

Composition of capital as of September 30, 2015

<Sumitomo Mitsui Trust Holdings, Inc. >

[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	1,885,876		1,800,640	
1a	of which: capital stock and capital surplus	906,715		906,876	
2	of which: retained earnings	1,031,239		918,133	
1c	of which: treasury stock (deduction)	27,083		601	
26	of which: earnings to be distributed (deduction)	24,995		23,766	
	of which: others	-		-	
1b	Subscription rights to common shares	423		232	
3	Accumulated other comprehensive income	196,764	295,147	58,230	232,923
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	954		2,646	
	Amount allowed in group Common Equity Tier 1 subject to transitional arrangements	22,289		27,358	
	of which: common share capital issued by subsidiaries and held by third parties	22,289		27,358	
6	Common Equity Tier 1 capital: instruments and reserves (A)	2,106,308		1,889,108	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Intangible assets other than mortgage servicing rights *	56,423	84,635	28,357	113,430
8	of which: goodwill (including those equivalent)	32,781	49,172	18,483	73,935
9	of which: other intangible assets	23,641	35,462	9,873	39,495
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	-	-	469	1,879
11	Deferred gains or losses on derivatives under hedge accounting	(3,809)	(5,714)	(2,525)	(10,100)
12	Shortfall of eligible provisions to expected losses	17,074	25,611	20,394	81,579
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) *	53,123	79,685	14,490	57,963
16	Investments in own shares (excluding those reported in the Net assets section)	1	2	1	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)	1,418	2,127	3,948	15,794
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)	126,284		66,544	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (C) = (A)-(B)	1,980,023		1,822,563	

(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)	9,725		9,421	
33+35	Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	276,000		385,000	
33	of which: directly issued and issued by special purpose vehicles	116,000		225,000	
35	of which: issued by subsidiaries	160,000		160,000	
	Amount allowed in group Additional Tier 1 subject to transitional arrangements	8,691		5,747	
	of which: foreign currency translation adjustment	8,691		5,747	
36	Additional Tier 1 capital: instruments (D)	414,416		400,168	
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)	384	576	1,356	5,425
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	65,637		119,356	
	of which: goodwill equivalents	48,405		70,967	
	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)	66,022		120,713	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital (F) = (D)-(E)	348,394		279,455	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (G) = (C)+(F)	2,328,417		2,102,019	
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)	2,377		2,784	
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2	465,548		629,614	
47	of which: directly issued and issued by special purpose vehicles	-		-	
49	of which: issued by subsidiaries	465,548		629,614	
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	179,591		170,815	
	of which: 45% of net unrealized gain on available-for-sale securities	180,301		171,710	
	of which: 45% of revaluation reserve for land	(709)		(895)	
51	Tier 2 capital: instruments and provisions (H)	707,879		833,622	

(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
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)	1,352	2,029	7,081	28,326
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	13,943		48,890	
	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	1,137		8,100	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	12,805		40,789	
57	Tier 2 capital: regulatory adjustments (I)	15,295		57,091	
Tier 2 capital (T2)					
58	Tier 2 capital (J) = (H)-(I)	692,584		776,530	
Total capital (TC = T1 + T2)					
59	Total capital (K) = (G)+(J)	3,021,001		2,878,550	
Total risk weighted assets					
	Risk weighed assets subject to transitional arrangements	123,933		192,014	
	of which: intangible assets other than mortgage servicing rights *	34,114		37,523	
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences *	-		1,879	
	of which: defined-benefit pension fund net assets *	79,685		57,963	
	of which: investments in own instruments	8		11	
	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	10,124		94,636	
60	Total risk weighted assets (L)	19,637,861		20,522,021	
Capital ratios (consolidated)					
61	Common Equity Tier 1 capital ratio (C)/(L)	10.08%		8.88%	
62	Tier 1 capital ratio (G)/(L)	11.85%		10.24%	
63	Total capital ratio (K)/(L)	15.38%		14.02%	
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)	206,704		178,168	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	51,751		53,245	
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)	362		408	
77	Cap on inclusion of provisions in Tier 2 under standardized approach	5,191		5,030	
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	103,665		102,630	
Capital instruments subject to phase out arrangements					
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	381,500		436,000	
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