

## 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 2012, we implemented an investment fund of publicly offered investment trust in Japan for short-term, high-yield corporate bonds, denominated in US dollars. We enhanced our portfolio of overseas publicly offered investment trusts by implementing Australian-dollar-

denominated fund for investment in high-yield bonds in newly emerging markets.

As for deposits in foreign currency, we added to the portfolio, the Brazilian real fund and Chinese renminbi in April 2012 and July 2012, respectively, in order to respond to the growing needs of clients for management of assets in foreign currencies. Furthermore, as we received growing request from retail clients, we began to accept in September, renminbi-denominated remittances made in Japan, while accommodating management needs of clients for investment 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 and yen-denominated bonds. In fiscal 2012, we further expanded our portfolio by adding a new line of products and products especially made for high-net worth individuals, 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. 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 or the internet. In fiscal 2012, as for single premium type permanent life insurance products, we enhanced the portfolio by offering new life insurance products enabling clients to select a periodical payment plan according to their life plan, or newly offering insurance policies guaranteeing substantial death benefits, with functions for asset formation in the long-term.

As for level-premium insurance products, we enhanced our products for further accommodating the "estate-related" needs of clients by introducing foreign-currency denominated whole life insurance and medical insurance with coverage for nursing care. In addition, the bank meets the inheritance-related needs of its customers by offering testamentary trust services for

storage and execution of wills, including "inheritance disposition" services assisting with complicated procedures required for inheritance, or "Relay of Trust to Family" services enabling clients and family to regularly receive funds.

We also began to offer in February 2013, a new deposit product of "Support Plan for Newly Employed" especially made for the young generation of graduated and newly employed (mainly targeting those newly becoming non-dependent on their family and living independently) by offering ordinary bank accounts with free casualty insurance coverage. We intend to provide the young generation with the opportunity to consider insurance matters and needs. Our staff at the call-center will periodically provide information appropriate for such newly-employed young clients with insurance needs.



## Consumer Loans and Settlement

We are working to develop products and enhance our services in order to be able to accommodate the diverse needs of clients for housing loans with critical illness insurance and housing loans with partial relief for mortgage payment in the event of natural disasters.

We also substantially improved 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.\*1, the total loan



balance as of March 2013 has exceeded ¥410 billion due to the steady increase of loans.

Further, we began to provide in February 2013, the “Life Event Support Package” for the card loan, offering special interest rates for clients who borrow from housing loan. We intend to accommodate financial needs for clients, who acquired housing, for major life events such as childbirth, education and renovation.

\*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 the convenience to accommodate the needs of clients while developing advanced services and strengthening security.

Since August 2012, SMBC has provided the “e-Report Service” enabling clients to be able to view various transaction reports on SMBC Direct. Those clients who applied to receive such service will be able to electronically view and save various reports in PDF-format on SMBC Direct, instead of receiving such reports by mail.

In October 2012, SMBC started a new service for SMBC Direct members to be able to receive basic price information for investment trust of their choice by e-mail, according to the timing they prefer to receive such e-mails. There is also a notification function to inform clients when the pre-selected basic price was reached.

Additionally, we have begun offering a convenient branch and ATM location search function and the “SMBC Application” especially made for smart-phone users enabling clients to easily verify account balance and make deposits, for improving convenience for clients.

Furthermore, SMBC Direct made the “One-time Password Service”<sup>\*2</sup> free of charge in March 2013 for further enhancing security for our clients.

\*2 The service which enhances security for internet banking by providing different password each time.

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 improve our system of offering services by telephone in areas such as consultations for asset management and loans, direct-marketing of level-premium insurance and providing information for financial services, 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 business operations of intermediary services for individual clients: financial instruments, fund wrap services, clients referrals and banking agency services.

In October 2012, SMBC began offering “Bank and Trade” service, especially made for the internet, by coor-



ordinating SMBC bank account with general securities account of SMBC Nikko Securities. Further, in November 2012, SMBC Nikko Securities commenced offering testamentary trust agency services for SMBC.

Additionally, the two companies continue to integrate their solid platforms, which were built based on know-how for consulting business, for individual businesses such as their client base and network of offices and branches.

Specifically, each of SMBC and SMBC Nikko Securities plans to develop business promotion model for integrating bank and securities businesses by taking advantage of strengths of each business, in order to optimize products and services provided to clients. To develop this business model, the Securities Business Collaboration Planning Department was established in the Planning Department, Consumer Banking Unit and it has been experimentally in operation since May 2013.

### ◆Measures to Address Customers' Inheritance-Related Needs

In addition to the testamentary trust services that it has provided to date, SMBC has commenced the handling of “inheritance disposition” services at all domestic branches in February 2013. In March 2013, SMBC began providing the “Relay of Trust to Family” in order to precisely meet the inheritance needs of customers.

“Relay of Trust to Family” is a jointly managed money trust marketed to individuals that supplements the principal. SMBC will continue meeting various customer needs by enhancing its products, services and consultation capabilities.

