

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)
	2013	2012	2013
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 1,064,033	¥ 952,966	\$ 11,318
Depreciation	184,400	165,113	1,961
Losses on impairment of fixed assets	4,314	3,861	46
Amortization of goodwill	25,329	21,681	269
Gains on negative goodwill	(3)	—	(0)
Gains on step acquisitions	(140)	(25,050)	(1)
Equity in (gains) losses of affiliates	(5,309)	31,122	(56)
Net change in reserve for possible loan losses	(45,596)	(90,007)	(485)
Net change in reserve for employee bonuses	11,328	2,816	120
Net change in reserve for executive bonuses	1,162	378	12
Net change in reserve for employee retirement benefits	(1,572)	(5,083)	(17)
Net change in reserve for executive retirement benefits	(98)	(194)	(1)
Net change in reserve for point service program	(30)	422	(0)
Net change in reserve for reimbursement of deposits	214	1,056	2
Net change in reserve for losses on interest repayment	(155,083)	(25,756)	(1,650)
Interest income	(1,707,513)	(1,631,592)	(18,163)
Interest expenses	314,876	290,223	3,349
Net gains on securities	(91,432)	(130,612)	(973)
Net losses from money held in trust	1,587	1,464	17
Net exchange (gains) losses	(859,265)	16,145	(9,140)
Net losses from disposal of fixed assets	5,480	3,765	58
Net change in trading assets	508,869	(1,588,903)	5,413
Net change in trading liabilities	(217,461)	1,029,341	(2,313)
Net change in loans and bills discounted	(2,837,157)	(828,051)	(30,179)
Net change in deposits	4,601,549	2,299,767	48,947
Net change in negotiable certificates of deposit	3,122,529	228,846	33,215
Net change in borrowed money (excluding subordinated borrowings)	(4,349,415)	(1,994,204)	(46,265)
Net change in deposits with banks	(2,195,718)	462,914	(23,356)
Net change in call loans and bills bought and others	(187,455)	(793,288)	(1,994)
Net change in receivables under securities borrowing transactions	1,045,156	200,855	11,117
Net change in call money and bills sold and others	1,163,090	472,525	12,372
Net change in commercial paper	306,250	856,129	3,258
Net change in payables under securities lending transactions	(1,376,894)	97,497	(14,646)
Net change in foreign exchanges (assets)	(912,372)	(205,926)	(9,705)
Net change in foreign exchanges (liabilities)	33,865	46,712	360
Net change in lease receivables and investment assets	27,486	30,875	292
Net change in short-term bonds (liabilities)	216,900	(233,809)	2,307
Issuance and redemption of bonds (excluding subordinated bonds)	505,627	352,424	5,378
Net change in due to trust account	199,626	227,552	2,123
Interest received	1,732,270	1,663,901	18,426
Interest paid	(323,687)	(295,539)	(3,443)
Other, net	415,235	327,828	4,417
Subtotal	224,976	1,940,166	2,393
Income taxes paid	(133,520)	(101,981)	(1,420)
Net cash provided by operating activities	91,455	1,838,185	973

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2013	2012	2013
Cash flows from investing activities:			
Purchases of securities	¥(52,234,418)	¥(50,614,876)	\$(555,626)
Proceeds from sale of securities	46,632,816	32,372,433	496,041
Proceeds from maturity of securities.....	7,224,688	15,925,697	76,850
Purchases of money held in trust.....	(3,791)	(3,011)	(40)
Proceeds from sale of money held in trust.....	3,191	1,540	34
Purchases of tangible fixed assets.....	(291,609)	(131,154)	(3,102)
Proceeds from sale of tangible fixed assets.....	96,692	30,343	1,029
Purchases of intangible fixed assets.....	(106,291)	(101,447)	(1,131)
Proceeds from sale of intangible fixed assets.....	212	24	2
Purchases of stocks of subsidiaries.....	(7,549)	—	(80)
Purchases of treasury stocks of subsidiaries.....	—	(1,773)	—
Purchases of stocks of subsidiaries resulting in change in scope of consolidation	(95,721)	(67,369)	(1,018)
Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation	34,916	50	371
Net cash provided by (used in) investing activities	1,253,136	(2,589,543)	13,330
Cash flows from financing activities:			
Proceeds from issuance of subordinated borrowings.....	33,200	106,000	353
Repayment of subordinated borrowings	(93,000)	(103,000)	(989)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights.....	127,263	557,360	1,354
Repayment of subordinated bonds and bonds with stock acquisition rights	(561,289)	(306,471)	(5,971)
Dividends paid.....	(135,202)	(141,921)	(1,438)
Repayment to minority stockholders.....	(12,500)	—	(133)
Dividends paid to minority stockholders	(101,352)	(93,125)	(1,078)
Purchases of treasury stock	(263)	(321,521)	(3)
Proceeds from disposal of treasury stock.....	23	2,390	0
Purchases of treasury stock of subsidiaries.....	(5)	(14)	(0)
Proceeds from sale of treasury stock of subsidiaries.....	178	183	2
Net cash used in financing activities	(742,948)	(300,119)	(7,903)
Effect of exchange rate changes on cash and due from banks.....	11,616	(4,757)	124
Net change in cash and due from banks	613,260	(1,056,236)	6,523
Cash and due from banks at the beginning of the year	4,588,858	5,645,094	48,812
Increase in cash and due from banks from newly consolidated subsidiaries..	0	—	0
Cash and due from banks at the end of the year	¥ 5,202,119	¥ 4,588,858	\$ 55,336

See accompanying notes to consolidated financial statements.