

The member companies of the SMFG are working together to enhance their consumer financial services.

At SMBC, we offer value-added financial services under the brand name “One’s Next.” This reflects the emphasis we place on helping customers determine the next step of their financial plans according to their stage of life. By creating services that address specific customer needs, we are working to make SMFG into the No. 1 financial group in consumer financial services.

Specifically, we are leveraging our capabilities to develop outstanding products and services, our consulting abilities—provided by staff with high level expertise—and our area marketing approach to provide superior financial services to our customers. Pension-type insurance sales in the first half of fiscal 2005 amounted to ¥323.3 billion, for a cumulative total of ¥1,386.8 billion. Sales of foreign bonds came to ¥38.3 billion. As of September 30, 2005 the outstanding balance of investment trusts under management was ¥2,505.7 billion, and that of housing loans was ¥13,454.6 billion. These achievements underscore the popularity of our services.

Consulting Business

In the first half of fiscal 2005, SMBC’s Consumer Banking Unit introduced new investment trusts and pension-type insurance products, as well as a securities intermediary service, to bolster its lineup of financial products and services to address the asset management needs of our individual customers.

In October 2005, we introduced a housing loan with insurance which covers the outstanding loan balance in the case that the borrower is diagnosed with cancer, a stroke, or a heart attack (the three major causes of death in Japan). In this and other ways, we are working to meet our customers’ wide-ranging needs.

The bank currently operates 66 SMBC Consulting Plazas (as of the end of December 2005). These immensely popular, dedicated service outlets—open until late on weekdays, and also open on weekends and national holidays—offer consultation on asset management and loans. Since September 2005, we have been opening small-scale offices that provide the same consulting services as SMBC Consulting Plazas in areas not served by a regular SMBC branch.



Advertisement for SMBC Consulting Plazas



Housing loan with loan repayment insurance in the case of cancer, stroke or heart attack

Topics



◆ Project Team Targets Female Customers

SMBC set up a department in October 2005 to enable the bank to more effectively satisfy the rapidly diversifying requirements of our female customers through targeted marketing based on women’s perspectives.

The first product developed by this team is on offer from November 22 (Happy Couples’ Day in Japan), 2005 to March 31, 2006. Couples choose from a variety of deposits and investment trusts to design a “set” of asset management products that satisfies their financial objectives and preferences, enabling them to cooperate in building up their assets.

◆ Start-Up of Mitsui Sumitomo Card iD®

As part of a strategic business alliance with NTT DoCoMo, Sumitomo Mitsui Card began handling applications for membership of the “Mitsui Sumitomo Card iD” service from December 2005. This service allows users of NTT DoCoMo’s Mobile Wallet® electronic card service to use their mobile phones as electronic credit cards.

Sumitomo Mitsui Card aims to leverage its expertise as a comprehensive credit card company to swiftly achieve the installation of dedicated reader devices (for payment via this system) at retail outlets across Japan. This system, by contributing to the creation of an infrastructure that enables easy payment for inexpensive as well as expensive items, raises service convenience still further.

Settlement and Finance Business

In October 2005, SMBC and Sumitomo Mitsui Card reached an agreement with East Japan Railway Company to form a strategic business alliance. This will involve the development of a new-type ATM card that combines the functions of an ordinary bank ATM card, with East Japan Railway's "Suica," an electronic money card, and "View Card" credit card. Further features will successively be added to the service, including a bonus points sharing function. In this way, by effectively leveraging the synergy generated from the combination of the three companies' individual strengths, we will strive to maximize customer convenience while offering more sophisticated services.

In another move to improve service quality, from August 2005 we began installing SMBC ATMs within the stations of the Tokyo Metro subway network. Our plans for the immediate future involve the installation of ATMs at 20 stations operated by the Tokyo Metro system, through each of which at least 50,000 passengers pass every day.

We are continuously working to upgrade the features of our popular online service "One's Direct" by expanding the service menu, thus enhancing customer convenience. This remote banking service was ranked as the industry leader for four consecutive years in the Internet Banking Services ranking by Gomez, Inc., a leading Internet performance rating company. The number of subscribers to "One's Direct" as of September 30, 2005 was 6.18 million, an increase of 410,000 from March 31, 2005.

Consumer Finance Business

In September 2004, SMFG formed a business alliance with Promise Co., Ltd. As the first concrete step in this new business relationship, in April 2005 SMBC, Promise, and At-Loan Co., Ltd. (a joint venture between the two companies) began providing an all new consumer finance service. As of the end of the six-month reporting period, 521 automatic contract machines (ACMs) had been installed in offices in the nationwide networks of the three companies involved, and the combined balance of loans reached approximately ¥43 billion.

Tokyo Metro Stations at which SMBC ATMs are available 15 stations as of the end of December 2005

- Marunouchi Line (Awajicho, Shinjuku)
- Hibiya Line (Higashi-ginza, Roppongi)
- Tozai Line (Gyotoku, Kudanshita)
- Chiyoda Line (Omote-sando, Kita-senju, Meiji-jingumae)
- Yurakucho Line (Kojimachi, Kotake-mukaihara, Nagatacho)
- Hanzomon Line (Suitengumae, Mitsukoshimae)
- Namboku Line (Korakuen)

Cumulative Number of Accounts for "One's Direct" Online Transactions

