

CC1: Composition of regulatory capital

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

(Millions of yen, except percentages)

Basel III Template No.	Items	a	b	c
		As of March 31, 2019	As of December 31, 2018	Reference to Template CC2
Common Equity Tier 1 capital: instruments and reserves (1)				
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	8,921,854	8,961,281	
1a	of which: capital and capital surplus	3,078,490	3,074,077	
2	of which: retained earnings	5,992,247	5,903,515	
1c	of which: treasury stock (-)	16,302	16,312	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	132,582	—	
	of which: other than the above	—	—	
1b	Stock acquisition rights to common shares	2,539	2,554	
3	Accumulated other comprehensive income and other disclosed reserves	1,713,884	1,528,066	(a)
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	2,181	346	
6	Common Equity Tier 1 capital: instruments and reserves (A)	10,640,460	10,492,249	
Common Equity Tier 1 capital: regulatory adjustments (2)				
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	657,131	612,551	
8	of which: goodwill (including those equivalent)	247,659	254,474	
9	of which: other intangibles other than goodwill and mortgage servicing rights	409,472	358,076	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	2,208	1,155	
11	Net deferred gains or losses on hedges	Δ 52,610	Δ 78,296	
12	Shortfall of eligible provisions to expected losses	81,582	105,728	
13	Securitisation gain on sale	60,286	62,257	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	3,940	3,658	
15	Net defined benefit asset	228,913	280,555	
16	Investments in own shares (excluding those reported in the Net assets section)	4,491	4,971	
17	Reciprocal cross-holdings in common equity	—	—	

18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)		—	—
19+20+21	Amount exceeding the 10% threshold on specified items		—	22,143
19	of which: significant investments in the common stock of financials		—	22,143
20	of which: mortgage servicing rights		—	—
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)		—	—
22	Amount exceeding the 15% threshold on specified items		—	—
23	of which: significant investments in the common stock of financials		—	—
24	of which: mortgage servicing rights		—	—
25	of which: deferred tax assets arising from temporary differences (net of related tax liability)		—	—
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		—	—
28	Common Equity Tier 1 capital: regulatory adjustments (B)		985,942	1,014,724
Common Equity Tier 1 capital (CET1)				
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)		9,654,517	9,477,524
Additional Tier 1 capital: instruments (3)				
30	31a	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	—
	31b	Stock acquisition rights to Additional Tier 1 instruments	—	—
	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	598,974	600,000
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)	62,752	60,280	
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	436,500	584,615	
33	of which: instruments issued by bank holding companies and their special purpose vehicles	436,500	584,615	
35	of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	—	—	
36	Additional Tier 1 capital: instruments (D)		1,098,227	1,244,895

Additional Tier 1 capital: regulatory adjustments				
37	Investments in own Additional Tier 1 instruments	—	—	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	—	—	
40	Significant investments in the Additional Tier 1 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	25,516	25,513	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—	—	
43	Additional Tier 1 capital: regulatory adjustments (E)	25,516	25,513	
Additional Tier 1 capital (AT1)				
44	Additional Tier 1 capital ((D)-(E)) (F)	1,072,710	1,219,382	
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	10,727,228	10,696,907	
Tier 2 capital: instruments and provisions (4)				
46	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	—	
	Stock acquisition rights to Tier 2 instruments	—	—	
	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	997,723	995,436	
	Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group T2)	15,087	14,015	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	488,092	521,040	
47	of which: instruments issued by bank holding companies and their special purpose vehicles	—	—	
49	of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	488,092	521,040	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	62,357	59,193	
50a	of which: general reserve for possible loan losses	62,357	59,193	
50b	of which: eligible provisions	—	—	
51	Tier 2 capital: instruments and provisions (H)	1,563,260	1,589,684	

Tier 2 capital: regulatory adjustments (5)				
52	Investments in own Tier 2 instruments		0	0
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities		—	—
54	Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)		—	—
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions		—	
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		50,000	50,000
57	Tier 2 capital: regulatory adjustments (I)		50,000	50,000
Tier 2 capital (T2)				
58	Tier 2 capital (T2) ((H)-(I)) (J)		1,513,260	1,539,684
Total capital (TC = T1 + T2)				
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)		12,240,489	12,236,592
Risk weighted assets (6)				
60	Total risk-weighted assets (RWA) (L)		58,942,791	59,823,795
Capital ratios (consolidated) and buffers (7)				
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))		16.37%	15.84%
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))		18.19%	17.88%
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))		20.76%	20.45%
64	CET1 specific buffer requirement		3.60%	2.68%
65	of which: capital conservation buffer requirement		2.50%	1.87%
66	of which: countercyclical buffer requirement		0.10%	0.06%
67	of which: G-SIB/D-SIB additional requirement		1.00%	0.75%
68	CET1 available after meeting the minimum capital requirements		11.87%	11.34%
Regulatory adjustments (8)				
72	Non-significant investments in the capital and other TLAC liabilities of other financials that are below the thresholds for deduction (before risk weighting)		816,189	706,921
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)		921,378	949,965
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)		—	—

75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	2,605	1,326	
Provisions included in Tier 2 capital: instruments and provisions (9)				
76	Provisions (general reserve for possible loan losses)	72,970	72,599	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	62,357	59,193	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as "nil")	—	—	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	265,937	278,669	
Capital instruments subject to transitional arrangements (10)				
82	Current cap on AT1 instruments subject to transitional arrangements	487,757	650,343	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	—	—	
84	Current cap on T2 instruments subject to transitional arrangements	610,284	813,713	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	—	—	