

Reconciliation of regulatory capital elements back to the balance sheet

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

(Millions of yen)

Items	Consolidated balance sheet as in published financial statements		Cross-reference to Appended Table	Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template)
	As of September 30, 2015	As of September 30, 2014		
(Assets)				
Cash and due from banks	43,387,549	36,435,315		
Call loans and bills bought	1,376,648	1,194,366		
Receivables under resale agreements	771,420	706,527		
Receivables under securities borrowing transactions	6,499,677	5,531,806		
Monetary claims bought	4,069,880	3,853,422		
Trading assets	7,680,304	7,863,023	7-a	
Money held in trust	6,125	7,889		
Securities	28,049,702	26,243,721	3-b, 7-b	
Loans and bills discounted	74,510,685	70,560,645	7-c	
Foreign exchanges	1,966,358	2,123,155		
Lease receivables and investment assets	1,936,679	1,815,050		
Other assets	5,583,659	5,420,025		
Tangible fixed assets	2,866,897	2,538,991		
Intangible fixed assets	821,466	817,522	3-a	
Net defined benefit asset	376,995	192,230	4	
Deferred tax assets	121,880	151,833	5-a	
Customers' liabilities for acceptances and guarantees	7,245,750	7,075,331		
Reserve for possible loan losses	(617,936)	(627,255)		
Total assets	186,653,748	171,903,603		
(Liabilities)				
Deposits	102,099,448	95,106,774		
Negotiable certificates of deposit	15,469,008	14,634,431		
Call money and bills sold	6,218,629	4,401,120		
Payables under repurchase agreements	1,081,106	1,374,565		
Payables under securities lending transactions	8,258,001	7,943,348		
Commercial paper	3,108,581	2,705,530		
Trading liabilities	5,551,679	5,327,233	7-d	
Borrowed money	9,983,873	8,594,460	9-a	
Foreign exchanges	863,970	602,386		
Short-term bonds	1,567,500	1,272,300		
Bonds	6,970,903	5,615,399	9-b	
Due to trust account	597,296	770,424		
Other liabilities	6,233,612	6,213,980		
Reserve for employee bonuses	54,667	46,010		
Net defined benefit liability	37,568	39,695		
Reserve for executive retirement benefits	1,975	1,883		
Reserve for point service program	19,615	19,971		
Reserve for reimbursement of deposits	15,176	11,655		
Reserve for losses on interest repayment	127,572	145,889		
Reserve under the special laws	1,353	916		
Deferred tax liabilities	476,225	294,843	5-b	
Deferred tax liabilities for land revaluation	33,998	38,256	5-c	
Acceptances and guarantees	7,245,750	7,075,331		
Total liabilities	176,017,514	162,236,412		
(Net assets)				
Capital stock	2,337,895	2,337,895	1-a	
Capital surplus	757,321	757,087	1-b	
Retained earnings	4,378,320	3,906,346	1-c	
Treasury stock	(175,344)	(175,179)	1-d	
Total stockholders' equity	7,298,192	6,826,149		
Net unrealized gains on other securities	1,431,893	1,163,113		
Net deferred losses on hedges	(16,619)	(43,870)	6	
Land revaluation excess	37,887	35,622		
Foreign currency translation adjustments	146,258	23,534		
Remeasurements of defined benefit plans	56,086	(66,252)		
Total accumulated other comprehensive income	1,655,506	1,112,147		
Stock acquisition rights	2,559	2,040	2, 8-a	
Non-controlling interests	1,679,975	1,726,853	8-b	
Total net assets	10,636,234	9,667,190		
Total liabilities and net assets	186,653,748	171,903,603		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appended Table)

1. Stockholders' equity

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks
Capital stock	2,337,895	2,337,895	
Capital surplus	757,321	757,087	
Retained earnings	4,378,320	3,906,346	
Treasury stock	(175,344)	(175,179)	
Total stockholders' equity	7,298,192	6,826,149	

Ref. No.
1-a
1-b
1-c
1-d

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	Remarks
Directly issued qualifying common share capital plus related capital surplus and retained earnings	7,298,192	6,826,149	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
of which: capital and capital surplus	3,095,217	3,094,983	
of which: retained earnings	4,378,320	3,906,346	
of which: treasury stock (-)	175,344	175,179	
of which: other than the above	—	—	
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	—	Stockholders' equity attributable to preferred shares with a loss absorbency clause upon entering into effectively bankruptcy

Basel III Template No.
1a
2
1c
31a

2. Stock acquisition rights

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks
Stock acquisition rights	2,559	2,040	
of which: Stock acquisition rights issued by bank holding company	2,338	1,864	

Ref. No.
2

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	Remarks
Stock acquisition rights to common shares	2,338	1,864	
Stock acquisition rights to Additional Tier 1 instruments	—	—	
Stock acquisition rights to Tier 2 instruments	—	—	

Basel III Template No.
1b
31b
46

3. Intangible assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks
Intangible fixed assets	821,466	817,522	
Securities	28,049,702	26,243,721	
of which: goodwill attributable to equity-method investees	43,449	102,523	
Income taxes related to above	158,407	164,509	

Ref. No.
3-a
3-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	Remarks
Goodwill (including those equivalent)	373,041	457,189	
Other intangible assets other than goodwill and mortgage servicing rights	333,467	298,347	Software and other
Mortgage servicing rights	—	—	
Amount exceeding the 10% threshold on specified items	—	—	
Amount exceeding the 15% threshold on specified items	—	—	
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—	—	

Basel III Template No.
8
9
20
24
74

4. Net defined benefit asset

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks
Net defined benefit asset	376,995	192,230	
Income taxes related to above	120,988	68,223	

Ref. No.
4

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	Remarks
Net defined benefit asset	256,007	124,007	

Basel III Template No.
15

5. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks
Deferred tax assets	121,880	151,833	
Deferred tax liabilities	476,225	294,843	
Deferred tax liabilities for land revaluation	33,998	38,256	
Tax effects on other intangible assets	158,407	164,509	
Tax effects on net defined benefit asset	120,988	68,223	

Ref. No.

5-a

5-b

5-c

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	Remarks
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	4,248	6,666	This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities.
Deferred tax assets arising from temporary differences (net of related tax liability)	4,966	73,037	This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities.
Amount exceeding the 10% threshold on specified items	—	—	
Amount exceeding the 15% threshold on specified items	—	—	
Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	4,966	73,037	

Basel III Template No.

10

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75

6. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks
Net deferred losses on hedges	(16,619)	(43,870)	

Ref. No.

6

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	Remarks
Net deferred losses on hedges	(14,980)	(42,294)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"

Basel III Template No.

11

7. Items associated with investments in the capital of financial institutions

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks
Trading assets	7,680,304	7,863,023	Including trading account securities and derivatives for trading assets
Securities	28,049,702	26,243,721	
Loans and bills discounted	74,510,685	70,560,645	Including subordinated loans
Trading liabilities	5,551,679	5,327,233	Including trading account securities sold and derivatives for trading liabilities

Ref. No.

7-a

7-b

7-c

7-d

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	Remarks	Basel III Template No.
Investments in own capital instruments	9,809	7,960		
Common Equity Tier 1 capital	9,809	7,960		16
Additional Tier 1 capital	—	—		37
Tier 2 capital	—	—		52
Reciprocal cross-holdings in the capital of banking, financial and insurance entities	—	—		
Common Equity Tier 1 capital	—	—		17
Additional Tier 1 capital	—	—		38
Tier 2 capital	—	—		53
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)	800,311	842,686		
Common Equity Tier 1 capital	4,233	110,482		18
Additional Tier 1 capital	40	839		39
Tier 2 capital	813	26,669		54
Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	795,223	704,695		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	760,143	551,450		
Amount exceeding the 10% threshold on specified items	—	—		19
Amount exceeding the 15% threshold on specified items	—	—		23
Additional Tier 1 capital	158,638	158,638		40
Tier 2 capital	125,000	125,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	476,505	267,812		73

8. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks	Ref. No.
Stock acquisition rights	2,559	2,040		8-a
Non-controlling interests	1,679,975	1,726,853		8-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	158,356	149,583		5
Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—		30-31ab-32
Amount allowed to be included in group Additional Tier 1	178,781	151,685		34-35
Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—		46
Amount allowed to be included in group Tier 2	40,322	35,189		48-49

9. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks	Ref. No.
Borrowed money	9,983,873	8,594,460		9-a
Bonds	6,970,903	5,615,399		9-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	Remarks	Basel III Template No.
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	300,000	—		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	657,002	318,907		46

Note:

Amounts in the "Composition of capital disclosure" are based on those before considering under transitional arrangements and includes "Amounts excluded under transitional arrangements" disclosed in "Capital Structure Information" as well as amounts included as regulatory capital. In addition, items for regulatory purpose under transitional arrangement are excluded from this table.