

Consumer Banking

SMFG Group companies are enhancing their financial services for clients. Some of SMBC's noteworthy achievements in this area for fiscal 2010 are investment trusts outstanding of ¥2.725 trillion (as of March 31, 2011); foreign bonds and yen-denominated bond sales of ¥198 billion; pension-type insurance sales of ¥192.1 billion; single premium whole life insurance sales of ¥200.5 billion; and housing loans outstanding of ¥14.4908 trillion (as of March 31, 2011).

Financial Consulting Business



In fiscal 2010, SMBC continued to enhance its product line up of investment trusts, pension-type insurance, life insurance and other financial products.

For investment trusts, the bank has expanded its product range to include funds which invest in emerging market sovereign bonds and corporate bonds, funds which invest mainly in bonds issued by worldwide public utilities companies, and

Australian dollar-denominated foreign investment trusts which invest in international high-yield bonds.

SMBC increased its number of funds to a total of 33 (as of March 31, 2011) for transactions available exclusively on the Internet and mobile phones; this particular service was launched in October 2009. The bank also conducted its time-limited campaign of charging no load and discounts on sales commissions, and cash back campaigns to clients.

As for insurance products, we respond to our clients' needs by selling level-premium life insurance products at all branches in Japan and enabling those clients having difficulties coming down to our branch during regular banking hours to request information materials and application forms through ATMs (started from August 2010) and the Internet (started from February 2011). In addition, the bank began offering four new types of over-the-counter products:

- 1) pension-type insurance which switches to a stable investment strategy after securing the targeted profit;
- 2) a whole-life policy, of which the insured amount increases



ATM screen

proportionally to fund performance while guaranteeing a minimum death coverage; 3) whole-life insurance with an option enabling conversion to medical or nursing-care insurance; and 4) whole-life insurance with added-coverage for cancer surgeries and hospitalization.

As for Japanese government bonds for individuals, SMBC started offering three-year maturity products in June 2010 in addition to our existing five- and ten-year maturity products.

We continue to offer a wide range of foreign-currency and yen-denominated bonds appropriate for our clients' needs. In April 2010, SMBC began financial instruments intermediary services for individuals as an agent of SMBC Nikko Securities, in addition to SMBC Friend Securities. In January 2011, the operations of SMBC Friend Securities related to SMBC's financial instruments intermediary and other services were integrated into those of SMBC Nikko Securities.

We believe that it is important to support and follow up our clients even after they have purchased our products. As part of our fulfilling this commitment, we take numerous measures to keep clients up-to-date with new developments — by having seminars regarding funds performances, monthly issuances of special market reports, and mailing of financial statements detailing assets performance.



Loan Business

We develop new products and services to enable us to respond to the diversified needs of our clients. For instance, our housing loan with insurance for major serious illnesses had an outstanding loan balance of ¥1,750 billion, as of March 31, 2011.

In September 2010, SMBC began accepting accelerated full-sum repayments of housing loans through the *SMBC Direct* online banking service. With this service, over-the-counter procedures can now be completed at home or other remote locations. This service significantly contributed to maximizing convenience for our clients.

Consequently, we are accommodating the diverse needs of our housing loan clients via the Internet along with existing services for partial early repayment and the option to change the interest rate to either floating or fixed rates.

Following the enactment of the "Act Concerning Temporary Measures to Facilitate Financing for Small and Medium-Sized Enterprises, etc.," we appointed specialists to provide consultations and assistance with clients having difficulties in repaying their mortgage at all bank branches as well as at the nine special Loan Support Offices located nationwide.

We will continue to provide more personalized and expedited support and services for such clients.

Settlement and Consumer Finance Business

In March 2011, we began offering a new service “SMBC First Pack Debut,” which was especially designed for students between the ages of 18 and 23, under our settlement service platform of “SMBC First Pack.” When students make automatic bill payments for their mobile phones using the account registered with the service, they are not charged in the month following the next month, for after business hours service fees for ATMs located at domestic branches and @BANK ATMs installed at convenience stores and other locations. Such services are designed specifically for the needs and lifestyle of students.

The iD* credit service, which was created as a result of the strategic alliance of SMFG and NTT DoCoMo, Inc., continues to further evolve. As of March 31, 2011, there were approximately 15.84 million subscribers for this service and approximately 510,000 terminals for such credit services installed on the premises of affiliated merchants.

* “iD” is a trademark of NTT DoCoMo, Inc.

As of the end of March 2011, there were 719 automatic contract machines for our consumer finance business with Promise Co., Ltd., and the outstanding balance of card loans made by the bank and guaranteed by Promise was approximately ¥340 billion. At-Loan Co., Ltd., the former business partner for this affiliation was absorbed and merged into Promise in April 2011, as part of a reorganization plan.

Transaction Channels

For *SMBC Direct* online banking services, we are constantly adding highly advanced services to meet our clients’ needs to improve convenience and reinforce security. In November 2010, we launched an online overseas remittance service for individual clients through *SMBC Direct*, improving the service previously offered only at our branches. This is another way for us to better accommodate our clients by simplifying the procedures, increasing their choices and maximizing convenience. As of March 31, 2011, there were approximately 10.86 million registered clients.

Our call centers located in Tokyo, Kobe and Fukuoka for our retail clients also take calls from our retail online clients who prefer to speak with our staff on important issues. The operation of these three call centers enhances our services by offering telephone consultations for inquiries on asset management or loans, as well as any information related to our financial services to provide the type of services best accommodated to the lifestyle and needs of our clients.



Topics

◆ Joint Business Operations of SMBC and SMBC Nikko Securities

SMBC Nikko Securities became a wholly-owned subsidiary of SMBC on October 1, 2009, the milestone event which has further enhanced our Group to be able to offer our clients more competitive products and services.

Since October 2009, SMBC has been working with SMBC Nikko Securities to offer investment trust products, organize seminars, and provide financial instruments intermediary services for our individual clients.

In April 2010, SMBC began financial instruments intermediary services for individuals as an agent of SMBC Nikko Securities, in addition to SMBC Friend Securities. In June 2010, SMBC expanded the services’ portfolio to include structured bonds, and started to offer a single premium whole life insurance with variable benefit, jointly developed for the first time with SMBC Nikko Securities for over-the-counter sales. In October 2010, SMBC Nikko Securities also became SMBC’s banking agent. Further, in January 2011, the operations of SMBC Friend Securities related to the financial instruments intermediary and other services were integrated into those of SMBC Nikko Securities. We continue to proactively develop both our banking and securities businesses.



A seminar jointly held with SMBC Nikko Securities



An SMBC ATM installed at SMBC Nikko Securities' Sendai Branch