

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of September 30, 2017**

<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	15,461,093		
Call loans	99,904		
Receivables under resale agreements	75,310		
Receivables under securities borrowing transactions	615,975		
Monetary claims bought	73,168		
Trading assets	626,316		
Money held in trust	99		
Securities	5,642,612	6-a	
Loans and bills discounted	28,226,793	6-b	
Foreign exchanges	32,772		
Other assets	1,600,731	6-c	
Tangible fixed assets	199,021		
Intangible fixed assets	68,825	2	
Prepaid pension expenses	157,689	3	
Customers' liabilities for acceptances and guarantees	377,849		
Allowance for loan losses	(79,405)		
Total assets	53,178,760		

Items	Balance sheet	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	29,202,613		
Negotiable certificates of deposit	7,172,838		
Call money	1,715,595		
Payables under repurchase agreements	1,624,326		
Payables under securities lending transactions	11,881		
Trading liabilities	345,958		
Borrowed money ^(a)	4,534,859	7	
Foreign exchanges	358		
Short-term bonds payable	211,360		
Bonds payable	1,095,085		
Borrowed money from trust account	3,447,144		
Other liabilities	937,606	6-d	
Provision for bonuses	8,299		
Provision for retirement benefits	706		
Provision for reimbursement of deposits	3,593		
Provision for contingent loss	8,545		
Deferred tax liabilities	161,412	4-a	
Deferred tax liabilities for land revaluation	3,016	4-b	
Acceptances and guarantees	377,849		
Total liabilities	50,863,052		
(Net assets)			
Capital stock	342,037	1-a	
Capital surplus	456,233	1-b	
Retained earnings	1,030,050	1-c	
Total shareholders' equity	1,828,321		
Valuation difference on available-for-sale securities	505,551		
Deferred gains or losses on hedges	(16,784)	5	
Revaluation reserve for land	(1,381)		
Total valuation and translation adjustments	487,385		3
Total net assets	2,315,707		
Total liabilities and net assets	53,178,760		

Note

(a) Borrowed money includes ¥110,000 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	456,233		1-b
Retained earnings	1,030,050		1-c
Total shareholder's equity	1,828,321		

(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	1,828,419	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	798,270		1a
of which: retained earnings	1,030,148		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	68,825		2

Associated deferred tax liabilities	21,074	
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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)	47,751		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	157,689		3
Associated deferred tax liabilities	48,284		

(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)	109,405		15

4. Deferred tax assets

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Deferred tax liabilities	161,412		4-a
Deferred tax liabilities for land revaluation	3,016		4-b
Associated intangible fixed assets	21,074		
Associated prepaid pension expenses	48,284		

(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	(16,784)		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	(14,743)	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	5,642,612		6-a
Loans and bills discounted	28,226,793	Including subordinated loans	6-b
Other assets	1,600,731	Including derivatives	6-c
Other liabilities	937,606	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	188,878		
Common Equity Tier 1 capital	-		18
Additional Tier 1 capital	-		39
Tier 2 capital	-		54
Amount below the thresholds for deduction (before risk weighting)	188,878		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	53,026		
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)	53,026		73

7. Other capital instruments

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	4,534,859		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	290,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	180,000		46