	D35.13	7.08	0.08						
55	D35.14	110.90	110.89						
56	D35.21								
57	D35.22	0.03	0.00						
58	D35.30								
65	F41.20	15.03	1.64			15.03	0.00		
68	F42.11	75.29							
70	G46.75	0.02	0.00						
71	H49.50	0.02	0.00						
72	H50.20	50.61	24.48			50.61	0.00		
73	H51.10	0.12	0.03						
78	H52.10	25.04							
79	H52.23	0.06	0.03						
80	J61.20	17.61	0.00						
81	J61.90	112.22	4.14			112.22	0.34		
88	J62.01	0.02							
90	J62.09	185.03							
91	L68.20	100.46	21.24						
92	M70.10	490.25	22.42						

		i	j	k	l	m	n	o	p
		Water and marine resources (WTR)				Circular economy (CE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in million EUR	Of which environmentally sustainable (WTR)	in million EUR	Of which environmentally sustainable (WTR)	in million EUR	Of which environmentally sustainable (CE)	in million EUR	Of which environmentally sustainable (CE)
1	B06.10								
13	B09.10								
21	C19.20								
22	C20.11								
32	C20.15								
42	C26.11								
46	C29.10								
51	C30.30								
52	D35.11								
53	D35.12								
54	D35.13	7.08	0.00						
55	D35.14								
56	D35.21								
57	D35.22								
58	D35.30								
65	F41.20	15.03	0.02						
68	F42.11								
70	G46.75								
71	H49.50								
72	H50.20								
73	H51.10								
78	H52.10								
79	H52.23								
80	J61.20					17.61	0.00		
81	J61.90								
88	J62.01								
90	J62.09								
91	L68.20								
92	M70.10	490.25	0.00			490.25	0.00		

		q	r	s	t	u	v	w	x
		Water and marine resources (WTR)				Circular economy (CE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in million EUR	Of which environmentally sustainable (WTR)	in million EUR	Of which environmentally sustainable (WTR)	in million EUR	Of which environmentally sustainable (CE)	in million EUR	Of which environmentally sustainable (CE)
10	B06.10								
13	B09.10								
21	C19.20								
22	C20.11								
32	C20.15								
42	C26.11								
46	C29.10								
51	C30.30								
52	D35.11								
53	D35.12								
54	D35.13								
55	D35.14								
56	D35.21								
57	D35.22								
58	D35.30								
65	F41.20								
68	F42.11								
70	G46.75								
71	H49.50								
72	H50.20								
73	H51.10								
78	H52.10								
79	H52.23								
80	J61.20								
81	J61.90								
88	J62.01								
90	J62.09								
91	L68.20								
92	M70.10								

		y	z	aa	ab
		TOTAL (CCM + CCA + WMR + CE + P + BE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in million EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	in million EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
10	B06.10	66.01	0.00		
13	B09.10	125.45	1.13		
21	C19.20	30.24	0.01		
22	C20.11	0.00	0.00		
32	C20.15	0.00	0.00		
42	C26.11	0.01	0.00		
46	C29.10	5.52	0.39		
51	C30.30	0.06	0.00		
52	D35.11	276.01	75.50		
53	D35.12	0.04	0.03		
54	D35.13	7.08	0.08		
55	D35.14	110.90	110.89		
56	D35.21				
57	D35.22	0.03	0.00		
58	D35.30				
65	F41.20	15.03	1.66		
68	F42.11	75.29	0.00		
70	G46.75	0.02	0.00		
71	H49.50	0.02	0.00		
72	H50.20	50.61	24.48		
73	H51.10	0.12	0.03		
78	H52.10	25.04	0.00		
79	H52.23	0.06	0.03		
80	J61.20	17.61	0.00		
81	J61.90	112.22	4.48		
88	J62.01	0.02	0.00		
90	J62.09	185.03	0.00		
91	L68.20	100.46	21.24		
92	M70.10	490.25	22.42		

Table 2.2.: GAR sector information (Capex KPIs)

		a	b	c	d	e	f	g	h
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in million EUR	Of which environmentally sustainable (CCM)	in million EUR	Of which environmentally sustainable (CCM)	in million EUR	Of which environmentally sustainable (CCA)	in million EUR	Of which environmentally sustainable (CCA)
10	B06.10	66.01	0.02						
13	B09.10	125.45	9.91						
21	C19.20	30.24	0.29				0.00		
22	C20.11	0.00							
32	C20.15	0.00	0.00						
42	C26.11	0.01	0.00						
46	C29.10	5.52	1.99						
51	C30.30	0.06	0.00						
52	D35.11	276.01	133.15			276.01	3.26		
53	D35.12	0.04	0.04						
55	D35.13	7.08	0.18						
57	D35.14	110.90	110.89						
65	D35.22	0.03	0.01						
68	F41.20	15.03	0.38						
70	F42.11	75.29							
71	G46.75	0.02	0.00						
73	H49.50	0.02	0.00			0.02	0.00		
78	H50.20	50.61	26.16						
79	H51.10	0.12	0.06						
80	H52.10	25.04							
81	H52.23	0.06	0.02						
88	J61.20	17.61	0.00						
90	J61.90	112.22	30.58			112.22	0.08		
101	J62.01	0.02							
102	J62.09	185.03							
103	L68.20	100.46	36.89						
104	M70.10	490.25	119.57						

		i	j	k	l	m	n	o	p
		Water and marine resources (WTR)				Circular economy (CE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in million EUR	Of which environmentally sustainable (WTR)	in million EUR	Of which environmentally sustainable (WTR)	in million EUR	Of which environmentally sustainable (CE)	in million EUR	Of which environmentally sustainable (CE)
10	B06.10								
13	B09.10								
21	C19.20								
22	C20.11								
32	C20.15								
42	C26.11								
46	C29.10								
51	C30.30								
52	D35.11								
53	D35.12								
55	D35.13								
57	D35.14								
65	D35.21								
68	D35.22								
70	D35.30								
71	F41.20								
73	F42.11								
78	G46.75								
79	H49.50								
80	H50.20								
81	H51.10	0.06	0.00			0.06	0.00		
88	H52.10					17.61	0.00		
90	H52.23								
101	J61.20								
102	J61.90								
103	J62.01								
104	J62.09					490.25	0.00		

		q	r	s	t	u	v	w	x
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in million EUR	Of which environmentally sustainable (PPC)	in million EUR	Of which environmentally sustainable (PPC)	in million EUR	Of which environmentally sustainable (BIO)	in million EUR	Of which environmentally sustainable (BIO)
10	B06.10								
13	B09.10								
21	C19.20								
22	C20.11								
32	C20.15								
42	C26.11								
46	C29.10								
51	C30.30								
52	D35.11								
53	D35.12								
55	D35.13								
57	D35.14								
65	D35.21								
68	D35.22								
70	D35.30								
71	F41.20								
73	F42.11								
78	G46.75								
79	H49.50								
80	H50.20								
81	H51.10								
88	H52.10								
90	H52.23								
101	J61.20								
102	J61.90								
103	J62.01								
104	J62.09								

		y	z	aa	ab
					TOTAL (CCM + CCA + WMR + CE + P + BE)
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in million EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	in million EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
10	B06.10	66.01	0.02		
13	B09.10	125.45	9.91		
21	C19.20	30.24	0.29		
22	C20.11	0.00	0.00		
32	C20.15	0.00	0.00		
42	C26.11	0.01	0.00		
46	C29.10	5.52	1.99		
51	C30.30	0.06	0.00		
52	D35.11	276.01	136.41		
53	D35.12	0.04	0.04		
55	D35.13	7.08	0.18		
57	D35.14	110.90	110.89		
65	D35.21	0.03	0.01		
68	D35.22	15.03	0.38		
70	D35.30	75.29	0.00		
71	F41.20	0.02	0.00		
73	F42.11	0.02	0.00		
78	G46.75	50.61	26.16		
79	H49.50	0.12	0.06		
80	H50.20	25.04	0.00		
81	H51.10	0.06	0.02		
88	H52.10	17.61	0.00		
90	H52.23	112.22	30.66		
101	J61.20	0.02	0.00		
102	J61.90	185.03	0.00		
103	J62.01	100.46	36.89		
104	J62.09	490.25	119.57		

Table 3.1.: GAR KPI stock (Turnover)

		a	b	c	d	e	f	g	h	i
										31.03.2025
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)**			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy aligned)					**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy aligned)**		
% (compared to total covered assets in the denominator)				**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	5.89	1.94	0.73	0.53	0.24	1.02	0.56		0.00
2	**Financial undertakings**	2.48	0.52		0.23	0.02	0.97	0.56		0.00
3	Credit institutions									
4	Loans and advances									
5	Debt securities, including UoP									
6	Equity instruments									
7	Other financial corporations	2.48	0.52		0.23	0.02	0.97	0.56		0.00
8	of which investment firms	0.30	0.29			0.02				
9	Loans and advances	0.30	0.29			0.02				
10	Debt securities, including UoP									
11	Equity instruments									
12	of which management companies									
13	Loans and advances									
14	Debt securities, including UoP									
15	Equity instruments									
16	of which insurance unertaking									
17	Loans and advances									
18	Debt securities, including UoP									
19	Equity instruments									
20	**Non-financial undertakings**	3.42	1.41	0.73	0.30	0.22	0.06	0.00		
21	Loans and advances	3.42	1.41	0.73	0.30	0.22	0.06	0.00		
22	Debt securities, including UoP									
23	Equity instruments									
24	**Households**									
25	of which loans collateralised by residential immovable property									
26	of which building renovation loans									
27	of which motor vehicle loans									
28	**Local governments financing**									
29	Housing financing									
30	Other local government financing									
31	**Collateral obtained by taking possession: residential and commercial immovable properties**									
32	**Total GAR assets**	5.89	1.94	0.73	0.53	0.24	1.02	0.56		

		j	k	l	m	n	o	p	q
									31.03.2025
		Water and marine resources (WTR)				**Circular economy (CE)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)**			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy aligned)				**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy aligned)**		
% (compared to total covered assets in the denominator)				**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00	0.00		0.00	0.73			
2	Financial undertakings	0.00	0.00		0.00	0.73			
3	Credit institutions								
4	Loans and advances								
5	Debt securities, including UoP								
6	Equity instruments								
7	Other financial corporations	0.00	0.00		0.00	0.73			
8	of which investment firms								
9	Loans and advances								
10	Debt securities, including UoP								
11	Equity instruments								
12	of which management companies								
13	Loans and advances								
14	Debt securities, including UoP								
15	Equity instruments								
16	of which insurance undertaking								
17	Loans and advances								
18	Debt securities, including UoP								
19	Equity instruments								
20	Non-financial undertakings	0.00	0.00			0.00			
21	Loans and advances	0.00	0.00			0.00			
22	Debt securities, including UoP								
23	Equity instruments								
24	Households								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	Local governments financing								
29	Housing financing								
30	Other local government financing								
31	Collateral obtained by taking possession: residential and commercial immovable properties								
32	Total GAR assets					0.73			

		r	s	t	u	v	w	x	z
									31.03.2025
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation					0.00			
2	Financial undertakings								
3	Credit institutions								
4	Loans and advances								
5	Debt securities, including UoP								
6	Equity instruments								
7	Other financial corporations								
8	of which investment firms								
9	Loans and advances								
10	Debt securities, including UoP								
11	Equity instruments								
12	of which management companies								
13	Loans and advances								
14	Debt securities, including UoP								
15	Equity instruments								
16	of which insurance unertaking								
17	Loans and advances								
18	Debt securities, including UoP								
19	Equity instruments								
20	Non-financial undertakings					0.00			
21	Loans and advances					0.00			
22	Debt securities, including UoP								
23	Equity instruments								
24	Households								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	Local governments financing								
29	Housing financing								
30	Other local government financing								
31	Collateral obtained by taking possession: residential and commercial immovable properties								
32	Total GAR assets								

		aa	ab	ac	ad	ae	af
							31.03.2025
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy aligned)				Proportion of total assets covered
% (compared to total covered assets in the denominator)				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	7.65	2.50	0.73	0.53	0.24	10.71
2	Financial undertakings	4.18	1.08		0.23	0.02	4.10
3	Credit institutions						
4	Loans and advances						
5	Debt securities, including UoP						
6	Equity instruments						
7	Other financial corporations	4.18	1.08		0.23	0.02	4.10
8	of which investment firms	0.30	0.29			0.02	0.40
9	Loans and advances	0.30	0.29			0.02	0.40
10	Debt securities, including UoP						
11	Equity instruments						
12	of which management companies						
13	Loans and advances						
14	Debt securities, including UoP						
15	Equity instruments						
16	of which insurance undertaking						0.00
17	Loans and advances						0.00
18	Debt securities, including UoP						
19	Equity instruments						
20	Non-financial undertakings	3.48	1.42	0.73	0.30	0.22	6.61
21	Loans and advances	3.48	1.42	0.73	0.30	0.22	6.61
22	Debt securities, including UoP						
23	Equity instruments						
24	Households						
25	of which loans collateralised by residential immovable property						
26	of which building renovation loans						
27	of which motor vehicle loans						
28	Local governments financing						
29	Housing financing						
30	Other local government financing						
31	Collateral obtained by taking possession: residential and commercial immovable properties						
32	Total GAR assets	7.65	2.50	0.73	0.53	0.24	72.31

Table 3.2.: GAR KPI stock (Capex)

		a	b	c	d	e	f	g	h	i
										31.03.2025
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)**			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy aligned)					**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy aligned)**		
% (compared to total covered assets in the denominator)				**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	9.87	3.60	0.73	0.80	0.65	1.01	0.22		0.02
2	Financial undertakings	4.23	1.07		0.50	0.02	0.97	0.20		0.00
3	Credit institutions									
4	Loans and advances									
5	Debt securities, including UoP									
6	Equity instruments									
7	Other financial corporations	4.23	1.07		0.50	0.02	0.97	0.20		0.00
8	of which investment firms	0.55	0.55			0.02				
9	Loans and advances	0.55	0.55			0.02				
10	Debt securities, including UoP									
11	Equity instruments									
12	of which management companies									
13	Loans and advances									
14	Debt securities, including UoP									
15	Equity instruments									
16	of which insurance undertaking									
17	Loans and advances									
18	Debt securities, including UoP									
19	Equity instruments									
20	Non-financial undertakings	5.64	2.54	0.73	0.30	0.63	0.04	0.02		0.02
21	Loans and advances	5.64	2.54	0.73	0.30	0.63	0.04	0.02		0.02
22	Debt securities, including UoP									
23	Equity instruments									
24	Households									
25	of which loans collateralised by residential immovable property									
26	of which building renovation loans									
27	of which motor vehicle loans									
28	Local governments financing									
29	Housing financing									
30	Other local government financing									
31	Collateral obtained by taking possession: residential and commercial immovable properties									
32	Total GAR assets	9.87	3.60	0.73	0.80	0.65	1.01	0.22		0.02

		j	k	l	m	n	o	p	q
									31.03.2025
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy aligned)		
% (compared to total covered assets in the denominator)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.67				0.67			
2	Financial undertakings	0.62				0.62			
3	Credit institutions								
4	Loans and advances								
5	Debt securities, including UoP								
6	Equity instruments								
7	Other financial corporations	0.62				0.62			
8	of which investment firms								
9	Loans and advances								
10	Debt securities, including UoP								
11	Equity instruments								
12	of which management companies								
13	Loans and advances								
14	Debt securities, including UoP								
15	Equity instruments								
16	of which insurance undertaking								
17	Loans and advances								
18	Debt securities, including UoP								
19	Equity instruments								
20	Non-financial undertakings	0.05				0.05			
21	Loans and advances	0.05				0.05			
22	Debt securities, including UoP								
23	Equity instruments								
24	Households								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	Local governments financing								
29	Housing financing								
30	Other local government financing								
31	Collateral obtained by taking possession: residential and commercial immovable properties								
32	Total GAR assets	0.67				0.67			

		r	s	t	u	v	w	x	z
									31.03.2025
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy aligned)		
% (compared to total covered assets in the denominator)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00							
2	Financial undertakings								
3	Credit institutions								
4	Loans and advances								
5	Debt securities, including UoP								
6	Equity instruments								
7	Other financial corporations								
8	of which investment firms								
9	Loans and advances								
10	Debt securities, including UoP								
11	Equity instruments								
12	of which management companies								
13	Loans and advances								
14	Debt securities, including UoP								
15	Equity instruments								
16	of which insurance undertaking								
17	Loans and advances								
18	Debt securities, including UoP								
19	Equity instruments								
20	Non-financial undertakings	0.00							
21	Loans and advances	0.00							
22	Debt securities, including UoP								
23	Equity instruments								
24	Households								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	Local governments financing								
29	Housing financing								
30	Other local government financing								
31	Collateral obtained by taking possession: residential and commercial immovable properties								
32	Total GAR assets								

		aa	ab	ac	ad	ae	af
							31.03.2025
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy aligned)				**Proportion of total assets covered**
% (compared to total covered assets in the denominator)				**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	12.21	3.83	0.73	0.80	0.67	10.71
2	Financial undertakings	6.43	1.27		0.50	0.02	4.10
3	Credit institutions						
4	Loans and advances						
5	Debt securities, including UoP						
6	Equity instruments						
7	Other financial corporations	6.43	1.27		0.50	0.02	4.10
8	of which investment firms	0.55	0.55			0.02	0.40
9	Loans and advances	0.55	0.55			0.02	0.40
10	Debt securities, including UoP						
11	Equity instruments						
12	of which management companies						
13	Loans and advances						
14	Debt securities, including UoP						
15	Equity instruments						
16	of which insurance undertaking						0.00
17	Loans and advances						0.00
18	Debt securities, including UoP						
19	Equity instruments						
20	Non-financial undertakings	5.78	2.56	0.73	0.30	0.65	6.61
21	Loans and advances	5.78	2.56	0.73	0.30	0.65	6.61
22	Debt securities, including UoP						
23	Equity instruments						
24	Households						
25	of which loans collateralised by residential immovable property						
26	of which building renovation loans						
27	of which motor vehicle loans						
28	Local governments financing						
29	Housing financing						
30	Other local government financing						
31	Collateral obtained by taking possession: residential and commercial immovable properties						
32	Total GAR assets	12.21	3.83	0.73	0.80	0.67	72.31

Table 4.1.: GAR KPI flow (Turnover KPIs)

		a	b	c	d	e	f	g	h	i
										31.03.2025
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)		
% (compared to flow of total eligible assets)				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1.44	0.00		0.00	0.00	1.42	0.82		0.00
2	Financial undertakings	1.42	0.00			0.00	1.42	0.82		
3	Credit institutions									
4	Loans and advances									
5	Debt securities, including UoP									
6	Equity instruments									
7	Other financial corporations	1.42	0.00			0.00	1.42	0.82		
8	of which investment firms									
9	Loans and advances									
10	Debt securities, including UoP									
11	Equity instruments									
12	of which management companies									
13	Loans and advances									
14	Debt securities, including UoP									
15	Equity instruments									
16	of which insurance undertakings									
17	Loans and advances									
18	Debt securities, including UoP									
19	Equity instruments									
20	Non-financial undertakings	0.02	0.00		0.00	0.00	0.00	0.00		0.00
21	Loans and advances	0.02	0.00		0.00	0.00	0.00	0.00		0.00
22	Debt securities, including UoP									
23	Equity instruments									
24	Households									
25	of which loans collateralised by residential immovable property									
26	of which building renovation loans									
27	of which motor vehicle loans									
28	Local governments financing									
29	Housing financing									
30	Other local governments financing									
31	Collateral obtained by taking possession: residential and commercial immovable properties									
32	Total GAR assets	1.44					1.42	0.82		

		j	k	l	m	n	o	p	q
									31.03.2025
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)		
% (compared to flow of total eligible assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00	0.00			0.16			
2	Financial undertakings					0.16			
3	Credit institutions								
4	Loans and advances								
5	Debt securities, including UoP								
6	Equity instruments								
7	Other financial corporations					0.16			
8	of which investment firms								
9	Loans and advances								
10	Debt securities, including UoP								
11	Equity instruments								
12	of which management companies								
13	Loans and advances								
14	Debt securities, including UoP								
15	Equity instruments								
16	of which insurance undertakings								
17	Loans and advances								
18	Debt securities, including UoP								
19	Equity instruments								
20	Non-financial undertakings	0.00	0.00			0.00			
21	Loans and advances	0.00	0.00			0.00			
22	Debt securities, including UoP								
23	Equity instruments								
24	Households								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	Local governments financing								
29	Housing financing								
30	Other local governments financing								
31	Collateral obtained by taking possession: residential and commercial immovable properties								
32	Total GAR assets					0.16			

		r	s	t	u	v	w	x	z
									31.03.2025
					Pollution (PPC)				Biodiversity and Ecosystems (BIO)
					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)
					Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)
% (compared to flow of total eligible assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation								
2	Financial undertakings								
3	Credit institutions								
4	Loans and advances								
5	Debt securities, including UoP								
6	Equity instruments								
7	Other financial corporations								
8	of which investment firms								
9	Loans and advances								
10	Debt securities, including UoP								
11	Equity instruments								
12	of which management companies								
13	Loans and advances								
14	Debt securities, including UoP								
15	Equity instruments								
16	of which insurance undertakings								
17	Loans and advances								
18	Debt securities, including UoP								
19	Equity instruments								
20	Non-financial undertakings								
21	Loans and advances								
22	Debt securities, including UoP								
23	Equity instruments								
24	Households								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	Local governments financing								
29	Housing financing								
30	Other local governments financing								
31	Collateral obtained by taking possession: residential and commercial immovable properties								
32	Total GAR assets								

		aa	ab	ac	ad	ae	af
							31.03.2025
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)				**Proportion of total new assets covered**
% (compared to flow of total eligible assets)				**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**	
GAR - Covered assets in both numerator and denominator							
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	3.02	0.83		0.00	0.00	2.62
2	Financial undertakings	3.00	0.82			0.00	2.31
3	Credit institutions						
4	Loans and advances						
5	Debt securities, including UoP						
6	Equity instruments						
7	Other financial corporations	3.00	0.82			0.00	2.31
8	of which investment firms						
9	Loans and advances						
10	Debt securities, including UoP						
11	Equity instruments						
12	of which management companies						
13	Loans and advances						
14	Debt securities, including UoP						
15	Equity instruments						
16	of which insurance undertakings						
17	Loans and advances						
18	Debt securities, including UoP						
19	Equity instruments						
20	Non-financial undertakings	0.02	0.00		0.00	0.00	0.30
21	Loans and advances	0.02	0.00		0.00	0.00	0.30
22	Debt securities, including UoP						
23	Equity instruments						
24	Households						
25	of which loans collateralised by residential immovable property						
26	of which building renovation loans						
27	of which motor vehicle loans						
28	Local governments financing						
29	Housing financing						
30	Other local governments financing						
31	Collateral obtained by taking possession: residential and commercial immovable properties						
32	Total GAR assets	3.02	0.83				2.62

Table 4.2.: GAR KPI flow (Capex KPIs)

		a	b	c	d	e	f	g	h	i
										31.03.2025
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)		
% (compared to flow of total eligible assets)				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	2.30	0.02		0.00	0.00	1.42	0.30		0.00
2	Financial undertakings	2.26	0.00			0.00	1.42	0.30		
3	Credit institutions									
4	Loans and advances									
5	Debt securities, including UoP									
6	Equity instruments									
7	Other financial corporations	2.26	0.00			0.00	1.42	0.30		
8	of which investment firms									
9	Loans and advances									
10	Debt securities, including UoP									
11	Equity instruments									
12	of which management companies									
13	Loans and advances									
14	Debt securities, including UoP									
15	Equity instruments									
16	of which insurance undertakings									
17	Loans and advances									
18	Debt securities, including UoP									
19	Equity instruments									
20	Non-financial undertakings	0.03	0.02		0.00	0.00	0.00	0.00		0.00
21	Loans and advances	0.03	0.02		0.00	0.00	0.00	0.00		0.00
22	Debt securities, including UoP									
23	Equity instruments									
24	Households									
25	of which loans collateralised by residential immovable property									
26	of which building renovation loans									
27	of which motor vehicle loans									
28	Local governments financing									
29	Housing financing									
30	Other local governments financing									
31	Collateral obtained by taking possession: residential and commercial immovable properties									
32	Total GAR assets	2.30	0.02				1.42	0.30		

		j	k	l	m	n	o	p	q
									31.03.2025
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)		
% (compared to flow of total eligible assets)				**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**
GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.91				0.91			
2	Financial undertakings	0.91				0.91			
3	Credit institutions								
4	Loans and advances								
5	Debt securities, including UoP								
6	Equity instruments								
7	Other financial corporations	0.91				0.91			
8	of which investment firms								
9	Loans and advances								
10	Debt securities, including UoP								
11	Equity instruments								
12	of which management companies								
13	Loans and advances								
14	Debt securities, including UoP								
15	Equity instruments								
16	of which insurance undertakings								
17	Loans and advances								
18	Debt securities, including UoP								
19	Equity instruments								
20	Non-financial undertakings	0.00				0.00			
21	Loans and advances	0.00				0.00			
22	Debt securities, including UoP								
23	Equity instruments								
24	Households								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	Local governments financing								
29	Housing financing								
30	Other local governments financing								
31	Collateral obtained by taking possession: residential and commercial immovable properties								
32	Total GAR assets	0.91				0.91			

		r	s	t	u	v	w	x	z
									31.03.2025
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)		
% (compared to flow of total eligible assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation								
2	Financial undertakings								
3	Credit institutions								
4	Loans and advances								
5	Debt securities, including UoP								
6	Equity instruments								
7	Other financial corporations								
8	of which investment firms								
9	Loans and advances								
10	Debt securities, including UoP								
11	Equity instruments								
12	of which management companies								
13	Loans and advances								
14	Debt securities, including UoP								
15	Equity instruments								
16	of which insurance undertakings								
17	Loans and advances								
18	Debt securities, including UoP								
19	Equity instruments								
20	Non-financial undertakings								
21	Loans and advances								
22	Debt securities, including UoP								
23	Equity instruments								
24	Households								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	Local governments financing								
29	Housing financing								
30	Other local governments financing								
31	Collateral obtained by taking possession: residential and commercial immovable properties								
32	Total GAR assets								

		aa	ab	ac	ad	ae	af
							31.03.2025
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total new assets covered
% (compared to flow of total eligible assets)				Of which Use of Proceeds	Of which transitional	Of which enabling	
GAR - Covered assets in both numerator and denominator							
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	5.53	0.32		0.00	0.00	2.62
2	Financial undertakings	5.50	0.30			0.00	2.31
3	Credit institutions						
4	Loans and advances						
5	Debt securities, including UoP						
6	Equity instruments						
7	Other financial corporations	5.50	0.30			0.00	2.31
8	of which investment firms						
9	Loans and advances						
10	Debt securities, including UoP						
11	Equity instruments						
12	of which management companies						
13	Loans and advances						
14	Debt securities, including UoP						
15	Equity instruments						
16	of which insurance undertakings						
17	Loans and advances						
18	Debt securities, including UoP						
19	Equity instruments						
20	Non-financial undertakings	0.03	0.02		0.00	0.00	0.30
21	Loans and advances	0.03	0.02		0.00	0.00	0.30
22	Debt securities, including UoP						
23	Equity instruments						
24	Households						
25	of which loans collateralised by residential immovable property						
26	of which building renovation loans						
27	of which motor vehicle loans						
28	Local governments financing						
29	Housing financing						
30	Other local governments financing						
31	Collateral obtained by taking possession: residential and commercial immovable properties						
32	Total GAR assets	5.53	0.32				2.62

Table 5.1.: KPI off-balance sheet exposures (Turnover KPIs stock)

		a	b	c	d	e	f	g	h	i
		31.03.2025								
		Disclose stock KPIs					Disclose stock KPIs			
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	29.85	8.54		0.86	2.27	0.54			
2	Assets under management (AuM KPI)									

		j	k	l	m	n	o	p	q
		31.03.2025							
		Disclose stock KPIs				Disclose stock KPIs			
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00	0.00			2.05			
2	Assets under management (AuM KPI)								

		r	s	t	u	v	w	x	z
		31.03.2025							
		Disclose stock KPIs				Disclose stock KPIs			
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)								
2	Assets under management (AuM KPI)								

		aa	ab	ac	ad	ae
		31.03.2025				
		Disclose stock KPIs				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	32.45	8.54		0.86	2.27
2	Assets under management (AuM KPI)					

Table 5.2.: KPI off-balance sheet exposures (Capex KPIs stock)

		a	b	c	d	e	f	g	h	i
		31.03.2025								
		Disclose stock KPIs					Disclose stock KPIs			
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**
1	Financial guarantees (FinGuar KPI)	42.66	16.90		1.86	4.28	0.97	0.03		
2	Assets under management (AuM KPI)									

		j	k	l	m	n	o	p	q
		31.03.2025							
		Disclose stock KPIs				Disclose stock KPIs			
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**
1	Financial guarantees (FinGuar KPI)	1.09				1.09			
2	Assets under management (AuM KPI)								

		r	s	t	u	v	w	x	z
		31.03.2025							
		Disclose stock KPIs				Disclose stock KPIs			
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)								
2	Assets under management (AuM KPI)								

		aa	ab	ac	ad	ae
		31.03.2025				
		Disclose stock KPIs				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant secotrs (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	45.82	16.93		1.86	4.28
2	Assets under management (AuM KPI)					

Template 1.: Nuclear and fossil gas related activities - Capex KPIs

Row	Activities in the Field of Nuclear Energy	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	no
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using the best available technologies.	yes
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	yes
Row	**Activities in the Field of Fossil Gas**	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	yes
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	no

Template 1.: Nuclear and fossil gas related activities - Turnover KPIs

Row	Activities in the Field of Nuclear Energy	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	no
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using the best available technologies.	yes
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	yes
Row	**Activities in the Field of Fossil Gas**	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	yes
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	no
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	no

Template 2: taxonomy-aligned economic activities (denominator) - Capex KPIs

	in million EUR	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	**Economic activities**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	12.29	0.07	12.29	0.07		
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	37.04	0.20	36.66	0.20	0.38	0.00
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.19	0.00	0.19	0.00		
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.15	0.00	0.15	0.00		
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	659.13	3.56	618.39	3.34	40.74	0.22
8	**Total applicable KPI**	708.80	3.83	667.69	3.60	41.11	0.22

Template 2: taxonomy-aligned economic activities (denominator) - Turnover KPIs

	in million EUR	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00	0.00	0.00		
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	48.92	0.26	48.92	0.26		
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.09	0.00	0.09	0.00		
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00	0.00	0.00		
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	414.12	2.23	309.71	1.67	104.41	0.56
8	**Total applicable KPI**	463.13	2.50	358.71	1.94	104.41	0.56

Template 3: Taxonomy-aligned economic activities (numerator) - Capex KPIs

	in million EUR	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	**Economic activities**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	12.29	1.73	12.29	73.00		
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	37.04	5.23	36.66	5.17	0.38	0.05
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.19	0.03	0.19	0.03		
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.15	0.02	0.15	0.03		
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	659.13	92.99	618.39	87.24	40.74	5.75
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	708.80	100.00	667.69	94.20	41.11	5.80

Template 3: Taxonomy-aligned economic activities (numerator) - Turnover KPIs

	in million EUR	**Amount and proportion (the information is to be presented in monetary amounts and as percentages)**					
		CCM + CCA		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
Row	**Economic activities**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00	0.00	0.00		
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	48.92	10.56	48.92	10.56		
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.09	0.02	0.09	0.02		
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00	0.00	0.00		
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	414.12	89.42	309.71	66.87	104.41	22.55
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	463.13	100.00	358.71	77.45	104.41	22.55

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities - Capex KPIs

	in million EUR	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	**Economic activities**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00	0.00	0.00		
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00	0.00	0.00		
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00	0.00	0.00		
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	1,306.69	7.05	1,161.32	6.27	145.37	0.78
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	1,306.69	7.05	1,161.32	6.27	145.37	0.78

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities - Turnover KPIs

	in million EUR	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	**Economic activities**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.03	0.00	0.03	0.00		
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6.89	0.04	6.89	0.04		
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.15	0.00	0.15	0.00		
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	811.97	4.38	726.46	3.92	85.51	0.46
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	819.04	4.42	733.53	3.96	85.51	0.46

Template 5: Taxonomy non-eligible economic activities - Capex KPIs

		0010	0020
Row	**Economic activity**	**Amount**	**%**
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00
7	**Amount and proportion of other taxonomy-noneligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	18,219.63	98.33
8	**Total amount and proportion of taxonomy-noneligible economic activities in the denominator of the applicable KPI**	18,219.63	98.33

Template 5: Taxonomy non-eligible economic activities - Turnover KPIs

		0010	0020
Row	**Economic activity**	**Amount**	**%**
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00
7	**Amount and proportion of other taxonomy-noneligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	18,339.64	98.98
8	**Total amount and proportion of taxonomy-noneligible economic activities in the denominator of the applicable KPI**	18,339.64	98.98

IX. Additional Disclosures

1. Final Declaration on the Dependency Report in Accordance with Section 312 (3) Sentence 3 AktG

The entire share capital of SMBC Bank EU AG is held by Sumitomo Mitsui Banking Corporation, Tokyo, Japan; SMBC Bank EU AG is therefore a dependent company within the meaning of Section 17 (1) AktG. There is no control or profit/loss transfer agreement between SMBC Bank EU AG and SMBC Tokyo. The Executive Board of SMBC Bank EU AG needs to prepare a dependency report on the Company's relationships with affiliated companies in accordance with Section 312 AktG.

The report issued in this respect concludes with the following statement: "The Management Board declares that SMBC Bank EU AG has received appropriate consideration for each legal transaction with the controlling or other affiliated company in accordance with the circumstances known at the time when the transactions were carried out. No further measures have been taken or omitted which would have been detrimental to SMBC Bank EU AG."

2. Assurance of the Legal Representatives

We hereby confirm that, to the best of our knowledge, the SMBC Bank EU AG's financial statements give a true and fair view of the assets, liabilities, financial position, liquidity and financial performance of the SMBC Bank EU AG in accordance with applicable financial reporting standards, and that the combined group management report gives a true and fair view of the SMBC Bank EU AG's business development, and also describes significant opportunities and risks related to the SMBC Bank EU Ag's anticipated development for the remaining part of the financial year.

Frankfurt am Main, 30 July 2025

SMBC Bank EU AG
Frankfurt am Main

Executive Board

Naoki Okubo **Stanislas Roger** **Yosuke Uemura**

Dr. Niklas Dieterich **Isabelle Saadjian**

Balance Sheet as of 31.03.2025

Assets

in EUR	Notes	31.03.2025	31.03.2024
1.Cash reserves	III, 1	**87,841,531.08**	135,852,103.04
a) Cash on hand		**–**	–
b) Balances with central banks		**87,841,531.08**	135,852,103.04
thereof:		**–**	–
at the Deutsche Bundesbank		**87,841,531.08**	135,852,103.04
2.ReceivablesReceivables to banks	III, 2	**10,226,317,801.68**	9,062,845,242.90
a) Payable on demand		**6,165,267,516.43**	8,527,369,373.08
b) Other receivables		**4,061,050,285.25**	535,475,869.82
3.ReceivablesReceivables to customers	III, 3	**13,536,427,418.52**	11,894,399,035.62
4.Debt instruments and other fixed-income securities	III, 4	**105,149,172.72**	115,032,590.27
a) Money market instruments		**105,149,172.72**	115,032,590.27
aa) from public-sector issuers		**–**	
ab) from other issuers		**105,149,172.72**	115,032,590.27
5.Assets held for trading	III, 5	**950,269,489.59**	1,230,871,629.68
6.Investment in associated companies	III, 6	**85,750,470.83**	85,750,470.83
thereof: in financial institutions		**85,750,470.83**	85,750,470.83
7.Intangible assets	III, 7	**12,209,901.68**	14,182,033.99
a) Self-created property rights and similar rights and assets		**–**	–
b) Concessions, industrial property rights and similar rights and assets as well as licences to such rights and assets acquired for consideration		**1,120,162.68**	670,902.03
c) Goodwill		**11,089,739.00**	13,511,132.96
d) Advance payments made		**–**	
8.Property and equipment	III, 7	**6,519,422.87**	5,618,453.51
9.Other assets	III, 8	**100,335,513.77**	125,231,431.24
10.Prepaid expenses	III, 9	**235,302.84**	400,819.63
Total assets		**25,111,056,025.55**	22,670,183,810.71

Liabilities

in EUR	Appendix	31.03.2025	31.03.2024
1.Liabilities to banks	III, 10	**7,063,735,634.93**	4,579,006,411.98
a) Payable on demand		**2,417,131.23**	1,371,533.45
b) With agreed maturity or notice period		**7,061,318,503.70**	4,577,634,878.53
2.Liabilities to customers	III, 11	**10,840,845,219.83**	11,050,847,357.78
a) Savings deposits		**–**	–
aa) with agreed notice period of three months		**–**	–
ab) with agreed notice period of more than three months		**–**	–
b) Other liabilities		**10,840,845,219.83**	11,050,847,357.78
ba) Payable on demand		**616,285,678.22**	396,652,582.28
bb) with agreed maturity or notice period		**10,224,559,541.61**	10,654,194,775.50
3.Securitized Liabilities	III, 12	**393,344,793.90**	–
4.Liabilities held for trading	III, 13	**939,297,501.00**	1,230,413,446.70
5.Other liabilities	III, 14	**133,955,863.56**	290,138,576.31
6.Deferred income	III, 15	**11,753,220.58**	15,799,375.01
7.Provisions	III, 16	**78,778,788.89**	109,339,669.14
a) Provisions for pensions and similar obligations	–	**–**	–
b) Tax provisions		**29,988,227.40**	37,317,644.83
c) Other provisions		**48,790,561.49**	72,022,024.31
8.Funds for general banking risks	III, 17	**5,853,443.45**	4,436,319.72
9.Equity	III, 18	**5,643,491,559.41**	5,390,202,654.07
a) Called capital		**5,100,000,000.00**	5,100,000,000.00
Subscribed capital		**5,100,000,000.00**	5,100,000,000.00
Less uncalled outstanding capital		**–**	–
b) Capital reserves		**73,537,837.78**	73,537,837.78
c) Revenue reserves		**25,749,881.90**	10,900,000.00
ca) Legal reserves		**23,749,881.90**	10,900,000.00
cb) Reserve for shares in a controlling or majority-owned undertaking		**–**	–
cc) Reserves required under the articles of association		**–**	–
cd) Other revenue reserves		**2,000,000.00**	–
d) Accumulated gain/(deficit)		**444,203,839.73**	205,764,816.29
Total liabilities and equity		**25,111,056,025.55**	22,670,183,810.71

Contingent liabilities and other obligations

in EUR	Appendix	31.03.2025	31.03.2024
1.Contingent liabilities	V, 2	**2,141,701,413.62**	1,956,271,708.64
a) Contingent liabilities from rediscounted bills		**–**	–
b) Contingent liabilities from guarantees and indemnity agreements		**2,141,701,413.62**	1,956,271,708.64
c) Liability from the collateralisation of third party liabilities		**–**	–
2.Other commitments	V, 2	**13,983,178,303.05**	12,997,710,417.91
a) Repurchase obligations from reverse repurchase agreements		**–**	–
b) Placement and underwriting obligations		**–**	–
c) Irrevocable loan commitments		**13,983,178,303.05**	12,997,710,417.91

Income Statement of SMBC Bank EU AG for the year 01.04.2025 until 31.03.2025

in EUR	Appendix	01.04.2024 - 31.03.2025	01.04.2023 - 31.03.2024
1.Interest income	IV, 1	**1,064,854,995.09**	964,740,829.67
a) Lending and market business		**1,059,969,264.76**	958,851,005.92
thereof: Negative Interests on Credit and Money Market Transactions		**–**	(47,425.81)
b) Fixed-income securities and book-entry securities		**4,885,730.33**	5,889,823.75
thereof: Negative interest income from fixed-income securities and book-entry securities		**–**	–
2.Interest expenses	IV, 1	**(642,644,500.79)**	(572,875,256.02)
Negative interest expense		**–**	–
3.Commission income	IV, 2	**232,363,382.68**	222,782,781.31
4.Commission expenses	IV, 2	**(98,154,973.71)**	(90,176,222.12)
5.Net trading result	IV, 3	**17,560,122.93**	4,805,702.02
6.Other operating income	IV, 4	**11,744,877.03**	17,051,281.24
7.General administrative expenses	IV, 5	**(202,018,733.69)**	(191,868,251.94)
a) Personnel expenses		**(91,244,803.09)**	(81,086,318.57)
aa) Wages and salaries		**(73,784,013.01)**	(66,566,931.41)
ab) Social security, pension, and other benefits		**(17,460,790.08)**	(14,519,387.16)
thereof:			
for Pensions		**–**	–
b) Other administrative expenses		**(110,773,930.60)**	(110,781,933.37)
8.Amortisation, depreciation and write-downs on intangible assets and property and equipment	IV, 6	**(4,603,384.25)**	(7,055,883.18)
9.Other operating expenses	IV, 7	**(1,131,008.52)**	(277,042.34)
10.Write-downs and allowances on receivables and certain securities as well as additions to provisions for loan losses	IV, 8	**(10,877,881.53)**	(35,875,206.51)
11.Total Operating Income		**367,092,895.24**	311,252,732.13
12.Income taxes	IV, 9	**(113,614,626.80)**	(105,538,662.00)
13.Other taxes	IV, 10	**(189,745.82)**	(42,733.10)
14.Net income for the year	–	**253,288,522.62**	205,671,337.03
15.Accumulated deficit brought forward	–	**203,765,199.01**	10,443,805.30
16.Allocations to revenue reserves		**(12,849,881.90)**	(10,350,326.04)
a) to the legal reserve		**(12,849,881.90)**	(10,350,326.04)
17.Accumulated gain/(deficit)		**444,203,839.73**	205,764,816.29

Notes

SMBC Bank EU AG, Frankfurt am Main, as of 31.03.2025
Registration court: Frankfurt am Main District Court
Commercial Register Number: HRB 110214

I. General information on the Annual Financial Statements

SMBC Bank EU AG (SMBC EU, "the Bank"), is a public limited company registered in Frankfurt am Main with branches in Amsterdam, Dublin, Dusseldorf, Madrid, Milan, Paris, and Prague.

The annual financial statements of SMBC Bank EU AG as of 31 March 2025 have been prepared in accordance with the requirements of the German Commercial Code (HGB) and the German Regulation on the Accounting for Banks and Financial Services Institutions (RechKredV) as well as the provisions of the German Stock Corporation Act (AktG). In addition to the annual financial statements – comprising of the annual balance sheet, income statement and notes – a management report was prepared in accordance with Section 289 of the German Commercial Code (HGB). The management report comprises the management report of SMBC EU AG and the SMBC EU Group (combined management report in accordance to Section 315 (5) of the German Commercial Code (HGB) in conjunction with Section 289 (2) of the German Commercial Code (HGB)). To the extent that there are significant differences between the accounting and risk figures between SMBC EU AG and the SMBC EU Group, SMBC EU AG information is reported separately in the combined (Group) management report.

The income statement and the balance sheet are structured in accordance with the requirements of the RechKredV while using “Staffelform” for the income statement.

Unless otherwise indicated, all amounts are stated in thousands of Euros (KEUR). Due to rounding, in individual cases it is possible that individual figures do not add up exactly to the total stated. Minor deviations may occur in the totals and percentages due to rounding.

The financial year of SMBC EU is defined as the period from 1 April to 31 March of the following calendar year.

SMBC Bank EU AG will prepare consolidated financial statements for the first time as of March 31, 2025 (smallest scope of consolidation). This will be published in the “Bundesanzeiger”.

The parent company of SMBC EU is Sumitomo Mitsui Banking Corporation, Tokyo in Japan (SMBC Tokyo). SMBC Tokyo is included in the consolidated financial statements of Sumitomo Mitsui Financial Group, Tokyo in Japan (SMFG) (largest scope of consolidation). The consolidated financial statements of SMFG are available at the following link:

https://www.smfg.co.jp/english/investor/financial/disclosure.html#link2025

II. Accounting and Valuation Methods

The accounting and valuation methods remain fundamentally unchanged from the previous year, with the exception of a reclassification concerning cash collateral received or provided for OTC derivatives. These are now reported under receivables from banks or receivables from customers for cash collateral provided, and under liabilities to banks or liabilities to customers for cash collateral received. In the previous year, they were reported under other assets or other liabilities. The reason for this change is to provide better insight into the company's financial and asset position. To ensure comparability at the item level with the prior year figures, corresponding disclosures have been made in Section III under the respective items.

Assets and liabilities are reported in accordance with the general accounting and valuation principles of the HGB (Sections 252 et seq. HGB). The special regulations for banks (Sections 340 et seq. HGB) are considered.

The **cash reserve** is accounted at a nominal amount.

Receivables to banks and receivables to customers are reported at nominal amounts; any loss allowances are deducted from this amount. The differences between the acquisition costs and the nominal amounts are shown as deferred items and recognised in net interest income over the term.

Loan loss provisioning on the credit portfolio is calculated for lending transactions with immediate default risks at individual transaction level and for lending transactions with foreseeable default risks not yet individually specified on a portfolio basis. The amount of the loan loss provisioning for which an impairment loss has been identified is measured by the difference between the book value of the loan and its present value calculated using the discounted cash flow method. This is determined by the expected future cash inflows, considering recoverable collateral on these receivables. The measurement of the loan loss provision on portfolio basis is based on the requirements of IDW RS BFA 7 on general loan loss provisioning. The Bank is opting to determine the loan loss provision on portfolio basis in compliance with the regulations of IFRS 9. The loan loss provision on portfolio basis is calculated considering historical observed defaults, current information, predictions, the time to maturity as well as the assessment of the risk situation amounting to the 12-month expected credit loss and increased to the expected loss over the remaining lifetime depending on a possible significant increase of the credit risk according to the methodology of IFRS 9. Also, country risks are considered for the general loan loss provision.

Debt instruments and other fixed-income securities with no intention of trading are allocated to the liquidity reserve, which is strictly subject to the lower of cost or market principle pursuant to Section 253 (4) HGB. In case of differences in the book value and the market value of a security, a write-off is made to the lower value.

The positive and negative market values of **derivative financial instruments held for trading** are reported in the assets held for trading and liabilities held for trading. No financial instruments held for trading were reclassified in the financial year.

All **financial instruments held for trading** are measured at fair value at initial recognition. Fair value is the amount at which an asset could be exchanged or a liability settled between knowledgeable, willing and independent business partners. At the time of receipt, this corresponds to the transaction price, i.e. the fair value of the consideration.

The subsequent measurement of the financial instruments held for trading is carried out at fair value less a risk adjustment in accordance with Section 340e (3) of the German Commercial Code (HGB). The subsequent valuation is based on publicly listed market prices on an active market. If these are not available, the assessment is based on recognised valuation methods. The fair value model taking into account the yield curve and the Black-Scholes model for options are used.

The values resulting from market valuation are reduced by a Value at Risk deduction. The calculation of the risk adjustment is based on the regulatory Value at Risk approach and is measured in such a way that an expected maximum loss from these trading books is not exceeded with a probability of 99.0% for a holding period of 10 days. The historical observation period is three years. Value at Risk is determined centrally for the entire portfolio and recognised in the balance sheet under assets held for trading.

In the case of **OTC derivatives** held for trading, the counterparty default risk is taken into account by considering a credit valuation adjustment (CVA) and SMBC EU AG's own default risk is considered by recognising a debit valuation adjustment (DVA). For funding-related valuation adjustments (Funding Cost adjustment, FCA) and (Funding Benefit adjustment, FBA), the refinancing expenses from unsecured derivatives and collateralised derivatives for which only partial collateral is available or the collateral cannot be used for refinancing are considered at fair value. To determine the amount of the fair value, observable market data (e.g., credit default swap spreads) are used for CVA, DVA, FCA and FBA if available. Changes in the fair value of the trading portfolio are shown in net income from trading. Hedge instruments for market risks and default risks of counterparties are allocated to the trading portfolio. They are subject to the accounting and valuation methods of the trading portfolio.

Intangible fixed assets as well as **property and equipment** are reported at cost and, where a finite useful life is applicable, reduced by amortisation/depreciation. Amortisation/depreciation is spread over the useful economic life. In the event of an expected permanent impairment, a write-down (impairment loss) is recognised. There are currently no internally generated intangible assets in the portfolio.

Goodwill is determined as the difference between the consideration paid for the acquisition of an entity and the value of the individual assets of the entity less liabilities on the date of transfer. Its use is limited in time and is reduced by amortisation. The useful life of the recognised goodwill is based on the estimated useful economic life and is 10 years. In the event of expected permanent impairment, write-down is recognised.

Other assets are accounted for with the nominal amounts. Differences between acquisition costs and nominal amounts are recognised as deferred income or prepaid expenses and amortised over the lifetime of the asset. **Prepaid expenses and deferred income** include expenses incurred and revenue received prior to the balance sheet date that represent expenditures or earnings for a certain period after the balance sheet date.

Liabilities to banks and customers are shown with the settlement amounts plus accrued interest.

Provisions for taxes and other provisions are recognised in the amount of the settlement amount necessary in accordance with sound business judgement, provisions with a remaining term of more than one year are recognised at the present value. Actuarial assessments were made for early retirement obligations. The calculation is based on the Projected Unit Credit (PUC) method.

Actuarial assessments base on following valuation assumptions:

	31.03.2025	31.03.2024
Discount rate	**1.93 %**	1.56 %
Salary trend	**1.50 %**	1.50 %
Trend BVV/KV contribution	**0.00 %**	0.00 %
Social security contributions (flat-rate)	**20.950 %**	20.450 %
Fluctuation	**5.00 %**	5.00 %
Demands	**100.00 %**	100.00 %
Biometry	**RT2018 G**	RT2018 G
Evaluation method	**PUC**	PUC

According to Section 340e (4) sentence 1 (HGB) in conjunction with Section 340g (HGB), the fund for general banking risks is recognised to cover special risks of the line of business.

The **periodic method (P&L method)** is applied for the loss-free valuation of interest-related transactions in the banking book, there is no need to recognise a provision for anticipated losses.

Deferred taxes are determined for temporary differences between the book values of assets and liabilities in the financial statements and their tax base. The deferred tax assets per country remaining after offsetting are not reported in accordance with the accounting option provided by Section 274 (1) Sentence 2 HGB.

Assets and liabilities denominated in **foreign currency** are translated at the average spot rate on the balance sheet date. Income and expenses in foreign currencies are translated into Euros immediately upon realisation, thereby fixing their amount. Due to the separate cover in the same currency, unrealised currency gains for assets and liabilities in the banking book with a remaining lifetime of more than one year are recognised in the income statement up to the amount of offsetting losses in the same currency. Gains and losses from currency translation of assets and liabilities with a remaining lifetime of less than one year are recognised in full in the income statement.

For this financial year, the **offsetting option** of Section 340 f Paragraph 3 HGB was used for **cross-compensation**, which is why income from write-ups of receivables from credit institutions and customers as well as from the reversals of provisions for contingent liabilities was set off with the corresponding expenses from write-offs and value adjustments on receivables as well as allocations to provisions for contingent liabilities.

This was decided in particular for reasons of better comparability to the IFRS consolidated group financial statements, in which the corresponding income and expenses are also shown under a collective profit and loss item.

III. Notes to the Balance Sheet

1. Cash reserve

KEUR	31.03.2025	31.03.2024
Cash reserves	**87,842**	135,852
Cash on hand	**–**	–
Balances at central banks	**87,842**	135,852
thereof at Deutsche Bundesbank	**87,842**	135,852

2. Receivables to Banks

KEUR	31.03.2025	31.03.2024
Receivables to Banks	**10,226,318**	9,062,845
thereof: Receivables to affiliated companies	**530,430**	87,821
Maturity breakdown:	**10,226,318**	
Payable on demand	**6,165,268**	8,527,369
Up to three months	**2,813,533**	36,390
More than three months and up to one year	**201,261**	42,917
More than one year and up to five years	**1,046,252**	456,169
More than five years	**4**	–

Receivables to banks include receivables from inter-bank lending business in the amount of EUR 1,245 million (PY: EUR 31.83 million).

3. Receivables to Customers

KEUR	31.03.2025	31.03.2024
Receivables to Customers	**13,536,427**	11,894,399
thereof: Receivables to affiliated companies	**–**	96,772
Maturity breakdown:	**13,536,427**	11,894,399
Payable on demand	**–**	–
Up to three months	**177,668**	2,126,591
More than three months and up to one year	**1,504,635**	1,323,992
More than one year and up to five years	**9,661,199**	6,509,875
More than five years	**2,192,925**	1,933,941

The amounts receivable to customers are mainly attributable to the credit business. The amount reclassified as receivable to customers as at 31 March 2025 due to the change in the presentation of cash collateral amounts to EUR 159.0 million. These represent encumbered assets as they were pledged as collateral in the derivatives business.

4. Debt Instruments and Other Fixed-income Securities

KEUR	31.03.2025	31.03.2024
Debt securities and other fixed-income securities	**105,149**	115,033

Debt instruments and other fixed-income securities exclusively include stock exchange eligible, but non-listed money market instruments from other issuers that mature within the next financial year.

5. Assets Held for Trading

KEUR	31.03.2025	31.03.2024
Assets held for trading	**950,269**	1,230,872
Derivative Financial Instruments	**952,613**	1,233,856
Risk adjustments	**(2,344)**	(2,984)

The amount of risk adjustments (KEUR 2,344) decreased compared to the previous year (previous year: EUR 2,984 thousand) due to the gradual risk reduction of existing cross-currency swaps with shorter maturities.

6. Investment in associated companies

KEUR	**31.03.2025**	31.03.2024
Investment in associated companies	**85,750**	85,750

The item includes the participation in the subsidiary SMBC Nikko Bank (Luxembourg) S.A. (SNBL), based in Luxembourg, of which 100% of the shares were acquired as of May 30, 2023.

7. Intangible Property, Property and Equipment

The development of the individual items is shown in the following statement of movements in fixed assets in KEUR:

	Cost					Amortisation					Residual book value	
KEUR	01.04.2024	Additions	Disposals	Transfers	**31.03.2025**	01.04.2023	Additions	Disposals	Transfers	**31.03.2025**	31.03.2024	**31.03.2025**
Concessions, property rights and similar rights and assets as well as licences to such rights and assets acquired for consideration	1,602	903	–	–	**2,505**	931	454	–	–	**1,385**	671	**1,120**
Goodwill	28,213	–	–	–	**28,213**	14,702	2,421	–	–	**17,123**	13,511	**11,090**
Intangible Assets	29,815	903	–	–	**26,719**	15,633	2,875	–	–	**14,509**	14,183	**12,210**
Leasehold improvement	7,342	32	–	–	**7,374**	4,581	588		–	**5,169**	2,761	**2,205**
Operating and other equipment	5,933	925	57		**6,801**	3,137	1,145	42	–	**4,240**	2,796	**2,561**
Construction in progress	61	1,693	–	–	**1,754**	–	–	–	–		61	**1,754**
Property and equipment	13,336	2,651	57	–	**15,929**	7,718	1,734	42	–	**9,409**	5,618	**6,520**
Total	43,151	3,553	57	–	**42,648**	23,351	4,608	42	–	**23,918**	19,801	**18.730**

8. Other assets

Other assets mainly include:

KEUR	**31.03.2025**	31.03.2024
Other assets	**100,336**	125,231
thereof:		
Receivables from intra-group clearing	**59,577**	49,043
Cash collateral (margins) received	**–**	47,939
Spot exchange rate differences from unsettled forward transactions	**4,538**	6,386
Tax Credits	**31,903**	12,999
Other	**4,318**	8,864

Other includes prepaid VAT EUR 2 million.

As of March 31, 2025, the amount reclassified as receivables from customers as a result of the change in the identification document amounts to EUR 159.0 million.

9. Accrued Expenses and Deferred Revenues

KEUR	31.03.2025	31.03.2024
Prepaid expenses	**235**	401

Accrued Expenses and Deferred Revenues mainly includes prepaid rents paid for office buildings, contributions to BaFin and deposit insurance, as well as for membership fees and credit insurance.

10. Liabilities to Banks

KEUR	31.03.2025	31.03.2024
Liabilities to Banks	**7,063,736**	4,579,006
thereof: liabilities to affiliated companies	**5,259,992**	4,269,044
Maturity breakdown:	**7,063,736**	–
Payable on demand	**2,417**	1,370
Up to three months	**1,355,121**	748,601
More than three months and up to one year	**30,723**	348,773
More than one year and up to five years	**4,243,305**	2,878,712
More than five years	**1,432,170**	601,550

Liabilities to banks mainly consists of liabilities from time deposits of EUR 1,929 million (PY: EUR 1,455 million) and EUR 5,050 million of deposits from the SMBC Group.

As at 31 March 2025, the amount reclassified to liabilities to credit institutions as a result of the change in the financial statements is EUR 53.8 million.

11. Liabilities to customers

KEUR	31.03.2025	31.03.2024
Liabilities to customers	**10,840,045**	11,050,847
thereof: liabilities to affiliated companies	**–**	2,256
Maturity breakdown:	**10,840,045**	11,050,847
Payable on demand	**616,286**	396,652
Up to three months	**9,463,684**	10,627,910
More than three months and up to one year	**760,482**	23,859
More than one year and up to five years	**393**	2,247
More than five years	**0**	179

Liabilities to customers mainly includes liabilities from customer deposits of EUR 9,291 million (PY: EUR 9,881.6 million) and current accounts of EUR 616.3 million (PY: EUR 396.65 million) as well as liabilities from the securities trading at the amount of EUR 0.5 million, reported as other liabilities in the (PY: EUR 2.0 million).

As of 31 March 2025, the amount reclassified to liabilities to customers as a result of the change in the identification document amounts to EUR 100.4 million.

12. Secured Liabilities

KEUR	31.03.2025	31.03.2024
Secured Liabilities	**393,345**	–
Commercial Paper Issued at Discount	**393,345**	–

Commercial papers is a new product issued by the bank for the first time in the fiscal year.

13. Liabilities Held for Trading

KEUR	31.03.2025	31.03.2024
Liabilities held for trading	**939,298**	1,230,413
Derivative Financial Instruments	**939,298**	1,230,413

14. Other liabilities

KEUR	31.03.2025	31.03.2024
Other liabilities	**133,956**	290,139
Provided cash collateral (margins)	**–**	167,696
Liabilities from intra-group clearing	**121,752**	112,776
Tax liabilities	**7,307**	4,540
Other	**4,896**	5,127

Of the cash collateral provided, EUR 47 million (PY: EUR 6.61 million) is due from affiliated companies has been reclassified to Liabilities to customers / Liabilities to Banks.

The amount reclassified as of 31 March 2025 into liabilities to credit institutions or liabilities to customers because of the change in the statement of financial position amounts to EUR 154.2 million.

15. Deferred income

KEUR	31.03.2025	31.03.2024
Accrual	**11,753**	15,799
Discount (disagio)	**1,209**	3,729
Accrual of commitment fees	**668**	2,231
Other	**9,877**	9,839

The item contains the discount between the nominal amount and the issued amount (disagio) of receivables in the amount of EUR 1 million (PY: EUR 3,7 million), as the receivable is recognised at nominal amount as well as advance payments of interest from purchase of receivables in the amount of EUR 11 million (PY: EUR 8.5 million).

16. Provisions

KEUR	31.03.2025	31.03.2024
Accruals	**78,779**	109,340
Tax provisions	**29,988**	37,318
Other provisions	**48,791**	72,022

The other provisions mainly consist of provisions for intra-group clearing at the amount of EUR 1.7million (PY: EUR 9.4 million) and bonus provisions in the amount of EUR 25.7 million (PY: EUR 23 million). Furthermore, provisions for value adjustments on off-balance items in the amount of EUR 9.1 million (PY: EUR 22.05 million) are included.

Some employees are entitled to early retirement benefits, depending on their seniority. A corresponding provision of EUR 1,75 million (PY: EUR 2.21 million) is reported under other provisions.

Retirement obligations

KEUR	31.03.2025	31.03.2024
Early retirement commitments	**1,750**	2,210
ongoing early retirement	**250**	695
potential early retirement	**1,500**	1,515

The early retirement obligations are offset by compensation claims in the amount of EUR 1.3 million (PY: EUR 0.58 million) from the SMBC Düsseldorf branch for early retirement commitments made before the transfer of the employees in February 2020. The discount on provisions resulted in expenses of KEUR 31,9 (PY: KEUR 23,96).

17. Fund for general banking risks

In accordance with Section 340e (4) Sentence 1 HGB in conjunction with Section 340g HGB, the fund for general banking risks is allocated an amount of EUR 1.4 million (PY: KEUR 686). In the past financial year, a total value of EUR 5.9 million (PY: EUR 4.4 million) results. The addition is offset against the net income from the trading portfolio.

18. Equity

KEUR	31.03.2025	31.03.2024
Equity	**5,643,492**	5,390,202
Subscribed capital	**5,100,000**	5,100,000
Capital reserves	**73,538**	73,538
Revenue reserves	**25,750**	10,900
Legal reserve	**23,750**	10,900
Change	**2,000**	–
Accumulated gain/(deficit)	**444,204**	205,765

The bank's subscribed capital amounts to EUR 5.10 billion as of the balance sheet date which is divided into 5,100,000,000 registered no-par shares (notional value per share EUR 1.00).

The Annual General Meeting decided to allocate an amount of EUR 2.0 million from the balance sheet profit of the previous year to the other profit reserves.

In accordance with Section 150 of the German Stock Corporation Act, approximately 5 percent of the annual profit, which may have been reduced by a loss carry forward from the previous year, will be included in the statutory profit reserve.

IV. Explanatory Notes to the Income Statement

1. Net interest income

KEUR	01.04.2024 – 31.03.2025	01.04.2023 – 31.03.2024
Interest income	**422,210**	391,866
Interest income from:	**1,064,855**	964,741
Lending and money market business excluding negative interest	**1,059,969**	958,898
Negative interest on lending and money market business	**0**	(47)
Fixed-income securities and book-entry securities	**4,886**	5,890
Interest expenses	**(642,645)**	(572,875)
Interest expenses	**(642,645)**	(573,762)
Less negative interests on interest expenses	**0**	887

EUR 908.05 million (PY: EUR 851.65 million) is attributable to SMBC EU in Frankfurt, EUR 156.7 million (PY: EUR 113.05 million) to the Milan branch and KEUR 0.1 to the Paris branch.

2. Net Commission Income

KEUR	01.04.2024 – 31.03.2025	01.04.2023 – 31.03.2024
Net commission income	**134,208**	132,607
Commission income	**232,363**	222,783
Loan service fees	**188,249**	177,454
Commissions from security business	**37,866**	39,869
Guarantee fees received	**5,408**	5,459
Other	**840**	1
Commission expenses	**(98,155)**	(90,176)
Commissions from security business	**(7,314)**	(6,590)
Guarantee fees paid	**(5,486)**	(4,401)
Interbank commissions	**(77,919)**	(75,662)
Other	**(7,436)**	(3,523)

EUR 192.97 million (PY: EUR 204.78 million) is attributable to SMBC EU in Frankfurt, EUR 36.27 million (PY: EUR 17.45 million) to the Milan branch, and EUR 1.1 million (PY: 558.63 KEUR) to the Paris branch.

3. Net Trading Result

KEUR	01.04.2024 – 31.03.2025	01.04.2023 – 31.03.2024
Net trading result	**17,560**	4,806

The net income from the trading portfolio is fully attributable to SMBC EU in Frankfurt and includes an allocation to the Section 340e of the German Commercial Code (HGB) reserve in the amount of EUR 1.4 million (PY: KEUR 686.60).

4. Other operating income

KEUR	01.04.2024 – 31.03.2025	01.04.2023 – 31.03.2024
Other operating income	**11,745**	17,051
Income from intra-group clearing	**10,315**	11,980
Rental income	**283**	719
Income from the reversal of provisions	**416**	–
Other	**732**	4,352
including: currency translation from receivables and liabilities from foreign currencies	**557**	1,757

The gain from currency conversion of receivables and liabilities denominated in foreign currency amounts to KEUR 557 (PY: EUR 1.76 million).

Other operating income of EUR 8.63 million (PY: EUR 14.01 million) is attributable to SMBC EU in Frankfurt, EUR 2.45 million (PY: EUR 2.94 million) to the Paris branch, and KEUR 129 (PY: KEUR 100.05) to the other branches.

5. General administrative expenses

KEUR	**01.04.2024 – 31.03.2025**	01.04.2023 – 31.03.2024
General administrative expenses	**(202,019)**	(191,868)
Personnel expenses	**(91,245)**	(81,086)
Wages and salaries	**(73,784)**	(66,567)
Social security, pensions, and other benefits	**(17,461)**	(14,519)
Other administrative expenses	**(110,774)**	(110,782)

Other general administrative expenses mainly consist of expenses from intra-group clearing of EUR 64.8 million (PY: EUR 51.7 million), VAT expenses of EUR 11.1 million (PY: EUR 15.12 million), expenses for temporary staff of EUR 4 million (PY: EUR 5.42 million) as well as external consulting services in the amounting to EUR 8.5 million (PY: EUR 13.01 million).

6. Amortisation, Depreciation and Write-downs on Intangible Assets and Property and Equipment

KEUR	**01.04.2024 – 31.03.2025**	01.04.2023 – 31.03.2024
Amortisation, depreciation and write-downs on intangible assets and property and equipment	(4,603)	(7,056)
Leasehold improvement	(583)	(574)
Goodwill	(2,421)	(5,521)
Other	(1,599)	(961)

7. Other operating expenses

KEUR	**01.04.2024 – 31.03.2025**	01.04.2023 – 31.03.2024
Other operating expenses	**(1,131)**	(277)

8. Write-downs and Allowances on Receivables and Certain Securities and Additions to Provisions for Loan Losses

KEUR	**01.04.2024 – 31.03.2025**	01.04.2023 – 31.03.2024
Write-downs and allowances on receivables and certain securities and additions to provisions for loan losses	**(10,878)**	(35,875)

The amount essentially includes the addition to the section 340f HGB reserve.

For this financial year, the offsetting option for cross-compensation according to the section 340f (3) (HGB) was exercised. Without cross-compensation, income from write-ups of receivables and certain securities as well as from the release of provisions in the lending business would have amounted to KEUR 741.2 (PY: KEUR 477.2).

9. Income Taxes

KEUR	**01.04.2024 – 31.03.2025**	01.04.2023 – 31.03.2024
Income taxes	**(113,615)**	(105,538)
Trade tax	**(45,407)**	(50,805)
Corporate tax	**(65,983)**	(54,330)
Other	**(2,225)**	(403)

Corporate tax shows income taxes paid in Germany as well as in the countries in which the branches are located.

In Germany, the combined income tax rate is 31.74 %. The Italian income tax rate is 33.07 % (27.5 % in the previous year), while the French rate is 25 %. The income tax rate in the Czech Republic is 21 %, while in the Netherlands, 23.5 %. In Spain, the income tax rate is 30 % (previous year 25 %) and in Ireland it is 12.5 %.

The application of the Pillar II minimum taxation rules did not result in any significant tax expense in the reporting year.

10. Other taxes

Other taxes amounted to KEUR 190 in the financial year (PY: KEUR 42.73). These mainly include tax expense from withheld taxes from professional services as well as property tax.

V. Other Explanatory Notes

1. Held for Trading

Derivative Financial Instruments Held for Trading

31.03.2025 **KEUR**	**Face value**	**Market value Positive**	**Market value Negative**
OTC products			
Interest-related transactions	**44,049,399**	**527,967**	**(513,802)**
Currency-related transactions	**25,203,935**	**421,197**	**(424,391)**

31.03.2024 KEUR	Face value	Market value Positive	Market value Negative
OTC products			
Interest-related transactions	34,312,301	736,284	(734,801)
Currency-related transactions	25,096,004	497,572	(495,612)

2. Off-balance sheet transactions

Derivative Financial Instruments Not Held for Trading

31.03.2025 **KEUR**	**Face value**	**Market value Positive**	**Market value Negative**
Interest rate risk			
Interest rate swap	**1,563,605**	**24,614**	**(13,557)**
Currency risks			
Currency swap	**4,121,999**	**25,182**	**(15,781)**

31.03.2024 KEUR	Face value	Market value Positive	Market value Negative
Interest rate risk			
Interest rate swap	1,387,432	54,402	(1,161)
Currency risks			
Currency swap	1,776,504	17,961	(7,902)

At the balance sheet date, the Bank carried unsettled interest rate and currency swaps to hedge interest rate and currency risks in the banking book.

Contingent liabilities and other obligations

KEUR	**01.04.2024 – 31.03.2025**	01.04.2023 – 31.03.2024
Contingent liabilities	**2,141,701**	1,956,272
Liabilities from guarantees and indemnity agreements	**2,141,701**	1,956,272
Other obligations	**13,983,178**	12,997,710
Irrevocable loan commitments	**13,983,178**	12,997,710

Based on past experience, the probability of a claim against guarantees and indemnity agreements being made is considered to be low. Irrevocable credit commitments are regularly drawn by customers.

As of March 31, 2025, there are contingent liabilities to one individual borrower of EUR 570 million which is above the large exposure threshold.

3. Assets and Liabilities Denominated in Foreign Currency

KEUR	**01.04.2024 – 31.03.2025**	01.04.2023 – 31.03.2024
Assets and liabilities in foreign currency		
Assets	**9,880,132**	9,227,340
Liabilities	**(10,549,967)**	(9,337,088)

VI. Other information

1. Number of employees

Number	01.04.2024 – 31.03.2025	01.04.2023– 31.03.2024
Average	**470**	413
Dusseldorf	**126**	123
Back office	**91**	88
Front office	**35**	35
Frankfurt	**234**	189
Back office	**128**	94
Front office	**106**	95
Milan	**16**	16
Back office	**7**	6
Front office	**9**	10
Amsterdam	**17**	15
Back office	**3**	2
Front office	**14**	13
Prague	**12**	12
Back office	**2**	2
Front office	**10**	10
Madrid	**8**	7
Back office	**2**	2
Front office	**6**	5
Dublin	**14**	12
Back office	**3**	4
Front office	**11**	8
Paris	**42**	38
Back office	**6**	6
Front office	**36**	32

2. Auditor's fees

KEUR	01.04.2024 – 31.03.2025	01.04.2023 – 31.03.2024
Auditor's fees	**2,910**	2,320
Auditing services	**2,576**	2,140
Other assurance services	**231**	144
Other services	**103**	37

The item Auditors' services for the current year includes an amount of KEUR 351 relating to the previous year.

The item Other assurance services for the current year includes an amount of KEUR 20 which refers to the previous year.

3. Explanatory Notes on Other Financial Commitments

The minimum rental expenses for the business premises in Frankfurt, Milan, Amsterdam as well as Madrid, Paris and Prague amount to EUR 17.38 million (PY: EUR 13.56 million). The company car results in minimum rental expenses of KEUR 2.9 (PY: KEUR 8.2).

The Bank is supported by various SMBC Group entities in its day-to-day operations by way of intra-group outsourcing arrangements. This operating framework is widely used by SMBC Group throughout the EMEA region, under which several operations are centrally performed by SMBC BI and other relevant Group entities.

4. Governing Bodies

Members of the Executive and the Supervisory Board

Executive Board
Naoki Okubo
Executive Board Member – Chair
Stanislas Roger
Executive Board Member – CEO
Yosuke Uemura
Executive Board Member since 01/07/2024
Tetsuji Ueno
Executive Board Member till 17/05/2024
Dr Niklas Dieterich
Executive Board Member
Isabelle Saadjian
Executive Board Member

Supervisory Board
Hideo Kawafune
Chair
Antony Yates
Deputy Chair, Deputy Chair of the Risk and Remuneration Control Committee
Glenn Swanton
Chair of the Risk Committee since 03/08/2024, Deputy Chair of the Nomination Committee
Bungo Miura
Member of the Supervisory Board since 03/08/2024, Deputy Chair of the Audit Committee
Takahiro Yazawa
Member of the Supervisory Board till 02/08/2024
Karin Elisabeth Katerbau
Member of the Supervisory Board, Chair of the Audit Committee since 03/08/2024

Total Remuneration

KEUR	01.04.2024 – 31.03.2025	01.04.2023 – 31.03.2024
Salaried employees		
Executive Board	**3,976**	3,801
Members of the Executive Board	**3,934**	3,801
Former members of the Executive Board or their surviving dependants	**42**	–
Supervisory board	**130**	31
Members of the Supervisory Board	**130**	31
Former members of the Supervisory Board or their surviving dependents	**–**	–

In the year under review, only the external members of the Supervisory Board receive remuneration.

5. Mandates on Supervisory Boards and Other Control Bodies

Executive Board
Stanislas Roger
No further mandates
Yosuke Uemura
No further mandates
Dr Niklas Dieterich
No further mandates
Isabelle Saadjian
No further mandates
Naoki Okubo
SMBC Nikko Bank (Luxembourg) S.A., (Non-executive member (chairman) of the Board of Directors)

Supervisory Board
Hideo Kawafune
SMBC Bank International plc (Chief Executive Director),
Sumitomo Mitsui Banking Corporation/Sumitomo Mitsui Financial Group (Managing Executive Officer, Head of EMEA Division),
SMBC Nikko Capital Markets Limited (non-executive Director),
SMBC London Branch (Group Non-executive Director)
Shimano Europe B.V. (Supervisory Director)
Antony Yates
SMBC Nikko Capital Markets Limited (President, CEO),
SMBC Derivative Products Limited (Chairman, Board Member)
SMBC Capital Markets, Inc. (Global Head of Derivatives, Board Member)
SMBC Capital Markets (Asia) Limited (Board Member)
SMBC Nikko Securities Inc. (Executive Officer)
Glenn Swanton
SMBC Bank International plc (Chief Risk Officer),
Sumitomo Mitsui Financial Group Inc. (Co-Chief Risk Officer, EMEA Region)
Bungo Miura
SMBC Nikko Securities Inc. (Senior managing executive officer, Head of Global Business Planning Unit)
Sumitomo Mitsui Financial Group Inc. (Managing executive officer, Deputy Head of Global Business Unit)
SMBC Nikko Capital Markets Limited (non-executive Director)
SMBC Nikko Securities (Hong Kong) Limited (Director)
SMBC Nikko Securities (Singapore) Pte. Limited (Director)
Karin Elisabeth Katerbau
ProCredit Holding AG (Supervisory Board member)
ProCredit Bank (Bulgaria) EAD (Supervisory Board member)
Stiftung der Oldenburgische Landesbank AG (Chairperson of the Executive Board) till 28/03/2025

6. Subsequent Event Reporting

In July 2025, the Management Board of SMBC EU approved a purchase agreement for the acquisition of the essential assets and liabilities of the SMBC BI Paris branch (non-adjusting event). Completion is subject to conditions that have not yet been fulfilled. Upon completion, SMBC EU's assets and liabilities would increase significantly, resulting from banking activities comparable to those already conducted by SMBC EU.

Frankfurt am Main, 30 July 2025

SMBC Bank EU AG
Frankfurt am Main

Executive Board

Naoki Okubo **Stanislas Roger**

Dr. Niklas Dieterich **Isabelle Saadjian** **Yosuke Umemura**

Country-by-Country Reporting

In accordance with the requirement of EU Directive 2013/36/EU Art. 89 on country-by-country reporting, which has been adopted into German law by section 26a (1) sentence 2 of the German Banking Act, the bank must prepare country-by-country reporting.

In this country-by-country reporting, SMBC Bank EU AG discloses the following information as of 31 March 2025 in accordance with Section 26a (1) Nos. 1 to 6 of the German Banking Act:

- Company name, type of business and the geographical location of the branches
- Revenue
- Number of employees in full-time equivalents
- Profit or loss before tax
- Taxes on Profit or Loss
- Public aid received

The report includes the information for the branches of the Bank included in the financial statements. The figures contained in the report are based on an unconsolidated basis.

Turnover is the sum of net interest, commission and trading income as well as other operating income. The number of employees corresponds to the status as of 31 March 2025. The income taxes of the branch are shown as taxes. The branches did not receive any public aid during the financial year.

Name of the company	Type of activity	Registered office	Land
SMBC Bank EU AG	Credit institution	Frankfurt	Germany
SMBC Bank EU AG, Milan Branch	Credit institution	Milan	Italy
SMBC Bank EU AG, Prague Branch	Credit institution	Prague	Czech Republic
SMBC Bank EU AG, Amsterdam Branch	Credit institution	Amsterdam	Netherlands
SMBC Bank EU AG, Madrid Branch	Credit institution	Madrid	Spain
SMBC Bank EU AG, Dublin Branch	Credit institution	Dublin	Ireland
SMBC Bank EU AG, Paris Branch	Credit institution	Paris	France

Country	Revenues in KEUR	Profit/loss before tax in KEUR	Taxes on profit or loss in KEUR	Public aid received in KEUR	Number of employees
Germany	442,573	273,469	(78,811)	–	370.3
Italy	53,860	46,641	(21,067)	–	17
Czech Republic	2,656	345	(151)	–	12
Netherlands	4,388	573	(133)	–	17
Spain	3,243	427	(169)	–	8.15
Ireland	5,103	697	(110)	–	14
France	26,024	4.020	69	–	46

Further disclosure obligations pursuant to section 26a (1) sentence 4 of the KWG

The return on capital to be disclosed in accordance with section 26a (1) sentence 4 of the KWG is calculated as the ratio of the net income/loss for the year and the balance sheet total. According to this definition, the return on capital employed in the financial year was 1.02 %.

Publisher

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SMBC