



**SUMITOMO MITSUI TRUST HOLDINGS**

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**RESOLUTION PLAN**

**SECTION 1: PUBLIC SECTION**

**December 31, 2018**



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## **(a) Public Section**

### **Introduction:**

Sumitomo Mitsui Trust Holdings, Inc. (“SuMiHD”) has developed a resolution plan (this “Resolution Plan”) as required by the Board of Governors of the Federal Reserve System’s Regulation QQ, 12 CFR part 243, and Federal Deposit Insurance Corporation Regulation 12 CFR part 381 (together, the “Plan Rules”), that have been issued pursuant to Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd Frank Act”). SuMiHD is a holding company organized under Japanese law and the 100 percent owner of Sumitomo Mitsui Trust Bank, Limited (“SuMiTB”), which is a bank holding company under the U.S. Bank Holding Company Act. SuMiHD is the top-tier holding company of a multi-tiered holding company structure and, in accordance with Section .2(f)(1)(iii) of the Plan Rules<sup>1</sup>, is the covered company required to file a resolution plan.

### **(1) The names of material entities;**

SuMiHD has one material entity concerning the core business line that has been identified for purposes of this Resolution Plan, namely the New York Branch of SuMiTB (“SuMiTBNY”). SuMiTBNY is licensed by the New York State Department of Financial Services (the “NYSDFS”) as a branch of a foreign bank. As a branch, SuMiTBNY is a part of SuMiTB and has no branches, subsidiaries, or joint ventures.

### **(2) A description of core business lines;**

SuMiHD has identified the wholesale lending activities (“Wholesale Lending”) of SuMiTBNY as its only core business line. Wholesale Lending consists of both bilateral loans and syndicated loans, in which SuMiTBNY participates, and securities investments, and are made mostly to U.S.-based borrowers and, to a lesser degree, internationally-based borrowers. As of March 31, 2018,<sup>2</sup> the aggregate amounts of loans and securities investments outstanding made by Wholesale Lending were approximately \$12,927 million and \$1,826 million respectively.

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<sup>1</sup> This Resolution Plan refers to sections of the Plan Rules without reference to the relevant CFR title and part (e.g. “Section .2(f)(1)(iii) of the Plan Rules means 12 CFR 243.2(f)(1)(iii) and 12 CFR 381.2(f)(1)(iii)).

<sup>2</sup> This Resolution Plan uses March 31, 2018, and not December 31, 2017, financial figures. This is because the fiscal year of SuMiHD ends on March 31.

**(3) Consolidated or segment financial information regarding assets, liabilities, capital and major funding sources;**

The following is a summary of the balance sheet and income statement of SuMiTBNY as of March 31, 2018:

<b>BALANCE SHEET</b>	<b>in USD-thousands</b>
<b>Assets</b>	<b>March 31, 2018</b>
Cash & Due From Banks	10,080,118
U.S. Government Securities	596,844
MBS issued by U.S. Government Agencies	725,965
Other Securities	2,982,373
Loans	13,066,889
Trading Assets	311,079
Other Assets	4,371,010
Net Due From Related Parties	4,794,008
<b>TOTAL ASSETS</b>	<b>36,928,286</b>
<b>Liabilities</b>	<b>March 31, 2018</b>
Total Deposits	27,783,832
REPOs	5,212,024
Other Borrowed Money	3,589,570
Trading Liabilities	257,453
Other Liabilities	85,407
<b>TOTAL LIABILITIES</b>	<b>36,928,286</b>



(Unit: '000)

STATEMENT OF INCOME of FY2017 (3/31/2018)	Fiscal Year March 31, 2018 (12M)
<b>Interest Income</b>	
Loans and Leases	303,836
Bonds (AFS)	79,688
Bonds (HTM)	1,991
Deposits	129,224
Deposits (Interoffice)	301,339
Other	5,333
<b>Interest Expense</b>	
Deposits	(428,521)
Deposits (Interoffice)	(115,314)
Commercial paper	(36,597)
REPOs	(76,699)
Other	(285)
<b>Net Interest Income</b>	163,994
<b>Non-Interest Income/(loss):</b>	
Trading Gains (Losses) and Fees From Foreign Exchange Operations	(4,289)
Gains (Losses) and Fees From Other Trading Operations	15,380
Fees & other non-interest income	24,382
<b>Total Non-Interest Income/ (loss):</b>	35,472
<b>Total Non-Interest Expenses:</b>	
Salaries and Employee Benefits	(31,782)
Expenses of Premises and Fixed Assets, net	(10,626)
Expenses of administrative expense	(19,943)
Other Non-Interest Expense	(5,451)
<b>Total non-interest expenses</b>	(67,803)
Provision for Loan and Lease Losses	0
Gains (Losses) on Securities Not Held in Trading Accounts	(12,538)
Net Operating Income (Pre-tax)	119,126
Applicable Income Taxes	(1,362)
Net Operating Income (After-tax)	117,764
Gains (Losses) on Extraordinary Items and Other Adjustments, Net of	0



Income Taxes	
<b>Net Income</b>	<b>117,764</b>

**(4) A description of derivative activities and hedging activities;**

SuMiTBNY enters into derivative contracts to manage its exposure to market risks. As part of its risk management policies, SuMiTBNY hedges the Wholesale Lending portfolio as necessary by entering into a combination of cross currency and interest rate swaps. Currency risks (US Dollars to Japanese Yen) resulting from profits from Wholesale Lending activities are hedged through foreign exchange swaps.

**(5) A list of memberships in material payment, clearing and settlement systems;**

SuMiTB and SuMiTBNY are members of the following payment, clearing and settlement systems:

Payment, Clearing, and Settlement Systems		
Name	Type	Membership
CLS Bank International	FX Settlement	SuMiTB
FedAdvantage	Payments (web based FRB system)	SuMiTBNY
Fedwire	Clearing and Settlement	SuMiTBNY
SWIFT Alliance	Payments	SuMiTB/SuMiTBNY

**(6) A description of foreign operations;**

SuMiHD is incorporated in Japan and the 100 percent owner of SuMiTB. SuMiTB and affiliates of SuMiTB engage primarily in trust and banking businesses and other financial services (including pension trusts, investment management, securities processing, stock transfer agencies and real estate services) in Japan, and conduct commercial banking, asset management and custodial operations in the United States, the United Kingdom, Ireland, Luxembourg, Singapore, China, Hong Kong, and Thailand. As of March 31, 2018, SuMiTB had 148 offices in Japan. In the United States, SuMiTB maintains a bank subsidiary, Sumitomo Mitsui Trust Bank (U.S.A.) Limited (“SMTBUSA”), in New Jersey, and a branch, SuMiTBNY, in New York. As of March 31, 2018, SuMiTB also maintained the following outside Japan: (i) subsidiaries in the United Kingdom, Ireland, Luxembourg, Hong Kong, Thailand and Vietnam; (ii) branches in the United



Kingdom, Singapore, China, and Hong Kong; and (iii) representative offices in Beijing, Seoul, and Jakarta. SuMiTB also maintains various special-purpose companies organized under the laws of Panama and the Cayman Islands as vehicles to invest in collateralized loan products, raise capital through the issuance of preferred securities, and conduct aircraft and ship leasing operations. SuMiTB also owns (i) approximately 92 percent of Nikko Asset Management Co., Ltd., an investment management company located in Tokyo, and its United States subsidiary, Nikko Asset Management Americas, Inc., a registered investment adviser located in New York, and (ii) 50 percent of Marubeni SuMiT Rail Transport Inc., which, in turn, owns Midwest Railcar Corporation, a railcar leasing company, located in Illinois.

SuMiTBNY does not currently maintain any offices or station any employees outside the United States. Foreign operations are limited to periodic marketing, information gathering, and related activities in connection with funding and Wholesale Lending.

SuMiTBNY's customers are predominantly in the U.S., but are also located in Canada, Central and South America, Europe including the U.K., and Asia.

**(7) The identities of material supervisory authorities;**

SuMiHD is supervised and regulated by the Japanese Financial Services Agency (the “JFSA”) and the Bank of Japan (the “BOJ”).

SuMiTBNY is supervised and regulated by the Board of Governors of the Federal Reserve System and is licensed, supervised, and regulated by the NYSDFS. As a branch of SuMiTB, SuMiTBNY is also regulated by the JFSA and the BOJ.

**(8) The identities of the principal officers;**

The principal officers of SuMiHD as of December 31, 2018 are as follows:

<b>Executive Officers Sumitomo Mitsui Trust Holdings, Inc.</b>	
<b>Position</b>	<b>Name</b>
Director, President (Representative Executive Officer)	Tetsuo Ohkubo
Director, Senior Managing Executive Officer (Representative Executive Officer)	Jiro Araumi
Director, Senior Managing Executive Officer (Representative Executive Officer)	Toru Takakura
Director, Executive Officer	Masaru Hashimoto



Director	Kunitaro Kitamura
Director	Hitoshi Tsunekage
Director	Yasuyuki Yagi
Director	Hiroshi Misawa
Director (External Director)	Soichi Shinohara
Director (External Director)	Takeshi Suzuki
Director (External Director)	Mikio Araki
Director (External Director)	Isao Matsushita
Director (External Director)	Shinichi Saito
Director (External Director)	Takashi Yoshida
Director (External Director)	Hiroko Kawamoto
Senior Managing Executive Officer (*1), Executive Officer (*2)	Akihiko Shirayama
Senior Managing Executive Officer (*1)	Yoshiaki Koshimura
Senior Managing Executive Officer (*1)	Tadashi Nishimura
Senior Managing Executive Officer (*1)	Yutaka Nishida
Managing Executive Officer (*1)	Yasumi Nose
Managing Executive Officer (*1), Executive Officer (*2)	Atsushi Kaibara
Managing Executive Officer (*1)	Akira Yokota
Managing Executive Officer (*1)	Shigeki Tanaka
Managing Executive Officer (*1)	Hitoshi Sato
Executive Officer (*1), Executive Officer (*2)	Kiyomitsu Asahi
Executive Officer (*2)	Yukihiro Kitano
Executive Officer (*2)	Tsuyoshi Saito
Executive Officer (*2)	Tadao Umezawa
Executive Officer (*2)	Masahiro Tsuchiya



Executive Officer (*2)	Kengo Noguchi
Executive Officer (*2)	Yoshio Hishida
Executive Officer (*2)	Toshio Masui
Executive Officer (*2)	Kazuya Oyama
Executive Officer (*2)	Kuniyuki Shudo
Executive Officer (*2)	Kazuhisa Koashi
Executive Officer (*2)	Yoshinori Momose
Executive Officer (*2)	Toshiaki Nakano
Executive Officer (*2)	Takuji Marui
Executive Officer (*2)	Junya Ueda
Executive Officer (*2)	Masaya Noda
Executive Officer (*2)	Atsushi Matsumoto
Executive Officer (*2)	Nobuhisa Takahashi

(\*1) Executive Officers as defined in the Companies Act.

(\*2) Executive Officers as defined in our internal policy.

The principal officers of SuMiTB as of December 31, 2018 are as follows:

<b>Principal Officers Sumitomo Mitsui Trust Bank</b>	
<b>Position</b>	<b>Name</b>
Chairman (Co-chairman)	Kunitaro Kitamura
Chairman (Co-chairman)	Hitoshi Tsunekage
President	Masaru Hashimoto
Deputy President	Sumikazu Tsutsui
Deputy President	Yukihiro Kitano
Deputy President	Tsuyoshi Saito



<b>Principal Officers Sumitomo Mitsui Trust Bank</b>	
<b>Position</b>	<b>Name</b>
Director, Senior Managing Executive Officer	Akihiko Shirayama
Director, Senior Managing Executive Officer	Yoshiaki Koshimura
Director, Senior Managing Executive Officer	Tadashi Nishimura
Director, Senior Managing Executive Officer	Yutaka Nishida
Director, Senior Managing Executive Officer	Jiro Araumi
Director, Senior Managing Executive Officer	Toru Takakura
Director, Senior Managing Executive Officer	Masahiro Tsuchiya
Director, Managing Executive Officer	Atsushi Kaibara
Director, Managing Executive Officer	Shigeki Tanaka
Director, Managing Executive Officer	Kouji Tanaka
Director	Tetsuo Ohkubo
Director	Toshio Hoshino
Director	Hiroshi Mitsunaga
Director	Hideki Kanda
Corporate Auditor	Jun Sasaki
Corporate Auditor	Tsutomu Kurai
Corporate Auditor	Yasuhiko Takano
Corporate Auditor	Mitsuhiro Aso
Corporate Auditor	Hiroya Nakakubo
Senior Managing Executive Officer	Mutsumi Watanabe
Senior Managing Executive Officer	Tadao Umezawa
Senior Managing Executive Officer	Toshiya Nishino
Managing Executive Officer	Koichi Onaka
Managing Executive Officer	Yasumi Nose
Managing Executive Officer	Hitoshi Sato



<b>Principal Officers Sumitomo Mitsui Trust Bank</b>	
<b>Position</b>	<b>Name</b>
Managing Executive Officer	Satoshi Kamiya
Managing Executive Officer	Kengo Noguchi
Managing Executive Officer	Naohiro Tanaka
Managing Executive Officer	Seiji Iwakuma
Managing Executive Officer	Akira Yokota
Managing Executive Officer	Toshio Masui
Managing Executive Officer	Kouji Koyanagi
Managing Executive Officer	Toshiya Shimobeppu
Managing Executive Officer	Futoshi Itani
Managing Executive Officer	Kazuya Oyama
Managing Executive Officer	Kuniyuki Shudo
Managing Executive Officer	Kenji Kaiya
Managing Executive Officer	Keichi Hamano

The principal officers of SuMiTBNY as of December 31, 2018 are as follows:

<b>Principal Officers Sumitomo Mitsui Trust Bank New York Branch</b>	
<b>Position</b>	<b>Name</b>
General Manager and Regional Executive, Americas	Masaya Noda
General Manager, New York Unit	Toshio Sakudo
General Counsel, Americas, Adviser, Global Legal and Compliance Senior Executive Vice President	Bruce Ortwine
Senior Executive Vice President	Suraj Bhatia
Executive Vice President	Yasuhiro Takeyama
Executive Vice President	Yoshinori Iijima
Executive Vice President	Viana Ng



**(9) A description of the corporate governance structure and processes related to resolution planning;**

SuMiHD has established the following structure, both within SuMiTBNY and SuMiHD, governing the preparation and approval of this Resolution Plan. In September 2011, SuMiTBNY established the Dodd Frank Act Implementation Committee (the “DFAI Committee”). The DFAI Committee operated in accordance with a written charter. Membership of the DFAI Committee included the General Manager of SuMiTBNY, the General Manager of New York Unit, the Senior Executive Vice President and General Counsel, and an Executive Vice President of SuMiTBNY. Since inception, the DFAI Committee monitored, analyzed and assessed all pertinent developments in the implementation of the Dodd Frank Act. The DFAI Committee established a Resolution Plan Working Group that was assigned the task of coordinating the development of SuMiHD’s Resolution Plan and to reporting its overall progress at each meeting of the DFAI Committee. In March 2015, the functions of the DFAI Committee were absorbed by the Regulatory Compliance Committee of SuMiTBNY.

In addition, members of the Resolution Plan Working Group are in constant communication with the Compliance Department of SuMiHD, which, in turn, has reported to the SuMiHD Board of Directors, in consultation with the Enterprise Risk Management Committee of the SuMiHD. This direct reporting line provides effective corporate governance and oversight by SuMiHD into the process resulting in this Resolution Plan and the reasoning behind the provisions hereof. Accordingly, these meetings have included discussions concerning specific provisions of this Resolution Plan.

It is the result of this process that has enabled Mr. Tanaka, as the delegee of the SuMiHD Board of Directors, to approve this Resolution Plan on December 23, 2018 with an appropriate level of understanding and agreement as to its contents.

**(10) A description of material management information systems; and**

SuMiTBNY’s Management Information Systems (MIS) include a mix of proprietary and third party systems that are used for, but not limited to, risk management, accounting, financial reporting, compliance (anti-money laundering and sanctioning) and regulatory reporting.

Primary responsibility for MIS is assigned to SuMiTBNY’s IT Department. IT responsibilities include system planning, application development, maintenance, security (with the guidance of a separate department within SuMiTBNY, Information Risk Governance), and management of outsourcing and software vendor activities.

Due to the sensitivity and importance of information and technology systems, planning is done at both SuMiTBNY and SuMiTB in order to maintain the necessary support for each local business unit as well as to ensure the unit’s productivity and viability from a global perspective.



As SuMiTBNY's operation relies heavily on information systems, SuMiTBNY maintains an extensive business continuity plan (including Disaster Recovery) to protect key systems and data should a disaster occur. This plan minimizes down time and enables business operations to continue until primary information systems are sufficiently returned to normal working order.

**(11) A description, at a high level, of the covered company's resolution strategy, covering such items as the range of potential purchasers of the covered company, its material entities and core business lines.**

An insolvency of SuMiTBNY, including Wholesale Lending, is determined by the insolvency provisions of Article 13 of the New York Banking Law. For purposes of this Resolution Plan, SuMiHD's resolution strategy is to wind down the operations of Wholesale Lending. Under each of the Baseline, Adverse, and Severely Adverse scenarios required to be considered in this Resolution Plan, SuMiHD expects the resolution of SuMiTBNY would be both straight-forward and carried out in a relatively timely manner given the liquidity and high credit quality of the Wholesale Lending loan assets and a large number of potential purchasers for those assets, though the expected value and liquidity of the Wholesale Lending loan assets, the timing for sale of those assets, or both, may vary depending on the specific scenario.

End