

Reconciliation of regulatory capital elements back to the balance sheet (Second Quarter ended September 30, 2014)

Sumitomo Mitsui Banking Corporation

(Millions of yen)

Items	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)
	Amount		
(Assets)			
Cash and due from banks	33,802,357		
Call loans	618,406		
Receivables under resale agreements	393,134		
Receivables under securities borrowing transactions	797,509		
Bills bought	19,710		
Monetary claims bought	1,019,274		
Trading assets	3,791,827	6-a	
Securities	26,763,465		
Loans and bills discounted	65,778,476	6-c	
Foreign exchanges	2,016,288		
Other assets	1,923,243		
Tangible fixed assets	778,966		
Intangible fixed assets	193,659	2	
Prepaid pension cost	285,800	3	
Customers' liabilities for acceptances and guarantees	6,314,286		
Reserve for possible loan losses	(355,043)		
Reserve for possible losses on investments	(77,251)		
Total assets	144,064,112		
(Liabilities)			
Deposits	85,496,463		
Negotiable certificates of deposit	14,974,230		
Call money	3,351,288		
Payables under repurchase agreements	723,892		
Payables under securities lending transactions	4,580,117		
Commercial paper	2,028,604		
Trading liabilities	2,740,084	6-d	
Borrowed money	7,058,826		
Foreign exchanges	635,576		
Short-term bonds	25,000		
Bonds	4,572,916		
Due to trust account	770,114		
Other liabilities	3,144,838		
Reserve for employee bonuses	12,777		
Reserve for point service program	793		
Reserve for reimbursement of deposits	10,354		
Deferred tax liabilities	213,636	4-a	
Deferred tax liabilities for land revaluation	37,778	4-b	
Acceptances and guarantees	6,314,286		
Total liabilities	136,691,578		
(Net assets)			
Capital stock	1,770,996	1-a	
Capital surplus	2,481,273	1-b	
Retained earnings	2,256,957		
Treasury stock	(210,003)	1-d	
Total stockholders' equity	6,299,224		
Net unrealized gains on other securities	1,128,860		
Net deferred losses on hedges	(79,723)		
Land revaluation excess	24,171		
Total valuation and translation adjustments	1,073,309		
Total net assets	7,372,534		
Total liabilities and net assets	144,064,112		

Note: The nonconsolidated capital adequacy ratio is calculated based on the consolidated financial statements which include special purpose vehicles and other equivalent entities in accordance with Article 15 of "Criteria for Judging Whether A Financial Institution's Capital Is Sufficient in Light of the Assets Held, etc. under the Provision of Article 14-2 of the Banking Law" (Notification No. 19 of 2006, the Financial Services Agency). The above capital adequacy ratio is calculated using the following balance sheet accounts reported on the consolidated financial statements.

Balance sheet account	Amount reported on the consolidated financial statements	Cross-reference to Appended Table	Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template)
Securities	26,749,886	6-b	3
Borrowed money	6,211,031	7	
Retained earnings	2,257,716	1-c	
Net deferred losses on hedges	(80,138)	5	
Total valuation and translation adjustments	1,072,212		

(Appended Table)

1. Stockholders' equity

(1) Balance sheet (Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Capital stock	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-a
Capital surplus	2,481,273	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	2,257,716		1-c
Treasury stock	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	6,299,983		

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,299,983	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	4,042,266		1a
of which: retained earnings	2,257,716		2
of which: treasury stock (-)	-		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. Intangible assets

(1) Balance sheet (Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Intangible fixed assets	193,659		2
Income taxes related to above	68,884		

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Goodwill (including those equivalent)	-		8
Other intangible assets other than goodwill and mortgage servicing rights	124,774	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

3. Prepaid pension cost

(1) Balance sheet (Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Prepaid pension cost	285,800		3
Income taxes related to above	101,659		

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Prepaid pension cost	184,140		15

4. Deferred tax assets

(1) Balance sheet

(Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Deferred tax liabilities	213,636		4-a
Deferred tax liabilities for land revaluation	37,778		4-b
Tax effects on other intangible assets	68,884		
Tax effects on prepaid pension cost	101,659		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities.	10
Deferred tax assets arising from temporary differences (net of related tax liability)	-	This item does not agree with the amount reported on the 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)	-		75

5. Deferred gains or losses on derivatives under hedge accounting

(1) Balance sheet

(Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Net deferred losses on hedges	(80,138)		5

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Net deferred losses on hedges	(78,562)	Excluding those items whose valuation differences arising from hedged items are recognized as "Total valuation and translation adjustments"	11

6. Items associated with investments in the capital of financial institutions

(1) Balance sheet

(Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Trading assets	3,791,827	Including trading account securities and derivatives for trading assets	6-a
Securities	26,749,886		6-b
Loans and bills discounted	65,778,476	Including subordinated loans	6-c
Trading liabilities	2,740,084	Including trading account securities sold and derivatives for trading liabilities	6-d

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Investments in own capital instruments	-		
Common Equity Tier 1 capital	-		16
Additional Tier 1 capital	-		37
Tier 2 capital	-		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)	592,647		
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 deduction (before risk weighting)	592,647		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	799,508		
Amount exceeding the 10% threshold on specified items	-		19
Amount exceeding the 15% threshold on specified items	-		23
Additional Tier 1 capital	159,230		40
Tier 2 capital	125,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	515,277		73

7. Other capital instruments

(1) Balance sheet

(Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	6,211,031		7

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	Amount	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	-		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	326,537		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.