



**Sumitomo Mitsui Financial Group Announces**  
**Revision of Earnings Forecasts of**  
**a Consolidated Subsidiary (Kansai Urban Banking Corporation)**

TOKYO, November 4, 2008 --- Sumitomo Mitsui Financial Group, Inc. (“SMFG”) hereby announces that Kansai Urban Banking Corporation, a consolidated subsidiary of SMFG, has revised its earnings forecast announced on July 29, 2008 (see Appendix).

(Appendix)

**Kansai Urban Banking Corporation Announces**  
**Revision of Earnings Forecasts**

OSAKA, November 4, 2008 --- Kansai Urban Banking Corporation (KUBC) announced today a revision of its earnings forecasts for the six months ended September 30, 2008 and the fiscal year ending March 31, 2009, which were announced on July 29, 2008.

**1. Revision of Earnings Forecasts**

(1) Six months ended September 30, 2008

(a) Consolidated basis

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

	Ordinary income	Ordinary profit	Net income	Net income per share
Previous forecast	¥ 56,000	¥ 5,500	¥ 3,000	¥ 6.26
<b>Revised forecast</b>	<b>55,600</b>	<b>2,500</b>	<b>2,200</b>	<b>4.59</b>
Change	(400)	(3,000)	(800)	—
Percentage change	(0.7)%	(54.5)%	(26.6)%	—
Results for the six months ended September 30, 2007	54,460	9,229	6,003	12.53

(b) Non-consolidated basis

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

	Ordinary income	Ordinary Profit	Net income	Net income per share
Previous forecast	¥ 48,000	¥ 5,500	¥ 3,000	¥ 6.26
<b>Revised forecast</b>	<b>48,400</b>	<b>1,900</b>	<b>1,800</b>	<b>3.76</b>
Change	400	(3,600)	(1,200)	—
Percentage change	0.8%	(65.4)%	(40.0)%	—
Results for the six months ended September 30, 2007	48,059	9,393	6,692	13.96

(2) Fiscal year ending March 31, 2009

(a) Consolidated basis

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

	Ordinary income	Ordinary Profit	Net income	Net income per share
Previous forecast	¥ 116,000	¥ 15,500	¥ 8,500	¥ 17.75
<b>Revised forecast</b>	<b>109,000</b>	<b>9,200</b>	<b>6,000</b>	<b>12.53</b>
Change	(7,000)	(6,300)	(2,500)	—
Percentage change	(6.0)%	(40.6)%	(29.4)%	—
Results for the year ended March 31, 2008	112,619	18,866	13,055	27.25

(b) Non-consolidated basis

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

	Ordinary income	Ordinary profit	Net income	Net income per share
Previous forecast	¥ 99,000	¥ 15,000	¥ 8,500	¥ 17.75
Revised forecast	97,000	9,000	6,000	12.53
Change	(200)	(6,000)	(2,500)	—
Percentage change	(2.0)%	(40.0)%	(29.4)%	—
Results for the year ended March 31, 2008	97,357	18,402	12,074	25.20

## **2. Factors behind the Revision**

(1) Non-consolidated basis

(a) Six months ended September 30, 2008

- Banking profit (before provision of allowance for general loan losses):

KUBC expects banking profit (before provision of allowance for general loan losses) to be ¥14.1 billion, ¥0.4 billion below the previous forecast. This decrease is mainly attributable to a decrease in sale of financial products such as investment trusts reflecting volatile stock markets, though interest income is in line with the previous forecast reflecting an increase in loan balance.

- Total credit cost

Small and medium-sized enterprises' business environment has been worsening, reflecting a global economic downturn. In addition, certain large borrowers went bankrupt due to the recent rapid drop of the real estate market. As a result, KUBC expects total credit cost to be ¥11.7 billion, ¥2.7 billion above the previous forecast.

- Ordinary profit and Net income

As a result of the factors mentioned above, KUBC expects ordinary profit to be ¥1.9 billion, ¥3.6 billion below the previous forecast. Net income is expected to be ¥1.8 billion, ¥1.2 billion below the previous forecast.

(b) Fiscal year ending March 31, 2009

- Banking profit (before provision of allowance for general loan losses):

KUBC expects demand for bank loans to continue to be weak in the second half, reflecting the global economic slowdown. In addition, it has revised its estimate of sale of investment trusts and also expects gains (losses) on bonds to decrease. As a result, banking profit (before provision of allowance for general loan losses) is expected to be ¥28 billion, ¥4 billion below the previous forecast.

- Total credit cost

KUBC expects to record further increases in total credit cost amid the global economic slowdown in the second half of fiscal 2008. On the other hand, the deterioration of credit exposure is expected to be suppressed in the second half, due mainly to the implementation of measures to manage its credit portfolio through a revision of organization in July 2008. As a result, total credit cost for the full year is expected to be ¥18.5 billion, ¥2.5 billion above the previous forecast.

- Ordinary profit and Net income

As a result of the factors mentioned above, KUBC expects ordinary profit to be ¥9 billion, ¥6 billion below the previous forecast. Net income is expected to be ¥6 billion, ¥2.5 billion below the previous forecast.

(2) Consolidated basis

KUBC has revised its earnings forecast on a consolidated basis reflecting the factors mentioned above.

KUBC expects year-end dividend to be ¥5.00 per share, as announced on May 15, 2008.

(Reference) 1. Non-consolidated Earnings Forecast

(Millions of yen)

	Six months ended	Change from	Fiscal year ending	Change from
	Sept. 30, 2008	the previous forecast	Mar. 31, 2009	the previous forecast
Banking profit (before provision of allowance for general loan losses)	¥ 14,100	¥ (400)	¥ 28,000	¥ (4,000)
Ordinary profit	1,900	(3,600)	9,000	(6,000)
Net income	1,800	(1,200)	6,000	(2,500)
Total credit cost	11,700	2,700	18,500	2,500

(Reference) 2. Consolidated Earnings Forecast

(Millions of yen)

	Six months ended	Change from	Fiscal year ending	Change from
	Sept. 30, 2008	the previous forecast	Mar. 31, 2009	the previous forecast
Ordinary profit	¥ 2,500	¥ (3,000)	¥ 9,200	¥ (6,300)
Net income	2,200	(800)	6,000	(2,500)

This press release 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.