

## Composition of capital as of December 31, 2018

<Sumitomo Mitsui Trust Holdings, Inc.>

[Consolidated, International standard]

(Millions of yen, except percentages)

Basel III template No.	Items	December 31, 2018	September 30, 2018
<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	2,203,427	2,160,574
1a	of which: capital stock and capital surplus	906,611	906,611
2	of which: retained earnings	1,348,034	1,329,783
1c	of which: treasury stock (deduction)	51,219	51,212
26	of which: earnings to be distributed (deduction)	-	24,608
	of which: others	-	-
1b	Subscription rights to common shares	1,067	1,067
3	Accumulated other comprehensive income	429,362	470,604
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	-	1,936
6	Common Equity Tier 1 capital: instruments and reserves (A)	2,633,857	2,634,182
<b>Common Equity Tier 1 capital: regulatory adjustments</b>			
8+9	Intangible assets other than mortgage servicing rights *	146,135	163,161
8	of which: goodwill (including those equivalent)	80,901	84,165
9	of which: other intangible assets	65,233	78,996
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	448	341
11	Deferred gains or losses on derivatives under hedge accounting	(23,950)	(11,171)
12	Shortfall of eligible provisions to expected losses	9,611	8,797
13	Securitization gain on sale	1,154	1,567
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) *	119,549	117,572
16	Investments in own shares (excluding those reported in the Net assets section)	24	16
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)	252,972	280,285
<b>Common Equity Tier 1 capital (CET1)</b>			
29	Common Equity Tier 1 capital (C) = (A)-(B)	2,380,884	2,353,897

(Millions of yen, except percentages)

Basel III template No.	Items	December 31, 2018	September 30, 2018	
<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	340,000	340,000
		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)	12,544	13,326	
33+35	Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	41,000	41,000	
33	of which: directly issued and issued by special purpose vehicles	41,000	41,000	
35	of which: issued by subsidiaries	-	-	
36	Additional Tier 1 capital: instruments (D)	393,544	394,326	
<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)	-	-	
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)	-	-	
<b>Additional Tier 1 capital (AT1)</b>				
44	Additional Tier 1 capital (F) = (D)-(E)	393,544	394,326	
<b>Tier 1 capital (T1 = CET1 + AT1)</b>				
45	Tier 1 capital (G) = (C)+(F)	2,774,428	2,748,224	
<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	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)	2,764	3,377	
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2	249,118	279,192	
47	of which: directly issued and issued by special purpose vehicles	-	-	
49	of which: issued by subsidiaries	249,118	279,192	
50	Provisions allowed in group Tier 2	2,830	2,588	
50a	of which: general allowance for credit losses	2,830	2,588	
50b	of which: excess amount of eligible provisions to expected losses	-	-	
51	Tier 2 capital: instruments and provisions (H)	524,714	555,158	

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<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)	-	-
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
<b>Tier 2 capital (T2)</b>			
58	Tier 2 capital (J) = (H)-(I)	523,174	553,618
<b>Total capital (TC = T1 + T2)</b>			
59	Total capital (K) = (G)+(J)	3,297,602	3,301,843
<b>Total risk weighted assets</b>			
60	Total risk weighted assets (L)	19,325,145	19,971,261
<b>Capital ratios (consolidated)</b>			
61	Common Equity Tier 1 capital ratio (C)/(L)	12.32%	11.78%
62	Tier 1 capital ratio (G)/(L)	14.35%	13.76%
63	Total capital ratio (K)/(L)	17.06%	16.53%
<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)	139,446	174,806
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	136,028	98,316
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)	2,830	2,588
77	Cap on inclusion of provisions in Tier 2 under standardized approach	8,158	8,237
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	95,408	100,647
<b>Capital instruments subject to phase out arrangements</b>			
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