

# Consolidated Statements of Cash Flows

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2020	2021	2021
<b>Cash flows from operating activities:</b>			
Income before income taxes.....	¥ 888,646	¥ 672,237	\$ 6,072
Depreciation .....	209,198	207,815	1,877
Losses on impairment of fixed assets.....	65,106	42,525	384
Amortization of goodwill.....	17,533	19,365	175
Net (gains) losses on step acquisitions.....	(22,040)	(404)	(4)
Equity in net (gains) losses of affiliates.....	(56,051)	(24,972)	(226)
Net change in reserve for possible loan losses.....	13,411	177,227	1,601
Net change in reserve for employee bonuses.....	3,103	15,158	137
Net change in reserve for executive bonuses.....	201	1,061	10
Net change in net defined benefit asset and liability .....	101,532	(335,174)	(3,028)
Net change in reserve for executive retirement benefits.....	(84)	(235)	(2)
Net change in reserve for point service program .....	2,627	(1,920)	(17)
Net change in reserve for reimbursement of deposits .....	(3,249)	5,294	48
Net change in reserve for losses on interest repayment.....	(4,703)	(2,132)	(19)
Interest income.....	(2,486,699)	(1,853,039)	(16,738)
Interest expenses .....	1,179,770	517,822	4,677
Net (gains) losses on securities.....	(143,877)	(174,302)	(1,574)
Net (gains) losses from money held in trust .....	(0)	(0)	(0)
Net exchange (gains) losses .....	118,815	(398,722)	(3,602)
Net (gains) losses from disposal of fixed assets.....	54	(4,096)	(37)
Net change in trading assets .....	(1,859,195)	578,416	5,225
Net change in trading liabilities .....	1,930,360	(223,323)	(2,017)
Net change in loans and bills discounted .....	(4,839,243)	(2,316,636)	(20,925)
Net change in deposits .....	5,064,595	14,626,281	132,113
Net change in negotiable certificates of deposit.....	(982,400)	2,388,038	21,570
Net change in borrowed money (excluding subordinated borrowings).....	4,844,384	2,454,998	22,175
Net change in deposits with banks.....	(1,455,747)	(10,577)	(96)
Net change in call loans and bills bought and others .....	(812,970)	1,377,379	12,441
Net change in receivables under securities borrowing transactions..	(907,630)	(822,344)	(7,428)
Net change in call money and bills sold and others .....	4,256,015	364,533	3,293
Net change in commercial paper .....	(882,878)	307,253	2,775
Net change in payables under securities lending transactions.....	572,787	35,745	323
Net change in foreign exchanges (assets) .....	(346,503)	(110,014)	(994)
Net change in foreign exchanges (liabilities).....	296,890	(353,210)	(3,190)
Net change in lease receivables and investment assets.....	17,309	(3,878)	(35)
Net change in short-term bonds (liabilities) .....	294,500	206,000	1,861
Issuance and redemption of bonds (excluding subordinated bonds) ...	152,729	(97,531)	(881)
Net change in due to trust account.....	458,581	509,868	4,605
Interest received.....	2,501,815	1,909,880	17,251
Interest paid .....	(1,201,792)	(559,951)	(5,058)
Other, net.....	386,091	(189,032)	(1,707)
Subtotal.....	7,370,996	18,935,404	171,036
Income taxes paid.....	(283,536)	(139,452)	(1,260)
Net cash provided by (used in) operating activities .....	7,087,460	18,795,951	169,776

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2020	2021	2021
<b>Cash flows from investing activities:</b>			
Purchases of securities .....	¥(35,544,708)	¥(41,807,504)	\$(377,631)
Proceeds from sale of securities .....	23,204,983	17,221,557	155,556
Proceeds from redemption of securities .....	9,550,000	17,208,608	155,439
Purchases of money held in trust.....	(284)	(0)	(0)
Proceeds from sale of money held in trust .....	321	44	0
Purchases of tangible fixed assets .....	(103,052)	(145,946)	(1,318)
Proceeds from sale of tangible fixed assets .....	19,206	26,434	239
Purchases of intangible fixed assets.....	(147,784)	(178,765)	(1,615)
Purchase of stocks of subsidiaries resulting in change in scope of consolidation .....	(17,365)	(4,305)	(39)
Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation .....	27,021	—	—
Net cash provided by (used in) investing activities .....	(3,011,660)	(7,679,878)	(69,369)
<b>Cash flows from financing activities:</b>			
Repayment of subordinated borrowings.....	(8,000)	—	—
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights .....	139,405	194,103	1,753
Redemption of subordinated bonds and bonds with stock acquisition rights .....	(113,000)	(488,640)	(4,414)
Dividends paid.....	(255,771)	(267,119)	(2,413)
Proceeds from issuance of common stock to non-controlling stockholders.....	—	100	1
Repayments to non-controlling stockholders .....	(436,500)	—	—
Dividends paid to non-controlling stockholders .....	(16,922)	(1,244)	(11)
Purchases of treasury stock.....	(100,088)	(61)	(1)
Proceeds from disposal of treasury stock.....	483	281	3
Purchase of stocks of subsidiaries not resulting in change in scope of consolidation .....	(234,159)	0	0
Net cash provided by (used in) financing activities .....	(1,024,554)	(562,580)	(5,082)
Effect of exchange rate changes on cash and cash equivalents.....	(74,480)	159,912	1,444
Net change in cash and cash equivalents.....	2,976,764	10,713,405	96,770
Cash and cash equivalents at the beginning of the fiscal year.....	53,120,963	56,097,807	506,709
Net change in cash and cash equivalents resulting from merger of consolidated subsidiaries.....	79	—	—
Cash and cash equivalents at the end of the fiscal year.....	*1 ¥ 56,097,807	*1 ¥ 66,811,212	\$ 603,479