

Consolidated Statements of Cash Flows

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2017	2018	2018
Cash flows from operating activities:			
Income before income taxes	¥ 979,305	¥ 1,108,850	\$ 10,436
Depreciation	274,988	281,535	2,650
Losses on impairment of fixed assets	49,460	49,900	470
Amortization of goodwill	29,272	25,225	237
Gains on step acquisitions	(29,325)	—	—
Equity in (gains) losses of affiliates	(24,552)	(38,992)	(367)
Net change in reserve for possible loan losses	21,620	(67,041)	(631)
Net change in reserve for employee bonuses	7,765	10,570	99
Net change in reserve for executive bonuses	584	821	8
Net change in net defined benefit asset and liability	(47,173)	(36,499)	(344)
Net change in reserve for executive retirement benefits	145	(244)	(2)
Net change in reserve for point service program	2,076	637	6
Net change in reserve for reimbursement of deposits	(1,514)	3,704	35
Net change in reserve for losses on interest repayment	(71,789)	(11,939)	(112)
Interest income	(1,912,027)	(2,165,788)	(20,384)
Interest expenses	553,394	775,560	7,299
Net (gains) losses on securities	(98,190)	(142,228)	(1,339)
Net (gains) losses from money held in trust	(0)	(0)	(0)
Net exchange (gains) losses	16,280	323,045	3,040
Net (gains) losses from disposal of fixed assets	6,167	4,710	44
Net change in trading assets	1,260,408	1,475,948	13,891
Net change in trading liabilities	(1,364,902)	(796,943)	(7,501)
Net change in loans and bills discounted	(5,197,594)	761,992	7,172
Net change in deposits	7,287,109	6,079,437	57,218
Net change in negotiable certificates of deposit	(2,367,722)	(472,574)	(4,448)
Net change in borrowed money (excluding subordinated borrowings)	1,800,886	59,482	560
Net change in deposits with banks	837,507	(1,359,236)	(12,793)
Net change in call loans and bills bought and others	(1,198,782)	(338,019)	(3,181)
Net change in receivables under securities borrowing transactions	(787,472)	422,690	3,978
Net change in call money and bills sold and others	1,895,762	2,059,841	19,387
Net change in commercial paper	(654,552)	108,893	1,025
Net change in payables under securities lending transactions	2,135,651	(168,890)	(1,590)
Net change in foreign exchanges (assets)	(144,713)	(453,061)	(4,264)
Net change in foreign exchanges (liabilities)	(400,001)	183,504	1,727
Net change in lease receivables and investment assets	(53,854)	26,591	250
Net change in short-term bonds (liabilities)	(145,700)	131,000	1,233
Issuance and redemption of bonds (excluding subordinated bonds)	1,109,521	860,316	8,097
Net change in due to trust account	236,434	147,294	1,386
Interest received	1,911,477	2,121,086	19,963
Interest paid	(536,129)	(756,202)	(7,117)
Other, net	(523,175)	(768,910)	(7,237)
Subtotal	4,856,646	9,446,071	88,904
Income taxes paid	(342,268)	(103,276)	(972)
Net cash provided by (used in) operating activities	4,514,377	9,342,794	87,932

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2017	2018	2018
Cash flows from investing activities:			
Purchases of securities	¥(21,215,546)	¥(23,726,100)	\$(223,304)
Proceeds from sale of securities	13,611,842	13,528,011	127,322
Proceeds from redemption of securities	8,852,923	8,357,784	78,662
Purchases of money held in trust	(1)	(1)	(0)
Proceeds from sale of money held in trust	1,744	1,957	18
Purchases of tangible fixed assets	(495,823)	(712,563)	(6,706)
Proceeds from sale of tangible fixed assets	169,423	302,362	2,846
Purchases of intangible fixed assets	(145,290)	(136,079)	(1,281)
Proceeds from sale of intangible fixed assets	636	3	0
Purchases of stocks of subsidiaries resulting in change in scope of consolidation	*2 (199,755)	*2 (161,851)	(1,523)
Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation	1,193	*3 (848,822)	7,989
Net cash provided by (used in) investing activities	581,347	(3,395,299)	(31,956)
Cash flows from financing activities:			
Repayment of subordinated borrowings	(11,000)	(10,000)	(94)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights	394,495	254,747	2,398
Redemption of subordinated bonds and bonds with stock acquisition rights	(371,640)	(180,033)	(1,694)
Dividends paid	(205,078)	(218,569)	(2,057)
Repayments to non-controlling stockholders	(86,886)	(135,000)	(1,271)
Dividends paid to non-controlling stockholders	(66,458)	(61,986)	(583)
Purchases of treasury stock	(100)	(142)	(1)
Proceeds from disposal of treasury stock	179,757	521	5
Purchases of stocks of subsidiaries not resulting in change in scope of consolidation	(4)	(6)	(0)
Proceeds from sale of stocks of subsidiaries not resulting in change in scope of consolidation	390	0	0
Net cash provided by (used in) financing activities	(166,524)	(350,468)	(3,299)
Effect of exchange rate changes on cash and cash equivalents	(10,555)	(93,874)	(884)
Net change in cash and cash equivalents	4,918,645	5,503,152	51,794
Cash and cash equivalents at the beginning of the fiscal year	37,556,806	42,478,393	399,797
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	2,943	1,568	15
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(1)	—	—
Cash and cash equivalents at the end of the fiscal year	*1 ¥ 42,478,393	*1 ¥ 47,983,114	\$ 451,606