



## ***Deposit Insurance Corporation of Japan***

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News Release  
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### **Statement by the Governor**

#### **Sumitomo Mitsui Financial Group and Kumamoto Family Bank to redeem preferred stocks**

1. In accordance with the Law Concerning Emergency Measures for Early Strengthening of Financial Functions (the “Early Strengthening Law”), the request for the approval was made by Sumitomo Mitsui Financial Group and Kumamoto Family Bank through the Resolution and Collection Corporation (RCC) to Deposit Insurance Corporation of Japan (DICJ) to redeem the preferred stocks subscribed by the RCC.
  - (1) Purchase of the preferred stocks by Sumitomo Mitsui Financial Group.
  - (2) Sales of the preferred stocks (without converting) to the third parties designated by Kumamoto Family Bank.
  
2. The DICJ considered the request referring its own announcement made in October, 2005 concerning “the temporally measures to the requests for the sale of preferred stocks issued to strengthen the capital base” and found it appropriate to give its approval to the request for the redemption in view of the followings.
  - (1) Soundness of the management of the financial institutions
  - (2) Minimizing the public cost
  - (3) Maintaining the financial system stabilityTherefore, the DICJ approved today the request made through the RCC as the DICJ considered the transaction was in line with the policy of early disposal under the Early Strengthening Law.

The details are as follows;

<Sumitomo Mitsui Financial Group>

• Outline of the Preferred Stocks

Financial Institution	Sumitomo Mitsui Financial Group	Sumitomo Mitsui Financial Group
Name of Stocks	Preferred Stocks I	Preferred Stocks II
Total Issued Amount	201.0 billion yen	300.0 billion yen
Number of Issued Stocks	67,000	100,000
Value per Stock	3 million yen	3 million yen
Value per Stock Possessed	105.0 billion yen	300.0 billion yen
Number of Stocks Possessed	35,000	100,000

• Outline of the Disposed (Purchase of) Common Stocks

Financial Institution	Sumitomo Mitsui Financial Group	Sumitomo Mitsui Financial Group
Name of Stocks	Preferred Stocks I	Preferred Stocks II
Disposed Book Value Amount	105.0 billion yen	99.0 billion yen
Number of Disposed Stocks	35,000	33,000
Value per Stock	4,056,000 yen	4,059,300 yen
Total Disposed Amount	141,960,000,000 yen	133,956,900,000 yen
Disposed Scheduled Date	May 17, 2006	

• Remains of Each Preferred Stock after Disposal

I	II	III	Total
0 billion yen (201.0 billion yen)	201.0 billion yen (300.0 billion yen)	695.0 billion yen (800.0 billion yen)	896.0 billion yen (1,301.0 billion yen)

(Note) Amount of initial injection in each parenthesis.

<Kumamoto Family Bank>

• Outline of the Preferred Stocks and Their Disposal (Sales to the Third Parties)

Name of Preferred Stocks	Kumamoto Family Bank: Preferred Stocks I-II
Total Issued Amount	30.0 billion yen
Total Issued Stocks	40,000,000
Value per Stock	750 yen
Total Disposed Amount	40,000,000
Disposed Value per Stock	788.79 yen
Total Disposed Value	31,551,600,000 yen
Disposed Scheduled Date	May 17, 2006
Sell-off	The Bank of Fukuoka, Ltd.