

# 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, 2024	As of December 31, 2023	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	10,452,598	10,611,732	
1a	of which: capital and capital surplus	2,954,181	3,029,750	
2	of which: retained earnings	7,843,470	7,672,596	
1c	of which: treasury stock (-)	167,671	90,615	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	177,382	—	
	of which: other than the above	—	—	
1b	Stock subscription rights and stock acquisition rights to common shares	931	991	
3	Accumulated other comprehensive income and other disclosed reserves	4,030,129	3,168,488	(a)
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	2,243	1,455	
6	Common Equity Tier 1 capital: instruments and reserves (A)	14,485,903	13,782,666	
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)	957,397	994,084	
8	of which: goodwill (including those equivalent)	461,174	524,910	
9	of which: other intangibles other than goodwill and mortgage servicing rights	496,223	469,173	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	4,693	1,088	
11	Net deferred gains or losses on hedges	(144,850)	(98,001)	
12	Shortfall of eligible provisions to expected losses	—	13,902	
13	Securitisation gain on sale	47,724	49,453	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	24,314	29,466	
15	Net defined benefit asset	634,121	508,188	
16	Investments in own shares (excluding those reported in the Net assets section)	6,812	7,989	
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)	719,737	470,399	
19+20+21		Amount exceeding the 10% threshold on specified items	243,324	303,628	
19		of which: significant investments in the common stock of financials	243,324	303,628	
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)	2,493,275	2,280,199	
<b>Common Equity Tier 1 capital (CET1)</b>					
29		Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	11,992,628	11,502,467	
<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 subscription rights and 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	1,463,945	1,125,388	
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	
34		Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)	12,239	33,319	
36		Additional Tier 1 capital: instruments (D)	1,476,185	1,158,708	

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)	74,283	46,944	
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)	157,262	129,923	
Additional Tier 1 capital (AT1)				
44	Additional Tier 1 capital ((D)-(E)) (F)	1,318,922	1,028,785	
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	13,311,550	12,531,252	
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 subscription rights and 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	946,577	949,329	
	Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	
48	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group T2)	3,071	6,889	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	129,692	87,637	
50a	of which: general reserve for possible loan losses	105,555	87,637	
50b	of which: eligible provisions	24,136	—	
51	Tier 2 capital: instruments and provisions (H)	1,079,340	1,043,856	

<b>Tier 2 capital: regulatory adjustments (5)</b>				
52	Investments in own Tier 2 instruments	99	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)	147,523	93,653	
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)	45,399	42,549	
57	Tier 2 capital: regulatory adjustments (I)	193,022	136,202	
<b>Tier 2 capital (T2)</b>				
58	Tier 2 capital (T2) ((H)-(I)) (J)	886,318	907,654	
<b>Total capital (TC = T1 + T2)</b>				
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	14,197,869	13,438,906	
<b>Risk weighted assets (6)</b>				
60	Total risk-weighted assets (RWA) (L)	92,848,578	81,613,040	
<b>Capital ratios (consolidated) and buffers (7)</b>				
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	12.91%	14.09%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	14.33%	15.35%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	15.29%	16.46%	
64	CET1 specific buffer requirement	3.65%	3.65%	
65	of which: capital conservation buffer requirement	2.50%	2.50%	
66	of which: countercyclical buffer requirement	0.15%	0.15%	
67	of which: G-SIB/D-SIB additional requirement	1.00%	1.00%	
68	CET1 available after meeting the minimum capital requirements	7.29%	8.46%	

<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)	1,295,569	1,227,649	
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)	1,223,595	1,180,609	
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)	45,227	36,339	
<b>Provisions included in Tier 2 capital: instruments and provisions (9)</b>				
76	Provisions (general reserve for possible loan losses)	105,555	103,027	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	108,011	87,637	
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")	24,136	—	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	439,582	357,778	