

Capital Ratio and Leverage Ratio Information (Non-consolidated)

Sumitomo Mitsui Banking Corporation

■ CC1: Composition of regulatory capital

(Millions of yen, except percentages)

Basel III Template No.	Items	a	b	c
		As of March 31,2021	As of March 31,2020	Reference to Template CC2
Common Equity Tier 1 capital: instruments and reserves (1)				
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,211,517	6,166,883	
1a	of which: capital and capital surplus	3,335,548	3,335,548	
2	of which: retained earnings	2,910,394	2,875,747	
1c	of which: treasury stock (-)	—	—	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	34,424	44,411	
	of which: other than the above	—	—	
1b	Stock acquisition rights to common shares	—	—	
3	Valuation and translation adjustment and other disclosed reserves	1,819,924	1,284,923	(a)
6	Common Equity Tier 1 capital: instruments and reserves (A)	8,031,442	7,451,807	
Common Equity Tier 1 capital: regulatory adjustments (2)				
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	179,363	162,839	
8	of which: goodwill	—	—	
9	of which: other intangibles other than goodwill and mortgage servicing rights	179,363	162,839	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	—	—	
11	Net deferred gains or losses on hedges	79,132	187,152	
12	Shortfall of eligible provisions to expected losses	—	—	
13	Securitisation gain on sale	58,866	62,486	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	8,512	—	
15	Prepaid pension cost	254,138	239,000	
16	Investments in own shares (excluding those reported in the Net assets section)	—	—	
17	Reciprocal cross-holdings in common equity	—	—	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	—	—	
19+20+21	Amount exceeding the 10% threshold on specified items	—	—	
19	of which: significant investments in the common stock of financials	—	—	
20	of which: mortgage servicing rights	—	—	
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	
22	Amount exceeding the 15% threshold on specified items	—	—	
23	of which: significant investments in the common stock of financials	—	—	
24	of which: mortgage servicing rights	—	—	
25	of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	—	—	
28	Common Equity Tier 1 capital: regulatory adjustments (B)	580,012	651,480	
Common Equity Tier 1 capital (CET1)				
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,451,429	6,800,327	

(Millions of yen, except percentages)

Basel III Template No.	Items	a	b	c	
		As of March 31,2021	As of March 31,2020	Reference to Template CC2	
Additional Tier 1 capital: instruments (3)					
30	31a	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	—	
	31b	Stock acquisition rights to Additional Tier 1 instruments	—	—	
	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,155,000	1,185,000	
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	—	—		
36	Additional Tier 1 capital: instruments (D)	1,155,000	1,185,000		
Additional Tier 1 capital: regulatory adjustments					
37	Investments in own Additional Tier 1 instruments	—	—		
38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	—		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	—	—		
40	Significant investments in the Additional Tier 1 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	25,525	25,525		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—	—		
43	Additional Tier 1 capital: regulatory adjustments (E)	25,525	25,525		
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital ((D)-(E)) (F)	1,129,474	1,159,474		
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	8,580,903	7,959,801		
Tier 2 capital: instruments and provisions (4)					
46	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	—		
	Stock acquisition rights to Tier 2 instruments	—	—		
	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	863,542	961,777		
	Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—		
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	201,724	358,595		
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	38,518	4,472		
50a	of which: general reserve for possible loan losses	—	—		
50b	of which: eligible provisions	38,518	4,472		
51	Tier 2 capital: instruments and provisions (H)	1,103,784	1,324,845		

(Millions of yen, except percentages)

Basel III Template No.	Items		a	b	c
			As of March 31,2021	As of March 31,2020	Reference to Template CC2
Tier 2 capital: regulatory adjustments (5)					
52	Investments in own Tier 2 instruments		—	—	
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities		—	—	
54	Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)		—	—	
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		33,213	82,643	
57	Tier 2 capital: regulatory adjustments	(I)	33,213	82,643	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I))	(J)	1,070,571	1,242,202	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G)+(J))	(K)	9,651,475	9,202,003	
Risk weighted assets (6)					
60	Total risk-weighted assets (RWA)	(L)	56,883,463	52,248,875	
Capital ratio (7)					
61	Common Equity Tier 1 risk-weighted capital ratio ((C)/(L))		13.09%	13.01%	
62	Tier 1 risk-weighted capital ratio ((G)/(L))		15.08%	15.23%	
63	Total risk-weighted capital ratio ((K)/(L))		16.96%	17.61%	
Regulatory adjustments (8)					
72	Non-significant investments in the capital and other TLAC liabilities of other financials that are below the thresholds for deduction (before risk weighting)		420,240	198,628	
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)		476,700	491,896	
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)		—	—	
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)		—	—	
Provisions included in Tier 2 capital: instruments and provisions (9)					
76	Provisions (general reserve for possible loan losses)		—	—	
77	Cap on inclusion of provisions (general reserve for possible loan losses)		2,389	2,727	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as "nil")		38,518	4,472	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach		279,988	258,012	
Capital instruments subject to transitional arrangements (10)					
82	Current cap on AT1 instruments subject to transitional arrangements		123,735	247,471	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")		—	—	
84	Current cap on T2 instruments subject to transitional arrangements		201,724	403,448	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")		58,140	—	

(Millions of yen)

Items	As of March 31,2021	As of March 31,2020
Required capital ((L) × 8%)	4,550,677	4,179,910

■ CC2: Reconciliation of regulatory capital to balance sheet

Sumitomo Mitsui Banking Corporation

(Millions of yen)

Items	a		b	c
	Balance sheet as in published financial statements			
	As of March 31, 2021	As of March 31, 2020		
(Assets)				
Cash and due from banks	68,872,236	57,971,293		
Call loans	2,483,453	645,967		
Receivables under resale agreements	2,564,708	5,963,377		
Receivables under securities borrowing transactions	1,587,813	943,940		
Monetary claims bought	1,765,424	1,562,083		
Trading assets	2,448,415	3,189,980		6-a
Securities	36,487,225	27,058,633		6-b
Loans and bills discounted	81,937,725	80,187,382		6-c
Foreign exchanges	2,048,571	1,896,157		
Other assets	4,291,338	4,178,263		6-d
Tangible fixed assets	780,803	794,957		
Intangible fixed assets	258,523	234,707		2
Prepaid pension cost	366,298	344,481		3
Customers' liabilities for acceptances and guarantees	10,526,389	9,399,524		
Reserve for possible loan losses	(456,405)	(279,702)		
Reserve for possible losses on investments	(115,791)	(127,256)		
Total assets	215,846,732	193,963,791		
(Liabilities)				
Deposits	134,685,582	119,973,324		
Negotiable certificates of deposit	12,703,900	10,580,261		
Call money	671,522	3,068,726		
Payables under repurchase agreements	11,879,494	8,728,522		
Payables under securities lending transactions	551,377	571,095		
Commercial paper	978,109	642,447		
Trading liabilities	2,348,232	2,959,613		6-e
Borrowed money	24,825,882	21,561,177		7-a
Foreign exchanges	1,193,427	1,519,777		
Bonds	1,084,913	1,894,369		7-b
Due to trust account	2,218,601	1,735,889		
Other liabilities	3,571,515	3,453,008		6-f
Reserve for employee bonuses	13,345	13,794		
Reserve for executive bonuses	1,154	939		
Reserve for point service program	603	388		
Reserve for reimbursement of deposits	9,245	3,900		
Deferred tax liabilities	487,964	330,699		4-a
Deferred tax liabilities for land revaluation	29,603	30,111		4-b
Acceptances and guarantees	10,526,389	9,399,524		
Total liabilities	207,780,865	186,467,572		
(Net assets)				
Capital stock	1,770,996	1,770,996		1-a
Capital surplus	1,774,554	1,774,554		1-b
Retained earnings	2,910,394	2,875,747		1-c
Treasury stock	(210,003)	(210,003)		1-d
Total stockholders' equity	6,245,942	6,211,295		
Net unrealized gains or losses on other securities	1,719,291	1,073,795		
Net deferred gains or losses on hedges	75,141	185,163		5
Land revaluation excess	25,492	25,964		
Total valuation and translation adjustments	1,819,924	1,284,923	(a)	
Total net assets	8,065,866	7,496,219		
Total liabilities and net assets	215,846,732	193,963,791		

Note: The regulatory balance sheet is the same as the accounting balance sheet.

(Appended Table)

1. Stockholders' equity

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks	Ref. No.
Capital stock	1,770,996	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-a
Capital surplus	1,774,554	1,774,554	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	2,910,394	2,875,747		1-c
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	6,245,942	6,211,295		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,245,942	6,211,295	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,335,548	3,335,548		1a
of which: retained earnings	2,910,394	2,875,747		2
of which: treasury stock (-)	—	—		1c
of which: other than the above	—	—		
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	—		31a

2. Intangible fixed assets

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks	Ref. No.
Intangible fixed assets	258,523	234,707		2
Income taxes related to above	79,159	71,867		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks	Basel III Template No.
Goodwill	—	—		8
Other intangibles other than goodwill and mortgage servicing rights	179,363	162,839	Software and other	9
Mortgage servicing rights	—	—		
Amount exceeding the 10% threshold on specified items	—	—		20
Amount exceeding the 15% threshold on specified items	—	—		24
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—	—		74

3. Prepaid pension cost

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks	Ref. No.
Prepaid pension cost	366,298	344,481		3
Income taxes related to above	112,160	105,480		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks	Basel III Template No.
Prepaid pension cost	254,138	239,000		15

4. Deferred tax assets

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks	Ref. No.
Deferred tax liabilities	487,964	330,699		4-a
Deferred tax liabilities for land revaluation	29,603	30,111		4-b
Tax effects on intangible fixed assets	79,159	71,867		
Tax effects on prepaid pension cost	112,160	105,480		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks	Basel III Template No.
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	—	—		10
Deferred tax assets arising from temporary differences (net of related tax liability)	—	—		
Amount exceeding the 10% threshold on specified items	—	—		21
Amount exceeding the 15% threshold on specified items	—	—		25
Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	—	—		75

5. Deferred gains or losses on derivatives under hedge accounting

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks	Ref. No.
Net deferred gains or losses on hedges	75,141	185,163		5

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks	Basel III Template No.
Net deferred gains or losses on hedges	79,132	187,152	Excluding those items whose valuation differences arising from hedged items are recognized as "Total valuation and translation adjustments"	11

6. Items associated with investments in the capital of financial institutions

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks	Ref. No.
Trading assets	2,448,415	3,189,980	Including trading account securities and derivatives for trading assets	6-a
Securities	36,487,225	27,058,633		6-b
Loans and bills discounted	81,937,725	80,187,382	Including subordinated loans	6-c
Other assets	4,291,338	4,178,263	Including derivatives	6-d
Trading liabilities	2,348,232	2,959,613	Including trading account securities sold and derivatives for trading liabilities	6-e
Other liabilities	3,571,515	3,453,008	Including derivatives	6-f

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks	Basel III Template No.
Investments in own capital instruments	—	—		
Common Equity Tier 1 capital	—	—		16
Additional Tier 1 capital	—	—		37
Tier 2 capital	—	—		52
Reciprocal cross-holdings in the capital of banking, financial and insurance entities	—	—		
Common Equity Tier 1 capital	—	—		17
Additional Tier 1 capital	—	—		38
Tier 2 capital and other TLAC liabilities	—	—		53
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	420,240	198,628		
Common Equity Tier 1 capital	—	—		18
Additional Tier 1 capital	—	—		39
Tier 2 capital and other TLAC liabilities	—	—		54
Non-significant investments in the capital and other TLAC liabilities of other financials that are below the thresholds for deductions (before risk weighting)	420,240	198,628		72
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	535,439	600,065		
Amount exceeding the 10% threshold on specified items	—	—		19
Amount exceeding the 15% threshold on specified items	—	—		23
Additional Tier 1 capital	25,525	25,525		40
Tier 2 capital and other TLAC liabilities	33,213	82,643		55
Significant investments in the common stock of other financials that are below the thresholds for deductions (before risk weighting)	476,700	491,896		73

7. Other capital instruments

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks	Ref. No.
Borrowed money	24,825,882	21,561,177		7-a
Bonds	1,084,913	1,894,369		7-b
Total	25,910,796	23,455,546		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks	Basel III Template No.
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,155,000	1,185,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	863,542	961,777		46

■ 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, 2021	As of March 31, 2020
On-balance sheet exposures (1)				
1		On-balance sheet exposures before deducting adjustment items	136,364,396	171,987,707
1a	1	Total assets reported in the balance sheet	156,015,409	193,963,791
1b	3	The amount of assets that are deducted from the total assets reported in the balance sheet (except adjustment items) (-)	19,651,012	21,976,084
2	7	The amount of adjustment items pertaining to Tier 1 capital (-)	459,027	427,366
3		Total on-balance sheet exposures (a)	135,905,368	171,560,340
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.	1,723,723	3,412,019
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.	2,293,265	2,201,998
		The amount of receivables arising from providing cash margin in relation to derivatives transactions, etc.	722,699	497,394
6		The amount of receivables arising from providing collateral, provided where deducted from the balance sheet pursuant to the operative accounting framework		
		The amount of receivables arising from providing cash margin, provided where deducted from the balance sheet pursuant to the operative accounting framework	—	—
7		The amount of deductions of receivables (out of those arising from providing cash variation margin) (-)	384,726	225,519
8		The amount of client-cleared trade exposures for which a bank acting as clearing member is not obliged to make any indemnification (-)		
9		Adjusted effective notional amount of written credit derivatives	—	—
10		The amount of deductions from effective notional amount of written credit derivatives (-)	—	—
11	4	Total exposures related to derivative transactions (b)	4,354,962	5,885,893
Exposures related to repo transactions (3)				
12		The amount of assets related to repo transactions, etc.	4,152,522	6,907,318
13		The amount of deductions from the assets above (line 12) (-)	—	—
14		The exposures for counterparty credit risk for repo transactions, etc.	281,497	366,826
15		The exposures for agent repo transaction		
16	5	Total exposures related to repo transactions, etc. (c)	4,434,019	7,274,144
Exposures related to off-balance sheet transactions (4)				
17		Notional amount of off-balance sheet transactions	60,674,787	53,501,369
18		The amount of adjustments for conversion in relation to off-balance sheet transactions (-)	35,548,380	31,790,200
19	6	Total exposures related to off-balance sheet transactions (d)	25,126,406	21,711,168
Leverage ratio (5)				
20		The amount of capital (Tier 1 capital) (e)	8,580,903	7,959,801
21	8	Total exposures ((a)+(b)+(c)+(d)) (f)	169,820,757	206,431,546
22		Leverage ratio ((e)/(f))	5.05%	3.85%
Leverage ratio (including deposits with the Bank of Japan) (6)				
		Total exposures (f)	169,820,757	
		The amount of deposits with the Bank of Japan	59,831,323	
		Total exposures (including deposits with the Bank of Japan) (f')	229,652,080	
		Leverage ratio (including deposits with the Bank of Japan) ((e)/(f'))	3.73%	

Note: The key drivers of material change observed from March 31, 2020 to March 31, 2021

Leverage ratio as of March 31, 2021 is higher than March 31, 2020 due to a decrease in the total exposures as a result of the exclusion of deposits with the Bank of Japan, based on the amendment of Japanese Financial Services Agency (JFSA) Notification on June 30, 2020, under the provision to Paragraph 4 of Article 6 of the notification of JFSA No. 11, 2019.