

Capital Structure Information

Sumitomo Mitsui Financial Group, Inc. 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	8,550,974		8,322,973	
1a	of which: capital and capital surplus	3,096,950		3,096,937	
2	of which: retained earnings	5,466,542		5,351,360	
1c	of which: treasury stock (-)	12,518		12,480	
26	of which: cash dividends to be paid (-)	-		112,844	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	2,894		2,900	
3	Accumulated other comprehensive income and other disclosed reserves	1,606,477	401,619	1,389,359	347,339
5	Adjusted non-controlling interests, etc. (amount allowed to be included in group Common Equity Tier 1)	178,120		174,786	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	31,111		30,754	
	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)	31,111		30,754	
6	Common Equity Tier 1 capital: instruments and reserves (A)	10,369,577		9,920,774	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	605,130	151,282	613,394	153,348
8	of which: goodwill (including those equivalent)	257,084	64,271	262,790	65,697
9	of which: other intangible assets other than goodwill and mortgage servicing rights	348,046	87,011	350,603	87,650
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,549	387	1,432	358
11	Net deferred gains or losses on hedges	(42,035)	(10,508)	(35,770)	(8,942)
12	Shortfall of eligible provisions to expected losses	41,601	10,400	38,579	9,644
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	186,160	46,540	183,563	45,890
16	Investments in own shares (excluding those reported in the Net assets section)	8,874	2,218	7,958	1,989
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)	853,181		860,341	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	9,516,396		9,060,432	

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	598,800		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)	228,593		219,963		
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	11,554		8,214		
	of which: foreign currency translation adjustments	11,554		8,214		
36	Additional Tier 1 capital: instruments (D)	1,651,877		1,491,107		
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	100,608		102,179	
	of which: goodwill and others	82,982		85,025	
	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	5,200		4,822	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	
43	Additional Tier 1 capital: regulatory adjustments (E)	165,920		167,491	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital ((D)-(E)) (F)	1,485,956		1,323,616	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	11,002,353		10,384,048	
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	901,418		901,505	
	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)	51,947		49,182	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	777,297		810,786	
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)	777,297		810,786	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	78,625		77,722	
50a	of which: general reserve for possible loan losses	78,625		77,722	
50b	of which: eligible provisions	-		-	

	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	250,299		216,478	
	of which: unrealized gains on other securities after 55% discount	244,131		210,292	
	of which: land revaluation excess after 55% discount	6,168		6,186	
51	Tier 2 capital: instruments and provisions (H)	2,059,589		2,055,676	
Tier 2 capital: regulatory adjustments					
52	Investments in own Tier 2 instruments	0	0	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	40,000	10,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	27,375		27,198	
	of which: Tier 2 and deductions under Basel II	27,375		27,198	
57	Tier 2 capital: regulatory adjustments (I)	67,375		67,198	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	1,992,214		1,988,478	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	12,994,568		12,372,527	
Risk weighted assets					
	Total of items included in risk weighted assets subject to transitional arrangements	39,579		39,911	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	17,340		17,160	
	of which: net defined benefit asset	12,894		12,909	
	of which: significant investments in Tier 2 capital of Other Financial Institutions (net of eligible short positions)	6,592		6,966	
60	Risk weighted assets (L)	71,336,827		69,905,640	

Capital ratio (consolidated)					
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	13.34%		12.96%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	15.42%		14.85%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	18.21%		17.69%	
Regulatory adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	749,872		707,716	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	572,467		558,284	
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)	3,686		3,909	
Provisions included in Tier 2 capital: instruments and provisions					
76	Provisions (general reserve for possible loan losses)	78,625		77,722	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	90,177		89,383	
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	330,392		321,873	
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)	62,118		61,617	
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)	-		-	