

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 21, 2007

Announcement of Financial Results for Fiscal Year 2006

We would now like to explain our financial results for FY2006, by using *Financial Results for the Fiscal Year 2006 ended March 31, 2007* and *Financial Results Fiscal Year 2006 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 740.6 billion, a JPY 225.0 billion decrease year over year.

Gross banking profit, shown in line 1, was JPY 1,344.5 billion, a decrease of JPY 207.6 billion year over year.

This is mainly attributable to the decrease in SMBC’s Treasury Unit’s profits by approximately JPY 170.0 billion, caused by (a) JPY 112.4 billion in Losses on bonds shown in line 26, which is a JPY 102.1 billion increase in losses year over year, led by reduction of bond exposure aiming for reducing risks on the portfolio, responding to trends in interest rates in both domestic and overseas markets, and (b) decrease in

profits of Japanese yen denominated ALM operations led by such factors as decrease in interest income on bond portfolio, and shrink in difference between the level of long-term interest rates and short-term interest rates.

Expenses, shown in line 18, increased by JPY 17.4 billion year over year, to JPY 603.9 billion, mainly due to the increase in Non-personnel expenses caused by investment in strategic areas such as SME loans and expansion of channel network both in Japan and overseas.

<SMBC Non-consolidated>

(Billions of yen)

		FY2006	Change	FY2005
Gross banking profit	1	1,344.5	(207.6)	1,552.1
Expenses (excluding non-recurring losses)	18	(603.9)	(17.4)	(586.5)
Banking profit (before provision for general reserve for possible loan losses)	22	740.6	(225.0)	965.6
Gains (losses) on bonds	26	(112.4)	(102.1)	(10.3)

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 39, was JPY 89.5 billion, a JPY 141.4 billion decrease year over year, as shown in line 46.

<SMBC Non-consolidated>

(Billions of yen)

		FY2006	Change	FY2005
Provision for general reserve for possible loan losses	24	41.7	196.7	(155.0)
Non-recurring gains (losses)	27	(209.0)	(119.3)	(89.7)
Credit related costs	28	(131.7)	(25.2)	(106.5)
Other non-recurring gains (losses)	33	(88.4)	(79.9)	(8.5)
Extraordinary gains (losses)	35	13.6	(12.1)	25.7
Gains on collection of written-off claims	39	0.5	(30.1)	30.6
Total credit cost (24+28+39)	46	(89.5)	141.4	(230.9)

Now looking at Gains (losses) on stocks in line 29, there was a net gain of JPY 11.1 billion thanks to JPY 49.7 billion in net gains on sale of stocks under a favorable stock market condition.

<SMBC Non-consolidated>

(Billions of yen)

		FY2006	Change	FY2005
Gains (losses) on stocks	29	11.1	(14.4)	25.5
Gains on sale of stocks	30	50.2	(19.9)	70.1
Losses on sale of stocks	31	(0.5)	12.9	(13.4)
Losses on devaluation of stocks	32	(38.6)	(7.4)	(31.2)

Non-recurring gains (losses) in line 33 was a net loss of JPY 88.4 billion, a JPY 79.9 billion increase in losses year over year, mainly due to the recording of reserve for losses on shares of Promise Co., Ltd., an equity method affiliated company.

These items added up to Ordinary profit of JPY 573.3 billion, a JPY 147.6 billion decrease year over year, as shown in line 34.

Extraordinary gains (losses) were a net gain of JPY 13.6 billion as shown in line 35.

In line 43, Income taxes totaled were JPY 16.5 billion, mainly due to tax payments in overseas branches.

Also, in order to secure sound financial base, Deferred income tax has been recorded conservatively. Deferred income tax was JPY 254.7 billion, as shown in line 44.

As a result, in line 45, we can see Net income of JPY 315.7 billion, a year over year decrease of JPY 203.8 billion.

<SMBC Non-consolidated>

(Billions of yen)

		FY2006	Change	FY2005
Ordinary profit (loss)	34	573.3	(147.6)	720.9
Extraordinary gains (losses)	35	13.6	(12.1)	25.7
Income (loss) before income taxes	42	586.9	(159.7)	746.6
Income taxes, current	43	(16.5)	(3.0)	(13.5)
Income taxes, deferred	44	(254.7)	(41.1)	(213.6)
Net income (loss)	45	315.7	(203.8)	519.5

<SMFG Consolidated Financial Results>

Let us now look at SMFG's consolidated financial results on the next page. Mainly due to SMBC's profit decrease, Ordinary profit shown in line 16 was JPY 798.6 billion, a decrease of JPY 164.9 billion year over year, and Net income shown in line 25 was JPY 441.4 billion, a decrease of JPY 245.5 billion year over year.

<SMFG Consolidated>

(Billions of yen)

		FY2006	Change	FY2005
Consolidated gross profit	1	1,906.2	(184.0)	2,090.2
General and administrative expenses	7	(888.6)	(34.8)	(853.8)
Credit related costs	8	(146.2)	187.4	(333.6)
Gains (losses) on stocks	13	44.7	(2.4)	47.1
Equity in earnings of affiliates	14	(104.2)	(136.1)	31.9
Other income (expenses)	15	(13.3)	4.9	(18.2)
Ordinary profit (loss)	16	798.6	(164.9)	963.6
Net income (loss)	25	441.4	(245.5)	686.8

<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 1,832.9 billion, which consist of Gains on stocks (JPY 1,978.7 billion), Losses on bonds (JPY 151.4 billion) and Gains on others (JPY 5.6 billion).

As a result of the reduction in risk exposure, Unrealized gains (losses) on bonds were improved in JPY 130.8 billion year over year.

<SMBC Non-consolidated>		(Billions of yen)		
		Mar. 31, 2007		
		Net unrealized gains (losses)		
		Change from Mar. 31, 2006	Gains	Losses
Other securities	1,832.9	516.7	2,028.7	(195.8)
Stocks	1,978.7	346.3	1,990.4	(11.7)
Bonds	(151.4)	130.8	0.8	(152.2)
Others	5.6	39.5	37.5	(31.9)

<BIS Capital Ratio>

Next, we would like to explain the consolidated BIS capital ratio on page 7. As you can see, the preliminary figure on the consolidated BIS capital ratio based on Basel II standard as of March 31, 2007 was 11.31%.

<SMFG Consolidated>		(%)
	Mar. 31, 2007 [Preliminary]	Mar. 31, 2006
Capital ratio	11.31	12.39

<Non-Performing Loans>

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

The total amount of Problem assets based on the Financial Reconstruction Law was JPY 738.7 billion, a JPY 221.4 billion decrease compared with March 31, 2006. Meanwhile, Problem asset ratio, a ratio of Problem assets to Total assets which include Normal assets was 1.2%, a decrease of 0.5% year over year.

<SMBC Non-consolidated>

(Billions of yen)

	Mar. 31, 2007	Change from Mar. 31, 2006	Mar. 31, 2006
Bankrupt and quasi-bankrupt assets	108.9	(55.6)	164.5
Doubtful assets	300.1	(173.3)	473.4
Substandard loans	329.7	7.5	322.2
Total (A)	738.7	(221.4)	960.1
Normal assets	60,542.2	4,557.3	55,984.9
Total (B)	61,280.9	4,335.9	56,945.0
Problem asset ratio (A/B)	1.2%	(0.5%)	1.7%

<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 factors are provided. The amount of Net deferred tax assets recorded on the balance sheet as of March 31, 2007 was JPY 743.6 billion as shown in line 19, a JPY 232.6 billion decrease compared with March 31, 2006. This decrease was mainly due to collection of Deferred tax assets led by recognition of Income before income taxes.

A ratio of Net deferred tax assets to Tier I capital on SMFG consolidated basis was 21.4%, well below 30 %, the upper limit for BIS capital ratio calculation under the Japanese regulatory guidelines for March end 2007.

<SMBC Non-consolidated>

(Billions of yen)

		Mar. 31, 2007	Change	Mar. 31, 2006
Net deferred tax assets (Balance sheet amount)	19	743.6	(232.6)	976.2
Amount corresponding to the deferred tax assets shown in Net deferred losses on hedges	20	59.8	59.8	-
Amount corresponding to the deferred tax liabilities shown in Net unrealized gains on other securities	21	(573.4)	(37.2)	(536.2)
Net deferred tax assets excluding the amount shown in line 20	22	1,257.2	(255.2)	1,512.4

<SMFG Consolidated>

(e) Net deferred tax assets	24	836.3	(165.8)	1,002.1
(f) Tier I	25	3,903.3	(742.6)	4,645.9
Net deferred tax assets / Tier I (e / f)	26	21.4%	(0.2%)	21.6%

< Earnings Forecast for fiscal 2007>

Next, we will explain about the earnings forecast for fiscal 2007, which you can see on page 20.

Let us look at SMFG's non-consolidated earnings forecast for fiscal 2007. We forecast Operating income of JPY 105.0 billion, Operating profit of JPY 100.0 billion, Ordinary profit of JPY 90.0 billion and Net income of JPY 85.0 billion.

<SMFG Non-consolidated> (Billions of yen)	
	FY2007 forecast
Operating income	105.0
Operating profit	100.0
Ordinary profit	90.0
Net income	85.0

From the viewpoint of increasing return to shareholders, we increased the forecast of cash dividends per common share for the fiscal year 2007 to be JPY 10,000, an increase by JPY 3,000 year over year. Dividend per preferred share is as originally set. Also, half of such annual dividends will be paid as an interim dividend.

<SMFG Non-consolidated> (Yen)	
Dividend per share forecast for the fiscal year end	
	FY2007 forecast
Common stock	10,000

(Reference)	(Billions of yen)
Total dividend planned	89.6

Next, let us look at SMFG's consolidated earnings forecast for fiscal 2007. Ordinary profit and Net income are expected to be JPY 980.0 billion and JPY 540.0 billion, respectively.

SMBC's non-consolidated earnings forecast for fiscal 2007 is shown at the bottom of the page:

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

JPY 830.0 billion

Ordinary profit: JPY 700.0 billion

Net income: JPY 410.0 billion

Total credit cost: JPY 90.0 billion

< Overview of medium-term management plan and management policy in FY2007>

Please look at page 21, which shows an overview of medium-term management plan and management policy in fiscal 2007.

In the medium-term plan, “LEAD THE VALUE” Plan, SMFG’s basic policy is to be “a globally competitive financial services group with the highest trust” by maximizing its strengths – “Spirit of Innovation,” “Speed” and “Solution & Execution.”

Under this basic policy, we have set the following three goals.

1. Aim for top quality in growth business areas
2. Realize solid financial base as a global player
3. Increase return to shareholders.

SMFG will implement strategic initiatives centered on “strengthening targeted growth business areas” and “fortifying platform for supporting sustainable growth” to achieve such targets.

We have designated fiscal 2007 as “the first step towards accomplishing the medium-term plan.”

First, for strengthening targeted growth business areas, we will strengthen the following seven areas:

- Financial consulting for individuals
- Payment & Settlement service, Consumer finance
- Solution providing for corporations
- Investment banking and trust business
- Focused business areas in global markets
- Proprietary investment
- Credit derivative, trading & distribution

Second, for fortifying platform for supporting sustainable growth, we will take initiatives such as:

- Strengthening compliance both in Japan and overseas
- Improving CS
- Implementing an internal business performance evaluation system centered on medium-term targets and strategic measures
- Improving HR management

- Reinforcing operational infrastructure
- Improving ALM and risk management systems

This is the end of presentation. Thank you very much for your attention.

(END)

(Reference) Overview of New Medium-term Management Plan and FY2007 Management Policy

Overview of "LEAD THE VALUE" PLAN (FY2007 ~ 2009)

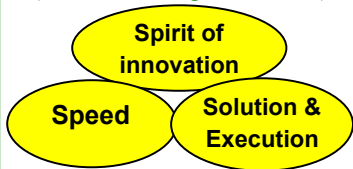
FY2007~2009

"LEAD THE VALUE" Plan

Aim for "a globally competitive financial services group with the highest trust" by maximizing our strengths to LEAD THE VALUE.

To LEAD the competition in creating and delivering customer VALUE

Our strengths
(Sources of corporate value)



Strategic Initiatives

■ Strengthen targeted growth business areas

"7 growth areas"

■ Fortify platform to support sustainable growth

Management targets

- Aim for top quality in growth business areas
- Realize solid financial base as a global player
- Increase return to shareholders (realize payout ratio of more than 20%)

Financial targets for FY2009 (SMFG consolidated)

Net income	: JPY 650 billion
Tier I ratio	: Approx.8%
Net income RORA	: Approx.1%
Overhead ratio	: 40-45% (SMBC non-consolidated)

ROE(SMFG consolidated) : 10-15%

FY2007 Management policy : "The first step towards accomplishing the medium-term plan"

■ Strengthen targeted growth business

<initiatives>

- Financial consulting for individuals
- Payment & settlement service, Consumer finance
- Solution providing for corporations
- Investment banking, Trust business
- Focused business areas in global markets
- Proprietary investment
- Credit derivative, trading & distribution

- Establish business model for offering "one-stop shopping" of various financial services
- Expand payment & settlement services utilizing credit cards and electronic money
- Promote collaboration with Promise etc. in consumer finance
- Strengthen businesses which needs of individual and corporate customers co-exist, such as business succession consulting and private banking
- Strengthen investment banking through Private Advisory Department collaboration with Daiwa Securities SMBC
- Reinforce trust business with greater flexibility due to the revision of trust-related laws
- Strengthen businesses in industries in which fund raising and business consolidation needs are increasing, and in Asia
- Further strengthen project finance, ship finance etc.
- Strengthen investment in mezzanine, equity, and funds
- Improve capability to structure risks and distribute risks to investors

■ Fortify platform to support sustainable growth

- Strengthen compliance both in Japan and overseas
- Business performance evaluation system with medium-term viewpoint
- Reinforce operational infrastructure

- Improve Customer Satisfaction
- Improve HR management
- Improve ALM and risk management