

**Explanation on reconciliation between balance sheet items and regulatory capital elements  
as of September 30, 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	15,929,438	15,929,439		
Call loans	52,764	52,764		
Receivables under resale agreements	159,139	159,139		
Receivables under securities borrowing transactions	741,350	741,350		
Monetary claims bought	42,916	42,916		
Trading assets	468,135	468,135		
Money held in trust	99	99		
Securities	6,381,176	6,381,175		6-a
Loans and bills discounted	29,280,061	29,280,061		6-b
Foreign exchanges	32,155	32,155		
Other assets	1,291,018	1,291,018		6-c
Tangible fixed assets	192,736	192,736		
Intangible fixed assets	69,613	69,613		2
Prepaid pension expenses	179,161	179,161		3
Customers' liabilities for acceptances and guarantees	420,745	420,745		
Allowance for loan losses	(65,434)	(65,434)		
Total assets	55,175,077	55,175,076		

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
<b>(Liabilities)</b>				
Deposits	30,557,568	30,557,568		
Negotiable certificates of deposit	7,142,216	7,142,216		
Call money	1,911,650	1,911,650		
Payables under repurchase agreements	1,636,623	1,636,623		
Payables under securities lending transactions	141,156	141,156		
Trading liabilities	304,382	304,382		
Borrowed money	4,170,320	4,170,320		7
Foreign exchanges	16,503	16,503		
Short-term bonds payable	1,386,776	1,386,776		
Bonds payable	542,681	542,681		
Borrowed money from trust account	3,965,260	3,965,260		
Other liabilities	692,076	692,076		6-d
Provision for bonuses	8,216	8,216		
Provision for directors' bonuses	-	-		
Provision for stocks payment	109	109		
Provision for retirement benefits	731	731		
Provision for reimbursement of deposits	4,275	4,275		
Provision for contingent losses	1,385	1,385		
Deferred tax liabilities	144,290	144,290		4-a
Deferred tax liabilities for land revaluation	2,455	2,455		4-b
Acceptances and guarantees	420,745	420,745		
<b>Total liabilities</b>	<b>53,049,428</b>	<b>53,049,428</b>		
<b>(Net assets)</b>				
Capital stock	342,037	342,037		1-a
Capital surplus	343,066	343,066		1-b
Retained earnings	1,037,703	1,037,703		1-c
Total shareholders' equity	1,722,806	1,722,806		
Valuation differences on available-for-sale securities	448,289	448,289		
Deferred gains (losses) on hedges	(42,038)	(42,038)		5
Revaluation reserve for land	(3,409)	(3,409)		
Foreign currency translation adjustments	-	(0)		
Total valuation and translation adjustments	402,842	402,842	(a)	
Total net assets	2,125,648	2,125,648		
<b>Total liabilities and net assets</b>	<b>55,175,077</b>	<b>55,175,076</b>		

## 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	343,066		1-b
Retained earnings	1,037,703		1-c
Total shareholders' equity	1,722,806		

#### (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	1,722,806	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	685,103		1a
of which: retained earnings	1,037,703		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	69,613		2
Associated deferred tax liabilities	21,315		

#### (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)	48,297	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	179,161		3
Associated deferred tax liabilities	54,859		

(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)	124,301		15

4. Deferred tax assets

(1) Non-consolidated balance sheet

Non-consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax liabilities	144,290		4-a
Deferred tax liabilities for land revaluation	2,455		4-b
Associated intangible fixed assets	21,315		
Associated prepaid pension expenses	54,859		

(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 (losses) on hedges	(42,038)		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	(34,585)	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	6,381,176		6-a
Loans and bills discounted	29,280,061	Including subordinated debts	6-b
Other assets	1,291,018	Including derivatives	6-c
Other liabilities	692,076	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	118,515		
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)	118,515		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	64,478		
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)	62,938		73

7. Other capital instruments

(1) Non-consolidated balance sheet

Non-consolidated balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	4,170,320		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	309,589		46