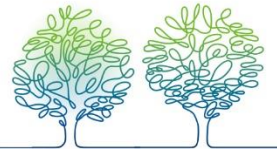


Suruga Bank Ltd.

Highlights of Financial Results for Q1 of FY3/26

August 7, 2025

**スルガ銀行**



## ● FY3/26 Q1 Financial Results – Off to a Steady Start

- Strong performance in new loan originations and other core business activities
- Expenses and actual credit costs are also progressing steadily
- The loan portfolio with a high ratio of floating interest rates also contributed, leading to an expansion in net interest margin

# ■ New Loan Disbursements

あつてよかった 出会えてよかった



New loan originations continued their growth trajectory, with **30%** progress against the full-year plan

(billion yen)

	FY6/24 (A)	FY6/25 (B)	Growth rate (B-A) /(A)	FY3/26	
				Full-year plan (C)	Progress (B)/(C)
Solutions business	16.1	22.6	39%	62.0	36%
Investment real estate loans	20.7	28.7	38%	75.0	38%
Structured finance	19.1	24.5	28%	75.0	32%
Collaboration loans, etc.	11.1	11.6	3%	76.0	15%
<b>Total</b>	<b>67.2</b>	<b>87.5</b>	<b>30%</b>	<b>288.0</b>	<b>30%</b>

※New loan disbursements (acquired) by portfolio area since mid-term business plan 'Re:Start 2025'

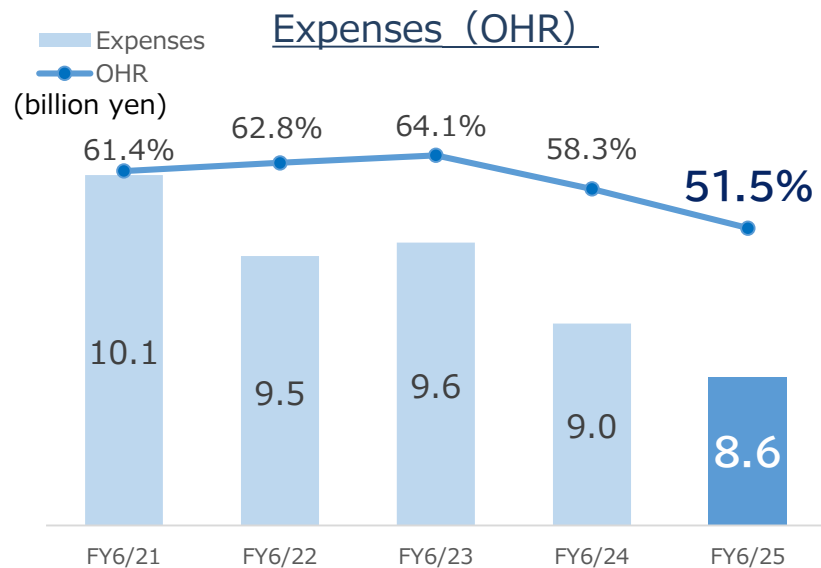
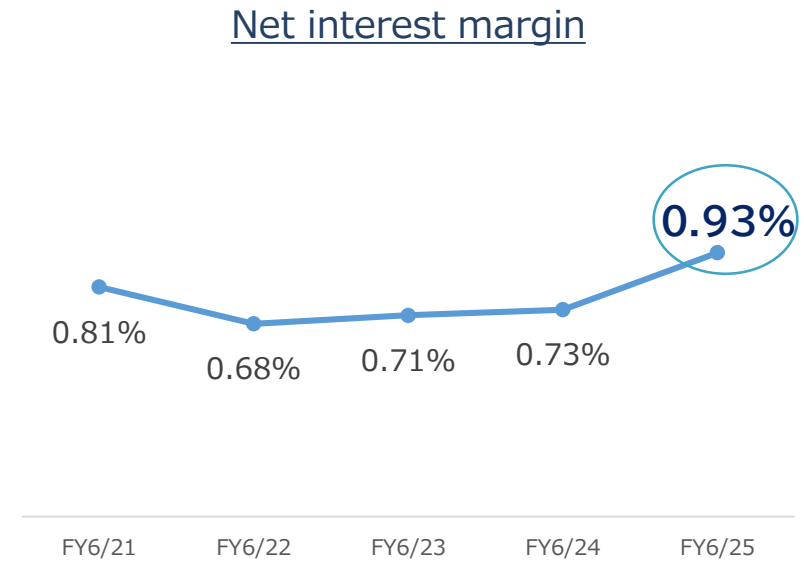
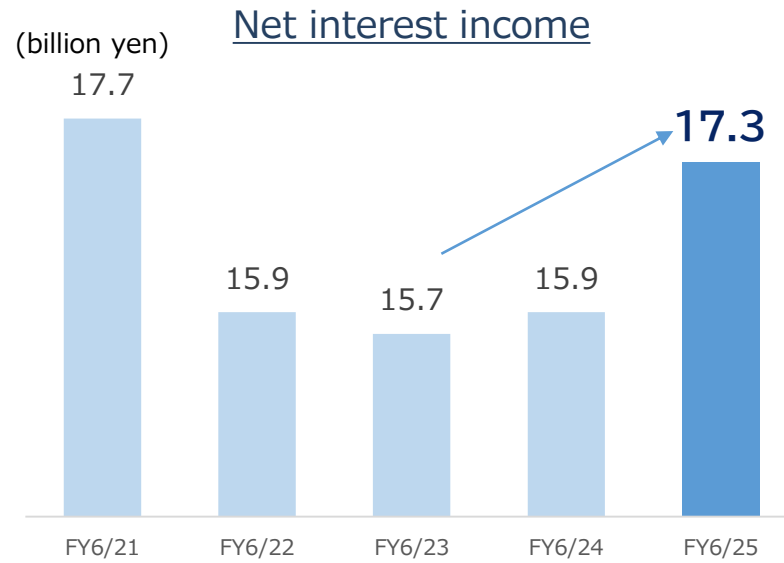
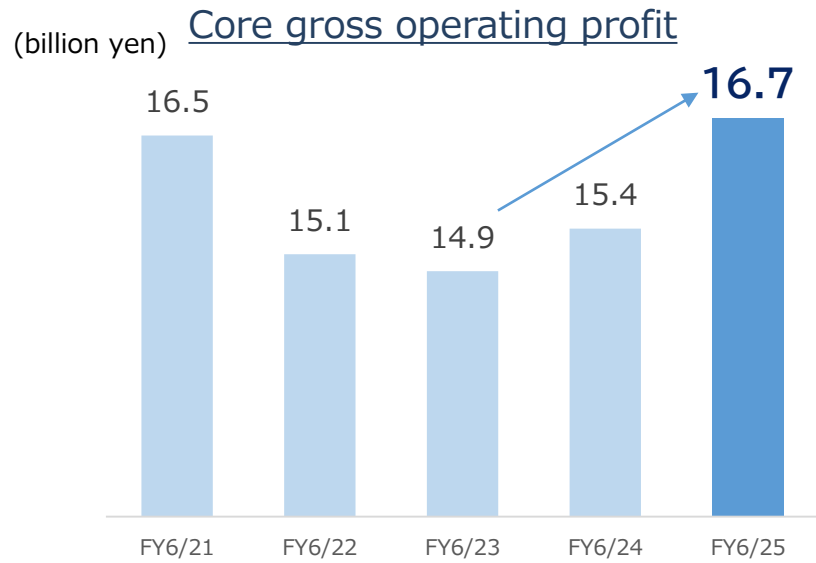
※Solutions business: housing loans, unsecured loans, etc.

From FY6/25, we have included corporate housing loans in our reporting scope. To ensure comparability, figures from the previous period have also been retrospectively aggregated. However, there were no originations of such loans in the FY6/24 period.

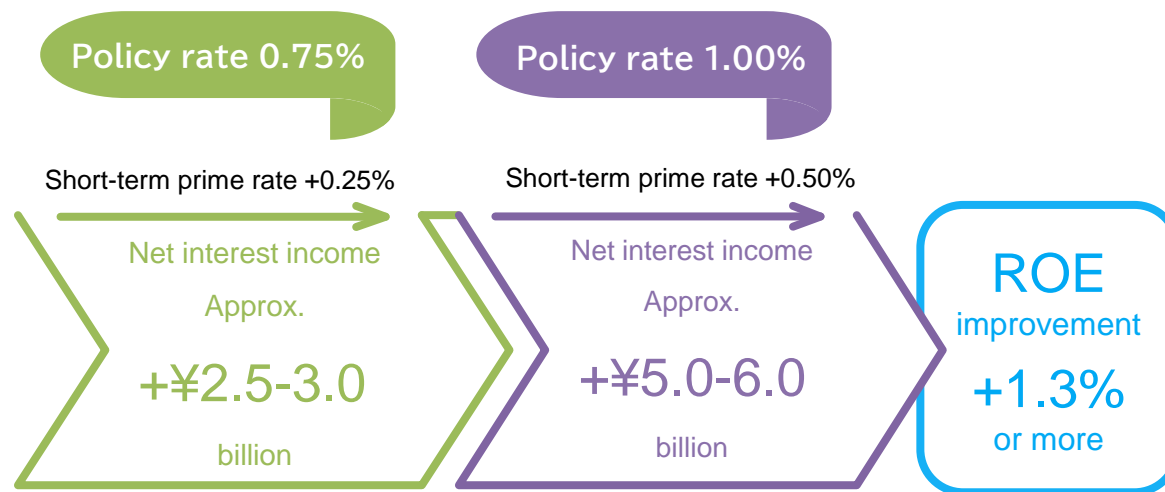
※Investment real estate loans include those for corporate clients

※Structured finance includes specified corporate bonds, etc., while collaboration loans include monetary claims bought, etc.

# Enhancement of Profitability



## Impact of Policy Rate Increases on Net Interest Income



【Calculation Assumptions】  
 ・Base portfolio: As of March 31, 2025  
 ・For details, please refer to the document disclosed separately on May 29, 2025 titled "Suruga Bank Financial Results for FY3/25"

# ■ Q1 Results for FY3/26: Full-year Plan Comparison



## Non-consolidated

(billion yen)

	FY3/26 Full-year plan (A)	FY6/25 Results (B)	Progress (B)/(A)
Core gross operating profit (excluding gains/loss on cancellation of investment trusts)	61.5	16.7	27%
Of which new business gross profit	24.0	6.7	28%
Expenses (-)	35.0	8.6	24%
Actual credit costs (-)	(3.5)	(0.9)	-
Gain (loss) on securities	(3.0)	(2.5)	-
Ordinary profit	27.5	6.4	23%
Quarterly net income	22.0	5.7	25%

## consolidated

Consolidated ordinary profit	27.5	6.6	24%
Profit attributable to owners of parent	22.0	5.4	24%

## FY3/26 Q1 Financial Results – Steady Progress

- ✓ **Quarterly Net Income (Non-consolidated) 25% of Full-Year Plan**
  - **Core gross operating profit 27% of Full-Year Plan**
  - **Expenses 24% of Full-Year Plan**
  - **Actual credit costs 26% of Full-Year Plan**
- ✓ **Gain (loss) on securities Recorded in line with the initial plan**

## Actual credit costs

(billion yen)

		Full-year plan	FY6/25
Actual credit costs		(3.5)	(0.9)
Normal amount	Actual credit costs arising from loans without special factors (Includes share house-related loans)	(3.5)	(0.7)
Preventive allowances	The below are provisions for subject loans	(0.5)	(0.1)
	Provisions for some investment real estate loan customers who newly stopped repayments following organizational negotiations	(3.0)	(0.2)
	Precautionary allowance for claims for restructured loans that are unlikely to be recovered in the future	2.5	0
Corporate	Actual credit costs arising from corporate loans	0.5	(0)

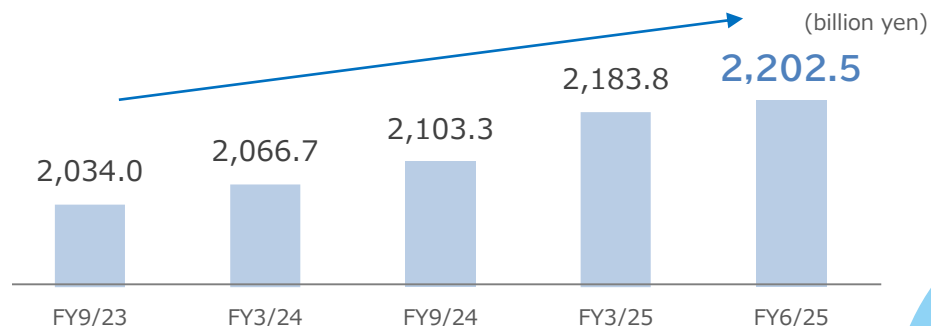
# Four Elements Supporting Future Sustainable Growth

あつてよかった 出会えてよかった



## Balance of loans and bills discounted

Since September 2023, the balance has reversed from a declining trend to an increase



## Asset quality

Through steady efforts toward quality improvement, the ratio of disclosed claims based on the Financial Reconstruction Law has gradually decreased

	End of 3/25	End of 6/25	Change
Ratio of disclosed claims to total credits	8.56%	8.22%	(0.34pt)
Excluding organizational negotiation partners	5.02%	4.75%	(0.27pt)

## Securities

(billion yen)

	End of 3/25		End of 6/25	
	Fair value	Unrealized gains (losses)	Fair value	Unrealized gains (losses)
Available-for-sale securities	324.6	20.4	314.1	28.1
Stocks	50.9	29.2	52.8	32.5
Bonds	220.5	(6.5)	245.4	(4.5)
Multi-asset Fund	37.6	(2.3)		
Others	15.4	0	15.8	0.1

As of end-June 2025: Securities-to-deposits ratio: 10.1%, Yen bond duration: 4.3 years, Yen bond 100BPV: (¥10.6 billion)

Improved appraisal profit or loss, shortened duration, reduced portfolio risk

Revenue Base  
Strengthening  
of Risk-Taking  
Capability

Balance  
of loans  
and bills  
discounted

Asset  
Quality

Securities  
Unrealized  
Gains  
(Losses)

Capital  
Adequacy  
Ratio

## Capital adequacy ratio

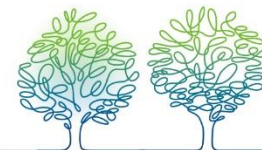
(billion yen)

	End of 3/25	End of 6/25
Capital Adequacy Ratio	11.27%	11.39%
Total Capital (Core Capital)	259.2	262.5
Risk-Weighted Assets, etc.	2,300.0	2,303.7

Maintaining sufficient capital buffer to enable necessary risk-taking as we transition to a "world with interest."

# ■ Deposit Status

あつてよかった 出会えてよかった



**We will continue to implement measures to increase deposits and customer assets with "improved stickiness" in mind**  
**Individual deposits had been declining due to the impact of branch consolidations and closures, but the deposit decline is showing signs of bottoming out.**

Deposit Balance by Customer Type

(billion yen)

	End of Sep. 2024	End of Mar.2025 (A)	End of Jun.2025 (B)	Change from end of prev. quarter (B) - (A)
Total deposits	3,134.9	3,154.0	3,192.4	+38.3
Individual	2,557.6	2,518.3	2,529.8	+11.4
Corporate	418.9	417.9	441.6	+23.6
Public funds	158.3	217.7	220.9	+3.2

Investment Product Balance in Individual Customer Assets

(billion yen)

	End of Sep. 2024	End of Mar.2025 (A)	End of Jun.2025 (B)	Change from end of prev. quarter (B) - (A)
Investment products	136.4	146.0	153.7	+7.6
Foreign currency deposits	1.0	0.5	0.4	(0)
Safe custody of government bonds, etc.	7.4	12.0	14.5	+2.4
Investment trusts	73.4	72.2	74.9	+2.7
Individual annuity insurance	28.2	33.4	34.8	+1.4
Single premium whole life insurance	26.3	27.7	28.8	+1.1

# Capital Policy



## Capital Adequacy Ratio Target Range (End of FY2025)

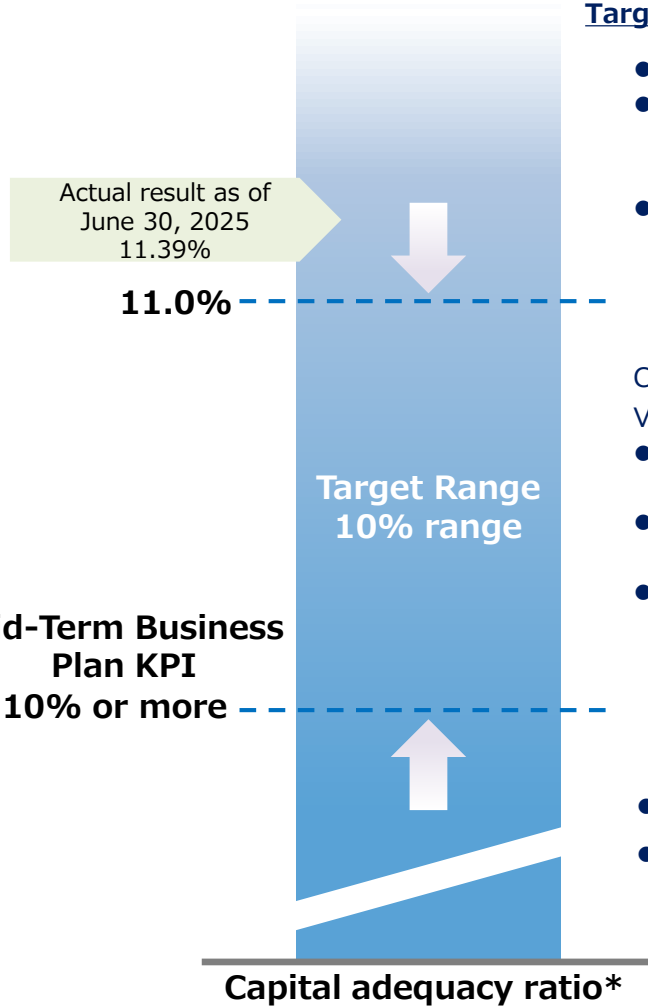
### Capital Management Toward Target Range (Conceptual Image)

- Capital utilization
- Stable dividends in line with dividend policy (additional enhancements under consideration)
- Flexible repurchase of treasury stock

### Comprehensive Consideration of Various Measures

- Capital utilization (with consideration for capital accumulation)
- Stable dividends in line with dividend policy
- Flexible repurchase of treasury stock ~ Risk-weighted asset control

- Capital accumulation
- Risk-weighted asset control



## Dividend

Our basic policy is to maintain stable dividends targeting a dividend payout ratio of approximately 30%

	FY2024 Results	FY2025 forecast
Annual dividend per share (cumulative)	29.0yen	37.0yen
Of which: Interim dividend	14.5yen	18.5yen
Of which: Year-end dividend	14.5yen	18.5yen

## Treasury Stock Repurchase

As a shareholder return policy that contributes to improved capital efficiency, implementation will be conducted flexibly, taking into consideration business performance and capital conditions, growth investment opportunities, and market environment including stock price.

[Status of Repurchase of Treasury Stocks disclosed in May 2025]

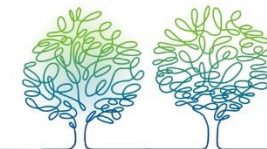
	Plan	Cumulative acquisitions as of August 6, 2025
Number of shares to be repurchased	12,500,000 shares (maximum)	6,867,300 shares
Acquisition cost	¥15.0 billion (maximum)	¥8.2 billion
Repurchase period	May 13, 2025, to January 31, 2026	

Note: For details, please refer to the document disclosed separately on May 12, 2025 titled "Announcement Regarding Repurchase of Treasury Stock, Tender Offer for Own Shares, and Market Purchase" and "Notice Regarding Status of Repurchase of Treasury Stocks" disclosed on August 7, 2025

\*Non-consolidated: Any unrealized loss on securities valuation difference will be deducted from core capital

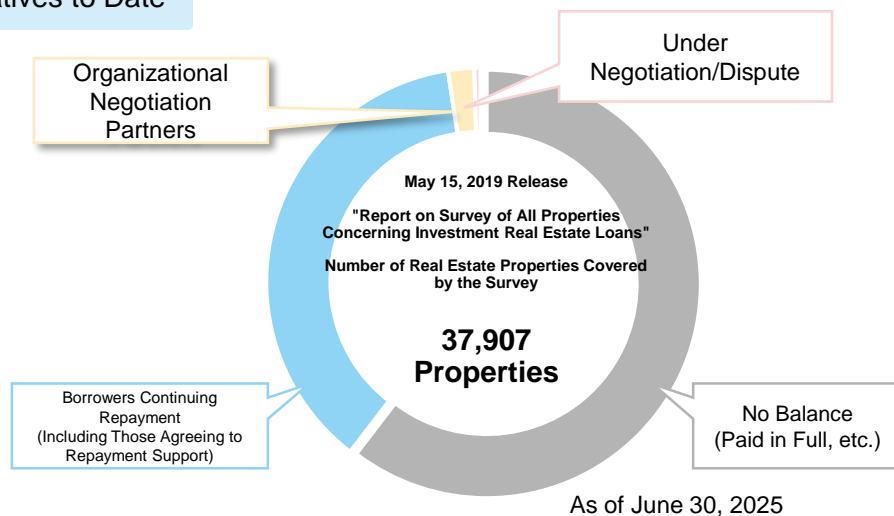


# Investment Real Estate Loans (Status of Organizational Negotiation Partners)

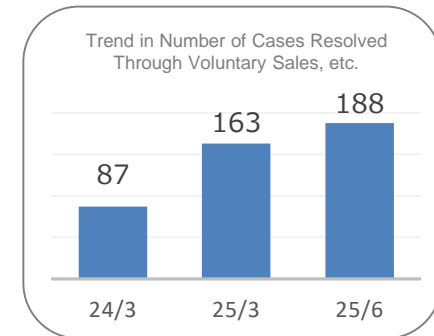


あってよかった 出会えてよかった

## Status of Initiatives to Date



After approximately six years of repayment support and consultation efforts, about 60% of the 37,907 properties surveyed have a loan balance of zero, and about 40% are maintaining loan repayment. However, organizational negotiations are being conducted with Suruga Bank on 743 properties\* (2.0% of 37,907), and we will continue to take appropriate measures to resolve these issues.



\*Due to voluntary sales and other factors, 188 properties were no longer in organizational negotiations from the end of September 2022 to the end of June 2025.

⇒The coverage status for claims under organizational negotiation has a 99% coverage ratio through collateral and loan loss provisions

## Basic Approach to Future Actions

- 1 From the viewpoint of achieving **early settlements**, we are actively cooperating in **clarifying loan circumstances** in **certain types of cases** where the banks are likely to be found liable in tort in a lawsuit.
- 2 Furthermore, there have been several cases in which the sale of investment real estate has led to full repayment, and we are also moving forward with **proposals to consider voluntary sales**.
- 3 With regard to investment real estate loan cases, each case has its own **very individual qualities**, and we believe it is necessary to **consider the unique circumstances of each case individually** when determining whether and to what degree there is an obligation to compensate for damages.

# Reference Materials

# ■ Q1 Results for FY3/26: YoY Comparison



## Non-consolidated

(billion yen)

	FY6/24 (A)	FY6/25 (B)	YoY (B)-(A)
Core gross operating profit (excluding gains/losses from investment trust cancellations)	15.4	16.7	+1.3
Of which new business gross profit	4.5	6.7	+2.2
Expenses (-)	9.0	8.6	(0.3)
Actual credit costs (-)	(1.2)	(0.9)	+0.2
Gain (loss) on securities	(0)	(2.5)	(2.5)
Ordinary profit	7.5	6.4	(1.0)
Quarterly net income	6.8	5.7	(1.1)

Reference: page 11

### Gain (loss) on securities

- In response to financial market conditions, we fully redeemed multi-asset funds carrying appraisal losses, resulting in a 3.9 billion yen loss.
- We also booked 1.4 billion yen in gains from sales of policy shareholdings as part of our cross-shareholding reduction initiative.

## Consolidated

(billion yen)

	FY6/24 (A)	FY6/25 (B)	YoY (B)-(A)
Consolidated ordinary revenue	22.2	26.0	+3.7
Consolidated ordinary profit	7.5	6.6	(0.9)
Quarterly net income attributable to owners of parent	6.8	5.4	(1.3)

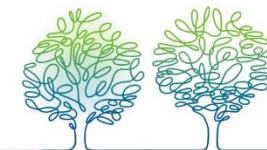
### Actual credit costs (Non-consolidated)

(billion yen)

		FY6/24	FY6/25
Actual credit costs		(1.2)	(0.9)
Normal amount	Actual credit costs arising from loans without special factors (Includes share house-related loans)	(0.6)	(0.7)
Preventive allowances	The below are provisions for subject loans	(0.6)	(0.1)
	Provisions for some investment real estate loan customers who newly stopped repayments following organizational negotiations	(0.6)	(0.2)
	Precautionary allowance for claims for restructured loans that are unlikely to be recovered in the future	0	0
Corporate	Actual credit costs arising from corporate loans	0	(0)

# ■ Financial Results for Q1 FY3/26: YoY Comparison Details

あつてよかった 出会えてよかった



Non-consolidated (billion yen)

	FY 6/24 Results (A)	FY 6/25 Results (B)	YoY comparison (B) - (A)
Core gross operating profit (excluding gains/losses from investment trust cancellations)	15.4	16.7	+1.3
Of which new business gross profit	4.5	6.7	+2.2
Expenses (-)	9.0	8.6	(0.3)
Personnel expenses	3.3	3.5	+0.2
Actual credit costs (-)	(1.2)	(0.9)	+0.2
Gain (loss) on securities	(0)	(2.5)	(2.5)
Other non-recurring gains (losses)	(0)	(0)	(0)
Ordinary profit	7.5	6.4	(1.0)
Extraordinary gains (losses)	0.5	0.3	(0.2)
Quarterly net income	6.8	5.7	(1.1)

Consolidated (billion yen)

Consolidated ordinary income	22.2	26.0	+3.7
Consolidated ordinary profit	7.5	6.6	(0.9)
Profit attributable to owners of parent	6.8	5.4	(1.3)

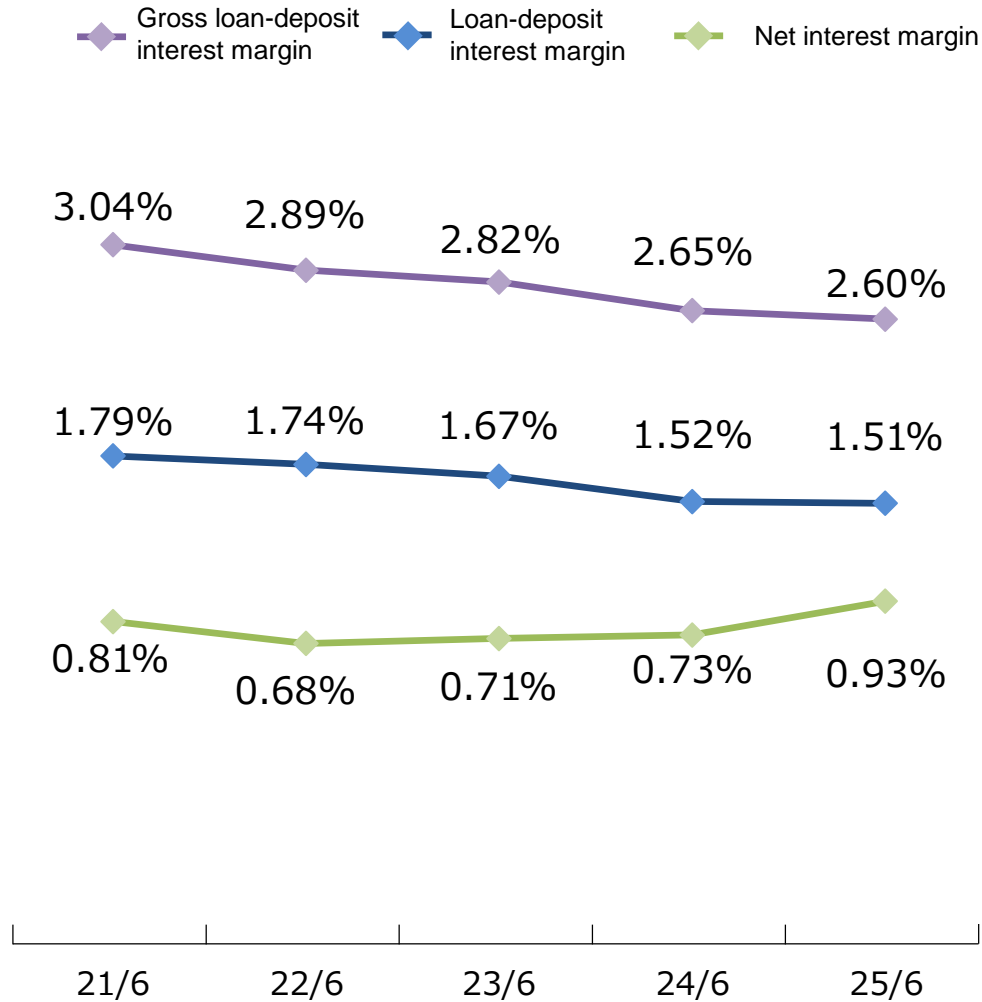
## Main factors contributing to changes [non-consolidated, YoY comparison]

Net interest income <b>(+1.4billion yen)</b>	<ul style="list-style-type: none"> <li>Increase in interest on loans and bills discounted: +1.4 billion yen (Average balance factor: +0.8 billion yen, Yield factor: +0.5 billion yen)</li> <li>Increase in interest and dividends on securities: +0.3 billion yen</li> </ul>
Net fees and commissions <b>(-0billion yen)</b>	<ul style="list-style-type: none"> <li>Increase in loan-related fees: +0.3 billion yen</li> <li>Increase in group credit life insurance premiums: +0.3 billion yen</li> </ul>
Expenses <b>(-0.3billion yen)</b>	<ul style="list-style-type: none"> <li>Decrease in property expenses: -0.4 billion yen</li> <li>Increase in Personnel expenses: +0.2 billion yen</li> </ul>
Actual credit costs <b>(+0.2billion yen)</b>	<ul style="list-style-type: none"> <li>Normal amount: -0 billion yen</li> <li>Preventive allowances: +0.3 billion yen</li> </ul>
Extraordinary gains (losses) <b>(-0.2billion yen)</b>	<p>Extraordinary gains</p> <ul style="list-style-type: none"> <li>Deemed dividend resulting from subsidiary reorganization: +0.4 billion yen</li> <li>Gains on disposal of fixed assets: -0.7 billion yen</li> </ul> <p>Extraordinary losses (-)</p> <ul style="list-style-type: none"> <li>Losses on disposal of fixed assets: -0.1 billion yen</li> </ul>

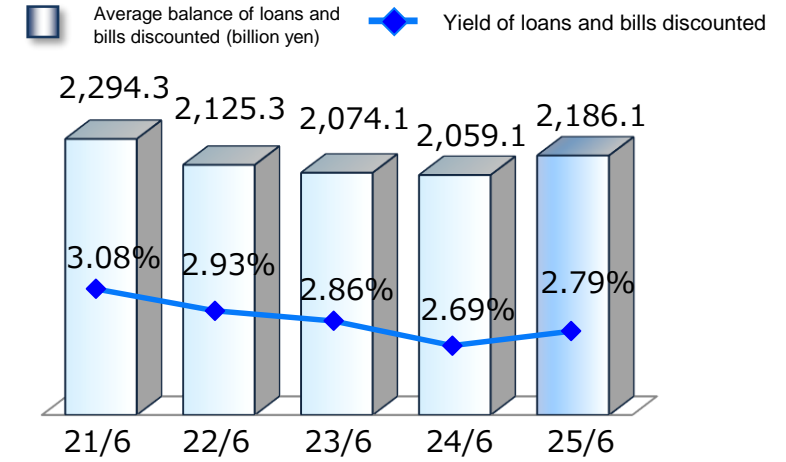
※Note: ( ) indicates YoY comparison

# Interest margin, etc.

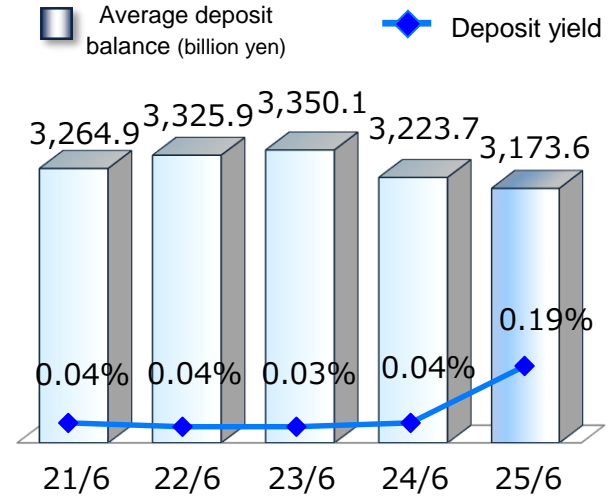
## Interest margin



## Yield and average balance of loans and bills discounted



## Deposit yield and average deposit balance





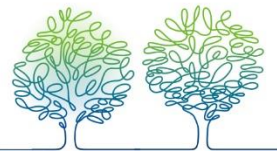
あつてよかった 出会えてよかった

(billion yen)

	Jun.2024			Jun.2025		
	Balance	Yield	Delinquency rate	Balance	Yield	Delinquency rate
Secured loans	1,402.0	2.91%	7.12%	1,290.0	3.16%	6.95%
Housing loans	422.2	2.52%	0.35%	416.4	2.76%	0.19%
Investment real estate loans	948.9	3.05%	10.36%	843.2	3.32%	10.54%
Other secured loans	30.8	4.00%	0.25%	30.2	4.14%	0.11%
Unsecured loans	110.0	10.48%	1.66%	100.3	10.50%	1.20%
Card loans	80.8	11.58%	0.57%	76.7	11.39%	0.40%
Unsecured certificate loans	29.1	7.44%	4.68%	23.6	7.63%	3.78%
Personal loans (A)	1,512.0	3.46%	6.72%	1,390.3	3.69%	6.54%
Personal loans (excluding organizational negotiation partners, etc.) (F)	1,419.2		1.21%	1,305.0		0.82%
Corporate real estate loans (B)	112.3	1.68%	—	186.8	1.97%	—
Structured finance, etc. (C)	193.5	2.39%	—	276.1	2.80%	—
Collaboration loans, etc. (D)	146.5	2.21%	0.03%	180.1	2.40%	0.00%
Total (E = A + B + C + D)	1,964.4	3.16%	5.18%	2,033.5	3.30%	4.47%

- Delinquency rate = Loans past due for three months or more / loan balance. \* Yield: Yield to customers (before guarantee fees and accrued interest), end-of-year balance basis
- Classified by portfolio area in the mid-term business plan Re:Start 2025
- From FY6/25, "Corporate Real Estate Loans" encompasses both the existing corporate investment real estate loans and the newly added corporate housing loans. To ensure comparability, figures from the previous period have also been retrospectively aggregated. However, there were no results of such loans in the FY6/24 period.
- "Structured finance" includes specified corporate bonds, etc.
- "Collaboration loans" are loans made jointly or in partnership with other companies (loan participations, purchases of corporate loans, etc.)
- \* Organizational negotiation partners, etc. refers to loans to borrowers who have submitted a request for suspension of repayments as a result of organizational negotiations

# Disclosed Claims Based on the Financial Reconstruction Law (Non-consolidated)



あつてよかった 出会えてよかった

## Disclosed Claims based on the Financial Reconstruction Law (As of June 30, 2025)

(billion yen)

	Balance	Total coverage amount	Total coverage amount		Coverage ratio
			Portion secured by collateral or guarantees, etc.	Allowance for loan losses	
Claims against bankrupt and substantially bankrupt obligors	99.6	99.6	38.8	60.8	100%
Claims with collection risk	56.4	40.6	23.6	16.9	71.9%
Claims for special attention	25.7	13.6	8.4	5.2	53.0%
<b>Total</b>	<b>181.8</b>	<b>153.8</b>	<b>70.9</b>	<b>82.9</b>	<b>84.6%</b>

Ratio of disclosed claims to total credit (disclosed claim ratio)	8.2%	Ratio of disclosed claims excluding organizational negotiation partners : 4.7%
---	------	--

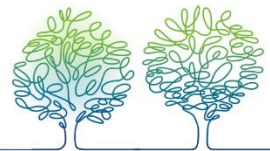
## Organizational negotiation partners among Financial Reconstruction Law disclosed claims

(billion yen)

	Balance	Total coverage amount	Total coverage amount		Coverage ratio
			Portion secured by collateral or guarantees, etc.	Allowance for loan losses	
Organizational negotiation partners, etc.	80.7	80.7	28.4	52.3	99.9%

# Loan Portfolio with High Floating Interest Rate Ratio

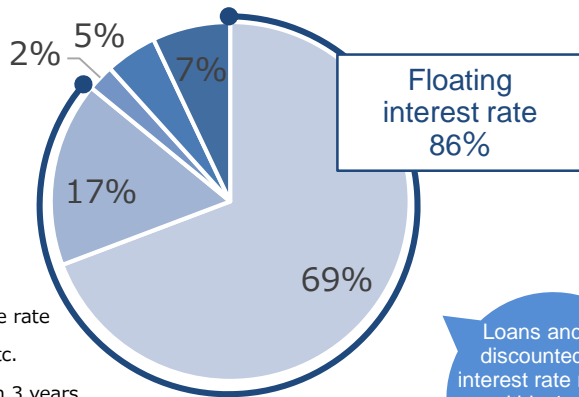
Reposted



あつてよかった 出会えてよかった

We have constructed a loan portfolio centered on floating interest rates, which positively impacts earnings when interest rates rise

Loans and bills discounted (Composition by base interest rate)

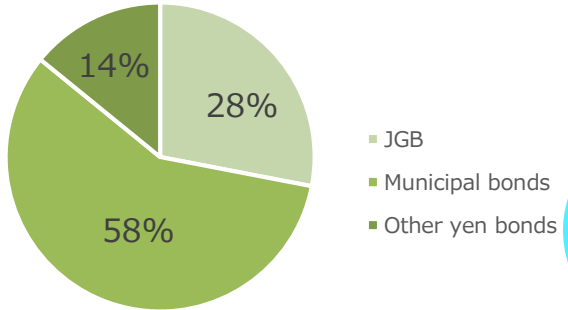


- Short-term prime rate
- Market-linked, etc.
- (Fixed) Less than 3 years
- (Fixed) More than 3 years
- Others

\*For yen-denominated loans. Fixed interest rate is categorized by the remaining period until interest rate revision

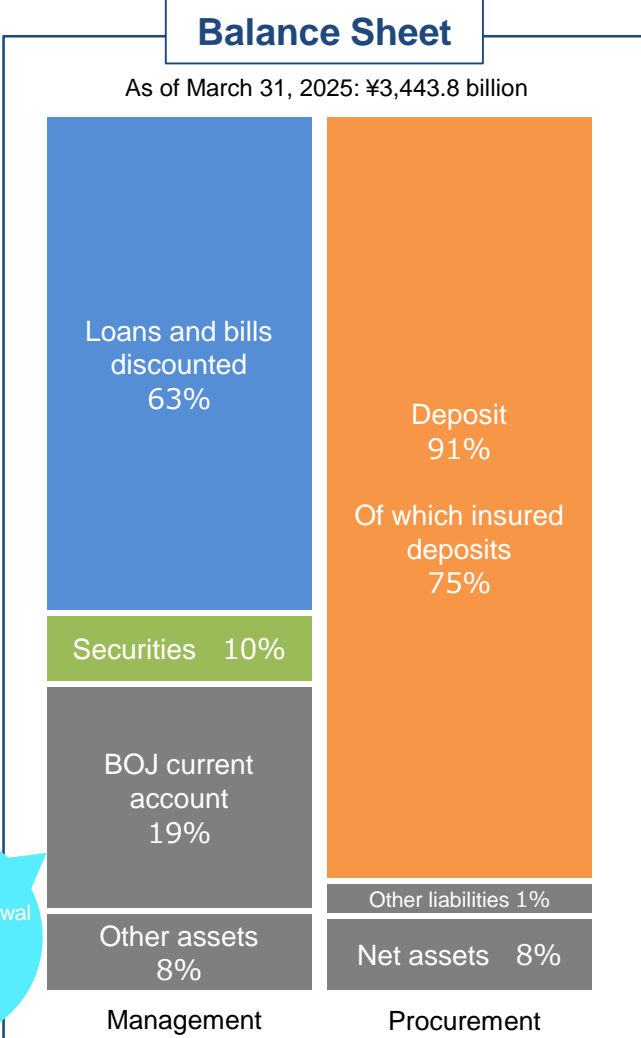
Loans and bills discounted with interest rate renewal within 1 year: **94%**

Securities (Composition of yen bonds)



- JGB
- Municipal bonds
- Other yen bonds

As of end of March 2025 (yen bonds)  
Duration: 4.89 years 100BPV: ¥-10.7 billion

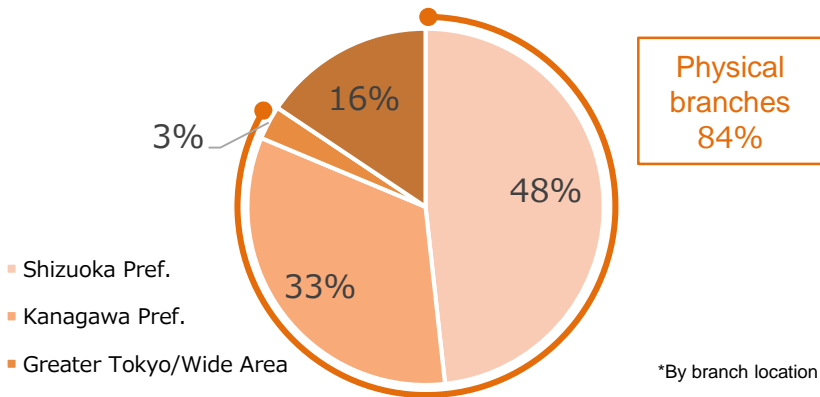


Assets with interest rate renewal within 1 year: **88%**

\*Interest rate renewal within 1 year: Interest rate-sensitive assets (yen-denominated) calculated on a contractual basis (including assets with remaining period of less than 1 year)

Deposits

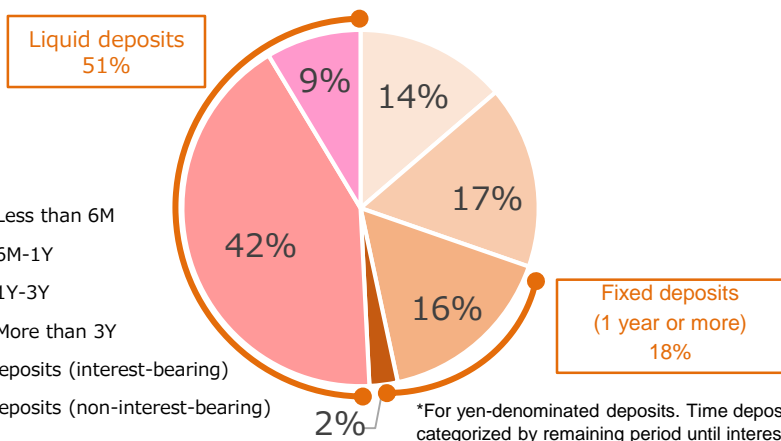
Balance by location



- Shizuoka Pref.
- Kanagawa Pref.
- Greater Tokyo/Wide Area
- Internet branches

\*By branch location

Time deposit ratio



- (Time) Less than 6M
- (Time) 6M-1Y
- (Time) 1Y-3Y
- (Time) More than 3Y
- Liquid deposits (interest-bearing)
- Liquid deposits (non-interest-bearing)

Fixed deposits (1 year or more) 18%

\*For yen-denominated deposits. Time deposits categorized by remaining period until interest rate revision





# SURUGA bank

<Inquiries>

IR Office, SURUGA Bank, Ltd.

Tel: 03-3279-5536

e-mail: [ir.koho@surugabank.co.jp](mailto:ir.koho@surugabank.co.jp)

The foregoing material contains statements regarding future business performance. These statements are not intended as guarantees of any specific future performance, which is subject to a variety of risks and uncertainties. Actual future business results may differ from the targets contained in the present material due to unpredictable changes in the external business environment.

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.