

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, 2017	September 30, 2016		
(Assets)				
Cash and due from banks	43,529,923	35,298,147		
Call loans	1,525,292	940,558		
Receivables under resale agreements	770,942	528,769		
Receivables under securities borrowing transactions	3,044,605	2,527,556		
Monetary claims bought	1,272,119	964,209		
Trading assets	1,605,930	2,736,443	6-a	
Securities	24,295,598	22,525,289		
Loans and bills discounted	76,231,805	71,081,261	6-c	
Foreign exchanges	2,424,200	1,547,217		
Other assets	2,670,630	2,551,675		
Tangible fixed assets	810,253	821,713		
Intangible fixed assets	230,030	224,941	2	
Prepaid pension cost	277,848	278,812	3	
Customers' liabilities for acceptances and guarantees	7,933,259	6,736,789		
Reserve for possible loan losses	(349,605)	(324,775)		
Reserve for possible losses on investments	(19,813)	(41,983)		
Total assets	166,253,022	148,396,626		
(Liabilities)				
Deposits	106,907,529	98,956,852		
Negotiable certificates of deposit	12,919,152	10,646,973		
Call money	1,059,561	868,032		
Payables under repurchase agreements	2,838,175	725,474		
Payables under securities lending transactions	3,466,201	3,290,068		
Commercial paper	1,369,682	1,220,018		
Trading liabilities	1,397,857	2,382,454	6-d	
Borrowed money	12,614,328	7,369,910		
Foreign exchanges	1,182,751	853,671		
Bonds	3,502,294	4,052,155		
Due to trust account	1,196,281	1,013,637		
Other liabilities	1,686,758	1,983,085		
Reserve for employee bonuses	13,303	13,414		
Reserve for point service program	734	771		
Reserve for reimbursement of deposits	6,898	10,654		
Deferred tax liabilities	356,032	245,777	4-a	
Deferred tax liabilities for land revaluation	30,877	31,801	4-b	
Acceptances and guarantees	7,933,259	6,736,789		
Total liabilities	158,481,680	140,401,541		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	1,776,830	2,466,290	1-b	
Retained earnings	2,943,331	2,595,812		
Treasury stock	(210,003)	(210,003)	1-d	
Total stockholders' equity	6,281,155	6,623,095		
Net unrealized gains on other securities	1,517,104	1,139,955		
Net deferred gains or losses on hedges	(53,162)	204,028		
Land revaluation excess	26,245	28,005		
Total valuation and translation adjustments	1,490,187	1,371,989		
Total net assets	7,771,342	7,995,084		
Total liabilities and net assets	166,253,022	148,396,626		

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	24,282,020	22,511,710	6-b	
Borrowed money	11,997,082	6,697,813	7	
Retained earnings	2,943,083	2,597,137	1-c	
Net deferred gains or losses on hedges	(53,676)	203,123	5	
Total valuation and translation adjustments	1,488,935	1,369,884		3

(Appended Table)

1. Stockholders' equity

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2017	As of September 30, 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	2,466,290	Including eligible Tier 1 capital instruments subject to transitional arrangement
Retained earnings	2,943,083	2,597,137	
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement
Total stockholders' equity	6,280,907	6,624,421	

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, 2017	As of September 30, 2016	Remarks
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,280,907	6,624,421	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	4,027,283	
of which: retained earnings	2,943,083	2,597,137	
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, 2017	As of September 30, 2016	Remarks
Intangible fixed assets	230,030	224,941	
Income taxes related to above	70,343	68,787	

Ref. No.

2

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks
Goodwill (including those equivalent)	-	-	
Other intangible assets other than goodwill and mortgage servicing rights	159,686	156,154	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, 2017	As of September 30, 2016	Remarks
Prepaid pension cost	277,848	278,812	
Income taxes related to above	84,966	85,260	

Ref. No.

3

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks
Prepaid pension cost	192,882	193,551	

Basel III Template No.

15

4. Deferred tax assets

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2017	As of September 30, 2016	Remarks
Deferred tax liabilities	356,032	245,777	
Deferred tax liabilities for land revaluation	30,877	31,801	
Tax effects on other intangible assets	70,343	68,787	
Tax effects on prepaid pension cost	84,966	85,260	

Ref. No.

4-a

4-b

(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)	-	-	
Deferred tax assets arising from temporary differences (net of related tax liability)	-	-	
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, 2017	As of September 30, 2016	Remarks
Net deferred gains or losses on hedges	(53,676)	203,123	

Ref. No.

5

(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	(52,521)	204,976	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, 2017	As of September 30, 2016	Remarks
Trading assets	1,605,930	2,736,443	Including trading account securities and derivatives for trading assets
Securities	24,282,020	22,511,710	
Loans and bills discounted	76,231,805	71,081,261	Including subordinated loans
Trading liabilities	1,397,857	2,382,454	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	-	-		
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)	332,506	354,452		
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)	332,506	354,452		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	753,233	802,296		
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	50,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	526,972	676,035		73

7. Other capital instruments

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2017	As of September 30, 2016	Remarks	Ref. No.
Borrowed money	11,997,082	6,697,813		7

(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	885,837		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.