

Composition of capital as of March 31, 2017

<Sumitomo Mitsui Trust Holdings, Inc. >

[Consolidated, International standard]

(Millions of yen, except percentages)

Basel III template No.	Items	March 31, 2017	Amounts excluded under transitional arrangements	March 31, 2016	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	2,006,758		1,941,817	
1a	of which: capital stock and capital surplus	906,656		906,715	
2	of which: retained earnings	1,159,028		1,087,195	
1c	of which: treasury stock (deduction)	34,061		27,097	
26	of which: earnings to be distributed (deduction)	24,864		24,995	
	of which: others	-		-	
1b	Subscription rights to common shares	577		421	
3	Accumulated other comprehensive income	344,794	86,198	246,096	164,064
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	1,949		2,302	
	Amount allowed in group Common Equity Tier 1 subject to transitional arrangements	6,770		13,634	
	of which: common share capital issued by subsidiaries and held by third parties	6,770		13,634	
6	Common Equity Tier 1 capital: instruments and reserves (A)	2,360,850		2,204,273	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Intangible assets other than mortgage servicing rights *	152,059	38,014	103,342	68,894
8	of which: goodwill (including those equivalent)	81,901	20,475	60,483	40,322
9	of which: other intangible assets	70,157	17,539	42,858	28,572
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	121	30	-	-
11	Deferred gains or losses on derivatives under hedge accounting	(14,863)	(3,715)	(4,985)	(3,323)
12	Shortfall of eligible provisions to expected losses	8,730	2,182	11,647	7,765
13	Securitization gain on sale	1,894	473	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) *	66,053	16,513	38,045	25,363
16	Investments in own shares (excluding those reported in the Net assets section)	1	0	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)	4,962	1,240	-	-
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)	218,960		150,455	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (C) = (A)-(B)	2,141,890		2,053,817	

(Millions of yen, except percentages)

Basel III template No.	Items	March 31, 2017	Amounts excluded under transitional arrangements	March 31, 2016	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	220,000	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)	12,454	-	10,774	-
33+35	Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	272,500	-	276,000	-
33	of which: directly issued and issued by special purpose vehicles	114,528	-	116,000	-
35	of which: issued by subsidiaries	157,971	-	160,000	-
	Amount allowed in group Additional Tier 1 subject to transitional arrangements	427	-	1,120	-
	of which: foreign currency translation adjustment	427	-	1,120	-
36	Additional Tier 1 capital: instruments (D)	505,381	-	407,895	-
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)	821	205	-	-
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	20,712	-	46,337	-
	of which: goodwill equivalents	18,098	-	40,007	-
	of which: equivalent to intangible fixed assets recorded through business combination	1,048	-	857	-
	of which: equivalent to capital increase due to securitization transactions	473	-	1,589	-
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	1,091	-	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)	21,534	-	46,337	-
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital (F) = (D)-(E)	483,847	-	361,557	-
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (G) = (C)+(F)	2,625,737	-	2,415,375	-
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	140,000	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)	3,292	-	3,007	-
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2	361,498	-	401,401	-
47	of which: directly issued and issued by special purpose vehicles	-	-	-	-
49	of which: issued by subsidiaries	361,498	-	401,401	-
50	Provisions allowed in group Tier 2	3,926	-	3,276	-
50a	of which: general allowance for credit losses	3,926	-	3,276	-
50b	of which: excess amount of eligible provisions to expected losses	-	-	-	-
	Amount allowed in group Tier 2 subject to transitional arrangements	60,756	-	117,875	-
	of which: 45% of net unrealized gain on available-for-sale securities	61,031	-	118,360	-
	of which: 45% of revaluation reserve for land	(274)	-	(484)	-
51	Tier 2 capital: instruments and provisions (H)	569,474	-	615,560	-

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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)	5,733	1,433	-	-
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	3,611		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	2,520		314	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	1,091		3,882	
57	Tier 2 capital: regulatory adjustments (I)	9,344		4,197	
Tier 2 capital (T2)					
58	Tier 2 capital (J) = (H)-(I)	560,129		611,363	
Total capital (TC = T1 + T2)					
59	Total capital (K) = (G)+(J)	3,185,866		3,026,739	
Total risk weighted assets					
	Risk weighed assets subject to transitional arrangements	39,291		53,124	
	of which: intangible assets other than mortgage servicing rights *	16,490		27,714	
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences *	30		-	
	of which: defined-benefit pension fund net assets *	16,513		25,363	
	of which: investments in own instruments	1		46	
	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	6,256		-	
60	Total risk weighted assets (L)	19,391,928		18,065,889	
Capital ratios (consolidated)					
61	Common Equity Tier 1 capital ratio (C)/(L)	11.04%		11.36%	
62	Tier 1 capital ratio (G)/(L)	13.54%		13.36%	
63	Total capital ratio (K)/(L)	16.42%		16.75%	
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)	217,279		190,719	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	71,955		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)	-		-	
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)	3,926		3,276	
77	Cap on inclusion of provisions in Tier 2 under standardized approach	8,450		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	100,231		92,252	
Capital instruments subject to phase out arrangements					
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	272,500		327,000	
83	Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities)	3,500		-	
84	Current cap on Tier 2 instruments subject to phase out arrangements	428,954		514,745	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-		-	

* net of related deferred tax liabilities