

The international banking operations of SMFG, centering on SMBC's International Banking Unit, serve all customers outside Japan, including Japanese and foreign companies, financial institutions, sovereign governments, and public entities, as well as Japanese branches and subsidiaries of multinational corporations.

Major Accomplishments

Enhancing Customer Support Capabilities through an Operational Structure Tailored to the Unique Demands of Each Region

In China, which has been achieving remarkable growth, we assigned staff to the Shanghai Branch to perform head office functions, such as product planning for cash management services (CMS), corporate research and treasury operations. This is part of our ongoing initiative to create a marketing network, with the Shanghai Branch as the core, focused on the particular needs of the local market. We also strengthened our capabilities in asset securitization and other financial solutions for the Asian market, and established Debt Capital Markets Departments at the bank's Singapore and Hong Kong branches in January 2004.

In the United States, we offer our customers the ideal products to cope with their broad-ranging financing needs, taking into account differences in local regulations, accounting systems and tax codes. We are developing and marketing products and services in the world's most advanced financial market.

In March 2003, we established Sumitomo Mitsui Banking Corporation Europe Limited, a wholly owned subsidiary of SMBC, to centralize operations in Europe, so as to increase their effectiveness.

Providing a Full Line of Financial Services

SMFG invests business resources in a wide range of financial services, including trade finance, transactions with local financial institutions, custody services and CMS. As a result, for yen custody services we achieved the highest rating for the fourth consecutive year from a leading financial industry magazine. In trade finance, we are currently developing a global marketing and operational network, centered on London, which is expected to grow strongly as the center for trade finance business.

Collaboration with Goldman Sachs

Our credit extension program with The Goldman Sachs Group, Inc., established in February 2003, has been progressing favorably. We will leverage our collaboration with Goldman Sachs on a global scale, to further expand our business with non-Japanese companies.

Key Goals

Expanding Cooperation among Group Companies to Offer a Wider Range of Solutions

In Europe, the Americas, and East Asia, we will work to further upgrade our capability in designing and proposing customized solutions through close collaboration among Group companies, our local subsidiaries, and branches in Japan.

By further strengthening cooperation between SMBC's Global Client Business Department, which serves foreign companies operating in Japan, and the Group's overseas network, we will strive to provide services with even higher added value in response to our customers' needs.

Expansion into Newly Emerging and Growth Markets

In Europe and the Americas, we continue to acquire expertise in the latest financial products and techniques, and to apply this know-how to the creation of new business models.

In China, we are steadily raising the level of our services by expanding both our network of offices and our product lineup.

We will also focus more on emerging markets throughout the world. We aim to raise SMFG's presence in these markets through the judicious provision of financial products specially developed and selected to meet the particular needs of each growing market, such as project finance and trade finance.

We will expand our business, taking maximum advantage of the strong position we have achieved in Japan, focused principally on Europe, the Americas, and East Asia. We intend to seize every business opportunity in the International Banking Unit's broad market, and drive the growth of SMFG's international business as a whole.

Record as a Global Project Finance Arranger

(January 1 – December 31, 2003)

Row	Bank	Volume (US\$ million)	No. deals
1	Credit Agricole/Credit Lyonnais	3,864.1	36
2	Royal Bank of Scotland	3,256.8	27
3	BNP Paribas	2,986.5	29
4	SMBC	2,638.1	21
5	Societe Generale	2,614.1	21
6	Westdeutsche Landesbank Girozentrale	2,268.3	22
7	Citigroup	2,100.8	17
8	Mitsubishi Tokyo Financial Group	2,003.5	24
9	Korea Development Bank	1,947.8	6
10	Barclays Capital	1,940.3	28
11	Banco Bilbao Vizcaya Argentaria	1,855.1	16
12	HSBC	1,769.3	16
13	Deutsche Bank	1,476.1	7
14	ANZ	1,447.8	25
15	ABN AMRO	1,428.3	17
16	HBOS	1,417.0	18
17	CIBC	1,118.9	4
18	Mizuho Financial Group	1,095.2	16
19	ING	1,080.3	15
20	Industrial & Commercial Bank China	1,059.0	2

Source: Thomson Financial, Project Finance International (Jan. 21, 2004)
Global loans league table—Global mandated lead arrangers