

Capital Structure Information

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2017	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	8,322,973		7,608,387	
1a	of which: capital and capital surplus	3,096,937		3,095,197	
2	of which: retained earning	5,351,360		4,791,135	
1c	of which: treasury stock (-)	12,480		175,404	
26	of which: cash dividends to be paid (-)	112,844		102,541	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	2,900		2,931	
3	Accumulated other comprehensive income and other disclosed reserves	1,389,359	347,339	727,310	484,873
5	Adjusted non-controlling interests, etc. (amount allowed to be included in group Common Equity Tier 1)	174,786		164,809	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	30,754		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)	30,754		48,142	
6	Common Equity Tier 1 capital: instruments and reserves (A)	9,920,774		8,551,581	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	613,394	153,348	507,902	338,601
8	of which: goodwill (including those equivalent)	262,790	65,697	240,452	160,301
9	of which: other intangible assets other than goodwill and mortgage servicing rights	350,603	87,650	267,450	178,300
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,432	358	1,935	1,290
11	Net deferred gains or losses on hedges	(35,770)	(8,942)	49,482	32,988
12	Shortfall of eligible provisions to expected losses	38,579	9,644	20,047	13,365
13	Gain on sale on securitization transactions	49,323	12,330	34,677	23,118

14	Gains and losses due to changes in own credit risk on fair valued liabilities	1,861	465	3,349	2,233
15	Net defined benefit asset	183,563	45,890	95,667	63,778
16	Investments in own shares (excluding those reported in the Net assets section)	7,958	1,989	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)	860,341		718,894	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	9,060,432		7,832,687	

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		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)	219,963		198,679		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	812,928		928,869		
33	of which: instruments issued by bank holding companies and their special purpose vehicles	812,928		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	8,214		(42,805)		
	of which: foreign currency translation adjustments	8,214		(42,805)		
36	Additional Tier 1 capital: instruments (D)	1,491,107		1,384,743		
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	48,039	32,026	

	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	102,179		235,052	
	of which: goodwill and others	85,025		205,251	
	of which: gain on sale on securitization transactions	12,330		23,118	
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	4,822		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)	167,491		283,091	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital ((D)-(E)) (F)	1,323,616		1,101,651	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	10,384,048		8,934,338	
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	901,505		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)	49,182		45,514	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	810,786		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)	810,786		1,165,472	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	77,722		84,517	
50a	of which: general reserve for possible loan losses	77,722		84,517	
50b	of which: eligible provisions	-		-	

	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	216,478		322,371	
	of which: unrealized gains on other securities after 55% discount	210,292		309,515	
	of which: land revaluation excess after 55% discount	6,186		12,856	
51	Tier 2 capital: instruments and provisions (H)	2,055,676		2,501,469	
Tier 2 capital: regulatory adjustments					
52	Investments in own Tier 2 instruments	0	0	-	-
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	30,000	10,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	27,198		51,945	
	of which: Tier 2 and deductions under Basel II	27,198		51,945	
57	Tier 2 capital: regulatory adjustments (I)	67,198		81,945	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	1,988,478		2,419,523	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	12,372,527		11,353,861	
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	39,911		73,085	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	17,160		32,528	
	of which: net defined benefit asset	12,909		17,995	
	of which: significant investments in Tier 2 capital of Other Financial Institutions (net of eligible short positions)	6,966		16,898	
60	Risk weighted assets (L)	69,905,640		65,049,919	

Capital ratio (consolidated)					
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	12.96%		12.04%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	14.85%		13.73%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	17.69%		17.45%	
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	707,716		649,301	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	558,284		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)	3,909		15,403	
Provisions included in Tier 2 capital: instruments and provisions					
76	Provisions (general reserve for possible loan losses)	77,722		84,517	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	89,383		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	321,873		295,048	
Capital instruments subject to transitional arrangements					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	812,928		975,514	
83	Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities)	61,617		-	
84	Current cap on Tier 2 instruments subject to transitional arrangements	1,017,141		1,220,569	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-		-	