

Composition of capital as of September 30, 2018

<Sumitomo Mitsui Trust Bank, Limited>

[Non-consolidated, International standard]

(Millions of yen, except percentages)

Basel III template No.	Items	September 30, 2018	June 30, 2018
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	1,805,137	1,846,812
1a	of which: capital stock and capital surplus	752,237	752,237
2	of which: retained earnings	1,128,923	1,094,575
1c	of which: treasury stock (deduction)	-	-
26	of which: earnings to be distributed (deduction)	76,023	-
	of which: others	-	-
1b	Subscription rights to common shares	-	-
3	Valuation and translation adjustments	478,570	495,344
6	Common Equity Tier 1 capital: instruments and reserves (A)	2,283,708	2,342,156
Common Equity Tier 1 capital: regulatory adjustments			
8+9	Intangible assets other than mortgage servicing rights *	45,428	48,237
8	of which: goodwill (including those equivalent)	-	-
9	of which: other intangible assets	45,428	48,237
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	(7,191)	(15,823)
12	Shortfall of eligible provisions to expected losses	23,224	13,715
13	Securitization gain on sale	1,740	1,810
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) *	115,003	113,408
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)	-	-
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)	178,205	161,347
Common Equity Tier 1 capital (CET1)			
29	Common Equity Tier 1 capital (C) = (A)-(B)	2,105,502	2,180,808

(Millions of yen, except percentages)

Basel III template No.	Items	September 30, 2018	June 30, 2018	
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	340,000	290,000
		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	
36	Additional Tier 1 capital: instruments (D)	340,000	400,000	
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)	-	-	
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	-	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	
43	Additional Tier 1 capital: regulatory adjustments (E)	-	-	
Additional Tier 1 capital (AT1)				
44	Additional Tier 1 capital (F) = (D)-(E)	340,000	400,000	
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (G) = (C)+(F)	2,445,502	2,580,808	
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	270,000	270,000
		Qualifying Tier 2 instruments issued by special purpose vehicles	-	-
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2 capital	279,192	289,265	
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	-	-	
51	Tier 2 capital: instruments and provisions (H)	549,192	559,265	

(Millions of yen, except percentages)

Basel III template No.	Items	September 30, 2018	June 30, 2018
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)	-	-
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	1,540	1,540
57	Tier 2 capital: regulatory adjustments (I)	1,540	1,540
Tier 2 capital (T2)			
58	Tier 2 capital (J) = (H)-(I)	547,652	557,725
Total capital (TC = T1 + T2)			
59	Total capital (K) = (G)+(J)	2,993,154	3,138,534
Total risk weighted assets			
60	Total risk weighted assets (L)	19,426,260	19,683,990
Capital ratios			
61	Common Equity Tier 1 capital ratio (C)/(L)	10.83%	11.07%
62	Tier 1 capital ratio (G)/(L)	12.58%	13.11%
63	Total capital ratio (K)/(L)	15.40%	15.94%
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)	165,401	173,515
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	62,909	62,943
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)	-	-
77	Cap on inclusion of provisions in Tier 2 under standardized approach	2,394	2,429
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	101,921	102,885
Capital instruments subject to phase out arrangements			
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	155,600	155,600
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	343,163
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-	-

* net of related deferred tax liabilities