

Consolidated Statements of Cash Flows

Sumitomo Mitsui Banking Corporation (Formerly The Sakura Bank, Limited and Subsidiaries)

Years ended March 31, 2001 and 2000

	Millions of yen		Millions of U.S. dollars (Note 1)
	2001	2000	2001
Cash flows from operating activities			
Income before income taxes and minority interests	¥ 132,046	¥ 126,139	\$ 1,065
Depreciation of premises and equipment	35,123	35,029	283
Amortization of goodwill	7,077	5,330	57
Net (income) loss from nonconsolidated entities accounted for by the equity method	(7,883)	1,487	(63)
Net change in reserve for possible loan losses	(231,386)	11,419	(1,867)
Net change in reserve for possible losses on loans sold	(27,006)	(19,539)	(217)
Net change in reserve for employee retirement benefit	(15,319)	(3,614)	(123)
Interest income	(1,107,828)	(1,398,941)	(8,941)
Interest expenses	437,840	745,550	3,533
Net gains on securities	(82,439)	(346,591)	(665)
Net (income) loss from money held in trust	(536)	625	(4)
Net exchange (gains) losses	(48,638)	145,561	(392)
Net losses from disposition of premises and equipment	18,810	12,209	151
Net change in trading assets	873,036	(542)	7,046
Net change in trading liabilities	(189,217)	(194)	(1,527)
Net change in payable on trading contracts	(588,359)	408,834	(4,748)
Net change in loans and bills discounted	1,390,760	503,351	11,224
Net change in deposits	417,630	415,842	3,370
Net change in borrowed money (excluding subordinated debt)	(409,051)	(214,107)	(3,301)
Net change in deposits with banks (except for demand deposits with the Bank of Japan)	(902,846)	(247,833)	(7,286)
Net change in call loans and bills bought	(211,068)	(162,311)	(1,703)
Net change in pledged money for securities borrowing transactions	680,428	(335,705)	5,491
Net change in call money and bills sold	2,019,431	253,678	16,298
Net change in commercial paper	675,474	(99,731)	5,451
Net change in pledged money for securities lending transactions	(797,435)	(34,993)	(6,436)
Net change in foreign exchanges (Assets)	61,228	(7,101)	494
Net change in foreign exchanges (Liabilities)	7,474	6,994	60
Net change in bonds (excluding subordinated bonds)	200,967	155,486	1,622
Interest received	1,149,235	1,625,911	9,275
Interest paid	(439,998)	(1,005,204)	(3,551)
Other, net	181,585	325,421	1,465
Subtotal	¥ 3,229,136	¥ 902,462	\$ 26,062
Income taxes paid	(10,663)	(13,719)	(86)
Net cash provided by operating activities	¥ 3,218,472	¥ 888,743	\$ 25,976
Cash flows from investing activities			
Purchases of securities	¥(16,532,695)	¥(7,671,286)	\$(133,435)
Proceeds from sale of securities	9,537,615	5,672,199	76,978
Proceeds from maturity of securities	3,944,752	1,535,603	31,838
Purchases of money held in trust	(9,171)	(31,319)	(74)
Proceeds from sale of money held in trust	60,289	113,981	486
Purchases of premises and equipment	(118,836)	(54,707)	(959)
Proceeds from sale of premises and equipment	60,584	67,918	488
Purchases of subsidiaries stocks	(2,684)	—	(21)
Net cash used in investing activities	¥ (3,060,146)	¥ (367,609)	\$ (24,698)
Cash flows from financing activities			
Proceeds from issuance of subordinated debt	¥ 112,283	¥ —	\$ 906
Repayment of subordinated debt	(319,774)	(15,000)	(2,580)
Proceeds from issuance of subordinated bonds	149,500	136,088	1,206
Repayment of subordinated bonds, convertible bonds and notes	(332,631)	(103,257)	(2,684)
Dividends paid	(35,705)	(30,182)	(288)
Proceeds from issuance of subsidiaries' stocks paid by minority stockholders	14,000	—	112
Dividends paid to minority stockholders	(7,474)	(9,767)	(60)
Purchases of treasury stock	(808)	(25)	(6)
Proceeds from sale of treasury stock	586	18	4
Net cash used in financing activities	¥ (420,024)	¥ (22,124)	\$ (3,390)
Effects of exchange rate changes on cash and cash equivalents	830	3,614	6
Net change in cash and cash equivalents	¥ (260,867)	¥ 502,623	\$ (2,105)
Cash and cash equivalents at beginning of year	¥ 1,408,146	¥ 905,496	\$ 11,365
Change in cash and cash equivalents due to the inclusion of subsidiaries in consolidation	90	83	0
Change in cash and cash equivalents due to the exclusion of subsidiaries from consolidation	—	(57)	—
Cash and cash equivalents at end of year	¥ 1,147,369	¥ 1,408,146	\$ 9,260

See accompanying notes to consolidated financial statements.