

Investment Banking

Accomplishments in Fiscal 2007

SMBC won first place in the league table for mandated arrangers of Japanese syndicated loans in fiscal 2007, drawing on its strong placement capabilities and through its aggressive initiatives to capture major deals. Also, on a global basis, SMBC received a high rating from market participants for arranging a large number of project finance deals, receiving "Deal of the Year" awards from major magazines. In addition, in the field of ship financing, on a global basis, SMBC has placed within the top 10 arrangers for the second consecutive year. We also improved our capabilities and support services for potential growth companies through direct equity investments, implemented aggressive initiatives to develop our hybrid finance instruments to respond to the diverse needs of our customers, and expanded into the carbon credit business and other new business fields.

Collaboration with Daiwa Securities SMBC

Daiwa Securities SMBC Co., Ltd., ranked first in the league table for All Bonds in Yen in fiscal 2007 and placed second in the league table for bookrunners for initial public offerings. In addition, reflecting the highly favorable esteem that it has received from market participants, Daiwa Securities SMBC won the "Samurai Bond House of the Year" and the "Asset-backed Securities House of the Year" awards presented by the U.S. research company Thomson Financial. In the M&A advisory field, Daiwa Securities SMBC executed a business alliance agreement with U.S. M&A specialist Sagent Advisors Inc. and is expected to respond proactively to expanding cross-border M&A deals.

Syndicate Loan League Table*

Fiscal 2007 Mandated Arrangers	Amount (¥ billion)
1. SMBC	8,048.4
2. Mizuho Financial Group	7,585.9
3. Mitsubishi UFJ Financial Group	5,881.4
4. Citigroup	953.4
5. Sumitomo Trust & Banking	396.5

Project Finance

2007 Deal of the Year Awards—Principal Deals

Award category Region/industry	Deal name (Country/sector)	Amount syndicated US\$ million	Magazine presenting award
Global	Barka 2 & Al-Rusail (Oman/WPP)	937	<i>Project Finance Magazine</i>
Africa/mining	Ambatovy (Madagascar/ nickel mining)	2,100	<i>Project Finance Magazine</i> <i>Project Finance International</i>
Middle East/ manufacturing	Emirates Aluminum (Abu Dhabi/ aluminum smelting)	4,400	<i>Project Finance Magazine</i> <i>Project Finance International</i>
Asia-Pacific/ electric power	Crimson Power (Philippines/acquisition of an independent power producer (IPP))	2,900	<i>Project Finance Magazine</i>

All Bonds in Yen Bookrunner League Table*

Fiscal 2007 Bookrunners	Amount (¥ billion)
1. Daiwa Securities SMBC	3,975.0
2. Mizuho Financial Group	3,532.9
3. Nomura	3,501.8
4. Mitsubishi UFJ Financial Group	3,384.9
5. Nikko Citigroup	3,275.4

* Source: Thomson Financial

Topics

Syndicated Loans

SMBC ranked first in the league table for mandated arrangers of Japanese syndicated loans in fiscal 2007 and was selected the "Best arranger of loans for Japanese borrowers" by *Euroweek* magazine, the UK based financial journal.



Environmental Business

In October 2007, SMBC established its Environmental Products Department with the mission of promoting environmental business, including carbon credit business. Also, in connection with clean development mechanism (CDM) projects in Brazil, SMBC was the only Japanese bank nominated for the "Sustainable Banking Award 2007" presented by the Financial Times and International Finance Corporation.



CDM project in Brazil
(Arapucel small hydroelectric
power plant)