

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 Sep. 30, 2021)	Reference to Template CC1	Reference to appended table
Assets			
Cash and due from banks	70,940,025		
Call loans and bills bought	2,760,584		
Receivables under resale agreements	4,686,909		
Receivables under securities borrowing transactions	5,805,985		
Monetary claims bought	4,829,709		
Trading assets	6,493,877		7-a
Money held in trust	309		
Securities	36,278,557		3-b, 7-b
Loans and bills discounted	85,037,573		7-c
Foreign exchanges	3,299,302		
Lease receivables and investment assets	228,695		
Other assets	8,476,457		7-d
Tangible fixed assets	1,478,934		
Intangible fixed assets	744,165		3-a
Net defined benefit asset	584,177		4
Deferred tax assets	30,062		5-a
Customers' liabilities for acceptances and guarantees	10,296,696		
Reserve for possible loan losses	(630,194)		
Total assets	241,341,831		
Liabilities			
Deposits	141,340,182		
Negotiable certificates of deposit	11,962,673		
Call money and bills sold	1,723,491		
Payables under repurchase agreements	14,291,544		
Payables under securities lending transactions	1,813,833		
Commercial paper	2,127,405		
Trading liabilities	4,392,292		7-e
Borrowed money	18,104,699		9-a
Foreign exchanges	1,419,000		

Short-term bonds	401,000		
Bonds	9,461,894		9-b
Due to trust account	2,543,382		
Other liabilities	8,192,422		7-f
Reserve for employee bonuses	59,184		
Net defined benefit liability	35,413		
Reserve for executive retirement benefits	965		
Reserve for point service program	24,419		
Reserve for reimbursement of deposits	7,714		
Reserve for losses on interest repayment	121,960		
Reserves under the special laws	4,083		
Deferred tax liabilities	612,212		5-b
Deferred tax liabilities for land revaluation	29,338		5-c
Acceptances and guarantees	10,296,696		
Total liabilities	228,965,814		
Net assets			
Capital stock	2,341,878		1-a
Capital surplus	693,614		1-b
Retained earnings	6,809,834		1-c
Treasury stock	(13,409)		1-d
Total stockholders' equity	9,831,917		
Net unrealized gains or losses on other securities	2,192,305		
Net deferred gains or losses on hedges	(10,828)		6
Land revaluation excess	36,345		
Foreign currency translation adjustments	133,014		
Accumulated remeasurements of defined benefit plans	117,398		
Total accumulated other comprehensive income	2,468,234	(a)	
Stock acquisition rights	1,498		2, 8-a
Non-controlling interests	74,365		8-b
Total net assets	12,376,017		
Total liabilities and net assets	241,341,831		

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 Sep. 30, 2021	Remarks	Ref. No.
Capital stock	2,341,878		1-a
Capital surplus	693,614		1-b
Retained earnings	6,809,834		1-c
Treasury stock	(13,409)		1-d
Total stockholders' equity	9,831,917		

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	As of Sep. 30, 2021	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	9,831,917	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,035,492		1a
of which: retained earnings	6,809,834		2
of which: treasury stock (-)	13,409		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 Sep. 30, 2021	Remarks	Ref. No.
Stock acquisition rights	1,498		2
of which: Stock acquisition rights issued by bank holding company	1,498		

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	As of Sep. 30, 2021	Remarks	Basel III Template No.
Stock acquisition rights to common shares	1,498		1b
Stock acquisition rights to Additional Tier 1 instruments	—		31b
Stock acquisition rights to Tier 2 instruments	—		46

3. Intangible fixed assets

(1) Consolidated balance sheet (Millions of yen)

Consolidated balance sheet items	As of Sep. 30, 2021	Remarks	Ref. No.
Intangible fixed assets	744,165		3-a
Securities	36,278,557		3-b
of which: goodwill attributable to equity-method investees	38,258		
Income taxes related to above	180,748		

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	As of Sep. 30, 2021	Remarks	Basel III Template No.
Goodwill (including those equivalent)	172,813		8
Other intangibles other than goodwill and mortgage servicing rights	428,861	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 Sep. 30, 2021	Remarks	Ref. No.
Net defined benefit asset	584,177		4
Income taxes related to above	178,969		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of Sep. 30, 2021	Remarks	Basel III Template No.
Net defined benefit asset	405,208		15

5. Deferred tax assets

(1) Consolidated balance sheet (Millions of yen)

Consolidated balance sheet items	As of Sep. 30, 2021	Remarks	Ref. No.
Deferred tax assets	30,062		5-a
Deferred tax liabilities	612,212		5-b
Deferred tax liabilities for land revaluation	29,338		5-c
Tax effects on intangible fixed assets	180,748		
Tax effects on net defined benefit asset	178,969		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of Sep. 30, 2021	Remarks	Basel III Template No.
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	3,526	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)	5,990	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)	5,990		75

6. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet (Millions of yen)

Consolidated balance sheet items	As of Sep. 30, 2021	Remarks	Ref. No.
Net deferred gains or losses on hedges	(10,828)		6

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of Sep. 30, 2021	Remarks	Basel III Template No.
Net deferred gains or losses on hedges	(9,229)	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 Sep. 30, 2021	Remarks	Ref. No.
Trading assets	6,493,877	Including trading account securities and derivatives for trading assets	7-a
Securities	36,278,557		7-b
Loans and bills discounted	85,037,573	Including subordinated loans	7-c
Other assets	8,476,457	Including derivatives	7-d
Trading liabilities	4,392,292	Including trading account securities sold and derivatives for trading liabilities	7-e
Other liabilities	8,192,422	Including derivatives	7-f

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of Sep. 30, 2021	Remarks	Basel III Template No.
Investments in own capital instruments	4,881		
Common Equity Tier 1 capital	4,881		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)	1,275,633		
Common Equity Tier 1 capital	138,770		18
Additional Tier 1 capital	3,050		39
Tier 2 capital and other TLAC liabilities	26,040		54
Non-significant investments in the capital and other TLAC liabilities of other financials that are below the thresholds for deductions (before risk weighting)	1,107,771		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)	1,008,387		
Amount exceeding the 10% threshold on specified items	—		19
Amount exceeding the 15% threshold on specified items	—		23
Additional Tier 1 capital	25,525		40
Tier 2 capital and other TLAC liabilities	33,585		55
Significant investments in the common stock of other financials that are below the thresholds for deductions (before risk weighting)	949,276		73

8. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of Sep. 30, 2021	Remarks	Ref. No.
Stock acquisition rights	1,498		8-a
Non-controlling interests	74,365		8-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of Sep. 30, 2021	Remarks	Basel III Template No.
Amount allowed in group CET1	1,160	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	14,790	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	2,502	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 Sep. 30, 2021	Remarks	Ref. No.
Borrowed money	18,104,699		9-a
Bonds	9,461,894		9-b
Total	27,566,594		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of Sep. 30, 2021	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	652,202		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	776,754		46