

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)
	2012	2011	2012
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 952,966	¥ 827,313	\$ 11,603
Depreciation	165,113	154,267	2,010
Losses on impairment of fixed assets	3,861	5,411	47
Amortization of goodwill	21,681	22,938	264
Gains on negative goodwill	—	(409)	—
Gains on step acquisitions	(25,050)	(12,655)	(305)
Equity in losses of affiliates	31,122	13,319	379
Net change in reserve for possible loan losses	(90,007)	(13,433)	(1,096)
Net change in reserve for employee bonuses	2,816	1,057	34
Net change in reserve for executive bonuses	378	163	5
Net change in reserve for employee retirement benefits	(5,083)	(2,987)	(62)
Net change in reserve for executive retirement benefits	(194)	(5,642)	(2)
Net change in reserve for point service program	422	(1,420)	5
Net change in reserve for reimbursement of deposits	1,056	(1,810)	13
Net change in reserve for losses on interest repayment	(25,756)	(17,566)	(314)
Interest income	(1,631,592)	(1,612,599)	(19,866)
Interest expenses	290,223	294,947	3,534
Net gains on securities	(130,612)	(61,648)	(1,590)
Net losses from money held in trust	1,464	148	18
Net exchange losses	16,145	280,834	197
Net losses from disposal of fixed assets	3,765	5,029	46
Net change in trading assets	(1,588,903)	7,813	(19,346)
Net change in trading liabilities	1,029,341	256,101	12,533
Net change in loans and bills discounted	(828,051)	1,401,384	(10,082)
Net change in deposits	2,299,767	3,628,657	28,001
Net change in negotiable certificates of deposit	228,846	1,380,003	2,786
Net change in borrowed money (excluding subordinated borrowings)	(1,994,204)	4,569,942	(24,281)
Net change in deposits with banks	462,914	(1,196,723)	5,636
Net change in call loans and bills bought and others	(793,288)	(18,924)	(9,659)
Net change in receivables under securities borrowing transactions	200,855	700,211	2,445
Net change in call money and bills sold and others	472,525	165,025	5,753
Net change in commercial paper	856,129	26,333	10,424
Net change in payables under securities lending transactions	97,497	1,397,458	1,187
Net change in foreign exchanges (assets)	(205,926)	(7,663)	(2,507)
Net change in foreign exchanges (liabilities)	46,712	64,083	569
Net change in lease receivables and investment assets	30,875	152,703	376
Net change in short-term bonds (liabilities)	(233,809)	(101,780)	(2,847)
Issuance and redemption of bonds (excluding subordinated bonds)	352,424	515,688	4,291
Net change in due to trust account	227,552	56,617	2,771
Interest received	1,663,901	1,635,444	20,259
Interest paid	(295,539)	(309,401)	(3,598)
Other, net	327,828	(279,956)	3,992
Subtotal	1,940,166	13,918,277	23,623
Income taxes paid	(101,981)	(124,540)	(1,242)
Net cash provided by operating activities	1,838,185	13,793,737	22,381

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2012	2011	2012
Cash flows from investing activities:			
Purchases of securities	¥(50,614,876)	¥(67,169,471)	\$(616,277)
Proceeds from sale of securities	32,372,433	36,624,700	394,161
Proceeds from maturity of securities.....	15,925,697	19,626,268	193,908
Purchases of money held in trust.....	(3,011)	(6,942)	(37)
Proceeds from sale of money held in trust.....	1,540	5,236	19
Purchases of tangible fixed assets.....	(131,154)	(182,839)	(1,597)
Proceeds from sale of tangible fixed assets.....	30,343	6,966	369
Purchases of intangible fixed assets.....	(101,447)	(101,624)	(1,235)
Proceeds from sale of intangible fixed assets.....	24	528	0
Proceeds from sale of stocks of subsidiaries.....	—	314	—
Purchases of treasury stocks of subsidiaries	(1,773)	—	(22)
Proceeds from purchase of stocks of subsidiaries resulting in change in scope of consolidation	—	59,408	—
Purchases of stocks of subsidiaries resulting in change in scope of consolidation	(67,369)	(10,756)	(820)
Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation	50	—	1
Net cash used in investing activities	(2,589,543)	(11,148,211)	(31,530)
Cash flows from financing activities:			
Proceeds from issuance of subordinated borrowings.....	106,000	80,000	1,291
Repayment of subordinated borrowings	(103,000)	(87,500)	(1,254)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights.....	557,360	256,751	6,786
Repayment of subordinated bonds and bonds with stock acquisition rights	(306,471)	(314,900)	(3,731)
Dividends paid.....	(141,921)	(152,612)	(1,728)
Proceeds from contributions paid by minority stockholders.....	—	471	—
Repayment to minority stockholders.....	—	(309)	—
Dividends paid to minority stockholders	(93,125)	(97,609)	(1,134)
Purchases of treasury stock	(321,521)	(47,759)	(3,915)
Proceeds from disposal of treasury stock.....	2,390	13	29
Purchases of treasury stock of subsidiaries.....	(14)	(1,001)	(0)
Proceeds from sale of treasury stock of subsidiaries.....	183	17	2
Net cash used in financing activities	(300,119)	(364,438)	(3,654)
Effect of exchange rate changes on cash and due from banks.....	(4,757)	(7,185)	(58)
Net change in cash and due from banks	(1,056,236)	2,273,901	(12,861)
Cash and due from banks at the beginning of the year	5,645,094	3,371,193	68,734
Cash and due from banks at the end of the year	¥ 4,588,858	¥ 5,645,094	\$ 55,873

See accompanying notes to consolidated financial statements.