

Composition of capital as of December 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
		December 31, 2023	September 30, 2023	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	2,199,639	2,196,560	
1a	of which: capital stock and capital surplus	684,926	684,926	
2	of which: retained earnings	1,514,712	1,549,830	
1c	of which: treasury stock (deduction)	-	-	
26	of which: earnings to be distributed (deduction)	-	38,196	
	of which: others	-	-	
1b	Subscription rights to common shares	-	-	
3	Accumulated other comprehensive income	419,335	349,152	
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)	2,618,974	2,545,713	
Common Equity Tier 1 capital: regulatory adjustments				
8+9	Intangible assets other than mortgage servicing rights *	91,249	83,618	
8	of which: goodwill (including those equivalent)	5,373	6,176	
9	of which: other intangible assets	85,875	77,441	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	407	413	
11	Deferred gains or losses on derivatives under hedge accounting	1,360	(11,542)	
12	Shortfall of eligible provisions to expected losses	13,325	7,300	
13	Securitisation gain on sale	795	832	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	7,773	6,711	
15	Defined-benefit pension fund net assets (assets for retirement benefits) *	168,841	167,056	
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)	283,752	254,390	
Common Equity Tier 1 capital (CET1)				
29	Common Equity Tier 1 capital (C) = (A)-(B)	2,335,222	2,291,323	

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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)		14,306	14,545	
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)		284,306	284,545	
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)		284,306	284,545	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (G) = (C)+(F)		2,619,528	2,575,868	
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		261,853	265,417	
	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)		3,203	3,248	
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		3,577	3,713	
50a	of which: general allowance for credit losses		3,577	3,713	
50b	of which: excess amount of eligible provisions to expected losses		-	-	
51	Tier 2 capital: instruments and provisions (H)		268,634	272,378	

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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	-	-	
57	Tier 2 capital: regulatory adjustments	(I)	-	-
Tier 2 capital (T2)				
58	Tier 2 capital	(J) = (H)-(I)	268,634	272,378
Total capital (TC = T1 + T2)				
59	Total capital	(K) = (G)+(J)	2,888,163	2,848,246
Total risk weighted assets				
60	Total risk weighted assets	(L)	23,431,159	23,672,783
Capital ratios (consolidated)				
61	Common Equity Tier 1 capital ratio	(C)/(L)	9.96%	9.67%
62	Tier 1 capital ratio	(G)/(L)	11.17%	10.88%
63	Total capital ratio	(K)/(L)	12.32%	12.03%
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)		188,595	196,428
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)		123,643	119,205
74	Mortgage servicing rights (amount below the thresholds for deduction)		-	-
75	Deferred tax assets arising from temporary differences (amount below the thresholds for deduction)		653	720
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)		3,577	3,713
77	Cap on inclusion of provisions in Tier 2 under standardised approach		14,371	14,524
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")		-	-
79	Cap on inclusion of provisions in Tier 2 under internal ratings-based approach		114,061	114,589
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