

## ■ Corporate Banking

### Improving Products and Services for Mid-sized Companies and SMEs

#### •Initiatives to facilitate financing

SMBC believes that the continuous and efficient supply of funds to its clients is its main social responsibility as a financial institution. We are making every effort to actively facilitate more appropriate financing to our corporate clients of mid-sized companies and SMEs, who are faced with more challenges caused by the global financial crisis. In December 2009, SMBC established the Middle Market Facilitating Financing Department within the Planning Department of the Corporate Banking Unit in pursuit of its efforts to facilitate such financing.

We will continue to offer our clients more personalized and appropriate products and services in order to assist and accommodate their business development and needs while thoroughly understanding their challenges.

#### •Environmentally responsible and friendly products and services

In October 2008, SMBC started its offerings of SMBC Environmental Assessment Loan/Private Placement Bonds. The issuers of such bonds must meet the environmental assessment standards set forth by SMBC and Japan Research Institute which determine such issuers' financing terms and conditions in accordance with their assessment results. As of September 30, 2010, about 80 companies had raised approximately ¥180 billion from such loans and bonds. SMBC announces these transactions to the public through press releases and newspaper advertisements. They are well-received by our clients. The loan/bond product was awarded the "Nikkei Superior Products and Services Award for Superiority for 2009" from Nikkei Inc. in January 2010, and it was also awarded the "Grand Prize by the Ministry of Environment" at "The 7th Eco-Products Awards" in November 2010, indicating and showing the high degree of interest in the environmental issues by the Japanese society. Moreover, in October 2010, SMBC started to offer the SMBC "eco value up" Environmental Assessment Loans for mid-sized companies and SMEs, providing borrowers an environmental assessment, as well as analysis on its progress and advices on future environmental measures to be taken, conducted by an environmental assessment organization.

Furthermore, SMBC offers loans under two programs operated by the Ministry of the Environment with the government paying the interest. One of such programs supports achieving the goal agreed at the Kyoto Protocol by partially subsidizing investments in facilities for reducing greenhouse gas emissions. The other program supports the acceleration of countermeasures taken against global warming. As the Japanese government has set a high target of 25% reduction in the emission of greenhouse gas, we will support and assist the industries by participating in financing of such programs.

#### •Business Information Services

SMBC has strengthened its internal infrastructure and systems to realize a substantial increase in the number of business meetings we have arranged for our clients. In particular, our "Business-matching program," which is well-received by our

clients, brings together a large number of our clients and the purchasing departments of large corporations for business meetings.

Furthermore, the "SMFG Environmental Business Forum" was held in December 2010 during the "Eco-Products 2010" in Tokyo Big Sight, for promoting environmental business. We held business-matching events for major corporations seeking to increase suppliers with SMEs striving to expand their marketing channels for their products. A total of 660 business matchings were made.

At such events, SMFG Group companies provide a wide range of information to the public by presenting environmental solutions and organizing panel discussions.

Furthermore, in July 2010, in order to continue to provide comprehensive support for our clients considering an IPO, SMBC and Nikko Cordial Securities started their *IPO Navigator* Information Service on the Internet which is periodically updated with IPO related information, mail magazines and seminars offered free of charge to the registered subscribers.



### Enhancing Services for Global Corporations

An increasing number of our corporate clients are globalizing and faced with issues related to differences in business practices, cultures, legal systems, accounting, and taxation, as well as funding.

SMBC set up the Global Advisory Department to specifically assist and support clients' globalization strategies by providing solutions for their international issues and challenges.

We are in the process of improving our structure to provide our clients with information and seminars on high-interest global economic themes and issues not limited to China or Asia but also including countries such as Brazil. We provide the latest information on overseas markets, local circumstances and regulations to clients planning to enter overseas markets, and support and offer solutions related to business expansion or reorganization to clients who have already established their global business operations.

### Expanding Business Operations into the Chinese Market

A large number of Japanese companies have already established their business operations in China where the economy continues to grow rapidly. Japanese companies' entry into and business development in China is expected to accelerate in the coming years.

Starting with fiscal 2010, in order to more effectively meet the needs of such clients who are engaged in both at Japanese and Chinese markets, SMBC assigned a director to oversee its Chinese subsidiary Sumitomo Mitsui Banking

Corporation (China) Limited (SMBC (China)). It also transferred the responsibility for the planning, promotion and management of transactions between SMBC (China) and Japanese companies from the International Banking Unit to a domestic banking unit.

Having this organizational change, SMBC has become more responsive to the Chinese deregulation measures, and started offering RMB non-resident deposits at SMBC (China). Its domestic and overseas operations will continue to work together to offer improved and personalized services to our clients, both their head office in Japan and their subsidiaries in China.

## Enhancing Services for the Public and Financial Sectors

SMBC is committed to providing business solutions to diverse issues of governmental agencies, public organizations and regional financial institutions. We assertively present proposals to our regional public organization clients for financing for public facilities, and for improving efficiency in administration of public funds.

Public-interest corporations are now faced with challenges of creating business plans, and efficient and effective management of funds, following the major amendment to the regulations for the public-interest corporations in 2008. We are further strengthening our support for such clients by periodically organizing and offering seminars for public-interest corporations, and offering personalized services to better accommodate their needs.

SMBC is working to enhance services for our regional clients through alliances with regional public organizations and local financial institutions.

SMBC entered into business alliances with Kansai Urban Banking Corporation in November 2010 and The Mie Bank, Ltd. in December 2010, for supporting their clients' overseas business expansions. We offer our high-quality services utilizing our international business networks and knowledge to their clients.

We will continue to strive to support regional economic growth while continuing to provide our value-added services to our regional clients.

## Topics

### ◆“The 7th Eco-Products Awards”

SMBC's “Environmental Assessment Loan/Private Placement Bonds” was presented with the Minister's Prize in the eco-services division for “The 7th Annual Eco-Products Awards for 2010,” sponsored by the Eco-Products Awards Steering Committee. SMBC has become the first city bank in Japan to receive such an award. SMBC continues to provide solutions to global environmental problems and challenges by supporting clients who pursue environmentally responsible and friendly business management.



Accepting the “The 7th Eco-Products Awards” (Shusuke Kurose, SMBC Managing Director, second from right)

### ◆Environmental Business Information Section Up on the Website

On SMBC's website, an Environmental Business Information section has been added. This site consists of a broad range of information related to the environmental business, articles featuring environmentally responsible and conscientious companies, reports on SMBC's own environmental endeavors and the latest environmental topics. Through this site, SMBC plans to proactively report to the public the environmental business information and issues.



Newly added Environmental Business Information section on our website