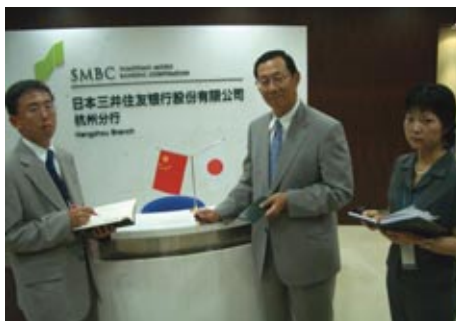


International Banking



SMBC's new Hangzhou Branch opened in December 2004

Providing Global Solutions Leveraging the Group's Strengths

- Expanded investment banking business in Asia, with a focus on China, through close collaboration between SMBC and Daiwa Securities SMBC Co., Ltd.
- Strengthened collaboration between domestic and overseas operations, including cross-company operations in the Americas, through a comprehensive business framework
- Expanded business with U.S. and European companies through the alliance with the Goldman Sachs Group, Inc.
- Promoted global collaboration between the Global Client Business Department (the department responsible for business with foreign corporations operating in Japan), the Global Institutional Banking Department (the department responsible for business with foreign financial institutions), and overseas offices

By marshaling the Group's resources in this way, we provide customers with high value-added services tailored to their specific needs.

Building Up Assets with High Profitability and Liquidity

Taking into consideration the strict capital adequacy requirements of the New Basel Accord (Basel II), we are focusing on securitized products, particularly the "buy and sell" loan business in Asia. To contribute to the improvement of SMFG's asset quality, we are also enhancing the features of our fee businesses, such as clearing and custody services.

Focusing on Crossover Business Transactions

The shift from the hitherto region-/industry-oriented approach to one focused on crossover business transactions will enable us to further expand our earnings base by:

- Gaining a better grasp of commercial flows across the Americas, Europe and Asia.
- Identifying demand for services relating to transactions between Japanese and foreign companies.

Raising Profile in Emerging and Growth Markets

In addition to the U.S., European and Asian markets, SMFG is moving aggressively into emerging markets. We are adapting our project finance, trade finance and other products to best suit the specific needs of each market, taking into account the changing market environments. By seizing every business opportunity in markets worldwide, we aim to be a global financial complex that leverages its strengths in businesses related to Japan and other Asian countries.

Profile

The international banking operations of SMFG, centering on SMBC's International Banking Unit, serve all customers operating globally, including Japanese and foreign companies, financial institutions, sovereign governments, public entities, and Japanese branches and subsidiaries of multinational corporations.

We are working to strengthen our worldwide network, particularly in Asia, centering on China, with the aim of improving customer accessibility. In fiscal 2004, we opened a new branch in Hangzhou and a representative office in Hanoi.