

## Capital Ratio Information (Non-consolidated)

Sumitomo Mitsui Banking Corporation

### ■ Capital Structure Information (Non-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	6,228,421		6,038,295	
1a	of which: capital and capital surplus	4,031,192		4,042,266	
2	of which: retained earnings	2,414,507		2,327,629	
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	Valuation and translation adjustment and other disclosed reserves	785,705	523,803	651,493	977,239
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	-		-	
6	Common Equity Tier 1 capital: instruments and reserves (A)	7,014,126		6,689,788	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	91,707	61,138	54,502	81,753
8	of which: goodwill (including those equivalent)	-	-	-	-
9	of which: other intangible assets other than goodwill and mortgage servicing rights	91,707	61,138	54,502	81,753
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	30,158	20,105	(49,439)	(74,159)
12	Shortfall of eligible provisions to expected losses	43,929	29,286	25,304	37,957
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	-	-	-	-
15	Prepaid pension cost	116,591	77,727	79,484	119,226
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 ("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	-	-	2,040	3,060
19	of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-	2,040	3,060
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)	312,437		130,575	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	6,701,689		6,559,212	

(Millions of yen, except percentages)

			As of March 31,2016		As of March 31,2015	
Basel III Template No.	Items			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	—		—	
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments		698,497		860,796	
	Total of items included in Additional Tier 1 capital: items subject to transitional arrangements		(268)		(210)	
	of which: foreign currency translation adjustments		(268)		(210)	
36	Additional Tier 1 capital: instruments (D)		998,229		860,586	
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)		45,756	30,504	63,692	95,538
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements		34,677		47,003	
	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		14,643		18,978	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		—		—	
43	Additional Tier 1 capital: regulatory adjustments (E)		80,434		110,695	
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital ((D)-(E)) (F)		917,795		749,890	
Tier 1 capital (T1 = CET1 + AT1)						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)		7,619,484		7,309,102	
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		656,085		376,262	
	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		1,210,344		1,412,068	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2		—		—	
50a	of which: general reserve for possible loan losses		—		—	
50b	of which: eligible provisions		—		—	
	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements		310,455		654,063	
	of which: unrealized gains on other securities after 55% discount		299,682		637,394	
	of which: land revaluation excess after 55% discount		10,772		16,668	
51	Tier 2 capital: instruments and provisions (H)		2,176,885		2,442,394	

(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	14,643		18,978	
	of which: Tier 2 and deductions under Basel II	14,643		18,978	
57	Tier 2 capital: regulatory adjustments (I)	89,643		68,978	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,087,242		2,373,415	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	9,706,726		9,682,518	
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	140,505		252,584	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	16,700		17,689	
	of which: prepaid pension cost	21,232		25,797	
	of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	86,416		183,151	
60	Risk weighted assets (L)	49,829,205		51,232,836	
Capital ratio					
61	Common Equity Tier 1 risk-weighted capital ratio ((C)/(L))	13.44%		12.80%	
62	Tier 1 risk-weighted capital ratio ((G)/(L))	15.29%		14.26%	
63	Total risk-weighted capital ratio ((K)/(L))	19.47%		18.89%	
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	336,156		524,368	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	657,720		734,569	
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					
76	Provisions (general reserve for possible loan losses)	—		—	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	2,295		2,386	
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	269,384		278,163	
Capital instruments subject to transitional arrangements					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	742,414		866,150	
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	1,210,344		1,412,068	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	42,804		60,062	

(Millions of yen)

Items	As of March 31, 2016	As of March 31, 2015
Required capital ((L) × 8%)	3,986,336	4,098,626

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

Sumitomo Mitsui Banking Corporation

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)
	Balance sheet as in published financial statements			
	As of March 31, 2016	As of March 31, 2015		
(Assets)				
Cash and due from banks	38,862,725	37,008,665		
Call loans	899,594	539,916		
Receivables under resale agreements	359,318	417,473		
Receivables under securities borrowing transactions	2,798,855	2,012,795		
Monetary claims bought	950,106	1,047,498		
Trading assets	3,511,957	3,627,862	6-a	
Securities	25,602,156	29,985,267		
Loans and bills discounted	69,276,735	68,274,308	6-c	
Foreign exchanges	1,558,252	1,798,843		
Other assets	2,131,869	2,460,344		
Tangible fixed assets	831,326	812,383		
Intangible fixed assets	220,174	200,966	2	
Prepaid pension cost	279,917	293,082	3	
Customers' liabilities for acceptances and guarantees	6,737,089	6,721,131		
Reserve for possible loan losses	(357,186)	(394,140)		
Reserve for possible losses on investments	(21,465)	(82,321)		
Total assets	153,641,430	154,724,079		
(Liabilities)				
Deposits	98,839,722	91,337,714		
Negotiable certificates of deposit	14,428,338	14,022,064		
Call money	1,107,825	4,579,940		
Payables under repurchase agreements	496,236	350,010		
Payables under securities lending transactions	1,374,280	5,113,896		
Commercial paper	1,980,153	2,551,652		
Trading liabilities	2,987,815	2,754,739	6-d	
Borrowed money	7,868,311	8,096,070		
Foreign exchanges	1,131,796	1,172,969		
Short-term bonds	—	25,000		
Bonds	4,775,072	5,095,577		
Due to trust account	921,320	717,529		
Other liabilities	2,924,495	3,672,970		
Reserve for employee bonuses	13,869	13,738		
Reserve for executive bonuses	566	644		
Reserve for point service program	1,086	1,119		
Reserve for reimbursement of deposits	15,374	19,589		
Deferred tax liabilities	249,427	444,863	4-a	
Deferred tax liabilities for land revaluation	31,837	34,141	4-b	
Acceptances and guarantees	6,737,089	6,721,131		
Total liabilities	145,884,620	146,725,363		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	2,470,198	2,481,273	1-b	
Retained earnings	2,414,989	2,327,186		
Treasury stock	(210,003)	(210,003)	1-d	
Total stockholders' equity	6,446,181	6,369,453		
Net unrealized gains on other securities	1,233,910	1,726,573		
Net deferred gains or losses on hedges	48,706	(124,906)		
Land revaluation excess	28,011	27,593		
Total valuation and translation adjustments	1,310,628	1,629,261		
Total net assets	7,756,810	7,998,715		
Total liabilities and net assets	153,641,430	154,724,079		

Note: The non-consolidated capital ratio is calculated based on the consolidated financial statements which include special purpose vehicles and other equivalent entities in accordance with Article 15 of “Criteria for Judging Whether A Financial Institution’s Capital Is Sufficient in Light of the Assets Held, etc. under the Provision of Article 14-2 of the Banking Act” (Notification No. 19 of 2006, the Financial Services Agency). The above capital ratio is calculated using the following balance sheet accounts reported on the consolidated financial statements.

(Millions of yen)				
Balance sheet account	Amount reported on the consolidated financial statements		Cross-reference to Appended Table	Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template)
Securities	25,588,578	29,971,688	6-b	
Borrowed money	7,162,861	7,226,652	7	
Retained earnings	2,414,507	2,327,629	1-c	
Net deferred gains or losses on hedges	48,257	(125,084)	5	
Total valuation and translation adjustments	1,309,508	1,628,732		3

(Appended Table)

1. Stockholders' equity

(1) Balance sheet

(Millions of yen)

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	2,470,198	2,481,273	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	2,414,507	2,327,629		1-c
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	6,445,699	6,369,896		

(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	6,445,699	6,369,896	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	4,031,192	4,042,266		1a
of which: retained earnings	2,414,507	2,327,629		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) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2016	As of March 31, 2015	Remarks	Ref. No.
Intangible fixed assets	220,174	200,966		2
Income taxes related to above	67,329	64,711		

(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)	—	—		8
Other intangible assets other than goodwill and mortgage servicing rights	152,845	136,255	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, 2016	As of March 31, 2015	Remarks	Ref. No.
Prepaid pension cost	279,917	293,082		3
Income taxes related to above	85,598	94,372		

(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.
Prepaid pension cost	194,318	198,710		15

## 4. Deferred tax assets

## (1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2016	As of March 31, 2015	Remarks	Ref. No.
Deferred tax liabilities	249,427	444,863		4-a
Deferred tax liabilities for land revaluation	31,837	34,141		4-b
Tax effects on other intangible assets	67,329	64,711		
Tax effects on prepaid pension cost	85,598	94,372		

## (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.
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	—	—	This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities.	10
Deferred tax assets arising from temporary differences (net of related tax liability)	—	—	This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities.	
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, 2016	As of March 31, 2015	Remarks	Ref. No.
Net deferred gains or losses on hedges	48,257	(125,084)		5

## (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 deferred gains or losses on hedges	50,264	(123,598)	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, 2016	As of March 31, 2015	Remarks	Ref. No.
Trading assets	3,511,957	3,627,862	Including trading account securities and derivatives for trading assets	6-a
Securities	25,588,578	29,971,688		6-b
Loans and bills discounted	69,276,735	68,274,308	Including subordinated loans	6-c
Trading liabilities	2,987,815	2,754,739	Including trading account securities sold and derivatives for trading liabilities	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	—	—		
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	—	—		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)	336,156	524,368		
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)	336,156	524,368		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	858,981	1,023,901		
Amount exceeding the 10% threshold on specified items	—	5,101		19
Amount exceeding the 15% threshold on specified items	—	—		23
Additional Tier 1 capital	76,261	159,230		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)	657,720	734,569		73

## 7. Other capital instruments

## (1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2016	As of March 31, 2015	Remarks	Ref. No.
Borrowed money	7,162,861	7,226,652		7

## (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	656,085	376,262		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.