

## Leverage Ratio Information (Consolidated)

Sumitomo Mitsui Banking Corporation and Subsidiaries

### ■ Composition of Leverage Ratio

			(In million yen, %)	
Corresponding line # on Basel III disclosure template (Table2)	Corresponding line # on Basel III disclosure template (Table1)	Item	As of March 31, 2017	As of March 31, 2016
<b>On-balance sheet exposures (1)</b>				
1		On-balance sheet exposures before deducting adjustment items	162,047,155	157,139,218
1a	1	Total assets reported in the consolidated balance sheet	180,946,664	180,408,672
1b	2	The amount of assets of subsidiaries that are not included in the scope of the leverage ratio on a consolidated basis (-)	—	—
1c	7	The amount of assets of subsidiaries that are included in the scope of the leverage ratio on a consolidated basis (except those included in the total assets reported in the consolidated balance sheet)	—	—
1d	3	The amount of assets that are deducted from the total assets reported in the consolidated balance sheet (except adjustment items) (-)	18,899,509	23,269,453
2	7	The amount of adjustment items pertaining to Tier 1 capital (-)	453,155	413,963
3		Total on-balance sheet exposures (a)	161,594,000	156,725,255
<b>Exposures related to derivative transactions (2)</b>				
4		Replacement cost associated with derivatives transactions, etc.	1,970,160	2,318,694
5		Add-on amount associated with derivatives transactions, etc.	2,620,126	3,050,084
		The amount of receivables arising from providing cash margin in relation to derivatives transactions, etc.	617,273	533,429
6		The amount of receivables arising from providing cash margin, provided where deducted from the consolidated balance sheet pursuant to the operative accounting framework	—	—
7		The amount of deductions of receivables (out of those arising from providing cash variation margin) (-)	617,273	533,429
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	121,281	583,300
10		The amount of deductions from effective notional amount of written credit derivatives (-)	108,987	459,631
11	4	Total exposures related to derivative transactions (b)	4,602,580	5,492,448
<b>Exposures related to repo transactions (3)</b>				
12		The amount of assets related to repo transactions, etc.	5,809,637	8,459,158
13		The amount of deductions from the assets above (line 12) (-)	—	—
14		The exposures for counterparty credit risk for repo transactions, etc.	652,754	52,367
15		The exposures for agent repo transaction		
16	5	Total exposures related to repo transactions, etc. (c)	6,462,392	8,511,525
<b>Exposures related to off-balance sheet transactions (4)</b>				
17		Notional amount of off-balance sheet transactions	58,401,965	53,385,837
18		The amount of adjustments for conversion in relation to off-balance sheet transactions (-)	38,860,189	34,955,755
19	6	Total exposures related to off-balance sheet transactions (d)	19,541,775	18,430,082
<b>Leverage ratio on a consolidated basis (5)</b>				
20		The amount of capital (Tier 1 capital) (e)	8,478,214	8,396,570
21	8	Total exposures ((a)+(b)+(c)+(d)) (f)	192,200,748	189,159,312
22		Leverage ratio on a consolidated basis ((e)/(f))	4.41%	4.43%

## Liquidity Coverage Ratio Information (Consolidated)

Sumitomo Mitsui Banking Corporation and Subsidiaries

Since March 31, 2015, the “Liquidity Coverage Ratio” (hereinafter referred to as “LCR”), the liquidity regulation under the Basel III, has been introduced in Japan. In addition to the application of uniform international standards, SMBC calculates its consolidated LCR using the calculation formula stipulated in the “Criteria for Evaluating the Soundness of Liquidity Status Set Forth by a Bank as a Benchmark for Judging its Soundness of Management, Based on the Provision of Article 14-2 of the Banking Act” (Notification No. 60 issued by the Japanese Financial Services Agency in 2014; hereinafter referred to as the “LCR Notification”).

### ■ Disclosure of Qualitative Information about Liquidity Coverage Ratio

#### 1. Intra-period Changes in Consolidated LCR

As described in the following page, the LCR has remained stable with no significant fluctuation since the introduction of the liquidity regulation on March 31, 2015.

#### 2. Assessment of Consolidated LCR

The LCR Notification stipulates that the minimum requirement of LCR for 2017 is set at 80.0% and from 2018 onwards, the minimum requirement of LCR is raised in increments of 10.0% in stages, reaching 100.0% in and after 2019 (see table below).

	2015	2016	2017	2018	2019 onwards
The minimum requirement of LCR .....	60.0%	70.0%	80.0%	90.0%	100.0%

LCR of consolidated SMBC exceeds the minimum requirements of LCR for 2017 (80.0%) and for 2019 onwards (100.0%), having no cause for concern. SMBC does not expect that the future LCR forecasts will differ significantly from the announced ratios. In addition, the actual LCR does not differ significantly from the initial forecast.

#### 3. Composition of High-Quality Liquid Assets

The high-quality liquid assets held by consolidated SMBC that are allowed to be included in the calculation of LCR include deposits with central banks, highly-rated bonds and cash. As described in the following page, the amount of such high-quality liquid assets exceed the amount of net cash outflows. Meanwhile, currency denominations, categories and location, etc. of the high-quality liquid assets allowed to be included in the calculation have not shown any significant changes. In addition, in respect of major currencies (those of which the aggregate amount of liabilities denominated in a certain currency accounts for 5.0 % or more of SMBC's total liabilities on the consolidated basis), there is no significant mismatch in currency denomination between the total amount of the high-quality liquid assets allowed to be included in the calculation and the amount of net cash outflows.

#### 4. Other Information Concerning Consolidated LCR

SMBC has not applied “special provisions concerning qualifying operational deposits” prescribed in Article 29 of the LCR Notification and “increased liquidity needs related to market valuation changes on derivative or other transactions simulated through Scenario Approach” prescribed in Article 38 of the same Notification. Meanwhile, SMBC records “cash outflows related to small-sized consolidated subsidiaries,” etc. under “cash outflows based on other contracts” prescribed in Article 60 of the same Notification.

## ■ Disclosure of Quantitative Information about Liquidity Coverage Ratio (Consolidated)

(In million yen, %, the number of data)

Item		Current Quarter (From 2017/1/1 To 2017/3/31)		Prior Quarter (From 2016/10/1 To 2016/12/31)	
<b>High-Quality Liquid Assets (1)</b>					
1	Total high-quality liquid assets (HQLA)	51,485,537		49,176,809	
<b>Cash Outflows (2)</b>					
		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
2	Cash outflows related to unsecured retail funding	51,081,614	3,960,060	50,713,556	3,917,709
3	of which, Stable deposits	16,411,311	492,522	16,496,501	495,073
4	of which, Less stable deposits	34,670,303	3,467,538	34,217,056	3,422,636
5	Cash outflows related to unsecured wholesale funding	59,481,399	30,438,015	57,433,719	29,524,839
6	of which, Qualifying operational deposits	—	—	—	—
7	of which, Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	53,668,873	24,625,490	52,037,266	24,128,386
8	of which, Debt securities	5,812,526	5,812,526	5,396,453	5,396,453
9	Cash outflows related to secured funding, etc.		74,831		73,077
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	20,385,768	6,815,351	19,533,231	6,214,966
11	of which, Cash outflows related to derivative transactions, etc.	1,136,259	1,136,259	1,018,196	1,018,196
12	of which, Cash outflows related to funding programs	523,593	523,593	462,610	462,610
13	of which, Cash outflows related to credit and liquidity facilities	18,725,916	5,155,499	18,052,424	4,734,160
14	Cash outflows related to contractual funding obligations, etc.	5,572,123	4,185,959	4,771,714	3,306,382
15	Cash outflows related to contingencies	62,619,566	1,081,067	61,583,853	1,068,807
16	Total cash outflows		46,555,284		44,105,779
<b>Cash Inflows (3)</b>					
		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
17	Cash inflows related to secured lending, etc.	1,854,464	419,638	1,587,334	296,599
18	Cash inflows related to collection of loans, etc.	4,392,564	2,891,510	3,632,382	2,356,547
19	Other cash inflows	2,436,594	1,445,130	2,842,287	1,551,665
20	Total cash inflows	8,683,623	4,756,279	8,062,003	4,204,811
<b>Consolidated Liquidity Coverage Ratio (4)</b>					
21	Total HQLA allowed to be included in the calculation		51,485,537		49,176,809
22	Net cash outflows		41,799,005		39,900,968
23	Consolidated liquidity coverage ratio (LCR)		123.1%		123.2%
24	The number of data used to calculate the average value		61		3

Notes: 1. The data after the introduction of the liquidity regulation on March 31, 2015 is available on SMFG's website.

(http://www.smfg.co.jp/english/investor/financial/basel\_3.html)

2. For the current quarter (from January 1, 2017 to March 31, 2017), the average values are calculated based on daily data in accordance with Notification No. 7 issued by the Japanese Financial Services Agency in 2015. For attribute information on customers and some data on consolidated subsidiaries, etc., monthly or quarterly data is used.

## ■ Breakdown of High-Quality Liquid Assets

(In million yen)

Item		Current Quarter (From 2017/1/1 To 2017/3/31)	Prior Quarter (From 2016/10/1 To 2016/12/31)
1	Cash and due from banks	43,777,338	40,186,702
2	Securities	7,708,199	8,990,107
3	of which, government bonds, etc.	5,921,637	7,200,237
4	of which, municipal bonds, etc.	101,459	95,335
5	of which, other bonds	235,780	291,728
6	of which, stocks	1,449,323	1,402,806
7	Total high-quality liquid assets (HQLA)	51,485,537	49,176,809

Note: The above amounts are the amounts of high-quality liquid assets in accordance with the liquidity regulation under the Basel III and do not correspond to the financial amounts. The amounts stated are the amounts after multiplying factor in the liquidity regulation under the Basel III.