

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, 2016	As of September 30, 2015		
(Assets)				
Cash and due from banks	39,099,012	43,195,496		
Call loans and bills bought	1,332,654	1,376,648		
Receivables under resale agreements	746,170	771,420		
Receivables under securities borrowing transactions	7,451,991	6,470,655		
Monetary claims bought	3,718,373	3,926,974		
Trading assets	7,219,515	7,581,209	6-a	
Money held in trust	3	1		
Securities	21,767,145	27,983,877	2-b, 6-b	
Loans and bills discounted	78,742,567	76,676,449	6-c	
Foreign exchanges	1,546,229	1,966,358		
Lease receivables and investment assets	265,943	249,749		
Other assets	4,321,519	2,787,844		
Tangible fixed assets	1,133,814	1,123,197		
Intangible fixed assets	525,463	463,712	2-a	
Net defined benefit asset	223,988	368,190	3	
Deferred tax assets	60,172	62,721	4-a	
Customers' liabilities for acceptances and guarantees	6,048,956	6,198,361		
Reserve for possible loan losses	(449,315)	(489,385)		
Total assets	173,754,205	180,713,484		
(Liabilities)				
Deposits	111,341,791	102,592,124		
Negotiable certificates of deposit	10,860,560	15,928,508		
Call money and bills sold	1,159,907	6,218,629		
Payables under repurchase agreements	1,964,416	1,081,106		
Payables under securities lending transactions	6,454,075	8,258,001		
Commercial paper	2,053,258	3,109,663		
Trading liabilities	5,544,260	5,524,764	6-d	
Borrowed money	7,454,656	9,025,672	8	
Foreign exchanges	816,229	863,970		
Short-term bonds	205,400	719,600		
Bonds	4,669,250	5,866,650		
Due to trust account	1,035,457	597,296		
Other liabilities	4,524,511	4,545,241		
Reserve for employee bonuses	37,603	43,133		
Net defined benefit liability	17,800	12,285		
Reserve for executive retirement benefits	761	660		
Reserve for point service program	893	1,162		
Reserve for reimbursement of deposits	12,326	15,176		
Reserve for losses on interest repayment	43	527		
Reserve under the special laws	1,188	984		
Deferred tax liabilities	274,511	386,986	4-b	
Deferred tax liabilities for land revaluation	32,167	33,998	4-c	
Acceptances and guarantees	6,048,956	6,198,361		
Total liabilities	164,510,029	171,024,506		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	2,695,819	2,702,099	1-b	
Retained earnings	2,972,017	2,759,178	1-c	
Treasury stock	(210,003)	(210,003)	1-d	
Total stockholders' equity	7,228,830	7,022,271		
Net unrealized gains on other securities	1,159,436	1,397,229		
Net deferred gains or losses on hedges	86,943	(12,029)	5	
Land revaluation excess	39,341	37,816		
Foreign currency translation adjustments	(115,441)	107,233		
Remeasurements of defined benefit plans	(48,636)	54,099		
Total accumulated other comprehensive income	1,121,643	1,584,348		
Stock acquisition rights	259	221	7-a	
Non-controlling interests	893,443	1,082,137	7-b	
Total net assets	9,244,175	9,688,978		
Total liabilities and net assets	173,754,205	180,713,484		

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, 2016	As of September 30, 2015	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	2,695,819	2,702,099	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	2,972,017	2,759,178		1-c
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	7,228,830	7,022,271		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	7,228,830	7,022,271	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	4,256,812	4,263,092		1a
of which: retained earnings	2,972,017	2,759,178		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, 2016	As of September 30, 2015	Remarks	Ref. No.
Intangible fixed assets	525,463	463,712		2-a
Securities	21,767,145	27,983,877		2-b
of which: goodwill attributable to equity-method investees	31,939	33,271		
Income taxes related to above	113,452	103,241		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Goodwill (including those equivalent)	177,641	175,960		8
Other intangible assets other than goodwill and mortgage servicing rights	266,308	217,782	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, 2016	As of September 30, 2015	Remarks	Ref. No.
Net defined benefit asset	223,988	368,190		3
Income taxes related to above	67,997	118,147		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Net defined benefit asset	155,990	250,043		15

4. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
Deferred tax assets	60,172	62,721	
Deferred tax liabilities	274,511	386,986	
Deferred tax liabilities for land revaluation	32,167	33,998	
Tax effects on other intangible assets	113,452	103,241	
Tax effects on net defined benefit asset	67,997	118,147	

Ref. No.

4-a

4-b

4-c

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,422	2,068	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.
Deferred tax assets arising from temporary differences (net of related tax liability)	6,387	6,695	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	-	-	
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)	6,387	6,695	

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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, 2016	As of September 30, 2015	Remarks
Net deferred gains or losses on hedges	86,943	(12,029)	

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(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
Net deferred gains or losses on hedges	88,796	(10,390)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"

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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, 2016	As of September 30, 2015	Remarks
Trading assets	7,219,515	7,581,209	Including trading account securities and derivatives for trading assets
Securities	21,767,145	27,983,877	
Loans and bills discounted	78,742,567	76,676,449	Including subordinated loans
Trading liabilities	5,544,260	5,524,764	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, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Investments in own capital instruments	44	79		
Common Equity Tier 1 capital	44	79		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)	475,558	620,877		
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)	475,558	620,877		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	871,453	1,023,080		
Amount exceeding the 10% threshold on specified items	-	-		19
Amount exceeding the 15% threshold on specified items	-	-		23
Additional Tier 1 capital	80,066	158,638		40
Tier 2 capital	50,000	126,610		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	741,387	737,831		73

7. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Stock acquisition rights	259	221		7-a
Non-controlling interests	893,443	1,082,137		7-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	175,784	168,706		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	18,821	18,562		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	3,223	2,573		48-49

8. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Borrowed money	7,454,656	9,025,672		8

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 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	300,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	883,599	657,249		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.