

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of September 30, 2013**

<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	5,912,043		
Call loans	368,205		
Receivables under resale agreements	84,850		
Receivables under securities borrowing transactions	295,887		
Monetary claims bought	154,831		
Trading assets	629,971		
Money held in trust	12,000	6-a	
Securities	5,910,864	6-b	
Loans and bills discounted	22,961,343	6-c	
Foreign exchanges	32,881		
Other assets	1,350,257	3, 6-d	
Tangible fixed assets	204,134		
Intangible fixed assets	81,956	2	
Customers' liabilities for acceptances and guarantees	328,733		
Allowance for loan losses	(87,577)		
Total assets	38,240,383		

Items	Balance sheet	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	23,615,364		
Negotiable certificates of deposit	4,909,091		
Call money	231,147		
Payables under repurchase agreements	1,145,575		
Trading liabilities	224,287		
Borrowed money ^(a)	1,566,839		
Foreign exchanges	540		
Short-term bonds payable	968,833		
Bonds payable	963,880		
Borrowed money from trust account	1,336,449		
Other liabilities	920,654	6-e	
Provision for bonuses	8,325		
Provision for retirement benefits	666		
Provision for reimbursement of deposits	4,757		
Provision for contingent loss	10,756		
Deferred tax liabilities	26,259	4-a	
Deferred tax liabilities for land revaluation	4,000	4-b	
Acceptances and guarantees	328,733		
Total liabilities	36,266,162		
(Net assets)			
Capital stock	342,037	1-a	
Capital surplus	601,259	1-b	
Retained earnings	786,780	1-c	
Total shareholders' equity	1,730,077		
Valuation difference on available-for-sale securities	247,912		
Deferred gains or losses on hedges	(5,997)	5	
Revaluation reserve for land	2,228		
Total valuation and translation adjustments	244,143		3
Total net assets	1,974,221		
Total liabilities and net assets	38,240,383		

Note

- (a) Borrowed money includes ¥230,000 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	601,259		1-b
Retained earnings	786,780		1-c
Total shareholder's equity	1,730,077		

(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	1,621,281	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	834,296		1a
of which: retained earnings	786,984		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	81,956		2

Associated deferred tax liabilities	29,209	
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(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)	52,747		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 cost)

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Other assets	1,350,257		3
of which: prepaid pension cost	232,451		

Associated deferred tax liabilities	82,845	
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(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)	149,605		15

4. Deferred tax assets

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Deferred tax liabilities	26,259		4-a
Deferred tax liabilities for land revaluation	4,000		4-b

Associated intangible fixed assets	29,209	
Associated prepaid pension cost	82,845	

(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)	10,288	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)	71,506	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)	71,506		75

5. Deferred gains or losses on hedges

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Deferred gains or losses on hedges	(5,997)		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	(204)	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.
Money held in trust	12,000		6-a
Securities	5,910,864		6-b
Loans and bills discounted	22,961,343	Including subordinated loans	6-c
Other assets	1,350,257	Including derivatives	6-d
Other liabilities	920,654	Including derivatives	6-e

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Investments in own capital instruments	110		
Common Equity Tier 1 capital	110		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	320,547		
Common Equity Tier 1 capital	39,402		18
Additional Tier 1 capital	26,987		39
Tier 2 capital	99,812		54
Amount below the thresholds for deduction (before risk weighting)	154,344		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	39,569		
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	5,900		55
Amount below the thresholds for deduction (before risk weighting)	33,669		73