CC1: Composition of regulatory capital

Sumitomo Mitsui Banking Corporation and Subsidiaries

(Millions of yen, except percentages)

Basel III Template No.	Items	a As of December 31, 2021	b As of September 30, 2021
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	7,319,077	7,197,790
1a	of which: capital and capital surplus	3,527,243	3,527,243
2	of which: retained earnings	3,791,833	4,012,879
1c	of which: treasury stock (-)	—	—
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	—	342,332
	of which: other than the above	—	—
1b	Stock acquisition rights to common shares	—	—
3	Accumulated other comprehensive income and other disclosed reserves	1,978,961	2,077,297
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1,179	1,160
6	Common Equity Tier 1 capital: instruments and reserves (A)	9,299,218	9,276,247
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)	259,311	257,533
8	of which: goodwill (including those equivalent)	6,419	6,883
9	of which: other intangibles other than goodwill and mortgage servicing rights	252,892	250,650
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	3,305	3,105
11	Net deferred gains or losses on hedges	(38,435)	4,716
12	Shortfall of eligible provisions to expected losses	—	—
13	Securitisation gain on sale	55,870	57,810
14	Gains and losses due to changes in own credit risk on fair valued liabilities	11,099	10,003
15	Net defined benefit asset	405,504	400,265
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)	696,655	733,434
Common Equity Tier 1 capital (CET1)				
29		Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	8,602,562	8,542,813
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	1,155,000	1,155,000
		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)	17,892	17,431
33+35		Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	—	—
33		of which: instruments issued by banks and their special purpose vehicles	—	—
35		of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	—	—
36		Additional Tier 1 capital: instruments (D)	1,172,892	1,172,431

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)	1,147,366	1,146,905
Tier 1 capital (T1 = CET1 + AT1)			
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	9,749,929	9,689,718
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	759,952	778,809
	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)	3,808	3,124
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	200,461	203,452
47	of which: instruments issued by banks and their special purpose vehicles	200,461	203,452
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	109,397	66,331
50a	of which: general reserve for possible loan losses	17,121	17,421
50b	of which: eligible provisions	92,275	48,909
51	Tier 2 capital: instruments and provisions (H)	1,073,619	1,051,717

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)		34,503	33,585
57	Tier 2 capital: regulatory adjustments	(I)	34,503	33,585
Tier 2 capital (T2)				
58	Tier 2 capital (T2) ((H)-(I))	(J)	1,039,116	1,018,132
Total capital (TC = T1 + T2)				
59	Total capital (TC = T1 + T2) ((G)+(J))	(K)	10,789,045	10,707,851
Risk weighted assets (6)				
60	Total risk-weighted assets (RWA)	(L)	64,410,194	62,238,855
Capital ratios (consolidated) (7)				
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))		13.35%	13.72%
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))		15.13%	15.56%
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))		16.75%	17.20%
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)		557,812	560,020
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)		527,645	506,674
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)		5,494	5,433

Provisions included in Tier 2 capital: instruments and provisions (9)			
76	Provisions (general reserve for possible loan losses)	17,121	17,421
77	Cap on inclusion of provisions (general reserve for possible loan losses)	23,163	22,732
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")	92,275	48,909
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	285,664	283,898
Capital instruments subject to transitional arrangements (10)			
82	Current cap on AT1 instruments subject to transitional arrangements	123,785	123,785
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	203,452	203,452
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	—	16,952