

Capital Structure Information

Sumitomo Mitsui Banking Corporation and Subsidiaries

(Millions of yen, except percentages)

Basel III Template No.	Items	As of June 30, 2016	Amounts excluded under transitional arrangements	As of March 31, 2016	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	7,108,479		6,955,707	
1a	of which: capital and capital surplus	4,256,830		4,263,087	
2	of which: retained earnings	2,851,648		2,909,898	
1c	of which: treasury stock (-)	-		-	
26	of which: cash dividends to be paid (-)	-		217,277	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	-		-	
3	Accumulated other comprehensive income and other disclosed reserves	691,010	460,673	810,245	540,163
5	Adjusted non-controlling interests, etc. (amount allowed to be included in group Common Equity Tier 1)	173,557		175,353	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	5,279		5,276	
	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)	5,279		5,276	
6	Common Equity Tier 1 capital: instruments and reserves (A)	7,978,326		7,946,582	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	263,437	175,625	266,335	177,557
8	of which: goodwill (including those equivalent)	104,401	69,600	110,209	73,473
9	of which: other intangible assets other than goodwill and mortgage servicing rights	159,036	106,024	156,126	104,084
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	930	620	927	618
11	Net deferred gains or losses on hedges	58,318	38,879	38,273	25,515
12	Shortfall of eligible provisions to expected losses	20,342	13,561	15,573	10,382
13	Gain on sale on securitization transactions	32,497	21,665	30,051	20,034

14	Gains and losses due to changes in own credit risk on fair valued liabilities	4,589	3,059	5,089	3,392
15	Net defined benefit asset	88,236	58,824	83,065	55,376
16	Investments in own shares (excluding those reported in the Net assets section)	28	19	29	19
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)	468,381		439,345	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,509,944		7,507,237	

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		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)	16,467		17,660		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	671,611		698,497		
33	of which: instruments issued by banks and their special purpose vehicles	671,611		698,497		
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	(11,078)		23,477		
	of which: foreign currency translation adjustments	(11,078)		23,477		
36	Additional Tier 1 capital: instruments (D)	977,001		1,039,636		
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)	48,025	32,016	48,032	32,021	

	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	106,636		102,270	
	of which: goodwill and others	78,190		77,045	
	of which: gain on sale on securitization transactions	21,665		20,034	
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	6,780		5,191	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	
43	Additional Tier 1 capital: regulatory adjustments (E)	154,661		150,303	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital ((D)-(E)) (F)	822,339		889,332	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	8,332,284		8,396,570	
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	783,916		655,064	
	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)	3,288		3,069	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	1,199,067		1,220,717	
47	of which: instruments issued by banks and their special purpose vehicles	1,199,067		1,220,717	
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	6,826		7,666	
50a	of which: general reserve for possible loan losses	6,826		7,666	
50b	of which: eligible provisions	-		-	

	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	281,900		319,291	
	of which: unrealized gains on other securities after 55% discount	269,057		306,445	
	of which: land revaluation excess after 55% discount	12,842		12,845	
51	Tier 2 capital: instruments and provisions (H)	2,274,999		2,205,808	
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	75,000	50,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	48,938		51,809	
	of which: Tier 2 and deductions under Basel II	48,938		51,809	
57	Tier 2 capital: regulatory adjustments (I)	123,938		126,809	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,151,060		2,078,998	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	10,483,345		10,475,569	
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	62,544		58,545	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	25,162		24,719	
	of which: net defined benefit asset	16,552		15,658	
	of which: significant investments in the Tier 2 capital of Other Financial Institutions(net of eligible short positions)	16,156		16,156	
60	Risk weighted assets (L)	56,441,668		57,558,088	

Capital ratio (consolidated)					
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	13.30%		13.04%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	14.76%		14.58%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	18.57%		18.19%	
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	448,048		445,253	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	725,237		729,943	
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)	3,490		3,700	
Provisions included in Tier 2 capital: instruments and provisions					
76	Provisions (general reserve for possible loan losses)	6,826		7,666	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	24,090		24,487	
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	282,249		293,681	
Capital instruments subject to transitional arrangements					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	742,714		742,714	
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		1,220,717	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-		31,434	