

Indicators for assessing Global Systemically Important Banks (G-SIBs)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

■ Indicators for assessing Global Systemically Important Banks (G-SIBs)

(Millions of yen)

GSIB1: G-SIB indicators				
Basel III Template No.			As of March 31, 2020	As of March 31, 2019
1	Cross-jurisdictional activity	Cross-jurisdictional claims	59,438,067	52,187,827
2		Cross-jurisdictional liabilities	42,419,213	35,256,002
3	Size	Total exposures	238,863,106	220,856,829
4	Mutual relevance	Intra-financial system assets	35,825,017	32,216,204
5		Intra-financial system liabilities	23,122,877	18,722,769
6		Securities outstanding	24,806,153	28,193,246
7		Assets under custody	10,935,708	11,466,654
8	Substitutability/ financial institution infrastructure	Annual total amount of payments settled through settlement systems	4,150,572,853	3,431,377,752
9		Annual total amount of underwritten transactions in debt and equity markets	9,959,297	9,149,209
10		Total amount of notional amount of OTC derivatives and long settlement transactions with other financial institutions	901,817,377	778,148,994
11	Complexity	Level 3 assets	1,029,342	1,003,465
12		Held-for-trading (HFT) securities and available-for-sale (AFS) securities, excluding HFT and AFS securities that meet the definition of Level 1 assets and Level 2 assets with haircuts	10,625,227	10,131,349

Note: Terms in this form shall, unless otherwise prescribed separately, be used in accordance with the terminology used in the Notification as well as the Bank Holding Company Equity Capital Adequacy Notification.

- a. Basel III Template No. (hereinafter referred to as “Item No.” in this form) 3 “Total exposures” shall state the total amount of the following.
- (1) The amount of on-balance sheet assets (total assets reported in the non-consolidated balance sheet or the consolidated balance sheet, less the amount of customers’ liabilities for acceptance and guarantees, less the amounts reported with respect to (2) and (3) reported in the non-consolidated balance sheet or the consolidated balance sheet)
 - (2) The amount of derivative transactions, etc. (referring to forward contract, swap, option, and other derivatives and long settlement transactions; hereinafter the same in (2) and (4)) (the amount of exposure calculated in respect of derivative transactions, etc. (the amount of replacement cost calculated by using current exposure method (which shall be zero if such amount turned out to be a negative value), added by the add-on amount, as well as the notional amount of the credit derivative that provides protection), added by the consideration of the margin deposited in cash in connection with derivative transactions, etc.)
 - (3) The amount of SFTs (amount of cash receivables in SFTs added by the amount of exposure at the counterparty of transaction calculated for each unit of SFTs (which shall be zero if such amount turned out to be a negative value))
 - (4) The amount of off-balance sheet transactions (excluding derivative transactions, etc., and SFTs) (the amount of credit risk exposure at the counterparty of transaction, added by the amount of exposure arising from the underlying asset, as well as the amount of securitisation exposure)
- b. Item No.4 “Mutual relevance - Intra-financial system assets” shall state the total amount of the following balances concerning the credit granted to financial institutions, etc. (including financial instruments business operators prescribed under Article 2, Paragraph 9 of the Financial Instruments and Exchange Act, insurance companies, central counterparty, pension funds and other business operators of the similar kind; hereinafter the same in b. and c.).
- (1) Funds deposited with or lent to other financial institutions and undrawn committed lines extended to other financial institutions
 - (2) Holdings of securities issued by other financial institutions (referring to secured bonds, general unsecured bonds, subordinated bonds, short-term bonds, negotiable certificates of deposit and stock; hereinafter the same in Item No. 6)
 - (3) Net positive current exposure of SFTs with other financial institutions (which can take into account the effect of legally binding netting contracts, but cannot have a negative value)
 - (4) The add-on amount calculated based on the amount measured at fair value and by using the current exposure method as adopted for the derivative instruments transactions and long settlement transactions with other financial institutions, without involving financial instruments markets as defined under Article 2, Paragraph 14 of the Financial Instruments and Exchange Act, and foreign financial instruments markets as defined under Article 2, Paragraph 8, Item 3(b) of the same Act (which can

take into account the effect of legally valid bilateral netting contracts, but cannot have a negative value; hereinafter collectively referred to as “financial instruments markets, etc.” in Item No. 10 and c.)

- c. Item No. 5 “Mutual relevance - Intra-financial system liabilities” shall state the total amount of the following balances.
 - (1) Deposits due to, and loans obtained from other financial institutions (including undrawn committed lines)
 - (2) Net negative current exposure of SFTs with other financial institutions (which can take into account the effect of legally valid bilateral netting contracts, but cannot exceed zero)
 - (3) The add-on amount calculated based on the amount measured at fair value and by using the current exposure method as adopted for the derivative instruments transactions and long settlement transactions with other financial institutions, without involving financial instruments markets, etc. (which can take into account the effect of legally valid bilateral netting contracts, but cannot exceed zero)
- d. Item No. 8 “Substitutability/financial infrastructure – the annual total amount of payments through settlement systems” shall state the annual total amount of payments settled through the BOJ-NET, the Japanese Banks’ Payment Clearing Network and other similar settlement systems but excluding intra-group payments in the most recently ended fiscal year.
- e. Item No.9 “Substitutability/financial infrastructure – the annual total amount of underwritten transactions in debt and equity markets” shall state the annual total amount of transactions underwritten in debt and equity markets in the most recently ended fiscal year (referring to securities underwriting as prescribed in Article 2, Paragraph 8, Item 6 of the Financial Instruments and Exchange Act).
- f. Financial institutions mentioned in Item No.10 “Complexity – total amount of notional amount of OTC derivatives and long settlement transactions with other financial institutions” refer to financial institutions, etc. as defined in b. above.
- g. Item No.12 “Complexity – Held-for-trading (HFT) securities and available-for-sale (AFS) securities” shall state the total amount of balances of Held-for-trading (HFT) securities and available-for-sale (AFS) securities (excluding HFT and AFS securities that are considered to have high liquidity).
- h. In each item in this form, if there is no specific applicable amount in the submitting financial institution, the item in question shall not be deleted but just be marked with [-].
- i. In this form, all amounts shall be stated in the designated unit herein, and any fraction less than such unit shall be rounded down.
- j. This form shall be prepared only by a bank subject to the uniform international standards (excluding the bank that is a consolidated subsidiary of a bank as well as the bank that is a consolidated subsidiary not of a bank but of a banking holding company, and consolidated subsidiary of a regulated foreign entity), or a holding company subject to the uniform international standards that states in Item No. 3 an equivalent to an amount in excess of 200 billion euros at the exchange rate as at the end of its most recently ended fiscal year, or that is designated by the Commissioner of the Financial Services Agency of Japan as an equivalent to a bank or a holding company subject to the uniform international standards.

■ Composition of Leverage Ratio

(In million yen, %)

Corresponding line # on Basel III disclosure template (Table2)	Corresponding line # on Basel III disclosure template (Table1)	Items	As of March 31, 2020	As of March 31, 2019
On-balance sheet exposures (1)				
1		On-balance sheet exposures before deducting adjustment items	189,089,655	179,349,049
1a	1	Total assets reported in the consolidated balance sheet	219,863,518	203,659,146
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) (-)	30,773,863	24,310,096
2	7	The amount of adjustment items pertaining to Tier 1 capital (-)	878,104	999,843
3		Total on-balance sheet exposures (a)	188,211,550	178,349,206
Exposures related to derivative transactions (2)				
4		Replacement cost associated with derivatives transactions, etc. (with the 1.4 alpha factor applied)		
		Replacement cost associated with derivatives transactions, etc.	6,878,993	2,702,937
5		Add-on amount for potential future exposure associated with derivatives transactions, etc. (with the 1.4 alpha factor applied)		
		Add-on amount associated with derivatives transactions, etc.	4,556,886	4,302,269
		The amount of receivables arising from providing cash margin in relation to derivatives transactions, etc.	923,702	622,875
6		The amount of receivables arising from providing collateral, provided where deducted from the consolidated balance sheet pursuant to the operative accounting framework		
		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) (-)	151,482	97,391
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	900,439	591,253
10		The amount of deductions from effective notional amount of written credit derivatives (-)	744,710	541,447
11	4	Total exposures related to derivative transactions (b)	12,363,828	7,580,496
Exposures related to repo transactions (3)				
12		The amount of assets related to repo transactions, etc.	13,758,920	10,526,838
13		The amount of deductions from the assets above (line 12) (-)	—	—
14		The exposures for counterparty credit risk for repo transactions, etc.	459,828	731,057
15		The exposures for agent repo transaction		
16	5	Total exposures related to repo transactions, etc. (c)	14,218,749	11,257,895
Exposures related to off-balance sheet transactions (4)				
17		Notional amount of off-balance sheet transactions	61,636,792	61,366,247
18		The amount of adjustments for conversion in relation to off-balance sheet transactions (-)	38,942,263	39,015,093
19	6	Total exposures related to off-balance sheet transactions (d)	22,694,529	22,351,153
Leverage ratio on a consolidated basis (5)				
20		The amount of capital (Tier 1 capital) (e)	10,249,936	10,727,228
21	8	Total exposures ((a)+(b)+(c)+(d)) (f)	237,488,658	219,538,751
22		Leverage ratio on a consolidated basis ((e)/(f))	4.31%	4.88%

Reason for the significant difference from the leverage ratio in the previous fiscal year

Decrease in leverage ratio is attributable to an increase in total exposures, due to a decrease in capital mainly associated with a decrease in additional Tier 1 instruments and a decline in net unrealized gains or losses on other securities, along with an increase in on-balance sheet assets primarily comprising cash and due from banks and loans and bills discounted.