



SuMi TRUST
SUMITOMO MITSUI TRUST GROUP

Summary of Financial Results for 1HFY2019

November 13, 2019

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Definitions of terms in this document

Sumitomo Mitsui Trust Holdings (Consolidated): “Consolidated “ or “SuMi TRUST Holdings”

Sumitomo Mitsui Trust Bank (Non-consolidated): “Non-consolidated “ or “SuMi TRUST Bank”

Net income (on consolidated basis) : “Net income attributable to owners of the parent”

NPL (Non performing loans): “Problem assets based on the Financial Reconstruction Act”

Accounting for Business combination related to Management Integration

Purchase accounting method : Accounting method for business combination related to management integration

Results of applying purchase accounting method : Amount of effect from purchase accounting method

Summary of financial results for 1HFY2019

- ✓ Net business profit and Net income have both increased YoY. Exceeded initial forecast for the FY, progress rate against full-year forecast at 53% and 59% respectively.
- ✓ Effective interest related earnings has increased YoY. Excluding the one-off impact of JTSB (asset administration trust bank) becoming a non-consolidated entity, net fees and commission and related profit have also increased YoY. Progress made in diversification of our profit base, such as increase in non-interest income from our corporate client businesses.
- ✓ Return on Shareholders' equity has also improved

<Major KPIs>		1HFY18 Actual	Initial plan	1HFY19 Actual	Change from 1HFY18	Change from initial plan	FY19 Plan
1	Net business profit	146.9	140.0	154.1	+7.2	+14.1	290.0
2	Substantial gross business profit	367.1	360.0	377.0	+9.8	+17.0	740.0
3	Substantial G&A expenses	(220.2)	(220.0)	(222.8)	(2.6)	(2.8)	(450.0)
4	Net income	91.5	85.0	106.0	+14.5	+21.0	180.0
5	Fee income ratio	55.7%		53.4%	(2.3%)	(*1)	
6	Overhead ratio	60.0%	61.1%	59.1%	(0.9%)	(2.0%)	60.8%
7	Return on shareholders' equity	8.46%		9.32%	+0.86%		Approx. 8%
8	Common Equity Tier 1 capital ratio	11.78%		12.90%	+1.12%	(*2)	

(*1) 54.0% [(1.7)% YoY] After adjusting for non-consolidation of JTSB (*2) Pro-forma figure of 1HFY2019 CET1 Capital Ratio on Finalized Basel III reform basis is in the upper 9% range

<Per share information>		1HFY18			1HFY19			FY19	
		(Yen)	Actual	Change	Actual	Change	Plan	Change	
9	Earnings per share (EPS)		241	+40	281		478	+20	
10	Dividend per share (DPS)		65	+10	75		150	+10	

<Per share information>		Mar. 19		Sep. 19		
		(Yen)	Actual	Change	Actual	Change
11	Net assets per share (BPS)		7,008	+125	7,133	

<Shareholders' return>		FY18	FY19
		Actual	Plan
12	Dividend payout ratio	30.5%	31.2%
13	Total payout ratio	35.7%	Approx. 40%

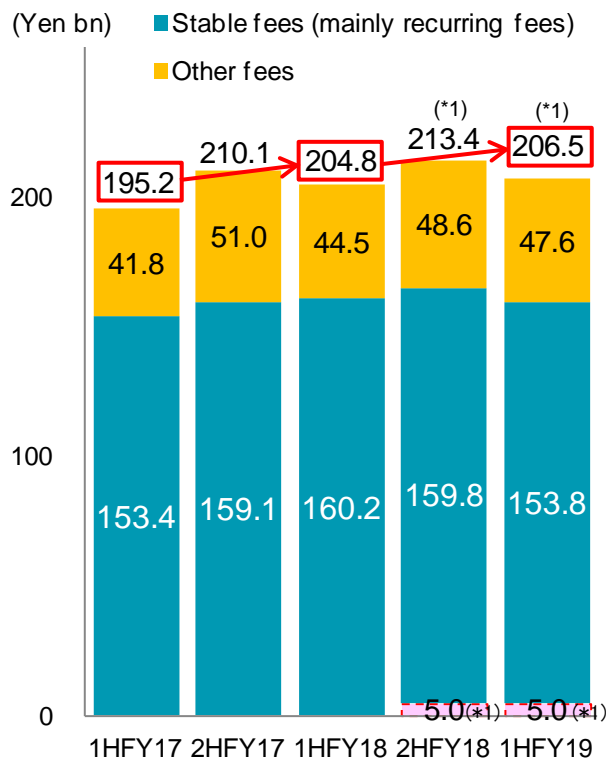
(Reference: Shareholder Return Policy: announced on May 2017)
While maintaining a consolidated dividend payout ratio of around 30%, we shall aim to gradually raise the total payout ratio to around 40% to enhance shareholder returns over the medium term.

Overall summary for 1HFY2019 (Progress on Midterm Management Plan)

- ✓ Fee businesses, loans/investments businesses and expense ratio have made solid progress in line with our Mid Term Management Plan.

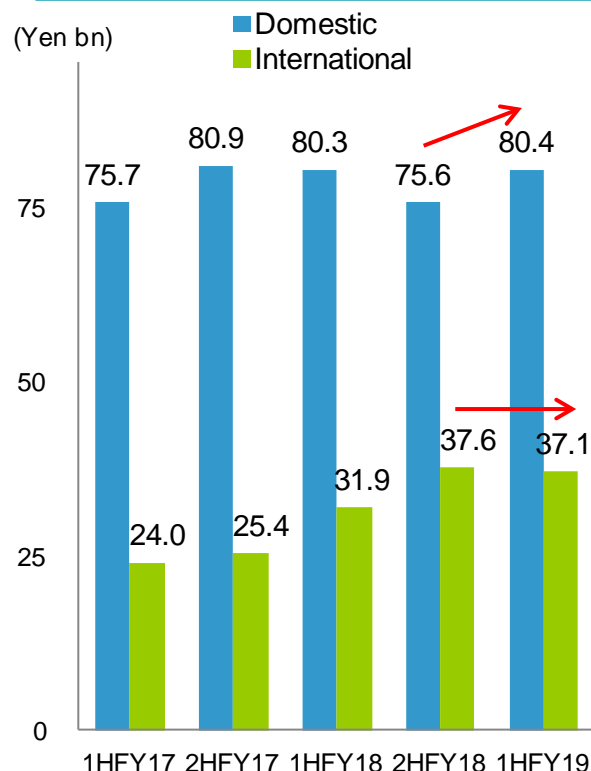
Fee business

Steady increase of fee related income



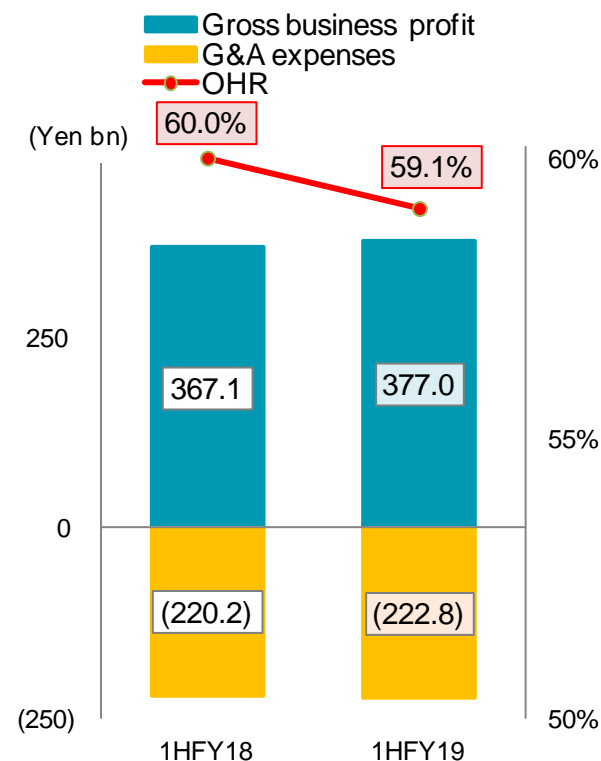
Loan/investment business

Effective interest related earnings (*2) of SuMi TRUST Bank (non-consolidated) against 2HFY18 has increased from domestic operations while international businesses remained flat



Expenses

OHR improved due to increase in gross profit surpassing increase in expenses



Overview of profits

	(Yen bn)	1HFY18	1HFY19	Change	FY19 Forecast
1	Net business profit before credit costs (*1)	146.9	154.1	7.2	290.0
2	Substantial gross business profit (*1)	367.1	377.0	9.8	740.0
3	Effective interest related earnings (*2)	128.5	130.9	2.3	
4	Net interest income and related profit	93.2	74.2	(19.0)	
5	Profit attributable to deployment of surplus foreign currency funds	35.2	56.6	21.4	
6	Net fees and commissions and related profit	204.8	201.5	(3.2)	
7	Other profit (Excluding profit attributable to deployment of surplus foreign currency funds)	33.8	44.5	10.7	
8	Substantial G&A expenses (*1)	(220.2)	(222.8)	(2.6)	(450.0)
9	Total credit costs	13.3	(1.2)	(14.5)	(15.0)
10	Net gains on stocks	(3.7)	5.9	9.6	25.0
11	Other net non-recurring profit	(16.2)	(7.7)	8.4	
12	Ordinary profit	140.3	151.1	10.7	270.0
13	Extraordinary profit	(3.0)	0.1	3.1	
14	Income before income taxes	137.2	151.2	13.9	
15	Total income taxes	(40.2)	(43.4)	(3.1)	
16	Income attributable to non-controlling interests	(5.4)	(1.7)	3.7	
17	Net income	91.5	106.0	14.5	180.0
18	Return on shareholders' equity	8.46%	9.32%	0.86%	
19	Dividend per share (DPS) (Yen)	65	75	10	
20	Earnings per share (EPS) (Yen)	241	281	40	
21	Number of shares issued (mn shares) (*3)	379.2	376.2	(3.0)	

Net business profit before credit costs

- Effective interest related earnings including profit attributable to deployment of surplus foreign currency funds increased ¥2.3bn YoY, domestic loan-deposit spread / income continued to improve

	(Yen bn)	1H FY18	1H FY19	Change
22	Net interest income and related profit	93.2	74.2	(19.0)
23	Other profit	69.0	101.2	32.1
24	Profit attributable to deployment of surplus foreign currency funds	35.2	56.6	21.4
25	Other	33.8	44.5	10.7

- Excluding the impact from non-consolidation of JTSTB [approx. ¥(5)bn], net fees and commissions and related profit effectively increased by ¥1.8bn YoY. [=¥(3.2)bn+¥5bn]. Investment management consulting decreased but real estate brokerage fee was firm
- Other profits include non-interest income from corporate client businesses such as investment product sales, foreign exchange, and derivatives contributed to increased profitability
- Progress rate of approx. 53% against full year plan [¥290bn]

Total credit costs

- Limited occurrence of new problem loans

Net gains on stocks

- Strategic shareholdings reduction of approx. ¥4bn (cost basis) with gains of approx. ¥8bn on disposal

Net income

- Progress rate of approx. 59% against full year plan [¥180.0bn]

(*1) "Net business profit before credit costs", "Substantial gross business profit" and "Substantial G&A expenses" are based on managerial accounting, taking gross income and expenses from affiliates into consideration.

(*2) "Effective interest related earnings" is sum of "Net interest income and related profit" and "Profit attributable to deployment of surplus foreign currency funds", included in "Net gains on foreign exchange transaction"

(*3) Average number of common shares outstanding (excluding treasury stocks) during the period.

Overview of balance sheet

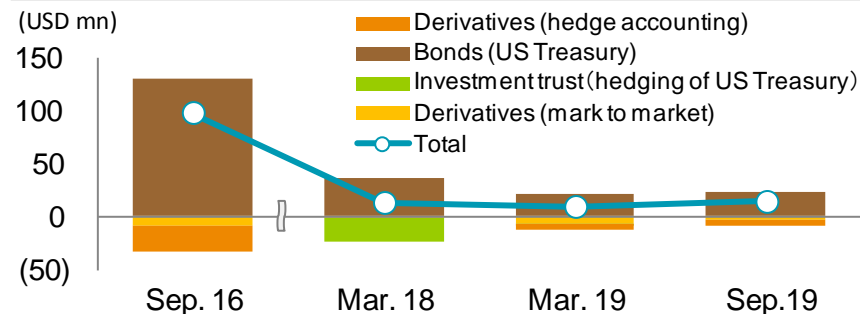
		(Yen bn)		
		Mar. 2019	Sep. 2019	Change
1	Assets	57,029.1	57,095.3	66.2
2	Cash and due from banks	16,045.8	16,150.1	104.2
3	Securities	5,759.5	6,156.4	396.9
4	Loans and bills discounted	29,025.7	29,085.1	59.4
5	Other assets	6,198.0	5,703.6	(494.4)
6	Liabilities	54,298.7	54,387.6	88.8
7	Deposits and NCD	38,232.1	37,630.3	(601.8)
8	Borrowed money from trust account	5,408.0	3,965.2	(1,442.7)
9	Other liabilities	10,658.5	12,791.9	2,133.4
10	Total net assets	2,730.3	2,707.7	(22.6)
11	Total shareholders' equity	2,242.9	2,305.4	62.4
12	Total accumulated OCI	410.4	366.3	(44.0)
13	Minority interests, etc.	76.8	35.8	(41.0)
14	Net assets per share (BPS) (Yen)	7,008	7,133	125
15	Number of shares issued (mn shares) (*1)	378.5	374.5	(4.0)

(Reference)

16	Loan-deposit ratio (SuMi TRUST Bank)	76.8%	77.7%	0.9%
17	NPL ratio (SuMi TRUST Bank)	0.3%	0.3%	0.0%

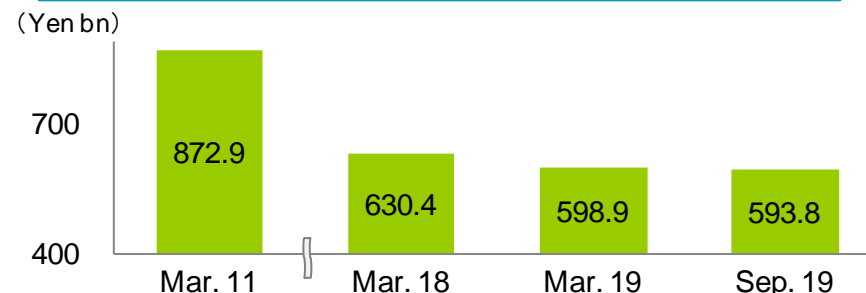
(*1) Number of common shares issued (excluding treasury stocks) as of the date above

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

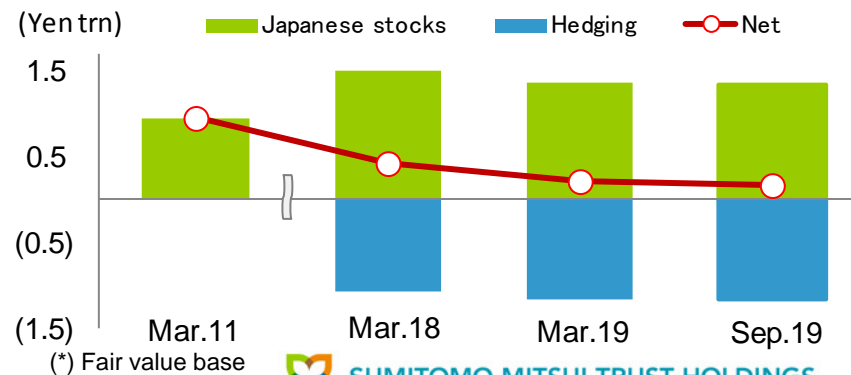


Strategic shareholdings

Balance of strategic shareholdings (Cost base)



Hedge positions against strategic shareholdings (*)



(*) Fair value base

Profit by group company

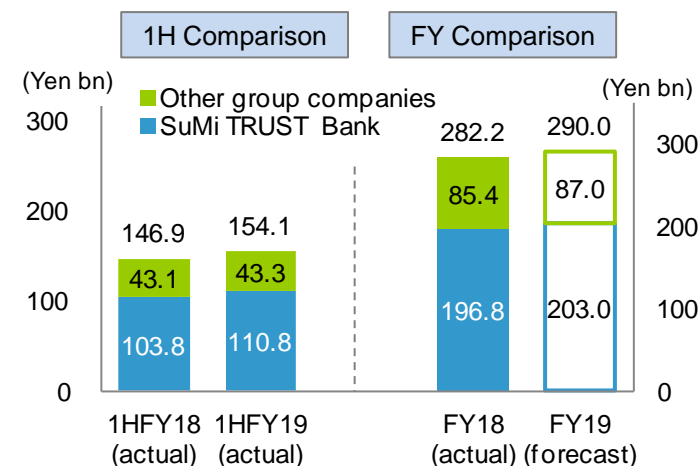
		(Yen bn)	1HFY18	1HFY19	Change
1	Net business profit before credit costs (*1)		146.9	154.1	7.2
2	o/w SuMi TRUST Bank		103.8	110.8	(*2) 6.9
3	SuMi TRUST AM		2.4	7.0	(*2) 4.5
4	Nikko AM (*3)		8.5	7.7	(0.8)
5	SuMi TRUST Realty		3.2	4.0	0.7
6	SuMi TRUST Panasonic Finance (*3)		5.2	5.0	(0.2)
7	SuMi TRUST Loan & Finance		5.8	6.0	0.1
8	SBI Sumishin Net Bank (*3)		4.0	4.4	0.4
9	SuMi TRUST Guarantee (*3)		5.8	5.8	(0.0)
10	SuMi TRUST Club		1.7	1.4	(0.2)
11	Effect of purchase accounting method		(1.3)	(1.3)	(0.0)
12	Net income (*1)		91.5	106.0	14.5
13	o/w SuMi TRUST Bank		76.0	80.9	(*2) 4.9
14	SuMi TRUST AM		1.6	4.9	(*2) 3.2
15	Nikko AM (*3)		5.7	4.7	(0.9)
16	SuMi TRUST Realty		2.2	2.7	0.5
17	SuMi TRUST Panasonic Finance (*3)		1.6	2.2	0.5
18	SuMi TRUST Loan & Finance		3.8	4.0	0.1
19	SBI Sumishin Net Bank (*3)		2.6	2.8	0.2
20	SuMi TRUST Guarantee (*3)		4.4	3.8	(0.5)
21	SuMi TRUST Club		0.3	0.5	0.1
22	Effect of purchase accounting method		1.9	2.9	0.9

(*1) Figures on the table above are contribution of group companies, which are substantive amount excluding consolidation adjustment that do not relate directly to the group companies' business results, and dividend from group companies aimed to improve capital efficiency

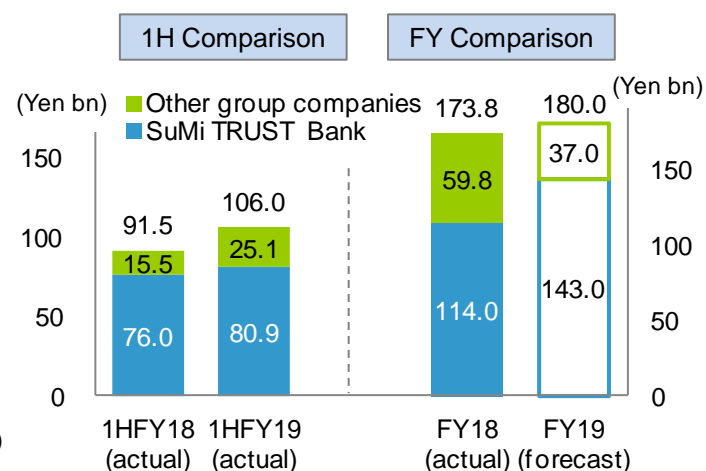
(*2) Including the impact of reorganization of asset management functions on Oct. 1, 2018 (please refer to P6)

(*3) Consolidated basis

Breakdown of Net business profit before credit cost



Breakdown of Net income



Profit by business segment

	(Yen bn)	1HFY18				1HFY19		
		Net business profit before credit costs	Substantial gross business profit	Change	Change from initial plan	Substantial G&A expenses	Net business profit before credit costs	Change
1 Total		146.9	377.0	9.8	17.0	(222.8)	154.1	7.2
2 Retail total solution services		16.0	97.5	(2.0)	(1.4)	(84.6)	12.8	(3.1)
3 SuMi TRUST Bank		7.2	66.3	(2.5)	(1.6)	(62.1)	4.1	(3.0)
4 Other group companies		8.8	31.2	0.5	0.2	(22.5)	8.7	(0.1)
5 Wholesale financial services (*2)		59.9	100.7	5.6	5.7	(36.3)	64.3	4.3
6 SuMi TRUST Bank		46.0	72.6	5.3	4.6	(22.1)	50.4	4.4
7 Other group companies		13.9	28.0	0.2	1.0	(14.1)	13.9	(0.0)
8 Stock transfer agency services		9.9	19.5	0.0	0.5	(9.8)	9.7	(0.2)
9 SuMi TRUST Bank		9.4	11.1	(0.1)	0.1	(1.8)	9.3	(0.1)
10 Other group companies		0.4	8.3	0.2	0.3	(7.9)	0.4	(0.0)
11 Real estate		11.8	28.4	4.5	3.4	(12.4)	16.0	4.1
12 SuMi TRUST Bank		8.4	16.5	3.4	2.5	(4.7)	11.7	3.3
13 Other group companies		3.4	11.9	1.0	0.9	(7.6)	4.3	0.8
14 Fiduciary services		32.3	83.7	(*3) (5.0)	1.7	(51.6)	32.1	(*3) (0.2)
15 SuMi TRUST Bank		18.3	25.3	(5.9)	0.3	(11.0)	14.2	(4.0)
16 Other group companies		13.9	58.4	0.9	1.4	(40.5)	17.8	3.8
17 o/w Asset management business (*4)		10.9	39.7	6.8	---	(24.9)	14.8	3.8
18 Global markets		21.6	41.7	12.4	12.7	(7.3)	34.4	12.7

(*1) In this page, dividend from group companies aimed to improve capital efficiency are excluded from each business segment

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

(*3) Please refer to right table for the impact of reorganization of asset management functions and changing to affiliated company of Japan Trustee Services Bank relating to the establishment of JTC Holdings on Oct.1, 2018

(*4) Sum of Asset management companies (SuMi TRUST AM, Nikko AM (consolidated), Sky Ocean AM, JPAM)

(Yen bn)	Substantial gross business profit	Substantial G&A expenses	Net business profit before credit costs
SuMi TRUST Bank	(6.0)	2.0	(4.0)
Other group companies	1.0	3.0	4.0
SuMi TRUST AM	6.0	(2.0)	4.0
JTC HD・JTSB	(5.0)	5.0	-

Overview of profit (SuMi TRUST Bank)

	(Yen bn)		Excluding dividend from group companies (*1)			Excluding dividend from group companies (*1)					
	FY18	FY19	FY18	FY19	Change	FY18	FY19	Change			
	1H	1H	1H	1H		1H	1H				
1	Net business profit before credit costs	133.9	114.7	103.8	110.8	6.9					
2	Gross business profit	252.6	236.5	222.5	232.5	10.0	22	Gross business profit	222.5	232.5	10.0
3	Effective interest related earnings	142.4	121.5	112.2	117.6	5.3	23	Net interest income and related profit	77.0	60.9	(16.1)
4	Net interest income and related profit	107.1	64.8	77.0	60.9	(16.1)	24	Net fees and commissions and related profit	92.3	86.6	(5.7)
5	Profit attributable to deployment of surplus foreign currency funds	35.2	56.6	35.2	56.6	21.4	25	Net trading profit	6.7	42.7	35.9
6	Net fees and commissions and related profit (*2)	92.3	86.6	92.3	86.6	(5.7)	26	Net other operating profit	46.3	42.3	(4.0)
7	Net trading profit	16.1	26.8	16.1	26.8	10.6	27	o/w Net gains on foreign exchange transactions	44.6	40.7	(3.8)
8	Net gains on foreign exchange transactions	16.1	26.8	16.1	26.8	10.6	28	Profit attributable to deployment of surplus foreign currency funds	35.2	56.6	21.4
9	Net trading profit (*3)	6.7	42.7	6.7	42.7	35.9	29	other	9.4	(15.9)	(25.3)
9	Net gains on foreign exchange transactions (Excluding Profit attributable to deployment of surplus foreign currency funds)	9.4	(15.9)	9.4	(15.9)	(25.3)	30	Net gains on bonds	(4.6)	19.5	24.2
10	Net gains on bonds	(4.6)	19.5	(4.6)	19.5	24.2	31	Net gains from derivatives	6.3	(18.0)	(24.3)
11	Net gains from derivatives	6.3	(18.0)	6.3	(18.0)	(24.3)	32	Net fees and commissions and related profit	92.3	86.6	(5.7)
12	General and administrative expenses (*2)	(118.7)	(121.7)	(118.7)	(121.7)	(3.0)	33	Excluding impact of reorganization of asset management functions	92.3	92.6	0.2
13	Total credit costs	16.3	0.3	16.3	0.3	(16.0)	34	o/w Investment management consulting	27.2	23.8	(3.3)
14	Other non-recurring profit	(10.6)	(0.1)	(10.6)	(0.1)	10.5	35	Asset management/administration	31.3	25.3	(5.9)
15	o/w Net gains on stocks	(6.2)	2.2	(6.2)	2.2	8.4	36	Excluding impact of reorganization of asset management functions	31.3	31.3	0.0
16	Amortization of net actuarial losses	(1.6)	(2.8)	(1.6)	(2.8)	(1.1)	37	Real estate brokerage	10.1	13.4	3.3
17	Ordinary profit	139.6	114.9	109.5	110.9	1.4	38	Stock transfer agency services	11.3	11.1	(0.1)
18	Extraordinary profit	(3.8)	0.1	(3.8)	0.1	4.0	39	Inheritance related services	2.1	2.2	0.0
19	Income before income taxes	135.8	115.1	105.7	111.1	5.4	40	Wholesale credit related	16.3	14.3	(1.9)
20	Total income taxes	(29.7)	(30.2)	(29.7)	(30.2)	(0.5)	41	Net gains on bonds	(4.6)	19.5	24.2
21	Net income	106.1	84.8	76.0	80.9	4.9	42	Domestic bonds	(0.2)	1.5	1.7
							43	Foreign bonds	(4.4)	17.9	22.4

(*1) Excluding dividend of 1HFY18: ¥30.1bn, 1HFY19: ¥3.9bn, from group companies aimed to improve capital efficiency, affecting 1, 2, 3, 4, 17, 19, 21, 22, 23

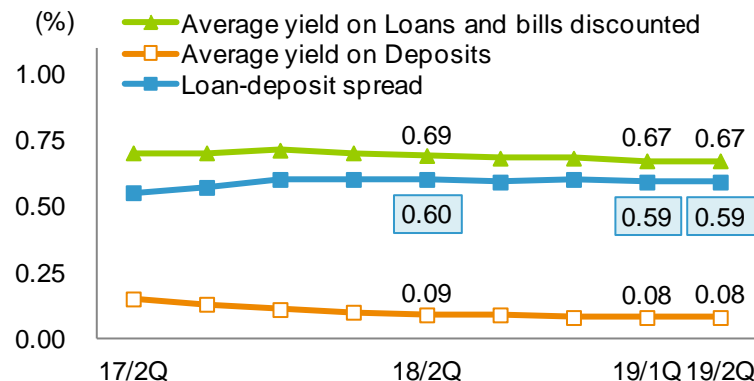
(*2) Including the impact of reorganization of asset management functions on Oct. 1, 2018 [Net fees and commissions and related profit: approx. ¥6bn, General and administrative expenses: approx. ¥2bn]

(*3) "Net trading profit" and "Net gains on foreign exchange transactions other than surplus funds deployment" have substantial fluctuation in comparison to previous year, but this is primarily due to differences in accounting treatment of original client transactions actions and their hedging operations.

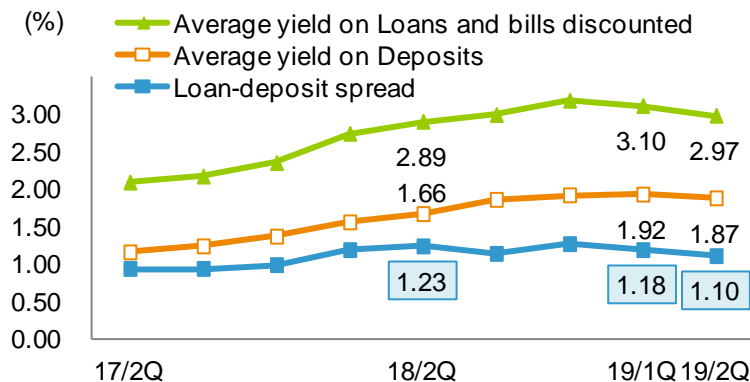
Net interest income (SuMi TRUST Bank)

	1HFY19					
	Average Balance	Change from 1HFY18	Average Yield	Change from 1HFY18	Income/Expenses	Change from 1HFY18
1 Net interest income					57.0	(40.7)
2 Domestic business			0.40%	(0.13%)	76.4	(24.5)
3 Interest-earning assets	38.76	0.77	0.54%	(0.15%)	104.7	(26.8)
4 o/w Loans and bills discounted	22.47	0.97	0.67%	(0.02%)	75.4	0.2
5 Securities	3.36	(0.13)	1.55%	(1.49%)*	26.0	(27.2)
6 Income on swaps	---	---	---	---	-	(0.2)
7 Interest-bearing liabilities	38.18	0.92	0.14%	(0.02%)	(28.2)	2.3
8 o/w Deposits	24.80	1.35	0.08%	(0.02%)	(10.4)	1.5
9 Borrowings from trust a/c	3.18	(0.55)	0.49%	-	(7.8)	1.4
10 Swaps	---	---	---	---	(0.4)	(0.4)
11 International business			(0.32%)	(0.27%)	(19.4)	(16.1)
12 Interest-earning assets	13.83	0.08	2.09%	0.04%	144.6	3.1
13 o/w Loans and bills discounted	6.36	(0.24)	3.04%	0.23%	96.8	3.3
14 Due from banks	1.99	(0.52)	1.64%	0.30%	16.3	(0.6)
15 Securities	2.31	-	2.36%	0.07%	27.3	0.6
16 Interest-bearing liabilities	13.57	(0.10)	2.41%	0.31%	(164.1)	(19.3)
17 o/w Deposits	5.59	(0.17)	1.90%	0.30%	(53.1)	(6.6)
18 NCD / USCP	5.55	0.52	2.17%	0.29%	(60.3)	(12.6)
19 Repo	1.58	(0.13)	2.41%	0.48%	(19.1)	(2.4)
20 Expenses on swaps	---	---	---	---	(21.4)	(3.1)
21 (+) Trust fees from principal guaranteed trust a/c					7.8	(1.5)
22 (+) Profit attributable to deployment of surplus foreign currency funds					56.6	21.4
23 (-) Dividend from group companies aimed to improve capital efficiency					3.9	(26.1)
24 Effective interest related earnings					117.6	5.3
25 Loan-deposit spread / income in domestic business			0.59%	-	65.0	1.8
26 Loan-deposit spread / income in international business			1.14%	(0.07%)	43.7	(3.2)

Domestic loan-deposit spread



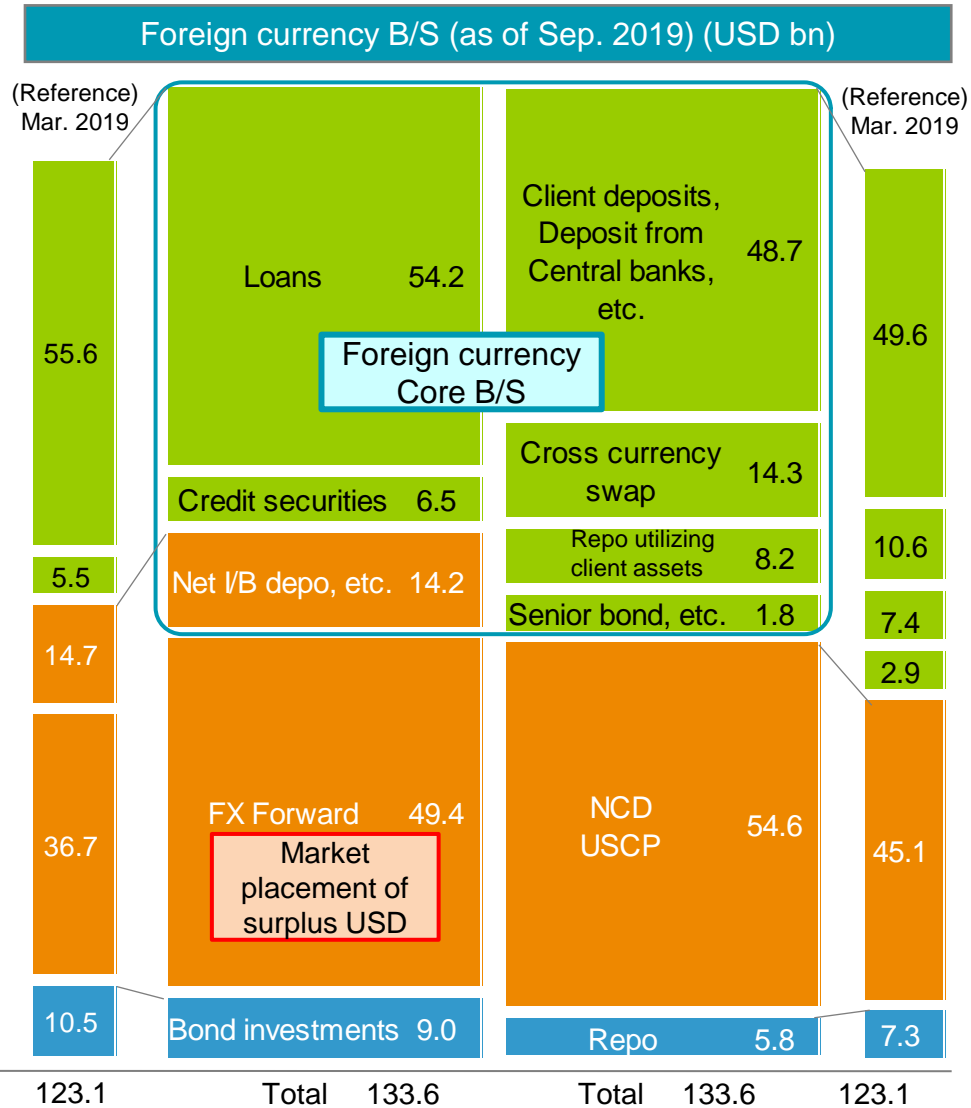
International loan-deposit spread



(*) Breakdown of securities income/expenses in domestic business

	1HFY18	1HFY19	Change
Securities	53.3	26.0	(27.2)
Dividend from group companies to improve their capital efficiency	30.1	3.9	(26.1)
Sales gain/loss of investment trust	0.8	(1.3)	(2.2)
Other income/expenses	22.3	23.5	1.1

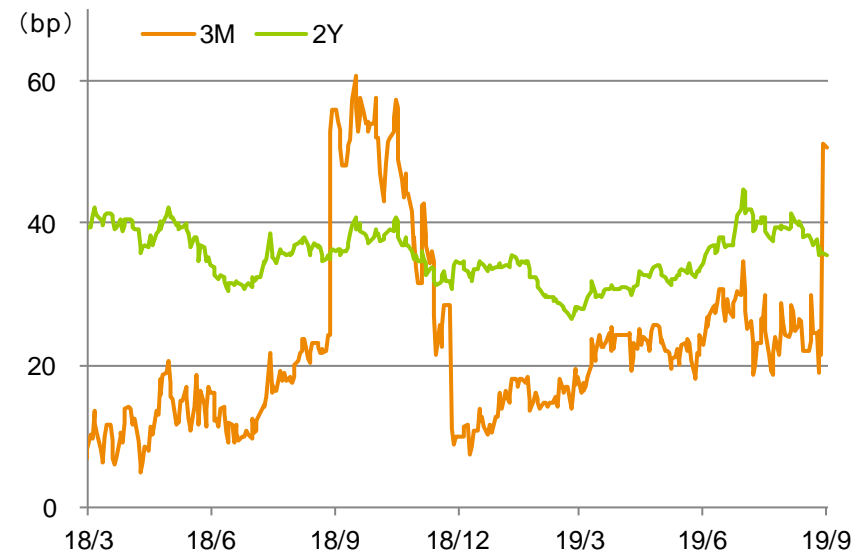
(Reference) Status of foreign currency balance sheet (SuMi TRUST Bank)




Foreign currency ALM management

- ◆ Loans and credit securities constituting core foreign currency denominated assets, are funded by “sticky” client deposits and central bank deposits as well as “long term” yen swaps and senior bonds issuance.
- ◆ Short term funds sourced through NCD/USCP markets are categorized as contingent funding buffer / surplus funds for foreign currency B/S and utilized as short-term funds after conversion into yen through forward foreign exchange contracts

Basis swap spread (CCS) (USD/JPY)



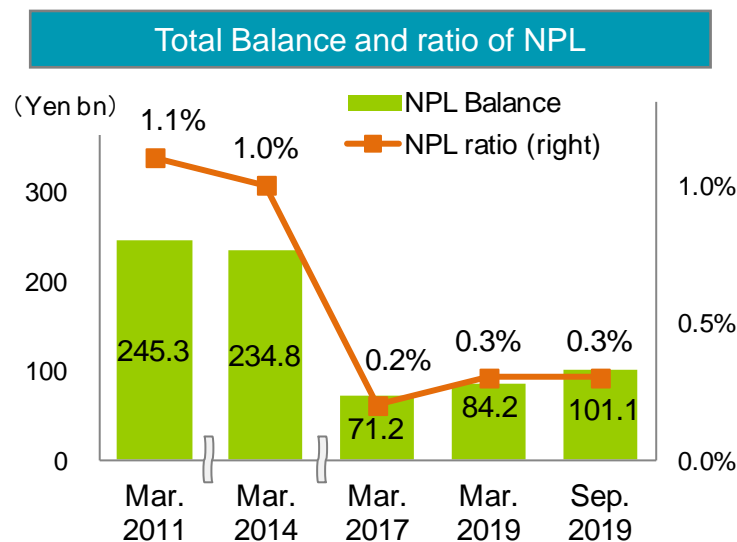
Total credit costs and problem assets

[Total credit costs]		1HFY18	1HFY19	Major factors (1HFY19)
(Yen bn)				
1	SuMi TRUST Bank	16.3	0.3	
2	General allowance for loan losses	17.3	(2.8)	 Downgraded: Approx. (3.0) Upgraded: Approx. +3.0
3	Specific allowance for loan losses	(0.6)	3.1	
4	Recoveries of written-off claims	0.7	0.1	
5	Losses on sales of claims, written-off	(1.0)	(0.1)	
6	Other group companies, etc.	(3.0)	(1.5)	SuMi TRUST Panasonic Finance (0.7)
7	Total	13.3	(1.2)	

[NPL (SuMi TRUST Bank)]		Sep. 2019	Coverage ratio (*1)	Allowance ratio (*2)	Change from Mar. 2019
(Yen bn)					
8	NPL	101.1	86.5%	52.5%	16.9
9	NPL ratio (ratio to Total loan balance)	0.3%	---	---	0.0%
10	Bankrupt and practically bankrupt	9.6	100.0%	100.0%	(0.9)
11	Doubtful	58.7	96.2%	83.6%	3.5
12	Substandard	32.7	65.1%	9.0%	14.3
13	Other special mention debtors	350.1	---	---	(65.2)
14	Ordinary assets	29,399.3	---	---	(42.5)
15	Total loan balance	29,850.5	---	---	(90.8)

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

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



Securities portfolio

[Securities with fair value]	(Yen bn)	Costs		Unrealized gains/losses	
		Sep. 2019	Change from Mar. 2019	Sep. 2019	Change from Mar. 2019
1 Available-for-sale securities	4,881.9	323.4	622.4	(43.2)	
2 Japanese stocks	593.8	(5.0)	750.2	(22.4)	
3 Japanese bonds	1,147.1	259.7	3.0	(0.1)	
4 Others	3,140.8	68.7	(130.8)	(20.7)	
5 Held-to-maturity debt securities	360.0	97.6	22.7	0.9	

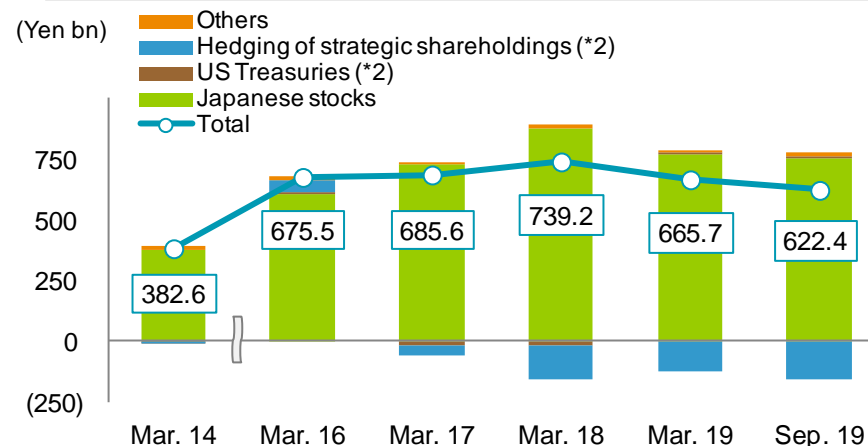
[Securities with fair value (SuMi TRUST Bank)]

6 Available-for-sale securities	4,852.6	320.4	642.2	(39.0)
7 Japanese stocks	565.2	(8.7)	776.5	(18.7)
8 Japanese bonds	1,209.1	256.3	1.8	(0.1)
9 o/w Government bonds	522.0	220.8	0.0	(0.2)
10 Others	3,078.3	72.8	(136.0)	(20.2)
11 Domestic investment	54.7	(20.7)	1.6	(0.2)
12 International investment	1,473.5	103.7	14.1	9.7
13 o/w US Treasury	477.6	43.3	10.2	5.1
14 Others (Investment trust, etc.)	1,549.9	(10.1)	(151.7)	(29.7)
15 o/w for hedging of strategic shareholdings (*1)	1,417.2	(8.9)	(156.5)	(33.3)

(*1) Of which hedging effect under capital regulation is recognized: Costs JPY 1,162.3bn, Unrealized gains/losses JPY (145.6)bn

16 Held-to-maturity debt securities	298.5	101.0	22.6	0.9
17 o/w Government bonds	118.5	(0.1)	21.6	1.0
18 International investment	137.5	99.8	0.2	(0.1)

Unrealized gains/losses of AFS securities with fair value



(*2) SuMi TRUST Bank

Reduction of strategic shareholdings (*3)

(Yen bn)	FY18		1HFY19	
	1H	2H		
19 Reduction amount	16.9	11.7	28.7	3.7

(Ref.) Cumulative reduction since merger (from FY 11 to 1HFY 19): ¥314.1bn
 Cumulative reduction based on current plan (from FY 16 to FY 20): ¥99.9bn
 (*3) Purchase cost of listed shares

Securities portfolio of Global markets (*4)

(Yen bn)	10BPV (*5)		Duration (years) (*5)	
	Sep. 2019	Change from Mar. 2019	Sep. 2019	Change from Mar. 2019
20 JPY	3.2	1.0	4.3	(0.1)
21 Others	2.1	(0.0)	2.9	(0.6)

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

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

Capital

- ✓ Common Equity Tier 1 capital ratio: UP 0.72 percentage points from Mar. 2019 to 12.90%, due primarily to increase in retained earnings contributed to accumulation of common equity and decrease in risk-weighted assets due to sophistication of calculation methodology for certain asset classes. Pro-forma CET1 capital ratio on Finalized Basel III reforms basis is in the upper 9% range
- ✓ Leverage ratio and liquidity coverage ratio maintained levels well in excess of regulatory requirements

<Capital and total risk-weighted assets>

		Mar. 2019	Sep. 2019	Change
(Yen bn)		Actual		
1	Total capital ratio	16.77%	17.50%	0.73%
2	Tier 1 capital ratio	14.18%	14.75%	0.57%
3	Common Equity Tier 1 capital ratio	12.18%	12.90%	0.72%
4	(Finalized Basel III reforms basis)	(upper 9% range)		
5	Total capital	3,320.1	3,328.0	7.9
6	Tier 1 capital	2,806.5	2,805.4	(1.0)
7	Common Equity Tier 1 capital	2,412.1	2,452.5	40.4 (1)
8	Instruments and reserves	2,626.1	2,644.8	18.6
9	Accumulated other comprehensive income (*1)	410.4	366.3	(44.0)
10	Regulatory adjustments	(214.0)	(192.2)	21.7
11	Additional Tier 1 capital	394.4	352.9	(41.4)
12	Tier 2 capital	513.6	522.6	9.0
13	Total risk-weighted assets	19,790.1	19,010.2	(779.9)
14	Credit risk	17,725.1	17,070.4	(654.7) (2)
15	Market risk	1,104.0	989.7	(114.3)
16	Operational risk	960.8	949.9	(10.8)

(*1) Valuation differences on Available-for-Sale Securities(Sep. 2019): ¥438.7bn

< Major factors of change in capital >

(1) Common Equity Tier 1 capital: +¥40.4bn

- Net income +¥106bn
- Dividend/Repurchase of own shares ¥(44.1)bn
- Unrealized gains/losses of AFS ¥(28.7)bn

< Major factors of change in total risk-weighted assets >

(2) Credit risk: ¥(654.7)bn

- Decrease due to sophistication of calculation methodology for certain asset classes

<Other ratios required in prudential regulations>

		Sep. 2019	Change. from Mar. 2019
(Yen bn)			
16	Leverage ratio	4.66%	(0.01%)
17	Tier 1 capital	2,805.4	(1.0)
18	Total exposure	60,114.6	105.4
19	Liquidity coverage ratio (*2)	134.6%	7.2%
20	Total high-quality liquid assets	15,446.4	214.8
21	Net cash outflows (*3)	11,469.9	(481.2)

(*2) Average figures in 2QFY2019. "Change from Mar. 2019" represents the comparison to figure for 4QFY2018 calculated in the same manner

(*3) Month-end data used for some items instead of daily data to calculate figures

Forecast for FY2019

- ✓ Taking 1H results into consideration, maintain forecast announced for Net business profit and Net income at beginning of FY, also dividend forecast remains unchanged in line with shareholder return policy.
- ✓ For other non-recurring profit, total credit costs expected to decrease but net gains on stocks also expected to fall.

		(Yen bn)		FY19 Forecast(*)	Change from FY18	Change from initial plan
		1H Actual (*)	2H Plan			
1	Net business profit before credit costs	154.1	135.8	290.0	7.7	- (1)
2	SuMi TRUST Bank	110.8	92.1	203.0	6.1	-
3	Substantial gross business profit	377.0	362.9	740.0	17.3	-
4	SuMi TRUST Bank	232.5	210.4	443.0	10.3	-
5	Other group companies	144.4	152.5	297.0	41.6	-
6	Substantial G&A Expenses	(222.8)	(227.1)	(450.0)	(9.5)	-
7	SuMi TRUST Bank	(121.7)	(118.2)	(240.0)	(4.1)	-
8	Other group companies	(101.1)	(108.8)	(210.0)	(5.4)	-
9	Total credit costs	(1.2)	(13.7)	(15.0)	(12.0)	5.0 (2)
10	Net gains on stocks	5.9	19.0	25.0	11.2	(5.0) (3)
11	Other non-recurring profit	(7.7)	(22.2)	(30.0)	6.5	-
12	Ordinary profit	151.1	118.8	270.0	13.5	-
13	o/w SuMi TRUST Bank	110.9	92.0	203.0	28.5	-
14	Net income	106.0	73.9	180.0	6.1	- (4)
15	o/w SuMi TRUST Bank	80.9	62.0	143.0	28.9	-
16	Dividend per common share (Yen)	75	75	150	+10	-
17	Consolidated dividend payout ratio	---	---	31.2%	0.7%	(0.3%)

(*) Excluding dividend from group companies, which are planned to be paid to improve their capital efficiency.

FY2018 (actual): ¥34.6bn, 1HFY2019 (actual): ¥3.9bn, FY2019 (plan): approx. ¥7bn

【Change from initial plan】

(1) Net business profit before credit costs : No change

- 1) Net business profit before credit costs
 - In line with initial projection
 - Regarding its divisional breakdown, taking 1H results and short-term profitability forecast into account, reduce weighting of Retail Total Solutions and increase Global Markets (please refer to P14)

2) Total expenses

- In line with initial projection

(2) Total credit costs: +¥5.0bn

- Though 1H results were ¥(1.2)bn [vs forecast ¥(10)bn], reduce full year forecast to ¥(15)bn due to lower market visibility

(3) Net gains on stocks: ¥(5.0)bn

- Taking 1H results +¥5.9bn [vs forecast +¥15bn] and progress of strategic shareholdings divestment consent into account, revise full year forecast to +¥25bn

(4) Net income: No change

- In line with initial projection

(Ref.) Breakdown by business segment

(Yen bn)		FY18 Actual	1H		2H Plan	FY19 Plan	FY19	
			Actual	Change from initial plan(*3)			Change from FY18	Change from initial plan(*3)
1	Net business profit	282.2	154.1	14.1	135.8	290.0	7.7	-
2	Substantial gross business profit(*1)	722.6	377.0	17.0	362.9	740.0	17.3	-
3	Retail total solution services	199.8	97.5	(1.4)	97.4	195.0	(4.8)	(6.0)
4	SuMi TRUST Bank	138.0	66.3	(1.6)	65.6	132.0	(6.0)	(6.0)
5	Other group companies	61.8	31.2	0.2	31.7	63.0	1.1	-
6	Wholesale financial services(*2)	193.8	100.7	5.7	95.2	196.0	2.1	-
7	SuMi TRUST Bank	137.2	72.6	4.6	65.3	138.0	0.7	-
8	Other group companies	56.6	28.0	1.0	29.9	58.0	1.3	-
9	Stock transfer agency services	37.0	19.5	0.5	18.4	38.0	0.9	-
10	SuMi TRUST Bank	21.4	11.1	0.1	10.8	22.0	0.5	-
11	Other group companies	15.5	8.3	0.3	7.6	16.0	0.4	-
12	Real estate	54.3	28.4	3.4	26.5	55.0	0.6	-
13	SuMi TRUST Bank	32.4	16.5	2.5	16.4	33.0	0.5	-
14	Other group companies	21.9	11.9	0.9	10.0	22.0	0.0	-
15	Fiduciary services	172.1	83.7	1.7	81.2	165.0	(7.1)	-
16	SuMi TRUST Bank	57.4	25.3	0.3	24.6	50.0	(7.4)	-
17	Other group companies	114.7	58.4	1.4	56.5	115.0	0.2	-
18	o/w Asset management business	71.8	39.7	---	---	---	---	---
19	Global markets	45.6	41.7	12.7	26.2	68.0	22.3	10.0
20	Substantial G&A expenses	(440.4)	(222.8)	(2.8)	(227.1)	(450.0)	(9.5)	-
21	SuMi TRUST Bank	(235.8)	(121.7)	(1.7)	(118.2)	(240.0)	(4.1)	-
22	Other group companies	(204.5)	(101.1)	(1.1)	(108.8)	(210.0)	(5.4)	-
23	Ordinary profit	256.4	151.1	21.1	118.8	270.0	13.5	-
24	Net income	173.8	106.0	21.0	73.9	180.0	6.1	-

(*1) Dividend from group companies aimed to improve capital efficiency not included in profit for each business segments

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

(*3) Taking 1H results for HO management administration expenses unallocated to business segments into account, reduce full year forecast by ¥(4)bn
[1H forecast +¥10bn→actual ¥(1.1)bn, FY forecast +¥3bn→¥(1)bn]

Fee business: Investment management consulting

- ✓ Total sales decreased ¥96.4bn YoY to ¥596.5bn due to persistent volatile market environment
- ✓ Profit decreased ¥3.3bn YoY as fees from insurance sales and administration fees as distributor were flat, but fees from investment trust sales decreased

Income for distributor of investment products

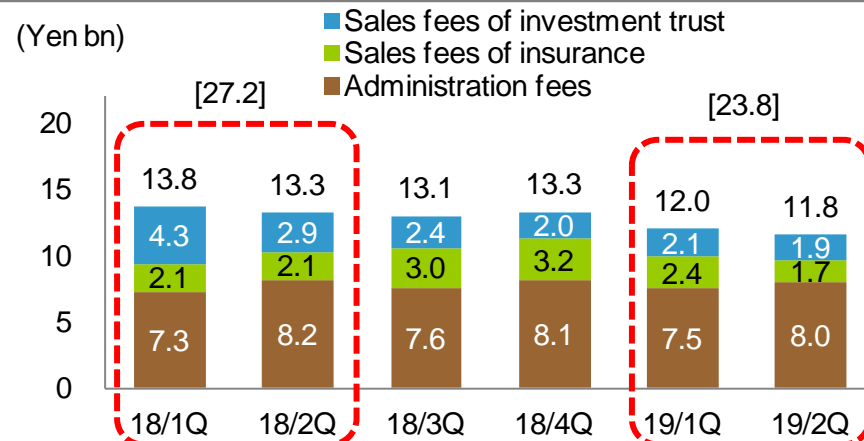
(Yen bn)	1HFY18	1HFY19	Change	FY19
				Plan
1 Income total	27.2	23.8	(3.3)	48.0
2 Sales fees of investment trust	7.2	4.1	(3.1)	8.0
3 Sales fees of insurance	4.3	4.1	(0.1)	8.0
4 Administration fees	15.6	15.6	0.0	32.0

Sales volume / balance

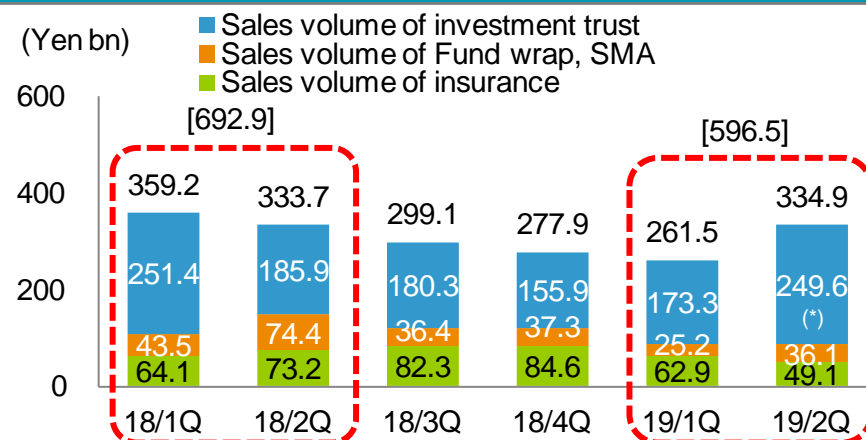
(Yen bn)	1HFY18	1HFY19	Change	FY19
				Plan
5 Sales volume total	692.9	596.5	(96.4)	1,220.0
6 Investment trust	437.4	423.0	(14.3)	800.0
7 Fund wrap, SMA	118.0	61.3	(56.6)	130.0
8 Insurance	137.4	112.0	(25.3)	290.0

(Yen bn)	Mar. 2019	Sep. 2019	Change	Mar. 2020
				Plan
9 Balance total	6,376.3	6,488.1	111.7	6,600.0
10 Investment trust	2,930.5	3,043.2	112.6	3,100.0
11 Fund wrap, SMA	891.9	902.5	10.5	900.0
12 Insurance	2,553.8	2,542.3	(11.4)	2,600.0
13 Wrap Selection	1,774.5	1,811.4	36.8	1,830.0

Income for distributor (quarterly)



Sales volume (quarterly)



(*) Including the impact of large allocation transfer from DB to DC (Approx. ¥90bn)

Fee business: Asset management / administration (Fiduciary services)

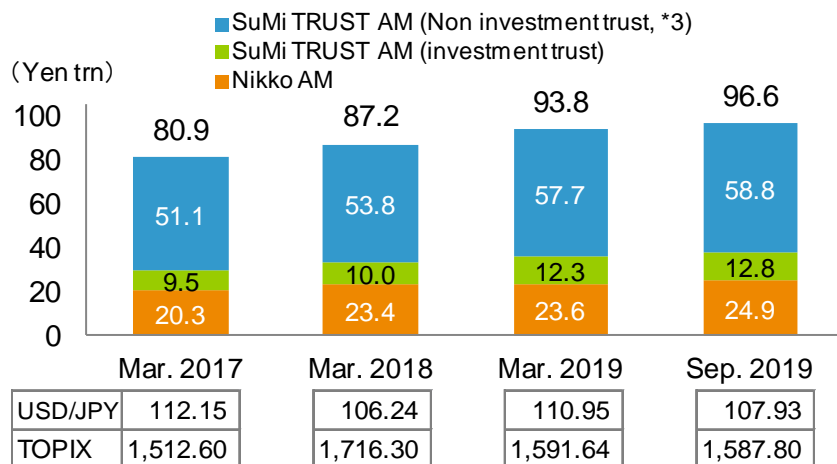
- ✓ AUM increased by ¥2.8trn to ¥96.6trn from March 2019 due mainly to cash inflow
- ✓ AUC increased for each asset category in both domestic and overseas from March 2019

Assets under management (AUM)

		Mar. 2019	Sep. 2019	Change
	(Yen trn)			
1	Assets under management (*1)	93.8	96.6	2.8
2	SuMi TRUST AM	70.1	71.6	1.5
3	Investment trust	12.3	12.8	0.4
4	Non investment trust (*2)	57.7	58.8	1.0
5	Corporate pension trust	13.7	14.0	0.2
6	Public pension trust	11.1	10.8	(0.2)
7	Discretionary investment	32.8	33.8	1.0
8	Nikko AM	23.6	24.9	1.2

(*1) Categorized by entity actually managing asset

(*2) Partially include AUM managed by SuMi TRUST Bank



(*3) Managed by SuMi TRUST Bank until the end of Mar. 2018

USD/JPY	112.15
TOPIX	1,512.60

USD/JPY	106.24
TOPIX	1,716.30

USD/JPY	110.95
TOPIX	1,591.64

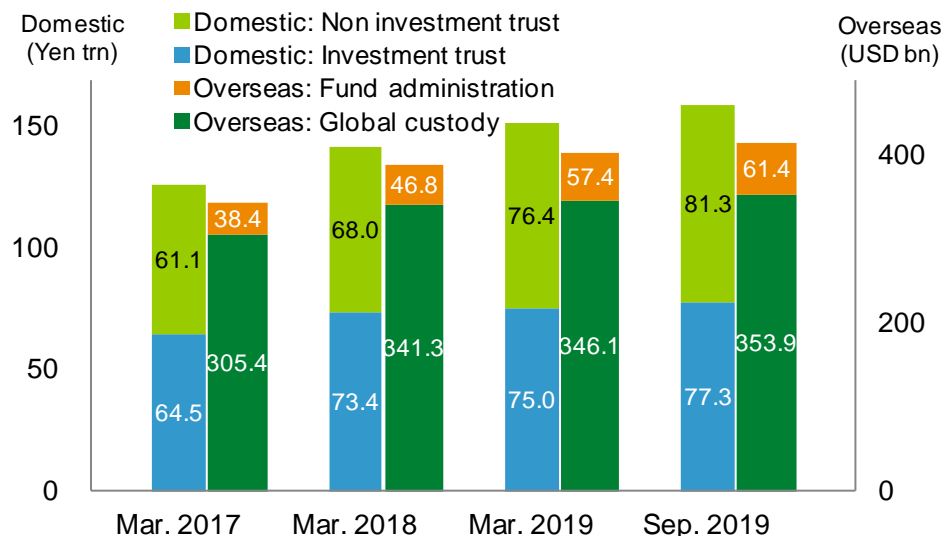
USD/JPY	107.93
TOPIX	1,587.80

Assets under custody/administration

		Mar. 2019	Sep. 2019	Change
	(Yen trn)			
9	[Domestic] Investment trust (*4)	75.0	77.3	2.3
10	Non investment trust (*4)	76.4	81.3	4.8
	[Overseas] (USD bn)			
11	Global custody (*5)	346.1	353.9	7.8
12	Fund administration	57.4	61.4	3.9

(*4) Entrusted balance of SuMi TRUST Bank

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



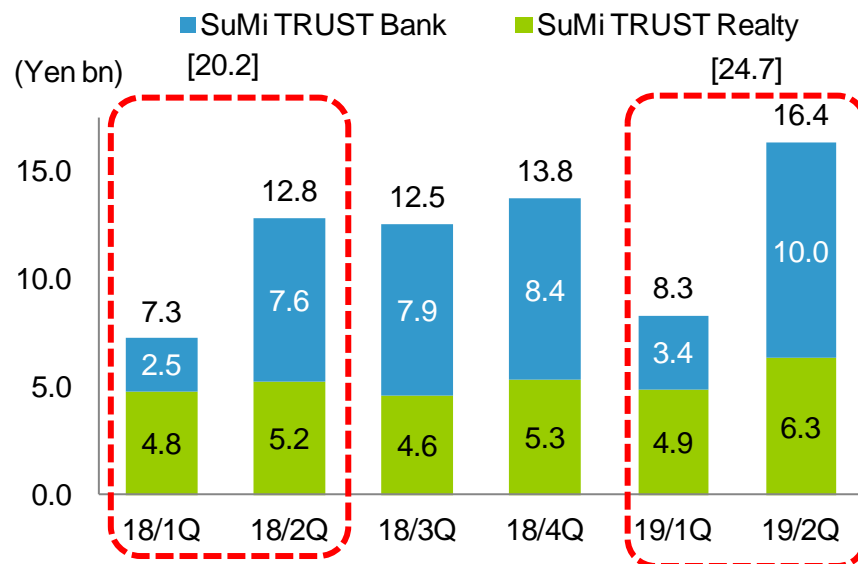
Fee business: Real estate

- ✓ Real estate brokerage fees from corporate clients (SuMi TRUST Bank) increased by ¥3.3bn YoY to ¥13.4bn due to steady flow of new transactions.
- ✓ Real estate brokerage fees from retail clients (SuMi TRUST Realty) also recorded stable growth of ¥1.1bn YoY to ¥11.2bn

Income (group base)

	(Yen bn)	1H		Change	FY19 Plan
		FY18	FY19		
1 Real estate brokerage fees	20.2	24.7	4.5	48.0	
2 SuMi TRUST Bank	10.1	13.4	3.3	27.0	
3 SuMi TRUST Realty	10.1	11.2	1.1	21.0	
4 Real estate trust fees, etc.	2.9	3.0	0.1	6.0	
5 Net other real estate profit	0.8	0.6	(0.1)	1.0	
6 SuMi TRUST Bank	-	-	-	-	
7 Group companies	0.8	0.6	(0.1)	1.0	
8 Total	23.9	28.4	4.5	55.0	
9 o/w SuMi TRUST Bank	13.0	16.5	3.4	33.0	

Real estate brokerage fees (quarterly)



Assets under management / administration

	(Yen bn)	Mar. 2019		Change
		Mar. 2019	Sep. 2019	
10 Securitized real estate	16,389.1	17,148.7	759.5	
11 Assets under custody from J-REITs	14,529.9	15,126.1	596.2	
12 Assets under management	732.1	519.9	(212.2)	
13 Private placement funds	463.5	241.6	(221.8)	
14 J-REITs	268.6	278.2	9.6	

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

- ✓ Corporate lending (yen/foreign currency) decreased due to fall in short-term loans, but loans to retail clients increased, overall portfolio remained flat at ¥30.7trn
- ✓ Corporate lending placing emphasis on product related lending, loan profitability given weight in managing the portfolio

Advanced amount and balance for individuals

(Yen bn)		1HFY18	1HFY19	Change	FY19 Plan
1	Advanced amount of loans to individuals	574.5	654.2	79.7	1,250.0
2	o/w Residential mortgage loans	527.0	613.3	86.3	1,150.0

(Yen bn)		Mar. 2019	Sep. 2019	Change	Mar. 2020 Plan
3	Balance of loans to individuals	9,920.6	10,203.4	282.8	10,300.0
4	o/w Residential mortgage loans	9,314.0	9,590.0	275.9	9,650.0

Balance of credit for corporates

(Yen bn)		Mar. 2019	Sep. 2019	Change	Mar. 2020 Plan
5	Corporate (Yen)	11,131.1	11,090.5	(40.6)	10,960.0
6	Corporate (Foreign Currency)	3,617.2	3,435.8	(181.4)	3,370.0
7	Product related (Yen)	3,098.7	3,058.5	(40.2)	3,200.0
8	Product related (Foreign Currency)	2,971.2	2,913.7	(57.5)	3,110.0
9	Total balance of credit for corporates	20,818.5	20,498.5	(319.9)	20,650.0
10	o/w Product related	6,070.0	5,972.2	(97.8)	6,310.0

(*) Impact of foreign exchange: Corporate (foreign currency) approx. ¥(120)bn, product related (foreign currency) approx. ¥(100)bn

Credit portfolio balance

