

Basel III Information

Capital Ratio Information (Consolidated)

Sumitomo Mitsui Banking Corporation and Subsidiaries

■ Capital Structure Information (Consolidated Capital Ratio (International Standard))

(Millions of yen, except percentages)

Basel III Template No.	Items	As of March 31,2016		As of March 31,2015	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
Common Equity Tier 1 capital: instruments and reserves					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,955,707		6,697,893	
1a	of which: capital and capital surplus	4,263,087		4,278,414	
2	of which: retained earnings	2,909,898		2,751,080	
1c	of which: treasury stock (-)	—		—	
26	of which: cash dividends to be paid (-)	217,277		331,601	
	of which: other than the above	—		—	
1b	Stock acquisition rights to common shares	—		—	
3	Accumulated other comprehensive income and other disclosed reserves	810,245	540,163	770,967	1,156,451
5	Adjusted non-controlling interests, etc. (amount allowed to be included in group Common Equity Tier 1)	175,353		163,992	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	5,276		7,344	
	of which: non-controlling interests and other items corresponding to common share capital issued by consolidated subsidiaries (amount allowed to be included in group Common Equity Tier 1)	5,276		7,344	
6	Common Equity Tier 1 capital: instruments and reserves (A)	7,946,582		7,640,198	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	266,335	177,557	175,288	262,932
8	of which: goodwill (including those equivalent)	110,209	73,473	92,138	138,208
9	of which: other intangible assets other than goodwill and mortgage servicing rights	156,126	104,084	83,149	124,724
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	927	618	1,048	1,572
11	Net deferred gains or losses on hedges	38,273	25,515	(10,225)	(15,338)
12	Shortfall of eligible provisions to expected losses	15,573	10,382	887	1,330
13	Gain on sale on securitization transactions	30,051	20,034	18,683	28,025
14	Gains and losses due to changes in own credit risk on fair valued liabilities	5,089	3,392	2,597	3,896
15	Net defined benefit asset	83,065	55,376	99,911	149,866
16	Investments in own shares (excluding those reported in the Net assets section)	29	19	55	83
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 (“Other Financial Institutions”), net of eligible short positions, where the bank does not own more than 10% of the issued share capital (“Non-significant Investment”) (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 Other Financial Institutions, net of eligible short positions	—	—	—	—
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 Other Financial Institutions, net of eligible short positions	—	—	—	—
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)	439,345		288,245	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,507,237		7,351,952	

(Millions of yen, except percentages)

Basel III Template No.		Items	As of March 31, 2016		As of March 31, 2015	
				Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
Additional Tier 1 capital: instruments						
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	300,000		—	
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—		—	
34-35		Adjusted non-controlling interests, etc. (amount allowed to be included in group Additional Tier 1)	17,660		25,321	
33+35		Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	698,497		860,796	
33		of which: instruments issued by banks and their special purpose vehicles	698,497		860,796	
35		of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	—		—	
		Total of items included in Additional Tier 1 capital: items subject to transitional arrangements	23,477		68,648	
		of which: foreign currency translation adjustments	23,477		68,648	
36		Additional Tier 1 capital: instruments (D)	1,039,636		954,766	
Additional Tier 1 capital: regulatory adjustments						
37		Investments in own Additional Tier 1 instruments	—	—	—	—
38		Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	—	—
39		Non-significant Investments in the Additional Tier 1 capital of Other Financial Institutions, net of eligible short positions (amount above 10% threshold)	—	—	—	—
40		Significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	48,032	32,021	63,453	95,180
		Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	102,270		131,540	
		of which: goodwill and others	77,045		102,850	
		of which: gain on sale on securitization transactions	20,034		28,025	
		of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	5,191		665	
42		Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—		—	
43		Additional Tier 1 capital: regulatory adjustments (E)	150,303		194,994	
Additional Tier 1 capital (AT1)						
44		Additional Tier 1 capital ((D)-(E)) (F)	889,332		759,772	
Tier 1 capital (T1 = CET1 + AT1)						
45		Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	8,396,570		8,111,724	
Tier 2 capital: instruments and provisions						
46		Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its 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	655,064		374,988	
		Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—		—	
48-49		Adjusted non-controlling interests, etc. (amount allowed to be included in group Tier 2)	3,069		2,359	
47+49		Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	1,220,717		1,424,169	
47		of which: instruments issued by banks and their special purpose vehicles	1,220,717		1,424,169	
49		of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	—		—	
50		Total of general reserve for possible loan losses and eligible provisions included in Tier 2	7,666		9,848	
50a		of which: general reserve for possible loan losses	7,666		9,848	
50b		of which: eligible provisions	—		—	
		Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	319,291		671,467	
		of which: unrealized gains on other securities after 55% discount	306,445		651,680	
		of which: land revaluation excess after 55% discount	12,845		19,787	
51		Tier 2 capital: instruments and provisions (H)	2,205,808		2,482,833	

(Millions of yen, except percentages)

Basel III Template No.	Items	As of March 31,2016		As of March 31,2015	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
Tier 2 capital: regulatory adjustments					
52	Investments in own Tier 2 instruments	—	—	—	—
53	Reciprocal cross-holdings in Tier 2 instruments	—	—	—	—
54	Non-significant Investments in the Tier 2 capital of Other Financial Institutions, net of eligible short positions (amount above the 10% threshold)	—	—	—	—
55	Significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions)	75,000	50,000	50,000	75,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	51,809		95,379	
	of which: Tier 2 and deductions under Basel II	51,809		95,379	
57	Tier 2 capital: regulatory adjustments (I)	126,809		145,379	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,078,998		2,337,454	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	10,475,569		10,449,179	
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	58,545		132,839	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	24,719		25,478	
	of which: net defined benefit asset	15,658		32,903	
	of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	83		52,936	
	of which: significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions)	16,156		17,835	
60	Risk weighted assets (L)	57,558,088		58,277,062	
Capital ratio (consolidated)					
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	13.04%		12.61%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	14.58%		13.91%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	18.19%		17.93%	
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	445,253		691,075	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	729,943		748,706	
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)	3,700		6,443	
Provisions included in Tier 2 capital: instruments and provisions					
76	Provisions (general reserve for possible loan losses)	7,666		9,848	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	24,487		22,831	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	—		—	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	293,681		299,355	
Capital instruments subject to transitional arrangements					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	742,714		866,500	
83	Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities)	—		—	
84	Current cap on Tier 2 instruments subject to transitional arrangements	1,220,717		1,424,169	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	31,434		44,040	

(Millions of yen)

Items	As of March 31, 2016	As of March 31, 2015
Required capital ((L) × 8%)	4,604,647	4,662,165

■ Reconciliation of Regulatory Capital Elements Back to the Balance Sheet (As of March 31, 2015 and 2016)

Sumitomo Mitsui Banking Corporation and Subsidiaries

Items	(Millions of yen)		Cross-reference to Appended Table	Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template)
	Consolidated balance sheet as in published financial statements			
	As of March 31, 2016	As of March 31, 2015		
(Assets)				
Cash and due from banks	42,594,225	39,569,276		
Call loans and bills bought	1,291,365	1,326,965		
Receivables under resale agreements	494,949	746,431		
Receivables under securities borrowing transactions	7,964,208	6,447,116		
Monetary claims bought	4,183,995	4,128,907		
Trading assets	7,980,971	7,364,988	6-a	
Money held in trust	3	1		
Securities	25,153,750	29,559,334	2-b, 6-b	
Loans and bills discounted	77,331,124	75,119,565	6-c	
Foreign exchanges	1,577,167	1,907,667		
Lease receivables and investment assets	269,429	252,213		
Other assets	3,697,438	3,422,970		
Tangible fixed assets	1,167,627	1,073,206		
Intangible fixed assets	526,112	454,584	2-a	
Net defined benefit asset	198,637	367,953	3	
Deferred tax assets	66,570	68,265	4-a	
Customers' liabilities for acceptances and guarantees	6,407,272	6,289,881		
Reserve for possible loan losses	(496,178)	(540,134)		
Total assets	180,408,672	177,559,197		
(Liabilities)				
Deposits	111,238,673	101,503,889		
Negotiable certificates of deposit	14,740,434	14,032,798		
Call money and bills sold	1,220,455	5,873,123		
Payables under repurchase agreements	1,761,822	991,860		
Payables under securities lending transactions	5,309,003	7,833,219		
Commercial paper	3,018,218	3,352,662		
Trading liabilities	6,105,982	5,636,406	6-d	
Borrowed money	8,058,848	8,223,808	8	
Foreign exchanges	1,083,450	1,110,822		
Short-term bonds	367,000	545,700		
Bonds	5,450,145	5,663,566		
Due to trust account	944,542	718,133		
Other liabilities	4,853,664	5,098,781		
Reserve for employee bonuses	54,925	59,893		
Reserve for executive bonuses	1,767	2,567		
Net defined benefit liability	17,844	12,641		
Reserve for executive retirement benefits	743	759		
Reserve for point service program	1,249	1,798		
Reserve for reimbursement of deposits	16,979	20,870		
Reserve for losses on interest repayment	234	632		
Reserve under the special laws	1,129	755		
Deferred tax liabilities	275,887	514,070	4-b	
Deferred tax liabilities for land revaluation	32,203	34,550	4-c	
Acceptances and guarantees	6,407,272	6,289,881		
Total liabilities	170,962,478	167,523,193		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	2,702,093	2,717,421	1-b	
Retained earnings	2,909,898	2,751,080	1-c	
Treasury stock	(210,003)	(210,003)	1-d	
Total stockholders' equity	7,172,985	7,029,494		
Net unrealized gains on other securities	1,255,877	1,756,894		
Net deferred gains or losses on hedges	61,781	(27,049)	5	
Land revaluation excess	39,348	38,943		
Foreign currency translation adjustments	58,693	114,413		
Remeasurements of defined benefit plans	(65,290)	44,216		
Total accumulated other comprehensive income	1,350,409	1,927,419		3
Stock acquisition rights	249	198	7-a	
Non-controlling interests	922,549	1,078,891	7-b	
Total net assets	9,446,193	10,036,003		
Total liabilities and net assets	180,408,672	177,559,197		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appended Table)

1. Stockholders' equity

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	As of March 31, 2015	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	2,702,093	2,717,421	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	2,909,898	2,751,080		1-c
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	7,172,985	7,029,494		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	As of March 31, 2015	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	7,172,985	7,029,494	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	4,263,087	4,278,414		1a
of which: retained earnings	2,909,898	2,751,080		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	—	—	Stockholders' equity attributable to preferred shares with a loss absorbency clause upon entering into effectively bankruptcy	31a

2. Intangible assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	As of March 31, 2015	Remarks	Ref. No.
Intangible fixed assets	526,112	454,584		2-a
Securities	25,153,750	29,559,334		2-b
of which: goodwill attributable to equity-method investees	36,559	82,257		
Income taxes related to above	118,778	98,622		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	As of March 31, 2015	Remarks	Basel III Template No.
Goodwill (including those equivalent)	183,682	230,346		8
Other intangible assets other than goodwill and mortgage servicing rights	260,210	207,873	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. Net defined benefit asset

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	As of March 31, 2015	Remarks	Ref. No.
Net defined benefit asset	198,637	367,953		3
Income taxes related to above	60,195	118,175		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	As of March 31, 2015	Remarks	Basel III Template No.
Net defined benefit asset	138,441	249,777		15

4. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	As of March 31, 2015	Remarks
Deferred tax assets	66,570	68,265	
Deferred tax liabilities	275,887	514,070	
Deferred tax liabilities for land revaluation	32,203	34,550	
Tax effects on other intangible assets	118,778	98,622	
Tax effects on net defined benefit asset	60,195	118,175	

Ref. No.
4-a
4-b
4-c

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	As of March 31, 2015	Remarks
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,545	2,620	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.
Deferred tax assets arising from temporary differences (net of related tax liability)	3,700	6,443	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.
Amount exceeding the 10% threshold on specified items	—	—	
Amount exceeding the 15% threshold on specified items	—	—	
Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	3,700	6,443	

Basel III Template No.
10
21
25
75

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	As of March 31, 2015	Remarks
Net deferred gains or losses on hedges	61,781	(27,049)	

Ref. No.
5

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	As of March 31, 2015	Remarks
Net deferred gains or losses on hedges	63,789	(25,563)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"

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11

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

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	As of March 31, 2015	Remarks
Trading assets	7,980,971	7,364,988	Including trading account securities and derivatives for trading assets
Securities	25,153,750	29,559,334	
Loans and bills discounted	77,331,124	75,119,565	Including subordinated loans
Trading liabilities	6,105,982	5,636,406	Including trading account securities sold and derivatives for trading liabilities

Ref. No.
6-a
6-b
6-c
6-d

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	As of March 31, 2015	Remarks	Basel III Template No.
Investments in own capital instruments	49	139		
Common Equity Tier 1 capital	49	139		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	—	—		53
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital ("Non-significant Investment") (amount above the 10% threshold)	445,253	691,075		
Common Equity Tier 1 capital	—	—		18
Additional Tier 1 capital	—	—		39
Tier 2 capital	—	—		54
Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	445,253	691,075		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	934,997	1,032,340		
Amount exceeding the 10% threshold on specified items	—	—		19
Amount exceeding the 15% threshold on specified items	—	—		23
Additional Tier 1 capital	80,053	158,633		40
Tier 2 capital	125,000	125,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	729,943	748,706		73

7. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	As of March 31, 2015	Remarks	Ref. No.
Stock acquisition rights	249	198		7-a
Non-controlling interests	922,549	1,078,891		7-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	As of March 31, 2015	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	175,353	163,992		5
Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—		30-31ab-32
Amount allowed to be included in group Additional Tier 1	17,660	25,321		34-35
Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—		46
Amount allowed to be included in group Tier 2	3,069	2,359		48-49

8. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2016	As of March 31, 2015	Remarks	Ref. No.
Borrowed money	8,058,848	8,223,808		8

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	As of March 31, 2015	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	300,000	—		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	655,064	374,988		46

Note:

Amounts in the "Composition of capital disclosure" are based on those before considering under transitional arrangements and includes "Amounts excluded under transitional arrangements" disclosed in "Capital Structure Information" as well as amounts included as regulatory capital. In addition, items for regulatory purpose under transitional arrangement are excluded from this table.