

TLAC information

■ TLAC: TLAC composition for G-SIBs (at resolution group level)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

(Millions of yen, except percentages)

Basel III Template No.	Items	As of March 31, 2019
Preferred resolution strategy (1)		
The SPE (Single Point of Entry) resolution strategy is considered to be the preferred resolution strategy for Sumitomo Mitsui Financial Group, Inc. (SMFG) and its subsidiaries. More concretely, at the time of a stress, following the relevant authority's determination that one or more of the material sub-groups, i.e. Sumitomo Mitsui Banking Corporation and SMBC Nikko Securities Inc., have reached the point of non-viability, losses incurred to them would be passed to SMFG, the ultimate holding company. While this could lead to a resolution of SMFG, the material sub-groups are expected to continue their business as usual under the Specified Bridge Financial Institution, etc. incorporated by the Deposit Insurance Corporation of Japan (DICJ) to which SMFG transfers its business.		
Regulatory capital elements of TLAC and adjustments (2)		
1	Common Equity Tier 1 capital (CET1) (A)	9,654,517
2	Additional Tier 1 capital (AT1) before TLAC adjustments (B)	1,072,710
3	AT1 ineligible as TLAC as issued out of subsidiaries to third parties (C)	—
4	Other adjustments (D)	—
5	AT1 instruments eligible under the TLAC framework ((B) - (C) - (D)) (E)	1,072,710
6	Tier 2 capital (T2) before TLAC adjustments (F)	1,513,260
7	Amortised portion of T2 instruments where remaining maturity > 1 year (G)	(298,938)
8	T2 capital ineligible as TLAC as issued out of subsidiaries to third parties (H)	—
9	Other adjustments (I)	176,746
10	T2 instruments eligible under the TLAC framework ((F) - (G) - (H) - (I)) (J)	1,635,453
11	TLAC arising from regulatory capital ((A) + (E) + (J)) (K)	12,362,681
Non-regulatory capital elements of TLAC (3)		
12	External TLAC instruments issued directly by the bank and subordinated to excluded liabilities (L)	4,147,402
13	External TLAC instruments issued directly by the bank which are not subordinated to excluded liabilities but meet all other TLAC term sheet requirements	
14	of which: amount eligible as TLAC after application of the caps	
15	External TLAC instruments issued by funding vehicles prior to 1 January 2022	
16	Eligible ex ante commitments to recapitalise a G-SIB in resolution (M)	1,473,569
17	TLAC arising from non-regulatory capital instruments before adjustments ((L) + (M)) (N)	5,620,972
Non-regulatory capital elements of TLAC: adjustments (4)		
18	TLAC before deductions ((K) + (N)) (O)	17,983,653
19	Deductions of exposures between MPE resolution groups that correspond to items eligible for TLAC (not applicable to SPE G-SIBs) (P)	—
20	Deduction of investments in own other TLAC liabilities (Q)	232
21	Other adjustment to TLAC (R)	—
22	TLAC after deductions ((O) - (P) - (Q) - (R)) (S)	17,983,421
Risk-weighted assets and leverage exposure measure for TLAC purposes (5)		
23	Total risk-weighted assets (RWA) (T)	58,942,791
24	Total exposures (U)	219,538,751
TLAC ratios and buffers (6)		
25	TLAC before deduction of CET1 specific buffer requirement (as a percentage of RWA) ((S) / (T))	30.50%
25a	TLAC (as a percentage of RWA)	26.90%
26	TLAC (as a percentage of total exposures) ((S) / (U))	8.19%
27	CET1 available after meeting the minimum capital requirements	11.87%
28	CET1 specific buffer requirement	3.60%
29	of which: capital conservation buffer requirement	2.50%
30	of which: countercyclical buffer requirement	0.10%
31	of which: G-SIB/D-SIB additional requirement	1.00%

■ TLAC2: - Material subgroup entity - creditor ranking at legal entity level

Sumitomo Mitsui Banking Corporation

(Millions of yen)

		Creditor ranking								Sum of 1 to 4
Basel III Template No.	Items	1		2		3		4		
		(most junior)						(most senior)		
1	Is the resolution entity the creditor/investor?	Yes	No	Yes	No	Yes	No	Yes	No	
2	Description of creditor ranking	Common share capital		Additional Tier 1 instruments * ¹		Tier 2 instruments * ²		Other internal TLAC liabilities		
3	Total capital and liabilities net of credit risk mitigation (A)	3,545,551	—	1,100,000	173,000	1,003,250	855,912	4,155,093	—	10,832,806
4	Subset of row 3 that are excluded liabilities (B)	—	—	—	—	—	—	—	—	—
5	Total capital and liabilities less excluded liabilities (A) - (B)	3,545,551	—	1,100,000	173,000	1,003,250	855,912	4,155,093	—	10,832,806
6	Subset of row 5 that are eligible as TLAC	3,545,551	—	1,100,000	173,000	1,003,250	782,912	4,155,093	—	10,759,806
7	1 year ≤ residual maturity < 2 years	—	—	—	—	—	243,412	277,500	—	520,912
8	2 years ≤ residual maturity < 5 years	—	—	—	—	—	339,500	2,006,690	—	2,346,190
9	5 years ≤ residual maturity < 10 years	—	—	—	—	950,250	175,000	1,747,190	—	2,872,440
10	10 years ≤ residual maturity (excluding perpetual securities)	—	—	—	—	53,000	—	123,713	—	176,713
11	Perpetual securities	3,545,551	—	1,100,000	173,000	—	25,000	—	—	4,843,551

*1 Including eligible Tier 1 capital instruments subject to transitional arrangements

*2 Including eligible Tier 2 capital instruments subject to transitional arrangements

SMBC Nikko Securities Inc.

(Millions of yen)

		Creditor ranking						Sum of 1 to 4
Basel III Template No.	Items	1		2		3		
		(most junior)				(most senior)		
1	Is the resolution entity the creditor/investor?	Yes	No	Yes	No	Yes	No	
2	Description of creditor ranking	Common share capital		Subordinated debts		Other internal TLAC liabilities		
3	Total capital and liabilities net of credit risk mitigation (A)	467,714	—	—	—	—	—	467,714
4	Subset of row 3 that are excluded liabilities (B)	—	—	—	—	—	—	—
5	Total capital and liabilities less excluded liabilities (A) - (B)	467,714	—	—	—	—	—	467,714
6	Subset of row 5 that are eligible as TLAC	467,714	—	—	—	—	—	467,714
7	1 year ≤ residual maturity < 2 years	—	—	—	—	—	—	—
8	2 years ≤ residual maturity < 5 years	—	—	—	—	—	—	—
9	5 years ≤ residual maturity < 10 years	—	—	—	—	—	—	—
10	10 years ≤ residual maturity (excluding perpetual securities)	—	—	—	—	—	—	—
11	Perpetual securities	467,714	—	—	—	—	—	467,714

■ TLAC3: Creditor ranking of external TLAC, etc.

Sumitomo Mitsui Financial Group, Inc.

(Millions of yen)

Basel III Template No.	Items	Creditor ranking				Sum of 1 to 4
		1 (most junior)	2	3	4 (most senior)	
1	Description of creditor ranking	Common share capital	Additional Tier 1 instruments *1	Tier 2 instruments	Unsecured senior bonds	
2	Total capital and liabilities net of credit risk mitigation (A)	3,900,364	866,700	1,003,250	5,436,425	11,206,739
3	Subset of row 2 that are excluded liabilities *2 (B)	—	—	—	3,524	3,524
4	Total capital and liabilities less excluded liabilities (A) - (B)	3,900,364	866,700	1,003,250	5,432,901	11,203,215
5	Subset of row 4 that are eligible as TLAC	3,900,364	866,700	1,003,250	4,155,093	9,925,407
6	1 year ≤ residual maturity < 2 years	—	—	—	277,500	277,500
7	2 years ≤ residual maturity < 5 years	—	—	—	2,006,690	2,006,690
8	5 years ≤ residual maturity < 10 years	—	—	950,250	1,736,090	2,686,340
9	10 years ≤ residual maturity (excluding perpetual securities)	—	—	53,000	134,813	187,813
10	Perpetual securities	3,900,364	866,700	—	—	4,767,064

*1 Including eligible Tier 1 capital instruments subject to transitional arrangements

*2 Excluding those owed to group companies and conservatively estimated in light of quantitative materiality