

*Explanatory Material*

*1st Half of Fiscal Year 2018  
ended on Sep. 30, 2018*



**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"

### Legal Disclaimer

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.

**Financial figures**

## 1. Status of profit and loss

[Consolidated]

(Millions of yen)

		1HFY2018	1HFY2017	Change
Consolidated gross business profit (*1)	1	351,184	328,215	22,968
Consolidated gross business profit (after written-off of principal guaranteed trust a/c) (1 + 19)	2	351,184	328,215	22,968
Net interest income and related profit	3	85,168	95,462	(10,294)
Net interest income	4	75,780	89,767	(13,987)
Trust fees from principal guaranteed trust a/c (before written-off of principal guaranteed trust a/c)	5	9,388	5,695	3,692
Net fees and commissions and related profit	6	199,699	192,417	7,281
Net fees and commissions	7	155,419	149,472	5,946
Other trust fees	8	44,280	42,945	1,335
Net trading profit	9	6,729	3,920	2,809
Net other operating profit	10	59,586	36,414	23,171
Net gains on foreign exchange transactions	11	45,288	18,477	26,810
Net gains on bonds	12	(4,346)	7,002	(11,348)
Net gains from derivatives other than for trading or hedging	13	6,128	(2,021)	8,150
General and administrative expenses	14	(218,425)	(213,775)	(4,649)
(excluding amortization of goodwill)	15	(213,690)	(209,041)	(4,649)
Personnel expenses	16	(97,243)	(98,394)	1,150
Non-personnel expenses excluding taxes	17	(113,130)	(107,074)	(6,055)
Taxes other than income taxes	18	(8,051)	(8,306)	254
Provision of general allowance for loan losses	19	-	-	-
Principal guaranteed trust a/c credit costs	20	-	-	-
Banking a/c credit costs	21	(2,473)	(1,567)	(905)
Written-off of loans	22	(2,410)	(1,528)	(882)
Provision of specific allowance for loan losses	23	-	-	-
Losses on sales of loans	24	(62)	(39)	(23)
Reversal of allowance for loan losses	25	14,644	5,168	9,475
Recoveries of written-off claims	26	1,152	1,007	145
Net gains on stocks	27	(3,713)	9,173	(12,887)
Losses on devaluation of stocks	28	(1,153)	(0)	(1,153)
Net income from affiliates by equity method	29	658	(438)	1,097
Others	30	(2,696)	(10,070)	7,374
<b>Ordinary profit</b>	31	<b>140,329</b>	<b>117,712</b>	<b>22,617</b>
Extraordinary profit	32	(3,038)	2,451	(5,489)
Net losses on disposal of fixed assets	33	(343)	8,735	(9,078)
Impairment loss on fixed assets	34	(2,695)	(6,284)	3,589
Income before income tax	35	137,291	120,163	17,127
Total income taxes	36	(40,281)	(37,988)	(2,293)
Income taxes-current	37	(30,986)	(30,024)	(961)
Income taxes-deferred	38	(9,294)	(7,963)	(1,331)
Net income	39	97,010	82,175	14,834
Net income attributable to non-controlling interests	40	(5,499)	(6,748)	1,248
<b>Net income attributable to owners of the parent</b>	41	<b>91,510</b>	<b>75,427</b>	<b>16,083</b>
Total credit costs (19 + 20 + 21 + 25 + 26)	42	13,323	4,608	8,714

(\*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)

<b>Consolidated net business profit before credit costs (*2)</b>	43	<b>146,932</b>	<b>126,668</b>	<b>20,264</b>
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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.)

(Reference) Major components of "Consolidated net business profit before credit costs" <43>, in which gross income and expense from the affiliates are taken into consideration for managerial accounting, are shown in the table below.

Substantial consolidated gross business profit	44	367,151	341,240	25,911
Substantial net fees and commissions and related profit	45	204,802	195,247	9,555
Substantial general and administrative expenses	46	(220,218)	(214,571)	(5,646)
Consolidated Fee income ratio	47	55.7%	57.2%	(1.5%)

## &lt;Difference from non-consolidated financial results (\*3)&gt;

Net business profit before credit costs	48	12,980	40,669	(27,689)
Net income attributable to owners of the parent (*4)	49	(14,637)	16,185	(30,823)
Total credit costs	50	(3,044)	(713)	(2,330)
Net gains on stocks	51	2,510	(497)	3,007

(\*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".

## &lt;Number of subsidiaries/ affiliates&gt;

	Sep. 2018	Mar. 2018	Change
Consolidated subsidiaries	62	64	(2)
Affiliates (subject to the equity method)	27	24	3

[Non-consolidated]

(Millions of yen)

		1HFY2018	1HFY2017	Change
Gross business profit	1	252,653	204,991	47,661
Gross business profit (after written-off of principal guaranteed trust a/c) (1 + 23)	2	252,653	204,991	47,661
Net interest income and related profit	3	107,178	88,665	18,513
Net interest income	4	97,790	82,969	14,820
Domestic	5	101,087	70,068	31,019
International	6	(3,297)	12,901	(16,199)
Trust fees from principal guaranteed trust a/c (before written-off of principal guaranteed trust a/c)	7	9,388	5,695	3,692
Net fees and commissions and related profit	8	92,385	89,650	2,735
Net fees and commissions	9	51,228	49,547	1,680
Other trust fees	10	41,156	40,102	1,054
Net trading income	11	6,729	3,920	2,809
Net other operating profit	12	46,359	22,755	23,604
Net gains on foreign exchange transactions	13	44,664	17,646	27,017
Net gains on bonds	14	(4,675)	6,946	(11,622)
Net gains from derivatives other than for trading or hedging	15	6,348	(1,895)	8,244
General and administrative expenses	16	(118,700)	(118,992)	291
Personnel expenses	17	(54,833)	(54,840)	6
Non-personnel expenses	18	(57,731)	(57,836)	104
Taxes other than income taxes	19	(6,135)	(6,315)	180
<b>Net business profit before credit costs (1 + 16)</b>	20	<b>133,952</b>	<b>85,998</b>	<b>47,953</b>
(Excluding Net gains on bonds) (20 - 14)	21	138,627	79,052	59,575
Provision of general allowance for loan losses	22	-	-	-
Principal guaranteed trust a/c credit costs	23	-	-	-
Net business profit	24	133,952	85,998	47,953
Net non-recurring profit	25	5,728	2,330	3,397
Banking a/c credit costs	26	(1,041)	(1,239)	198
Written-off of loans	27	(978)	(1,200)	221
Provision of specific allowance for loan losses	28	-	-	-
Losses on sales of loans	29	(62)	(39)	(23)
Reversal of allowance for loan losses	30	16,690	6,267	10,422
Recoveries of written-off claims	31	718	293	424
Net gains on stocks	32	(6,224)	9,671	(15,895)
Losses on devaluation of stocks	33	(143)	(0)	(142)
Others	34	(4,415)	(12,663)	8,247
Amortization of net actuarial losses/ prior service cost	35	(1,672)	(8,177)	6,504
Provision for contingent loss	36	3,079	(771)	3,850
Losses on investment in partnerships	37	(823)	(1,284)	461
Net gains on stock related derivatives	38	(2,183)	(1,306)	(877)
<b>Ordinary profit</b>	39	<b>139,680</b>	<b>88,329</b>	<b>51,351</b>
Extraordinary profit	40	(3,817)	(6,235)	2,418
Net gains on disposal of fixed assets	41	(91)	48	(140)
Impairment loss on fixed assets	42	(3,725)	(6,284)	2,558
Income before income taxes	43	135,863	82,093	53,769
Total income taxes	44	(29,715)	(22,851)	(6,863)
Income taxes-current	45	(20,965)	(16,034)	(4,931)
Income taxes-deferred	46	(8,749)	(6,817)	(1,931)
<b>Net income</b>	47	<b>106,148</b>	<b>59,241</b>	<b>46,906</b>
Total credit costs (22 + 23 + 26 + 30 + 31)	48	16,367	5,321	11,045
Overhead ratio (-16/1)	49	46.98%	58.05%	(11.07%)

## 2. Breakdown of profit by business group

### (1) Gross business profit

[Non-consolidated]

	(Billions of yen)		
	1HFY2018	1HFY2017	Change
Retail total solution services	68.8	63.1	5.7
Wholesale financial services (*1)	67.3	61.0	6.2
Stock transfer agency services	16.4	15.6	0.8
Real estate	13.0	15.1	(2.0)
Fiduciary services	47.4	45.4	2.0
Global markets	29.2	27.0	2.2
Fees paid for outsourcing	(21.1)	(20.6)	(0.5)
Stock transfer agency services	(5.1)	(5.3)	0.2
Fiduciary services	(16.0)	(15.3)	(0.7)
Others (*2)	31.4	(1.7)	33.2
Gross business profit	252.6	204.9	47.6

(\*1) Figures for "Wholesale financial services" are combined total of Wholesale total solution services and Wholesale asset management.

(\*2) 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)		
	1HFY2018	1HFY2017	Change
Retail total solution services	16.0	12.3	3.7
Wholesale financial services (*1)	59.9	54.8	5.1
Stock transfer agency services	9.9	9.1	0.7
Real estate	11.8	13.6	(1.7)
Fiduciary services	32.3	26.8	5.5
Global markets	21.6	19.5	2.0
Others (*2)	(5.0)	(9.7)	4.7
Net business profit before credit costs	146.9	126.6	20.2

(\*1) Figures for "Wholesale financial services" are combined total of Wholesale total solution services and Wholesale asset management.

(\*2) Figures for "Others" include costs of capital funding, dividends of shares for cross-shareholdings, general and administrative expenses of headquarters, etc.

(\*3) Treatment of offsetting transactions among the subsidiaries in calculation for breakdown of profit by business on a consolidated basis is partially changed.

[Non-consolidated]

	(Billions of yen)		
	1HFY2018	1HFY2017	Change
Retail total solution services	7.2	2.0	5.1
Wholesale financial services (*1)	46.0	41.2	4.8
Stock transfer agency services	9.4	8.6	0.8
Real estate	8.4	10.6	(2.1)
Fiduciary services	18.3	16.6	1.7
Global markets	21.6	19.5	2.0
Others (*2)	22.7	(12.7)	35.4
Net business profit before credit costs	133.9	85.9	47.9

(\*1) Figures for "Wholesale financial services" are combined total of Wholesale total solution services and Wholesale asset management.

(\*2) 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

## (1) Domestic banking a/c

[Non-consolidated]

	1HFY2018	2HFY2017	1HFY2017	(%) Change from 2HFY2017
Average yield on interest-earning assets (A)	<b>0.69</b>	0.56	0.58	0.13
Loans and bills discounted (B)	<b>0.69</b>	0.71	0.70	(0.02)
Securities	<b>3.04</b>	1.44	1.45	1.60
Average yield on interest-bearing liabilities (C)	<b>0.16</b>	0.16	0.18	(0.00)
Deposits (D)	<b>0.10</b>	0.12	0.15	(0.02)
Gross margin (A) - (C)	<b>0.53</b>	0.40	0.40	0.13
Loan-deposit margin (B) - (D)	<b>0.59</b>	0.59	0.55	0.00

## (2) Domestic banking a/c and principal guaranteed trust a/c combined

[Non-consolidated]

	1HFY2018	2HFY2017	1HFY2017	(%) Change from 2HFY2017
Average yield on interest-earning assets (A)	<b>0.69</b>	<b>0.56</b>	0.58	0.13
Loans and bills discounted (B)	<b>0.69</b>	<b>0.71</b>	0.70	(0.02)
Securities	<b>3.04</b>	<b>1.44</b>	1.46	1.60
Average yield on interest-bearing liabilities (C)	<b>0.11</b>	<b>0.12</b>	0.14	(0.01)
Deposits and Trust Principal (D)	<b>0.08</b>	<b>0.11</b>	0.14	(0.03)
Gross margin (A) - (C)	<b>0.58</b>	<b>0.44</b>	0.44	0.14
Loan-deposit margin (B) - (D)	<b>0.61</b>	<b>0.60</b>	0.56	0.01

## 4. Net gains on securities

[Consolidated]

	1HFY2018	1HFY2017	(Millions of yen) Change
Net gains on bonds	<b>(4,346)</b>	7,002	(11,348)
Gains on sales of bonds	<b>7,112</b>	19,026	(11,913)
Gains on redemption of bonds	<b>53</b>	1	52
Losses on sales of bonds	<b>(11,513)</b>	(12,025)	512
Losses on redemption of bonds	-	-	-
Losses on devaluation of bonds	-	(0)	0
Net gains on stocks	<b>(3,713)</b>	9,173	(12,887)
Gains on sales of stocks	<b>16,988</b>	10,530	6,457
Losses on sales of stocks	<b>(19,548)</b>	(1,356)	(18,192)
Losses on devaluation of stocks	<b>(1,153)</b>	(0)	(1,153)

[Non-consolidated]

	1HFY2018	1HFY2017	(Millions of yen) Change
Net gains on bonds	<b>(4,675)</b>	6,946	(11,622)
Gains on sales of bonds	<b>6,638</b>	18,851	(12,213)
Gains on redemption of bonds	<b>52</b>	-	52
Losses on sales of bonds	<b>(11,366)</b>	(11,905)	538
Losses on redemption of bonds	-	-	-
Losses on devaluation of bonds	-	(0)	0
Net gains on stocks	<b>(6,224)</b>	9,671	(15,895)
Gains on sales of stocks	<b>15,976</b>	10,551	5,424
Losses on sales of stocks	<b>(22,057)</b>	(879)	(21,177)
Losses on devaluation of stocks	<b>(143)</b>	(0)	(142)

## 5. Unrealized gains/ losses on investment securities

## (1) Securities with fair value

## [Consolidated]

	Sep. 2018				Mar. 2018		Change	
	Cost	Net	Unrealized gains	Unrealized losses	Cost	Net	Cost	Net
Available-for-sale securities	5,027,541	682,508	999,789	(317,281)	4,362,107	739,288	665,433	(56,780)
Japanese stocks (*)	612,755	964,823	971,875	(7,052)	630,471	876,220	(17,715)	88,602
Japanese bonds	931,644	1,327	2,487	(1,160)	815,888	2,283	115,755	(956)
Government bonds	352,230	(172)	29	(202)	241,306	165	110,924	(337)
Local government bonds	6,560	(21)	12	(33)	7,287	(2)	(727)	(18)
Corporate bonds	572,854	1,520	2,446	(925)	567,295	2,120	5,558	(600)
Others	3,483,141	(283,642)	25,426	(309,068)	2,915,747	(139,215)	567,393	(144,426)
Held-to-maturity debt securities	267,181	19,083	19,092	(9)	264,938	21,923	2,243	(2,839)

(\*) From FY2018, fair value of listed stocks included in "Available-for-sale securities" is determined based on the quoted market price over the consolidated balance sheet date, which was previously determined based on the average quoted market price over the month preceding the consolidated balance sheet date.

## [Non-consolidated]

	Sep. 2018				Mar. 2018		Change	
	Cost	Net	Unrealized gains	Unrealized losses	Cost	Net	Cost	Net
Available-for-sale securities	4,990,523	699,667	1,018,759	(319,091)	4,361,385	754,043	629,137	(54,375)
Japanese stocks (*)	586,219	988,558	995,747	(7,188)	606,400	897,293	(20,180)	91,265
Japanese bonds	966,621	64	2,487	(2,423)	887,745	954	78,876	(889)
Government bonds	318,717	(168)	29	(197)	241,306	165	77,410	(333)
Local government bonds	6,560	(21)	12	(33)	7,287	(2)	(727)	(18)
Corporate bonds	641,344	253	2,446	(2,192)	639,151	791	2,193	(537)
Others	3,437,681	(288,955)	20,524	(309,479)	2,867,240	(144,203)	570,441	(144,751)
Held-to-maturity debt securities	199,150	18,973	18,982	(9)	193,583	21,821	5,566	(2,848)

(\*) From FY2018, fair value of listed stocks included in "Available-for-sale securities" is determined based on the quoted market price over the consolidated balance sheet date, which was previously determined based on the average quoted market price over the month preceding the consolidated balance sheet date.

## &lt;Reference 1&gt;

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

## [Non-consolidated]

	Sep. 2018		Mar. 2018		Change	
	Cost	Net	Cost	Net	Cost	Net
Domestic investment (*1)	82,389	1,534	82,188	1,777	201	(243)
Asset-backed securities	18,512	689	22,334	735	(3,821)	(45)
Others	63,876	845	59,853	1,042	4,023	(197)
International investment (*1)	1,717,997	(29,579)	1,254,078	(16,876)	463,918	(12,702)
Foreign government bonds	1,704,317	(31,160)	1,240,475	(18,416)	463,842	(12,744)
US Treasury	808,759	(27,499)	496,102	(18,733)	312,657	(8,765)
European government bonds (*2)	31,642	(255)	129,424	1,248	(97,782)	(1,504)
US agency MBS	213,394	(4,775)	112,027	(3,157)	101,366	(1,618)
Corporate bonds, etc. (*3)	624,588	1,540	479,204	2,327	145,384	(786)
Foreign stocks and others	13,679	1,581	13,603	1,539	76	41
Others (Investment trust, etc.) (*4)	1,637,294	(260,910)	1,530,973	(129,104)	106,321	(131,806)
Total	3,437,681	(288,955)	2,867,240	(144,203)	570,441	(144,751)

(\*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".

## &lt;Reference 2&gt;

## Breakdown of "Held-to-maturity debt securities"

[Non-consolidated]

	(Millions of yen)					
	Sep. 2018		Mar. 2018		Change	
	Cost	Net	Cost	Net	Cost	Net
Held-to-maturity debt securities	<b>199,150</b>	<b>18,973</b>	193,583	21,821	5,566	(2,848)
Japanese Government Bonds	<b>118,914</b>	<b>17,740</b>	119,103	19,832	(188)	(2,092)
Japanese Local Government Bonds	-	-	-	-	-	-
Japanese Corporate Bonds	<b>29,000</b>	<b>494</b>	29,000	535	-	(41)
Others	<b>51,236</b>	<b>738</b>	45,480	1,453	5,755	(714)
Domestic investment (*)	<b>8,801</b>	<b>17</b>	9,733	22	(932)	(5)
International investment (*)	<b>42,434</b>	<b>721</b>	35,746	1,430	6,687	(709)

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

## (2) Securities with no available fair value

[Non-consolidated]

	(Millions of yen)		
	Sep. 2018	Mar. 2018	Change
	Cost	Cost	
Available-for-sale securities	<b>192,311</b>	176,025	16,286
Japanese stocks	<b>54,385</b>	54,464	(78)
Japanese bonds	-	-	-
Others	<b>137,925</b>	121,561	16,364
Domestic investment (*)	<b>85,885</b>	76,129	9,756
International investment (*)	<b>52,040</b>	45,431	6,608

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



## 6. Maturity ladder of securities

&lt;"Held-to-maturity debt securities" with fair value and "Available-for-sale securities" with fair value&gt;

[Consolidated]

(Millions of yen)

	Sep. 2018					Mar. 2018				
	Less than 1 year	1 year to 5 years	5 years to 10 years	Over 10 years	Total	Less than 1 year	1 year to 5 years	5 years to 10 years	Over 10 years	Total
Japanese bonds	311,178	340,208	260,664	168,894	1,080,946	166,067	359,826	237,287	203,154	966,335
Government bonds	290,059	50,237	31,815	98,920	471,032	128,561	75,408	31,380	125,284	360,634
Local government bonds	-	1,424	5,114	-	6,538	-	2,399	4,885	-	7,284
Corporate bonds	21,119	288,545	223,735	69,974	603,375	37,505	282,018	201,022	77,869	598,416
Others	342,689	1,184,511	1,045,956	632,084	3,205,242	225,645	1,071,858	976,150	464,673	2,738,328

Note: Including NCD in "Cash and Due from Banks" and "Monetary Claims Bought", as well as securities.

[Non-consolidated]

(Millions of yen)

	Sep. 2018					Mar. 2018				
	Less than 1 year	1 year to 5 years	5 years to 10 years	Over 10 years	Total	Less than 1 year	1 year to 5 years	5 years to 10 years	Over 10 years	Total
Japanese bonds	277,669	340,208	260,604	236,118	1,114,600	166,067	359,826	237,227	273,681	1,036,802
Government bonds	256,550	50,237	31,755	98,920	437,463	128,561	75,408	31,320	125,284	360,574
Local government bonds	-	1,424	5,114	-	6,538	-	2,399	4,885	-	7,284
Corporate bonds	21,119	288,545	223,735	137,197	670,598	37,505	282,018	201,022	148,396	668,943
Others	324,142	1,183,876	1,043,727	549,184	3,100,930	209,159	1,071,229	974,386	378,295	2,633,070

Note: Including NCD in "Cash and Due from Banks" and "Monetary Claims Bought", as well as securities.

## 7. Shareholdings

1) Balance of listed stocks

[Consolidated]

(Billions of yen)

	Sep. 2018	Mar. 2018
Cost basis	612.7	630.4
Fair value basis	1,577.5	1,506.6

2) Reduction of cross shareholdings

[Consolidated]

(Billions of yen)

	FY2018	FY2017	
	1H	Full	1H
Cost basis	16.9	35.2	13.3

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

[Consolidated]

(Millions of yen)

	Sep. 2018	Mar. 2018	Change
Interest rate related	(12,703)	(27,989)	15,285
Interest rate swaps	(12,703)	(27,989)	15,285
Currency related	(881)	(106)	(774)
Total	(13,585)	(28,095)	14,510

Note: Before considering tax effect accounting.

[Non-consolidated]

(Millions of yen)

	Sep. 2018	Mar. 2018	Change
Interest rate related	(12,453)	(27,529)	15,075
Interest rate swaps	(12,453)	(27,529)	15,075
Currency related	823	1,289	(466)
Total	(11,630)	(26,240)	14,609

Note: Before considering tax effect accounting.

## 9. BIS capital adequacy ratio (Basel III, international standard)

[Consolidated]

		(Billions of yen)				Minimum requirement (*) (Sep. 2018)
			Sep. 2018 (Preliminary)	Mar. 2018	Change	
Common Equity Tier 1 capital ratio	(8) / (20)	1	<b>11.78%</b>	11.33%	0.45%	6.75%
Tier 1 capital ratio	(12) / (20)	2	<b>13.76%</b>	13.74%	0.02%	8.25%
Total capital ratio	(16) / (20)	3	<b>16.53%</b>	16.31%	0.22%	10.25%
Directly issued qualifying capital plus retained earnings		4	<b>2,160.5</b>	2,103.0	57.4	
Accumulated Other Comprehensive Income ("OCI")		5	<b>470.6</b>	496.8	(26.2)	
Instruments and reserves		6	<b>2,634.1</b>	2,602.7	31.4	
Regulatory adjustments		7	<b>(280.2)</b>	(276.9)	(3.3)	
Common Equity Tier 1 capital (CET1)		8	<b>2,353.8</b>	2,325.8	28.0	
Directly issued qualifying Additional Tier 1 instruments		9	<b>340.0</b>	290.0	50.0	
Eligible Tier 1 capital instruments subject to phase-out arrangements		10	<b>41.0</b>	193.0	(152.0)	
Additional Tier 1 capital (AT1)		11	<b>394.3</b>	495.5	(101.2)	
Tier 1 capital (T1 = CET1 + AT1)		12	<b>2,748.2</b>	2,821.4	(73.1)	
Directly issued qualifying Tier 2 instruments		13	<b>270.0</b>	220.0	50.0	
Eligible Tier 2 capital instruments subject to phase-out arrangements		14	<b>279.1</b>	299.2	(20.0)	
Tier 2 capital (T2)		15	<b>553.6</b>	526.7	26.8	
Total capital (T1 + T2)		16	<b>3,301.8</b>	3,348.1	(46.3)	
Amount of credit risk-weighted assets		17	<b>17,852.2</b>	18,352.1	(499.9)	
Amount of market risk equivalents		18	<b>1,125.4</b>	1,163.8	(38.4)	
Amount of operational risk equivalents		19	<b>993.5</b>	1,006.8	(13.3)	
Total risk weighted assets		20	<b>19,971.2</b>	20,522.9	(551.6)	

(\*) Capital conservation buffer, countercyclical capital buffer and surcharge for domestic systemically important banks are taken into account and added to minimum regulatory requirements for each capital ratio.

## [SuMi TRUST Bank (Consolidated)]

						(Billions of yen)	Minimum requirement
			Sep. 2018 (Preliminary)	Mar. 2018	Change		
Common Equity Tier 1 capital ratio	(4) / (7)	1	<b>11.10%</b>	10.85%	0.25%		4.50%
Tier 1 capital ratio	(5) / (7)	2	<b>12.87%</b>	12.87%	-%		6.00%
Total capital ratio	(6) / (7)	3	<b>15.66%</b>	15.45%	0.21%		8.00%
Common Equity Tier 1 capital		4	<b>2,204.9</b>	2,218.3	(13.4)		
Tier 1 capital		5	<b>2,557.8</b>	2,630.4	(72.6)		
Total capital		6	<b>3,110.9</b>	3,156.6	(45.7)		
Total risk weighted assets		7	<b>19,861.3</b>	20,427.3	(566.0)		

## [SuMi TRUST Bank (Non-consolidated)]

						(Billions of yen)	Minimum requirement
			Sep. 2018 (Preliminary)	Mar. 2018	Change		
Common Equity Tier 1 capital ratio	(11) / (14)	8	<b>10.83%</b>	10.60%	0.23%		4.50%
Tier 1 capital ratio	(12) / (14)	9	<b>12.58%</b>	12.60%	(0.02%)		6.00%
Total capital ratio	(13) / (14)	10	<b>15.40%</b>	15.20%	0.20%		8.00%
Common Equity Tier 1 capital		11	<b>2,105.5</b>	2,121.5	(16.0)		
Tier 1 capital		12	<b>2,445.5</b>	2,521.5	(76.0)		
Total capital		13	<b>2,993.1</b>	3,040.7	(47.5)		
Total risk weighted assets		14	<b>19,426.2</b>	20,004.5	(578.2)		

<Reference> Leverage ratio  
[Consolidated]

						(Billions of yen)
			Sep. 2018 (Preliminary)	Mar. 2018	Change	
Leverage ratio	(16) / (17)	15	<b>3.79%</b>	3.98%	(0.19%)	
Tier 1 capital		16	<b>2,748.2</b>	2,821.4	(73.1)	
Total Exposure		17	<b>72,436.3</b>	70,807.8	1,628.5	

## [SuMi TRUST Bank (Consolidated)]

						(Billions of yen)
			Sep. 2018 (Preliminary)	Mar. 2018	Change	
Leverage ratio	(19) / (20)	18	<b>4.28%</b>	4.59%	(0.31%)	
Tier 1 capital		19	<b>2,557.8</b>	2,630.4	(72.6)	
Total Exposure		20	<b>59,627.5</b>	57,273.0	2,354.4	

10. Return on equity (ROE)  
[Consolidated]

	1HFY2018	1HFY2017	Change
Return (Net income) on shareholders' equity	<b>8.46%</b>	7.32%	1.14%
Return (Net income) on equity	<b>6.91%</b>	6.02%	0.89%

Note1: Return on shareholders' equity (equity)

= Net income attributable to owners of the parents

$$\div \{ (\text{Beginning balance of shareholders' equity (equity)} + \text{Ending balance of shareholders' equity (equity)}) \div 2 \} \times 100 \times (365 \div 183)$$

Note2: Shareholders' equity = Total net assets - Share purchase warrants - Minority interests - Total accumulated other comprehensive income

Note3: Equity = Total net assets - Share purchase warrants - Minority interests

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

## (1) Balance of loans and deposits, etc.

[Non-consolidated]

		(Millions of yen)					
		Sep. 2018		Mar. 2018		Change	
		Total	Domestic branches	Total	Domestic branches	Total	Domestic branches
Loans and bills discounted	(Ending balance)	<b>28,904,534</b>	<b>25,004,975</b>	28,295,313	24,709,443	609,220	295,531
	(Average balance)	<b>28,152,078</b>	<b>24,333,385</b>	27,838,291	24,217,564	313,786	115,820
Banking account	(Ending balance)	<b>28,870,898</b>	<b>24,971,339</b>	28,259,093	24,673,223	611,804	298,116
	(Average balance)	<b>28,117,071</b>	<b>24,298,378</b>	27,794,452	24,173,725	322,618	124,652
Principal guaranteed trust account	(Ending balance)	<b>33,635</b>	<b>33,635</b>	36,220	36,220	(2,584)	(2,584)
	(Average balance)	<b>35,006</b>	<b>35,006</b>	43,838	43,838	(8,832)	(8,832)
Deposits, Trust principal	(Ending balance)	<b>35,559,944</b>	<b>30,133,602</b>	34,466,562	29,459,852	1,093,382	673,749
	(Average balance)	<b>32,876,138</b>	<b>28,076,018</b>	30,808,863	26,695,269	2,067,274	1,380,748
Deposits (*)	(Ending balance)	<b>30,717,721</b>	<b>25,291,379</b>	29,392,255	24,385,544	1,325,466	905,834
	(Average balance)	<b>29,224,286</b>	<b>24,424,165</b>	28,216,744	24,103,150	1,007,541	321,014
Time deposits	(Ending balance)	<b>21,819,662</b>	<b>16,626,969</b>	21,207,994	16,478,399	611,668	148,570
	(Average balance)	<b>21,090,340</b>	<b>16,523,548</b>	20,994,289	17,045,706	96,051	(522,157)
Liquid deposits	(Ending balance)	<b>7,572,690</b>	<b>7,339,267</b>	6,886,270	6,609,502	686,419	729,765
	(Average balance)	<b>7,088,758</b>	<b>6,855,123</b>	6,172,956	6,008,496	915,802	846,627
Trust principal	(Ending balance)	<b>4,842,223</b>	<b>4,842,223</b>	5,074,307	5,074,307	(232,084)	(232,084)
	(Average balance)	<b>3,651,852</b>	<b>3,651,852</b>	2,592,118	2,592,118	1,059,733	1,059,733

(\*) Excluding NCD.

## (2) Ending balance of deposits classified by depositors (Domestic branches)

[Non-consolidated]

(Millions of yen)			
	Sep. 2018	Mar. 2018	Change
Individuals	<b>17,504,041</b>	17,447,295	56,746
Deposits (*)	<b>15,974,422</b>	15,924,744	49,677
Trust principal (Principal guaranteed)	<b>1,529,619</b>	1,522,551	7,068
Corporations and other organizations (*)	<b>12,328,666</b>	11,555,741	772,925
Deposits (*)	<b>9,016,063</b>	8,003,985	1,012,077
Trust principal (Principal guaranteed)	<b>3,312,603</b>	3,551,755	(239,152)
Total	<b>29,832,708</b>	29,003,037	829,671

(\*) Excluding NCD and offshore accounts

(\*) "Other organizations" are public organizations and financial institutions.

## 12. Loans (Banking a/c and principal guaranteed trust a/c combined)

## 1) Loans to small and mid-sized enterprises, etc.

[Non-consolidated]

	(Millions of yen, %)		
	Sep. 2018	Mar. 2018	Change
Loan balance	16,167,987	16,130,489	37,497
Loans to individuals	9,647,567	9,450,458	197,108
Ratio to total loan balance	64.6	65.2	(0.6)

## 2) Loans to individuals

[Non-consolidated]

	(Millions of yen)		
	Sep. 2018	Mar. 2018	Change
Residential mortgage loans	9,062,146	8,874,754	187,392
Loans to individual for business use	529,027	515,373	13,653
Other consumer loans	56,393	60,329	(3,936)
Total	9,647,567	9,450,458	197,108

## 3) Loans by industry

[Non-consolidated]

	(Millions of yen)		
	Sep. 2018	Mar. 2018	Change
Domestic Branches (excluding offshore accounts)	25,004,975	24,709,443	295,531
Manufacturing	2,552,881	2,486,208	66,673
Agriculture, forestry, fisheries, mining, quarrying of stone and gravel gathering	8,514	12,130	(3,615)
Construction	121,071	120,415	655
Electricity, gas, heat supply and water	1,091,789	1,047,733	44,056
Information and communications	536,069	412,206	123,862
Transport and postal activities	1,130,492	1,111,401	19,090
Wholesale and retail trade	1,191,584	1,171,868	19,715
Finance and insurance	2,692,708	2,805,668	(112,959)
Real estate	3,381,040	3,427,559	(46,519)
Goods rental and leasing	1,009,730	986,215	23,515
Others	11,289,091	11,128,035	161,056
Overseas branches and offshore accounts	3,899,558	3,585,870	313,688
Total	28,904,534	28,295,313	609,220

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

## 13. 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)

[Consolidated]

	Sep. 2018		Mar. 2018		Change	
	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c
Problem assets based on the Financial Reconstruction Act (a)	92,494	91,641	89,255	88,365	3,238	3,276
Bankrupt and practically bankrupt	18,319	18,308	16,406	16,395	1,912	1,912
Doubtful	45,258	44,461	46,780	45,948	(1,522)	(1,487)
Substandard	28,916	28,872	26,068	26,020	2,848	2,851
Ordinary assets	30,475,298	30,442,514	29,744,179	29,708,849	731,118	733,664
Total balance (b)	30,567,792	30,534,156	29,833,435	29,797,214	734,357	736,941
Ratio to total balance (a) / (b)	0.3%	0.3%	0.3%	0.3%	0.0%	0.0%

Note : Partial direct written-off: Sep. 2018: 16,340 million yen, Mar. 2018: 15,050 million yen

[Non-consolidated]

	Sep. 2018		Mar. 2018		Change	
	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c
Problem assets based on the Financial Reconstruction Act (a)	60,342	59,490	56,709	55,819	3,632	3,670
Bankrupt and practically bankrupt	12,145	12,135	12,033	12,022	112	112
Doubtful	26,572	25,775	27,022	26,190	(449)	(415)
Substandard (b)	21,624	21,579	17,654	17,606	3,969	3,973
Ordinary assets	29,359,901	29,327,117	28,761,716	28,726,386	598,184	600,731
Assets to substandard debtors (excluding Substandard) (c)	983	983	1,333	1,317	(349)	(334)
Assets to other special mention debtors	428,501	418,781	547,121	537,197	(118,619)	(118,415)
Assets to ordinary debtors	28,930,415	28,907,352	28,213,261	28,187,871	717,154	719,480
Total balance (d)	29,420,243	29,386,607	28,818,426	28,782,205	601,817	604,401
Ratio to total balance (a) / (d)	0.2%	0.2%	0.2%	0.2%	0.0%	0.0%
Assets to substandard debtors (b) + (c)	22,607	22,562	18,987	18,923	3,619	3,639

Note : Partial direct written-off: Sep. 2018: 8,757 million yen, Mar. 2018: 9,292 million yen

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

[Non-consolidated]

	Sep. 2018		Mar. 2018		Change	
	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c
Problem assets based on the Financial Reconstruction Act	60,342	59,490	56,709	55,819	3,632	3,670
Coverage ratio	89.4%	89.2%	95.8%	95.7%	(6.4%)	(6.5%)
Allowance ratio	60.4%	60.4%	78.4%	78.4%	(18.0%)	(18.0%)
Bankrupt and practically bankrupt	12,145	12,135	12,033	12,022	112	112
Coverage ratio	100.0%	100.0%	100.0%	100.0%	- %	- %
Allowance ratio	100.0%	100.0%	100.0%	100.0%	- %	- %
Doubtful	26,572	25,775	27,022	26,190	(449)	(415)
Coverage ratio	91.2%	90.9%	92.9%	92.7%	(1.7%)	(1.8%)
Allowance ratio	72.8%	72.8%	74.6%	74.6%	(1.8%)	(1.8%)
Substandard	21,624	21,579	17,654	17,606	3,969	3,973
Coverage ratio	81.2%	81.2%	97.4%	97.4%	(16.2%)	(16.2%)
Allowance ratio	12.1%	12.1%	34.7%	34.7%	(22.6%)	(22.6%)

Note: Other than the above mentioned, there is Reserves for JOMT (Jointly-operated money trust) of 0.0 billion yen as of Sep. 2018.

## (3) Problem assets based on the Financial Reconstruction Act by industry

[Non-consolidated]

	(Millions of yen)		
	Sep. 2018	Mar. 2018	Change
Domestic Branches (excluding offshore accounts)	51,571	51,725	(154)
Manufacturing	3,214	3,076	138
Agriculture, forestry, fisheries, mining, quarrying of stone and gravel gathering	417	-	417
Construction	2	3	(0)
Information and communications	2	2	(0)
Transport and postal activities	14	29	(14)
Wholesale and retail trade	6,673	5,558	1,115
Finance and insurance	199	244	(44)
Real estate	7,095	7,854	(759)
Others	33,951	34,956	(1,005)
Overseas branches and offshore accounts	8,771	4,984	3,786
Total	60,342	56,709	3,632

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

## 14. Self-Assessment and Problem assets based on the Financial Reconstruction Act

(Banking a/c and principal guaranteed trust a/c combined)

[Non-consolidated]

						(Billions of yen, %)		
Borrower classification under the self-assessment	Problem assets based on the Financial Reconstruction Act	Self-assessment				Allowance (*)	Coverage ratio	Allowance ratio
		Not categorized	Category II	Category III	Category IV			
Legal bankruptcy	(1) Bankrupt/ practically bankrupt 12.1	(1) Guarantee and collateral 9.2	Entirely covered by allowances	Entirely written-off or covered by allowances	(1) Specific allowance for loan losses 2.9	100.0	100.0	
Virtual bankruptcy								
Possible bankruptcy	(2) Doubtful 26.6	(2) Guarantee and collateral 17.9	Partially covered by allowances		(2) Specific allowance for loan losses 6.2	91.2	72.8	
Requiring careful monitoring	(3) Substandard 21.6	(3) Guarantee and collateral 17.0			(3) General allowance for loan losses 0.5	81.2	12.1	
	(4) Ordinary assets (A + B + C) 29,359.9	A. Assets to substandard debtors (exc. Substandard) 1.0						
		B. Assets to other special mention debtors (exc. Assets to substandard debtors) 428.5						
Normal	C. Assets to ordinary debtors 28,930.4							
Problem assets based on the Financial Reconstruction Act (1) + (2) + (3) 60.3		Guarantee and collateral (1) + (2) + (3) 44.2			Allowance for loan losses (1) + (2) + (3) 9.7	89.4	60.4	
Total balance (1) + (2) + (3) + (4) 29,420.2		Not categorized, category II 29,417.3	category III 2.9	category IV -				

(\*) 0.0 billion yen of reserves for loan trust and reserves for JOMT (Jointly-operated money trust) are posted in principal guaranteed trust account.

## 15. Allowance for loan losses

## (1) Balance of allowance for loan losses

(Banking account)

[Consolidated]

	(Millions of yen)		
	Sep. 2018	Mar. 2018	Change
Allowance for loan losses	86,195	102,920	(16,724)
General allowance for loan losses	71,192	88,579	(17,386)
Specific allowance for loan losses	15,002	14,340	661
Partial direct written-off	18,108	16,705	1,403

[Non-consolidated]

	(Millions of yen)		
	Sep. 2018	Mar. 2018	Change
Allowance for loan losses	61,147	77,169	(16,022)
General allowance for loan losses	51,453	68,254	(16,801)
Specific allowance for loan losses	9,693	8,914	778
Partial direct written-off	8,784	9,318	(534)

(Trust account)

[Non-consolidated]

	(Millions of yen)		
	Sep. 2018	Mar. 2018	Change
Reserves for JOMT (Jointly-operated money trust)	62	89	(26)

Note: Trust a/c is principal guaranteed trust a/c

## (2) Reserve ratio for assets to special mention/ ordinary debtors (general allowance for loan losses)

(Banking account)

[Non-consolidated]

	(%)		
	Sep. 2018	Mar. 2018	Change
Assets to Special mention debtors	2.63	6.15	(3.52)
Substandard	2.55	1.38	1.17
Against uncovered portion	11.68	33.17	(21.49)
Other special mention	2.64	6.32	(3.68)
Against uncovered portion	8.12	16.22	(8.10)
Assets to Ordinary debtors	0.13	0.11	0.02

Note: The above list indicates the ratio of general allowance for loan losses to each asset.



## 16. Final disposal of non-performing loans (Banking a/c and principal guaranteed trust a/c combined)

## (1) Loans outstanding in doubtful or worse categories

[Non-consolidated]

(Billions of yen)

	Sep. 2015	Mar. 2016	Sep. 2016	Mar. 2017	Sep. 2017	Mar. 2018	Sep. 2018	Change from Mar. 2018
Total	74.2	56.9	46.8	43.4	41.1	39.1	<b>38.7</b>	(0.3)
Loans outstanding in doubtful or worse categories as of Sep. 2015 and disposal thereafter	74.2	46.1	32.0	26.3	21.8	15.3	<b>13.7</b>	(1.6)
New entry to doubtful or worse categories during 2HFY2015 and disposal thereafter		10.8	8.8	7.9	1.2	0.7	<b>0.5</b>	(0.2)
New entry to doubtful or worse categories during 1HFY2016 and disposal thereafter			6.0	3.5	1.6	1.3	<b>0.9</b>	(0.3)
New entry to doubtful or worse categories during 2HFY2016 and disposal thereafter				5.7	3.5	2.6	<b>1.8</b>	(0.8)
New entry to doubtful or worse categories during 1HFY2017 and disposal thereafter					13.0	9.6	<b>7.7</b>	(1.9)
New entry to doubtful or worse categories during 2HFY2017 and disposal thereafter						9.6	<b>7.4</b>	(2.2)
New entry to doubtful or worse categories during 1HFY2018 and disposal thereafter							<b>6.7</b>	6.7

## (2) Progress of final disposal

[Non-consolidated]

(Billions of yen)

Period	Primary amount (A)	Amount as of Sep. 2018 (B)	Quasi final disposal or in the process of final disposal (C)	Amount of final disposal in 1HFY2018	Progress ratio of final disposal (%) (A-B)/A	Adjusted progress ratio of final disposal (%) (*) (A-B+C)/A
Before 1HFY2015	3,538.1	13.7	3.3	1.6	99.6	99.7
2HFY2015	10.8	0.5	0.1	0.2	95.7	96.2
1HFY2016	6.0	0.9	0.0	0.3	84.2	85.0
2HFY2016	5.7	1.8	0.3	0.8	68.6	73.3
1HFY2017	13.0	7.7	3.6	1.9	40.7	68.6
2HFY2017	9.6	7.4	0.3	2.2	22.7	25.9
1HFY2018	6.7	6.7	0.7	-	-	10.1
Total	-----	<b>38.7</b>	8.3	<b>7.1</b>	-----	-----

(\*) Progress ratio of final disposal considering quasi final disposal

## 17. Retirement benefits

[Consolidated]

		(Millions of yen)		
		Sep. 2018	Mar. 2018	Change
Projected benefit obligation	(A)	466,852	467,350	(497)
Discount rate		mainly 0.5%	mainly 0.5%	---
Plan assets	(B)	622,050	616,410	5,639
Liabilities for retirement benefits	(C)	14,278	14,159	119
Assets for retirement benefits	(D)	169,476	163,219	6,256

Note: (A) = (B) + (C) - (D)

• Remeasurements of retirement benefits (before considering tax effect accounting)

		(Millions of yen)		
		Sep. 2018	Mar. 2018	Change
Unrecognized net prior services costs		8	13	(4)
Unrecognized net actuarial loss		(8,128)	(6,819)	(1,308)
Total		(8,119)	(6,806)	(1,313)

		(Millions of yen)		
		1HFY2018	1HFY2017	Change
Retirement benefit expenses		2,491	(2,183)	4,674
Service cost - benefits earned		(7,240)	(7,337)	96
Interest cost on projected benefit obligation		(1,169)	(1,177)	7
Expected return on plan assets		13,436	12,872	563
Disposal of prior services costs		(4)	(46)	41
Disposal of actuarial loss		(1,316)	(5,031)	3,714
Others		(1,212)	(1,463)	250

[Non-consolidated]

		(Millions of yen)		
		Sep. 2018	Mar. 2018	Change
Projected benefit obligation	(A)	437,904	438,658	(753)
Discount rate		0.5%	0.5%	- %
Plan assets	(B)	605,756	600,290	5,466
Provision for retirement benefits	(C)	726	724	2
Prepaid pension expenses	(D)	165,758	161,208	4,549
Unrecognized net prior services costs	(E)	278	320	(41)
Unrecognized net actuarial loss	(F)	(3,099)	(1,468)	(1,630)

Note: (A) = (B) + (C) - (D) + (E) + (F)

		(Millions of yen)		
		1HFY2018	1HFY2017	Change
Retirement benefit expenses		3,262	(4,088)	7,351
Service cost - benefits earned		(6,357)	(6,479)	121
Interest cost on projected benefit obligation		(1,094)	(1,096)	1
Expected return on plan assets		13,208	12,630	577
Disposal of prior services costs		(41)	(83)	41
Disposal of actuarial loss		(1,630)	(8,093)	6,463
Others		(820)	(966)	145

## 18. Deferred tax assets

## (1) Major factors for deferred tax assets and deferred tax liabilities

[Consolidated]

	(Billions of yen)		
	Sep. 2018	Mar. 2018	Change
Deferred tax assets (A)	23.2	23.1	0.1
Devaluation of securities	18.7	19.2	(0.4)
Allowance for loan losses (including written-off of loans)	34.8	40.2	(5.3)
Deferred gains/ losses on hedges	4.2	8.7	(4.4)
Valuation difference due to share exchange	4.7	5.1	(0.3)
Others	70.3	68.9	1.4
Valuation allowance	(40.6)	(36.8)	(3.7)
Offset with deferred tax liabilities	(69.0)	(82.2)	13.1
Deferred tax liabilities (B)	178.5	181.0	(2.4)
Amount related retirement benefits	14.2	11.5	2.6
Valuation difference on available-for-sale securities	214.1	230.1	(16.0)
Valuation difference due to share exchange	7.2	7.7	(0.5)
Others	12.0	13.7	(1.7)
Offset with deferred tax assets	(69.0)	(82.2)	13.1
Net deferred tax assets (A) - (B)	(155.2)	(157.9)	2.6

[Non-consolidated]

	(Billions of yen)		
	Sep. 2018	Mar. 2018	Change
Deferred tax assets (A)	-	-	-
Devaluation of securities	23.7	24.2	(0.4)
Allowance for loan losses (including written-off of loans)	17.8	23.4	(5.5)
Deferred gains/ losses on hedges	3.5	8.0	(4.4)
Others	29.0	30.6	(1.6)
Valuation allowance	(13.8)	(13.6)	(0.2)
Offset with deferred tax liabilities	(60.4)	(72.7)	12.3
Deferred tax liabilities (B)	170.4	173.4	(2.9)
Amount related retirement benefits	14.1	12.0	2.1
Valuation difference on available-for-sale securities	212.6	228.8	(16.2)
Others	4.1	5.2	(1.1)
Offset with deferred tax assets	(60.4)	(72.7)	12.3
Net deferred tax assets (A) - (B)	(170.4)	(173.4)	2.9

## (2) Adequacy for calculating and posting net deferred tax assets

[Non-consolidated]

SuMi TRUST Bank applied the category 2 of the Guidance No. 26 of the Accounting Standards (\*) for tax effect accounting and posted net deferred tax assets as a company reporting stable taxable income.

(\*) Guidance on Recoverability of Deferred Tax Assets (the Accounting Standards Board of Japan (ASBJ))

## (Reference) Taxable income before deduction of loss carryforwards for the past 5 years

	(Billions of yen)				
	FY2017	FY2016	FY2015	FY2014	FY2013
Taxable income before deduction of loss carryforwards	127.6	106.4	177.5	118.5	107.4
Net business profit before credit costs	189.7	150.5	249.1	245.7	211.8

## &lt;Reference&gt; Other referential financial figures of SuMi TRUST Bank

## (1) Balance Sheets

[Non-consolidated]

	Sep. 2018	Mar. 2018	Change
(Billions of yen)			
<b>Assets:</b>			
Cash and due from banks	16,413.8	15,408.1	1,005.7
Call loans	65.1	92.9	(27.8)
Receivables under resale agreements	32.3	63.5	(31.2)
Receivables under securities borrowing transactions	726.9	624.0	102.9
Monetary claims bought	56.4	67.7	(11.3)
Trading assets	406.1	470.8	(64.7)
Money held in trust	0.0	0.0	-
Securities	6,583.1	5,972.3	610.8
Loans and bills discounted	28,870.8	28,259.0	611.8
Foreign exchanges	29.6	25.5	4.0
Other assets	1,503.7	1,428.8	74.8
Tangible fixed assets	193.8	198.3	(4.4)
Intangible fixed assets	65.4	66.9	(1.4)
Prepaid pension expenses	165.7	161.2	4.5
Customers' liabilities for acceptances and guarantees	390.7	398.7	(8.0)
Allowance for loan losses	(61.1)	(77.1)	16.0
<b>Total assets</b>	<b>55,443.2</b>	<b>53,161.4</b>	<b>2,281.7</b>
<b>Liabilities:</b>			
Deposits	30,717.7	29,392.2	1,325.4
Negotiable certificates of deposit	7,131.6	6,758.9	372.7
Call money	666.9	494.8	172.1
Payables under repurchase agreements	1,789.9	1,454.8	335.0
Payables under securities lending transactions	115.0	41.2	73.7
Trading liabilities	224.9	266.1	(41.2)
Borrowed money	4,306.9	4,367.1	(60.2)
Foreign exchanges	18.8	1.9	16.8
Short-term bonds payable	839.7	605.2	234.4
Corporate bonds	955.8	944.9	10.8
Borrowed money from trust account	4,963.9	5,172.4	(208.5)
Other liabilities	773.1	695.8	77.2
Provision for bonuses	8.4	8.9	(0.4)
Provision for directors' bonuses	-	0.0	(0.0)
Provision for retirement benefits	0.7	0.7	0.0
Provision for reimbursement of deposits	3.8	3.5	0.3
Provision for contingent loss	1.5	4.6	(3.0)
Deferred tax liabilities	170.4	173.4	(2.9)
Deferred tax liabilities for land revaluation	2.8	3.0	(0.1)
Acceptances and guarantees	390.7	398.7	(8.0)
<b>Total liabilities</b>	<b>53,083.4</b>	<b>50,789.1</b>	<b>2,294.3</b>
<b>Net assets:</b>			
Capital stock	342.0	342.0	-
Capital surplus	410.2	456.2	(46.0)
Legal capital surplus	273.0	273.0	-
Other capital surplus	137.1	183.2	(46.0)
Retained earnings	1,128.9	1,067.6	61.2
Legal retained earnings	69.0	69.0	-
Other retained earnings	1,059.9	998.6	61.2
Other voluntary reserve	371.8	371.8	-
Retained earnings brought forward	688.0	626.7	61.2
Shareholders' equity	1,881.1	1,865.9	15.2
Valuation difference on available-for-sale securities	488.4	525.8	(37.4)
Deferred gains/ losses on hedges	(8.0)	(18.1)	10.1
Revaluation reserve for land	(1.7)	(1.4)	(0.3)
Valuation and translation adjustments	478.5	506.3	(27.7)
<b>Total net assets</b>	<b>2,359.7</b>	<b>2,372.2</b>	<b>(12.5)</b>
<b>Total liabilities and net assets</b>	<b>55,443.2</b>	<b>53,161.4</b>	<b>2,281.7</b>

(2) Statements of Income  
[Non-consolidated]

	(Billions of yen)		
	1HFY2018	1HFY2017	Change
Ordinary income	521.3	405.9	115.3
Trust fees	50.5	45.7	4.7
Interest income	271.8	202.0	69.8
Interest on loans and discounts	168.7	145.4	23.3
Interest and dividends on securities	80.0	41.3	38.7
Fees and commissions	94.8	92.9	1.8
Trading income	6.7	3.9	2.7
Other ordinary income	58.0	36.8	21.1
Other income	39.4	24.3	15.0
Ordinary expenses	381.6	317.6	64.0
Interest expenses	174.0	119.0	54.9
Interest on deposits	58.5	45.6	12.8
Fees and commissions payments	43.5	43.3	0.1
Trading expenses	-	0.0	(0.0)
Other ordinary expenses	11.6	14.1	(2.4)
General and administrative expenses	120.5	127.4	(6.9)
Other expenses	31.8	13.5	18.3
Ordinary profit	139.6	88.3	51.3
Extraordinary income	0.0	0.3	(0.2)
Extraordinary losses	3.8	6.6	(2.7)
Income before Income Taxes	135.8	82.0	53.7
Income taxes-Current	20.9	16.0	4.9
Income taxes-Deferred	8.7	6.8	1.9
Income taxes	29.7	22.8	6.8
Net income	106.1	59.2	46.9

## (3) Statement of trust account

[Non-consolidated]

	(Billions of yen)		
	Sep. 2018	Mar. 2018	Change
Loans and bills discounted	1,341.7	1,306.3	35.3
Securities	1,689.4	1,834.4	(145.0)
Beneficiary rights	156,476.8	153,552.8	2,923.9
Securities held in custody accounts	27.8	29.3	(1.5)
Money claims	17,979.3	17,142.5	836.8
Tangible fixed assets	15,107.4	14,717.2	390.1
Intangible fixed assets	210.3	205.5	4.7
Other claims	7,114.8	7,287.6	(172.8)
Loans to banking account	4,963.9	5,172.4	(208.5)
Cash and due from banks	470.6	449.6	21.0
<b>Total assets</b>	<b>205,382.3</b>	<b>201,698.1</b>	<b>3,684.2</b>
Money trusts	32,389.9	31,416.6	973.2
Pension trusts	13,783.4	13,720.5	62.8
Property formation benefit trusts	18.1	17.9	0.1
Securities investment trusts	72,935.1	74,634.2	(1,699.0)
Money entrusted, other than money trusts	24,285.3	21,572.4	2,712.8
Securities trusts	19,931.9	19,411.0	520.9
Money claim trusts	18,093.5	17,265.8	827.6
Land and fixtures trusts	78.1	89.4	(11.2)
Composite trusts	23,866.7	23,570.0	296.7
<b>Total liabilities</b>	<b>205,382.3</b>	<b>201,698.1</b>	<b>3,684.2</b>

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

Sep. 2018: 155,631.4 billion yen, Mar. 2018: 152,855.5 billion yen

## (4) Breakdown of principal guaranteed trust a/c

[Non-consolidated]

			(Billions of yen)	
Sep. 2018			Mar. 2018	Change
Money trusts	Loans and bills discounted	33.6	36.2	(2.5)
	Securities	0.0	0.0	-
	Others	4,808.8	5,038.4	(229.6)
	Total assets	4,842.5	5,074.7	(232.1)
	Principal	4,842.2	5,074.3	(232.0)
	Reserves for JOMT (Jointly-operated money trust)	0.0	0.0	(0.0)
	Others	0.2	0.3	(0.0)
	Total liabilities	4,842.5	5,074.7	(232.1)