

2001

April

Former Sakura Bank

Former Sumitomo Bank

Inception of Sumitomo Mitsui Banking Corporation

2002

January

○Reached ATM usage agreement with IYBANK ^①

March

○Transferred legal reserves to retained earnings

○Started full-scale marketing of *Business Select Loan* ^②

April

○Launched Asset Management Plaza network ^③

○Introduced loans for newly built housing ^④

○Reached basic agreement on merger of Mitsui and Sumitomo group asset management subsidiaries ^⑤

June

○Established Business Promotion Office ^⑥

○Published disclosure pamphlet for individual depositors ^⑦

July

○Signed UNEP Statement by Financial Institutions on the Environment & Sustainable Development ^⑧

① ATM usage agreement with IYBANK

The @BANK ATM network is SMBC's core 24-hour ATM service, established and operated through a collaboration between the Bank and am/pm Japan Co., Ltd., a convenience store operator. @BANK ATMs are currently located at more than 1,100 am/pm stores.

In an effort to extend the customer convenience offered by its @BANK ATM network, SMBC has entered into various agreements to expand its convenience store based service channel. In January 2002, for example, the Bank formed an agreement with IYBANK Co., Ltd, whereby SMBC account holders can withdraw cash and check account balances 24 hours a day at ATMs located at nationwide outlets of SEVEN-ELEVEN JAPAN CO., LTD. Prior to the IYBANK agreement, SMBC had already established ATM usage agreements with convenience store operator LAWSON, INC., and with ATM provider E-net Co., Ltd.* As a result of its ATM-use agreements with LAWSON, E-net, and IYBANK, SMBC now offers customers round-the-clock cash-withdrawal convenience via a network of ATMs at more than 9,800 convenience stores.

* E-net ATMs are located at outlets of FamilyMart Co., Ltd., and other convenience store operators in Japan.

② Full-scale marketing of *Business Select Loan*

To establish and develop a greater number of relationships with small and medium-sized companies, SMBC began full-scale marketing of its *Business Select Loan* in March 2002. Rapid loan application processing is the key feature of this product, and eligible companies are allowed to borrow a maximum of ¥50 million with a repayment period of up to five years (three years for uncollateralized loans). Unlike conventional business loans of this type, where the application of funds is limited to working capital, the *Business Select Loan* may be applied also to capital expenditures. The product is one example of how SMBC is enabling managers of small and medium-sized businesses to capitalize on business opportunities in a timely manner.

③ Asset Management Plaza network

After reviewing the organization, infrastructure, and business model of its former Investment Service Plaza network, SMBC in April 2002 renamed these offices Asset Management Plazas, enhancing service capacity and expanding the network from 21 to 64 locations. These offices provide information on managing and raising funds. In addition, Asset Management Plazas offer a TV conference service that includes seminars on taxes, legal issues, and various other topics of interest to clients. Looking ahead, we intend both to add to the Bank's accumulated know-how in a wide range of fields and to keep supplying customers with increasingly higher quality asset management services.



Asset Management Plaza TV conference service

④ Loans for newly built housing

SMBC is committed to offering simple, convenient loans with rapid loan application processing to assist customers in purchasing homes. A recent example is our low-interest-rate loan limited to purchases of newly built housing introduced in April 2002. The Bank structured this product at a comparatively low cost thanks to the cooperation of real estate developers, enabling us to offer customers record-low interest rates. We also extended the marketing campaign for our housing loans with reduced interest rates for borrowers meeting certain conditions.



⑤ Basic agreement on merger of Mitsui and Sumitomo group asset management subsidiaries

In November 2001, SMBC signed an agreement with Mitsui Mutual Life Insurance Company, Sumitomo Life Insurance Company, and Mitsui Sumitomo Insurance Company, Limited, to form a comprehensive alliance to bolster the insurance businesses of the Mitsui and Sumitomo groups. The four companies agreed to merge their asset management subsidiaries into a new entity, to be named Sumitomo Mitsui Asset Management Company, Limited, by December 2002. Synergizing the various strengths of the former companies in offering high value-added asset management services with outstanding operational efficiency, the new company aims to become one of Japan's highest-ranking asset management companies with a strong customer orientation.

⑥ Business Promotion Office

Since the April 2001 merger, SMBC has been relentlessly refining its organization, optimizing operating efficiency, and building a framework that fully reflects customer needs. This effort has included the use of mass media and other means to attract potential customers. To enhance our abilities to identify the needs of such customers and take timely actions, we opened the Business Promotion Office on a trial basis in October 2001. We subsequently expanded the office's functions and made it a business department within the Middle Market Banking Unit. One of the office's main activities is handling general inquiries and responses to advertisements. Complementing the conventional marketing activities carried out by SMBC branches, the office also uses external and internal databases for customer-segmented direct marketing and telemarketing to increase our customer base.

⑦ Disclosure pamphlet for individual depositors

Following a series of financial bankruptcies in Japan in recent years, the April 2002 partial termination of full protection of deposits and other liabilities has sparked heightened concerns about the soundness of financial institutions. We strongly believe that a bank has a public responsibility to provide timely, easy-to-understand information. SMBC has published *To Increase Your Understanding of SMBC Management* for individual depositors as a supplement to the Bank's standard disclosure materials. The pamphlet explains in layman's terms the Bank's recent financial condition and management policies.

We will continue to implement proactive, comprehensive disclosure initiatives to keep customers and the public informed of our operations to further strengthen their confidence and trust.



⑧ UNEP Statement by Financial Institutions

Reflecting the growing consensus behind the need for environmental protection and the accelerating spread of environmental preservation initiatives worldwide, financial institutions are expected to play an expanding and increasingly important role in environmental preservation. To this end, SMBC has signed the United Nations Environment Programme (UNEP) Statement by Financial Institutions on the Environment & Sustainable Development, reaffirming its commitment to environmental preservation globally.