

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

<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	14,130,060		
Call loans	505,252		
Receivables under resale agreements	110,377		
Receivables under securities borrowing transactions	326,457		
Monetary claims bought	108,506		
Trading assets	699,465		
Money held in trust	99		
Securities	5,311,214	6-a	
Loans and bills discounted	27,044,368	6-b	
Foreign exchanges	17,223		
Other assets	1,219,699	6-c	
Tangible fixed assets	200,688		
Buildings	65,425		
Land	114,766		
Lease assets	3,355		
Construction in progress	1,781		
Other	15,359		
Intangible fixed assets	69,867	2	
Software	65,490		
Lease assets	198		
Other	4,178		
Prepaid pension expenses	175,791	3	
Customers' liabilities for acceptances and guarantees	401,825		
Allowance for loan losses	(64,305)		
Total assets	50,256,590		

Items	Balance sheet	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	26,467,412		
Negotiable certificates of deposit	7,254,132		
Call money	385,283		
Payables under repurchase agreements	653,456		
Trading liabilities	451,751		
Borrowed money ^(a)	2,372,163	7	
Foreign exchanges	259		
Short-term bonds payable	903,142		
Bonds payable	855,857		
Borrowed money from trust account	7,026,326		
Other liabilities	1,029,798	6-d	
Provision for bonuses	9,249		
Provision for director's bonuses	110		
Provision for retirement benefits	667		
Provision for reimbursement of deposits	3,676		
Provision for contingent loss	7,642		
Deferred tax liabilities	145,445	4-a	
Deferred tax liabilities for land revaluation	3,126	4-b	
Acceptances and guarantees	401,825		
Total liabilities	47,971,327		
(Net assets)			
Capital stock	342,037	1-a	
Capital surplus	492,252	1-b	
Retained earnings	981,246	1-c	
Total shareholders' equity	1,815,536		
Valuation difference on available-for-sale securities	477,729		
Deferred gains or losses on hedges	(7,305)	5	
Revaluation reserve for land	(697)		
Total valuation and translation adjustments	469,727		3
Total net assets	2,285,263		
Total liabilities and net assets	50,256,590		

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	981,246		1-c
Total shareholder's equity	1,815,536		

(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	1,815,670	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	981,380		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	69,867		2

Associated deferred tax liabilities	21,393		
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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)	48,473		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	175,791		3

Associated deferred tax liabilities	53,827	
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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)	121,963		15

4. Deferred tax assets

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Deferred tax liabilities	145,445		4-a
Deferred tax liabilities for land revaluation	3,126		4-b

Associated intangible fixed assets	21,393	
Associated prepaid pension expenses	53,827	

(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	(7,305)		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	(2,445)	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	5,311,214		6-a
Loans and bills discounted	27,044,368	Including subordinated loans	6-b
Other assets	1,219,699	Including derivatives	6-c
Other liabilities	1,029,798	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	178,734		
Common Equity Tier 1 capital	-		18
Additional Tier 1 capital	-		39
Tier 2 capital	-		54
Amount below the thresholds for deduction (before risk weighting)	178,734		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	29,340		
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)	29,340		73

7. Other capital instruments

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	2,372,163		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	90,000		46