

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of March 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	16,045,864		
Call loans and bills bought	50,124		
Receivables under resale agreements	158,734		
Receivables under securities borrowing transactions	759,812		
Monetary claims bought	1,082,650		
Trading assets	454,978		
Money held in trust	1,393		
Securities	5,759,504		3-b,7-a
Loans and bills discounted	29,025,720		7-b
Foreign exchanges	36,936		
Lease receivables and investment assets	653,447		
Other assets	2,023,664		7-c
Tangible fixed assets	211,312		
Intangible fixed assets	151,429		3-a
Assets for retirement benefits	138,931		4
Deferred tax assets	17,372		5-a
Customers' liabilities for acceptances and guarantees	557,007		
Allowance for loan losses	(99,770)		
Total assets	57,029,113		

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	31,903,572		
Negotiable certificates of deposit	6,328,622		
Call money and bills sold	72,793		
Payables under repurchase agreements	1,603,191		
Payables under securities lending transactions	104,767		
Trading liabilities	258,771		
Borrowed money	4,023,801		9-a
Foreign exchanges	457		
Short-term bonds payable	1,472,786		
Bonds payable	1,378,328		9-b
Borrowed money from trust account	5,408,009		
Other liabilities	994,424		7-d
Provision for bonuses	17,542		
Provision for directors' bonuses	343		
Liabilities for retirement benefits	14,008		
Provision for reward points program	18,282		
Provision for reimbursement of deposits	5,250		
Provision for contingent losses	3,465		
Deferred tax liabilities	130,479		5-b
Deferred tax liabilities for land revaluation	2,847		5-c
Acceptances and guarantees	557,007		
Total liabilities	54,298,756		
(Net assets)			
Capital stock	261,608		1-a
Capital surplus	645,003		1-b
Retained earnings	1,387,592		1-c
Treasury stock	(51,222)		1-d
Total shareholders' equity	2,242,982		
Valuation difference on available-for-sale securities	467,448		
Deferred gains or losses on hedges	(36,764)		6
Revaluation reserve for land	(5,698)		
Foreign currency translation adjustment	4,702		
Adjustments for retirement benefits	(19,209)		
Total accumulated other comprehensive income	410,478	(a)	
Subscription rights to shares	1,062		2
Non-controlling interests	75,832		8
Total net assets	2,730,356		
Total liabilities and net assets	57,029,113		

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	645,003		1-b
Retained earnings	1,387,592		1-c
Treasury stock	(51,222)		1-d
Total shareholders' equity	2,242,982		

(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	2,242,982	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	906,612		1a
of which: retained earnings	1,387,592		2
of which: treasury stock (deduction)	51,222		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	1,062		2
of which: Subscription rights to shares issued by bank holding company	1,062		

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Subscription rights to common shares	1,062		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	151,429		3-a
Securities	5,759,504		3-b
of which: goodwill arising on the application of the equity method	6,285		
Associated deferred tax liabilities	27,206		

(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)	66,377		8
Other intangible assets (net of related deferred tax liabilities)	64,129	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	138,931		4
Associated deferred tax liabilities	42,551		

(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)	96,379		15

5. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	17,372		5-a
Deferred tax liabilities	130,479		5-b
Deferred tax liabilities for land revaluation	2,847		5-c
Associated intangible fixed assets	27,206		
Associated assets for retirement benefits	42,551		

(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)	11,969	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 or losses on hedges	(36,764)		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	(31,751)	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	5,759,504		7-a
Loans and bills discounted	29,025,720	Including subordinated debts	7-b
Other assets	2,023,664	Including derivatives	7-c
Other liabilities	994,424	Including derivatives	7-d

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Investments in own capital	1		
Common Equity Tier 1 capital	1		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	133,167		
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)	133,167		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	150,042		
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)	148,502		73

8. Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	75,832		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)	13,402	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)	2,936	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	4,023,801		9-a
Bonds payable	1,378,328		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	270,000		46