

**Composition of capital as of March 31, 2018**

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

[Non-consolidated, International standard]

(Millions of yen, except percentages)

Basel III template No.	Items	March 31, 2018	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	1,774,728		1,768,900	
1a	of which: capital stock and capital surplus	798,270		834,289	
2	of which: retained earnings	1,067,787		1,004,857	
1c	of which: treasury stock (deduction)	-		-	
26	of which: earnings to be distributed (deduction)	91,329		70,246	
	of which: others	-		-	
1b	Subscription rights to common shares	-		-	
3	Valuation and translation adjustments	506,307		376,569	94,142
	Amount allowed in group Common Equity Tier 1 subject to transitional arrangements			-	
6	Common Equity Tier 1 capital before regulatory adjustments (A)	2,281,036		2,145,469	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>					
8+9	Intangible assets other than mortgage servicing rights *	46,463		50,655	12,663
8	of which: goodwill (including those equivalent)	-		-	-
9	of which: other intangible assets	46,463		50,655	12,663
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	(16,274)		(10,724)	(2,681)
12	Shortfall of eligible provisions to expected losses	15,557		11,218	2,804
13	Securitization gain on sale	1,918		2,050	512
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-		-	-
15	Defined-benefit pension fund net assets (prepaid pension expenses) *	111,846		88,970	22,242
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)	-		5,279	1,319
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)	159,511		147,449	
<b>Common Equity Tier 1 capital (CET1)</b>					
29	Common Equity Tier 1 capital (C) = (A)-(B)	2,121,524		1,998,019	

(Millions of yen, except percentages)

Basel III template No.	Items	March 31, 2018	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	290,000	220,000	-	
		Qualifying Additional Tier 1 instruments issued by special purpose vehicles	-	-	-	
33+35	Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	110,000	-	160,000	-	
	Amount allowed in group Additional Tier 1 subject to transitional arrangements	-	-	(0)	-	
	of which: foreign currency translation adjustment	-	-	(0)	-	
36	Additional Tier 1 capital: instruments (D)	400,000	-	379,999	-	
<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)	-	-	958	239	
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	-	-	1,914	-	
	of which: equivalent to capital increase due to securitization transactions	-	-	512	-	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	-	-	1,402	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-	-	
43	Additional Tier 1 capital: regulatory adjustments (E)	-	-	2,873	-	
<b>Additional Tier 1 capital (AT1)</b>						
44	Additional Tier 1 capital (F) = (D)-(E)	400,000	-	377,126	-	
<b>Tier 1 capital (T1 = CET1 + AT1)</b>						
45	Tier 1 capital (G) = (C)+(F)	2,521,524	-	2,375,146	-	
<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	220,000	-	140,000	-
		Qualifying Tier 2 instruments issued by special purpose vehicles	-	-	-	-
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2 capital	299,228	-	361,498	-	
50	Provisions allowed in group Tier 2	-	-	-	-	
50a	of which: general allowance for credit losses	-	-	-	-	
50b	of which: excess amount of eligible provisions to expected losses	-	-	-	-	
	Amount allowed in group Tier 2 subject to transitional arrangements	-	-	62,825	-	
	of which: 45% of net unrealized gain on available-for-sale securities	-	-	62,650	-	
	of which: 45% of revaluation reserve for land	-	-	175	-	
51	Tier 2 capital: instruments and provisions (H)	519,228	-	564,324	-	

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Basel III template No.	Items	March 31, 2018	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)	-		6,644	1,661
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			1,568	
	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			166	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses			1,402	
57	Tier 2 capital: regulatory adjustments (I)	-		8,213	
<b>Tier 2 capital (T2)</b>					
58	Tier 2 capital (J) = (H)-(I)	519,228		556,111	
<b>Total capital (TC = T1 + T2)</b>					
59	Total capital (K) = (G)+(J)	3,040,753		2,931,258	
<b>Total risk weighted assets</b>					
	Risk weighed assets subject to transitional arrangements			41,944	
	of which: intangible assets other than mortgage servicing rights *			12,663	
	of which: defined-benefit pension fund net assets *			22,242	
	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			7,037	
60	Total risk weighted assets (L)	20,004,551		18,844,212	
<b>Capital ratios</b>					
61	Common Equity Tier 1 capital ratio (C)/(L)	10.60%		10.60%	
62	Tier 1 capital ratio (G)/(L)	12.60%		12.60%	
63	Total capital ratio (K)/(L)	15.20%		15.55%	
<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)	179,485		206,189	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	52,960		42,002	
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)	-		-	
77	Cap on inclusion of provisions in Tier 2 under standardized approach	1,880		2,471	
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	105,346		101,470	
<b>Capital instruments subject to phase out arrangements</b>					
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	155,600		194,500	
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	343,163		428,954	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-		-	

\* net of related deferred tax liabilities