

Composition of capital as of June 30, 2015

<Sumitomo Mitsui Trust Bank, Limited.>

[Non-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 | 1,726,770 | | 1,691,791 | |
| 1a | of which: capital stock and capital surplus | 834,289 | | 834,289 | |
| 2 | of which: retained earnings | 892,480 | | 892,047 | |
| 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 | Valuation and translation adjustments | 209,704 | 314,556 | 200,929 | 301,394 |
| | Amount allowed in group Common Equity Tier 1 subject to transitional arrangements | - | | - | |
| 6 | Common Equity Tier 1 capital before regulatory adjustments (A) | 1,936,475 | | 1,892,721 | |
| Common Equity Tier 1 capital: regulatory adjustments | | | | | |
| 8+9 | Intangible assets other than mortgage servicing rights * | 14,691 | 22,036 | 12,308 | 18,462 |
| 8 | of which: goodwill (including those equivalent) | - | - | - | - |
| 9 | of which: other intangible assets | 14,691 | 22,036 | 12,308 | 18,462 |
| 10 | Deferred tax assets that rely on future profitability excluding those arising from temporary differences * | - | - | - | - |
| 11 | Deferred gains or losses on derivatives under hedge accounting | (2,748) | (4,122) | (2,187) | (3,280) |
| 12 | Shortfall of eligible provisions to expected losses | 22,390 | 33,585 | 22,476 | 33,714 |
| 13 | Securitization gain on sale | 2,267 | 3,401 | 2,509 | 3,764 |
| 14 | Gains and losses due to changes in own credit risk on fair valued liabilities | - | - | - | - |
| 15 | Defined-benefit pension fund net assets (prepaid pension expenses) * | 48,412 | 72,618 | 48,614 | 72,921 |
| 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) | 7,041 | 10,561 | 6,658 | 9,987 |
| 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) | 92,053 | | 90,380 | |
| Common Equity Tier 1 capital (CET1) | | | | | |
| 29 | Common Equity Tier 1 capital (C) = (A)-(B) | 1,844,421 | | 1,802,341 | |

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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 | - | - | - | |
| | | Qualifying Additional Tier 1 instruments issued by special purpose vehicles | - | - | - | |
| 33+35 | Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital | 160,000 | | 160,000 | | |
| | Amount allowed in group Additional Tier 1 subject to transitional arrangements | (0) | | (0) | | |
| | of which: foreign currency translation adjustment | (0) | | (0) | | |
| 36 | Additional Tier 1 capital: instruments (D) | 159,999 | | 159,999 | | |
| 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) | 2,729 | 4,094 | 2,759 | 4,138 | |
| 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 | 20,193 | | 20,622 | | |
| | of which: equivalent to capital increase due to securitization transactions | 3,401 | | 3,764 | | |
| | of which: equivalent to 50% of shortfall of eligible provisions to expected losses | 16,792 | | 16,857 | | |
| 42 | Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | - | | - | | |
| 43 | Additional Tier 1 capital: regulatory adjustments (E) | 22,923 | | 23,381 | | |
| Additional Tier 1 capital (AT1) | | | | | | |
| 44 | Additional Tier 1 capital (F) = (D)-(E) | 137,076 | | 136,618 | | |
| Tier 1 capital (T1 = CET1 + AT1) | | | | | | |
| 45 | Tier 1 capital (G) = (C)+(F) | 1,981,497 | | 1,938,960 | | |
| 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 | - | | - | |
| 47+49 | Eligible Tier 2 capital instruments subject to phase out from Tier 2 capital | 472,472 | | 574,183 | | |
| 50 | Provisions allowed in group Tier 2 | - | | - | | |
| 50a | of which: general allowance for credit losses | - | | - | | |
| 50b | of which: excess amount of eligible provisions to expected losses | - | | - | | |
| | Amount allowed in group Tier 2 subject to transitional arrangements | 211,675 | | 202,615 | | |
| | of which: 45% of net unrealized gain on available-for-sale securities | 210,805 | | 201,744 | | |
| | of which: 45% of revaluation reserve for land | 869 | | 871 | | |
| 51 | Tier 2 capital: instruments and provisions (H) | 744,147 | | 806,799 | | |

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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) | 7,083 | 10,625 | 7,146 | 10,720 |
| 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 | 18,772 | | 18,584 | |
| | 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 | 1,979 | | 1,727 | |
| | of which: equivalent to 50% of shortfall of eligible provisions to expected losses | 16,792 | | 16,857 | |
| 57 | Tier 2 capital: regulatory adjustments (I) | 25,856 | | 25,731 | |
| Tier 2 capital (T2) | | | | | |
| 58 | Tier 2 capital (J) = (H)-(I) | 718,291 | | 781,067 | |
| Total capital (TC = T1 + T2) | | | | | |
| 59 | Total capital (K) = (G)+(J) | 2,699,789 | | 2,720,027 | |
| Total risk weighted assets | | | | | |
| | Risk weighed assets subject to transitional arrangements | 144,492 | | 140,402 | |
| | of which: intangible assets other than mortgage servicing rights * | 22,036 | | 18,462 | |
| | of which: defined-benefit pension fund net assets * | 72,618 | | 72,921 | |
| | 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 | 49,837 | | 49,018 | |
| 60 | Total risk weighted assets (L) | 18,647,895 | | 18,653,814 | |
| Capital ratios | | | | | |
| 61 | Common Equity Tier 1 capital ratio (C)/(L) | 9.89% | | 9.66% | |
| 62 | Tier 1 capital ratio (G)/(L) | 10.62% | | 10.39% | |
| 63 | Total capital ratio (K)/(L) | 14.47% | | 14.58% | |
| 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) | 203,848 | | 198,479 | |
| 73 | Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction) | 29,154 | | 29,140 | |
| 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) | - | | - | |
| 77 | Cap on inclusion of provisions in Tier 2 under standardized approach | 1,694 | | 1,612 | |
| 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 | 101,103 | | 100,662 | |
| 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