Sumitomo Mitsui Financial Group, Inc.

Major Questions and Answers on the Financial Results for the Six Months ended September 30, 2008.

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 similar matters.

The followings are frequently asked questions and their answers on the financial results for the Six months ended September 30, 2008, announced on November 14, 2008.
For overview of the financial results, please refer to the announcement posted on our web-site at
www.smfg.co.jp/english/investor/financial/latest_statement/h2009press_pdf/h2009_e3_01.pdf

1. Financial Results

Q1. Please explain the factors behind an increase in SMBC's non-consolidated Total credit cost compared with the previous forecast announced in May 2008?

A1. SMBC's non-consolidated Total credit cost in the first half of FY2008 was JPY 224.1 billion, approximately JPY 130 billion higher than the previous forecast of JPY 90 billion announced in May. This was mainly due to deterioration of domestic credit portfolio, mainly in construction and real estate sector, from worsening borrowers' business performance and an unanticipated provision for claims on certain overseas financial institutions against a backdrop of global financial market turmoil represented by Lehman Brothers' bankruptcy in September 2008.

2. Balance Sheet

Q2. What was the reason for the change in loan balance?

A2. SMBC's non-consolidated Total loan balance as of September 30, 2008 increased by approximately JPY 1,600 billion from March 31, 2008, to JPY 58,542 billion. This was mainly due to an increase in overseas loans (including offshore banking account) by approximately JPY 2,150 billion, actively responding to financing needs of corporations with high credit ratings. On the other hand, domestic loans (excluding offshore banking account) decreased by approximately JPY 570 billion due to a decrease in loans to the Government.

Q3. What was the reason for a decrease in the Capital ratio on SMFG consolidated basis?

A3. The preliminary figure on the SMFG consolidated capital ratio as of September 30, 2008 was 10.25%, a decrease of 0.31 % compared with that of March 31, 2008. This was principally due to decrease of Tier II capital, led by a decrease of Net unrealized gain on other securities as a result of decline in stock market prices. Preliminary figure on Tier I ratio increased by 0.14% compared with March 31, 2008, to 7.08% mainly due to accumulation of retained earnings among other factors.

3. Earnings Forecasts

Q4. Please explain SMBC's non-consolidated Banking profit* forecast for FY2008 with regard to changes from the results in the previous fiscal year.

** Banking profit before provision of allowance for general loan losses*

A4. SMBC's non-consolidated Banking profit is forecasted to decrease by approximately JPY 20 billion year over year to JPY 800 billion. Gross banking profit is forecasted to increase by approximately JPY 25 billion to JPY 1,510 billion, mainly attributable to (a) an increase of International Banking Unit's profits due to the increase in assets with higher profitability, (b) an increase of Treasury Unit's profits due to the absence of subprime related losses recorded in the last fiscal year, despite (a) a decrease in Net interest income in domestic operations due to the decline of loan spread, (b) a decrease in Net fees and commissions, reflecting clients' weak investment needs as a result of increasing concern on economic slowdown and volatile market. Meanwhile, Expenses are planned to increase by approximately JPY 45 billion year over year to JPY 710 billion due to an increase of expenses for reinforcement of human resources, the investment in IT systems and the expansion of the branch network to strengthen growth business areas.

Q5. Please explain the forecast for SMBC's non-consolidated Total credit cost in FY2008.

A5. We expect SMBC's non-consolidated Total credit cost in FY2008 to be approximately JPY 370 billion, an increase of approximately JPY 190 billion, compared with the previous forecast announced in May 2008. This is based on the result in the first half of FY2008 with unanticipated deterioration cost as a result of worsening borrowers' business performance, against a backdrop of the turmoil of financial market and domestic and overseas economic slowdown. Although certain level of credit costs is expected to be incurred in the second half of FY2008 given the continuous economic slowdown, we will suppress the deterioration of credit portfolio by taking more detailed measures against our client corporations, considering worsening business environment.

Q6. Please explain the forecast for Gain (loss) on stocks in FY2008.

A6. We forecast SMBC's non-consolidated Loss on stocks for FY2008 to be approximately JPY 110 billion, assuming the level of Nikkei Stock Average to be JPY 9,000.

Q7. Please explain economic assumptions of Earnings forecasts for FY2008, such as interest rate, and exchange rate.

A7. Under the current earnings forecast for FY2008, Yen interest rate is assumed to be unchanged from the previous earnings forecast announced in May 2008, and latest cut of policy interest rate by 20 basis points is not reflected to the forecast. The impact of decline in interest rates on our financial results is limited as a whole, as spread of deposits such as liquid deposits declines on one hand, it is positive because unrealized gain (loss) on bonds can improve and be realized when bonds are sold on the other hand. As for Japanese yen to U.S. dollar exchange rate, we assume JPY 105 to US$ 1, unchanged from the previous forecast.