

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, 2018	As of June 30, 2018		
(Assets)				
Cash and due from banks	56,133,843	54,052,677		
Call loans and bills bought	2,360,764	2,166,048		
Receivables under resale agreements	5,047,049	2,800,962		
Receivables under securities borrowing transactions	5,254,864	5,719,671		
Monetary claims bought	4,709,177	4,772,209		
Trading assets	5,595,840	5,935,395	7-a	
Money held in trust	768	1,083		
Securities	25,089,044	24,030,620	3-b, 7-b	
Loans and bills discounted	75,939,685	74,384,030	7-c	
Foreign exchanges	2,366,335	2,566,421		
Lease receivables and investment assets	2,354,954	2,301,550		
Other assets	8,345,485	8,011,263		
Tangible fixed assets	3,698,051	3,589,617		
Intangible fixed assets	834,742	849,477	3-a	
Net defined benefit asset	398,633	391,650	4	
Deferred tax assets	22,017	21,428	5-a	
Customers' liabilities for acceptances and guarantees	9,303,847	9,020,737		
Reserve for possible loan losses	(467,343)	(503,850)		
Total assets	206,987,762	200,110,993		
(Liabilities)				
Deposits	119,385,639	118,336,855		
Negotiable certificates of deposit	11,490,153	10,918,752		
Call money and bills sold	2,013,277	1,179,485		
Payables under repurchase agreements	11,270,010	8,106,633		
Payables under securities lending transactions	2,980,463	2,781,697		
Commercial paper	2,544,376	2,721,596		
Trading liabilities	4,127,140	4,062,267	7-d	
Borrowed money	11,073,378	10,991,300	9-a	
Foreign exchanges	1,057,998	1,260,021		
Short-term bonds	1,160,000	1,208,600		
Bonds	9,935,469	9,464,680	9-b	
Due to trust account	1,373,949	1,232,467		
Other liabilities	6,709,444	6,337,545		
Reserve for employee bonuses	52,197	28,932		
Net defined benefit liability	39,416	39,626		
Reserve for executive retirement benefits	1,761	1,635		
Reserve for point service program	23,611	23,017		
Reserve for reimbursement of deposits	12,391	14,836		
Reserve for losses on interest repayment	122,960	134,070		
Reserve under the special laws	2,767	2,578		
Deferred tax liabilities	504,408	494,139	5-b	
Deferred tax liabilities for land revaluation	30,423	30,519	5-c	
Acceptances and guarantees	9,303,847	9,020,737		
Total liabilities	195,215,088	188,391,998		
(Net assets)				
Capital stock	2,339,443	2,338,743	1-a	
Capital surplus	734,610	758,224	1-b	
Retained earnings	5,856,833	5,652,748	1-c	
Treasury stock	(16,292)	(82,213)	1-d	
Total stockholders' equity	8,914,594	8,667,502		
Net unrealized gains on other securities	1,701,862	1,783,662		
Net deferred gains or losses on hedges	(100,777)	(81,054)	6	
Land revaluation excess	36,592	36,809		
Foreign currency translation adjustments	54,848	4,448		
Remeasurements of defined benefit plans	53,510	57,339		
Total accumulated other comprehensive income	1,746,036	1,801,206		
Stock acquisition rights	2,555	2,567	2, 8-a	
Non-controlling interests	1,109,488	1,247,719	8-b	
Total net assets	11,772,674	11,718,995		
Total liabilities and net assets	206,987,762	200,110,993		

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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 September 30, 2018	As of June 30, 2018	Remarks	Ref. No.
Capital stock	2,339,443	2,338,743		1-a
Capital surplus	734,610	758,224		1-b
Retained earnings	5,856,833	5,652,748		1-c
Treasury stock	(16,292)	(82,213)		1-d
Total stockholders' equity	8,914,594	8,667,502		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of June 30, 2018	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	8,914,594	8,667,502	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,074,053	3,096,968		1a
of which: retained earnings	5,856,833	5,652,748		2
of which: treasury stock (-)	16,292	82,213		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, 2018	As of June 30, 2018	Remarks	Ref. No.
Stock acquisition rights	2,555	2,567		2
of which: Stock acquisition rights issued by bank holding company	2,555	2,567		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of June 30, 2018	Remarks	Basel III Template No.
Stock acquisition rights to common shares	2,555	2,567		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, 2018	As of June 30, 2018	Remarks	Ref. No.
Intangible fixed assets	834,742	849,477		3-a
Securities	25,089,044	24,030,620		3-b
of which: goodwill attributable to equity-method investees	27,906	25,949		
Income taxes related to above	175,290	178,135		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of June 30, 2018	Remarks	Basel III Template No.
Goodwill (including those equivalent)	281,856	285,351		8
Other intangible assets other than goodwill and mortgage servicing rights	405,500	411,940	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, 2018	As of June 30, 2018	Remarks	Ref. No.
Net defined benefit asset	398,633	391,650		4
Income taxes related to above	121,579	119,567		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of June 30, 2018	Remarks	Basel III Template No.
Net defined benefit asset	277,054	272,082		15

5. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of June 30, 2018	Remarks	Ref. No.
Deferred tax assets	22,017	21,428		5-a
Deferred tax liabilities	504,408	494,139		5-b
Deferred tax liabilities for land revaluation	30,423	30,519		5-c
Tax effects on other intangible assets	175,290	178,135		
Tax effects on net defined benefit asset	121,579	119,567		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of June 30, 2018	Remarks	Basel III Template No.
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,194	1,472	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)	2,080	1,418	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)	2,080	1,418		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, 2018	As of June 30, 2018	Remarks	Ref. No.
Net deferred gains or losses on hedges	(100,777)	(81,054)		6

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of June 30, 2018	Remarks	Basel III Template No.
Net deferred gains or losses on hedges	(100,047)	(80,019)	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, 2018	As of June 30, 2018	Remarks	Ref. No.
Trading assets	5,595,840	5,935,395	Including trading account securities and derivatives for trading assets	7-a
Securities	25,089,044	24,030,620		7-b
Loans and bills discounted	75,939,685	74,384,030	Including subordinated loans	7-c
Trading liabilities	4,127,140	4,062,267	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, 2018	As of June 30, 2018	Remarks	Basel III Template No.
Investments in own capital instruments	8,763	7,465		
Common Equity Tier 1 capital	8,763	7,465		16
Additional Tier 1 capital	-	-		37
Tier 2 capital	0	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)	768,594	781,422		
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)	768,594	781,422		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	680,574	748,208		
Amount exceeding the 10% threshold on specified items	-	-		19
Amount exceeding the 15% threshold on specified items	-	-		23
Additional Tier 1 capital	0	81,640		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)	630,574	616,568		73

8. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of June 30, 2018	Remarks	Ref. No.
Stock acquisition rights	2,555	2,567		8-a
Non-controlling interests	1,109,488	1,247,719		8-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of June 30, 2018	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	328	335		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	238,679	230,102		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	53,369	53,920		48-49

9. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of June 30, 2018	Remarks	Ref. No.
Borrowed money	11,073,378	10,991,300		9-a
Bonds	9,935,469	9,464,680		9-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of June 30, 2018	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	600,000	597,969		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,002,592	1,001,293		46