

TLAC information

■ TLAC1: 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, 2020 | 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) | 9,581,264 | 9,654,517 |
| 2 | Additional Tier 1 capital (AT1) before TLAC adjustments | (B) | 668,672 | 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) | 668,672 | 1,072,710 |
| 6 | Tier 2 capital (T2) before TLAC adjustments | (F) | 1,302,063 | 1,513,260 |
| 7 | Amortised portion of T2 instruments where remaining maturity > 1 year | (G) | (249,452) | (298,938) |
| 8 | T2 capital ineligible as TLAC as issued out of subsidiaries to third parties | (H) | — | — |
| 9 | Other adjustments | (I) | 152,042 | 176,746 |
| 10 | T2 instruments eligible under the TLAC framework ((F) - (G) - (H) - (I)) | (J) | 1,399,473 | 1,635,453 |
| 11 | TLAC arising from regulatory capital ((A) + (E) + (J)) | (K) | 11,649,410 | 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) | 4,972,597 | 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) | 1,539,976 | 1,473,569 |
| 17 | TLAC arising from non-regulatory capital instruments before adjustments ((L) + (M)) | (N) | 6,512,574 | 5,620,972 |
| Non-regulatory capital elements of TLAC: adjustments (4) | | | | |
| 18 | TLAC before deductions ((K) + (N)) | (O) | 18,161,984 | 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) | 18,161,984 | 17,983,421 |
| Risk-weighted assets and leverage exposure measure for TLAC purposes (5) | | | | |
| 23 | Total risk-weighted assets (RWA) | (T) | 61,599,066 | 58,942,791 |
| 24 | Total exposures | (U) | 237,488,658 | 219,538,751 |
| TLAC ratios and buffers (6) | | | | |
| 25 | TLAC before deduction of CET1 specific buffer requirement (as a percentage of RWA) ((S) / (T)) | | 29.48% | 30.50% |
| 25a | TLAC (as a percentage of RWA) | | 25.96% | 26.90% |
| 26 | TLAC (as a percentage of total exposures) ((S) / (U)) | | 7.64% | 8.19% |
| 27 | CET1 available after meeting the minimum capital requirements | | 10.63% | 11.87% |
| 28 | CET1 specific buffer requirement | | 3.52% | 3.60% |
| 29 | of which: capital conservation buffer requirement | | 2.50% | 2.50% |
| 30 | of which: countercyclical buffer requirement | | 0.02% | 0.10% |
| 31 | of which: G-SIB/D-SIB additional requirement | | 1.00% | 1.00% |

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

Sumitomo Mitsui Banking Corporation

(Millions of yen)

| | | As of March 31, 2020 | | | | | | | | Sum of 1 to 4 |
|------------------------------|---|----------------------|----|-------------------------------|----|-----------------------|---------|---------------------------------|----|------------------|
| | | Creditor ranking | | | | | | | | |
| Basel III Template No. | Items | 1 (most junior) | | 2 | | 3 | | 4 (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 | | Tier 2 instruments *1 | | Other internal TLAC liabilities | | |
| 3 | Total capital and liabilities net of credit risk mitigation (A) | 3,545,551 | - | 1,185,000 | - | 1,010,822 | 770,855 | 5,249,352 | - | 11,761,581 |
| 4 | Subset of row 3 that are excluded liabilities (B) | - | - | - | - | - | - | - | - | - |
| 5 | Total capital and liabilities less excluded liabilities (A) - (B) | 3,545,551 | - | 1,185,000 | - | 1,010,822 | 770,855 | 5,249,352 | - | 11,761,581 |
| 6 | Subset of row 5 that are eligible as TLAC | 3,545,551 | - | 1,185,000 | - | 1,010,822 | 531,215 | 4,977,327 | - | 11,249,916 |
| 7 | 1 year ≤ residual maturity < 2 years | - | - | - | - | - | 258,215 | 708,103 | - | 966,318 |
| 8 | 2 years ≤ residual maturity < 5 years | - | - | - | - | 303,417 | 98,000 | 1,875,138 | - | 2,276,555 |
| 9 | 5 years ≤ residual maturity < 10 years | - | - | - | - | 664,405 | 155,000 | 2,262,344 | - | 3,081,749 |
| 10 | 10 years ≤ residual maturity (excluding perpetual securities) | - | - | - | - | 43,000 | - | 131,741 | - | 174,741 |
| 11 | Perpetual securities | 3,545,551 | - | 1,185,000 | - | - | 20,000 | - | - | 4,750,551 |

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

SMBC Nikko Securities Inc.

(Millions of yen)

| | | As of March 31, 2020 | | | | | | | | Sum of 1 to 3 |
|------------------------------|---|----------------------|----|--------------------|----|---------------------------------|----|---|---------|------------------|
| | | Creditor ranking | | | | | | | | |
| Basel III Template No. | Items | 1 (most junior) | | 2 | | 3 (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 | |

Sumitomo Mitsui Banking Corporation

(Millions of yen)

| | | As of March 31, 2019 | | | | | | | | Sum of 1 to 4 |
|------------------------------|---|----------------------|----|----------------------------------|---------|-----------------------|---------|---------------------------------|----|------------------|
| Basel III Template No. | Items | Creditor ranking | | | | | | | | |
| | | 1 (most junior) | | 2 | | 3 | | 4 (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)

| | | As of March 31, 2019 | | | | | | | | Sum of 1 to 3 |
|------------------------------|---|----------------------|----|--------------------|----|---------------------------------|----|-----|----|------------------|
| Basel III Template No. | Items | Creditor ranking | | | | | | | | |
| | | 1 (most junior) | | 2 | | 3 (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 | | 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)

| | | As of March 31, 2020 | | | | | |
|------------------------------|---|----------------------------|-------------------------------------|-----------------------|---------------------------------|------------------|--|
| | | Creditor ranking | | | | Sum of 1 to 4 | |
| Basel III Template No. | Items | 1 (most junior) | 2 | 3 | 4 (most senior) | | |
| 1 | Description of creditor ranking | Common share capital | Additional Tier 1 instruments | Tier 2 instruments | Unsecured senior bonds *1 | | |
| 2 | Total capital and liabilities net of credit risk mitigation (A) | 3,901,407 | 685,000 | 1,010,822 | 5,296,468 | 10,893,698 | |
| 3 | Subset of row 2 that are excluded liabilities *2 (B) | — | — | — | 47,116 | 47,116 | |
| 4 | Total capital and liabilities less excluded liabilities (A) - (B) | 3,901,407 | 685,000 | 1,010,822 | 5,249,352 | 10,846,582 | |
| 5 | Subset of row 4 that are eligible as TLAC | 3,901,407 | 685,000 | 1,010,822 | 4,977,327 | 10,574,557 | |
| 6 | 1 year ≤ residual maturity < 2 years | — | — | — | 708,103 | 708,103 | |
| 7 | 2 years ≤ residual maturity < 5 years | — | — | 303,417 | 1,875,138 | 2,178,555 | |
| 8 | 5 years ≤ residual maturity < 10 years | — | — | 664,405 | 2,262,344 | 2,926,749 | |
| 9 | 10 years ≤ residual maturity (excluding perpetual securities) | — | — | 43,000 | 131,741 | 174,741 | |
| 10 | Perpetual securities | 3,901,407 | 685,000 | — | — | 4,586,407 | |

*1 Excluding those owed to group companies

*2 Conservatively estimated in light of quantitative materiality

(Millions of yen)

| | | As of March 31, 2019 | | | | | |
|------------------------------|---|----------------------------|--|-----------------------|---------------------------------|------------------|--|
| | | Creditor ranking | | | | Sum of 1 to 4 | |
| Basel III Template No. | Items | 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 | | |
| 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 *3 (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

*3 Conservatively estimated in light of quantitative materiality