

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 June 30, 2016	As of March 31, 2016		
(Assets)				
Cash and due from banks	39,363,896	42,789,236		
Call loans and bills bought	1,210,521	1,291,365		
Receivables under resale agreements	629,458	494,949		
Receivables under securities borrowing transactions	7,897,190	7,972,918		
Monetary claims bought	3,992,309	4,350,012		
Trading assets	8,587,425	8,063,281	7-a	
Money held in trust	4,739	5,163		
Securities	22,048,625	25,264,445	3-b, 7-b	
Loans and bills discounted	74,951,101	75,066,080	7-c	
Foreign exchanges	1,670,992	1,577,167		
Lease receivables and investment assets	2,367,220	1,987,034		
Other assets	7,783,202	6,702,774		
Tangible fixed assets	2,896,767	2,919,424		
Intangible fixed assets	961,372	878,265	3-a	
Net defined benefit asset	216,332	203,274	4	
Deferred tax assets	122,416	125,832	5-a	
Customers' liabilities for acceptances and guarantees	7,251,155	7,519,635		
Reserve for possible loan losses	(583,392)	(625,019)		
Total assets	181,371,336	186,585,842		
(Liabilities)				
Deposits	108,205,955	110,668,828		
Negotiable certificates of deposit	12,548,658	14,250,434		
Call money and bills sold	1,285,901	1,220,455		
Payables under repurchase agreements	1,769,982	1,761,822		
Payables under securities lending transactions	7,673,911	5,309,003		
Commercial paper	2,408,285	3,017,404		
Trading liabilities	6,840,868	6,112,667	7-d	
Borrowed money	5,784,723	8,571,227	9-a	
Foreign exchanges	957,379	1,083,450		
Short-term bonds	1,237,000	1,271,300		
Bonds	6,865,392	7,006,357	9-b	
Due to trust account	976,806	944,542		
Other liabilities	6,567,138	6,632,027		
Reserve for employee bonuses	24,814	68,476		
Reserve for executive bonuses	-	2,446		
Net defined benefit liability	52,628	48,570		
Reserve for executive retirement benefits	1,887	2,202		
Reserve for point service program	20,427	19,706		
Reserve for reimbursement of deposits	14,517	16,979		
Reserve for losses on interest repayment	207,013	228,741		
Reserve under the special laws	1,427	1,498		
Deferred tax liabilities	345,162	348,190	5-b	
Deferred tax liabilities for land revaluation	32,197	32,203	5-c	
Acceptances and guarantees	7,251,155	7,519,635		
Total liabilities	171,073,235	176,138,173		
(Net assets)				
Capital stock	2,337,895	2,337,895	1-a	
Capital surplus	757,320	757,306	1-b	
Retained earnings	4,616,228	4,534,472	1-c	
Treasury stock	(175,389)	(175,381)	1-d	
Total stockholders' equity	7,536,055	7,454,294		
Net unrealized gains on other securities	1,196,742	1,347,689		
Net deferred gains or losses on hedges	87,474	55,130	6	
Land revaluation excess	39,403	39,416		
Foreign currency translation adjustments	(13,841)	87,042		
Remeasurements of defined benefit plans	(60,078)	(69,811)		
Total accumulated other comprehensive income	1,249,700	1,459,467		
Stock acquisition rights	3,036	2,884	2, 8-a	
Non-controlling interests	1,509,309	1,531,022	8-b	
Total net assets	10,298,101	10,447,669		
Total liabilities and net assets	181,371,336	186,585,842		

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 June 30, 2016	As of March 31, 2016	Remarks	Ref. No.
Capital stock	2,337,895	2,337,895		1-a
Capital surplus	757,320	757,306		1-b
Retained earnings	4,616,228	4,534,472		1-c
Treasury stock	(175,389)	(175,381)		1-d
Total stockholders' equity	7,536,055	7,454,294		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of June 30, 2016	As of March 31, 2016	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	7,536,055	7,454,294	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,095,215	3,095,202		1a
of which: retained earnings	4,616,228	4,534,472		2
of which: treasury stock (-)	175,389	175,381		1c
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	31a

2. Stock acquisition rights

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of June 30, 2016	As of March 31, 2016	Remarks	Ref. No.
Stock acquisition rights	3,036	2,884		2
of which: Stock acquisition rights issued by bank holding company	2,791	2,635		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of June 30, 2016	As of March 31, 2016	Remarks	Basel III Template No.
Stock acquisition rights to common shares	2,791	2,635		1b
Stock acquisition rights to Additional Tier 1 instruments	-	-		31b
Stock acquisition rights to Tier 2 instruments	-	-		46

3. Intangible assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of June 30, 2016	As of March 31, 2016	Remarks	Ref. No.
Intangible fixed assets	961,372	878,265		3-a
Securities	22,048,625	25,264,445		3-b
of which: goodwill attributable to equity-method investees	35,405	46,540		
Income taxes related to above	188,284	171,796		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of June 30, 2016	As of March 31, 2016	Remarks	Basel III Template No.
Goodwill (including those equivalent)	372,296	372,622		8
Other intangible assets other than goodwill and mortgage servicing rights	436,197	380,386	Software and other	9
Mortgage servicing rights	-	-		
Amount exceeding the 10% threshold on specified items	-	-		20
Amount exceeding the 15% threshold on specified items	-	-		24
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	-	-		74

4. Net defined benefit asset

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of June 30, 2016	As of March 31, 2016	Remarks	Ref. No.
Net defined benefit asset	216,332	203,274		4
Income taxes related to above	65,657	61,615		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of June 30, 2016	As of March 31, 2016	Remarks	Basel III Template No.
Net defined benefit asset	150,675	141,659		15

5. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of June 30, 2016	As of March 31, 2016	Remarks
Deferred tax assets	122,416	125,832	
Deferred tax liabilities	345,162	348,190	
Deferred tax liabilities for land revaluation	32,197	32,203	
Tax effects on other intangible assets	188,284	171,796	
Tax effects on net defined benefit asset	65,657	61,615	

Ref. No.

5-a

5-b

5-c

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of June 30, 2016	As of March 31, 2016	Remarks
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	2,534	2,137	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)	28,140	9,700	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)	28,140	9,700	

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6. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of June 30, 2016	As of March 31, 2016	Remarks
Net deferred gains or losses on hedges	87,474	55,130	

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(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of June 30, 2016	As of March 31, 2016	Remarks
Net deferred gains or losses on hedges	89,613	57,131	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"

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

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of June 30, 2016	As of March 31, 2016	Remarks
Trading assets	8,587,425	8,063,281	Including trading account securities and derivatives for trading assets
Securities	22,048,625	25,264,445	
Loans and bills discounted	74,951,101	75,066,080	Including subordinated loans
Trading liabilities	6,840,868	6,112,667	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 June 30, 2016	As of March 31, 2016	Remarks	Basel III Template No.
Investments in own capital instruments	4,777	7,374		
Common Equity Tier 1 capital	4,777	7,374		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)	609,381	620,209		
Common Equity Tier 1 capital	-	-		18
Additional Tier 1 capital	-	-		39
Tier 2 capital	-	-		54
Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deductions (before risk weighting)	609,381	620,209		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	745,691	727,520		
Amount exceeding the 10% threshold on specified items	-	-		19
Amount exceeding the 15% threshold on specified items	-	-		23
Additional Tier 1 capital	80,041	80,053		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)	540,650	522,466		73

8. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of June 30, 2016	As of March 31, 2016	Remarks	Ref. No.
Stock acquisition rights	3,036	2,884		8-a
Non-controlling interests	1,509,309	1,531,022		8-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of June 30, 2016	As of March 31, 2016	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	162,930	164,550		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	194,499	183,267		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	45,151	42,036		48-49

9. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of June 30, 2016	As of March 31, 2016	Remarks	Ref. No.
Borrowed money	5,784,723	8,571,227		9-a
Bonds	6,865,392	7,006,357		9-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of June 30, 2016	As of March 31, 2016	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	783,576	655,064		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.