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Sumitomo Mitsui Financial Group, Inc.

Notice regarding Abolition of the Retirement Benefits for Directors, Corporate Auditors and Executive Officers and Introduction of the Stock Compensation-Type Stock Option

Tokyo, May 14, 2010 --- Sumitomo Mitsui Financial Group, Inc. (the “Company”) and Sumitomo Mitsui Banking Corporation (“SMBC”) hereby announce that they have reviewed their system of compensation for Directors, Corporate Auditors and Executive Officers as part of the revision of the compensation plan for Directors, Corporate Auditors and Executive Officers, and as a result, resolved at their respective Board of Directors meeting held today to abolish their retirement benefits program for Directors, Corporate Auditors and Executive Officers. The Board of Directors of both companies also resolved that a proposal relevant to introduction of the stock compensation-type stock option for Directors, Corporate Auditors and Executive Officers as an incentive for them to further contribute to the equity appreciation and better corporate performance through sharing with shareholders the benefits and risks of share price fluctuations shall be submitted to their respective Ordinary General Meeting of Shareholders to be held on Tuesday, June 29, 2010.

1. Abolition of the Retirement Benefits Program for Directors, Corporate Auditors and Executive Officers

The retirement benefits program for Directors, Corporate Auditors and Executive Officers of the Company and SMBC will be abolished upon conclusion of both companies’ respective Ordinary General Meeting of Shareholders to be held on Tuesday, June 29, 2010. For those Directors (excluding Outside Directors), Corporate Auditors (excluding Outside Corporate Auditors) and Executive Officers who will continue to hold their office after the Ordinary General Meeting of Shareholders, the final payment of retirement benefits will be granted in consideration of their services during their terms of office up to the conclusion of the meeting, payment of which will be made after their retirement. The final payment of retirement benefits for Directors (excluding Outside Directors) and Corporate Auditors (excluding Outside Corporate Auditors) of both companies will be proposed to their respective Ordinary General Meeting of Shareholders as mentioned above.

2. Introduction of the Stock Compensation-Type Stock Options (Stock Acquisition Rights)

The stock compensation-type stock options entitling its holder to acquire shares upon the exercise of stock acquisition rights at an exercise price of one yen per share will be allocated to Directors (excluding Outside Directors), Corporate Auditors (excluding Outside Corporate Auditors) and Executive Officers of the Company and SMBC. With respect to the stock compensation-type stock options for Directors (excluding Outside Directors) and Corporate Auditors (excluding Outside Corporate Auditors) of both companies, a proposal relevant to the stock acquisition rights will be submitted to both companies' respective Ordinary General Meeting of Shareholders to be held on Tuesday, June 29, 2010.

The details of the stock acquisition rights as stock options to be allocated to Directors (excluding Outside Directors) and Corporate Auditors (excluding Outside Corporate Auditors) of the Company are as described in the attachment.

This document is prepared to announce specific facts relating to the abolition of the retirement benefits program for Directors, Corporate Auditors and Executive Officers and introduction of stock compensation-type stock options, and does not constitute an offer for sale or solicitation for investment or other similar activity in or outside of Japan.

Specific conditions of the stock acquisition rights as stock options allocated to Directors (excluding Outside Directors) and Corporate Auditors (excluding Outside Corporate Auditors) of the Company

(1) Class and number of shares to be issued upon exercise of stock acquisition rights

Class of shares to be issued upon exercise of stock acquisition rights shall be common stock of the Company.

The maximum number of shares to be issued upon exercise of stock acquisition rights to be allocated within one year after the date of Ordinary General Meeting of Shareholders in each fiscal year shall be 100,000 for Directors (excluding Outside Directors) while 40,000 for Corporate Auditors (excluding Outside Corporate Auditors). The number of shares to be issued upon exercise of each stock acquisition right (hereinafter referred to as “Number of Shares Granted”) shall be 100. When Number of Shares Granted is adjusted, the maximum number of shares to be granted for each category, namely Directors (excluding Outside Directors) and Corporate Auditors (excluding Outside Corporate Auditors) shall be the Number of Shares Granted after adjustment multiplied by the maximum number of stock acquisition rights as set out in (2) below.

In case the Company carries out a share split (including gratis allotment of common stock of the Company; the same applies to following references to the share split) or share consolidation, the Number of Shares Granted shall be adjusted according to the following formula, with the resulting fractions of less than one share occurring upon such adjustment rounded down.

$$\begin{array}{ccccc} \text{Number of Shares} & & & & \text{Ratio of share split} \\ \text{Granted after} & = & \text{Number of Shares} & \times & \text{or share consolidation} \\ \text{adjustment} & & \text{Granted before} & & \\ & & \text{adjustment} & & \end{array}$$

In case the Company carries out a merger, demerger or the like that makes it necessary to adjust the Number of Shares Granted, the Company may make appropriate adjustment to the Number of Shares Granted within a reasonable range.

(2) Maximum number of stock acquisition rights

The maximum number of stock acquisition rights to be allocated to Directors (excluding Outside Directors) and Corporate Auditors (excluding Outside Corporate Auditors) within one year after the date of Ordinary General Meeting of Shareholders in each fiscal year is 1,000 and 400, respectively.

(3) Amount to be paid upon allocation of each stock acquisition right

Amount to be paid upon allocation of each stock acquisition right shall be decided by the Board of Directors, based on the fair price of a stock acquisition right as calculated using a fair calculation method such as the Black-Scholes model upon the allocation of stock acquisition rights.

(4) Value of assets to be contributed upon exercise of stock acquisition rights

The value of assets to be contributed upon exercise of stock acquisition rights shall be the exercise price of one yen per share granted upon exercise of each stock acquisition right, multiplied by the Number of Shares Granted.

(5) Exercise period of stock acquisition rights

Exercise period of stock acquisition rights shall be decided by the Board of Directors, but not exceeding 30 years from the date of allocation of stock acquisition rights.

(6) Restrictions on acquisition of Stock Acquisition Rights by transfer

Any acquisition of stock acquisition rights by transfer shall be subject to the approval by resolution of the Board of Directors.

(7) Conditions for the exercise of stock acquisition rights

Conditions for the exercise of stock acquisition rights shall be decided by the Board of Directors meeting. Such conditions include that those who qualify for the allocation of stock acquisition rights shall be entitled to exercise them as soon as they are relieved of their positions either as a Director, Corporate Auditor or Executive Officer of the Company and SMBC.

※In the period after the conclusion of the respective Ordinary General Meeting of Shareholders to be held on Tuesday, June 29, 2010, the Company is scheduled to allocate stock acquisition rights equivalent to the stock acquisition rights as described above, to Executive Officers of the Company, and to Directors (excluding Outside Directors), Corporate Auditors (excluding Outside Corporate Auditors) and Executive Officers of SMBC. The maximum number of such stock acquisition rights allocated within one year after the date of Ordinary General Meeting of Shareholders in each fiscal

year shall be 5,650, and the maximum number of common stock of the Company granted upon exercise of such stock acquisition rights shall be 565,000.