

**Composition of capital as of June 30, 2016**

&lt;Sumitomo Mitsui Trust Holdings, Inc. &gt;

[Consolidated, International standard]

(Millions of yen, except percentages)

Basel III template No.	Items	June 30, 2016	Amounts excluded under transitional arrangements	March 31, 2016	Amounts excluded under transitional arrangements
<b>Common Equity Tier 1 capital: instruments and reserves</b>					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	1,967,186		1,941,817	
1a	of which: capital stock and capital surplus	906,715		906,715	
2	of which: retained earnings	1,094,492		1,087,195	
1c	of which: treasury stock (deduction)	34,021		27,097	
26	of which: earnings to be distributed (deduction)	-		24,995	
	of which: others	-		-	
1b	Subscription rights to common shares	418		421	
3	Accumulated other comprehensive income	222,817	148,544	246,096	164,064
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	2,083		2,302	
	Amount allowed in group Common Equity Tier 1 subject to transitional arrangements	13,338		13,634	
	of which: common share capital issued by subsidiaries and held by third parties	13,338		13,634	
6	Common Equity Tier 1 capital: instruments and reserves (A)	2,205,844		2,204,273	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>					
8+9	Intangible assets other than mortgage servicing rights *	113,192	75,461	103,342	68,894
8	of which: goodwill (including those equivalent)	66,381	44,254	60,483	40,322
9	of which: other intangible assets	46,810	31,207	42,858	28,572
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	3	2	-	-
11	Deferred gains or losses on derivatives under hedge accounting	(8,550)	(5,700)	(4,985)	(3,323)
12	Shortfall of eligible provisions to expected losses	11,731	7,820	11,647	7,765
13	Securitization gain on sale	2,070	1,380	2,383	1,589
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) *	39,395	26,263	38,045	25,363
16	Investments in own shares (excluding those reported in the Net assets section)	11	7	22	14
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)	-	-	-	-
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)	157,852		150,455	
<b>Common Equity Tier 1 capital (CET1)</b>					
29	Common Equity Tier 1 capital (C) = (A)-(B)	2,047,992		2,053,817	

(Millions of yen, except percentages)

Basel III template No.	Items	June 30, 2016	Amounts excluded under transitional arrangements	March 31, 2016	Amounts excluded under transitional arrangements
<b>Additional Tier 1 capital: instruments</b>					
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	-	-	-
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	11,476	-	10,774	-
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	(2,877)	-	1,120	-
	of which: foreign currency translation adjustment	(2,877)	-	1,120	-
36	Additional Tier 1 capital: instruments (D)	404,598	-	407,895	-
<b>Additional Tier 1 capital: regulatory adjustments</b>					
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)	-	-	-	-
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	45,070	-	46,337	-
	of which: goodwill equivalents	39,007	-	40,007	-
	of which: equivalent to intangible fixed assets recorded through business combination	771	-	857	-
	of which: equivalent to capital increase due to securitization transactions	1,380	-	1,589	-
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	3,910	-	3,882	-
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-	-
43	Additional Tier 1 capital: regulatory adjustments (E)	45,070	-	46,337	-
<b>Additional Tier 1 capital (AT1)</b>					
44	Additional Tier 1 capital (F) = (D)-(E)	359,528	-	361,557	-
<b>Tier 1 capital (T1 = CET1 + AT1)</b>					
45	Tier 1 capital (G) = (C)+(F)	2,407,520	-	2,415,375	-
<b>Tier 2 capital: instruments and provisions</b>					
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	90,000	-
		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)	3,101	-	3,007	-
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2	392,194	-	401,401	-
47	of which: directly issued and issued by special purpose vehicles	-	-	-	-
49	of which: issued by subsidiaries	392,194	-	401,401	-
50	Provisions allowed in group Tier 2	3,419	-	3,276	-
50a	of which: general allowance for credit losses	3,419	-	3,276	-
50b	of which: excess amount of eligible provisions to expected losses	-	-	-	-
	Amount allowed in group Tier 2 subject to transitional arrangements	111,172	-	117,875	-
	of which: 45% of net unrealized gain on available-for-sale securities	111,665	-	118,360	-
	of which: 45% of revaluation reserve for land	(493)	-	(484)	-
51	Tier 2 capital: instruments and provisions (H)	599,887	-	615,560	-

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<b>Tier 2 capital: regulatory adjustments</b>					
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)	-	-	-	-
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	9,156		4,197	
	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	5,246		314	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	3,910		3,882	
57	Tier 2 capital: regulatory adjustments (I)	9,156		4,197	
<b>Tier 2 capital (T2)</b>					
58	Tier 2 capital (J) = (H)-(I)	590,730		611,363	
<b>Total capital (TC = T1 + T2)</b>					
59	Total capital (K) = (G)+(J)	2,998,251		3,026,739	
<b>Total risk weighted assets</b>					
	Risk weighed assets subject to transitional arrangements	56,725		53,124	
	of which: intangible assets other than mortgage servicing rights *	30,435		27,714	
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences *	2		-	
	of which: defined-benefit pension fund net assets *	26,263		25,363	
	of which: investments in own instruments	24		46	
60	Total risk weighted assets (L)	17,849,544		18,065,889	
<b>Capital ratios (consolidated)</b>					
61	Common Equity Tier 1 capital ratio (C)/(L)	11.47%		11.36%	
62	Tier 1 capital ratio (G)/(L)	13.48%		13.36%	
63	Total capital ratio (K)/(L)	16.79%		16.75%	
<b>Regulatory adjustments (before risk weighting)</b>					
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)	195,218		190,719	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	61,436		54,976	
74	Mortgage servicing rights (amount below the thresholds for deduction)	-		-	
75	Deferred tax assets arising from temporary differences (amount below the thresholds for deduction)	-		-	
<b>Provisions included in Tier 2 capital: instruments and provisions</b>					
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to applicable of cap)	3,419		3,276	
77	Cap on inclusion of provisions in Tier 2 under standardized approach	7,391		7,042	
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	90,074		92,252	
<b>Capital instruments subject to phase out arrangements</b>					
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	327,000		327,000	
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	514,745		514,745	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-		-	

\* net of related deferred tax liabilities