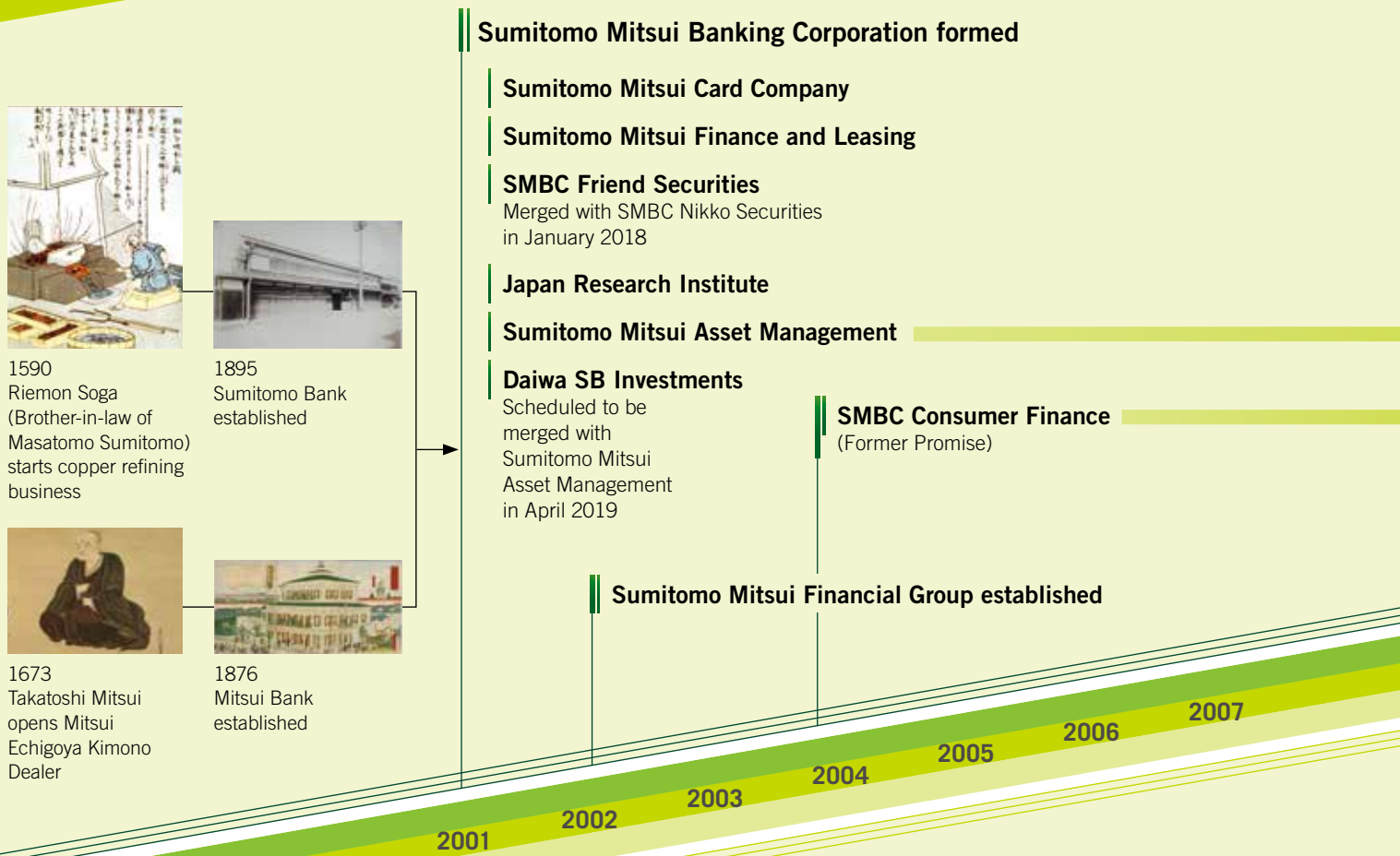


History of SMBC Group

Our business can be traced back more than 400 years.



Operating Environment

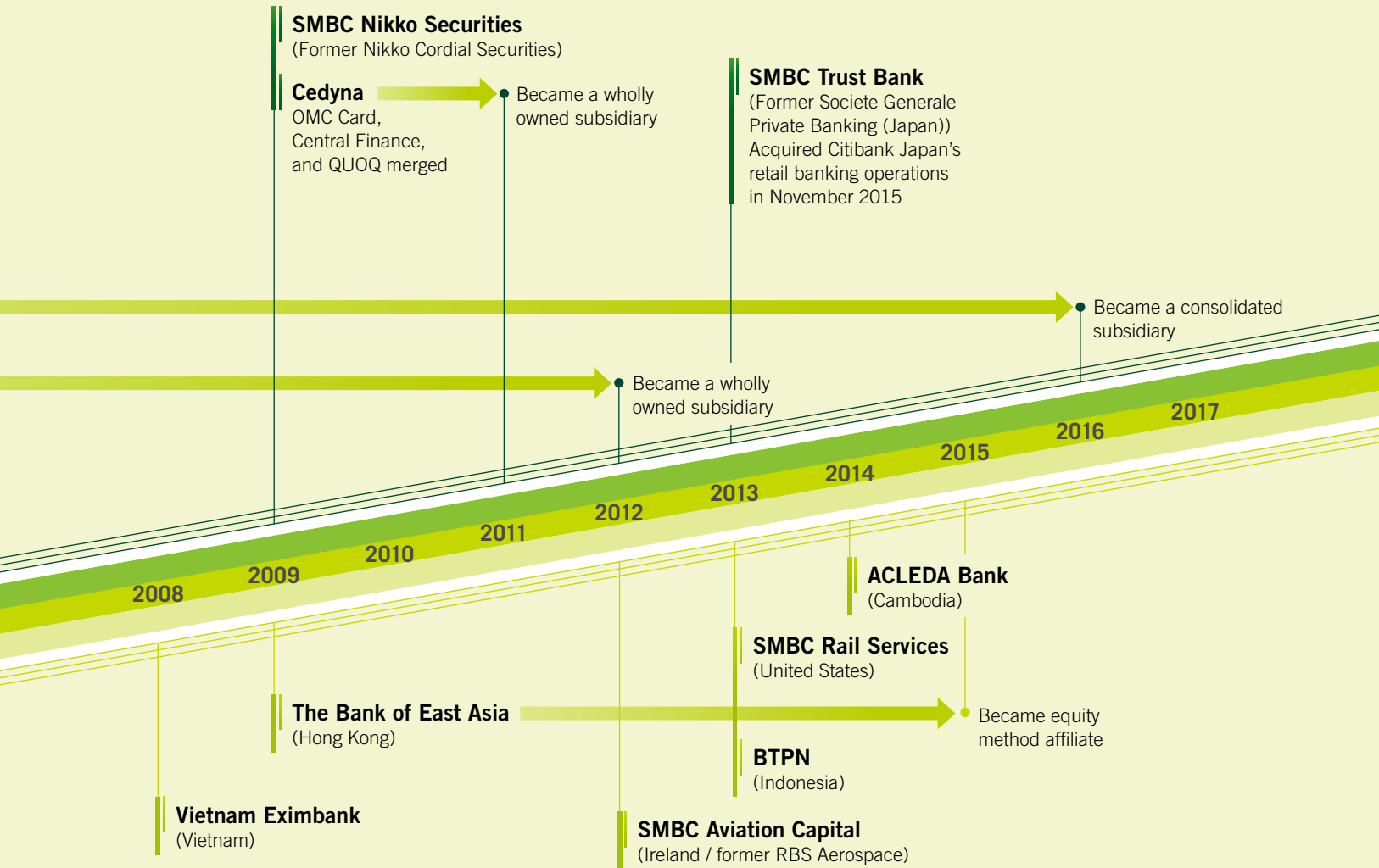
Japan

- “Program for Financial Revival” commenced → Disposal of non-performing loans conducted
- Lift the ban of securities intermediary
- Blanket guarantee of deposits fully lifted
- Zero interest rate policy rescinded by the Bank of Japan
- Financial Instruments and Exchange Act enacted
- Full lift of the insurance products sale by banks
- Japan Post privatized

Global

- Collapse of the IT bubble
- Implementation of Basel II
- Subprime mortgage crisis

Expansion of Business Domain



Expansion of Regional Coverage

- Firewall regulations between banking and securities alleviated
- Start of "Abenomics"
- Japan's Corporate Governance Code instituted
- Great East Japan Earthquake
- Introduction of quantitative and qualitative monetary easing
- Introduction of negative interest rate policy
- NISA introduced
- Consumption tax rate raised to 8%
- "Principles for Customer-Oriented Business Conduct" released
- European sovereign debt crisis
- Dodd-Frank Act enacted in the U.S.
- Implementation of Basel III
- U.S. federal funds rate raised for the first time in nine and a half years
- Finalization of the Basel III reform
- Financial crisis
- U.K. announces withdrawal from the European Union