

## Composition of capital as of December 31, 2014

<Sumitomo Mitsui Trust Bank, Limited.>

[Non-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	1,702,055		1a+2-1c-26
of which: capital stock and capital surplus	834,289		1a
of which: retained earnings	867,765		2
of which: treasury stock (deduction)	-		1c
of which: earnings to be distributed (deduction)	-		26
of which: others	-		
Subscription rights to common shares	-		1b
Valuation and translation adjustments	79,414	317,658	3
Amount allowed in group Common Equity Tier 1 subject to transitional arrangements	-		
Common Equity Tier 1 capital before regulatory adjustments (A)	1,781,470		6
<b>Common Equity Tier 1 capital: regulatory adjustments</b>			
Intangible assets other than mortgage servicing rights *	5,761	23,047	8+9
of which: goodwill (including those equivalent)	-	-	8
of which: other intangible assets	5,761	23,047	9
Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	-	-	10
Deferred gains or losses on derivatives under hedge accounting	(972)	(3,891)	11
Shortfall of eligible provisions to expected losses	19,678	78,712	12
Securitization gain on sale	1,288	5,154	13
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	14
Defined-benefit pension fund net assets (prepaid pension expenses) *	23,369	93,476	15
Investments in own shares (excluding those reported in the Net assets section)	-	-	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)	4,930	19,722	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 *	-	-	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 *	-	-	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)	54,055		28
<b>Common Equity Tier 1 capital (CET1)</b>			
Common Equity Tier 1 capital (C) = (A)-(B)	1,727,414		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	-			
Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	160,000		33+35	
Amount allowed in group Additional Tier 1 subject to transitional arrangements	(0)			
of which: foreign currency translation adjustment	(0)			
Additional Tier 1 capital: instruments (D)	159,999		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)	2,331	9,327	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	44,510			
of which: equivalent to capital increase due to securitization transactions	5,154			
of which: equivalent to 50% of shortfall of eligible provisions to expected losses	39,356			
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		42	
Additional Tier 1 capital: regulatory adjustments (E)	46,842		43	
<b>Additional Tier 1 capital (AT1)</b>				
Additional Tier 1 capital (F) = (D)-(E)	113,157		44	
<b>Tier 1 capital (T1 = CET1 + AT1)</b>				
Tier 1 capital (G) = (C)+(F)	1,840,572		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	30,000			
Qualifying Tier 2 instruments issued by special purpose vehicles	-			
Eligible Tier 2 capital instruments subject to phase out from Tier 2 capital	624,489		47+49	
Provisions allowed in group Tier 2	-		50	
of which: general allowance for credit losses	-		50a	
of which: excess amount of eligible provisions to expected losses	-		50b	
Amount allowed in group Tier 2 subject to transitional arrangements	224,677			
of which: 45% of net unrealized gain on available-for-sale securities	223,126			
of which: 45% of revaluation reserve for land	1,551			
Tier 2 capital: instruments and provisions (H)	879,167		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)		8,009	32,036	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		-	-	55
Regulatory adjustments applied to Tier 2 subject to transitional arrangements		43,107		
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		3,751		
of which: equivalent to 50% of shortfall of eligible provisions to expected losses		39,356		
Tier 2 capital: regulatory adjustments	(I)	51,116		57
<b>Tier 2 capital (T2)</b>				
Tier 2 capital	(J) = (H)-(I)	828,050		58
<b>Total capital (TC = T1 + T2)</b>				
Total capital	(K) = (G)+(J)	2,668,623		59
<b>Total risk weighted assets</b>				
Risk weighed assets subject to transitional arrangements		228,931		
of which: intangible assets other than mortgage servicing rights *		23,047		
of which: defined-benefit pension fund net assets *		93,476		
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		112,407		
Total risk weighted assets	(L)	20,360,946		60
<b>Capital ratios</b>				
Common Equity Tier 1 capital ratio	(C)/(L)	8.48%		61
Tier 1 capital ratio	(G)/(L)	9.03%		62
Total capital ratio	(K)/(L)	13.10%		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)		185,348		72
Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)		29,038		73
Mortgage servicing rights (amount below the thresholds for deduction)		-		74
Deferred tax assets arising from temporary differences (amount below the thresholds for deduction)		-		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)		-		76
Cap on inclusion of provisions in Tier 2 under standardized approach		1,890		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		107,793		79
<b>Capital instruments subject to phase out arrangements</b>				
Current cap on Additional Tier 1 instruments subject to phase out arrangements		311,200		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		686,327		84
Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)		-		85

\* net of related deferred tax liabilities