

Consolidated Statements of Cash Flows

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2009	2008	2009
Cash flows from operating activities:			
Income before income taxes and minority interests.....	¥ 29,495	¥ 928,955	\$ 300
Depreciation	123,025	—	1,252
Depreciation of fixed assets.....	—	83,346	—
Depreciation of lease assets.....	—	403,775	—
Losses on impairment of fixed assets.....	7,363	5,161	75
Amortization of goodwill	8,388	10,520	85
Equity in losses of affiliates.....	94,876	41,760	966
Losses on sale of subsidiaries' shares and gains on change in equity of subsidiary	—	106	—
Net change in reserve for possible loan losses	191,190	(26,197)	1,946
Net change in reserve for employee bonuses	102	1,289	1
Net change in reserve for executive bonuses.....	(630)	1,146	(6)
Net change in reserve for employee retirement benefits	2,273	2,178	23
Net change in reserve for executive retirement benefits.....	58	295	1
Net change in reserve for reimbursement of deposits	1,350	10,417	14
Interest income	(2,087,348)	(2,145,451)	(21,250)
Interest expenses.....	748,894	935,067	7,624
Net losses on securities	155,831	29,146	1,586
Net (gains) losses from money held in trust.....	134	(227)	1
Net exchange losses	184,195	355,913	1,875
Net losses from disposal of fixed assets.....	10,847	1,550	110
Net gains from disposal of lease assets	—	(2,436)	—
Net change in trading assets	(912,601)	(864,864)	(9,290)
Net change in trading liabilities	1,028,101	747,776	10,466
Net change in loans and bills discounted.....	(3,439,852)	(3,372,601)	(35,018)
Net change in deposits	3,031,427	776,786	30,861
Net change in negotiable certificates of deposit	4,384,033	497,697	44,630
Net change in borrowed money (excluding subordinated debt).....	475,829	333,136	4,844
Net change in deposits with banks	764,080	(241,409)	7,779
Net change in call loans and bills bought and others.....	409,341	34,765	4,167
Net change in receivables under securities borrowing transactions	119,941	336,724	1,221
Net change in call money and bills sold and others.....	(1,186,720)	2,044,633	(12,081)
Net change in payables under securities lending transactions	1,857,241	4,215,699	18,907
Net change in foreign exchanges (assets).....	2,261	(14,713)	23
Net change in foreign exchanges (liabilities)	(19,280)	(22,916)	(196)
Net change in lease receivables and investment assets	46,904	—	478
Net change in short-term bonds (liabilities).....	244,242	42,500	2,486
Issuance and redemption of bonds (excluding subordinated bonds).....	(283,810)	(220,801)	(2,889)
Net change in due to trust account	(19,878)	15,733	(202)
Interest received	2,132,561	2,146,724	21,710
Interest paid	(765,686)	(924,191)	(7,795)
Other, net	137,137	(326,054)	1,396
Subtotal	7,475,320	5,840,942	76,100
Income taxes paid.....	(107,266)	(58,353)	(1,092)
Net cash provided by operating activities	7,368,053	5,782,588	75,008

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2009	2008	2009
Cash flows from investing activities:			
Purchases of securities	¥(53,213,459)	¥(50,073,494)	\$(541,723)
Proceeds from sale of securities	34,674,690	35,014,774	352,995
Proceeds from maturity of securities	12,176,246	10,504,800	123,956
Purchases of money held in trust	(2,135)	(5,378)	(22)
Proceeds from sale of money held in trust	0	796	0
Purchases of tangible fixed assets	(175,632)	(71,301)	(1,788)
Proceeds from sale of tangible fixed assets	12,081	16,592	123
Purchases of intangible fixed assets	(74,489)	(64,918)	(758)
Proceeds from sale of intangible fixed assets	58	252	0
Purchases of lease assets	—	(457,070)	—
Proceeds from sale of lease assets	—	51,141	—
Purchases of stocks of subsidiaries	(21,925)	—	(223)
Proceeds from sale of stocks of subsidiaries	363	198	4
Purchases of treasury stocks of subsidiaries	(20,000)	—	(204)
Proceeds from purchase of stocks of subsidiaries resulting in change in scope of consolidation	355	—	4
Purchases of stocks of subsidiaries resulting in change in scope of consolidation	(8,675)	(2,951)	(88)
Proceeds from sale of investments in subsidiaries resulting in change in scope of consolidation	13,264	—	135
Net cash used in investing activities	(6,639,254)	(5,086,559)	(67,589)
Cash flows from financing activities:			
Proceeds from issuance of subordinated borrowings	5,000	40,000	51
Repayment of subordinated borrowings	(92,500)	(76,000)	(942)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights	380,600	214,000	3,875
Repayment of subordinated bonds and bonds with stock acquisition rights	(316,874)	(47,000)	(3,226)
Dividends paid	(118,758)	(110,099)	(1,209)
Proceeds from contributions paid by minority stockholders	1,046,529	141,500	10,654
Repayments to minority stockholders	(460,564)	—	(4,689)
Dividends paid to minority stockholders	(90,162)	(60,239)	(918)
Purchases of treasury stock	(943)	(901)	(9)
Proceeds from sale of treasury stock	326	853	3
Net cash provided by financing activities	352,652	102,112	3,590
Effect of exchange rate changes on cash and due from banks	(17,315)	(8,465)	(176)
Net change in cash and due from banks	1,064,136	789,676	10,833
Cash and due from banks at beginning of year	2,736,752	1,927,024	27,861
Change in cash and due from banks due to merger of consolidated subsidiaries	—	1,183	—
Change in cash and due from banks due to newly consolidated subsidiaries	0	18,870	0
Change in cash and due from banks due to exclusion of consolidated subsidiaries	—	(3)	—
Cash and due from banks at end of year	¥ 3,800,890	¥ 2,736,752	\$ 38,694

See accompanying notes to consolidated financial statements.