

Capital Structure Information

Sumitomo Mitsui Banking Corporation and Subsidiaries

(Millions of yen, except percentages)

Basel III Template No.	Items	As of December 31, 2017	Amounts excluded under transitional arrangements	As of September 30, 2017	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	6,873,499		6,688,945	
1a	of which: capital and capital surplus	3,531,372		3,531,372	
2	of which: retained earnings	3,342,127		3,349,670	
1c	of which: treasury stock (-)	-		-	
26	of which: cash dividends to be paid (-)	-		192,097	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	-		-	
3	Accumulated other comprehensive income and other disclosed reserves	1,435,309	358,827	1,234,428	308,607
5	Adjusted non-controlling interests, etc. (amount allowed to be included in group Common Equity Tier 1)	190,577		186,741	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	12,353		12,220	
	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)	12,353		12,220	
6	Common Equity Tier 1 capital: instruments and reserves (A)	8,511,740		8,122,336	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	213,742	53,435	214,336	53,584
8	of which: goodwill (including those equivalent)	39,336	9,834	40,532	10,133
9	of which: other intangible assets other than goodwill and mortgage servicing rights	174,405	43,601	173,804	43,451
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,032	258	969	242
11	Net deferred gains or losses on hedges	(40,003)	(10,000)	(33,253)	(8,313)
12	Shortfall of eligible provisions to expected losses	-	-	-	-
13	Gain on sale on securitization transactions	49,702	12,425	49,323	12,330

14	Gains and losses due to changes in own credit risk on fair valued liabilities	2,196	549	1,861	465
15	Net defined benefit asset	183,696	45,924	181,082	45,270
16	Investments in own shares (excluding those reported in the Net assets section)	31	7	22	5
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)	410,399		414,343	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	8,101,341		7,707,993	

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	600,000		450,000	
		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)	31,499		28,412		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	611,547		611,046		
33	of which: instruments issued by banks and their special purpose vehicles	611,547		611,046		
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	4,888		2,124		
	of which: foreign currency translation adjustments	4,888		2,124		
36	Additional Tier 1 capital: instruments (D)	1,247,935		1,091,582		
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)	65,312	16,328	65,312	16,328	

	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	23,673		23,798	
	of which: goodwill and others	11,247		11,467	
	of which: gain on sale on securitization transactions	12,425		12,330	
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	-		-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	
43	Additional Tier 1 capital: regulatory adjustments (E)	88,985		89,110	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital ((D)-(E)) (F)	1,158,950		1,002,472	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	9,260,292		8,710,465	
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	906,750		906,295	
	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)	5,575		5,657	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	777,890		812,203	
47	of which: instruments issued by banks and their special purpose vehicles	777,890		812,203	
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	25,145		28,864	
50a	of which: general reserve for possible loan losses	6,408		6,475	
50b	of which: eligible provisions	18,736		22,389	

	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	224,270		192,849	
	of which: unrealized gains on other securities after 55% discount	218,111		186,671	
	of which: land revaluation excess after 55% discount	6,159		6,177	
51	Tier 2 capital: instruments and provisions (H)	1,939,632		1,945,869	
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)	120,000	30,000	120,000	30,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	20,425		20,591	
	of which: Tier 2 and deductions under Basel II	20,425		20,591	
57	Tier 2 capital: regulatory adjustments (I)	140,425		140,591	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	1,799,206		1,805,278	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	11,059,498		10,515,743	
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	32,396		32,725	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	10,712		10,679	
	of which: net defined benefit asset	12,726		12,740	
	of which: significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions)	8,293		8,667	
60	Risk weighted assets (L)	58,911,346		57,348,399	

Capital ratio (consolidated)					
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	13.75%		13.44%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	15.71%		15.18%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	18.77%		18.33%	
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	358,286		346,497	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	557,858		541,833	
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)	3,413		2,991	
Provisions included in Tier 2 capital: instruments and provisions					
76	Provisions (general reserve for possible loan losses)	6,408		6,475	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	24,340		23,974	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	18,736		22,389	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	302,173		294,538	
Capital instruments subject to transitional arrangements					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	618,928		618,928	
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	1,017,264		1,017,264	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-		-	