

**Composition of capital as of September 30, 2017**

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

[Consolidated, International standard]

(Millions of yen, except percentages)

Basel III template No.	Items	September 30, 2017	Amounts excluded under transitional arrangements	September 30, 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	2,049,591		1,997,920	
1a	of which: capital stock and capital surplus	906,624		906,657	
2	of which: retained earnings	1,209,904		1,150,155	
1c	of which: treasury stock (deduction)	42,203		34,025	
26	of which: earnings to be distributed (deduction)	24,734		24,865	
	of which: others	-		-	
1b	Subscription rights to common shares	803		584	
3	Accumulated other comprehensive income	363,518	90,879	207,147	138,098
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	2,025		2,109	
	Amount allowed in group Common Equity Tier 1 subject to transitional arrangements	6,597		13,515	
	of which: common share capital issued by subsidiaries and held by third parties	6,597		13,515	
6	Common Equity Tier 1 capital: instruments and reserves (A)	2,422,536		2,221,278	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>					
8+9	Intangible assets other than mortgage servicing rights *	144,830	36,207	112,653	75,102
8	of which: goodwill (including those equivalent)	77,097	19,274	64,253	42,835
9	of which: other intangible assets	67,733	16,933	48,399	32,266
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	78	19	432	288
11	Deferred gains or losses on derivatives under hedge accounting	(16,163)	(4,040)	(9,305)	(6,203)
12	Shortfall of eligible provisions to expected losses	12,092	3,023	14,738	9,825
13	Securitization gain on sale	1,524	381	1,728	1,152
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) *	69,171	17,292	40,742	27,161
16	Investments in own shares (excluding those reported in the Net assets section)	13	3	3	2
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)	-	-	2,541	1,694
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)	211,548		163,534	
<b>Common Equity Tier 1 capital (CET1)</b>					
29	Common Equity Tier 1 capital (C) = (A)-(B)	2,210,988		2,057,744	

(Millions of yen, except percentages)

Basel III template No.	Items	September 30, 2017	Amounts excluded under transitional arrangements	September 30, 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	290,000	220,000	-
		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)	13,965	-	11,215	-
33+35	Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	193,000	-	276,000	-
33	of which: directly issued and issued by special purpose vehicles	83,000	-	116,000	-
35	of which: issued by subsidiaries	110,000	-	160,000	-
	Amount allowed in group Additional Tier 1 subject to transitional arrangements	1,017	-	(4,456)	-
	of which: foreign currency translation adjustment	1,017	-	(4,456)	-
36	Additional Tier 1 capital: instruments (D)	497,983	-	502,759	-
<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)	-	-	492	328
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	20,075	-	44,842	-
	of which: goodwill equivalents	17,161	-	38,043	-
	of which: equivalent to intangible fixed assets recorded through business combination	1,021	-	733	-
	of which: equivalent to capital increase due to securitization transactions	381	-	1,152	-
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	1,511	-	4,912	-
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-	-
43	Additional Tier 1 capital: regulatory adjustments (E)	20,075	-	45,334	-
<b>Additional Tier 1 capital (AT1)</b>					
44	Additional Tier 1 capital (F) = (D)-(E)	477,907	-	457,424	-
<b>Tier 1 capital (T1 = CET1 + AT1)</b>					
45	Tier 1 capital (G) = (C)+(F)	2,688,896	-	2,515,169	-
<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	180,000	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)	3,524	-	3,056	-
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2	344,156	-	383,632	-
47	of which: directly issued and issued by special purpose vehicles	-	-	-	-
49	of which: issued by subsidiaries	344,156	-	383,632	-
50	Provisions allowed in group Tier 2	4,293	-	3,360	-
50a	of which: general allowance for credit losses	4,293	-	3,360	-
50b	of which: excess amount of eligible provisions to expected losses	-	-	-	-
	Amount allowed in group Tier 2 subject to transitional arrangements	63,258	-	105,422	-
	of which: 45% of net unrealized gain on available-for-sale securities	63,561	-	105,916	-
	of which: 45% of revaluation reserve for land	(302)	-	(493)	-
51	Tier 2 capital: instruments and provisions (H)	595,233	-	585,472	-

(Millions of yen, except percentages)

Basel III template No.	Items	September 30, 2017	Amounts excluded under transitional arrangements	September 30, 2016	Amounts excluded under transitional arrangements
<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)	-	-	3,486	2,324
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	3,624		9,888	
	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	2,112		4,975	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	1,511		4,912	
57	Tier 2 capital: regulatory adjustments (I)	3,624		13,375	
<b>Tier 2 capital (T2)</b>					
58	Tier 2 capital (J) = (H)-(I)	591,608		572,097	
<b>Total capital (TC = T1 + T2)</b>					
59	Total capital (K) = (G)+(J)	3,280,504		3,087,266	
<b>Total risk weighted assets</b>					
	Risk weighed assets subject to transitional arrangements	33,234		68,500	
	of which: intangible assets other than mortgage servicing rights *	15,912		31,533	
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences *	19		288	
	of which: defined-benefit pension fund net assets *	17,292		27,161	
	of which: investments in own instruments	9		6	
	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	-		9,510	
60	Total risk weighted assets (L)	19,570,897		18,141,328	
<b>Capital ratios (consolidated)</b>					
61	Common Equity Tier 1 capital ratio (C)/(L)	11.29%		11.34%	
62	Tier 1 capital ratio (G)/(L)	13.73%		13.86%	
63	Total capital ratio (K)/(L)	16.76%		17.01%	
<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)	199,341		207,754	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	80,926		65,590	
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)	4,293		3,360	
77	Cap on inclusion of provisions in Tier 2 under standardized approach	9,690		7,211	
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	99,623		92,741	
<b>Capital instruments subject to phase out arrangements</b>					
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)	-		-	
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