

Composition of capital as of June 30, 2014

<Sumitomo Mitsui Trust Bank, Limited.>

[Consolidated, International standard]

(Millions of yen, except percentages)

Items		Amounts excluded under transitional arrangements	Basel III template No.
Common Equity Tier 1 capital: instruments and reserves			
Directly issued qualifying common share capital plus related capital surplus and retained earnings	1,760,535		1a+2-1c-26
of which: capital stock and capital surplus	834,296		1a
of which: retained earnings	928,544		2
of which: treasury stock (deduction)	-		1c
of which: earnings to be distributed (deduction)	2,305		26
of which: others	-		
Subscription rights to common shares	-		1b
Accumulated other comprehensive income	48,662	194,650	3
Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	-		5
Amount allowed in group Common Equity Tier 1 subject to transitional arrangements	14,633		
of which: common share capital issued by subsidiaries and held by third parties	14,633		
Common Equity Tier 1 capital: instruments and reserves (A)	1,823,831		6
Common Equity Tier 1 capital: regulatory adjustments			
Intangible assets other than mortgage servicing rights *	29,791	119,164	8+9
of which: goodwill (including those equivalent)	19,988	79,953	8
of which: other intangible assets	9,802	39,211	9
Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	513	2,052	10
Deferred gains or losses on derivatives under hedge accounting	(2,056)	(8,225)	11
Shortfall of eligible provisions to expected losses	18,963	75,852	12
Securitization gain on sale	1,493	5,975	13
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	14
Defined-benefit pension fund net assets (assets for retirement benefits) *	13,950	55,800	15
Investments in own shares (excluding those reported in the Net assets section)	-	-	16
Reciprocal cross-holdings in common equity	-	-	17
Investments in the common stock 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 (amount above 10% threshold)	5,564	22,258	18
Amount above the 10% threshold on the specified items	-	-	19+20+21
of which: significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	-	-	19
of which: mortgage servicing rights	-	-	20
of which: deferred tax assets arising from temporary differences *	-	-	21
Amount exceeding the 15% threshold on the specified items	-	-	22
of which: significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	-	-	23
of which: mortgage servicing rights	-	-	24
of which: deferred tax assets arising from temporary differences *	-	-	25
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-		27
Common Equity Tier 1 capital: regulatory adjustments (B)	68,219		28
Common Equity Tier 1 capital (CET1)			
Common Equity Tier 1 capital (C) = (A)-(B)	1,755,612		29

Additional Tier 1 capital: instruments				
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards	-		31a	30
Subscription rights to Additional Tier 1 instruments	-		31b	
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	-		32	
Qualifying Additional Tier 1 instruments issued by special purpose vehicles	-			
Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	8,882		34-35	
Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	269,000		33+35	
of which: directly issued and issued by special purpose vehicles	269,000		33	
of which: issued by subsidiaries	-		35	
Amount allowed in group Additional Tier 1 subject to transitional arrangements	2,923			
of which: foreign currency translation adjustment	2,923			
Additional Tier 1 capital: instruments (D)	280,805		36	
Additional Tier 1 capital: regulatory adjustments				
Investments in own Additional Tier 1 instruments	-	-	37	
Reciprocal cross-holdings in Additional Tier 1 instruments	-	-	38	
Investments in the Additional Tier 1 instruments 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 common share capital of the entity (amount above 10% threshold)	4,089	16,356	39	
Significant investments in the Additional Tier 1 instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	-	-	40	
Regulatory adjustments applied to Additional Tier 1 subject to transitional arrangements	122,597			
of which: goodwill equivalents	76,802			
of which: equivalent to intangible fixed assets recorded through business combination	1,892			
of which: equivalent to capital increase due to securitization transactions	5,975			
of which: equivalent to 50% of shortfall of eligible provisions to expected losses	37,926			
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		42	
Additional Tier 1 capital: regulatory adjustments (E)	126,686		43	
Additional Tier 1 capital (AT1)				
Additional Tier 1 capital (F) = (D)-(E)	154,118		44	
Tier 1 capital (T1 = CET1 + AT1)				
Tier 1 capital (G) = (C)+(F)	1,909,730		45	
Tier 2 capital: instruments and provisions				
Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as equity under applicable accounting standards	-		46	
Subscription rights to Tier 2 instruments	-			
Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	-			
Qualifying Tier 2 instruments issued by special purpose vehicles	-			
Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	2,051		48-49	
Eligible Tier 2 capital instruments subject to phase out from Tier 2 capital	652,039		47+49	
of which: directly issued and issued by special purpose vehicles	652,039		47	
of which: issued by subsidiaries	-		49	
Provisions allowed in group Tier 2	538		50	
of which: general allowance for credit losses	538		50a	
of which: excess amount of eligible provisions to expected losses	-		50b	
Amount allowed in group Tier 2 subject to transitional arrangements	166,123			
of which: 45% of net unrealized gain on available-for-sale securities	164,116			
of which: 45% of revaluation reserve for land	2,007			
Tier 2 capital: instruments and provisions (H)	820,753		51	

Tier 2 capital: regulatory adjustments				
Investments in own Tier 2 instruments		-	-	52
Reciprocal cross-holdings in Tier 2 instruments		-	-	53
Investments in the Tier 2 instruments 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 common share capital of the entity (amount above 10% threshold)		12,277	49,111	54
Significant investments in the Tier 2 instruments of banking, financial and insurance entities that are outside of the scope of regulatory consolidation, net of eligible short positions		1,200	4,800	55
Regulatory adjustments applied to Tier 2 subject to transitional arrangements		50,686		
of which: investments in the instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions		12,760		
of which: equivalent to 50% of shortfall of eligible provisions to expected losses		37,926		
Tier 2 capital: regulatory adjustments	(I)	64,164		57
Tier 2 capital (T2)				
Tier 2 capital	(J) = (H)-(I)	756,589		58
Total capital (TC = T1 + T2)				
Total capital	(K) = (G)+(J)	2,666,320		59
Total risk weighted assets				
Risk weighed assets subject to transitional arrangements		216,907		
of which: intangible assets other than mortgage servicing rights *		37,318		
of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences *		2,052		
of which: defined-benefit pension fund net assets *		55,800		
of which: investments in own instruments		-		
of which: investments in the instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions		121,736		
Total risk weighted assets	(L)	19,002,997		60
Capital ratios (consolidated)				
Common Equity Tier 1 capital ratio	(C)/(L)	9.23%		61
Tier 1 capital ratio	(G)/(L)	10.04%		62
Total capital ratio	(K)/(L)	14.03%		63
Regulatory adjustments (before risk weighting)				
Investments in the instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount below the threshold for deduction)		169,055		72
Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)		43,709		73
Mortgage servicing rights (amount below the thresholds for deduction)		-		74
Deferred tax assets arising from temporary differences (amount below the thresholds for deduction)		34,264		75
Provisions included in Tier 2 capital: instruments and provisions				
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to applicable of cap)		538		76
Cap on inclusion of provisions in Tier 2 under standardized approach		3,868		77
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal rating-based approach (prior to applicable of cap)		-		78
Cap on inclusion of provisions in Tier 2 under internal ratings-based approach		98,034		79
Capital instruments subject to phase out arrangements				
Current cap on Additional Tier 1 instruments subject to phase out arrangements		311,200		82
Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities)		-		83
Current cap on Tier 2 instruments subject to phase out arrangements		686,327		84
Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)		-		85

* net of related deferred tax liabilities