

# Basel III Information

## Capital Ratio Information (Consolidated)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

The consolidated capital ratio is calculated using the method stipulated in “Standards for Bank Holding Company to Examine the Adequacy of Its Capital Based on Assets, Etc. Held by It and Its Subsidiaries Pursuant to Article 52-25 of the Banking Act” (Notification No. 20 issued by the Japanese Financial Services Agency in 2006; hereinafter referred to as “the Notification”).

In addition to the method stipulated in the Notification to calculate the consolidated capital ratio (referred to as “International Standard” in the Notification), we have adopted the Advanced Internal Ratings-Based (AIRB) approach for calculating credit risk-weighted asset amounts and the Advanced Measurement Approach (AMA) for calculating the operational risk equivalent amount.

“Consolidated Capital Ratio Information” was prepared principally based on the Notification, and the terms and details in the section may differ from those in other sections of this report.

### ■ Scope of Consolidation

#### 1. Consolidated Capital Ratio Calculation

- Number of consolidated subsidiaries: 361

The names and primary business activities of the main consolidated subsidiaries are as follows.

- Sumitomo Mitsui Banking Corporation (Commercial banking)
- SMBC Trust Bank Ltd. (Commercial banking and trust service)
- Sumitomo Mitsui Finance and Leasing Company, Limited (Leasing)
- SMBC Nikko Securities Inc. (Securities)
- Sumitomo Mitsui Card Company, Limited (Credit card services)
- Cedyna Financial Corporation (Credit card services, Installment)
- SMBC Consumer Finance Co., Ltd. (Consumer loans)
- The Japan Research Institute, Limited (System engineering, data processing, management consulting, and economic research)
- Sumitomo Mitsui Asset Management Company, Limited (Investment advisory and investment trust management)
- Sumitomo Mitsui Banking Corporation Europe Limited (Commercial banking)
- Sumitomo Mitsui Banking Corporation (China) Limited (Commercial banking)
- SMBC Guarantee Co., Ltd. (Credit guarantee)
- SMBC Capital Markets, Inc. (Derivatives)

- Scope of consolidated subsidiaries for calculation of the consolidated capital ratio is based on the scope of consolidated subsidiaries for preparing consolidated financial statements.
- There are no affiliates to which the proportionate consolidation method is applied.

#### 2. Restrictions on Movement of Funds and Capital within Holding Company Group

There are no special restrictions on movement of funds and capital among Sumitomo Mitsui Financial Group and its group companies.

#### 3. Names of companies among subsidiaries of bank-holding companies (other financial institutions), with the Basel Capital Accord required amount, and total shortfall amount

Not applicable.

### ■ Capital Structure Information (Consolidated Capital Ratio (International Standard))

Regarding the calculation of the capital ratio, certain procedures were performed by KPMG AZSA LLC pursuant to “Treatment of Inspection of the Capital Ratio Calculation Framework Based on Agreed-Upon Procedures” (JICPA Industry Committee Practical Guideline No. 30).

The certain procedures performed by the external auditor are not part of the audit of consolidated financial statements. The certain procedures performed on our internal control framework for calculating the capital ratio are based on procedures agreed upon by Sumitomo Mitsui Financial Group and the external auditor and are not a validation of appropriateness of the capital ratio itself or opinion on the internal controls related to the capital ratio calculation.

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2018		As of September 30, 2017	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
<b>Common Equity Tier 1 capital: instruments and reserves</b>					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	8,795,967		8,322,973	
1a	of which: capital and capital surplus	3,074,053		3,096,937	
2	of which: retained earnings	5,856,833		5,351,360	
1c	of which: treasury stock (-)	16,292		12,480	
26	of which: cash dividends to be paid (-)	118,626		112,844	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	2,555		2,900	
3	Accumulated other comprehensive income and other disclosed reserves	1,746,036	-	1,389,359	347,339
5	Adjusted non-controlling interests, etc. (amount allowed to be included in group Common Equity Tier 1)	328		174,786	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	-		30,754	
	of which: non-controlling interests and other items corresponding to common share capital issued by consolidated subsidiaries (amount allowed to be included in group Common Equity Tier 1)	-		30,754	
6	Common Equity Tier 1 capital: instruments and reserves (A)	10,544,888		9,920,774	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	687,357	-	613,394	153,348
8	of which: goodwill (including those equivalent)	281,856	-	262,790	65,697
9	of which: other intangible assets other than goodwill and mortgage servicing rights	405,500	-	350,603	87,650
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,194	-	1,432	358
11	Net deferred gains or losses on hedges	(100,047)	-	(35,770)	(8,942)
12	Shortfall of eligible provisions to expected losses	107,559	-	38,579	9,644
13	Gain on sale on securitization transactions	62,028	-	49,323	12,330
14	Gains and losses due to changes in own credit risk on fair valued liabilities	3,360	-	1,861	465
15	Net defined benefit asset	277,054	-	183,563	45,890
16	Investments in own shares (excluding those reported in the Net assets section)	8,763	-	7,958	1,989
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 ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital ("Non-significant Investment") (amount above the 10% threshold)	-	-	-	-
19+20+21	Amount exceeding the 10% threshold on specified items	-	-	-	-
19	of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-	-	-
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 Other Financial Institutions, net of eligible short positions	-	-	-	-
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)	1,047,272		860,341	
<b>Common Equity Tier 1 capital (CET1)</b>					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	9,497,616		9,060,432	

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2018		As of September 30, 2017		
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements	
<b>Additional Tier 1 capital: instruments</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 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	600,000		450,000	
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	-		-	
34-35	Adjusted non-controlling interests, etc. (amount allowed to be included in group Additional Tier 1)	238,679		219,963		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	586,630		812,928		
33	of which: instruments issued by bank holding companies and their special purpose vehicles	586,630		812,928		
35	of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	-		-		
	Total of items included in Additional Tier 1 capital: items subject to transitional arrangements	-		8,214		
	of which: foreign currency translation adjustments	-		8,214		
36	Additional Tier 1 capital: instruments (D)	1,425,309		1,491,107		
<b>Additional Tier 1 capital: regulatory adjustments</b>						
37	Investments in own Additional Tier 1 instruments	-	-	-	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	-	-	-	
39	Non-significant Investments in the Additional Tier 1 capital of Other Financial Institutions, net of eligible short positions (amount above 10% threshold)	-	-	-	-	
40	Significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	0	-	65,312	16,328	
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	-		102,179		
	of which: goodwill and others	-		85,026		
	of which: gain on sale on securitization transactions	-		12,330		
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	-		4,822		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-		
43	Additional Tier 1 capital: regulatory adjustments (E)	0		167,491		
<b>Additional Tier 1 capital (AT1)</b>						
44	Additional Tier 1 capital ((D)-(E)) (F)	1,425,309		1,323,616		
<b>Tier 1 capital (T1 = CET1 + AT1)</b>						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	10,922,925		10,384,048		
<b>Tier 2 capital: instruments and provisions</b>						
46		Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its 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	1,002,592		901,505	
	Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	-		-		
48-49	Adjusted non-controlling interests, etc. (amount allowed to be included in group Tier 2)	53,369		49,182		
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	566,383		810,786		
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)	566,383		810,786		
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	77,339		77,722		
50a	of which: general reserve for possible loan losses	77,339		77,722		
50b	of which: eligible provisions	-		-		
	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	-		216,478		
	of which: unrealized gains on other securities after 55% discount	-		210,292		
	of which: land revaluation excess after 55% discount	-		6,186		
51	Tier 2 capital: instruments and provisions (H)	1,699,685		2,055,676		

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2018		As of September 30, 2017	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
<b>Tier 2 capital: regulatory adjustments</b>					
52	Investments in own Tier 2 instruments	0	—	0	0
53	Reciprocal cross-holdings in Tier 2 instruments	—	—	—	—
54	Non-significant Investments in the Tier 2 capital of Other Financial Institutions, net of eligible short positions (amount above the 10% threshold)	—	—	—	—
55	Significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions)	50,000	—	40,000	10,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	—		27,198	
	of which: Tier 2 and deductions under Basel II	—		27,198	
57	Tier 2 capital: regulatory adjustments (I)	50,000		67,198	
<b>Tier 2 capital (T2)</b>					
58	Tier 2 capital (T2) ((H)-(I)) (J)	1,649,685		1,988,478	
<b>Total capital (TC = T1 + T2)</b>					
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	12,572,611		12,372,527	
<b>Risk weighted assets</b>					
	Total of items included in risk weighted assets subject to transitional arrangements	—		39,911	
	of which: intangible assets (excluding those relating to mortgage servicing rights)	—		17,160	
	of which: net defined benefit asset	—		12,909	
	of which: significant investments in Tier 2 capital of Other Financial Institutions (net of eligible short positions)	—		6,966	
60	Risk weighted assets (L)	63,630,215		69,905,640	
<b>Capital ratio (consolidated)</b>					
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	14.92%		12.96%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	17.16%		14.85%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	19.75%		17.69%	
<b>Regulatory adjustments</b>					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	768,594		707,716	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	630,574		558,284	
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)	2,080		3,909	
<b>Provisions included in Tier 2 capital: instruments and provisions</b>					
76	Provisions (general reserve for possible loan losses)	77,339		77,722	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	92,460		89,383	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	—		—	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	286,495		321,873	
<b>Capital instruments subject to transitional arrangements</b>					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	650,343		812,928	
83	Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities)	—		61,617	
84	Current cap on Tier 2 instruments subject to transitional arrangements	813,713		1,017,141	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	—		—	

(Millions of yen)

Items	As of September 30, 2018	As of September 30, 2017
Required capital ((L) × 8%)	5,090,417	5,592,451

■ Overview of RWA (OV1)

(Millions of yen)

OV1: Overview of RWA		a	b	c	d
Basel III Template No.		RWA		Minimum capital requirements	
		As of September 30, 2018	As of September 30, 2017	As of September 30, 2018	As of September 30, 2017
1	Credit risk (CR) (excluding counterparty credit risk)	44,447,205		3,727,707	
2	Of which: Standardised Approach (SA)	4,951,532		396,122	
3	Of which: internal ratings-based (IRB) approach	35,818,920		3,037,444	
	Of which: significant investments in commercial entities	-		-	
	Of which: lease residual value	496,077		39,686	
	Other assets	3,180,674		254,453	
4	Counterparty credit risk (CCR)	4,040,387		327,816	
5	Of which: standardised approach for counterparty credit risk (SA-CCR)	-		-	
	Of which: current exposure method (CEM)	1,021,873		85,511	
6	Of which: Expected Positive Exposure (EPE)	-		-	
	Of which: Credit Valuation Adjustment (CVA)	2,172,862		173,829	
	Of which: Central Counterparty (CCP)	140,233		11,218	
	Others	705,418		57,257	
7	Equity positions in banking book under market-based approach	1,020,903		86,572	
	Equity investment in funds (SA)	150,532		12,042	
	Equity investment in funds (IRB)	2,866,824		243,106	
11	Settlement risk	-		-	
12	Securitisation exposures in banking book	771,683		65,396	
13	Of which: IRB ratings-based approach (RBA)	67,565		5,729	
14	Of which: IRB Supervisory Formula Approach (SFA)	188,404		15,976	
15	Of which: Standardised Approach (SA)	6,359		508	
	Of which: Risk weight (RW) 1250% is applied	509,354		43,181	
16	Market risk	2,479,594		198,367	
17	Of which: standardised approach (SA)	982,422		78,593	
18	Of which: internal model approaches (IMA)	1,497,172		119,773	
19	Operational risk	3,691,362		295,309	
20	Of which: Basic Indicator Approach	768,240		61,459	
21	Of which: Standardised Approach	-		-	
22	Of which: Advanced Measurement Approach	2,923,122		233,849	
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	1,581,452		134,098	
	RWA subject to transitional arrangements	-		-	
24	Floor adjustment	-		-	
25	Total (after applying scaling factors)	63,630,215		5,090,417	

## ■ Credit Quality of Assets

### 1. Credit Quality of Assets (CR1)

(Millions of yen)

CR1: Credit quality of assets		As of September 30, 2018			
Item No.		a	b	c	d
		Gross carrying values of:		Allowances	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
On-balance sheet assets					
1	Loans	692,761	75,399,487	430,530	75,661,718
2	Securities (of which: debt securities)	5,664	18,422,867	–	18,428,532
3	Other on-balance sheet assets (of which: debt-based assets)	5,092	62,597,344	62,926	62,539,509
4	Subtotal (1+2+3)	703,518	156,419,698	493,457	156,629,760
Off-balance sheet assets					
5	Acceptances and guarantees, etc.	6,667	9,579,991	73,810	9,512,849
6	Commitments, etc.	9,283	21,086,845	60,871	21,035,257
7	Subtotal (5+6)	15,951	30,666,837	134,681	30,548,106
Total					
8	Total (4+7)	719,469	187,086,536	628,138	187,177,867

### 2. Changes in stock of defaulted loans and securities. (of which: debt securities) (CR2)

(Millions of yen)

CR2: Changes in stock of defaulted loans and securities. (of which: debt securities)		
Item No.		Amount
1	Stock of loans and securities. (of which: debt securities) that were placed in defaulted status as of March 31, 2018	723,981
2	Amounts defaulted	102,491
3	Changes in loans and securities. (of which: debt securities) by factors during the current interim period	44,267
4	Amounts returned to non-defaulted status	58,826
5	Amounts written off	(19,860)
6	Other changes	703,518
6	Stock of loans and securities. (of which: debt securities) that were placed in defaulted status as of September 30, 2018 (1+2-3-4+5)	703,518

Note: The major factor for other changes is due to decreases in stock by collection and sale of receivables that were placed in defaulted status at the end of the previous fiscal year.

## Internal Ratings-Based (IRB) Approach

### 1. CR Exposures by Portfolio and PD (CR6)

(Millions of yen, %, the number of data in thousands, years)

CR6: IRB - CR exposures by portfolio and PD range		As of September 30, 2018											
Item No.	PD scale	a	b	c	d	e	f	g	h	i	j	k	l
		On-balance sheet gross exposures	Off-balance sheet exposures pre CCF (Credit Conversion Factor) and pre CRM	Average CCF (%)	EAD post CCF and post CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity	Credit RWA amounts	RWA density (%)	EL	Eligible provisions
<b>Sovereign exposures (AIRB approach)</b>													
1	0.00 to <0.15	69,761,424	36,505	74.02	72,616,479	0.00	0.4	34.23	3.9	201,036	0.27	224	
2	0.15 to <0.25	304,707	49,951	47.84	338,291	0.16	0.0	32.86	2.2	101,031	29.86	188	
3	0.25 to <0.50	29,800	4,213	48.44	21,264	0.33	0.0	36.62	2.4	9,697	45.60	26	
4	0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to <2.50	171,683	54,795	70.50	118,580	1.39	0.0	32.38	2.7	87,192	73.52	544	
6	2.50 to <10.00	59,069	24,346	47.79	27,112	3.98	0.0	32.54	2.1	29,967	110.53	351	
7	10.00 to <100.00	4,920	215	100.00	405	10.18	0.0	15.64	3.5	288	71.13	6	
8	100.00 (Default)	14	12	100.00	27	100.00	0.0	42.21	1.9	14	52.25	11	
9	Subtotal	70,331,620	170,040	60.84	73,122,161	0.00	0.5	34.22	3.9	429,227	0.58	1,353	1,468
<b>Sovereign exposures (FIRB approach)</b>													
1	0.00 to <0.15	9,188	—	—	9,188	0.00	0.0	45.00	3.9	—	0.00	—	
2	0.15 to <0.25	—	—	—	—	—	—	—	—	—	—	—	
3	0.25 to <0.50	—	—	—	—	—	—	—	—	—	—	—	
4	0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to <2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to <10.00	156	—	—	156	2.56	0.0	45.00	3.8	220	140.48	1	
7	10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	9,345	—	—	9,345	0.04	0.0	45.00	3.9	220	2.35	1	1
<b>Bank exposures (AIRB approach)</b>													
1	0.00 to <0.15	2,745,562	652,859	78.52	3,382,660	0.04	0.7	33.37	1.8	466,602	13.79	464	
2	0.15 to <0.25	765,976	257,771	86.91	938,952	0.16	0.2	29.23	1.1	204,826	21.81	460	
3	0.25 to <0.50	85,811	10,754	61.77	88,841	0.28	0.0	30.61	1.2	29,583	33.29	77	
4	0.50 to <0.75	2,115	—	—	2,115	0.53	0.0	34.14	1.7	1,329	62.84	3	
5	0.75 to <2.50	667,005	79,366	78.75	626,391	1.00	0.1	34.72	1.0	402,920	64.32	2,176	
6	2.50 to <10.00	42,317	72,370	26.57	57,334	3.01	0.5	33.96	1.2	57,686	100.61	580	
7	10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	2,668	—	—	2,668	100.00	0.0	97.95	1.2	1,351	50.63	2,614	
9	Subtotal	4,311,458	1,073,122	76.88	5,098,965	0.27	1.7	32.76	1.5	1,164,299	22.83	6,377	6,506
<b>Bank exposures (FIRB approach)</b>													
1	0.00 to <0.15	2,410	217	100.00	2,627	0.05	0.0	45.00	4.9	1,157	44.03	0	
2	0.15 to <0.25	—	10	100.00	10	0.18	0.0	45.00	5.0	8	85.48	0	
3	0.25 to <0.50	—	—	—	—	—	—	—	—	—	—	—	
4	0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	
5	0.75 to <2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to <10.00	1,299	315	100.00	1,614	2.56	0.0	45.00	4.0	2,805	173.76	18	
7	10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	3,709	542	100.00	4,252	1.00	0.1	45.00	4.5	3,971	93.38	19	22
<b>Corporate exposures (AIRB approach)</b>													
1	0.00 to <0.15	23,987,170	12,701,236	54.28	35,069,825	0.05	6.9	34.97	2.5	6,401,605	18.25	7,304	
2	0.15 to <0.25	12,090,325	7,255,337	53.42	14,648,330	0.17	6.2	29.34	2.4	4,056,448	27.69	7,331	
3	0.25 to <0.50	4,627,445	1,857,280	53.00	5,205,883	0.32	3.0	29.30	2.6	1,981,207	38.05	4,891	
4	0.50 to <0.75	888,803	93,996	53.65	923,397	0.53	1.3	29.63	2.5	446,690	48.37	1,450	
5	0.75 to <2.50	4,514,113	2,488,684	52.70	3,576,644	1.19	3.8	27.15	2.8	2,170,733	60.69	11,439	
6	2.50 to <10.00	1,258,454	262,740	49.78	1,053,613	3.11	1.4	31.03	3.8	1,174,809	111.50	9,855	
7	10.00 to <100.00	336,406	265,561	61.42	391,402	12.94	0.4	30.06	2.3	533,460	136.29	14,668	
8	100.00 (Default)	189,456	9,224	100.00	177,605	100.00	0.3	48.39	2.0	52,786	29.72	85,957	
9	Subtotal	47,892,176	24,934,060	53.82	61,046,702	0.60	23.5	32.54	2.5	16,817,741	27.54	142,898	152,001



(Millions of yen, %, the number of data in thousands, years)

CR6: IRB - CR exposures by portfolio and PD range		As of September 30, 2018											
Item No.	PD scale	a	b	c	d	e	f	g	h	i	j	k	l
		On-balance sheet gross exposures	Off-balance sheet exposures pre CCF and pre CRM	Average CCF (%)	EAD post CCF and post CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity	Credit RWA amounts	RWA density (%)	EL	Eligible provisions
Corporate exposures (FIRB approach)													
1	0.00 to <0.15	778,770	23,538	97.93	801,823	0.07	1.5	47.28	2.8	231,237	28.83	284	
2	0.15 to <0.25	406,779	6,131	99.92	412,906	0.17	1.2	46.02	3.1	219,160	53.07	341	
3	0.25 to <0.50	106,867	1,289	100.00	108,157	0.27	0.7	45.39	2.5	58,780	54.34	132	
4	0.50 to <0.75	63,517	1,493	100.00	65,011	0.53	0.5	45.00	2.8	51,150	78.67	155	
5	0.75 to <2.50	79,406	5,219	77.91	83,474	1.50	0.8	45.00	3.0	95,666	114.60	567	
6	2.50 to <10.00	285,848	8,573	96.72	294,141	2.58	1.6	45.09	3.6	466,255	158.51	3,422	
7	10.00 to <100.00	33,925	85	100.00	34,010	17.75	0.1	45.00	2.3	74,437	218.86	2,717	
8	100.00 (Default)	26,983	7	100.00	26,990	100.00	0.0	45.00	1.9	—	0.00	12,145	
9	Subtotal	1,782,099	46,340	95.84	1,826,515	2.40	6.8	46.27	3.0	1,196,689	65.51	19,767	8,434
Mid-sized corporations and small-medium enterprises (SMEs) exposures (AIRB approach)													
1	0.00 to <0.15	532,558	16,953	53.31	564,300	0.08	1.1	26.78	2.7	87,199	15.45	122	
2	0.15 to <0.25	1,292,593	88,506	60.24	1,290,288	0.17	4.9	30.56	3.4	363,960	28.20	694	
3	0.25 to <0.50	1,171,189	37,375	64.89	1,149,044	0.29	6.5	32.26	3.8	464,263	40.40	1,123	
4	0.50 to <0.75	844,946	11,849	52.82	796,888	0.54	5.5	31.16	3.5	379,899	47.67	1,353	
5	0.75 to <2.50	2,159,347	125,462	65.35	1,784,749	1.45	24.3	36.99	3.1	1,285,394	72.02	10,013	
6	2.50 to <10.00	999,195	145,908	51.18	672,282	2.69	15.3	29.49	3.9	479,998	71.39	5,326	
7	10.00 to <100.00	306,171	1,838	58.03	184,425	17.62	5.7	35.25	1.9	266,851	144.69	13,869	
8	100.00 (Default)	251,201	6,105	100.00	201,251	100.00	3.7	45.27	1.8	28,001	13.91	91,122	
9	Subtotal	7,557,202	434,000	59.15	6,643,231	4.34	67.3	32.80	3.3	3,355,567	50.51	123,626	109,239
Mid-sized corporations and SMEs exposures (FIRB approach)													
1	0.00 to <0.15	3,652	65	100.00	3,718	0.08	0.1	45.00	3.0	1,095	29.47	1	
2	0.15 to <0.25	12,245	65	100.00	12,311	0.17	0.4	45.00	3.4	5,927	48.14	9	
3	0.25 to <0.50	8,786	61	100.00	8,847	0.27	0.3	45.00	2.7	4,225	47.76	10	
4	0.50 to <0.75	9,921	169	100.00	10,091	0.53	0.4	45.00	2.5	6,471	64.13	24	
5	0.75 to <2.50	24,858	935	99.81	25,791	1.48	1.5	45.00	2.8	23,824	92.37	172	
6	2.50 to <10.00	6,254	147	99.96	6,402	2.56	0.3	45.00	2.8	6,998	109.31	73	
7	10.00 to <100.00	2,236	60	100.00	2,297	21.37	0.1	45.00	2.4	4,609	200.64	220	
8	100.00 (Default)	706	11	100.00	717	100.00	0.0	45.00	2.5	—	0.00	322	
9	Subtotal	68,661	1,516	99.88	70,177	2.64	3.6	45.00	2.8	53,154	75.74	836	560
Specialized lending (SL)													
1	0.00 to <0.15	1,786,223	127,884	47.79	1,804,425	0.04	0.2	23.94	3.5	219,950	12.18	188	
2	0.15 to <0.25	1,681,756	531,111	54.73	1,807,673	0.16	0.4	25.09	4.1	537,876	29.75	761	
3	0.25 to <0.50	1,719,031	559,408	59.85	1,420,919	0.35	0.2	26.95	3.7	603,012	42.43	1,349	
4	0.50 to <0.75	100,323	—	—	100,323	0.53	0.0	32.08	4.4	67,609	67.39	170	
5	0.75 to <2.50	936,059	195,990	59.86	864,947	1.07	0.2	30.04	3.6	605,784	70.03	2,753	
6	2.50 to <10.00	207,924	40,235	84.85	131,113	3.41	0.0	31.90	3.2	128,750	98.19	1,342	
7	10.00 to <100.00	89,717	15,075	48.97	82,986	15.12	0.0	29.62	4.5	131,023	157.88	3,600	
8	100.00 (Default)	43,010	483	100.00	32,666	100.00	0.0	58.52	3.6	17,068	52.25	19,117	
9	Subtotal	6,564,046	1,470,190	57.54	6,245,056	1.09	1.2	26.36	3.7	2,311,075	37.00	29,285	35,603
Equity exposures													
1	0.00 to <0.15	3,939,781	—	—	3,939,781	0.04	1.4	90.00	5.0	3,980,339	101.02	—	
2	0.15 to <0.25	205,543	—	—	205,543	0.17	0.5	90.00	5.0	275,082	133.83	—	
3	0.25 to <0.50	15,373	—	—	15,373	0.27	0.1	90.00	5.0	24,696	160.63	—	
4	0.50 to <0.75	3,358	—	—	3,358	0.53	0.0	90.00	5.0	6,550	195.02	—	
5	0.75 to <2.50	4,903	—	—	4,903	1.30	0.1	90.00	5.0	14,341	292.45	—	
6	2.50 to <10.00	11,392	—	—	11,392	2.56	0.0	90.00	5.0	43,554	382.31	—	
7	10.00 to <100.00	1,774	—	—	1,774	10.29	0.0	90.00	5.0	9,884	556.98	—	
8	100.00 (Default)	302	—	—	302	100.00	0.0	90.00	5.0	3,401	1,125.00	—	
9	Subtotal	4,182,431	—	—	4,182,431	0.07	2.4	90.00	5.0	4,357,851	104.19	—	—



(Millions of yen, %, the number of data in thousands, years)

CR6: IRB - CR exposures by portfolio and PD range		As of September 30, 2018											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre CCF and pre CRM	Average CCF (%)	EAD post CCF and post CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity	Credit RWA amounts	RWA density (%)	EL	Eligible provisions
Purchased receivables (corporates) (the amount equivalent to default risks) (AIRB approach)													
1	0.00 to <0.15	976,219	61,619	97.68	1,026,334	0.06	3.7	34.72	1.1	108,975	10.61	221	
2	0.15 to <0.25	413,829	90,528	68.26	471,614	0.17	3.7	31.75	1.2	104,567	22.17	276	
3	0.25 to <0.50	122,099	66,701	100.00	187,072	0.33	8.4	42.69	1.3	76,793	41.05	263	
4	0.50 to <0.75	13,150	29,013	100.00	42,086	0.58	3.8	56.85	1.0	30,063	71.43	141	
5	0.75 to <2.50	79,538	88,294	97.59	164,610	1.49	16.5	48.76	1.0	145,024	88.10	1,122	
6	2.50 to <10.00	8,173	19,944	100.00	28,086	3.03	3.8	56.30	1.6	35,429	126.14	458	
7	10.00 to <100.00	383	2,264	100.00	2,648	41.11	0.3	60.83	1.0	4,591	173.36	648	
8	100.00 (Default)	4,122	191	100.00	4,258	100.00	0.1	80.50	1.0	508	11.93	3,428	
9	Subtotal	1,617,516	358,558	90.99	1,926,711	0.56	40.7	36.90	1.1	505,953	26.25	6,560	3,416
Purchased receivables (corporates) (the amount equivalent to dilution risks) (AIRB approach)													
1	0.00 to <0.15	580,039	8,672	47.85	584,189	0.06	0.0	33.11	1.0	63,500	10.86	124	
2	0.15 to <0.25	324,175	11,892	85.63	334,298	0.17	0.0	29.30	1.2	70,414	21.06	174	
3	0.25 to <0.50	122,217	—	—	122,217	0.36	0.0	30.59	1.0	39,717	32.49	137	
4	0.50 to <0.75	14,685	—	—	14,685	0.53	0.0	35.00	1.2	6,495	44.22	27	
5	0.75 to <2.50	42,914	—	—	42,914	1.09	0.0	28.69	1.0	24,649	57.43	148	
6	2.50 to <10.00	3,117	—	—	3,117	3.95	0.0	29.66	1.0	2,479	79.51	36	
7	10.00 to <100.00	3,328	—	—	3,328	10.18	0.0	35.00	1.0	4,583	137.70	118	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	1,090,478	20,565	69.70	1,104,751	0.21	0.2	31.53	1.1	211,840	19.17	767	837
Purchased receivables (corporates) (the amount equivalent to default risks) (FIRB approach)													
1	0.00 to <0.15	48,355	11	100.00	47,573	0.06	1.0	45.00	2.0	24,042	50.53	49	
2	0.15 to <0.25	5,021	801	70.68	5,546	0.18	0.0	45.00	2.7	5,582	100.63	8	
3	0.25 to <0.50	2,574	1,724	100.00	4,297	0.31	0.0	45.00	1.8	2,012	46.82	6	
4	0.50 to <0.75	3,183	2,095	100.00	5,278	0.57	0.0	45.00	2.9	4,863	92.13	13	
5	0.75 to <2.50	1,357	3,648	100.00	5,006	1.10	0.0	45.00	1.8	4,701	93.90	28	
6	2.50 to <10.00	20,045	163	100.00	20,115	2.56	0.9	45.00	2.3	36,482	181.36	280	
7	10.00 to <100.00	149	—	—	149	26.74	0.0	45.00	2.3	368	246.79	17	
8	100.00 (Default)	151	—	—	146	100.00	0.0	45.00	1.1	0	0.00	66	
9	Subtotal	80,839	8,446	97.21	88,115	0.95	2.2	45.00	2.1	78,053	88.58	471	441
Purchased receivables (corporates) (the amount equivalent to dilution risks) (FIRB approach)													
1	0.00 to <0.15	35,035	470	50.00	35,270	0.04	0.0	87.77	1.5	8,666	24.57	13	
2	0.15 to <0.25	2,610	—	—	2,610	0.18	0.0	77.12	1.6	1,633	62.55	3	
3	0.25 to <0.50	2,746	—	—	2,746	0.27	0.0	88.32	1.4	2,061	75.04	6	
4	0.50 to <0.75	176	—	—	176	0.54	0.0	94.49	3.3	399	226.96	0	
5	0.75 to <2.50	3,616	—	—	3,616	0.94	0.0	90.33	1.0	5,060	139.92	29	
6	2.50 to <10.00	1,694	—	—	1,694	2.56	0.0	73.72	1.9	3,917	231.16	31	
7	10.00 to <100.00	1,013	—	—	1,013	26.74	0.0	45.00	1.0	2,375	234.45	121	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	46,892	470	50.00	47,127	0.80	0.0	86.01	1.5	24,114	51.16	207	226
Purchased receivables (retail) (the amount equivalent to default risks)													
1	0.00 to <0.15	3,872	—	—	3,861	0.06	0.9	61.26	—	1,275	33.01	3	
2	0.15 to <0.25	2,364	—	—	2,364	0.19	0.0	65.00	—	774	32.75	3	
3	0.25 to <0.50	8,359	—	—	8,326	0.29	1.0	50.13	—	2,694	32.36	13	
4	0.50 to <0.75	600	—	—	599	0.63	0.0	63.72	—	314	52.46	2	
5	0.75 to <2.50	1,709	18	100.00	1,703	1.17	0.4	55.40	—	1,477	86.76	12	
6	2.50 to <10.00	0	2	100.00	2	3.14	0.0	65.00	—	12	533.48	0	
7	10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	20	—	—	18	100.00	0.0	29.09	—	43	237.20	5	
9	Subtotal	16,926	21	100.00	16,876	0.43	2.5	55.76	—	6,592	39.06	39	37

(Millions of yen, %, the number of data in thousands, years)

CR6: IRB - CR exposures by portfolio and PD range		As of September 30, 2018											
Item No.	PD scale	a	b	c	d	e	f	g	h	i	j	k	l
		On-balance sheet gross exposures	Off-balance sheet exposures pre CCF and pre CRM	Average CCF (%)	EAD post CCF and post CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity	Credit RWA amounts	RWA density (%)	EL	Eligible provisions
Purchased receivables (retail) (the amount equivalent to dilution risks) (AIRB approach)													
1	0.00 to <0.15	318	—	—	318	0.07	0.0	88.09	3.5	205	64.45	0	
2	0.15 to <0.25	1,568	—	—	1,568	0.18	0.0	100.00	3.0	1,622	103.48	2	
3	0.25 to <0.50	157	—	—	157	0.27	0.0	45.83	4.5	115	73.07	0	
4	0.50 to <0.75	70	—	—	70	0.53	0.0	100.00	3.8	171	244.95	0	
5	0.75 to <2.50	41	—	—	41	0.83	0.0	100.00	2.9	102	248.65	0	
6	2.50 to <10.00	97	—	—	97	2.56	0.0	74.60	2.8	244	251.86	1	
7	10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	2,253	—	—	2,253	0.29	0.0	93.42	3.2	2,462	109.28	5	6
Qualifying revolving retail exposures (QRRE)													
1	0.00 to <0.15	60,327	178,590	6.62	238,917	0.08	3,434.4	69.57		8,302	3.47	132	
2	0.15 to <0.25	258,515	108,144	6.43	366,660	0.19	1,802.4	70.17		26,321	7.17	488	
3	0.25 to <0.50	298,565	292,211	10.87	590,777	0.40	3,910.0	64.47		72,063	12.19	1,547	
4	0.50 to <0.75	228,871	374,682	58.89	603,553	0.51	3,294.6	74.25		102,180	16.92	2,303	
5	0.75 to <2.50	551,442	54,770	16.55	606,213	1.67	619.9	77.88		265,775	43.84	7,918	
6	2.50 to <10.00	821,050	166,051	6.79	987,102	4.73	1,616.7	75.55		859,180	87.04	35,215	
7	10.00 to <100.00	37,367	4,290	9.21	41,657	47.95	79.5	73.38		73,142	175.58	14,631	
8	100.00 (Default)	73,981	5,098	100.00	79,080	100.00	98.3	77.87		75,576	95.56	61,580	
9	Subtotal	2,330,122	1,183,839	33.68	3,513,962	4.61	14,856.0	72.92		1,482,542	42.19	123,818	84,882
Residential mortgage exposures													
1	0.00 to <0.15	—	—	—	71,060	0.05	7.3	41.41		17,387	24.46	16	
2	0.15 to <0.25	—	—	—	2,277	0.17	0.2	66.04		978	42.97	2	
3	0.25 to <0.50	7,539,939	11,689	100.00	7,552,188	0.29	466.4	27.63		1,107,450	14.66	6,101	
4	0.50 to <0.75	984,216	1,936	100.00	986,154	0.59	55.0	29.60		258,483	26.21	1,751	
5	0.75 to <2.50	1,119,018	3,259	100.00	1,052,852	1.00	80.3	35.95		486,398	46.19	3,971	
6	2.50 to <10.00	—	—	—	—	—	—	—		—	—	—	
7	10.00 to <100.00	36,645	1,540	100.00	33,712	23.00	2.9	30.46		57,032	169.17	2,344	
8	100.00 (Default)	105,076	196	100.00	105,272	100.00	8.2	31.49		27,181	25.82	33,155	
9	Subtotal	9,784,896	18,621	100.00	9,803,518	1.54	620.6	28.88		1,954,913	19.94	47,342	30,172
Other retail exposures													
1	0.00 to <0.15	20,192	2,243	99.11	22,436	0.06	2.7	59.65		2,375	10.58	8	
2	0.15 to <0.25	101,233	—	—	101,233	0.17	2.5	35.58		13,051	12.89	61	
3	0.25 to <0.50	362,682	4,246	97.80	366,928	0.37	16.7	39.28		86,515	23.57	540	
4	0.50 to <0.75	131,719	1,640	91.57	133,359	0.61	33.5	45.74		49,369	37.01	381	
5	0.75 to <2.50	1,168,054	506,199	95.59	1,674,253	1.40	2,558.6	51.50		967,788	57.80	12,201	
6	2.50 to <10.00	48,566	149,774	100.00	198,340	3.47	156.2	48.03		135,079	68.10	3,254	
7	10.00 to <100.00	19,841	5,296	100.00	25,138	23.75	39.8	51.11		28,121	111.86	3,075	
8	100.00 (Default)	63,786	1,095	100.00	64,881	100.00	89.8	55.35		96,985	149.48	35,917	
9	Subtotal	1,916,075	670,496	0.00	2,586,572	4.00	2,900.1	48.75		1,379,285	53.32	55,441	29,897
Total (all portfolios)		159,588,755	30,390,834	58.40	177,338,728	0.69	18,530.4	35.43	—	35,335,555	19.92	558,822	463,758

2. Effect on Credit RWA of Credit Derivatives Used as CRM Techniques (CR7)

(Millions of yen)

CR7: IRB – Effect on credit RWA of credit derivatives used as CRM techniques		As of September 30, 2018	
Item No.	Portfolio	a	b
		Pre-credit derivatives credit RWA	Actual credit RWA
1	Sovereign exposures - FIRB	220	220
2	Sovereign exposures - AIRB	331,720	331,720
3	Bank exposures - FIRB	3,971	3,971
4	Bank exposures - AIRB	1,138,243	1,138,243
5	Corporate exposures (excluding SL) - FIRB	1,249,843	1,249,843
6	Corporate exposures (excluding SL) - AIRB	20,192,895	20,192,383
7	SL - FIRB	492,979	492,979
8	SL- AIRB	2,405,949	2,405,949
9	Retail - QRRE	1,482,542	1,482,542
10	Retail - Residential mortgage exposures	1,954,913	1,954,913
11	Retail - Other retail exposures	1,379,285	1,379,285
12	Equity - FIRB	180,754	180,754
13	Equity - AIRB	5,198,000	5,198,000
14	Purchased receivables - FIRB	102,167	102,167
15	Purchased receivables - AIRB	726,847	726,847
16	Total	36,840,335	36,839,824

3. SL (Slotting Criteria Approach) and Equity Exposures (Market-Based Approach, etc.) (CR10)

(Millions of yen, except percentages)

CR10: IRB - SL (slotting criteria approach) and equity exposures (market-based approach, etc.)		As of September 30, 2018										
a	b	c	d	e	f	g	h	i	j	k	l	
SL (slotting criteria approach)												
Other than high-volatility commercial real estate (HVCRE)												
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	RW	Exposure amount (EAD)					Credit RWA amount	Expected losses	
					PF	OF	CF	IPRE	Total			
Strong	Less than 2.5 years	16,088	2,206	50%	9,929	—	—	7,213	17,142	8,571	—	
	Equal to or more than 2.5 years	13,752	13,289	70%	13,388	3,696	—	3,034	20,118	14,083	80	
Good	Less than 2.5 years	15,124	29,987	70%	42,519	—	—	2,238	44,758	31,331	179	
	Equal to or more than 2.5 years	36,432	5,392	90%	37,520	—	—	1,489	39,009	35,108	312	
Satisfactory		41,361	2,078	115%	11,629	—	—	31,199	42,828	49,252	1,199	
Weak		37	—	250%	—	37	—	—	37	94	3	
Default		5,300	—	—	3,708	—	—	1,592	5,300	—	2,650	
Total		128,097	52,954	—	118,694	3,733	—	46,767	169,196	138,440	4,424	
HVCRE												
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	RW						Exposure amount (EAD)	Credit RWA amount	Expected losses
Strong	Less than 2.5 years	7,028	4,800	70%						9,323	6,526	37
	Equal to or more than 2.5 years	5,417	10,735	95%						10,547	10,020	42
Good	Less than 2.5 years	55,572	13,141	95%						61,852	58,759	247
	Equal to or more than 2.5 years	64,056	23,664	120%						75,649	90,779	302
Satisfactory		119,118	5,105	140%						121,558	170,182	3,403
Weak		1,818	2,191	250%						3,462	8,656	277
Default		—	—	—						—	—	—
Total		253,012	59,639	—						282,394	344,924	4,310
Equity exposures (market-based approach, etc.)												
Equity exposures subject to market-based approach												
Categories		On-balance sheet amount	Off-balance sheet amount	RW						Exposure amount (EAD)	Credit RWA amount	
Simple risk weight method –listed shares		36,059	—	300%						36,059	108,179	
Simple risk weight method –unlisted shares		110,276	10,850	400%						115,461	461,846	
Internal models approach		213,203	20,019	193%						233,222	450,876	
Total		359,539	30,870	—						384,744	1,020,903	
Equity exposures subject to 100% risk weight												
Equity exposures subject to 100% risk weight pursuant to the provisions of Article 166, Paragraph 1 of the Notification No. 19 issued by the Japan Financial Service Agency in 2006		—	—	100%						—	—	

4. Credit Risk-Weighted Assets under Article 145 of the Notification

(Millions of yen)

Calculation method	As of September 30, 2018
Exposure under Article 145 of the Notification	1,198,105

■ Standardised Approach

1. CR Exposure and Credit Risk Mitigation (CRM) Effects (CR4)

(Millions of yen)

CR4: SA – CR exposure and CRM effects		As of September 30, 2018					
Item No.	Asset classes	a	b	c	d	e	f
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		Credit RWA amount	RWA density
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount		
1	Cash	15,842	—	15,842	—	0	0.00%
2	Government of Japan and Bank of Japan (BOJ)	2,823,890	—	2,823,890	—	0	0.00%
3	Foreign central governments and foreign central banks	1,250,908	—	1,250,908	—	0	0.00%
4	Bank for International Settlements, etc.	—	—	—	—	—	—
5	Local governments of Japan	322	—	322	—	0	0.00%
6	Foreign non-central government public sector entities (PSEs)	6,367	—	6,367	—	1,273	20.00%
7	Multilateral development banks (MDBs)	5,430	—	5,430	—	0	0.00%
8	Japan Finance Organization for Municipalities (JFM)	—	—	—	—	—	—
9	Government-affiliated agencies of Japan	17,523	—	17,523	—	1,752	10.00%
10	The three local public corporations	2	—	2	—	0	20.00%
11	Banks entities and financial instruments business operators engaged in Type I Financial Instruments Business	475,047	3,200	475,047	1,600	102,202	21.44%
12	Corporates	3,181,629	240,617	3,181,828	102,382	3,300,353	100.49%
13	SMEs and retail	1,076,287	1,005,488	1,076,287	766,035	1,381,741	75.00%
14	Residential mortgage loans	102,789	—	102,789	—	35,976	35.00%
15	Real estate acquisition activities	—	—	—	—	—	—
16	Past due loans (three months or more), etc. (excluding residential mortgage loans)	96,361	873	96,361	873	128,172	131.81%
17	Past due loans (three months or more) (residential mortgage loans)	59	—	59	—	59	100.00%
18	Bills in the course of collection	—	—	—	—	—	—
19	Guaranteed by credit guarantee associations, etc.	—	—	—	—	—	—
20	Guaranteed by Regional Economy Vitalization Corporation of Japan (REVIC), etc.	—	—	—	—	—	—
21	Investments, etc. (excluding significant investments)	—	—	—	—	—	—
22	Total	9,052,463	1,250,180	9,052,662	870,891	4,951,532	49.89%

## 2. CR Exposures by Asset Classes and Risk Weights (CR5)

(Millions of yen)

CR5: SA – CR exposures by asset classes and risk weights		As of September 30, 2018										
Item No.	Risk weight	a	b	c	d	e	f	g	h	i	j	k
		CR exposure amounts (post-CCF and CRM)										
Asset classes		0%	10%	20%	35%	50%	75%	100%	150%	250%	1250%	Total
1	Cash	15,842	–	–	–	–	–	–	–	–	–	15,842
2	Government of Japan and BOJ	2,823,890	–	–	–	–	–	–	–	–	–	2,823,890
3	Foreign central governments and foreign central banks	1,250,908	–	–	–	–	–	–	–	–	–	1,250,908
4	Bank for International Settlements, etc.	–	–	–	–	–	–	–	–	–	–	–
5	Local governments of Japan	322	–	–	–	–	–	–	–	–	–	322
6	Foreign non-central government PSEs	–	–	6,367	–	–	–	–	–	–	–	6,367
7	MDBs	5,430	–	–	–	–	–	–	–	–	–	5,430
8	JFM	–	–	–	–	–	–	–	–	–	–	–
9	Government-affiliated agencies of Japan	–	17,523	–	–	–	–	–	–	–	–	17,523
10	The three local public corporations	–	–	2	–	–	–	–	–	–	–	2
11	Banks and financial instruments business operators engaged in Type I Financial Instruments Business	–	–	458,342	–	15,542	–	2,762	–	–	–	476,647
12	Corporates	4,272	–	4,765	–	–	–	3,275,172	–	–	–	3,284,210
13	SMEs and retail	–	–	–	–	–	1,842,322	–	–	–	–	1,842,322
14	Residential mortgage loans	–	–	–	102,789	–	–	–	–	–	–	102,789
15	Real estate acquisition activities	–	–	–	–	–	–	–	–	–	–	–
16	Past due loans (three months or more), etc. (excluding residential mortgage loans)	194	–	95	–	8,502	–	17,524	70,918	–	–	97,235
17	Past due loans (three months or more) (residential mortgage loans)	–	–	–	–	–	–	59	–	–	–	59
18	Bills in the course of collection	–	–	–	–	–	–	–	–	–	–	–
19	Guaranteed by credit guarantee associations, etc.	–	–	–	–	–	–	–	–	–	–	–
20	Guaranteed by REVIC of Japan, etc.	–	–	–	–	–	–	–	–	–	–	–
21	Investments, etc. (excluding significant investments)	–	–	–	–	–	–	–	–	–	–	–
22	Total	4,100,861	17,523	469,573	102,789	24,045	1,842,322	3,295,518	70,918	–	–	9,923,553

Note: As the sum of the respective risk weight of the original obligor and the original obligee are applied for the risk weight for loan participation transactions by a bank adopting the SA, the credit RWA amount calculated by summing up the exposure amount multiplied by the corresponding risk weights in the above table does not match with the credit RWA amount shown in column e of CR4 (SA-CR exposure and CRM effects).

## ■ Credit Risk Mitigation (CRM) Techniques

### Credit Risk Mitigation Techniques (CR3)

(Millions of yen)

CR3: CRM techniques		As of September 30, 2018				
Item No.		a	b	c	d	e
		Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	47,838,001	27,823,717	12,947,791	9,287,637	5,679
2	Securities (of which: Debt securities)	17,500,348	928,183	251,709	64,493	600
3	Other on-balance sheet assets (of which: debt-based assets)	62,271,672	267,837	4,985	239,847	–
4	Total (1+2+3)	127,610,022	29,019,737	13,204,486	9,591,978	6,279
5	Of which: defaulted	523,372	180,145	102,251	5,674	–

## ■ Counterparty Credit Risk

### 1. Amount of Counter Party Credit Risk (CCR) Exposure by Approach (CCR1)

(Millions of yen)

CCR1: Amount of CCR exposure by approach		As of September 30, 2018					
Item No.		a	b	c	d	e	f
		Replacement cost	PFE	Effective EPE (EEPE)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR	—	—	—	1.4	—	—
	CEM	1,386,333	2,369,228	—	—	3,755,561	1,021,873
2	Expected exposure method (IMM)	—	—	—	—	—	—
3	Simple approach for CRM	—	—	—	—	5,383,267	533,283
4	Comprehensive approach for CRM	—	—	—	—	4,118,991	172,134
5	Exposure fluctuation estimation model	—	—	—	—	—	—
6	Total	—	—	—	—	—	1,727,291

### 2. CVA Capital Charge (CCR2)

(Millions of yen)

CCR2: CVA risk capital charge		As of September 30, 2018	
Item No.		a	b
		EAD post-CRM	RWA (Amount calculated by dividing CVA capital charge by 8%)
1	Total portfolios subject to the advanced CVA capital charge	—	—
2	(i) VaR component (including the 3×multiplier)	—	—
3	(ii) Stressed VaR component (including the 3×multiplier)	—	—
4	Total portfolios subject to the standardised CVA capital charge	3,363,393	2,172,862
5	Total subject to the CVA capital charge	3,363,393	2,172,862

### 3. CCR Exposures by Regulatory Portfolio and Risk Weights (CCR3)

(Millions of yen)

CCR3: CCR exposures by regulatory portfolio and risk weights		As of September 30, 2018								
Item No.	Regulatory portfolio	a	b	c	d	e	f	g	h	i
		Credit equivalent amounts (post-CRM)								
		0%	10%	20%	50%	75%	100%	150%	Others	Total
1	Government of Japan and BOJ	43,368	—	—	—	—	—	—	—	43,368
2	Foreign central governments and foreign central banks	—	—	—	—	—	—	9	—	9
3	Bank for International Settlements, etc.	—	—	—	—	—	—	—	—	—
4	Local governments of Japan	83,958	—	—	—	—	—	—	—	83,958
5	Foreign non-central government PSEs	—	—	—	—	—	—	—	—	—
6	MDBs	—	—	—	—	—	—	—	—	—
7	JFM	—	—	—	—	—	—	—	—	—
8	Government-affiliated agencies of Japan	—	—	—	—	—	—	—	—	—
9	The three local public corporations	—	—	—	—	—	—	—	—	—
10	Banks and financial instruments business operators engaged in Type I Financial Instruments Business	1,193,602	—	485,636	1,475	—	312	—	—	1,681,026
11	Corporates	3,377,962	—	10,402	—	—	609,935	—	—	3,998,300
12	SMEs and retail	—	—	—	—	65,061	—	—	—	65,061
13	Other than the above	—	—	—	—	—	13,004	—	—	13,004
14	Total	4,698,892	—	496,039	1,475	65,061	623,252	9	—	5,884,730



#### 4. IRB Approach – CCR Exposures by Portfolio and PD Scale (CCR4)

(Millions of yen, %, the number of data in thousands, years)

CCR4: IRB - CCR exposures by portfolio and PD scale		As of September 30, 2018						
Item No.	PD scale	a	b	c	d	e	f	g
		EAD post-CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity	Credit RWA	RWA density (%)
Sovereign exposures (AIRB approach)								
1	0.00 to <0.15	129,120	0.00	0.6	15.22	1.5	2,283	1.76
2	0.15 to <0.25	41,755	0.16	0.0	16.48	0.1	3,439	8.23
3	0.25 to <0.50	2	0.27	0.0	35.00	1.0	0	28.29
4	0.50 to <0.75	4	0.53	0.0	35.00	1.0	1	41.86
5	0.75 to <2.50	293	0.87	0.0	35.00	3.8	240	81.87
6	2.50 to <10.00	992	2.56	0.0	2.09	3.4	75	7.61
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	172,168	0.06	0.7	15.48	1.2	6,041	3.50
Sovereign exposures (FIRB approach)								
1	0.00 to <0.15	—	—	—	—	—	—	—
2	0.15 to <0.25	—	—	—	—	—	—	—
3	0.25 to <0.50	—	—	—	—	—	—	—
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	—	—	—	—	—	—	—
6	2.50 to <10.00	—	—	—	—	—	—	—
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—
Bank exposures (AIRB approach)								
1	0.00 to <0.15	3,944,759	0.03	15.9	16.71	0.9	221,287	5.60
2	0.15 to <0.25	926,984	0.16	4.8	14.80	0.8	132,471	14.29
3	0.25 to <0.50	401	0.28	0.0	32.78	2.0	157	39.21
4	0.50 to <0.75	—	—	0.0	—	—	—	—
5	0.75 to <2.50	60,801	0.85	0.0	3.82	0.0	3,715	6.11
6	2.50 to <10.00	97,584	3.94	0.1	1.35	0.0	4,168	4.27
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	5,030,531	0.14	21.0	15.90	0.8	361,801	7.19
Bank exposures (FIRB approach)								
1	0.00 to <0.15	—	—	—	—	—	—	—
2	0.15 to <0.25	—	—	—	—	—	—	—
3	0.25 to <0.50	—	—	—	—	—	—	—
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	—	—	—	—	—	—	—
6	2.50 to <10.00	—	—	—	—	—	—	—
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—

(Millions of yen, %, the number of data in thousands, years)

CCR4: IRB - CCR exposures by portfolio and PD scale		As of September 30, 2018						
Item No.	PD scale	a	b	c	d	e	f	g
		EAD post-CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity	Credit RWA	RWA density (%)
Corporate exposures (AIRB approach)								
1	0.00 to <0.15	1,182,150	0.05	45.9	38.92	2.0	182,143	15.40
2	0.15 to <0.25	377,223	0.16	22.3	31.84	3.6	139,388	36.95
3	0.25 to <0.50	112,222	0.28	8.1	31.89	2.7	46,943	41.83
4	0.50 to <0.75	11,055	0.53	3.4	33.86	2.6	6,223	56.29
5	0.75 to <2.50	33,837	1.53	4.1	31.18	3.1	27,065	79.98
6	2.50 to <10.00	28,559	2.78	0.9	29.01	2.3	27,580	96.57
7	10.00 to <100.00	5,172	11.71	1.4	33.02	1.7	7,238	139.95
8	100.00 (Default)	376	100.00	0.0	47.50	2.5	58	15.59
9	Subtotal	1,750,596	0.22	86.3	36.58	2.4	436,641	24.94
Corporate exposures (FIRB approach)								
1	0.00 to <0.15	—	—	—	—	—	—	—
2	0.15 to <0.25	—	—	—	—	—	—	—
3	0.25 to <0.50	—	—	—	—	—	—	—
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	—	—	—	—	—	—	—
6	2.50 to <10.00	1,642	2.56	0.0	45.00	2.9	2,607	158.70
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	1,642	2.56	0.0	45.00	2.9	2,607	158.70
Mid-sized corporations and SMEs exposures (AIRB approach)								
1	0.00 to <0.15	8,040	0.08	3.0	35.00	2.7	1,649	20.50
2	0.15 to <0.25	12,604	0.17	4.6	34.00	2.9	3,838	30.44
3	0.25 to <0.50	7,759	0.27	3.0	34.31	3.1	3,009	38.78
4	0.50 to <0.75	7,124	0.53	2.5	34.38	3.2	3,836	53.85
5	0.75 to <2.50	7,656	1.32	4.6	34.89	3.3	5,601	73.15
6	2.50 to <10.00	2,064	2.56	0.4	35.00	4.1	1,897	91.92
7	10.00 to <100.00	297	15.69	0.2	35.00	3.0	431	144.83
8	100.00 (Default)	379	100.00	0.0	52.34	4.2	47	12.50
9	Subtotal	45,927	1.45	18.6	34.64	3.1	20,311	44.22
Mid-sized corporations and SMEs exposures (FIRB approach)								
1	0.00 to <0.15	—	—	—	—	—	—	—
2	0.15 to <0.25	—	—	—	—	—	—	—
3	0.25 to <0.50	—	—	—	—	—	—	—
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	—	—	—	—	—	—	—
6	2.50 to <10.00	—	—	—	—	—	—	—
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—

(Millions of yen, %, the number of data in thousands, years)

CCR4: IRB - CCR exposures by portfolio and PD scale		As of September 30, 2018						
		a	b	c	d	e	f	g
Item No.	PD scale	EAD post-CRM	Average PD (%)	Number of counterparties	Average LGD (%)	Average maturity	Credit RWA	RWA density (%)
SL								
1	0.00 to <0.15	92,856	0.04	0.2	19.75	4.8	13,397	14.42
2	0.15 to <0.25	177,963	0.16	0.4	22.67	4.8	54,057	30.37
3	0.25 to <0.50	63,190	0.38	0.5	23.64	4.7	28,354	44.87
4	0.50 to <0.75	201	0.53	0.0	35.00	4.4	147	73.13
5	0.75 to <2.50	30,944	1.30	0.1	26.91	4.8	23,249	75.13
6	2.50 to <10.00	3,782	3.98	0.0	45.65	4.9	6,486	171.46
7	10.00 to <100.00	1,853	19.57	0.0	13.85	4.9	1,440	77.72
8	100.00 (Default)	1,430	100.00	0.0	72.70	4.7	747	52.25
9	Subtotal	372,222	0.78	1.3	22.85	4.8	127,880	34.35
Equity exposures								
1	0.00 to <0.15	—	—	—	—	—	—	—
2	0.15 to <0.25	—	—	—	—	—	—	—
3	0.25 to <0.50	—	—	—	—	—	—	—
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	—	—	—	—	—	—	—
6	2.50 to <10.00	—	—	—	—	—	—	—
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—
Other retail exposures								
1	0.00 to <0.15	—	—	—	—	—	—	—
2	0.15 to <0.25	—	—	—	—	—	—	—
3	0.25 to <0.50	—	—	—	—	—	—	—
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	—	—	—	—	—	—	—
6	2.50 to <10.00	—	—	—	—	—	—	—
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—
Total (sum of portfolios)		7,373,089	0.20	128.2	21.28	1.4	955,283	12.95

## 5. Composition of Collateral for CCR Exposure (CCR5)

(Millions of yen)

CCR5: Composition of collateral for CCR exposure		As of September 30, 2018					
Item No.		a	b	c	d	e	f
		Collateral used in derivative transactions				Collateral used in securities financing transactions (SFTs)	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash (domestic currency)	17,609	55,217	—	311,036	7,065,736	8,683,232
2	Cash (other currencies)	46	171,075	—	262,217	3,434,831	1,620,746
3	Domestic sovereign debt	188	1,405	—	29,393	6,545,732	8,142,238
4	Other sovereign debt	3,331	6,972	—	—	1,341,783	3,383,172
5	Government agency debt	48	—	—	—	1,273,105	—
6	Corporate bonds	1,950	—	—	—	62,100	65,928
7	Equity securities	3,916	—	—	—	1,046,011	74,591
8	Other collateral	5,884	—	—	—	19,353	—
9	Total	32,975	234,671	—	602,647	20,788,654	21,969,909

## 6. Credit Derivative Transaction Exposures (CCR6)

(Millions of yen)

CCR6: Credit derivative transaction exposures		As of September 30, 2018	
Item No.		a	b
		Protection bought	Protection sold
Notionals			
1	Single-name credit default swaps	329,694	438,717
2	Index credit default swaps	79,000	79,000
3	Total return swaps	—	—
4	Credit options	—	—
5	Other credit derivatives	7,753	23,371
6	Total notionals	416,447	541,089
Fair values			
7	Positive fair value (asset)	543	8,309
8	Negative fair value (liability)	6,907	2,703

7. Exposures to Central Counterparties (CCR8)

(Millions of yen)

CCR8: Exposures to central counterparties (CCP)		As of September 30, 2018	
Item No.		a	b
		EAD to CCP (post-CRM)	RWA
1	Exposures to qualifying central counterparties (QCCPs) (total)		130,858
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	3,030,554	60,615
3	(i) OTC derivatives	1,486,243	29,728
4	(ii) Exchange-traded derivatives	1,524,825	30,496
5	(iii) SFTs	19,485	389
6	(iv) Netting sets where cross-product netting has been approved	—	—
7	Segregated initial margin	—	—
8	Non-segregated initial margin	166,660	3,335
9	Pre-funded default fund contributions	154,424	66,907
10	Unfunded default fund contributions	—	—
11	Exposures to non-QCCPs (total)		9,375
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	8,599	8,201
13	(i) OTC derivatives	2,879	2,879
14	(ii) Exchange-traded derivatives	5,719	5,322
15	(iii) SFTs	—	—
16	(iv) Netting sets where cross-product netting has been approved	—	—
17	Segregated initial margin	—	—
18	Non-segregated initial margin	5,589	1,173
19	Pre-funded default fund contributions	—	—
20	Unfunded default fund contributions	—	—

## ■ Securitisation Transactions

### 1. Securitisation Exposures in the Banking Book (SEC1)

(Millions of yen)

SEC1: Securitisation exposures in the banking book		As of September 30, 2018								
Item No.	Type of underlying asset	a	b	c	d	e	f	g	h	i
		Bank acts as originator			Bank acts as sponsor			Bank acts as investor		
		Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal
1	Retail (total) - of which	424,251	403	424,655	518,348	—	518,348	697,215	—	697,215
2	Residential mortgage	424,251	—	424,251	—	—	—	46,879	—	46,879
3	Credit card	—	—	—	17,969	—	17,969	299,301	—	299,301
4	Other retail exposures	—	403	403	500,379	—	500,379	351,034	—	351,034
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) - of which	32,809	97,293	130,103	696,287	—	696,287	944,821	246,628	1,191,450
7	Loans to corporates	32,809	97,293	130,103	16,519	—	16,519	758,548	236,218	994,766
8	Commercial mortgage	—	—	—	—	—	—	801	—	801
9	Lease and receivables	—	—	—	673,267	—	673,267	108,852	10,410	119,262
10	Other wholesale	—	—	—	6,500	—	6,500	76,619	—	76,619
11	Re-securitisation	—	—	—	—	—	—	—	—	—

### 2. Securitisation Exposures in the Trading Book (SEC2)

(Millions of yen)

SEC2: Securitisation exposures in the trading book		As of September 30, 2018								
Item No.	Type of underlying asset	a	b	c	d	e	f	g	h	i
		Bank acts as originator			Bank acts as sponsor			Bank acts as investor		
		Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal
1	Retail (total) - of which	—	—	—	—	—	—	8,142	—	8,142
2	Residential mortgage	—	—	—	—	—	—	—	—	—
3	Credit card	—	—	—	—	—	—	4,434	—	4,434
4	Other retail exposures	—	—	—	—	—	—	3,707	—	3,707
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) - of which	—	—	—	—	—	—	1,983	—	1,983
7	Loans to corporates	—	—	—	—	—	—	—	—	—
8	Commercial mortgage	—	—	—	—	—	—	—	—	—
9	Lease and receivables	—	—	—	—	—	—	1,983	—	1,983
10	Other wholesale	—	—	—	—	—	—	—	—	—
11	Re-securitisation	—	—	—	—	—	—	—	—	—

3. Securitisation Exposures in the Banking Book and Associated Regulatory Capital Requirements  
(Bank Acting as Originator or as Sponsor) (SEC3)

(Millions of yen)

SEC3: Securitisation exposures in the banking book and associated capital regulatory requirements (bank acting as originator or sponsor) (1/2)		As of September 30, 2018							
		a	b	c	d	e	f	g	h
Item No.		Total	Traditional securitisation (subtotal)	Securitisation		Wholesale	Re-securitisation	Senior	Non-senior
				Retail underlying					
Exposure values (by RW bands)									
1	≤20% RW	1,735,709	1,641,101	1,641,101	919,369	721,731	—	—	—
2	>20% to 50% RW	2,054	1,186	1,186	—	1,186	—	—	—
3	>50% to 100% RW	6,310	6,091	6,091	—	6,091	—	—	—
4	>100% to <1250% RW	248	—	—	—	—	—	—	—
5	1250% RW	25,070	23,316	23,316	23,229	86	—	—	—
Exposure values (by regulatory approach)									
6	IRB RBA (including IAA)	115,117	115,117	115,117	62,113	53,004	—	—	—
7	IRB SFA	1,629,206	1,533,262	1,533,262	857,256	676,005	—	—	—
8	Securitisation exposures subject to SA	—	—	—	—	—	—	—	—
9	1250% RW pursuant to Article 247, Paragraph 1 of the Notification or Article 225, Paragraph 1 of the Bank Holding Company Equity Capital Adequacy Notification	25,070	23,316	23,316	23,229	86	—	—	—
Credit RWA amounts (by regulatory approach)									
10	IRB RBA (including IAA)	10,581	10,581	10,581	4,347	6,233	—	—	—
11	IRB SFA	92,287	83,902	83,902	31,936	51,966	—	—	—
12	SA	—	—	—	—	—	—	—	—
13	1250% RW pursuant to Article 247, Paragraph 1 of the Notification or Article 225, Paragraph 1 of the Bank Holding Company Equity Capital Adequacy Notification	313,383	291,452	291,452	290,372	1,080	—	—	—
Capital charge after cap (by regulatory approach)									
14	IRB RBA (including IAA)	897	897	897	368	528	—	—	—
15	IRB SFA	7,826	7,114	7,114	2,708	4,406	—	—	—
16	SA	—	—	—	—	—	—	—	—
17	1250% RW pursuant to Article 247, Paragraph 1 of the Notification or Article 225, Paragraph 1 of the Bank Holding Company Equity Capital Adequacy Notification	26,574	24,715	24,715	24,623	91	—	—	—



(Millions of yen)

SEC3: Securitisation exposures in the banking book and associated regulatory capital requirements (bank acting as originator or sponsor) (2/2)		As of September 30, 2018						
		i	j	k	l	m	n	o
Item No.		Synthetic securitisation (subtotal)	Securitisation	Retail underlying	Wholesale	Re-securitisation	Senior	Non-senior
		Exposure values (by RW bands)						
1	≤20% RW	94,608	94,608	403	94,204	—	—	—
2	>20% to 50% RW	867	867	—	867	—	—	—
3	>50% to 100% RW	219	219	—	219	—	—	—
4	>100% to <1250% RW	248	248	—	248	—	—	—
5	1250% RW	1,754	1,754	—	1,754	—	—	—
Exposure values (by regulatory approach)								
6	IRB RBA (including IAA)	—	—	—	—	—	—	—
7	IRB SFA	95,943	95,943	403	95,539	—	—	—
8	SA	—	—	—	—	—	—	—
9	1250% RW pursuant to Article 247, Paragraph 1 of the Notification or Article 225, Paragraph 1 of the Bank Holding Company Equity Capital Adequacy Notification	1,754	1,754	—	1,754	—	—	—
Credit RWA amounts (by regulatory approach)								
10	IRB RBA (including IAA)	—	—	—	—	—	—	—
11	IRB SFA	8,385	8,385	46	8,339	—	—	—
12	SA	—	—	—	—	—	—	—
13	1250% RW pursuant to Article 247, Paragraph 1 of the Notification or Article 225, Paragraph 1 of the Bank Holding Company Equity Capital Adequacy Notification	21,930	21,930	—	21,930	—	—	—
Capital requirement values (by regulatory approach)								
14	IRB RBA (including IAA)	—	—	—	—	—	—	—
15	IRB SFA	711	711	3	707	—	—	—
16	SA	—	—	—	—	—	—	—
17	1250% RW pursuant to Article 247, Paragraph 1 of the Notification or Article 225, Paragraph 1 of the Bank Holding Company Equity Capital Adequacy Notification	1,859	1,859	—	1,859	—	—	—

4. Securitisation Exposures in the Banking Book Associated Capital Requirements  
(Bank Acting as Investor) (SEC4)

(Millions of yen)

SEC4: Securitisation exposures in the banking book and associated capital requirements (bank acting as investor) (1/2)		As of September 30, 2018							
		a	b	c	d	e	f	g	h
Item No.		Total	Traditional securitisation (subtotal)	Securitisation		Wholesale	Re-securitisation	Senior	Non-senior
				Securitisation	Retail underlying				
Exposure values (by RW bands)									
1	≤20% RW	1,850,408	1,619,256	1,619,256	679,676	939,580	—	—	—
2	>20% to 50% RW	2,478	2,478	2,478	2,478	—	—	—	—
3	>50% to 100% RW	10,119	10,119	10,119	5,679	4,440	—	—	—
4	>100% to <1250% RW	9,981	9,981	9,981	9,381	600	—	—	—
5	1250% RW	15,677	201	201	—	201	—	—	—
Exposure values (by regulatory approach)									
6	IRB RBA (including IAA)	332,821	332,821	332,821	260,797	72,023	—	—	—
7	IRB SFA	1,533,887	1,302,735	1,302,735	430,738	871,997	—	—	—
8	SA	6,279	6,279	6,279	5,679	600	—	—	—
9	1250% RW pursuant to Article 247, Paragraph 1 of the Notification or Article 225, Paragraph 1 of the Bank Holding Company Equity Capital Adequacy Notification	15,677	201	201	—	201	—	—	—
Credit RWA amounts (by regulatory approach)									
10	IRB RBA (including IAA)	56,984	56,984	56,984	47,224	9,760	—	—	—
11	IRB SFA	96,116	94,777	94,777	30,151	64,626	—	—	—
12	SA	6,359	6,359	6,359	4,259	2,100	—	—	—
13	1250% RW pursuant to Article 247, Paragraph 1 of the Notification or Article 225, Paragraph 1 of the Bank Holding Company Equity Capital Adequacy Notification	195,970	2,518	2,518	—	2,518	—	—	—
Capital charge after cap (by regulatory approach)									
14	IRB RBA (including IAA)	4,832	4,832	4,832	4,004	827	—	—	—
15	IRB SFA	8,150	8,037	8,037	2,556	5,480	—	—	—
16	SA	508	508	508	340	168	—	—	—
17	1250% RW pursuant to Article 247, Paragraph 1 of the Notification or Article 225, Paragraph 1 of the Bank Holding Company Equity Capital Adequacy Notification	16,606	201	201	—	201	—	—	—

(Millions of yen)

SEC4: Securitisation exposures in the banking book and associated capital requirements (bank acting as investor) (2/2)		As of September 30, 2018						
		i	j	k	l	m	n	o
Item No.		Synthetic securitisation (subtotal)	Securitisation	Retail underlying	Wholesale	Re-securitisation	Senior	Non-senior
		Exposure values (by RW bands)						
1	≤20% RW	231,152	231,152	—	231,152	—	—	—
2	>20% to 50% RW	—	—	—	—	—	—	—
3	>50% to 100% RW	—	—	—	—	—	—	—
4	>100% to <1250% RW	—	—	—	—	—	—	—
5	1250% RW	15,476	15,476	—	15,476	—	—	—
Exposure values (by regulatory approach)								
6	IRB RBA (including IAA)	—	—	—	—	—	—	—
7	IRB SFA	231,152	231,152	—	231,152	—	—	—
8	SA	—	—	—	—	—	—	—
9	1250% RW pursuant to Article 247, Paragraph 1 of the Notification or Article 225, Paragraph 1 of the Bank Holding Company Equity Capital Adequacy Notification	15,476	15,476	—	15,476	—	—	—
Credit RWA amounts (by regulatory approach)								
10	IRB RBA (including IAA)	—	—	—	—	—	—	—
11	IRB SFA	1,338	1,338	—	1,338	—	—	—
12	SA	—	—	—	—	—	—	—
13	1250% RW pursuant to Article 247, Paragraph 1 of the Notification or Article 225, Paragraph 1 of the Bank Holding Company Equity Capital Adequacy Notification	193,452	193,452	—	193,452	—	—	—
Capital charge after cap (by regulatory approach)								
14	IRB RBA (including IAA)	—	—	—	—	—	—	—
15	IRB SFA	113	113	—	113	—	—	—
16	SA	—	—	—	—	—	—	—
17	1250% RW pursuant to Article 247, Paragraph 1 of the Notification or Article 225, Paragraph 1 of the Bank Holding Company Equity Capital Adequacy Notification	16,404	16,404	—	16,404	—	—	—

## ■ Market Risk

### 1. Market Risk under standardised approach (MR1)

(Millions of yen)

MR1: Market risk under standardised approach		As of September 30, 2018
Item No.		RWA (Amounts calculated by dividing risk equivalent amounts by 8%)
1	Interest rate risk (general and specific)	398,918
2	Equity risk (general and specific)	284,841
3	Foreign exchange risk	18,619
4	Commodity risk	0
	Options	
5	Simplified approach	—
6	Delta-plus method	153,463
7	Scenario approach	—
8	Specific risk related to securitisation exposures	126,579
9	Total	982,422

### 2. IMA values for trading portfolios (MR3)

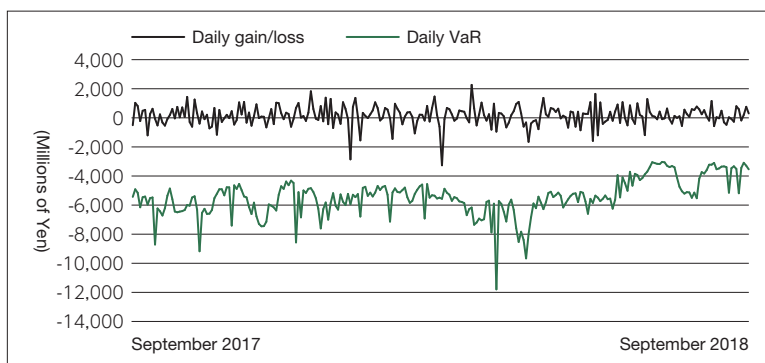
(Millions of yen)

MR3: IMA values for trading portfolios		First half of fiscal 2018
Item No.		
	VaR (holding period of 10 business days, one-sided confidence level of 99%)	
1	Maximum value	30,565
2	Average value	16,096
3	Minimum value	9,587
4	Period end	11,196
	Stressed VaR (holding period of 10 business days, one-sided confidence level of 99%)	
5	Maximum value	44,514
6	Average value	26,566
7	Minimum value	17,644
8	Period end	26,121
	Incremental risk value (one-sided confidence level of 99.9%)	
9	Maximum value	—
10	Average value	—
11	Minimum value	—
12	Period end	—
	Comprehensive risk value (one-sided confidence level of 99.9%)	
13	Maximum value	—
14	Average value	—
15	Minimum value	—
16	Period end	—
17	Floor (modified standardized measurement method)	—

Note: The VaR and the stressed VaR are calculated using the historical simulation method. Specifically, they are calculated on a daily basis, assuming a one-sided confidence level of 99.0% and a one-day holding period, based on profit and loss simulation on a scenario-specific basis generated from historical data (the full valuation method, in principle), and they are adjusted to a 10-day holding period using the square root of time method. Under this method, the VaR and the stressed VaR use observation periods of four years immediately preceding, and 12 months including the stress period, respectively.

### 3. Backtesting results by the internal models approach (MR4)

The status of backtesting of trading for First half of fiscal 2018 is as follows. “Daily gain/loss” represents the actual gain/loss incurred, and “Daily VaR” represents the daily VaR calculated using the risk measurement model with a one-day holding period. In the past 250 business days, the number of times loss exceeded VaR was 0, and the VaR model (one-sided confidence level of 99.0%) is considered to have sufficient accuracy.



### Interest Rate Risk in the Banking Book

(Millions of yen)

IRRBB1: Interest rate risk		a	b	c	d
Item No.		ΔEVE		ΔNII	
		As of September 30, 2018	As of September 30, 2017	As of September 30, 2018	As of September 30, 2017
1	Parallel up	709,105		(258,867)	
2	Parallel down	0		415,700	
3	Steeper	361,943			
4	Flattener	19,585			
5	Short rate up	140,507			
6	Short rate down	0			
7	Maximum	709,105		415,700	
		e		f	
		As of September 30, 2018		As of September 30, 2017	
8	Tier 1 capital	10,922,925			

Note: Interest rate shocks of deposits with central banks is considered to be the same with the standardized interest rate shocks when calculating ΔNII.

## ■ Reconciliation of Regulatory Capital Elements Back to the Balance Sheet (As of September 30, 2017 and 2018)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Items	(Millions of yen)		Cross-reference to Appended Table	Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template)
	Consolidated balance sheet as in published financial statements			
	As of September 30, 2018	As of September 30, 2017		
(Assets)				
Cash and due from banks	56,133,843	49,333,064		
Call loans and bills bought	2,360,764	1,952,757		
Receivables under resale agreements	5,047,049	1,198,627		
Receivables under securities borrowing transactions	5,254,864	9,589,363		
Monetary claims bought	4,709,177	4,667,042		
Trading assets	5,595,840	6,235,885	7-a	
Money held in trust	768	2,544		
Securities	25,089,044	24,426,107	3-b, 7-b	
Loans and bills discounted	75,939,685	81,162,078	7-c	
Foreign exchanges	2,366,335	2,506,683		
Lease receivables and investment assets	2,354,954	2,374,127		
Other assets	8,345,485	8,051,523		
Tangible fixed assets	3,698,051	3,574,624		
Intangible fixed assets	834,742	926,137	3-a	
Net defined benefit asset	398,633	329,413	4	
Deferred tax assets	22,017	55,253	5-a	
Customers' liabilities for acceptances and guarantees	9,303,847	8,525,224		
Reserve for possible loan losses	(467,343)	(607,966)		
<b>Total assets</b>	<b>206,987,762</b>	<b>204,302,493</b>		
(Liabilities)				
Deposits	119,385,639	119,938,693		
Negotiable certificates of deposit	11,490,153	12,896,156		
Call money and bills sold	2,013,277	1,890,031		
Payables under repurchase agreements	11,270,010	3,794,797		
Payables under securities lending transactions	2,980,463	9,344,314		
Commercial paper	2,544,376	2,333,488		
Trading liabilities	4,127,140	4,639,549	7-d	
Borrowed money	11,073,378	10,696,045	9-a	
Foreign exchanges	1,057,998	1,126,460		
Short-term bonds	1,160,000	1,190,100		
Bonds	9,935,469	8,578,207	9-b	
Due to trust account	1,373,949	1,215,144		
Other liabilities	6,709,444	5,695,922		
Reserve for employee bonuses	52,197	57,785		
Net defined benefit liability	39,416	57,352		
Reserve for executive retirement benefits	1,761	2,175		
Reserve for point service program	23,611	22,394		
Reserve for reimbursement of deposits	12,391	8,721		
Reserve for losses on interest repayment	122,960	119,204		
Reserve under the special laws	2,767	2,037		
Deferred tax liabilities	504,408	436,139	5-b	
Deferred tax liabilities for land revaluation	30,423	31,244	5-c	
Acceptances and guarantees	9,303,847	8,525,224		
<b>Total liabilities</b>	<b>195,215,088</b>	<b>192,601,191</b>		
(Net assets)				
Capital stock	2,339,443	2,338,743	1-a	
Capital surplus	734,610	758,193	1-b	
Retained earnings	5,856,833	5,351,360	1-c	
Treasury stock	(16,292)	(12,480)	1-d	
<b>Total stockholders' equity</b>	<b>8,914,594</b>	<b>8,435,817</b>		
Net unrealized gains on other securities	1,701,862	1,687,457		
Net deferred gains or losses on hedges	(100,777)	(45,882)	6	
Land revaluation excess	36,592	37,650		
Foreign currency translation adjustments	54,848	41,074		
Remeasurements of defined benefit plans	53,510	16,400		
<b>Total accumulated other comprehensive income</b>	<b>1,746,036</b>	<b>1,736,699</b>		3
Stock acquisition rights	2,555	3,192	2, 8-a	
Non-controlling interests	1,109,488	1,525,591	8-b	
<b>Total net assets</b>	<b>11,772,674</b>	<b>11,701,301</b>		
<b>Total liabilities and net assets</b>	<b>206,987,762</b>	<b>204,302,493</b>		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appended Table)

1. Stockholders' equity

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks	Ref. No.
Capital stock	2,339,443	2,338,743		1-a
Capital surplus	734,610	758,193		1-b
Retained earnings	5,856,833	5,351,360		1-c
Treasury stock	(16,292)	(12,480)		1-d
Total stockholders' equity	8,914,594	8,435,817		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	8,914,594	8,435,817	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,074,053	3,096,937		1a
of which: retained earnings	5,856,833	5,351,360		2
of which: treasury stock (-)	16,292	12,480		1c
of which: other than the above	—	—		
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	—	Stockholders' equity attributable to preferred shares with a loss absorbency clause upon entering into effectively bankruptcy	31a

2. Stock acquisition rights

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks	Ref. No.
Stock acquisition rights	2,555	3,192		2
of which: Stock acquisition rights issued by bank holding company	2,555	2,900		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Stock acquisition rights to common shares	2,555	2,900		1b
Stock acquisition rights to Additional Tier 1 instruments	—	—		31b
Stock acquisition rights to Tier 2 instruments	—	—		46

3. Intangible assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks	Ref. No.
Intangible fixed assets	834,742	926,137		3-a
Securities	25,089,044	24,426,107		3-b
of which: goodwill attributable to equity-method investees	27,906	30,241		
Income taxes related to above	175,290	189,637		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Goodwill (including those equivalent)	281,856	328,488		8
Other intangible assets other than goodwill and mortgage servicing rights	405,500	438,254	Software and other	9
Mortgage servicing rights	—	—		
Amount exceeding the 10% threshold on specified items	—	—		20
Amount exceeding the 15% threshold on specified items	—	—		24
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—	—		74

4. Net defined benefit asset

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks	Ref. No.
Net defined benefit asset	398,633	329,413		4
Income taxes related to above	121,579	99,959		



## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Net defined benefit asset	277,054	229,453		15

## 5. Deferred tax assets

## (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks	Ref. No.
Deferred tax assets	22,017	55,253		5-a
Deferred tax liabilities	504,408	436,139		5-b
Deferred tax liabilities for land revaluation	30,423	31,244		5-c
Tax effects on other intangible assets	175,290	189,637		
Tax effects on net defined benefit asset	121,579	99,959		

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,194	1,791	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.	10
Deferred tax assets arising from temporary differences (net of related tax liability)	2,080	3,909	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.	
Amount exceeding the 10% threshold on specified items	—	—		21
Amount exceeding the 15% threshold on specified items	—	—		25
Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	2,080	3,909		75

## 6. Deferred gains or losses on derivatives under hedge accounting

## (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks	Ref. No.
Net deferred gains or losses on hedges	(100,777)	(45,882)		6

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Net deferred gains or losses on hedges	(100,047)	(44,712)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

## 7. Items associated with investments in the capital of financial institutions

## (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks	Ref. No.
Trading assets	5,595,840	6,235,885	Including trading account securities and derivatives for trading assets	7-a
Securities	25,089,044	24,426,107		7-b
Loans and bills discounted	75,939,685	81,162,078	Including subordinated loans	7-c
Trading liabilities	4,127,140	4,639,549	Including trading account securities sold and derivatives for trading liabilities	7-d

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Investments in own capital instruments	8,763	9,947		
Common Equity Tier 1 capital	8,763	9,947		16
Additional Tier 1 capital	—	—		37
Tier 2 capital	0	0		52
Reciprocal cross-holdings in the capital of banking, financial and insurance entities	—	—		
Common Equity Tier 1 capital	—	—		17
Additional Tier 1 capital	—	—		38
Tier 2 capital	—	—		53
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital ("Non-significant Investment") (amount above the 10% threshold)	768,594	707,716		
Common Equity Tier 1 capital	—	—		18
Additional Tier 1 capital	—	—		39
Tier 2 capital	—	—		54
Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deductions (before risk weighting)	768,594	707,716		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	680,574	689,924		
Amount exceeding the 10% threshold on specified items	—	—		19
Amount exceeding the 15% threshold on specified items	—	—		23
Additional Tier 1 capital	0	81,640		40
Tier 2 capital	50,000	50,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deductions (before risk weighting)	630,574	558,284		73

## 8. Non-controlling interests

## (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks	Ref. No.
Stock acquisition rights	2,555	3,192		8-a
Non-controlling interests	1,109,488	1,525,591		8-b

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	328	174,786		5
Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—		30-31ab-32
Amount allowed to be included in group Additional Tier 1	238,679	219,963		34-35
Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—		46
Amount allowed to be included in group Tier 2	53,369	49,182		48-49

## 9. Other capital instruments

## (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks	Ref. No.
Borrowed money	11,073,378	10,696,045		9-a
Bonds	9,935,469	8,578,207		9-b

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	600,000	450,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,002,592	901,505		46

## Note:

Amounts in the "Composition of capital disclosure" are based on those before considering under transitional arrangements and includes "Amounts excluded under transitional arrangements" disclosed in "Capital Structure Information" as well as amounts included as regulatory capital. In addition, items for regulatory purpose under transitional arrangement are excluded from this table.

## Leverage Ratio Information (Consolidated)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

### ■ Composition of Leverage Ratio

(In million yen, %)

Corresponding line # on Basel III disclosure template (Table2)	Corresponding line # on Basel III disclosure template (Table1)	Item	As of September 30, 2018	As of September 30, 2017
On-balance sheet exposures (1)				
1		On-balance sheet exposures before deducting adjustment items	183,163,952	178,729,373
1a	1	Total assets reported in the consolidated balance sheet	206,987,762	204,302,493
1b	2	The amount of assets of subsidiaries that are not included in the scope of the leverage ratio on a consolidated basis (-)	—	—
1c	7	The amount of assets of subsidiaries that are included in the scope of the leverage ratio on a consolidated basis (except those included in the total assets reported in the consolidated balance sheet)	—	—
1d	3	The amount of assets that are deducted from the total assets reported in the consolidated balance sheet (except adjustment items) (-)	23,823,810	25,573,120
2	7	The amount of adjustment items pertaining to Tier 1 capital (-)	1,081,929	910,239
3		Total on-balance sheet exposures (a)	182,082,023	177,819,133
Exposures related to derivative transactions (2)				
4		Replacement cost associated with derivatives transactions, etc.	2,441,938	2,350,561
5		Add-on amount associated with derivatives transactions, etc.	3,969,243	4,129,044
		The amount of receivables arising from providing cash margin in relation to derivatives transactions, etc.	268,087	615,358
6		The amount of receivables arising from providing cash margin, provided where deducted from the consolidated balance sheet pursuant to the operative accounting framework	—	—
7		The amount of deductions of receivables (out of those arising from providing cash variation margin) (-)	268,087	615,358
8		The amount of client-cleared trade exposures for which a bank or bank holding company acting as clearing member is not obliged to make any indemnification (-)		
9		Adjusted effective notional amount of written credit derivatives	584,158	498,792
10		The amount of deductions from effective notional amount of written credit derivatives (-)	538,852	478,319
11	4	Total exposures related to derivative transactions (b)	6,456,488	6,500,078
Exposures related to repo transactions (3)				
12		The amount of assets related to repo transactions, etc.	10,301,914	10,787,990
13		The amount of deductions from the assets above (line 12) (-)	—	—
14		The exposures for counterparty credit risk for repo transactions, etc.	952,914	414,932
15		The exposures for agent repo transaction		
16	5	Total exposures related to repo transactions, etc. (c)	11,254,828	11,202,923
Exposures related to off-balance sheet transactions (4)				
17		Notional amount of off-balance sheet transactions	63,641,173	64,828,699
18		The amount of adjustments for conversion in relation to off-balance sheet transactions (-)	42,470,429	42,963,395
19	6	Total exposures related to off-balance sheet transactions (d)	21,170,744	21,865,304
Leverage ratio on a consolidated basis (5)				
20		The amount of capital (Tier 1 capital) (e)	10,922,925	10,384,048
21	8	Total exposures ((a)+(b)+(c)+(d)) (f)	220,964,084	217,387,440
22		Leverage ratio on a consolidated basis ((e)/(f))	4.94%	4.77%

## Liquidity Coverage Ratio Information (Consolidated)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Since March 31, 2015, the “Liquidity Coverage Ratio” (hereinafter referred to as “LCR”), the liquidity regulation under the Basel III, has been introduced in Japan. In addition to the application of uniform international standards, Sumitomo Mitsui Financial Group calculates its consolidated LCR using the calculation formula stipulated in the “Criteria for Evaluating the Soundness of Liquidity Status Set Forth by a Bank Holding Company as a Benchmark for Judging the Soundness of Management of Itself and its Subsidiaries, etc., Based on the Provision of Article 52-25 of the Banking Act, and Which Are Also the Criteria to be Referred to for Judging the Soundness of Management in Banks” (Notification No. 62 issued by the Japanese Financial Services Agency in 2014; hereinafter referred to as the “LCR Notification”).

### ■ Disclosure of Qualitative Information about Liquidity Coverage Ratio

#### 1. Intra-period Changes in Consolidated LCR

As described on the following page, the LCR has remained stable with no significant fluctuation since the introduction of the liquidity regulation on March 31, 2015.

#### 2. Assessment of Consolidated LCR

The LCR Notification stipulates the minimum requirement of the LCR for 2018 at 90%, and 100% from 2019 onwards. The LCR of Sumitomo Mitsui Financial Group (consolidated) exceeds the minimum requirements of the LCR for 2018 and for 2019 onwards, having no cause for concern. In terms of the future LCR forecasts, Sumitomo Mitsui Financial Group does not expect significant deviations from the disclosed ratios. In addition, the actual LCR does not differ significantly from the initial forecast.

#### 3. Composition of High-Quality Liquid Assets

Regarding the high-quality liquid assets allowed to be included in the calculation, there are no significant changes in locations and properties of currency denominations, categories and so on. In addition, in respect of major currencies (those of which the aggregate amount of liabilities denominated in a certain currency accounts for 5% or more of Sumitomo Mitsui Financial Group's total liabilities on the consolidated basis), there is no significant mismatch in currency denomination between the total amount of the high-quality liquid assets allowed to be included in the calculation and the amount of net cash outflows.

#### 4. Other Information Concerning Consolidated LCR

Sumitomo Mitsui Financial Group has not applied “special provisions concerning qualifying operational deposits” prescribed in Article 28 of the LCR Notification and “increased liquidity needs related to market valuation changes on derivative or other transactions simulated through Scenario Approach” prescribed in Article 37 of the LCR Notification. Meanwhile, Sumitomo Mitsui Financial Group records “cash outflows related to small-sized consolidated subsidiaries,” etc. under “cash outflows based on other contracts” prescribed in Article 59 of the LCR Notification.

## ■ Disclosure of Quantitative Information about Liquidity Coverage Ratio (Consolidated)

(In million yen, %, the number of data)

Item		Current Quarter (From 2018/7/1 To 2018/9/30)		Prior Quarter (From 2018/4/1 To 2018/6/30)	
<b>High-Quality Liquid Assets (1)</b>					
1	Total high-quality liquid assets (HQLA)	63,965,780		64,846,363	
<b>Cash Outflows (2)</b>					
		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
2	Cash outflows related to unsecured retail funding	48,488,077	3,794,337	47,682,907	3,744,116
3	of which, Stable deposits	15,074,940	452,450	14,641,943	439,453
4	of which, Less stable deposits	33,413,137	3,341,887	33,040,964	3,304,663
5	Cash outflows related to unsecured wholesale funding	65,017,690	32,794,090	65,934,353	33,306,663
6	of which, Qualifying operational deposits	—	—	—	—
7	of which, Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	59,532,780	27,309,179	60,095,439	27,467,750
8	of which, Debt securities	5,484,911	5,484,911	5,838,913	5,838,913
9	Cash outflows related to secured funding, etc.	157,425		113,520	
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	22,728,194	7,741,557	21,448,636	7,349,581
11	of which, Cash outflows related to derivative transactions, etc.	1,540,954	1,540,954	1,314,037	1,314,037
12	of which, Cash outflows related to funding programs	426,662	426,662	449,308	449,308
13	of which, Cash outflows related to credit and liquidity facilities	20,760,578	5,773,941	19,685,292	5,586,236
14	Cash outflows related to contractual funding obligations, etc.	8,807,179	6,743,177	9,014,978	6,657,682
15	Cash outflows related to contingencies	71,964,531	1,354,306	71,004,919	1,304,008
16	Total cash outflows	52,584,891		52,475,570	
<b>Cash Inflows (3)</b>					
		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
17	Cash inflows related to secured lending, etc.	5,387,978	635,394	6,106,444	549,675
18	Cash inflows related to collection of loans, etc.	3,130,855	2,094,729	3,124,092	2,138,066
19	Other cash inflows	3,262,197	1,703,515	3,779,474	1,699,225
20	Total cash inflows	11,781,029	4,433,638	13,010,010	4,386,966
<b>Consolidated Liquidity Coverage Ratio (4)</b>					
21	Total HQLA allowed to be included in the calculation	63,965,780		64,846,363	
22	Net cash outflows	48,151,253		48,088,604	
23	Consolidated liquidity coverage ratio (LCR)	132.8%		134.8%	
24	The number of data used to calculate the average value	62		62	

Notes: 1. The data after the introduction of the liquidity regulation on March 31, 2015 is available on Sumitomo Mitsui Financial Group's website. ([https://www.smfg.co.jp/english/investor/financial/basel\\_3.html](https://www.smfg.co.jp/english/investor/financial/basel_3.html))

2. The average values are calculated based on daily data in accordance with Notification No. 7 issued by the Japanese Financial Services Agency in 2015. Some data, such as attribute information of customers and data on consolidated subsidiaries, is updated on the monthly or quarterly basis.

## ■ Breakdown of High-Quality Liquid Assets

(In million yen)

Item		Current Quarter (From 2018/7/1 To 2018/9/30)		Prior Quarter (From 2018/4/1 To 2018/6/30)	
1	Cash and due from banks	53,015,486		51,728,090	
2	Securities	10,950,293		13,118,273	
3	of which, government bonds, etc.	8,400,939		10,495,005	
4	of which, municipal bonds, etc.	96,164		118,201	
5	of which, other bonds	698,745		696,631	
6	of which, stocks	1,754,445		1,808,436	
7	Total high-quality liquid assets (HQLA)	63,965,780		64,846,363	

Note: The above amounts are those of high-quality liquid assets in accordance with the liquidity regulation under the Basel III and do not correspond to the financial amounts. The amounts stated are those after multiplying factors in the liquidity regulation under the Basel III.

## ■ Capital Requirements

September 30	Billions of yen 2017
<b>Capital requirements for credit risk:</b>	
Internal ratings-based approach .....	5,071.9
Corporate exposures: .....	3,015.6
Corporate exposures (excluding specialized lending) .....	2,530.2
Sovereign exposures .....	45.6
Bank exposures .....	140.8
Specialized lending .....	299.1
Retail exposures: .....	738.5
Residential mortgage exposures .....	312.5
Qualifying revolving retail exposures .....	219.6
Other retail exposures .....	206.3
Equity exposures: .....	479.5
PD/LGD approach .....	371.5
Market-based approach .....	108.0
Simple risk weight method .....	57.8
Internal models method .....	50.2
Credit risk-weighted assets under Article 145 of the Notification .....	303.9
Securitization exposures .....	75.1
Other exposures .....	459.2
Standardized approach .....	551.9
Amount corresponding to CVA risk .....	181.8
CCP-related exposures .....	11.2
<b>Total capital requirements for credit risk .....</b>	<b>5,816.8</b>
<b>Capital requirements for market risk:</b>	
Standardized method .....	117.4
Interest rate risk .....	39.3
Equity position risk .....	59.0
Foreign exchange risk .....	1.3
Commodities risk .....	0.0
Options .....	17.8
Internal models approach .....	123.5
Securitization exposures .....	9.0
<b>Total capital requirements for market risk .....</b>	<b>249.9</b>
<b>Capital requirements for operational risk:</b>	
Advanced measurement approach .....	228.5
Basic indicator approach .....	54.1
<b>Total capital requirements for operational risk .....</b>	<b>282.6</b>
<b>Total amount of capital requirements .....</b>	<b>6,349.3</b>

- Notes: 1. Capital requirements for credit risk are capital equivalents to "credit risk-weighted assets × 8%" under the standardized approach and "credit risk-weighted assets × 8% + expected loss amount" under the Internal-Ratings Based (IRB) approach.  
2. Portfolio classification is after CRM.  
3. "Securitization exposures" includes such exposures based on the standardized approach.  
4. "Other exposures" includes estimated lease residual values, purchased receivables (including exposures to qualified corporate enterprises and others), long settlement transactions and other assets.

## Internal Ratings-Based (IRB) Approach

### Exposures by Asset Class

#### (1) Corporate Exposures

##### A. Corporate, Sovereign and Bank Exposures

###### Portfolio

###### a. Domestic Corporate, Sovereign and Bank Exposures

September 30, 2017	Billions of yen						Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Exposure amount			Undrawn amount							
	Total	On-balance sheet assets	Off-balance sheet assets	Total							
J1-J3 .....	30,750.5	24,425.0	6,325.5	5,218.6	49.49%	0.06%	35.16%	—%	18.31%		
J4-J6 .....	14,895.9	13,097.9	1,798.0	659.8	50.57	0.76	34.20	—	51.87		
J7 (excluding J7R) .....	1,050.8	812.7	238.0	231.3	49.46	14.23	38.77	—	172.18		
Japanese government and local municipal corporations .....	51,372.2	51,030.2	342.0	145.1	49.38	0.00	35.30	—	0.01		
Others .....	4,477.9	4,292.3	185.5	91.5	49.38	0.82	43.92	—	56.88		
Default (J7R, J8-J10) .....	521.3	498.2	23.1	15.2	99.85	100.00	47.37	46.38	12.41		
Total .....	103,068.5	94,156.4	8,912.2	6,361.4	—	—	—	—	—		

Note: "Others" includes exposures guaranteed by credit guarantee corporations, exposures to public sector entities and voluntary organizations, exposures to obligors not assigned obligor grades because they have yet to close their books (for example, newly established companies), as well as business loans of more than ¥100 million.

###### b. Overseas Corporate, Sovereign and Bank Exposures

September 30, 2017	Billions of yen						Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Exposure amount			Undrawn amount							
	Total	On-balance sheet assets	Off-balance sheet assets	Total							
G1-G3 .....	42,553.6	31,588.0	10,965.5	10,732.9	49.38%	0.12%	28.36%	—%	15.93%		
G4-G6 .....	2,030.4	1,542.4	488.0	341.5	49.38	2.78	24.11	—	68.87		
G7 (excluding G7R) .....	303.1	180.0	123.1	184.8	49.38	17.16	24.80	—	126.69		
Others .....	657.7	206.1	451.6	31.2	50.12	1.00	25.90	—	25.16		
Default (G7R, G8-G10) .....	101.9	94.9	7.0	4.8	100.00	100.00	62.66	58.45	52.63		
Total .....	45,646.8	33,611.5	12,035.3	11,295.1	—	—	—	—	—		

#### B. Specialized Lending (SL)

###### Portfolio

###### a. Slotting Criteria Applicable Portion

###### (a) Project Finance, Object Finance and Income-Producing Real Estate (IPRE)

September 30	Risk weight	Billions of yen		
		2017		
		Project finance	Object finance	IPRE
Strong:				
Residual term less than 2.5 years .....	50%	6.5	—	5.0
Residual term 2.5 years or more .....	70%	23.9	4.0	16.2
Good:				
Residual term less than 2.5 years .....	70%	38.7	—	—
Residual term 2.5 years or more .....	90%	9.9	—	2.5
Satisfactory .....	115%	26.1	—	12.3
Weak .....	250%	—	0.1	—
Default .....	—	3.5	—	1.6
Total .....		108.6	4.1	37.6

###### (b) High-Volatility Commercial Real Estate (HVCRE)

September 30	Risk weight	Billions of yen
		2017
Strong:		
Residual term less than 2.5 years .....	70%	10.5
Residual term 2.5 years or more .....	95%	8.2
Good:		
Residual term less than 2.5 years .....	95%	52.6
Residual term 2.5 years or more .....	120%	76.8
Satisfactory .....	140%	287.8
Weak .....	250%	5.0
Default .....	—	—
Total .....		441.0

b. PD/LGD Approach Applicable Portion, Other Than Slotting Criteria Applicable Portion

(a) Project Finance

	Billions of yen									
	Exposure amount			Undrawn amount			Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Total	Weighted average CCF	Total				
September 30, 2017										
G1-G3.....	3,751.0	2,711.5	1,039.4	1,124.7	49.38%	0.29%	25.38%	—%	37.91%	
G4-G6.....	279.9	222.2	57.7	90.2	49.38	2.51	26.97	—	87.04	
G7 (excluding G7R).....	62.9	58.2	4.7	1.7	49.38	17.23	35.59	—	192.45	
Others.....	—	—	—	—	—	—	—	—	—	
Default (G7R, G8-G10).....	45.0	43.7	1.3	0.1	100.00	100.00	55.84	51.63	52.63	
Total.....	4,138.8	3,035.6	1,103.1	1,216.7	—	—	—	—	—	

(b) Object Finance

	Billions of yen									
	Exposure amount			Undrawn amount			Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Total	Weighted average CCF	Total				
September 30, 2017										
G1-G3.....	210.2	182.0	28.2	20.2	49.38%	0.27%	12.12%	—%	15.52%	
G4-G6.....	37.8	36.6	1.2	—	—	3.18	6.46	—	20.26	
G7 (excluding G7R).....	0.1	0.1	—	—	—	17.00	45.00	—	256.05	
Others.....	—	—	—	—	—	—	—	—	—	
Default (G7R, G8-G10).....	5.2	4.6	0.6	—	—	100.00	61.52	57.31	52.63	
Total.....	253.3	223.3	30.0	20.2	—	—	—	—	—	

(c) Income-Producing Real Estate (IPRE)

	Billions of yen									
	Exposure amount			Undrawn amount			Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets	Total	Weighted average CCF	Total				
September 30, 2017										
J1-J3.....	1,054.3	916.1	138.1	2.8	49.38%	0.04%	23.22%	—%	10.95%	
J4-J6.....	369.4	329.2	40.2	—	—	0.69	29.88	—	54.73	
J7 (excluding J7R).....	7.4	7.4	—	—	—	26.33	5.00	—	28.53	
Others.....	422.4	404.7	17.7	30.8	49.38	0.37	29.06	—	24.09	
Default (J7R, J8-J10).....	—	—	—	—	—	—	—	—	—	
Total.....	1,853.4	1,657.5	196.0	33.5	—	—	—	—	—	

(2) Retail Exposures

A. Residential Mortgage Exposures

Portfolio

	Billions of yen							
	Exposure amount			Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight	
	Total	On-balance sheet assets	Off-balance sheet assets					
September 30, 2017								
Mortgage loans								
PD segment:								
Not delinquent								
Use model.....	11,615.6	11,595.3	20.3	0.43%	30.13%	—%	20.66%	
Others.....	367.3	367.3	—	1.00	53.22	—	69.40	
Delinquent.....	89.6	87.9	1.7	17.99	34.39	—	177.80	
Default.....	149.3	149.2	0.0	100.00	34.16	32.32	23.03	
Total.....	12,221.8	12,199.7	22.1	—	—	—	—	

Notes: 1. "Others" includes loans guaranteed by employers.

2. "Delinquent" loans are past due loans and loans to obligors categorized as "Borrowers Requiring Caution" that do not satisfy the definition of default stipulated in the Notification.



## B. Qualifying Revolving Retail Exposures (QRRE)

### Portfolio

September 30, 2017	Billions of yen									
	Exposure amount				Undrawn amount					
	Total	On-balance sheet assets		Off-balance sheet assets	Total	Weighted average CCF	Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
Card loans										
PD segment:										
Not delinquent .....	939.3	775.2	100.4	63.6	244.7	41.04%	2.93%	81.20%	—%	64.80%
Delinquent.....	16.1	15.4	0.7	—	2.8	23.29	28.32	77.57	—	214.06
Credit card balances										
PD segment:										
Not delinquent .....	2,499.2	1,459.5	688.2	351.5	9,036.6	7.62	1.71	68.89	—	30.33
Delinquent.....	7.5	6.4	1.1	—	—	—	78.23	72.06	—	118.77
Default .....	47.6	43.0	3.4	1.2	—	—	100.00	84.09	73.79	128.73
<b>Total .....</b>	<b>3,509.5</b>	<b>2,299.4</b>	<b>793.8</b>	<b>416.3</b>	<b>9,284.0</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

Notes: 1. The on-balance sheet exposure amount is estimated by estimating the amount of increase in each transaction balance and not by multiplying the undrawn amount by the CCF.

2. "Weighted average CCF" is "On-balance sheet exposure amount ÷ Undrawn amount" and provided for reference only. It is not used for estimating on-balance sheet exposure amounts.

3. Past due loans of less than three months are recorded in "Delinquent."

## C. Other Retail Exposures

### Portfolio

September 30, 2017	Billions of yen			Weighted average PD	Weighted average LGD	Weighted average EL <sub>default</sub>	Weighted average risk weight
	Total	On-balance sheet assets	Off-balance sheet assets				
Business loans							
PD segment:							
Not delinquent							
Use model.....	1,009.1	992.1	17.1	0.84%	47.54%	—%	40.06%
Others .....	202.7	201.7	1.0	0.66	40.07	—	30.53
Delinquent.....	65.4	64.5	0.9	6.42	41.98	—	66.96
Consumer loans							
PD segment:							
Not delinquent							
Use model.....	1,648.7	1,017.3	631.4	1.61	49.52	—	55.77
Others .....	126.1	125.1	1.0	1.53	55.33	—	65.52
Delinquent.....	21.5	19.2	2.3	23.38	51.28	—	112.67
Default .....	79.6	78.8	0.9	100.00	64.09	54.37	121.48
<b>Total .....</b>	<b>3,153.2</b>	<b>2,498.7</b>	<b>654.5</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

Notes: 1. "Business loans" includes apartment construction loans. Following implementation of our domestic business structure revision started in April 2014, "Domestic Corporate Exposures" includes SME loans because their grading system is integrated into that of Corporate loans.

2. "Others" includes loans guaranteed by employers.

3. "Delinquent" loans are past due loans and loans to obligors categorized as "Borrowers Requiring Caution" that do not satisfy the definition of default stipulated in the Notification.

### (3) Equity Exposures and Credit Risk-Weighted Assets under Article 145 of the Notification

#### A. Equity Exposures

##### Portfolio

##### a. Equity Exposure Amounts

	Billions of yen
September 30	2017
Market-based approach .....	646.8
Simple risk weight method .....	187.3
Listed equities (300%) .....	66.9
Unlisted equities (400%) .....	120.4
Internal models method .....	459.5
PD/LGD approach .....	4,119.7
Total .....	<u>4,766.5</u>

Note: The above exposures are "equity exposures" stipulated in the Notification and differ from "stocks" described in the consolidated financial statements.

##### b. PD/LGD Approach

	Billions of yen		
	2017		
September 30	Exposure amount	Weighted average PD	Weighted average risk weight
J1-J3 .....	3,642.9	0.05%	100.42%
J4-J6 .....	147.1	0.28	146.91
J7 (excluding J7R) .....	19.0	10.35	564.37
Others .....	310.7	0.17	128.35
Default (J7R, J8-J10) .....	0.1	100.00	1,125.00
Total .....	<u>4,119.7</u>	—	—

Notes: 1. The above exposures are "equity exposures" stipulated in the Notification to which the PD/LGD approach is applied and differ from "stocks" described in the consolidated financial statements.

2. "Others" includes exposures to overseas corporate entities.

3. Weighted average risk weight is calculated by including the amount derived by multiplication of the expected loss by a risk weight of 1250% in the credit risk-weighted assets.

#### B. Credit Risk-Weighted Assets under Article 145 of the Notification

##### Portfolio

	Billions of yen
September 30	2017
Exposures under Article 145 of the Notification .....	<u>1,379.1</u>

(4) Analysis of Actual Losses

A. Year-on-Year Comparison of Actual Losses

Sumitomo Mitsui Financial Group recorded a decrease of ¥20.7 billion in total credit costs (the total of non-performing loan write-offs, gain on reversal of reserve for possible loan losses and gains on collection of written-off claims) compared to the same period of the previous fiscal year, amounting to ¥34.1 billion on a consolidated basis for the first half of fiscal year 2017.

SMBC recorded a decrease of ¥17.5 billion in total credit costs compared to the same period of the previous fiscal year, which resulted in a gain on reversal of reserve for loan losses of ¥25.5 billion on a non-consolidated basis for the first half of fiscal year 2017. This is due primarily to the collection of claims from obligors for whom a large amount of reserves was provisioned in the past.

Total Credit Costs

	Billions of yen					
	First half of fiscal 2017 (A)	First half of fiscal 2016 (B)	First half of fiscal 2015	Increase (decrease) (A) – (B)	Fiscal 2016	Fiscal 2015
Sumitomo Mitsui Financial Group (consolidated) total .....	34.1	54.8	24.1	(20.7)	164.4	102.8
SMBC (consolidated) total .....	(26.2)	4.8	(21.4)	(30.9)	63.3	13.9
SMBC (non-consolidated) total .....	(25.5)	(8.0)	(27.6)	(17.5)	61.1	(3.2)
Corporate exposures .....	(29.8)	(1.5)	(23.0)	(28.3)	64.0	0.1
Sovereign exposures .....	2.1	(0.5)	(0.0)	2.5	(0.1)	(1.7)
Bank exposures .....	(0.1)	(0.1)	0.1	0.1	(0.3)	(0.1)
Residential mortgage exposures .....	(0.0)	(0.0)	(0.0)	0.0	(0.1)	0.0
QRRE .....	(0.0)	(0.0)	(0.0)	0.0	(0.0)	0.0
Other retail exposures .....	(0.0)	(0.9)	(1.0)	0.9	(0.3)	(1.8)

Notes: 1. The above amounts do not include gains/losses on “equity exposures,” “exposures on capital market-driven transactions (such as bonds)” and “exposures under Article 145 of the Notification” that were recognized as gains/losses on bonds and stocks in the statements of income.

2. Exposure category amounts do not include general reserve for Normal Borrowers.

3. Bracketed fiscal year amounts indicate gains generated by the reversal of reserve, etc.

4. Credit costs for “Residential mortgage exposures” and “QRRE” guaranteed by consolidated subsidiaries are not included in the total credit costs of SMBC (non-consolidated).

## B. Comparison of Estimated and Actual Losses

	Billions of yen							
	Fiscal 2017				Fiscal 2016			
	Estimated loss amounts		Actual loss amounts		Estimated loss amounts		Actual loss amounts	
	After deduction of reserves	(First half of fiscal 2017)	(First half of fiscal 2017)	After deduction of reserves	(First half of fiscal 2016)	(Fiscal 2016)	(Fiscal 2016)	
Sumitomo Mitsui Financial Group (consolidated) total ..	—	—	34.1	—	—	54.8	164.4	
SMBC (consolidated) total .....	—	—	(26.2)	—	—	4.8	63.3	
SMBC (non-consolidated) total .....	438.5	179.6	(25.5)	461.2	167.8	(8.0)	61.1	
Corporate exposures .....	416.2	170.0	(29.8)	438.3	157.9	(1.5)	64.0	
Sovereign exposures .....	9.0	5.9	2.1	8.9	5.3	(0.5)	(0.1)	
Bank exposures .....	7.9	4.8	(0.1)	7.5	4.1	(0.1)	(0.3)	
Residential mortgage exposures .....	2.0	1.8	(0.0)	2.3	2.0	(0.0)	(0.1)	
QRRE .....	0.0	0.0	(0.0)	0.0	0.0	(0.0)	(0.0)	
Other retail exposures .....	3.5	2.9	(0.0)	4.2	3.5	(0.9)	(0.3)	

	Billions of yen							
	Fiscal 2015				Fiscal 2014			
	Estimated loss amounts		Actual loss amounts		Estimated loss amounts		Actual loss amounts	
	After deduction of reserves	(First half of fiscal 2015)	(Fiscal 2015)	After deduction of reserves	(First half of fiscal 2014)	(Fiscal 2014)	(Fiscal 2014)	
Sumitomo Mitsui Financial Group (consolidated) total ..	—	—	24.1	102.8	—	—	(88.8)	7.8
SMBC (consolidated) total .....	—	—	(21.4)	13.9	—	—	(122.2)	(65.4)
SMBC (non-consolidated) total .....	513.1	153.9	(27.6)	(3.2)	642.5	171.1	(124.2)	(80.1)
Corporate exposures .....	483.0	139.0	(23.0)	0.1	523.6	128.1	(76.7)	(40.6)
Sovereign exposures .....	9.1	3.8	(0.0)	(1.7)	12.7	1.4	(5.2)	(6.0)
Bank exposures .....	10.7	7.2	0.1	(0.1)	8.5	4.2	(0.3)	(0.7)
Residential mortgage exposures .....	3.9	3.5	(0.0)	0.0	2.9	2.3	(0.2)	(0.3)
QRRE .....	0.0	0.0	(0.0)	0.0	0.0	(0.0)	(0.1)	(0.1)
Other retail exposures .....	6.4	5.5	(1.0)	(1.8)	94.8	40.7	(4.4)	(2.6)

Notes: 1. Amounts on consumer loans guaranteed by consolidated subsidiaries or affiliates as well as on "equity exposures" and "exposures under Article 145 of the Notification" are excluded.

2. "Estimated loss amounts" are the EL at the beginning of the term.

3. "After deduction of reserves" represents the estimated loss amounts after deduction of reserves for possible losses on substandard borrowers or below.

## ■ Standardized Approach

### Exposure Balance by Risk Weight Segment

	Billions of yen	
	2017	
September 30		Of which assigned country risk score
0% .....	9,817.4	935.6
10% .....	13.4	—
20% .....	1,494.9	710.0
35% .....	73.6	—
50% .....	98.6	16.0
75% .....	1,805.7	—
100% .....	4,720.7	2.8
150% .....	79.5	0.0
250% .....	138.5	—
1250% .....	1.3	1.2
Others .....	0.8	—
Total .....	18,244.3	1,665.6

Notes: 1. The above amounts are exposures after CRM (but before deduction of direct write-offs). Please note that for off-balance sheet assets the credit equivalent amount has been included.

2. "Securitization exposures" have not been included.

## ■ Credit Risk Mitigation (CRM) Techniques

### Exposure Balance after CRM

September 30	Billions of yen	
	2017	
	Eligible financial collateral	Other eligible IRB collateral
Advanced Internal Ratings-Based (AIRB) approach.....	—	—
Foundation Internal Ratings-Based (FIRB) approach.....	132.9	56.0
Corporate exposures.....	48.0	56.0
Sovereign exposures.....	—	—
Bank exposures.....	84.9	—
Standardized approach.....	6,006.2	—
Total.....	6,139.0	56.0

Note: For exposures to which the AIRB approach was applied, eligible collateral is separately taken into account in Loss Given Default (LGD) estimates.

September 30	Billions of yen	
	2017	
	Guarantee	Credit derivative
Internal Ratings-Based (IRB) approach.....	10,531.9	311.1
Corporate exposures.....	9,851.5	311.1
Sovereign exposures.....	309.7	—
Bank exposures.....	284.5	—
Residential mortgage exposures.....	86.3	—
QRRE.....	—	—
Other retail exposures.....	—	—
Standardized approach.....	55.7	—
Total.....	10,587.6	311.1

## ■ Derivative Transactions and Long Settlement Transactions

### Credit Equivalent Amounts

#### (1) Derivative Transactions and Long Settlement Transactions

##### A. Calculation Method

Current exposure method

##### B. Credit Equivalent Amounts

September 30	Billions of yen 2017
Gross replacement cost .....	4,814.3
Gross add-on amount .....	4,970.9
Gross credit equivalent amount .....	9,785.2
Foreign exchange related transactions .....	3,483.7
Interest rate related transactions .....	5,828.7
Gold related transactions .....	—
Equities related transactions .....	322.0
Precious metals (excluding gold) related transactions .....	—
Other commodity related transactions .....	109.7
Credit default swaps .....	41.2
Reduction in credit equivalent amount due to netting .....	3,366.5
Net credit equivalent amount .....	6,418.7
Collateral amount .....	0.6
Eligible financial collateral .....	0.6
Other eligible IRB collateral .....	—
Net credit equivalent amount (after taking into account the CRM effect of collateral) .....	6,418.1

#### (2) Notional Principal Amounts of Credit Derivatives

##### Credit Default Swaps

September 30	Billions of yen	
	2017	
	Notional principal amount	
	Total	Of which for CRM
Protection purchased .....	567.6	311.1
Protection provided .....	415.5	—

Note: "Notional principal amount" is defined as the total of "amounts subject to calculation of credit equivalents" and "amounts employed for CRM."

## ■ Securitization Exposures

### 1. Portfolio (Credit Risk)

#### (1) Securitization Transactions as Originator

##### A. As Originator (Excluding as Sponsor)

##### (A) Underlying Assets

	Billions of yen						
	September 30, 2017			First half of fiscal 2017			
	Underlying asset amount			Securitized amount	Default amount	Loss amount	Gains/losses on sales
Total	Asset transfer type	Synthetic type					
Claims on corporates .....	106.2	—	106.2	—	2.2	25.1	—
Mortgage loans .....	1,439.0	1,439.0	—	171.0	0.9	0.1	9.9
Retail loans (excluding mortgage loans) .....	—	—	—	—	—	—	—
Other claims .....	—	—	—	—	—	—	—
<b>Total .....</b>	<b>1,545.2</b>	<b>1,439.0</b>	<b>106.2</b>	<b>171.0</b>	<b>3.1</b>	<b>25.2</b>	<b>9.9</b>

Notes: 1. The above amounts include the amount of underlying assets securitized during the term without entailing "securitization exposures."

2. "Default amount" is the total of underlying assets which are past due three months or more and defaulted underlying assets.

3. Asset type classification is based on the major items in the underlying assets for each transaction.

4. "Other claims" includes claims on Private Finance Initiative (PFI) businesses and lease fees.

5. Following Articles 230 and 248 of the Notification, there are no amounts that represent "exposure to products subject to early amortization provisions" to investors.

6. There are no amounts that represent "assets held for securitization transactions."

#### (B) Securitization Exposures (Excluding Resecuritization Exposures)

##### a. Underlying Assets by Asset Type

	Billions of yen				
	2017				
	Term-end balance		Amounts subject to a 1250% risk weight	Increase in capital equivalent	
Total	On-balance sheet assets	Off-balance sheet assets			
September 30					
Claims on corporates .....	107.4	107.4	—	1.5	—
Mortgage loans .....	316.9	316.9	—	23.4	61.7
Retail loans (excluding mortgage loans) .....	—	—	—	—	—
Other claims .....	—	—	—	—	—
<b>Total .....</b>	<b>424.2</b>	<b>424.2</b>	<b>—</b>	<b>24.9</b>	<b>61.7</b>

##### b. Risk Weights

	Billions of yen			
	2017			
	Term-end balance			Required capital
Total	On-balance sheet assets	Off-balance sheet assets		
September 30				
20% or less .....	104.4	104.4	—	0.7
100% or less .....	1.2	1.2	—	0.1
650% or less .....	0.1	0.1	—	0.0
Less than 1250% .....	—	—	—	—
1250% .....	318.4	318.4	—	26.4
<b>Total .....</b>	<b>424.2</b>	<b>424.2</b>	<b>—</b>	<b>27.1</b>

#### (C) Resecuritization Exposures

There are no amounts that represent "resecuritization exposures."

B. As Sponsor

(A) Underlying Assets

	Billions of yen					
	September 30, 2017			First half of fiscal 2017		
	Underlying asset amount			Securitized amount	Default amount	Loss amount
Total	Asset transfer type	Synthetic type				
Claims on corporates .....	948.1	948.1	—	2,702.9	78.8	93.3
Mortgage loans .....	—	—	—	—	—	—
Retail loans (excluding mortgage loans)....	1,130.3	1,130.3	—	322.6	1.8	6.9
Other claims .....	47.8	47.8	—	20.8	0.0	0.0
<b>Total .....</b>	<b>2,126.3</b>	<b>2,126.3</b>	<b>—</b>	<b>3,046.3</b>	<b>80.6</b>	<b>100.1</b>

- Notes: 1. The above amounts include the amount of underlying assets securitized during the term without entailing “securitization exposures.”
2. “Default amount” is the total of underlying assets which are past due three months or more and defaulted underlying assets.
3. “Default amount” and “Loss amount” when acting as a sponsor of securitization of customer claims are estimated using the following methods and alternative data, as in some cases it can be difficult to obtain relevant data in a timely manner because the underlying assets have been recovered by the customer.
- (1) “Default amount” estimation method
- For securitization transactions subject to the ratings-based approach, the amount is estimated based on information on underlying assets obtainable from customers, etc.
  - For securitization transactions subject to the supervisory formula, the amount is estimated based on obtainable information on, or default rate of, each obligor. Further, when it is difficult to estimate the amount using either method, it is conservatively estimated by assuming that the underlying asset is a default asset.
- (2) “Loss amount” estimation method
- For securitization transactions subject to the ratings-based approach, the amount is the same amount as the “Default amount” estimated conservatively in (1) above.
  - For securitization transactions subject to the supervisory formula, when expected loss ratios of defaulted underlying assets can be determined, the amount is estimated using the ratios. When it is difficult to determine the ratios, the amount is the same amount as the “Default amount” estimated conservatively in (1) above.
4. Asset type classification is based on the major items in the underlying assets for each transaction.
5. “Other claims” includes lease fees.
6. Following Articles 230 and 248 of the Notification, there are no amounts that represent “exposure to products subject to early amortization provisions” to investors.
7. There are no amounts that represent “assets held for securitization transactions.”

(B) Securitization Exposures (Excluding Resecuritization Exposures)

a. Underlying Assets by Asset Type

	Billions of yen				
	2017				
	Term-end balance			Amounts subject to a 1250% risk weight	Increase in capital equivalent
Total	On-balance sheet assets	Off-balance sheet assets			
September 30					
Claims on corporates .....	757.6	717.4	40.3	0.1	—
Mortgage loans .....	—	—	—	—	—
Retail loans (excluding mortgage loans) .....	548.8	548.8	—	—	—
Other claims .....	40.0	40.0	—	—	—
<b>Total .....</b>	<b>1,346.5</b>	<b>1,306.2</b>	<b>40.3</b>	<b>0.1</b>	<b>—</b>



## b. Risk Weights

	Billions of yen			
	2017			
	Term-end balance			
September 30	Total	On-balance sheet assets	Off-balance sheet assets	Required capital
20% or less .....	1,329.4	1,289.2	40.3	8.1
100% or less .....	17.0	17.0	—	0.8
650% or less .....	—	—	—	—
Less than 1250% .....	—	—	—	—
1250% .....	0.1	0.1	—	0.1
<b>Total .....</b>	<b>1,346.5</b>	<b>1,306.2</b>	<b>40.3</b>	<b>9.0</b>

## (C) Resecuritization Exposures

There are no amounts that represent “resecuritization exposures.”

## (2) Securitization Transactions in which the Group is the Investor

### (A) Securitization Exposures (Excluding Resecuritization Exposures)

#### a. Underlying Assets by Asset Type

	Billions of yen				
	2017				
	Term-end balance			Amounts subject to a 1250% risk weight	Increase in capital equivalent
September 30	Total	On-balance sheet assets	Off-balance sheet assets		
Claims on corporates .....	1,094.3	624.7	469.6	26.1	—
Mortgage loans .....	19.9	19.9	—	—	—
Retail loans (excluding mortgage loans) .....	689.6	573.4	116.2	0.6	—
Other claims .....	7.1	7.1	—	0.1	—
<b>Total .....</b>	<b>1,811.0</b>	<b>1,225.2</b>	<b>585.8</b>	<b>26.8</b>	<b>—</b>

Notes: 1. Asset type classification is based on the major items in the underlying assets for each transaction.

2. “Retail loans (excluding mortgage loans)” includes balances of ¥5.6 billion as of September 30, 2017 for the securitization exposures which includes loans whose credit risk are relatively high, such as U.S. subprime loans.

## b. Risk Weights

	Billions of yen			
	2017			
	Term-end balance			
September 30	Total	On-balance sheet assets	Off-balance sheet assets	Required capital
20% or less .....	1,689.6	1,211.6	478.1	9.6
100% or less .....	12.5	12.4	0.1	0.9
650% or less .....	0.6	0.6	—	0.2
Less than 1250% .....	—	—	—	—
1250% .....	108.3	0.6	107.6	28.4
<b>Total .....</b>	<b>1,811.0</b>	<b>1,225.2</b>	<b>585.8</b>	<b>39.0</b>

Note: The risk weight of “100% or less” includes balances of ¥5.6 billion as of September 30, 2017 for the securitization exposures which includes loans whose credit risk are relatively high, such as U.S. subprime loans.

## (B) Resecuritization Exposures

### a. Underlying Assets by Asset Type

	Billions of yen				
	2017				
	Term-end balance			Amounts subject to a 1250% risk weight	Increase in capital equivalent
Total	On-balance sheet assets	Off-balance sheet assets			
September 30					
Claims on corporates .....	—	—	—	—	—
Mortgage loans .....	—	—	—	—	—
Retail loans (excluding mortgage loans) .....	—	—	—	—	—
Other claims .....	0.1	0.0	0.1	0.0	—
Total .....	0.1	0.0	0.1	0.0	—

Notes: 1. Asset type classification is based on the major items in the underlying assets for each transaction.

2. "Other claims" includes securitization products.

3. Credit risk mitigation (CRM) techniques are not applied to the resecuritization exposures.

### b. Risk Weights

	Billions of yen			
	2017			
	Term-end balance			Required capital
Total	On-balance sheet assets	Off-balance sheet assets		
September 30				
20% or less .....	0.1	—	0.1	0.0
100% or less .....	—	—	—	—
650% or less .....	—	—	—	—
Less than 1250% .....	—	—	—	—
1250% .....	0.0	0.0	—	0.0
Total .....	0.1	0.0	0.1	0.0

## 2. Portfolio (Market Risk)

### (1) Securitization Transactions as Originator

There are no amounts that represent "securitization transactions where the Group serves as the originator."

### (2) Securitization Transactions as Investor

#### (A) Securitization Exposures (Excluding Resecuritization Exposures)

##### a. Underlying Assets by Asset Type

	Billions of yen				
	2017				
	Term-end balance			Amounts subject to a 100% risk weight	Increase in capital equivalent
Total	On-balance sheet assets	Off-balance sheet assets			
September 30					
Claims on corporates .....	0.0	0.0	—	0.0	—
Mortgage loans .....	—	—	—	—	—
Retail loans (excluding mortgage loans) .....	7.6	7.6	—	7.6	—
Other claims .....	1.3	1.3	—	1.3	—
Total .....	9.0	9.0	—	9.0	—

Note: There are no amounts that represent "securitization exposures subject to the measurement of the comprehensive risk held."

##### b. Risk Weights

	Billions of yen			
	2017			
	Term-end balance			Required capital
Total	On-balance sheet assets	Off-balance sheet assets		
September 30				
Less than 100% .....	—	—	—	—
100% .....	9.0	9.0	—	9.0
Total .....	9.0	9.0	—	9.0

## (B) Resecuritization Exposures

There are no amounts that represent "resecuritization exposures."

## ■ Equity Exposures in Banking Book

### 1. Consolidated Balance Sheet Amounts and Fair Values

September 30	Billions of yen	
	2017	
	Balance sheet amount	Fair value
Listed equity exposures .....	4,295.8	4,295.8
Equity exposures other than above.....	211.1	—
Total.....	4,506.9	—

### 2. Gains (Losses) on Sale and Devaluation of Equity Exposures

	Billions of yen
	First half of fiscal 2017
Gains (losses) .....	51.5
Gains on sale .....	55.8
Losses on sale .....	1.3
Devaluation .....	3.0

Note: The above amounts are gains (losses) on stocks and available-for-sale securities in the consolidated statements of income.

### 3. Unrealized Gains (Losses) Recognized on Consolidated Balance Sheets but Not on Consolidated Statements of Income

September 30	Billions of yen
	2017
Unrealized gains (losses) recognized on consolidated balance sheets but not on consolidated statements of income.....	2,382.7

Note: The above amount is for stocks of Japanese companies and foreign stocks with market prices.

### 4. Unrealized Gains (Losses) Not Recognized on Consolidated Balance Sheets or Consolidated Statements of Income

September 30	Billions of yen
	2017
Unrealized gains (losses) not recognized on consolidated balance sheets or consolidated statements of income .....	14.9

Note: The above amount is for stocks of affiliates with market prices.

## ■ Exposure Balance by Type of Assets, Geographic Region, Industry and Residual Term

### 1. Exposure Balance by Type of Assets, Geographic Region and Industry

September 30, 2017	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
<b>Domestic operations (excluding offshore banking accounts)</b>					
Manufacturing.....	9,875.4	123.2	256.1	3,108.8	13,363.4
Agriculture, forestry, fishery and mining .....	410.5	6.5	2.3	33.9	453.2
Construction .....	1,352.3	20.8	7.5	324.3	1,704.9
Transport, information, communications and utilities.....	6,457.3	118.5	147.9	1,145.4	7,869.1
Wholesale and retail .....	6,434.3	25.9	120.2	920.1	7,500.5
Financial and insurance.....	48,316.5	456.3	2,215.7	1,523.2	52,511.6
Real estate, goods rental and leasing .....	10,215.3	362.7	56.0	373.1	11,007.1
Services .....	5,514.5	48.9	42.9	1,112.6	6,718.8
Local municipal corporations .....	1,070.4	125.3	9.6	26.1	1,231.4
Other industries .....	30,014.5	10,887.5	288.3	6,257.9	47,448.3
Subtotal .....	119,660.9	12,175.6	3,146.5	14,825.4	149,808.4
<b>Overseas operations and offshore banking accounts</b>					
Sovereigns.....	9,018.0	1,638.8	13.5	12.9	10,683.2
Financial institutions .....	8,428.4	603.6	2,260.4	1,039.1	12,331.5
C&I companies .....	26,115.5	221.1	872.1	930.9	28,139.6
Others.....	5,488.2	1,162.5	124.8	2,892.6	9,668.1
Subtotal .....	49,050.0	3,626.1	3,270.7	4,875.5	60,822.3
<b>Total.....</b>	<b>168,710.9</b>	<b>15,801.7</b>	<b>6,417.2</b>	<b>19,700.9</b>	<b>210,630.6</b>

- Notes: 1. The above amounts are exposures after CRM.  
2. The above amounts do not include "securitization exposures" and "credit risk-weighted assets under Article 145 of the Notification."  
3. "Loans, etc." includes loans, commitments and off-balance sheet assets except derivatives, and "Others" includes equity exposures, standardized approach applied funds, and CVA risk equivalent amount exposures, etc.  
4. "Domestic operations" comprises the operations of Sumitomo Mitsui Financial Group, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

### 2. Exposure Balance by Type of Assets and Residual Term

September 30, 2017	Billions of yen				
	Loans, etc.	Bonds	Derivatives	Others	Total
To 1 year.....	43,867.6	3,737.7	1,053.5	1,307.5	49,966.3
More than 1 year to 3 years.....	18,656.7	5,428.2	1,334.8	1,439.9	26,859.6
More than 3 years to 5 years.....	18,137.1	2,129.5	1,217.9	1,047.8	22,532.2
More than 5 years to 7 years.....	6,931.3	361.6	488.0	490.5	8,271.4
More than 7 years.....	26,996.2	4,144.6	2,322.4	1,397.6	34,860.9
No fixed maturity .....	54,122.0	—	0.6	14,017.6	68,140.2
<b>Total.....</b>	<b>168,710.9</b>	<b>15,801.7</b>	<b>6,417.2</b>	<b>19,700.9</b>	<b>210,630.6</b>

- Notes: 1. The above amounts are exposures after CRM.  
2. The above amounts do not include "securitization exposures" and "credit risk-weighted assets under Article 145 of the Notification."  
3. "Loans, etc." includes loans, commitments and off-balance sheet assets except derivatives, and "Others" includes equity exposures, standardized approach applied funds, and CVA risk equivalent amount exposures, etc.  
4. "No fixed maturity" includes exposures not classified by residual term.

### 3. Term-End Balance of Exposures Past Due 3 Months or More or Defaulted and Their Breakdown

#### (1) By Geographic Region

September 30	Billions of yen
	2017
Domestic operations (excluding offshore banking accounts) .....	1,042.4
Overseas operations and offshore banking accounts.....	208.8
Asia.....	38.9
North America.....	43.8
Other regions.....	126.1
<b>Total.....</b>	<b>1,251.2</b>

Notes: 1. The above amounts are credits subject to self-assessment, including mainly off-balance sheet credits to obligors categorized as "Substandard Borrowers" or lower under self-assessment.

2. The above amounts include partial direct write-offs (direct reductions).

3. "Domestic operations" comprises the operations of Sumitomo Mitsui Financial Group, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries, and the term-end balances are calculated based on the obligor's domicile country.

#### (2) By Industry

September 30	Billions of yen
	2017
Domestic operations (excluding offshore banking accounts)	
Manufacturing.....	133.8
Agriculture, forestry, fishery and mining .....	2.5
Construction.....	32.7
Transport, information, communications and utilities.....	73.8
Wholesale and retail .....	135.1
Financial and insurance.....	4.7
Real estate, goods rental and leasing .....	159.6
Services.....	128.0
Other industries.....	372.2
Subtotal .....	1,042.4
Overseas operations and offshore banking accounts	
Financial institutions.....	2.8
C&I companies.....	126.6
Others.....	79.4
Subtotal .....	208.8
<b>Total.....</b>	<b>1,251.2</b>

Notes: 1. The above amounts are credits subject to self-assessment, including mainly off-balance sheet credits to obligors categorized as "Substandard Borrowers" or lower under self-assessment.

2. The above amounts include partial direct write-offs (direct reductions).

3. "Domestic operations" comprises the operations of Sumitomo Mitsui Financial Group, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

#### 4. Term-End Balances of General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and Loan Loss Reserve for Specific Overseas Countries

##### (1) By Geographic Region

	Billions of yen				
	September 30, 2017 (A)	March 31, 2017 (B)	September 30, 2016	March 31, 2016	Increase (decrease) (A) – (B)
General reserve for possible loan losses.....	424.2	431.5	377.9	395.5	(7.3)
Loan loss reserve for specific overseas countries .....	1.1	1.5	1.2	1.3	(0.4)
Specific reserve for possible loan losses .....	470.6	501.4	529.5	530.1	(30.8)
Domestic operations (excluding offshore banking accounts) .....	384.6	422.2	462.7	457.9	(37.6)
Overseas operations and offshore banking accounts.....	86.0	79.2	66.8	72.2	6.8
Asia.....	26.4	22.0	17.0	19.0	4.4
North America.....	11.5	7.7	7.3	15.3	3.8
Other regions .....	48.1	49.5	42.6	37.9	(1.4)
Total .....	895.9	934.4	908.6	926.9	(38.5)

Notes: 1. "Specific reserve for possible loan losses" includes partial direct write-offs (direct reductions).

2. "Domestic operations" comprises the operations of Sumitomo Mitsui Financial Group, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries, and the term-end balances are calculated based on the obligor's domicile country.

##### (2) By Industry

	Billions of yen				
	September 30, 2017 (A)	March 31, 2017 (B)	September 30, 2016	March 31, 2016	Increase (decrease) (A) – (B)
General reserve for possible loan losses.....	424.2	431.5	377.9	395.5	(7.3)
Loan loss reserve for specific overseas countries .....	1.1	1.5	1.2	1.3	(0.4)
Specific reserve for possible loan losses .....	470.6	501.4	529.5	530.1	(30.8)
Domestic operations (excluding offshore banking accounts) .....	384.6	422.2	462.7	457.9	(37.6)
Manufacturing.....	47.5	56.1	67.6	60.0	(8.6)
Agriculture, forestry, fishery and mining .....	2.2	2.3	2.7	2.6	(0.1)
Construction .....	14.6	14.6	15.6	13.7	0.0
Transport, information, communications and utilities.....	30.8	55.5	60.9	69.8	(24.7)
Wholesale and retail.....	53.6	55.0	61.5	63.9	(1.4)
Financial and insurance.....	3.4	3.7	4.3	6.7	(0.3)
Real estate, goods rental and leasing .....	69.0	74.7	80.1	81.3	(5.7)
Services.....	53.9	56.8	56.6	48.0	(2.9)
Other industries .....	109.6	103.5	113.4	111.9	6.1
Overseas operations and offshore banking accounts.....	86.0	79.2	66.8	72.2	6.8
Financial institutions .....	0.3	0.2	0.2	0.3	0.1
C&I companies .....	66.2	64.8	52.4	65.9	1.4
Others .....	19.5	14.2	14.0	6.0	5.3
Total .....	895.9	934.4	908.6	926.9	(38.5)

Notes: 1. "Specific reserve for possible loan losses" includes partial direct write-offs (direct reductions).

2. "Domestic operations" comprises the operations of Sumitomo Mitsui Financial Group, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

#### 5. Loan Write-Offs by Industry

	Billions of yen	
	First half of fiscal 2017	
Domestic operations (excluding offshore banking accounts)		
Manufacturing.....	0.1	
Agriculture, forestry, fishery and mining .....	0.0	
Construction .....	0.3	
Transport, information, communications and utilities.....	0.0	
Wholesale and retail .....	0.3	
Financial and insurance.....	0.0	
Real estate, goods rental and leasing .....	0.0	
Services .....	0.8	
Other industries .....	39.3	
Subtotal .....	41.0	
Overseas operations and offshore banking accounts		
Financial institutions .....	—	
C&I companies .....	2.4	
Others.....	2.0	
Subtotal .....	4.4	
Total .....	45.3	

Note: "Domestic operations" comprises the operations of Sumitomo Mitsui Financial Group, its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries. "Overseas operations" comprises the operations of the overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries.

## ■ Market Risk

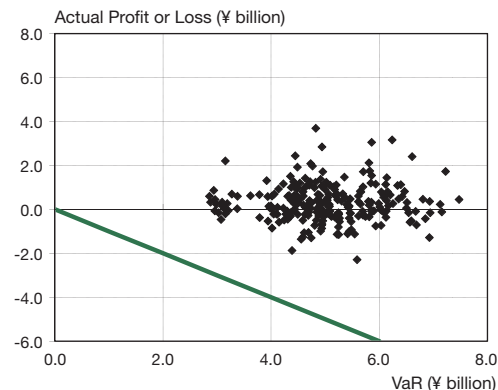
### 1. VaR Results (Trading Book)

	Billions of yen	
	First half of fiscal 2017	
	VaR	Stressed VaR
September 30.....	5.5	5.6
Maximum.....	6.9	14.5
Minimum.....	3.0	4.3
Average .....	5.2	7.7

- Notes: 1. The VaR results for a one-day holding period with a one-sided confidence interval of 99.0%, computed daily using the historical simulation method based on four years of historical observations.  
 2. The stressed VaR is calculated on a daily basis by using the historical simulation method for the holding period of one day, one-sided confidence interval of 99.0%, and measurement period of 1 year (including the stress period).  
 3. Specific risks for the trading book are excluded.  
 4. Principal consolidated subsidiaries are included.

### 2. Back-Testing Results (Trading Book)

The results of back-testing for the one-year period from October 2016 to September 2017 are shown below. A data point under the diagonal line indicates a loss exceeding VaR for that day. There has been no points observed under the diagonal line, which demonstrates that the Sumitomo Mitsui Financial Group's VaR model with a one-sided confidence interval of 99.0% is sufficiently reliable.



## ■ Interest Rate Risk in Banking Book

### VaR Results (Banking Book)

	Billions of yen
	First half of fiscal 2017
September 30.....	44.9
Maximum.....	50.7
Minimum.....	41.2
Average .....	46.1

- Notes: 1. The VaR results for a one-day holding period with a one-sided confidence interval of 99.0%, computed daily using the historical simulation method based on four years of historical observations.  
 2. Principal consolidated subsidiaries are included.

# Basel III Information

## Capital Ratio Information (Consolidated)

Sumitomo Mitsui Banking Corporation and Subsidiaries

### Capital Structure Information (Consolidated Capital Ratio (International Standard))

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2018		As of September 30, 2017	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
<b>Common Equity Tier 1 capital: instruments and reserves</b>					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	7,047,123		6,688,945	
1a	of which: capital and capital surplus	3,527,346		3,531,372	
2	of which: retained earnings	3,718,567		3,349,670	
1c	of which: treasury stock (-)	-		-	
26	of which: cash dividends to be paid (-)	198,790		192,097	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	-		-	
3	Accumulated other comprehensive income and other disclosed reserves	1,499,540	-	1,234,428	308,607
5	Adjusted non-controlling interests, etc. (amount allowed to be included in group Common Equity Tier 1)	330		186,741	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	-		12,220	
	of which: non-controlling interests and other items corresponding to common share capital issued by consolidated subsidiaries (amount allowed to be included in group Common Equity Tier 1)	-		12,220	
6	Common Equity Tier 1 capital: instruments and reserves (A)	8,546,993		8,122,336	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	233,723	-	214,336	53,584
8	of which: goodwill (including those equivalent)	29,160	-	40,532	10,133
9	of which: other intangible assets other than goodwill and mortgage servicing rights	204,562	-	173,804	43,451
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	981	-	969	242
11	Net deferred gains or losses on hedges	(101,793)	-	(33,253)	(8,313)
12	Shortfall of eligible provisions to expected losses	10,403	-	-	-
13	Gain on sale on securitization transactions	62,028	-	49,323	12,330
14	Gains and losses due to changes in own credit risk on fair valued liabilities	3,360	-	1,861	465
15	Net defined benefit asset	273,012	-	181,082	45,270
16	Investments in own shares (excluding those reported in the Net assets section)	-	-	22	5
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 ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital ("Non-significant Investment") (amount above the 10% threshold)	-	-	-	-
19+20+21	Amount exceeding the 10% threshold on specified items	-	-	-	-
19	of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-	-	-
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 Other Financial Institutions, net of eligible short positions	-	-	-	-
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)	481,717		414,343	
<b>Common Equity Tier 1 capital (CET1)</b>					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	8,065,276		7,707,993	



(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2018		As of September 30, 2017		
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements	
<b>Additional Tier 1 capital: instruments</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 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	1,100,000	/	450,000	/
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	-	/	-	/
34-35	Adjusted non-controlling interests, etc. (amount allowed to be included in group Additional Tier 1)	23,719	/	28,412	/	
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	323,130	/	611,046	/	
33	of which: instruments issued by banks and their special purpose vehicles	323,130	/	611,046	/	
35	of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	-	/	-	/	
	Total of items included in Additional Tier 1 capital: items subject to transitional arrangements	-	/	2,124	/	
	of which: foreign currency translation adjustments	-	/	2,124	/	
36	Additional Tier 1 capital: instruments (D)	1,446,849	/	1,091,582	/	
<b>Additional Tier 1 capital: regulatory adjustments</b>						
37	Investments in own Additional Tier 1 instruments	-	-	-	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	-	-	-	
39	Non-significant Investments in the Additional Tier 1 capital of Other Financial Institutions, net of eligible short positions (amount above 10% threshold)	-	-	-	-	
40	Significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	0	-	65,312	16,328	
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	-	/	23,798	/	
	of which: goodwill and others	-	/	11,467	/	
	of which: gain on sale on securitization transactions	-	/	12,330	/	
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	-	/	-	/	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	/	-	/	
43	Additional Tier 1 capital: regulatory adjustments (E)	0	/	89,110	/	
<b>Additional Tier 1 capital (AT1)</b>						
44	Additional Tier 1 capital ((D)-(E)) (F)	1,446,849	/	1,002,472	/	
<b>Tier 1 capital (T1 = CET1 + AT1)</b>						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	9,512,126	/	8,710,465	/	
<b>Tier 2 capital: instruments and provisions</b>						
46		Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its 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	1,007,765	/	906,295	/
		Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	-	/	-	/
48-49	Adjusted non-controlling interests, etc. (amount allowed to be included in group Tier 2)	5,538	/	5,657	/	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	566,774	/	812,203	/	
47	of which: instruments issued by banks and their special purpose vehicles	566,774	/	812,203	/	
49	of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	-	/	-	/	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	6,024	/	28,864	/	
50a	of which: general reserve for possible loan losses	6,024	/	6,475	/	
50b	of which: eligible provisions	-	/	22,389	/	
	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	-	/	192,849	/	
	of which: unrealized gains on other securities after 55% discount	-	/	186,671	/	
	of which: land revaluation excess after 55% discount	-	/	6,177	/	
51	Tier 2 capital: instruments and provisions (H)	1,586,102	/	1,945,869	/	

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2018		As of September 30, 2017	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
<b>Tier 2 capital: regulatory adjustments</b>					
52	Investments in own Tier 2 instruments	-	-	-	-
53	Reciprocal cross-holdings in Tier 2 instruments	-	-	-	-
54	Non-significant Investments in the Tier 2 capital of Other Financial Institutions, net of eligible short positions (amount above the 10% threshold)	-	-	-	-
55	Significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions)	50,000	-	120,000	30,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	-	/	20,591	/
	of which: Tier 2 and deductions under Basel II	-	/	20,591	/
57	Tier 2 capital: regulatory adjustments (I)	50,000	/	140,591	/
<b>Tier 2 capital (T2)</b>					
58	Tier 2 capital (T2) ((H)-(I)) (J)	1,536,102	/	1,805,278	/
<b>Total capital (TC = T1 + T2)</b>					
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	11,048,229	/	10,515,743	/
<b>Risk weighted assets</b>					
	Total of items included in risk weighted assets subject to transitional arrangements	-	/	32,725	/
	of which: intangible assets (excluding those relating to mortgage servicing rights)	-	/	10,679	/
	of which: net defined benefit asset	-	/	12,740	/
	of which: significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions)	-	/	8,667	/
60	Risk weighted assets (L)	52,560,056	/	57,348,399	/
<b>Capital ratio (consolidated)</b>					
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	15.34%	/	13.44%	/
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	18.09%	/	15.18%	/
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	21.02%	/	18.33%	/
<b>Regulatory adjustments</b>					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	307,248	/	346,497	/
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	615,321	/	541,833	/
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)	867	/	2,991	/
<b>Provisions included in Tier 2 capital: instruments and provisions</b>					
76	Provisions (general reserve for possible loan losses)	6,024	/	6,475	/
77	Cap on inclusion of provisions (general reserve for possible loan losses)	21,741	/	23,974	/
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	/	22,389	/
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	257,317	/	294,538	/
<b>Capital instruments subject to transitional arrangements</b>					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	495,143	/	618,928	/
83	Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities)	-	/	-	/
84	Current cap on Tier 2 instruments subject to transitional arrangements	813,811	/	1,017,264	/
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-	/	-	/

(Millions of yen)

Items	As of September 30, 2018	As of September 30, 2017
Required capital ((L) × 8%)	4,204,804	4,587,871

## ■ Reconciliation of Regulatory Capital Elements Back to the Balance Sheet (As of September 30, 2017 and 2018)

Sumitomo Mitsui Banking Corporation and Subsidiaries

(Millions of yen)

Items	Consolidated balance sheet as in published financial statements		Cross-reference to Appended Table	Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template)
	As of September 30, 2018	As of September 30, 2017		
(Assets)				
Cash and due from banks	54,237,812	47,819,202		
Call loans and bills bought	2,360,764	1,952,757		
Receivables under resale agreements	3,869,305	2,037,807		
Receivables under securities borrowing transactions	1,566,439	3,470,616		
Monetary claims bought	4,531,451	4,514,984		
Trading assets	2,536,196	2,346,929	6-a	
Money held in trust	0	0		
Securities	24,521,906	23,968,348	2-b, 6-b	
Loans and bills discounted	78,904,248	84,235,689	6-c	
Foreign exchanges	2,363,570	2,504,825		
Lease receivables and investment assets	233,476	290,472		
Other assets	4,270,745	4,015,840		
Tangible fixed assets	1,391,636	1,433,409		
Intangible fixed assets	306,681	341,892	2-a	
Net defined benefit asset	392,807	324,944	3	
Deferred tax assets	24,549	51,556	4-a	
Customers' liabilities for acceptances and guarantees	8,189,849	7,354,080		
Reserve for possible loan losses	(314,286)	(461,105)		
<b>Total assets</b>	<b>189,387,158</b>	<b>186,202,251</b>		
(Liabilities)				
Deposits	120,066,969	120,594,388		
Negotiable certificates of deposit	11,740,153	13,626,156		
Call money and bills sold	913,277	914,331		
Payables under repurchase agreements	9,099,143	3,797,113		
Payables under securities lending transactions	699,650	3,802,884		
Commercial paper	2,545,112	2,333,488		
Trading liabilities	1,936,458	2,023,299	6-d	
Borrowed money	14,614,147	12,638,869	8	
Foreign exchanges	1,095,327	1,172,082		
Bonds	3,453,015	3,556,595		
Due to trust account	1,373,949	1,215,144		
Other liabilities	3,986,538	3,342,494		
Reserve for employee bonuses	23,688	28,744		
Net defined benefit liability	5,672	14,921		
Reserve for executive retirement benefits	597	816		
Reserve for point service program	548	867		
Reserve for reimbursement of deposits	12,391	8,721		
Reserve for losses on interest repayment	—	29		
Deferred tax liabilities	441,448	410,271	4-b	
Deferred tax liabilities for land revaluation	30,423	31,244	4-c	
Acceptances and guarantees	8,189,849	7,354,080		
<b>Total liabilities</b>	<b>180,228,366</b>	<b>176,866,543</b>		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	1,966,353	1,970,379	1-b	
Retained earnings	3,718,567	3,349,670	1-c	
Treasury stock	(210,003)	(210,003)	1-d	
<b>Total stockholders' equity</b>	<b>7,245,914</b>	<b>6,881,042</b>		
Net unrealized gains on other securities	1,487,109	1,519,633		
Net deferred gains or losses on hedges	(102,523)	(42,736)	5	
Land revaluation excess	36,576	37,581		
Foreign currency translation adjustments	23,508	10,620		
Remeasurements of defined benefit plans	54,869	17,935		
<b>Total accumulated other comprehensive income</b>	<b>1,499,540</b>	<b>1,543,035</b>		
Stock acquisition rights	—	292	7-a	3
Non-controlling interests	413,336	911,337	7-b	
<b>Total net assets</b>	<b>9,158,791</b>	<b>9,335,708</b>		
<b>Total liabilities and net assets</b>	<b>189,387,158</b>	<b>186,202,251</b>		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appended Table)

1. Stockholders' equity

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks	Ref. No.
Capital stock	1,770,996	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-a
Capital surplus	1,966,353	1,970,379	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	3,718,567	3,349,670		1-c
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	7,245,914	6,881,042		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	7,245,914	6,881,042	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,527,346	3,531,372		1a
of which: retained earnings	3,718,567	3,349,670		2
of which: treasury stock (-)	—	—		1c
of which: other than the above	—	—		
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	—	Stockholders' equity attributable to preferred shares with a loss absorbency clause upon entering into effectively bankruptcy	31a

2. Intangible assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks	Ref. No.
Intangible fixed assets	306,681	341,892		2-a
Securities	24,521,906	23,968,348		2-b
of which: goodwill attributable to equity-method investees	16,795	21,317		
Income taxes related to above	89,753	95,288		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Goodwill (including those equivalent)	29,160	50,665		8
Other intangible assets other than goodwill and mortgage servicing rights	204,562	217,255	Software and other	9
Mortgage servicing rights	—	—		
Amount exceeding the 10% threshold on specified items	—	—		20
Amount exceeding the 15% threshold on specified items	—	—		24
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—	—		74

3. Net defined benefit asset

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks	Ref. No.
Net defined benefit asset	392,807	324,944		3
Income taxes related to above	119,795	98,590		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Net defined benefit asset	273,012	226,353		15

#### 4. Deferred tax assets

##### (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks
Deferred tax assets	24,549	51,556	
Deferred tax liabilities	441,448	410,271	
Deferred tax liabilities for land revaluation	30,423	31,244	
Tax effects on other intangible assets	89,753	95,288	
Tax effects on net defined benefit asset	119,795	98,590	

Ref. No.
4-a
4-b
4-c

##### (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	981	1,211	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.
Deferred tax assets arising from temporary differences (net of related tax liability)	867	2,991	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.
Amount exceeding the 10% threshold on specified items	—	—	
Amount exceeding the 15% threshold on specified items	—	—	
Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	867	2,991	

Basel III Template No.
10
21
25
75

#### 5. Deferred gains or losses on derivatives under hedge accounting

##### (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks
Net deferred gains or losses on hedges	(102,523)	(42,736)	

Ref. No.
5

##### (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks
Net deferred gains or losses on hedges	(101,793)	(41,566)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"

Basel III Template No.
11

#### 6. Items associated with investments in the capital of financial institutions

##### (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks
Trading assets	2,536,196	2,346,929	Including trading account securities and derivatives for trading assets
Securities	24,521,906	23,968,348	
Loans and bills discounted	78,904,248	84,235,689	Including subordinated loans
Trading liabilities	1,936,458	2,023,299	Including trading account securities sold and derivatives for trading liabilities

Ref. No.
6-a
6-b
6-c
6-d

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Investments in own capital instruments	—	28		
Common Equity Tier 1 capital	—	28		16
Additional Tier 1 capital	—	—		37
Tier 2 capital	—	—		52
Reciprocal cross-holdings in the capital of banking, financial and insurance entities	—	—		
Common Equity Tier 1 capital	—	—		17
Additional Tier 1 capital	—	—		38
Tier 2 capital	—	—		53
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital ("Non-significant Investment") (amount above the 10% threshold)	307,248	346,497		
Common Equity Tier 1 capital	—	—		18
Additional Tier 1 capital	—	—		39
Tier 2 capital	—	—		54
Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	307,248	346,497		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	665,321	773,473		
Amount exceeding the 10% threshold on specified items	—	—		19
Amount exceeding the 15% threshold on specified items	—	—		23
Additional Tier 1 capital	0	81,640		40
Tier 2 capital	50,000	150,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	615,321	541,833		73

## 7. Non-controlling interests

## (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks	Ref. No.
Stock acquisition rights	—	292		7-a
Non-controlling interests	413,336	911,337		7-b

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Amount allowed to be included in group Common Equity Tier 1	330	186,741		5
Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—		30-31ab-32
Amount allowed to be included in group Additional Tier 1	23,719	28,412		34-35
Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—		46
Amount allowed to be included in group Tier 2	5,538	5,657		48-49

## 8. Other capital instruments

## (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks	Ref. No.
Borrowed money	14,614,147	12,638,869		8

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,100,000	450,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,007,765	906,295		46

## Note:

Amounts in the "Composition of capital disclosure" are based on those before considering under transitional arrangements and includes "Amounts excluded under transitional arrangements" disclosed in "Capital Structure Information" as well as amounts included as regulatory capital. In addition, items for regulatory purpose under transitional arrangement are excluded from this table.

## Leverage Ratio Information (Consolidated)

Sumitomo Mitsui Banking Corporation and Subsidiaries

### ■ Composition of Leverage Ratio

(In million yen, %)

Corresponding line # on Basel III disclosure template (Table2)	Corresponding line # on Basel III disclosure template (Table1)	Item	As of September 30, 2018	As of September 30, 2017
On-balance sheet exposures (1)				
1		On-balance sheet exposures before deducting adjustment items	172,020,473	167,535,269
1a	1	Total assets reported in the consolidated balance sheet	189,387,158	186,202,251
1b	2	The amount of assets of subsidiaries that are not included in the scope of the leverage ratio on a consolidated basis (-)	—	—
1c	7	The amount of assets of subsidiaries that are included in the scope of the leverage ratio on a consolidated basis (except those included in the total assets reported in the consolidated balance sheet)	—	—
1d	3	The amount of assets that are deducted from the total assets reported in the consolidated balance sheet (except adjustment items) (-)	17,366,684	18,666,982
2	7	The amount of adjustment items pertaining to Tier 1 capital (-)	518,121	461,723
3		Total on-balance sheet exposures (a)	171,502,352	167,073,545
Exposures related to derivative transactions (2)				
4		Replacement cost associated with derivatives transactions, etc.	2,137,957	2,040,429
5		Add-on amount associated with derivatives transactions, etc.	2,996,502	3,107,465
		The amount of receivables arising from providing cash margin in relation to derivatives transactions, etc.	268,087	615,358
6		The amount of receivables arising from providing cash margin, provided where deducted from the consolidated balance sheet pursuant to the operative accounting framework	—	—
7		The amount of deductions of receivables (out of those arising from providing cash variation margin) (-)	268,087	615,358
8		The amount of client-cleared trade exposures for which a bank acting as clearing member is not obliged to make any indemnification (-)	—	—
9		Adjusted effective notional amount of written credit derivatives	67,697	86,789
10		The amount of deductions from effective notional amount of written credit derivatives (-)	67,697	86,789
11	4	Total exposures related to derivative transactions (b)	5,134,459	5,147,895
Exposures related to repo transactions (3)				
12		The amount of assets related to repo transactions, etc.	5,435,745	5,508,424
13		The amount of deductions from the assets above (line 12) (-)	—	—
14		The exposures for counterparty credit risk for repo transactions, etc.	363,455	377,992
15		The exposures for agent repo transaction	—	—
16	5	Total exposures related to repo transactions, etc. (c)	5,799,200	5,886,417
Exposures related to off-balance sheet transactions (4)				
17		Notional amount of off-balance sheet transactions	58,298,119	59,283,120
18		The amount of adjustments for conversion in relation to off-balance sheet transactions (-)	38,868,164	39,258,151
19	6	Total exposures related to off-balance sheet transactions (d)	19,429,955	20,024,969
Leverage ratio on a consolidated basis (5)				
20		The amount of capital (Tier 1 capital) (e)	9,512,126	8,710,465
21	8	Total exposures ((a)+(b)+(c)+(d)) (f)	201,865,967	198,132,827
22		Leverage ratio on a consolidated basis ((e)/(f))	4.71%	4.39%

## Liquidity Coverage Ratio Information (Consolidated)

Sumitomo Mitsui Banking Corporation and Subsidiaries

Since March 31, 2015, the “Liquidity Coverage Ratio” (hereinafter referred to as “LCR”), the liquidity regulation under the Basel III, has been introduced in Japan. In addition to the application of uniform international standards, SMBC calculates its consolidated LCR using the calculation formula stipulated in the “Criteria for Evaluating the Soundness of Liquidity Status Set Forth by a Bank as a Benchmark for Judging its Soundness of Management, Based on the Provision of Article 14-2 of the Banking Act” (Notification No. 60 issued by the Japanese Financial Services Agency in 2014; hereinafter referred to as the “LCR Notification”).

### ■ Disclosure of Qualitative Information about Liquidity Coverage Ratio

#### 1. Intra-period Changes in Consolidated LCR

As described on the following page, the LCR has remained stable with no significant fluctuation since the introduction of the liquidity regulation on March 31, 2015.

#### 2. Assessment of Consolidated LCR

The LCR Notification stipulates the minimum requirement of the LCR for 2018 at 90%, and 100% from 2019 onwards. The LCR of SMBC (consolidated) exceeds the minimum requirements of the LCR for 2018 and for 2019 onwards, having no cause for concern. In terms of the future LCR forecasts, SMBC does not expect significant deviations from the disclosed ratios. In addition, the actual LCR does not differ significantly from the initial forecast.

#### 3. Composition of High-Quality Liquid Assets

Regarding the high-quality liquid assets allowed to be included in the calculation, there are no significant changes in locations and properties of currency denominations, categories and so on. In addition, in respect of major currencies (those of which the aggregate amount of liabilities denominated in a certain currency accounts for 5% or more of SMBC’s total liabilities on the consolidated basis), there is no significant mismatch in currency denomination between the total amount of the high-quality liquid assets allowed to be included in the calculation and the amount of net cash outflows.

#### 4. Other Information Concerning Consolidated LCR

SMBC has not applied “special provisions concerning qualifying operational deposits” prescribed in Article 29 of the LCR Notification and “increased liquidity needs related to market valuation changes on derivative or other transactions simulated through Scenario Approach” prescribed in Article 38 of the LCR Notification. Meanwhile, SMBC records “cash outflows related to small-sized consolidated subsidiaries,” etc. under “cash outflows based on other contracts” prescribed in Article 60 of the LCR Notification.



## ■ Disclosure of Quantitative Information about Liquidity Coverage Ratio (Consolidated)

(In million yen, %, the number of data)

Item		Current Quarter (From 2018/7/1 To 2018/9/30)		Prior Quarter (From 2018/4/1 To 2018/6/30)	
<b>High-Quality Liquid Assets (1)</b>					
1	Total high-quality liquid assets (HQLA)	62,803,098		63,675,661	
<b>Cash Outflows (2)</b>		<b>TOTAL UNWEIGHTED VALUE</b>	<b>TOTAL WEIGHTED VALUE</b>	<b>TOTAL UNWEIGHTED VALUE</b>	<b>TOTAL WEIGHTED VALUE</b>
2	Cash outflows related to unsecured retail funding	48,488,202	3,794,346	47,683,032	3,744,124
3	of which, Stable deposits	15,074,998	452,452	14,642,006	439,455
4	of which, Less stable deposits	33,413,204	3,341,894	33,041,026	3,304,669
5	Cash outflows related to unsecured wholesale funding	64,412,377	32,182,164	65,252,090	32,619,363
6	of which, Qualifying operational deposits	—	—	—	—
7	of which, Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	59,378,232	27,148,019	59,834,675	27,201,948
8	of which, Debt securities	5,034,145	5,034,145	5,417,415	5,417,415
9	Cash outflows related to secured funding, etc.	153,224		109,213	
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	22,776,294	7,598,732	21,441,061	7,208,330
11	of which, Cash outflows related to derivative transactions, etc.	1,319,066	1,319,066	1,096,317	1,096,317
12	of which, Cash outflows related to funding programs	423,431	423,431	448,491	448,491
13	of which, Cash outflows related to credit and liquidity facilities	21,033,797	5,856,235	19,896,253	5,663,523
14	Cash outflows related to contractual funding obligations, etc.	5,507,636	4,306,630	5,610,381	4,335,204
15	Cash outflows related to contingencies	66,243,557	1,199,555	65,242,280	1,147,802
16	Total cash outflows	49,234,651		49,164,036	
<b>Cash Inflows (3)</b>		<b>TOTAL UNWEIGHTED VALUE</b>	<b>TOTAL WEIGHTED VALUE</b>	<b>TOTAL UNWEIGHTED VALUE</b>	<b>TOTAL WEIGHTED VALUE</b>
17	Cash inflows related to secured lending, etc.	2,389,049	633,615	3,248,503	548,517
18	Cash inflows related to collection of loans, etc.	2,766,610	1,911,137	2,744,370	1,948,085
19	Other cash inflows	2,143,712	1,124,362	2,517,272	1,130,858
20	Total cash inflows	7,299,371	3,669,115	8,510,144	3,627,460
<b>Consolidated Liquidity Coverage Ratio (4)</b>					
21	Total HQLA allowed to be included in the calculation	62,803,098		63,675,661	
22	Net cash outflows	45,565,536		45,536,576	
23	Consolidated liquidity coverage ratio (LCR)	137.8%		139.8%	
24	The number of data used to calculate the average value	62		62	

Notes: 1. The data after the introduction of the liquidity regulation on March 31, 2015 is available on Sumitomo Mitsui Financial Group's website. ([https://www.smfg.co.jp/english/investor/financial/basel\\_3.html](https://www.smfg.co.jp/english/investor/financial/basel_3.html))

2. The average values are calculated based on daily data in accordance with Notification No. 7 issued by the Japanese Financial Services Agency in 2015. Some data, such as attribute information of customers and data on consolidated subsidiaries, is updated on the monthly or quarterly basis.

## ■ Breakdown of High-Quality Liquid Assets

(In million yen)

Item		Current Quarter (From 2018/7/1 To 2018/9/30)		Prior Quarter (From 2018/4/1 To 2018/6/30)	
1	Cash and due from banks	52,144,407		50,901,856	
2	Securities	10,658,691		12,773,805	
3	of which, government bonds, etc.	8,389,308		10,465,472	
4	of which, municipal bonds, etc.	61,998		66,086	
5	of which, other bonds	672,055		650,326	
6	of which, stocks	1,535,329		1,591,921	
7	Total high-quality liquid assets (HQLA)	62,803,098		63,675,661	

Note: The above amounts are those of high-quality liquid assets in accordance with the liquidity regulation under the Basel III and do not correspond to the financial amounts. The amounts stated are those after multiplying factors in the liquidity regulation under the Basel III.

## Capital Ratio Information (Non-consolidated)

Sumitomo Mitsui Banking Corporation

### ■ Capital Structure Information (Non-consolidated Capital Ratio (International Standard))

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2018		As of September 30, 2017	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
<b>Common Equity Tier 1 capital: instruments and reserves</b>					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,355,376		6,088,810	
1a	of which: capital and capital surplus	3,335,548		3,337,824	
2	of which: retained earnings	3,218,618		2,943,083	
1c	of which: treasury stock (-)	-		-	
26	of which: cash dividends to be paid (-)	198,790		192,097	
	of which: other than the above	-		-	
1b	Stock acquisition rights to common shares	-		-	
3	Valuation and translation adjustment and other disclosed reserves	1,430,313	-	1,191,148	297,787
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	-		-	
6	Common Equity Tier 1 capital: instruments and reserves (A)	7,785,690		7,279,958	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>					
8+9	Total intangible assets (excluding those relating to mortgage servicing rights)	157,502	-	127,749	31,937
8	of which: goodwill (including those equivalent)	-	-	-	-
9	of which: other intangible assets other than goodwill and mortgage servicing rights	157,502	-	127,749	31,937
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	-	-
11	Net deferred gains or losses on hedges	(102,847)	-	(42,017)	(10,504)
12	Shortfall of eligible provisions to expected losses	33,773	-	11,274	2,818
13	Gain on sale on securitization transactions	62,028	-	49,323	12,330
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	-	-
15	Prepaid pension cost	209,481	-	154,306	38,576
16	Investments in own shares (excluding those reported in the Net assets section)	-	-	-	-
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 ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital ("Non-significant Investment") (amount above the 10% threshold)	-	-	-	-
19+20+21	Amount exceeding the 10% threshold on specified items	-	-	-	-
19	of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-	-	-
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 Other Financial Institutions, net of eligible short positions	-	-	-	-
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)	359,938		300,635	
<b>Common Equity Tier 1 capital (CET1)</b>					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,425,751		6,979,322	

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2018		As of September 30, 2017		
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements	
<b>Additional Tier 1 capital: instruments</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 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	1,100,000	/	450,000	/
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	-	/	-	/
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	323,130	/	611,046	/	
	Total of items included in Additional Tier 1 capital: items subject to transitional arrangements	-	/	(147)	/	
	of which: foreign currency translation adjustments	-	/	(147)	/	
36	Additional Tier 1 capital: instruments	(D) 1,423,130	/	1,060,898	/	
<b>Additional Tier 1 capital: regulatory adjustments</b>						
37	Investments in own Additional Tier 1 instruments	-	-	-	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	-	-	-	
39	Non-significant Investments in the Additional Tier 1 capital of Other Financial Institutions, net of eligible short positions (amount above 10% threshold)	-	-	-	-	
40	Significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	-	-	61,008	15,252	
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	-	/	13,740	/	
	of which: gain on sale on securitization transactions	-	/	12,330	/	
	of which: amount equivalent to 50% of shortfall of eligible provisions to expected losses	-	/	1,409	/	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	/	-	/	
43	Additional Tier 1 capital: regulatory adjustments	(E) -	/	74,748	/	
<b>Additional Tier 1 capital (AT1)</b>						
44	Additional Tier 1 capital ((D)-(E))	(F) 1,423,130	/	986,149	/	
<b>Tier 1 capital (T1 = CET1 + AT1)</b>						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F))	(G) 8,848,881	/	7,965,472	/	
<b>Tier 2 capital: instruments and provisions</b>						
46		Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its 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	1,007,765	/	906,295	/
		Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	-	/	-	/
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	566,774	/	812,203	/	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	-	/	-	/	
50a	of which: general reserve for possible loan losses	-	/	-	/	
50b	of which: eligible provisions	-	/	-	/	
	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	-	/	190,742	/	
	of which: unrealized gains on other securities after 55% discount	-	/	185,601	/	
	of which: land revaluation excess after 55% discount	-	/	5,141	/	
51	Tier 2 capital: instruments and provisions	(H) 1,574,539	/	1,909,240	/	

(Millions of yen, except percentages)

Basel III Template No.	Items	As of September 30, 2018		As of September 30, 2017	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
<b>Tier 2 capital: regulatory adjustments</b>					
52	Investments in own Tier 2 instruments	-	-	-	-
53	Reciprocal cross-holdings in Tier 2 instruments	-	-	-	-
54	Non-significant Investments in the Tier 2 capital of Other Financial Institutions, net of eligible short positions (amount above the 10% threshold)	-	-	-	-
55	Significant investments in the Tier 2 capital of Other Financial Institutions (net of eligible short positions)	50,000	-	120,000	30,000
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	-	/	1,409	/
	of which: Tier 2 and deductions under Basel II	-	/	1,409	/
57	Tier 2 capital: regulatory adjustments (I)	50,000	/	121,409	/
<b>Tier 2 capital (T2)</b>					
58	Tier 2 capital (T2) ((H)-(I)) (J)	1,524,539	/	1,787,831	/
<b>Total capital (TC = T1 + T2)</b>					
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	10,373,421	/	9,753,304	/
<b>Risk weighted assets</b>					
	Total of items included in risk weighted assets subject to transitional arrangements	-	/	70,796	/
	of which: intangible assets (excluding those relating to mortgage servicing rights)	-	/	8,724	/
	of which: prepaid pension cost	-	/	10,537	/
	of which: significant investments in Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	-	/	42,867	/
60	Risk weighted assets (L)	49,887,388	/	50,790,646	/
<b>Capital ratio</b>					
61	Common Equity Tier 1 risk-weighted capital ratio ((C)/(L))	14.88%	/	13.74%	/
62	Tier 1 risk-weighted capital ratio ((G)/(L))	17.73%	/	15.68%	/
63	Total risk-weighted capital ratio ((K)/(L))	20.79%	/	19.20%	/
<b>Regulatory adjustments</b>					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	299,344	/	332,506	/
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	562,165	/	526,972	/
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)	-	/	-	/
<b>Provisions included in Tier 2 capital: instruments and provisions</b>					
76	Provisions (general reserve for possible loan losses)	-	/	-	/
77	Cap on inclusion of provisions (general reserve for possible loan losses)	2,867	/	2,445	/
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	/	-	/
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	260,386	/	271,119	/
<b>Capital instruments subject to transitional arrangements</b>					
82	Current cap on Additional Tier 1 instruments subject to transitional arrangements	494,943	/	618,678	/
83	Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities)	-	/	-	/
84	Current cap on Tier 2 instruments subject to transitional arrangements	806,896	/	1,008,620	/
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-	/	-	/

(Millions of yen)

Items	As of September 30, 2018	As of September 30, 2017
Required capital ((L) × 8%)	3,990,991	4,063,251

## ■ Reconciliation of Regulatory Capital Elements Back to the Balance Sheet (As of September 30, 2017 and 2018)

Sumitomo Mitsui Banking Corporation

(Millions of yen)

Items	Balance sheet as in published financial statements		Cross-reference to Appended Table	Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template)
	As of September 30, 2018	As of September 30, 2017		
(Assets)				
Cash and due from banks	51,791,818	43,529,923		
Call loans	1,850,707	1,525,292		
Receivables under resale agreements	2,876,602	770,942		
Receivables under securities borrowing transactions	1,144,423	3,044,605		
Monetary claims bought	1,508,037	1,272,119		
Trading assets	1,795,679	1,605,930	6-a	
Securities	25,251,730	24,295,598		
Loans and bills discounted	76,232,734	76,231,805	6-c	
Foreign exchanges	2,263,629	2,424,200		
Other assets	3,066,263	2,670,630		
Tangible fixed assets	796,487	810,253		
Intangible fixed assets	226,883	230,030	2	
Prepaid pension cost	301,760	277,848	3	
Customers' liabilities for acceptances and guarantees	9,016,490	7,933,259		
Reserve for possible loan losses	(254,381)	(349,605)		
Reserve for possible losses on investments	(10,169)	(19,813)		
<b>Total assets</b>	<b>177,858,696</b>	<b>166,253,022</b>		
(Liabilities)				
Deposits	113,331,228	106,907,529		
Negotiable certificates of deposit	11,330,980	12,919,152		
Call money	1,077,642	1,059,561		
Payables under repurchase agreements	8,398,472	2,838,175		
Payables under securities lending transactions	438,532	3,466,201		
Commercial paper	1,851,292	1,369,682		
Trading liabilities	1,558,058	1,397,857	6-d	
Borrowed money	14,435,776	12,614,328		
Foreign exchanges	1,126,098	1,182,751		
Bonds	3,409,763	3,502,294		
Due to trust account	1,319,712	1,196,281		
Other liabilities	2,155,192	1,686,758		
Reserve for employee bonuses	12,788	13,303		
Reserve for point service program	548	734		
Reserve for reimbursement of deposits	11,842	6,898		
Deferred tax liabilities	369,572	356,032	4-a	
Deferred tax liabilities for land revaluation	30,423	30,877	4-b	
Acceptances and guarantees	9,016,490	7,933,259		
<b>Total liabilities</b>	<b>169,874,415</b>	<b>158,481,680</b>		
(Net assets)				
Capital stock	1,770,996	1,770,996	1-a	
Capital surplus	1,774,554	1,776,830	1-b	
Retained earnings	3,218,786	2,943,331		
Treasury stock	(210,003)	(210,003)	1-d	
<b>Total stockholders' equity</b>	<b>6,554,334</b>	<b>6,281,155</b>		
Net unrealized gains on other securities	1,507,881	1,517,104		
Net deferred gains or losses on hedges	(103,538)	(53,162)		
Land revaluation excess	25,602	26,245		
<b>Total valuation and translation adjustments</b>	<b>1,429,945</b>	<b>1,490,187</b>		
<b>Total net assets</b>	<b>7,984,280</b>	<b>7,771,342</b>		
<b>Total liabilities and net assets</b>	<b>177,858,696</b>	<b>166,253,022</b>		

Note: The non-consolidated capital adequacy ratio is calculated based on the consolidated financial statements which include special purpose vehicles and other equivalent entities in accordance with Article 15 of "Criteria for Judging Whether A Financial Institution's Capital Is Sufficient in Light of the Assets Held, etc. under the Provision of Article 14-2 of the Banking Act" (Notification No. 19 of 2006, the Financial Services Agency). The above capital adequacy ratio is calculated using the following balance sheet accounts reported on the consolidated financial statements.

Balance sheet account	(Millions of yen)		Cross-reference to Appended Table	Reference # of Basel III common disclosure template under the Composition of Capital Disclosure (Basel III Template)
	Amount reported on the consolidated financial statements			
Securities	25,240,959	24,282,020	6-b	3
Borrowed money	14,109,353	11,997,082	7	
Retained earnings	3,218,618	2,943,083	1-c	
Net deferred gains or losses on hedges	(103,577)	(53,676)	5	
Total valuation and translation adjustments	1,430,313	1,488,935		

(Appended Table)

1. Stockholders' equity

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks	Ref. No.
Capital stock	1,770,996	1,770,996	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-a
Capital surplus	1,774,554	1,776,830	Including eligible Tier 1 capital instruments subject to transitional arrangement	1-b
Retained earnings	3,218,618	2,943,083		1-c
Treasury stock	(210,003)	(210,003)	Eligible Tier 1 capital instruments subject to transitional arrangement	1-d
Total stockholders' equity	6,554,167	6,280,907		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,554,167	6,280,907	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,335,548	3,337,824		1a
of which: retained earnings	3,218,618	2,943,083		2
of which: treasury stock (-)	—	—		1c
of which: other than the above	—	—		
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	—	Stockholders' equity attributable to preferred shares with a loss absorbency clause upon entering into effectively bankruptcy	31a

2. Intangible assets

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks	Ref. No.
Intangible fixed assets	226,883	230,030		2
Income taxes related to above	69,380	70,343		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Goodwill (including those equivalent)	—	—		8
Other intangible assets other than goodwill and mortgage servicing rights	157,502	159,686	Software and other	9
Mortgage servicing rights	—	—		
Amount exceeding the 10% threshold on specified items	—	—		20
Amount exceeding the 15% threshold on specified items	—	—		24
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—	—		74

3. Prepaid pension cost

(1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks	Ref. No.
Prepaid pension cost	301,760	277,848		3
Income taxes related to above	92,278	84,966		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Prepaid pension cost	209,481	192,882		15

#### 4. Deferred tax assets

##### (1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks
Deferred tax liabilities	369,572	356,032	
Deferred tax liabilities for land revaluation	30,423	30,877	
Tax effects on other intangible assets	69,380	70,343	
Tax effects on prepaid pension cost	92,278	84,966	

Ref. No.
4-a
4-b

##### (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	—	—	This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities.
Deferred tax assets arising from temporary differences (net of related tax liability)	—	—	This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities.
Amount exceeding the 10% threshold on specified items	—	—	
Amount exceeding the 15% threshold on specified items	—	—	
Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	—	—	

Basel III Template No.
10
21
25
75

#### 5. Deferred gains or losses on derivatives under hedge accounting

##### (1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks
Net deferred gains or losses on hedges	(103,577)	(53,676)	

Ref. No.
5

##### (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks
Net deferred gains or losses on hedges	(102,847)	(52,521)	Excluding those items whose valuation differences arising from hedged items are recognized as "Total valuation and translation adjustments"

Basel III Template No.
11

#### 6. Items associated with investments in the capital of financial institutions

##### (1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks
Trading assets	1,795,679	1,605,930	Including trading account securities and derivatives for trading assets
Securities	25,240,959	24,282,020	
Loans and bills discounted	76,232,734	76,231,805	Including subordinated loans
Trading liabilities	1,558,058	1,397,857	Including trading account securities sold and derivatives for trading liabilities

Ref. No.
6-a
6-b
6-c
6-d



## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Investments in own capital instruments	—	—		
Common Equity Tier 1 capital	—	—		16
Additional Tier 1 capital	—	—		37
Tier 2 capital	—	—		52
Reciprocal cross-holdings in the capital of banking, financial and insurance entities	—	—		
Common Equity Tier 1 capital	—	—		17
Additional Tier 1 capital	—	—		38
Tier 2 capital	—	—		53
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital ("Non-significant Investment") (amount above the 10% threshold)	299,344	332,506		
Common Equity Tier 1 capital	—	—		18
Additional Tier 1 capital	—	—		39
Tier 2 capital	—	—		54
Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	299,344	332,506		72
Significant investments in the capital of Other Financial Institutions, net of eligible short positions	612,165	753,233		
Amount exceeding the 10% threshold on specified items	—	—		19
Amount exceeding the 15% threshold on specified items	—	—		23
Additional Tier 1 capital	—	76,261		40
Tier 2 capital	50,000	150,000		55
Significant investments in the common stocks of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	562,165	526,972		73

## 7. Other capital instruments

## (1) Balance sheet

(Millions of yen)

Balance sheet items	As of September 30, 2018	As of September 30, 2017	Remarks	Ref. No.
Borrowed money	14,109,353	11,997,082		7

## (2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of September 30, 2018	As of September 30, 2017	Remarks	Basel III Template No.
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,100,000	450,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,007,765	906,295		46

## Note:

Amounts in the "Composition of capital disclosure" are based on those before considering under transitional arrangements and includes "Amounts excluded under transitional arrangements" disclosed in "Capital Structure Information" as well as amounts included as regulatory capital. In addition, items for regulatory purpose under transitional arrangement are excluded from this table.

## Liquidity Coverage Ratio Information (Non-consolidated)

Sumitomo Mitsui Banking Corporation

Since March 31, 2015, the “Liquidity Coverage Ratio” (hereinafter referred to as “LCR”), the liquidity regulation under the Basel III, has been introduced in Japan. In addition to the application of uniform international standards, SMBC calculates its non-consolidated LCR using the calculation formula stipulated in the “Criteria for Evaluating the Soundness of Liquidity Status Set Forth by a Bank as a Benchmark for Judging its Soundness of Management, Based on the Provision of Article 14-2 of the Banking Act” (Notification No. 60 issued by the Japanese Financial Services Agency in 2014; hereinafter referred to as the “LCR Notification”).

### ■ Disclosure of Qualitative Information about Liquidity Coverage Ratio

#### 1. Intra-period Changes in Non-consolidated LCR

As described on the following page, the LCR has remained stable with no significant fluctuation since the introduction of the liquidity regulation on March 31, 2015.

#### 2. Assessment of Non-consolidated LCR

The LCR Notification stipulates the minimum requirement of the LCR for 2018 at 90%, and 100% from 2019 onwards. The LCR of SMBC (non-consolidated) exceeds the minimum requirements of the LCR for 2018 and for 2019 onwards, having no cause for concern. In terms of the future LCR forecasts, SMBC does not expect significant deviations from the disclosed ratios. In addition, the actual LCR does not differ significantly from the initial forecast.

#### 3. Composition of High-Quality Liquid Assets

Regarding the high-quality liquid assets allowed to be included in the calculation, there are no significant changes in locations and properties of currency denominations, categories and so on. In addition, in respect of major currencies (those of which the aggregate amount of liabilities denominated in a certain currency accounts for 5% or more of SMBC’s total liabilities on the non-consolidated basis), there is no significant mismatch in currency denomination between the total amount of the high-quality liquid assets allowed to be included in the calculation and the amount of net cash outflows.

#### 4. Other Information Concerning Non-consolidated LCR

SMBC has not applied “special provisions concerning qualifying operational deposits” prescribed in Article 29 of the LCR Notification and “increased liquidity needs related to market valuation changes on derivative or other transactions simulated through Scenario Approach” prescribed in Article 38 of the LCR Notification. Meanwhile, SMBC records “due to trust account,” etc. under “cash outflows based on other contracts” prescribed in Article 60 of the LCR Notification.

## ■ Disclosure of Quantitative Information about Liquidity Coverage Ratio (Non-consolidated)

(In million yen, %, the number of data)

Item		Current Quarter (From 2018/7/1 To 2018/9/30)		Prior Quarter (From 2018/4/1 To 2018/6/30)	
<b>High-Quality Liquid Assets (1)</b>					
1	Total high-quality liquid assets (HQLA)	57,715,368		58,644,543	
<b>Cash Outflows (2)</b>					
		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
2	Cash outflows related to unsecured retail funding	46,048,904	3,577,177	45,271,891	3,529,241
3	of which, Stable deposits	14,689,815	440,694	14,264,496	427,935
4	of which, Less stable deposits	31,359,089	3,136,482	31,007,395	3,101,306
5	Cash outflows related to unsecured wholesale funding	61,515,892	30,847,578	62,144,186	31,106,022
6	of which, Qualifying operational deposits	—	—	—	—
7	of which, Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	56,561,572	25,893,258	56,835,914	25,797,749
8	of which, Debt securities	4,954,319	4,954,319	5,308,273	5,308,273
9	Cash outflows related to secured funding, etc.	148,260		98,615	
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	20,742,726	6,740,760	19,749,536	6,541,613
11	of which, Cash outflows related to derivative transactions, etc.	561,027	561,027	542,608	542,608
12	of which, Cash outflows related to funding programs	423,431	423,431	448,491	448,491
13	of which, Cash outflows related to credit and liquidity facilities	19,758,269	5,756,302	18,758,437	5,550,514
14	Cash outflows related to contractual funding obligations, etc.	4,758,000	2,668,674	4,774,844	2,717,563
15	Cash outflows related to contingencies	65,922,850	1,108,719	65,487,469	1,079,962
16	Total cash outflows	45,091,167		45,073,016	
<b>Cash Inflows (3)</b>					
		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
17	Cash inflows related to secured lending, etc.	1,635,476	630,181	2,613,538	543,942
18	Cash inflows related to collection of loans, etc.	3,365,537	2,577,813	3,352,721	2,643,920
19	Other cash inflows	1,495,217	869,508	1,795,506	847,074
20	Total cash inflows	6,496,230	4,077,502	7,761,764	4,034,936
<b>Non-consolidated Liquidity Coverage Ratio (4)</b>					
21	Total HQLA allowed to be included in the calculation	57,715,368		58,644,543	
22	Net cash outflows	41,013,665		41,038,080	
23	Non-consolidated liquidity coverage ratio (LCR)	140.7%		142.9%	
24	The number of data used to calculate the average value	62		62	

Notes: 1. The data after the introduction of the liquidity regulation on March 31, 2015 is available on Sumitomo Mitsui Financial Group's website. ([https://www.smfg.co.jp/english/investor/financial/basel\\_3.html](https://www.smfg.co.jp/english/investor/financial/basel_3.html))

2. The average values are calculated based on daily data in accordance with Notification No. 7 issued by the Japanese Financial Services Agency in 2015. Some data such as attribute information of customers, is updated on the monthly or quarterly basis.

## ■ Breakdown of High-Quality Liquid Assets

(In million yen)

Item		Current Quarter (From 2018/7/1 To 2018/9/30)		Prior Quarter (From 2018/4/1 To 2018/6/30)	
1	Cash and due from banks	47,858,984		46,424,658	
2	Securities	9,856,384		12,219,886	
3	of which, government bonds, etc.	7,719,096		10,021,065	
4	of which, municipal bonds, etc.	61,972		66,059	
5	of which, other bonds	539,987		540,841	
6	of which, stocks	1,535,329		1,591,921	
7	Total high-quality liquid assets (HQLA)	57,715,368		58,644,543	

Note: The above amounts are those of high-quality liquid assets in accordance with the liquidity regulation under the Basel III and do not correspond to the financial amounts. The amounts stated are those after multiplying factors in the liquidity regulation under the Basel III.

## Glossary

### Advanced Measurement Approach (AMA)

Based on the operational risk measurement methods used in the internal management of financial institutions, this is a method for obtaining the operational risk equivalent amount by calculating the maximum amount of operational risk loss expected over a period of one year, with a one-sided confidence interval of 99.9%.

### Back-testing

A formal statistical framework that consists of verifying that actual losses are in line with projected losses. This involves systematically comparing the history of VaR forecasts with their associated portfolio returns.

### Basic Indicator Approach (BIA)

A calculation approach in which an average value for the most recent three years derived by multiplying gross profit for the financial institution as a whole by certain level (15%) is deemed to be the operational risk equivalent amount.

### Calculation of credit risk-weighted assets under Article 145 of the Notification

Method used for calculating the credit risk-weighted assets for the fund exposure, etc. There is a method of making the total credit risk-weighted asset of individual underlying asset of funds, etc. as the relevant exposure of the credit risk-weighted asset; or a method of applying the risk weight determined based on the formation of underlying assets to the relevant exposure.

### Capital adequacy ratio notification (“the Notification”)

Administrative action or written ordinance by which the Financial Services Agency officially informs Japanese banks of regulations regarding capital adequacy ratio.

### CCF

Abbreviation for Credit Conversion Factor  
Ratio required for converting off-balance sheet items such as guarantees or derivatives into on-balance sheet credit exposure equivalents.

### CCP-related exposure

Exposure to a central counterparty (CCP) that interposes itself between counterparties to contracts traded in one or more financial markets, becoming the buyer to every seller and the seller to every buyer and thereby ensuring the future performance of open contracts.

### CDS

Abbreviation for Credit Default Swap  
Derivative transactions which transfer the credit risk.

### Credit Risk Mitigation (CRM) Techniques

Method of reducing credit risk by guarantees, collateral and purchase of credit derivatives, etc.

### Credit risk-weighted assets

Total assets (lending exposures, including credit equivalent amount of off-balance sheet transactions, etc.) which are reevaluated according to the level of credit risk.

### Current exposure method

One of the methods for calculating the credit exposure equivalents of derivative transactions, etc. Method of calculating the equivalents by adding the amount (multiplying the notional amount by certain rate, and equivalent to the future exposure fluctuation amount) to the mark-to-market replacement cost calculated by evaluating the market price of the transaction.

### CVA (credit value adjustment) amount

Capital charges for market-price fluctuation of derivatives transaction due to deteriorated creditworthiness of a counterparty.

### EL

Abbreviation for Expected Loss  
Average loss expected to occur over the coming one year.

### Full revaluation approach

An approach for PL simulation by repricing the financial instruments under each scenario.

### High-quality liquid assets (HQLA)

Liquid assets that can be converted easily and immediately into cash to meet liquidity needs in a specified stress scenario for the subsequent 30 calendar days.

### Historical simulation method

Method of simulating future fluctuations without the use of random numbers, by using historical data for risk factors.

### Internal models approach (IMA)

Methods of measuring market risk equivalent amount as the value at risk (VaR) calculated with models determined by each bank.

### Internal models method

One of the methods of market-based approach using the VaR model to calculate the loss for shares held by the bank applying the Internal Ratings-Based Approach, and dividing such loss amount by 8% to obtain the credit risk-weighted asset of the equity exposure.

### The Internal Ratings-Based (IRB) Approach

A method of calculating the risk asset by applying PD (Probability of Default) estimated internally by financial institution which conducts sophisticated risk management. There are two methods to calculate exposures to corporate clients, etc.: the Advanced Internal Ratings-Based (AIRB) Approach and the Foundation Internal Ratings-Based (FIRB) Approach. The former uses self-estimated LGD and EAD values, while the latter uses LGD and EAD values designated by the authorities.

### LCR Notification

Administrative action and written ordinance for official notification to the general public of regulations concerning the LCR of financial institutions in Japan which are decided by the Japanese Financial Services Agency based on the Basel Agreement.

### LGD

Abbreviation for Loss Given Default  
Percentage of loss assumed in the event of default by obligor; ratio of uncollectible amount of the exposure owned in the event of default.

### Market-based approach

Method of calculating the risk assets of equity exposures, etc., by using the simple risk weight method or internal model method.

### Market risk equivalent amount

Pursuant to the Basel Capital Accord, the required capital amount imposed on the market-related risk calculated for the four risk categories of mainly the trading book: interest rates, stocks, foreign exchange and commodities.

### Net cash outflows

Net cash flows calculated as total expected cash outflows minus total expected cash inflows in a specified stress scenario for the subsequent 30 calendar days.

### Object finance

For providing credit for purchasing ships or aircrafts, the only source of repayments for the financing should be profits generated from the said tangible assets; and the said tangible assets serve as collaterals, and having an appreciable extent of control over the said tangible assets and profits generated from the said tangible assets.

### Operational risk equivalent amount

Operational risk capital requirements under the Basel Capital Accord.

### **Originator**

The term "originator" is used in the case that we are directly or indirectly involved in the formation of underlying assets for securitisation transactions when we have the securitisation exposure; or the cases of providing the back-up line for ABCP issued by the securitisation conduit for the purpose of obtaining exposure from the third party, or providing ABL to the securitisation conduit (as sponsor).

### **PD**

Abbreviation for Probability of Default  
Probability of becoming default by obligor during one year.

### **Project finance**

Out of credit provided for specified businesses such as electric power plants and transportation infrastructure, the only source of repayments is profits generated from the said businesses, and the collateral is tangible assets of the said businesses, and having an appreciable extent of control over the said tangible assets and profits generated from the said tangible assets.

### **Qualifying Revolving Retail Exposures (QRRE)**

Exposure which may fluctuate up to the upper limit set forth by an agreement according to the individual's voluntary decision, such as card loan and credit card, etc., and the upper limit of the exposure without any collateral is 10 million yen or less.

### **Risk weight**

Indicator which indicates the extent of credit risk determined by the types of assets (claims) owned. Risk weight becomes higher for assets with high risk of default.

### **Root-T rule**

A method of converting the term of estimating the maximum loss as VaR into short term or long term using statistical assumption.

### **Securitization transaction**

It is a transaction which stratifies the credit risk for the underlying assets into more than two exposures of senior/subordinated structure and has the quality of transferring part of or entire exposure to the third party.

### **Simple risk weight method**

One of market-based approaches for calculating the risk-weighted asset amount for the equity exposure, etc. by multiplying the listed shares and unlisted shares with the risk weights of 300% and 400%, respectively.

### **Slotting criteria**

For risk-weighted asset calculation under the Internal Ratings-Based (IRB) Approach, it is a method of mapping the credit rating to the risk-weight in 5 levels set forth by the Financial Services Agency for Specialised Lending.

### **Small-sized consolidated subsidiaries**

Consolidated subsidiaries that have extremely small impact on the level of the consolidated LCR.

### **Specialized Lending (SL)**

General term used for project finance, object finance, commodity finance and lending for commercial real estate.

### **The Standardized Approach (SA)**

Method of calculating risk-weighted assets by multiplying each obligor classification (corporation, financial institution, country, retail, etc.) by the risk-weight designated by the authorities.

### **Standardised approach**

Method of calculating market risk using formula determined by the Financial Services Agency.

### **Underlying assets**

General term used for assets which serve as the source of payments for principal and interest for securitization exposures, etc.

### **VaR**

Abbreviation for Value at Risk  
The maximum loss that can be expected to occur with a certain degree of probability when holding a financial asset portfolio for a given amount of time.

### **∠EVE**

Decrease in present value (EVE, Economic Value of Equity) against interest rate shock.

### **∠NII**

Decrease in interest income (NII, Net Interest Income) for 12 months that have passed from a reference date for calculation.