

## Corporate Banking

SMFG, primarily through SMBC's Corporate Banking Unit, provides a wide array of financial services to top-tier companies in each industrial sector as well as to their group companies to respond to their sophisticated and diversified needs.

In the first half of fiscal 2003 we continued to propose solutions addressing these customers' broad range of management and financial issues. Our methods and instruments include loan syndication, asset liquidation, securitization, and non-recourse loans. We provided solutions tailored to each customer, focusing on such areas as business portfolio reorganization and balance sheet management.

Additionally, on a trial basis we introduced a new service-promotion framework starting from fiscal 2003 for major clients who operate on a global scale. Under this new framework, we adopt a unified approach to the servicing of each client's domestic and overseas operations, thereby achieving greater consistency and efficiency with shorter processing time.

We will continue to review and refine our service from a medium-to-long-term viewpoint, to provide an optimal array of proposals to our customers and grow in tandem with them.

### Major Accomplishments

- **Improved our origination capability in loan syndication**  
—Increased our ability to speedily design syndicated loans tailored to each customer's specific requirements by strengthening cooperation with SMBC's Investment Banking Unit right from an early stage. This upgraded capability has resulted in a growing amount of business in the loan syndication field.
- **Developed new risk management services**  
—Expanded the range of derivatives offered to hedge customers against the multitude of risks to which their businesses are subject, such as fluctuations in interest rates, commodity market prices, and demand for their own products and services
- **Enhanced our solutions for securities market needs**  
—Further improved our prompt response to customer needs in the field of equity financing, as well as IPOs and other securities market-related solutions through close collaboration with Daiwa Securities SMBC

### Key Goals

- Further improve our securities-related services by capitalizing on the specialist skills of Daiwa Securities SMBC
- Strengthen our ability to offer optimal solutions, including new business lines and financial instruments, by realizing still closer cooperation among Group companies
- Pursue a unified approach to the servicing of all domestic and overseas operations of major customers

## Community Banking

SMFG provides financial services tailored to the needs of customers—principally small businesses and individuals—in the Tokyo Metropolitan Area, through SMBC's Community Banking Unit\*.

The integration of the online systems of SMBC and THE WAKASHIO BANK, LTD. (Wakashio Bank) was successfully completed in July 2003 following the merger of the two banks in March. This integration enabled the Community Banking Unit, the successor to the branches and head office functions of Wakashio Bank, to offer a wide range of financial products and services comparable to those provided by the other units of SMBC. Former customers of Wakashio Bank now have access to a much more convenient and comprehensive service.

In line with its central mission of supporting the economic development of the local community, the Community Banking Unit actively markets risk-taking (unsecured) loan products such as the *Business Quick Loan* and the *Triple III Fund* to finance business growth plans.

By further integrating the unique business model that the former Wakashio Bank had established as an urban-style community bank with SMBC's vast management resources, SMFG, through the Community Banking Unit, aims to provide tailored solutions to meet the needs of its customers in the local community, with even higher added value and improved convenience.

\*Note: SMFG established the Community Banking Unit upon the merger on March 17, 2003 of SMBC and THE WAKASHIO BANK, LTD. As successor to the branches and head office functions of Wakashio Bank, the Community Banking Unit began operating as a new unit of SMBC, in charge of 34 branches, mostly within central Tokyo.

### Major Accomplishments

- Successfully marketed large business loans to small and medium-sized companies, as well as sole proprietorships, under the brand names *Business Quick Loan* and *Triple III Fund*, attracting many new customers
- Integrated the two banks' online services, allowing us to offer a wide range of financial products and services on a par with those provided by other units of SMBC, and thereby greatly enhancing customer convenience

### Key Goals

- Expand collaboration between the Community Banking Unit and other units of SMBC to enable the provision of convenient and sophisticated financial products and services that match all customer requirements
- Continue giving top priority to the strong relationship of trust we enjoy with the local community by further bolstering our capabilities in marketing with the personal touch