

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of September 30, 2015**

<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	9,762,329		
Call loans	129,838		
Receivables under resale agreements	125,947		
Receivables under securities borrowing transactions	335,832		
Monetary claims bought	103,612		
Trading assets	761,991		
Money held in trust	99		
Securities	5,976,965	6-a	
Loans and bills discounted	26,320,001	6-b	
Foreign exchanges	11,408		
Other assets	1,592,317	6-c	
Tangible fixed assets	199,454		
Intangible fixed assets	57,912	2	
Prepaid pension expenses	177,667	3	
Customers' liabilities for acceptances and guarantees	410,307		
Allowance for loan losses	(60,533)		
Total assets	45,905,154		

Items	Balance sheet	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	26,068,129		
Negotiable certificates of deposit	6,937,999		
Call money	856,462		
Payables under repurchase agreements	1,290,690		
Payables under securities lending transactions	73,951		
Trading liabilities	496,324		
Borrowed money ^(a)	2,310,990	7	
Foreign exchanges	111		
Short-term bonds payable	1,171,303		
Bonds payable	876,993		
Borrowed money from trust account	1,684,065		
Other liabilities	1,322,772	6-d	
Provision for bonuses	8,613		
Provision for retirement benefits	652		
Provision for reimbursement of deposits	3,424		
Provision for contingent loss	7,953		
Deferred tax liabilities	152,694	4-a	
Deferred tax liabilities for land revaluation	3,314	4-b	
Acceptances and guarantees	410,307		
Total liabilities	43,676,755		
(Net assets)			
Capital stock	342,037	1-a	
Capital surplus	492,252	1-b	
Retained earnings	926,967	1-c	
Total shareholders' equity	1,761,257		
Valuation difference on available-for-sale securities	475,883		
Deferred gains or losses on hedges	(8,104)	5	
Revaluation reserve for land	(638)		
Total valuation and translation adjustments	467,141		3
Total net assets	2,228,398		
Total liabilities and net assets	45,905,154		

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	926,967		1-c
Total shareholder's equity	1,761,257		

(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	1,761,383	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	927,094		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	57,912		2

Associated deferred tax liabilities	18,682	
-------------------------------------	--------	--

(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)	39,229		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	177,667		3
Associated deferred tax liabilities	57,315		

(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)	120,351		15

4. Deferred tax assets

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Deferred tax liabilities	152,694		4-a
Deferred tax liabilities for land revaluation	3,314		4-b
Associated intangible fixed assets	18,682		
Associated prepaid pension expenses	57,315		

(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	(8,104)		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	(4,336)	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	5,976,965		6-a
Loans and bills discounted	26,320,001	Including subordinated loans	6-b
Other assets	1,592,317	Including derivatives	6-c
Other liabilities	1,322,772	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	219,536		
Common Equity Tier 1 capital	7,720		18
Additional Tier 1 capital	3,477		39
Tier 2 capital	7,974		54
Amount below the thresholds for deduction (before risk weighting)	200,364		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	29,139		
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)	29,139		73

7. Other capital instruments

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	2,310,990		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	120,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	60,000		46