

Capital Structure Information

Sumitomo Mitsui Banking Corporation and Subsidiaries

(Millions of yen, except percentages)

Basel III Template No.	Items	As of March 31, 2016	Amounts excluded under transitional arrangements	As of March 31, 2015	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	6,955,707		6,697,893	
1a	of which: capital and capital surplus	4,263,087		4,278,414	
2	of which: retained earnings	2,909,898		2,751,080	
1c	of which: treasury stock (-)	—		—	
26	of which: cash dividends to be paid (-)	217,277		331,601	
	of which: other than the above	—		—	
1b	Stock acquisition rights to common shares	—		—	
3	Accumulated other comprehensive income and other disclosed reserves	810,245	540,163	770,967	1,156,451
5	Adjusted non-controlling interests, etc. (amount allowed to be included in group Common Equity Tier 1)	175,353		163,992	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	5,276		7,344	
	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)	5,276		7,344	
6	Common Equity Tier 1 capital: instruments and reserves (A)	7,946,582		7,640,198	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	266,335	177,557	175,288	262,932
8	of which: goodwill (including those equivalent)	110,209	73,473	92,138	138,208
9	of which: other intangible assets other than goodwill and mortgage servicing rights	156,126	104,084	83,149	124,724
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	927	618	1,048	1,572
11	Net deferred gains or losses on hedges	38,273	25,515	(10,225)	(15,338)
12	Shortfall of eligible provisions to expected losses	15,573	10,382	887	1,330
13	Gain on sale on securitization transactions	30,051	20,034	18,683	28,025

14	Gains and losses due to changes in own credit risk on fair valued liabilities	5,089	3,392	2,597	3,896
15	Net defined benefit asset	83,065	55,376	99,911	149,866
16	Investments in own shares (excluding those reported in the Net assets section)	29	19	55	83
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)	439,345		288,245	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,507,237		7,351,952	

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	300,000		—	
		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)	17,660		25,321		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	698,497		860,796		
33	of which: instruments issued by banks and their special purpose vehicles	698,497		860,796		
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	23,477		68,648		
	of which: foreign currency translation adjustments	23,477		68,648		
36	Additional Tier 1 capital: instruments (D)	1,039,636		954,766		
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)	48,032	32,021	63,453	95,180	

	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	102,270		131,540	
	of which: goodwill and others	77,045		102,850	
	of which: gain on sale on securitization transactions	20,034		28,025	
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	5,191		665	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—		—	
43	Additional Tier 1 capital: regulatory adjustments (E)	150,303		194,994	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital ((D)-(E)) (F)	889,332		759,772	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	8,396,570		8,111,724	
Tier 2 capital: instruments and provisions					
	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	—		—	
46	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	655,064		374,988	
	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)	3,069		2,359	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	1,220,717		1,424,169	
47	of which: instruments issued by banks and their special purpose vehicles	1,220,717		1,424,169	
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	7,666		9,848	
50a	of which: general reserve for possible loan losses	7,666		9,848	
50b	of which: eligible provisions	—		—	

	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	319,291		671,467	
	of which: unrealized gains on other securities after 55% discount	306,445		651,680	
	of which: land revaluation excess after 55% discount	12,845		19,787	
51	Tier 2 capital: instruments and provisions (H)	2,205,808		2,482,833	
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)	75,000	50,000	50,000	75,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	51,809		95,379	
	of which: Tier 2 and deductions under Basel II	51,809		95,379	
57	Tier 2 capital: regulatory adjustments (I)	126,809		145,379	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,078,998		2,337,454	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	10,475,569		10,449,179	
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	58,545		132,839	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	24,719		25,478	
	of which: net defined benefit asset	15,658		32,903	
	of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	83		52,936	
	of which: significant investments in the Tier 2 capital of Other Financial Institutions(net of eligible short positions)	16,156		17,835	
60	Risk weighted assets (L)	57,558,088		58,277,062	

Capital ratio (consolidated)					
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	13.04%		12.61%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	14.58%		13.91%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	18.19%		17.93%	
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	445,253		691,075	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	729,943		748,706	
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)	3,700		6,443	
Provisions included in Tier 2 capital: instruments and provisions					
76	Provisions (general reserve for possible loan losses)	7,666		9,848	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	24,487		22,831	
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	293,681		299,355	
Capital instruments subject to transitional arrangements					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	742,714		866,500	
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	1,220,717		1,424,169	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	31,434		44,040	