

Basel III Information

Capital Ratio and Leverage Ratio Information (Consolidated)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Regarding the calculation of the capital ratio and leverage ratio of Sumitomo Mitsui Financial Group, an external audit was performed by KPMG AZSA LLC pursuant to the Technical Practical Guidelines 4465 “Practical Guidelines on Agreed-Upon Procedures for the Capital Ratio and Leverage Ratio Calculation Framework.” The aforementioned external audit was not meant to provide a statement of opinions or conclusions on the capital ratio and leverage ratio themselves, or our internal control framework for calculating these ratios, but to present us a report on the results of the procedure performed within the scope agreed upon between the external auditor and us. It constitutes neither part of the audit of consolidated financial statements nor part of the audit of our internal control over financial reporting.

“Consolidated Capital Ratio and Leverage 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: 174
Please refer to “Principal Subsidiaries and Affiliates” on page 144 for their names and business outline.
- 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 us 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 Ratio Information (Consolidated)

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.

■ CC1: Composition of regulatory capital

(Millions of yen, except percentages)

Basel III Template No.	Items	a	b	c
		As of March 31, 2020	As of March 31, 2019	Reference to Template CC2
Common Equity Tier 1 capital: instruments and reserves (1)				
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	9,217,343	8,921,854	
1a	of which: capital and capital surplus	3,031,968	3,078,490	
2	of which: retained earnings	6,336,311	5,992,247	
1c	of which: treasury stock (-)	13,983	16,302	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	136,952	132,582	
	of which: other than the above	—	—	
1b	Stock acquisition rights to common shares	2,064	2,539	
3	Accumulated other comprehensive income and other disclosed reserves	1,365,673	1,713,884	(a)
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1,155	2,181	
6	Common Equity Tier 1 capital: instruments and reserves (A)	10,586,236	10,640,460	
Common Equity Tier 1 capital: regulatory adjustments (2)				
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	634,783	657,131	
8	of which: goodwill (including those equivalent)	237,333	247,659	
9	of which: other intangibles other than goodwill and mortgage servicing rights	397,450	409,472	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	3,390	2,208	
11	Net deferred gains or losses on hedges	84,324	(52,610)	
12	Shortfall of eligible provisions to expected losses	50,636	81,582	
13	Securitisation gain on sale	62,486	60,286	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	5,582	3,940	
15	Net defined benefit asset	160,200	228,913	
16	Investments in own shares (excluding those reported in the Net assets section)	3,567	4,491	
17	Reciprocal cross-holdings in common equity	—	—	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	—	—	
19+20+21	Amount exceeding the 10% threshold on specified items	—	—	
19	of which: significant investments in the common stock of financials	—	—	
20	of which: mortgage servicing rights	—	—	
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	
22	Amount exceeding the 15% threshold on specified items	—	—	
23	of which: significant investments in the common stock of financials	—	—	
24	of which: mortgage servicing rights	—	—	
25	of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	—	—	
28	Common Equity Tier 1 capital: regulatory adjustments (B)	1,004,972	985,942	
Common Equity Tier 1 capital (CET1)				
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	9,581,264	9,654,517	

(Millions of yen, except percentages)

Basel III Template No.	Items	a	b	c	
		As of March 31, 2020	As of March 31, 2019	Reference to Template CC2	
Additional Tier 1 capital: instruments (3)					
30	31a	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	—	
	31b	Stock acquisition rights to Additional Tier 1 instruments	—	—	
	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	684,797	598,974	
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)	9,400	62,752		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	—	436,500		
33	of which: instruments issued by bank holding companies and their special purpose vehicles	—	436,500		
35	of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	—	—		
36	Additional Tier 1 capital: instruments (D)	694,198	1,098,227		
Additional Tier 1 capital: regulatory adjustments					
37	Investments in own Additional Tier 1 instruments	—	—		
38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	—		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	—	—		
40	Significant investments in the Additional Tier 1 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	25,525	25,516		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—	—		
43	Additional Tier 1 capital: regulatory adjustments (E)	25,525	25,516		
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital ((D)-(E)) (F)	668,672	1,072,710		
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	10,249,936	10,727,228		
Tier 2 capital: instruments and provisions (4)					
46		Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	—	—	
		Stock acquisition rights to Tier 2 instruments	—	—	
		Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	961,464	997,723	
		Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group T2)	1,546	15,087		
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	358,491	488,092		
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)	358,491	488,092		
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	63,204	62,357		
50a	of which: general reserve for possible loan losses	63,204	62,357		
50b	of which: eligible provisions	—	—		
51	Tier 2 capital: instruments and provisions (H)	1,384,706	1,563,260		

(Millions of yen, except percentages)

Basel III Template No.	Items	a	b	c
		As of March 31, 2020	As of March 31, 2019	Reference to Template CC2
Tier 2 capital: regulatory adjustments (5)				
52	Investments in own Tier 2 instruments	0	0	
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	—	—	
54	Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	—	—	
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions	—	—	
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	82,643	50,000	
57	Tier 2 capital: regulatory adjustments (I)	82,643	50,000	
Tier 2 capital (T2)				
58	Tier 2 capital (T2) ((H)-(I)) (J)	1,302,063	1,513,260	
Total capital (TC = T1 + T2)				
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	11,552,000	12,240,489	
Risk weighted assets (6)				
60	Total risk-weighted assets (RWA) (L)	61,599,066	58,942,791	
Capital ratios (consolidated) and buffers (7)				
61	Common Equity Tier 1 risk-weighted capital ratio (consolidated) ((C)/(L))	15.55%	16.37%	
62	Tier 1 risk-weighted capital ratio (consolidated) ((G)/(L))	16.63%	18.19%	
63	Total risk-weighted capital ratio (consolidated) ((K)/(L))	18.75%	20.76%	
64	CET1 specific buffer requirement	3.52%	3.60%	
65	of which: capital conservation buffer requirement	2.50%	2.50%	
66	of which: countercyclical buffer requirement	0.02%	0.10%	
67	of which: G-SIB/D-SIB additional requirement	1.00%	1.00%	
68	CET1 available after meeting the minimum capital requirements	10.63%	11.87%	
Regulatory adjustments (8)				
72	Non-significant investments in the capital and other TLAC liabilities of other financials that are below the thresholds for deduction (before risk weighting)	679,784	816,189	
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)	907,634	921,378	
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)	4,128	2,605	
Provisions included in Tier 2 capital: instruments and provisions (9)				
76	Provisions (general reserve for possible loan losses)	75,065	72,970	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	63,204	62,357	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as "nil")	—	—	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	274,040	265,937	
Capital instruments subject to transitional arrangements (10)				
82	Current cap on AT1 instruments subject to transitional arrangements	325,171	487,757	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	—	—	
84	Current cap on T2 instruments subject to transitional arrangements	406,856	610,284	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	—	—	

(Millions of yen)

Items	As of March 31, 2020	As of March 31, 2019
Required capital ((L) × 8%)	4,927,925	4,715,423

■ 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 March 31, 2020	As of March 31, 2019	As of March 31, 2020	As of March 31, 2019
1	Credit risk (CR) (excluding counterparty credit risk)	40,936,349	39,966,325	3,442,320	3,360,021
2	Of which: Standardised Approach (SA)	3,050,149	2,843,844	244,011	227,507
3	Of which: internal ratings-based (IRB) approach	34,877,672	33,898,986	2,957,626	2,874,634
	Of which: significant investments in commercial entities	–	–	–	–
	Of which: lease residual value	46,881	52,206	3,750	4,176
	Other assets	2,961,646	3,171,288	236,931	253,703
4	Counterparty credit risk (CCR)	5,382,967	4,111,505	437,131	333,623
5	Of which: standardised approach for counterparty credit risk (SA-CCR)	–	–	–	–
	Of which: current exposure method (CEM)	1,495,568	1,094,827	125,330	91,618
6	Of which: Expected Positive Exposure (EPE)	–	–	–	–
	Of which: Credit Valuation Adjustment (CVA)	3,067,315	2,376,345	245,385	190,107
	Of which: Central Counterparty (CCP)	213,245	177,913	17,059	14,233
	Others	606,838	462,418	49,356	37,664
7	Equity positions in banking book under market-based approach	789,942	699,163	66,987	59,289
8	Equity investments in funds – look-through approach	1,766,889	2,107,834	141,351	168,626
9	Equity investments in funds – mandate-based approach	–	–	–	–
	Equity investments in funds – simple approach (subject to 250% risk weight)	41,242	20,577	3,310	1,669
	Equity investments in funds – simple approach (subject to 400% risk weight)	375,427	317,353	31,730	26,834
10	Equity investments in funds – fall-back approach	59,012	41,684	4,720	3,334
11	Settlement risk	10	–	0	–
12	Securitisation exposures in banking book	1,153,950	1,136,269	92,316	90,901
13	Of which: securitisation IRB approach (SEC-IRBA) or internal assessment approach (IAA)	1,020,034	970,149	81,602	77,611
14	Of which: securitisation external ratings-based approach (SEC-ERBA)	118,792	158,514	9,503	12,681
15	Of which: securitisation standardised approach (SEC-SA)	–	–	–	–
	Of which: Risk weight (RW) 1250% is applied	15,123	7,605	1,209	608
16	Market risk	2,509,994	2,323,156	200,799	185,852
17	Of which: standardised approach (SA)	825,580	752,059	66,046	60,164
18	Of which: internal model approaches (IMA)	1,684,414	1,571,096	134,753	125,687
19	Operational risk	3,924,796	3,617,535	313,983	289,402
20	Of which: Basic Indicator Approach	839,490	776,185	67,159	62,094
21	Of which: Standardised Approach	–	–	–	–
22	Of which: Advanced Measurement Approach	3,085,305	2,841,349	246,824	227,307
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	2,279,392	2,309,872	193,271	195,867
	RWA subject to transitional arrangements	–	–	–	–
24	Floor adjustment	–	–	–	–
25	Total (after applying scaling factors)	61,599,066	58,942,791	4,927,925	4,715,423

■ Credit Quality of Assets

1. Overview of Criteria for Accounting Provisions and Write-Offs

(1) Policies and Methods of Provisions and Write-Offs

For “Policies and Methods of Provisions and Write-Offs,” please refer to pages 116 to 120 (Risk Management - 3. Credit Risk Management Methods - (1) Credit Risk Assessment and Quantification, (4) Self-Assessment, Write-Offs and Provisions, Non-Performing Loans Disclosure).

(2) Extent of the Number of Delinquency Days of “Past Due Loans of Three Months or More” that are Allowed Not to Classify Their Loan Category as “Doubtful Assets” or Below (or Not to Judge as Loans to Parties Classified as Potentially Bankrupt Borrowers or Below) and Reasons Thereof

At SMBC, as a core bank of SMBC Group, the delinquency period of past due loans of three months or more that are allowed not to classify loans as doubtful assets or below (or not to judge as loans to parties classified as potentially bankrupt borrowers or below) is generally less than six months, and they are loans to parties that are expected to improve business conditions. If there are any past due loans of six months or more, they shall be in principle classified as loans to potentially bankrupt borrowers or below.

(3) Definition of Loans Whose Loan Terms and Conditions were Restructured

At SMBC, as a core bank of SMBC Group, loans whose loan terms and conditions were restructured are defined as loans with interest rate reduction, deferred payment of interest, deferred repayment of principal amount, abandonment of loans, or other arrangements that are advantageous for the obligors, for the purpose of business rehabilitation or support for the obligors. Obligors with loans whose loan terms and conditions were restructured may not be classified as doubtful assets or below depending on the outlook for business conditions, financial statements and loan terms and conditions. If the borrower category deteriorates due to restructuring of loan terms and conditions, provisions will increase.

(4) Key Differences in Parameters of Credit Risks Used to Calculate Provisions and Capital Ratio, Respectively

SMBC, as a core bank of SMBC Group, uses Probability of Default and loan-loss ratio as parameters for calculation of provisions.

Probability of Default is calculated based on the actual performance in the past of the deterioration rate for one year from each borrower category to potentially bankrupt borrowers or below (regarding the deterioration rate to potentially bankrupt borrowers, the deterioration transition rates equivalent to three accumulated years from potentially bankrupt borrowers to virtually bankrupt borrowers or below are included). For the PD used to calculate the capital ratio, deterioration to substandard borrowers or below is defined as default, and assuming a long-term average value of the default rate, conservative estimation for some portfolios is conducted, which is the major difference from the Probability of Default used to calculate provisions.

Loan-loss ratio is calculated using the loan-loss amount including direct write-offs and indirect write-offs incurred during the year for each borrower category to the amount of initial existing exposure by borrower category.

For details of parameters used to calculate the capital ratio, please refer to pages 261 to 262 “3. Overview of Internal Rating System (2) Parameter Estimation and Its Validation System.”

2. Credit Quality of Assets (CR1)

(Millions of yen)

CR1: Credit quality of assets		As of March 31, 2020				As of March 31, 2019			
		a	b	c	d	a	b	c	d
Item No.		Gross carrying values of:		Allowances	Net values (a+b-c)	Gross carrying values of:		Allowances	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures			Defaulted exposures	Non-defaulted exposures		
On-balance sheet assets									
1	Loans	663,784	81,057,792	448,179	81,273,397	679,145	76,937,799	436,374	77,180,570
2	Securities (of which: debt securities)	4,949	21,417,801	—	21,422,751	4,343	17,806,238	—	17,810,581
3	Other on-balance sheet assets (of which: debt-based assets)	6,012	66,533,162	30,751	66,508,423	5,765	63,680,487	21,406	63,664,846
4	Subtotal (1+2+3)	674,747	169,008,756	478,930	169,204,572	689,254	158,424,525	457,781	158,655,999
Off-balance sheet assets									
5	Acceptances and guarantees, etc.	18,097	9,905,268	64,283	9,859,082	12,667	9,847,197	73,339	9,786,525
6	Commitments, etc.	9,587	21,216,668	65,341	21,160,914	7,026	20,746,667	60,659	20,693,034
7	Subtotal (5+6)	27,685	31,121,937	129,625	31,019,997	19,693	30,593,864	133,998	30,479,559
Total									
8	Total (4+7)	702,432	200,130,693	608,556	200,224,570	708,948	189,018,390	591,779	189,135,558

3. 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, 2019	689,254
2		Amounts defaulted
		160,092
3	Changes in loans and securities (of which: debt securities) by factors during the current interim period	Amounts returned to non-defaulted status
4		Amounts written off
5		Other changes
		(19,148)
6	Stock of loans and securities (of which: debt securities) that were placed in defaulted status as of March 31, 2020 (1+2-3-4+5)	674,747

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.

(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
		161,433
3	Changes in loans and securities (of which: debt securities) by factors during the current interim period	Amounts returned to non-defaulted status
4		Amounts written off
5		Other changes
		(35,457)
6	Stock of loans and securities (of which: debt securities) that were placed in defaulted status as of March 31, 2019 (1+2-3-4+5)	689,254

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.

4. Term-End Balance of Exposures by Category and Their Breakdown by Major Type of Assets

(1) Exposure Balance by Type of Assets, Geographic Region and Industry

(Millions of yen)

Category	As of March 31, 2020				As of March 31, 2019			
	Loans, commitments and other off-balance sheet exposures except derivatives	Bonds	Others	Total	Loans, commitments and other off-balance sheet exposures except derivatives	Bonds	Others	Total
Domestic operations (excluding offshore banking accounts)	117,104,673	15,714,695	6,751,935	139,571,303	113,695,547	13,028,014	7,819,862	134,543,424
Manufacturing	10,305,832	261,335	1,611,649	12,178,818	9,095,207	295,529	1,959,265	11,350,002
Agriculture, forestry, fishery and mining	508,218	10,365	6,571	525,155	516,118	13,035	10,848	540,001
Construction	1,078,838	46,235	117,601	1,242,675	1,162,654	43,884	156,515	1,363,053
Transport, information, communications and utilities	6,337,831	195,824	451,513	6,985,169	6,310,609	174,252	615,181	7,100,043
Wholesale and retail	5,549,017	208,602	287,865	6,045,486	5,764,959	249,713	317,123	6,331,796
Financial and insurance	56,166,851	2,552,894	243,609	58,963,355	54,249,795	1,012,399	188,531	55,450,726
Real estate, goods rental and leasing	9,846,929	1,147,847	89,948	11,084,725	9,365,923	1,251,563	136,385	10,753,873
Services	4,448,552	366,545	74,114	4,889,212	4,517,647	397,536	124,502	5,039,686
Local municipal corporations	2,290,348	32,320	1,230	2,323,898	2,435,177	21,102	1,065	2,457,346
Other industries	20,572,251	10,892,725	3,867,830	35,332,807	20,277,453	9,568,998	4,310,441	34,156,894
Overseas operations and offshore banking accounts	52,288,064	5,708,881	1,556,566	59,553,513	48,427,182	4,784,721	1,564,532	54,776,436
Sovereigns	9,743,269	3,575,176	6,164	13,324,610	9,093,815	3,338,992	6,442	12,439,250
Financial institutions	6,413,387	1,154,322	373,929	7,941,639	5,449,564	1,095,238	380,646	6,925,449
C&I companies	29,954,809	832,400	—	30,787,210	27,931,363	276,791	—	28,208,154
Others	6,176,597	146,981	1,176,472	7,500,051	5,952,438	73,700	1,177,443	7,203,581
Total	169,392,737	21,423,577	8,308,502	199,124,817	162,122,729	17,812,736	9,384,395	189,319,860

Notes: 1. The above amounts are exposures after Credit Risk Mitigation (CRM).

2. The above amounts do not include "securitisation exposures" and "credit RWA under Article 145 of the Notification."

3. "Domestic operations" comprises the operations of us, 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

(Millions of yen)

Category	As of March 31, 2020				As of March 31, 2019			
	Loans, commitments and other off-balance sheet exposures except derivatives	Bonds	Others	Total	Loans, commitments and other off-balance sheet exposures except derivatives	Bonds	Others	Total
To 1 year	40,381,530	6,157,045	24,658	46,563,235	32,620,590	3,313,354	23,855	35,957,800
More than 1 year to 3 years	18,703,429	3,901,032	–	22,604,461	18,175,523	5,908,243	–	24,083,766
More than 3 years to 5 years	17,835,434	2,019,572	–	19,855,006	17,740,873	1,514,641	–	19,255,515
More than 5 years to 7 years	6,691,657	1,241,389	–	7,933,047	6,460,343	1,687,774	–	8,148,118
More than 7 years	23,518,615	8,104,537	–	31,623,153	22,894,533	5,388,722	–	28,283,255
No fixed maturity	62,262,070	–	8,283,843	70,545,913	64,230,864	–	9,360,540	73,591,404
Total	169,392,737	21,423,577	8,308,502	199,124,817	162,122,729	17,812,736	9,384,395	189,319,860

Notes: 1. The above amounts are exposures after CRM.

2. The above amounts do not include "securitisation exposures" and "credit RWA under Article 145 of the Notification."

3. "No fixed maturity" includes exposures not classified by residual term.

5. Amounts of Reserves and Write-offs Corresponding to the Term-End Balance of Obligors' Exposures Related to Loans Prescribed in the Provisions of Article 4, Paragraph 2 (Bankrupt and Quasi-Bankrupt Assets), Paragraph 3 (Doubtful Assets) or Paragraph 4 (Substandard Loans) of the Ordinance for Enforcement of the Act on Emergency Measures for the Revitalization of Financial Functions, as well as Breakdown by Each of the Following Categories

(1) By Geographic Region

(Billions of yen)

	Fiscal 2019			Fiscal 2018		
	Term-end balance	Term-end Reserves	Write-offs for the year	Term-end balance	Term-end Reserves	Write-offs for the year
Domestic operations (excluding offshore banking accounts)	713.9	218.0	91.9	800.4	235.2	90.1
Overseas operations and offshore banking accounts	215.9	107.2	27.0	176.7	86.1	12.2
Asia	68.1	41.3	20.3	24.3	16.0	9.8
North America	62.4	17.8	2.5	53.1	20.3	3.0
Other regions	85.4	48.1	4.1	99.3	49.8	(0.6)
Total	929.8	325.3	118.9	977.1	321.3	102.3

(2) By Industry

(Billions of yen)

	Fiscal 2019			Fiscal 2018		
	Term-end balance	Term-end Reserves	Write-offs for the year	Term-end balance	Term-end Reserves	Write-offs for the year
Domestic operations (excluding offshore banking accounts)	713.9	218.0	91.9	800.4	235.2	90.1
Manufacturing	57.0	18.9	0.6	109.5	25.7	(0.3)
Agriculture, forestry, fishery and mining	8.4	6.7	0.0	6.3	6.2	(1.5)
Construction	12.0	2.5	0.4	17.5	5.2	0.3
Transport, information, communications and utilities	44.0	20.8	0.9	40.8	18.0	0.5
Wholesale and retail	86.1	36.8	1.0	93.4	39.6	1.9
Financial and insurance	5.4	0.2	(0.3)	8.4	2.9	(0.1)
Real estate, goods rental and leasing	48.0	5.6	(0.8)	52.1	5.6	5.8
Services	72.5	21.0	0.5	78.7	28.3	1.1
Other industries	380.5	105.4	89.5	393.7	103.7	82.4
Overseas operations and offshore banking accounts	215.9	107.2	27.0	176.7	86.1	12.2
Financial institutions	1.9	0.2	0.0	2.2	0.3	0.0
C&I companies	127.7	76.0	16.3	92.2	54.4	0.5
Others	86.3	31.0	10.8	82.3	31.4	11.7
Total	929.8	325.3	118.9	977.1	321.3	102.3

Notes: 1. Term-end Reserves include partial direct write-offs (direct reduction).

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

6. Term-End Balance of Exposures by Past Due Periods

(Billions of yen)

Fiscal 2019				
Less than 1 month	1 month or more to less than 2 months	2 months or more to less than 3 months	3 months or more	Total
160.4	60.4	37.5	81.0	339.5

Notes: 1. Bankrupt and Quasi-Bankrupt Assets prescribed in Article 4, Paragraph 2 of the Ordinance for Enforcement of the Act on Emergency Measures for the Revitalization of Financial Functions and doubtful assets prescribed in Paragraph 3 of the said Article are excluded.
2. Items that are not accompanied by deterioration of business conditions/cash flows are excluded.

(Billions of yen)

Fiscal 2018				
Less than 1 month	1 month or more to less than 2 months	2 months or more to less than 3 months	3 months or more	Total
180.3	62.7	26.4	59.1	328.5

Notes: 1. Bankrupt and Quasi-Bankrupt Assets prescribed in Article 4, Paragraph 2 of the Ordinance for Enforcement of the Act on Emergency Measures for the Revitalization of Financial Functions and doubtful assets prescribed in Paragraph 3 of the said Article are excluded.
2. Items that are not accompanied by deterioration of business conditions/cash flows are excluded.

7. Term-End Balance of Exposures of Obligors Whose Loan Conditions were Restructured for Business Rehabilitation or Support; of Which Amounts of Increased Reserves for Such Exposures and Other Amounts due to the Restructuring of the Loan Conditions

(Billions of yen)

Fiscal 2019			Fiscal 2018		
Term-end balance	Of which: amounts of increased Reserves for such exposures due to the restructuring of the loan conditions	Of which: other amounts	Term-end balance	Of which: amounts of increased Reserves for such exposures due to the restructuring of the loan conditions	Of which: other amounts
248.2	248.2	0.0	223.2	223.2	0.0

Note: Bankrupt and Quasi-Bankrupt Assets prescribed in Article 4, Paragraph 2 of the Ordinance for Enforcement of the Act on Emergency Measures for the Revitalization of Financial Functions, doubtful assets prescribed in Paragraph 3 of the said Article, and loans past due three months or more prescribed in Paragraph 4 of the said Article are excluded.

■ Internal Ratings-Based (IRB) Approach

1. Background on Determining the Scope of Application of Internal Ratings-Based (IRB) Approach

When the criteria of materiality defined by us according to business characteristics and business conditions, etc. are met, in principle, the IRB approach is adopted by the unit of our asset class or by the unit of the affiliated group companies. In addition, for the asset class or group companies that meet the quantitative criteria specified by the authorities, the IRB approach is in principle adopted regardless of whether the criteria of materiality are met.

For adopting the IRB approach, the Advanced Internal Ratings-Based (AIRB) approach is in principle adopted. However, for group companies which were judged unnecessary or inappropriate to adopt the AIRB approach in light of the scale, business contents, etc., the Foundation Internal Ratings-Based (FIRB) approach is adopted.

2. Scope

We and the following consolidated subsidiaries have adopted the Advanced Internal Ratings-Based (AIRB) approach for exposures as of March 31, 2009.

(1) Domestic Operations

Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Card Company, Limited and SMBC Guarantee Co., Ltd., Cedyne Financial Corporation, SMBC Trust Bank Ltd.

(2) Overseas Operations

Sumitomo Mitsui Banking Corporation Europe Limited, Sumitomo Mitsui Banking Corporation (China) Limited, Banco Sumitomo Mitsui Brasileiro S.A., JSC Sumitomo Mitsui Rus Bank, PT Bank Sumitomo Mitsui Indonesia, Sumitomo Mitsui Banking Corporation Malaysia Berhad, SMBC Leasing and Finance, Inc., SMBC Capital Markets, Inc., SMBC Nikko Capital Markets Limited, SMBC Derivative Products Limited and SMBC Capital Markets (Asia) Limited, SMBC Bank EU AG and PT Bank BTPN Tbk.

SMBC Finance Service Co., Ltd. has adopted the Foundation Internal Ratings-Based (FIRB) approach.

Note: Directly controlled SPCs and limited partnerships for investment of consolidated subsidiaries using the AIRB approach have also adopted the AIRB approach. Further, the AIRB approach is applied to equity exposures on a group basis, including equity exposures of consolidated subsidiaries applying the standardised approach.

3. Overview of Internal Rating System

(1) Rating Procedures

(A) Corporate Exposures

- “Corporate, sovereign and bank exposures” includes credits to domestic and overseas commercial/industrial (C&I) companies, individuals for business purposes (domestic only), sovereigns, public sector entities, and financial institutions. Business loans such as apartment construction loans are, in principle, included in “retail exposures.” However, credits of more than ¥100 million are treated as corporate exposures in accordance with the Notification.
- An obligor is assigned an obligor grade by first assigning a financial grade using a financial strength grading model and data obtained from the obligor’s financial statements. The financial grade is then adjusted taking into account the actual state of the obligor’s balance sheet and qualitative factors to derive the obligor grade (for details, please refer to “Credit Risk Assessment and Quantification” on pages 116 to 117). Different rating series are used for domestic and overseas obligors — J1 ~ J10 for domestic obligors and G1 ~ G10 for overseas obligors — as shown in the table following page due to differences in actual default rate levels and portfolios’ grade distribution. Different Probability of Default (PD) values are applied also.
- In addition to the above basic rating procedure which builds on the financial grade assigned at the beginning, in some cases, the obligor grade is assigned based on the parent company’s credit quality or credit ratings published by external rating agencies. The Japanese government, local authorities and other public sector entities with special basis for existence and unconventional financial statements are assigned obligor grades based on their attributes (for example, “local municipal corporations”), as the data on these obligors are not suitable for conventional grading models. Further, credits to individuals for business purposes and business loans are assigned obligor grades using grading models developed specifically for these exposures.
- PDs used for calculating credit risk-weighted assets are estimated based on the default experience for each grade and taking into account the possibility of estimation errors. In addition to internal data, external data are used to estimate and validate PDs. The definition of default is the definition stipulated in the Notification (an event that would lead to an exposure being classified as “substandard loans,” “doubtful assets” or “bankrupt and quasi-bankrupt assets” occurring to the obligor).
- Loss Given Defaults (LGDs) and exposure at default (EAD) used in the calculation of credit risk-weighted assets are estimated based on historical loss experience of credits in default, taking into account the possibility of estimation errors.

Obligor Grade

Domestic Corporate	Definition	Borrower Category
J1	Very high certainty of debt repayment	Normal Borrowers
J2	High certainty of debt repayment	
J3	Satisfactory certainty of debt repayment	
J4	Debt repayment is likely but this could change in cases of significant changes in economic trends or business environment depending on the situation	Borrowers Requiring Caution
J5	No problem with debt repayment over the short term, but not satisfactory over the mid to long term and the situation could change in cases of any changes in economic trends or business environment	
J6	Currently no problem with debt repayment, but it is highly likely that this could change in cases of significant changes in economic trends or business environment	
J7	Close monitoring is required due to problems in meeting loan terms and conditions, sluggish/unstable business, or financial problems	Substandard Borrowers
J7R	Borrowers Requiring Caution identified as Substandard Borrowers	
J8	Currently not bankrupt, but experiencing business difficulties, making insufficient progress in restructuring, and highly likely to go bankrupt	Potentially Bankrupt Borrowers
J9	Though not yet legally or formally bankrupt, has serious business difficulties and rehabilitation is unlikely; thus, effectively bankrupt	Virtually Bankrupt Borrowers
J10	Legally or formally bankrupt	Bankrupt Borrowers

Obligor Grade

Overseas Corporate	Definition	Borrower Category
G1	Very high certainty or high certainty of debt repayment	Normal Borrowers
G2	Satisfactory certainty of debt repayment	
G3	Debt repayment is likely but this could change in cases of significant changes in economic trends or business environment depending on the situation	
G4	Debt repayment is likely but this could change in cases of significant changes in economic trends or business environment	Borrowers Requiring Caution
G5	No problem with debt repayment over the short term, but not satisfactory over the mid to long term and the situation could change in cases of any changes in economic trends or business environment	
G6	Currently no problem with debt repayment, but it is highly likely that this could change in cases of significant changes in economic trends or business environment	
G7	Close monitoring is required due to problems in meeting loan terms and conditions, sluggish/unstable business, or financial problems	Substandard Borrowers
G7R	Borrowers Requiring Caution identified as Substandard Borrowers	
G8	Currently not bankrupt, but experiencing business difficulties, making insufficient progress in restructuring, and highly likely to go bankrupt	Potentially Bankrupt Borrowers
G9	Though not yet legally or formally bankrupt, has serious business difficulties and rehabilitation is unlikely; thus, effectively bankrupt	Virtually Bankrupt Borrowers
G10	Legally or formally bankrupt	Bankrupt Borrowers

- “Specialized lending” is sub-classified into “project finance,” “object finance,” “commodity finance,” “income-producing real estate” (IPRE) and “high-volatility commercial real estate” (HVCRE) in accordance with the Notification. Project finance is financing of a single project, such as a power plant or transportation infrastructure, and cash flows generated by the project are the primary source of repayment. Object finance includes aircraft finance and ship finance, and IPRE and HVCRE include real estate finance (a primary example is non-recourse real estate finance). There were no commodity finance exposures as of March 31, 2020.
- Each SL product is classified as either a facility assigned a PD grade and LGD grade or a facility assigned a grade based primarily on the expected loss ratio, both using grading models and qualitative assessment. The former has the same grading structure as that of corporate, and the latter has ten grade levels as with obligor grades but the definition of each grade differs from that of the obligor grade which is focused on PD.

For the credit risk-weighted asset amount for the SL category, the former facility is calculated in a manner similar to corporate exposures, while the latter facility is calculated by mapping the expected loss-based facility grades to the five categories (hereinafter the “slotting criteria”) of the Notification because it does not satisfy the requirements for PD application specified in the Notification.

(B) Retail Exposures

- “Residential mortgage exposures” includes mortgage loans to individuals and some real estate loans in which the property consists of both residential and commercial facilities such as a store or rental apartment units, but excludes apartment construction loans.
- Mortgage loans are rated as follows.

Mortgage loans are allocated to a portfolio segment with similar risk characteristics in terms of default risk determined using loan contract information, a borrower category under self-assessment in accordance with an exclusive grading model, and recovery risk at the time of default determined using Loan To Value (LTV) calculated based on the assessment value of collateral real estate. PDs and LGDs are estimated based on the default experience for each segment and taking into account the possibility of estimation errors.

Further, the portfolio is subdivided based on the lapse of years from the contract date, and the effectiveness of segmentation in terms of default risk and recovery risk is validated periodically.

Internal data are used to estimate and validate PDs and LGDs. The definition of default is the definition stipulated in the Notification.

- “Qualifying revolving retail exposures” includes card loans and credit card balances.
- Card loans and credit card balances are rated as follows.

Card loans and credit card balances are allocated to a portfolio segment with similar risk characteristics determined based, for card loans, on the credit quality of the loan guarantee company, credit limit, settlement account balance and payment history, and, for credit card balances, on repayment history and frequency of use.

PDs and LGDs used to calculate credit risk-weighted asset amounts are estimated based on the default experience for each segment and taking into account the possibility of estimation errors.

Further, the effectiveness of segmentation in terms of default risk and recovery risk is validated periodically.

Internal data are used to estimate and validate PDs and LGDs. The definition of default is the definition stipulated in the Notification.

- “Other retail exposures” includes business loans such as apartment construction loans and consumer loans such as My Car Loan.
- Business loans and consumer loans are rated as follows.

a. Business loans are allocated to a portfolio segment with similar risk characteristics in terms of default risk determined using loan contract information, a borrower category under self-assessment in accordance with an exclusive grading model, and recovery risk determined based on LTV for business loans.

PDs and LGDs are estimated based on the default experience for each segment and taking into account the possibility of estimation errors.

b. Rating procedures for consumer loans depends on whether the loan is collateralized. Collateralized consumer loans are allocated to a portfolio segment using the same standards as for mortgage loans of “Residential Mortgage Exposures.” Uncollateralized consumer loans are allocated to a portfolio segment based on account history. PDs and LGDs are estimated based on the default experience for each segment and taking into account the possibility of estimation errors.

Further, the effectiveness of segmentation in terms of default risk and recovery risk is validated periodically.

Internal data are used to estimate and validate PDs and LGDs. The definition of default is the definition stipulated in the Notification.

(C) Equity Exposures

When acquiring equities subject to the PD/LGD approach, issuers are assigned obligor grades using the same rules as those of general credits to C&I companies, sovereigns and financial institutions. The obligors are monitored (for details, please refer to page 117) and their grades are revised if necessary (credit risk-weighted asset amount is set to 1.5 times when they are not monitored individually). In the case there is no credit transaction with the issuer or it is difficult to obtain financial information, internal grades are assigned using ratings of external rating agencies if it is a qualifying investment.

In the case it is difficult to obtain financial information and it is not a qualifying investment, the simple risk weight method under the market-based approach is applied.

(2) Parameter Estimation and Its Validation System**A. PD**

This is defined as the probability that obligors could default over one year. PD is estimated as the expected value in the long term regardless of the business cycle using the default rate for each fiscal year based on the historical data for five consecutive fiscal years or more. In principle, the default rate for each fiscal year is measured by the initial number of target obligors as the numerator and the number of defaults occurred during the fiscal year as the denominator.

For assets, ratings, and portfolios applicable to LDP (LDP: Low Default Portfolio), conservative PD is estimated by creating virtual rating transition data based on Monte Carlo simulation and by using the floor value proposed under Basel Capital Accord.

The actual default rates in the past three periods are lower than PD estimate values applied for the respective periods for the most portfolios, because the long-term average value including the recession period is estimated, and also because the possibility of estimation errors is taken into account.

Validation consists of two systems: “backtesting” to retrospectively compare and validate the parameter estimated value and the actual value for the respective applicable period, and “pretesting” to validate before applying the parameter for the purpose of complementing the “backtesting.” The overview for each is as follows.

(a) Backtesting

This is to compare the parameter estimated value with the actual value at least once a year, and to validate that the degree of divergence is within the statistically assumed range.

In case of hitting the predetermined excess criteria as a result of validation, reviews shall be taken including revising the estimation method or rating system.

(b) Pretesting

This is to compare and validate the estimated value to be applied and the historical value. In the case of hitting the predetermined excess criteria, the estimated value shall be conservatively corrected.

The purpose is to prevent underestimation by making adjustments, if necessary.

B. LGD

This is defined as the ratio of loss amounts after default to the amount of receivable at the time of default. LGD is estimated as a long-term average value calculated based on historical data over seven consecutive fiscal years (for retail, five fiscal years) or more. However, in the case where a high positive correlation with the default rate is observed, LGD shall be in principle the value taking into account the possibility that the loss rate of the recession period will exceed the long-term average value, and it is estimated mainly by one of the following methods.

- By taking into account the influence of the recession period on the interest rate to customers constituting the discount rate for calculating the economic loss to be used for estimation
- By taking into account the influence of the recession period by modeling the relationship between the loss ratio and economic and financial indicators, etc.

For the purpose of estimating LGD using economic loss based on requirement of Basel Capital Accord, discount rate is estimated with using recovery cost. The averaged period from the time of default and the termination of recovery is used as discount period. As for validation, backtesting and pretesting are conducted as in the A. PD.

C. EAD

This is defined as the amount of exposure at the time of default. EAD is estimated as a long-term average value calculated based on the historical data over seven consecutive fiscal years (for retail, five fiscal years) or more. For estimation, the possibility that the default balance may exceed the latest balance is assumed and taken into account, and EAD is estimated by one of the following methods.

- By estimating the conversion factor that is the ratio of actually drawn amount to the amount associated with undrawn commitments one year before the time of default
- By estimating the conversion factor that is the ratio of the average outstandings of the default borrowers to the average outstandings of the non-default borrowers of the whole limit-type credit subject to the estimation
- By estimating an increased amount by comparing the initial outstandings with ones at the time of default and taking the average for each segment

As for validation, backtesting and pretesting are conducted as in the A. PD.

4. Percentage of EAD by Asset Class by Type of Approach for Calculating Credit RWA to Total EAD

	As of March 31, 2020	As of March 31, 2019
IRB approach	94.70 %	94.82 %
Corporate exposures (Advanced Internal Ratings-Based (AIRB) approach)	82.44 %	81.24 %
Corporate exposures (Foundation Internal Ratings-Based (FIRB) approach)	0.24 %	0.27 %
Retail exposures	7.48 %	8.15 %
Equity exposures	1.76 %	2.19 %
Purchased receivables (AIRB approach)	0.94 %	1.00 %
Purchased receivables (FIRB approach)	0.00 %	0.00 %
Other assets, etc.	1.81 %	1.94 %
SA	5.29 %	5.17 %
Total	100.00 %	100.00 %

5. 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 March 31, 2020											
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
Sovereign exposures (AIRB approach)													
1	0.00 to <0.15	73,107,376	62,797	85.17	75,440,612	0.00	0.4	34.25	3.9	251,604	0.33	280	
2	0.15 to <0.25	364,083	25,813	46.84	362,167	0.18	0.0	33.11	1.9	101,209	27.94	221	
3	0.25 to <0.50	8,777	24	64.04	8,793	0.26	0.0	29.55	1.3	2,292	26.07	6	
4	0.50 to <0.75	2,315	2	50.00	202	0.52	0.0	25.14	2.7	88	43.83	0	
5	0.75 to <2.50	173,824	9,567	47.77	125,118	1.21	0.0	34.04	2.4	91,402	73.05	508	
6	2.50 to <10.00	88,158	47,907	62.45	51,705	3.98	0.0	34.76	2.9	60,597	117.19	713	
7	10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
8	100.00 (Default)	8	–	–	8	100.00	0.0	34.03	1.2	4	53.50	2	
9	Subtotal	73,744,545	146,113	68.49	75,988,608	0.00	0.6	34.25	3.9	507,199	0.66	1,733	2,197
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	5,651,140	731,858	76.85	6,448,660	0.03	0.6	33.87	3.0	1,242,169	19.26	854	
2	0.15 to <0.25	789,579	217,139	70.74	923,343	0.18	0.2	30.22	1.1	226,102	24.48	507	
3	0.25 to <0.50	124,122	12,663	55.47	120,201	0.26	0.0	30.82	1.2	36,904	30.70	100	
4	0.50 to <0.75	24,809	5,329	33.79	26,610	0.51	0.0	29.74	1.2	10,717	40.27	41	
5	0.75 to <2.50	619,369	102,747	38.55	598,474	1.37	0.6	34.97	0.5	400,084	66.85	2,886	
6	2.50 to <10.00	34,969	4,309	35.93	29,881	3.96	0.0	33.64	0.7	27,172	90.93	398	
7	10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
8	100.00 (Default)	356	–	–	356	100.00	0.0	80.91	1.0	48	13.63	288	
9	Subtotal	7,244,349	1,074,048	71.32	8,147,528	0.17	1.7	33.48	2.5	1,943,199	23.85	5,076	6,066
Bank exposures (FIRB approach)													
1	0.00 to <0.15	3,244	–	–	3,244	0.03	0.0	45.00	5.0	1,144	35.27	0	
2	0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
3	0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
4	0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
5	0.75 to <2.50	402	–	–	402	2.46	0.0	45.00	5.0	745	185.32	4	
6	2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
7	10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
8	100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
9	Subtotal	3,646	–	–	3,646	0.29	0.1	45.00	5.0	1,889	51.82	4	17
Corporate exposures (AIRB approach)													
1	0.00 to <0.15	26,480,029	13,468,788	54.73	38,059,248	0.05	7.2	34.71	2.5	6,979,472	18.33	7,836	
2	0.15 to <0.25	13,991,591	7,497,730	54.39	16,791,142	0.17	6.3	29.45	2.4	4,712,138	28.06	8,783	
3	0.25 to <0.50	3,520,031	1,005,418	53.48	3,828,262	0.26	2.8	28.70	2.6	1,297,994	33.90	2,910	
4	0.50 to <0.75	2,072,283	633,162	53.17	2,228,333	0.51	1.5	28.85	2.4	1,024,458	45.97	3,315	
5	0.75 to <2.50	5,502,117	2,209,416	53.77	4,719,039	1.38	4.4	27.19	3.0	3,111,257	65.92	17,700	
6	2.50 to <10.00	981,579	402,421	57.96	739,898	6.27	0.6	27.72	2.8	765,528	103.46	13,670	
7	10.00 to <100.00	236,679	57,965	60.46	231,537	17.02	0.2	25.42	2.5	296,210	127.93	10,092	
8	100.00 (Default)	202,742	17,927	100.00	209,837	100.00	0.2	48.74	2.4	69,976	33.34	102,288	
9	Subtotal	52,987,056	25,292,831	54.55	66,807,297	0.65	23.5	32.25	2.5	18,257,035	27.32	166,599	171,747

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

CR6: IRB - CR exposures by portfolio and PD range		As of March 31, 2020											
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	-	-	-	-	-	-	-	-	-	-	-	-
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)	22	-	-	22	100.00	0.0	45.00	5.0	-	0.00	10	-
9	Subtotal	22	-	-	22	100.00	0.0	45.00	5.0	-	0.00	10	2
Mid-sized corporations and small-medium enterprises (SMEs) exposures (AIRB approach)													
1	0.00 to <0.15	904,104	79,495	48.18	944,136	0.08	1.2	31.99	3.1	197,069	20.87	258	-
2	0.15 to <0.25	1,292,354	105,264	62.35	1,304,229	0.17	5.1	30.47	3.6	373,474	28.63	676	-
3	0.25 to <0.50	1,152,104	20,996	64.18	1,121,417	0.30	6.7	31.89	3.8	447,563	39.91	1,111	-
4	0.50 to <0.75	737,848	40,185	50.15	677,027	0.53	4.7	28.77	3.4	295,384	43.62	1,045	-
5	0.75 to <2.50	2,659,505	152,942	57.68	2,120,242	1.63	34.0	31.84	3.4	1,369,629	64.59	11,033	-
6	2.50 to <10.00	351,444	136,821	48.57	169,064	8.36	1.3	22.27	2.7	124,179	73.45	3,010	-
7	10.00 to <100.00	139,976	944	47.46	73,800	27.22	3.1	46.87	1.6	153,071	207.41	9,423	-
8	100.00 (Default)	223,666	450	100.00	157,477	100.00	3.5	46.01	1.8	23,209	14.73	72,469	-
9	Subtotal	7,461,004	537,099	54.58	6,567,394	3.59	60.0	31.54	3.4	2,983,581	45.43	99,029	98,375
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	34	-	-	34	1.22	0.0	45.00	1.0	21	62.80	0	-
6	2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	-
7	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
8	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
9	Subtotal	34	-	-	34	1.22	0.0	45.00	1.0	21	62.80	0	0
Specialized lending (SL)													
1	0.00 to <0.15	1,967,269	113,312	46.83	1,976,616	0.04	0.2	22.50	3.8	240,854	12.18	204	-
2	0.15 to <0.25	1,889,210	554,107	54.39	2,031,916	0.17	0.4	23.40	4.2	599,465	29.50	857	-
3	0.25 to <0.50	1,035,545	362,381	53.53	967,458	0.26	0.1	31.56	4.1	486,728	50.31	824	-
4	0.50 to <0.75	759,378	206,481	56.69	616,840	0.51	0.1	24.61	3.9	286,613	46.46	784	-
5	0.75 to <2.50	964,824	246,808	59.61	884,023	1.07	0.2	25.18	3.8	543,236	61.45	2,459	-
6	2.50 to <10.00	170,258	37,954	82.24	105,864	3.96	0.0	31.15	4.3	121,276	114.55	1,306	-
7	10.00 to <100.00	28,332	2,594	85.15	27,777	13.94	0.0	36.08	3.5	51,257	184.52	1,396	-
8	100.00 (Default)	52,406	6,757	100.00	49,604	100.00	0.0	59.44	3.6	26,538	53.50	29,485	-
9	Subtotal	6,867,224	1,530,397	55.73	6,660,101	1.16	1.3	25.11	4.0	2,355,971	35.37	37,319	41,098
Equity exposures													
1	0.00 to <0.15	2,901,486	-	-	2,901,486	0.04	1.3	90.00	5.0	2,968,167	102.29	-	-
2	0.15 to <0.25	220,234	-	-	220,234	0.17	0.4	90.00	5.0	291,234	132.23	-	-
3	0.25 to <0.50	14,685	-	-	14,685	0.26	0.1	90.00	5.0	24,440	166.43	-	-
4	0.50 to <0.75	4,211	-	-	4,211	0.51	0.0	90.00	5.0	9,029	214.39	-	-
5	0.75 to <2.50	16,123	-	-	16,123	2.17	0.1	90.00	5.0	56,577	350.90	-	-
6	2.50 to <10.00	1,962	-	-	1,962	9.88	0.0	90.00	5.0	10,782	549.53	-	-
7	10.00 to <100.00	21	-	-	21	27.27	0.0	90.00	5.0	179	836.00	-	-
8	100.00 (Default)	674	-	-	674	100.00	0.0	90.00	5.0	7,588	1,124.99	-	-
9	Subtotal	3,159,398	-	-	3,159,398	0.09	2.1	90.00	5.0	3,367,999	106.60	-	-

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

CR6: IRB - CR exposures by portfolio and PD range		As of March 31, 2020											
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 (corporates) (the amount equivalent to default risks) (AIRB approach)													
1	0.00 to <0.15	961,910	69,391	100.00	1,021,314	0.06	7.0	36.30	1.1	126,585	12.39	296	
2	0.15 to <0.25	360,408	100,052	71.87	429,775	0.18	5.8	32.66	1.0	91,947	21.39	260	
3	0.25 to <0.50	70,529	78,200	73.31	126,645	0.29	5.3	42.04	1.0	47,379	37.41	162	
4	0.50 to <0.75	35,734	66,823	88.28	94,139	0.57	8.1	50.13	1.0	59,487	63.19	276	
5	0.75 to <2.50	84,464	87,620	97.75	168,937	1.48	16.4	47.10	1.1	142,943	84.61	1,187	
6	2.50 to <10.00	4,638	4,069	100.00	8,706	5.14	0.8	44.77	1.0	11,398	130.92	209	
7	10.00 to <100.00	193	1,424	100.00	1,618	63.51	0.2	61.47	1.0	2,458	151.88	626	
8	100.00 (Default)	2,688	220	100.00	2,896	100.00	0.1	78.66	1.0	394	13.63	2,279	
9	Subtotal	1,520,568	407,803	85.57	1,854,035	0.49	44.0	37.66	1.1	482,595	26.02	5,298	3,825
Purchased receivables (corporates) (the amount equivalent to dilution risks) (AIRB approach)													
1	0.00 to <0.15	617,365	–	–	617,365	0.06	0.0	33.48	1.0	69,229	11.21	137	
2	0.15 to <0.25	201,714	106,680	46.72	251,556	0.17	0.0	29.97	1.1	48,777	19.39	132	
3	0.25 to <0.50	65,593	–	–	65,593	0.26	0.0	33.40	1.0	18,485	28.18	57	
4	0.50 to <0.75	37,151	–	–	37,151	0.51	0.0	31.81	1.0	17,297	46.56	60	
5	0.75 to <2.50	64,699	–	–	64,699	0.89	0.0	31.36	1.0	31,463	48.63	184	
6	2.50 to <10.00	3,727	–	–	3,727	3.96	0.0	25.02	1.0	2,506	67.24	36	
7	10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
8	100.00 (Default)	1,057	–	–	1,057	100.00	0.0	46.64	1.0	144	13.63	493	
9	Subtotal	991,308	106,680	46.72	1,041,149	0.28	0.2	32.42	1.0	187,903	18.04	1,102	772
Purchased receivables (corporates) (the amount equivalent to default risks) (FIRB approach)													
1	0.00 to <0.15	0	385	100.00	385	0.07	0.0	45.00	1.0	56	14.54	0	
2	0.15 to <0.25	–	234	100.00	234	0.22	0.0	45.00	1.0	67	28.66	0	
3	0.25 to <0.50	–	1,365	100.00	1,365	0.36	0.0	45.00	1.0	516	37.82	2	
4	0.50 to <0.75	–	3,172	100.00	3,172	0.62	0.1	45.00	1.0	1,600	50.46	8	
5	0.75 to <2.50	–	2,198	100.00	2,198	1.14	0.1	45.00	1.0	1,351	61.45	11	
6	2.50 to <10.00	–	28	100.00	28	2.96	0.0	45.00	1.2	24	85.89	0	
7	10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
8	100.00 (Default)	37	–	–	36	100.00	0.0	45.00	1.0	–	0.00	16	
9	Subtotal	37	7,384	100.00	7,420	1.17	0.3	45.00	1.0	3,615	48.72	39	29
Purchased receivables (corporates) (the amount equivalent to dilution risks) (FIRB approach)													
1	0.00 to <0.15	10	–	–	10	0.11	0.0	45.00	1.0	2	21.22	0	
2	0.15 to <0.25	20	–	–	20	0.22	0.0	45.00	1.0	6	31.94	0	
3	0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	
4	0.50 to <0.75	1	–	–	1	0.58	0.0	45.00	1.0	0	56.66	0	
5	0.75 to <2.50	4	–	–	4	0.92	0.0	45.00	1.0	3	70.61	0	
6	2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
7	10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
8	100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
9	Subtotal	36	–	–	36	0.29	0.0	45.00	1.0	12	34.73	0	0
Purchased receivables (retail) (the amount equivalent to default risks)													
1	0.00 to <0.15	4,967	–	–	4,967	0.09	0.4	65.00	–	764	15.39	3	
2	0.15 to <0.25	2,033	–	–	2,033	0.22	0.2	65.00	–	570	28.07	2	
3	0.25 to <0.50	2,402	–	–	2,402	0.32	0.4	39.60	–	546	22.72	3	
4	0.50 to <0.75	692	–	–	692	0.60	0.1	64.58	–	357	51.58	2	
5	0.75 to <2.50	58	20	100.00	79	1.09	0.0	63.02	–	52	66.50	0	
6	2.50 to <10.00	57	0	100.00	57	2.96	0.0	65.00	–	51	90.51	1	
7	10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
8	100.00 (Default)	0	–	–	0	100.00	0.0	80.91	–	0	13.63	0	
9	Subtotal	10,213	20	100.00	10,234	0.23	1.3	58.99	–	2,343	22.90	14	17

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

CR6: IRB - CR exposures by portfolio and PD range		As of March 31, 2020											
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	17	—	—	17	0.03	0.0	45.00	5.0	4	25.88	0	
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	17	—	—	17	0.03	0.0	45.00	5.0	4	25.88	0	0
Qualifying revolving retail exposures (QRRE)													
1	0.00 to <0.15	60,714	248,831	7.92	309,546	0.08	4,222.3	70.64		11,621	3.75	188	
2	0.15 to <0.25	264,550	422,264	19.22	686,815	0.19	4,582.4	71.93		51,375	7.48	958	
3	0.25 to <0.50	289,571	301,796	11.68	591,367	0.39	3,952.4	68.50		75,125	12.70	1,605	
4	0.50 to <0.75	179,072	23,273	7.58	202,345	0.50	302.0	73.98		33,683	16.64	756	
5	0.75 to <2.50	526,965	52,156	15.68	579,121	1.64	609.3	77.29		249,060	43.00	7,390	
6	2.50 to <10.00	810,722	157,905	6.88	968,628	4.47	1,602.6	76.51		822,217	84.88	33,015	
7	10.00 to <100.00	36,656	4,336	9.39	40,993	48.76	78.0	73.22		70,595	172.21	14,628	
8	100.00 (Default)	78,426	7,810	100.00	86,237	100.00	153.4	76.77		83,217	96.49	66,208	
9	Subtotal	2,246,680	1,218,375	35.16	3,465,055	4.73	15,502.8	73.66		1,396,896	40.31	124,751	105,920
Residential mortgage exposures													
1	0.00 to <0.15	—	—	—	54,563	0.05	5.9	39.66		13,312	24.39	11	
2	0.15 to <0.25	—	—	—	2,176	0.17	0.2	72.39		881	40.49	2	
3	0.25 to <0.50	7,265,643	8,671	100.00	7,275,348	0.29	451.6	25.79		995,548	13.68	5,480	
4	0.50 to <0.75	925,652	1,487	100.00	927,140	0.59	53.1	27.55		223,565	24.11	1,507	
5	0.75 to <2.50	974,717	2,654	100.00	923,454	0.97	72.3	33.59		391,466	42.39	3,164	
6	2.50 to <10.00	—	—	—	—	—	—	—		—	—	—	
7	10.00 to <100.00	27,202	1,163	100.00	24,509	23.16	2.4	29.18		39,311	160.39	1,639	
8	100.00 (Default)	85,079	54	100.00	85,134	100.00	6.7	28.18		22,329	26.22	23,995	
9	Subtotal	9,278,297	14,032	100.00	9,292,329	1.36	592.5	26.87		1,686,415	18.14	35,800	25,981
Other retail exposures													
1	0.00 to <0.15	3	3	5.13	7	0.08	0.0	69.84		1	14.69	0	
2	0.15 to <0.25	106,023	11	100.00	106,035	0.17	2.5	35.00		13,447	12.68	63	
3	0.25 to <0.50	331,489	276	100.00	331,766	0.38	9.9	36.03		73,844	22.25	465	
4	0.50 to <0.75	44,133	1,004	100.00	45,138	0.67	2.0	36.40		13,921	30.84	111	
5	0.75 to <2.50	916,516	502,743	96.14	1,419,260	1.36	2,437.7	53.67		842,931	59.39	10,509	
6	2.50 to <10.00	28,280	142,045	100.00	170,326	3.05	138.3	49.52		117,267	68.84	2,539	
7	10.00 to <100.00	13,619	5,303	100.00	18,922	24.87	40.2	54.42		23,011	121.60	2,552	
8	100.00 (Default)	51,065	889	100.00	51,954	100.00	92.9	56.69		94,290	181.48	29,453	
9	Subtotal	1,491,132	652,277	100.00	2,143,410	3.87	2,724.0	49.40		1,178,714	54.99	45,694	27,972
Total (all portfolios)		167,005,575	30,987,064	58.54	185,147,723	0.62	18,955.0	34.59	—	34,355,402	18.55	522,475	484,023

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

CR6: IRB - CR exposures by portfolio and PD range		As of March 31, 2019											
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
Sovereign exposures (AIRB approach)													
1	0.00 to <0.15	69,453,467	78,330	89.51	72,190,343	0.00	0.4	34.38	4.0	164,668	0.22	184	
2	0.15 to <0.25	431,406	38,263	46.67	457,064	0.16	0.1	32.49	2.2	126,865	27.75	252	
3	0.25 to <0.50	20,692	3,601	47.36	14,852	0.30	0.0	33.57	2.2	5,626	37.88	14	
4	0.50 to <0.75	0	—	—	0	0.53	0.0	35.00	1.0	0	42.85	0	
5	0.75 to <2.50	157,002	52,286	68.32	120,951	1.45	0.0	33.68	2.7	93,573	77.36	590	
6	2.50 to <10.00	56,447	18,344	46.62	21,362	3.98	0.0	34.66	1.9	25,003	117.04	294	
7	10.00 to <100.00	4,668	1,048	82.16	1,126	12.08	0.0	21.74	2.0	1,088	96.65	30	
8	100.00 (Default)	14	—	—	14	100.00	0.0	34.07	2.2	7	53.13	5	
9	Subtotal	70,123,699	191,874	70.26	72,805,716	0.00	0.6	34.37	4.0	416,833	0.57	1,372	1,624
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	3,216,252	624,391	71.62	3,837,811	0.03	0.7	33.72	2.2	600,581	15.64	493	
2	0.15 to <0.25	733,785	319,461	85.48	965,080	0.16	0.2	29.35	1.1	212,981	22.06	476	
3	0.25 to <0.50	85,671	27,324	83.33	100,131	0.28	0.0	30.12	1.2	31,985	31.94	86	
4	0.50 to <0.75	3,290	—	—	3,290	0.53	0.0	34.45	1.3	1,917	58.28	6	
5	0.75 to <2.50	552,906	80,578	64.89	533,872	1.08	0.1	34.64	0.6	318,811	59.71	1,991	
6	2.50 to <10.00	84,714	64,543	44.96	100,751	2.92	0.6	34.41	1.0	99,100	98.36	1,006	
7	10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (Default)	2,706	—	—	2,706	100.00	0.0	97.40	1.2	1,356	50.13	2,636	
9	Subtotal	4,679,326	1,116,298	73.84	5,543,644	0.26	1.7	33.02	1.8	1,266,735	22.85	6,696	7,173
Bank exposures (FIRB approach)													
1	0.00 to <0.15	15,684	—	—	15,684	0.03	0.0	45.00	5.0	5,524	35.22	2	
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	246	—	—	246	2.56	0.0	45.00	5.0	454	184.32	2	
7	10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	15,930	—	—	15,930	0.06	0.1	45.00	5.0	5,978	37.53	4	8
Corporate exposures (AIRB approach)													
1	0.00 to <0.15	25,503,136	12,003,437	54.96	36,348,114	0.05	7.0	34.46	2.5	6,458,543	17.76	7,287	
2	0.15 to <0.25	12,341,508	7,974,982	53.90	15,185,261	0.17	6.3	29.18	2.5	4,190,022	27.59	7,548	
3	0.25 to <0.50	4,543,025	1,692,490	52.14	5,015,580	0.32	3.1	29.70	2.7	1,943,358	38.74	4,698	
4	0.50 to <0.75	977,494	128,805	50.68	1,029,655	0.53	1.3	28.81	2.4	478,683	46.48	1,573	
5	0.75 to <2.50	4,393,656	2,751,808	51.35	3,590,654	1.21	3.7	27.06	2.9	2,197,645	61.20	11,674	
6	2.50 to <10.00	1,177,025	202,744	53.34	1,005,471	3.15	1.3	30.07	3.7	1,083,456	107.75	9,262	
7	10.00 to <100.00	320,598	223,729	60.72	390,917	13.42	0.4	29.24	2.2	519,952	133.00	14,964	
8	100.00 (Default)	225,062	8,299	100.00	185,511	100.00	0.3	50.33	2.1	52,915	28.52	93,381	
9	Subtotal	49,481,506	24,986,298	54.07	62,751,168	0.60	23.7	32.23	2.5	16,924,578	26.97	150,390	154,809

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

CR6: IRB - CR exposures by portfolio and PD range		As of March 31, 2019											
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	–	–	–	–	–	–	–	–	–	–	–	–
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	40	–	–	40	2.56	0.0	45.00	5.0	75	189.84	0	–
7	10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	–
8	100.00 (Default)	23	–	–	23	100.00	0.0	45.00	5.0	–	0.00	10	–
9	Subtotal	63	–	–	63	38.23	0.0	45.00	5.0	75	120.34	10	129
Mid-sized corporations and small-medium enterprises (SMEs) exposures (AIRB approach)													
1	0.00 to <0.15	576,250	17,679	49.86	623,457	0.08	1.2	26.10	2.8	95,427	15.30	133	–
2	0.15 to <0.25	1,268,741	81,430	61.51	1,260,956	0.17	5.1	30.46	3.4	354,913	28.14	678	–
3	0.25 to <0.50	1,268,465	39,812	63.81	1,243,431	0.31	7.0	32.39	3.9	518,308	41.68	1,293	–
4	0.50 to <0.75	704,287	8,429	54.88	652,713	0.55	5.0	31.01	3.3	302,696	46.37	1,125	–
5	0.75 to <2.50	2,248,740	130,381	62.49	1,809,801	1.44	23.9	36.05	3.1	1,267,982	70.06	9,810	–
6	2.50 to <10.00	917,344	102,701	51.63	630,107	2.65	14.3	29.74	3.9	451,548	71.66	4,972	–
7	10.00 to <100.00	285,084	5,205	49.26	187,175	16.88	4.7	32.54	2.1	249,004	133.03	12,347	–
8	100.00 (Default)	253,076	432	100.00	175,730	100.00	4.0	46.22	1.6	27,097	15.41	81,238	–
9	Subtotal	7,521,991	386,072	58.65	6,583,375	3.95	65.6	32.41	3.3	3,266,979	49.62	111,599	108,991
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	2	–	–	2	1.57	0.0	45.00	1.0	2	110.24	0	–
6	2.50 to <10.00	5	–	–	5	3.05	0.0	45.00	1.0	7	134.96	0	–
7	10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	–
8	100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	–
9	Subtotal	7	–	–	7	2.63	0.0	45.00	1.0	10	128.11	0	0
Specialized lending (SL)													
1	0.00 to <0.15	1,760,726	96,795	46.62	1,764,239	0.04	0.2	24.56	3.5	214,308	12.14	180	–
2	0.15 to <0.25	1,756,561	570,251	52.00	1,884,080	0.16	0.4	25.19	4.1	559,205	29.68	799	–
3	0.25 to <0.50	1,570,972	520,039	58.28	1,274,658	0.36	0.2	24.65	3.9	509,668	39.98	1,158	–
4	0.50 to <0.75	90,408	–	–	90,408	0.53	0.0	29.56	4.5	56,914	62.95	141	–
5	0.75 to <2.50	985,045	172,972	57.43	876,489	1.09	0.2	30.64	3.7	620,869	70.83	2,973	–
6	2.50 to <10.00	192,398	29,676	94.19	118,276	3.38	0.0	30.42	3.1	112,731	95.31	1,172	–
7	10.00 to <100.00	63,221	25,192	65.36	76,788	13.54	0.0	32.54	4.1	130,656	170.15	3,427	–
8	100.00 (Default)	52,882	7,851	100.00	50,193	100.00	0.0	55.48	3.2	26,667	53.13	27,851	–
9	Subtotal	6,472,217	1,422,778	55.97	6,135,134	1.35	1.2	26.18	3.8	2,231,023	36.36	37,706	42,089
Equity exposures													
1	0.00 to <0.15	3,575,798	–	–	3,575,798	0.04	1.3	90.00	5.0	3,643,225	101.88	–	–
2	0.15 to <0.25	196,091	–	–	196,091	0.17	0.4	90.00	5.0	262,251	133.73	–	–
3	0.25 to <0.50	12,741	–	–	12,741	0.27	0.1	90.00	5.0	20,772	163.02	–	–
4	0.50 to <0.75	2,953	–	–	2,953	0.53	0.0	90.00	5.0	5,730	194.02	–	–
5	0.75 to <2.50	5,516	–	–	5,516	1.36	0.0	90.00	5.0	15,471	280.47	–	–
6	2.50 to <10.00	7,994	–	–	7,994	2.56	0.0	90.00	5.0	30,530	381.88	–	–
7	10.00 to <100.00	1,604	–	–	1,604	10.30	0.0	90.00	5.0	8,953	557.87	–	–
8	100.00 (Default)	393	–	–	393	100.00	0.0	90.00	5.0	4,428	1,125.00	–	–
9	Subtotal	3,803,094	–	–	3,803,094	0.07	2.2	90.00	5.0	3,991,363	104.95	–	–

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

CR6: IRB - CR exposures by portfolio and PD range		As of March 31, 2019											
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 (corporates) (the amount equivalent to default risks) (AIRB approach)													
1	0.00 to <0.15	990,373	50,697	99.99	1,030,611	0.05	4.0	35.41	1.1	118,019	11.45	234	
2	0.15 to <0.25	410,217	115,696	77.19	496,474	0.17	7.7	33.53	1.1	108,517	21.85	300	
3	0.25 to <0.50	83,101	39,940	100.00	121,873	0.34	5.1	42.27	1.0	48,413	39.72	178	
4	0.50 to <0.75	14,517	50,469	100.00	64,907	0.61	7.5	59.59	1.0	50,205	77.34	240	
5	0.75 to <2.50	60,153	75,444	95.20	131,083	1.45	13.8	48.30	1.2	116,078	88.55	889	
6	2.50 to <10.00	3,812	19,821	100.00	23,503	2.62	3.7	60.36	1.1	28,692	122.07	373	
7	10.00 to <100.00	589	1,709	100.00	2,296	32.23	0.3	57.66	1.0	4,410	192.02	424	
8	100.00 (Default)	4,866	270	100.00	5,080	100.00	0.1	80.78	1.0	661	13.01	4,104	
9	Subtotal	1,567,631	354,049	91.52	1,875,834	0.56	42.5	37.56	1.1	474,998	25.32	6,746	3,137
Purchased receivables (corporates) (the amount equivalent to dilution risks) (AIRB approach)													
1	0.00 to <0.15	600,177	14,455	46.62	606,917	0.06	0.0	33.83	1.0	68,151	11.22	135	
2	0.15 to <0.25	232,666	34,959	46.62	248,910	0.17	0.0	30.38	1.0	51,105	20.53	136	
3	0.25 to <0.50	127,296	18	46.62	127,305	0.32	0.0	31.05	1.0	37,973	29.82	127	
4	0.50 to <0.75	15,517	–	–	15,517	0.53	0.0	35.00	1.1	6,758	43.55	28	
5	0.75 to <2.50	36,218	–	–	36,218	1.21	0.0	32.48	1.0	21,609	59.66	139	
6	2.50 to <10.00	3,576	–	–	3,576	3.97	0.0	21.32	1.0	3,507	98.07	51	
7	10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
8	100.00 (Default)	1,928	–	–	1,928	100.00	0.0	47.03	1.0	265	13.75	906	
9	Subtotal	1,017,381	49,434	46.62	1,040,374	0.36	0.1	32.62	1.0	189,371	18.20	1,526	735
Purchased receivables (corporates) (the amount equivalent to default risks) (FIRB approach)													
1	0.00 to <0.15	–	54	100.00	54	0.05	0.0	45.00	1.0	6	11.21	0	
2	0.15 to <0.25	–	676	100.00	676	0.22	0.0	45.00	1.0	209	31.01	0	
3	0.25 to <0.50	–	1,377	100.00	1,377	0.39	0.0	45.00	1.0	540	39.19	2	
4	0.50 to <0.75	–	4,512	100.00	4,512	0.65	0.0	45.00	1.0	2,326	51.56	13	
5	0.75 to <2.50	–	3,374	100.00	3,374	1.23	0.0	45.00	1.0	2,171	64.35	18	
6	2.50 to <10.00	–	146	100.00	146	3.05	0.0	45.00	1.0	127	86.82	2	
7	10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
8	100.00 (Default)	46	–	–	44	100.00	0.0	45.00	1.0	–	0.00	19	
9	Subtotal	46	10,142	100.00	10,186	1.24	0.0	45.00	1.0	5,381	52.83	57	44
Purchased receivables (corporates) (the amount equivalent to dilution risks) (FIRB approach)													
1	0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
2	0.15 to <0.25	20	–	–	20	0.18	0.0	45.00	1.0	5	28.16	0	
3	0.25 to <0.50	2	–	–	2	0.39	0.0	45.00	1.0	1	45.37	0	
4	0.50 to <0.75	7	–	–	7	0.67	0.0	45.00	1.0	4	61.05	0	
5	0.75 to <2.50	14	–	–	14	0.95	0.0	45.00	1.0	13	91.71	0	
6	2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
7	10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
8	100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
9	Subtotal	46	–	–	46	0.52	0.0	45.00	1.0	25	55.07	0	0
Purchased receivables (retail) (the amount equivalent to default risks)													
1	0.00 to <0.15	3,058	–	–	3,058	0.08	0.0	65.00	–	412	13.49	1	
2	0.15 to <0.25	5,605	–	–	5,604	0.21	0.0	65.00	–	1,521	27.13	7	
3	0.25 to <0.50	3,688	–	–	3,687	0.33	0.4	42.79	–	940	25.50	5	
4	0.50 to <0.75	1,248	–	–	1,247	0.64	0.0	64.42	–	665	53.36	5	
5	0.75 to <2.50	130	18	100.00	148	1.11	0.0	62.96	–	99	66.56	1	
6	2.50 to <10.00	–	2	100.00	2	3.05	0.0	65.00	–	1	90.91	0	
7	10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
8	100.00 (Default)	0	–	–	0	100.00	0.0	81.53	–	0	13.75	0	
9	Subtotal	13,730	21	100.00	13,750	0.27	0.4	58.97	–	3,641	26.48	21	25

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

CR6: IRB - CR exposures by portfolio and PD range		As of March 31, 2019											
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	49	—	—	49	0.03	0.0	45.00	5.0	12	25.88	0	
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	49	—	—	49	0.03	0.0	45.00	5.0	12	25.88	0	0
Qualifying revolving retail exposures (QRRE)													
1	0.00 to <0.15	63,222	183,004	6.55	246,227	0.08	3,519.3	69.57		8,556	3.47	137	
2	0.15 to <0.25	270,442	110,524	6.35	380,966	0.19	1,842.0	70.17		27,348	7.17	507	
3	0.25 to <0.50	306,429	287,713	10.90	594,142	0.40	3,858.6	64.60		72,601	12.21	1,559	
4	0.50 to <0.75	234,914	373,026	57.54	607,941	0.51	3,267.9	74.25		102,965	16.93	2,321	
5	0.75 to <2.50	542,536	53,874	16.42	596,411	1.67	610.3	77.81		261,390	43.82	7,789	
6	2.50 to <10.00	827,903	165,197	6.84	993,100	4.73	1,630.0	75.52		864,699	87.07	35,450	
7	10.00 to <100.00	34,314	4,214	9.59	38,529	49.54	76.2	72.88		65,835	170.87	13,891	
8	100.00 (Default)	75,609	5,547	100.00	81,157	100.00	139.3	77.62		75,999	93.64	62,996	
9	Subtotal	2,355,373	1,183,102	33.43	3,538,476	4.62	14,944.0	72.88		1,479,397	41.80	124,653	89,065
Residential mortgage exposures													
1	0.00 to <0.15	—	—	—	66,289	0.05	6.9	41.36		16,196	24.43	14	
2	0.15 to <0.25	—	—	—	2,101	0.17	0.2	66.14		902	42.92	2	
3	0.25 to <0.50	7,487,736	10,596	100.00	7,499,041	0.29	462.7	27.66		1,100,798	14.67	6,064	
4	0.50 to <0.75	978,326	1,780	100.00	980,108	0.59	54.7	29.57		256,704	26.19	1,739	
5	0.75 to <2.50	1,074,533	3,202	100.00	1,012,811	1.00	77.8	35.89		466,838	46.09	3,809	
6	2.50 to <10.00	—	—	—	—	—	—	—		—	—	—	
7	10.00 to <100.00	32,676	1,418	100.00	29,918	22.72	2.7	30.54		50,806	169.81	2,054	
8	100.00 (Default)	98,771	70	100.00	98,841	100.00	7.7	30.76		24,618	24.90	30,408	
9	Subtotal	9,672,044	17,068	100.00	9,689,113	1.48	612.8	28.86		1,916,865	19.78	44,093	28,735
Other retail exposures													
1	0.00 to <0.15	2	—	—	2	0.08	0.0	69.57		0	14.63	0	
2	0.15 to <0.25	102,833	—	—	102,833	0.17	2.5	35.25		13,133	12.77	61	
3	0.25 to <0.50	349,497	342	83.62	349,839	0.40	10.8	36.46		80,426	22.98	514	
4	0.50 to <0.75	50,000	1,284	89.80	51,285	0.69	2.1	35.91		15,825	30.85	128	
5	0.75 to <2.50	945,786	502,021	95.74	1,447,808	1.41	2,472.7	50.84		830,910	57.39	10,603	
6	2.50 to <10.00	31,508	147,294	100.00	178,802	3.50	142.0	46.14		117,377	65.64	2,873	
7	10.00 to <100.00	16,960	5,212	100.00	22,172	22.83	39.5	51.29		24,427	110.16	2,593	
8	100.00 (Default)	55,898	967	100.00	56,865	100.00	90.4	56.30		90,458	159.07	32,017	
9	Subtotal	1,552,487	657,123	100.00	2,209,611	4.10	2,760.4	47.25		1,172,559	53.06	48,792	28,150
Total (all portfolios)		158,276,630	30,374,265	58.40	176,015,577	0.65	18,455.9	35.07	—	33,345,832	18.94	533,673	464,718

6. 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 March 31, 2020		As of March 31, 2019	
Item No.	Portfolio	a	b	a	b
		Pre-credit derivatives credit RWA	Actual credit RWA	Pre-credit derivatives credit RWA	Actual credit RWA
1	Sovereign exposures - FIRB	—	—	—	—
2	Sovereign exposures - AIRB	435,987	435,987	324,283	324,283
3	Bank exposures - FIRB	1,889	1,889	5,978	5,978
4	Bank exposures - AIRB	1,907,175	1,907,175	1,232,599	1,232,599
5	Corporate exposures (excluding SL) - FIRB	21	21	85	85
6	Corporate exposures (excluding SL) - AIRB	21,249,845	21,249,140	20,216,917	20,216,202
7	SL - FIRB	531,575	531,575	561,130	561,130
8	SL - AIRB	2,445,379	2,445,379	2,325,087	2,325,087
9	Retail - QRRE	1,396,896	1,396,896	1,479,397	1,479,397
10	Retail - Residential mortgage exposures	1,686,415	1,686,415	1,916,865	1,916,865
11	Retail - Other retail exposures	1,178,714	1,178,714	1,172,559	1,172,559
12	Equity - FIRB	—	—	—	—
13	Equity - AIRB	4,157,942	4,157,942	4,690,527	4,690,527
14	Purchased receivables - FIRB	3,628	3,628	5,407	5,407
15	Purchased receivables - AIRB	672,847	672,847	668,024	668,024
16	Total	35,668,320	35,667,615	34,598,865	34,598,150

7. RWA flow statements of credit risk exposures under IRB approach (CR8)

(One hundred billions of yen)

CR8: RWA flow statements of credit risk exposures under IRB approach			
Item No.		RWA amounts	
1	RWA as of March 31, 2019	345	
2	Breakdown of variations in the credit risk-weighted assets	Asset size	15
3		Asset quality	(1)
4		Model updates	—
5		Methodology and policy	—
6		Acquisitions and disposals	—
7		Foreign exchange movements	(4)
8		Other	—
9	RWA as of March 31, 2020	356	

(One hundred billions of yen)

CR8: RWA flow statements of credit risk exposures under IRB approach			
Item No.		RWA amounts	
1	RWA as of March 31, 2018	368	
2	Breakdown of variations in the credit risk-weighted assets	Asset size	7
3		Asset quality	(17)
4		Model updates	—
5		Methodology and policy	(1)
6		Acquisitions and disposals	(13)
7		Foreign exchange movements	2
8		Other	—
9	RWA as of March 31, 2019	345	

8. Backtesting of Probability of Default (PD) per Portfolio (CR9)

(% , the number of data)

CR9: IRB - Backtesting of PD per portfolio													
a	b	c					d	e	f		g	h	i
Portfolio	PD Range	External rating equivalent					Weighted average PD (EAD weighted)	Arithmetic average PD (by obligors)	Number of obligors		Number of defaulted obligors in the year	Of which: number of new defaulted obligors in the year	Average historical annual default rate (5 years)
		S&P	Moody's	Fitch	R&I	JCR			As of March 31, 2019	As of March 31, 2018			
Corporates	0.00 to < 0.05	AAA~A+	Aaa~A1	AAA~A+	AAA~AA-	AAA~AA-	0.00%	0.03%	1,766	1,766	2	0	0.02%
	0.05 to < 0.10	A~A-	A2~A3	A~A-	A+~BBB-	A+~BBB-	0.07%	0.08%	4,192	4,192	1	0	0.03%
	0.10 to < 0.50	BBB+~BB	Baa1~Ba2	BBB+~BB	to BB+	to BB+	0.21%	0.23%	13,505	13,504	20	1	0.09%
	0.50 to < 2.50	BB~B	Ba3~B2	BB~B	to BB+	to BB+	1.25%	1.43%	26,059	26,058	83	1	0.25%
	2.50 to < 100.00	to B-	to B3	to B-	to BB+	to BB+	6.25%	6.82%	14,107	14,104	1,290	3	6.19%
Qualifying revolving retail	0.00 to < 0.05						—	—	—	—	—	—	—
	0.05 to < 0.10						0.08%	0.08%	4,962,040	4,812,835	4,034	1,576	0.07%
	0.10 to < 0.50						0.33%	0.35%	5,727,438	5,626,176	10,704	2,202	0.15%
	0.50 to < 2.50						1.03%	0.66%	3,948,483	3,737,623	15,313	1,803	0.33%
	2.50 to < 100.00						6.42%	7.26%	1,659,648	1,646,644	79,921	2,280	4.68%
Residential mortgage	0.00 to < 0.05						—	—	—	—	—	—	—
	0.05 to < 0.10						—	—	—	—	—	—	—
	0.10 to < 0.50						0.29%	0.29%	662,016	672,122	736	1	0.11%
	0.50 to < 2.50						0.82%	0.86%	165,706	171,058	615	0	0.41%
	2.50 to < 100.00						23.51%	25.40%	2,565	3,860	320	0	10.08%
Other retail	0.00 to < 0.05						—	—	—	—	—	—	—
	0.05 to < 0.10						—	—	—	—	—	—	—
	0.10 to < 0.50						0.33%	0.35%	13,787	15,246	29	4	0.16%
	0.50 to < 2.50						1.47%	1.41%	2,453,050	2,454,758	12,665	2,324	0.51%
	2.50 to < 100.00						5.73%	8.99%	183,691	183,828	9,624	410	2.49%

- Notes: 1. IRB model presented in this table covers all models used within the scope of regulatory consolidation.
2. Applicable portfolios of each IRB model take into account the portfolio classification under Basel Capital Accord. "Corporates" include "Sovereign," "Financial entities," "Specialized lending," "Equity (PD/LGD method)" and "Purchased receivables (corporates)," and "Residential mortgage" and "Other retail" include "Purchased receivables (retail)." Therefore, the same classifications are used in this table.
3. A maximum of ten categories of obligor rating in the internal rating system are consolidated into five categories as PD categories.
4. For the external ratings associated with, external ratings equivalent to the PD of non-Japanese companies mainly are listed in the columns of S&P, Moody's, and Fitch, and external ratings equivalent to the PD of Japanese companies mainly are listed in the columns of R&I and JCR.
5. The number of obligors of "Qualifying revolving retail," "Residential mortgage" and "Other retail" states the number of receivables.
6. The proportion of credit risk-weighted assets subject to the IRB approach is that "Corporates" accounts for 84.92 percent, "Qualifying revolving retail" accounts for 4.36 percent, "Residential mortgage" accounts for 5.59 percent, and "Other retail" accounts for 3.47 percent.

9. 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 March 31, 2020									
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	12,423	29,415	50%	41,023	—	—	—	41,023	20,511	—
	Equal to or more than 2.5 years	29,086	30,793	70%	40,443	3,029	—	—	43,472	30,431	173
Good	Less than 2.5 years	3,695	—	70%	3,695	—	—	—	3,695	2,586	14
	Equal to or more than 2.5 years	51,217	5,440	90%	53,759	—	—	—	53,759	48,383	430
Satisfactory		3,615	324	115%	3,792	—	—	—	3,792	4,361	106
Weak		—	—	250%	—	—	—	—	—	—	—
Default		3,137	—	—	3,131	6	—	—	3,137	—	1,568
Total		103,175	65,973	—	145,845	3,035	—	—	148,881	106,274	2,293
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	4,348	3,237	70%					5,861	4,102	23
	Equal to or more than 2.5 years	4,248	4,857	95%					6,517	6,191	26
Good	Less than 2.5 years	28,634	34,120	95%					44,809	42,569	179
	Equal to or more than 2.5 years	169,829	31,437	120%					187,353	224,824	749
Satisfactory		92,083	14,357	140%					98,791	138,307	2,766
Weak		—	—	250%					—	—	—
Default		—	—	—					—	—	—
Total		299,142	88,010	—					343,332	415,995	3,744
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		27,836	—	300%					27,836	83,509	
Simple risk weight method –unlisted shares		57,885	11,804	400%					63,400	253,603	
Internal models approach		206,555	52,987	174%					259,543	452,830	
Total		292,277	64,792	—					350,780	789,942	
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%					—	—	

(Millions of yen, except percentages)

CR10: IRB - SL (slotting criteria approach) and equity exposures (market-based approach, etc.)		As of March 31, 2019									
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	7,686	28,595	50%	36,282	—	—	—	36,282	18,141	—
	Equal to or more than 2.5 years	17,399	18,062	70%	22,398	3,437	—	—	25,835	18,084	103
Good	Less than 2.5 years	4,899	710	70%	5,257	—	—	—	5,257	3,679	21
	Equal to or more than 2.5 years	45,993	—	90%	45,993	—	—	—	45,993	41,394	367
Satisfactory		2,179	—	115%	2,179	—	—	—	2,179	2,506	61
Weak		24	—	250%	—	24	—	—	24	61	1
Default		3,317	—	—	3,317	—	—	—	3,317	—	1,658
Total		81,500	47,368	—	115,428	3,461	—	—	118,890	83,868	2,214
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	5,483	3,097	70%				6,927	4,849	27	
	Equal to or more than 2.5 years	2,820	2,900	95%				4,172	3,964	16	
Good	Less than 2.5 years	58,520	36,546	95%				75,837	72,045	303	
	Equal to or more than 2.5 years	122,748	42,273	120%				144,101	172,922	576	
Satisfactory		153,511	901	140%				153,931	215,504	4,310	
Weak		—	—	250%				—	—	—	
Default		—	—	—				—	—	—	
Total		343,084	85,719	—				384,971	469,285	5,234	
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		31,926	—	300%				31,926	95,779		
Simple risk weight method –unlisted shares		57,835	8,520	400%				61,808	247,232		
Internal models approach		191,666	59,500	141%				251,166	356,151		
Total		281,428	68,021	—				344,901	699,163		
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%				—	—		

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

Exposures under Article 145 of the Notification include investments to funds. In the case of such exposures, in principle, each underlying asset of the fund is assigned an obligor grade to calculate the asset's credit risk-weighted asset amount and the amounts are totaled to derive the credit risk-weighted asset amount of the fund. When it is difficult to calculate the credit risk-weighted asset amount of individual underlying assets, the weighted average of the risk weight of individual underlying assets is calculated, where risk weight of 250%/400% is applied if the result of such calculation proved to be 250%/400% or less, while 1,250% is applied otherwise.

(Millions of yen)

Calculation method	As of March 31, 2020	As of March 31, 2019
Look-through approach	964,706	1,337,269
Mandate-based approach	—	—
Simple approach (subject to 250% risk weight)	16,497	8,231
Simple approach (subject to 400% risk weight)	93,856	79,338
Fall-back approach	4,720	3,334

■ Standardised Approach

1. Scope

The following consolidated subsidiaries have adopted the standardised approach for exposures as of March 31, 2020 (i.e. consolidated subsidiaries not listed in the “Internal Ratings-Based (IRB) Approach: 1. Scope” on page 259).

(1) Consolidated Subsidiaries Planning to Adopt Phased Rollout of the AIRB Approach

SMBC Consumer Finance Co., Ltd. and SMBC Nikko Securities Inc.

(2) Consolidated Subsidiaries Planning to Adopt Phased Rollout of the FIRB Approach

Currently, there are no subsidiaries applicable.

(3) Other Consolidated Subsidiaries

These are consolidated subsidiaries judged not to be significant in terms of credit risk management based on the type of business, scale, and other factors. These subsidiaries will adopt the standardised approach on a permanent basis.

2. Credit Risk-Weighted Asset Calculation Methodology

A 100% risk weight is applied to claims on corporates in accordance with Article 45 of the Notification, and risk weights corresponding to country risk scores published by the Organization for Economic Co-operation and Development (OECD) are applied to claims on sovereigns and financial institutions.

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

(Millions of yen, except percentages)

CR4: SA – CR exposure and CRM effects		As of March 31, 2020					
Item No.	Asset classes	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	30,832	—	30,832	—	0	0.00%
2	Government of Japan and Bank of Japan (BOJ)	2,753,060	—	2,753,060	—	0	0.00%
3	Foreign central governments and foreign central banks	2,000,186	—	2,000,186	—	2,629	0.13%
4	Bank for International Settlements, etc.	8	—	8	—	0	0.00%
5	Local governments of Japan	1,230	—	1,230	—	0	0.00%
6	Foreign non-central government public sector entities (PSEs)	5,313	—	5,313	—	1,062	20.00%
7	Multilateral development banks (MDBs)	1,265	—	1,265	—	0	0.00%
8	Japan Finance Organization for Municipalities (JFM)	—	—	—	—	—	—
9	Government-affiliated agencies of Japan	44,459	—	44,459	—	4,445	10.00%
10	The three local public corporations	—	—	—	—	—	—
11	Banks entities and financial instruments business operators engaged in Type I Financial Instruments Business	1,227,664	—	1,227,664	—	252,457	20.56%
12	Corporates	885,549	233,441	885,191	101,868	1,002,704	101.58%
13	SMEs and retail	1,393,641	971,198	1,393,641	714,347	1,580,991	75.00%
14	Residential mortgage loans	134,933	—	134,933	—	47,226	35.00%
15	Real estate acquisition activities	—	—	—	—	—	—
16	Past due loans (three months or more), etc. (excluding residential mortgage loans)	111,258	830	111,126	830	157,361	140.55%
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)	1,209	—	1,209	—	1,209	100.00%
22	Total	8,590,673	1,205,469	8,590,184	817,045	3,050,149	32.42%

(Millions of yen, except percentages)

CR4: SA – CR exposure and CRM effects		As of March 31, 2019					
Item No.	Asset classes	a	b	c	d	e	f
		Exposures pre-CCF and pre-CRM On-balance sheet amount	Off-balance sheet amount	Exposures post-CCF and post-CRM On-balance sheet amount	Off-balance sheet amount	Credit RWA amount	RWA density
1	Cash	29,321	—	29,321	—	0	0.00%
2	Government of Japan and Bank of Japan (BOJ)	2,732,090	—	2,732,090	—	0	0.00%
3	Foreign central governments and foreign central banks	1,295,182	—	1,295,182	—	11,203	0.86%
4	Bank for International Settlements, etc.	—	—	—	—	—	—
5	Local governments of Japan	1,065	—	1,065	—	0	0.00%
6	Foreign non-central government public sector entities (PSEs)	5,966	—	5,966	—	1,193	20.00%
7	Multilateral development banks (MDBs)	3,862	—	3,862	—	0	0.00%
8	Japan Finance Organization for Municipalities (JFM)	—	—	—	—	—	—
9	Government- affiliated agencies of Japan	24,632	—	24,632	—	2,463	10.00%
10	The three local public corporations	—	—	—	—	—	—
11	Banks entities and financial instruments business operators engaged in Type I Financial Instruments Business	1,014,364	—	1,014,364	—	208,559	20.56%
12	Corporates	693,915	244,629	693,306	100,975	805,109	101.36%
13	SMEs and retail	1,432,756	999,406	1,432,756	749,729	1,636,864	75.00%
14	Residential mortgage loans	114,618	—	114,618	—	40,116	35.00%
15	Real estate acquisition activities	—	—	—	—	—	—
16	Past due loans (three months or more), etc. (excluding residential mortgage loans)	100,681	676	100,482	676	138,293	136.70%
17	Past due loans (three months or more) (residential mortgage loans)	40	—	40	—	40	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	7,448,496	1,244,712	7,447,687	851,382	2,843,844	34.26%

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

(Millions of yen)

CR5: SA – CR exposures by asset classes and risk weights		As of March 31, 2020										
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	30,832	–	–	–	–	–	–	–	–	–	30,832
2	Government of Japan and BOJ	2,753,060	–	–	–	–	–	–	–	–	–	2,753,060
3	Foreign central governments and foreign central banks	1,994,927	–	–	–	5,259	–	–	–	–	–	2,000,186
4	Bank for International Settlements, etc.	8	–	–	–	–	–	–	–	–	–	8
5	Local governments of Japan	1,230	–	–	–	–	–	–	–	–	–	1,230
6	Foreign non-central government PSEs	–	–	5,313	–	–	–	–	–	–	–	5,313
7	MDBs	1,265	–	–	–	–	–	–	–	–	–	1,265
8	JFM	–	–	–	–	–	–	–	–	–	–	–
9	Government- affiliated agencies of Japan	–	44,459	–	–	–	–	–	–	–	–	44,459
10	The three local public corporations	–	–	–	–	–	–	–	–	–	–	–
11	Banks and financial instruments business operators engaged in Type I Financial Instruments Business	–	–	1,208,548	–	16,736	–	2,379	–	–	–	1,227,664
12	Corporates	4,834	–	6,358	–	–	–	975,867	–	–	–	987,060
13	SMEs and retail	–	–	–	–	–	2,107,989	–	–	–	–	2,107,989
14	Residential mortgage loans	–	–	–	134,933	–	–	–	–	–	–	134,933
15	Real estate acquisition activities	–	–	–	–	–	–	–	–	–	–	–
16	Past due loans (three months or more), etc. (excluding residential mortgage loans)	–	–	–	–	6,719	–	7,706	97,530	–	–	111,956
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)	–	–	–	–	–	–	1,209	–	–	–	1,209
22	Total	4,786,159	44,459	1,220,220	134,933	28,715	2,107,989	987,222	97,530	–	–	9,407,230

(Millions of yen)

CR5: SA – CR exposures by asset classes and risk weights		As of March 31, 2019										
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	29,321	–	–	–	–	–	–	–	–	–	29,321
2	Government of Japan and BOJ	2,732,090	–	–	–	–	–	–	–	–	–	2,732,090
3	Foreign central governments and foreign central banks	1,272,774	–	–	–	22,407	–	–	–	–	–	1,295,182
4	Bank for International Settlements, etc.	–	–	–	–	–	–	–	–	–	–	–
5	Local governments of Japan	1,065	–	–	–	–	–	–	–	–	–	1,065
6	Foreign non-central government PSEs	–	–	5,966	–	–	–	–	–	–	–	5,966
7	MDBs	3,862	–	–	–	–	–	–	–	–	–	3,862
8	JFM	–	–	–	–	–	–	–	–	–	–	–
9	Government- affiliated agencies of Japan	–	24,632	–	–	–	–	–	–	–	–	24,632
10	The three local public corporations	–	–	–	–	–	–	–	–	–	–	–
11	Banks and financial instruments business operators engaged in Type I Financial Instruments Business	–	–	999,989	–	11,626	–	2,749	–	–	–	1,014,364
12	Corporates	8,318	–	5,587	–	–	–	780,375	–	–	–	794,282
13	SMEs and retail	–	–	–	–	–	2,182,486	–	–	–	–	2,182,486
14	Residential mortgage loans	–	–	–	114,618	–	–	–	–	–	–	114,618
15	Real estate acquisition activities	–	–	–	–	–	–	–	–	–	–	–
16	Past due loans (three months or more), etc. (excluding residential mortgage loans)	–	–	–	–	6,347	–	14,194	80,616	–	–	101,159
17	Past due loans (three months or more) (residential mortgage loans)	–	–	–	–	–	–	40	–	–	–	40
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	4,047,432	24,632	1,011,542	114,618	40,382	2,182,486	797,359	80,616	–	–	8,299,070

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

1. Overview of Risk Characteristics, Risk Management Policy, Risk Management Procedures and Risk Management System

In calculating credit risk-weighted asset amounts, We take into account credit risk mitigation (CRM) techniques. Specifically, amounts are adjusted for eligible financial or real estate collateral, guarantees, and credit derivatives. The methods and scope of these adjustments and methods of management are as follows.

(1) Scope and Management

A. Collateral (Eligible Financial or Real Estate Collateral)

SMBC designates deposits and securities as eligible financial collateral, and land and buildings as eligible real estate collateral.

Real estate collateral is evaluated by taking into account its fair value, appraisal value, and current condition, as well as our lien position. Real estate collateral must maintain sufficient collateral value in the event security rights must be exercised due to delinquency. However, during the period from acquiring the rights to exercising the rights, the property may deteriorate or suffer damage from earthquakes or other natural disasters, or there may be changes in the lien position due to, for example, attachment or establishment of liens by a third party. Therefore, the regular monitoring of collateral is implemented according to the type of property and the type of security interest.

B. Guarantees and Credit Derivatives

Guarantors are sovereigns, municipal corporations, credit guarantee corporations and other public entities, financial institutions, and C&I companies. Counterparties to credit derivative transactions are mostly domestic and overseas banks and securities companies.

Credit risk-weighted asset amounts are calculated taking into account credit risk mitigation of guarantees and credit derivatives acquired from entities with sufficient ability to provide protection such as sovereigns, municipal corporations and other public sector entities of comparable credit quality, and financial institutions and C&I companies with sufficient credit ratings.

(2) Concentration of Credit Risk and Market Risk under Credit Risk Mitigation Techniques

There is a framework in place for controlling concentration of risk in obligors with large exposures which includes large exposure limit lines, risk concentration monitoring, and reporting to the Credit Risk Committee (please refer to pages 115 to 120). Further, exposures to these obligors are monitored on a group basis, taking into account risk concentration in their parent companies in cases that exposures to the obligors are guaranteed by the parent companies for risk mitigation.

In addition, when marketable financial products (for example, credit derivatives) are used as credit risk mitigants, market risk generated by these products is controlled by setting upper limits.

As credit risk mitigation techniques, eligible real estate collateral and guarantees have shown a certain effect.

2. Credit Risk Mitigation Techniques (CR3)

(Millions of yen)

CR3: CRM techniques		As of March 31, 2020				
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	53,633,492	27,639,904	12,939,469	9,007,125	24,590
2	Securities (of which: Debt securities)	20,595,740	827,011	239,656	33,890	—
3	Other on-balance sheet assets (of which: debt-based assets)	66,211,425	296,998	4,793	257,250	—
4	Total (1+2+3)	140,440,658	28,763,914	13,183,919	9,298,265	24,590
5	Of which: defaulted	527,485	147,261	79,156	9,453	—

(Millions of yen)

CR3: CRM techniques		As of March 31, 2019				
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	49,092,490	28,088,080	13,092,100	9,260,609	—
2	Securities (of which: Debt securities)	16,890,132	920,449	258,021	51,641	600
3	Other on-balance sheet assets (of which: debt-based assets)	63,331,991	332,855	6,071	275,620	—
4	Total (1+2+3)	129,314,614	29,341,384	13,356,193	9,587,871	600
5	Of which: defaulted	536,741	152,513	81,179	6,482	—

Counterparty Credit Risk

1. Overview of Risk Characteristics

Counterparty credit risk is actualized when counterparties become default in a condition where derivative transactions, etc. have a positive value, and risks fluctuate according to the credit quality of counterparties and related market indicators.

2. Risk Management Policy and Procedures

(1) Risk Management Policy

For counterparty credit risks, credit limits are set according to the frameworks of credit management in each SMBC Group company. For transactions with CCP, credit risks are managed after validating the financial base and the default management process, etc.

(2) Policy on Collateral Security and Impact of Deterioration of Our Credit Quality

Collateralized derivative is a CRM technique in which collateral is delivered or received regularly in accordance with replacement cost.

The Group conducts collateralized derivative transactions as necessary, thereby reducing credit risk. In the event our credit quality deteriorates, however, the counterparty may demand additional collateral, but its impact is deemed to be insignificant.

(3) Netting

Netting is another CRM technique, and “close-out netting” is the main type of netting. In close-out netting, when a default event, such as bankruptcy, occurs to the counterparty, all claims against, and obligations to, the counterparty, regardless of maturity and currency, are netted out to create a single claim or obligation. Close-out netting is applied to foreign exchange and swap transactions covered under a master agreement with a net-out clause or other means of securing legal effectiveness, and the effect of CRM is taken into account only for such claims and obligations.

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

(Millions of yen)

CCR1: Amount of CCR exposure by approach		As of March 31, 2020					
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	2,310,569	2,548,104			4,858,674	1,495,568
2	Expected exposure method (IMM)			—	—	—	—
3	Simple approach for CRM					—	—
4	Comprehensive approach for CRM					8,303,441	606,838
5	Exposure fluctuation estimation model					—	—
6	Total						2,102,407

(Millions of yen)

CCR1: Amount of CCR exposure by approach		As of March 31, 2019					
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	1,328,818	2,558,596			3,887,415	1,094,827
2	Expected exposure method (IMM)			—	—	—	—
3	Simple approach for CRM					—	—
4	Comprehensive approach for CRM					4,676,937	462,418
5	Exposure fluctuation estimation model					—	—
6	Total						1,557,246

4. CVA Capital Charge (CCR2)

(Millions of yen)

CCR2: CVA risk capital charge		As of March 31, 2020		As of March 31, 2019	
		a	b	a	b
Item No.		EAD post-CRM	RWA (Amount calculated by dividing CVA capital charge by 8%)	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	4,375,111	3,067,315	3,455,139	2,376,345
5	Total subject to the CVA capital charge	4,375,111	3,067,315	3,455,139	2,376,345

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

(Millions of yen)

CCR3: CCR exposures by regulatory portfolio and risk weights		As of March 31, 2020								
Item No.	Regulatory portfolio	Credit equivalent amounts (post-CRM)								
		a	b	c	d	e	f	g	h	i
	Risk weight	0%	10%	20%	50%	75%	100%	150%	Others	Total
1	Government of Japan and BOJ	47,709	—	—	—	—	—	—	—	47,709
2	Foreign central governments and foreign central banks	—	—	—	—	—	—	0	—	0
3	Bank for International Settlements, etc.	—	—	—	—	—	—	—	—	—
4	Local governments of Japan	3,087	—	—	—	—	—	—	—	3,087
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	—	—	476,777	517	—	—	—	—	477,295
11	Corporates	—	—	—	—	—	567,305	—	—	567,305
12	SMEs and retail	—	—	—	—	58,587	—	—	—	58,587
13	Other than the above	—	—	—	—	—	42,630	—	—	42,630
14	Total	50,797	—	476,777	517	58,587	609,936	0	—	1,196,616

(Millions of yen)

CCR3: CCR exposures by regulatory portfolio and risk weights		As of March 31, 2019								
Item No.	Regulatory portfolio	a	b	c	d	e	f	g	h	i
		Credit equivalent amounts (post-CRM)								
	Risk weight	0%	10%	20%	50%	75%	100%	150%	Others	Total
1	Government of Japan and BOJ	81,773	—	—	—	—	—	—	—	81,773
2	Foreign central governments and foreign central banks	—	—	—	—	—	—	10	—	10
3	Bank for International Settlements, etc.	—	—	—	—	—	—	—	—	—
4	Local governments of Japan	62	—	—	—	—	—	—	—	62
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	—	—	604,407	1,093	—	—	—	—	605,501
11	Corporates	—	—	—	—	—	366,869	—	—	366,869
12	SMEs and retail	—	—	—	—	66,984	—	—	—	66,984
13	Other than the above	—	—	—	—	—	38,851	—	—	38,851
14	Total	81,836	—	604,407	1,093	66,984	405,721	10	—	1,160,053

6. 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 March 31, 2020						
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	3,766,191	0.00	0.8	2.26	0.2	4,622	0.12
2	0.15 to <0.25	83,118	0.17	0.0	34.46	0.0	15,177	18.26
3	0.25 to <0.50	10	0.26	0.0	35.00	1.0	2	28.13
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	2,621	2.13	0.0	34.56	1.4	2,050	78.21
6	2.50 to <10.00	106	3.96	0.0	34.93	1.0	100	93.90
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	3,852,047	0.00	0.9	2.97	0.2	21,952	0.56
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	4,198,535	0.03	16.4	17.95	1.2	291,980	6.95
2	0.15 to <0.25	1,140,827	0.17	5.2	15.96	1.1	199,153	17.45
3	0.25 to <0.50	548	0.27	0.0	31.45	1.0	139	25.42
4	0.50 to <0.75	27	0.52	0.0	35.00	1.0	14	54.14
5	0.75 to <2.50	43,182	0.91	0.1	6.92	0.1	5,816	13.47
6	2.50 to <10.00	192,366	3.96	0.0	0.18	0.0	1,176	0.61
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	5,575,486	0.20	21.9	16.84	1.1	498,281	8.93
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 March 31, 2020						
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	894,668	0.05	47.9	29.74	2.4	140,730	15.72
2	0.15 to <0.25	624,623	0.17	27.4	31.09	3.2	218,903	35.04
3	0.25 to <0.50	107,002	0.26	8.1	35.19	2.6	49,169	45.95
4	0.50 to <0.75	27,357	0.51	4.3	34.39	2.7	15,810	57.79
5	0.75 to <2.50	67,808	1.49	4.4	33.15	3.0	57,217	84.38
6	2.50 to <10.00	3,036	7.47	0.6	34.35	2.3	3,951	130.13
7	10.00 to <100.00	879	23.45	0.0	34.78	1.2	1,540	175.22
8	100.00 (Default)	1,670	100.00	0.0	36.99	2.9	716	42.92
9	Subtotal	1,727,046	0.29	93.1	30.79	2.8	488,040	28.25
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	—	—	—	—	—	—	—
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—
Mid-sized corporations and SMEs exposures (AIRB approach)								
1	0.00 to <0.15	7,003	0.08	3.8	33.25	2.9	1,474	21.04
2	0.15 to <0.25	10,873	0.17	7.0	33.56	3.5	3,484	32.04
3	0.25 to <0.50	7,257	0.26	2.9	35.00	3.6	3,054	42.08
4	0.50 to <0.75	6,391	0.51	3.0	34.26	3.8	3,880	60.71
5	0.75 to <2.50	10,469	1.35	6.3	34.92	3.9	7,976	76.19
6	2.50 to <10.00	336	9.88	0.2	35.00	3.1	423	125.85
7	10.00 to <100.00	5	27.27	0.0	35.00	1.0	8	161.01
8	100.00 (Default)	314	100.00	0.1	46.58	4.5	42	13.63
9	Subtotal	42,651	1.32	23.6	34.30	3.6	20,345	47.70
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 March 31, 2020						
Item No.	PD scale	a	b	c	d	e	f	g
		EAD post-CRM	Average PD (%)	Number of counterparties	Average LGD (%)	Average maturity	Credit RWA	RWA density (%)
SL								
1	0.00 to <0.15	122,515	0.05	0.2	17.82	4.7	19,606	16.00
2	0.15 to <0.25	350,757	0.18	0.4	25.82	4.8	127,049	36.22
3	0.25 to <0.50	108,267	0.26	0.6	23.94	4.8	43,497	40.17
4	0.50 to <0.75	51,454	0.51	0.9	20.38	4.5	22,066	42.88
5	0.75 to <2.50	123,915	1.16	0.2	28.34	4.8	96,927	78.22
6	2.50 to <10.00	6,796	3.96	0.0	39.33	4.8	10,021	147.43
7	10.00 to <100.00	1,825	13.44	0.0	37.70	4.7	3,664	200.75
8	100.00 (Default)	2,734	100.00	0.0	69.53	4.7	1,462	53.50
9	Subtotal	768,266	0.77	2.5	24.62	4.8	324,295	42.21
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)		11,965,498	0.19	142.2	14.95	1.3	1,352,915	11.30

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

CCR4: IRB - CCR exposures by portfolio and PD scale		As of March 31, 2019						
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	87,145	0.01	0.8	27.06	2.9	6,370	7.31
2	0.15 to <0.25	19,471	0.16	0.0	23.14	0.0	1,911	9.81
3	0.25 to <0.50	—	—	—	—	—	—	—
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	364	0.86	0.0	35.00	3.5	285	78.35
6	2.50 to <10.00	2,159	2.56	0.0	1.01	1.0	62	2.87
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	109,141	0.09	0.8	25.87	2.4	8,629	7.90
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	4,105,450	0.03	15.2	16.34	1.0	237,771	5.79
2	0.15 to <0.25	914,345	0.16	4.6	17.65	0.9	150,782	16.49
3	0.25 to <0.50	498	0.29	0.0	31.92	1.6	184	36.91
4	0.50 to <0.75	—	—	—	—	—	—	—
5	0.75 to <2.50	51,747	0.85	0.0	3.97	0.0	3,402	6.57
6	2.50 to <10.00	169,601	3.96	0.1	0.56	0.0	3,009	1.77
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	5,241,643	0.19	20.2	15.94	0.9	395,151	7.53
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 March 31, 2019						
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	957,186	0.05	46.6	29.65	2.3	142,052	14.84
2	0.15 to <0.25	427,536	0.16	22.8	30.47	3.4	150,001	35.08
3	0.25 to <0.50	96,278	0.30	7.9	34.45	2.4	43,218	44.88
4	0.50 to <0.75	12,922	0.53	3.5	34.99	3.0	7,949	61.51
5	0.75 to <2.50	34,043	1.53	4.2	32.19	3.2	28,198	82.83
6	2.50 to <10.00	13,397	2.72	0.6	34.21	2.6	14,987	111.86
7	10.00 to <100.00	4,401	14.56	0.4	32.31	2.1	6,321	143.61
8	100.00 (Default)	173	100.00	0.0	41.51	4.0	23	13.75
9	Subtotal	1,545,940	0.21	86.4	30.32	2.7	392,753	25.40
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	—	—	—	—	—	—	—
7	10.00 to <100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—
Mid-sized corporations and SMEs exposures (AIRB approach)								
1	0.00 to <0.15	8,073	0.08	3.2	33.45	2.8	1,672	20.71
2	0.15 to <0.25	13,019	0.17	6.0	35.00	3.1	4,261	32.73
3	0.25 to <0.50	7,548	0.27	2.9	34.00	3.3	3,015	39.94
4	0.50 to <0.75	7,631	0.53	2.4	34.42	3.4	4,313	56.52
5	0.75 to <2.50	9,493	1.37	4.9	34.84	3.5	7,143	75.24
6	2.50 to <10.00	1,859	2.56	0.5	35.00	4.3	1,692	91.01
7	10.00 to <100.00	354	13.77	0.1	35.00	4.3	507	143.15
8	100.00 (Default)	366	100.00	0.0	46.91	4.5	50	13.75
9	Subtotal	48,347	1.41	20.5	34.55	3.3	22,656	46.86
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 March 31, 2019						
Item No.	PD scale	a	b	c	d	e	f	g
		EAD post-CRM	Average PD (%)	Number of counterparties	Average LGD (%)	Average maturity	Credit RWA	RWA density (%)
SL								
1	0.00 to <0.15	96,708	0.04	0.2	18.68	4.8	13,306	13.75
2	0.15 to <0.25	215,673	0.16	0.4	22.33	4.8	64,682	29.99
3	0.25 to <0.50	89,110	0.36	0.6	22.00	4.8	37,065	41.59
4	0.50 to <0.75	339	0.53	0.0	30.00	4.4	212	62.68
5	0.75 to <2.50	49,437	1.18	0.1	25.26	4.6	34,188	69.15
6	2.50 to <10.00	3,713	3.98	0.0	46.18	4.9	6,440	173.43
7	10.00 to <100.00	1,392	14.27	0.0	42.94	4.9	3,240	232.79
8	100.00 (Default)	2,852	100.00	0.0	65.94	4.8	1,515	53.13
9	Subtotal	459,226	0.98	1.5	22.35	4.8	160,652	34.98
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)		7,404,300	0.25	129.6	19.61	1.6	979,843	13.23

7. Composition of Collateral for CCR Exposure (CCR5)

(Millions of yen)

CCR5: Composition of collateral for CCR exposure		As of March 31, 2020					
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)	27,859	94,109	—	307,476	6,184,166	11,145,743
2	Cash (other currencies)	666	345,002	—	493,507	4,009,606	2,612,553
3	Domestic sovereign debt	860	6,350	—	4,485	8,495,144	6,787,322
4	Other sovereign debt	7,461	—	—	—	2,726,571	3,787,074
5	Government agency debt	9	—	—	—	1,129,593	—
6	Corporate bonds	5,216	—	—	—	80,559	112,253
7	Equity securities	11,446	—	—	—	1,799,917	931,679
8	Other collateral	—	—	—	—	16,921	—
9	Total	53,519	445,462	—	805,469	24,442,481	25,376,627

(Millions of yen)

CCR5: Composition of collateral for CCR exposure		As of March 31, 2019					
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)	16,008	53,826	—	216,069	6,219,697	8,270,506
2	Cash (other currencies)	110	174,936	—	252,900	3,641,626	2,056,347
3	Domestic sovereign debt	154	239	—	39,088	5,901,864	7,019,774
4	Other sovereign debt	3,399	—	—	—	2,037,550	3,681,176
5	Government agency debt	5	—	—	—	1,183,595	—
6	Corporate bonds	2,496	—	—	—	63,059	25,982
7	Equity securities	3,376	—	—	—	1,386,785	356,931
8	Other collateral	5,349	—	—	—	55,026	—
9	Total	30,900	229,001	—	508,057	20,489,205	21,410,718

8. Credit Derivative Transaction Exposures (CCR6)

(Millions of yen)

CCR6: Credit derivative transaction exposures		As of March 31, 2020		As of March 31, 2019	
Item No.		a	b	a	b
		Protection bought	Protection sold	Protection bought	Protection sold
Notionals					
1	Single-name credit default swaps	475,205	525,596	375,808	472,253
2	Index credit default swaps	396,299	320,438	147,640	119,000
3	Total return swaps	—	—	—	—
4	Credit options	62,565	54,405	—	—
5	Other credit derivatives	—	—	—	—
6	Total notionals	934,070	900,439	523,448	591,253
Fair values					
7	Positive fair value (asset)	16,305	13,898	1,137	9,593
8	Negative fair value (liability)	139,824	44,430	8,013	4,008

9. RWA flow statements of CCR exposures under the Expected exposure method (IMM) (CCR7)

Not applicable.

10. Exposures to Central Counterparties (CCR8)

(Millions of yen)

CCR8: Exposures to central counterparties (CCP)		As of March 31, 2020		As of March 31, 2019	
		a	b	a	b
Item No.		EAD to CCP (post-CRM)	RWA	EAD to CCP (post-CRM)	RWA
1	Exposures to qualifying central counterparties (QCCPs) (total)		203,061		167,548
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	6,775,421	135,509	3,320,224	66,407
3	(i) OTC derivatives	6,166,396	123,328	2,826,512	56,532
4	(ii) Exchange-traded derivatives	536,455	10,729	469,547	9,391
5	(iii) SFTs	72,569	1,451	24,163	483
6	(iv) Netting sets where cross-product netting has been approved	—	—	—	—
7	Segregated initial margin	—	—	—	—
8	Non-segregated initial margin	303,373	6,068	172,119	3,444
9	Pre-funded default fund contributions	174,687	61,482	164,959	97,696
10	Unfunded default fund contributions	—	—	—	—
11	Exposures to non-QCCPs (total)		10,183		10,365
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	9,527	9,089	14,781	9,810
13	(i) OTC derivatives	7,295	7,295	3,617	3,617
14	(ii) Exchange-traded derivatives	2,232	1,794	11,163	6,192
15	(iii) SFTs	—	—	—	—
16	(iv) Netting sets where cross-product netting has been approved	—	—	—	—
17	Segregated initial margin	—	—	—	—
18	Non-segregated initial margin	5,468	1,093	2,771	554
19	Pre-funded default fund contributions	—	—	—	—
20	Unfunded default fund contributions	—	—	—	—

■ Securitisation Transactions

1. Overview of Risk Characteristics

Securitisation exposures have, in addition to credit risk and market risk, the following intrinsic risks, which are properly managed based on the nature of each risk.

(1) Dilution Risk

Means the risk of a decrease in purchased receivables due to cancellation or termination of the original contract for the purchased receivables, or netting of debts between the original obligor and the original obligee.

(2) Servicer Risk

A. Commingling Risk

Means the risk of uncollectible funds, which should be collected from the underlying assets, due to the bankruptcy of the servicer before the delivery of the funds collected from the obligor of the receivables.

B. Performance Risk

Means the risk of difficulty in maintenance and collection due to the servicer's failure to properly and accurately perform its clerical duties and procedures.

(3) Liquidity Risk

Means the risk that cash flows related to the underlying assets may be insufficient for paying the principal and interest of the securitisation exposure due to a timing mismatch between the securitisation conduit's receipt of the cash flows related to the underlying assets and payment of the securitisation exposure of the principal and interest, etc.

(4) Fraud Risk

Means the risk of a decrease in or complete loss of the receivables subject to collection due to a fraud, prejudicial or other malicious act by a customer or a third-party obligor.

2. Overview of Risk Management Policy and Procedures

Definition of securitisation exposure has been clarified in order to properly identify, measure, evaluate and report risks, and a risk management department, independent of business units, has been established to centrally manage risks from recognizing securitisation exposures to measuring, evaluating and reporting risks.

Securitisation transactions are subject to the following policies.

- Undertake those which allow separate assessment of underlying short-term assets by making credit decisions on individual underlying assets.
- Undertake those which cover short-term receivables, etc., by creating a framework mainly to estimate the default rate of the underlying assets based on the historical loan-loss ratio and ensure that they have sufficient subordination.
- Undertake others such as those requiring special management by implementing additional management, such as an analysis of the market environment. Particularly, with respect to securitisation transactions backed by retail loans whose creditworthiness is relatively inferior, such as subprime loans in the U.S., the Group deals only with transactions that are sufficiently structured by taking into account not only the above policies, but others such as the underlying asset selection criteria of the originator and the average life.

The Group shall basically not conduct resecuritisation transactions.

Its policy is to conduct securitisation transactions by verifying effectiveness in mitigating credit risk through the use of the asset transfer type or synthetic type securitisation transactions covering domestic and foreign exposures and using them as underlying exposures if securitisation transactions are used as an approach for credit risk mitigation.

The Group takes one of the following positions for securitisation transactions.

- Originator (a direct or indirect originator of underlying assets or a sponsor of an ABCP conduit or a similar program that acquires exposures from third-party entities)
- Investor
- Others (for example, provider of swap for preventing a mismatch between the dividend on trust beneficiary rights and cash flows generated by underlying assets on which the rights are issued)

3. Name of Securitisation Conduit and Whether or Not It Possesses Securitisation Exposure Related to Securitisation Transactions, as well as Names of Subsidiaries and Affiliated Companies of us Which Hold Securitisation Exposures Related to Securitisation Transactions Conducted by us and we Engage in the Management of the Company or Provides Advice

In order to undertake securitisation transactions related to third-party assets, the Group mainly uses a special purpose company (SPC) as a securitisation conduit.

- Manhattan Asset Funding Company LLC
- Chelsea Capital Corporation
- Forest Corporation
- Spur Funding Corporation
- Deccan Funding GK
- Taeguk Funding Designated Activity Company

Excluding consolidated subsidiaries, subsidiaries or affiliated companies holding securitisation exposures related to the security transactions conducted by the Holding Company Group are as follows:

- THE MINATO BANK, LTD.
- The Japan Net Bank, Limited

4. Name of Securitisation Conduit that Provides Non-Contractual Credit Enhancement, etc. and Impacts on Capital by Such Non-Contractual Credit Enhancement, etc. for Each Securitisation Conduit

Not applicable.

5. Accounting Policy on Securitisation Transactions

The recognition of the generation and extinguishment of financial assets and financial liabilities associated with securitisation transactions and the valuation and accounting treatment thereof are mainly governed by the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10).

6. Names of Qualifying External Ratings Agencies

In order to calculate the amount of credit risk weighted asset for securitisation exposure with the external ratings-based approach or the standardised approach, or to calculate the amount of market risk associated with specific risk, the risk weights are determined by mapping the ratings of qualifying rating agencies to the risk weights stipulated in the Notification. The qualifying rating agencies are Rating and Investment Information, Inc. (R&I), Japan Credit Rating Agency, Ltd. (JCR), Moody's Investors Service, Inc. (Moody's), S&P Global Ratings (S&P), and Fitch Ratings Ltd. (Fitch).

When more than one rating is available for an exposure, the second smallest risk weight is used, in accordance with the Notification.

7. Securitisation Exposures in the Banking Book (SEC1)

(Millions of yen)

SEC1: Securitisation exposures in the banking book		As of March 31, 2020								
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	451,033	—	451,033	679,152	—	679,152	834,688	—	834,688
2	Residential mortgage	451,033	—	451,033	—	—	—	136,222	—	136,222
3	Credit card	—	—	—	9,626	—	9,626	298,797	—	298,797
4	Other retail exposures	—	—	—	669,526	—	669,526	399,668	—	399,668
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) - of which	70,622	8	70,630	799,756	—	799,756	1,093,399	201,724	1,295,123
7	Loans to corporates	70,622	8	70,630	23,185	—	23,185	939,675	—	939,675
8	Commercial mortgage	—	—	—	—	—	—	1,209	—	1,209
9	Lease and receivables	—	—	—	771,071	—	771,071	73,746	16,230	89,976
10	Other wholesale	—	—	—	5,500	—	5,500	78,767	185,493	264,261
11	Re-securitisation	—	—	—	—	—	—	—	—	—

(Millions of yen)

SEC1: Securitisation exposures in the banking book		As of March 31, 2019								
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	427,251	—	427,251	511,257	—	511,257	750,681	—	750,681
2	Residential mortgage	427,251	—	427,251	—	—	—	129,918	—	129,918
3	Credit card	—	—	—	11,997	—	11,997	302,137	—	302,137
4	Other retail exposures	—	—	—	499,260	—	499,260	318,625	—	318,625
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) - of which	50,367	94,728	145,095	685,450	—	685,450	1,051,904	170,304	1,222,208
7	Loans to corporates	50,367	94,728	145,095	22,776	—	22,776	884,242	—	884,242
8	Commercial mortgage	—	—	—	—	—	—	608	—	608
9	Lease and receivables	—	—	—	657,173	—	657,173	73,985	21,401	95,387
10	Other wholesale	—	—	—	5,500	—	5,500	93,067	148,903	241,970
11	Re-securitisation	—	—	—	—	—	—	—	—	—

8. Securitisation Exposures in the Trading Book (SEC2)

(Millions of yen)

SEC2: Securitisation exposures in the trading book		As of March 31, 2020								
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	—	—	—	—	—	—	10,452	—	10,452
2	Residential mortgage	—	—	—	—	—	—	—	—	—
3	Credit card	—	—	—	—	—	—	—	—	—
4	Other retail exposures	—	—	—	—	—	—	10,452	—	10,452
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) - of which	—	—	—	—	—	—	3,632	—	3,632
7	Loans to corporates	—	—	—	—	—	—	—	—	—
8	Commercial mortgage	—	—	—	—	—	—	—	—	—
9	Lease and receivables	—	—	—	—	—	—	3,632	—	3,632
10	Other wholesale	—	—	—	—	—	—	—	—	—
11	Re-securitisation	—	—	—	—	—	—	—	—	—

(Millions of yen)

SEC2: Securitisation exposures in the trading book		As of March 31, 2019								
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	—	—	—	—	—	—	8,717	—	8,717
2	Residential mortgage	—	—	—	—	—	—	—	—	—
3	Credit card	—	—	—	—	—	—	740	—	740
4	Other retail exposures	—	—	—	—	—	—	7,977	—	7,977
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) - of which	—	—	—	—	—	—	250	—	250
7	Loans to corporates	—	—	—	—	—	—	—	—	—
8	Commercial mortgage	—	—	—	—	—	—	—	—	—
9	Lease and receivables	—	—	—	—	—	—	250	—	250
10	Other wholesale	—	—	—	—	—	—	—	—	—
11	Re-securitisation	—	—	—	—	—	—	—	—	—

9. 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 March 31, 2020							
		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	1,147,761	1,147,761	1,147,761	592,259	555,502	—	—	—
2	>20% to 50% RW	446,464	446,464	446,464	298,427	148,037	—	—	—
3	>50% to 100% RW	216,223	216,223	216,223	115,753	100,470	—	—	—
4	>100% to <1250% RW	189,745	189,745	189,745	123,745	66,000	—	—	—
5	1250% RW	377	368	368	—	368	—	—	—
Exposure values (by regulatory approach)									
6	SEC-IRBA or IAA	1,868,291	1,868,282	1,868,282	1,030,546	837,736	—	—	—
7	SEC-ERBA	132,281	132,281	132,281	99,638	32,643	—	—	—
8	SEC-SA	—	—	—	—	—	—	—	—
9	1250% RW	—	—	—	—	—	—	—	—
Credit RWA amounts (by regulatory approach)									
10	SEC-IRBA or IAA	726,531	726,425	726,425	401,497	324,928	—	—	—
11	SEC-ERBA	29,508	29,508	29,508	19,927	9,580	—	—	—
12	SEC-SA	—	—	—	—	—	—	—	—
13	1250% RW	—	—	—	—	—	—	—	—
Capital charge after cap (by regulatory approach)									
14	SEC-IRBA or IAA	58,122	58,114	58,114	32,119	25,994	—	—	—
15	SEC-ERBA	2,360	2,360	2,360	1,594	766	—	—	—
16	SEC-SA	—	—	—	—	—	—	—	—
17	1250% RW	—	—	—	—	—	—	—	—

(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 March 31, 2020							
		i	j	k	l	m	n	o	
Item No.		Synthetic securitisation (subtotal)			Re-securitisation		Senior	Non-senior	
		Securitisation	Retail underlying	Wholesale					
Exposure values (by RW bands)									
1	≤20% RW	—	—	—	—	—	—	—	
2	>20% to 50% RW	—	—	—	—	—	—	—	
3	>50% to 100% RW	—	—	—	—	—	—	—	
4	>100% to <1250% RW	—	—	—	—	—	—	—	
5	1250% RW	8	8	—	8	—	—	—	
Exposure values (by regulatory approach)									
6	SEC-IRBA or IAA	8	8	—	8	—	—	—	
7	SEC-ERBA	—	—	—	—	—	—	—	
8	SEC-SA	—	—	—	—	—	—	—	
9	1250% RW	—	—	—	—	—	—	—	
Credit RWA amounts (by regulatory approach)									
10	SEC-IRBA or IAA	105	105	—	105	—	—	—	
11	SEC-ERBA	—	—	—	—	—	—	—	
12	SEC-SA	—	—	—	—	—	—	—	
13	1250% RW	—	—	—	—	—	—	—	
Capital requirement values (by regulatory approach)									
14	SEC-IRBA or IAA	8	8	—	8	—	—	—	
15	SEC-ERBA	—	—	—	—	—	—	—	
16	SEC-SA	—	—	—	—	—	—	—	
17	1250% RW	—	—	—	—	—	—	—	

(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 March 31, 2019							
		a	b	c	d	e	f	g	h
Item No.		Total	Traditional securitisation (subtotal)	Securitisation		Re-securitisation		Senior	Non-senior
				Retail underlying	Wholesale				
Exposure values (by RW bands)									
1	≤20% RW	967,718	873,000	873,000	369,183	503,816	—	—	—
2	>20% to 50% RW	427,887	427,887	427,887	286,265	141,622	—	—	—
3	>50% to 100% RW	238,108	238,108	238,108	150,440	87,668	—	—	—
4	>100% to <1250% RW	134,950	134,950	134,950	132,619	2,331	—	—	—
5	1250% RW	389	379	379	—	379	—	—	—
Exposure values (by regulatory approach)									
6	SEC-IRBA or IAA	1,642,136	1,547,407	1,547,407	844,890	702,517	—	—	—
7	SEC-ERBA	126,919	126,919	126,919	93,619	33,300	—	—	—
8	SEC-SA	—	—	—	—	—	—	—	—
9	1250% RW	—	—	—	—	—	—	—	—
Credit RWA amounts (by regulatory approach)									
10	SEC-IRBA or IAA	609,637	591,525	591,525	401,816	189,708	—	—	—
11	SEC-ERBA	28,497	28,497	28,497	18,723	9,773	—	—	—
12	SEC-SA	—	—	—	—	—	—	—	—
13	1250% RW	—	—	—	—	—	—	—	—
Capital charge after cap (by regulatory approach)									
14	SEC-IRBA or IAA	48,771	47,322	47,322	32,145	15,176	—	—	—
15	SEC-ERBA	2,279	2,279	2,279	1,497	781	—	—	—
16	SEC-SA	—	—	—	—	—	—	—	—
17	1250% RW	—	—	—	—	—	—	—	—

(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 March 31, 2019						
		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	94,718	94,718	—	94,718	—	—	—
2	>20% to 50% RW	—	—	—	—	—	—	—
3	>50% to 100% RW	—	—	—	—	—	—	—
4	>100% to <1250% RW	—	—	—	—	—	—	—
5	1250% RW	10	10	—	10	—	—	—
Exposure values (by regulatory approach)								
6	SEC-IRBA or IAA	94,728	94,728	—	94,728	—	—	—
7	SEC-ERBA	—	—	—	—	—	—	—
8	SEC-SA	—	—	—	—	—	—	—
9	1250% RW	—	—	—	—	—	—	—
Credit RWA amounts (by regulatory approach)								
10	SEC-IRBA or IAA	18,112	18,112	—	18,112	—	—	—
11	SEC-ERBA	—	—	—	—	—	—	—
12	SEC-SA	—	—	—	—	—	—	—
13	1250% RW	—	—	—	—	—	—	—
Capital requirement values (by regulatory approach)								
14	SEC-IRBA or IAA	1,448	1,448	—	1,448	—	—	—
15	SEC-ERBA	—	—	—	—	—	—	—
16	SEC-SA	—	—	—	—	—	—	—
17	1250% RW	—	—	—	—	—	—	—

10. 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 March 31, 2020							
		a	b	c	d	e	f	g	h
Item No.		Total	Traditional securitisation (subtotal)	Securitisation	Retail underlying		Re-securitisation	Senior	Non-senior
						Wholesale			
Exposure values (by RW bands)									
1	≤20% RW	1,896,821	1,798,983	1,798,983	733,671	1,065,312	—	—	—
2	>20% to 50% RW	200,079	96,193	96,193	96,193	—	—	—	—
3	>50% to 100% RW	22,376	22,376	22,376	—	22,376	—	—	—
4	>100% to <1250% RW	9,324	9,324	9,324	4,824	4,500	—	—	—
5	1250% RW	1,209	1,209	1,209	—	1,209	—	—	—
Exposure values (by regulatory approach)									
6	SEC-IRBA or IAA	1,789,399	1,587,675	1,587,675	599,916	987,758	—	—	—
7	SEC-ERBA	339,202	339,202	339,202	234,771	104,430	—	—	—
8	SEC-SA	—	—	—	—	—	—	—	—
9	1250% RW	1,209	1,209	1,209	—	1,209	—	—	—
Credit RWA amounts (by regulatory approach)									
10	SEC-IRBA or IAA	293,503	244,769	244,769	96,054	148,714	—	—	—
11	SEC-ERBA	89,283	89,283	89,283	51,986	37,297	—	—	—
12	SEC-SA	—	—	—	—	—	—	—	—
13	1250% RW	15,123	15,123	15,123	—	15,123	—	—	—
Capital charge after cap (by regulatory approach)									
14	SEC-IRBA or IAA	23,480	19,581	19,581	7,684	11,897	—	—	—
15	SEC-ERBA	7,142	7,142	7,142	4,158	2,983	—	—	—
16	SEC-SA	—	—	—	—	—	—	—	—
17	1250% RW	1,209	1,209	1,209	—	1,209	—	—	—

(Millions of yen)

SEC4: Securitisation exposures in the banking book and associated capital requirements (bank acting as investor) (2/2)		As of March 31, 2020						
		i	j	k	l	m	n	o
Item No.		Synthetic securitisation (subtotal)	Securitisation	Retail underlying		Re-securitisation	Senior	Non-senior
				Wholesale				
Exposure values (by RW bands)								
1	≤20% RW	97,838	97,838	—	97,838	—	—	—
2	>20% to 50% RW	103,886	103,886	—	103,886	—	—	—
3	>50% to 100% RW	—	—	—	—	—	—	—
4	>100% to <1250% RW	—	—	—	—	—	—	—
5	1250% RW	—	—	—	—	—	—	—
Exposure values (by regulatory approach)								
6	SEC-IRBA or IAA	201,724	201,724	—	201,724	—	—	—
7	SEC-ERBA	—	—	—	—	—	—	—
8	SEC-SA	—	—	—	—	—	—	—
9	1250% RW	—	—	—	—	—	—	—
Credit RWA amounts (by regulatory approach)								
10	SEC-IRBA or IAA	48,734	48,734	—	48,734	—	—	—
11	SEC-ERBA	—	—	—	—	—	—	—
12	SEC-SA	—	—	—	—	—	—	—
13	1250% RW	—	—	—	—	—	—	—
Capital charge after cap (by regulatory approach)								
14	SEC-IRBA or IAA	3,898	3,898	—	3,898	—	—	—
15	SEC-ERBA	—	—	—	—	—	—	—
16	SEC-SA	—	—	—	—	—	—	—
17	1250% RW	—	—	—	—	—	—	—

(Millions of yen)

SEC4: Securitisation exposures in the banking book and associated capital requirements (bank acting as investor) (1/2)		As of March 31, 2019							
		a	b	c	d	e	f	g	h
Item No.		Total	Traditional securitisation (subtotal)	Securitisation	Retail underlying		Re-securitisation	Senior	Non-senior
						Wholesale			
Exposure values (by RW bands)									
1	≤20% RW	1,534,395	1,470,068	1,470,068	468,565	1,001,503	—	—	—
2	>20% to 50% RW	261,957	261,957	261,957	261,957	—	—	—	—
3	>50% to 100% RW	32,713	32,713	32,713	4,507	28,205	—	—	—
4	>100% to <1250% RW	143,215	37,237	37,237	15,651	21,586	—	—	—
5	1250% RW	608	608	608	—	608	—	—	—
Exposure values (by regulatory approach)									
6	SEC-IRBA or IAA	1,576,141	1,405,836	1,405,836	436,086	969,750	—	—	—
7	SEC-ERBA	396,140	396,140	396,140	314,595	81,544	—	—	—
8	SEC-SA	—	—	—	—	—	—	—	—
9	1250% RW	608	608	608	—	608	—	—	—
Credit RWA amounts (by regulatory approach)									
10	SEC-IRBA or IAA	360,511	236,940	236,940	74,334	162,606	—	—	—
11	SEC-ERBA	130,017	130,017	130,017	94,532	35,485	—	—	—
12	SEC-SA	—	—	—	—	—	—	—	—
13	1250% RW	7,605	7,605	7,605	—	7,605	—	—	—
Capital charge after cap (by regulatory approach)									
14	SEC-IRBA or IAA	28,840	18,955	18,955	5,946	13,008	—	—	—
15	SEC-ERBA	10,401	10,401	10,401	7,562	2,838	—	—	—
16	SEC-SA	—	—	—	—	—	—	—	—
17	1250% RW	608	608	608	—	608	—	—	—

(Millions of yen)

SEC4: Securitisation exposures in the banking book and associated capital requirements (bank acting as investor) (2/2)		As of March 31, 2019						
		i	j	k	l	m	n	o
Item No.		Synthetic securitisation (subtotal)	Securitisation	Retail underlying		Re-securitisation	Senior	Non-senior
				Wholesale				
Exposure values (by RW bands)								
1	≤20% RW	64,327	64,327	—	64,327	—	—	—
2	>20% to 50% RW	—	—	—	—	—	—	—
3	>50% to 100% RW	—	—	—	—	—	—	—
4	>100% to <1250% RW	105,977	105,977	—	105,977	—	—	—
5	1250% RW	—	—	—	—	—	—	—
Exposure values (by regulatory approach)								
6	SEC-IRBA or IAA	170,304	170,304	—	170,304	—	—	—
7	SEC-ERBA	—	—	—	—	—	—	—
8	SEC-SA	—	—	—	—	—	—	—
9	1250% RW	—	—	—	—	—	—	—
Credit RWA amounts (by regulatory approach)								
10	SEC-IRBA or IAA	123,570	123,570	—	123,570	—	—	—
11	SEC-ERBA	—	—	—	—	—	—	—
12	SEC-SA	—	—	—	—	—	—	—
13	1250% RW	—	—	—	—	—	—	—
Capital charge after cap (by regulatory approach)								
14	SEC-IRBA or IAA	9,885	9,885	—	9,885	—	—	—
15	SEC-ERBA	—	—	—	—	—	—	—
16	SEC-SA	—	—	—	—	—	—	—
17	1250% RW	—	—	—	—	—	—	—

■ Equity Exposures

1. Overview of Risk Management Policy and Procedures

Securities in the banking book are properly managed, for example, by setting upper limits on the allowable amount of risk under the market or credit risk management framework selected according to their holding purpose and risk characteristics.

For securities held as “available-for-sale securities,” the upper limits are also set in terms of price fluctuation risk and default risk.

Regarding stocks of subsidiaries, assets and liabilities of subsidiaries are risk-managed on a consolidated basis. As for stocks of affiliates, risks related to gains and losses from investments are recognized separately. As in each case maximum allowable amount of risk is managed individually, risks as stocks are not measured.

The limits are established within the maximum amount of overall risk capital, taking into account the financial and business situations of SMBC Group.

2. Valuation of Securities and Other Significant Accounting Policies

Stocks of non-consolidated subsidiaries and affiliates not accounted for by the equity method are carried at amortized cost using the moving-average method. Available-for-sale securities with market prices (including foreign stocks) are carried at their average market prices during the final month of the fiscal year. Securities other than these securities are carried at their market prices at the end of the fiscal year under review (cost of securities sold is calculated using primarily the moving-average method), and those with no available market prices are carried at cost using the moving-average method.

Net unrealized gains (losses) on available-for-sale securities and net of income taxes are reported as a component of “net assets.”

Market Risk

1. Scope

The following approaches are used to calculate market risk equivalent amounts.

(1) Internal Models Method

General market risk of SMBC, Sumitomo Mitsui Banking Corporation Europe Limited, SMBC Bank EU AG, Sumitomo Mitsui Banking Corporation (China) Limited, SMBC Capital Markets, Inc., SMBC Nikko Capital Markets Limited, SMBC Derivative Products Limited, and SMBC Capital Markets (Asia) Limited

(2) Standardized Measurement Method

- Specific risk
- General market risk of consolidated subsidiaries other than SMBC, Sumitomo Mitsui Banking Corporation Europe Limited, SMBC Bank EU AG, Sumitomo Mitsui Banking Corporation (China) Limited, SMBC Capital Markets, Inc., SMBC Nikko Capital Markets Limited, SMBC Derivative Products Limited, and SMBC Capital Markets (Asia) Limited
- A portion of general market risk of SMBC

2. Market Risk under standardised approach (MR1)

(Millions of yen)

MR1: Market risk under standardised approach		As of March 31, 2020	As of March 31, 2019
Item No.		RWA (Amounts calculated by dividing risk equivalent amounts by 8%)	RWA (Amounts calculated by dividing risk equivalent amounts by 8%)
1	Interest rate risk (general and specific)	384,544	371,760
2	Equity risk (general and specific)	256,899	177,934
3	Foreign exchange risk	20,788	17,049
4	Commodity risk	7	627
	Options		
5	Simplified approach	—	—
6	Delta-plus method	159,857	178,326
7	Scenario approach	—	—
8	Specific risk related to securitisation exposures	3,483	3,180
9	Total	825,580	748,878

3. RWA flow statements of market risk exposures under an IMA (MR2)

(Billions of yen)

MR2: RWA flow statements of market risk exposures under an IMA		As of March 31, 2020					
Item No.		a	b	c	d	e	f
		VaR	Stressed VaR	IRC	CRM	Other	Total RWA
1a	RWA as of March 31, 2019	465	1,105	—	—	—	1,571
1b	Ratio of 1a / 1c	2.8	3.0	—	—	—	3.0
1c	RWA at end of March 31, 2019	161	361	—	—	—	522
2	Movement in risk levels	68	53	—	—	—	121
3	Breakdown of variations in the market risk-weighted assets	Model updates/changes	—	—	—	—	—
4		Methodology and policy	—	—	—	—	—
5		Acquisitions and disposals	—	—	—	—	—
6		Foreign exchange movements	(11)	(30)	—	—	—
7		Other	(13)	—	—	—	—
8a	RWA at end of March 31, 2020	204	384	—	—	—	589
8b	Ratio of 8c / 8a	2.3	3.1	—	—	—	2.8
8c	RWA as of March 31, 2020	488	1,195	—	—	—	1,684

(Billions of yen)

MR2: RWA flow statements of market risk exposures under an IMA			As of March 31, 2019					
Item No.			a	b	c	d	e	f
			VaR	Stressed VaR	IRC	CRM	Other	Total RWA
1a	RWA as of March 31, 2018		634	927	—	—		1,562
1b	Ratio of 1a / 1c		2.8	3.6	—	—		3.3
1c	RWA at end of March 31, 2018		220	253	—	—		473
2	Breakdown of variations in the market risk-weighted assets	Movement in risk levels	(60)	101	—	—		40
3		Model updates/changes	0	0	—	—		0
4		Methodology and policy	—	—	—	—		—
5		Acquisitions and disposals	—	—	—	—		—
6		Foreign exchange movements	5	6	—	—		12
7		Other	(3)	—	—	—		(3)
8a	RWA at end of March 31, 2019		161	361	—	—		522
8b	Ratio of 8c / 8a		2.8	3.0	—	—		3.0
8c	RWA as of March 31, 2019		465	1,105	—	—		1,571

4. IMA values for trading portfolios (MR3)

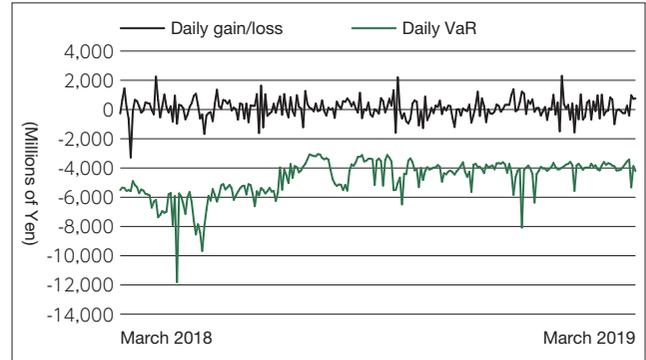
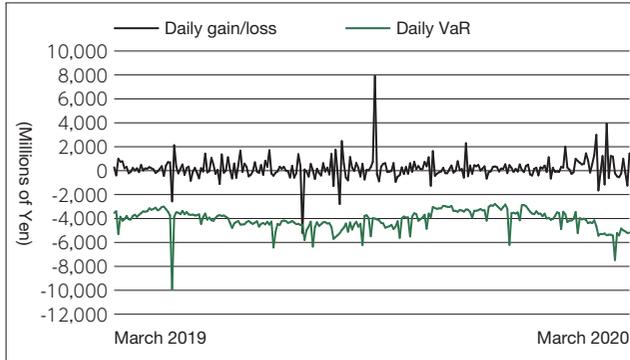
(Millions of yen)

MR3: IMA values for trading portfolios			Fiscal 2019	Fiscal 2018
Item No.				
	VaR (holding period of 10 business days, one-sided confidence level of 99%)			
1	Maximum value		18,358	30,565
2	Average value		12,618	14,441
3	Minimum value		8,806	9,587
4	Period end		16,397	12,930
	Stressed VaR (holding period of 10 business days, one-sided confidence level of 99%)			
5	Maximum value		42,390	44,514
6	Average value		30,302	27,643
7	Minimum value		22,261	17,644
8	Period end		30,736	28,908
	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.

5. Backtesting results by the internal models approach (MR4)

The status of backtesting of trading for Fiscal 2019 and 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 1, and the VaR model (one-sided confidence level of 99.0%) is considered to have sufficient accuracy.



■ Interest Rate Risk in the Banking Book

1. Overview of Risk Management Policy and Procedures

Interest rate risk in the banking book is the risk to the present value of a bank's assets and liabilities and/or the future earnings (interest income) from the rate-sensitive instruments when interest rates change. SMBC Group recognizes interest rate risk as a significant risk and manages it in an integrated manner, together with other market risks (equity position risk, etc.) (For details, please refer to pages 120 to 121).

Interest rate risk management is conducted using basis point value (BPV) as a measure of the risk, which denotes the change of present value given a basis point rise in the interest rate. Appropriate limits on BPVs are set for each significant subsidiary including SMBC according to its capital and business plan, and BPVs are monitored daily for risk management. BPVs are managed not only by changing the balance and term structures of assets and liabilities, but also by using hedging instruments such as interest rate swaps and futures.

2. Calculation Method of Interest Rate Risk

Interest rate risk in the banking book is measured based on the future cash flows of the bank's assets and liabilities. Especially, the method of recognizing the dates for maturity of demand deposits (current accounts and ordinary deposit accounts that can be withdrawn at any time) and the method of estimating the time of cancellation prior to maturity of time deposits and mortgage loans affect the risk significantly. Key assumptions for measuring interest rate risk of such instruments are as follows.

Method of recognizing the maturity of demand deposits

The amount of the bank's core deposits is identified as the amount of demand deposits expected to be left with the bank after 5 years (with 50% of the lowest balance during the past 5 years as the upper limit). The maturity of the core deposits is regarded to be 5 years (2.5 years on average). The maturity of the bank's demand deposits are recognized with 5 years as the maximum term (the average is 0.7 year).

Method of estimating the time of cancellation prior to maturity of time deposits and mortgage loans

Cash flows of mortgage loans tend to be different from the initial scheduled ones, as customers may exercise their prepayment options to redeem early in a bonus month or as time passes. Similarly, fixed-term deposits may be canceled prior to maturity. For such instruments, interest rate risk is managed by using statistical models to estimate cash flows for each instrument, considering the seasonality, elapsed years, interest rate levels at the effective time, etc. These models are validated and reviewed regularly.

3. Interest Rate Risk

Table IRRBB1 shows changes in economic value of equity (Δ EVE) and net interest income (Δ NII) in the banking book, simulated based on a set of prescribed interest rate shock scenarios.

As stipulated under the Pillar 2 of Basel Framework (Supervisory Review Process), in order to identify banks that may have taken too large interest rate risk, the Japan FSA applies “materiality test” as comparing the bank’s Δ EVE with 15% of its Tier 1 capital, under a set of prescribed interest rate shock scenarios. The measurement result of SMBC Group’s Δ EVE shows that the economic value of equity declines when interest rates rise and the maximum change amount is under the prescribed parallel shock up scenario. SMBC Groups’ Δ EVE is not larger than 15% of our Tier 1 capital.

As for Δ NII, net interest income declines under the prescribed parallel shock down scenario and increased under the parallel shock up scenario. Due to the assumption of zero floor on the interest rate of customer’s deposits in JPY, which limits reduction of the funding cost when interest rate down, the change amount is larger under the parallel shock down scenario.

The measurement scope, the definition of each figure and the calculation assumption are as follows.

Scope

The consolidated subsidiaries of SMBC

- Δ EVE is calculated by simple aggregation of the decrease in economic value for all currencies.
- Δ NII is calculated by simple aggregation of the change amount of interest income for each currency in which the total amount of interest rate-sensitive assets and liabilities is 5% or more of the total.

Definition of Each Figure and Calculation Assumption

- Δ EVE

Decrease in economic value (EVE, Economic Value on Equity) against interest rate shock (excluding the credit spread).

- Δ NII

Decrease in 1 year interest income (NII, Net Interest Income) under each the interest rate shock. It is calculated under the constant balance sheet, which means that the balance sheet does not change through a year. In each simulation, we do not allow negative interest rate for domestic yen deposits and loans in any scenario.

(Millions of yen)

IRRBB1: Interest rate risk		a	b	c	d
Item No.		Δ EVE		Δ NII	
		As of March 31, 2020	As of March 31, 2019	As of March 31, 2020	As of March 31, 2019
1	Parallel up	982,050	724,747	(242,555)	(252,302)
2	Parallel down	0	1,172	414,974	405,058
3	Steeper	284,902	343,900		
4	Flattener	164,009	18,257		
5	Short rate up	329,587	151,087		
6	Short rate down	6,598	1,143		
7	Maximum	982,050	724,747	414,974	405,058
		e		f	
		As of March 31, 2020		As of March 31, 2019	
8	Tier 1 capital	10,249,936		10,727,228	

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

■ Operational Risk

1. Operational Risk Equivalent Amount Calculation Methodology

Sumitomo Mitsui Financial Group adopted the Advanced Measurement Approach (AMA) for exposures as of March 31, 2008. The following consolidated subsidiaries have also adopted the AMA, and the remaining consolidated subsidiaries have adopted the Basic Indicator Approach (BIA).

Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Card Company, Limited, The Japan Research Institute, Limited, SMBC Finance Service Co., Ltd., SMBC Guarantee Co., Ltd., SMBC Operation Service Co., Ltd., SMBC Green Service Co., Ltd., Sumitomo Mitsui Banking Corporation Europe Limited, Sumitomo Mitsui Banking Corporation (China) Limited, SMBC Nikko Securities Inc., Cedyne Financial Corporation and SMBC Consumer Finance Co., Ltd.

2. Outline of the AMA

For the “Outline of the AMA,” please refer to pages 123 to 125.

3. Usage of Insurance to Mitigate Risk

Sumitomo Mitsui Financial Group had not taken measures to mitigate operational risk through insurance coverage for exposures.

■ CC2: Reconciliation of regulatory capital to balance sheet

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

(Millions of yen)

Items	a		b	c
	Consolidated balance sheet as in published financial statements		Reference to Template CC1	Reference to appended table
	As of March 31, 2020	As of March 31, 2019		
(Assets)				
Cash and due from banks	61,768,573	57,411,276		
Call loans and bills bought	896,739	2,465,744		
Receivables under resale agreements	8,753,816	6,429,365		
Receivables under securities borrowing transactions	5,005,103	4,097,473		
Monetary claims bought	4,559,429	4,594,578		
Trading assets	7,361,253	5,328,778		7-a
Money held in trust	353	390		
Securities	27,128,751	24,338,005		3-b,7-b
Loans and bills discounted	82,517,609	77,979,190		7-c
Foreign exchanges	2,063,284	1,719,402		
Lease receivables and investment assets	219,733	247,835		
Other assets	8,298,393	7,307,305		7-d
Tangible fixed assets	1,450,323	1,504,703		
Intangible fixed assets	753,579	769,231		3-a
Net defined benefit asset	230,573	329,434		4
Deferred tax assets	26,314	40,245		5-a
Customers' liabilities for acceptances and guarantees	9,308,882	9,564,993		
Reserve for possible loan losses	(479,197)	(468,808)		
Total assets	219,863,518	203,659,146		
(Liabilities)				
Deposits	127,042,217	122,325,038		
Negotiable certificates of deposit	10,180,435	11,165,486		
Call money and bills sold	3,740,539	1,307,778		
Payables under repurchase agreements	13,237,913	11,462,559		
Payables under securities lending transactions	2,385,607	1,812,820		
Commercial paper	1,409,249	2,291,813		
Trading liabilities	6,084,528	4,219,293		7-e
Borrowed money	15,210,894	10,656,897		9-a
Foreign exchanges	1,461,308	1,165,141		
Short-term bonds	379,000	84,500		
Bonds	9,235,639	9,227,367		9-b
Due to trust account	1,811,355	1,352,773		
Other liabilities	7,011,967	4,873,630		7-f
Reserve for employee bonuses	73,868	70,351		
Reserve for executive bonuses	3,362	3,091		
Net defined benefit liability	35,777	31,816		
Reserve for executive retirement benefits	1,270	1,374		
Reserve for point service program	26,576	23,948		
Reserve for reimbursement of deposits	4,687	7,936		
Reserve for losses on interest repayment	142,890	147,594		
Reserves under the special laws	3,145	2,847		
Deferred tax liabilities	257,384	378,220		5-b
Deferred tax liabilities for land revaluation	30,111	30,259		5-c
Acceptances and guarantees	9,308,882	9,564,993		
Total liabilities	209,078,615	192,207,534		
(Net assets)				
Capital stock	2,339,964	2,339,443		1-a
Capital surplus	692,003	739,047		1-b
Retained earnings	6,336,311	5,992,247		1-c
Treasury stock	(13,983)	(16,302)		1-d
Total stockholders' equity	9,354,296	9,054,436		
Net unrealized gains or losses on other securities	1,371,407	1,688,852		
Net deferred gains or losses on hedges	82,257	(54,650)		6
Land revaluation excess	36,878	36,547		
Foreign currency translation adjustments	(32,839)	50,379		
Accumulated remeasurements of defined benefit plans	(92,030)	(7,244)		
Total accumulated other comprehensive income	1,365,673	1,713,884	(a)	
Stock acquisition rights	2,064	4,750		2,8-a
Non-controlling interests	62,869	678,540		8-b
Total net assets	10,784,903	11,451,611		
Total liabilities and net assets	219,863,518	203,659,146		

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 March 31, 2020	As of March 31, 2019	Remarks	Ref. No.
Capital stock	2,339,964	2,339,443		1-a
Capital surplus	692,003	739,047		1-b
Retained earnings	6,336,311	5,992,247		1-c
Treasury stock	(13,983)	(16,302)		1-d
Total stockholders' equity	9,354,296	9,054,436		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2020	As of March 31, 2019	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	9,354,296	9,054,436	Stockholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and capital surplus	3,031,968	3,078,490		1a
of which: retained earnings	6,336,311	5,992,247		2
of which: treasury stock (-)	13,983	16,302		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 March 31, 2020	As of March 31, 2019	Remarks	Ref. No.
Stock acquisition rights	2,064	4,750		2
of which: Stock acquisition rights issued by bank holding company	2,064	2,539		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2020	As of March 31, 2019	Remarks	Basel III Template No.
Stock acquisition rights to common shares	2,064	2,539		1b
Stock acquisition rights to Additional Tier 1 instruments	—	—		31b
Stock acquisition rights to Tier 2 instruments	—	—		46

3. Intangible fixed assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2020	As of March 31, 2019	Remarks	Ref. No.
Intangible fixed assets	753,579	769,231		3-a
Securities	27,128,751	24,338,005		3-b
of which: goodwill attributable to equity-method investees	49,139	61,282		
Income taxes related to above	167,935	173,381		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2020	As of March 31, 2019	Remarks	Basel III Template No.
Goodwill (including those equivalent)	237,333	247,659		8
Other intangibles other than goodwill and mortgage servicing rights	397,450	409,472	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 March 31, 2020	As of March 31, 2019	Remarks	Ref. No.
Net defined benefit asset	230,573	329,434		4
Income taxes related to above	70,372	100,520		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2020	As of March 31, 2019	Remarks	Basel III Template No.
Net defined benefit asset	160,200	228,913		15

5. Deferred tax assets

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2020	As of March 31, 2019	Remarks	Ref. No.
Deferred tax assets	26,314	40,245		5-a
Deferred tax liabilities	257,384	378,220		5-b
Deferred tax liabilities for land revaluation	30,111	30,259		5-c
Tax effects on intangible fixed assets	167,935	173,381		
Tax effects on net defined benefit asset	70,372	100,520		

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2020	As of March 31, 2019	Remarks	Basel III Template No.
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	3,390	2,208	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)	4,128	2,605	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)	4,128	2,605		75

6. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2020	As of March 31, 2019	Remarks	Ref. No.
Net deferred gains or losses on hedges	82,257	(54,650)		6

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2020	As of March 31, 2019	Remarks	Basel III Template No.
Net deferred gains or losses on hedges	84,324	(52,610)	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 March 31, 2020	As of March 31, 2019	Remarks	Ref. No.
Trading assets	7,361,253	5,328,778	Including trading account securities and derivatives for trading assets	7-a
Securities	27,128,751	24,338,005		7-b
Loans and bills discounted	82,517,609	77,979,190	Including subordinated loans	7-c
Other assets	8,298,393	7,307,305	Including derivatives	7-d
Trading liabilities	6,084,528	4,219,293	Including trading account securities sold and derivatives for trading liabilities	7-e
Other liabilities	7,011,967	4,873,630	Including derivatives	7-f

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2020	As of March 31, 2019	Remarks	Basel III Template No.
Investments in own capital instruments	3,567	4,491		
Common Equity Tier 1 capital	3,567	4,491		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 and other external TLAC liabilities	—	—		53
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	679,784	816,189		
Common Equity Tier 1 capital	—	—		18
Additional Tier 1 capital	—	—		39
Tier 2 capital and other external TLAC liabilities	—	—		54
Non-significant investments in the capital and other TLAC liabilities of other financials that are below the thresholds for deductions (before risk weighting)	679,784	816,189		72
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	1,015,803	996,894		
Amount exceeding the 10% threshold on specified items	—	—		19
Amount exceeding the 15% threshold on specified items	—	—		23
Additional Tier 1 capital	25,525	25,516		40
Tier 2 capital and other external TLAC liabilities	82,643	50,000		55
Significant investments in the common stock of other financials that are below the thresholds for deductions (before risk weighting)	907,634	921,378		73

8. Non-controlling interests

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2020	As of March 31, 2019	Remarks	Ref. No.
Stock acquisition rights	2,064	4,750		8-a
Non-controlling interests	62,869	678,540		8-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2020	As of March 31, 2019	Remarks	Basel III Template No.
Amount allowed in group CET1	1,155	2,181	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)	5
Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)	30-31ab-32
Amount allowed in group AT1	9,400	62,752	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)	34-35
Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)	46
Amount allowed in group T2	1,546	15,087	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)	48-49

9. Other capital instruments

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	As of March 31, 2020	As of March 31, 2019	Remarks	Ref. No.
Borrowed money	15,210,894	10,656,897		9-a
Bonds	9,235,639	9,227,367		9-b

(2) Composition of capital

(Millions of yen)

Composition of capital disclosure	As of March 31, 2020	As of March 31, 2019	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	684,797	598,974		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	961,464	997,723		46

■ Linkages between Regulatory Exposure Amounts and Carrying Values in Consolidated Financial Statements Differences between Regulatory Exposure Amounts and Carrying Values in Consolidated Financial Statements and Explanations of the Factors

1. Differences between Accounting and Regulatory Scopes of Consolidation and Mapping of Consolidated Financial Statement Categories with Regulatory Risk Categories (LI1)

(Millions of yen)

LI1: Differences between accounting and regulatory scopes of consolidation and mapping of consolidated financial statement categories with regulatory risk categories	As of March 31, 2020						
	a	b	c	d	e	f	g
	Carrying values as reported in published Consolidated financial statement	Carrying values under scope of regulatory consolidation	CR (excluding amounts relevant to d and e)	Carrying values of items:			
CCR				Securitisation (excluding amounts relevant to f)	Market risk		
Assets							
Cash and due from banks	61,768,573	61,768,573	61,768,573	—	—	—	—
Call loans and bills bought	896,739	896,739	896,739	—	—	—	—
Receivables under resale agreements	8,753,816	8,753,816	—	8,753,816	—	—	—
Receivables under securities borrowing transactions	5,005,103	5,005,103	—	5,005,103	—	—	—
Monetary claims bought	4,559,429	4,559,429	2,416,719	—	2,142,709	—	—
Trading assets	7,361,253	7,361,253	—	4,608,371	—	7,361,253	104,292
Money held in trust	353	353	353	—	—	—	—
Securities	27,128,751	27,128,751	26,527,867	—	526,218	—	74,665
Loans and bills discounted	82,517,609	82,517,609	81,549,423	40,000	845,543	—	82,643
Foreign exchanges	2,063,284	2,063,284	2,063,284	—	—	—	—
Lease receivables and investment assets	219,733	219,733	219,733	—	—	—	—
Other assets	8,298,393	8,298,393	3,938,793	3,338,159	2,005	—	1,019,434
Tangible fixed assets	1,450,323	1,450,323	1,450,323	—	—	—	—
Intangible fixed assets	753,579	753,579	167,935	—	—	—	585,644
Net defined benefit asset	230,573	230,573	70,372	—	—	—	160,200
Deferred tax assets	26,314	26,314	9,150	—	—	—	17,164
Customers' liabilities for acceptances and guarantees	9,308,882	9,308,882	9,122,875	—	186,007	—	—
Reserve for possible loan losses	(479,197)	(479,197)	(479,197)	—	—	—	—
Total assets	219,863,518	219,863,518	189,722,949	21,745,451	3,702,484	7,361,253	2,044,044
Liabilities							
Deposits	127,042,217	127,042,217	3,437	—	—	—	127,038,780
Negotiable certificates of deposit	10,180,435	10,180,435	—	—	—	—	10,180,435
Call money and bills sold	3,740,539	3,740,539	—	—	—	—	3,740,539
Payables under repurchase agreements	13,237,913	13,237,913	—	8,112,816	—	—	5,125,096
Payables under securities lending transactions	2,385,607	2,385,607	—	1,211,329	—	—	1,174,277
Commercial paper	1,409,249	1,409,249	—	—	—	—	1,409,249
Trading liabilities	6,084,528	6,084,528	—	4,072,052	—	6,084,528	94,723
Borrowed money	15,210,894	15,210,894	—	—	—	—	15,210,894
Foreign exchanges	1,461,308	1,461,308	—	—	—	—	1,461,308
Short-term bonds	379,000	379,000	—	—	—	—	379,000
Bonds	9,235,639	9,235,639	—	—	—	—	9,235,639
Due to trust account	1,811,355	1,811,355	—	—	—	—	1,811,355
Other liabilities	7,011,967	7,011,967	—	2,177,365	8,538	—	4,826,063
Reserve for employee bonuses	73,868	73,868	—	—	—	—	73,868
Reserve for executive bonuses	3,362	3,362	—	—	—	—	3,362
Net defined benefit liability	35,777	35,777	—	—	—	—	35,777
Reserve for executive retirement benefits	1,270	1,270	—	—	—	—	1,270
Reserve for point service program	26,576	26,576	—	—	—	—	26,576
Reserve for reimbursement of deposits	4,687	4,687	—	—	—	—	4,687
Reserve for losses on interest repayment	142,890	142,890	—	—	—	—	142,890
Reserve under the special laws	3,145	3,145	—	—	—	—	3,145
Deferred tax liabilities	257,384	257,384	—	—	—	—	257,384
Deferred tax liabilities for land revaluation	30,111	30,111	—	—	—	—	30,111
Acceptances and guarantees	9,308,882	9,308,882	—	—	—	—	9,308,882
Total liabilities	209,078,615	209,078,615	3,437	15,573,564	8,538	6,084,528	191,575,322

(Millions of yen)

L11: Differences between accounting and regulatory scopes of consolidation and mapping of consolidated financial statement categories with regulatory risk categories	As of March 31, 2019						
	a	b	c	d	e	f	g
	Carrying values as reported in published Consolidated financial statement	Carrying values under scope of regulatory consolidation	CR (excluding amounts relevant to d and e)	Carrying values of items:			
CCR				Securitisation (excluding amounts relevant to f)	Market risk	Items not subject to capital requirements or subject to deduction from capital	
Assets							
Cash and due from banks	57,411,276	57,411,276	57,411,276	—	—	—	—
Call loans and bills bought	2,465,744	2,465,744	2,465,744	—	—	—	—
Receivables under resale agreements	6,429,365	6,429,365	—	6,429,365	—	—	—
Receivables under securities borrowing transactions	4,097,473	4,097,473	—	4,097,473	—	—	—
Monetary claims bought	4,594,578	4,594,578	2,831,930	—	1,762,647	—	—
Trading assets	5,328,778	5,328,778	—	2,573,258	—	5,328,778	4,883
Money held in trust	390	390	390	—	—	—	—
Securities	24,338,005	24,338,005	23,726,859	—	524,347	—	86,798
Loans and bills discounted	77,979,190	77,979,190	77,114,769	—	814,420	—	50,000
Foreign exchanges	1,719,402	1,719,402	1,719,402	—	—	—	—
Lease receivables and investment assets	247,835	247,835	247,835	—	—	—	—
Other assets	7,307,305	7,307,305	3,824,944	2,279,073	1,880	—	1,201,406
Tangible fixed assets	1,504,703	1,504,703	1,504,703	—	—	—	—
Intangible fixed assets	769,231	769,231	173,381	—	—	—	595,849
Net defined benefit asset	329,434	329,434	100,520	—	—	—	228,913
Deferred tax assets	40,245	40,245	15,503	—	—	—	24,742
Customers' liabilities for acceptances and guarantees	9,564,993	9,564,993	9,415,628	—	149,365	—	—
Reserve for possible loan losses	(468,808)	(468,808)	(468,808)	—	—	—	—
Total assets	203,659,146	203,659,146	180,084,082	15,379,171	3,252,662	5,328,778	2,192,594
Liabilities							
Deposits	122,325,038	122,325,038	3,245	—	—	—	122,321,793
Negotiable certificates of deposit	11,165,486	11,165,486	—	—	—	—	11,165,486
Call money and bills sold	1,307,778	1,307,778	—	—	—	—	1,307,778
Payables under repurchase agreements	11,462,559	11,462,559	—	8,390,797	—	—	3,071,762
Payables under securities lending transactions	1,812,820	1,812,820	—	719,063	—	—	1,093,756
Commercial paper	2,291,813	2,291,813	—	—	—	—	2,291,813
Trading liabilities	4,219,293	4,219,293	—	2,226,979	—	4,219,293	28,131
Borrowed money	10,656,897	10,656,897	—	—	—	—	10,656,897
Foreign exchanges	1,165,141	1,165,141	—	—	—	—	1,165,141
Short-term bonds	84,500	84,500	—	—	—	—	84,500
Bonds	9,227,367	9,227,367	—	—	—	—	9,227,367
Due to trust account	1,352,773	1,352,773	—	—	—	—	1,352,773
Other liabilities	4,873,630	4,873,630	—	1,572,866	1,172	—	3,299,590
Reserve for employee bonuses	70,351	70,351	—	—	—	—	70,351
Reserve for executive bonuses	3,091	3,091	—	—	—	—	3,091
Net defined benefit liability	31,816	31,816	—	—	—	—	31,816
Reserve for executive retirement benefits	1,374	1,374	—	—	—	—	1,374
Reserve for point service program	23,948	23,948	—	—	—	—	23,948
Reserve for reimbursement of deposits	7,936	7,936	—	—	—	—	7,936
Reserve for losses on interest repayment	147,594	147,594	—	—	—	—	147,594
Reserve under the special laws	2,847	2,847	—	—	—	—	2,847
Deferred tax liabilities	378,220	378,220	—	—	—	—	378,220
Deferred tax liabilities for land revaluation	30,259	30,259	—	—	—	—	30,259
Acceptances and guarantees	9,564,993	9,564,993	—	—	—	—	9,564,993
Total liabilities	192,207,534	192,207,534	3,245	12,909,706	1,172	4,219,293	177,329,228

- Notes: 1. Transactions in the trading book including derivative transactions extend over multiple risk categories, since they are subject to both market risks and counterparty credit risks.
2. Account titles including monetary claims boughts are subject to securitisation products if they have a characteristic of securitisation products, otherwise they are subject to CR, therefore, they extend over multiple risk categories.
3. Foreign exchange risk and commodities risk in the banking book are not included in column f "Market risk," since it is difficult to link them with account titles.

2. Main Sources of Differences between Regulatory Exposure Amounts and Carrying Values in Consolidated Financial Statements (L12)

(Millions of yen)

L12: Main sources of differences between regulatory exposure amounts and carrying values in consolidated financial statements amounts		As of March 31, 2020				
		a	b	c	d	e
Item No.		Total	Items subject to:			
			CR (excluding amounts relevant to c and d)	CCR	Securitisation (excluding amounts relevant to e)	Market risk
1	Asset carrying value amount under scope of regulatory consolidation	217,819,474	189,722,949	21,745,451	3,702,484	7,361,253
2	Liabilities carrying value amount under scope of regulatory consolidation	17,503,293	3,437	15,573,564	8,538	6,084,528
3	Total net amount under regulatory scope of consolidation	200,316,180	189,719,512	6,171,886	3,693,945	1,276,725
4	Off-balance sheet amounts	15,235,348	9,557,920 (Note 1)	5,260,135	417,293	—
5	Differences due to consideration of provisions and write-offs	572,470	572,470 (Note 2)	—	—	—
6	Differences due to derivative transactions	10,716,035	—	10,454,983 (Note 3)	19,147	—
7	Differences due to SFTs	(1,455,998)	—	(1,445,998)	—	—
8	Other differences	654,840	351,268	(10,412)	—	—
9	Regulatory exposure amounts	226,038,877	200,201,172	20,430,594	4,130,385	1,276,725

(Millions of yen)

L12: Main sources of differences between regulatory exposure amounts and carrying values in consolidated financial statements amounts		As of March 31, 2019				
		a	b	c	d	e
Item No.		Total	Items subject to:			
			CR (excluding amounts relevant to c and d)	CCR	Securitisation (excluding amounts relevant to e)	Market risk
1	Asset carrying value amount under scope of regulatory consolidation	201,466,551	180,084,082	15,379,171	3,252,662	5,328,778
2	Liabilities carrying value amount under scope of regulatory consolidation	14,878,306	3,245	12,909,706	1,172	4,219,293
3	Total net amount under regulatory scope of consolidation	186,588,245	180,080,837	2,469,464	3,251,489	1,109,485
4	Off-balance sheet amounts	13,606,383	9,252,378 (Note 1)	3,875,495	478,509	—
5	Differences due to consideration of provisions and write-offs	555,230	555,230 (Note 2)	—	—	—
6	Differences due to derivative transactions	6,862,613	—	6,529,139 (Note 3)	10,443	—
7	Differences due to SFTs	(638,447)	—	(638,447)	—	—
8	Other differences	864,648	859,587	3,558	1,503	—
9	Regulatory exposure amounts	207,838,675	190,748,034	12,239,210	3,741,945	1,109,485

Notes: 1. This mainly comprises exposures due to commitment lines.

2. This mainly comprises assets subject to the IRB approach added with specific reserve and partial direct write-offs.

3. This mainly comprises the aggregation of the addition of derivative liabilities and regulatory add-on amounts, and the deduction of regulatory netting effect.