

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	
	As of December 31, 2015	As of September 30, 2015
(Assets)		
Cash and due from banks	39,674,309	43,387,549
Call loans and bills bought	1,462,824	1,376,648
Receivables under resale agreements	719,953	771,420
Receivables under securities borrowing transactions	7,720,982	6,499,677
Monetary claims bought	4,333,536	4,069,880
Trading assets	8,777,213	7,680,304
Money held in trust	5,651	6,125
Securities	27,047,086	28,049,702
Loans and bills discounted	75,950,357	74,510,685
Foreign exchanges	2,206,545	1,966,358
Lease receivables and investment assets	1,979,000	1,936,679
Other assets	6,050,922	5,583,659
Tangible fixed assets	2,942,055	2,866,897
Intangible fixed assets	873,440	821,466
Net defined benefit asset	388,166	376,995
Deferred tax assets	115,930	121,880
Customers' liabilities for acceptances and guarantees	7,823,193	7,245,750
Reserve for possible loan losses	(611,269)	(617,936)
Total assets	187,459,903	186,653,748
(Liabilities)		
Deposits	104,155,997	102,099,448
Negotiable certificates of deposit	15,420,568	15,469,008
Call money and bills sold	4,656,323	6,218,629
Payables under repurchase agreements	2,271,096	1,081,106
Payables under securities lending transactions	5,583,876	8,258,001
Commercial paper	3,440,910	3,108,581
Trading liabilities	5,802,534	5,551,679
Borrowed money	9,806,838	9,983,873
Foreign exchanges	824,820	863,970
Short-term bonds	1,720,399	1,567,500
Bonds	6,979,941	6,970,903
Due to trust account	666,671	597,296
Other liabilities	6,505,810	6,233,612
Reserve for employee bonuses	37,722	54,667
Net defined benefit liability	38,889	37,568
Reserve for executive retirement benefits	2,129	1,975
Reserve for point service program	19,933	19,615
Reserve for reimbursement of deposits	12,927	15,176
Reserve for losses on interest repayment	104,593	127,572
Reserve under the special laws	1,371	1,353
Deferred tax liabilities	537,245	476,225
Deferred tax liabilities for land revaluation	33,930	33,998
Acceptances and guarantees	7,823,193	7,245,750
Total liabilities	176,447,728	176,017,514
(Net assets)		
Capital stock	2,337,895	2,337,895
Capital surplus	757,315	757,321
Retained earnings	4,514,043	4,378,320
Treasury stock	(175,393)	(175,344)
Total stockholders' equity	7,433,861	7,298,192
Net unrealized gains on other securities	1,653,333	1,431,893
Net deferred gains or losses on hedges	(3,487)	(16,619)
Land revaluation excess	37,747	37,887
Foreign currency translation adjustments	107,837	146,258
Remeasurements of defined benefit plans	61,826	56,086
Total accumulated other comprehensive income	1,857,256	1,655,506
Stock acquisition rights	2,734	2,559
Non-controlling interests	1,718,322	1,679,975
Total net assets	11,012,174	10,636,234
Total liabilities and net assets	187,459,903	186,653,748

Cross-reference to
Appended Table

Reference # of Basel III common
disclosure template under the
Composition of Capital Disclosure
(Basel III Template)

7-a

3-b, 7-b

7-c

3-a

4

5-a

7-d

9-a

9-b

5-b

5-c

1-a

1-b

1-c

1-d

6

2, 8-a

8-b

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 December 31, 2015	As of September 30, 2015	Remarks
Capital stock	2,337,895	2,337,895	
Capital surplus	757,315	757,321	
Retained earnings	4,514,043	4,378,320	
Treasury stock	(175,393)	(175,344)	
Total stockholders' equity	7,433,861	7,298,192	

Ref. No.

1-a

1-b

1-c

1-d

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2015	As of September 30, 2015	Remarks
Directly issued qualifying common share capital plus related capital surplus and retained earnings	7,433,861	7,298,192	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
of which: capital and capital surplus	3,095,210	3,095,217	
of which: retained earnings	4,514,043	4,378,320	
of which: treasury stock (-)	175,393	175,344	
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 December 31, 2015	As of September 30, 2015	Remarks
Stock acquisition rights	2,734	2,559	
of which: Stock acquisition rights issued by bank holding company	2,500	2,338	

Ref. No.

2

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2015	As of September 30, 2015	Remarks
Stock acquisition rights to common shares	2,500	2,338	
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 December 31, 2015	As of September 30, 2015	Remarks
Intangible fixed assets	873,440	821,466	
Securities	27,047,086	28,049,702	
of which: goodwill attributable to equity-method investees	27,479	43,449	

Ref. No.

3-a

3-b

Income taxes related to above

172,597

158,407

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2015	As of September 30, 2015	Remarks
Goodwill (including those equivalent)	365,005	373,041	
Other intangible assets other than goodwill and mortgage servicing rights	363,316	333,467	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 December 31, 2015	As of September 30, 2015	Remarks
Net defined benefit asset	388,166	376,995	

Ref. No.

4

Income taxes related to above

124,491

120,988

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2015	As of September 30, 2015	Remarks
Net defined benefit asset	263,675	256,007	

Basel III Template No.

15

5. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of December 31, 2015	As of September 30, 2015	Remarks
Deferred tax assets	115,930	121,880	
Deferred tax liabilities	537,245	476,225	
Deferred tax liabilities for land revaluation	33,930	33,998	
Tax effects on other intangible assets	172,597	158,407	
Tax effects on net defined benefit asset	124,491	120,988	

Ref. No.

5-a

5-b

5-c

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2015	As of September 30, 2015	Remarks
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,596	4,248	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.
Deferred tax assets arising from temporary differences (net of related tax liability)	3,416	4,966	This item does not agree with the amount reported on the consolidated 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)	3,416	4,966	

Basel III Template No.

10

21

25

75

6. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of December 31, 2015	As of September 30, 2015	Remarks
Net deferred gains or losses on hedges	(3,487)	(16,619)	

Ref. No.

6

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2015	As of September 30, 2015	Remarks
Net deferred gains or losses on hedges	(1,901)	(14,980)	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 December 31, 2015	As of September 30, 2015	Remarks
Trading assets	8,777,213	7,680,304	Including trading account securities and derivatives for trading assets
Securities	27,047,086	28,049,702	
Loans and bills discounted	75,950,357	74,510,685	Including subordinated loans
Trading liabilities	5,802,534	5,551,679	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 December 31, 2015	As of September 30, 2015	Remarks	Basel III Template No.
Investments in own capital instruments	13,055	9,809		
Common Equity Tier 1 capital	13,055	9,809		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)	823,368	800,311		
Common Equity Tier 1 capital	—	4,233		18
Additional Tier 1 capital	—	40		39
Tier 2 capital	—	813		54
Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deductions (before risk weighting)	823,368	795,223		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	689,806	760,143		
Amount exceeding the 10% threshold on specified items	—	—		19
Amount exceeding the 15% threshold on specified items	—	—		23
Additional Tier 1 capital	80,051	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 deductions (before risk weighting)	484,755	476,505		73

8. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of December 31, 2015	As of September 30, 2015	Remarks	Ref. No.
Stock acquisition rights	2,734	2,559		8-a
Non-controlling interests	1,718,322	1,679,975		8-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2015	As of September 30, 2015	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	162,848	158,356		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	189,364	178,781		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	42,798	40,322		48-49

9. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of December 31, 2015	As of September 30, 2015	Remarks	Ref. No.
Borrowed money	9,806,838	9,983,873		9-a
Bonds	6,979,941	6,970,903		9-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2015	As of September 30, 2015	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	300,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	658,493	657,002		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.