

## Composition of capital as of June 30, 2014

<Sumitomo Mitsui Trust Holdings, Inc. >

[Consolidated, International standard]

(Millions of yen, except percentages)

Items		Amounts excluded under transitional arrangements	Basel III template No.
<b>Common Equity Tier 1 capital: instruments and reserves</b>			
Directly issued qualifying common share capital plus related capital surplus and retained earnings	1,777,240	/	1a+2-1c-26
of which: capital stock and capital surplus	906,875	/	1a
of which: retained earnings	873,270	/	2
of which: treasury stock (deduction)	599	/	1c
of which: earnings to be distributed (deduction)	2,305	/	26
of which: others	-	/	
Subscription rights to common shares	55	/	1b
Accumulated other comprehensive income	50,311	201,247	3
Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	2,915	/	5
Amount allowed in group Common Equity Tier 1 subject to transitional arrangements	26,605	/	
of which: common share capital issued by subsidiaries and held by third parties	26,605	/	
Common Equity Tier 1 capital: instruments and reserves (A)	1,857,129	/	6
<b>Common Equity Tier 1 capital: regulatory adjustments</b>			
Intangible assets other than mortgage servicing rights *	31,400	125,601	8+9
of which: goodwill (including those equivalent)	18,913	75,654	8
of which: other intangible assets	12,486	49,946	9
Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	604	2,416	10
Deferred gains or losses on derivatives under hedge accounting	(2,269)	(9,076)	11
Shortfall of eligible provisions to expected losses	18,963	75,854	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) *	13,974	55,899	15
Investments in own shares (excluding those reported in the Net assets section)	3	12	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)	5,182	20,728	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)	69,352	/	28
<b>Common Equity Tier 1 capital (CET1)</b>			
Common Equity Tier 1 capital (C) = (A)-(B)	1,787,776	/	29

<b>Additional Tier 1 capital: instruments</b>				
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)	9,601		34-35	
Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	395,000		33+35	
of which: directly issued and issued by special purpose vehicles	235,000		33	
of which: issued by subsidiaries	160,000		35	
Amount allowed in group Additional Tier 1 subject to transitional arrangements	4,615			
of which: foreign currency translation adjustment	4,615			
Additional Tier 1 capital: instruments (D)	409,216		36	
<b>Additional Tier 1 capital: regulatory adjustments</b>				
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)	2,744	10,977	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	118,299			
of which: goodwill equivalents	72,504			
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	37,927			
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		42	
Additional Tier 1 capital: regulatory adjustments (E)	121,044		43	
<b>Additional Tier 1 capital (AT1)</b>				
Additional Tier 1 capital (F) = (D)-(E)	288,172		44	
<b>Tier 1 capital (T1 = CET1 + AT1)</b>				
Tier 1 capital (G) = (C)+(F)	2,075,948		45	
<b>Tier 2 capital: instruments and provisions</b>				
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)	2,881		48-49	
Eligible Tier 2 capital instruments subject to phase out from Tier 2	652,039		47+49	
of which: directly issued and issued by special purpose vehicles	-		47	
of which: issued by subsidiaries	652,039		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	153,056			
of which: 45% of net unrealized gain on available-for-sale securities	153,707			
of which: 45% of revaluation reserve for land	(650)			
Tier 2 capital: instruments and provisions (H)	808,516		51	

<b>Tier 2 capital: regulatory adjustments</b>				
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)		11,182	44,728	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		50,258		
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		12,331		
of which: equivalent to 50% of shortfall of eligible provisions to expected losses		37,927		
Tier 2 capital: regulatory adjustments	(I)	62,640		57
<b>Tier 2 capital (T2)</b>				
Tier 2 capital	(J) = (H)-(I)	745,876		58
<b>Total capital (TC = T1 + T2)</b>				
Total capital	(K) = (G)+(J)	2,821,824		59
<b>Total risk weighted assets</b>				
Risk weighed assets subject to transitional arrangements		213,414		
of which: intangible assets other than mortgage servicing rights *		48,054		
of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences *		2,416		
of which: defined-benefit pension fund net assets *		55,899		
of which: investments in own instruments		30		
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		107,014		
Total risk weighted assets	(L)	19,146,780		60
<b>Capital ratios (consolidated)</b>				
Common Equity Tier 1 capital ratio	(C)/(L)	9.33%		61
Tier 1 capital ratio	(G)/(L)	10.84%		62
Total capital ratio	(K)/(L)	14.73%		63
<b>Regulatory adjustments (before risk weighting)</b>				
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)		171,090		72
Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)		43,694		73
Mortgage servicing rights (amount below the thresholds for deduction)		-		74
Deferred tax assets arising from temporary differences (amount below the thresholds for deduction)		30,796		75
<b>Provisions included in Tier 2 capital: instruments and provisions</b>				
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		5,214		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		98,117		79
<b>Capital instruments subject to phase out arrangements</b>				
Current cap on Additional Tier 1 instruments subject to phase out arrangements		436,000		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