

# 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)
	2010	2009	2010
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests .....	¥ 558,097	¥ 29,495	\$ 5,998
Depreciation .....	136,860	123,025	1,471
Losses on impairment of fixed assets .....	12,856	7,363	138
Amortization of goodwill .....	18,634	8,388	200
Equity in losses of affiliates .....	21,542	94,876	231
Net change in reserve for possible loan losses .....	(1,419)	191,190	(15)
Net change in reserve for employee bonuses .....	7,543	102	81
Net change in reserve for executive bonuses .....	813	(630)	9
Net change in reserve for employee retirement benefits .....	903	2,273	10
Net change in reserve for executive retirement benefits .....	204	58	2
Net change in reserve for reimbursement of deposits .....	(43)	1,350	(0)
Interest income .....	(1,695,805)	(2,087,348)	(18,225)
Interest expenses .....	314,893	748,894	3,384
Net (gains) losses on securities .....	(19,837)	155,831	(213)
Net losses from money held in trust .....	245	134	3
Net exchange losses .....	83,038	184,195	892
Net (gains) losses from disposal of fixed assets .....	(11,176)	10,847	(120)
Net change in trading assets .....	(983,770)	(912,601)	(10,572)
Net change in trading liabilities .....	1,195,098	1,028,101	12,844
Net change in loans and bills discounted .....	3,591,071	(3,439,852)	38,593
Net change in deposits .....	1,918,359	3,031,427	20,616
Net change in negotiable certificates of deposit .....	(462,243)	4,384,033	(4,968)
Net change in borrowed money (excluding subordinated borrowings) .....	541,021	475,829	5,814
Net change in deposits with banks .....	(770,291)	764,080	(8,278)
Net change in call loans and bills bought and others .....	(474,477)	409,341	(5,099)
Net change in receivables under securities borrowing transactions .....	(3,226,847)	119,941	(34,679)
Net change in call money and bills sold and others .....	(473,642)	(1,186,720)	(5,090)
Net change in commercial paper .....	310,787	—	3,340
Net change in payables under securities lending transactions .....	(3,409,463)	1,857,241	(36,641)
Net change in foreign exchanges (assets) .....	(220,622)	2,261	(2,371)
Net change in foreign exchanges (liabilities) .....	(89,277)	(19,280)	(959)
Net change in lease receivables and investment assets .....	202,531	46,904	2,177
Net change in short-term bonds (liabilities) .....	168,836	244,242	1,814
Issuance and redemption of bonds (excluding subordinated bonds) .....	(211,844)	(283,810)	(2,277)
Net change in due to trust account .....	98,635	(19,878)	1,060
Interest received .....	1,760,370	2,132,561	18,919
Interest paid .....	(341,821)	(765,686)	(3,674)
Other, net .....	(321,815)	137,137	(3,459)
<b>Subtotal .....</b>	<b>(1,772,056)</b>	<b>7,475,320</b>	<b>(19,044)</b>
Income taxes paid .....	(108,864)	(107,266)	(1,170)
<b>Net cash provided by (used in) operating activities .....</b>	<b>(1,880,921)</b>	<b>7,368,053</b>	<b>(20,214)</b>

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2010	2009	2010
<b>Cash flows from investing activities:</b>			
Purchases of securities .....	¥(46,300,009)	¥(53,213,459)	\$(497,582)
Proceeds from sale of securities .....	32,626,376	34,674,690	350,633
Proceeds from maturity of securities.....	14,263,916	12,176,246	153,293
Purchases of money held in trust.....	(9,748)	(2,135)	(105)
Proceeds from sale of money held in trust.....	27	0	0
Purchases of tangible fixed assets.....	(156,154)	(175,632)	(1,678)
Proceeds from sale of tangible fixed assets.....	37,114	12,081	399
Purchases of intangible fixed assets.....	(82,287)	(74,489)	(884)
Proceeds from sale of intangible fixed assets.....	111	58	1
Purchases of stocks of subsidiaries.....	—	(21,925)	—
Proceeds from sale of stocks of subsidiaries.....	—	363	—
Purchases of treasury stocks of subsidiaries.....	—	(20,000)	—
Proceeds from purchase of stocks of subsidiaries resulting in change in scope of consolidation .....	—	355	—
Purchases of stocks of subsidiaries resulting in change in scope of consolidation .....	(537,007)	(8,675)	(5,771)
Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation .....	—	13,264	—
<b>Net cash used in investing activities .....</b>	<b>(157,661)</b>	<b>(6,639,254)</b>	<b>(1,694)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of subordinated borrowings.....	8,000	5,000	86
Repayment of subordinated borrowings.....	(78,000)	(92,500)	(838)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights.....	611,172	380,600	6,568
Repayment of subordinated bonds and bonds with stock acquisition rights .....	(639,981)	(316,874)	(6,878)
Proceeds from issuance of stocks .....	1,824,896	—	19,612
Dividends paid.....	(71,063)	(118,758)	(764)
Proceeds from contributions paid by minority stockholders.....	388,000	1,046,529	4,170
Repayment to minority stockholders.....	(492,987)	(460,564)	(5,298)
Dividends paid to minority stockholders.....	(98,791)	(90,162)	(1,062)
Purchases of treasury stock.....	(189)	(943)	(2)
Proceeds from disposal of treasury stock.....	43	326	1
<b>Net cash provided by financing activities .....</b>	<b>1,451,099</b>	<b>352,652</b>	<b>15,595</b>
<b>Effect of exchange rate changes on cash and due from banks.....</b>	<b>(302)</b>	<b>(17,315)</b>	<b>(3)</b>
<b>Net change in cash and due from banks .....</b>	<b>(587,786)</b>	<b>1,064,136</b>	<b>(6,316)</b>
<b>Cash and due from banks at the beginning of the year .....</b>	<b>3,800,890</b>	<b>2,736,752</b>	<b>40,847</b>
<b>Change in cash and due from banks due to merger of consolidated subsidiary.....</b>	<b>158,089</b>	<b>—</b>	<b>1,699</b>
<b>Change in cash and due from banks due to newly consolidated subsidiaries .....</b>	<b>—</b>	<b>0</b>	<b>—</b>
<b>Cash and due from banks at the end of the year .....</b>	<b>¥ 3,371,193</b>	<b>¥ 3,800,890</b>	<b>\$ 36,230</b>

See accompanying notes to consolidated financial statements.