

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of September 30, 2022**

<Sumitomo Mitsui Trust Bank, Limited>

[Consolidated]

(Millions of yen)

CC2:Reconciliation of regulatory capital to balance sheet			
Items	a	b	c
	Consolidated balance sheet	Ref. No.of Composition of capital	Ref. No. of appendix
(Assets)			
Cash and due from banks	19,599,687		
Call loans and bills bought	-		
Receivables under resale agreements	-		
Receivables under securities borrowing transactions	509,341		
Monetary claims bought	743,313		
Trading assets	1,792,292		
Money held in trust	1,573		
Securities	7,095,565		2-b,6-a
Loans and bills discounted	32,281,534		6-b
Foreign exchanges	36,294		
Lease receivables and investment assets	678,617		
Other assets	4,802,374		6-c
Tangible fixed assets	229,607		
Intangible fixed assets	111,610		2-a
Assets for retirement benefits	197,890		3
Deferred tax assets	25,053		4-a
Customers' liabilities for acceptances and guarantees	591,211		
Allowance for loan losses	(136,793)		
Total assets	68,559,175		

CC2:Reconciliation of regulatory capital to balance sheet			
Items	a	b	c
	Consolidated balance sheet	Ref. No.of Composition of capital	Ref. No. of appendix
(Liabilities)			
Deposits	34,535,736		
Negotiable certificates of deposit	7,853,336		
Call money and bills sold	970,997		
Payables under repurchase agreements	1,254,473		
Trading liabilities	1,740,213		
Borrowed money	6,537,905		8
Foreign exchanges	748		
Short-term bonds payable	2,746,875		
Bonds payable	1,713,386		
Borrowed money from trust account	4,357,661		
Other liabilities	3,776,379		6-d
Provision for bonuses	10,898		
Provision for directors' bonuses	-		
Provision for stocks payment	685		
Liabilities for retirement benefits	11,457		
Provision for reward points program	20,558		
Provision for reimbursement of deposits	3,253		
Provision for contingent losses	1,297		
Deferred tax liabilities	50,471		4-b
Deferred tax liabilities for land revaluation	2,388		4-c
Acceptances and guarantees	591,211		
Total liabilities	66,179,937		
(Net assets)			
Capital stock	342,037		1-a
Capital surplus	342,889		1-b
Retained earnings	1,500,329		1-c
Total shareholders' equity	2,185,256		
Valuation differences on available-for-sale securities	226,838		
Deferred gains (losses) on hedges	(31,648)		5
Revaluation reserve for land	(4,463)		
Foreign currency translation adjustments	15,595		
Adjustments for retirement benefits	(41,374)		
Total accumulated other comprehensive income	164,948	(a)	
Non-controlling interests	29,033		7
Total net assets	2,379,238		
Total liabilities and net assets	68,559,175		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

Appendix

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	342,889		1-b
Retained earnings	1,500,329		1-c
Total shareholders' equity	2,185,256		

(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	2,185,256	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	684,926		1a
of which: retained earnings	1,500,329		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	111,610		2-a
Securities	7,095,565		2-b
of which: goodwill arising on the application of the equity method	-		

Associated deferred tax liabilities	31,043	
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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)	10,278		8
Other intangible assets (net of related deferred tax liabilities)	70,287	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	197,890		3
Associated deferred tax liabilities	60,608		

(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)	137,282		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	25,053		4-a
Deferred tax liabilities	50,471		4-b
Deferred tax liabilities for land revaluation	2,388		4-c
Associated intangible fixed assets	31,043		
Associated assets for retirement benefits	60,608		

(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)	473	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)	63,371	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)	63,371		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	(31,648)		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	(69,140)	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	7,095,565		6-a
Loans and bills discounted	32,281,534	Including subordinated debts	6-b
Other assets	4,802,374	Including derivatives	6-c
Other liabilities	3,776,379	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	131,549		
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)	131,549		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	144,055		
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)	142,505		73

7. Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	29,033		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)	11,535	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)	2,296	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	6,537,905		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	305,579		46