

SMBC in Africa

~ TICAD VI follow up session ~

November 2016

Confidential



SMBC SUMITOMO MITSUI
BANKING CORPORATION

Global Trade Finance Department
Masakazu Hasegawa

LEAD THE VALUE

Global Network ~SMBC overseas branches and principle subsidiaries~



Americas

United States

- New York Branch
- Los Angeles Branch
- San Francisco Branch
- Houston Rep Office
- Manufacturers Bank

Canada

- Canada Branch

Latin America

- Banco Sumitomo Mitsui Brasileiro S.A.
- Cayman Branch
- Mexico City Rep Office
- Bogota Rep Office
- Lima Rep Office
- Santiago Rep Office

Europe / Middle East / Africa

Europe

- Sumitomo Mitsui Banking Corporation Europe Ltd. (Head Office: London)
- Paris Branch
- Milan Branch
- Amsterdam Branch
- Dublin Branch
- Prague Branch
- Madrid Branch
- Brussels Branch
- Dusseldorf Branch
- Frankfurt Branch
- JSC Sumitomo Mitsui Rus Bank

Middle East

- DIFC Branch - Dubai
- Abu Dhabi Rep Office
- Bahrain Rep Office
- Doha QFC Office
- Istanbul Rep Office
- Tehran Rep Office

Africa

- Cairo Rep Office
- Johannesburg Rep Office

Asia and Oceania

- Sumitomo Mitsui Banking Corporation (China) Ltd. (Head office: Shanghai)
- Beijing Branch
- Changshu Sub-Branch
- Chongqing Branch
- Guangzhou Branch
- Hangzhou Branch
- Kunshan Sub-Branch
- Shanghai Pilot Free Trade Zone Sub-Branch
- Shanghai Puxi Sub-Branch
- Shenyang Branch
- Shenzhen Branch
- Suzhou Branch
- Suzhou Industrial Park Sub-Branch
- Tianjin Branch
- Tianjin Binhai Sub-Branch
- Dalian Branch
- Hong Kong Branch
- Taipei Branch
- Seoul Branch
- Ulaanbaatar Rep Office
- Singapore Branch
- Bangkok Branch
- Chonburi Branch
- PT Bank Sumitomo Mitsui Indonesia
- Sumitomo Mitsui Banking Corporation Malaysia Berhad
- Labuan Branch
- Labuan Branch Kuala Lumpur Office
- Manila Branch
- Phnom Penh Rep Office
- Yangon Branch
- Yangon Branch Thilawa Front Office
- Hanoi Branch
- Ho Chi Minh City Branch
- New Delhi Branch
- Sydney Branch
- Perth Branch

as of November 2016

Coverage for Africa

SMBC EMEA Division

Product Support from London

- Corporate Banking (Japanese clients)
- Corporate Banking (Non Japanese clients)
- Project Finance
- Trade Finance

Expertise in each corporate banking or product department promotes business supported by officers based in African offices

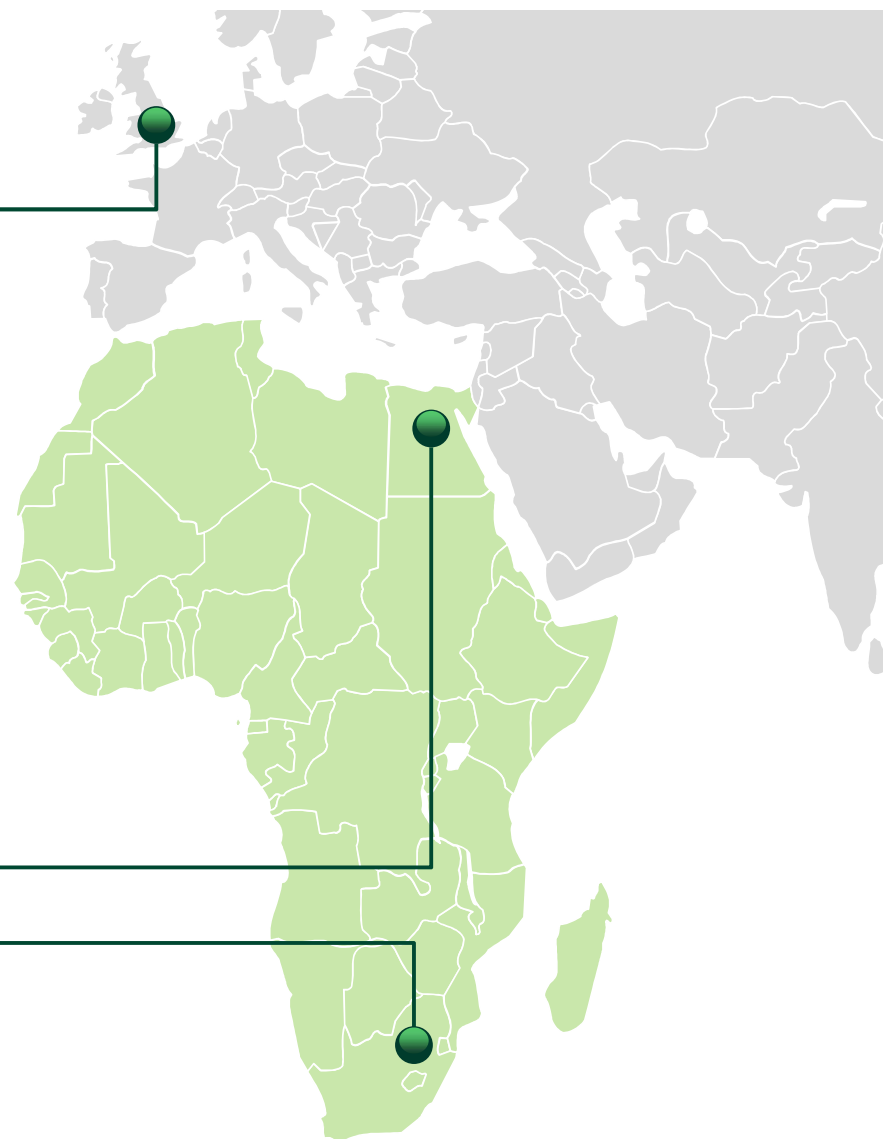
SMBC Offices in Africa

Covering whole Africa region “on the ground”

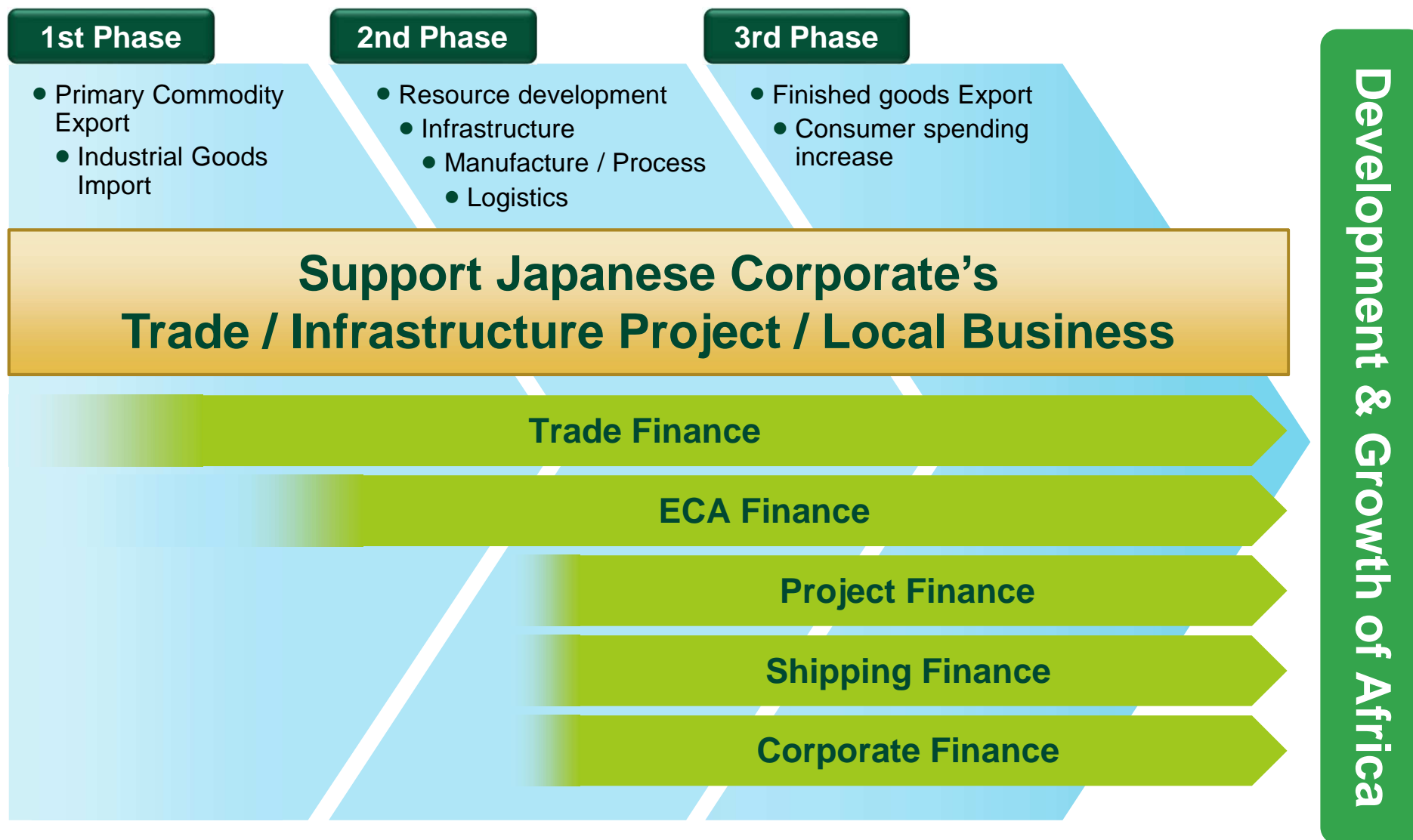
Cairo Representative Office

Johannesburg Representative Office

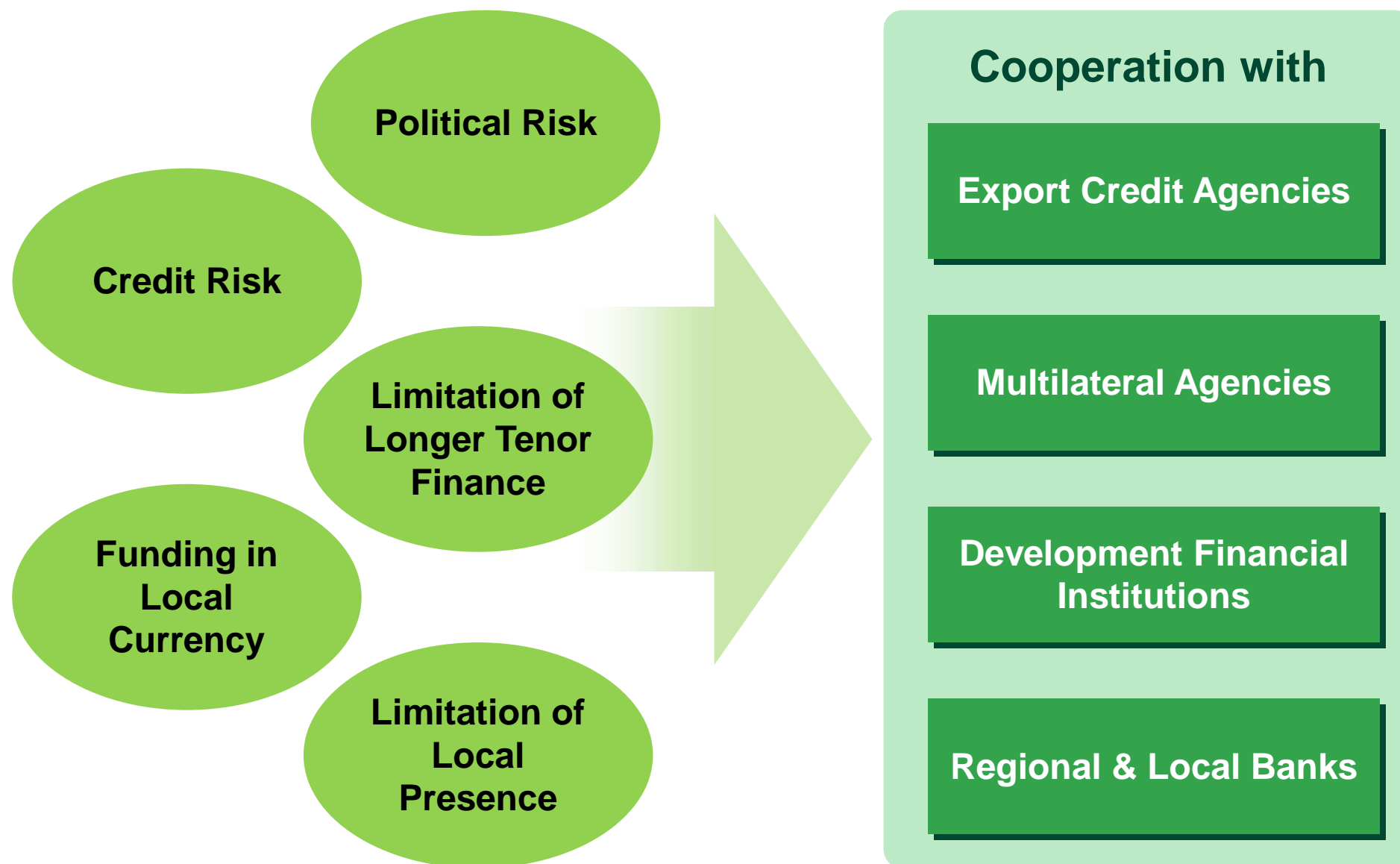
Gather information in Africa and share with officers in London for business promotion



Our Strategy in Africa



■ Challenges and Solutions in Africa



Our Partners in Africa



PTA BANK
EASTERN AND SOUTHERN AFRICAN
TRADE AND DEVELOPMENT BANK



SMBC at TICAD VI

SMBC signed 3 MOU / LOI during TICAD VI



AFRICAN DEVELOPMENT
BANK GROUP

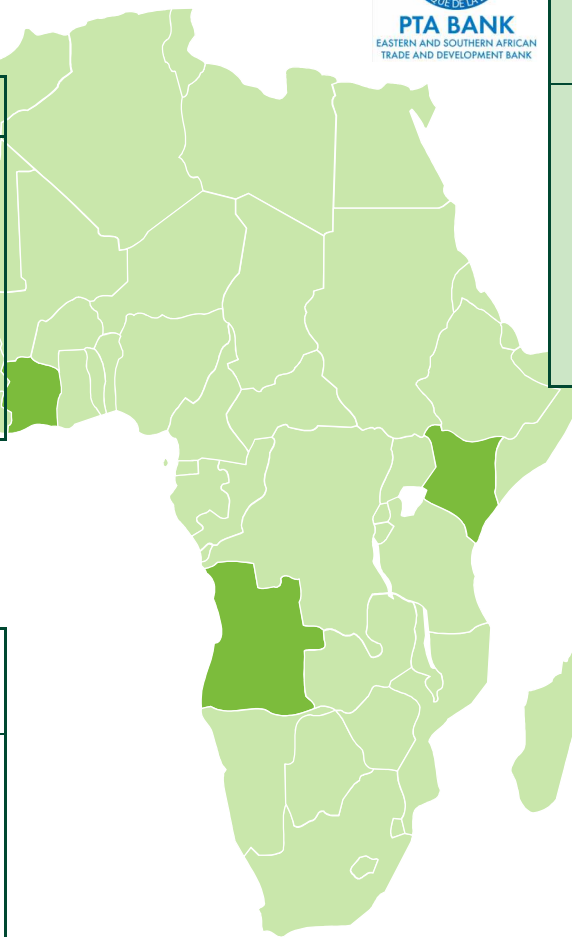
Name	African Development Bank
Summary	To (a) Increase trade finance and risk mitigation on export transactions (b) Industrial and infrastructure project financing, and (c) Resource mobilization and business development



Name	The Eastern and Southern African Trade and Development Bank (PTA bank)
Summary	To expand areas of business cooperation to include Export Credit Agency Finance, Debt Capital Market Products, Joint Advisory Work, and Business Referral



Name	Banco de Desenvolvimento de Angola
Summary	To strengthen collaboration in Export Credit Agency (ECA) finance and support the BDA in human resource development and other areas



[MOU signing ceremony at TICAD VI] (08/28/2016)

LOI (Letter of Intent) with AfDB

- With this LOI, we agreed to cooperate in all areas of trade finance, project finance and other areas in addition to the existing Risk Participation Agreement
- LOI sets out the understanding between AfDB and SMBC on (a) increased trade finance and risk mitigation on export transactions (b) industrial and infrastructure project financing, and (c) resource mobilization and business development

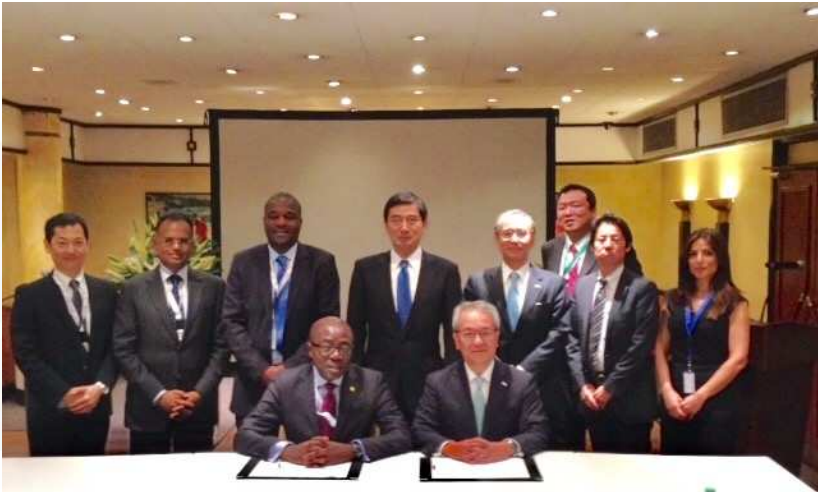
An excerpt from AfDB's website News Release made on August 27, 2016

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AfDB signs Letter of Intent with Sumitomo Mitsui Banking Corporation to promote Africa's economic development

27/08/2016

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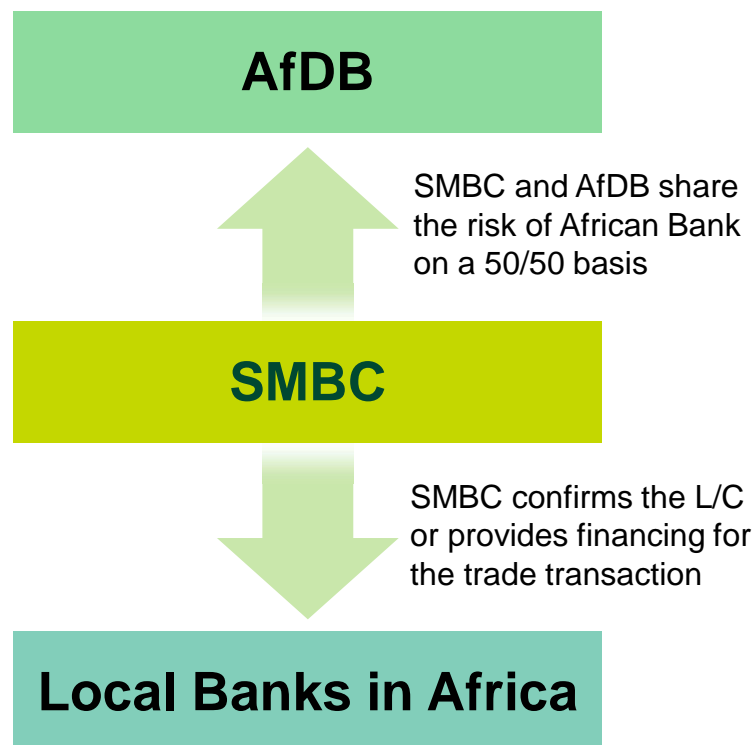


Seated, left to right: AfDB Vice-President for Finance, Charles Boamah, with Makoto Takashima, Senior Managing Director of Japan's Sumitomo Mitsui Banking Corporation (SMBC), after signing MOU. Standing, left to right: Mamoru Endo, Desire Vencatachellum and Blaming Nekati of AfDB; Masahiko Oshima, Yoshihisa Abe, Hiromitsu Yoshizawa, Katsufumi Uchida and Nisrin Hala of SMBC.

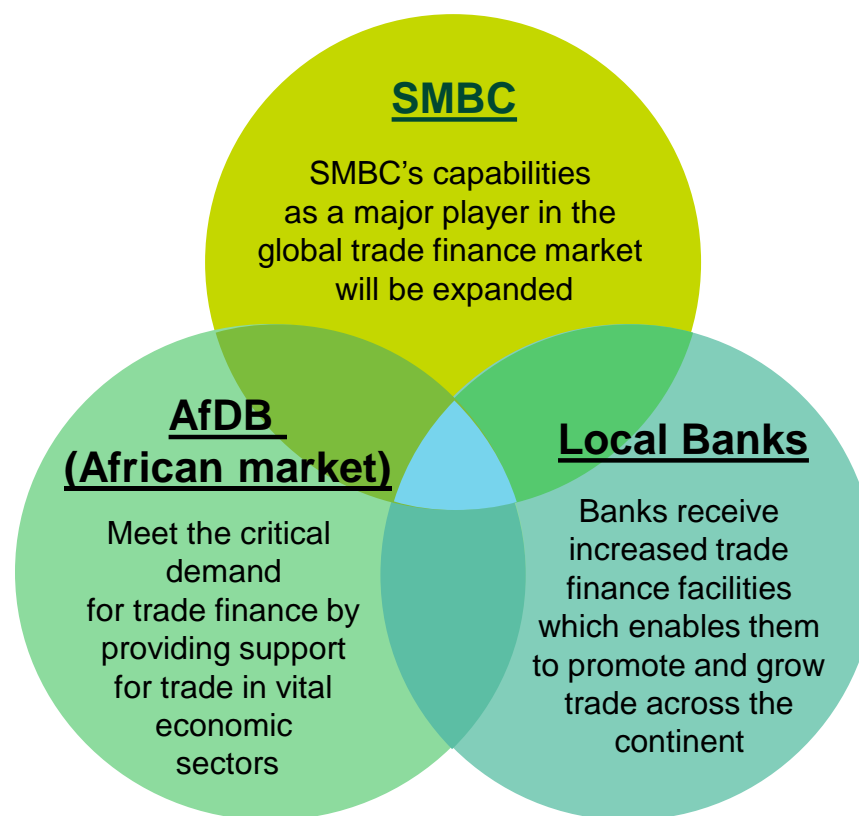
Risk Participation Agreement with AfDB

- AfDB and SMBC signed Risk Participation Agreement (“RPA”) in May 2016 under trade finance program
- AfDB and SMBC’s 50/50 risk sharing on African banks’ L/C confirmed/discounted by SMBC
- Support Japanese exports to Africa with capacity enhancement in terms of increased limits and tenors
- SMBC is the first Japanese bank to have entered this program with AfDB

Structure

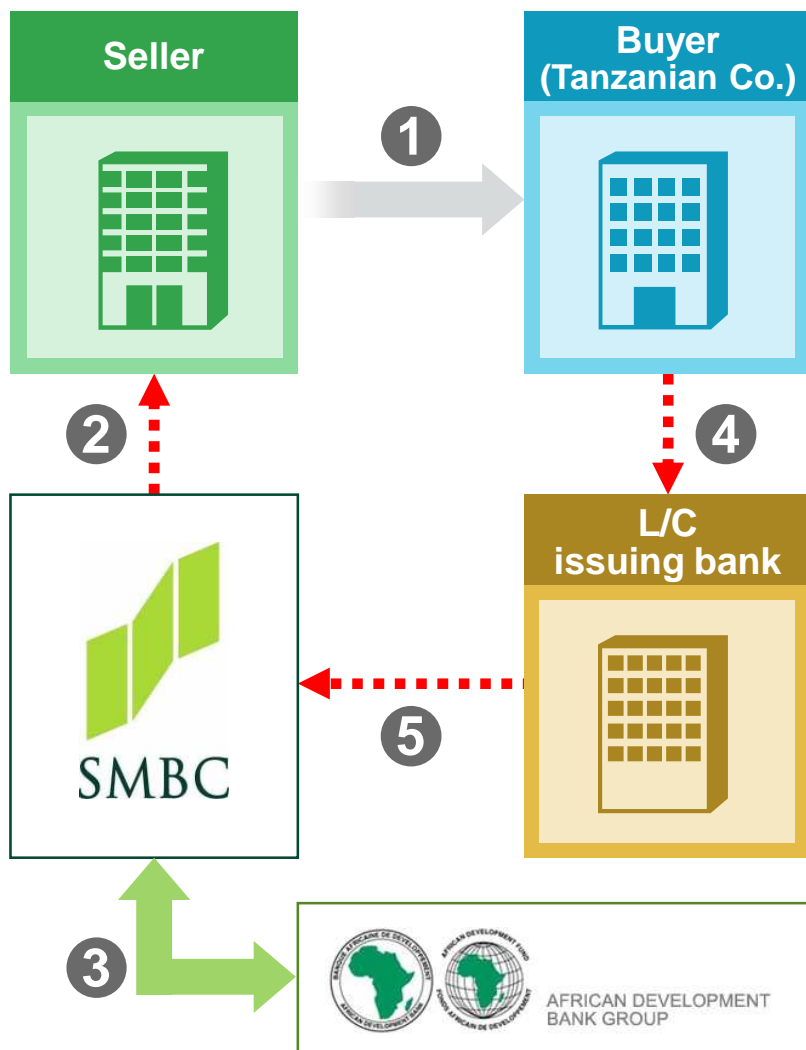


Win - Win



Track record of deals under the RPA with AfDB

- L/C Confirmed / Refinanced deals under RPA with AfDB



Summary of the deal

Products	L/C Confirmation, Refinance
Importer	vehicle leasing company (Tanzanian Co.)
Exporter	vehicle distributor
Goods	vehicles

- 1** Seller ships the vehicles
- 2** SMBC makes payment for full invoice value to the Seller
- 3** SMBC sells 50% of the risk of issuing bank to AfDB
- 4** Buyer make a repayment to L/C issuing bank at maturity
- 5** L/C Issuing Bank makes a repayment to SMBC at maturity

Advantages to the seller

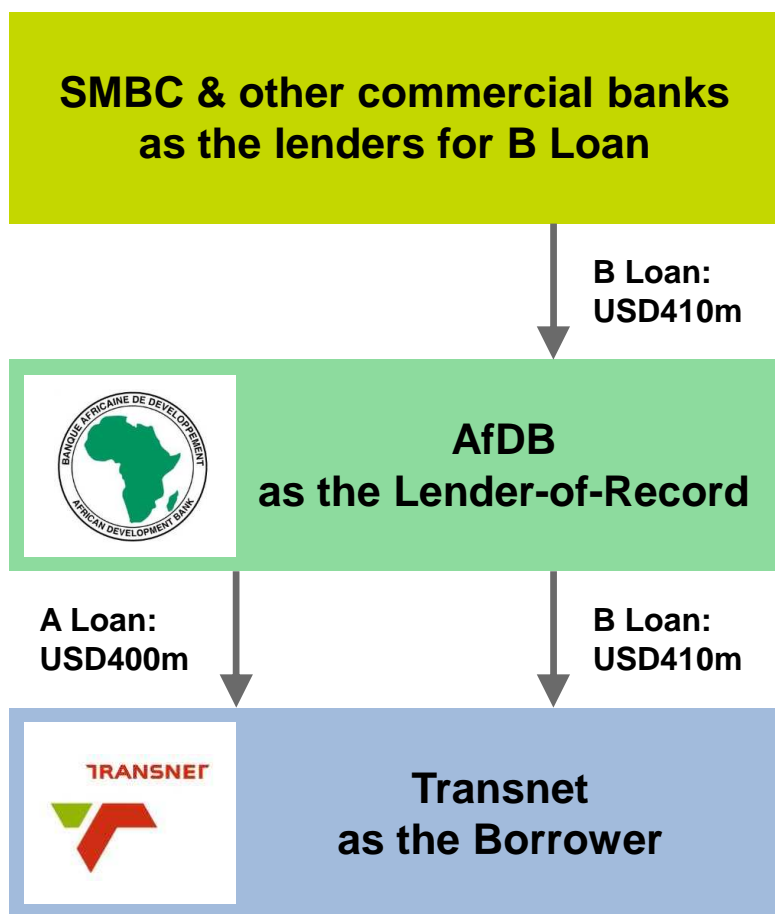
- Seller gets paid early
- Seller can hedge risk on buyer



Seller can make more sales to Buyer

Track record of deals under the A/B loan program of AfDB

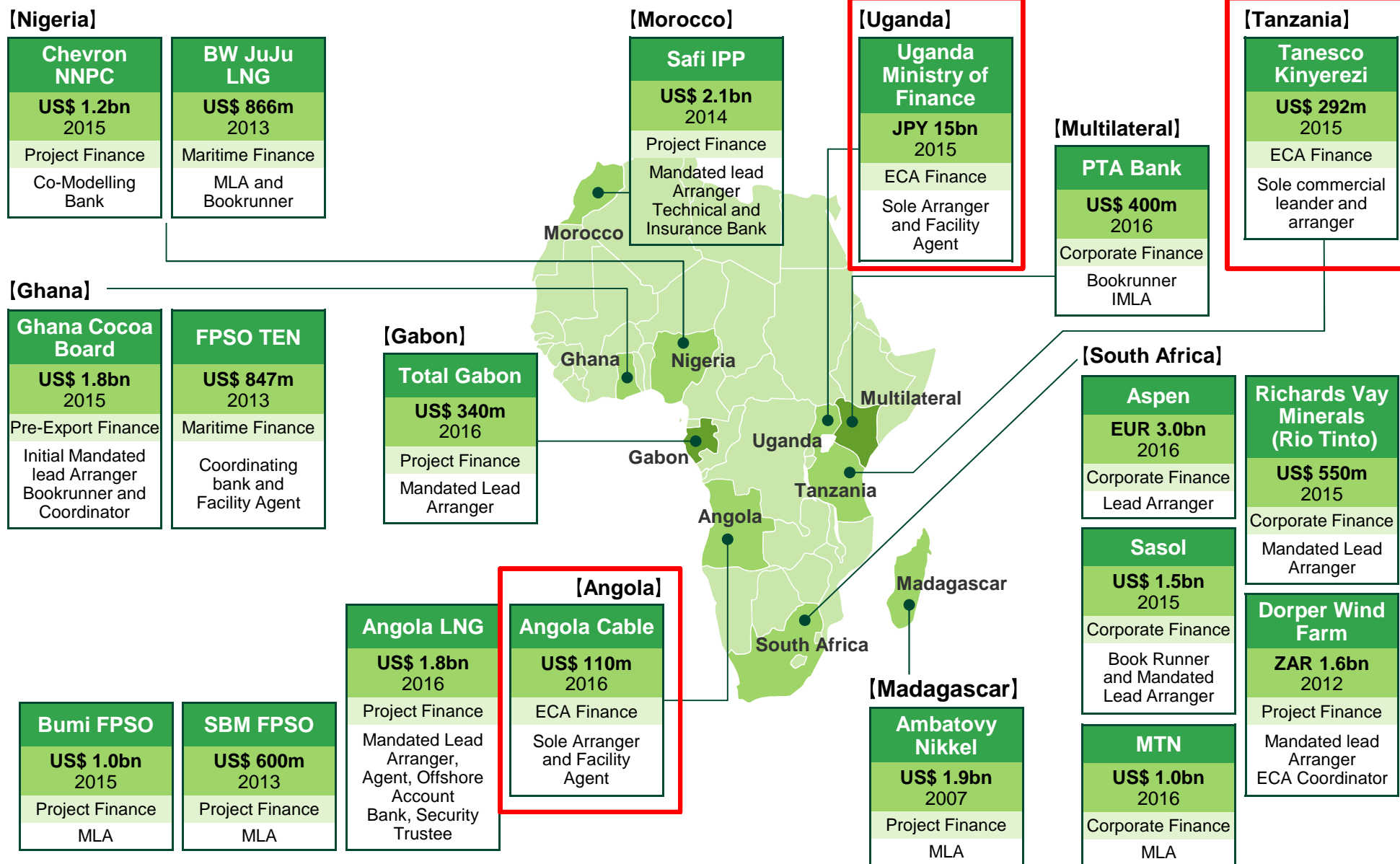
- SMBC together with AfDB and other commercial lenders arranged an “A/B Syndicated Loan” for Transnet, the South African rail, port and pipeline company
- The loan amounted to USD810m in total, of which USD400m was provided by AfDB



Summary of A/B Syndicated Loan for Transnet

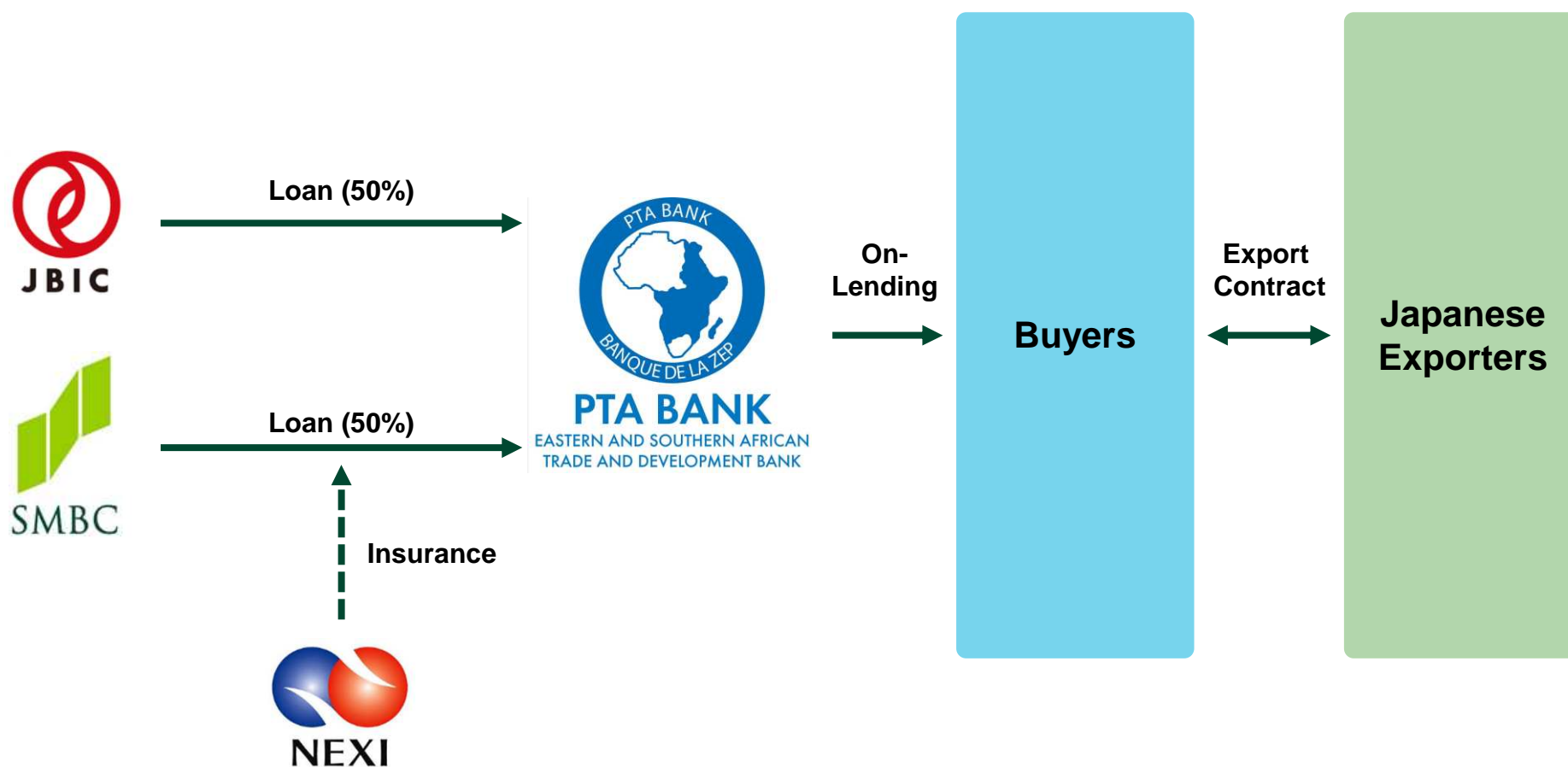
Borrower	Transnet SOC Ltd
Amount	A Loan : USD400m B Loan : USD410m
Tenor	A Loan : 10 years B Loan : 7 years
Signing	October 2011
SMBC's Role	Mandated Lead Arranger and Facility Agent
Signing	October 2011
Other Comments	<ul style="list-style-type: none"> ● First AfDB A/B Loan for Transnet ● The A Loan was provided to Transnet by AfDB whilst commercial banks provided the B Loan via AfDB ● B Loan Lenders benefit from the AfDB's Preferred Creditor Status as a Multilateral Development Institution

Selected Deals in Africa



Track record of deals with Japanese ECA

- JBIC, NEXI and SMBC signed a USD 80m export credit line with PTA Bank during TICAD VI for supporting Japanese companies' exports to buyers in Eastern and Southern African nations



Awards





SMBC

SUMITOMO
MITSUI
BANKING
CORPORATION

End
