

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 on 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 the LCR for 2018 is set at 90%, and from 2019 onwards, the minimum requirement of the LCR will be 100%. The LCR of SMBC (consolidated) exceeds the minimum requirements of the LCR for 2018 and for 2019 onwards, 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

Currency denominations, categories and locations, 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% 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 LCR 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 LCR Notification.

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

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

Item		Current Quarter (From 2018/1/1 To 2018/3/31)		Prior Quarter (From 2017/10/1 To 2017/12/31)	
High-Quality Liquid Assets (1)					
1	Total high-quality liquid assets (HQLA)	60,267,923		59,573,784	
Cash Outflows (2)					
		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
2	Cash outflows related to unsecured retail funding	50,370,304	3,923,663	52,338,456	4,061,878
3	of which, Stable deposits	15,919,657	477,780	16,760,437	503,007
4	of which, Less stable deposits	34,450,647	3,445,883	35,578,018	3,558,871
5	Cash outflows related to unsecured wholesale funding	64,883,035	33,442,407	64,103,295	32,552,731
6	of which, Qualifying operational deposits	—	—	—	—
7	of which, Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	58,650,200	27,209,572	58,638,500	27,087,936
8	of which, Debt securities	6,232,835	6,232,835	5,464,795	5,464,795
9	Cash outflows related to secured funding, etc.	130,521		56,905	
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	21,164,500	7,217,647	21,480,084	7,431,138
11	of which, Cash outflows related to derivative transactions, etc.	1,233,974	1,233,974	1,249,995	1,249,995
12	of which, Cash outflows related to funding programs	448,984	448,984	470,785	470,785
13	of which, Cash outflows related to credit and liquidity facilities	19,481,542	5,534,689	19,759,304	5,710,359
14	Cash outflows related to contractual funding obligations, etc.	5,858,374	4,348,487	5,566,046	4,330,546
15	Cash outflows related to contingencies	66,264,951	1,133,919	65,806,792	1,146,741
16	Total cash outflows	50,196,645		49,579,938	
Cash Inflows (3)					
		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
17	Cash inflows related to secured lending, etc.	2,797,117	505,033	1,892,220	282,732
18	Cash inflows related to collection of loans, etc.	3,458,284	2,498,076	3,783,298	2,647,021
19	Other cash inflows	2,544,615	1,334,015	2,420,676	1,169,136
20	Total cash inflows	8,800,017	4,337,123	8,096,194	4,098,889
Consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA allowed to be included in the calculation	60,267,923		59,573,784	
22	Net cash outflows	45,859,521		45,481,049	
23	Consolidated liquidity coverage ratio (LCR)	131.4%		130.9%	
24	The number of data used to calculate the average value	59		62	

Notes: 1. The data after the introduction of the liquidity regulation on March 31, 2015 is available on Sumitomo Mitsui Financial Group's website.
(http://www.smfg.co.jp/english/investor/financial/basel_3.html)

2. 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 2018/1/1 To 2018/3/31)		Prior Quarter (From 2017/10/1 To 2017/12/31)	
1	Cash and due from banks	51,275,367		50,708,289	
2	Securities	8,992,556		8,865,496	
3	of which, government bonds, etc.	6,586,521		6,451,734	
4	of which, municipal bonds, etc.	126,716		136,284	
5	of which, other bonds	660,766		653,129	
6	of which, stocks	1,618,553		1,624,349	
7	Total high-quality liquid assets (HQLA)	60,267,923		59,573,784	

Note: The above amounts are those 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 those after multiplying factors in the liquidity regulation under the Basel III.