

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 2020/1/1 To 2020/3/31)		Prior Quarter (From 2019/10/1 To 2019/12/31)	
High-Quality Liquid Assets (1)					
1	Total high-quality liquid assets (HQLA)	58,994,905		59,539,021	
Cash Outflows (2)					
		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
2	Cash outflows related to unsecured retail funding	48,883,010	3,806,306	48,169,397	3,757,840
3	of which, Stable deposits	15,465,940	463,978	15,138,728	454,162
4	of which, Less stable deposits	33,417,070	3,342,327	33,030,669	3,303,678
5	Cash outflows related to unsecured wholesale funding	64,434,658	32,356,463	63,406,409	31,526,598
6	of which, Qualifying operational deposits	—	—	—	—
7	of which, Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	59,480,908	27,402,712	58,604,993	26,725,182
8	of which, Debt securities	4,953,750	4,953,750	4,801,416	4,801,416
9	Cash outflows related to secured funding, etc.	202,346		189,089	
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	21,927,960	6,634,858	21,810,875	6,439,096
11	of which, Cash outflows related to derivative transactions, etc.	426,396	426,396	434,093	434,093
12	of which, Cash outflows related to funding programs	428,946	428,946	254,594	254,594
13	of which, Cash outflows related to credit and liquidity facilities	21,072,618	5,779,516	21,122,188	5,750,409
14	Cash outflows related to contractual funding obligations, etc.	6,795,280	3,659,963	6,331,550	3,380,980
15	Cash outflows related to contingencies	67,014,239	1,222,015	67,127,219	1,248,136
16	Total cash outflows	47,881,950		46,541,739	
Cash Inflows (3)					
		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
17	Cash inflows related to secured lending, etc.	1,710,217	124,083	1,411,727	65,714
18	Cash inflows related to collection of loans, etc.	4,101,004	3,330,475	3,607,724	2,933,080
19	Other cash inflows	1,535,830	829,475	1,607,791	782,797
20	Total cash inflows	7,347,051	4,284,033	6,627,242	3,781,591
Non-Consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA allowed to be included in the calculation	58,994,905		59,539,021	
22	Net cash outflows	43,597,917		42,760,148	
23	Non-consolidated liquidity coverage ratio (LCR)	135.3%		139.2%	
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 2020/1/1 To 2020/3/31)		Prior Quarter (From 2019/10/1 To 2019/12/31)	
1	Cash and due from banks	50,845,503		51,992,957	
2	Securities	8,149,402		7,546,063	
3	of which, government bonds, etc.	5,762,150		5,273,656	
4	of which, municipal bonds, etc.	75,678		46,533	
5	of which, other bonds	973,612		759,388	
6	of which, stocks	1,337,962		1,466,485	
7	Total high-quality liquid assets (HQLA)	58,994,905		59,539,021	

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.