

**Explanation on reconciliation between balance sheet items and regulatory capital elements  
as of September 30, 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	7,231,033		
Call loans	411,849		
Receivables under resale agreements	109,593		
Receivables under securities borrowing transactions	307,593		
Monetary claims bought	124,392		
Trading assets	611,147		
Securities	5,473,393	6-a	
Loans and bills discounted	24,621,421	6-b	
Foreign exchanges	10,985		
Other assets	1,200,702	6-c	
Tangible fixed assets	199,891		
Intangible fixed assets	46,874	2	
Prepaid pension expenses	180,812	3	
Customers' liabilities for acceptances and guarantees	350,668		
Allowance for loan losses	(71,060)		
Total assets	40,809,299		

Items	Balance sheet	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	23,887,174		
Negotiable certificates of deposit	6,598,278		
Call money	354,909		
Payables under repurchase agreements	1,096,905		
Payables under securities lending transactions	11,387		
Trading liabilities	250,575		
Borrowed money <sup>(a)</sup>	1,791,599	7	
Foreign exchanges	70		
Short-term bonds payable	821,040		
Bonds payable	976,150		
Borrowed money from trust account	1,487,632		
Other liabilities	943,621	6-d	
Provision for bonuses	8,488		
Provision for retirement benefits	635		
Provision for reimbursement of deposits	3,637		
Provision for contingent loss	8,864		
Deferred tax liabilities	95,257	4-a	
Deferred tax liabilities for land revaluation	3,712	4-b	
Acceptances and guarantees	350,668		
<b>Total liabilities</b>	<b>38,690,610</b>		
(Net assets)			
Capital stock	342,037	1-a	
Capital surplus	601,259	1-b	
Retained earnings	853,534	1-c	
<b>Total shareholders' equity</b>	<b>1,796,830</b>		
Valuation difference on available-for-sale securities	331,141		
Deferred gains or losses on hedges	(9,934)	5	
Revaluation reserve for land	650		
<b>Total valuation and translation adjustments</b>	<b>321,857</b>		3
<b>Total net assets</b>	<b>2,118,688</b>		
<b>Total liabilities and net assets</b>	<b>40,809,299</b>		

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	853,534		1-c
<b>Total shareholder's equity</b>	<b>1,796,830</b>		

#### (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	1,687,962	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	853,665		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	46,874		2

Associated deferred tax liabilities	16,705	
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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)	30,168		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	180,812		3
Associated deferred tax liabilities	64,441		

(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)	116,370		15

4. Deferred tax assets

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Deferred tax liabilities	95,257		4-a
Deferred tax liabilities for land revaluation	3,712		4-b
Associated intangible fixed assets	16,705		
Associated prepaid pension expenses	64,441		

(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	(9,934)		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	(4,977)	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	5,473,393		6-a
Loans and bills discounted	24,621,421	Including subordinated loans	6-b
Other assets	1,200,702	Including derivatives	6-c
Other liabilities	943,621	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	246,944		
Common Equity Tier 1 capital	20,876		18
Additional Tier 1 capital	11,900		39
Tier 2 capital	40,769		54
Amount below the thresholds for deduction (before risk weighting)	173,398		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	42,299		
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	5,600		55
Amount below the thresholds for deduction (before risk weighting)	36,699		73

7. Other capital instruments

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	1,791,599		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	-		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	30,000		46