

*Explanatory Material*

*2nd Quarter of Fiscal Year 2016  
ended on Sep. 30, 2016*



**SUMITOMO MITSUI TRUST HOLDINGS**





[Non-consolidated]

(Millions of yen)

		1HFY2016	1HFY2015	Change
Gross business profit	1	221,570	239,722	(18,151)
Gross business profit (after written-off of principal guaranteed trust a/c) (1 + 23)	2	221,570	239,722	(18,151)
Net interest income and related profit	3	90,353	115,637	(25,283)
Net interest income	4	82,393	111,141	(28,747)
Domestic	5	68,145	78,727	(10,582)
International	6	14,248	32,414	(18,165)
Trust fees from principal guaranteed trust a/c (before written-off of principal guaranteed trust a/c)	7	7,959	4,496	3,463
Net fees and commissions and related profit	8	96,753	98,736	(1,983)
Net fees and commissions	9	56,822	54,282	2,540
Other trust fees	10	39,930	44,454	(4,523)
Net trading income	11	6,391	8,462	(2,071)
Net other operating profit	12	28,072	16,885	11,186
Net gains on foreign exchange transactions	13	14,266	5,021	9,245
Net gains on bonds	14	16,984	13,511	3,472
Net gains from derivatives other than for trading or hedging	15	(3,670)	(2,047)	(1,622)
General and administrative expenses	16	(115,468)	(118,896)	3,427
Personnel expenses	17	(52,432)	(54,590)	2,158
Non-personnel expenses	18	(55,923)	(57,824)	1,901
Taxes other than income taxes	19	(7,113)	(6,480)	(632)
<b>Net business profit before credit costs (1 + 16)</b>	20	<b>106,102</b>	<b>120,826</b>	<b>(14,723)</b>
(Excluding Net gains on bonds) (20 - 14)	21	89,118	107,314	(18,196)
Provision of general allowance for loan losses	22	-	-	-
Principal guaranteed trust a/c credit costs	23	-	-	-
Net business profit	24	106,102	120,826	(14,723)
Net non-recurring profit	25	(4,883)	(19,178)	14,294
Banking a/c credit costs	26	(351)	(2,356)	2,005
Written-off of loans	27	(165)	(2,430)	2,264
Provision of specific allowance for loan losses	28	-	-	-
Losses on sales of loans	29	(185)	74	(259)
Reversal of allowance for loan losses	30	1,778	1,687	90
Recoveries of written-off claims	31	1,205	546	659
Net gains on stocks	32	10,188	(1,499)	11,687
Losses on devaluation of stocks	33	(959)	(241)	(717)
Others	34	(17,705)	(17,557)	(148)
Amortization of net actuarial losses/ prior service cost	35	(14,298)	(7,486)	(6,811)
Provision for contingent loss	36	216	580	(363)
Losses on investment in partnerships	37	(1,701)	(1,811)	109
Net gains on stock related derivatives	38	(2,895)	(2,359)	(536)
<b>Ordinary profit</b>	39	<b>101,218</b>	<b>101,647</b>	<b>(429)</b>
Extraordinary profit	40	(2,445)	(683)	(1,762)
Net gains on disposal of fixed assets	41	(524)	295	(819)
Impairment loss on fixed assets	42	(1,921)	(978)	(942)
Income before income taxes	43	98,772	100,964	(2,191)
Total income taxes	44	(28,895)	(31,923)	3,028
Income taxes-current	45	(22,091)	(25,119)	3,028
Income taxes-deferred	46	(6,804)	(6,804)	0
<b>Net income</b>	47	<b>69,877</b>	<b>69,040</b>	<b>836</b>
Total credit costs (22 + 23 + 26 + 30 + 31)	48	2,632	(122)	2,754
Overhead ratio (-16/1)	49	52.11%	49.60%	2.51%

## 2. Breakdown of profit by business group

## (1) Gross business profit

[Non-consolidated]

	(Billions of yen)		
	1HFY2016	1HFY2015	Change
Retail financial services	71.2	74.1	(2.8)
Wholesale financial services	62.4	61.8	0.6
Stock transfer agency services	15.8	15.0	0.7
Real estate	12.9	13.1	(0.1)
Fiduciary services	44.6	47.2	(2.6)
Global markets	35.7	44.9	(9.2)
Fees paid for outsourcing	(20.1)	(19.8)	(0.2)
Stock transfer agency services	(5.3)	(5.4)	0.0
Fiduciary services	(14.7)	(14.4)	(0.2)
Others (*)	(1.1)	3.2	(4.4)
<b>Gross business profit</b>	<b>221.5</b>	<b>239.7</b>	<b>(18.1)</b>

(\*) 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)		
	1HFY2016	1HFY2015	Change
Retail financial services	18.7	14.7	4.0
Wholesale financial services	53.7	51.3	2.4
Stock transfer agency services	9.2	8.7	0.4
Real estate	11.5	10.8	0.7
Fiduciary services	24.0	29.1	(5.1)
Global markets	29.0	39.3	(10.2)
Others (*)	(0.3)	2.6	(2.9)
<b>Net business profit before credit costs</b>	<b>146.1</b>	<b>156.7</b>	<b>(10.6)</b>

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

[Non-consolidated]

	(Billions of yen)		
	1HFY2016	1HFY2015	Change
Retail financial services	8.8	10.5	(1.6)
Wholesale financial services	41.6	40.4	1.2
Stock transfer agency services	8.8	8.1	0.6
Real estate	8.5	8.7	(0.1)
Fiduciary services	15.5	18.2	(2.6)
Global markets	29.0	39.3	(10.2)
Others (*)	(6.4)	(4.5)	(1.8)
<b>Net business profit before credit costs</b>	<b>106.1</b>	<b>120.8</b>	<b>(14.7)</b>

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









































