

Composition of capital as of September 30, 2015

<Sumitomo Mitsui Trust Bank, Limited.>

[Consolidated, International standard]

(Millions of yen, except percentages)

Basel III template No.	Items	September 30, 2015	Amounts excluded under transitional arrangements	September 30, 2014	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	1,879,426		1,781,025	
1a	of which: capital stock and capital surplus	834,134		834,296	
2	of which: retained earnings	1,065,352		971,657	
1c	of which: treasury stock (deduction)	-		-	
26	of which: earnings to be distributed (deduction)	20,060		24,928	
	of which: others	-		-	
1b	Subscription rights to common shares	-		-	
3	Accumulated other comprehensive income	196,309	294,464	56,858	227,434
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	11,527		14,984	
	of which: common share capital issued by subsidiaries and held by third parties	11,527		14,984	
6	Common Equity Tier 1 capital: instruments and reserves (A)	2,087,263		1,852,869	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Intangible assets other than mortgage servicing rights *	52,391	78,586	26,698	106,795
8	of which: goodwill (including those equivalent)	34,680	52,021	19,533	78,133
9	of which: other intangible assets	17,710	26,565	7,165	28,662
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	-	-	390	1,562
11	Deferred gains or losses on derivatives under hedge accounting	(3,821)	(5,731)	(2,372)	(9,491)
12	Shortfall of eligible provisions to expected losses	17,073	25,610	20,394	81,578
13	Securitization gain on sale	2,052	3,078	1,406	5,627
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) *	53,048	79,572	14,465	57,861
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)	3,320	4,980	4,526	18,104
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)	124,064		65,509	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (C) = (A)-(B)	1,963,198		1,787,359	

(Millions of yen, except percentages)

Basel III template No.	Items	September 30, 2015	Amounts excluded under transitional arrangements	September 30, 2014	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	120,000	-	-
		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)	9,528		8,850	
33+35	Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	160,000		269,000	
33	of which: directly issued and issued by special purpose vehicles	160,000		269,000	
35	of which: issued by subsidiaries	-		-	
	Amount allowed in group Additional Tier 1 subject to transitional arrangements	7,422		4,055	
	of which: foreign currency translation adjustment	7,422		4,055	
36	Additional Tier 1 capital: instruments (D)	296,950		281,905	
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)	1,393	2,090	2,413	9,653
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	68,485		123,554	
	of which: goodwill equivalents	51,254		75,165	
	of which: equivalent to intangible fixed assets recorded through business combination	1,348		1,972	
	of which: equivalent to capital increase due to securitization transactions	3,078		5,627	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	12,805		40,789	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	
43	Additional Tier 1 capital: regulatory adjustments (E)	69,879		125,967	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital (F) = (D)-(E)	227,070		155,937	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (G) = (C)+(F)	2,190,269		1,943,296	
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)	2,106		2,027	
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2 capital	465,548		629,614	
47	of which: directly issued and issued by special purpose vehicles	465,548		629,614	
49	of which: issued by subsidiaries	-		-	
50	Provisions allowed in group Tier 2	362		408	
50a	of which: general allowance for credit losses	362		408	
50b	of which: excess amount of eligible provisions to expected losses	-		-	
	Amount allowed in group Tier 2 subject to transitional arrangements	188,811		183,974	
	of which: 45% of net unrealized gain on available-for-sale securities	188,088		182,403	
	of which: 45% of revaluation reserve for land	722		1,570	
51	Tier 2 capital: instruments and provisions (H)	716,828		846,024	

(Millions of yen, except percentages)

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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)	3,220	4,830	8,289	33,158
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	-	-	1,120	4,480
	Regulatory adjustments applied to Tier 2 subject to transitional arrangements	14,452		49,000	
	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	1,647		8,211	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	12,805		40,789	
57	Tier 2 capital: regulatory adjustments (I)	17,672		58,410	
Tier 2 capital (T2)					
58	Tier 2 capital (J) = (H)-(I)	699,156		787,614	
Total capital (TC = T1 + T2)					
59	Total capital (K) = (G)+(J)	2,889,425		2,730,911	
Total risk weighted assets					
	Risk weighed assets subject to transitional arrangements	129,298		202,320	
	of which: intangible assets other than mortgage servicing rights *	25,217		26,689	
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences *	-		1,562	
	of which: defined-benefit pension fund net assets *	79,572		57,861	
	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	24,509		116,205	
60	Total risk weighted assets (L)	19,581,276		20,403,451	
Capital ratios (consolidated)					
61	Common Equity Tier 1 capital ratio (C)/(L)	10.02%		8.76%	
62	Tier 1 capital ratio (G)/(L)	11.18%		9.52%	
63	Total capital ratio (K)/(L)	14.75%		13.38%	
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)	206,838		176,038	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	51,756		53,250	
74	Mortgage servicing rights (amount below the thresholds for deduction)	-		-	
75	Deferred tax assets arising from temporary differences (amount below the thresholds for deduction)	-		2,320	
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)	362		408	
77	Cap on inclusion of provisions in Tier 2 under standardized approach	4,962		3,905	
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	103,540		102,536	
Capital instruments subject to phase out arrangements					
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	272,300		311,200	
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		686,327	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-		-	

* net of related deferred tax liabilities