Compensation

SMBC Trust Bank

Compensation Framework of SMBC Trust Bank

1. Scope of Officers and Employees

The scope of officers, employees and others whose compensation is subject to disclosure under the revised Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. and other applicable regulations is as described below.

(1) Scope of Officers

Officers subject to compensation disclosure are directors and Audit & Supervisory Board members of SMBC Trust Bank ("SMBC Trust") excluding outside directors and auditors.

(2) Scope of Employees and Others

Of employees of SMBC Trust other than officers, those employees and others who are highly compensated and have a material influence on the business management or the assets of SMBC Trust are subject to compensation disclosure.

(a) Scope of major consolidated subsidiaries

Not applicable.

(b) Scope of highly compensated persons

A highly compensated person is an individual whose compensation is higher than the average amount of compensation paid to the officers (excluding officers appointed or retired during the fiscal year in question) which is derived by dividing the total amount of compensation paid to the officers during the fiscal year by the number of officers during the same period.

(c) Material influence on the business management or assets of SMBC Trust

A person has a material influence on the business management or assets of SMBC Trust if his /her regular transactions or regular matters managed by him/her have a substantial impact on the business management of SMBC Trust, or losses incurred through such actions have a significant impact on the financial situation of SMBC Trust.

2. Determination of Compensation

(1) Determination of Compensation for Officers

The (maximum) total amount of compensation for directors and Audit & Supervisory Board members is respectively determined at a General Meeting of Shareholders as executive compensation. The allocation of compensation to individual directors is determined by the representative director delegated by the Board of Directors within the limits approved by the General Meeting of Shareholders while the Audit & Supervisory Board determines the allocation of compensation to individual Audit & Supervisory Board members.

(2) Determination of Compensation for Employees and Others

The Human Resources Department designs the system and pays compensation to employees in accordance with the basic policy.

Assessment of Design and Operation of Compensation Structure

(1) Compensation Policy for Officers

The compensation of officers consists of base salary and bonuses is determined by taking into account their job responsibilities, character evaluation, business performance, and other factors.

(2) Impact of Overall Level of Compensation for Officers on Shareholders' Equity

The Board of Directors has compared the total amount of executive compensation paid during the current fiscal year with the level of income and internal reserves for the current fiscal year and has confirmed that it does not have a material impact on the capital adequacy ratio.

(3) Compensation Policy for Employees and Others

Core principles are documented in policies and procedures, determined by the Board of Directors of SMBC Trust, and reported to the Human Resources Department of Sumitomo Mitsui Financial Group, Inc.

Consistency between Compensation Structure and Risk Management and Link between Compensation and Performance

In determining the compensation for officers, the total amount of compensation for all officers is resolved and determined at a general meeting of shareholders. On the other hand, in determining the compensation for employees and others, related in consideration of SMBC Trust's financial conditions and other factors.

Type, Total Amount Paid, and Payment Method of Compensation for Officers, Employees and Others of SMBC Trust

1. Compensation Allocated in the Applicable Fiscal Year

(Headcount, millions of yen)

			Subject officers	Subject employees
Fixed Compensation	Number of applicable officers and employees		11	4
	Fixed compensation total		266	95
		Cash compensation	266	95
		Deferment	—	—
Variable Compensation	Number of applicable officers and employees		9	3
	Variable compensation total		85	18
		Cash compensation	77	18
		Deferment	—	—
		Stock compensation or stock-linked compensation	7	—
		Deferment	—	—
Retirement allowance	Number of applicable officers and employees		—	—
	Retirement allowance total		—	—
		Deferment	—	—
Other compensation	Number of applicable officers and employees		8	3
	Other compensation total		1	0
		Deferment	—	—
Compensation total			353	113

Note: Other compensation is commuting allowance.

2. Special compensation etc.

Not applicable

3. Deferred compensation etc.

Not applicable