

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of September 30, 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	11,056,379		
Call loans	57,615		
Receivables under resale agreements	76,851		
Receivables under securities borrowing transactions	404,833		
Monetary claims bought	102,518		
Trading assets	829,474		
Money held in trust	99		
Securities	5,676,513	6-a	
Loans and bills discounted	27,174,398	6-b	
Foreign exchanges	11,021		
Other assets	1,494,847	6-c	
Tangible fixed assets	199,796		
Intangible fixed assets	83,987	2	
Prepaid pension expenses	167,930	3	
Customers' liabilities for acceptances and guarantees	338,713		
Allowance for loan losses	(61,336)		
Total assets	47,613,643		

Items	Balance sheet	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	27,542,755		
Negotiable certificates of deposit	5,485,137		
Call money	1,609,271		
Payables under repurchase agreements	1,589,543		
Payables under securities lending transactions	110,821		
Trading liabilities	474,176		
Borrowed money ^(a)	2,270,516	7	
Foreign exchanges	124		
Short-term bonds payable	511,828		
Bonds payable	732,631		
Borrowed money from trust account	3,427,540		
Other liabilities	1,099,767	6-d	
Provision for bonuses	8,328		
Provision for retirement benefits	672		
Provision for reimbursement of deposits	3,640		
Provision for contingent loss	7,425		
Deferred tax liabilities	129,475	4-a	
Deferred tax liabilities for land revaluation	3,111	4-b	
Acceptances and guarantees	338,713		
Total liabilities	45,345,484		
(Net assets)			
Capital stock	342,037	1-a	
Capital surplus	492,252	1-b	
Retained earnings	1,016,858	1-c	
Total shareholders' equity	1,851,148		
Valuation difference on available-for-sale securities	429,701		
Deferred gains or losses on hedges	(11,864)	5	
Revaluation reserve for land	(827)		
Total valuation and translation adjustments	417,010		3
Total net assets	2,268,158		
Total liabilities and net assets	47,613,643		

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	1,016,858		1-c
Total shareholder's equity	1,851,148		

(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	1,851,280	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	1,016,991		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	83,987		2

Associated deferred tax liabilities	25,717	
-------------------------------------	--------	--

(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)	58,270		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	167,930		3
Associated deferred tax liabilities	51,420		

(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)	116,510		15

4. Deferred tax assets

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Deferred tax liabilities	129,475		4-a
Deferred tax liabilities for land revaluation	3,111		4-b
Associated intangible fixed assets	25,717		
Associated prepaid pension expenses	51,420		

(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	(11,864)		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	(6,417)	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	5,676,513		6-a
Loans and bills discounted	27,174,398	Including subordinated loans	6-b
Other assets	1,494,847	Including derivatives	6-c
Other liabilities	1,099,767	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	207,938		
Common Equity Tier 1 capital	1,108		18
Additional Tier 1 capital	242		39
Tier 2 capital	1,697		54
Amount below the thresholds for deduction (before risk weighting)	204,889		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	41,895		
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)	41,895		73

7. Other capital instruments

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	2,270,516		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	220,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	90,000		46