

**Composition of capital as of March 31, 2019**

&lt;Sumitomo Mitsui Trust Bank, Limited&gt;

[Consolidated, International standard]

(Millions of yen, except percentages)

CC1:Composition of Capital				
Basel III template No.	Items	a	b	c
		March 31, 2019	December 31, 2018	Reference numbers to Reconciliation with the balance sheet
<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	1,848,276	2,011,854	
1a	of which: capital stock and capital surplus	733,435	733,435	
2	of which: retained earnings	1,307,578	1,278,419	
1c	of which: treasury stock (deduction)	-	-	
26	of which: earnings to be distributed (deduction)	192,737	-	
	of which: others	-	-	
1b	Subscription rights to common shares	-	-	
3	Accumulated other comprehensive income	424,472	444,611	(a)
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)	2,272,748	2,456,466	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>				
8+9	Intangible assets other than mortgage servicing rights *	132,443	148,519	
8	of which: goodwill (including those equivalent)	69,376	84,024	
9	of which: other intangible assets	63,067	64,494	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	608	448	
11	Deferred gains or losses on derivatives under hedge accounting	(31,820)	(24,201)	
12	Shortfall of eligible provisions to expected losses	5,606	9,611	
13	Securitisation gain on sale	1,307	1,154	
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) *	96,364	119,535	
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)	204,508	255,069	
<b>Common Equity Tier 1 capital (CET1)</b>				
29	Common Equity Tier 1 capital (C) = (A)-(B)	2,068,239	2,201,397	

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<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	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)		13,400	12,543	
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)		353,400	352,543	
<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		-	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		-	-	
43	Additional Tier 1 capital: regulatory adjustments (E)		-	-	
<b>Additional Tier 1 capital (AT1)</b>					
44	Additional Tier 1 capital (F) = (D)-(E)		353,400	352,543	
<b>Tier 1 capital (T1 = CET1 + AT1)</b>					
45	Tier 1 capital (G) = (C)+(F)		2,421,640	2,553,940	
<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		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)		2,936	2,764	
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2 capital		239,264	249,118	
47		of which: directly issued and issued by special purpose vehicles	239,264	249,118	
49		of which: issued by subsidiaries	-	-	
50	Provisions allowed in group Tier 2		2,965	2,830	
50a		of which: general allowance for credit losses	2,965	2,830	
50b		of which: excess amount of eligible provisions to expected losses	-	-	
51	Tier 2 capital: instruments and provisions (H)		515,167	524,713	

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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 and other TLAC liabilities	-	-	
54	Investments in the Tier 2 instruments and other TLAC liabilities 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 and other TLAC liabilities of banking, financial and insurance entities that are outside 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	
<b>Tier 2 capital (T2)</b>				
58	Tier 2 capital (J) = (H)-(I)	513,627	523,173	
<b>Total capital (TC = T1 + T2)</b>				
59	Total capital (K) = (G)+(J)	2,935,268	3,077,114	
<b>Total risk weighted assets</b>				
60	Total risk weighted assets (L)	19,529,822	19,111,660	
<b>Capital ratios (consolidated)</b>				
61	Common Equity Tier 1 capital ratio (C)/(L)	10.59%	11.51%	
62	Tier 1 capital ratio (G)/(L)	12.39%	13.36%	
63	Total capital ratio (K)/(L)	15.02%	16.10%	
<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)	126,654	133,044	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	109,009	101,968	
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 standardised approach (prior to applicable of cap)	2,965	2,830	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	8,182	7,586	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to applicable of cap)	-	-	
79	Cap on inclusion of provisions in Tier 2 under internal ratings-based approach	98,006	94,581	
<b>Capital instruments subject to phase out arrangements</b>				
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	116,700	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	257,372	343,163	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-	-	

\* net of related deferred tax liabilities