

Sumitomo Mitsui Financial Group Announces
Revision of Earnings Forecasts of
a Consolidated Subsidiary (Kansai Urban Banking Corporation)

TOKYO, July 29, 2008 --- Sumitomo Mitsui Financial Group, Inc. (SMFG) hereby announces that Kansai Urban Banking Corporation, a consolidated subsidiary of SMFG, has revised its earnings forecast announced on May 15, 2008 (see Appendix).

(Appendix)

Kansai Urban Banking Corporation Announces
Revision of Earnings Forecasts

OSAKA, July 29, 2008 --- Kansai Urban Banking Corporation (KUBC) announced today a revision of its earnings forecasts for the six months ending September 30, 2008 and the fiscal year ending March 31, 2009, which was published on May 15, 2008.

1. Revision of Earnings Forecasts

(1) Six months ending September 30, 2008

(a) Consolidated basis

(Millions of yen, except percentages and per share amounts)

| | | Ordinary income | Ordinary profit | Net income | Net income per share |
|--|---------|--------------------|--------------------|------------|-------------------------|
| Previous forecast | (A) | ¥ 56,000 | ¥ 8,500 | ¥ 4,500 | ¥ 9.40 |
| Revised forecast | (B) | 56,000 | 5,500 | 3,000 | 6.26 |
| Change | (B – A) | — | (3,000) | (1,500) | — |
| Percentage change | (%) | — | (35.2)% | (33.3)% | — |
| Results for the six months ended September 30, 2007 | | 54,460 | 9,229 | 6,003 | 12.53 |

(b) Non-consolidated basis

(Millions of yen, except percentages and per share amounts)

| | | Ordinary income | Ordinary profit | Net income | Net income per share |
|--|---------|--------------------|--------------------|------------|-------------------------|
| Previous forecast | (A) | ¥ 48,000 | ¥ 8,500 | ¥4,500 | ¥ 9.40 |
| Revised forecast | (B) | 48,000 | 5,500 | 3,000 | 6.26 |
| Change | (B – A) | — | (3,000) | (1,500) | — |
| Percentage change | (%) | — | (35.2)% | (33.3)% | — |
| Results for the six months ended September 30, 2007 | | 48,059 | 9,393 | 6,692 | 13.96 |

(2) Fiscal year ending March 31, 2009

(a) Consolidated basis

(Millions of yen, except percentages and per share amounts)

| | Ordinary income | Ordinary profit | Net income | Net income per share |
|--|-----------------|-----------------|------------|----------------------|
| Previous forecast (A) | ¥ 116,000 | ¥ 22,500 | ¥ 12,500 | ¥ 26.11 |
| Revised forecast (B) | 116,000 | 15,500 | 8,500 | 17.75 |
| Change (B – A) | — | (7,000) | (4,000) | — |
| Percentage change (%) | — | (31.1)% | (32.0)% | — |
| Results for the fiscal year ended March 31, 2008 | 112,619 | 18,866 | 13,055 | 27.25 |

(b) Non-consolidated basis

(Millions of yen, except percentages and per share amounts)

| | Ordinary income | Ordinary profit | Net income | Net income per share |
|--|-----------------|-----------------|------------|----------------------|
| Previous forecast (A) | ¥ 99,000 | ¥ 22,000 | ¥ 12,500 | ¥ 26.11 |
| Revised forecast (B) | 99,000 | 15,000 | 8,500 | 17.75 |
| Change (B – A) | — | (7,000) | (4,000) | — |
| Percentage change (%) | — | (31.8)% | (32.0)% | — |
| Results for the fiscal year ended March 31, 2008 | 97,357 | 18,402 | 12,074 | 25.20 |

2. Factors behind the Revision

KUBC has been endeavoring to quantify credit risk on its loan portfolio, and has at last collected and processed the necessary data such as default values for each credit rating, and virtually completed the system for calculating the expected credit cost.

The expected credit cost for the fiscal year 2008 amounted to approximately ¥14 billion, as calculated by the system. Taking into account the 1st quarter generation of non-performing loans and the recent deterioration of real estate markets, KUBC has revised its credit cost forecast to ¥16 billion from ¥9 billion, the forecast made at the beginning of the fiscal year. Accordingly, KUBC has revised its consolidated and non-consolidated earnings forecast as mentioned above.

KUBC is aiming to restructure its loan portfolio and decrease the expected credit cost in the fiscal year 2010 by half compared with the fiscal year 2007.

KUBC had been making efforts to prevent the increase in non-performing loans in real estate related loans through the Real Estate Loan Administration Department which has been controlling such lending. This organization was upgraded and the number of staffs was increased through the establishment of “Real Estate Loan Administration Division” and the related departments on July 25, 2008.

Through these measures, KUBC will establish a more solid credit control system.

As KUBC announced on May 15, 2008, fiscal year-end dividends of ¥5 per share will be paid as planned.

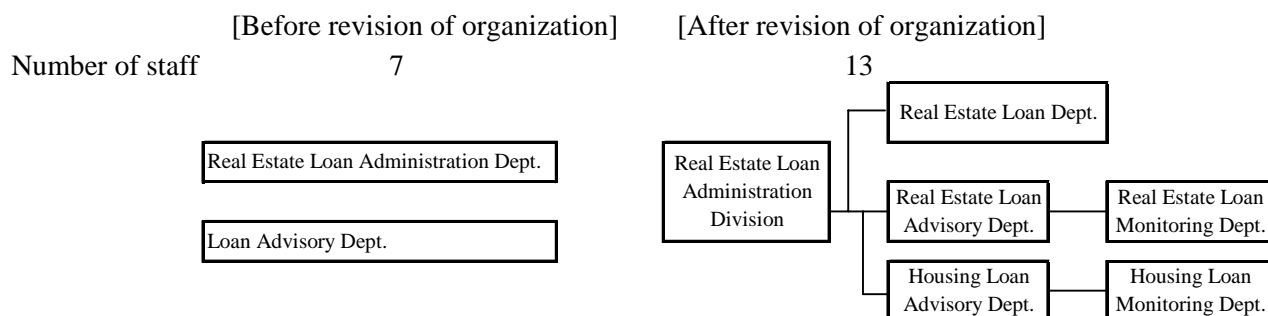
(Reference 1) Credit cost on a non-consolidated basis

| | (Billions of yen) | | |
|--|--------------------|--------------------|---|
| | FY2006 (Result) | FY2007 (Result) | FY2008 (Plan) |
| Expected credit cost at the beginning of fiscal year (*) | ¥ 11.5 | ¥ 14.1 | ¥ 14.3 |
| Result of credit cost | 9.2 | 14.0 | 16.0 (¥9.0 billion at the beginning) |

⇒ Target for FY2010:
Less than half of
FY2008

(*)Excludes personal loans, business loans and loans guaranteed by Credit Guarantee Corporations

(Reference 2) Real Estate related Loans Control System



This press release contains certain forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the forward-looking statements as a result of various factors.

The following items are among the factors that could cause actual results to differ materially from the forward-looking statements in this material: business conditions in the banking industry, the regulatory environment, new legislation, competition with other financial services companies, changing technology and evolving banking industry standards and similar matters.