SMBC CAPITAL MARKETS, INC.

(A Wholly Owned Subsidiary of
SMBC Americas Holdings, Inc.)

Statement of Financial Condition

December 31, 2023

(With Independent Auditors' Report Thereon)

SMBC CAPITAL MARKETS, INC.
(A Wholly Owned Subsidiary of
SMBC Americas Holdings, Inc.)

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KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

To the Board of Directors and Stockholder
SMBC Capital Markets, Inc.:

Opinion

We have audited the statement of financial condition of SMBC Capital Markets, Inc. (the Company) as of December 31, 2023, and the related notes (collectively, the financial statement).

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the Company as of December 31, 2023, in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statement is available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

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the KPMG global organization of independent member firms affiliated with
KPMG International Limited, a private English company limited by guarantee.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The supplementary information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with GAAS. In forming our opinion on the supplementary information, we evaluated whether the supplementary information, including its form and content, is presented in conformity with Commodity Futures Trading Commission Rule 17 CFR § 23.105. In our opinion, the supplementary information contained in Schedule I is fairly stated in all material respects in relation to the financial statement as a whole.

KPMG LLP

New York, New York
February 28, 2024

SMBC CAPITAL MARKETS, INC.
(A Wholly Owned Subsidiary of
SMBC Americas Holdings, Inc.)

Statement of Financial Condition

December 31, 2023

Assets		
Cash and cash equivalents, and restricted cash	$	1,322,274,436
Cash collateral pledged		345,335,677
Derivative assets, net, at fair value		1,849,707,116
Securities purchased under agreements to resell		5,179,541,442
Trading assets, net, at fair value (includes $1,454,960,130 pledged as collateral)		1,818,474,237
Due from brokers		968,502,379
Leveraged leases		40,355,613
Investment in affiliate		200,000,000
Income taxes receivable, net		13,311,848
Other assets		111,728,516
Total assets	$	11,849,231,264
Liabilities and Stockholder's Equity		
Liabilities:		
Due to banks	$	16,486,899
Cash collateral received		173,692,896
Derivative liabilities, net, at fair value		7,797,472,799
Securities sold under agreements to repurchase		106,429,531
Trading liabilities, net, at fair value		343,840,441
Due to brokers		1,061,448,898
Income taxes payable, net		17,234,882
Deferred tax liabilities, net		6,425,097
Other liabilities		143,488,009
Total liabilities		9,666,519,452
Contingencies (see notes 2(j) and 12)		
Stockholder's equity:		
Common stock – Class A, $0.10 par value. Authorized 50 shares; issued and outstanding - 5 shares		1
Common stock – Class B, $0.10 par value. Authorized 9,950 shares; issued and outstanding - 995 shares		100
Additional paid-in capital		701,019,067
Retained earnings		1,481,692,644
Total stockholder's equity		2,182,711,812
Total liabilities and stockholder's equity	$	11,849,231,264

See accompanying notes to financial statement.

(1) Organization

SMBC Capital Markets, Inc. (the Company) was incorporated in the State of Delaware on December 4, 1986, to engage in a wide range of capital market activities. The principal trading activities of the Company include trading in interest rate swaps and options, interest rate caps and floors, and foreign exchange (FX) products. The Company also engages in certain investment activities, including leveraged lease transactions and other investments.

SMBC Capital Markets Group (CMG) conducts derivative marketing and trading activities globally through offices in New York, London and Hong Kong through four legal entities: the Company, SMBC Nikko Capital Markets Limited (SMBC CM Ltd), SMBC Derivative Products Limited (SMBC DP) and SMBC CM Asia. The CMG entities market and trade derivative products on an integrated basis and support functions for CMG.

In order to be in compliance with the mandatory regulations under the Dodd-Frank Act effective March 11, 2013, the Company became a clearing member of London Clearing House Clearnet Limited (LCH) on October 29, 2012 for eligible swaps. On June 18, 2013, the Company entered into an affiliate pass through agreement with SMBC CM Ltd. whereby the Company clears over the counter (OTC) derivative transactions on behalf of SMBC CM Ltd. In 2023, the Company started offering LCH Swap Agent services. Swap Agent streamlines non-cleared derivatives processing by extending the centralized clearing infrastructure, standardized document terms, trade processing, margining, and payment processing to the bilateral markets.

The Company is registered as a swap dealer with the Commodity Futures Trading Commission (CFTC) and is also a member of the National Futures Association.

SMBC Americas Holdings, Inc. (the Parent), a wholly owned U.S. subsidiary of Sumitomo Mitsui Banking Corporation (SMBC), is the sole shareholder of the Company, owning all Class A and Class B shares of the Company's common stock. Class A and Class B shares entitle the Parent to 100 and 0.5025126 votes per share, respectively. At December 31, 2023, 5 shares of Class A common stock and 995 shares of Class B common stock were outstanding.

(2) Significant Accounting Policies

(a) Basis of Accounting and Use of Estimates

The Company's financial statement have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP), which requires management to make estimates and assumptions that affect the amounts reported in the financial statement and accompanying notes. Although these, and other, estimates and assumptions are based on the best available information, actual results could be materially different from these estimates. Significant items subject to such estimates and assumptions include the valuation of derivatives, realization of deferred tax assets, income tax uncertainties, other contingencies, and valuation of trading assets and trading liabilities.

(b) Principles of Consolidation

A controlling financial interest may also be achieved through arrangements that do not involve voting interests which are generally obtained through stock ownership. Therefore, the Company evaluates entities for consolidation under the variable interest entity (VIE) model in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 810, *Consolidation*. A VIE is an entity that has either a total equity

investment at risk that is insufficient to finance its activities without additional subordinated financial support or whose equity investors lack the ability to control the entity's activities or lack the ability to receive expected benefits or absorb obligations in a manner that's consistent with their investment in the entity. A VIE is consolidated by its primary beneficiary, the party that has both the power to direct the activities that most significantly impact the VIE's economic performance and a variable interest (obligation to absorb losses from or the right to receive benefits of the VIE) that could potentially be significant to the VIE. A variable interest is a contractual, ownership or other interest that fluctuates with changes in the fair value of the VIE's net assets. To determine whether a variable interest the Company holds could potentially be significant to the VIE, the Company considers both qualitative and quantitative factors regarding the nature, size and form of the Company's involvement with the VIE. The Company had no variable interests in a VIE that required consolidation at December 31, 2023.

(c) Foreign Currencies

Assets and liabilities denominated in non-U.S. dollar currencies are remeasured into U.S. dollar equivalents using year-end adjusted spot foreign exchange (FX) rates.

(d) Cash and Cash Equivalents, and Restricted Cash

The Company considers all highly liquid financial instruments with original maturities of three months or less to be cash equivalents. As of December 31, 2023, Cash and cash equivalents and restricted cash were $1,139,215,224 and $183,059,212, respectively. Accrued interest receivable was $1,500,792 which is included in other assets.

Restricted cash is classified and presented in Cash and cash equivalents unless it is restricted for regulatory purposes. Restricted cash with no contractual maturity should be classified as Cash and cash equivalent unless such restriction is because of regulatory restriction. Investments with stated original maturities of more than three months typically will not be classified as Cash and cash equivalents or restricted cash.

The following table provides a reconciliation of cash and cash equivalents, and restricted cash reported within the statement of financial condition, that sum to the total of the same such amounts shown in the statement of cash flows as of December 31, 2023:

Cash and cash equivalents	$	1,139,215,224
Restricted cash		183,059,212
Total cash and cash equivalents, and restricted cash shown in the statement of cash flows	$	1,322,274,436

Amount shown in restricted cash represents those required to be set aside by a contractual agreement.

Refer to note 8(a) for further information on Cash and cash equivalents.

(e) Cash Collateral Pledged and Received

The Company enters into derivative transactions with counterparties, which may be subject to bilateral collateral agreements. The Company monitors the fair value of its derivative transactions on a daily basis, with collateral obtained or refunded as necessary. Independent amounts (IA) represents collateral required over and above the mark to market of a portfolio to provide an additional buffer of protection for certain risk.

As of December 31, 2023, the Company had pledged cash collateral, inclusive of IA pledged, of $3,484,025,869 gross at fair value, of which $18,783,410 was accrued interest receivable.

As of December 31, 2023, the Company had received cash collateral, inclusive of IA received, of $3,977,386,857 gross at fair value, of which $19,859,776 was accrued interest payable.

It is the Company's policy to net the fair value of cash collateral pledged or received against the fair value amounts recognized for net derivative positions pursuant to enforceable master netting agreements when applicable requirements are met.

Refer to notes 2(f), 3, and 8(b) for further information on netting and cash collateral.

(f) Derivative Financial Instruments

Derivative financial instruments consist of interest rate swaps and options and FX products which are recorded at fair value in the accompanying statement of financial condition. The fair values recorded take into consideration market, liquidity, credit, and funding risks. The Company uses the fair value portfolio exception to measure its derivative portfolio since it manages its derivatives portfolio on the basis of its net exposure to these risks. The Company accounts for derivative financial instruments in accordance with FASB ASC Topic 815, *Derivatives and Hedging.*

To the extent derivatives subject to master netting arrangements meet the applicable requirements, including determining the legal enforceability of the arrangements, it is the Company's policy to present derivative balances and the related cash collateral balances with the same counterparty on a net basis on the Statement of Financial Condition.

In addition to trading activities, the Company enters into various derivative contracts as an end-user to economically hedge and/or modify its exposure to the FX and interest rate risk of certain assets and liabilities. A summary of the derivatives portfolio is as follows:

(i) Foreign Exchange Contracts

The Company is involved in a variety of FX forward, futures, swap, and option contracts in its trading activities. The parties to a currency swap initially exchange a principal amount in two currencies, agreeing to re-exchange the currencies at a future date and an agreed-upon exchange rate. Futures contracts are traded on exchanges, reducing the credit risk as compared with deals with other counterparties in over-the-counter markets.

Currency options, which are either exchange-traded or directly negotiated, provide the holder with the right to buy from or sell to the writer an agreed amount of currency at a specified exchange rate within a stated period. The Company's FX contracts primarily relate to major foreign currencies such as the Japanese yen, the Canadian dollar, the British pound, and the Euro.

(ii) Interest Rate Contracts

Interest rate swaps are one of the primary derivative instruments used by the Company in its trading activities. The two parties to an interest rate swap agree to exchange, at particular intervals, payment streams calculated

on a specified notional amount, with at least one stream based on a floating interest rate. Basis swaps involve floating rates, such as the prime rate, the London Interbank Offered Rate (LIBOR), Overnight Indexed Swap (OIS) rate, Sterling Overnight Index Average (SONIA), Euro Interbank Offered Rate (EONIA), Tokyo Overnight Average Rate (TONA) and the Secured Overnight Financing Rate (SOFR). Refer to further discussions on reference rate reform in “Recent Accounting Developments”.

Interest rate forward and futures contracts are commitments to either purchase or sell a financial instrument at a future date for a specified price and may be settled in cash or through delivery of the underlying financial instrument. Forward rate agreements settle in cash at a specified future date based on the differential between agreed interest rates and an index applied to a notional amount.

Interest rate options grant the purchaser, for a premium payment, the right to either purchase from or sell to the writer a specified financial instrument under agreed-upon terms. Interest rate caps and floors require the writer to pay the purchaser at specified future dates the amount, if any, by which a specified market interest rate exceeds the fixed cap rate or falls below the fixed floor rate, applied to a notional amount. The option, cap, or floor writer receives a premium for bearing the risk of unfavorable interest rate changes.

(iii) Other Contracts

Other contracts include credit derivatives and commodity swaps. A credit derivative is a financial contract that allows parties to minimize their exposure to credit risk. Credit derivatives consist of a privately held, negotiable bilateral contract traded over the counter (OTC) between two parties in a creditor/debtor relationship. Commodity swaps are a type of derivative contract where two parties agree to exchange cash flows dependent on the price of an underlying commodity.

Refer to notes 3, 7 and 8(c) for further information on derivative financial instruments.

(g) Securities Purchased under Agreements to Resell and Securities Sold under Agreements to Repurchase

Securities purchased under agreements to resell (reverse repurchase agreements) and securities sold under agreements to repurchase (repurchase agreements) are treated as financing transactions and are carried at amounts at which the securities will be subsequently resold or repurchased, inclusive of accrued interest. The agreements obligate the transferor to repurchase or redeem the same or substantially the same assets before maturity at a fixed or determinable price and the agreements are entered in contemplation of the transfer.

As of December 31, 2023, the Company had securities purchased under agreements to resell of $5,179,541,442 and securities sold under agreements to repurchase of $106,429,531.

As of December 31, 2023, the Company pledged securities for repurchase agreements with a fair value of $106,137,060 and received securities for reverse repurchase agreements with a fair value of $5,151,560,473. All securities collateral received from counterparties consisted of government securities. Additional collateral is requested when market value of the securities received decline below the principal amount lent plus accrued interest. Securities pledged or received and subsequently sold under repurchase agreements are not offset and are presented within trading assets and liabilities, at fair value, respectively, on the statement of financial condition.

Refer to notes 4, 7(c) and 8(d) for further information on securities purchased under agreements to resell and securities sold under agreements to repurchase.

(h) Trading Assets and Liabilities

Trading assets at December 31, 2023 include U.S. government securities, foreign government securities, and certain other fixed income financial instruments. Securities are primarily bought and held for the purpose of selling in the near term. Certain securities are held and pledged as collateral against derivative transactions covered by Collateral Agreements. If the Collateral Agreements allow the counterparty to repledge the Company's proprietary securities posted, the Company will disclose these securities as securities pledged to counterparties, as applicable.

Securities included in trading assets and trading liabilities are recorded at fair market value on a trade-date basis.

Fixed income financial instruments included in trading assets and trading liabilities represent contractual agreements with counterparties that provide fixed or variable periodic payments from a stated or contingent date over a specified time period. The Company records these fixed income financial instruments at fair value.

FX spot contracts are included in trading assets and trading liabilities are recorded at one net amount for each trade at fair value.

Refer to notes 3, 7 and 8(e) for further information on trading assets and liabilities.

(i) Fixed Assets and Internal Use Software

Fixed assets, consisting of equipment and leasehold improvements along with internal use software are stated at amortized cost. Furniture is depreciated on a straight-line basis over seven years. Equipment and internal use software is amortized on a straight-line basis over five years. Leasehold improvements are amortized over the lesser of their estimated useful lives or the remaining term of the underlying leases. At December 31, 2023, fixed assets and internal use software were $25,093,822 and $21,830,816, respectively, and accumulated depreciation and amortization was $18,435,889 and $12,213,776, respectively, and are included in Other assets in the accompanying financial statement.

(j) Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Refer to note 12 for further information on contingencies.

(k) Fair Value of Financial Instruments

The Company's financial instruments are stated at fair value, except for securities purchased under agreements to resell, securities sold under agreements to repurchase, and leveraged leases, which are stated at their contract values or amortized cost. The contract values or amortized cost for these financial instruments, with the exception of leveraged leases, are considered to approximate fair value as they are short term in nature, bear interest at current market rates, or are subject to near term re-pricing. Leveraged leases are excluded for a non-public business entity from the scope of the fair value disclosure requirements of FASB ASC Topic 825, *Financial Instruments.*

The fair values of the Company's financial instruments are determined in accordance with FASB ASC Topic 820, *Fair Value Measurements*. ASC 820 defines fair value, establishes a consistent framework for measuring fair value,

and requires disclosure about fair value measurements. ASC 820, among other things, requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. In addition, ASC 820 precludes the use of block discounts when measuring the fair value of instruments traded in an active market. It also requires recognition of trade-date gains related to certain derivative transactions whose fair value has been determined using observable market inputs.

ASC 820 specifies a hierarchy of inputs based on whether the inputs are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. In accordance with ASC 820, the following is the fair value hierarchy:

- Level 1 - Quoted prices for identical instruments in active markets.
- Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 - Valuations in which one or more significant inputs or significant value drivers are unobservable. Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect the Company's own estimates of assumptions that market participants would use in pricing the asset or liability.

This hierarchy requires the use of observable market data when available.

Refer to note 7 for further information on fair value on financial instruments.

(l) Fair Value Option

Under the Fair Value Option Subsections of FASB ASC Subtopic 825-10, *Financial Instruments – Overall*, the Company has the irrevocable option to report certain financial assets and financial liabilities at fair value on an instrument-by-instrument basis, with changes in fair value reported in earnings. The Company has not applied the option to any asset or liability items.

(m) Income Taxes

Income taxes are accounted for in accordance with FASB ASC Topic 740, *Income Taxes*, under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A tax liability or asset is also recognized for the estimated taxes payable or refundable on tax returns for the current and prior years. The Company does not offset receivable and payable amounts for current or deferred taxes related to different tax jurisdictions.

The Company evaluates its uncertain tax positions and the related tax reserves in accordance with the framework set out under ASC 740. ASC 740 provides guidelines for both identifying the uncertain tax positions and determining

the appropriate level of tax reserves related to those positions. ASC 740 also sets out disclosure requirements to enhance transparency of an entity's tax reserves.

Deferred taxes are recorded for the future consequences of events that have been recognized for financial statement or tax returns, based upon enacted tax laws and rates. Deferred tax assets are recognized subject to management's judgment that realization is more likely than not.

Refer to note 6 for further information on income tax.

(n) Employee Compensation and Benefits

The Company pays discretionary cash bonuses to its employees and certain cash bonuses are deferred over a service period of three years. An employee with a deferred bonus earns a portion of the cash bonus in each of the three years if they continue employment at the Company. All deferred cash bonuses have clawback provisions. None of the clawback provisions have been triggered for the year ended December 31, 2023. The deferred compensation liability was $5,917,164 as of December 31, 2023.

(o) Leases

The Company predominantly occupies office space under noncancelable operating subleases with SMBC in accordance with the Company's Business Continuity and Disaster Recovery (BCDR) Plan. Office spaces includes both physically distinct work areas and shared common spaces such as conference rooms.

The Company identifies non-lease components of a contract and accounts for them separately from lease components. The Company records a right-of-use asset (RoU) and a lease liability at the commencement of the lease for all operating leases (including subleases), other than those that, at lease commencement, have a lease term of 12 months or less. Lease liabilities are presented within Other liabilities and RoU assets are presented within Other assets in the statement of financial condition. The lease liability is measured based on the present value of the lease payments over the lease term, discounted using the incremental borrowing rate of SMBC (and to make it a secured rate, SMBC takes the midpoint between the U.S. Treasury (risk-free) rate and the unsecured SMBC rate of its USD debt), with the maturity date corresponding to the term of the lease given the rate implicit in a lease is generally not observable to the lessee. RoU asset is amortized over the lease term.

Refer to note 11 for further information on leases.

(p) Recent Accounting Developments

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments— Credit Losses (Topic 326), Measurement of Credit Losses on Financial Assets*. The ASU introduces a new credit loss methodology, the Current Expected Credit Losses (CECL) methodology, which requires earlier recognition of credit losses while also providing additional transparency about credit risk. ASU No. 2016-13, is amended by ASU Nos. 2018-19, 2019-04, 2019-05, 2019-10, 2019-11, 2020-02, 2020-03 and 2022-02. The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses for loans, held-to-maturity debt securities, finance lease receivables and other financial assets measured at amortized cost at the time the financial asset is originated or acquired. The allowance for credit losses is adjusted each period for changes in expected lifetime credit losses. The CECL methodology replaces the prior multiple existing impairment methods, which generally required that a loss be incurred / probable before it was recognized. Reasonable and supportable forecasts are included to determine the

allowance for credit losses. For available-for-sale debt securities where fair value is less than cost that the entity intends to hold or more-likely-than-not will not be required to sell, credit-related impairment, if any, is recognized through an allowance for credit losses and adjusted each period for changes in credit risk.

ASU No. 2016-13 (Topic 326), as amended by above mentioned ASUs, is effective for entities that are not public business entities for annual periods beginning after December 15, 2022. The Company adopted this guidance on January 1, 2023. The adoption of ASU No. 2016-13 did not result in a material impact for the Company since it has a limited amount of financial assets that are accounted for at amortized cost and it can apply certain practical expedients. The Company uses the collateral maintenance practical expedient for its' reverse repos and SMBC Leasing and Finance, Inc. (SMBC LF) provides the Company with a guarantee which protects the Company from credit losses on its leveraged lease, which is considered a credit enhancement for CECL purposes.

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting.* This ASU provides temporary optional expedients and exceptions to existing GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from LIBOR and other interbank offered rates to alternative reference rates, such as SOFR, SONIA, EONIA. For instance, entities can (1) elect not to apply certain modification accounting requirements to contracts affected by reference rate reform, if certain criteria are met. An entity that makes this election would not have to remeasure the contracts at the modification date or reassess a previous accounting determination; (2) elect various optional expedients that would allow them to continue applying hedge accounting for hedging relationships affected by reference rate reform, if certain criteria are met; and (3) make a one-time election to sell and/or reclassify held-to-maturity debt securities that reference an interest rate affected by reference rate reform. This guidance became effective on March 12, 2020 and an entity may elect to prospectively apply each category of exemption independently in a subsequent period through December 31, 2022. We implemented processes as appropriate to assess the population of contracts that would be impacted by this ASU and to evaluate expedients we would use and when we may apply them. The Company adopted ASU No. 2020-04 prospectively as of October 1, 2021.

In January 2021, the FASB issued ASU No. 2021-01, *Reference Rate Reform (Topic 848): Scope*. This ASU clarifies that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition. The ASU also amends the expedients and exceptions in Topic 848 to capture the incremental consequences of the scope clarification and to tailor the existing guidance to derivative instruments affected by the discounting transition. The Company adopted ASU No. 2021-01 retrospectively as of July 1, 2020. The Company applied certain of the practical expedients in Topic 848 to its derivatives cleared by LCH and CME that were impacted by changes in the interest rate used for margining, discounting, or contract price alignment of derivative instruments as a result of reference rate reform. During 2021, the Company's cleared Euro, GBP and JPY trades transitioned to using SOFR and EONIA discounting rates.

In December 2022, the FASB issued ASU No. 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*. This ASU deferred the sunset date of the temporary guidance in ASC 848, *Reference Rate Reform*, from December 31, 2022 to December 31, 2024. The amendments in ASU No. 2022-06 are effective for all entities upon issuance.

In October 2023, the FASB issued ASU No. 2023-6, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*. The ASU clarifies and improves disclosure

and presentation requirements of a variety of Topics. For non-public entities, the effective date for each amendment will be two years after the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. The amendments in this Update should be applied prospectively. For all entities, if by June 30, 2027, the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K, the pending content of the related amendment will be removed from the Codification and will not become effective for any entity. The Company is currently evaluating the impact of the amendments made in this ASU.

In December 2023, the FASB issue a new ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The ASU requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The ASU is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. For effective tax rate reconciliation, the ASU replaced the term "nonpublic entities" with "entities other than public business entities." In addition, the ASU requires non-public business entities to qualitatively disclose the nature and effect of the specific categories of reconciling items and individual jurisdictions that result in a significant difference between the statutory tax rate and the effective tax rate. For income tax paid, the ASU requires all reporting entities, for each annual period presented, to disclose the year-to-date amount of income taxes paid (net of refunds received) disaggregated by federal (national), state, and foreign. It also requires additional disaggregated information on income taxes paid (net of refunds received) to an individual jurisdiction equal to or greater than 5% of total income taxes paid (net of refunds received). An entity may identify a country, state, or local territory as an individual jurisdiction. This ASU applies to all entities subject to income taxes. For public business entities, the new requirements will be effective for annual periods beginning after December 15, 2024. For all other entities, the requirements will be effective for annual periods beginning after December 15, 2025. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted. The Company is currently evaluating the impact of this ASU on the disclosures to its financial statement.

(3) Derivative Financial Instruments

As a trader of derivative financial instruments, the Company enters into transactions in financial instruments with off-balance-sheet risk in the normal course of its business. These financial instruments include interest rate and currency swaps, caps, floors, other option products, interest rate and currency futures contracts, and foreign currency forward contracts.

At December 31, 2023, the total notional amounts related to derivative instruments consisted of the following:

		Notional
Foreign exchange contracts	$	295,913,789,260
Interest rate contracts		6,269,332,456,882
Other contracts		2,250,528,574

Although the notional amounts identified above may be indicative of the significance of the Company's trading activities in these financial instruments, they do not represent the amounts exchanged by the parties for derivative transactions and do not measure the exposure to credit or market risks, when taken in isolation. The amounts exchanged are based on the

notional amounts and other terms of the derivative instrument agreements. The following paragraphs pertain to risks associated with the uses of derivative financial instruments.

The credit risk due to counterparty nonperformance associated with derivative instruments as of a given point in time is typically limited to the amounts reflected in the Company's statement of financial condition. However, this exposure is subject to change with changes in the fair value of the related derivative instruments. The Company monitors the creditworthiness of counterparties to these transactions on an ongoing basis and seeks to limit credit risk (and concentrations of credit risk) through various controls, including its use of credit exposure reporting systems, related credit limits, and master netting agreements. Master netting agreements incorporate rights of set-off that provide for the net settlement of subject contracts with the same counterparty in the event of default. Such limits are based in part upon the Company's review of the financial conditions and credit ratings of its counterparties. The Company's derivatives products business and its other investments and loans are transacted on a worldwide basis with a large and diversified group of counterparties. The Company has provided valuation adjustments against this risk to the extent to which management believes it is exposed and is consistent with the Company's accounting policies.

All trading instruments are subject to market risk, the potential that future changes in market conditions may make an instrument less valuable due to fluctuations in security prices, as well as interest and FX rates. Market risk is directly impacted by the volatility and liquidity in the markets in which the related underlying assets are traded. Exposure to market risk is managed in accordance with limits set by management.

Liquidity risk is the possibility that the Company may not be able to rapidly adjust the size of its derivative positions in times of high volatility and financial stress at a reasonable cost. The liquidity of derivative products is highly related to the liquidity of the underlying cash instruments. The Company has provided valuation adjustments against this risk to the extent to which management believes it is exposed and is consistent with the Company's accounting policies.

The Company employs a number of methods to control and measure the risks generated by assets and liabilities arising from both trading and risk management activities. The principal method is the establishment of limits by management, which are regularly assessed to ensure their appropriateness given the Company's objectives, strategies, and current market conditions.

The following tables summarize fair value information at December 31, 2023 of derivative financial instruments held or issued by the Company on a gross basis prior to consideration of collateral and netting agreements. It also discloses the gross fair values of the derivatives by type of instrument (i.e., foreign exchange contracts, interest rate contracts and other) and type of counterparty (over-the-counter, cleared and exchange traded), defined below:

- Over-the-counter derivatives include derivatives executed and settled bilaterally with counterparties without the use of an organized exchange or a central clearing house.
- Cleared derivatives include derivatives executed bilaterally with counterparties in the OTC market but then novated to a central clearing house, whereby the central clearing house becomes the counterparty to both of the original counterparties.
- Exchange traded derivatives include derivatives executed directly on an organized exchange.

	December 31, 2023	
	Fair value derivative assets	**Fair value derivative liabilities**
Over-the-counter	$ 7,163,492,257	5,613,829,471
Cleared	—	—
Exchange traded	—	—
Foreign exchange contracts	7,163,492,257	5,613,829,471
Over-the-counter	10,114,922,657	16,950,496,136
Cleared	5,052,769	13,648,918
Exchange traded	219,034,331	206,873,672
Interest rate contracts	10,339,009,757	17,171,018,726
Over-the-counter	1,207,241	681,037
Cleared	—	941,934
Exchange traded	—	—
Other contracts	1,207,241	1,622,971
Total derivatives, gross amount recognized	17,503,709,255	22,786,471,168
Less cash collateral and counterparty netting	(15,654,002,139)	(14,988,998,369)
Total derivatives, net amount recognized on the statement of financial condition	1,849,707,116	7,797,472,799
Additional amounts subject to a master netting agreement but not offset on the statement of financial condition		
Less:		
Does not meet applicable offsetting guidance	(21,191,794)	(9,257,513)
Noncash collateral received/pledged	(1,260,098,524)	(4,908,525,706)
Total derivatives, net amount	$ 568,416,798	2,879,689,580

Other contracts include credit derivatives purchased, sold and cleared through ICE Clear Credit (a clearing house and central counterparty for credit derivatives) and maturing through to 2028.

All derivatives are reported on the statement of financial condition at fair value. In addition, where applicable, all contracts covered by enforceable master netting agreements are reported net. Gross positive fair values are netted with gross negative fair values by counterparty pursuant to an enforceable master netting agreement. In addition, payables and receivables in respect of cash collateral received from or pledged to a given counterparty are included in this netting.

As of December 31, 2023, $3,474,768,356 of the gross amount of cash collateral pledged was subject to offset. Of this amount, $3,138,690,192 was offset against derivative liability positions, and $336,078,164, was in excess of derivative liability positions and included in cash collateral pledged in the accompanying statement of financial condition. As of December 31, 2023, $3,956,195,063 of the gross amount of cash collateral received was subject to offset. Of this amount,

$3,803,693,961 was offset against derivative asset positions, and $152,501,102, was in excess of derivative asset positions and included in cash collateral received in the accompanying statement of financial condition.

As of December 31, 2023, the Company pledged variation and initial margin securities with a fair value of $4,908,525,706 as collateral and received securities with a fair value of $1,260,098,524 under derivative master netting agreements. As of December 31, 2023, the balance of pledged securities under derivative master netting agreements, includes $1,454,847,021 from trading assets, and $3,453,678,685 from securities purchased under agreements to resell.

The Company had pledged $2,322,333,962 of securities in satisfaction of initial margin requirements, of which, $1,570,668,095 with LCH Clearnet, $541,764,752 with future clearing merchants, and $209,901,115 with brokers. The Company has the right to sell or repledge the securities it has received under derivative master netting agreements, excluding those securities received in satisfaction of initial margin requirements. The fair value of securities received in satisfaction of initial margin requirements include haircuts applied to the different types of securities received based on the margin agreements. Additional collateral is requested when appropriate.

Refer to notes 2(f), 2(k), 7, 8(c) and 10 for more information on derivatives.

(4) Securities Purchased under Agreements to Resell and Securities Sold under Agreements to Repurchase

The Company enters into reverse repurchase agreements and repurchase agreements to accommodate customers' needs and invest the Company's capital. The Company manages credit exposure arising from such transactions by, in appropriate circumstances, entering into master repurchase agreements with counterparties that provide the Company, in the event of counterparty default (such as bankruptcy or a counterparty's failure to pay or perform), the right to net a counterparty's rights and obligations under such agreement and liquidate and offset collateral against the net amount owed by the counterparty. The Company's policy is generally to take possession of securities purchased under agreements to resell, and to receive securities and cash posted as collateral (with rights of re-hypothecation). The following tables present the gross and net, resale and repurchase agreements and the related offsetting amounts as of December 31, 2023.

	Gross amount recognized	Gross amount offset on statement of financial condition	Net amounts on the statement of financial condition	Non cash collateral not netted on statement of financial condition (1)	Net amount
December 31, 2023:					
Assets:					
Securities purchased under agreement to resell	$ 5,179,541,442	—	5,179,541,442	(5,179,541,442)	—
Total assets	$ 5,179,541,442	—	5,179,541,442	(5,179,541,442)	—

	Gross amount recognized	Gross amount offset on statement of financial condition	Net amounts on the statement of financial condition	Non cash collateral not netted on statement of financial condition (1)	Net amount
December 31, 2023:					
Liabilities:					
Securities sold under agreement to repurchase	$ 106,429,531	—	106,429,531	(106,429,531)	—
Total liabilities	$ 106,429,531	—	106,429,531	(106,429,531)	—

(1) According to ASC 210-20-45, for any additional amount subject to a master netting agreement but not offset on the statement of financial condition, entities should describe the rights of offset associated with recognized assets and liabilities subject to an enforceable master netting arrangement, derivative clearing agreement and repurchase agreement. As of December 31, 2023, the Company had master netting agreements with counterparties for the amounts in the above table but does not offset these amounts within the statement of financial condition.

The following table presents the gross amount of liabilities associated with repurchase agreements by remaining contractual maturity as of December 31, 2023:

	Open and overnight	Up to 30 days	31–90 days	Greater than 90 days	Total
Securities sold under agreement to repurchase	$ 106,429,531	—	—	—	106,429,531
Total	$ 106,429,531	—	—	—	106,429,531

The following table presents the gross amount of liabilities associated with repurchase agreement by class of underlying collateral as of December 31, 2023:

	Repurchase agreement
U.S. government securities	$ 97,489,555
Foreign government securities	8,939,976
Total	$ 106,429,531

The Company is required to post collateral with a market value equal to or in excess of the principal amount borrowed under repurchase agreements. To ensure that the market value of the underlying collateral remains sufficient, collateral is generally valued daily and the Company may be required to deposit additional collateral or may receive or return collateral pledged, when appropriate. Repurchase agreements are generally either overnight or short term. The Company manages liquidity risks related to these agreements by sourcing funding from a diverse group of counterparties, providing

a range of securities collateral and pursuing longer durations, when appropriate. As of December 31, 2023, the Company had no repurchase to maturity transactions.

Refer to notes 2(g), 7(c) and 8(d) for further information on securities purchased under agreements to resell and securities sold under agreements to repurchase.

(5) Leveraged Leases

The Company entered into leveraged lease transactions, which are collateralized by security interests in the underlying assets. The components of leveraged leases at December 31, 2023 are detailed below, and receivable amounts are shown net of nonrecourse debt:

Receivables	$	41,119,912
Unearned income		(764,299)
Total	$	40,355,613

At December 31, 2023, total cash flows from leveraged lease receivables are due in the following contractual installments:

		Receivables
2025	$	—
2026		—
2027		2,831,996
Thereafter		38,287,916
Total	$	41,119,912

As of December 31, 2023, leveraged leases totaled $40,355,613 with related deferred tax liabilities of $14,913,320. The Company is indemnified against credit and residual losses by SMBC Leasing and Finance, Inc. (SMBC LF) through a guarantee agreement. SMBC LF is also a subsidiary of the Parent. SMBC LF has adequate resources to perform under any such obligations that are reasonably expected to arise, and as such, the Company does not record an allowance for lease losses.

(6) Income Taxes

As of December 31, 2023, the Company's deferred tax assets (DTA) and deferred tax liabilities (DTL) are as follows:

Deferred tax assets:		
Employee bonus accrual	$	8,758,133
Other		2,847,548
NOL for foreign branches		15,435,000
Less:		
Valuation allowance		(15,435,000)
Total deferred tax assets	$	11,605,681
Deferred tax liabilities:		
Book versus tax depreciation differences		3,117,458
Leveraged leases		14,913,320
Total deferred tax liabilities	$	18,030,778
Total deferred tax liabilities, net	$	6,425,097

The Company's deferred tax liabilities as of December 31, 2023 relate primarily to differences, between financial reporting and income tax purposes, in the timing of the recognition of income from the Company's investments in leveraged lease transactions, which are being accounted for as operating leases for tax purposes and as financing leases for financial statement purposes. Also, part of the deferred tax asset balances is $15,435,000 for the UK Permanent Establishment (PE) unused net operation loss (NOLs). The Company recorded a valuation allowance against this asset because the Company believes that it is not more likely than not that the benefit from the NOL will be realized. Although the sixth advance pricing agreement (APA) covering the years from 2015 to 2019 determined that the Company does not have a PE in UK, the Company will continue to show this deferred asset since the UK NOL can be carried indefinitely.

At December 31, 2023, the Company accrued $3,748,082 of interest related to tax benefits. On a net basis, the Company has accrued $2,886,023 of interest as of December 31, 2023.

The Company is in the process of negotiating the seventh bilateral APA with the United States Internal Revenue Service (IRS) and United Kingdom HM Revenue and Customs which will govern the taxation of its activities in certain derivative financial instruments for tax years ended December 31, 2020 to December 31, 2024. The most recently signed APA methodology pertaining to tax years 2015 to 2019 is applied as a basis to estimate the impact of the pending APA.

Years after 2019 are open to Federal tax examination. Years subsequent to and including 2011 remain open to certain state and local tax examinations, including New York and California. The Company is currently under California, Michigan, New York, and New York City examinations.

On February 6, 2019, the Company entered into Federal and state Tax Sharing Agreements with the Parent and each direct subsidiary of the Parent (members of the consolidated group). The effective date of the Tax Sharing Agreements

is January 1, 2018. Consolidated Federal and, where applicable, state income tax returns for the year ended December 31, 2023 will be filed by the Parent. The current and deferred tax expenses for the consolidated group are allocated among the members of the group for their separate company financials statements using the separate return method. The separate return method applies ASC Topic 740 to the stand-alone financial statement of each member of the consolidated group as if the group member were a separate taxpayer and a stand-alone entity. Calculations of current and deferred taxes consider all applicable income tax laws for the relevant tax jurisdiction. For states where consolidated tax returns are not required, each member of the consolidated group will continue to file separate tax returns and pay taxes directly to the relevant tax authorities.

ASC 740-10-30-27 acknowledges that, under the separate return method, the sum of the amounts reported by individual members of the group may not equal the consolidated amount due to situations such as intercompany transactions between the subsidiaries of the Parent. Thus, if the tax sharing agreement differs from the chosen method of tax allocation under 740-10-30-27, the difference between the amount paid or received under the tax sharing agreement and the expected settlement amount based on the tax allocation method at the subsidiary level is treated as a dividend paid, or additional (paid-in) capital contribution (i.e., recorded in Equity). No such differences occurred in 2023.

Refer to note 2(m) for further details on income taxes.

(7) Fair Value of Financial Instruments

The Company measures fair value in accordance with ASC 820 using the methodologies set out below for all assets and liabilities measured at fair value.

In general, when available, the Company uses quoted market prices to determine fair value and classifies such items within Level 1. In some cases, where a market price is not available, the Company will make use of acceptable practical expedients (such as matrix pricing) to calculate fair value, in which case the items are classified within Level 2. If quoted market prices are not available, fair value is based upon internally developed models that use current market-based or independently sourced market parameters such as interest rates, currency rates, option volatilities, etc. If quoted market prices are not available, the valuation model used generally depends on the specific asset or liability being valued. The determination of fair value considers various factors, including interest rate yield curves, time value and volatility factors, underlying options, and derivatives and price activity for equivalent synthetic instruments.

Counterparty credit risk adjustments are applied to financial instruments such as over-the-counter derivatives, where the base valuation uses market parameters based on the LIBOR interest rate curves. Not all counterparties have the same credit ratings as that implied by the relevant LIBOR curve, so it is necessary to take into account the actual credit rating of a counterparty in order to arrive at the estimated value of such an instrument. Furthermore, the counterparty credit risk adjustment takes into account the effect of credit risk mitigants such as pledged collateral and to what extent there is a legal right of offset with a counterparty.

Bilateral or own credit risk adjustments are applied to reflect the Company’s own credit risk when valuing all liabilities measured at fair value, in accordance with the requirements of ASC 820. The methodology is consistent with that applied in generating counterparty credit risk adjustments but incorporates SMBC’s own credit risk as observed in the credit default swap market. As with counterparty credit risk, own credit risk adjustments include the impact of credit risk mitigants.

The Company incorporates the impact of funding in its valuation estimates where there is evidence that a market participant in the principal market would incorporate it in a transfer of the instrument. Funding adjustments are applied to reflect the expected funding cost integrated over the lifetime of the portfolio, with consideration of the default event of the counterparties. The Company's Funding Valuation Adjustment framework incorporates the impact of funding into its valuation estimates. The Company's approach for the funding adjustment includes assumptions related to the funding cost created by the mirror of any uncollateralized derivative assets.

Liquidity adjustments are applied to items in Levels 2 and 3 of the fair value hierarchy to ensure that the fair value reflects the price at which the entire position could be liquidated. The liquidity valuation reserve is based on the bid/offer spread for an instrument.

The following tables present for each of the fair value hierarchy levels the Company's assets and liabilities that are measured at fair value on a recurring basis at December 31, 2023:

	Assets at fair value as of December 31, 2023				
	Level 1	**Level 2**	**Level 3**	**Netting agreements (a)**	**Total**
Foreign exchange contracts	$ —	7,163,492,257	—	—	7,163,492,257
Interest rate contracts	219,034,331	10,022,832,538	97,142,888	—	10,339,009,757
Other contracts	—	1,207,241	—	—	1,207,241
Subtotal	219,034,331	17,187,532,036	97,142,888	—	17,503,709,255
Cash collateral and counterparty netting	—	—	—	(15,654,002,139)	(15,654,002,139)
Derivative assets, net, at fair value	219,034,331	17,187,532,036	97,142,888	(15,654,002,139)	1,849,707,116
U.S. government securities	1,718,084,936	—	—	—	1,718,084,936
Foreign government securities	10,231,194	—	—	—	10,231,194
Other non-derivative	—	90,158,107	—	—	90,158,107
Trading assets, at fair value	1,728,316,130	90,158,107	—	—	1,818,474,237
Total	$ 1,947,350,461	17,277,690,143	97,142,888	(15,654,002,139)	3,668,181,353

		Liabilities at fair value as of December 31, 2023				
		Level 1	**Level 2**	**Level 3**	**Netting agreements (a)**	**Total**
Foreign exchange contracts	$	—	5,613,829,471	—	—	5,613,829,471
Interest rate contracts		206,873,673	16,892,858,731	71,286,322	—	17,171,018,726
Other contracts		—	1,622,971	—	—	1,622,971
Subtotal		206,873,673	22,508,311,173	71,286,322	—	22,786,471,168
Cash collateral and counterparty netting		—	—	—	(14,988,998,369)	(14,988,998,369)
Derivative liabilities, net, at fair value		206,873,673	22,508,311,173	71,286,322	(14,988,998,369)	7,797,472,799
U.S. government securities		329,951,424	—	—	—	329,951,424
Other non-derivative		—	13,889,017	—	—	13,889,017
Trading liabilities, at fair value		329,951,424	13,889,017	—	—	343,840,441
Total	$	536,825,097	22,522,200,190	71,286,322	(14,988,998,369)	8,141,313,240

(a) For contracts with the same counterparty, both cash collateral netting and counterparty nettings are included in the column titled "Netting agreements." Refer to note 3 for further information on derivative financial instruments.

The following table provides quantitative information about significant unobservable inputs for Level 3 fair value measurements:

Level 3 assets at fair value as of December 31, 2023

Instrument	Fair value	Technique	Input
Interest rate contracts	97,142,888	Model Based	(b)(c)

Level 3 liabilities at fair value as of December 31, 2023

Instrument	Fair value	Technique	Input
Interest rate contracts	71,286,322	Model Based	(b)(c)

(b) The derivative contracts categorized as level 3 consist of swaps whose fair value includes significant inputs to price the financial instrument in the form of uncertainties surrounding the full recognition of profits and model constraints or limitations that prohibit accurately pricing the transaction.

(c) The Company has an internal credit rating structure of 1-13, with 1 being the most creditworthy. The Company evaluates the creditworthiness of counterparties on a global basis and assigns internal credit ratings accordingly.

Significant unobservable inputs for the derivative guarantees with a specific reserve are the internal credit ratings. A one notch increase (decrease) in the internal credit rating would result in a significantly lower (higher) fair value measurement of these financial instruments.

For derivative guarantees, the forward exposures used in the calculation of the credit valuation adjustment (CVA) are calculated using Monte Carlo simulations. The probability of default matrix is implied for market credit default swap (CDS) spreads. Refer to note 8(c) for further information on derivative guarantees.

The following table provides a reconciliation of the beginning and ending balances for assets and liabilities measured at fair value using significant unobservable inputs (Level 3) for the year ended December 31, 2023.

		December 31, 2022	Transfers into Level 3	Transfers out Level 3	Purchases, issuances, and settlements	Net realized gains (losses)	Net unrealized gains (losses)	December 31, 2023
Assets								
Foreign exchange contracts	$	4,776,406	—	(4,776,406)	—	—	—	—
Interest rate contracts		41,411,628	37,134,810	(37,176,867)	53,846,970	—	1,926,347	97,142,888
Total assets at fair value	$	46,188,034	37,134,810	(41,953,273)	53,846,970	—	1,926,347	97,142,888

		December 31, 2022	Transfers into Level 3	Transfers out Level 3	Purchases, issuances, and settlements	Net realized (gains) losses	Net unrealized (gains) losses	December 31, 2023
Liabilities:								
Foreign exchange contracts	$	3,514,350	—	(3,514,350)	—	—	—	—
Interest Rate Contracts		20,679,945	16,585,069	(17,782,306)	50,127,895	—	1,675,719	71,286,322
Total liabilities at fair value	$	24,194,295	16,585,069	(21,296,656)	50,127,895	—	1,675,719	71,286,322

(a) Derivative Financial Instruments

Exchange traded derivative instruments are generally fair valued using quoted market (i.e., exchange) prices and so are classified within Level 1 of the fair value hierarchy.

The majority of derivative transactions entered into by the Company are executed over the counter and are valued using internal valuation techniques, as no quoted market prices exist for such instruments. The valuation technique and inputs depend on the type of derivative and the nature of the underlying. The principal techniques used to value these instruments are discounted cash flows, Black-Scholes, and Monte Carlo simulation.

The key inputs depend upon the type of derivative and the nature of the underlying instrument and include interest rate yield curves, FX rates, and the spot price of the underlying, volatility, and correlation. A given position is categorized as Level 2 or Level 3 depending on the observability of the significant inputs to the model.

(b) Trading Assets and Liabilities

When available, the Company uses quoted market prices to determine the fair value of securities recorded within trading assets and liabilities; such items are classified in Level 1 of the fair value hierarchy.

Fixed income financial instruments included within trading assets and liabilities, and described in note 2(h), are valued using internal valuation techniques, as no quoted market prices exist for such instruments. The principal techniques used to value these instruments are discounted cash flows. The key inputs depend upon the type of instrument and the nature of the underlying and include interest rate yield curves, FX rates, and the spot price of the underlying. These fixed income instruments are categorized as Level 2.

Refer to notes 2(h) and 8(e) for further information on trading assets and liabilities.

(c) Securities Purchased under Agreements to Resell and Securities Sold under Agreements to Repurchase

Repos and reverse repos are not carried at fair value on the statement of financial condition but are carried at amounts which approximate fair value due to their short-term nature and negligible credit risk. The Company reports repos and reverse repos at contract prices, plus accrued interest.

Refer to notes 2(g), 4 and 8(d) for further information on securities purchased under agreements to resell and securities sold under agreements to repurchase.

(8) Related-Party Transactions

The Company has significant related-party balances with certain of its affiliates. The Company generally enters into these transactions in the ordinary course of business.

The following table sets forth related-party assets and liabilities as of December 31, 2023:

Cash and cash equivalents	$	1,062,495,937
Cash collateral pledged		17,089,807
Derivative assets, net, at fair value		866,794
Securities purchased under agreements to resell		5,179,541,442
Trading assets, at fair value		90,158,107
Investment in affiliate		200,000,000
Other assets		33,119,798
Total assets	$	6,583,271,885
Cash collateral received		9,980,033
Derivative liabilities, net, at fair value		18,060,004
Securities purchased under agreements repurchase		97,489,555
Other liabilities		24,641,331
Total liabilities	$	150,170,923

(a) *Cash and Cash Equivalents*

At December 31, 2023, cash and cash equivalents held at SMBC was $1,062,495,937, of which $752,577,457 was on deposit with SMBC New York Branch and earns interest at 5.24%, and $300,000,000 was on deposit with the SMBC Cayman Branch and earns interest at 5.41%. Accrued interest receivable at December 31, 2023 was $1,500,792 and included in other assets.

Refer to note 2(d) for further information on cash and cash equivalents.

(b) *Cash Collateral*

The Company pledges and receives cash collateral based on the portfolio position. The affiliates have the right to request that the Company pledge collateral if the affiliates' current exposure to the Company exceeds a specified dollar value. The current exposure is calculated based on the market value of the derivative transactions with the affiliate. Transactions with the affiliates are subject to enforceable master netting agreements, and as such, all collateral has been presented net against the derivative positions.

(i) Cash Collateral Pledged

As of December 31, 2023, the Company pledged cash collateral, inclusive of accrued interest receivable and independent amounts, of $1,046,763,851. Of that amount, $1,029,674,044 was offset against derivative liability positions, and $17,089,807 was in excess of derivative liability positions and included in cash collateral pledged.

The following table presents the Company's pledged cash collateral amounts by affiliate counterparties as of December 31, 2023.

SMBC CM Ltd	$	848,758,723
SMBC Leasing (UK) Limited		63,326,048
SMBC Derivative Products Limited		42,209,513
SMBC Aviation Capital Limited		31,839,719
SMBC Leasing & Finance UK No.1 Limited		26,791,544
SMBC Leasing and Finance, Inc.		24,425,655
Manufactures Bank		5,022,949
SMBC Bank International PLC		2,377,856
CFT Investments 1 LLC		1,508,794
Mithras Leasing		502,295
SMBC Leasing Investment LLC		755
Gross Cash Collateral Pledged		1,046,763,851
Amount offset against derivative liability positions		(1,029,674,044)
Collateral pledged in excess of derivative liability positions	$	17,089,807

(ii) Cash Collateral Received

As of December 31, 2023, the Company received cash collateral, inclusive of accrued interest payable of $891,063,936, of that amount, $881,083,903 was offset against derivative asset positions, and $9,980,033 was in excess of derivative asset positions and included in cash collateral received.

The following table presents the Company's received cash collateral amounts by affiliate counterparties as of December 31, 2023:

SMBC	$	873,051,259
SMBC Nikko Securities Inc.		18,012,677
Gross cash collateral received		891,063,936
Amount offset against derivative asset positions		(881,083,903)
Collateral received in excess	$	9,980,033

Refer to note 2(e) for further information on cash collateral pledged and received.

(c) Derivatives, net, at fair value

(i) Derivative assets, net, at fair value

At December 31, 2023 the Company had net derivative assets of $866,794 of which $703,699 was with SMBC Nikko Tokyo and $163,095 with other affiliates.

(ii) Derivative liabilities, net, fair value

At December 31, 2023 the Company had net derivative liabilities of $18,060,004 of which $15,653,263 was with SMBC CM Ltd., $1,169,461 with SMBC Leasing Investment LLC and $1,237,280 with Leasing (UK) Limited.

(iii) Guarantees

The Company has agreements with SMBC acting through SMBC Cayman Branch, which guarantee the prompt and complete payment when due of any net termination payment payable to the Company under any of the International Swaps and Derivatives Association Master Agreements of specific counterparties. A fee is payable monthly based on a rate ranging from 0.92% to 1.10% per annum of the monthly daily average value of the guarantee transactions. The guarantees qualify as derivative instruments under FASB ASC Topic 815, *Derivatives and Hedging*. However, due to the related party relationship between SMBC and the Company and although the contract had a positive fair value from the Company's perspective at inception, it was determined that the guarantee contracts should be treated as a capital transaction. As such, no net asset or capital contribution was recorded at the inception of the contract. The Company's capital will be impacted as cash payments are made relative to the fee or claims under the guarantees are made by the Company and paid by SMBC. The guarantees meet the accounting definition of a guarantee under FASB ASC Topic 460, *Guarantees*.

(d) Securities Purchased under Agreements to Resell and Securities Sold under Agreements to Repurchase

At December 31, 2023, the Company had securities purchased under agreements to resell of $5,179,541,442 of which, $3,781,839,758 was with SMBC Nikko SI and $1,397,701,684 was with SMBC CM Ltd.

At December 31, 2023, The Company had securities sold under agreements to repurchase of $97,489,555 all of which was with SMBC Nikko SI.

Refer to notes 2(g), 4 and 7(c) for further information on securities purchased under agreements to resell and securities sold under agreements to repurchase.

(e) Trading assets, at fair value

Fixed income financial instruments, FX spot transactions, and prepaid interest rate contracts are all recorded within trading assets and trading liabilities. As of December 31, 2023 the Company had trading assets with a fair value of $90,158,107, of which $89,732,826 was with SMBC CM Ltd. and $425,281 with SMBC.

Refer to notes 2(h) and 7 for further information on trading assets, at fair value.

(f) Investment in Affiliate

On December 28, 2007, SMBC CM Ltd. authorized the creation and issuance of 300,000,000 new, nonvoting, and perpetual noncumulative preference shares in six classes (Class A to Class F) with a notional value of $1 each with a liquidation preference of $1 each. The offered securities rank senior to the ordinary shares of SMBC CM Ltd. as to payment of dividends and in liquidation. 200,000,000 of these newly authorized preferred shares were allotted to and purchased by the Company at $1 each. There is no obligation on the part of SMBC CM Ltd. to pay an annual dividend or interest on this class of share under any circumstances. The offered securities were redeemable on or after January 31, 2013 at the option of SMBC CM Ltd. As of December 31, 2023, there were no redemptions or dividends paid. Since the preferred shares do not have a readily determinable fair market value, they are within the scope of FASB ASC Topic 321, *Investment-Equity Securities*. Impairment and income recognition guidance is not applicable to this investment.

(g) Other Assets

As of December 31, 2023, the Company had other assets of $33,119,798 which consists of SLA fees, other receivables and reimbursable costs receivable.

(i) SLA Fees

The Company has service level agreements in place with related parties, in which the Company's employees act for the benefit of the related parties. The related parties agreed to reimburse proportionate share of the total compensation, benefits paid, and other expenses incurred to the Company for its services on the basis of service cost, or service cost plus a markup of either 7.5% or 10%. The Company has $13,775,136 accrued fees, of which $13,243,946 was with SMBC CM Ltd, $384,316 was with SMBC NY Branch, $78,292 was with SMBC EU AG, and $68,582 was with the SMBC Tokyo.

(ii) Reimbursable costs receivable

The Company has reimbursable costs of $16,885,390 of which $13,452,171 was with SMBC Nikko SI, $2,599,502 was with SMBC CM Ltd, $348,999 was with SMBC NY Branch, $436,647 was with SMBC CM Asia, and $48,071 was with the Parent.

(iii) Other Receivables

The Company has other receivables of $2,459,272, of which $905,878 was unsettled trades with SMBC CM Ltd and $52,602 was unsettled trades with SMBC Brussels, $1,172,166 of accrued interest with SMBC Cayman Branch and $328,626 of accrued interest with SMBC New York Branch.

(h) Borrowings from Affiliate

(i) Uncommitted Revolving Credit Facility

On June 30, 2006, the Company entered into an uncommitted revolving credit line agreement with SMBC in order to ensure that the Company has adequate funds to meet its short-term liquidity needs. This agreement was amended on January 31, 2017 to an amount of $3,500,000,000. As of December 31, 2023, the Company had no borrowings outstanding from SMBC.

Refer to note 14 for further information on the uncommitted revolving credit facility.

(ii) Subordinated Loan Agreement

The Company has entered into a Delayed Draw Subordinated Loan Agreement with SMBC New York Branch effective October 2, 2023. The loan agreement amount is $500,000,000 and will mature on October 2, 2033. As of December 31, 2023, the Company has not utilized the loan.

(i) Other Liabilities

As of December 31, 2023, the Company had other liabilities of $24,641,331 which consists of accruals for various fees and reimbursable costs payable.

(i) Credit Service Fees

Credit service fees are paid related to certain derivative and related transactions. The Company utilizes the credit analysis conducted by SMBC in connection with entering into and monitoring certain derivative and related transactions. At December 31, 2023 the Company had credit service fees accrued of $2,507,206 with SMBC.

(ii) Other Payable

At December 31, 2023 the Company had incurred SLA costs payable to affiliates of $12,086,063 of which $6,775,410 was with SMBC CM Ltd., $5,130,287 was with SMBC Nikko SI, $128,316 was with SMBC EU AG, and $52,050 was with the Parent. The Company had also incurred other payable to affiliates of $6,474,216 of which, $5,543,934 was with SMBC, $882,585 with the Parent, and $47,697 was with SMBC Nikko SI.

(iii) Agency Fees

The Company engages SMBC CM Ltd. and SMBC CM Asia to execute trades in London and Hong Kong. In addition, SMBC CM Ltd. provides derivatives business services to the Company which includes marketing, operations, legal and systems services, while the Company provides the same derivative business services to SMBC CM Ltd. and further includes accounting, compliance, credit, risk analysis, management information reporting, project management and treasury services. Fees are either received or paid for the derivative business services provided pursuant to underlying agreements.

At December 31, 2023 the Company accrued agency fees payable of $3,573,846 to SMBC DP.

(iv) Intermediation Fees

Under an agreement dated April 15, 2004, SMBC DP, a highly rated derivative products company, acts as a credit intermediary for the Company on certain transactions. On March 27, 2014, the agreement was amended whereby the Company will act also as SMBC DP's agent in issuing and executing SMBC DP guarantees to counterparties for certain derivative transactions. Under the agreement, the Company has pledged securities with a fair value of $1,321,094,326 to SMBC DP.

(9) Regulatory Capital

The Company is subject to regulatory capital requirements administered by CFTC. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's financial statement. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company must meet specific capital guidelines that involve quantitative measures of the Company's assets, liabilities, certain off-balance sheet items as calculated under regulatory accounting practices. The Company's capital amounts and classifications are subject to qualitative judgments by the regulators about components, risk weights, and other factors.

At December 31, 2023, the Company qualified as well capitalized under the regulatory framework for prompt corrective action as described under CFTC capital rules.

Quantitative measures established by regulation to ensure capital adequacy require the Company to maintain minimum ratios of total, common equity Tier 1 capital (CET1), and Tier 1 capital to risk weighted assets (RWA). As of December 31, 2023, the Company met all capital adequacy requirements to which it is subject to.

The following is a reconciliation of stockholder's equity to CET1 as of December 31, 2023:

Stockholder's equity	$	2,182,711,812
Less:		
Intangible assets, net of associated DTL		7,115,017
Unrealized adjustments related to changes in fair value of liabilities		37,781,125
Total CET1	$	2,137,815,670

The Company's actual capital amounts and ratios computed in accordance with Company regulatory requirements are as follows:

	Actual	Minimum Capital Requirement
CET1	$ 2,137,815,670	$ 20,000,000
CET1 to RWA ratio	2,137,815,670 (20.6%)	674,841,129 (6.5%)
Total capital to RWA ratio	2,137,815,670 (20.6%)	830,573,698 (8.0%)
Total capital to uncleared swap margin ratio	2,137,815,670 (18.8%)	1,046,930,651 (8.0%)

Refer to supplementary schedule I for further details on regulatory capital.

(10) Categories of Risk

(a) Market Risk

Market risk is the potential loss the Company may incur as a result of changes in the market value of a particular instrument. All financial instruments, including derivatives and short sales, are subject to market risk. The Company's exposure to market risk is determined by a number of factors, including the size, duration, composition, and diversification of positions held, the absolute and relative levels of interest rates and foreign currency exchange rates, as well as market volatility and illiquidity. For instruments such as options and warrants, the time period during which the options or warrants may be exercised and the relationship between the current market price of the underlying instrument and the option's or warrant's contractual strike or exercise price also affects the level of market risk. A significant factor influencing the overall level of market risk to which the Company is exposed is its use of hedging techniques to mitigate such risk. The Company manages market risk by setting risk limits and monitoring the effectiveness of its economic hedging policies and strategies.

In July 2017, the Financial Conduct Authority (the authority that regulates LIBOR) announced it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. The Alternative Reference Rates Committee (ARRC) extended USD LIBOR to 2023.

The ARRC proposed that the Secured Overnight Financing Rate (SOFR) is the rate that represents best practice as the alternative to USD-LIBOR for use in derivatives and other financial contracts that are currently indexed to USD-LIBOR. ARRC proposed a paced market transition plan to SOFR from USD-LIBOR and the Company implemented its transition plans as it relates to derivatives and cash markets exposed to USD-LIBOR in June 2023.

The transition was completed via a global project encompassing extensive efforts from a regulatory, contractual, legal, and business perspective with system development to internal IT applications used to price, book and manage risk of USD derivatives. The Company worked directly with our client-base to transition client trades and worked with the industry to transfer interbank trades as prescribed by ARRC and the Chicago Mercantile Exchange (CME). Where applicable the Company worked with legal and compliance to deliver bespoke provisions necessary to transition client trades. The Company transitioned accordingly as prescribed by the industry and set aside a reserve to help mitigate and manage any losses associated with the transition.

(b) Credit Risk

Credit risk is measured by the loss the Company would record if its counterparties failed to perform pursuant to the terms of their contractual obligations and the value of collateral held, if any, was not adequate to cover such losses. Specifically, the Company's potential credit loss exposure for contractual commitments is equal to the market or fair value of contractual commitments that are in a net asset position less the effect of enforceable master netting agreements. The Company has established controls to monitor the creditworthiness of counterparties, as well as the quality of pledged collateral, and uses master netting agreements whenever possible to mitigate the Company's exposure to counterparty credit risk. The Company may require counterparties to submit additional collateral when deemed necessary. The Company also enters into collateralized financing agreements in which it extends short term credit, primarily to major financial institutions. The Company controls the collateral pledged by the counterparties, which consists largely of securities issued by the U.S. government or its agencies.

The notional amounts of contractual commitments do not represent exposure to credit risk. Credit risk associated with futures contracts is limited since all transactions are guaranteed by the exchange on which they are traded and daily cash settlements by all counterparties are required for changes in the market value of open contracts. The Company's purchased exchange issued options also possess low credit risk due to guarantee of performance by the issuing exchange. Negotiated contractual commitments, such as forwards, swaps, and options possess greater exposure to credit risk since cash settlement is not normally required on a daily basis, and therefore, counterparty credit quality and the value of pledged collateral are essential elements in controlling the Company's risk.

Concentrations of credit risk from financial instruments, including contractual commitments, exist when groups of issuers or counterparties have similar business characteristics or are engaged in like activities that would cause their ability to meet their contractual commitments to be adversely affected, in a similar manner, by changes in the economy or other market conditions. The Company monitors credit risk on both an individual and group counterparty basis. The Company minimizes this risk through credit reviews, approvals, trading limits, and monitoring procedures.

(c) Model Risk

Model risk is the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports. The Company's general perception regarding model risk includes any potential risk to the firm's operations, finances, or reputation arising out from errors or misuse of financial models. The Company manages model risk through effective governance and control of activities related to model development, model implementation and use, and model validation. Additionally, independence between model developers/users and those responsible for model validation is a critical element of effective challenge for the firm.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its contractual and contingent obligations or that it does not have the appropriate amount, composition and tenor of funding and liquidity to support its assets and liabilities.

The efficient management of liquidity is essential to the Company in retaining the confidence of the financial markets and ensuring that the business is sustainable. The Company manages liquidity risk through a control framework designed to maintain liquidity resources that are sufficient in amount and quality, and a funding profile

that is appropriate for the firm. The control framework consists of policy formation, review and governance, analysis, stress testing, limit setting and monitoring.

(e) Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes or systems, human factors or due to external events.

Operational risk is inherent in most aspects of our business, including the systems, processes and controls that support our activities. Operational risk can arise from human error, inappropriate conduct, failures in systems, processes and controls, or natural and man-made disasters. To manage operational risk, the Company has implemented an oversight and governance structure, within its operational risk framework, that focuses on the identification, assessment, reporting, monitoring, prevention and mitigation of operational risks, as well as timely and meaningful management reporting.

(f) Capital Risk

Capital risk is the risk that the Company will be unable to maintain minimum financial requirements for a swap dealer.

The Company must at all times maintain sufficient regulatory capital. To meet regulatory requirements, the Company has established the capital governance structure by defining the roles and responsibilities of each relevant committee and department of the Company. To assess the continued appropriateness of Company’s capital goals and targets, it undertakes an ongoing analysis of internal requirements, risk profile changes, regulatory requirements and formally reassesses the goals and targets at least annually.

Refer to note 9 for further information on regulatory capital.

(11) Leases

The Company occupies office space under long-term sublease agreements with SMBC, which expires on various dates through 2037 for its allocable share of the annual rent payable by SMBC under its prime lease. Aside from office leases, the Company has a copier lease which expires in 2026. The Company’s leases do not include any residual value guarantees, and therefore none were considered in the calculation of the lease balances. The Company has leases with variable payments, most commonly in the form of common area maintenance charges which are based on actual costs incurred. These variable payments were excluded from the right-of-use (RoU) asset and lease liability balances since they are not fixed or in-substance fixed payments. The present value of the remaining lease payments is calculated using the imputed discounted rate at the lease commencement date, which reflects the fixed rate the Company would have to pay to borrow an amount equal to the future minimum lease payments over a similar term. Refer to Supplemental cash flow information for operating lease paid in 2023. Future minimum lease payments under all leases are estimated as follows:

		Future Minimum Lease Payments
Remaining years		
2024	$	2,316,429
2025		2,316,429
2026		2,274,988
2027		2,192,104
2028		2,192,104
Thereafter		17,070,709
Total lease payments		28,362,763
Imputed interest		(4,425,958)
Present value of lease payments	$	23,936,805
Weighted average remaining lease terms		13.13 years
Weighted average discount rate		2.52%

The Company shares business continuity and disaster recovery (BCDR) office space with SMBC Nikko SI and expects repayment for certain costs in certain years.

Refer to note 2(p) for further information on leases.

(12) Contingencies

Under a loan agreement dated April 18, 2021, the Company has committed to provide SMBC DP with a $200 million revolving credit facility for a five-year period. As of December 31, 2023, the entire facility was unused. A commitment fee on the amount of the undrawn facility is payable to the Company until the maturity date of the agreement.

Refer to note 2(j) for further information on contingencies.

(13) Employee Benefits Plans

The Company participates in the Sumitomo Mitsui Banking Corp. Retirement Plan, a noncontributory defined benefit retirement plan (the Retirement Plan), and in the Sumitomo Mitsui Banking Corp 401(k) Plan, a contributory defined contribution plan (the 401(k) Plan), sponsored by SMBC. The plans cover all salaried employees (with the exception of expatriates).

The Retirement Plan costs are allocated to the Company based on actuarial computations. No separate determination has been made of the actual present value of accumulated benefits and the Retirement Plan's assets as they relate to the employees of the Company. Participants in the 401(k) Plan may contribute up to $22,500 ($30,000 if age 50 or older) in 2023, subject to certain limitations. The Company will match such 401(k) contributions in an amount equal to 100% of the first 3% of compensation, not to exceed the participants' contribution amount or 3% of the IRS compensation limit of $330,000 for 2023.

(14) Subsequent Events

On January 31, 2024, the Company extended the maturity of its uncommitted revolving credit facility with SMBC to January 31, 2025. The amount on the uncommitted revolving credit facility remains unchanged at $3,500,000,000. The facility allows the Company to draw funds for operating needs. Refer to note 8(h) for further detail on credit facilities.

The Company evaluated subsequent events through February 28, 2024, which is the date the financial statement were available to be issued.

SMBC CAPITAL MARKETS, INC.
(A Wholly Owned Subsidiary of
SMBC Americas Holdings, Inc.)

Schedule I - Computation of Minimum Regulatory Capital Requirements
under Regulation 17 CFR §23.101 of the Commodity Futures Trading Commission
December 31, 2023

Computation of Capital:		
Common Equity Tier 1 Capital	$	2,137,815,670
Total aggregate capital		2,137,815,670
Computation of Minimum Capital Requirements:		
Fixed-dollar minimum regulatory capital requirement		20,000,000
Excess common equity Tier 1 capital		2,117,815,670
Aggregate capital in excess of 120% of minimum capital requirements		2,113,815,670
Risk weighted assets - credit risk exposure requirement		8,430,003,427
Risk weighted assets - market risk exposure requirement		1,952,167,796
Total risk weighted assets		10,382,171,223
Percentage of risk weighted assets computed under 17 CFR §23.101		830,573,698
Excess aggregate capital		1,307,241,972
Common equity Tier 1 to RWA capital ratio		20.6%
Aggregate capital in excess of 120% of minimum capital requirements		1,141,127,232
Amount of uncleared swap margin		11,363,385,616
Percentage of risk margin amount computed under 17 CFR §23.101		909,070,849
Excess aggregate capital		1,228,744,821
Aggregate capital in excess of 120% of minimum capital requirements	$	1,046,930,651

The total aggregate capital excludes amounts included in the audited equity balance
(see Note 10 of the notes to the financial statements).
There are no material differences between the preceding computation and the Company's
corresponding unaudited NFA FORM FR-CSE-BHC filed on January 24, 2024.