

**Establishment of Environment Analysis Department to
Assess Environmental Impact of Financing**

TOKYO, January 23, 2006 --- Sumitomo Mitsui Banking Corporation (SMBC, President: Masayuki Oku) has established a department (Environment Analysis Department) within the Credit Department of its International Banking Unit effective today to strengthen its commitment to social and environmental responsibility. The new department will establish an environmental impact assessment framework for overseas project financing and conduct assessments accordingly.

Financial institutions are internationally required to assess carefully the impact of a project overseas on the environment and local community prior to financing, particularly with respect to projects in the developing countries. The new department was established in response to such requirement and to fulfill SMBC's corporate social responsibility and to provide high quality financial services overseas.

Further, in connection with the above, SMBC adopted the Equator Principles. The Equator Principles is a set of guidelines developed by private financial institutions for managing environmental and social issues related to project financing. Thirty-eight major financial institutions worldwide have adopted the Equator Principles (as of December 31, 2005).

With the new department leading the initiative, SMBC aims to quickly establish an environmental impact assessment framework that is in line with the Equator Principles and will take into account appropriate environmental and social consideration more than before.