

Consolidated Statements of Cash Flows (Unaudited)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Six months ended September 30, 2007 and 2006, and year ended March 31, 2007

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	Year ended March 31	Six months ended September 30	
	2007	2006	2007	2007
1. Cash flows from operating activities:				
Income before income taxes and minority interests	¥ 350,334	¥ 401,302	¥ 806,790	\$ 3,034
Depreciation of fixed assets	39,470	38,389	78,869	342
Depreciation of lease assets	170,242	167,651	335,399	1,474
Losses on impairment of fixed assets	3,205	2,006	30,548	28
Amortization of goodwill	4,182	2,070	4,858	36
Equity in (earnings) losses of affiliates	(19,030)	32,344	104,170	(165)
Losses (gains) on sale of subsidiaries' shares and gains on change in equity of subsidiary	106	(5,121)	(5,072)	1
Net change in reserve for possible loan losses	13,038	(56,241)	(146,971)	113
Net change in reserve for employee bonuses	(2,603)	(2,512)	2,128	(23)
Net change in reserve for employee retirement benefits	412	(3,200)	(2,639)	4
Net change in reserve for executive retirement benefits	(444)	—	7,371	(4)
Net change in reserve for reimbursement of deposits	11,716	—	—	101
Interest income	(1,082,577)	(909,808)	(1,979,069)	(9,376)
Interest expenses	483,002	350,193	810,476	4,183
Net losses on securities	49,784	56,013	71,686	431
Net gains from money held in trust	(245)	(0)	(0)	(2)
Net exchange (gains) losses	36,271	(41,522)	(103,541)	314
Net losses from disposal of fixed assets	84	1,327	3,067	1
Net gains from disposal of lease assets	(1,987)	(473)	(1,364)	(17)
Net change in trading assets	(198,303)	628,566	767,067	(1,718)
Net change in trading liabilities	206,229	(965,531)	(969,090)	1,786
Net change in loans and bills discounted	(1,564,926)	(1,909,796)	(1,376,693)	(13,554)
Net change in deposits	818,665	1,332,022	1,307,266	7,090
Net change in negotiable certificates of deposit	(62,963)	(222,330)	(136,304)	(545)
Net change in borrowed money (excluding subordinated debt) ...	859,543	934,051	1,141,752	7,445
Net change in deposits with banks	(1,379,961)	410,829	(157,092)	(11,952)
Net change in call loans and bills bought and others	(694,085)	(981,573)	(612,297)	(6,011)
Net change in receivables under securities borrowing transactions	1,212,637	778,605	(320,243)	10,503
Net change in call money and bills sold and others	(95,414)	(5,047,597)	(5,994,528)	(826)
Net change in commercial paper	—	(10,000)	(10,000)	—
Net change in payables under securities lending transactions	1,231,137	394,509	(1,230,782)	10,663
Net change in foreign exchanges (assets)	(43,849)	18,596	66,917	(380)
Net change in foreign exchanges (liabilities)	16,960	(118,530)	(124,047)	147
Net change in short-term bonds (liabilities)	(1,300)	21,200	55,700	(11)
Issuance and redemption of bonds (excluding subordinated bonds)	(135,716)	(95,170)	(198,091)	(1,175)
Net change in due to trust account	(19,169)	(267,864)	(253,534)	(166)
Interest received	1,070,519	905,873	1,966,949	9,272
Interest paid	(454,539)	(324,296)	(774,678)	(3,937)
Other, net	410,817	240,032	197,841	3,558
Subtotal	1,231,246	(4,245,985)	(6,637,179)	10,664
Income taxes paid	6,590	(84,921)	(123,561)	57
Net cash provided by (used in) operating activities	¥ 1,237,836	¥ (4,330,906)	¥ (6,760,740)	\$ 10,721

(Continued)

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	Year ended March 31	Six months ended September 30	
	2007	2006	2007	2007
2. Cash flows from investing activities:				
Purchases of securities	¥(17,909,744)	¥(18,563,216)	¥(35,085,809)	\$(155,116)
Proceeds from sale of securities	10,576,473	11,389,367	21,544,154	91,603
Proceeds from maturity of securities	6,891,933	10,257,301	18,886,454	59,691
Purchases of money held in trust	(547)	—	—	(5)
Proceeds from sale of money held in trust	796	—	—	7
Purchases of tangible fixed assets	(24,122)	(24,041)	(193,614)	(209)
Proceeds from sale of tangible fixed assets	2,059	3,545	8,474	18
Purchases of intangible fixed assets	(23,015)	(23,957)	(57,506)	(199)
Proceeds from sale of intangible fixed assets	20	4	6	0
Purchases of lease assets	(200,317)	(180,717)	(383,526)	(1,735)
Proceeds from sale of lease assets	21,044	21,565	48,392	182
Proceeds from sale of stocks of subsidiaries	198	3,468	3,745	2
Purchases of stocks of subsidiaries	(3,453)	—	(1,317)	(30)
Net cash (used in) provided by investing activities	(668,677)	2,883,317	4,769,454	(5,791)
3. Cash flows from financing activities:				
Proceeds from issuance of subordinated debt	25,000	10,000	20,000	217
Repayment of subordinated debt	(63,000)	(15,000)	(83,000)	(546)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights	90,000	120,000	196,951	779
Repayment of subordinated bonds and bonds with stock acquisition rights	(19,700)	(126,829)	(181,283)	(171)
Dividends paid	(65,837)	(47,904)	(47,926)	(570)
Proceeds from minority stockholders	3,425	30,740	360,362	30
Dividends paid to minority stockholders	(33,704)	(30,883)	(46,724)	(292)
Purchases of treasury stock	(641)	(1,174,922)	(1,474,644)	(6)
Proceeds from disposal of treasury stock	770	71	11,320	7
Net cash used in financing activities	(63,688)	(1,234,728)	(1,244,945)	(552)
4. Effect of exchange rate changes on cash and due from banks ...	1,082	1,279	3,434	9
5. Net change in cash and due from banks	506,553	(2,681,038)	(3,232,797)	4,387
6. Cash and due from banks at beginning of period	1,927,024	5,159,822	5,159,822	16,690
7. Change in cash and due from banks due to newly consolidated subsidiaries	18,869	0	0	164
8. Cash and due from banks at end of period	¥ 2,452,448	¥ 2,478,784	¥ 1,927,024	\$ 21,241

See accompanying notes to interim consolidated financial statements.