

Consolidated Statements of Cash Flows

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

| Year ended March 31 | Millions of yen | | Millions of U.S. dollars |
|--------------------------------------------------------------------------|-----------------|-------------|-----------------------------|
| | 2014 | 2015 | 2015 |
| Cash flows from operating activities: | | | |
| Income before income taxes and minority interests | ¥ 1,422,694 | ¥ 1,309,377 | \$ 10,898 |
| Depreciation | 201,421 | 222,195 | 1,849 |
| Losses on impairment of fixed assets..... | 3,348 | 5,109 | 43 |
| Amortization of goodwill..... | 29,033 | 26,521 | 221 |
| Gains on negative goodwill | (1,031) | — | — |
| Gains on step acquisitions | (1,564) | — | — |
| Equity in (gains) losses of affiliates..... | (10,241) | 10,600 | 88 |
| Net change in reserve for possible loan losses..... | (191,436) | (81,146) | (675) |
| Net change in reserve for employee bonuses..... | 8,833 | 2,722 | 23 |
| Net change in reserve for executive bonuses | 848 | (1,576) | (13) |
| Net change in net defined benefit asset and liability | (9,477) | (47,765) | (398) |
| Net change in reserve for executive retirement benefits..... | (423) | 130 | 1 |
| Net change in reserve for point service program | 1,036 | (1,305) | (11) |
| Net change in reserve for reimbursement of deposits | 3,662 | 6,012 | 50 |
| Net change in reserve for losses on interest repayment..... | (55,241) | (23,388) | (195) |
| Interest income..... | (1,805,015) | (1,891,932) | (15,746) |
| Interest expenses | 320,846 | 386,753 | 3,219 |
| Net (gains) losses on securities..... | (90,773) | (115,802) | (964) |
| Net (gains) losses from money held in trust..... | (69) | (0) | (0) |
| Net exchange (gains) losses | (436,009) | (717,621) | (5,973) |
| Net (gains) losses from disposal of fixed assets | 8,595 | 6,315 | 53 |
| Net change in trading assets | 962,762 | (423,811) | (3,527) |
| Net change in trading liabilities | (1,496,425) | 797,462 | 6,637 |
| Net change in loans and bills discounted | (3,514,311) | (4,500,362) | (37,456) |
| Net change in deposits | 4,804,365 | 6,639,769 | 55,262 |
| Net change in negotiable certificates of deposit..... | 1,938,016 | 71,330 | 594 |
| Net change in borrowed money (excluding subordinated borrowings)..... | 1,841,210 | 2,656,388 | 22,109 |
| Net change in deposits with banks | (106,782) | 117,475 | 978 |
| Net change in call loans and bills bought and others | (158,611) | (857,503) | (7,137) |
| Net change in receivables under securities borrowing transactions.. | (103,076) | (2,696,803) | (22,445) |
| Net change in call money and bills sold and others | 728,086 | 922,181 | 7,675 |
| Net change in commercial paper | 325,572 | 924,066 | 7,691 |
| Net change in payables under securities lending transactions..... | 897,138 | 2,502,245 | 20,826 |
| Net change in foreign exchanges (assets) | 521,251 | (105,639) | (879) |
| Net change in foreign exchanges (liabilities) | 75,411 | 624,705 | 5,199 |
| Net change in lease receivables and investment assets..... | (113,452) | (59,744) | (497) |
| Net change in short-term bonds (liabilities) | 18,900 | 225,600 | 1,878 |
| Issuance and redemption of bonds (excluding subordinated bonds).... | 648,969 | 1,038,047 | 8,640 |
| Net change in due to trust account..... | 53,680 | 18,803 | 156 |
| Interest received | 1,840,198 | 1,903,720 | 15,845 |
| Interest paid | (324,535) | (375,300) | (3,124) |
| Other, net..... | 466,620 | 87,971 | 732 |
| Subtotal | 8,704,024 | 8,605,805 | 71,626 |
| Income taxes paid | (400,272) | (365,578) | (3,043) |
| Net cash provided by (used in) operating activities | 8,303,752 | 8,240,226 | 68,583 |

(Continued)

| Year ended March 31 | Millions of yen | | Millions of U.S. dollars |
|--------------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------------------|
| | 2014 | 2015 | 2015 |
| Cash flows from investing activities: | | | |
| Purchases of securities | ¥(19,929,619) | ¥(36,624,383) | \$(304,822) |
| Proceeds from sale of securities | 26,799,071 | 27,845,192 | 231,754 |
| Proceeds from redemption of securities | 8,130,520 | 7,854,257 | 65,370 |
| Purchases of money held in trust..... | (1,010) | (0) | (0) |
| Proceeds from sale of money held in trust | 367 | 3,523 | 29 |
| Purchases of tangible fixed assets | (465,147) | (578,968) | (4,819) |
| Proceeds from sale of tangible fixed assets | 160,832 | 188,309 | 1,567 |
| Purchases of intangible fixed assets..... | (127,664) | (145,090) | (1,208) |
| Proceeds from sale of intangible fixed assets | 5 | 28 | 0 |
| Purchases of stocks of subsidiaries..... | (825) | — | — |
| Purchases of stocks of subsidiaries resulting in change in scope of consolidation | (46,678) | (58) | (0) |
| Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation | 672 | — | — |
| Net cash provided by (used in) investing activities | 14,520,523 | (1,457,188) | (12,128) |
| Cash flows from financing activities: | | | |
| Proceeds from issuance of subordinated borrowings | — | 40,011 | 333 |
| Repayment of subordinated borrowings..... | (32,000) | (5,000) | (42) |
| Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights | 2,111 | 326,350 | 2,716 |
| Repayment of subordinated bonds and bonds with stock acquisition rights | (349,910) | (288,158) | (2,398) |
| Dividends paid..... | (169,983) | (170,917) | (1,423) |
| Proceeds from contributions paid by minority stockholders | 1 | — | — |
| Repayments to minority stockholders | (452,868) | (124,500) | (1,036) |
| Dividends paid to minority stockholders..... | (96,492) | (79,752) | (664) |
| Purchases of treasury stock..... | (500) | (161) | (1) |
| Proceeds from disposal of treasury stock..... | 60,666 | 17 | 0 |
| Purchases of treasury stock of subsidiaries | (10) | — | — |
| Proceeds from sale of treasury stock of subsidiaries | 172 | — | — |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | — | (1,951) | (16) |
| Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation | — | 1,473 | 12 |
| Net cash provided by (used in) financing activities | (1,038,814) | (302,589) | (2,518) |
| Effect of exchange rate changes on cash and cash equivalents | 5,583 | 177,706 | 1,479 |
| Net change in cash and cash equivalents..... | 21,791,044 | 6,658,153 | 55,415 |
| Cash and cash equivalents at the beginning of the fiscal year..... | 5,202,119 | 26,993,164 | 224,662 |
| Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation..... | — | (52,637) | (438) |
| Cash and cash equivalents at the end of the fiscal year..... | *1 ¥ 26,993,164 | *1 ¥ 33,598,680 | \$ 279,639 |