

Composition of capital as of September 30, 2016

<Sumitomo Mitsui Trust Holdings, Inc. >

[Consolidated, International standard]

(Millions of yen, except percentages)

Basel III template No.	Items	September 30, 2016	Amounts excluded under transitional arrangements	September 30, 2015	Amounts excluded under transitional arrangements
Common Equity Tier 1 capital: instruments and reserves					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	1,997,920		1,885,876	
1a	of which: capital stock and capital surplus	906,657		906,715	
2	of which: retained earnings	1,150,155		1,031,239	
1c	of which: treasury stock (deduction)	34,025		27,083	
26	of which: earnings to be distributed (deduction)	24,865		24,995	
	of which: others	-		-	
1b	Subscription rights to common shares	584		423	
3	Accumulated other comprehensive income	207,147	138,098	196,764	295,147
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	2,109		954	
	Amount allowed in group Common Equity Tier 1 subject to transitional arrangements	13,515		22,289	
	of which: common share capital issued by subsidiaries and held by third parties	13,515		22,289	
6	Common Equity Tier 1 capital: instruments and reserves (A)	2,221,278		2,106,308	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Intangible assets other than mortgage servicing rights *	112,653	75,102	56,423	84,635
8	of which: goodwill (including those equivalent)	64,253	42,835	32,781	49,172
9	of which: other intangible assets	48,399	32,266	23,641	35,462
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	432	288	-	-
11	Deferred gains or losses on derivatives under hedge accounting	(9,305)	(6,203)	(3,809)	(5,714)
12	Shortfall of eligible provisions to expected losses	14,738	9,825	17,074	25,611
13	Securitization gain on sale	1,728	1,152	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) *	40,742	27,161	53,123	79,685
16	Investments in own shares (excluding those reported in the Net assets section)	3	2	1	2
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)	2,541	1,694	1,418	2,127
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)	163,534		126,284	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (C) = (A)-(B)	2,057,744		1,980,023	

(Millions of yen, except percentages)

Basel III template No.	Items	September 30, 2016	Amounts excluded under transitional arrangements	September 30, 2015	Amounts excluded under transitional arrangements
Additional Tier 1 capital: instruments					
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	220,000	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)	11,215	-	9,725	-
33+35	Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	276,000	-	276,000	-
33	of which: directly issued and issued by special purpose vehicles	116,000	-	116,000	-
35	of which: issued by subsidiaries	160,000	-	160,000	-
	Amount allowed in group Additional Tier 1 subject to transitional arrangements	(4,456)	-	8,691	-
	of which: foreign currency translation adjustment	(4,456)	-	8,691	-
36	Additional Tier 1 capital: instruments (D)	502,759	-	414,416	-
Additional Tier 1 capital: regulatory adjustments					
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)	492	328	384	576
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	44,842	-	65,637	-
	of which: goodwill equivalents	38,043	-	48,405	-
	of which: equivalent to intangible fixed assets recorded through business combination	733	-	1,348	-
	of which: equivalent to capital increase due to securitization transactions	1,152	-	3,078	-
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	4,912	-	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)	45,334	-	66,022	-
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital (F) = (D)-(E)	457,424	-	348,394	-
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (G) = (C)+(F)	2,515,169	-	2,328,417	-
Tier 2 capital: instruments and provisions					
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	90,000	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)	3,056	-	2,377	-
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2	383,632	-	465,548	-
47	of which: directly issued and issued by special purpose vehicles	-	-	-	-
49	of which: issued by subsidiaries	383,632	-	465,548	-
50	Provisions allowed in group Tier 2	3,360	-	362	-
50a	of which: general allowance for credit losses	3,360	-	362	-
50b	of which: excess amount of eligible provisions to expected losses	-	-	-	-
	Amount allowed in group Tier 2 subject to transitional arrangements	105,422	-	179,591	-
	of which: 45% of net unrealized gain on available-for-sale securities	105,916	-	180,301	-
	of which: 45% of revaluation reserve for land	(493)	-	(709)	-
51	Tier 2 capital: instruments and provisions (H)	585,472	-	707,879	-

(Millions of yen, except percentages)

Basel III template No.	Items	September 30, 2016	Amounts excluded under transitional arrangements	September 30, 2015	Amounts excluded under transitional arrangements
Tier 2 capital: regulatory adjustments					
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)	3,486	2,324	1,352	2,029
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	9,888		13,943	
	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	4,975		1,137	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	4,912		12,805	
57	Tier 2 capital: regulatory adjustments (I)	13,375		15,295	
Tier 2 capital (T2)					
58	Tier 2 capital (J) = (H)-(I)	572,097		692,584	
Total capital (TC = T1 + T2)					
59	Total capital (K) = (G)+(J)	3,087,266		3,021,001	
Total risk weighted assets					
	Risk weighed assets subject to transitional arrangements	68,500		123,933	
	of which: intangible assets other than mortgage servicing rights *	31,533		34,114	
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences *	288		-	
	of which: defined-benefit pension fund net assets *	27,161		79,685	
	of which: investments in own instruments	6		8	
	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	9,510		10,124	
60	Total risk weighted assets (L)	18,141,328		19,637,861	
Capital ratios (consolidated)					
61	Common Equity Tier 1 capital ratio (C)/(L)	11.34%		10.08%	
62	Tier 1 capital ratio (G)/(L)	13.86%		11.85%	
63	Total capital ratio (K)/(L)	17.01%		15.38%	
Regulatory adjustments (before risk weighting)					
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)	207,754		206,704	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	65,590		51,751	
74	Mortgage servicing rights (amount below the thresholds for deduction)	-		-	
75	Deferred tax assets arising from temporary differences (amount below the thresholds for deduction)	-		-	
Provisions included in Tier 2 capital: instruments and provisions					
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to applicable of cap)	3,360		362	
77	Cap on inclusion of provisions in Tier 2 under standardized approach	7,211		5,191	
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	92,741		103,665	
Capital instruments subject to phase out arrangements					
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	327,000		381,500	
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	514,745		600,536	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-		-	

* net of related deferred tax liabilities