

Composition of capital as of September 30, 2020

<Sumitomo Mitsui Trust Bank, Limited>

[Non-consolidated, International standard]

(Millions of yen, except percentages)

CC1:Composition of Capital				
Basel III template No.	Items	a	b	c
		September 30, 2020	June 30, 2020	Reference numbers to Reconciliation with the balance sheet
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	1,718,740	1,706,936	
1a	of which: capital stock and capital surplus	685,103	685,103	
2	of which: retained earnings	1,061,769	1,021,832	
1c	of which: treasury stock (deduction)	-	-	
26	of which: earnings to be distributed (deduction)	28,132	-	
	of which: others	-	-	
1b	Subscription rights to common shares	-	-	
3	Valuation and translation adjustments	301,548	291,174	(a)
6	Common Equity Tier 1 capital: instruments and reserves (A)	2,020,288	1,998,110	
Common Equity Tier 1 capital: regulatory adjustments				
8+9	Intangible assets other than mortgage servicing rights *	50,722	51,349	
8	of which: goodwill (including those equivalent)	-	-	
9	of which: other intangible assets	50,722	51,349	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	-	-	
11	Deferred gains or losses on derivatives under hedge accounting	(39,538)	(40,986)	
12	Shortfall of eligible provisions to expected losses	-	-	
13	Securitisation gain on sale	1,160	1,187	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	
15	Defined-benefit pension fund net assets (prepaid pension expenses) *	132,978	131,106	
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)	145,322	142,656	
Common Equity Tier 1 capital (CET1)				
29	Common Equity Tier 1 capital (C) = (A)-(B)	1,874,965	1,855,453	

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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	-	-	
33+35	Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital		-	-	
36	Additional Tier 1 capital: instruments (D)		340,000	340,000	
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)		340,000	340,000	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (G) = (C)+(F)		2,214,965	2,195,453	
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		341,657	304,679	
	Qualifying Tier 2 instruments issued by special purpose vehicles		-	-	
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2 capital		170,648	171,581	
50	Provisions allowed in group Tier 2		10,341	12,202	
50a	of which: general allowance for credit losses		-	-	
50b	of which: excess amount of eligible provisions to expected losses		10,341	12,202	
51	Tier 2 capital: instruments and provisions (H)		522,647	488,463	

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Tier 2 capital: regulatory adjustments				
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	
Tier 2 capital (T2)				
58	Tier 2 capital (J) = (H)-(I)	521,107	486,923	
Total capital (TC = T1 + T2)				
59	Total capital (K) = (G)+(J)	2,736,073	2,682,377	
Total risk weighted assets				
60	Total risk weighted assets (L)	18,653,915	18,538,841	
Capital ratios (non-consolidated)				
61	Common Equity Tier 1 capital ratio (C)/(L)	10.05%	10.00%	
62	Tier 1 capital ratio (G)/(L)	11.87%	11.84%	
63	Total capital ratio (K)/(L)	14.66%	14.46%	
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)	110,614	106,346	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	63,025	62,984	
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 standardised approach (prior to application of cap)	-	-	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	2,329	2,398	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as "nil")	10,341	12,202	
79	Cap on inclusion of provisions in Tier 2 under internal ratings-based approach	94,666	94,275	
Capital instruments subject to phase out arrangements				
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	77,800	77,800	
83	Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	-	-	
84	Current cap on Tier 2 instruments subject to phase out arrangements	171,581	171,581	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	-	7,570	

* Net of related deferred tax liabilities