

I. Programme Information

SUMITOMO MITSUI BANKING CORPORATION (incorporated with limited liability in Japan) acting as trustee on behalf of a specified mone trust (tokutei kinsen shintaku) No. 0010-377600-0001 EUR 20,000,000,000 SMBC Covered Bond Programme

Series	ISIN	CCY	Initial Principal	Coupon	Coupon Type	Issue Date	Maturity	Moody's Rating
2018-1	XS1899009705	EUR	1,000,000,000	0.55%	Fixed coupon	2018/11/6	2023/11/6	Aaa

Key Parties

Issuer	Sumitomo Mitsui Banking Corporation, acting as trustee on behalf of a specified mone trust (tokutei kinsen shintaku) No. 0010-377600-0001
TRS Counterparty	Sumitomo Mitsui Banking Corporation, (SMBC)
Valuation Agent	Sumitomo Mitsui Banking Corporation, (SMBC)
Bond Trustee, Security Trustee and Principal Paying Agent	BNY Mellon Corporate Trustee Services Limited
Account Bank	The Bank of New York Mellon, London Branch, (BNYM)
Account Bank	The Bank of New York Mellon, London Branch, (BNYM)
Asset Monitor	Deloitte
Calculation Agent	The Bank of New York Mellon, London Branch, (BNYM)
Selling Agent	SMBC Nikko Securities Inc

Early Redemption Events

(i) The Issuer's obligation under the bonds become illegal	No
(ii) Regulatory Event	No
(iii) Tax Event	No
(iv) Termination of TRS Agreement (other than as a result of a TRS Default Event)	No
TRS Default Event	No
Issuer Event of Default	No

Rating Triggers and Requirements

Sumitomo Mitsui Banking Corporation	Senior Debt	Moody's			
	Rating outlook	A1			
	Short-Term	STABLE			
		P-1			
TRS Counterparty Senior Debt Rating	Counterparty	Rating Trigger	Required Action if triggered	Triggered	Substituted/Replaced Counterpart Rating
1) Interest & Expense Reserve Fund	SMBC	Below A3	Post (i) the interest expected to become due and payable on each Series of Bonds in the following nine months; and (ii) the annual scheduled expenses	No	-
2) FX Forward Cash Reserve	SMBC	Below A3	Make certain cash reserve payments to the Issuer to maintain the FX Forward Cash Reserve Balance	No	-
3) FX Counterparty Replacement	SMBC	Below Baa1	The issuer will use commercially reasonable efforts to, as soon as reasonably practicable, seek a new FX Counterparty that will enter into an equivalent contingent FX forward transaction with the Issuer	No	n/a []
Selling Agent Eligible Credit Rating	SMBC Nikko	Below Investment grade	the Issuer or the Security Trustee shall appoint an Eligible Selling Agent as a Replacement Selling Agent. An Eligible Selling Agent is a reputable financial institution of good standing with minimum rating approved by the Security Trustee	No	n/a []

Sumitomo Mitsui Banking Corporation
Valuation Agent Report

Report Date 2019/02/18
Valuation Date 2019/02/15
Current FX Rate (EUR/JPY) 124.56
SMBG Rating A1

1. Asset Coverage Test

Asset Coverage Test	Required IA I	A + B + C Aggregate Market Related Value of ACT Issuer Asset*	Total Maximum Aggregate Funded Notional Amount	Current MTM OC Percentage	Minimum OC Percentage
PASS	-	¥194,824,008,118	¥124,560,000,000	56.4%	25.0%

**Aggregate Market Related Value of ACT Issuer Asset* means the JPY Equivalent of A+B+C;

A: Aggregate Market Related Value of RMBS Issuer Asset multiplied by the Adjusted LTV Limit Factor
B: Aggregate Market Related Value of CSA Collateral in the form of Japanese Book-entry Assets
C: The face value of all Issuer Cash excluding for these purposes the balance of cash held, from time to time, in the Interest and Expenses Reserve Fund Account and, in respect of each Series of Bonds, the FX Reserve Account

1.1. RMBS Asset (A)

A	Aggregate Market Related Value of RMBS Issuer Asset multiplied by the Adjusted LTV Limit Factor (A)	Aggregate Market Related Value of RMBS Issuer Asset	Aggregate Value of Property Value	Adjusted LTV	LTV Threshold	Adjusted LTV Limit Factor
¥184,824,008,118	¥184,824,008,118	¥250,910,186,136	74%	80%	100%	

<TRS Facility>

Facility Number	Aggregate Funded Notional Amount	Specified Currency	Aggregate Funded Notional Amount	Maximum Aggregate Funded Notional Amount	Specified Currency	Maximum Aggregate Funded Notional Amount	Market Related Value	Current MTM OC Percentage
2018-1	€1,000,000,000	EUR	¥124,560,000,000	€1,000,000,000	EUR	¥124,560,000,000	¥184,824,008,118	48.4%

<TRS Transaction>

Facility Number	Transaction Number	Bloomberg ID	Description	Effective Date	Removal Date	Initial Factor	Initial Price	Initial Notional Amount	Funded Notional Amount	Specified Currency	Initial FX Rate (Specified Currency/JPY)	Funded Notional Amount
2018-1	1	BCC2I78R4	CB 1st RMBS	2018/11/06	NA	1	100.00%	¥186,800,000,000	€1,000,000,000	EUR	129.21	¥129,210,000,000

Facility Number	Transaction Number	Bloomberg ID	Rating	Property Value	Factor	Notional Amount	OC Percentage	Current Price	Adjustment Factor	Market Related Value
2018-1	1	BCC2I78R4	Aaa	¥250,910,186,136	0.97605	¥182,326,140,000	41.1%	101.37%	100.0%	¥184,824,008,118

1.2. Japanese Book-entry Asset (JGB) as CSA Collateral (B)

B	Aggregate Market Related Value of JGB (B)	Rating	Adjustment Factor	Substitute Collateral Ratio	Max. Substitute Collateral (%)	Max. Substitute Collateral (Notional Base)	Meet JGB Holding Limitation? (Y or N)	JGB Holding Period (days)	JGB Cooling Period (days)	End of JGB Cooling Period
¥0	¥0	-	-	0.0%	10.0%	¥0	Y	0	NA	NA

ISIN	Description	Effective Date	Removal Date	Notional Amount	Current Price	Market Value
-	-	-	-	-	-	-

1.3. Issuer Cash (C)

C	Face Value of all Issuer Cash excludes FX Cash Reserve Fund and Interest and Expenses Reserve Fund (C)
¥10,000,000,000	

<CSA Collateral>

Depository Bank	Account Name	Account Currency	Account Balance (Account Currency)	Current FX Rate (Account Currency/JPY)	Account Balance
BONY	CSA Cash Offshore	JPY	¥10,000,000,000	1.00	¥10,000,000,000

<Issuer Cash (excludes the balance of cash of CSA Collateral, FX Cash Reserve and Interest and Expenses Reserve Fund Account)>

Depository Bank	Account Name	Account Currency	Account Balance (Account Currency)	Current FX Rate (Account Currency/JPY)	Account Balance
BONY	General Account TRS Cash Offshore (Facility Number: 2018-1)	EUR	€0	124.56	¥0
BONY	General Account RMBS Cashflow Offshore	JPY	¥0	1.00	¥0
SMTB	General Account RMBS Cashflow Onshore	JPY	¥0	1.00	¥0

1.4. Margin Regulation

	Bank => Trust	Trust => Bank
IA II	¥70,264,008,118	-
VM	-	¥70,264,008,118

2. Interest and Expense Reserve Fund following downgrade trigger

Test	Interest and Expense Reserve Fund (EUR)	Reserve Fund Required Amount (EUR)	Reserve Fund Required Amount (Interest) (EUR)	Reserve Fund Required Amount (Expense) (EUR)
PASS	€0	-	-	-

3. FX Reserve Fund following downgrade trigger

FX Reserve Fund (JPY)	FX Reserve Shortfall (JPY)	FX Reserve Required Amount (JPY)
-	-	-

II. General Cover Pool, Mortgage in RMBS and Covered Bond Information

1. General Information					
Total Cover Assets		194,824,008,118			
Outstanding Covered Bonds		124,560,000,000			
2. Over-collateralisation (OC)		Legal / Regulatory	Actual	Minimum Committed	Purpose
OC (%)		n/a	56.4%	25%	Contractual/Rating
3-1. Cover Pool Composition		Nominal (mn)	Aggregate Market Related Value (after Adjusted LTV Limit Factor applied) (mn)	% Cover Pool	
Senior tranche of self-originated RMBS		184,824,008,118	¥184,824,008,118	100.00%	
	Total	184,824,008,118		100.00%	
	<Adjusted LTV>		74%		
	<Adjusted LTV Limit Factor>		100%		
4. Mortgage Pool in RMBS Amortisation Profile		Contractual	% Total Contractual		
Weighted Average Life (in years)		31.2			
Residual Life (mn)					
By buckets:					
0 - 1 Y		0		0.00%	
1 - 2 Y		0		0.00%	
2 - 3 Y		0		0.00%	
3 - 4 Y		12,641,534		0.01%	
4 - 5 Y		9,152,664		0.00%	
5 - 10 Y		1,532,296,378		0.73%	
10+ Y		207,696,250,532		99.26%	
	Total	209,250,341,108		100%	
5. Maturity of Covered Bonds		Initial Maturity	% Total Initial Maturity		
Weighted Average Life (in years)		4.73			
Maturity (mn)					
By buckets:					
0 - 1 Y		0		0.00%	
1 - 2 Y		0		0.00%	
2 - 3 Y		0		0.00%	
3 - 4 Y		0		0.00%	
4 - 5 Y		124,560,000,000		100.00%	
5 - 10 Y		0		0.00%	
10+ Y		0		0.00%	
	Total	124,560,000,000		100.00%	
6. Mortgage Pool in RMBS - Currency		Nominal (mn)	% Total		
JPY		209,250,341,108		100.00%	
	Total	209,250,341,108		100.00%	
7. Covered Bonds - Currency		Nominal (mn)	% Total		
EUR		124,560,000,000		100.00%	
USD		0		0.00%	
GBP		0		0.00%	
NOK		0		0.00%	
CHF		0		0.00%	
AUD		0		0.00%	
CAD		0		0.00%	
Other		0		0.00%	
	Total	124,560,000,000		100.00%	
8. Covered Bonds - Breakdown by interest rate		Nominal (mn)	% Total		
Fixed coupon		124,560,000,000		100.00%	
Floating coupon		0		0.00%	
Other		0		0.00%	
	Total	124,560,000,000		100.00%	
9. Substitute Assets - Type		Nominal (mn)	% Substitute Assets		
Cash		10,000,000,000		100.00%	
JGBs		0		0.00%	
	Total	10,000,000,000		100.00%	
10. Substitute Assets - Country		Nominal (mn)	% Substitute Assets		
Domestic (Japan)		10,000,000,000		100.00%	
	Total	10,000,000,000		100.00%	
11. Liquid Assets		Nominal (mn)	% Cover Pool		% Covered Bonds
Substitute and other marketable assets		0		0.00%	0.00%
Central bank eligible assets		0		0.00%	0.00%
Other		10,000,000,000		5.13%	8.03%
	Total	10,000,000,000		5.13%	8.03%

III. Mortgage Assets

1. Property Type Information		Nominal (mn)	% Total RMBS	
Residential		209,250,341,108	100.0%	
	Total	209,250,341,108	100.0%	
2. General Information		Residential Loans	Commercial Loans	% Total RMBS
Number of mortgage loans comprising RMBS		8,840	0	100.0%
3. Concentration Risks		% Residential Loans	% Commercial Loans	% Total RMBS
10 largest exposures		0.5%	0.0%	0.5%
4. Breakdown by Geography		% Residential Loans	% Commercial Loans	% Total RMBS
Japan		100.0%	0.0%	100.0%
5. Breakdown by domestic regions		% Residential Loans	% Commercial Loans	% Total RMBS
Tokyo		40.1%	0.0%	40.1%
Osaka		18.6%	0.0%	18.6%
Kanagawa		16.0%	0.0%	16.0%
Hyogo		11.3%	0.0%	11.3%
Saitama		4.9%	0.0%	4.9%
Chiba		2.8%	0.0%	2.8%
Aichi		2.0%	0.0%	2.0%
Kyoto		0.9%	0.0%	0.9%
Fukuoka		0.8%	0.0%	0.8%
Nara		0.6%	0.0%	0.6%
Hiroshima		0.5%	0.0%	0.5%
Wakayama		0.2%	0.0%	0.2%
Shizuoka		0.2%	0.0%	0.2%
Niigata		0.2%	0.0%	0.2%
Shiga		0.2%	0.0%	0.2%
Ibaraki		0.1%	0.0%	0.1%
Other		0.6%	0.0%	0.6%
6. Breakdown by Interest Rate		% Residential Loans	% Commercial Loans	% Total RMBS
Fixed rate		0.0%	0.0%	0.0%
Floating rate		95.4%	0.0%	95.4%
Fixed to Fix/Floating Choice loan		4.6%	0.0%	4.6%
7. Breakdown by Repayment Type		% Residential Loans	% Commercial Loans	% Total RMBS
Bullet / interest only		0.0%	0.0%	0.0%
Amortising		100.0%	0.0%	100.0%
Other		0.0%	0.0%	0.0%
8. Loan Seasoning		% Residential Loans	% Commercial Loans	% Total RMBS
≤ 12months		64.6%	0.0%	64.6%
> 12 - ≤ 24 months		35.4%	0.0%	35.4%
> 24 - ≤ 36 months		0.0%	0.0%	0.0%
> 36 - ≤ 60 months		0.0%	0.0%	0.0%
> 60 months		0.0%	0.0%	0.0%
9. Non-Performing Loans (NPLs)		% Residential Loans	% Commercial Loans	% Total RMBS
% NPLs		0.0%	0.0%	0.0%

IV. Residential Mortgage Pool in RMBS

10. Loan Size Information				
	Nominal	% Residential Loans	Number of Loans	% No. of Loans
Average loan size	23,670,853			
By buckets (mn):				
≤ 10	10,326,498,987	4.9%	1,656	18.7%
> 10 - ≤ 20	40,511,118,744	19.4%	2,627	29.7%
> 20 - ≤ 30	51,433,790,143	24.6%	2,057	23.3%
> 30 - ≤ 40	47,244,952,255	22.6%	1,364	15.4%
> 40 - ≤ 50	33,826,016,189	16.2%	750	8.5%
> 50 - ≤ 100	25,907,964,790	12.4%	386	4.4%
> 100	0	0.0%	0	0.0%
Total	209,250,341,108	100.0%	8,840	100.0%
11. Loan to Value (LTV) Information - UNINDEXED				
	Nominal	% Residential Loans	Number of Loans	% No. of Loans
Weighted Average LTV (%)	88.91%			
By buckets (mn):				
> 0 - ≤ 40 %	4,133,541,619	2.0%	284	3.2%
> 40 - ≤ 50 %	5,448,151,340	2.6%	288	3.3%
> 50 - ≤ 60 %	7,619,748,911	3.6%	372	4.2%
> 60 - ≤ 70 %	11,083,461,140	5.3%	509	5.8%
> 70 - ≤ 80 %	20,544,027,283	9.8%	848	9.6%
> 80 - ≤ 90 %	32,835,727,704	15.7%	1,212	13.7%
> 90 - ≤ 100 %	100,461,106,622	48.0%	3,726	42.1%
> 100%	27,124,576,489	13.0%	1,601	18.1%
Total	209,250,341,108	100.0%	8,840	100.0%
12. Loan to Value (LTV) Information - INDEXED				
	Nominal	% Residential Loans	Number of Loans	% No. of Loans
Weighted Average LTV (%)	90.11%			
By buckets (mn):				
> 0 - ≤ 40 %	4,024,504,896	1.9%	282	3.2%
> 40 - ≤ 50 %	4,837,362,247	2.3%	265	3.0%
> 50 - ≤ 60 %	7,257,113,625	3.5%	357	4.0%
> 60 - ≤ 70 %	10,487,568,622	5.0%	480	5.4%
> 70 - ≤ 80 %	19,497,513,096	9.3%	805	9.1%
> 80 - ≤ 90 %	29,560,423,947	14.1%	1,108	12.5%
> 90 - ≤ 100 %	73,426,623,698	35.1%	2,699	30.5%
> 100%	60,159,230,977	28.7%	2,844	32.2%
Total	209,250,341,108	100.0%	8,840	100.0%
13. Breakdown by type				
	% Residential Loans			
Owner /Family occupied	100.0%			
Second home/Holiday houses	0.0%			
Buy-to-let/Non-owner occupied	0.0%			
Other	0.0%			
14. Loan by Ranking				
	% Residential Loans			
1st lien / No prior ranks	100.0%			
Guaranteed	100.0%			
Other	0.0%			

Definition on ACT**Definition**

"ACT Issuer Assets"	Issuer Assets excluding any Issuer Cash held, from time to time, in the Interest and Expenses Reserve Fund Account and, in respect of each Series of Bonds, the FX Reserve Account																
"Aggregate Market Related Value of ACT Issuer" A: B: C:	the JPY Equivalent of A+B+C; Aggregate Market Related Value of RMBS Issuer Asset, multiplied by the Adjusted LTV Limit Factor Aggregate Market Related Value of CSA Collateral in the form of Japanese Book-entry Assets The face value of all Issuer Cash excluding for these purposes the balance of cash held, from time to time, in the Interest and Expenses Reserve Fund Account and, in respect of each Series of Bonds, the FX Reserve Account																
"Adjusted LTV"	the aggregate Market Related Value of all RMBS Issuer Assets divided by the aggregate Property Value of all RMBS Issuer Assets																
"Adjusted LTV Limit Factor"	the percentage equal to the LTV Threshold divided by the Adjusted LTV, subject to a maximum of 100%																
"Adjustment Factor"	(i) in respect of RMBS Issuer Assets corresponding to a particular Rating Bucket, the adjustment factor specified to the right of such Rating Bucket in the table below <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Rating Bucket</th> <th style="text-align: center;">Adjustment Factor</th> </tr> </thead> <tbody> <tr> <td>A credit rating assigned by Moody's of Aaa</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>A credit rating assigned by Moody's of Aa1 to Aa3</td> <td style="text-align: center;">80%</td> </tr> <tr> <td>A credit rating assigned by Moody's that is below Aa3 or no credit rating is assigned by Moody's</td> <td style="text-align: center;">0%</td> </tr> </tbody> </table> (ii) in respect of JGBs forming part of the CSA Collateral corresponding to a particular Rating Bucket, the adjustment factor specified to the right of such Rating Bucket in the table below, provided, however, (x) if the Market Related Value of JGBs exceeds 10 per cent. of the Principal Amount Outstanding of all of the Bonds, the Adjustment Factor for the JGBs held in breach of such 10 per cent. threshold shall be deemed to be zero per cent. and (y) the Adjustment Factor for all JGBs forming part of the CSA Collateral shall be deemed to be zero for so long as the JGB Holding Period is more than 120 calendar days <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Rating Bucket</th> <th style="text-align: center;">Adjustment Factor</th> </tr> </thead> <tbody> <tr> <td>A credit rating assigned by Moody's of Aaa to Aa3</td> <td style="text-align: center;">96%</td> </tr> <tr> <td>A credit rating assigned by Moody's of A1 to A3</td> <td style="text-align: center;">50%</td> </tr> <tr> <td>A credit rating assigned by Moody's that is below A3 or no credit rating is assigned by Moody's</td> <td style="text-align: center;">0%</td> </tr> </tbody> </table>	Rating Bucket	Adjustment Factor	A credit rating assigned by Moody's of Aaa	100%	A credit rating assigned by Moody's of Aa1 to Aa3	80%	A credit rating assigned by Moody's that is below Aa3 or no credit rating is assigned by Moody's	0%	Rating Bucket	Adjustment Factor	A credit rating assigned by Moody's of Aaa to Aa3	96%	A credit rating assigned by Moody's of A1 to A3	50%	A credit rating assigned by Moody's that is below A3 or no credit rating is assigned by Moody's	0%
Rating Bucket	Adjustment Factor																
A credit rating assigned by Moody's of Aaa	100%																
A credit rating assigned by Moody's of Aa1 to Aa3	80%																
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A credit rating assigned by Moody's of A1 to A3	50%																
A credit rating assigned by Moody's that is below A3 or no credit rating is assigned by Moody's	0%																
"CSA Collateral"	the aggregate of (i) the Posted Collateral (VM) of the TRS Counterparty; and (ii) the Posted Collateral (Independent Amount I) of the TRS Counterparty (in each case as defined in the Credit Support Annex), which may comprise JGBs and/or cash denominated in JPY																
"Current Price"	in respect of a Valuation Date: (i) in respect of any RMBS Issuer Asset, the clean mark-to-market price of such RMBS Issuer Asset obtained by the Valuation Agent from a dealer in RMBS Securities (which may include SMBC Nikko Securities Inc.) on the first day of the relevant Pre-Test Period (determined by reference to the aggregate outstanding notional amount thereof); or (ii) in respect of any JGBs forming part of the CSA Collateral, the bid price obtained by the Valuation Agent on such Valuation Date																
"Interest and Expenses Reserve Fund"	the reserve fund that the Issuer will be required to establish in the Interest and Expenses Reserve Fund Account up to an aggregate amount equal to the Reserve Fund Required Amount																
"LTV Threshold"	80%																
"Market Related Value"	(i) in respect of each RMBS Issuer Asset, an amount equal to the product of: "Notional Amount x Current Price x Adjustment Factor" (ii) in respect of each JGB forming part of the CSA Collateral, and amount equal to the product of: "Notional Amount x Current Price x Adjustment Factor"																
"Maximum Aggregate Funded Notional Amount"	in respect of each TRS Facility, an amount equal to the Interim Facility Payment Calculation Amount																
"Minimum OC Percentage"	25 per cent., or such other percentage figure (subject to a minimum of 25 per cent.) that the TRS Counterparty may notify in writing																
"OC Percentage"	in respect of an RO, the percentage elected by the TRS Counterparty from time to time and specified in a Revised Annex A, provided that: (a) if any new OC Percentage specified in a Revised Annex A would result in the Aggregate Funded Notional Amount exceeding the Maximum Aggregate Funded Notional Amount, the OC Percentage shall be deemed to have been adjusted to such level as would cause the Aggregate Funded Notional Amount to be equal to the Maximum Aggregate Funded Notional Amount; and (b) no change to an OC Percentage shall be deemed effective unless the TRS Calculation Agent or the Valuation Agent has confirmed to the Issuer and the TRS Counterparty that there would be no Delivery Amount (Independent Amount I) applicable to the TRS Counterparty under the Credit Support Annex determined as of the date of notification, provided that for this purpose, such amount shall be calculated (i) assuming that the new OC Percentage will have taken effect; and (ii) assuming that the settlement of any transfer of collateral under the Credit Support Annex which has been instructed by the TRS Counterparty on or prior to such date has settled and constitutes part of Issuer Assets																
"Property Value"	in respect of each RMBS Issuer Asset, the aggregate value of the residential properties the subject of the underlying residential loans of such RMBS Issuer Asset where each such value was determined at the time the relevant underlying residential loan was underwritten																
"RMBS Issuer Assets"	RMBS Securities Equivalent to the ROs specified for the relevant TRS Transaction transferred to the Issuer from the TRS Counterparty in exchange for the relevant portion of the net issue proceeds of the Bonds and those received by the Issuer following a Portfolio Adjustment in accordance with the terms of the relevant TRS Confirmation																
"Specified Currency"	(a) in respect of any Series of Bonds, subject to any applicable legal or regulatory restrictions, euro, Yen, Sterling, U.S. Dollars and such other currency or currencies as may be agreed from time to time by the Issuer, the relevant Dealer(s), the Principal Paying Agent and the Bond Trustee and specified in the applicable Final Terms and, for the avoidance of doubt, will include any successor currency under applicable law; and (b) in respect of any Transaction, the currency of the Series of Bonds corresponding to such Transaction																

Information on Property Valuation**Indexed LTV**

Indexed LTV is calculated using the residential property index, issued by Land Economy and Construction Industries Bureau - Ministry of Land, Infrastructure, Transport and Tourism
<http://www.mlit.go.jp/common/001214203.pdf>

SMBC determines the Property Value, based on comparison of the latest property index and the property index relevant to the origination month/year

Prudent Discount of Property Valuation

In case of an indexed property value being higher than the original value, SMBC shall discount the increase by 15%