

Consolidated Statements of Cash Flows (Unaudited)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Six months ended September 30, 2006 and 2005, and year ended March 31, 2006

| | Millions of yen | | | Millions of U.S. dollars |
|--|----------------------------------|------------------|------------------------|----------------------------------|
| | Six months ended September 30 | | Year ended March 31 | Six months ended September 30 |
| | 2006 | 2005 | 2006 | 2006 |
| 1. Cash flows from operating activities: | | | | |
| Income before income taxes and minority interests | ¥ 401,302 | ¥ 511,293 | ¥ 1,043,362 | \$ 3,404 |
| Depreciation of premises, equipment and others | — | 40,218 | 82,671 | — |
| Depreciation of fixed assets | 38,389 | — | — | 326 |
| Depreciation of lease assets | 167,651 | 166,592 | 336,871 | 1,422 |
| Losses on impairment of fixed assets | 2,006 | 10,580 | 12,303 | 17 |
| Amortization of goodwill | 2,070 | 3,469 | 6,270 | 18 |
| Equity in losses (earnings) of affiliates | 32,344 | (14,081) | (31,887) | 274 |
| Gains on sale of subsidiaries' shares and gains on change in equity of subsidiary | (5,121) | (60,192) | (63,257) | (43) |
| Net change in reserve for possible loan losses | (56,241) | (238,154) | (241,530) | (477) |
| Net change in reserve for employee bonuses | (2,512) | (1,857) | 1,403 | (21) |
| Net change in reserve for employee retirement benefits | (3,200) | 1,101 | 1,993 | (27) |
| Net change in reserve for expenses related to EXPO 2005 Japan | — | 53 | (231) | — |
| Interest income | (909,808) | (769,316) | (1,662,600) | (7,717) |
| Interest expenses | 350,193 | 215,601 | 500,993 | 2,970 |
| Net losses (gains) on securities | 56,013 | (64,257) | (27,853) | 475 |
| Net gains from money held in trust | (0) | (13) | (13) | (0) |
| Net exchange gains | (41,522) | (62,513) | (175,815) | (352) |
| Net gains from disposal of premises and equipment | — | (275) | (551) | — |
| Net losses from disposal of fixed assets | 1,327 | — | — | 11 |
| Net gains from disposal of lease assets | (473) | (666) | (3,235) | (4) |
| Net change in trading assets | 628,566 | 163,674 | (225,005) | 5,331 |
| Net change in trading liabilities | (965,531) | (347,755) | 746,642 | (8,189) |
| Net change in loans and bills discounted | (1,909,796) | (1,213,748) | (2,311,499) | (16,198) |
| Net change in deposits | 1,332,022 | 688,527 | 2,210,634 | 11,298 |
| Net change in negotiable certificates of deposit | (222,330) | (186,912) | (8,026) | (1,886) |
| Net change in borrowed money (excluding subordinated debt) ... | 934,051 | (13,469) | 90,612 | 7,922 |
| Net change in deposits with banks | 410,829 | 55,542 | 175,960 | 3,485 |
| Net change in call loans and bills bought and others | (981,573) | 200,494 | 342,387 | (8,326) |
| Net change in receivables under securities borrowing transactions | 778,605 | (1,597,409) | (1,388,310) | 6,604 |
| Net change in call money and bills sold and others | (5,047,597) | 1,262,966 | 3,027,037 | (42,813) |
| Net change in commercial paper | (10,000) | (366,600) | (364,100) | (85) |
| Net change in payables under securities lending transactions ... | 394,509 | (216,953) | (1,120,876) | 3,346 |
| Net change in foreign exchanges (assets) | 18,596 | 6,635 | (46,473) | 158 |
| Net change in foreign exchanges (liabilities) | (118,530) | (45,233) | (31,381) | (1,005) |
| Net change in short-term bonds (liabilities) | 21,200 | 459,500 | 382,900 | 180 |
| Issuance and redemption of bonds (excluding subordinated bonds) | (95,170) | (269,880) | (365,646) | (807) |
| Net change in due to trust account | (267,864) | (8,196) | 268,140 | (2,272) |
| Interest received | 905,873 | 803,273 | 1,691,320 | 7,683 |
| Interest paid | (324,296) | (208,281) | (509,760) | (2,751) |
| Other, net | 240,032 | 129,264 | (104,996) | 2,036 |
| Subtotal | (4,245,985) | (966,978) | 2,238,450 | (36,013) |
| Income taxes paid | (84,921) | 14,248 | (30,096) | (721) |
| Net cash (used in) provided by operating activities | (4,330,906) | (952,729) | 2,208,354 | (36,734) |

(Continued)

| | Millions of yen | | | Millions of U.S. dollars |
|--|----------------------------------|------------------------|----------------------------------|--------------------------|
| | Six months ended September 30 | Year ended March 31 | Six months ended September 30 | |
| | 2006 | 2005 | 2006 | 2006 |
| 2. Cash flows from investing activities: | | | | |
| Purchases of securities..... | ¥(18,563,216) | ¥(29,777,298) | ¥(43,620,790) | \$(157,449) |
| Proceeds from sale of securities..... | 11,389,367 | 24,077,266 | 33,089,259 | 96,602 |
| Proceeds from maturity of securities | 10,257,301 | 6,696,817 | 10,164,213 | 87,000 |
| Purchases of money held in trust | — | (750) | (2,851) | — |
| Proceeds from sale of money held in trust | — | 3,789 | 3,789 | — |
| Purchases of premises and equipment | — | (13,389) | (43,066) | — |
| Purchases of tangible fixed assets | (24,041) | — | — | (204) |
| Proceeds from sale of premises and equipment | — | 11,107 | 17,733 | — |
| Proceeds from sale of tangible fixed assets | 3,545 | — | — | 30 |
| Purchases of intangible fixed assets | (23,957) | — | — | (203) |
| Proceeds from sale of intangible fixed assets | 4 | — | — | 0 |
| Purchases of lease assets..... | (180,717) | (192,899) | (380,894) | (1,533) |
| Proceeds from sale of lease assets..... | 21,565 | 28,661 | 55,186 | 183 |
| Proceeds from sale of stocks of subsidiaries..... | 3,468 | 54,937 | 54,937 | 30 |
| Net cash provided by (used in) investing activities | 2,883,317 | 888,242 | (662,482) | 24,456 |
| 3. Cash flows from financing activities: | | | | |
| Proceeds from issuance of subordinated debt | 10,000 | 33,000 | 103,000 | 85 |
| Repayment of subordinated debt..... | (15,000) | (82,343) | (215,884) | (127) |
| Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights | 120,000 | 408,038 | 431,458 | 1,018 |
| Repayment of subordinated bonds and bonds with stock acquisition rights | (126,829) | (162,800) | (198,800) | (1,076) |
| Proceeds from issuance of stocks | — | — | 136,451 | — |
| Dividends paid | (47,904) | (44,355) | (44,373) | (406) |
| Proceeds from minority stockholders..... | 30,740 | 48,025 | 59,640 | 261 |
| Dividends paid to minority stockholders | (30,883) | (27,034) | (42,366) | (262) |
| Purchases of treasury stock | (1,174,922) | (1,001) | (2,209) | (9,966) |
| Proceeds from sale of treasury stock | — | 26 | — | — |
| Proceeds from disposal of treasury stock..... | 71 | — | 452,549 | 0 |
| Net cash (used in) provided by financing activities | (1,234,728) | 171,555 | 679,464 | (10,473) |
| 4. Effect of exchange rate changes on cash and due from banks ... | 1,279 | 1,794 | 3,840 | 11 |
| 5. Net change in cash and due from banks | (2,681,038) | 108,861 | 2,229,177 | (22,740) |
| 6. Cash and due from banks at beginning of period | 5,159,822 | 2,930,645 | 2,930,645 | 43,765 |
| 7. Change in cash and due from banks due to newly consolidated subsidiaries..... | 0 | — | — | 0 |
| 8. Change in cash and due from banks due to exclusion of consolidated subsidiaries..... | — | — | (0) | — |
| 9. Cash and due from banks at end of period..... | ¥ 2,478,784 | ¥ 3,039,507 | ¥ 5,159,822 | \$ 21,025 |

See accompanying notes to interim consolidated financial statements.