

## 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 , 2017	March 31 , 2016		
(Assets)				
Cash and due from banks	41,652,508	38,862,725		
Call loans	1,465,117	899,594		
Receivables under resale agreements	523,913	359,318		
Receivables under securities borrowing transactions	3,184,379	2,798,855		
Monetary claims bought	1,125,434	950,106		
Trading assets	1,879,342	3,511,957	6-a	
Securities	24,342,369	25,602,156		
Loans and bills discounted	75,585,256	69,276,735	6-c	
Foreign exchanges	1,663,102	1,558,252		
Other assets	2,383,307	2,131,869		
Tangible fixed assets	815,808	831,326		
Intangible fixed assets	230,984	220,174	2	
Prepaid pension cost	275,175	279,917	3	
Customers' liabilities for acceptances and guarantees	7,565,562	6,737,089		
Reserve for possible loan losses	(389,726)	(357,186)		
Reserve for possible losses on investments	(20,808)	(21,465)		
<b>Total assets</b>	<b>162,281,729</b>	<b>153,641,430</b>		
(Liabilities)				
Deposits	105,590,771	98,839,722		
Negotiable certificates of deposit	12,263,091	14,428,338		
Call money	1,009,469	1,107,825		
Payables under repurchase agreements	1,359,017	496,236		
Payables under securities lending transactions	3,076,425	1,374,280		
Commercial paper	1,390,123	1,980,153		
Trading liabilities	1,472,340	2,987,815	6-d	
Borrowed money	12,026,497	7,868,311		
Foreign exchanges	737,961	1,131,796		
Bonds	3,944,061	4,775,072		
Due to trust account	1,160,014	921,320		
Other liabilities	2,879,318	2,924,495		
Reserve for employee bonuses	14,134	13,869		
Reserve for executive bonuses	612	566		
Reserve for point service program	1,058	1,086		
Reserve for reimbursement of deposits	13,602	15,374		
Deferred tax liabilities	329,253	249,427	4-a	
Deferred tax liabilities for land revaluation	31,230	31,837	4-b	
Acceptances and guarantees	7,565,562	6,737,089		
<b>Total liabilities</b>	<b>154,864,546</b>	<b>145,884,620</b>		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	1,776,830	2,470,198	1-b	
Retained earnings	2,689,638	2,414,989		
Treasury stock	(210,003)	(210,003)	1-d	
<b>Total stockholders' equity</b>	<b>6,027,462</b>	<b>6,446,181</b>		
Net unrealized gains on other securities	1,399,125	1,233,910		
Net deferred gains or losses on hedges	(36,110)	48,706		
Land revaluation excess	26,704	28,011		
<b>Total valuation and translation adjustments</b>	<b>1,389,719</b>	<b>1,310,628</b>		
<b>Total net assets</b>	<b>7,417,182</b>	<b>7,756,810</b>		
<b>Total liabilities and net assets</b>	<b>162,281,729</b>	<b>153,641,430</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	24,328,791	25,588,578	6-b	3
Borrowed money	11,412,841	7,162,861	7	
Retained earnings	2,690,582	2,414,507	1-c	
Net deferred gains or losses on hedges	(36,710)	48,257	5	
Total valuation and translation adjustments	1,388,315	1,309,508		

**(Appended Table)**

## 1. Stockholders' equity

## (1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks
Capital stock	1,770,996	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement
Capital surplus	1,776,830	2,470,198	Including eligible Tier 1 capital instruments subject to transitional arrangement
Retained earnings	2,690,582	2,414,507	
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement
Total stockholders' equity	6,028,406	6,445,699	

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, 2017	As of March 31, 2016	Remarks
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,028,406	6,445,699	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
of which: capital and capital surplus	3,337,824	4,031,192	
of which: retained earnings	2,690,582	2,414,507	
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, 2017	As of March 31, 2016	Remarks
Intangible fixed assets	230,984	220,174	
Income taxes related to above	70,635	67,329	

Ref. No.

2

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks
Goodwill (including those equivalent)	-	-	
Other intangible assets other than goodwill and mortgage servicing rights	160,349	152,845	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 March 31, 2017	As of March 31, 2016	Remarks
Prepaid pension cost	275,175	279,917	
Income taxes related to above	84,148	85,598	

Ref. No.

3

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks
Prepaid pension cost	191,027	194,318	

Basel III Template  
No.

15

## 4. Deferred tax assets

## (1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks
Deferred tax liabilities	329,253	249,427	
Deferred tax liabilities for land revaluation	31,230	31,837	
Tax effects on other intangible assets	70,635	67,329	
Tax effects on prepaid pension cost	84,148	85,598	

Ref. No.

4-a

4-b

## (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)	-	-	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 March 31, 2017	As of March 31, 2016	Remarks
Net deferred gains or losses on hedges	(36,710)	48,257	

Ref. No.

5

## (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	(35,228)	50,264	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, 2017	As of March 31, 2016	Remarks
Trading assets	1,879,342	3,511,957	Including trading account securities and derivatives for trading assets
Securities	24,328,791	25,588,578	
Loans and bills discounted	75,585,256	69,276,735	Including subordinated loans
Trading liabilities	1,472,340	2,987,815	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	-	-		
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)	386,929	336,156		
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)	386,929	336,156		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	750,421	858,981		
Amount exceeding the 10% threshold on specified items	-	-		19
Amount exceeding the 15% threshold on specified items	-	-		23
Additional Tier 1 capital	76,261	76,261		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)	524,160	657,720		73

## 7. Other capital instruments

## (1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks	Ref. No.
Borrowed money	11,412,841	7,162,861		7

## (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	656,085		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.