

BANCO SUMITOMO MITSUI BRASILEIRO S.A.

Financial statements as of December 31, 2025.

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Management report

Shareholders:

In compliance with legal provisions, we submit for your appreciation the financial statements for the fiscal year ended December 31, 2025, whose net loss was R\$279,276 thousand, total assets of R\$8,792,548 thousand, and the loans portfolio of R\$1,093,251 thousand.

Dividends:

According to corporate legislation and the bylaws, 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.

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. dated March 31, 2026.

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

São Paulo, March 26, 2026.

Summary of the Audit Committee Report

Introduction:

According to CMN Resolution 4.910 from Central Bank of Brazil, it is incumbent on the Audit Committee ("Committee") to ensure the quality and integrity of the Financial Statements of Banco Sumitomo Mitsui Brasileiro S.A. ("Bank"), for compliance with legal and regulatory requirements, for the performance, independence and quality of the work of the external audit and internal audit and for the quality and effectiveness of the Bank's internal control and risk management systems. The Committee shall consist of three (3) full and independent members, elected in accordance with the criteria laid down in the rules of the National Monetary Council ("CMN").

The Committee's assessments are based on information received from the Bank's Management, external auditors, internal audit, for those in charge of risk management, internal controls and compliance, the Bank's legal advisors and its own analyses.

KPMG Auditores Independentes Ltda. is the independent audit firm contracted to review the Bank's Financial Statements, prepared in accordance with the accounting practices adopted in Brazil and applicable to the institutions that are authorized to operate by the Central Bank of Brazil (BCB).

Internal Audit focuses on issues that represent higher risk potential and on the assessment of internal control and risk management systems, providing the Committee with critical view of the quality of processes and monitoring of risks.

Activities carried out during the period:

At a meeting held on March 24, 2026, with our internal and external auditors, the revision work on the financial statements for the six-month period and fiscal year ended December 31, 2025, carried out by the KPMG Auditores Independentes Ltda team was presented. At its conclusion, the approval of the financial statements by our external auditors was recommended and the Audit Committee considered their quality appropriate for official disclosure. We always count on the presence of the members of the Audit Committee, as well as the Executive Manager of Accounting and the Executive Manager of Internal Audit.

Risk Management and internal control systems:

In the fiscal year 2025, the Bank continued to improve and update its rules and procedures and strengthen the corporate governance process. The reports required by regulators and prepared by the Compliance Division concluded that the Internal Control System of Banco Sumitomo Mitsui Brasileiro S.A. is adequately structured to ensure effective management of risk and capital, internal controls, operations and systems that generate the financial reports.

The points raised by the Internal Audit and the reports produced by the external audit and the compliance division did not indicate any breach of the domestic laws, regulations and rules that could put the continuity of the operations of Banco Sumitomo Mitsui Brasileiro S.A. at risk. The Bank's internal control system has been continuously improved, and the procedures already implemented, as well as those still under deployment, are

compatible with the size and complexity of the operations.

External audit:

The Committee shall maintain, directly and/or indirectly through its Technical Member, a regular channel of communication with external auditors for a broad discussion of the results of its work and of relevant accounting aspects, to enable its members to substantiate their view on the integrity of the Financial Statements.

Based on the assessment carried out and the information provided by KPMG Auditores Independentes Ltda, the Committee did not identify situations which could affect the objectivity and independence of the external audit.

The Committee shall assess the volume and quality of information provided by the external audit as fully satisfactory and supportive of its opinion on the integrity of the financial statements.

The Committee considers the volume and quality of the information provided by the external audit to be fully satisfactory, supporting its opinion on the integrity of the Financial Statements.

Internal Audit:

The strategic and tactical planning of the Internal Audit and the analysis of the structure, resources, professional development, responsibilities, independence, objectivity, performance and completion of the work were examined by the Audit Committee. The outcome of this process did not give the Committee any concerns about the points examined.

The Internal Audit, through its reports, did not bring to the attention of the Committee the existence of residual risks that could affect the degree of soundness and continuity of the Bank's operations.

Financial statements:

The Committee reviewed the procedures involving the preparation of the individual and consolidated balance sheets and interim balance sheets, explanatory notes and financial reports published together with the individual and consolidated financial statements.

The relevant accounting practices used by the Bank in drawing up the Financial Statements were also examined and found to be in line with Brazilian practices and in compliance with the standards published by the Central Bank of Brazil.

Conclusions:

Given its responsibilities and the natural constraints that arise from the scope of its activities, and based on the activities it carried out during the period, the Committee concludes that during the year ended December 31, 2025:

- internal controls systems, compliance policy, and capital and risk management frameworks are appropriate for the proportion and complexity of Banco Sumitomo Mitsui

Brasileiro S.A. and the approved risk appetite. Compliance with the rules in force was monitored, and shortcomings, evidenced;

- the coverage and quality of Internal Audit work are satisfactory, including with regard to verification of compliance with legal and regulatory provisions and internal regulations and codes, with evidence of deficiencies identified and acting with appropriate independence;
- the relevant accounting practices adopted by the Bank are aligned with those adopted in Brazil, including compliance with standards emanating from the National Monetary Council and the Central Bank of Brazil, as well as with international accounting standards issued by the International Accounting Standards Board (IASB); and
- the information provided by KPMG Auditores Independentes Ltda is suitable, including verification of compliance with legal and regulatory arrangements and internal regulations and codes, with evidence of deficiencies identified, where the Committee supports its recommendation on the financial statements, and no situation was identified which could undermine the objectivity and independence of the Independent Auditor.

During the other activities carried out, the Committee did not become aware of the occurrence of fraud or non-compliance with legal and regulatory standards or internal controls, accounting and audit errors which could jeopardize the continuity of the Bank.

In view of the foregoing, this Committee, basing its judgment on the actions carried out and considering its responsibilities and the natural limitations arising from the scope of its activities, recommends the approval of the audited financial statements of Banco Sumitomo Mitsui Brasileiro S.A., for the year ended December 31, 2025.

São Paulo, March 24, 2026.

Audit Committee

Independent Auditors' Report on Financial Statements

To the Shareholders of Banco Sumitomo Mitsui Brasileiro S.A.

São Paulo - SP

Opinion

We have audited the consolidated financial statements of Banco Sumitomo Mitsui Brasileiro S.A. (the "Bank"), which comprises the consolidated balance sheet as of December 31, 2025, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, as well as the related notes, including material accounting policies and other explanatory information.

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of Banco Sumitomo Mitsui Brasileiro S.A. as of December 31, 2025, as well as the consolidated financial performance of its operations and its consolidated cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil - Bacen.

Basis for Opinion

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities under those standards are further described in the section below entitled "Auditors' Responsibilities for auditing the Consolidated Financial Statements." We are independent of the Bank and its subsidiaries in accordance with the relevant ethical principles set out in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 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 thereon and, accordingly, we do not express a separate opinion on these matters.

Provision for Expected Credit Losses Associated with Credit Risk on Financial Assets Measured at Amortized Cost

See Notes 3.c and 8.f to the financial statements.

Key Audit Matter

How Our Audit Addressed This Matter

The measurement of the provision for expected credit losses associated with credit risk on financial assets measured at amortized cost involves assumptions and judgments made by the Bank, based on its internal risk classification models.

For measuring the allowance for impairment losses, these transactions are classified according to management's judgment regarding the level of risk, in accordance with the Bank's policy, which considers the economic environment, experience, and specific risks related to each transaction, its borrowers, and guarantors. The determination of the credit risk of a transaction is used to classify it into one of the stages of credit deterioration. Based on this classification, expected credit losses are determined for each stage (12-month expected credit losses or lifetime expected credit losses).

The allowance for impairment losses is determined based on a variety of factors, including the exposure amounts, the credit quality of the borrower, the level of subordination of obligations and collateral, the economic environment, and correlations among borrowers, and is defined in terms of the concepts of probability of default (PD), loss given default (LGD), and exposure at default (EAD).

We considered the measurement of expected credit losses related to financial assets to be a key audit matter, as it involves significant measurement uncertainties arising from the complexity of the models and the subjectivity of the assumptions applied, specifically: (i) the overall expected credit loss methodology, including the methods and models used to estimate PD and LGD, as well as the selection of macroeconomic variables incorporated into the calculation; and (ii) the identification of a significant increase in credit risk (SICR – Stage 2) and of exposures classified as credit-impaired or in default (Stage 3).

Our audit procedures included, but were not limited to, the following:

- We evaluated the design and operating effectiveness of key internal controls related to the approval, recording, and updating of credit transactions, as well as the internal methodologies used to assess customers' risk levels ("ratings") that support the classification of exposures and the key assumptions applied in determining the allowance for impairment losses.
- We involved professionals with specialized experience and expertise in credit risk, who performed a methodological review and recalculation related to the measurement of the provision for expected credit losses associated with credit risk, as required by IFRS 9.
- On a sample basis, we evaluated the information supporting the assignment and review of customer ratings, such as credit proposals, financial and registration information, and the values of formal collateral provided.
- With the assistance of professionals with specialized experience and expertise in credit risk, we analyzed the arithmetic calculation of the allowance, including an assessment of compliance with the requirements established by IFRS 9 related to the measurement of expected credit losses associated with credit risk.
- We also assessed whether the disclosures included in the financial statements are appropriate in accordance with the applicable standards and whether they consider relevant information.

Based on the audit evidence obtained from the procedures summarized above, we consider the assumptions used in the measurement of the provision for expected credit losses associated with credit risk, as well as the related disclosures, to be acceptable in the context of the consolidated financial statements taken as a whole for the semester and year ended December 31, 2025.

Management of the Bank is responsible for the other information, which comprises the Management Report.

Our opinion on the consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

In connection with the audit of the consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the Management Report is materially inconsistent with the consolidated financial statements or with our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work performed, we conclude that there is a material mistake in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting practices adopted in Brazil and with International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going-concern basis of accounting in the preparation of the financial statements, unless management either intends to liquidate the Bank and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the Bank and its subsidiaries are responsible for overseeing the consolidated financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Brazilian and international auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users based on these consolidated financial statements.

As part of an audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material mistake resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Bank and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the ability of the Bank and its subsidiaries to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank and its subsidiaries to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group's consolidated financial statements. We are responsible for the direction, supervision, and review of the audit work performed for the purposes of the group audit and, therefore, for the audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 31, 2026

KPMG Auditores Independentes Ltda.

CRC 2SP-014428/O-6

Rodrigo de Mattos Lia

Certified Public Accountant – CRC SP 1SP252418/O-3

Banco Sumitomo Mitsui Brasileiro S.A.
Balance Sheet
(In thousands of Reais)

ASSETS	Note	December/2025
Cash and cash equivalents	5	19.714
FINANCIAL ASSETS		8.200.645
At Amortized Cost		4.308.548
Interbank liquidity investments	6	1.779.971
Securities	7	760.121
Central bank deposits		1.668
Interbank funding receivable	9	141.596
Credit transactions	10	1.093.251
Honored guarantees	10	77.858
Advances on exchange agreements	10	384.136
Other Credits	12	69.947
At Fair Value through Other Comprehensive Income		3.173.749
Securities	7	3.173.749
At Fair Value through Income		718.348
Securities	7	341.019
Derivative Financial Instruments	8	377.329
OTHER ASSETS		1.680
TAX ASSETS	13	532.388
Current tax assets		22.101
Deferred tax assets	21.d	510.287
INVESTMENTS		1
PROPERTY AND EQUIPMENT IN USE	14.a	30.031
Other property and equipment in use		43.229
Accumulated depreciation		(13.198)
INTANGIBLE ASSETS	14.b	8.089
Intangible Assets		23.592
Accumulated amortization		(15.503)
TOTAL ASSETS		8.792.548

LIABILITIES	Note	December/2025
FINANCIAL LIABILITIES		6.464.270
At Amortized Cost		5.806.488
Deposits	15.a	1.344.227
Open market funding	15.c	181.352
Interbank transactions		-
Obligations for foreign loans	18.a	379.099
Obligations for domestic funding		-
Obligations from foreign funding	18.b	3.301.990
Interdependent balances		-
Funds from issuance of securities	16	587.866
Lease liabilities	17	11.954
At Fair Value through Income		657.782
Derivative Financial Instruments	8	657.782
PROVISIONS		86.354
Provision for expected losses linked to credit risk	10.d	6.329
Tax, civil and labor	20	22.207
Others	19.b	57.818
TAX LIABILITIES		72.956
Current tax liabilities	22.a	3.567
Deferred tax liabilities	22.c	69.389
OTHER LIABILITIES	19.a	206.386
SHAREHOLDERS' EQUITY		1.962.582
Capital stock:		1.785.999
Of shareholders domiciled in the country		2
Of shareholders domiciled abroad		1.785.997
Profit Reserves		165.697
Other comprehensive income		10.886
TOTAL LIABILITIES		8.792.548

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

Banco Sumitomo Mitsui Brasileiro S.A.
Income Statement
(In thousands of Reais, except for the profit per batch of one thousand shares)

	Note	2nd Half	December/2025
Financial intermediation revenues		<u>214.530</u>	<u>399.648</u>
Credit transactions	23.a	68.706	157.083
Result from securities transactions	23.b	472.414	926.362
Result from derivative financial instruments	23.c	(341.116)	(765.357)
Result of foreign exchange transactions	23.d	14.526	81.560
Financial intermediation expenses		<u>(184.451)</u>	<u>(282.196)</u>
Market funding transactions	23.e	(141.497)	(229.616)
Loan and funding transactions	23.f	(42.954)	(52.580)
Gross result of financial intermediation		<u>30.079</u>	<u>117.452</u>
(-) Provision for expected credit losses	11.b	<u>(531.649)</u>	<u>(785.998)</u>
Other operating revenues (expenses)		<u>72.736</u>	<u>197.022</u>
Revenue from services	23.g	39.010	86.721
Personnel expenses	23.h	(74.330)	(151.843)
Other administrative expenses	23.i	(36.368)	(71.795)
Tax expenses	23.j	(11.286)	(26.320)
Other operating revenues/(expenses)	23.k	159.130	365.189
(Provision) / Reversal of provision for contingent liabilities	23.l	(3.420)	(4.930)
Operating income		<u>(428.834)</u>	<u>(471.524)</u>
Non-operating income		<u>(206)</u>	<u>(124)</u>
Income before taxation		<u>(429.040)</u>	<u>(471.648)</u>
Income tax and social contribution	22	<u>187.501</u>	<u>199.834</u>
Income Tax		26.009	(3.567)
Social Contribution		22.349	-
Deferred tax income		139.143	203.401
Statutory interests		<u>(4.685)</u>	<u>(7.462)</u>
Net loss for the period		<u>(246.224)</u>	<u>(279.276)</u>
Quantity of shares		<u>1.785.999</u>	<u>1.785.999</u>
Loss per thousand shares - R\$		<u>(137,86)</u>	<u>(156,37)</u>

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



Banco Sumitomo Mitsui Brasileiro S.A.
Statement of Comprehensive Income
(In thousands of Reais)

	<u>2nd Half</u>	<u>December/2025</u>
Net loss for the period	(246.224)	(279.276)
Comprehensive income that can be subsequently reclassified to net income:	5.532	(9.458)
Financial assets measured at fair value through other comprehensive income		
Change in fair value	1.205	3.609
Tax Effect	(542)	(1.624)
Cash flow hedge		
Change in fair value	7.984	(8.705)
Tax Effect	(3.593)	3.917
Foreign currency translation – Investments abroad		
Change in fair value	869	(12.100)
Tax Effect	(391)	5.445
Comprehensive income that cannot be subsequently reclassified to net income:	88	(4.205)
Adjustments to Actuarial Liabilities		
Change in fair value	182	(7.673)
Tax Effect	(82)	3.453
Own credit risk		
Fair value adjustment recognized in shareholders' equity	(22)	27
Tax Effect	10	(12)
Total other comprehensive income in the period	5.620	(13.663)
Total comprehensive income	(240.604)	(292.939)

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

Banco Sumitomo Mitsui Brasileiro S.A.
Statement of changes in equity
(In thousands of Reais)

Note	Paid-up capital	Profit Reserves		Other Comprehensive Income	Accumulated Losses	Total
		Legal	Statutory			
Balances as of December 31, 2024	1.675.699	47.772	566.736	24.549	-	2.314.756
Adjustment for initial adoption of Resolution 4.966	-	-	-	-	(169.534)	(169.534)
Balances as of January 1, 2025	1.675.699	47.772	566.736	24.549	(169.534)	2.145.222
Adjustment to market value - securities and derivatives				1.985		1.985
Adjustment to cash flow hedge				(4.788)		(4.788)
Exchange rate adjustment to investments abroad				(6.655)		(6.655)
Adjustment to actuarial liabilities				(4.220)		(4.220)
Adjustment to own credit risk				15		15
Capital Increase	21.a	110.300				110.300
Net loss for the year					(279.276)	(279.276)
Legal reserve		-			-	-
Absorption of losses for the period	21.d		(279.276)		279.276	-
Absorption of adjustment for initial adoption of Resolution 4.966			(169.534)		169.534	-
Balances as of December 31, 2025	1.785.999	47.772	117.925	10.886	-	1.962.582
Balances as of June 30, 2025	1.785.999	47.772	533.684	5.266	(169.534)	2.203.187
Adjustment to market value - securities and derivatives				663		663
Cash flow hedge adjustment				4.391		4.391
Foreign currency translation adjustments on investments abroad				478		478
Adjustments to actuarial liabilities				100		100
Own credit risk adjustment				(12)		(12)
Capital Increase						-
Net loss for the year					(246.224)	(246.224)
Legal reserve	21.c	-			-	-
Absorption of losses for the period	21.d		(246.224)		246.224	-
Absorption of the initial adoption adjustment of Resolution 4.966			(169.534)		169.534	-
Interest on equity						-
Balances as of December 31, 2025	1.785.999	47.772	117.925	10.886	-	1.962.582

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

Banco Sumitomo Mitsui Brasileiro S.A.
Statement of Cash Flows
(In thousands of Reals)

	2nd Semester	December 2025
Operating Activities		
Adjusted Net Income	311.792	642.075
Result for the period	(246.224)	(279.276)
Adjustments to Net Income	558.016	921.350
(Increase)/Decrease in financial assets measured at fair value through income (securities and derivative financial instruments)	194.889	327.923
Provision for expected losses linked to credit risk	531.649	785.998
Depreciation and amortization	3.717	4.884
Recognition/(Reversal) of civil, labor and tax provisions	3.421	2.575
Deferred tax (assets)/liabilities	(139.143)	(203.401)
Provision for Income Tax and Social Contribution	(48.358)	3.567
Income from adjustments on court deposits	(10)	(34)
Provision/(Reversal) for staff bonuses	15.030	2.214
Other provisions / (reversals)	(3.179)	(2.375)
Change in Assets and Liabilities	1.799.115	1.907.299
(Increase) / Reduction in Liquidity Interbank Investments	1.288.273	1.915.538
(Increase) / Reduction in Securities and Derivative Financial Instruments (Assets/Liabilities)	20.260	(894.930)
(Increase) / Reduction in Interbank balances (Assets/Liabilities)	107.194	236.285
(Increase) / Reduction in Credit Transactions	(55.855)	260.233
(Increase) / Reduction in Foreign exchange operations	250.064	623.766
(Increase) / Reduction in Trading and brokerage activities (Assets/Liabilities)	20.394	51.702
(Increase) / Reduction in Other Assets	(232.009)	(106.589)
(Reduction) / Increase in Deferred Tax Assets/(Liabilities)	3.825	(205.591)
(Reduction) / Increase in Deposits	(104.263)	(377.509)
(Reduction) / Increase in Open Market funding	97.352	181.352
(Reduction) / Increase in Issuance of debt securities	532.399	407.474
(Reduction) / Increase in Other liabilities	(128.519)	(184.431)
Net cash from or used in operating activities	2.110.907	2.549.374
Income Tax and Social Contribution paid	(4.733)	(98.937)
Net cash flow from (used in) operating activities	2.106.174	2.450.437
Investment activities		
(Acquisition) Disposal of Intangible Assets	(877)	(2.335)
(Acquisition) Property and Equipment in Use	(12.040)	(12.931)
(Acquisition) Disposal of investments	-	-
Net Cash from or used in investment activities	(12.917)	(15.266)
Financing activities		
Right-of-use assets (leases)	(11.954)	(11.954)
Lease payments	11.954	11.954
Capital Increase	-	110.300
Payment of interest on equity	-	(133.175)
Foreign borrowings	(1.474.728)	(2.763.254)
Net Cash from or used in financing activities	(1.474.728)	(2.786.129)
Increase / (Reduction) in Cash	618.529	(350.958)
Cash at the Beginning of the Period	7.362	12.172
Cash Equivalents at the Beginning of the Period	174.219	1.138.896
Total cash and cash equivalents at the beginning of the period	181.581	1.151.068
Cash at the End of the Period	19.714	19.714
Cash Equivalents at the End of the Period	780.396	780.396
Total cash and cash equivalents at the end of the period	800.110	800.110
Change in Net Cash and Cash Equivalents for the period	618.529	(350.958)
	0	0

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

Notes to the financial statements

(In Thousands of Reais)

1 Operations

Banco Sumitomo Mitsui Brasileiro S.A. ("Bank") is established as a multiple bank, operating commercial portfolios, including foreign exchange and investment operations, pursuant to Resolution No. 5.237/25 of the National Monetary Council - CMN.

On January 18, 2012, the Bank received authorization from the Central Bank of Brazil to open a branch on the *Cayman Islands*. The documents approving the opening of this branch were issued on January 8, 2013. The Bank effectively initiated its operations at the branch in September 2013. The accounting balances of this foreign branch are included in the Bank's financial statements.

2 Preparation and presentation of financial statements

The financial statements comply with the regulations issued by the National Monetary Council and Central Bank of Brazil, as per CMN Resolution No. 4.818/2020 and BCB Resolution No. 2 of 08/12/2020.

Price assumptions and estimates were used in the preparation of these financial statements for purposes of recording and determining the amounts of assets and liabilities. Accordingly, upon the actual financial settlement of these assets and liabilities, the results earned could be different from the estimates. As provided for in CMN Resolution No. 4.966/2021, the balances for comparison to previous periods are not presented.

The accounting pronouncements which have already been approved by the Central Bank of Brazil are:

CMN Resolution No. 3.823/09 - Provisions, contingent liabilities and contingent assets (CPC 25)

CMN Resolution No. 3.989/11 - Share-based payments (CPC 10 R1)

CMN Resolution No. 4.524/16 - Effects of changes in foreign exchange rates and translation of financial statements (CPC 02)

CMN Resolution No. 4.534/16 - Intangible Assets (CPC 04 R1)

CMN Resolution No. 4.535/16 -Property, Plant and Equipment (CPC 27)

CMN Resolution No. 4.818/20 - Individual and Consolidated Financial Statements, Cash Flow Statements, Disclosure about related parties, Subsequent events and Earnings per Share (CPC 03 R2, CPC 05 R1, CPC 24 and CPC 41)

CMN Resolution No. 4.877/20 - Employee benefits (CPC 33 R1)

CMN Resolution No. 4.924/21 -Accounting recognition, measurement, bookkeeping and evidencing (CPC 00 R2, CPC 01 R1, CPC 23, CPC 46 and CPC 47)

Key standards and interpretations that entered into force in 2025

CMN Resolution No. 4.966/2021 – Establishes the accounting procedures applicable to the classification, recognition and measurement of financial instruments by financial

institutions. The impacts from its adoption are shown in the balances of 2025 and in note 4.

This standard, which became effective on January 1, 2025, establishes new concepts and accounting criteria to be followed by financial institutions and other institutions authorized to operate by the Central Bank of Brazil. Its provisions cover:

- Classification, measurement, recognition and write-off of financial instruments;
- Creation of a provision for expected losses associated with the credit risk of certain financial instruments;
- Designation and accounting recognition of hedging relationships (hedge accounting); and
- Disclosure of information on financial instruments.

The effects of adjustments resulting from the application of the new accounting criteria established by CMN Resolution No. 4.966/21 were recorded against the accumulated profits or losses account at the net value of tax effects.

CMN Resolution No. 4.975/2021 – Approves the adoption of CPC 06 (R2), which provides for the recognition, presentation and disclosure of lease transactions by financial institutions, both as lessor and lessee. The impacts from the adoption of this standard will be carried out by SMBCB upon the extension of current lease agreements.

CMN Resolution No. 5.199/2024 – It amended CMN Resolution No. 4.955 to establish the schedule for transition to the adoption of regulatory capital impacts, in line with the recommendations of the Basel Committee. It establishes the addition to capital of the absolute value of the negative adjustment recorded in Shareholders' Equity arising from the application of the new model for provisioning credit risk losses.

Law No. 14.467 of November 16, 2022 - Establishes the tax treatment applicable to losses incurred in the receipt of credits by financial institutions.

Beginning on January 1, 2025, when this law became effective, the Bank started deducting, when determining their taxable profit and the Social Contribution on Net Income (CSLL) tax base, losses incurred in defaulted transactions and in transactions with legal entities under bankruptcy or judicial reorganization proceedings. The law defines specific criteria for the deduction of these losses, including the application of adjustment factors based on the time of default and the nature of the guarantees associated with the credits.

Based on the above, the Bank developed controls to deduct losses in accordance with the new rules, and the impact on the calculation of taxable Profit will be due to the application of the legislation. Allowances overdue for more than 90 days on 12/31/2024 will start to be deducted in January 2026 at the ratio of 1/84 for each month of the calculation period, while any losses incurred (overdue for more than 90 days) as from 01/01/2025 will be deducted through application of the factors provided for in the legislation. Currently, the cases included in the Bank's portfolio are classified as "credits without guarantees or collaterals" whose factors are provided for in Art. 3, V of Law 14.467/2022.

Key standards and interpretations that will become effective in future periods

CMN Resolutions No. 5.100/2023 and 5.146/2024 – They amend the provisions of CMN Resolution No. 4.966/21, establishing new criteria for renegotiated agreements and the effectiveness of the requirements applicable to hedge accounting as from January 1, 2027.

CMN Resolution No. 5.185/2024 – Amends Resolution No. 4.818, of May 29, 2020, which establishes the general criteria for preparation and disclosure of the individual and consolidated financial statements by financial institutions and other entities authorized to operate by the Central Bank of Brazil. This norm provides for the mandatory preparation and disclosure of financial information about sustainability as part of the IFRS consolidated financial statements, with adoption of the following technical pronouncements issued by the Brazilian Sustainability Pronouncements Committee (CBPS):

- CBPS 01 Technical Pronouncement, which provides for the general requirements for disclosure of financial information about sustainability; and
- CBPS 02 Technical Pronouncement, which includes specific requirements for disclosure of risks and opportunities relating to climate change and that might be important for the main users of financial reports.

The preparation and disclosure of the report by leading financial institutions of prudential conglomerates classified in Segment 3 (S3) will be in effect as from 2028.

Supplementary Law No. 214/2025 – Institutes the Tax on Goods and Services (IBS), the Social Contribution on Goods and Services (CBS), and the Selective Tax (IS), and also creates the IBS Management Committee. The tax reform seeks to promote a broad restructuring of the tax law applicable to consumption in Brazil. Beyond simplification, it aims to unify tax legislation, implement a fully non-cumulative taxation system, and also establish taxation based on the destination of consumption. The Bank has been preparing for these changes and studying the impacts they will have on its financial statements. The Law will come into effect in 2026 as a trial year, with no financial impact on the collection of the new taxes.

3 Significant accounting policies

The Bank adopts the following key accounting policies in drawing up its financial statements:

a. Functional currency and presentation currency

The Bank's functional and presentation currency is the Brazilian *Real*.

The functional currency of the operations conducted by the overseas branch (*Cayman*) is the dollar, but for the purpose of presentation in these financial statements, the amount is translated to Brazilian *Reais* at the exchange rate for sale informed by the Central Bank of Brazil as of this same date.

The effect of exchange variation resulting from translation of foreign currency and from financial statements from an investee overseas are recorded in separate shareholders' equity accounts in accordance with CMN Resolution No. 4.524/16.

b. Determination of profit or loss

Revenues and expenses are recognized according to the accrual basis, on a daily *pro rata* basis for financial income and expenses.

Financial income and expenses are calculated based on the exponential method, except those relating to discounted securities, or to transactions abroad, which are calculated using the straight-line method.

Transactions with fixed rates are recorded at redemption amount and revenues and expenses corresponding to the future period are recorded in a reducing account of the respective assets and liabilities. Transactions with variable rates or rates indexed to foreign currencies are updated until the balance sheet date.

c. Cash and cash equivalents

Cash and cash equivalents consist of local currency funds, foreign-currency funds and open market investments maturing in 3 months or less, counting from the investment date and posing insignificant risk of change in fair value. They are used by the Bank to manage its short-term commitments.

d. Financial instruments

I. Initial recognition

Financial instruments are initially recorded on the date of acquisition, origination or issue at the transaction price, calculated according to the regulations in force, in the case of trade receivables without a significant financing component, or at fair value, calculated according to the regulations in force in all other cases.

II. Classification of instruments

The classification of financial assets considers the business model, which defines how the Bank manages its financial instruments to achieve its short-, medium- and long-term economic objectives; and the characteristics of contractual cash flows, with the specific purpose of identifying if the "Solely Payments of Principal and Interest" (SPPJ) criterion is being met.

Financial assets and liabilities

Based on such characteristics, assets are classified as:

- Measured at the amortized cost ("CA");
- Measured at fair value, in other comprehensive income ("VJORA")

- Measured at fair value, in profit or loss (VJR”)

CMN Resolution No. 4.966/21 provides for other possibilities for designating an instrument at fair value under certain conditions (for example, for hedging).

The Bank operates with commercial and investment portfolios and has conducted an analysis of these portfolios with the purpose of identifying the existing business models, as well as the characteristics of the contractual cash flows of these financial assets.

- Loans and discounted securities, financing, as well as advances on foreign exchange contracts and export credit notes, and financial instruments previously held to maturity, are substantially classified at the amortized cost, except for those with cash flow characteristics that indicate that there are important components other than the principal and interest and, therefore, have not met the basic payment arrangement criterion, which are classified as “VJR”;
- Financial instruments previously classified as “available for sale” are classified as VJORA, unless the characteristics of their cash flows indicate that there are important components other than principal and interest;
- Equity instruments previously classified as “available for sale” are classified as VJR, and their variations are recorded in profit or loss for the year;
- Other financial instruments are classified as VJR.

Financial liabilities relating to loan commitments are measured at amortized cost, while those linked to derivative financial instruments, or when fair value designation is applied, are measured at VJR.

e. Derivative financial instruments

The Bank carries out transactions with derivative financial instruments to hedge its operations against variations in market prices and to mitigate currency and interest rate risks posed to its assets and liabilities and cash flows contracted for compatible terms, rates and amounts.

Derivative financial instruments are used as a risk-transfer tool to protect the positions of the banking book and the trading book. In addition, highly liquid derivatives traded on the stock exchange are used, within the strict and periodically reviewed limits, with the purpose of managing trading book exposures.

To manage the ensuing risks, internal limits to global exposures and exposures by portfolios were set. These limits are monitored daily. Considering the possibility of exceeding the limits because of unexpected situations, Management established internal policies which imply immediate definition of conditions for realignment. These risks are monitored by an area independent of the operating areas and are reported daily to senior management.

The mark-to-market methodology of derivative financial instruments was established based on consistent and verifiable criteria that take into account the closing price, or

adjustment price, when applicable, on the calculation day or, in its absence, through pricing models that translate the probable net realization value, or the price of a similar financial instrument, taking into account the payment and maturity, currency or index, and the credit risk associated with the counterparty, at the very least.

f. Financial instruments for hedging

The maintenance of the current criteria in relation to the new hedge accounting requirements provided for in CMN Resolution 4.966/2021 is optional until 2027, and the impacts from its adoption are being analyzed by SMBCB.

Fair value hedge - The fair value adjustment of derivative financial instruments classified in this category, as well as the hedged item, are recorded against revenue or expense accounts in profit or loss for the period.

Cash flow hedge - The effective portion of the fair value adjustment of derivative financial instruments classified in this category is recorded in Shareholders' Equity.

Initial designation

Upon initial designation of the derivative as hedging instrument, the Bank formally documents the relationship between the hedging instruments and the items subject to hedge, including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship, considering traditional calculation methods. The Bank makes an assessment, both at the inception of the hedge relationship, as well as on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the market value of the respective hedged items during the period for which the hedged risk is attributable, and whether the actual results of each hedge are within the range of 80% and 125%.

g. Expected credit risk losses

These operations are classified according to Management's assessment of risk level, in accordance with the Bank's policy, which considers economic conditions, experience and specific risks of each operation, its debtors and guarantors, according to the parameters established by CMN Resolution No. 4.966/21. This procedure requires a periodic analysis of the financial assets that must be separated in the portfolios C1 to C5, according to their characteristic, and their classification into "3" levels, from "1" (minimum risk) to "3" (maximum risk). In addition, to the parameters established in said Resolution, the Bank also makes an additional provision based on an internal methodology prepared by its parent company, Sumitomo Mitsui Banking Corporation.

The Bank has established policies and procedures for granting credit, approved by the Credit Committee and incorporated into the Bank's internal control systems. These policies and procedures determine the need for assessing clients' data to define the client's "Obligor Grade" - "grading", considering qualitative and quantitative aspects.

Renegotiated transactions are held at the same level they were classified in or higher. Renegotiations of credit transactions which had already been written off against the provision and were held in offsetting accounts are classified in stage "3", and any gains deriving from the renegotiation shall only be recognized as revenue when effectively received. When there is significant amortization of the transaction, or when new

significant facts justify a change in the level of risk, the transaction may be reclassified to the lowest-risk category.

The Bank records a provision for financial guarantees provided and undrawn credit commitments, using these same policies as criteria, whilst observing at least the assumptions established in Resolution No. 4.966/21, taking into account the economic outlook, past experience and specific risks posed by each operation and its debtors, as mentioned above.

Recognition of provision for expected losses linked to credit risk of the following financial instruments:

Earnings from credit transactions overdue for more than 90 days, regardless of their risk level, are only recognized in revenues when they are received.

Additionally, the Bank sets up a provision for incurred losses applicable to defaulted financial assets based on minimum percentages, considering the number of months in arrears, counted from the month of default, and according to the classification of these financial assets per type, and “C1” (lower risk) and “C5” (higher risk) guarantee.

Scope of application

The assessment model for creation of expected losses associated with credit risk of financial assets considers a broader scope of application, according to the model currently used.

In this regard, financial assets classified in the “Amortized Cost” categories, as well as the exposure to financial guarantees provided and other credit risk exposures recorded in control accounts, are now eligible for creation of a provision for expected losses associated with credit risk.

Methodology for Calculation of the Provision for Expected Losses Linked to Credit Risk

The measurement of the provision was considered as the basis for calculation of the gross book value of financial assets.

The provision for expected losses associated with credit risk was based on the expectation of credit losses arising over the useful life of the asset (expected loss over its life, or Life PE), where there has been no significant increase in credit risk since its origination, in which case the provision will be based on the expectation of losses in the next 12 months (12-month PE).

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

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

The Bank established a policy of assessing, at the end of each financial reporting period, whether the credit risk of a financial instrument has increased significantly since its initial

recognition, considering the change in the risk of default over the remaining life of the financial instrument.

Classification of financial instruments by stages

Based on the process above, the Bank distributed its financial instruments into stages (first, second and third stage) as described below:

First stage: when financial instruments do not have a significant increase in risk since their initial recognition, or when the transactions have shown an improvement in credit risk and are reclassified from the second stage.

The provision should correspond to the estimated loss calculated by the Bank, considering the probability that the financial instrument is characterized as a financial asset with credit recovery problems in the next twelve (12) months or during the estimated term of the instrument, when this is lower than twelve (12) months;

Second stage: when a financial instrument shows a significant increase in credit risk since its origination; the second stage will also include transactions with an improvement in their credit risk which were reclassified from the third stage.

The provision should correspond to the estimated loss calculated by the Bank, considering the probability that the financial instrument is characterized as a financial asset with credit recovery problems throughout the whole estimated term of the financial instrument.

Third stage: financial instruments regarded as having credit recovery problems ("problem assets").

The provision should correspond to the estimated loss calculated by the Bank, considering that the instrument is characterized as an asset with credit recovery problems.

Methodology for estimating losses linked to credit risk

The Bank calculated the expected losses linked to credit risk by measuring the expected cash shortfall discounted at present value. A cash shortfall is the difference between the cash flows due to an entity under the transaction contract, and the cash flows that the entity expects to receive.

The mechanisms for calculating expected losses are described below, and their main elements are:

- Probability of default (PD): this is an estimate of the probability of default over a certain time horizon.
- Exposure at default (EAD): this is an estimate of the exposure on the future date of default, considering expected changes in exposure after the base date of the financial statements, including principal and interest payments, use of limits and interest calculated on payments not made.
- Loss given default (LGD): this is an estimate of the loss arising in case of default occurring at a certain point in time. It is based on the difference between the contractual

cash flows due and the flows that the entity expects to receive, including those resulting from the realization of guarantees. It is usually expressed as a percentage of EAD.

- Discount rate: this is the rate applied to the estimated future cash flows during the expected life of the asset, equal to the present net value of the financial instrument at its book value.

The maximum period for which credit losses are determined is the contractual term of the financial instrument, unless the Bank has the legal right to settle it in advance.

h. Other assets

These are stated at cost plus, when applicable, income and monetary variations earned, less the corresponding provisions for losses or adjustments to realization value.

i. Property and equipment

Property and equipment are stated at acquisition cost, less accumulated depreciation, calculated through to the closing period. Depreciation is calculated using the straight-line method at annual rates which reflect the estimated useful lives of the assets. The main annual depreciation rates are 20% for vehicles and data processing equipment, and 10% for other assets.

In compliance with Resolution No. 4.535 of the National Monetary Council (CMN), of November 24, 2016, new property and equipment will be recognized at cost, which comprises acquisition or construction price in cash, plus any import taxes and non-recoverable taxes on the purchase, other directly attributable costs required to bring the asset to its operating location and condition, and an initial estimate of the costs of dismantling and removing the asset and restoring the location in which it is located. Furthermore, depreciation will correspond to the depreciable amount divided by the asset's useful life, calculated on a straight-line basis the asset is available for use and recognized monthly against a specific operating expense account. Useful life is the period during which the Bank expects to use the asset.

j. Intangible assets

Intangible assets consist of expenses incurred with the acquisition and development of systems, being amortized on a straight-line basis at an annual rate of 20%, and leasehold improvements are stated at the cost of acquisition or formation, less accumulated amortization calculated up to the period-closing date, amortized over the lease term.

In compliance with Resolution No. 4.534 of the National Monetary Council (CMN), of November 24, 2016, new intangible assets will be recognized at cost, which comprises acquisition price or development cost in cash, plus any import taxes and non-recoverable taxes, and other directly attributable costs required for preparing the asset for the proposed purpose. Amortization will be recognized monthly over the estimated useful life of the asset, against a specific operating expense account. Useful life is the period of time during which the Bank expects to use the asset. Intangible assets characterized as having an indefinite useful life are not amortizable.

k. Impairment of non-monetary assets

Pursuant to CMN Resolution No. 4.924/21, approving the adoption of Technical Pronouncement CPC 01, which provides for the procedures applicable to the recognition, measurement and disclosure of impairment losses, establishing the following criteria:

An impairment loss is recognized if the carrying value of an asset or its cash generating unit exceeds its recoverable value. A cash generating unit is the smallest identifiable group of assets that generates cash flows with substantial independence from the other assets and groups. Impairment losses are recognized in the statement of income for the period in which they were observed. Non-financial assets, except tax credits, are reviewed at least annually to check for any signs of impairment.

l. Monetary restatement of rights and liabilities

Rights and obligations legally or contractually subject to exchange rate or index variations are monetarily restated through by the balance sheet date. Contra-entries for these monetary restatements are recognized directly in profit or loss for the period.

m. Deposits

Deposits are stated at the amounts of liabilities and consists of charges incurred up to the balance sheet date, recognized on a pro rata die basis.

n. Contingent assets and liabilities and legal obligations

The recognition, measurement and disclosure of contingent assets and liabilities and legal obligations (tax and social security) are performed in accordance with the criteria set by National Monetary Council (CMN) Resolution No. 3.823/09, which approved CPC 25 issued by the Accounting Pronouncements Committee (CPC). The criteria used by Management for the measurement and disclosure of contingent assets and liabilities are:

- **Contingent assets** – Not recognized in the financial statements unless evidence exists that provides a guarantee of their realization.
- **Contingent liabilities** - Recognized in the financial statements when a present obligation exists because of a past event, and according to the legal advisors' and Management's opinion it is probable that an outflow of funds incorporating the economic benefits to settle the obligation and whenever the amounts involved can be reliably estimated.

Provisions for labor, civil and tax contingencies are recognized according to Management's decisions based on legal opinions, given the chances of loss in the case.

- **Legal obligations - Tax and social security** – Consist of legal claims challenging the legality and constitutionality of some taxes and contributions. The amounts disputed are fully recorded in the financial statements and updated in accordance with legislation in force.

Contingent liabilities are disclosed in the notes to the financial statements, unless the likelihood of any disbursement to settle them is remote.

Court deposits are held in an asset account, and updated based on their bank statements, without deducting the provisions for contingent liabilities and legal obligations, in compliance with BACEN rules.

o. Tax income and social contribution

The provision for income tax and social contribution is calculated according to the rate of 15%, plus 10% on taxable income more than R\$240 thousand for the year, adjusted by the additions and exclusions established by law.

The current rate of social contribution on net income is 20% according to Law No. 7.689/1988.

Tax credits are recognized according to the provisions included in Resolution No. 4.842 of July 30, 2020, issued by the National Monetary Council. Under those resolutions, to record and maintain in the books the tax credits arising from income and social contribution tax losses, negative social contribution base and those arising from temporary differences, the entity must cumulatively fulfill the following conditions:

Report a history of taxable income or revenues for income and social contribution tax purposes in at least three of the last five fiscal years, including the current year;

Future taxable income is expected to be generated for income and social contribution tax purposes in subsequent periods, according to technical studies which allow the realization of the tax credit over a maximum period of ten years.

Tax credits on temporary differences were calculated at the rate of 25% for income tax and 20% for social contribution.

p. Employee Benefit Plan

The post-employment benefit plan comprises the commitment made by the Bank to supplement the benefits of private pension plan system.

Defined Benefit Plan

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

CVM Resolution No. 695, of December 13, 2012, approved CPC Technical Pronouncement No. 33 (R1), which addresses the matter of employee benefits, in accordance with the amendments to International Accounting Standards IAS 19. CPC Technical Pronouncement 33 (R1) established essential changes in recording and disclosure of employee benefits, such as removal of the corridor mechanism for recognizing the plan's liabilities, and changes in the criterion for recognizing the plans' assets (appreciations and devaluations). The adoption of the Pronouncement applies to years started as from January 1, 2015, and the effects are recorded retrospectively in the books, as changes in accounting practices.

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

On December 25, 2015, the Central Bank issued CMN Resolution No. 4.877/2020 stating that financial institutions should comply with CPC Technical Pronouncement 33 (R1) as from January 1, 2016.

The Bank has adopted the assumptions and effects of CPC 33 (R1) since 2013.

q. Accounting estimates

The preparation of individual and consolidated financial statements in accordance with accounting practices adopted in Brazil that apply to financial institutions licensed to operate by Bacen requires that Management use its judgment in determining and recording accounting estimates. Significant assets and liabilities subject to these estimates and assumptions include the provision for credit risk losses, deferred income tax assets, provision for contingencies and valuation of derivative financial instruments and hedging structure. The settlement of transactions involving these estimates may result in significantly different amounts due to the lack of accuracy inherent to the process of their determination. Estimates and assumptions are reviewed at least quarterly.

r. Non-recurring income

Non-recurring income embraces revenue and expenses from administrative acts and facts that are unusual or unlikely to occur in consecutive years.

s. Fair value measurement

The fair values of financial assets and liabilities are determined based on market prices or prices quoted by market agents for financial instruments traded in active markets. For other financial instruments, the fair value is determined by valuation methods. Valuation methods include net present value methods, discounted cash flow methods, comparison with similar instruments for which there are observable prices and valuation models in the market. The Bank uses widely recognized valuation models in most of its products to determine the fair value of financial instruments, relying on observable market data.

- Level 1 - Securities acquired for active and frequent trading. They are marketed-to-market, have high liquidity and their prices are available in the market. This category includes available-for-sale (VJORA) securities and stock futures.

- Level 2 - Pricing information is not available for an active market but is priced by using prices quoted for similar instruments or by pricing techniques using observable data in the market. The category includes SWAPs, NDFs and Debentures, in which the methodology used is the "mark to model," where inputs are collected on the market.

- Level 3 - Pricing of assets where data is not available on the market. In accordance with best market practices, the fair value of certain products such as Financial Bills is calculated through Credit Spread to incorporate the issuer's credit risk in the asset's price.

t. Effective interest rate

The calculation of the effective interest rate on financial instruments considers adjustments at the initial recognition, according to the type of asset or liability. For financial assets, directly attributable transaction costs are added, while amounts received upon acquisition are deducted. For liabilities, the costs are deducted and the payments made are added.

These costs include, for example, fees received upon origination, credit assessment fees, collateral registration costs, processing of documents, commissions to agents, and other amounts directly related to the transaction. A detailed analysis of these items is available in the Bank's internal policies.

The effective rate equals the present value of future cash flows to the gross book value of the instrument. The complete methodology for calculation of the effective interest rate is mandatory for securities and financial liabilities, as provided in Art. 72 of BCB Resolution No. 352/2023.

For transactions classified as amortized cost, a different methodology is used, with a proportional appropriation of revenues and expenses, considering the original contractual rate. Transaction costs are recognized linearly throughout the contractual revenues. This differentiated methodology is optional for credit transactions and other transactions with characteristics of credit granting, according to Art. 75 of said resolution.

Events such as default, restructuring or early settlement require specific adjustments. In the case of assets with credit problems, the recognition of revenues is interrupted. Regarding restructurings, the non-appropriate amounts of the original transaction are written off, and the contractual rate is applied to new flows. For early settlements, the transaction costs are written off proportionally, regardless of the methodology used.

u. Leases

At the beginning of a contract, the Bank assesses whether the contract is or contains a lease.

A contract is or contains a lease if it transfers the right to control the use of an identified asset for a period in exchange for consideration.

As lessee

The Bank is a lessee of real estate assets (underlying assets) used in the conduct of its business activities. Initial recognition occurs upon execution of the contract, under "Lease liabilities," corresponding to the total of future payments discounted to present value, with a corresponding entry to "Right-of-use assets," which are depreciated on a straight-line basis over the lease term and tested annually for potential impairment losses.

Leases of low-value assets and short-term leases

The Bank has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including printers, vending machines, and coffee machines. The Bank recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4. Transition for adoption of new standards

Differences in the book values of financial assets and liabilities arising from the adoption of CMN Resolution No. 4.966/2021 were recognized in Shareholders' Equity in "Retained Earnings," net of taxes, on January 1, 2025, and reclassified to "Statutory Reserve" on 12/31/2025. Thus, the changes in accounting practices were applied prospectively.

The effects of the initial adoption are shown below:

CMN Resolution No. 4.966/2021

Changes the classification and measurement of financial instruments and introduces the expected losses model.

(i) Provision for Expected Losses

Expected losses were calculated in three stages, with minimum levels defined by the Central Bank.

a) Shareholders' Equity at the transition to CMN Resolution No. 4.966/2021 as of January 1, 2025:

Shareholders' Equity on 12/31/2024	2,314,756
CMN Resolution No. 4.966/2021 – Financial Instruments	
Provision for losses	(308,206)
Tax effects of adjustments	138,672
Shareholders' equity according to CMN Resolution No. 4.966/2021 on 01/01/2025	2,145,222

b) Balance of provision for expected losses due to impairment upon the transition to CMN Resolution No. 4.966/2021 on January 1, 2025:

Balances of provision for expected losses disclosed	
Provision for credit portfolio	(5,902)
Provision for guarantees provided	(128,548)
Provision for honored guarantees	(79,936)
Provision for other risks	(3,985)
Total provision for losses as of 12/31/2024	(218,371)
Effects of the transition to CMN Resolution No. 4.966/2021	
Provision for credit portfolio	(4,463)
Provision for guarantees provided	(267,097)
Provision for honored guarantees	(228,022)
Provision for securities	(3,440)
Provision for other receivables	(23,555)
Total provision for expected losses in accordance with CMN Resolution No. 4.966 as of 01/01/2025	(526,577)

5. Cash and Cash Equivalents

The financial assets mentioned below are measured at the amortized cost:

	December/2025
Cash	19,714
(*) Investments in interbank deposits	780,396
Interbank deposit investments	525,086
Investments in foreign currencies	255,310
Total cash and cash equivalents	800,110

(*) Refer to operations with an original term lower than 90 days.

6 Interbank liquidity investments

Investments in the open market as of December 31, 2025, mentioned below are measured at the amortized cost:

	December/2025			
	Up to 3 months	3 to 12 months	Over 12 months	Total
Open market investments	-	300,163	(106)	300,057
Banking book position	-	300,163	(106)	300,057
National Treasury Notes – B Series	-	300,163	-	300,163
(-) Provision for expected losses linked to credit risk	-	-	(106)	(106)
Interbank deposits	525,086	401,795	297,723	1,224,604
investments				
Unrelated parties	525,086	401,962	296,959	1,224,007
(+/-) Fair Value Hedge Adjustment	-	(167)	2,853	2,686
(-) Provision for expected losses linked to credit risk	-	-	(2,089)	(2,089)
Foreign currency investments	255,310	-	-	255,310
Total	780,396	701,958	297,617	1,779,971

7 Securities

It is not the Bank's strategy to acquire securities for the purpose of actively and frequently trading them. The amount presented in multi-market fund shares consists of the Bank's investments in the exclusive investment fund SMBCB Onshore Fundo de Investimento Multimercado Investimento no Exterior ("SMBCB Onshore"). See below further details of the securities portfolio as of December 31, 2025:

1. Breakdown of the portfolio by category

Financial assets measured at amortized cost

	December/2025
	Cost Value
Commercial Paper	611,520
Debentures	617,658
(-) Provision for expected losses linked to credit risk	(469,057)
Total	760,121

Financial assets measured at fair value through other comprehensive income

	December/2025		
	Cost Value	Fair Value	Unrealized gains/losses
Own portfolio			
National Treasury Bonds	1,576,285	1,595,663	1,332
Private equity fund shares – FIP Brasil Sustentabilidade	648	109	(539)
Linked to provision of guarantees			
National Treasury Bonds	1,576,182	1,577,977	1,794
Total	3,153,115	3,173,749	2,587

2. Breakdown of the portfolio by maturity

Financial assets measured at amortized cost

	December/2025			Total
	Up to 3 months	From 3 to 12 months	Over 12 months	
Commercial Paper	-	-	611,520	611,520
Debentures	-	-	617,658	617,658
(-) Provision for expected losses linked to credit risk	-	-	(469,057)	(469,057)
	-	-	760,121	760,121

Financial assets measured at fair value through other comprehensive income

	December/2025				Total
	No maturity	Up to 3 months	From 3 to 12 months	Over 12 months	
Own portfolio					
National Treasury Bonds	-	260,500	-	1,335,163	1,595,663
Private equity fund shares – FIP Brasil Sustentabilidade	109	-	-	-	109
Linked to provision of guarantees					
National Treasury Bonds	-	-	-	1,577,977	1,577,977
Total	109	260,500	-	2,913,140	3,173,749

Financial assets measured at fair value through profit or loss

	December/2025	
	No maturity	Total
Multimarket fund shares – SMBCB Onshore	341,019	341,019
Total	341,019	341,019

Financial assets included in the Bank's portfolio and measured at fair value through other comprehensive income have their adjustment to market value recorded in "Adjustment to market value – securities and derivatives" in shareholders' equity accounts, net of taxes, in the amount of R\$1,434 on December 31, 2025.

The market value of securities is calculated according to market price quotes or quotes from market agents, and pricing models developed by management. Such models use mathematical rate interpolation models for intermediate terms.

The market value of marketable securities is calculated in the following manner:

- **Securities bearing interest at SELIC (Central Bank Overnight Rate) and DI (Interbank Deposit) rates** – The market value is calculated by applying the SELIC rate accrued over the period to the issue price per unit, considering the market premium or discount. The premium or discount is obtained daily according to the expectations of ANBIMA – Brazilian Financial and Capital Markets Association for each maturity on the day before the calculation.
- **Securities bearing interest at fixed rates** – The market value is obtained by applying a discount rate to the securities' future flow of payments. The rate is calculated according to the fixed rate curve of B3 S.A. – Brasil, Bolsa, Balcão, plus the counterparty risk for private securities.

- **Investment fund shares** – The investment fund is valued according to the last value of the share disclosed as of the fund's balance sheet date by the manager.

Government securities are issued in book-entry form and registered with the Special Settlement and Custody System of the Central Bank of Brazil (SELIC).

The fund shares, debentures and commercial paper are registered and held in custody at B3 S.A. – Brasil, Bolsa, Balcão on the stock and over-the-counter markets.

8 Derivative financial instruments

Derivative financial instruments consist of Swap and Non-Deliverable Forward – NDF transactions and transactions with futures, being held in custody at B3 SA – Brasil, Bolsa, Balcão on the stock and over-the-counter markets.

Below are the derivative financial instruments explained above, recorded in balance sheet and memorandum accounts as of December 31, 2025:

ASSET POSITION	December/2025		
	Curve Value	Market value	Notional amount of the contract
SWAP			
PRE x DOLLAR	114,048	115,985	690,168
CDI x DOLLAR	34,777	45,429	973,482
PRE x YEN	3,395	3,152	34,970
CDI x YEN	20,445	20,850	166,552
PRE x SOFR	424	46,787	1,061,831
	173,089	232,203	2,927,003
NDF			
PRE x DOLLAR	13,013	13,711	562,732
DOLLAR x PRE	22,347	36,956	1,141,015
PRE x YEN	18,385	18,423	90,870
	53,745	69,090	1,794,617
Foreign Exchange			
Exchange – purchased to be settled	5,192	884	365,688
Rights on Exchange sales	74,794	82,015	1,922,188
	79,986	82,899	2,287,876
Credit valuation adjustment			
CVA	-	(749)	-
	-	(749)	-
Hedge Accounting			
(+/-) Fair Value Adjustment	-	(6,114)	-
	-	(6,114)	-
Total	306,820	377,329	7,009,496

December/2025

LIABILITY POSITION	Curve Value	Market value	Notional amount of the contract
SWAP			
CDI x DOLLAR	88,528	74,062	980,809
CDI x YEN	2,243	1,507	63,581
YEN x CDI	331,971	362,252	1,837,412
PRE x SOFR	367	42,128	1,061,831
	423.109	479.949	3.943.633
NDF			
PRE x DOLLAR	10,225	8,146	580,670
DOLLAR x PRE	21,005	21,030	472,389
YEN x PRE	1,446	1,381	7,233
	32,676	30,557	1,060,292
Foreign Exchange			
Exchange – purchased to be settled	131,474	136,634	2,144,075
Rights on Exchange sales	33,574	11,267	586,137
	165,048	147,901	2,730,212
Debit valuation adjustment			
DVA	-	(28)	-
	-	(28)	-
	-	-	-
Hedge Accounting		(597)	
(+/-) Fair Value Adjustment		(597)	
Total	620.833	657.782	7.734.137

1. Breakdown of nominal value by maturity

	December/2025			
	Up to 3 months	From 3 months to 12 months	Over 12 months	Total
SWAP Transactions				
PRE x DOLLAR	-	690,168	-	-
CDI x DOLLAR	-	400,000	1,554,291	-
PRE x YEN	34,970	-	-	34,970
CDI x YEN	30,000	200,134	-	30,000
YEN x CDI	220,210	51,468	1,565,734	1,837,412
PRE x SOFR	-	-	2,123,661	2,123,661
	285,180	1,341,770	5,243,686	6,870,636
NDF Transactions				
PRE x DOLLAR	818,605	324,797	-	1,143,402
DOLLAR x PRE	726,271	588,294	298,838	1,613,403
PRE x YEN	20,199	70,672	-	90,871
YEN x PRE	3,364	3,869	-	7,233
	1,568,439	987,632	298,838	2,854,909
Foreign Exchange				
Exchange – purchased to be settled	1,305,134	1,176,105	28,524	2,509,763
Rights on foreign exchange sales	1,305,755	1,174,045	28,524	2,508,324
	2,610,889	2,350,150	57,048	5,018,087
Total	4,464,508	4,679,552	5,599,572	14,743,632

2. Breakdown of nominal value by trading venue

	December/2025		Nominal value
	Stock market	Over the counter	
Swaps	1,837,412	5,033,225	6,870,637
NDF	496,563	2,358,345	2,854,908
Foreign Exchange	-	-	5,018,087
Total	2,333,975	7,391,570	14,743,632

3. Comparison between curve value and market value

Daily adjustments to futures market transactions, as well as the result of SWAP and NDF contracts, are recorded in revenue or expense when earned and represent their current market value.

Futures - B3 S.A. – Brasil, Bolsa, Balcão

	December/2025			
	Reference value (accounting)			
	Up to 3 months	3 to 12 months	Over 12 months	Total
FUTURES -				
Reference value				
Purchase				
Currency Coupon	702,191	2,144,469	1,691,095	4,537,755
Foreign currency	53,941	-	-	53,941
Interest rate	165,218	446,272	450,074	1,061,564
Exchange rate	370,256	-	-	370,256
	1,291,606	2,590,741	2,141,169	6,023,516
Sale				
Currency Coupon	7,970	593,239	148,902	750,111
Interest rate	774,463	-	-	774,463
Exchange rate	298,933	1,526,765	600,366	2,426,064
	8,852			8,852
	1,090,218	2,120,004	749,268	3,959,490
Total	2,381,824	4,710,745	2,890,437	9,983,006

The valuation at market value of derivative financial instruments is determined by discounting futures values at present value according to the interest rate curves obtained by applying a market method mostly based on data disclosed by B3 S.A. – Brasil, Bolsa, Balcão.

The adjustment to market value determined by derivative financial instruments for the period ending December 31, 2025, was (R\$24,166), and registered in profit and loss accounts.

Profit or loss from derivative financial instruments for the period ending December 31, 2025, are directly influenced by the market interest rates prevailing at the time of the transaction, and by the Dollar rate variation. They are presented below:

Derivative financial instruments	Income December/2025
SWAP	(55,094)
NDF	(202,890)
Futures	(507,373)
Foreign Exchange	81,560
Total	(683,797)

4. Hedge accounting

On December 31, 2025, the Bank only carried out transactions with derivative financial instruments to mitigate the effect of exchange variations on foreign currency funding and fixed loan transactions in Brazilian *Reais*. These operations were designated as hedge accounting and were segregated into:

- **Fair Value Hedge** – intended to offset the risks arising from exposure to the variation in the market value of the hedged item. Its appreciations or devaluations are accounted for against revenue or expense accounts in profit or loss for the period.
- **Cash Flow Hedge** – intended to offset changes in estimated future cash flows. Its appreciations or devaluations are accounted for against a separate item in shareholders' equity, less tax effects. The portion identified as ineffective must be recognized in profit or loss. The respective hedged items are marked to market at the balance sheet date.

Foreign currency futures contracts, designated as hedging instruments, were valued at market value, in accordance with BACEN Circular Letter No. 3.082/02.

On December 31, 2025, the Bank analyzed the effectiveness of the transactions below, and it has not identified any ineffective transaction.

4.1 Valuation at market value of derivative financial instruments by maturity and index – Market risk Hedge

Description	Index	Up to 12 months	1 to 3 years	3 to 5 years	December/2025
Futures	Currency Coupon	(635,272)	-	(479,292)	(1,114,564)
Total		(635,272)	-	(479,292)	(1,114,564)

	<u>December/2025</u>
Assets	
Hedged Items	
Investments in interfinancial deposits	
Value updated by agreed conditions	672,826
Adjustment value	2,687
Market value	<u>675,513</u>
Working capital	
Value updated by agreed conditions	409,030
Adjustment value	<u>(1,556)</u>

Market value	407,474
Total market value - Hedged assets	1,082,987
Liabilities	
Hedging instruments	
DI1 Futures	(1,114,564)
Total Market value of hedging instrument	(1,114,564)

Maturity – Market Value					
Description	Index	Up to 12 months	1 to 3 years	3 to 5 years	December/2025
SWAP	JPY x CDI	142,157	907,739	632,876	1,682,772
Foreign Exchange Forwards (outright forwards)	JPY x CDI	855,249	18,817	-	874,066
Funding	JPY x CDI	(9,833)	(19,265)	-	(29,098)
Total		987,573	907,291	632,876	2,527,740

	December/2025
Liabilities	
Hedged Items	
Relending operations	
Value updated by agreed conditions	(2,756,768)
Adjustment value	31,284
Total market value – Hedged liabilities	(2,725,484)

Assets	
Hedged Items	
Advance on foreign exchange contracts	
Amount restated by agreed conditions	26,131
Adjustment amount	(242)
Total Market value – Hedged Assets	25,889

Assets	
Hedging instruments	
Swap	1,682,772
Foreign Exchange	874,066
Total Market value – Hedging instruments	2,556,838

Liabilities	
Hedging instruments	
Funding	(29,098)
Total Market value – Hedging instruments	(29,098)

4.2 Valuation at market value of derivative financial instruments by maturity and index – Cash Flow Hedge

Maturity - Market Value					
Description	Index	Up to 12 months	1 to 3 years	3 to 5 years	December/2025
Futures	Currency Coupon	118,171	62,810	-	180,981

Total	118,171	62,810	-	180,981
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December/2025

Hedged Items

Liabilities

Relending operations

Amount restated by agreed conditions (179,203)

Hedging instruments

Assets

Futures 180,981

Cash flow hedge reserve 9,229

The amount of R\$9,229 on December 31, 2025, recorded in shareholders' equity in item "Cash Flow Hedge Reserve," will be recognized in profit or loss over the term of maturity of the hedged item.

9 Interbank balances

These correspond to interbank foreign transactions of funds obtained abroad to financial institutions in Brazil and abroad (Cayman branch):

	<u>December/2025</u>		
	Gross balance	Expected loss	Net balance
Maturity:			
61 to 90 days	38,262	(16)	38,246
91 to 180 days	103,394	(44)	103,350
Total	141,656	(60)	141,596

The changes in the provision for expected losses linked to credit risk of interbank foreign transactions are described in note 11.

10 Credit Operations

As of December 31, 2025, information on the loan portfolio is summarized as follows:

a. By operation

	<u>December/2025</u>		
	Gross Balance	Expected Loss	Net Balance
CCB	216,915	(30,567)	186,348
Working capital	877,141	(713)	876,428
Foreign currency financing	132	-	132
Export Credit Notes - NCE	31,916	(18)	31,898
Market value adjustment (*)	(1,555)	-	(1,555)
Total loans	1,124,549	(31,298)	1,093,251
Advance on foreign exchange contracts	385,193	(1,057)	384,136
Honored guarantees	871,494	(793,636)	77,858
Total other credit exposures	1,256,687	(794,693)	461,994
Grand total	2,381,236	(825,991)	1,555,245

(*) Considering the market value adjustments of fair value hedged items.

b. By maturity

	December/2025
Maturity	
Up to 30 days	89,055
31 to 60 days	88,053
61 to 90 days	42,681
91 to 180 days	246,342
181 to 360 days	787,870
Over 360 days	211,180
Overdue	
61 to 90 days	9,472
181 to 360 days	51,166
Over 360 days	29,426
Total	1,555,245

The loan operations of the 20 largest debtors on December 31, 2025, represent 96.46% of the credit portfolio, in the amount of R\$1,500,264.

c. Guarantees provided and credit commitments to be released

The Bank recorded a provision for expected credit risk losses on these guarantees and credit commitments to be released. The provisioned amounts are based on the assumptions of Resolution No. 4.966/21 and the total amount of R\$5,830 for the period ended December 31, 2025:

	December/2025		
	Gross Balance	Expected Loss	Net Balance
Related to International Trade in Goods	63,490	(1,722)	61,768
Related to Bids, Auctions, Provision of Services or Delivery of Works	284	-	284
Related to Provision of Goods	84,017	(169)	83,848
Guarantees and sureties in judicial and administrative tax proceedings	557,444	(2,468)	554,976
Other Bank Guarantees	341,223	(297)	340,926
Other Financial Guarantees Provided	784,906	(1,174)	783,732
Total Guarantees Provided	1,831,364	(5,830)	1,825,534
Credit commitments to be released	300,000	(499)	299,501
Total credit commitments to be released	300,000	(499)	299,501
Grand total	2,131,364	(6,329)	2,125,035

d. Exposures segregated by stages

Reconciliation of gross book value, segregated by stages, for credit transactions, securities with credit characteristics, financial guarantees provided and credit commitments to be released:

Stage 1	
Balance at the beginning of the period	5,130,420

Transferred to Stage 2	(105)
Transferred to Stage 3	(28,299)
Recognition / (Reversal) (*)	(1,523,597)
Balance at the end of the period	3,578,419

Stage 2

Balance at the beginning of the period	179,384
Transferred from Stage 1	105
Transferred to Stage 3	(162,902)
Recognition / (Reversal) (*)	2,360
Balance at the end of the period	18,947

Stage 3

Balance at the beginning of the period	684,811
Transferred from Stage 1	28,299
Transferred from Stage 2	162,902
Recognition / (Reversal) (*)	41,019
Balance at the end of the period	917,031

(*) Includes new transactions, settled transactions, and interest accrual on credit transactions and other transactions with characteristics of credit extension.

The amount of unrecognized revenues ("stop accrual") for the assets classified as having credit recovery problems in the period ended December 31, 2025, was R\$4,318.

11 Provision for expected losses

a. Reconciliation of expected loss:

The reconciliation below includes credit transactions, securities with credit-granting features, other assets, financial guarantees provided and credit commitments to be released. Provisions were set up as provided for in CMN Resolution No. 4.966/1.

Stage 1	
Balance on January 1, 2025	18,504
Transfer to Stage 3	(1,125)
Recognition/(Reversal)	(2,124)
Balance in June/2025	15,255
Transfer to Stage 3	(2,085)
Recognition/(Reversal)	(2,362)
Balance in December/2025	10,808
Stage 2	
Balance on January 1, 2025	34,705
Recognition/(Reversal)	(33,305)
Balance in June/2025	1,400
Recognition/(Reversal)	106
Balance in December/2025	1,506
Stage 3	
Balance on January 1, 2025	473,367
Transfer from Stage 1	1,125
Recognition/(Reversal)	289,765

Balance in June/2025	764,257
Transfer from Stage 1	2,085
Recognition/(Reversal)	533,906
Balance in December/2025	1,300,248

b. Net result of provisions and reversals for expected credit losses:

	2nd Half 2025		
	(Reversal)	Recognition	Total
Short-term interbank investments	(1,226)	584	(642)
Securities	20,950	(486,107)	(465,157)
Interbank relending	(9)	2	(7)
Credit transactions	(900)	27,829	26,929
Securities with credit granting features	197,265	(525,736)	(328,471)
Other financial assets	(13,365)	4,530	(8,835)
Financial guarantees provided	350,232	148,749	498,981
Undrawn credit commitments	-	(99)	(99)
Results for the second half of the year	652,731	(1,184,380)	(531,649)

	December/2025		
	(Reversal)	Recognition	Total
Short-term interbank investments	1,680	(1,780)	(100)
Securities	20,950	(486,107)	(465,157)
Interbank relending	41	-	41
Credit transactions	69	(103)	(34)
Securities with credit granting features	247,652	(693,961)	(446,309)
Other financial assets	1,862	(1,911)	(49)
Financial guarantees provided	380,475	(351)	380,124
Undrawn credit commitments	-	(166)	(166)
Result of the year	752,515	(1,538,511)	(785,998)

There were no renegotiations or transactions written off to losses.

c. Methodology for calculation of losses expected from the loans and trade accounts receivables portfolio:

The information below describes how SMBCB has assessed and measured the impairment of its financial assets, as provided for in CMN Resolution No. 4.966/2021.

Classification by stages

SMBCB financial assets are classified in three stages (Stage 1, 2 and 3) based on the evolution of credit risk after the initial recognition:

- **Stage 1:** assets without significant increase in credit risk after the initial recognition – provision based on expected losses for 12 months;
- **Stage 2:** assets with significant increase in credit risk – provision based on expected losses during the asset's life;
- **Stage 3:** assets with objective evidence of credit loss – full provision based on the expected loss during the asset's life.

Criteria for transition between stages

(i) Significant increase in credit risk

SMBCB considers that there was a significant increase in credit risk (Stage 2), when the transaction is overdue for over 30 days, or when there is an increased probability of default (PD) of at least 3 percentage points compared to the initial rating.

(ii) Default and cure events

A transaction is considered “in default” (Stage 3) when it is overdue for over 90 days, or when the client is rated as having a high risk, indicating important financial difficulties. Regarding interfinancial transactions, “default” is failing to pay within intraday contractual terms. The cure event is recognized after 6 consecutive months without payments in arrears.

Measurement of expected losses

The measurement of expected losses considers the following components:

(i) Probability of default (PD):

In-house rating models are used for estimating PD, including quantitative and qualitative data, important external information, such as ratings of foreign agencies, local public information and other market data.

(ii) Loss Given Default (LGD):

LGD is estimated based on net historical losses seen in overdue transactions.

(iii) Exposure at default (EAD):

EAD corresponds to the gross book value of the financial asset.

(iv) Forward-looking information

Expected loss models include macroeconomic variables, particularly, the household indebtedness rate (except for housing credit). Other forward-looking aspects, such as regulatory changes, are monitored, but they were not considered material for purposes of adjusting the models for the period.

12 Other Credits

Transactions are recorded in balance sheet accounts, measured at amortized cost, as follows:

	December/2025
Income receivable on financial guarantees provided	51,082
Securities trading and brokerage	17,426
Others	10,369
(-) Provision for expected losses linked to credit risk	(8,930)
Total	69,947

The change in the provision for losses linked to credit risk of transactions classified in other credits are described in note 11.

13 Current Tax Assets

They are represented by the following amounts:

	December/2025
Advance income tax and social contribution	20,691

Other tax advances	1,410
Total	22,101

14 Property and equipment in use, and intangible assets

On December 31, 2025, this is represented as follows:

a. Property and equipment in use

Description	Rate %	December/2025			Accounting Balance
		Previous balance	(+) Acquisitions/ (-) Write-offs	(-) Accumulated depreciation	
Data processing system	20	9,789	10,061	(5,031)	14,819
Right-of-use of property	20	-	12,993	(1,039)	11,954
Renovation in progress	20	-	1,971	-	1,971
Facilities	10	5,597	-	(5,028)	569
Communication system	10	706	(75)	(257)	374
Furniture and equipment	10	1,587	(413)	(952)	222
Artworks	0	97	-	-	97
Security system	10	341	(26)	(291)	25
Transport system	20	600	-	(600)	-
Total		18,717	24,512	(13,198)	30,031

b. Intangible assets

Description	Annual depreciation rate %	Previous Balance	(+) Acquisitions/ (-) Write-offs	Accumulated Amortization	Accounting Balance
Software	20	21,256	2,335	(15,503)	8,089
Total		21,256	2,335	(15,503)	8,089

15 Deposits and funding in the open market

a. Deposits

	December/2025
Demand deposits	85,945
Term deposits	1,258,282
Total	1,344,227

b. Breakdown of deposits by maturity

	December/2025				Total
	No maturity	Up to 3 months	3 to 12 months	Over 12 months	
Demand deposits	85,945	-	-	-	85,945
Term deposits	-	351,376	420,634	486,272	1,258,282
	85,945	351,376	420,634	486,272	1,344,227

c. Funding in the open market

	December/2025
Third-party portfolio	
National Treasury Bills	18,002

Debentures	73,963
Commercial Promissory Paper	89,387
Total	181,352

16 Funding from issuance of debt securities

Financial Bills raised in 2025 and 2024 and due in 2026 and 2027 are represented as follows:

	Amount issued	December/2025
Financial Letters	550,000	587,866
Total		587,866

17 Lease liabilities

As of December 31, 2025, the company held lease contracts related to the property used for its administrative activities. These leases have a term of five years, with an option to renew at the end of that period.

The lease payments are adjusted annually to reflect the contractually agreed inflation adjustments. The composition of the lease liability balance is presented as follows:

	Bank
Due date	December/2025
05/31/2030	11,954
	11,954
Current	1,477
Non-current	10,477
Total	11,954

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant, and equipment, in accordance with Note 14(a), under the heading "Right-of-use of property".

The lease liability cash flows as of December 31, 2025, are composed as follows, by year of maturity.

	Bank
Due dates	December/2025
2026	2,572
2027	2,706
2028	2,762
2029	2,762
2030	1,152
Total	11,954

Movement in lease liabilities is presented as follows:

	Bank
Balance on January 1st	-
New leases	12,993
Lease principal payments	(1,039)

Total	11,954
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18 Borrowings and interbank funding

Foreign funding is basically performed using credit facilities granted by shareholder Sumitomo Mitsui Banking Corporation, as follows:

a. Foreign borrowings

The balance on December 31, 2025, of JPY 2,871,718, US\$50,568 is made up of financing for exports and imports, with maturities until August 3, 2027, subject to interest rates of up to 3.93% p.a., plus exchange rate variation on these transactions. The balance on December 31, 2025, is R\$379,099.

b. Foreign interbank funding

Foreign interbank funding, on December 31, 2025, corresponds to US\$86,643 and JPY 74,000,675. Such obligations, converted at the official purchase rate at the end of the period, are governed by BCB Resolution No. 278 of 12/31/2022 and are subject to interest rates ranging from 0.73% p.a. to 5.52% p.a., plus exchange rate variation, with maturities up to June 15, 2029. The balance on December 31, 2025, is R\$3,301,990:

	December/2025		Total
	Up to 12 months	Over 12 months	
Obligations for loans abroad	352,419	26,680	379,099
Foreign interbank funding	1,686,639	1,615,351	3,301,990
Total	2,039,058	1,642,031	3,681,089

19 Other Liabilities and Provisions

a. Other Liabilities

	December/2025
Foreign currency obligations	84,056
Trading and intermediation	73,588
Actuarial liabilities (note 25)	28,479
Corporate and Statutory	10,352
Withholding income tax – fixed-income transactions	3,271
Payroll Taxes and Contributions	2,460
PIS/COFINS	1,866
Service Tax - ISS	714
Other	1,600
Total	206,386

b. Provisions

	December/2025		Total
	Current	Non-current	
Provision for personnel expenses	47,522	-	47,522

Provision for general expenses	10,296	-	10,296
Total	57,818	-	57,818

20 Provisions for tax, civil and labor risks

The Bank is a party to tax, civil and labor proceedings. The provision amounts and related court deposits are shown below:

Description	Provision December/ 2025	Court deposits December/ 2025
Legal obligations:		
Demutualization Cetip (a)	127	-
Total	127	-
Provision for risks:		
Civil (b)	20,111	-
Labor (c)	1,969	657
Total	22,207	657

(a) The Bank, following guidance from its external legal advisors, accounted for the amount referring to the portion of the proceeding in progress, which it considers as a probable loss on the demutualization of Cetip shares. The amount as of December 31, 2025, is R\$127. There is also a portion of this proceeding considered to be a remote loss and, in this case, there is no provision, the amount being R\$194 in 2025.

(b) The provision refers primarily to claims related to inflation adjustments on term deposits, where financial disbursement is probable. The updated amount on December 31, 2025, is R\$20,111.

(c) The provision basically 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 based on a decision previously made by the Board or after court decisions. Management, based on the opinion of its legal advisors, believes that the amounts currently provisioned are adequate. The updated amount on December 31, 2025, is R\$1,969.

Changes in provisions and legal obligations

	December/2025			
	Tax	Labor	Civil	Total
Balance on January 1st, 2025	102	2,364	17,166	19,632
Monetary restatement	3	1,961	2,945	4,931
Operating reversals	-	(1,607)	-	(1,607)
Write-offs due to payment	-	(749)	-	(749)
Balance on December 31, 2025	127	1,969	20,111	22,207

According to internal assessment, the Bank has no contingencies classified as a possible loss risk.

21 Shareholders' Equity

a. Share capital

The share capital on December 31, 2025, is represented by common shares, worth R\$1.00 each, distributed as follows:

	<u>December/2025</u>
	Number of shares (thousand)
Sumitomo Mitsui Banking Corporation (Japan) - controlling shareholder	1,785,997
Other shareholders domiciled in Brazil	<u>2</u>
Total	<u>1,785,999</u>

The Special Shareholders' Meeting held on March 7, 2025, and approved by the Central Bank of Brazil on May 14, 2025, resolved to increase the share capital by an amount of R\$110,300 through capitalization of interest on equity.

b. Dividends and Interest in Equity

Corporate legislation and the bylaws state that a minimum of 25% of net income for the year shall be distributed to shareholders as dividends.

c. Legal reserve

The legal reserve is recorded as established in the 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 earnings retained, after the mandatory distributions. In the fiscal year ended 12/31/2025, there was absorption of the loss recognized in the period in the amount of R\$279,276 and absorption of the adjustment arising from the initial adoption of Resolution 4.966 in the amount of R\$169,534. The balance of this reserve on this date is R\$117,925.

22 Income tax and social contribution

a. Tax income and social contribution

On December 31, 2025, income tax and social contribution expenses were as follows:

	<u>December/2025</u>	
	Income tax	Social contribution
Income before income taxes, after profit sharing	(479,111)	(479,111)
Provision for contingent liabilities	4,940	4,940
Provision for expected credit losses	783,616	783,616

Temporary provisions	4,339	4,339
Adjustments to market value	(96,235)	(96,235)
Non-deductible expenses	26,700	11,462
Profits from foreign branch	3,635	3,635
Deductible incurred losses	(232,559)	(232,559)
Other (additions/exclusions)	(87)	(87)
Taxable income	15,238	-
Income tax - 15% (note 3.o)	2,286	-
Additional income tax - 10% (note 3.o)	1,500	-
"Empresa Cidadã" Law	(219)	-
Social contribution – 20% (note 3.o)	-	-
Tax for the period	3,567	-

b. Tax credits

Deferred tax credits on temporary provisions, based on the technical study drawn up, may be realizable within 10 years. The breakdown of the balance of tax credits is detailed in item "d" of this note.

c. Breakdown of deferred tax liabilities

Breakdown of tax liabilities	December/2025
Mark-to-market adjustments	67,622
Social-security plan actuarial adjustment	1,755
DVA adjustment	12
Total	69,389

d. Breakdown of deferred tax assets

Breakdown of deferred tax assets	December/2025
Temporary adjustments on provision for losses (1)	485,921
Temporary adjustments to other provisions	17,463
Mark-to-market adjustments	3,757
Actuarial adjustments	3,089
Temporary adjustments on court provisions	57
Total	510,287

(1) Also includes tax credits recognized as a result of the adoption of CMN Res. 4.966/21, realized on January 1, 2025, in the amount of R\$236,884.

e. Expected realization of tax credits

The estimates on the realization of tax credits were prepared based on the best efforts made by the Bank for the recovery of assets that gave rise to the recognition of deferred taxes. Based on this analysis, there is a high probability of reversal of deferred tax assets in 2026.

Year	Deferred Income Tax	Deferred social contribution	Total (1)	Present Value
2026	71,253	57,003	128,256	112,748
2027	22,076	17,660	39,736	31,053
2028	14,775	11,820	26,595	18,380

2029	132,236	105,789	238,025	144,669
From 2030	43,153	34,522	77,675	36,544
Total	283,493	226,794	510,287	343,394

(1) The amounts presented are not net of tax liabilities, and represent the amounts registered in the company's assets. The amounts of deferred tax assets presented in the company's balance sheet are net of their relevant deferred tax liabilities.

The tax credit amounts were brought to present value by the pre-fixed interest rate curve obtained from B3.

f. Changes in deferred tax credits

The realization of tax credits is occurring in accordance with the amounts estimated in the corresponding study and its assumptions.

	Balance in Jan/2025	(Realizations)/ Additions	Balance in December/2025
Temporary adjustments on provision for losses	98,213	387,708	485,921
Temporary adjustment – other provisions	19,804	(2,341)	17,463
Mark-to-market adjustments	44,926	(41,169)	3,757
Actuarial adjustments	2,791	298	3,089
Adjustments on court provisions	46	11	57
	165,780	344,507	510,287

g. Breakdown of the result related to deferred tax assets:

	December/2025
Temporary adjustments to provision for expected credit risk losses	287,184
Temporary adjustments – other provisions	(2,329)
Temporary adjustments on provision for losses incurred	(38,147)
Mark-to-market adjustments	(43,307)
	203,401

h. Other tax credits

There are also unrecorded tax credits on provisions for civil contingencies whose proceedings refer to inflation adjustment claims. The lawsuits were filed against the bank in 1988 and 1989, and they are suspended due to the importance of the matter with the Federal Supreme Court (STF). Thus, due to uncertainty on the realization within a term of 10 years, tax credits were not set up. Regarding tax credits on actuarial liabilities of health and pension plans, according to our external advisors, the estimated realization of liabilities in the next 10 years is uncertain because the plan is funded. So, the calculation of the proportion does not depend only on the expected realization of the obligation, but also on the realization of equity. For the items mentioned, non-activated tax credits amount to R\$18,776.

23 Income statement

a. Loans operations

	2 nd half 2025	December/2025
Income from loans	61,401	134,148
Income from financing and fund transfers	7,305	22,935
Total	68,706	157,083

b. Income from securities transactions

	2 nd half 2025	December/2025
Income from interbank liquidity investments	136,328	288,774
Income from securities transactions	336,086	637,588
Total	472,414	926,362

c. Result from derivative financial instruments

	2 nd half 2025	December/2025
Revenue from SWAP, Futures and NDFs transactions	2,854,434	5,967,302
Expenses for SWAP, Futures and NDFs transactions	(3,195,550)	(6,732,659)
Total	(341,116)	(765,357)

d. Income from foreign exchange transactions

	2 nd half 2025	December/2025
Revenue from foreign exchange transactions	107,891	297,798
Expenses for foreign exchange transactions	(93,365)	(216,238)
Total	14,526	81,560

e. Market funding expenses

	2 nd half 2025	December/2025
Expenses for Term deposits	(93,459)	(176,389)
Expenses for interbank deposits	(7,490)	(7,671)
Expenses for repo transactions	(7,118)	(7,686)
Expenses for contributions to the Credit Guarantee Fund	(846)	(1,713)
Expenses from issuance of securities	(32,584)	(36,157)
Total	(141,497)	(229,616)

f. Borrowings and interbank operations

	2 nd half 2025	December/2025
Expenses for foreign loans and interbank operations	(42,954)	(52,580)
Total	(42,954)	(52,580)

g. Revenue from provision of services

	2nd half 2025	December/2025
Revenues from fees and services	4,111	10,044
Revenues from business intermediation (see note 21a)	18,486	40,119
Revenue from guarantees provided	16,413	36,558
Total	39,010	86,721

h. Personnel expenses

	2nd half 2025	December/2025
Salaries	(45,467)	(114,429)
Payroll charges	(16,603)	(42,520)
Benefits	(7,546)	13,895
Management Fees	(4,714)	(8,789)
Total	(74,330)	(151,843)

i. Other administrative expenses

	2nd half 2025	December/2025
Rent expenses	(2,053)	(5,191)
Data processing expenses	(13,111)	(27,526)
Expenses for specialized technical services	(6,959)	(11,219)
Communication expenses	(5,576)	(12,360)
Financial System service expenses	(1,293)	(2,848)
Asset maintenance and upkeep expenses	(333)	(688)
Security and surveillance services	(395)	(739)
Transport expenses	(337)	(584)
Material expenses	(113)	(263)
Water, energy and gas expenses	(105)	(239)
Expenses for outsourced services	(301)	(682)
Advertising and marketing expenses	(95)	(225)
Insurance expenses	(91)	(228)
Promotions and public relations expenses	(131)	(252)
Philanthropy contribution expenses	(6)	(6)
Travel expenses	(1,108)	(2,202)
Amortization and depreciation expenses	(2,687)	(3,935)
Other administrative expenses	(1,674)	(2,608)
Total	(36,368)	(71,795)

j. Tax expenses

	2nd half 2025	December/2025
COFINS	(7,912)	(16,925)
ISS	(1,978)	(4,383)
PIS	(1,286)	(2,751)
Other	(110)	(2,261)
Total	(11,286)	(26,320)

k. Other operating revenues / (expenses)

	2nd half 2025	December/2025
Reversal of operating provisions	4,766	10,923

Update of court deposits	10	34
Recovery of charges and expenses	280	543
Exchange variation	154,895	356,252
Other expenses	(821)	(2,564)
Total	159,130	365,189

I. (Provision) / Reversal of provision for contingent liabilities

	2nd half 2025	December/2025
Restatement of contingent liabilities	(3,420)	(4,930)
Total	(3,420)	(4,930)

m. Other non-operating revenues / (expenses)

	2nd half 2025	December/2025
Other non-operating revenues	9	91
Other non-operating expenses	(215)	(215)
Total	(206)	(124)

24 Related-party transactions and balances

a. Transactions with controlling shareholders (direct and indirect)

Balances for transactions with parties related to Sumitomo Mitsui Banking Corporation are as follows:

	Assets / (Liabilities)	Revenues / (Expenses)
	December/2025	December/2025
Cash and cash equivalents - foreign currency deposits	18,385	-
Investments in foreign currency abroad (note 6)	255,310	4,178
Amounts receivable – commission for business intermediation	8,478	18,486
Obligations for loans abroad	(379,099)	5,613
Obligations from foreign funding	(3,301,990)	50,072
Total	(3,398,916)	78,349

b. Compensation for key management personnel

To comply with Resolution No. 4.818/20 and Technical Pronouncement CPC 05 - Disclosure of Related Parties, all members of the Executive Board have been defined as key personnel of this institution.

The global compensation paid to executive officers is distributed in accordance with the Bylaws of Banco Sumitomo Mitsui Brasileiro S.A.

In the most recent statutory reform in April 2025, the maximum global annual compensation of the executive officers was maintained at R\$34 million (salaries).

Short-term benefits to executive officers

	<u>December/2025</u>
Salaries	8,789
Variable compensation	6,085
Contributions to INSS (Social Security Contribution)/FGTS (Unemployment Fund)	4,205
Total	<u>19,079</u>

Post-employment benefits

In accordance with the Pension Fund regulations, executive officers may opt to participate in the supplementary defined-benefit Pension Plan, fully sponsored by Banco Sumitomo Mitsui Brasileiro S.A., under the same conditions as other employees of the Bank (note 24).

The Bank does not grant long-term benefits or share-based compensation to its key Management personnel.

c. Other information

According to CMN Resolution No. 4.693/18, financial institutions can carry out loan operations with related parties, provided they cumulatively meet the conditions established in the items below:

- Except for the cases established in the legislation or specific regulations, loans to related parties can only be made on an arm's-length basis, including in respect of limits, interest rates, grace period, terms, collateral required and risk rating criteria in order to set up a provision for probable losses and write-offs as loss, without additional or special benefits in comparison to loans granted to clients with similar profiles of the respective institutions.
- The balances of direct or indirect loan to related parties should not exceed 10% (ten percent) of shareholders' equity adjusted for accumulated revenues and expenses less equity interests held in institutions authorized to operate by the Central Bank of Brazil and financial institutions abroad, subject to the following maximum individual limits:
 1. 1% (one percent) for transactions with individuals; and
 2. 5% (five percent) for transactions with legal entities.

Directors or officers meeting, at least the following conditions in both counterparties, are considered independent:

I – not having a qualified equity interest as either controlling shareholder, member of the control group or other group with a qualified equity interest and not being a spouse, companion or relative, by blood or otherwise, up to the second degree, of such persons;
II – not being bound by a shareholders' agreement; and

III - not being or having been, in the last three years:

- a) an officer director or member of statutory or contractual bodies, including at affiliates;
- b) an employee, including affiliates;

- c) a spouse, companion or relative, by blood or otherwise, up to the second degree of the parties mentioned in sections “a” and “b”; and
- d) a recipient of compensation except for their work as an independent director or on account of any equity interests.

On December 31, 2025, the Bank had not granted: loans, financing or any other advance to its executive officers or to any of their family members.

Members of the Executive Board do not hold any interest in the capital of the Bank.

25 Post-employment benefits sponsored by the bank

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

The actuarial calculation is updated every six months. The amounts of actuarial liabilities regarding the pension and health plan are recorded in “Actuarial liabilities,” according to note 19.a.

CVM Resolution 695 of December 13, 2015, approved CPC Technical Pronouncement 33 (R1), which addresses the matter of employee benefits, in accordance with International Accounting Standard IAS 19. CPC Technical Pronouncement 33 established essential changes in accounting for and disclosing 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 Pronouncement 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 the full recognition in a liability account of actuarial losses (actuarial deficit) not recognized to date, against a shareholders' 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. In 2019, the plan was transferred to Metlife's management and became a defined contribution “CD” plan.

Description	Retirement Plan	
	December/2025	December/2024
Present value of actuarial obligations	34,312	33,383
Fair value of plan's assets	(26,388)	(28,358)
Net deficit / (surplus) of the plan	7,924	5,025
Adjustments permitted under accounting standards:		
Net actuarial liabilities (assets)	7,924	5,025

Actuarial assumptions:		
Nominal discount rate for actuarial obligation	11.81% p.a.	11.72% p.a.
Estimated nominal salary increase	4.00% p.a.	4.00% p.a.
Estimated rate of nominal benefit increase	0.00% p.a.	0.00% p.a.
Estimated inflation rate	4.00% p.a.	4.00% p.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 disability incidence	Mercer table	Mercer table
Expected turnover rate	Null	Null
Probability of retirement	100% on the date of eligibility for scheduled benefit;	100% on the date of eligibility for scheduled benefit

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:

Present Value of the Obligations	Sensitivity Analysis	
	December/2025	December/2024
Discount Rate: 0.25% decrease	579	578
Discount Rate: 0.25% increase	(560)	(560)

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 coverage in exchange for payment of the respective premiums to the Company's former employees and retired employees, in accordance with Articles 30 and 31 of Law No. 9.656/98. Contributions to the plan were interrupted in December 2017, although there remains a group of employees who are entitled to this coverage, recording the following actuarial liabilities:

Description	Health Plan	
	December/2025	December/2024
Net actuarial liabilities (assets)	20,555	18,460
Total	20,555	18,460
Actuarial assumptions/Actuarial hypotheses		
Nominal discount rate for actuarial obligation	11,31% p.a.	11,68% p.a.
Estimated inflation rate	4,00% p.a.	4,00% p.a.
Biometric Turnover Rate	Until 9 years SVC: $0.5/(\text{Length of Service} + 1)$ From 10 years SVC: $0.075/(\text{Length of Service} + 1)$	
Biometric retirement entry table	55 years	55 years
Biometric table of general mortality	AT-2000 segregated by gender	AT-2000 segregated by gender

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%	Retirement: 100%
Aging Factor	Termination: 100%	Termination: 100%
Family members - Active	3.00% (per year - age)	3.00% (per year - age)
Age difference between holder and spouse	90% Married	90% Married
Family members - Retired	4 years	4 years
	Actual family composition	Actual family composition

26 Operational, market, credit risk management and capital management framework

Operational risk

Operational Risk is defined as the risk of loss arising from deficiencies, failures or inadequacy of internal processes involving people, systems or unexpected external events.

The Operational Risk Management framework is considered a strategic and competitive factor for Banco Sumitomo Mitsui Brasileiro S.A. and is defined in the Bank's Operational Risk Management Policy established and approved by the Bank's Executive Board, at least annually, pursuant to CMN Resolution No. 4.557/17, being directly subordinate to the Chief Risk Officer in Brazil (CRO).

Operational Risk is an important tool for the effective management of the Bank's economic and regulatory capital. The size of the framework is proportional to the risks relating to the complexity of the products offered by the institution, nature of transactions and risk exposure guidelines of the Bank and the companies included in the consolidated financial statements.

The Operational Risk Management of Banco Sumitomo Mitsui Brasileiro S.A. adopts a management method in partnership with the Bank's business areas, therefore leading to a clear view of the respective tactical and strategic roles and responsibilities of the business areas and the Operational Risk Management department, allowing all employees to coordinate and cooperate to reduce operational losses and further improve the Bank's processes and activities.

Under this management model, the Operational Risk Management department is in charge of:

- i. Establishing the structure, policies and tools for managing operational risks;
- ii. Preparing periodic reports;
- iii. Coordinating the operational risk management committees set up by the Bank;
- iv. Consolidating and monitoring operational losses incurred by the Bank;
- v. Establishing strategies aligned with the risk appetite levels established in the RAS;
- vi. Implementing protection mechanisms for information security in order to prevent, detect and reduce vulnerability to cyber-attacks;

vii. Defining business continuity plans that establish procedures and estimated deadlines for the availability and recovery of activities in the event of interruption of critical business processes.

viii. Implementing training for employees to foster the organizational risk culture within SMBC.

Management, in line with its Corporate Governance Policy, recognizes, participates in and shares responsibility for the continuous improvement of this structure, to ensure compliance with the established objectives and goals, and security and quality for the Bank's clients, shareholders and related parties.

Regarding the calculation of capital requirements for Operational Risk, Banco Sumitomo Mitsui Brasileiro S.A. adopted the calculation model based on the Basic Indicator Approach, also known as "BIA."

Information related to the Bank's Operational Risk Management Framework, and Management's responsibility for the published information, is included in a publicly disclosed report available at www.smbcgroup.com.br (unaudited).

Market Risk and Liquidity

Market Risk is the possibility of losses being incurred due to variations in prices, indexes and rates on mismatches of terms, currencies and indexes of the asset and liability portfolios. Banco Sumitomo Mitsui Brasileiro S.A. adopts a highly conservative policy and exposure to market risk factors.

Liquidity Risk is the possibility of the Bank being unable to meet its expected and unexpected obligations, whether current or future, including those resulting from guarantees, without affecting its daily transactions and without sustaining significant losses; and the possibility of the Bank being unable to trade a position at market price, due to its large size in relation to usually traded volume or due to some market discontinuity.

The Market and Liquidity Risk Management framework is a specific unit of the Bank, independent from the business and audit areas, reporting directly to the Bank's Executive Board. It is responsible for managing market, liquidity and credit risks, and ensuring prudent practices and effective techniques of risk control. The size of the framework is proportional to the risks related to the complexity of the products offered by the institution, nature of transactions and risk exposure guidelines of the Bank and the companies whose accounts are included in the consolidated financial statements.

The Market Risk Management policy is based on the daily control of the Bank's market risk positions, on the control of limits for positions, divided into limits for exposure to interest rate and exposure to exchange rates, as well as to Limits/Guidelines for Stop Loss. In addition, stress test reports and regulatory capital information (IRRBB – Regulatory Capital for Interest Rate Risk in the Banking Book and Regulatory Capital for the Trading Book) are produced in accordance with the requirements of the Central Bank of Brazil (Bacen).

The Liquidity Risk Management policy is based on the daily control of Money Gap (the

need for funding within a certain period), liquidity indicators and additional emergency funds for liquidity.

In addition, stress test and regulatory information reports and Liquidity Statements are produced, according to the requirements of the Central Bank of Brazil (Bacen).

The Market and Liquidity Risk Management framework was implemented in accordance with the requirements of CMN Resolution No. 4.557/17 and is approved and reviewed at least annually by the Bank's Management. To ensure the implementation of guidelines and policies in force, Banco Sumitomo Mitsui Brasileiro S.A. has an Asset and Liability Committee (ALCO), which usually meets once a month with the Management members, and extraordinarily whenever necessary. The purposes of said Committee are, among others, to decide on the market and liquidity risk management policy, asset and liability management policy, to ensure compliance with the limits/guidelines for market and liquidity risk, to ensure that the Bank keeps proper and sufficient liquidity levels and to check procedures in the treatment of new products and their risk management framework.

Information related to the Bank's Market and Liquidity Risk Management Framework is included in a publicly disclosed report available at www.smbcgroup.com.br (unaudited).

The Management of Banco Sumitomo Mitsui Brasileiro S.A. is responsible for all disclosed information.

Credit risk

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, arising from the deterioration in the risk rating of the borrower, a decrease in gains or remunerations, the advantages granted in the renegotiation and recovery costs.

Credit Risk is strongly related to other types of risk, such as market and liquidity risks. These types of risks derive, many times, from Credit Risk and may occur concurrently.

The Credit Risk Management framework was implemented in accordance with the requirements of CMN Resolution No. 4.557/17 and is approved and reviewed at least annually by the Bank's Management. The Credit Risk Management framework is a specific unit of the Bank, independent from the business and audit areas, reporting directly to the Bank's Executive Board. The size of the framework is proportional to the risks related to the complexity of the products offered by the institution, nature of transactions and risk exposure guidelines of the Bank and the companies whose accounts are included in the consolidated financial statements.

The Bank's Credit Risk Management framework is implemented to maintain the policies, procedures and systems for monitoring and controlling credit risk according to prevailing laws, therefore ensuring that credit risk be identified, measured, monitored, controlled and reported to Management, so as to allow a proper treatment of risk as one of the vectors of growth and profitability.

The Credit Risk Management framework has policies and strategies which are clearly defined and duly documented and reviewed, establishing operational limits, risk mitigation mechanisms and procedures to keep exposure to credit risk at levels considered acceptable by the Bank's Management.

Information related to the Bank's Credit Risk Management Framework, and Management's responsibility for published information, is included in the publicly disclosed report available at www.smbcgroup.com.br (unaudited).

Capital Management

Capital management is defined as a continuous process of monitoring and controlling the capital held by the Bank; assessing capital needs to face the risks the Bank is subject to; and planning goals and capital needs, considering the Bank's strategic purposes.

The capital management framework was implemented in accordance with the requirements of CMN Resolution No. 4.557/17 and is approved and reviewed at least annually by the Bank's Management. The capital management framework is under the responsibility of the Risk Management Department, independent from the business and audit areas and reports directly to the Bank's Vice-Presidency. The size of the framework is proportional to the risks related to the complexity of the products offered by the Bank, the nature of transactions and risk exposure guidelines of the Bank and the companies forming part of the Prudential Conglomerate. Its objective is to identify and assess all the Bank's significant risks according to policies and strategies to keep the level of the capital compatible with Bank's risk profile.

The main source of information to calculate the regulatory capital is the document CADOC 2061 – DLO Operational Limits Statements, submitted monthly to the Central Bank, which details all the components of the Regulatory Equity, which is the basis for complying with the minimum regulatory capital required by Basel III pronouncements.

To determine the minimum capital required, the total RWA is calculated by summing up the assets weighted by credit, market and operational risks:

$$\text{RWA} = \text{RWAcpad} + \text{RWAm pad} + \text{RWAopad}$$

The total RWA consists of the sum of these duly weighted assets.

In July/2023, BCB Resolution 229 came into force (replacing Circular Letter No. 3.644), in which the Central Bank changed the calculation of assets weighted by credit risk.

Basel Ratio

The Bank complies with the limits established in CMN Resolution No. 2099/94, as amended by CMN Resolutions No. 4.955/21 and 4.958/21 presenting the Equity to Weighted Assets ratio, as follows:

	December/2025
Credit risk (RWAcpad)	4,798,021
Market Risk (RWAm pad)	810,701
Operational Risk (RWAopad)	1,147,655
Risk Weighted Assets (RWA)	6,756,377

Reference Capital Levels I and II (PR)	2,075,060
Required Reference Equity (RWA 8%)	540,510
Margin on the Required Reference Equity	1,534,549
Basel Ratio (IB) - PR/RWA	30.71%

If the Bank needs additional capital, the contingency plan is to increase capital through capital injections by Sumitomo Mitsui Banking Corporation (parent company).

Any relevant incident or problem must be directed immediately to the Bank's Governance Committee, which is the group designated to centralize decisions and define measures to remedy any capital adequacy problems.

In order to adopt a prospective stance and foresee the need for capital, the Bank set up the New Product and Service Committee, with the permanent participation of the Risk Management Department, where the product and/or service is analyzed before being implemented in the Bank.

The Bank does not follow an Internal Capital Adequacy Assessment Process (ICAAP) pursuant to Article 6 of CMN Resolution No. 4,557/2017 as it is not required according to the Bank's segment classification (S3).

The Risk Management Department tracks the portfolio's performance daily and, if there are any discrepancies, communicates them immediately to Senior Management so that the capital adequacy is adequately addressed.

If the scenarios change materially, the Finance division will call on the IRM (Integrated Risk Management) team and instruct it to carry out stress tests under extreme market and economic conditions.

Information related to the Bank's Capital Management Framework is included in the publicly disclosed report available at www.smbcgroup.com.br (unaudited).

The Management of Banco Sumitomo Mitsui Brasileiro S.A. is responsible for all disclosed information.

Fair Value Hierarchy

The following table presents financial instruments measured at Fair Value as of December 31, 2025, classified according to the different levels of the Fair Value hierarchy:

Financial Assets measured at Fair Value	Fair Value in the Result	Fair Value in Other Comprehensive Results	Total	Level 1	Level 2	Total
Securities	341,019	-	341,019	341,019	-	341,019
Securities	-	3,173,749	3,173,749	3,173,640	109	3,173,749

Derivative Financial Instruments	377,329	-	377,329	-	377,329	377,329
	718,348	3,173,749	3,892,097	3,514,659	377,438	3,892,097
Financial Liabilities measured at Fair Value						
Derivative Financial Instruments	657,782	-	657,782	-	657,782	657,782
	657,782	-	657,782	-	657,782	657,782

Fair Value of Financial Instruments Measured at Amortized Cost:

	December/2025	
	Book Value	Fair Value
Financial Assets measured at Amortized Cost		
Interbank liquidity investments (note 6)	1,779,971	1,779,971
Securities (note 7)	760,121	760,121
Deposits with the central bank	1,668	1,668
Interbank transfers (note 9)	141,596	141,596
Credit transactions (note 10)	1,093,251	1,093,251
Honored guarantees (note 10)	77,858	77,858
Advances on foreign exchange contracts (note 10)	384,136	384,136
Other Credits (note 12)	69,947	69,947
	4,308,548	4,308,548
Financial Liabilities measured at Amortized Cost		
Deposits (note 15.a)	(1,344,227)	(1,344,227)
Open market funding (note 15.c)	(181,352)	(181,352)
Obligations for loans abroad (note 18.a)	(379,099)	(379,099)
Obligations for interbank foreign transfers (note 18.b)	(3,301,990)	(3,301,990)
Funds from funds from issuance of securities (note 16)	(587,866)	(587,866)
Lease liabilities (note 17)	(11,954)	(11,954)
	(5,806,488)	(5,806,488)

Metrics Used in Determining the Fair Value of Key Financial Instruments

Investments in interbank deposits: For transactions in this group, the book value was considered a reasonable approximation of fair value, as most of these transactions are short-term.

Financial assets with repurchase agreements: For transactions in this group, the fair value of the collateral was considered.

Securities: Securities classified in the categories of “financial assets measured at fair value through profit or loss” and “financial assets measured at fair value through other comprehensive income” are accounted for at their fair value, based on market data and the use of standardized mark-to-market methodologies, generally relying on the discounted cash flow method.

Loans and finance lease transactions: For credit and lease transactions meeting the above criteria, the carrying amount was considered an appropriate and reasonable approximation of fair value.

Deposits: For term and demand deposits, the book value was considered to approximate fair value.

Issued securities: For instruments at fixed and floating rates, the book value was considered a reasonable approximation of fair value.

27 Recurring and non-recurring results

To classify income between recurring and non-recurring, Banco Sumitomo considers recurring any income obtained from its regular business activities.

Non-recurring results include revenues and expenses arising from administrative events that are unusual or unlikely to occur in consecutive fiscal years.

For the fiscal year ending December 31, 2025, the Bank did not present any amounts that could be classified as non-recurring.

Accountant: Alexandre Hideo Yoda, CRC 1SP/357983