

## Composition of capital as of December 31, 2013

<Sumitomo Mitsui Trust Bank, Limited.>

[Consolidated, International standard]

(Millions of yen, except percentages)

Items		Amounts excluded under transitional arrangements	Basel III template No.
<b>Common Equity Tier 1 capital: instruments and reserves</b>			
Directly issued qualifying common share capital plus related capital surplus and retained earnings	1,756,562	/	1a+2-1c-26
of which: capital stock and capital surplus	834,296	/	1a
of which: retained earnings	922,265	/	2
of which: treasury stock (deduction)	-	/	1c
of which: earnings to be distributed (deduction)	-	/	26
of which: others	-	/	
Subscription rights to common shares	-	/	1b
Accumulated other comprehensive income	-	258,949	3
Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	-	/	5
Amount allowed in group Common Equity Tier 1 subject to transitional arrangements	16,544	/	
of which: common share capital issued by subsidiaries and held by third parties	16,544	/	
Common Equity Tier 1 capital: instruments and reserves (A)	1,773,106	/	6
<b>Common Equity Tier 1 capital: regulatory adjustments</b>			
Intangible assets other than mortgage servicing rights (net of related deferred tax liabilities)	-	175,862	8+9
of which: goodwill (including those equivalent)	-	113,102	8
of which: other intangible assets	-	62,759	9
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related deferred tax liabilities)	-	5,258	10
Deferred gains or losses on derivatives under hedge accounting	-	(2,966)	11
Shortfall of eligible provisions to expected losses	-	92,361	12
Securitization gain on sale	-	9,835	13
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	14
Defined-benefit pension fund net assets (net of related deferred tax liabilities)	-	148,402	15
Investments in own shares (excluding those reported in the Net assets section)	-	189	16
Reciprocal cross-holdings in common equity	-	-	17
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)	-	44,718	18
Amount above the 10% threshold on the specified items	-	-	19+20+21
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	-	-	19
of which: mortgage servicing rights	-	-	20
of which: deferred tax assets arising from temporary differences (net of related deferred tax liabilities)	-	-	21
Amount exceeding the 15% threshold on the specified items	-	-	22
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	-	-	23
of which: mortgage servicing rights	-	-	24
of which: deferred tax assets arising from temporary differences (net of related deferred tax liabilities)	-	-	25
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	/	27
Common Equity Tier 1 capital: regulatory adjustments (B)	-	/	28
<b>Common Equity Tier 1 capital (CET1)</b>			
Common Equity Tier 1 capital (C) = (A)-(B)	1,773,106	/	29

<b>Additional Tier 1 capital: instruments</b>				
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards	-		31a	30
Subscription rights to Additional Tier 1 instruments	-		31b	
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	-		32	
Qualifying Additional Tier 1 instruments issued by special purpose vehicles	-			
Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	10,478		34-35	
Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	339,000		33+35	
of which: directly issued and issued by special purpose vehicles	339,000		33	
of which: issued by subsidiaries	-		35	
Amount allowed in group Additional Tier 1 subject to transitional arrangements	3,221			
of which: foreign currency translation adjustment	3,221			
Additional Tier 1 capital: instruments (D)	352,699		36	
<b>Additional Tier 1 capital: regulatory adjustments</b>				
Investments in own Additional Tier 1 instruments	-	-	37	
Reciprocal cross-holdings in Additional Tier 1 instruments	-	-	38	
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)	-	26,953	39	
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	-	-	40	
Regulatory adjustments applied to Additional Tier 1 subject to transitional arrangements	167,927			
of which: goodwill equivalents	106,458			
of which: equivalent to intangible fixed assets recorded through business combination	5,453			
of which: equivalent to capital increase due to securitization transactions	9,835			
of which: equivalent to 50% of shortfall of eligible provisions to expected losses	46,180			
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		42	
Additional Tier 1 capital: regulatory adjustments (E)	167,927		43	
<b>Additional Tier 1 capital (AT1)</b>				
Additional Tier 1 capital (F) = (D)-(E)	184,771		44	
<b>Tier 1 capital (T1 = CET1 + AT1)</b>				
Tier 1 capital (G) = (C)+(F)	1,957,878		45	
<b>Tier 2 capital: instruments and provisions</b>				
Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as equity under applicable accounting standards	-		46	
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	-			
Qualifying Tier 2 instruments issued by special purpose vehicles	-			
Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	2,404		48-49	
Eligible Tier 2 capital instruments subject to phase out from Tier 2 capital	772,118		47+49	
of which: directly issued and issued by special purpose vehicles	772,118		47	
of which: issued by subsidiaries	-		49	
Provisions allowed in group Tier 2	624		50	
of which: general allowance for credit losses	624		50a	
of which: excess amount of eligible provisions to expected losses	-		50b	
Amount allowed in group Tier 2 subject to transitional arrangements	177,531			
of which: 45% of net unrealized gain on available-for-sale securities	174,885			
of which: 45% of revaluation reserve for land	2,646			
Tier 2 capital: instruments and provisions (H)	952,679		51	

<b>Tier 2 capital: regulatory adjustments</b>				
Investments in own Tier 2 instruments		-	-	52
Reciprocal cross-holdings in Tier 2 instruments		-	-	53
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)		-	99,277	54
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		-	5,650	55
Regulatory adjustments applied to Tier 2 subject to transitional arrangements		66,423		
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		20,242		
of which: equivalent to 50% of shortfall of eligible provisions to expected losses		46,180		
Tier 2 capital: regulatory adjustments	(I)	66,423		57
<b>Tier 2 capital (T2)</b>				
Tier 2 capital	(J) = (H)-(I)	886,256		58
<b>Total capital (TC = T1 + T2)</b>				
Total capital	(K) = (G)+(J)	2,844,134		59
<b>Total risk weighted assets</b>				
Risk weighed assets subject to transitional arrangements		441,763		
of which: intangible assets other than mortgage servicing rights (net of related deferred tax liabilities)		57,306		
of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related deferred tax liabilities)		5,258		
of which: defined-benefit pension fund net assets (net of related deferred tax liabilities)		148,402		
of which: investments in own instruments		469		
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		230,326		
Total risk weighted assets	(L)	18,820,268		60
<b>Capital ratios (consolidated)</b>				
Common Equity Tier 1 capital ratio	(C)/(L)	9.42%		61
Tier 1 capital ratio	(G)/(L)	10.40%		62
Total capital ratio	(K)/(L)	15.11%		63
<b>Regulatory adjustments (before risk weighting)</b>				
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)		158,656		72
Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)		43,835		73
Mortgage servicing rights (amount below the thresholds for deduction)		-		74
Deferred tax assets arising from temporary differences (amount below the thresholds for deduction)		76,847		75
<b>Provisions included in Tier 2 capital: instruments and provisions</b>				
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to applicable of cap)		624		76
Cap on inclusion of provisions in Tier 2 under standardized approach		3,550		77
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal rating-based approach (prior to applicable of cap)		-		78
Cap on inclusion of provisions in Tier 2 under internal ratings-based approach		97,576		79
<b>Capital instruments subject to phase out arrangements</b>				
Current cap on Additional Tier 1 instruments subject to phase out arrangements		350,100		82
Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities)		-		83
Current cap on Tier 2 instruments subject to phase out arrangements		772,118		84
Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)		6,116		85