

Capital Structure Information

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

(Millions of yen, except percentages)

Basel III Template No.	Items	As of June 30, 2017	Amounts excluded under transitional arrangements	As of March 31, 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	8,255,121		8,013,333	
1a	of which: capital and capital surplus	3,095,251		3,095,242	
2	of which: retained earning	5,172,476		5,036,756	
1c	of which: treasury stock (-)	12,605		12,913	
26	of which: cash dividends to be paid (-)	-		105,752	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	3,039		3,206	
3	Accumulated other comprehensive income and other disclosed reserves	1,307,617	326,904	1,289,962	322,490
5	Adjusted non-controlling interests, etc. (amount allowed to be included in group Common Equity Tier 1)	171,353		172,277	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	28,475		27,797	
	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)	28,475		27,797	
6	Common Equity Tier 1 capital: instruments and reserves (A)	9,765,607		9,506,577	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	622,195	155,548	629,840	157,460
8	of which: goodwill (including those equivalent)	268,722	67,180	274,818	68,704
9	of which: other intangible assets other than goodwill and mortgage servicing rights	353,473	88,368	355,022	88,755
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,970	492	3,350	837
11	Net deferred gains or losses on hedges	(37,156)	(9,289)	(32,470)	(8,117)
12	Shortfall of eligible provisions to expected losses	72,186	18,046	63,740	15,935
13	Gain on sale on securitization transactions	47,698	11,924	46,740	11,685

14	Gains and losses due to changes in own credit risk on fair valued liabilities	2,355	588	2,761	690
15	Net defined benefit asset	179,457	44,864	174,987	43,746
16	Investments in own shares (excluding those reported in the Net assets section)	4,308	1,077	9,135	2,283
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)	893,017		898,087	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	8,872,590		8,608,490	

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	450,000		449,897	
		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)	212,797		234,697		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	812,928		812,928		
33	of which: instruments issued by bank holding companies and their special purpose vehicles	812,928		812,928		
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	6,493		13,015		
	of which: foreign currency translation adjustments	6,493		13,015		
36	Additional Tier 1 capital: instruments (D)	1,482,219		1,510,539		
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)	64,025	16,006	64,035	16,008	

	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	108,063		108,814	
	of which: goodwill and others	87,115		89,162	
	of which: gain on sale on securitization transactions	11,924		11,685	
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	9,023		7,967	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	
43	Additional Tier 1 capital: regulatory adjustments (E)	172,088		172,850	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital ((D)-(E)) (F)	1,310,130		1,337,689	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	10,182,721		9,946,179	
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	904,195		898,911	
	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)	47,594		54,539	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	841,729		873,116	
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)	841,729		873,116	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	75,641		74,104	
50a	of which: general reserve for possible loan losses	75,641		74,104	
50b	of which: eligible provisions	-		-	

	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	204,674		197,384	
	of which: unrealized gains on other securities after 55% discount	198,421		191,125	
	of which: land revaluation excess after 55% discount	6,252		6,259	
51	Tier 2 capital: instruments and provisions (H)	2,073,835		2,098,057	
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)	40,000	10,000	40,000	10,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	31,316		30,569	
	of which: Tier 2 and deductions under Basel II	31,316		30,569	
57	Tier 2 capital: regulatory adjustments (I)	71,316		70,569	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,002,518		2,027,488	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	12,185,239		11,973,667	
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	39,034		38,835	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	16,883		16,711	
	of which: net defined benefit asset	12,337		12,010	
	of which: significant investments in Tier 2 capital of Other Financial Institutions (net of eligible short positions)	7,340		7,709	
60	Risk weighted assets (L)	70,721,039		70,683,540	

Capital ratio (consolidated)					
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	12.54%		12.17%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	14.39%		14.07%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	17.23%		16.93%	
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	710,443		729,452	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	551,940		542,985	
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)	4,424		24,339	
Provisions included in Tier 2 capital: instruments and provisions					
76	Provisions (general reserve for possible loan losses)	75,641		74,104	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	89,200		84,683	
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	329,244		331,220	
Capital instruments subject to transitional arrangements					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	812,928		812,928	
83	Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities)	59,162		58,050	
84	Current cap on Tier 2 instruments subject to transitional arrangements	1,017,141		1,017,141	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-		-	