CC1: Composition of regulatory capital

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

(Millions of yen, except percentages)

Basel III Template No.	Items	a As of September 30, 2024	b As of June 30, 2024	c 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	10,905,291	10,827,049	
1a	of which: capital and capital surplus	2,957,794	2,953,949	
2	of which: retained earnings	8,216,457	7,954,090	
1c	of which: treasury stock (-)	34,101	80,990	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	234,858	―	
	of which: other than the above	―	―	
1b	Stock subscription rights and stock acquisition rights to common shares	790	856	
3	Accumulated other comprehensive income and other disclosed reserves	3,615,092	4,125,482	(a)
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	2,127	2,261	
6	Common Equity Tier 1 capital: instruments and reserves (A)	14,523,302	14,955,650	
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)	928,727	980,879	
8	of which: goodwill (including those equivalent)	406,175	468,905	
9	of which: other intangibles other than goodwill and mortgage servicing rights	522,551	511,973	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	3,637	3,043	
11	Net deferred gains or losses on hedges	(179,626)	(171,073)	
12	Shortfall of eligible provisions to expected losses	16,364	―	
13	Securitisation gain on sale	45,598	47,473	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	23,724	27,097	
15	Net defined benefit asset	649,539	642,915	
16	Investments in own shares (excluding those reported in the Net assets section)	15,907	21,626	
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)	746,173	742,944	
19+20+21		Amount exceeding the 10% threshold on specified items	342,934	267,390	
19		of which: significant investments in the common stock of financials	342,934	267,390	
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)	2,592,982	2,562,298	
Common Equity Tier 1 capital (CET1)					
29		Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	11,930,319	12,393,351	
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 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	1,676,437	1,655,682	
		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)	12,115	12,388	
36		Additional Tier 1 capital: instruments (D)	1,688,552	1,668,070	

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)	114,626	107,694	
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)	83,315	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)	197,942	190,672	
Additional Tier 1 capital (AT1)				
44	Additional Tier 1 capital ((D)-(E)) (F)	1,490,610	1,477,397	
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	13,420,930	13,870,748	
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	1,112,678	953,835	
	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)	3,273	3,274	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	113,698	125,025	
50a	of which: general reserve for possible loan losses	113,698	111,747	
50b	of which: eligible provisions	—	13,278	
51	Tier 2 capital: instruments and provisions (H)	1,229,650	1,082,135	

Tier 2 capital: regulatory adjustments (5)				
52	Investments in own Tier 2 instruments	199	198	
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)	130,301	144,295	
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)	42,846	48,309	
57	Tier 2 capital: regulatory adjustments (I)	173,346	192,803	
Tier 2 capital (T2)				
58	Tier 2 capital (T2) ((H)-(I)) (J)	1,056,303	889,331	
Total capital (TC = T1 + T2)				
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	14,477,234	14,760,080	
Risk weighted assets (6)				
60	Total risk-weighted assets (RWA) (L)	90,490,896	96,712,314	
Capital ratios (consolidated) and buffers (7)				
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	13.18%	12.81%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	14.83%	14.34%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	15.99%	15.26%	
64	CET1 specific buffer requirement	3.67%	3.68%	
65	of which: capital conservation buffer requirement	2.50%	2.50%	
66	of which: countercyclical buffer requirement	0.17%	0.18%	
67	of which: G-SIB/D-SIB additional requirement	1.00%	1.00%	
68	CET1 available after meeting the minimum capital requirements	7.99%	7.26%	

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)	1,301,942	1,340,368	
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)	1,227,325	1,266,074	
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)	36,570	48,432	
Provisions included in Tier 2 capital: instruments and provisions (9)				
76	Provisions (general reserve for possible loan losses)	120,259	118,695	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	113,698	111,747	
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")	—	13,278	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	416,266	451,499	