

## Corporate Banking

SMFG utilizes all the resources of Group companies to provide sophisticated financial services, primarily through SMBC's Corporate Banking Unit, to top-tier Japanese corporations operating on a global scale.

In the first half of fiscal 2005, many of our major corporate customers engaged in aggressive expansion, buoyed by their good business performances. To support such activities, we discussed their concerns relating to business issues and endeavored to provide optimal solutions.

Additionally, in response to the growing trend toward the reorganization of industries, we have been providing our corporate customers with a wide range of invaluable advice on business strategies, including the restructuring of their business portfolios.

We will continue to draw on our extensive Groupwide expertise to provide sophisticated solutions that meet the exacting needs of our major corporate customers on a broad range of management issues.



### Topics

#### ◆ Diverse Array of Financing Operations, and Active Risk-Taking

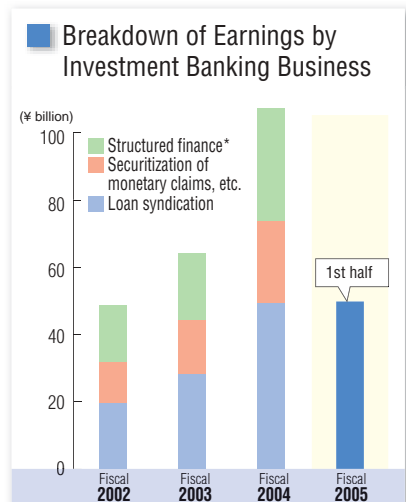
SMBC's Corporate Banking Unit meets the wide-ranging financing needs of its customers through the employment of cutting-edge financial programs, such as non-recourse loans, and by active use of risk-taking financing methods, including mezzanine loans featuring an enhanced flexibility in the setting of terms and conditions, and equity investments in real estate funds.

## Investment Banking

Our corporate customers' management needs are becoming more and more complex—encompassing fund procurement, asset management, risk hedging and M&A, among many others—and these needs are changing at an increasingly fast pace. Drawing on the resources of the Investment Banking Unit of SMBC and other members of the Group, we offer optimal solutions to such customers' needs, thus making an invaluable contribution to raising our customers' corporate value.

As a result, SMFG ranks among the leaders in Japan in the major business lines of investment banking. Specifically, SMBC's Investment Banking Unit leads the industry in management buyout (MBO) and leveraged buyout (LBO) finance, loan syndication, securitization of monetary claims, and structured finance. In addition, Daiwa Securities SMBC Co., Ltd. is a leading player in stock and bond underwriting services.

We will continue working to hone our skills in the design and proposal of comprehensive and optimal solutions to customers' investment banking needs.



\*Including MBO, LBO and real estate financing

### Topics

#### ◆ MBO and LBO Finance

In the first half of fiscal 2005, the volume of MBO and LBO finance in Japan posted remarkable growth. Responding swiftly to our customers' needs, SMBC's Investment Banking Unit secured financing for a considerable number of high-profile MBO and LBO deals, thereby giving SMFG a much-enhanced presence in this field.

#### ◆ Greenhouse Gas Emissions Trading

SMBC has launched a new business in which the bank arranges purchases by Japanese companies of carbon dioxide emission credits under the Clean Development Mechanism provided by the Kyoto Protocol, as a method of reducing emissions of greenhouse gases.