

Capital Structure Information

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2016	Amounts excluded under transitional arrangements	As of September 30, 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	7,608,387		7,195,650	
1a	of which: capital and capital surplus	3,095,197		3,095,217	
2	of which: retained earning	4,791,135		4,378,320	
1c	of which: treasury stock (-)	175,404		175,344	
26	of which: cash dividends to be paid (-)	102,541		102,542	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	2,931		2,338	
3	Accumulated other comprehensive income and other disclosed reserves	727,310	484,873	662,202	993,303
5	Adjusted non-controlling interests, etc. (amount allowed to be included in group Common Equity Tier 1)	164,809		158,356	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	48,142		69,560	
	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)	48,142		69,560	
6	Common Equity Tier 1 capital: instruments and reserves (A)	8,551,581		8,088,108	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	507,902	338,601	282,603	423,905
8	of which: goodwill (including those equivalent)	240,452	160,301	149,216	223,825
9	of which: other intangible assets other than goodwill and mortgage servicing rights	267,450	178,300	133,386	200,080
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,935	1,290	1,699	2,549
11	Net deferred gains or losses on hedges	49,482	32,988	(5,992)	(8,988)
12	Shortfall of eligible provisions to expected losses	20,047	13,365	18,259	27,389
13	Gain on sale on securitization transactions	34,677	23,118	18,998	28,498

14	Gains and losses due to changes in own credit risk on fair valued liabilities	3,349	2,233	1,951	2,927
15	Net defined benefit asset	95,667	63,778	102,403	153,604
16	Investments in own shares (excluding those reported in the Net assets section)	5,833	3,888	3,923	5,885
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
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)	718,894		425,541	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,832,687		7,662,567	

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)	198,679		178,781		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	928,869		1,125,046		
33	of which: instruments issued by bank holding companies and their special purpose vehicles	928,869		1,125,046		
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	(42,805)		87,755		
	of which: foreign currency translation adjustments	(42,805)		87,755		
36	Additional Tier 1 capital: instruments (D)	1,384,743		1,691,584		
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	
40	Significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	48,039	32,026	63,455	95,182	

	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	235,052		278,753	
	of which: goodwill and others	205,251		236,560	
	of which: gain on sale on securitization transactions	23,118		28,498	
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	6,682		13,694	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	
43	Additional Tier 1 capital: regulatory adjustments (E)	283,091		342,224	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital ((D)-(E)) (F)	1,101,651		1,349,359	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	8,934,338		9,011,926	
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	883,592		657,002	
	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)	45,514		40,322	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	1,165,472		1,423,997	
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)	1,165,472		1,423,997	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	84,517		76,796	
50a	of which: general reserve for possible loan losses	84,517		76,796	
50b	of which: eligible provisions	-		-	

	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	322,371		557,841	
	of which: unrealized gains on other securities after 55% discount	309,515		538,478	
	of which: land revaluation excess after 55% discount	12,856		19,362	
51	Tier 2 capital: instruments and provisions (H)	2,501,469		2,755,960	
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
55	Significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions)	30,000	20,000	50,000	75,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	51,945		85,158	
	of which: Tier 2 and deductions under Basel II	51,945		85,158	
57	Tier 2 capital: regulatory adjustments (I)	81,945		135,483	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,419,523		2,620,476	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	11,353,861		11,632,402	
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	73,085		146,336	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	32,528		34,323	
	of which: net defined benefit asset	17,995		34,112	
	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 Tier 2 capital of Other Financial Institutions (net of eligible short positions)	16,898		12,050	
60	Risk weighted assets (L)	65,049,919		65,364,586	

Capital ratio (consolidated)					
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	12.04%		11.72%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	13.73%		13.78%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	17.45%		17.79%	
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	649,301		795,223	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	512,355		476,505	
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)	15,403		4,966	
Provisions included in Tier 2 capital: instruments and provisions					
76	Provisions (general reserve for possible loan losses)	84,517		76,796	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	93,222		85,185	
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	295,048		308,504	
Capital instruments subject to transitional arrangements					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	975,514		1,138,100	
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	1,220,569		1,423,997	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-		1,137	