

## **SUMITOMO MITSUI FINANCIAL GROUP**

### **Consolidated Financial Statements as of and for the year ended March 31, 2016**

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

## CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED BALANCE SHEETS

March 31	Millions of yen		Millions of U.S. dollars	
	2015	2016	2015	2016
<b>Assets:</b>				
Cash and due from banks .....	*8 ¥ 39,748,979	*8 ¥ 42,789,236	\$ 379,943	
Call loans and bills bought .....	*8 1,326,965	*8 1,291,365	11,467	
Receivables under resale agreements .....	746,431	494,949	4,395	
Receivables under securities borrowing transactions .....	6,477,063	7,972,918	70,795	
Monetary claims bought .....	*8 4,286,592	*8 4,350,012	38,626	
Trading assets .....	*8 7,483,681	*8 8,063,281	71,597	
Money held in trust .....	7,087	5,163	46	
Securities .....	*1, *2, *8, *15 29,633,667	*1, *2, *8, *15 25,264,445	224,334	
Loans and bills discounted .....	*3, *4, *5, *6, *7, *8, *9 73,068,240	*3, *4, *5, *6, *7, *8, *9 75,066,080	666,543	
Foreign exchanges .....	*7 1,907,667	*7 1,577,167	14,004	
Lease receivables and investment assets .....	*8 1,909,143	*8 1,987,034	17,644	
Other assets .....	*8 6,156,091	*8 6,702,774	59,517	
Tangible fixed assets .....	*8, *10, *11, *12 2,770,853	*8, *10, *11, *12 2,919,424	25,923	
Assets for rent .....	1,790,787	1,884,778	16,736	
Buildings .....	313,381	386,222	3,429	
Land .....	469,167	489,144	4,343	
Lease assets .....	8,368	7,558	67	
Construction in progress .....	76,413	27,188	241	
Other tangible fixed assets .....	112,735	124,531	1,106	
Intangible fixed assets .....	819,560	878,265	7,798	
Software .....	359,216	408,272	3,625	
Goodwill .....	351,966	339,185	3,012	
Lease assets .....	307	268	2	
Other intangible fixed assets .....	108,070	130,538	1,159	
Net defined benefit asset .....	376,255	203,274	1,805	
Deferred tax assets .....	127,841	125,832	1,117	
Customers' liabilities for acceptances and guarantees .....	7,267,713	7,519,635	66,770	
Reserve for possible loan losses .....	(671,248)	(625,019)	(5,550)	
<b>Total assets .....</b>	<b>¥ 183,442,585</b>	<b>¥ 186,585,842</b>	<b>\$ 1,656,774</b>	

(Continued)

March 31	Millions of yen		Millions of U.S. dollars	
	2015	2016	2016	2016
<b>Liabilities and net assets:</b>				
<b>Liabilities:</b>				
Deposits .....	*8 ¥101,047,918	*8 ¥110,668,828	\$ 982,675	
Negotiable certificates of deposit.....	13,825,898	14,250,434	126,536	
Call money and bills sold.....	*8 5,873,123	1,220,455	10,837	
Payables under repurchase agreements .....	*8 991,860	*8 1,761,822	15,644	
Payables under securities lending transactions .....	*8 7,833,219	*8 5,309,003	47,141	
Commercial paper .....	3,351,459	3,017,404	26,793	
Trading liabilities .....	*8 5,664,688	*8 6,112,667	54,277	
Borrowed money .....	*8, *13 9,778,095	*8, *13 8,571,227	76,108	
Foreign exchanges .....	1,110,822	1,083,450	9,620	
Short-term bonds .....	1,370,800	1,271,300	11,288	
Bonds .....	*14 6,222,918	*14 7,006,357	62,212	
Due to trust account .....	718,133	944,542	8,387	
Other liabilities .....	*8 6,728,951	*8 6,632,027	58,889	
Reserve for employee bonuses.....	73,359	68,476	608	
Reserve for executive bonuses.....	3,344	2,446	22	
Net defined benefit liability .....	38,096	48,570	431	
Reserve for executive retirement benefits.....	2,128	2,202	20	
Reserve for point service program.....	19,050	19,706	175	
Reserve for reimbursement of deposits.....	20,870	16,979	151	
Reserve for losses on interest repayment.....	166,793	228,741	2,031	
Reserves under the special laws.....	1,124	1,498	13	
Deferred tax liabilities .....	601,393	348,190	3,092	
Deferred tax liabilities for land revaluation ....	*10 34,550	*10 32,203	286	
Acceptances and guarantees .....	*8 7,267,713	*8 7,519,635	66,770	
Total liabilities .....	<u>172,746,314</u>	<u>176,138,173</u>	<u>1,564,004</u>	
<b>Net assets :</b>				
Capital stock.....	2,337,895	2,337,895	20,759	
Capital surplus .....	757,329	757,306	6,724	
Retained earnings.....	4,098,425	4,534,472	40,263	
Treasury stock.....	(175,261)	(175,381)	(1,557)	
Total stockholders' equity.....	<u>7,018,389</u>	<u>7,454,294</u>	<u>66,190</u>	
Net unrealized gains (losses) on other securities .....	1,791,049	1,347,689	11,967	
Net deferred gains (losses) on hedges.....	(30,180)	55,130	490	
Land revaluation excess.....	*10 39,014	*10 39,416	350	
Foreign currency translation adjustments.....	156,309	87,042	773	
Accumulated remeasurements of defined benefit plans .....	47,667	(69,811)	(620)	
Total accumulated other comprehensive income .....	<u>2,003,859</u>	<u>1,459,467</u>	<u>12,959</u>	
Stock acquisition rights .....	2,284	2,884	26	
Non-controlling interests.....	1,671,738	1,531,022	13,595	
Total net assets .....	<u>10,696,271</u>	<u>10,447,669</u>	<u>92,769</u>	
Total liabilities and net assets .....	<u>¥183,442,585</u>	<u>¥186,585,842</u>	<u>\$ 1,656,774</u>	

## CONSOLIDATED STATEMENTS OF INCOME

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2015	2016	2016
Ordinary income.....	¥ 4,851,202	¥ 4,772,100	\$ 42,373
Interest income.....	1,891,932	1,868,313	16,590
Interest on loans and discounts.....	1,312,629	1,326,402	11,778
Interest and dividends on securities.....	336,345	303,132	2,692
Interest on call loans and bills bought.....	19,599	20,457	182
Interest on receivables under resale agreements.....	9,640	10,100	90
Interest on receivables under securities borrowing transactions..	7,826	10,747	95
Interest on deposits with banks.....	43,147	37,537	333
Interest on lease transactions.....	62,097	59,366	527
Other interest income.....	100,645	100,567	893
Trust fees.....	2,890	3,681	33
Fees and commissions.....	1,126,285	1,134,463	10,073
Trading income.....	252,976	225,481	2,002
Other operating income.....	1,359,109	1,342,665	11,922
Lease-related income.....	189,261	197,699	1,755
Installment-related income.....	692,151	743,815	6,605
Other.....	477,695	401,150	3,562
Other income.....	218,008	197,494	1,754
Gains on reversal of reserve for possible loan losses.....	61,158	—	—
Recoveries of written-off claims.....	15,979	19,735	175
Other.....	*1 140,870	*1 177,759	1,578
Ordinary expenses.....	3,530,046	3,786,815	33,625
Interest expenses.....	386,753	445,385	3,955
Interest on deposits.....	126,371	140,633	1,249
Interest on negotiable certificates of deposit.....	43,904	49,319	438
Interest on call money and bills sold.....	4,201	5,360	48
Interest on payables under repurchase agreements.....	4,921	8,077	72
Interest on payables under securities lending transactions.....	5,036	6,726	60
Interest on commercial paper.....	8,047	10,415	92
Interest on borrowed money.....	34,814	39,825	354
Interest on short-term bonds.....	1,393	1,400	12
Interest on bonds.....	110,461	129,295	1,148
Other interest expenses.....	47,602	54,331	482
Fees and commissions payments.....	129,609	130,625	1,160
Trading losses.....	57,856	—	—
Other operating expenses.....	1,078,570	1,094,630	9,720
Lease-related expenses.....	89,310	91,017	808
Installment-related expenses.....	650,913	698,904	6,206
Other.....	338,346	304,708	2,706
General and administrative expenses.....	*2 1,659,341	*2 1,724,836	15,316
Other expenses.....	217,914	391,338	3,475
Provision for reserve for possible loan losses.....	—	34,842	309
Other.....	*3 217,914	*3 356,495	3,165
Ordinary profit.....	<u>1,321,156</u>	<u>985,284</u>	<u>8,749</u>

(Continued)

Year ended March 31	Millions of yen		Millions of
	2015	2016	U.S. dollars
Extraordinary gains .....	¥ 538	¥ 3,911	\$ 35
Gains on disposal of fixed assets .....	538	3,714	33
Gains on negative goodwill .....	—	138	1
Reversal of reserve for eventual future operating losses from financial instruments transactions .....	—	0	0
Other extraordinary gains .....	—	58	1
Extraordinary losses .....	12,316	9,026	80
Losses on disposal of fixed assets .....	6,853	4,289	38
Losses on impairment of fixed assets .....	*4 5,109	*4 4,362	39
Provision for reserve for eventual future operating losses from financial instruments transactions .....	353	374	3
Income before income taxes .....	1,309,377	980,170	8,703
Income taxes-current .....	325,341	244,223	2,169
Income taxes-deferred .....	116,020	(19,175)	(170)
Income taxes .....	441,362	225,047	1,998
Profit .....	868,015	755,123	6,705
Profit attributable to non-controlling interests .....	114,405	108,435	963
Profit attributable to owners of parent .....	¥ 753,610	¥ 646,687	\$ 5,742

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Year ended March 31	Millions of yen		Millions of
	2015	2016	U.S. dollars
Profit.....	¥ 868,015	¥ 755,123	\$ 6,705
Other comprehensive income (losses).....	*1 1,195,494	*1 (576,794)	(5,122)
Net unrealized gains (losses) on other securities .....	864,496	(444,981)	(3,951)
Net deferred gains (losses) on hedges.....	29,458	82,552	733
Land revaluation excess.....	3,604	1,705	15
Foreign currency translation adjustments .....	175,840	(92,121)	(818)
Remeasurements of defined benefit plans .....	122,552	(121,933)	(1,083)
Share of other comprehensive income of affiliates.....	(458)	(2,016)	(18)
Total comprehensive income.....	2,063,510	178,328	1,583
Comprehensive income attributable to owners of parent.....	1,879,838	103,599	920
Comprehensive income attributable to non-controlling interests	183,672	74,728	664

## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Year ended March 31, 2015	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	¥ 758,349	¥ 3,480,085	¥ (175,115)	¥ 6,401,215
Cumulative effects of changes in accounting policies .....			35,459		35,459
Restated balance .....	2,337,895	758,349	3,515,544	(175,115)	6,436,674
Changes in the fiscal year					
Cash dividends .....			(170,908)		(170,908)
Profit attributable to owners of parent .....			753,610		753,610
Purchase of treasury stock .....				(161)	(161)
Disposal of treasury stock .....		2		15	17
Changes in shareholders' interest due to transaction with non-controlling interests .....		(1,021)			(1,021)
Increase due to increase in subsidiaries .....			38		38
Increase due to decrease in subsidiaries .....			5		5
Decrease due to increase in subsidiaries .....			(165)		(165)
Decrease due to decrease in subsidiaries .....			(20)		(20)
Reversal of land revaluation excess .....			321		321
Net changes in items other than stockholders' equity in the fiscal year .....					
Net changes in the fiscal year .....	—	(1,019)	582,880	(146)	581,715
Balance at the end of the fiscal year .....	¥ 2,337,895	¥ 757,329	¥ 4,098,425	¥ (175,261)	¥ 7,018,389

  

Year ended March 31, 2015	Millions of yen					
	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	Total
Balance at the beginning of the fiscal year .....	¥ 949,508	¥ (60,946)	¥ 35,749	¥ 27,239	¥ (73,579)	¥ 877,971
Cumulative effects of changes in accounting policies .....						
Restated balance .....	949,508	(60,946)	35,749	27,239	(73,579)	877,971
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 .....	841,541	30,766	3,265	129,070	121,246	1,125,888
Net changes in the fiscal year .....	841,541	30,766	3,265	129,070	121,246	1,125,888
Balance at the end of the fiscal year .....	¥ 1,791,049	¥ (30,180)	¥ 39,014	¥ 156,309	¥ 47,667	¥ 2,003,859

Millions of yen

Year ended March 31, 2015	Stock acquisition rights	Non-controlling interests	Total net assets
Balance at the beginning of the fiscal year .....	¥ 1,791	¥ 1,724,041	¥ 9,005,019
Cumulative effects of changes in accounting policies .....		(431)	35,027
Restated balance .....	1,791	1,723,610	9,040,047
Changes in the fiscal year			
Cash dividends .....			(170,908)
Profit attributable to owners of parent .....			753,610
Purchase of treasury stock .....			(161)
Disposal of treasury stock .....			17
Changes in shareholders' interest due to transaction with non-controlling interests .....			(1,021)
Increase due to increase in subsidiaries .....			38
Increase due to decrease in subsidiaries .....			5
Decrease due to increase in subsidiaries .....			(165)
Decrease due to decrease in subsidiaries .....			(20)
Reversal of land revaluation excess .....			321
Net changes in items other than stockholders' equity in the fiscal year .....	492	(51,872)	1,074,509
Net changes in the fiscal year .....	492	(51,872)	1,656,224
Balance at the end of the fiscal year .....	¥ 2,284	¥ 1,671,738	¥ 10,696,271



(Continued)

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					
	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	Total
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

Millions of yen

<b>Year ended March 31, 2016</b>	<b>Stock acquisition rights</b>	<b>Non-controlling interests</b>	<b>Total net assets</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

(Continued)

Millions of U.S. dollars

Stockholders' equity

<b>Year ended March 31, 2016</b>	<b>Capital stock</b>	<b>Capital surplus</b>	<b>Retained earnings</b>	<b>Treasury stock</b>	<b>Total</b>
Balance at the beginning of the fiscal year .....	\$ 20,759	\$ 6,725	\$ 36,392	\$ (1,556)	\$ 62,319
Changes in the fiscal year					
Cash dividends .....			(1,882)		(1,882)
Profit attributable to owners of parent .....			5,742		5,742
Purchase of treasury stock .....				(2)	(2)
Disposal of treasury stock .....		(0)		1	0
Changes in shareholders' interest due to transaction with non-controlling interests .....		(0)			(0)
Increase due to increase in subsidiaries .....			0		0
Increase due to decrease in subsidiaries .....			0		0
Decrease due to increase in subsidiaries .....			(0)		(0)
Decrease due to decrease in subsidiaries .....			(0)		(0)
Reversal of land revaluation excess .....			11		11
Net changes in items other than stockholders' equity in the fiscal year .....					
Net changes in the fiscal year .....	—	(0)	3,872	(1)	3,871
Balance at the end of the fiscal year .....	\$ 20,759	\$ 6,724	\$ 40,263	\$ (1,557)	\$ 66,190

Millions of U.S. dollars

Accumulated other comprehensive income

<b>Year ended March 31, 2016</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 .....	\$ 15,903	\$ (268)	\$ 346	\$ 1,388	\$ 423	\$ 17,793
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 .....	(3,937)	758	4	(615)	(1,043)	(4,834)
Net changes in the fiscal year .....	(3,937)	758	4	(615)	(1,043)	(4,834)
Balance at the end of the fiscal year .....	\$ 11,967	\$ 490	\$ 350	\$ 773	\$ (620)	\$ 12,959

Millions of U.S. dollars

<b>Year ended March 31, 2016</b>	<b>Stock acquisition rights</b>	<b>Non-controlling interests</b>	<b>Total net assets</b>
Balance at the beginning of the fiscal year .....	\$ 20	\$ 14,844	\$ 94,977
Changes in the fiscal year			
Cash dividends .....			(1,882)
Profit attributable to owners of parent .....			5,742
Purchase of treasury stock .....			(2)
Disposal of treasury stock .....			0
Changes in shareholders' interest due to transaction with non-controlling interests .....			(0)
Increase due to increase in subsidiaries .....			0
Increase due to decrease in subsidiaries .....			0
Decrease due to increase in subsidiaries .....			(0)
Decrease due to decrease in subsidiaries .....			(0)
Reversal of land revaluation excess .....			11
Net changes in items other than stockholders' equity in the fiscal year .....	5	(1,249)	(6,078)
Net changes in the fiscal year .....	5	(1,249)	(2,207)
Balance at the end of the fiscal year .....	<u>\$ 26</u>	<u>\$ 13,595</u>	<u>\$ 92,769</u>

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2015	2016	2016
<b>Cash flows from operating activities:</b>			
Income before income taxes.....	¥ 1,309,377	¥ 980,170	\$ 8,703
Depreciation.....	222,195	238,348	2,116
Losses on impairment of fixed assets.....	5,109	4,362	39
Amortization of goodwill.....	26,521	27,670	246
Gains on negative goodwill.....	—	(138)	(1)
Gains on step acquisitions.....	—	(58)	(1)
Equity in losses of affiliates.....	10,600	36,196	321
Net change in reserve for possible loan losses.....	(81,146)	(48,022)	(426)
Net change in reserve for employee bonuses.....	2,722	(5,077)	(45)
Net change in reserve for executive bonuses.....	(1,576)	(946)	(8)
Net change in net defined benefit asset and liability.....	(47,765)	(23,434)	(208)
Net change in reserve for executive retirement benefits.....	130	68	1
Net change in reserve for point service program.....	(1,305)	656	6
Net change in reserve for reimbursement of deposits.....	6,012	(4,138)	(37)
Net change in reserve for losses on interest repayment.....	(23,388)	61,947	550
Interest income.....	(1,891,932)	(1,868,313)	(16,590)
Interest expenses.....	386,753	445,385	3,955
Net gains on securities.....	(115,802)	(126,398)	(1,122)
Net gains from money held in trust.....	(0)	(0)	(0)
Net exchange (gains) losses.....	(717,621)	445,713	3,958
Net losses from disposal of fixed assets.....	6,315	575	5
Net change in trading assets.....	(423,811)	(579,837)	(5,149)
Net change in trading liabilities.....	797,462	448,508	3,982
Net change in loans and bills discounted.....	(4,500,362)	(2,223,331)	(19,742)
Net change in deposits.....	6,639,769	7,646,207	67,894
Net change in negotiable certificates of deposit.....	71,330	442,445	3,929
Net change in borrowed money (excluding subordinated borrowings) ..	2,656,388	(1,119,170)	(9,938)
Net change in deposits with banks.....	117,475	849,019	7,539
Net change in call loans and bills bought and others.....	(857,503)	157,822	1,401
Net change in receivables under securities borrowing transactions.....	(2,696,803)	(1,495,854)	(13,282)
Net change in call money and bills sold and others.....	922,181	(3,838,358)	(34,082)
Net change in commercial paper.....	924,066	(346,866)	(3,080)
Net change in payables under securities lending transactions.....	2,502,245	(2,524,215)	(22,414)
Net change in foreign exchanges (assets).....	(105,639)	314,707	2,794
Net change in foreign exchanges (liabilities).....	624,705	(22,636)	(201)
Net change in lease receivables and investment assets.....	(59,744)	(41,649)	(370)
Net change in short-term bonds (liabilities).....	225,600	(99,500)	(884)
Issuance and redemption of bonds (excluding subordinated bonds) .....	1,038,047	420,778	3,736
Net change in due to trust account.....	18,803	226,408	2,010
Interest received.....	1,903,720	1,875,947	16,657
Interest paid.....	(375,300)	(438,246)	(3,891)
Other, net.....	87,971	(649,079)	(5,763)
Subtotal.....	8,605,805	(832,332)	(7,391)
Income taxes paid.....	(365,578)	(294,976)	(2,619)
Net cash provided by (used in) operating activities.....	8,240,226	(1,127,308)	(10,010)

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2015	2016	2016
<b>Cash flows from investing activities:</b>			
Purchases of securities.....	¥ (36,624,383)	¥ (27,007,243)	\$ (239,809)
Proceeds from sale of securities.....	27,845,192	22,537,031	200,116
Proceeds from redemption of securities.....	7,854,257	7,992,771	70,971
Purchases of money held in trust.....	(0)	(1)	(0)
Proceeds from sale of money held in trust.....	3,523	1,925	17
Purchases of tangible fixed assets.....	(578,968)	(529,264)	(4,700)
Proceeds from sale of tangible fixed assets.....	188,309	147,995	1,314
Purchases of intangible fixed assets.....	(145,090)	(158,779)	(1,410)
Proceeds from sale of intangible fixed assets.....	28	223	2
Purchases of stocks of subsidiaries resulting from their merger.....	—	(860)	(8)
Proceeds from acquisition of business.....	—	*2 2,251,106	19,989
Purchases of stocks of subsidiaries resulting in change in scope of consolidation.....	(58)	(652)	(6)
Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation.....	—	6,698	59
Net cash provided by (used in) investing activities.....	<u>(1,457,188)</u>	<u>5,240,950</u>	<u>46,537</u>
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of subordinated borrowings.....	40,011	18,000	160
Redemption of subordinated borrowings.....	(5,000)	(39,696)	(352)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights.....	326,350	577,142	5,125
Repayment of subordinated bonds and bonds with stock acquisition rights.....	(288,158)	(182,617)	(1,622)
Dividends paid.....	(170,917)	(211,952)	(1,882)
Repayments to non-controlling stockholders.....	(124,500)	(142,000)	(1,261)
Dividends paid to non-controlling stockholders.....	(79,752)	(74,891)	(665)
Purchases of treasury stock.....	(161)	(191)	(2)
Proceeds from disposal of treasury stock.....	17	54	0
Purchase of stocks of subsidiaries not resulting in change in scope of consolidation.....	(1,951)	(6)	(0)
Proceeds from sale of stocks of subsidiaries not resulting in change in scope of consolidation.....	1,473	162	1
Net cash used in financing activities.....	<u>(302,589)</u>	<u>(55,995)</u>	<u>(497)</u>
Effect of exchange rate changes on cash and cash equivalents.....	<u>177,706</u>	<u>(99,579)</u>	<u>(884)</u>
Net change in cash and cash equivalents.....	<u>6,658,153</u>	<u>3,958,066</u>	<u>35,145</u>
Cash and cash equivalents at the beginning of the fiscal year.....	26,993,164	33,598,680	298,337
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation.....	—	59	1
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation.....	(52,637)	—	—
Cash and cash equivalents at the end of the fiscal year.....	*1 <u>¥ 33,598,680</u>	*1 <u>¥ 37,556,806</u>	<u>\$ 333,483</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED MARCH 31, 2015 AND 2016

### (Basis of presentation)

Sumitomo Mitsui Financial Group, Inc. (“SMFG”) was established on December 2, 2002 as a holding company for the SMFG group through a statutory share transfer (*kabushiki iten*) of all of the outstanding equity securities of Sumitomo Mitsui Banking Corporation (“SMBC”) in exchange for SMFG’s newly issued securities. SMFG is a joint stock corporation with limited liability (*Kabushiki Kaisha*) incorporated under the Companies Act of Japan. Upon formation of SMFG and completion of the statutory share transfer, SMBC became a direct wholly owned subsidiary of SMFG.

SMFG has prepared the accompanying consolidated financial statements in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards (“IFRS”).

The accounts of overseas subsidiaries and affiliated companies, are, in principle, integrated with those of SMFG’s accounting policies for purposes of consolidation unless they apply different accounting principles and standards as required under U.S. GAAP or IFRS, in which case a certain limited number of items are adjusted based on their materiality.

These consolidated financial statements are translated from the consolidated financial statements contained in the annual securities report filed under the Financial Instrument and Exchange Act of Japan (“FIEA based financial statements”) except for the addition of the non-consolidated financial statements and US dollar figures.

Amounts less than 1 million yen have been rounded down. As a result, the totals in Japanese yen shown in the financial statements do not necessarily agree with the sum of the individual amounts.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2016 which was ¥112.62 to US\$1. These translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at that rate.

## (Significant accounting policies for preparing consolidated financial statements)

### 1. Scope of consolidation

#### (1) Consolidated subsidiaries

The number of consolidated subsidiaries at March 31, 2016 is 341.

Principal companies: Sumitomo Mitsui Banking Corporation (“SMBC”)  
SMBC Trust Bank Ltd. (“SMBC Trust”)  
Sumitomo Mitsui Finance and Leasing Company, Limited (“SMFL”)  
SMBC Nikko Securities Inc. (“SMBC Nikko”)  
SMBC Friend Securities Co., Ltd. (“SMBC Friend”)  
Sumitomo Mitsui Card Company, Limited (“SMCC”)  
Cedyna Financial Corporation (“Cedyna”)  
SMBC Consumer Finance Co., Ltd. (“SMBCCF”)  
The Japan Research Institute, Limited  
THE MINATO BANK, LTD. (“MINATO”)  
Kansai Urban Banking Corporation (“KUBC”)  
Sumitomo Mitsui Banking Corporation Europe Limited  
Sumitomo Mitsui Banking Corporation (China) Limited  
SMBC Guarantee Co., Ltd.  
SMBC Capital Markets, Inc.

Changes in the consolidated subsidiaries in the fiscal year ended March 31, 2016 are as follows:

54 companies were newly included in the scope of consolidation as a result of the establishment and for other reasons.

30 companies were excluded from the scope of consolidation because of liquidation and for other reasons.

#### (2) Unconsolidated subsidiaries

Principal company: SBCS Co., Ltd.

180 unconsolidated subsidiaries are operators of silent partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, they have been excluded from the scope of consolidation pursuant to Article 5 Paragraph 1 Item 2 of Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements.

Other unconsolidated subsidiaries are also excluded from the scope of consolidation because their total amounts in terms of total assets, ordinary income, net income and retained earnings are immaterial, as such, they do not hinder a rational judgment of SMFG’s financial position and results of operations when excluded from the scope of consolidation.

### 2. Application of the equity method

#### (1) Unconsolidated subsidiaries accounted for by the equity method

The number of unconsolidated subsidiaries accounted for by the equity method at March 31, 2016 is 5.

Principal company: SBCS Co., Ltd.

#### (2) Affiliates accounted for by the equity method 54 companies

Principal companies: PT Bank Tabungan Pensiunan Nasional Tbk.  
Sumitomo Mitsui Auto Service Company, Limited  
Daiwa SB Investments Ltd.

Changes in the equity method affiliates in the fiscal year ended March 31, 2016 are as follows:

ACLEDA Bank Plc. and other 9 companies newly became equity method affiliates due to the acquisition of stocks and for other reasons.

1 company was excluded from the scope of equity method because of liquidation.

#### (3) Unconsolidated subsidiaries that are not accounted for by the equity method

180 unconsolidated subsidiaries that are not accounted for by the equity method are operators of silent partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, they have not been accounted for



by the equity method pursuant to Article 10 Paragraph 1 Item 2 of Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements.

- (4) Affiliates that are not accounted for by the equity method

Principal company: Daiwa SB Investments (USA) Ltd.

Affiliates that are not accounted for by the equity method are also excluded from the scope of equity method because their total amounts in terms of net income and retained earnings are immaterial, and as such, they do not hinder a rational judgment of SMFG's financial position and results of operations when excluded from the scope of equity method.

### 3. The balance sheet dates of consolidated subsidiaries

- (1) The balance sheet dates of the consolidated subsidiaries at March 31, 2016 are as follows:

April 30 .....	1
May 31.....	1
June 30.....	6
October 31 .....	3
November 30 .....	6
December 31.....	144
January 31 .....	14
February 29 .....	6
March 31 .....	160

- (2) The subsidiaries with balance sheets dated April 30, May 31, June 30 and November 30 are consolidated using the financial statements as of March 31. The subsidiaries with balance sheets dated October 31 are consolidated using the financial statements as of January 31. Certain subsidiaries with balance sheets dated December 31 and January 31 are consolidated using the financial statements as of March 31. Other subsidiaries are consolidated using the financial statements as of their respective balance sheet dates.

Appropriate adjustments were made to material transactions during the periods between their respective balance sheet dates and the consolidated closing date.

### 4. Accounting policies

- (1) Standards for recognition and measurement of trading assets/liabilities and trading income/losses

Transactions for trading purposes (seeking gains arising from short-term changes in interest rates, currency exchange rates, or market prices of securities and other market related indices or from variation among markets) are included in "Trading assets" or "Trading liabilities" on the consolidated balance sheets on a trade date basis. Profits and losses on trading-purpose transactions are recognized on a trade date basis, and recorded as "Trading income" and "Trading losses."

Securities and monetary claims purchased for trading purposes are stated at the fiscal year-end market value, and financial derivatives such as swaps, futures and options are stated at amounts that would be settled if the transactions were terminated at the consolidated balance sheet date.

"Trading income" and "Trading losses" include interest received or paid during the fiscal year. The year-on-year valuation differences of securities and monetary claims are also recorded in the above-mentioned accounts. As for the derivatives, assuming that the settlement will be made in cash, the year-on-year valuation differences are also recorded in the above-mentioned accounts.

- (2) Standards for recognition and measurement of securities

- 1) Debt securities that consolidated subsidiaries have the positive intent and ability to hold to maturity are classified as held-to-maturity securities and are carried at amortized cost (straight-line method) using the moving-average method. Investments in unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are carried at cost using the moving-average method. Securities other than trading purpose securities, held-to-maturity securities and investments in unconsolidated subsidiaries and affiliates are classified as "Other securities" (available-for-sale securities). Stocks (including foreign stocks) in Other securities are carried at their average market prices during the final month of the fiscal year, and bonds and others are

carried at their fiscal year-end market prices (cost of securities sold is calculated using primarily the moving-average method). Other securities which are extremely difficult to determine fair value are carried at cost using the moving-average method.

Net unrealized gains (losses) on other securities, net of income taxes, are included in “Net assets,” after deducting the amount that is reflected in the fiscal year’s earnings by applying fair value hedge accounting.

2) Securities included in “Money held in trust” are carried in the same method as in (1) and (2) 1) above.

(3) Standards for recognition and measurement of derivative transactions

Derivative transactions, excluding those classified as trading derivatives, are carried at fair value.

(4) Depreciation

1) Tangible fixed assets (excluding assets for rent and lease assets)

Buildings owned by SMFG and SMBC are depreciated using the straight-line method. Others are depreciated using the declining-balance method. The estimated useful lives of major items are as follows:

Buildings:	7 to 50 years
Others:	2 to 20 years

Other consolidated subsidiaries depreciate tangible fixed assets primarily using the straight-line method over the estimated useful lives of the respective assets.

2) Intangible fixed assets

Intangible fixed assets are depreciated using the straight-line method. Capitalized software for internal use owned by SMFG and its consolidated domestic subsidiaries is depreciated over its estimated useful life (basically 5 years).

3) Assets for rent

Assets for rent are depreciated using the straight-line method, assuming that lease terms are, in principle, their depreciation period and the salvage is estimated disposal value when the lease period expires.

4) Lease assets

Lease assets with respect to non-transfer ownership finance leases, which are recorded in “Tangible fixed assets,” are depreciated using the straight-line method, assuming that lease terms are their expected lifetime and salvage values are zero.

(5) Reserve for possible loan losses

The reserve for possible loan losses of major consolidated subsidiaries is provided as detailed below in accordance with the internal standards for write-offs and provisions.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings (“bankrupt borrowers”) or borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation (“effectively bankrupt borrowers”), a reserve is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees. For claims on borrowers that are not currently bankrupt but are perceived to have a high risk of falling into bankruptcy (“potentially bankrupt borrowers”), a reserve is provided in the amount deemed necessary based on an overall solvency assessment of the borrowers, net of the expected amount of recoveries from collateral and guarantees.

Discounted Cash Flows (“DCF”) method is used for claims on borrowers whose cash flows from collection of principals and interest can be rationally estimated and SMBC applies it to claims on large potentially bankrupt borrowers and claims on large borrowers requiring close monitoring that have been classified as “Past due loans (3 months or more)” or “Restructured loans,” whose total loans from SMBC exceed a certain amount. SMBC establishes a reserve for possible loan losses using the DCF method for such claims in the amount of the difference between the present value of principal and interest (calculated using the rationally estimated cash flows discounted at the initial contractual interest rate) and the book value.

For other claims, a reserve is provided based on the historical loan-loss ratio. For claims originated in specific overseas countries, an additional reserve is provided in the amount deemed necessary based on the assessment of political and economic conditions.

Branches and credit supervision departments assess all claims in accordance with the internal rules for self-assessment of assets, and the Credit Review Department, independent from these operating sections, audits their assessment.

The reserve for possible loan losses of SMFG and other consolidated subsidiaries for general claims is provided in the amount deemed necessary based on the historical loan-loss ratios, and for doubtful claims in the amount deemed uncollectible based on assessment of each claim.

For collateralized or guaranteed claims on bankrupt borrowers and effectively bankrupt borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and written off against the total outstanding amount of the claims. The amount of write-off for the years ended March 31, 2015 and 2016 were ¥363,585 million and ¥301,983 million, respectively.

(6) Reserve for employee bonuses

The reserve for employee bonuses is provided for payment of bonuses to employees, in the amount of estimated bonuses, which are attributable to the fiscal year.

(7) Reserve for executive bonuses

The reserve for executive bonuses is provided for payment of bonuses to executives, in the amount of estimated bonuses, which are attributable to the fiscal year.

(8) Reserve for executive retirement benefits

The reserve for executive retirement benefits is provided for payment of retirement benefits to directors, corporate auditors and other executive officers, in the amount deemed accrued at the fiscal year-end based on our internal regulations.

(9) Reserve for point service program

The reserve for point service program is provided for the potential future redemption of points awarded to customers under the “SMBC Point Pack,” credit card points programs, and other customer points award programs. The amount is calculated by converting the outstanding points into a monetary amount, and rationally estimating and recognizing the amount that will be redeemed in the future.

(10) Reserve for reimbursement of deposits

The reserve for reimbursement of deposits which were derecognized as liabilities under certain conditions is provided for the possible losses on the future claims of withdrawal based on the historical reimbursements.

(11) Reserve for losses on interest repayment

The reserve for losses on interest repayment is provided for the possible losses on future claims of repayment of interest based on historical interest repayment experience.

(12) Reserve under the special laws

The reserve under the special laws is a reserve for contingent liabilities and provided for compensation for losses from securities related transactions or derivative transactions, pursuant to Article 46-5 of the Financial Instruments and Exchange Act.

(13) Employee retirement benefits

In calculating the projected benefit obligation, mainly the benefit formula basis is used to calculate the expected benefit attributable to the respective fiscal year.

Unrecognized prior service cost is amortized on a straight-line basis, primarily over 9 years within the employees’ average remaining service period at incurrence.

Unrecognized net actuarial gain (loss) is amortized on a straight-line basis, primarily over 9 years within the employees’ average remaining service period, commencing from the next fiscal year of incurrence.

(14) Translation of foreign currency assets and liabilities

Assets and liabilities of SMFG and SMBC denominated in foreign currencies and accounts of SMBC overseas branches are translated into Japanese yen mainly at the exchange rate prevailing at the consolidated balance sheet date, with the exception of stocks of subsidiaries and affiliates translated at rates prevailing at the time of acquisition.

Other consolidated subsidiaries’ assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at their respective balance sheet dates.

(15) Lease transactions

1) Recognition of income on finance leases

Interest income is allocated to each period.

2) Recognition of income on operating leases

Primarily, lease-related income is recognized on a straight-line basis over the full term of the lease, based on the contractual amount of lease fees per month.

3) Recognition of income and expenses on installment sales

Primarily, installment-sales-related income and installment-sales-related expenses are recognized on a due-date basis over the full period of the installment sales.

(16) Hedge accounting

1) Hedging against interest rate changes

As for the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, SMBC applies deferred hedge accounting.

SMBC applies deferred hedge accounting stipulated in “Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (JICPA Industry Audit Committee Report No. 24, February 13, 2002) to portfolio hedges on groups of large-volume, small-value monetary claims and debts.

As for the portfolio hedges to offset market fluctuation, SMBC assesses the effectiveness of such hedges by classifying the hedged items (such as deposits and loans) and the hedging instruments (such as interest rate swaps) by their maturity. As for the portfolio hedges to fix cash flows, SMBC assesses the effectiveness of such hedges by verifying the correlation between the hedged items and the hedging instruments.

As for the individual hedges, SMBC also assesses the effectiveness of such individual hedges.

2) Hedging against currency fluctuations

SMBC applies deferred hedge accounting stipulated in “Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry” (JICPA Industry Audit Committee Report No. 25, July 29, 2002) to currency swap and foreign exchange swap transactions executed for the purpose of lending or borrowing funds in different currencies.

Pursuant to JICPA Industry Audit Committee Report No. 25, SMBC assesses the effectiveness of currency swap and foreign exchange swap transactions executed for the purpose of offsetting the risk of changes in currency exchange rates by verifying that there are foreign-currency monetary claims and debts corresponding to the foreign-currency positions.

In order to hedge risk arising from volatility of exchange rates for stocks of subsidiaries and affiliates and other securities (excluding bonds) denominated in foreign currencies, SMBC applies deferred hedge accounting or fair value hedge accounting, on the conditions that the hedged securities are designated in advance and that sufficient on-balance (actual) or off-balance (forward) liability exposure exists to cover the cost of the hedged securities denominated in the same foreign currencies.

3) Hedging against share price fluctuations

SMBC applies fair value hedge accounting to individual hedges offsetting the price fluctuation of the shares that are classified under Other securities, and accordingly evaluates the effectiveness of such individual hedges.

4) Transactions between consolidated subsidiaries

As for derivative transactions between consolidated subsidiaries or internal transactions between trading accounts and other accounts (or among internal sections), SMBC manages the interest rate swaps and currency swaps that are designated as hedging instruments in accordance with the non-arbitrary and strict criteria for external transactions stipulated in JICPA Industry Audit Committee Report No. 24 and No. 25. Therefore, SMBC accounts for the gains or losses that arise from interest rate swaps and currency swaps in its earnings or defers them, rather than eliminating them.

Certain other consolidated subsidiaries apply the deferred hedge accounting, fair value hedge accounting or the special treatment for interest rate swaps.

(17) Amortization of goodwill

Goodwill is amortized using the straight-line method over a period in which its benefit is expected to be realized, not to exceed 20 years. Immaterial goodwill is charged or credited to income directly when incurred.

(18) Scope of “Cash and cash equivalents” on consolidated statements of cash flows

For the purposes of presenting the consolidated statements of cash flows, “Cash and cash equivalents” are cash on hand, non-interest earning deposits with banks and deposits with the Bank of Japan.

(19) Consumption taxes

National and local consumption taxes of SMFG and its consolidated domestic subsidiaries are accounted for using the tax-excluded method.

**(Unapplied Accounting Standard and Others)**

“Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26 issued on March 28, 2016)

(1) Outline

The Guidance supersedes the guidance on recoverability of deferred tax assets stipulated in “Auditing Treatment for Judgment of Recoverability of Deferred Assets” (JICPA Industry Committee Report No. 66).

(2) Date of application

SMFG intends to apply the Guidance from the fiscal years beginning on April 1, 2016.

(3) Effects of Application of the Guidance

The effects of application of the Guidance are currently being examined.

**(Changes in presentation)**

In accordance with the provision set forth in Paragraph 39 of the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, issued on September 13, 2013) and other relevant provisions, changes are made to the presentation of “Net income” and other relevant items, and “Minority interests” is changed to “Non-controlling interests” from the fiscal year ended March 31, 2016. Figures for the fiscal year ended March 31, 2015 in the consolidated financial statements reflect these changes.

**(Additional information)**

Effect of a change in the corporate income tax rule

In accordance with the “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 15, 2016) and the “Act to Amend the Local Taxation Act, etc.” (Act No. 13, 2016) promulgated on March 29, 2016, the corporate income tax rate will be lowered from fiscal years beginning on or after April 1, 2016. Additionally, beginning from fiscal years starting on or after April 1, 2016, the use of tax loss carryforwards will be limited to the equivalent of 60% of taxable income before deducting tax loss carryforwards, and beginning from fiscal years starting on or after April 1, 2017, the use of tax loss carryforwards will be limited to the equivalent of 55% of taxable income before deducting tax loss carryforwards.

As a result of these changes, profit attributable to owners of parent decreased by ¥12,094 million and total accumulated other comprehensive income increased by ¥30,164 million.

(Notes to consolidated balance sheets)

**\*1 Japanese stocks and investments in unconsolidated subsidiaries and affiliates**

Japanese stocks and investments in unconsolidated subsidiaries and affiliates at March 31, 2015 and 2016 were as follows:

March 31	Millions of yen	
	2015	2016
Japanese stocks.....	¥ 583,382	¥ 609,830
Investments.....	336	592

Japanese stocks of jointly controlled entities were as follows:

March 31	Millions of yen	
	2015	2016
Japanese stocks of jointly controlled entities.....	¥ 100,102	¥ 104,779

**\*2 Unsecured loaned securities for which borrowers have the right to sell or pledge**

The amount of unsecured loaned securities for which borrowers have the right to sell or pledge at March 31, 2015 and 2016 were as follows:

March 31, 2015	Millions of yen	March 31, 2016	Millions of yen
Japanese government bonds and other securities in “Securities”.....	¥ 1,540	Japanese government bonds in “Securities” .....	¥ 900

As for the unsecured borrowed securities, securities under resale agreements and securities borrowed with cash collateral with rights to sell or pledge without restrictions, those securities pledged and those securities held without being disposed at March 31, 2015 and 2016 were as follows:

March 31	Millions of yen	
	2015	2016
Securities pledged.....	¥ 3,181,553	¥ 5,245,608
Securities held without being disposed .....	3,087,292	3,152,831

**\*3 Bankrupt loans and non-accrual loans**

Bankrupt loans and non-accrual loans at March 31, 2015 and 2016 were as follows:

March 31	Millions of yen	
	2015	2016
Bankrupt loans.....	¥ 35,861	¥ 44,748
Non-accrual loans.....	774,058	594,077

“Bankrupt loans” are loans, after write-off, to legally bankrupt borrowers as defined in Article 96-1-3 and 96-1-4 of “Order for Enforcement of the Corporation Tax Act” (Cabinet Order No. 97 of 1965) and on which accrued interest income is not recognized as there is substantial doubt about the ultimate collectability of either principal or interest because they are past due for a considerable period of time or for other reasons.

“Non-accrual loans” are loans on which accrued interest income is not recognized, excluding “Bankrupt loans” and loans on which interest payments are deferred in order to support the borrowers’ recovery from financial difficulties.

**\*4 Past due loans (3 months or more)**

Past due loans (3 months or more) at March 31, 2015 and 2016 were as follows:

March 31	Millions of yen	
	2015	2016
Past due loans (3 months or more) .....	¥ 13,714	¥ 19,845

“Past due loans (3 months or more)” are loans on which the principal or interest payment is past due for 3 months or more, excluding “Bankrupt loans” and “Non-accrual loans.”

**\*5 Restructured loans**

Restructured loans at March 31, 2015 and 2016 were as follows:

March 31	Millions of yen	
	2015	2016
Restructured loans .....	¥ 278,622	¥ 266,698

“Restructured loans” are loans on which terms and conditions have been amended in favor of the borrowers (*e.g.* reduction of the original interest rate, deferral of interest payments, extension of principal repayments or debt forgiveness) in order to support the borrowers’ recovery from financial difficulties, excluding “Bankrupt loans,” “Non-accrual loans” and “Past due loans (3 months or more).”

**\*6 Risk-monitored loans**

The total amount of bankrupt loans, non-accrual loans, past due loans (3 months or more) and restructured loans at March 31, 2015 and 2016 were as follows:

March 31	Millions of yen	
	2015	2016
Risk-monitored loans .....	¥ 1,102,256	¥ 925,370

The amounts of loans presented in Notes \*3 to \*6 above are the amounts before deduction of reserve for possible loan losses.

**\*7 Bills discounted**

Bills discounted are accounted for as financial transactions in accordance with the “Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (JICPA Industry Audit Committee Report No. 24, February 13, 2002). SMBC and its banking subsidiaries have rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions, etc. The total face value at March 31, 2015 and 2016 were as follows:

March 31	Millions of yen	
	2015	2016
Bills discounted .....	¥ 950,790	¥ 820,990

**\*8 Assets pledged as collateral**

Assets pledged as collateral at March 31, 2015 and 2016 consisted of the following:

March 31, 2015	Millions of yen	March 31, 2016	Millions of yen
Assets pledged as collateral:		Assets pledged as collateral:	
Cash and due from banks .....	¥ 61,093	Cash and due from banks .....	¥ 75,954
Call loans and bills bought .....	478,457	Call loans and bills bought .....	433,224
Monetary claims bought .....	75,556	Monetary claims bought .....	49,961
Trading assets .....	1,712,885	Trading assets .....	2,531,750
Securities .....	10,445,190	Securities .....	5,560,230
Loans and bills discounted .....	2,803,237	Loans and bills discounted .....	2,609,736
Lease receivables and investment assets .....	3,163	Lease receivables and investment assets .....	2,467
Tangible fixed assets .....	9,969	Tangible fixed assets .....	9,557
Other assets (installment account receivable, etc.) .....	172	Other assets (installment account receivable, etc.) .....	135
Liabilities corresponding to assets pledged as collateral:		Liabilities corresponding to assets pledged as collateral:	
Deposits .....	33,800	Deposits .....	39,403
Call money and bills sold .....	1,095,000	Payables under repurchase agreements .....	448,908
Payables under repurchase agreements .....	406,212	Payables under securities lending transactions .....	3,307,827
Payables under securities lending transactions .....	4,121,603	Trading liabilities .....	430,159
Trading liabilities .....	480,464	Borrowed money .....	4,922,927
Borrowed money .....	6,099,726	Other liabilities .....	28,710
Other liabilities .....	35,952	Acceptances and guarantees .....	194,035
Acceptances and guarantees .....	207,009		

In addition to the assets presented above, the following assets were pledged as collateral for cash settlements, and substitution for margins of futures transactions and certain other purposes at March 31, 2015 and 2016:

March 31, 2015	Millions of yen	March 31, 2016	Millions of yen
Cash and due from banks .....	¥ 13,580	Cash and due from banks .....	¥ 12,731
Trading assets .....	2,271	Trading assets .....	13,026
Securities .....	6,067,851	Securities .....	6,284,022

Other assets include collateral money deposited for financial instruments, surety deposits, margin of futures markets and other margins. The amounts for such assets were as follows:

March 31, 2015	Millions of yen	March 31, 2016	Millions of yen
Collateral money deposited for financial instruments .....	¥ 410,317	Collateral money deposited for financial instruments .....	¥ 873,964
Surety deposits .....	119,525	Surety deposits .....	114,976
Margins of futures markets .....	63,433	Margins of futures markets .....	47,015
Other margins .....	27,819	Other margins .....	35,058

#### \*9 Commitment line contracts on overdrafts and loans

Commitment line contracts on overdrafts and loans are agreements to lend to customers, up to a prescribed amount, as long as there is no violation of any condition established in the contracts. The amounts of unused commitments at March 31, 2015 and 2016 were as follows:

March 31	Millions of yen	
	2015	2016
The amounts of unused commitments .....	¥ 53,473,427	¥ 57,798,996
The amounts of unused commitments whose original contract terms are within 1 year or unconditionally cancelable at any time .....	40,386,315	42,315,486

Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent actual future cash flow requirements. Many of these commitments include clauses under which SMBC and other consolidated subsidiaries can reject an application from customers or reduce the contract amounts in the event that economic conditions change, SMBC and other consolidated subsidiaries need to secure claims, or other events occur. In addition, SMBC and other consolidated subsidiaries may request the customers to pledge collateral such as premises and securities at the time of the contracts, and take necessary measures such as monitoring customers' financial positions, revising contracts when such need arises and securing claims after the contracts are made.

#### \*10 Land revaluation excess

SMBC and other consolidated subsidiaries revalued their own land for business activities in accordance with "Act on Revaluation of Land" (the "Act") (Act No. 34, effective March 31, 1998) and "Act for Partial Revision of Act on Revaluation of Land" (Act No. 19, effective March 31, 2001). The income taxes corresponding to the net unrealized gains are reported in "Liabilities" as "Deferred tax liabilities for land revaluation excess," and SMFG's share of the net unrealized gains, net of deferred taxes, are reported as "Land revaluation excess" in "Net assets."

Certain affiliates also revalued its own land for business activities in accordance with the Act. SMFG's share of the net unrealized gains, net of deferred taxes, are reported as "Land revaluation excess" in "Net assets."

Date of the revaluation

SMBC: March 31, 1998 and March 31, 2002

Other consolidated subsidiaries and affiliates: March 31, 1999 and March 31, 2002

Method of revaluation (stipulated in Article 3-3 of the Act)

SMBC: Fair values were determined by applying appropriate adjustments for land shape and timing of appraisal to the values stipulated in Article 2-3, 2-4 or 2-5 of "Order for Enforcement of Act on Revaluation of Land" (Cabinet Order No. 119 effective March 31, 1998).

Other consolidated subsidiaries and affiliates: Fair values were determined based on the values stipulated in Article 2-3 and 2-5 of "Order for Enforcement of Act on Revaluation of Land" (Cabinet Order No. 119 effective March 31, 1998).

#### \*11 Accumulated depreciation on tangible fixed assets

Accumulated depreciation on tangible fixed assets at March 31, 2015 and 2016 were as follows:

March 31	Millions of yen	
	2015	2016
Accumulated depreciation .....	¥ 944,545	¥ 977,479

#### \*12 Deferred gain on tangible fixed assets deductible for tax purposes

Deferred gain on tangible fixed assets deductible for tax purposes at March 31, 2015 and 2016 were as follows:

March 31	Millions of yen	
	2015	2016
Deferred gain on tangible fixed assets deductible for tax purposes .....	¥ 62,704	¥ 62,665
[The consolidated fiscal year concerned] .....	[145]	[—]



**\*13 Subordinated borrowings**

The balance of subordinated borrowings with the special clause specifying that the repayment order of the borrowing subordinate to other borrowings included in “Borrowed money” at March 31, 2015 and 2016 were as follows:

March 31	Millions of yen	
	2015	2016
Subordinated borrowings.....	¥ 317,461	¥ 295,199

**\*14 Subordinated bonds**

The balance of subordinated bonds included in “Bonds” at March 31, 2015 and 2016 were as follows:

March 31	Millions of yen	
	2015	2016
Subordinated bonds.....	¥ 1,777,502	¥ 2,142,286

**\*15 Guaranteed amount to privately-placed bonds**

The amount guaranteed by SMBC and its banking subsidiaries to privately-placed bonds (stipulated by Article 2-3 of the Financial Instruments and Exchange Act) in “Securities” at March 31, 2015 and 2016 were as follows:

March 31	Millions of yen	
	2015	2016
Guaranteed amount to privately-placed bonds.....	¥ 2,030,463	¥ 2,004,096

(Notes to consolidated statements of income)

**\*1 Other income**

“Other” in “Other income” for the fiscal years ended March 31, 2015 and 2016 included the following:

<u>Year ended March 31, 2015</u>	<u>Millions of yen</u>	<u>Year ended March 31, 2016</u>	<u>Millions of yen</u>
Gains on sales of stocks .....	¥ 83,503	Gains on sales of stocks .....	¥ 100,302

**\*2 General and administrative expenses**

“General and administrative expenses” for the fiscal years ended March 31, 2015 and 2016 included the following:

<u>Year ended March 31, 2015</u>	<u>Millions of yen</u>	<u>Year ended March 31, 2016</u>	<u>Millions of yen</u>
Salaries and related expenses.....	¥ 610,998	Salaries and related expenses.....	¥ 626,149
Research and development costs .....	171	Research and development costs.....	207

**\*3 Other expenses**

“Other expenses” for the fiscal years ended March 31, 2015 and 2016 included the following:

<u>Year ended March 31, 2015</u>	<u>Millions of yen</u>	<u>Year ended March 31, 2016</u>	<u>Millions of yen</u>
Provision for reserve for losses on interest repayment.....	¥ 64,836	Provision for reserve for losses on interest repayment .....	¥ 140,264
Write-off of loans .....	76,997	Write-off of loans .....	74,180
		Equity in losses of affiliates.....	36,196

#### \*4 Losses on impairment of fixed assets

The differences between the recoverable amounts and the book value of the following asset is recognized as “Losses on impairment of fixed assets,” and included in “Extraordinary losses” for the fiscal year ended March 31, 2015 and 2016.

Year ended March 31, 2015			Millions of yen
Area	Purpose of use	Type	Impairment loss
Tokyo metropolitan area .....	Branches (3 items)	Land and buildings, etc.	¥ 77
	Idle assets (36 items)		3,019
	Other (1 item)		0
Kinki area .....	Branches (4 items)	Land and buildings, etc.	137
	Corporate assets (2 items)		12
	Idle assets (29 items)		1,802
Other .....	Corporate asset (1 item)	Land and buildings, etc.	0
	Idle assets (11 items)		59
Year ended March 31, 2016			Millions of yen
Area	Purpose of use	Type	Impairment loss
Tokyo metropolitan area .....	Branches (3 items)	Land and buildings, etc.	¥ 45
	Idle assets (26 items)		2,265
	Other (1 item)		0
Kinki area .....	Branches (14 items)	Land and buildings, etc.	649
	Corporate asset (1 item)		349
	Idle assets (24 items)		628
Other .....	Branches (1 item)	Land and buildings, etc.	6
	Idle assets (11 items)		416
	Others (4 items)		0

At SMBC, a branch, which continuously manages and determines its income and expenses, is the smallest unit of asset group for recognition and measurement of impairment loss of fixed assets. Assets such as corporate headquarters facilities, training facilities, data and system centers, and health and recreational facilities which do not produce cash flows that can be attributed to individual assets are treated as corporate assets. As for idle assets, impairment loss is measured individually. At SMFG and other consolidated subsidiaries, a branch or other group is the smallest asset grouping unit as well.

The carrying amounts of idle assets at SMBC are reduced to their recoverable amounts, and the decreased amounts are included in “Extraordinary losses” as “Losses on impairment of fixed assets,” if there are indicators that the invested amounts may not be recoverable. And the carrying amounts of branches, corporate assets and idle assets at other consolidated subsidiaries are reduced in the same method as at SMBC.

The recoverable amount is calculated using net realizable value which is basically determined by subtracting the expected disposal cost from the appraisal value based on the Real Estate Appraisal Standard.

(Notes to consolidated statements of comprehensive income)

\*1 Reclassification adjustment and tax effect of other comprehensive income

Year ended March 31	Millions of yen	
	2015	2016
Net unrealized gains (losses) on other securities:		
Amount arising during the fiscal year .....	¥ 1,403,111	¥ (467,311)
Reclassification adjustments .....	(215,162)	(201,084)
Before adjustments to tax effect .....	1,187,948	(668,396)
Tax effect.....	(323,451)	223,414
Net unrealized gains (losses) on other securities .....	864,496	(444,981)
Net deferred gains (losses) on hedges:		
Amount arising during the fiscal year .....	26,574	88,104
Reclassification adjustments .....	23,028	31,934
Adjustment on the cost of the assets .....	0	—
Before adjustments to tax effect .....	49,603	120,038
Tax effect.....	(20,144)	(37,486)
Net deferred gains (losses) on hedges .....	29,458	82,552
Land revaluation excess:		
Amount arising during the fiscal year .....	—	—
Reclassification adjustments .....	—	—
Before adjustments to tax effect .....	—	—
Tax effect.....	3,604	1,705
Land revaluation excess .....	3,604	1,705
Foreign currency translation adjustments:		
Amount arising during the fiscal year .....	178,283	(84,007)
Reclassification adjustments .....	(2,443)	(8,114)
Before adjustments to tax effect .....	175,840	(92,121)
Tax effect.....	—	—
Foreign currency translation adjustments .....	175,840	(92,121)
Remeasurements of defined benefit plans:		
Amount arising during the fiscal year .....	163,011	(206,195)
Reclassification adjustments .....	22,633	31,776
Before adjustments to tax effect .....	185,645	(174,418)
Tax effect.....	(63,093)	52,485
Remeasurements of defined benefit plans .....	122,552	(121,933)
Share of other comprehensive income of affiliates:		
Amount arising during the fiscal year .....	952	(659)
Reclassification adjustments .....	(1,410)	(1,357)
Before adjustments to tax effect .....	(458)	(2,016)
Tax effect.....	—	—
Share of other comprehensive income of affiliates .....	(458)	(2,016)
Total other comprehensive income .....	¥ 1,195,494	¥ (576,794)

(Notes to consolidated statements of changes in net assets)

Fiscal year ended March 31, 2015

1. Type and number of shares issued and treasury stock

Year ended March 31, 2015	Number of shares			At the end of the fiscal year	Notes
	At the beginning of the fiscal year	Increase	Decrease		
Shares issued					
Common stock .....	1,414,055,625	—	—	1,414,055,625	
Total .....	1,414,055,625	—	—	1,414,055,625	
Treasury stock					
Common stock .....	46,781,669	37,310	4,778	46,814,201	1,2
Total .....	46,781,669	37,310	4,778	46,814,201	

- Notes: 1. Increase of 37,310 shares in the number of treasury common stock was due to purchases of fractional shares.  
2. Decrease of 4,778 shares in the number of treasury common stock was due to sales of fractional shares and exercise of stock options.

2. Information on stock acquisition rights

Year ended March 31, 2015	Details of stock acquisition rights	Type of shares	At the beginning of the fiscal year	Number of shares		At the end of the fiscal year	Millions of yen		Notes
				Increase	Decrease		At the beginning of the fiscal year	At the end of the fiscal year	
SMFG	Stock acquisition rights as stock options	—	—	—	—	—	¥	2,085	
Consolidated subsidiaries .....	—			—				198	
Total .....							¥	2,284	

3. Information on dividends

(1) Dividends paid in the fiscal year

Date of resolution	Type of shares	Millions of yen, except per share amount				Record date	Effective date
		Cash dividends	Cash dividends per share				
Ordinary general meeting of shareholders held on June 27, 2014 .....	Common stock	¥ 91,656	¥ 65		March 31, 2014	June 27, 2014	
Meeting of the Board of Directors held on November 13, 2014 .....	Common stock	84,604	60		September 30, 2014	December 3, 2014	

(2) Dividends to be paid in the next fiscal year

Date of resolution	Type of shares	Millions of yen, except per share amount				Record date	Effective date
		Cash dividends	Source of dividends	Cash dividends per share			
Ordinary general meeting of shareholders held on June 26, 2015 .....	Common stock	¥ 112,804	Retained earnings	¥ 80	March 31, 2015	June 26, 2015	

*Fiscal year ended March 31, 2016*

**1. Type and number of shares issued and treasury stock**

Year ended March 31, 2016	Number of shares				Notes
	At the beginning of the fiscal year	Increase	Decrease	At the end of the fiscal year	
Shares issued					
Common stock .....	1,414,055,625	—	—	1,414,055,625	
Total .....	1,414,055,625	—	—	1,414,055,625	
Treasury stock					
Common stock .....	46,814,201	39,113	22,432	46,830,882	1,2
Total .....	46,814,201	39,113	22,432	46,830,882	

Notes: 1. Increase of 39,113 shares in the number of treasury common stock was due to purchases of fractional shares.  
2. Decrease of 22,432 shares in the number of treasury common stock was due to sales of fractional shares and exercise of stock options.

**2. Information on stock acquisition rights**

Year ended March 31, 2016	Details of stock acquisition rights	Type of shares	Number of shares			Millions of yen		Notes
			At the beginning of the fiscal year	Increase	Decrease	At the end of the fiscal year	At the end of the fiscal year	
SMFG	Stock acquisition rights as stock options	—	—	—	—	¥	2,635	
Consolidated subsidiaries .....	—	—	—	—	—		249	
Total .....						¥	2,884	

**3. Information on dividends**

(1) Dividends paid in the fiscal year

Date of resolution	Type of shares	Millions of yen, except per share amount				
		Cash dividends	Cash dividends per share	Record date	Effective date	
Ordinary General Meeting of Shareholders held on June 26, 2015 .....	Common stock	¥ 112,804	¥ 80	March 31, 2015	June 26, 2015	
Meeting of the Board of Directors held on November 12, 2015 .....	Common stock	105,753	75	September 30, 2015	December 3, 2015	

(2) Dividends to be paid in the next fiscal year

Date of resolution	Type of shares	Millions of yen, except per share amount				
		Cash dividends	Source of dividends	Cash dividends per share	Record date	Effective date
Ordinary general meeting of shareholders held on June 29, 2016 .....	Common stock	¥ 105,753	Retained earnings	¥ 75	March 31, 2016	June 29, 2016

**(Notes to consolidated statements of cash flows)**

**\*1 The relation between the amounts of accounts listed on the consolidated financial statements and “Cash and cash equivalents”**

Year ended March 31	Millions of yen	
	2015	2016
Cash and due from banks .....	¥ 39,748,979	¥ 42,789,236
Interest earning deposits with banks (excluding the deposit with the Bank of Japan) .....	(6,150,298)	(5,232,430)
Cash and cash equivalents .....	¥ 33,598,680	¥ 37,556,806

**\*2 The major components of increased assets and liabilities by succession**

The major components of increased assets and liabilities due to the integration of the retail banking business of Citibank Japan Ltd. by SMBC Trust and the relation between the acquisition cost of the acquired business and net gains from acquisition of business were as follow;

Year ended March 31, 2016	Millions of yen
Assets .....	¥ 2,407,085
Cash and due from banks .....	2,296,106
Liabilities .....	(2,376,561)
Deposits.....	(2,361,907)
Goodwill.....	14,476
Acquisition cost.....	45,000
Cash and cash equivalents included in acquired asset.....	(2,296,106)
Proceeds from acquisition of business .....	¥ 2,251,106

**(Notes to lease transactions)**

**1. Finance leases**

(1) Lessee side

1) Lease assets

(a) Tangible fixed assets

Tangible fixed assets mainly consisted of branches and equipment.

(b) Intangible fixed assets

Intangible fixed assets are software.

2) Depreciation method of lease assets

Depreciation method of lease assets is reported in 4. Accounting policies (4) Depreciation.

(2) Lessor side

1) Breakdown of lease investment assets

March 31	Millions of yen	
	2015	2016
Lease receivables.....	¥ 1,187,853	¥ 1,239,009
Residual value .....	107,078	120,223
Unearned interest income .....	(167,407)	(215,850)
Total.....	¥ 1,127,525	¥ 1,143,383

2) The scheduled collections of lease payments receivable related to lease receivables and investment assets are as follows:

March 31	Millions of yen			
	2015		2016	
	Lease payments receivable related to lease receivables	Lease payments receivable related to investment assets	Lease payments receivable related to lease receivables	Lease payments receivable related to investment assets
Within 1 year.....	¥ 295,756	¥ 337,777	¥ 297,221	¥ 320,674
More than 1 year to 2 years.....	205,864	258,682	209,762	253,931
More than 2 years to 3 years ...	127,113	194,449	149,792	198,762
More than 3 years to 4 years ...	82,174	138,694	91,901	143,147
More than 4 years to 5 years ...	47,544	99,092	65,764	93,905
More than 5 years.....	135,539	159,157	145,560	228,588
Total.....	¥ 893,993	¥ 1,187,853	¥ 960,003	¥ 1,239,009

3) Non-transfer ownership finance leases, which commenced in fiscal years beginning before April 1, 2008, are valued at their appropriate book value, net of accumulated depreciation, as of March 31, 2008, and recorded as the beginning balance of "Lease receivables and investment assets."

Moreover, interest on such non-transfer ownership finance leases during the remaining term of the leases is allocated over the lease term using the straight-line method.

As a result of this accounting treatment, “Income before income taxes” for the fiscal years ended March 31, 2015 and 2016 were ¥2,347 million and ¥1,759 million, respectively, more than it would have been if such transactions had been treated in a similar way to sales of the underlying assets.



## 2. Operating leases

### (1) Lessee side

Future minimum lease payments on operating leases which were not cancelable were as follows:

March 31	Millions of yen	
	2015	2016
Due within 1 year .....	¥ 44,637	¥ 42,254
Due after 1 year .....	239,659	213,401
Total .....	¥ 284,296	¥ 255,656

### (2) Lessor side

Future minimum lease payments on operating leases which were not cancelable were as follows:

March 31	Millions of yen	
	2015	2016
Due within 1 year .....	¥ 165,897	¥ 186,113
Due after 1 year .....	1,027,007	1,218,850
Total .....	¥ 1,192,904	¥ 1,404,963

Future lease payments receivable on operating leases which were not cancelable at March 31, 2015 and 2016 amounting to ¥0 million and ¥0 million, respectively, on the lessor side were pledged as collateral for borrowings.

## (Notes to financial instruments)

### 1. Status of financial instruments

#### (1) Policies on financial instruments

SMFG Group conducts banking and other financial services such as leasing, securities, consumer finance, system development and information processing. Its banking business includes deposit taking, lending, securities trading and investment, remittance and transfer, foreign exchange, bond subscription agent, trust business, and over-the-counter sales of securities investment trusts and insurance products.

These services entail holding of financial assets such as loans and bills discounted, bonds, and stocks. Meanwhile, SMFG Group raises funds through deposit taking, borrowing, bond offering, etc. Furthermore, it undertakes derivative transactions to meet customers' hedging needs, to control market risk associated with deposit taking and lending ("ALM purposes"), and to make profit on short-term fluctuations in interest rates, foreign exchange rates, etc. ("trading purposes"). At SMBC, SMFG's major consolidated subsidiary, derivative transactions for ALM purposes are undertaken by the Treasury Dept. and the International Treasury Dept. of the Treasury Unit, while derivative transactions for trading purposes are undertaken by the Trading Dept. of the Treasury Unit (in Asia and Oceania regions, the Asia and Oceania Treasury Dept. is responsible for derivative transactions for both ALM and trading purposes).

#### (2) Details of financial instruments and associated risks

##### 1) Financial assets

The main financial assets held by SMFG Group include loans to foreign and domestic companies and domestic individuals, and securities such as bonds (government and corporate bonds) and stocks (foreign and domestic stocks), etc. Bonds such as government bonds are held for both trading and ALM purposes, and certain bonds are held as held-to-maturity securities. Stocks are held mainly for strategic purposes. These assets expose SMFG to credit risk, market risk and liquidity risk. Credit risk is the risk of loss arising from nonperformance of obligations by the borrower or issuer due to factors such as deterioration in the borrower's/issuer's financial conditions. Market risk is the risk stemming from fluctuations in interest rates, exchange rates, or share prices. Liquidity risk is the risk arising from difficulty executing transactions in desired quantities at appropriate prices due to low market liquidity. These risks are properly monitored and managed based on "(3) Risk management framework for financial instruments" below.

##### 2) Financial liabilities

Financial liabilities of SMFG Group include borrowed money and bonds, etc. in addition to deposits. Deposits mainly comprise deposits of domestic and foreign companies and domestic individuals. Borrowed money and bonds include subordinated borrowings and subordinated bonds. Also, financial liabilities, like financial assets, expose SMFG to not only market risk but also funding liquidity risk: the risk of SMFG not being able to raise funds due to market turmoil, deterioration in its creditworthiness or other factors. These risks are properly monitored and managed based on "(3) Risk management framework for financial instruments" below.

##### 3) Derivative transactions

Derivatives handled by SMFG Group include foreign exchange futures; futures, forwards, swaps and options related to interest rates, currencies, equities, bonds and commodities; and credit and weather derivatives.

Major risks associated with derivatives include market risk, liquidity risk, and credit risk arising from nonperformance of contractual obligations due to deterioration in the counterparty's financial conditions. These risks are properly monitored and managed based on "(3) Risk management framework for financial instruments" below.

Hedge accounting is applied to derivative transactions executed for ALM purposes, as necessary. Hedging instruments, hedged items, hedging policy and hedging method to assess the effectiveness of the hedge are described in "(Notes to significant accounting policies for preparing consolidated financial statements), 4. Accounting policies, (16) Hedge accounting."

#### (3) Risk management framework for financial instruments

The fundamental matters on risk management for the entire Group are set forth in "Regulations on Risk Management." SMFG's Management Committee establishes the basic risk management policy for the entire Group, based on the Regulations, which is then approved by the Board of Directors. SMFG Group has a risk management system based on the basic policy. The Corporate Risk Management Dept., which, together with the Corporate Planning Dept., controls risk management across SMFG Group by monitors the development and implementation of SMFG Group's risk management system, and gives appropriate guidance as needed. Under this framework, SMFG comprehensively and systematically manages risks on a Group basis.

##### 1) Management of credit risk

SMFG has established fundamental principles on credit risk management to thoroughly manage the credit risk of the entire Group. Each group company conducts integrated management of credit risk according to its operational characteristics, and the credit risk inherent in the entire portfolio as well as the risk in individual credits are managed quantitatively and continuously.

(a) Credit risk management system

At SMBC, SMFG's major consolidated subsidiary, basic policies on credit risk management and other significant matters require the resolution of Management Committee and the approval of Board of Directors.

The Credit & Investment Planning Dept. of the Risk Management Unit is responsible for the comprehensive management of credit risk. This department establishes, revises or abolishes credit policies, the internal rating system, credit authority regulations, credit application regulations, and manages non-performing loans and other aspects of credit portfolio management. The department also controls SMBC's total credit risk by quantifying credit risk (*i.e.* calculating risk capital and risk-weighted assets) in cooperation with the Corporate Risk Management Dept. The department also monitors risk situations and regularly reports to the Management Committee and the Board of Directors.

Moreover, the Credit Portfolio Management Dept. within the Credit & Investment Planning Dept. works to stabilize SMBC's overall credit portfolio through selling credit derivatives and loan claims.

The Credit Departments of Wholesale Banking Unit, Retail Banking Unit and other business units play a central role in credit screening and managing their units' credit portfolios. In the Wholesale Banking Unit, the Credit Administration Dept. is responsible for formulating and implementing measures to reduce SMBC's exposures mainly to borrowers classified as potentially bankrupt or lower. Each business unit establishes its credit limits based on the baseline amounts for each borrower's grading category. Borrowers or loans perceived to have high credit risk undergo intensive evaluation and administration by the unit's Credit Department. The Corporate Research Dept. analyzes industries as well as investigates individual borrowers' business situations to detect early signs of problems.

Moreover, the Credit Risk Management Committee, a consultative body straddling the business units, rounds out SMBC's oversight system for undertaking flexible and efficient control of credit risk and ensuring the overall soundness of the bank's loan operations.

In addition to these, the Internal Audit Unit, operating independently of the business units, audits asset quality, grading accuracy, self-assessment, and appropriateness of the credit risk management system, and reports the results directly to the Board of Directors and the Management Committee.

(b) Method of credit risk management

SMBC properly manages the credit risk inherent in individual loans and the entire portfolio by assessing and quantifying the credit risk of each borrower/loan using the internal rating system. In addition to management of individual loans through credit screening and monitoring, it manages the credit portfolio as described below in order to secure and improve the credit portfolio's soundness and medium-term profitability.

- Appropriate risk-taking within the scope of capital

To keep credit risk exposure to a permissible level relative to capital, SMBC sets "credit risk capital limit" for internal control purposes. Under these limits, separate guidelines are issued for each business unit and marketing unit. SMBC regularly monitors compliance with these guidelines.

- Controlling concentration of risk

Because concentration of credit risk in an industry or corporate group has the potential to impair a bank's capital significantly, SMBC implements measures to prevent excessive concentration of loan in a single industry and to control large exposure to individual borrowers by setting maximum loan amounts and conducting loan reviews thoroughly. To manage country risk, SMBC also has credit limit guidelines based on each country's creditworthiness.

- Greater understanding of actual corporate conditions and balancing returns and risks

SMBC runs credit operations on the basic principle of thoroughly understanding actual corporate conditions and gaining profit commensurate with the level of credit risk entailed, and makes every effort to improve profit at after-cost (credit cost, capital cost and overhead) level.

- Reduction and prevention of non-performing loans

For non-performing loans and potential non-performing loans, SMBC carries out loan reviews to clarify credit policies and action plans, enabling it to swiftly implement measures to prevent deterioration of borrowers' business situations, support business recoveries, collect on loans, and enhance loan security.

In regards to financial instruments such as investments in certain funds, securitized products and credit derivatives that indirectly retain risks related to assets such as corporate bonds and loan claims (underlying assets), such instruments entail market and liquidity risks in addition to credit risk, since such instruments are traded on the market. Credit risk management for these instruments involving detailed analysis and evaluation of characteristics of underlying assets is performed while market risk is comprehensively managed within the framework for managing market and liquidity risks. Moreover, guidelines have been established based on the characteristics of each type of risk to appropriately manage risks of incurring losses.

In regards to credit risk of derivative transactions, the potential exposure based on the market price is regularly calculated and properly managed. When the counterparty is a financial institution with whom SMBC frequently conducts derivative transactions, measures such as a close-out netting provision, which provide that offsetting credit exposures between the two parties will be combined into a single net payment from one party to the other in case of bankruptcy or other default event, are implemented to reduce credit risk.

## 2) Management of market and liquidity risks

SMFG manages market and liquidity risks across the entire Group by setting allowable risk limits; ensuring the transparency of the risk management process; and clearly separating front-office, middle-office, and back-office operations for a highly efficient system of mutual checks and balances.

### (a) Market and liquidity risk management systems

At SMBC, important matters such as basic policies for managing market and liquidity risks and risk management framework are determined by the Management Committee and then approved by the Board of Directors.

The aforementioned Corporate Risk Management Dept., which is independent of the business units that directly handle business transactions and manages market and liquidity risks in an integrated manner. The department also monitors market and liquidity risk situations and regularly reports to the Management Committee and the Board of Directors.

Furthermore, its cross-departmental “ALM Committee” reports on the state of observance of SMBC’s market and liquidity risk capital limits, and deliberates on administration of ALM policies. It also has a system whereby front-office departments, middle-office departments and back-office departments check each other’s work in order to prevent clerical errors, unauthorized transactions, etc.

In addition, its Internal Audit Unit, which is independent of other departments, periodically performs comprehensive internal audits to verify that the risk management framework is properly functioning and reports the audit results to the Management Committee, the Board of Directors and other concerned committees and departments.

### (b) Market and liquidity risk management methodology

- Market risk management

SMBC manages market risk by setting maximum loss and VaR (value at risk: maximum potential loss that may be incurred to a specific financial instrument for a given probability) within the market risk capital limit, which is set taking into account stockholders’ equity and other factors in accordance with the market transaction policies.

SMBC uses the historical simulation method (a method for estimating the maximum loss by running simulations of changes in profit and loss on market fluctuations scenarios based on historical data) to measure VaR. Regarding banking activities (activities for generating profit through management of interest rates, terms, and other aspects of such as loans and bonds in assets, deposits in liabilities) and trading activities (activities for generating profit by taking advantage of short-term fluctuations in market values and differences in value among markets), SMBC calculates the maximum loss that may occur as a result of market fluctuations in 1 day with a probability of 1% based on 4 years of historical observation. With regard to the holding of shares (such as listed shares) for the purpose of strategic investment, SMBC calculates the maximum loss that may occur as a result of market fluctuations in 1 year with a probability of 1% based on 10 years of historical observation.

Regarding risks associated with foreign exchange rates, interest rates, equity risk, option prices and other market risk factors, SMBC manages such risks by setting a maximum limit on the indicator suited for each market risk factor such as BPV (basis point value: denotes the change in value of a financial instrument resulting from a 0.01 percentage-point change in the yield).

- Quantitative information on market risks

As of March 31, 2016, total VaR of SMBC and its major consolidated subsidiaries was ¥34.0 billion for the banking activities, ¥11.0 billion for the trading activities and ¥1,387.6 billion for the holding of shares (such as listed shares) for the purpose of strategic investment.

However, it should be noted that these figures are statistical figures that change according to changes in assumptions and calculation methods, and may not cover the risk of future market conditions fluctuating drastically compared to market fluctuations of the past.

- Liquidity risk management

At SMBC, funding liquidity risk is managed based on a framework consisting of setting funding gap limits, establishing contingency plans, and maintaining a system of highly liquid supplementary funding sources. A funding gap is the amount of funds needed in the future to cover duration mismatch between required investments and funding resources. SMBC tries to avoid excessive reliance on short-term funds by managing funding gap limits and has established a contingency plan covering emergency action plans such as reducing funding gap limits. In addition, to ensure smooth fulfillment of transactions in face of market turmoil, it holds assets such as U.S. treasuries that can be sold immediately and emergency committed lines as supplemental liquidity.

Moreover, to manage the liquidity risk of marketable instruments, derivative transactions, etc., SMBC has trading limits for each business office classified by currency, instrument, transaction period, etc. As for financial futures, etc., risks are managed by restricting positions to within a certain percentage of open interest in the entire market.

(4) Supplementary explanations about matters concerning fair value of financial instruments

Fair values of financial instruments are based on their market prices and, in cases where market prices are not available, on reasonably calculated prices. These prices have been calculated using certain assumptions, and may differ if calculated based on different assumptions.

## 2. Fair value of financial instruments

- (1) “Consolidated balance sheet amount”, “Fair value” and “Net unrealized gains (losses)” of financial instruments as of March 31, 2015 and 2016 are as follows:

The amounts shown in the following tables do not include financial instruments (see (3) below) whose fair values are extremely difficult to determine, such as unlisted stocks classified as Other securities, and stocks of subsidiaries and affiliates.

March 31, 2015	Millions of yen		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and due from banks *1	¥ 39,739,777	¥ 39,746,763	¥ 6,986
2) Call loans and bills bought *1	1,326,280	1,327,080	800
3) Receivables under resale agreements	746,431	747,509	1,077
4) Receivables under securities borrowing transactions	6,477,063	6,477,657	593
5) Monetary claims bought *1	4,282,392	4,293,764	11,371
6) Trading assets			
Securities classified as trading purposes	3,235,701	3,235,701	—
7) Money held in trust	7,087	7,087	—
8) Securities			
Bonds classified as held-to-maturity	3,397,151	3,417,732	20,580
Other securities	25,031,810	25,031,810	—
9) Loans and bills discounted	73,068,240		
Reserve for possible loan losses *1	(461,747)		
	<u>72,606,492</u>	<u>74,598,557</u>	<u>1,992,064</u>
10) Foreign exchanges *1	1,903,702	1,907,769	4,066
11) Lease receivables and investment assets *1	1,899,760	1,974,558	74,798
Total assets	<u>¥ 160,653,651</u>	<u>¥ 162,765,990</u>	<u>¥ 2,112,338</u>
1) Deposits	¥ 101,047,918	¥ 101,053,137	¥ 5,219
2) Negotiable certificates of deposit	13,825,898	13,829,279	3,381
3) Call money and bills sold	5,873,123	5,873,118	(5)
4) Payables under repurchase agreements	991,860	991,860	—
5) Payables under securities lending transactions	7,833,219	7,833,219	—
6) Commercial paper	3,351,459	3,351,431	(27)
7) Trading liabilities			
Trading securities sold for short sales	2,193,399	2,193,399	—
8) Borrowed money	9,778,095	9,828,014	49,918
9) Foreign exchanges	1,110,822	1,110,822	—
10) Short-term bonds	1,370,800	1,370,799	(0)
11) Bonds	6,222,918	6,437,691	214,772
12) Due to trust account	718,133	718,133	—
Total liabilities	<u>¥ 154,317,650</u>	<u>¥ 154,590,909</u>	<u>¥ 273,259</u>
Derivative transactions *2			
Hedge accounting not applied	¥ 593,008	¥ 593,008	¥ —
Hedge accounting applied	[861,906]	[861,906]	—
Total	<u>¥ [268,898]</u>	<u>¥ [268,898]</u>	<u>¥ —</u>

\*1 The amounts do not include general reserve for possible loan losses and specific reserve for possible loan losses. The reserves for possible losses on “Cash and due from banks,” “Call loans and bills bought,” “Monetary claims bought,” “Foreign exchanges” and “Lease receivables and investment assets” are deducted directly from “Consolidated balance sheet amount” since they are immaterial.

\*2 The amounts collectively represent the derivative transactions which are recorded on “Trading assets,” “Trading liabilities,” “Other assets” and “Other liabilities.” Debts and credits arising from derivative transactions are presented on a net basis, with a net debt presented in square brackets.

March 31, 2016	Millions of yen		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and due from banks * <sup>1</sup>	¥ 42,776,432	¥ 42,783,707	¥ 7,274
2) Call loans and bills bought * <sup>1</sup>	1,290,196	1,291,525	1,329
3) Receivables under resale agreements	494,949	494,867	(82)
4) Receivables under securities borrowing transactions * <sup>1</sup>	7,972,679	7,973,016	337
5) Monetary claims bought * <sup>1</sup>	4,345,143	4,354,958	9,814
6) Trading assets			
Securities classified as trading purposes	3,634,054	3,634,054	—
7) Money held in trust	5,163	5,163	—
8) Securities			
Bonds classified as held-to-maturity	2,267,598	2,284,166	16,568
Other securities	21,980,120	21,980,120	—
9) Loans and bills discounted	75,066,080		
Reserve for possible loan losses * <sup>1</sup>	(415,728)		
	<u>74,650,351</u>	<u>76,996,975</u>	<u>2,346,623</u>
10) Foreign exchanges * <sup>1</sup>	1,574,079	1,576,439	2,359
11) Lease receivables and investment assets * <sup>1</sup>	1,977,899	2,081,232	103,333
Total assets	<u>¥ 162,968,668</u>	<u>¥ 165,456,227</u>	<u>¥ 2,487,558</u>
1) Deposits	¥ 110,668,828	¥ 110,672,780	¥ 3,951
2) Negotiable certificates of deposit	14,250,434	14,258,203	7,769
3) Call money and bills sold	1,220,455	1,220,455	(0)
4) Payables under repurchase agreements	1,761,822	1,761,822	—
5) Payables under securities lending transactions	5,309,003	5,309,003	—
6) Commercial paper	3,017,404	3,017,372	(32)
7) Trading liabilities			
Trading securities sold for short sales	2,197,673	2,197,673	—
8) Borrowed money	8,571,227	8,635,608	64,380
9) Foreign exchanges	1,083,450	1,083,450	—
10) Short-term bonds	1,271,300	1,271,295	(4)
11) Bonds	7,006,357	7,258,216	251,858
12) Due to trust account	944,542	944,542	—
Total liabilities	<u>¥ 157,302,500</u>	<u>¥ 157,630,423</u>	<u>¥ 327,923</u>
Derivative transactions * <sup>2</sup>			
Hedge accounting not applied	¥ 492,569	¥ 492,569	¥ —
Hedge accounting applied	[207,696]	[207,696]	—
Total	<u>¥ 284,872</u>	<u>¥ 284,872</u>	<u>¥ —</u>

\*1 The amounts do not include general reserve for possible loan losses and specific reserve for possible loan losses. The reserves for possible losses on “Cash and due from banks,” “Call loans and bills bought,” “Receivables under securities borrowing transactions,” “Monetary claims bought,” “Foreign exchanges” and “Lease receivables and investment assets” are deducted directly from consolidated balance sheet amount since they are immaterial.

\*2 The amounts collectively represent the derivative transactions which are recorded in “Trading assets,” “Trading liabilities,” “Other assets” and “Other liabilities.” Debts and credits arising from derivative transactions are presented on a net basis, with a net debt presented in square brackets.

## (2) Fair value calculation methodology for financial instruments

### Assets

1) Cash and due from banks, 2) Call loans and bills bought, 3) Receivables under resale agreements, 4) Receivables under securities borrowing transactions, 9) Loans and bills discounted, 10) Foreign exchanges and 11) Lease receivables and investment assets:

Of these transactions, for dues from banks without maturity and overdrafts with no specified repayment dates, the book values are used as fair value as they are considered to approximate their fair value.

For short-term transactions with remaining maturity not exceeding 6 months, in principle, the book values are used as fair value as they are considered to approximate their fair value.

The fair value of those with a remaining maturity of more than 6 months is, in principle, the present value of future cash flows (calculated by discounting estimated future cash flows, taking into account factors such as the borrower's internal rating and pledged collateral, using a rate comprising of a risk-free interest rate and an adjustment). Certain consolidated subsidiaries of SMFG calculate the present value by discounting the estimated future cash flows computed based on the contractual interest rate, using a rate comprising a risk-free rate and a credit risk premium.

Regarding claims on bankrupt borrowers, effectively bankrupt borrowers and potentially bankrupt borrowers, expected losses on such claims are calculated based on either the expected recoverable amount from disposal of collateral or guarantees, or the present value of expected future cash flows. Since the claims' balance sheet amounts minus the expected amount of loan losses approximate their fair values, such amounts are considered to be their fair values.

### 5) Monetary claims bought:

The fair values of monetary claims bought, such as subordinated trust beneficiary interests related to securitized housing loans, are based on the assessed value of underlying housing loans securitized through the trust scheme minus the assessed value of senior beneficial interests, etc. The fair values of other transactions are, in principle, based on prices calculated using methods similar to the methods applied to 9) Loans and bills discounted.

### 6) Trading assets:

The fair values of bonds and other securities held for trading purposes are, in principle, based on their market price at the end of the fiscal year.

### 7) Money held in trust:

The fair values of money held in trust are, in principle, based on the market prices of securities held in trust calculated using methods similar to the methods applied to 8) Securities.

### 8) Securities:

In principle, the fair values of stocks (including foreign stocks) are based on the average market price during 1 month before the end of the fiscal year. The fair values of bonds and securities with market prices other than stocks are prices calculated based on their market prices as of the end of the fiscal year.

In light of the "Practical Solution on Measurement of Fair Value for Financial Assets" (ASBJ Practical Issue Task Force No. 25), the fair values of floating rate government bonds are based on the present value of future cash flows (the government bond yield is used to discount and estimate future cash flows). Bond yield and yield volatility are the main price parameters. The fair values of those without market prices, such as private placement bonds, are based on the present value of future cash flows calculated by discounting estimated future cash flows taking into account the borrower's internal rating and pledged collateral by a rate comprising a risk-free interest rate and an adjustment. However, the fair values of bonds, such as private placement bonds issued by bankrupt borrowers, effectively bankrupt borrowers and potentially bankrupt borrowers are based on the bond's book value after the deduction of the expected amount of a loss on the bond computed by using the same method applied to the estimation of a loan loss. Meanwhile, the fair values of publicly offered investment trusts are calculated based on the published net asset value (NAV) per share, while those of private placement investment trusts are calculated based on the NAV published by securities firms and other financial institutions.



## Liabilities

1) Deposits, 2) Negotiable certificates of deposit and 12) Due to trust account:

The fair values of demand deposits and deposits without maturity are based on their book values. The fair values of short-term transactions with remaining maturity not exceeding 6 months are also based on their book values, as their book values are regarded to approximate their market values. The fair values of transactions with a remaining maturity of more than 6 months are, in principle, based on the present value of estimated future cash flows calculated using the rate applied to the same type of deposits that are newly accepted until the end of the remaining maturity.

3) Call money and bills sold, 4) Payables under repurchase agreements, 5) Payables under securities lending transactions, 6) Commercial paper, 8) Borrowed money, 10) Short-term bonds and 11) Bonds:

The fair values of short-term transactions with remaining maturity not exceeding 6 months are based on their book values, as their book values are considered to approximate their fair values. For transactions with a remaining maturity of more than 6 months, their fair values are, in principle, based on the present value of estimated future cash flows calculated using the refinancing rate applied to the same type of instruments for the remaining maturity. The fair values of bonds are based on the present value of future cash flows calculated using the rate derived from the data on the yields of benchmark bonds and publicly-offered subordinated bonds published by securities firms.

7) Trading liabilities:

The fair values of bonds sold for short sales and other securities for trading purposes are, in principle, based on their market prices as of the end of the fiscal year.

9) Foreign exchanges:

The fair values of foreign currency-denominated deposits without maturity received from other banks are based on their book values.

The fair values of foreign exchange related short-term borrowings are based on their book values, as their book values are regarded to approximate their fair values.

## Derivatives transactions

The fair values of exchange-traded derivatives are based on their closing prices. With regard to OTC transactions, the fair values of interest rate, currency, stock, bond and credit derivatives are based on their prices calculated based on the present value of the future cash flows, option valuation models, etc. The fair values of commodity derivatives transactions are based on their prices calculated based on the derivative instrument's components, including price and contract term.

(3) Consolidated balance sheet amount of financial instruments whose fair values are extremely difficult to determine are as follows:

March 31	Millions of yen	
	2015	2016
Monetary claims bought:		
Monetary claims bought without market prices *1 .....	¥ 2,537	¥ 2,460
Securities:		
Unlisted stocks, etc. *2*4 .....	361,541	157,382
Investments in partnership, etc. *3*4 .....	259,445	248,921
Total .....	¥ 623,523	¥ 408,764

\*1 They are beneficiary claims on loan trusts (a) that behave more like equity than debt, (b) that do not have market prices, and (c) for which it is difficult to rationally estimate their fair values.

\*2 They are not included in the scope of fair value disclosure since there are no market prices and it is extremely difficult to determine their fair values.

\*3 They are capital contributions with no market prices. The above-stated amount includes the book value amount of investments in the partnership of which SMFG records net changes in their balance sheets and statements of income.

\*4 Unlisted stocks and investments in partnership totaling ¥12,762 million and ¥7,618 million were written-off in the fiscal year ended March 31, 2015 and 2016, respectively.

## (4) Redemption schedule of monetary claims and securities with maturities

March 31, 2015	Millions of yen			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits with banks .....	¥ 38,506,416	¥ 46,508	¥ 20,911	¥ 1,241
Call loans and bills bought.....	1,272,265	51,242	3,456	—
Receivables under resale agreements.....	674,341	72,090	—	—
Receivables under securities borrowing transactions ..	6,427,273	49,790	—	—
Monetary claims bought* <sup>1</sup> .....	3,378,992	597,974	48,832	221,903
Securities* <sup>1</sup> .....	5,656,240	14,446,962	2,311,100	758,126
Bonds classified as held-to-maturity .....	1,392,417	2,001,567	—	—
Japanese government bonds .....	1,300,000	1,980,000	—	—
Japanese local government bonds .....	51,347	16,356	—	—
Japanese corporate bonds .....	41,070	5,210	—	—
Other.....	—	—	—	—
Other securities with maturity .....	4,263,823	12,445,395	2,311,100	758,126
Japanese government bonds .....	1,715,975	8,893,500	369,500	—
Japanese local government bonds .....	28,278	21,904	1,224	35
Japanese corporate bonds .....	452,917	1,584,554	503,625	31,767
Other.....	2,066,652	1,945,436	1,436,750	726,322
Loans and bills discounted* <sup>1</sup> * <sup>2</sup> .....	16,197,047	30,706,918	10,754,197	9,205,773
Foreign exchanges* <sup>1</sup> .....	1,883,491	21,463	—	—
Lease receivables and investment assets* <sup>1</sup> .....	547,109	1,005,281	156,851	50,521
Total .....	¥ 74,543,178	¥ 46,998,231	¥ 13,295,349	¥ 10,237,565

\*1 The amounts shown in the table above do not include amounts for claims on bankrupt borrowers, effectively bankrupt borrowers and potentially bankrupt borrowers and other claims for which redemption is unlikely. The amounts for such claims are Monetary claims bought: ¥21 million, Securities: ¥44,760 million, Loans and bills discounted: ¥756,824 million, Foreign exchanges: ¥2,712 million and Lease receivables and investment assets: ¥19,460 million.

\*2 "Loans and bills discounted" without the maturity dates are not included. Such amount is totaled to ¥5,445,535 million at March 31, 2015.

March 31, 2016	Millions of yen			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits with banks .....	¥ 41,764,849	¥ 33,628	¥ 24,213	¥ 1,329
Call loans and bills bought.....	1,235,295	50,706	5,363	—
Receivables under resale agreements.....	427,377	67,572	—	—
Receivables under securities borrowing transactions ..	7,961,878	11,040	—	—
Monetary claims bought* <sup>1</sup> .....	3,349,198	678,150	43,207	235,211
Securities* <sup>1</sup> .....	5,125,770	10,864,943	2,047,674	1,712,001
Bonds classified as held-to-maturity .....	1,093,340	1,172,636	—	—
Japanese government bonds .....	1,080,000	1,160,000	—	—
Japanese local government bonds .....	13,340	7,426	—	—
Japanese corporate bonds .....	—	5,210	—	—
Other.....	—	—	—	—
Other securities with maturity .....	4,032,430	9,692,306	2,047,674	1,712,001
Japanese government bonds .....	1,548,400	6,172,500	11,000	239,400
Japanese local government bonds .....	12,838	14,197	3,855	33
Japanese corporate bonds .....	476,283	1,558,803	555,748	96,278
Other.....	1,994,907	1,946,805	1,477,070	1,376,289
Loans and bills discounted* <sup>1</sup> * <sup>2</sup> .....	16,340,462	31,637,487	11,694,402	9,085,329
Foreign exchanges* <sup>1</sup> .....	1,572,622	2,557	—	—
Lease receivables and investment assets* <sup>1</sup> .....	531,712	1,039,875	155,118	102,003
Total .....	¥ 78,309,168	¥ 44,385,961	¥ 13,969,979	¥ 11,135,875

\*1 The amounts shown in the table above do not include amounts for claims on bankrupt borrowers, effectively bankrupt borrowers and potentially bankrupt borrowers and other claims for which redemption is unlikely. The amounts for such claims are Monetary claims bought: ¥0 million, Securities: ¥33,496 million, Loans and bills discounted: ¥608,928 million, Foreign exchanges: ¥1,987 million, Lease receivables and investment assets: ¥18,510 million.

\*2 "Loans and bills discounted" without the maturity dates are not included. Such amount is totaled to ¥5,697,958 million at March 31, 2016.

## (5) Redemption schedule of bonds, borrowed money and other interest-bearing debts

March 31, 2015	Millions of yen			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits *	¥ 95,917,733	¥ 4,284,380	¥ 497,816	¥ 347,987
Negotiable certificates of deposit	13,518,726	304,980	2,170	20
Call money and bills sold	5,873,123	—	—	—
Payables under repurchase agreements	991,860	—	—	—
Payables under securities lending transactions	7,833,219	—	—	—
Commercial paper	3,351,459	—	—	—
Borrowed money	7,158,084	1,306,961	824,115	488,932
Foreign exchanges	1,110,822	—	—	—
Short-term bonds	1,370,800	—	—	—
Bonds	1,023,264	2,742,910	2,034,764	426,306
Due to trust account	718,133	—	—	—
<b>Total</b>	<b>¥ 138,867,230</b>	<b>¥ 8,639,233</b>	<b>¥ 3,358,866</b>	<b>¥ 1,263,246</b>

\* Demand deposits are included in “Within 1 year.” Deposits include current deposits.

March 31, 2016	Millions of yen			
	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Deposits *	¥105,655,087	¥ 4,098,017	¥ 468,420	¥ 447,303
Negotiable certificates of deposit	13,740,528	506,777	3,125	1
Call money and bills sold	1,219,196	1,259	—	—
Payables under repurchase agreements	1,761,822	—	—	—
Payables under securities lending transactions	5,309,003	—	—	—
Commercial paper	3,017,404	—	—	—
Borrowed money	5,790,740	1,292,699	1,018,602	469,186
Foreign exchanges	1,083,450	—	—	—
Short-term bonds	1,271,300	—	—	—
Bonds	985,979	3,213,584	2,094,283	716,106
Due to trust account	944,542	—	—	—
<b>Total</b>	<b>¥140,779,055</b>	<b>¥ 9,112,338</b>	<b>¥ 3,584,431</b>	<b>¥ 1,632,598</b>

\* Demand deposits are included in “Within 1 year.” Deposits include current deposits.

(Notes to securities)

The amounts shown in the following tables include trading securities and short-term bonds classified as “Trading assets,” negotiable certificates of deposit classified as “Cash and due from banks,” and beneficiary claims on loan trust classified as “Monetary claims bought,” in addition to “Securities” stated in the consolidated balance sheets.

1. Securities classified as trading purposes

March 31	Millions of yen	
	2015	2016
Valuation gains (losses) included in the earnings for the fiscal year.....	¥ 72,389	¥ (32,241)

2. Bonds classified as held-to-maturity

March 31, 2015	Millions of yen		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Bonds with unrealized gains:			
Japanese government bonds .....	¥ 3,283,044	¥ 3,303,228	¥ 20,183
Japanese local government bonds .....	67,843	68,065	221
Japanese corporate bonds .....	46,263	46,438	175
Other .....	—	—	—
Subtotal .....	3,397,151	3,417,732	20,580
Bonds with unrealized losses:			
Japanese government bonds .....	—	—	—
Japanese local government bonds .....	—	—	—
Japanese corporate bonds .....	—	—	—
Other .....	—	—	—
Subtotal .....	—	—	—
Total .....	¥ 3,397,151	¥ 3,417,732	¥ 20,580

March 31, 2016	Millions of yen		
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Bonds with unrealized gains:			
Japanese government bonds .....	¥ 2,241,546	¥ 2,258,065	¥ 16,518
Japanese local government bonds .....	16,460	16,485	25
Japanese corporate bonds .....	5,202	5,230	27
Other .....	—	—	—
Subtotal .....	2,263,208	2,279,780	16,572
Bonds with unrealized losses:			
Japanese government bonds .....	—	—	—
Japanese local government bonds .....	4,389	4,385	(3)
Japanese corporate bonds .....	—	—	—
Other .....	—	—	—
Subtotal .....	4,389	4,385	(3)
Total .....	¥ 2,267,598	¥ 2,284,166	¥ 16,568

### 3. Other securities

		Millions of yen		
<b>March 31, 2015</b>		<b>Consolidated balance sheet amount</b>	<b>Acquisition cost</b>	<b>Net unrealized gains (losses)</b>
Other securities with unrealized gains:	Stocks .....	¥ 3,726,432	¥ 1,653,065	¥ 2,073,367
	Bonds .....	11,259,951	11,199,114	60,837
	Japanese government bonds .....	8,953,781	8,935,132	18,649
	Japanese local government bonds .....	49,123	48,842	281
	Japanese corporate bonds .....	2,257,045	2,215,139	41,905
	Other .....	6,024,855	5,505,092	519,762
	Subtotal .....	21,011,239	18,357,271	2,653,967
Other securities with unrealized losses:	Stocks .....	119,767	138,826	(19,059)
	Bonds .....	2,439,610	2,450,418	(10,808)
	Japanese government bonds .....	2,053,225	2,058,905	(5,680)
	Japanese local government bonds .....	3,026	3,039	(12)
	Japanese corporate bonds .....	383,358	388,473	(5,114)
	Other .....	2,069,284	2,088,398	(19,113)
	Subtotal .....	4,628,662	4,677,644	(48,981)
Total .....		¥ 25,639,901	¥ 23,034,915	¥ 2,604,985

- Notes: 1. Net unrealized gains (losses) on other securities shown above include gains of ¥29,870 million for the fiscal year ended March 31, 2015 that are recognized in the earnings by applying fair value hedge accounting.
2. Consolidated balance sheet amounts of other securities whose fair values are extremely difficult to determine are as follows:

<b>March 31, 2015</b>	<b>Millions of yen</b>
Stocks .....	¥ 219,799
Other .....	403,724
Total .....	¥ 623,523

These amounts are not included in “3. Other securities” since there are no market prices and it is extremely difficult to determine their fair values.

		Millions of yen		
<b>March 31, 2016</b>		<b>Consolidated balance sheet amount</b>	<b>Acquisition cost</b>	<b>Net unrealized gains (losses)</b>
Other securities with unrealized gains:	Stocks .....	¥ 3,103,065	¥ 1,480,085	¥ 1,622,980
	Bonds .....	9,870,848	9,759,438	111,410
	Japanese government bonds .....	7,380,250	7,317,408	62,842
	Japanese local government bonds .....	26,353	26,195	157
	Japanese corporate bonds .....	2,464,245	2,415,834	48,411
	Other .....	5,318,399	5,027,532	290,867
	Subtotal .....	18,292,314	16,267,055	2,025,258
Other securities with unrealized losses:	Stocks .....	277,214	327,194	(49,979)
	Bonds .....	1,022,241	1,024,465	(2,223)
	Japanese government bonds .....	724,800	725,202	(402)
	Japanese local government bonds .....	4,867	4,885	(17)
	Japanese corporate bonds .....	292,573	294,377	(1,803)
	Other .....	3,132,891	3,198,433	(65,542)
	Subtotal .....	4,432,347	4,550,093	(117,745)
Total .....		¥ 22,724,662	¥ 20,817,149	¥ 1,907,512

- Notes: 1. Net unrealized gains (losses) on other securities shown above include gains of ¥871 million for the fiscal year ended March 31, 2016 that are recognized in the earnings by applying fair value hedge accounting.
2. Consolidated balance sheet amounts of other securities whose fair values are extremely difficult to determine are as follows:

<b>March 31, 2016</b>	<b>Millions of yen</b>
Stocks .....	¥ 131,602
Other .....	277,161
Total .....	¥ 408,764

These amounts are not included in “3. Other securities” since there are no market prices and it is extremely difficult to determine their fair values.

#### 4. Held-to-maturity bonds sold during the fiscal year

##### *Fiscal year ended March 31, 2015*

There are no corresponding transactions.

##### *Fiscal year ended March 31, 2016*

There are no corresponding transactions.

#### 5. Other securities sold during the fiscal year

Year ended March 31, 2015	Millions of yen		
	Sales amount	Gains on sales	Losses on sales
Stocks .....	¥ 113,544	¥ 45,455	¥ (1,890)
Bonds .....	13,407,655	9,406	(5,699)
Japanese government bonds .....	13,142,974	8,939	(5,593)
Japanese local government bonds.....	63,699	37	(94)
Japanese corporate bonds .....	200,981	429	(11)
Other.....	14,275,561	98,168	(16,739)
Total .....	¥ 27,796,760	¥ 153,030	¥ (24,329)

Year ended March 31, 2016	Millions of yen		
	Sales amount	Gains on sales	Losses on sales
Stocks .....	¥ 161,735	¥ 42,097	¥ (2,784)
Bonds .....	12,304,977	25,883	(1,520)
Japanese government bonds .....	12,079,605	25,531	(237)
Japanese local government bonds.....	61,407	23	(98)
Japanese corporate bonds .....	163,963	329	(1,185)
Other.....	10,175,242	117,516	(28,467)
Total .....	¥ 22,641,955	¥ 185,497	¥ (32,773)

#### 6. Change of classification of securities

##### *Fiscal year ended March 31, 2015*

There are no significant corresponding transactions to be disclosed.

##### *Fiscal year ended March 31, 2016*

There are no significant corresponding transactions to be disclosed.

#### 7. Write-down of securities

Bonds classified as held-to-maturity and other securities (excluding securities whose fair values are extremely difficult to determine) are considered as impaired if the fair value decreases materially below the acquisition cost and such decline is not considered as recoverable. The fair value is recognized as the consolidated balance sheet amount and the amount of write-down is accounted for as valuation loss for the fiscal year. Valuation losses for the fiscal years ended March 31, 2015 and 2016 were ¥5,992 million and ¥4,838 million, respectively. The rule for determining “material decline” is as follows and is based on the classification of issuers under the rules of self-assessment of assets.

Bankrupt/Effectively bankrupt/Potentially bankrupt issuers:	Fair value is lower than acquisition cost.
Issuers requiring caution:	Fair value is 30% or lower than acquisition cost.
Normal issuers:	Fair value is 50% or lower than acquisition cost.
Bankrupt issuers:	Issuers that are legally bankrupt or formally declared bankrupt.
Effectively bankrupt issuers:	Issuers that are not legally bankrupt but regarded as substantially bankrupt.
Potentially bankrupt issuers:	Issuers that are not bankrupt now, but are perceived to have a high risk of falling into bankruptcy.
Issuers requiring caution:	Issuers that are identified for close monitoring.
Normal issuers:	Issuers other than the above 4 categories of issuers.

(Notes to money held in trust)

**1. Money held in trust classified as trading purposes**

*Fiscal year ended March 31, 2015*

There are no corresponding transactions.

*Fiscal year ended March 31, 2016*

There are no corresponding transactions.

**2. Money held in trust classified as held-to-maturity**

*Fiscal year ended March 31, 2015*

There are no corresponding transactions.

*Fiscal year ended March 31, 2016*

There are no corresponding transactions.

**3. Other money held in trust**

	Millions of yen		
<u>March 31, 2015</u>	<u>Consolidated balance sheet amount</u>	<u>Acquisition cost</u>	<u>Net unrealized gains (losses)</u>
Other money held in trust.....	¥ 7,087	¥ 7,087	—

	Millions of yen		
<u>March 31, 2016</u>	<u>Consolidated balance sheet amount</u>	<u>Acquisition cost</u>	<u>Net unrealized gains (losses)</u>
Other money held in trust.....	¥ 5,163	¥ 5,163	—

**(Notes to net unrealized gains (losses) on other securities and other money held in trust)**

The breakdown of “Net unrealized gains (losses) on other securities” reported on the consolidated balance sheets is as shown below:

<b>March 31, 2015</b>	<b>Millions of yen</b>
Net unrealized gains (losses) .....	¥ 2,575,489
Other securities .....	2,575,489
Other money held in trust .....	—
(-) Deferred tax liabilities .....	727,559
Net unrealized gains (losses) on other securities (before following adjustments) .....	1,847,929
(-) Non-controlling interests .....	59,441
(+) SMFG’s interest in net unrealized gains (losses) on valuation of other securities held by equity method affiliates .....	2,560
Net unrealized gains (losses) on other securities .....	¥ 1,791,049

- Notes:
1. Net unrealized gains of ¥29,870 million for the fiscal year ended March 31, 2015 recognized in the fiscal year’s earnings by applying fair value hedge accounting are deducted from net unrealized gains on other securities.
  2. Net unrealized gains (losses) on other securities include foreign currency translation adjustments on foreign currency denominated securities whose fair value is extremely difficult to determine.

<b>March 31, 2016</b>	<b>Millions of yen</b>
Net unrealized gains (losses) .....	¥ 1,907,093
Other securities .....	1,907,093
Other money held in trust .....	—
(-) Deferred tax liabilities .....	504,144
Net unrealized gains (losses) on other securities (before following adjustments) .....	1,402,948
(-) Non-controlling interests .....	57,075
(+) SMFG’s interest in net unrealized gains (losses) on valuation of other securities held by equity method affiliates .....	1,817
Net unrealized gains (losses) on other securities .....	¥ 1,347,689

- Notes:
1. Net unrealized gains of ¥871 million for the fiscal year ended March 31, 2016 recognized in the fiscal year’s earnings by applying fair value hedge accounting are deducted from net unrealized gains on other securities.
  2. Net unrealized gains (losses) on other securities include foreign currency translation adjustments on foreign currency denominated securities whose fair value is extremely difficult to determine.



(Notes to derivative transactions)

1. Derivative transactions to which the hedge accounting method is not applied

The following tables set forth the contract amount or the amount equivalent to the notional amount, fair value, valuation gains (losses) and fair value calculation methodologies by type of derivative with respect to derivative transactions to which the hedge accounting method is not applied at the end of the fiscal year. Contract amount does not indicate the market risk relating to derivative transactions.

(1) Interest rate derivatives

March 31, 2015	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Listed</b>				
Interest rate futures:				
Sold.....	¥ 72,417,655	¥ 27,182,460	¥ (63,824)	¥ (63,824)
Bought .....	70,808,254	25,824,043	58,948	58,948
Interest rate options:				
Sold.....	345,874	36,168	(110)	(110)
Bought .....	36,305,940	16,041,662	6,990	6,990
<b>Over-the-counter</b>				
Forward rate agreements:				
Sold.....	6,869,797	35,565	606	606
Bought .....	6,747,669	377,473	(604)	(604)
Interest rate swaps:	449,422,723	374,591,082	124,036	124,036
Receivable fixed rate/payable floating rate.....	211,594,325	176,500,223	6,138,890	6,138,890
Receivable floating rate/payable fixed rate.....	209,580,904	175,966,222	(6,018,957)	(6,018,957)
Receivable floating rate/payable floating rate .....	28,142,407	22,028,051	(2,593)	(2,593)
Interest rate swaptions:				
Sold.....	3,595,666	2,228,852	19,802	19,802
Bought .....	2,131,049	1,590,233	(12,738)	(12,738)
Caps:				
Sold.....	21,514,098	16,330,540	(18,189)	(18,189)
Bought .....	7,165,728	5,603,385	(4,231)	(4,231)
Floors:				
Sold.....	594,392	417,517	(533)	(533)
Bought .....	98,034	98,034	2,659	2,659
Other:				
Sold.....	1,004,262	885,363	(6,496)	(6,496)
Bought .....	3,924,935	3,249,593	9,944	9,944
Total .....	/	/	¥ 116,260	¥ 116,260

- Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of income.  
2. Fair value of transactions listed on an exchange is calculated using the closing price on the Tokyo Financial Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value and option pricing models.

March 31, 2016	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Listed</b>				
Interest rate futures:				
Sold.....	¥ 63,471,276	¥ 7,435,505	¥ (79,505)	¥ (79,505)
Bought .....	57,572,037	4,357,650	75,639	75,639
Interest rate options:				
Sold.....	44,716	24,106	(8)	(8)
Bought .....	33,993,010	14,119,537	6,597	6,597
<b>Over-the-counter</b>				
Forward rate agreements:				
Sold.....	7,874,784	148,664	(1,288)	(1,288)
Bought .....	7,963,487	220,176	1,352	1,352
Interest rate swaps:				
Receivable fixed rate/payable floating rate.....	183,975,452	154,668,295	6,357,881	6,357,881
Receivable floating rate/payable fixed rate.....	180,604,918	151,380,739	(6,206,980)	(6,206,980)
Receivable floating rate/payable floating rate .....	32,005,448	26,092,014	14,589	14,589
Interest rate swaptions:				
Sold.....	4,681,782	2,792,669	(7,029)	(7,029)
Bought .....	3,416,990	2,680,830	(22,676)	(22,676)
Caps:				
Sold.....	27,745,929	20,292,051	(13,737)	(13,737)
Bought .....	8,098,947	6,390,955	(6,724)	(6,724)
Floors:				
Sold.....	623,291	431,693	(596)	(596)
Bought .....	275,954	274,754	4,193	4,193
Other:				
Sold.....	1,412,146	1,128,576	(433)	(433)
Bought .....	5,480,980	4,930,203	484	484
Total .....	/	/	¥ 132,532	¥ 132,532

- Notes:
1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of income.
  2. Fair value of transactions listed on an exchange is calculated using the closing price on the Tokyo Financial Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value and option pricing models.

## (2) Currency derivatives

March 31, 2015	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Listed</b>				
Currency futures:				
Sold.....	¥ 80,931	¥ —	¥ 180	¥ 180
Bought .....	497	—	0	0
<b>Over-the-counter</b>				
Currency swaps .....	27,035,522	20,122,147	694,080	10,572
Currency swaptions:				
Sold.....	308,906	304,563	(559)	(559)
Bought .....	451,270	443,519	(397)	(397)
Forward foreign exchange.....	62,599,180	5,225,986	(141,028)	(141,028)
Currency options:				
Sold.....	2,723,327	1,495,074	(181,167)	(181,167)
Bought .....	2,395,875	1,248,848	121,468	121,468
Total .....	/	/	¥ 492,576	¥ (190,931)

- Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of income.  
2. Fair value of transactions listed on exchange is calculated using the closing price on the Tokyo Financial Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value, option pricing models and other methodologies.

March 31, 2016	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Listed</b>				
Currency futures:				
Sold.....	¥ 658	¥ —	¥ 17	¥ 17
Bought .....	32	—	0	0
<b>Over-the-counter</b>				
Currency swaps .....	33,811,276	24,295,023	387,527	15,992
Currency swaptions:				
Sold.....	621,538	576,940	(5,697)	(5,697)
Bought .....	785,064	735,396	5,823	5,823
Forward foreign exchange.....	56,831,766	7,266,262	7,441	7,441
Currency options:				
Sold.....	2,692,132	1,560,230	(138,718)	(138,718)
Bought .....	2,558,291	1,381,862	112,318	112,318
Total .....	/	/	¥ 368,712	¥ (2,822)

- Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of income.  
2. Fair value of transactions listed on exchange is calculated using the closing price on the Tokyo Financial Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value, option pricing models and other methodologies.

## (3) Equity derivatives

March 31, 2015	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Listed</b>				
Equity price index futures:				
Sold.....	¥ 995,977	¥ —	¥ (11,341)	¥ (11,341)
Bought .....	278,331	—	6,718	6,718
Equity price index options:				
Sold.....	169,645	68,750	(16,412)	(16,412)
Bought .....	153,942	59,715	11,545	11,545
<b>Over-the-counter</b>				
Equity options:				
Sold.....	225,859	218,338	(23,558)	(23,558)
Bought .....	233,896	218,338	24,976	24,976
Equity index forward contracts:				
Sold.....	16,717	—	126	126
Bought .....	33,481	499	500	500
Equity price index swaps:				
Receivable equity index/payable short-term floating rate .....	31,690	31,225	(1,262)	(1,262)
Receivable short-term floating rate/payable equity index.....	59,675	58,570	1,942	1,942
<b>Total</b> .....	<b>/</b>	<b>/</b>	<b>¥ (6,764)</b>	<b>¥ (6,764)</b>

- Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of income.  
2. Fair value of transactions listed on exchange is calculated using the closing price on the Osaka Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value and option pricing models.

March 31, 2016	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Listed</b>				
Equity price index futures:				
Sold.....	¥ 739,284	¥ —	¥ (4,371)	¥ (4,371)
Bought .....	350,541	23,912	804	804
Equity price index options:				
Sold.....	211,201	118,394	(19,465)	(19,465)
Bought .....	146,407	67,456	8,512	8,512
<b>Over-the-counter</b>				
Equity options:				
Sold.....	225,296	207,647	(20,896)	(20,896)
Bought .....	220,558	209,864	20,609	20,609
Equity index forward contracts:				
Sold.....	4,236	—	152	152
Bought .....	7,722	400	333	333
Equity price index swaps:				
Receivable equity index/payable short-term floating rate .....	65,728	51,288	(12,612)	(12,612)
Receivable short-term floating rate/payable equity index.....	136,471	113,501	21,211	21,211
<b>Total</b> .....	<b>/</b>	<b>/</b>	<b>¥ (5,723)</b>	<b>¥ (5,723)</b>

- Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of income.  
2. Fair value of transactions listed on exchange is calculated using the closing price on the Osaka Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value and option pricing models.

## (4) Bond derivatives

March 31, 2015	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Listed</b>				
Bond futures:				
Sold.....	¥ 3,261,725	¥ —	¥ (23,171)	¥ (23,171)
Bought .....	2,668,201	—	15,828	15,828
Bond futures options:				
Sold.....	38,448	—	(40)	(40)
Bought .....	39,048	—	107	107
<b>Over-the-counter</b>				
Bond options:				
Sold.....	39,607	—	(123)	(123)
Bought .....	174,030	134,394	655	655
Total .....	/	/	¥ (6,743)	¥ (6,743)

- Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of income.  
2. Fair value of transactions listed on exchange is calculated using the closing price on the Osaka Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using option pricing models.

March 31, 2016	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Listed</b>				
Bond futures:				
Sold.....	¥ 2,881,937	¥ —	¥ (11,472)	¥ (11,472)
Bought .....	2,533,396	—	10,038	10,038
Bond futures options:				
Sold.....	158,794	—	(362)	(362)
Bought .....	31,426	—	26	26
<b>Over-the-counter</b>				
Bond options:				
Sold.....	455,731	—	(11)	(11)
Bought .....	382,507	119,292	737	737
Total .....	/	/	¥ (1,043)	¥ (1,043)

- Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of income.  
2. Fair value of transactions listed on exchange is calculated using the closing price on the Osaka Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using option pricing models.

## (5) Commodity derivatives

March 31, 2015	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Listed</b>				
Commodity futures:				
Sold.....	¥ 14,001	¥ —	¥ 1,546	¥ 1,546
Bought .....	15,703	—	(2,183)	(2,183)
<b>Over-the-counter</b>				
Commodity swaps:				
Receivable fixed price/payable floating price.....	111,581	72,095	7,608	7,608
Receivable floating price/payable fixed price.....	87,933	62,634	(5,971)	(5,971)
Receivable floating price/payable floating price ...	3,922	3,384	(132)	(132)
Commodity options:				
Sold.....	15,529	13,787	(506)	(506)
Bought .....	9,095	7,946	(108)	(108)
<b>Total</b> .....	/	/	¥ 253	¥ 253

- Notes:
1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of income.
  2. Fair value of transactions listed on exchange is calculated using the closing price on the New York Mercantile Exchange or other relevant exchanges. Fair value of OTC transactions is calculated based on factors such as price of the relevant commodity and contract term.
  3. Underlying assets of commodity derivatives are fuels and metals.

March 31, 2016	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Listed</b>				
Commodity futures:				
Sold.....	¥ 7,458	¥ —	¥ 377	¥ 377
Bought .....	7,841	—	(590)	(590)
<b>Over-the-counter</b>				
Commodity swaps:				
Receivable fixed price/payable floating price.....	82,658	54,945	21,539	21,539
Receivable floating price/payable fixed price.....	80,511	52,227	(19,680)	(19,680)
Receivable floating price/payable floating price ...	3,141	3,061	299	299
Commodity options:				
Sold.....	19,191	16,972	(967)	(967)
Bought .....	15,141	13,044	(1)	(1)
<b>Total</b> .....	/	/	¥ 975	¥ 975

- Notes:
1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of income.
  2. Fair value of transactions listed on exchange is calculated using the closing price on the New York Mercantile Exchange or other relevant exchanges. Fair value of OTC transactions is calculated based on factors such as price of the relevant commodity and contract term.
  3. Underlying assets of commodity derivatives are fuels and metals.

## (6) Credit derivative transactions

March 31, 2015	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Over-the-counter</b>				
Credit default options:				
Sold.....	¥ 491,723	¥ 397,171	¥ 6,882	¥ 6,882
Bought .....	652,486	520,233	(9,456)	(9,456)
Total .....	/	/	¥ (2,574)	¥ (2,574)

- Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of income.  
2. Fair value is calculated using discounted present value and option pricing models.  
3. "Sold" represents transactions in which the credit risk is accepted; "Bought" represents transactions in which the credit risk is transferred.

March 31, 2016	Millions of yen			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
<b>Over-the-counter</b>				
Credit default options:				
Sold.....	¥ 583,300	¥ 482,110	¥ 3,336	¥ 3,336
Bought .....	765,485	611,156	(6,221)	(6,221)
Total .....	/	/	¥ (2,885)	¥ (2,885)

- Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of income.  
2. Fair value is calculated using discounted present value and option pricing models.  
3. "Sold" represents transactions in which the credit risk is accepted; "Bought" represents transactions in which the credit risk is transferred.

## 2. Derivative transactions to which the hedge accounting method is applied

The following tables set forth the contract amount or the amount equivalent to the notional amount, fair value and fair value calculation methodologies by type of derivative and hedge accounting method with respect to derivative transactions to which the hedge accounting method is applied at the end of the fiscal year. Contract amount does not indicate the market risk relating to derivative transactions.

### (1) Interest rate derivatives

March 31, 2015		Millions of yen			
Hedge accounting method	Type of derivative	Principal items hedged	Contract amount		Fair value
			Total	Over 1 year	
Deferral hedge method	Interest futures:	Interest-earning/bearing financial assets/liabilities such as loans and bills discounted, other securities, deposits and negotiable certificates of deposit			
	Sold.....		¥ 9,431,618	¥ 6,067,453	¥ (5,029)
	Bought .....		1,300,300	—	(41)
	Interest rate swaps:				
	Receivable fixed rate/payable floating rate .....		31,042,631	26,461,484	718,262
	Receivable floating rate/payable fixed rate.....		16,875,562	15,294,056	(666,588)
	Receivable floating rate/payable floating rate .....		3,604	—	4
	Interest rate swaptions:				
	Sold .....		12,344	12,344	89
	Bought .....		—	—	—
Caps:					
Sold .....	65,156	61,248	135		
Bought.....	65,156	61,248	(135)		
Recognition of gain or loss on the hedged items	Interest rate swaps: Receivable floating rate/payable fixed rate .....	Loans and bills discounted	148,693	91,040	728
Special treatment for interest rate swaps	Interest rate swaps:	Loans and bills discounted; borrowed money, corporate bonds			
	Receivable floating rate/payable fixed rate .....		167,412	149,076	(Note 3)
	Receivable floating rate/payable floating rate .....		3,000	1,000	
	Total.....		/	/	¥ 47,425

- Notes:
- SMFG applies deferred hedge accounting stipulated in “Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (JICPA Industry Audit Committee Report No. 24, February 13, 2002).
  - Fair value of transactions listed on exchange is calculated using the closing price on the Tokyo Financial Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value and option pricing models.
  - Interest rate swap amounts measured by the special treatment for interest rate swaps are treated with the borrowed money or other transactions that are subject to the hedge. Therefore such fair value is included in the fair value of the relevant transaction subject to the hedge in the “(Notes to financial instruments) 2. Fair value of financial instruments.”



March 31, 2016

Hedge accounting method	Type of derivative	Principal items hedged	Millions of yen		
			Contract amount		Fair value
			Total	Over 1 year	
Deferral hedge method	Interest futures:	Interest-earning/bearing financial assets/liabilities such as loans and bills discounted, other securities, deposits and negotiable certificates of deposit			
	Sold.....		¥ 469,759	¥ 20,000	¥ (853)
	Bought.....		466,100	—	176
	Interest rate swaps:				
	Receivable fixed rate/payable floating rate.....		30,806,710	27,874,743	873,379
	Receivable floating rate/payable fixed rate.....		17,287,315	15,999,299	(746,964)
	Receivable floating rate/payable floating rate.....		—	—	—
	Interest rate swaptions:				
	Sold.....		75,230	75,230	4,382
	Bought.....		—	—	—
Caps:					
Sold.....	61,472	50,267	5		
Bought.....	61,472	50,267	(5)		
Recognition of gain or loss on the hedged items	Interest rate swaps: Receivable floating rate/payable fixed rate.....	Loans and bills discounted	121,347	118,381	(4,850)
Special treatment for interest rate swaps	Interest rate swaps: Receivable floating rate/payable fixed rate.....	Loans and bills discounted; borrowed money, corporate bonds	446,074	430,758	(Note 3)
	Receivable floating rate/payable floating rate.....		1,000	—	
	Total.....		/	/	¥ 125,268

- Notes:
1. SMFG applies deferred hedge accounting stipulated in “Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (JICPA Industry Audit Committee Report No. 24, February 13, 2002).
  2. Fair value of transactions listed on exchange is calculated using the closing price on the Tokyo Financial Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value and option pricing models.
  3. Interest rate swap amounts measured by the special treatment for interest rate swaps are treated with the borrowed money or other transactions that are subject to the hedge. Therefore such fair value is included in the fair value of the relevant transaction subject to the hedge in the “(Notes to financial instruments) 2. Fair value of financial instruments.”

(2) Currency derivatives

<b>March 31, 2015</b>			<b>Millions of yen</b>		
<b>Hedge accounting method</b>	<b>Type of derivative</b>	<b>Principal items hedged</b>	<b>Contract amount</b>		<b>Fair value</b>
			<b>Total</b>	<b>Over 1 year</b>	
Deferral hedge method	Currency swaps.....	Foreign currency denominated loans and bills discounted, other securities, deposits, foreign currency exchange, etc.	¥ 6,727,385	¥ 4,770,873	¥ (911,989)
	Forward foreign exchange .....		8,980	—	(36)
Recognition of gain or loss on the hedged items	Currency swaps.....	Loans and bills discounted, foreign exchange	100,155	84,886	16,193
	Forward foreign exchange .....		813,122	16,526	(173)
Allocation method	Currency swaps.....	Borrowed money	39,455	36,397	(Note 3)
	Total.....		/	/	¥ (896,005)

- Notes:
1. SMFG applies deferred hedge accounting stipulated in “Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry” (JICPA Industry Audit Committee Report No. 25, July 29, 2002).
  2. Fair value is calculated using discounted present value.
  3. Forward foreign exchange amounts treated by the allocation method are treated with other securities or other transactions that are subject to the hedge. Therefore such fair value is included in the fair value of the relevant transaction subject to the hedge in the “(Notes to financial instruments) 2. Fair value of financial instruments.”

<b>March 31, 2016</b>			<b>Millions of yen</b>		
<b>Hedge accounting method</b>	<b>Type of derivative</b>	<b>Principal items hedged</b>	<b>Contract amount</b>		<b>Fair value</b>
			<b>Total</b>	<b>Over 1 year</b>	
Deferral hedge method	Currency swaps.....	Foreign currency denominated loans and bills discounted, other securities deposits, foreign currency exchange, etc.	¥ 9,600,108	¥ 4,735,539	¥ (364,414)
	Forward foreign exchange .....		8,052	—	158
Recognition of gain or loss on the hedged items	Currency swaps.....	Loans and bills discounted, foreign exchange	90,378	69,277	22,037
	Forward foreign exchange .....		494,141	—	8,939
Allocation method	Currency swaps.....	Borrowed money	46,415	44,900	(Note 3)
	Total.....		/	/	¥ (333,280)

- Notes:
1. SMFG applies deferred hedge accounting stipulated in “Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry” (JICPA Industry Audit Committee Report No. 25, July 29, 2002).
  2. Fair value is calculated using discounted present value.
  3. Forward foreign exchange amounts treated by the allocation method are treated with other securities or other transactions that are subject to the hedge. Therefore such fair value is included in the fair value of the relevant transaction subject to the hedge in the “(Notes to financial instruments) 2. Fair value of financial instruments.”

(3) Equity derivatives

<b>March 31, 2015</b>		<b>Principal items hedged</b>	<b>Millions of yen</b>		
<b>Hedge accounting method</b>	<b>Type of derivative</b>		<b>Contract amount</b>		<b>Fair value</b>
			<b>Total</b>	<b>Over 1 year</b>	
Recognition of gain or loss on the hedged items	Equity price index futures:				
		Sold.....	¥ 118,375	¥ —	¥ 1,687
		Bought .....	—	—	—
	Equity price index swaps:				
		Receivable equity index/payable floating rate.....	—	—	—
		Receivable floating rate/payable equity index .....	65,978	8,769	(15,013)
	<b>Total.....</b>	<u>        /        </u>	<u>        /        </u>	<u>¥ (13,326)</u>	

Note: Fair value of transactions listed on exchange is calculated using the closing price on the Osaka Exchange or other relevant exchanges. Fair value of OTC transactions is calculated using discounted present value.

<b>March 31, 2016</b>		<b>Principal items hedged</b>	<b>Millions of yen</b>		
<b>Hedge accounting method</b>	<b>Type of derivative</b>		<b>Contract amount</b>		<b>Fair value</b>
			<b>Total</b>	<b>Over 1 year</b>	
Recognition of gain or loss on the hedged items	Equity price index swaps:				
		Receivable equity index/payable floating rate.....	—	—	—
		Receivable floating rate/payable equity index .....	9,929	—	315
		<b>Total.....</b>	<u>        /        </u>	<u>        /        </u>	<u>¥ 315</u>

Note: Fair value of OTC transactions is calculated using discounted present value.

## (Notes to employee retirement benefits)

### 1. Outline of employee retirement benefits

SMFG's consolidated subsidiaries have funded and unfunded contributory defined benefit pension plans and defined-contribution pension plans for benefit payments to their employees.

Funded contributory defined benefit pension plans mainly consist of contributory funded defined benefit pension plans and lump-sum severance indemnity plans which set up employee retirement benefit trusts.

Unfunded contributory defined benefit pension plans are lump-sum severance indemnity plans which do not use such trust scheme.

Some consolidated subsidiaries adopt the simplified method in calculating the projected benefit obligation. Additional benefits may also be granted when employees retire.

### 2. Contributory defined benefit pension plan

#### (1) Reconciliation of beginning and ending balances of projected benefit obligation

Year ended March 31	Millions of yen	
	2015	2016
Beginning balance of projected benefit obligation.....	¥ 1,089,286	¥ 1,083,109
Cumulative effects of changes in accounting policies.....	(52,699)	—
Restated balance.....	1,036,587	1,083,109
Service cost.....	31,681	34,653
Interest cost on projected benefit obligation.....	13,913	11,735
Unrecognized net actuarial gain or loss incurred.....	50,926	114,691
Payments of retirement benefits.....	(50,266)	(51,724)
Unrecognized prior service cost.....	60	(31)
Net change as a result of business combinations.....	—	13,477
Other.....	206	(3,438)
Ending balance of projected benefit obligation.....	¥ 1,083,109	¥ 1,202,471

#### (2) Reconciliation of beginning and ending balances of plan assets

Year ended March 31	Millions of yen	
	2015	2016
Beginning balance of plan assets.....	¥ 1,163,834	¥ 1,421,268
Expected return on plan assets.....	34,677	39,543
Unrecognized net actuarial gain or loss incurred.....	213,991	(91,563)
Contributions by the employer.....	48,937	45,233
Payments of retirement benefits.....	(40,973)	(66,589)
Net change as a result of business combinations.....	—	12,281
Other.....	801	(2,998)
Ending balance of plan assets.....	¥ 1,421,268	¥ 1,357,175

(3) Reconciliation of the projected benefit obligation and plan assets to net defined benefit asset and net defined benefit liability reported on the consolidated balance sheets

March 31	Millions of yen	
	2015	2016
Funded projected benefit obligation .....	¥ (1,049,307)	¥ (1,166,606)
Plan assets .....	1,421,268	1,357,175
	371,961	190,568
Unfunded projected benefit obligation .....	(33,802)	(35,864)
Net amount of asset and liability reported on the consolidated balance sheet.....	¥ 338,159	¥ 154,704

  

March 31	Millions of yen	
	2015	2016
Net defined benefit asset .....	¥ 376,255	¥ 203,274
Net defined benefit liability .....	(38,096)	(48,570)
Net amount of asset and liability reported on the consolidated balance sheet.....	¥ 338,159	¥ 154,704

(4) Pension expenses

Year ended March 31	Millions of yen	
	2015	2016
Service cost .....	¥ 31,681	¥ 34,653
Interest cost on projected benefit obligation.....	13,913	11,735
Expected return on plan assets.....	(34,677)	(39,543)
Amortization of unrecognized net actuarial gain or loss .....	22,763	31,956
Amortization of unrecognized prior service cost.....	(129)	(179)
Other (nonrecurring additional retirement allowance paid and other).....	6,850	4,672
Pension expenses .....	¥ 40,402	¥ 43,294

Note: Pension expenses of consolidated subsidiaries which adopt the simplified method are included in "Service cost."

(5) Remeasurements of defined benefit plans

The breakdown of "Remeasurements of defined benefit plans" (before deducting tax effect) is as shown below:

Year ended March 31	Millions of yen	
	2015	2016
Prior service cost .....	¥ 190	¥ 148
Net actuarial gain or loss .....	(185,835)	174,270
Total .....	¥ (185,645)	¥ 174,418

(6) Accumulated remeasurements of defined benefit plans

The breakdown of "Accumulated remeasurements of defined benefit plans" (before deducting tax effect) is as shown below:

March 31	Millions of yen	
	2015	2016
Unrecognized prior service cost .....	¥ (956)	¥ (808)
Unrecognized net actuarial gain or loss.....	(69,637)	104,633
Total .....	¥ (70,594)	¥ 103,824

(7) Plan assets

1) Major asset classes of plan assets

The proportion of major asset classes to the total plan assets is as follows:

<b>March 31</b>	<b>2015</b>	<b>2016</b>
Stocks .....	62.8%	61.3%
Bonds .....	21.5%	27.3%
Other .....	15.7%	11.4%
Total .....	100.0%	100.0%

Note: The retirement benefit trusts set up for employee pension plans and lump-sum severance indemnity plans account for 37.9% and 34.0% of the total plan assets at March 31, 2015 and 2016, respectively.

2) Method for setting the long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined based on the current and expected allocation of plan assets and the current and expected long-term rates of return on various asset classes of plan assets.

(8) Actuarial assumptions

The principal assumptions used in determining benefit obligation and pension expenses are as follows:

1) Discount rate

<b>Year ended March 31, 2015</b>	<b>Percentages</b>	<b>Year ended March 31, 2016</b>	<b>Percentages</b>
Domestic consolidated subsidiaries.....	0.4% to 1.6%	Domestic consolidated subsidiaries .....	(0.1)% to 1.5%
Overseas consolidated subsidiaries .....	3.1% to 12.0%	Overseas consolidated subsidiaries .....	3.3% to 12.8%

2) Long-term expected rate of return on plan assets

<b>Year ended March 31, 2015</b>	<b>Percentages</b>	<b>Year ended March 31, 2016</b>	<b>Percentages</b>
Domestic consolidated subsidiaries.....	0% to 6.1%	Domestic consolidated subsidiaries .....	0% to 4.3%
Overseas consolidated subsidiaries .....	3.1% to 12.0%	Overseas consolidated subsidiaries .....	3.5% to 12.8%

### 3. Defined contribution plan

#### *Fiscal year ended March 31, 2015*

The amount required to be contributed by the consolidated subsidiaries is ¥6,770 million.

#### *Fiscal year ended March 31, 2016*

The amount required to be contributed by the consolidated subsidiaries is ¥7,060 million.

**(Notes to stock options)**

**1. Amount of stock options expenses**

Stock options expenses which were accounted for as general and administrative expenses for the fiscal years ended March 31, 2015 and 2016 are as follows:

Year ended March 31	Millions of yen	
	2015	2016
General and administrative expenses .....	¥ 510	¥ 652

**2. Amount of profit by non-exercise of stock acquisition rights**

Profit by non-exercise of stock acquisition rights which were accounted for as other income for the fiscal years ended March 31, 2015 and 2016 are as follows:

Year ended March 31	Millions of yen	
	2015	2016
Other income .....	¥ 14	¥ 6

**3. Outline of stock options and changes**

(1) SMFG

1) Outline of stock options

Date of resolution	July 28, 2010	July 29, 2011	July 30, 2012	July 29, 2013
Title and number of grantees .....	Directors of SMFG 8 Corporate auditors of SMFG 3 Executive officers of SMFG 2 Directors, corporate auditors and executive officers of SMBC 69	Directors of SMFG 9 Corporate auditors of SMFG 3 Executive officers of SMFG 2 Directors, corporate auditors and executive officers of SMBC 71	Directors of SMFG 9 Corporate auditors of SMFG 3 Executive officers of SMFG 2 Directors, corporate auditors and executive officers of SMBC 71	Directors of SMFG 9 Corporate auditors of SMFG 3 Executive officers of SMFG 3 Directors, corporate auditors and executive officers of SMBC 67
Number of stock options* .....	Common shares 102,600	Common shares 268,200	Common shares 280,500	Common shares 115,700
Grant date .....	August 13, 2010	August 16, 2011	August 15, 2012	August 14, 2013
Condition for vesting .....	Stock acquisition right holders may exercise stock acquisition rights from the day when they are relieved of their positions either as a director, corporate auditor or executive officer of SMFG and SMBC.	Stock acquisition right holders may exercise stock acquisition rights from the day when they are relieved of their positions either as a director, corporate auditor or executive officer of SMFG and SMBC.	Stock acquisition right holders may exercise stock acquisition rights from the day when they are relieved of their positions either as a director, corporate auditor or executive officer of SMFG and SMBC.	Stock acquisition right holders may exercise stock acquisition rights from the day when they are relieved of their positions either as a director, corporate auditor or executive officer of SMFG and SMBC.
Requisite service period .....	From June 29, 2010 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2011	From June 29, 2011 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2012	From June 28, 2012 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2013	From June 27, 2013 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2014
Exercise period .....	August 13, 2010 to August 12, 2040	August 16, 2011 to August 15, 2041	August 15, 2012 to August 14, 2042	August 14, 2013 to August 13, 2043

Date of resolution	July 30, 2014	July 31, 2015
Title and number of grantees .....	Directors of SMFG 10 Corporate auditors of SMFG 3 Executive officers of SMFG 2 Directors, corporate auditors and executive officers of SMBC 67	Directors of SMFG 8 Corporate auditors of SMFG 3 Executive officers of SMFG 4 Directors, corporate auditors and executive officers of SMBC 68
Number of stock options* .....	Common shares 121,900	Common shares 132,400
Grant date .....	August 15, 2014	August 18, 2015
Condition for vesting .....	Stock acquisition right holders may exercise stock acquisition rights from the day when they are relieved of their positions either as a director, corporate auditor or executive officer of SMFG and SMBC.	Stock acquisition right holders may exercise stock acquisition rights from the day when they are relieved of their positions either as a director, corporate auditor or executive officer of SMFG and SMBC.
Requisite service period .....	From June 27, 2014 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2015	From June 26, 2015 to the closing of the ordinary general meeting of shareholders of SMFG for the fiscal year ended March 31, 2016
Exercise period .....	August 15, 2014 to August 14, 2044	August 18, 2015 to August 17, 2045

\* Number of stock options has been converted and stated as number of shares.

## 2) Stock options granted and changes

### (a) Number of stock options

Date of resolution	Number of stock options					
	July 28, 2010	July 29, 2011	July 30, 2012	July 29, 2013	July 30, 2014	July 31, 2015
Before vested						
Previous fiscal year-end ...	38,400	151,300	232,500	111,600	121,600	—
Granted .....	—	—	—	—	—	132,400
Forfeited .....	—	—	—	—	800	—
Vested .....	9,400	20,100	86,200	22,100	11,100	—
Outstanding .....	29,000	131,200	146,300	89,500	109,700	132,400
After vested						
Previous fiscal year-end ...	58,800	110,500	44,600	3,700	200	—
Vested .....	9,400	20,100	86,200	22,100	11,100	—
Exercised .....	7,600	2,200	9,000	900	700	—
Forfeited .....	—	—	—	—	—	—
Exercisable .....	60,600	128,400	121,800	24,900	10,600	—

Note: Number of stock options has been converted and stated as number of shares.

### (b) Price information

Date of resolution	Yen					
	July 28, 2010	July 29, 2011	July 30, 2012	July 29, 2013	July 30, 2014	July 31, 2015
Exercise price .....	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1
Average exercise price .....	3,726	3,418	5,263	3,605	3,604	—
Fair value at the grant date ...	2,215	1,872	2,042	4,159	3,661	4,904

## 3) Valuation technique used for valuating fair value of stock options

Stock options granted in the fiscal year were valuated using the following valuation technique.

- Valuation technique: Black-Scholes option-pricing model
- Principal parameters used in the option-pricing model

Date of resolution	July 31, 2015
Expected volatility *1 .....	27.38%
Average expected life *2 .....	4 years
Expected dividends *3 .....	¥150 per share
Risk-free interest rate *4 .....	0.05%

\*1. Calculated based on the actual stock prices during 4 years from August 19, 2011 to August 18, 2015.

\*2. The average expected life could not be estimated rationally due to insufficient amount of data.

Therefore, it was estimated based on average assumption periods of directors of SMFG and SMBC.

\*3. Expected dividends are based on the expected dividends on common stock for the fiscal year ended March 31, 2016 of the date of grant.

\*4. Japanese government bond yield corresponding to the average expected life.

## 4) Method of estimating the number of stock options vested

Only the actual number of forfeited stock options is reflected because it is difficult to rationally estimate the actual number of stock options that will be forfeited in the future.



(2) Consolidated subsidiary, KUBC

1) Outline of stock options

<b>Date of resolution</b>	<b>June 29, 2005</b>	<b>June 29, 2006</b>	<b>June 29, 2006</b>	<b>June 28, 2007</b>
Title and number of grantees .....	Directors and employees 183	Directors 9	Officers not doubling as directors 14 Employees 46	Directors 10
Number of stock options*.....	Common shares 46,400	Common shares 16,200	Common shares 11,500	Common shares 17,400
Grant date.....	July 29, 2005	July 31, 2006	July 31, 2006	July 31, 2007
Condition for vesting.....	N.A.	N.A.	N.A.	N.A.
Requisite service period.....	N.A.	N.A.	N.A.	N.A.
Exercise period.....	June 30, 2007 to June 29, 2015	June 30, 2008 to June 29, 2016	June 30, 2008 to June 29, 2016	June 29, 2009 to June 28, 2017
<b>Date of resolution</b>	<b>June 28, 2007</b>	<b>June 27, 2008</b>	<b>June 26, 2009</b>	
Title and number of grantees .....	Officers not doubling as directors 14 Employees 48	Directors 9 Officers not doubling as directors 16 Employees 45	Directors 11 Officers not doubling as directors 14 Employees 57	
Number of stock options*.....	Common shares 11,200	Common shares 28,900	Common shares 35,000	
Grant date.....	July 31, 2007	July 31, 2008	July 31, 2009	
Condition for vesting.....	N.A.	N.A.	N.A.	
Requisite service period.....	N.A.	N.A.	N.A.	
Exercise period.....	June 29, 2009 to June 28, 2017	June 28, 2010 to June 27, 2018	June 27, 2011 to June 26, 2019	

\* Number of stock options has been converted and stated as the number of shares in consideration of the reverse stock split to combine 10 common shares as one share, performed on October 1, 2014.

2) Stock options granted and changes

(a) Number of stock options

<b>Date of resolution</b>	<b>Number of stock options</b>						
	<b>June 29, 2005</b>	<b>June 29, 2006</b>	<b>June 29, 2006</b>	<b>June 28, 2007</b>	<b>June 28, 2007</b>	<b>June 27, 2008</b>	<b>June 26, 2009</b>
Before vested							
Previous fiscal year-end.....	—	—	—	—	—	—	—
Granted.....	—	—	—	—	—	—	—
Forfeited.....	—	—	—	—	—	—	—
Vested.....	—	—	—	—	—	—	—
Outstanding .....	—	—	—	—	—	—	—
After vested							
Previous fiscal year-end.....	22,600	6,200	5,700	7,800	7,000	22,700	31,900
Vested.....	—	—	—	—	—	—	—
Exercised.....	—	—	—	—	—	—	—
Forfeited.....	22,600	—	1,700	—	1,900	2,700	3,100
Exercisable.....	—	6,200	4,000	7,800	5,100	20,000	28,800

Note: Number of stock options has been converted and stated as the number of shares in consideration of the reverse stock split to combine 10 common shares as one share, performed on October 1, 2014.

(b) Price information

<b>Date of resolution</b>	<b>Yen</b>						
	<b>June 29, 2005</b>	<b>June 29, 2006</b>	<b>June 29, 2006</b>	<b>June 28, 2007</b>	<b>June 28, 2007</b>	<b>June 27, 2008</b>	<b>June 26, 2009</b>
Exercise price.....	¥ 3,130	¥ 4,900	¥ 4,900	¥ 4,610	¥ 4,610	¥ 3,020	¥ 1,930
Average exercise price.....	—	—	—	—	—	—	—
Fair value at the grant date.....	—	1,380	1,380	960	960	370	510

3) Method of estimating the number of stock options vested

Only the actual number of forfeited stock options is reflected because it is difficult to rationally estimate the actual number of stock options that will be forfeited in the future.

(3) Consolidated subsidiary, MINATO

1) Outline of stock options

<b>Date of resolution</b>	<b>June 28, 2012</b>	<b>June 27, 2013</b>	<b>June 27, 2014</b>
Title and number of grantees ...	Directors 7 Officers 12	Directors 7 Officers 12	Directors 7 Officers 16
Number of stock options* .....	Common shares 368,000	Common shares 334,000	Common shares 320,000
Grant date .....	July 20, 2012	July 19, 2013	July 18, 2014
Condition for vesting .....	Stock acquisition right holders may exercise stock acquisition rights from the day when they are relieved of their positions either as a director or executive officer of MINATO.	Stock acquisition right holders may exercise stock acquisition rights from the day when they are relieved of their positions either as a director or executive officer of MINATO.	Stock acquisition right holders may exercise stock acquisition rights from the day when they are relieved of their positions either as a director or executive officer of MINATO.
Requisite service period.....	June 28, 2012 to the closing of the ordinary general meeting of shareholders of MINATO for the fiscal year ended March 31, 2013.	June 27, 2013 to the closing of the ordinary general meeting of shareholders of MINATO for the fiscal year ended March 31, 2014.	June 27, 2014 to the closing of the ordinary general meeting of shareholders of MINATO for the fiscal year ended March 31, 2015
Exercise period .....	July 21, 2012 to July 20, 2042	July 20, 2013 to July 19, 2043	July 19, 2014 to July 18, 2044
<b>Date of resolution</b>	<b>June 26, 2015</b>		
Title and number of grantees ...	Directors 7 Officers 17		
Number of stock options* .....	Common shares 200,000		
Grant date .....	July 17, 2015		
Condition for vesting .....	Stock acquisition right holders may exercise stock acquisition rights from the day when they are relieved of their positions either as a director or executive officer of MINATO.		
Requisite service period.....	June 26, 2015 to the closing of the ordinary general meeting of shareholders of MINATO for the fiscal year ended March 31, 2016.		
Exercise period .....	July 18, 2015 to July 17, 2045		

\* Number of stock options has been converted and stated as number of shares.

2) Stock options granted and changes

(a) Number of stock options

Date of resolution	Number of stock options			
	June 28, 2012	June 27, 2013	June 27, 2014	June 26, 2015
Before vested				
Previous fiscal year-end.....	202,000	223,000	262,000	—
Granted .....	—	—	—	200,000
Forfeited.....	—	—	6,000	5,000
Vested .....	71,000	81,000	70,000	19,000
Outstanding.....	131,000	142,000	186,000	176,000
After vested				
Previous fiscal year-end.....	143,000	105,000	46,000	—
Vested .....	71,000	81,000	70,000	19,000
Exercised.....	—	—	—	—
Forfeited.....	—	—	—	—
Exercisable.....	214,000	186,000	116,000	19,000

Note: Number of stock options has been converted and stated as number of shares.

(b) Price information

Date of resolution	June 28, 2012	June 27, 2013	June 27, 2014	June 26, 2015
Exercise price .....	¥ 1	¥ 1	¥ 1	¥ 1
Average exercise price.....	—	—	—	—
Fair value at the grant date.....	132	166	181	309

3) Valuation technique used for valuating fair value of stock options

Stock options granted in the fiscal year were valuated using the following valuation technique.

- Valuation technique: Black-Scholes option-pricing model
- Principal parameters used in the option-pricing model

Date of resolution	June 26, 2015
Expected volatility* <sup>1</sup> .....	24.38%
Average expected life* <sup>2</sup> .....	2 years
Expected dividends* <sup>3</sup> .....	¥5 per share
Risk-free interest rate* <sup>4</sup> .....	0.005%

\*1 Calculated based on the actual stock prices during 2 years from July 18, 2013 to July 17, 2015.

\*2 The average expected life could not be estimated rationally due to insufficient amount of data. Therefore, it was estimated based on average assumption periods of directors of MINATO.

\*3 Expected dividends are based on the actual dividends on common stock for the fiscal year ended March 31, 2015.

\*4 Japanese government bond yield corresponding to the average expected life.

4) Method of estimating the number of stock options vested

Only the actual number of forfeited stock options is reflected because it is difficult to rationally estimate the actual number of stock options that will be forfeited in the future.

(Notes to deferred tax assets and liabilities)

1. Significant components of deferred tax assets and liabilities

March 31, 2015	Millions of yen	March 31, 2016	Millions of yen
Deferred tax assets:		Deferred tax assets:	
Net operating loss carryforwards .....	¥ 320,680	Net operating loss carryforwards .....	¥ 319,801
Reserve for possible loan losses and write-off of loans.....	290,628	Reserve for possible loan losses and write-off of loans .....	246,676
Write-off of securities .....	113,876	Write-off of securities.....	115,451
Net defined benefit liability .....	35,174	Net defined benefit liability .....	33,116
Deferred losses on hedges.....	14,082	Remeasurements of defined benefit plans.....	32,331
Other .....	248,581	Other .....	261,905
Subtotal.....	1,023,023	Subtotal.....	1,009,283
Valuation allowance.....	(568,997)	Valuation allowance .....	(517,459)
Total deferred tax assets.....	454,026	Total deferred tax assets.....	491,823
Deferred tax liabilities:		Deferred tax liabilities:	
Net unrealized gains on other securities.....	(731,045)	Net unrealized gains on other securities.....	(498,610)
Gains on securities contributed to employee retirement benefits trust .....	(35,492)	Gains on securities contributed to employee retirement benefits trust.....	(33,593)
Remeasurements of defined benefit plans.....	(23,160)	Deferred gains on hedges.....	(30,151)
Leveraged lease.....	(22,513)	Undistributed earnings of subsidiaries.....	(19,284)
Other .....	(115,367)	Other.....	(132,542)
Total deferred tax liabilities.....	(927,578)	Total deferred tax liabilities .....	(714,182)
Net deferred tax assets (liabilities) .....	¥ (473,551)	Net deferred tax assets (liabilities).....	¥ (222,358)

2. Significant components of difference between the statutory tax rate used by SMFG and the effective income tax rate

March 31, 2015	Percentages	March 31, 2016	Percentages
Statutory tax rate .....	35.64%	Statutory tax rate .....	33.06%
Difference between SMFG and overseas consolidated subsidiaries .....	(2.34)	Valuation allowance.....	(8.06)
Dividends exempted for income tax purposes.....	(2.05)	Difference between SMFG and overseas consolidated subsidiaries.....	(2.42)
Valuation allowance.....	(0.48)	Difference of the scope of taxable income between corporate income tax and enterprise income tax .....	(1.08)
Effects of changes in the corporate income tax rate .....	2.10	Dividends exempted for income tax purposes.....	(0.61)
Other .....	0.84	Effects of changes in the corporate income tax rate .....	1.34
Effective income tax rate.....	33.71%	Equity in losses of affiliates .....	1.22
		Other .....	(0.49)
		Effective income tax rate.....	22.96%

3. Adjustments to deferred tax assets and liabilities arising from a change in the income tax rate

In accordance with the Act for Partial Amendment of the Income Tax Act, etc. (Act No. 15, 2016) and the Act to Amend the Local Taxation Act, etc. (Act No.13, 2016) on March 29, 2016, the corporate income tax rate is lowered from fiscal years beginning on or after April 1, 2016. As a result of these changes, the effective statutory tax rate used by SMFG and its consolidated domestic subsidiaries for the calculation of deferred tax assets and liabilities was changed from the current rate of 32.26 % to 30.86 % for temporary differences and other items expected to be realized during the period beginning from the fiscal year beginning on April 1, 2016 or April 1 2017, and to 30.62 % for temporary differences and other items expected to be realized in the fiscal year beginning on or after April 1, 2018. As a result of these changes in tax rates, “Net deferred tax assets (liabilities)” increased by ¥16,552 million, “Net unrealized gains (losses) on other securities” increased by ¥26,903 million, “Net deferred gains (losses) on hedges” increased by ¥1,305 million, “Remeasurements of defined benefit plans” increased by ¥1,289 million, and “Income tax deferred” increased by ¥12,946 million before considering about non-controlling interests. “Deferred tax liabilities for land revaluation excess” decreased by ¥1,705 million, while “Land revaluation excess” increased by the same amount before considering about non-controlling interests.

**(Notes to asset retirement obligations)**

***Fiscal year ended March 31, 2015***

There is no significant information to be disclosed.

***Fiscal year ended March 31, 2016***

There is no significant information to be disclosed.

**(Notes to real estate for rent)**

***Fiscal year ended March 31, 2015***

There is no significant information to be disclosed.

***Fiscal year ended March 31, 2016***

There is no significant information to be disclosed.

**(Notes to segment and other related information)**

**[Segment information]**

**1. Summary of reportable segment**

SMFG Group's reportable segment is defined as an operating segment for which discrete financial information is available and reviewed by the Board of Directors and SMFG's Management Committee regularly in order to make decisions about resources to be allocated to the segment and assess its performance.

Besides commercial banking, SMFG Group companies conduct businesses such as leasing, securities, consumer finance, system development and data processing. The primary businesses, "Commercial banking," "Leasing," "Securities" and "Consumer Finance," are separate reportable segments, and other businesses are aggregated as "Other business."

SMBC assesses business performance by classifying "Commercial banking" into the following 4 business units: "Wholesale banking unit," "Retail banking unit" and "International banking unit" that are based on the client segment, and "Treasury unit" that is based on the financial markets.

**2. Method of calculating profit and loss amount by reportable segment**

Accounting methods applied to the reported business segment are the same as those described in "(Notes to significant accounting policies for preparing consolidated financial statements)."

SMFG does not assess assets by business segments.

### 3. Information on profit and loss amount by reportable segment

Millions of yen								
Commercial banking								
SMBC								
Year ended March 31, 2015	SMBC Sub-total	Wholesale Banking Unit	Retail Banking Unit	International Banking Unit	Treasury Unit	Head office account	Others	Total
Gross profit.....	¥ 1,634,284	¥ 555,429	¥ 386,784	¥ 345,332	¥ 353,990	¥ (7,250)	¥ 289,397	¥ 1,923,682
Interest income.....	1,121,428	315,796	313,171	227,808	212,361	52,292	171,222	1,292,650
Non-interest income.....	512,856	239,633	73,613	117,524	141,629	(59,542)	118,175	631,032
Expenses, etc. ....	(791,211)	(206,778)	(350,047)	(106,637)	(25,918)	(101,831)	(202,923)	(994,135)
Depreciation.....	(82,976)	(23,281)	(31,317)	(10,195)	(4,682)	(13,501)	(10,041)	(93,018)
Consolidated net business profit .....	¥ 843,073	¥ 348,651	¥ 36,737	¥ 238,695	¥ 328,072	¥ (109,081)	¥ 86,473	¥ 929,547

Millions of yen								
Leasing				Securities				
Year ended March 31, 2015	SMFL	Others	Total	SMBC Nikko	SMBC Friend	Others	Total	
Gross profit.....	¥ 136,965	¥ 12,325	¥ 149,290	¥ 346,294	¥ 50,393	¥ (2,799)	¥ 393,888	
Interest income.....	19,311	5,132	24,443	1,498	1,246	1,015	3,759	
Non-interest income.....	117,654	7,193	124,847	344,796	49,146	(3,814)	390,128	
Expenses, etc. ....	(56,497)	(4,244)	(60,742)	(248,680)	(39,993)	(13,238)	(301,913)	
Depreciation.....	(3,555)	(4,720)	(8,275)	(2,720)	(1,707)	(677)	(5,105)	
Consolidated net business profit .....	¥ 80,467	¥ 8,081	¥ 88,548	¥ 97,613	¥ 10,399	¥ (16,037)	¥ 91,974	

Millions of yen								
Consumer Finance							Other Business	Grand Total
Year ended March 31, 2015	SMCC	Cedyna	SMBCCF	Others	Total			
Gross profit.....	¥ 196,462	¥ 164,205	¥ 215,559	¥ 661	¥ 576,889	¥ (63,347)	¥ 2,980,403	
Interest income.....	13,667	25,916	149,016	(9,943)	178,657	5,668	1,505,178	
Non-interest income.....	182,794	138,289	66,543	10,605	398,232	(69,015)	1,475,224	
Expenses, etc. ....	(146,087)	(121,750)	(96,123)	(17,944)	(381,906)	68,754	(1,669,942)	
Depreciation.....	(11,577)	(8,686)	(5,942)	(2,178)	(28,385)	(11,423)	(146,209)	
Consolidated net business profit .....	¥ 50,375	¥ 42,455	¥ 119,436	¥ (17,283)	¥ 194,982	¥ 5,407	¥ 1,310,461	

Notes:

- Figures shown in the parenthesis represent the loss.
- “SMFL” and “SMBCCF” represent consolidated figures of SMFL and SMBCCF.  
“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.

Millions of yen								
Commercial banking								
SMBC								
Year ended March 31, 2016	SMBC Sub-total	Wholesale Banking Unit	Retail Banking Unit	International Banking Unit	Treasury Unit	Head office account	Others	Total
Gross profit.....	¥ 1,534,271	¥ 545,350	¥ 372,811	¥ 355,994	¥ 293,570	¥ (33,453)	¥ 302,987	¥ 1,837,258
Interest income.....	1,023,576	300,125	302,025	225,437	168,190	27,799	174,431	1,198,007
Non-interest income.....	510,694	245,225	70,786	130,557	125,380	(61,253)	128,555	639,250
Expenses, etc. ....	(805,483)	(205,095)	(354,116)	(116,484)	(29,074)	(100,714)	(218,991)	(1,024,475)
Depreciation.....	(92,376)	(23,592)	(35,577)	(10,934)	(5,473)	(16,800)	(11,597)	(103,974)
Consolidated net business profit .....	¥ 728,787	¥ 340,255	¥ 18,695	¥ 239,510	¥ 264,496	¥ (134,168)	¥ 83,995	¥ 812,783

Millions of yen								
Leasing				Securities				
Year ended March 31, 2016	SMFL	Others	Total	SMBC Nikko	SMBC Friend	Others	Total	
Gross profit.....	¥ 142,813	¥ 19,740	¥ 162,553	¥ 316,329	¥ 43,771	¥ (2,971)	¥ 357,130	
Interest income.....	17,847	5,053	22,900	1,605	1,499	1,531	4,636	
Non-interest income.....	124,965	14,686	139,652	314,724	42,271	(4,502)	352,493	
Expenses, etc. ....	(62,140)	(4,944)	(67,084)	(255,820)	(38,797)	(12,652)	(307,270)	
Depreciation.....	(3,170)	(5,487)	(8,658)	(2,895)	(1,291)	(755)	(4,942)	
Consolidated net business profit .....	¥ 80,673	¥ 14,795	¥ 95,468	¥ 60,509	¥ 4,974	¥ (15,624)	¥ 49,859	

Millions of yen								
Consumer Finance							Other Business	Grand Total
Year ended March 31, 2016	SMCC	Cedyna	SMBCCF	Others	Total			
Gross profit.....	¥ 208,514	¥ 165,143	¥ 233,388	¥ 4,467	¥ 611,512	¥ (64,490)	¥ 2,903,964	
Interest income.....	13,579	23,685	156,985	(5,382)	188,867	8,515	1,422,928	
Non-interest income.....	194,934	141,458	76,402	9,849	422,645	(73,005)	1,481,036	
Expenses, etc. ....	(157,112)	(124,151)	(104,843)	(11,118)	(397,225)	35,023	(1,761,032)	
Depreciation.....	(12,865)	(7,896)	(7,028)	(824)	(28,615)	(12,373)	(158,564)	
Consolidated net business profit .....	¥ 51,402	¥ 40,991	¥ 128,544	¥ (6,651)	¥ 214,287	¥ (29,467)	¥ 1,142,931	

Notes:

- Figures shown in the parenthesis represent the loss.
- “SMFL” and “SMBCCF” represent consolidated figures of SMFL and SMBCCF.  
“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.

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

Year ended March 31, 2015	Millions of yen
Consolidated net business profit .....	¥ 1,310,461
Other ordinary income .....	218,008
Other ordinary expenses (excluding equity in losses of affiliates).....	(207,313)
Ordinary profit on consolidated statements of income .....	¥ 1,321,156
<b>Year ended March 31, 2016</b>	<b>Millions of yen</b>
Consolidated net business profit .....	¥ 1,142,931
Other ordinary income .....	197,494
Other ordinary expenses(excluding equity in losses of affiliates).....	(355,141)
Ordinary profit on consolidated statements of income .....	¥ 985,284



[Related information]

Fiscal year ended March 31, 2015

1. Information on each service

	Millions of yen					Total
	Commercial banking	Leasing	Securities	Consumer Finance	Other business	
Ordinary income to external customers.....	¥ 2,557,945	¥ 691,177	¥ 494,779	¥ 1,013,679	¥ 93,620	¥ 4,851,202

Note: Consolidated ordinary income is presented as a counterpart of sales of companies in other industries.

2. Geographic information

(1) Ordinary income

Millions of yen					
Japan	The Americas	Europe and Middle East	Asia and Oceania	Total	
¥ 3,783,696	¥ 294,216	¥ 387,251	¥ 386,037	¥	4,851,202

- Notes:
1. Consolidated ordinary income is presented as a counterpart of sales of companies in other industries.
  2. Ordinary income from transactions of SMFG and its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries is classified as "Japan." Ordinary income from transactions of overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries is classified as "The Americas," "Europe and Middle East" and "Asia and Oceania," based on their locations and in consideration of their geographic proximity and other factors.
  3. The Americas includes the United States, Brazil, Canada and others; Europe and Middle East includes the United Kingdom, Germany, France and others; Asia and Oceania includes China, Singapore, Australia and others except Japan.

(2) Tangible fixed assets

Millions of yen					
Japan	The Americas	Europe and Middle East	Asia and Oceania	Total	
¥ 1,360,804	¥ 191,232	¥ 1,201,437	¥ 17,378	¥	2,770,853

3. Information on major customers

There are no major customers individually accounting for 10% or more of ordinary income reported on the consolidated statements of income.

*Fiscal year ended March 31, 2016*

**1. Information on each service**

	Millions of yen					Total
	Commercial banking	Leasing	Securities	Consumer Finance	Other business	
Ordinary income to external customers.....	¥ 2,481,366	¥ 671,074	¥ 368,052	¥ 1,106,836	¥ 144,771	¥ 4,772,100

Note: Consolidated ordinary income is presented as a counterpart of sales of companies in other industries.

**2. Geographic information**

(1) Ordinary income

	Millions of yen					Total
	Japan	The Americas	Europe and Middle East	Asia and Oceania		
¥	3,592,825	¥ 370,538	¥ 419,241	¥ 389,495	¥	4,772,100

- Notes:
1. Consolidated ordinary income is presented as a counterpart of sales of companies in other industries.
  2. Ordinary income from transactions of SMFG and its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries is classified as "Japan." Ordinary income from transactions of overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries is classified as "The Americas," "Europe and Middle East" and "Asia and Oceania," based on their locations and in consideration of their geographic proximity and other factors.
  3. The Americas includes the United States, Brazil, Canada and others; Europe and Middle East includes the United Kingdom, Germany, France and others; Asia and Oceania includes China, Singapore, Australia and others except Japan.

(2) Tangible fixed assets

	Millions of yen					Total
	Japan	The Americas	Europe and Middle East	Asia and Oceania		
¥	1,479,043	¥ 238,373	¥ 1,181,711	¥ 20,296	¥	2,919,424

**3. Information on major customers**

There are no major customers individually accounting for 10% or more of ordinary income reported on the consolidated statements of income.

**[Information on impairment loss for fixed assets by reportable segment]**

Year ended March 31, 2015	Millions of yen						Total
	Commercial Banking	Leasing	Securities	Consumer finance	Other business		
Impairment loss .....	¥ 4,906	¥ —	¥ 173	¥ 29	¥ —	¥ 5,109	

Year ended March 31, 2016	Millions of yen						Total
	Commercial Banking	Leasing	Securities	Consumer finance	Other business		
Impairment loss .....	¥ 4,076	¥ —	¥ 241	¥ 0	¥ 43	¥ 4,362	

**[Information on amortization of goodwill and unamortized balance by reportable segment]**

Year ended March 31, 2015	Millions of yen						Total
	Commercial Banking	Leasing	Securities	Consumer finance	Other business		
Amortization of goodwill.....	¥ 2,010	¥ 6,446	¥ 14,013	¥ 4,025	¥ 23	¥ 26,521	
Unamortized balance .....	22,098	75,414	188,202	66,180	71	351,966	

Year ended March 31, 2016	Millions of yen						Total
	Commercial Banking	Leasing	Securities	Consumer finance	Other business		
Amortization of goodwill.....	¥ 3,237	¥ 6,375	¥ 14,013	¥ 4,019	¥ 23	¥ 27,670	
Unamortized balance .....	34,262	68,526	174,188	62,160	47	339,185	

**[Information on gains on negative goodwill by reportable segment]**

*Fiscal year ended March 31, 2015*

There are no corresponding transactions.

*Fiscal year ended March 31, 2016*

There is no significant information to be disclosed.

**[Information on total credit cost by reportable segment]**

Year ended March 31, 2015	Millions of yen						Total
	Commercial banking	Leasing	Securities	Consumer finance	Other business		
Total credit cost .....	¥ (68,299)	¥ (6,066)	¥ (212)	¥ 78,780	¥ 3,644	¥ 7,847	

- Notes: 1. Total credit cost = Write-off loans + Losses on sales of delinquent loans – Gains on reversal of reserve for possible loan losses – Recoveries of written-off claims.  
2. “Other business” includes profit or loss to be eliminated as inter-segment transactions.  
3. Figures shown in the parenthesis represent the reversal of total credit cost.

Year ended March 31, 2016	Millions of yen						Total
	Commercial banking	Leasing	Securities	Consumer finance	Other business		
Total credit cost .....	¥ 10,333	¥ (1,491)	¥ (197)	¥ 91,425	¥ 2,750	¥ 102,820	

- Notes: 1. Total credit cost = Provision for reserve for possible loan losses + Write-off loans + Losses on sales of delinquent loans – Recoveries of written-off claims.  
2. “Other business” includes profit or loss to be eliminated as inter-segment transactions.  
3. Figures shown in the parenthesis represent the reversal of total credit cost.

## [Information on related parties]

### *Fiscal year ended March 31, 2015*

There is no significant information to be disclosed.

### *Fiscal year ended March 31, 2016*

There is no significant information to be disclosed.

## **(Business Combinations)**

<Business combination through acquisition>

The integration of Citibank's retail banking business by SMBC Trust Bank

SMBC Trust Bank Ltd. ("SMBC Trust"), a wholly owned subsidiary of SMFG, succeeded the retail banking business from Citibank Japan Ltd. ("Citibank"), a wholly owned subsidiary of Citigroup Inc., through the absorption-type split on November 1, 2015 (effective date). The outline of the business combination through acquisition is as follows:

### **1. Outline of the business combination**

- (1) Name of the acquired company and its business  
Citibank Japan Ltd. (Retail banking business)
- (2) Main reasons for the business combination  
The acquisition is aimed at achieving sustainable growth at SMFG, through expansion of the customer base with the integration of retail customers acquired from Citibank; further strengthening of overseas operations through the acquisition of approximately 1 trillion yen in foreign currency deposits; and the sharing of expertise in various areas, including foreign currency investment management and marketing.
- (3) Date of the business combination  
November 1, 2015
- (4) Legal form of the business combination  
This is an absorption-type split in which SMBC Trust is the successor company.
- (5) Name of the entity after the business combination  
SMBC Trust Bank Ltd.
- (6) Grounds for deciding on the acquirer  
SMBC Trust allocated non-voting stocks to Citibank as the consideration of the acquisition.

### **2. Period of the acquired company's financial result included in the consolidated statements of income of SMFG**

From November 1, 2015 to March 31, 2016

### **3. Acquisition cost and consideration of the acquired business**

Consideration	Non-voting stocks (900,000 shares)	¥45,000 million
Acquisition cost		¥45,000 million

Note that SMBC Trust allocated its non-voting stocks to Citibank and SMBC, a wholly owned subsidiary of SMFG, acquired them in cash.

### **4. Major acquisition-related costs**

Advisory fees etc., ¥286 million

### **5. Amount of goodwill, reason for recognizing goodwill, amortization method and the period**

- (1) Amount of goodwill  
¥14,476 million
- (2) Reason for recognizing goodwill  
SMFG accounted for the difference between the acquisition cost and fair value of the acquired net assets on the date of the business combination as goodwill.
- (3) Amortization method and the period  
Straight-line method over 20 years

### **6. Amounts of assets and liabilities acquired on the date of the business combination**

(1) Assets	Millions of yen
Total assets	2,407,085
Cash and due from banks	2,296,106
(2) Liabilities	Millions of yen
Total liabilities	2,376,561
Deposits	2,361,907

**7. The amounts allocated to intangible fixed assets other than goodwill, breakdown by component and the weighted average amortization period by component**

Intangible fixed assets, other than goodwill	¥36,807 million	(20 years)
Core deposits	¥27,487 million	(20 years)
Assets related to customers	¥9,320 million	(20 years)

**8. Approximate amounts and their calculation method of impact on the consolidated statements of income for the fiscal year ended March 31, 2016, assuming that the business combination had been completed at the beginning of the fiscal year**

The approximate amounts have not been disclosed since they are immaterial.

**(Per Share Data)**

As of and year ended March 31	Yen	
	2015	2016
Net assets per share .....	¥ 6,598.87	¥ 6,519.60
Earnings per share .....	551.18	472.99
Earnings per share (diluted) .....	550.85	472.67

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

Year ended March 31	Millions of yen except number of shares	
	2015	2016
Earnings per share:		
Profit attributable to owners of parent .....	¥ 753,610	¥ 646,687
Amount not attributable to common stockholders .....	—	—
Profit attributable to owners of parent attributable to common stock .....	¥ 753,610	¥ 646,687
Average number of common stock during the fiscal year (in thousand) .....	1,367,258	1,367,228
Earnings per share (diluted):		
Adjustment for profit attributable to owners of parent .....	¥ (0)	¥ (0)
Adjustment of dilutive shares issued by subsidiaries and affiliates .....	(0)	(0)
Increase in number of common stock (in thousand) .....	816	928
Stock acquisition rights .....	816	928
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 are calculated based on the following:

March 31	Millions of yen except number of shares	
	2015	2016
Net assets .....	¥ 10,696,271	¥ 10,447,669
Amounts excluded from Net assets .....	1,674,022	1,533,907
Stock acquisition rights .....	2,284	2,884
Non-controlling interests .....	1,671,738	1,531,022
Net assets attributable to common stock at the fiscal year-end .....	¥ 9,022,249	¥ 8,913,761
Number of common stock at the fiscal year-end used for the calculation of Net assets per share (in thousands) .....	1,367,241	1,367,224

**(Significant Subsequent Events)**

There is no significant subsequent event to be disclosed.

[Consolidated supplementary financial schedules]

[Schedule of bonds]

Company	Type of bonds	Date of issuance	Millions of yen		Percentages		Collateral	Date of maturity	
			At the beginning of the fiscal year	At the end of the fiscal year	Interest rate (Note 1)				
SMFG	Straight bonds, payable in U.S. dollars (Note 3)	Mar. 9, 2016	—	450,480 (\$4,000,000 thousand)	2.3161 ~ 3.784	~ 0.849 ~	None	Mar. 2021 ~ Mar. 2026	
	Subordinated bonds, payable in Yen	Sep. 2014 ~ Sep. 2015	99,399	255,815	1.328	0.59 ~	None	Sep. 2024 ~ May. 2030	
	Subordinated bonds, payable in Yen	Sep. 2014 ~ Sep. 2015	34,800	153,531	0.61	2.49 ~	None	Sep. 2024 ~ Oct. 2025	
	Perpetual subordinated bonds, payable in Yen	Jul. 30, 2015	—	300,000	2.88		None	Perpetual	
	Subordinated bonds, payable in U.S. dollars (Note 3)	Apr. 2, 2014	209,788 (\$ 1,746,058 thousand)	196,717 (\$ 1,746,753 thousand)	4.436		None	Apr. 2, 2024	
			25,000 [25,000]						
SMBC	Short-term bonds, payable in Yen (Note 4)	Mar. 31, 2015							
		Aug. 2004 ~ Sep. 2004	35,000	35,000 [35,000]	-0.03943 ~ -0.03914		None	Aug. 2016 ~ Sep. 2016	
	Straight bonds, payable in Yen (Note 4)	Apr. 2010 ~ Apr. 2014	729,974 [370,000]	359,992 [200,000]	0.254 ~ 0.69		None	Apr. 2016 ~ Apr. 2019	
	Straight bonds, payable in Euroyen (Note 4)	May. 8, 2006	500 [500]						
	Straight bonds, payable in U.S. dollars (Notes 3 and 4)	Jul. 2010 ~ Jan. 2016	2,562,816 (\$21,330,140 thousand) [432,540]	2,538,524 (\$22,540,617 thousand) [439,218]	0.9411 ~ 4.13		None	Jul. 2016 ~ Mar. 2030	
	Subordinated bonds, payable in U.S. dollars (Note 3)	May. 28, 2015	—	73,766 (\$655,000 thousand)	4.3		None	May. 30, 2045	
			44,502 (\$250,000 thousand) [44,502]						
	Straight bonds, payable in British pound sterling (Notes 3 and 4)	Mar. 18, 2013							
	Straight bonds, payable in Euro (Note 3)	Jul. 2013 ~ Nov. 2015	259,206 €1,989,456 thousand)	445,008 €3,491,084 thousand)	0.085 ~ 2.75		None	Sep. 2017 ~ Jul. 2023	
	Straight bonds, payable in Australian dollars (Notes 3 and 4)	Jun. 2012 ~ Aug. 2015	137,981 (\$1,499,469 thousand) [12,882]	131,958 (\$1,529,597 thousand) [53,487]	2.97 ~ 4.13		None	Jun. 2016 ~ Mar. 2025	
	Straight bonds, payable in Hong Kong dollars (Note 3)	Mar. 2015 ~ Apr. 2015	13,392 (HK\$864,000 thousand)	34,348 (HK\$2,364,000 thousand)	2.09 ~ 2.92		None	Apr. 2020 ~ Apr. 2025	
	Subordinated bonds, payable in Yen (Note 4)	Aug. 2005 ~ Dec. 2011	583,046 [50,000]	534,055 [70,000]	1.43 ~ 2.8		None	Feb. 2017 ~ Dec. 2026	
	Subordinated bonds, payable in Yen	Nov. 2011 ~ Jan. 2013	354,715	354,651	0.87 ~ 1.1		None	Nov. 2021 ~ Feb. 2023	
	Subordinated bonds, payable in Euroyen	Jun. 2005 ~ Jun. 2008	12,000	2,000	2.564		None	Jun. 16, 2023	
	Perpetual subordinated bonds, payable in U.S. dollars (Note 3)	Mar. 1, 2012	178,636 (\$1,486,780 thousand)	168,794 (\$1,498,795 thousand)	4.85		None	Mar. 1, 2022	
	Perpetual subordinated bonds, payable in U.S. dollars (Note 3)	Jul. 22, 2005	39,309 (\$327,169 thousand)						
	Subordinated bonds, payable in Euro (Note 3)	Nov. 9, 2010	96,452 €740,294 thousand)	94,421 €740,733 thousand)	4		None	Nov. 9, 2020	
	Perpetual subordinated bonds, payable in Euro (Note 3)	Jul. 22, 2005	43,152 €331,204 thousand)						
	(*1)	Consolidated subsidiaries, straight bonds, payable in Yen (Notes 2 and 4)	Apr. 2010 ~ Mar. 2016	629,682 [91,114]	746,465 [139,660]	0.01 ~ 19.2		None	Apr. 2016 ~ Mar. 2046
	(*2)	Consolidated subsidiaries, straight bonds, payable in U.S. dollars (Notes 2,3 and 4)	Apr. 2014 ~ Mar. 2016	1,457 (\$13,000 thousand) [108]	3,294 (\$32,530 thousand) [886]	0.01 ~ 5		None	Apr. 2016 ~ Feb. 2036
(*3)	Consolidated subsidiaries, straight bonds, payable in Australian dollars (Notes 2 and 3)	Mar. 29, 2016	—	89 (A\$1,040,thousand)	0.01		None	Mar. 29, 2019	
(*4)	Consolidated subsidiaries, straight bonds, payable in Renminbi (Notes 2,3 and 4)	Aug. 3, 2012	11,616 (RMB600,000 thousand) [11,616]						

(*5)	Consolidated subsidiaries, straight bonds, payable in Renminbi (Notes 2,3 and 4)	May. 2014 ~ Mar. 2016	19,287 (RMB996,255 thousand)	36,365 (RMB2,093,569 thousand) [36,365]	2.809 ~ 5.8	None	May. 2016 ~ Jun. 2016
(*6)	Consolidated subsidiaries, straight bonds, payable in Indonesia rupiah (Notes 2 and 3)	Feb. 3, 2015	—	8,778 (IDR997,500,994 thousand)	9.85	None	Feb. 3, 2018
(*7)	Consolidated subsidiaries, subordinated bonds, payable in Yen (Notes 2 and 4)	Mar. 1996 ~ Dec. 2012	126,200 [10,000]	82,300 [11,250]	2.19 ~ 4.5	None	Mar. 2016 ~ Perpetual
(*8)	Consolidated subsidiaries, short-term bonds, payable in Yen (Notes 2 and 4)	Apr. 2014 ~ Mar. 2016	1,345,800 [1,345,800]	1,271,300 [1,271,300]	-0.001 ~ 0.15	None	Apr. 2016 ~ Oct. 2016
Total		—	¥ 7,593,718	¥ 8,277,657	—	—	—

- Notes:
- “Interest rate” indicates a nominal interest rate which is applied at respective consolidated balance sheet dates. Therefore, this rate may differ from an actual interest rate.
  - (\*1) This represents an aggregate of straight bond issued in yen by SMFL, SMBC Nikko and SMBCCF, domestic consolidated subsidiaries.  
(\*2) This represents an aggregate of straight bond issued in U.S. dollar by SMBC Nikko domestic consolidated subsidiary.  
(\*3) This is a straight bond issued in Australian dollars by SMBC Nikko, a domestic consolidated subsidiary.  
(\*4) This is a straight bond issued in Renminbi by SMFL, a domestic consolidated subsidiary.  
(\*5) This represents an aggregate of straight bond issued in Renminbi by Sumitomo Mitsui Banking Corporation (China) Limited, an overseas consolidated subsidiary.  
(\*6) This is a straight bond issued in Indonesia rupiah by PT Bank Sumitomo Mitsui Indonesia, an overseas consolidated subsidiary.  
(\*7) This represents an aggregate of perpetual subordinated bonds and subordinated term bonds issued in yen by SMBC International Finance N.V., an overseas consolidated subsidiary and KUBC and MINATO, domestic consolidated subsidiaries.  
(\*8) This represents an aggregate of short-term bond issued in yen by SMCC, SMFL and SMBC Nikko, domestic consolidated subsidiaries.
  - Figures showed in ( ) in “At the beginning of the fiscal year” and “At the end of the fiscal year” are in foreign currency.
  - Figures showed in [ ] in “At the beginning of the fiscal year” and “At the end of the fiscal year” are the amounts to be redeemed within one year.
  - The redemption schedule over the next 5 years after respective balance sheet dates of the consolidated subsidiaries was as follows:

Millions of yen				
Within 1 year	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years
¥ 2,257,279	¥ 1,025,581	¥ 674,297	¥ 539,293	¥ 974,411



## [Schedule of borrowings]

Classification	Millions of yen		Percentages	Repayment Term
	At the beginning of the fiscal year	At the end of the fiscal year	Average interest rate	
Borrowed money .....	¥ 9,778,095	¥ 8,571,227	0.65	—
Other borrowings .....	9,778,095	8,571,227	0.65	Jan. 2016 ~ Perpetual
Lease obligations .....	101,840	105,691	4.62	Apr. 2016 ~ Jul. 2032

- Notes: 1. “Average interest rate” represents the weighted average interest rate based on the interest rates and “At the end of the fiscal year” at respective balance sheet dates of consolidated subsidiaries.
2. The redemption schedule over the next 5 years on Borrowings and Lease obligations after respective balance sheet dates of the consolidated subsidiaries was as follows:

	Millions of yen				
	Within 1 year	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years
Other borrowings .....	¥ 5,790,740	¥ 210,316	¥ 482,027	¥ 345,289	¥ 255,066
Lease obligations.....	23,399	21,651	19,304	17,035	14,984

Since the commercial banking business accepts deposits and raises and manages funds through the call loan and commercial paper markets as a normal course of business, the schedule of borrowings shows a breakdown of Borrowed money included in the “Liabilities” and Lease obligations included in “Other liabilities” in the consolidated balance sheet.

Reference: Commercial paper issued for funding purpose as a normal course of business is as follows:

	Millions of yen		Percentages	Repayment Term
	At the beginning of the fiscal year	At the end of the fiscal year	Average interest rate	
Commercial paper	¥ 3,351,459	¥ 3,017,404	0.53	Apr. 2016 ~ Mar. 2017

## [Schedule of asset retirement obligations]

Since the amount of asset retirement obligations accounts for 1% or less than the total of liabilities and net assets, the schedule of asset liability obligation is not disclosed.

## [Others]

Quarterly consolidated financial information in the fiscal year ended March 31, 2016 is as follows;

	Millions of yen (except Earnings per share)			
	First quarter consolidated total period	Second quarter consolidated total period	Third quarter consolidated total period	Fiscal year ended March 31, 2016
Ordinary income .....	¥ 1,259,549	¥ 2,388,800	¥ 3,574,474	¥ 4,772,100
Income before income taxes ....	406,501	630,832	897,938	980,170
Profit attributable to owners of parent .....	267,869	388,137	626,242	646,687
Earnings per share.....	195.92	283.89	458.04	472.99

  

	Yen			
	First quarter consolidated accounting period	Second quarter consolidated accounting period	Third quarter consolidated accounting period	Fourth quarter consolidated accounting period
Earnings per share.....	¥ 195.92	¥ 87.96	¥ 174.15	¥ 14.95

**(Non-consolidated financial statements)****1. Non-consolidated balance sheets**

March 31	Millions of yen		Millions of U.S. dollars
	2015	2016	2016
<b>Assets:</b>			
<b>Current assets</b>			
Cash and due from banks .....	¥ 201,862	¥ 502,449	\$ 4,461
Prepaid expenses .....	61	139	1
Accrued income .....	4,786	8,940	79
Accrued income tax refunds .....	102,966	110,953	985
Other current assets .....	2,275	2,661	24
Total current assets .....	311,951	625,144	5,551
<b>Fixed assets</b>			
Tangible fixed assets			
Buildings .....	30	41	0
Equipment .....	0	1	0
Total tangible fixed assets .....	31	43	0
Intangible fixed assets			
Software .....	265	318	3
Total intangible fixed assets .....	265	318	3
Investments and other assets			
Investments in subsidiaries and affiliates .....	6,155,487	6,155,487	54,657
Long-term loans receivable from subsidiaries and affiliates .....	376,262	1,406,565	12,489
Other investments and other assets .....	—	0	0
Total investments and other assets .....	6,531,750	7,562,053	67,147
Total fixed assets .....	6,532,046	7,562,414	67,150
<b>Total assets</b> .....	¥ 6,843,998	¥ 8,187,559	\$ 72,701
<b>Liabilities:</b>			
<b>Current liabilities</b>			
Short-term borrowings .....	¥ 1,228,030	¥ 1,228,030	\$ 10,904
Accounts payable .....	870	839	7
Accrued expenses .....	7,084	11,268	100
Income taxes payable .....	21	31	0
Business office taxes payable .....	7	8	0
Reserve for employee bonuses .....	180	203	2
Reserve for executive bonuses .....	97	88	1
Other current liabilities .....	961	898	8
Total current liabilities .....	1,237,253	1,241,369	11,023
<b>Fixed liabilities</b>			
Bonds .....	611,962	1,624,265	14,423
Long-term borrowings .....	31,000	49,000	435
Total fixed liabilities .....	642,962	1,673,265	14,858
<b>Total liabilities</b> .....	1,880,215	2,914,634	25,880
<b>Net assets:</b>			
<b>Stockholders' equity</b>			
Capital stock .....	2,337,895	2,337,895	20,759
Capital surplus			
Capital reserve .....	1,559,374	1,559,374	13,846
Other capital surplus .....	24,349	24,332	216
Total capital surplus .....	1,583,723	1,583,706	14,062
Retained earnings			
Other retained earnings			
Voluntary reserve .....	30,420	30,420	270
Retained earnings brought forward .....	1,022,371	1,331,100	11,819
Total retained earnings .....	1,052,791	1,361,520	12,090
Treasury stock .....	(12,713)	(12,833)	(114)
Total stockholders' equity .....	4,961,697	5,270,289	46,797
<b>Stock acquisition rights</b> .....	2,085	2,635	23
<b>Total net assets</b> .....	4,963,782	5,272,925	46,821
<b>Total liabilities and net assets</b> .....	¥ 6,843,998	¥ 8,187,559	\$ 72,701

## 2. Non-consolidated Statements of Income

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2015	2016	2016
<b>Operating income:</b>			
Dividends on investments in subsidiaries and affiliates.....	¥ 504,097	¥ 543,143	\$ 4,823
Fees and commissions received from subsidiaries.....	13,800	16,621	148
Interests on loans receivable from subsidiaries and affiliates .....	9,492	18,080	161
Total operating income .....	527,391	577,845	5,131
<b>Operating expenses:</b>			
General and administrative expenses.....	8,683	9,742	87
Interest on bonds.....	25,034	29,259	260
Interest on long term borrowings.....	20	347	3
Total operating expenses.....	33,739	39,349	349
<b>Operating profit</b> .....	493,651	538,496	4,782
<b>Non-operating income:</b>			
Interest income on deposits.....	163	267	2
Fees and commissions income.....	2	2	0
Other non-operating income .....	80	222	2
Total non-operating income .....	246	492	4
<b>Non-operating expenses:</b>			
Interest on borrowings .....	5,894	5,787	51
Fees and commissions payments .....	0	—	—
Amortization of bond issuance cost.....	2,028	5,906	52
Other non-operating expenses.....	0	1	0
Total non-operating expenses .....	7,923	11,696	104
<b>Ordinary profit</b> .....	485,974	527,292	4,682
<b>Income before income taxes</b> .....	485,974	527,292	4,682
Income taxes-current .....	3	3	0
Income taxes.....	3	3	0
<b>Net income</b> .....	¥ 485,970	¥ 527,288	\$ 4,682

	Yen		U.S. dollars
	2015	2016	2016
<b>Per share data:</b>			
Earnings per share.....	¥ 344.64	¥ 373.95	\$ 3
Earnings per share (diluted).....	344.44	373.70	3

### 3. Non-consolidated Statements of changes in net assets

	Millions of yen						
	Stockholders' equity						
	Capital surplus				Retained earnings		
	Capital stock	Capital reserve	Other capital surplus	Total capital surplus	Voluntary reserve	Retained earnings brought forward	Total retained earnings
<b>Year ended March 31, 2015</b>							
Balance at the beginning of the fiscal year .....	¥ 2,337,895	¥ 1,559,374	¥ 24,347	¥ 1,583,721	¥ 30,420	¥ 712,661	¥ 743,081
Changes in the fiscal year:							
Cash dividends .....						(176,260)	(176,260)
Net income.....						485,970	485,970
Purchase of treasury stock.....							
Disposal of treasury stock .....			2	2			
Net changes in items other than stockholders' equity in the fiscal year .....							
Net changes in the fiscal year.....	—	—	2	2	—	309,709	309,709
Balance at the end of the fiscal year.....	¥ 2,337,895	¥ 1,559,374	¥ 24,349	¥ 1,583,723	¥ 30,420	¥ 1,022,371	¥ 1,052,791

	Millions of yen			
	Stockholders' equity		Stock acquisition rights	Total net assets
	Treasury stock	Total		
<b>Year ended March 31, 2015</b>				
Balance at the beginning of the fiscal year .....	¥ (12,566)	¥ 4,652,131	¥ 1,634	¥ 4,653,766
Changes in the fiscal year:				
Cash dividends .....		(176,260)		(176,260)
Net income.....		485,970		485,970
Purchase of treasury stock.....	(161)	(161)		(161)
Disposal of treasury stock .....	15	17		17
Net changes in items other than stockholders' equity in the fiscal year.....			451	451
Net changes in the fiscal year.....	(146)	309,565	451	310,016
Balance at the end of the fiscal year.....	¥ (12,713)	¥ 4,961,697	¥ 2,085	¥ 4,963,782

	Millions of yen						
	Stockholders' equity						
	Capital surplus				Retained earnings		
	Capital stock	Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
Voluntary reserve					Retained earnings brought forward		
<b>Year ended March 31, 2016</b>							
Balance at the beginning of the fiscal year .....	¥ 2,337,895	¥ 1,559,374	¥ 24,349	¥ 1,583,723	¥ 30,420	¥ 1,022,371	¥ 1,052,791
Changes in the fiscal year:							
Cash dividends .....						(218,558)	(218,558)
Net income.....						527,288	527,288
Purchase of treasury stock.....							
Disposal of treasury stock .....			(17)	(17)			
Net changes in items other than stockholders' equity in the fiscal year.....							
Net changes in the fiscal year.....	—	—	(17)	(17)	—	308,729	308,729
Balance at the end of the fiscal year.....	¥ 2,337,895	¥ 1,559,374	¥ 24,332	¥ 1,583,706	¥ 30,420	¥ 1,331,100	¥ 1,361,520

	Millions of yen			
	Stockholders' equity		Stock acquisition rights	Total net assets
	Treasury stock	Total		
<b>Year ended March 31, 2016</b>				
Balance at the beginning of the fiscal year .....	¥ (12,713)	¥ 4,961,697	¥ 2,085	¥ 4,963,782
Changes in the fiscal year:				
Cash dividends .....		(218,558)		(218,558)
Net income.....		527,288		527,288
Purchase of treasury stock.....	(191)	(191)		(191)
Disposal of treasury stock .....	71	54		54
Net changes in items other than stockholders' equity in the fiscal year.....			549	549
Net changes in the fiscal year.....	(119)	308,592	549	309,142
Balance at the end of the fiscal year.....	¥ (12,833)	¥ 5,270,289	¥ 2,635	¥ 5,272,925

	Millions of U. S. dollars						
	Stockholders' equity						
	Capital surplus				Retained earnings		
	Capital stock	Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
Voluntary reserve					Retained earnings brought forward		
<b>Year ended March 31, 2016</b>							
Balance at the beginning of the fiscal year .....	\$ 20,759	\$ 13,846	\$ 216	\$ 14,063	\$ 270	\$ 9,078	\$ 9,348
Changes in the fiscal year:							
Cash dividends .....						(1,941)	(1,941)
Net income.....						4,682	4,682
Purchase of treasury stock.....							
Disposal of treasury stock .....			(0)	(0)			
Net changes in items other than stockholders' equity in the fiscal year.....							
Net changes in the fiscal year.....	—	—	(0)	(0)	—	2,741	2,741
Balance at the end of the fiscal year.....	\$ 20,759	\$ 13,846	\$ 216	\$ 14,062	\$ 270	\$ 11,819	\$ 12,090

	Millions of U. S. dollars			
	Stockholders' equity		Stock acquisition rights	Total net assets
	Treasury stock	Total		
<b>Year ended March 31, 2016</b>				
Balance at the beginning of the fiscal year .....	\$ (113)	\$ 44,057	\$ 19	\$ 44,075
Changes in the fiscal year:				
Cash dividends .....		(1,941)		(1,941)
Net income.....		4,682		4,682
Purchase of treasury stock.....	(2)	(2)		(2)
Disposal of treasury stock .....	1	0		0
Net changes in items other than stockholders' equity in the fiscal year.....			5	5
Net changes in the fiscal year.....	(1)	2,740	5	2,745
Balance at the end of the fiscal year.....	\$ (114)	\$ 46,797	\$ 23	\$ 46,821

## **Independent Auditor's Report**

To the Board of Directors of  
Sumitomo Mitsui Financial Group, Inc.:

We have audited the accompanying consolidated financial statements of Sumitomo Mitsui Financial Group, Inc. ("SMFG") and subsidiaries, which comprise the consolidated balance sheets as at March 31, 2015 and 2016, and the consolidated statements of income, comprehensive income, changes in net assets and cash flows for the years then ended, and basis of presentation, significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of SMFG and subsidiaries as at March 31, 2015 and 2016, and their financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

### **Convenience Translation**

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2016 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in basis of presentation.

June 28, 2016  
Tokyo, Japan

# Supplemental Information

## Consolidated Balance Sheets (Unaudited)

### Sumitomo Mitsui Banking Corporation and Subsidiaries

March 31	Millions of yen		Millions of U.S. dollars	
	2015	2016	2016	
<b>Assets:</b>				
Cash and due from banks .....	¥ 39,569,276	¥ 42,594,225	\$ 378,212	
Call loans and bills bought .....	1,326,965	1,291,365	11,467	
Receivables under resale agreements .....	746,431	494,949	4,395	
Receivables under securities borrowing transactions .....	6,447,116	7,964,208	70,718	
Monetary claims bought .....	4,128,907	4,183,995	37,151	
Trading assets .....	7,364,988	7,980,971	70,866	
Money held in trust .....	1	3	0	
Securities .....	29,559,334	25,153,750	223,351	
Loans and bills discounted .....	75,119,565	77,331,124	686,655	
Foreign exchanges .....	1,907,667	1,577,167	14,004	
Lease receivables and investment assets .....	252,213	269,429	2,392	
Other assets .....	3,422,970	3,697,438	32,831	
Tangible fixed assets .....	1,073,206	1,167,627	10,368	
Assets for rent.....	158,224	206,419	1,833	
Buildings .....	287,583	357,116	3,171	
Land.....	468,728	488,708	4,339	
Lease assets .....	11,270	10,885	97	
Construction in progress.....	75,883	27,084	240	
Other tangible fixed assets.....	71,515	77,413	687	
Intangible fixed assets .....	454,584	526,112	4,672	
Software.....	261,433	299,159	2,656	
Goodwill.....	157,350	160,067	1,421	
Lease assets .....	140	136	1	
Other intangible fixed assets.....	35,660	66,749	593	
Net defined benefit asset .....	367,953	198,637	1,764	
Deferred tax assets.....	68,265	66,570	591	
Customers' liabilities for acceptances and guarantees .....	6,289,881	6,407,272	56,893	
Reserve for possible loan losses .....	(540,134)	(496,178)	(4,406)	
<b>Total assets .....</b>	<b>¥ 177,559,197</b>	<b>¥ 180,408,672</b>	<b>\$ 1,601,924</b>	

(Continued)

March 31	Millions of yen		Millions of
	2015	2016	U.S. dollars
<b>Liabilities and net assets:</b>			<b>2016</b>
<b>Liabilities:</b>			
Deposits .....	¥ 101,503,889	¥ 111,238,673	\$ 987,735
Negotiable certificates of deposit.....	14,032,798	14,740,434	130,886
Call money and bills sold.....	5,873,123	1,220,455	10,837
Payables under repurchase agreements .....	991,860	1,761,822	15,644
Payables under securities lending transactions .....	7,833,219	5,309,003	47,141
Commercial paper .....	3,352,662	3,018,218	26,800
Trading liabilities .....	5,636,406	6,105,982	54,218
Borrowed money .....	8,223,808	8,058,848	71,558
Foreign exchanges .....	1,110,822	1,083,450	9,620
Short-term bonds .....	545,700	367,000	3,259
Bonds .....	5,663,566	5,450,145	48,394
Due to trust account .....	718,133	944,542	8,387
Other liabilities .....	5,098,781	4,853,664	43,098
Reserve for employee bonuses.....	59,893	54,925	488
Reserve for executive bonuses.....	2,567	1,767	16
Net defined benefit liability .....	12,641	17,844	158
Reserve for executive retirement benefits.....	759	743	7
Reserve for point service program .....	1,798	1,249	11
Reserve for reimbursement of deposits.....	20,870	16,979	151
Reserve for losses on interest repayment .....	632	234	2
Reserve under the special laws .....	755	1,129	10
Deferred tax liabilities .....	514,070	275,887	2,450
Deferred tax liabilities for land revaluation excess .....	34,550	32,203	286
Acceptances and guarantees .....	6,289,881	6,407,272	56,893
Total liabilities .....	167,523,193	170,962,478	1,518,047
<b>Net assets :</b>			
Capital stock.....	1,770,996	1,770,996	15,725
Capital surplus .....	2,717,421	2,702,093	23,993
Retained earnings.....	2,751,080	2,909,898	25,838
Treasury stock.....	(210,003)	(210,003)	(1,865)
Total stockholders' equity.....	7,029,494	7,172,985	63,691
Net unrealized gains (losses) on other securities ..	1,756,894	1,255,877	11,151
Net deferred gains (losses) on hedges .....	(27,049)	61,781	549
Land revaluation excess .....	38,943	39,348	349
Foreign currency translation adjustments.....	114,413	58,693	521
Accumulated remeasurements of defined benefit plans .....	44,216	(65,290)	(580)
Total accumulated other comprehensive income ..	1,927,419	1,350,409	11,991
Stock acquisition rights .....	198	249	2
Non-controlling interests.....	1,078,891	922,549	8,192
Total net assets.....	10,036,003	9,446,193	83,877
Total liabilities and net assets .....	¥ 177,559,197	¥ 180,408,672	\$ 1,601,924



## Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (Unaudited)

(Consolidated Statements of Income)

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2015	2016	2016
Ordinary income .....	¥ 3,199,409	¥ 3,059,022	\$ 27,162
Interest income .....	1,690,086	1,652,508	14,673
Interest on loans and discounts .....	1,170,833	1,167,181	10,364
Interest and dividends on securities .....	335,694	302,821	2,689
Interest on call loans and bills bought .....	19,600	20,457	182
Interest on receivables under resale agreements .....	9,640	10,100	90
Interest on receivables under securities borrowing transactions .....	7,813	10,740	95
Interest on deposits with banks .....	42,649	37,097	329
Interest on lease transactions .....	7,494	7,565	67
Other interest income .....	96,359	96,543	857
Trust fees .....	2,795	3,587	32
Fees and commissions .....	782,349	779,388	6,921
Trading income .....	235,239	209,722	1,862
Other operating income .....	279,857	232,513	2,065
Lease-related income .....	13,882	16,203	144
Installment-related income .....	18,956	18,139	161
Other .....	247,018	198,170	1,760
Other income .....	209,080	181,301	1,610
Gains on reversal of reserve for possible loan losses .....	73,566	—	—
Recoveries of written-off claims .....	6,619	10,324	92
Other .....	128,894	170,976	1,518
Ordinary expenses .....	2,000,453	2,128,690	18,902
Interest expenses .....	365,074	426,091	3,783
Interest on deposits .....	126,966	141,085	1,253
Interest on negotiable certificates of deposit .....	44,065	49,561	440
Interest on call money and bills sold .....	4,200	5,360	48
Interest on payables under repurchase agreements .....	4,921	8,077	72
Interest on payables under securities lending transactions .....	5,029	6,724	60
Interest on commercial paper .....	8,047	10,415	92
Interest on borrowed money .....	29,312	44,514	395
Interest on short-term bonds .....	433	573	5
Interest on bonds .....	99,581	110,489	981
Other interest expenses .....	42,516	49,290	438
Fees and commissions payments .....	145,171	150,788	1,339
Trading losses .....	57,856	—	—
Other operating expenses .....	94,424	86,746	770
Lease-related expenses .....	2,022	2,159	19
Installment-related expenses .....	11,148	9,837	87
Other .....	81,253	74,749	664
General and administrative expenses .....	1,261,746	1,314,581	11,673
Other expenses .....	76,179	150,482	1,336
Provision for reserve for possible loan losses .....	—	5,632	50
Other .....	76,179	144,850	1,286
Ordinary profit .....	1,198,955	930,332	8,261

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars	
	2015	2016	2015	2016
Extraordinary gains .....	¥ 452	¥ 3,777	\$ 34	34
Gains on disposal of fixed assets.....	452	3,709	33	33
Gains on negative goodwill.....	—	20	0	0
Other extraordinary gains.....	—	46	0	0
Extraordinary losses.....	11,326	8,136	72	72
Losses on disposal of fixed assets.....	5,893	3,400	30	30
Losses on impairment of fixed assets.....	5,080	4,361	39	39
Provision for reserve for eventual future operating losses from financial instruments transactions .....	353	374	3	3
Income before income taxes .....	1,188,081	925,972	8,222	8,222
Income taxes-current.....	276,257	205,051	1,821	1,821
Income taxes-deferred.....	106,233	(24,868)	(221)	(221)
Income taxes .....	382,490	180,183	1,600	1,600
Profit .....	805,591	745,788	6,622	6,622
Profit attributable to non-controlling interests .....	68,686	65,626	583	583
Profit attributable to owners of parent .....	¥ 736,904	¥ 680,162	\$ 6,039	6,039

## (Consolidated Statements of Comprehensive Income)

Year ended March 31	Millions of yen		Millions of
	2015	2016	U.S. dollars
Profit .....	¥ 805,591	¥ 745,788	\$ 6,622
Other comprehensive income (losses).....	1,131,783	(602,702)	(5,352)
Net unrealized gains (losses) on other securities .....	829,208	(503,395)	(4,470)
Net deferred gains (losses) on hedges .....	32,956	89,188	792
Land revaluation excess .....	3,604	1,705	15
Foreign currency translation adjustments .....	145,730	(73,687)	(654)
Remeasurements of defined benefit plans .....	120,738	(113,411)	(1,007)
Share of other comprehensive income of affiliates .....	(454)	(3,101)	(28)
Total comprehensive income .....	1,937,374	143,086	1,271
Comprehensive income attributable to owners of parent.....	1,818,350	104,454	927
Comprehensive income attributable to non-controlling interests .....	119,024	38,631	343

**(Non-consolidated financial statements)****1. Non-consolidated balance sheets**

March 31	Millions of yen		Millions of U.S. dollars	
	2015	2016	2016	
<b>Assets:</b>				
Cash and due from banks .....	¥ 37,008,665	¥ 38,862,725	\$ 345,078	
Call loans .....	539,916	899,594	7,988	
Receivables under resale agreements .....	417,473	359,318	3,191	
Receivables under securities borrowing transactions .....	2,012,795	2,798,855	24,852	
Monetary claims bought .....	1,047,498	950,106	8,436	
Trading assets .....	3,627,862	3,511,957	31,184	
Securities .....	29,985,267	25,602,156	227,332	
Loans and bills discounted .....	68,274,308	69,276,735	615,137	
Foreign exchanges .....	1,798,843	1,558,252	13,836	
Other assets .....	2,460,344	2,131,869	18,930	
Tangible fixed assets .....	812,383	831,326	7,382	
Intangible fixed assets .....	200,966	220,174	1,955	
Prepaid pension cost .....	293,082	279,917	2,485	
Customers' liabilities for acceptances and guarantees .....	6,721,131	6,737,089	59,821	
Reserve for possible loan losses .....	(394,140)	(357,186)	(3,172)	
Reserve for possible losses on investments .....	(82,321)	(21,465)	(191)	
<b>Total assets .....</b>	<b>¥ 154,724,079</b>	<b>¥ 153,641,430</b>	<b>\$ 1,364,246</b>	
<b>Liabilities and net assets:</b>				
<b>Liabilities:</b>				
Deposits .....	¥ 91,337,714	¥ 98,839,722	\$ 877,639	
Negotiable certificates of deposit .....	14,022,064	14,428,338	128,115	
Call money .....	4,579,940	1,107,825	9,837	
Payables under repurchase agreements .....	350,010	496,236	4,406	
Payables under securities lending transactions .....	5,113,896	1,374,280	12,203	
Commercial paper .....	2,551,652	1,980,153	17,583	
Trading liabilities .....	2,754,739	2,987,815	26,530	
Borrowed money .....	8,096,070	7,868,311	69,866	
Foreign exchanges .....	1,172,969	1,131,796	10,050	
Short-term bonds .....	25,000	—	—	
Bonds .....	5,095,577	4,775,072	42,400	
Due to trust account .....	717,529	921,320	8,181	
Other liabilities .....	3,672,970	2,924,495	25,968	
Reserve for employee bonuses .....	13,738	13,869	123	
Reserve for executive bonuses .....	644	566	5	
Reserve for point service program .....	1,119	1,086	10	
Reserve for reimbursement of deposits .....	19,589	15,374	137	
Deferred tax liabilities .....	444,863	249,427	2,215	
Deferred tax liabilities for land revaluation .....	34,141	31,837	283	
Acceptances and guarantees .....	6,721,131	6,737,089	59,821	
<b>Total liabilities .....</b>	<b>146,725,363</b>	<b>145,884,620</b>	<b>1,295,370</b>	
<b>Net assets:</b>				
Capital stock .....	1,770,996	1,770,996	15,725	
Capital surplus .....	2,481,273	2,470,198	21,934	
Retained earnings .....	2,327,186	2,414,989	21,444	
Treasury stock .....	(210,003)	(210,003)	(1,865)	
<b>Total stockholders' equity .....</b>	<b>6,369,453</b>	<b>6,446,181</b>	<b>57,238</b>	
Net unrealized gains (losses) on other securities .....	1,726,573	1,233,910	10,956	
Net deferred gains (losses) on hedges .....	(124,906)	48,706	432	
Land revaluation excess .....	27,593	28,011	249	
<b>Total valuation and translation adjustments .....</b>	<b>1,629,261</b>	<b>1,310,628</b>	<b>11,638</b>	
<b>Total net assets .....</b>	<b>7,998,715</b>	<b>7,756,810</b>	<b>68,876</b>	
<b>Total liabilities and net assets .....</b>	<b>¥ 154,724,079</b>	<b>¥ 153,641,430</b>	<b>\$ 1,364,246</b>	

