



SuMi TRUST
SUMITOMO MITSUI TRUST GROUP

Summary of Financial Results for 3QFY2018

January 30, 2019

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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 business profit : “Net business profit before credit costs”

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)		
		FY17	FY18	Change
		1-3Q	1-3Q	
1	Net business profit before credit costs (*1)	197.5	209.6	12.0
2	Substantial gross business profit (*1)	518.2	535.9	17.7
3	Net interest income and related profit	151.4	128.4	(23.0)
4	Net fees and commissions and related profit	296.7	306.0	9.2
5	Other profit	69.9	101.4	31.5
6	o/w Profit attributable to deployment of surplus foreign currency funds	21.0	63.4	42.3
7	Substantial G&A expenses (*1)	(320.6)	(326.2)	(5.6)
8	Total credit costs	2.4	12.3	9.9
9	Net gains on stocks	16.9	4.3	(12.5)
10	Other net non-recurring profit	(27.4)	(23.9)	3.5
11	Ordinary profit	189.4	202.4	13.0
12	Extraordinary profit	0.9	(3.0)	(4.0)
13	Income before income taxes	190.4	199.4	8.9
14	Total income taxes	(58.2)	(59.1)	(0.9)
15	Income attributable to non-controlling interests	(9.4)	(5.9)	3.4
16	Net income	122.8	134.3	11.5
17	Return on shareholders' equity	7.89%	8.23%	0.34%
18	Dividend per share (DPS) (Yen)	65	65	-
19	Earnings per share (EPS) (Yen)	321	354	32
20	Number of shares issued (mn shares) (*2)	381.4	379.0	(2.4)

(*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

- Domestic loan-deposit spread improvement continued, and effective interest related earnings including profit attributable to deployment of surplus foreign currency funds also increased

		(Yen bn)		
		FY17	FY18	Change
		1-3Q	1-3Q	
	Effective interest related earnings	172.5	191.8	19.3
	Net interest income and related profit	151.4	128.4	(23.0)
	Profit attributable to deployment of surplus foreign currency funds	21.0	63.4	42.3

- Net fees and commissions and related profit increased due to steady results from asset management (investment management/administration) businesses of group companies while SuMi TRUST Bank stayed at the same level YoY
- Progress rate of 75% against full year plan is in line with initial plan

Total credit costs

- Limited occurrence of new problem loans
- Net reversal of ¥12.3bn, due to factors such as the reversal of losses resulting from improvement of credit-classification of certain borrowers

Net gains on stocks

- Strategic shareholdings reduced further (reduction of approx. ¥22bn, gains of approx. ¥19bn on disposal)
- Profit (approx. ¥5bn) from adjusting the volume of additional hedge positions utilizing investment trust in 3Q while loss recorded on close out of temporary hedge positions (*3) in 1HFY2018 (approx. ¥(17)bn)

Net income

- Increase of ¥11.5bn YoY
- Steady progress rate of 77% against full year plan

(*3) Temporary hedging position built up to improve average holding price in FY17

Overview of balance sheet

		(Yen bn)		
		Mar. 2018	Dec. 2018	Change
1	Assets	68,356.7	57,069.1	(11,287.6)
2	Cash and due from banks	28,841.3	16,285.6	(12,555.7) (*1)
3	Securities	5,537.6	6,130.8	593.1
4	Loans and bills discounted	28,190.5	28,618.1	427.5
5	Other assets	5,787.2	6,034.5	247.2
6	Liabilities	65,484.4	54,359.3	(11,125.1)
7	Deposits and NCD	43,915.1	37,629.1	(6,286.0) (*1)
8	Borrowed money from trust account	11,070.7	5,518.6	(5,552.0) (*1)
9	Other liabilities	10,498.5	11,211.5	712.9
10	Total net assets	2,872.3	2,709.7	(162.5)
11	Total shareholders' equity	2,127.8	2,203.4	75.6
12	Total accumulated OCI	496.8	429.3	(67.4)
13	Minority interests, etc.	247.6	76.9	(170.6)

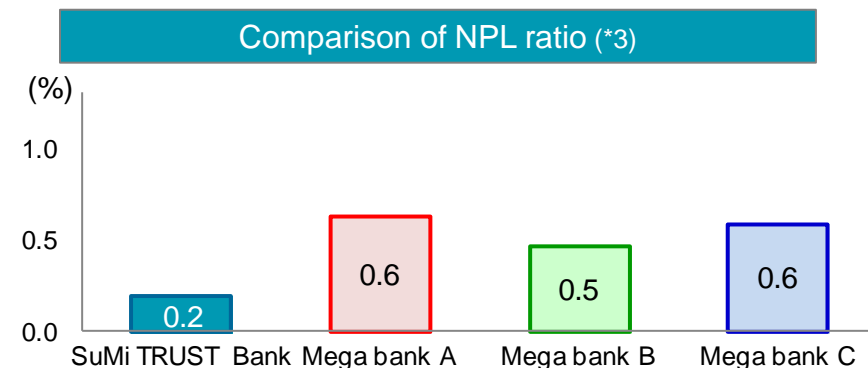
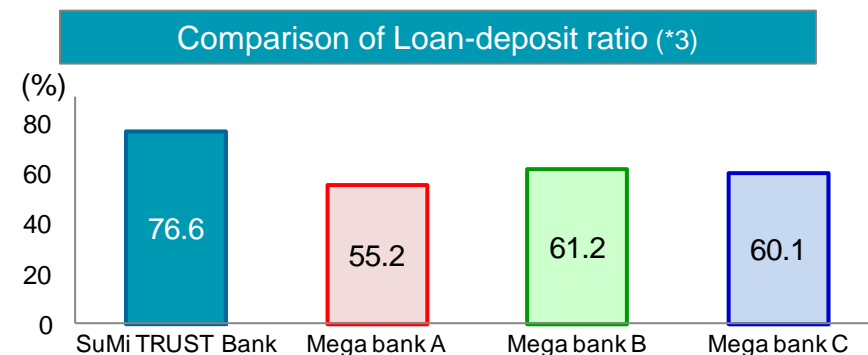
14	Net assets per share (BPS) (Yen)	6,897	6,954	56
15	Number of shares issued (mn shares) (*2)	380.5	378.5	(1.9)

(Reference)

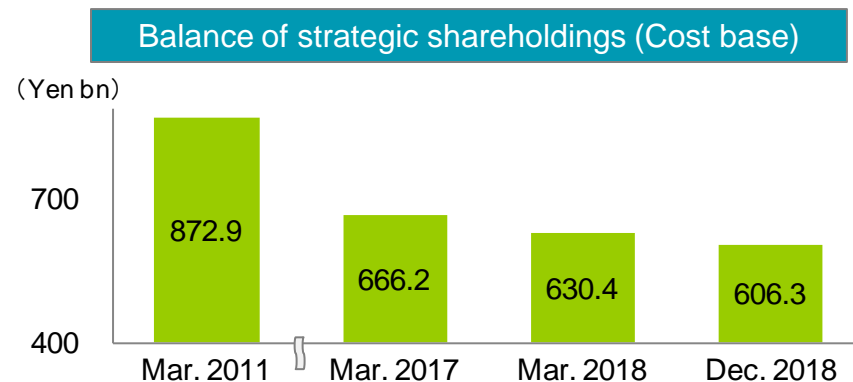
16	Loan-deposit ratio (SuMi TRUST Bank)	78.2%	76.6%	(1.6%)
17	NPL ratio (SuMi TRUST Bank)	0.2%	0.2%	(0.0%)

(*1) Decreased from Mar. 2018 due mainly to changing to affiliated company of Japan Trustee Services Bank relating to the establishment of JTC Holdings

(*2) Number of common shares issued (excluding treasury stocks) as of the date above



(*3) SuMi TRUST Bank: as of Dec. 2018 Mega banks: as of Sep. 2018



Profit by group company

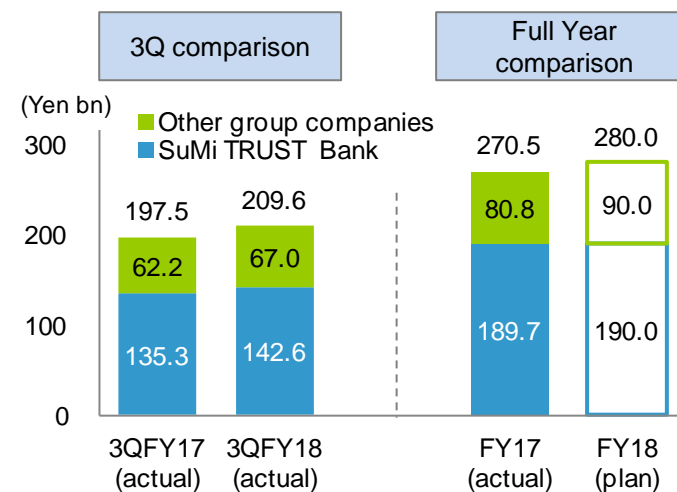
		FY17	FY18	Change	
		1-3Q	1-3Q		
		(Yen bn)			
1	Net business profit before credit costs (*1)	197.5	209.6	12.0	
2	o/w SuMi TRUST Bank	135.3	142.6	7.3	(*2)
3	SuMi TRUST AM	4.2	6.7	2.5	(*2)
4	Nikko AM (*3)	8.9	12.7	3.7	
5	SuMi TRUST Realty	4.4	4.6	0.2	
6	SuMi TRUST Panasonic Finance (*3)	9.6	7.7	(1.9)	
7	SuMi TRUST Loan & Finance	7.6	8.7	1.1	
8	SBI Sumishin Net Bank (*3)	5.3	6.1	0.8	
9	SuMi TRUST Guarantee (*3)	8.9	8.7	(0.1)	
10	SuMi TRUST Club	4.6	2.1	(2.4)	
11	Effect of purchase accounting method	(2.1)	(2.0)	0.1	
12	Net income (*1)	122.8	134.3	11.5	
13	o/w SuMi TRUST Bank	96.0	108.4	12.3	
14	SuMi TRUST AM	2.8	4.6	1.7	
15	Nikko AM (*3)	5.0	8.2	3.2	
16	SuMi TRUST Realty	3.0	3.1	0.1	
17	SuMi TRUST Panasonic Finance (*3)	4.8	2.5	(2.2)	
18	SuMi TRUST Loan & Finance	5.1	5.8	0.7	
19	SBI Sumishin Net Bank (*3)	3.4	4.0	0.6	
20	SuMi TRUST Guarantee (*3)	6.2	6.5	0.2	
21	SuMi TRUST Club	1.8	0.3	(1.5)	
22	Effect of purchase accounting method	1.5	0.7	(0.7)	

(*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

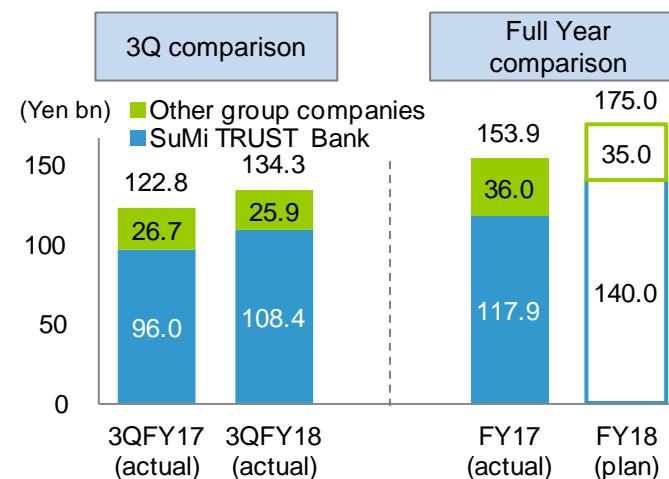
(*2) Change includes the impact of reorganization (as of Oct. 1) which was mostly within the estimation disclosed in Forecast for FY2018. Please refer to P12

(*3) Consolidated basis

Breakdown of Net business profit



Breakdown of Net income



Profit by business segment

		FY17 1-3Q Actual	Substantial gross business profit (*1)		Substantial G&A expenses	FY18 1-3Q Actual		FY18 Plan (*1)
(Yen bn)			Change from 3QFY17	Change from 3QFY17		Change from 3QFY17		
1	Net business profit	197.5	535.9	17.7	(326.2)	209.6	12.0	720.0
2	Retail total solution services	20.6	148.6	6.3	(125.0)	23.6	3.0	200.0
3	SuMi TRUST Bank	5.3	101.9	5.8	(91.3)	10.5	5.2	137.0
4	Other group companies	15.3	46.7	0.4	(33.6)	13.1	(2.1)	63.0
5	Wholesale financial services (*2)	83.9	139.5	6.4	(53.1)	86.3	2.4	190.0
6	SuMi TRUST Bank	63.9	98.1	4.9	(31.8)	66.3	2.3	134.0
7	Other group companies	20.0	41.3	1.4	(21.2)	20.0	0.0	56.0
8	Stock transfer agency services	14.9	29.9	0.8	(14.2)	15.6	0.7	37.0
9	SuMi TRUST Bank	14.2	17.7	0.9	(2.8)	14.8	0.6	21.0
10	Other group companies	0.7	12.1	(0.1)	(11.4)	0.7	0.0	16.0
11	Real estate	20.2	38.2	0.1	(17.9)	20.2	0.0	55.0
12	SuMi TRUST Bank	15.3	22.2	0.1	(7.0)	15.2	(0.1)	33.0
13	Other group companies	4.9	15.9	0.0	(10.9)	5.0	0.1	22.0
14	Fiduciary services	41.7	132.2	7.8	(82.9)	49.2	7.4	173.0
15	SuMi TRUST Bank	25.3	43.8	(1.8)	(18.7)	25.0	(0.2)	56.0
16	Other group companies	16.4	88.3	9.6	(64.1)	24.1	7.7	117.0
17	Global markets	33.6	36.7	(8.4)	(11.4)	25.3	(8.3)	50.0

(*1) Excluding dividend from group companies aimed to improve capital efficiency

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

Overview of profit (SuMi TRUST Bank)

	(Yen bn)	FY17 1-3Q	FY18 1-3Q	Change	
					Substantial (*1)
1	Net business profit before credit costs	135.3	177.3	41.9	7.3
2	Gross business profit	311.5	351.3	39.7	5.1
3	Net interest income and related profit	128.1	137.6	9.4	(25.1)
4	Net fees and commissions and related profit	137.3	137.0	(0.3)	(*2) (0.3)
5	Net trading profit	4.7	11.1	6.4	6.4
6	Net other operating profit	41.3	65.5	24.2	24.2
7	o/w Net gains on foreign exchange transactions	32.7	71.7	39.0	39.0
8	o/w Profit attributable to deployment of surplus foreign	21.0	63.4	42.3	42.3
9	Net gains on bonds	6.9	(2.9)	(9.8)	(9.8)
10	Net gains from derivatives (*1)	1.8	(3.1)	(5.0)	(5.0)
11	General and administrative expenses	(176.2)	(174.0)	2.1	(*2) 2.1
12	Total credit costs	4.3	16.4	12.1	12.1
13	Other non-recurring profit	0.8	(4.3)	(5.1)	(5.1)
14	o/w Net gains on stocks	17.5	3.0	(14.4)	(14.4)
15	Amortization of net actuarial losses	(12.2)	(2.5)	9.7	9.7
16	Ordinary profit	140.5	189.4	48.8	14.2
17	Extraordinary profit	(7.5)	(3.8)	3.7	3.7
18	Income before income taxes	132.9	185.5	52.6	17.9
19	Total income taxes	(36.9)	(42.5)	(5.5)	(5.5)
20	Net income	96.0	143.0	47.0	12.3

	FY17 1-3Q	FY18 1-3Q	Change	
21	Effective interest related earnings (*3)	149.2	166.4	17.1
22	Domestic business	109.1	113.9	4.7
23	Net interest income and related profit	109.1	148.5	39.4
24	Dividend from group companies aimed to improve capital efficiency	-	(34.6)	(34.6)
25	International business	40.0	52.5	12.4
26	Net interest income and related profit	19.0	(10.9)	(29.9)
27	Profit attributable to deployment of surplus foreign currency funds	21.0	63.4	42.3
28	Net fees and commissions and related profit	137.3	137.0	(0.3)
29	o/w Investment management consulting	42.9	40.3	(2.5)
30	Asset management/administration	45.7	43.8	(*2) (1.8)
31	Real estate brokerage	17.7	18.0	0.2
32	Stock transfer agency services	16.8	17.7	0.9
33	Inheritance related services	3.4	2.9	(0.4)
34	Wholesale credit related	23.7	21.7	(2.0)
35	Net gains on bonds	6.9	(2.9)	(9.8)
36	Domestic bonds	0.0	0.2	0.2
37	Foreign bonds	6.9	(3.1)	(10.0)

(*3) Net interest income and related profit - Dividend from group companies aimed to improve capital efficiency + Profit attributable to deployment of surplus foreign currency funds

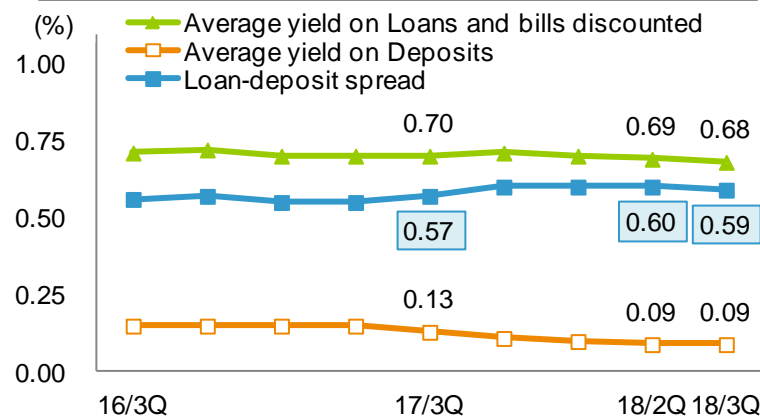
(*1) Excluding dividend from group companies aimed to improve capital efficiency

(*2) Change includes the impact of reorganization (as of Oct. 1) which was mostly within the estimation disclosed in Forecast for FY2018. Please refer to P12

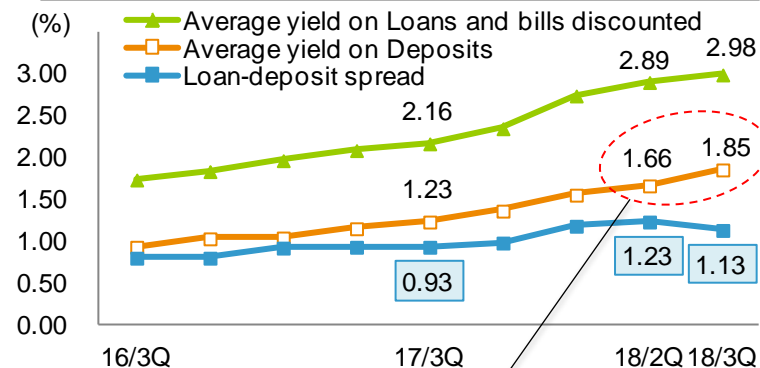
Net interest income (SuMi TRUST Bank)

	3QFY18					
	Average Balance	Change from 3QFY17	Average Yield	Change from 3QFY17	Income/Expenses	Change from 3QFY17
1 Net interest income					123.0	4.1
2 Domestic business			(*0.46%	0.08%	133.9	34.1
3 Interest-earning assets	38.41	3.16	(*0.62%	0.07%	180.4	33.9
4 o/w Loans and bills discounted	21.64	0.59	0.69%	(0.01%)	113.1	1.4
5 Securities	3.51	0.40	(*2.36%	1.17%	62.7	34.8
6 Income on swaps	---	---	---	---	0.2	(1.9)
7 Interest-bearing liabilities	37.81	3.15	0.16%	(0.01%)	(46.4)	0.1
8 o/w Deposits	23.92	0.76	0.09%	(0.05%)	(17.7)	8.3
9 Borrowings from trust a/c	3.88	1.40	0.49%	0.01%	(14.5)	(5.3)
10 International business			(0.14%)	(0.34%)	(10.9)	(29.9)
11 Interest-earning assets	13.73	1.65	2.03%	0.30%	211.1	53.0
12 o/w Loans and bills discounted	6.50	(0.47)	2.87%	0.81%	140.7	31.9
13 Due from banks	2.31	0.12	1.42%	0.51%	24.8	9.7
14 Securities	2.33	0.45	2.25%	0.13%	39.6	9.5
15 Interest-bearing liabilities	13.52	1.50	2.17%	0.64%	(222.0)	(83.0)
16 o/w Deposits	5.76	0.60	1.69%	0.54%	(73.3)	(28.6)
17 NCD / USCP	4.92	0.71	1.94%	0.87%	(72.1)	(38.1)
18 Repo	1.72	0.36	2.07%	0.92%	(26.8)	(15.0)
19 Expenses on swaps	---	---	---	---	(27.0)	0.5
20 (+) Trust fees from principal guaranteed trust a/c					14.5	5.3
21 (+) Profit attributable to deployment of surplus foreign currency funds					63.4	42.3
22 (-) Dividend from group companies aimed to improve capital efficiency					34.6	34.6
23 Effective interest related earnings					166.4	17.1
24 (Ref.) Loan-deposit spread / income in domestic business			0.60%	0.04%	95.4	9.7

Domestic loan-deposit spread



International loan-deposit spread



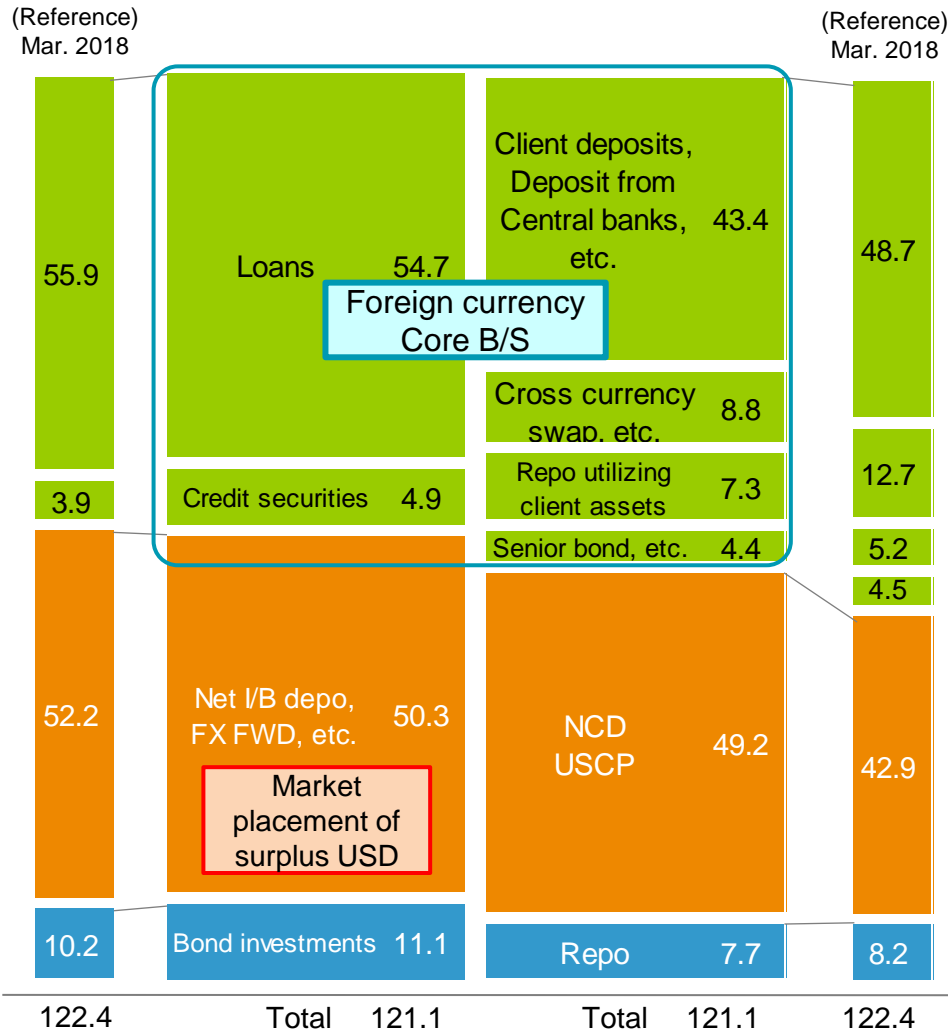
Profit attributable to deployment of surplus foreign currency funds increased while deposit expenses increased due to increase of USD demand over year end

(*) Average Yield excluding dividend from group companies aimed to improve capital efficiency

Domestic business	Average Yield	Change from 17/3Q
o/w Interest-earning assets	0.50%	(0.04%)
o/w Securities	1.06%	(1.13%)

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

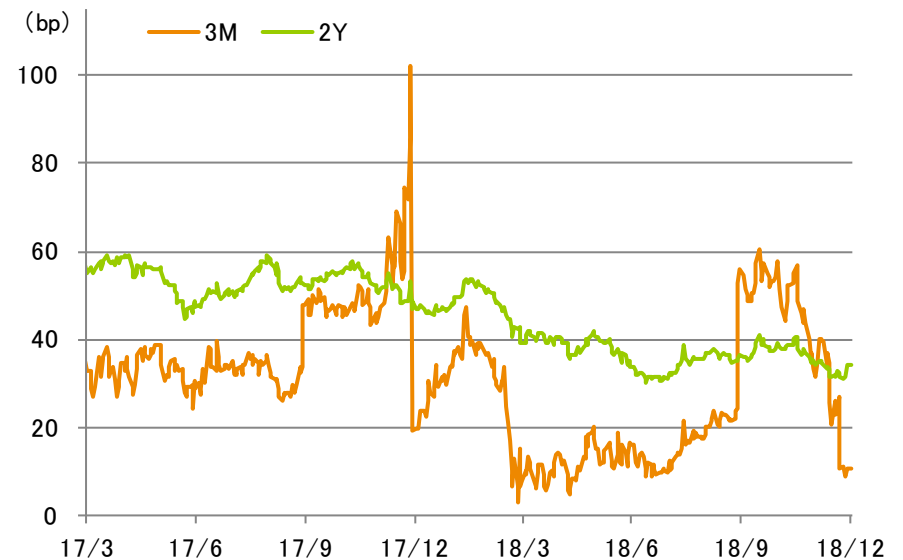
Foreign currency B/S (as of Dec. 2018) (USD bn)



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)



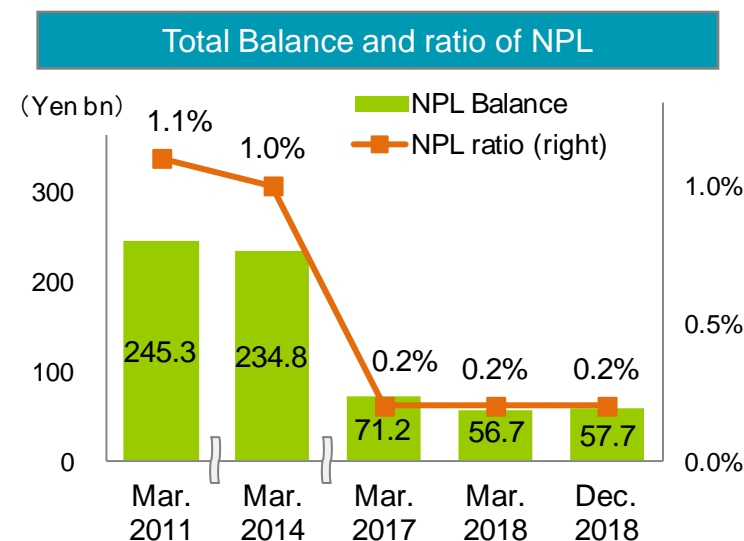
Total credit costs and problem assets

[Total credit costs]		FY17		FY18	Major factors (1-3QFY18)
(Yen bn)			1H	1-3Q	
1	SuMi TRUST Bank	7.0	16.3	16.4	↓ Downgraded: Approx. (1.0) Upgraded: Approx. +21.0 Change in loan balance, etc. (including recoveries): Approx. (4.0)
2	General allowance for loan losses	10.6	17.3	17.4	
3	Specific allowance for loan losses	(2.8)	(0.6)	(0.8)	
4	Recoveries of written-off claims	0.8	0.7	1.0	
5	Losses on sales of claims, written-off	(1.6)	(1.0)	(1.1)	
6	Other group companies, etc.	(4.0)	(3.0)	(4.0)	SuMi TRUST Panasonic Finance (2.2)
7	Total	2.9	13.3	12.3	

[NPL (SuMi TRUST Bank)]		Dec. 2018	Coverage ratio (*1)	Allowance ratio (*2)	Change from Mar. 2018
(Yen bn)					
8	NPL	57.7	89.4%	61.7%	1.0
9	NPL ratio (ratio to Total loan balance)	0.2%	---	---	(0.0%)
10	Bankrupt and practically bankrupt	11.0	100.0%	100.0%	(1.1)
11	Doubtful	27.5	91.7%	74.4%	0.5
12	Substandard	19.2	80.0%	10.9%	1.6
13	Other special mention debtors	438.4	---	---	(110.0)
14	Ordinary assets	28,852.2	---	---	638.9
15	Total loan balance	29,348.3	---	---	529.9

(*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]	(Yen bn)	Costs		Unrealized gains/losses (*1)	
		Dec. 2018	Change from Mar. 2018	Dec. 2018	Change from Mar. 2018
1 Available-for-sale securities	4,965.3	603.2	646.8	(92.4)	
2 Japanese stocks	606.3	(24.0)	702.7	(173.5)	
3 Japanese bonds	924.0	108.1	2.7	0.4	
4 Others	3,434.9	519.2	(58.6)	80.5	
5 Held-to-maturity debt securities	262.1	(2.8)	20.6	(1.3)	

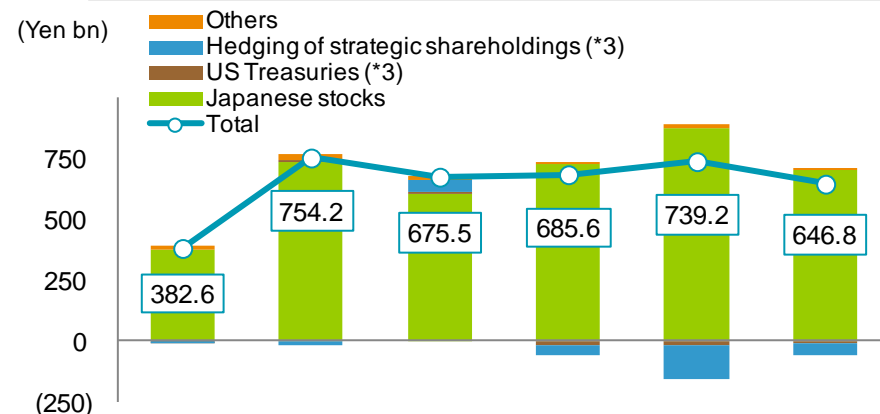
[Securities with fair value (SuMi TRUST Bank)]					
6 Available-for-sale securities	4,948.0	586.6	665.5	(88.5)	
7 Japanese stocks	580.9	(25.4)	725.9	(171.3)	
8 Japanese bonds	991.0	103.2	1.4	0.5	
9 o/w Government bonds	337.0	95.7	(0.0)	(0.1)	
10 Others	3,376.0	508.8	(61.9)	82.2	
11 Domestic investment	79.4	(2.7)	1.9	0.1	
12 International investment	1,719.3	465.2	(14.9)	1.8	
13 o/w US Treasury	748.6	252.5	(10.7)	7.9	
14 Others (Investment trust, etc.)	1,577.2	46.3	(48.8)	80.2	
15 o/w for hedging of strategic shareholdings (*2)	1,379.5	32.8	(46.5)	87.8	

(*1) From FY18, figures for "Japanese stocks" are determined based on quoted market price as of balance sheet date, which was previously based on average quoted market price over the month preceding balance sheet date

(*2) Of which hedging effect under capital regulation is recognized: Costs JPY 1,167.5bn, Unrealized gains/losses JPY (54.5)bn

16 Held-to-maturity debt securities	195.5	1.9	20.4	(1.3)
17 o/w Government bonds	118.8	(0.2)	19.4	(0.4)
18 International investment	39.3	3.6	0.5	(0.8)

Unrealized gains/losses of AFS securities with fair value



Mar. 2014 Mar. 2015 Mar. 2016 Mar. 2017 Mar. 2018 Dec. 2018
(*3) SuMi TRUST Bank

Reduction of strategic shareholdings (*4)

(Yen bn)	FY17		FY18	
	1H	2H	1H	1-3Q
19 Reduction amount	13.3	21.9	35.2	16.9

(Ref.) Cumulative reduction since merger (from FY11 to 3QFY18): ¥303.4bn

Cumulative reduction based on current plan (from FY16 to FY20): ¥89.3bn

(*4) Purchase cost of listed shares

Securities portfolio of Global markets (*5)

(Yen bn)	10BPV (*6)		Duration (years) (*6)	
	Dec. 2018	Change from Mar. 2018	Dec. 2018	Change from Mar. 2018
20 JPY	2.2	(0.3)	4.2	(2.5)
21 Others	3.4	0.4	3.3	(0.6)

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

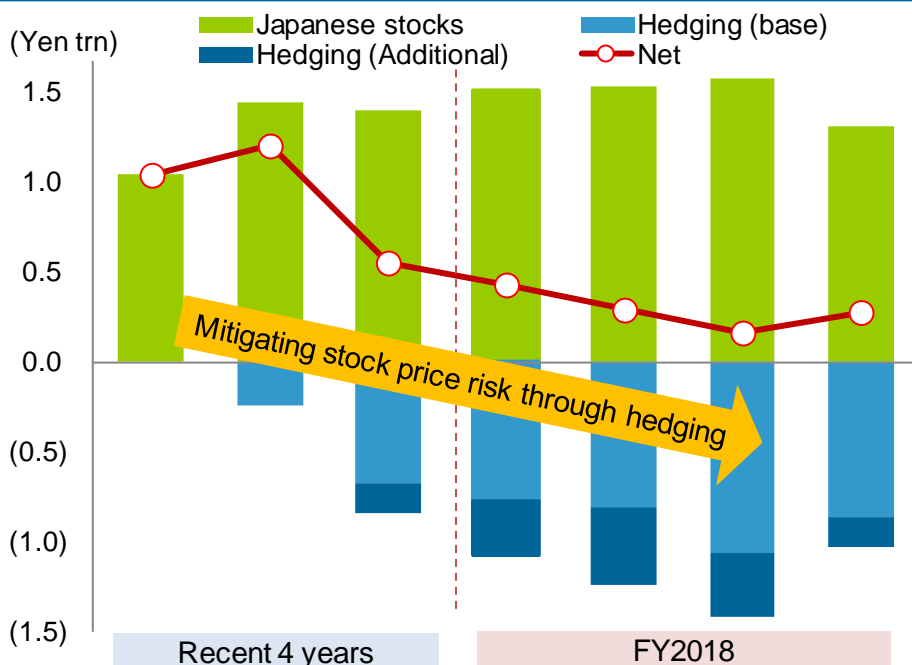
(*6) In the calculation of 10BPV and duration, investment balance hedged by derivatives transactions, etc. were excluded

Preparation for risk: (Stock price)

- ▶ Resilience against price volatility enhanced by increasing the hedge ratio(base position) against strategic shareholdings in 1HFY2018
- ▶ Contributed to reduce negative impact on economic value and Common Equity Tier 1 capital ratio in 3Q
- ▶ Keep resilience against price volatility utilizing Hedge positions, and promote further reduction of strategic shareholdings in accordance with the plan

Hedge positions against strategic shareholdings

Base	Maintaining current hedge ratio of 65%
Additional	Adjusting hedge ratio between 0 to 35% (contrarian to stock prices)



[Hedge ratio] (approx.)

	Mar. 13	Mar. 15	Mar. 17	Mar. 18	Jun. 18	Sep. 18	Dec. 18
Hedge ratio	-	20%	60%	70%	70%	85%	80%
Base	-	20%	50%	50%	50%	65%	65%
Additional	-	-	10%	20%	20%	20%	15%

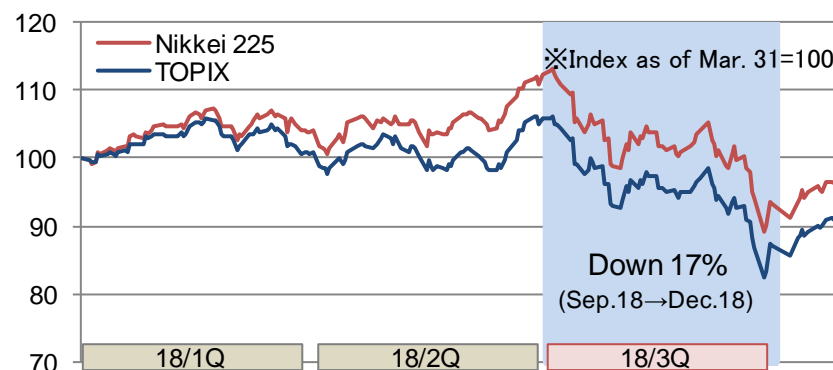
Change of unrealized gains/losses in 3Q

(Yen bn)	Sep.2018	Dec.2018	Change
Strategic shareholdings	964.8	702.7	(262.1)
Hedging of strategic shareholdings (*)	(271.2)	(46.5)	224.7
Total	693.5	656.2	(37.3)

(*)Total of base position and additional position

➔ Negative impact on Gains/losses due to decline of stock prices is limited
Impact on Common Equity Tier 1 capital ratio in 3Q : (0.2)% (approx.)

Stock price index (Nikkei 225 · TOPIX)

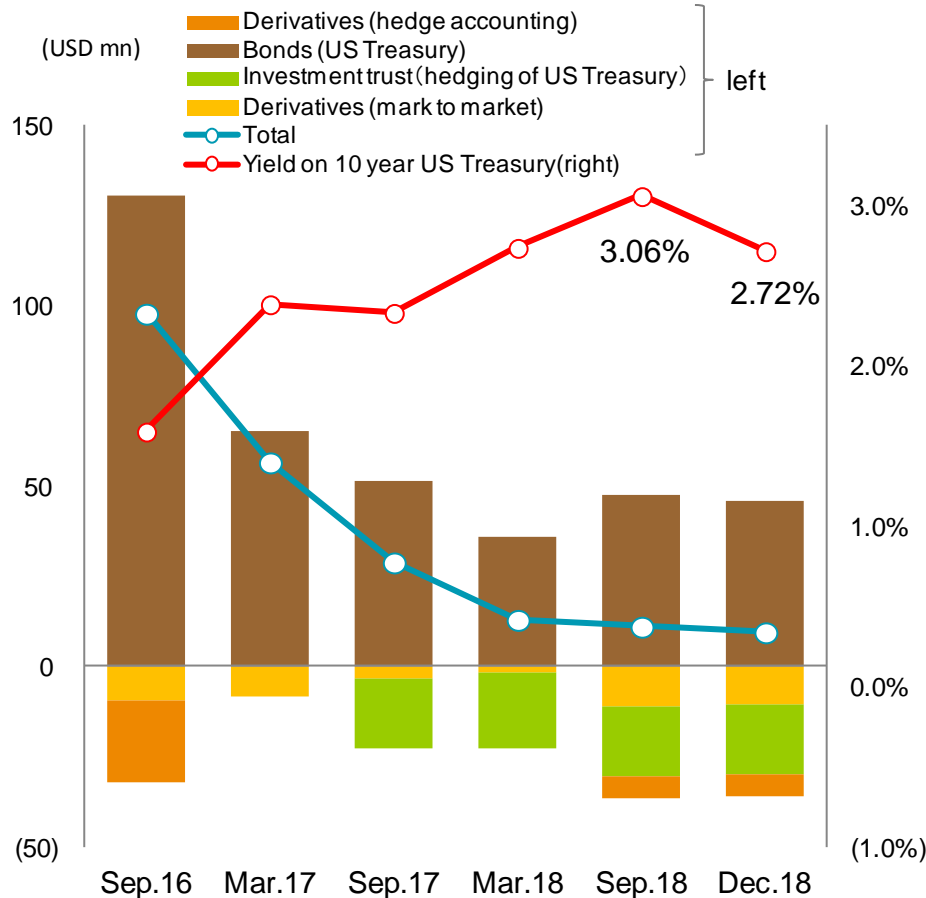


(Yen bn)	Sep.2018	Dec.2018	Change
Stocks (including hedge position)	1,306.2	1,262.5	(43.7) (Down 3%)
Stocks (MTM)	1,577.5	1,309.1	(268.4)
Hedging (Unrealized gains/losses)	(271.2)	(46.5)	224.7

Preparation for risk: (US interest rate risk)

- ▶ Regarding bond investments in Global Markets, with risk of US interest rate hike in mind, restrained operation continued (reduction of cash bond position, utilizing of hedging transactions)
- ▶ Managed economic value (both Unrealized and Realized P/L) properly when US interest rates declined in 3Q (As for Realized P/L, profit from marketing functions steadily increasing while loss posted from investment operations due to deteriorated derivative positions(MTM))

US interest rate (10BPV) risk (Non-consolidated)



Profit from trades relating to US interest rate in 3Q (Non-consolidated)

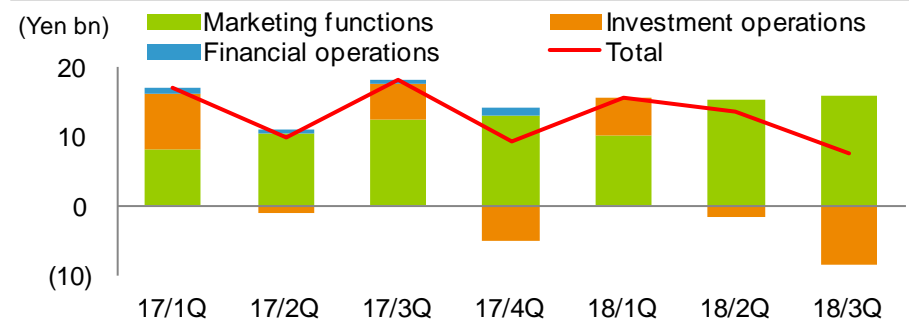
(Yen bn)	Sep. 2018	Dec. 2018	Change
Unrealized gains/losses	(26.7)	(9.4)	17.2
Bond (US bond)	(34.1)	(15.0)	19.1
Hedge positions (*)	7.4	5.5	(1.8)

(*)Total of derivatives applied for hedge accounting and investment trust (hedging of US Treasury)

(Yen bn)	FY18 1H	FY18 1-3Q	3Q
Realized gains/losses	1.6	(3.7)	(5.4)
o/w Derivatives (MTM)	3.5	(3.1)	(6.6)

Managed economic value of bond and derivative positions as a whole properly

Global Markets business profit



Forecast for FY2018 (Disclosed in Nov. 2018)

- ▶ Net business profit is unchanged from initial plan. Net income is revised upward by ¥10.0bn from initial plan, taking into consideration of 1H results
- ▶ Dividend on ordinary share forecast revised upward to be 140 yen per share, in accordance with upward revision of Net income, which is in line with the policy of consolidated dividend payout ratio of 30%

		3Q	FY18	Change	Change		FY18
(Yen bn)		Actual (*)	Plan (*)	from	from		Plan
				FY17	initial plan		
1	Net business profit	209.6	280.0	9.4	-	(1)	280.0
2	SuMi TRUST Bank	142.6	190.0	0.2	(10.0)		225.0
3	Substantial gross business profit	535.9	720.0	14.2	5.0		720.0
4	SuMi TRUST Bank	316.7	430.0	3.1	(10.0)		465.0
5	Other group companies	219.2	290.0	11.1	15.0		255.0
6	Substantial G&A Expenses	(326.2)	(440.0)	(4.8)	(5.0)		(440.0)
7	SuMi TRUST Bank	(174.0)	(240.0)	(2.9)	-		(240.0)
8	Other group companies	(152.2)	(200.0)	(1.9)	(5.0)		(200.0)
9	Total credit costs	12.3	5.0	2.0	25.0	(2)	5.0
10	SuMi TRUST Bank	16.4	10.0	2.9	30.0		10.0
11	Other group companies	(4.0)	(5.0)	(0.9)	(5.0)		(5.0)
12	Net gains on stocks	4.3	15.0	8.6	(15.0)	(3)	15.0
13	Other non-recurring profit	(23.9)	(35.0)	12.2	-		(35.0)
14	Ordinary profit	202.4	265.0	32.3	10.0		265.0
15	o/w SuMi TRUST Bank	154.7	200.0	27.0	5.0		235.0
16	Net income	134.3	175.0	21.0	10.0	(4)	175.0
17	o/w SuMi TRUST Bank	108.4	140.0	22.0	5.0		175.0
18	Dividend per common share (Yen)	65	140	+10	+10		
19	Consolidated dividend payout ratio	---	30.3%	(1.8%)	0.3%		

(*) Excluding dividend from group companies, which are planned to be paid in FY18 to improve their capital efficiency. There is no difference between the two "FY18 Plan" on a consolidated basis. The differences only appear in "SuMi TRUST Bank" and "Other group companies" items.

【Change from initial plan】

(1) Net business profit : No change

1) Oct. 1 reorganization related changes

(Yen bn)	Substantial gross business profit	Substantial G&A expenses
SuMi TRUST Bank	(7.0)	2.0
Other group companies	2.0	3.0
SuMi TRUST AM	7.0	(2.0)
JTSB	(5.0)	5.0

2) Substantial gross business profit

Raised robust Wholesale and Fiduciary while lowered Global market due to increased market uncertainty

3) Substantial G&A expenses

Expect increase from revenue growth in Asset management/administration business

(2) Total credit costs: +¥25.0bn

- 1HFY18 difference between plan and actual [expected ¥(10.0)bn vs actual ¥13.3bn] taken into consideration
- Estimated to be around 7bps of total credit portfolio of ¥30trn in 2HFY18

(3) Net gains on stocks: ¥(15.0)bn

- 1HFY18 difference between plan and actual [expected ¥15.0bn vs actual ¥(3.7)bn] taken into consideration
- Assumes Net gains on stocks of ¥20.0bn in 2HFY18 by reduction of strategic shareholdings in accordance with current plan

(4) Net income: +¥10.0bn

- Reflecting revisions to total credit costs and net gains on stocks

Fee business: Investment management consulting

- ▶ Total sales volume of investment products reduced by ¥305.3bn YoY to ¥992.1bn due to fall in investment trust sales caused by uncertain market environment
- ▶ Income decreased YoY, as decrease of sales fees of investment trust was partially offset by increase in insurance sales and administration fees

Income for distributor of investment products

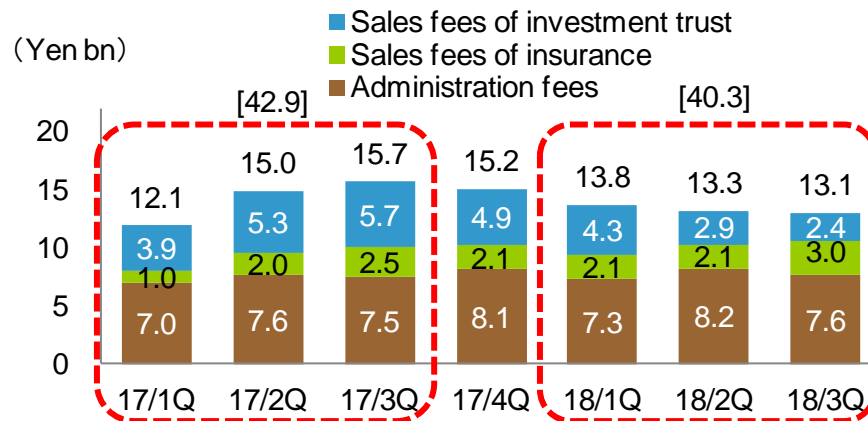
	(Yen bn)	FY17	FY18	Change	FY18 Plan
		1-3Q	1-3Q		
1 Income total		42.9	40.3	(2.5)	57.0
2 Sales fees of investment trust		15.0	9.6	(5.3)	15.0
3 Sales fees of insurance		5.6	7.3	1.7	10.0
4 Administration fees		22.2	23.2	0.9	32.0

Sales volume / balance

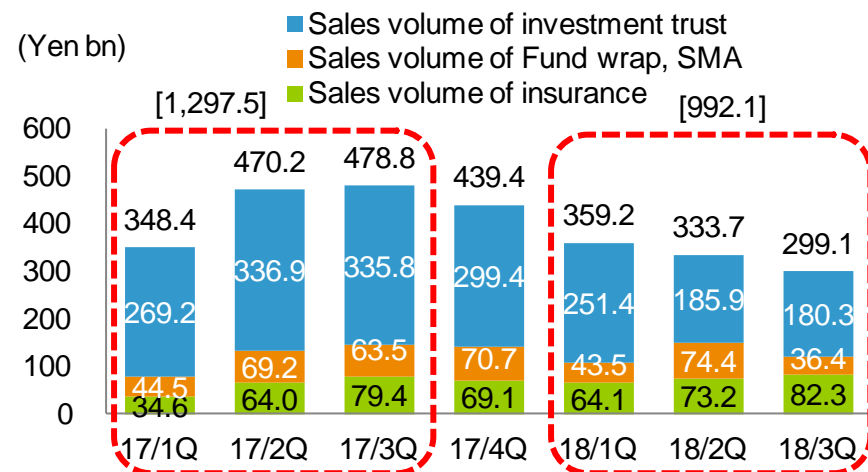
	(Yen bn)	FY17	FY18	Change	FY18 Plan
		1-3Q	1-3Q		
5 Sales volume total		1,297.5	992.1	(305.3)	1,520.0
6 Investment trust		942.0	617.8	(324.2)	970.0
7 Fund wrap, SMA		177.3	154.5	(22.7)	245.0
8 Insurance		178.1	219.7	41.5	305.0

	(Yen bn)	Mar. 2018	Dec. 2018	Change	Mar. 2019 Plan
9 Balance total		6,158.9	6,085.4	(73.4)	6,500.0
10 Investment trust		2,891.5	2,749.9	(141.6)	3,020.0
11 Fund wrap, SMA		830.9	848.3	17.3	920.0
12 Insurance		2,436.3	2,487.1	50.8	2,560.0
13 Wrap Selection		1,669.4	1,696.9	27.4	1,890.0

Income for distributor (quarterly)



Sales volume (quarterly)



Fee business: Asset management/administration (Fiduciary services)

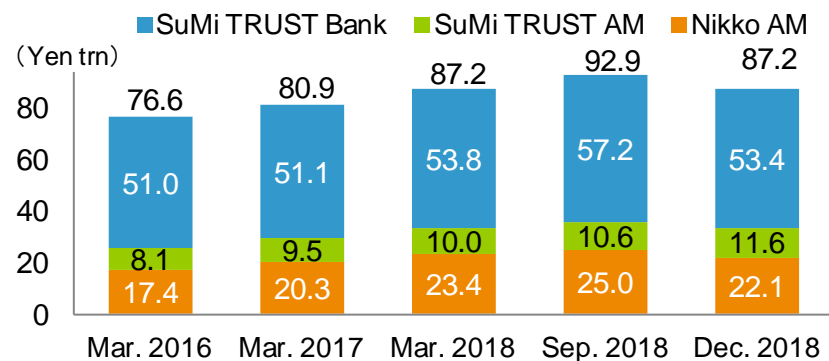
- ▶ AUM: Decreased to ¥87trn, the same level of Mar. 2018 due to a decline of stock prices
- ▶ AUC: Domestic assets increased while overseas assets decreased due mainly to a decline of global custody AUC from Mar. 2018

Assets under management (AUM)

(Yen trn)		Mar. 2018	Dec. 2018	Change
1	Assets under management (*1)	87.2	87.2	(0.0)
2	SuMi TRUST AM	63.8	65.0	1.2
3	Investment trust	10.0	11.6	1.5
4	Non investment trust (*2)	53.8	53.4	(0.3)
5	Corporate pension trust	13.6	12.8	(0.8)
6	Public pension trust	11.8	10.5	(1.3)
7	Discretionary investment	28.2	30.0	1.8
8	Nikko AM	23.4	22.1	(1.2)

(*1) Categorized by entity actually managing asset after the merger of AUM functions in Oct. 2018

(*2) Managed by SuMi TRUST Bank until the end of Sep. 2018



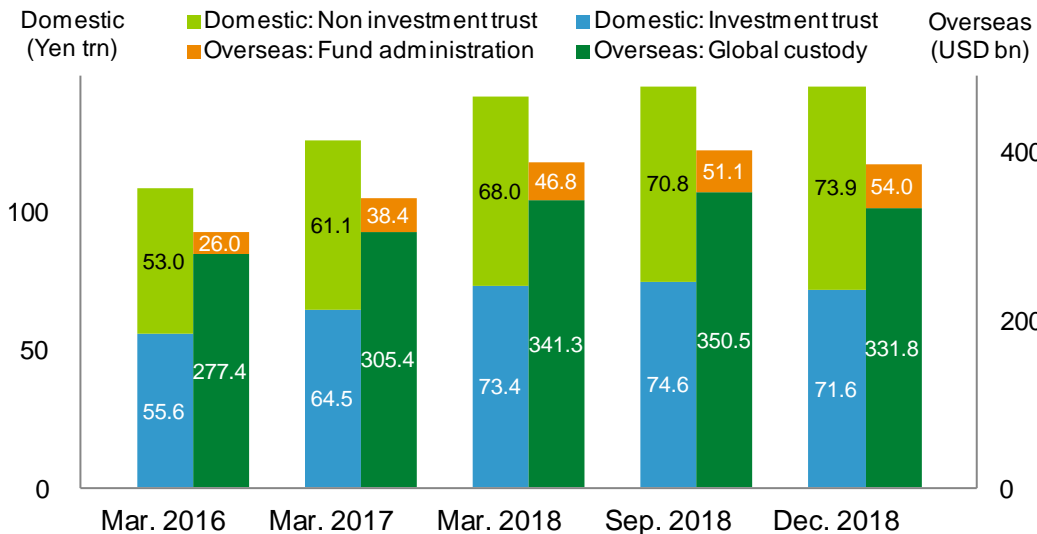
USD/JPY	112.63	112.15	106.24	113.58	110.91
TOPIX	1,347.20	1,512.60	1,716.30	1,817.25	1,494.09

Assets under custody/administration

[Domestic] (Yen trn)		Mar. 2018	Dec. 2018	Change
9	Investment trust (*3)	73.4	71.6	(1.7)
10	Non investment trust (*3)	68.0	73.9	5.8
[Overseas] (USD bn)				
11	Global custody (*4)	341.3	331.8	(9.5)
12	Fund administration	46.8	54.0	7.2

(*3) Entrusted balance of SuMi TRUST Bank

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



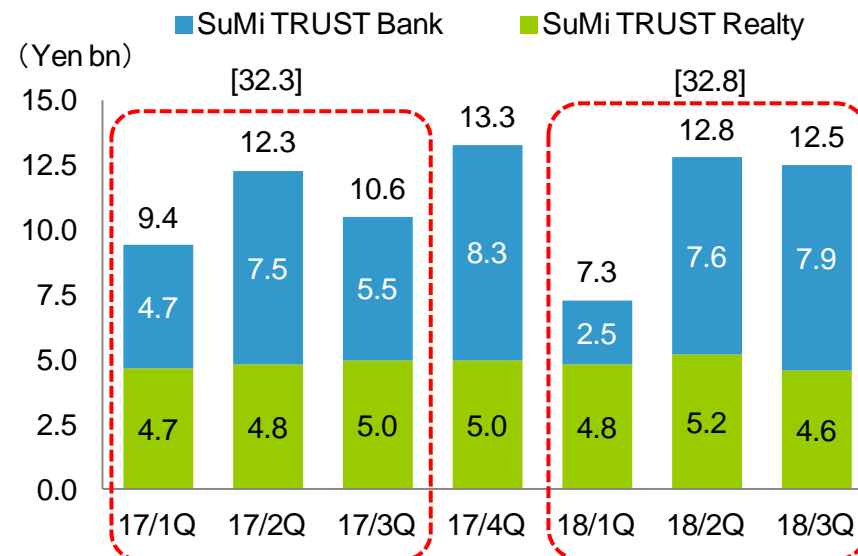
Fee business: Real estate

- ▶ Real estate brokerage fees from corporate clients (SuMi TRUST Bank): Maintained at last year's level of ¥18.0bn due to a large-size transactions in 3Q
- ▶ Real estate brokerage fees from retail clients (SuMi TRUST Realty): Stayed at the same level YoY of ¥14.7bn due to steady demand

Income

	(Yen bn)	FY17	FY18	Change	FY18 Plan
		1-3Q	1-3Q		
1 Real estate brokerage fees		32.3	32.8	0.4	47.0
2 SuMi TRUST Bank		17.7	18.0	0.2	27.0
3 SuMi TRUST Realty		14.6	14.7	0.1	20.0
4 Real estate trust fees, etc.		4.3	4.2	(0.1)	6.0
5 Net other real estate profit		1.3	1.2	(0.1)	2.0
6 SuMi TRUST Bank		(0.0)	-	0.0	-
7 Group companies		1.3	1.2	(0.1)	2.0
8 Total		38.1	38.2	0.1	55.0
9 o/w SuMi TRUST Bank		22.1	22.2	0.1	33.0

Real estate brokerage fees (quarterly)



Assets under management / administration

	(Yen bn)	Mar. 2018	Dec. 2018	Change
10 Securitized real estate		15,320.0	15,934.8	614.7
11 Assets under custody from J-REITs		13,397.9	14,028.7	630.8
12 Assets under management		709.1	728.2	19.1
13 Private placement funds		438.2	466.0	27.7
14 J-REITs		270.8	262.1	(8.6)

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

- ▶ Credit portfolio balance increased by ¥0.62trn from Mar. 2018 to ¥30.09trn, due to increase of both residential mortgage and loans to corporates
- ▶ Balance of credit to corporates increased due to short term loan increase and depreciation of Yen

Advanced amount and balance for individuals

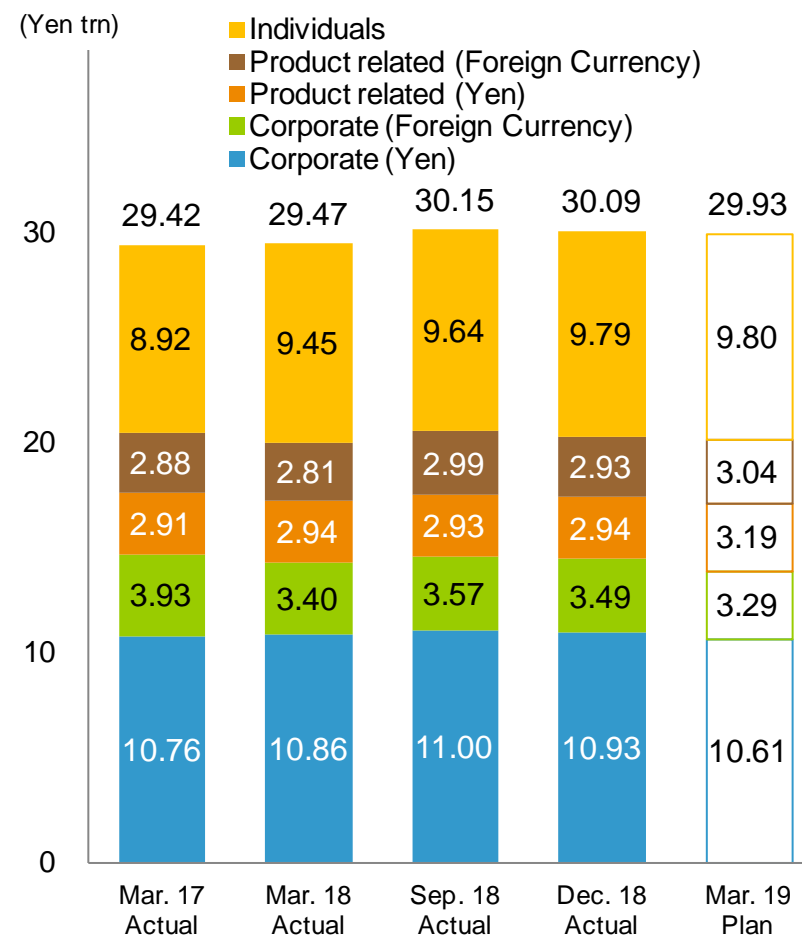
	(Yen bn)	FY17	FY18		FY18 Plan
		1-3Q	1-3Q	Change	
1	Advanced amount of loans to individuals	909.7	885.6	(24.0)	1,165.0
2	o/w Residential mortgage loans	839.1	815.3	(23.7)	1,065.0

	(Yen bn)	Mar. 2018	Dec. 2018	Change	Mar. 2019 Plan
3	Balance of loans to individuals	9,450.4	9,793.4	343.0	9,800.0
4	o/w Residential mortgage loans	8,874.7	9,201.7	326.9	9,200.0

Balance of credit for corporates

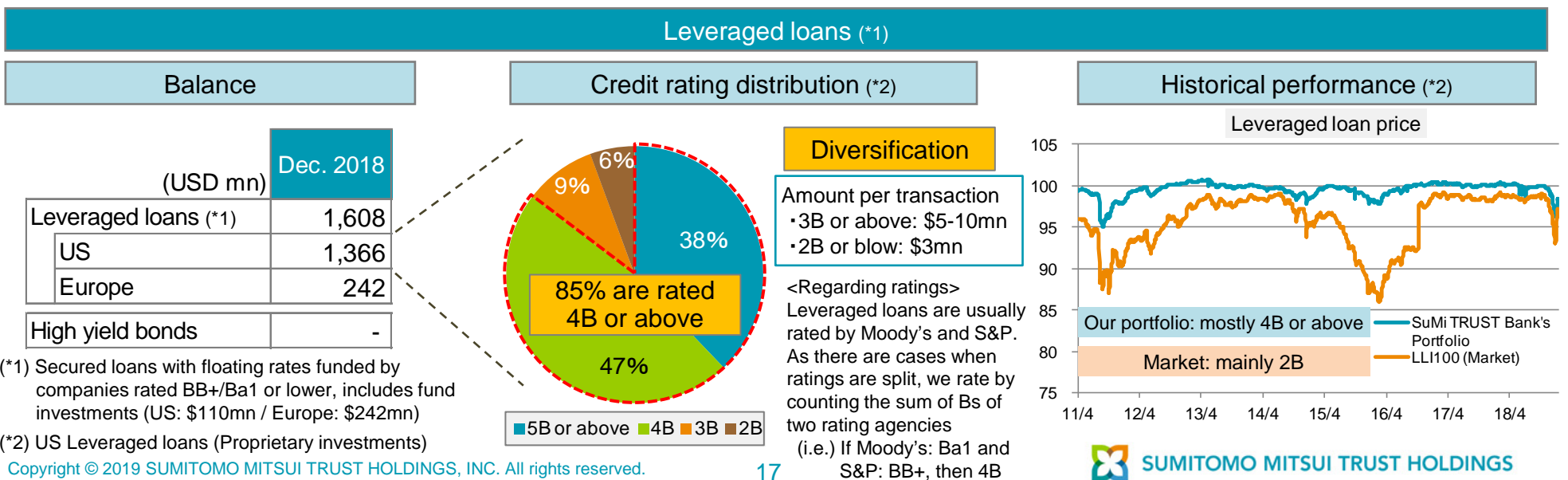
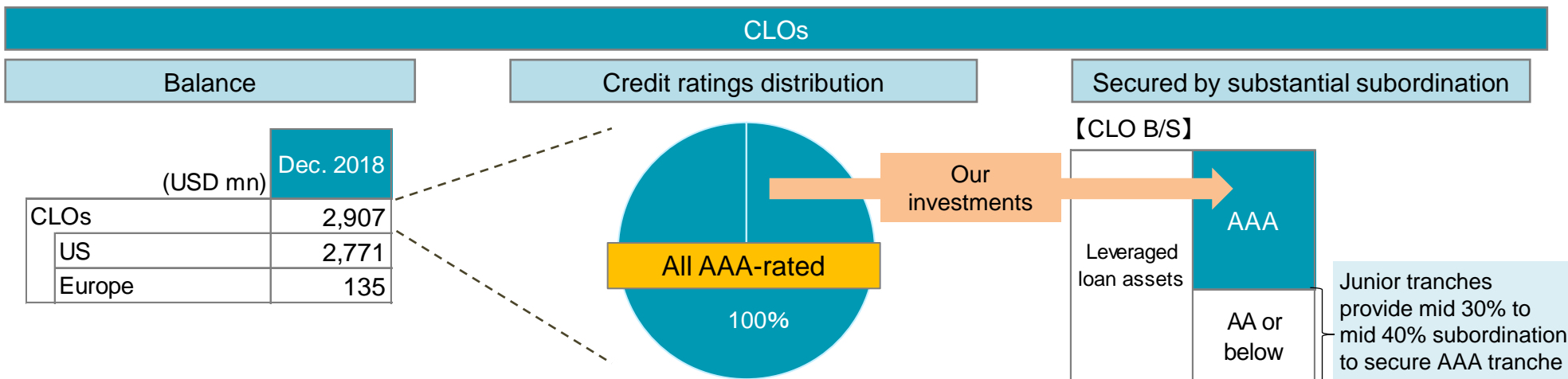
	(Yen bn)	Mar. 2018	Dec. 2018	Change	Mar. 2019 Plan
5	Corporate (Yen)	10,866.8	10,931.8	65.0	10,610.0
6	Corporate (Foreign Currency)	3,401.9	3,494.6	92.6	3,290.0
7	Product related (Yen)	2,946.5	2,948.4	1.9	3,190.0
8	Product related (Foreign Currency)	2,813.5	2,930.2	116.6	3,040.0
9	Total balance of credit for corporates	20,029.0	20,305.2	276.2	20,130.0
10	o/w Product related	5,760.1	5,878.6	118.5	6,230.0
	USD/JPY	106.24	110.91	4.67	

Credit portfolio balance



Status of US and European Leveraged Loan related Asset

- ▶ Investment balance of CLOs adds up to US\$2.9bn, all of which are AAA-rated
- ▶ Leveraged loan consists of relatively higher credit portfolio (mostly 4B or above rating) mainly in the US. Risk is mitigated through diversification of amount per transaction and industries



(*1) Secured loans with floating rates funded by companies rated BB+/Ba1 or lower, includes fund investments (US: \$110mn / Europe: \$242mn)

(*2) US Leveraged loans (Proprietary investments)

Capital

- ▶ Common Equity Tier 1 capital ratio: UP 0.99 percentage points from Mar. 2018 to 12.32%, due primarily to increase in retained earnings contributed to accumulation of common equity and decrease in risk-weighted assets
- ▶ Leverage ratio and liquidity coverage ratio increased substantially due mainly to deconsolidation of JTSB in Oct. 2018, maintained levels well in excess of regulatory requirements

<Capital and total risk-weighted assets>

(Yen bn)		Mar. 2018	Dec. 2018	Change
1	Total capital ratio	16.31%	17.06%	0.75%
2	Tier 1 capital ratio	13.74%	14.35%	0.61%
3	Common Equity Tier 1 capital ratio	11.33%	12.32%	0.99%
4	Total capital	3,348.1	3,297.6	(50.5)
5	Tier 1 capital	2,821.4	2,774.4	(46.9)
6	Common Equity Tier 1 capital	2,325.8	2,380.8	55.0 (1)
7	Instruments and reserves	2,602.7	2,633.8	31.0
8	Accumulated other comprehensive income (*1)	496.8	429.3	(67.4)
9	Regulatory adjustments	(276.9)	(252.9)	23.9
10	Additional Tier 1 capital	495.5	393.5	(102.0)
11	Tier 2 capital	526.7	523.1	(3.5)
12	Total risk-weighted assets	20,522.9	19,325.1	(1,197.8)
13	Credit risk	18,352.1	17,005.5	(1,346.6) (2)
14	Market risk	1,163.8	1,326.0	162.1
15	Operational risk	1,006.8	993.5	(13.3)

(*1) Valuation differences on Available-for-Sale Securities(Dec. 2018): ¥452.1bn

< Major factors of change in capital >

(1) Common Equity Tier 1 capital: +¥55.0bn

- Net income +¥134.3bn
- Dividend/share repurchase ¥(33.6)bn
- Other comprehensive income (cumulative) ¥(67.4)bn

< Major factors affecting risk assets >

(2) Credit risk: Approx ¥(1.3)trn

- Close out of temporary hedging position and adjustment of hedge volume against strategic shareholdings
- Corporate credit related remained at same level (Increase due to depreciation of yen offset by decrease due to improvement of credit-classification of large borrowers)

<Other ratios required in prudential regulations>

(Yen bn)		Dec. 2018	Change from Mar. 2018
16	Leverage ratio	4.59%	0.61%
17	Tier 1 capital	2,774.4	(46.9)
18	Total exposure	60,347.3	(10,460.4)
19	Liquidity coverage ratio (*2)	165.7%	22.5%
20	Total high-quality liquid assets	16,267.6	(10,982.3)
21	Net cash outflows	9,817.4	(9,198.7)

(*2) Average figures in 3QFY18. "Change from Mar. 2018" represents the comparison to figure for 4QFY2017 calculated in the same manner