

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, 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	5,997,169		6,228,421	
1a	of which: capital and capital surplus	3,337,824		4,031,192	
2	of which: retained earnings	2,690,582		2,414,507	
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	Valuation and translation adjustment and other disclosed reserves	1,110,652	277,663	785,705	523,803
	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)	7,107,822		7,014,126	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	128,279	32,069	91,707	61,138
8	of which: goodwill (including those equivalent)	-	-	-	-
9	of which: other intangible assets other than goodwill and mortgage servicing rights	128,279	32,069	91,707	61,138
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	(28,183)	(7,045)	30,158	20,105
12	Shortfall of eligible provisions to expected losses	23,124	5,781	43,929	29,286
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	-	-	-	-
15	Prepaid pension cost	152,821	38,205	116,591	77,727
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	-	-	-	-
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)	322,783		312,437	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	6,785,039		6,701,689	

(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	—	/	—	/
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	607,479	/	698,497	/	
	Total of items included in Additional Tier 1 capital: items subject to transitional arrangements	(160)	/	(268)	/	
	of which: foreign currency translation adjustments	(160)	/	(268)	/	
36	Additional Tier 1 capital: instruments (D)	1,057,318	/	998,229	/	
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)	61,008	15,252	45,756	30,504	
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	14,575	/	34,677	/	
	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	2,890	/	14,643	/	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—	/	—	/	
43	Additional Tier 1 capital: regulatory adjustments (E)	75,584	/	80,434	/	
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital ((D)-(E)) (F)	981,733	/	917,795	/	
Tier 1 capital (T1 = CET1 + AT1)						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	7,766,772	/	7,619,484	/	
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	/	656,085	/
	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	873,744	/	1,210,344	/	
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	175,432	/	310,455	/	
	of which: unrealized gains on other securities after 55% discount	170,218	/	299,682	/	
	of which: land revaluation excess after 55% discount	5,214	/	10,772	/	
51	Tier 2 capital: instruments and provisions (H)	1,954,510	/	2,176,885	/	

(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	2,890		14,643	
	of which: Tier 2 and deductions under Basel II	2,890		14,643	
57	Tier 2 capital: regulatory adjustments (I)	122,890		89,643	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	1,831,619		2,087,242	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	9,598,392		9,706,726	
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	72,106		140,505	
	of which: prepaid pension cost	10,436		21,232	
	of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	42,995		86,416	
	of which: significant investments in Tier 2 capital of Other Financial Institutions (net of eligible short positions)	9,914		16,156	
60	Risk weighted assets (L)	51,575,789		49,829,205	
Capital ratio					
61	Common Equity Tier 1 risk-weighted capital ratio ((C)/(L))	13.15%		13.44%	
62	Tier 1 risk-weighted capital ratio ((G)/(L))	15.05%		15.29%	
63	Total risk-weighted capital ratio ((K)/(L))	18.61%		19.47%	
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	386,929		336,156	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	524,160		657,720	
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)	2,412		2,295	
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	277,287		269,384	
Capital instruments subject to transitional arrangements					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	618,678		742,414	
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	1,008,620		1,210,344	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	–		42,804	

(Millions of yen)

Items	As of March 31, 2017	As of March 31, 2016
Required capital ((L) × 8%)	4,126,063	3,986,336

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

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, 2017	As of March 31, 2016		
(Assets)				
Cash and due from banks	41,652,508	38,862,725		
Call loans	1,465,117	899,594		
Receivables under resale agreements	523,913	359,318		
Receivables under securities borrowing transactions	3,184,379	2,798,855		
Monetary claims bought	1,125,434	950,106		
Trading assets	1,879,342	3,511,957	6-a	
Securities	24,342,369	25,602,156		
Loans and bills discounted	75,585,256	69,276,735	6-c	
Foreign exchanges	1,663,102	1,558,252		
Other assets	2,383,307	2,131,869		
Tangible fixed assets	815,808	831,326		
Intangible fixed assets	230,984	220,174	2	
Prepaid pension cost	275,175	279,917	3	
Customers' liabilities for acceptances and guarantees	7,565,562	6,737,089		
Reserve for possible loan losses	(389,726)	(357,186)		
Reserve for possible losses on investments	(20,808)	(21,465)		
Total assets	162,281,729	153,641,430		
(Liabilities)				
Deposits	105,590,771	98,839,722		
Negotiable certificates of deposit	12,263,091	14,428,338		
Call money	1,009,469	1,107,825		
Payables under repurchase agreements	1,359,017	496,236		
Payables under securities lending transactions	3,076,425	1,374,280		
Commercial paper	1,390,123	1,980,153		
Trading liabilities	1,472,340	2,987,815	6-d	
Borrowed money	12,026,497	7,868,311		
Foreign exchanges	737,961	1,131,796		
Bonds	3,944,061	4,775,072		
Due to trust account	1,160,014	921,320		
Other liabilities	2,879,318	2,924,495		
Reserve for employee bonuses	14,134	13,869		
Reserve for executive bonuses	612	566		
Reserve for point service program	1,058	1,086		
Reserve for reimbursement of deposits	13,602	15,374		
Deferred tax liabilities	329,253	249,427	4-a	
Deferred tax liabilities for land revaluation	31,230	31,837	4-b	
Acceptances and guarantees	7,565,562	6,737,089		
Total liabilities	154,864,546	145,884,620		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	1,776,830	2,470,198	1-b	
Retained earnings	2,689,638	2,414,989		
Treasury stock	(210,003)	(210,003)	1-d	
Total stockholders' equity	6,027,462	6,446,181		
Net unrealized gains on other securities	1,399,125	1,233,910		
Net deferred gains or losses on hedges	(36,110)	48,706		
Land revaluation excess	26,704	28,011		
Total valuation and translation adjustments	1,389,719	1,310,628		
Total net assets	7,417,182	7,756,810		
Total liabilities and net assets	162,281,729	153,641,430		

Note: The non-consolidated capital adequacy 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 adequacy ratio is calculated using the following balance sheet accounts reported on the consolidated financial statements.

Balance sheet account	(Millions of yen)		Cross-reference to Appended Table	Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template)
	Amount reported on the consolidated financial statements			
Securities	24,328,791	25,588,578	6-b	3
Borrowed money	11,412,841	7,162,861	7	
Retained earnings	2,690,582	2,414,507	1-c	
Net deferred gains or losses on hedges	(36,710)	48,257	5	
Total valuation and translation adjustments	1,388,315	1,309,508		

(Appended Table)

1. Stockholders' equity

(1) Balance sheet

(Millions of yen)

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	1,776,830	2,470,198	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	2,690,582	2,414,507		1-c
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	6,028,406	6,445,699		

(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	6,028,406	6,445,699	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,337,824	4,031,192		1a
of which: retained earnings	2,690,582	2,414,507		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 absorber clause upon entering into effectively bankruptcy	31a

2. Intangible assets

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks	Ref. No.
Intangible fixed assets	230,984	220,174		2
Income taxes related to above	70,635	67,329		

(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)	—	—		8
Other intangible assets other than goodwill and mortgage servicing rights	160,349	152,845	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, 2017	As of March 31, 2016	Remarks	Ref. No.
Prepaid pension cost	275,175	279,917		3
Income taxes related to above	84,148	85,598		

(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.
Prepaid pension cost	191,027	194,318		15

4. Deferred tax assets

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks	Ref. No.
Deferred tax liabilities	329,253	249,427		4-a
Deferred tax liabilities for land revaluation	31,230	31,837		4-b
Tax effects on other intangible assets	70,635	67,329		
Tax effects on prepaid pension cost	84,148	85,598		

(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)	—	—	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, 2017	As of March 31, 2016	Remarks	Ref. No.
Net deferred gains or losses on hedges	(36,710)	48,257		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	(35,228)	50,264	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, 2017	As of March 31, 2016	Remarks	Ref. No.
Trading assets	1,879,342	3,511,957	Including trading account securities and derivatives for trading assets	6-a
Securities	24,328,791	25,588,578		6-b
Loans and bills discounted	75,585,256	69,276,735	Including subordinated loans	6-c
Trading liabilities	1,472,340	2,987,815	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	—	—		
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)	386,929	336,156		
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)	386,929	336,156		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	750,421	858,981		
Amount exceeding the 10% threshold on specified items	—	—		19
Amount exceeding the 15% threshold on specified items	—	—		23
Additional Tier 1 capital	76,261	76,261		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)	524,160	657,720		73

7. Other capital instruments

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks	Ref. No.
Borrowed money	11,412,841	7,162,861		7

(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	656,085		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.