

**Composition of capital as of December 31, 2015**

&lt;Sumitomo Mitsui Trust Bank, Limited.&gt;

[Consolidated, International standard]

(Millions of yen, except percentages)

Basel III template No.	Items	December 31, 2015	Amounts excluded under transitional arrangements	September 30, 2015	Amounts excluded under transitional arrangements
<b>Common Equity Tier 1 capital: instruments and reserves</b>					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	1,903,769		1,879,426	
1a	of which: capital stock and capital surplus	834,134		834,134	
2	of which: retained earnings	1,069,635		1,065,352	
1c	of which: treasury stock (deduction)	-		-	
26	of which: earnings to be distributed (deduction)	-		20,060	
	of which: others	-		-	
1b	Subscription rights to common shares	-		-	
3	Accumulated other comprehensive income	207,415	311,122	196,309	294,464
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	-		-	
	Amount allowed in group Common Equity Tier 1 subject to transitional arrangements	11,081		11,527	
	of which: common share capital issued by subsidiaries and held by third parties	11,081		11,527	
6	Common Equity Tier 1 capital: instruments and reserves (A)	2,122,266		2,087,263	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>					
8+9	Intangible assets other than mortgage servicing rights *	64,085	96,128	52,391	78,586
8	of which: goodwill (including those equivalent)	44,176	66,264	34,680	52,021
9	of which: other intangible assets	19,909	29,864	17,710	26,565
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	-	-	-	-
11	Deferred gains or losses on derivatives under hedge accounting	(5,947)	(8,920)	(3,821)	(5,731)
12	Shortfall of eligible provisions to expected losses	16,380	24,571	17,073	25,610
13	Securitization gain on sale	1,845	2,768	2,052	3,078
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	-	-
15	Defined-benefit pension fund net assets (assets for retirement benefits) *	53,843	80,765	53,048	79,572
16	Investments in own shares (excluding those reported in the Net assets section)	-	-	-	-
17	Reciprocal cross-holdings in common equity	-	-	-	-
18	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)	-	-	3,320	4,980
19+20+21	Amount above the 10% threshold on the specified items	-	-	-	-
19	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	-	-	-	-
20	of which: mortgage servicing rights	-	-	-	-
21	of which: deferred tax assets arising from temporary differences *	-	-	-	-
22	Amount exceeding the 15% threshold on the specified items	-	-	-	-
23	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	-	-	-	-
24	of which: mortgage servicing rights	-	-	-	-
25	of which: deferred tax assets arising from temporary differences *	-	-	-	-
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-		-	
28	Common Equity Tier 1 capital: regulatory adjustments (B)	130,208		124,064	
<b>Common Equity Tier 1 capital (CET1)</b>					
29	Common Equity Tier 1 capital (C) = (A)-(B)	1,992,057		1,963,198	

(Millions of yen, except percentages)

Basel III template No.	Items	December 31, 2015	Amounts excluded under transitional arrangements	September 30, 2015	Amounts excluded under transitional arrangements
<b>Additional Tier 1 capital: instruments</b>					
30	31a	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards	-	-	-
	31b	Subscription rights to Additional Tier 1 instruments	-	-	-
	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	120,000	120,000	-
		Qualifying Additional Tier 1 instruments issued by special purpose vehicles	-	-	-
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	9,997	-	9,528	-
33+35	Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	160,000	-	160,000	-
33	of which: directly issued and issued by special purpose vehicles	160,000	-	160,000	-
35	of which: issued by subsidiaries	-	-	-	-
	Amount allowed in group Additional Tier 1 subject to transitional arrangements	3,167	-	7,422	-
	of which: foreign currency translation adjustment	3,167	-	7,422	-
36	Additional Tier 1 capital: instruments (D)	293,164	-	296,950	-
<b>Additional Tier 1 capital: regulatory adjustments</b>					
37	Investments in own Additional Tier 1 instruments	-	-	-	-
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	-	-	-
39	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)	-	-	1,393	2,090
40	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	-	-	-	-
	Regulatory adjustments applied to Additional Tier 1 subject to transitional arrangements	82,041	-	68,485	-
	of which: goodwill equivalents	65,642	-	51,254	-
	of which: equivalent to intangible fixed assets recorded through business combination	1,343	-	1,348	-
	of which: equivalent to capital increase due to securitization transactions	2,768	-	3,078	-
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	12,285	-	12,805	-
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-	-
43	Additional Tier 1 capital: regulatory adjustments (E)	82,041	-	69,879	-
<b>Additional Tier 1 capital (AT1)</b>					
44	Additional Tier 1 capital (F) = (D)-(E)	211,123	-	227,070	-
<b>Tier 1 capital (T1 = CET1 + AT1)</b>					
45	Tier 1 capital (G) = (C)+(F)	2,203,180	-	2,190,269	-
<b>Tier 2 capital: instruments and provisions</b>					
46		Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as equity under applicable accounting standards	-	-	-
		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	60,000	60,000	-
		Qualifying Tier 2 instruments issued by special purpose vehicles	-	-	-
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	2,276	-	2,106	-
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2 capital	431,900	-	465,548	-
47	of which: directly issued and issued by special purpose vehicles	431,900	-	465,548	-
49	of which: issued by subsidiaries	-	-	-	-
50	Provisions allowed in group Tier 2	3,388	-	362	-
50a	of which: general allowance for credit losses	3,388	-	362	-
50b	of which: excess amount of eligible provisions to expected losses	-	-	-	-
	Amount allowed in group Tier 2 subject to transitional arrangements	203,435	-	188,811	-
	of which: 45% of net unrealized gain on available-for-sale securities	202,716	-	188,088	-
	of which: 45% of revaluation reserve for land	719	-	722	-
51	Tier 2 capital: instruments and provisions (H)	701,000	-	716,828	-

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Basel III template No.	Items	December 31, 2015	Amounts excluded under transitional arrangements	September 30, 2015	Amounts excluded under transitional arrangements
<b>Tier 2 capital: regulatory adjustments</b>					
52	Investments in own Tier 2 instruments	-	-	-	-
53	Reciprocal cross-holdings in Tier 2 instruments	-	-	-	-
54	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)	-	-	3,220	4,830
55	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	-	-	-	-
	Regulatory adjustments applied to Tier 2 subject to transitional arrangements	12,907		14,452	
	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	621		1,647	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	12,285		12,805	
57	Tier 2 capital: regulatory adjustments (I)	12,907		17,672	
<b>Tier 2 capital (T2)</b>					
58	Tier 2 capital (J) = (H)-(I)	688,093		699,156	
<b>Total capital (TC = T1 + T2)</b>					
59	Total capital (K) = (G)+(J)	2,891,274		2,889,425	
<b>Total risk weighted assets</b>					
	Risk weighed assets subject to transitional arrangements	109,285		129,298	
	of which: intangible assets other than mortgage servicing rights *	28,520		25,217	
	of which: defined-benefit pension fund net assets *	80,765		79,572	
	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	-		24,509	
60	Total risk weighted assets (L)	20,673,605		19,581,276	
<b>Capital ratios (consolidated)</b>					
61	Common Equity Tier 1 capital ratio (C)/(L)	9.63%		10.02%	
62	Tier 1 capital ratio (G)/(L)	10.65%		11.18%	
63	Total capital ratio (K)/(L)	13.98%		14.75%	
<b>Regulatory adjustments (before risk weighting)</b>					
72	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)	204,842		206,838	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	53,466		51,756	
74	Mortgage servicing rights (amount below the thresholds for deduction)	-		-	
75	Deferred tax assets arising from temporary differences (amount below the thresholds for deduction)	-		-	
<b>Provisions included in Tier 2 capital: instruments and provisions</b>					
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to applicable of cap)	3,388		362	
77	Cap on inclusion of provisions in Tier 2 under standardized approach	7,617		4,962	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal rating-based approach (prior to applicable of cap)	-		-	
79	Cap on inclusion of provisions in Tier 2 under internal ratings-based approach	108,213		103,540	
<b>Capital instruments subject to phase out arrangements</b>					
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	272,300		272,300	
83	Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities)	-		-	
84	Current cap on Tier 2 instruments subject to phase out arrangements	600,536		600,536	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-		-	

\* net of related deferred tax liabilities