

■ Investment Banking

Accomplishments in Fiscal 2008

SMBC ranked first for the second consecutive year in the league table for mandated arrangers of Japanese syndicated loans. This was due in part to the arrangement of yen loans for IBM and other foreign companies during the year. Overseas, our project finance activities earned us recognition as the "Global Bank of the Year" from *Project Finance International* magazine. In the settlement services field, SMBC is steadily raising its profile, ranking first in Japan and in the top five in the Asia-Pacific region, a first for a Japanese bank, in a cash management services survey conducted by *Asiamoney* magazine. In addition, to assist customers with measures to combat global warming, SMBC continued to promote environmental businesses, focusing mainly on carbon credit trading.

Collaboration with Daiwa Securities SMBC

Daiwa Securities SMBC Co., Ltd., again earned a number of honors in Japan and overseas for excellence in serving corporate clients. This company ranked first in fiscal 2008 as a bookrunner for samurai bonds and was named "Yen Bond House of the Year 2008" by *International Financing Review* magazine, and "Best Lead Manager of Yen Bonds in the Euroweek Review of the Year 2008" by *Euroweek* magazine. In May 2009, Daiwa Securities SMBC acquired Close Brothers Corporate Finance Limited, a leading European corporate finance advisory firm. This makes it possible to provide better support for the cross-border M&A activities of Japanese corporate clients.

Fiscal 2008 Japan Syndicated Loans — Bookrunners*

| Bookrunner | Amount (¥ million) |
|------------------------------------|--------------------|
| 1. Sumitomo Mitsui Financial Group | 8,883,763.6 |
| 2. Mizuho Financial Group | 8,473,285.2 |
| 3. Mitsubishi UFJ Financial Group | 7,209,887.1 |
| 4. Citi | 742,290.6 |
| 5. JP Morgan | 316,342.4 |

Fiscal 2008 Samurai Bonds*

| Bookrunner | Amount (¥ million) |
|---------------------------|--------------------|
| 1. Daiwa Securities SMBC | 469,033.3 |
| 2. Nikko Citigroup | 421,700.0 |
| 3. Mizuho Financial Group | 280,800.0 |
| 4. Nomura | 208,000.0 |
| 5. UBS | 144,933.3 |

*Source: Thomson Reuters

Topics

◆ Acquisition of Businesses centered on Nikko Cordial Securities

Since its establishment in April 1999, Daiwa Securities SMBC has been a key player in our wholesale securities business. In May 2009, we acquired the entire business of Nikko Cordial Securities Inc. as well as the domestic equity and debt underwriting business of Nikko Citigroup Limited. As the new entity, New Nikko Securities, is the lead managing underwriter for a large number of listed companies and has extensive skills in the distribution of securities, adding these capabilities to the current Daiwa Securities SMBC wholesale securities platform will position us to provide clients with services of an even higher quality.

◆ Project Finance

In the PFI Awards 2008 made by *Project Finance International* magazine, SMBC came out ahead of prominent European and U.S. banks as the "Global Bank of the Year." Further demonstrating SMBC's outstanding global reputation was the winning of "Deal of the Year" awards by many SMBC-arranged project finance deals.

2008 Deal of the Year Awards — Principal Deals*

| Award category Region / industry | Deal name | Amount syndicated (million) |
|-------------------------------------|-----------------------|--------------------------------|
| Americas / Power | Angamos | US\$ 989 |
| Asia Pacific / Infrastructure | Newcastle Coal Loader | A\$ 1,200 |
| Europe / Oil | Lotos | US\$ 1,800 |
| Middle East and Africa / Power | Ras Laffan C | US\$ 3,300 |

*Source: *Project Finance International* magazine

◆ Environmental Business

SMBC has been developing many environmental businesses, chiefly through carbon credit trading, since the October 2007 establishment of its Environmental Products Department. In overseas initiatives, we are creating an integrated environmental framework to support projects in developing countries and the acquisition of carbon credits by Japanese companies. We established a consulting company to support the development of clean development mechanisms (CDMs) in an emissions project under our subsidiary Banco Sumitomo Mitsui Brasileiro S.A., and entered into a business alliance with Metropolitan Bank and Trust Company, a leading commercial bank in the Philippines.