

Composition of capital as of September 30, 2019

<Sumitomo Mitsui Trust Bank, Limited>

[Consolidated, International standard]

(Millions of yen, except percentages)

CC1:Composition of Capital				
Basel III template No.	Items	a	b	c
		September 30, 2019	June 30, 2019	Reference numbers to Reconciliation with the balance sheet
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	1,898,459	1,888,776	
1a	of which: capital stock and capital surplus	684,890	684,890	
2	of which: retained earnings	1,270,838	1,311,808	
1c	of which: treasury stock (deduction)	-	-	
26	of which: earnings to be distributed (deduction)	57,269	107,921	
	of which: others	-	-	
1b	Subscription rights to common shares	-	-	
3	Accumulated other comprehensive income	379,878	396,207	(a)
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	-	-	
6	Common Equity Tier 1 capital: instruments and reserves (A)	2,278,337	2,284,983	
Common Equity Tier 1 capital: regulatory adjustments				
8+9	Intangible assets other than mortgage servicing rights *	98,327	130,786	
8	of which: goodwill (including those equivalent)	34,836	66,231	
9	of which: other intangible assets	63,490	64,555	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences*	443	625	
11	Deferred gains or losses on derivatives under hedge accounting	(41,746)	(38,695)	
12	Shortfall of eligible provisions to expected losses	342	3,716	
13	Securitisation gain on sale	1,204	1,260	
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) *	104,210	100,255	
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)	162,782	197,950	
Common Equity Tier 1 capital (CET1)				
29	Common Equity Tier 1 capital (C) = (A)-(B)	2,115,555	2,087,033	

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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	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)		11,391	12,808	
33+35	Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital		-	-	
33		of which: directly issued and issued by special purpose vehicles	-	-	
35		of which: issued by subsidiaries	-	-	
36	Additional Tier 1 capital: instruments (D)		351,391	352,808	
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)		351,391	352,808	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (G) = (C)+(F)		2,466,947	2,439,841	
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		309,589	310,000	
	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)		2,343	2,750	
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2 capital		209,227	219,301	
47		of which: directly issued and issued by special purpose vehicles	209,227	219,301	
49		of which: issued by subsidiaries	-	-	
50	Provisions allowed in group Tier 2		2,680	3,012	
50a		of which: general allowance for credit losses	2,680	3,012	
50b		of which: excess amount of eligible provisions to expected losses	-	-	
51	Tier 2 capital: instruments and provisions (H)		523,840	535,063	

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Tier 2 capital: regulatory adjustments				
52	Investments in own Tier 2 instruments	-	-	
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	-	-	
54	Investments in the Tier 2 instruments and other TLAC liabilities 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 and other TLAC liabilities of banking, financial and insurance entities that are outside 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)	522,300	533,523	
Total capital (TC = T1 + T2)				
59	Total capital (K) = (G)+(J)	2,989,248	2,973,365	
Total risk weighted assets				
60	Total risk weighted assets (L)	18,667,159	19,109,831	
Capital ratios (consolidated)				
61	Common Equity Tier 1 capital ratio (C)/(L)	11.33%	10.92%	
62	Tier 1 capital ratio (G)/(L)	13.21%	12.76%	
63	Total capital ratio (K)/(L)	16.01%	15.55%	
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)	121,383	124,627	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	98,003	110,077	
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 standardised approach (prior to applicable of cap)	2,680	3,012	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	7,368	8,801	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to applicable of cap)	-	-	
79	Cap on inclusion of provisions in Tier 2 under internal ratings-based approach	93,238	94,717	
Capital instruments subject to phase out arrangements				
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	116,700	116,700	
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	257,372	257,372	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-	-	

* Net of related deferred tax liabilities