

Notice regarding Tender Offers for Non-Cumulative Perpetual Preferred Securities and  
Perpetual Subordinated Bonds in Overseas Markets

TOKYO, January 6, 2010 --- Sumitomo Mitsui Financial Group, Inc. (SMFG, President: Teisuke Kitayama) hereby announces that it has decided to implement tender offers by SMFG Preferred Capital USD 1 Limited and SMFG Preferred Capital GBP 1 Limited (collectively, the “Issuers”), each of which is a wholly owned subsidiary of SMFG, in overseas markets for the U.S. dollar denominated Non-Cumulative Perpetual Preferred Securities and the British pound sterling denominated Non-Cumulative Perpetual Preferred Securities (collectively, the “Preferred Securities”) issued by the Issuers, and that Sumitomo Mitsui Banking Corporation (SMBC, President: Masayuki Oku, and together with the Issuers, “Offerors”), which is a wholly owned subsidiary of SMFG, has decided to implement tender offers in overseas markets for the U.S. dollar denominated Perpetual Subordinated Bonds and Euro denominated Perpetual Subordinated Bonds (collectively, the “Perpetual Subordinated Bonds”) issued by SMBC, with the terms set out below.

The results of the aforementioned tender offers will be announced after they are completed.

PARTICULARS

1. Purpose of Tender Offers

As the global framework for more stringent regulatory capital requirements has become clear, SMFG has decided to proactively establish a resilient capital base and a business portfolio capable of steady growth in order to provide a platform for sustainable growth in the new competitive environment.

The tender offers announced herein, as well as the issuance of new shares of SMFG by way of a Japanese public offering and an international offering, which were also announced today, will implement this strategy. With an enhanced capital base, SMFG will promote business areas with high potential for growth.

2. Summary of Tender Offers

(1) The Preferred Securities

Issuers	SMFG Preferred Capital USD 1 Limited	SMFG Preferred Capital GBP 1 Limited
	The issuers are overseas special purpose subsidiaries established in the Cayman Islands, the voting rights of which are wholly owned by SMFG.	

**Disclaimer:**

This document is prepared for the purpose of the public disclosure of tender offers of securities issued by overseas subsidiaries of Sumitomo Mitsui Financial Group, Inc. and Sumitomo Mitsui Banking Corporation, and does not constitute a solicitation of an offer to purchase of any securities inside or outside of Japan.

Securities Subject to Tender Offer	U.S. dollar denominated Non-Cumulative Perpetual Preferred Securities	British pound sterling denominated Non-Cumulative Perpetual Preferred Securities
Scheduled Purchase Amount (Note 1)	USD 1,650 million (Liquidation preference basis)	GBP 500 million (Liquidation preference basis)
Scheduled Offer Period	From January 6, 2010 to February 4, 2010	
Purchase Price	The purchase price per liquidation preference of USD 1,000 will equal the present value as of the scheduled purchase date of (i) liquidation preference of the preferred securities and (ii) all remaining dividend payments to be made up to (and including) the dividend payment date in January 2017, assuming that the preferred securities are redeemed on the dividend payment date in January 2017 (for the holders who tender after 9:00 a.m., New York City time, on January 22, 2010, the purchase price will be the above amount minus USD 50 per liquidation preference of USD 1,000) (Note 2, 3)	The purchase price per liquidation preference of GBP 1,000 will equal the present value as of the scheduled purchase date of (i) liquidation preference of the preferred securities and (ii) all remaining dividend payments to be made up to (and including) the dividend payment date in January 2017, assuming that the preferred securities are redeemed on the dividend payment date in January 2017 (for the holders who tender after 9:00 a.m., New York City time, on January 22, 2010, the purchase price will be the above amount minus GBP 50 per liquidation preference of GBP 1,000) (Note 2, 3)
Scheduled Purchase Date	February 9, 2010	
Conditions of Offer	The tender offers for the Preferred Securities will be implemented only when certain conditions, including that the payment in respect of the issuance of new shares of SMFG by way of a Japanese public offering and the international offering, both of which were announced today, have been fulfilled.	

(Note 1) All Preferred Securities tendered will be purchased.

(Note 2) The present value as of the scheduled purchase date of liquidation preference and all remaining dividend payments to be made up to (and including) the dividend payment date in January 2017, assuming that the preferred securities are redeemed on the dividend payment date in January 2017, is calculated by discounting at a rate which is the sum of the (a) yield to maturity on the US Treasury or the gilt-edged bonds, as the case may be, specified as the reference security, which is calculated based on the bid-side price of such reference security at 9:00 a.m., New York City time, on January 22, 2010 (the "Price Determination Date"), and (b) a specified fixed spread. Therefore, the applicable purchase price will change depending on yield to maturity of the applicable reference security on the applicable Price Determination Date. The applicable purchase prices calculated based on the applicable hypothetical yields to maturity of the applicable reference securities as of 9:00 a.m., New York City time, on January 4, 2010, would be USD 942.40 and GBP 906.79, respectively.

(Note 3) The purchase price per USD 1,000 and GBP 1000 liquidation preference of the preferred securities is capped at USD 1,000 or GBP 1,000, as the case may be.

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(2) The Perpetual Subordinated Bonds

Issuer	SMBC	
Bonds Subject to Tender Offer	U.S. dollar denominated Perpetual Subordinated Bonds	Euro denominated Perpetual Subordinated Bonds
Scheduled Purchase Amount (Note 1)	USD 1,350 million (Principal amount basis)	EUR 700 million (Principal amount basis)
Scheduled Offer Period	From January 6, 2010 to February 4, 2010	
Purchase Price	The purchase price per the principal amount of USD 1,000 will equal the present value as of the scheduled purchase date of (i) principal amount of the subordinated bonds and (ii) all remaining interest payments to be made up to (and including) the interest payment date in October 2015, assuming that the subordinated bonds are redeemed on the interest payment date in October 2015 (for the holders who tender after 9:00 a.m., New York City time, on January 22, 2010, the purchase price will be the above amount minus USD 50 per the principal amount of USD 1,000) (Note 2)	The purchase price per the principal amount of EUR 1,000 will equal the present value as of the scheduled purchase date of (i) principal amount of the subordinated bonds and (ii) all remaining interest payments to be made up to (and including) the interest payment date in October 2015, assuming that the subordinated bonds are redeemed on the interest payment date in October 2015 (for the holders who tender after 9:00 a.m., New York City time, on January 22, 2010, the purchase price will be the above amount minus EUR 50 per the principal amount of EUR 1,000) (Note 2)
Scheduled Purchase Date	February 9, 2010	
Conditions of Offer	The tender offers for the Perpetual Subordinated Bonds will be implemented only when certain conditions, including that the payment in respect of the issuance of new shares of SMFG by way of a Japanese public offering and an international offering, both of which were announced today, have been fulfilled.	

(Note 1) All the Perpetual Subordinated Bonds tendered will be purchased.

(Note 2) The present value as of the scheduled purchase date of principal amount and all interest payments to be made up to (and including) the interest payment date in October 2015, assuming that the subordinated bonds are redeemed on the interest payment date in October 2015 is calculated by discounting at a rate which is the sum of the (a) yield to maturity on the US Treasury or the German Bonds, as the case may be, specified as reference security, which is calculated based on the bid-side price of such reference security at 9:00 a.m., New York City time, on the Price Determination Date, and (b) a specified fixed spread. Therefore, the applicable purchase price will change depending on yield to maturity of the applicable reference security on the applicable Price Determination Date. The purchase prices calculated based on the applicable hypothetical yields to maturity of the applicable reference securities as of 9:00 a.m., New York City time, January 4, 2010, would be USD 1,052.71 and EUR 963.64, respectively.

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### 3. Summary of Securities Subject to Tender Offers

#### (1) The Preferred Securities

Issuers	SMFG Preferred Capital USD 1 Limited	SMFG Preferred Capital GBP 1 Limited
Types of Securities	U.S. dollar denominated Non-Cumulative Perpetual Preferred Securities	British pound sterling denominated Non-Cumulative Perpetual Preferred Securities
Total Issue Amount	USD 1,650 million	GBP 500 million
Issue Price	USD 1,000 per Preferred Security	GBP 1,000 per Preferred Security
Dividend Rate	6.078% per annum (Fixed rate until January 2017) Floating rate after January 2017	6.164% per annum (Fixed rate until January 2017) Floating rate after January 2017
Redemption Date	Undated (redeemable at the option of the Issuers, in whole or in part, subject to compliance with applicable laws and regulations (including the prior approval of the Financial Services Agency of Japan (the "FSA"), if required), on the dividend payment date in January 2017 and each dividend payment date thereafter.)	
Issue Date	December 18, 2006	

#### (2) The Perpetual Subordinated Bonds

Issuer	SMBC	
Types of Bonds	U.S. dollar denominated Unsecured Perpetual Subordinated Bonds	Euro denominated Unsecured Perpetual Subordinated Bonds
Total Issue Amount	USD 1,350 million	EUR 700 million
Issue Price	99.473% of the principal amount	99.002% of the principal amount
Interest Rate	5.625% per annum (Fixed rate until October 2015) Floating rate after October 2015	4.375% per annum (Fixed rate until October 2015) Floating rate after October 2015
Redemption Date	Undated (redeemable at the option of the Issuer, in whole or in part, subject to the prior approval of the FSA, on the interest payment date in October 2015 and each interest payment date thereafter.)	
Issue Date	July 22, 2005	

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## OFFER RESTRICTIONS

The distribution of the Offer to Purchase dated January 6, 2010 (as it may be amended or supplemented, the “Offer to Purchase”) is restricted by law in certain jurisdictions. Persons into whose possession this Offer to Purchase comes are required by the Offerors, SMFG, the dealer managers, the information agents, the depository and the tender agent to inform themselves of and to observe any of these restrictions.

### United Kingdom

The communication of the Offer to Purchase and any other documents or materials relating to the Offer to Purchase is not being made and such documents and/or materials have not been approved by an authorized person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom, and are only for circulation to persons outside the United Kingdom or to persons within the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”)) or within Article 43(2) of the Order, or to other persons to whom it may lawfully be communicated in accordance with the Order.

### Italy

The Offers are not being made in Italy. The Offer to Purchase has not been submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* (CONSOB) pursuant to Italian laws and regulations. Accordingly, holders of Securities are notified that, to the extent holders of Securities are resident and/or located in Italy, the Offer to Purchase is not available to them and, as such, any Security tendered by such persons shall be ineffective and void, and neither the Offer to Purchase nor any other documents or materials relating to the Offers or the Securities may be distributed or made available in Italy.

### Belgium

The Offer to Purchase is not addressed to, and may not be accepted by, any holder who is resident in Belgium and is not a qualified investor (*investisseur qualifié/gekwalificeerde belegger*) as defined pursuant to Article 10 of the Belgian law of June 16, 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets.

### France

Neither the Offer to Purchase, nor any other offering material or information relating to the Offers, has been submitted for clearance to the *Autorité des Marchés Financiers* and they may not be released, issued, or distributed or caused to be released, issued, or distributed, directly or indirectly, to the public in the French Republic, except to (i) providers of investment services relating to portfolio management for the account of third parties and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code Monétaire et Financier*.

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## Cayman Islands

No offer or invitation under the Offer to Purchase may be made to the public in the Cayman Islands.

### General

The Offer to Purchase does not constitute an offer to buy or a solicitation of an offer to sell the Securities, and Securities tendered will not be accepted from holders of Securities in any jurisdiction in which such offer or solicitation is unlawful. In any jurisdiction in which an Offer is required to be made by a licensed broker or dealer, such Offer will be deemed to be made on behalf of the applicable Offeror by one of the Dealer Managers or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

### Forward Looking Statements

This press release contains forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties. In addition, other written or oral communications provided by SMFG or the Offerors from time to time may contain “forward-looking statements.” Forward-looking statements are not historical facts but instead are based on certain assumptions by management and represent only beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside our control. Forward-looking statements are often identified by words or phrases such as “is anticipated,” “are expected to,” “are estimated to be,” “intend to,” “believe,” “will likely result,” “projected,” “may,” “we envision,” “designed to,” “target,” “goal,” “objective,” or other similar words or phrases. These forward-looking statements are subject to certain risks and uncertainties, including those described in this press release, that could cause actual results to differ materially from those projected. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in the Offer to Purchase. You should not place undue reliance on any forward-looking statement. Neither SMFG nor the Offerors undertake any obligation to update any forward-looking information except as may be required by law.

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