

Capital Ratio Information (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

■ Capital Structure Information (Nonconsolidated Capital Ratio (International Standard))

(Millions of yen, except percentages)

| Basel III Template No. | Items | Year ended March 31, 2015 | | Year ended March 31, 2014 | |
|--|---|---------------------------|--|---------------------------|--|
| | | | Amounts excluded under transitional arrangements | | Amounts excluded under transitional arrangements |
| Common Equity Tier 1 capital: instruments and reserves | | | | | |
| 1a+2-1c-26 | Directly issued qualifying common share capital plus related capital surplus and retained earnings | 6,038,295 | | 5,859,721 | |
| 1a | of which: capital and capital surplus | 4,042,266 | | 4,042,266 | |
| 2 | of which: retained earnings | 2,327,629 | | 2,138,218 | |
| 1c | of which: treasury stock (-) | - | | - | |
| 26 | of which: cash dividends to be paid (-) | 331,601 | | 320,763 | |
| | of which: other than the above | - | | - | |
| 1b | Stock acquisition rights to common shares | - | | - | |
| 3 | Valuation and translation adjustment and other disclosed reserves | 651,493 | 977,239 | 179,267 | 717,069 |
| | Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements | - | | - | |
| 6 | Common Equity Tier 1 capital: instruments and reserves (A) | 6,689,788 | | 6,038,989 | |
| Common Equity Tier 1 capital: regulatory adjustments | | | | | |
| 8+9 | Total intangible assets (excluding those relating to mortgage servicing rights) | 54,502 | 81,753 | 23,497 | 93,991 |
| 8 | of which: goodwill (including those equivalent) | - | - | - | - |
| 9 | of which: other intangible assets other than goodwill and mortgage servicing rights | 54,502 | 81,753 | 23,497 | 93,991 |
| 10 | Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | - | - | - | - |
| 11 | Net deferred losses on hedges | (49,439) | (74,159) | (10,324) | (41,299) |
| 12 | Shortfall of eligible provisions to expected losses | 25,304 | 37,957 | 7,659 | 30,639 |
| 13 | Gain on sale on securitization transactions | 18,683 | 28,025 | 8,136 | 32,545 |
| 14 | Gains and losses due to changes in own credit risk on fair valued liabilities | - | - | - | - |
| 15 | Prepaid pension cost | 79,484 | 119,226 | 29,201 | 116,806 |
| 16 | Investments in own shares (excluding those reported in the Net assets section) | - | - | - | - |
| 17 | Reciprocal cross-holdings in common equity | - | - | - | - |
| 18 | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital ("Non-significant Investment") (amount above the 10% threshold) | - | - | - | - |
| 19+20+21 | Amount exceeding the 10% threshold on specified items | 2,040 | 3,060 | - | - |
| 19 | of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions | 2,040 | 3,060 | - | - |
| 20 | of which: mortgage servicing rights | - | - | - | - |
| 21 | of which: deferred tax assets arising from temporary differences (net of related tax liability) | - | - | - | - |
| 22 | Amount exceeding the 15% threshold on specified items | - | - | - | - |
| 23 | of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions | - | - | - | - |
| 24 | of which: mortgage servicing rights | - | - | - | - |
| 25 | of which: deferred tax assets arising from temporary differences (net of related tax liability) | - | - | - | - |
| 27 | Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions | - | | - | |
| 28 | Common Equity Tier 1 capital: regulatory adjustments (B) | 130,575 | | 58,170 | |
| Common Equity Tier 1 capital (CET1) | | | | | |
| 29 | Common Equity Tier 1 capital (CET1) ((A)-(B)) (C) | 6,559,212 | | 5,980,818 | |

(Millions of yen, except percentages)

| | | | Year ended March 31, 2015 | | Year ended March 31, 2014 | |
|---|---|--|---------------------------|--|---------------------------|--|
| Basel III Template No. | Items | | | Amounts excluded under transitional arrangements | | Amounts excluded under transitional arrangements |
| Additional Tier 1 capital: instruments | | | | | | |
| 30 | 31a | Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown | — | | — | |
| | 31b | Stock acquisition rights to Additional Tier 1 instruments | — | | — | |
| | 32 | Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards | — | | — | |
| | | Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | — | | — | |
| 33+35 | Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments | | 860,796 | | 824,074 | |
| | Total of items included in Additional Tier 1 capital: items subject to transitional arrangements | | (210) | | (735) | |
| | of which: foreign currency translation adjustments | | (210) | | (735) | |
| 36 | Additional Tier 1 capital: instruments (D) | | 860,586 | | 823,339 | |
| Additional Tier 1 capital: regulatory adjustments | | | | | | |
| 37 | Investments in own Additional Tier 1 instruments | | — | — | — | — |
| 38 | Reciprocal cross-holdings in Additional Tier 1 instruments | | — | — | — | — |
| 39 | Non-significant Investments in the Additional Tier 1 capital of Other Financial Institutions, net of eligible short positions (amount above 10% threshold) | | — | — | — | — |
| 40 | Significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions) | | 63,692 | 95,538 | 31,846 | 127,384 |
| | Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements | | 47,003 | | 47,865 | |
| | of which: gain on sale on securitization transactions | | 28,025 | | 32,545 | |
| | of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses | | 18,978 | | 15,319 | |
| 42 | Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | | — | | — | |
| 43 | Additional Tier 1 capital: regulatory adjustments (E) | | 110,695 | | 79,711 | |
| Additional Tier 1 capital (AT1) | | | | | | |
| 44 | Additional Tier 1 capital ((D)-(E)) (F) | | 749,890 | | 743,627 | |
| Tier 1 capital (T1 = CET1 + AT1) | | | | | | |
| 45 | Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G) | | 7,309,102 | | 6,724,445 | |
| Tier 2 capital: instruments and provisions | | | | | | |
| 46 | Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its breakdown | | — | | — | |
| | Stock acquisition rights to Tier 2 instruments | | — | | — | |
| | Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards | | 376,262 | | — | |
| | Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | | — | | — | |
| 47+49 | Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions | | 1,412,068 | | 1,613,792 | |
| 50 | Total of general reserve for possible loan losses and eligible provisions included in Tier 2 | | — | | — | |
| 50a | of which: general reserve for possible loan losses | | — | | — | |
| 50b | of which: eligible provisions | | — | | — | |
| | Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements | | 654,063 | | 477,926 | |
| | of which: unrealized gains on other securities after 55% discount | | 637,394 | | 455,620 | |
| | of which: land revaluation excess after 55% discount | | 16,668 | | 22,306 | |
| 51 | Tier 2 capital: instruments and provisions (H) | | 2,442,394 | | 2,091,719 | |

(Millions of yen, except percentages)

| | | Year ended March 31, 2015 | | Year ended March 31, 2014 | |
|---|---|---------------------------|--|---------------------------|--|
| Basel III Template No. | Items | | Amounts excluded under transitional arrangements | | Amounts excluded under transitional arrangements |
| Tier 2 capital: regulatory adjustments | | | | | |
| 52 | Investments in own Tier 2 instruments | — | — | — | — |
| 53 | Reciprocal cross-holdings in Tier 2 instruments | — | — | — | — |
| 54 | Non-significant Investments in the Tier 2 capital of Other Financial Institutions, net of eligible short positions (amount above the 10% threshold) | — | — | — | — |
| 55 | Significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions) | 50,000 | 75,000 | 25,000 | 100,000 |
| | Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements | 18,978 | | 15,319 | |
| | of which: Tier 2 and deductions under Basel II | 18,978 | | 15,319 | |
| 57 | Tier 2 capital: regulatory adjustments (I) | 68,978 | | 40,319 | |
| Tier 2 capital (T2) | | | | | |
| 58 | Tier 2 capital (T2) ((H)-(I)) (J) | 2,373,415 | | 2,051,399 | |
| Total capital (TC = T1 + T2) | | | | | |
| 59 | Total capital (TC = T1 + T2) ((G) + (J)) (K) | 9,682,518 | | 8,775,845 | |
| Risk weighted assets | | | | | |
| | Total of items included in risk weighted assets subject to transitional arrangements | 252,584 | | 377,653 | |
| | of which: prepaid pension cost | 25,797 | | 10,405 | |
| | of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions) | 183,151 | | 338,806 | |
| 60 | Risk weighted assets (L) | 51,232,836 | | 47,940,672 | |
| Capital ratio | | | | | |
| 61 | Common Equity Tier 1 risk-weighted capital ratio ((C)/(L)) | 12.80% | | 12.47% | |
| 62 | Tier 1 risk-weighted capital ratio ((G)/(L)) | 14.26% | | 14.02% | |
| 63 | Total risk-weighted capital ratio ((K)/(L)) | 18.89% | | 18.30% | |
| Regulatory adjustments | | | | | |
| 72 | Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 524,368 | | 569,683 | |
| 73 | Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 734,569 | | 475,035 | |
| 74 | Mortgage servicing rights that are below the thresholds for deduction (before risk weighting) | — | | — | |
| 75 | Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting) | — | | 77,942 | |
| Provisions included in Tier 2 capital: instruments and provisions | | | | | |
| 76 | Provisions (general reserve for possible loan losses) | — | | — | |
| 77 | Cap on inclusion of provisions (general reserve for possible loan losses) | 2,386 | | 2,363 | |
| 78 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) | — | | — | |
| 79 | Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | 278,163 | | 258,200 | |
| Capital instruments subject to transitional arrangements | | | | | |
| 82 | Current cap on Additional Tier 1 instruments subject to transitional arrangements | 866,150 | | 989,886 | |
| 83 | Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities) | — | | — | |
| 84 | Current cap on Tier 2 instruments subject to transitional arrangements | 1,412,068 | | 1,613,792 | |
| 85 | Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) | 60,062 | | 128,412 | |

(Millions of yen)

| Items | Year ended March 31, 2015 | Year ended March 31, 2014 |
|-----------------------------|---------------------------|---------------------------|
| Required capital ((L) × 8%) | 4,098,626 | 3,835,253 |

■ Reconciliation of Regulatory Capital Elements Back to the Balance Sheet (Year ended March 31, 2015)

Sumitomo Mitsui Banking Corporation

| (Millions of yen) | | | |
|---|--|--------------------------------------|---|
| Items | Balance sheet as in published financial statements | Cross-reference to Appended Table | Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template) |
| | Amount | | |
| (Assets) | | | |
| Cash and due from banks | 37,008,665 | | |
| Call loans | 539,916 | | |
| Receivables under resale agreements | 417,473 | | |
| Receivables under securities borrowing transactions | 2,012,795 | | |
| Monetary claims bought | 1,047,498 | | |
| Trading assets | 3,627,862 | 6-a | |
| Securities | 29,985,267 | | |
| Loans and bills discounted | 68,274,308 | 6-c | |
| Foreign exchanges | 1,798,843 | | |
| Other assets | 2,460,344 | | |
| Tangible fixed assets | 812,383 | | |
| Intangible fixed assets | 200,966 | 2 | |
| Prepaid pension cost | 293,082 | 3 | |
| Customers' liabilities for acceptances and guarantees | 6,721,131 | | |
| Reserve for possible loan losses | (394,140) | | |
| Reserve for possible losses on investments | (82,321) | | |
| Total assets | 154,724,079 | | |
| (Liabilities) | | | |
| Deposits | 91,337,714 | | |
| Negotiable certificates of deposit | 14,022,064 | | |
| Call money | 4,579,940 | | |
| Payables under repurchase agreements | 350,010 | | |
| Payables under securities lending transactions | 5,113,896 | | |
| Commercial paper | 2,551,652 | | |
| Trading liabilities | 2,754,739 | 6-d | |
| Borrowed money | 8,096,070 | | |
| Foreign exchanges | 1,172,969 | | |
| Short-term bonds | 25,000 | | |
| Bonds | 5,095,577 | | |
| Due to trust account | 717,529 | | |
| Other liabilities | 3,672,970 | | |
| Reserve for employee bonuses | 13,738 | | |
| Reserve for executive bonuses | 644 | | |
| Reserve for point service program | 1,119 | | |
| Reserve for reimbursement of deposits | 19,589 | | |
| Deferred tax liabilities | 444,863 | 4-a | |
| Deferred tax liabilities for land revaluation | 34,141 | 4-b | |
| Acceptances and guarantees | 6,721,131 | | |
| Total liabilities | 146,725,363 | | |
| (Net assets) | | | |
| Capital stock | 1,770,996 | 1-a | |
| Capital surplus | 2,481,273 | 1-b | |
| Retained earnings | 2,327,186 | | |
| Treasury stock | (210,003) | 1-d | |
| Total stockholders' equity | 6,369,453 | | |
| Net unrealized gains on other securities | 1,726,573 | | |
| Net deferred losses on hedges | (124,906) | | |
| Land revaluation excess | 27,593 | | |
| Total valuation and translation adjustments | 1,629,261 | | |
| Total net assets | 7,998,715 | | |
| Total liabilities and net assets | 154,724,079 | | |

Note: The nonconsolidated capital adequacy ratio is calculated based on the consolidated financial statements which include special purpose vehicles and other equivalent entities in accordance with Article 15 of "Criteria for Judging Whether A Financial Institution's Capital Is Sufficient in Light of the Assets Held, etc. under the Provision of Article 14-2 of the Banking Law" (Notification No. 19 of 2006, the Financial Services Agency). The above capital adequacy ratio is calculated using the following balance sheet accounts reported on the consolidated financial statements.

| (Millions of yen) | | | |
|---|--|-----------------------------------|--|
| Balance sheet account | Amount reported on the consolidated financial statements | Cross-reference to Appended Table | Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template) |
| Securities | 29,971,688 | 6-b | 3 |
| Borrowed money | 7,226,652 | 7 | |
| Retained earnings | 2,327,629 | 1-c | |
| Net deferred losses on hedges | (125,084) | 5 | |
| Total valuation and translation adjustments | 1,628,732 | | |

(Appended Table)

1. Stockholders' equity

(1) Balance sheet

(Millions of yen)

| Balance sheet items | Amount | Remarks | Ref. No. |
|----------------------------|-----------|---|----------|
| Capital stock | 1,770,996 | Including eligible Tier 1 capital instruments subject to transitional arrangement | 1-a |
| Capital surplus | 2,481,273 | Including eligible Tier 1 capital instruments subject to transitional arrangement | 1-b |
| Retained earnings | 2,327,629 | | 1-c |
| Treasury stock | (210,003) | Eligible Tier 1 capital instruments subject to transitional arrangement | 1-d |
| Total stockholders' equity | 6,369,896 | | |

(2) Composition of capital

(Millions of yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|--|-----------|---|------------------------|
| Directly issued qualifying common share capital plus related capital surplus and retained earnings | 6,369,896 | Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed)) | |
| of which: capital and capital surplus | 4,042,266 | | 1a |
| of which: retained earnings | 2,327,629 | | 2 |
| of which: treasury stock (—) | — | | 1c |
| of which: other than the above | — | | |
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown | — | Stockholders' equity attributable to preferred shares with a loss absorbency clause upon entering into effectively bankruptcy | 31a |

2. Intangible assets

(1) Balance sheet

(Millions of yen)

| Balance sheet items | Amount | Remarks | Ref. No. |
|-------------------------------|---------|---------|----------|
| Intangible fixed assets | 200,966 | | 2 |
| Income taxes related to above | 64,711 | | |

(2) Composition of capital

(Millions of yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|---|---------|--------------------|------------------------|
| Goodwill (including those equivalent) | — | | 8 |
| Other intangible assets other than goodwill and mortgage servicing rights | 136,255 | Software and other | 9 |
| Mortgage servicing rights | — | | |
| Amount exceeding the 10% threshold on specified items | — | | 20 |
| Amount exceeding the 15% threshold on specified items | — | | 24 |
| Mortgage servicing rights that are below the thresholds for deduction (before risk weighting) | — | | 74 |

3. Prepaid pension cost

(1) Balance sheet

(Millions of yen)

| Balance sheet items | Amount | Remarks | Ref. No. |
|-------------------------------|---------|---------|----------|
| Prepaid pension cost | 293,082 | | 3 |
| Income taxes related to above | 94,372 | | |

(2) Composition of capital

(Millions of yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|-----------------------------------|---------|---------|------------------------|
| Prepaid pension cost | 198,710 | | 15 |

4. Deferred tax assets

(1) Balance sheet (Millions of yen)

| Balance sheet items | Amount | Remarks | Ref. No. |
|---|---------|---------|----------|
| Deferred tax liabilities | 444,863 | | 4-a |
| Deferred tax liabilities for land revaluation | 34,141 | | 4-b |
| | | | |
| Tax effects on other intangible assets | 64,711 | | |
| Tax effects on prepaid pension cost | 94,372 | | |

(2) Composition of capital (Millions of yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|---|--------|---|------------------------|
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | — | This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities. | 10 |
| Deferred tax assets arising from temporary differences (net of related tax liability) | — | This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities. | |
| Amount exceeding the 10% threshold on specified items | — | | 21 |
| Amount exceeding the 15% threshold on specified items | — | | 25 |
| Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting) | — | | 75 |

5. Deferred gains or losses on derivatives under hedge accounting

(1) Balance sheet (Millions of yen)

| Balance sheet items | Amount | Remarks | Ref. No. |
|-------------------------------|-----------|---------|----------|
| Net deferred losses on hedges | (125,084) | | 5 |

(2) Composition of capital (Millions of yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|-----------------------------------|-----------|---|------------------------|
| Net deferred losses on hedges | (123,598) | Excluding those items whose valuation differences arising from hedged items are recognized as "Total valuation and translation adjustments" | 11 |

6. Items associated with investments in the capital of financial institutions

(1) Balance sheet (Millions of yen)

| Balance sheet items | Amount | Remarks | Ref. No. |
|----------------------------|------------|---|----------|
| Trading assets | 3,627,862 | Including trading account securities and derivatives for trading assets | 6-a |
| Securities | 29,971,688 | | 6-b |
| Loans and bills discounted | 68,274,308 | Including subordinated loans | 6-c |
| Trading liabilities | 2,754,739 | Including trading account securities sold and derivatives for trading liabilities | 6-d |

(2) Composition of capital

(Millions of yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|---|-----------|---------|------------------------|
| Investments in own capital instruments | — | | |
| Common Equity Tier 1 capital | — | | 16 |
| Additional Tier 1 capital | — | | 37 |
| Tier 2 capital | — | | 52 |
| Reciprocal cross-holdings in the capital of banking, financial and insurance entities | — | | |
| Common Equity Tier 1 capital | — | | 17 |
| Additional Tier 1 capital | — | | 38 |
| Tier 2 capital | — | | 53 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital ("Non-significant Investment") (amount above the 10% threshold) | 524,368 | | |
| Common Equity Tier 1 capital | — | | 18 |
| Additional Tier 1 capital | — | | 39 |
| Tier 2 capital | — | | 54 |
| Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 524,368 | | 72 |
| Significant investments in the capital of Other Financial Institutions, net of eligible short positions | 1,023,901 | | |
| Amount exceeding the 10% threshold on specified items | 5,101 | | 19 |
| Amount exceeding the 15% threshold on specified items | — | | 23 |
| Additional Tier 1 capital | 159,230 | | 40 |
| Tier 2 capital | 125,000 | | 55 |
| Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 734,569 | | 73 |

7. Other capital instruments

(1) Balance sheet

(Millions of yen)

| Balance sheet items | Amount | Remarks | Ref. No. |
|---------------------|-----------|---------|----------|
| Borrowed money | 7,226,652 | | 7 |

(2) Composition of capital

(Millions of yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|---|---------|---------|------------------------|
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards | — | | 32 |
| Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards | 376,262 | | 46 |

Note:

Amounts in the "Composition of capital disclosure" are based on those before considering under transitional arrangements and includes "Amounts excluded under transitional arrangements" disclosed in "Capital Structure Information" as well as amounts included as regulatory capital. In addition, items for regulatory purpose under transitional arrangement are excluded from this table.

■ Reconciliation of Regulatory Capital Elements Back to the Balance Sheet (Year ended March 31, 2014)

Sumitomo Mitsui Banking Corporation

| (Millions of yen) | | | |
|---|--|--------------------------------------|---|
| Items | Balance sheet as in published financial statements | Cross-reference to Appended Table | Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template) |
| | Amount | | |
| (Assets) | | | |
| Cash and due from banks | 30,133,257 | | |
| Call loans | 557,619 | | |
| Receivables under resale agreements | 455,595 | | |
| Receivables under securities borrowing transactions | 643,127 | | |
| Bills bought | 20,091 | | |
| Monetary claims bought | 873,331 | | |
| Trading assets | 3,220,669 | 6-a | |
| Money held in trust | 2,060 | | |
| Securities | 27,317,549 | | |
| Loans and bills discounted | 63,370,678 | 6-c | |
| Foreign exchanges | 1,698,141 | | |
| Other assets | 1,298,327 | | |
| Tangible fixed assets | 753,279 | | |
| Intangible fixed assets | 182,351 | 2 | |
| Prepaid pension cost | 226,615 | 3 | |
| Customers' liabilities for acceptances and guarantees | 5,767,068 | | |
| Reserve for possible loan losses | (472,548) | | |
| Reserve for possible losses on investments | (80,785) | | |
| Total assets | 135,966,434 | | |
| (Liabilities) | | | |
| Deposits | 84,137,339 | | |
| Negotiable certificates of deposit | 14,020,505 | | |
| Call money | 3,265,929 | | |
| Payables under repurchase agreements | 1,126,120 | | |
| Payables under securities lending transactions | 3,390,533 | | |
| Commercial paper | 1,806,866 | | |
| Trading liabilities | 2,400,057 | 6-d | |
| Borrowed money | 5,091,006 | | |
| Foreign exchanges | 490,873 | | |
| Short-term bonds | 25,000 | | |
| Bonds | 4,501,843 | | |
| Due to trust account | 698,953 | | |
| Other liabilities | 2,071,738 | | |
| Reserve for employee bonuses | 12,112 | | |
| Reserve for executive bonuses | 610 | | |
| Reserve for point service program | 1,338 | | |
| Reserve for reimbursement of deposits | 13,650 | | |
| Deferred tax liabilities | 29,744 | 4-a | |
| Deferred tax liabilities for land revaluation | 37,782 | 4-b | |
| Acceptances and guarantees | 5,767,068 | | |
| Total liabilities | 128,889,073 | | |
| (Net assets) | | | |
| Capital stock | 1,770,996 | 1-a | |
| Capital surplus | 2,481,273 | 1-b | |
| Retained earnings | 2,137,235 | | |
| Treasury stock | (210,003) | 1-d | |
| Total stockholders' equity | 6,179,502 | | |
| Net unrealized gains on other securities | 926,836 | | |
| Net deferred losses on hedges | (53,158) | | |
| Land revaluation excess | 24,180 | | |
| Total valuation and translation adjustments | 897,858 | | |
| Total net assets | 7,077,360 | | |
| Total liabilities and net assets | 135,966,434 | | |

Note: The nonconsolidated capital adequacy ratio is calculated based on the consolidated financial statements which include special purpose vehicles and other equivalent entities in accordance with Article 15 of "Criteria for Judging Whether A Financial Institution's Capital Is Sufficient in Light of the Assets Held, etc. under the Provision of Article 14-2 of the Banking Law" (Notification No. 19 of 2006, the Financial Services Agency). The above capital adequacy ratio is calculated using the following balance sheet accounts reported on the consolidated financial statements.

| (Millions of yen) | | | |
|---|--|-----------------------------------|--|
| Balance sheet account | Amount reported on the consolidated financial statements | Cross-reference to Appended Table | Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template) |
| Securities | 27,303,971 | 6-b | 3 |
| Retained earnings | 2,138,218 | 1-c | |
| Net deferred losses on hedges | (53,761) | 5 | |
| Total valuation and translation adjustments | 896,337 | | |

(Appended Table)

1. Stockholders' equity

(1) Balance sheet

(Millions of yen)

| Balance sheet items | Amount | Remarks | Ref. No. |
|----------------------------|-----------|---|----------|
| Capital stock | 1,770,996 | Including eligible Tier 1 capital instruments subject to transitional arrangement | 1-a |
| Capital surplus | 2,481,273 | Including eligible Tier 1 capital instruments subject to transitional arrangement | 1-b |
| Retained earnings | 2,138,218 | | 1-c |
| Treasury stock | (210,003) | Eligible Tier 1 capital instruments subject to transitional arrangement | 1-d |
| Total stockholders' equity | 6,180,485 | | |

(2) Composition of capital

(Millions of yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|--|-----------|---|------------------------|
| Directly issued qualifying common share capital plus related capital surplus and retained earnings | 6,180,485 | Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed)) | |
| of which: capital and capital surplus | 4,042,266 | | 1a |
| of which: retained earnings | 2,138,218 | | 2 |
| of which: treasury stock (—) | — | | 1c |
| of which: other than the above | — | | |
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown | — | Stockholders' equity attributable to preferred shares with a loss absorber clause upon entering into effectively bankruptcy | 31a |

2. Intangible assets

(1) Balance sheet

(Millions of yen)

| Balance sheet items | Amount | Remarks | Ref. No. |
|-------------------------------|---------|---------|----------|
| Intangible fixed assets | 182,351 | | 2 |
| Income taxes related to above | 64,862 | | |

(2) Composition of capital

(Millions of yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|---|---------|--------------------|------------------------|
| Goodwill (including those equivalent) | — | | 8 |
| Other intangible assets other than goodwill and mortgage servicing rights | 117,488 | Software and other | 9 |
| Mortgage servicing rights | — | | |
| Amount exceeding the 10% threshold on specified items | — | | 20 |
| Amount exceeding the 15% threshold on specified items | — | | 24 |
| Mortgage servicing rights that are below the thresholds for deduction (before risk weighting) | — | | 74 |

3. Prepaid pension cost

(1) Balance sheet

(Millions of yen)

| Balance sheet items | Amount | Remarks | Ref. No. |
|-------------------------------|---------|---------|----------|
| Prepaid pension cost | 226,615 | | 3 |
| Income taxes related to above | 80,607 | | |

(2) Composition of capital

(Millions of yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|-----------------------------------|---------|---------|------------------------|
| Prepaid pension cost | 146,008 | | 15 |

4. Deferred tax assets

(1) Balance sheet (Millions of yen)

| Balance sheet items | Amount | Remarks |
|---|--------|---------|
| Deferred tax liabilities | 29,744 | |
| Deferred tax liabilities for land revaluation | 37,782 | |

| Ref. No. |
|----------|
| 4-a |
| 4-b |

| | | |
|--|--------|--|
| Tax effects on other intangible assets | 64,862 | |
| Tax effects on prepaid pension cost | 80,607 | |

(2) Composition of capital (Millions of yen)

| Composition of capital disclosure | Amount | Remarks |
|---|--------|---|
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | — | This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities. |
| Deferred tax assets arising from temporary differences (net of related tax liability) | 77,942 | This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities. |
| Amount exceeding the 10% threshold on specified items | — | |
| Amount exceeding the 15% threshold on specified items | — | |
| Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting) | 77,942 | |

| Basel III Template No. |
|------------------------|
| 10 |

| |
|----|
| 21 |
| 25 |
| 75 |

5. Deferred gains or losses on derivatives under hedge accounting

(1) Balance sheet (Millions of yen)

| Balance sheet items | Amount | Remarks |
|-------------------------------|----------|---------|
| Net deferred losses on hedges | (53,761) | |

| Ref. No. |
|----------|
| 5 |

(2) Composition of capital (Millions of yen)

| Composition of capital disclosure | Amount | Remarks |
|-----------------------------------|----------|---|
| Net deferred losses on hedges | (51,624) | Excluding those items whose valuation differences arising from hedged items are recognized as "Total valuation and translation adjustments" |

| Basel III Template No. |
|------------------------|
| 11 |

6. Items associated with investments in the capital of financial institutions

(1) Balance sheet (Millions of yen)

| Balance sheet items | Amount | Remarks |
|----------------------------|------------|---|
| Trading assets | 3,220,669 | Including trading account securities and derivatives for trading assets |
| Securities | 27,303,971 | |
| Loans and bills discounted | 63,370,678 | Including subordinated loans |
| Trading liabilities | 2,400,057 | Including trading account securities sold and derivatives for trading liabilities |

| Ref. No. |
|----------|
| 6-a |
| 6-b |
| 6-c |
| 6-d |

(2) Composition of capital

(Millions of yen)

| Composition of capital disclosure | Amount | Remarks | Basel III Template No. |
|---|---------|---------|------------------------|
| Investments in own capital instruments | — | | |
| Common Equity Tier 1 capital | — | | 16 |
| Additional Tier 1 capital | — | | 37 |
| Tier 2 capital | — | | 52 |
| Reciprocal cross-holdings in the capital of banking, financial and insurance entities | — | | |
| Common Equity Tier 1 capital | — | | 17 |
| Additional Tier 1 capital | — | | 38 |
| Tier 2 capital | — | | 53 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital ("Non-significant Investment") (amount above the 10% threshold) | 569,683 | | |
| Common Equity Tier 1 capital | — | | 18 |
| Additional Tier 1 capital | — | | 39 |
| Tier 2 capital | — | | 54 |
| Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 569,683 | | 72 |
| Significant investments in the capital of Other Financial Institutions, net of eligible short positions | 759,266 | | |
| Amount exceeding the 10% threshold on specified items | — | | 19 |
| Amount exceeding the 15% threshold on specified items | — | | 23 |
| Additional Tier 1 capital | 159,230 | | 40 |
| Tier 2 capital | 125,000 | | 55 |
| Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 475,035 | | 73 |

Note:

Amounts in the "Composition of capital disclosure" are based on those before considering under transitional arrangements and includes "Amounts excluded under transitional arrangements" disclosed in "Capital Structure Information" as well as amounts included as regulatory capital. In addition, items for regulatory purpose under transitional arrangement are excluded from this table.

Glossary

ABL

Abbreviation for Asset Based Lending of having movable assets as collateral such as accounts receivable and/or inventory.

Advanced Measurement Approach (AMA)

Based on the operational risk measurement methods used in the internal management of financial institutions, this is a method for obtaining the operational risk equivalent amount by calculating the maximum amount of operational risk loss expected over a period of one year, with a one-sided confidence interval of 99.9%.

Basic Indicator Approach (BIA)

A calculation approach in which an average value for the most recent three years derived by multiplying gross profit for the financial institution as a whole by certain level (15%) is deemed to be the operational risk equivalent amount.

CCF

Abbreviation for Credit Conversion Factor

Ratio required for converting off-balance sheet items such as guarantees or derivatives into on-balance sheet credit exposure equivalents.

CCP-related exposure

Exposure to a central counterparty (CCP) that interposes itself between counterparties to contracts traded in one or more financial markets, becoming the buyer to every seller and the seller to every buyer and thereby ensuring the future performance of open contracts.

CDS

Abbreviation for Credit Default Swap

Derivative transactions which transfer the credit risk.

Calculation of credit risk-weighted assets under Article 145 of the Notification

Method used for calculating the credit risk-weighted assets for the fund exposure, etc. There is a method of making the total credit risk-weighted asset of individual underlying asset of funds, etc. as the relevant exposure of the credit risk-weighted asset; or a method of applying the risk weight determined based on the formation of underlying assets to the relevant exposure.

Capital adequacy ratio notification ("the Notification")

Administrative action or written ordinance by which the Financial Services Agency officially informs Japanese banks of regulations regarding capital adequacy ratio.

Credit Risk Mitigation (CRM) Techniques

Method of reducing credit risk by guarantees, collateral and purchase of credit derivatives, etc.

Credit risk-weighted assets

Total assets (lending exposures, including credit equivalent amount of off-balance sheet transactions, etc.) which is reevaluated according to the level of credit risk.

Current exposure method

One of the methods for calculating the credit exposure equivalents of derivative transactions, etc. Method of calculating the equivalents by adding the amount (multiplying the notional amount by certain rate, and equivalent to the future exposure fluctuation amount) to the mark-to-market replacement cost calculated by evaluating the market price of the transaction.

CVA (credit value adjustment) amount

Capital charges for market-price fluctuation of derivatives transaction due to deteriorated creditworthiness of a counterparty.

EL

Abbreviation for Expected Loss

Average loss expected to occur over the coming one year.

Historical simulation method

Method of simulating future fluctuations without the use of random numbers, by using historical data for risk factors.

Internal models approach

Methods of measuring market risk equivalent amount as the value at risk (VaR) calculated with models determined by each bank.

Internal models method

One of the methods of market-based approach using the VaR model to calculate the loss for shares held by the bank applying the Internal Ratings-Based Approach, and dividing such loss amount by 8% to obtain the credit risk-weighted asset of the equity exposure.

The Internal Ratings-Based (IRB) Approach

A method of calculating the risk asset by applying PD (Probability of Default) estimated internally by financial institution which conducts sophisticated risk management. There are two methods to calculate exposures to corporate client, etc.: the Advanced Internal Ratings-Based (AIRB) Approach and the Foundation Internal Ratings-Based (FIRB) Approach. The former uses self-estimated LGD and EAD values, while the latter uses LGD and EAD values designated by the authorities.

LGD

Abbreviation for Loss Given Default

Percentage of loss assumed in the event of default by obligor; ratio of uncollectible amount of the exposure owned in the event of default.

Market-based approach

Method of calculating the risk assets of equity exposures, etc., by using the simple risk weight method or internal model method.

Market risk equivalent amount

Pursuant to the Basel Capital Accord capital adequacy regulations, the required capital amount imposed on the market-related risk calculated for the four risk categories of mainly the trading book: interest rates, stocks, foreign exchange and commodities.

Object finance

For providing credit for purchasing ships or aircrafts, the only source of repayments for the financing should be profits generated from the said tangible assets; and the said tangible assets serve as collaterals, and having an appreciable extent of control over the said tangible assets and profits generated from the said tangible assets.

Operational risk equivalent amount

Operational risk capital requirements under the Basel Capital Accord capital adequacy regulations.

Originator

The term "originator" is used in the case that SMFG is directly or indirectly involved in the formation of underlying assets for securitization transactions when SMFG has the securitization exposure; or the cases of providing the back-up line for ABCP issued by the securitization conduit for the purpose of obtaining exposure from the third party, or providing ABL to the securitization conduit (as sponsor).

PD

Abbreviation for Probability of Default

Probability of becoming default by obligor during one year.

Phased rollout

Under the Basel Capital Accord (credit risk, operational risk), it is a transition made by certain group companies planning to apply the Internal Ratings-Based Approach or the Advanced Measurement Approach after the implementation of such methods on consolidated-basis.

Project finance

Out of credit provided for specified businesses such as electric power plants and transportation infrastructure, the only source of repayments is profits generated from the said businesses, and the collateral is tangible assets of the said businesses, and having an appreciable extent of control over the said tangible assets and profits generated from the said tangible assets.

Qualifying Revolving Retail Exposures (QRRE)

Exposure which may fluctuate up to the upper limit set forth by an agreement according to the individual's voluntary decision, such as card loan and credit card, etc., and the upper limit of the exposure without any collateral is 10 million yen or less.

Resecuritization transaction

Out of securitization transactions, it is a transaction with securitization exposure for part of or entire underlying assets. However, in the case that all of underlying assets is the single securitization exposure and the transaction's risk characteristics are substantively unchanged prior to or after the securitization, the transaction is excluded from the resecuritization transactions.

Risk capital

The amount of required capital, which is statistically calculated from the historical market fluctuations, default rates, etc., to cover an unexpected loss arising from risks of business operations. It differs from the minimum regulatory capital requirements, and it is being used in the risk management framework voluntarily developed by financial institutions for the purpose of internal management.

Risk weight

Indicator which indicates the extent of credit risk determined by the types of assets (claims) owned. Risk weight becomes higher for assets with high risk of default.

Securitization transaction

It is a transaction which stratifies the credit risk for the underlying assets into more than two exposures of senior/subordinated structure and has the quality of transferring part of or entire exposure to the third party.

Servicer risk

The risk of becoming unable to claim for the collectives, in cases of which bankruptcy of the supplier/servicer occurs prior to collecting receivables, in securitization and purchased claims transactions.

Simple risk weight method

One of market-based approaches for calculating the risk-weighted asset amount for the equity exposure, etc. by multiplying the listed shares and unlisted shares with the risk weights of 300% and 400%, respectively.

Slotting criteria

For risk-weighted asset calculation under the Internal Ratings-Based (IRB) Approach, it is a method of mapping the credit rating to the risk-weight in 5 levels set forth by the Financial Services Agency for Specialised Lending.

Specialized Lending (SL)

General term used for project finance, object finance, commodity finance and lending for commercial real estate.

The Standardized Approach (SA)

Method of calculating risk-weighted assets by multiplying each obligor classification (corporation, financial institution, country, retail, etc.) by the risk-weight designated by the authorities.

Standardized method

Method of calculating market risk using formula determined by the Financial Services Agency.

Underlying assets

General term used for assets which serve as the source of payments for principal and interest for securitization exposures, etc.

VaR

Abbreviation for Value at Risk

Forecasted maximum loss incurred by the relevant portfolio under certain probability.