

*Explanatory Material*

*1st Half of Fiscal Year 2017  
ended on Sep. 30, 2017*



**SUMITOMO MITSUI TRUST HOLDINGS**

## Table of Contents

### Summary of 1HFY2017 financial results

1. Financial results	----- Summary 1-3
2. Financial conditions	----- Summary 3-5
3. Forecast for FY2017	----- Summary 5

### Financial figures

1. Status of profit and loss	----- 1-2
2. Breakdown of profit by business group	----- 3
3. Major subsidiaries	----- 4
4. Yields and margins	----- 5
5. Net gains on securities	----- 5
6. Unrealized gains/ losses on investment securities	----- 6-7
7. Maturity ladder of securities	----- 8
8. Shareholdings	----- 8
9. Deferred unrealized gains/ losses of derivative transactions qualified for hedge accounting	----- 8
10. BIS capital adequacy ratio (Basel III, international standard)	----- 9-10
11. Return on equity (ROE)	----- 10
12. Loans and Deposits (Banking a/c and principal guaranteed trust a/c combined)	----- 11
13. Loans (Banking a/c and principal guaranteed trust a/c combined)	----- 12
14. Problem assets based on the Financial Reconstruction Act (Banking a/c and principal guaranteed trust a/c combined)	----- 13-14
15. Self-Assessment and problem assets based on the Financial Reconstruction Act (Banking a/c and principal guaranteed trust a/c combined)	----- 14
16. Allowance for loan losses	----- 15
17. Final disposal of non-performing loans (Banking a/c and principal guaranteed trust a/c combined)	----- 16
18. Retirement benefits	----- 17
19. Deferred tax assets	----- 18
<Reference> Other referential financial figures of SuMi TRUST Bank	----- 19-21

<Definition of terms in this document>  
Sumitomo MitsuiTrust Holdings (Consolidated): "SuMi TRUST Holdings" or "Consolidated"  
Sumitomo Mitsui Trust Bank (Non-consolidated): "SuMi TRUST Bank" or "Non-Consolidated"

### Legal Disclaimer

Regarding forward-looking Statements contained in this material

This presentation material contains information that constitutes forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors including but not limited to changes in managerial circumstances. By virtue of the aforementioned reasons, Sumitomo Mitsui Trust Holdings, Inc. hereby cautions against sole reliance on such forward-looking statements in making investment decisions.

# Summary of 1HFY2017 financial results

## 1. Financial Results

### <Consolidated>

- (1) "Net business profit before credit costs" <1> decreased by 19.4 billion yen from 1HFY2016 to 126.6 billion yen (1.6 billion yen above the forecast for 1HFY2017), due primarily to decrease in gross business profit of SuMi TRUST Bank.
- (2) "Ordinary profit" <2> decreased by 19.7 billion yen from 1HFY2016 to 117.7 billion yen due to decrease in "Net gains on stocks" <5>, although profit from recovery of credit cost in "Total credit costs" <4> increased.
- (3) "Net income attributable to owners of the parent" <3> decreased by 12.4 billion yen from 1HFY2016 to 75.4 billion yen (5.4 billion yen above the forecast for 1HFY2017), representing progress of 50% against the net income forecast for FY2017, 150.0 billion yen.

### [Consolidated]

					(Billions of Yen)
		1HFY2017	1HFY2016	Change	Forecast for 1HFY2017
Net business profit before credit costs (*1)	1	126.6	146.1	(19.4)	125.0
Ordinary profit	2	117.7	137.4	(19.7)	110.0
Net income attributable to owners of the parent	3	75.4	87.9	(12.4)	70.0
Total credit costs	4	4.6	0.7	3.8	(10.0)
Net gains on stocks	5	9.1	9.9	(0.7)	
Return (Net income) on shareholders' equity	6	7.32%	8.79%	(1.47)%	
(Difference from non-consolidated financial results) (*2)					
Net business profit before credit costs	7	40.6	40.0	0.6	
Net income attributable to owners of the parent (*3)	8	16.1	18.0	(1.8)	
Total credit costs	9	(0.7)	(1.8)	1.1	
Net gains on stocks	10	(0.4)	(0.2)	(0.2)	

(\*1) Consolidated net business profit before credit costs = Non-consolidated net business profit before credit costs + Ordinary profits of other subsidiary companies (non-recurring effect adjusted) + Ordinary profits of affiliates (non-recurring effect adjusted) x Ratio of equity holdings - Intra-group transaction (dividends, etc.)

(\*2) Differences between "Consolidated (SuMi TRUST Holdings)" and "Non-consolidated (SuMi TRUST Bank)"

(\*3) Differences between "Net income attributable to owners of the parent" in "<consolidated>" and "Net income" in "<non-consolidated>".

### <Non-consolidated>

- (1) "Net business profit before credit costs" <20> decreased by 20.1 billion yen to 85.9 billion yen from 1HFY2016 due primarily to decrease in "Net fees and commissions and related profit" <13> and market related profit.
- (2) "Ordinary profit" <25> and "Net income" <29> decreased by 12.8 billion yen from 1HFY2016 to 88.3 billion yen and 10.6 billion yen to 59.2 billion yen respectively, whereas profit from recovery of credit cost in "Total credit costs" <22> increased.

### [Non-consolidated]

					(Billions of Yen)
		1HFY2017	1HFY2016	Change	Forecast for 1HFY2017
Gross business profit	11	204.9	221.5	(16.5)	
Net interest income and related profit	12	88.6	90.3	(1.6)	
Net fees and commissions and related profit	13	89.6	96.7	(7.1)	
Net trading profit	14	3.9	6.3	(2.4)	
Net other operating profit	15	22.7	28.0	(5.3)	
Net gains on foreign exchange transactions	16	17.6	14.2	3.3	
Net gains on bonds	17	6.9	16.9	(10.0)	
Net gains from derivatives other than for trading or hedging	18	(1.8)	(3.6)	1.7	
General and administrative expenses	19	(118.9)	(115.4)	(3.5)	
Net business profit before credit costs	20	85.9	106.1	(20.1)	85.0
Net non-recurring profit	21	2.3	(4.8)	7.2	
Total credit costs	22	5.3	2.6	2.6	(10.0)
Net gains on stocks	23	9.6	10.1	(0.5)	
Others	24	(12.6)	(17.7)	5.0	
Ordinary profit	25	88.3	101.2	(12.8)	80.0
Extraordinary profit/ loss	26	(6.2)	(2.4)	(3.7)	
Income before income taxes	27	82.0	98.7	(16.6)	
Total income taxes	28	(22.8)	(28.8)	6.0	
Net income	29	59.2	69.8	(10.6)	60.0
Overhead ratio (-19 / 11)	30	58.05%	52.11%	5.94%	

## (For reference) Overview of business operation

## &lt;Balance of major accounts&gt;

## (1) Balance of major accounts (Banking a/c and Principal guaranteed trust a/c combined)

[Non-consolidated]

(Billions of Yen)

			Sep. 2017 (1HFY2017)	Mar. 2017 (FY2016)	Change from Mar. 2017
Loans and bills discounted	(Ending balance)	1	28,270.7	28,206.1	64.6
	(Average balance)	2	28,104.8	27,339.9	764.9
Deposits, Trust principal (*1)	(Ending balance)	3	32,557.6	32,911.7	(354.1)
	(Average balance)	4	30,452.7	30,022.3	430.4

(\*1) Deposits: Excluding NCD

## (2) Yields and margins (Domestic Banking a/c)

[Non-consolidated]

(%)

		1HFY2017 (A)	2HFY2016 (B)	1HFY2016	Change from 2HFY2016 (A) - (B)
Loan deposit margin	5	0.55	0.57	0.59	(0.02)
Loans and bills discounted	6	0.70	0.72	0.75	(0.02)
Deposits	7	0.15	0.15	0.16	(0.00)

## (3) Status of loans (Banking a/c and Principal guaranteed trust a/c combined)

[Non-consolidated]

(Billions of Yen)

Sep. 2017			Mar. 2017	Change from Mar. 2017
Loans to individuals	8	9,185.0	8,926.9	258.0
Residential mortgage loans	9	8,619.3	8,378.6	240.7
Loans to corporations	10	19,085.7	19,279.2	(193.4)

## &lt;Investment trust and Insurance&gt;

## (1) Sales volume and sales balance of investment trust/ insurance

[Non-consolidated]

## &lt;Sales volume&gt;

(Billions of Yen)

			1HFY2017 (A)	2HFY2016 (B)	1HFY2016 (C)	Change fm 2HFY2016 (A) - (B)	Change fm 1HFY2016 (A) - (C)
Total	11	818.7	712.0	656.5	106.6	162.1	
Investment trust	12	606.2	575.3	423.7	30.8	182.4	
Fund wrap, SMA	13	113.7	53.3	62.6	60.3	51.1	
Insurance	14	98.7	83.3	170.2	15.3	(71.4)	

## &lt;Sales balance&gt;

(Billions of Yen)

			(Billions of Dollars)	
		Sep. 2017	Mar. 2017	Change from Mar. 2017
Total	15	6,228.2	5,988.2	240.0
Investment trust	16	2,933.5	2,796.6	136.9
Fund wrap, SMA	17	815.6	765.5	50.1
Insurance	18	2,478.9	2,426.0	52.9

## (2) Fees and commissions

[Non-consolidated]

(Billions of Yen)

		1HFY2017	1HFY2016	Change from 1HFY2016
Total	19	27.2	30.0	(2.8)
Sales fees of investment trust/ insurance	20	12.4	15.0	(2.5)
Administration fees	21	14.7	14.9	(0.2)

## &lt;Overview of fiduciary services business&gt;

## (1) Assets under management

[Non-consolidated]

(Billions of Yen)

		Sep. 2017	Mar. 2017	Change from Mar. 2017
Assets under management	22	<b>52,803.3</b>	51,127.4	1,675.9
Corporate pension trust	23	<b>13,831.1</b>	15,002.4	(1,171.2)
Public pension trust	24	<b>11,644.5</b>	10,717.7	926.7
Discretionary investment	25	<b>27,327.7</b>	25,407.2	1,920.5

## (2) Gross business profit

[Non-consolidated]

(Billions of Yen)

		1HFY2017	1HFY2016	Change from 1HFY2016
Gross business profit	26	<b>30.0</b>	29.8	0.1
Gross business profit before outsourcing fees	27	<b>45.4</b>	44.6	0.7
Fees paid out for outsourcing	28	<b>(15.3)</b>	(14.7)	(0.5)

## &lt;Overview of real estate business&gt;

## Gross business profit

[Non-consolidated]

(Billions of Yen)

		1HFY2017	1HFY2016	Change from 1HFY2016
Gross business profit	29	<b>15.1</b>	12.9	2.1
Real estate brokerage fees	30	<b>12.2</b>	9.5	2.6
Real estate trust fees, etc.	31	<b>2.9</b>	3.1	(0.2)

## 2. Financial conditions

## &lt;Status of the holding securities&gt;

- (1) Cost of "Available-for-sale securities" <1> increased by 134.4 billion of yen from the end of March 2017 to 4,103.7 billion yen, due primarily to increase of 117.6 billion yen in "Others" <5>.  
Unrealized gains/losses of "Available-for-sale securities" improved and stood at net gains of 709.0 billion yen, due primarily to increase in unrealized gains of "Japanese stocks" <2>, whereas that of "Others" <5>, mainly investment trusts for hedging of strategic-shareholdings, decreased.
- (2) Cost of "Held-to-maturity debt securities" <6> decreased by 58.2 billion yen from the end of March 2017 to 286.5 billion yen, and unrealized gains/losses of those securities stood at net gains of 22.6 billion yen.

## Securities with fair value

[Consolidated]

(Billions of Yen)

		Sep. 2017			Change from Mar. 2017	
		Cost	Fair value	Net	Cost	Net
Available-for-sale securities	1	<b>4,103.7</b>	<b>4,812.8</b>	<b>709.0</b>	134.4	23.4
Japanese stocks	2	<b>654.3</b>	<b>1,471.9</b>	<b>817.6</b>	(11.9)	87.1
Japanese bonds	3	<b>874.5</b>	<b>877.4</b>	<b>2.8</b>	28.7	1.0
Government bonds	4	<b>253.0</b>	<b>253.0</b>	<b>0.0</b>	37.7	0.0
Others	5	<b>2,574.8</b>	<b>2,463.4</b>	<b>(111.4)</b>	117.6	(64.8)
Held-to-maturity debt securities	6	<b>286.5</b>	<b>309.2</b>	<b>22.6</b>	(58.2)	(4.2)

[Non-consolidated]

(Billions of Yen)

		Sep. 2017			Change from Mar. 2017	
		Cost	Fair value	Net	Cost	Net
Available-for-sale securities	7	<b>4,073.5</b>	<b>4,799.2</b>	<b>725.7</b>	152.2	21.6
Japanese stocks	8	<b>628.1</b>	<b>1,469.0</b>	<b>840.8</b>	(11.5)	86.6
Japanese bonds	9	<b>914.8</b>	<b>916.2</b>	<b>1.4</b>	35.2	1.1
Government bonds	10	<b>218.1</b>	<b>218.2</b>	<b>0.0</b>	47.7	0.1
Others	11	<b>2,530.5</b>	<b>2,414.0</b>	<b>(116.5)</b>	128.5	(66.1)
Held-to-maturity debt securities	12	<b>208.9</b>	<b>231.5</b>	<b>22.6</b>	(54.4)	(4.2)

## &lt;Reference 1&gt; Breakdown of "Available-for-sale securities (Others)"

[Non-consolidated]

(Billions of Yen)

		Sep. 2017			Change from Mar. 2017	
		Cost	Fair value	Net	Cost	Net
Domestic investment (*1)	1	89.1	91.1	1.9	(4.6)	0.0
International investment (*1)	2	1,379.6	1,368.5	(11.0)	49.7	4.8
Foreign bonds	3	1,365.7	1,353.2	(12.5)	56.0	3.4
US Treasury	4	752.9	738.6	(14.2)	(29.1)	3.0
European government bonds (*2)	5	55.9	55.5	(0.3)	29.0	(0.4)
US agency MBS	6	103.0	102.1	(0.9)	17.8	0.1
Others (Investment trust, etc.) (*3)	7	1,061.7	954.2	(107.4)	83.4	(70.9)
Total	8	2,530.5	2,414.0	(116.5)	128.5	(66.1)

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

(\*2) German government bonds (Bunds), UK government bonds (Gilts) and French government bonds (OATs).

(\*3) "Investment trust" and investment securities uncategorizable into "Domestic investment" or "International investment"

## &lt;Reference 2&gt; Breakdown of "Held-to-maturity debt securities"

[Non-consolidated]

(Billions of Yen)

		Sep. 2017			Change from Mar. 2017	
		Cost	Fair value	Net	Cost	Net
Japanese government bonds	9	123.2	143.1	19.8	(16.6)	(0.1)
Japanese local government bonds/ Corporate bonds	10	29.0	29.4	0.4	(0.1)	0.2
Others	11	56.6	58.9	2.3	(37.6)	(4.3)
Domestic investment (*)	12	10.7	10.7	0.0	(1.5)	(0.0)
International investment (*)	13	45.9	48.2	2.2	(36.0)	(4.3)
Total	14	208.9	231.5	22.6	(54.4)	(4.2)

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

## &lt;Problem assets based on the Financial Reconstruction Act&gt;

- (1) Total balance of "Problem assets based on the Financial Reconstruction Act" <1> decreased 9.4 billion yen from the end of March 2017 to 61.8 billion yen. "Ratio to total balance" <2> (ratio of "Problem assets based on the Financial Reconstruction Act" to total balance) stayed at the same level of 0.2% as the end of March 2017.
- (2) Coverage ratio with collateral values and allowance at the end of September 2017 for "Doubtful" <4> and "Substandard" <5> stood at 96.5% and 97.5% respectively, and coverage ratio for total balance of "Problem assets based on the Financial reconstruction Act" <1> stood at 97.6%, all of which represent prudent level.

[Non-consolidated] (Banking a/c and Principal guaranteed trust a/c combined)

(Billions of Yen)

		Sep. 2017	Mar. 2017	Change from Mar. 2017	Sep. 2017	
					Coverage ratio	Allowance ratio
Problem assets based on the Financial Reconstruction Act	1	61.8	71.2	(9.4)	97.6%	80.1%
Ratio to total balance	2	0.2%	0.2%	(0.0%)		
Bankrupt and practically bankrupt	3	13.2	7.9	5.3	100.0%	100.0%
Doubtful	4	27.9	35.4	(7.5)	96.5%	70.9%
Substandard (a)	5	20.7	27.8	(7.1)	97.5%	43.5%
Ordinary assets	6	28,726.8	28,664.0	62.8		
Substandard debtors (excl. (a)) (b)	7	1.3	1.2	0.1		
Other special mention debtors (excl. (a) and (b))	8	446.7	554.3	(107.7)		
Ordinary debtors	9	28,278.8	28,108.4	170.4		

## &lt;Status of BIS capital adequacy ratio (Basel III, international standard)&gt;

- (1) "Common Equity Tier 1 capital ratio" <1>, "Tier 1 capital ratio" <2> and "Total capital ratio" <3> at the end of September 2017 stood at 11.29%, 13.73% and 16.76%, respectively, all of which exceeded regulatory minimum requirements.
- (2) "Common Equity Tier 1 capital ratio" <8>, Pro forma on fully-loaded basis, increased by 0.28 percentage points from the end of March 2017 to 11.47% due primarily to increase in "Common Equity Tier 1 capital" <9> increased by the accumulation of retained earnings.

[Consolidated]

(Billions of Yen)

		Sep. 2017 (Preliminary)	Mar. 2017	Change from Mar. 2017	Minimum requirement (*)
Common Equity Tier 1 capital ratio	1	11.29%	11.04%	0.25%	6.00%
Tier 1 capital ratio	2	13.73%	13.54%	0.19%	7.50%
Total capital ratio	3	16.76%	16.42%	0.34%	9.50%
Common Equity Tier 1 capital	4	2,210.9	2,141.8	69.0	
Tier 1 capital	5	2,688.8	2,625.7	63.1	
Total capital	6	3,280.5	3,185.8	94.6	
Total risk-weighted assets	7	19,570.8	19,391.9	178.9	

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

## &lt;Reference&gt; Fully-loaded basis (\*)

Common Equity Tier 1 capital ratio	8	11.47%	11.19%	0.28%
Common Equity Tier 1 capital	9	2,242.3	2,166.5	75.8
Total risk-weighted assets	10	19,537.6	19,352.6	185.0

(\*) Fully-loaded basis: Pro forma without considering transitional arrangements concerning "Regulatory adjustments", etc.

## 3. Forecast for FY2017

[Consolidated]

(Billions of Yen)

		Forecast for FY2017			
		1HFY2017 Actual	Revised forecast (A)	Previous forecast (B)	Change (A) - (B)
Net business profit before credit costs	1	126.6	260.0	260.0	-
Ordinary profit	2	117.7	235.0	235.0	-
Net income attributable to owners of the parent	3	75.4	150.0	150.0	-
Total credit costs	4	4.6	(5.0)	(20.0)	15.0
Dividend per common share (Yen)	5	65.0	130.0	130.0	-
Consolidated dividend payout ratio (*)	6	-----	33.0%	33.2%	(0.2%)

(\*) Consolidated dividend payout ratio = {Total amount of dividends for common shares / (Profit (loss) attributable to owners of parent - Total amount of dividends for preferred shares)} x100

[Non-consolidated]

(Billions of Yen)

		Forecast for FY2017			
		1HFY2017 Actual	Revised forecast (A)	Previous forecast (B)	Change (A) - (B)
Net business profit before credit costs	7	85.9	180.0	180.0	-
Ordinary profit	8	88.3	170.0	170.0	-
Net income	9	59.2	120.0	125.0	(5.0)
Total credit costs	10	5.3	(5.0)	(20.0)	15.0

**Financial figures**

## 1. Status of profit and loss

[Consolidated]

(Millions of yen)

		1HFY2017	1HFY2016	Change
Consolidated gross business profit (*1)	1	328,215	340,665	(12,450)
Consolidated gross business profit (after written-off of principal guaranteed trust a/c) (1 + 19)	2	328,215	340,665	(12,450)
Net interest income and related profit	3	95,462	97,027	(1,564)
Net interest income	4	89,767	89,067	700
Trust fees from principal guaranteed trust a/c (before written-off of principal guaranteed trust a/c)	5	5,695	7,959	(2,264)
Net fees and commissions and related profit	6	192,417	196,179	(3,761)
Net fees and commissions	7	149,472	153,432	(3,960)
Other trust fees	8	42,945	42,746	198
Net trading profit	9	3,920	6,391	(2,471)
Net other operating profit	10	36,414	41,067	(4,653)
Net gains on bonds	11	7,002	16,985	(9,983)
Net gains from derivatives other than for trading or hedging	12	(2,021)	(3,645)	1,623
General and administrative expenses	13	(213,775)	(206,814)	(6,961)
(excluding amortization of goodwill)	14	(209,041)	(202,082)	(6,959)
Personnel expenses	15	(98,394)	(93,585)	(4,808)
Non-personnel expenses excluding taxes	16	(107,074)	(104,241)	(2,833)
Taxes other than income taxes	17	(8,306)	(8,987)	680
Provision of general allowance for loan losses	18	-	(261)	261
Principal guaranteed trust a/c credit costs	19	-	-	-
Banking a/c credit costs	20	(1,567)	(705)	(862)
Written-off of loans	21	(1,528)	(724)	(804)
Provision of specific allowance for loan losses	22	-	204	(204)
Losses on sales of loans	23	(39)	(185)	146
Reversal of allowance for loan losses	24	5,168	-	5,168
Recoveries of written-off claims	25	1,007	1,738	(731)
Net gains on stocks	26	9,173	9,951	(778)
Losses on devaluation of stocks	27	(0)	(1,160)	1,160
Net income from affiliates by equity method	28	(438)	3,006	(3,445)
Others	29	(10,070)	(10,113)	43
<b>Ordinary profit</b>	30	<b>117,712</b>	<b>137,467</b>	<b>(19,754)</b>
Extraordinary profit	31	2,451	(1,601)	4,052
Net gains on disposal of fixed assets	32	8,735	383	8,351
Impairment loss on fixed assets	33	(6,284)	(1,985)	(4,299)
Income before income tax	34	120,163	135,865	(15,702)
Total income taxes	35	(37,988)	(41,426)	3,437
Income taxes-current	36	(30,024)	(32,146)	2,122
Income taxes-deferred	37	(7,963)	(9,279)	1,315
Net income	38	82,175	94,439	(12,264)
Net income attributable to non-controlling interests	39	(6,748)	(6,517)	(230)
<b>Net income attributable to owners of the parent</b>	40	<b>75,427</b>	<b>87,922</b>	<b>(12,495)</b>
Total credit costs (18 + 19 + 20 + 24 + 25)	41	4,608	771	3,837

(\*1) Consolidated gross business profit = Trust fees + (Interest income - Interest expenses) + (Fees and commissions - Fees and commissions payments)  
+ (Trading income - Trading expenses) + (Other operating income - Other operating expenses)

<b>Consolidated net business profit before credit costs (*2)</b>	42	<b>126,668</b>	<b>146,107</b>	<b>(19,439)</b>
--	----	----------------	----------------	-----------------

(\*2) Consolidated net business profit before credit costs = Non-consolidated net business profit before credit costs + Ordinary profits of other subsidiary companies (non-recurring effect adjusted) + Ordinary profits of affiliates (non-recurring effect adjusted) x Ratio of equity holdings - Intra-group transaction (dividends, etc.)

(Reference) Major components of "Consolidated net business profit before credit costs" <42>, in which gross income and expense from the affiliates are taken into consideration for managerial accounting, are shown in the table below.

Substantial consolidated gross business profit	43	341,240	354,683	(13,443)
Substantial net fees and commissions and related profit	44	195,247	200,200	(4,953)
Substantial general and administrative expenses	45	(214,571)	(208,575)	(5,996)
Consolidated Fee income ratio	46	57.2%	56.4%	0.8%

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

Net business profit before credit costs	47	40,669	40,005	664
Net income attributable to owners of the parent (*4)	48	16,185	18,044	(1,858)
Total credit costs	49	(713)	(1,861)	1,148
Net gains on stocks	50	(497)	(236)	(260)

(\*3) Differences between "Consolidated" and "Non-consolidated".

(\*4) Differences between "Net income attributable to owners of the parent" in "Consolidated" and "Net income" in "Non-consolidated".



[Non-consolidated]

(Millions of yen)

		1HFY2017	1HFY2016	Change
Gross business profit	1	204,991	221,570	(16,579)
Gross business profit (after written-off of principal guaranteed trust a/c) (1 + 23)	2	204,991	221,570	(16,579)
Net interest income and related profit	3	88,665	90,353	(1,688)
Net interest income	4	82,969	82,393	575
Domestic	5	70,068	68,145	1,922
International	6	12,901	14,248	(1,346)
Trust fees from principal guaranteed trust a/c (before written-off of principal guaranteed trust a/c)	7	5,695	7,959	(2,264)
Net fees and commissions and related profit	8	89,650	96,753	(7,102)
Net fees and commissions	9	49,547	56,822	(7,274)
Other trust fees	10	40,102	39,930	171
Net trading income	11	3,920	6,391	(2,471)
Net other operating profit	12	22,755	28,072	(5,317)
Net gains on foreign exchange transactions	13	17,646	14,266	3,379
Net gains on bonds	14	6,946	16,984	(10,037)
Net gains from derivatives other than for trading or hedging	15	(1,895)	(3,670)	1,775
General and administrative expenses	16	(118,992)	(115,468)	(3,523)
Personnel expenses	17	(54,840)	(52,432)	(2,408)
Non-personnel expenses	18	(57,836)	(55,923)	(1,912)
Taxes other than income taxes	19	(6,315)	(7,113)	797
<b>Net business profit before credit costs (1 + 16)</b>	20	<b>85,998</b>	<b>106,102</b>	<b>(20,103)</b>
(Excluding Net gains on bonds) (20 - 14)	21	79,052	89,118	(10,066)
Provision of general allowance for loan losses	22	-	-	-
Principal guaranteed trust a/c credit costs	23	-	-	-
Net business profit	24	85,998	106,102	(20,103)
Net non-recurring profit	25	2,330	(4,883)	7,214
Banking a/c credit costs	26	(1,239)	(351)	(888)
Written-off of loans	27	(1,200)	(165)	(1,034)
Provision of specific allowance for loan losses	28	-	-	-
Losses on sales of loans	29	(39)	(185)	146
Reversal of allowance for loan losses	30	6,267	1,778	4,489
Recoveries of written-off claims	31	293	1,205	(912)
Net gains on stocks	32	9,671	10,188	(517)
Losses on devaluation of stocks	33	(0)	(959)	958
Others	34	(12,663)	(17,705)	5,042
Amortization of net actuarial losses/ prior service cost	35	(8,177)	(14,298)	6,121
Provision for contingent loss	36	(771)	216	(988)
Losses on investment in partnerships	37	(1,284)	(1,701)	416
Net gains on stock related derivatives	38	(1,306)	(2,895)	1,589
<b>Ordinary profit</b>	39	<b>88,329</b>	<b>101,218</b>	<b>(12,889)</b>
Extraordinary profit	40	(6,235)	(2,445)	(3,789)
Net gains on disposal of fixed assets	41	48	(524)	573
Impairment loss on fixed assets	42	(6,284)	(1,921)	(4,363)
Income before income taxes	43	82,093	98,772	(16,679)
Total income taxes	44	(22,851)	(28,895)	6,043
Income taxes-current	45	(16,034)	(22,091)	6,056
Income taxes-deferred	46	(6,817)	(6,804)	(13)
<b>Net income</b>	47	<b>59,241</b>	<b>69,877</b>	<b>(10,636)</b>
Total credit costs (22 + 23 + 26 + 30 + 31)	48	5,321	2,632	2,689
Overhead ratio (-16/1)	49	58.05%	52.11%	5.94%

## 2. Breakdown of profit by business group

### (1) Gross business profit

[Non-consolidated]

	(Billions of yen)		
	1HFY2017	1HFY2016	Change
Retail total solution services	63.1	71.2	(8.0)
Wholesale financial services (*1)	61.0	62.4	(1.3)
Stock transfer agency services	15.6	15.8	(0.1)
Real estate	15.1	12.9	2.1
Fiduciary services	45.4	44.6	0.7
Global markets	27.0	35.7	(8.7)
Fees paid out for outsourcing	(20.6)	(20.1)	(0.5)
Stock transfer agency services	(5.3)	(5.3)	0.0
Fiduciary services	(15.3)	(14.7)	(0.5)
Others (*2)	(1.7)	(1.1)	(0.6)
Gross business profit	204.9	221.5	(16.5)

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

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

### (2) Net business profit before credit costs

[Consolidated]

	(Billions of yen)		
	1HFY2017	1HFY2016	Change
Retail total solution services	10.5	18.7	(8.2)
Wholesale financial services (*1)	54.8	53.7	1.0
Stock transfer agency services	9.1	9.2	(0.0)
Real estate	13.6	11.5	2.1
Fiduciary services	26.8	24.0	2.7
Global markets	19.5	29.0	(9.4)
Others (*2)	(7.9)	(0.3)	(7.6)
Net business profit before credit costs	126.6	146.1	(19.4)

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

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

[Non-consolidated]

	(Billions of yen)		
	1HFY2017	1HFY2016	Change
Retail total solution services	2.0	8.8	(6.8)
Wholesale financial services (*1)	41.2	41.6	(0.4)
Stock transfer agency services	8.6	8.8	(0.1)
Real estate	10.6	8.5	2.0
Fiduciary services	16.6	15.5	1.1
Global markets	19.5	29.0	(9.4)
Others (*2)	(12.7)	(6.4)	(6.3)
Net business profit before credit costs	85.9	106.1	(20.1)

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

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

## 3. Major subsidiaries

(Billions of yen)

	Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. (Consolidated)			Sumitomo Mitsui Trust Loan & Finance Co., Ltd.		
	1HFY2017	1HFY2016	Change	1HFY2017	1HFY2016	Change
Ordinary profit	5.3	5.7	(0.3)	3.8	3.7	0.0
Net income (*1)	3.0	3.6	(0.6)	2.3	2.2	0.0
Total credit costs	0.3	(0.2)	0.6	(0.0)	(0.1)	0.0

  

	Sep. 2017	Mar. 2017	Change	Sep. 2017	Mar. 2017	Change
Total assets	1,247.3	1,245.2	2.0	376.6	364.1	12.4
Net assets	163.9	162.3	1.6	53.0	50.6	2.3

(Billions of yen)

	Nikko Asset Management Co., Ltd. (Consolidated)			Sumitomo Mitsui Trust Asset Management Co., Ltd.		
	1HFY2017	1HFY2016	Change	1HFY2017	1HFY2016	Change
Ordinary profit	4.9	4.0	0.8	2.8	3.1	(0.2)
Net income (*1)	3.2	2.6	0.5	1.9	2.1	(0.1)

  

	Sep. 2017	Mar. 2017	Change	Sep. 2017	Mar. 2017	Change
Total assets	91.6	89.5	2.1	28.4	26.3	2.1
Net assets	73.9	69.9	3.9	23.7	21.8	1.9
Assets under management (*2)	21,853.5	20,359.9	1,493.6	9,382.3	9,502.9	(120.6)

(Billions of yen)

	Sumitomo Mitsui Trust Realty Co., Ltd.		
	1HFY2017	1HFY2016	Change
Ordinary profit	2.6	2.0	0.5
Net income (*1)	1.8	1.4	0.4

  

	Sep. 2017	Mar. 2017	Change
Total assets	26.0	24.2	1.8
Net assets	21.6	19.8	1.8

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

	Sep. 2017	Mar. 2017	Change
Consolidated subsidiaries	69	71	(2)
Affiliates (subject to the equity method)	24	23	1

(\*1) "Net income" represents "Net income attributable to owners of the parent" for Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. (Consolidated) and Nikko Asset Management Co., Ltd. (Consolidated).

(\*2) Figure for Sep. 2017 is preliminary basis

## 4. Yields and margins

## (1) Domestic banking a/c

[Non-consolidated]

	1HFY2017	2HFY2016	1HFY2016	(%) Change from 2HFY2016
Average yield on interest-earning assets (A)	<b>0.58</b>	0.63	0.61	(0.05)
Loans and bills discounted (B)	<b>0.70</b>	0.72	0.75	(0.02)
Securities	<b>1.45</b>	1.57	1.47	(0.12)
Average yield on interest-bearing liabilities (C)	<b>0.18</b>	0.19	0.21	(0.01)
Deposits (D)	<b>0.15</b>	0.15	0.16	(0.00)
Gross margin (A) - (C)	<b>0.40</b>	0.44	0.40	(0.04)
Loan-deposit margin (B) - (D)	<b>0.55</b>	0.57	0.59	(0.02)

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

[Non-consolidated]

	1HFY2017	2HFY2016	1HFY2016	(%) Change from 2HFY2016
Average yield on interest-earning assets (A)	<b>0.58</b>	0.63	0.61	(0.05)
Loans and bills discounted (B)	<b>0.70</b>	0.72	0.75	(0.02)
Securities	<b>1.46</b>	1.57	1.47	(0.11)
Average yield on interest-bearing liabilities (C)	<b>0.14</b>	0.16	0.16	(0.02)
Deposits and Trust Principal (D)	<b>0.14</b>	0.14	0.14	(0.00)
Gross margin (A) - (C)	<b>0.44</b>	0.47	0.45	(0.03)
Loan-deposit margin (B) - (D)	<b>0.56</b>	0.58	0.61	(0.02)

## 5. Net gains on securities

[Consolidated]

	1HFY2017	1HFY2016	(Millions of yen) Change
Net gains on bonds	<b>7,002</b>	16,985	(9,983)
Gains on sales of bonds	<b>19,026</b>	17,625	1,400
Gains on redemption of bonds	<b>1</b>	-	1
Losses on sales of bonds	<b>(12,025)</b>	(632)	(11,393)
Losses on redemption of bonds	<b>-</b>	(7)	7
Losses on devaluation of bonds	<b>(0)</b>	-	(0)
Net gains on stocks	<b>9,173</b>	9,951	(778)
Gains on sales of stocks	<b>10,530</b>	11,844	(1,314)
Losses on sales of stocks	<b>(1,356)</b>	(731)	(624)
Losses on devaluation of stocks	<b>(0)</b>	(1,160)	1,160

[Non-consolidated]

	1HFY2017	1HFY2016	(Millions of yen) Change
Net gains on bonds	<b>6,946</b>	16,984	(10,037)
Gains on sales of bonds	<b>18,851</b>	17,597	1,253
Gains on redemption of bonds	<b>-</b>	-	-
Losses on sales of bonds	<b>(11,905)</b>	(613)	(11,291)
Losses on redemption of bonds	<b>-</b>	-	-
Losses on devaluation of bonds	<b>(0)</b>	-	(0)
Net gains on stocks	<b>9,671</b>	10,188	(517)
Gains on sales of stocks	<b>10,551</b>	11,881	(1,329)
Losses on sales of stocks	<b>(879)</b>	(733)	(146)
Losses on devaluation of stocks	<b>(0)</b>	(959)	958

## 6. Unrealized gains/ losses on investment securities

(1) Securities with fair value

[Consolidated]

	Sep. 2017				Mar. 2017		(Millions of yen) Change	
	Cost	Net	Unrealized gains	Unrealized losses	Cost	Net	Cost	Net
Available-for-sale securities	4,103,769	709,059	849,516	(140,457)	3,969,312	685,647	134,457	23,411
Japanese stocks (*)	654,363	817,601	828,122	(10,520)	666,284	730,472	(11,921)	87,129
Japanese bonds	874,559	2,869	3,345	(475)	845,788	1,771	28,770	1,098
Government bonds	253,000	52	62	(10)	215,291	(35)	37,708	87
Local government bonds	4,824	(15)	14	(29)	4,802	(11)	22	(4)
Corporate bonds	616,734	2,832	3,268	(436)	625,694	1,817	(8,960)	1,014
Others	2,574,846	(111,411)	18,048	(129,460)	2,457,239	(46,596)	117,607	(64,815)
Held-to-maturity debt securities	286,513	22,696	22,698	(2)	344,728	26,917	(58,214)	(4,221)

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

[Non-consolidated]

	Sep. 2017				Mar. 2017		(Millions of yen) Change	
	Cost	Net	Unrealized gains	Unrealized losses	Cost	Net	Cost	Net
Available-for-sale securities	4,073,553	725,736	870,850	(145,114)	3,921,346	704,050	152,207	21,686
Japanese stocks (*)	628,124	840,879	853,425	(12,546)	639,704	754,234	(11,579)	86,644
Japanese bonds	914,876	1,400	3,341	(1,940)	879,618	250	35,258	1,149
Government bonds	218,195	48	59	(10)	170,466	(100)	47,728	149
Local government bonds	4,824	(15)	14	(29)	4,802	(11)	22	(4)
Corporate bonds	691,857	1,367	3,268	(1,901)	704,349	362	(12,492)	1,004
Others	2,530,552	(116,543)	14,083	(130,626)	2,402,023	(50,434)	128,529	(66,108)
Held-to-maturity debt securities	208,944	22,607	22,607	-	263,432	26,847	(54,487)	(4,239)

(\*) Fair value of listed stocks included in "Available-for-sale securities" is determined based on the average quoted market price over the month preceding the balance sheet date.

&lt;Reference 1&gt;

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

[Non-consolidated]

	Sep. 2017		Mar. 2017		(Millions of yen) Change	
	Cost	Net	Cost	Net	Cost	Net
Domestic investment (*1)	89,170	1,969	93,783	1,953	(4,612)	15
Asset-backed securities	25,896	728	30,004	717	(4,107)	11
Others	63,274	1,240	63,779	1,236	(505)	4
International investment (*1)	1,379,661	(11,078)	1,329,938	(15,880)	49,723	4,802
Foreign government bonds	1,365,761	(12,521)	1,309,688	(15,939)	56,072	3,418
US Treasury	752,907	(14,252)	782,066	(17,329)	(29,159)	3,076
European government bonds (*2)	55,954	(396)	26,948	68	29,005	(465)
US agency MBS	103,081	(924)	85,251	(1,104)	17,829	179
Corporate bonds, etc. (*3)	385,355	2,931	335,729	2,258	49,626	673
Foreign stocks and others	13,900	1,443	20,249	58	(6,349)	1,384
Others (Investment trust, etc.) (*4)	1,061,720	(107,434)	978,301	(36,507)	83,418	(70,926)
Total	2,530,552	(116,543)	2,402,023	(50,434)	128,529	(66,108)

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

(\*2) German government bonds (Bunds), UK government bonds (Gilts) and French government bonds (OATs).

(\*3) Corporate bonds which are based on issuer's credit risk.

(\*4) "Investment trust" and investment securities uncategorizable into "Domestic investment" or "International investment".

## &lt;Reference 2&gt;

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

[Non-consolidated]

	(Millions of yen)					
	Sep. 2017		Mar. 2017		Change	
	Cost	Net	Cost	Net	Cost	Net
Held-to-maturity debt securities	<b>208,944</b>	<b>22,607</b>	263,432	26,847	(54,487)	(4,239)
Japanese Government Bonds	<b>123,292</b>	<b>19,877</b>	139,988	20,059	(16,695)	(182)
Japanese Local Government Bonds	-	-	-	-	-	-
Japanese Corporate Bonds	<b>29,000</b>	<b>411</b>	29,141	155	(141)	255
Others	<b>56,652</b>	<b>2,318</b>	94,303	6,631	(37,650)	(4,312)
Domestic investment (*)	<b>10,703</b>	<b>25</b>	12,281	25	(1,578)	(0)
International investment (*)	<b>45,948</b>	<b>2,293</b>	82,021	6,605	(36,072)	(4,311)

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

## (2) Securities with no available fair value

[Non-consolidated]

	(Millions of yen)		
	Sep. 2017	Mar. 2017	Change
	Cost	Cost	
Available-for-sale securities	<b>151,289</b>	158,010	(6,721)
Japanese stocks	<b>54,164</b>	54,173	(8)
Japanese bonds	-	-	-
Others	<b>97,124</b>	103,837	(6,713)
Domestic investment (*)	<b>56,055</b>	65,829	(9,774)
International investment (*)	<b>41,069</b>	38,007	3,061

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

## 7. Maturity ladder of securities

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

[Consolidated]

(Millions of yen)

	Sep. 2017					Mar. 2017				
	Less than 1 year	1 year to 5 years	5 years to 10 years	Over 10 years	Total	Less than 1 year	1 year to 5 years	5 years to 10 years	Over 10 years	Total
Japanese bonds	327,835	388,510	137,365	176,210	1,029,920	323,668	303,469	194,691	195,110	1,016,940
Government bonds	213,826	40,353	10,700	111,664	376,545	235,853	101	60	119,481	355,495
Local government bonds	-	1,489	3,319	-	4,808	-	1,363	3,427	-	4,790
Corporate bonds	114,009	346,667	123,344	64,545	648,566	87,815	302,004	191,203	75,629	656,653
Others	236,203	935,044	825,387	499,359	2,495,993	310,027	869,195	770,752	544,716	2,494,691

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

[Non-consolidated]

(Millions of yen)

	Sep. 2017					Mar. 2017				
	Less than 1 year	1 year to 5 years	5 years to 10 years	Over 10 years	Total	Less than 1 year	1 year to 5 years	5 years to 10 years	Over 10 years	Total
Japanese bonds	292,886	388,510	137,305	249,868	1,068,569	278,587	303,469	194,631	272,310	1,048,998
Government bonds	178,877	40,353	10,640	111,664	341,536	190,771	101	-	119,481	310,354
Local government bonds	-	1,489	3,319	-	4,808	-	1,363	3,427	-	4,790
Corporate bonds	114,009	346,667	123,344	138,203	722,224	87,815	302,004	191,203	152,829	733,853
Others	222,291	934,387	823,488	409,505	2,389,673	282,248	868,568	769,827	451,299	2,371,944

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

## 8. Shareholdings

1) Balance of listed stocks

[Consolidated]

(Billions of yen)

	Sep. 2017	Mar. 2017
Cost basis	654.3	666.2
Fair value basis	1,471.9	1,396.7

2) Reduction of cross shareholdings

[Consolidated]

(Billions of yen)

	FY2017	FY2016	
	1H	Full	1H
Cost basis	13.3	32.2	5.1

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

[Consolidated]

(Millions of yen)

	Sep. 2017	Mar. 2017	Change
Interest rate related	(23,300)	(20,507)	(2,792)
Interest rate swaps	(23,300)	(20,507)	(2,792)
Currency related	(3,588)	(4,151)	562
Total	(26,889)	(24,659)	(2,229)

Note: Before considering tax effect accounting.

[Non-consolidated]

(Millions of yen)

	Sep. 2017	Mar. 2017	Change
Interest rate related	(22,809)	(20,004)	(2,804)
Interest rate swaps	(22,809)	(20,004)	(2,804)
Currency related	(1,537)	(3,127)	1,590
Total	(24,346)	(23,132)	(1,213)

Note: Before considering tax effect accounting.

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

[Consolidated]

[Consolidated]

		(Billions of yen)			Minimum requirement (*1) (Sep. 2017)
		Sep. 2017 (Preliminary)	Mar. 2017	Change	
Common Equity Tier 1 capital ratio	(8) / (21)	1	11.29%	11.04%	0.25%
Tier 1 capital ratio	(12) / (21)	2	13.73%	13.54%	0.19%
Total capital ratio	(16) / (21)	3	16.76%	16.42%	0.34%
Directly issued qualifying capital plus retained earnings		4	2,049.5	2,006.7	42.8
Accumulated Other Comprehensive Income ("OCI")		5	363.5	344.7	18.7
Instruments and reserves		6	2,422.5	2,360.8	61.6
Regulatory adjustments		7	(211.5)	(218.9)	7.4
Common Equity Tier 1 capital (CET1)		8	2,210.9	2,141.8	69.0
Directly issued qualifying Additional Tier 1 instruments		9	290.0	220.0	70.0
Eligible Tier 1 capital instruments subject to phase-out arrangements		10	193.0	272.5	(79.5)
Additional Tier 1 capital (AT1)		11	477.9	483.8	(5.9)
Tier 1 capital (T1 = CET1 + AT1)		12	2,688.8	2,625.7	63.1
Directly issued qualifying Tier 2 instruments		13	180.0	140.0	40.0
Eligible Tier 2 capital instruments subject to phase-out arrangements		14	344.1	361.4	(17.3)
Tier 2 capital (T2)		15	591.6	560.1	31.4
Total capital (T1 + T2)		16	3,280.5	3,185.8	94.6
Amount included in credit risk-weighted assets subject to phase-out arrangements		17	33.2	39.2	(6.0)
Amount of credit risk-weighted assets		18	17,840.2	17,855.8	(15.5)
Amount of market risk equivalents		19	741.2	551.4	189.7
Amount of operational risk equivalents		20	989.4	984.6	4.7
Total risk weighted assets		21	19,570.8	19,391.9	178.9

(\*1) Capital conservation buffer, countercyclical capital buffer and surcharge for domestic systemically important banks are taken into account and added to minimum regulatory requirements for each capital ratio.

## &lt;Reference&gt; Fully-loaded basis (\*2)

[Consolidated]

(Billions of yen)

			Sep. 2017	Mar. 2017	Change
Common Equity Tier 1 capital ratio	(31) / (35)	22	11.47%	11.19%	0.28%
Directly issued qualifying capital plus retained earnings		23	2,049.5	2,006.7	42.8
Accumulated Other Comprehensive Income ("OCI")		24	454.3	430.9	23.4
Instruments and reserves		25	2,506.8	2,440.2	66.5
Intangibles		26	(181.0)	(190.0)	9.0
Shortfall of eligible provisions to expected losses		27	(15.1)	(10.9)	(4.2)
Assets for retirement benefits		28	(86.4)	(82.5)	(3.8)
Minority investments in other financial institutions (*3)		29	-	(6.2)	6.2
Regulatory adjustments		30	(264.4)	(273.7)	9.2
Common Equity Tier 1 capital (CET1)		31	2,242.3	2,166.5	75.8
Amount of credit risk-weighted assets		32	17,807.0	17,816.5	(9.4)
Amount of market risk equivalents		33	741.2	551.4	189.7
Amount of operational risk equivalents		34	989.4	984.6	4.7
Total risk weighted assets		35	19,537.6	19,352.6	185.0

(\*2) Pro forma without considering transitional arrangements concerning "Regulatory adjustments", etc.

(\*3) Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital.



## [SuMi TRUST Bank (Consolidated)]

			(Billions of yen)			Minimum requirement
			Sep. 2017 (Preliminary)	Mar. 2017	Change	
Common Equity Tier 1 capital ratio	(4) / (7)	1	<b>11.09%</b>	10.76%	0.33%	4.50%
Tier 1 capital ratio	(5) / (7)	2	<b>13.11%</b>	12.67%	0.44%	6.00%
Total capital ratio	(6) / (7)	3	<b>16.16%</b>	15.58%	0.58%	8.00%
Common Equity Tier 1 capital		4	<b>2,158.6</b>	2,076.1	82.4	
Tier 1 capital		5	<b>2,551.9</b>	2,445.7	106.1	
Total capital		6	<b>3,145.4</b>	3,007.0	138.4	
Total risk weighted assets		7	<b>19,461.2</b>	19,291.1	170.0	

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

			(Billions of yen)			Minimum requirement
			Sep. 2017 (Preliminary)	Mar. 2017	Change	
Common Equity Tier 1 capital ratio	(11) / (14)	8	<b>10.96%</b>	10.60%	0.36%	4.50%
Tier 1 capital ratio	(12) / (14)	9	<b>13.07%</b>	12.60%	0.47%	6.00%
Total capital ratio	(13) / (14)	10	<b>16.19%</b>	15.55%	0.64%	8.00%
Common Equity Tier 1 capital		11	<b>2,068.3</b>	1,998.0	70.3	
Tier 1 capital		12	<b>2,466.3</b>	2,375.1	91.1	
Total capital		13	<b>3,053.9</b>	2,931.2	122.7	
Total risk weighted assets		14	<b>18,859.2</b>	18,844.2	15.0	

<Reference> Leverage ratio  
[Consolidated]

			(Billions of yen)		
			Sep. 2017 (Preliminary)	Mar. 2017	Change
Leverage ratio	(16) / (17)	15	<b>3.93%</b>	3.87%	0.06%
Tier 1 capital		16	<b>2,688.8</b>	2,625.7	63.1
Total Exposure		17	<b>68,339.4</b>	67,843.4	496.0

## [SuMi TRUST Bank (Consolidated)]

			(Billions of yen)		
			Sep. 2017 (Preliminary)	Mar. 2017	Change
Leverage ratio	(19) / (20)	18	<b>4.43%</b>	4.45%	(0.02%)
Tier 1 capital		19	<b>2,551.9</b>	2,445.7	106.1
Total Exposure		20	<b>57,581.7</b>	54,937.1	2,644.5

11. Return on equity (ROE)  
[Consolidated]

	1HFY2017	1HFY2016	Change
Return (Net income) on shareholders' equity	<b>7.32%</b>	8.79%	(1.47%)
Return (Net income) on equity	<b>6.02%</b>	7.39%	(1.37%)

Note1: Return on shareholders' equity (equity)

= Net income attributable to owners of the parents

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

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

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

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

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

[Non-consolidated]

(Millions of yen)

		Sep. 2017		Mar. 2017		Change	
		Total	Domestic branches	Total	Domestic branches	Total	Domestic branches
Loans and bills discounted	(Ending balance)	<b>28,270,790</b>	<b>24,465,688</b>	28,206,155	24,447,934	64,635	17,753
	(Average balance)	<b>28,104,894</b>	<b>24,224,337</b>	27,339,937	23,326,723	764,957	897,614
Banking account	(Ending balance)	<b>28,226,793</b>	<b>24,421,691</b>	28,158,969	24,400,748	67,824	20,943
	(Average balance)	<b>28,059,441</b>	<b>24,178,884</b>	27,287,649	23,274,435	771,791	904,448
Principal guaranteed trust account	(Ending balance)	<b>43,996</b>	<b>43,996</b>	47,186	47,186	(3,189)	(3,189)
	(Average balance)	<b>45,453</b>	<b>45,453</b>	52,288	52,288	(6,834)	(6,834)
Deposits, Trust principal	(Ending balance)	<b>32,557,602</b>	<b>27,790,098</b>	32,911,754	28,473,524	(354,151)	(683,426)
	(Average balance)	<b>30,452,767</b>	<b>26,324,107</b>	30,022,353	26,735,315	430,414	(411,208)
Deposits (*)	(Ending balance)	<b>29,202,613</b>	<b>24,435,109</b>	29,019,323	24,581,094	183,290	(145,984)
	(Average balance)	<b>28,233,908</b>	<b>24,105,248</b>	27,426,886	24,139,849	807,022	(34,600)
Time deposits	(Ending balance)	<b>21,749,463</b>	<b>17,126,217</b>	21,508,417	17,211,044	241,045	(84,826)
	(Average balance)	<b>21,236,663</b>	<b>17,254,485</b>	20,356,410	17,105,452	880,253	149,033
Liquid deposits	(Ending balance)	<b>6,153,614</b>	<b>6,009,537</b>	6,265,806	6,125,113	(112,191)	(115,576)
	(Average balance)	<b>6,004,256</b>	<b>5,858,294</b>	5,724,288	5,688,982	279,968	169,312
Trust principal	(Ending balance)	<b>3,354,988</b>	<b>3,354,988</b>	3,892,430	3,892,430	(537,441)	(537,441)
	(Average balance)	<b>2,218,859</b>	<b>2,218,859</b>	2,595,466	2,595,466	(376,607)	(376,607)

(\*) Excluding NCD.

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

[Non-consolidated]

(Millions of yen)

	Sep. 2017	Mar. 2017	Change
Individuals	<b>17,658,700</b>	17,606,670	52,029
Deposits (*)	<b>16,133,872</b>	16,107,670	26,201
Trust principal (Principal guaranteed)	<b>1,524,827</b>	1,498,999	25,828
Corporations and other organizations (*)	<b>9,819,350</b>	10,598,037	(778,686)
Deposits (*)	<b>7,989,189</b>	8,204,606	(215,416)
Trust principal (Principal guaranteed)	<b>1,830,160</b>	2,393,430	(563,270)
Total	<b>27,478,050</b>	28,204,707	(726,656)

(\*) Excluding NCD and offshore accounts

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

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

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

[Non-consolidated]

	(Millions of yen, %)		
	Sep. 2017	Mar. 2017	Change
Loan balance	15,429,687	15,148,025	281,662
Loans to individuals	9,185,013	8,926,939	258,074
Ratio to total loan balance	63.0	61.9	1.1

## 2) Loans to individuals

[Non-consolidated]

	(Millions of yen)		
	Sep. 2017	Mar. 2017	Change
Residential mortgage loans	8,619,353	8,378,608	240,744
Loans to individual for business use	502,386	479,248	23,138
Other consumer loans	63,274	69,082	(5,808)
Total	9,185,013	8,926,939	258,074

## 3) Loans by industry

[Non-consolidated]

	(Millions of yen)		
	Sep. 2017	Mar. 2017	Change
Domestic Branches (excluding offshore accounts)	24,465,688	24,447,276	18,411
Manufacturing	2,563,957	2,595,570	(31,613)
Agriculture, forestry, fisheries, mining, quarrying of stone and gravel gathering	11,602	12,863	(1,260)
Construction	115,708	129,886	(14,178)
Electricity, gas, heat supply and water	928,728	891,300	37,427
Information and communications	407,140	405,065	2,074
Transport and postal activities	1,120,896	1,126,269	(5,372)
Wholesale and retail trade	1,232,039	1,219,736	12,303
Finance and insurance	2,719,366	2,977,078	(257,712)
Real estate	3,309,865	3,246,402	63,463
Goods rental and leasing	959,245	897,508	61,736
Others	11,097,136	10,945,593	151,542
Overseas branches and offshore accounts	3,805,102	3,758,878	46,223
Total	28,270,790	28,206,155	64,635

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

## 14. Problem assets based on the Financial Reconstruction Act (Banking a/c and principal guaranteed trust a/c combined)

## (1) Problem assets based on the Financial Reconstruction Act (After partial direct written-off)

[Consolidated]

	Sep. 2017		Mar. 2017		Change	
	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c
Problem assets based on the Financial Reconstruction Act (a)	99,216	94,294	108,942	103,910	(9,725)	(9,615)
Bankrupt and practically bankrupt	17,452	17,441	12,299	12,288	5,153	5,153
Doubtful	52,208	47,348	59,004	54,050	(6,795)	(6,702)
Substandard	29,555	29,504	37,639	37,571	(8,083)	(8,067)
Ordinary assets	29,836,306	29,797,231	29,505,576	29,463,422	330,729	333,809
Total balance (b)	29,935,523	29,891,526	29,614,519	29,567,333	321,003	324,193
Ratio to total balance (a) / (b)	0.3%	0.3%	0.4%	0.4%	(0.1%)	(0.1%)

Note : Partial direct written-off: Sep. 2017: 17,318 million yen, Mar. 2017: 19,974 million yen

[Non-consolidated]

	Sep. 2017		Mar. 2017		Change	
	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c
Problem assets based on the Financial Reconstruction Act (a)	61,796	56,873	71,169	66,137	(9,373)	(9,263)
Bankrupt and practically bankrupt	13,208	13,198	7,939	7,928	5,269	5,269
Doubtful	27,901	23,041	35,419	30,465	(7,517)	(7,424)
Substandard (b)	20,686	20,634	27,811	27,743	(7,125)	(7,108)
Ordinary assets	28,726,798	28,687,724	28,663,981	28,621,827	62,817	65,896
Assets to substandard debtors (excluding Substandard) (c)	1,294	1,278	1,231	1,214	63	63
Assets to other special mention debtors	446,683	436,297	554,344	543,348	(107,660)	(107,050)
Assets to ordinary debtors	28,278,820	28,250,148	28,108,405	28,077,264	170,414	172,883
Total balance (d)	28,788,594	28,744,597	28,735,150	28,687,964	53,444	56,633
Ratio to total balance (a) / (d)	0.2%	0.2%	0.2%	0.2%	(0.0%)	(0.0%)
Assets to substandard debtors (b) + (c)	21,980	21,912	29,042	28,958	(7,062)	(7,045)

Note : Partial direct written-off: Sep. 2017: 11,322 million yen, Mar. 2017: 13,817 million yen

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

[Non-consolidated]

	Sep. 2017		Mar. 2017		Change	
	Total	Banking a/c	Total	Banking a/c	Total	Banking a/c
Problem assets based on the Financial Reconstruction Act	61,796	56,873	71,169	66,137	(9,373)	(9,263)
Coverage ratio	97.6%	97.4%	90.7%	90.0%	6.9%	7.4%
Allowance ratio	80.1%	80.1%	62.0%	62.0%	18.1%	18.1%
Bankrupt and practically bankrupt	13,208	13,198	7,939	7,928	5,269	5,269
Coverage ratio	100.0%	100.0%	100.0%	100.0%	- %	- %
Allowance ratio	100.0%	100.0%	100.0%	100.0%	- %	- %
Doubtful	27,901	23,041	35,419	30,465	(7,517)	(7,424)
Coverage ratio	96.5%	95.8%	88.9%	87.1%	7.6%	8.7%
Allowance ratio	70.9%	70.9%	62.8%	62.8%	8.1%	8.1%
Substandard	20,686	20,634	27,811	27,743	(7,125)	(7,108)
Coverage ratio	97.5%	97.5%	90.3%	90.3%	7.2%	7.2%
Allowance ratio	43.5%	43.5%	19.5%	19.5%	24.0%	24.0%

Note: Other than the above mentioned, there are Reserves for loan trust of 0.0 billion yen and Reserves for JOMT (Jointly-operated money trust) of 0.0 billion yen as of Sep. 2017.

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

[Non-consolidated]

	(Millions of yen)		
	Sep. 2017	Mar. 2017	Change
Domestic Branches (excluding offshore accounts)	56,078	67,838	(11,759)
Manufacturing	5,617	13,080	(7,462)
Agriculture, forestry, fisheries, mining, quarrying of stone and gravel gathering	-	974	(974)
Construction	9	10	(1)
Information and communications	2	2	(0)
Transport and postal activities	58	379	(320)
Wholesale and retail trade	864	879	(15)
Finance and insurance	228	278	(49)
Real estate	13,057	15,167	(2,110)
Others	36,239	37,064	(825)
Overseas branches and offshore accounts	5,717	3,330	2,386
Total	61,796	71,169	(9,373)

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

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

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

[Non-consolidated]

Borrower classification under the self-assessment		Problem assets based on the Financial Reconstruction Act	Self-assessment				Allowance (*)	(Billions of yen, %)	
			Not categorized	Category II	Category III	Category IV			
Legal bankruptcy		(1) Bankrupt/ practically bankrupt 13.2	(1) Guarantee and collateral 10.0	Entirely covered by allowances	Entirely written-off or covered by allowances		(1) Specific allowance for loan losses 3.1	100.0	100.0
Virtual bankruptcy									
Possible bankruptcy		(2) Doubtful 27.9	(2) Guarantee and collateral 24.5	Partially covered by allowances			(2) Specific allowance for loan losses 2.3	96.5	70.9
Requiring careful monitoring	Substandard debtors (exc. Substandard)	(3) Substandard 20.7	(3) Guarantee and collateral 19.8				(3) General allowance for loan losses 0.3	97.5	43.5
	Special mention debtors (exc. Substandard)	A. Assets to substandard debtors (exc. Substandard) 1.3							
	Ordinary assets (A + B + C) 28,726.8	B. Assets to other special mention debtors (exc. Assets to substandard debtors) 446.7							
Normal		C. Assets to ordinary debtors 28,278.8							
		Problem assets based on the Financial Reconstruction Act (1) + (2) + (3) 61.8	Guarantee and collateral (1) + (2) + (3) 54.4				Allowance for loan losses (1) + (2) + (3) 5.9	97.6	80.1
Total balance (1) + (2) + (3) + (4)		28,788.6	Not categorized, category II 28,787.6	category III 0.9	category IV -				

(\*) 0.1 billion yen of reserves for loan trust and reserves for JOMT (Jointly-operated money trust) are posted in principal guaranteed trust account.

## 16. Allowance for loan losses

## (1) Balance of allowance for loan losses

(Banking account)

[Consolidated]

	(Millions of yen)		
	Sep. 2017	Mar. 2017	Change
Allowance for loan losses	<b>104,181</b>	115,814	(11,632)
General allowance for loan losses	<b>91,621</b>	97,567	(5,946)
Specific allowance for loan losses	<b>12,560</b>	18,246	(5,686)
Partial direct written-off	<b>18,804</b>	20,070	(1,265)

[Non-consolidated]

	(Millions of yen)		
	Sep. 2017	Mar. 2017	Change
Allowance for loan losses	<b>79,405</b>	90,030	(10,625)
General allowance for loan losses	<b>73,281</b>	79,336	(6,055)
Specific allowance for loan losses	<b>6,124</b>	10,693	(4,569)
Partial direct written-off	<b>11,349</b>	13,840	(2,490)

(Trust account)

[Non-consolidated]

	(Millions of yen)		
	Sep. 2017	Mar. 2017	Change
Reserves for loan trust	<b>50</b>	53	(3)
Reserves for JOMT (Jointly-operated money trust)	<b>92</b>	90	2
Total	<b>142</b>	143	(0)

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

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

(Banking account)

[Non-consolidated]

	(%)		
	Sep. 2017	Mar. 2017	Change
Assets to Special mention debtors	<b>9.38</b>	8.57	0.81
Substandard	<b>1.86</b>	2.39	(0.53)
Against uncovered portion	<b>39.89</b>	19.04	20.85
Other special mention	<b>9.75</b>	8.90	0.85
Against uncovered portion	<b>20.42</b>	14.86	5.56
Assets to Ordinary debtors	<b>0.10</b>	0.10	0.00

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

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

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

[Non-consolidated]

(Billions of yen)

	Sep. 2014	Mar. 2015	Sep. 2015	Mar. 2016	Sep. 2016	Mar. 2017	Sep. 2017	Change from Mar. 2017
Total	110.5	92.1	74.2	56.9	46.8	43.4	<b>41.1</b>	(2.2)
Loans outstanding in doubtful or worse categories as of Sep. 2014 and disposal thereafter	110.5	78.4	64.8	39.6	27.2	22.6	<b>18.6</b>	(4.0)
New entry to doubtful or worse categories during 2HFY2014 and disposal thereafter		13.7	3.8	2.9	2.2	1.9	<b>1.8</b>	(0.2)
New entry to doubtful or worse categories during 1HFY2015 and disposal thereafter			5.6	3.5	2.5	1.8	<b>1.4</b>	(0.4)
New entry to doubtful or worse categories during 2HFY2015 and disposal thereafter				10.8	8.8	7.9	<b>1.2</b>	(6.7)
New entry to doubtful or worse categories during 1HFY2016 and disposal thereafter					6.0	3.5	<b>1.6</b>	(1.8)
New entry to doubtful or worse categories during 2HFY2016 and disposal thereafter						5.7	<b>3.5</b>	(2.2)
New entry to doubtful or worse categories during 1HFY2017 and disposal thereafter							<b>13.0</b>	13.0

## (2) Progress of final disposal

[Non-consolidated]

(Billions of yen)

Period	Primary amount (A)	Amount as of Sep. 2017 (B)	Quasi final disposal or in the process of final disposal (C)	Amount of final disposal in 1HFY2017	Progress ratio of final disposal (%) (A-B)/A	Adjusted progress ratio of final disposal (%) (*) (A-B+C)/A
Before 1HFY2014	3,518.8	18.6	3.6	4.0	99.4	99.5
2HFY2014	13.7	1.8	0.1	0.2	87.0	87.9
1HFY2015	5.6	1.4	0.1	0.4	74.7	75.8
2HFY2015	10.8	1.2	0.1	6.7	88.9	89.7
1HFY2016	6.0	1.6	0.3	1.8	72.6	77.8
2HFY2016	5.7	3.5	0.4	2.2	38.6	44.8
1HFY2017	13.0	13.0	4.0	-	-	30.5
Total	-----	<b>41.1</b>	8.5	<b>15.2</b>	-----	-----

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

## 18. Retirement benefits

[Consolidated]

(Millions of yen)				
		Sep. 2017	Mar. 2017	Change
Projected benefit obligation	(A)	<b>467,731</b>	467,409	322
Discount rate		<b>mainly 0.5%</b>	mainly 0.5%	---
Plan assets	(B)	<b>577,838</b>	572,379	5,459
Liabilities for retirement benefits	(C)	<b>14,530</b>	14,048	482
Assets for retirement benefits	(D)	<b>124,637</b>	119,018	5,618

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

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

(Millions of yen)			
	Sep. 2017	Mar. 2017	Change
Unrecognized net prior services costs	<b>17</b>	64	(46)
Unrecognized net actuarial loss	<b>25,600</b>	30,260	(4,660)
Total	<b>25,618</b>	30,325	(4,706)

(Millions of yen)			
	1HFY2017	1HFY2016	Change
Retirement benefit expenses	<b>(2,183)</b>	(3,355)	1,172
Service cost - benefits earned	<b>(7,337)</b>	(7,612)	274
Interest cost on projected benefit obligation	<b>(1,177)</b>	(1,185)	7
Expected return on plan assets	<b>12,872</b>	14,072	(1,199)
Disposal of prior services costs	<b>(46)</b>	(47)	1
Disposal of actuarial loss	<b>(5,031)</b>	(7,159)	2,128
Others	<b>(1,463)</b>	(1,422)	(40)

[Non-consolidated]

(Millions of yen)				
		Sep. 2017	Mar. 2017	Change
Projected benefit obligation	(A)	<b>438,440</b>	439,100	(660)
Discount rate		<b>0.5%</b>	0.5%	- %
Plan assets	(B)	<b>561,690</b>	556,790	4,900
Provision for retirement benefits	(C)	<b>706</b>	695	10
Prepaid pension expenses	(D)	<b>157,689</b>	160,295	(2,605)
Unrecognized net prior services costs	(E)	<b>362</b>	445	(83)
Unrecognized net actuarial loss	(F)	<b>33,370</b>	41,464	(8,093)

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

(Millions of yen)			
	1HFY2017	1HFY2016	Change
Retirement benefit expenses	<b>(4,088)</b>	(9,316)	5,228
Service cost - benefits earned	<b>(6,479)</b>	(6,752)	273
Interest cost on projected benefit obligation	<b>(1,096)</b>	(1,110)	14
Expected return on plan assets	<b>12,630</b>	13,871	(1,240)
Disposal of prior services costs	<b>(83)</b>	(83)	-
Disposal of actuarial loss	<b>(8,093)</b>	(14,214)	6,121
Others	<b>(966)</b>	(1,026)	59



## 19. Deferred tax assets

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

[Consolidated]

	(Billions of yen)		
	Sep. 2017	Mar. 2017	Change
Deferred tax assets (A)	22.6	23.2	(0.6)
Devaluation of securities	19.4	21.0	(1.6)
Allowance for loan losses (including written-off of loans)	41.4	45.8	(4.3)
Deferred gains/ losses on hedges	8.2	7.5	0.6
Liabilities for retirement benefits	10.6	13.1	(2.4)
Valuation difference due to share exchange	5.1	5.1	(0.0)
Others	69.9	70.7	(0.7)
Valuation allowance	(37.1)	(36.7)	(0.4)
Offset with deferred tax liabilities	(95.1)	(103.5)	8.4
Deferred tax liabilities (B)	153.9	137.5	16.4
Amount related retirement benefits	10.3	10.1	0.2
Deferred gains/ losses on hedges	0.0	0.1	(0.0)
Valuation difference on available-for-sale securities	221.3	213.1	8.1
Valuation difference due to share exchange	8.9	9.3	(0.4)
Others	8.3	8.2	0.1
Offset with deferred tax assets	(95.1)	(103.5)	8.4
Net deferred tax assets (A) - (B)	(131.3)	(114.2)	(17.0)

[Non-consolidated]

	(Billions of yen)		
	Sep. 2017	Mar. 2017	Change
Deferred tax assets (A)	-	-	-
Devaluation of securities	24.3	26.3	(1.9)
Allowance for loan losses (including written-off of loans)	24.6	28.8	(4.1)
Deferred gains/ losses on hedges	7.4	6.9	0.4
Others	31.4	32.4	(0.9)
Valuation allowance	(13.7)	(14.4)	0.7
Offset with deferred tax liabilities	(74.2)	(80.2)	5.9
Deferred tax liabilities (B)	161.4	147.0	14.3
Amount related retirement benefits	10.9	10.1	0.8
Valuation difference on available-for-sale securities	219.9	212.0	7.9
Others	4.7	5.1	(0.3)
Offset with deferred tax assets	(74.2)	(80.2)	5.9
Net deferred tax assets (A) - (B)	(161.4)	(147.0)	(14.3)

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

[Non-consolidated]

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

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

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

	(Billions of yen)				
	FY2016	FY2015	FY2014	FY2013	FY2012
Taxable income before deduction of loss carryforwards	106.4	177.5	118.5	107.4	133.0
Net business profit before credit costs	150.5	249.1	245.7	211.8	210.2

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

## (1) Balance Sheets

[Non-consolidated]

	Sep. 2017	Mar. 2017	(Billions of yen) Change
<b>Assets:</b>			
Cash and due from banks	15,461.0	13,963.7	1,497.3
Call loans	99.9	64.7	35.1
Receivables under resale agreements	75.3	83.8	(8.5)
Receivables under securities borrowing transactions	615.9	464.9	151.0
Monetary claims bought	73.1	92.9	(19.7)
Trading assets	626.3	663.0	(36.7)
Money held in trust	0.0	0.0	-
Securities	5,642.6	5,518.9	123.6
Loans and bills discounted	28,226.7	28,158.9	67.8
Foreign exchanges	32.7	16.1	16.5
Other assets	1,600.7	1,187.8	412.8
Tangible fixed assets	199.0	200.9	(1.9)
Intangible fixed assets	68.8	91.2	(22.4)
Prepaid pension expenses	157.6	160.2	(2.6)
Customers' liabilities for acceptances and guarantees	377.8	391.4	(13.5)
Allowance for loan losses	(79.4)	(90.0)	10.6
<b>Total assets</b>	<b>53,178.7</b>	<b>50,969.2</b>	<b>2,209.5</b>
<b>Liabilities:</b>			
Deposits	29,202.6	29,019.3	183.2
Negotiable certificates of deposit	7,172.8	7,523.2	(350.3)
Call money	1,715.5	400.1	1,315.4
Payables under repurchase agreements	1,624.3	1,063.7	560.5
Payables under securities lending transactions	11.8	13.6	(1.8)
Trading liabilities	345.9	366.8	(20.9)
Borrowed money	4,534.8	3,365.2	1,169.6
Foreign exchanges	0.3	2.2	(1.8)
Short-term bonds payable	211.3	418.8	(207.5)
Corporate bonds	1,095.0	1,029.0	65.9
Borrowed money from trust account	3,447.1	3,973.6	(526.4)
Other liabilities	937.6	920.7	16.8
Provision for bonuses	8.2	9.0	(0.7)
Provision for directors' bonuses	-	0.0	(0.0)
Provision for retirement benefits	0.7	0.6	0.0
Provision for reimbursement of deposits	3.5	3.5	0.0
Provision for contingent loss	8.5	7.7	0.7
Deferred tax liabilities	161.4	147.0	14.3
Deferred tax liabilities for land revaluation	3.0	3.0	-
Acceptances and guarantees	377.8	391.4	(13.5)
<b>Total liabilities</b>	<b>50,863.0</b>	<b>48,659.5</b>	<b>2,203.5</b>
<b>Net assets:</b>			
Capital stock	342.0	342.0	-
Capital surplus	456.2	492.2	(36.0)
Legal capital surplus	273.0	273.0	-
Other capital surplus	183.2	219.2	(36.0)
Retained earnings	1,030.0	1,004.7	25.3
Legal retained earnings	69.0	69.0	-
Other retained earnings	961.0	935.7	25.3
Other voluntary reserve	371.8	371.8	-
Retained earnings brought forward	589.1	563.8	25.3
<b>Shareholders' equity</b>	<b>1,828.3</b>	<b>1,839.0</b>	<b>(10.6)</b>
Valuation difference on available-for-sale securities	505.5	487.6	17.9
Deferred gains/ losses on hedges	(16.7)	(15.8)	(0.9)
Revaluation reserve for land	(1.3)	(1.0)	(0.3)
Valuation and translation adjustments	487.3	470.7	16.6
<b>Total net assets</b>	<b>2,315.7</b>	<b>2,309.7</b>	<b>5.9</b>
<b>Total liabilities and net assets</b>	<b>53,178.7</b>	<b>50,969.2</b>	<b>2,209.5</b>

(2) Statements of Income  
[Non-consolidated]

	(Billions of yen)		
	1HFY2017	1HFY2016	Change
Ordinary income	<b>405.9</b>	373.9	32.0
Trust fees	<b>45.7</b>	47.8	(2.0)
Interest income	<b>202.0</b>	169.5	32.5
Interest on loans and discounts	<b>145.4</b>	125.1	20.2
Interest and dividends on securities	<b>41.3</b>	34.9	6.4
Fees and commissions	<b>92.9</b>	98.4	(5.4)
Trading income	<b>3.9</b>	7.1	(3.1)
Other ordinary income	<b>36.8</b>	32.3	4.5
Other income	<b>24.3</b>	18.6	5.7
Ordinary expenses	<b>317.6</b>	272.7	44.9
Interest expenses	<b>119.0</b>	87.1	31.9
Interest on deposits	<b>45.6</b>	35.1	10.5
Fees and commissions payments	<b>43.3</b>	41.5	1.7
Trading expenses	<b>0.0</b>	0.7	(0.7)
Other ordinary expenses	<b>14.1</b>	4.2	9.8
General and administrative expenses	<b>127.4</b>	130.1	(2.6)
Other expenses	<b>13.5</b>	8.8	4.6
Ordinary profit	<b>88.3</b>	101.2	(12.8)
Extraordinary income	<b>0.3</b>	0.0	0.3
Extraordinary losses	<b>6.6</b>	2.4	4.1
Income before Income Taxes	<b>82.0</b>	98.7	(16.6)
Income taxes-Current	<b>16.0</b>	22.0	(6.0)
Income taxes-Deferred	<b>6.8</b>	6.8	0.0
Income taxes	<b>22.8</b>	28.8	(6.0)
Net income	<b>59.2</b>	69.8	(10.6)

(3) Statement of trust account  
[Non-consolidated]

	(Billions of yen)		
	Sep. 2017	Mar. 2017	Change
Loans and bills discounted	1,351.3	1,410.0	(58.7)
Securities	2,264.5	3,077.7	(813.1)
Beneficiary rights	148,185.3	143,214.8	4,970.4
Securities held in custody accounts	29.0	29.2	(0.2)
Money claims	16,012.8	15,065.1	947.6
Tangible fixed assets	14,199.7	13,643.4	556.2
Intangible fixed assets	199.1	178.1	20.9
Other claims	7,119.4	7,451.1	(331.6)
Loans to banking account	3,447.1	3,973.6	(526.4)
Cash and due from banks	416.0	424.2	(8.1)
<b>Total assets</b>	<b>193,224.6</b>	<b>188,467.7</b>	<b>4,756.9</b>
Money trusts	29,706.2	30,217.8	(511.6)
Pension trusts	13,973.5	14,828.5	(854.9)
Property formation benefit trusts	17.7	17.5	0.1
Loan trusts	10.1	10.6	(0.5)
Securities investment trusts	70,969.4	69,115.2	1,854.2
Money entrusted, other than money trusts	18,511.4	15,544.8	2,966.5
Securities trusts	20,225.3	20,114.0	111.2
Money claim trusts	16,149.4	15,148.5	1,000.9
Land and fixtures trusts	89.0	109.3	(20.3)
Composite trusts	23,572.3	23,361.0	211.2
<b>Total liabilities</b>	<b>193,224.6</b>	<b>188,467.7</b>	<b>4,756.9</b>

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

Sep. 2017: 147,599.7 billion yen, Mar. 2017: 142,691.7 billion yen

(4) Breakdown of principal guaranteed trust a/c  
[Non-consolidated]

(Billions of yen)				
		Sep. 2017	Mar. 2017	Change
Money trusts	Loans and bills discounted	43.9	47.1	(3.1)
	Securities	0.0	0.0	-
	Others	3,301.4	3,835.2	(533.7)
	Total assets	3,345.4	3,882.4	(536.9)
	Principal	3,345.2	3,882.1	(536.9)
	Reserves for JOMT (Jointly-operated money trust)	0.0	0.0	0.0
	Others	0.1	0.2	(0.0)
	Total liabilities	3,345.4	3,882.4	(536.9)
Loan trusts	Loans and bills discounted	-	-	-
	Securities	-	-	-
	Others	10.1	10.6	(0.5)
	Total assets	10.1	10.6	(0.5)
	Principal	9.7	10.2	(0.4)
	Reserves for loan trust	0.0	0.0	(0.0)
	Others	0.3	0.3	(0.0)
	Total liabilities	10.1	10.6	(0.5)