

■ International Banking

SMFG offers value-added services to domestic and overseas clients (corporations, financial institutions, governmental organizations and public entities) operating globally by creating tailor-made solutions to meet various local needs, mainly through SMBC's International Banking Unit.

SMBC has three regional headquarters — Europe, the Americas and the Asia-Pacific region — and subsidiaries in the fast-growing markets in China, Russia and Brazil. Having this network, we have the speed and flexibility to respond to the diversified needs in each region. We will continue to be a global commercial bank, capable of leveraging our strengths to generate new business opportunities in the international market.

Topics

◆ Expansion of Overseas Network

In terms of strengthening its network in emerging countries, in September 2010, SMBC opened its Bogota representative office in Republic of Colombia. The Latin American region is the area, where feasible, in which to acquire favorable prospects for further developing business opportunities such as project financing and other services in which SMBC surpasses. SMBC is enhancing its presence with the establishment of its representative office to meet its customers' financial needs.

Furthermore, having opened its Shenyang Branch and the Shanghai Puxi Sub-Branch in June and July 2010, respectively, Sumitomo Mitsui Banking Corporation (China) Limited, a wholly-owned subsidiary of SMBC, is now able to provide a broader range of financial services by utilizing the comprehensive network of 14 locations throughout the People's Republic of China.



◆ Alliance Strategy with Major Private Indian Bank

In June 2010, SMBC executed a Memorandum of Understanding for the business alliance with one of the major Indian banks, Kotak Mahindra Bank Limited ("Kotak"). In August, SMBC acquired 4.5% of Kotak's outstanding shares by way of the private placement of a preferential allotment of new shares to SMBC by Kotak. While developing economic growth in India through this business alliance and capital investment, SMBC will pursue new business opportunities by providing asset management, securities and investment banking services and commercial banking services to non-Japanese companies doing business in India.



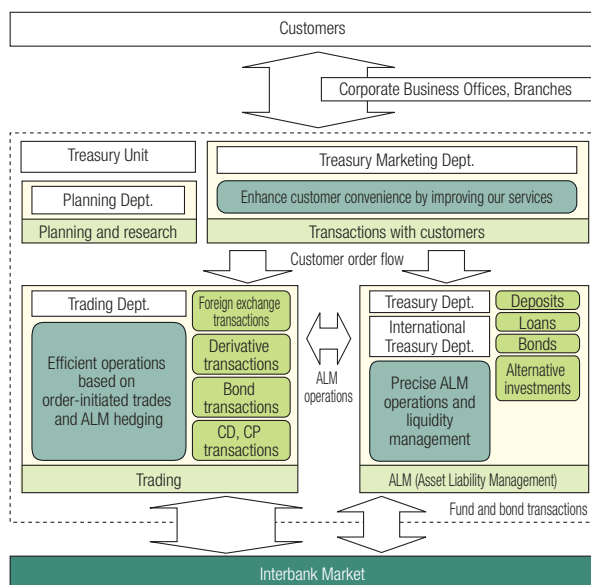
Signing ceremony for the alliance agreement with Kotak

■ Treasury Markets

Through the Treasury Unit of SMBC, SMFG aims to offer increasingly higher value-added services to meet the ever more sophisticated and diverse needs of its clients for transactions in the money, foreign exchange, bond and derivatives markets.

To maintain and further increase profitability, while managing risks appropriately, the Treasury Unit focuses on the following three goals: (a) expanding transaction volume generated from its clients; (b) strengthening its asset-liability management (ALM) system and trading skills; and (c) clearly focusing on the portfolio management.

The Treasury Unit will continue working to fulfill all our clients' market transaction needs by offering full support services of the highest quality in the industry. At the same time, by pursuing its ALM and trading operations while controlling market and liquidity risks, the Unit will seek to generate a consistent stream of earnings by ensuring appropriate risk allocation in changing market conditions.



Topics

◆ Issuance of US Dollar-denominated Straight Bonds in the Global Markets

In anticipation of changes in the operating environment, the Group is taking measures to diversify mid- to long-term fund procurement channels. In July 2010, SMFG issued U.S. dollar-denominated straight bonds in the global market, in addition to the United States.

◆ Expanded Offering of Asian and Other Emerging-market Currencies

To meet our clients' needs, we are expanding our offering of emerging-market currencies particularly for Asia. We are also committed to keeping clients fully informed of currency developments through seminars featuring economists who specialize in Asian markets and through providing informational materials related to foreign-exchange trading.