

Composition of capital as of March 31, 2016

<Sumitomo Mitsui Trust Bank, Limited.>

[Consolidated, International standard]

(Millions of yen, except percentages)

Basel III template No.	Items	March 31, 2016	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	1,920,677		1,819,450	
1a	of which: capital stock and capital surplus	834,134		834,289	
2	of which: retained earnings	1,106,603		1,019,706	
1c	of which: treasury stock (deduction)	-		-	
26	of which: earnings to be distributed (deduction)	20,060		34,545	
	of which: others	-		-	
1b	Subscription rights to common shares	-		-	
3	Accumulated other comprehensive income	246,640	164,426	209,448	314,173
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	7,184		11,228	
	of which: common share capital issued by subsidiaries and held by third parties	7,184		11,228	
6	Common Equity Tier 1 capital: instruments and reserves (A)	2,174,502		2,040,127	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Intangible assets other than mortgage servicing rights *	96,729	64,486	51,166	76,750
8	of which: goodwill (including those equivalent)	63,182	42,121	36,613	54,919
9	of which: other intangible assets	33,546	22,364	14,553	21,830
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	-	-	237	356
11	Deferred gains or losses on derivatives under hedge accounting	(5,002)	(3,334)	(6,262)	(9,393)
12	Shortfall of eligible provisions to expected losses	11,647	7,765	22,093	33,140
13	Securitization gain on sale	2,383	1,589	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) *	37,970	25,313	51,538	77,307
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)	-	-	6,983	10,474
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)	143,729		128,291	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (C) = (A)-(B)	2,030,772		1,911,835	

(Millions of yen, except percentages)

Basel III template No.	Items	March 31, 2016	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	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)	10,281		9,573	
33+35	Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	160,000		160,000	
33	of which: directly issued and issued by special purpose vehicles	160,000		160,000	
35	of which: issued by subsidiaries	-		-	
	Amount allowed in group Additional Tier 1 subject to transitional arrangements	274		7,703	
	of which: foreign currency translation adjustment	274		7,703	
36	Additional Tier 1 capital: instruments (D)	290,555		177,277	
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)	-	-	2,737	4,106
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	48,136		75,632	
	of which: goodwill equivalents	41,807		53,809	
	of which: equivalent to intangible fixed assets recorded through business combination	857		1,451	
	of which: equivalent to capital increase due to securitization transactions	1,589		3,801	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	3,882		16,570	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	
43	Additional Tier 1 capital: regulatory adjustments (E)	48,136		78,370	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital (F) = (D)-(E)	242,419		98,906	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (G) = (C)+(F)	2,273,191		2,010,742	
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	90,000		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)	2,349		2,165	
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2 capital	401,401		574,183	
47	of which: directly issued and issued by special purpose vehicles	401,401		574,183	
49	of which: issued by subsidiaries	-		-	
50	Provisions allowed in group Tier 2	3,276		399	
50a	of which: general allowance for credit losses	3,276		399	
50b	of which: excess amount of eligible provisions to expected losses	-		-	
	Amount allowed in group Tier 2 subject to transitional arrangements	123,122		203,953	
	of which: 45% of net unrealized gain on available-for-sale securities	122,685		203,081	
	of which: 45% of revaluation reserve for land	437		871	
51	Tier 2 capital: instruments and provisions (H)	620,150		810,703	

(Millions of yen, except percentages)

Basel III template No.	Items	March 31, 2016	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)	-	-	7,140	10,710
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	4,197		19,401	
	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	314		2,831	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	3,882		16,570	
57	Tier 2 capital: regulatory adjustments (I)	4,197		26,542	
Tier 2 capital (T2)					
58	Tier 2 capital (J) = (H)-(I)	615,953		784,160	
Total capital (TC = T1 + T2)					
59	Total capital (K) = (G)+(J)	2,889,144		2,794,903	
Total risk weighted assets					
	Risk weighed assets subject to transitional arrangements	46,820		148,198	
	of which: intangible assets other than mortgage servicing rights *	21,506		20,379	
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences *	-		356	
	of which: defined-benefit pension fund net assets *	25,313		77,307	
	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	-		50,155	
60	Total risk weighted assets (L)	17,951,561		18,810,539	
Capital ratios (consolidated)					
61	Common Equity Tier 1 capital ratio (C)/(L)	11.31%		10.16%	
62	Tier 1 capital ratio (G)/(L)	12.66%		10.68%	
63	Total capital ratio (K)/(L)	16.09%		14.85%	
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)	186,657		203,978	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	55,013		49,788	
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)	3,276		399	
77	Cap on inclusion of provisions in Tier 2 under standardized approach	6,262		4,372	
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	92,111		99,791	
Capital instruments subject to phase out arrangements					
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	233,400		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	514,745		600,536	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-		-	

* net of related deferred tax liabilities