

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, 2022	As of December 31, 2021	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	9,794,672	9,856,880	
1a	of which: capital and capital surplus	3,035,543	3,035,588	
2	of which: retained earnings	6,916,468	6,834,716	
1c	of which: treasury stock (-)	13,402	13,424	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	143,936	—	
	of which: other than the above	—	—	
1b	Stock acquisition rights to common shares	1,475	1,498	
3	Accumulated other comprehensive income and other disclosed reserves	2,159,606	2,372,531	(a)
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1,231	1,179	
6	Common Equity Tier 1 capital: instruments and reserves (A)	11,956,985	12,232,089	
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)	849,602	876,269	
8	of which: goodwill (including those equivalent)	438,657	442,329	
9	of which: other intangibles other than goodwill and mortgage servicing rights	410,945	433,939	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	11,334	3,760	
11	Net deferred gains or losses on hedges	(79,373)	(51,597)	
12	Shortfall of eligible provisions to expected losses	—	—	
13	Securitisation gain on sale	56,744	55,870	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	23,109	11,607	
15	Net defined benefit asset	432,092	410,288	
16	Investments in own shares (excluding those reported in the Net assets section)	4,317	4,918	
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)	200,779	110,019	
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)	1,498,608	1,421,136	
Common Equity Tier 1 capital (CET1)				
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	10,458,377	10,810,953	
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	733,998	655,000
		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)	22,104	20,659	
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)	756,102	675,659	

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)	2,729	1,276	
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)	28,255	26,802	
Additional Tier 1 capital (AT1)				
44	Additional Tier 1 capital ((D)-(E)) (F)	727,847	648,856	
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	11,186,225	11,459,809	
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	753,571	758,915	
	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)	4,722	4,459	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	—	200,461	
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)	—	200,461	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	108,729	96,858	
50a	of which: general reserve for possible loan losses	69,589	64,623	
50b	of which: eligible provisions	39,139	32,235	
51	Tier 2 capital: instruments and provisions (H)	867,023	1,060,693	

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)		32,765	19,465
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)		36,723	34,503
57	Tier 2 capital: regulatory adjustments (I)		69,488	53,968
Tier 2 capital (T2)				
58	Tier 2 capital (T2) ((H)-(I)) (J)		797,534	1,006,724
Total capital (TC = T1 + T2)				
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)		11,983,759	12,466,534
Risk weighted assets (6)				
60	Total risk-weighted assets (RWA) (L)		72,350,071	70,542,922
Capital ratios (consolidated) and buffers (7)				
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))		14.45%	15.32%
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))		15.46%	16.24%
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))		16.56%	17.67%
64	CET1 specific buffer requirement		3.53%	3.52%
65	of which: capital conservation buffer requirement		2.50%	2.50%
66	of which: countercyclical buffer requirement		0.03%	0.02%
67	of which: G-SIB/D-SIB additional requirement		1.00%	1.00%
68	CET1 available after meeting the minimum capital requirements		8.56%	9.67%
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)		1,065,915	1,092,097
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)		1,044,534	1,026,164
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)	130,489	20,568	
Provisions included in Tier 2 capital: instruments and provisions (9)				
76	Provisions (general reserve for possible loan losses)	71,960	91,271	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	69,589	64,623	
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")	39,139	32,235	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	321,224	314,179	
Capital instruments subject to transitional arrangements (10)				
82	Current cap on AT1 instruments subject to transitional arrangements	—	162,585	
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	—	203,428	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	—	—	