



**SuMi TRUST**  
SUMITOMO MITSUI TRUST GROUP

# IR Material for 3QFY2012

February 14, 2013

“Status of capital” (Page12) was added, in accordance with the announcement of capital adequacy ratio as of December 31, 2012.

January 31, 2013

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Definitions of terms in this document

Consolidated : Sumitomo Mitsui Trust Holdings (Consolidated)

Non-consolidated : Sumitomo Mitsui Trust Bank (Non-consolidated)

Former Chuo Mitsui Trust and Banking : CMTB, Former Chuo Mitsui Asset Trust and Banking : CMAB, Former Sumitomo Trust and Banking : STB

Figures for past fiscal year in Non-consolidated : CMTB (Non-consolidated) + CMAB (Non-consolidated) + STB (Non-consolidated)

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

# 3QFY2012 financial results: Consolidated

- ▶ Net business profit before credit costs decreased by 49.1 billion yen from 3QFY2011 to 205.4 billion yen due to the significant decrease in the one-time effects from purchase accounting method in addition to the decrease in that on a non-consolidated basis  
→ Contribution of group companies to net business profit before credit costs (before consolidated adjustments) was 38.1 billion yen, which is approx. 19% contribution within the group
- ▶ Ordinary profit decreased by 43.0 billion yen from 3QFY2011 to 180.7 billion yen due to the posting of 10.0 billion yen net losses on stocks, while total credit costs resulted in the reversal. The progress ratio to the FY2012 forecast is approx. 84%
- ▶ Net income decreased by 4.6 billion yen from 3QFY2011 to 100.6 billion yen (excluding amortization of negative goodwill in FY2011), which is approx. 84% progress toward the full year forecast

(Billions of yen)	3QFY2011	3QFY2012		Change from 3QFY2011	FY2012 Full Forecast
	Cumulative total	1H	Cumulative total		
Net business profit before credit costs (Contribution of group companies before consolidated adjustments)	254.6 41.8	147.7 24.2	205.4 38.1	(49.1) (3.6)	275.0
Gross business profit	529.1	323.0	467.5	(61.6)	
General and administrative expenses	(277.2)	(184.5)	(276.6)	0.6	
Net non-recurring profit, etc.	(28.0)	(33.6)	(10.1)	17.8	
Ordinary profit	223.7	104.8	180.7	(43.0)	215.0
Extraordinary profit	35.3	(7.0)	(10.3)	(45.7)	
Amortization of negative goodwill related to share exchange	43.4	-	-	(43.4)	
Income before income taxes	259.1	97.7	170.3	(88.7)	
Total income taxes	(94.0)	(26.9)	(54.8)	39.1	
Net income (excluding amortization of negative goodwill related to share exchange)	105.3	60.7	100.6	(4.6)	120.0
(Net Income)	148.7	60.7	100.6	(48.0)	120.0
Total credit costs	2.7	4.3	6.4	3.6	(10.0)
Net gains/ losses on stocks (Difference from non-consolidated)	(18.0) 13.7	(33.5) 10.2	(10.0) 13.5	8.0 (0.1)	

## < Composition of net business profit before credit costs(\*) >

- (1) Non-consolidated: ¥151.6bn
  - (2) Group companies: ¥38.1bn
  - (3) Effect of purchase accounting method: ¥7.2bn
- (\*) Adjustments of elimination of dividends from subsidiaries, etc. were added to the sum of (1), (2) and (3).

## < Major factors (change from 3QFY2011) >

- (1) Net business profit before credit costs: ¥(49.1)bn
  - Non-consolidated ¥(21.7)bn [¥173.3bn → ¥151.6bn]
  - Effect of purchase accounting method ¥(37.9)bn [¥45.2bn → ¥7.2bn]
- (2) Contribution of group companies before consolidated adjustments: ¥(3.6)bn
  - Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. ¥(3.4)bn
  - Nikko Asset Management ¥(2.0)bn

## < Changes from 3QFY2011 excluding effects of purchase accounting method >

- (1) Net business profit before credit costs: ¥(11.2)bn [¥209.4bn → ¥198.1bn]
- (2) Ordinary profit: ¥(1.5)bn [¥154.8bn → ¥153.2bn]
- (3) Net income: + ¥13.5bn [¥72.0bn → ¥85.5bn]

# 3QFY2012 financial results: Non-consolidated

- ▶ Net business profit before credit costs is almost in line with the FY2012 forecast, although it decreased by 21.7 billion yen from 3QFY2011 due to the decrease in net interest income and related profit, and the decrease in net gains on bonds which recorded high gross business profit in the same period of the previous fiscal year
- ▶ Ordinary profit stood at 117.2 billion yen, 3.0 billion yen decrease from 3QFY2011, due to the recovery in net gains/ losses on stocks resulting from the recovery of stock prices in addition to the reversal of the total credit costs, and it represents approx. 87% of FY2012 forecast
- ▶ Net income increased by 4.8 billion yen from 3QFY2011 to 71.3 billion yen due to the disappearance of effects from the decrease in deferred tax assets due to the reduction in corporate tax rate in FY2011

(Billions of Yen)	3QFY2011	3QFY2012		Change from 3QFY2011	FY2012 Full Forecast
	Cumulative total	1H	Cumulative total		
Net business profit before credit costs	173.3	113.8	151.6	(21.7)	210.0
Gross business profit	355.4	233.9	330.4	(25.0)	450.0
Net interest income and related profit	173.4	109.0	154.1	(19.2)	
Net fees and commissions and related profit	116.2	78.2	113.9	(2.2)	
Net trading profit	5.4	4.4	13.3	7.8	
Net other operating profit	60.3	42.2	48.9	(11.3)	
Net gains on bonds	63.0	38.6	44.8	(18.1)	
General and administrative expenses	(182.1)	(120.0)	(178.7)	3.3	(240.0)
Total credit costs	4.2	3.0	5.0	0.7	(10.0)
Net non-recurring profit, etc.	(57.2)	(54.5)	(39.4)	17.8	(65.0)
Net gains/ losses on stocks	(31.7)	(43.7)	(23.5)	8.2	
Amortization of net actuarial losses	(17.6)	(10.7)	(16.1)	1.5	
Ordinary profit	120.3	62.3	117.2	(3.0)	135.0
Extraordinary profit	(8.9)	(8.5)	(11.6)	(2.7)	
Costs related to the Management Integration	(4.6)	(6.0)	(8.1)	(3.4)	
Income before income taxes	111.3	53.8	105.5	(5.8)	
Total income taxes	(44.8)	(12.3)	(34.2)	10.6	
Net income	66.5	41.4	71.3	4.8	90.0

## < Major factors (change from 3QFY2011) >

- Net interest income and related profit: ¥(19.2)bn**
  - Net interest income ¥(17.3)bn [¥165.7bn → ¥148.4bn]  
Loan-deposit margin + ¥2.8bn [¥116.9bn → ¥119.8bn]
  - Income from securities ¥(17.1)bn [¥81.4bn → ¥64.3bn]
- Net fees and commissions and related profit: ¥(2.2)bn**
  - Sales fees of investment trust / Insurance ¥(1.1)bn [¥22.2bn → ¥21.1bn]
  - Real estate brokerage fees ¥(2.0)bn [¥8.1bn → ¥6.1bn]
- Net gains on bonds : ¥(18.1)bn**
  - Domestic bonds ¥(3.2)bn [¥13.3bn → ¥10.0bn]
  - Foreign bonds ¥(14.8)bn [¥49.6bn → ¥34.7bn]
- Total income taxes: + ¥10.6bn**
  - Disappearance of effect from the decrease in deferred tax assets due to the reduction in corporate tax rate in FY2011 : + ¥10.6bn

# Contribution of major group companies / Effects of purchase accounting method

## <Contribution of major group companies to consolidated financial results>

- ▶ Contribution to net business profit before credit costs decreased by 3.6 billion yen from 3QFY2011 due to the decrease in that of Nikko Asset Management Co., Ltd., etc.
- ▶ Contribution to net income increased by 2.7 billion yen from 3QFY2011 mainly due to the increase in that of Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

	Net business profit before credit costs			Net income			Goodwill as of Dec. 2012	
	3QFY2011 Cumulative total	3QFY2012 Cumulative total	Change	3QFY2011 Cumulative total	3QFY2012 Cumulative total	Change	Amortization amount	Outstanding balance
(Billions of yen)								
Consolidation difference	81.3	53.8	(27.4)	82.2	29.3	(52.9)	(7.2)	115.5
Effect of purchase accounting method	45.2	7.2	(37.9)	76.7	15.0	(61.6)	---	---
Contribution (before consolidated adjustments) (*1)	41.8	38.1	(3.6)	23.3	26.0	2.7	(7.2)	115.5
Nikko Asset Management Co., Ltd. (Consolidated)	7.0	5.0	(2.0)	3.4	2.4	(0.9)	(*) (3.8)	(*) 62.1
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. (Consolidated)	11.9	8.4	(3.4)	3.4	5.8	2.4	(0.1)	0.4
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.	5.9	5.5	(0.3)	5.2	5.3	0.1	(2.9)	47.0
SBI Sumishin Net Bank, Ltd. (Consolidated)	2.0	2.5	0.4	2.0	1.5	(0.5)	---	---

(\*1) Contribution of group companies (before consolidated adjustments) is a substantive amount which excludes consolidation adjustments that do not relate directly to the group companies' business results. (Non-consolidated profit/loss of the holding company, elimination of dividend, amortization of goodwill, etc.)

(\*2) Including an amortization amount (0.7 billion yen) and outstanding balance (3.6 billion yen) of affiliated companies

## < Effects on purchase accounting method >

- ◆ Effects on consolidated financial results for 3QFY2012 are 7.2 billion yen at the level of "Net business profit before credit costs" and 15.0 billion yen at the level of "Net income"
- ◆ Cost burden of amortization of net actuarial losses is reduced due to the posting of losses at the time of management integration.

Note: By applying purchase accounting method, differences between consolidated and non-consolidated costs of revaluated (mark to market) assets/liabilities were recognized, which resulted in the differences of profit/loss between consolidated and non-consolidated financial results by amortization/accumulation of related differences or sales of securities, etc.

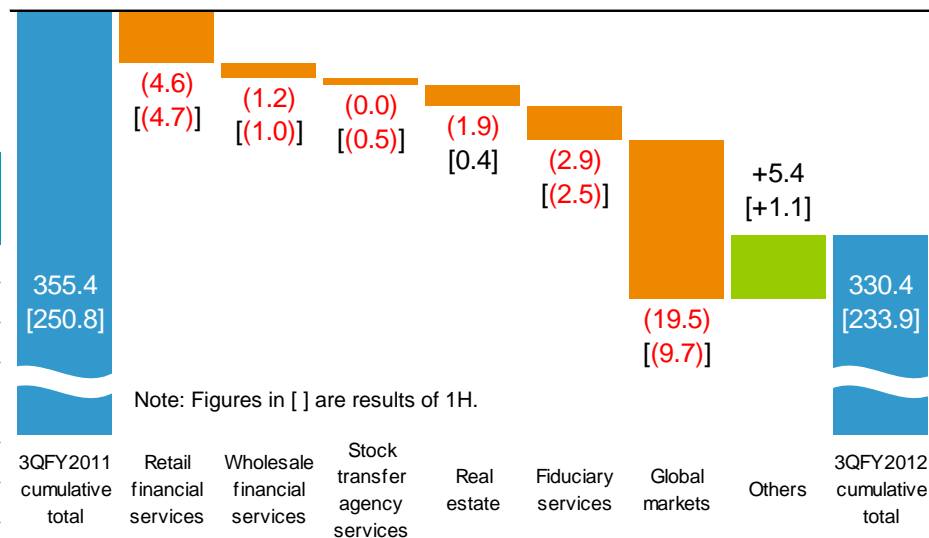
	3QFY2011 Cumulative total	3QFY2012 Cumulative total	Change
Amortization/Accumulation of loans and bills discounted, bonds and deposits, etc.	13.1	1.5	(11.5)
Effects of sales of bonds, etc.	32.1	5.7	(26.4)
Effect on net business profit before credit costs	45.2	7.2	(37.9)
Cancellation of amortization of net actuarial losses	9.9	7.8	(2.0)
Effects of sales/cancellation of devaluation of stocks, etc.	13.7	12.3	(1.4)
Effect on ordinary profit	68.9	27.4	(41.4)
Effect on extraordinary profit	43.3	0.0	(43.3)
Effect on income before income taxes	112.3	27.5	(84.7)
Tax effects on above items	(35.6)	(12.4)	23.1
Effect on net income	76.7	15.0	(61.6)

(\*) One-time effect

# Breakdown of profit by business

► Gross business profit is almost in line with the FY2012 forecast with the progress ratio of approx. 73%, although it decreased by 25.0 billion yen from 3QFY2011 to 330.4 billion yen due to the decrease in that of Global markets which recorded high level profit in the same period of the previous fiscal year

(Billions of yen)	Gross business profit (Non-consolidated)				FY2012 Full Forecast
	3QFY2011 Cumulative total	1H	3QFY2012 Cumulative total	Change from 3QFY2011	
Retail financial services	103.8	66.0	99.1	(4.6)	135.0
Wholesale financial services	79.8	55.2	78.5	(1.2)	120.0
Stock transfer agency services	13.2	8.3	13.2	(0.0)	15.0
Gross business profit	24.7	15.9	24.8	0.1	30.0
Fees paid for outsourcing	(11.4)	(7.6)	(11.6)	(0.1)	(15.0)
Real estate	13.6	8.0	11.6	(1.9)	20.0
Fiduciary services	44.9	28.0	41.9	(2.9)	60.0
Gross business profit	63.4	41.2	61.8	(1.5)	85.0
Fees paid for outsourcing	(18.4)	(13.1)	(19.9)	(1.4)	(25.0)
Global markets	115.9	71.1	96.4	(19.5)	100.0
Others	(16.0)	(2.9)	(10.6)	5.4	-
<b>Total</b>	<b>355.4</b>	<b>233.9</b>	<b>330.4</b>	<b>(25.0)</b>	<b>450.0</b>



(Billions of yen)	Net business profit before credit costs			
	Non-consolidated		Consolidated	
	3QFY2012 Cumulative Total	Change	3QFY2012 Cumulative Total	Change
Retail financial services	12.5	1.2	20.1	2.9
Wholesale financial services	53.0	(2.6)	69.8	(5.3)
Stock transfer agency services	10.5	(0.5)	11.6	(0.3)
Real estate	3.8	(2.1)	5.0	(2.3)
Fiduciary services	18.9	(3.8)	26.7	(5.8)
Global markets	89.5	(17.5)	89.5	(17.5)
Others	(36.8)	3.8	(17.5)	(20.7)
<b>Total</b>	<b>151.6</b>	<b>(21.7)</b>	<b>205.4</b>	<b>(49.1)</b>

(\*1) Figures of 3QFY2011 are tentative calculations based on certain assumptions (transfer pricing, etc.) under managerial accounting.

Figures of "Wholesale financial services" do not include those of "Stock transfer agency services".

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

## <Reference> Forecast for FY2012 (Disclosed in Nov. 2012)

- ▶ Consolidated net business profit before credit costs and net income are progressing steadily against the FY2012 forecast which shows the ratio of 75% and 84%, respectively
- ▶ The year end dividend on common share is planned to be paid according to the dividend policy which targets approx.30% as consolidated dividend payout ratio

< Consolidated >	3QFY2012 (Cumulative total)		FY2012
	1H	(Actual)	Full (Forecast)
(Billions of yen)			
Net business profit before credit costs	147.7	205.4	275.0
Ordinary profit	104.8	180.7	215.0
Net income	60.7	100.6	120.0
Total credit costs	4.3	6.4	(10.0)
Dividend on common share (Yen)	4.25	---	8.50
Consolidated dividend payout ratio	---	---	30.6%

### < Non-consolidated >

Net business profit before credit costs	113.8	151.6	210.0
Gross business profit	233.9	330.4	450.0
Retail financial services	66.0	99.1	135.0
Wholesale financial services	55.2	78.5	120.0
Stock transfer agency services	15.9	24.8	30.0
Real estate	8.0	11.6	20.0
Fiduciary services	41.2	61.8	85.0
Global markets	71.1	96.4	100.0
General and administrative expenses	(120.0)	(178.7)	(240.0)
Total credit costs	3.0	5.0	(10.0)
Other net non-recurring profit	(54.5)	(39.4)	(65.0)
Ordinary profit	62.3	117.2	135.0
Net income	41.4	71.3	90.0

(\*) Fees paid for outsourcing are not deducted.

### Major factors (Consolidated):

Change from the initial forecast at the beginning of FY2012

- (1) **Ordinary profit : ¥(15.0)bn**
  - Non-consolidated : ¥(30.0)bn [¥165.0bn → ¥135.0bn]
  - Group companies : + ¥5.0bn [¥50.0bn → ¥55.0bn]
  - Effect of purchase accounting method : + ¥10.0bn [¥15.0bn → ¥25.0bn]
- (2) **Total credit costs: + ¥20.0bn**
  - Non-consolidated : + ¥10.0bn [¥(20.0)bn → ¥(10.0)bn]
  - Group companies : + ¥10.0bn [¥(10.0)bn → ¥0.0bn]

### Major factors (Non-consolidated):

Change from the initial forecast at the beginning of FY2012

- (3) **Net business profit before credit costs : ± ¥0.0bn**
  - Gross business profit : ¥(5.0)bn [¥455.0bn → ¥450.0bn ]
  - Retail financial services : ¥(10.0)bn [¥145.0bn → ¥135.0bn ]
  - Real estate : ¥(7.0)bn [¥27.0bn → ¥20.0bn ]
  - Global markets: + ¥10.0bn [¥90.0bn → ¥100.0bn ]
  - General and administrative expenses : + ¥5.0bn [¥(245.0)bn → ¥(240.0)bn]
- (4) **Ordinary profit : ¥(30.0)bn**
  - Total credit costs : + ¥10.0bn [¥(20.0)bn → ¥(10.0)bn]
  - Net gains on stocks : ¥(40.0)bn [¥0.0bn → ¥(40.0)bn]

# Breakdown of net interest income: Non-consolidated (Banking a/c)

- ▶ Net loan-deposit income increased from 3QFY2011, while net interest income decreased by 17.3 billion yen mainly due to the decrease in interest income on the bonds resulting from the decrease in exposure of bond investment and the disappearance of dividends (17.1 billion yen) from subsidiaries posted in FY2011
- ▶ Average balance of loans increased by 0.80 trillion yen from the same period of the previous fiscal year due to the increase in loans to domestic borrowers mainly by loans to individuals in addition to the increase in loans to overseas borrowers

	3QFY2012 (Cumulative total)					
	Average balance	Change from 3QFY 11	Yield	Change from 3QFY 11	Income/Expense	Change from 3QFY 11
(Average balance: Trillions of yen) (Income/Expense: Billions of yen)						
Net interest income					148.4	(17.3)
Domestic business			0.67%	(0.05%)	131.8	(14.1)
Interest-earning assets	26.09	(0.40)	1.05%	(0.09%)	206.9	(22.1)
Loans and bills discounted	18.05	0.06	1.10%	(0.10%)	150.2	(12.8)
Securities	5.68	(0.19)	0.95%	(0.12%)	41.0	(6.4)
Interest-bearing liabilities	25.62	(0.54)	0.38%	(0.04%)	(75.1)	7.9
Deposits	20.76	0.13	0.33%	(0.05%)	(52.9)	7.3
International business			0.59%	(0.19%)	16.6	(3.1)
Interest-earning assets	4.78	0.34	1.50%	(0.21%)	54.3	(2.9)
Loans and bills discounted	2.64	0.73	1.36%	0.03%	27.2	8.0
Securities	1.53	(0.44)	2.01%	(0.26%)	23.2	(10.6)
Interest-bearing liabilities	5.47	0.16	0.91%	(0.02%)	(37.6)	(0.1)
Deposits	1.06	(0.03)	0.57%	(0.03%)	(4.6)	0.3
Loan-deposit margin / income			0.78%	(0.04%)	119.8	2.8
Domestic business			0.77%	(0.05%)	97.2	(5.4)

(\*) Figures of past fiscal year are CMTB (Non-consolidated) + STB (Non-consolidated)

(Note) Figures in this page do not include principal guaranteed trust account, thus there are some differences from those shown in 1H/Full fiscal year.

< Major factors (change from 3QFY2011) >

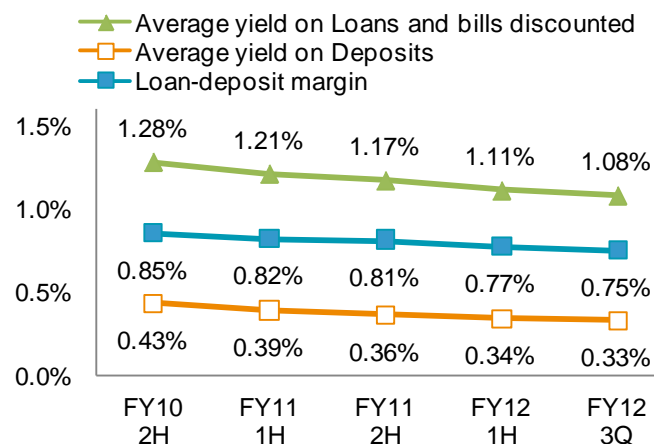
(1) Securities : ¥(17.1)bn

- Japanese bonds ¥(6.8)bn [¥14.9bn → ¥8.1bn]
- Stocks ¥(4.9)bn [¥17.3bn → ¥12.4bn]
- Foreign bonds ¥(10.6)bn [¥33.9bn → ¥23.2bn]

(2) Swaps : ¥(1.2)bn

- Domestic business + ¥0.0bn [¥9.5bn → ¥9.6bn]
- International business ¥(1.2)bn [¥(8.5)bn → ¥(9.8)bn]

## Domestic loan-deposit margin





# Status of prioritized Strategic Area (1)

## Investment trust and insurance sales, Fiduciary services

- ▶ Sales fees of investment trust increased from 3QFY2011 due to the introduction of new products which caught the clients' needs in addition to the market recovery, while sales fees of insurance decreased due to the lowered expected return of insurance products
- ▶ Balance of assets under management (AUM) recovered to the same level compared with that of Mar. 2012 due to the recent rise of stock prices with the exception of the 6.7 trillion yen decrease of discretionary investment resulting from the excess payment by public pension benefits, etc. in 1HFY2012
- ▶ Assets under custody (AUC) of domestic business stayed almost flat from FY2011, while AUC of global business steadily increased due to the acquisition of Sumitomo Mitsui Trust (UK) Limited with AUC of US\$ 29.6 billion in addition to the growth of existing AUC

### Investment trust and insurance sales

(Billions of yen)	3QFY2011 Cumulative total	3QFY2012		Change from 3QFY2011
		1H	Cumulative total	
Total fees and commissions	33.6	21.0	32.5	(1.0)
Sales fees of investment trust	12.7	8.9	14.9	2.2
Sales fees of insurance	9.5	4.6	6.1	(3.3)
Others (management and administration)	11.3	7.5	11.4	0.0

(Billions of yen)	1,001.1	607.4	952.1	(48.9)
Investment trust	636.2	416.8	682.2	45.9
Fund wrap, SMA	44.7	29.4	51.7	7.0
Insurance	320.1	161.1	218.1	(101.9)

(Billions of yen)	Mar. 2012	Sep. 2012	Dec. 2012	Change fm Mar. 2012
	Actual	Actual	Actual	
Total balance	4,773.1	4,533.5	4,810.7	37.5
Investment trust	2,072.9	1,984.5	2,105.9	33.0
Fund wrap, SMA	139.6	148.8	170.0	30.4
Insurance	2,560.5	2,400.1	2,534.6	(25.8)

### Fiduciary services business

[Balance of assets under management] (Trillions of yen)	Mar. 2012	Sep. 2012	Dec. 2012	Change
	Actual	Actual	Actual	
Assets under management (AUM)	63.3	53.8	57.2	(6.0)
SMTB	46.4	38.2	40.0	(6.4)
Corporate pension trust	13.5	13.1	13.6	0.1
Public pension trust	8.8	8.5	9.0	0.1
Discretionary investment	24.1	16.5	17.3	(6.7)
Subsidiaries	16.8	15.6	17.2	0.3
Sumitomo Mitsui Trust Asset Management	3.8	3.6	3.8	0.0
Nikko Asset Management	12.9	12.0	13.3	0.3

[Balance of assets under custody] (Trillions of yen) (Billions of USD)	Mar. 2012	Sep. 2012	Dec. 2012	Change
	Actual	Actual	Actual	
Domestic custody business (JTSB) (*)	181	178	181	0
Global custody business (**)	214	220	251	36

(\*) Domestic custody assets other than trust assets are not included

JTSB: Japan Trustee Services Bank, Ltd

(\*\*) Combined figures of Sumitomo Mitsui Trust Bank (U.S.A.) Limited and Sumitomo Mitsui Trust (UK) Limited

# Status of prioritized Strategic Area (2)

## Real estate business, Credit portfolio

- ▶ Real estate brokerage fees of subsidiaries which treat the residential properties and small- and medium-sized properties as well as real estate trust fees, etc. stayed flat compared with 3QFY2011, while those of SMTB decreased due to the stagnation of large-sized properties transactions
- ▶ Advanced amount of loans to individuals increased by approx. 57.3 billion yen from 3QFY2011 to 758.4 billion yen as a result of active promotion mainly for residential mortgage loans.
- ▶ Balance of credit to overseas Japanese and non-Japanese borrowers increased by 311.9 billion yen and 309.2 billion yen, respectively, from Mar. 2012 mainly due to the steady progress in loans in addition to the effect of yen depreciation

### Real estate business

(Billions of yen)	3QFY2011	3QFY2012		Change from 3QFY2011
	Cumulative total	1H	Cumulative total	
Real estate brokerage fees	16.5	8.9	14.4	(2.0)
SMTB	8.1	4.0	6.1	(2.0)
Sumitomo Mitsui Trust Realty	8.3	4.9	8.2	(0.0)
Real estate trust fees, etc.	4.8	3.3	4.8	0.0
Net Other real estate profit	1.4	1.3	1.7	0.2
Group companies	0.7	0.7	1.0	0.2
<b>Total</b>	<b>22.7</b>	<b>13.7</b>	<b>21.0</b>	<b>(1.7)</b>

(Billions of yen)	Mar. 2012	Sep. 2012	Dec. 2012	Change from Mar. 2012
	Actual	Actual	Actual	
Securitized real estate	9,504.7	9,658.8	9,662.1	157.3
Asset under custody from J-REIT	5,336.6	5,813.3	5,913.0	576.3
Asset under management	647.7	857.9	878.0	230.2
Private funds	320.2	515.0	533.5	213.2
J-REITs	327.5	342.9	344.5	17.0

### Individual loans business

(Billions of yen)	3QFY2011	3QFY2012		Change from 3QFY2011
	Cumulative total	1H	Cumulative total	
Advanced amount of loans to individuals	701.0	486.3	758.4	57.3
Residential mortgage loans	688.7	468.1	733.1	44.3

(Billions of yen)	Mar. 2012	Sep. 2012	Dec. 2012	Change from Mar. 2012
	Actual	Actual	Actual	
Balance of loans to individuals	6,434.8	6,599.9	6,722.0	287.2
Residential mortgage loans	5,936.7	6,128.5	6,263.6	326.8

### Credit to overseas borrowers


(Billions of yen)	Mar. 2012	Sep. 2012	Dec. 2012	Change from Mar. 2012
	Actual	Actual	Actual	
Japanese borrowers	1,700.4	1,830.3	2,012.4	311.9
Loans	1,627.5	1,752.2	1,926.8	299.2
Non-Japanese borrowers	1,314.6	1,465.4	1,623.9	309.2
Loans	541.4	775.5	920.4	378.9
(reference) USD/JPY	82.15	77.60	86.54	4.39

(\*) In addition to the above, there are acceptance and guarantee, etc.  
 Mar. 2012: 9.1 bn yen , Sep. 2012: 40.5 bn yen , Dec. 2012: 49.4 bn yen

# Breakdown of total credit costs and problem assets based on the Financial Reconstruction Act

- ▶ Total credit costs (consolidated) were the reversal of 6.4 billion yen due to the reversal of allowance for loan losses resulting from the improvements of debtors' business condition and the decrease in the loan balance as well as the reversal of allowance for the Great East Japan Earthquake in the group companies, while some allowance for loan losses was posted due to the downgrade of some large clients
- ▶ Problem assets based on the Financial Reconstruction Act stayed stable at the low level both in balance and in the ratio to total balance. The coverage ratio secured sufficient level of 86%

## <Total credit costs>

(Billions of yen)	FY2011	3QFY2012		Major factors (3QFY2012 (cumulative total))
	Full	1H	cumulative total	
Total credit costs (Non-Consolidated)	1.1	3.0	5.0	 Downgrade of debtors: Approx. (8.5) Upgrade of debtors: Approx. +4.0 Decrease in loan balance, etc. (Incl. recoveries of written-off claims): Approx. +9.5, etc.
General allowance for loan losses	22.1	8.1	9.8	
Specific allowance for loan losses	(29.3)	(6.9)	(6.2)	
Recoveries of written-off claims	12.6	2.2	2.5	
Losses on sales of claims, written-off	(4.2)	(0.3)	(1.0)	
Total credit costs (Group companies)	(10.0)	1.3	1.3	Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. +2.5, etc.
Total	(8.9)	4.3	6.4	

## <Problem assets based on the Financial Reconstruction Act (Non-consolidated)>

(Billions of yen)	Mar. 2012	Dec. 2012	Change	Collateral / Allowance	Coverage ratio (*1)	Allowance ratio (*2)	
	Actual	Actual					
Problem assets based on the Financial Reconstruction Act	234.3	239.1	4.8		86.2%	58.7%	
(Ratio to total loan balance)	1.1%	1.1%	0.0%				
Bankrupt and practically bankrupt	33.3	33.1	(0.2)	Total	33.1	100.0%	100.0%
				Collateral value	16.9		
				Specific allowance for loan losses	16.1		
Doubtful	124.0	126.7	2.6	Total	115.2	90.9%	68.8%
				Collateral value	90.0		
				Specific allowance for loan losses	25.2		
Substandard	76.9	79.3	2.3	Total	57.7	72.9%	20.5%
				Collateral value	52.2		
				General allowance for loan losses	5.5		
Other special mention debtors	746.5	660.8	(85.7)	(*1) (Collateral value after considering haircuts + allowance for loan losses) / Loan balance			
Ordinary assets	20,658.9	21,379.5	720.6	(*2) Allowance for loan losses / (Loan balance - Collateral value after considering haircuts)			
Total balance	21,639.7	22,279.4	639.7				

# Securities portfolio

- ▶ Costs of Japanese stocks (consolidated) decreased by 38.7 billion yen from Mar. 2012 to 807.1 billion yen due to the devaluation and reduction of shareholdings. Costs of others (consolidated) increased by 224.1 billion yen to 1,471.5 billion yen over the same period due to the increase in exposure of foreign bonds
- ▶ Unrealized gains/ losses on available-for-sale securities (consolidated) stood at the net gains of 62.3 billion yen due to the recovery of stock prices

## <Breakdown of securities with fair value (Consolidated)>

(Billions of yen)	Costs			Fair value			Unrealized gains/losses		
	Mar. 2012	Dec. 2012	Change	Mar. 2012	Dec. 2012	Change	Mar. 2012	Dec. 2012	Change
Available-for-sale securities	5,922.0	6,151.6	229.5	6,018.5	6,214.0	195.4	96.4	62.3	(34.0)
Japanese stocks	845.9	807.1	(38.7)	896.1	838.5	(57.6)	50.2	31.3	(18.8)
Domestic bonds	3,828.7	3,872.9	44.1	3,854.8	3,881.1	26.3	26.0	8.2	(17.8)
Others	1,247.4	1,471.5	224.1	1,267.5	1,494.3	226.7	20.1	22.7	2.5
Held-to-maturity debt securities	640.0	662.2	22.2	676.9	701.6	24.6	36.9	39.3	2.4

## <Available-for-sale securities (Non-consolidated)>

Available-for-sale securities	5,356.7	5,817.6	460.9	5,480.4	5,925.4	444.9	123.7	107.7	(16.0)
Japanese stocks	808.4	755.3	(53.0)	895.5	835.7	(59.8)	87.1	80.4	(6.7)
Domestic bonds	3,305.9	3,594.1	288.2	3,327.0	3,602.8	275.8	21.0	8.6	(12.3)
Government bond	2,462.9	2,885.7	422.7	2,479.3	2,890.4	411.1	16.3	4.7	(11.6)
Others	1,242.3	1,468.1	225.8	1,257.9	1,486.7	228.8	15.5	18.6	3.0
Domestic investment (*1)	355.4	269.9	(85.4)	350.5	268.4	(82.1)	(4.9)	(1.5)	3.3
International investment (*1)	691.6	953.6	261.9	714.1	983.2	269.0	22.5	29.6	7.1
Others (Investment trust, etc.) (*2)	195.2	244.5	49.3	193.1	235.1	41.9	(2.0)	(9.4)	(7.3)

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

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

## <Held-to-maturity debt securities (Non-consolidated)>

Held-to-maturity debt securities	638.9	661.4	22.4	676.1	700.9	24.8	37.2	39.5	2.3
Japanese government bonds	164.4	265.5	101.0	172.0	271.9	99.9	7.5	6.4	(1.1)
Foreign bonds (Corporate)	237.1	199.1	(38.0)	238.1	201.4	(36.7)	1.0	2.3	1.2
Asset-backed securities (International) (*)	162.3	138.3	(23.9)	190.0	168.4	(21.6)	27.7	30.0	2.3

(\*) Unamortized balance of unrealized loss on overseas asset-backed securities which were reclassified from AFS to HTM during FY2008

(Dec. 2012: (37.9)bn yen, Mar. 2012: (45.7)bn yen)

# Bonds held by Global markets / Status of shareholdings

- ▶ JPY bonds held by Global markets increased by 565.2 billion yen due to the increase in treasury bills, and foreign bonds increased by 271.8 billion yen mainly due to the increase in US treasury. Unrealized gains/ losses from foreign bonds and JPY bonds stood at the net gains of 17.1 billion yen and 14.0 billion yen, respectively, mainly due to the decline in foreign interest rate
- ▶ Duration of JPY bonds and foreign bonds shortened by 0.3 year and 0.1 year from Mar. 2012 to 2.2 year and 5.0 year, respectively
- ▶ Exposure of cross shareholdings was reduced by 6.6 billion yen toward the reduction target of approx. 30% to consolidated Tier 1 capital

## [Bonds held by Global markets (Non-consolidated)]

(Billions of yen)	Costs			Unrealized gains/losses			10BPV (*2)			Duration (Year) (*2)		
	Mar. 2012	Dec. 2012	Change	Mar. 2012	Dec. 2012	Change	Mar. 2012	Dec. 2012	Change	Mar. 2012	Dec. 2012	Change
JPY	2,730.7	3,296.0	565.2	25.9	14.0	(11.8)	6.5	7.3	0.7	2.5	2.2	(0.3)
Others	319.3	591.2	271.8	11.3	17.1	5.8	1.4	2.7	1.2	5.1	5.0	(0.1)
USD	222.7	419.2	196.4	9.4	14.4	4.9	1.1	1.7	0.5	6.2	4.5	(1.6)
EUR, etc	96.5	171.9	75.3	1.8	2.7	0.8	0.3	1.0	0.7	3.2	5.8	2.5

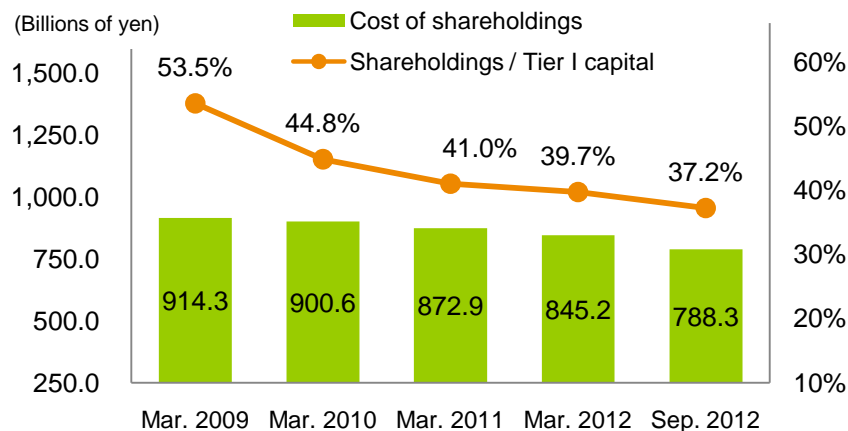
(\*1) Managerial reporting basis; "Held-to-maturity debt securities" and "Available-for-sale securities" are combined.

(\*2) In the calculation of 10BPV and duration, investment balance hedged by derivative transactions, etc. were excluded.

## [Reduction amount of cross shareholdings (Consolidated)]

(Billions of yen)	FY2011	FY2012		
		1H	3Q	3Q cumulative total
Cost basis	55.7	18.5	6.6	25.1

## (Reference) Cross shareholdings / Tier 1 capital (Consolidated)



# Status of capital

► Consolidated Tier I capital ratio as of the end of Dec. 2012 improved by 0.16 % from the end of Mar. 2012 to 12.03 % mainly due to the accumulation of retained earnings, while risk-weighted assets (RWA) increased mainly by market risks.

<Status of capital and total risk-weighted assets (No.1 standard: International standard for bank holding company) (Consolidated)>

(Billions of yen)	Mar. 2012	Dec. 2012	Change
	Actual	Actual	
Total qualifying capital	2,985.7	2,942.6	(43.1)
Tier 1 capital	2,125.5	2,183.7	58.1 (1)
Shareholders' equity	1,796.8	1,878.1	81.3
Preferred shares	109.0	109.0	-
Minority interests	510.1	488.0	(22.0)
Preferred securities	463.5	436.0	(27.5)
Tier 2 capital	983.6	889.4	(94.2) (2)
Subordinated debts	955.9	879.7	(76.1)
Deduction	(123.4)	(130.5)	(7.0)
Total risk-weighted assets	17,894.4	18,141.3	246.9
Amount of credit risk-weighted assets	16,460.5	16,498.5	37.9
Amount of market risk equivalents	219.5	449.4	229.8 (3)
Amount of operational risk equivalents	1,214.3	1,193.4	(20.9)
BIS capital adequacy ratio	16.68%	16.22%	(0.46%)
Tier 1 capital ratio	11.87%	12.03%	0.16%

<Major factors of change in capital during 3QFY2012 (Cumulative period)>

- (1) Tier 1 capital : +58.1 billion yen
  - Net income : +100.6 billion yen
  - Interim dividends : (19.9) billion yen
  - Redemption of preferred securities : (27.5) billion yen, etc.
- (2) Tier 2 capital : (94.2) billion yen
  - Redemption of subordinated bonds, etc.: (76.1) billion yen
  - Unrealized gain on available-for-sale securities x 45% : (15.0) billion yen, etc.

<Major factors of change in risk-weighted assets during 3QFY2012 (Cumulative period)>

- (3) Amount of market risk equivalents: +229.8 billion yen
  - Increase in foreign exchange position, etc.

[Reference] Common Equity Tier 1 ratio  
Dec. 2012: Mid-6.0%  
(after deducting all the deduction items)

(Reference) Risk Measurement Method

Credit Risk	Foundation Internal Ratings-Based Approach (FIRB)
Market Risk	Internal Models Approach (IMA)
Operational Risk	The Standardized Approach (TSA)