

## 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, 2021	As of June 30, 2021	Reference to Template CC2
<b>Common Equity Tier 1 capital: instruments and reserves (1)</b>				
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	9,687,981	9,578,181	
1a	of which: capital and capital surplus	3,035,492	3,034,335	
2	of which: retained earnings	6,809,834	6,557,286	
1c	of which: treasury stock (-)	13,409	13,441	
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	1,498	1,557	
3	Accumulated other comprehensive income and other disclosed reserves	2,468,234	2,367,804	(a)
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1,160	1,135	
6	Common Equity Tier 1 capital: instruments and reserves (A)	12,158,875	11,948,678	
<b>Common Equity Tier 1 capital: regulatory adjustments (2)</b>				
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	601,675	602,447	
8	of which: goodwill (including those equivalent)	172,813	178,576	
9	of which: other intangibles other than goodwill and mortgage servicing rights	428,861	423,870	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	3,526	2,905	
11	Net deferred gains or losses on hedges	(9,229)	15,067	
12	Shortfall of eligible provisions to expected losses	6,791	28,047	
13	Securitisation gain on sale	57,810	56,913	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	10,493	10,876	
15	Net defined benefit asset	405,208	399,747	
16	Investments in own shares (excluding those reported in the Net assets section)	4,881	4,706	
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)	138,770	109,805		
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)	1,219,927	1,230,517		
<b>Common Equity Tier 1 capital (CET1)</b>					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	10,938,947	10,718,161		
<b>Additional Tier 1 capital: instruments (3)</b>					
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	652,202	654,592	
		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)	14,790	14,521		
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)	666,993	669,113		

<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)	3,050	2,630	
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)	28,576	28,156	
<b>Additional Tier 1 capital (AT1)</b>				
44	Additional Tier 1 capital ((D)-(E)) (F)	638,416	640,956	
<b>Tier 1 capital (T1 = CET1 + AT1)</b>				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	11,577,364	11,359,117	
<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	776,754	762,454	
	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)	2,502	2,390	
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	62,672	60,134	
50a	of which: general reserve for possible loan losses	62,672	60,134	
50b	of which: eligible provisions	—	—	
51	Tier 2 capital: instruments and provisions (H)	1,045,358	1,028,408	

<b>Tier 2 capital: regulatory adjustments (5)</b>				
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)		26,040	24,069
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)		33,585	33,183
57	Tier 2 capital: regulatory adjustments (I)		59,625	57,252
<b>Tier 2 capital (T2)</b>				
58	Tier 2 capital (T2) ((H)-(I)) (J)		985,733	971,156
<b>Total capital (TC = T1 + T2)</b>				
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)		12,563,098	12,330,274
<b>Risk weighted assets (6)</b>				
60	Total risk-weighted assets (RWA) (L)		68,689,415	67,763,916
<b>Capital ratios (consolidated) and buffers (7)</b>				
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))		15.92%	15.81%
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))		16.85%	16.76%
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))		18.28%	18.19%
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		10.28%	10.19%
<b>Regulatory adjustments (8)</b>				
72	Non-significant investments in the capital and other TLAC liabilities of other financials that are below the thresholds for deduction (before risk weighting)		1,107,771	1,082,796
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)		949,276	920,916
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)	5,990	4,976	
<b>Provisions included in Tier 2 capital: instruments and provisions (9)</b>				
76	Provisions (general reserve for possible loan losses)	79,974	79,115	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	62,672	60,134	
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	309,587	307,700	
<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")	16,960	36,660	