

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

TOKYO, April 26, 2006 --- Sumitomo Mitsui Financial Group, Inc. (SMFG) hereby announces that Kansai Urban Banking Corporation, a consolidated subsidiary of SMFG, has revised its earnings forecast published on November 18, 2005 (see Appendix).

(Appendix)

Kansai Urban Banking Corporation Announces
Revision of Earnings Forecast for Fiscal Year ended March 31, 2006

OSAKA, Japan, April 26, 2006--- Kansai Urban Banking Corporation (KUBC) announced today the revision of its previous earnings forecast for the fiscal year ended March 31, 2006, which was published on November 18, 2005.

1. Revision of Earnings Forecast (Fiscal year ended March 31, 2006)

(Consolidated)

(Millions of Yen)

	Total Income	Ordinary Profit	Net Income
Previous Forecast (A)	79,000	12,900	5,100
Revised Forecast (B)	81,400	13,700	6,700
Difference (B) - (A)	+ 2,400	+ 800	+ 1,600
Percentage Change	+ 3.0	+ 6.2	+ 31.3
(Ref.) Year ended March 31, 2005	71,295	10,108	6,680

(Non-consolidated)

(Millions of Yen)

	Total Income	Ordinary Profit	Net Income
Previous Forecast (A)	71,000	15,100	7,500
Revised Forecast (B)	72,500	15,600	8,700
Difference (B) - (A)	+ 1,500	+ 500	+ 1,200
Percentage Change	+ 2.1	+ 3.3	+ 16.0
(Ref.) Year ended March 31, 2005	59,920	9,675	6,148

2. Factors behind the revision

(1) Consolidated earnings

The revision is mainly due to the significant increase of the balance of loans to small and medium-sized enterprises as well as the steady increase of fee income.

KUBC expects ordinary profit to be 13.7 billion yen, an increase of 0.8 billion yen (+6.2%) compared with the previous forecast and an increase of 3.5 billion yen (+35.5%) compared with the previous fiscal year's result. Net income is expected to be 6.7 billion yen, an increase of 1.6 billion yen (+31.3%) compared with the previous forecast and an increase of 0.02 billion yen (+0.3%) compared with the previous fiscal year's result.

(2) Non-consolidated earnings

The balance of loans and bills discounted, mainly to small and medium-sized enterprises and individuals, increased by 260.9 billion yen (+13.9%) compared with March 31, 2005. In addition, fees and commissions also increased steadily mainly due to increase in sales of investment trust and pension-type insurance. As a result, core banking profit is expected to increase to 25 billion yen, compared with the previous forecast of 22.5 billion yen. On the other hand, KUBC disposed of unrealized losses on bonds in the fiscal year ended March 31, 2006. As a result, ordinary profit is expected to be 15.6 billion yen, an increase of 0.5 billion yen (+3.3%) compared with the previous forecast and an increase of 5.9 billion yen (+61.2%) compared with the previous fiscal year's result. Net income is expected to be 8.7 billion yen, an increase by 1.2 billion yen (+16.0%) compared with the previous forecast and 2.5 billion yen (+41.5%) compared with the previous fiscal year's result.

(References)

1. Major Indicators (Non-consolidated basis)

(Billions of Yen)

	Fiscal year ended Mar. 2005 Actual	Fiscal year ended Mar. 2006 Estimate		
			Change	Percentage change
Core Banking Profit ^{*1}	20.0	25.0	5.0	+25.0%
Banking Profit	19.6	20.7	1.1	+5.6%
Ordinary Profit	9.6	15.6	6.0	+62.5%
Net Income	6.1	8.7	2.6	+42.6%
Capital ratio	8.52%	Approx. 9.4%	Approx. 0.9%	-
Deferred tax assets / Tier1	19.4%	Approx. 11%	Approx. (8%)	-
NPL ratio	3.9%	Approx. 2.6%	Approx. (1.3%)	-
Core ROA ^{*2}	0.88%	Approx. 1.0%	Approx. 0.1%	-
Core ROE ^{*2}	29.2%	Approx. 31.0%	Approx. 1.8%	-
Core OHR ^{*2}	59.5%	Approx. 54.2%	Approx. (5.3%)	-

*1. Core banking profit = Banking profit – Provision for general reserve for possible loan losses – Gains/losses on bonds

*2. Calculated based on core banking profit

2. Balance of Loans, Deposits, and Investment Trusts under KUBC's account (Non-consolidated basis)

(Billions of Yen)

	Mar. 2005 Actual	Mar. 2006 Estimate		
			Change	Percentage change
Deposits	2,203.9	2,382.7	178.8	8.1%
Individuals' deposits	1,537.6	1,667.1	129.5	8.4%
Loans	1,870.5	2,131.4	260.9	13.9%
Housing loans	642.8	713.0	70.2	10.9%
Sales of investment trusts and pension-type insurance	65.3	86.2	20.9	31.9%
Investment trusts	50.3	68.2	17.9	35.6%
Pension-type insurance	15.0	18.0	3.0	19.3%
Balance of investment trusts under KUBC's account	114.4	164.4	50.0	43.6%