Banco Sumitomo Mitsui Brasileiro S.A.

Consolidated financial statements as of December 31, 2024 prepared in accordance with the International Accounting Standards – IFRS

Contents

Management's Report

Dear shareholders,

In compliance with the legal provisions, we submit for your appreciation the consolidated financial statements for the year ended December 31, 2024 prepared according to the IFRS, where the loss for the year was R$59,195 (income of R$236,751 on December 31, 2023), total assets, R$11,345,718 (R$8,455,348 on December 31, 2023) and loans and receivables portfolio, R$3,105,887 (R$2,276,956 on December 31, 2023).

Dividends:
Corporate legislation and the bylaws state that a minimum of 25% of net income for the year shall be distributed to shareholders in the form of dividends and/or interest on shareholders' equity. On December 31, 2024, a decision was made not to set up a provision for dividends, and income for the year was allocated to the statutory reserve for future distribution.

The fees paid to the external audit for audit and non-audit services will be disclosed in the Annual Report of Sumitomo Mitsui Financial Group, Inc. on December 31, 2024.

We remain at your disposal should you need any clarifications, and we inform you that all accounting documents supporting these consolidated financial statements are at the bank's headquarters.

São Paulo, March 31, 2025

Independent auditors' report on the financial statements

To the

Management and Shareholders of Banco Sumitomo Mitsui Brasileiro S.A.

Sao Paulo-SP

Opinion

We have examined the consolidated financial statements of Banco Sumitomo Mitsui Brasileiro S.A. ("Bank"), which comprise the statement of financial position as of December 31, 2024 and the respective statements of profit or loss, comprehensive income, changes in equity and cash flow for the year ended on that date, as well as the corresponding notes, including the significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements referred to above adequately present, in all material respects, the consolidated equity and financial position of Banco Sumitomo Mitsui Brasileiro S.A. as of December 31, 2024, the consolidated performance of its operations and consolidated cash flows for the year ended on that date, in accordance with the international accounting standards (IFRS Accounting Standards), issued by the *International Accounting Standards Board* (IASB).

Basis for opinion

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with such standards, are described in the following section entitled "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements". We are independent in relation to the Bank and its subsidiaries, in accordance with the relevant ethical principles set out in the Accountant's Code of Professional Ethics and in the professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to support our opinion.

Key audit matters

Key audit matters are those that, in our professional judgment, were the most significant in our audit for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion on those consolidated financial statements and, therefore, we do not express a separate opinion on these matters.

See the accompanying notes 3.g and 8 to the financial statements.

Key audit matter

As mentioned in notes No. 3b, 3c and 8g, for the purposes of measuring the provision for impairment, loans and forex operations are classified according to management's assessment of risk level, in accordance with the Bank's policy taking into account economic conditions, past experience and specific risks of each operation, its debtors and guarantors. Determining the credit risk of an operation is used to classify it in one of the stages of credit deterioration. Based on this classification, the expected loss is determined for each stage (expected losses for twelve months or for the life of the operation).

The provision for impairment is determined based on a variety of factors: the amounts subject to exposure, the credit quality of the debtor, the level of subordination of its obligations and guarantees, the economic environment and the correlation between debtors, being defined in terms of the concepts of probability of default (PD), loss given the default (LGD) and exposure at the date of default (EAD).

Due to the importance of loans and the uncertainties inherent in determining the estimated provision for impairment and the complexity of the methods and assumptions used, as well as the judgment involved in its determination, we consider this to be a key audit matter.

How our audit addressed the matter
Our audit procedures included, among other activities:

- We assessed the design and operational effectiveness of key internal controls related to the processes of approval, registration and updating of loans, as well as internal methodologies for assessing risk levels ("ratings") of clients that support the classification of operations and the main assumptions used in determining the provision for impairment.

- We involved specialists who carried out the methodological analysis and recalculation related to determining the provision for impairment, as required by IFRS 9.

- We also assessed whether the disclosures made in the financial statements are appropriate in relation to current standards.

Based on the evidence obtained through the procedures summarized above, we consider that the assumptions used for measuring the provision for expected losses linked to credit risk, as well as their respective disclosures, are acceptable in the context of the consolidated financial statements taken as a whole for the six-month period and year ended December 31, 2024.

See the accompanying notes 3.b. and 6 of the financial statements.
Key audit matter

As disclosed in notes No. 3.b and 6, the Bank carries out derivative financial instruments transactions aimed at protecting variations in market prices and mitigating currency and interest rate risks posed to its assets and liabilities and cash flows agreed on by contract. These derivative financial instruments are made up of Swaps, *Non-Deliverable Forwards* (NDF) and Futures operations.

The mark-to-market methodology for these derivative financial instruments was established based on consistent and verifiable criteria that take into account the closing, or adjustment, price, when applicable, on the day of calculation or, failing that, through pricing models that reflect the probable net value of realization, or even the price of a similar financial instrument, taking into account, at least, the payment and maturity terms, the currency or index, and the credit risk associated with the counterparty.

Additionally, the Bank has Futures contracts, which were carried out with the purpose of mitigating the effect of exchange rate variations on funding in foreign currency and fixed loans in Reais. These operations were designated as *hedge derivatives and classified as* Market Risk *Hedge or* Cash Flow *Hedge* operations.

Operations designated as *hedge* are measured at market value. The fair value measurement of both derivatives and the *hedged item* must meet the criteria for recording and accounting valuation of derivative financial instruments, in addition to policies and controls to ensure their effectiveness.

Due to the importance of derivative financial instruments transactions, the results thereof, and the measurement of the market value of the *hedged item,* we consider this to be a key audit matter.

How our audit addressed the matter
Our audit procedures included, among other activities:

- We assessed the design and operational effectiveness of the key internal controls adopted by the Bank to measure the market value of derivative financial instruments, including derivatives intended for *hedging, and hedged* items.

- With the help of our experts in financial instruments, we tested the models developed by the Bank to determine fair values and the reasonableness of the criteria for defining the parameters and information included in the pricing models used, we recalculated the fair value of transactions and compared the assumptions used to determine fair value with similar transactions in the market.

- Furthermore, with the help of our experts in financial instruments, we gained an understanding of the hedging strategies adopted by the Bank, including those related to *hedge accounting* to preserve the *spread* of investments, interbank deposits and on-lending operations.

- We assessed the sufficiency of the documentation prepared by the Bank that supports the designation as *hedge accounting,* specifically the formal designations containing descriptions of all strategies and methodologies used to measure effectiveness.

- Additionally, we analyzed whether the information presented in the notes meets all disclosure requirements determined by current regulations.

Based on the evidence obtained through the procedures summarized above, we consider the measurement of the fair value of derivative financial instruments, including derivatives intended for *hedging, and hedged* items, acceptable in the context of the consolidated financial statements taken as a whole for the six-month period and year ended December 31, 2024.

Other information accompanying the individual and consolidated financial statements and the auditors' report

The Bank's management is responsible for this other information comprised in the Management's Report.
Our opinion about the consolidated financial statements does not include the Management's Report, and we have not expressed any type of audit conclusion about said report.

In connection with the audit of the consolidated financial statements, our responsibility is to read the Management's Report and, when doing so, to consider whether said report is, in any material respect, inconsistent with the financial statements or with the knowledge obtained in our audit, or whether, in any other manner, it appears to be materially misrepresented. If, based on the work performed, we conclude that there is material distortion in the Management's Report, we are required to disclose that fact. We have nothing to report in this respect.

Responsibilities of management and governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with the accounting practices adopted in Brazil and the international accounting standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB), and for the internal controls it has determined to be necessary to enable the preparation of financial statements free from material misstatement, whether caused by fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, when applicable, matters related to its ability to continue as going concern and the use of this accounting basis in preparing the financial statements, unless management intends to liquidate the Bank and its subsidiaries or cease operations, or has no realistic alternative to avoid closing operations.

The persons responsible for the governance of the Bank and its subsidiaries are those responsible for supervising the process of preparing the financial statements.

Auditors' responsibilities for auditing consolidated financial statements

Our objectives are to obtain reasonable assurance that the consolidated financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that the audit carried out in accordance with Brazilian and international auditing standards will always detect any existing relevant distortions. Misstatements may arise from fraud or error and are considered material when, individually or collectively, may influence, within a reasonable perspective, the economic decisions of users made based on the aforementioned financial statements.

As part of the audit performed in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. Furthermore:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether caused by fraud or error, plan and perform audit procedures in response to such risks, and obtain sufficient appropriate audit evidence to support our opinion. The risk of not detecting a material misstatement resulting from fraud is greater than that arising from error, as fraud may involve the act of circumventing internal controls, collusion, forgery, omission or intentional false representations.
- We obtain an understanding of the internal controls relevant to the audit to plan audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Bank and its subsidiaries.
- We assess the adequacy of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by management.

- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether there is material uncertainty regarding events or conditions that may raise significant doubt regarding the Bank and its subsidiaries' ability to continue as a going concern. If we conclude that material uncertainty exists, we should draw attention in our audit report to the related disclosures in the consolidated financial statements or include a modification of our opinion if the disclosures are inadequate. Our conclusions are based on audit evidence obtained up to the date of our report. However, future events or conditions may lead the Bank and its subsidiaries to no longer continue as a going concern.
- We assess the overall presentation, structure and content of the financial statements, including disclosures and whether the consolidated financial statements represent the corresponding transactions and events in a manner consistent with the objective of fair presentation.
- We planned and conducted the group's audit in order to get sufficient appropriate audit evidence regarding the financial information of the group's entities or business units, and used it as base to form our opinion on the group's financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group's audit and, consequently, for the audit opinion.

We communicate with those responsible for governance regarding, among other things, the planned scope, timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our work.

We also provide to the persons in charge of governance a declaration regarding our compliance with the respective ethical requirements and those applicable to independence, and we communicate all relationships or issues that would materially affect our independence, including, where applicable, any actions taken to eliminate threats or the respective safeguards.

Of the matters that were communicated to those responsible for governance, we determine those that were considered most significant in the audit of the financial statements for the current year and that, therefore, constitute key audit matters. We describe these matters in our audit report unless law or regulation has prohibited public disclosure of the matter, or when, in extremely rare circumstances, we determine that the matter should not be communicated in our report because the adverse consequences of such communication could, within a reasonable perspective, outweigh the benefits of communication for the public interest.

São Paulo, March 31, 2025

KPMG Auditores Independentes Ltda.

CRC 2SP-027685/O-0 F SP

Mark Suda Yamashita

Accountant CRC SP

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Independent auditors' report on the consolidated financial statements

To the shareholders and managers of

Banco Sumitomo Mitsui Brasileiro S.A.

São Paulo - SP

Opinion

We have examined the consolidated financial statements of Banco Sumitomo Mitsui Brasileiro S.A. ("Bank"), which comprise the statement of financial position as of December 31, 2024 and the respective statements of profit or loss, comprehensive income, changes in equity and cash flow for the year ended on that date, as well as the corresponding notes, including the significant accounting policies and other explanatory information.

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Key audit matters

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See the accompanying notes 3.g and 8 to the financial statements.	
Key audit matter	**How our audit addressed the matter**
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Based on the evidence obtained through the procedures summarized above, we consider that the assumptions used for measuring the provision for expected losses linked to credit risk, as well as their respective disclosures, are acceptable in the context of the consolidated financial statements taken as a whole for the six-month period and year ended December 31, 2024.	

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subsidiaries to no longer continue as a going concern.

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São Paulo, March 31, 2025

KPMG Auditores Independentes Ltda.
CRC 2SP-027685/O-0 F SP

Mark Suda Yamashita
Accountant CRC SP

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Banco Sumitomo Mitsui Brasileiro S.A.

Statements of financial position as of December 31, 2024 and 2023

(In thousands of Reais)

	Notes	2024	2023
Assets			
Cash and cash equivalents	4	3.178.098	2.065.653
Deposits linked to the Central Bank	5	1.853	2.513
Financial assets			
At fair value through profit or loss (FVTPL)		427.652	940.263
Interbank deposits investments	8a	371.009	560.581
Derivative financial instruments	6	56.643	379.682
Loans and receivables from customers	8c	-	-
At fair value through other comprehensive income		2.824.558	2.182.174
Marketable securities	7	2.824.558	2.182.174
At amortized cost		4.316.101	3.050.111
Interbank deposits investments	8a	550.538	486.434
Marketable securities	8b	918.891	291.002
Loans and receivables from customers	8c	3.105.887	2.276.956
Provision for expected credit losses	8f	(259.215)	(4.281)
Other assets		278.597	134.942
Debtors for escrow deposits	13	631	580
Taxes to offset	14f	33.051	32.077
Other assets	9	244.915	102.285
Tax assets		303.970	70.004
Deferred tax asset	14d	303.970	70.004
Tangible assets	10	7.269	10.230
Intangible assets	11	7.620	3.934
Total assets		11.345.718	8.459.824

The notes are an integral part of the consolidated financial statements.

	Notes	2024	2023
Liabilities			
At amortized cost		8.346.523	5.636.830
Deposits from clients	12	1.721.736	2.080.890
Open market funding	12	-	15.009
Proceeds from acceptance and issue of securities	12	180.392	114.495
Obligations for loans and on-lending	12b	6.444.395	3.426.436
Other Liabilities		853.954	592.845
Interbranch relationships	14a	36.556	31.852
Taxes payable	14e	109.346	90.480
Deferred tax liability	14d	69.144	99.021
Other obligations	14b	619.276	352.175
Contingent liabilities	13	19.632	19.317
Shareholders' Equity	15	2.145.241	2.230.149
From shareholders domiciled in the country		2	2
From shareholders domiciled abroad		1.675.697	1.559.697
Profit reserves		444.360	655.755
Equity valuation adjustments		30.242	17.292
Adjustments to actuarial liabilities		(19.077)	(21.636)
Gains and Losses - Hedge		14.017	19.039
Total liabilities and equity		11.345.718	8.459.824

Banco Sumitomo Mitsui Brasileiro S.A.

Statements of profits and loss

Fiscal years ended December 31, 2024 and 2023

(In thousands of Reais)

	Notes	2024	2023
Interest income calculated using the effective interest method	16	552.461	523.448
Other interest income	17	370.459	369.778
Interest and similar expenses	18	(306.183)	(421.055)
Net interest and similar income		616.737	472.171
Net commission income		116.003	99.330
Net revenue from commissions and service provision	19	116.003	101.919
Commission expenses	19	-	(2.589)
Other operating income (expenses)		(958.471)	(254.486)
Gains (losses) from financial instruments	20	423.128	(342.067)
Exchange variations (net)	21	311.662	39.588
Provision for expected credit losses	8f	(400.735)	(1.013)
Personnel expenses	22	(137.194)	(129.118)
Administrative expenses	23	(68.525)	(54.665)
Tax expenses	24	(35.168)	(31.263)
Depreciation and amortization		(4.637)	(4.294)
Other operating income	25	15.078	270.780
Other operating expenses	26	(1.062.080)	(2.434)
Income before taxation and profit sharing		(225.731)	317.015
Income tax and social contribution			
Income tax and social contribution - current	14c	(109.406)	(97.627)
Deferred tax asset	14d	275.942	17.363
Net profit/loss for the year		(59.195)	236.751
Net earnings per share - Basic and diluted		(35)	152
Common			
Number of shares outstanding - basic		1.675.699	1.559.699
Common			

The notes are an integral part of the consolidated financial statements.

Banco Sumitomo Mitsui Brasileiro S.A.

Statements of comprehensive income

Financial years ended December 31, 2024 and 2023

(In thousands of Reais)

	2024	2023
Net profit/loss for the year	(59.195)	236.751
Comprehensive income that will be reclassified to net income:	2.559	(5.520)
Change in fair value- Adjustments to Actuarial liabilities	4.653	(10.036)
Deferred taxes	(2.094)	4.516
Comprehensive income that will not be reclassified to net income:		
Adjustments to Actuarial Liability	(5.022)	33.101
Change in fair value- Gains and Losses – Hedge	(9.131)	60.184
Deferred taxes	4.109	(27.083)
Comprehensive income/loss net	(61.658)	264.332

The notes are an integral part of the consolidated financial statements.

Banco Sumitomo Mitsui Brasileiro S.A.

Statements of changes in equity

Financial years ended December 31, 2024 and 2023

(In thousands of Reais)

			Profit reserves		Other comprehensive income					
	Notes	**Realized capital**	**Legal**	**Statutory**	**Own**	**Gains and losses - Hedge**	**Adjustments to Actuarial liabilities**	**Foreign exchange adjustments investments abroad**	**Retained earnings/ Acumulated Losses**	**Total**
Balances on December 31, 2022		1.559.699	30.552	538.364	(166)	(14.062)	(16.116)	20.833	-	2.119.104
Adjustment to fair value – securities and derivatives		-	-	-	183	33.101	-	-	-	33.284
Adjustments to actuarial liabilities		-	-	-	-	-	(5.520)	-	-	(5.520)
Foreign exchange adjustments investments abroad		-	-	-	-	-	-	(3.558)	-	(3.558)
Income for the year		-	-	-	-	-	-	-	236.539	236.539
Allocation:		-	11.838	75.001	-	-	-	-	(236.539)	(149.700)
Legal reserve		-	11.838	-	-	-	-	-	(11.838)	-
Statutory reserve		-	-	75.001	-	-	-	-	(75.001)	-
Interest on equity		-	-	-	-	-	-	-	(149.700)	(149.700)
Balances at December 31, 2023		1.559.699	42.390	613.365	17	19.039	(21.636)	17.275	-	2.230.149
Changes for the year		-	11.838	75.001	183	33.101	(5.520)	(3.558)	-	111.045
Balances on December 31, 2023		1.559.699	42.390	613.365	17	19.039	(21.636)	17.275	-	2.230.149
Capital Increase		116.000	-	-	-	-	-	-	-	116.000
Undistributed dividends		-	-	-	75	(5.022)	-	-	-	(4.947)
Adjustment to fair value – securities and derivatives		-	-	-	-	-	2.559	-	-	2.559
Adjustments to actuarial liabilities		-	-	-	-	-	-	12.875	-	12.875
Foreign exchange adjustments investments abroad		-	-	-	-	-	-	-	(59.195)	(59.195)
Loss for the year		-	-	(211.395)	-	-	-	-	59.195	(152.200)
Absorption of losses for the year		-	-	(59.195)	-	-	-	-	59.195	-
Interest on equity		-	-	(152.200)	-	-	-	-	-	(152.200)
Balances at December 31, 2024		1.675.699	42.390	401.970	92	14.017	(19.077)	30.150	-	2.145.241
Changes for the year		116.000	-	(211.395)	75	(5.022)	2.559	12.875	-	(84.908)

The notes are an integral part of these financial statements.

Banco Sumitomo Mitsui Brasileiro S.A.

Statements of cash flow

Financial years ended December 31, 2024 and 2023

(In thousands of Reais)

	2024	2023
Cash flow from operating activities		
Net income/loss for the years	(59.195)	236.539
Adjustments included that do not affect cash flow:		
Depreciation and Amortization	4.637	4.294
Provision expected credit losses	400.735	297
Gains or Losses of Hedge	(275.942)	5.352
Deferred taxes	109.676	19.172
Net income before changes in working capital	179.911	265.654
Variations in:		
Deposits linked to the Central Bank	660	12
Derivative financial instruments	323.039	(235.942)
Marketable securities	(1.275.220)	(652.984)
Interbank deposits investments	125.468	(82.848)
Loans and receivables from clients	(974.732)	1.090.587
Debtors for escrow deposits	(51)	580
Taxes to be offset	(974)	(10.087)
Other assets	(142.630)	(44.968)
Provisions	315	(1.422)
Interbranch relationships	4.704	(14.129)
Deferred tax assets/liabilities	12.099	-
Other obligations	282.647	104.063
Income Tax and Social Contribution paid	(90.810)	(9.908)
Net cash from (used in) operating activities	(1.555.574)	408.608
Cash flows from investing activities:		
Disposal/acquisition of tangible assets	(946)	(1.582)
Acquisition of intangible assets	(4.416)	(2.113)
Net cash used in investing activities	(5.362)	(3.695)
Cash flows from financing activities:		
Capital increase	116.000	-
Payment of interest on equity	(149.700)	-
Payment of client deposits	(359.154)	(58.126)
Payment of open market funding	(15.009)	(15.997)
Proceeds from acceptance and issue of securities	65.897	14.367
Proceeds from/(Payment) of obligations for loans and on-lending	3.017.959	(716.795)
Payment of financial lease liabilities	(2.612)	(2.368)
Net cash from (used in) financing activities	2.673.381	(778.919)
Net increase (decrease) in cash and cash equivalents	1.112.445	(374.006)
Cash and cash equivalents at the beginning of the year	2.065.653	2.439.659
Cash and cash equivalents at the end of the year	3.178.098	2.065.653
Net increase (decrease) in cash and cash equivalents	1.112.445	(374.006)

The notes are an integral part of these financial statements.

Notes to the consolidated financial statements

(Amounts in thousands of Reais)

1 Operations

Banco Sumitomo Mitsui Brasileiro S.A. (“Bank”) is established as a multiple bank, authorized to operate commercial portfolios, including exchange operations and investment portfolios. The Bank is a wholly owned subsidiary of our parent company, SMBC Tokyo - Japan.

The consolidated IFRS Banco Sumitomo (“SMBCB” or “Consolidated”) comprises Banco Sumitomo Mitsui Brasileiro S.A. and SMBCB Onshore Fundo de Investimento Multimercado Investimento no Exterior (“SMBCB Onshore”), in which the Bank is an exclusive shareholder.

2 Preparation bases

a. Statement of compliance

The consolidated financial statements were prepared in accordance with International Accounting Standards (“IFRS”), issued by the International Accounting Standards Board (“IASB”), and the interpretations of the International Accounting Standards Interpretations Committee (“IFRIC”).

The Board authorized the issuance of the consolidated financial statements on March 31, 2025.

b. Use of estimates and judgments

In the process of preparing the consolidated financial statements, Management exercised its best judgment and used estimates to calculate certain amounts recognized in these statements:

Continuity

Management has assessed SMBCB’s continuity ability and is convinced that it has the resources to continue operating in the future. Additionally, Management is not aware of any material uncertainty that could generate significant doubts about its continuity ability and, therefore, the consolidated financial statements were prepared considering this principle.

Fair value of financial instruments

The fair value of financial assets and liabilities recorded in the statement of financial position was either derived from prices quoted in an active market or determined using mathematical models for pricing.

Measurement of provisions for expected losses

Measuring the provision for expected credit losses requires the use of complex models and significant assumptions about future economic conditions and credit behavior. Several significant judgments are necessary when applying accounting requirements to measure expected losses, such as:

- Determination of criteria for a significant increase in credit risk;
- Appropriate choice of models and assumptions for measuring expected losses;
- Establishment of groups of similar financial assets for the purpose of measuring expected losses.

Deferred taxes
Deferred taxes are recognized on tax losses and temporary differences to the extent that it is probable that taxable income will be available in the period in which the losses can be used. Judgment is required to determine the amount of future deferred tax assets that should be recognized, based on the likely flow of future taxable income, and in conjunction with tax planning strategies, if any.

Contingent assets and liabilities
Represented by potential rights and obligations arising from past events and whose occurrence depends on future events.

Contingent assets - They are not recognized, except when there is evidence that ensures their realization.

Contingent liabilities - Basically arise from judicial and administrative proceedings, inherent to the normal course of business filed by third parties in civil, labor, tax and social security actions and other risks.

New accounting standards and interpretations that are not yet effective
A series of new accounting standards will be effective for years beginning after January 1, 2024. The Bank has not adopted the following accounting standards in preparing the financial statements.

a. IFRS 18 Presentation and Disclosure of the Financial Statements
IFRS 18 will replace IAS 1 Presentation of the Financial Statements, and it is applicable to annual reporting periods beginning on or after January 1, 2027. The new standard presents the following new key requirements:

- The entities must record their revenues and expenses in five categories in the statement of profit and loss, as known, the operational, investment, financing, discontinued operations and income tax categories. The entities must also present a newly-defined operational income subtotal. The net income of the entities will not change.
- The performance measures defined by management (MPMs) are disclosed in one single note to the financial statements.
- Enhanced guidance is supplied about how to group the information contained in the financial statements.
- Additionally, all entities must use the operational income subtotal as basis for the statement of cash flow, when presenting the operational cash flows according to the indirect method.

The Bank is still analyzing the impact of the new standard, particularly regarding the structure of the Bank’s statement of profit or loss, statement of cash flows and the additional disclosures required for MPMs. The Bank is also analyzing the impact of how the information is grouped in the financial statements, including the items that are currently classified in “Others.”

b. Other Accounting Standards
The following new or altered standards are not expected to have material impact on the Bank's consolidated financial statements:

- Lack of exchangeability (amendments to IAS 21);
- Classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7)

3 Material accounting policies

a. Functional currency and foreign currency transactions

The results and financial position of SMBCB are expressed in Reais, which is the functional and presentation currency of the consolidated financial statements.

Exchange rate variations resulting from the conversion of balances in foreign currency into the functional currency are generally recognized at their net value as "Foreign Exchange Differences (Net)" in the statements of profit or loss, with the exception of exchange rate variations arising from financial instruments at fair value through profit or loss, which are recognized in the statements of profit or loss as "Gains (losses) on financial assets (net)" without distinguishing them from other changes in fair value.

The effect of exchange rate variation resulting from the conversion of transactions in foreign currency and financial statements of investees abroad are recorded in separate accounts of shareholders' equity in accordance with IAS 21.

b. Financial instruments

The classification and measurement of SMBCB's financial instruments are carried out in accordance with IFRS 9 and are described below:

(i) Initial recognition

Recognition date
A financial asset or liability, except for loans and deposits from clients, is recognized in the statement of financial position when SMBCB becomes part of the instrument's contractual provisions, which generally occurs on the negotiation date.

Loans and advances to clients are recognized when cash is transferred to borrowers.

Deposits from clients are recognized when clients transfer funds to SMBCB.

Initial measurement of financial instruments

The classification of financial instruments upon initial recognition depends on their contractual terms and the business model used by SMBCB in managing its instruments.

Financial instruments are initially measured at their fair value and, except in the case of financial assets or liabilities recorded at fair value through profit or loss, the costs attributable to the transaction are added to, or subtracted, from this value.

(ii) Classification and measurement of financial instruments

a. Business model assessment

SMBCB classifies its financial assets based on the business model used to manage these assets and their contractual terms, causing them to be measured (i) at amortized cost, (ii) at fair value through other comprehensive income (FVOCI) and (iii) fair value through profit or loss (FVPL).

SMBCB classifies and measures its trading portfolio and derivative instruments at FVPL.

Financial liabilities, other than those related to loan commitments, are measured at amortized cost or FVPL when held for trading and derivative instruments or fair value designation is applied.

b. SPPJ Test ("Payment of Principal and Interest Only")

As a second step in the classification process, SMBCB assesses the contractual terms of financial assets to verify whether they have cash flows that represent only payments of principal and interest, meeting the SPPJ test (payment of principal and interest only).

"Principal", for this test, is defined as the fair value of the financial asset at initial recognition and which may change throughout its life (for example, if there are payments of principal).

The most significant elements of interest in a basic loan agreement are consideration for the time value of money and credit risk. To apply the SPPJ test, SMBCB carries out judgment and considers relevant factors, such as, for example, the currency in which the financial asset is denominated and the period for which the interest rate is defined.

In contrast, contractual terms that introduce material exposure to volatility risks in contractual cash flows that are not related to a basic loan agreement do not give rise to cash flows that represent only payments of principal and interest. In these cases, the financial asset must be measured at fair value through profit or loss.

Financial instruments at amortized cost

A financial asset, provided it is not designated at fair value through profit or loss upon initial recognition, is measured at amortized cost if both of the following conditions are met:

It is maintained within a business model whose objective is to hold assets with the aim of obtaining contractual cash flows; and

The contractual terms of the financial asset represent contractual cash flows that represent only payments of principal and interest.

Amortized cost is the amount at which a financial asset or financial liability is measured at initial recognition less principal repayments, plus or less the accumulated amortization using the effective interest rate method of any difference between that initial amount and the maturity date amount and, for financial assets, adjusted for any provision for losses.

The effective interest rate is the rate that discounts exactly the estimated future cash payments or receipts over the expected life of the financial asset or financial liability to the gross carrying value of a financial asset (that is, its amortized cost before any provision for impairment) or the amortized cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts, and fees or receipts that are an integral part of the effective interest rate, such as origination fees.

Interest income from financial assets measured at amortized cost is included in “Interest income”, using the effective interest rate method.

Financial liabilities are classified as measured subsequently at amortized cost, except for financial liabilities at fair value through profit or loss. This classification is applied to derivatives and, when applicable, to liabilities designated at initial recognition.

Financial instruments at fair value through profit or loss

Items at fair value through profit or loss comprise items held for trading and items designated at fair value through profit or loss on initial recognition. Furthermore, in accordance with IFRS 9, debt instruments with contractual terms that do not only represent payments of principal and interest are also measured at fair value through profit or loss.

Financial instruments measured at fair value through profit or loss are initially recognized at fair value, with transaction-related costs recognized in profit or loss when incurred. Subsequently, these instruments are measured at fair value and any gains or losses are recognized in profit or loss as they are determined.

When a financial asset is measured at fair value, a credit valuation adjustment is included to reflect the credit quality of the counterparty, representing changes in fair value attributable to credit risk.

When a financial liability is designated at fair value through profit or loss, the change in fair value attributable to changes in the credit quality of SMBCB is presented in other comprehensive income.

Derivative instruments are measured at FVPL and recorded as financial assets when their fair value is positive and as financial liabilities when their fair value is negative. Derivatives that are collateralized and that are settled daily at their net amount through a clearinghouse (for example, futures transactions) are recorded at the amount pending settlement from one day to the next.

Financial instruments at fair value through other comprehensive income - equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer’s perspective; that is, instruments that do not contain a contractual obligation to pay (cash or any other financial asset to another entity) and that demonstrate a residual interest in the issuer’s equity.

SMBCB may make an irrevocable option to present in other comprehensive income changes in the fair value of investments in equity instruments that are not held for trading and are not a contingent consideration recognized by SMBCB in a business combination.

In this case, the balances recognized in other comprehensive income are not subsequently transferred to profit or loss. Only dividends received from these investments are recognized in profit or loss.

Financial instruments at fair value through other comprehensive income - debt instruments

Debt instruments are instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, public and private securities. The classification and subsequent measurement of debt instruments depend on the business model for managing the asset and the cash flow characteristics of the asset.

Investments in debt instruments are measured at fair value through other comprehensive income (FVOCI) when they:

Have contractual terms that originate cash flows on specific dates, which represent only payments of principal and interest on the outstanding principal balance; and

Are maintained in a business model whose objective is achieved both by obtaining contractual cash flows and by selling them.

These debt instruments are initially recognized at fair value plus directly attributed transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are recorded in other comprehensive income. The result of impairment losses, interest income and gains and losses from exchange rate variations are recorded in profit or loss. Upon settlement of the debt instrument, gains or losses accumulated in other comprehensive income are reclassified to profit or loss.

Measurement of impairment is carried out based on the three-stage model of expected losses, as described in note 3 (c).

(iii) Fair value hierarchy

Fair value is the value for which an asset can be sold, or a liability settled, between independent interested parties with knowledge of the business, under competitive and normal market conditions, on the valuation date.

Financial instruments are measured according to the fair value hierarchy described below:

Level 1: Market prices (quoted not adjusted) in active markets for identical assets or liabilities. They include government securities, shares of listed companies, long/short positions, futures and shares of investment funds with immediate liquidity.

Level 2: Valuation techniques for which the lowest level and most significant information for measuring fair value is directly or indirectly observable. They include over-the-counter derivatives and investment fund shares without immediate liquidity.

Level 3: Valuation techniques for which the lowest level and most significant information for measuring fair value is not available.

(iv) Reclassification of financial instruments

SMBCB does not reclassify its financial assets after their initial recognition, other than in exceptional circumstances in which it starts, sells or closes a line of business. In these cases, reclassification occurs from the beginning of the first reporting period following the change. These changes are expected to be very infrequent. Financial liabilities are never reclassified.

(v) Derecognition of financial assets and liabilities

Derecognition due to substantial changes in contractual terms and conditions
SMBCB derecognizes a financial asset, such as, for example, a loan granted to a client, when the terms and conditions of the transaction are renegotiated to an extent that substantially makes it a new operation, with the difference being recognized as in the income for the year as derecognition gains or losses.

The new recognized transaction is classified as Stage 1 for the purpose of measuring its expected losses, unless it is determined to be a transaction originated with credit recovery problems.

If the renegotiation does not result in substantially different cash flows, the modification does not cause derecognition of the transaction. Considering the change in cash flows discounted at the transaction's original effective interest rate, SMBCB recognizes a modification gain or loss.

Derecognition of financial assets
Financial assets, or a portion thereof, are derecognized when the contractual rights to receive cash flows from the assets have expired or become uncollectible, or if they have been transferred to third parties and (i) SMBCB transfers substantially all the risks and benefits of ownership, or (ii) SMBCB does not transfer, does not retain substantially all of the risks and benefits of ownership and no longer has control of the transferred asset. Derecognition is carried out by SMBCB when the financial asset becomes more than 360 days overdue.

Derecognition of financial liabilities
A financial liability is derecognized when the obligation related to that liability is forgiven, canceled or expired.

When an existing financial liability is replaced by another of the same counterparty with different terms or the terms of the existing liability are substantially modified, such exchange or modification is treated as derecognition of the original liability and recognition of a new liability. The difference between the carrying value of the original liability and the amount paid is recognized in profit or loss.

c. Provision for expected credit losses

Overview of the principles used in determining expected losses

SMBCB records a provision for expected losses (PE) for its loans, advances to clients and collaterals settled, other debt instruments not measured at FVPL and for the credit limits granted and not used, which in this section will all be considered as "financial instruments".

The PE provision is based on the expectation of credit losses arising over the useful life of the asset (expected lifetime loss or PE Life), unless there has not been a significant increase in credit risk since its origination, in which case the provision is based on expected losses for 12 months (12-month PE).

The 12-month PE is the portion of the PE Life that represents the expected losses arising from default events that are possible to occur within 12 months after the base date of the consolidated financial statements.

The 12-month PE and the PE Life are calculated on both an individual and collective basis, depending on the nature of the portfolio of financial instruments.

SMBCB has established a policy of assessing, at the end of each period of disclosure of its consolidated financial statements, whether the credit risk of a financial instrument has increased significantly since its initial recognition, considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, SMBCB distributes its financial instruments into stages (Stage 1, Stage 2 and Stage 3), as described below:

Stage 1: Transactions that do not pose a significant increase in credit risk regarding the initial date of the transaction. In this case, the loss is expected based on the calculation for a future life window (PD [probability of default] for the remaining term of the transaction) limited to 12 months (PD 12 months).

Stage 2: Transactions with significant increase in credit risk in relation to the initial date of the transaction. In this case, the expected loss is based on the calculation for a future life window (PD for the remaining term of the transaction, composing at least the PD12 months).

Stage 3: Transactions with evidence of loss or difficult credit recovery. In this case, the expected loss is based on the calculation for a future life window, however the PD, in this case, is 100%, considering that ‘stage 3’ means ‘default.’

(i) Calculation of expected losses

SMBCB calculates PE to measure the expected cash shortage, discounted to present value. A cash shortage is the difference between the cash flows owed to an entity under the transaction contract and the cash flows that the entity expects to receive.

The PE calculation mechanisms are described below, and their main elements are:

Probability of default *(PD):* is an estimate of the probability of default over a certain time horizon.

Exposure at default *(EAD):* is an estimate of exposure at the future date of default, considering expected changes in exposure after the base date of the consolidated financial statements, including payments of principal and interest, use of limits and interest calculated on payments not made.

Loss given default *(LGD):* is an estimate of loss arising in the event of default occurring at a certain time. It is based on the difference between the contractual cash flows due and the flows that the entity expects to receive, including those arising from the realization of guarantees. It is usually expressed as a percentage of the EAD.

The maximum period for which credit losses are determined is the contractual term of the financial instrument, unless SMBCB has the legal right to early settlement.

The mechanisms for determining PE are described below:

Stage 1: SMBCB calculates the 12-month PE provision based on the expected occurrence of default in the 12 months following the reporting date. These probabilities of default occurring in 12 months are applied to the EAD forecast and multiplied by the expected LGD discounted to present value.

Stage 2: In the event of a significant increase in credit risk since its origination, SMBCB recognizes a PE Life provision. The mechanisms are similar to those explained above, but the PDs and LGDs are estimated over the life of the instrument. The expected cash shortage is discounted to present value.

Stage 3: For transactions considered to have recovery problems, SMBCB recognizes the expected credit losses throughout the life of these transactions. The method is similar to that used for Stage 2 operations, however the PD is determined at 100%.

Credit limits: when estimating the PE Life for unused credit limits, SMBCB estimates the portion of the granted limit that will be used throughout its life. The PE is then based on the present value of the shortage of cash flows if the limit is used. The expected cash shortage is discounted to present value.

(ii) Debt instruments measured at FVOCI

The PE of debt instruments measured at FVOCI does not reduce the carrying value of these financial assets on the statements of financial position, which remain at fair value. Instead, an amount equal to the provision that would arise if the assets were measured at amortized cost is recognized in other comprehensive income against profit or loss. The accumulated loss recognized in other comprehensive income is transferred to profit or loss when the assets are derecognized.

d. Repo transactions

Purchases of financial assets based on a non-optional resale contract at a fixed price are recognized in the statements of financial position as financing granted, based on the nature of the debtor, under “Investments in repo transactions”. If the term of investments in repo transactions is less than 90 days, disclosure is made under the heading “Cash and Cash Equivalents.”

e. Property and equipment

Property and equipment include data processing systems, communication systems, facilities and furniture and equipment for use owned by the Bank, being presented at acquisition cost less the respective accumulated depreciation and any loss due to impairment (net carrying value exceeding recoverable value).

Such assets are initially recognized at acquisition cost plus all incremental costs necessary to place the asset in a suitable location and condition of use, with costs subsequently incurred with these assets being immediately recognized under “other administrative expenses”.

Depreciation is determined by the straight-line method based on the estimated useful life of 5 years for data processing systems, and 10 years for communication systems, facilities and furniture and equipment for use.

The Bank assesses at the base date of the financial information, whether there is any indication that an asset may be impaired (that is, the carrying value exceeds its recoverable value).

If such a situation occurs, the carrying value of the asset is reduced to its recoverable value and future depreciation expenses are adjusted in proportion to the revised carrying value and the new remaining useful life (if the useful life needs to be re-estimated).

f. Intangible Assets

Intangible assets represent identifiable assets (separable from other assets) without physical substance that result from a legal right or other type of contract that gives the Bank effective control of the asset or that are developed internally by the Bank. Only assets whose cost can be reliably estimated and from which the Bank considers the generation of future economic benefits to be likely are recognized.

Intangible assets are initially recognized at acquisition or production cost, plus the costs to bring them into use. These assets are subsequently measured at acquisition cost less any accumulated amortization and impairment.

They are substantially composed of software purchased from external suppliers. These expenses are amortized over the license period for the software.

g. Provisions and contingent assets and liabilities

Management, when preparing their consolidated financial statements, make a distinction between:

Provisions: credit balances representing present obligations (legal or presumed) at the balance sheet date resulting from past events whose occurrence is considered probable and whose nature is certain, although the value and/or timing are uncertain.

Legal obligations: derive from legally or contractually established obligations, arising from past events, substantially represented by tax obligations whose legality and the constitutionality of the laws that created them are being challenged in court.

Contingent liabilities: possible obligations that originate from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events that are not fully under the Bank's control. They include the Bank's present obligations, if it is not probable that an outflow of funds will be necessary for their settlement.

Contingent assets: assets originating in past events and whose existence depends on, and will only be confirmed by, the occurrence or non-occurrence of future events that are not fully under the Bank's control. Contingent assets are not recognized in the statement of financial position, but are disclosed in the notes, except when it is probable that these assets will give rise to an increase in resources that incorporate economic benefits.

SMBCB's consolidated financial statements include all substantial provisions regarding which there is high possibility that the obligation will have to be settled. According to accounting standards, contingent liabilities should not be recognized in the consolidated financial statements, but rather disclosed in the notes.

Provisions are used to meet the specific obligations for which they were originally recognized. Such provisions are set up based on the best information available about the events that gave rise to them, and are reviewed and adjusted (when necessary) at the end of the period. Provisions are totally or partially reversed when these obligations cease to exist or are reduced.

h. Recognition of revenues and expenses

The most significant criteria used by the Bank to recognize its revenues and expenses are summarized below:

(i) Interest income and expenses

Interest and similar income and expenses, commissions paid or received that are components of the expected return of the transaction and all inherent costs linked to the origination of the asset or the raising of the liability are recognized in profit or loss over the term of the financial instruments originated (accrual basis) through the use of the effective interest rate method.

(ii) Dividend income

Dividends received from investments not considered to be affiliates or subsidiaries are recognized as income when the right to receive them originates to the Bank (decision of the Executive Board).

(iii) (iii) Commissions and similar items

Commission revenues and expenses are recognized in the statements of profit or loss using criteria that vary according to the characteristics of the transactions that gave rise to them. The main criteria are the following:

Revenues and expenses from fees and commissions, relating to financial assets and financial liabilities measured at fair value through profit or loss, are recognized in profit or loss when paid;

Revenues or expenses received or paid as a result of the provision of services are recognized on a straight-line basis over the period of time during which these services are provided;

Revenues and expenses received or paid due provision of services whose amount is uncertain or whose establishment of the right to receive or pay is conditional on one or more future events where the occurrence is uncertain are recognized in a single act when the amount receivable becomes known or when the future event actually comes to fruition.

i. Income taxes

Income tax is calculated at the base rate of 15% on taxable income, plus a surtax of 10% on taxable income more than R$240 in the year. The social contribution on net income was calculated considering the rate of 20%, after making the adjustments determined by tax legislation.

In accordance with the provisions of current regulations, the expectation of realizing SMBCB tax credits is based on projections of future results and based on a technical study.

The expected recovery of tax credits is ten (10) years. Offset depends on the nature of the credit generated, arising from tax losses, negative basis and temporary non-deductible differences, comprising a provision for expected losses and fair value of financial instruments.

The setup, realization or maintenance of tax credits are assessed periodically, taking as a parameter the generation of taxable income for income tax and social contribution purposes in an amount that justifies the realization of such amounts.

Income tax expense is recognized in the statements of profit or loss, except when it results from a transaction recognized directly in equity, in which case the tax effect will also be recognized in equity.

Deferred tax assets and liabilities include temporary differences, identified as: amounts payable or recoverable on differences between the carrying values of assets and liabilities and their respective calculation bases. These amounts are measured at the rates expected to apply in the period in which the asset is realized or the liability is settled.

Deferred tax assets are only recognized for temporary differences to the extent that it is considered probable that SMBCB will have sufficient future taxable income against which the deferred tax assets can be utilized, and the deferred tax assets do not result from initial recognition (except in a business combination) of other assets and liabilities in an operation that does not affect either taxable income or accounting income.

Recognized deferred tax assets and liabilities are reassessed at each balance sheet date in order to determine whether they still exist, making appropriate adjustments based on the findings of the analyzes carried out.

j. Financial guarantees

Financial guarantees are defined as contracts by which an entity undertakes to make specific payments on behalf of a third party if the latter fails to do so, regardless of the various legal forms they may have, such as collateral, irrevocable documentary credits issued or confirmed by the entity, among others.

Financial guarantees, regardless of the guarantor or other circumstances, are reviewed periodically to determine the credit risk to which they are exposed and, as appropriate, to consider whether a provision is necessary. Credit risk is determined by applying criteria similar to those established for quantifying losses due to impairment of financial instruments valued at amortized cost.

k. Employee Benefits Plan

The post-employment benefits plan comprises the commitment made by SMBCB to complement the benefits of the social security system.

Defined Benefit Plan

For this type of plan, the Sponsor’s obligation is to provide the benefits agreed with the employees, assuming the potential actuarial risk that the benefits will cost more than expected.

The present value of a defined-benefit obligation is the present value, without deducting any plan assets, of the expected future payments necessary to settle the obligation resulting from the employee’s service in the current and past periods.

Actuarial gains and losses are changes in the present value of the defined-benefit obligation resulting from: (a) adjustments for experience (effects of differences between the actuarial assumptions adopted and what occurred); and (b) effects of changes in actuarial assumptions.

Full recognition is carried out in a liability account when unrecognized actuarial losses (actuarial deficit) occur, against an equity account (“Other Comprehensive Income”).

Defined-benefit plans are registered based on an actuarial study carried out annually by an external consultancy, at the end of each year, effective for the subsequent period.

l. Statements of cash flow

The following terms are used in the statements of cash flow with the following meanings:

Cash and cash equivalents: are represented by cash in local currency or foreign currency, investments in repo transactions and interbank deposits investments, where maturity of the operations on the effective date of the investment is equal to or less than 90 days and present an insignificant risk of change in fair value, being used to manage short-term commitments.

Cash flows: are inflows and outflows of cash and cash equivalents.

Operating activities: these are the Bank's main revenue-generating activities and others that are not financing or investing activities.

Investing activities: are the acquisition and disposal of long-term receivables and other investments not included in cash equivalents.

Financing activities: these are activities that result in changes in the size and composition of the Bank's equity and indebtedness.

m. Lease

At the beginning of an agreement, the Bank analyzes if the agreement is, or if it contains a lease. An agreement is a lease, or contain a lease, if it transfers the right to control the use of an identified asset for a given period in exchange for consideration.

As lessee

The Bank is lessee of real property (underlying assets) for performance of its commercial activities. The initial recognition occurs upon the signature of the agreement, in the item "Lease liabilities," which corresponds to total future payments at present value, against the item "Furniture and equipment for use," depreciated in a straight-line manner, for the term of the lease, and tested annually to identify any impairment. Financial expenses corresponding to interest on lease liabilities are recorded in item "Interest and similar expenses."

Lease of assets with low value and short-term lease

The Bank decided not to record right-of-use assets and lease liabilities for leases of assets with low value and short-term leases. The Bank records the payment of leases relating to these leases as expense, using a straight-line method, for the term of the lease.

4 Cash and cash equivalents

	2024	2023
Cash and cash equivalents		
Cash and cash equivalents in local currency	31,327	8,631
Cash and cash equivalents in foreign currency	11,904	114,319
Interbank liquidity investments		
Investments in the open market	1,995,996	1,695,719
Interbank deposits	488,686	-
Investments in foreign currencies	650,185	246,984
	3,178,098	2,065,653

5 Deposits linked to the Central Bank

	2024	2023
Deposits linked to the Central Bank	1,853	2,513
	1,853	2,513

6 Derivative financial instruments (assets and liabilities)

Derivative instruments composed of Swaps, *Non-Deliverable Forwards – NDFs and Futures* transactions, are held in custody at B3 S.A. - Brasil, Bolsa, Balcão, under the stock exchange and OTC modalities.

a) Breakdown of derivative financial instruments

	2024			2023
	Receivables	**Payables**	**Contract Reference Value**	**Contract Reference Value**
SWAP transactions				
CDI	2,810	9,942	860,769	110,000
Fixed rate x CDI	-	-	-	932,519
Fixed rate x DOLLAR	-	44,004	728,687	197,651
CDI x DOLLAR	-	327,589	2,420,548	3,027,234
Fixed rate x YEN	-	79,385	667,191	547,191
CDI x IEN	2,178	9,892	246,148	89,891
IEN x CDI	261,434	8,544	4,298,307	1,647,880
Fixed rate x SOFR	28,116	21,819	2,260,010	2,260,010
NDF Transactions				
Fixed rate x DOLLAR	76	24,835	584,375	1,483,697
DOLLAR x Fixed rate	288,893	90	1,903,283	1,760,612
Fixed rate x EURO	-	1,077	23,914	4,314
Fixed rate x YEN	1,467	2,018	134,216	46,893
YEN x Fixed rate	1,300	-	23,111	37,374
Credit value adjustment (CVA)				

	2024			2023
	Receivables	**Payables**	**Contract Reference Value**	**Contract Reference Value**
CVA	(436)	-	-	-
Total	585,838	529,195	14,150,559	12,145,266

b) Breakdown of nominal value by maturity

	2024				2023
	Up to 90 days	**91 to 360 days**	**Over 360 days**	**Total**	**Total**
SWAP Transactions					
CDI x Fixed rate	-	110,000	-	110,000	110,000
Fixed rate x CDI	176,000	574,769	-	750,769	932,521
Fixed rate x DOLLAR	38,651	-	690,035	728,686	197,651
CDI x DOLLAR	779,739	260,000	1,380,809	2,420,548	3,027,234
DOLLAR x CDI	50,000	582,221	34,970	667,191	-
Fixed rate x YEN	89,412	50,000	106,736	246,148	547,191
CDI x IEN	788,174	2,099,633	1,410,502	4,298,309	89,891
IEN x CDI	-	-	-	-	1,647,879
Fixed rate x SOFR	-	-	2,260,009	2,260,009	2,260,009
NDF transactions					
Fixed rate x DOLLAR	476,045	108,329	-	584,374	1,483,696
DOLLAR x Fixed rate	776,971	616,922	509,390	1,903,283	1,760,611
Fixed rate x EURO	20,342	3,572	-	23,914	4,314
Fixed rate x YEN	42,117	92,099	-	134,216	46,895
YEN x Fixed rate	3,768	12,111	7,233	23,112	37,374
Total	3,241,219	4,509,656	6,399,684	14,150,559	12,145,266

c) Comparison of nominal value by trading location

	2024			2023
	Stock market	**Over the Counter**	**Nominal value**	**Nominal value**
Swaps	4,387,719	7,093,941	11,481,660	8,812,376
NDF	537,030	2,131,869	2,668,899	3,332,890
Total	4,924,749	9,225,810	14,150,559	12,145,266

d) Comparison between cost value and fair value

	2024		2023
	Cost Value	**Fair value**	**Fair value**
Assets (Receive)			
SWAP Transactions	320,759	294,538	497,505
NDF Transactions	257,758	291,736	43,465
Credit value adjustment (CVA)			
CVA	-	(436)	(1,868)
Liabilities (Pay)			
SWAP Transactions	(540,841)	(501,175)	(94,885)
NDF Transactions	(26,291)	(28,020)	(64,535)
Total	11,385	56,643	379,682

e) Accounting hedge

On December 31, 2024 and 2023, SMBCB had operations with derivative financial instruments with the purpose of mitigating the effect of exchange rate variation on funding carried out in foreign currency and loans fixed in Reais. These operations were designated as accounting *hedge* and were segregated into:

Market risk *hedge*–used to offset the risks arising from exposure to variations in the fair value of the hedged item *and* its appreciation or devaluation is recorded against revenue or expense accounts in the statements of profit or loss for the period. The respective *hedged* items are adjusted to fair value on the balance sheet date.

Cash flow hedge –*intended to offset* the changes in the estimated future cash flow and its appreciation or depreciation is recorded against a separate account in equity, deducted from tax effects.

e.1 - Fair value measurement of derivative financial instruments by maturity range and index - Market risk hedge

Maturities - Fair Value - 2024

Description	Index	Up to 12 months	1 to 3 years	3 to 5 years	Total
Futures	Exchange Coupon	481,601	173,217	6,433	661,251
Total		481,601	173,217	6,433	661,251

Maturities - Fair Value - 2023

Description	Index	Up to 12 months	1 to 3 years	3 to 5 years	Total
Futures	Exchange Coupon	521,110	292,163	5,910	819,813
Total		521,110	292,163	5,910	819,813

	2024	2023
Hedged Items		
Assets		
Interbank deposit investments		
Amount updated by agreed conditions	372,145	556,499
Adjustment amount	1,136	(4,082)
Market value	371,009	560,581
Working capital		
Amount updated by agreed conditions	308,268	229,628
Adjustment amount	13,328	(1,974)
Market value	294,940	231,602
Export credit notes		
Amount updated by agreed conditions	-	56,633
Adjustment amount	-	(1,223)
Market value	-	57,856
Total market value Hedged item	665,949	850,039
Hedge instruments at market value		
Liabilities		
Futures	(661,251)	(819,183)
Total market value – Hedge instrument	(661,251)	(819,183)

Maturities - Fair Value - 2024

Description	Index	Up to 12 months	1 to 3 years	3 to 5 years	Total
SWAP	JPY x CDI	2,400,641	516,763	930,462	3,847,866
Total		2,400,641	516,763	930,462	3,847,866

Maturities - Fair Value - 2023

Description	Index	Up to 12 months	1 to 3 years	3 to 5 years	Total
SWAP	JPY x CDI	621,427	448,493	-	1,069,920
Total		621,427	448,493	-	1,069,920

	2024	2023
Hedged Items		
Liabilities		
Interbank deposit investments	(3,882,285)	(1,066,272)
Amount updated by agreed conditions	13,037	(3,649)
Adjustment amount	21,504	-
Market value	(3,847,744)	(1,069,921)
Market value	(3,847,744)	(1,069,921)
Total market value – Liabilities		
Hedged item		
Assets		
Hedge instruments	3,847,866	1,069,921
SWAP	3,847,866	1,069,921
Total market value Hedge instrument		

(*) Designation spread: "adjustment value" refers to the portion of the spread on the hedged instrument that is not included in the result.

e.2 - Fair value measurement of derivative financial instruments by maturity range and index - Cash flow hedge

		Maturities - Fair Value – 2024			
Description	**Index**	**Up to 12 months**	**1 to 3 years**	**3 to 5 years**	**Total**
Futures	Exchange Coupon	532,053	191,009	-	723,062
Total		532,053	191,009	-	723,062

		Maturities - Fair Value – 2023			
Description	**Index**	**Up to 12 months**	**1 to 3 years**	**3 to 5 years**	**Total**
Futures	Exchange Coupon	1,234,567	486,759	50,285	1,771,611
Total		1,234,567	486,759	50,285	1,771,611

	2024	**2023**
***Hedged* Items**		
Liabilities		
On-lending transactions		
Amount restated by agreed conditions	(719,030)	(2,509,325)
Hedge instruments		
Assets		
Futures	723,062	1,771,611
Cash Flow Hedge Reserve	14,017	19,039

The amount of R$14,017 on December 31, 2024 and R$,19,039 on December 31, 2023 in the Cash Flow Hedge Reserve will be recognized in profit or loss over the maturity period of the hedged item.

7 Financial assets at fair value

a) Fair Value through other comprehensive income (FVOCI)

Breakdown

	Stage 1	
Own portfolio:	**2024**	**2023**
Debt instrument:		
Government securities	2,824,454	2,181,957
Equity instrument:		
Investment fund shares:	104	217
	2,824,558	2,182,174

Note No. 30 Risk Management - contains details of the maturity periods of financial assets at fair value through other comprehensive income.

Segregation by fair value hierarchy

The following table shows the fair values of Financial Assets for the years ended December 31, 2024 and 2023, segregated by fair value hierarchy based on the various measurement methods adopted by SMBCB, as described in note 3 (b) item (iii).

	2024		2023	
	Level 1	**Level 2**	**Level 1**	**Level 2**
Own portfolio:				
Debt Instrument:				
National Treasury Bills	-	-	249,888	-
Financial Treasury Bills	1,185,238	-	514,068	-
Equity instrument:				
Investment fund shares:				
Private Equity fund shares - FIP	-	104	-	217
Debt instrument:				
Linked to the provision of guarantees:				
Financial Treasury Bills	1,639,216	-	1,418,001	-
	2,824,454	104	2,181,957	217

Government securities are book-entry and registered with the Brazil Central Bank Rate (SELIC).

8 Financial assets at fair value through profit or loss (FVPL) and at amortized cost

a) Interbank deposits investments

	Level 1	
	2024	**2023**
Interbank deposits investments		
Measured at fair value through profit or loss		
Not related	371,009	560,581
Measured at amortized cost		
Not related	550,538	486,434
	921,547	1,047,015

Note No. 30 Risk Management - contains details of the maturity periods for Interbank deposits.

b) Securities

	Level 2	
	2024	**2023**
Debt instrument		
At amortized cost		
Debentures	666,072	291,002
Commercial Note	252,819	-
	918,891	291,002

Note No. 30 Risk Management - contains details of the maturity periods of investments in securities at amortized cost.

c) Loans and receivables from customers

	2024	**2023**
Description		
Measured at fair value through profit or loss		
Export Credit Notes – NCE	-	57,856
Measured at amortized cost		
Foreign on-lending	-	104,083
Bank Credit Note - CCB	56,404	-
Working capital	1,004,090	1,047,451
Export Credit Notes - NCE	318,617	284,369
Interbank transfers	377,654	255,510
Advance on foreign exchange contracts	959,233	511,650
Income receivable on advances	47,666	16,037
Honored guarantee	342,223	-
	3,105,887	2,276,956

d) By maturity

	2024	**2023**
To become due:		
Up to 30 days	73,582	105,505
31 to 60 days	482,957	344,381
61 to 90 days	451,059	147,256
91 to 180 days	837,638	338,759
181 to 360 days	205,739	413,259
Over 360 days	1,054,912	927,796
	3,105,887	2,276,956

Segregation by maturity was carried out considering the outstanding installments at the balance sheet date.

Loans for the 20 largest debtors on December 31, 2024 represent 94.84% of the credit portfolio (94.04% in 2023).

e) By business sector

	2024	2023
Private sector:		
Industry	1,322,533	1,016,937
Financial Institution	377,654	255,510
Commerce	20,857	236,877
Other services	1,384,843	534,019
Public sector:		
Federal	-	233,613
	3,105,887	2,276,956

f) Provision for expected credit losses

	Balances on 12/31/2024			
	Stages			
	1	2	3	Total
Financial assets at amortized cost				
Provision for expected losses				
Marketable securities	(3,814)	-	-	(3,814)
Loans and receivables from customers	(6,644)	(3,657)	(245,100)	(255,401)
Total Expected Credit Losses	**(10,458)**	**(3,657)**	**(245,100)**	**(259,215)**
Financial guarantees provided (Note No. 14b)	(9,094)	(29,736)	(228,268)	(267,098)
Total expected credit and guarantee losses	**(19,552)**	**(33,393)**	**(473,368)**	**(526,313)**

	Balances on 12/31/2023			
	Stages			
	1	2	3	Total
Financial assets at amortized cost				
Provision for expected losses				
Marketable securities	(1,028)	-	-	(1,028)
Loans and receivables from customers	(3,249)	(4)	-	(3,253)
Total Expected Credit Losses	(4,277)	(4)	-	(4,281)
Financial guarantees provided (Note No. 14b)	(4,367)	-	-	(4,367)
Total expected credit and guarantee losses	(8,644)	(4)	-	(8,648)

SMBCB did not present a provision for expected credit losses on instruments classified as FVOCI in 2024 and 2023.

Change in the provision for expected credit losses in the result

	2024	2023
Reversal of provision	458	2,649
Setup of provision	(401,193)	(3,662)
Closing balance	(400,735)	(1,013)

No transactions were renegotiated or written off for losses.

g) Methodology for calculating the expected loss with the portfolio of loans and receivables

The references below demonstrate how the valuation and measurement of impairment were carried out by SMBCB for the purposes of preparing these consolidated financial statements. They should be read in conjunction with the note that describes SMBCB's significant accounting practices (Note No. 3 (c)).

Allocation in stages

As described in Note 3 (c), SMBCB distributes its financial assets into stages (Stage 1, Stage 2 and Stage 3), according to their level of credit risk deterioration. To carry out this distribution, the following assumptions are considered:

(i) Significant increase in credit risk

SMBCB continuously monitors all assets subject to provision for expected losses. To determine whether an instrument is subject to the provision for expected losses for 12 months (PE 12 months) or for the life of the operation (PE Life), SMBCB assesses whether there has been a significant increase in credit risk over the term of the transaction since its initial recognition.

SMBCB considers that a transaction has had a significant increase in credit risk (Stage 2 classification) when default reaches 30 days, or its probability of default (PD) increases by 3 p.p.

(i) Definition of default and "cure"

SMBCB considers as a non-performing financial instrument and, consequently Stage 3 for PE calculation purposes, all operations that are overdue for more than 90 days in relation to their contractual payments or that have as counterparty clients with internal risk classification (*Obligor Grade)* that indicates serious business difficulties and unlikely recovery (see note 30 (v) - Risk Management - Credit Risk for description of the methodology of the SMBC to classify its clients according to their credit quality).

For interbank operations (interbank liquidity operations), SMBCB considers them to be in default when the required intra-daily payment is not made at the end of the transaction as determined in the contractual terms.

SMBCB considers that the instrument is no longer in default (i.e., a "cure" event) when the counterparty (individual or legal entity) no longer presents delays in the flow of payments for a consecutive period of 6 months.

Valuation and measurement of impairment

SMBCB considers the following elements in valuing and measuring the provision for expected credit losses.

(i) Probability of default (PD)

SMBCB has an internal model for assigning credit risk classifications *(ratings)* and probabilities of default (PD) to its clients. The model incorporates qualitative and quantitative information and, in addition to client-specific information, supplementary external information is used that may affect client behavior (see note 30 (v) - Risk Management - Credit Risk for a description of the methodology of the SMBC to classify its clients according to their credit quality).

(ii) Loss given (LGD)

LGD is the loss arising in the event of default. LGD calculation is based on net write-offs of non-performing loans.

(iii) Prospective information (forward looking view)

In PE models, SMBCB uses prospective macroeconomic information, with household debt rate (excluding debt related to housing credit) being the main one.

Other forward-looking considerations that have not been incorporated, such as the impact of any regulatory, legislative or policy changes, have also been considered, but are not viewed as having a material impact and therefore no impairment adjustment *has* been made for these factors. This is reviewed and monitored for suitability annually.

We present below the changes in the provision for credit losses expected on December 31, 2024, which would be the reasonable result of possible changes in the assumptions of economic variables used by the SMBC:

		PD	Relative % of variation
	Base estimate	0.282%	0.000%
Household debt (except housing credit)	Worsening 1%	0.289%	2.314%
	Improvement 1%	0.275%	-2.262%
	Worsening 5%	0.316%	12.118%
	Improvement 5%	0.251%	-10.811%

(iv) Exposure at default (EAD)

EAD represents the gross carrying value of financial instruments subject to the calculation of expected losses (PE), considering the client's ability to increase their exposure while approaching default and the potential for early payments to occur.

For credit limits granted and unused and financial guarantees provided, exposure at default is predicted by considering the balance used, without adding a "credit conversion factor."

h) Changes in the provision for impairment

Financial Assets at Amortized Cost

	December 31, 2023 to December 31, 2024			
	Loans and receivables from customers			
Stages 1-2-3	**1**	**2**	**3**	**Total**
Expected Loss on January 1, 2024:	(8,648)	-	-	(8,648)
Change				
Stage migration:				
Stage 1 to Stage 2	-	-	-	-
New financial assets originated or purchased	(13,960)	(33,393)	(469,975)	(517,328)
Changes in PDs, LGDs and EADs	8,991	-	(3,393)	5,598
Reversal of provision for settled/written-off contracts	(5,935)	-	-	(5,935)
Total change				
Expected Loss on December 31, 2024	**(19,552)**	**(33,393)**	**(473,368)**	**(526,313)**

	December 31, 2022 to December 31, 2023			
	Loans and receivables from customers			
Stages 1-2-3	**1**	**2**	**3**	**Total**
Expected Loss on January 1, 2023:	(8,515)	(20)	-	(8,535)
Change				
Stage migration:				
Stage 1 to Stage 2	(20)	20	-	-
New financial assets originated or purchased	(7,669)	-	-	(7,669)
Changes in PDs, LGDs and EADs	403	-	-	403
Reversal of provision for settled/written-off contracts	7,153	-	-	7,153
Total change				
Expected Loss on December 31, 2023	**(8,648)**	**-**	**-**	**(8,648)**

9 Other assets

	2024	**2023**
Services provided receivable	104,407	74,580
Security trading and intermediation	6,036	17,762
Prepaid expenses	391	926
Right on foreign exchange transactions, net	123,177	-
Other	10,904	9,017
	244,915	102,285

10 Property and equipment

a. Breakdown

	2024		
	Cost	**Accumulated depreciation**	**Net balance**
Furniture and equipment for use (*)	8,441	(3,928)	4,513
Facilities	5,503	(4,789)	714
Data processing system	8,184	(6,556)	1,628
Communication system	683	(305)	378
Security system	341	(305)	36
Transport system	867	(867)	-
Balances	24,019	(16,750)	7,269

	2023		
	Cost	**Accumulated depreciation**	**Net balance**
Furniture and equipment for use (*)	10,467	(3,267)	7,200
Facilities	5,503	(4,520)	983
Data Processing System	7,884	(6,083)	1,801
Communication system	433	(233)	200
Security system	339	(293)	46
Transport system	867	(867)	-
Balances	25,493	(15,263)	10,230

(*) In this line, Right of Use in the amount of R$6,812 (R$8,798 in 2023) and depreciation of R$2,620 (R$1,833 in 2023) are being considered, referring to the adoption of IFRS 16. The standard was applied in the consolidated financial statements using the modified prospective transition method. After analysis of the Bank's return, a discount rate of 8.23% p.a. was defined (8.23% p.a. in 2023).

b. Changes

	2024	**2023**
Cost:		
Balances at the beginning of the year	25,493	27,383
Net additions (write-offs)	(1,474)	(1,890)
Balances at the end of the year	24,019	25,493

	2024	**2023**
Accumulated depreciation:		
Balances at the beginning of the year	(15,263)	(15,381)
Write-offs	2,420	3,472
Net depreciation	(3,907)	(3,354)
Balances at the end of the year	(16,750)	(15,263)

11 Intangible assets

a. Breakdown

	2024		
	Cost	**Accumulated amortization**	**Net balance**
Information Technology Developments	21,256	(13,636)	7,620
Balances	21,256	(13,636)	7,620

	2023		
	Cost	**Accumulated amortization**	**Net balance**
Information Technology Developments	16,840	(12,906)	3,934
	16,840	(12,906)	3,934

b. Changes

	2024	**2023**
Cost:		
Balances at the beginning of the year	16,840	14,727
Net additions (write-offs)	4,416	2,113
Balances at the end of the year	21,256	16,840

	2024	**2023**
Accumulated amortization:		
Balances at the beginning of the year	(12,906)	(11,966)
Net amortization	(730)	(940)
Balances at the end of the year	(13,636)	(12,906)

12 Financial liabilities

a. Deposits from clients

	2024	**2023**
Deposits		
Demand deposits	82,977	75,264
Term deposits	1,638,759	2,005,626
Open market funding	-	15,009
Proceeds from acceptance and issue of securities	180,392	114,495
	1,902,128	2,210,394

The amounts of deposits from clients highlighted in the table above are at amortized cost. Note No. 30 Risk Management - contains details of the maturity periods of deposits from clients.

b. Obligations for loans and on-lending

	2024	2023
Financial liabilities at amortized cost		
Obligations for loans abroad	1,128,165	545,297
Obligations for transfers abroad	5,316,230	2,881,139
	6,444,395	3,426,436

Note No. 30 Risk Management - contains details of the maturity periods of loan and on-lending obligations.

13 Contingent liabilities

	Provisions		Judicial deposits	
	2024	2023	2024	2023
Legal obligations:				
Demutualization CETIP (a)	102	114	-	-
Provision for risks:				
Civil (b)	17,166	15,773	-	-
Labor (c)	2,364	3,430	631	580
	19,632	19,317	631	580

(a) SMBCB recorded the amount for part of the proceeding in progress that it considers as probable loss on the demutualization of Cetip's shares, of which the amount for December 31, 2024 is R$102 (R$114 in 2023).

(b) The provision basically refers to understated inflation on time term, in where there financial disbursement is probable. The amount updated on December 31, 2024 is R$17,166 (R$15,773 in 2023).

(c) The provision refers to actions filed by former employees and outsourced workers claiming labor rights that they consider to be due. The actions are controlled individually and the provisions are made on the basis of a decision previously laid down by the Board or lower labor court. Management, based on the opinion of its legal advisors, believes that the amounts currently provisioned are adequate. The updated amount is R$2,364 (R$3,430 in 2023).

14 Other liabilities

a. Interbranch relationships

	2024	2023
Third-party funds in transit	36,556	31,852
	36,556	31,852

b. Other obligations

	2024	2023
Social and statutory	142,614	139,744
Taxes and contributions on salaries	3,596	3,352
Other taxes and contributions	25,256	24,108
Trading and intermediation of securities	10,496	-
Provision for financial guarantees provided (Note No. 8f)	267,098	4,367
Provision for unused limits	265	-
Provisions for payments to be made:		
Personnel expenses	43,313	40,734
Other administrative expenses	4,789	3,619
Lease liability (*)	4,807	6,392
Actuarial liabilities	23,485	41,353
Net obligations from foreign exchange operations	-	11,720
Deferred commission	90,446	73,541
Other	3,111	3,245
	619,276	352,175

(*)SMBCB is a lessee of properties for use in its operations, and recognizes leases for a term longer than 12 months and of substantial amounts.

c. Tax credits and tax liabilities

Income tax and social contribution

	2024		2023	
	IRPJ	**CSLL**	**IRPJ**	**CSLL**
Income before taxation and after profit sharing	(225,731)	(225,731)	317,015	317,015
Reversal of provisions for contingent liabilities	(2,987)	(2,987)	(3,855)	(3,855)
Provision for contingent liabilities	3,326	3,326	2,455	2,455
Provision for impairment	400,735	400,735	1,013	1,013
Temporary provisions	(30,818)	(30,818)	(145,217)	(145,217)
Fair value adjustment of derivative financial instruments	115,710	115,710	(10,639)	(10,639)
Adjustment to fair value of *hedge accounting operations*	4,556	4,556	(7,259)	(7,259)
Non-deductible expenses	12,972	1,695	8,469	1,666
B3 S.A.- Brasil, Bolsa, Balcão Operations	(28,982)	(28,982)	43,122	43,122
Income from branch abroad	1,590	1,590	-	-
Other additions/(exclusions)	(1,647)	(1,647)	(216)	(216)
Taxable income	248,724	237,447	204,888	198,085
Total income tax charge at a rate of 25% and proportional social contribution at a rate of 20%	62,157	47,489	51,198	39,617
Rouanet Law contribution	(300)	-	-	-
Empresa Cidadã Law	-	-	(135)	-
Children and Adolescents Fund	-	-	(200)	-
Adjustment from previous years	60	-	4,474	2,673

	2024		2023	
	IRPJ	**CSLL**	**IRPJ**	**CSLL**
Income tax expenses	61,917	47,489	55,337	42,290

d. Deferred tax assets/Deferred tax Liabilities

Deferred tax credits on temporary provisions, based on the latest technical study prepared, are subject to realization within a period of 10 years.

The rules for recognizing the effects of actuarial liabilities related to the defined benefit retirement plan and post-employment benefits related to the Medical Assistance Plan of which SMBCB is a sponsor (according to current rules) are also being considered.

The breakdown of deferred assets and liabilities is presented as follows:

Deferred tax assets	**2024**	**2023**
Temporary adjustments on the provision for expected credit losses	236,950	3,888
Mark-to-market - Swap	25,578	-
Temporary adjustments other provisions	19,784	22,451
Temporary adjustment – B3	12,010	21,558
Mark-to-market Item Hedged	6,284	1,642
Actuarial adjustment of health plan	2,791	15,342
Adjustment to fair value – Securities and derivatives	344	189
Hedge accounting adjustment	183	425
Temporary adjustments on judicial provisions	46	52
NDF mark-to-market	-	1,238
Actuarial adjustment of social security plan	-	3,219
Total	303,970	70,004

Deferred tax liabilities		
Mark-to-market - Swap	31,628	77,889
NDF mark-to-market	14,671	(615
Mark-to-market Item Hedged	5,866	3,276
Adjustment of Securities Available for Sale	420	202
Temporary adjustment – B3	3,541	47
Hedge accounting adjustment	11,651	16,002
Actuarial adjustment of social security plan	1,367	990
Total	69,144	99,021

Changes in deferred taxes are demonstrated as follows:

	12/31/2023	(Realization)/ Setup	**31/12/2024**
Change in deferred tax Assets/Liabilities			
Adjustments of revenues and expenses from temporary provisions	(29,017)	263,843	234,826
	(29,017)	263,843	234,826

There are also unrecognized tax credits on provisions for civil contingencies in the amount of R$15,502 (R$7,098 in 2023) due to the uncertainty of their realization within a period of less than 10 years.

Breakdown of the result from deferred tax assets:

	2024	2023
NDF mark-to-market	(15,294)	802
Temporary adjustment – B3	(13,042)	23,234
Mark-to-market Item Hedged	(298)	115
Temporary adjustments on judicial provisions	(5)	2
Temporary adjustments other provisions	1,808	2,894
CDI hedge adjustment	2,349	(1,739)
Mark-to-market - Swap	67,363	(7,232)
Temporary adjustments on expected losses linked to credit risk	233,061	(713)
Total	275,942	17,363

e. Taxes payable

	2024	2023
Income tax and social contribution	109,346	90,480
	109,346	90,480

f. Taxes to offset

	2024	2023
IRPJ advances not offset	19,691	19,259
CSLL advances not offset	11,825	11,581
Other taxes and contributions to offset	1,535	1,237
	33,051	32,077

15 Equity

a. Capital

The capital is represented by common shares, worth one Real (R$1.00) each, distributed as follows:

	2024	2023
Sumitomo Mitsui Banking Corporation (Japan)	1,675,697	1,559,697
Shareholders domiciled in Brazil	2	2
	1,675,699	1,559,699

As per the Extraordinary General Meeting held on 03/15/2024, and validated by the Central Bank of Brazil on 03/28/2024, an increase in capital was decided in the amount of R$116,000, upon capitalization on interest on equity.

b. Dividends

Corporate legislation and the bylaws state that a minimum of 25% of net income for the year shall be distributed to shareholders in the form of dividends and/or interest on equity. On December 31, 2024, a decision was made not to set up a provision for dividends, and income for the year was allocated to the statutory reserve for future distribution.
In the year ended December 31, 2024, the distribution of interest on equity was approved in the amount of R$152,2000 (R$133,175 net of taxes).

c. Legal reserve

The legal reserve was recorded as established by corporate law and may be used for offsetting losses or increasing the Company's share capital.

d. Statutory Reserve

The statutory reserve corresponds to the transfer of the balance of retained earnings, subsequently to the mandatory distributions. The remaining balance in the amount of R$396,209 (R$613,365 2023) will be transferred to the following year, or will be allocated as proposed by the Executive Board, and approved by the general meeting.

16 Interest income calculated using the effective interest method

	2024	2023
Securities	387,609	234,082
Loans and advances to clients	164,852	289,366
	552,461	523,448

17 Other interest income

	2024	2023
Securities borrowed and repo transactions	370,459	369,778
	370,459	369,778

18 Interest and similar expenses

	2024	2023
Deposits from financial institutions	(2,159)	(4,740)
Deposits from clients	(186,720)	(225,624)
Securities borrowed and repo transactions	(99,146)	(173,985)
Debt issued and other funds borrowed	(18,158)	(16,706)
	(306,183)	(421,055)

19 Net income from commissions and services provided

	2024	2023
Net revenue from commissions and services provided		
Financing intermediation	33,981	28,291
Income from guarantees provided	72,123	68,359
Other fees received	9,899	5,269
	116,003	101,919
Expenses for fees and commissions		
Fees paid	-	(2,589)
	-	(2,589)

20 Gains (losses) on financial instruments

	2024	2023
Income from derivative operations	4,293,958	6,410,576
Expenses for derivative operations	(3,870,830)	(6,756,475)
Result of funds	-	3,832
	423,128	(342,067)

21 Exchange rate variations (net)

Exchange rate variations show gains or losses on trades indexed in foreign currencies in conversions to SMBCB's functional currency, in the amount of R$311,662 (R$39,588 in 2023).

22 Personnel expenses

	2024	2023
Salaries	(85,193)	(81,239)
Pension costs	(35,832)	(29,906)
Benefits	(15,886)	(17,604)
Other personnel expenses	(283)	(369)
	(137,194)	(129,118)

23 Administrative expenses

	2024	2023
Properties, facilities and materials	(7,574)	(7,244)
Technology and systems	(36,231)	(25,320)
Communications	(11,488)	(8,444)
Technical reports	(6,264)	(6,466)
Third-party services	(3,270)	(904)
Travel, transport	(2,292)	(2,112)
Advertising and marketing	(126)	(109)
Other administrative expenses	(1,280)	(4,066)

	2024	**2023**
	(68,525)	(54,665)

24 Tax expenses

	2024	**2023**
ISS / PIS / COFINS	(33,369)	(29,725)
Other taxes	(1,799)	(1,538)
	(35,168)	(31,263)

25 Other operating revenues

	2024	**2023**
Recovery of charges and expenses	887	1,057
Exchange rate variations	-	260,206
Reversal of operational provision	11,170	5,332
Reversal of provision for contingent liabilities	2,987	3,855
Other	34	330
	15,078	270,780

26 Other operating expenses

	2024	**2023**
Civil, tax and labor proceedings	(3,302)	(2,434)
Provision for guarantees provided	(116,804)	-
Changes in foreign exchange	(941,887)	-
Other	(87)	-
	(1,062,080)	(2,434)

27 Related Parties

a. Transactions with controlling shareholders (direct and indirect)

The balances of transactions with parties related to Sumitomo Mitsui Banking corporation are as follows:

	ASSETS / (LIABILITIES)		**REVENUES / (EXPENSES)**	
	2024	**2023**	**2024**	**2023**
Cash and cash equivalents - foreign currency deposits	12,658	71,232	-	-
Investments in foreign currency abroad	650,210	246,984	56,937	(4,911)
Amounts receivable - commission for business intermediation	10,461	7,952	33,982	28,291

	ASSETS / (LIABILITIES)		REVENUES / (EXPENSES)	
	2024	**2023**	**2024**	**2023**
Obligations for overseas loans	(1,128,165)	(545,297)	(281,155)	14,359
Foreign on-lending's	(5,316,177)	(2,880,745)	(856,377)	110,488
Total	**(5,771,013)**	**(3,099,874)**	**(1,046,613)**	**148,227**

b. Compensation of key management personnel

SMBCB's key personnel was defined as all members who make up its Executive Board.

The global compensation amount is paid to Executive Officers in accordance with the Bylaws of Banco Sumitomo Mitsui Brasileiro S.A.

In the most recent statutory reform in April 2019, the maximum global monthly compensation of the executive officers was set at R$600 (salaries).

Short-term benefits to executive officers

	2024	**2023**
Salaries	7,236	6,184
Variable compensation	5,031	4,189
Contributions to INSS (Social Security Contribution)/FGTS (Unemployment Fund)	3,423	2,849
Total	**15,690**	**13,222**

Post-employment benefits

As of December 31, 2024 and 2023, no loans, financing or any other advance were made by SMBCB to the Executive Board or any of their family members.

The members of the Executive Board did not hold any shareholding in SMBCB.

28 Sponsored post-employment benefits

SMBCB's actuarial liabilities were calculated in accordance with the model established in the respective plan and represent the number of commitments made and to be made.

IAS 19 established essential changes in the accounting for and disclosure of employee benefits, such as the removal of the corridor mechanism for recognizing the plan's liabilities, and changes in the criterion for recognizing the plan's assets (appreciations and devaluations). The adoption of the Standard applies to years started as from January 1, 2015, and the effects are recorded retrospectively in the books, as changes in accounting practices. Adopting this practice will basically lead to full recognition, as liabilities, of actuarial losses *(actuarial deficit*) not recognized to date, against an equity account.

a. Retirement plan

The Bank sponsors Banco Sumitomo Mitsui Brasileiro Sociedade de Previdência Privada ("Entity"), established on April 20, 1992, and primarily engaged in granting lump sum benefits and/or supplemental income to the Bank's employees and officers by means of a defined benefit plan. Participants (employees) are entitled to a benefit upon termination of the employment relationship, calculated according to regulatory provisions, whose amount will depend on the participant's salary and length of service at termination date.

As of December 31, 2024, we had no significant variations in actuarial update parameters.

	Retirement Plan	
	2024	**2023**
Description		
Present value of actuarial obligations	33,383	40,152
Fair value of plan's assets	(28,358)	(32,945)
Deficit/ (Surplus) for covered plans	5,025	7,207
Adjustments for permitted deferrals		
Net actuarial liabilities/ (assets)	5,025	7,207
Actuarial assumptions:		
Nominal discount rate for actuarial obligation	11.72% a,a,	9.56% a,a,
Estimated rate of nominal salary increase	4.00% a,a,	4.00% a,a,
Estimated rate of nominal benefit increase	0.00% a,a,	4.52% a,a,
Estimated inflation rate	4.00% a,a,	4.00% a,a,
Biometric table of general mortality	AT-2000 reduced by 10% and segregated by gender	AT-2000 reduced by 10% and segregated by gender
Biometric table for classification as disabled	"Mercer" table	"Mercer" table
Expected turnover rate	0.31/ (length of service+1)	0.31/ (length of service+1)
Chance of entering retirement	10% on the first date of eligibility for early retirement; 3% between first eligibility for early and normal retirement; 100% on the date of eligibility for the normal retirement.	

Sensitivity Analysis

The present value of the actuarial obligation is sensitive to changes in the main hypotheses: discount rate, salary growth and life expectancy. The impacts on the present value of the actuarial obligation are shown, considering the basic discount rate adopted for this Actuarial Appraisal:

	Sensitivity Analysis	
Present Value of the Obligations	**2024**	**2023**
Discount Rate: 0.25% decrease	578	851
Discount Rate: 0.25% increase	(560)	(819)

b. Health Plan

The Health Plan offered by Banco Sumitomo Mitsui to its employees was contribution-based until November 2017, generating the obligation to extend the coverage in exchange for payment of the respective premiums to the Company's former employees and retired employees, in accordance with current regulations. Contributions to the plan were interrupted in December 2017, although there remains a group of employees who are entitled to this coverage, presenting the following actuarial liabilities:

Description	**Health Plan**	
	2024	**2023**
Net actuarial liabilities/ (assets)	18,460	34,146
Total	18,460	34,146
Actuarial Assumptions/Actuarial Hypotheses		
Nominal discount rate for actuarial obligation	11.68% p.a.	9.71% p.a.
Estimated inflation rate	4.00% p.a.	4.00% p.a.
Biometric Turnover Table	Until 9 years SVC: 0.5/(Length of Service +1) From 10 years SVC: 0.075/(Length of Service) +1)	Until 9 years SVC: 0.5/ (Length of Service +1) From 10 years SVC: 0.075/ (Length of Service) +1)
Biometric retirement entry table	55 years	55 years
Biometric table of general mortality	AT-2000 segregated by gender and reduced by 10%	AT-2000 segregated by gender and reduced by 10%
Health Care Cost Trend Rate (HCCTR)	7.12% p.a. 3.00% p.a. actual rate	7.12% p.a. 3.00% p.a. actual rate
Restatement of the Participant's Contribution	Inflation (HCCTR)	Inflation (HCCTR)
Restatement of the Plan's Cost	Inflation (HCCTR) + Aging Factor	Inflation (HCCTR) + Aging Factor
Percentage of People Opting to Remain in the Plan	Retirement: 100% Termination: 100%	Retirement: 100% Termination: 100%
Aging Factor	3.00% (per year - age)	3.00% (per year - age)
Family Members – Active	90% Married	90% Married
Age Difference Between Holder and Spouse	4 years	4 years
Family Members - Retired	Real family	Real family

29 Other disclosures

a. Assets pledged as collateral

The amounts of financial assets pledged as collateral for repo transactions agreed with other banks or clients and margin guarantee deposits for SMBCB operations at B3 S.A. - Brasil, Bolsa, Balcão correspond to:

	2024	**2023**
Margin for B3 S.A.- Brasil, Bolsa, Balcão operations	1,197,034	1,260,727
Other assets pledged as collateral - surety	259,932	76,957
	1,456,966	1,371,429

b. Relevant client operations

No revenue from transactions with a single external client or counterparty reached 10% or more of SMBCB's total revenue in 2024 and 2023.

30 Risk management

SMBCB constantly seeks to assess and improve its risk management framework, influencing its culture and the way it operates. This practice is based on standardized and objective procedures, methods and techniques to monitor, measure, mitigate and report exposures to risks of any nature in the various activities and processes developed, products or services offered, to support the continuous sustained development of its activities.

For SMBCB, the principles of prudence and ethics are always present in policies, standards, procedures and goals. Decisions are based on factors that combine return on measured and assessed risk. It also promotes the acculturation of employees at all hierarchical levels.

SMBCB's Risk Management Framework has policies that adhere to best market practices and is in line with the guidelines defined by the regulatory body.

(i) Risk management methodology

SMBCB addresses the management of risks inherent to its activities within a process of continuous improvement, aiming to monitor business evolution and minimize risks that could compromise the quality of this management.

The risk management methodology is suitable for SMBCB's activity profile, and it is also worth highlighting that the Compliance and Internal Audit structures are important elements in improving the methodology.

The risk management framework allows risks to be effectively identified, measured, mitigated, monitored and reported to the Executive Board.

(ii) Risk appetite

Risk appetite determines SMBCB's willingness to take risks to achieve its objectives versus the potential return. This appetite is influenced by several factors, internal and external, and determined by the Bank's Executive Board, aligned with its corporate strategy.

The risk monitoring process is corporate-wide, being considered right from SMBCB's budget planning process. Risk appetite is continually reassessed, according to changes in the environment - both internal and market changes.

SMBCB is characterized by its extremely conservative profile, with the governance structure committed to defining and constantly monitoring the risk appetite adopted.

(iii) Market Risk

Market risk is the possibility of losses resulting from fluctuations in the market prices of positions held by SMBCB.

In line with the best corporate governance practices, with the objective of preserving and strengthening the management of market and liquidity risks at SMBCB, as well as complying with the provisions of current regulations, market risk management involves several areas, which have specific responsibilities in the process, ensuring an efficient structure for measuring and controlling market risk.

The Executive Board approved the Market Risk Management Policy, which is reviewed at least annually, providing the main guidelines for acceptance, control and management of market and liquidity risk.

SMBCB's market risk exposure profile is highly conservative, with guidelines and limits monitored daily by an independent risk unit.

SMBCB's limit structure is defined by the risk area of its headquarters, considering the Bank's operating profile in the country.

Market risk control is carried out by an independent area of Treasury (business unit) and responsible for producing control reports on established limits, monitoring actions defined regarding positions and supporting the review and approval of products to verify compliance with institutional risk policies.

The limits used to control Market Risk are reviewed annually. The following market risk measurement methodologies and control limits are used: exposure in foreign currency (FX), *Stop Loss*(methodology that aims to review positions, if accumulated losses in a given period reach a certain amount), and sensitivity to changes in the term structure of interest rates, BPV (market risk measurement methodology that verifies the change in the market value of positions after a shock of 0.01% - one *basis point*- in interest rates).

In addition, Stress Test reports and regulatory capital reports are produced (IRRBB - regulatory capital for interest rate risk in the Banking Book, Regulatory Capital for the Trading Book), in accordance with the requirements of the Central Bank of Brazil (Bacen).

Market risk management follows the segregation of operations in the Trading Book and Banking Book, in accordance with the criteria established by CMN Resolution 4.557 and BACEN Circular Letter 3.354 (local standards that establish requirements to be observed by financial institutions in risk management).

Seeking to fit exposures within the defined limits, Banco Sumitomo Mitsui Brasileiro S.A. hedges exposures in the trading book arising from transactions with clients, mostly by Derivatives.

(iv) Operational Risk

Operational risk is defined as the risk of loss arising from deficiencies, failures or inadequacy of internal processes, involving people, systems, or external events. This definition includes the legal risk associated with inadequacy or deficiency in contracts signed by SMBCB, as well as sanctions due to non-compliance with legal provisions and compensation for damages to third parties resulting from the activities carried out by SMBCB.

a. Business continuity plan

SMBCB, in order to be prepared to minimize the financial, operational, legal and regulatory impacts caused by the unavailability of physical and logical access, provides its clients with essential products and services, as well as the information required by official bodies and representatives in abroad, has established a Business Continuity Plan (BCP), with the objective of establishing and implementing means/mechanisms to protect the physical integrity of people and ensure the continuity of the Bank's critical business, in the face of events/incidents that may generate interruptions /outages, such as, but not limited to: fire, explosions, bomb threats, strikes, social unrest, power outage and failures in critical systems or in the Bank's technology and support infrastructure.

b. Consolidated management of operational risk events

Banco Sumitomo has a database, whose main objective is to assist the decision support system, storing different types of operational risk data in a single structure, facilitating any type of analysis (quantitative and/or qualitative) that can be carried out using all operational risk data available.

Operational risk events are then reviewed, analyzed and monitored to improve operational procedures and develop historical loss data.

The guidelines for quantifying the impact of operational risk follow a simple and linear approach to facilitate integration into a single risk measure. In this scenario, the compound of impact versus probability of occurrence versus frequency of occurrence can measure the degree of severity of an operational risk event.

The Operational Risk Management unit follows a continuous cycle that addresses the presentation of events that occurred at SMBCB, reporting of mitigating actions taken, monitoring of these actions and new analysis to measure the results.

The management reports produced by the operational risk management unit are reported monthly through the operational risk management committee.

(v) Credit Risk

a. *Introduction to credit risk treatment*

Credit Risk is defined as the possibility of the occurrence of losses related to non-compliance by the borrower or counterparty with their respective obligations under the terms agreed on, the devaluation of credit assets, deriving from the deterioration in risk rating of the borrower, a decrease in gains or remunerations, the advantages granted in the renegotiation and recovery costs.

Under current regulations, SMBCB has a single department responsible for managing credit, market and liquidity risks. The structure is proportional in size to the risks relating to the complexity of the products offered by SMBCB, the nature of the operations and SMBCB's risk exposure guidelines.

In SMBCB's organizational structure, the risk monitoring function is represented by an independent board from the business and audit area, which is essential for having an independent vision and control of risk.

The Executive Board of SMBCB is responsible for providing the necessary resources for effective risk management and for monitoring the activities inherent to this management. The periodic reports, as well as the guidelines adopted by the Credit Risk Management Area, are assessed and approved by the Executive Board of SMBCB.

Maximum exposure to credit risk		-
Credit risk related to assets recorded on the Statements of financial position:	**2024**	**2023**
Securities		
Investments in repo transactions	3,743,449	2,473,176
Interbank deposits	1,995,996	1,695,719
Loans and receivables from customers	921,547	1,047,015
	3,105,886	2,276,956
Credit risk related to off balance sheet transactions:	9,766,878	7,492,866
Guarantees provided		
Maximum exposure to credit risk	3,053,557	3,148,967

	3,053,557	3,148,967
	12,820,435	10,641,833

b. *Credit risk cycle*

SMBCB has control over the current position and potential future exposure of transactions where there is counterparty risk. Counterparty credit risk consists of the possibility of a counterparty not fulfilling its obligations, financial or otherwise, causing losses to SMBCB. All risk exposure and counterparty performance are analyzed in the credit limit granting process, forming part of the general credit limits granted to clients.

c. *Measures and measurement tools*

c.1 Credit quality ratings (rating tools)

SMBCB has policies and procedures for granting credit approved by a Credit Committee and incorporated into SMBCB's internal control systems. Such policies and procedures determine the need to assess client data to define the obligor grade (*grading)*, considering the following aspects:
Quantitative: balances from statements of financial position, statements of profit or loss and cash flows are entered into the GBR system, which automatically carries out (i) a balance sheet analysis, taking into account various parameters, such as evolution of net sales, EBITDA and respective margin, Profitability, evolution of Equity and total Assets, Gross Debt to Equity ratio and EBITDA and Equity to Total Assets ratio, among other parameters, and (ii) assignment of obligor grade.

Qualitative: general aspects of the client are considered, such as market position, company management, reliability of numbers, punctuality and delays in payments, credit limits and guarantees, among other factors, through consultations with class associations.

All loans, regardless of their amount and market segment of the borrower, are analyzed according to the criteria adopted by SMBCB and classified according to their *facility grade (*product grading).

This classification is reviewed and adjusted by the Risk Management Area according to delays in payments.

The *facility grade* follows the same principle as the *obligor grade* and the value attributed to this *grading* must be equal to the *obligor grade,* when there are no guarantees attached to the loan, or better to the *obligor grade,* when the transaction has some form of guarantee.

Each type of *obligor grade* has a rating from 1 to 18, as shown below:

Obligor grade		**Category**
1 2 3 4 5 6 7 8 9 10 11 12 13		Normal debtor
14 15 16		Debtor requiring attention
17		Potentially bankrupt debtor
18		Bankrupt debtor

The categories demonstrated above can be described as follows:

Normal Debtor - debtor who demonstrates good business performance and whose financial position is considered to have no specific problem.

Debtor that Requires Attention - debtor that needs to be monitored, with special attention. It may be a:

- Debtor who presents problems in their loans, such as reduction, forgiveness or suspension of interest payments;

- Debtor with problematic performance in relation to their loans, such as virtual delay in payment of principal and interest amounts; or

- Debtor with weak or unstable business performance, or with a problematic financial position.

Potentially Bankrupt Debtor - debtor considered to have a high possibility of going bankrupt in the future due to management difficulties and unsatisfactory progress in business improvements (including difficulty in obtaining financial support from financial institutions). Debtors in this category generally have, for example, the following characteristics:

- Negative equity, although still in operation;

- Extremely poor business performance;

- Concern regarding receipt of principal and interest amounts and, therefore, a high possibility of losses for SMBCB; or

- High possibility of bankruptcy in the future;

Bankrupt Debtor - the debtor is legally or formally bankrupt.

c.2 Guarantees received (mitigating maximum exposure to credit risk)

Guarantees are considered as a second source of payment to ensure credit recovery, and their assessment is carried out individually for each client based on strict rules from the Headquarters.

In this way, the definition of credit risk mitigators is carried out individually, when granting credit, considering the payment capacity through analysis of flow and cash, understanding potential and real business conditions.

Due to SMBCB's business focus, the guarantees are mostly based on issuance of letters of guarantee from the headquarters, covering the commercial risk of its branches in Brazil.

The efficiency assessment of these instruments is carried out periodically, with the aim of ensuring their liquidity and sufficiency (coverage margin).

- **Liquidity**
  In other words, the ability to convert guarantee into currency. In this sense, guarantees can be more liquid or less liquid, impacting the currency translation price.

- **Coverage Margin**
  It is the percentage between the amount of the guarantee and the amount of the debt. In addition to the cost of money, one must consider the liquidity of the guarantee, that is, its greater or lesser convertibility.

c.3 Distribution of credit risk

SMBCB's business policy is focused on the credit market, meeting the need for branches of Japanese companies in Brazil, large multinationals and large national conglomerates.

d. Liquidity Risk

Liquidity risk covers *funding risk* and product or market risk. *Funding* liquidity risk is the uncertainty that SMBCB Sumitomo will be able to meet its *funding needs* or offset its rate and maturity mismatches. Market liquidity risk is the uncertainty that SMBCB will not be able to liquidate or offset its positions efficiently, that is, at reasonable prices.

Knowledge and monitoring of this risk are crucial, especially so that SMBCB Sumitomo can settle operations in a timely and safe manner.

The global Liquidity Risk Management policy is established by SMBCB Sumitomo headquarters and approved by the Executive Board, and is supported by three pillars:

Money Gap Management (need for *funding* within a certain period of time);

Establishment of the contingency plan; and

Emergency supplementary funds for liquidity.

This policy aims to ensure the existence of standards, criteria and procedures that guarantee SMBCB Sumitomo the establishment of a supplementary liquidity fund, as well as the existence of a strategy and action plans for liquidity crisis situations.

Control and monitoring of positions are carried out independently of the management area (Treasury Department). The risk area is responsible for measuring the minimum level of liquidity, reviewing policies, standards, criteria and procedures and carrying out studies for new recommendations.

	In cash	Up to 3 months	3 to 12 months	Over 12 months	Total
Assets:					
Cash and cash equivalents	43,231	3,134,867	-	-	3,178,098
Derivative financial instruments	-	(29,464)	55,277	30,830	56,643
Securities	-	104	570,410	3,172,935	3,743,449
Investments in repurchase transactions	-	-	-	-	-
Interbank deposits investments	-	488,686	866,125	55,422	1,410,233
Investments in foreign currencies	-	-	-	-	-
Credit transactions	-	73,582	1,977,393	1,054,912	3,105,887
Total assets	**43,231**	**3,667,775**	**3,469,205**	**4,314,099**	**11,494,310**
Liabilities:					
Derivative financial instruments	-	-	-	-	-
Clients' deposits	82,977	518,603	643,280	476,876	1,721,736
Funding in the open market	-	-	-	-	-
Proceeds from acceptance and issue of securities	-	-	-	180,392	180,392
Liabilities from loans and on-lending transactions	-	-	4,043,716	2,400,679	6,444,395
Subordinated debts	-	-	-	-	-
Total liabilities	**82,977**	**518,603**	**4,686,996**	**3,057,947**	**8,346,523**
Difference (assets and liabilities)	(39,746)	3,149,172	(1,217,791)	1,256,152	3,147,787

	In cash	Up to 3 months	3 to 12 months	Over 12 months	3 to 5 years	Total
Assets:						
Cash and cash equivalents	122,950	1,942,703	-	-	-	2,065,653
Derivative financial instruments	-	36,806	102,409	240,467	-	379,682
Securities	-	694,846	275,289	1,503,041	-	2,473,176
Investments in repurchase transactions	-	-	-	-	-	-
Interbank deposits investments	-	-	314,489	732,526	-	1,047,015
Foreign currency investments	-	-	-	-	-	-
Credit transactions	-	105,505	1,399,601	771,850	-	2,276,956

	In cash	Up to 3 months	3 to 12 months	Over 12 months	3 to 5 years	Total
Total assets	122,950	2,779,860	2,091,788	3,247,884	-	8,242,482
Liabilities:						
Derivative financial instruments	-	-	-	-	-	-
Deposits from clients	75,264	-	1,146,866	858,760	-	2,080,890
Open market funding	-	-	15,009	-	-	15,009
Proceeds from acceptance and issue of securities	-	-	-	-	114,495	114,495
Obligations for loans and on-lending	-	-	2,136,674	1,289,762	-	3,426,436
Subordinated debts	-	-	-	-	-	-
Total liabilities	75,264	-	3,298,549	2,148,522	114,495	5,636,830
Difference (assets and liabilities)	47,686	2,779,860	(1,206,761)	1,099,362	(114,495)	2,605,652

31 Reconciliation between accounting practices adopted in Brazil (BRGAAP) and international accounting standards (IFRS)

a. Reconciliation of differences between BR GAAP and IFRS on December 31, 2024 and 2023

		2024	2023
Income - BRGAAP		115,216	236,982
Adjustment –Foreign Exchange	b.1	(269)	1,664
Adjustment - Provision for losses	b.2	(315,637)	(2,093)
Adjustment - Lease	b.3	(1,188)	(85)
Adjustment - Deferred Taxes	b.4	142,683	283
Income- IFRS		(59,195)	236,751

Tax effect	**2024**	**2023**
Adjustments –Equity	(308,259)	8,814
Tax rate –Income Tax and Social Contribution	45%	45%
Tax effect 2024 –Equity	**138,717**	**(3,966)**
Tax effect 2024 –Equity	(3,966)	(4,249)
Tax effect 2024 - Income	**142,683**	**283**

b. Summary of the main differences between BR GAAP and IFRS

b.1 Foreign Exchange

In BRGAAP, transactions denominated in foreign currencies are converted into the entity's functional currency (*Real*) using the "PTAX 800"rate (average charged on the day), as determined by the rules of the Central Bank of Brazil. According to IAS 21, transactions in foreign currency must be converted into the Bank's functional currency on the balance sheet closing dates using the closing rates of purchase (for assets in foreign currency) and sale (for liabilities in foreign currency).

The difference in the conversion rate of operations in foreign currency generates adjustments to accounting criteria.

b.2 Provision for credit losses

Under BRGAAP, SMBCB makes a provision for expected losses associated with credit risk, based on the assumptions of CMN Resolution No. 4.966/2021.
Under IFRS, a provision for expected credit losses is created for all financial assets classified in the Amortized Cost and Fair Value categories, according to the methodology described in detail in Note No. 3(c) and developed to comply with IFRS 9.

The differences between BRGAAP and IFRS standards resulted in different amounts of provision for credit losses and consequently the adjustment was recognized.

b.3 Leases

With the adoption of IFRS 16 as of January 1, 2019, SMBCB began to account for contracts in which it is the lessee through the recognition of right-of-use assets under the heading "Tangible Assets" and future payment obligations related to contracts under Other Liabilities (measuring them at present value, discounted using the incremental rate on loans).

The new IFRS accounting practice differs substantially from the accounting practice established under BRGAAP for the treatment of these lease contracts, according to which there is no provision for the recognition of assets and liabilities, but only the recording of lease expenses as payments are due.

b.4 Tax effect on IFRS adjustments

IAS 12 requires accounting for deferred income tax and social contribution for all taxable or deductible temporary differences, except for deferred taxes arising from initial recognition of goodwill, initial recognition of an originated liability or an asset that does not qualify as a business combination and which on the date of the transaction does not affect the result and does not affect the profit (or loss) for tax purposes.

Deferred Income Tax and Social Contribution adjustments calculated on IFRS adjustments were reflected in the reconciliation.

32 Subsequent Events

On March 13, 2025, the Bank sent the amount of R$152,200 (R$136,175 net of taxes), related to interest on equity, to the controlling shareholder SMBC Japan, as previously resolved at the Extraordinary General Meeting of December 26, 2024.

On March 10, 2025, at the Extraordinary General Meeting, the capital increase in the amount of R$110,300 was approved through the recapitalization of interest on equity. This amount was received on March 13, 2025 and until the closing of these financial statements, the approval process with the Central Bank of Brazil is still under evaluation. The amount is registered in a separate account in Shareholders' Equity and will be fully paid on the date of approval.