

■ Corporate Banking

Enhancing Services

Organizational Changes to Strengthen Marketing

SMBC has undertaken organizational changes to strengthen marketing to corporate customers. Initiatives include changing the name of the Small and Medium Enterprises Business Promotion Department to the Small and Medium Enterprises Marketing Department in April 2007. The objective is to serve mid-sized companies and small and medium-sized enterprises (SMEs) better by developing products that meet their needs and offering services for a diverse range of management issues. Within the Small and Medium Enterprises Marketing Department, two new groups were established. One provides business matching assistance to customers, to help them expand their operations. The other group specializes in management issues encountered primarily by hospitals and schools. These initiatives will better enable SMBC to supply solutions of all types for mid-sized and SME corporate clients.

More Initiatives Targeting Growth Companies

SMBC serves many relatively new companies and rapidly growing companies that have operations based on advanced technologies or innovative business models. Responding to the diversifying fund procurement needs of these companies requires support through both loans and investments.

Recognizing this need, SMBC in April 2004 established the *V-Fund Loan* to provide loans to companies with excellent growth prospects. In addition, SMBC recently established the Merchant Banking Department, which helps growth companies achieve their goals through equity investment. SMBC, together with the SMFG affiliate NIF SMBC Ventures Co., Ltd., offers a variety of fund procurement options for growth companies.

A Stronger Commitment to Public and Financial Institutions

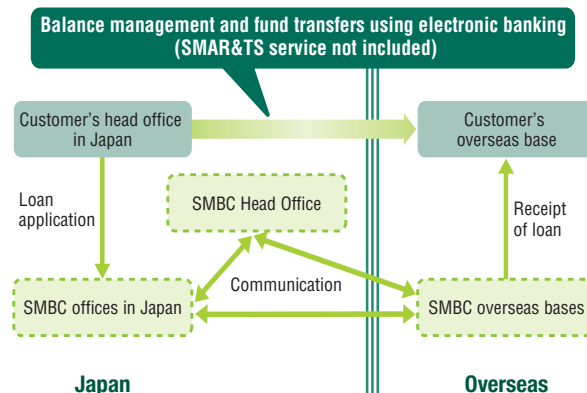
SMBC has established the Public & Financial Institutions Banking Department for the purpose of cultivating stronger ties with local government bodies and regional financial institutions. The new department specializes in transactions with local and national government agencies (which was previously the responsibility of the Public Institutions Banking Department), and regional financial institutions (formerly handled by the Tokyo Corporate Banking Department VI). In this way, transactions with central government agencies, local government bodies and regional financial institutions have been concentrated within a single department, affording SMBC a platform for better participating in industrial development and privatization activities throughout Japan.

Services and Support for Customers' Global Activities

SMBC provides many types of support for the global business activities of corporate clients of all sizes. For large corporations that manage group activities on a global scale, SMBC offers assistance in raising the efficiency of cash management and the upgrading of corporate governance for financial matters, and facilitates other improvements. For example, these customers can use SMBC's international cash management system, which enables seamless fund management and transfers among group companies. Another innovative service combines several credit lines in different countries into a single credit facility. SMBC will continue to develop sophisticated products that meet the requirements of international corporations.

For mid-sized companies and SMEs, SMBC offers many forms of assistance for starting up overseas operations. Customers can receive a variety of information and advice when first setting up an overseas base. Services include the *Asia Business Loan*, which allows customers to perform all procedures in Japan that are necessary for obtaining financing for their overseas subsidiaries.

■ Structure of the *Asia Business Loan*



Environmental Business Activities

Based on our Group Environmental Policy, we have a three-pronged action plan focusing on: 1) the reduction of environmental impact; 2) the practice of environmental risk management; and 3) the promotion of environment-related businesses. SMBC began offering the *Environmentally Responsible Company Support Loan* in February 2006. The loan features preferential interest rates for midsize companies and SMEs with a strong commitment to the environment. In January 2007, the eligibility for the loan was extended to companies that were already using *Business Select Loans* and also to companies that had received environmental certifications from local governments and other organizations.

As the loan covers a wider range of customers, SMBC had extended a total of about ¥10 billion of *Environmentally Responsible Company Support Loans* by the end of March 2007.

In December 2006, SMBC joined the Ministry of the Environment and others in sponsoring a contest called “eco japan cup 2006” for venture businesses involved in environmental businesses. In March 2007, SMBC held a business matching event called the Environmental Business Networking Event, for the second year in a row. SMBC remains dedicated to assisting customers’ environmental activities in a variety of ways.



Poster for the *Environmentally Responsible Company Support Loan*

Topics

Management Seminar for Women

SMBC held a seminar in February 2007 entitled “Refining Women’s Entrepreneurial and Management Skills.” The seminar attracted about 350 women who are either planning on starting a company or have recently established a company.

After hearing a keynote speech on the subject of time management, the participants attended a panel discussion, in which individuals who have started companies and SMBC employees took part. Discussions covered many topics of interest, and seminar participants gained insights into establishing and managing companies, the role of banks in supporting new companies, and other subjects. Many women also attended the reception following the seminar, which provided valuable networking opportunities.



Corporate Advisory Division

SMBC established its Corporate Advisory Division in early fiscal 2006 for the purpose of strengthening relationships with publicly owned companies and other companies. The division has industry-specific groups that collect knowledge and information concerning their respective industries. Operations take advantage of collaboration with many partners: the business offices of the Middle Market Banking Unit and Corporate Banking Unit; the Investment Banking Unit, research departments and other SMBC divisions; and Daiwa Securities SMBC and other SMFG companies. These resources enable the Corporate Advisory Division to meet needs involving customers’ increasingly complex and diverse management issues, including measures to achieve growth and reorganize operations. Due to this approach, the division can utilize its strengths as a unit that interacts with all types of industries as well as the customers of both the Middle Market Banking Unit and Corporate Banking Unit. This makes it possible to give customers a broad range of proposals.

In fiscal 2007, the Corporate Advisory Division will continue to concentrate on offering customers many types of proposals. Furthermore, the division plans to reinforce its ability to supply comprehensive solutions to customers’ management issues.

How Project Teams Serve Corporate Clients

