

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of March 31, 2014**

<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	5,614,828		
Call loans	366,552		
Receivables under resale agreements	88,069		
Receivables under securities borrowing transactions	289,377		
Monetary claims bought	258,311		
Trading assets	585,467		
Money held in trust	12,000	6-a	
Securities	5,971,283	6-b	
Loans and bills discounted	24,034,244	6-c	
Foreign exchanges	12,114		
Other assets	1,136,155	6-d	
Tangible fixed assets	203,326		
Buildings	64,914		
Land	114,586		
Lease assets	1,488		
Construction in progress	767		
Other	21,570		
Intangible fixed assets	90,515	2	
Software	86,264		
Lease assets	64		
Other	4,186		
Prepaid pension expenses	227,175	3	
Customers' liabilities for acceptances and guarantees	317,332		
Allowance for loan losses	(84,089)		
Total assets	39,122,664		

Items	Balance sheet	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	24,072,972		
Negotiable certificates of deposit	5,304,179		
Call money	251,455		
Payables under repurchase agreements	1,291,641		
Trading liabilities	214,138		
Borrowed money ^(a)	1,574,581		
Foreign exchanges	228		
Short-term bonds payable	667,403		
Bonds payable	995,826		
Borrowed money from trust account	1,342,001		
Other liabilities	971,748	6-e	
Provision for bonuses	8,787		
Provision for director's bonuses	105		
Provision for retirement benefits	628		
Provision for reimbursement of deposits	3,917		
Provision for contingent loss	8,800		
Deferred tax liabilities	61,793	4-a	
Deferred tax liabilities for land revaluation	3,954	4-b	
Acceptances and guarantees	317,332		
Total liabilities	37,091,495		
(Net assets)			
Capital stock	342,037	1-a	
Capital surplus	601,259	1-b	
Retained earnings	844,879	1-c	
Total shareholders' equity	1,788,176		
Valuation difference on available-for-sale securities	247,804		
Deferred gains or losses on hedges	(6,434)	5	
Revaluation reserve for land	1,622		
Total valuation and translation adjustments	242,992		3
Total net assets	2,031,168		
Total liabilities and net assets	39,122,664		

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	601,259		1-b
Retained earnings	844,879		1-c
Total shareholder's equity	1,788,176		

(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	1,679,301	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	845,004		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	90,515		2

Associated deferred tax liabilities	32,259	
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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)	58,256		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	227,175		3

Associated deferred tax liabilities	80,965	
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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)	146,209		15

4. Deferred tax assets

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Deferred tax liabilities	61,793		4-a
Deferred tax liabilities for land revaluation	3,954		4-b

Associated intangible fixed assets	32,259	
Associated prepaid pension expenses	80,965	

(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)	1,522	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)	45,954	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)	45,954		75

5. Deferred gains or losses on hedges

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Deferred gains or losses on hedges	(6,434)		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	(1,559)	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	5,971,283		6-b
Loans and bills discounted	24,034,244	Including subordinated loans	6-c
Other assets	1,136,155	Including derivatives	6-d
Other liabilities	971,748	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	-		
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	281,336		
Common Equity Tier 1 capital	31,460		18
Additional Tier 1 capital	22,820		39
Tier 2 capital	69,284		54
Amount below the thresholds for deduction (before risk weighting)	157,770		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	40,677		
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	5,700		55
Amount below the thresholds for deduction (before risk weighting)	34,977		73