

Corporate Banking

SMFG, primarily through SMBC's Corporate Banking Unit, provides a broad range of financial services to Japan's top-tier corporations and their group companies to respond to their sophisticated and diversified needs.

In the first half of fiscal 2004, we continued to propose comprehensive solutions that address these customers' broad range of management and financial issues, thereby helping raise their enterprise value.

Particularly in the case of corporate groups operating on a global scale, SMFG's extensive network of business bases in Japan and overseas acts as an integrated organization, offering our customers the same high level of support wherever they do business.

We will continue to draw on Group members' wealth of expertise further to enhance activities that will increase our clients' enterprise value.



Major Accomplishments

- **Strengthened our capabilities in project finance and structured finance**
 - Were actively involved in making numerous project finance and structured finance arrangements, designing various financing plans to suit our customers' individual requirements
- **Further enhanced risk management services**
 - Offered an extensive lineup of derivatives products to hedge customers against the myriad of risks to which their businesses are exposed

Key Goals

- **Augment capabilities in securities market business**
 - Further strengthen collaboration between SMBC and Daiwa Securities SMBC Co., Ltd. to enable a more precise response to customer needs related to the securities market
- **Bolster solutions capability through expansion of lineup of derivatives products**
 - Enhance ability to provide optimal solutions by more fully utilizing SMFG's extensive resources and expanding lineup of products

Community Banking

SMFG provides a wide range of 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 central mission of the Community Banking Unit, successor to Wakashio Bank, is to provide support to the local community by offering convenient, high-quality financial services to mid-sized companies and small and medium-sized enterprises (SMEs) and individual customers.

The Community Banking Unit places great emphasis on the cultivation of a close relationship with the local community. We are taking a customer-oriented approach to provide comprehensive financial services with even higher added value and improved convenience, drawing on the Group's extensive expertise to deliver swift and effective solutions to meet our customers' diverse needs.

*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 33 branches, mostly within central Tokyo.



Major Accomplishments

- **Successfully marketed business loans to mid-sized companies and SMEs, as well as to sole proprietorships, under the brand names *Business Quick Loan* and *Triple III Fund*, attracting many new customers**
- **Met the fund procurement requirements of mid-sized companies and SMEs by offering a more diverse lineup of products and services, including privately placed bonds, collateralized loan obligations (CLOs), commitment lines, and Japanese leveraged leases**

Key Goals

- **Restructure branch operations, adopting a market-segment focus, to better meet the increasingly diverse and sophisticated needs of customers. Specifically, establish Corporate Business Offices devoted exclusively to the needs of corporate clients, allowing branches to focus solely on serving individuals. We have organized operations according to customer segments better to focus our expertise, with the aim of developing a system that provides services of an even higher quality.**