

Corporate Banking

Reinforcing Capabilities in Response to Globalization

Japan's overseas direct investment has continued to expand since 2004. The number of customers among small and medium-sized enterprises (SMEs) who are expanding and deepening their business operations through development of activities in overseas markets, including Asia, is growing.

To respond to the needs of these customers to enter overseas markets and expand their existing overseas activities, SMBC established its Global Advisory Department in April 2008, which spans across the three business units responsible for corporate transactions—Middle Market Banking, Corporate Banking, and International Banking Units. The Global Advisory department is based in Tokyo and has increased the number of personnel stationed in Asia, principally in China, to reinforce its capabilities for gathering information and providing solutions to customer issues.

Our new advisory department is well positioned to provide even higher quality support for customers considering entry into overseas markets and to companies that are already expanding their activities overseas.

Improving Products and Services for Midsized Companies and SMEs

To contribute to the development of the business activities of midsized companies and SMEs, SMBC proactively takes the initiative in understanding customers' needs and issues to be addressed and is well prepared to offer proposals for providing appropriate products and services.

Products and Services for Fund-Raising

Thus far, in the area of unsecured loans, where customers have strong needs, we were quick to develop our *Business Select Loans*, which do not require guarantees by third parties, and have promoted these loans to SMEs.

In September 2007, in addition to our offerings of unsecured loans available to date, we introduced a new lineup of *Wide Support Loans* to respond to customer needs for funding to develop and make use of real estate holdings.

Moreover, for SMEs, we are developing a range of fund-raising methods that are based on various types of assets. For example, in November 2007, we introduced our *Asset Value Loans*, which enable cus-



tomers to use their equipment assets, such as machine tools and construction equipment, as collateral for borrowings. Also, in April 2008, we began to offer *Asset Value Truck & Bus Loans*, which make it possible for customers to use their commercial vehicles, such as trucks and buses as loan collateral.

We are also developing other types of loans that provide funds on favorable terms to corporations that have various qualifications. Beginning in February 2006, for example, we introduced the *SMBC-ECO Loans* for environmentally conscious midsized companies and SMEs that have obtained environmental certifications. Also, beginning in December 2007, as a follow-up product, we worked together with NPO KES Environmental Organization, the pioneering organization in Japan in the field of providing environmental certifications to SMEs, to develop and begin to offer the *KES Support Loan*, targeted at companies that have obtained the KES Management System Standard certification, which is administered by the KES Environmental Organization. *SMBC-ECO Loans*, including the *KES Support Loans*, are now widely used by our customers and, on a cumulated basis, had exceeded ¥30 billion as of May 31, 2008.



Also, in April 2008, we added the *Certified Company Support Loans* to our lineup of fund-raising methods. Companies eligible for these loans are selected from among those that have received (a) certifications and awards for technology and management capabilities from national and local government entities specified by SMBC and (b) such



certifications and awards under management qualification certification systems recognized by SMBC. Similarly, in June 2008, we introduced our *Web Reporting Loans*. Companies eligible for these loans are selected from among those that submit electronic corporate tax returns and make use of Web tax reporting data services. (These are companies that make use of the Japan national tax authorities "e-Tax" service that enables them to transmit their tax return data and certificates of tax payment electronically to the bank.)



Customer Needs		SMBC Products and Services
Fund-raising	Unsecured loans	<i>Business Select Loans</i>
	Asset-based financing	<i>Wide Support Loans</i> Asset Value: Equipment Asset-Based Asset Value: Truck & Bus
	Qualification-based financing	<i>SMBC-ECO Loans (KES Support Loans)</i> <i>Certified Company Support Loans</i> <i>Web Reporting Loans</i>
Value-added services	Provision of information	Complimentary information services <i>Business Information Service</i> • Management Topics • Columns • Business Knowledge • Book Reviews
	Assistance for entering overseas market and trading transactions	Trade Consultants

Information Services

In addition to these financing services, in September 2007, SMBC expanded its complimentary Business Information Service, which it inaugurated in November 2006. The upgrading of this service aimed to "transmit additional content" and "provide weekly updates" and the number of companies receiving the service has increased to more than 10,000.

Also, beginning in February 2008, the bank formed a group of 18 Trade Consultants, who are drawn from among persons thoroughly familiar with trade transactions and with extensive experience in trading companies. These consultants offer advisory services to customers engaged in trade transactions, including information on conditions in overseas markets and points for special attention when conducting export and import business.

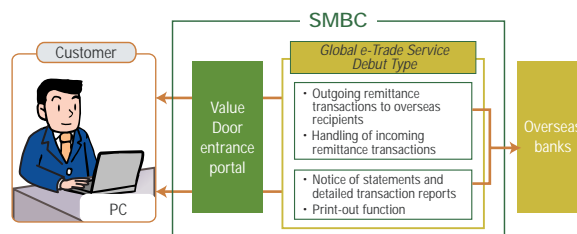
SMBC intends to continue to offer value-added services to its customers that go beyond providing financing products.

Foreign Exchange Products and Services

As mid-sized companies and SMEs continue to globalize their activities by entering overseas markets and conducting inter-

national trade, SMBC is working to offer new products and services to assist them.

As a tool to increase the efficiency of foreign trade transactions for corporations conducting foreign exchange transactions with overseas customers, SMBC offers its *Global e-Trade Service*, an Internet-based foreign exchange service. Beginning in May 2008, to provide a dedicated remittance service, which is in demand among customers, we introduced a lower cost *Global e-Trade Service Debut Type*, which is available for a monthly fee of ¥2,100.



In addition, with the objective of providing global support for domestic companies with technological capabilities in the environmental area, beginning in March 2008, SMBC introduced a service system that offers preferential trade related fees and interest rates to customers who have cleared our environmental technical standards based on the know-how of Group company JRI.

SMBC will continue to actively support the activities of its customers among mid-sized companies and SMEs to globalize their operations.

Topics

SMBC Provides Support for Joint Research on Businesses Related to the Natural Environment

In June 2008, SMBC made a grant to support joint research on environmental business to be conducted by Annex Co., Ltd.—a company that won the SMBC Award in the SMBC-sponsored "eco japan cup" contest for business activities related to the natural environment—and the Incubation Center of Japan's Keio University.

SMBC plans to continue providing support for the further development of environmental businesses.



Examples of the "5 x Green" Greening Units promoted by Annex. (Installed in Marunouchi, Chiyoda-ku, Tokyo)