

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 ratio 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”).

■ Disclosure of Qualitative Information about Liquidity Coverage Ratio

1. Intra-period Changes in Non-consolidated LCR

As described on the following page, the LCR has remained stable with no significant fluctuation since the introduction of the liquidity ratio regulation on March 31, 2015.

2. Assessment of Non-consolidated LCR

The LCR Notification stipulates the minimum requirement of the LCR for 2018 at 90%, and 100% from 2019 onwards. The LCR of SMBC (non-consolidated) exceeds the minimum requirements of the LCR for 2018 and for 2019 onwards, having no cause for concern. In terms of the future LCR forecasts, SMBC does not expect significant deviations from the disclosed ratios. In addition, the actual LCR does not differ significantly from the initial forecast.

3. Composition of High-Quality Liquid Assets

Regarding the high-quality liquid assets allowed to be included in the calculation, there are no significant changes in locations and properties of currency denominations, categories and so on. In addition, in respect of major currencies (those of which the aggregate amount of liabilities denominated in a certain currency accounts for 5% 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 LCR Notification. Meanwhile, SMBC records “due to trust account,” etc. under “cash outflows based on other contracts” prescribed in Article 60 of the LCR Notification.

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

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

Item		Current Quarter (From 2019/1/1 To 2019/3/31)		Prior Quarter (From 2018/10/1 To 2018/12/31)	
High-Quality Liquid Assets (1)					
1	Total high-quality liquid assets (HQLA)	58,459,328		58,447,129	
Cash Outflows (2)		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
2	Cash outflows related to unsecured retail funding	46,872,458	3,646,436	46,298,086	3,606,933
3	of which, Stable deposits	14,877,087	446,313	14,620,293	438,609
4	of which, Less stable deposits	31,995,371	3,200,123	31,677,793	3,168,324
5	Cash outflows related to unsecured wholesale funding	63,131,293	31,983,823	62,284,521	30,988,201
6	of which, Qualifying operational deposits	—	—	—	—
7	of which, Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	57,549,368	26,401,898	57,731,485	26,435,165
8	of which, Debt securities	5,581,925	5,581,925	4,553,036	4,553,036
9	Cash outflows related to secured funding, etc.		130,868		102,228
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	19,935,467	6,305,396	20,598,934	6,656,688
11	of which, Cash outflows related to derivative transactions, etc.	364,472	364,472	552,987	552,987
12	of which, Cash outflows related to funding programs	396,429	396,429	363,907	363,907
13	of which, Cash outflows related to credit and liquidity facilities	19,174,565	5,544,495	19,682,040	5,739,794
14	Cash outflows related to contractual funding obligations, etc.	5,412,004	3,238,611	5,418,642	3,082,426
15	Cash outflows related to contingencies	65,548,744	1,229,351	65,941,841	1,153,035
16	Total cash outflows		46,534,486		45,589,512
Cash Inflows (3)		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
17	Cash inflows related to secured lending, etc.	2,304,730	360,841	2,087,811	502,879
18	Cash inflows related to collection of loans, etc.	4,081,325	3,190,202	3,179,147	2,468,174
19	Other cash inflows	1,795,885	870,716	1,787,920	843,848
20	Total cash inflows	8,181,941	4,421,759	7,054,878	3,814,901
Non-Consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA allowed to be included in the calculation		58,459,328		58,447,129
22	Net cash outflows		42,112,727		41,774,610
23	Non-consolidated liquidity coverage ratio (LCR)		138.8%		139.9%
24	The number of data used to calculate the average value	58		62	

Notes: 1. The data after the introduction of the liquidity ratio regulation on March 31, 2015 is available on Sumitomo Mitsui Financial Group's website.
(https://www.smfg.co.jp/english/investor/financial/basel_3.html)

2. The average values are calculated based on daily data in accordance with Notification No. 7 issued by the Japanese Financial Services Agency in 2015. Some data such as attribute information of customers, is updated on the monthly or quarterly basis.

■ Breakdown of High-Quality Liquid Assets

(In million yen)

Item		Current Quarter (From 2019/1/1 To 2019/3/31)	Prior Quarter (From 2018/10/1 To 2018/12/31)
1	Cash and due from banks	47,473,613	48,282,051
2	Securities	10,985,715	10,165,078
3	of which, government bonds, etc.	8,787,725	7,918,967
4	of which, municipal bonds, etc.	79,218	61,533
5	of which, other bonds	718,726	732,773
6	of which, stocks	1,400,047	1,451,805
7	Total high-quality liquid assets (HQLA)	58,459,328	58,447,129

Note: The above amounts are those of high-quality liquid assets in accordance with the liquidity ratio regulation under the Basel III and do not correspond to the financial amounts.
The amounts stated are those after multiplying factors in the liquidity ratio regulation under the Basel III.