

Notes to Interim Consolidated Statement of Cash Flows

1. Amounts less than one million yen have been omitted.
2. For the purposes of presenting the interim consolidated statement of cash flows, “Cash and cash equivalents” are cash on hand and non-interest earning deposits with banks.
3. Reconciliation of “Cash and due from banks” of the interim consolidated balance sheet to “Cash and cash equivalents” at the interim term-end is as follows:

September 30, 2006	(Millions of yen)
Cash and due from banks	4,010,986
Interest-earning deposits	(1,532,202)
Cash and cash equivalents	<u>2,478,784</u>

4. The Enforcement Ordinance of the Banking Law was revised on April 28, 2006 and applicable from the fiscal year beginning on and after April 1, 2006. Effective April 1, 2006, SMFG changed its presentation of consolidated statement of cash flows as follows:
 - (1) “Amortization of consolidation goodwill” was included in “Amortization of goodwill.”
 - (2) In accordance with the change in presentation of “Premises and equipment” in the interim consolidated balance sheet, “Depreciation of premises and equipment” was presented as “Depreciation of fixed assets.” “Net (gains) losses from disposal of premises and equipment” was also renamed as “Net (gains) losses from disposal of fixed assets.”
In addition, “Purchases of premises and equipment” and “Proceeds from sale of premises and equipment” were presented as “Purchases of tangible fixed assets” and “Proceeds from sale of tangible fixed assets,” respectively.
 - (3) In accordance with the change in presentation of interim consolidated balance sheet, software which had been included in “Other assets” was included in “Intangible fixed assets.” Therefore, payments or proceeds from purchase or sale of software which had been included in “Other” in “Net cash (used in) provided by operating activities” were included in “Purchases of intangible fixed assets” and “Proceeds from sale of intangible fixed assets.”
5. Significant non-money transactions consisted of the followings:
Capital surplus increased by 221,365 million yen because SMFG made SMBC Friend Securities Co., Ltd. into a wholly-owned subsidiary through an exchange of shares in the six months ended September 30, 2006 and delivered common stocks.