

Consolidated Statements of Cash Flows

Sumitomo Mitsui Banking Corporation (Formerly The Sumitomo 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	¥ 273,468	¥ 216,503	\$ 2,207
Depreciation of premises and equipment	26,140	24,070	211
Depreciation of lease assets	268,700	272,031	2,169
Amortization of goodwill	1,571	1	13
Net (income) loss from nonconsolidated entities accounted for by the equity method	(36,479)	35,549	(294)
Net change in reserve for possible loan losses	(192,154)	(315,850)	(1,551)
Net change in reserve for possible losses on loans sold	(41,600)	(23,545)	(336)
Net change in reserve for employee retirement benefit	(46,355)	(2,715)	(374)
Interest income	(1,328,056)	(1,528,031)	(10,719)
Interest expenses	674,508	874,315	5,444
Net gains on securities	(418,493)	(508,327)	(3,378)
Net (income) loss from money held in trust	(268)	760	(2)
Net exchange (gains) losses	(103,436)	73,864	(835)
Net losses from disposition of premises and equipment	15,097	8,306	122
Net losses from disposition of lease assets	3,575	33,342	29
Gain on sale of business operation	—	(8,000)	—
Loss from additional payment for pension liabilities	—	21,460	—
Net change in trading assets	(303,615)	826,416	(2,451)
Net change in trading liabilities	433,148	(351,166)	3,496
Net change in loans and bills discounted	350,155	2,514,357	2,826
Net change in deposits	2,687,498	271,528	21,691
Net change in negotiable certificates of deposit	154,263	1,061,647	1,245
Net change in borrowed money (excluding subordinated debt)	(203,229)	(200,617)	(1,640)
Net change in deposits with banks	(1,087,125)	(1,875,746)	(8,774)
Net change in call loans and receivables under resale agreements	(2,576,375)	235,178	(20,794)
Net change in pledged money for securities borrowing transactions	(652,884)	137,396	(5,269)
Net change in call money and payables under repurchase agreements	3,166,244	(615,238)	25,555
Net change in commercial paper	401,621	(321,851)	3,241
Net change in pledged money for securities lending transactions	1,318,733	1,154,362	10,643
Net change in foreign exchanges (assets)	(107,134)	30,430	(865)
Net change in foreign exchanges (liabilities)	49,833	22,124	402
Net change in bonds (excluding subordinated bonds)	478,453	524,910	3,862
Interest received	1,211,640	1,430,203	9,779
Interest paid	(837,803)	(894,663)	(6,762)
Other, net	25,236	(429,627)	204
Subtotal	¥3,604,878	¥2,693,381	\$29,095
Additional payment for pension liabilities	—	(21,578)	—
Income taxes paid	(47,172)	(41,659)	(381)
Net cash provided by operating activities	¥3,557,706	¥2,630,143	\$28,714

See accompanying notes to consolidated financial statements.

(Continued)

	Millions of yen		Millions of U.S. dollars (Note 1)
	2001	2000	2001
Cash flows from investing activities			
Purchases of securities	¥(28,751,233)	¥(38,223,957)	\$(232,052)
Proceeds from sale of securities	12,151,611	29,463,927	98,076
Proceeds from maturity of securities	12,930,322	6,821,306	104,361
Purchases of money held in trust	(91,300)	(59,516)	(737)
Proceeds from sale of money held in trust	148,488	34,750	1,198
Purchases of premises and equipment	(49,183)	(36,175)	(397)
Proceeds from sale of premises and equipment	21,260	11,365	172
Purchase of lease assets	(314,383)	(325,621)	(2,537)
Proceeds from sale of lease assets	35,590	16,304	287
Proceeds from sale of business operation	—	8,000	—
Proceeds from sale of subsidiaries	5,083	—	41
Net cash used in investing activities	¥ (3,913,743)	¥ (2,289,615)	\$ (31,588)
Cash flows from financing activities			
Proceeds from issuance of subordinated debt	¥ 10,000	¥ 5,000	\$ 81
Repayment of subordinated debt	(52,000)	(47,000)	(420)
Proceeds from issuance of subordinated bonds, convertible bonds and notes	104,500	149,150	843
Repayment of subordinated bonds, convertible bonds and notes	(143,550)	(23,000)	(1,159)
Dividends paid	(22,406)	(20,640)	(181)
Dividends paid to minority stockholders	(192)	(333)	(1)
Purchases of treasury stock	(541)	(714)	(4)
Proceeds from sale of treasury stock	548	717	5
Net cash (used in) provided by financing activities	¥ (103,642)	¥ 63,179	\$ (836)
Effects of exchange rate changes on cash and due from banks	¥ 2,525	¥ (9,226)	\$ 20
Net change in cash and due from banks	¥ (457,154)	¥ 394,481	\$ (3,690)
Cash and due from banks at beginning of year	¥ 1,323,157	¥ 928,701	\$ 10,680
Change in cash and due from banks due to newly consolidated subsidiaries	2,129	—	17
Decrease of cash and due from banks caused from exception of consolidation	—	(25)	—
Cash and due from banks at end of year	¥ 868,132	¥ 1,323,157	\$ 7,007

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Sumitomo Mitsui Banking Corporation (Formerly The Sumitomo Bank, Limited) and Subsidiaries
Year ended March 31, 1999

	Millions of yen
	1999
Cash flows from operating activities	
Net loss	¥ (568,889)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:	
Depreciation and amortization	299,820
Transfer to reserve for possible loan losses	654,245
Write-off of loans	369,481
Losses on sale of loans and loans sold	179,204
Securities gains, net	(87,778)
Deferred income taxes	(237,489)
Minority interests in net income	1,721
Net change in trading assets and liabilities	150,384
Net change in accrual and other, net	539,138
Net cash provided by operating activities	<u>¥ 1,299,837</u>
Cash flows from investing activities	
Net change in deposits with banks	¥ 1,608,594
Net change in call loans	587,175
Net change in commercial paper and other debt purchased	55,801
Net change in money held in trust	131,564
Net change in loans and bills discounted	1,748,431
Proceeds from sale of securities	7,290,157
Proceeds from maturity of securities	654,920
Purchases of securities	(7,229,552)
Purchases of premises and equipment	(64,249)
Purchases of lease assets	(278,528)
Other, net	218,901
Net cash provided by investing activities	<u>¥ 4,723,214</u>
Cash flows from financing activities	
Net change in deposits	¥(4,246,208)
Net change in call money	(1,442,174)
Net change in commercial paper and borrowed money	(1,891,537)
Proceeds from issuance of preferred stock	501,000
Proceeds from issuance of subordinated debt	150,829
Proceeds from issuance of preferred securities	340,000
Dividends paid	(22,772)
Other, net	(101,110)
Net cash used in financing activities	<u>¥(6,711,972)</u>
Effect of increase in consolidated subsidiaries	¥ 2,699
Effects of exchange rate changes on cash and due from banks	¥ (44,549)
Net change in cash and due from banks	¥ (730,771)
Cash and due from banks at beginning of year	<u>¥ 1,576,972</u>
Cash and due from banks at end of year	<u>¥ 846,201</u>

See accompanying notes to consolidated financial statements.