

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, 2018		As of March 31, 2017	
			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	6,856,015		6,534,395	
1a	of which: capital and capital surplus	3,531,406		3,519,653	
2	of which: retained earnings	3,451,151		3,045,979	
1c	of which: treasury stock (-)	-		-	
26	of which: cash dividends to be paid (-)	126,541		31,237	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	-		-	
3	Accumulated other comprehensive income and other disclosed reserves	1,552,547	-	1,154,101	288,525
5	Adjusted non-controlling interests, etc. (amount allowed to be included in group Common Equity Tier 1)	333		183,880	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	-		13,024	
	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	
6	Common Equity Tier 1 capital: instruments and reserves (A)	8,408,896		7,885,402	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	239,397	-	215,215	53,803
8	of which: goodwill (including those equivalent)	31,588	-	43,542	10,885
9	of which: other intangible assets other than goodwill and mortgage servicing rights	207,809	-	171,672	42,918
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,213	-	1,297	324
11	Net deferred gains or losses on hedges	(65,809)	-	(30,148)	(7,537)
12	Shortfall of eligible provisions to expected losses	-	-	-	-
13	Gain on sale on securitisation transactions	60,215	-	46,740	11,685
14	Gains and losses due to changes in own credit risk on fair valued liabilities	2,646	-	2,761	690
15	Net defined benefit asset	262,547	-	172,582	43,145
16	Investments in own shares (excluding those reported in the Net assets section)	-	-	24	6
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)	500,211		408,473	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,908,684		7,476,928	

(Millions of yen, except percentages)

Basel III Template No.	Items	As of March 31, 2018		As of March 31, 2017		
			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	1,100,000		450,000	
		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)	30,026		24,315		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	466,652		607,479		
33	of which: instruments issued by banks and their special purpose vehicles	466,652		607,479		
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		
	of which: foreign currency translation adjustments	—		7,117		
36	Additional Tier 1 capital: instruments (D)	1,596,678		1,088,912		
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)	81,640	—	64,035	16,008	
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	—		23,591		
	of which: goodwill and others	—		11,906		
	of which: gain on sale on securitisation transactions	—		11,685		
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	—		—		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—		—		
43	Additional Tier 1 capital: regulatory adjustments (E)	81,640		87,626		
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital ((D)-(E)) (F)	1,515,038		1,001,285		
Tier 1 capital (T1 = CET1 + AT1)						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	9,423,723		8,478,214		
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	994,937		905,332	
		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)	3,488		5,039		
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	625,890		873,368		
47	of which: instruments issued by banks and their special purpose vehicles	625,890		873,368		
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	33,097		13,348		
50a	of which: general reserve for possible loan losses	6,210		6,900		
50b	of which: eligible provisions	26,886		6,448		
	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	—		177,022		
	of which: unrealized gains on other securities after 55% discount	—		170,772		
	of which: land revaluation excess after 55% discount	—		6,250		
51	Tier 2 capital: instruments and provisions (H)	1,657,414		1,974,111		

(Millions of yen, except percentages)

Basel III Template No.	Items	As of March 31, 2018		As of March 31, 2017	
			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)	150,000	-	120,000	30,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	-	/	20,744	/
	of which: Tier 2 and deductions under Basel II	-	/	20,744	/
57	Tier 2 capital: regulatory adjustments (I)	150,000	/	140,744	/
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	1,507,414	/	1,833,366	/
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	10,931,137	/	10,311,580	/
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	-	/	32,764	/
	of which: intangible assets (excluding those relating to mortgage servicing rights)	-	/	10,307	/
	of which: net defined benefit asset	-	/	11,846	/
	of which: significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions)	-	/	9,914	/
60	Risk weighted assets (L)	51,707,483	/	58,004,379	/
Capital ratio (consolidated)					
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	15.29%	/	12.89%	/
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	18.22%	/	14.61%	/
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	21.14%	/	17.77%	/
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	331,209	/	400,680	/
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	596,582	/	523,446	/
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)	1,617	/	4,715	/
Provisions included in Tier 2 capital: instruments and provisions					
76	Provisions (general reserve for possible loan losses)	6,210	/	6,900	/
77	Cap on inclusion of provisions (general reserve for possible loan losses)	22,963	/	20,271	/
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	26,886	/	6,448	/
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	259,290	/	301,311	/
Capital instruments subject to transitional arrangements					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	495,143	/	618,928	/
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	813,811	/	1,017,264	/
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-	/	-	/

(Millions of yen)

Items	As of March 31, 2018	As of March 31, 2017
Required capital ((L) × 8%)	4,136,598	4,640,350

■ Reconciliation of Regulatory Capital Elements Back to the Balance Sheet (As of March 31, 2017 and 2018)

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, 2018	As of March 31, 2017		
(Assets)				
Cash and due from banks	52,122,407	44,992,414		
Call loans and bills bought	1,881,879	1,872,144		
Receivables under resale agreements	1,675,693	2,199,733		
Receivables under securities borrowing transactions	3,562,107	3,609,903		
Monetary claims bought	4,550,592	4,265,954		
Trading assets	2,408,549	2,666,417	6-a	
Money held in trust	0	0		
Securities	25,217,287	24,181,601	2-b, 6-b	
Loans and bills discounted	75,853,934	83,314,483	6-c	
Foreign exchanges	2,164,196	1,722,104		
Lease receivables and investment assets	252,507	282,505		
Other assets	3,923,004	3,586,135		
Tangible fixed assets	1,410,800	1,121,670		
Intangible fixed assets	311,810	339,674	2-a	
Net defined benefit asset	377,768	310,588	3	
Deferred tax assets	28,789	59,928	4-a	
Customers' liabilities for acceptances and guarantees	7,373,185	6,927,918		
Reserve for possible loan losses	(387,022)	(506,515)		
Total assets	182,727,495	180,946,664		
(Liabilities)				
Deposits	117,227,296	118,424,659		
Negotiable certificates of deposit	11,455,284	12,595,937		
Call money and bills sold	740,928	844,519		
Payables under repurchase agreements	5,256,519	2,737,947		
Payables under securities lending transactions	3,324,893	3,190,161		
Commercial paper	2,385,705	2,312,289		
Trading liabilities	1,907,416	2,131,143	6-d	
Borrowed money	13,973,112	11,981,546	8	
Foreign exchanges	906,429	718,940		
Bonds	3,255,697	3,987,749		
Due to trust account	1,328,271	1,180,976		
Other liabilities	3,983,839	4,524,079		
Reserve for employee bonuses	32,826	34,990		
Reserve for executive bonuses	1,333	922		
Net defined benefit liability	6,552	16,788		
Reserve for executive retirement benefits	671	867		
Reserve for point service program	966	1,189		
Reserve for reimbursement of deposits	17,765	15,464		
Reserve for losses on interest repayment	—	40		
Deferred tax liabilities	427,853	378,740	4-b	
Deferred tax liabilities for land revaluation	30,539	31,596	4-c	
Acceptances and guarantees	7,373,185	6,927,918		
Total liabilities	173,637,092	172,038,471		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	1,970,412	1,958,660	1-b	
Retained earnings	3,451,151	3,045,979	1-c	
Treasury stock	(210,003)	(210,003)	1-d	
Total stockholders' equity	6,982,557	6,565,632		
Net unrealized gains on other securities	1,509,249	1,397,396		
Net deferred gains or losses on hedges	(66,918)	(39,174)	5	
Land revaluation excess	37,042	38,041		
Foreign currency translation adjustments	12,710	35,589		
Remeasurements of defined benefit plans	60,463	10,773		
Total accumulated other comprehensive income	1,552,547	1,442,626		3
Stock acquisition rights	—	276	7-a	
Non-controlling interests	555,298	899,656	7-b	
Total net assets	9,090,403	8,908,192		
Total liabilities and net assets	182,727,495	180,946,664		

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, 2018	As of March 31, 2017	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	1,970,412	1,958,660	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	3,451,151	3,045,979		1-c
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	6,982,557	6,565,632		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,982,557	6,565,632	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,531,406	3,519,653		1a
of which: retained earnings	3,451,151	3,045,979		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, 2018	As of March 31, 2017	Remarks	Ref. No.
Intangible fixed assets	311,810	339,674		2-a
Securities	25,217,287	24,181,601		2-b
of which: goodwill attributable to equity-method investees	18,861	23,744		
Income taxes related to above	91,273	94,399		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks	Basel III Template No.
Goodwill (including those equivalent)	31,588	54,427		8
Other intangible assets other than goodwill and mortgage servicing rights	207,809	214,591	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, 2018	As of March 31, 2017	Remarks	Ref. No.
Net defined benefit asset	377,768	310,588		3
Income taxes related to above	115,220	94,860		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks	Basel III Template No.
Net defined benefit asset	262,547	215,728		15

4. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2018	As of March 31, 2017	Remarks	Ref. No.
Deferred tax assets	28,789	59,928		4-a
Deferred tax liabilities	427,853	378,740		4-b
Deferred tax liabilities for land revaluation	30,539	31,596		4-c
Tax effects on other intangible assets	91,273	94,399		
Tax effects on net defined benefit asset	115,220	94,860		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks	Basel III Template No.
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,213	1,621	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)	1,617	4,715	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)	1,617	4,715		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, 2018	As of March 31, 2017	Remarks	Ref. No.
Net deferred gains or losses on hedges	(66,918)	(39,174)		5

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks	Basel III Template No.
Net deferred gains or losses on hedges	(65,809)	(37,685)	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, 2018	As of March 31, 2017	Remarks	Ref. No.
Trading assets	2,408,549	2,666,417	Including trading account securities and derivatives for trading assets	6-a
Securities	25,217,287	24,181,601		6-b
Loans and bills discounted	75,853,934	83,314,483	Including subordinated loans	6-c
Trading liabilities	1,907,416	2,131,143	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, 2018	As of March 31, 2017	Remarks	Basel III Template No.
Investments in own capital instruments	—	30		
Common Equity Tier 1 capital	—	30		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)	331,209	400,680		
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)	331,209	400,680		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	828,222	753,490		
Amount exceeding the 10% threshold on specified items	—	—		19
Amount exceeding the 15% threshold on specified items	—	—		23
Additional Tier 1 capital	81,640	80,044		40
Tier 2 capital	150,000	150,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	596,582	523,446		73

7. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2018	As of March 31, 2017	Remarks	Ref. No.
Stock acquisition rights	—	276		7-a
Non-controlling interests	555,298	899,656		7-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	333	183,880		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	30,026	24,315		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	3,488	5,039		48-49

8. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2018	As of March 31, 2017	Remarks	Ref. No.
Borrowed money	13,973,112	11,981,546		8

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	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	1,100,000	450,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	994,937	905,332		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.