

Composition of capital as of June 30, 2015

<Sumitomo Mitsui Trust Bank, Limited.>

[Consolidated, International standard]

(Millions of yen, except percentages)

Basel III template No.	Items	June 30, 2015	Amounts excluded under transitional arrangements	March 31, 2015	Amounts excluded under transitional arrangements
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	1,859,385		1,819,450	
1a	of which: capital stock and capital surplus	834,289		834,289	
2	of which: retained earnings	1,025,095		1,019,706	
1c	of which: treasury stock (deduction)	-		-	
26	of which: earnings to be distributed (deduction)	-		34,545	
	of which: others	-		-	
1b	Subscription rights to common shares	-		-	
3	Accumulated other comprehensive income	219,909	329,864	209,448	314,173
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	-		-	
	Amount allowed in group Common Equity Tier 1 subject to transitional arrangements	11,644		11,228	
	of which: common share capital issued by subsidiaries and held by third parties	11,644		11,228	
6	Common Equity Tier 1 capital: instruments and reserves (A)	2,090,939		2,040,127	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Intangible assets other than mortgage servicing rights *	52,607	78,911	51,166	76,750
8	of which: goodwill (including those equivalent)	35,701	53,552	36,613	54,919
9	of which: other intangible assets	16,906	25,359	14,553	21,830
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	215	323	237	356
11	Deferred gains or losses on derivatives under hedge accounting	(4,916)	(7,375)	(6,262)	(9,393)
12	Shortfall of eligible provisions to expected losses	21,502	32,253	22,093	33,140
13	Securitization gain on sale	2,301	3,451	2,534	3,801
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) *	52,357	78,536	51,538	77,307
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)	7,400	11,100	6,983	10,474
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)	131,468		128,291	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (C) = (A)-(B)	1,959,471		1,911,835	

(Millions of yen, except percentages)

Basel III template No.	Items	June 30, 2015	Amounts excluded under transitional arrangements	March 31, 2015	Amounts excluded under transitional arrangements	
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	-	-	-	
		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)	9,457		9,573		
33+35	Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	160,000		160,000		
33	of which: directly issued and issued by special purpose vehicles	160,000		160,000		
35	of which: issued by subsidiaries	-		-		
	Amount allowed in group Additional Tier 1 subject to transitional arrangements	9,147		7,703		
	of which: foreign currency translation adjustment	9,147		7,703		
36	Additional Tier 1 capital: instruments (D)	178,605		177,277		
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)	2,702	4,053	2,737	4,106	
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	-	-	-	-	
	Regulatory adjustments applied to Additional Tier 1 subject to transitional arrangements	73,659		75,632		
	of which: goodwill equivalents	52,595		53,809		
	of which: equivalent to intangible fixed assets recorded through business combination	1,485		1,451		
	of which: equivalent to capital increase due to securitization transactions	3,451		3,801		
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	16,126		16,570		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-		
43	Additional Tier 1 capital: regulatory adjustments (E)	76,361		78,370		
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital (F) = (D)-(E)	102,243		98,906		
Tier 1 capital (T1 = CET1 + AT1)						
45	Tier 1 capital (G) = (C)+(F)	2,061,714		2,010,742		
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	60,000		30,000	
		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)	2,076		2,165		
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2 capital	472,472		574,183		
47	of which: directly issued and issued by special purpose vehicles	472,472		574,183		
49	of which: issued by subsidiaries	-		-		
50	Provisions allowed in group Tier 2	401		399		
50a	of which: general allowance for credit losses	401		399		
50b	of which: excess amount of eligible provisions to expected losses	-		-		
	Amount allowed in group Tier 2 subject to transitional arrangements	213,110		203,953		
	of which: 45% of net unrealized gain on available-for-sale securities	212,241		203,081		
	of which: 45% of revaluation reserve for land	869		871		
51	Tier 2 capital: instruments and provisions (H)	748,061		810,703		

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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)	7,042	10,564	7,140	10,710
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	-	-	-	-
	Regulatory adjustments applied to Tier 2 subject to transitional arrangements	19,052		19,401	
	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	2,925		2,831	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	16,126		16,570	
57	Tier 2 capital: regulatory adjustments (I)	26,095		26,542	
Tier 2 capital (T2)					
58	Tier 2 capital (J) = (H)-(I)	721,966		784,160	
Total capital (TC = T1 + T2)					
59	Total capital (K) = (G)+(J)	2,783,681		2,794,903	
Total risk weighted assets					
	Risk weighed assets subject to transitional arrangements	153,854		148,198	
	of which: intangible assets other than mortgage servicing rights *	23,873		20,379	
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences *	323		356	
	of which: defined-benefit pension fund net assets *	78,536		77,307	
	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	51,119		50,155	
60	Total risk weighted assets (L)	19,029,110		18,810,539	
Capital ratios (consolidated)					
61	Common Equity Tier 1 capital ratio (C)/(L)	10.29%		10.16%	
62	Tier 1 capital ratio (G)/(L)	10.83%		10.68%	
63	Total capital ratio (K)/(L)	14.62%		14.85%	
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)	209,897		203,978	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	50,928		49,788	
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)	401		399	
77	Cap on inclusion of provisions in Tier 2 under standardized approach	4,373		4,372	
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	101,060		99,791	
Capital instruments subject to phase out arrangements					
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	272,300		272,300	
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	600,536		600,536	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-		-	

* net of related deferred tax liabilities