

Capital Structure Information

Sumitomo Mitsui Banking Corporation and Subsidiaries

(Millions of yen, except percentages)

Basel III Template No.	Items	As of December 31, 2016	Amounts excluded under transitional arrangements	As of September 30, 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	6,526,683		7,037,689	
1a	of which: capital and capital surplus	3,592,808		4,256,812	
2	of which: retained earnings	2,933,874		2,972,017	
1c	of which: treasury stock (-)	-		-	
26	of which: cash dividends to be paid (-)	-		191,140	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	-		-	
3	Accumulated other comprehensive income and other disclosed reserves	803,578	535,718	672,986	448,657
5	Adjusted non-controlling interests, etc. (amount allowed to be included in group Common Equity Tier 1)	182,960		175,784	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	22,395		5,542	
	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)	22,395		5,542	
6	Common Equity Tier 1 capital: instruments and reserves (A)	7,535,617		7,892,002	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	157,927	105,284	266,370	177,580
8	of which: goodwill (including those equivalent)	32,996	21,997	106,584	71,056
9	of which: other intangible assets other than goodwill and mortgage servicing rights	124,931	83,287	159,785	106,523
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	833	555	853	568
11	Net deferred gains or losses on hedges	(3,027)	(2,018)	53,278	35,518
12	Shortfall of eligible provisions to expected losses	4,270	2,846	2,549	1,699
13	Gain on sale on securitization transactions	35,193	23,462	34,677	23,118

14	Gains and losses due to changes in own credit risk on fair valued liabilities	2,308	1,538	3,349	2,233
15	Net defined benefit asset	98,829	65,886	93,594	62,396
16	Investments in own shares (excluding those reported in the Net assets section)	21	14	26	17
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	13,475	8,983	-	-
19	of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	13,475	8,983	-	-
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)	309,832		454,698	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,225,784		7,437,303	

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)	24,309		18,821		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	700,151		665,369		
33	of which: instruments issued by banks and their special purpose vehicles	700,151		665,369		
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	(24,254)		(46,176)		
	of which: foreign currency translation adjustments	(24,254)		(46,176)		
36	Additional Tier 1 capital: instruments (D)	1,000,206		938,014		
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)	48,033	32,022	48,039	32,026	

	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	49,137		100,513	
	of which: goodwill and others	24,251		76,545	
	of which: gain on sale on securitization transactions	23,462		23,118	
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	1,423		849	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	
43	Additional Tier 1 capital: regulatory adjustments (E)	97,170		148,552	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital ((D)-(E)) (F)	903,035		789,461	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	8,128,820		8,226,765	
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	911,249		883,599	
	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)	5,101		3,223	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	1,016,104		1,166,979	
47	of which: instruments issued by banks and their special purpose vehicles	1,016,104		1,166,979	
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	6,467		6,427	
50a	of which: general reserve for possible loan losses	6,467		6,427	
50b	of which: eligible provisions	-		-	

	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	356,602		296,256	
	of which: unrealized gains on other securities after 55% discount	343,776		283,418	
	of which: land revaluation excess after 55% discount	12,825		12,838	
51	Tier 2 capital: instruments and provisions (H)	2,295,525		2,356,486	
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)	30,000	20,000	30,000	20,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	48,154		45,625	
	of which: Tier 2 and deductions under Basel II	48,154		45,625	
57	Tier 2 capital: regulatory adjustments (I)	78,154		75,625	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,217,371		2,280,860	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	10,346,191		10,507,625	
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	80,503		61,987	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	19,891		25,480	
	of which: net defined benefit asset	18,558		17,528	
	of which: significant investments in Common Equity Tier 1 capital of Other Financial Institutions (net of eligible short positions)	23,805		-	
	of which: significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions)	16,150		16,898	
60	Risk weighted assets (L)	58,297,176		56,246,841	

Capital ratio (consolidated)					
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	12.39%		13.22%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	13.94%		14.62%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	17.74%		18.68%	
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	508,729		475,558	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	755,501		741,387	
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)	5,171		6,387	
Provisions included in Tier 2 capital: instruments and provisions					
76	Provisions (general reserve for possible loan losses)	6,467		6,427	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	18,655		23,442	
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	301,305		280,304	
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)	-		-	