

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of September 30, 2021**

<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	18,839,319		
Call loans and bills bought	6,000		
Receivables under resale agreements	156,180		
Receivables under securities borrowing transactions	684,652		
Monetary claims bought	762,179		
Trading assets	850,204		
Money held in trust	1,344		
Securities	6,932,281		2-b,6-a
Loans and bills discounted	30,569,851		6-b
Foreign exchanges	32,246		
Lease receivables and investment assets	692,678		
Other assets	2,552,799		6-c
Tangible fixed assets	232,352		
Intangible fixed assets	91,663		2-a
Assets for retirement benefits	240,050		3
Deferred tax assets	28,408		4-a
Customers' liabilities for acceptances and guarantees	513,140		
Allowance for loan losses	(117,647)		
Total assets	63,067,706		

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	33,100,995		
Negotiable certificates of deposit	8,260,000		
Call money and bills sold	56,924		
Payables under repurchase agreements	1,520,979		
Trading liabilities	762,783		
Borrowed money	6,667,246		8
Foreign exchanges	1,226		
Short-term bonds payable	2,486,962		
Bonds payable	1,252,748		
Borrowed money from trust account	4,173,870		
Other liabilities	1,719,362		6-d
Provision for bonuses	10,561		
Provision for directors' bonuses	-		
Provision for stocks payment	457		
Liabilities for retirement benefits	11,821		
Provision for reward points program	19,535		
Provision for reimbursement of deposits	3,825		
Provision for contingent losses	1,597		
Deferred tax liabilities	97,780		4-b
Deferred tax liabilities for land revaluation	2,388		4-c
Acceptances and guarantees	513,140		
Total liabilities	60,664,211		
(Net assets)			
Capital stock	342,037		1-a
Capital surplus	342,853		1-b
Retained earnings	1,406,488		1-c
Total shareholders' equity	2,091,378		
Valuation differences on available-for-sale securities	341,503		
Deferred gains (losses) on hedges	(47,712)		5
Revaluation reserve for land	(4,356)		
Foreign currency translation adjustments	(988)		
Adjustments for retirement benefits	(4,108)		
Total accumulated other comprehensive income	284,337	(a)	
Non-controlling interests	27,778		7
Total net assets	2,403,495		
Total liabilities and net assets	63,067,706		

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	1,406,488		1-c
Total shareholders' equity	2,091,378		

(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	2,091,378	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	1,406,488		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	91,663		2-a
Securities	6,932,281		2-b
of which: goodwill arising on the application of the equity method	-		

Associated deferred tax liabilities	23,670	
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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)	14,678		8
Other intangible assets (net of related deferred tax liabilities)	53,315	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	240,050		3

Associated deferred tax liabilities	73,516	
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(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)	166,533		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	28,408		4-a
Deferred tax liabilities	97,780		4-b
Deferred tax liabilities for land revaluation	2,388		4-c

Associated intangible fixed assets	23,670	
Associated assets for retirement benefits	73,516	

(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)	499	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)	24,997	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)	24,997		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	(47,712)		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	(46,874)	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	6,932,281		6-a
Loans and bills discounted	30,569,851	Including subordinated debts	6-b
Other assets	2,552,799	Including derivatives	6-c
Other liabilities	1,719,362	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	108,959		
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)	108,959		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	126,088		
Amount above the 10% threshold on the specified items	-		19
Amount exceeding the 15% threshold on the specified items	-		23
Additional Tier 1 capital	10		40
Tier 2 capital and other TLAC liabilities	1,540		55
Amount below the thresholds for deduction (before risk weighting)	124,538		73

7. Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	27,778		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	-		30-31 ab-32
Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	11,574	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)	2,106	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	6,667,246		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	270,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	326,134		46