

Treasury Markets

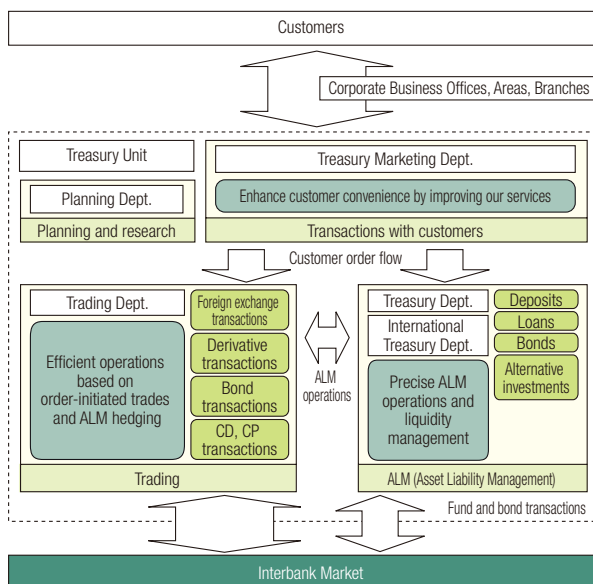
Through the Treasury Unit of SMBC, the Group offers higher value-added services to meet the sophisticated and diverse needs of its clients for transactions in the money, foreign exchange, bond and derivative markets.

More Solutions and Services for Clients' Market Transactions

SMBC's Treasury Unit offers solutions through its network in Japan and overseas to present its corporate clients with proposals for hedging transactions taking into account changes in the financial markets. Further, to improve the convenience of market transactions, the Unit continues to develop 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 trends of the global financial market by experts of diverse products such as interest-rate, foreign-exchange and commodity derivatives.



Topics

◆ Responding to Clients' Diversifying Needs for Emerging Market Currency Transactions

We are committed to enhancing hedging schemes for cross-border transactions through providing forward exchange contracts for currencies of emerging countries in Asia and presenting proposals for increasing fund efficiency. We also take the initiative in providing information to clients on market trends and currency regulations especially of Asia and Central and South America, and holding seminars on emerging economies and market trends presented by the analysts residing in Asia.

◆ Expanded Online Foreign Exchange Transaction Services

Having provided to over 15,000 clients the "i-Deal system," we continue to improve its convenience for clients. In March 2014, we began handling transactions in the prevailing market rate of Chinese yuan, thereby accommodating clients' requests. We will continue to respond attentively to clients' needs by improving the price-quoting function and enhancing the leave-order function.

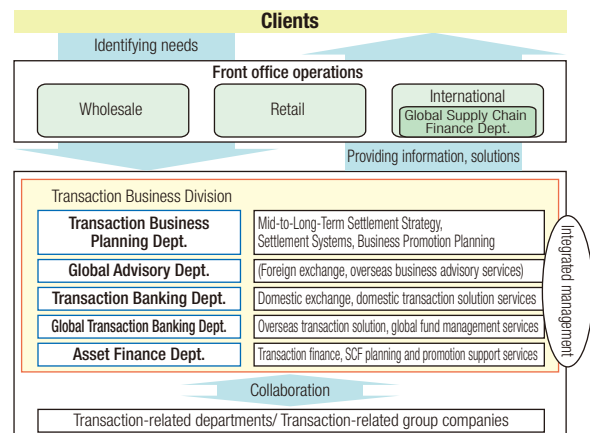
Transaction Banking Business

Strengthening Transaction Banking Business

At SMBC, the "Transaction Business Division," consisting of the "Transaction Business Planning Department," the "Global Advisory Department," the "Transaction Banking Department," the "Global Transaction Banking Department" and the "Asset Finance Department," is being established to enhance transaction banking businesses.

The respective departments of the Transaction Business Division integrally and flexibly provide support for diverse businesses associated with transaction banking for our domestic and overseas clients in the medium- to long-term and from a cross-departmental perspective.

Transaction Business



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.



Topics

◆New Treasury Management System of "SMAR&TS Treasury"

In October 2013, SMBC began offering its new treasury management system of "SMAR&TS Treasury," which enables forecasting future cash management and integrated management of pooling, group-financing and netting, in addition to monitoring current cash flow conditions of globally developed group companies. We will continue to accommodate the diverse needs of clients.

◆Consecutively highly evaluated for customer satisfaction survey of ASIAMONEY magazine

We were consecutively highly evaluated for the "Customer Satisfaction for Cash Management Survey" in Asia and Japan, annually conducted by the "ASIAMONEY magazine."



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.

SMBC and SMBC Financial Link newly set up a specialized desk in the bank to integrally provide "SMFG-BPO Services" (BPO: Business Process Outsourcing) in order to appropriately accommodate substantial needs for outsourcing administrative services associated with fund collection and repayment.

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.

Additionally, for the 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.

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 involved in developing settlement system having a high degree of security and convenience for such as the Japanese Government Bond settlement cycle reform, in addition to services for SWIFT* and BOJ-Net.

* 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
Number of Employees: 445



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: Akihiro Kitahara
Number of Employees: 14