



# Sumitomo Mitsui Financial Group, Inc. (SMFG)

Consolidated financial results for the fiscal year ended March 31, 2017

<Under Japanese GAAP>

May 15, 2017



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Stock exchange listings: Tokyo Stock Exchange, Nagoya Stock Exchange, New York Stock Exchange

URL: <http://www.smfg.co.jp/english/>

President: Takeshi Kunibe

Date of ordinary general meeting of shareholders: June 29, 2017 Date of payment of year-end dividends: June 30, 2017

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Investors meeting presentation for financial results: Scheduled

Note: Amounts less than one million yen have been rounded down.

## 1. Consolidated financial results (for the fiscal year ended March 31, 2017)

### (1) Operating results

(Millions of yen, except per share data and percentages)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended March 31, 2017	¥ 5,133,245	7.6%	¥ 1,005,855	2.1%	¥ 706,519	9.3%
Fiscal year ended March 31, 2016	4,772,100	(1.6)	985,284	(25.4)	646,687	(14.2)

Notes: 1. Comprehensive income:

(a) for the fiscal year ended March 31, 2017: ¥ 966,057 million [441.7 %]

(b) for the fiscal year ended March 31, 2016: ¥ 178,328 million [(91.4) %]

2. Percentages shown in ordinary income, ordinary profit, profit attributable to owners of parent and comprehensive income are the increase (decrease) from the previous fiscal year.

	Earnings per share	Earnings per share (Diluted)	Return on net assets	Ordinary profit on total assets	Ordinary profit on ordinary income
Fiscal year ended March 31, 2017	¥ 516.00	¥ 515.58	7.6%	0.5%	19.6%
Fiscal year ended March 31, 2016	472.99	472.67	7.2	0.5	20.6

Note: Equity in gains (losses) of affiliates:

(a) for the fiscal year ended March 31, 2017: ¥ 24,552 million (b) for the fiscal year ended March 31, 2016: ¥ (36,196) million

### (2) Financial position

(Millions of yen, except per share data and percentages)

	Total assets	Net assets	Net assets ratio	Net assets per share
As of March 31, 2017	¥ 197,791,611	¥ 11,234,286	4.9%	¥ 6,901.67
As of March 31, 2016	186,585,842	10,447,669	4.8	6,519.60

Notes: 1. Stockholders' equity:

(a) as of March 31, 2017: ¥ 9,731,538 million (b) as of March 31, 2016: ¥ 8,913,761 million

2. Net assets ratio = {(Net assets – Stock acquisition rights – Non-controlling interests) / Total assets} X 100

### (3) Cash flows

(Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Fiscal year ended March 31, 2017	¥ 4,514,377	¥ 581,347	¥ (166,524)	¥ 42,478,393
Fiscal year ended March 31, 2016	(1,127,308)	5,240,950	(55,995)	37,556,806

## 2. Dividends on common stock

(Millions of yen, except per share data and percentages)

	Cash dividends per share					Total dividends (annual)	Dividend payout ratio	Ratio of dividends to net assets
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual			
Fiscal year ended March 31, 2016	¥ –	¥ 75	¥ –	¥ 75	¥ 150	¥ 211,506	32.7 %	2.4 %
ended March 31, 2017	–	75	–	75	150	211,504	29.9	2.3
ending March 31, 2018 (forecast)	–	80	–	80	160		35.8 %	

Notes: 1. Dividend payout ratio = (Total dividends on common stock / Profit attributable to owners of parent) X 100

2. Ratio of dividends to net assets = Total dividends on common stock / {(Beginning balance of Stockholders' equity + Ending balance of Stockholders' equity) / 2} X 100

## 3. Earnings forecast on a consolidated basis (for the fiscal year ending March 31, 2018)

(Millions of yen)

	Profit attributable to owners of parent	Earnings per share
Fiscal year ending March 31, 2018	¥ 630,000 (10.8)%	¥ 446.80

[Notes]

(1) There were no changes in material consolidated subsidiaries in the fiscal year.

(2) Changes in accounting policies, changes in accounting estimates and restatements

- (a) Changes in accounting policies due to application of new or revised accounting standards : Yes  
 (b) Changes in accounting policies due to reasons other than above (a) : No  
 (c) Changes in accounting estimates : No  
 (d) Restatements : No

Note: The detail of “Changes in accounting policies due to application of new or revised accounting standards” is reported on page 14.

(3) Number of common stock issued

	As of March 31, 2017	As of March 31, 2016
(a) Number of shares issued (including treasury stocks)	1,414,055,625 shares	1,414,055,625 shares
(b) Number of treasury stocks	4,028,883 shares	46,830,882 shares
	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2016
(c) Average number of shares issued in the year	1,369,231,022 shares	1,367,228,547 shares

Note: Number of shares used in calculating “Earnings per share” (on a consolidated basis) is reported on page 16.

[Reference] Summary of financial information on a non-consolidated basis

Non-consolidated financial results (for the fiscal year ended March 31, 2017)

(1) Operating results

(Millions of yen, except per share data and percentages)

	Operating income		Operating profit		Ordinary profit		Net income	
Fiscal year ended March 31, 2017	¥ 502,484	(13.0) %	¥ 427,196	(20.7) %	¥ 414,410	(21.4) %	¥ 450,775	(14.5) %
ended March 31, 2016	577,845	9.6	538,496	9.1	527,292	8.5	527,288	8.5

	Earnings per share	Earnings per share (diluted)
Fiscal year ended March 31, 2017	¥ 319.69	¥ 319.44
ended March 31, 2016	373.95	373.70

Note: Percentages shown in operating income, operating profit, ordinary profit and net income are the increase (decrease) from the previous fiscal year.

(2) Financial position

(Millions of yen, except per share data and percentages)

	Total assets	Net assets	Net assets ratio	Net assets per share
As of March 31, 2017	¥ 10,457,139	¥ 5,512,680	52.7 %	¥ 3,907.35
As of March 31, 2016	8,187,559	5,272,925	64.4	3,737.67

Note: Stockholders' equity

(a) as of March 31, 2017: ¥ 5,509,473 million (b) as of March 31, 2016: ¥ 5,270,289 million

[Note on audit procedures]

This report is out of the scope of the audit procedures.

This document contains “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995), regarding the intent, belief or current expectations of Sumitomo Mitsui Financial Group, Inc. (“SMFG”) and its management with respect to SMFG’s future financial condition and results of operations. In many cases but not all, these statements contain words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “probability,” “risk,” “project,” “should,” “seek,” “target,” “will” and similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those expressed in or implied by such forward-looking statements contained or deemed to be contained herein. The risks and uncertainties which may affect future performance include: deterioration of Japanese and global economic conditions and financial markets; declines in the value of SMFG’s securities portfolio; SMFG’s ability to successfully implement its business strategy through its subsidiaries, affiliates and alliance partners; exposure to new risks as SMFG expands the scope of its business; and incurrence of significant credit-related costs. Given these and other risks and uncertainties, you should not place undue reliance on forward-looking statements, which speak only as of the date of this document. SMFG undertakes no obligation to update or revise any forward-looking statements. Please refer to SMFG’s most recent disclosure documents such as its annual report on Form 20-F and other documents submitted to the U.S. Securities and Exchange Commission, as well as its earnings press releases, for a more detailed description of the risks and uncertainties that may affect its financial conditions, its operating results, and investors’ decisions.

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\* Appendix: Financial results for the fiscal year ended March 31, 2017 supplementary information

## I. Operating and financial review

### 1. Consolidated operating results for the fiscal year ended March 31, 2017 (fiscal 2016)

#### (1) Operating results

In fiscal 2016, gross profit increased by ¥16.8 billion year-on-year to ¥2,920.7 billion. The primary reasons were an increase in profit of SMBC Nikko Securities Inc. by regarding as rallies in the market conditions and profit contribution of SMFL Capital Company, Limited which has been included in the scope of consolidation from fiscal 2016, despite of an impact of negative interest rates.

General and administrative expenses increased by ¥87.6 billion year-on-year to ¥1,812.4 billion, due to ongoing investments to enhance top-line profit growth and the effects from system investments in the past years, despite of strengthening of cost control in the entire group.

Equity in gains (losses) of affiliates increased by ¥60.7 billion year-on-year to ¥24.6 billion. This was mainly because an impairment loss on goodwill was recognized for PT Bank Tabungan Pensiunan Nasional Tbk in the previous fiscal year, which is not recognized in this fiscal year.

Total credit cost increased by ¥61.6 billion year-on-year to ¥164.4 billion. This was mainly due to additional reserves for possible loan losses with worsened business results of SMBC's obligor with large exposure.

Ordinary profit increased by ¥20.6 billion year-on-year to ¥1,005.9 billion because provision for reserve for losses on interest repayment was recognized by SMBC Consumer Finance Co., Ltd. in the previous fiscal year, which is not recognized in this fiscal year.

Profit attributable to owners of parent increased by ¥59.8 billion year-on-year to ¥706.5 billion due to an increase in deferred tax assets recoverable in the future with application of the consolidated corporate-tax system from fiscal year ending March 31, 2018 (fiscal 2017).

<b>Consolidated</b>	(Billions of yen)	
	<b>Fiscal year ended March 31, 2017</b>	Change from the fiscal year ended March 31, 2016
Net business profit	¥ 1,132.9	¥ (10.1)
Gross profit	2,920.7	16.8
General and administrative expenses	(1,812.4)	(87.6)
Equity in earnings of affiliates	24.6	60.7
Total credit cost	(164.4)	(61.6)
Ordinary profit	1,005.9	20.6
Profit attributable to owners of parent	706.5	59.8

#### **SMBC non-consolidated**

Banking profit *	¥ 846.7	¥ 117.9
Gross banking profit	1,663.7	129.4
Expenses (excluding non-recurring losses)	(816.9)	(11.5)
Total credit cost	(61.1)	(64.3)
Ordinary profit	864.0	116.1
Net income	681.8	72.6

\* Banking profit (before provision for general reserve for possible loan losses)

#### (2) Earnings forecast for the fiscal year ending March 31, 2018 (fiscal 2017)

As for earnings forecast on a consolidated basis, profit attributable to owners of parent is expected to amount to ¥ 630.0 billion.

## 2. Consolidated financial position as of March 31, 2017

### (1) Assets and liabilities

Total assets as of March 31, 2017 were ¥ 197,791.6 billion, a year-on-year increase of ¥ 11,205.8 billion.

As for major account balances, loans and bills discounted increased by ¥ 5,171.2 billion to ¥ 80,237.3 billion year-on-year and deposits increased by ¥ 7,161.4 billion to ¥ 117,830.2 billion year-on-year.

### (2) Net assets

Net assets were ¥ 11,234.3 billion, a year-on-year increase of ¥ 786.6 billion. Stockholders' equity within net assets was ¥ 8,119.1 billion, a year-on-year increase of ¥ 664.8 billion due to the contribution of profit attributable to owners of parent, the payment of cash dividends and a decrease in treasury stocks.

### (3) Cash flows

SMFG generated ¥ 4,514.4 billion in cash flows from operating activities including interest received and paid, net changes in loans and bills discounted and deposits, a year-on-year increase in cash flows of ¥ 5,641.7 billion, and generated ¥ 581.3 billion in cash flows from investing activities including purchases and sale of, securities and tangible fixed assets, a year-on-year decrease in cash flows of ¥ 4,659.6 billion, and used ¥ 166.5 billion in cash flows from financing activities including issuance of subordinated borrowings, a year-on-year decrease in cash flows of ¥ 110.5 billion. Consequently, cash and cash equivalents amounted to ¥ 42,478.4 billion, a year-on-year increase of ¥ 4,921.6 billion.

## . Basic approach to the selection of accounting standards

SMFG is a banking holding company which is required to prepare consolidated financial statements in conformity with Japanese GAAP under the applicable laws. SMFG therefore selects Japanese GAAP as our accounting standards.

Since American depository receipts (ADRs) of SMFG are listed on the New York Stock Exchange, as SMFG separately prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), SMFG considers the possibility of application of IFRS in the future.

## . Consolidated financial statements

### 1. Consolidated balance sheets

<b>March 31,</b>	<b>Millions of yen</b>	
	<b>2016</b>	<b>2017</b>
<b>Assets:</b>		
Cash and due from banks .....	¥ 42,789,236	¥ 46,865,538
Call loans and bills bought .....	1,291,365	1,872,144
Receivables under resale agreements .....	494,949	899,897
Receivables under securities borrowing transactions .....	7,972,918	8,760,390
Monetary claims bought .....	4,350,012	4,420,377
Trading assets .....	8,063,281	6,755,428
Money held in trust .....	5,163	3,439
Securities .....	25,264,445	24,631,792
Loans and bills discounted .....	75,066,080	80,237,322
Foreign exchanges .....	1,577,167	1,723,867
Lease receivables and investment assets .....	1,987,034	2,395,597
Other assets .....	6,702,774	7,355,845
Tangible fixed assets .....	2,919,424	3,101,642
Assets for rent .....	1,884,778	2,086,391
Buildings .....	386,222	381,378
Land .....	489,144	489,167
Lease assets .....	7,558	7,186
Construction in progress .....	27,188	20,575
Other tangible fixed assets .....	124,531	116,942
Intangible fixed assets .....	878,265	946,506
Software .....	408,272	431,833
Goodwill .....	339,185	318,578
Lease assets .....	268	185
Other intangible fixed assets .....	130,538	195,909
Net defined benefit asset .....	203,274	314,922
Deferred tax assets .....	125,832	63,001
Customers' liabilities for acceptances and guarantees .....	7,519,635	8,090,111
Reserve for possible loan losses .....	(625,019)	(646,215)
<b>Total assets .....</b>	<b>¥ 186,585,842</b>	<b>¥ 197,791,611</b>

(continued)

<b>March 31,</b>	<b>Millions of yen</b>	
	<b>2016</b>	<b>2017</b>
<b>Liabilities:</b>		
Deposits .....	¥ 110,668,828	¥ 117,830,210
Negotiable certificates of deposit .....	14,250,434	11,880,937
Call money and bills sold .....	1,220,455	2,088,019
Payables under repurchase agreements .....	1,761,822	2,715,752
Payables under securities lending transactions .....	5,309,003	7,444,655
Commercial paper .....	3,017,404	2,311,542
Trading liabilities .....	6,112,667	4,704,931
Borrowed money .....	8,571,227	10,786,713
Foreign exchanges .....	1,083,450	683,252
Short-term bonds .....	1,271,300	1,125,600
Bonds .....	7,006,357	8,129,232
Due to trust account .....	944,542	1,180,976
Other liabilities .....	6,632,027	6,880,273
Reserve for employee bonuses .....	68,476	77,375
Reserve for executive bonuses .....	2,446	3,045
Net defined benefit liability .....	48,570	59,110
Reserve for executive retirement benefits .....	2,202	2,347
Reserve for point service program .....	19,706	21,744
Reserve for reimbursement of deposits .....	16,979	15,464
Reserve for losses on interest repayment .....	228,741	156,775
Reserves under the special laws .....	1,498	1,745
Deferred tax liabilities .....	348,190	335,908
Deferred tax liabilities for land revaluation .....	32,203	31,596
Acceptances and guarantees .....	7,519,635	8,090,111
<b>Total liabilities</b> .....	<b>176,138,173</b>	<b>186,557,325</b>
<b>Net assets:</b>		
Capital stock .....	2,337,895	2,337,895
Capital surplus .....	757,306	757,346
Retained earnings .....	4,534,472	5,036,756
Treasury stock .....	(175,381)	(12,913)
<b>Total stockholders' equity</b> .....	<b>7,454,294</b>	<b>8,119,085</b>
Net unrealized gains (losses) on other securities .....	1,347,689	1,542,308
Net deferred gains (losses) on hedges .....	55,130	(42,077)
Land revaluation excess .....	39,416	38,109
Foreign currency translation adjustments .....	87,042	65,078
Accumulated remeasurements of defined benefit plans .....	(69,811)	9,034
<b>Total accumulated other comprehensive income</b> .....	<b>1,459,467</b>	<b>1,612,453</b>
Stock acquisition rights .....	2,884	3,482
Non-controlling interests .....	1,531,022	1,499,264
<b>Total net assets</b> .....	<b>10,447,669</b>	<b>11,234,286</b>
<b>Total liabilities and net assets</b> .....	<b>¥ 186,585,842</b>	<b>¥ 197,791,611</b>

## 2. Consolidated statements of income and consolidated statements of comprehensive income

(Consolidated statements of income)

Year ended March 31,	Millions of yen	
	2016	2017
Ordinary income .....	¥ 4,772,100	¥ 5,133,245
Interest income .....	1,868,313	1,912,027
Interest on loans and discounts .....	1,326,402	1,384,119
Interest and dividends on securities .....	303,132	259,840
Interest on call loans and bills bought .....	20,457	12,205
Interest on receivables under resale agreements .....	10,100	18,886
Interest on receivables under securities borrowing transactions .....	10,747	12,172
Interest on deposits with banks .....	37,537	48,040
Interest on lease transactions .....	59,366	70,227
Other interest income .....	100,567	106,534
Trust fees .....	3,681	3,797
Fees and commissions .....	1,134,463	1,195,452
Trading income .....	225,481	237,394
Other operating income .....	1,342,665	1,583,316
Lease-related income .....	197,699	257,847
Installment-related income .....	743,815	883,657
Other .....	401,150	441,811
Other income .....	197,494	201,257
Recoveries of written-off claims .....	19,735	14,089
Other .....	177,759	187,167
Ordinary expenses .....	3,786,815	4,127,389
Interest expenses .....	445,385	553,394
Interest on deposits .....	140,633	189,204
Interest on negotiable certificates of deposit .....	49,319	67,232
Interest on call money and bills sold .....	5,360	5,491
Interest on payables under repurchase agreements .....	8,077	16,281
Interest on payables under securities lending transactions .....	6,726	4,631
Interest on commercial paper .....	10,415	15,510
Interest on borrowed money .....	39,825	39,528
Interest on short-term bonds .....	1,400	118
Interest on bonds .....	129,295	144,755
Other interest expenses .....	54,331	70,641
Fees and commissions payments .....	130,625	182,104
Other operating expenses .....	1,094,630	1,275,747
Lease-related expenses .....	91,017	128,468
Installment-related expenses .....	698,904	832,749
Other .....	304,708	314,529
General and administrative expenses .....	1,724,836	1,812,433
Other expenses .....	391,338	303,710
Provision for reserve for possible loan losses .....	34,842	75,915
Other .....	356,495	227,795
Ordinary profit .....	985,284	1,005,855



(continued)

<b>Year ended March 31,</b>	<b>Millions of yen</b>	
	<b>2016</b>	<b>2017</b>
Extraordinary gains .....	¥ 3,911	¥ 30,960
Gains on disposal of fixed assets .....	3,714	1,552
Gains on negative goodwill .....	138	—
Reversal of reserve for eventual future operating losses from financial instruments transactions .....	0	82
Other extraordinary gains .....	58	29,325
Extraordinary losses .....	9,026	57,511
Losses on disposal of fixed assets .....	4,289	7,720
Losses on impairment of fixed assets .....	4,362	49,460
Provision for reserve for eventual future operating losses from financial instruments transactions .....	374	329
Income before income taxes .....	980,170	979,305
Income taxes-current .....	244,223	265,045
Income taxes-deferred .....	(19,175)	(94,093)
Income taxes .....	225,047	170,951
Profit .....	755,123	808,353
Profit attributable to non-controlling interests .....	108,435	101,834
Profit attributable to owners of parent .....	¥ 646,687	¥ 706,519

**(Consolidated statements of comprehensive income)**

<b>Year ended March 31,</b>	<b>Millions of yen</b>	
	<b>2016</b>	<b>2017</b>
Profit .....	¥ 755,123	¥ 808,353
Other comprehensive income .....	(576,794)	157,703
Net unrealized gains (losses) on other securities .....	(444,981)	201,653
Net deferred gains (losses) on hedges .....	82,552	(93,989)
Land revaluation excess .....	1,705	(6)
Foreign currency translation adjustments .....	(92,121)	(12,699)
Remeasurements of defined benefit plans .....	(121,933)	81,193
Share of other comprehensive income of affiliates .....	(2,016)	(18,448)
Total comprehensive income .....	<u>178,328</u>	<u>966,057</u>
Comprehensive income attributable to owners of parent .....	103,599	860,806
Comprehensive income attributable to non-controlling interests ...	74,728	105,250

### 3. Consolidated statements of changes in net assets

Year ended March 31, 2016	Millions of yen				
	Stockholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of the fiscal year .....	¥ 2,337,895	¥ 757,329	¥ 4,098,425	¥ (175,261)	¥ 7,018,389
Changes in the fiscal year					
Cash dividends .....			(211,921)		(211,921)
Profit attributable to owners of parent .....			646,687		646,687
Purchase of treasury stock .....				(191)	(191)
Disposal of treasury stock .....		(17)		71	54
Changes in shareholders' interest due to transaction with non-controlling interests .....		(5)			(5)
Increase due to increase in subsidiaries .....			50		50
Increase due to decrease in subsidiaries .....			3		3
Decrease due to increase in subsidiaries .....			(16)		(16)
Decrease due to decrease in subsidiaries .....			(51)		(51)
Reversal of land revaluation excess .....			1,295		1,295
Net changes in items other than stockholders' equity in the fiscal year .....					
Net changes in the fiscal year .....	—	(23)	436,047	(119)	435,904
Balance at the end of the fiscal year .....	¥ 2,337,895	¥ 757,306	¥ 4,534,472	¥ (175,381)	¥ 7,454,294

Year ended March 31, 2016	Millions of yen					Total
	Accumulated other comprehensive income					
	Net unrealized gains (losses) on other securities	Net deferred gains (losses) on hedges	Land revaluation excess	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	
Balance at the beginning of the fiscal year .....	¥ 1,791,049	¥ (30,180)	¥ 39,014	¥ 156,309	¥ 47,667	¥ 2,003,859
Changes in the fiscal year						
Cash dividends .....						
Profit attributable to owners of parent .....						
Purchase of treasury stock .....						
Disposal of treasury stock .....						
Changes in shareholders' interest due to transaction with non-controlling interests .....						
Increase due to increase in subsidiaries .....						
Increase due to decrease in subsidiaries .....						
Decrease due to increase in subsidiaries .....						
Decrease due to decrease in subsidiaries .....						
Reversal of land revaluation excess .....						
Net changes in items other than stockholders' equity in the fiscal year .....	(443,359)	85,310	401	(69,266)	(117,478)	(544,392)
Net changes in the fiscal year .....	(443,359)	85,310	401	(69,266)	(117,478)	(544,392)
Balance at the end of the fiscal year .....	¥ 1,347,689	¥ 55,130	¥ 39,416	¥ 87,042	¥ (69,811)	¥ 1,459,467

(Continued)

	Millions of yen		
	Stock acquisition rights	Non-controlling interests	Total net assets
<b>Year ended March 31, 2016</b>			
Balance at the beginning of the fiscal year .....	¥ 2,284	¥ 1,671,738	¥ 10,696,271
Changes in the fiscal year			
Cash dividends .....			(211,921)
Profit attributable to owners of parent .....			646,687
Purchase of treasury stock .....			(191)
Disposal of treasury stock .....			54
Changes in shareholders' interest due to transaction with non-controlling interests .....			(5)
Increase due to increase in subsidiaries .....			50
Increase due to decrease in subsidiaries .....			3
Decrease due to increase in subsidiaries .....			(16)
Decrease due to decrease in subsidiaries .....			(51)
Reversal of land revaluation excess .....			1,295
Net changes in items other than stockholders' equity in the fiscal year .....	600	(140,715)	(684,507)
Net changes in the fiscal year .....	600	(140,715)	(248,602)
Balance at the end of the fiscal year .....	¥ 2,884	¥ 1,531,022	¥ 10,447,669

	Millions of yen				
	Stockholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
<b>Year ended March 31, 2017</b>					
Balance at the beginning of the fiscal year .....	¥ 2,337,895	¥ 757,306	¥ 4,534,472	¥ (175,381)	¥ 7,454,294
Changes in the fiscal year					
Cash dividends .....			(205,083)		(205,083)
Profit attributable to owners of parent .....			706,519		706,519
Purchase of treasury stock .....				(100)	(100)
Disposal of treasury stock .....		(2)		162,567	162,564
Changes in shareholders' interest due to transaction with non-controlling interests .....		42			42
Increase due to increase in subsidiaries .....			25		25
Increase due to decrease in subsidiaries .....			13		13
Decrease due to increase in subsidiaries .....			(288)		(288)
Decrease due to decrease in subsidiaries .....			(4)		(4)
Decrease due to decrease in affiliates accounted for by the equity method .....			(200)		(200)
Reversal of land revaluation excess .....			1,300		1,300
Net changes in items other than stockholders' equity in the fiscal year .....		40	502,283	162,467	664,791
Net changes in the fiscal year .....	—	40	502,283	162,467	664,791
Balance at the end of the fiscal year .....	¥ 2,337,895	¥ 757,346	¥ 5,036,756	¥ (12,913)	¥ 8,119,085

(Continued)

	Millions of yen					
	Accumulated other comprehensive income					
<b>Year ended March 31, 2017</b>	<b>Net unrealized gains (losses) on other securities</b>	<b>Net deferred gains (losses) on hedges</b>	<b>Land revaluation excess</b>	<b>Foreign currency translation adjustments</b>	<b>Accumulated remeasurements of defined benefit plans</b>	<b>Total</b>
Balance at the beginning of the fiscal year .....	¥ 1,347,689	¥ 55,130	¥ 39,416	¥ 87,042	¥ (69,811)	¥ 1,459,467
Changes in the fiscal year						
Cash dividends .....						
Profit attributable to owners of parent .....						
Purchase of treasury stock .....						
Disposal of treasury stock .....						
Changes in shareholders' interest due to transaction with non-controlling interests .....						
Increase due to increase in subsidiaries .....						
Increase due to decrease in subsidiaries .....						
Decrease due to increase in subsidiaries .....						
Decrease due to decrease in subsidiaries .....						
Decrease due to decrease in affiliates accounted for by the equity method						
Reversal of land revaluation excess .....						
Net changes in items other than stockholders' equity in the fiscal year .....	194,619	(97,208)	(1,306)	(21,964)	78,845	152,985
Net changes in the fiscal year .....	194,619	(97,208)	(1,306)	(21,964)	78,845	152,985
Balance at the end of the fiscal year .....	¥ 1,542,308	¥ (42,077)	¥ 38,109	¥ 65,078	¥ 9,034	¥ 1,612,453

	Millions of yen		
	<b>Stock acquisition rights</b>	<b>Non-controlling interests</b>	<b>Total net assets</b>
<b>Year ended March 31, 2017</b>			
Balance at the beginning of the fiscal year .....	¥ 2,884	¥ 1,531,022	¥ 10,447,669
Changes in the fiscal year			
Cash dividends .....			(205,083)
Profit attributable to owners of parent .....			706,519
Purchase of treasury stock .....			(100)
Disposal of treasury stock .....			162,564
Changes in shareholders' interest due to transaction with non-controlling interests .....			42
Increase due to increase in subsidiaries .....			25
Increase due to decrease in subsidiaries .....			13
Decrease due to increase in subsidiaries .....			(288)
Decrease due to decrease in subsidiaries .....			(4)
Decrease due to decrease in affiliates accounted for by the equity method			(200)
Reversal of land revaluation excess .....			1,300
Net changes in items other than stockholders' equity in the fiscal year .....	598	(31,758)	121,825
Net changes in the fiscal year .....	598	(31,758)	786,616
Balance at the end of the fiscal year .....	¥ 3,482	¥ 1,499,264	¥ 11,234,286

#### 4. Consolidated statements of cash flows

Year ended March 31,	Millions of yen	
	2016	2017
<b>Cash flows from operating activities:</b>		
Income before income taxes .....	¥ 980,170	¥ 979,305
Depreciation .....	238,348	274,988
Losses on impairment of fixed assets .....	4,362	49,460
Amortization of goodwill .....	27,670	29,272
Gains on negative goodwill .....	(138)	—
Gains on step acquisitions .....	(58)	(29,325)
Equity in (gains) losses of affiliates .....	36,196	(24,552)
Net change in reserve for possible loan losses .....	(48,022)	21,620
Net change in reserve for employee bonuses .....	(5,077)	7,765
Net change in reserve for executive bonuses .....	(946)	584
Net change in net defined benefit asset and liability .....	(23,434)	(47,173)
Net change in reserve for executive retirement benefits .....	68	145
Net change in reserve for point service program .....	656	2,076
Net change in reserve for reimbursement of deposits .....	(4,138)	(1,514)
Net change in reserve for losses on interest repayment .....	61,947	(71,789)
Interest income .....	(1,868,313)	(1,912,027)
Interest expenses .....	445,385	553,394
Net (gains) losses on securities .....	(126,398)	(98,190)
Net (gains) losses from money held in trust .....	(0)	(0)
Net exchange (gains) losses .....	445,713	16,280
Net (gains) losses from disposal of fixed assets .....	575	6,167
Net change in trading assets .....	(579,837)	1,260,408
Net change in trading liabilities .....	448,508	(1,364,902)
Net change in loans and bills discounted .....	(2,223,331)	(5,197,594)
Net change in deposits .....	7,646,207	7,287,109
Net change in negotiable certificates of deposit .....	442,445	(2,367,722)
Net change in borrowed money (excluding subordinated borrowings) .....	(1,119,170)	1,800,886
Net change in deposits with banks .....	849,019	837,507
Net change in call loans and bills bought and others .....	157,822	(1,198,782)
Net change in receivables under securities borrowing transactions .....	(1,495,854)	(787,472)
Net change in call money and bills sold and others .....	(3,838,358)	1,895,762
Net change in commercial paper .....	(346,866)	(654,552)
Net change in payables under securities lending transactions .....	(2,524,215)	2,135,651
Net change in foreign exchanges (assets) .....	314,707	(144,713)
Net change in foreign exchanges (liabilities) .....	(22,636)	(400,001)
Net change in lease receivables and investment assets .....	(41,649)	(53,854)
Net change in short-term bonds (liabilities) .....	(99,500)	(145,700)
Issuance and redemption of bonds (excluding subordinated bonds) .....	420,778	1,109,521
Net change in due to trust account .....	226,408	236,434
Interest received .....	1,875,947	1,911,477
Interest paid .....	(438,246)	(536,129)
Other, net .....	(649,079)	(523,175)
Subtotal .....	(832,332)	4,856,646
Income taxes paid .....	(294,976)	(342,268)
Net cash provided by (used in) operating activities .....	(1,127,308)	4,514,377

(continued)

<b>Year ended March 31,</b>	<b>Millions of yen</b>	
	<b>2016</b>	<b>2017</b>
<b>Cash flows from investing activities:</b>		
Purchases of securities .....	(27,007,243)	(21,215,546)
Proceeds from sale of securities .....	22,537,031	13,611,842
Proceeds from redemption of securities .....	7,992,771	8,852,923
Purchases of money held in trust .....	(1)	(1)
Proceeds from sale of money held in trust .....	1,925	1,744
Purchases of tangible fixed assets .....	(529,264)	(495,823)
Proceeds from sale of tangible fixed assets .....	147,995	169,423
Purchases of intangible fixed assets .....	(158,779)	(145,290)
Proceeds from sale of intangible fixed assets .....	223	636
Purchases of stocks of subsidiaries resulting from their merger ....	(860)	—
Proceeds from acquisition of business .....	2,251,106	—
Purchases of stocks of subsidiaries resulting in change in scope of consolidation .....	(652)	(199,755)
Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation .....	6,698	1,193
Net cash provided by (used in) investing activities .....	5,240,950	581,347
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of subordinated borrowings .....	18,000	—
Repayment of subordinated borrowings .....	(39,696)	(11,000)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights .....	577,142	394,495
Redemption of subordinated bonds and bonds with stock acquisition rights .....	(182,617)	(371,640)
Dividends paid .....	(211,952)	(205,078)
Repayment to non-controlling stockholders .....	(142,000)	(86,886)
Dividends paid to non-controlling stockholders .....	(74,891)	(66,458)
Purchases of treasury stock .....	(191)	(100)
Proceeds from disposal of treasury stock .....	54	179,757
Purchases of stocks of subsidiaries not resulting in change in scope of consolidation .....	(6)	(4)
Proceeds from sale of stocks of subsidiaries not resulting in change in scope of consolidation .....	162	390
Net cash provided by (used in) financing activities .....	(55,995)	(166,524)
Effect of exchange rate changes on cash and cash equivalents .....	(99,579)	(10,555)
Net change in cash and cash equivalents .....	3,958,066	4,918,645
Cash and cash equivalents at the beginning of the fiscal year .....	33,598,680	37,556,806
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation .....	59	2,943
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation .....	—	(1)
Cash and cash equivalents at the end of the fiscal year .....	¥ 37,556,806	¥ 42,478,393

## 5. Notes to consolidated financial statements

### (Note on going concern)

Not applicable.

### (Changes in accounting policies due to application of new or revised accounting standards)

In accordance with the revision to the Corporation Tax Act, some domestic consolidated subsidiaries apply the “Practical Solution on a change in depreciation method due to Tax Reform 2016” (ASBJ Practical Issues Task Force No.32, issued on June 17, 2016) and changed the depreciation method for buildings and accompanying facilities and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method, starting from the fiscal 2016. Effects of this change to Ordinary Profit and Income before income taxes during the fiscal 2016 are immaterial.

### (Additional information)

#### Recoverability of Deferred Tax Assets

SMFG applies the “Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No.26 issued on March 28, 2016) from the fiscal 2016.

#### Adoption of the consolidated corporate-tax system

SMFG applies the "Practical Solution on Tentative Treatment of Tax Effect Accounting under Consolidated Taxation System (Part 1)" (ASBJ Practical Issues Task Force No.5, issued on January 16, 2015) and “Practical Solution on Tentative Treatment of Tax Effect Accounting under Consolidated Taxation System (Part 2)” (ASBJ Practical Issues Task Force No.7, issued on January 16, 2015)" from fiscal 2016 on the premise that SMFG file as a consolidated entity, since the Commissioner of the National Tax Agency has approved the adoption of the consolidated corporate-tax system by SMFG and some consolidated subsidiaries starting from fiscal 2017.



**(Segment information)****(1) Information on profit and loss amount by reportable segment**

Fiscal year ended March 31, 2017	Millions of yen							Total
	Commercial banking							
	SMBC							
	SMBC Sub-total	Wholesale Banking Unit	Retail Banking Unit	International Banking Unit	Treasury Unit	Head office account	Others	
Gross profit .....	¥ 1,663,654	¥ 528,376	¥ 355,288	¥ 327,529	¥ 272,419	¥ 180,042	¥ 296,137	¥ 1,959,791
Interest income .....	1,138,939	271,137	294,799	194,655	144,201	234,147	184,390	1,323,330
Non-interest income .....	524,715	257,239	60,489	132,874	128,218	(54,104)	111,746	636,461
Expenses, etc. ....	(816,942)	(199,080)	(350,888)	(128,834)	(27,375)	(110,765)	(246,994)	(1,063,936)
Consolidated net business profit .....	¥ 846,711	¥ 329,296	¥ 4,400	¥ 198,695	¥ 245,044	¥ 69,276	¥ 49,142	¥ 895,854

Fiscal year ended March 31, 2017	Millions of yen							Total
	Leasing			Securities				
	Sumitomo Mitsui Finance and Leasing Company, Limited(SMFL)	Others	Total	SMBC Nikko Securities Inc.(SMBC Nikko)	SMBC Friend Securities Co., Ltd.	Others	Total	
Gross profit .....	¥ 178,845	¥ 17,587	¥ 196,433	¥ 351,220	¥ 43,334	¥ (5,767)	¥ 388,788	
Interest income .....	25,003	4,189	29,192	4,588	1,581	1,441	7,611	
Non-interest income .....	153,842	13,398	167,240	346,632	41,753	(7,208)	381,177	
Expenses, etc. ....	(82,620)	(6,815)	(89,435)	(268,854)	(37,458)	(9,920)	(316,233)	
Consolidated net business profit .....	¥ 96,225	¥ 10,772	¥ 106,997	¥ 82,366	¥ 5,876	¥ (15,687)	¥ 72,554	

Fiscal year ended March 31, 2017	Millions of yen							Grand total
	Consumer finance						Other business	
	Sumitomo Mitsui Card Company, Limited	Cedyna Financial Corporation (Cedyna)	SMBC Consumer Finance Co., Ltd.(SMBCCF)	Others	Total			
Gross profit .....	¥ 222,068	¥ 168,365	¥ 246,288	¥ 3,737	¥ 640,459	¥ (264,731)	¥ 2,920,742	
Interest income .....	14,501	23,569	162,466	(1,244)	199,292	(200,794)	1,358,632	
Non-interest income .....	207,566	144,796	83,822	4,981	441,167	(63,936)	1,562,109	
Expenses, etc. ....	(172,977)	(126,952)	(104,836)	(10,606)	(415,372)	97,097	(1,787,881)	
Consolidated net business profit .....	¥ 49,091	¥ 41,413	¥ 141,452	¥ (6,869)	¥ 225,086	¥ (167,633)	¥ 1,132,860	

## Notes:

- Figures shown in the parenthesis represent the loss.
- Interest income in Commercial banking includes dividends income of ¥200,000 million from SMBC Nikko.
- “SMFL” and “SMBCCF” represent consolidated figures of respective companies.  
“SMBC Nikko” represents non-consolidated figures of SMBC Nikko plus figures of the overseas incorporated securities companies.  
“Cedyna” represents consolidated figures of Cedyna excluding figures of the immaterial subsidiaries.
- “Other business” includes profit or loss to be eliminated as inter-segment transactions.

**(2) Difference between total amount of consolidated net business profit by reportable segment and ordinary profit on consolidated statements of income (adjustment of difference)**

Fiscal year ended March 31, 2017	Millions of yen
Consolidated net business profit .....	¥ 1,132,860
Other ordinary income (excluding equity in gains of affiliates) .....	176,704
Other ordinary expenses .....	(303,710)
Ordinary profit on consolidated statements of income .....	¥ 1,005,855

Note: Figures shown in the parenthesis represent the loss.

**(Per share data)**

As of and year ended March 31, 2017	Yen
Net assets per share .....	¥ 6,901.67
Earnings per share .....	516.00
Earnings per share (diluted).....	515.58

**(Notes)**

1. Earnings per share and earnings per share (diluted) are calculated based on the followings:

Year ended March 31, 2017	Millions of yen, except number of shares
Earnings per share	
Profit attributable to owners of parents.....	¥ 706,519
Amount not attributable to common stockholders.....	—
Profit attributable to owners of parents attributable to common stock .....	706,519
Average number of common stock during the fiscal year (in thousands) .....	1,369,231
Earnings per share (diluted)	
Adjustment for profit attributable to owners of parents.....	(9)
Adjustment of dilutive shares issued by subsidiaries.....	(9)
Increase in number of common stock (in thousands).....	1,092
Stock acquisition rights (in thousands).....	1,092
Outline of dilutive shares which were not included in the calculation of “Earnings per share (diluted)” because they do not have dilutive effect:	—

2. Net assets per share is calculated based on the followings:

March 31, 2017	Millions of yen, except number of shares
Net assets.....	¥ 11,234,286
Amount excluded from Net assets.....	1,502,747
Stock acquisition rights .....	3,482
Non-controlling interests .....	1,499,264
Net assets attributable to common stock at the fiscal year-end.....	9,731,538
Number of common stock at the fiscal year-end used for the calculation of Net assets per share (in thousands) .....	1,410,026

**(Significant subsequent events)**

There are no significant subsequent events to be disclosed.