

**Explanation on reconciliation between balance sheet items and regulatory capital elements  
as of March 31, 2016**

<Sumitomo Mitsui Trust Bank, Limited.>

[Consolidated]

(Millions of yen)

Items	Consolidated balance sheet <sup>(a)</sup>	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Assets)			
Cash and due from banks	14,428,660		
Call loans and bills bought	505,252		
Receivables under resale agreements	110,377		
Receivables under securities borrowing transactions	326,457		
Monetary claims bought	889,445		
Trading assets	614,290		
Money held in trust	1,749	6-a	
Securities	4,815,901	2-b, 6-b	
Loans and bills discounted	26,740,793	6-c	
Foreign exchanges	17,223		
Lease receivables and investment assets	608,433		
Other assets	1,606,631	6-d	
Tangible fixed assets	232,549		
Buildings	73,447		
Land	135,464		
Lease assets	3,415		
Construction in progress	1,820		
Other	18,401		
Intangible fixed assets	184,293	2-a	
Software	68,884		
Goodwill	104,517		
Lease assets	212		
Other	10,678		
Assets for retirement benefits	91,225	3	
Deferred tax assets	27,084	4-a	
Customers' liabilities for acceptances and guarantees	503,742		
Allowance for loan losses	(90,829)		
Total assets	51,613,282		

Items	Consolidated balance sheet <sup>(a)</sup>	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	26,577,818		
Negotiable certificates of deposit	7,199,632		
Call money and bills sold	328,968		
Payables under repurchase agreements	653,456		
Trading liabilities	451,751		
Borrowed money	2,790,491	8	
Foreign exchanges	259		
Short-term bonds payable	1,253,207		
Bonds payable	864,857		
Borrowed money from trust account	7,026,326		
Other liabilities	1,241,345	6-e	
Provision for bonuses	15,765		
Provision for director's bonuses	255		
Liabilities for retirement benefits	12,996		
Provision for points	17,711		
Provision for reimbursement of deposits	3,676		
Provision for contingent loss	7,642		
Deferred tax liabilities	117,781	4-b	
Deferred tax liabilities for land revaluation	3,126	4-c	
Acceptances and guarantees	503,742		
<b>Total liabilities</b>	<b>49,070,812</b>		
(Net assets)			
Capital stock	342,037	1-a	
Capital surplus	492,097	1-b	
Retained earnings	1,106,603	1-c	
<b>Total shareholders' equity</b>	<b>1,940,738</b>		
Valuation difference on available-for-sale securities	484,079		
Deferred gains or losses on hedges	(13,196)	5	
Revaluation reserve for land	(697)		
Foreign currency translation adjustment	685		
Adjustments for retirement benefits	(59,804)		
<b>Total accumulated other comprehensive income</b>	<b>411,067</b>		3
Non-controlling interests	190,663	7	
<b>Total net assets</b>	<b>2,542,469</b>		
<b>Total liabilities and net assets</b>	<b>51,613,282</b>		

Note

(a) The regulatory scope of consolidation is the same as the accounting scope of consolidation.

## 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) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Capital stock	342,037		1-a
Capital surplus	492,097		1-b
Retained earnings	1,106,603		1-c
Total shareholder's equity	1,940,738		

#### (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	1,940,738	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	834,134		1a
of which: retained earnings	1,106,603		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) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Intangible fixed assets	184,293		2-a
Securities	4,815,901		2-b
of which: goodwill arising on the application of the equity method	786		

Associated deferred tax liabilities	23,864	
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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)	105,304		8
Other intangible assets (net of related deferred tax liabilities)	55,911		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) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Assets for retirement benefits	91,225		3

Associated deferred tax liabilities	27,940	
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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)	63,284		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	27,084		4-a
Deferred tax liabilities	117,781		4-b
Deferred tax liabilities for land revaluation	3,126		4-c

Associated intangible fixed assets	23,864	
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Associated assets for retirement benefits	27,940	
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(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 consolidated 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 consolidated 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) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred gains or losses on hedges	(13,196)		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	(8,336)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

6. Investments in the capital of financial entities

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Money held in trust	1,749		6-a
Securities	4,815,901		6-b
Loans and bills discounted	26,740,793	Including subordinated loans	6-c
Other assets	1,606,631	Including derivatives	6-d
Other liabilities	1,241,345	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	186,657		
Common Equity Tier 1 capital	-		18
Additional Tier 1 capital	-		39
Tier 2 capital	-		54
Amount below the thresholds for deduction (before risk weighting)	186,657		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	55,013		
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)	55,013		73

7. Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	190,663		7

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	-		5
Qualifying Additional Tier 1 instruments issued by special purpose vehicles	-		30-31ab-32
Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	10,281		34-35
Qualifying Tier 2 instruments issued by special purpose vehicles	-		46
Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	2,349		48-49

8. Other capital instruments

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	2,790,491		8

(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	90,000		46