

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 December 31, 2022	As of September 30, 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	10,352,977	10,163,708	
1a	of which: capital and capital surplus	3,036,640	3,036,589	
2	of which: retained earnings	7,381,273	7,297,926	
1c	of which: treasury stock (-)	64,937	13,116	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	—	157,690	
	of which: other than the above	—	—	
1b	Stock acquisition rights to common shares	1,185	1,201	
3	Accumulated other comprehensive income and other disclosed reserves	2,012,981	2,331,376	(a)
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1,279	1,386	
6	Common Equity Tier 1 capital: instruments and reserves (A)	12,368,423	12,497,673	
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)	863,307	890,465	
8	of which: goodwill (including those equivalent)	434,320	461,929	
9	of which: other intangibles other than goodwill and mortgage servicing rights	428,987	428,536	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	9,084	10,745	
11	Net deferred gains or losses on hedges	(60,280)	42,471	
12	Shortfall of eligible provisions to expected losses	45,790	25,688	
13	Securitisation gain on sale	54,317	54,146	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	40,876	55,712	
15	Net defined benefit asset	450,919	445,758	
16	Investments in own shares (excluding those reported in the Net assets section)	2,100	1,478	
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)		69,467	90,385	
19+20+21	Amount exceeding the 10% threshold on specified items		200,815	198,990	
19		of which: significant investments in the common stock of financials	200,815	198,990	
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)		1,676,398	1,815,843	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)		10,692,025	10,681,830	
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	755,022	735,000	
		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)		28,419	25,216	
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)		783,442	760,216	

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)	766	1,077	
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	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)	83,744	26,603	
Additional Tier 1 capital (AT1)				
44	Additional Tier 1 capital ((D)-(E)) (F)	699,697	733,613	
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	11,391,722	11,415,443	
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	694,306	756,452	
	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)	5,272	5,514	
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	79,875	77,463	
50a	of which: general reserve for possible loan losses	79,875	77,463	
50b	of which: eligible provisions	—	—	
51	Tier 2 capital: instruments and provisions (H)	779,455	839,430	

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)	10,900	17,891	
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)	39,813	43,443	
57	Tier 2 capital: regulatory adjustments (I)	50,713	61,334	
Tier 2 capital (T2)				
58	Tier 2 capital (T2) ((H)-(I)) (J)	728,741	778,095	
Total capital (TC = T1 + T2)				
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	12,120,464	12,193,539	
Risk weighted assets (6)				
60	Total risk-weighted assets (RWA) (L)	77,025,261	77,971,394	
Capital ratios (consolidated) and buffers (7)				
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	13.88%	13.69%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	14.78%	14.64%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	15.73%	15.63%	
64	CET1 specific buffer requirement	3.58%	3.53%	
65	of which: capital conservation buffer requirement	2.50%	2.50%	
66	of which: countercyclical buffer requirement	0.08%	0.03%	
67	of which: G-SIB/D-SIB additional requirement	1.00%	1.00%	
68	CET1 available after meeting the minimum capital requirements	7.73%	7.63%	
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)	1,096,230	1,097,120	
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)	1,089,284	1,088,082	
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)	352,950	355,424	
Provisions included in Tier 2 capital: instruments and provisions (9)				
76	Provisions (general reserve for possible loan losses)	82,584	83,905	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	79,875	77,463	
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	329,086	333,304	
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")	—	—	