

# 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 June 30, 2021	As of March 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	9,578,181	9,383,176	
1a	of which: capital and capital surplus	3,034,335	3,034,480	
2	of which: retained earnings	6,557,286	6,492,586	
1c	of which: treasury stock (-)	13,441	13,698	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	—	130,190	
	of which: other than the above	—	—	
1b	Stock acquisition rights to common shares	1,557	1,791	
3	Accumulated other comprehensive income and other disclosed reserves	2,367,804	2,313,051	(a)
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1,135	1,145	
6	Common Equity Tier 1 capital: instruments and reserves (A)	11,948,678	11,699,164	
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)	602,447	604,347	
8	of which: goodwill (including those equivalent)	178,576	183,861	
9	of which: other intangibles other than goodwill and mortgage servicing rights	423,870	420,485	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	2,905	3,314	
11	Net deferred gains or losses on hedges	15,067	18,771	
12	Shortfall of eligible provisions to expected losses	28,047	19,703	
13	Securitisation gain on sale	56,913	58,866	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	10,876	11,413	
15	Net defined benefit asset	399,747	392,500	
16	Investments in own shares (excluding those reported in the Net assets section)	4,706	6,137	
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)		109,805	21,337	
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)		1,230,517	1,136,392	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)		10,718,161	10,562,772	
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	654,592	648,878	
		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)		14,521	13,836	
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)		669,113	662,714	

<b>Additional Tier 1 capital: regulatory adjustments</b>				
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)	2,630	660	
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)	28,156	26,186	
<b>Additional Tier 1 capital (AT1)</b>				
44	Additional Tier 1 capital ((D)-(E)) (F)	640,956	636,528	
<b>Tier 1 capital (T1 = CET1 + AT1)</b>				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	11,359,117	11,199,300	
<b>Tier 2 capital: instruments and provisions (4)</b>				
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	762,454	861,798	
	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)	2,390	2,403	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	203,428	203,428	
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)	203,428	203,428	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	60,134	60,139	
50a	of which: general reserve for possible loan losses	60,134	60,139	
50b	of which: eligible provisions	—	—	
51	Tier 2 capital: instruments and provisions (H)	1,028,408	1,127,769	

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)	24,069	4,585	
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)	33,183	33,213	
57	Tier 2 capital: regulatory adjustments (I)	57,252	37,798	
Tier 2 capital (T2)				
58	Tier 2 capital (T2) ((H)-(I)) (J)	971,156	1,089,970	
Total capital (TC = T1 + T2)				
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	12,330,274	12,289,271	
Risk weighted assets (6)				
60	Total risk-weighted assets (RWA) (L)	67,763,916	66,008,023	
Capital ratios (consolidated) and buffers (7)				
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	15.81%	16.00%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	16.76%	16.96%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	18.19%	18.61%	
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	10.19%	10.61%	
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)	1,082,796	1,058,411	
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)	920,916	937,624	
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)	4,976	4,688	
<b>Provisions included in Tier 2 capital: instruments and provisions (9)</b>				
76	Provisions (general reserve for possible loan losses)	79,115	79,268	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	60,134	60,139	
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	307,700	299,809	
<b>Capital instruments subject to transitional arrangements (10)</b>				
82	Current cap on AT1 instruments subject to transitional arrangements	162,585	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	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")	36,660	56,412	