

Composition of capital as of December 31, 2015

<Sumitomo Mitsui Trust Bank, Limited.>

[Non-consolidated, International standard]

(Millions of yen, except percentages)

Basel III template No.	Items	December 31, 2015	Amounts excluded under transitional arrangements	September 30, 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	1,775,252		1,741,323	
1a	of which: capital stock and capital surplus	834,289		834,289	
2	of which: retained earnings	940,962		927,094	
1c	of which: treasury stock (deduction)	-		-	
26	of which: earnings to be distributed (deduction)	-		20,060	
	of which: others	-		-	
1b	Subscription rights to common shares	-		-	
3	Valuation and translation adjustments	199,759	299,639	186,856	280,284
	Amount allowed in group Common Equity Tier 1 subject to transitional arrangements	-		-	
6	Common Equity Tier 1 capital before regulatory adjustments (A)	1,975,012		1,928,179	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Intangible assets other than mortgage servicing rights *	18,097	27,146	15,691	23,537
8	of which: goodwill (including those equivalent)	-	-	-	-
9	of which: other intangible assets	18,097	27,146	15,691	23,537
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	(3,245)	(4,868)	(1,734)	(2,601)
12	Shortfall of eligible provisions to expected losses	17,427	26,141	17,731	26,597
13	Securitization gain on sale	1,911	2,866	2,115	3,173
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) *	47,860	71,791	48,140	72,211
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)	-	-	3,088	4,632
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)	82,051		85,033	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (C) = (A)-(B)	1,892,960		1,843,145	

(Millions of yen, except percentages)

Basel III template No.	Items	December 31, 2015	Amounts excluded under transitional arrangements	September 30, 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	120,000	120,000	-
		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)	279,999	-	279,999	-
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)	-	-	1,390	2,086
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	15,937	-	16,472	-
	of which: equivalent to capital increase due to securitization transactions	2,866	-	3,173	-
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	13,070	-	13,298	-
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-	-
43	Additional Tier 1 capital: regulatory adjustments (E)	15,937	-	17,863	-
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital (F) = (D)-(E)	264,062	-	262,136	-
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (G) = (C)+(F)	2,157,023	-	2,105,282	-
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	60,000	-
		Qualifying Tier 2 instruments issued by special purpose vehicles	-	-	-
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2 capital	431,900	-	465,548	-
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	202,333	-	187,967	-
	of which: 45% of net unrealized gain on available-for-sale securities	201,613	-	187,245	-
	of which: 45% of revaluation reserve for land	719	-	722	-
51	Tier 2 capital: instruments and provisions (H)	694,233	-	713,516	-

(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)	-	-	3,189	4,784
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	13,070		14,173	
	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	-		874	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	13,070		13,298	
57	Tier 2 capital: regulatory adjustments (I)	13,070		17,362	
Tier 2 capital (T2)					
58	Tier 2 capital (J) = (H)-(I)	681,162		696,153	
Total capital (TC = T1 + T2)					
59	Total capital (K) = (G)+(J)	2,838,185		2,801,436	
Total risk weighted assets					
	Risk weighed assets subject to transitional arrangements	98,937		119,263	
	of which: intangible assets other than mortgage servicing rights *	27,146		23,537	
	of which: defined-benefit pension fund net assets *	71,791		72,211	
	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	-		23,514	
60	Total risk weighted assets (L)	20,295,072		19,328,425	
Capital ratios					
61	Common Equity Tier 1 capital ratio (C)/(L)	9.32%		9.53%	
62	Tier 1 capital ratio (G)/(L)	10.62%		10.89%	
63	Total capital ratio (K)/(L)	13.98%		14.49%	
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)	196,097		200,364	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	29,463		29,139	
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	2,535		2,465	
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	109,584		104,419	
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