

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 December 31, 2020	As of September 30, 2020	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	9,433,696	9,317,914	
1a	of which: capital and capital surplus	3,034,470	3,034,373	
2	of which: retained earnings	6,412,912	6,427,428	
1c	of which: treasury stock (-)	13,687	13,693	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	—	130,194	
	of which: other than the above	—	—	
1b	Stock acquisition rights to common shares	1,798	1,808	
3	Accumulated other comprehensive income and other disclosed reserves	2,010,122	1,784,519	(a)
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1,181	1,140	
6	Common Equity Tier 1 capital: instruments and reserves (A)	11,446,797	11,105,382	
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)	623,809	625,965	
8	of which: goodwill (including those equivalent)	219,668	225,385	
9	of which: other intangibles other than goodwill and mortgage servicing rights	404,141	400,579	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	3,270	3,538	
11	Net deferred gains or losses on hedges	83,117	107,931	
12	Shortfall of eligible provisions to expected losses	44,757	36,850	
13	Securitisation gain on sale	58,781	60,762	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	8,708	12,114	
15	Net defined benefit asset	264,668	259,802	
16	Investments in own shares (excluding those reported in the Net assets section)	2,757	4,263	
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)	1,089,871	1,111,229	
Common Equity Tier 1 capital (CET1)					
29		Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	10,356,926	9,994,152	
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	655,000	785,000	
		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)	10,572	10,187	
33+35		Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	—	—	
33		of which: instruments issued by bank holding companies and their special purpose vehicles	—	—	
35		of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	—	—	
36		Additional Tier 1 capital: instruments (D)	665,572	795,187	

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	25,525	
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	25,525	
Additional Tier 1 capital (AT1)				
44	Additional Tier 1 capital ((D)-(E)) (F)	640,046	769,661	
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	10,996,973	10,763,814	
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	866,363	988,078	
	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)	2,008	1,949	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	275,105	297,767	
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)	275,105	297,767	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	56,998	58,102	
50a	of which: general reserve for possible loan losses	56,998	58,102	
50b	of which: eligible provisions	—	—	
51	Tier 2 capital: instruments and provisions (H)	1,200,475	1,345,897	

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)		81,734	81,734
57	Tier 2 capital: regulatory adjustments (I)		81,734	81,734
Tier 2 capital (T2)				
58	Tier 2 capital (T2) ((H)-(I)) (J)		1,118,741	1,264,163
Total capital (TC = T1 + T2)				
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)		12,115,715	12,027,978
Risk weighted assets (6)				
60	Total risk-weighted assets (RWA) (L)		64,771,494	62,379,156
Capital ratios (consolidated) and buffers (7)				
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))		15.98%	16.02%
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))		16.97%	17.25%
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))		18.70%	19.28%
64	CET1 specific buffer requirement		3.52%	3.52%
65	of which: capital conservation buffer requirement		2.50%	2.50%
66	of which: countercyclical buffer requirement		0.02%	0.02%
67	of which: G-SIB/D-SIB additional requirement		1.00%	1.00%
68	CET1 available after meeting the minimum capital requirements		10.70%	11.25%
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)		870,552	819,974
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)		874,848	897,317
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)	7,031	5,212	
Provisions included in Tier 2 capital: instruments and provisions (9)				
76	Provisions (general reserve for possible loan losses)	71,445	71,679	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	56,998	58,102	
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	296,263	282,139	
Capital instruments subject to transitional arrangements (10)				
82	Current cap on AT1 instruments subject to transitional arrangements	325,171	325,171	
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	406,856	406,856	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	—	—	