Sumitomo Mitsui Financial Group, Inc.

Revision of Dividends and Earnings Forecasts for Fiscal Year Ended March 31, 2008

TOKYO, April 28, 2008 --- Sumitomo Mitsui Financial Group, Inc. ("SMFG") announces a revision of its dividends (common stock) and earnings forecasts for the fiscal year ended March 31, 2008, which were announced in November 2007.

1. Revision of dividends forecast (common stock)

SMFG has a basic policy of increasing profit distribution stably and continuously through a sustainable growth of its corporate value while enhancing its capital for maintaining financial soundness. Under a medium-term management plan titled "LEAD THE VALUE" Plan, SMFG aims for realizing payout ratio of over 20% on a consolidated net income basis in the fiscal year ending March 31, 2010 from the viewpoint of increasing return to shareholders.

In line with such policy, SMFG determined to increase dividend payout ratio to over 20% in the fiscal year ended March 31, 2008, considering such factors as year-over-year increase in consolidated earnings and so on.

Accordingly, SMFG revised its fiscal year-end dividends forecast (common stock) from ¥5,000 per share to ¥7,000, a year-over-year increase of ¥2,000. As a result, annual dividends per share will be ¥12,000 (including semi-annual dividends of ¥5,000 paid in December 2007), a year-over-year increase of ¥5,000.

(Yen)

		Dividends per share (common stock)		
		Interim-end (*2)	Fiscal year-end	Annual
Previous forecast (*1)	(A)	¥ 5,000	¥ 5,000	¥ 10,000
Revised forecast	**(B)**	**5,000**	**7,000**	**12,000**
Change	(B – A)	–	+ 2,000	+ 2,000
Results for the fiscal year ended March 31, 2007		–	7,000	7,000

(*1) Announced in November 2007

(*2) Paid in December 2007

(Note) Dividend payout ratio on a consolidated net income basis in the fiscal year ended March 31, 2008 is expected to be approximately 21%. Result in the fiscal year ended March 31, 2007 was 13%.

Dividends forecast on preferred stock (1st to 12th series type 4 and 1st series type 6) remains unchanged.

2. Revision of consolidated earnings forecast

SMFG revised its consolidated earnings forecast for the fiscal year ended March 31, 2008 mainly because Sumitomo Mitsui Banking Corporation ("SMBC"), a major consolidated subsidiary of SMFG, records increased credit cost and impairment loss on stockholdings due mainly to decline in stock prices.

SMFG, however, expects year-over-year increase in ordinary profit and net income.

(Billions of yen, except percentages)

		Ordinary income	Ordinary profit	Net income
Previous forecast (*)	(A)	¥ 4,300	¥ 940	¥ 570
Revised forecast	(B)	4,600	830	460
Change	(B – A)	300	(110)	(110)
Percentage change	(%)	7.0%	(11.7)%	(19.3)%
Results for the fiscal year ended March 31, 2007		3,901.3	798.6	441.4

(*) Announced in November 2007

Forecast on non-consolidated earnings remains unchanged.

[Appendix 1]

I. Revision of SMFG consolidated earnings forecast (fiscal year ended March 31, 2008)

(Billions of yen)

	Fiscal year ended March 31, 2007 (Result)	Fiscal year ended March 31, 2008 (Revised) (a)	Fiscal year ended March 31, 2008 (Previous) (b)	Change from the previous forecast (a) – (b)
Ordinary profit	¥ 798.6	¥ 830	¥ 940	¥ (110)
Net income	441.4	460	570	(110)

As described in II below, SMBC expects banking profit (before provision for general reserve for possible loan losses) to be almost the same as the previous forecast, however, it records increased credit cost and loss on impairment of stockholdings. As a result, SMFG expects ordinary profit to be approximately ¥830 billion and net income to be approximately ¥460 billion, both ¥110 billion below the previous forecast.

SMFG, however, expects year-over-year increase in ordinary profit and net income.

II. Revision of SMBC non-consolidated earnings forecast (fiscal year ended March 31, 2008)

(Billions of yen)

	Fiscal year ended March 31, 2007 (Result)	Fiscal year ended March 31, 2008 (Revised) (a)	Fiscal year ended March 31, 2008 (Previous) (b)	Change from the previous forecast (a) – (b)
Banking profit (before provision for general reserve for possible loan losses)	¥ 740.6	¥ 820	¥ 830	¥ (100)
Ordinary profit	573.3	510	600	(90)
Net income	315.7	205	315	(110)
Total credit cost	(89.5)	(150)	(110)	(40)
Gains (losses) on stocks, net	11.1	(140)		
[Impairment loss on stocks]	[(38.6)]	[(165)]		

Banking profit (before provision for general reserve for possible loan losses)

SMBC expects banking profit to be approximately ¥820 billion, almost the same as the previous forecast, and a substantial increase year-over-year. This is led by such factors as increase in profit of SMBC's Treasury Unit reflecting gains on sale of bonds earned amid declining interest rates in domestic and overseas markets, although it records losses on write-off and sale of sub-prime loan related securitized products.

Total credit cost

SMBC expects total credit cost to be approximately ¥150 billion, ¥40 billion above the previous forecast, due mainly to unanticipated deterioration in credit quality of certain borrowers led by their worsened financial conditions and so on.

Ordinary profit

SMBC expects ordinary profit to be approximately ¥510 billion, ¥90 billion below the previous forecast. This is mainly attributable to (i) factors mentioned above and (ii) losses on stocks of approximately ¥140 billion as a result of impairment of stockholdings (approximately ¥165 billion) reflecting decline in stock prices.

Net income

SMBC expects net income to be approximately ¥205 billion, ¥110 billion below the previous forecast, due mainly to the decrease in ordinary profit.

III. Forecast on problem assets based on the Financial Reconstruction Law (SMBC, Non-consolidated basis)

(Billions of yen, except percentages)

	March 31, 2007 (Result)	September 30, 2007 (Result)	March 31, 2008 (Forecast)
Problem assets based on the Financial Reconstruction Law	¥ 738.7	¥ 773.6	¥ 800
Problem asset ratio	1.2 %	1.2 %	1.2%

Problem assets are expected to be ¥800 billion as of March 31, 2008. Problem asset ratio will remain at a low-level of 1.2%.

IV. Forecast on net unrealized gains on other securities (SMBC, Non-consolidated basis)

(Billions of yen)

	March 31, 2007 (Result)	September 30, 2007 (Result)	March 31, 2008 (Forecast)
Net unrealized gains (losses) on other securities	¥ 1,833.2	¥ 1,517.8	¥ 755
Stocks	1,978.7	1,716.3	936
Bonds	(151.4)	(157.7)	(130)
Others	5.9	(40.8)	(51)

[Appendix 2]

Sub-prime loan related exposure and monoline related exposure (preliminary)

1. Sub-prime loan related exposure

(1) Balances after provisions and write-offs

As of March 31, 2008, SMBC had the U.S. sub-prime loan related exposure as follows.

(Billions of yen)

Securitized products, net of write-offs	approximately ¥5
Warehousing loans with sub-prime related assets as collateral in the U.S. after provisions and write-offs	approximately ¥1

SMBC had no valuation gains or losses on such securitized products as of March 31, 2008 because it made necessary provisions and write-offs.

(2) Realized losses in the fiscal year ended March 31, 2008: approximately ¥93 billion

SMBC made necessary provisions and write-offs for sub-prime loan related exposures of ¥93 billion in the fiscal year ended March 31, 2008; that is to say SMBC recorded impairment of more than 90% of the sub-prime loan related exposures in terms of acquisition cost. As a result, SMBC held a limited exposure of approximately ¥6 billion as of March 31, 2008.

(Billions of yen)

	As of Mar. 31, 2008 (acquisition cost)	Provisions and write-offs in the fiscal year ended Mar. 31, 2008				Balances, net of provisions and write-offs		
		1st half	2nd half	4th quarter		as of Mar. 31, 2008	Change from Sept. 30, 2007	Change from Dec. 31, 2007
Securitized products	74	(17)	(52)	7	(69)	5	(65)	(5)
Warehousing loans etc.	21	(11)	(9)	(1)	(20)	1	(13)	(4)
Subtotal (a)	95	(28)	(61)	6	(89)	6	(78)	(9)
Loss on sale in the period (b)		(4)	0	0	(4)	sales amount: approximately ¥350 billion		
Impact on profit (a) + (b)		(32)	(61)	6	(93)			

(Notes) 1. Above amounts include foreign exchange translation adjustments.
2. Gains on reversal of provisions of ¥6 billion expect to be recorded in the fourth quarter due mainly to a decrease of the amount in yen led by exchange fluctuations.

Most of the assets held by ABCP programs which SMBC sponsors are receivables of corporate clients and do not include sub-prime loan related assets. Further, SMBC had no securities issued by Structured Investment Vehicles.

Subsidiaries other than SMBC had no sub-prime loan related exposure.

2. Monoline related exposure

(1) Exposures and mark-to-market value

SMBC and other consolidated subsidiaries had the following transactions with U.S. monoline insurance companies as of March 31, 2008.

(Billions of yen)

(a) Exposures guaranteed or insured by monoline insurance companies	approximately ¥40
(b) Mark-to-market value of credit derivatives traded with monoline insurance companies(*) after provisions and write-offs	approximately ¥30

(*) Exposures to monoline insurance companies related to intermediate transaction of credit derivatives which are used for hedging credit risk (Possible claim amount for monoline insurance companies, which is equivalent to valuation loss of reference assets, when contracts are terminated)

Notional amount of reference assets, net of provisions and realized losses, amounted to approximately ¥560 billion

(2) Losses realized in the fiscal year: approximately ¥30 billion

Monoline insurance companies guarantee payment when underlying assets or reference assets become unpaid. Our profit or loss is basically affected by the credit conditions and prices of underlying and reference assets, and is also affected by the credit conditions of monoline insurance companies.

The underlying and reference assets of our transactions are investment grade assets and do not include sub-prime loan related assets.

Though we do not always suffer losses due to rating downgrades of monoline insurance companies, the monoline insurance company’s credit rating has worsened considerably, and we made loss provisions for all amount of the exposure to the company. In the end, we terminated such transaction and realized losses of approximately ¥30 billion in order to avoid additional losses.

The amount (1) (b) mentioned above does not include such credit derivatives transactions because losses on such transactions have been realized. Other monoline insurance companies have retained their high credit ratings at the present time.

In addition, SMBC had commitment line contracts of approximately ¥16 billion (¥0.01 billion withdrawn) with insurance companies which had a monoline subsidiaries. These insurance companies have no credit standing problem as of now.