

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, 2018	March 31, 2018		
(Assets)				
Cash and due from banks	51,791,818	49,030,209		
Call loans	1,850,707	1,417,562		
Receivables under resale agreements	2,876,602	499,738		
Receivables under securities borrowing transactions	1,144,423	3,140,151		
Monetary claims bought	1,508,037	1,239,394		
Trading assets	1,795,679	1,723,878	6-a	
Securities	25,251,730	25,916,718		
Loans and bills discounted	76,232,734	73,896,163	6-c	
Foreign exchanges	2,263,629	2,143,021		
Other assets	3,066,263	3,020,300		
Tangible fixed assets	796,487	798,476		
Intangible fixed assets	226,883	231,429	2	
Prepaid pension cost	301,760	279,360	3	
Customers' liabilities for acceptances and guarantees	9,016,490	7,921,169		
Reserve for possible loan losses	(254,381)	(319,868)		
Reserve for possible losses on investments	(10,169)	(14,559)		
Total assets	177,858,696	170,923,146		
(Liabilities)				
Deposits	113,331,228	110,243,226		
Negotiable certificates of deposit	11,330,980	11,264,807		
Call money	1,077,642	928,117		
Payables under repurchase agreements	8,398,472	4,383,418		
Payables under securities lending transactions	438,532	3,073,423		
Commercial paper	1,851,292	1,522,354		
Trading liabilities	1,558,058	1,422,824	6-d	
Borrowed money	14,435,776	14,023,257		
Foreign exchanges	1,126,098	915,154		
Bonds	3,409,763	3,211,548		
Due to trust account	1,319,712	1,276,907		
Other liabilities	2,155,192	2,391,909		
Reserve for employee bonuses	12,788	14,163		
Reserve for executive bonuses	-	978		
Reserve for point service program	548	966		
Reserve for reimbursement of deposits	11,842	17,307		
Deferred tax liabilities	369,572	359,803	4-a	
Deferred tax liabilities for land revaluation	30,423	30,539	4-b	
Acceptances and guarantees	9,016,490	7,921,169		
Total liabilities	169,874,415	163,001,878		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	1,774,554	1,776,830	1-b	
Retained earnings	3,218,786	3,044,175		
Treasury stock	(210,003)	(210,003)	1-d	
Total stockholders' equity	6,554,334	6,381,999		
Net unrealized gains on other securities	1,507,881	1,519,691		
Net deferred gains or losses on hedges	(103,538)	(6,286)		
Land revaluation excess	25,602	25,863		
Total valuation and translation adjustments	1,429,945	1,539,268		
Total net assets	7,984,280	7,921,268		
Total liabilities and net assets	177,858,696	170,923,146		

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	25,240,959	25,905,947	6-b	
Borrowed money	14,109,353	13,552,461	7	
Retained earnings	3,218,618	3,044,170	1-c	
Net deferred gains or losses on hedges	(103,577)	(6,383)	5	
Total valuation and translation adjustments	1,430,313	1,539,402		3

(Appended Table)

1. Stockholders' equity

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2018	As of March 31, 2018	Remarks
Capital stock	1,770,996	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement
Capital surplus	1,774,554	1,776,830	Including eligible Tier 1 capital instruments subject to transitional arrangement
Retained earnings	3,218,618	3,044,170	
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement
Total stockholders' equity	6,554,167	6,381,995	

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, 2018	As of March 31, 2018	Remarks
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,554,167	6,381,995	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
of which: capital and capital surplus	3,335,548	3,337,824	
of which: retained earnings	3,218,618	3,044,170	
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, 2018	As of March 31, 2018	Remarks
Intangible fixed assets	226,883	231,429	
Income taxes related to above	69,380	70,771	

Ref. No.
2

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of March 31, 2018	Remarks
Goodwill (including those equivalent)	-	-	
Other intangible assets other than goodwill and mortgage servicing rights	157,502	160,658	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, 2018	As of March 31, 2018	Remarks
Prepaid pension cost	301,760	279,360	
Income taxes related to above	92,278	85,428	

Ref. No.
3

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of March 31, 2018	Remarks
Prepaid pension cost	209,481	193,931	

Basel III Template No.
15

4. Deferred tax assets

(1) Balance sheet (Millions of yen)

Balance sheet items	As of September 30, 2018	As of March 31, 2018	Remarks
Deferred tax liabilities	369,572	359,803	
Deferred tax liabilities for land revaluation	30,423	30,539	
Tax effects on other intangible assets	69,380	70,771	
Tax effects on prepaid pension cost	92,278	85,428	

Ref. No.
4-a
4-b

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of March 31, 2018	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 September 30, 2018	As of March 31, 2018	Remarks
Net deferred gains or losses on hedges	(103,577)	(6,383)	

Ref. No.
5

(2) Composition of capital (Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of March 31, 2018	Remarks
Net deferred gains or losses on hedges	(102,847)	(5,293)	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, 2018	As of March 31, 2018	Remarks
Trading assets	1,795,679	1,723,878	Including trading account securities and derivatives for trading assets
Securities	25,240,959	25,905,947	
Loans and bills discounted	76,232,734	73,896,163	Including subordinated loans
Trading liabilities	1,558,058	1,422,824	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, 2018	As of March 31, 2018	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)	299,344	324,525		
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)	299,344	324,525		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	612,165	798,863		
Amount exceeding the 10% threshold on specified items	-	-		19
Amount exceeding the 15% threshold on specified items	-	-		23
Additional Tier 1 capital	-	76,261		40
Tier 2 capital	50,000	150,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	562,165	572,602		73

7. Other capital instruments

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2018	As of March 31, 2018	Remarks	Ref. No.
Borrowed money	14,109,353	13,552,461		7

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of March 31, 2018	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	1,100,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,007,765	994,937		46