

Composition of capital as of June 30, 2015

<Sumitomo Mitsui Trust Holdings, Inc. >

[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	1,877,279		1,835,076	
1a	of which: capital stock and capital surplus	906,870		906,869	
2	of which: retained earnings	987,483		970,373	
1c	of which: treasury stock (deduction)	17,074		17,057	
26	of which: earnings to be distributed (deduction)	-		25,109	
	of which: others	-		-	
1b	Subscription rights to common shares	247		246	
3	Accumulated other comprehensive income	221,412	332,118	211,855	317,783
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	936		944	
	Amount allowed in group Common Equity Tier 1 subject to transitional arrangements	22,484		22,090	
	of which: common share capital issued by subsidiaries and held by third parties	22,484		22,090	
6	Common Equity Tier 1 capital: instruments and reserves (A)	2,122,360		2,070,212	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Intangible assets other than mortgage servicing rights *	56,527	84,791	55,074	82,612
8	of which: goodwill (including those equivalent)	33,752	50,628	34,613	51,920
9	of which: other intangible assets	22,775	34,162	20,460	30,691
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	(4,905)	(7,357)	(6,286)	(9,429)
12	Shortfall of eligible provisions to expected losses	21,503	32,255	22,095	33,142
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) *	52,432	78,648	51,611	77,416
16	Investments in own shares (excluding those reported in the Net assets section)	5	8	3	4
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)	5,427	8,140	5,091	7,637
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)	133,507		130,361	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (C) = (A)-(B)	1,988,852		1,939,850	

(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)	9,664		9,781		
33+35	Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	276,000		276,000		
33	of which: directly issued and issued by special purpose vehicles	116,000		116,000		
35	of which: issued by subsidiaries	160,000		160,000		
	Amount allowed in group Additional Tier 1 subject to transitional arrangements	10,416		8,972		
	of which: foreign currency translation adjustment	10,416		8,972		
36	Additional Tier 1 capital: instruments (D)	296,081		294,754		
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)	1,283	1,924	1,293	1,939	
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	70,736		72,634		
	of which: goodwill equivalents	49,671		50,810		
	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	16,127		16,571		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-		
43	Additional Tier 1 capital: regulatory adjustments (E)	72,019		73,928		
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital (F) = (D)-(E)	224,061		220,826		
Tier 1 capital (T1 = CET1 + AT1)						
45	Tier 1 capital (G) = (C)+(F)	2,212,914		2,160,677		
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)	2,345		2,437		
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2	472,472		574,183		
47	of which: directly issued and issued by special purpose vehicles	-		-		
49	of which: issued by subsidiaries	472,472		574,183		
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	203,916		194,619		
	of which: 45% of net unrealized gain on available-for-sale securities	204,626		195,329		
	of which: 45% of revaluation reserve for land	(709)		(709)		
51	Tier 2 capital: instruments and provisions (H)	739,136		801,639		

(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
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)	5,090	7,636	5,126	7,689
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	18,507		18,917	
	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	2,379		2,346	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	16,127		16,571	
57	Tier 2 capital: regulatory adjustments (I)	23,598		24,043	
Tier 2 capital (T2)					
58	Tier 2 capital (J) = (H)-(I)	715,537		777,595	
Total capital (TC = T1 + T2)					
59	Total capital (K) = (G)+(J)	2,928,452		2,938,272	
Total risk weighted assets					
	Risk weighed assets subject to transitional arrangements	146,937		141,362	
	of which: intangible assets other than mortgage servicing rights *	32,677		29,239	
	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 *	78,648		77,416	
	of which: investments in own instruments	21		10	
	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	35,266		34,338	
60	Total risk weighted assets (L)	19,095,037		18,868,499	
Capital ratios (consolidated)					
61	Common Equity Tier 1 capital ratio (C)/(L)	10.41%		10.28%	
62	Tier 1 capital ratio (G)/(L)	11.58%		11.45%	
63	Total capital ratio (K)/(L)	15.33%		15.57%	
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)	211,178		205,271	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	50,914		49,781	
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	4,764		4,653	
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	101,194		99,928	
Capital instruments subject to phase out arrangements					
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	381,500		381,500	
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