

## 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, 2016	As of September 30, 2015		
(Assets)				
Cash and due from banks	39,289,020	43,387,549		
Call loans and bills bought	1,332,654	1,376,648		
Receivables under resale agreements	746,170	771,420		
Receivables under securities borrowing transactions	7,453,809	6,499,677		
Monetary claims bought	3,855,571	4,069,880		
Trading assets	7,312,065	7,680,304	7-a	
Money held in trust	4,315	6,125		
Securities	21,864,561	28,049,702	3-b, 7-b	
Loans and bills discounted	75,966,141	74,510,685	7-c	
Foreign exchanges	1,546,229	1,966,358		
Lease receivables and investment assets	2,345,220	1,936,679		
Other assets	7,383,293	5,583,659		
Tangible fixed assets	2,875,970	2,866,897		
Intangible fixed assets	1,005,907	821,466	3-a	
Net defined benefit asset	228,967	376,995	4	
Deferred tax assets	119,901	121,880	5-a	
Customers' liabilities for acceptances and guarantees	7,231,260	7,245,750		
Reserve for possible loan losses	(588,279)	(617,936)		
<b>Total assets</b>	<b>179,972,782</b>	<b>186,653,748</b>		
(Liabilities)				
Deposits	110,746,141	102,099,448		
Negotiable certificates of deposit	10,180,560	15,469,008		
Call money and bills sold	1,159,907	6,218,629		
Payables under repurchase agreements	1,964,416	1,081,106		
Payables under securities lending transactions	6,469,282	8,258,001		
Commercial paper	2,052,828	3,108,581		
Trading liabilities	5,546,469	5,551,679	7-d	
Borrowed money	7,099,948	9,983,873	9-a	
Foreign exchanges	816,229	863,970		
Short-term bonds	1,124,100	1,567,500		
Bonds	7,092,842	6,970,903	9-b	
Due to trust account	1,035,457	597,296		
Other liabilities	6,284,843	6,233,612		
Reserve for employee bonuses	51,146	54,667		
Net defined benefit liability	56,255	37,568		
Reserve for executive retirement benefits	2,069	1,975		
Reserve for point service program	20,968	19,615		
Reserve for reimbursement of deposits	12,326	15,176		
Reserve for losses on interest repayment	184,813	127,572		
Reserve under the special laws	1,474	1,353		
Deferred tax liabilities	365,307	476,225	5-b	
Deferred tax liabilities for land revaluation	32,167	33,998	5-c	
Acceptances and guarantees	7,231,260	7,245,750		
<b>Total liabilities</b>	<b>169,530,819</b>	<b>176,017,514</b>		
(Net assets)				
Capital stock	2,337,895	2,337,895	1-a	
Capital surplus	757,301	757,321	1-b	
Retained earnings	4,791,135	4,378,320	1-c	
Treasury stock	(175,404)	(175,344)	1-d	
<b>Total stockholders' equity</b>	<b>7,710,928</b>	<b>7,298,192</b>		
Net unrealized gains on other securities	1,249,967	1,431,893		
Net deferred gains or losses on hedges	80,617	(16,619)	6	
Land revaluation excess	39,410	37,887		
Foreign currency translation adjustments	(107,012)	146,258		
Remeasurements of defined benefit plans	(50,797)	56,086		
<b>Total accumulated other comprehensive income</b>	<b>1,212,184</b>	<b>1,655,506</b>		
Stock acquisition rights	3,190	2,559	2, 8-a	
Non-controlling interests	1,515,659	1,679,975	8-b	
<b>Total net assets</b>	<b>10,441,962</b>	<b>10,636,234</b>		
<b>Total liabilities and net assets</b>	<b>179,972,782</b>	<b>186,653,748</b>		

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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, 2016	As of September 30, 2015	Remarks	Ref. No.
Capital stock	2,337,895	2,337,895		1-a
Capital surplus	757,301	757,321		1-b
Retained earnings	4,791,135	4,378,320		1-c
Treasury stock	(175,404)	(175,344)		1-d
Total stockholders' equity	7,710,928	7,298,192		

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	7,710,928	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	3,095,197	3,095,217		1a
of which: retained earnings	4,791,135	4,378,320		2
of which: treasury stock (-)	175,404	175,344		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 September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Stock acquisition rights	3,190	2,559		2
of which: Stock acquisition rights issued by bank holding company	2,931	2,338		

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Stock acquisition rights to common shares	2,931	2,338		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 September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Intangible fixed assets	1,005,907	821,466		3-a
Securities	21,864,561	28,049,702		3-b
of which: goodwill attributable to equity-method investees	33,157	43,449		
Income taxes related to above	192,561	158,407		

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Goodwill (including those equivalent)	400,753	373,041		8
Other intangible assets other than goodwill and mortgage servicing rights	445,750	333,467	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 September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Net defined benefit asset	228,967	376,995		4
Income taxes related to above	69,522	120,988		

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Net defined benefit asset	159,445	256,007		15

## 5. Deferred tax assets

## (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
Deferred tax assets	119,901	121,880	
Deferred tax liabilities	365,307	476,225	
Deferred tax liabilities for land revaluation	32,167	33,998	
Tax effects on other intangible assets	192,561	158,407	
Tax effects on net defined benefit asset	69,522	120,988	

Ref. No.

5-a

5-b

5-c

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	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)	3,225	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)	15,403	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)	15,403	4,966	

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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 September 30, 2016	As of September 30, 2015	Remarks
Net deferred gains or losses on hedges	80,617	(16,619)	

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## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
Net deferred gains or losses on hedges	82,470	(14,980)	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 September 30, 2016	As of September 30, 2015	Remarks
Trading assets	7,312,065	7,680,304	Including trading account securities and derivatives for trading assets
Securities	21,864,561	28,049,702	
Loans and bills discounted	75,966,141	74,510,685	Including subordinated loans
Trading liabilities	5,546,469	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 September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Investments in own capital instruments	9,722	9,809		
Common Equity Tier 1 capital	9,722	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)	649,301	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)	649,301	795,223		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	642,421	760,143		
Amount exceeding the 10% threshold on specified items	-	-		19
Amount exceeding the 15% threshold on specified items	-	-		23
Additional Tier 1 capital	80,066	158,638		40
Tier 2 capital	50,000	125,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deductions (before risk weighting)	512,355	476,505		73

## 8. Non-controlling interests

## (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Stock acquisition rights	3,190	2,559		8-a
Non-controlling interests	1,515,659	1,679,975		8-b

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	164,809	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	198,679	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	45,514	40,322		48-49

## 9. Other capital instruments

## (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Borrowed money	7,099,948	9,983,873		9-a
Bonds	7,092,842	6,970,903		9-b

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	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	883,592	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.