

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, 2018	March 31, 2017		
(Assets)				
Cash and due from banks	49,030,209	41,652,508		
Call loans	1,417,562	1,465,117		
Receivables under resale agreements	499,738	523,913		
Receivables under securities borrowing transactions	3,140,151	3,184,379		
Monetary claims bought	1,239,394	1,125,434		
Trading assets	1,723,878	1,879,342	6-a	
Securities	25,916,718	24,342,369		
Loans and bills discounted	73,896,163	75,585,256	6-c	
Foreign exchanges	2,143,021	1,663,102		
Other assets	3,020,300	2,383,307		
Tangible fixed assets	798,476	815,808		
Intangible fixed assets	231,429	230,984	2	
Prepaid pension cost	279,360	275,175	3	
Customers' liabilities for acceptances and guarantees	7,921,169	7,565,562		
Reserve for possible loan losses	(319,868)	(389,726)		
Reserve for possible losses on investments	(14,559)	(20,808)		
Total assets	170,923,146	162,281,729		
(Liabilities)				
Deposits	110,243,226	105,590,771		
Negotiable certificates of deposit	11,264,807	12,263,091		
Call money	928,117	1,009,469		
Payables under repurchase agreements	4,383,418	1,359,017		
Payables under securities lending transactions	3,073,423	3,076,425		
Commercial paper	1,522,354	1,390,123		
Trading liabilities	1,422,824	1,472,340	6-d	
Borrowed money	14,023,257	12,026,497		
Foreign exchanges	915,154	737,961		
Bonds	3,211,548	3,944,061		
Due to trust account	1,276,907	1,160,014		
Other liabilities	2,391,909	2,879,318		
Reserve for employee bonuses	14,163	14,134		
Reserve for executive bonuses	978	612		
Reserve for point service program	966	1,058		
Reserve for reimbursement of deposits	17,307	13,602		
Deferred tax liabilities	359,803	329,253	4-a	
Deferred tax liabilities for land revaluation	30,539	31,230	4-b	
Acceptances and guarantees	7,921,169	7,565,562		
Total liabilities	163,001,878	154,864,546		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	1,776,830	1,776,830	1-b	
Retained earnings	3,044,175	2,689,638		
Treasury stock	(210,003)	(210,003)	1-d	
Total stockholders' equity	6,381,999	6,027,462		
Net unrealized gains on other securities	1,519,691	1,399,125		
Net deferred gains or losses on hedges	(6,286)	(36,110)		
Land revaluation excess	25,863	26,704		
Total valuation and translation adjustments	1,539,268	1,389,719		
Total net assets	7,921,268	7,417,182		
Total liabilities and net assets	170,923,146	162,281,729		

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	25,905,947	24,328,791	6-b	
Borrowed money	13,552,461	11,412,841	7	
Retained earnings	3,044,170	2,690,582	1-c	
Net deferred gains or losses on hedges	(6,383)	(36,710)	5	
Total valuation and translation adjustments	1,539,402	1,388,315		3

(Appended Table)

1. Stockholders' equity

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2018	As of March 31, 2017	Remarks
Capital stock	1,770,996	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement
Capital surplus	1,776,830	1,776,830	Including eligible Tier 1 capital instruments subject to transitional arrangement
Retained earnings	3,044,170	2,690,582	
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement
Total stockholders' equity	6,381,995	6,028,406	

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, 2018	As of March 31, 2017	Remarks
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,381,995	6,028,406	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	3,337,824	
of which: retained earnings	3,044,170	2,690,582	
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, 2018	As of March 31, 2017	Remarks
Intangible fixed assets	231,429	230,984	
Income taxes related to above	70,771	70,635	

Ref. No.
2

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks
Goodwill (including those equivalent)	-	-	
Other intangible assets other than goodwill and mortgage servicing rights	160,658	160,349	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, 2018	As of March 31, 2017	Remarks
Prepaid pension cost	279,360	275,175	
Income taxes related to above	85,428	84,148	

Ref. No.
3

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks
Prepaid pension cost	193,931	191,027	

Basel III Template No.
15

4. Deferred tax assets

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2018	As of March 31, 2017	Remarks
Deferred tax liabilities	359,803	329,253	
Deferred tax liabilities for land revaluation	30,539	31,230	
Tax effects on other intangible assets	70,771	70,635	
Tax effects on prepaid pension cost	85,428	84,148	

Ref. No.

4-a

4-b

(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)	-	-	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

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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, 2018	As of March 31, 2017	Remarks
Net deferred gains or losses on hedges	(6,383)	(36,710)	

Ref. No.

5

(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	(5,293)	(35,228)	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, 2018	As of March 31, 2017	Remarks
Trading assets	1,723,878	1,879,342	Including trading account securities and derivatives for trading assets
Securities	25,905,947	24,328,791	
Loans and bills discounted	73,896,163	75,585,256	Including subordinated loans
Trading liabilities	1,422,824	1,472,340	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	-	-		
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)	324,525	386,929		
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)	324,525	386,929		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	798,863	750,421		
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	150,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	572,602	524,160		73

7. Other capital instruments

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of March 31, 2018	As of March 31, 2017	Remarks	Ref. No.
Borrowed money	13,552,461	11,412,841		7

(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.