

Composition of capital as of March 31, 2018

<Sumitomo Mitsui Trust Holdings, Inc. >

[Consolidated, International standard]

(Millions of yen, except percentages)

Basel III template No.	Items	March 31, 2018	Amounts excluded under transitional arrangements	March 31, 2017	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	2,103,081		2,006,758	
1a	of which: capital stock and capital surplus	906,625		906,656	
2	of which: retained earnings	1,263,415		1,159,028	
1c	of which: treasury stock (deduction)	42,224		34,061	
26	of which: earnings to be distributed (deduction)	24,734		24,864	
	of which: others	-		-	
1b	Subscription rights to common shares	799		577	
3	Accumulated other comprehensive income	496,851		344,794	86,198
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	2,031		1,949	
	Amount allowed in group Common Equity Tier 1 subject to transitional arrangements			6,770	
	of which: common share capital issued by subsidiaries and held by third parties			6,770	
6	Common Equity Tier 1 capital: instruments and reserves (A)	2,602,763		2,360,850	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Intangible assets other than mortgage servicing rights *	170,935		152,059	38,014
8	of which: goodwill (including those equivalent)	89,699		81,901	20,475
9	of which: other intangible assets	81,235		70,157	17,539
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	287		121	30
11	Deferred gains or losses on derivatives under hedge accounting	(20,866)		(14,863)	(3,715)
12	Shortfall of eligible provisions to expected losses	11,527		8,730	2,182
13	Securitization gain on sale	1,745		1,894	473
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) *	113,232		66,053	16,513
16	Investments in own shares (excluding those reported in the Net assets section)	46		1	0
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)	276,908		218,960	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (C) = (A)-(B)	2,325,854		2,141,890	

(Millions of yen, except percentages)

Basel III template No.	Items	March 31, 2018	Amounts excluded under transitional arrangements	March 31, 2017	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	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)	12,563	-	12,454	-	
33+35	Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	193,000	-	272,500	-	
33	of which: directly issued and issued by special purpose vehicles	83,000	-	114,528	-	
35	of which: issued by subsidiaries	110,000	-	157,971	-	
	Amount allowed in group Additional Tier 1 subject to transitional arrangements	-	-	427	-	
	of which: foreign currency translation adjustment	-	-	427	-	
36	Additional Tier 1 capital: instruments (D)	495,563	-	505,381	-	
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	-	
	of which: goodwill equivalents	-	-	18,098	-	
	of which: equivalent to intangible fixed assets recorded through business combination	-	-	1,048	-	
	of which: equivalent to capital increase due to securitization transactions	-	-	473	-	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	-	-	1,091	-	
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	-	
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital (F) = (D)-(E)	495,563	-	483,847	-	
Tier 1 capital (T1 = CET1 + AT1)						
45	Tier 1 capital (G) = (C)+(F)	2,821,417	-	2,625,737	-	
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	220,000	-	140,000	-
		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)	3,207	-	3,292	-	
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2	299,228	-	361,498	-	
47	of which: directly issued and issued by special purpose vehicles	-	-	-	-	
49	of which: issued by subsidiaries	299,228	-	361,498	-	
50	Provisions allowed in group Tier 2	4,329	-	3,926	-	
50a	of which: general allowance for credit losses	4,329	-	3,926	-	
50b	of which: excess amount of eligible provisions to expected losses	-	-	-	-	
	Amount allowed in group Tier 2 subject to transitional arrangements	-	-	60,756	-	
	of which: 45% of net unrealized gain on available-for-sale securities	-	-	61,031	-	
	of which: 45% of revaluation reserve for land	-	-	(274)	-	
51	Tier 2 capital: instruments and provisions (H)	526,765	-	569,474	-	

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Basel III template No.	Items	March 31, 2018	Amounts excluded under transitional arrangements	March 31, 2017	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)	-	-	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	
	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	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses			1,091	
57	Tier 2 capital: regulatory adjustments (I)	-		9,344	
Tier 2 capital (T2)					
58	Tier 2 capital (J) = (H)-(I)	526,765		560,129	
Total capital (TC = T1 + T2)					
59	Total capital (K) = (G)+(J)	3,348,183		3,185,866	
Total risk weighted assets					
	Risk weighed assets subject to transitional arrangements			39,291	
	of which: intangible assets other than mortgage servicing rights *			16,490	
	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	
	of which: investments in own instruments			1	
	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)	20,522,957		19,391,928	
Capital ratios (consolidated)					
61	Common Equity Tier 1 capital ratio (C)/(L)	11.33%		11.04%	
62	Tier 1 capital ratio (G)/(L)	13.74%		13.54%	
63	Total capital ratio (K)/(L)	16.31%		16.42%	
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)	189,382		217,279	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	87,561		71,955	
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)	4,329		3,926	
77	Cap on inclusion of provisions in Tier 2 under standardized approach	8,971		8,450	
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	103,273		100,231	
Capital instruments subject to phase out arrangements					
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	218,000		272,500	
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	343,163		428,954	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-		-	

* net of related deferred tax liabilities