

Reconciliation of regulatory capital elements back to the balance sheet

Sumitomo Mitsui Banking Corporation 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, 2015	As of September 30, 2014		
(Assets)				
Cash and due from banks	43,195,496	36,220,060		
Call loans and bills bought	1,376,648	1,194,366		
Receivables under resale agreements	771,420	706,527		
Receivables under securities borrowing transactions	6,470,655	5,504,201		
Monetary claims bought	3,926,974	3,735,471		
Trading assets	7,581,209	7,734,279	6-a	
Money held in trust	1	1		
Securities	27,983,877	26,182,006	2-b, 6-b	
Loans and bills discounted	76,676,449	72,447,280	6-c	
Foreign exchanges	1,966,358	2,123,155		
Lease receivables and investment assets	249,749	214,888		
Other assets	2,787,844	2,853,430		
Tangible fixed assets	1,123,197	1,002,026		
Intangible fixed assets	463,712	446,797	2-a	
Net defined benefit asset	368,190	187,192	3	
Deferred tax assets	62,721	82,458	4-a	
Customers' liabilities for acceptances and guarantees	6,198,361	6,124,054		
Reserve for possible loan losses	(489,385)	(499,123)		
Total assets	180,713,484	166,259,075		
(Liabilities)				
Deposits	102,592,124	95,561,937		
Negotiable certificates of deposit	15,928,508	14,925,231		
Call money and bills sold	6,218,629	4,401,120		
Payables under repurchase agreements	1,081,106	1,374,565		
Payables under securities lending transactions	8,258,001	7,913,071		
Commercial paper	3,109,663	2,705,530		
Trading liabilities	5,524,764	5,307,369	6-d	
Borrowed money	9,025,672	7,012,717	8	
Foreign exchanges	863,970	602,386		
Short-term bonds	719,600	463,900		
Bonds	5,866,650	5,075,056		
Due to trust account	597,296	770,424		
Other liabilities	4,545,241	4,702,138		
Reserve for employee bonuses	43,133	34,431		
Net defined benefit liability	12,285	15,370		
Reserve for executive retirement benefits	660	690		
Reserve for point service program	1,162	1,512		
Reserve for reimbursement of deposits	15,176	11,655		
Reserve for losses on interest repayment	527	701		
Reserve under the special laws	984	547		
Deferred tax liabilities	386,986	219,838	4-b	
Deferred tax liabilities for land revaluation	33,998	38,256	4-c	
Acceptances and guarantees	6,198,361	6,124,054		
Total liabilities	171,024,506	157,262,510		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	2,702,099	2,717,391	1-b	
Retained earnings	2,759,178	2,608,552	1-c	
Treasury stock	(210,003)	(210,003)	1-d	
Total stockholders' equity	7,022,271	6,886,937		
Net unrealized gains on other securities	1,397,229	1,145,591		
Net deferred losses on hedges	(12,029)	(41,826)	5	
Land revaluation excess	37,816	35,551		
Foreign currency translation adjustments	107,233	(2,905)		
Remeasurements of defined benefit plans	54,099	(67,323)		
Total accumulated other comprehensive income	1,584,348	1,069,085		
Stock acquisition rights	221	175	7-a	
Non-controlling interests	1,082,137	1,040,367	7-b	
Total net assets	9,688,978	8,996,565		
Total liabilities and net assets	180,713,484	166,259,075		

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, 2015	As of September 30, 2014	Remarks	Ref. No.
Capital stock	1,770,996	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-a
Capital surplus	2,702,099	2,717,391	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	2,759,178	2,608,552		1-c
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	7,022,271	6,886,937		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	7,022,271	6,886,937	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	4,263,092	4,278,385		1a
of which: retained earnings	2,759,178	2,608,552		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) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks	Ref. No.
Intangible fixed assets	463,712	446,797		2-a
Securities	27,983,877	26,182,006		2-b
of which: goodwill attributable to equity-method investees	33,271	91,411		
Income taxes related to above	103,241	104,207		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	Remarks	Basel III Template No.
Goodwill (including those equivalent)	175,960	244,900		8
Other intangible assets other than goodwill and mortgage servicing rights	217,782	189,101	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. Net defined benefit asset

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks	Ref. No.
Net defined benefit asset	368,190	187,192		3
Income taxes related to above	118,147	66,435		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	Remarks	Basel III Template No.
Net defined benefit asset	250,043	120,756		15

4. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks
Deferred tax assets	62,721	82,458	
Deferred tax liabilities	386,986	219,838	
Deferred tax liabilities for land revaluation	33,998	38,256	
Tax effects on other intangible assets	103,241	104,207	
Tax effects on net defined benefit asset	118,147	66,435	

Ref. No.
4-a
4-b
4-c

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	Remarks
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	2,068	2,985	This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities.
Deferred tax assets arising from temporary differences (net of related tax liability)	6,695	4,717	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	—	—	
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)	6,695	4,717	

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10
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25
75

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks
Net deferred losses on hedges	(12,029)	(41,826)	

Ref. No.
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(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	Remarks
Net deferred losses on hedges	(10,390)	(40,250)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"

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11

6. 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, 2015	As of September 30, 2014	Remarks
Trading assets	7,581,209	7,734,279	Including trading account securities and derivatives for trading assets
Securities	27,983,877	26,182,006	
Loans and bills discounted	76,676,449	72,447,280	Including subordinated loans
Trading liabilities	5,524,764	5,307,369	Including trading account securities sold and derivatives for trading liabilities

Ref. No.
6-a
6-b
6-c
6-d

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	Remarks	Basel III Template No.
Investments in own capital instruments	79	70		
Common Equity Tier 1 capital	79	70		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)	620,877	708,913		
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)	620,877	708,913		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	1,023,080	794,859		
Amount exceeding the 10% threshold on specified items	—	—		19
Amount exceeding the 15% threshold on specified items	—	—		23
Additional Tier 1 capital	158,638	158,638		40
Tier 2 capital	126,610	125,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	737,831	511,221		73

7. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks	Ref. No.
Stock acquisition rights	221	175		7-a
Non-controlling interests	1,082,137	1,040,367		7-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	168,706	158,379		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	18,562	12,049		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	2,573	2,177		48-49

8. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks	Ref. No.
Borrowed money	9,025,672	7,012,717		8

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	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	300,000	—		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	657,249	319,414		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.