

Sumitomo Mitsui Financial Group Announces
Revision of Consolidated Earnings Forecast
for the Fiscal Year Ending March 31, 2005

TOKYO, October 29, 2004 --- Sumitomo Mitsui Financial Group, Inc. (SMFG) announced today its revision of consolidated earnings forecast for the fiscal year ending March 31, 2005 (fiscal 2004).

SMFG had designated fiscal 2004 as the year for completing the intensive resolution of non-performing loan (“NPL”) problem and has been devoting itself to reducing NPLs. SMFG has today decided that its group companies including affiliates other than banks should make additionally provisions for possible loan losses in order to accomplish the target of reducing the problem asset ratio by half at the end of first half of fiscal 2004, six months ahead of the original schedule, and completely resolve NPL problem on a group basis. As a result, SMFG today revised the consolidated earnings forecast for fiscal 2004 as follows.

Non-consolidated earnings and dividends forecasts are not revised.

1. Revision of consolidated earnings forecast for the first half of fiscal 2004
(April 1, 2004 to September 30, 2004)

(Billions of yen, %)

	Ordinary income	Ordinary profit	Net income
Previous forecast (announced in May 2004) (A)	1,700	270	150
Revised forecast (B)	1,750	115	55
Change (B - A)	+ 50	(155)	(95)
Percentage change	+ 2.9%	- 57.4%	- 63.3%

2. Revision of consolidated earnings forecast for fiscal 2004
(April 1, 2004 to March 31, 2005)

(Billions of yen, %)

	Ordinary income	Ordinary profit	Net income
Previous forecast (announced in May 2004) (A)	3,400	650	330
Revised forecast (B)	3,450	470	180
Change (B - A)	+ 50	(180)	(150)
Percentage change	+ 1.5%	- 27.7%	- 45.5%

I. SMBC's earnings forecast for fiscal 2004 (Non-consolidated)

(Billions of yen)

			Fiscal 2004	Change from the previous forecast
	First half of fiscal 2004	Change from the previous forecast		
Banking profit (excluding transfer to general reserve for possible loan losses)	470	10	980	–
Ordinary profit	130	(70)	440	(60)
Net income	120	(10)	250	(30)
Total credit cost	(450)	(200)	(650)	(200)

(Points)

1. First half of fiscal 2004

Sumitomo Mitsui Banking Corporation (SMBC), a banking subsidiary of SMFG, estimates that banking profit (excluding transfer to general reserve for possible loan losses) exceeds the previous forecast and gains on stocks also increase due to acceleration of reduction in book value of shareholdings. On the other hand, total credit cost is estimated to increase compared with the previous forecast due to (1) the work-outs of NPLs to achieve the target of halving the problem asset ratio and (2) the addition of loan loss reserves to prepare better for future credit risks.

As a result, ordinary profit and net income are expected to be, respectively, 70 billion yen and 10 billion yen, lower than the previous forecasts.

2. Fiscal 2004

Full term earnings for fiscal 2004 are projected to decline slightly, mainly due to the revision of the forecast for the first half as described above.

<Reference>

SMFG's consolidated earnings forecast for fiscal 2004

(Billions of yen)

			Fiscal 2004	Change from the previous forecast
	First half of fiscal 2004	Change from the previous forecast		
Ordinary profit	115	(155)	470	(180)
Net income	55	(95)	180	(150)
Total credit cost	(600)			

(Points)

1. First half of fiscal 2004

SMFG has decided that subsidiaries engaged in loan guarantees should additionally provide reserve for possible loan losses in order to strengthen its financial position on a consolidated basis. As a result of increase in credit cost, ordinary profit and net income are expected to decrease by 155 billion yen and 95 billion yen, respectively, compared with the previous forecasts.

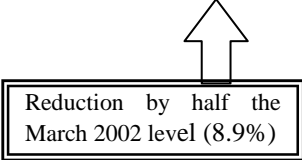
2. Fiscal 2004

Full term earnings for fiscal 2004 are projected to decrease mainly due to the revision of the forecast for the first half of fiscal 2004 as described above.

II. Problem assets based on the Financial Reconstruction Law (SMBC, Non-consolidated)

(Billions of yen, %)			
	Sept. 30, 2004 Estimate (1)	March 31, 2004 Result (2)	Change (1) – (2)
Problem assets based on the Financial Reconstruction Law	Approximately 2,480	2,811.2	Approximately (330)
Problem asset ratio	4.4%	5.0%	– 0.6%

	March 31, 2003 Result	March 31, 2002 Result
	5,261.3	5,920.3
	8.4%	8.9%



(Points)

- In the first half, problem assets are expected to decrease by approximately 330 billion yen from March 31, 2004 and the problem asset ratio is expected to decline to 4.4% at September 30, 2004.
 >>> The target of halving the problem asset ratio by March 31, 2005 compared with the March 2002 level is expected to be achieved half a year ahead of the original schedule.
- SMBC plans to further reduce the problem assets to less than 2 trillion yen (problem asset ratio: less than 4% range) at March 31, 2005.

III. Net unrealized gains on other securities (SMBC, Non-consolidated)

(Billions of yen)			
	Sept. 30, 2004 Estimate (1)	March 31, 2003 Result (2)	Change (1) – (2)
Net unrealized gains (losses) on other securities	460	556.3	(96.3)
Stocks	560	651.1	(91.1)
Others	(100)	(94.8)	(5.2)

VI. Capital ratio (SMFG, Consolidated)

	Sept. 30, 2004 Estimate	March 31, 2004 Result
Consolidated capital ratio	Approximately 11% (*)	11.37 %

(*) SMFG resolved at the meeting of the Board of Directors held on September 30, 2004 to repurchase capital stock (up to 270 billion yen; from October 1, 2004 to March 31, 2005) pursuant to the provisions of Article 211-3, Paragraph 1, Item 2 of the Commercial Code of Japan. SMFG has not repurchased any capital stock as of September 30, 2004.