

# Consolidated Statements of Cash Flows (Unaudited)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Six months ended September 30, 2003 and year ended March 31, 2003

	Millions of yen		Millions of U.S. dollars
	Six months ended Sept. 30, 2003	Year ended Mar. 31, 2003	Six months ended Sept. 30, 2003
<b>1. Cash flows from operating activities:</b>			
Income (loss) before income taxes and minority interests.....	¥ 186,880	¥ (590,914)	\$ 1,680
Depreciation of premises, equipment and others .....	41,894	89,414	376
Depreciation of lease assets.....	167,285	312,562	1,504
Amortization of goodwill.....	4,191	10,171	38
Equity in earnings of affiliates .....	(8,044)	(5,718)	(72)
Net change in reserve for possible loan losses .....	(550,977)	82,688	(4,953)
Net change in reserve for possible losses on loans sold.....	(18,036)	(65,706)	(162)
Net change in reserve for employee bonuses .....	(1,134)	(140)	(10)
Net change in reserve for employee retirement benefits .....	7,969	(47,563)	72
Net change in reserve for exhibition at World Exposition .....	57	—	0
Interest income .....	(826,407)	(1,816,908)	(7,428)
Interest expenses .....	163,169	417,404	1,467
Net (gains) losses on securities.....	(40,431)	471,528	(364)
Net losses from money held in trust .....	1,007	4,003	9
Net exchange losses .....	221,477	170,155	1,991
Net losses from disposal of premises and equipment .....	7,985	33,301	72
Net losses from disposal of lease assets.....	49	1,505	0
Net change in trading assets .....	1,003,098	(1,253,569)	9,017
Net change in trading liabilities .....	(802,432)	569,881	(7,213)
Net change in loans and bills discounted .....	1,985,803	2,472,161	17,850
Net change in deposits .....	(428,206)	(2,024,876)	(3,849)
Net change in negotiable certificates of deposit .....	(1,479,196)	(1,806,894)	(13,296)
Net change in borrowed money (excluding subordinated debt) .....	(51,542)	(261,965)	(463)
Net change in deposits with banks .....	(432,383)	2,947,705	(3,887)
Net change in call loans, bills bought and receivables under resale agreements ...	(508,664)	1,280,173	(4,572)
Net change in receivables under securities borrowing transactions.....	1,356,233	1,039,276	12,191
Net change in call money, bills sold and payables under repurchase agreements...	(3,181,690)	902,660	(28,600)
Net change in commercial paper .....	59,700	(979,700)	537
Net change in payables under securities lending transactions.....	(182,466)	1,632,445	(1,640)
Net change in foreign exchanges (assets) .....	(24,440)	42,144	(220)
Net change in foreign exchanges (liabilities) .....	50,442	99,013	453
Issuance and redemption of bonds (excluding subordinated bonds) .....	8,655	457,319	78
Net change in due to trust account .....	18,990	5,953	171
Interest received .....	856,081	1,956,975	7,695
Interest paid .....	(174,330)	(464,798)	(1,567)
Other, net.....	809,744	(100,004)	7,278
<b>Subtotal .....</b>	<b>¥ (1,759,666)</b>	<b>¥ 5,579,686</b>	<b>\$ (15,817)</b>
Income taxes paid.....	5,817	(136,485)	52
<b>Net cash provided by (used in) operating activities .....</b>	<b>¥ (1,753,848)</b>	<b>¥ 5,443,200</b>	<b>\$ (15,765)</b>

(Continued)

	Millions of yen		Millions of U.S. dollars
	Six months ended Sept. 30, 2003	Year ended Mar. 31, 2003	Six months ended Sept. 30, 2003
<b>2. Cash flows from investing activities:</b>			
Purchases of securities.....	¥(23,707,428)	¥(49,938,065)	\$(213,100)
Proceeds from sale of securities.....	15,807,610	37,711,992	142,091
Proceeds from maturity of securities .....	9,806,287	7,907,363	88,146
Purchases of money held in trust .....	(21,111)	(14,622)	(190)
Proceeds from sale of money held in trust .....	17,268	23,624	155
Purchases of premises and equipment .....	(22,248)	(69,884)	(200)
Proceeds from sale of premises and equipment .....	17,330	73,677	156
Purchases of lease assets.....	(192,936)	(336,512)	(1,734)
Proceeds from sale of lease assets.....	15,526	33,900	140
Purchases of stocks of subsidiaries.....	(8,999)	(15,444)	(81)
Proceeds from sale of stocks of subsidiaries.....	—	53	—
<b>Net cash provided by (used in) investing activities .....</b>	<b>¥ 1,711,298</b>	<b>¥ (4,623,917)</b>	<b>\$ 15,383</b>
<b>3. Cash flows from financing activities:</b>			
Proceeds from issuance of subordinated debt .....	¥ 34,500	¥ 165,000	\$ 310
Repayment of subordinated debt.....	(95,500)	(286,500)	(859)
Proceeds from issuance of subordinated bonds and bonds with subscription rights for shares .....	238,362	223,950	2,143
Repayment of subordinated bonds and bonds with subscription rights for shares .....	(42,962)	(565,522)	(386)
Proceeds from issuance of stocks .....	—	495,300	—
Dividends paid .....	(33,330)	(37,348)	(300)
Proceeds from minority stockholders.....	—	220	—
Dividends paid to minority stockholders .....	(24,388)	(39,621)	(219)
Purchases of treasury stock .....	(152)	(7,875)	(1)
Proceeds from sale of treasury stock .....	936	8,479	8
<b>Net cash provided by (used in) financing activities .....</b>	<b>¥ 77,465</b>	<b>¥ (43,919)</b>	<b>\$ 696</b>
<b>4. Effect of exchange rate changes on cash and due from banks.....</b>	<b>¥ (1,763)</b>	<b>¥ (2,629)</b>	<b>\$ (16)</b>
<b>5. Net change in cash and due from banks.....</b>	<b>¥ 33,151</b>	<b>¥ 772,734</b>	<b>\$ 298</b>
<b>6. Cash and due from banks at beginning of period.....</b>	<b>¥ 2,900,991</b>	<b>¥ 2,128,742</b>	<b>\$ 26,076</b>
<b>7. Change in cash and due from banks due to merger of consolidated subsidiaries .....</b>	<b>¥ —</b>	<b>¥ 0</b>	<b>\$ —</b>
<b>8. Change in cash and due from banks due to decrease of consolidated subsidiaries .....</b>	<b>¥ (0)</b>	<b>¥ (486)</b>	<b>\$ (0)</b>
<b>9. Cash and due from banks at end of period.....</b>	<b>¥ 2,934,143</b>	<b>¥ 2,900,991</b>	<b>\$ 26,374</b>

See accompanying notes to consolidated Interim financial statements.