

Sumitomo Mitsui Financial Group, Inc.

**Notice regarding Recommendation Issued by Fair Trade Commission of Japan
to Sumitomo Mitsui Banking Corporation**

TOKYO, December 2, 2005 --- Sumitomo Mitsui Financial Group, Inc. (“SMFG”) announced today that its subsidiary, Sumitomo Mitsui Banking Corporation (SMBC, President: Masayuki Oku), received a recommendation issued by the Fair Trade Commission of Japan (“JFTC”) based on several violations of Section 19 of the Antimonopoly Act (“Act”), particularly “Abuse of Dominant Bargaining Position” of “Unfair Trade Practices,” with respect to the manner in which it marketed interest rate swaps to its corporate clients. The issuance of the recommendation is pursuant to Section 48 of the Act.

Interest rate swaps are used to hedge against rising interest rates and are widely used by corporate clients. SMBC, however, was cited for several instances of problem in how it marketed the financial product. We deeply regret that this incident occurred and sincerely apologize for causing concern to our customers, shareholders and other stakeholders.

SMBC will conduct an internal investigation of the matter, including whether there were other instances besides those cited by the JFTC, and implement strict measures to ensure that such incidents never occur again and to regain the trust of all concerned.