

## Consumer Banking

The Group companies of SMFG are collaborating to enhance the financial services they provide to consumers. Some of the key indicators of SMBC's performance in fiscal 2008, reflecting the high esteem customers have for our services, include an outstanding balance of investment trusts under management of ¥2,040.4 billion (March 31, 2009); sales of foreign bonds and structured bonds of ¥148.3 billion; pension-type insurance sales of ¥325.5 billion; sales of single premium full-life insurance of ¥37.5 billion; and mortgage loans outstanding of ¥14,072.2 billion (March 31, 2009).

## Financial Consulting Business



In fiscal 2008, SMBC continued to broaden its product lineup of investment trusts, annuity insurance for individuals, life insurance policies and other financial products.

In investment trusts, we became the first major banking group in Japan to start selling funds that invest primarily in high-yield bonds in Europe. In the individual annuity insurance category,

new products were introduced such as a policy offering a minimum principal guarantee with a minimum holding period of five years, and policies with nursing care provisions.

As part of our "total consulting services," which offer our customers one-stop-shopping for all types of financial services, we began steadily expanding our offering of life insurance products from December 2007. By the end of May 2009, the number of branches selling these policies had increased from the initial 86 to 165. Furthermore, the number of branch personnel selling these policies has increased from about 250 to about 2,000. By offering 18 different insurance policies, including whole-life, term and medical, we can now meet a still broader range of customer needs.

The global financial crisis that began in the United States has produced extreme volatility in the world's stock and other markets. We are taking many measures to keep customers up to date with developments, for example, holding seminars about fund performance reports, issuing monthly and special market reports, and sending materials to customers via direct mailing. Such activities underline our commitment to improving customer service after a purchase of a financial product.



## Loan Business

To enable us to respond to the wide-ranging needs of our customers, we have developed new products, and expanded and improved services.

In April 2008, SMBC became the first bank in Japan to offer a housing loan with a provision that exempts borrowers from a portion of repayments in the event of a natural disaster. Depending on the severity of damage to the property, borrowers' repayments are reduced for a certain period.



In December 2008, we introduced a new type of educational loan. Customers can apply to the Consumer Finance Promotion Office for the loan using automated loan contract machines installed within SMBC branches, via the Internet, or through other channels, every day (except January 1) until nine in the evening. In most cases, applicants receive a response on the same day. With these benefits, the new loan offers much greater convenience than conventional educational loans.



## Settlement and Consumer Finance Business



SMBC CARD Suica

SMBC expanded services available on the SMBC *First Pack* settlement platform by issuing SMBC CARD *Suica* starting in October 2008 under its business alliance with East Japan Railway Company (JR East). The new card incorporates the JR East *Suica* electronic money and automatic charging services.

In addition, the iD\* credit service, which is based on a strategic alliance between SMFG and NTT DoCoMo, Inc., continues to grow. As of March 31, 2009, about 11.2 million individuals had subscribed to this service and there were about 410,000 terminals installed on the premises of affiliated merchants.

\* iD is a trademark of NTT DoCoMo, Inc.

In the consumer finance business that began in April 2005 through the collaboration of SMBC, Promise Co., Ltd., and At-Loan Co., Ltd., the number of automated contract machines had grown to 712 as of March 31, 2009, and the balance of loans made by SMBC and At-Loan together had increased to about ¥400.0 billion.



## Transaction Channels

In fiscal 2008, SMBC opened four branches in the Tokyo area (Centerminami, Musashikosugi and Kamakura in Kanagawa Prefecture, and Moriya in Ibaraki Prefecture). Also, to strengthen our services for customers located in the Tokai region, which is centered on Aichi Prefecture, we opened new branches in Akaike, Fujigaoka and Yagoto, all close to train and subway stations. In June 2008, we opened "SMBC Park Sakae," which is the first of SMBC's offices to concentrate mainly on providing information. In addition to opening conventional staffed offices, we are installing ATMs at or near stations of the Nagoya municipal subway system, for increased customer convenience.



Kamakura Branch



Yagoto Branch

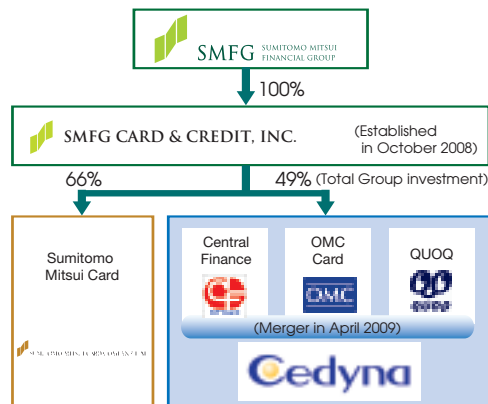
For the *SMBC Direct* online banking service, we are constantly adding services to meet customers' needs and provide greater convenience. In addition, we are introducing highly advanced services and reinforcing security. On April 1, 2008, we reduced our foreign exchange handling fees for foreign currency deposits made online or by cellphone to half the fee at our branches. Such measures make online banking even more attractive as a convenient and low-cost service channel for our customers.

*SMBC Direct* has ranked first for seven consecutive years in the ranking of Internet banking by e-commerce website rating firm Gomez Consulting, Co., Ltd. As of March 31, 2009, approximately 9.3 million customers had registered for this service.

## SMFG Credit Card Business Strategy

On April 1, 2009, three credit card companies – Central Finance Co., Ltd., OMC Card, Inc., and QUOQ Inc. – merged to form the credit card company Cedyna Financial Corporation. Along with Sumitomo Mitsui Card Co., Ltd., the new company is one of Japan's largest credit card companies. With the establishment of this two-company system, SMFG has concentrated its credit card business on Cedyna Financial and Sumitomo Mitsui Card, which each have different strengths.

Going forward, our goal is to capture top-line synergies by combining the expertise, customer bases and networks of group companies. Another objective is to benefit from cost synergies made possible by the enormous scale of the group. Through these initiatives, we are determined to become the leading credit card entity in Japan.



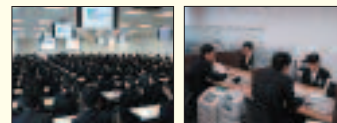
## Topics



### ◆ SMBC Retail Banking College Established

On May 7, 2008, SMBC established SMBC Retail Banking College (RBC) to train personnel responsible for marketing financial services to individual customers.

RBC offers special training programs aimed at substantially increasing the sophistication and quality of our consumer banking services. It has a counter zone that enables trainees to simulate retail customer consulting, an audio visual room that broadcasts role-playing scenarios and enables all trainees attending to confirm the content, and other facilities that speed up their acquisition of working knowledge and skills.



### ◆ Environmental Programs

As part of our environmental commitment, SMBC offers Japanese government bonds (JGBs) for individual investors linked to carbon credits, tree planting and "green" electricity, so that consumer banking customers can help protect the environment when they buy these products. One illustration is the "Fight Global Warming" Campaign, which started in June 2008. SMBC used part of the earnings from sales of JGBs for individuals to buy carbon credits, which were then transferred to the Japanese government. This product generated much recognition, including the 2008 Nikkei Veritas Award for Superiority (one of Nikkei Superior Products and Services Awards).

