

# Consolidated Statements of Cash Flows

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2015	2016	2016
<b>Cash flows from operating activities:</b>			
Income before income taxes.....	¥ 1,309,377	¥ 980,170	\$ 8,703
Depreciation .....	222,195	238,348	2,116
Losses on impairment of fixed assets.....	5,109	4,362	39
Amortization of goodwill.....	26,521	27,670	246
Gains on negative goodwill .....	—	(138)	(1)
Gains on step acquisitions.....	—	(58)	(1)
Equity in losses of affiliates.....	10,600	36,196	321
Net change in reserve for possible loan losses.....	(81,146)	(48,022)	(426)
Net change in reserve for employee bonuses.....	2,722	(5,077)	(45)
Net change in reserve for executive bonuses.....	(1,576)	(946)	(8)
Net change in net defined benefit asset and liability .....	(47,765)	(23,434)	(208)
Net change in reserve for executive retirement benefits.....	130	68	1
Net change in reserve for point service program.....	(1,305)	656	6
Net change in reserve for reimbursement of deposits.....	6,012	(4,138)	(37)
Net change in reserve for losses on interest repayment.....	(23,388)	61,947	550
Interest income.....	(1,891,932)	(1,868,313)	(16,590)
Interest expenses.....	386,753	445,385	3,955
Net gains on securities.....	(115,802)	(126,398)	(1,122)
Net gains from money held in trust.....	(0)	(0)	(0)
Net exchange (gains) losses .....	(717,621)	445,713	3,958
Net losses from disposal of fixed assets .....	6,315	575	5
Net change in trading assets .....	(423,811)	(579,837)	(5,149)
Net change in trading liabilities .....	797,462	448,508	3,982
Net change in loans and bills discounted .....	(4,500,362)	(2,223,331)	(19,742)
Net change in deposits .....	6,639,769	7,646,207	67,894
Net change in negotiable certificates of deposit.....	71,330	442,445	3,929
Net change in borrowed money (excluding subordinated borrowings).....	2,656,388	(1,119,170)	(9,938)
Net change in deposits with banks.....	117,475	849,019	7,539
Net change in call loans and bills bought and others .....	(857,503)	157,822	1,401
Net change in receivables under securities borrowing transactions..	(2,696,803)	(1,495,854)	(13,282)
Net change in call money and bills sold and others .....	922,181	(3,838,358)	(34,082)
Net change in commercial paper .....	924,066	(346,866)	(3,080)
Net change in payables under securities lending transactions.....	2,502,245	(2,524,215)	(22,414)
Net change in foreign exchanges (assets) .....	(105,639)	314,707	2,794
Net change in foreign exchanges (liabilities).....	624,705	(22,636)	(201)
Net change in lease receivables and investment assets.....	(59,744)	(41,649)	(370)
Net change in short-term bonds (liabilities) .....	225,600	(99,500)	(884)
Issuance and redemption of bonds (excluding subordinated bonds)....	1,038,047	420,778	3,736
Net change in due to trust account.....	18,803	226,408	2,010
Interest received.....	1,903,720	1,875,947	16,657
Interest paid .....	(375,300)	(438,246)	(3,891)
Other, net.....	87,971	(649,079)	(5,763)
Subtotal .....	8,605,805	(832,332)	(7,391)
Income taxes paid.....	(365,578)	(294,976)	(2,619)
Net cash provided by (used in) operating activities .....	8,240,226	(1,127,308)	(10,010)

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2015	2016	2016
<b>Cash flows from investing activities:</b>			
Purchases of securities .....	¥(36,624,383)	¥(27,007,243)	\$(239,809)
Proceeds from sale of securities .....	27,845,192	22,537,031	200,116
Proceeds from redemption of securities .....	7,854,257	7,992,771	70,971
Purchases of money held in trust .....	(0)	(1)	(0)
Proceeds from sale of money held in trust .....	3,523	1,925	17
Purchases of tangible fixed assets .....	(578,968)	(529,264)	(4,700)
Proceeds from sale of tangible fixed assets .....	188,309	147,995	1,314
Purchases of intangible fixed assets .....	(145,090)	(158,779)	(1,410)
Proceeds from sale of intangible fixed assets .....	28	223	2
Purchases of stocks of subsidiaries resulting from their merger .....	—	(860)	(8)
Proceeds from acquisition of business .....	—	*2 2,251,106	19,989
Purchases of stocks of subsidiaries resulting in change in scope of consolidation .....	(58)	(652)	(6)
Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation .....	—	6,698	59
Net cash provided by (used in) investing activities .....	(1,457,188)	5,240,950	46,537
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of subordinated borrowings .....	40,011	18,000	160
Redemption of subordinated borrowings .....	(5,000)	(39,696)	(352)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights .....	326,350	577,142	5,125
Repayment of subordinated bonds and bonds with stock acquisition rights .....	(288,158)	(182,617)	(1,622)
Dividends paid .....	(170,917)	(211,952)	(1,882)
Repayments to non-controlling stockholders .....	(124,500)	(142,000)	(1,261)
Dividends paid to non-controlling stockholders .....	(79,752)	(74,891)	(665)
Purchases of treasury stock .....	(161)	(191)	(2)
Proceeds from disposal of treasury stock .....	17	54	0
Purchase of stocks of subsidiaries not resulting in change in scope of consolidation .....	(1,951)	(6)	(0)
Proceeds from sale of stocks of subsidiaries not resulting in change in scope of consolidation .....	1,473	162	1
Net cash used in financing activities .....	(302,589)	(55,995)	(497)
Effect of exchange rate changes on cash and cash equivalents .....	177,706	(99,579)	(884)
Net change in cash and cash equivalents .....	6,658,153	3,958,066	35,145
Cash and cash equivalents at the beginning of the fiscal year .....	26,993,164	33,598,680	298,337
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation .....	—	59	1
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation .....	(52,637)	—	—
Cash and cash equivalents at the end of the fiscal year .....	*1 ¥ 33,598,680	*1 ¥ 37,556,806	\$ 333,483