



As the founding executives of Sumitomo Mitsui Financial Group, Inc. (SMFG), we are pleased to present to you the first annual report of SMFG following its inception in December 2002. We aim to provide complete disclosure as part of our mission to enhance shareholder value, and hope that you will gain a greater understanding of our ongoing initiatives.

While we undertook drastic measures to reduce our risks from stock price fluctuations and nonperforming loans, we regretfully posted noticeable red ink in our consolidated accounts.

Although the business conditions remain severe, SMFG is totally committed to harnessing all the strengths of the companies within our new group structure to achieve significant synergies that surpass their collective whole. Thus, we will be able to provide products and services with greater value added than ever before, meeting our customers' exacting needs and thereby enjoying greater trust and support. With this commitment, we pledge to remain focused on satisfying the high expectations of all our stakeholders.

We look forward to your continuing support and encouragement as SMFG takes bold and firm steps toward a future of reinvigorated development and prosperity.

August 2003

Akishige Okada
Chairman of the Board

Yoshifumi Nishikawa
President and Chief Executive Officer