

Capital Structure Information

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2015	Amounts excluded under transitional arrangements	As of September 30, 2014	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	7,195,650		6,744,114	
1a	of which: capital and capital surplus	3,095,217		3,094,983	
2	of which: retained earning	4,378,320		3,906,346	
1c	of which: treasury stock (-)	175,344		175,179	
26	of which: cash dividends to be paid (-)	102,542		82,035	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	2,338		1,864	
3	Accumulated other comprehensive income and other disclosed reserves	662,202	993,303	222,429	889,717
5	Adjusted non-controlling interests, etc. (amount allowed to be included in group Common Equity Tier 1)	158,356		149,583	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	69,560		85,658	
	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)	69,560		85,658	
6	Common Equity Tier 1 capital: instruments and reserves (A)	8,088,108		7,203,650	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	282,603	423,905	151,107	604,429
8	of which: goodwill (including those equivalent)	149,216	223,825	91,437	365,751
9	of which: other intangible assets other than goodwill and mortgage servicing rights	133,386	200,080	59,669	238,677
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,699	2,549	1,333	5,333
11	Net deferred losses on hedges	(5,992)	(8,988)	(8,458)	(33,835)
12	Shortfall of eligible provisions to expected losses	18,259	27,389	12,371	49,487
13	Gain on sale on securitization transactions	18,998	28,498	8,494	33,977

14	Gains and losses due to changes in own credit risk on fair valued liabilities	1,951	2,927	909	3,636
15	Net defined benefit asset	102,403	153,604	24,801	99,206
16	Investments in own shares (excluding those reported in the Net assets section)	3,923	5,885	1,592	6,368
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)	1,693	2,540	22,096	88,385
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)	425,541		214,247	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,662,567		6,989,403	

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)	178,781		151,685		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	1,125,046		1,227,318		
33	of which: instrument issued by bank holding companies and their special purpose vehicles	1,125,046		1,227,318		
35	of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	-		-		
	Total of items included in Additional Tier 1 capital: items subject to transitional arrangements	87,755		18,827		
	of which: foreign currency translation adjustments	87,755		18,827		
36	Additional Tier 1 capital: instruments (D)	1,691,584		1,397,831		
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)	16	24	167	671	
40	Significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	63,455	95,182	31,727	126,910	

	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	278,753		398,022	
	of which: goodwill and others	236,560		339,302	
	of which: gain on sale on securitization transactions	28,498		33,977	
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	13,694		24,743	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	
43	Additional Tier 1 capital: regulatory adjustments (E)	342,224		429,918	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital ((D)-(E)) (F)	1,349,359		967,913	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	9,011,926		7,957,316	
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	657,002		318,907	
	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)	40,322		35,189	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	1,423,997		1,544,170	
47	of which: instruments issued by bank holding companies and their special purpose vehicles	-		-	
49	of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	1,423,997		1,544,170	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	76,796		57,474	
50a	of which: general reserve for possible loan losses	76,796		57,474	
50b	of which: eligible provisions	-		-	

	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	557,841		628,429	
	of which: unrealized gains on other securities after 55% discount	538,478		601,904	
	of which: land revaluation excess after 55% discount	19,362		26,524	
51	Tier 2 capital: instruments and provisions (H)	2,755,960		2,584,170	
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)	325	487	5,333	21,335
55	Significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions)	50,000	75,000	25,000	100,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	85,158		168,196	
	of which: Tier 2 and deductions under Basel II	85,158		168,196	
57	Tier 2 capital: regulatory adjustments (I)	135,483		198,530	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,620,476		2,385,640	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	11,632,402		10,342,956	
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	146,336		281,403	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	34,323		16,310	
	of which: net defined benefit asset	34,112		9,389	
	of which: Non-significant Investments in the capital of Other Financial Institutions, net of eligible short positions (amount above the 10% threshold)	4,524		142,085	
	of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	52,936		70,582	
60	Risk weighted assets (L)	65,364,586		64,713,463	

Capital ratio (consolidated)					
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	11.72%		10.80%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	13.78%		12.29%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	17.79%		15.98%	
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	795,223		704,695	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	476,505		267,812	
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)	4,966		73,037	
Provisions included in Tier 2 capital: instruments and provisions					
76	Provisions (general reserve for possible loan losses)	76,796		57,474	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	85,185		83,141	
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	308,504		302,430	
Capital instruments subject to transitional arrangements					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	1,138,100		1,300,686	
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	1,423,997		1,627,426	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	1,137		-	