

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

<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	17,124,628	17,124,629		
Call loans	21,818	21,818		
Receivables under resale agreements	145,010	145,010		
Receivables under securities borrowing transactions	779,616	779,616		
Monetary claims bought	44,516	44,516		
Trading assets	554,402	554,402		
Money held in trust	99	99		
Securities	6,922,720	6,922,719		6-a
Loans and bills discounted	30,181,186	30,181,186		6-b
Foreign exchanges	46,173	46,173		
Other assets	1,290,029	1,290,029		6-c
Tangible fixed assets	189,617	189,617		
Intangible fixed assets	73,108	73,108		2
Prepaid pension expenses	191,666	191,666		3
Customers' liabilities for acceptances and guarantees	388,064	388,064		
Allowance for loan losses	(96,448)	(96,448)		
Total assets	57,856,212	57,856,211		

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	33,777,147	33,777,147		
Negotiable certificates of deposit	7,235,704	7,235,704		
Call money	86,327	86,327		
Payables under repurchase agreements	1,379,058	1,379,058		
Trading liabilities	325,463	325,463		
Borrowed money	5,751,859	5,751,859		7
Foreign exchanges	18,041	18,041		
Short-term bonds payable	1,947,194	1,947,194		
Bonds payable	527,082	527,082		
Borrowed money from trust account	3,517,414	3,517,414		
Other liabilities	745,450	745,450		6-d
Provision for bonuses	8,166	8,166		
Provision for directors' bonuses	-	-		
Provision for stocks payment	302	302		
Provision for retirement benefits	759	759		
Provision for reimbursement of deposits	4,415	4,415		
Provision for contingent losses	1,455	1,455		
Deferred tax liabilities	91,443	91,443		4-a
Deferred tax liabilities for land revaluation	2,439	2,439		4-b
Acceptances and guarantees	388,064	388,064		
Total liabilities	55,807,791	55,807,791		
(Net assets)				
Capital stock	342,037	342,037		1-a
Capital surplus	343,066	343,066		1-b
Retained earnings	1,061,769	1,061,769		1-c
Total shareholders' equity	1,746,872	1,746,872		
Valuation differences on available-for-sale securities	354,904	354,904		
Deferred gains (losses) on hedges	(49,454)	(49,454)		5
Revaluation reserve for land	(3,901)	(3,901)		
Foreign currency translation adjustments	-	(0)		
Total valuation and translation adjustments	301,548	301,548	(a)	
Total net assets	2,048,420	2,048,420		
Total liabilities and net assets	57,856,212	57,856,211		

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	1,061,769		1-c
Total shareholders' equity	1,746,872		

(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	1,746,872	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	1,061,769		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	73,108		2

Associated deferred tax liabilities	22,385	
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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)	-		8
Other intangible assets (net of related deferred tax liabilities)	50,722	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	191,666		3
Associated deferred tax liabilities	58,688		

(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)	132,978		15

4. Deferred tax assets

(1) Non-consolidated balance sheet

Non-consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax liabilities	91,443		4-a
Deferred tax liabilities for land revaluation	2,439		4-b
Associated intangible fixed assets	22,385		
Associated prepaid pension expenses	58,688		

(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	(49,454)		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	(39,538)	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	6,922,720		6-a
Loans and bills discounted	30,181,186	Including subordinated debts	6-b
Other assets	1,290,029	Including derivatives	6-c
Other liabilities	745,450	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	110,614		
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)	110,614		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	64,565		
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)	63,025		73

7. Other capital instruments

(1) Non-consolidated balance sheet

Non-consolidated balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	5,751,859		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	341,657		46