

COMPARATIVE CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Six months ended September 30			Year ended March 31
	2003 (A)	2002 [SMBC] (B)	Difference (A-B)	2003
Six months ended September 30, 2003 and 2002, and Year ended March 31, 2003				
1. Cash flows from operating activities:				
Income (loss) before income taxes and minority interests	186,880	110,349	76,531	(590,914)
Depreciation of premises, equipment and others	41,894	44,208	(2,314)	89,414
Depreciation of lease assets	167,285	149,071	18,214	312,562
Amortization of goodwill	4,191	2,773	1,418	10,171
Equity in earnings of affiliates	(8,044)	(2,807)	(5,237)	(5,718)
Net change in reserve for possible loan losses	(550,977)	(109,670)	(441,307)	82,688
Net change in reserve for possible losses on loans sold	(18,036)	(39,180)	21,144	(65,706)
Net change in reserve for employee bonuses	(1,134)	(402)	(732)	(140)
Net change in reserve for employee retirement benefits	7,969	147	7,822	(47,563)
Net change in reserve for exhibition at World Exposition	57	—	57	—
Interest income	(826,407)	(954,856)	128,449	(1,816,908)
Interest expenses	163,169	220,912	(57,743)	417,404
Net (gains) losses on securities	(40,431)	107,763	(148,194)	471,528
Net (gains) losses from money held in trust	1,007	3,703	(2,696)	4,003
Net exchange (gains) losses	221,477	154,537	66,940	170,155
Net (gains) losses from disposition of premises and equipment	7,985	11,034	(3,049)	33,301
Net (gains) losses from disposition of lease assets	49	2,020	(1,971)	1,505
Net change in trading assets	1,003,098	(216,670)	1,219,768	(1,253,569)
Net change in trading liabilities	(802,432)	321,258	(1,123,690)	569,881
Net change in loans and bills discounted	1,985,803	1,008,160	977,643	2,472,161
Net change in deposits	(428,206)	(3,532,384)	3,104,178	(2,024,876)
Net change in negotiable certificates of deposit	(1,479,196)	(1,813,399)	334,203	(1,806,894)
Net change in borrowed money (excluding subordinated debt)	(51,542)	(71,036)	19,494	(261,965)
Net change in deposits with banks	(432,383)	2,294,589	(2,726,972)	2,947,705
Net change in call loans, bills bought and receivables under resale agreements	(508,664)	1,071,737	(1,580,401)	1,280,173
Net change in receivables under securities borrowing transactions	1,356,233	834,028	522,205	1,039,276
Net change in call money, bills sold and payables under repurchase agreements	(3,181,690)	2,490,237	(5,671,927)	902,660
Net change in commercial paper	59,700	(982,000)	1,041,700	(979,700)
Net change in payables under securities lending transactions	(182,466)	667,795	(850,261)	1,632,445
Net change in foreign exchanges (assets)	(24,440)	(129,163)	104,723	42,144
Net change in foreign exchanges (liabilities)	50,442	139,635	(89,193)	99,013
Issuance and redemption of bonds (excluding subordinated bonds)	8,655	182,702	(174,047)	457,319
Net change in due to trust account	18,990	—	18,990	5,953
Interest received	856,081	1,049,827	(193,746)	1,956,975
Interest paid	(174,330)	(243,453)	69,123	(464,798)
Other, net	809,744	(171,533)	981,277	(100,004)
Subtotal	(1,759,666)	2,599,937	(4,359,603)	5,579,686
Income taxes paid	5,817	(37,447)	43,264	(136,485)
Net cash provided by (used in) operating activities	(1,753,848)	2,562,490	(4,316,338)	5,443,200
2. Cash flows from investing activities:				
Purchases of securities	(23,707,428)	(27,644,498)	3,937,070	(49,938,065)
Proceeds from sale of securities	15,807,610	20,817,747	(5,010,137)	37,711,992
Proceeds from maturity of securities	9,806,287	4,256,509	5,549,778	7,907,363
Purchases of money held in trust	(21,111)	(14,621)	(6,490)	(14,622)
Proceeds from sale of money held in trust	17,268	4,026	13,242	23,624
Purchases of premises and equipment	(22,248)	(30,911)	8,663	(69,884)
Proceeds from sale of premises and equipment	17,330	28,219	(10,889)	73,677
Purchases of lease assets	(192,936)	(162,426)	(30,510)	(336,512)
Proceeds from sale of lease assets	15,526	14,875	651	33,900
Purchases of stocks of subsidiaries	(8,999)	(3,924)	(5,075)	(15,444)
Proceeds from sale of stocks of subsidiaries	—	53	(53)	53
Net cash provided by (used in) investing activities	1,711,298	(2,734,949)	4,446,247	(4,623,917)
3. Cash flows from financing activities:				
Proceeds from issuance of subordinated debt	34,500	117,000	(82,500)	165,000
Repayment of subordinated debt	(95,500)	(204,500)	109,000	(286,500)
Proceeds from issuance of subordinated bonds, bonds with subscription rights for shares	238,362	152,687	85,675	223,950
Repayment of subordinated bonds, bonds with subscription rights for shares	(42,962)	(226,871)	183,909	(565,522)
Proceeds from issuance of stocks	—	—	—	495,300
Dividends paid	(33,330)	(37,313)	3,983	(37,348)
Proceeds from minority stockholders	—	220	(220)	220
Dividends paid to minority stockholders	(24,388)	(25,147)	759	(39,621)
Purchases of treasury stock	(152)	(3,588)	3,436	(7,875)
Proceeds from sale of treasury stock	936	4,968	(4,032)	8,479
Net cash provided by (used in) financing activities	77,465	(222,546)	300,011	(43,919)
4. Foreign currency translation adjustments on cash and cash equivalents	(1,763)	(2,325)	562	(2,629)
5. Net change in cash and cash equivalents	33,151	(397,329)	430,480	772,734
6. Cash and cash equivalents at beginning of term (year)	2,900,991	2,128,742	772,249	2,128,742
7. Change in cash and cash equivalents due to merger of consolidated subsidiaries	—	0	(0)	0
8. Change in cash and cash equivalents due to exclusion of consolidated subsidiaries	(0)	—	(0)	(486)
9. Cash and cash equivalents at end of term (year)	2,934,143	1,731,413	1,202,730	2,900,991

(Notes)

1. Amounts for the six months ended September 30, 2002 are those of the former SMBC.

2. Amounts less than one million yen have been omitted.