



The International Banking Unit is responsible mainly for serving two customer segments: (1) all customers outside Japan, including Japanese and non-Japanese companies, financial institutions, sovereign governments, and public entities; and (2) the Japanese offices and subsidiaries of multinational corporations. Major accomplishments in fiscal 2001, the year ended March 31, 2002, and key goals for fiscal 2002 are outlined below.

Major Accomplishments

(1) Reaped merger benefits early on by quickly consolidating the two former banks' overseas offices and implementing other streamlining initiatives

After the merger of the two former banks, we consolidated overseas offices with overlapping functions and raised the efficiency of the resulting operations. At the same time, we consolidated offices and liquidated equity instruments with less strategic significance. As a result, we substantially reduced expenses without sacrificing the quality of our customer service.

(2) Increased business with the overseas offices and subsidiaries of Japanese companies through greater collaboration with the Bank's domestic operations

In an effort to translate SMBC's large, integrated base of blue-chip domestic companies into increased overseas business volume, we worked more closely with the Bank's domestic operations. Specifically, we established an effective information-sharing system with the Bank's Corporate Banking Unit and Middle Market Banking Unit, and created a system for obtaining the support of other business units such as the Investment Banking Unit. As a result, we were able to increase the volume of transactions with Japanese clients overseas, especially in foreign exchange and deposits.

(3) Expanded the cash management service business

In another move to expand our fee-based business, we effectively marketed services for improving corporate cash management, as well as enhanced our processing capabilities. One benefit of these efforts was a large increase in the number of international cash management service (CMS) contracts, particularly in Asia. We were also able to achieve increases in fees and commissions from clearing services and custody business.

(4) Enhanced relationships with multinationals expanding into Japan

To fully leverage our business with multinational corporations based outside Japan, we are prioritizing the promotion of closer ties with their Japanese offices and subsidiaries. The unit's Global Client Business Department, responsible for servicing these offices and subsidiaries, maintains close contact with the Bank's

