

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, 2017	As of September 30, 2016		
(Assets)				
Cash and due from banks	47,819,202	39,099,012		
Call loans and bills bought	1,952,757	1,332,654		
Receivables under resale agreements	2,037,807	746,170		
Receivables under securities borrowing transactions	3,470,616	7,451,991		
Monetary claims bought	4,514,984	3,718,373		
Trading assets	2,346,929	7,219,515	6-a	
Money held in trust	0	3		
Securities	23,968,348	21,767,145	2-b, 6-b	
Loans and bills discounted	84,235,689	78,742,567	6-c	
Foreign exchanges	2,504,825	1,546,229		
Lease receivables and investment assets	290,472	265,943		
Other assets	4,015,840	4,321,519		
Tangible fixed assets	1,433,409	1,133,814		
Intangible fixed assets	341,892	525,463	2-a	
Net defined benefit asset	324,944	223,988	3	
Deferred tax assets	51,556	60,172	4-a	
Customers' liabilities for acceptances and guarantees	7,354,080	6,048,956		
Reserve for possible loan losses	(461,105)	(449,315)		
Total assets	186,202,251	173,754,205		
(Liabilities)				
Deposits	120,594,388	111,341,791		
Negotiable certificates of deposit	13,626,156	10,860,560		
Call money and bills sold	914,331	1,159,907		
Payables under repurchase agreements	3,797,113	1,964,416		
Payables under securities lending transactions	3,802,884	6,454,075		
Commercial paper	2,333,488	2,053,258		
Trading liabilities	2,023,299	5,544,260	6-d	
Borrowed money	12,638,869	7,454,656	8	
Foreign exchanges	1,172,082	816,229		
Short-term bonds	-	205,400		
Bonds	3,556,595	4,669,250		
Due to trust account	1,215,144	1,035,457		
Other liabilities	3,342,494	4,524,511		
Reserve for employee bonuses	28,744	37,603		
Net defined benefit liability	14,921	17,800		
Reserve for executive retirement benefits	816	761		
Reserve for point service program	867	893		
Reserve for reimbursement of deposits	8,721	12,326		
Reserve for losses on interest repayment	29	43		
Reserve under the special laws	-	1,188		
Deferred tax liabilities	410,271	274,511	4-b	
Deferred tax liabilities for land revaluation	31,244	32,167	4-c	
Acceptances and guarantees	7,354,080	6,048,956		
Total liabilities	176,866,543	164,510,029		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	1,970,379	2,695,819	1-b	
Retained earnings	3,349,670	2,972,017	1-c	
Treasury stock	(210,003)	(210,003)	1-d	
Total stockholders' equity	6,881,042	7,228,830		
Net unrealized gains on other securities	1,519,633	1,159,436		
Net deferred gains or losses on hedges	(42,736)	86,943	5	
Land revaluation excess	37,581	39,341		
Foreign currency translation adjustments	10,620	(115,441)		
Remeasurements of defined benefit plans	17,935	(48,636)		
Total accumulated other comprehensive income	1,543,035	1,121,643		
Stock acquisition rights	292	259	7-a	
Non-controlling interests	911,337	893,443	7-b	
Total net assets	9,335,708	9,244,175		
Total liabilities and net assets	186,202,251	173,754,205		

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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, 2017	As of September 30, 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	1,970,379	2,695,819	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	3,349,670	2,972,017		1-c
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	6,881,042	7,228,830		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,881,042	7,228,830	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,531,372	4,256,812		1a
of which: retained earnings	3,349,670	2,972,017		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, 2017	As of September 30, 2016	Remarks	Ref. No.
Intangible fixed assets	341,892	525,463		2-a
Securities	23,968,348	21,767,145		2-b
of which: goodwill attributable to equity-method investees	21,317	31,939		
Income taxes related to above	95,288	113,452		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks	Basel III Template No.
Goodwill (including those equivalent)	50,665	177,641		8
Other intangible assets other than goodwill and mortgage servicing rights	217,255	266,308	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, 2017	As of September 30, 2016	Remarks	Ref. No.
Net defined benefit asset	324,944	223,988		3
Income taxes related to above	98,590	67,997		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks	Basel III Template No.
Net defined benefit asset	226,353	155,990		15

4. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2017	As of September 30, 2016	Remarks
Deferred tax assets	51,556	60,172	
Deferred tax liabilities	410,271	274,511	
Deferred tax liabilities for land revaluation	31,244	32,167	
Tax effects on other intangible assets	95,288	113,452	
Tax effects on net defined benefit asset	98,590	67,997	

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4-a

4-b

4-c

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,211	1,422	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)	2,991	6,387	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)	2,991	6,387	

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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, 2017	As of September 30, 2016	Remarks
Net deferred gains or losses on hedges	(42,736)	86,943	

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(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks
Net deferred gains or losses on hedges	(41,566)	88,796	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, 2017	As of September 30, 2016	Remarks
Trading assets	2,346,929	7,219,515	Including trading account securities and derivatives for trading assets
Securities	23,968,348	21,767,145	
Loans and bills discounted	84,235,689	78,742,567	Including subordinated loans
Trading liabilities	2,023,299	5,544,260	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, 2017	As of September 30, 2016	Remarks	Basel III Template No.
Investments in own capital instruments	28	44		
Common Equity Tier 1 capital	28	44		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)	346,497	475,558		
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)	346,497	475,558		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	773,473	871,453		
Amount exceeding the 10% threshold on specified items	-	-		19
Amount exceeding the 15% threshold on specified items	-	-		23
Additional Tier 1 capital	81,640	80,066		40
Tier 2 capital	150,000	50,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	541,833	741,387		73

7. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2017	As of September 30, 2016	Remarks	Ref. No.
Stock acquisition rights	292	259		7-a
Non-controlling interests	911,337	893,443		7-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	186,741	175,784		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	28,412	18,821		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	5,657	3,223		48-49

8. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2017	As of September 30, 2016	Remarks	Ref. No.
Borrowed money	12,638,869	7,454,656		8

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2017	As of September 30, 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	906,295	883,599		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.