

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, 2018	As of March 31, 2017		
(Assets)				
Cash and due from banks	53,732,582	46,865,538		
Call loans and bills bought	1,881,879	1,872,144		
Receivables under resale agreements	827,892	899,897		
Receivables under securities borrowing transactions	8,337,700	8,760,390		
Monetary claims bought	4,730,770	4,420,377		
Trading assets	5,585,591	6,755,428	7-a	
Money held in trust	1,482	3,439		
Securities	25,712,709	24,631,792	3-b, 7-b	
Loans and bills discounted	72,945,934	80,237,322	7-c	
Foreign exchanges	2,166,190	1,723,867		
Lease receivables and investment assets	2,329,431	2,395,597		
Other assets	8,005,807	7,355,845		
Tangible fixed assets	3,475,131	3,101,642		
Intangible fixed assets	865,584	946,506	3-a	
Net defined benefit asset	383,418	314,922	4	
Deferred tax assets	27,609	63,001	5-a	
Customers' liabilities for acceptances and guarantees	8,575,499	8,090,111		
Reserve for possible loan losses	(536,088)	(646,215)		
Total assets	199,049,128	197,791,611		
(Liabilities)				
Deposits	116,477,534	117,830,210		
Negotiable certificates of deposit	11,220,284	11,880,937		
Call money and bills sold	1,190,928	2,088,019		
Payables under repurchase agreements	5,509,721	2,715,752		
Payables under securities lending transactions	7,186,861	7,444,655		
Commercial paper	2,384,787	2,311,542		
Trading liabilities	4,402,110	4,704,931	7-d	
Borrowed money	10,829,248	10,786,713	9-a	
Foreign exchanges	865,640	683,252		
Short-term bonds	1,256,600	1,125,600		
Bonds	9,057,683	8,129,232	9-b	
Due to trust account	1,328,271	1,180,976		
Other liabilities	6,348,202	6,880,273		
Reserve for employee bonuses	84,046	77,375		
Reserve for executive bonuses	3,861	3,045		
Net defined benefit liability	39,982	59,110		
Reserve for executive retirement benefits	2,026	2,347		
Reserve for point service program	22,244	21,744		
Reserve for reimbursement of deposits	17,765	15,464		
Reserve for losses on interest repayment	144,763	156,775		
Reserve under the special laws	2,397	1,745		
Deferred tax liabilities	455,234	335,908	5-b	
Deferred tax liabilities for land revaluation	30,539	31,596	5-c	
Acceptances and guarantees	8,575,499	8,090,111		
Total liabilities	187,436,236	186,557,325		
(Net assets)				
Capital stock	2,338,743	2,337,895	1-a	
Capital surplus	758,215	757,346	1-b	
Retained earnings	5,552,573	5,036,756	1-c	
Treasury stock	(12,493)	(12,913)	1-d	
Total stockholders' equity	8,637,039	8,119,085		
Net unrealized gains on other securities	1,688,842	1,542,308		
Net deferred gains or losses on hedges	(68,543)	(42,077)	6	
Land revaluation excess	37,097	38,109		
Foreign currency translation adjustments	36,906	65,078		
Remeasurements of defined benefit plans	59,121	9,034		
Total accumulated other comprehensive income	1,753,424	1,612,453		
Stock acquisition rights	2,823	3,482	2, 8-a	
Non-controlling interests	1,219,604	1,499,264	8-b	
Total net assets	11,612,892	11,234,286		
Total liabilities and net assets	199,049,128	197,791,611		

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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 March 31, 2018	As of March 31, 2017	Remarks	Ref. No.
Capital stock	2,338,743	2,337,895		1-a
Capital surplus	758,215	757,346		1-b
Retained earnings	5,552,573	5,036,756		1-c
Treasury stock	(12,493)	(12,913)		1-d
Total stockholders' equity	8,637,039	8,119,085		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	8,637,039	8,119,085	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,096,958	3,095,242		1a
of which: retained earnings	5,552,573	5,036,756		2
of which: treasury stock (-)	12,493	12,913		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, 2018	As of March 31, 2017	Remarks	Ref. No.
Stock acquisition rights	2,823	3,482		2
of which: Stock acquisition rights issued by bank holding company	2,823	3,206		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks	Basel III Template No.
Stock acquisition rights to common shares	2,823	3,206		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, 2018	As of March 31, 2017	Remarks	Ref. No.
Intangible fixed assets	865,584	946,506		3-a
Securities	25,712,709	24,631,792		3-b
of which: goodwill attributable to equity-method investees	27,520	33,029		
Income taxes related to above	181,373	192,234		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks	Basel III Template No.
Goodwill (including those equivalent)	292,318	343,523		8
Other intangible assets other than goodwill and mortgage servicing rights	419,413	443,777	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, 2018	As of March 31, 2017	Remarks	Ref. No.
Net defined benefit asset	383,418	314,922		4
Income taxes related to above	116,950	96,187		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks	Basel III Template No.
Net defined benefit asset	266,468	218,734		15

5. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2018	As of March 31, 2017	Remarks
Deferred tax assets	27,609	63,001	
Deferred tax liabilities	455,234	335,908	
Deferred tax liabilities for land revaluation	30,539	31,596	
Tax effects on other intangible assets	181,373	192,234	
Tax effects on net defined benefit asset	116,950	96,187	

Ref. No.

5-a

5-b

5-c

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,432	4,188	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)	3,997	24,339	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)	3,997	24,339	

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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, 2018	As of March 31, 2017	Remarks
Net deferred gains or losses on hedges	(68,543)	(42,077)	

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(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks
Net deferred gains or losses on hedges	(67,433)	(40,588)	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, 2018	As of March 31, 2017	Remarks
Trading assets	5,585,591	6,755,428	Including trading account securities and derivatives for trading assets
Securities	25,712,709	24,631,792	
Loans and bills discounted	72,945,934	80,237,322	Including subordinated loans
Trading liabilities	4,402,110	4,704,931	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, 2018	As of March 31, 2017	Remarks	Basel III Template No.
Investments in own capital instruments	7,981	11,419		
Common Equity Tier 1 capital	7,981	11,419		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)	699,361	729,452		
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)	699,361	729,452		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	748,831	673,029		
Amount exceeding the 10% threshold on specified items	-	-		19
Amount exceeding the 15% threshold on specified items	-	-		23
Additional Tier 1 capital	81,640	80,044		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)	617,191	542,985		73

8. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2018	As of March 31, 2017	Remarks	Ref. No.
Stock acquisition rights	2,823	3,482		8-a
Non-controlling interests	1,219,604	1,499,264		8-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	332	172,277		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	224,359	234,697		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	49,810	54,539		48-49

9. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2018	As of March 31, 2017	Remarks	Ref. No.
Borrowed money	10,829,248	10,786,713		9-a
Bonds	9,057,683	8,129,232		9-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	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	599,794	449,897		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	993,367	898,911		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.