

# Wholesale Banking Unit (SMBC)



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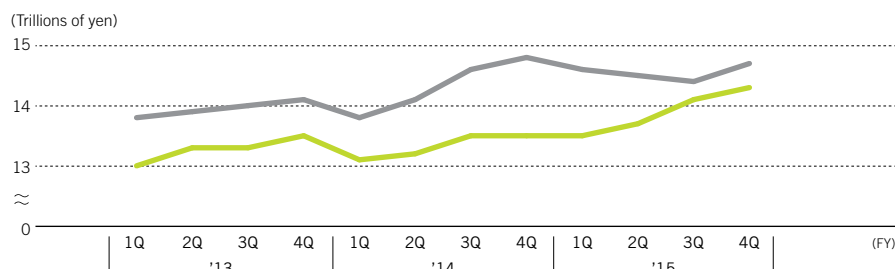
## Fiscal 2015 performance

While the first half of fiscal 2015 showed strong results with favorable market conditions, the second half was effected by the significant change of business environment, including the shift of the market triggered by falling resource prices, slowdown of the Chinese economy, and the introduction of the negative interest policy in Japan. As a result, consolidated gross profit of the Wholesale Banking Unit declined by ¥1.5 billion from fiscal 2014, to ¥721.2 billion, and consolidated net business profit declined by ¥6.0 billion, to ¥421.8 billion.

## Business environment and strategy going forward

Globalization is accelerating among large companies in particular and the value and number of M&A, including cross-border transactions, is on the rise. With a lot of growth companies emerging, the number of IPO transactions has reached a high level in recent years. These trends are expected to continue and the Wholesale Banking Unit will seek to provide solutions that are finely tuned to companies' business content and growth stage amid diversification in client business strategies and issues. The unit aims to grow with its clients and contribute to development of the Japanese economy.

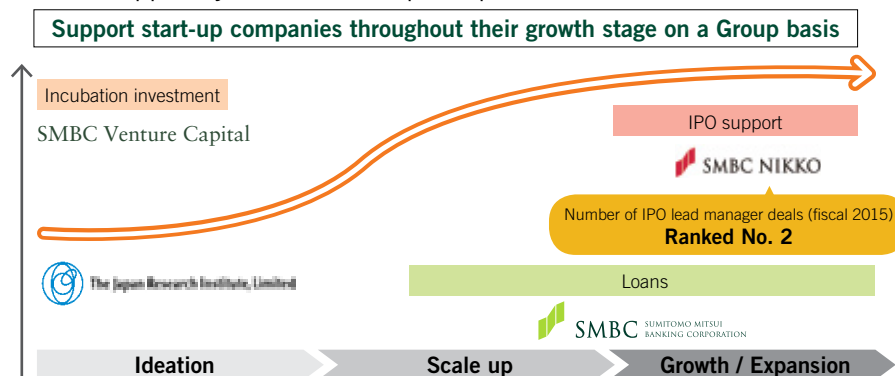
### Lending in the Wholesale Banking Unit (SMBC non-consolidated)\*1 \*2



\*1 Managerial accounting rules were revised.

\*2 Quarterly average

### SMFG's support system for start-up companies



➡ Please see SMBC Nikko Securities on page 32 for SMFG's wholesale securities business.

## ► Business matching

In fiscal 2015, we arranged business matching for more than 10,000 businesses in response to client needs for sales channel expansion and collaboration. We also hosted an event on the themes of inbound business and aging society business, which are of great corporate interest. The event was well received by the many companies that participated.



Aging society business matching



SMBC inbound business matching

## ► Assessment loans / Private Placement bonds

SMBC provides assessment loans / bonds to support client involvement in social issues, such as environmental matters, the role of women workforces, natural disaster response, and food safety. As of March 2016, this funding amounted to ¥1.6 trillion.

\* Assessment loans / bonds are a product that provide assessment and consulting for our clients' social initiatives. These are conducted through collaboration with external think tanks.

Year	Name of launched products	Description
2010	SMBC Environmental Friendliness Assessment Loans and Private Placement Bonds (Eco Value-up)	Support for mid-sized corporation and SME environment management
	SMBC Food and Agriculture Assessment Loans and Private Placement Bonds	Evaluation of / support for food safety and food culture initiatives
2011	SMBC Sustainable Building Assessment Loans and Private Placement Bonds	Evaluation of / support for buildings' environmental performance and earthquake resistance
	SMBC Business Sustainability Assessment Loans and Private Placement Bonds	Evaluation of / support for business continuity initiatives for such events as earthquakes and floods
2013	SMBC Sustainability Assessment Loans and Private Placement Bonds	Evaluation of / support for ESG (environment, society, governance) initiatives and the disclosure's appropriateness
2015	SMBC Nadeshiko Loans and Private Placement Bonds	Evaluation of / support for clients' initiatives to promote the role of women

## ► Support for overseas business development

SMBC holds seminars to provide clients with information about global economic trends, the foreign exchange market, and investment conditions in individual countries. Clients considering starting a business overseas are encouraged to come to us at an early stage so that we can provide tailored information on local laws and regulations and on Japanese companies already present in the country.

For clients who already have business overseas, our Japan and overseas business units collaborate to provide high-quality solutions in such areas as business expansion and reorganization. We also provide wide-ranging advice and practical seminars on foreign trade to support clients in foreign exchange transactions generally.



Nikkei and Nikko joint seminar



Southeast Asian subsidiary management seminar