

Consolidated Statements of Cash Flows

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2016	2017	2017
Cash flows from operating activities:			
Income before income taxes	¥ 980,170	¥ 979,305	\$ 8,729
Depreciation	238,348	274,988	2,451
Losses on impairment of fixed assets	4,362	49,460	441
Amortization of goodwill	27,670	29,272	261
Gains on negative goodwill	(138)	—	—
Gains on step acquisitions	(58)	(29,325)	(261)
Equity in (gains) losses of affiliates	36,196	(24,552)	(219)
Net change in reserve for possible loan losses	(48,022)	21,620	193
Net change in reserve for employee bonuses	(5,077)	7,765	69
Net change in reserve for executive bonuses	(946)	584	5
Net change in net defined benefit asset and liability	(23,434)	(47,173)	(420)
Net change in reserve for executive retirement benefits	68	145	1
Net change in reserve for point service program	656	2,076	19
Net change in reserve for reimbursement of deposits	(4,138)	(1,514)	(13)
Net change in reserve for losses on interest repayment	61,947	(71,789)	(640)
Interest income	(1,868,313)	(1,912,027)	(17,043)
Interest expenses	445,385	553,394	4,933
Net (gains) losses on securities	(126,398)	(98,190)	(875)
Net (gains) losses from money held in trust	(0)	(0)	(0)
Net exchange (gains) losses	445,713	16,280	145
Net (gains) losses from disposal of fixed assets	575	6,167	55
Net change in trading assets	(579,837)	1,260,408	11,235
Net change in trading liabilities	448,508	(1,364,902)	(12,166)
Net change in loans and bills discounted	(2,223,331)	(5,197,594)	(46,328)
Net change in deposits	7,646,207	7,287,109	64,953
Net change in negotiable certificates of deposit	442,445	(2,367,722)	(21,105)
Net change in borrowed money (excluding subordinated borrowings)	(1,119,170)	1,800,886	16,052
Net change in deposits with banks	849,019	837,507	7,465
Net change in call loans and bills bought and others	157,822	(1,198,782)	(10,685)
Net change in receivables under securities borrowing transactions	(1,495,854)	(787,472)	(7,019)
Net change in call money and bills sold and others	(3,838,358)	1,895,762	16,898
Net change in commercial paper	(346,866)	(654,552)	(5,834)
Net change in payables under securities lending transactions	(2,524,215)	2,135,651	19,036
Net change in foreign exchanges (assets)	314,707	(144,713)	(1,290)
Net change in foreign exchanges (liabilities)	(22,636)	(400,001)	(3,565)
Net change in lease receivables and investment assets	(41,649)	(53,854)	(480)
Net change in short-term bonds (liabilities)	(99,500)	(145,700)	(1,299)
Issuance and redemption of bonds (excluding subordinated bonds)	420,778	1,109,521	9,890
Net change in due to trust account	226,408	236,434	2,107
Interest received	1,875,947	1,911,477	17,038
Interest paid	(438,246)	(536,129)	(4,779)
Other, net	(649,079)	(523,175)	(4,663)
Subtotal	(832,332)	4,856,646	43,289
Income taxes paid	(294,976)	(342,268)	(3,051)
Net cash provided by (used in) operating activities	(1,127,308)	4,514,377	40,239

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2016	2017	2017
Cash flows from investing activities:			
Purchases of securities	¥(27,007,243)	¥(21,215,546)	\$(189,104)
Proceeds from sale of securities	22,537,031	13,611,842	121,328
Proceeds from redemption of securities	7,992,771	8,852,923	78,910
Purchases of money held in trust	(1)	(1)	(0)
Proceeds from sale of money held in trust	1,925	1,744	16
Purchases of tangible fixed assets	(529,264)	(495,823)	(4,419)
Proceeds from sale of tangible fixed assets	147,995	169,423	1,510
Purchases of intangible fixed assets	(158,779)	(145,290)	(1,295)
Proceeds from sale of intangible fixed assets	223	636	6
Purchases of stocks of subsidiaries resulting from their merger	(860)	—	—
Proceeds from acquisition of business	*2 2,251,106	—	—
Purchases of stocks of subsidiaries resulting in change in scope of consolidation	(652)	*3 (199,755)	(1,781)
Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation	6,698	1,193	11
Net cash provided by (used in) investing activities	5,240,950	581,347	5,182
Cash flows from financing activities:			
Proceeds from issuance of subordinated borrowings	18,000	—	—
Repayment of subordinated borrowings	(39,696)	(11,000)	(98)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights	577,142	394,495	3,516
Redemption of subordinated bonds and bonds with stock acquisition rights	(182,617)	(371,640)	(3,313)
Dividends paid	(211,952)	(205,078)	(1,828)
Repayments to non-controlling stockholders	(142,000)	(86,886)	(774)
Dividends paid to non-controlling stockholders	(74,891)	(66,458)	(592)
Purchases of treasury stock	(191)	(100)	(1)
Proceeds from disposal of treasury stock	54	179,757	1,602
Purchases of stocks of subsidiaries not resulting in change in scope of consolidation	(6)	(4)	(0)
Proceeds from sale of stocks of subsidiaries not resulting in change in scope of consolidation	162	390	3
Net cash provided by (used in) financing activities	(55,995)	(166,524)	(1,484)
Effect of exchange rate changes on cash and cash equivalents	(99,579)	(10,555)	(94)
Net change in cash and cash equivalents	3,958,066	4,918,645	43,842
Cash and cash equivalents at the beginning of the fiscal year	33,598,680	37,556,806	334,761
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	59	2,943	26
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(1)	(0)
Cash and cash equivalents at the end of the fiscal year	*1 ¥ 37,556,806	*1 ¥ 42,478,393	\$ 378,629