

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of March 31, 2019**

<Sumitomo Mitsui Trust Bank, Limited>

[Non-consolidated]

(Millions of yen)

CC2:Reconciliation of regulatory capital to balance sheet				
Items	a	b	c	d
	Non-consolidated balance sheet	Under regulatory scope of consolidation	Ref. No.of Composition of capital	Ref. No. of appendix
(Assets)				
Cash and due from banks	15,831,242	15,831,243		
Call loans	50,124	50,124		
Receivables under resale agreements	158,734	158,734		
Receivables under securities borrowing transactions	759,812	759,812		
Monetary claims bought	56,403	56,403		
Trading assets	543,587	543,587		
Money held in trust	99	99		
Securities	6,091,898	6,091,897		6-a
Loans and bills discounted	29,404,142	29,404,142		6-b
Foreign exchanges	36,936	36,936		
Other assets	1,548,827	1,548,827		6-c
Tangible fixed assets	195,414	195,414		
Intangible fixed assets	65,607	65,607		2
Prepaid pension expenses	170,685	170,685		3
Customers' liabilities for acceptances and guarantees	385,467	385,467		
Allowance for loan losses	(75,211)	(75,211)		
Total assets	55,223,770	55,223,770		

CC2:Reconciliation of regulatory capital to balance sheet				
Items	a	b	c	d
	Non-consolidated balance sheet	Under regulatory scope of consolidation	Ref. No.of Composition of capital	Ref. No. of appendix
(Liabilities)				
Deposits	31,744,181	31,744,181		
Negotiable certificates of deposit	6,546,222	6,546,222		
Call money	132,317	132,317		
Payables under repurchase agreements	1,603,191	1,603,191		
Payables under securities lending transactions	104,767	104,767		
Trading liabilities	258,771	258,771		
Borrowed money	4,101,951	4,101,951		7
Foreign exchanges	35,009	35,009		
Short-term bonds payable	949,302	949,302		
Bonds payable	727,834	727,834		
Borrowed money from trust account	5,408,009	5,408,009		
Other liabilities	777,043	777,043		6-d
Provision for bonuses	9,026	9,026		
Provision for directors' bonuses	84	84		
Provision for retirement benefits	721	721		
Provision for reimbursement of deposits	5,250	5,250		
Provision for contingent losses	3,465	3,465		
Deferred tax liabilities	156,466	156,466		4-a
Deferred tax liabilities for land revaluation	2,847	2,847		4-b
Acceptances and guarantees	385,467	385,467		
Total liabilities	52,951,932	52,951,932		
(Net assets)				
Capital stock	342,037	342,037		1-a
Capital surplus	391,610	391,610		1-b
Retained earnings	1,095,962	1,095,962		1-c
Total shareholders' equity	1,829,610	1,829,610		
Valuation difference on available-for-sale securities	475,633	475,633		
Deferred gains or losses on hedges	(31,061)	(31,061)		5
Revaluation reserve for land	(2,345)	(2,345)		
Foreign currency translation adjustment	-	(0)		
Total valuation and translation adjustments	442,227	442,226	(a)	
Total net assets	2,271,838	2,271,837		
Total liabilities and net assets	55,223,770	55,223,770		

Appendix

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

1.Shareholders' equity

(1) Non-consolidated balance sheet

(Millions of yen)

Non-consolidated balance sheet items	Amount	Remarks	Ref. No.
Capital stock	342,037		1-a
Capital surplus	391,610		1-b
Retained earnings	1,095,962		1-c
Total shareholders' equity	1,829,610		

(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	1,829,610	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	733,648		1a
of which: retained earnings	1,095,962		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) Non-consolidated balance sheet

Non-consolidated balance sheet items	Amount	Remarks	Ref. No.
Intangible fixed assets	65,607		2
Associated deferred tax liabilities	20,088		

(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)	45,518	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) Non-consolidated balance sheet

Non-consolidated balance sheet items	Amount	Remarks	Ref. No.
Prepaid pension expenses	170,685		3

Associated deferred tax liabilities	52,263	
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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)	118,421		15

4. Deferred tax assets

(1) Non-consolidated balance sheet

Non-consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax liabilities	156,466		4-a
Deferred tax liabilities for land revaluation	2,847		4-b

Associated intangible fixed assets	20,088	
Associated prepaid pension expenses	52,263	

(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) Non-consolidated balance sheet

Non-consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred gains or losses on hedges	(31,061)		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	(26,048)	Excluding those items whose valuation differences arising from hedged items are recognized as "Valuation and translation adjustments"	11

6. Investments in the capital and other TLAC liabilities of financial entities

(1) Non-consolidated balance sheet

Non-consolidated balance sheet items	Amount	Remarks	Ref. No.
Securities	6,091,898		6-a
Loans and bills discounted	29,404,142	Including subordinated debts	6-b
Other assets	1,548,827	Including derivatives	6-c
Other liabilities	777,043	Including derivatives	6-d

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Investments in own capital	-		
Common Equity Tier 1 capital	-		16
Additional Tier 1 capital	-		37
Tier 2 capital	-		52
Reciprocal cross-holdings in the capital and other TLAC liabilities	-		
Common Equity Tier 1 capital	-		17
Additional Tier 1 capital	-		38
Tier 2 capital and other TLAC liabilities	-		53
Investments in the capital and other TLAC liabilities 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	121,742		
Common Equity Tier 1 capital	-		18
Additional Tier 1 capital	-		39
Tier 2 capital and other TLAC liabilities	-		54
Amount below the thresholds for deduction (before risk weighting)	121,742		72
Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	64,465		
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 and other TLAC liabilities	1,540		55
Amount below the thresholds for deduction (before risk weighting)	62,925		73

7. Other capital instruments

(1) Non-consolidated balance sheet

Non-consolidated balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	4,101,951		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