

[NEWS RELEASE]

December 26, 2019

Sumitomo Mitsui Banking Corporation

Launch of a Bank Acceptance Draft Pooling Service in the People's Republic of China

Tokyo, December 26, 2019 --- Sumitomo Mitsui Banking Corporation (“SMBC”, President and CEO: Makoto Takashima) announced today that its wholly-owned subsidiary Sumitomo Mitsui Banking Corporation (China) Limited (“SMBCCN”, President: Shinji Ono) has launched a bank acceptance draft* pooling service in the People’s Republic of China.

The service allows for financing to be extended to companies of a corporate group by collateralizing bank acceptance drafts held by other companies of the same corporate group. In addition, the management of drafts held by different group companies through the use of an electronic bill system will be made possible.

This new pooling service in the People's Republic of China will allow SMBC to support customers diversify their financing methods and reduce the burden associated with the administration of drafts.

The concept behind this service was a recipient of the Best Proposal Award in the SMBC Pitch Contest 2017, an in-house business idea contest. SMBC will continue to provide customers with services of value that are based on a diverse range of ideas.

Bank acceptance draft: A draft issued by the acceptance applicant, entrusting the acceptance bank to make unconditional payment of a certain amount of money to the payee or bearer on the designated date. As they guarantee payment by a credit worthy bank, bank acceptance drafts are used given that bank transactions are not suspended in China even if a draft is dishonored.

<Overview >

Eligible Bill	Bank acceptance draft (electronic bill)
Acceptance Bank	Banks approved by SMBC
Types of Financing	Loans, bills, guarantees, etc. (separate credit examination procedures exist)
Currency	Renminbi
Tenure	One year or less

<Scheme>

