

**Change of Organization and Permission from Local Authority to Open  
Sub-Branches in PRC**

**Tokyo, November 16, 2006** --- Sumitomo Mitsui Banking Corporation (SMBC, President Masayuki Oku) announced that it has informed the China Banking Regulatory Commission (CBRC) of its decision to establish a China Division to manage all branches and representative offices located in Mainland China and a Planning Department, China Division to be in charge of head-office functions. The new organization will start operating on December 1, 2006.

SMBC already has three divisions – the Americas Division, Europe Division and Asia Division – and the China Division will be established separately from the Asia Division in order to respond quickly to changes, such as deregulation, in the rapidly growing Chinese market. Under this framework SMBC will also be able to strengthen risk management and compliance, thereby enhancing its ability to respond to the wide ranging needs of its customers, including products and services meeting their needs to increase customer satisfaction.

SMBC also announced that it has received approval from the CBRC Tianjin Office on October 13, 2006, and the CBRC Jiangsu Office on November 2, 2006 to open sub-branches in Tianjin Binhai New District and Suzhou Industrial Park, respectively. This is the first time for a Japanese bank to obtain such a permission in the Suzhou Industrial Park. SMBC will take the necessary steps including permission from Japanese authority to open the sub-branches with a view to commencing operation next spring.

<<Reference>>

SMBC's presence in mainland China (after opening of above two sub-branches)

Branches: Shanghai, Tianjin, Suzhou, Hangzhou and Guangzhou  
Sub-Branches: Tianjin Binhai and Suzhou Industrial Park  
Representative Offices: Beijing, Shenyang, Dalian and Chongqing

Tianjin Binhai New District

Tianjin Binhai New District (12,270 square km) is located in the eastern part of

Tianjin City, fronting Bohai Bay, and is about one hour from central Tianjin.

Under China's Eleventh Five-Year Plan, the development of Binhai New District is a national project and is attracting attention as the third economic development area following Shenzhen City and Pudong New District, Shanghai City. Currently financial deregulation is being examined in order to turn the district in a laboratory for financial reform.

#### Suzhou Industrial Park

Suzhou Industrial Park (288 square km) is located in the eastern part of Suzhou City, Jiangsu Province, and is about one hour from Shanghai.

It is PRC's only international joint development area and was established in collaboration with the Singapore government. Many foreign companies have rushed into this area due to its well organized infrastructure, especially in the Changjiang-Delta Economic Zone.