

■ Consumer Banking

SMFG group companies work cooperatively to provide better and highly appreciated services for individual clients.

SMBC strives to enhance its products and services to appropriately meet the diverse needs of individual clients in accordance with one of its corporate values of "Providing value-added services to each client."

Asset Management



SMBC has a wide range of investment trust products to meet the diversifying asset management needs of its clients. In fiscal 2011, the bank implemented measures to further expand its series of products, by offering new funds for investing in the following three types of investment products: (1) foreign-currency denominated portfolios which flexibly control the allocation of the fund according to any changes due to

interest rates and/or foreign exchange rates while continuing to invest in three types of assets: high-yield emerging market corporate bonds, high-dividend stocks, and real estate, (2) U.S. stocks, and (3) overseas convertible corporate bonds.

SMBC and SMBC Nikko Securities Inc. donated the equivalent to 50% of the commissions earned from the sales of investment trust products of Japanese stocks during the period of June 1 to August 31, 2011 to the local governments of four particular prefectures (Iwate, Miyagi, Fukushima and Ibaraki Prefectures) severely damaged by the Great East Japan Earthquake.



In June 2010, for continuing to contribute the environmental safety, we officially named the Japanese government bonds (JGBs) for retail investors (formerly known as the "Reconstruction Bonds for Retail Investors" since December 2011) the "SMBC Green Program." In fiscal 2011, we worked to reduce the emission of greenhouse gas in Japan and support small-to-medium-sized enterprises in the northeast of Japan through our carbon credit framework developed particularly for the northeastern areas. As a new JGB initiative for retail investors, we launched the sales of the "Reconstruction Supporters' Bonds for Retail Investors" in March 2012 to be used as a source to fund recovery after the earthquake disaster.

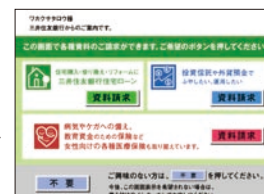
We have added three new currencies, namely, the Mexican peso, the Turkish lira (fiscal 2011) and the Brazilian real (April 2012) to our selection of foreign currency deposits in order to accommodate the increasing needs of clients for foreign-

currency denominated asset management.

SMBC, working with SMBC Nikko Securities, continues to offer its wide-range of clients the intermediary service for financial products of such as foreign bonds and yen-denominated bonds. We enhanced the series of structured bonds and existing bonds in fiscal 2011 to further promote the cooperative business of the bank and securities firm.

Life Insurance and Estate

SMBC offers life insurance policies over the counter at its branches throughout Japan. In fiscal 2011, we launched and increased the number of products, including (1) foreign-currency denominated plans for our pension-type, fixed-amount insurance for individuals, (2) yen-denominated fixed-amount whole life insurance plans, providing functions of death payout and long-term asset formation, and (3) medical insurance such as a single-premium type of lifelong coverage for a wide-range of illnesses and injuries. For clients who may have difficulties coming to the bank, we offer automated processing services for requests which can be made at ATMs or through the internet, without visiting a branch, in order to appropriately accommodate the needs of clients.



ATM screen

The bank also offers services for will trusts to assist with facilitation of inheritance related matters by providing comprehensive support for preparation, storing and execution of wills for clients of all ages.

Consumer Loans and Settlement

SMBC has further expanded its range of products and services for clients who are faced with emergencies or under extraordinary circumstances. For instance, we offer housing loans for clients with the indemnity for three major serious illnesses which brings the borrower's outstanding balance to zero in the event that the client is diagnosed by doctors with the prescribed conditions of cancer, heart attack or stroke, etc. We also provide housing loans offering a partial repayment waiver which depends on the extent of damages, in the event that the borrower's own home is damaged or destroyed by natural disasters.



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 the SMBC Direct, the online banking service.

In order to appropriately respond to the "Act Concerning Temporary Measures to Facilitate Financing for Small and

Medium-Sized Enterprises, etc.,” SMBC has appointed specialists at all bank branches to provide consultations and assistance for clients having difficulties in making repayments for their mortgage, as well as eight special Loan Support Offices nationwide. For housing finance clients who were affected by the Great East Japan Earthquake, we offer housing loans with special rates, and we also offer our existing clients consultation services on loan repayments. The bank is implementing measures to provide further expedited and personalized services and support for clients having difficulties with making housing loan repayments.

As for SMBC unsecured consumer loans (card loans), guaranteed by SMBC Consumer Finance Co., Ltd.*1, we extensively improved our products in October 2011, making it more convenient for clients, such as raising the maximum contract amount from ¥5 million to ¥8 million, and lowering the minimum interest rate from 5.0% to 4.0%.

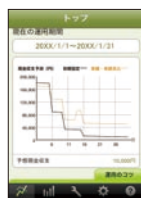
As one of our foreign-exchange services, SMBC offers the delivery service of foreign currency to clients’ home or workplace payable on receipt. We added four new currencies to our range handled, including the Vietnamese dong, bringing the total to 36, as of March 2012. The service has become further convenient especially for clients who have limited time available prior to traveling to overseas or making business trips.

*1 SMBC Consumer Finance Co., Ltd. was formerly known as Promise Co., Ltd. The corporate name was changed on July 1, 2012.

Transaction Channels

As for SMBC Direct, the online banking services, we consistently enhance services and improve convenience to accommodate the needs of clients while developing advanced services and strengthening security. In October 2011, we began to offer the “SMBC Direct Global Service” which enables clients overseas to process their transactions online. Previously, when clients in overseas make their deposits in Japan or transfers to recipients in Japan, they had to make arrangements by mail or fax. The launch of this new online banking service substantially improves convenience for clients.

For rapidly increasing number of clients who use smartphones, we have launched a website especially for those smartphone users, facilitating the operations for inquiring or viewing balances and making transfers, etc. We have also launched a smartphone-based profit management application, the “Smart Shushi,” for businesspersons having limited time to spare. The Android*2-based system was launched in September 2011, while the iOS*3 (iPhone) version was released in January 2012. We are improving the convenience for clients by increasing our service channels.



*2 Android is the trademark or registered trademark of Google Inc.

*3 iPhone is the trademark of Apple Inc. registered in the United States and other countries.

Our call centers located in Tokyo, Kobe and Fukuoka for retail clients receive calls from online clients who prefer to speak with our staff on important issues. The operations of these three call centers enhance our system of offering services such as consultation for asset management and loans, or inquiries on information for financial services on the telephone, by accommodating to the lifestyle and needs of our clients.

Topics

◆Business Jointly-Operated by SMBC and SMBC Nikko Securities

SMBC and SMBC Nikko Securities, as the group, are improving their capabilities to provide individual clients with financial products and services by focusing on four areas of business operations of intermediary services for individual clients: financial instruments, fund wrap services, clients referrals and banking agency services.

SMBC and SMBC Nikko Securities are each facilitating the sharing of their expertise by sending SMBC Nikko Securities personnel having knowledge and experiences of asset management to SMBC.

We remain committed to providing services to further enhance the integration of banking and securities in diverse areas such as products/services, marketing, personnel in order to fully satisfy the needs of clients.

◆Review of marketing structure at the head office of the Consumer Banking Unit

The head office of SMBC’s Consumer Banking Unit has gone through organizational changes in April 2012 in order to better market and to become more client-oriented, further providing products and services appropriately meeting the needs of clients. Specifically, we reorganized the consumer banking and Consumer Loan Departments into the “Retail Business Department” and the “Consumer Loan Department” under the reorganized Retail Business Department, in order to further strengthen marketing functions for promoting complex transactions around major life events. Furthermore, we established the “Wealth Management Department,” which consolidated functions for asset management, inheritance and will trusts, etc., in the “Financial Consulting Department” in order to strengthen business promotion.