

## ■ Consumer Banking

SMFG group companies work cooperatively to provide better and highly appreciated services for individual clients. SMBC strives to advance its business model daily in order to develop the leading comprehensive financial service business most trusted by clients by appropriately accommodating individual clients' diversifying financial needs reflected with the accelerated trend of "Saving to Investment," the times of major inheritance and changes in clients' lifestyles.



### Asset Management

SMBC has implemented the investment trusts portfolio of "SMBC Fund Selection" by classifying into four categories for enabling clients to select appropriate investment trusts according to their needs. Furthermore, we offer publicly-offered investment trusts in Japan which appropriately accommodate

clients' diverse asset management needs by selecting the funds invested in preferred securities issued by financial institutions of advanced countries. We have also started to offer an automatic deposit service for foreign currency in order to appropriately accommodate the needs for such deposits. We accommodate clients' needs by implementing measures to offer preferential interest rates. Working with SMBC Nikko Securities, SMBC continues to offer its wide-ranging clients intermediary services for financial products in areas such as foreign-currency bonds.

Further as for "SMBC Fund Wrap" (the discretionary management through investment trust taking into account the clients' particular needs for their asset management), we are proactively promoting as a product appropriate for asset management by implementing measures to offer preferential interest rates for clients purchasing the product. As for the Nippon Individual Savings Account program ("NISA"), the tax exemption system for small sum of investments and "Junior NISA," the tax exemption system for minors which is planned to be newly established after fiscal 2015, we provide information on NISA to clients who would request receiving such information. SMBC and SMBC Nikko Securities strive to provide products and services able to accommodate individual clients' diverse needs by taking advantage of both companies' knowhow for the consulting business accumulated over the years and through integration of their clients base and office networks. In July 2014, we began implementing at all branches a new business promotion model ("bank-securities integration model") which makes maximum utilization of the respective characteristics of SMBC and SMBC Nikko Securities. In February 2015, we began offering the "bank-securities integrated asset formation package." We,

the SMFG Group, will continue to provide high-value services to clients.

### Life Insurance and Estate

SMBC offers life insurance policies over the counter at its branches throughout Japan. We additionally provide services enabling our clients to request information materials without visiting our branches, as long as they make such requests by using ATMs, the internet or the telephone by consulting with experienced operators. We offer permanent life insurance which ensures the security for death and disability for a lifetime and enables savings for the future, and also individual variable annuity insurance denominated in foreign currency to accommodate clients' needs for asset growth while protecting their valuable assets from inflation due to economic recovery and growth in the future. Further, as a response to the tax exemption measure of the capital transfer tax applicable to a lump sum transfer of educational funds, we began offering ordinary savings accounts (tax exempt account for educational fund transfer) by enhancing our product portfolio for further accommodating clients' needs for leaving and accumulating assets to their family. In addition, we meet the inheritance-related needs of clients by offering testamentary trust services for drafting, storage and execution of wills, including "inheritance disposition" services by assisting with complicated procedures required for inheritance or "Relay of Trust to Family" services enabling clients and family to regularly receive funds. Furthermore, since March 2015, we began offering the "SMBC Reverse Mortgage" service in order to flexibly support the "life after retirement" of elderly clients.



### Consumer Loans and Settlement

SMBC began offering the "Housing Loan with Joint Life Insurance (Cross Support)" since April 2015.

As dual-income couples of younger generations are increasing, this is a product to exempt the balance of housing loan repayments in the event of death of either spouse of such couples.

In addition, in the event that the borrower of our housing loan is diagnosed by a medical doctor with the predefined



conditions of eight major illnesses (three potentially fatal and five serious and chronic illnesses) or that the client's house was damaged by a natural disaster; we offer to provide the "Housing Loan with Eight Major Illnesses Security Insurance" which fully exempts repayments for the loan or the "Housing Loan with Special Provision for Partial Exemption for Payments" which partially exempts repayments depending on the degree of damage, respectively. Further, we offer the "Life Event Support Package" which is the card loan offering special interest rates especially made for clients who plan to take housing loans, in order to accommodate such clients' diverse financial needs for such as childbirth, education or renovation after the home purchase. We are working to develop products and enhance our services in order to accommodate the diverse needs of clients.



We also substantially improved the convenience for clients requesting housing loans by enabling them to complete their applications for making either full or partial prepayments, or changing the interest rate to floating or fixed, by utilizing SMBC Direct, the online banking service. In other improvements, SMBC has assigned "Financing Facilitation Consultant Experts" at all branches and eight other locations throughout Japan where a special department is established for loan support services to provide consultations for clients. For housing finance for clients affected by the Great East Japan Earthquake, we offer housing loans with special rates, and we also offer our existing clients consultation services on more flexible loan repayments for those who have already taken out SMBC housing loans. We continue to provide meticulous support for, and promptly and appropriately respond to, clients who have difficulties making housing loan repayments. As for SMBC unsecured consumer loans (card loans), guaranteed by SMBC Consumer Finance Co., Ltd., the total loan balance as of March 2015 has exceeded ¥520 billion due to the steady increase of loans. Further, in April 2015, a new series of television commercials started to be on air. These television commercials were made for increasing awareness of SMBC's card loans by simply focusing the telephone number, 0120-923-923.

## Topics

### ◆ Enhancement of the SMBC brand

SMBC launched a new promotional campaign for fiscal 2014 for enhancing the "SMBC" brand by targeting clients primarily in younger generations by putting up the campaign key words of "For Our Future." These television commercials depict images of young people who just graduated and started their job, aspiring for their bright future with great expectations but also feeling uneasy. In September 2014, SMBC opened its official accounts with Facebook and LINE, as a branding means taking advantage of the social media which is increasingly utilized by mostly younger generations, for creating new contacts with clients and fostering a feeling of friendliness for clients to further develop transactions with SMBC. Concurrently, SMBC developed its original image character, called, "Midosuke"; and as of March 31, 2015, the number of fans for Facebook has reached 150,000 and the number of friends for LINE has exceeded 5,680,000, having the most number of registered followers among Japanese banks.



### ◆ Implementation of the Opening-Account Application

SMBC implemented the "Opening-Account Application" for smartphones in February 2015 for improving convenience when opening an account by enabling clients to apply to open an ordinary savings account without having to visit a branch and to receive a cash card at home. We will further enhance our response to transactions made by smartphones while providing meticulous services appropriate to clients' needs.

### ◆ Revision of ATM Services

In April 2015, SMBC made changes to its ATM services to improve convenience by charging no fees all day even for deposits made at ATMs located at SMBC branches after business hours, and increasing the number of ATMs in operation for 24 hours a day, changing the standard business hours to from 7 a.m. to 12 midnight.

We continue to improve and enhance our ATM services according to lifestyles of clients.

### ◆ SMBC received "COPC® CSP Standards" in March 2015 for call center operations.

SMBC was the first Japanese bank to be certified with the "COPC® CSP Standards" which is the international quality assurance standard for center operations for improving clients' satisfaction and realizing efficiency of call center operations. The COPC standards measure and certify promptness and accuracy of services provided to clients and efficiency of center operations for achieving and maintaining at excellent level for clients' satisfaction.