

Treasury Markets

Through the Treasury Unit of SMBC, the Group offers higher value-added services to meet the sophisticated and diverse needs of its clients for transactions in the money, foreign exchange, bond and derivative markets.

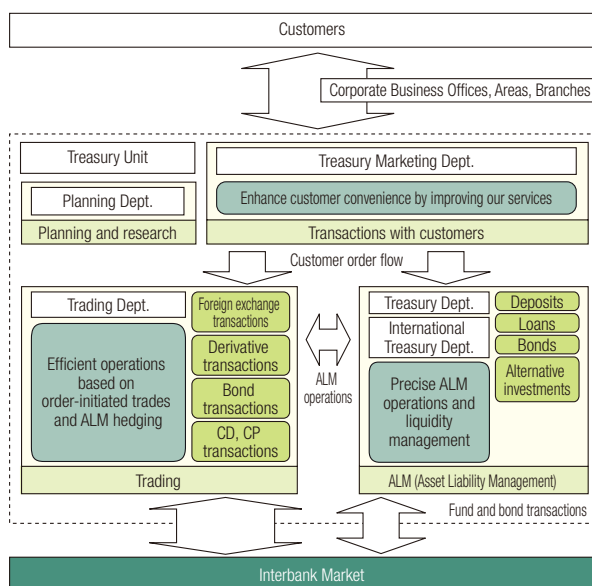
More Solutions and Services for Clients' Market Transactions

SMBC's Treasury Unit offers solutions through its network in Japan and overseas to present its corporate clients with proposals for hedging transactions taking into account changes in the financial markets. Further, to improve the convenience of market transactions, the Unit continues to develop the functions of i-Deal, a system which allows our clients to execute their foreign exchange transactions on the Internet. It will continue to support clients by meeting their market transactional needs and offering the highest level of services in the industry.

ALM and Trading Operations

The Treasury Unit strives to ensure sound Asset-Liability Management ("ALM") and stable earnings by comprehensively controlling the balance of assets, such as loans' and liabilities' including deposits, through ALM operations.

The Unit is committed to maximizing its earnings in trading operations by the accurate assessment made on the trends of the global financial market by experts of diverse products such as interest-rate, foreign-exchange and commodity derivatives.



Topics

◆ Responding to Clients' Diversifying Needs for Emerging Market Currency Transactions

We are committed to enhancing hedging schemes which meet clients' needs for cross-border transactions through providing forward exchange contracts for currencies of emerging countries in Asia and presenting proposals for increasing fund efficiency. We also take the initiative in providing timely information to clients on market trends and currency regulations especially of Asia and Central and South America, and holding seminars on emerging economies and market trends presented by the analysts residing in Asia.

◆ Expanded Online Foreign Exchange Transaction Services

Having provided to over 17,000 clients the "i-Deal system," we continue to improve its convenience for clients. In March 2014, we began handling transactions in the prevailing market rate of Chinese yuan, thereby accommodating clients' requests. We will continue to respond attentively to clients' needs by improving the price-quoting function and enhancing the leave-order function.

◆ Advancing ALM Operations in the Asia-Pacific Region

In April 2015, SMBC established the "Treasury Department, Asia-Pacific Division" to oversee treasury operations in the Asia-Pacific region.

This department will integrate and advance ALM in the Asia-Pacific region, while accommodating clients' needs for Asian businesses mainly in foreign exchange service.

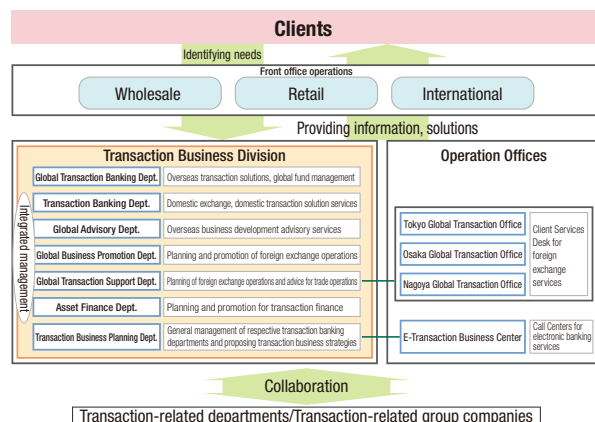
Transaction Banking Business

Strengthening Transaction Banking Business

At SMBC, the Transaction Business Division is being established to provide integrated and flexible products and services by cooperating among relevant departments in order to accommodate domestic and overseas corporate clients' diverse transaction needs and associated financial needs.

The Transaction Business Division consists of the following departments which provide transaction-related services and execute measures; the Global Transaction Banking Department, the Transaction Banking Department, the Asset Finance Department, the Global Advisory Department, the Global Business Promotion Department, the Global Transaction Support Department, the Global Transaction Office, the E-Transaction Business Center, and the Transaction Business Planning Department. Our experts in respective departments in Japan and overseas extensively and promptly accommodate the needs of clients by cooperating to provide high-value added information, and to improve and enhance system products and solutions.

Transaction Business



Strengthening Transaction Banking Products to Respond to Clients' Needs

SMBC is enhancing transaction banking products to respond to domestic and overseas clients' transactions and cash management needs.

We continue to improve and enhance electronic banking services, for the "PC Bank Web21" and a new means of settlement of "Densai Net" in order to support our clients' daily cash management, "Global e-Trade Service" in order to support foreign exchange and trade transactions in Japan, and "SMAR&TS" in overseas etc.

We also continue to strengthen our support for our clients in Japan and overseas by providing high value-added information; providing the system to support cash and financial management for the corporate group; improving foreign currency transactions including renminbi; and allocating specialized professionals.

High Value-Added Services Integrally Provided by SMFG

SMFG works at providing high value-added services with respect to the transaction banking business of clients.

SMBC and Financial Link Company, Limited integrally work with SMFG to provide "SMFG-BPO Services" (BPO: Business Process Outsourcing) by accommodating needs for improving the business process associated with fund collection and repayment.

Further, SMBC Finance Service Co., Ltd. mainly provides "collection agency service (account transfers)" and "convenience store's payment collection agency service," and the number of transactions for these services is the highest in Japan. Furthermore, as for the yearly expanding EC market, we provide diverse solutions as one of the core companies in charge of transaction banking business for SMFG, by providing "Transaction Station" platform which collectively provides diverse transaction means such as credit card payment and bank transfer settlement.

Enhancing each Settlement System and Settlement Infrastructure

It is imperative that we appropriately enhance the settlement

system and settlement infrastructure which support the provision of secure settlement services for our clients. We are working to reduce risks related to settlements, such as the Japanese Government Bond settlement cycle reform, in addition to services for SWIFT* and BOJ-Net.

* Society for Worldwide Interbank Financial Telecommunication
A member-owned cooperative that provides the communications platform connected more than 10,000 financial institutions in 210 countries.

Topics

◆Enhancing Support System for Transaction-Related Services by Integrating Banking Subsidiaries into Banking Organization

In October 2014, SMBC integrated SMBC International Operations Co., Ltd., which was contracted for handling foreign exchange administrative operations, into SMBC. We plan to improve our support for clients by enhancing both administrative operations and marketing promotion for foreign exchange businesses.

Further, in December 2014, we integrated the E-Transaction Business Center which processes various inquiries related to EB services within SMBC Center Service Co., Ltd., into SMBC. We will work to provide more-value added information to clients through our call center.

◆Consecutively Highly Evaluated for Customer Satisfaction Survey of ASIAMONEY Magazine

As a result of focusing to improve CMS for years, we have been consecutively highly evaluated by clients in the customer satisfaction survey annually conducted by the ASIAMONEY magazine by ranking 3rd overall (1st among Japanese banks) for the comprehensive evaluation for Asia Pacific regions (including foreign banks).

Group Companies mainly associated with Settlement

SMBC FINANCE SERVICE CO., LTD.

Corporate Name: SMBC Finance Service Co., Ltd.
Business Description: Collecting agent, factoring business
Establishment Date: December 5, 1972
Location of Head Office: 5-27, Mita 3-chome, Minato-ku, Tokyo
Representative Director: Kazuhiko Kashikura
Number of Employees: 454



Financial Link

Corporate Name: Financial Link Company, Limited
Business Description: Data processing service and consultation business
Establishment Date: April 1, 2004
Location of Head Office: 1-11, Shinbashi 3-chome, Minato-ku, Tokyo
Representative Director: Akihiro Kitahara
Number of Employees: 24