

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of March 31, 2017**

<Sumitomo Mitsui Trust Bank, Limited.>

[Non-consolidated]

		(Millions of yen)	
Items	Balance sheet	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Assets)			
Cash and due from banks	13,963,744		
Call loans	64,706		
Receivables under resale agreements	83,888		
Receivables under securities borrowing transactions	464,956		
Monetary claims bought	92,904		
Trading assets	663,043		
Money held in trust	99		
Securities	5,518,947	6-a	
Loans and bills discounted	28,158,969	6-b	
Foreign exchanges	16,189		
Other assets	1,187,878	6-c	
Tangible fixed assets	200,957		
Buildings	65,439		
Land	114,010		
Lease assets	5,852		
Construction in progress	710		
Other	14,944		
Intangible fixed assets	91,265	2	
Software	86,907		
Lease assets	181		
Other	4,176		
Prepaid pension expenses	160,295	3	
Customers' liabilities for acceptances and guarantees	391,434		
Allowance for loan losses	(90,030)		
Total assets	50,969,247		

Items	Balance sheet	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	29,019,323		
Negotiable certificates of deposit	7,523,217		
Call money	400,164		
Payables under repurchase agreements	1,063,737		
Payables under securities lending transactions	13,699		
Trading liabilities	366,879		
Borrowed money ^(a)	3,365,201	7	
Foreign exchanges	2,240		
Short-term bonds payable	418,862		
Bonds payable	1,029,093		
Borrowed money from trust account	3,973,623		
Other liabilities	920,767	6-d	
Provision for bonuses	9,018		
Provision for director's bonuses	91		
Provision for retirement benefits	695		
Provision for reimbursement of deposits	3,583		
Provision for contingent loss	7,774		
Deferred tax liabilities	147,097	4-a	
Deferred tax liabilities for land revaluation	3,016	4-b	
Acceptances and guarantees	391,434		
Total liabilities	48,659,522		
(Net assets)			
Capital stock	342,037	1-a	
Capital surplus	492,252	1-b	
Retained earnings	1,004,722	1-c	
Total shareholders' equity	1,839,012		
Valuation difference on available-for-sale securities	487,623		
Deferred gains or losses on hedges	(15,844)	5	
Revaluation reserve for land	(1,067)		
Total valuation and translation adjustments	470,711		3
Total net assets	2,309,724		
Total liabilities and net assets	50,969,247		

Note

- (a) Borrowed money includes ¥160,000 million of subordinated borrowings which are included in "Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital" in the Composition of capital disclosure.

Appendix

Note: Amounts in the "Composition of capital" are based on those before considering under transitional arrangements. They therefore include "Amounts excluded under transitional arrangements" disclosed in "Composition of capital disclosure" and exclude items for regulatory purpose under transitional arrangement from these tables.

1.Shareholder's equity

(1) Balance sheet

(Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Capital stock	342,037		1-a
Capital surplus	492,252		1-b
Retained earnings	1,004,722		1-c
Total shareholder's equity	1,839,012		

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	1,839,147	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	834,289		1a
of which: retained earnings	1,004,857		2
of which: treasury stock (deduction)	-		1c
of which: others	-		
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards	-	Shareholders' equity attributable to preferred shares with a loss absorbency at the point of non-viability	31a

2.Intangible assets

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Intangible fixed assets	91,265		2
Associated deferred tax liabilities	27,945		

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Goodwill (net of related deferred tax liabilities, including those equivalent)	-		8
Other intangible assets (net of related deferred tax liabilities)	63,319		9
Mortgage servicing rights (net of related deferred tax liabilities)	-		
Amount above the 10% threshold on the specified items	-		20
Amount exceeding the 15% threshold on the specified items	-		24
Amount below the thresholds for deduction (before risk weighting)	-		74

3. Defined-benefit pension fund net assets (prepaid pension expenses)

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Prepaid pension expenses	160,295		3
Associated deferred tax liabilities	49,082		

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Defined-benefit pension fund net assets (net of related deferred tax liabilities)	111,212		15

4. Deferred tax assets

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Deferred tax liabilities	147,097		4-a
Deferred tax liabilities for land revaluation	3,016		4-b
Associated intangible fixed assets	27,945		
Associated prepaid pension expenses	49,082		

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related deferred tax liabilities)	-	This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities.	10
Deferred tax assets arising from temporary differences (net of related deferred tax liabilities)	-	This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities.	
Amount above the 10% threshold on the specified items	-		21
Amount exceeding the 15% threshold on the specified items	-		25
Amount below the thresholds for deduction (before risk weighting)	-		75

5. Deferred gains or losses on hedges

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Deferred gains or losses on hedges	(15,844)		5

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Deferred gains or losses on derivatives under hedge accounting	(13,406)	Excluding those items whose valuation differences arising from hedged items are recognized as "Valuation and translation adjustments"	11

6. Investments in the capital of financial entities

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Securities	5,518,947		6-a
Loans and bills discounted	28,158,969	Including subordinated loans	6-b
Other assets	1,187,878	Including derivatives	6-c
Other liabilities	920,767	Including derivatives	6-d

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Investments in own capital instruments	-		
Common Equity Tier 1 capital	-		16
Additional Tier 1 capital	-		37
Tier 2 capital	-		52
Reciprocal cross-holdings in capital instruments	-		
Common Equity Tier 1 capital	-		17
Additional Tier 1 capital	-		38
Tier 2 capital	-		53
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	222,292		
Common Equity Tier 1 capital	6,599		18
Additional Tier 1 capital	1,197		39
Tier 2 capital	8,305		54
Amount below the thresholds for deduction (before risk weighting)	206,189		72
Significant investments in the instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	42,002		
Amount above the 10% threshold on the specified items	-		19
Amount exceeding the 15% threshold on the specified items	-		23
Additional Tier 1 capital	-		40
Tier 2 capital	-		55
Amount below the thresholds for deduction (before risk weighting)	42,002		73

7. Other capital instruments

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	3,365,201		7

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	220,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	140,000		46