

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, 2018	As of March 31, 2017		
(Assets)				
Cash and due from banks	52,122,407	44,992,414		
Call loans and bills bought	1,881,879	1,872,144		
Receivables under resale agreements	1,675,693	2,199,733		
Receivables under securities borrowing transactions	3,562,107	3,609,903		
Monetary claims bought	4,550,592	4,265,954		
Trading assets	2,408,549	2,666,417	6-a	
Money held in trust	0	0		
Securities	25,217,287	24,181,601	2-b, 6-b	
Loans and bills discounted	75,853,934	83,314,483	6-c	
Foreign exchanges	2,164,196	1,722,104		
Lease receivables and investment assets	252,507	282,505		
Other assets	3,923,004	3,586,135		
Tangible fixed assets	1,410,800	1,121,670		
Intangible fixed assets	311,810	339,674	2-a	
Net defined benefit asset	377,768	310,588	3	
Deferred tax assets	28,789	59,928	4-a	
Customers' liabilities for acceptances and guarantees	7,373,185	6,927,918		
Reserve for possible loan losses	(387,022)	(506,515)		
Total assets	182,727,495	180,946,664		
(Liabilities)				
Deposits	117,227,296	118,424,659		
Negotiable certificates of deposit	11,455,284	12,595,937		
Call money and bills sold	740,928	844,519		
Payables under repurchase agreements	5,256,519	2,737,947		
Payables under securities lending transactions	3,324,893	3,190,161		
Commercial paper	2,385,705	2,312,289		
Trading liabilities	1,907,416	2,131,143	6-d	
Borrowed money	13,973,112	11,981,546	8	
Foreign exchanges	906,429	718,940		
Bonds	3,255,697	3,987,749		
Due to trust account	1,328,271	1,180,976		
Other liabilities	3,983,839	4,524,079		
Reserve for employee bonuses	32,826	34,990		
Reserve for executive bonuses	1,333	922		
Net defined benefit liability	6,552	16,788		
Reserve for executive retirement benefits	671	867		
Reserve for point service program	966	1,189		
Reserve for reimbursement of deposits	17,765	15,464		
Reserve for losses on interest repayment	-	40		
Deferred tax liabilities	427,853	378,740	4-b	
Deferred tax liabilities for land revaluation	30,539	31,596	4-c	
Acceptances and guarantees	7,373,185	6,927,918		
Total liabilities	173,637,092	172,038,471		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	1,970,412	1,958,660	1-b	
Retained earnings	3,451,151	3,045,979	1-c	
Treasury stock	(210,003)	(210,003)	1-d	
Total stockholders' equity	6,982,557	6,565,632		
Net unrealized gains on other securities	1,509,249	1,397,396		
Net deferred gains or losses on hedges	(66,918)	(39,174)	5	
Land revaluation excess	37,042	38,041		
Foreign currency translation adjustments	12,710	35,589		
Remeasurements of defined benefit plans	60,463	10,773		
Total accumulated other comprehensive income	1,552,547	1,442,626		
Stock acquisition rights	-	276	7-a	
Non-controlling interests	555,298	899,656	7-b	
Total net assets	9,090,403	8,908,192		
Total liabilities and net assets	182,727,495	180,946,664		

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, 2018	As of March 31, 2017	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	1,970,412	1,958,660	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	3,451,151	3,045,979		1-c
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	6,982,557	6,565,632		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,982,557	6,565,632	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,531,406	3,519,653		1a
of which: retained earnings	3,451,151	3,045,979		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, 2018	As of March 31, 2017	Remarks	Ref. No.
Intangible fixed assets	311,810	339,674		2-a
Securities	25,217,287	24,181,601		2-b
of which: goodwill attributable to equity-method investees	18,861	23,744		
Income taxes related to above	91,273	94,399		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks	Basel III Template No.
Goodwill (including those equivalent)	31,588	54,427		8
Other intangible assets other than goodwill and mortgage servicing rights	207,809	214,591	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, 2018	As of March 31, 2017	Remarks	Ref. No.
Net defined benefit asset	377,768	310,588		3
Income taxes related to above	115,220	94,860		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks	Basel III Template No.
Net defined benefit asset	262,547	215,728		15

4. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2018	As of March 31, 2017	Remarks
Deferred tax assets	28,789	59,928	
Deferred tax liabilities	427,853	378,740	
Deferred tax liabilities for land revaluation	30,539	31,596	
Tax effects on other intangible assets	91,273	94,399	
Tax effects on net defined benefit asset	115,220	94,860	

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4-a

4-b

4-c

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,213	1,621	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)	1,617	4,715	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)	1,617	4,715	

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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, 2018	As of March 31, 2017	Remarks
Net deferred gains or losses on hedges	(66,918)	(39,174)	

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(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks
Net deferred gains or losses on hedges	(65,809)	(37,685)	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, 2018	As of March 31, 2017	Remarks
Trading assets	2,408,549	2,666,417	Including trading account securities and derivatives for trading assets
Securities	25,217,287	24,181,601	
Loans and bills discounted	75,853,934	83,314,483	Including subordinated loans
Trading liabilities	1,907,416	2,131,143	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, 2018	As of March 31, 2017	Remarks	Basel III Template No.
Investments in own capital instruments	-	30		
Common Equity Tier 1 capital	-	30		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)	331,209	400,680		
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)	331,209	400,680		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	828,222	753,490		
Amount exceeding the 10% threshold on specified items	-	-		19
Amount exceeding the 15% threshold on specified items	-	-		23
Additional Tier 1 capital	81,640	80,044		40
Tier 2 capital	150,000	150,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	596,582	523,446		73

7. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2018	As of March 31, 2017	Remarks	Ref. No.
Stock acquisition rights	-	276		7-a
Non-controlling interests	555,298	899,656		7-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	333	183,880		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	30,026	24,315		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	3,488	5,039		48-49

8. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2018	As of March 31, 2017	Remarks	Ref. No.
Borrowed money	13,973,112	11,981,546		8

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	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	1,100,000	450,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	994,937	905,332		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.