

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 December 31, 2018	As of September 30, 2018		
(Assets)				
Cash and due from banks	54,231,010	56,133,843		
Call loans and bills bought	2,118,486	2,360,764		
Receivables under resale agreements	6,551,830	5,047,049		
Receivables under securities borrowing transactions	4,198,050	5,254,864		
Monetary claims bought	4,802,198	4,709,177		
Trading assets	6,052,262	5,595,840	7-a	
Money held in trust	563	768		
Securities	23,009,200	25,089,044	3-b, 7-b	
Loans and bills discounted	77,676,936	75,939,685	7-c	
Foreign exchanges	2,337,080	2,366,335		
Lease receivables and investment assets	253,677	2,354,954		
Other assets	8,989,642	8,345,485		
Tangible fixed assets	1,497,499	3,698,051		
Intangible fixed assets	702,821	834,742	3-a	
Net defined benefit asset	403,825	398,633	4	
Deferred tax assets	15,653	22,017	5-a	
Customers' liabilities for acceptances and guarantees	9,621,884	9,303,847		
Reserve for possible loan losses	(462,358)	(467,343)		
Total assets	202,000,264	206,987,762		
(Liabilities)				
Deposits	120,851,481	119,385,639		
Negotiable certificates of deposit	10,767,051	11,490,153		
Call money and bills sold	1,493,324	2,013,277		
Payables under repurchase agreements	11,156,279	11,270,010		
Payables under securities lending transactions	1,449,627	2,980,463		
Commercial paper	2,544,550	2,544,376		
Trading liabilities	4,274,743	4,127,140	7-d	
Borrowed money	9,004,756	11,073,378	9-a	
Foreign exchanges	851,858	1,057,998		
Short-term bonds	215,600	1,160,000		
Bonds	9,672,246	9,935,469	9-b	
Due to trust account	1,323,347	1,373,949		
Other liabilities	6,828,343	6,709,444		
Reserve for employee bonuses	36,897	52,197		
Net defined benefit liability	31,889	39,416		
Reserve for executive retirement benefits	1,302	1,761		
Reserve for point service program	24,209	23,611		
Reserve for reimbursement of deposits	9,134	12,391		
Reserve for losses on interest repayment	111,863	122,960		
Reserve under the special laws	2,959	2,767		
Deferred tax liabilities	366,774	504,408	5-b	
Deferred tax liabilities for land revaluation	30,330	30,423	5-c	
Acceptances and guarantees	9,621,884	9,303,847		
Total liabilities	190,670,457	195,215,088		
(Net assets)				
Capital stock	2,339,443	2,339,443	1-a	
Capital surplus	734,634	734,610	1-b	
Retained earnings	5,903,515	5,856,833	1-c	
Treasury stock	(16,312)	(16,292)	1-d	
Total stockholders' equity	8,961,281	8,914,594		
Net unrealized gains on other securities	1,467,420	1,701,862		
Net deferred gains or losses on hedges	(79,756)	(100,777)	6	
Land revaluation excess	36,496	36,592		
Foreign currency translation adjustments	51,356	54,848		
Remeasurements of defined benefit plans	52,548	53,510		
Total accumulated other comprehensive income	1,528,066	1,746,036		
Stock acquisition rights	2,554	2,555	2, 8-a	
Non-controlling interests	837,904	1,109,488	8-b	
Total net assets	11,329,806	11,772,674		
Total liabilities and net assets	202,000,264	206,987,762		

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 December 31, 2018	As of September 30, 2018	Remarks	Ref. No.
Capital stock	2,339,443	2,339,443		1-a
Capital surplus	734,634	734,610		1-b
Retained earnings	5,903,515	5,856,833		1-c
Treasury stock	(16,312)	(16,292)		1-d
Total stockholders' equity	8,961,281	8,914,594		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2018	As of September 30, 2018	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	8,961,281	8,914,594	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,074,077	3,074,053		1a
of which: retained earnings	5,903,515	5,856,833		2
of which: treasury stock (-)	16,312	16,292		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 December 31, 2018	As of September 30, 2018	Remarks	Ref. No.
Stock acquisition rights	2,554	2,555		2
of which: Stock acquisition rights issued by bank holding company	2,554	2,555		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2018	As of September 30, 2018	Remarks	Basel III Template No.
Stock acquisition rights to common shares	2,554	2,555		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 December 31, 2018	As of September 30, 2018	Remarks	Ref. No.
Intangible fixed assets	702,821	834,742		3-a
Securities	23,009,200	25,089,044		3-b
of which: goodwill attributable to equity-method investees	64,227	27,906		
Income taxes related to above	154,498	175,290		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2018	As of September 30, 2018	Remarks	Basel III Template No.
Goodwill (including those equivalent)	254,474	281,856		8
Other intangible assets other than goodwill and mortgage servicing rights	358,076	405,500	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 December 31, 2018	As of September 30, 2018	Remarks	Ref. No.
Net defined benefit asset	403,825	398,633		4
Income taxes related to above	123,270	121,579		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2018	As of September 30, 2018	Remarks	Basel III Template No.
Net defined benefit asset	280,555	277,054		15

5. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of December 31, 2018	As of September 30, 2018	Remarks
Deferred tax assets	15,653	22,017	
Deferred tax liabilities	366,774	504,408	
Deferred tax liabilities for land revaluation	30,330	30,423	
Tax effects on other intangible assets	154,498	175,290	
Tax effects on net defined benefit asset	123,270	121,579	

Ref. No.

5-a

5-b

5-c

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2018	As of September 30, 2018	Remarks
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,155	1,194	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)	1,326	2,080	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)	1,326	2,080	

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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 December 31, 2018	As of September 30, 2018	Remarks
Net deferred gains or losses on hedges	(79,756)	(100,777)	

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(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2018	As of September 30, 2018	Remarks
Net deferred gains or losses on hedges	(78,296)	(100,047)	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 December 31, 2018	As of September 30, 2018	Remarks
Trading assets	6,052,262	5,595,840	Including trading account securities and derivatives for trading assets
Securities	23,009,200	25,089,044	
Loans and bills discounted	77,676,936	75,939,685	Including subordinated loans
Trading liabilities	4,274,743	4,127,140	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 December 31, 2018	As of September 30, 2018	Remarks	Basel III Template No.
Investments in own capital instruments	4,971	8,763		
Common Equity Tier 1 capital	4,971	8,763		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)	706,921	768,594		
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)	706,921	768,594		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	1,047,621	680,574		
Amount exceeding the 10% threshold on specified items	22,143	-		19
Amount exceeding the 15% threshold on specified items	-	-		23
Additional Tier 1 capital	25,513	0		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)	949,965	630,574		73

8. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of December 31, 2018	As of September 30, 2018	Remarks	Ref. No.
Stock acquisition rights	2,554	2,555		8-a
Non-controlling interests	837,904	1,109,488		8-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2018	As of September 30, 2018	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	346	328		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	60,280	238,679		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	14,015	53,369		48-49

9. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of December 31, 2018	As of September 30, 2018	Remarks	Ref. No.
Borrowed money	9,004,756	11,073,378		9-a
Bonds	9,672,246	9,935,469		9-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of December 31, 2018	As of September 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	600,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	995,436	1,002,592		46