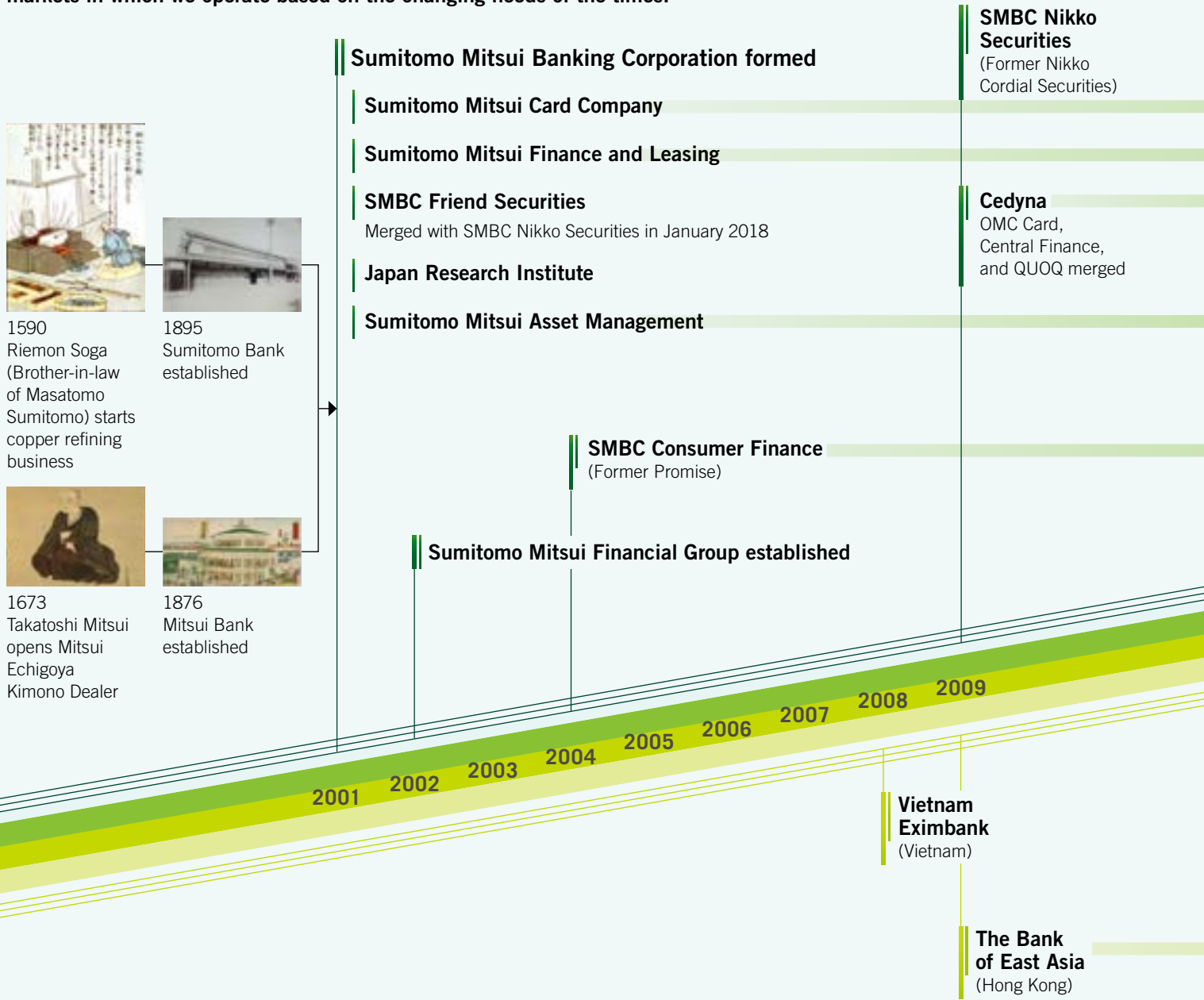


# History of SMBC Group

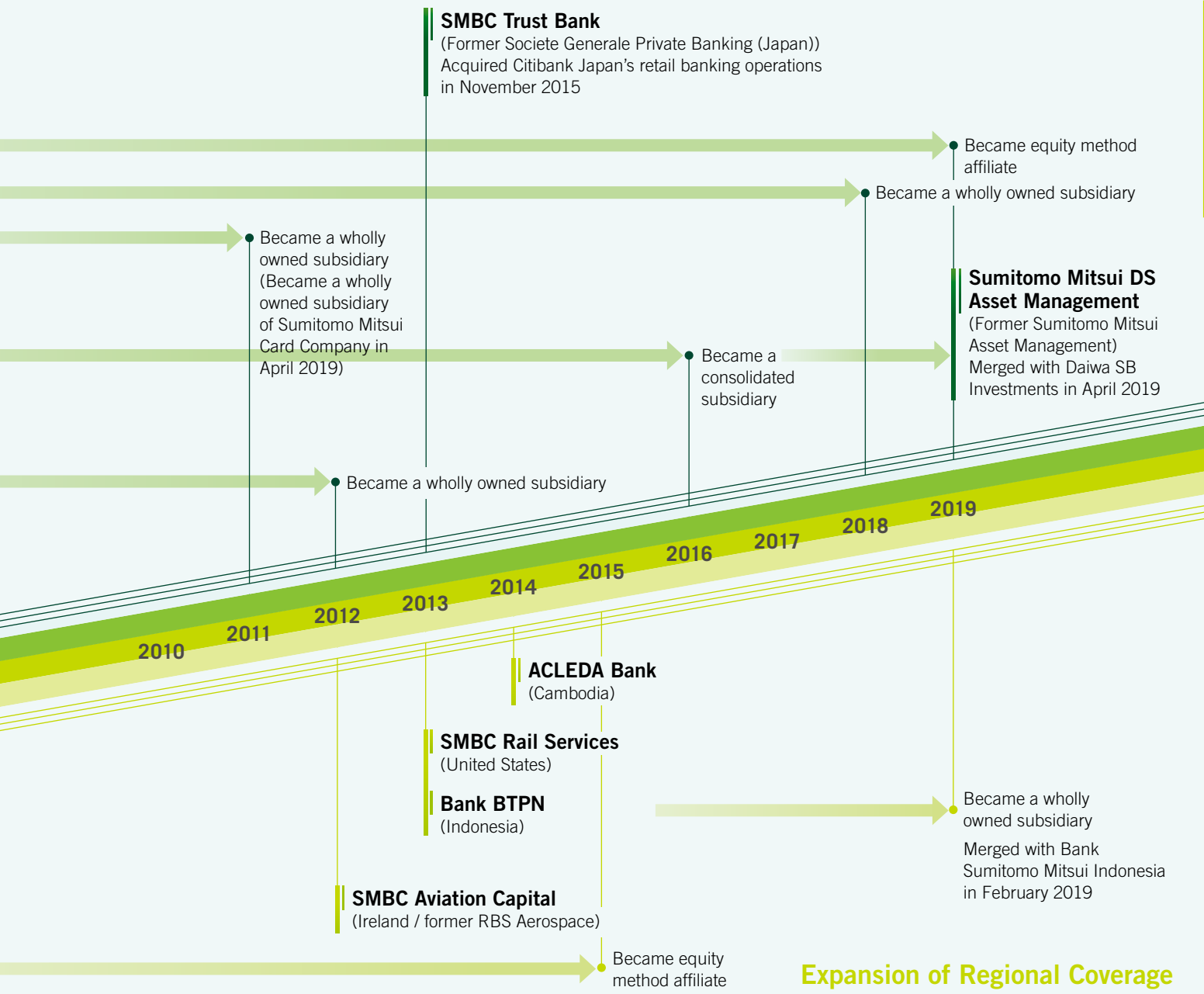
SMBC Group has overcome numerous challenges and enhanced the quality of our corporate infrastructure via the flexible and timely shifting of target businesses by expanding the scope of our operations and the markets in which we operate based on the changing needs of the times.



## Operating Environment

<p><b>Japan</b></p>	<ul style="list-style-type: none"> <li>• “Program for Financial Revival” commenced → Disposal of non-performing Loans conducted</li> </ul>	<ul style="list-style-type: none"> <li>• Lift the ban of securities intermediary</li> </ul>	<ul style="list-style-type: none"> <li>• Zero interest rate policy rescinded by the Bank of Japan</li> <li>• Blanket guarantee of deposits fully lifted</li> </ul>	<ul style="list-style-type: none"> <li>• Firewall regulations between banking and securities alleviated</li> <li>• Financial Instruments and Exchange Act enacted</li> <li>• Full lift of the insurance products sale by banks</li> <li>• Japan Post privatized</li> </ul>
<p><b>Global</b></p>	<ul style="list-style-type: none"> <li>• Collapse of the IT bubble</li> </ul>		<ul style="list-style-type: none"> <li>• Implementation of Basel II</li> <li>• Subprime mortgage crisis</li> </ul>	<ul style="list-style-type: none"> <li>• Financial crisis</li> </ul>

# Expansion of Business Domain



About SMBC Group

To Our Stakeholders

Business Strategies for Creating Value

Corporate Infrastructure Supporting Value Creation

- Start of "Abenomics"
- NISA introduced
- Japan's Corporate Governance Code instituted
- Workstyle reform-related laws established
- Great East Japan Earthquake
- Consumption tax rate raised to 8%
- Introduction of negative interest rate policy
- Introduction of quantitative and qualitative monetary easing
- "Principles for Customer-Oriented Business Conduct" released
- European sovereign debt crisis
- Implementation of Basel III
- U.S. federal funds rate raised for the first time in nine and a half years
- Finalization of the Basel III reform
- Dodd-Frank Act enacted in the U.S.
- U.K. announces withdrawal from the European Union
- Trade friction between the United States and China erupts