



**SuMi TRUST**  
SUMITOMO MITSUI TRUST GROUP

# Summary of Financial Results for 1HFY2014

Items described below are revised on February 6, 2015  
(Page 11) "Credit portfolio" " Overseas credit"

November 13, 2014

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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 before FY2011 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

# Financial results 1HFY2014 : Consolidated

- ▶ Net business profit before credit costs: UP ¥7.6bn YoY to ¥147.0bn due primarily to growth of net interest income and related profit of SMTB
- ▶ Net income: UP ¥14.5bn YoY to ¥83.7bn due to recovery of net non-recurring profit including reversal of credit costs, and positive effect from change in tax accounting status, while costs of banking IT system integration were posted as extraordinary loss in SMTB

(Billions of yen)		1HFY2013	1HFY2014	Change	Forecast for 1HFY2014
Net business profit before credit costs	1	139.4	147.0	7.6	140.0
(Contribution of group companies before consolidated adjustments)	2	31.5	31.1	(0.4)	
Gross business profit	3	325.5	334.1	8.5	
Net interest income and related profit	4	112.7	124.5	11.8	
Net fees and commissions and related profit	5	171.7	171.5	(0.2)	
Net other operating profit	6	29.2	22.9	(6.3)	
General and administrative expenses	7	(196.7)	(198.9)	(2.1)	
Net non-recurring profit, etc.	8	(4.1)	17.1	21.2	
Ordinary profit	9	124.5	152.3	27.7	130.0
Extraordinary profit	10	(1.1)	(46.7)	(45.6)	
Income before income taxes	11	123.4	105.5	(17.9)	
Total income taxes	12	(44.5)	(15.2)	29.2	
Net income	13	69.2	83.7	14.5	80.0
Total credit costs	14	6.5	14.5	7.9	-
Net gains on stocks	15	(11.3)	10.9	22.3	
Return on shareholders' equity	16	7.98%	8.99%	1.01%	
Dividend on common share (Yen)	17	5.00	5.50	0.50	
Net assets per common shares (BPS) (Yen)	18	501.33	541.56	40.23	

## < Components of Net business profit before credit costs(\*) >

- (1) Non-consolidated: ¥111.5bn
  - (2) Group companies: ¥31.1bn
  - (3) Effect of purchase accounting method: ¥1.2bn
- (\*) Adjustments of elimination of dividends from subsidiaries, etc. were added to the sum of (1), (2) and (3)

## < Major factors [change from 1HFY2013] >

- (1) Net business profit before credit costs <1>: ¥7.6bn  
 Non-consolidated: +¥6.9bn [¥104.5bn → ¥111.5bn]  
 Group companies: ¥(0.4)bn [¥31.5bn → ¥31.1bn]  
 Effect of purchase accounting method: +¥1.9bn  
 [¥(0.7)bn → ¥1.2bn ]
- (2) Contribution of group companies before consolidated adjustments <2>: ¥(0.4)bn  
 • Nikko Asset Management: ¥(1.8)bn  
 • Sumitomo Mitsui Trust Realty: ¥(1.4)bn  
 • SBI Sumishin Net Bank: +¥0.7bn

## < Changes from 1HFY2013 excluding effects of purchase accounting method >

- (1) Net business profit before credit costs: +¥5.6bn  
 [¥140.1bn → ¥145.7bn]
- (2) Ordinary profit: +¥25.2bn [¥120.7bn → ¥146.0bn]
- (3) Net income: +¥13.8bn [¥66.7bn → ¥80.6bn]

# Financial results 1HFY2014 : Non-consolidated

- ▶ Net business profit before credit costs: UP ¥6.9bn YoY to ¥111.5bn  
Net interest income and related profit improved by recovery in loan-deposit income due primarily to growth of overseas loans
- ▶ Net income: UP ¥12.1bn YoY to 68.3bn  
Reversal of credit costs, net gains on stocks and positive effect from change in tax accounting status contributed, while costs of banking IT system integration were posted

(Billions of Yen)		1HFY2013	1HFY2014	Change	Forecast for 1HFY2014
Net business profit before credit costs	1	104.5	111.5	6.9	110.0
Gross business profit	2	229.3	236.3	7.0	235.0
Net interest income and related profit	3	104.8	115.0	10.2	
Net fees and commissions and related profit	4	95.9	95.5	(0.4)	
Net trading profit	5	11.8	15.0	3.2	
Net other operating profit	6	16.7	10.7	(6.0)	
Net gains on foreign exchange transactions	7	(2.6)	0.8	3.5	
Net gains on bonds	8	9.8	20.5	10.7	
Net gains from derivatives other than for trading or	9	9.3	(11.3)	(20.7)	
General and administrative expenses	10	(124.7)	(124.8)	(0.0)	(125.0)
Total credit costs	11	4.0	13.1	9.0	-
Other non-recurring profit	12	(18.3)	(6.6)	11.6	(10.0)
Net gains on stocks	13	(8.0)	11.3	19.3	
Amortization of net actuarial losses	14	(9.1)	(8.7)	0.3	
Ordinary profit	15	90.2	117.9	27.7	100.0
Extraordinary profit	16	(1.2)	(46.8)	(45.6)	
IT system integration costs	17	-	(46.6)	(46.6)	
Income before income taxes	18	89.0	71.1	(17.9)	
Total income taxes	19	(32.8)	(2.8)	30.0	
Net income	20	56.2	68.3	12.1	70.0

< Major factors [change from 1HFY2013] >

- (1) Net interest income and related profit <3>: +¥10.2bn  
Net interest income +¥9.1bn [¥100.9bn → ¥110.0bn]  
Loan-deposit income +¥8.2bn [¥80.6bn → ¥88.8bn]  
Income from securities ¥(7.7)bn [¥50.5bn → ¥42.8bn]  
Income/expense in swaps +¥5.6bn [¥(8.2)bn → ¥(2.5)bn]
- (2) Net fees and commissions and related profit <4>: ¥(0.4)bn  
• Investment trust / Insurance related profit +¥2.9bn [¥28.0bn → ¥31.0bn]  
• Real estate brokerage fees ¥(1.3)bn [¥9.8bn → ¥8.5bn]
- (3) Net gains on bonds <8>: +¥10.7bn  
• Domestic bonds +¥1.2bn [¥(0.7)bn → ¥0.5bn]  
• Foreign bonds +9.4bn [¥10.6bn → ¥20.0bn]
- (4) Extraordinary profit <16>: ¥(45.6)bn  
Banking IT system integration costs: ¥(46.6)bn
- (5) Total income taxes <19>: +¥30.0bn  
Positive effect from change in example categories for tax effect accounting: Approx. +¥13.0bn

# Contribution of major group companies

- ▶ Contribution to net business profit before credit costs: DOWN ¥0.4bn YoY to ¥31.1bn
- ▶ Contribution to net income: DOWN ¥0.5bn YoY to ¥20.6bn
- UP: Sumitomo Mitsui Trust Asset Management and SBI Sumishin Net Bank
- DOWN: Nikko Asset Management and Sumitomo Mitsui Trust Realty

	Net business profit before credit costs			Net income			Goodwill as of Sep. 2014	
	1HFY2013	1HFY2014	Change	1HFY2013	1HFY2014	Change	Amortization amount	Outstanding balance
(Billions of yen)								
Consolidation difference	34.8	35.4	0.6	13.0	15.4	2.4	(4.6)	92.4
Effect of purchase accounting method	(0.7)	1.2	1.9	2.4	3.1	0.6	---	---
Contribution (before consolidated adjustments) (*1)	31.5	31.1	(0.4)	21.2	20.6	(0.5)	(4.6)	92.4
Sumitomo Mitsui Trust Asset Management	1.4	2.0	0.6	0.8	1.3	0.4	---	---
Nikko Asset Management (Consolidated)	5.6	3.8	(1.8)	2.7	1.7	(1.0)	(*2) (2.4)	(*2) 50.3
Sumitomo Mitsui Trust Realty	1.7	0.3	(1.4)	1.0	0.2	(0.8)	---	---
Sumitomo Mitsui Trust Panasonic Finance (Consolidated)	5.2	5.3	0.0	4.4	3.5	(0.8)	(0.1)	0.1
Sumitomo Mitsui Trust Loan & Finance	4.0	4.3	0.3	4.3	4.0	(0.3)	(1.9)	40.2
SBI Sumishin Net Bank (Consolidated)	3.0	3.7	0.7	1.7	2.5	0.8	---	---
Sumitomo Mitsui Trust Guarantee (Consolidated)	5.5	5.7	0.1	3.1	3.7	0.6	---	---

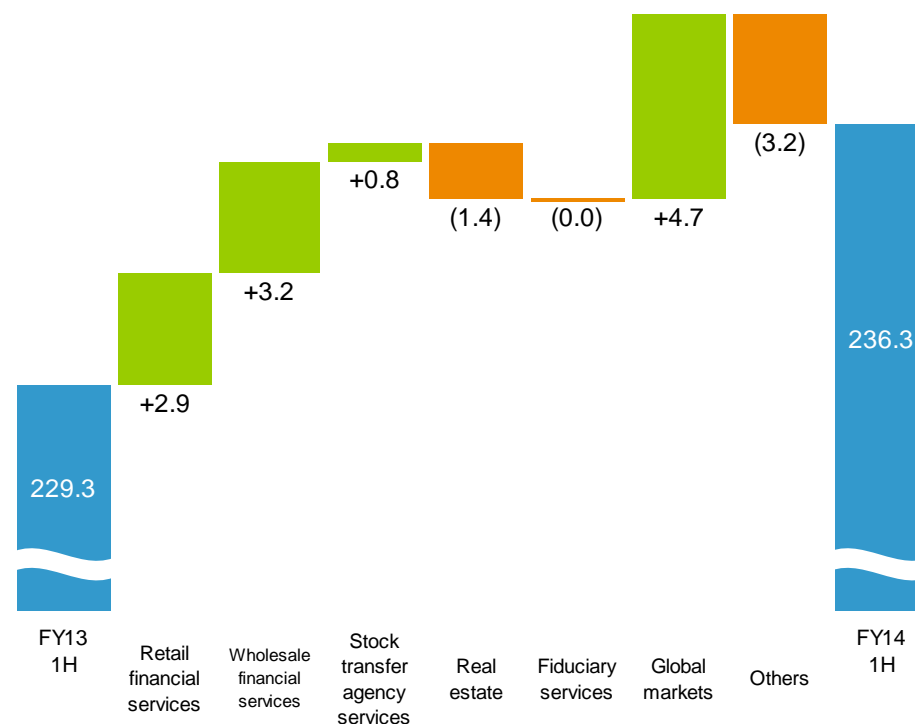
(\*1) Contribution of group companies (before consolidated adjustments) is a substantive amount which excludes consolidation adjustments that do not relate directly to the group companies' business results. (Non-consolidated profit/loss of the holding company, elimination of dividend, amortization of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

(\*2) Including 0.4 billion yen of amortization amount and 1.9 billion yen of outstanding balance from affiliated companies

# Profit by business: Non-consolidated

- ▶ Gross business profit: UP ¥7.0bn YoY to ¥236.3bn  
Global markets increased profit and the other businesses except for Real estate showed steady growth
- ▶ Retail financial services: UP ¥2.9bn YoY due primarily to growth in profit from investment trust and insurance related profit
- ▶ Stock transfer agency services: UP ¥0.8bn YoY due to reduction in fees paid for outsourcing
- ▶ Real estate: DOWN ¥1.4bn YoY due partly to delay in closing of several transactions

	Gross business profit (Non-consolidated)			Forecast for 1HFY2014
	1HFY2013	1HFY2014	Change	
(Billions of yen)				
Retail financial services	69.8	72.8	2.9	74.0
Wholesale financial services	60.4	63.6	3.2	61.0
Stock transfer agency services	9.1	9.9	0.8	10.0
Gross business profit	15.6	15.4	(0.1)	15.0
Fees paid for outsourcing	(6.4)	(5.4)	1.0	(5.0)
Real estate	12.9	11.5	(1.4)	15.0
Fiduciary services	31.2	31.1	(0.0)	32.0
Gross business profit	45.0	45.5	0.5	46.0
Fees paid for outsourcing	(13.8)	(14.4)	(0.5)	(14.0)
Global markets	44.6	49.3	4.7	42.0
Others	1.0	(2.1)	(3.2)	1.0
<b>Total</b>	<b>229.3</b>	<b>236.3</b>	<b>7.0</b>	<b>235.0</b>



Note : Figures for "Others" include costs of capital funding, dividends of shares for cross shareholdings, general and administrative expenses of headquarters, etc.

# Net interest income: Non-consolidated

▶ Net interest income: UP ¥9.1bn YoY to ¥110.0bn

The loan-deposit income continuously up due to growth of international loans and net income from swaps improved, while income from securities down due to disappearance of income from cancellation of investment trust

▶ Domestic loan-deposit margin showed signs of recovery with 1bp improvement from 2HFY2013 as deposit yield decline

	1HFY2014					
	Average balance	Change from 1HFY2013	Yield	Change from 1HFY2013	Income/Expense	Change from 1HFY2013
(Average balance: Trillions of yen) (Income/Expense: Billions of yen)						
Net interest income					110.0	9.1
Domestic business			0.53%	(0.13%)	77.4	(12.2)
Interest-earning assets	28.82	1.68	0.82%	(0.18%)	119.1	(17.5)
Loans and bills discounted	18.27	(0.02)	0.95%	(0.05%)	87.3	(4.6)
Securities	3.24	(1.03)	1.34%	(0.27%)	21.9	(12.6)
Interest-bearing liabilities	28.35	1.46	0.29%	(0.05%)	(41.6)	5.3
Deposits	21.07	0.03	0.26%	(0.04%)	(27.7)	4.8
International business			0.66%	0.39%	32.6	21.4
Interest-earning assets	9.71	1.96	1.26%	0.11%	61.7	16.9
Loans and bills discounted	5.51	1.50	1.30%	0.04%	36.0	10.6
Securities	1.89	0.33	2.18%	0.16%	20.8	4.9
Interest-bearing liabilities	9.64	2.05	0.60%	(0.28%)	(29.1)	4.4
Deposits	2.82	0.88	0.47%	0.06%	(6.6)	(2.6)
Loan-deposit margin / income			0.75%	0.02%	88.8	8.2
Domestic business			0.69%	(0.01%)	59.5	0.2
<Reference> Net interest income and related profit					115.0	10.2
Trust fees from principal guaranteed trust a/c					4.9	1.0

< Major factors [change from 1HFY2013] >

(1) Securities : ¥(7.7)bn [¥50.5bn → ¥42.8bn]

Japanese bonds: ¥(0.9)bn [¥3.6bn → ¥2.7bn]

Stocks: ¥(1.1)bn [¥12.9bn → ¥11.8bn]

Foreign securities: +¥4.9bn [¥15.8bn → ¥20.8bn]

Others: ¥(9.9)bn [¥14.8bn → ¥4.9bn]

Income from cancellation of investment trust: ¥(6.8)bn  
[¥9.1bn → ¥2.3bn]

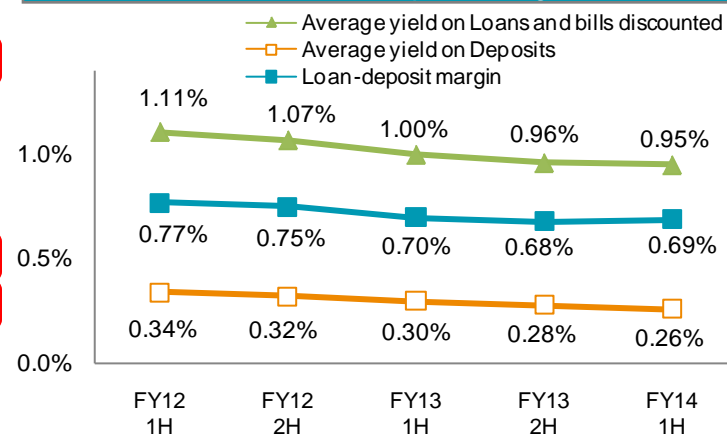
(2) Swaps : +¥5.6bn [¥(8.2)bn → ¥(2.5)bn]

Domestic business ¥(1.1)bn [¥5.3bn → ¥4.2bn]

International business +¥6.8bn [¥(13.6)bn → ¥(6.8)bn]

Disappearance of loss from unwinding swaps related to the investment in debt securities +¥6.0bn

## Domestic loan-deposit margin



# Total credit costs and problem assets

- ▶ Total credit costs (Consolidated) : Reversal ¥14.5bn  
Improvement in clients' financial conditions in addition to the decrease of amount of those assets
- ▶ NPL ratio (Non-consolidated): DOWN 0.1 percentage points from Mar. 2014 to 0.9% due to decrease in substandard loan balance  
Coverage ratio to problem assets kept sufficient level, 84.0%  
Assets to other special mention debtors decreased steadily

< Total credit costs > (Billions of yen)	FY2013			FY2014	Major factors (1HFY2014)
		1H	2H	1H	
Total credit costs (Non-Consolidated)	7.6	4.0	3.5	13.1	Downgraded debtors: Approx. (8.5) Upgraded debtors: Approx. +5.0 Decrease in loan balance, etc. (Including recoveries): Approx. +16.5
General allowance for loan losses	(2.6)	0.5	(3.2)	2.9	
Specific allowance for loan losses	8.9	2.4	6.5	9.6	
Recoveries of written-off claims	1.2	0.8	0.3	0.6	
Losses on sales of claims, written-off	0.0	0.1	(0.0)	(0.1)	
Total credit costs (Group companies)	1.5	2.5	(0.9)	1.4	
Total	9.1	6.5	2.5	14.5	

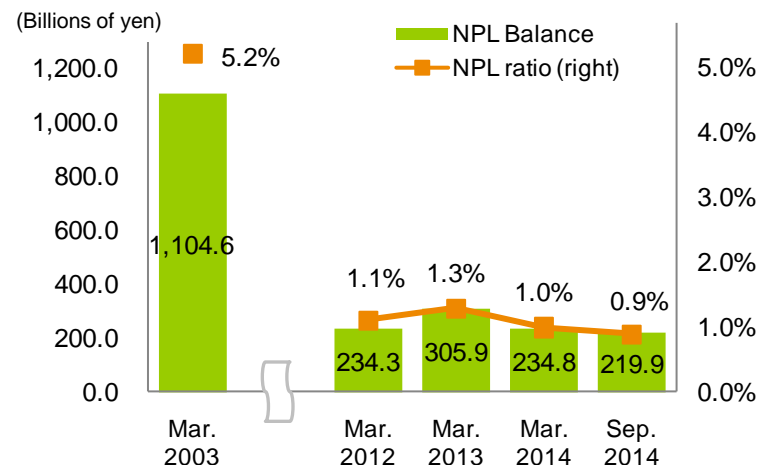
## < Problem assets based on the Financial Reconstruction Act (Non-consolidated) >

(Billions of yen)	Sep. 2014	Coverage ratio (*1)	Allowance ratio (*2)	Change from Mar. 2014
	Problem assets based on the Financial Reconstruction Act	219.9	84.0%	45.6%
Ratio to total loan balance	0.9%	---	---	(0.1%)
Bankrupt and practically bankrupt	9.4	100.0%	100.0%	(1.2)
Doubtful	101.1	95.9%	75.6%	0.3
Substandard	109.4	71.6%	28.4%	(14.0)
Other special mention debtors	380.5	---	---	(139.6)
Ordinary assets	24,624.9	---	---	731.7
Total balance	25,225.4	---	---	577.2

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

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

## Balance and ratio to total balance of NPLs





# Securities portfolio and interest rate risk

- ▶ Cost of available-for-sale securities (Consolidated): DOWN ¥734.2bn from Mar. 2014 to ¥4,165.1bn due to decrease in JGB
- ▶ Unrealized gains of available-for-sale securities (Consolidated): UP ¥129.5bn from Mar. 2014 to ¥512.2bn due to improvement of Japanese stocks

## <Securities with fair value (Consolidated)>

(Billions of yen)	Costs		Unrealized gains/losses	
	Sep. 2014	Change from Mar. 2014	Sep. 2014	Change from Mar. 2014
Available-for-sale securities	4,165.1	(734.2)	512.2	129.5
Japanese stocks	723.8	(7.3)	512.0	135.6
Japanese bonds	1,507.4	(523.0)	4.7	0.7
Others	1,933.8	(203.8)	(4.5)	(6.8)
Held-to-maturity debt securities	411.0	(30.2)	41.6	(0.8)

## Securities portfolio of Global markets (Non-consolidated) (\*4)

(Billions of yen)	10BPV (*5)		Duration (years) (*5)	
	Sep. 2014	Change from Mar. 2014	Sep. 2014	Change from Mar. 2014
JPY	3.0	(0.2)	2.7	0.7
Others	8.6	0.2	7.1	0.7

(\*4) Managerial reporting basis; "Held-to-maturity debt securities" and "Available-for-sale securities" are combined

(\*5) Investment balance hedged by derivative transactions, etc. were excluded

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

Available-for-sale securities	4,009.6	(734.6)	538.5	130.3
Japanese stocks	691.2	(6.9)	541.6	135.0
Japanese bonds	1,392.3	(521.9)	4.6	0.7
Government bonds	796.9	(491.1)	1.2	1.0
Others	1,925.9	(205.7)	(7.8)	(5.4)
Domestic investment (*1)	170.5	(150.8)	0.8	0.2
International investment (*1)	1,499.1	(115.4)	7.2	4.8
US Treasury	911.2	(102.9)	(1.1)	2.9
Others (Investment trust, etc.) (*2)	256.2	60.5	(15.9)	(10.4)

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

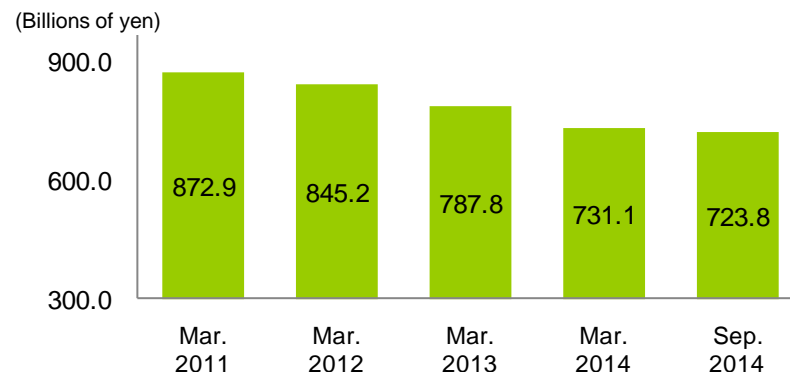
(\*2) "Investment trust" and investment securities uncategorizable into "Domestic investment" or "International investment"

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

Held-to-maturity debt securities	410.3	(29.1)	41.6	(0.8)
Japanese government bonds	234.9	(10.1)	12.9	1.8
International investment (*1, 3)	147.9	(14.7)	28.0	(2.6)

(\*3) Unamortized balance of unrealized loss on overseas asset-backed securities which were reclassified from AFS to HTM during FY2008 (Sep. 2014: (27.9)bn yen, Mar. 2014: (31.8)bn yen)

## Balance of cross shareholdings (Consolidated) (\*6)



(Billions of yen)	FY2011	FY2012	FY2013	FY2014 1H
Reduction amount of cross shareholdings	55.7	55.6	57.7	8.8

(\*6) The above mentioned figures of "cost of shareholdings" are those of listed shares. The figure of Mar. 2011 is combined total of CMTH (Consolidated) and STB (Consolidated).

# Focus on growing fee businesses : (1) Investment trust and insurance sales

- ▶ Sales volume of investment trust and insurance products: UP ¥77.4bn YoY to ¥1,059.3bn  
Fund wrap/SMA and insurance sales increased
- ▶ Fee income: UP ¥2.9bn YoY to ¥31.0bn  
Sales fees of investment trust slightly decreased, while sales fees of insurance increased  
Administration fees increased due to steady increase in balance

## Income (Non-consolidated)

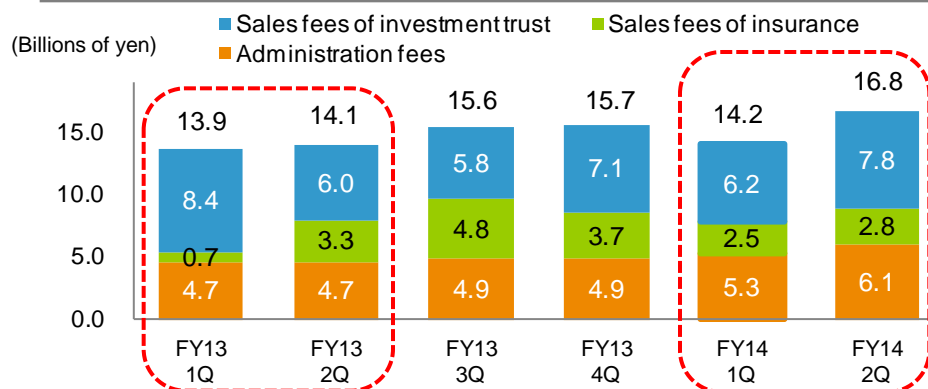
(Billions of yen)	1HFY2013	1HFY2014	Change
Income total	28.0	31.0	2.9
Sales fees of investment trust	14.5	14.1	(0.3)
Sales fees of insurance	4.0	5.3	1.3
Administration fees	9.4	11.4	2.0

## Sales volume/balance (Non-consolidated)

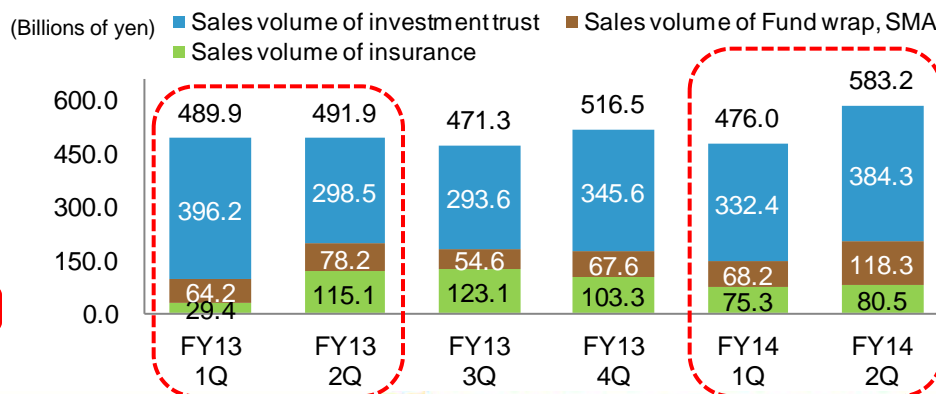
(Billions of yen)	1HFY2013	1HFY2014	Change
Sales volume total	981.9	1,059.3	77.4
Investment trust	694.7	716.8	22.0
Fund wrap, SMA	142.5	186.5	44.0
Insurance	144.6	155.9	11.3

(Billions of yen)	Mar. 2014	Sep. 2014	Change
Balance total	5,271.5	5,609.6	338.1
Investment trust	2,455.4	2,652.5	197.1
Fund wrap, SMA	374.7	558.5	183.7
Insurance	2,441.3	2,398.6	(42.7)

## Income (Non-consolidated) (quarterly)



## Sales volume (Non-consolidated) (quarterly)



## Focus on growing fee businesses : (2) Fiduciary services

- ▶ Assets under management (AUM): UP ¥4.0tr from Mar. 2014 due to increase in fair value and net cash-inflow in subsidiaries
- ▶ Domestic entrusted assets increased due to increase in entrusted investment trust

### Assets under management (AUM)

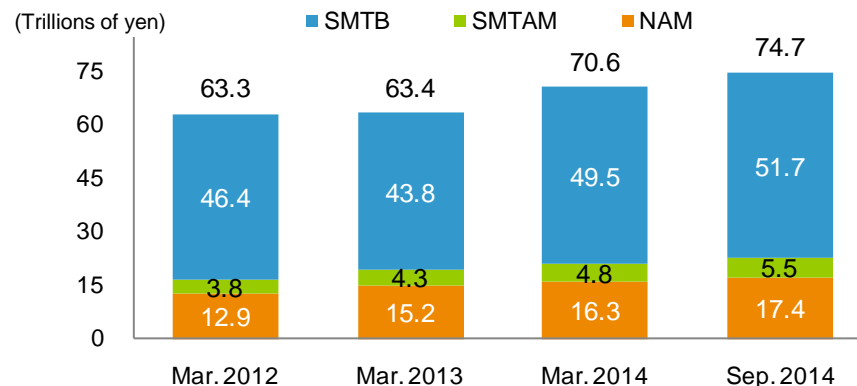
(Trillions of yen)	Mar. 2014	Sep. 2014	Change
Assets under management (AUM)	70.6	74.7	4.0
SMTB	49.5	51.7	2.2
Corporate pension trust	16.3	16.4	0.0
Public pension trust	11.1	12.1	0.9
Discretionary investment	21.9	23.1	1.1
Subsidiaries	21.1	23.0	1.8
Sumitomo Mitsui Trust Asset Management	4.8	5.5	0.6
Nikko Asset Management	16.3	17.4	1.1

### Income

(Billions of yen)	1HFY2014	Change from 1HFY2013	< Reference > FY2013
SMTB	31.1	(0.0)	63.5
Gross business profit	45.5	0.5	91.3
Fees paid out for outsourcing	(14.4)	(0.5)	(27.8)
Group companies (Net business profit) (*1)	7.0	(1.0)	14.6
Sumitomo Mitsui Trust Asset Management	2.0	0.6	2.9
Nikko Asset Management	3.8	(1.8)	9.8

(\*1) Contribution to consolidated

### Assets under management (AUM) by company



USD/ JPY	82.15	93.99	102.90	109.45
TOPIX	854.35	1,034.71	1,202.89	1,326.29

### Assets under custody (AUC)

(Trillions of yen)	Mar. 2014	Sep. 2014	Change
Domestic entrusted assets (*2)	197	206	8
(Billions of USD)			
Global custody assets (*3)	270.2	270.9	0.7
Fund administration	21.6	21.2	(0.3)

(\*2) Total trust assets of the group companies

(\*3) Combined figures of Sumitomo Mitsui Trust Bank (U.S.A.) and Sumitomo Mitsui Trust (UK)

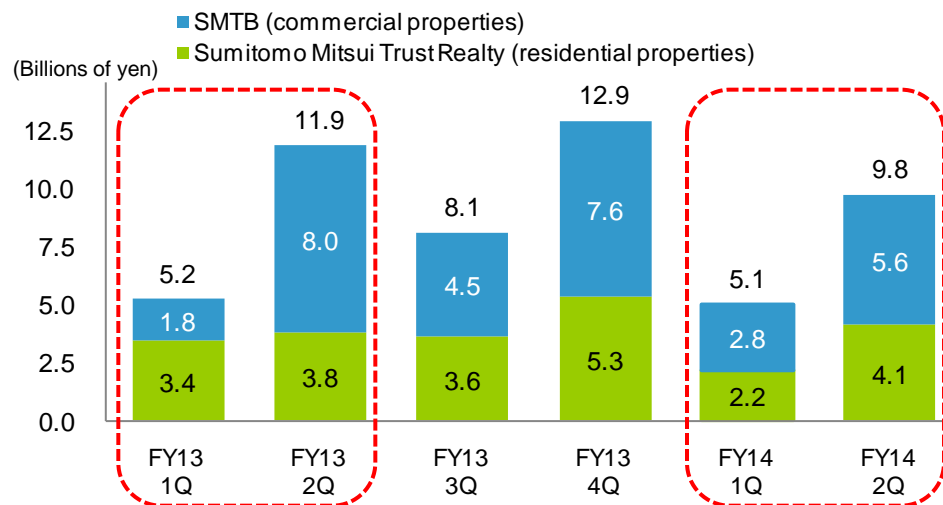
## Focus on growing fee businesses : (3) Real estate

- ▶ Real estate brokerage fees of SMTB (commercial properties): DOWN ¥1.3bn due partly to delay in closing several transactions
- ▶ Real estate brokerage fees of Sumitomo Mitsui Trust Realty (residential properties) showed steady strength 2Q showed increase over the same period after down in 1Q following last-minute surge before consumption tax hike in 4QFY2013

### Income

(Billions of yen)	1HFY2013	1HFY2014	Change
Real estate brokerage fees	17.2	14.9	(2.2)
SMTB	9.8	8.5	(1.3)
Sumitomo Mitsui Trust Realty	7.3	6.4	(0.9)
Real estate trust fees, etc.	3.2	3.0	(0.2)
Net other real estate profit	1.0	0.7	(0.2)
SMTB	(0.1)	(0.0)	0.0
Group companies	1.1	0.8	(0.3)
Total	21.4	18.8	(2.6)
SMTB	12.9	11.5	(1.4)

### Real estate brokerage fees (quarterly)



### Assets under management / administration

(Billions of yen)	Mar. 2014	Sep. 2014	Change
Securitized real estate	10,236.6	10,882.2	645.6
Assets under custody from J-REITs	7,911.5	8,361.9	450.3
Assets under management	733.7	807.4	73.6
Private placement funds	336.9	423.2	86.2
J-REITs	396.8	384.2	(12.5)

# Enhancement of fundamental earning power: Credit portfolio

- ▶ Balance of credit portfolio: UP ¥0.52tr from Mar. 2014 to ¥25.96tr due primarily to increase in overseas credit
- ▶ Focus continuously on growth of overseas credit and loans to individuals expecting steady cash demand

## Credit portfolio

- Loans to individuals
- Overseas Japanese borrowers
- Domestic large corporations, etc.
- Non-Japanese borrowers
- Real estate NRL, etc.

(Trillions of yen)



Note : Overseas real estate NRL is included in non-Japanese borrowers

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## Loans to individuals

(Billions of yen)	1HFY2013	1HFY2014	Change
	Execution amount	524.7	
Residential mortgage loans	492.3	356.8	(135.5)

(Billions of yen)	Mar. 2014	Sep. 2014	Change
	Loan balance (*)	7,316.7	
Residential mortgage loans	6,897.6	6,946.1	48.5

(\*) The definition of "Loans to individuals" and "Loans to corporations" was partially revised for the data as of Sep. 2014 for the purpose of better description. As a result, the balance of "Loans to individuals" as of Sep. 2014 increased by 56.9 billion yen compared with the figure under the previous definition, while the balance of "Domestic large corporations, etc." decreased by the same amount.

## Overseas credit

(Billions of yen)	Mar. 2014	Sep. 2014	Change
	Non-Japanese borrowers	2,548.6	
Loans	1,978.6	2,445.7	467.0
Japanese borrowers	2,709.9	2,954.7	244.8
Loans	2,563.9	2,791.7	227.7
USD/JPY	102.90	109.45	6.55

Note: In addition to the above, there are acceptance and guarantee, etc.  
Sep. 2014: ¥29.5bn [ ¥(15.9)bn from Mar. 2014 ]

# Capital

- ▶ Common Equity Tier 1 capital ratio (Consolidated): DOWN 0.44 percentage points from Mar. 2014 to 8.88% due primarily to regulatory floor adjustment applied on risk-weighted assets, while capital increased steadily
- ▶ Common Equity Tier 1 capital ratio (Consolidated, Fully-loaded basis, pro forma): UP 0.22 percentage points from Mar. 2014 to 8.66%

< Capital and total risk-weighted assets >  
(International standard) (Consolidated)

(Billions of yen)	Mar. 2014 Actual	Sep. 2014 Preliminary	Change
Total capital ratio	14.78%	14.02%	(0.76%)
Tier 1 capital ratio	10.83%	10.24%	(0.59%)
Common Equity Tier 1 capital ratio	9.32%	8.88%	(0.44%)
Total capital	2,791.6	2,878.5	86.8
Tier 1 capital	2,045.8	2,102.0	56.1
Common Equity Tier 1 capital	1,760.1	1,822.5	62.3 (1)
Instruments and reserves	1,841.1	1,889.1	47.9
Regulatory adjustments	(80.9)	(66.5)	14.4
Additional Tier 1 capital	285.6	279.4	(6.2)
Tier 2 capital	745.8	776.5	30.7
Total risk-weighted assets	18,884.5	20,522.0	1,637.4
Credit risk	17,694.0	18,084.4	390.3 (2)
Market risk	369.6	432.1	62.5
Operational risk	820.8	804.6	(16.1)
Floor adjustment	-	1,200.6	1,200.6 (3)

<Reference> Fully-loaded basis (pro forma)

Common Equity Tier 1 capital ratio	8.44%	8.66%	0.22%
Common Equity Tier 1 capital	1,571.8	1,761.9	190.0 (4)
Total risk-weighted assets	18,621.5	20,330.0	1,708.4

•Fully-loaded basis: Calculation without considering transitional arrangements concerning "Regulatory adjustments."

< Major factors of change in capital >

(1) Common Equity Tier 1 capital: +¥62.3bn

- Net income: +¥83.7bn
- Valuation on Available-for-Sale Securities: +¥18.1bn
- Changes in accounting policy for retirement benefits: ¥(30.7)bn

< Major factors of change in risk-weighted assets >

(2) Credit risk: +¥0.39tr

- Expiration of transitional arrangement for risk-weighted assets on stocks, etc.

(3) Floor adjustment: +¥1.20tr

- Change in floor adjustment threshold due to introduction of Advanced Measurement Approach (AMA) for operational risk and decrease in regulatory adjustments

< Major factors of change in fully-loaded basis (pro forma) >

(4) Common Equity Tier 1 capital: +¥190.0bn

- Net income: +¥83.7bn
- Valuation on Available-for-Sale Securities: +¥90.8bn
- Decrease in Intangibles (regulatory adjustments): +¥31.7bn

(Billions of yen)	Sep. 2014 Pro forma	Ratio to RWA	Change from Mar. 2014
Common Equity Tier 1 capital	1,761.9	8.66%	190.0
Instruments and reserves	2,094.6	10.30%	117.8
Directly issued and qualifying capital plus retained earnings	1,800.6	8.85%	29.6
Accumulated Other Comprehensive Income	291.1	1.43%	87.5
Regulatory adjustments	(332.7)	(1.63%)	72.2