

## ■ 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 2009, reflecting the high esteem customers have for our services, include an outstanding balance of investment trusts under management of ¥2,620.7 billion (March 31, 2010); sales of foreign bonds and yen-denominated bonds of ¥212.7 billion; pension-type insurance sales of ¥381.8 billion; sales of single premium full life insurance of ¥60.9 billion; and mortgage loans outstanding of ¥14,497.5 billion (March 31, 2010).

### Financial Consulting Business



In fiscal 2009, SMBC continued to broaden its product lineup of investment trusts, annuity insurance for individuals, life insurance policies and other financial products.

In investment trusts, SMBC expanded our lineup of investment targets to include funds such as those investing in bonds issued by emerging countries, while allowing customers to select from a number of currencies including the

Australian dollar and the Brazilian Real for hedging purposes, and funds primarily focused on the World Bank Green Bonds. Since October 2009 we have launched funds with customer access only via the Internet or mobile phones, and as of July 1, 2010 the number of such funds had reached thirty. In these ways, we are responding to a wide range of customer needs.

In the field of life insurance policies, in August 2009 we expanded our over-the-counter sales of life insurance products at all our branches in Japan. By offering 20 different insurance policies (as of March 31, 2010), including whole-life, term and medical, we can now meet a still broader range of customer needs. We have also further expanded our insurance policy lineup, including offering annuity insurance for individuals in which the annuity amount is set at a higher-than-normal level for an initial specified period.

In our financial products intermediation business, we diversified our product lineup by offering yen-denominated bonds for the first time, as well as subscription of SMBC's subordinated bonds (yen-denominated) and sale of foreign bonds.

It is important to support customers after they have bought our products. As part of this commitment, we take many measures to keep customers up-to-date with developments — for example, holding seminars about fund performance, issuing monthly and special market reports, and sending customers statements detailing assets via direct mailing.

## Loan Business

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

In February 2010, following our introduction in December 2008 of an unsecured educational loan, we began offering loans for car purchases (guaranteed by Promise Co., Ltd.) and a general-purpose unsecured loan. Customers can apply for these loans to the Consumer Finance Promotion Office, every day (except January 1) up to nine in the evening using the automated loan contract machines installed within SMBC branches, the Internet, or other channels. In most cases, applicants receive a response on the same day. Such advantages mean these new loan products offer much greater convenience than conventional loans.

As a result of these initiatives, more than 3,000 customers per year have applied for our unsecured educational loans, the first of this type of product to be offered.

The "Act concerning Temporary Measures to Facilitate Financing for Small and Medium-Sized Enterprises, etc." was enforced on December 4, 2009, with facilitating financing to housing loan borrowers as one of the objectives. In line with this objective, SMBC has set up the Consumer Facilitating Financing Dept. within the Planning Dept. of the Consumer Banking Unit. We have also appointed specialist staff for providing consulting and other forms of assistance tailored to the individual circumstances of customers experiencing difficulties repaying their housing loans, at all bank branches as well as within the nine special Loan Support Offices located nationwide.

We will continue working to provide closely tailored support services for such customers, and are working to improve the speed and precision of these services.



### Settlement and Consumer Finance Business

The iD\* credit service, which is based on a strategic alliance between SMFG and NTT DoCoMo, Inc., continues to grow. As of March 31, 2010, subscribers to this service and the terminals for accessing the service located on the premises of affiliated merchants totaled approximately 14.2 million and 440,000, respectively.

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

The consumer finance business collaboratively launched in April 2005 by SMBC, Promise Co., Ltd. and At-Loan Co., Ltd., continues to grow also. There were 716 automated contract machines and the balance of loans made by SMBC and At-Loan together totaled approximately ¥423.5 billion, as of March 31, 2010.



## Transaction Channels

In fiscal 2009, SMBC opened new branches in 14 locations: Wakabadai in Tokyo, Hiyoshi and Shonandai in Kanagawa Prefecture, Chiba New Town in Chiba Prefecture, Tsukuba in Ibaraki Prefecture, Tenpaku-Ueda, Okazaki, Gokiso, Nonami, Irinaka, and Kanayama in Aichi Prefecture, and Izumi-Chuo, Shoji, and Komyoike in Osaka Prefecture.

Also, in the Tokai Region centered on Aichi Prefecture, 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.



Wakabadai Branch



Nonami Branch

For the *SMBC Direct* online banking service, we are constantly adding highly advanced services to meet customer needs and deliver greater convenience, and reinforcing security. In October 2009 we began a major expansion of the scope of our banking services offered via the Internet and mobile phones. For example, customers with an ATM card can check the balance in their savings account over the Internet. This is just one of the steps we have taken to further enhance the convenience of our online services.

*SMBC Direct* has come 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, 2010, there were approximately 10.12 million registered customers.

We opened a third call center in June 2009, in Fukuoka, to serve retail customers, along with existing facilities in Tokyo and Kobe. We also offer telephone-based services for online users who prefer to discuss important matters with a real person. Operating three centers enhances our capacity to offer telephone consulting on asset management and loans, as well as other information services, and tailor financial services to the lifestyle and needs of each customer.

## Topics

### ◆ Businesses Operated Jointly with Nikko Cordial Securities

Nikko Cordial Securities became a subsidiary of SMBC on October 1, 2009, in a move that further enhanced the ability of all Group companies to offer our customers competitive products and services.

A number of joint initiatives have been implemented since then: three new investment trust products developed jointly by SMBC and Nikko Cordial Securities were launched on the market, the two companies held joint seminars, and also proactively introduced customers to each other when either one was better suited to deal with their specific requirements. On April 19, 2010, we expanded our financial instruments intermediary service for individuals to include Nikko Cordial Securities as an agent to execute the actual transactions. The same service operated with SMBC Friend Securities is scheduled to be integrated into Nikko Cordial Securities by January 31, 2011.

Further joint activities that combine banking and securities transactions are planned, including Nikko Cordial Securities conducting banking agency business.



A joint seminar held with Nikko Cordial Securities