

■ Corporate Banking

Improving Products and Services for Midsized Companies and SMEs

●Initiatives to provide easier access to financing for SMEs

With companies facing growing challenges caused by the global financial crisis, SMBC believes that the smooth and efficient supply of funds to customers is its main social responsibility as a financial institution. This is why we are working even harder to serve as an intermediary for financing in a manner that is both responsible and proactive.

To help customers expand their businesses, we will continue to focus on offering products and services that reflect a thorough understanding of their needs and issues.

●Products and services to meet fund-raising needs

Amid the economic uncertainty, a broad range of fund-raising needs is emerging. To meet these needs, SMBC is continually expanding its lineup of loans for corporate clients.

In April 2008, we introduced the *Asset Value Truck & Bus Loan*, which uses commercial vehicles as collateral, and the *Certified Company Support Loan*, offered to corporate customers who have received official certifications or awards specified by SMBC from national or local government entities. Companies that have earned certification recognized by SMBC for their management systems are also eligible.

In June 2008, we started offering the *Web Report Loan* to customers that use online tax reporting services to transmit electronically to SMBC their tax return data and certificates of tax payment made using the Japanese national tax authorities' "e-Tax" service.

●Environmentally responsible products and services

Since October 2008, SMBC has offered the *SMBC Environmental Friendliness Assessment Loan*. To be eligible, an applicant company must undergo an environmental evaluation using The Japan Research Institute, Limited's own assessment standards. Loan terms depend on the results of this evaluation.

The environmental assessment was expanded to include private placement bonds in 2009. About 25 companies were using this product as of the end of September 2009 for loans and bonds totaling approximately ¥85 billion. Customers appreciate receiving our press releases publicizing their environmental initiatives, and our proposals for future areas of activity.

Another initiative was the *SMBC-ECO Loan*, "Fight Global Warming Campaign" from May to July 2009. During the campaign period, part of earnings from *SMBC-ECO Loans* were used to purchase carbon credits equivalent to five tons of CO₂ emissions per borrower. SMBC then wrote off the credits, enabling the borrowers to play a part in combating global warming.

In addition, SMBC has started handling interest-free loans

for supporting initiatives aimed at reaching the goals of the Kyoto Protocol. A program overseen by Japan's Ministry of the Environment, these loans are provided to part-fund capital expenditures for facilities that reduce greenhouse gas emissions. In October 2009, SMBC extended the first loan in Japan under this program. The Japanese government has established the ambitious goal of cutting greenhouse gas emissions by 25%. Providing funding under this program is one way to help companies to take the actions needed to achieve it.



●Information services

Assistance in locating suitable business partners is a field where demand is very strong. To provide even better services, SMBC is expanding its "all-in one matching" program enabling multiple customers to be tapped by the purchasing departments of major companies. The Trade Consultant Program, launched in February 2008, has also impressed customers with its finely focused and unfailingly appropriate advice service for customers with trade issues and needs.

Through activities like these, we will continue to expand our range of value-added services that target the diversifying needs of customers.

Reinforcing Services for Globalizing Corporations

Recently, many companies have deepened their commitment to globalization by working to increase their proportion of overseas sales.

As these companies develop their businesses more internationally, they must resolve fund-raising issues as well as face hurdles arising from foreign business practices, cultures, legal and political systems, and interpretation of these systems.

SMBC established the Global Advisory Department in April 2008 specifically to help devise solutions for cross-border issues of customers with overseas operations. In April 2009, we combined this department with the International Business Promotion Department so that we will be able to further support our customers' overseas businesses from both Japan and abroad.

This department straddles the three units of SMBC that do business with corporate clients — Middle Market Banking Unit, Corporate Banking Unit, and International Banking Unit — to support seamlessly the foreign operations of client companies. Based in Tokyo, the Global Advisory Department has staff members at overseas SMBC offices, chiefly in Asia. With a staff of about 200 professionals in foreign trade and global business operations, the department maximizes synergies by integrating issue-solving skills in Japan, expertise in collecting and analyzing information, and relationships with customers and business partners worldwide. With this

infrastructure, we can put together customized solutions from a global perspective to serve companies in Japan and their overseas subsidiaries.

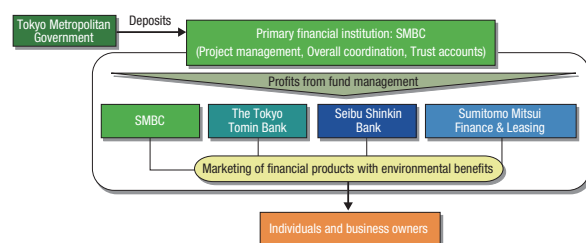
We hold overseas business-related seminars with themes of particular interest to our customers, and distribute the latest information on overseas markets including economic outlooks for specific countries, enabling companies considering launch of an overseas business to gain insight into local conditions, regulations, industry trends and other matters. Our services are useful for companies with established overseas operations too. They can count on SMBC for valuable assistance in areas such as business growth and reorganization.

Intensifying Initiatives in the Public and Financial Sectors

SMBC is working to create solutions for issues at regional governments, public corporations and financial institutions. Moreover, to upgrade services for regional customers, it undertakes joint initiatives with regional governments and financial institutions.

In October 2009, the Tokyo Metropolitan Government established the Eco Finance Project, designed to provide citizens and companies of Tokyo with new opportunities to protect the environment, and selected SMBC as its primary financial institution. In partnership with the Tokyo Tomin Bank, Ltd., Seibu Shinkin Bank and Sumitomo Mitsui Finance & Leasing, SMBC has created a number of new financing programs for individuals and business owners, including housing loans, auto loans, financing for environmental activities, time deposits, leases and other environment-friendly financial products.

Tokyo Metropolitan Government Eco Finance Project



In July 2008, SMBC signed a Cooperative Agreement for Promotion of Industry with the Miyagi Prefectural Government and The 77 Bank, Ltd. In the third venture under this agreement, SMBC, the Miyagi Prefectural Government and The 77 Bank, initiated a project to help companies in the prefecture become more environmentally responsible as well as cut costs. Subsidies provided by the prefectural government are used to help companies purchase environmental and cost-cutting equipment and support the growth of industry.

Moving forward, we will continue to step up initiatives that contribute to regional economic growth, while delivering high value-added services to customers throughout Japan.

Topics

◆ The SMFG Environmental Business Forum in Eco-Products 2009

In December 2009, SMFG took part in Eco-Products 2009, one of Japan's largest environmental business exhibitions, by organizing the SMFG Environmental Business Forum. Holding this forum, which included environment-related business-matching services and seminars, and setting up of booths of SMFG client companies, allowed SMFG to support environmental activities through its core financial service operations.

The business-matching service in particular helped to bring together large corporations seeking more environmentally responsible procurement, one of their management priorities, and smaller companies needing to expand sales channels for their high-quality environmental products, materials and services. Approximately 400 companies participated in this event, leading to business discussions in some 500 cases.

With the cooperation of Group companies, the forum allowed participants to learn about a diverse array of environmental solutions, and served as a source of much valuable information through seminars arranged by environmentally advanced companies and government agencies, which provided information about environmental initiatives and current trends in the field. Overall, about 1,000 people took part in the two-day seminars held at the SMFG Environmental Business Forum on December 11 and 12.



SMFG Environmental Business Forum



The business-matching event attracted hundreds of companies