

CC2: Reconciliation of regulatory capital to balance sheet

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

(Millions of yen)

| Items | a | b | c |
|---|--|---------------------------|-----------------------------|
| | Consolidated balance sheet as in published financial statements (As of March 31, 2019) | Reference to Template CC1 | Reference to appended table |
| Assets | | | |
| Cash and due from banks | 57,411,276 | | |
| Call loans and bills bought | 2,465,744 | | |
| Receivables under resale agreements | 6,429,365 | | |
| Receivables under securities borrowing transactions | 4,097,473 | | |
| Monetary claims bought | 4,594,578 | | |
| Trading assets | 5,328,778 | | 7-a |
| Money held in trust | 390 | | |
| Securities | 24,338,005 | | 3-b, 7-b |
| Loans and bills discounted | 77,979,190 | | 7-c |
| Foreign exchanges | 1,719,402 | | |
| Lease receivables and investment assets | 247,835 | | |
| Other assets | 7,307,305 | | 7-d |
| Tangible fixed assets | 1,504,703 | | |
| Intangible fixed assets | 769,231 | | 3-a |
| Net defined benefit asset | 329,434 | | 4 |
| Deferred tax assets | 40,245 | | 5-a |
| Customers' liabilities for acceptances and guarantees | 9,564,993 | | |
| Reserve for possible loan losses | △ 468,808 | | |
| Total assets | 203,659,146 | | |
| Liabilities | | | |
| Deposits | 122,325,038 | | |
| Negotiable certificates of deposit | 11,165,486 | | |
| Call money and bills sold | 1,307,778 | | |
| Payables under repurchase agreements | 11,462,559 | | |
| Payables under securities lending transactions | 1,812,820 | | |
| Commercial paper | 2,291,813 | | |
| Trading liabilities | 4,219,293 | | 7-e |
| Borrowed money | 10,656,897 | | 9-a |
| Foreign exchanges | 1,165,141 | | |

| | | | |
|---|-------------|-----|--------|
| Short-term bonds | 84,500 | | |
| Bonds | 9,227,367 | | 9-b |
| Due to trust account | 1,352,773 | | |
| Other liabilities | 4,873,630 | | 7-f |
| Reserve for employee bonuses | 70,351 | | |
| Reserve for executive bonuses | 3,091 | | |
| Net defined benefit liability | 31,816 | | |
| Reserve for executive retirement benefits | 1,374 | | |
| Reserve for point service program | 23,948 | | |
| Reserve for reimbursement of deposits | 7,936 | | |
| Reserve for losses on interest repayment | 147,594 | | |
| Reserves under the special laws | 2,847 | | |
| Deferred tax liabilities | 378,220 | | 5-b |
| Deferred tax liabilities for land revaluation | 30,259 | | 5-c |
| Acceptances and guarantees | 9,564,993 | | |
| Total liabilities | 192,207,534 | | |
| Net assets | | | |
| Capital stock | 2,339,443 | | 1-a |
| Capital surplus | 739,047 | | 1-b |
| Retained earnings | 5,992,247 | | 1-c |
| Treasury stock | Δ 16,302 | | 1-d |
| Total stockholders' equity | 9,054,436 | | |
| Net unrealized gains or losses on other securities | 1,688,852 | | |
| Net deferred gains or losses on hedges | Δ 54,650 | | 6 |
| Land revaluation excess | 36,547 | | |
| Foreign currency translation adjustments | 50,379 | | |
| Accumulated remeasurements of defined benefit plans | Δ 7,244 | | |
| Total accumulated other comprehensive income | 1,713,884 | (a) | |
| Stock acquisition rights | 4,750 | | 2, 8-a |
| Non-controlling interests | 678,540 | | 8-b |
| Total net assets | 11,451,611 | | |
| Total liabilities and net assets | 203,659,146 | | |

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, 2019 | Remarks |
|-----------------------------------|----------------------|---------|
| Capital stock | 2,339,443 | |
| Capital surplus | 739,047 | |
| Retained earnings | 5,992,247 | |
| Treasury stock | (16,302) | |
| Total stockholders' equity | 9,054,436 | |

| Ref. No. |
|----------|
| 1-a |
| 1-b |
| 1-c |
| 1-d |

(2) Composition of capital

(Millions of yen)

| Composition of capital disclosure | As of March 31, 2019 | Remarks |
|--|----------------------|---|
| Directly issued qualifying common share capital plus related capital surplus and retained earnings | 9,054,436 | Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed)) |
| of which: capital and capital surplus | 3,078,490 | |
| of which: retained earnings | 5,992,247 | |
| of which: treasury stock (-) | 16,302 | |
| 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 March 31, 2019 | Remarks |
|---|----------------------|---------|
| Stock acquisition rights | 4,750 | |
| of which: Stock acquisition rights issued by bank holding company | 2,539 | |

| Ref. No. |
|----------|
| 2 |

(2) Composition of capital

(Millions of yen)

| Composition of capital disclosure | As of March 31, 2019 | Remarks |
|---|----------------------|---------|
| Stock acquisition rights to common shares | 2,539 | |
| Stock acquisition rights to Additional Tier 1 instruments | - | |
| Stock acquisition rights to Tier 2 instruments | - | |

| Basel III Template No. |
|------------------------|
| 1b |
| 31b |
| 46 |

3. Intangible fixed assets

(1) Consolidated balance sheet

(Millions of yen)

| Consolidated balance sheet items | As of March 31, 2019 | Remarks |
|--|----------------------|---------|
| Intangible fixed assets | 769,231 | |
| Securities | 24,338,005 | |
| of which: goodwill attributable to equity-method investees | 61,282 | |

| Ref. No. |
|----------|
| 3-a |
| 3-b |

| | | |
|-------------------------------|---------|--|
| Income taxes related to above | 173,381 | |
|-------------------------------|---------|--|

(2) Composition of capital

(Millions of yen)

| Composition of capital disclosure | As of March 31, 2019 | Remarks |
|---|----------------------|--------------------|
| Goodwill (including those equivalent) | 247,659 | |
| Other intangibles other than goodwill and mortgage servicing rights | 409,472 | 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 March 31, 2019 | Remarks |
|----------------------------------|----------------------|---------|
| Net defined benefit asset | 329,434 | |

| Ref. No. |
|----------|
| 4 |

| | | |
|-------------------------------|---------|--|
| Income taxes related to above | 100,520 | |
|-------------------------------|---------|--|

(2) Composition of capital

(Millions of yen)

| Composition of capital disclosure | As of March 31, 2019 | Remarks |
|-----------------------------------|----------------------|---------|
| Net defined benefit asset | 228,913 | |

| Basel III Template No. |
|------------------------|
| 15 |

5. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

| Consolidated balance sheet items | As of March 31, 2019 | Remarks |
|---|----------------------|---------|
| Deferred tax assets | 40,245 | |
| Deferred tax liabilities | 378,220 | |
| Deferred tax liabilities for land revaluation | 30,259 | |

| Ref. No. |
|----------|
| 5-a |
| 5-b |
| 5-c |

| | | |
|--|---------|--|
| Tax effects on intangible fixed assets | 173,381 | |
| Tax effects on net defined benefit asset | 100,520 | |

(2) Composition of capital

(Millions of yen)

| Composition of capital disclosure | As of March 31, 2019 | Remarks |
|---|----------------------|--|
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | 2,208 | 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) | 2,605 | 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) | 2,605 | |

| Basel III Template No. |
|------------------------|
| 10 |
| 21 |
| 25 |
| 75 |

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, 2019 | Remarks |
|--|----------------------|---------|
| Net deferred gains or losses on hedges | (54,650) | |

| Ref. No. |
|----------|
| 6 |

(2) Composition of capital

(Millions of yen)

| Composition of capital disclosure | As of March 31, 2019 | Remarks |
|--|----------------------|--|
| Net deferred gains or losses on hedges | (52,610) | Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income" |

| Basel III Template No. |
|------------------------|
| 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 March 31, 2019 | Remarks |
|----------------------------------|----------------------|---|
| Trading assets | 5,328,778 | Including trading account securities and derivatives for trading assets |
| Securities | 24,338,005 | |
| Loans and bills discounted | 77,979,190 | Including subordinated loans |
| Other assets | 7,307,305 | Including derivatives |
| Trading liabilities | 4,219,293 | Including trading account securities sold and derivatives for trading liabilities |
| Other liabilities | 4,873,630 | Including derivatives |

| Ref. No. |
|----------|
| 7-a |
| 7-b |
| 7-c |
| 7-d |
| 7-e |
| 7-f |

(2) Composition of capital

(Millions of yen)

| Composition of capital disclosure | As of March 31, 2019 | Remarks | Basel III Template No. |
|---|----------------------|---------|------------------------|
| Investments in own capital instruments | 4,491 | | |
| Common Equity Tier 1 capital | 4,491 | | 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 and other TLAC liabilities | - | | 53 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold) | 816,189 | | |
| Common Equity Tier 1 capital | - | | 18 |
| Additional Tier 1 capital | - | | 39 |
| Tier 2 capital and other TLAC liabilities | - | | 54 |
| Non-significant investments in the capital and other TLAC liabilities of other financials that are below the thresholds for deductions (before risk weighting) | 816,189 | | 72 |
| Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | 996,894 | | |
| Amount exceeding the 10% threshold on specified items | - | | 19 |
| Amount exceeding the 15% threshold on specified items | - | | 23 |
| Additional Tier 1 capital | 25,516 | | 40 |
| Tier 2 capital and other TLAC liabilities | 50,000 | | 55 |
| Significant investments in the common stock of other financials that are below the thresholds for deductions (before risk weighting) | 921,378 | | 73 |

8. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

| Consolidated balance sheet items | As of March 31, 2019 | Remarks | Ref. No. |
|----------------------------------|----------------------|---------|----------|
| Stock acquisition rights | 4,750 | | 8-a |
| Non-controlling interests | 678,540 | | 8-b |

(2) Composition of capital

(Millions of yen)

| Composition of capital disclosure | As of March 31, 2019 | Remarks | Basel III Template No. |
|--|----------------------|--|------------------------|
| Amount allowed in group CET1 | 2,181 | After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments) | 5 |
| Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | - | After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments) | 30-31ab-32 |
| Amount allowed in group AT1 | 62,752 | After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments) | 34-35 |
| Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | - | After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments) | 46 |
| Amount allowed in group T2 | 15,087 | After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments) | 48-49 |

9. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

| Consolidated balance sheet items | As of March 31, 2019 | Remarks | Ref. No. |
|----------------------------------|----------------------|---------|----------|
| Borrowed money | 10,656,897 | | 9-a |
| Bonds | 9,227,367 | | 9-b |

(2) Composition of capital

(Millions of yen)

| Composition of capital disclosure | As of March 31, 2019 | 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 | 598,974 | | 32 |
| Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards | 997,723 | | 46 |