

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

<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	15,408,170		
Call loans	92,951		
Receivables under resale agreements	63,531		
Receivables under securities borrowing transactions	624,048		
Monetary claims bought	67,769		
Trading assets	470,899		
Money held in trust	99		
Securities	5,972,337	6-a	
Loans and bills discounted	28,259,093	6-b	
Foreign exchanges	25,554		
Other assets	1,428,871	6-c	
Tangible fixed assets	198,328		
Buildings	65,183		
Land	113,911		
Lease assets	4,694		
Construction in progress	82		
Other	14,455		
Intangible fixed assets	66,969	2	
Software	63,367		
Other	3,601		
Prepaid pension expenses	161,208	3	
Customers' liabilities for acceptances and guarantees	398,773		
Allowance for loan losses	(77,169)		
Total assets	53,161,437		

Items	Balance sheet	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	29,392,255		
Negotiable certificates of deposit	6,758,936		
Call money	494,864		
Payables under repurchase agreements	1,454,855		
Payables under securities lending transactions	41,299		
Trading liabilities	266,148		
Borrowed money ^(a)	4,367,179	7	
Foreign exchanges	1,984		
Short-term bonds payable	605,290		
Bonds payable	944,966		
Borrowed money from trust account	5,172,463		
Other liabilities	695,820	6-d	
Provision for bonuses	8,923		
Provision for director's bonuses	78		
Provision for retirement benefits	724		
Provision for reimbursement of deposits	3,548		
Provision for contingent loss	4,628		
Deferred tax liabilities	173,412	4-a	
Deferred tax liabilities for land revaluation	3,016	4-b	
Acceptances and guarantees	398,773		
Total liabilities	50,789,170		
(Net assets)			
Capital stock	342,037	1-a	
Capital surplus	456,233	1-b	
Retained earnings	1,067,688	1-c	
Total shareholders' equity	1,865,959		
Valuation difference on available-for-sale securities	525,874		
Deferred gains or losses on hedges	(18,154)	5	
Revaluation reserve for land	(1,412)		
Total valuation and translation adjustments	506,307		3
Total net assets	2,372,266		
Total liabilities and net assets	53,161,437		

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" exclude items for regulatory purpose under transitional arrangement.

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	1,067,688		1-c
Total shareholder's equity	1,865,959		

(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	1,866,058	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	1,067,787		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	66,969		2

Associated deferred tax liabilities	20,505	
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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)	46,463		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	161,208		3

Associated deferred tax liabilities	49,362	
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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)	111,846		15

4. Deferred tax assets

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Deferred tax liabilities	173,412		4-a
Deferred tax liabilities for land revaluation	3,016		4-b

Associated intangible fixed assets	20,505	
Associated prepaid pension expenses	49,362	

(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	(18,154)		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	(16,274)	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	5,972,337		6-a
Loans and bills discounted	28,259,093	Including subordinated loans	6-b
Other assets	1,428,871	Including derivatives	6-c
Other liabilities	695,820	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	179,485		
Common Equity Tier 1 capital	-		18
Additional Tier 1 capital	-		39
Tier 2 capital	-		54
Amount below the thresholds for deduction (before risk weighting)	179,485		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	52,960		
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)	52,960		73

7. Other capital instruments

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	4,367,179		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	220,000		46