

## **Return of Substitutional Portion of SMBC's Pension Fund**

**Tokyo, February 10, 2004** --- Sumitomo Mitsui Financial Group, Inc. ("SMFG") announces that the pension fund of its subsidiary Sumitomo Mitsui Banking Corporation ("SMBC") received approval of the exemption from payments of benefits related to future employee services in respect of substitutional portion of the public pension fund invested by the company. The approval was received from the Minister of Health, Labor and Welfare on January 26, 2004, based on the Law Concerning Defined-Benefit Corporate Pension Plans.

SMBC applies the transitional measures stipulated in the "Practical Guidelines of Accounting for Retirement Benefits (Interim Report)" -JICPA Accounting Committee Report No.13, Section 47-2. As a result, the elimination of SMBC's retirement benefit obligations in respect of substitutional portion of its pension fund has been recognized as of the date of the approval.

In consequence of the above, an extraordinary gain of approximately 60 billion yen is expected to be recorded for the fiscal year ending March 31, 2004.

The gain has not taken into consideration on SMFG's financial forecast for the fiscal year ending March 31, 2004, announced on November 25, 2003. SMFG will additionally announce a revision of financial forecast, if necessary.