

■ 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 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 fiscal 2006 amounted to ¥461.7 billion. Sales of foreign bonds came to ¥112.2 billion. As of March 31, 2007, the outstanding balance of investment trusts under management was ¥3,421.5 billion, and that of housing loans was ¥13,557.5 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, and by the end of March 2007, sales amounted to ¥73.5 billion.



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



Introducing an information service for women

Financial Consulting Business

SMBC's Consumer Banking Unit introduced several new investment trusts and life insurance products in fiscal 2006, and began offering fund wrap accounts (asset management services in which customers entrust their investments to a securities company), in collaboration with SMBC Friend Securities in January 2007. In this way, we are expanding our lineup of products and services to address the asset management needs of our individual customers.

One of our popular loan products is a housing loan with insurance that covers payment of the outstanding loan balance in the event of three major medical conditions. This loan has been a big success since its introduction in October 2005, and at the end of March 2007, the aggregate contract amount of these loans was about ¥370 billion. In addition, this innovative loan won the 2006 Nikkei Superior Products and Services Awards/Nikkei Financial Daily Awards for Excellence.

SMBC has now made more accessible the members-only services of “One’s Next Club 50s,” which is for customers in their late 50s who are preparing for life after retirement, and “One’s Next Club Woman,” which provides services specifically for women. We have also revised our membership requirements, making it easier to join these clubs.

We also continued to make consulting services more accessible to individuals by expanding our network of Consulting Plazas and Consulting Offices. At the end of March 2007, there were 67 SMBC Consulting Plazas, which are open on weekends and national holidays, as well as evenings on weekdays. During the term, we also increased to 22 the number of SMBC Consulting Offices. In addition,



Announcing a members-only information service

SMBC opened a new branch in the Yokohama district of Higashi-Totsuka in April 2007. We remain committed to making our consulting services even more easily accessible to our customers.

Settlement Business

In April 2007, SMBC began accepting ATM cards and credit cards bearing the China UnionPay brand that are issued by banks in China. This service allows individuals to use these cards at ATMs in SMBC branches to make withdrawals and check balances. Further, Sumitomo Mitsui Card Co., Ltd. has been allowing payments by China UnionPay credit cards at its affiliated merchants in Japan since December 2005.

Sumitomo Mitsui Card started the *Mitsui Sumitomo Card iD*® electronic settlement service in December 2005 through a strategic alliance with NTT DoCoMo, Inc. At the end of March 2007, there were about 230,000 subscribers and a network of about 150,000 affiliated merchants that accepted 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 both small and large amounts, and thereby enhance our service for settlement system users.

For its “One’s Direct” remote banking service, SMBC is constantly expanding the service lineup, and enhancing the convenience of these services. As a result of these efforts, this service ranks among Japan’s leading mobile banking services. At the end of March 2007, “One’s Direct” had about 7.44 million subscribers, approximately 840,000 more than a year earlier.

SMBC also revised its fee system for retail banking services during fiscal 2006. For subscribers to our “One’s plus” program, we waived after-hours fees for certain transactions with SMBC via ATMs at SMBC branches and the ATMs (@BANK) at am/pm convenience stores, and in March 2007, eliminated all after-hours fees for SMBC transactions at convenience store ATMs (E-net, Lawson and Seven Bank ATMs). We also eliminated “One’s Direct” remittance fees for payments made to an SMBC account (except fees for remittances made by telephone via an operator). Moreover, we terminated all “One’s plus” user fees starting from withdrawals made on February 21, 2007.

Consumer Finance Business

The consumer finance business launched in April 2005 through the strategic alliance of Promise, At-Loan (an SMBC-Promise joint venture) and SMBC has expanded to include 623 automatic contract machines (ACMs) at SMBC branches, and had a loan balance of ¥276 billion at the end of March 2007.

Topics

SMBC First Pack

In March 2007, SMBC began a service called “SMBC First Pack.” The new service, offered in collaboration with Mitsui Sumitomo Card, combines “One’s plus,” “One’s Direct” and the Mitsui Sumitomo Visa Card into a single package. Customers receive all the benefits of “One’s plus” along with a number of exclusive benefits. Two major features are no annual fee for the credit card (excluding gold card members) and the ability to exchange points for the products and services of alliance partners All Nippon Airways Co., Ltd. and NTT DoCoMo.

