

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	
Six months ended September 30, 2009 and 2008, and year ended March 31, 2009	2009	2008	2009	2009
Cash flows from operating activities:				
Income before income taxes and minority interests	¥ 230,076	¥ 190,555	¥ 29,495	\$ 2,550
Depreciation	63,449	58,235	123,025	703
Losses on impairment of fixed assets	1,763	1,331	7,363	20
Amortization of goodwill.....	9,037	6,285	8,388	100
Equity in losses of affiliates	20,042	6,138	94,876	222
Net change in reserve for possible loan losses	31,386	6,043	191,190	348
Net change in reserve for employee bonuses	(1,007)	(169)	102	(11)
Net change in reserve for executive bonuses	(513)	(1,171)	(630)	(6)
Net change in reserve for employee retirement benefits.....	1,764	529	2,273	20
Net change in reserve for executive retirement benefits	(475)	(528)	58	(5)
Net change in reserve for reimbursement of deposits	(2,167)	(2,598)	1,350	(24)
Interest income	(858,852)	(1,116,721)	(2,087,348)	(9,520)
Interest expenses	175,688	438,206	748,894	1,947
Net (gains) losses on securities.....	(35,140)	22,916	155,831	(389)
Net (gains) losses from money held in trust	71	(73)	134	1
Net exchange losses	162,524	79,578	184,195	1,801
Net (gains) losses from disposal of fixed assets	(9,014)	686	10,847	(100)
Net change in trading assets	103,515	235,921	(912,601)	1,147
Net change in trading liabilities.....	(173,608)	(335,661)	1,028,101	(1,924)
Net change in loans and bills discounted	942,489	(1,614,687)	(3,439,852)	10,447
Net change in deposits	414,421	863,036	3,031,427	4,593
Net change in negotiable certificates of deposit	874,292	174,126	4,384,033	9,691
Net change in borrowed money (excluding subordinated borrowings) ...	(392,066)	63,808	475,829	(4,346)
Net change in deposits with banks	(521,488)	131,845	764,080	(5,780)
Net change in call loans and bills bought and others	(139,234)	160,603	409,341	(1,543)
Net change in receivables under securities borrowing transactions	506,347	1,545,202	119,941	5,612
Net change in call money and bills sold and others	770,214	(1,209,619)	(1,186,720)	8,537
Net change in payables under securities lending transactions.....	(4,654,237)	(1,702,897)	1,857,241	(51,588)
Net change in foreign exchanges (assets)	(37,906)	(230,208)	2,261	(420)
Net change in foreign exchanges (liabilities)	(64,836)	24,004	(19,280)	(719)
Net change in lease receivables and investment assets.....	125,969	(218)	46,904	1,396
Net change in short-term bonds (liabilities)	40,921	16,900	244,242	454
Issuance and redemption of bonds (excluding subordinated bonds)	(76,950)	(95,369)	(283,810)	(853)
Net change in due to trust account.....	50,748	26,136	(19,878)	563
Interest received	900,996	1,124,780	2,132,561	9,987
Interest paid	(181,357)	(424,919)	(765,686)	(2,010)
Other, net.....	(1,095,415)	(32,672)	137,137	(12,142)
Subtotal	(2,818,554)	(1,590,644)	7,475,320	(31,241)
Income taxes paid	(31,796)	(39,584)	(107,266)	(352)
Net cash provided by (used in) operating activities	(2,850,350)	(1,630,228)	7,368,053	(31,593)

(Continued)

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30	2008	Year ended March 31 2009	Six months ended September 30 2009
Six months ended September 30, 2009 and 2008, and year ended March 31, 2009				
Cash flows from investing activities:				
Purchases of securities	¥(23,171,622)	¥(21,349,839)	¥(53,213,459)	\$(256,835)
Proceeds from sale of securities	16,187,876	16,455,015	34,674,690	179,427
Proceeds from maturity of securities	8,304,496	7,584,824	12,176,246	92,047
Purchases of money held in trust	(238)	(1,778)	(2,135)	(3)
Proceeds from sale of money held in trust	—	0	0	—
Purchases of tangible fixed assets	(82,527)	(100,698)	(175,632)	(915)
Proceeds from sale of tangible fixed assets	25,663	8,389	12,081	285
Purchases of intangible fixed assets	(35,692)	(38,625)	(74,489)	(396)
Proceeds from sale of intangible fixed assets	53	31	58	1
Purchases of stocks of subsidiaries	—	(21,925)	(21,925)	—
Proceeds from sale of stocks of subsidiaries	—	363	363	—
Purchases of treasury stocks of subsidiaries	—	(20,000)	(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	(27,153)	(6,352)	(8,675)	(301)
Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation	—	1,725	13,264	—
Net cash provided by (used in) investing activities	1,200,855	2,511,133	(6,639,254)	13,310
Cash flows from financing activities:				
Proceeds from issuance of subordinated borrowings	—	—	5,000	—
Repayment of subordinated borrowings	(58,000)	(20,500)	(92,500)	(643)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights	251,160	149,600	380,600	2,784
Repayment of subordinated bonds and bonds with stock acquisition rights	(181,220)	(180,885)	(316,874)	(2,009)
Proceeds from issuance of stocks	856,496	—	—	9,493
Dividends paid	(20,822)	(59,396)	(118,758)	(231)
Proceeds from contributions paid by minority stockholders	343,000	376,319	1,046,529	3,802
Repayment to minority stockholders	(340,000)	(186,534)	(460,564)	(3,768)
Dividends paid to minority stockholders	(47,664)	(49,990)	(90,162)	(528)
Purchases of treasury stock	(137)	(423)	(943)	(1)
Proceeds from disposal of treasury stock	32	105	326	0
Net cash provided by financing activities	802,845	28,294	352,652	8,899
Effect of exchange rate changes on cash and due from banks	(236)	(2,936)	(17,315)	(3)
Net change in cash and due from banks	(846,885)	906,261	1,064,136	(9,387)
Cash and due from banks at the beginning of the period	3,800,890	2,736,752	2,736,752	42,129
Change in cash and due from banks due to merger of consolidated subsidiary	(17,407)	—	—	(193)
Change in cash and due from banks due to newly consolidated subsidiaries	—	0	0	—
Cash and due from banks at the end of the period	¥ 2,936,596	¥ 3,643,014	¥ 3,800,890	\$ 32,549

See accompanying notes to interim consolidated financial statements.