

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, 2017		As of March 31, 2016	
			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	6,534,395		6,955,707	
1a	of which: capital and capital surplus	3,519,653		4,263,087	
2	of which: retained earnings	3,045,979		2,909,898	
1c	of which: treasury stock (-)	-		-	
26	of which: cash dividends to be paid (-)	31,237		217,277	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	-		-	
3	Accumulated other comprehensive income and other disclosed reserves	1,154,101	288,525	810,245	540,163
5	Adjusted non-controlling interests, etc. (amount allowed to be included in group Common Equity Tier 1)	183,880		175,353	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	13,024		5,276	
	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)	13,024		5,276	
6	Common Equity Tier 1 capital: instruments and reserves (A)	7,885,402		7,946,582	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	215,215	53,803	266,335	177,557
8	of which: goodwill (including those equivalent)	43,542	10,885	110,209	73,473
9	of which: other intangible assets other than goodwill and mortgage servicing rights	171,672	42,918	156,126	104,084
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,297	324	927	618
11	Net deferred gains or losses on hedges	(30,148)	(7,537)	38,273	25,515
12	Shortfall of eligible provisions to expected losses	-	-	15,573	10,382
13	Gain on sale on securitization transactions	46,740	11,685	30,051	20,034
14	Gains and losses due to changes in own credit risk on fair valued liabilities	2,761	690	5,089	3,392
15	Net defined benefit asset	172,582	43,145	83,065	55,376
16	Investments in own shares (excluding those reported in the Net assets section)	24	6	29	19
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)	408,473		439,345	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,476,928		7,507,237	

(Millions of yen, except percentages)

Basel III Template No.	Items	As of March 31, 2017		As of March 31, 2016		
			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	450,000		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)	24,315		17,660		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	607,479		698,497		
33	of which: instruments issued by banks and their special purpose vehicles	607,479		698,497		
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	7,117		23,477		
	of which: foreign currency translation adjustments	7,117		23,477		
36	Additional Tier 1 capital: instruments (D)	1,088,912		1,039,636		
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)	64,035	16,008	48,032	32,021	
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	23,591		102,270		
	of which: goodwill and others	11,906		77,045		
	of which: gain on sale on securitization transactions	11,685		20,034		
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	—		5,191		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—		—		
43	Additional Tier 1 capital: regulatory adjustments (E)	87,626		150,303		
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital ((D)-(E)) (F)	1,001,285		889,332		
Tier 1 capital (T1 = CET1 + AT1)						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	8,478,214		8,396,570		
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	905,332		655,064		
	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)	5,039		3,069		
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	873,368		1,220,717		
47	of which: instruments issued by banks and their special purpose vehicles	873,368		1,220,717		
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	13,348		7,666		
50a	of which: general reserve for possible loan losses	6,900		7,666		
50b	of which: eligible provisions	6,448		—		
	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	177,022		319,291		
	of which: unrealized gains on other securities after 55% discount	170,772		306,445		
	of which: land revaluation excess after 55% discount	6,250		12,845		
51	Tier 2 capital: instruments and provisions (H)	1,974,111		2,205,808		

(Millions of yen, except percentages)

Basel III Template No.	Items	As of March 31, 2017		As of March 31, 2016	
			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)	120,000	30,000	75,000	50,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	20,744		51,809	
	of which: Tier 2 and deductions under Basel II	20,744		51,809	
57	Tier 2 capital: regulatory adjustments (I)	140,744		126,809	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	1,833,366		2,078,998	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	10,311,580		10,475,569	
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	32,764		58,545	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	10,307		24,719	
	of which: net defined benefit asset	11,846		15,658	
	of which: significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions)	9,914		16,156	
60	Risk weighted assets (L)	58,004,379		57,558,088	
Capital ratio (consolidated)					
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	12.89%		13.04%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	14.61%		14.58%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	17.77%		18.19%	
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	400,680		445,253	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	523,446		729,943	
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)	4,715		3,700	
Provisions included in Tier 2 capital: instruments and provisions					
76	Provisions (general reserve for possible loan losses)	6,900		7,666	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	20,271		24,487	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	6,448		—	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	301,311		293,681	
Capital instruments subject to transitional arrangements					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	618,928		742,714	
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	1,017,264		1,220,717	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	—		31,434	

(Millions of yen)

Items	As of March 31, 2017	As of March 31, 2016
Required capital ((L) × 8%)	4,640,350	4,604,647

■ Reconciliation of Regulatory Capital Elements Back to the Balance Sheet (As of March 31, 2016 and 2017)

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, 2017	As of March 31, 2016		
(Assets)				
Cash and due from banks	44,992,414	42,594,225		
Call loans and bills bought	1,872,144	1,291,365		
Receivables under resale agreements	2,199,733	494,949		
Receivables under securities borrowing transactions	3,609,903	7,964,208		
Monetary claims bought	4,265,954	4,183,995		
Trading assets	2,666,417	7,980,971	6-a	
Money held in trust	0	3		
Securities	24,181,601	25,153,750	2-b, 6-b	
Loans and bills discounted	83,314,483	77,331,124	6-c	
Foreign exchanges	1,722,104	1,577,167		
Lease receivables and investment assets	282,505	269,429		
Other assets	3,586,135	3,697,438		
Tangible fixed assets	1,121,670	1,167,627		
Intangible fixed assets	339,674	526,112	2-a	
Net defined benefit asset	310,588	198,637	3	
Deferred tax assets	59,928	66,570	4-a	
Customers' liabilities for acceptances and guarantees	6,927,918	6,407,272		
Reserve for possible loan losses	(506,515)	(496,178)		
Total assets	180,946,664	180,408,672		
(Liabilities)				
Deposits	118,424,659	111,238,673		
Negotiable certificates of deposit	12,595,937	14,740,434		
Call money and bills sold	844,519	1,220,455		
Payables under repurchase agreements	2,737,947	1,761,822		
Payables under securities lending transactions	3,190,161	5,309,003		
Commercial paper	2,312,289	3,018,218		
Trading liabilities	2,131,143	6,105,982	6-d	
Borrowed money	11,981,546	8,058,848	8	
Foreign exchanges	718,940	1,083,450		
Short-term bonds	—	367,000		
Bonds	3,987,749	5,450,145		
Due to trust account	1,180,976	944,542		
Other liabilities	4,524,079	4,853,664		
Reserve for employee bonuses	34,990	54,925		
Reserve for executive bonuses	922	1,767		
Net defined benefit liability	16,788	17,844		
Reserve for executive retirement benefits	867	743		
Reserve for point service program	1,189	1,249		
Reserve for reimbursement of deposits	15,464	16,979		
Reserve for losses on interest repayment	40	234		
Reserve under the special laws	—	1,129		
Deferred tax liabilities	378,740	275,887	4-b	
Deferred tax liabilities for land revaluation	31,596	32,203	4-c	
Acceptances and guarantees	6,927,918	6,407,272		
Total liabilities	172,038,471	170,962,478		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	1,958,660	2,702,093	1-b	
Retained earnings	3,045,979	2,909,898	1-c	
Treasury stock	(210,003)	(210,003)	1-d	
Total stockholders' equity	6,565,632	7,172,985		
Net unrealized gains on other securities	1,397,396	1,255,877		
Net deferred gains or losses on hedges	(39,174)	61,781	5	
Land revaluation excess	38,041	39,348		
Foreign currency translation adjustments	35,589	58,693		
Remeasurements of defined benefit plans	10,773	(65,290)		
Total accumulated other comprehensive income	1,442,626	1,350,409		3
Stock acquisition rights	276	249	7-a	
Non-controlling interests	899,656	922,549	7-b	
Total net assets	8,908,192	9,446,193		
Total liabilities and net assets	180,946,664	180,408,672		

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, 2017	As of March 31, 2016	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	1,958,660	2,702,093	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	3,045,979	2,909,898		1-c
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	6,565,632	7,172,985		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,565,632	7,172,985	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,519,653	4,263,087		1a
of which: retained earnings	3,045,979	2,909,898		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, 2017	As of March 31, 2016	Remarks	Ref. No.
Intangible fixed assets	339,674	526,112		2-a
Securities	24,181,601	25,153,750		2-b
of which: goodwill attributable to equity-method investees	23,744	36,559		
Income taxes related to above	94,399	118,778		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks	Basel III Template No.
Goodwill (including those equivalent)	54,427	183,682		8
Other intangible assets other than goodwill and mortgage servicing rights	214,591	260,210	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, 2017	As of March 31, 2016	Remarks	Ref. No.
Net defined benefit asset	310,588	198,637		3
Income taxes related to above	94,860	60,195		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks	Basel III Template No.
Net defined benefit asset	215,728	138,441		15

4. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks	Ref. No.
Deferred tax assets	59,928	66,570		4-a
Deferred tax liabilities	378,740	275,887		4-b
Deferred tax liabilities for land revaluation	31,596	32,203		4-c
Tax effects on other intangible assets	94,399	118,778		
Tax effects on net defined benefit asset	94,860	60,195		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks	Basel III Template No.
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,621	1,545	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.	10
Deferred tax assets arising from temporary differences (net of related tax liability)	4,715	3,700	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	—	—		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)	4,715	3,700		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, 2017	As of March 31, 2016	Remarks	Ref. No.
Net deferred gains or losses on hedges	(39,174)	61,781		5

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks	Basel III Template No.
Net deferred gains or losses on hedges	(37,685)	63,789	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	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, 2017	As of March 31, 2016	Remarks	Ref. No.
Trading assets	2,666,417	7,980,971	Including trading account securities and derivatives for trading assets	6-a
Securities	24,181,601	25,153,750		6-b
Loans and bills discounted	83,314,483	77,331,124	Including subordinated loans	6-c
Trading liabilities	2,131,143	6,105,982	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, 2017	As of March 31, 2016	Remarks	Basel III Template No.
Investments in own capital instruments	30	49		
Common Equity Tier 1 capital	30	49		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)	400,680	445,253		
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)	400,680	445,253		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	753,490	934,997		
Amount exceeding the 10% threshold on specified items	—	—		19
Amount exceeding the 15% threshold on specified items	—	—		23
Additional Tier 1 capital	80,044	80,053		40
Tier 2 capital	150,000	125,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	523,446	729,943		73

7. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks	Ref. No.
Stock acquisition rights	276	249		7-a
Non-controlling interests	899,656	922,549		7-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	183,880	175,353		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	24,315	17,660		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	5,039	3,069		48-49

8. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks	Ref. No.
Borrowed money	11,981,546	8,058,848		8

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	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	450,000	300,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	905,332	655,064		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.