

International Banking Unit

Since the April inception of SMBC, the International Banking Unit has been undertaking actions to firmly establish the SMBC brand. The unit is capitalizing on the Bank's global network to assist Japanese companies to grow in overseas markets and multi-national companies to succeed in Japan. It is promoting and upgrading global CMS so as to become more competitive in overseas markets. A realignment of overseas offices is giving SMBC a stronger presence in Asia. Progress is being made in generating more fees that are not linked to asset volume.

Major Accomplishments

- Expanded CMS business with multi-national corporations by forming alliances with prominent overseas financial institutions to offer clients local-currency settlement services and expanded CMS capabilities
We were the first Japanese bank to develop and begin sales of a Chinese-language CMS product
- SMBC's yen custody services were awarded "top-rated" status in a survey conducted by the highly-respected industry periodical *Global Custodian*
- A strategic review was conducted for Asian offices and investments, resulting in the closing and consolidation of some subsidiaries and the finalization of a plan to establish a branch in Taipei
- The Global Client Business Dept. provided solutions to multi-national companies trying to establish themselves in Japan

Goals

- Restructure the portfolio to maximize *SMVA (Sumitomo Mitsui Value Added)*, an internal measure of shareholder value added and increase the volume of value-added transactions
- Utilize the network to form more global client relationships
- Further upgrade settlement-related services and other fee-based businesses

The mission of the International Banking Unit is to meet accurately and quickly the requirements of clients operating on a global scale. While making full use of the existing network, the unit will continue to enter into strategic alliances with prominent overseas financial institutions. This will produce an operating base that can meet on a real time basis the global needs of clients in Japan and overseas. In the Americas and Europe, financial services will be further refined, a move underpinned by a more sophisticated and detailed risk management system. These initiatives will all contribute to establishing a distinctive business model for SMBC. Finally, the unit aims to generate a high level of *SMVA* by emphasizing high value-added transactions and by conducting an exhaustive portfolio restructuring.