

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, 2023	As of September 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	10,611,732	10,418,570	
1a	of which: capital and capital surplus	3,029,750	3,029,699	
2	of which: retained earnings	7,672,596	7,586,692	
1c	of which: treasury stock (-)	90,615	17,721	
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	991	1,002	
3	Accumulated other comprehensive income and other disclosed reserves	3,168,488	3,096,013	(a)
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1,455	1,364	
6	Common Equity Tier 1 capital: instruments and reserves (A)	13,782,666	13,516,950	
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)	994,084	908,739	
8	of which: goodwill (including those equivalent)	524,910	447,778	
9	of which: other intangibles other than goodwill and mortgage servicing rights	469,173	460,960	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,088	1,777	
11	Net deferred gains or losses on hedges	(98,001)	(37,697)	
12	Shortfall of eligible provisions to expected losses	13,902	11,706	
13	Securitisation gain on sale	49,453	51,223	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	29,466	35,099	
15	Net defined benefit asset	508,188	503,230	
16	Investments in own shares (excluding those reported in the Net assets section)	7,989	13,520	
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)		470,399	429,183	
19+20+21	Amount exceeding the 10% threshold on specified items		303,628	161,481	
19	of which: significant investments in the common stock of financials		303,628	161,481	
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)	2,280,199	2,078,264	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B))	(C)	11,502,467	11,438,686	
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	1,125,388	1,127,301	
		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)		33,319	33,261	
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)	1,158,708	1,160,562	

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)	46,944	45,639	
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)	129,923	128,618	
Additional Tier 1 capital (AT1)				
44	Additional Tier 1 capital ((D)-(E)) (F)	1,028,785	1,031,944	
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	12,531,252	12,470,631	
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	949,329	883,148	
	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)	6,889	6,715	
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	87,637	88,259	
50a	of which: general reserve for possible loan losses	87,637	88,259	
50b	of which: eligible provisions	—	—	
51	Tier 2 capital: instruments and provisions (H)	1,043,856	978,123	

Tier 2 capital: regulatory adjustments (5)				
52	Investments in own Tier 2 instruments	0	172	
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)	93,653	90,870	
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)	42,549	44,874	
57	Tier 2 capital: regulatory adjustments (I)	136,202	135,917	
Tier 2 capital (T2)				
58	Tier 2 capital (T2) ((H)-(I)) (J)	907,654	842,206	
Total capital (TC = T1 + T2)				
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	13,438,906	13,312,837	
Risk weighted assets (6)				
60	Total risk-weighted assets (RWA) (L)	81,613,040	82,040,996	
Capital ratios (consolidated) and buffers (7)				
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	14.09%	13.94%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	15.35%	15.20%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	16.46%	16.22%	
64	CET1 specific buffer requirement	3.65%	3.66%	
65	of which: capital conservation buffer requirement	2.50%	2.50%	
66	of which: countercyclical buffer requirement	0.15%	0.16%	
67	of which: G-SIB/D-SIB additional requirement	1.00%	1.00%	
68	CET1 available after meeting the minimum capital requirements	8.46%	8.22%	
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)	1,227,649	1,202,935	
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)	1,180,609	1,160,016	
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)	36,339	143,837	
Provisions included in Tier 2 capital: instruments and provisions (9)				
76	Provisions (general reserve for possible loan losses)	103,027	98,431	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	87,637	88,259	
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	357,778	355,911	
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")	—	—	