



**SuMi TRUST**  
SUMITOMO MITSUI TRUST GROUP

# Summary of Financial Results for 1HFY2017

November 14, 2017

This presentation material contains information that constitutes forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors including changes in managerial circumstances. Please refer to the most recent relevant materials including financial results (“Kessan Tanshin”)(including attached explanatory materials), the securities report and other presentations disclosed by Sumitomo Mitsui Trust Holdings and its group companies, for further information that could significantly influence its financial position and operating results as well as investment decisions by investors. Information regarding companies and other entities outside the group in this document has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by the group and cannot be guaranteed. This presentation does not constitute an offer to sell or a solicitation of an offer to subscribe for or purchase any securities.

Definitions of terms in this document

Sumitomo Mitsui Trust Holdings (Consolidated): “Consolidated “ or “SuMi TRUST Holdings”

Sumitomo Mitsui Trust Bank (Non-consolidated): “Non-consolidated “ or “SuMi TRUST Bank”

Figures before FY2011 in Non-consolidated : CMTB (Non-consolidated) + CMAB (Non-consolidated) + STB (Non-consolidated)

Net income (on consolidated basis) : “Net income attributable to owners of the parent”

NPL (Non performing loans): “Problem assets based on the Financial Reconstruction Act”

Accounting for Business combination related to Management Integration

Purchase accounting method : Accounting method for business combination related to management integration

Results of applying purchase accounting method : Amount of effect from purchase accounting method

Financial indices per share

Indices regarding financial information per share such as “Net asset per 1 share,” “Dividends per 1 share,” are presented assuming that the consolidation of shares (one (1) share for every ten (10) shares) enacted on October 1, 2016, took place at the beginning of fiscal year ended March 31, 2016, for consistency purposes.

# Overview of profits

	(Yen bn)	FY16 1H	FY17 1H	Change	FY17 Forecast
Net business profit before credit costs (*1)	1	146.1	126.6	(19.4)	260.0
Substantial gross business profit (*1)	2	354.6	341.2	(13.4)	685.0
Net interest income and related profit	3	105.4	102.7	(2.7)	
Net fees and commissions and related profit	4	200.2	195.2	(4.9)	
Other profit	5	48.9	43.2	(5.7)	
Substantial G&A expenses (*1)	6	(208.5)	(214.5)	(5.9)	(425.0)
Total credit costs	7	0.7	4.6	3.8	(20.0)
Net gains on stocks	8	9.9	9.1	(0.7)	
Other net non-recurring profit	9	(19.3)	(22.7)	(3.3)	
Ordinary profit	10	137.4	117.7	(19.7)	235.0
Extraordinary profit	11	(1.6)	2.4	4.0	
Income before income taxes	12	135.8	120.1	(15.7)	
Total income taxes	13	(41.4)	(37.9)	3.4	
Income attributable to non-controlling interests	14	(6.5)	(6.7)	(0.2)	
Net income	15	87.9	75.4	(12.4)	150.0
Return on shareholders' equity	16	8.79%	7.32%	(1.47%)	
Dividend per share (DPS) (Yen)	17	65	65	-	
Earnings per share (EPS) (Yen)	18	229	197	(32)	
Number of shares issued (mn shares) (*2)	19	383.0	381.9	(1.1)	

(\*1) "Net business profit before credit costs", "Substantial gross business profit" and "Substantial G&A expenses" are based on managerial accounting, taking gross income and expenses from affiliates into consideration.

(\*2) Average number of common shares outstanding (excluding treasury stocks) during the period.

## Net business profit before credit costs

- Progress rate of 49% against full-year forecast
- While loans/investments business is mostly robust, fee business has some soft spots

## Total credit costs

- Limited occurrence of new problem loans
- Net profit of ¥4.6bn, due to the reversal of losses resulting from improvement of borrower credit-classification

## Net gains on stocks

- Strategic shareholdings reduced by ¥13.3bn

## Other net non-recurring profit / Extraordinary profit

- Proceeds from divestiture of office building used to alleviate future cost burden related to IT [ Gain on sale +¥8.7bn, Full depreciation ¥(11.3)bn ]

## Net income

- 50% progress rate against full-year forecast, which is in excess of the initial plan

# Overview of balance sheet

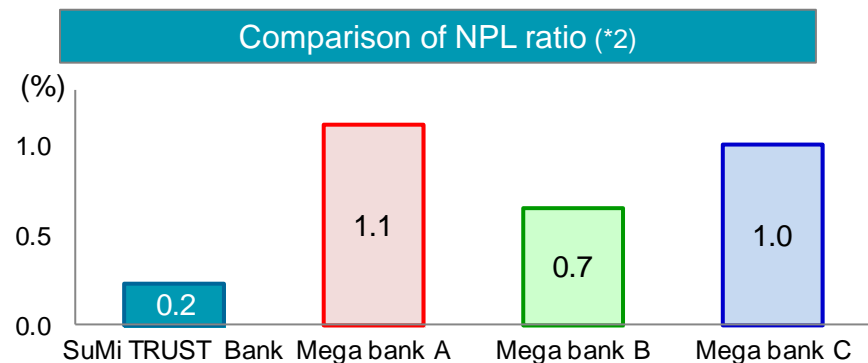
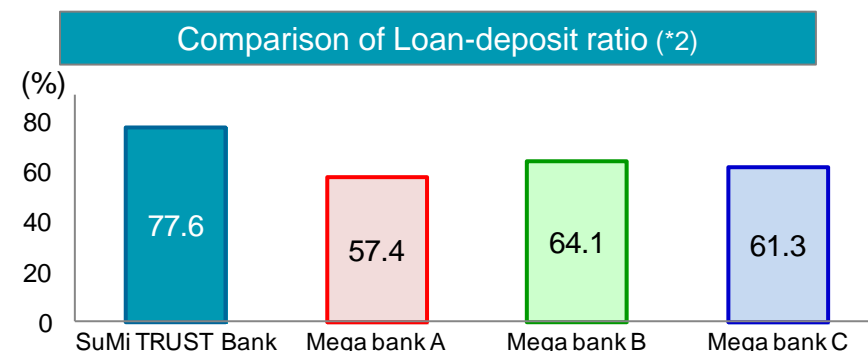
(Yen bn)		Mar. 2017	Sep. 2017	Change
<b>Assets</b>	1	65,453.7	65,529.6	75.8
Cash and due from banks	2	26,944.4	26,142.1	(802.3)
Securities	3	5,127.7	5,234.3	106.6
Loans and bills discounted	4	28,040.4	28,342.6	302.1
Other assets	5	5,341.0	5,810.4	469.3
<b>Liabilities</b>	6	62,662.0	62,753.8	91.7
Deposits and NCD	7	43,327.4	42,011.1	(1,316.2)
Borrowed money from trust account	8	10,274.1	8,750.0	(1,524.1)
Other liabilities	9	9,060.4	11,992.5	2,932.1
<b>Total net assets</b>	10	2,791.6	2,775.8	(15.8)
Total shareholders' equity	11	2,031.6	2,074.3	42.7
Total accumulated OCI	12	430.9	454.3	23.4
Minority interests, etc.	13	329.0	247.0	(81.9)

Net assets per share (BPS) (Yen)	14	6,437	6,645	207
Number of shares issued (mn shares) (*1)	15	382.5	380.5	(2.0)

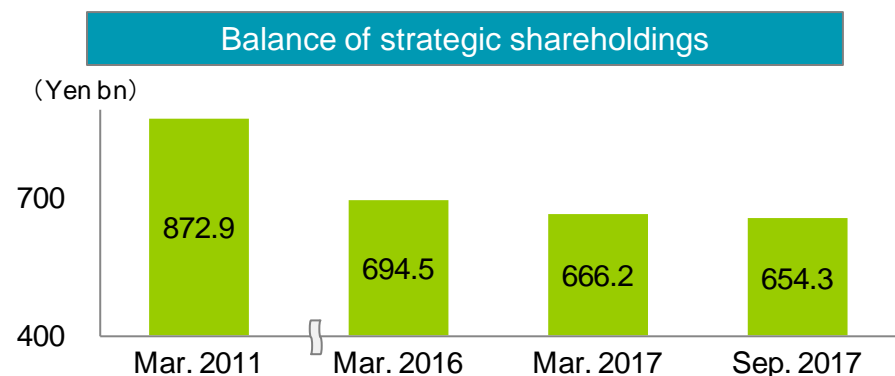
(Reference)

Loan-deposit ratio (SuMi TRUST Bank)	16	77.1%	77.6%	0.5%
NPL ratio (SuMi TRUST Bank)	17	0.2%	0.2%	(0.0%)

(\*1) Number of common shares outstanding (excluding treasury stocks) as of the date above



(\*2) SuMi TRUST Bank: as of Sep. 2017 Other Mega banks: as of Mar. 2017



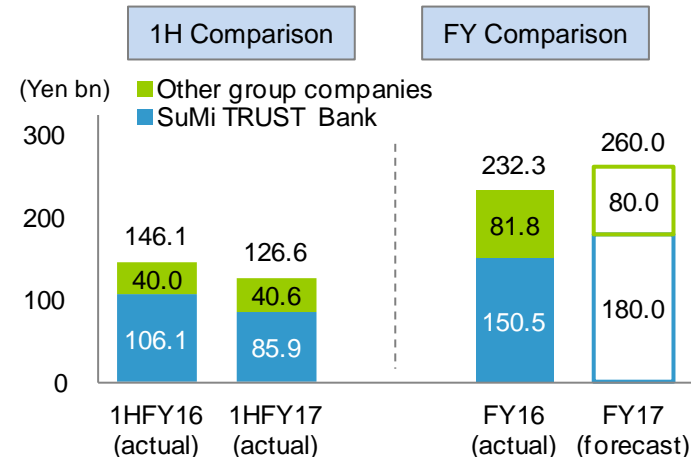
# Profit by group company

		(Yen bn)	FY16 1H	FY17 1H	Change
Net business profit before credit costs (*1)		1	146.1	126.6	(19.4)
o/w SuMi TRUST Bank		2	106.1	85.9	(20.1)
SuMi TRUST AM		3	3.1	2.8	(0.2)
Nikko AM (*2)		4	4.5	5.2	0.7
SuMi TRUST Realty		5	2.1	2.6	0.4
SuMi TRUST Panasonic Finance (*2)		6	6.2	6.8	0.5
SuMi TRUST Loan & Finance		7	4.9	5.0	0.0
SBI Sumishin Net Bank (*2)		8	3.6	3.6	(0.0)
SuMi TRUST Guarantee (*2)		9	6.0	5.9	(0.0)
SuMi TRUST Club		10	3.5	2.7	(0.8)
Effect of purchase accounting method		11	(1.3)	(1.3)	(0.0)
Net income (*1)		12	87.9	75.4	(12.4)
o/w SuMi TRUST Bank		13	69.8	59.2	(10.6)
SuMi TRUST AM		14	2.1	1.9	(0.1)
Nikko AM (*2)		15	3.0	2.9	(0.0)
SuMi TRUST Realty		16	1.4	1.8	0.4
SuMi TRUST Panasonic Finance (*2)		17	3.1	2.6	(0.5)
SuMi TRUST Loan & Finance		18	3.3	3.4	0.0
SBI Sumishin Net Bank (*2)		19	2.3	2.3	(0.0)
SuMi TRUST Guarantee (*2)		20	3.8	4.1	0.3
SuMi TRUST Club		21	1.4	0.9	(0.4)
Effect of purchase accounting method		22	4.2	1.0	(3.1)

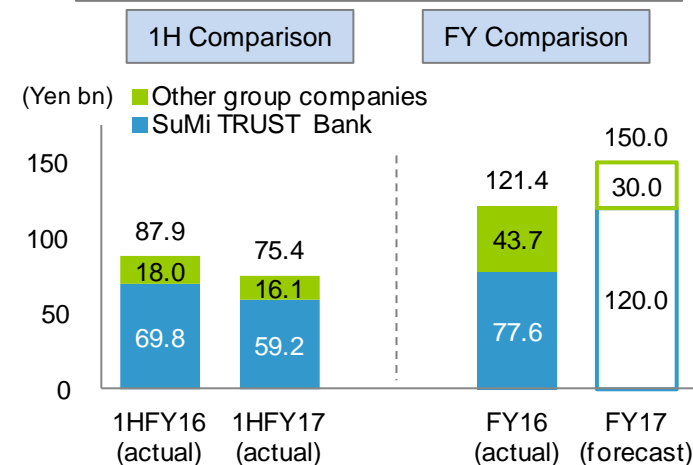
(\*1) Figures on the table above are contribution of group companies, which are substantive amount excluding consolidation adjustment that do not relate directly to the group companies' business results.

(\*2) Consolidated basis

## Breakdown of Net business profit before credit cost



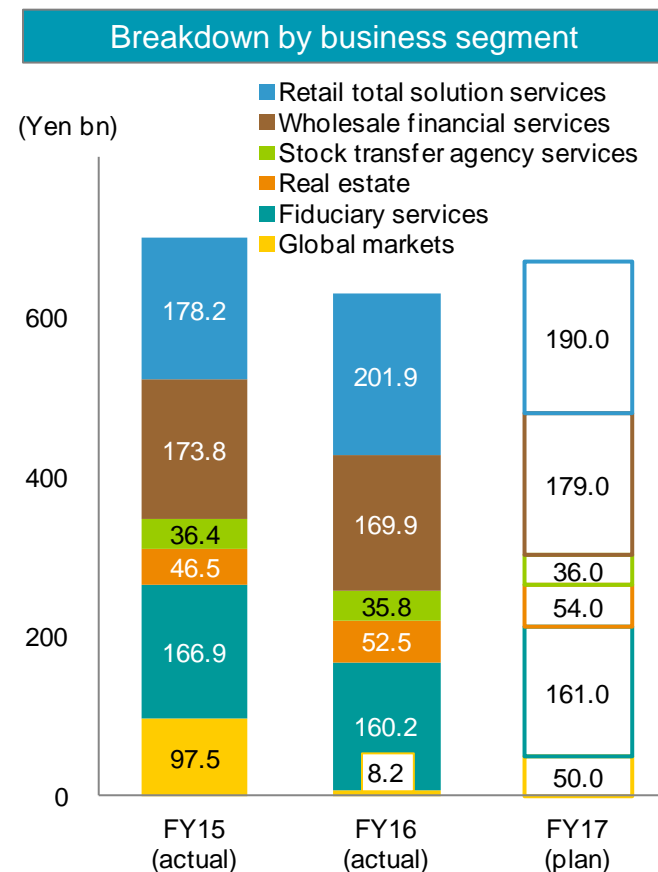
## Breakdown of Net income



# Profit by business segment

(Yen bn)		FY16 1H	FY17 1H	Change	FY17 Plan
Net business profit before credit costs	1	146.1	126.6	(19.4)	260.0
Substantial gross business profit	2	354.6	341.2	(13.4)	685.0
Retail total solution services	3	101.8	94.1	(7.6)	190.0
SuMi TRUST Bank	4	71.2	63.1	(8.0)	131.0
Other group companies	5	30.6	31.0	0.4	59.0
Wholesale financial services (*)	6	87.8	87.7	(0.1)	179.0
SuMi TRUST Bank	7	62.4	61.0	(1.3)	122.0
Other group companies	8	25.4	26.6	1.1	57.0
Stock transfer agency services	9	18.9	18.6	(0.3)	36.0
SuMi TRUST Bank	10	10.4	10.3	(0.1)	20.0
Other group companies	11	8.4	8.3	(0.1)	16.0
Real estate	12	23.0	25.6	2.5	54.0
SuMi TRUST Bank	13	12.9	15.1	2.1	33.0
Other group companies	14	10.0	10.5	0.4	21.0
Fiduciary services	15	78.1	81.3	3.2	161.0
SuMi TRUST Bank	16	29.8	30.0	0.1	61.0
Other group companies	17	48.2	51.2	3.0	100.0
Global markets	18	35.7	27.0	(8.7)	50.0
Substantial G&A Expenses	19	(208.5)	(214.5)	(5.9)	(425.0)
SuMi TRUST Bank	20	(115.4)	(118.9)	(3.5)	(235.0)
Other group companies	21	(93.1)	(95.5)	(2.4)	(190.0)

(\*) Combined total of Wholesale total solution services and Wholesale asset management



**【Notable increase / decrease】**

- Retail total solution services: ¥(7.6)bn  
Decreased mainly due to fall in insurance products sales, slightly behind plan
- Global Markets: ¥(8.7)bn  
Decreased as initial plan lowered earnings expected from US Treasuries investment, the plan progress rate was 54%

# Overview of profit (SuMi TRUST Bank)

(Yen bn)		FY16 1H	FY17 1H	Change
Net business profit before credit costs	1	106.1	85.9	(20.1)
Gross business profit	2	221.5	204.9	(16.5)
Net interest income and related profit	3	90.3	88.6	(1.6)
Net fees and commissions and related profit	4	96.7	89.6	(7.1)
Net trading profit	5	6.3	3.9	(2.4)
Net other operating profit	6	28.0	22.7	(5.3)
o/w Net gains on foreign exchange transactions	7	14.2	17.6	3.3
Net gains on bonds	8	16.9	6.9	(10.0)
Net gains from derivatives (*1)	9	(3.6)	(1.8)	1.7
General and administrative expenses	10	(115.4)	(118.9)	(3.5)
Total credit costs	11	2.6	5.3	2.6
Other non-recurring profit	12	(7.5)	(2.9)	4.5
o/w Net gains on stocks	13	10.1	9.6	(0.5)
Amortization of net actuarial losses	14	(14.2)	(8.1)	6.1
Ordinary profit	15	101.2	88.3	(12.8)
Extraordinary profit	16	(2.4)	(6.2)	(3.7)
Income before income taxes	17	98.7	82.0	(16.6)
Total income taxes	18	(28.8)	(22.8)	6.0
Net income	19	69.8	59.2	(10.6)

(\*1) Net gains from derivatives other than for trading or hedging

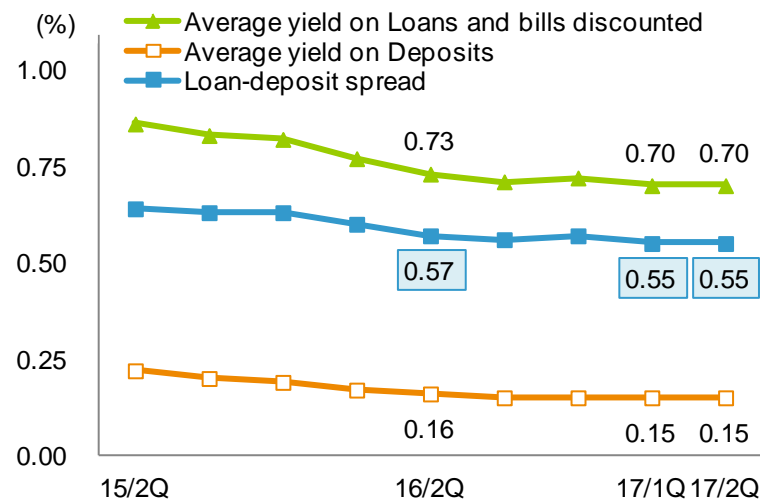
	FY16 1H	FY17 1H	Change
Net interest income and related profit	90.3	88.6	(1.6)
Net interest income	82.3	82.9	0.5
Domestic business	68.1	70.0	1.9
International business	14.2	12.9	(1.3)
Trust fees (*2)	7.9	5.6	(2.2)
(Ref.)			
o/w Profit attributable to deployment of surplus foreign currency funds	6.7	11.1	4.3
Effective interest related earnings	97.1	99.7	2.6
Net fees and commissions and related profit	96.7	89.6	(7.1)
o/w Investment trust and insurance sales	30.0	27.2	(2.8)
Asset management/administration	29.8	30.0	0.1
Real estate brokerage	9.5	12.2	2.6
Stock transfer agency services	10.4	10.3	(0.1)
Inheritance related services	5.2	2.5	(2.7)
Net gains on bonds	16.9	6.9	(10.0)
Domestic bonds	1.3	(0.1)	(1.5)
Foreign bonds	15.6	7.1	(8.5)

(\*2) Trust fees from principal guaranteed trust a/c

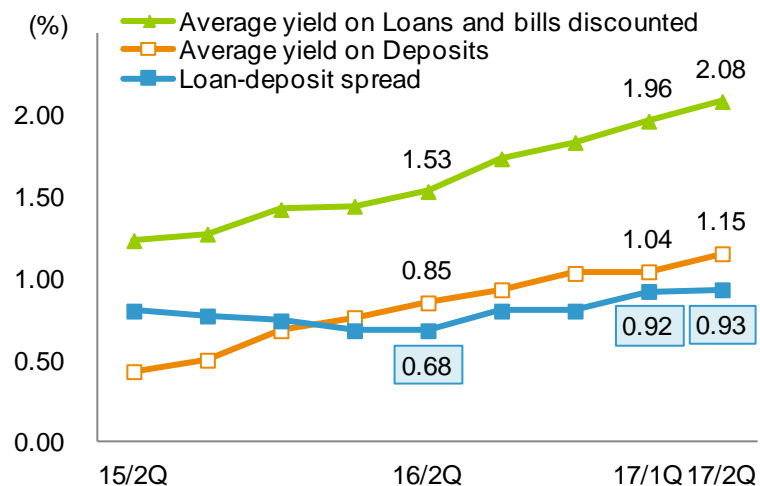
# Net interest income (SuMi TRUST Bank)

	1HFY17					
	Average Balance	Change from 1HFY16	Average Yield	Change from 1HFY16	Income/Expenses	Change from 1HFY16
(Average balance: Yen trn) (Income/Expenses: Yen bn)						
<b>Net interest income</b>					82.9	0.5
<b>Domestic business</b>			0.40%	0.00%	70.0	1.9
Interest-earning assets	34.54	1.05	0.58%	(0.03%)	101.0	(1.6)
o/w Loans and bills discounted	21.01	1.39	0.70%	(0.05%)	74.0	0.0
Securities	3.03	(0.03)	1.45%	(0.02%)	22.2	(0.5)
Income on swaps	---	---	---	---	1.6	(0.6)
Interest-bearing liabilities	34.03	1.45	0.18%	(0.03%)	(31.0)	3.5
o/w Deposits	23.18	0.44	0.15%	(0.01%)	(17.9)	1.0
<b>International business</b>			0.21%	(0.05%)	12.9	(1.3)
Interest-earning assets	11.83	0.67	1.72%	0.46%	102.6	31.9
o/w Loans and bills discounted	7.03	0.18	2.02%	0.54%	71.3	20.2
Securities	1.80	0.10	2.10%	0.68%	19.0	6.9
Interest-bearing liabilities	11.79	0.62	1.51%	0.51%	(89.7)	(33.3)
o/w Deposits	5.00	1.04	1.10%	0.29%	(27.7)	(11.5)
NCD / USCP	4.28	0.51	1.07%	0.41%	(23.0)	(10.3)
Repo	1.23	0.27	1.09%	0.60%	(6.7)	(4.3)
Expenses on swaps	---	---	---	---	(18.7)	(3.1)
<b>Loan-deposit spread / income</b>			0.71%	0.03%	99.7	9.7
Domestic business			0.55%	(0.04%)	56.1	1.1
International business			0.92%	0.25%	43.6	8.6
(Ref.) Net interest income and related income					88.6	(1.6)
o/w Trust fees from principal guaranteed trust a/c					5.6	(2.2)

## Domestic loan-deposit spread



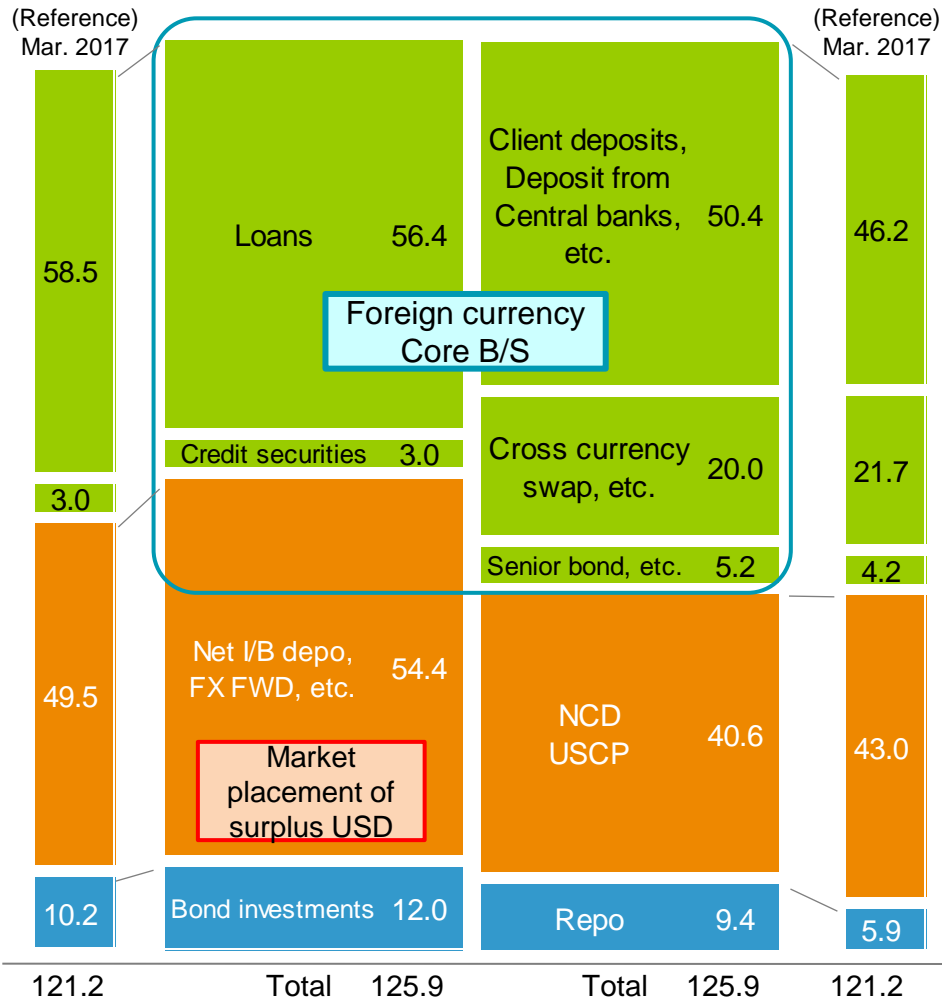
## International loan-deposit spread





# (Reference) Status of foreign currency balance sheet (SuMi TRUST Bank)

Foreign currency B/S (as of Sep. 2017) (USD bn)



Foreign currency ALM management

- ◆ Loans and credit securities constituting core foreign currency denominated assets, are funded by “sticky” client deposits and central bank deposits as well as “long term” yen swaps and senior bonds issuance.
- ◆ Short term funds sourced through NCD/USCP markets are categorized as contingent funding buffer for foreign currency B/S, and the funds are utilized in the inter-bank or foreign exchange market.

Basis swap spread (CCS) (USD/JPY)



# Total credit costs and problem assets

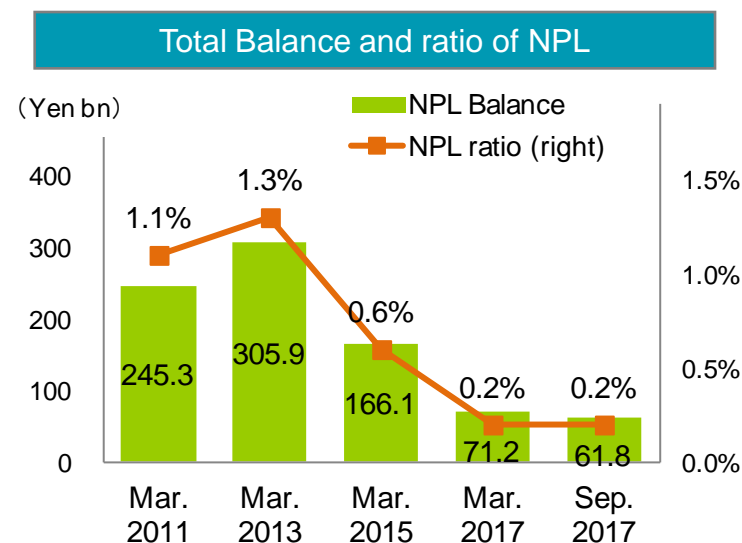
[Total credit costs] (Yen bn)	FY16		FY17	Major factors (1HFY17)
		1H	1H	
SuMi TRUSTBank	(24.9)	2.6	(27.6)	5.3
General allowance for loan losses	(27.9)	0.3	(28.2)	6.1
Specific allowance for loan losses	1.9	1.4	0.4	0.1
Recoveries of written-off claims	1.7	1.2	0.5	0.2
Losses on sales of claims, written-off	(0.6)	(0.3)	(0.2)	(1.2)
Other group companies, etc.	(3.5)	(1.8)	(1.7)	(0.7)
Total	(28.5)	0.7	(29.3)	4.6

Downgraded: Approx. (1.5)  
 Upgraded: Approx. +4.0  
 Decrease in loan balance, etc.  
 (including recoveries): Approx. +2.5

[NPL (SuMi TRUST Bank)] (Yen bn)	Sep. 2017	Coverage ratio (*1)	Allowance ratio (*2)	Change from Mar. 2017
	NPL	61.8	97.6%	80.1%
NPL ratio (ratio to Total loan balance)	0.2%	---	---	(0.0%)
Bankrupt and practically bankrupt	13.2	100.0%	100.0%	5.3
Doubtful	27.9	96.5%	70.9%	(7.5)
Substandard	20.7	97.5%	43.5%	(7.1)
Other special mention debtors	448.0	---	---	(107.6)
Ordinary assets	28,278.8	---	---	170.4
Total loan balance	28,788.6	---	---	53.4

(\*1) (Collateral value + allowance for loan losses) / Loan balance

(\*2) Allowance for loan losses / (Loan balance - Collateral value after considering haircuts)



# Securities portfolio

[Securities with fair value]	Costs		Unrealized gains/losses	
	(Yen bn)	Sep. 2017	Change from Mar. 2017	Sep. 2017
Available-for-sale securities	4,103.7	134.4	709.0	23.4
Japanese stocks	654.3	(11.9)	817.6	87.1
Japanese bonds	874.5	28.7	2.8	1.0
Others	2,574.8	117.6	(111.4)	(64.8)
Held-to-maturity debt securities	286.5	(58.2)	22.6	(4.2)

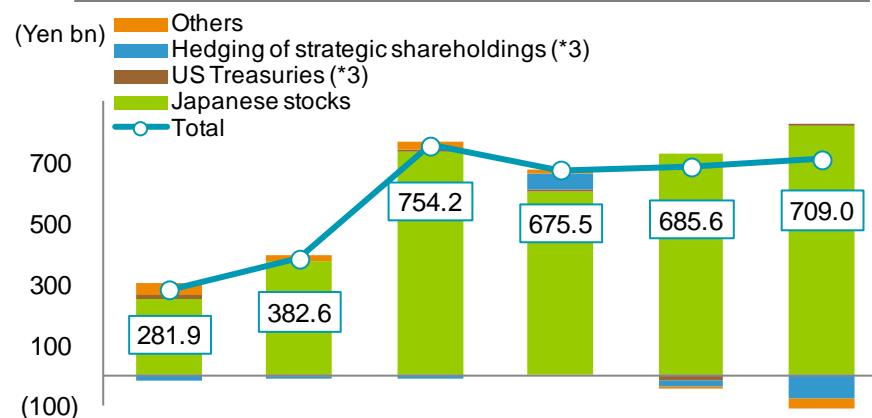
[Securities with fair value (SuMi TRUST Bank)]				
Available-for-sale securities	4,073.5	152.2	725.7	21.6
Japanese stocks	628.1	(11.5)	840.8	86.6
Japanese bonds	914.8	35.2	1.4	1.1
o/w Government bonds	218.1	47.7	0.0	0.1
Others	2,530.5	128.5	(116.5)	(66.1)
Domestic investment (*1)	89.1	(4.6)	1.9	0.0
International investment (*1)	1,379.6	49.7	(11.0)	4.8
o/w US Treasury	752.9	(29.1)	(14.2)	3.0
Others (Investment trust, etc.) (*2)	1,061.7	83.4	(107.4)	(70.9)
o/w for hedging of strategic shareholdings	724.0	(4.0)	(79.9)	(59.7)

(\*1) "Domestic investment" and "International investment" are basically categorized by countries where final exposure exists

(\*2) "Investment trust" and investment securities uncategorizable into "Domestic investment" or "International investment"

Held-to-maturity debt securities	208.9	(54.4)	22.6	(4.2)
o/w Government bonds	123.2	(16.6)	19.8	(0.1)
International investment (*1)	45.9	(36.0)	2.2	(4.3)

## Unrealized gains/losses of AFS securities with fair value



Mar. 2013 Mar. 2014 Mar. 2015 Mar. 2016 Mar. 2017 Sep. 2017

(\*3) SuMi TRUST Bank

## Reduction of strategic shareholdings (\*4)

(Yen bn)	FY16		FY17	
	1H	2H	1H	
Reduction amount	5.1	27.0	32.2	13.3

(Ref.) Cumulative reduction since merger (from FY2011 to FY2016): ¥246.3bn

(\*4) Purchase cost of listed shares

## Securities portfolio of Global markets (\*5)

(Yen bn)	10BPV (*6)		Duration (years) (*6)	
	Sep. 2017	Change from Mar. 2017	Sep. 2017	Change from Mar. 2017
JPY	1.9	(0.0)	5.4	(0.5)
Others	7.1	(0.6)	7.3	(0.6)

(\*5) Managerial reporting basis; "HTM debt securities" and "AFS securities" are combined

(\*6) In the calculation of 10BPV and duration, investment balance hedged by derivatives transactions, etc. were excluded

# Forecast for FY2017

- ▶ Both net business profit and net income attributable to the owners of the parent are unchanged from the initial forecast.
- ▶ Dividend on ordinary share of 130 yen per share in line with the policy of consolidated dividend payout ratio of 30% unchanged from the initial forecast.

(Dividend payout ratio declined by 0.2% to 33.0%, due to the impact of repurchase of own shares in the first half)

	FY2016		FY2017		Change from FY2016	Change from initial forecast
	(Yen bn)	Actual	1H Actual	Forecast		
Net business profit before credit costs		232.3	126.6	260.0	27.6	-
SuMi TRUST Bank		150.5	85.9	180.0	29.4	-
Gross business profit		383.3	204.9	415.0	31.6	-
o/w Retail total solution services		140.2	63.1	131.0	(9.2)	(3.0) (1)
Wholesale financial services (*)		118.5	61.0	122.0	3.4	3.0 (2)
Stock transfer agency services		19.6	10.3	20.0	0.3	-
Real estate		32.0	15.1	33.0	0.9	-
Fiduciary services		61.2	30.0	61.0	(0.2)	-
Global markets		8.2	27.0	50.0	41.7	- (3)
G&A expenses		(232.7)	(118.9)	(235.0)	(2.2)	-
Other group companies, etc.		81.8	40.6	80.0	(1.8)	-
Total credit costs		(28.5)	4.6	(5.0)	23.5	15.0
SuMi TRUST Bank		(24.9)	5.3	(5.0)	19.9	15.0 (4)
Other group companies, etc.		(3.5)	(0.7)	-	3.5	-
Other non-recurring profit		(7.4)	(13.5)	(20.0)	(12.5)	(15.0) (5)
Ordinary profit		196.3	117.7	235.0	38.6	-
o/w SuMi TRUST Bank		117.3	88.3	170.0	52.6	-
Net income attributable to owners of the parent		121.4	75.4	150.0	28.5	-
o/w SuMi TRUST Bank		77.6	59.2	120.0	42.3	(5.0) (6)
Dividend per common share (Yen)		130	65	130	±0	-
Consolidated dividend payout ratio		40.9%	---	33.0%	(7.9%)	(0.2%)

## 【Assumptions】

- Retail total solution services: ¥(9.2)bn
  - Assumes a decline in investment management consulting-related revenues centered on insurance sales fees and inheritance related commissions
- Wholesale financial services: +¥3.4bn YoY
  - Assumes improvement of gross interest margin by asset realignment
- Global markets: +¥41.7bn YoY
  - Non-recurrence of losses pertaining to US Treasuries investment that occurred in the previous fiscal year
  - While lowering expected revenue from US Treasuries investment, assumes robust client related business
- Total credit costs: forecast for FY17 ¥(5)bn
  - Estimated to be around 7bp of total credit portfolio of ¥30trn (2HFY17)
- Other non-recurring profit: forecast for FY17 ¥(20)bn
  - Assuming net gains on stocks of ¥20bn

## 【Deviation from initial forecast】

- Total credit costs: +¥15bn
  - 1HFY17 difference between forecast and actual [expected ¥(10)bn vs actual +¥5.3bn]
- Other non-recurring profit: ¥(15)bn
  - Reassessment of net gains on stocks
  - Loss due to alleviation of future cost related to IT in 1HFY17 taken into consideration
- Net income: ¥(5)bn
  - Loss due to alleviation of future cost related to IT in 1HFY17 taken into consideration

(\*) Combined total of Wholesale total solution services and Wholesale asset management

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# Fee business: Investment management consulting for retail clients

- ▶ Sales of insurance decreased, but total sales volume increased ¥162.1bn to ¥818.7bn due to recovery of client investment appetite.
- ▶ Income decreased ¥2.8bn YoY to ¥27.2bn, due to decrease in sales fees of insurance though sales fees of investment trust increased YoY.

## Income for distributor of investment products

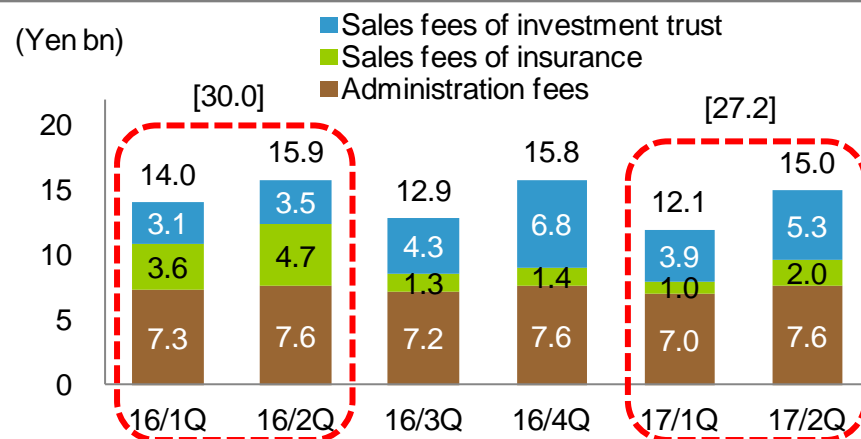
(Yen bn)	FY16		FY17	
	1H	1H	Change	
Income total	30.0	27.2	(2.8)	
Sales fees of investment trust	6.6	9.2	2.6	
Sales fees of insurance	8.3	3.1	(5.1)	
Administration fees	14.9	14.7	(0.2)	

## Sales volume / balance

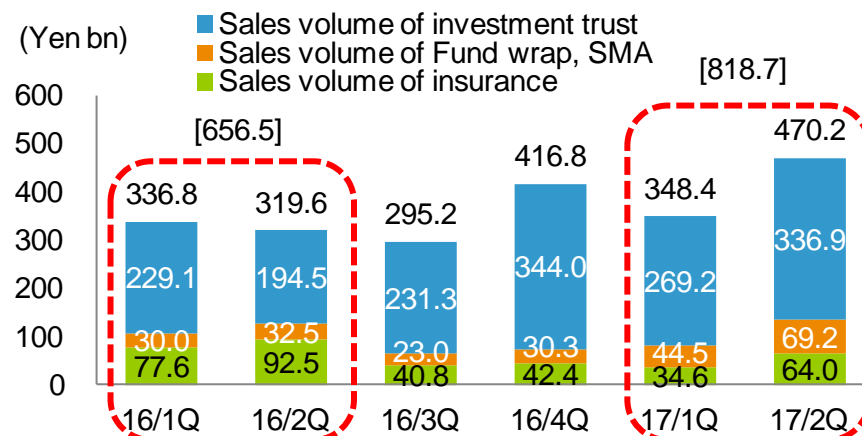
(Yen bn)	FY16		FY17	
	1H	1H	Change	
Sales volume total	656.5	818.7	162.1	
Investment trust	423.7	606.2	182.4	
Fund wrap, SMA	62.6	113.7	51.1	
Insurance	170.2	98.7	(71.4)	

(Yen bn)	Mar. 2017		Sep. 2017	
			Change	
Balance total	5,988.2	6,228.2	240.0	
Investment trust	2,796.6	2,933.5	136.9	
Fund wrap, SMA	765.5	815.6	50.1	
Insurance	2,426.0	2,478.9	52.9	
Wrap Selection	1,599.8	1,702.2	102.4	

## Income for distributor (quarterly)



## Sales volume (quarterly)



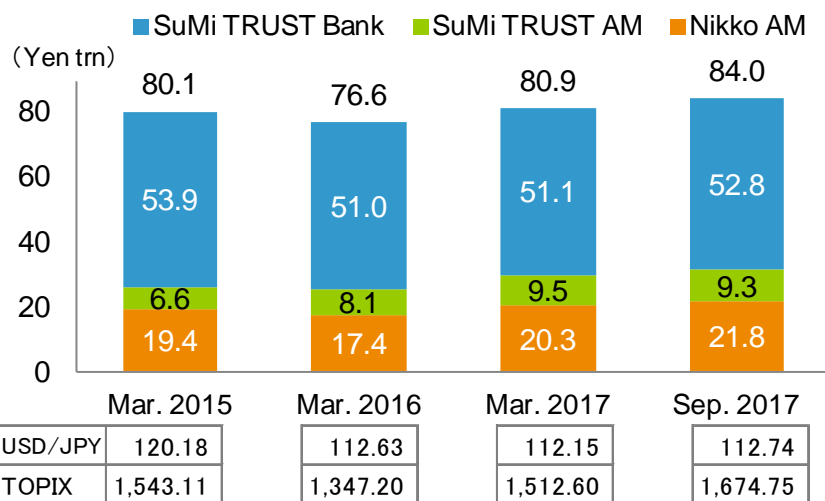
# Fee business: Asset management/administration (Fiduciary services)

- ▶ AUM: Corporate pension trust decreased due to dissolution of company employees' pension plans, but overall AUM increased by ¥3.0trn from Mar. 2017 to ¥84.0trn, mainly due to increase in market value.
- ▶ AUC: Both domestic and overseas AUC increased from Mar. 2017

## Assets under management (AUM) (\*1)

(Yen trn)	Mar. 2017		Sep. 2017	
				Change
Assets under management	80.9	84.0	3.0	
SuMi TRUST Bank	51.1	52.8	1.6	
Corporate pension trust	15.0	13.8	(1.1)	
Public pension trust	10.7	11.6	0.9	
Discretionary investment	25.4	27.3	1.9	
Subsidiaries	29.8	31.2	1.3	
SuMi TRUST AM	9.5	9.3	(0.1)	
Nikko AM	20.3	21.8	1.4	

(\*1) Figure of AUM for Nikko AMs as of Sep. 2017 is preliminary basis

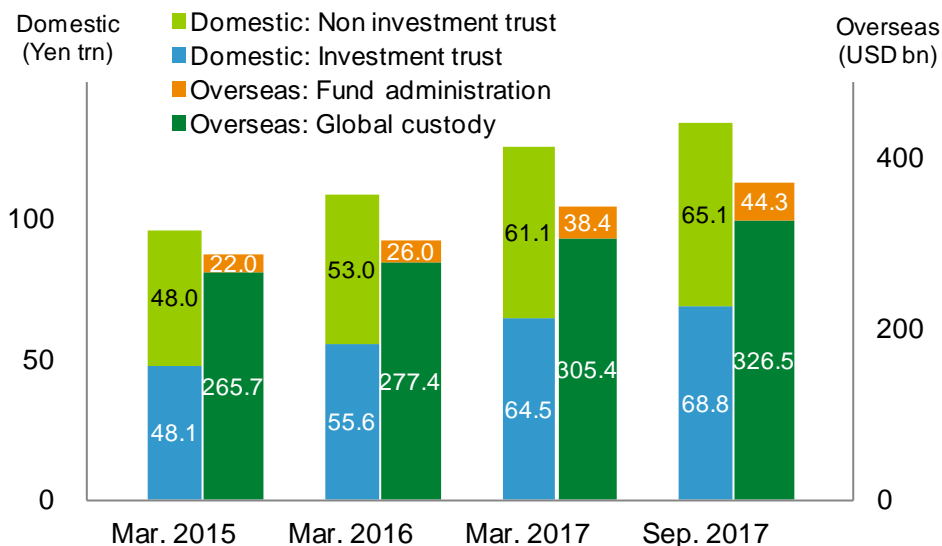


## Assets under custody/administration

[Domestic] (Yen trn)	Mar. 2017		Sep. 2017	
				Change
Investment trust (*2)	64.5	68.8	4.3	
Non investment trust (*2)	61.1	65.1	3.9	
[Overseas] (USD bn)	Mar. 2017		Sep. 2017	
Global custody (*3)	305.4	326.5	21.1	
Fund administration	38.4	44.3	5.9	

(\*2) Entrusted balance of SuMi TRUST Bank

(\*3) Combined figures of SuMi TRUST Bank (U.S.A.), SuMi TRUST (UK) and SuMi TRUST Bank (Lux.)

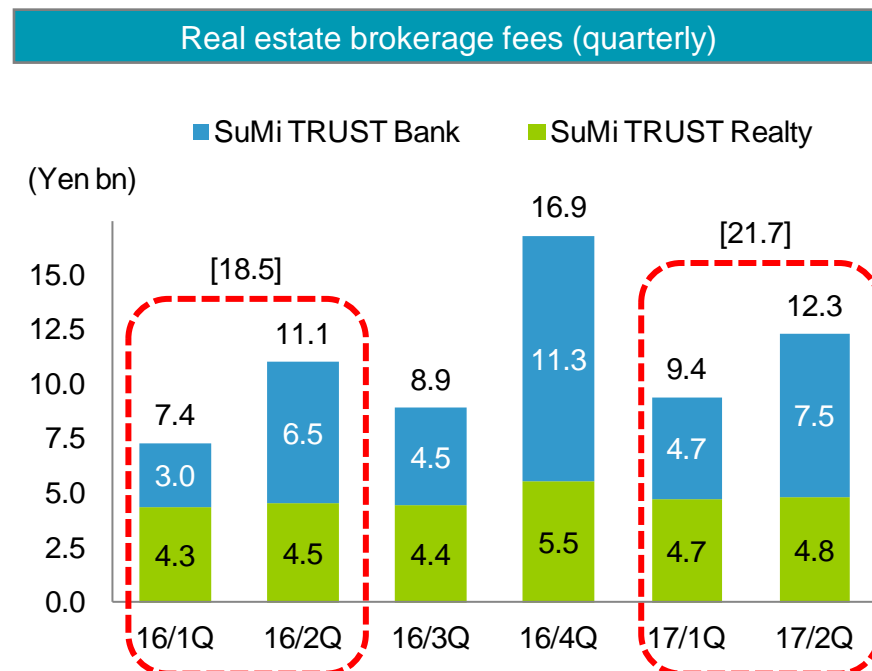


# Fee business: Real estate

- ▶ Real estate brokerage fees from corporate clients (SuMi TRUST Bank): UP ¥2.6bn YoY to ¥12.2bn due to contribution from large-size transactions
- ▶ Real estate brokerage fees from retail clients (SuMi TRUST Realty): UP ¥0.6bn YoY to ¥9.5bn with continuing good performance

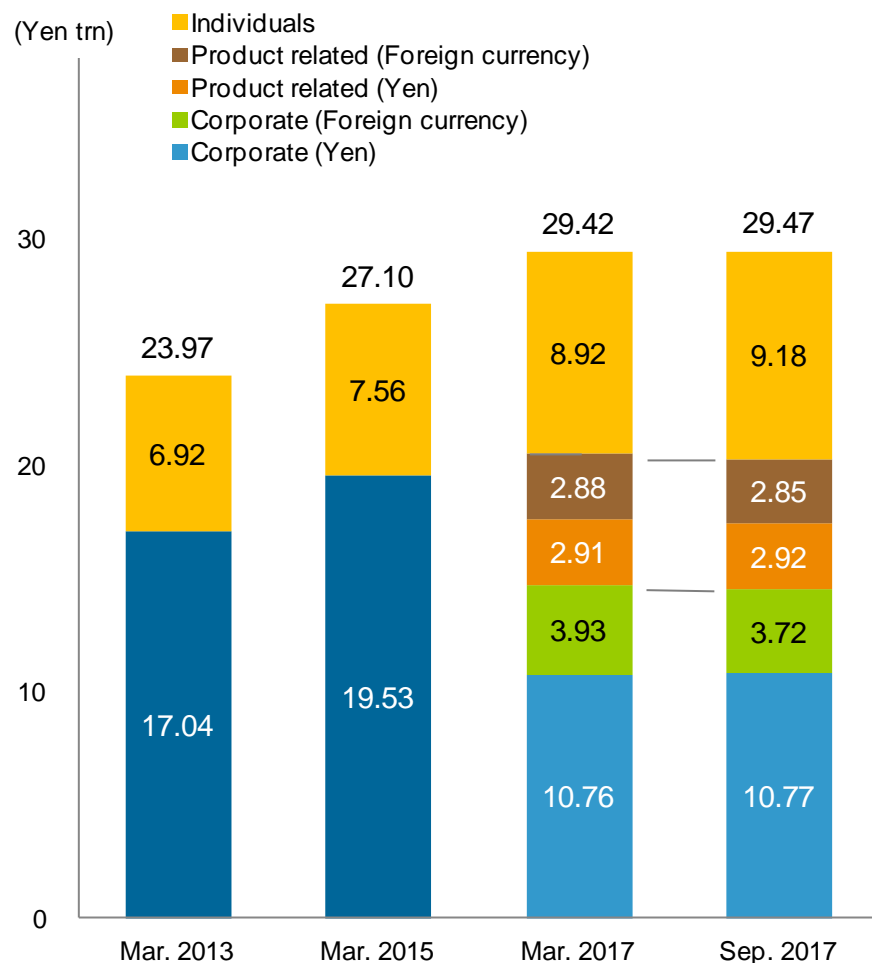
Income			
(Yen bn)	FY16 1H	FY17 1H	Change
Real estate brokerage fees	18.5	21.7	3.2
SuMi TRUST Bank	9.5	12.2	2.6
SuMi TRUST Realty	8.9	9.5	0.6
Real estate trust fees, etc.	3.1	2.9	(0.2)
Net other real estate profit	1.4	0.9	(0.4)
SuMi TRUST Bank	0.3	(0.0)	(0.3)
Group companies	1.1	0.9	(0.1)
Total	23.0	25.6	2.5
o/w SuMi TRUST Bank	12.9	15.1	2.1

Assets under management / administration			
(Yen bn)	Mar. 2017	Sep. 2017	Change
Securitized real estate	14,142.8	14,776.9	634.1
Assets under custody from J-REITs	12,431.0	12,909.9	478.8
Assets under management	650.6	695.4	44.8
Private placement funds	412.3	429.0	16.6
J-REITs	238.2	266.4	28.1



# Loan/investment business: Credit portfolio (SuMi TRUST Bank)

- ▶ Credit portfolio balance of ¥29.4 trn, almost the same level as the end of March 2017
- ▶ Residential mortgage increased, while balance of credit to corporates decreased due to cautious management of foreign currency assets growth



## Advanced amount and balance to individuals

	FY16		FY17	
	1H	1H	Change	
(Yen bn)				
Advanced amount of loans to individuals	905.1	617.4	(287.6)	
o/w Residential mortgage loans	844.2	562.3	(281.8)	

	Mar. 2017		Sep. 2017	
			Change	
(Yen bn)				
Balance of loans to individuals	8,926.9	9,185.0	258.0	
o/w Residential mortgage loans	8,378.6	8,619.3	240.7	

## Balance of credit to corporates

	Mar. 2017		Sep. 2017	
			Change	
(Yen bn)				
Corporate (Yen)	10,768.0	10,778.3	10.2	
Corporate (Foreign Currency)	3,932.6	3,727.4	(205.1)	
Product related (Yen)	2,913.1	2,924.5	11.4	
Product related (Foreign Currency)	2,882.4	2,856.9	(25.4)	
Total balance of credit for corporates	20,496.2	20,287.3	(208.9)	
o/w Product related	5,795.5	5,781.5	(14.0)	
USD/JPY	112.15	112.74	0.59	



# Capital

- ▶ Common Equity Tier 1 capital ratio: UP 0.25 percentage points from Mar. 2017 to 11.29%, due primarily to accumulation of retained earnings. Common Equity Tier 1 capital ratio (Fully-loaded basis, pro forma): UP 0.28 percentage points from Mar. 2017 to 11.47%
- ▶ Leverage ratio and liquidity coverage ratio improved from Mar. 2017 and have maintained levels well in excess of regulatory requirements, even though they have been negatively impacted by inflow of short term funds from the trust account to the banking account

## <Capital and total risk-weighted assets>

(Yen bn)	Mar. 2017 Actual	Sep. 2017 Preliminary	Change
Total capital ratio	16.42%	16.76%	0.34%
Tier 1 capital ratio	13.54%	13.73%	0.19%
Common Equity Tier 1 capital ratio	11.04%	11.29%	0.25%
Total capital	3,185.8	3,280.5	94.6
Tier 1 capital	2,625.7	2,688.8	63.1
Common Equity Tier 1 capital	2,141.8	2,210.9	69.0
Instruments and reserves	2,360.8	2,422.5	61.6
Regulatory adjustments	(218.9)	(211.5)	7.4
Additional Tier 1 capital	483.8	477.9	(5.9)
Tier 2 capital	560.1	591.6	31.4
Total risk-weighted assets	19,391.9	19,570.8	178.9
Credit risk	17,855.8	17,840.2	(15.5)
Market risk	551.4	741.2	189.7
Operational risk	984.6	989.4	4.7

## < Reference > Fully-loaded basis (pro-forma)

Common Equity Tier 1 capital ratio	11.19%	11.47%	0.28%
Common Equity Tier 1 capital	2,166.5	2,242.3	75.8
Accumulated other comprehensive income (*1)	430.9	454.3	23.4
Total risk-weighted assets	19,352.6	19,537.6	185.0

\* Fully-loaded basis: Pro-forma figures based on regulatory definition to be applied as of Mar. 2019.

(\*1) Valuation differences on Available-for-Sale Securities(Sep. 2017): ¥495.6bn

## < Major factors of change in capital >

### (1) Common Equity Tier 1 capital: +¥69.0bn

- Net income: +¥75.4bn
- Dividends and repurchase of own shares: ¥(32.8)bn
- Accumulated other comprehensive income: +¥18.7bn

### (2) Tier 2 capital: +¥31.4bn

- Subordinated debts: +¥22.6bn  
(Issuance ¥40.0bn, redemption etc. ¥(17.3)bn)

## <Other ratios required in prudential regulations>

(Yen bn)	Sep. 2017 Preliminary	Chng. from Mar. 2017
Leverage ratio	3.93%	0.06%
SuMi TRUST Bank (Consolidated) (*2)	4.43%	(0.02)%
Tier 1 capital	2,688.8	63.1
Total exposure	68,339.4	496.0
Liquidity coverage ratio (*3)	143.8%	7.1%
SuMi TRUST Bank (Consolidated) (*2)	203.3%	14.1%
Total high-quality liquid assets	25,662.5	1,683.5
Net cash outflows	17,845.1	309.3

(\*2) Excluding the impact of funds inflow into the banking account from trust account at JTSB

(\*3) Average of month end figures in 2QFY17. "Change from Mar. 2017" represents the comparison to figure for 4QFY2016 calculated in the same manner