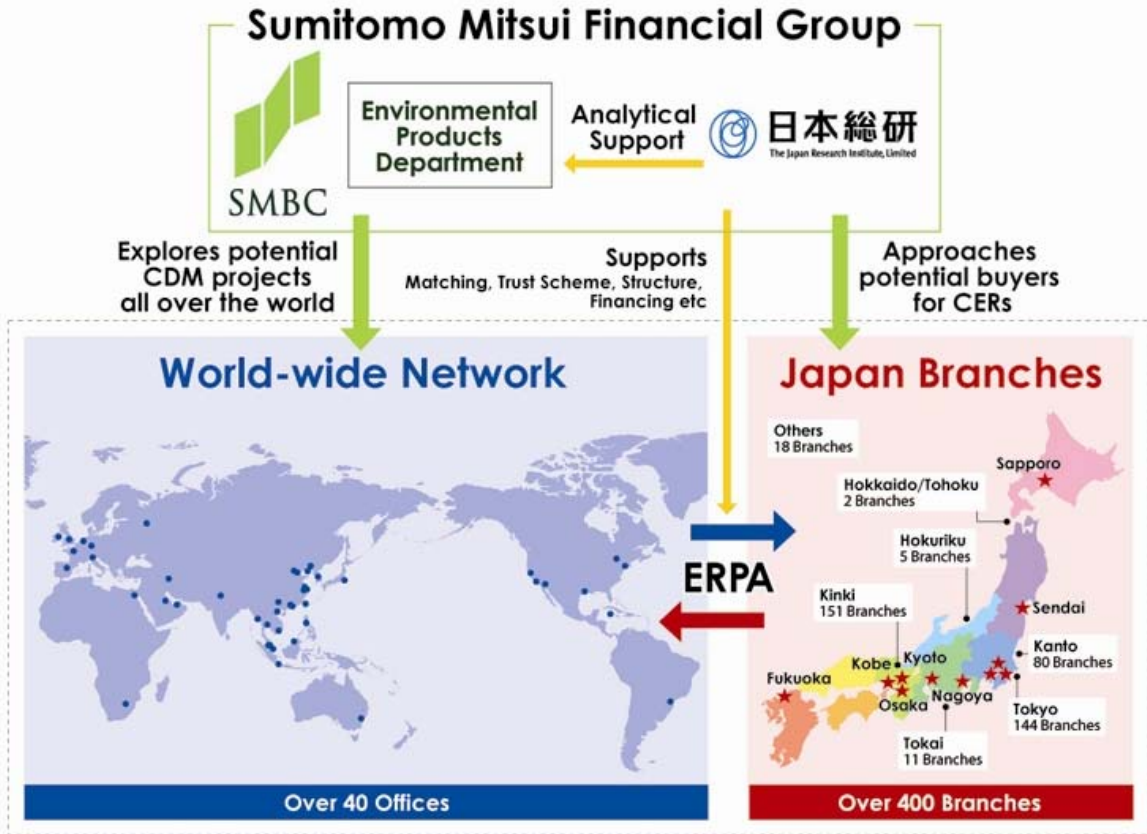


SMBC Global Network & Organizations for CDM projects & Carbon Trading



SMBC Brief History for Carbon Credits Business

- 2005/08 SMBC started carbon credits business(Brazil CDM Projects)
- 2006/08 Initiated business tie-up with Banco do Brasil for promoting carbon credits business
- 2006/12 Made 10 deals of CDM projects for Japanese electric power company (about 1.5 million tons)
- 2007/02 Purchased carbon credits for its headquarter's building
- 2007/06 Received FT Sustainable Banking Award as runner-up (Achievement in Carbon Finance) (Japanese company was awarded for the first time)
- 2007/06 Exected carbon trading using trust fund scheme
- 2007/09 Purchased carbon credits generated from CDM projects for Carbon Offset Japan, which is carbon offset business driven mainly by Japanese citizens
- 2007/10 Launched Environmental Products Department that focuses on services regarging carbon trading

SMBC Key Figures

| | |
|-----------------------|--------------------------------|
| Number of employees* | 42,996 |
| Total assets* | JPY 104,607 billion |
| Totalloans* | JPY 58,689 billion |
| Total deposits* | JPY 74,745 billion |
| Shareholders' equity* | JPY 5,412 billion |
| Long-term ratings | A1(Moody's), A(S&P), A-(Fitch) |

*SMFG consolidated(data as of March 2007)

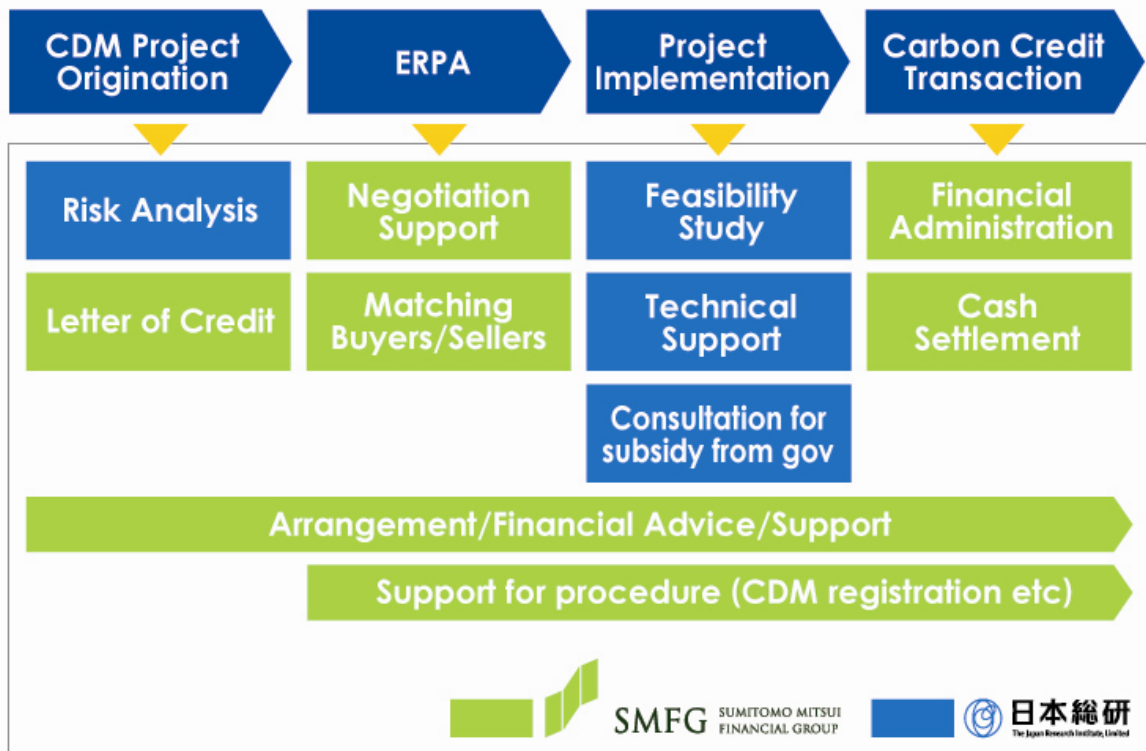
Main Services

One-stop Services for CDM



SMFG SUMITOMO MITSUI
FINANCIAL GROUP

CDM Project Lifetime



Major Track Records

- SMFG has analyzed the risk for CDM projects in Brazil and Indonesia.
- SMFG has provided technical advice on landfill and swine manure treatment projects with local environmental consultants in Brazil.
- SMFG has received subsidies from Japanese government for CDM projects in Brazil (Ministry of Environment etc).
- SMFG has arranged two sales arrangements by trust scheme
- SMFG has provided credit enhancement in favor of sellers/buyers for the number of transactions in India, Brazil and China



SMBC SUMITOMO MITSUI
BANKING CORPORATION

Matching

① Structure



② Major Track Record

Trust Fund Scheme



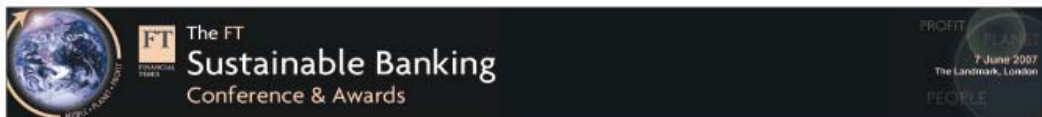
Transaction Processes (Example)

- BUYERS and SMBC identify SELLER from whom BUYERS will purchase CERs
- EACH BUYER and SMBC enter into trust agreement respectively
- BUYERS trust the funds to SMBC to purchase CERs from SELLER
- SMBC enters into ERPA with SELLER
- Upon receiving CERs from SELLER, SMBC pays the funds to SELLER

Main Benefits for Sellers

- ✓ Can reach to buyers that require small amounts of CERs cost-effectively
- ✓ Minimizes transaction costs (communication costs etc)

Major Track Records of Our Carbon Business



Achievement in Carbon Finance

- Banco Sumitomo Mitsui Brasileiro, Brazil (CER transaction involving 10 CDM projects)
- Carbon Capital Markets, UK (Private equity funds)
- Climate Change Capital UK (C4F2 carbon fund)
- Innovest/JP Morgan, US-Canada-UK (JENI Carbon Beta bond index)
- Raiffeisen Zentralbank, Austria (Nitrous oxide emission reduction project)

Banco Sumitomo Mitsui Brasileiro (BSMB), a SMBC's subsidiary in Brazil, was shortlisted and awarded as runner-up for "Achievement in Carbon Finance" by "CER transaction involving 10 CDM projects", one of the award categories of "the 2007 FT Sustainable Banking Awards" which was selected from 151 entries representing more than 100 banks in 51 countries

RUNNER-UP: Banco Sumitomo Mitsui Brasileiro

BANCO SUMITOMO MITSUI
BRASILEIRO S.A.



Banco Sumitomo Mitsui Brasileiro S.A. (BMSB), the subsidiary bank of Sumitomo Mitsui Bank Corporation in Brazil, carried out a pioneering certified emission reductions (CERs) transaction involving more than 10 small- to medium-scale Clean Development Mechanism (CDM) projects. The substantial transaction involved the transfer of around 1.5 million tonnes of CERs, derived from a broad range of CDM sources including small hydroelectric, bagasse cogeneration and methane avoidance projects, from Brazil to Japan. This is considered the first transaction of its nature, within the newly formed carbon market, as CERs generated from several diverse CDM projects were simultaneous negotiated for between two countries. The transaction introduced by BMSB presented an opportunity to Brazilian medium- and small-scale project developers to commercialise their CERs in conjunction with a major Japanese utilities company, Chugoku Electric Power Corporation (CEPC). BMSB fulfilled the important role of facilitator for this transaction, which would not have been feasible without the unique expertise and services offered by the financial institution. In assisting the project buyer, BMSB compiled a portfolio of more than 10 suitable small and medium-scale CDM projects and provided other assistance required under the Kyoto Protocol for the buyer.

Comments from the judges:

"Stimulating the market in the region, giving SMEs access to the market, a key demonstration effect, proving Brazil as a reliable source of CERs."

Source: Website of the FT Sustainable Banking Conference & Awards
(<http://www.ftconferences.com/sustainablebanking/home.asp>)



SMBC SUMITOMO MITSUI
BANKING CORPORATION

SMBC's Global Presence

✓ Global Advisor of the Year 2006

SMBC was shortlisted as "Global Advisor of the Year" and Year awarded as "Global Advisor of the Year 2006"

✓ Latin American Deal of the Year 2006

"Revap" project (Petrobras related transaction), arranged by SMBC, was awarded as "Latin American Deal of the Year 2006"

Global Advisor of the Year

SMBC was a clear winner this year for work conducted from both its active Singapore and London offices. The bank topped the advisory mandates closed list for 2006 in the recent PFI league tables with its work on some globally significant financings.

The bank advised on and closed two of the major Gulf deals last year – Rabigh and Nakilat LNG. Rabigh was Amarco's first project financing. Not surprisingly, all parties involved faced a steep learning curve to get the deal over the line. But the deal that was signed was very attractive for the client and set a template for Amarco's next two mega financings.

Nakilat LNG was the largest LNG ship portfolio financing. The deal had a mix of commercial bank, bond and Kexim tranches that were handled smoothly. Again, the financing obtained was attractive and the pooling of LNG ship risks into one financing was an important step forward.

In Asia, the bank is at the forefront of the advisory mandate. At year end its bidder, Marubeni/Tokyo Electric, won the landmark Mirant US\$3.4bn power portfolio sale in the Philippines with a very competitive bid and very competitive financing. In Thailand, it advised on the award winning Ratchaburi Power deal and in Singapore, the Universal Terminal deal. In Indonesia, it was involved in the long-running Tangguh LNG financing, which was

**pfi
awards
2006**

**Global
Advisor
of the Year
2006
SMBC**

**Asian
Advisor
of the Year
2006
SMBC**

SMBC was also shortlisted by Thomson PFI for both

"Global Bank of the Year 2005" and
"Global Advisor of the Year 2005"

funded late last year.

Not surprisingly, the bank was also active in its home market. It advised on deals such as Haneda airport, Hachiryu wind power and Amagasaki Sports centre PFI.

Financial Advisor of Global Project Finance Deals Year 2006

| Pos. | Mandated Lead Arrange | Volume US\$ m |
|------|--------------------------------|---------------|
| 1. | SMBC | 13,159 |
| 2. | HSBC | 12,956 |
| 3. | Credit Suisse | 9,342 |
| 4. | Macquarie Bank | 8,549 |
| 5. | Price Waterhouse Coopers | 8,106 |
| 6. | ABN Amro | 6,609 |
| 7. | Mitsubishi UFJ Financial Group | 5,086 |
| 8. | Societe Generale | 5,074 |
| 9. | BNP Paribas | 3,769 |
| 10. | Saudi Hollandi Bank | 3,750 |

Arranger of Global Project Finance Loans Year 2006

| Pos. | Arranger | Volume US\$m |
|------|--------------------------------|--------------|
| 1. | Calyon | 5,813 |
| 2. | RBS | 5,558 |
| 3. | Mizuho | 5,399 |
| 4. | BNP Paribas | 4,868 |
| 5. | Mitsubishi UFJ Financial Group | 4,650 |
| 6. | Credit Suisse | 4,356 |
| 7. | Societe Generale | 3,650 |
| 8. | Goldman Sachs | 3,588 |
| 9. | SMBC | 3,541 |
| 10. | WestLB | 3,516 |

dealogic

Project Finance-Global Rankings



SMBC SUMITOMO MITSUI
BANKING CORPORATION