

CC1: Composition of regulatory capital

Sumitomo Mitsui Banking Corporation and Subsidiaries

(Millions of yen, except percentages)

Basel III Template No.	Items	a	b	c
		As of September 30, 2019	As of June 30, 2019	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	6,959,142	7,278,351	
1a	of which: capital and capital surplus	3,527,346	3,527,346	
2	of which: retained earnings	3,919,369	3,751,005	
1c	of which: treasury stock (-)	—	—	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	487,573	—	
	of which: other than the above	—	—	
1b	Stock acquisition rights to common shares	—	—	
3	Accumulated other comprehensive income and other disclosed reserves	1,403,036	1,381,633	(a)
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1,883	2,103	
6	Common Equity Tier 1 capital: instruments and reserves (A)	8,364,062	8,662,089	
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)	271,942	275,938	
8	of which: goodwill (including those equivalent)	23,899	25,046	
9	of which: other intangibles other than goodwill and mortgage servicing rights	248,042	250,891	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	2,286	2,696	
11	Net deferred gains or losses on hedges	25,271	8,253	
12	Shortfall of eligible provisions to expected losses	2,405	—	
13	Securitisation gain on sale	60,650	58,356	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	3,662	3,683	
15	Net defined benefit asset	235,543	229,874	
16	Investments in own shares (excluding those reported in the Net assets section)	—	—	
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	—	—	
19		of which: significant investments in the common stock of financials	—	—	
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)	601,761	578,803	
Common Equity Tier 1 capital (CET1)					
29		Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,762,301	8,083,286	
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	1,185,000	1,185,000	
		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)	12,110	26,249	
33+35		Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	—	173,000	
33		of which: instruments issued by banks and their special purpose vehicles	—	173,000	
35		of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	—	—	
36		Additional Tier 1 capital: instruments (D)	1,197,110	1,384,249	

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)	25,525	25,521	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—	—	
43	Additional Tier 1 capital: regulatory adjustments (E)	25,525	25,521	
Additional Tier 1 capital (AT1)				
44	Additional Tier 1 capital ((D)-(E)) (F)	1,171,584	1,358,728	
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	8,933,885	9,442,014	
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	997,145	988,376	
	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)	2,992	6,362	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	416,422	452,523	
47	of which: instruments issued by banks and their special purpose vehicles	416,422	452,523	
49	of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	—	—	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	6,461	13,652	
50a	of which: general reserve for possible loan losses	6,461	6,814	
50b	of which: eligible provisions	—	6,837	
51	Tier 2 capital: instruments and provisions (H)	1,423,022	1,460,915	

Tier 2 capital: regulatory adjustments (5)				
52	Investments in own Tier 2 instruments		—	—
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)		—	—
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)		82,379	82,325
57	Tier 2 capital: regulatory adjustments (I)		82,379	82,325
Tier 2 capital (T2)				
58	Tier 2 capital (T2) ((H)-(I)) (J)		1,340,643	1,378,590
Total capital (TC = T1 + T2)				
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)		10,274,528	10,820,604
Risk weighted assets (6)				
60	Total risk-weighted assets (RWA) (L)		53,727,051	53,641,083
Capital ratios (consolidated) (7)				
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))		14.44%	15.06%
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))		16.62%	17.60%
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))		19.12%	20.17%
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)		227,713	275,747
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)		559,964	570,891
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)		199	78

Provisions included in Tier 2 capital: instruments and provisions (9)				
76	Provisions (general reserve for possible loan losses)	6,461	6,814	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	25,625	28,610	
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")	—	6,837	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	246,224	248,820	
Capital instruments subject to transitional arrangements (10)				
82	Current cap on AT1 instruments subject to transitional arrangements	371,357	371,357	
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	610,358	610,358	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	—	—	