

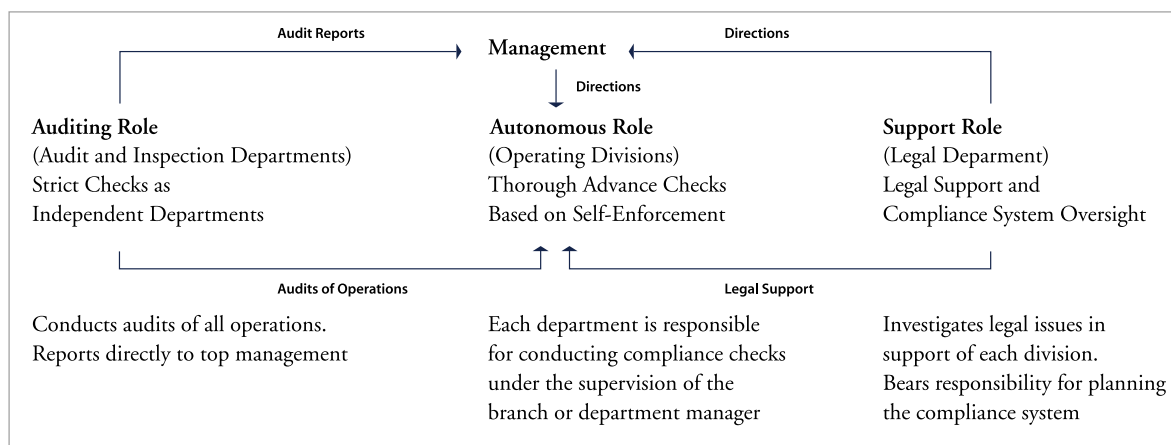
COMPLIANCE

Compliance with the laws of society, and the norms of correct behavior that underwrite the legal system, are widely recognized as the foundation of any sound definition of corporate citizenship. The onus of compliance weighs more heavily on banks than on other companies because of their pivotal role within the financial economy.

Moreover, the acceleration of the current trend towards the deregulation of the Japanese economy and changes accompanying the Big Bang reforms, have increased the responsibility of banks to ensure that their compliance apparatus is adequate to the task at hand. Sumitomo Bank unreservedly accepts its public mission as a responsible global corporate citizen and the axiomatic role of compliance in realizing this mission.

Compliance System

With this imperative in mind, Sumitomo Bank has established its compliance system. The system operates on (1) each department's clear delineation of legal responsibility for the Bank's actions, and (2) rigorous and objective checks on departmental and employee behavior conducted by independent authorities within the Bank.



Compliance Manual

To achieve stringent adherence to its compliance system, the Bank drafted a comprehensive compliance manual. This was distributed to all employees during March 1999. The manual, which contains strict rules of corporate procedures and employee conduct, was drawn up in accordance with an official resolution of the Board of Directors of the Bank in February 1999. Four principles capture the spirit of this important document: (1) pursuing customer satisfaction, (2) contributing to the development of the society, (3) firmly maintaining sound management, and (4) maintaining a liberal and active corporate culture.

Each year, the Board of Directors designates a compliance program for controlling the Bank's operations, based primarily on the compliance manual. Subsequently, appropriate modifications and adjustments to staff training and educational programs as well as to the Bank's auditing system are put in place to ensure full performance of the program.