

**Composition of capital as of June 30, 2017**

&lt;Sumitomo Mitsui Trust Holdings, Inc. &gt;

[Consolidated, International standard]

(Millions of yen, except percentages)

Basel III template No.	Items	June 30, 2017	Amounts excluded under transitional arrangements	March 31, 2017	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	2,046,886		2,006,758	
1a	of which: capital stock and capital surplus	906,656		906,656	
2	of which: retained earnings	1,174,286		1,159,028	
1c	of which: treasury stock (deduction)	34,056		34,061	
26	of which: earnings to be distributed (deduction)	-		24,864	
	of which: others	-		-	
1b	Subscription rights to common shares	566		577	
3	Accumulated other comprehensive income	347,390	86,847	344,794	86,198
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	1,938		1,949	
	Amount allowed in group Common Equity Tier 1 subject to transitional arrangements	6,867		6,770	
	of which: common share capital issued by subsidiaries and held by third parties	6,867		6,770	
6	Common Equity Tier 1 capital: instruments and reserves (A)	2,403,648		2,360,850	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>					
8+9	Intangible assets other than mortgage servicing rights *	154,660	38,665	152,059	38,014
8	of which: goodwill (including those equivalent)	81,965	20,491	81,901	20,475
9	of which: other intangible assets	72,695	18,173	70,157	17,539
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	99	24	121	30
11	Deferred gains or losses on derivatives under hedge accounting	(16,876)	(4,219)	(14,863)	(3,715)
12	Shortfall of eligible provisions to expected losses	7,635	1,908	8,730	2,182
13	Securitization gain on sale	1,615	403	1,894	473
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) *	67,638	16,909	66,053	16,513
16	Investments in own shares (excluding those reported in the Net assets section)	3	0	1	0
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)	1,230	307	4,962	1,240
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)	216,007		218,960	
<b>Common Equity Tier 1 capital (CET1)</b>					
29	Common Equity Tier 1 capital (C) = (A)-(B)	2,187,640		2,141,890	

(Millions of yen, except percentages)

Basel III template No.	Items	June 30, 2017	Amounts excluded under transitional arrangements	March 31, 2017	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	220,000	220,000	-
		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)	12,648	-	12,454	-
33+35	Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	272,500	-	272,500	-
33	of which: directly issued and issued by special purpose vehicles	114,528	-	114,528	-
35	of which: issued by subsidiaries	157,971	-	157,971	-
	Amount allowed in group Additional Tier 1 subject to transitional arrangements	506	-	427	-
	of which: foreign currency translation adjustment	506	-	427	-
36	Additional Tier 1 capital: instruments (D)	505,655	-	505,381	-
<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)	197	49	821	205
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	20,020	-	20,712	-
	of which: goodwill equivalents	17,628	-	18,098	-
	of which: equivalent to intangible fixed assets recorded through business combination	1,033	-	1,048	-
	of which: equivalent to capital increase due to securitization transactions	403	-	473	-
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	954	-	1,091	-
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-	-
43	Additional Tier 1 capital: regulatory adjustments (E)	20,217	-	21,534	-
<b>Additional Tier 1 capital (AT1)</b>					
44	Additional Tier 1 capital (F) = (D)-(E)	485,437	-	483,847	-
<b>Tier 1 capital (T1 = CET1 + AT1)</b>					
45	Tier 1 capital (G) = (C)+(F)	2,673,078	-	2,625,737	-
<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	180,000	140,000	-
		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)	3,228	-	3,292	-
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2	352,433	-	361,498	-
47	of which: directly issued and issued by special purpose vehicles	-	-	-	-
49	of which: issued by subsidiaries	352,433	-	361,498	-
50	Provisions allowed in group Tier 2	4,093	-	3,926	-
50a	of which: general allowance for credit losses	4,093	-	3,926	-
50b	of which: excess amount of eligible provisions to expected losses	-	-	-	-
	Amount allowed in group Tier 2 subject to transitional arrangements	61,653	-	60,756	-
	of which: 45% of net unrealized gain on available-for-sale securities	61,927	-	61,031	-
	of which: 45% of revaluation reserve for land	(274)	-	(274)	-
51	Tier 2 capital: instruments and provisions (H)	601,408	-	569,474	-

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Basel III template No.	Items	June 30, 2017	Amounts excluded under transitional arrangements	March 31, 2017	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)	1,260	315	5,733	1,433
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	3,846		3,611	
	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	2,892		2,520	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	954		1,091	
57	Tier 2 capital: regulatory adjustments (I)	5,107		9,344	
<b>Tier 2 capital (T2)</b>					
58	Tier 2 capital (J) = (H)-(I)	596,301		560,129	
<b>Total capital (TC = T1 + T2)</b>					
59	Total capital (K) = (G)+(J)	3,269,379		3,185,866	
<b>Total risk weighted assets</b>					
	Risk weighed assets subject to transitional arrangements	35,605		39,291	
	of which: intangible assets other than mortgage servicing rights *	17,140		16,490	
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences *	24		30	
	of which: defined-benefit pension fund net assets *	16,909		16,513	
	of which: investments in own instruments	2		1	
	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	1,528		6,256	
60	Total risk weighted assets (L)	19,280,244		19,391,928	
<b>Capital ratios (consolidated)</b>					
61	Common Equity Tier 1 capital ratio (C)/(L)	11.34%		11.04%	
62	Tier 1 capital ratio (G)/(L)	13.86%		13.54%	
63	Total capital ratio (K)/(L)	16.95%		16.42%	
<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)	221,515		217,279	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	73,653		71,955	
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)	4,093		3,926	
77	Cap on inclusion of provisions in Tier 2 under standardized approach	9,093		8,450	
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	98,197		100,231	
<b>Capital instruments subject to phase out arrangements</b>					
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	272,500		272,500	
83	Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities)	3,500		3,500	
84	Current cap on Tier 2 instruments subject to phase out arrangements	428,954		428,954	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-		-	

\* net of related deferred tax liabilities