

Basel III Information

Capital Ratio Information (Consolidated)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

The consolidated capital ratio is calculated using the method stipulated in “Standards for Bank Holding Company to Examine the Adequacy of Its Capital Based on Assets, Etc. Held by It and Its Subsidiaries Pursuant to Article 52-25 of the Banking Act” (Notification No. 20 issued by the Japanese Financial Services Agency in 2006; hereinafter referred to as “the Notification”).

In addition to the method stipulated in the Notification to calculate the consolidated capital ratio (referred to as “International Standard” in the Notification), SMFG has adopted the Advanced Internal Ratings-Based (AIRB) approach for calculating credit risk-weighted asset amounts and the Advanced Measurement Approach (AMA) for calculating the operational risk equivalent amount.

“Consolidated Capital Ratio Information” was prepared principally based on the Notification, and the terms and details in the section may differ from those in other sections of this report.

■ Scope of Consolidation

1. Consolidated Capital Ratio Calculation

- Number of consolidated subsidiaries: 366

The names and primary business activities of the main consolidated subsidiaries are as follows.

Sumitomo Mitsui Banking Corporation (Commercial banking)
SMBC Trust Bank Ltd. (Commercial banking and trust service)
Sumitomo Mitsui Finance and Leasing Company, Limited (Leasing)
SMBC Nikko Securities Inc. (Securities)
SMBC Friend Securities Co., Ltd. (Securities)
Sumitomo Mitsui Card Company, Limited (Credit card services)
Cedyna Financial Corporation (Credit card services, Installment)
SMBC Consumer Finance Co., Ltd. (Consumer loans)
The Japan Research Institute, Limited (System engineering, data processing, management consulting, and economic research)
Sumitomo Mitsui Asset Management Company, Limited (Investment advisory and investment trust management)
THE MINATO BANK, LTD. (Commercial banking)
Kansai Urban Banking Corporation (Commercial banking)
Sumitomo Mitsui Banking Corporation Europe Limited (Commercial banking)
Sumitomo Mitsui Banking Corporation (China) Limited (Commercial banking)
SMBC Guarantee Co., Ltd. (Credit guarantee)
SMBC Capital Markets, Inc. (Derivatives)

- Scope of consolidated subsidiaries for calculation of the consolidated capital ratio is based on the scope of consolidated subsidiaries for preparing consolidated financial statements.
- There are no affiliates to which the proportionate consolidation method is applied.

2. Restrictions on Movement of Funds and Capital within Holding Company Group

There are no special restrictions on movement of funds and capital among SMFG and its group companies.

3. Names of companies among subsidiaries of bank-holding companies (other financial institutions), with the Basel Capital Accord required amount, and total shortfall amount

Not applicable.

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

Regarding the calculation of the capital ratio, certain procedures were performed by KPMG AZSA LLC pursuant to “Treatment of Inspection of the Capital Ratio Calculation Framework Based on Agreed-Upon Procedures” (JICPA Industry Committee Practical Guideline No. 30).

The certain procedures performed by the external auditor are not part of the audit of consolidated financial statements. The certain procedures performed on our internal control framework for calculating the capital ratio are based on procedures agreed upon by SMFG and the external auditor and are not a validation of appropriateness of the capital ratio itself or opinion on the internal controls related to the capital ratio calculation.

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2016		As of September 30, 2015	
			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	7,608,387		7,195,650	
1a	of which: capital and capital surplus	3,095,197		3,095,217	
2	of which: retained earnings	4,791,135		4,378,320	
1c	of which: treasury stock (-)	175,404		175,344	
26	of which: cash dividends to be paid (-)	102,541		102,542	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	2,931		2,338	
3	Accumulated other comprehensive income and other disclosed reserves	727,310	484,873	662,202	993,303
5	Adjusted non-controlling interests, etc. (amount allowed to be included in group Common Equity Tier 1)	164,809		158,356	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	48,142		69,560	
	of which: non-controlling interests and other items corresponding to common share capital issued by consolidated subsidiaries (amount allowed to be included in group Common Equity Tier 1)	48,142		69,560	
6	Common Equity Tier 1 capital: instruments and reserves (A)	8,551,581		8,088,108	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	507,902	338,601	282,603	423,905
8	of which: goodwill (including those equivalent)	240,452	160,301	149,216	223,825
9	of which: other intangible assets other than goodwill and mortgage servicing rights	267,450	178,300	133,386	200,080
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,935	1,290	1,699	2,549
11	Net deferred gains or losses on hedges	49,482	32,988	(5,992)	(8,988)
12	Shortfall of eligible provisions to expected losses	20,047	13,365	18,259	27,389
13	Gain on sale on securitization transactions	34,677	23,118	18,998	28,498
14	Gains and losses due to changes in own credit risk on fair valued liabilities	3,349	2,233	1,951	2,927
15	Net defined benefit asset	95,667	63,778	102,403	153,604
16	Investments in own shares (excluding those reported in the Net assets section)	5,833	3,888	3,923	5,885
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)	-	-	1,693	2,540
19+20+21	Amount exceeding the 10% threshold on specified items	-	-	-	-
19	of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-	-	-
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)	718,894		425,541	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,832,687		7,662,567	

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2016		As of September 30, 2015		
			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	300,000		300,000	
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	-		-	
34-35	Adjusted non-controlling interests, etc. (amount allowed to be included in group Additional Tier 1)	198,679		178,781		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	928,869		1,125,046		
33	of which: instruments issued by bank holding companies and their special purpose vehicles	928,869		1,125,046		
35	of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	-		-		
	Total of items included in Additional Tier 1 capital: items subject to transitional arrangements	(42,805)		87,755		
	of which: foreign currency translation adjustments	(42,805)		87,755		
36	Additional Tier 1 capital: instruments (D)	1,384,743		1,691,584		
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)	-	-	16	24	
40	Significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	48,039	32,026	63,455	95,182	
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	235,052		278,753		
	of which: goodwill and others	205,251		236,560		
	of which: gain on sale on securitization transactions	23,118		28,498		
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	6,682		13,694		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-		
43	Additional Tier 1 capital: regulatory adjustments (E)	283,091		342,224		
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital ((D)-(E)) (F)	1,101,651		1,349,359		
Tier 1 capital (T1 = CET1 + AT1)						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	8,934,338		9,011,926		
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	883,592		657,002	
		Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	-		-	
48-49	Adjusted non-controlling interests, etc. (amount allowed to be included in group Tier 2)	45,514		40,322		
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	1,165,472		1,423,997		
47	of which: instruments issued by bank holding companies and their special purpose vehicles	-		-		
49	of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	1,165,472		1,423,997		
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	84,517		76,796		
50a	of which: general reserve for possible loan losses	84,517		76,796		
50b	of which: eligible provisions	-		-		
	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	322,371		557,841		
	of which: unrealized gains on other securities after 55% discount	309,515		538,478		
	of which: land revaluation excess after 55% discount	12,856		19,362		
51	Tier 2 capital: instruments and provisions (H)	2,501,469		2,755,960		

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2016		As of September 30, 2015	
			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)	–	–	325	487
55	Significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions)	30,000	20,000	50,000	75,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	51,945		85,158	
	of which: Tier 2 and deductions under Basel II	51,945		85,158	
57	Tier 2 capital: regulatory adjustments (I)	81,945		135,483	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,419,523		2,620,476	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	11,353,861		11,632,402	
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	73,085		146,336	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	32,528		34,323	
	of which: net defined benefit asset	17,995		34,112	
	of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	83		52,936	
	of which: significant investments in Tier 2 capital of Other Financial Institutions (net of eligible short positions)	16,898		12,050	
60	Risk weighted assets (L)	65,049,919		65,364,586	
Capital ratio (consolidated)					
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	12.04%		11.72%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	13.73%		13.78%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	17.45%		17.79%	
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	649,301		795,223	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	512,355		476,505	
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)	15,403		4,966	
Provisions included in Tier 2 capital: instruments and provisions					
76	Provisions (general reserve for possible loan losses)	84,517		76,796	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	93,222		85,185	
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	295,048		308,504	
Capital instruments subject to transitional arrangements					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	975,514		1,138,100	
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	1,220,569		1,423,997	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	–		1,137	

(Millions of yen)

Items	As of September 30, 2016	As of September 30, 2015
Required capital ((L) × 8%)	5,203,993	5,229,166

(Millions of yen, except percentages)

Basel III Template No.	Items	As of March 31, 2016	
			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	7,351,752	
1a	of which: capital and capital surplus	3,095,202	
2	of which: retained earnings	4,534,472	
1c	of which: treasury stock (-)	175,381	
26	of which: cash dividends to be paid (-)	102,541	
	of which: other than the above	-	
1b	Stock acquisition rights to common shares	2,635	
3	Accumulated other comprehensive income and other disclosed reserves	875,680	583,787
5	Adjusted non-controlling interests, etc. (amount allowed to be included in group Common Equity Tier 1)	164,550	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	48,257	
	of which: non-controlling interests and other items corresponding to common share capital issued by consolidated subsidiaries (amount allowed to be included in group Common Equity Tier 1)	48,257	
6	Common Equity Tier 1 capital: instruments and reserves (A)	8,442,875	
Common Equity Tier 1 capital: regulatory adjustments			
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	451,805	301,203
8	of which: goodwill (including those equivalent)	223,573	149,048
9	of which: other intangible assets other than goodwill and mortgage servicing rights	228,232	152,154
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,282	855
11	Net deferred gains or losses on hedges	34,278	22,852
12	Shortfall of eligible provisions to expected losses	34,496	22,997
13	Gain on sale on securitization transactions	30,051	20,034
14	Gains and losses due to changes in own credit risk on fair valued liabilities	5,089	3,392
15	Net defined benefit asset	84,995	56,663
16	Investments in own shares (excluding those reported in the Net assets section)	4,424	2,949
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	-	-
19	of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-
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)	646,423	
Common Equity Tier 1 capital (CET1)			
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,796,451	

(Millions of yen, except percentages)

Basel III Template No.	Items	As of March 31, 2016		
			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	300,000	
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	
34-35	Adjusted non-controlling interests, etc. (amount allowed to be included in group Additional Tier 1)	183,267		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	961,997		
33	of which: instruments issued by bank holding companies and their special purpose vehicles	961,997		
35	of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	—		
	Total of items included in Additional Tier 1 capital: items subject to transitional arrangements	34,817		
	of which: foreign currency translation adjustments	34,817		
36	Additional Tier 1 capital: instruments (D)	1,480,082		
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)	48,032	32,021	
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	196,827		
	of which: goodwill and others	165,294		
	of which: gain on sale on securitization transactions	20,034		
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	11,498		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—		
43	Additional Tier 1 capital: regulatory adjustments (E)	244,860		
Additional Tier 1 capital (AT1)				
44	Additional Tier 1 capital ((D)-(E)) (F)	1,235,221		
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	9,031,672		
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	655,064	
		Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	
48-49	Adjusted non-controlling interests, etc. (amount allowed to be included in group Tier 2)	42,036		
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	1,220,569		
47	of which: instruments issued by bank holding companies and their special purpose vehicles	—		
49	of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	1,220,569		
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	78,017		
50a	of which: general reserve for possible loan losses	78,017		
50b	of which: eligible provisions	—		
	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	345,673		
	of which: unrealized gains on other securities after 55% discount	332,809		
	of which: land revaluation excess after 55% discount	12,863		
51	Tier 2 capital: instruments and provisions (H)	2,341,360		

(Millions of yen, except percentages)

Basel III Template No.	Items	As of March 31, 2016	
			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)	75,000	50,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	62,109	
	of which: Tier 2 and deductions under Basel II	62,109	
57	Tier 2 capital: regulatory adjustments	(I)	137,109
Tier 2 capital (T2)			
58	Tier 2 capital (T2) ((H)-(I))	(J)	2,204,250
Total capital (TC = T1 + T2)			
59	Total capital (TC = T1 + T2) ((G) + (J))	(K)	11,235,923
Risk weighted assets			
	Total of items included in risk weighted assets subject to transitional arrangements	68,865	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	31,824	
	of which: net defined benefit asset	16,093	
	of which: Non-significant Investments in the capital of Other Financial Institutions, net of eligible short positions (amount above the 10% threshold)	–	
	of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	83	
	of which: significant investments in Tier 2 capital of Other Financial Institutions (net of eligible short positions)	16,156	
60	Risk weighted assets	(L)	66,011,621
Capital ratio (consolidated)			
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	11.81%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	13.68%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	17.02%	
Regulatory adjustments			
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	620,209	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	522,466	
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)	9,700	
Provisions included in Tier 2 capital: instruments and provisions			
76	Provisions (general reserve for possible loan losses)	78,017	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	88,359	
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	309,031	
Capital instruments subject to transitional arrangements			
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	975,514	
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	1,220,569	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	30,203	

(Millions of yen)

Items	As of March 31, 2016
Required capital ((L) × 8%)	5,280,929

■ Capital Requirements

September 30	Billions of yen	
	2016	2015
Capital requirements for credit risk:		
Internal ratings-based approach	4,694.4	4,996.0
Corporate exposures:	2,857.5	3,075.1
Corporate exposures (excluding specialized lending)	2,435.7	2,608.1
Sovereign exposures	41.1	41.7
Bank exposures	117.6	152.7
Specialized lending	263.1	272.6
Retail exposures:	606.9	637.1
Residential mortgage exposures	356.5	383.5
Qualifying revolving retail exposures	140.1	131.0
Other retail exposures	110.2	122.6
Equity exposures:	456.6	491.3
PD/LGD approach	298.3	345.5
Market-based approach	158.4	145.8
Simple risk weight method	94.1	93.9
Internal models method	64.3	51.9
Credit risk-weighted assets under Article 145 of the Notification	273.1	286.7
Securitization exposures	68.9	77.6
Other exposures	431.3	428.2
Standardized approach	580.2	528.1
Amount corresponding to CVA risk	208.7	178.5
CCP-related exposures	8.8	8.2
Total capital requirements for credit risk	5,492.0	5,710.9
Capital requirements for market risk:		
Standardized method	73.1	69.1
Interest rate risk	34.8	44.1
Equity position risk	18.4	16.9
Foreign exchange risk	2.0	2.3
Commodities risk	0.0	0.2
Options	17.8	5.6
Internal models approach	91.2	61.5
Securitization exposures	7.4	—
Total capital requirements for market risk	171.6	130.6
Capital requirements for operational risk:		
Advanced measurement approach	234.7	204.6
Basic indicator approach	43.7	36.9
Total capital requirements for operational risk	278.5	241.5
Total amount of capital requirements	5,942.1	6,083.0

- Notes: 1. Capital requirements for credit risk are capital equivalents to "credit risk-weighted assets × 8%" under the standardized approach and "credit risk-weighted assets × 8% + expected loss amount" under the Internal-Ratings Based (IRB) approach.
2. Portfolio classification is after CRM.
3. "Securitization exposures" includes such exposures based on the standardized approach.
4. "Other exposures" includes estimated lease residual values, purchased receivables (including exposures to qualified corporate enterprises and others), long settlement transactions and other assets.

Internal Ratings-Based (IRB) Approach

Exposures by Asset Class

(1) Corporate Exposures

A. Corporate, Sovereign and Bank Exposures

(A) Obligor Grading System

Obligor Grade		Definition	Borrower Category
Domestic Corporate	Overseas Corporate		
J1	G1	Very high certainty of debt repayment	Normal Borrowers
J2	G2	High certainty of debt repayment	
J3	G3	Satisfactory certainty of debt repayment	
J4	G4	Debt repayment is likely but this could change in cases of significant changes in economic trends or business environment	
J5	G5	No problem with debt repayment over the short term, but not satisfactory over the mid to long term and the situation could change in cases of significant changes in economic trends or business environment	
J6	G6	Currently no problem with debt repayment, but there are unstable business and financial factors that could lead to debt repayment problems	
J7	G7	Close monitoring is required due to problems in meeting loan terms and conditions, sluggish/unstable business, or financial problems	Borrowers Requiring Caution
J7R	G7R	Of which Substandard Borrowers	
J8	G8	Currently not bankrupt, but experiencing business difficulties, making insufficient progress in restructuring, and highly likely to go bankrupt	Potentially Bankrupt Borrowers
J9	G9	Though not yet legally or formally bankrupt, has serious business difficulties and rehabilitation is unlikely; thus, effectively bankrupt	Effectively Bankrupt Borrowers
J10	G10	Legally or formally bankrupt	Bankrupt Borrowers

(B) Portfolio

a. Domestic Corporate, Sovereign and Bank Exposures

	Billions of yen									
	Exposure amount			Undrawn amount			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Total	Weighted average CCF					
September 30, 2016										
J1-J3	25,718.1	20,390.0	5,328.2	5,225.4	49.50%	0.06%	35.74%	—%	18.72%	
J4-J6	16,152.9	13,932.6	2,220.3	1,065.2	49.93	0.72	34.11	—	49.71	
J7 (excluding J7R)	715.3	674.0	41.3	17.0	49.44	15.81	34.19	—	149.22	
Japanese government and local municipal corporations	45,224.6	44,795.1	429.5	111.5	49.39	0.00	35.31	—	0.01	
Others	4,512.5	4,240.4	272.2	166.1	49.92	0.85	44.47	—	56.11	
Default (J7R, J8-J10)	658.2	629.6	28.6	0.1	82.54	100.00	47.13	46.48	8.08	
Total	92,981.6	84,661.6	8,320.0	6,585.3	—	—	—	—	—	

	Billions of yen									
	Exposure amount			Undrawn amount			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Total	Weighted average CCF					
September 30, 2015										
J1-J3	26,091.9	20,798.9	5,293.0	4,923.6	50.40%	0.07%	35.14%	—%	19.05%	
J4-J6	15,576.2	13,510.8	2,065.4	801.6	50.94	0.75	33.21	—	48.98	
J7 (excluding J7R)	861.5	816.7	44.8	13.3	50.38	15.59	33.06	—	143.98	
Japanese government and local municipal corporations	50,141.8	49,641.4	500.4	199.9	50.32	0.00	35.27	—	0.02	
Others	4,884.6	4,329.9	554.7	343.5	50.55	0.80	44.90	—	54.08	
Default (J7R, J8-J10)	833.1	797.4	35.7	0.2	88.92	100.00	47.29	46.39	11.28	
Total	98,389.0	89,895.1	8,493.9	6,282.1	—	—	—	—	—	

Note: "Others" includes exposures guaranteed by credit guarantee corporations, exposures to public sector entities and voluntary organizations, exposures to obligors not assigned obligor grades because they have yet to close their books (for example, newly established companies), as well as business loans of more than ¥100 million.

b. Overseas Corporate, Sovereign and Bank Exposures

	Billions of yen									
	Exposure amount			Undrawn amount			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Total	Weighted average CCF					
September 30, 2016										
G1-G3.....	32,971.4	23,933.3	9,038.1	8,065.7	49.39%	0.14%	29.04%	—%	18.35%	
G4-G6.....	2,154.9	1,434.3	720.6	396.5	49.39	3.06	22.55	—	65.80	
G7 (excluding G7R)	354.6	294.8	59.8	104.2	49.39	15.67	25.19	—	124.05	
Others.....	394.9	96.5	298.4	38.6	49.99	1.05	28.09	—	30.99	
Default (G7R, G8-G10)	87.6	81.6	6.0	2.8	100.00	100.00	70.40	66.25	51.88	
Total.....	35,963.3	25,840.4	10,122.9	8,607.8	—	—	—	—	—	

	Billions of yen									
	Exposure amount			Undrawn amount			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Total	Weighted average CCF					
September 30, 2015										
G1-G3.....	37,546.5	27,743.1	9,803.4	9,512.4	50.32%	0.13%	30.53%	—%	18.67%	
G4-G6.....	2,452.6	1,549.7	902.9	493.7	50.32	3.11	22.78	—	66.51	
G7 (excluding G7R)	404.3	356.1	48.2	55.4	50.32	14.80	28.00	—	138.46	
Others.....	146.6	70.5	76.1	58.4	50.32	2.42	31.34	—	84.05	
Default (G7R, G8-G10)	107.9	83.0	25.0	21.5	100.00	100.00	54.34	50.08	53.25	
Total.....	40,657.9	29,802.3	10,855.6	10,141.4	—	—	—	—	—	

B. Specialized Lending (SL)

Portfolio

a. Slotting Criteria Applicable Portion

(a) Project Finance, Object Finance and Income-Producing Real Estate (IPRE)

September 30	Risk weight	Billions of yen					
		2016			2015		
		Project finance	Object finance	IPRE	Project finance	Object finance	IPRE
Strong:							
Residual term less than 2.5 years	50%	0.0	—	2.7	0.0	—	4.7
Residual term 2.5 years or more	70%	26.7	2.5	11.9	20.9	3.0	8.0
Good:							
Residual term less than 2.5 years	70%	30.5	—	4.0	34.8	—	3.2
Residual term 2.5 years or more	90%	14.5	—	10.5	14.1	—	3.8
Satisfactory	115%	24.5	0.8	18.1	26.4	—	11.9
Weak.....	250%	—	—	—	10.9	—	1.3
Default	—	3.1	—	0.0	3.8	—	0.0
Total.....		99.4	3.2	47.2	111.0	3.0	33.0

(b) High-Volatility Commercial Real Estate (HVCRE)

September 30	Risk weight	Billions of yen	
		2016	2015
Strong:			
Residual term less than 2.5 years	70%	11.5	8.5
Residual term 2.5 years or more	95%	3.8	2.7
Good:			
Residual term less than 2.5 years	95%	115.6	118.9
Residual term 2.5 years or more	120%	57.1	56.0
Satisfactory	140%	164.6	135.2
Weak.....	250%	3.3	2.4
Default	—	—	—
Total.....		356.0	323.8

b. PD/LGD Approach Applicable Portion, Other Than Slotting Criteria Applicable Portion

(a) Project Finance

	Billions of yen								
	Exposure amount			Undrawn amount					
	Total	On-balance sheet assets	Off-balance sheet assets	Total	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
September 30, 2016									
G1-G3.....	3,300.4	2,296.6	1,003.8	975.9	49.39%	0.32%	28.01%	—%	43.48%
G4-G6.....	215.1	167.1	48.0	61.5	49.39	2.94	32.03	—	105.54
G7 (excluding G7R)	33.4	26.6	6.8	0.8	49.39	15.19	36.70	—	197.51
Others.....	—	—	—	—	—	—	—	—	—
Default (G7R, G8-G10)	30.6	30.6	—	—	—	100.00	54.59	50.44	51.88
Total	3,579.5	2,520.9	1,058.6	1,038.1	—	—	—	—	—

	Billions of yen								
	Exposure amount			Undrawn amount					
	Total	On-balance sheet assets	Off-balance sheet assets	Total	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
September 30, 2015									
G1-G3.....	3,106.2	2,157.2	949.0	1,048.2	50.32%	0.29%	28.84%	—%	42.20%
G4-G6.....	189.2	159.6	29.5	34.4	50.32	2.77	33.01	—	105.84
G7 (excluding G7R)	19.2	18.0	1.2	—	—	18.42	31.56	—	181.89
Others.....	—	—	—	—	—	—	—	—	—
Default (G7R, G8-G10)	18.6	18.5	0.1	0.1	100.00	100.00	59.41	55.15	53.25
Total	3,333.2	2,353.3	979.9	1,082.7	—	—	—	—	—

(b) Object Finance

	Billions of yen								
	Exposure amount			Undrawn amount					
	Total	On-balance sheet assets	Off-balance sheet assets	Total	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
September 30, 2016									
G1-G3.....	201.1	163.5	37.6	24.2	49.39%	0.33%	11.03%	—%	15.97%
G4-G6.....	16.6	15.7	0.9	—	—	3.37	22.86	—	84.15
G7 (excluding G7R)	0.3	0.3	—	—	—	14.63	45.00	—	247.42
Others.....	—	—	—	—	—	—	—	—	—
Default (G7R, G8-G10)	0.0	0.0	—	—	—	100.00	91.00	86.85	51.88
Total	218.0	179.5	38.5	24.2	—	—	—	—	—

	Billions of yen								
	Exposure amount			Undrawn amount					
	Total	On-balance sheet assets	Off-balance sheet assets	Total	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
September 30, 2015									
G1-G3.....	218.1	174.1	44.0	38.2	50.32%	0.30%	15.62%	—%	23.77%
G4-G6.....	31.5	30.4	1.1	—	—	3.65	19.19	—	71.63
G7 (excluding G7R)	—	—	—	—	—	—	—	—	—
Others.....	—	—	—	—	—	—	—	—	—
Default (G7R, G8-G10)	0.0	0.0	—	—	—	100.00	91.97	87.71	53.25
Total	249.6	204.5	45.1	38.2	—	—	—	—	—

(c) Income-Producing Real Estate (IPRE)

	Billions of yen								
	Exposure amount			Undrawn amount					
	Total	On-balance sheet assets	Off-balance sheet assets	Total	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
September 30, 2016									
J1-J3	944.7	844.7	100.0	2.8	49.39%	0.03%	21.73%	—%	9.87%
J4-J6	324.2	252.9	71.3	—	—	1.19	24.33	—	54.23
J7 (excluding J7R)	12.2	5.4	6.9	—	—	26.03	19.65	—	106.98
Others	287.3	274.9	12.4	16.8	49.39	0.80	30.12	—	29.37
Default (J7R, J8-J10)	—	—	—	—	—	—	—	—	—
Total	1,568.5	1,377.9	190.6	19.6	—	—	—	—	—

	Billions of yen								
	Exposure amount			Undrawn amount					
	Total	On-balance sheet assets	Off-balance sheet assets	Total	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
September 30, 2015									
J1-J3	680.8	603.9	77.0	2.2	50.32%	0.05%	25.91%	—%	11.51%
J4-J6	584.1	470.6	113.6	—	—	1.17	31.89	—	73.57
J7 (excluding J7R)	12.5	5.5	7.1	—	—	17.02	19.75	—	89.67
Others	251.3	243.0	8.2	12.2	50.32	1.05	31.99	—	34.10
Default (J7R, J8-J10)	23.5	4.0	19.5	—	—	100.00	43.64	42.46	14.75
Total	1,552.3	1,326.9	225.4	14.4	—	—	—	—	—

(2) Retail Exposures

A. Residential Mortgage Exposures

Portfolio

	Billions of yen							
	Exposure amount			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight	
	Total	On-balance sheet assets	Off-balance sheet assets					
September 30, 2016								
Mortgage loans								
PD segment:								
Not delinquent								
Use model	11,863.7	11,839.5	24.2	0.44%	33.72%	—%	23.17%	
Others	407.7	407.7	—	1.02	51.37	—	67.28	
Delinquent	93.6	91.5	2.1	18.66	36.49	—	190.78	
Default	165.2	165.1	0.1	100.00	35.55	33.79	22.07	
Total	12,530.3	12,503.9	26.4	—	—	—	—	

	Billions of yen							
	Exposure amount			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight	
	Total	On-balance sheet assets	Off-balance sheet assets					
September 30, 2015								
Mortgage loans								
PD segment:								
Not delinquent								
Use model	11,984.3	11,957.1	27.2	0.45%	34.17%	—%	23.76%	
Others	449.8	449.8	—	1.04	51.70	—	69.34	
Delinquent	94.4	89.9	4.5	19.82	37.16	—	194.92	
Default	195.5	195.4	0.2	100.00	36.89	35.24	20.66	
Total	12,724.0	12,692.1	31.9	—	—	—	—	

Notes: 1. "Others" includes loans guaranteed by employers.

2. "Delinquent" loans are past due loans and loans to obligors categorized as "Borrowers Requiring Caution" that do not satisfy the definition of default stipulated in the Notification.

B. Qualifying Revolving Retail Exposures (QRRE)

Portfolio

	Billions of yen									
	Exposure amount				Undrawn amount					
	Total	On-balance sheet assets		Off-balance sheet assets	Total	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
Balance		Increase								
September 30, 2016										
Card loans										
PD segment:										
Not delinquent	872.0	764.7	105.5	1.7	235.6	44.77%	2.71%	83.02%	—%	63.4%
Delinquent.....	15.6	15.0	0.7	—	3.1	21.45	27.41	77.05	—	210.39
Credit card balances										
PD segment:										
Not delinquent	1,556.2	901.6	344.9	309.7	4,510.3	7.65	1.00	71.97	—	22.60
Delinquent.....	6.9	5.9	1.0	—	—	—	77.38	72.03	—	122.31
Default	26.6	23.7	2.9	—	—	—	100.00	80.17	73.54	82.81
Total	2,477.3	1,710.9	455.0	311.5	4,749.0	—	—	—	—	—

	Billions of yen									
	Exposure amount				Undrawn amount					
	Total	On-balance sheet assets		Off-balance sheet assets	Total	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
Balance		Increase								
September 30, 2015										
Card loans										
PD segment:										
Not delinquent	819.0	712.4	104.7	1.9	227.4	46.02%	2.60%	83.11%	—%	61.52%
Delinquent.....	16.7	16.1	0.7	—	3.4	19.45	27.63	77.43	—	211.69
Credit card balances										
PD segment:										
Not delinquent	1,489.7	869.8	330.9	288.9	4,294.2	7.71	0.97	71.74	—	22.26
Delinquent.....	8.2	6.9	1.2	—	—	—	76.76	72.16	—	124.16
Default	24.2	21.6	2.6	—	—	—	100.00	80.57	74.16	80.14
Total	2,357.8	1,626.8	440.1	290.9	4,525.0	—	—	—	—	—

Notes: 1. The on-balance sheet exposure amount is estimated by estimating the amount of increase in each transaction balance and not by multiplying the undrawn amount by the CCF.

2. "Weighted average CCF" is "On-balance sheet exposure amount ÷ Undrawn amount" and provided for reference only. It is not used for estimating on-balance sheet exposure amounts.

3. Past due loans of less than three months are recorded in "Delinquent."

C. Other Retail Exposures
Portfolio

	Billions of yen			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount						
	Total	On-balance sheet assets	Off-balance sheet assets				
September 30, 2016							
Business loans							
PD segment:							
Not delinquent							
Use model.....	1,028.3	1,009.9	18.4	0.88%	47.99%	—%	41.02%
Others	203.8	202.8	1.1	0.69	41.70	—	32.55
Delinquent.....	82.6	81.5	1.1	6.33	42.69	—	67.77
Consumer loans							
PD segment:							
Not delinquent							
Use model.....	326.2	325.7	0.5	0.74	44.43	—	36.31
Others	131.8	130.4	1.4	1.59	53.37	—	63.86
Delinquent.....	19.2	19.1	0.1	16.34	47.87	—	97.66
Default	63.6	63.3	0.3	100.00	52.11	48.55	44.48
Total	1,855.5	1,832.6	22.9	—	—	—	—

	Billions of yen			Weighted average PD	Weighted average LGD	Weighted average EL _{default}	Weighted average risk weight
	Exposure amount						
	Total	On-balance sheet assets	Off-balance sheet assets				
September 30, 2015							
Business loans							
PD segment:							
Not delinquent							
Use model.....	1,029.6	1,011.6	18.0	0.96%	48.24%	—%	42.96%
Others	207.0	205.9	1.1	0.81	42.59	—	35.27
Delinquent.....	101.6	100.1	1.5	6.41	43.39	—	68.93
Consumer loans							
PD segment:							
Not delinquent							
Use model.....	323.1	322.5	0.6	0.80	41.86	—	34.07
Others	135.7	134.1	1.6	1.63	54.04	—	65.16
Delinquent.....	26.8	26.6	0.2	16.35	45.70	—	92.95
Default	74.5	74.3	0.2	100.00	53.85	50.01	47.96
Total	1,898.1	1,875.1	23.0	—	—	—	—

- Notes: 1. "Business loans" includes apartment construction loans. Following implementation of our domestic business structure revision started in April 2014, "Domestic Corporate Exposures" includes SME loans because their grading system is integrated into that of Corporate loans.
2. "Others" includes loans guaranteed by employers.
3. "Delinquent" loans are past due loans and loans to obligors categorized as "Borrowers Requiring Caution" that do not satisfy the definition of default stipulated in the Notification.

(3) Equity Exposures and Credit Risk-Weighted Assets under Article 145 of the Notification

A. Equity Exposures

Portfolio

a. Equity Exposure Amounts

September 30	Billions of yen	
	2016	2015
Market-based approach.....	625.7	580.1
Simple risk weight method.....	329.6	326.9
Listed equities (300%).....	208.7	199.8
Unlisted equities (400%).....	120.9	127.1
Internal models method.....	296.1	253.2
PD/LGD approach.....	3,332.9	3,817.1
Total.....	3,958.6	4,397.2

Note: The above exposures are "equity exposures" stipulated in the Notification and differ from "stocks" described in the consolidated financial statements.

b. PD/LGD Approach

September 30	Billions of yen					
	2016			2015		
	Exposure amount	Weighted average PD	Weighted average risk weight	Exposure amount	Weighted average PD	Weighted average risk weight
J1-J3.....	3,075.7	0.05%	100.50%	3,462.5	0.05%	100.50%
J4-J6.....	168.2	0.32	154.58	202.2	0.45	162.66
J7 (excluding J7R).....	2.0	11.30	578.96	2.6	10.64	564.87
Others.....	86.4	0.45	170.43	149.5	0.30	165.27
Default (J7R, J8-J10).....	0.7	100.00	1,125.00	0.3	100.00	1,125.00
Total.....	3,332.9	—	—	3,817.1	—	—

Notes: 1. The above exposures are "equity exposures" stipulated in the Notification to which the PD/LGD approach is applied and differ from "stocks" described in the consolidated financial statements.

2. "Others" includes exposures to overseas corporate entities.

3. Weighted average risk weight is calculated by including the amount derived by multiplication of the expected loss by a risk weight of 1250% in the credit risk-weighted assets.

B. Credit Risk-Weighted Assets under Article 145 of the Notification

Portfolio

September 30	Billions of yen	
	2016	2015
Exposures under Article 145 of the Notification.....	1,252.4	1,548.2

(4) Analysis of Actual Losses

A. Year-on-Year Comparison of Actual Losses

SMFG recorded an increase of ¥30.6 billion in total credit costs (the total of the general reserve, non-performing loan write-offs and gains on collection of written-off claims) compared to the same period of the previous fiscal year, amounting to ¥54.8 billion on a consolidated basis for the first half of fiscal year 2016. This is primarily attributable to a decrease in gain on reversal of allowance for loan losses at SMBC.

SMBC recorded an increase of ¥19.6 billion in total credit costs compared to the same period of the previous fiscal year, which resulted in a gain on reversal of allowance for loan losses of ¥8.0 billion on a non-consolidated basis for the first half of fiscal year 2016. This is due primarily to lower gain on reversal of allowance for loan losses on domestic loans, and slight increase in costs on overseas loans.

Total Credit Costs

	Billions of yen					
	First half of fiscal 2016 (A)	First half of fiscal 2015 (B)	First half of fiscal 2014	Increase (decrease) (A) – (B)	Fiscal 2015	Fiscal 2014
SMFG (consolidated) total.....	54.8	24.1	(88.8)	30.6	102.8	7.8
SMBC (consolidated) total	4.8	(21.4)	(122.2)	26.2	13.9	(65.4)
SMBC (non-consolidated) total	(8.0)	(27.6)	(124.2)	19.6	(3.2)	(80.1)
Corporate exposures	(1.5)	(23.0)	(76.7)	21.5	0.1	(40.6)
Sovereign exposures	(0.5)	(0.0)	(5.2)	(0.4)	(1.7)	(6.0)
Bank exposures.....	(0.1)	0.1	(0.3)	(0.2)	(0.1)	(0.7)
Residential mortgage exposures.....	(0.0)	(0.0)	(0.2)	0.0	0.0	(0.3)
QRRE.....	(0.0)	(0.0)	(0.1)	0.0	0.0	(0.1)
Other retail exposures	(0.9)	(1.0)	(4.4)	0.1	(1.8)	(2.6)

Notes: 1. The above amounts do not include gains/losses on “equity exposures,” “exposures on capital market-driven transactions (such as bonds)” and “exposures under Article 145 of the Notification” that were recognized as gains/losses on bonds and stocks in the statements of income.

2. Exposure category amounts do not include general reserve for Normal Borrowers.

3. Bracketed fiscal year amounts indicate gains generated by the reversal of reserve, etc.

4. Credit costs for “Residential mortgage exposures” and “QRRE” guaranteed by consolidated subsidiaries are not included in the total credit costs of SMBC (non-consolidated).

B. Comparison of Estimated and Actual Losses

	Billions of yen							
	Fiscal 2016				Fiscal 2015			
	Estimated loss amounts		Actual loss amounts		Estimated loss amounts		Actual loss amounts	
	After deduction of reserves	(First half of fiscal 2016)	(First half of fiscal 2016)		After deduction of reserves	(First half of fiscal 2015)	(Fiscal 2015)	(Fiscal 2015)
SMFG (consolidated) total.....	—	—	54.8	—	—	24.1	102.8	
SMBC (consolidated) total	—	—	4.8	—	—	(21.4)	13.9	
SMBC (non-consolidated) total.....	463.9	170.5	(8.0)	513.1	153.9	(27.6)	(3.2)	
Corporate exposures.....	437.1	156.7	(1.5)	483.0	139.0	(23.0)	0.1	
Sovereign exposures.....	8.9	5.3	(0.5)	9.1	3.8	(0.0)	(1.7)	
Bank exposures.....	7.5	4.1	(0.1)	10.7	7.2	0.1	(0.1)	
Residential mortgage exposures.....	2.3	2.0	(0.0)	3.9	3.5	(0.0)	0.0	
QRRE.....	3.9	3.9	(0.0)	0.0	0.0	(0.0)	0.0	
Other retail exposures	4.2	3.5	(0.9)	6.4	5.5	(1.0)	(1.8)	

	Billions of yen							
	Fiscal 2014				Fiscal 2013			
	Estimated loss amounts		Actual loss amounts		Estimated loss amounts		Actual loss amounts	
	After deduction of reserves	(First half of fiscal 2014)	(Fiscal 2014)		After deduction of reserves	(First half of fiscal 2013)	(Fiscal 2013)	(Fiscal 2013)
SMFG (consolidated) total.....	—	—	(88.8)	7.8	—	—	(39.6)	(49.1)
SMBC (consolidated) total	—	—	(122.2)	(65.4)	—	—	(68.0)	(113.3)
SMBC (non-consolidated) total.....	642.5	171.1	(124.2)	(80.1)	871.2	171.2	(78.3)	(123.9)
Corporate exposures.....	523.6	128.1	(76.7)	(40.6)	734.0	123.6	(64.6)	(122.8)
Sovereign exposures.....	12.7	1.4	(5.2)	(6.0)	5.6	4.1	0.3	0.3
Bank exposures.....	8.5	4.2	(0.3)	(0.7)	11.4	6.1	(0.6)	(0.9)
Residential mortgage exposures.....	2.9	2.3	(0.2)	(0.3)	5.2	4.3	(0.1)	(0.1)
QRRE.....	0.0	(0.0)	(0.1)	(0.1)	0.0	(0.0)	(0.1)	(0.0)
Other retail exposures	94.8	40.7	(4.4)	(2.6)	114.9	38.2	(1.0)	(0.5)

Notes: 1. Amounts on consumer loans guaranteed by consolidated subsidiaries or affiliates as well as on “equity exposures” and “exposures under Article 145 of the Notification” are excluded.

2. “Estimated loss amounts” are the EL at the beginning of the term.

3. “After deduction of reserves” represents the estimated loss amounts after deduction of reserves for possible losses on substandard borrowers or below.

■ Standardized Approach

Exposure Balance by Risk Weight Segment

September 30	Billions of yen			
	2016		2015	
		Of which assigned country risk score		Of which assigned country risk score
0%	7,824.7	836.3	7,041.0	634.7
10%	9.0	—	0.0	—
20%	1,268.6	678.5	1,181.8	635.5
35%	54.9	—	0.4	—
50%	128.3	4.2	111.7	7.3
75%	3,430.0	—	3,292.7	—
100%	3,954.0	2.3	3,517.5	2.4
150%	101.2	0.0	93.9	0.0
250%	107.3	—	90.3	—
1250%	0.1	—	0.1	—
Others.....	0.1	—	0.0	—
Total	16,878.1	1,521.4	15,329.5	1,279.9

Notes: 1. The above amounts are exposures after CRM (but before deduction of direct write-offs). Please note that for off-balance sheet assets the credit equivalent amount has been included.

2. “Securitization exposures” have not been included.

■ Credit Risk Mitigation (CRM) Techniques

Exposure Balance after CRM

September 30	Billions of yen			
	2016		2015	
	Eligible financial collateral	Other eligible IRB collateral	Eligible financial collateral	Other eligible IRB collateral
Advanced Internal Ratings-Based (AIRB) approach.....	—	—	—	—
Foundation Internal Ratings-Based (FIRB) approach.....	148.5	58.0	136.1	51.3
Corporate exposures.....	47.7	57.6	45.4	50.6
Sovereign exposures.....	—	—	—	—
Bank exposures.....	100.9	0.4	90.7	0.7
Standardized approach.....	5,042.1	—	4,557.5	—
Total.....	5,190.6	58.0	4,693.6	51.3

Note: For exposures to which the AIRB approach was applied, eligible collateral is separately taken into account in Loss Given Default (LGD) estimates.

September 30	Billions of yen			
	2016		2015	
	Guarantee	Credit derivative	Guarantee	Credit derivative
Internal Ratings-Based (IRB) approach.....	8,495.4	341.8	9,548.8	375.9
Corporate exposures.....	7,911.1	341.8	8,940.1	375.9
Sovereign exposures.....	300.6	—	333.3	—
Bank exposures.....	183.6	—	162.9	—
Residential mortgage exposures.....	100.2	—	112.5	—
QRRE.....	—	—	—	—
Other retail exposures.....	—	—	—	—
Standardized approach.....	42.8	—	41.2	—
Total.....	8,538.3	341.8	9,590.0	375.9

■ Derivative Transactions and Long Settlement Transactions

Credit Equivalent Amounts

(1) Derivative Transactions and Long Settlement Transactions

A. Calculation Method

Current exposure method

B. Credit Equivalent Amounts

September 30	Billions of yen	
	2016	2015
Gross replacement cost	6,133.9	5,417.1
Gross add-on amount	4,053.6	4,104.8
Gross credit equivalent amount	10,187.5	9,522.0
Foreign exchange related transactions	3,528.2	3,147.6
Interest rate related transactions	6,354.4	6,114.7
Gold related transactions	—	—
Equities related transactions	190.0	148.5
Precious metals (excluding gold) related transactions	—	—
Other commodity related transactions	65.8	79.6
Credit default swaps	49.0	31.5
Reduction in credit equivalent amount due to netting	4,094.2	4,356.0
Net credit equivalent amount	6,093.3	5,166.0
Collateral amount	30.9	38.8
Eligible financial collateral	30.9	38.8
Other eligible IRB collateral	—	—
Net credit equivalent amount (after taking into account the CRM effect of collateral)	6,062.4	5,127.1

(2) Notional Principal Amounts of Credit Derivatives

Credit Default Swaps

September 30	Billions of yen			
	2016		2015	
	Notional principal amount		Notional principal amount	
	Total	Of which for CRM	Total	Of which for CRM
Protection purchased	708.4	341.8	597.7	375.9
Protection provided	468.6	—	318.2	—

Note: "Notional principal amount" is defined as the total of "amounts subject to calculation of credit equivalents" and "amounts employed for CRM."

■ Securitization Exposures

1. Portfolio (Credit Risk)

(1) Securitization Transactions as Originator

A. As Originator (Excluding as Sponsor)

(A) Underlying Assets

	Billions of yen						
	September 30, 2016			First half of fiscal 2016			
	Underlying asset amount			Securitized amount	Default amount	Loss amount	Gains/losses on sales
Total	Asset transfer type	Synthetic type					
Claims on corporates	7.9	0.0	7.8	—	3.2	24.7	—
Mortgage loans	1,291.3	1,291.3	—	161.7	0.7	0.2	15.8
Retail loans (excluding mortgage loans)	—	—	—	—	—	—	—
Other claims	0.3	0.3	—	—	—	—	—
Total	1,299.5	1,291.6	7.8	161.7	3.9	24.8	15.8

	Billions of yen						
	September 30, 2015			First half of fiscal 2015			
	Underlying asset amount			Securitized amount	Default amount	Loss amount	Gains/losses on sales
Total	Asset transfer type	Synthetic type					
Claims on corporates	10.0	0.1	9.9	—	4.7	24.2	—
Mortgage loans	1,270.1	1,270.1	—	85.0	0.7	0.3	5.7
Retail loans (excluding mortgage loans)	—	—	—	—	—	—	—
Other claims	49.9	2.1	47.8	—	—	—	—
Total	1,330.0	1,272.3	57.7	85.0	5.4	24.4	5.7

Notes: 1. The above amounts include the amount of underlying assets securitized during the term without entailing "securitization exposures."

2. "Default amount" is the total of underlying assets which are past due three months or more and defaulted underlying assets.

3. Asset type classification is based on the major items in the underlying assets for each transaction.

4. "Other claims" includes claims on Private Finance Initiative (PFI) businesses and lease fees.

5. Following Articles 230 and 248 of the Notification, there are no amounts that represent "exposure to products subject to early amortization provisions" to investors.

6. There are no amounts that represent "assets held for securitization transactions."

(B) Securitization Exposures (Excluding Resecuritization Exposures)

a. Underlying Assets by Asset Type

	Billions of yen									
	2016					2015				
	Term-end balance		Amounts subject to a 1250% risk weight			Term-end balance		Amounts subject to a 1250% risk weight		
September 30	Total	On-balance sheet assets	Off-balance sheet assets	Increase in capital equivalent	Total	On-balance sheet assets	Off-balance sheet assets	Increase in capital equivalent		
Claims on corporates	4.5	1.5	3.0	1.8	—	4.8	1.6	3.3	2.3	—
Mortgage loans	327.2	327.2	—	23.7	57.8	272.0	272.0	—	24.3	47.5
Retail loans (excluding mortgage loans)	—	—	—	—	—	—	—	—	—	—
Other claims	0.3	0.3	—	0.0	—	1.1	0.5	0.7	0.2	—
Total	331.9	329.0	3.0	25.5	57.8	278.0	274.1	3.9	26.9	47.5

b. Risk Weights

	Billions of yen							
	2016				2015			
	Term-end balance		Required capital		Term-end balance		Required capital	
September 30	Total	On-balance sheet assets	Off-balance sheet assets	Total	On-balance sheet assets	Off-balance sheet assets	Required capital	
20% or less	0.0	—	0.0	0.0	0.1	—	0.1	0.0
100% or less	1.0	—	1.0	0.1	0.3	—	0.3	0.0
650% or less	0.1	—	0.1	0.0	1.0	—	1.0	0.2
Less than 1250%	—	—	—	—	0.0	—	0.0	0.0
1250%	330.8	329.0	1.8	27.0	276.6	274.1	2.5	28.5
Total	331.9	329.0	3.0	27.2	278.0	274.1	3.9	28.7

(C) Resecuritization Exposures

There are no amounts that represent “resecuritization exposures.”

B. As Sponsor

(A) Underlying Assets

	Billions of yen					
	September 30, 2016			First half of fiscal 2016		
	Underlying asset amount			Securitized amount	Default amount	Loss amount
Total	Asset transfer type	Synthetic type				
Claims on corporates	855.8	855.8	—	2,918.1	42.6	61.4
Mortgage loans	—	—	—	—	—	—
Retail loans (excluding mortgage loans)....	695.0	695.0	—	179.8	1.3	4.7
Other claims	6.7	6.7	—	—	—	—
Total	1,557.6	1,557.6	—	3,097.9	43.9	66.1

	Billions of yen					
	September 30, 2015			First half of fiscal 2015		
	Underlying asset amount			Securitized amount	Default amount	Loss amount
Total	Asset transfer type	Synthetic type				
Claims on corporates	967.7	967.7	—	4,017.0	49.4	59.1
Mortgage loans	—	—	—	—	—	—
Retail loans (excluding mortgage loans)....	501.9	501.9	—	232.4	1.1	2.5
Other claims	32.2	32.2	—	7.4	0.8	0.0
Total	1,501.8	1,501.8	—	4,256.8	51.3	61.6

Notes: 1. The above amounts include the amount of underlying assets securitized during the term without entailing “securitization exposures.”

2. “Default amount” is the total of underlying assets which are past due three months or more and defaulted underlying assets.

3. “Default amount” and “Loss amount” when acting as a sponsor of securitization of customer claims are estimated using the following methods and alternative data, as in some cases it can be difficult to obtain relevant data in a timely manner because the underlying assets have been recovered by the customer.

(1) “Default amount” estimation method

- For securitization transactions subject to the ratings-based approach, the amount is estimated based on information on underlying assets obtainable from customers, etc.
- For securitization transactions subject to the supervisory formula, the amount is estimated based on obtainable information on, or default rate of, each obligor. Further, when it is difficult to estimate the amount using either method, it is conservatively estimated by assuming that the underlying asset is a default asset.

(2) “Loss amount” estimation method

- For securitization transactions subject to the ratings-based approach, the amount is the same amount as the “Default amount” estimated conservatively in (1) above.
- For securitization transactions subject to the supervisory formula, when expected loss ratios of defaulted underlying assets can be determined, the amount is estimated using the ratios. When it is difficult to determine the ratios, the amount is the same amount as the “Default amount” estimated conservatively in (1) above.

4. Asset type classification is based on the major items in the underlying assets for each transaction.

5. “Other claims” includes lease fees.

6. Following Articles 230 and 248 of the Notification, there are no amounts that represent “exposure to products subject to early amortization provisions” to investors.

7. There are no amounts that represent “assets held for securitization transactions.”

(B) Securitization Exposures (Excluding Resecuritization Exposures)

a. Underlying Assets by Asset Type

	Billions of yen									
	2016					2015				
	Term-end balance		Amounts subject to a 1250% risk weight	Increase in capital equivalent		Term-end balance		Amounts subject to a 1250% risk weight	Increase in capital equivalent	
Total	On-balance sheet assets	Off-balance sheet assets				Total	On-balance sheet assets			
September 30										
Claims on corporates	651.3	646.8	4.5	0.1	—	767.3	744.9	22.5	0.0	—
Mortgage loans	—	—	—	—	—	—	—	—	—	—
Retail loans (excluding mortgage loans)	440.6	440.6	—	—	—	445.8	445.4	0.4	—	—
Other claims	3.6	3.6	—	—	—	24.8	24.8	—	—	—
Total	1,095.5	1,091.0	4.5	0.1	—	1,237.9	1,215.0	22.9	0.0	—

b. Risk Weights

	Billions of yen							
	2016				2015			
	Term-end balance				Term-end balance			
September 30	Total	On-balance sheet assets	Off-balance sheet assets	Required capital	Total	On-balance sheet assets	Off-balance sheet assets	Required capital
20% or less	1,075.5	1,071.0	4.5	6.9	1,233.4	1,210.5	22.9	7.6
100% or less	20.0	20.0	—	0.5	4.5	4.5	—	0.2
650% or less	—	—	—	—	—	—	—	—
Less than 1250%	—	—	—	—	—	—	—	—
1250%	0.1	0.1	—	0.1	0.0	0.0	—	0.0
Total	1,095.5	1,091.0	4.5	7.4	1,237.9	1,215.0	22.9	7.8

(C) Resecuritization Exposures

There are no amounts that represent “resecuritization exposures.”

(2) Securitization Transactions in which the Group is the Investor

(A) Securitization Exposures (Excluding Resecuritization Exposures)

a. Underlying Assets by Asset Type

	Billions of yen									
	2016					2015				
	Term-end balance			Amounts subject to a 1250% risk weight	Increase in capital equivalent	Term-end balance			Amounts subject to a 1250% risk weight	Increase in capital equivalent
September 30	Total	On-balance sheet assets	Off-balance sheet assets			Total	On-balance sheet assets	Off-balance sheet assets		
Claims on corporates	656.0	333.9	322.0	24.6	—	770.2	375.8	394.4	32.6	—
Mortgage loans	65.8	65.8	—	—	—	158.4	158.4	—	—	—
Retail loans (excluding mortgage loans)	416.6	338.7	77.9	—	—	250.2	243.9	6.3	—	—
Other claims	11.0	10.7	0.3	0.1	—	16.1	15.9	0.2	—	—
Total	1,149.4	749.2	400.2	24.7	—	1,194.9	794.0	400.9	32.6	—

Notes: 1. Asset type classification is based on the major items in the underlying assets for each transaction.

2. “Retail loans (excluding mortgage loans)” includes balances of ¥5.1 billion as of September 30, 2016 and ¥3.6 billion as of September 30, 2015 for the securitization exposures which includes loans whose credit risk are relatively high, such as U.S. subprime loans.

b. Risk Weights

	Billions of yen							
	2016				2015			
	Term-end balance				Term-end balance			
September 30	Total	On-balance sheet assets	Off-balance sheet assets	Required capital	Total	On-balance sheet assets	Off-balance sheet assets	Required capital
20% or less	999.9	696.2	303.8	5.4	1,074.0	787.6	286.4	5.6
100% or less	52.9	52.9	—	2.7	4.2	4.2	—	0.3
650% or less	—	—	—	—	2.2	2.2	—	0.5
Less than 1250%	—	—	—	—	—	—	—	—
1250%	96.6	0.1	96.5	26.1	114.5	—	114.5	34.6
Total	1,149.4	749.2	400.2	34.2	1,194.9	794.0	400.9	40.9

Note: The risk weight of “100% or less” includes balances of ¥5.1 billion as of September 30, 2016 and ¥3.6 billion as of September 30, 2015 for the securitization exposures which includes loans whose credit risk are relatively high, such as U.S. subprime loans.

(B) Resecuritization Exposures

a. Underlying Assets by Asset Type

	Billions of yen									
	2016					2015				
	Term-end balance		Off-balance sheet assets	Amounts subject to a 1250% risk weight	Increase in capital equivalent	Term-end balance		Off-balance sheet assets	Amounts subject to a 1250% risk weight	Increase in capital equivalent
Total	On-balance sheet assets	Total				On-balance sheet assets				
September 30										
Claims on corporates	0.1	0.1	—	0.1	—	0.3	0.3	—	0.1	—
Mortgage loans	—	—	—	—	—	—	—	—	—	—
Retail loans (excluding mortgage loans)	—	—	—	—	—	—	—	—	—	—
Other claims	0.4	0.1	0.4	0.0	—	0.5	0.2	0.3	0.2	—
Total	0.5	0.1	0.4	0.1	—	0.8	0.5	0.3	0.3	—

Notes: 1. Asset type classification is based on the major items in the underlying assets for each transaction.

2. "Other claims" includes securitization products.

3. Credit risk mitigation (CRM) techniques are not applied to the securitization exposures.

b. Risk Weights

	Billions of yen									
	2016					2015				
	Term-end balance		Off-balance sheet assets	Required capital		Term-end balance		Off-balance sheet assets	Required capital	
Total	On-balance sheet assets	Total				On-balance sheet assets				
September 30										
20% or less	0.4	—	0.4	0.0		0.4	0.2	0.1	0.0	
100% or less	—	—	—	—		0.2	—	0.2	0.0	
650% or less	—	—	—	—		—	—	—	—	
Less than 1250%	—	—	—	—		—	—	—	—	
1250%	0.1	0.1	—	0.1		0.3	0.3	—	0.3	
Total	0.5	0.1	0.4	0.1		0.8	0.5	0.3	0.3	

2. Portfolio (Market Risk)

(1) Securitization Transactions as Originator

There are no amounts that represent "securitization transactions where the Group serves as the originator."

(2) Securitization Transactions as Investor

(A) Securitization Exposures (Excluding Resecuritization Exposures)

a. Underlying Assets by Asset Type

	Billions of yen									
	2016					2015				
	Term-end balance		Off-balance sheet assets	Amounts subject to a 100% risk weight	Increase in capital equivalent	Term-end balance		Off-balance sheet assets	Amounts subject to a 100% risk weight	Increase in capital equivalent
Total	On-balance sheet assets	Total				On-balance sheet assets				
September 30										
Claims on corporates	—	—	—	—	—	—	—	—	—	—
Mortgage loans	—	—	—	—	—	—	—	—	—	—
Retail loans (excluding mortgage loans)	7.3	7.3	—	7.3	—	—	—	—	—	—
Other claims	0.1	0.1	—	0.1	—	—	—	—	—	—
Total	7.4	7.4	—	7.4	—	—	—	—	—	—

Note: There are no amounts that represent "securitization exposures subject to the measurement of the comprehensive risk held."

b. Risk Weights

	Billions of yen									
	2016					2015				
	Term-end balance		Off-balance sheet assets	Required capital		Term-end balance		Off-balance sheet assets	Required capital	
Total	On-balance sheet assets	Total				On-balance sheet assets				
September 30										
Less than 100%	—	—	—	—		—	—	—	—	
100%	7.4	7.4	—	7.4		—	—	—	—	
Total	7.4	7.4	—	7.4		—	—	—	—	

(B) Resecuritization Exposures

There are no amounts that represent "resecuritization exposures."

■ Equity Exposures in Banking Book

1. Consolidated Balance Sheet Amounts and Fair Values

September 30	Billions of yen			
	2016		2015	
	Balance sheet amount	Fair value	Balance sheet amount	Fair value
Listed equity exposures	3,649.6	3,649.6	4,099.8	4,099.8
Equity exposures other than above.....	208.1	—	279.5	—
Total.....	3,857.7	—	4,379.3	—

2. Gains (Losses) on Sale and Devaluation of Equity Exposures

	Billions of yen	
	First half of fiscal 2016	First half of fiscal 2015
	Gains (losses)	17.4
Gains on sale	30.4	42.9
Losses on sale	8.0	7.7
Devaluation	5.0	3.0

Note: The above amounts are gains (losses) on stocks and available-for-sale securities in the consolidated statements of income.

3. Unrealized Gains (Losses) Recognized on Consolidated Balance Sheets but Not on Consolidated Statements of Income

September 30	Billions of yen	
	2016	2015
Unrealized gains (losses) recognized on consolidated balance sheets but not on consolidated statements of income.....	1,626.0	1,963.9

Note: The above amount is for stocks of Japanese companies and foreign stocks with market prices.

4. Unrealized Gains (Losses) Not Recognized on Consolidated Balance Sheets or Consolidated Statements of Income

September 30	Billions of yen	
	2016	2015
Unrealized gains (losses) not recognized on consolidated balance sheets or consolidated statements of income	(8.9)	(40.8)

Note: The above amount is for stocks of affiliates with market prices.

■ Exposure Balance by Type of Assets, Geographic Region, Industry and Residual Term

1. Exposure Balance by Type of Assets, Geographic Region and Industry

September 30, 2016	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
Domestic operations (excluding offshore banking accounts)					
Manufacturing.....	9,193.2	128.1	307.8	2,660.2	12,289.3
Agriculture, forestry, fishery and mining	339.7	7.9	2.7	28.4	378.7
Construction	1,249.5	19.4	5.0	235.1	1,509.0
Transport, information, communications and utilities.....	6,415.1	67.4	190.9	1,142.6	7,816.1
Wholesale and retail	5,981.0	17.4	234.8	947.9	7,181.1
Financial and insurance.....	39,989.7	452.1	1,765.7	1,353.8	43,561.3
Real estate, goods rental and leasing	9,601.7	362.2	71.6	385.8	10,421.4
Services	5,614.6	28.9	67.2	1,173.5	6,884.1
Local municipal corporations	1,089.2	79.9	12.5	23.6	1,205.2
Other industries	30,220.1	9,863.3	328.4	5,570.8	45,982.6
Subtotal	109,693.7	11,026.7	2,986.7	13,521.8	137,228.8
Overseas operations and offshore banking accounts					
Sovereigns.....	5,479.5	1,188.9	16.4	15.4	6,700.2
Financial institutions	5,817.3	678.7	2,030.1	799.6	9,325.6
C&I companies	20,859.4	149.7	946.4	956.7	22,912.2
Others.....	4,721.2	1,042.7	82.2	2,240.5	8,086.7
Subtotal	36,877.5	3,059.9	3,075.1	4,012.2	47,024.7
Total.....	146,571.2	14,086.5	6,061.8	17,534.0	184,253.5

September 30, 2015	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
Domestic operations (excluding offshore banking accounts)					
Manufacturing.....	9,426.4	137.5	216.0	2,764.3	12,544.2
Agriculture, forestry, fishery and mining	193.3	3.5	6.0	33.9	236.7
Construction	1,175.7	14.5	3.0	234.3	1,427.5
Transport, information, communications and utilities.....	6,013.1	48.9	151.7	1,135.6	7,349.4
Wholesale and retail	6,234.6	37.0	137.9	848.3	7,257.9
Financial and insurance.....	42,898.1	341.0	1,650.6	1,676.4	46,566.1
Real estate, goods rental and leasing	9,018.0	391.7	49.9	422.7	9,882.3
Services	5,282.3	34.8	55.0	635.9	6,008.0
Local municipal corporations	1,296.2	62.0	9.3	16.9	1,384.3
Other industries	26,246.5	15,886.1	267.9	5,795.9	48,196.5
Subtotal	107,784.2	16,956.9	2,547.4	13,564.3	140,852.8
Overseas operations and offshore banking accounts					
Sovereigns.....	7,611.7	1,042.5	17.0	17.0	8,688.1
Financial institutions	6,763.8	484.2	1,627.2	827.5	9,702.7
C&I companies	22,613.3	205.6	842.4	832.0	24,493.3
Others.....	5,332.6	883.3	90.9	2,455.8	8,762.6
Subtotal	42,321.3	2,615.7	2,577.5	4,132.3	51,646.8
Total.....	150,105.5	19,572.6	5,124.9	17,696.6	192,499.6

Notes: 1. The above amounts are exposures after CRM.

2. The above amounts do not include "securitization exposures" and "credit risk-weighted assets under Article 145 of the Notification."

3. "Loans, etc." includes loans, commitments and off-balance sheet assets except derivatives, and "Others" includes equity exposures, standardized approach applied funds, and CVA risk equivalent amount exposures, etc.

4. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

2. Exposure Balance by Type of Assets and Residual Term

September 30, 2016	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
To 1 year.....	39,392.1	3,073.1	808.8	964.3	44,238.3
More than 1 year to 3 years.....	16,496.8	3,221.4	1,440.0	1,375.6	22,533.8
More than 3 years to 5 years.....	16,857.2	3,922.2	1,298.7	1,276.7	23,354.7
More than 5 years to 7 years.....	7,096.9	472.2	603.7	501.8	8,674.6
More than 7 years.....	25,302.5	3,397.6	1,910.5	1,459.8	32,070.4
No fixed maturity.....	41,425.8	—	—	11,955.8	53,381.7
Total.....	146,571.2	14,086.5	6,061.8	17,534.0	184,253.5

September 30, 2015	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
To 1 year.....	39,629.7	7,779.1	766.7	942.0	49,117.5
More than 1 year to 3 years.....	18,025.1	3,408.9	1,311.7	1,540.6	24,286.3
More than 3 years to 5 years.....	16,810.4	5,582.4	1,281.6	1,318.9	24,993.2
More than 5 years to 7 years.....	7,318.1	477.9	457.7	486.4	8,740.1
More than 7 years.....	25,461.4	2,324.3	1,307.2	1,174.3	30,267.2
No fixed maturity.....	42,860.9	—	—	12,234.5	55,095.3
Total.....	150,105.5	19,572.6	5,124.9	17,696.6	192,499.6

Notes: 1. The above amounts are exposures after CRM.

2. The above amounts do not include "securitization exposures" and "credit risk-weighted assets under Article 145 of the Notification."

3. "Loans, etc." includes loans, commitments and off-balance sheet assets except derivatives, and "Others" includes equity exposures, standardized approach applied funds, and CVA risk equivalent amount exposures, etc.

4. "No fixed maturity" includes exposures not classified by residual term.

3. Term-End Balance of Exposures Past Due 3 Months or More or Defaulted and Their Breakdown

(1) By Geographical Region

September 30	Billions of yen	
	2016	2015
Domestic operations (excluding offshore banking accounts)	1,169.8	1,412.9
Overseas operations and offshore banking accounts.....	156.0	176.2
Asia.....	37.6	47.8
North America.....	34.4	53.5
Other regions.....	84.0	74.9
Total.....	1,325.8	1,589.1

Notes: 1. The above amounts are credits subject to self-assessment, including mainly off-balance sheet credits to obligors categorized as "Substandard Borrowers" or lower under self-assessment.

2. The above amounts include partial direct write-offs (direct reductions).

3. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries, and the term-end balances are calculated based on the obligor's domicile country.

(2) By Industry

September 30	Billions of yen	
	2016	2015
Domestic operations (excluding offshore banking accounts)		
Manufacturing.....	165.8	177.0
Agriculture, forestry, fishery and mining	2.9	3.0
Construction.....	34.0	39.5
Transport, information, communications and utilities.....	100.4	167.7
Wholesale and retail	159.0	187.3
Financial and insurance.....	5.6	9.8
Real estate, goods rental and leasing	185.7	261.4
Services	134.4	151.0
Other industries	382.0	416.2
Subtotal	1,169.8	1,412.9
Overseas operations and offshore banking accounts		
Financial institutions.....	2.5	1.0
C&I companies	107.7	141.0
Others.....	45.8	34.2
Subtotal	156.0	176.2
Total.....	1,325.8	1,589.1

Notes: 1. The above amounts are credits subject to self-assessment, including mainly off-balance sheet credits to obligors categorized as "Substandard Borrowers" or lower under self-assessment.

2. The above amounts include partial direct write-offs (direct reductions).

3. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

4. Term-End Balances of General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and Loan Loss Reserve for Specific Overseas Countries

(1) By Geographic Region

	Billions of yen				
	September 30, 2016 (A)	March 31, 2016 (B)	September 30, 2015	March 31, 2015	Increase (decrease) (A) – (B)
General reserve for possible loan losses.....	377.9	395.5	387.0	387.0	(17.6)
Loan loss reserve for specific overseas countries	1.2	1.3	0.7	0.7	(0.1)
Specific reserve for possible loan losses	529.5	530.1	600.4	647.1	(0.6)
Domestic operations (excluding offshore banking accounts)	462.7	457.9	541.3	590.0	4.8
Overseas operations and offshore banking accounts.....	66.8	72.2	59.1	57.1	(5.4)
Asia.....	17.0	19.0	27.4	28.6	(2.0)
North America.....	7.3	15.3	8.5	5.4	(8.0)
Other regions	42.6	37.9	23.2	23.1	4.7
Total.....	908.6	926.9	988.1	1,034.8	(18.3)

Notes: 1. "Specific reserve for possible loan losses" includes partial direct write-offs (direct reductions).

2. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries, and the term-end balances are calculated based on the obligor's domicile country.

(2) By Industry

	Billions of yen				
	September 30, 2016 (A)	March 31, 2016 (B)	September 30, 2015	March 31, 2015	Increase (decrease) (A) – (B)
General reserve for possible loan losses.....	377.9	395.5	387.0	387.0	(17.6)
Loan loss reserve for specific overseas countries	1.2	1.3	0.7	0.7	(0.1)
Specific reserve for possible loan losses	529.5	530.1	600.4	647.1	(0.6)
Domestic operations (excluding offshore banking accounts)	462.7	457.9	541.3	590.0	4.8
Manufacturing.....	67.6	60.0	76.5	83.7	7.6
Agriculture, forestry, fishery and mining	2.7	2.6	2.4	2.9	0.1
Construction	15.6	13.7	18.2	20.0	1.9
Transport, information, communications and utilities.....	60.9	69.8	78.2	81.9	(8.9)
Wholesale and retail.....	61.5	63.9	71.4	79.2	(2.4)
Financial and insurance.....	4.3	6.7	7.4	8.2	(2.4)
Real estate, goods rental and leasing	80.1	81.3	95.8	109.1	(1.2)
Services.....	56.6	48.0	59.6	68.1	8.6
Other industries	113.4	111.9	131.8	136.9	1.5
Overseas operations and offshore banking accounts.....	66.8	72.2	59.1	57.1	(5.4)
Financial institutions	0.2	0.3	0.3	0.3	(0.1)
C&I companies	52.4	65.9	40.9	43.7	(13.5)
Others	14.0	6.0	17.9	13.1	8.0
Total.....	908.6	926.9	988.1	1,034.8	(18.3)

Notes: 1. "Specific reserve for possible loan losses" includes partial direct write-offs (direct reductions).

2. "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

5. Loan Write-Offs by Industry

	Billions of yen	
	First half of fiscal 2016	First half of fiscal 2015
Domestic operations (excluding offshore banking accounts)		
Manufacturing.....	(0.1)	0.1
Agriculture, forestry, fishery and mining	0.1	0.0
Construction	0.2	0.1
Transport, information, communications and utilities.....	(0.1)	1.0
Wholesale and retail	0.1	0.0
Financial and insurance.....	(0.0)	(0.0)
Real estate, goods rental and leasing	0.0	0.0
Services	0.2	(0.1)
Other industries	31.3	30.5
Subtotal	31.7	31.6
Overseas operations and offshore banking accounts		
Financial institutions	—	—
C&I companies	(0.2)	—
Others.....	3.6	2.9
Subtotal	3.4	2.9
Total.....	35.1	34.5

Note: "Domestic operations" comprises the operations of SMFG, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

■ Market Risk

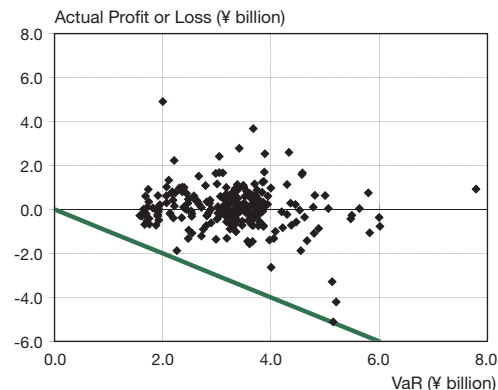
1. VaR Results (Trading Book)

	Billions of yen			
	First half of fiscal 2016		First half of fiscal 2015	
	VaR	Stressed VaR	VaR	Stressed VaR
September 30.....	3.3	4.6	2.2	3.2
Maximum.....	4.7	9.4	4.3	9.4
Minimum.....	2.6	4.2	1.2	1.8
Average	3.5	6.2	2.3	3.9

- Notes: 1. The VaR results for a one-day holding period with a one-sided confidence interval of 99.0%, computed daily using the historical simulation method based on four years of historical observations.
 2. The stressed VaR is calculated on a daily basis by using the historical simulation method for the holding period of one day, one-sided confidence interval of 99.0%, and measurement period of 1 year (including the stress period).
 3. Specific risks for the trading book are excluded.
 4. Principal consolidated subsidiaries are included.

2. Back-Testing Results (Trading Book)

The results of back-testing for the one-year period from October 2015 to September 2016 are shown below. A data point under the diagonal line indicates a loss exceeding VaR for that day. There has been no points observed under the diagonal line, which demonstrates that the SMFG Group's VaR model with a one-sided confidence interval of 99.0% is sufficiently reliable.



■ Interest Rate Risk in Banking Book

VaR Results (Banking Book)

	Billions of yen	
	First half of fiscal 2016	First half of fiscal 2015
	September 30.....	48.1
Maximum.....	49.3	45.7
Minimum.....	40.2	34.4
Average	44.8	39.7

- Notes: 1. The VaR results for a one-day holding period with a one-sided confidence interval of 99.0%, computed daily using the historical simulation method based on four years of historical observations.
 2. Principal consolidated subsidiaries are included.

■ Reconciliation of Regulatory Capital Elements Back to the Balance Sheet (As of September 30, 2015 and 2016)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Items	(Millions of yen)		Cross-reference to Appended Table	Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template)
	Consolidated balance sheet as in published financial statements			
	As of September 30, 2016	As of September 30, 2015		
(Assets)				
Cash and due from banks	39,289,020	43,387,549		
Call loans and bills bought	1,332,654	1,376,648		
Receivables under resale agreements	746,170	771,420		
Receivables under securities borrowing transactions	7,453,809	6,499,677		
Monetary claims bought	3,855,571	4,069,880		
Trading assets	7,312,065	7,680,304	7-a	
Money held in trust	4,315	6,125		
Securities	21,864,561	28,049,702	3-b, 7-b	
Loans and bills discounted	75,966,141	74,510,685	7-c	
Foreign exchanges	1,546,229	1,966,358		
Lease receivables and investment assets	2,345,220	1,936,679		
Other assets	7,383,293	5,583,659		
Tangible fixed assets	2,875,970	2,866,897		
Intangible fixed assets	1,005,907	821,466	3-a	
Net defined benefit asset	228,967	376,995	4	
Deferred tax assets	119,901	121,880	5-a	
Customers' liabilities for acceptances and guarantees	7,231,260	7,245,750		
Reserve for possible loan losses	(588,279)	(617,936)		
Total assets	179,972,782	186,653,748		
(Liabilities)				
Deposits	110,746,141	102,099,448		
Negotiable certificates of deposit	10,180,560	15,469,008		
Call money and bills sold	1,159,907	6,218,629		
Payables under repurchase agreements	1,964,416	1,081,106		
Payables under securities lending transactions	6,469,282	8,258,001		
Commercial paper	2,052,828	3,108,581		
Trading liabilities	5,546,469	5,551,679	7-d	
Borrowed money	7,099,948	9,983,873	9-a	
Foreign exchanges	816,229	863,970		
Short-term bonds	1,124,100	1,567,500		
Bonds	7,092,842	6,970,903	9-b	
Due to trust account	1,035,457	597,296		
Other liabilities	6,284,843	6,233,612		
Reserve for employee bonuses	51,146	54,667		
Net defined benefit liability	56,255	37,568		
Reserve for executive retirement benefits	2,069	1,975		
Reserve for point service program	20,968	19,615		
Reserve for reimbursement of deposits	12,326	15,176		
Reserve for losses on interest repayment	184,813	127,572		
Reserve under the special laws	1,474	1,353		
Deferred tax liabilities	365,307	476,225	5-b	
Deferred tax liabilities for land revaluation	32,167	33,998	5-c	
Acceptances and guarantees	7,231,260	7,245,750		
Total liabilities	169,530,819	176,017,514		
(Net assets)				
Capital stock	2,337,895	2,337,895	1-a	
Capital surplus	757,301	757,321	1-b	
Retained earnings	4,791,135	4,378,320	1-c	
Treasury stock	(175,404)	(175,344)	1-d	
Total stockholders' equity	7,710,928	7,298,192		
Net unrealized gains on other securities	1,249,967	1,431,893		
Net deferred gains or losses on hedges	80,617	(16,619)	6	
Land revaluation excess	39,410	37,887		
Foreign currency translation adjustments	(107,012)	146,258		
Remeasurements of defined benefit plans	(50,797)	56,086		
Total accumulated other comprehensive income	1,212,184	1,655,506		3
Stock acquisition rights	3,190	2,559	2, 8-a	
Non-controlling interests	1,515,659	1,679,975	8-b	
Total net assets	10,441,962	10,636,234		
Total liabilities and net assets	179,972,782	186,653,748		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appended Table)

1. Stockholders' equity

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Capital stock	2,337,895	2,337,895		1-a
Capital surplus	757,301	757,321		1-b
Retained earnings	4,791,135	4,378,320		1-c
Treasury stock	(175,404)	(175,344)		1-d
Total stockholders' equity	7,710,928	7,298,192		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	7,710,928	7,298,192	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,095,197	3,095,217		1a
of which: retained earnings	4,791,135	4,378,320		2
of which: treasury stock (-)	175,404	175,344		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. Stock acquisition rights

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Stock acquisition rights	3,190	2,559		2
of which: Stock acquisition rights issued by bank holding company	2,931	2,338		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Stock acquisition rights to common shares	2,931	2,338		1b
Stock acquisition rights to Additional Tier 1 instruments	—	—		31b
Stock acquisition rights to Tier 2 instruments	—	—		46

3. Intangible assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Intangible fixed assets	1,005,907	821,466		3-a
Securities	21,864,561	28,049,702		3-b
of which: goodwill attributable to equity-method investees	33,157	43,449		
Income taxes related to above	192,561	158,407		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Goodwill (including those equivalent)	400,753	373,041		8
Other intangible assets other than goodwill and mortgage servicing rights	445,750	333,467	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

4. Net defined benefit asset

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Net defined benefit asset	228,967	376,995		4
Income taxes related to above	69,522	120,988		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Net defined benefit asset	159,445	256,007		15

5. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Deferred tax assets	119,901	121,880		5-a
Deferred tax liabilities	365,307	476,225		5-b
Deferred tax liabilities for land revaluation	32,167	33,998		5-c
Tax effects on other intangible assets	192,561	158,407		
Tax effects on net defined benefit asset	69,522	120,988		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	3,225	4,248	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.	10
Deferred tax assets arising from temporary differences (net of related tax liability)	15,403	4,966	This item does not agree with the amount reported on the consolidated 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)	15,403	4,966		75

6. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Net deferred gains or losses on hedges	80,617	(16,619)		6

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Net deferred gains or losses on hedges	82,470	(14,980)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

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

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Trading assets	7,312,065	7,680,304	Including trading account securities and derivatives for trading assets	7-a
Securities	21,864,561	28,049,702		7-b
Loans and bills discounted	75,966,141	74,510,685	Including subordinated loans	7-c
Trading liabilities	5,546,469	5,551,679	Including trading account securities sold and derivatives for trading liabilities	7-d

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Investments in own capital instruments	9,722	9,809		
Common Equity Tier 1 capital	9,722	9,809		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)	649,301	800,311		
Common Equity Tier 1 capital	—	4,233		18
Additional Tier 1 capital	—	40		39
Tier 2 capital	—	813		54
Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deductions (before risk weighting)	649,301	795,223		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	642,421	760,143		
Amount exceeding the 10% threshold on specified items	—	—		19
Amount exceeding the 15% threshold on specified items	—	—		23
Additional Tier 1 capital	80,066	158,638		40
Tier 2 capital	50,000	125,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deductions (before risk weighting)	512,355	476,505		73

8. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Stock acquisition rights	3,190	2,559		8-a
Non-controlling interests	1,515,659	1,679,975		8-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	164,809	158,356		5
Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—		30-31ab-32
Amount allowed to be included in group Additional Tier 1	198,679	178,781		34-35
Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—		46
Amount allowed to be included in group Tier 2	45,514	40,322		48-49

9. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Borrowed money	7,099,948	9,983,873		9-a
Bonds	7,092,842	6,970,903		9-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	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	300,000	300,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	883,592	657,002		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 (As of March 31, 2016)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

(Millions of yen)			
Items	Consolidated 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)
	As of March 31, 2016		
(Assets)			
Cash and due from banks	42,789,236		
Call loans and bills bought	1,291,365		
Receivables under resale agreements	494,949		
Receivables under securities borrowing transactions	7,972,918		
Monetary claims bought	4,350,012		
Trading assets	8,063,281	7-a	
Money held in trust	5,163		
Securities	25,264,445	3-b, 7-b	
Loans and bills discounted	75,066,080	7-c	
Foreign exchanges	1,577,167		
Lease receivables and investment assets	1,987,034		
Other assets	6,702,774		
Tangible fixed assets	2,919,424		
Intangible fixed assets	878,265	3-a	
Net defined benefit asset	203,274	4	
Deferred tax assets	125,832	5-a	
Customers' liabilities for acceptances and guarantees	7,519,635		
Reserve for possible loan losses	(625,019)		
Total assets	186,585,842		
(Liabilities)			
Deposits	110,668,828		
Negotiable certificates of deposit	14,250,434		
Call money and bills sold	1,220,455		
Payables under repurchase agreements	1,761,822		
Payables under securities lending transactions	5,309,003		
Commercial paper	3,017,404		
Trading liabilities	6,112,667	7-d	
Borrowed money	8,571,227	9-a	
Foreign exchanges	1,083,450		
Short-term bonds	1,271,300		
Bonds	7,006,357	9-b	
Due to trust account	944,542		
Other liabilities	6,632,027		
Reserve for employee bonuses	68,476		
Reserve for executive bonuses	2,446		
Net defined benefit liability	48,570		
Reserve for executive retirement benefits	2,202		
Reserve for point service program	19,706		
Reserve for reimbursement of deposits	16,979		
Reserve for losses on interest repayment	228,741		
Reserve under the special laws	1,498		
Deferred tax liabilities	348,190	5-b	
Deferred tax liabilities for land revaluation	32,203	5-c	
Acceptances and guarantees	7,519,635		
Total liabilities	176,138,173		
(Net assets)			
Capital stock	2,337,895	1-a	
Capital surplus	757,306	1-b	
Retained earnings	4,534,472	1-c	
Treasury stock	(175,381)	1-d	
Total stockholders' equity	7,454,294		
Net unrealized gains on other securities	1,347,689		
Net deferred gains or losses on hedges	55,130	6	
Land revaluation excess	39,416		
Foreign currency translation adjustments	87,042		
Remeasurements of defined benefit plans	(69,811)		
Total accumulated other comprehensive income	1,459,467		3
Stock acquisition rights	2,884	2, 8-a	
Non-controlling interests	1,531,022	8-b	
Total net assets	10,447,669		
Total liabilities and net assets	186,585,842		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appended Table)

1. Stockholders' equity

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Capital stock	2,337,895		1-a
Capital surplus	757,306		1-b
Retained earnings	4,534,472		1-c
Treasury stock	(175,381)		1-d
Total stockholders' equity	7,454,294		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	7,454,294	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,095,202		1a
of which: retained earnings	4,534,472		2
of which: treasury stock (-)	175,381		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. Stock acquisition rights

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Stock acquisition rights	2,884		2
of which: Stock acquisition rights issued by bank holding company	2,635		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	Remarks	Basel III Template No.
Stock acquisition rights to common shares	2,635		1b
Stock acquisition rights to Additional Tier 1 instruments	—		31b
Stock acquisition rights to Tier 2 instruments	—		46

3. Intangible assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Intangible fixed assets	878,265		3-a
Securities	25,264,445		3-b
of which: goodwill attributable to equity-method investees	46,540		

Income taxes related to above	171,796	
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(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	Remarks	Basel III Template No.
Goodwill (including those equivalent)	372,622		8
Other intangible assets other than goodwill and mortgage servicing rights	380,386	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

4. Net defined benefit asset

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Net defined benefit asset	203,274		4

Income taxes related to above	61,615	
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(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	Remarks	Basel III Template No.
Net defined benefit asset	141,659		15

5. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Deferred tax assets	125,832		5-a
Deferred tax liabilities	348,190		5-b
Deferred tax liabilities for land revaluation	32,203		5-c
Tax effects on other intangible assets	171,796		
Tax effects on net defined benefit asset	61,615		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	Remarks	Basel III Template No.
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	2,137	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.	10
Deferred tax assets arising from temporary differences (net of related tax liability)	9,700	This item does not agree with the amount reported on the consolidated 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)	9,700		75

6. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Net deferred gains or losses on hedges	55,130		6

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	Remarks	Basel III Template No.
Net deferred gains or losses on hedges	57,131	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

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

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Trading assets	8,063,281	Including trading account securities and derivatives for trading assets	7-a
Securities	25,264,445		7-b
Loans and bills discounted	75,066,080	Including subordinated loans	7-c
Trading liabilities	6,112,667	Including trading account securities sold and derivatives for trading liabilities	7-d

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	Remarks	Basel III Template No.
Investments in own capital instruments	7,374		
Common Equity Tier 1 capital	7,374		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)	620,209		
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 deductions (before risk weighting)	620,209		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	727,520		
Amount exceeding the 10% threshold on specified items	—		19
Amount exceeding the 15% threshold on specified items	—		23
Additional Tier 1 capital	80,053		40
Tier 2 capital	125,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deductions (before risk weighting)	522,466		73

8. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Stock acquisition rights	2,884		8-a
Non-controlling interests	1,531,022		8-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	164,550		5
Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—		30-31ab-32
Amount allowed to be included in group Additional Tier 1	183,267		34-35
Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—		46
Amount allowed to be included in group Tier 2	42,036		48-49

9. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Borrowed money	8,571,227		9-a
Bonds	7,006,357		9-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	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	300,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	655,064		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.

Leverage Ratio Information (Consolidated)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

■ Composition of Leverage Ratio

(In million yen, %)

Corresponding line # on Basel III disclosure template (Table2)	Corresponding line # on Basel III disclosure template (Table1)	Item	As of September 30, 2016	As of September 30, 2015
On-balance sheet exposures (1)				
1		On-balance sheet exposures before deducting adjustment items	156,311,673	164,385,551
1a	1	Total assets reported in the consolidated balance sheet	179,972,782	186,653,748
1b	2	The amount of assets of subsidiaries that are not included in the scope of the leverage ratio on a consolidated basis (-)	—	—
1c	7	The amount of assets of subsidiaries that are included in the scope of the leverage ratio on a consolidated basis (except those included in the total assets reported in the consolidated balance sheet)	—	—
1d	3	The amount of assets that are deducted from the total assets reported in the consolidated balance sheet (except adjustment items) (-)	23,661,109	22,268,197
2	7	The amount of adjustment items pertaining to Tier 1 capital (-)	679,425	474,054
3		Total on-balance sheet exposures (a)	155,632,247	163,911,496
Exposures related to derivative transactions (2)				
4		Replacement cost associated with derivatives transactions, etc.	2,674,966	2,067,770
5		Add-on amount associated with derivatives transactions, etc.	3,097,868	2,910,530
		The amount of receivables arising from providing cash margin in relation to derivatives transactions, etc.	601,449	546,543
6		The amount of receivables arising from providing cash margin, provided where deducted from the consolidated balance sheet pursuant to the operative accounting framework	—	—
7		The amount of deductions of receivables (out of those arising from providing cash variation margin) (-)	601,449	546,543
8		The amount of client-cleared trade exposures for which a bank or bank holding company acting as clearing member is not obliged to make any indemnification (-)		
9		Adjusted effective notional amount of written credit derivatives	614,055	492,813
10		The amount of deductions from effective notional amount of written credit derivatives (-)	509,786	293,363
11	4	Total exposures related to derivative transactions (b)	5,877,105	5,177,750
Exposures related to repo transactions (3)				
12		The amount of assets related to repo transactions, etc.	8,199,979	7,271,098
13		The amount of deductions from the assets above (line 12) (-)	—	—
14		The exposures for counterparty credit risk for repo transactions, etc.	167,702	31,786
15		The exposures for agent repo transaction		
16	5	Total exposures related to repo transactions, etc. (c)	8,367,682	7,302,885
Exposures related to off-balance sheet transactions (4)				
17		Notional amount of off-balance sheet transactions	58,055,409	58,948,157
18		The amount of adjustments for conversion in relation to off-balance sheet transactions (-)	38,590,884	39,530,327
19	6	Total exposures related to off-balance sheet transactions (d)	19,464,524	19,417,830
Leverage ratio on a consolidated basis (5)				
20		The amount of capital (Tier 1 capital) (e)	8,934,338	9,011,926
21	8	Total exposures ((a)+(b)+(c)+(d)) (f)	189,341,559	195,809,962
22		Leverage ratio on a consolidated basis ((e)/(f))	4.71%	4.60%

(In million yen, %)

Corresponding line # on Basel III disclosure template (Table2)	Corresponding line # on Basel III disclosure template (Table1)	Item	As of March 31, 2016
On-balance sheet exposures (1)			
1		On-balance sheet exposures before deducting adjustment items	162,192,848
1a	1	Total assets reported in the consolidated balance sheet	186,585,842
1b	2	The amount of assets of subsidiaries that are not included in the scope of the leverage ratio on a consolidated basis (-)	—
1c	7	The amount of assets of subsidiaries that are included in the scope of the leverage ratio on a consolidated basis (except those included in the total assets reported in the consolidated balance sheet)	—
1d	3	The amount of assets that are deducted from the total assets reported in the consolidated balance sheet (except adjustment items) (-)	24,392,993
2	7	The amount of adjustment items pertaining to Tier 1 capital (-)	625,036
3		Total on-balance sheet exposures (a)	161,567,811
Exposures related to derivative transactions (2)			
4		Replacement cost associated with derivatives transactions, etc.	2,296,889
5		Add-on amount associated with derivatives transactions, etc.	3,047,557
		The amount of receivables arising from providing cash margin in relation to derivatives transactions, etc.	533,429
6		The amount of receivables arising from providing cash margin, provided where deducted from the consolidated balance sheet pursuant to the operative accounting framework	—
7		The amount of deductions of receivables (out of those arising from providing cash variation margin) (-)	533,429
8		The amount of client-cleared trade exposures for which a bank or bank holding company acting as clearing member is not obliged to make any indemnification (-)	
9		Adjusted effective notional amount of written credit derivatives	583,300
10		The amount of deductions from effective notional amount of written credit derivatives (-)	459,631
11	4	Total exposures related to derivative transactions (b)	5,468,116
Exposures related to repo transactions (3)			
12		The amount of assets related to repo transactions, etc.	8,467,867
13		The amount of deductions from the assets above (line 12) (-)	—
14		The exposures for counterparty credit risk for repo transactions, etc.	52,386
15		The exposures for agent repo transaction	
16	5	Total exposures related to repo transactions, etc. (c)	8,520,253
Exposures related to off-balance sheet transactions (4)			
17		Notional amount of off-balance sheet transactions	59,207,893
18		The amount of adjustments for conversion in relation to off-balance sheet transactions (-)	39,001,675
19	6	Total exposures related to off-balance sheet transactions (d)	20,206,217
Leverage ratio on a consolidated basis (5)			
20		The amount of capital (Tier 1 capital) (e)	9,031,672
21	8	Total exposures ((a)+(b)+(c)+(d)) (f)	195,762,400
22		Leverage ratio on a consolidated basis ((e)/(f))	4.61%

Liquidity Coverage Ratio Information (Consolidated)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Since March 31, 2015, the “Liquidity Coverage Ratio” (hereinafter referred to as “LCR”), the liquidity regulation under the Basel III, has been introduced in Japan. In addition to the application of uniform international standards, SMFG calculates its consolidated LCR using the calculation formula stipulated in the “Criteria for Evaluating the Soundness of Liquidity Status Set Forth by a Bank Holding Company as a Benchmark for Judging the Soundness of Management of Itself and its Subsidiaries, etc., Based on the Provision of Article 52-25 of the Banking Act, and Which Are Also the Criteria to be Referred to for Judging the Soundness of Management in Banks” (Notification No. 62 issued by the Japanese Financial Services Agency in 2014; hereinafter referred to as the “LCR Notification”). Meanwhile, SMFG discloses its LCR in compliance with “Matters Related to the Status of the Soundness of Management Concerning Liquidity Separately Specified by the Commissioner of the Japanese Financial Services Agency, Based on the Provision of Article 19-2, Paragraph 1, Item 5 (e) of the Ordinance for Enforcement of the Banking Act, etc.” (Notification No. 7 issued by the Japanese Financial Services Agency in 2015).

■ Disclosure of Qualitative Information about Liquidity Coverage Ratio

1. Intra-period Changes in Consolidated LCR

As described in “Disclosure of Quantitative Information about Liquidity Coverage Ratio (Consolidated)” on the following page, the LCR has remained stable with no significant fluctuation following the introduction of the liquidity regulation on March 31, 2015.

2. Assessment of Consolidated LCR

The LCR Notification stipulates that the minimum requirement of LCR for 2016 is set at 70.0% and from 2017 onwards, the LCR is raised in increments of 10.0% in stages, reaching 100.0% in and after 2019 (see table below).

	2015	2016	2017	2018	2019 onwards
The minimum requirement of LCR	60.0%	70.0%	80.0%	90.0%	100.0%

Consolidated LCR of SMFG exceeds the minimum requirements of LCR for 2016 (70.0%) and for 2019 onwards (100.0%), having no cause for concern. SMFG does not expect that the future LCR forecasts will differ significantly from the announced ratios. In addition, the actual LCR does not differ significantly from the initial forecast.

3. Composition of High-Quality Liquid Assets

The consolidated high-quality liquid assets held by SMFG that are allowed to be included in the calculation of LCR include deposits with central banks, highly-rated bonds and cash. As described in “Disclosure of Quantitative Information about Liquidity Coverage Ratio (Consolidated)” on the following page, the amount of such high-quality liquid assets exceed the amount of net cash outflows. Meanwhile, currency denominations, categories and location, etc. of the high-quality liquid assets allowed to be included in the calculation have not shown any significant changes. In addition, in respect of major currencies (those of which the aggregate amount of liabilities denominated in a certain currency accounts for 5.0% or more of SMFG’s total liabilities on the consolidated basis), there is no significant mismatch in currency denomination between the total amount of the high-quality liquid assets allowed to be included in the calculation and the amount of net cash outflows.

4. Other Information Concerning Consolidated LCR

SMFG has not applied “special provisions concerning qualifying operational deposits” prescribed in Article 28 of the LCR Notification and “increased liquidity needs related to market valuation changes on derivative or other transactions simulated through Scenario Approach” prescribed in Article 37 of the same Notification. Meanwhile, SMFG records “cash outflows related to small-sized consolidated subsidiaries,” etc. under “cash outflows based on other contracts” prescribed in Article 59 of the same Notification.

■ Disclosure of Quantitative Information about Liquidity Coverage Ratio (Consolidated)

(In million yen, %, the number of data)

Item		Current Quarter (From 2016/7/1 To 2016/9/30)		Prior Quarter (From 2016/4/1 To 2016/6/30)	
High-Quality Liquid Assets (1)					
1	Total high-quality liquid assets (HQLA)	48,677,915		50,899,172	
Cash Outflows (2)		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
2	Cash outflows related to unsecured retail funding	50,221,885	3,872,998	49,926,381	3,851,660
3	of which, Stable deposits	16,432,201	493,128	16,313,606	489,577
4	of which, Less stable deposits	33,789,684	3,379,870	33,612,775	3,362,083
5	Cash outflows related to unsecured wholesale funding	55,761,275	29,668,620	56,627,773	30,582,252
6	of which, Qualifying operational deposits	—	—	—	—
7	of which, Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	49,796,453	23,703,798	49,962,812	23,917,290
8	of which, Debt securities	5,964,822	5,964,822	6,664,962	6,664,962
9	Cash outflows related to secured funding, etc.	78,383		74,190	
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	18,142,553	5,868,692	19,212,831	6,480,208
11	of which, Cash outflows related to derivative transactions, etc.	1,274,802	1,274,802	1,644,335	1,644,335
12	of which, Cash outflows related to funding programs	345,192	345,192	491,192	491,192
13	of which, Cash outflows related to credit and liquidity facilities	16,522,559	4,248,698	17,077,304	4,344,681
14	Cash outflows related to contractual funding obligations, etc.	8,432,304	5,345,317	9,122,086	5,610,168
15	Cash outflows related to contingencies	66,760,225	1,157,392	66,103,369	952,364
16	Total cash outflows	45,991,401		47,550,842	
Cash Inflows (3)		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
17	Cash inflows related to secured lending, etc.	4,774,691	399,102	4,592,857	212,043
18	Cash inflows related to collection of loans, etc.	3,847,994	2,500,122	4,260,999	2,755,411
19	Other cash inflows	3,992,478	2,102,994	4,282,704	2,114,959
20	Total cash inflows	12,615,163	5,002,217	13,136,560	5,082,414
Consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA allowed to be included in the calculation	48,677,915		50,899,172	
22	Net cash outflows	40,989,183		42,468,428	
23	Consolidated liquidity coverage ratio (LCR)	118.7%		119.8%	
24	The number of data used to calculate the average value	3		3	

The data following the introduction of the liquidity regulation on March 31, 2015 is available on SMFG's website.
(http://www.smfg.co.jp/english/investor/financial/basel_3.html)

Basel III Information

Capital Ratio Information (Consolidated)

Sumitomo Mitsui Banking Corporation and Subsidiaries

Capital Structure Information (Consolidated Capital Ratio (International Standard))

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2016		As of September 30, 2015	
			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	7,037,689		6,831,236	
1a	of which: capital and capital surplus	4,256,812		4,263,092	
2	of which: retained earnings	2,972,017		2,759,178	
1c	of which: treasury stock (-)	-		-	
26	of which: cash dividends to be paid (-)	191,140		191,034	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	-		-	
3	Accumulated other comprehensive income and other disclosed reserves	672,986	448,657	633,739	950,609
5	Adjusted non-controlling interests, etc. (amount allowed to be included in group Common Equity Tier 1)	175,784		168,706	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	5,542		7,323	
	of which: non-controlling interests and other items corresponding to common share capital issued by consolidated subsidiaries (amount allowed to be included in group Common Equity Tier 1)	5,542		7,323	
6	Common Equity Tier 1 capital: instruments and reserves (A)	7,892,002		7,641,005	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	266,370	177,580	157,496	236,245
8	of which: goodwill (including those equivalent)	106,584	71,056	70,384	105,576
9	of which: other intangible assets other than goodwill and mortgage servicing rights	159,785	106,523	87,112	130,669
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	853	568	827	1,240
11	Net deferred gains or losses on hedges	53,278	35,518	(4,156)	(6,234)
12	Shortfall of eligible provisions to expected losses	2,549	1,699	10,037	15,055
13	Gain on sale on securitization transactions	34,677	23,118	18,998	28,498
14	Gains and losses due to changes in own credit risk on fair valued liabilities	3,349	2,233	1,951	2,927
15	Net defined benefit asset	93,594	62,396	100,017	150,025
16	Investments in own shares (excluding those reported in the Net assets section)	26	17	31	47
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	-	-	-	-
19	of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-	-	-
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)	454,698		285,204	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,437,303		7,355,801	

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2016		As of September 30, 2015		
			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	300,000		300,000	
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	-		-	
34-35	Adjusted non-controlling interests, etc. (amount allowed to be included in group Additional Tier 1)	18,821		18,562		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	665,369		861,546		
33	of which: instruments issued by banks and their special purpose vehicles	665,369		861,546		
35	of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	-		-		
	Total of items included in Additional Tier 1 capital: items subject to transitional arrangements	(46,176)		64,339		
	of which: foreign currency translation adjustments	(46,176)		64,339		
36	Additional Tier 1 capital: instruments (D)	938,014		1,244,449		
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)	48,039	32,026	63,455	95,182	
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	100,513		134,637		
	of which: goodwill and others	76,545		98,612		
	of which: gain on sale on securitization transactions	23,118		28,498		
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	849		7,527		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-		
43	Additional Tier 1 capital: regulatory adjustments (E)	148,552		198,093		
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital ((D)-(E)) (F)	789,461		1,046,356		
Tier 1 capital (T1 = CET1 + AT1)						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	8,226,765		8,402,157		
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	883,599		657,249	
		Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	-		-	
48-49	Adjusted non-controlling interests, etc. (amount allowed to be included in group Tier 2)	3,223		2,573		
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	1,166,979		1,424,169		
47	of which: instruments issued by banks and their special purpose vehicles	1,166,979		1,424,169		
49	of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	-		-		
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	6,427		8,330		
50a	of which: general reserve for possible loan losses	6,427		8,330		
50b	of which: eligible provisions	-		-		
	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	296,256		529,954		
	of which: unrealized gains on other securities after 55% discount	283,418		510,620		
	of which: land revaluation excess after 55% discount	12,838		19,333		
51	Tier 2 capital: instruments and provisions (H)	2,356,486		2,622,278		

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2016		As of September 30, 2015	
			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)	30,000	20,000	50,644	75,966
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	45,625	/	72,852	/
	of which: Tier 2 and deductions under Basel II	45,625	/	72,852	/
57	Tier 2 capital: regulatory adjustments (I)	75,625	/	123,496	/
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,280,860	/	2,498,781	/
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	10,507,625	/	10,900,939	/
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	61,987	/	128,680	/
	of which: intangible assets (excluding those relating to mortgage servicing rights)	25,480	/	27,223	/
	of which: net defined benefit asset	17,528	/	33,091	/
	of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	83	/	52,936	/
	of which: significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions)	16,898	/	12,050	/
60	Risk weighted assets (L)	56,246,841	/	57,371,983	/
Capital ratio (consolidated)					
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	13.22%	/	12.82%	/
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	14.62%	/	14.64%	/
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	18.68%	/	19.00%	/
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	475,558	/	620,877	/
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	741,387	/	737,831	/
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)	6,387	/	6,695	/
Provisions included in Tier 2 capital: instruments and provisions					
76	Provisions (general reserve for possible loan losses)	6,427	/	8,330	/
77	Cap on inclusion of provisions (general reserve for possible loan losses)	23,442	/	22,640	/
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	280,304	/	294,875	/
Capital instruments subject to transitional arrangements					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	742,714	/	866,500	/
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	1,220,717	/	1,424,169	/
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	–	/	1,984	/

(Millions of yen)

Items	As of September 30, 2016	As of September 30, 2015
Required capital ((L) × 8%)	4,499,747	4,589,758

(Millions of yen, except percentages)

Basel III Template No.	Items	As of March 31, 2016	
			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	6,955,707	
1a	of which: capital and capital surplus	4,263,087	
2	of which: retained earnings	2,909,898	
1c	of which: treasury stock (-)	-	
26	of which: cash dividends to be paid (-)	217,277	
	of which: other than the above	-	
1b	Stock acquisition rights to common shares	-	
3	Accumulated other comprehensive income and other disclosed reserves	810,245	540,163
5	Adjusted non-controlling interests, etc. (amount allowed to be included in group Common Equity Tier 1)	175,353	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	5,276	
	of which: non-controlling interests and other items corresponding to common share capital issued by consolidated subsidiaries (amount allowed to be included in group Common Equity Tier 1)	5,276	
6	Common Equity Tier 1 capital: instruments and reserves (A)	7,946,582	
Common Equity Tier 1 capital: regulatory adjustments			
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	266,335	177,557
8	of which: goodwill (including those equivalent)	110,209	73,473
9	of which: other intangible assets other than goodwill and mortgage servicing rights	156,126	104,084
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	927	618
11	Net deferred gains or losses on hedges	38,273	25,515
12	Shortfall of eligible provisions to expected losses	15,573	10,382
13	Gain on sale on securitization transactions	30,051	20,034
14	Gains and losses due to changes in own credit risk on fair valued liabilities	5,089	3,392
15	Net defined benefit asset	83,065	55,376
16	Investments in own shares (excluding those reported in the Net assets section)	29	19
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	-	-
19	of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-
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)	439,345	
Common Equity Tier 1 capital (CET1)			
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,507,237	

(Millions of yen, except percentages)

Basel III Template No.	Items	As of March 31, 2016		
			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	300,000	
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	
34-35	Adjusted non-controlling interests, etc. (amount allowed to be included in group Additional Tier 1)	17,660		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	698,497		
33	of which: instruments issued by banks and their special purpose vehicles	698,497		
35	of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	—		
	Total of items included in Additional Tier 1 capital: items subject to transitional arrangements	23,477		
	of which: foreign currency translation adjustments	23,477		
36	Additional Tier 1 capital: instruments (D)	1,039,636		
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)	48,032	32,021	
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	102,270		
	of which: goodwill and others	77,045		
	of which: gain on sale on securitization transactions	20,034		
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	5,191		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—		
43	Additional Tier 1 capital: regulatory adjustments (E)	150,303		
Additional Tier 1 capital (AT1)				
44	Additional Tier 1 capital ((D)-(E)) (F)	889,332		
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	8,396,570		
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	655,064	
		Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	
48-49	Adjusted non-controlling interests, etc. (amount allowed to be included in group Tier 2)	3,069		
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	1,220,717		
47	of which: instruments issued by banks and their special purpose vehicles	1,220,717		
49	of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	—		
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	7,666		
50a	of which: general reserve for possible loan losses	7,666		
50b	of which: eligible provisions	—		
	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	319,291		
	of which: unrealized gains on other securities after 55% discount	306,445		
	of which: land revaluation excess after 55% discount	12,845		
51	Tier 2 capital: instruments and provisions (H)	2,205,808		

(Millions of yen, except percentages)

Basel III Template No.	Items	As of March 31, 2016	
			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)	75,000	50,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	51,809	
	of which: Tier 2 and deductions under Basel II	51,809	
57	Tier 2 capital: regulatory adjustments	(I)	126,809
Tier 2 capital (T2)			
58	Tier 2 capital (T2) ((H)-(I))	(J)	2,078,998
Total capital (TC = T1 + T2)			
59	Total capital (TC = T1 + T2) ((G) + (J))	(K)	10,475,569
Risk weighted assets			
	Total of items included in risk weighted assets subject to transitional arrangements	58,545	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	24,719	
	of which: net defined benefit asset	15,658	
	of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	83	
	of which: significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions)	16,156	
60	Risk weighted assets	(L)	57,558,088
Capital ratio (consolidated)			
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	13.04%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	14.58%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	18.19%	
Regulatory adjustments			
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	445,253	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	729,943	
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)	3,700	
Provisions included in Tier 2 capital: instruments and provisions			
76	Provisions (general reserve for possible loan losses)	7,666	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	24,487	
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	293,681	
Capital instruments subject to transitional arrangements			
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	742,714	
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	1,220,717	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	31,434	

(Millions of yen)

Items	As of March 31, 2016
Required capital ((L) × 8%)	4,604,647

■ Reconciliation of Regulatory Capital Elements Back to the Balance Sheet (As of September 30, 2015 and 2016)

Sumitomo Mitsui Banking Corporation and Subsidiaries

(Millions of yen)

Items	Consolidated 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)
	As of September 30, 2016	As of September 30, 2015		
(Assets)				
Cash and due from banks	39,099,012	43,195,496		
Call loans and bills bought	1,332,654	1,376,648		
Receivables under resale agreements	746,170	771,420		
Receivables under securities borrowing transactions	7,451,991	6,470,655		
Monetary claims bought	3,718,373	3,926,974		
Trading assets	7,219,515	7,581,209	6-a	
Money held in trust	3	1		
Securities	21,767,145	27,983,877	2-b, 6-b	
Loans and bills discounted	78,742,567	76,676,449	6-c	
Foreign exchanges	1,546,229	1,966,358		
Lease receivables and investment assets	265,943	249,749		
Other assets	4,321,519	2,787,844		
Tangible fixed assets	1,133,814	1,123,197		
Intangible fixed assets	525,463	463,712	2-a	
Net defined benefit asset	223,988	368,190	3	
Deferred tax assets	60,172	62,721	4-a	
Customers' liabilities for acceptances and guarantees	6,048,956	6,198,361		
Reserve for possible loan losses	(449,315)	(489,385)		
Total assets	173,754,205	180,713,484		
(Liabilities)				
Deposits	111,341,791	102,592,124		
Negotiable certificates of deposit	10,860,560	15,928,508		
Call money and bills sold	1,159,907	6,218,629		
Payables under repurchase agreements	1,964,416	1,081,106		
Payables under securities lending transactions	6,454,075	8,258,001		
Commercial paper	2,053,258	3,109,663		
Trading liabilities	5,544,260	5,524,764	6-d	
Borrowed money	7,454,656	9,025,672	8	
Foreign exchanges	816,229	863,970		
Short-term bonds	205,400	719,600		
Bonds	4,669,250	5,866,650		
Due to trust account	1,035,457	597,296		
Other liabilities	4,524,511	4,545,241		
Reserve for employee bonuses	37,603	43,133		
Net defined benefit liability	17,800	12,285		
Reserve for executive retirement benefits	761	660		
Reserve for point service program	893	1,162		
Reserve for reimbursement of deposits	12,326	15,176		
Reserve for losses on interest repayment	43	527		
Reserve under the special laws	1,188	984		
Deferred tax liabilities	274,511	386,986	4-b	
Deferred tax liabilities for land revaluation	32,167	33,998	4-c	
Acceptances and guarantees	6,048,956	6,198,361		
Total liabilities	164,510,029	171,024,506		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	2,695,819	2,702,099	1-b	
Retained earnings	2,972,017	2,759,178	1-c	
Treasury stock	(210,003)	(210,003)	1-d	
Total stockholders' equity	7,228,830	7,022,271		
Net unrealized gains on other securities	1,159,436	1,397,229		
Net deferred gains or losses on hedges	86,943	(12,029)	5	
Land revaluation excess	39,341	37,816		
Foreign currency translation adjustments	(115,441)	107,233		
Remeasurements of defined benefit plans	(48,636)	54,099		
Total accumulated other comprehensive income	1,121,643	1,584,348		
Stock acquisition rights	259	221	7-a	
Non-controlling interests	893,443	1,082,137	7-b	
Total net assets	9,244,175	9,688,978		
Total liabilities and net assets	173,754,205	180,713,484		

3

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appended Table)

1. Stockholders' equity

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Capital stock	1,770,996	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-a
Capital surplus	2,695,819	2,702,099	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	2,972,017	2,759,178		1-c
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	7,228,830	7,022,271		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	7,228,830	7,022,271	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	4,256,812	4,263,092		1a
of which: retained earnings	2,972,017	2,759,178		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) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Intangible fixed assets	525,463	463,712		2-a
Securities	21,767,145	27,983,877		2-b
of which: goodwill attributable to equity-method investees	31,939	33,271		
Income taxes related to above	113,452	103,241		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Goodwill (including those equivalent)	177,641	175,960		8
Other intangible assets other than goodwill and mortgage servicing rights	266,308	217,782	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. Net defined benefit asset

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Net defined benefit asset	223,988	368,190		3
Income taxes related to above	67,997	118,147		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Net defined benefit asset	155,990	250,043		15

4. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Deferred tax assets	60,172	62,721		4-a
Deferred tax liabilities	274,511	386,986		4-b
Deferred tax liabilities for land revaluation	32,167	33,998		4-c
Tax effects on other intangible assets	113,452	103,241		
Tax effects on net defined benefit asset	67,997	118,147		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,422	2,068	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.	10
Deferred tax assets arising from temporary differences (net of related tax liability)	6,387	6,695	This item does not agree with the amount reported on the consolidated 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)	6,387	6,695		75

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Net deferred gains or losses on hedges	86,943	(12,029)		5

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Net deferred gains or losses on hedges	88,796	(10,390)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

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

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Trading assets	7,219,515	7,581,209	Including trading account securities and derivatives for trading assets	6-a
Securities	21,767,145	27,983,877		6-b
Loans and bills discounted	78,742,567	76,676,449	Including subordinated loans	6-c
Trading liabilities	5,544,260	5,524,764	Including trading account securities sold and derivatives for trading liabilities	6-d

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Investments in own capital instruments	44	79		
Common Equity Tier 1 capital	44	79		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)	475,558	620,877		
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)	475,558	620,877		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	871,453	1,023,080		
Amount exceeding the 10% threshold on specified items	—	—		19
Amount exceeding the 15% threshold on specified items	—	—		23
Additional Tier 1 capital	80,066	158,638		40
Tier 2 capital	50,000	126,610		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	741,387	737,831		73

7. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Stock acquisition rights	259	221		7-a
Non-controlling interests	893,443	1,082,137		7-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	175,784	168,706		5
Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—		30-31ab-32
Amount allowed to be included in group Additional Tier 1	18,821	18,562		34-35
Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—		46
Amount allowed to be included in group Tier 2	3,223	2,573		48-49

8. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Borrowed money	7,454,656	9,025,672		8

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	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	300,000	300,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	883,599	657,249		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 (As of March 31, 2016)

Sumitomo Mitsui Banking Corporation and Subsidiaries

(Millions of yen)			
Items	Consolidated 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)
	As of March 31, 2016		
(Assets)			
Cash and due from banks	42,594,225		
Call loans and bills bought	1,291,365		
Receivables under resale agreements	494,949		
Receivables under securities borrowing transactions	7,964,208		
Monetary claims bought	4,183,995		
Trading assets	7,980,971	6-a	
Money held in trust	3		
Securities	25,153,750	2-b, 6-b	
Loans and bills discounted	77,331,124	6-c	
Foreign exchanges	1,577,167		
Lease receivables and investment assets	269,429		
Other assets	3,697,438		
Tangible fixed assets	1,167,627		
Intangible fixed assets	526,112	2-a	
Net defined benefit asset	198,637	3	
Deferred tax assets	66,570	4-a	
Customers' liabilities for acceptances and guarantees	6,407,272		
Reserve for possible loan losses	(496,178)		
Total assets	180,408,672		
(Liabilities)			
Deposits	111,238,673		
Negotiable certificates of deposit	14,740,434		
Call money and bills sold	1,220,455		
Payables under repurchase agreements	1,761,822		
Payables under securities lending transactions	5,309,003		
Commercial paper	3,018,218		
Trading liabilities	6,105,982	6-d	
Borrowed money	8,058,848	8	
Foreign exchanges	1,083,450		
Short-term bonds	367,000		
Bonds	5,450,145		
Due to trust account	944,542		
Other liabilities	4,853,664		
Reserve for employee bonuses	54,925		
Reserve for executive bonuses	1,767		
Net defined benefit liability	17,844		
Reserve for executive retirement benefits	743		
Reserve for point service program	1,249		
Reserve for reimbursement of deposits	16,979		
Reserve for losses on interest repayment	234		
Reserve under the special laws	1,129		
Deferred tax liabilities	275,887	4-b	
Deferred tax liabilities for land revaluation	32,203	4-c	
Acceptances and guarantees	6,407,272		
Total liabilities	170,962,478		
(Net assets)			
Capital stock	1,770,996	1-a	
Capital surplus	2,702,093	1-b	
Retained earnings	2,909,898	1-c	
Treasury stock	(210,003)	1-d	
Total stockholders' equity	7,172,985		
Net unrealized gains on other securities	1,255,877		
Net deferred gains or losses on hedges	61,781	5	
Land revaluation excess	39,348		
Foreign currency translation adjustments	58,693		
Remeasurements of defined benefit plans	(65,290)		
Total accumulated other comprehensive income	1,350,409		3
Stock acquisition rights	249	7-a	
Non-controlling interests	922,549	7-b	
Total net assets	9,446,193		
Total liabilities and net assets	180,408,672		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appended Table)

1. Stockholders' equity

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Capital stock	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-a
Capital surplus	2,702,093	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	2,909,898		1-c
Treasury stock	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	7,172,985		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	7,172,985	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	4,263,087		1a
of which: retained earnings	2,909,898		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) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Intangible fixed assets	526,112		2-a
Securities	25,153,750		2-b
of which: goodwill attributable to equity-method investees	36,559		
Income taxes related to above	118,778		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	Remarks	Basel III Template No.
Goodwill (including those equivalent)	183,682		8
Other intangible assets other than goodwill and mortgage servicing rights	260,210	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. Net defined benefit asset

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Net defined benefit asset	198,637		3
Income taxes related to above	60,195		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	Remarks	Basel III Template No.
Net defined benefit asset	138,441		15

4. Deferred tax assets

(1) Consolidated balance sheet (Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Deferred tax assets	66,570		4-a
Deferred tax liabilities	275,887		4-b
Deferred tax liabilities for land revaluation	32,203		4-c
<hr/>			
Tax effects on other intangible assets	118,778		
Tax effects on net defined benefit asset	60,195		

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	As of March 31, 2016	Remarks	Basel III Template No.
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,545	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.	10
Deferred tax assets arising from temporary differences (net of related tax liability)	3,700	This item does not agree with the amount reported on the consolidated 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)	3,700		75

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet (Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Net deferred gains or losses on hedges	61,781		5

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	As of March 31, 2016	Remarks	Basel III Template No.
Net deferred gains or losses on hedges	63,789	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

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

(1) Consolidated balance sheet (Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Trading assets	7,980,971	Including trading account securities and derivatives for trading assets	6-a
Securities	25,153,750		6-b
Loans and bills discounted	77,331,124	Including subordinated loans	6-c
Trading liabilities	6,105,982	Including trading account securities sold and derivatives for trading liabilities	6-d

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	Remarks	Basel III Template No.
Investments in own capital instruments	49		
Common Equity Tier 1 capital	49		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)	445,253		
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)	445,253		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	934,997		
Amount exceeding the 10% threshold on specified items	—		19
Amount exceeding the 15% threshold on specified items	—		23
Additional Tier 1 capital	80,053		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)	729,943		73

7. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Stock acquisition rights	249		7-a
Non-controlling interests	922,549		7-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	175,353		5
Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—		30-31ab-32
Amount allowed to be included in group Additional Tier 1	17,660		34-35
Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—		46
Amount allowed to be included in group Tier 2	3,069		48-49

8. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Borrowed money	8,058,848		8

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	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	300,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	655,064		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.

Leverage Ratio Information (Consolidated)

Sumitomo Mitsui Banking Corporation and Subsidiaries

■ Composition of Leverage Ratio

(In million yen, %)

Corresponding line # on Basel III disclosure template (Table2)	Corresponding line # on Basel III disclosure template (Table1)	Item	As of September 30, 2016	As of September 30, 2015
On-balance sheet exposures (1)				
1		On-balance sheet exposures before deducting adjustment items	151,278,476	159,523,466
1a	1	Total assets reported in the consolidated balance sheet	173,754,205	180,713,484
1b	2	The amount of assets of subsidiaries that are not included in the scope of the leverage ratio on a consolidated basis (-)	—	—
1c	7	The amount of assets of subsidiaries that are included in the scope of the leverage ratio on a consolidated basis (except those included in the total assets reported in the consolidated balance sheet)	—	—
1d	3	The amount of assets that are deducted from the total assets reported in the consolidated balance sheet (except adjustment items) (-)	22,475,729	21,190,017
2	7	The amount of adjustment items pertaining to Tier 1 capital (-)	411,433	331,865
3		Total on-balance sheet exposures (a)	150,867,042	159,191,601
Exposures related to derivative transactions (2)				
4		Replacement cost associated with derivatives transactions, etc.	2,702,044	2,080,802
5		Add-on amount associated with derivatives transactions, etc.	3,105,886	2,912,464
		The amount of receivables arising from providing cash margin in relation to derivatives transactions, etc.	601,449	546,543
6		The amount of receivables arising from providing cash margin, provided where deducted from the consolidated balance sheet pursuant to the operative accounting framework	—	—
7		The amount of deductions of receivables (out of those arising from providing cash variation margin) (-)	601,449	546,543
8		The amount of client-cleared trade exposures for which a bank acting as clearing member is not obliged to make any indemnification (-)	—	—
9		Adjusted effective notional amount of written credit derivatives	614,055	492,813
10		The amount of deductions from effective notional amount of written credit derivatives (-)	509,786	293,363
11	4	Total exposures related to derivative transactions (b)	5,912,199	5,192,717
Exposures related to repo transactions (3)				
12		The amount of assets related to repo transactions, etc.	8,198,161	7,242,075
13		The amount of deductions from the assets above (line 12) (-)	—	—
14		The exposures for counterparty credit risk for repo transactions, etc.	167,691	31,759
15		The exposures for agent repo transaction	—	—
16	5	Total exposures related to repo transactions, etc. (c)	8,365,852	7,273,834
Exposures related to off-balance sheet transactions (4)				
17		Notional amount of off-balance sheet transactions	52,159,812	53,328,196
18		The amount of adjustments for conversion in relation to off-balance sheet transactions (-)	34,580,233	35,381,692
19	6	Total exposures related to off-balance sheet transactions (d)	17,579,578	17,946,503
Leverage ratio on a consolidated basis (5)				
20		The amount of capital (Tier 1 capital) (e)	8,226,765	8,402,157
21	8	Total exposures ((a)+(b)+(c)+(d)) (f)	182,724,674	189,604,657
22		Leverage ratio on a consolidated basis ((e)/(f))	4.50%	4.43%

(In million yen, %)

Corresponding line # on Basel III disclosure template (Table2)	Corresponding line # on Basel III disclosure template (Table1)	Item	As of March 31, 2016
On-balance sheet exposures (1)			
1		On-balance sheet exposures before deducting adjustment items	157,139,218
1a	1	Total assets reported in the consolidated balance sheet	180,408,672
1b	2	The amount of assets of subsidiaries that are not included in the scope of the leverage ratio on a consolidated basis (-)	—
1c	7	The amount of assets of subsidiaries that are included in the scope of the leverage ratio on a consolidated basis (except those included in the total assets reported in the consolidated balance sheet)	—
1d	3	The amount of assets that are deducted from the total assets reported in the consolidated balance sheet (except adjustment items) (-)	23,269,453
2	7	The amount of adjustment items pertaining to Tier 1 capital (-)	413,963
3		Total on-balance sheet exposures (a)	156,725,255
Exposures related to derivative transactions (2)			
4		Replacement cost associated with derivatives transactions, etc.	2,318,694
5		Add-on amount associated with derivatives transactions, etc.	3,050,084
		The amount of receivables arising from providing cash margin in relation to derivatives transactions, etc.	533,429
6		The amount of receivables arising from providing cash margin, provided where deducted from the consolidated balance sheet pursuant to the operative accounting framework	—
7		The amount of deductions of receivables (out of those arising from providing cash variation margin) (-)	533,429
8		The amount of client-cleared trade exposures for which a bank acting as clearing member is not obliged to make any indemnification (-)	
9		Adjusted effective notional amount of written credit derivatives	583,300
10		The amount of deductions from effective notional amount of written credit derivatives (-)	459,631
11	4	Total exposures related to derivative transactions (b)	5,492,448
Exposures related to repo transactions (3)			
12		The amount of assets related to repo transactions, etc.	8,459,158
13		The amount of deductions from the assets above (line 12) (-)	—
14		The exposures for counterparty credit risk for repo transactions, etc.	52,367
15		The exposures for agent repo transaction	
16	5	Total exposures related to repo transactions, etc. (c)	8,511,525
Exposures related to off-balance sheet transactions (4)			
17		Notional amount of off-balance sheet transactions	53,385,837
18		The amount of adjustments for conversion in relation to off-balance sheet transactions (-)	34,955,755
19	6	Total exposures related to off-balance sheet transactions (d)	18,430,082
Leverage ratio on a consolidated basis (5)			
20		The amount of capital (Tier 1 capital) (e)	8,396,570
21	8	Total exposures ((a)+(b)+(c)+(d)) (f)	189,159,312
22		Leverage ratio on a consolidated basis ((e)/(f))	4.43%

Liquidity Coverage Ratio Information (Consolidated)

Sumitomo Mitsui Banking Corporation and Subsidiaries

Since March 31, 2015, the “Liquidity Coverage Ratio” (hereinafter referred to as “LCR”), the liquidity regulation under the Basel III, has been introduced in Japan. In addition to the application of uniform international standards, SMBC calculates its consolidated LCR using the calculation formula stipulated in the “Criteria for Evaluating the Soundness of Liquidity Status Set Forth by a Bank as a Benchmark for Judging its Soundness of Management, Based on the Provision of Article 14-2 of the Banking Act” (Notification No. 60 issued by the Japanese Financial Services Agency in 2014; hereinafter referred to as the “LCR Notification”). Meanwhile, SMBC discloses its LCR in compliance with “Matters Related to the Status of the Soundness of Management Concerning Liquidity Separately Specified by the Commissioner of the Japanese Financial Services Agency, Based on the Provision of Article 19-2, Paragraph 1, Item 5 (e) of the Ordinance for Enforcement of the Banking Act, etc.” (Notification No. 7 issued by the Japanese Financial Services Agency in 2015).

■ Disclosure of Qualitative Information about Liquidity Coverage Ratio

1. Intra-period Changes in Consolidated LCR

As described in “Disclosure of Quantitative Information about Liquidity Coverage Ratio (Consolidated)” on the following page, the LCR has remained stable with no significant fluctuation following the introduction of the liquidity regulation on March 31, 2015.

2. Assessment of Consolidated LCR

The LCR Notification stipulates that the minimum requirement of LCR for 2016 is set at 70.0% and from 2017 onwards, the LCR is raised in increments of 10.0% in stages, reaching 100.0% in and after 2019 (see table below).

	2015	2016	2017	2018	2019 onwards
The minimum requirement of LCR	60.0%	70.0%	80.0%	90.0%	100.0%

Consolidated LCR of SMBC exceeds the minimum requirements of LCR for 2016 (70.0%) and for 2019 onwards (100.0%), having no cause for concern. SMBC does not expect that the future LCR forecasts will differ significantly from the announced ratios. In addition, the actual LCR does not differ significantly from the initial forecast.

3. Composition of High-Quality Liquid Assets

The consolidated high-quality liquid assets held by SMBC that are allowed to be included in the calculation of LCR include deposits with central banks, highly-rated bonds and cash. As described in “Disclosure of Quantitative Information about Liquidity Coverage Ratio (Consolidated)” on the following page, the amount of such high-quality liquid assets exceed the amount of net cash outflows. Meanwhile, currency denominations, categories and location, etc. of the high-quality liquid assets allowed to be included in the calculation have not shown any significant changes. In addition, in respect of major currencies (those of which the aggregate amount of liabilities denominated in a certain currency accounts for 5.0% or more of SMBC’s total liabilities on the consolidated basis), there is no significant mismatch in currency denomination between the total amount of the high-quality liquid assets allowed to be included in the calculation and the amount of net cash outflows.

4. Other Information Concerning Consolidated LCR

SMBC has not applied “special provisions concerning qualifying operational deposits” prescribed in Article 29 of the LCR Notification and “increased liquidity needs related to market valuation changes on derivative or other transactions simulated through Scenario Approach” prescribed in Article 38 of the same Notification. Meanwhile, SMBC records “cash outflows related to small-sized consolidated subsidiaries,” etc. under “cash outflows based on other contracts” prescribed in Article 60 of the same Notification.

■ Disclosure of Quantitative Information about Liquidity Coverage Ratio (Consolidated)

(In million yen, %, the number of data)

Item		Current Quarter (From 2016/7/1 To 2016/9/30)		Prior Quarter (From 2016/4/1 To 2016/6/30)	
High-Quality Liquid Assets (1)					
1	Total high-quality liquid assets (HQLA)	48,582,163		50,810,776	
Cash Outflows (2)		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
2	Cash outflows related to unsecured retail funding	50,221,971	3,873,006	49,926,410	3,851,663
3	of which, Stable deposits	16,432,201	493,128	16,313,606	489,577
4	of which, Less stable deposits	33,789,770	3,379,879	33,612,803	3,362,086
5	Cash outflows related to unsecured wholesale funding	55,587,001	29,487,626	56,750,886	30,697,741
6	of which, Qualifying operational deposits	—	—	—	—
7	of which, Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	49,747,379	23,648,003	49,984,124	23,930,979
8	of which, Debt securities	5,839,622	5,839,622	6,766,762	6,766,762
9	Cash outflows related to secured funding, etc.	69,436		64,448	
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	18,233,342	5,903,680	19,304,276	6,514,609
11	of which, Cash outflows related to derivative transactions, etc.	1,274,366	1,274,366	1,643,017	1,643,017
12	of which, Cash outflows related to funding programs	343,416	343,416	490,389	490,389
13	of which, Cash outflows related to credit and liquidity facilities	16,615,559	4,285,898	17,170,870	4,381,203
14	Cash outflows related to contractual funding obligations, etc.	6,649,509	3,587,255	7,597,484	4,116,184
15	Cash outflows related to contingencies	60,616,859	987,647	59,809,008	779,309
16	Total cash outflows	43,908,649		46,023,955	
Cash Inflows (3)		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
17	Cash inflows related to secured lending, etc.	4,771,670	399,102	4,587,952	212,043
18	Cash inflows related to collection of loans, etc.	3,444,573	2,290,499	3,840,668	2,539,623
19	Other cash inflows	3,709,983	1,833,596	3,988,450	1,836,638
20	Total cash inflows	11,926,226	4,523,197	12,417,071	4,588,305
Consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA allowed to be included in the calculation	48,582,163		50,810,776	
22	Net cash outflows	39,385,453		41,435,650	
23	Consolidated liquidity coverage ratio (LCR)	123.3%		122.6%	
24	The number of data used to calculate the average value	3		3	

The data following the introduction of the liquidity regulation on March 31, 2015 is available on SMFG's website.
(http://www.smfg.co.jp/english/investor/financial/basel_3.html)

Capital Ratio Information (Non-consolidated)

Sumitomo Mitsui Banking Corporation

Capital Structure Information (Non-consolidated Capital Ratio (International Standard))

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2016		As of September 30, 2015	
			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	6,433,280		6,122,595	
1a	of which: capital and capital surplus	4,027,283		4,031,192	
2	of which: retained earnings	2,597,137		2,282,438	
1c	of which: treasury stock (-)	-		-	
26	of which: cash dividends to be paid (-)	191,140		191,034	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	-		-	
3	Valuation and translation adjustment and other disclosed reserves	821,930	547,953	520,999	781,499
	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)	7,255,211		6,643,595	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	93,692	62,461	56,933	85,400
8	of which: goodwill (including those equivalent)	-	-	-	-
9	of which: other intangible assets other than goodwill and mortgage servicing rights	93,692	62,461	56,933	85,400
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	-	-
11	Net deferred gains or losses on hedges	122,985	81,990	(37,108)	(55,663)
12	Shortfall of eligible provisions to expected losses	27,919	18,613	34,940	52,410
13	Gain on sale on securitization transactions	34,677	23,118	18,998	28,498
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	-	-
15	Prepaid pension cost	116,131	77,420	74,708	112,063
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	-	-	-	-
19	of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-	-	-
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)	395,406		148,472	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	6,859,804		6,495,123	

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2016		As of September 30, 2015		
			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	300,000	/	300,000	/
		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	665,369	/	861,546	/	
	Total of items included in Additional Tier 1 capital: items subject to transitional arrangements	(479)	/	(202)	/	
	of which: foreign currency translation adjustments	(479)	/	(202)	/	
36	Additional Tier 1 capital: instruments (D)	964,889	/	1,161,344	/	
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)	45,756	30,504	63,692	95,538	
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	32,424	/	54,703	/	
	of which: gain on sale on securitization transactions	23,118	/	28,498	/	
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	9,306	/	26,205	/	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	/	-	/	
43	Additional Tier 1 capital: regulatory adjustments (E)	78,181	/	118,395	/	
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital ((D)-(E)) (F)	886,708	/	1,042,948	/	
Tier 1 capital (T1 = CET1 + AT1)						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	7,746,512	/	7,538,072	/	
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	885,837	/	658,860	/
		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	1,170,380	/	1,412,068	/	
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	288,214	/	514,787	/	
	of which: unrealized gains on other securities after 55% discount	277,448	/	498,572	/	
	of which: land revaluation excess after 55% discount	10,765	/	16,215	/	
51	Tier 2 capital: instruments and provisions (H)	2,344,432	/	2,585,716	/	

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2016		As of September 30, 2015	
			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)	30,000	20,000	50,000	75,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	9,306		26,205	
	of which: Tier 2 and deductions under Basel II	9,306		26,205	
57	Tier 2 capital: regulatory adjustments (I)	39,306		76,205	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,305,125		2,509,511	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	10,051,638		10,047,583	
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	141,100		237,169	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	17,062		18,478	
	of which: prepaid pension cost	21,148		24,247	
	of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	85,990		182,392	
60	Risk weighted assets (L)	48,914,069		49,888,406	
Capital ratio					
61	Common Equity Tier 1 risk-weighted capital ratio ((C)/(L))	14.02%		13.01%	
62	Tier 1 risk-weighted capital ratio ((G)/(L))	15.83%		15.10%	
63	Total risk-weighted capital ratio ((K)/(L))	20.54%		20.14%	
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	354,452		482,426	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	676,035		651,340	
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)	—		—	
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)	2,103		2,190	
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	261,137		270,899	
Capital instruments subject to transitional arrangements					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	742,414		866,150	
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	1,210,344		1,412,068	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	—		16,282	

(Millions of yen)

Items	As of September 30, 2016	As of September 30, 2015
Required capital ((L) × 8%)	3,913,125	3,991,072

(Millions of yen, except percentages)

Basel III Template No.	Items	As of March 31, 2016	
			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	6,228,421	
1a	of which: capital and capital surplus	4,031,192	
2	of which: retained earnings	2,414,507	
1c	of which: treasury stock (-)	-	
26	of which: cash dividends to be paid (-)	217,277	
	of which: other than the above	-	
1b	Stock acquisition rights to common shares	-	
3	Valuation and translation adjustment and other disclosed reserves	785,705	523,803
	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)	7,014,126	
Common Equity Tier 1 capital: regulatory adjustments			
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	91,707	61,138
8	of which: goodwill (including those equivalent)	-	-
9	of which: other intangible assets other than goodwill and mortgage servicing rights	91,707	61,138
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
11	Net deferred gains or losses on hedges	30,158	20,105
12	Shortfall of eligible provisions to expected losses	43,929	29,286
13	Gain on sale on securitization transactions	30,051	20,034
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
15	Prepaid pension cost	116,591	77,727
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	-	-
19	of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-
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)	312,437	
Common Equity Tier 1 capital (CET1)			
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	6,701,689	

(Millions of yen, except percentages)

Basel III Template No.	Items	As of March 31, 2016		
			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	300,000	
		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	698,497		
	Total of items included in Additional Tier 1 capital: items subject to transitional arrangements	(268)		
	of which: foreign currency translation adjustments	(268)		
36	Additional Tier 1 capital: instruments	(D) 998,229		
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)	45,756	30,504	
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	34,677		
	of which: gain on sale on securitization transactions	20,034		
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	14,643		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—		
43	Additional Tier 1 capital: regulatory adjustments	(E) 80,434		
Additional Tier 1 capital (AT1)				
44	Additional Tier 1 capital ((D)-(E))	(F) 917,795		
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F))	(G) 7,619,484		
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	656,085	
		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	1,210,344		
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	310,455		
	of which: unrealized gains on other securities after 55% discount	299,682		
	of which: land revaluation excess after 55% discount	10,772		
51	Tier 2 capital: instruments and provisions	(H) 2,176,885		

(Millions of yen, except percentages)

Basel III Template No.	Items	As of March 31, 2016	
			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)	75,000	50,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	14,643	
	of which: Tier 2 and deductions under Basel II	14,643	
57	Tier 2 capital: regulatory adjustments	(I)	89,643
Tier 2 capital (T2)			
58	Tier 2 capital (T2) ((H)-(I))	(J)	2,087,242
Total capital (TC = T1 + T2)			
59	Total capital (TC = T1 + T2) ((G) + (J))	(K)	9,706,726
Risk weighted assets			
	Total of items included in risk weighted assets subject to transitional arrangements	140,505	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	16,700	
	of which: prepaid pension cost	21,232	
	of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	86,416	
60	Risk weighted assets	(L)	49,829,205
Capital ratio			
61	Common Equity Tier 1 risk-weighted capital ratio ((C)/(L))		13.44%
62	Tier 1 risk-weighted capital ratio ((G)/(L))		15.29%
63	Total risk-weighted capital ratio ((K)/(L))		19.47%
Regulatory adjustments			
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	336,156	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	657,720	
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)	–	
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)	2,295	
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	269,384	
Capital instruments subject to transitional arrangements			
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	742,414	
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	1,210,344	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	42,804	

(Millions of yen)

Items	As of March 31, 2016
Required capital ((L) × 8%)	3,986,336

■ Reconciliation of Regulatory Capital Elements Back to the Balance Sheet (As of September 30, 2015 and 2016)

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)
	As of September 30, 2016	As of September 30, 2015		
(Assets)				
Cash and due from banks	35,298,147	39,992,676		
Call loans	940,558	643,983		
Receivables under resale agreements	528,769	535,997		
Receivables under securities borrowing transactions	2,527,556	2,326,634		
Monetary claims bought	964,209	1,061,202		
Trading assets	2,736,443	3,251,465	6-a	
Securities	22,525,289	28,513,860		
Loans and bills discounted	71,081,261	68,796,863	6-c	
Foreign exchanges	1,547,217	1,849,057		
Other assets	2,551,675	1,960,487		
Tangible fixed assets	821,713	822,174		
Intangible fixed assets	224,941	209,931	2	
Prepaid pension cost	278,812	275,474	3	
Customers' liabilities for acceptances and guarantees	6,736,789	6,623,332		
Reserve for possible loan losses	(324,775)	(351,607)		
Reserve for possible losses on investments	(41,983)	(23,992)		
Total assets	148,396,626	156,487,541		
(Liabilities)				
Deposits	98,956,852	92,002,876		
Negotiable certificates of deposit	10,646,973	15,883,208		
Call money	868,032	5,033,082		
Payables under repurchase agreements	725,474	84,417		
Payables under securities lending transactions	3,290,068	5,673,506		
Commercial paper	1,220,018	2,341,129		
Trading liabilities	2,382,454	2,552,196	6-d	
Borrowed money	7,369,910	8,871,945		
Foreign exchanges	853,671	921,485		
Short-term bonds	—	21,000		
Bonds	4,052,155	5,211,015		
Due to trust account	1,013,637	596,792		
Other liabilities	1,983,085	2,680,476		
Reserve for employee bonuses	13,414	13,256		
Reserve for point service program	771	797		
Reserve for reimbursement of deposits	10,654	13,842		
Deferred tax liabilities	245,777	313,406	4-a	
Deferred tax liabilities for land revaluation	31,801	33,589	4-b	
Acceptances and guarantees	6,736,789	6,623,332		
Total liabilities	140,401,541	148,871,358		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	2,466,290	2,470,198	1-b	
Retained earnings	2,595,812	2,281,995		
Treasury stock	(210,003)	(210,003)	1-d	
Total stockholders' equity	6,623,095	6,313,187		
Net unrealized gains on other securities	1,139,955	1,370,782		
Net deferred gains or losses on hedges	204,028	(94,252)		
Land revaluation excess	28,005	26,466		
Total valuation and translation adjustments	1,371,989	1,302,996		
Total net assets	7,995,084	7,616,183		
Total liabilities and net assets	148,396,626	156,487,541		

Note: The non-consolidated 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 Act" (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.

Balance sheet account	(Millions of yen)		Cross-reference to Appended Table	Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template)
	Amount reported on the consolidated financial statements			
Securities	22,511,710	28,500,281	6-b	3
Borrowed money	6,697,813	8,001,772	7	
Retained earnings	2,597,137	2,282,438	1-c	
Net deferred gains or losses on hedges	203,123	(94,411)	5	
Total valuation and translation adjustments	1,369,884	1,302,499		

(Appended Table)

1. Stockholders' equity

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Capital stock	1,770,996	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-a
Capital surplus	2,466,290	2,470,198	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	2,597,137	2,282,438		1-c
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	6,624,421	6,313,630		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,624,421	6,313,630	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	4,027,283	4,031,192		1a
of which: retained earnings	2,597,137	2,282,438		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	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Intangible fixed assets	224,941	209,931		2
Income taxes related to above	68,787	67,598		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Goodwill (including those equivalent)	—	—		8
Other intangible assets other than goodwill and mortgage servicing rights	156,154	142,333	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	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Prepaid pension cost	278,812	275,474		3
Income taxes related to above	85,260	88,702		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Prepaid pension cost	193,551	186,771		15

4. Deferred tax assets

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
Deferred tax liabilities	245,777	313,406	
Deferred tax liabilities for land revaluation	31,801	33,589	
Tax effects on other intangible assets	68,787	67,598	
Tax effects on prepaid pension cost	85,260	88,702	

Ref. No.
4-a
4-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	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)	—	—	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)	—	—	

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	As of September 30, 2016	As of September 30, 2015	Remarks
Net deferred gains or losses on hedges	203,123	(94,411)	

Ref. No.
5

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
Net deferred gains or losses on hedges	204,976	(92,772)	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	As of September 30, 2016	As of September 30, 2015	Remarks
Trading assets	2,736,443	3,251,465	Including trading account securities and derivatives for trading assets
Securities	22,511,710	28,500,281	
Loans and bills discounted	71,081,261	68,796,863	Including subordinated loans
Trading liabilities	2,382,454	2,552,196	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	As of September 30, 2016	As of September 30, 2015	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)	354,452	482,426		
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)	354,452	482,426		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	802,296	935,570		
Amount exceeding the 10% threshold on specified items	—	—		19
Amount exceeding the 15% threshold on specified items	—	—		23
Additional Tier 1 capital	76,261	159,230		40
Tier 2 capital	50,000	125,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	676,035	651,340		73

7. Other capital instruments

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Borrowed money	6,697,813	8,001,772		7

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	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	300,000	300,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	885,837	658,860		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 (As of March 31, 2016)

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)
	As of March 31, 2016		
(Assets)			
Cash and due from banks	38,862,725		
Call loans	899,594		
Receivables under resale agreements	359,318		
Receivables under securities borrowing transactions	2,798,855		
Monetary claims bought	950,106		
Trading assets	3,511,957	6-a	
Securities	25,602,156		
Loans and bills discounted	69,276,735	6-c	
Foreign exchanges	1,558,252		
Other assets	2,131,869		
Tangible fixed assets	831,326		
Intangible fixed assets	220,174	2	
Prepaid pension cost	279,917	3	
Customers' liabilities for acceptances and guarantees	6,737,089		
Reserve for possible loan losses	(357,186)		
Reserve for possible losses on investments	(21,465)		
Total assets	153,641,430		
(Liabilities)			
Deposits	98,839,722		
Negotiable certificates of deposit	14,428,338		
Call money	1,107,825		
Payables under repurchase agreements	496,236		
Payables under securities lending transactions	1,374,280		
Commercial paper	1,980,153		
Trading liabilities	2,987,815	6-d	
Borrowed money	7,868,311		
Foreign exchanges	1,131,796		
Short-term bonds	—		
Bonds	4,775,072		
Due to trust account	921,320		
Other liabilities	2,924,495		
Reserve for employee bonuses	13,869		
Reserve for executive bonuses	566		
Reserve for point service program	1,086		
Reserve for reimbursement of deposits	15,374		
Deferred tax liabilities	249,427	4-a	
Deferred tax liabilities for land revaluation	31,837	4-b	
Acceptances and guarantees	6,737,089		
Total liabilities	145,884,620		
(Net assets)			
Capital stock	1,770,996	1-a	
Capital surplus	2,470,198	1-b	
Retained earnings	2,414,989		
Treasury stock	(210,003)	1-d	
Total stockholders' equity	6,446,181		
Net unrealized gains on other securities	1,233,910		
Net deferred gains or losses on hedges	48,706		
Land revaluation excess	28,011		
Total valuation and translation adjustments	1,310,628		
Total net assets	7,756,810		
Total liabilities and net assets	153,641,430		

Note: The non-consolidated capital 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 Act" (Notification No. 19 of 2006, the Financial Services Agency). The above capital 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	25,588,578	6-b	
Borrowed money	7,162,861	7	
Retained earnings	2,414,507	1-c	
Net deferred gains or losses on hedges	48,257	5	
Total valuation and translation adjustments	1,309,508		3

(Appended Table)

1. Stockholders' equity

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Capital stock	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-a
Capital surplus	2,470,198	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	2,414,507		1-c
Treasury stock	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	6,445,699		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,445,699	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	4,031,192		1a
of which: retained earnings	2,414,507		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	As of March 31, 2016	Remarks	Ref. No.
Intangible fixed assets	220,174		2
Income taxes related to above	67,329		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	Remarks	Basel III Template No.
Goodwill (including those equivalent)	—		8
Other intangible assets other than goodwill and mortgage servicing rights	152,845	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	As of March 31, 2016	Remarks	Ref. No.
Prepaid pension cost	279,917		3
Income taxes related to above	85,598		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	Remarks	Basel III Template No.
Prepaid pension cost	194,318		15

4. Deferred tax assets

(1) Balance sheet (Millions of yen)

Balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Deferred tax liabilities	249,427		4-a
Deferred tax liabilities for land revaluation	31,837		4-b
Tax effects on other intangible assets	67,329		
Tax effects on prepaid pension cost	85,598		

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	As of March 31, 2016	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	As of March 31, 2016	Remarks	Ref. No.
Net deferred gains or losses on hedges	48,257		5

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	As of March 31, 2016	Remarks	Basel III Template No.
Net deferred gains or losses on hedges	50,264	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	As of March 31, 2016	Remarks	Ref. No.
Trading assets	3,511,957	Including trading account securities and derivatives for trading assets	6-a
Securities	25,588,578		6-b
Loans and bills discounted	69,276,735	Including subordinated loans	6-c
Trading liabilities	2,987,815	Including trading account securities sold and derivatives for trading liabilities	6-d

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	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)	336,156		
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)	336,156		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	858,981		
Amount exceeding the 10% threshold on specified items	—		19
Amount exceeding the 15% threshold on specified items	—		23
Additional Tier 1 capital	76,261		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)	657,720		73

7. Other capital instruments

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2016	Remarks	Ref. No.
Borrowed money	7,162,861		7

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	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	300,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	656,085		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.

Liquidity Coverage Ratio Information (Non-consolidated)

Sumitomo Mitsui Banking Corporation

Since March 31, 2015, the “Liquidity Coverage Ratio” (hereinafter referred to as “LCR”), the liquidity regulation under the Basel III, has been introduced in Japan. In addition to the application of uniform international standards, SMBC calculates its non-consolidated LCR using the calculation formula stipulated in the “Criteria for Evaluating the Soundness of Liquidity Status Set Forth by a Bank as a Benchmark for Judging its Soundness of Management, Based on the Provision of Article 14-2 of the Banking Act” (Notification No. 60 issued by the Japanese Financial Services Agency in 2014; hereinafter referred to as the “LCR Notification”). Meanwhile, SMBC discloses its LCR in compliance with “Matters Related to the Status of the Soundness of Management Concerning Liquidity Separately Specified by the Commissioner of the Japanese Financial Services Agency, Based on the Provision of Article 19-2, Paragraph 1, Item 5 (e) of the Ordinance for Enforcement of the Banking Act, etc.” (Notification No. 7 issued by the Japanese Financial Services Agency in 2015).

■ Disclosure of Qualitative Information about Liquidity Coverage Ratio

1. Intra-period Changes in Non-consolidated LCR

As described in “Disclosure of Quantitative Information about Liquidity Coverage Ratio (Non-Consolidated)” on the following page, the LCR has remained stable with no significant fluctuation following the introduction of the liquidity regulation on March 31, 2015.

2. Assessment of Non-consolidated LCR

The LCR Notification stipulates that the minimum requirement of LCR for 2016 is set at 70.0% and from 2017 onwards, the LCR is raised in increments of 10.0% in stages, reaching 100.0% in and after 2019 (see table below).

	2015	2016	2017	2018	2019 onwards
The minimum requirement of LCR	60.0%	70.0%	80.0%	90.0%	100.0%

Non-consolidated LCR of SMBC exceeds the minimum requirements of LCR for 2016 (70.0%) and for 2019 onwards (100.0%), having no cause for concern. SMBC does not expect that the future LCR forecasts will differ significantly from the announced ratios. In addition, the actual LCR does not differ significantly from the initial forecast.

3. Composition of High-Quality Liquid Assets

The non-consolidated high-quality liquid assets held by SMBC that are allowed to be included in the calculation of LCR include deposits with central banks, highly-rated bonds and cash. As described in “Disclosure of Quantitative Information about Liquidity Coverage Ratio (Non-Consolidated)” on the following page, the amount of such high-quality liquid assets exceed the amount of net cash outflows. Meanwhile, currency denominations, categories and location, etc. of the high-quality liquid assets allowed to be included in the calculation have not shown any significant changes. In addition, in respect of major currencies (those of which the aggregate amount of liabilities denominated in a certain currency accounts for 5.0% or more of SMBC’s total liabilities on the non-consolidated basis), there is no significant mismatch in currency denomination between the total amount of the high-quality liquid assets allowed to be included in the calculation and the amount of net cash outflows.

4. Other Information Concerning Non-consolidated LCR

SMBC has not applied “special provisions concerning qualifying operational deposits” prescribed in Article 29 of the LCR Notification and “increased liquidity needs related to market valuation changes on derivative or other transactions simulated through Scenario Approach” prescribed in Article 38 of the same Notification. Meanwhile, SMBC records “due to trust account,” etc. under “cash outflows based on other contracts” prescribed in Article 60 of the same Notification.

■ Disclosure of Quantitative Information about Liquidity Coverage Ratio (Non-consolidated)

(In million yen, %, the number of data)

Item		Current Quarter (From 2016/7/1 To 2016/9/30)		Prior Quarter (From 2016/4/1 To 2016/6/30)	
High-Quality Liquid Assets (1)					
1	Total high-quality liquid assets (HQLA)	43,027,506		44,980,503	
Cash Outflows (2)		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
2	Cash outflows related to unsecured retail funding	42,786,184	3,317,266	42,480,302	3,295,257
3	of which, Stable deposits	13,738,691	412,161	13,615,864	408,476
4	of which, Less stable deposits	29,047,493	2,905,105	28,864,438	2,886,781
5	Cash outflows related to unsecured wholesale funding	51,883,958	27,611,470	52,898,321	28,746,897
6	of which, Qualifying operational deposits	—	—	—	—
7	of which, Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	46,368,998	22,096,509	46,530,446	22,379,022
8	of which, Debt securities	5,514,960	5,514,960	6,367,875	6,367,875
9	Cash outflows related to secured funding, etc.	38,867		50,736	
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	16,783,747	5,289,192	17,772,203	5,821,476
11	of which, Cash outflows related to derivative transactions, etc.	675,489	675,489	983,683	983,683
12	of which, Cash outflows related to funding programs	343,416	343,416	490,389	490,389
13	of which, Cash outflows related to credit and liquidity facilities	15,764,842	4,270,287	16,298,131	4,347,404
14	Cash outflows related to contractual funding obligations, etc.	4,037,086	2,164,244	4,443,336	2,145,968
15	Cash outflows related to contingencies	59,386,837	923,004	58,229,429	735,995
16	Total cash outflows	39,344,043		40,796,330	
Cash Inflows (3)		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
17	Cash inflows related to secured lending, etc.	1,389,223	393,428	1,131,253	204,485
18	Cash inflows related to collection of loans, etc.	4,037,934	3,058,230	4,189,684	3,096,446
19	Other cash inflows	2,049,127	1,403,390	2,312,767	1,360,985
20	Total cash inflows	7,476,283	4,855,049	7,633,704	4,661,916
Non-consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA allowed to be included in the calculation	43,027,506		44,980,503	
22	Net cash outflows	34,488,995		36,134,413	
23	Non-consolidated liquidity coverage ratio (LCR)	124.7%		124.4%	
24	The number of data used to calculate the average value	3		3	

The data following the introduction of the liquidity regulation on March 31, 2015 is available on SMFG's website.
(http://www.smfg.co.jp/english/investor/financial/basel_3.html)

Glossary

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%.

Back-testing

Method of verifying the validity of models by comparing the model value and actual value. For instance, in the case of VaR, comparing and verifying the value of VaR and the profit or loss amount.

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.

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.

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.

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.

High-Quality Liquid Assets (HQLA)

Assets that can be converted into cash without significant loss of value under stress events, and for which there is no impediment to conversion into cash.

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.

LCR Notification

Administrative action and written ordinance for official notification to the general public of regulations concerning LCR of financial institutions in Japan which are decided by the Japanese Financial Services Agency based on the Basel Agreement.

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.

Liquidity Coverage Ratio (LCR)

Indicator of liquidity regulations under the Basel III which has been applied in stages starting from March 31, 2015.
LCR regulations require banks to hold high-quality liquid assets more than a certain amount in order to cover total cash outflows over a 30-day period under stress events.

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, 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.

Net cash outflows

Amount obtained after subtracting the amount of cash inflows from the amount of cash outflows under stress events.

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.

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.

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.

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.

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.

Small-sized consolidated subsidiaries

Small-sized consolidated subsidiaries that have extremely small impact on the level of consolidated LCR.

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 portfolio of financial assets under certain probability.