

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)
	2011	2010	2011
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 827,313	¥ 558,097	\$ 9,950
Depreciation	154,267	136,860	1,855
Losses on impairment of fixed assets.....	5,411	12,856	65
Amortization of goodwill.....	22,938	18,634	276
Gains on negative goodwill	(409)	—	(5)
Gains on step acquisitions	(12,655)	—	(152)
Equity in losses of affiliates	13,319	21,542	160
Net change in reserve for possible loan losses.....	(13,433)	(1,419)	(162)
Net change in reserve for employee bonuses.....	1,057	7,543	13
Net change in reserve for executive bonuses	163	813	2
Net change in reserve for employee retirement benefits.....	(2,987)	903	(36)
Net change in reserve for executive retirement benefits.....	(5,642)	204	(68)
Net change in reserve for point service program	(1,420)	—	(17)
Net change in reserve for reimbursement of deposits	(1,810)	(43)	(22)
Net change in reserve for loss on interest repayment.....	(17,566)	—	(211)
Interest income.....	(1,612,599)	(1,695,805)	(19,394)
Interest expenses	294,947	314,893	3,547
Net gains on securities	(61,648)	(19,837)	(741)
Net losses from money held in trust.....	148	245	2
Net exchange losses	280,834	83,038	3,377
Net (gains) losses from disposal of fixed assets	5,029	(11,176)	60
Net change in trading assets.....	7,813	(983,770)	94
Net change in trading liabilities	256,101	1,195,098	3,080
Net change in loans and bills discounted	1,401,384	3,591,071	16,854
Net change in deposits.....	3,628,657	1,918,359	43,640
Net change in negotiable certificates of deposit.....	1,380,003	(462,243)	16,597
Net change in borrowed money (excluding subordinated borrowings).....	4,569,942	541,021	54,960
Net change in deposits with banks	(1,196,723)	(770,291)	(14,392)
Net change in call loans and bills bought and others	(18,924)	(474,477)	(228)
Net change in receivables under securities borrowing transactions.....	700,211	(3,226,847)	8,421
Net change in call money and bills sold and others.....	165,025	(473,642)	1,985
Net change in commercial paper	26,333	310,787	317
Net change in payables under securities lending transactions.....	1,397,458	(3,409,463)	16,806
Net change in foreign exchanges (assets).....	(7,663)	(220,622)	(92)
Net change in foreign exchanges (liabilities)	64,083	(89,277)	771
Net change in lease receivables and investment assets.....	152,703	202,531	1,836
Net change in short-term bonds (liabilities).....	(101,780)	168,836	(1,224)
Issuance and redemption of bonds (excluding subordinated bonds).....	515,688	(211,844)	6,202
Net change in due to trust account.....	56,617	98,635	681
Interest received	1,635,444	1,760,370	19,669
Interest paid.....	(309,401)	(341,821)	(3,721)
Other, net	(279,956)	(321,815)	(3,367)
Subtotal.....	13,918,277	(1,772,056)	167,388
Income taxes paid	(124,540)	(108,864)	(1,498)
Net cash provided by (used in) operating activities	13,793,737	(1,880,921)	165,890

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2011	2010	2011
Cash flows from investing activities:			
Purchases of securities	¥(67,169,471)	¥(46,300,009)	\$(807,811)
Proceeds from sale of securities	36,624,700	32,626,376	440,465
Proceeds from maturity of securities.....	19,626,268	14,263,916	236,034
Purchases of money held in trust.....	(6,942)	(9,748)	(83)
Proceeds from sale of money held in trust.....	5,236	27	63
Purchases of tangible fixed assets.....	(182,839)	(156,154)	(2,199)
Proceeds from sale of tangible fixed assets.....	6,966	37,114	84
Purchases of intangible fixed assets.....	(101,624)	(82,287)	(1,222)
Proceeds from sale of intangible fixed assets.....	528	111	6
Proceeds from sale of stocks of subsidiaries.....	314	—	4
Proceeds from purchase of stocks of subsidiaries resulting in change in scope of consolidation	59,408	—	715
Purchases of stocks of subsidiaries resulting in change in scope of consolidation	(10,756)	(537,007)	(129)
Net cash used in investing activities	(11,148,211)	(157,661)	(134,073)
Cash flows from financing activities:			
Proceeds from issuance of subordinated borrowings.....	80,000	8,000	962
Repayment of subordinated borrowings.....	(87,500)	(78,000)	(1,052)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights.....	256,751	611,172	3,088
Repayment of subordinated bonds and bonds with stock acquisition rights	(314,900)	(639,981)	(3,787)
Proceeds from issuance of stocks	—	1,824,896	—
Dividends paid.....	(152,612)	(71,063)	(1,836)
Proceeds from contributions paid by minority stockholders.....	471	388,000	6
Repayment to minority stockholders.....	(309)	(492,987)	(4)
Dividends paid to minority stockholders.....	(97,609)	(98,791)	(1,174)
Purchases of treasury stock	(47,759)	(189)	(574)
Proceeds from disposal of treasury stock.....	13	43	0
Purchases of treasury stock of subsidiaries.....	(1,001)	—	(12)
Proceeds from sale of treasury stock of subsidiaries.....	17	—	0
Net cash provided by (used in) financing activities	(364,438)	1,451,099	(4,383)
Effect of exchange rate changes on cash and due from banks.....	(7,185)	(302)	(87)
Net change in cash and due from banks	2,273,901	(587,786)	27,347
Cash and due from banks at the beginning of the year	3,371,193	3,800,890	40,543
Change in cash and due from banks due to merger of consolidated subsidiary	—	158,089	—
Cash and due from banks at the end of the year	¥ 5,645,094	¥ 3,371,193	\$ 67,890

See accompanying notes to consolidated financial statements.