

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of September 30, 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	16,413,891		
Call loans	65,103		
Receivables under resale agreements	32,319		
Receivables under securities borrowing transactions	726,971		
Monetary claims bought	56,455		
Trading assets	406,180		
Money held in trust	99		
Securities	6,583,179	6-a	
Loans and bills discounted	28,870,898	6-b	
Foreign exchanges	29,651		
Other assets	1,503,743	6-c	
Tangible fixed assets	193,853		
Intangible fixed assets	65,478	2	
Prepaid pension expenses	165,758	3	
Customers' liabilities for acceptances and guarantees	390,766		
Allowance for loan losses	(61,147)		
Total assets	55,443,203		

Items	Balance sheet	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	30,717,721		
Negotiable certificates of deposit	7,131,640		
Call money	666,992		
Payables under repurchase agreements	1,789,950		
Payables under securities lending transactions	115,094		
Trading liabilities	224,905		
Borrowed money	4,306,957	7	
Foreign exchanges	18,837		
Short-term bonds payable	839,757		
Bonds payable	955,857		
Borrowed money from trust account	4,963,929		
Other liabilities	773,106	6-d	
Provision for bonuses	8,462		
Provision for retirement benefits	726		
Provision for reimbursement of deposits	3,858		
Provision for contingent losses	1,549		
Deferred tax liabilities	170,493	4-a	
Deferred tax liabilities for land revaluation	2,864	4-b	
Acceptances and guarantees	390,766		
Total liabilities	53,083,471		
(Net assets)			
Capital stock	342,037	1-a	
Capital surplus	410,200	1-b	
Retained earnings	1,128,923	1-c	
Total shareholders' equity	1,881,161		
Valuation difference on available-for-sale securities	488,415		
Deferred gains or losses on hedges	(8,048)	5	
Revaluation reserve for land	(1,796)		
Total valuation and translation adjustments	478,570		
Total net assets	2,359,732		
Total liabilities and net assets	55,443,203		

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Appendix

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

1.Shareholders' equity

(1) Balance sheet (Millions of yen)

Balance sheet items	Amount	Remarks	Ref. No.
Capital stock	342,037		1-a
Capital surplus	410,200		1-b
Retained earnings	1,128,923		1-c
Total shareholders' equity	1,881,161		

(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	1,881,161	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	752,237		1a
of which: retained earnings	1,128,923		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	65,478		2

Associated deferred tax liabilities	20,049		
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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)	45,428	Excluding goodwill, mortgage servicing rights (software, etc.)	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	165,758		3

Associated deferred tax liabilities	50,755	
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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 (prepaid pension expenses) (net of related deferred tax liabilities)	115,003		15

4. Deferred tax assets

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Deferred tax liabilities	170,493		4-a
Deferred tax liabilities for land revaluation	2,864		4-b

Associated intangible fixed assets	20,049	
Associated prepaid pension expenses	50,755	

(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	(8,048)		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	(7,191)	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	6,583,179		6-a
Loans and bills discounted	28,870,898	Including subordinated loans	6-b
Other assets	1,503,743	Including derivatives	6-c
Other liabilities	773,106	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	165,401		
Common Equity Tier 1 capital	-		18
Additional Tier 1 capital	-		39
Tier 2 capital	-		54
Amount below the thresholds for deduction (before risk weighting)	165,401		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	64,449		
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	1,540		55
Amount below the thresholds for deduction (before risk weighting)	62,909		73

7. Other capital instruments

(1) Balance sheet

Balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	4,306,957		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	340,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	270,000		46