

Composition of capital as of September 30, 2018

<Sumitomo Mitsui Trust Holdings, Inc.>

[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	2,160,574	2,138,567
1a	of which: capital stock and capital surplus	906,611	906,626
2	of which: retained earnings	1,329,783	1,283,171
1c	of which: treasury stock (deduction)	51,212	51,229
26	of which: earnings to be distributed (deduction)	24,608	-
	of which: others	-	-
1b	Subscription rights to common shares	1,067	797
3	Accumulated other comprehensive income	470,604	482,408
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	1,936	1,924
6	Common Equity Tier 1 capital: instruments and reserves (A)	2,634,182	2,623,697
Common Equity Tier 1 capital: regulatory adjustments			
8+9	Intangible assets other than mortgage servicing rights *	163,161	169,030
8	of which: goodwill (including those equivalent)	84,165	86,985
9	of which: other intangible assets	78,996	82,045
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	341	237
11	Deferred gains or losses on derivatives under hedge accounting	(11,171)	(21,611)
12	Shortfall of eligible provisions to expected losses	8,797	9,485
13	Securitization gain on sale	1,567	1,638
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) *	117,572	115,383
16	Investments in own shares (excluding those reported in the Net assets section)	16	55
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)	280,285	274,220
Common Equity Tier 1 capital (CET1)			
29	Common Equity Tier 1 capital (C) = (A)-(B)	2,353,897	2,349,477

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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	-	-
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	13,326	13,283	
33+35	Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	41,000	193,000	
33	of which: directly issued and issued by special purpose vehicles	41,000	83,000	
35	of which: issued by subsidiaries	-	110,000	
36	Additional Tier 1 capital: instruments (D)	394,326	496,283	
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)	394,326	496,283	
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (G) = (C)+(F)	2,748,224	2,845,760	
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	-	-
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	3,377	3,344	
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2	279,192	289,265	
47	of which: directly issued and issued by special purpose vehicles	-	-	
49	of which: issued by subsidiaries	279,192	289,265	
50	Provisions allowed in group Tier 2	2,588	4,767	
50a	of which: general allowance for credit losses	2,588	4,767	
50b	of which: excess amount of eligible provisions to expected losses	-	-	
51	Tier 2 capital: instruments and provisions (H)	555,158	567,376	

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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)	553,618	565,836
Total capital (TC = T1 + T2)			
59	Total capital (K) = (G)+(J)	3,301,843	3,411,597
Total risk weighted assets			
60	Total risk weighted assets (L)	19,971,261	20,322,781
Capital ratios (consolidated)			
61	Common Equity Tier 1 capital ratio (C)/(L)	11.78%	11.56%
62	Tier 1 capital ratio (G)/(L)	13.76%	14.00%
63	Total capital ratio (K)/(L)	16.53%	16.78%
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)	174,806	183,323
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	98,316	97,328
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)	2,588	4,767
77	Cap on inclusion of provisions in Tier 2 under standardized approach	8,237	10,517
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	100,647	101,045
Capital instruments subject to phase out arrangements			
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	218,000	218,000
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