

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

<Sumitomo Mitsui Trust Holdings, Inc.>

[Consolidated]

(Millions of yen)

CC2:Reconciliation of regulatory capital to balance sheet			
Items	a	c	d
	Consolidated balance sheet	Ref. No.of Composition of capital	Ref. No. of appendix
(Assets)			
Cash and due from banks	13,833,327		
Call loans and bills bought	43,694		
Receivables under resale agreements	156,709		
Receivables under securities borrowing transactions	750,752		
Monetary claims bought	850,101		
Trading assets	379,559		
Money held in trust	6,458		
Securities	6,237,305		3-b,7-a
Loans and bills discounted	29,701,737		7-b
Foreign exchanges	46,266		
Lease receivables and investment assets	659,671		
Other assets	1,689,394		7-c
Tangible fixed assets	212,904		
Intangible fixed assets	152,439		3-a
Assets for retirement benefits	155,821		4
Deferred tax assets	11,929		5-a
Customers' liabilities for acceptances and guarantees	549,601		
Allowance for loan losses	(90,715)		
Total assets	55,346,961		

CC2:Reconciliation of regulatory capital to balance sheet			
Items	a	c	d
	Consolidated balance sheet	Ref. No.of Composition of capital	Ref. No. of appendix
(Liabilities)			
Deposits	30,942,608		
Negotiable certificates of deposit	6,386,147		
Call money and bills sold	803,528		
Payables under repurchase agreements	1,918,135		
Payables under securities lending transactions	58,772		
Trading liabilities	265,603		
Borrowed money	4,116,967		9-a
Foreign exchanges	355		
Short-term bonds payable	1,892,166		
Bonds payable	1,127,345		9-b
Borrowed money from trust account	3,536,214		
Other liabilities	885,249		7-d
Provision for bonuses	8,135		
Provision for directors' bonuses	41		
Provision for stocks payment	209		
Liabilities for retirement benefits	14,151		
Provision for reward points program	17,465		
Provision for reimbursement of deposits	4,275		
Provision for contingent losses	1,364		
Deferred tax liabilities	115,543		5-b
Deferred tax liabilities for land revaluation	2,455		5-c
Acceptances and guarantees	549,601		
Total liabilities	52,646,339		
(Net assets)			
Capital stock	261,608		1-a
Capital surplus	580,595		1-b
Retained earnings	1,485,937		1-c
Treasury stock	(2,856)		1-d
Total shareholders' equity	2,325,285		
Valuation differences on available-for-sale securities	406,089		
Deferred gains (losses) on hedges	(45,964)		6
Revaluation reserve for land	(6,587)		
Foreign currency translation adjustments	3,836		
Adjustments for retirement benefits	(18,134)		
Total accumulated other comprehensive income	339,238	(a)	
Subscription rights to shares	1,059		2
Non-controlling interests	35,037		8
Total net assets	2,700,621		
Total liabilities and net assets	55,346,961		

Note: 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.Shareholders' equity

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Capital stock	261,608		1-a
Capital surplus	580,595		1-b
Retained earnings	1,485,937		1-c
Treasury stock	(2,856)		1-d
Total shareholders' equity	2,325,285		

(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	2,325,285	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	842,204		1a
of which: retained earnings	1,485,937		2
of which: treasury stock (deduction)	2,856		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.Subscription rights to shares

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Subscription rights to shares	1,059		2
of which: Subscription rights to shares issued by the bank holding company	1,059		

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Subscription rights to common shares	1,059		1b
Subscription rights to Additional Tier 1 instruments	-		31b
Subscription rights to Tier 2 instruments	-		46

3.Intangible assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Intangible fixed assets	152,439		3-a
Securities	6,237,305		3-b
of which: goodwill arising on the application of the equity method	4,154		
Associated deferred tax liabilities	29,484		

(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)	57,871		8
Other intangible assets (net of related deferred tax liabilities)	69,238	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

4.Defined-benefit pension fund net assets (assets for retirement benefits)

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Assets for retirement benefits	155,821		4
Associated deferred tax liabilities	47,724		

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Defined-benefit pension fund net assets (assets for retirement benefits) (net of related deferred tax liabilities)	108,096		15

5. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	11,929		5-a
Deferred tax liabilities	115,543		5-b
Deferred tax liabilities for land revaluation	2,455		5-c
Associated intangible fixed assets	29,484		
Associated assets for retirement benefits	47,724		

(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)	959	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

6. Deferred gains or losses on hedges

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred gains (losses) on hedges	(45,964)		6

(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	(39,978)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

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

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Securities	6,237,305		7-a
Loans and bills discounted	29,701,737	Including subordinated debts	7-b
Other assets	1,689,394	Including derivatives	7-c
Other liabilities	885,249	Including derivatives	7-d

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Investments in own capital	50		
Common Equity Tier 1 capital	50		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	132,990		
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)	132,990		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	149,792		
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)	148,252		73

8. Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	35,037		8

(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)	-	After reflecting amounts eligible for inclusion (after non-controlling interest adjustments)	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)	12,692	After reflecting amounts eligible for inclusion (after non-controlling interest adjustments)	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)	2,668	After reflecting amounts eligible for inclusion (after non-controlling interest adjustments)	48-49

9. Other capital instruments

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	4,116,967		9-a
Bonds payable	1,127,345		9-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	340,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	308,078		46