

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)
	2014	2013	2014
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 1,422,694	¥ 1,064,033	\$ 13,829
Depreciation	201,421	184,400	1,958
Losses on impairment of fixed assets	3,348	4,314	33
Amortization of goodwill	29,033	25,329	282
Gains on negative goodwill	(1,031)	(3)	(10)
Gains on step acquisitions	(1,564)	(140)	(15)
Equity in gains of affiliates	(10,241)	(5,309)	(100)
Net change in reserve for possible loan losses	(191,436)	(45,596)	(1,861)
Net change in reserve for employee bonuses	8,833	11,328	86
Net change in reserve for executive bonuses	848	1,162	8
Net change in reserve for employee retirement benefits	—	(1,572)	—
Net change in net defined benefit asset and liability	(9,477)	—	(92)
Net change in reserve for executive retirement benefits	(423)	(98)	(4)
Net change in reserve for point service program	1,036	(30)	10
Net change in reserve for reimbursement of deposits	3,662	214	36
Net change in reserve for losses on interest repayment	(55,241)	(155,083)	(537)
Interest income	(1,805,015)	(1,707,513)	(17,545)
Interest expenses	320,846	314,876	3,119
Net gains on securities	(90,773)	(91,432)	(882)
Net (gains) losses from money held in trust	(69)	1,587	(1)
Net exchange gains	(436,009)	(859,265)	(4,238)
Net losses from disposal of fixed assets	8,595	5,480	84
Net change in trading assets	962,762	508,869	9,358
Net change in trading liabilities	(1,496,425)	(217,461)	(14,545)
Net change in loans and bills discounted	(3,514,311)	(2,837,157)	(34,159)
Net change in deposits	4,804,365	4,601,549	46,699
Net change in negotiable certificates of deposit	1,938,016	3,122,529	18,838
Net change in borrowed money (excluding subordinated borrowings)	1,841,210	(4,349,415)	17,897
Net change in deposits with banks	(106,782)	(2,195,718)	(1,038)
Net change in call loans and bills bought and others	(158,611)	(187,455)	(1,542)
Net change in receivables under securities borrowing transactions	(103,076)	1,045,156	(1,002)
Net change in call money and bills sold and others	728,086	1,163,090	7,077
Net change in commercial paper	325,572	306,250	3,165
Net change in payables under securities lending transactions	897,138	(1,376,894)	8,720
Net change in foreign exchanges (assets)	521,251	(912,372)	5,067
Net change in foreign exchanges (liabilities)	75,411	33,865	733
Net change in lease receivables and investment assets	(113,452)	27,486	(1,103)
Net change in short-term bonds (liabilities)	18,900	216,900	184
Issuance and redemption of bonds (excluding subordinated bonds)	648,969	505,627	6,308
Net change in due to trust account	53,680	199,626	522
Interest received	1,840,198	1,732,270	17,887
Interest paid	(324,535)	(323,687)	(3,155)
Other, net	466,620	415,235	4,536
Subtotal	8,704,024	224,976	84,604
Income taxes paid	(400,272)	(133,520)	(3,891)
Net cash provided by operating activities	8,303,752	91,455	80,713

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2014	2013	2014
Cash flows from investing activities:			
Purchases of securities	¥(19,929,619)	¥(52,234,418)	\$(193,717)
Proceeds from sale of securities	26,799,071	46,632,816	260,489
Proceeds from maturity of securities	8,130,520	7,224,688	79,029
Purchases of money held in trust	(1,010)	(3,791)	(10)
Proceeds from sale of money held in trust	367	3,191	4
Purchases of tangible fixed assets	(465,147)	(291,609)	(4,521)
Proceeds from sale of tangible fixed assets	160,832	96,692	1,563
Purchases of intangible fixed assets	(127,664)	(106,291)	(1,241)
Proceeds from sale of intangible fixed assets	5	212	0
Purchases of stocks of subsidiaries	(825)	(7,549)	(8)
Purchases of stocks of subsidiaries resulting in change in scope of consolidation	(46,678)	(95,721)	(454)
Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation	672	34,916	7
Net cash provided by investing activities	14,520,523	1,253,136	141,140
Cash flows from financing activities:			
Proceeds from issuance of subordinated borrowings	—	33,200	—
Repayment of subordinated borrowings	(32,000)	(93,000)	(311)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights	2,111	127,263	21
Repayment of subordinated bonds and bonds with stock acquisition rights	(349,910)	(561,289)	(3,401)
Dividends paid	(169,983)	(135,202)	(1,652)
Proceeds from contributions paid by minority stockholders	1	—	0
Repayment to minority stockholders	(452,868)	(12,500)	(4,402)
Dividends paid to minority stockholders	(96,492)	(101,352)	(938)
Purchases of treasury stock	(500)	(263)	(5)
Proceeds from disposal of treasury stock	60,666	23	590
Purchases of treasury stock of subsidiaries	(10)	(5)	(0)
Proceeds from sale of treasury stock of subsidiaries	172	178	2
Net cash used in financing activities	(1,038,814)	(742,948)	(10,097)
Effect of exchange rate changes on cash and due from banks	5,583	11,616	54
Net change in cash and due from banks	21,791,044	613,260	211,810
Cash and due from banks at the beginning of the year	5,202,119	4,588,858	50,565
Increase in cash and due from banks from newly consolidated subsidiaries	—	0	—
Cash and due from banks at the end of the year	¥ 26,993,164	¥ 5,202,119	\$ 262,375

See accompanying notes to consolidated financial statements.