

Review of Operations:

Retail Financial Services Business



We provide comprehensive solutions that are customized to meet the needs of each individual client.

Nobuo Iwasaki

Officer in charge of Retail Financial Services Business
Sumitomo Mitsui Trust Bank, Limited

1. Business Outline

As “The Trust Bank,” the Retail Financial Services Business provides comprehensive services to meet a wide range of client needs pertaining to asset management, administration and inheritance through a nationwide network of branches, and also through Sumitomo Mitsui Trust Direct (telephone and Internet banking) and other service bases.

Our basic premise is to strive to actively offer new products and services tailored to meet increasingly diverse client needs amid the trend toward the maturing of Japanese society and the advance of economic globalization.

Thanks to our staff, which possess significant expertise and include financial consultants (an innovation that we introduced ahead of other banks in 1977), we can provide comprehensive solutions that are customized to the needs of each individual client.

In the sales operations for investment trusts, insurance and other products, we offer a wide range of products—from investment trusts and discretionary investment management products to insurance and foreign currency deposits—to meet the diverse asset management needs of our clients. We also provide high-quality consulting services.

Our loans to individuals provide a selection of products with unique qualities, including housing loans provided through various channels such as major developers and house manufacturers and the Internet.

Regarding asset administration and asset inheritance services, there is a growing need for smooth asset succession from one generation to the next and for asset preservation in the wake of Japan’s declining birthrate and aging society as well as tax reforms. We provide extensive products and a wide range of know-how. Additionally, we also provide proactive support to our business owner clients for their corporate transactions and business succession, both from the standpoint of business administration and personal assets, leveraging our banking, trust and real estate functions.

In all these operations, we try to be trustworthy consultants for our clients, so that we can serve as their trusted adviser. We also meet our clients’ trust by providing comprehensive and professional services as a trust bank that meets their needs that change with their life stages.

2. Product and Service Outline

Deposits

We provide distinctive deposit instruments that include the time deposits “Good Select,” which if held to maturity without cancellation can be offered at a favorable interest rate, and the “Foreign Currency Time Deposit” (also referred to as “Foreign Currency Revolution”), which offers a selection of five different foreign currencies. To support clients’ asset management efforts, we also provide the “Asset Management Support Plan,” which combines investment trusts or foreign currency time deposits with special interest rate time yen deposits. For clients who have entered the “retirement” phase, we offer a time deposit plan to support a second life after retirement.

Investment Trusts

We provide a diverse product lineup by taking advantage of having two asset management companies in the SuMi TRUST Group: Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset Management Co., Ltd. With this lineup, we help our clients’ asset building by offering investment proposals called “Core & Satellite,” which combines the core products that focus on stable returns through long-term portfolio diversification, and satellite products targeting extra returns by swiftly capturing market trends.

Additionally, we have been pursuing various initiatives involving NISAs (a Japanese version of the individual savings accounts), including the expansion of the “Sumitomo Mitsui Trust NISA Selection,” a group of products suited to the characteristics of these accounts, and the development of the “Promenade Serenity” Package, which offers insurance coverage for any injuries suffered by customers while they are out and about if they have met certain conditions when purchasing investment trusts under the NISA system.

* “Core & Satellite” is a registered trademark of Sumitomo Mitsui Trust Bank, Limited.

Discretionary Investment Management Products

Discretionary investment management products represent services in which we make investment decisions and undertake transactions on behalf of clients by taking advantage of the sophisticated asset management skills and know-how we have developed as experts in the provision of asset management services for corporate pension funds and other assets. We offer two discretionary investment management products: the “Sumitomo Mitsui Trust Fund Wrap” for proposing efficient investment plans that meet each client’s risk tolerance, and the “Sumitomo Mitsui Trust SMA” for building custom-tailored portfolios.

To accompany these products, we offer the “Lifelong Serenity” package, which provides coverage for such health risks as cancer and nursing care to provide peace of mind even in worst-case scenarios.

Life Insurance Products

Clients can utilize the insurance mechanism to invest their valuable assets. We offer a versatile product lineup to provide peace of mind to clients at the various stages of their lives. The “Single Premium Annuity Insurance” and the “Level Premium Annuity Insurance” can be used as asset management instruments that cover shortfalls in public pension benefits, etc. and preparing for a comfortable post-retirement life. The “Single Premium Whole Life Insurance” and the “Level Premium Whole Life Insurance” allow clients to safely transfer their assets to family members.



Foreign Currency Revolution

Asset Management Support Plan



Core Investment Strategy Fund



Sumitomo Mitsui Trust Fund Wrap



Variable Annuity Insurance “Wrap Life”

Loans

We provide housing loans that meet various lifestyles and needs. The “One-writing Mixed Loan” simplifies application procedures even with two types of interest rates combined, and “Housing Loans Tailored for Women” offer preferential interest rates available after childbirth.

We also provide other loans, such as the “Reverse Mortgage,” which is a loan that uses the house as collateral when borrowing funds for a more comfortable lifestyle, the “Housing Card Loan” home equity loan, and the “Apartment Loans” for the construction or renovation of apartments.

Asset Administration

With the “Tuition Fund Endowment Trust” (also referred to as “Devotion for Grandchildren”), we manage educational funds granted as gifts to grandchildren. With the “Marriage and Child-rearing Support Trust” (also referred to as “A Link between Generations”), we manage funds to help children to get married and raise children. The “Annual Donation Support Trust” is for assisting in the process for gifting to family members. In addition, the “Family Consideration Trust” (lump-sum type/annuity type) supports family living expenses in the event of an inheritance.

We also provide the “Anshin Support Trust” (money trust type), which enables custom-tailored payout of funds and other functions for clients who want their assets to be preserved and administered over the medium to long term.

We also provide functions to support social contributions through the means of trusts. These include guardianship system support trusts, special donation trusts, social contribution donation trusts and charitable trusts.

Asset Inheritance

In addition to “Will Trust Services” (with execution services), in which we provide consultations on will writing through storage and execution, we provide “Comprehensive Services for Inheritance Procedures” (“Makasete Anshin,” “Leave it to SuMi TRUST Bank for peace of mind”), which provide pertinent advice and inheritance procedures on asset succession, and “Estate Planning,” which offers asset succession analysis and support for specific asset succession planning, to address a wide range of asset succession needs of clients.

Private Banking

For our business proprietor clients, we offer a wide range of products and services including custom-tailored asset-management products, business succession consulting and stock sale trusts. We offer services that leverage our banking, trust and real estate functions, including comprehensive corporate banking transactions, real estate brokerage services and consulting for effective land utilization. These provide proactive support both from the standpoint of business administration and personal assets.



Tuition Fund Endowment Trust (“Devotion for Grandchildren”)



Marriage and Child-rearing Support Trust (“A Link between Generations”)



Annual Donation Support Trust



Family Consideration Trust (lump-sum type/annuity type)



Will Trusts

3. Group Companies

Sumitomo Mitsui Trust Wealth Partners Co., Ltd.

Sumitomo Mitsui Trust Wealth Partners provides high-level professional consulting services to clients with asset and business succession needs. In addition to the professional consultants at SuMi TRUST Bank, the company offers custom-tailored consulting services that meet the requests of each client through collaboration with tax accountants and lawyers.

Sumitomo Mitsui Trust Card Co., Ltd.

Sumitomo Mitsui Trust Card issues the “Sumitomo Mitsui Trust VISA Point Club Gold Card,” an affiliated credit card for earning points through transactions with SuMi TRUST Bank, and the “Sumitomo Mitsui Trust VISA Platinum Card,” the highest-grade VISA card, providing higher-value-added credit services.

Sumitomo Mitsui Trust Guarantee Co., Ltd.

Sumitomo Mitsui Trust Guarantee provides guarantees for clients using housing and card loans offered by SuMi TRUST Bank. The balance of its loan guarantees has been increasing in tandem with an expansion in housing loan operations.

SBI Sumishin Net Bank, Ltd.

SBI Sumishin Net Bank, which specializes in the Internet banking business, was founded in 2007. Instead of limiting operations to settlement and asset management services, the bank has been trying to realize a “fullbanking service, Internet-only bank by providing more easy-to-use and attractive products and services than those offered by other banks, 24 hours a day, 365 days a year.” Armed with all the conventional banking functions (deposits, asset management, loans and settlement), the bank offers a wide range of services that include cash accounts available 24 hours a day, foreign currency deposits allowing for real-time transactions, joint services with the accounts of SBI Securities Co., Ltd., and non-face-to-face transactions for housing and card loan services. The FY2014 Japanese Customer Satisfaction Index (JCSI) survey said SBI Sumishin Net Bank scored the highest JCSI rating in the banking industry for the sixth straight year. It has also received high ratings in many other client satisfaction surveys.