

Consolidated Statements of Cash Flows

The Sumitomo Bank, Limited, and Subsidiaries
Years ended March 31, 1999, 1998 and 1997

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	1999	1998	1997	1999
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income (loss)	¥ (568,889)	¥ (251,296)	¥ 34,048	\$ (4,719)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation and amortization	299,820	31,517	28,876	2,487
Transfer to reserve for possible loan losses	654,245	839,723	96,235	5,427
Write-off of loans	369,481	66,373	130,495	3,065
Losses on sale of loans and loans sold	179,204	237,885	122,836	1,487
Securities (gains), net	(87,778)	(171,840)	(70,288)	(728)
Deferred income taxes	(237,489)	(368,716)	(6,767)	(1,970)
Minority interests in net income	1,721	4,970	1,808	14
Net change in trading assets and liabilities	150,384	(1,461,613)	—	1,247
Net change in trading account securities	—	1,049,020	(686,986)	—
Net change in accrual and other, net	539,138	2,383,985	(277,354)	4,473
Net cash provided by (used in) operating activities	<u>1,299,837</u>	<u>2,360,008</u>	<u>(627,097)</u>	<u>10,783</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Net change in deposits with banks	1,608,594	2,767,417	(635,784)	13,343
Net change in call loans	587,175	(571,567)	(113,655)	4,871
Net change in commercial paper and other debt purchased	55,801	(68,147)	(17,696)	463
Net change in money held in trust	131,564	(10,873)	(11,636)	1,091
Net change in loans and bills discounted	1,748,431	1,534,203	(2,191,386)	14,504
Proceeds from sale of securities	7,290,157	5,109,820	3,488,806	60,474
Proceeds from maturities of securities	654,920	278,399	286,649	5,433
Purchases of securities	(7,229,552)	(6,424,143)	(3,748,934)	(59,971)
Purchases of premises and equipment	(64,249)	(42,018)	(29,624)	(533)
Purchases of lease assets	(278,528)	(3,286)	(4,716)	(2,310)
Other, net	218,901	14,253	85,666	1,816
Net cash provided by (used in) investing activities	<u>4,723,214</u>	<u>2,584,058</u>	<u>(2,892,310)</u>	<u>39,181</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Net change in deposits	(4,246,208)	(2,388,869)	780,059	(35,223)
Net change in call money	(1,442,174)	(322,439)	81,569	(11,963)
Net change in commercial paper and borrowed money	(1,891,537)	(1,964,492)	2,118,426	(15,691)
Proceeds from issuance of preferred stock	501,000	—	—	4,156
Proceeds from issuance of subordinated debt	150,829	127,765	157,898	1,251
Proceeds from issuance of convertible bonds and notes	—	—	100,000	—
Proceeds from issuance of preferred securities	340,000	237,780	—	2,820
Repayment of convertible bonds and notes	—	(42)	(36,502)	—
Dividends paid	(22,772)	(26,698)	(26,698)	(189)
Other, net	(101,110)	20,569	(17,558)	(839)
Net cash provided by (used in) financing activities	<u>(6,711,972)</u>	<u>(4,316,426)</u>	<u>3,157,194</u>	<u>(55,678)</u>
Effect of increase in consolidated subsidiaries	2,699	—	—	22
Foreign currency translation adjustments	(44,549)	36,852	15,375	(370)
Net change in cash and due from banks	(730,771)	664,492	(346,838)	(6,062)
Cash and due from banks at beginning of year	1,576,972	912,480	1,259,318	13,081
Cash and due from banks at end of year	<u>¥ 846,201</u>	<u>¥1,576,972</u>	<u>¥ 912,480</u>	<u>\$ 7,019</u>

See accompanying notes.