

## Consumer Banking

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 2006 amounted to ¥235.5 billion. Sales of foreign bonds came to ¥64.8 billion. As of September 30, 2006, the outstanding balance of investment trusts under management was ¥2,963.4 billion, and that of housing loans was ¥13,583.8 billion. These achievements underscore the popularity of our services.

In December 2005 we commenced the sale of a new single-premium whole life insurance product, with a lineup of five plans offered by three life insurance companies. By the end of September 2006, sales amounted to ¥38.0 billion.



Housing loan with exemptions in the event of cancer, strokes and heart attacks



Investment trust for retirement



Announcing a members-only information service

## Consulting Business

In the first half of fiscal 2006, SMBC's Consumer Banking Unit introduced new investment trusts and single-premium whole life 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 the loan business, SMBC has expanded the scope of its housing loan with insurance which covers the outstanding loan balance for borrowers in the event of cancer, a stroke or a heart attack (the three major causes of death in Japan). First offered in October 2005, this product now also covers five chronic conditions: hypertension, diabetes, chronic kidney failure, cirrhosis of the liver, and chronic pancreatitis (beginning with applications submitted in August 2006).

Since August 2006, Daiwa Securities Co., Ltd. has been introducing SMBC housing loans to its customers. This is one way in which we are working to increase customer points of access for consulting on housing loans, to enhance convenience.

With regard to members-only services, SMBC operates "One's Next Club 50s," which primarily targets individuals in their late 50s, a time when many people are preparing for life after retirement. Through an arrangement with East Japan Railway Company (JR East), members of "One's Next Club 50s" and JR East's "Adult Holiday Club" gained mutual access to the information services offered by the two clubs.

SMBC continued to open new business premises where individuals can receive advice on personal asset management or loans. As of September 2006, there were 67 SMBC Consulting Plazas, which are open on weekends and national holidays, as well as evenings on weekdays, and 16 SMBC

Consulting Offices, which offer the same services but on a smaller scale. Additionally, we upgraded the Kamagaya representative office to branch status in November 2006, and announced our plans to establish three more Consulting Offices. We plan to continue expanding the network of Consulting Plazas and Offices to make consulting services even more easily accessible to our customers.

### Settlement Business

In December 2005, SMBC launched the *Mitsui Sumitomo Card iD*® service (an electronic settlement service utilizing NTT DoCoMo's *Mobile Wallet*® mobile phones). This new credit service was made possible through a strategic business alliance between Sumitomo Mitsui Card Co., Ltd. and NTT DoCoMo, Inc. As of the end of September 2006, this business had grown to about 80,000 subscribers and a network of about 55,000 affiliated merchants accepting payments via the *iD*® service.

Sumitomo Mitsui Card will continue to fully leverage the know-how it has accumulated through its business as a comprehensive provider of credit card services to create a settlement system capable of handling the full range of settlement and credit items from small to very large amounts, and thereby enhance our service for settlement system users.

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 five consecutive years in the Internet Banking Services ranking by Gomez, Inc., a leading Internet performance rating company. The service was also ranked by Gomez in May 2006 as the leading mobile banking service in Japan. The number of subscribers to "One's Direct" as of September 30, 2006 was

7.0 million, an increase of 400,000 from March 31, 2006.

In addition, some reductions in fees were implemented in October 2006 for remittances made via PCs or mobile phones, and in December 2006 for remittances conducted at teller counters and via ATMs. In these ways, we are constantly working to supply products and services that better meet customers' needs.

### Consumer Finance Business

In April 2005, SMBC, Promise, and At-Loan Co., Ltd. (a joint venture between the two companies) began providing a new consumer finance service, leveraging a business alliance formed in September 2004. As of the end of the six-month reporting period, 568 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 ¥244.5 billion.



Announcing Mitsui Sumitomo Card iD®

### Topics

#### "Bank TV" Consulting Booths

SMBC is increasing the number of "Bank TV" consulting booths, where customers can consult with specialists at the bank's call center about housing loans and asset management.



Bank TV uses a TV-phone system which connects the customer to the consultant via the Internet, allowing customers to view various materials on the monitor during phone conversations with a consultant. The service is basically the same as talking with someone face-to-face at the bank office. With this service, SMBC is providing customers with an entirely new medium by which to learn about its housing loans and asset management services.

There were Bank TV consulting booths at seven locations as of December 31, 2006, including within the offices of corporate clients and at shopping centers. SMBC plans to open more Bank TV consulting booths to make this service even more accessible.

