

## Reconciliation of regulatory capital elements back to the balance sheet

### 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)
	September 30, 2015	September 30, 2014		
(Assets)				
Cash and due from banks	39,992,676	33,802,357		
Call loans	643,983	618,406		
Receivables under resale agreements	535,997	393,134		
Receivables under securities borrowing transactions	2,326,634	797,509		
Bills bought	-	19,710		
Monetary claims bought	1,061,202	1,019,274		
Trading assets	3,251,465	3,791,827	6-a	
Securities	28,513,860	26,763,465		
Loans and bills discounted	68,796,863	65,778,476	6-c	
Foreign exchanges	1,849,057	2,016,288		
Other assets	1,960,487	1,923,243		
Tangible fixed assets	822,174	778,966		
Intangible fixed assets	209,931	193,659	2	
Prepaid pension cost	275,474	285,800	3	
Customers' liabilities for acceptances and guarantees	6,623,332	6,314,286		
Reserve for possible loan losses	(351,607)	(355,043)		
Reserve for possible losses on investments	(23,992)	(77,251)		
<b>Total assets</b>	<b>156,487,541</b>	<b>144,064,112</b>		
(Liabilities)				
Deposits	92,002,876	85,496,463		
Negotiable certificates of deposit	15,883,208	14,974,230		
Call money	5,033,082	3,351,288		
Payables under repurchase agreements	84,417	723,892		
Payables under securities lending transactions	5,673,506	4,580,117		
Commercial paper	2,341,129	2,028,604		
Trading liabilities	2,552,196	2,740,084	6-d	
Borrowed money	8,871,945	7,058,826		
Foreign exchanges	921,485	635,576		
Short-term bonds	21,000	25,000		
Bonds	5,211,015	4,572,916		
Due to trust account	596,792	770,114		
Other liabilities	2,680,476	3,144,838		
Reserve for employee bonuses	13,256	12,777		
Reserve for point service program	797	793		
Reserve for reimbursement of deposits	13,842	10,354		
Deferred tax liabilities	313,406	213,636	4-a	
Deferred tax liabilities for land revaluation	33,589	37,778	4-b	
Acceptances and guarantees	6,623,332	6,314,286		
<b>Total liabilities</b>	<b>148,871,358</b>	<b>136,691,578</b>		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	2,470,198	2,481,273	1-b	
Retained earnings	2,281,995	2,256,957		
Treasury stock	(210,003)	(210,003)	1-d	
<b>Total stockholders' equity</b>	<b>6,313,187</b>	<b>6,299,224</b>		
Net unrealized gains on other securities	1,370,782	1,128,860		
Net deferred losses on hedges	(94,252)	(79,723)		
Land revaluation excess	26,466	24,171		
<b>Total valuation and translation adjustments</b>	<b>1,302,996</b>	<b>1,073,309</b>		
<b>Total net assets</b>	<b>7,616,183</b>	<b>7,372,534</b>		
<b>Total liabilities and net assets</b>	<b>156,487,541</b>	<b>144,064,112</b>		

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.

(Millions of yen)

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	28,500,281	26,749,886	6-b	
Borrowed money	8,001,772	6,211,031	7	
Retained earnings	2,282,438	2,257,716	1-c	
Net deferred losses on hedges	(94,411)	(80,138)	5	
Total valuation and translation adjustments	1,302,499	1,072,212		3

**(Appended Table)**

## 1. Stockholders' equity

## (1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks
Capital stock	1,770,996	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement
Capital surplus	2,470,198	2,481,273	Including eligible Tier 1 capital instruments subject to transitional arrangement
Retained earnings	2,282,438	2,257,716	
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement
<b>Total stockholders' equity</b>	<b>6,313,630</b>	<b>6,299,983</b>	

Ref. No.

1-a

1-b

1-c

1-d

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	Remarks
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,313,630	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	4,031,192	4,042,266	
of which: retained earnings	2,282,438	2,257,716	
of which: treasury stock (-)	-	-	
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

Basel III Template No.

1a

2

1c

31a

## 2. Intangible assets

## (1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks
Intangible fixed assets	209,931	193,659	
Income taxes related to above	67,598	68,884	

Ref. No.

2

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	Remarks
Goodwill (including those equivalent)	-	-	
Other intangible assets other than goodwill and mortgage servicing rights	142,333	124,774	Software and other
Mortgage servicing rights	-	-	
Amount exceeding the 10% threshold on specified items	-	-	
Amount exceeding the 15% threshold on specified items	-	-	
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	-	-	

Basel III Template No.

8

9

20

24

74

## 3. Prepaid pension cost

## (1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks
Prepaid pension cost	275,474	285,800	
Income taxes related to above	88,702	101,659	

Ref. No.

3

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2015	As of September 30, 2014	Remarks
Prepaid pension cost	186,771	184,140	

Basel III Template No.

15

## 4. Deferred tax assets

(1) Balance sheet (Millions of yen)

Balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks
Deferred tax liabilities	313,406	213,636	
Deferred tax liabilities for land revaluation	33,589	37,778	
Tax effects on other intangible assets	67,598	68,884	
Tax effects on prepaid pension cost	88,702	101,659	

Ref. No.
4-a
4-b

(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)	—	—	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)	—	—	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)	—	—	

Basel III Template No.
10
21
25
75

## 5. Deferred gains or losses on derivatives under hedge accounting

(1) Balance sheet (Millions of yen)

Balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks
Net deferred losses on hedges	(94,411)	(80,138)	

Ref. No.
5

(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	(92,772)	(78,562)	Excluding those items whose valuation differences arising from hedged items are recognized as "Total valuation and translation adjustments"

Basel III Template No.
11

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

(1) Balance sheet (Millions of yen)

Balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks
Trading assets	3,251,465	3,791,827	Including trading account securities and derivatives for trading assets
Securities	28,500,281	26,749,886	
Loans and bills discounted	68,796,863	65,778,476	Including subordinated loans
Trading liabilities	2,552,196	2,740,084	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	—	—		
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)	482,426	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)	482,426	592,647		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	935,570	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	159,230		40
Tier 2 capital	125,000	125,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	651,340	515,277		73

## 7. Other capital instruments

## (1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2015	As of September 30, 2014	Remarks	Ref. No.
Borrowed money	8,001,772	6,211,031		7

## (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	658,860	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.