

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)
	March 31, 2016	March 31, 2015		
(Assets)				
Cash and due from banks	38,862,725	37,008,665		
Call loans	899,594	539,916		
Receivables under resale agreements	359,318	417,473		
Receivables under securities borrowing transactions	2,798,855	2,012,795		
Monetary claims bought	950,106	1,047,498		
Trading assets	3,511,957	3,627,862	6-a	
Securities	25,602,156	29,985,267		
Loans and bills discounted	69,276,735	68,274,308	6-c	
Foreign exchanges	1,558,252	1,798,843		
Other assets	2,131,869	2,460,344		
Tangible fixed assets	831,326	812,383		
Intangible fixed assets	220,174	200,966	2	
Prepaid pension cost	279,917	293,082	3	
Customers' liabilities for acceptances and guarantees	6,737,089	6,721,131		
Reserve for possible loan losses	(357,186)	(394,140)		
Reserve for possible losses on investments	(21,465)	(82,321)		
Total assets	153,641,430	154,724,079		
(Liabilities)				
Deposits	98,839,722	91,337,714		
Negotiable certificates of deposit	14,428,338	14,022,064		
Call money	1,107,825	4,579,940		
Payables under repurchase agreements	496,236	350,010		
Payables under securities lending transactions	1,374,280	5,113,896		
Commercial paper	1,980,153	2,551,652		
Trading liabilities	2,987,815	2,754,739	6-d	
Borrowed money	7,868,311	8,096,070		
Foreign exchanges	1,131,796	1,172,969		
Short-term bonds	-	25,000		
Bonds	4,775,072	5,095,577		
Due to trust account	921,320	717,529		
Other liabilities	2,924,495	3,672,970		
Reserve for employee bonuses	13,869	13,738		
Reserve for executive bonuses	566	644		
Reserve for point service program	1,086	1,119		
Reserve for reimbursement of deposits	15,374	19,589		
Deferred tax liabilities	249,427	444,863	4-a	
Deferred tax liabilities for land revaluation	31,837	34,141	4-b	
Acceptances and guarantees	6,737,089	6,721,131		
Total liabilities	145,884,620	146,725,363		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	2,470,198	2,481,273	1-b	
Retained earnings	2,414,989	2,327,186		
Treasury stock	(210,003)	(210,003)	1-d	
Total stockholders' equity	6,446,181	6,369,453		
Net unrealized gains on other securities	1,233,910	1,726,573		
Net deferred gains or losses on hedges	48,706	(124,906)		
Land revaluation excess	28,011	27,593		
Total valuation and translation adjustments	1,310,628	1,629,261		
Total net assets	7,756,810	7,998,715		
Total liabilities and net assets	153,641,430	154,724,079		

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	25,588,578	29,971,688	6-b	
Borrowed money	7,162,861	7,226,652	7	
Retained earnings	2,414,507	2,327,629	1-c	
Net deferred gains or losses on hedges	48,257	(125,084)	5	
Total valuation and translation adjustments	1,309,508	1,628,732		3

(Appended Table)

1. Stockholders' equity

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2016	As of March 31, 2015	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	2,414,507	2,327,629	
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement
Total stockholders' equity	6,445,699	6,369,896	

Ref. No.

1-a

1-b

1-c

1-d

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	As of March 31, 2015	Remarks
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,445,699	6,369,896	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	2,414,507	2,327,629	
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 March 31, 2016	As of March 31, 2015	Remarks
Intangible fixed assets	220,174	200,966	
Income taxes related to above	67,329	64,711	

Ref. No.

2

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	As of March 31, 2015	Remarks
Goodwill (including those equivalent)	-	-	
Other intangible assets other than goodwill and mortgage servicing rights	152,845	136,255	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

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24

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3. Prepaid pension cost

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2016	As of March 31, 2015	Remarks
Prepaid pension cost	279,917	293,082	
Income taxes related to above	85,598	94,372	

Ref. No.

3

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	As of March 31, 2015	Remarks
Prepaid pension cost	194,318	198,710	

Basel III Template No.

15

4. Deferred tax assets

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2016	As of March 31, 2015	Remarks
Deferred tax liabilities	249,427	444,863	
Deferred tax liabilities for land revaluation	31,837	34,141	
Tax effects on other intangible assets	67,329	64,711	
Tax effects on prepaid pension cost	85,598	94,372	

Ref. No.

4-a

4-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	As of March 31, 2015	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

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25

75

5. Deferred gains or losses on derivatives under hedge accounting

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2016	As of March 31, 2015	Remarks
Net deferred gains or losses on hedges	48,257	(125,084)	

Ref. No.

5

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	As of March 31, 2015	Remarks
Net deferred gains or losses on hedges	50,264	(123,598)	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 March 31, 2016	As of March 31, 2015	Remarks
Trading assets	3,511,957	3,627,862	Including trading account securities and derivatives for trading assets
Securities	25,588,578	29,971,688	
Loans and bills discounted	69,276,735	68,274,308	Including subordinated loans
Trading liabilities	2,987,815	2,754,739	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 March 31, 2016	As of March 31, 2015	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)	336,156	524,368		
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)	336,156	524,368		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	858,981	1,023,901		
Amount exceeding the 10% threshold on specified items	-	5,101		19
Amount exceeding the 15% threshold on specified items	-	-		23
Additional Tier 1 capital	76,261	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)	657,720	734,569		73

7. Other capital instruments

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2016	As of March 31, 2015	Remarks	Ref. No.
Borrowed money	7,162,861	7,226,652		7

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2016	As of March 31, 2015	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	656,085	376,262		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.