

Composition of capital as of September 30, 2021

<Sumitomo Mitsui Trust Holdings, Inc.>

[Consolidated, International standard]

(Millions of yen, except percentages)

CC1:Composition of Capital				
Basel III template No.	Items	a	b	c
		September 30, 2021	June 30, 2021	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	2,459,371	2,428,999	
1a	of which: capital stock and capital surplus	837,722	837,723	
2	of which: retained earnings	1,654,367	1,594,089	
1c	of which: treasury stock (deduction)	2,721	2,813	
26	of which: earnings to be distributed (deduction)	29,997	-	
	of which: others	-	-	
1b	Subscription rights to common shares	1,017	1,021	
3	Accumulated other comprehensive income	274,445	263,516	(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)	2,734,834	2,693,537	
Common Equity Tier 1 capital: regulatory adjustments				
8+9	Intangible assets other than mortgage servicing rights *	119,316	91,786	
8	of which: goodwill (including those equivalent)	60,420	35,416	
9	of which: other intangible assets	58,895	56,370	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	619	172	
11	Deferred gains or losses on derivatives under hedge accounting	(46,837)	(41,902)	
12	Shortfall of eligible provisions to expected losses	-	-	
13	Securitisation gain on sale	1,466	1,066	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	3,010	3,705	
15	Defined-benefit pension fund net assets (assets for retirement benefits) *	166,546	164,466	
16	Investments in own shares (excluding those reported in the Net assets section)	8	34	
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)	244,129	219,327	
Common Equity Tier 1 capital (CET1)				
29	Common Equity Tier 1 capital (C) = (A)-(B)	2,490,704	2,474,209	

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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	270,000	270,000	
		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)		11,575	11,246	
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)		281,575	281,246	
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		10	10	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		-	-	
43	Additional Tier 1 capital: regulatory adjustments (E)		10	10	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital (F) = (D)-(E)		281,565	281,236	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (G) = (C)+(F)		2,772,270	2,755,445	
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		326,134	330,668	
	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)		2,106	2,167	
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2 capital		85,790	85,790	
47		of which: directly issued and issued by special purpose vehicles	-	-	
49		of which: issued by subsidiaries	85,790	85,790	
50	Provisions allowed in group Tier 2		24,091	27,820	
50a		of which: general allowance for credit losses	3,310	3,285	
50b		of which: excess amount of eligible provisions to expected losses	20,781	24,535	
51	Tier 2 capital: instruments and provisions (H)		438,124	446,448	

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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)	436,584	444,908	
Total capital (TC = T1 + T2)				
59	Total capital (K) = (G)+(J)	3,208,854	3,200,354	
Total risk weighted assets				
60	Total risk weighted assets (L)	19,674,886	20,014,533	
Capital ratios and buffers (Consolidated)				
61	Common Equity Tier 1 capital ratio (C)/(L)	12.65%	12.36%	
62	Tier 1 capital ratio (G)/(L)	14.09%	13.76%	
63	Total capital ratio (K)/(L)	16.30%	15.99%	
64	Total of bank CET1 specific buffer requirements	3.00%	3.00%	
65	of which: Capital conservation buffer requirement	2.50%	2.50%	
66	of which: Countercyclical buffer requirement	0.00%	0.00%	
67	of which: Bank G-SIB and/or D-SIB additional requirements	0.50%	0.50%	
68	CET1 available after meeting the bank's minimum capital requirements	8.09%	7.76%	
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)	116,052	141,112	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	183,024	170,242	
74	Mortgage servicing rights (amount below the thresholds for deduction)	-	-	
75	Deferred tax assets arising from temporary differences (amount below the thresholds for deduction)	22,766	28,189	
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)	3,310	3,285	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	11,194	11,617	
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")	20,781	24,535	
79	Cap on inclusion of provisions in Tier 2 under internal ratings-based approach	92,828	94,280	
Capital instruments subject to phase out arrangements				
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	54,500	54,500	
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	85,790	85,790	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	54,116	62,529	

* Net of related deferred tax liabilities