

## Capital Structure Information

Sumitomo Mitsui Financial Group, Inc. 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
<b>Common Equity Tier 1 capital: instruments and reserves</b>					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	7,793,640		7,608,387	
1a	of which: capital and capital surplus	3,095,241		3,095,197	
2	of which: retained earning	4,873,833		4,791,135	
1c	of which: treasury stock (-)	175,434		175,404	
26	of which: cash dividends to be paid (-)	-		102,541	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	3,073		2,931	
3	Accumulated other comprehensive income and other disclosed reserves	865,945	577,296	727,310	484,873
5	Adjusted non-controlling interests, etc. (amount allowed to be included in group Common Equity Tier 1)	171,361		164,809	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	47,874		48,142	
	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)	47,874		48,142	
6	Common Equity Tier 1 capital: instruments and reserves (A)	8,881,894		8,551,581	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	501,890	334,593	507,902	338,601
8	of which: goodwill (including those equivalent)	236,507	157,671	240,452	160,301
9	of which: other intangible assets other than goodwill and mortgage servicing rights	265,383	176,922	267,450	178,300
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,834	1,223	1,935	1,290
11	Net deferred gains or losses on hedges	(5,121)	(3,414)	49,482	32,988
12	Shortfall of eligible provisions to expected losses	27,214	18,143	20,047	13,365
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	100,789	67,192	95,667	63,778
16	Investments in own shares (excluding those reported in the Net assets section)	7,249	4,832	5,833	3,888
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)	671,359		718,894	
<b>Common Equity Tier 1 capital (CET1)</b>					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	8,210,535		7,832,687	

<b>Additional Tier 1 capital: instruments</b>						
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)	216,354		198,679		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	963,651		928,869		
33	of which: instruments issued by bank holding companies and their special purpose vehicles	963,651		928,869		
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	(15,883)		(42,805)		
	of which: foreign currency translation adjustments	(15,883)		(42,805)		
36	Additional Tier 1 capital: instruments (D)	1,464,122		1,384,743		
<b>Additional Tier 1 capital: regulatory adjustments</b>						
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	233,458		235,052	
	of which: goodwill and others	200,924		205,251	
	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	9,071		6,682	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	
43	Additional Tier 1 capital: regulatory adjustments (E)	281,491		283,091	
<b>Additional Tier 1 capital (AT1)</b>					
44	Additional Tier 1 capital ((D)-(E)) (F)	1,182,631		1,101,651	
<b>Tier 1 capital (T1 = CET1 + AT1)</b>					
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	9,393,166		8,934,338	
<b>Tier 2 capital: instruments and provisions</b>					
	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	911,218		883,592	
	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)	50,258		45,514	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	1,015,407		1,165,472	
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)	1,015,407		1,165,472	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	86,905		84,517	
50a	of which: general reserve for possible loan losses	86,905		84,517	
50b	of which: eligible provisions	-		-	

	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	382,225		322,371	
	of which: unrealized gains on other securities after 55% discount	369,381		309,515	
	of which: land revaluation excess after 55% discount	12,843		12,856	
51	Tier 2 capital: instruments and provisions (H)	2,446,014		2,501,469	
<b>Tier 2 capital: regulatory adjustments</b>					
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	54,279		51,945	
	of which: Tier 2 and deductions under Basel II	54,279		51,945	
57	Tier 2 capital: regulatory adjustments (I)	84,279		81,945	
<b>Tier 2 capital (T2)</b>					
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,361,735		2,419,523	
<b>Total capital (TC = T1 + T2)</b>					
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	11,754,901		11,353,861	
<b>Risk weighted assets</b>					
	Total of items included in risk weighted assets subject to transitional arrangements	73,370		73,085	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	32,735		32,528	
	of which: net defined benefit asset	18,999		17,995	
	of which: significant investments in Tier 2 capital of Other Financial Institutions (net of eligible short positions)	16,150		16,898	
60	Risk weighted assets (L)	69,422,806		65,049,919	

<b>Capital ratio (consolidated)</b>					
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	11.82%		12.04%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	13.53%		13.73%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	16.93%		17.45%	
<b>Regulatory adjustments</b>					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	708,022		649,301	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	520,178		512,355	
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)	4,288		15,403	
<b>Provisions included in Tier 2 capital: instruments and provisions</b>					
76	Provisions (general reserve for possible loan losses)	86,905		84,517	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	99,285		93,222	
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	317,639		295,048	
<b>Capital instruments subject to transitional arrangements</b>					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	975,514		975,514	
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		1,220,569	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-		-	