

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of September 30, 2020**

<Sumitomo Mitsui Trust Bank, Limited>
[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	17,445,206		
Call loans and bills bought	21,818		
Receivables under resale agreements	145,010		
Receivables under securities borrowing transactions	779,616		
Monetary claims bought	760,573		
Trading assets	462,094		
Money held in trust	1,343		
Securities	6,641,471		2-b,6-a
Loans and bills discounted	30,140,335		6-b
Foreign exchanges	46,173		
Lease receivables and investment assets	666,424		
Other assets	1,679,190		6-c
Tangible fixed assets	220,156		
Intangible fixed assets	100,545		2-a
Assets for retirement benefits	98,594		3
Deferred tax assets	28,304		4-a
Customers' liabilities for acceptances and guarantees	520,768		
Allowance for loan losses	(124,896)		
Total assets	59,632,732		

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	34,100,465		
Negotiable certificates of deposit	7,117,204		
Call money and bills sold	24,348		
Payables under repurchase agreements	1,379,058		
Trading liabilities	325,463		
Borrowed money	6,231,590		8
Foreign exchanges	1,866		
Short-term bonds payable	2,532,452		
Bonds payable	597,082		
Borrowed money from trust account	3,517,414		
Other liabilities	914,733		6-d
Provision for bonuses	11,031		
Provision for directors' bonuses	-		
Provision for stocks payment	302		
Liabilities for retirement benefits	12,116		
Provision for reward points program	16,707		
Provision for reimbursement of deposits	4,415		
Provision for contingent losses	1,455		
Deferred tax liabilities	64,293		4-b
Deferred tax liabilities for land revaluation	2,439		4-c
Acceptances and guarantees	520,768		
Total liabilities	57,375,211		
(Net assets)			
Capital stock	342,037		1-a
Capital surplus	342,853		1-b
Retained earnings	1,315,648		1-c
Total shareholders' equity	2,000,539		
Valuation differences on available-for-sale securities	360,751		
Deferred gains (losses) on hedges	(58,318)		5
Revaluation reserve for land	(3,901)		
Foreign currency translation adjustments	(3,527)		
Adjustments for retirement benefits	(65,143)		
Total accumulated other comprehensive income	229,860	(a)	
Non-controlling interests	27,120		7
Total net assets	2,257,520		
Total liabilities and net assets	59,632,732		

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	342,037		1-a
Capital surplus	342,853		1-b
Retained earnings	1,315,648		1-c
Total shareholders' equity	2,000,539		

(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	2,000,539	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	684,890		1a
of which: retained earnings	1,315,648		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	100,545		2-a
Securities	6,641,471		2-b
of which: goodwill arising on the application of the equity method	1,940		

Associated deferred tax liabilities	25,044	
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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)	21,017		8
Other intangible assets (net of related deferred tax liabilities)	56,424	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 (assets for retirement benefits)

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Assets for retirement benefits	98,594		3
Associated deferred tax liabilities	30,202		

(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)	68,391		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	28,304		4-a
Deferred tax liabilities	64,293		4-b
Deferred tax liabilities for land revaluation	2,439		4-c
Associated intangible fixed assets	25,044		
Associated assets for retirement benefits	30,202		

(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)	168	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)	16,679	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)	16,679		75

5. Deferred gains or losses on hedges

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred gains (losses) on hedges	(58,318)		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	(48,401)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

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

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Securities	6,641,471		6-a
Loans and bills discounted	30,140,335	Including subordinated debts	6-b
Other assets	1,679,190	Including derivatives	6-c
Other liabilities	914,733	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	113,457		
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)	113,457		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	107,920		
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)	106,380		73

7. Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	27,120		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)	-	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)	11,255	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)	2,013	After reflecting amounts eligible for inclusion (after non-controlling interest adjustments)	48-49

8. Other capital instruments

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	6,231,590		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	340,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	341,657		46