

**Announcement of U.S. Regulatory Action**

Tokyo, January 25, 2007 --- Sumitomo Mitsui Banking Corporation (SMBC), Tokyo, Japan, and SMBC's New York Branch have entered into a Written Agreement dated January 22, 2007 with the Federal Reserve Bank of New York and the New York State Banking Department.

The Written Agreement requires SMBC and the New York Branch to take a number of actions to strengthen policies, procedures and processes to comply with the requirements of the Bank Secrecy Act and Anti-Money Laundering Regulations ("BSA/AML"). As a global financial organization, SMBC is committed to compliance with the legal requirements in the jurisdictions where we operate. SMBC treats the actions of the U.S. supervisors with utmost seriousness. Therefore, SMBC is cooperating fully with the U.S. supervisors and will maintain an ongoing dialogue with them concerning our actions to comply with the requirements of the Written Agreement.

SMBC and the New York Branch have already begun remediation efforts and have been working actively with external advisors to review the BSA/AML compliance program and to develop and promptly implement recommended enhancements in a manner that will satisfy and exceed our obligations under the Written Agreement.

End.