

## ■ Consumer Banking

The member companies of SMFG are working together to enhance their consumer financial services.

At SMBC, we are working to make SMFG into the No. 1 group in the field of consumer financial services by offering services that address specific customer needs. 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 2007 amounted to ¥210.9 billion. Sales of foreign bonds came to ¥50.8 billion. As of September 30, 2007, the outstanding balance of investment trusts under management was ¥3,622.6 billion, and that of housing loans was ¥13,507.3 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 September 2007 sales amounted to ¥102.0 billion.

## Financial Consulting Business

We introduced new investment trust and life insurance products into our lineup in the first half of fiscal 2007, and in December 2007 we took advantage of the complete deregulation of the over-the-counter sale by banks of insurance products to further expand the number of life insurance products we handle.

In the loan business, our mortgage loan product with insurance that 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), proved to be very popular. First offered in October 2005, this innovative product received the Nikkei Financial Daily Award for Excellence of the 2006 Nikkei Superior Products and Services Awards. The aggregate loan contract amount for this product reached ¥490 billion at the end of September 2007.

SMBC continued to open new business premises where individuals can receive advice on personal asset management or loans. As of September 2007, there were 66 SMBC Consulting Plazas, which are open on weekends and national holidays as well as evenings on weekdays, and 22 SMBC Consulting Offices, which offer the same services but on a smaller scale. In addition, we opened new branches in Higashi-Totsuka and Ichikawa in April and November 2007, respectively. We remain firmly committed to making our network of consulting services even more convenient and easily accessible to our customers.



Loan product poster



Electric settlement service poster

## Settlement Business

With effect from September 2007 we expanded the points-exchange menu available in our *SMBC First Pack* (a package of online banking and credit card services), which we have positioned as a key product for various settlement-related services. We also made this product more attractive by enabling holders of Mitsui Sumitomo cards to apply for our *First Pack* service without having to cancel their existing credit card contracts.

The *Mitsui Sumitomo Card iD®* service (an electronic settlement service utilizing NTT DoCoMo's *Mobile Wallet®*), was launched in December 2005. As of the end of September 2007, this business had grown to about 440,000 subscribers and a network of about 180,000 dedicated terminals located in retail outlets that accept bill 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.

In May 2007, SMBC began offering its customers balance inquiry, payment & withdrawal inquiry, and bank transfer functions via the iAppli mobile banking platform developed by NTT DoCoMo. Then, in October we installed our own ATMs and "Bank TV" consulting booths at three DoCoMo Shops (NTT DoCoMo's chain of service outlets).

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 six consecutive years in the Internet Banking Services ranking by Gomez, Inc., a leading Internet performance rating company. The number of subscribers to *One's Direct* exceeded 8 million as of October 2007.

That same month, SMBC reduced the fees charged for the use of certain services via its ATMs. Fees were terminated on the use of ATMs at SMBC offices as well as for use of our @BANK online service outside normal operating hours on weekdays (for customers with at least ¥100,000 in their deposit accounts—see poster below). Fees were also ended for the use of Japan Post Bank, and JR East Japan ATMs, as were withdrawal fees for card loans. In these ways, we are making efforts to improve customer convenience.



## 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 operates through a network of 631 automatic contract machines (ACMs), and the combined balance of loans totaled ¥309.8 billion at the end of September 2007.

### Topics

#### Insurance Agency Business by Banks Fully Deregulated

SMBC responded to the complete deregulation of the sale of insurance products by banks (as agents for the insurance companies) by seeing this as an opportunity to expand its consulting business. Moreover, as part of its plan to become a total consulting enterprise capable of offering “one-stop financial services,” SMBC began handling a greatly expanded lineup of life insurance policies from December 22, 2007. Specifically, sixteen new personal insurance products (provided by six insurance companies) are now being handled, including such categories as ordinary life insurance policies, term life insurance, general medical insurance, cancer insurance, and unlimited nursing care insurance.

Initially, the products will be sold at 86 offices to which staff experienced in insurance have been assigned.

The bank plans to gradually increase the number of offices handling this business, beginning within the next fiscal year.

#### Improving Services in the Tokai Region

SMBC is in the process of expanding its network of branches in the Tokai Region, principally in Aichi Prefecture, to realize a further improvement of its services to customers in that part of Japan.

Specific plans include a swift and dramatic enhancement of the consulting services for individuals provided by SMBC in the Tokai region. The bank also plans to set up exclusive business offices catering to high net worth individuals. In addition, the bank is considering plans to set up dedicated offices to cater to the demand for financing construction of new rental apartment buildings or condominium buildings (including demolition of superannuated buildings and construction of new buildings on the same site), or for the purchase of such properties. These are just some of the ways in which we are working to ensure the quality of our consultation services relating to personal asset management and fund procurement.

SMBC is also planning an extensive renovation of its existing branches to offer an even more pleasant atmosphere in which to provide consulting services. SMBC plans to design consulting areas where its customers can receive high-quality advice on asset management and loans.

#### Enhancing Collaboration with Non-Financial Enterprises

In addition to offering settlement and other financial services, which provide the basic infrastructure underpinning people's day-to-day lives, SMFG is also working to strengthen its business collaboration with companies in other lifestyle-related fields. One notable example is our tieup with the security services company Secom Co., Ltd., under which we offer a discount on the use of our safe-deposit boxes to customers who have signed security contracts with Secom. In return, our own customers are able to take advantage of Secom's security services under favorable contractual conditions. This is just one of the ways in which we plan, increasingly from here onward, to search for products that will provide extra value to our customers.