

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of March 31, 2018**

<Sumitomo Mitsui Trust Bank, Limited>

[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	15,661,926		
Call loans and bills bought	92,951		
Receivables under resale agreements	63,531		
Receivables under securities borrowing transactions	624,048		
Monetary claims bought	955,938		
Trading assets	363,294		
Money held in trust	1,357		
Securities	5,523,148	2-b, 6-a	
Loans and bills discounted	28,000,640	6-b	
Foreign exchanges	25,554		
Lease receivables and investment assets	677,238		
Other assets	1,826,996	6-c	
Tangible fixed assets	221,961		
Buildings	72,597		
Land	126,297		
Lease assets	4,713		
Construction in progress	88		
Other	18,264		
Intangible fixed assets	178,131	2-a	
Software	84,971		
Goodwill	84,537		
Lease assets	2		
Other	8,620		
Assets for retirement benefits	162,960	3	
Deferred tax assets	25,098	4-a	
Customers' liabilities for acceptances and guarantees	508,930		
Allowance for loan losses	(102,903)		
Total assets	54,810,805		

Items	Consolidated balance sheet ^(a)	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	29,537,135		
Negotiable certificates of deposit	6,616,336		
Call money and bills sold	436,931		
Payables under repurchase agreements	1,454,855		
Payables under securities lending transactions	41,299		
Trading liabilities	266,148		
Borrowed money	4,870,083	8	
Foreign exchanges	1,984		
Short-term bonds payable	1,062,869		
Bonds payable	969,966		
Borrowed money from trust account	5,172,463		
Other liabilities	919,098	6-d	
Provision for bonuses	16,023		
Provision for director's bonuses	276		
Liabilities for retirement benefits	13,048		
Provision for points	18,457		
Provision for reimbursement of deposits	3,548		
Provision for contingent loss	4,628		
Deferred tax liabilities	176,113	4-b	
Deferred tax liabilities for land revaluation	3,016	4-c	
Acceptances and guarantees	508,930		
Total liabilities	52,093,216		
(Net assets)			
Capital stock	342,037	1-a	
Capital surplus	455,988	1-b	
Retained earnings	1,266,419	1-c	
Total shareholders' equity	2,064,444		
Valuation difference on available-for-sale securities	531,047		
Deferred gains or losses on hedges	(22,773)	5	
Revaluation reserve for land	(1,412)		
Foreign currency translation adjustment	2,166		
Adjustments for retirement benefits	677		
Total accumulated other comprehensive income	509,704		3
Non-controlling interests	143,439	7	
Total net assets	2,717,588		
Total liabilities and net assets	54,810,805		

Note

(a) The regulatory scope of consolidation is the same as the accounting scope of consolidation.

Appendix

Note: Amounts in the "Composition of capital" exclude items for regulatory purpose under transitional arrangement.

1.Shareholder's equity

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Capital stock	342,037		1-a
Capital surplus	455,988		1-b
Retained earnings	1,266,419		1-c
Total shareholder's equity	2,064,444		

(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	2,064,444	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	798,025		1a
of which: retained earnings	1,266,419		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) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Intangible fixed assets	178,131		2-a
Securities	5,523,148		2-b
of which: goodwill arising on the application of the equity method	8,661		

Associated deferred tax liabilities	28,040	
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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)	93,198		8
Other intangible assets (net of related deferred tax liabilities)	65,554		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	162,960		3

Associated deferred tax liabilities	49,908	
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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)	113,051		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	25,098		4-a
Deferred tax liabilities	176,113		4-b
Deferred tax liabilities for land revaluation	3,016		4-c

Associated intangible fixed assets	28,040	
Associated assets for retirement benefits	49,908	

(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)	287	This item does not agree with the amount reported on the consolidated 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 consolidated 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	(22,773)		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	(20,893)	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	5,523,148		6-a
Loans and bills discounted	28,000,640	Including subordinated loans	6-b
Other assets	1,826,996	Including derivatives	6-c
Other liabilities	919,098	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	185,288		
Common Equity Tier 1 capital	-		18
Additional Tier 1 capital	-		39
Tier 2 capital	-		54
Amount below the thresholds for deduction (before risk weighting)	185,288		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	87,607		
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)	87,607		73

7. Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	143,439		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)	-		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)	12,127		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)	2,626		48-49

8. Other capital instruments

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	4,870,083		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	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