

**Explanation on reconciliation between balance sheet items and regulatory capital elements  
as of September 30, 2016**

<Sumitomo Mitsui Trust Holdings, Inc.>

[Consolidated]

(Millions of yen)

Items	Consolidated balance sheet (a)	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Assets)			
Cash and due from banks	21,293,558		
Call loans and bills bought	147,615		
Receivables under resale agreements	76,851		
Receivables under securities borrowing transactions	404,833		
Monetary claims bought	651,845		
Trading assets	752,131		
Money held in trust	1,586	6-a	
Securities	5,285,173	2-b, 6-b	
Loans and bills discounted	27,411,347	6-c	
Foreign exchanges	11,021		
Lease receivables and investment assets	639,388		
Other assets	1,911,881	6-d	
Tangible fixed assets	225,877		
Intangible fixed assets	210,726	2-a	
Assets for retirement benefits	97,883	3	
Deferred tax assets	23,342	4-a	
Customers' liabilities for acceptances and guarantees	423,525		
Allowance for loan losses	(88,839)		
<b>Total assets</b>	<b>59,479,751</b>		

Items	Consolidated balance sheet (a)	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	32,829,968		
Negotiable certificates of deposit	5,286,937		
Call money and bills sold	1,268,711		
Payables under repurchase agreements	1,589,543		
Payables under securities lending transactions	110,821		
Trading liabilities	474,176		
Borrowed money	2,324,354		
Foreign exchanges	124		
Short-term bonds payable	946,503		
Bonds payable	1,043,764	8	
Borrowed money from trust account	9,001,840		
Other liabilities	1,313,981	6-e	
Provision for bonuses	13,511		
Provision for director's bonuses	60		
Liabilities for retirement benefits	14,104		
Provision for points	17,407		
Provision for reimbursement of deposits	3,640		
Provision for contingent losses	7,425		
Deferred tax liabilities	110,491	4-b	
Deferred tax liabilities for land revaluation	3,111	4-c	
Acceptances and guarantees	423,525		
<b>Total liabilities</b>	<b>56,784,006</b>		
(Net assets)			
Capital stock	261,608	1-a	
Capital surplus	645,048	1-b	
Retained earnings	1,150,155	1-c	
Treasury stock	(34,025)	1-d	
<b>Total shareholders' equity</b>	<b>2,022,786</b>		
Valuation difference on available-for-sale securities	419,354		
Deferred gains or losses on hedges	(20,957)	5	
Revaluation reserve for land	(5,852)		
Foreign currency translation adjustment	(11,140)		
Adjustments for retirement benefits	(36,158)		
<b>Total accumulated other comprehensive income</b>	<b>345,246</b>		3
Subscription rights to shares	584		1b
Non-controlling interests	327,126	7	
<b>Total net assets</b>	<b>2,695,744</b>		
<b>Total liabilities and net assets</b>	<b>59,479,751</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" 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	261,608		1-a
Capital surplus	645,048		1-b
Retained earnings	1,150,155		1-c
Treasury stock	(34,025)		1-d
Total shareholder's equity	2,022,786		

#### (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	2,022,786	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	906,657		1a
of which: retained earnings	1,150,155		2
of which: treasury stock (deduction)	34,025		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	210,726		2-a
Securities	5,285,173		2-b
of which: goodwill arising on the application of the equity method	11,980		

Associated deferred tax liabilities	34,951	
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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)	107,089		8
Other intangible assets (net of related deferred tax liabilities)	80,665		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	97,883		3

Associated deferred tax liabilities	29,980	
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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)	67,903		15

### 4. Deferred tax assets

#### (1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	23,342		4-a
Deferred tax liabilities	110,491		4-b
Deferred tax liabilities for land revaluation	3,111		4-c

Associated intangible fixed assets	34,951	
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Associated assets for retirement benefits	29,980	
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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)	721	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) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred gains or losses on hedges	(20,957)		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	(15,509)	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	1,586		6-a
Securities	5,285,173		6-b
Loans and bills discounted	27,411,347	Including subordinated loans	6-c
Other assets	1,911,881	Including derivatives	6-d
Other liabilities	1,313,981	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	5		
Common Equity Tier 1 capital	5		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	218,622		
Common Equity Tier 1 capital	4,235		18
Additional Tier 1 capital	821		39
Tier 2 capital	5,811		54
Amount below the thresholds for deduction (before risk weighting)	207,754		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	65,590		
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)	65,590		73

7. Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	327,126		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)	2,109		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)	11,215		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)	3,056		48-49

8. Other capital instruments

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Bonds payable	1,043,764		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	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