

# Consolidated Statement of Cash Flows

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Year ended March 31, 2003	Millions of yen	Millions of U.S. dollars (Note 1)
<b>1. Cash flows from operating activities:</b>		
Loss before income taxes and minority interests .....	¥ (590,914)	\$ (4,916)
Depreciation of premises, equipment and others .....	89,414	744
Depreciation of lease assets .....	312,562	2,600
Amortization of goodwill .....	10,171	85
Equity in earnings of affiliates .....	(5,718)	(48)
Net change in reserve for possible loan losses .....	82,688	688
Net change in reserve for possible losses on loans sold .....	(65,706)	(547)
Net change in reserve for employee bonuses .....	(140)	(1)
Net change in reserve for employee retirement benefits .....	(47,563)	(396)
Interest income .....	(1,816,908)	(15,116)
Interest expenses .....	417,404	3,473
Net losses on securities .....	471,528	3,923
Net loss from money held in trust .....	4,003	33
Net exchange losses .....	170,155	1,416
Net losses from disposition of premises and equipment .....	33,301	277
Net losses from disposition of lease assets .....	1,505	12
Net change in trading assets .....	(1,253,569)	(10,429)
Net change in trading liabilities .....	569,881	4,741
Net change in loans and bills discounted .....	2,472,161	20,567
Net change in deposits .....	(2,024,876)	(16,846)
Net change in negotiable certificates of deposit .....	(1,806,894)	(15,032)
Net change in borrowed money (excluding subordinated debt) .....	(261,965)	(2,179)
Net change in deposits with banks .....	2,947,705	24,523
Net change in call loans, bills bought and receivables under resale agreements .....	1,280,173	10,650
Net change in receivables under securities borrowing transactions .....	1,039,276	8,646
Net change in call money, bills sold and payables under repurchase agreements .....	902,660	7,510
Net change in commercial paper .....	(979,700)	(8,151)
Net change in payables under securities lending transactions .....	1,632,445	13,581
Net change in foreign exchanges (assets) .....	42,144	351
Net change in foreign exchanges (liabilities) .....	99,013	824
Issuance and redemption of bonds (excluding subordinated bonds) .....	457,319	3,805
Net change in due to trust account .....	5,953	50
Interest received .....	1,956,975	16,281
Interest paid .....	(464,798)	(3,867)
Other, net .....	(100,004)	(832)
<b>Subtotal</b> .....	<b>¥ 5,579,686</b>	<b>\$ 46,420</b>
Income taxes paid .....	(136,485)	(1,135)
<b>Net cash provided by operating activities</b> .....	<b>¥ 5,443,200</b>	<b>\$ 45,285</b>

(Continued)

	Millions of yen	Millions of U.S. dollars (Note 1)
<b>2. Cash flows from investing activities:</b>		
Purchases of securities .....	¥(49,938,065)	\$(415,458)
Proceeds from sale of securities .....	37,711,992	313,744
Proceeds from maturity of securities.....	7,907,363	65,785
Purchases of money held in trust .....	(14,622)	(122)
Proceeds from sale of money held in trust.....	23,624	197
Purchases of premises and equipment.....	(69,884)	(581)
Proceeds from sale of premises and equipment.....	73,677	613
Purchases of lease assets .....	(336,512)	(2,800)
Proceeds from sale of lease assets .....	33,900	282
Purchases of stocks of subsidiaries.....	(15,444)	(129)
Proceeds from sale of stocks of subsidiaries .....	53	0
<b>Net cash used in investing activities .....</b>	<b>¥ (4,623,917)</b>	<b>\$ (38,469)</b>
<b>3. Cash flows from financing activities:</b>		
Proceeds from issuance of subordinated debt.....	¥ 165,000	\$ 1,373
Repayment of subordinated debt .....	(286,500)	(2,384)
Proceeds from issuance of subordinated bonds, bonds with subscription rights for shares .....	223,950	1,863
Repayment of subordinated bonds, bonds with subscription rights for shares .....	(565,522)	(4,705)
Proceeds from issuance of stocks .....	495,300	4,121
Dividends paid .....	(37,348)	(311)
Proceeds from minority stockholders.....	220	2
Dividends paid to minority stockholders.....	(39,621)	(330)
Purchases of treasury stock.....	(7,875)	(65)
Proceeds from sale of treasury stock.....	8,479	71
<b>Net cash used in financing activities .....</b>	<b>¥ (43,919)</b>	<b>\$ (365)</b>
<b>4. Effect of exchange rate changes on cash and due from banks .....</b>	<b>¥ (2,629)</b>	<b>\$ (22)</b>
<b>5. Net change in cash and due from banks .....</b>	<b>¥ 772,734</b>	<b>\$ 6,429</b>
<b>6. Cash and due from banks at beginning of year.....</b>	<b>¥ 2,128,742</b>	<b>\$ 17,710</b>
<b>7. Change in cash and due from banks due to merger of consolidated subsidiaries.....</b>	<b>¥ 0</b>	<b>\$ 0</b>
<b>8. Change in cash and due from banks due to decrease of consolidated subsidiaries .....</b>	<b>¥ (486)</b>	<b>\$ (4)</b>
<b>9. Cash and due from banks at end of year.....</b>	<b>¥ 2,900,991</b>	<b>\$ 24,135</b>

See accompanying notes to consolidated financial statements.