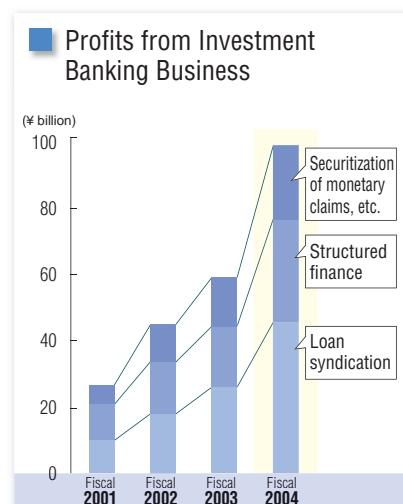
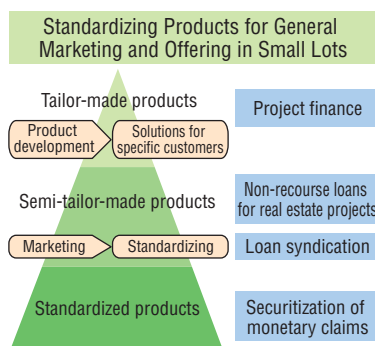


Investment Banking



Competitive Advantage

SMBC has a competitive edge in the investment banking business, which provides various financing methods and financial solutions such as M&A and securitization for corporate customers.

One of the features of SMBC's investment banking business is that tailor-made products developed for specific customers are quickly redesigned into small-lot, standardized products to make them available to a wider range of customers. As a result, profits from major investment banking products such as loan syndication, structured finance and securitization of monetary claims have been growing steadily.

Alliance with Daiwa Securities Group

Daiwa Securities SMBC is a wholesale securities company—jointly established by SMFG and Daiwa Securities Group Inc.—which started business in April 1999. Since then, for six years, the two groups have been creating a solid framework of collaboration through initiatives such as the active exchange of personnel and the establishment of a structure to promote collaboration. The effectiveness of this strong partnership is reflected in the continued steady growth in their fiscal 2004 business results.

Accomplishments in Fiscal 2004

SMBC's Investment Banking Unit and Daiwa Securities SMBC both reported surges in profits for the fiscal year ended March 31, 2005.

SMBC was appointed as the financial adviser of the Tokyo Metropolitan Government-sponsored Super Eco-Town Project, Japan's largest waste-into-electricity facility. SMBC was also mandated as the financial advisor and arranger for the Central Government Office Building No. 7 project, the largest private finance initiative (PFI) project in Japan. Daiwa Securities SMBC was ranked No. 1 in the league tables by Thomson Financial for secondary public equity offerings and corporate straight bond underwriting. Thus, both companies continued to achieve top-class performance in the key businesses of investment banking. Also, SMBC entered the securities intermediary business upon its deregulation, and results have been better than expected. This indicates that the business has great prospects of becoming a major earnings driver for the Investment Banking Unit.

League Tables

Lead Managers of Corporate Straight Bond Issues

(April 1, 2004 - March 31, 2005)

Ranking	Name	Amount (¥ billion)	Market share (%)
1	Daiwa Securities SMBC	2,014.8	23.8
2	Nomura Securities	1,471.4	17.4
3	Mizuho Securities	1,257.6	14.9
4	Nikko Citigroup	1,061.2	12.5
5	Mitsubishi Securities	1,020.4	12.1

Source: Thomson Financial

Bookrunners for Secondary Public Equity Offerings

(April 1, 2004 - March 31, 2005)

Ranking	Name	Amount (¥ billion)	Market share (%)
1	Daiwa Securities SMBC	590.2	30.2
2	Nomura Securities	546.8	27.9
3	Nikko Citigroup	431.1	22.0
4	Mizuho Securities	140.0	7.2
5	Mitsubishi Securities	85.8	4.4

Source: Thomson Financial

Bookrunners for Initial Public Equity Offerings

(April 1, 2004 - March 31, 2005)

Ranking	Name	Amount (¥ billion)	Market share (%)
1	Nomura Securities	455.1	43.7
2	Daiwa Securities SMBC	184.5	17.7
3	Nikko Citigroup	159.8	15.3
4	UBS Securities Japan	51.4	4.9
5	Shinko Securities	46.6	4.5

Source: Thomson Financial

Profile

Leveraging the collaboration among SMBC's Investment Banking Unit, Daiwa Securities SMBC and other Group companies, SMFG will be able to improve its clients' corporate value. To this end, we

offer our corporate customers optimum solutions to meet their various needs, such as fund procurement, asset management, risk hedging and M&As.