

Treasury Markets

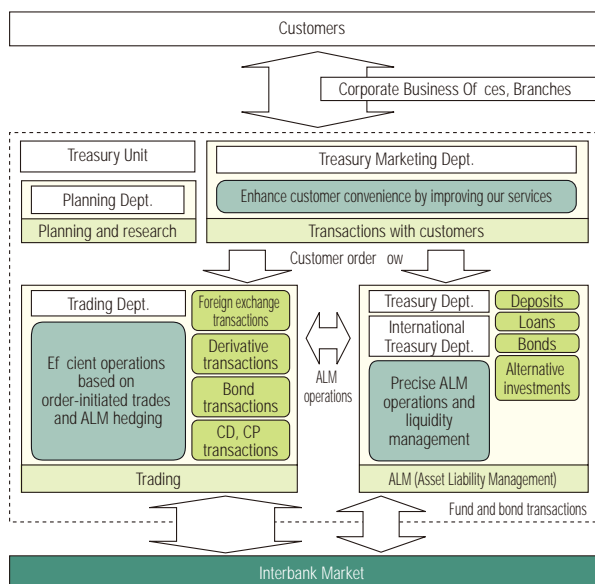
Through the Treasury Unit of SMBC, the Group offers higher value-added services to meet further sophisticated and diverse needs of its clients for transactions in the money, foreign exchange, bond and derivative markets.

More Solutions and Services for Clients' Market Transactions

SMBC's Treasury Unit offers solutions appropriate for the market transactional needs of its clients through its network in Japan and overseas by working with branches to present to its corporate clients with pertinent proposals for such as hedging transactions, reflecting the shifting trends in the financial markets. The Unit also continues to improve the functions of i-Deal, a system which allows our clients to execute their foreign exchange transactions on the Internet. It will continue to support clients by meeting their market transactional needs and offering the highest level of services in the industry.

ALM and Trading Operations

The Treasury Unit strives to ensure sound Asset-Liability Management ("ALM") and stable earnings by comprehensively controlling the balance of assets, such as loans' and liabilities' including deposits, through ALM operations. The Unit is committed to maximizing its earnings in trading operations by the accurate assessment made on the trend of the global financial market by experts of diverse products such as interest-rate, foreign-exchange and commodity derivatives.



Topics

◆ Expanded Offerings of Currencies of Asia and Other Emerging Markets

In order to meet our clients' market transactional needs, we propose diverse hedging strategies for foreign currencies, mainly Asian and other emerging-market currencies. We also brief our clients on the latest changes affecting foreign-exchange transactions through seminars conducted by economists specialized in Asian financial markets and through various foreign-exchange-related tools that we provide to our clients.

◆ Expanded Online Foreign Exchange Transaction Services

We have upgraded the i-Deal system, which allows our clients to execute their foreign exchange transactions on the Internet. In order to ensure attentive handling for clients' limit orders, we have substantially improved the convenience for transactions by enhancing the leave orders function and strengthening the price quote function.

Transaction Banking Business

Strengthening Transaction Banking Business

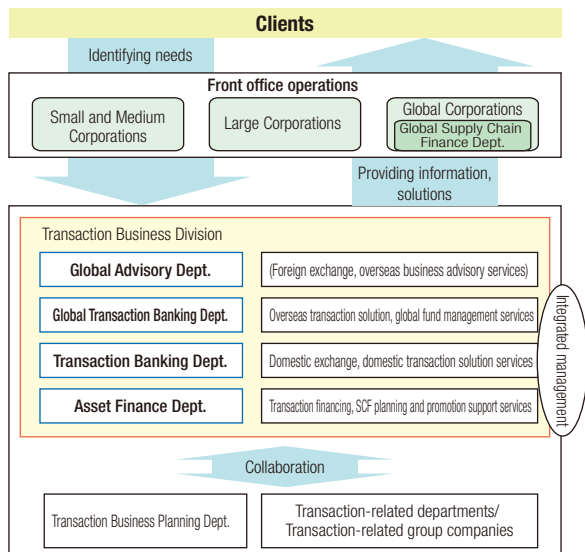
At SMBC, the "Transaction Business Division," which consists of "Global Advisory Department," "Transaction Banking Department," "Global Transaction Banking Department" and "Asset Finance Department," is being established in order to integrally and flexibly provide products and services for appropriately accommodating the needs for transactions, trade finance and financing associated with clients' commercial distribution.

SMFG and SMBC established the "Transaction Business Planning Department" in order to strengthen functions of strategic and business planning for the entire Transaction Banking Business and also improve the settlement system and infrastructure, in terms of mid-to-long term and cross-departmental plan for the Transaction Banking Business.

We, SMFG, integrally support transaction banking business for our domestic and overseas clients under this new framework.



Transaction Business



Topics

◆ Establishment of the Global Supply Chain Finance Department

In April 2013, SMBC established the "Global Supply Chain Finance Department" in Global Trade Finance Department to strengthen the promotion system for finance business associated with the transactions in overseas. We will appropriately respond to the diverse needs of clients who globally conduct their businesses, by further enhancing cooperation with each department of transaction business division and providing the supply-chain finance especially focused on commercial distribution.

Strengthening Transaction Banking Products to Respond to Clients' Needs

SMBC is enhancing transaction banking products to respond to domestic and overseas clients' transactions and cash management needs.

We continue to improve and enhance electronic banking services, for the "PC Bank Web21" and a new means of settlement of "Densai Net" in order to support our clients' daily cash management, "Global e-Trade Service" in order to support foreign exchange and trade transactions in Japan, and "SMAR&TS" in overseas etc.

We also continue to strengthen our support for our clients in Japan and overseas by providing high value-added information; providing the system to support cash and financial management for the corporate group; improving foreign currency transactions including renminbi; and allocating specialized professionals.

High Value-Added Services integrally provided by SMFG

SMFG works at providing high value-added services with respect to the transaction banking business of clients.

The services provided by SMBC Finance Service are mainly the "Convenience store's payment collection agency business" and "Collection agency service (account transfer payment)." The handling volumes for these services are the largest in Japan.

On the other hand, as for yearly expanding EC market, we provide diverse settlement solutions as one of core companies in charge of transaction banking business for SMFG, by providing the "Settlement Station" which collectively manages multiple means of settlements.

Further, Financial Link integrally provides "SMFG-BPO Service" (BPO: Business Process Outsourcing) by appropriately accommodating the substantial needs for outsourcing service associated with the fund collection and payment.

Enhancing each Settlement System and Settlement Infrastructure

It is imperative that we appropriately enhance the settlement system and settlement infrastructure which support the provision of secure settlement services for our clients. We are actively involved in various industrial initiatives, such as SWIFT* and BOJ-Net. We also engage in the Japanese Government Bond settlement cycle reform to reduce settlement-related risks.

* Society for Worldwide Interbank Financial Telecommunication
A member-owned cooperative that provides the communications platform connected more than 10,000 financial institutions in 210 countries.

Group Companies mainly associated with Settlement

SMBC FINANCE SERVICE CO., LTD. 	
Corporate Name:	SMBC Finance Service Co., Ltd.
Business Description:	Collecting agent, factoring business
Establishment Date:	December 5, 1972
Location of Head Office:	5-27, Mita 3-chome, Minato-ku, Tokyo
Representative Director:	Kazuhiko Kashikura (Appointed on June 28, 2013)
Number of Employees:	422



Financial Link

Corporate Name:	Financial Link Company, Limited
Business Description:	Data processing service and consultation business
Establishment Date:	April 1, 2004
Location of Head Office:	1-11, Shinbashi 3-chome, Minato-ku, Tokyo
Representative Director:	Koichi Okamura
Number of Employees:	22