

Explanatory Material

*3rd Quarter of Fiscal Year 2016
ended on Dec. 31, 2016*



SUMITOMO MITSUI TRUST HOLDINGS

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<Definition of terms in this document>
 Sumitomo Mitsui Trust Holdings (Consolidated): "SuMi TRUST Holdings" or "Consolidated"
 Sumitomo Mitsui Trust Bank (Non-consolidated): "SuMi TRUST Bank" or "Non-Consolidated"

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Regarding forward-looking Statements contained in this material

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 but not limited to changes in managerial circumstances. By virtue of the aforementioned reasons, Sumitomo Mitsui Trust Holdings, Inc. hereby cautions against sole reliance on such forward-looking statements in making investment decisions.

Summary of 3QFY2016 financial results

1. Financial Results

<Consolidated>

- (1) "Net business profit before credit costs" <1> decreased by 20.5 billion yen from 3QFY2015 to 207.3 billion yen due mainly to decrease in "Net interest income and related profit" in SuMi TRUST Bank, while contribution from subsidiaries increased.
- (2) "Ordinary profit" <2> decreased by 5.1 billion yen from 3QFY2015 to 201.5 billion yen, while "Total credit costs" <4> improved. "Net income attributable to owners of the parent" <3> increased by 0.9 billion yen from 3QFY2015 to 130.1 billion yen.

[Consolidated]

		3QFY2016 (Cumulative total)	3QFY2015 (Cumulative total)	Change	(Billions of Yen) Forecast for FY2016
Net business profit before credit costs (*1)	1	207.3	227.9	(20.5)	300.0
Ordinary profit	2	201.5	206.6	(5.1)	265.0
Net income attributable to owners of the parent	3	130.1	129.2	0.9	170.0
Total credit costs	4	1.4	(9.2)	10.6	(15.0)
Net gains on stocks	5	21.0	23.9	(2.8)	
(Difference from non-consolidated financial results) (*2)					
Net business profit before credit costs	6	59.3	55.2	4.1	
Net income attributable to owners of the parent (*3)	7	27.9	26.2	1.6	
Total credit costs	8	(3.0)	(9.2)	6.2	
Net gains on stocks	9	1.1	16.1	(15.0)	

(*1) Consolidated net business profit before credit costs = Non-consolidated net business profit before credit costs + Ordinary profits of Other subsidiary companies (non-recurring effect adjusted) + Ordinary profits of Affiliates (non-recurring effect adjusted) x Ratio of equity holdings - Intra-group transaction (dividends, etc.)

(*2) Differences between "Consolidated (SuMi TRUST Holdings)" and "Non-Consolidated (SuMi TRUST Bank)"

(*3) Differences between "Net income attributable to owners of the parent" in "Consolidated" and "Net income" in "Non-consolidated".

<Non-consolidated>

- (1) "Net business profit before credit costs" <19> decreased by 24.7 billion yen from 3QFY2015 to 147.9 billion yen due primarily to decrease in "Net interest income and related profit" <11> and decrease in "Net other operating profit" <14> coming from posting losses on sales of foreign bonds, whereas "General and administrative expenses" <18> decreased.
- (2) "Ordinary profit" <25> decreased by 4.6 billion yen from 3QFY2015 to 146.7 billion yen, while "Net gains on stocks" <23> improved. "Net income" <29> decreased by 0.7 billion yen from 3QFY2015 to 102.2 billion yen.

[Non-consolidated]

		3QFY2016 (Cumulative total)	3QFY2015 (Cumulative total)	Change	(Billions of Yen) Forecast for FY2016
Gross business profit	10	320.7	347.6	(26.9)	
Net interest income and related profit	11	149.7	166.2	(16.4)	
Net fees and commissions and related profit	12	139.1	142.2	(3.1)	
Net trading profit	13	13.5	13.3	0.1	
Net other operating profit	14	18.2	25.8	(7.5)	
Net gains on foreign exchange transactions	15	19.2	7.8	11.3	
Net gains on bonds	16	(22.3)	13.6	(35.9)	
Net gains from derivatives other than for trading or hedging	17	21.3	3.9	17.3	
General and administrative expenses	18	(172.7)	(174.9)	2.2	
Net business profit before credit costs	19	147.9	172.7	(24.7)	225.0
Net non-recurring profit	20	(1.2)	(21.3)	20.0	
Banking a/c credit costs	21	(0.5)	(3.9)	3.3	
Reversal of allowance for loan losses, etc.	22	5.0	3.9	1.0	
Net gains on stocks	23	19.9	7.7	12.1	
Others	24	(25.6)	(29.1)	3.4	
Ordinary profit	25	146.7	151.3	(4.6)	200.0
Extraordinary profit	26	(3.0)	(1.4)	(1.6)	
Income before income taxes	27	143.7	149.9	(6.2)	
Total income taxes	28	(41.5)	(47.0)	5.5	
Net income	29	102.2	102.9	(0.7)	135.0
Total credit costs	30	4.4	0.0	4.4	(10.0)

(For reference) Overview of the business operation

<Balance of major accounts>

(1) Ending balance of major accounts (Banking a/c and principal guaranteed trust a/c combined)

[Non-consolidated]

(Billions of Yen)

		Dec. 2016	Sep. 2016	Mar. 2016	Change from Sep. 2016	Change from Mar. 2016
Loans and bills discounte	1	28,381.5	27,227.0	27,100.2	1,154.5	1,281.2
Deposits, Trust principal (*)	2	30,635.8	30,883.0	33,422.4	(247.2)	(2,786.5)

(*) Deposits: Excluding NCD

(2) Yields and margins (Domestic banking a/c)

[Non-consolidated]

(%)

		3QFY2016 (A) (Cumulative total)	3QFY2016	1HFY2016	3QFY2015 (B) (Cumulative total)	Change (A) - (B)
Loan deposit margin	3	0.58	0.56	0.59	0.64	(0.06)
Loans and bills discounted	4	0.74	0.71	0.75	0.85	(0.11)
Deposits	5	0.16	0.15	0.16	0.21	(0.05)

(3) Status of loans (Banking a/c and principal guaranteed trust a/c combined)

[Non-consolidated]

(Billions of Yen)

		Dec. 2016	Sep. 2016	Mar. 2016	Change from Sep. 2016	Change from Mar. 2016
Loans to individuals	6	8,622.2	8,393.1	7,932.1	229.0	690.0
Residential mortgage loans	7	8,087.9	7,861.4	7,422.1	226.4	665.7
Loans to corporations	8	19,759.3	18,833.8	19,168.1	925.4	591.2
Overseas Japanese borrowers	9	2,871.0	2,660.8	3,035.7	210.1	(164.7)
Non-Japanese borrowers	10	3,629.9	3,199.9	3,461.4	430.0	168.5

<Investment trust and Insurance>

(1) Sales volume and sales balance of investment trust/ insurance

[Non-consolidated]

<Sales volume>

(Billions of Yen)

		3QFY2016 (Cumulative total)	3QFY2015 (Cumulative total)	Change
Total sales volume	11	951.8	1,408.0	(456.2)
Investment trust	12	655.0	863.3	(208.2)
Fund wrap, SMA	13	85.6	255.7	(170.0)
Insurance	14	211.0	289.0	(77.9)

<Sales balance>

(Billions of Yen)

		Dec. 2016	Sep. 2016	Mar. 2016	Change from Sep. 2016	Change from Mar. 2016
Total sales balance	15	5,996.5	5,754.9	5,803.8	241.6	192.7
Investment trust	16	2,735.2	2,610.2	2,649.7	125.0	85.5
Fund wrap, SMA	17	818.6	808.4	848.3	10.2	(29.6)
Insurance	18	2,442.6	2,336.2	2,305.7	106.3	136.8

(2) Fees and commissions

[Non-consolidated]

(Billions of Yen)

		3QFY2016 (Cumulative total)	3QFY2015 (Cumulative total)	Change
Total fees and commissions	19	42.9	50.8	(7.8)
Sales fees of investment trust/ insurance	20	20.7	27.9	(7.2)
Administration fees	21	22.2	22.9	(0.6)

<Overview of fiduciary services business>

(1) Assets under management

[Non-consolidated]

(Billions of Yen)

		Dec. 2016			Change from Sep. 2016	
		Dec. 2016	Sep. 2016	Mar. 2016	Change from Sep. 2016	Change from Mar. 2016
Assets under management	22	52,041.7	48,440.9	51,020.1	3,600.7	1,021.5
Corporate pension trust	23	14,926.0	14,562.8	15,942.1	363.2	(1,016.0)
Public pension trust	24	10,674.3	9,678.5	10,475.2	995.8	199.1
Discretionary investment	25	26,441.2	24,199.6	24,602.7	2,241.6	1,838.5

(2) Gross business profit

[Non-consolidated]

(Billions of Yen)

		3QFY2016		3QFY2015		Change
		(Cumulative total)		(Cumulative total)		
Gross business profit	26	44.8	48.9	48.9		(4.1)
Gross business profit before outsourcing fees	27	67.0	70.4	70.4		(3.3)
Fees paid out for outsourcing	28	(22.1)	(21.4)	(21.4)		(0.7)

<Overview of real estate business>

Gross business profit

[Non-consolidated]

(Billions of Yen)

		3QFY2016		3QFY2015		Change
		(Cumulative total)		(Cumulative total)		
Gross business profit	29	18.9	16.8	16.8		2.1
Real estate brokerage fees	30	14.1	12.1	12.1		1.9
Real estate trust fees, etc.	31	4.5	4.5	4.5		(0.0)

2. Financial conditions

<Status of the holding securities>

- (1) Cost of "Available-for-sale securities" <1> increased by 448.9 billion yen from the end of September 2016 to 4,635.2 billion yen due to increase in "Others" <5>.
Unrealized gains/losses of "Available-for-sale securities" decreased by 20.7 billion yen from the end of September 2016 to 581.5 billion yen due primarily to increase in unrealized losses of US Treasuries shown in "Others" <5>.
- (2) Cost of "Held-to-maturity debt securities" <6> decreased by 14.3 billion yen from the end of September 2016 to 382.2 billion yen, and unrealized gains/losses of those securities stood at net gains of 30.0 billion yen.

Securities with fair value

[Consolidated]

(Billions of Yen)

		Dec. 2016			Change from Sep. 2016	
		Cost	Fair value	Net	Cost	Net
Available-for-sale securities	1	4,635.2	5,216.8	581.5	448.9	(20.7)
Japanese stocks	2	678.3	1,390.7	712.4	(12.1)	161.1
Japanese bonds	3	940.4	941.3	0.9	(26.9)	(0.4)
Government bonds	4	310.0	310.2	0.1	(23.6)	(0.1)
Others	5	3,016.4	2,884.6	(131.7)	488.0	(181.5)
Held-to-maturity debt securities	6	382.2	412.2	30.0	(14.3)	(3.0)

[Non-consolidated]

(Billions of Yen)

		Dec. 2016			Change from Sep. 2016	
		Cost	Fair value	Net	Cost	Net
Available-for-sale securities	7	4,596.6	5,197.8	601.2	471.0	(21.5)
Japanese stocks	8	650.3	1,387.8	737.5	(13.1)	161.5
Japanese bonds	9	970.9	970.2	(0.6)	(13.9)	(0.3)
Government bonds	10	250.2	250.2	(0.0)	(8.6)	(0.0)
Others	11	2,975.3	2,839.7	(135.5)	498.0	(182.7)
Held-to-maturity debt securities	12	299.4	329.4	29.9	(12.7)	(3.0)

<Problem assets based on the Financial Reconstruction Act>

- (1) Total balance of "Problem assets based on the Financial Reconstruction Act" <1> decreased 6.2 billion yen from the end of September 2016 to 70.7 billion yen.
 "Ratio to total balance" <2> (ratio of "Problem assets based on the Financial Reconstruction Act" to total balance) improved by 0.1 percentage point from the end of September 2016 to 0.2%.
- (2) Coverage ratio with collateral values and allowance at the end of December 2016 for "Doubtful" <4> and "Substandard" <5> stood at 89.4% and 89.3% respectively, and coverage ratio for total balance of "Problem assets based on the Financial Reconstruction Act" stood at 90.7%, all of which represent prudent level.

[Non-consolidated] (Banking a/c and Principal guaranteed trust a/c combined)

(Billions of Yen)

		Dec. 2016	Sep. 2016	Change	Dec. 2016	
					Coverage ratio	Allowance ratio
Problem assets based on the Financial Reconstruction Act	1	70.7	77.0	(6.2)	90.7%	62.7%
Ratio to total balance	2	0.2%	0.3%	(0.1%)		
Bankrupt and practically bankrupt	3	8.6	9.9	(1.4)	100.0%	100.0%
Doubtful	4	36.1	36.9	(0.8)	89.4%	63.5%
Substandard (a)	5	26.1	30.1	(4.0)	89.3%	18.7%
Ordinary assets	6	28,843.2	27,640.4	1,202.8		
Substandard debtors (excl. (a) (b))	7	1.3	1.3	(0.0)		
Other special mention debtors (excl. (a) and (b))	8	386.0	376.2	9.7		
Ordinary debtors	9	28,456.0	27,262.8	1,193.1		

Financial figures

1. Status of profit and loss

[Consolidated]

(Millions of Yen)

		3QFY2016 (Cumulative total)	3QFY2015 (Cumulative total)	Change	Full FY2015
Consolidated gross business profit (*1)	1	499,559	501,419	(1,859)	697,810
Consolidated gross business profit (after written-off of principal guaranteed trust a/c) (1 + 19)	2	499,559	501,419	(1,859)	697,810
Net interest income and related profit	3	161,298	180,283	(18,985)	242,809
Net interest income	4	150,520	173,546	(23,026)	230,944
Trust fees from principal guaranteed trust a/c (before written-off of principal guaranteed trust a/c)	5	10,778	6,737	4,041	11,865
Net fees and commissions and related profit	6	288,982	264,491	24,490	369,491
Net fees and commissions	7	224,864	194,704	30,159	275,818
Other trust fees	8	64,117	69,787	(5,669)	93,672
Net trading profit	9	13,520	13,357	163	15,535
Net other operating profit	10	35,758	43,286	(7,528)	69,972
Net gains on bonds	11	(22,531)	14,318	(36,849)	52,342
Net gains from derivatives other than for trading or hedging	12	20,918	4,055	16,863	(22,226)
General and administrative expenses	13	(310,751)	(292,625)	(18,126)	(405,019)
(excluding amortization of goodwill)	14	(303,653)	(286,563)	(17,090)	(396,603)
Personnel expenses	15	(141,972)	(138,882)	(3,089)	(187,282)
Non-personnel expenses excluding taxes	16	(155,287)	(142,281)	(13,005)	(202,246)
Taxes other than income taxes	17	(13,491)	(11,460)	(2,031)	(15,490)
Provision of general allowance for loan losses	18	-	1,313	(1,313)	(6,812)
Principal guaranteed trust a/c credit costs	19	-	-	-	-
Banking a/c credit costs	20	(1,511)	(12,229)	10,718	(21,938)
Written-off of loans	21	(1,280)	(4,725)	3,444	(9,377)
Provision of specific allowance for loan losses	22	-	(7,472)	7,472	(12,383)
Losses on sales of loans	23	(230)	(31)	(199)	(177)
Reversal of allowance for loan losses	24	705	-	705	-
Recoveries of written-off claims	25	2,213	1,704	508	2,795
Net gains on stocks	26	21,079	23,930	(2,850)	29,660
Losses on devaluation of stocks	27	(777)	(172)	(605)	(6,350)
Net income from affiliates by equity method	28	4,295	6,214	(1,919)	7,702
Others	29	(14,016)	(23,042)	9,025	(26,136)
Ordinary profit	30	201,573	206,686	(5,113)	278,061
Extraordinary profit	31	(2,216)	(822)	(1,393)	(4,924)
Income before income tax	32	199,356	205,864	(6,507)	273,136
Total income taxes	33	(59,582)	(67,166)	7,584	(93,986)
Income taxes-current	34	(46,311)	(47,413)	1,102	(72,470)
Income taxes-deferred	35	(13,271)	(19,753)	6,482	(21,515)
Net income	36	139,774	138,697	1,076	179,150
Net income attributable to non-controlling interests	37	(9,618)	(9,474)	(144)	(12,240)
Net income attributable to owners of the parent	38	130,155	129,223	932	166,909
Total credit costs (18 + 19 + 20 + 24 + 25)	39	1,407	(9,210)	10,617	(25,955)

(*1) Consolidated gross business profit = Trust fees + (Interest income - Interest expenses) + (Fees and commissions - Fees and commissions payments)
+ (Trading income - Trading expenses) + (Other operating income - Other operating expenses)

Consolidated net business profit before credit costs (*2)	40	207,391	227,923	(20,532)	318,331
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(*2) Consolidated net business profit before credit costs = Non-consolidated net business profit before credit costs + Ordinary profits of other subsidiary companies (non-recurring effect adjusted) + Ordinary profits of affiliates (non-recurring effect adjusted) x Ratio of equity holdings - Intra-group transaction (dividends, etc.)

<Difference from non-consolidated financial results (*3)>

Net business profit before credit costs	41	59,394	55,211	4,182	69,146
Net income attributable to owners of the parent (*4)	42	27,948	26,259	1,688	23,755
Total credit costs	43	(3,050)	(9,262)	6,212	(11,781)
Net gains on stocks	44	1,137	16,178	(15,040)	10,916

(*3) Differences between "Consolidated" and "Non-consolidated".

(*4) Differences between "Net income attributable to owners of the parent" in "Consolidated" and "Net income" in "Non-consolidated".

<Number of subsidiaries/ affiliates>

		Dec. 2016	Mar. 2016	Change
Consolidated subsidiaries	45	71	73	(2)
Affiliates (subject to the equity method)	46	22	19	3

[Non-consolidated]

(Millions of Yen)

		3QFY2016 (Cumulative total)	3QFY2015 (Cumulative total)	Change	Full FY2015
Gross business profit	1	320,700	347,686	(26,985)	485,343
Gross business profit (after written-off of principal guaranteed trust a/c) (1 + 21)	2	320,700	347,686	(26,985)	485,343
Net interest income and related profit	3	149,797	166,209	(16,411)	223,978
Net interest income	4	139,018	159,471	(20,453)	212,113
Trust fees from principal guaranteed trust a/c (before written-off of principal guaranteed trust a/c)	5	10,778	6,737	4,041	11,865
Net fees and commissions and related profit	6	139,111	142,274	(3,163)	199,928
Net fees and commissions	7	79,183	76,581	2,601	111,504
Other trust fees	8	59,927	65,693	(5,765)	88,423
Net trading income	9	13,520	13,357	163	15,535
Net other operating profit	10	18,271	25,844	(7,573)	45,900
Net gains on foreign exchange transactions	11	19,214	7,857	11,357	16,500
Net gains on bonds	12	(22,362)	13,625	(35,988)	51,720
Net gains from derivatives other than for trading or hedging	13	21,333	3,946	17,387	(22,877)
General and administrative expenses	14	(172,703)	(174,973)	2,270	(236,158)
Personnel expenses	15	(79,308)	(81,175)	1,867	(108,294)
Non-personnel expenses	16	(82,657)	(84,209)	1,551	(115,002)
Taxes other than income taxes	17	(10,737)	(9,588)	(1,148)	(12,861)
Net business profit before credit costs (1 + 14)	18	147,997	172,712	(24,715)	249,184
(Excluding Net gains on bonds) (18 - 12)	19	170,360	159,087	11,272	197,464
Provision of general allowance for loan losses	20	-	-	-	(6,394)
Principal guaranteed trust a/c credit costs	21	-	-	-	-
Net business profit	22	147,997	172,712	(24,715)	242,790
Net non-recurring profit	23	(1,249)	(21,312)	20,063	(23,912)
Banking a/c credit costs	24	(594)	(3,900)	3,305	(9,655)
Written-off of loans	25	(364)	(3,869)	3,505	(6,493)
Provision of specific allowance for loan losses	26	-	-	-	(2,984)
Losses on sales of loans	27	(230)	(31)	(199)	(177)
Reversal of allowance for loan losses	28	3,605	2,836	769	-
Recoveries of written-off claims	29	1,445	1,115	330	1,876
Net gains on stocks	30	19,941	7,751	12,189	18,743
Losses on devaluation of stocks	31	(769)	(169)	(599)	(3,714)
Others	32	(25,648)	(29,116)	3,468	(34,876)
Amortization of net actuarial losses/ prior service cost	33	(21,447)	(11,229)	(10,217)	(14,973)
Provision for contingent loss	34	479	899	(419)	891
Losses on investment in partnerships	35	(2,168)	(7,531)	5,363	(8,731)
Net gains on stock related derivatives	36	(3,135)	(4,021)	885	(3,551)
Ordinary profit	37	146,748	151,399	(4,651)	218,877
Extraordinary profit	38	(3,038)	(1,407)	(1,631)	(3,681)
Net gains on disposal of fixed assets	39	(580)	(336)	(243)	(1,479)
Impairment loss on fixed assets	40	(2,458)	(1,070)	(1,388)	(2,202)
Income before income taxes	41	143,709	149,992	(6,283)	215,196
Total income taxes	42	(41,501)	(47,028)	5,527	(72,042)
Income taxes-current	43	(31,944)	(36,824)	4,879	(57,621)
Income taxes-deferred	44	(9,556)	(10,203)	647	(14,421)
Net income	45	102,207	102,963	(756)	143,154
Total credit costs (20 + 21 + 24 + 28 + 29)	46	4,457	51	4,405	(14,174)
Overhead ratio (-14/1)	47	53.85%	50.33%	3.52%	48.66%

2. Breakdown of profit by business group

(1) Gross business profit

[Non-consolidated]

(Billions of yen)

	3QFY2016 (Cumulative total)	3QFY2015 (Cumulative total)	Change
Retail financial services	103.5	111.0	(7.5)
Wholesale financial services	84.5	85.9	(1.3)
Stock transfer agency services	24.4	23.5	0.9
Real estate	18.9	16.8	2.1
Fiduciary services	67.0	70.4	(3.3)
Global markets	53.2	67.0	(13.8)
Fees paid out for outsourcing	(30.0)	(29.4)	(0.5)
Stock transfer agency services	(7.8)	(8.0)	0.1
Fiduciary services	(22.1)	(21.4)	(0.7)
Others (*)	(1.0)	2.2	(3.2)
Gross business profit	320.7	347.6	(26.9)

(*) Figures for "Others" include costs of capital funding, dividends of shares for cross-shareholdings, general and administrative expenses of headquarters, etc.

(2) Net business profit before credit costs

[Consolidated]

(Billions of yen)

	3QFY2016 (Cumulative total)	3QFY2015 (Cumulative total)	Change
Retail financial services	25.9	23.0	2.8
Wholesale financial services	71.1	70.4	0.7
Stock transfer agency services	14.8	14.1	0.6
Real estate	16.5	14.1	2.3
Fiduciary services	36.0	42.0	(6.0)
Global markets	43.3	58.5	(15.1)
Others (*)	(0.4)	5.5	(6.0)
Net business profit before credit costs	207.3	227.9	(20.5)

(*) Figures for "Others" include costs of capital funding, dividends of shares for cross-shareholdings, general and administrative expenses of headquarters, etc.

[Non-consolidated]

(Billions of yen)

	3QFY2016 (Cumulative total)	3QFY2015 (Cumulative total)	Change
Retail financial services	11.1	16.4	(5.3)
Wholesale financial services	54.4	54.2	0.1
Stock transfer agency services	14.0	13.2	0.8
Real estate	12.3	10.1	2.1
Fiduciary services	23.2	27.1	(3.8)
Global markets	43.3	58.5	(15.1)
Others (*)	(10.5)	(7.1)	(3.4)
Net business profit before credit costs	147.9	172.7	(24.7)

(*) Figures for "Others" include costs of capital funding, dividends of shares for cross-shareholdings, general and administrative expenses of headquarters, etc.

3. Yields and margins

Domestic banking a/c

[Non-consolidated]

	(%)				
	3QFY2016 (Cumulative total)	3QFY2016	1HFY2016	3QFY2015 (Cumulative total)	Change from 3QFY2015
Average yield on interest-earning assets (A)	0.58	0.54	0.61	0.71	(0.13)
Loans and bills discounted (B)	0.74	0.71	0.75	0.85	(0.11)
Securities	1.15	0.50	1.47	1.38	(0.23)
Average yield on interest-bearing liabilities (C)	0.20	0.19	0.21	0.24	(0.04)
Deposits (D)	0.16	0.15	0.16	0.21	(0.05)
Gross margin (A) - (C)	0.38	0.35	0.40	0.47	(0.09)
Loan-deposit margin (B) - (D)	0.58	0.56	0.59	0.64	(0.06)

4. Unrealized gains/ losses on investment securities

(1) Securities with fair value

[Consolidated]

	(Billions of Yen)									
	Dec. 2016				Sep. 2016		Change from Sep. 2016		Mar. 2016	
	Cost	Net	Unrealized gains	Unrealized losses	Cost	Net	Cost	Net	Cost	Net
Available-for-sale securities	4,635.2	581.5	745.0	(163.5)	4,186.2	602.3	448.9	(20.7)	3,762.0	675.5
Japanese stocks (*)	678.3	712.4	724.3	(11.8)	690.4	551.2	(12.1)	161.1	694.5	605.9
Japanese bonds	940.4	0.9	3.6	(2.6)	967.4	1.3	(26.9)	(0.4)	1,304.9	1.7
Government bonds	310.0	0.1	0.1	(0.0)	333.7	0.2	(23.6)	(0.1)	664.8	1.4
Local government bonds	7.0	(0.0)	0.0	(0.0)	4.2	0.0	2.7	(0.0)	4.8	0.0
Corporate bonds	623.3	0.8	3.4	(2.6)	629.3	1.1	(6.0)	(0.2)	635.3	0.2
Others	3,016.4	(131.7)	17.1	(148.9)	2,528.4	49.7	488.0	(181.5)	1,762.5	67.8
Held-to-maturity debt securities	382.2	30.0	30.1	(0.0)	396.5	33.0	(14.3)	(3.0)	420.5	36.9

(*) Fair value of listed stocks included in "Available-for-sale securities" is determined based on the average quoted market price over the month preceding the consolidated balance sheet date.

[Non-consolidated]

	(Billions of Yen)									
	Dec. 2016				Sep. 2016		Change from Sep. 2016		Mar. 2016	
	Cost	Net	Unrealized gains	Unrealized losses	Cost	Net	Cost	Net	Cost	Net
Available-for-sale securities	4,596.6	601.2	769.0	(167.7)	4,125.5	622.7	471.0	(21.5)	3,685.5	696.7
Japanese stocks (*)	650.3	737.5	751.8	(14.2)	663.4	575.9	(13.1)	161.5	667.1	630.9
Japanese bonds	970.9	(0.6)	3.4	(4.1)	984.8	(0.3)	(13.9)	(0.3)	1,315.5	1.1
Government bonds	250.2	(0.0)	0.0	(0.0)	258.9	0.0	(8.6)	(0.0)	569.8	1.2
Local government bonds	7.0	(0.0)	0.0	(0.0)	4.2	0.0	2.7	(0.0)	4.8	0.0
Corporate bonds	713.6	(0.6)	3.4	(4.1)	721.6	(0.4)	(8.0)	(0.2)	740.8	(0.1)
Others	2,975.3	(135.5)	13.7	(149.3)	2,477.3	47.1	498.0	(182.7)	1,702.8	64.5
Held-to-maturity debt securities	299.4	29.9	30.0	(0.0)	312.1	33.0	(12.7)	(3.0)	332.1	36.9

(*) Fair value of listed stocks included in "Available-for-sale securities" is determined based on the average quoted market price over the month preceding the balance sheet date.

<Reference 1>

Breakdown of "Available-for-sale securities (Others)"

[Non-consolidated]

	(Billions of Yen)							
	Dec. 2016		Sep. 2016		Change from Sep. 2016		Mar. 2016	
	Cost	Net	Cost	Net	Cost	Net	Cost	Net
Domestic investment (*1)	99.0	1.9	108.9	2.0	(9.9)	(0.1)	120.2	2.3
Asset-backed securities	32.8	0.7	37.7	0.8	(4.8)	(0.0)	43.7	0.7
Others	66.1	1.2	71.1	1.2	(5.0)	(0.0)	76.4	1.5
International investment (*1)	1,955.1	(101.4)	1,663.8	(10.0)	291.2	(91.4)	956.7	7.8
Foreign government bonds	1,934.5	(97.1)	1,644.4	(6.0)	290.0	(91.1)	935.4	10.6
US Treasury	1,350.1	(96.9)	1,301.0	(10.3)	49.1	(86.6)	503.0	6.0
European government bonds (*2)	82.1	(0.9)	13.3	0.0	68.8	(1.0)	30.1	0.2
US agency MBS	63.5	(1.2)	26.7	0.2	36.8	(1.4)	39.8	0.3
Corporate bonds, etc. (*3)	364.2	1.8	235.2	2.4	129.0	(0.5)	285.5	2.6
Foreign stocks and others	20.5	(4.3)	19.3	(4.0)	1.1	(0.3)	21.3	(2.8)
Others (Investment trust, etc.) (*4)	921.2	(36.0)	704.5	55.0	216.6	(91.1)	625.8	54.4
Total	2,975.3	(135.5)	2,477.3	47.1	498.0	(182.7)	1,702.8	64.5

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

(*2) German government bonds (Bunds), UK government bonds (Gilts) and French government bonds (OATs).

(*3) Corporate bonds which are based on issuer's credit risk.

(*4) "Investment trust" and investment securities uncategorizable into "Domestic investment" or "International investment".

<Reference 2>

Breakdown of "Held-to-maturity debt securities"

[Non-consolidated]

	(Billions of Yen)							
	Dec. 2016		Sep. 2016		Change from Sep. 2016		Mar. 2016	
	Cost	Net	Cost	Net	Cost	Net	Cost	Net
Held-to-maturity debt securities	299.4	29.9	312.1	33.0	(12.7)	(3.0)	332.1	36.9
Japanese Government Bonds	152.5	21.2	165.1	24.1	(12.6)	(2.8)	190.3	24.2
Japanese Local Government Bonds	-	-	-	-	-	-	-	-
Japanese Corporate Bonds	29.3	0.1	29.5	0.4	(0.2)	(0.2)	21.3	0.2
Others	117.5	8.5	117.4	8.4	0.1	0.1	120.4	12.4
Domestic investment (*)	13.2	0.0	16.8	0.1	(3.6)	(0.0)	20.6	0.3
International investment (*)	104.3	8.4	100.5	8.3	3.7	0.1	99.7	12.1

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

(2) Securities with no available fair value

[Non-consolidated]

	(Billions of Yen)			
	Dec. 2016	Sep. 2016	Change	Mar. 2016
	Cost	Cost	from Sep.	Cost
Available-for-sale securities	162.6	157.4	5.1	147.2
Japanese stocks	54.3	54.5	(0.1)	41.8
Japanese bonds	-	-	-	-
Others	108.2	102.9	5.3	105.3
Domestic investment (*)	66.1	66.5	(0.4)	67.8
International investment (*)	42.1	36.3	5.7	37.4

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

5. Deferred unrealized gains/ losses of derivative transactions qualified for hedge accounting

[Non-consolidated]

	(Billions of Yen)			
	Dec. 2016	Sep. 2016	Change from Sep.	Mar. 2016
Interest rate related	(11.3)	(20.8)	9.5	(10.7)
Interest rate swaps	(11.3)	(20.8)	9.5	(10.7)
Currency related	(0.2)	3.2	(3.5)	(0.7)
Total	(11.5)	(17.6)	6.0	(11.4)

Note: Before considering tax effect accounting

6. Loans and Deposits (Banking a/c and principal guaranteed trust a/c combined)

(1) Balance of loans and deposits, etc.

[Non-consolidated]

	(Billions of Yen)					
	Dec. 2016		Sep. 2016	Change from Sep. 2016		Mar. 2016
	Total	Domestic branches	Total	Total	Domestic branches	Total
Loans and bills discounted	28,381.5	24,276.5	27,227.0	1,154.5	733.3	27,100.2
Banking account	28,333.1	24,228.1	27,174.3	1,158.7	737.5	27,044.3
Principal guaranteed trust account	48.4	48.4	52.6	(4.2)	(4.2)	55.9
Deposits, Trust principal	30,635.8	26,934.1	30,883.0	(247.2)	(674.4)	33,422.4
Deposits (*)	27,849.7	24,148.1	27,542.7	307.0	(120.2)	26,467.4
Trust principal	2,786.0	2,786.0	3,340.2	(554.2)	(554.2)	6,954.9

(*) Excluding NCD

(2) Overseas loans

[Non-consolidated]

	(Billions of Yen)			
	Dec. 2016	Sep. 2016	Change from Sep.	Mar. 2016
Loans to overseas Japanese borrowers (*)	2,871.0	2,660.8	210.1	3,035.7
Loans to non-Japanese borrowers (*)	3,629.9	3,199.9	430.0	3,461.4
North America	1,064.9	922.1	142.7	922.2
Europe	1,134.8	1,002.4	132.3	1,155.0
Latin America	159.6	142.8	16.7	144.4
Asia and Oceania	1,028.0	907.7	120.2	1,016.0

(*) Loans to overseas Japanese borrowers: Based on borrowers' location

Loans to non-Japanese borrowers: Based on the location of final exposure

(3) Loans by industry

[Non-consolidated]

	(Billions of Yen)			
	Dec. 2016	Sep. 2016	Change from Sep.	Mar. 2016
Domestic branches (excluding offshore accounts)	24,275.8	23,542.4	733.4	23,011.6
Manufacturing	2,675.9	2,526.2	149.6	2,658.2
Agriculture, forestry, fisheries, mining, quarrying of stone and gravel gathering	12.1	11.3	0.7	13.2
Construction	138.4	131.0	7.4	126.6
Electricity, gas, heat supply and water	884.6	858.7	25.8	795.1
Information and communications	412.4	416.2	(3.7)	338.3
Transport and postal activities	1,124.4	1,082.0	42.3	1,109.7
Wholesale and retail trade	1,204.8	1,159.2	45.6	1,203.9
Finance and insurance	2,781.8	2,696.0	85.8	3,032.6
Real estate	3,188.3	3,232.8	(44.4)	3,061.2
Goods rental and leasing	889.9	824.0	65.8	828.4
Others	10,962.9	10,604.5	358.3	9,843.8
Overseas branches and offshore accounts	4,105.6	3,684.6	421.0	4,088.6
Total	28,381.5	27,227.0	1,154.5	27,100.2

Note: The above table is made based on the categorization of "Survey on loans by industry" of Bank of Japan.

7. Problem assets based on the Financial Reconstruction Act (Banking a/c and principal guaranteed trust a/c combined)

(1) Problem assets based on the Financial Reconstruction Act (After partial direct written-off)

[Non-consolidated]

	Dec. 2016		Sep. 2016		Change from Sep. 2016		Mar. 2016	
	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c
	(Billions of yen)							
Problem assets based on the Financial Reconstruction Act (a)	70.7	65.7	77.0	71.9	(6.2)	(6.2)	90.1	85.0
Bankrupt and practically bankrupt	8.6	8.5	9.9	9.9	(1.4)	(1.4)	11.9	11.9
Doubtful	36.1	31.1	36.9	31.9	(0.8)	(0.8)	44.9	39.9
Substandard (b)	26.1	26.0	30.1	30.1	(4.0)	(4.0)	33.2	33.2
Ordinary assets	28,843.2	28,799.8	27,640.4	27,592.8	1,202.8	1,207.0	27,573.3	27,522.5
Assets to substandard debtors (excluding Substandard) (c)	1.3	1.3	1.3	1.3	(0.0)	(0.0)	1.5	1.5
Assets to other special mention debtors	386.0	374.6	376.2	364.8	9.7	9.8	366.8	355.1
Assets to ordinary debtors	28,456.0	28,423.9	27,262.8	27,226.7	1,193.1	1,197.2	27,205.0	27,165.9
Total balance (d)	28,914.0	28,865.5	27,717.4	27,664.7	1,196.6	1,200.8	27,663.4	27,607.5
Ratio to total balance (a) / (d)	0.2%	0.2%	0.3%	0.3%	(0.1%)	(0.1%)	0.3%	0.3%
Assets to substandard debtors (b) + (c)	27.4	27.3	31.4	31.4	(4.0)	(4.0)	34.7	34.6

Note : Partial direct written-off: Dec. 2016: 15.6 billion yen, Sep. 2016: 14.6 billion yen, Mar. 2016: 20.4 billion yen

(2) Coverage ratio and allowance ratio of Problem assets based on the Financial Reconstruction Act

[Non-consolidated]

	Dec. 2016		Sep. 2016		Change from Sep. 2016		Mar. 2016	
	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c
	(Billions of yen)							
Problem assets based on the Financial Reconstruction Act	70.7	65.7	77.0	71.9	(6.2)	(6.2)	90.1	85.0
Coverage ratio	90.7%	90.0%	91.2%	90.6%	(0.5%)	(0.6%)	90.4%	89.9%
Allowance ratio	62.7%	62.7%	62.7%	62.7%	(0.0%)	(0.0%)	61.5%	61.5%
Bankrupt and practically bankrupt	8.6	8.5	9.9	9.9	(1.4)	(1.4)	11.9	11.9
Coverage ratio	100.0%	100.0%	100.0%	100.0%	- %	- %	100.0%	100.0%
Allowance ratio	100.0%	100.0%	100.0%	100.0%	- %	- %	100.0%	100.0%
Doubtful	36.1	31.1	36.9	31.9	(0.8)	(0.8)	44.9	39.9
Coverage ratio	89.4%	87.7%	89.4%	87.8%	0.0%	(0.1%)	91.0%	89.9%
Allowance ratio	63.5%	63.5%	63.4%	63.4%	0.1%	0.1%	66.4%	66.4%
Substandard	26.1	26.0	30.1	30.1	(4.0)	(4.0)	33.2	33.2
Coverage ratio	89.3%	89.3%	90.6%	90.5%	(1.3%)	(1.2%)	86.2%	86.2%
Allowance ratio	18.7%	18.7%	23.5%	23.5%	(4.8%)	(4.8%)	22.5%	22.5%

Note: Other than the above mentioned, there are Reserves for loan trust of 0.0 billion yen and Reserves for JOMT (Jointly-operated money trust) of 0.0 billion yen as of December 2016.

<Reference> Other referential financial figures of SuMi TRUST Bank

(1) Balance Sheets

[Non-consolidated]

	Dec. 2016	Sep. 2016	Change from Sep.	(Billions of yen) Mar. 2016
Assets:				
Cash and due from banks	11,136.6	11,056.3	80.2	14,130.0
Call loans	92.9	57.6	35.3	505.2
Receivables under resale agreements	88.5	76.8	11.6	110.3
Receivables under securities borrowing transactions	461.2	404.8	56.3	326.4
Monetary claims bought	93.6	102.5	(8.8)	108.5
Trading assets	811.5	829.4	(17.9)	699.4
Money held in trust	0.0	0.0	-	0.0
Securities	6,133.7	5,676.5	457.2	5,311.2
Loans and bills discounted	28,333.1	27,174.3	1,158.7	27,044.3
Foreign exchanges	72.5	11.0	61.5	17.2
Other assets	1,626.6	1,494.8	131.7	1,219.6
Tangible fixed assets	201.7	199.7	1.9	200.6
Intangible fixed assets	90.0	83.9	6.0	69.8
Prepaid pension expenses	164.0	167.9	(3.8)	175.7
Customers' liabilities for acceptances and guarantees	377.3	338.7	38.6	401.8
Allowance for loan losses	(60.8)	(61.3)	0.4	(64.3)
Total assets	49,623.0	47,613.6	2,009.4	50,256.5
Liabilities:				
Deposits	27,849.7	27,542.7	307.0	26,467.4
Negotiable certificates of deposit	6,503.5	5,485.1	1,018.4	7,254.1
Call money	1,960.6	1,609.2	351.4	385.2
Payables under repurchase agreements	1,592.3	1,589.5	2.7	653.4
Payables under securities lending transactions	166.3	110.8	55.5	-
Trading liabilities	408.1	474.1	(65.9)	451.7
Borrowed money	2,985.4	2,270.5	714.9	2,372.1
Foreign exchanges	0.4	0.1	0.3	0.2
Short-term bonds payable	571.9	511.8	60.1	903.1
Corporate bonds	869.6	732.6	136.9	855.8
Borrowed money from trust account	2,882.1	3,427.5	(545.4)	7,026.3
Other liabilities	1,042.0	1,099.7	(57.6)	1,029.7
Provision for bonuses	2.3	8.3	(5.9)	9.2
Provision for directors' bonuses	-	-	-	0.1
Provision for retirement benefits	0.6	0.6	0.0	0.6
Provision for reimbursement of deposits	3.6	3.6	-	3.6
Provision for contingent loss	7.1	7.4	(0.2)	7.6
Deferred tax liabilities	126.8	129.4	(2.5)	145.4
Deferred tax liabilities for land revaluation	3.1	3.1	-	3.1
Acceptances and guarantees	377.3	338.7	38.6	401.8
Total liabilities	47,353.8	45,345.4	2,008.3	47,971.3
Net assets:				
Capital stock	342.0	342.0	-	342.0
Capital surplus	492.2	492.2	-	492.2
Legal capital surplus	273.0	273.0	-	273.0
Other capital surplus	219.2	219.2	-	219.2
Retained earnings	1,029.0	1,016.8	12.1	981.2
Legal retained earnings	69.0	69.0	-	69.0
Other retained earnings	960.0	947.8	12.1	912.2
Other voluntary reserve	371.8	371.8	-	371.8
Retained earnings brought forward	588.1	575.9	12.1	540.3
Shareholders' equity	1,863.3	1,851.1	12.1	1,815.5
Valuation difference on available-for-sale securities	414.4	429.7	(15.2)	477.7
Deferred gains/ losses on hedges	(7.7)	(11.8)	4.1	(7.3)
Revaluation reserve for land	(0.8)	(0.8)	(0.0)	(0.6)
Valuation and translation adjustments	405.8	417.0	(11.1)	469.7
Total net assets	2,269.2	2,268.1	1.0	2,285.2
Total liabilities and net assets	49,623.0	47,613.6	2,009.4	50,256.5

(2) Statements of Income

[Non-consolidated]

(Billions of yen)			
	3QFY2016 (Cumulative total)	3QFY2015 (Cumulative total)	Change
Ordinary income	583.4	534.9	48.4
Trust fees	70.7	72.4	(1.7)
Interest income	264.0	262.9	1.1
Interest on loans and discounts	198.7	186.9	11.8
Interest and dividends on securities	49.4	61.8	(12.4)
Fees and commissions	142.1	133.4	8.6
Trading income	14.6	13.3	1.2
Other ordinary income	59.8	30.5	29.3
Other income	32.0	22.2	9.7
Ordinary expenses	436.6	383.5	53.0
Interest expenses	125.0	103.4	21.5
Interest on deposits	57.8	47.4	10.4
Fees and commissions payments	62.9	56.9	6.0
Trading expenses	1.0	-	1.0
Other ordinary expenses	41.6	4.6	36.9
General and administrative expenses	194.7	186.6	8.1
Other expenses	11.2	31.8	(20.6)
Ordinary profit	146.7	151.3	(4.6)
Extraordinary income	0.0	0.8	(0.7)
Extraordinary losses	3.0	2.2	0.8
Income before Income Taxes	143.7	149.9	(6.2)
Income taxes-Current	31.9	36.8	(4.8)
Income taxes-Deferred	9.5	10.2	(0.6)
Income taxes	41.5	47.0	(5.5)
Net income	102.2	102.9	(0.7)

(3) Statement of trust account

[Non-consolidated]

(Billions of yen)				
	Dec. 2016	Sep. 2016	Change from Sep. 2016	Mar. 2016
Loans and bills discounted	1,230.0	1,233.8	(3.8)	1,072.4
Securities	2,991.0	2,837.7	153.3	1,954.5
Beneficiary rights	140,937.5	138,261.7	2,675.7	130,637.0
Securities held in custody accounts	29.7	30.5	(0.7)	32.3
Money claims	14,431.6	13,761.8	669.8	12,955.6
Tangible fixed assets	13,165.7	13,060.3	105.4	12,727.7
Intangible fixed assets	173.4	172.3	1.0	155.4
Other claims	7,377.4	7,725.0	(347.5)	7,969.1
Loans to banking account	2,882.1	3,427.5	(545.4)	7,026.3
Cash and due from banks	400.9	424.5	(23.6)	377.5
Total assets	183,619.7	180,935.4	2,684.3	174,908.2
Money trusts	29,063.2	29,304.4	(241.1)	32,486.2
Pension trusts	14,560.2	14,811.1	(250.9)	16,305.6
Property formation benefit trusts	17.6	17.8	(0.2)	18.0
Loan trusts	11.0	11.3	(0.2)	12.1
Securities investment trusts	68,064.8	66,749.7	1,315.0	61,220.5
Money entrusted, other than money trusts	13,774.0	12,171.7	1,602.2	10,141.6
Securities trusts	20,608.5	21,124.3	(515.7)	20,010.6
Money claim trusts	14,473.8	13,829.4	644.4	13,026.6
Land and fixtures trusts	109.1	108.6	0.4	107.4
Composite trusts	22,937.0	22,806.7	130.3	21,579.1
Total liabilities	183,619.7	180,935.4	2,684.3	174,908.2

Note: The amount of re-trusted assets to Japan Trustee Services Bank, Ltd. for asset administration is included in Beneficiary rights:

December 2016: 140,400.9 billion yen, September 2016: 137,777.4 billion yen, Mar. 2016: 130,228.6 billion yen

(4) Breakdown of principal guaranteed trust a/c
[Non-consolidated]

(Billions of yen)

	Dec. 2016	Sep. 2016	Change from Sep. 2016	Mar. 2016	
Money trusts	Loans and bills discounted	48.4	52.6	(4.2)	55.9
	Securities	0.0	0.0	-	0.0
	Others	2,727.3	3,276.9	(549.6)	6,888.0
	Total assets	2,775.8	3,329.6	(553.8)	6,943.9
	Principal	2,775.4	3,329.4	(553.9)	6,943.2
	Reserves for JOMT (Jointly-operated money trust)	0.0	0.0	-	0.1
	Others	0.2	0.1	0.1	0.5
	Total liabilities	2,775.8	3,329.6	(553.8)	6,943.9
Loan trusts	Loans and bills discounted	-	-	-	-
	Securities	-	-	-	-
	Others	11.0	11.3	(0.2)	12.1
	Total assets	11.0	11.3	(0.2)	12.1
	Principal	10.6	10.8	(0.2)	11.7
	Reserves for loan trust	0.0	0.0	(0.0)	0.0
	Others	0.3	0.3	(0.0)	0.4
Total liabilities	11.0	11.3	(0.2)	12.1	