

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of December 31, 2017**

<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	24,929,267		
Call loans and bills bought	185,397		
Receivables under resale agreements	67,574		
Receivables under securities borrowing transactions	754,502		
Monetary claims bought	764,405		
Trading assets	477,606		
Money held in trust	1,469		
Securities	5,557,409	2-b, 6-a	
Loans and bills discounted	28,187,368	6-b	
Foreign exchanges	29,843		
Lease receivables and investment assets	677,036		
Other assets	1,661,982	6-c	
Tangible fixed assets	217,647		
Intangible fixed assets	208,781	2-a	
Assets for retirement benefits	130,341	3	
Deferred tax assets	22,197	4-a	
Customers' liabilities for acceptances and guarantees	446,729		
Allowance for loan losses	(105,521)		
Total assets	64,214,040		

Items	Consolidated balance sheet (a)	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	34,055,313		
Negotiable certificates of deposit	6,237,172		
Call money and bills sold	1,892,779		
Payables under repurchase agreements	1,500,252		
Payables under securities lending transactions	30,736		
Trading liabilities	309,509		
Borrowed money	4,581,955	8-a	
Foreign exchanges	998		
Short-term bonds payable	768,476		
Bonds payable	1,601,982	8-b	
Borrowed money from trust account	8,785,743		
Other liabilities	943,368	6-d	
Provision for bonuses	7,225		
Provision for director's bonuses	90		
Liabilities for retirement benefits	14,603		
Provision for points	17,419		
Provision for reimbursement of deposits	3,593		
Provision for contingent losses	6,654		
Deferred tax liabilities	172,624	4-b	
Deferred tax liabilities for land revaluation	3,016	4-c	
Acceptances and guarantees	446,729		
Total liabilities	61,380,246		
(Net assets)			
Capital stock	261,608	1-a	
Capital surplus	645,016	1-b	
Retained earnings	1,232,557	1-c	
Treasury stock	(42,217)	1-d	
Total shareholders' equity	2,096,965		
Valuation difference on available-for-sale securities	525,658		
Deferred gains or losses on hedges	(23,296)	5	
Revaluation reserve for land	(6,381)		
Foreign currency translation adjustment	7,153		
Adjustments for retirement benefits	(15,982)		
Total accumulated other comprehensive income	487,152		3
Subscription rights to shares	800		1b
Non-controlling interests	248,876	7	
Total net assets	2,833,794		
Total liabilities and net assets	64,214,040		

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	645,016		1-b
Retained earnings	1,232,557		1-c
Treasury stock	(42,217)		1-d
Total shareholder's equity	2,096,965		

(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	2,096,965	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	906,625		1a
of which: retained earnings	1,232,557		2
of which: treasury stock (deduction)	42,217		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	208,781		2-a
Securities	5,557,409		2-b
of which: goodwill arising on the application of the equity method	9,898		

Associated deferred tax liabilities	37,681	
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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)	93,363		8
Other intangible assets (net of related deferred tax liabilities)	87,634		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	130,341		3

Associated deferred tax liabilities	39,920	
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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)	90,421		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	22,197		4-a
Deferred tax liabilities	172,624		4-b
Deferred tax liabilities for land revaluation	3,016		4-c

Associated intangible fixed assets	37,681	
Associated assets for retirement benefits	39,920	

(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)	45	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	(23,296)		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	(21,400)	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.
Securities	5,557,409		6-a
Loans and bills discounted	28,187,368	Including subordinated loans	6-b
Other assets	1,661,982	Including derivatives	6-c
Other liabilities	943,368	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	115		
Common Equity Tier 1 capital	115		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	213,198		
Common Equity Tier 1 capital	-		18
Additional Tier 1 capital	-		39
Tier 2 capital	-		54
Amount below the thresholds for deduction (before risk weighting)	213,198		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	85,734		
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)	85,734		73

7. Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	248,876		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)	1,989	Maximum amount (after accounting for adjustments for non-controlling interests)	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)	12,519	Maximum amount (after accounting for adjustments for non-controlling interests)	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)	3,234	Maximum amount (after accounting for adjustments for non-controlling interests)	48-49

8. Other capital instruments

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	4,581,955		8-a
Bonds payable	1,601,982		8-b

(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	220,000		46