

**Notice regarding Repayment of Public Funds
and
Acquisition of Own Stock through ToSTNeT-2**

TOKYO, October 16, 2006 --- Sumitomo Mitsui Financial Group, Inc. (SMFG, President: Teisuke Kitayama) hereby announces that SMFG requested Deposit Insurance Corporation of Japan through The Resolution and Collection Corporation (RCC) for disposal of SMFG's common shares by RCC as described in 1 below, and obtained an approval of DIC today.

SMFG also announces that, as described in 2 below, it determined the method to acquire its own stock in accordance with the resolution regarding establishment of the limit for acquiring its own stock and other agenda at the meeting of the board of directors held on October 13, 2006, so that SMFG can cope with the disposition of the common shares by RCC.

Public funds injected into SMFG will be repaid in their entirety if the sale of the common shares in market transactions is executed according to plan.

1. Repayment of Public Funds

SMFG will ask for sale of the common shares of SMFG* held by RCC in market transactions.

In order to cope with the disposition by RCC, SMFG intends to acquire the common shares in the manner described in 2 below.

*60,466 common shares were delivered to RCC in exchange for the part of SMFG's Type 3 Preferred Stock as to which RCC exercised its right to request acquisition.

Summary of the acquisition is as follows:

Type of stock acquired	Type 3 Preferred Stock
Total amount of acquisition price	JPY 50,000,000,000
Date of request for acquisition	September 29, 2006
Acquisition price at which a common share is issued and delivered in exchange for Type 3 Preferred Stock	JPY 826,900
Number of common shares delivered in exchange for Type 3 Preferred Stock	60,466 shares

For more details, please refer to the press release dated September 28, 2006, titled "Notice regarding Repayment of Public Fund Preferred Stock".

2. Acquisition of SMFG's own stock

(1) Method of Acquisition

SMFG will place a purchase order for its common shares through ToSTNeT-2 (closing price

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orders), operated by Tokyo Stock Exchange, Inc., for execution at 8:45 a.m. on October 17, 2006, at JPY1,270,000 per share, or the closing price as of October 16, 2006 (SMFG will not change the method of trading or the proposed trading time). The purchase order will be valid only at the trading time mentioned above.

(2) Details of acquisition

(A) Type of stock to be acquired : Common stock

(B) Number of shares to be acquired : 60,466 shares

(Note 1)

The number of shares to be acquired will not be changed. Depending upon the market conditions or other factors, however, there is a possibility that part or all of such shares may not be acquired.

(Note 2)

Acquisition will be executed to the extent that selling orders match purchase orders.

(C) Announcement of the result of acquisition : The result of acquisition will be announced after the close of the transactions at 8:45 a.m. on October 17, 2006.

(Reference)

Summary of the resolution regarding establishment of the limit for acquiring SMFG's own stock and other agenda at the meeting of the board of directors held on October 13, 2006

(For more details, please refer to the press release dated October 13, 2006, titled "Notice regarding Establishment of Limit for Acquiring Own Stock, Etc.")

(a) Acquisition of SMFG's own stock in accordance with the resolution at the annual general shareholders' meeting held on June 29, 2006

- Type of stock to be acquired : Common stock
- Number of shares to be acquired : 60,466 shares (Upper limit)
- Amount of cash to be tendered in exchange for the acquired stock : JPY 79,639,200,000 (Upper limit)
- Acquisition period : From October 16, 2006 to December 29, 2006

(b) The limit for acquiring SMFG's own stock established pursuant to Article 8 of the Articles of Incorporation

- Type of stock to be acquired : Common stock
- Number of shares to be acquired : 6,700 shares (Upper limit)
- Amount of cash to be tendered in exchange for the acquired shares : JPY 10,000,000,000 (Upper limit)
- Acquisition period : From October 16, 2006 to December 29, 2006

It follows from the board resolutions described in (a) and (b) above that an aggregate upper limit on the number of shares to be acquired is 67,166 shares and an aggregate upper limit on the amount of cash to be tendered in exchange for the acquired stock is JPY 89,639,200,000.

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