

Consolidated Statements of Cash Flows (Unaudited)

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	Year ended March 31	Six months ended September 30	
	2008	2007	2008	2008
Six months ended September 30, 2008 and 2007, and year ended March 31, 2008				
1. Cash flows from operating activities:				
Income before income taxes and minority interests	¥ 190,555	¥ 350,334	¥ 928,955	\$ 1,839
Depreciation and amortization	58,235	—	—	562
Depreciation of fixed assets	—	39,470	83,346	—
Depreciation of lease assets	—	170,242	403,775	—
Losses on impairment of fixed assets	1,331	3,205	5,161	13
Amortization of goodwill	6,285	4,182	10,520	61
Equity in (earnings) losses of affiliates	6,138	(19,030)	41,760	59
Losses on sale of subsidiaries' shares	—	106	106	—
Net change in reserve for possible loan losses	6,043	13,038	(26,197)	58
Net change in reserve for employee bonuses	(169)	(2,603)	1,289	(2)
Net change in reserve for director bonuses	(1,171)	—	1,146	(11)
Net change in reserve for employee retirement benefits	529	412	2,178	5
Net change in reserve for executive retirement benefits	(528)	(444)	295	(5)
Net change in reserve for reimbursement of deposits	(2,598)	11,716	10,417	(25)
Interest income	(1,116,721)	(1,082,577)	(2,145,451)	(10,776)
Interest expenses	438,206	483,002	935,067	4,228
Net losses on securities	22,916	49,784	29,146	221
Net gains from money held in trust	(73)	(245)	(227)	(1)
Net exchange losses	79,578	36,271	355,913	768
Net losses from disposal of fixed assets	686	84	1,550	7
Net gains from disposal of lease assets	—	(1,987)	(2,436)	—
Net change in trading assets	235,921	(198,303)	(864,864)	2,277
Net change in trading liabilities	(335,661)	206,229	747,776	(3,239)
Net change in loans and bills discounted	(1,614,687)	(1,564,926)	(3,372,601)	(15,581)
Net change in deposits	863,036	818,665	776,786	8,328
Net change in negotiable certificates of deposit	174,126	(62,963)	497,697	1,680
Net change in borrowed money (excluding subordinated debt)	63,808	859,543	333,136	616
Net change in deposits with banks	131,845	(1,379,961)	(241,409)	1,272
Net change in call loans and bills bought and others	160,603	(694,085)	34,765	1,550
Net change in receivables under securities				
borrowing transactions	1,545,202	1,212,637	336,724	14,911
Net change in call money and bills sold and others	(1,209,619)	(95,414)	2,044,633	(11,673)
Net change in payables under securities lending transactions	(1,702,897)	1,231,137	4,215,699	(16,433)
Net change in foreign exchanges (assets)	(230,208)	(43,849)	(14,713)	(2,222)
Net change in foreign exchanges (liabilities)	24,004	16,960	(22,916)	232
Net change in lease receivables and investment assets	(218)	—	—	(2)
Net change in short-term bonds (liabilities)	16,900	(1,300)	42,500	163
Issuance and redemption of bonds				
(excluding subordinated bonds)	(95,369)	(135,716)	(220,801)	(920)
Net change in due to trust account	26,136	(19,169)	15,733	252
Interest received	1,124,780	1,070,519	2,146,724	10,854
Interest paid	(424,919)	(454,539)	(924,191)	(4,100)
Other, net	(32,672)	410,817	(326,054)	(315)
Subtotal	(1,590,644)	1,231,246	5,840,942	(15,349)
Income taxes paid	(39,584)	6,590	(58,353)	(382)
Net cash provided by (used in) operating activities	(1,630,228)	1,237,836	5,782,588	(15,731)

(Continued)

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	Year ended March 31	Six months ended September 30	
	2008	2007	2008	2008
2. Cash flows from investing activities:				
Purchases of securities	¥(21,349,839)	¥(17,909,744)	¥(50,073,494)	\$(206,020)
Proceeds from sale of securities	16,455,015	10,576,473	35,014,774	158,786
Proceeds from maturity of securities	7,584,824	6,891,933	10,504,800	73,191
Purchases of money held in trust	(1,778)	(547)	(5,378)	(17)
Proceeds from sale of money held in trust	0	796	796	0
Purchases of tangible fixed assets	(100,698)	(24,122)	(71,301)	(972)
Proceeds from sale of tangible fixed assets	8,389	2,059	16,592	81
Purchases of intangible fixed assets	(38,625)	(23,015)	(64,918)	(373)
Proceeds from sale of intangible fixed assets	31	20	252	0
Purchases of lease assets	—	(200,317)	(457,070)	—
Proceeds from sale of lease assets	—	21,044	51,141	—
Purchase of investments in subsidiaries	(21,925)	—	—	(211)
Proceeds from sale of stocks of subsidiaries	363	198	198	4
Purchase of treasury stock of subsidiaries	(20,000)	—	—	(193)
Purchases of stocks of subsidiaries resulting in change in scope of consolidation	(6,352)	(3,453)	(2,951)	(61)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	1,725	—	—	17
Net cash provided by (used in) investing activities	2,511,133	(668,677)	(5,086,559)	24,232
3. Cash flows from financing activities:				
Proceeds from issuance of subordinated debt	—	25,000	40,000	—
Repayment of subordinated debt	(20,500)	(63,000)	(76,000)	(198)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights	149,600	90,000	214,000	1,444
Repayment of subordinated bonds and bonds with stock acquisition rights	(180,885)	(19,700)	(47,000)	(1,746)
Dividends paid	(59,396)	(65,837)	(110,099)	(573)
Proceeds from minority stockholders	376,319	3,425	141,500	3,631
Repayment to minority shareholders	(186,534)	—	—	(1,800)
Dividends paid to minority stockholders	(49,990)	(33,704)	(60,239)	(482)
Purchases of treasury stock	(423)	(641)	(901)	(4)
Proceeds from disposal of treasury stock	105	770	853	1
Net cash provided by (used in) financing activities	28,294	(63,688)	102,112	273
4. Effect of exchange rate changes on cash and due from banks	(2,936)	1,082	(8,465)	(29)
5. Net change in cash and due from banks	906,261	506,553	789,676	8,745
6. Cash and due from banks at beginning of period	2,736,752	1,927,024	1,927,024	26,409
7. Change in cash and due from banks due to merger of consolidated subsidiaries	—	—	1,183	—
8. Change in cash and due from banks due to newly consolidated subsidiaries	0	18,869	18,870	0
9. Change in cash and due from banks due to exclusion of consolidated subsidiaries	—	—	(3)	—
10. Cash and due from banks at end of period	¥ 3,643,014	¥ 2,452,448	¥ 2,736,752	\$ 35,154

See accompanying notes to interim consolidated financial statements.