

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, 2023	As of December 31, 2022	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	10,140,313	10,352,977	
1a	of which: capital and capital surplus	3,036,589	3,036,640	
2	of which: retained earnings	7,423,600	7,381,273	
1c	of which: treasury stock (-)	151,798	64,937	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	168,077	—	
	of which: other than the above	—	—	
1b	Stock acquisition rights to common shares	1,145	1,185	
3	Accumulated other comprehensive income and other disclosed reserves	2,372,074	2,012,981	(a)
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1,404	1,279	
6	Common Equity Tier 1 capital: instruments and reserves (A)	12,514,937	12,368,423	
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)	841,089	863,307	
8	of which: goodwill (including those equivalent)	405,810	434,320	
9	of which: other intangibles other than goodwill and mortgage servicing rights	435,279	428,987	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	6,899	9,084	
11	Net deferred gains or losses on hedges	(74,959)	(60,280)	
12	Shortfall of eligible provisions to expected losses	—	45,790	
13	Securitisation gain on sale	52,939	54,317	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	47,781	40,876	
15	Net defined benefit asset	489,035	450,919	
16	Investments in own shares (excluding those reported in the Net assets section)	7,205	2,100	
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)	187,705	69,467	
19+20+21		Amount exceeding the 10% threshold on specified items	118,285	200,815	
19		of which: significant investments in the common stock of financials	118,285	200,815	
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)	1,675,982	1,676,398	
Common Equity Tier 1 capital (CET1)					
29		Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	10,838,955	10,692,025	
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	766,214	755,022	
		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)	29,268	28,419	
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)	795,482	783,442	

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)	2,547	766	
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)	82,978	82,978	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—	—	
43	Additional Tier 1 capital: regulatory adjustments (E)	85,526	83,744	
Additional Tier 1 capital (AT1)				
44	Additional Tier 1 capital ((D)-(E)) (F)	709,956	699,697	
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	11,548,912	11,391,722	
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	766,438	694,306	
	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)	5,825	5,272	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	—	—	
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)	—	—	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	105,858	79,875	
50a	of which: general reserve for possible loan losses	79,073	79,875	
50b	of which: eligible provisions	26,784	—	
51	Tier 2 capital: instruments and provisions (H)	878,121	779,455	

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)		36,190	10,900
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)		40,062	39,813
57	Tier 2 capital: regulatory adjustments (I)		76,252	50,713
Tier 2 capital (T2)				
58	Tier 2 capital (T2) ((H)-(I)) (J)		801,869	728,741
Total capital (TC = T1 + T2)				
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)		12,350,781	12,120,464
Risk weighted assets (6)				
60	Total risk-weighted assets (RWA) (L)		77,285,048	77,025,261
Capital ratios (consolidated) and buffers (7)				
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))		14.02%	13.88%
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))		14.94%	14.78%
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))		15.98%	15.73%
64	CET1 specific buffer requirement		3.60%	3.58%
65	of which: capital conservation buffer requirement		2.50%	2.50%
66	of which: countercyclical buffer requirement		0.10%	0.08%
67	of which: G-SIB/D-SIB additional requirement		1.00%	1.00%
68	CET1 available after meeting the minimum capital requirements		7.98%	7.73%
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)		1,114,494	1,096,230
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)		1,095,724	1,089,284
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)	199,927	352,950	
Provisions included in Tier 2 capital: instruments and provisions (9)				
76	Provisions (general reserve for possible loan losses)	85,077	82,584	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	79,073	79,875	
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")	26,784	—	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	326,973	329,086	
Capital instruments subject to transitional arrangements (10)				
82	Current cap on AT1 instruments subject to transitional arrangements	—	—	
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	—	—	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	—	—	