

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 March 31, 2017	As of March 31, 2016		
(Assets)				
Cash and due from banks	44,992,414	42,594,225		
Call loans and bills bought	1,872,144	1,291,365		
Receivables under resale agreements	2,199,733	494,949		
Receivables under securities borrowing transactions	3,609,903	7,964,208		
Monetary claims bought	4,265,954	4,183,995		
Trading assets	2,666,417	7,980,971	6-a	
Money held in trust	0	3		
Securities	24,181,601	25,153,750	2-b, 6-b	
Loans and bills discounted	83,314,483	77,331,124	6-c	
Foreign exchanges	1,722,104	1,577,167		
Lease receivables and investment assets	282,505	269,429		
Other assets	3,586,135	3,697,438		
Tangible fixed assets	1,121,670	1,167,627		
Intangible fixed assets	339,674	526,112	2-a	
Net defined benefit asset	310,588	198,637	3	
Deferred tax assets	59,928	66,570	4-a	
Customers' liabilities for acceptances and guarantees	6,927,918	6,407,272		
Reserve for possible loan losses	(506,515)	(496,178)		
Total assets	180,946,664	180,408,672		
(Liabilities)				
Deposits	118,424,659	111,238,673		
Negotiable certificates of deposit	12,595,937	14,740,434		
Call money and bills sold	844,519	1,220,455		
Payables under repurchase agreements	2,737,947	1,761,822		
Payables under securities lending transactions	3,190,161	5,309,003		
Commercial paper	2,312,289	3,018,218		
Trading liabilities	2,131,143	6,105,982	6-d	
Borrowed money	11,981,546	8,058,848	8	
Foreign exchanges	718,940	1,083,450		
Short-term bonds	-	367,000		
Bonds	3,987,749	5,450,145		
Due to trust account	1,180,976	944,542		
Other liabilities	4,524,079	4,853,664		
Reserve for employee bonuses	34,990	54,925		
Reserve for executive bonuses	922	1,767		
Net defined benefit liability	16,788	17,844		
Reserve for executive retirement benefits	867	743		
Reserve for point service program	1,189	1,249		
Reserve for reimbursement of deposits	15,464	16,979		
Reserve for losses on interest repayment	40	234		
Reserve under the special laws	-	1,129		
Deferred tax liabilities	378,740	275,887	4-b	
Deferred tax liabilities for land revaluation	31,596	32,203	4-c	
Acceptances and guarantees	6,927,918	6,407,272		
Total liabilities	172,038,471	170,962,478		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	1,958,660	2,702,093	1-b	
Retained earnings	3,045,979	2,909,898	1-c	
Treasury stock	(210,003)	(210,003)	1-d	
Total stockholders' equity	6,565,632	7,172,985		
Net unrealized gains on other securities	1,397,396	1,255,877		
Net deferred gains or losses on hedges	(39,174)	61,781	5	
Land revaluation excess	38,041	39,348		
Foreign currency translation adjustments	35,589	58,693		
Remeasurements of defined benefit plans	10,773	(65,290)		
Total accumulated other comprehensive income	1,442,626	1,350,409		
Stock acquisition rights	276	249	7-a	3
Non-controlling interests	899,656	922,549	7-b	
Total net assets	8,908,192	9,446,193		
Total liabilities and net assets	180,946,664	180,408,672		

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 March 31, 2017	As of March 31, 2016	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	1,958,660	2,702,093	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	3,045,979	2,909,898		1-c
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	6,565,632	7,172,985		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,565,632	7,172,985	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,519,653	4,263,087		1a
of which: retained earnings	3,045,979	2,909,898		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 March 31, 2017	As of March 31, 2016	Remarks	Ref. No.
Intangible fixed assets	339,674	526,112		2-a
Securities	24,181,601	25,153,750		2-b
of which: goodwill attributable to equity-method investees	23,744	36,559		
Income taxes related to above	94,399	118,778		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks	Basel III Template No.
Goodwill (including those equivalent)	54,427	183,682		8
Other intangible assets other than goodwill and mortgage servicing rights	214,591	260,210	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 March 31, 2017	As of March 31, 2016	Remarks	Ref. No.
Net defined benefit asset	310,588	198,637		3
Income taxes related to above	94,860	60,195		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks	Basel III Template No.
Net defined benefit asset	215,728	138,441		15

4. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks
Deferred tax assets	59,928	66,570	
Deferred tax liabilities	378,740	275,887	
Deferred tax liabilities for land revaluation	31,596	32,203	
Tax effects on other intangible assets	94,399	118,778	
Tax effects on net defined benefit asset	94,860	60,195	

Ref. No.

4-a

4-b

4-c

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,621	1,545	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)	4,715	3,700	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)	4,715	3,700	

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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 March 31, 2017	As of March 31, 2016	Remarks
Net deferred gains or losses on hedges	(39,174)	61,781	

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(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks
Net deferred gains or losses on hedges	(37,685)	63,789	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 March 31, 2017	As of March 31, 2016	Remarks
Trading assets	2,666,417	7,980,971	Including trading account securities and derivatives for trading assets
Securities	24,181,601	25,153,750	
Loans and bills discounted	83,314,483	77,331,124	Including subordinated loans
Trading liabilities	2,131,143	6,105,982	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, 2017	As of March 31, 2016	Remarks	Basel III Template No.
Investments in own capital instruments	30	49		
Common Equity Tier 1 capital	30	49		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)	400,680	445,253		
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)	400,680	445,253		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	753,490	934,997		
Amount exceeding the 10% threshold on specified items	-	-		19
Amount exceeding the 15% threshold on specified items	-	-		23
Additional Tier 1 capital	80,044	80,053		40
Tier 2 capital	150,000	125,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	523,446	729,943		73

7. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks	Ref. No.
Stock acquisition rights	276	249		7-a
Non-controlling interests	899,656	922,549		7-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	183,880	175,353		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	24,315	17,660		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	5,039	3,069		48-49

8. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks	Ref. No.
Borrowed money	11,981,546	8,058,848		8

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	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	450,000	300,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	905,332	655,064		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.