

## 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, 2017	As of September 30, 2016		
(Assets)				
Cash and due from banks	49,333,064	39,289,020		
Call loans and bills bought	1,952,757	1,332,654		
Receivables under resale agreements	1,198,627	746,170		
Receivables under securities borrowing transactions	9,589,363	7,453,809		
Monetary claims bought	4,667,042	3,855,571		
Trading assets	6,235,885	7,312,065	7-a	
Money held in trust	2,544	4,315		
Securities	24,426,107	21,864,561	3-b, 7-b	
Loans and bills discounted	81,162,078	75,966,141	7-c	
Foreign exchanges	2,506,683	1,546,229		
Lease receivables and investment assets	2,374,127	2,345,220		
Other assets	8,051,523	7,383,293		
Tangible fixed assets	3,574,624	2,875,970		
Intangible fixed assets	926,137	1,005,907	3-a	
Net defined benefit asset	329,413	228,967	4	
Deferred tax assets	55,253	119,901	5-a	
Customers' liabilities for acceptances and guarantees	8,525,224	7,231,260		
Reserve for possible loan losses	(607,966)	(588,279)		
<b>Total assets</b>	<b>204,302,493</b>	<b>179,972,782</b>		
(Liabilities)				
Deposits	119,938,693	110,746,141		
Negotiable certificates of deposit	12,896,156	10,180,560		
Call money and bills sold	1,890,031	1,159,907		
Payables under repurchase agreements	3,794,797	1,964,416		
Payables under securities lending transactions	9,344,314	6,469,282		
Commercial paper	2,333,488	2,052,828		
Trading liabilities	4,639,549	5,546,469	7-d	
Borrowed money	10,696,045	7,099,948	9-a	
Foreign exchanges	1,126,460	816,229		
Short-term bonds	1,190,100	1,124,100		
Bonds	8,578,207	7,092,842	9-b	
Due to trust account	1,215,144	1,035,457		
Other liabilities	5,695,922	6,284,843		
Reserve for employee bonuses	57,785	51,146		
Net defined benefit liability	57,352	56,255		
Reserve for executive retirement benefits	2,175	2,069		
Reserve for point service program	22,394	20,968		
Reserve for reimbursement of deposits	8,721	12,326		
Reserve for losses on interest repayment	119,204	184,813		
Reserve under the special laws	2,037	1,474		
Deferred tax liabilities	436,139	365,307	5-b	
Deferred tax liabilities for land revaluation	31,244	32,167	5-c	
Acceptances and guarantees	8,525,224	7,231,260		
<b>Total liabilities</b>	<b>192,601,191</b>	<b>169,530,819</b>		
(Net assets)				
Capital stock	2,338,743	2,337,895	1-a	
Capital surplus	758,193	757,301	1-b	
Retained earnings	5,351,360	4,791,135	1-c	
Treasury stock	(12,480)	(175,404)	1-d	
<b>Total stockholders' equity</b>	<b>8,435,817</b>	<b>7,710,928</b>		
Net unrealized gains on other securities	1,687,457	1,249,967		
Net deferred gains or losses on hedges	(45,882)	80,617	6	
Land revaluation excess	37,650	39,410		
Foreign currency translation adjustments	41,074	(107,012)		
Remeasurements of defined benefit plans	16,400	(50,797)		
<b>Total accumulated other comprehensive income</b>	<b>1,736,699</b>	<b>1,212,184</b>		
Stock acquisition rights	3,192	3,190	2, 8-a	
Non-controlling interests	1,525,591	1,515,659	8-b	
<b>Total net assets</b>	<b>11,701,301</b>	<b>10,441,962</b>		
<b>Total liabilities and net assets</b>	<b>204,302,493</b>	<b>179,972,782</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 September 30, 2017	As of September 30, 2016	Remarks	Ref. No.
Capital stock	2,338,743	2,337,895		1-a
Capital surplus	758,193	757,301		1-b
Retained earnings	5,351,360	4,791,135		1-c
Treasury stock	(12,480)	(175,404)		1-d
Total stockholders' equity	8,435,817	7,710,928		

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	8,435,817	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	3,096,937	3,095,197		1a
of which: retained earnings	5,351,360	4,791,135		2
of which: treasury stock (-)	12,480	175,404		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, 2017	As of September 30, 2016	Remarks	Ref. No.
Stock acquisition rights	3,192	3,190		2
of which: Stock acquisition rights issued by bank holding company	2,900	2,931		

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks	Basel III Template No.
Stock acquisition rights to common shares	2,900	2,931		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, 2017	As of September 30, 2016	Remarks	Ref. No.
Intangible fixed assets	926,137	1,005,907		3-a
Securities	24,426,107	21,864,561		3-b
of which: goodwill attributable to equity-method investees	30,241	33,157		
Income taxes related to above	189,637	192,561		

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks	Basel III Template No.
Goodwill (including those equivalent)	328,488	400,753		8
Other intangible assets other than goodwill and mortgage servicing rights	438,254	445,750	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, 2017	As of September 30, 2016	Remarks	Ref. No.
Net defined benefit asset	329,413	228,967		4
Income taxes related to above	99,959	69,522		

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks	Basel III Template No.
Net defined benefit asset	229,453	159,445		15

## 5. Deferred tax assets

## (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2017	As of September 30, 2016	Remarks	Ref. No.
Deferred tax assets	55,253	119,901		5-a
Deferred tax liabilities	436,139	365,307		5-b
Deferred tax liabilities for land revaluation	31,244	32,167		5-c
Tax effects on other intangible assets	189,637	192,561		
Tax effects on net defined benefit asset	99,959	69,522		

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2017	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)	1,791	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)	3,909	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)	3,909	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 September 30, 2017	As of September 30, 2016	Remarks	Ref. No.
Net deferred gains or losses on hedges	(45,882)	80,617		6

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks	Basel III Template No.
Net deferred gains or losses on hedges	(44,712)	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 September 30, 2017	As of September 30, 2016	Remarks	Ref. No.
Trading assets	6,235,885	7,312,065	Including trading account securities and derivatives for trading assets	7-a
Securities	24,426,107	21,864,561		7-b
Loans and bills discounted	81,162,078	75,966,141	Including subordinated loans	7-c
Trading liabilities	4,639,549	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 September 30, 2017	As of September 30, 2016	Remarks	Basel III Template No.
Investments in own capital instruments	9,947	9,722		
Common Equity Tier 1 capital	9,947	9,722		16
Additional Tier 1 capital	-	-		37
Tier 2 capital	0	-		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)	707,716	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)	707,716	649,301		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	689,924	642,421		
Amount exceeding the 10% threshold on specified items	-	-		19
Amount exceeding the 15% threshold on specified items	-	-		23
Additional Tier 1 capital	81,640	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)	558,284	512,355		73

## 8. Non-controlling interests

## (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2017	As of September 30, 2016	Remarks	Ref. No.
Stock acquisition rights	3,192	3,190		8-a
Non-controlling interests	1,525,591	1,515,659		8-b

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	174,786	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	219,963	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	49,182	45,514		48-49

## 9. Other capital instruments

## (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2017	As of September 30, 2016	Remarks	Ref. No.
Borrowed money	10,696,045	7,099,948		9-a
Bonds	8,578,207	7,092,842		9-b

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2017	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	450,000	300,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	901,505	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.