

## 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 March 31, 2017	As of March 31, 2016		
(Assets)				
Cash and due from banks	46,865,538	42,789,236		
Call loans and bills bought	1,872,144	1,291,365		
Receivables under resale agreements	899,897	494,949		
Receivables under securities borrowing transactions	8,760,390	7,972,918		
Monetary claims bought	4,420,377	4,350,012		
Trading assets	6,755,428	8,063,281	7-a	
Money held in trust	3,439	5,163		
Securities	24,631,792	25,264,445	3-b, 7-b	
Loans and bills discounted	80,237,322	75,066,080	7-c	
Foreign exchanges	1,723,867	1,577,167		
Lease receivables and investment assets	2,395,597	1,987,034		
Other assets	7,355,845	6,702,774		
Tangible fixed assets	3,101,642	2,919,424		
Intangible fixed assets	946,506	878,265	3-a	
Net defined benefit asset	314,922	203,274	4	
Deferred tax assets	63,001	125,832	5-a	
Customers' liabilities for acceptances and guarantees	8,090,111	7,519,635		
Reserve for possible loan losses	(646,215)	(625,019)		
<b>Total assets</b>	<b>197,791,611</b>	<b>186,585,842</b>		
(Liabilities)				
Deposits	117,830,210	110,668,828		
Negotiable certificates of deposit	11,880,937	14,250,434		
Call money and bills sold	2,088,019	1,220,455		
Payables under repurchase agreements	2,715,752	1,761,822		
Payables under securities lending transactions	7,444,655	5,309,003		
Commercial paper	2,311,542	3,017,404		
Trading liabilities	4,704,931	6,112,667	7-d	
Borrowed money	10,786,713	8,571,227	9-a	
Foreign exchanges	683,252	1,083,450		
Short-term bonds	1,125,600	1,271,300		
Bonds	8,129,232	7,006,357	9-b	
Due to trust account	1,180,976	944,542		
Other liabilities	6,880,273	6,632,027		
Reserve for employee bonuses	77,375	68,476		
Reserve for executive bonuses	3,045	2,446		
Net defined benefit liability	59,110	48,570		
Reserve for executive retirement benefits	2,347	2,202		
Reserve for point service program	21,744	19,706		
Reserve for reimbursement of deposits	15,464	16,979		
Reserve for losses on interest repayment	156,775	228,741		
Reserve under the special laws	1,745	1,498		
Deferred tax liabilities	335,908	348,190	5-b	
Deferred tax liabilities for land revaluation	31,596	32,203	5-c	
Acceptances and guarantees	8,090,111	7,519,635		
<b>Total liabilities</b>	<b>186,557,325</b>	<b>176,138,173</b>		
(Net assets)				
Capital stock	2,337,895	2,337,895	1-a	
Capital surplus	757,346	757,306	1-b	
Retained earnings	5,036,756	4,534,472	1-c	
Treasury stock	(12,913)	(175,381)	1-d	
<b>Total stockholders' equity</b>	<b>8,119,085</b>	<b>7,454,294</b>		
Net unrealized gains on other securities	1,542,308	1,347,689		
Net deferred gains or losses on hedges	(42,077)	55,130	6	
Land revaluation excess	38,109	39,416		
Foreign currency translation adjustments	65,078	87,042		
Remeasurements of defined benefit plans	9,034	(69,811)		
<b>Total accumulated other comprehensive income</b>	<b>1,612,453</b>	<b>1,459,467</b>		
Stock acquisition rights	3,482	2,884	2, 8-a	
Non-controlling interests	1,499,264	1,531,022	8-b	
<b>Total net assets</b>	<b>11,234,286</b>	<b>10,447,669</b>		
<b>Total liabilities and net assets</b>	<b>197,791,611</b>	<b>186,585,842</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 March 31, 2017	As of March 31, 2016	Remarks	Ref. No.
Capital stock	2,337,895	2,337,895		1-a
Capital surplus	757,346	757,306		1-b
Retained earnings	5,036,756	4,534,472		1-c
Treasury stock	(12,913)	(175,381)		1-d
Total stockholders' equity	8,119,085	7,454,294		

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	8,119,085	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	3,095,242	3,095,202		1a
of which: retained earnings	5,036,756	4,534,472		2
of which: treasury stock (-)	12,913	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 March 31, 2017	As of March 31, 2016	Remarks	Ref. No.
Stock acquisition rights	3,482	2,884		2
of which: Stock acquisition rights issued by bank holding company	3,206	2,635		

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks	Basel III Template No.
Stock acquisition rights to common shares	3,206	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 March 31, 2017	As of March 31, 2016	Remarks	Ref. No.
Intangible fixed assets	946,506	878,265		3-a
Securities	24,631,792	25,264,445		3-b
of which: goodwill attributable to equity-method investees	33,029	46,540		
Income taxes related to above	192,234	171,796		

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks	Basel III Template No.
Goodwill (including those equivalent)	343,523	372,622		8
Other intangible assets other than goodwill and mortgage servicing rights	443,777	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 March 31, 2017	As of March 31, 2016	Remarks	Ref. No.
Net defined benefit asset	314,922	203,274		4
Income taxes related to above	96,187	61,615		

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks	Basel III Template No.
Net defined benefit asset	218,734	141,659		15

## 5. Deferred tax assets

## (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks
Deferred tax assets	63,001	125,832	
Deferred tax liabilities	335,908	348,190	
Deferred tax liabilities for land revaluation	31,596	32,203	
Tax effects on other intangible assets	192,234	171,796	
Tax effects on net defined benefit asset	96,187	61,615	

Ref. No.

5-a

5-b

5-c

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	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)	4,188	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)	24,339	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)	24,339	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 March 31, 2017	As of March 31, 2016	Remarks
Net deferred gains or losses on hedges	(42,077)	55,130	

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## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks
Net deferred gains or losses on hedges	(40,588)	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 March 31, 2017	As of March 31, 2016	Remarks
Trading assets	6,755,428	8,063,281	Including trading account securities and derivatives for trading assets
Securities	24,631,792	25,264,445	
Loans and bills discounted	80,237,322	75,066,080	Including subordinated loans
Trading liabilities	4,704,931	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 March 31, 2017	As of March 31, 2016	Remarks	Basel III Template No.
Investments in own capital instruments	11,419	7,374		
Common Equity Tier 1 capital	11,419	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)	729,452	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)	729,452	620,209		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	673,029	727,520		
Amount exceeding the 10% threshold on specified items	-	-		19
Amount exceeding the 15% threshold on specified items	-	-		23
Additional Tier 1 capital	80,044	80,053		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)	542,985	522,466		73

## 8. Non-controlling interests

## (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks	Ref. No.
Stock acquisition rights	3,482	2,884		8-a
Non-controlling interests	1,499,264	1,531,022		8-b

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	172,277	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	234,697	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	54,539	42,036		48-49

## 9. Other capital instruments

## (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks	Ref. No.
Borrowed money	10,786,713	8,571,227		9-a
Bonds	8,129,232	7,006,357		9-b

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	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	449,897	300,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	898,911	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.