

Composition of capital as of December 31, 2018

<Sumitomo Mitsui Trust Bank, Limited>

[Consolidated, International standard]

(Millions of yen, except percentages)

Basel III template No.	Items	December 31, 2018	September 30, 2018
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	2,011,854	1,988,254
1a	of which: capital stock and capital surplus	733,435	751,975
2	of which: retained earnings	1,278,419	1,312,302
1c	of which: treasury stock (deduction)	-	-
26	of which: earnings to be distributed (deduction)	-	76,023
	of which: others	-	-
1b	Subscription rights to common shares	-	-
3	Accumulated other comprehensive income	444,611	484,682
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	-	-
6	Common Equity Tier 1 capital: instruments and reserves (A)	2,456,466	2,472,936
Common Equity Tier 1 capital: regulatory adjustments			
8+9	Intangible assets other than mortgage servicing rights *	148,519	151,108
8	of which: goodwill (including those equivalent)	84,024	87,414
9	of which: other intangible assets	64,494	63,693
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	448	340
11	Deferred gains or losses on derivatives under hedge accounting	(24,201)	(11,198)
12	Shortfall of eligible provisions to expected losses	9,611	8,797
13	Securitization gain on sale	1,154	1,567
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) *	119,535	117,382
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)	-	-
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)	255,069	267,998
Common Equity Tier 1 capital (CET1)			
29	Common Equity Tier 1 capital (C) = (A)-(B)	2,201,397	2,204,938

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Basel III template No.	Items	December 31, 2018	September 30, 2018	
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	340,000	340,000
		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)	12,543	12,911	
33+35	Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	-	-	
33	of which: directly issued and issued by special purpose vehicles	-	-	
35	of which: issued by subsidiaries	-	-	
36	Additional Tier 1 capital: instruments (D)	352,543	352,911	
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)	-	-	
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	-	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	
43	Additional Tier 1 capital: regulatory adjustments (E)	-	-	
Additional Tier 1 capital (AT1)				
44	Additional Tier 1 capital (F) = (D)-(E)	352,543	352,911	
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (G) = (C)+(F)	2,553,940	2,557,849	
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	270,000	270,000
		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)	2,764	2,824	
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2 capital	249,118	279,192	
47	of which: directly issued and issued by special purpose vehicles	249,118	279,192	
49	of which: issued by subsidiaries	-	-	
50	Provisions allowed in group Tier 2	2,830	2,588	
50a	of which: general allowance for credit losses	2,830	2,588	
50b	of which: excess amount of eligible provisions to expected losses	-	-	
51	Tier 2 capital: instruments and provisions (H)	524,713	554,605	

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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)	-	-
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	1,540	1,540
57	Tier 2 capital: regulatory adjustments (I)	1,540	1,540
Tier 2 capital (T2)			
58	Tier 2 capital (J) = (H)-(I)	523,173	553,065
Total capital (TC = T1 + T2)			
59	Total capital (K) = (G)+(J)	3,077,114	3,110,914
Total risk weighted assets			
60	Total risk weighted assets (L)	19,111,660	19,861,313
Capital ratios (consolidated)			
61	Common Equity Tier 1 capital ratio (C)/(L)	11.51%	11.10%
62	Tier 1 capital ratio (G)/(L)	13.36%	12.87%
63	Total capital ratio (K)/(L)	16.10%	15.66%
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)	133,044	170,718
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	101,968	98,332
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)	2,830	2,588
77	Cap on inclusion of provisions in Tier 2 under standardized approach	7,586	7,521
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	94,581	100,559
Capital instruments subject to phase out arrangements			
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	155,600	155,600
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	343,163	343,163
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-	-

* net of related deferred tax liabilities