

Composition of capital as of March 31, 2023

<Sumitomo Mitsui Trust Bank, Limited>

[Consolidated, International standard]

(Millions of yen, except percentages)

CC1:Composition of Capital				
Basel III template No.	Items	a	b	c
		March 31, 2023	December 31, 2022	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	2,200,758	2,188,711	
1a	of which: capital stock and capital surplus	684,926	684,926	
2	of which: retained earnings	1,547,162	1,503,785	
1c	of which: treasury stock (deduction)	-	-	
26	of which: earnings to be distributed (deduction)	31,330	-	
	of which: others	-	-	
1b	Subscription rights to common shares	-	-	
3	Accumulated other comprehensive income	206,616	168,434	(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)	2,407,374	2,357,146	
Common Equity Tier 1 capital: regulatory adjustments				
8+9	Intangible assets other than mortgage servicing rights *	77,733	86,864	
8	of which: goodwill (including those equivalent)	8,079	9,179	
9	of which: other intangible assets	69,654	77,685	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	408	473	
11	Deferred gains or losses on derivatives under hedge accounting	(48,610)	(42,552)	
12	Shortfall of eligible provisions to expected losses	-	-	
13	Securitisation gain on sale	925	1,187	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	7,454	8,040	
15	Defined-benefit pension fund net assets (assets for retirement benefits) *	161,362	139,253	
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)	199,274	193,267	
Common Equity Tier 1 capital (CET1)				
29	Common Equity Tier 1 capital (C) = (A)-(B)	2,208,099	2,163,879	

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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)		13,749	12,005	
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)		283,749	282,005	
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)		283,739	281,995	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (G) = (C)+(F)		2,491,839	2,445,875	
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		270,630	278,022	
	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)		3,049	2,415	
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2 capital		-	-	
47		of which: directly issued and issued by special purpose vehicles	-	-	
49		of which: issued by subsidiaries	-	-	
50	Provisions allowed in group Tier 2		15,635	20,864	
50a		of which: general allowance for credit losses	3,525	3,356	
50b		of which: excess amount of eligible provisions to expected losses	12,110	17,507	
51	Tier 2 capital: instruments and provisions (H)		289,315	301,302	

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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)	287,775	299,762	
Total capital (TC = T1 + T2)				
59	Total capital (K) = (G)+(J)	2,779,614	2,745,637	
Total risk weighted assets				
60	Total risk weighted assets (L)	22,662,408	22,116,217	
Capital ratios (consolidated)				
61	Common Equity Tier 1 capital ratio (C)/(L)	9.74%	9.78%	
62	Tier 1 capital ratio (G)/(L)	10.99%	11.05%	
63	Total capital ratio (K)/(L)	12.26%	12.41%	
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)	172,436	177,428	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	114,594	142,808	
74	Mortgage servicing rights (amount below the thresholds for deduction)	-	-	
75	Deferred tax assets arising from temporary differences (amount below the thresholds for deduction)	48,363	64,427	
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)	3,525	3,356	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	12,430	11,634	
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")	12,110	17,507	
79	Cap on inclusion of provisions in Tier 2 under internal ratings-based approach	109,926	106,800	
Capital instruments subject to phase out arrangements				
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	-	-	
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	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	-	-	

* Net of related deferred tax liabilities