

Sumitomo Mitsui Financial Group Announces
Revision of Earnings Forecasts of
a Consolidated Subsidiary (The Minato Bank, Limited)

TOKYO, October 17, 2008 --- Sumitomo Mitsui Financial Group, Inc. (SMFG) hereby announces that The Minato Bank, Limited, a consolidated subsidiary of SMFG, has revised its earnings and dividends forecast announced on July 31, 2008 (see Appendix).

Revision of Earnings Forecasts and Dividends Forecasts
for the Fiscal Year ending March 31, 2009

KOBE, Japan, October 17, 2008 --- The Minato Bank, Limited (“Minato Bank”) announces a revision of its earnings forecasts and dividends forecasts for the six months ended September 30, 2008 and the fiscal year ending March 31, 2009, published on July 31, 2008.

1. Revision of Earnings Forecasts

(1) Consolidated basis

(a) Six months ended September 30, 2008

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

	Ordinary income	Ordinary profit	Net income (loss)
Previous forecast (A)	37,400	2,500	(600)
Revised forecast (B)	38,100	(3,100)	(4,500)
Change (B) - (A)	700	(5,600)	(3,900)
Percentage change (%)	1.9	—	—
Results for the six months ended September 30, 2007	40,881	6,958	3,726

(b) Fiscal year ending March 31, 2009

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

	Ordinary income	Ordinary profit	Net income (loss)
Previous forecast (A)	75,200	8,300	2,500
Revised forecast (B)	74,700	(3,500)	(5,800)
Change (B) - (A)	(500)	(11,800)	(8,300)
Percentage change (%)	(0.7)	—	—
Results for the fiscal year ended March 31, 2008	81,610	8,770	5,757

(2) Non-consolidated basis

(a) Six months ended September 30, 2008

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

	Ordinary income	Ordinary profit	Net income (loss)
Previous forecast (A)	34,800	2,500	0
Revised forecast (B)	35,200	(2,800)	(3,600)
Change (B) - (A)	400	(5,300)	(3,600)
Percentage change (%)	1.1	—	—
Results for the six months ended September 30, 2007	36,794	6,211	3,084

(b) Fiscal year ending March 31, 2009

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

	Ordinary income	Ordinary profit	Net income (loss)
Previous forecast (A)	69,900	8,100	3,000
Revised forecast (B)	69,000	(3,300)	(5,000)
Change (B) - (A)	(900)	(11,400)	(8,000)
Percentage change (%)	(1.3)	—	—
Results for the fiscal year ended March 31, 2008	73,587	7,342	4,229

2. Factors behind the Revision

(1) Non-consolidated basis

Under the sluggish economy, Minato Bank expects credit cost in the first half of fiscal 2008 to have increased by 6 billion yen compared with the previous forecast due mainly to bankruptcies and worsening of business performance of customers, especially in the real estate sector. Further, Minato Bank has conservatively revised its credit cost forecast because deterioration of business circumstances in a wide range of business sectors is expected in the second half of fiscal 2008.

As a result, Minato Bank expects credit cost in the fiscal year ending March 31, 2009, to increase by 9.9 billion yen compared with the previous forecast. In addition, reflecting a decrease in fees and commissions from sales of investment trusts, Minato Bank revises its earnings forecasts for the six months ended September 30, 2008 and the fiscal year ending March 31, 2009.

(a) Six months ended September 30, 2008

(Millions of yen)

	Previous forecast	Revised forecast	Change
Gross banking profit	27,000	27,300	300
Expenses (excluding non-recurring losses)	(16,700)	(16,700)	0
Banking profit (before provision of allowance for general loan losses)	10,300	10,600	300
Provision of allowance for general loan losses (a)	(900)	(1,600)	(700)
Banking profit	9,400	9,000	(400)
Credit related costs (b)	(6,600)	(11,900)	(5,300)
Ordinary profit	2,500	(2,800)	(5,300)
Net income	0	(3,600)	(3,600)
* Credit cost (a) + (b)	(7,500)	(13,500)	(6,000)

(b) Fiscal year ending March 31, 2009

(Millions of yen)

	Previous forecast	Revised forecast	Change
Gross banking profit	55,000	53,800	(1,200)
Expenses (excluding non-recurring losses)	(33,200)	(32,700)	500
Banking profit (before provision of allowance for general loan losses)	21,800	21,100	(700)
Provision of allowance for general loan losses (a)	(2,200)	(3,800)	(1,600)
Banking profit	19,600	17,300	(2,300)
Credit related costs (b)	(11,100)	(19,400)	(8,300)
Ordinary profit	8,100	(3,300)	(11,400)
Net income	3,000	(5,000)	(8,000)
* Credit cost (a) + (b)	(13,300)	(23,200)	(9,900)

(2) Consolidated basis

Consolidated earnings forecast has been revised according to the factors mentioned above.

[Reference] BIS capital ratio

BIS capital ratio, on both consolidated and non-consolidated bases, is estimated to be approximately 9% as of September 30, 2008 and March 31, 2009.

3. Revision of Dividends Forecasts

(1) Revision of dividends forecasts (Yen)

	Dividends per share	
	Year-end	Annual
Previous forecast	4.00	4.00
Revised forecast	0.00	0.00
Results for the fiscal year ended March 31, 2008	4.00	4.00

(2) Factors behind the Revision

Minato Bank expects net loss for the full year to be 5 billion yen on a non-consolidated basis. As a result, Minato Bank has revised its annual dividends forecasts from 4 yen per share to nil.

4. Reduction of Directors' Remuneration

Minato Bank has decided to reduce the directors' remuneration by 30% at the maximum given the revision of earnings forecasts and dividends forecasts.

5. Issues and Measures

(1) Control of credit cost

Last year Minato Bank strengthened its credit monitoring system. Further, Minato Bank increased the credit screening staff in October 1, 2008, and has been reinforcing the systems for monitoring individual borrowers, intensive screening of large borrowers, and supporting borrowers' revitalization.

It also reorganized the credit screening structure and established Credit Department III which is in charge of construction and real estate companies.

Minato Bank will endeavor to restructure the credit portfolio and to reduce credit cost by strengthening management of concentration risk, and by early determining identification of industry risks.

(2) Reduction of expenses

Minato Bank will cut personnel and equipment expenses and is confident that it can achieve an overhead ratio (OHR) of less than 60% next fiscal year and thereafter.

(3) Further strengthening of marketing efforts

Minato Bank expects banking profit (before provision of allowance for general loan losses) to reach 20 billion yen in this fiscal year despite a decrease in fees and commissions from sales of investment trusts.

It will continue to endeavor to expand its customer base and increase sales of pension-type insurance products.

The management members and employees of Minato Bank regret to announce the revision this time and will work hard for the measures to improve the business performance and to recover the dividends for the next fiscal year.

This document 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 document: 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 matters.