

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 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.

Figures in the charts are round numbers. Figures in parenthesis indicate loss or decrease.

May 23, 2006

Announcement of Financial Results for Fiscal Year 2005

We would now like to explain our financial results for FY2005, by using *Financial Results for the Fiscal Year 2005 ended March 31, 2006* and *Financial Results Fiscal Year 2005 Supplementary Information*.

The *Financial Results* of Sumitomo Mitsui Financial Group (“SMFG”) is provided pursuant to the listing rules. Financial statements of Sumitomo Mitsui Banking Corporation (“SMBC”) are provided at the end of SMFG’s *Supplementary Information* as “Reference.”

Let us look at the *Supplementary Information*. In this report, <Non-consolidated> indicates SMBC’s non-consolidated figures and <Consolidated> indicates SMFG’s consolidated figures if not otherwise specified.

<SMBC Non-consolidated Financial Results>

Please look at page 1. This is an overview of SMBC’s non-consolidated financial results. In line 22, Banking profit before provision for general reserve for possible loan losses was JPY 965.6 billion, a JPY 25.1 billion increase year over year.

Gross banking profit, shown in line 1, was JPY 1,552.1 billion, an increase of JPY 29.2 billion year over year. The profit increase was due to the steady rise in the Marketing Units’ profits led by the increase in Net fees and commissions thanks to favorable sales of investment trusts, etc.

With regard to Expenses in line 18, despite the decrease in Personnel expenses from workforce streamlining, Expenses increased year over year by JPY 4.1 billion, to JPY

586.5 billion, mainly due to the increase in Non-personnel expenses caused by aggressive investment in strategic business fields.

<SMBC Non-consolidated> (Billions of yen)

		FY2005		FY2004
			Change	
Gross banking profit	1	1,552.1	29.2	1,522.9
Expenses (excluding non-recurring losses)	18	(586.5)	(4.1)	(582.4)
Banking profit (before provision for general reserve for possible loan losses)	22	965.6	25.1	940.5

Let us move on to Non-recurring gains (losses). Total credit cost, calculated by adding Credit related costs in line 28, Provision for general reserve for possible loan losses in line 24, and Gains on collection of written-off claims in line 44 (JPY 30.6 billion), decreased greatly to JPY 230.9 billion as shown in line 51 at the bottom of the page.

The decline in Total credit cost was due to measures taken to intensively improve asset quality in fiscal 2004, such as increasing loan loss reserves, in order to be better prepared for future credit risks.

<SMBC Non-consolidated> (Billions of yen)

		FY2005		FY2004
			Change	
Provision for general reserve for possible loan losses	24	(155.0)	(506.5)	351.5
Non-recurring gains (losses)	27	(89.7)	1,274.0	(1,363.7)
Credit related costs	28	(106.5)	1,199.8	(1,306.3)
Extraordinary gains (losses)	39	25.7	54.1	(28.4)
Gains on collection of written-off claims	44	30.6	30.4	0.2
Total credit cost (24+28+44)	51	(230.9)	723.9	(954.8)

(Note) Gains on collection of written-off claims are included in Total credit cost in FY2005.

Now looking at Gains (losses) on stocks in line 33, there was a net gain of JPY 25.5 billion thanks to JPY 56.7 billion in net gains on sale of stocks (sum of line 34 and line 35) from favorable stock market conditions.

<SMBC Non-consolidated> (Billions of yen)

		FY2005		FY2004
			Change	
Gains (losses) on stocks	33	25.5	144.2	(118.7)
Gains on sale of stocks	34	70.1	(43.0)	113.1
Losses on sale of stocks	35	(13.4)	(9.2)	(4.2)
Losses on devaluation of stocks	36	(31.2)	196.4	(227.6)

These items added up to Ordinary profit of JPY 792.6 billion, a JPY 720.9 billion increase year over year, as shown in line 38.

Extraordinary gains (losses) were a net gain of JPY 25.7 billion as shown in line 39. Excluding Gains on collection of written-off claims in line 44, which is included in Total credit cost as explained earlier, Extraordinary gains (losses) were a net loss of JPY 4.9 billion.

As shown in line 47, Income taxes totaled JPY 13.5 billion, mainly due to the tax payments in overseas branches.

Also, in order to secure a sound financial base, Deferred income tax has been recorded conservatively. Deferred income tax was JPY 213.6 billion, as shown in line 49.

As a result, in line 50, we can see Net income of JPY 519.5 billion, a year over year increase of JPY 656.3 billion.

<SMBC Non-consolidated>

(Billions of yen)

		FY2005		FY2004
		Change		
Ordinary profit (loss)	38	720.9	792.6	(71.7)
Extraordinary gains (losses)	39	25.7	54.1	(28.4)
Income (loss) before income taxes	46	746.6	846.7	(100.1)
Income taxes, current	47	(13.5)	(7.1)	(6.4)
Income taxes, refund	48	-	(8.2)	8.2
Income taxes, deferred	49	(213.6)	(175.1)	(38.5)
Net income (loss)	50	519.5	656.3	(136.8)

<SMFG Consolidated Financial Results>

Let us now look at SMFG's consolidated financial results on the next page. Mainly due to SMBC's profit increase, Ordinary profit shown in line 16 was JPY 963.6 billion, an increase of JPY 993.9 billion year over year, and Net income shown in line 25 was JPY 686.8 billion, an increase of JPY 921.0 billion year over year.

<SMFG Consolidated>

(Billions of yen)

		FY2005		FY2004
			Change	
Consolidated gross profit	1	2,090.2	65.2	2,025.0
General and administrative expenses	7	(853.8)	(1.1)	(852.7)
Credit related costs	8	(333.6)	863.2	(1,196.8)
Gains (losses) on stocks	13	47.1	149.0	(101.9)
Equity in earnings of affiliates	14	31.9	4.8	27.1
Other income (expenses)	15	(18.2)	(87.2)	69.0
Ordinary profit (loss)	16	963.6	993.9	(30.3)
Net income (loss)	25	686.8	921.0	(234.2)

<Unrealized Gains (Losses) on Securities>

Next, let us look at page 4 for Unrealized gains (losses) on securities. Figures on non-consolidated Unrealized gains (losses) on securities portfolio of SMBC are shown in the middle of the page. In the table, you can find Unrealized gains on Other securities totaling JPY 1,316.2 billion, which consist of Gains on stocks (JPY 1,632.4 billion), Losses on bonds (JPY 282.2 billion), and Losses on others (JPY 34.0 billion).

<SMBC Non-consolidated>

(Billions of yen)

		Mar. 31, 2006		
		Net unrealized gains (losses)		
		Change from Mar. 31, 2005	Gains	Losses
Other securities	1,316.2	664.8	1,695.6	(379.4)
Stocks	1,632.4	965.1	1,649.9	(17.5)
Bonds	(282.2)	(289.9)	0.8	(283.0)
Others	(34.0)	(10.4)	44.9	(78.9)

<BIS Capital Ratio>

Next, we would like to explain about the consolidated BIS capital ratio on page 7. As you can see, the preliminary figure on the consolidated BIS capital ratio as of March 31, 2006 was 12.39%, a 2.45% increase compared with March 31, 2005, mainly due to the recording of net income and the common stock offering in January-February 2006.

<SMFG Consolidated>

		Mar. 31, 2006		Mar. 31, 2005
		[Preliminary]	Change	
Capital ratio (%)		12.39	2.45	9.94

<Non-Performing Loans>

Let us now move on to page 8, which shows the situation of non-performing loans.

The breakdown of Problem assets based on the Financial Reconstruction Law is as follows:

Bankrupt and quasi-bankrupt assets:	JPY 164.5 billion
Doubtful assets:	JPY 473.4 billion
Substandard loans:	JPY 322.2 billion

The aggregate amount was JPY 960.1 billion (a JPY 864.5 billion decrease compared with March 31, 2005).

Meanwhile, Problem asset ratio, a ratio of Problem assets to Total assets which include Normal assets, was 1.7%, a decrease by almost half compared with the ratio at March 31, 2005, 3.3%.

	Mar. 31, 2006	Change from Mar. 31, 2005
Bankrupt and quasi-bankrupt assets	164.5	(283.8)
Doubtful assets	473.4	(451.0)
Substandard loans	322.2	(129.7)
Total (A)	960.1	(864.5)
Normal assets	55,984.9	2,532.3
Total (B)	56,945.0	1,667.8
Problem asset ratio (A/B)	1.7%	(1.6%)

The Reserve ratio for each category of borrowers is as follows:

- 100% for the unsecured portion of Bankrupt and quasi-bankrupt assets
- 100% for the unsecured portion of Doubtful assets
- 52.6% for the unsecured portion of Substandard loans

For Normal assets:

- 7.3% for total claims on Borrowers requiring caution, excluding Substandard borrowers,
- 0.4% for total claims on Normal borrowers

<Deferred Tax Assets>

Next, please look at page 18. On page 18, the amount of Net deferred tax assets on the balance sheet and the breakdown by factor are provided. The amount of Net deferred tax assets recorded on the Balance Sheet as of March 31, 2006 was JPY 976.2 billion as

shown in line 16, a JPY 526.0 billion decrease compared with March 31, 2005. This decrease was mainly due to collection of Deferred tax assets led by recognition of Income before income taxes, as well as the increase in Deferred tax liabilities thanks to the increase in Unrealized gains on other securities.

A ratio of Net deferred tax assets to Tier I capital on SMFG consolidated basis was 21.6%, well below 40 %, the upper limit for BIS capital ratio calculation under the Japanese regulatory guidelines for March-end 2006.

<SMBC Non-consolidated>

(Billions of yen)

		Mar. 31, 2006	Change	Mar. 31, 2005
Net deferred tax assets (Balance sheet amount)	16	976.2	(526.0)	1,502.2
Amount corresponding to the deferred tax liabilities related to Net unrealized gains on other securities	17	(536.2)	(271.7)	(264.5)
Net deferred tax assets excluding the amount shown in line 17	18	1,512.4	(254.3)	1,766.7

< Earnings Forecast for fiscal 2006 >

Next, we will explain about the earnings forecast for fiscal 2006, which you can see on page 20.

Let us look at SMFG's non-consolidated earnings forecast for fiscal 2006. We forecast Operating income of JPY 360.0 billion, Ordinary profit of JPY 355.0 billion and Net income of JPY 355.0 billion.

With regard to dividends for fiscal 2006, we plan to increase dividend per common share by JPY 1,000 to JPY 4,000, considering such factors as the level of retained earnings. Dividend per preferred share is as originally set.

<SMFG Non-consolidated>	(Billions of yen)
	FY2006 forecast
Operating income	360.0
Ordinary profit	355.0
Net income	355.0

Next, let us look at SMFG's consolidated earnings forecast for fiscal 2006. Ordinary profit and Net income are expected to be JPY1,010.0 billion and JPY 570.0 billion, respectively.

SMBC's non-consolidated earnings forecast for fiscal 2006 is shown at the bottom of the page:

Banking profit (before provision for general reserve for possible loan losses):

JPY 940.0 billion

Ordinary profit: JPY 780.0 billion

Net income: JPY 460.0 billion

Total credit cost: JPY (170.0) billion

< FY2005 Achievements and FY2006 Management Policy >

Please look at page 21, fiscal 2005 Achievements and fiscal 2006 Management Policy.

First, in fiscal 2005, under the management policy, “to secure solid profit level in the first year of the Medium-term Plan,” we endeavored to further strengthening our profitability through aggressive allocation of resource to strategic business areas, and decrease credit cost to a normalized level. As a result, we have secured higher-than-expected profits and over-achieved the reduction targets on the balance of Problem assets based on the Financial Reconstruction Law, and the Problem asset ratio.

For fiscal 2006, we have set a management policy, “to establish a solid framework for realizing sustainable growth.”

Specifically, in order to further provide “value-added products and services to our customers” on a group basis, we aim to “expand our customer base” and “establish a sustainable earnings structure” by

- further upgrading financial consulting, and
- expanding services through alliances

in consumer business, and by

- improving capability to provide solutions to management issues of customers, and
- meeting customers' diversifying financial needs

in corporate business.

In addition, in order to “establish a solid platform for supporting business growth,” we will

(1) further improve our internal control systems by

- strengthening compliance,
- reinforcing quality management and enhancing customer satisfaction,
- improving risk management
- strengthening internal auditing, and
- reexamining internal business performance evaluation system and improving human resource management

and

(2) further strengthen our financial base by securing the forecasted profit for fiscal 2006 as well as by growing capital both in terms of quality and quantity through early

repayment of public funds.

This is the end of today's announcement. Thank you very much for your attention.

(END)

(Reference 1) FY2005 Achievements and FY2006 Management Policy

FY2005 Achievements

Management Policy: "Secure solid profit level"

- Further strengthen profitability through aggressive allocation of resources to strategic businesses

Net income <SMFG consolidated>	<FY2004 result> (JPY 234.2 billion)	<FY2005 forecast*> JPY 460.0 billion	<FY2005 result> JPY 686.8 billion
Net income <SMBC non-consolidated>	(JPY 136.8 billion)	JPY 350.0 billion	JPY 519.5 billion

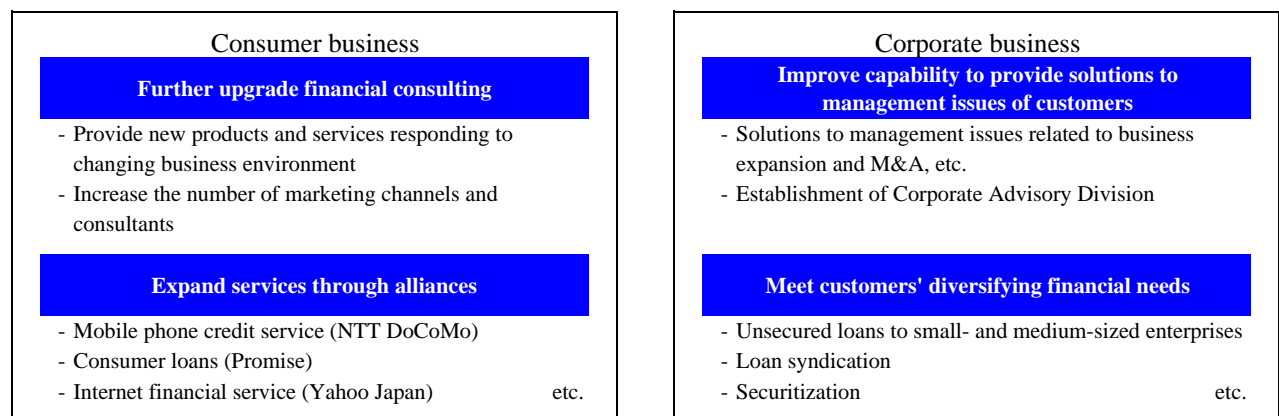
- Decrease credit cost to a normalized level

<SMBC non-consolidated> Total credit cost	<FY2004 result> JPY 954.8 billion	<FY2005 forecast*> JPY 300.0 billion	<FY2005 result> JPY 230.9 billion
Problem assets based on the Financial Reconstruction Law	JPY 1,824.6 billion	Approximately JPY 1 trillion	JPY 960.1 billion
Problem asset ratio	3.3%	Approximately 2%	1.7%

*Announced in May 2005 when SMFG released its financial results for FY2004

"FY2006 Management Policy: "Establish a solid platform for realizing sustainable growth"

-Further provide value-added products and services to our customers on a group basis

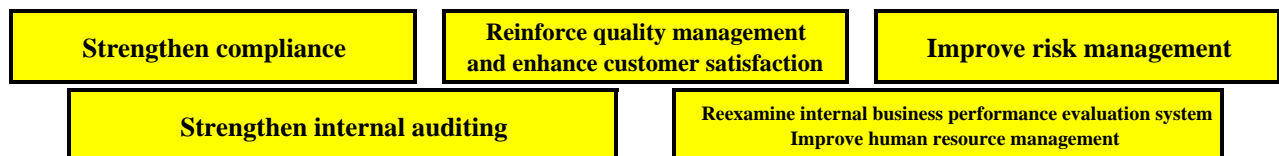


Expand customer base

Establish a sustainable earnings structure

-Establish solid platform to support business growth

(1) Further improve internal control systems



(2) Further strengthen financial base

Fortify capital both in terms of quality and quantity

<FY2006 forecast>

**SMFG consolidated net income:
JPY 570.0 billion**

**SMBC non-consolidated net income:
JPY 460.0 billion**

Early repayment of public funds