

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

<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	18,606,959	18,606,960		
Call loans	6,000	6,000		
Receivables under resale agreements	156,180	156,180		
Receivables under securities borrowing transactions	684,652	684,652		
Monetary claims bought	115,601	115,601		
Trading assets	934,909	934,909		
Money held in trust	99	99		
Securities	7,143,008	7,143,007		6-a
Loans and bills discounted	30,612,030	30,612,030		6-b
Foreign exchanges	32,246	32,246		
Other assets	2,164,611	2,164,611		6-c
Tangible fixed assets	184,322	184,322		
Intangible fixed assets	67,746	67,746		2
Prepaid pension expenses	245,440	245,440		3
Customers' liabilities for acceptances and guarantees	391,024	391,024		
Allowance for loan losses	(88,813)	(88,813)		
Total assets	61,256,020	61,256,020		

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	32,762,164	32,762,164		
Negotiable certificates of deposit	8,378,600	8,378,600		
Call money	178,523	178,523		
Payables under repurchase agreements	1,520,979	1,520,979		
Trading liabilities	762,783	762,783		
Borrowed money	6,202,767	6,202,767		7
Foreign exchanges	11,779	11,779		
Short-term bonds payable	1,938,689	1,938,689		
Bonds payable	1,182,748	1,182,748		
Borrowed money from trust account	4,173,870	4,173,870		
Other liabilities	1,534,203	1,534,203		6-d
Provision for bonuses	7,504	7,504		
Provision for directors' bonuses	-	-		
Provision for stocks payment	457	457		
Provision for retirement benefits	874	874		
Provision for reimbursement of deposits	3,825	3,825		
Provision for contingent losses	1,597	1,597		
Deferred tax liabilities	98,288	98,288		4-a
Deferred tax liabilities for land revaluation	2,388	2,388		4-b
Acceptances and guarantees	391,024	391,024		
Total liabilities	59,153,071	59,153,071		
(Net assets)				
Capital stock	342,037	342,037		1-a
Capital surplus	343,066	343,066		1-b
Retained earnings	1,126,026	1,126,026		1-c
Total shareholders' equity	1,811,129	1,811,129		
Valuation differences on available-for-sale securities	337,070	337,070		
Deferred gains (losses) on hedges	(40,895)	(40,895)		5
Revaluation reserve for land	(4,356)	(4,356)		
Foreign currency translation adjustments	-	(0)		
Total valuation and translation adjustments	291,818	291,818	(a)	
Total net assets	2,102,948	2,102,948		
Total liabilities and net assets	61,256,020	61,256,020		

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	1,126,026		1-c
Total shareholders' equity	1,811,129		

(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	1,811,129	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	1,126,026		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	67,746		2
Associated deferred tax liabilities	20,743		

(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)	47,002	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	245,440		3
Associated deferred tax liabilities	75,153		

(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)	170,286		15

4. Deferred tax assets

(1) Non-consolidated balance sheet

Non-consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax liabilities	98,288		4-a
Deferred tax liabilities for land revaluation	2,388		4-b
Associated intangible fixed assets	20,743		
Associated prepaid pension expenses	75,153		

(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	(40,895)		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	(40,057)	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	7,143,008		6-a
Loans and bills discounted	30,612,030	Including subordinated debts	6-b
Other assets	2,164,611	Including derivatives	6-c
Other liabilities	1,534,203	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	105,579		
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)	105,579		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	67,699		
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)	66,149		73

7. Other capital instruments

(1) Non-consolidated balance sheet

Non-consolidated balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	6,202,767		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	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