

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 , 2016	September 30 , 2015		
(Assets)				
Cash and due from banks	35,298,147	39,992,676		
Call loans	940,558	643,983		
Receivables under resale agreements	528,769	535,997		
Receivables under securities borrowing transactions	2,527,556	2,326,634		
Monetary claims bought	964,209	1,061,202		
Trading assets	2,736,443	3,251,465	6-a	
Securities	22,525,289	28,513,860		
Loans and bills discounted	71,081,261	68,796,863	6-c	
Foreign exchanges	1,547,217	1,849,057		
Other assets	2,551,675	1,960,487		
Tangible fixed assets	821,713	822,174		
Intangible fixed assets	224,941	209,931	2	
Prepaid pension cost	278,812	275,474	3	
Customers' liabilities for acceptances and guarantees	6,736,789	6,623,332		
Reserve for possible loan losses	(324,775)	(351,607)		
Reserve for possible losses on investments	(41,983)	(23,992)		
Total assets	148,396,626	156,487,541		
(Liabilities)				
Deposits	98,956,852	92,002,876		
Negotiable certificates of deposit	10,646,973	15,883,208		
Call money	868,032	5,033,082		
Payables under repurchase agreements	725,474	84,417		
Payables under securities lending transactions	3,290,068	5,673,506		
Commercial paper	1,220,018	2,341,129		
Trading liabilities	2,382,454	2,552,196	6-d	
Borrowed money	7,369,910	8,871,945		
Foreign exchanges	853,671	921,485		
Short-term bonds	-	21,000		
Bonds	4,052,155	5,211,015		
Due to trust account	1,013,637	596,792		
Other liabilities	1,983,085	2,680,476		
Reserve for employee bonuses	13,414	13,256		
Reserve for point service program	771	797		
Reserve for reimbursement of deposits	10,654	13,842		
Deferred tax liabilities	245,777	313,406	4-a	
Deferred tax liabilities for land revaluation	31,801	33,589	4-b	
Acceptances and guarantees	6,736,789	6,623,332		
Total liabilities	140,401,541	148,871,358		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	2,466,290	2,470,198	1-b	
Retained earnings	2,595,812	2,281,995		
Treasury stock	(210,003)	(210,003)	1-d	
Total stockholders' equity	6,623,095	6,313,187		
Net unrealized gains on other securities	1,139,955	1,370,782		
Net deferred gains or losses on hedges	204,028	(94,252)		
Land revaluation excess	28,005	26,466		
Total valuation and translation adjustments	1,371,989	1,302,996		
Total net assets	7,995,084	7,616,183		
Total liabilities and net assets	148,396,626	156,487,541		

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	22,511,710	28,500,281	6-b	
Borrowed money	6,697,813	8,001,772	7	
Retained earnings	2,597,137	2,282,438	1-c	
Net deferred gains or losses on hedges	203,123	(94,411)	5	
Total valuation and translation adjustments	1,369,884	1,302,499		3

(Appended Table)

1. Stockholders' equity

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
Capital stock	1,770,996	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement
Capital surplus	2,466,290	2,470,198	Including eligible Tier 1 capital instruments subject to transitional arrangement
Retained earnings	2,597,137	2,282,438	
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement
Total stockholders' equity	6,624,421	6,313,630	

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, 2016	As of September 30, 2015	Remarks
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,624,421	6,313,630	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
of which: capital and capital surplus	4,027,283	4,031,192	
of which: retained earnings	2,597,137	2,282,438	
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, 2016	As of September 30, 2015	Remarks
Intangible fixed assets	224,941	209,931	
Income taxes related to above	68,787	67,598	

Ref. No.

2

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
Goodwill (including those equivalent)	-	-	
Other intangible assets other than goodwill and mortgage servicing rights	156,154	142,333	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, 2016	As of September 30, 2015	Remarks
Prepaid pension cost	278,812	275,474	
Income taxes related to above	85,260	88,702	

Ref. No.

3

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
Prepaid pension cost	193,551	186,771	

Basel III Template No.

15

4. Deferred tax assets

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
Deferred tax liabilities	245,777	313,406	
Deferred tax liabilities for land revaluation	31,801	33,589	
Tax effects on other intangible assets	68,787	67,598	
Tax effects on prepaid pension cost	85,260	88,702	

Ref. No.

4-a

4-b

(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)	-	-	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, 2016	As of September 30, 2015	Remarks
Net deferred gains or losses on hedges	203,123	(94,411)	

Ref. No.

5

(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	204,976	(92,772)	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, 2016	As of September 30, 2015	Remarks
Trading assets	2,736,443	3,251,465	Including trading account securities and derivatives for trading assets
Securities	22,511,710	28,500,281	
Loans and bills discounted	71,081,261	68,796,863	Including subordinated loans
Trading liabilities	2,382,454	2,552,196	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	-	-		
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)	354,452	482,426		
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)	354,452	482,426		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	802,296	935,570		
Amount exceeding the 10% threshold on specified items	-	-		19
Amount exceeding the 15% threshold on specified items	-	-		23
Additional Tier 1 capital	76,261	159,230		40
Tier 2 capital	50,000	125,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	676,035	651,340		73

7. Other capital instruments

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks	Ref. No.
Borrowed money	6,697,813	8,001,772		7

(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	885,837	658,860		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.