

Notice Regarding the Filing of an Annual Report on Form 20-F
with the U.S. Securities and Exchange Commission

TOKYO, June 30, 2017 --- Sumitomo Mitsui Financial Group, Inc. (“SMFG”, President and Group Chief Executive Officer: Takeshi Kunibe) hereby announces that, on June 29, 2017 (Eastern Daylight Time), SMFG filed an annual report on Form 20-F with the U.S. Securities and Exchange Commission (“SEC”).

A copy of the annual report on Form 20-F can be viewed and obtained at SMFG’s website at <http://www.smfg.co.jp/english/investor/financial/annual.html> or on EDGAR, the SEC’s Electronic Data Gathering, Analysis, and Retrieval system. Holders of SMFG’s American Depositary Receipts may request a hard copy of SMFG’s complete audited financial statements free of charge through SMFG’s website.

Attachment:

(Reference 1) Consolidated Financial Statements (IFRS)

(Reference 2) Reconciliation with Japanese GAAP

This document contains a summary of SMFG’s consolidated financial information under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board that was disclosed in its annual report on Form 20-F filed with the U.S. Securities and Exchange Commission on June 29, 2017. This document does not contain all of the information in the Form 20-F that may be important to you. You should read the entire Form 20-F carefully to obtain a comprehensive understanding of SMFG’s business and financial data under IFRS and related issues.

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 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; incurrence of significant credit-related costs; SMFG’s ability to successfully implement its business strategy through its subsidiaries, affiliates and alliance partners; and exposure to new risks as SMFG expands the scope of its business. Given these and other risks and uncertainties, you should not place undue reliance on forward-looking statements, which speak only as of the date of this document. SMFG undertakes no obligation to update or revise any forward-looking statements. Please refer to SMFG’s most recent disclosure documents such as its annual report on Form 20-F and other documents submitted to the U.S. Securities and Exchange Commission, as well as its earnings press releases, for a more detailed description of the risks and uncertainties that may affect its financial conditions, its operating results, and investors’ decisions.

(Reference 1) Consolidated Financial Statements (IFRS)

Consolidated Statement of Financial Position

	(In millions)	
	At March 31, 2016	At March 31, 2017
Assets:		
Cash and deposits with banks	¥ 43,144,654	¥ 47,330,155
Call loans and bills bought	1,291,366	1,872,209
Reverse repurchase agreements and cash collateral on securities borrowed	8,236,516	8,924,385
Trading assets	3,615,092	3,776,671
Derivative financial instruments	5,290,825	4,063,982
Financial assets at fair value through profit or loss	1,611,877	1,599,093
Investment securities	19,865,347	19,073,937
Loans and advances	88,862,371	95,273,845
Investments in associates and joint ventures	702,264	675,704
Property, plant and equipment	2,590,951	2,686,055
Intangible assets	1,048,093	1,096,568
Other assets	3,654,448	4,456,031
Current tax assets	143,534	240,385
Deferred tax assets	115,314	81,961
Total assets	¥ 180,172,652	¥ 191,150,981
Liabilities:		
Deposits	¥ 125,940,797	¥ 130,295,290
Call money and bills sold	1,220,456	2,088,020
Repurchase agreements and cash collateral on securities lent	6,839,474	9,424,506
Trading liabilities	2,197,673	2,071,584
Derivative financial instruments	5,086,083	3,889,694
Borrowings	9,914,129	12,245,943
Debt securities in issue	10,829,612	11,165,623
Provisions	262,401	194,700
Other liabilities	6,410,733	7,488,766
Current tax liabilities	93,307	79,371
Deferred tax liabilities	335,888	320,201
Total liabilities	169,130,553	179,263,698
Equity:		
Capital stock	2,337,896	2,337,896
Capital surplus	863,503	864,052
Retained earnings	4,186,683	4,609,496
Other reserves	1,991,955	2,134,042
Treasury stock	(175,381)	(12,913)
Equity attributable to shareholders of Sumitomo Mitsui Financial Group, Inc.	9,204,656	9,932,573
Non-controlling interests	1,537,548	1,505,001
Equity attributable to other equity instruments holders	299,895	449,709
Total equity	11,042,099	11,887,283
Total equity and liabilities	¥ 180,172,652	¥ 191,150,981

Consolidated Income Statement

(In millions, except per share data)

	For the fiscal year ended March 31,			
	2016		2017	
Interest income	¥	1,872,584	¥	1,900,261
Interest expense		431,101		502,338
Net interest income		1,441,483		1,397,923
Fee and commission income		1,031,680		1,066,412
Fee and commission expense		131,381		181,573
Net fee and commission income		900,299		884,839
Net trading income		462,682		183,963
Net income from financial assets at fair value through profit or loss		12,260		2,018
Net investment income		375,229		305,327
Other income		496,273		573,825
Total operating income		3,688,226		3,347,895
Impairment charges on financial assets		148,356		212,967
Net operating income		3,539,870		3,134,928
General and administrative expenses		1,706,263		1,752,135
Other expenses		538,963		531,759
Operating expenses		2,245,226		2,283,894
Share of post-tax profit of associates and joint ventures		31,056		29,318
Profit before tax		1,325,700		880,352
Income tax expense		372,878		139,766
Net profit	¥	952,822	¥	740,586
Profit attributable to:				
Shareholders of Sumitomo Mitsui Financial Group, Inc.	¥	843,920	¥	627,870
Non-controlling interests		106,129		104,787
Other equity instruments holders		2,773		7,929
Earnings per share:				
Basic	¥	617.25	¥	458.56
Diluted		616.83		458.18

Consolidated Statement of Comprehensive Income

(In millions)

	For the fiscal year ended March 31,	
	2016	2017
Net profit	¥ 952,822	¥ 740,586
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans:		
Gains (losses) arising during the period, before tax	(154,273)	8,134
Share of other comprehensive income (loss) of associates and joint ventures	558	(462)
Income tax relating to items that will not be reclassified	48,550	(2,315)
Total items that will not be reclassified to profit or loss, net of tax	(105,165)	5,357
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets:		
Gains (losses) arising during the period, before tax	(551,572)	371,438
Reclassification adjustments for (gains) losses included in net profit, before tax	(217,529)	(109,990)
Exchange differences on translating foreign operations:		
Gains (losses) arising during the period, before tax	(219,904)	(24,063)
Reclassification adjustments for (gains) losses included in net profit, before tax	8	(4)
Share of other comprehensive income (loss) of associates and joint ventures	(14,362)	(21,140)
Income tax relating to items that may be reclassified	308,623	(80,074)
Total items that may be reclassified subsequently to profit or loss, net of tax	(694,736)	136,167
Other comprehensive income (loss), net of tax	(799,901)	141,524
Total comprehensive income	¥ 152,921	¥ 882,110
Total comprehensive income attributable to:		
Shareholders of Sumitomo Mitsui Financial Group, Inc.	¥ 76,791	¥ 769,957
Non-controlling interests	73,357	104,224
Other equity instruments holders	2,773	7,929

(Reference 2) Reconciliation with Japanese GAAP

(In billions)

	At and for the fiscal year ended March 31, 2017	
	Total equity	Net profit
IFRS	¥ 11,887.3	¥ 740.6
Differences arising from different accounting for:		
1. Scope of consolidation	124.8	12.0
2. Derivative financial instruments	118.3	110.9
3. Investment securities	(221.5)	8.8
4. Loans and advances	22.8	0.7
5. Investments in associates and joint ventures	(68.6)	15.9
6. Property, plant and equipment	(10.5)	(1.3)
7. Lease accounting	3.1	3.7
8. Defined benefit plans	53.6	(22.9)
9. Deferred tax assets	(46.4)	(7.5)
10. Foreign currency translation	-	(3.6)
11. Classification of equity and liability	(452.8)	(8.4)
Others	(155.9)	(16.8)
Tax effect of the above	(19.9)	(23.7)
Japanese GAAP	¥ 11,234.3	¥ 808.4

A brief explanation of adjustments with significant impacts arising from differences in equity and/or net profit between Japanese GAAP and IFRS is provided below. For a more detailed explanation, please refer to “Item 5. Operating and Financial Review and Prospects - Reconciliation with Japanese GAAP” in the annual report on Form 20-F filed on June 29, 2017 (Eastern Daylight Time).

Scope of Consolidation (Item 1)

- Under IFRS, the SMFG Group consolidates an entity when it “controls” the entity. In general, the SMFG Group considers that it controls an entity when it has the existing rights that give it the current ability to direct the operating and financing policies by owning more than half of the voting power, or by legal or contractual arrangements.
- All types of entities, irrespective of their purpose or legal form, are consolidated under IFRS when the substance of the relationship between the entities and the SMFG Group indicates that the entities are controlled by the SMFG Group. Therefore certain entities such as securitization vehicles which are not consolidated under Japanese GAAP are consolidated under IFRS.

Derivative financial instruments (Item 2)

(Hedge accounting)

- The SMFG Group applies hedge accounting under Japanese GAAP. However, the conditions for hedge accounting under IFRS are not fully the same as those under Japanese GAAP. The SMFG Group does not apply hedge accounting under IFRS and reversed the effects of hedge accounting under Japanese GAAP.

(Fair value measurement of derivative financial instruments)

- Japanese GAAP and IFRS require Over-the-Counter (“OTC”) derivatives (non-exchange traded derivatives) to be measured at fair value. In principle, there is no significant difference in the definitions of fair value, but in practice there is diversity in the application of valuation techniques used for fair value under Japanese GAAP and IFRS. Therefore, to meet the requirements of fair value under IFRS, adjustments have been made to the fair values under Japanese GAAP to reflect credit risk adjustments for OTC derivatives.

Investment securities (Item 3)

(Fair value measurement of investment securities)

- Under IFRS, available-for-sale financial assets (and financial assets at fair value through profit or loss) should be measured at fair value. The fair value of financial instruments where there is no quoted price in an active market is determined by using valuation techniques.
- In addition, the fair values of certain financial instruments under Japanese GAAP have been adjusted in order to meet the requirements of fair value under IFRS. For example, the SMFG Group uses the last 1-month average of the closing transaction prices for the fair value measurement of available-for-sale financial assets (listed stocks) under Japanese GAAP, whereas closing spot prices are used under IFRS.

(Impairment of available-for-sale financial assets)

- Under IFRS, the SMFG Group assesses whether there is objective evidence that available-for-sale financial assets are impaired. For available-for-sale equity instruments, objective evidence of impairment includes a significant or prolonged decline in the fair value below cost. Additionally, under Japanese GAAP, the SMFG Group reverses impairment losses recognized in a previous interim period, whereas the reversal of the impairment losses on equity instruments is not allowed under IFRS.

Loans and advances (Item 4)

(Impairment of loans and advances)

- Under Japanese GAAP, the reserve for possible loan losses for specifically identified significant loans is calculated by using the discounted cash flow (“DCF”) method, which is based on the present value of reasonably estimated cash flows discounted at the original contractual interest rate of the loan. Under IFRS, the allowance for loan losses for individually significant impaired loans is calculated by using the DCF method based on the best estimate of cash flows discounted at the original effective interest rate. In addition, the scope of the loans that are subject to the DCF method under IFRS is wider than that under Japanese GAAP.
- Under IFRS, the allowance for loan losses for the remaining loans is collectively calculated by homogeneous group using statistical methods based on the historical loss experience and incorporating the effect of the time value of money. A qualitative analysis based on related economic factors is then performed to reflect the current conditions at the end of the reporting period. Under IFRS, the allowance for the non-impaired loan losses is calculated as incurred but not yet identified losses for the period between the impairment occurring and the loss being identified, although the allowance under Japanese GAAP is calculated based on the expected losses.

(Loan origination fees and costs)

- Under IFRS, loan origination fees and costs that are incremental and directly attributable to the origination of a loan are deferred and thus, included in the calculation of the effective interest rate.

Deferred tax assets (Item 9)

- Under IFRS, deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. For example, deferred tax assets for deductible temporary differences relating to impairment of financial instruments of which the timing of the reversal is difficult to estimate cannot be recognized under Japanese GAAP, whereas they can be recognized under IFRS to the extent that it is probable that future taxable profit will be available.

Classification of equity and liability (Item 11)

- Under IFRS, a financial instrument or its component parts are classified as equity instruments or financial liabilities in accordance with the substance of the contractual arrangement and the definitions of financial liabilities and equity instruments. A financial instrument is classified as a financial liability if there is a contractual obligation to deliver cash or another financial asset other than a fixed number of equity shares in exchange for a fixed amount of cash or another financial asset. In the absence of such a contractual obligation, the financial instrument is classified as an equity instrument.