

## 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, 2018		As of March 31, 2017	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
<b>Common Equity Tier 1 capital: instruments and reserves</b>					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,255,453		5,997,169	
1a	of which: capital and capital surplus	3,337,824		3,337,824	
2	of which: retained earnings	3,044,170		2,690,582	
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	Valuation and translation adjustment and other disclosed reserves	1,539,402	-	1,110,652	277,663
	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)	7,794,855		7,107,822	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	160,658	-	128,279	32,069
8	of which: goodwill (including those equivalent)	-	-	-	-
9	of which: other intangible assets other than goodwill and mortgage servicing rights	160,658	-	128,279	32,069
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	(5,293)	-	(28,183)	(7,045)
12	Shortfall of eligible provisions to expected losses	454	-	23,124	5,781
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	-	-	-	-
15	Prepaid pension cost	193,931	-	152,821	38,205
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)	409,966		322,783	
<b>Common Equity Tier 1 capital (CET1)</b>					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,384,889		6,785,039	

(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	
<b>Additional Tier 1 capital: instruments</b>						
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	—		—	
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	466,652		607,479		
	Total of items included in Additional Tier 1 capital: items subject to transitional arrangements	—		(160)		
	of which: foreign currency translation adjustments	—		(160)		
36	Additional Tier 1 capital: instruments (D)	1,566,652		1,057,318		
<b>Additional Tier 1 capital: regulatory adjustments</b>						
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)	76,261	—	61,008	15,252	
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	—		14,575		
	of which: gain on sale on securitisation transactions	—		11,685		
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	—		2,890		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—		—		
43	Additional Tier 1 capital: regulatory adjustments (E)	76,261		75,584		
<b>Additional Tier 1 capital (AT1)</b>						
44	Additional Tier 1 capital ((D)-(E)) (F)	1,490,391		981,733		
<b>Tier 1 capital (T1 = CET1 + AT1)</b>						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	8,875,280		7,766,772		
<b>Tier 2 capital: instruments and provisions</b>						
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	—		—	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	625,890		873,744		
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		
	of which: unrealized gains on other securities after 55% discount	—		170,218		
	of which: land revaluation excess after 55% discount	—		5,214		
51	Tier 2 capital: instruments and provisions (H)	1,620,828		1,954,510		

(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
<b>Tier 2 capital: regulatory adjustments</b>					
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	-	/	2,890	/
	of which: Tier 2 and deductions under Basel II	-	/	2,890	/
57	Tier 2 capital: regulatory adjustments (I)	150,000	/	122,890	/
<b>Tier 2 capital (T2)</b>					
58	Tier 2 capital (T2) ((H)-(I)) (J)	1,470,828	/	1,831,619	/
<b>Total capital (TC = T1 + T2)</b>					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	10,346,108	/	9,598,392	/
<b>Risk weighted assets</b>					
	Total of items included in risk weighted assets subject to transitional arrangements	-	/	72,106	/
	of which: prepaid pension cost	-	/	10,436	/
	of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	-	/	42,995	/
	of which: significant investments in Tier 2 capital of Other Financial Institutions (net of eligible short positions)	-	/	9,914	/
60	Risk weighted assets (L)	49,001,855	/	51,575,789	/
<b>Capital ratio</b>					
61	Common Equity Tier 1 risk-weighted capital ratio ((C)/(L))	15.07%	/	13.15%	/
62	Tier 1 risk-weighted capital ratio ((G)/(L))	18.11%	/	15.05%	/
63	Total risk-weighted capital ratio ((K)/(L))	21.11%	/	18.61%	/
<b>Regulatory adjustments</b>					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	324,525	/	386,929	/
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	572,602	/	524,160	/
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)	-	/	-	/
<b>Provisions included in Tier 2 capital: instruments and provisions</b>					
76	Provisions (general reserve for possible loan losses)	-	/	-	/
77	Cap on inclusion of provisions (general reserve for possible loan losses)	2,694	/	2,412	/
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	262,631	/	277,287	/
<b>Capital instruments subject to transitional arrangements</b>					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	494,943	/	618,678	/
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	806,896	/	1,008,620	/
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%)	3,920,148	4,126,063

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

Sumitomo Mitsui Banking Corporation

(Millions of yen)

Items	Balance sheet as in published financial statements		Cross-reference to Appended Table	Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template)
	As of March 31, 2018	As of March 31, 2017		
(Assets)				
Cash and due from banks	49,030,209	41,652,508		
Call loans	1,417,562	1,465,117		
Receivables under resale agreements	499,738	523,913		
Receivables under securities borrowing transactions	3,140,151	3,184,379		
Monetary claims bought	1,239,394	1,125,434		
Trading assets	1,723,878	1,879,342	6-a	
Securities	25,916,718	24,342,369		
Loans and bills discounted	73,896,163	75,585,256	6-c	
Foreign exchanges	2,143,021	1,663,102		
Other assets	3,020,300	2,383,307		
Tangible fixed assets	798,476	815,808		
Intangible fixed assets	231,429	230,984	2	
Prepaid pension cost	279,360	275,175	3	
Customers' liabilities for acceptances and guarantees	7,921,169	7,565,562		
Reserve for possible loan losses	(319,868)	(389,726)		
Reserve for possible losses on investments	(14,559)	(20,808)		
<b>Total assets</b>	<b>170,923,146</b>	<b>162,281,729</b>		
(Liabilities)				
Deposits	110,243,226	105,590,771		
Negotiable certificates of deposit	11,264,807	12,263,091		
Call money	928,117	1,009,469		
Payables under repurchase agreements	4,383,418	1,359,017		
Payables under securities lending transactions	3,073,423	3,076,425		
Commercial paper	1,522,354	1,390,123		
Trading liabilities	1,422,824	1,472,340	6-d	
Borrowed money	14,023,257	12,026,497		
Foreign exchanges	915,154	737,961		
Bonds	3,211,548	3,944,061		
Due to trust account	1,276,907	1,160,014		
Other liabilities	2,391,909	2,879,318		
Reserve for employee bonuses	14,163	14,134		
Reserve for executive bonuses	978	612		
Reserve for point service program	966	1,058		
Reserve for reimbursement of deposits	17,307	13,602		
Deferred tax liabilities	359,803	329,253	4-a	
Deferred tax liabilities for land revaluation	30,539	31,230	4-b	
Acceptances and guarantees	7,921,169	7,565,562		
<b>Total liabilities</b>	<b>163,001,878</b>	<b>154,864,546</b>		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	1,776,830	1,776,830	1-b	
Retained earnings	3,044,175	2,689,638		
Treasury stock	(210,003)	(210,003)	1-d	
<b>Total stockholders' equity</b>	<b>6,381,999</b>	<b>6,027,462</b>		
Net unrealized gains on other securities	1,519,691	1,399,125		
Net deferred gains or losses on hedges	(6,286)	(36,110)		
Land revaluation excess	25,863	26,704		
<b>Total valuation and translation adjustments</b>	<b>1,539,268</b>	<b>1,389,719</b>		
<b>Total net assets</b>	<b>7,921,268</b>	<b>7,417,182</b>		
<b>Total liabilities and net assets</b>	<b>170,923,146</b>	<b>162,281,729</b>		

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	25,905,947	24,328,791	6-b	3
Borrowed money	13,552,461	11,412,841	7	
Retained earnings	3,044,170	2,690,582	1-c	
Net deferred gains or losses on hedges	(6,383)	(36,710)	5	
Total valuation and translation adjustments	1,539,402	1,388,315		

(Appended Table)

## 1. Stockholders' equity

## (1) Balance sheet

(Millions of yen)

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	1,776,830	1,776,830	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	3,044,170	2,690,582		1-c
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	6,381,995	6,028,406		

## (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	6,381,995	6,028,406	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	3,337,824		1a
of which: retained earnings	3,044,170	2,690,582		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) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2018	As of March 31, 2017	Remarks	Ref. No.
Intangible fixed assets	231,429	230,984		2
Income taxes related to above	70,771	70,635		

## (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)	—	—		8
Other intangible assets other than goodwill and mortgage servicing rights	160,658	160,349	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, 2018	As of March 31, 2017	Remarks	Ref. No.
Prepaid pension cost	279,360	275,175		3
Income taxes related to above	85,428	84,148		

## (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.
Prepaid pension cost	193,931	191,027		15

## 4. Deferred tax assets

## (1) Balance sheet (Millions of yen)

Balance sheet items	As of March 31, 2018	As of March 31, 2017	Remarks	Ref. No.
Deferred tax liabilities	359,803	329,253		4-a
Deferred tax liabilities for land revaluation	30,539	31,230		4-b
Tax effects on other intangible assets	70,771	70,635		
Tax effects on prepaid pension cost	85,428	84,148		

## (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)	—	—	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, 2018	As of March 31, 2017	Remarks	Ref. No.
Net deferred gains or losses on hedges	(6,383)	(36,710)		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	(5,293)	(35,228)	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, 2018	As of March 31, 2017	Remarks	Ref. No.
Trading assets	1,723,878	1,879,342	Including trading account securities and derivatives for trading assets	6-a
Securities	25,905,947	24,328,791		6-b
Loans and bills discounted	73,896,163	75,585,256	Including subordinated loans	6-c
Trading liabilities	1,422,824	1,472,340	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	—	—		
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)	324,525	386,929		
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)	324,525	386,929		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	798,863	750,421		
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	150,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	572,602	524,160		73

## 7. Other capital instruments

## (1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2018	As of March 31, 2017	Remarks	Ref. No.
Borrowed money	13,552,461	11,412,841		7

## (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.