

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 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	9,083,453	9,038,005	
1a	of which: capital and capital surplus	3,031,950	3,030,985	
2	of which: retained earnings	6,188,945	6,075,295	
1c	of which: treasury stock (-)	14,189	68,274	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	123,252	—	
	of which: other than the above	—	—	
1b	Stock acquisition rights to common shares	2,214	2,214	
3	Accumulated other comprehensive income and other disclosed reserves	1,675,503	1,657,056	(a)
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1,882	2,103	
6	Common Equity Tier 1 capital: instruments and reserves (A)	10,763,053	10,699,379	
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)	663,541	672,625	
8	of which: goodwill (including those equivalent)	248,928	255,345	
9	of which: other intangibles other than goodwill and mortgage servicing rights	414,613	417,279	
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	10,487	(3,202)	
12	Shortfall of eligible provisions to expected losses	68,330	59,582	
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	239,068	233,567	
16	Investments in own shares (excluding those reported in the Net assets section)	5,334	5,467	
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)	1,053,361	1,032,777	
Common Equity Tier 1 capital (CET1)					
29		Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	9,709,692	9,666,602	
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	685,000	684,699	
		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)	8,503	19,676	
33+35		Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	263,500	436,500	
33		of which: instruments issued by bank holding companies and their special purpose vehicles	263,500	436,500	
35		of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	—	—	
36		Additional Tier 1 capital: instruments (D)	957,003	1,140,875	

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)		931,477	1,115,354
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)		10,641,169	10,781,957
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		993,366	985,496
	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)		2,143	4,815
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions		416,315	452,295
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)		416,315	452,295
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2		61,316	61,032
50a	of which: general reserve for possible loan losses		61,316	61,032
50b	of which: eligible provisions		—	—
51	Tier 2 capital: instruments and provisions (H)		1,473,142	1,503,640

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)		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)		1,390,763	1,421,315
Total capital (TC = T1 + T2)				
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)		12,031,933	12,203,272
Risk weighted assets (6)				
60	Total risk-weighted assets (RWA) (L)		60,001,868	59,864,761
Capital ratios (consolidated) and buffers (7)				
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))		16.18%	16.14%
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))		17.73%	18.01%
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))		20.05%	20.38%
64	CET1 specific buffer requirement		3.61%	3.60%
65	of which: capital conservation buffer requirement		2.50%	2.50%
66	of which: countercyclical buffer requirement		0.11%	0.10%
67	of which: G-SIB/D-SIB additional requirement		1.00%	1.00%
68	CET1 available after meeting the minimum capital requirements		11.68%	11.64%
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)		743,722	802,933
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)		899,366	903,375
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)	2,834	3,151	
Provisions included in Tier 2 capital: instruments and provisions (9)				
76	Provisions (general reserve for possible loan losses)	68,723	71,314	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	61,316	61,032	
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	268,763	271,075	
Capital instruments subject to transitional arrangements (10)				
82	Current cap on AT1 instruments subject to transitional arrangements	487,757	487,757	
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	610,284	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	—	—	