

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, 2023	As of June 30, 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	10,418,570	10,327,108	
1a	of which: capital and capital surplus	3,029,699	3,036,597	
2	of which: retained earnings	7,586,692	7,308,259	
1c	of which: treasury stock (-)	17,721	17,749	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	180,099	—	
	of which: other than the above	—	—	
1b	Stock acquisition rights to common shares	1,002	1,044	
3	Accumulated other comprehensive income and other disclosed reserves	3,096,013	2,986,689	(a)
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1,364	1,817	
6	Common Equity Tier 1 capital: instruments and reserves (A)	13,516,950	13,316,659	
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)	908,739	888,229	
8	of which: goodwill (including those equivalent)	447,778	439,967	
9	of which: other intangibles other than goodwill and mortgage servicing rights	460,960	448,262	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,777	3,104	
11	Net deferred gains or losses on hedges	(37,697)	(57,128)	
12	Shortfall of eligible provisions to expected losses	11,706	—	
13	Securitisation gain on sale	51,223	52,552	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	35,099	34,881	
15	Net defined benefit asset	503,230	497,167	
16	Investments in own shares (excluding those reported in the Net assets section)	13,520	5,803	
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)	429,183	272,459	
19+20+21		Amount exceeding the 10% threshold on specified items	161,481	93,956	
19		of which: significant investments in the common stock of financials	161,481	93,956	
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)	2,078,264	1,791,026	
Common Equity Tier 1 capital (CET1)					
29		Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	11,438,686	11,525,632	
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	1,127,301	914,112	
		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)	33,261	25,331	
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)	1,160,562	939,444	

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)	45,639	3,832	
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)	128,618	86,811	
Additional Tier 1 capital (AT1)				
44	Additional Tier 1 capital ((D)-(E)) (F)	1,031,944	852,632	
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	12,470,631	12,378,265	
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	883,148	759,172	
	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)	6,715	6,178	
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	88,259	95,861	
50a	of which: general reserve for possible loan losses	88,259	80,532	
50b	of which: eligible provisions	—	15,329	
51	Tier 2 capital: instruments and provisions (H)	978,123	861,212	

Tier 2 capital: regulatory adjustments (5)				
52	Investments in own Tier 2 instruments		172	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)		90,870	53,321
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)		44,874	43,497
57	Tier 2 capital: regulatory adjustments (I)		135,917	96,818
Tier 2 capital (T2)				
58	Tier 2 capital (T2) ((H)-(I)) (J)		842,206	764,394
Total capital (TC = T1 + T2)				
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)		13,312,837	13,142,659
Risk weighted assets (6)				
60	Total risk-weighted assets (RWA) (L)		82,040,996	80,383,446
Capital ratios (consolidated) and buffers (7)				
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))		13.94%	14.33%
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))		15.20%	15.39%
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))		16.22%	16.34%
64	CET1 specific buffer requirement		3.66%	3.62%
65	of which: capital conservation buffer requirement		2.50%	2.50%
66	of which: countercyclical buffer requirement		0.16%	0.12%
67	of which: G-SIB/D-SIB additional requirement		1.00%	1.00%
68	CET1 available after meeting the minimum capital requirements		8.22%	8.34%
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)		1,202,935	1,189,204
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)		1,160,016	1,161,958
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)	143,837	75,600	
Provisions included in Tier 2 capital: instruments and provisions (9)				
76	Provisions (general reserve for possible loan losses)	98,431	90,628	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	88,259	80,532	
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")	—	15,329	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	355,911	345,012	
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")	—	—	