

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 December 31, 2016	As of September 30, 2016		
(Assets)				
Cash and due from banks	42,025,313	39,289,020		
Call loans and bills bought	1,562,908	1,332,654		
Receivables under resale agreements	972,399	746,170		
Receivables under securities borrowing transactions	8,423,355	7,453,809		
Monetary claims bought	4,356,369	3,855,571		
Trading assets	6,209,566	7,312,065	7-a	
Money held in trust	3,891	4,315		
Securities	23,123,033	21,864,561	3-b, 7-b	
Loans and bills discounted	80,115,714	75,966,141	7-c	
Foreign exchanges	2,110,978	1,546,229		
Lease receivables and investment assets	2,357,090	2,345,220		
Other assets	9,095,613	7,383,293		
Tangible fixed assets	3,081,950	2,875,970		
Intangible fixed assets	994,539	1,005,907	3-a	
Net defined benefit asset	241,144	228,967	4	
Deferred tax assets	116,941	119,901	5-a	
Customers' liabilities for acceptances and guarantees	8,110,088	7,231,260		
Reserve for possible loan losses	(594,828)	(588,279)		
Total assets	192,306,072	179,972,782		
(Liabilities)				
Deposits	114,064,672	110,746,141		
Negotiable certificates of deposit	11,385,425	10,180,560		
Call money and bills sold	1,314,932	1,159,907		
Payables under repurchase agreements	3,572,134	1,964,416		
Payables under securities lending transactions	7,333,921	6,469,282		
Commercial paper	2,649,804	2,052,828		
Trading liabilities	5,356,415	5,546,469	7-d	
Borrowed money	8,597,499	7,099,948	9-a	
Foreign exchanges	762,959	816,229		
Short-term bonds	1,137,100	1,124,100		
Bonds	8,010,280	7,092,842	9-b	
Due to trust account	1,159,537	1,035,457		
Other liabilities	7,271,994	6,284,843		
Reserve for employee bonuses	36,185	51,146		
Net defined benefit liability	55,884	56,255		
Reserve for executive retirement benefits	2,224	2,069		
Reserve for point service program	21,855	20,968		
Reserve for reimbursement of deposits	10,221	12,326		
Reserve for losses on interest repayment	162,924	184,813		
Reserve under the special laws	1,618	1,474		
Deferred tax liabilities	423,705	365,307	5-b	
Deferred tax liabilities for land revaluation	32,151	32,167	5-c	
Acceptances and guarantees	8,110,088	7,231,260		
Total liabilities	181,473,538	169,530,819		
(Net assets)				
Capital stock	2,337,895	2,337,895	1-a	
Capital surplus	757,346	757,301	1-b	
Retained earnings	4,873,833	4,791,135	1-c	
Treasury stock	(175,434)	(175,404)	1-d	
Total stockholders' equity	7,793,640	7,710,928		
Net unrealized gains on other securities	1,495,034	1,249,967		
Net deferred gains or losses on hedges	(9,933)	80,617	6	
Land revaluation excess	39,355	39,410		
Foreign currency translation adjustments	(39,707)	(107,012)		
Remeasurements of defined benefit plans	(41,507)	(50,797)		
Total accumulated other comprehensive income	1,443,241	1,212,184		
Stock acquisition rights	3,346	3,190	2, 8-a	
Non-controlling interests	1,592,305	1,515,659	8-b	
Total net assets	10,832,534	10,441,962		
Total liabilities and net assets	192,306,072	179,972,782		

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, 2016	As of September 30, 2016	Remarks
Capital stock	2,337,895	2,337,895	
Capital surplus	757,346	757,301	
Retained earnings	4,873,833	4,791,135	
Treasury stock	(175,434)	(175,404)	
Total stockholders' equity	7,793,640	7,710,928	

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, 2016	As of September 30, 2016	Remarks
Directly issued qualifying common share capital plus related capital surplus and retained earnings	7,793,640	7,710,928	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
of which: capital and capital surplus	3,095,241	3,095,197	
of which: retained earnings	4,873,833	4,791,135	
of which: treasury stock (-)	175,434	175,404	
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, 2016	As of September 30, 2016	Remarks
Stock acquisition rights	3,346	3,190	
of which: Stock acquisition rights issued by bank holding company	3,073	2,931	

Ref. No.
2

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2016	As of September 30, 2016	Remarks
Stock acquisition rights to common shares	3,073	2,931	
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, 2016	As of September 30, 2016	Remarks
Intangible fixed assets	994,539	1,005,907	
Securities	23,123,033	21,864,561	
of which: goodwill attributable to equity-method investees	33,030	33,157	
Income taxes related to above	191,085	192,561	

Ref. No.
3-a
3-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2016	As of September 30, 2016	Remarks
Goodwill (including those equivalent)	394,178	400,753	
Other intangible assets other than goodwill and mortgage servicing rights	442,305	445,750	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, 2016	As of September 30, 2016	Remarks
Net defined benefit asset	241,144	228,967	
Income taxes related to above	73,162	69,522	

Ref. No.
4

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2016	As of September 30, 2016	Remarks
Net defined benefit asset	167,982	159,445	

Basel III Template No.
15

5. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of December 31, 2016	As of September 30, 2016	Remarks	Ref. No.
Deferred tax assets	116,941	119,901		5-a
Deferred tax liabilities	423,705	365,307		5-b
Deferred tax liabilities for land revaluation	32,151	32,167		5-c
Tax effects on other intangible assets	191,085	192,561		
Tax effects on net defined benefit asset	73,162	69,522		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2016	As of September 30, 2016	Remarks	Basel III Template No.
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	3,058	3,225	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.	10
Deferred tax assets arising from temporary differences (net of related tax liability)	4,288	15,403	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	-	-		21
Amount exceeding the 15% threshold on specified items	-	-		25
Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	4,288	15,403		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, 2016	As of September 30, 2016	Remarks	Ref. No.
Net deferred gains or losses on hedges	(9,933)	80,617		6

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2016	As of September 30, 2016	Remarks	Basel III Template No.
Net deferred gains or losses on hedges	(8,535)	82,470	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	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, 2016	As of September 30, 2016	Remarks	Ref. No.
Trading assets	6,209,566	7,312,065	Including trading account securities and derivatives for trading assets	7-a
Securities	23,123,033	21,864,561		7-b
Loans and bills discounted	80,115,714	75,966,141	Including subordinated loans	7-c
Trading liabilities	5,356,415	5,546,469	Including trading account securities sold and derivatives for trading liabilities	7-d

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2016	As of September 30, 2016	Remarks	Basel III Template No.
Investments in own capital instruments	12,082	9,722		
Common Equity Tier 1 capital	12,082	9,722		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)	708,022	649,301		
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)	708,022	649,301		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	650,234	642,421		
Amount exceeding the 10% threshold on specified items	-	-		19
Amount exceeding the 15% threshold on specified items	-	-		23
Additional Tier 1 capital	80,055	80,066		40
Tier 2 capital	50,000	50,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deductions (before risk weighting)	520,178	512,355		73

8. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of December 31, 2016	As of September 30, 2016	Remarks	Ref. No.
Stock acquisition rights	3,346	3,190		8-a
Non-controlling interests	1,592,305	1,515,659		8-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2016	As of September 30, 2016	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	171,361	164,809		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	216,354	198,679		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	50,258	45,514		48-49

9. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of December 31, 2016	As of September 30, 2016	Remarks	Ref. No.
Borrowed money	8,597,499	7,099,948		9-a
Bonds	8,010,280	7,092,842		9-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2016	As of September 30, 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	911,218	883,592		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.