

# Earnings Announcement for the First Quarter of FY2020 ending March 31, 2021 (JGAAP)

SMBC Nikko Securities Inc.

July 29, 2020



[ Reference Data ]

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The information contained in this document is based on data available as of July 29, 2020 and this document is intended to provide information on the business results of SMBC Nikko Securities Inc. Any information and opinions contained in this document reflect our judgment as of the date of preparation of the document (July 29, 2020) and are subject to change without notice. No guarantees, representations or warranties are made as to the accuracy or completeness of such information.

(\*) Information in this document is presented on a consolidated basis unless otherwise specified.

# Our response to COVID-19

- We show our sincere gratitude to medical professionals and other essential workers who work at Frontline.
- SMBC Nikko Securities, as part of the public infrastructure that is indispensable to maintaining the capital market, will devote to our utmost efforts to continue providing our customers with uninterrupted financial services while safeguarding the health and wellbeing of the employees.

## Customers

- Infection prevention efforts taken at every branch offices
  - ✓ Under the state of emergency, counter services at all branches were restricted
  - ✓ Visit reservations, acrylic boards installation, sanitization, temperature measurement, face masks distribution were conducted at the state of resumption
- Strengthening infrastructure for non face-to-face sales activities and consulting
  - ✓ Expansion of communication methods with our customers (online conference)
  - ✓ Organizing WFH environment (distribution of laptops, expanding functions of tablets)
- Various methods of non face-to-face information offering
  - ✓ Driving usage of electronic delivery service (number of contracts per day increased by 5 times compared to last quarter)
  - ✓ Online seminars, video contents, e-mail contents for customers
  - ✓ Construction of marketing structure by using call centers

## Employees

- To ensure employees and their families health, WFH, split operations, staggered working hours, and distribution of face masks were conducted
- Organization of infrastructure based on online/ phone communications and WFH (device fulfillment, enhancement of networking systems, office layout change)
- Consultation counter for mental/physical care by industrial physician were installed
- Training of new employees were conducted online
- To prevent employees temperature from rising due to ventilation of offices and wearing face masks, ease of dress code were made

## Society

- Donation of JPY1.5 billion to medical institutions and art promotions as SMBC Group
- JPY 15 million were solicited from SMBC Group employees with SMBC Group matching those donations. It will be donated to 13 entities, including non-profit organizations.
- Donation of face masks to medical institutions and local government

# Summary of business results for 1Q of the FY ending Mar. 2021

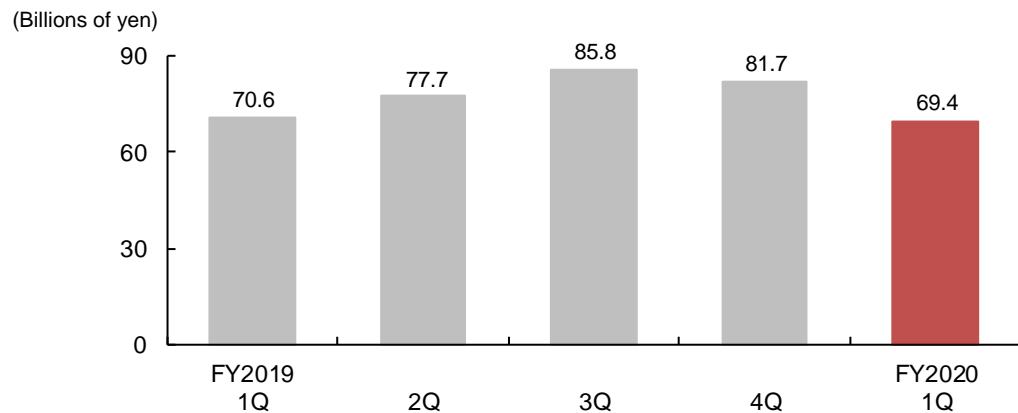
Q on Q	<ul style="list-style-type: none"> <li>■ <b>Net Operating Revenue : ¥ 69.4 B (-15% Q on Q), Ordinary Profit : ¥ 7.5 B (-43%), Profit (*) : ¥ 6.4 B (-44%)</b> Under state of emergency, which was issued to prevent the spread of COVID-19, smaller sales activities lead to a decrease in profit compared to last quarter.</li> <li>■ SG&amp;A was ¥ 62.4 B (-13%).</li> </ul>
Y on Y	<ul style="list-style-type: none"> <li>■ <b>Net Operating Revenue : -2% Y on Y, Ordinary Profit : +17%, Profit (*) : +27%</b> Compared to last fiscal year with uncertainty caused from geopolitical risks, profit remained at a same level. On the other hand, expenses reduced due to smaller sales activities and restricted cost management. .</li> <li>■ SG&amp;A : -4%.</li> </ul>
Financial Conditions	<ul style="list-style-type: none"> <li>■ As of the end of Jun. 2020, total assets was ¥ 11.0 trillion, net assets was ¥ 851.7 B</li> <li>■ Capital adequacy ratio (non-consolidated) was 329%, reflecting a sound financial base of the company.</li> </ul>

Billions of Yen	FY2019		FY2020	Q on Q	Y on Y
	1Q	4Q	1Q		
Operating revenue	92.7	100.7	95.7	-5%	+3%
Net operating revenue	70.6	81.7	69.4	-15%	-2%
SG&A	65.3	71.6	62.4	-13%	-4%
Ordinary profit / loss	6.4	13.2	7.5	-43%	+17%
Profit before taxes	6.1	13.1	9.2	-30%	+50%
Profit / loss(*)	5.0	11.6	6.4	-44%	+27%
	Jun.-end '19	Mar.-end '20	Jun.-end '20	Q on Q	Y on Y
Total assets (Trillions of yen)	11.5	12.2	11.0	-1.2	-0.4
Total net assets (Billions of yen)	821.6	851.4	851.7	+0.2	+30.1

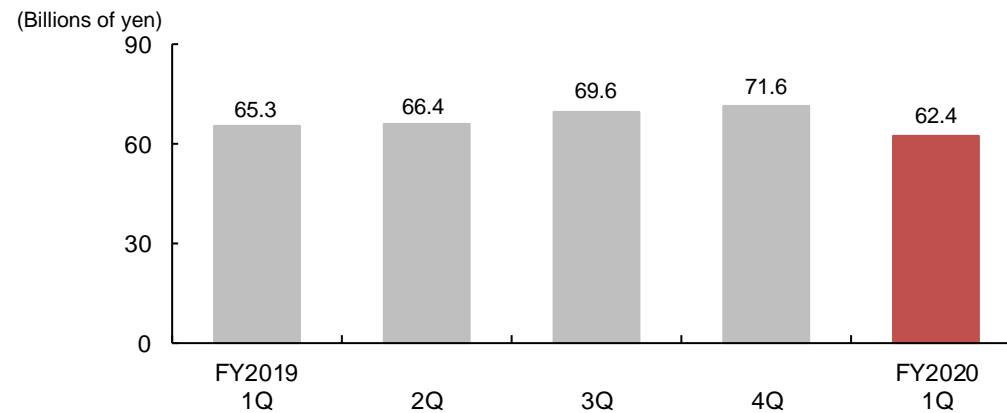
(\*) profit attributable to owners of parent

# Business Results (Quarterly Trend)

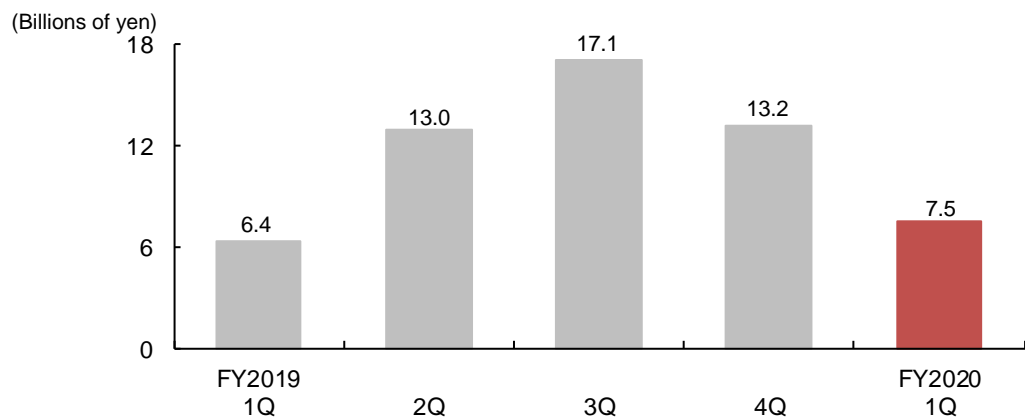
## Net Operating Revenue



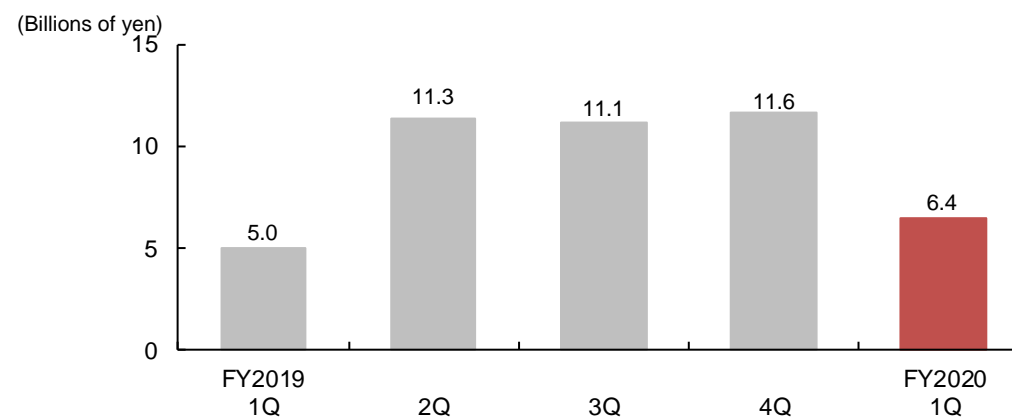
## SG&A



## Ordinary Profit



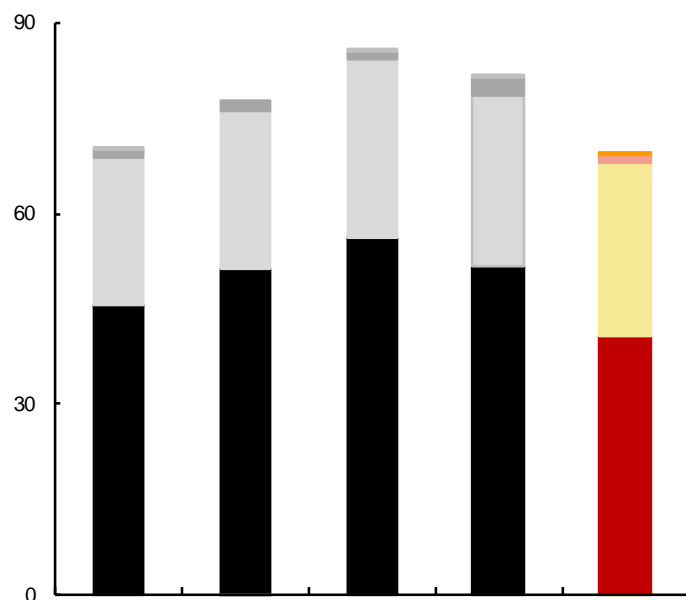
## Profit (\*)



(\*) profit attributable to owners of parent

# Net Operating Revenue

(Billions of yen) ■ Commission income ■ Net trading income ■ Net financial income ■ Gross profit (\*)



(Billions of yen)	FY2019 1Q	2Q	3Q	4Q	FY2020 1Q	Q on Q	Y on Y
Commission income	45.6	51.2	56.1	51.8	40.6	-22%	-11%
Net trading income	23.4	24.9	28.3	26.9	27.3	+2%	+17%
Net financial income	0.9	1.8	1.0	2.6	1.2	-53%	+31%
Gross profit (*)	0.6	-0.2	0.2	0.2	0.1	-54%	-81%
<b>Total</b>	<b>70.6</b>	<b>77.7</b>	<b>85.8</b>	<b>81.7</b>	<b>69.4</b>	<b>-15%</b>	<b>-2%</b>

## Q on Q

Although Net trading income increased, Commission income widely decreased, causing a total decrease in Net operating revenue.

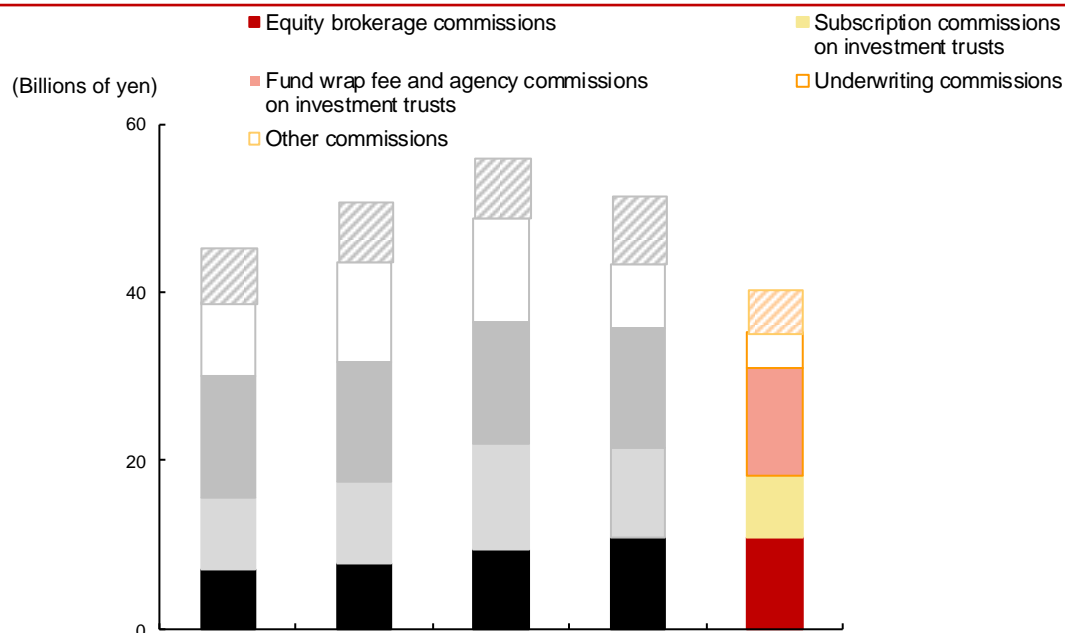
- ◇ Commission Income (Q on Q -11.2 B, -22%)
- ◇ Net Trading Income (Q on Q +0.4 B, +2%)
- ◇ Net Financial Income (Q on Q -1.4 B, -53%)

## Y on Y

Net trading income and Net financial income increased, however the decrease of Commission income led to a total decrease in Net operating revenue.

- ◇ Commission Income (Y on Y -5.0 B, -11%)
- ◇ Net Trading Income (Y on Y +3.9 B, +17%)
- ◇ Net Financial Income (Y on Y +0.3 B, +31%)

# Commission Income



(Billions of yen)

	FY2019 1Q	2Q	3Q	4Q	FY2020 1Q	Q on Q	Y on Y
Equity brokerage commissions	7.2	7.7	9.5	10.9	10.8	-1%	+50%
Subscription commissions on investment trusts	8.3	9.8	12.4	10.7	7.4	-31%	-11%
Fund wrap fee and agency commissions on investment trusts	14.5	14.3	14.6	14.2	12.7	-11%	-13%
Underwriting commissions	8.8	11.8	12.4	7.6	4.3	-43%	-50%
Other commissions	6.5	7.3	7.0	8.2	5.2	-36%	-20%
<b>Total</b>	<b>45.6</b>	<b>51.2</b>	<b>56.1</b>	<b>51.8</b>	<b>40.6</b>	<b>-22%</b>	<b>-11%</b>
Equity brokerage amount (*1)	8,119.1	8,469.6	9,865.9	10,620.2	10,230.3	-4%	+26%
TSE share (%)	2.41%	2.51%	2.76%	2.47%	2.54%	+0.07pt	+0.13pt
Retail market share (%) (*2)	4.59%	5.17%	5.35%	5.26%	4.60%	-0.67pt	+0.00pt
Sale of investment trusts(*3)	277.3	343.9	434.1	372.6	257.7	-31%	-7%
Client assets of investment trusts	10,257.4	10,485.6	10,862.8	9,431.7	10,062.5	+7%	-2%
Client assets of fund wrap	1,985.7	2,025.0	2,140.0	1,895.1	2,012.3	+6%	+1%

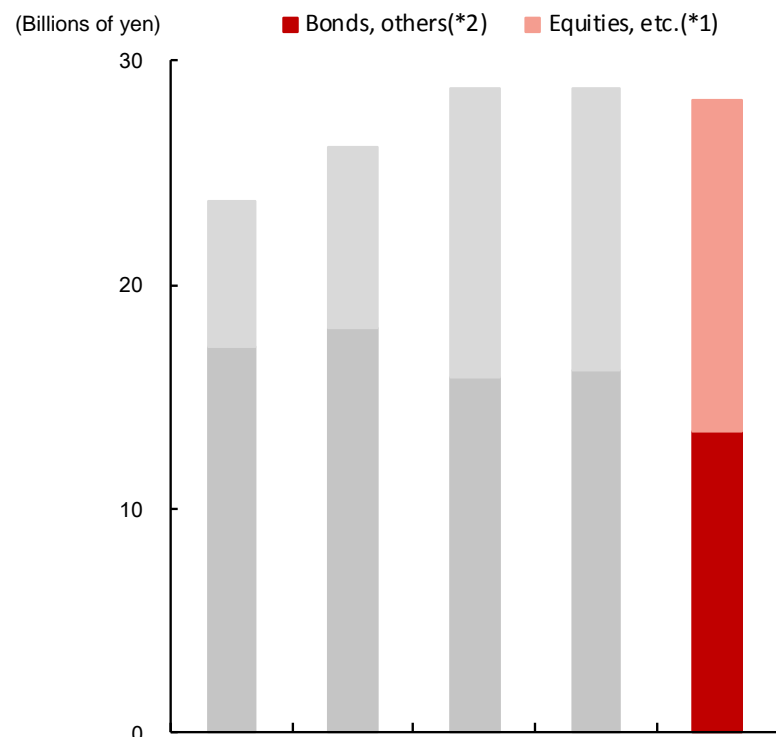
## Q on Q

- ◇ Equity Brokerage Commissions (Q on Q -0.1B, -1%)  
Continuous high volatility trade volume, led to maintaining the same level of commission income as last quarter.
- ◇ Subscription Commissions on Investment Trusts (Q on Q -3.3B, -31%)  
Due to restraint of face-to-face sales activities, both sales of products and commission income decreased.
- ◇ Underwriting Commissions (Q on Q -3.3 B, -43%)  
Commissions from underwriting of equities reduced, caused by a quiet primary market. From the late quarter, fundraising needs grew, activating underwriting of bonds, resulting as an increase in commission.

## Y on Y

- ◇ Equity Brokerage Commissions (Y on Y +3.6 B, +50%)  
Stock prices of Japan and US market showed a bullish tone, which led to an increase in both trade volume and equity brokerage commission.
- ◇ Subscription Commissions on Investment Trusts (Y on Y -0.9 B, -11%)  
Due to restrictions of face-to-face sales activities, sales of investment trusts as well as commissions decreased.
- ◇ Underwriting Commissions (Y on Y -4.5 B, -50%)  
Quiet primary market was the cause for the decrease.

# Net Trading Income (adjusted Net Financial Income)



(Billions of yen)

	FY2019 1Q	2Q	3Q	4Q	FY2020 1Q	Q on Q	Y on Y
Equities, etc.(*1)	6.5	8.0	12.9	12.6	14.8	+17%	2.3X
(dividend,etc)	(1.5)	(2.7)	(1.5)	(2.5)	(1.4)	(-42%)	(-2%)
Bonds, others(*2)	17.2	18.1	15.9	16.2	13.4	-17%	-22%
(interest)	(-1.2)	(-1.4)	(-0.9)	(-0.5)	(-0.5)	(-)	(-)
<b>Total(*3)</b>	<b>23.7</b>	<b>26.2</b>	<b>28.9</b>	<b>28.9</b>	<b>28.3</b>	<b>-2%</b>	<b>+19%</b>

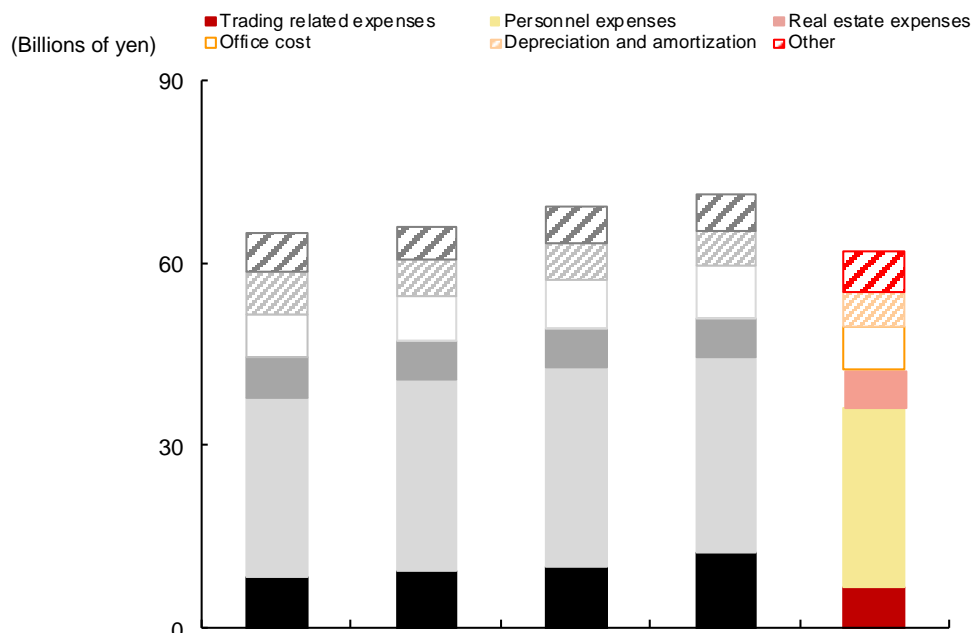
## Q on Q

- ◇ Equities, etc. (Q on Q +2.2B, +17%)  
Continuing on from the last quarter, OTC transaction of foreign equities has contributed to the profit gain.
- ◇ Bonds, others (Q on Q -2.8 B, -17%)  
COVID-19 impacted the activity of both retail and wholesale clients, which led to a decrease.

## Y on Y

- ◇ Equities, etc. (Y on Y +8.3 B, 2.3X)  
OTC transactions continuing to expand, caused the increase in income compared to last fiscal year.
- ◇ Bonds, others (Y on Y -3.8 B, -22%)  
COVID-19 impacted the activity of both retail and wholesale clients, which led to a decrease.





(Billions of yen)	FY2019 1Q	2Q	3Q	4Q	FY2020 1Q	Q on Q	Y on Y
Trading related expenses	8.6	9.7	10.3	12.6	6.8	-45%	-21%
Personnel expenses	29.4	31.2	32.8	32.0	29.4	-8%	-0%
Real estate expenses	6.7	6.4	6.4	6.6	6.3	-4%	-6%
Office cost	7.1	7.3	7.8	8.5	7.3	-14%	+3%
Depreciation and amortization	6.9	6.2	6.1	5.8	5.7	-2%	-18%
Other	6.3	5.3	5.9	5.9	6.6	+12%	+6%
<b>SG&amp;A</b>	<b>65.3</b>	<b>66.4</b>	<b>69.6</b>	<b>71.6</b>	<b>62.4</b>	<b>-13%</b>	<b>-4%</b>
<b>SG&amp;A / Net operating revenue</b>	<b>92%</b>	<b>85%</b>	<b>81%</b>	<b>88%</b>	<b>90%</b>	<b>+2pt</b>	<b>-2pt</b>

## Q on Q

- ◇ Trading Related Expenses (Q on Q -5.8B, -45%)  
The expense relative to transaction amount and business performance has decreased.
- ◇ Personnel Expenses (Q on Q -2.6 B, -8%)  
The expenses relative to business performance has decreased.

## Y on Y

- ◇ Trading Related Expenses (Y on Y -1.8 B, -21%)  
The expense relative to transaction amount and business performance has decreased.  
Due to smaller sales activities and restrained cost management, travel expenses and advertising expenses decreased.

# Balance Sheet / Capital Adequacy Ratio

(Billions of Yen)	Mar.20	Jun.20	Variance
<b>Current assets</b>	11,953.2	10,717.8	-1,235.4
Trading products	3,296.4	2,836.9	-459.4
Loans secured by securities	6,172.1	5,329.4	-842.7
Other current assets	2,484.6	2,551.4	+66.8
<b>Noncurrent assets</b>	323.7	337.8	+14.1
Tangible assets	30.3	30.3	-0.0
Intangible assets	67.9	67.2	-0.7
Investments and other assets	225.4	240.2	+14.8
<b>Total assets</b>	<b>12,276.9</b>	<b>11,055.7</b>	<b>-1,221.2</b>
<b>Current liabilities</b>	10,866.5	9,685.4	-1,181.0
Trading products	2,687.7	2,237.0	-450.7
Loans payable secured by securities	5,560.9	4,686.1	-874.7
Short-term loans payable / Commercial papers	1,475.5	1,709.4	+233.9
Other current liabilities	1,142.2	1,052.8	-89.4
<b>Noncurrent liabilities / Reserves under the special laws</b>	558.9	518.4	-40.4
<b>Total liabilities</b>	<b>11,425.4</b>	<b>10,203.9</b>	<b>-1,221.5</b>
<b>Total net assets</b>	<b>851.4</b>	<b>851.7</b>	<b>+0.2</b>
<b>Total liabilities and net assets</b>	<b>12,276.9</b>	<b>11,055.7</b>	<b>-1,221.2</b>

【non-consolidated】

(Billions of Yen)	Mar.20	Jun.20	Variance
<b>Basic items</b>	757.3	765.7	+8.4
<b>Supplementary items</b>	37.4	48.3	+10.8
<b>Deductible assets</b>	203.2	216.7	+13.4
<b>Net capital</b>	591.5	597.4	+5.8
<b>Risk total</b>	185.5	181.5	-4.0
Market Risk	51.4	57.4	+5.9
Counterparty Risk	58.7	46.8	-11.9
Basic Risk	75.2	77.2	+1.9
<b>Capital Adequacy Ratio</b>	<b>319%</b>	<b>329%</b>	<b>+10 pt</b>

【non-consolidated】

Credit ratings on Long Term (as of July 29, 2020)

Moody's	S&P	R&I	JCR
A1	A	AA-	AA
[ Stable ]	[ Stable ]	[ Stable ]	[ Stable ]

# League Tables

## Global Equity & Equity-Related-Japan (\*1) Apr. 2020 - Jun. 2020

Rank	Book runner	Amount (bill of yen)	Mkt.Share (%)
1	Credit Suisse	158.4	37.8%
1	Goldman Sachs	158.4	37.8%
3	Mizuho	29.4	7.0%
4	BofA Securities	24.3	5.8%
6	SMBC Nikko	11.0	2.6%

## IPO (\*2) Apr. 2020 - Jun. 2020 【non-consolidated】

【Based on Deals】			【Based on Underwriting Amounts】		
Rank	Lead Manager	No. Deals	Rank	Underwriting Amount	Amount (bill of yen)
1	Nomura	3	1	Mizuho	3.7
2	Daiwa	2	2	Nomura	2.3
3	SMBC Nikko	1	3	Daiwa	1.5
3	Mizuho	1	4	Credit Suisse	1.0
-	-	-	6	SMBC Nikko	0.3

## All Bonds in Yen (\*3) Apr. 2020 - Jun. 2020 【non-consolidated】

Rank	Manager	Amount (bill of yen)	Mkt.Share (%)
1	Nomura	1,454.8	22.9%
2	Daiwa	1,244.6	19.6%
3	Mitsubishi UFJ Morgan Stanley	1,170.8	18.4%
4	Mizuho	1,168.0	18.4%
5	SMBC Nikko	916.6	14.4%

## Financial Advisory (\*4) Apr. 2020 - Jun. 2020

【Based on Deals】			【Based on Deal Size】		
Rank	Advisor	No. Deals	Rank	Advisor	Deal size (bill of yen)
1	Sumitomo Mitsui Financial Group	25	1	Morgan Stanley	1,078.5
2	Kaede Group	20	2	Deloitte	645.4
3	Deloitte	18	3	Nomura	425.0
4	Nomura	15	4	Plutus Consulting Co Ltd	407.2
5	KPMG	13	7	Sumitomo Mitsui Financial Group	225.5

(\*1) Source: prepared by SMBC Nikko based on the information published by REFINITIV (including oversea entities)

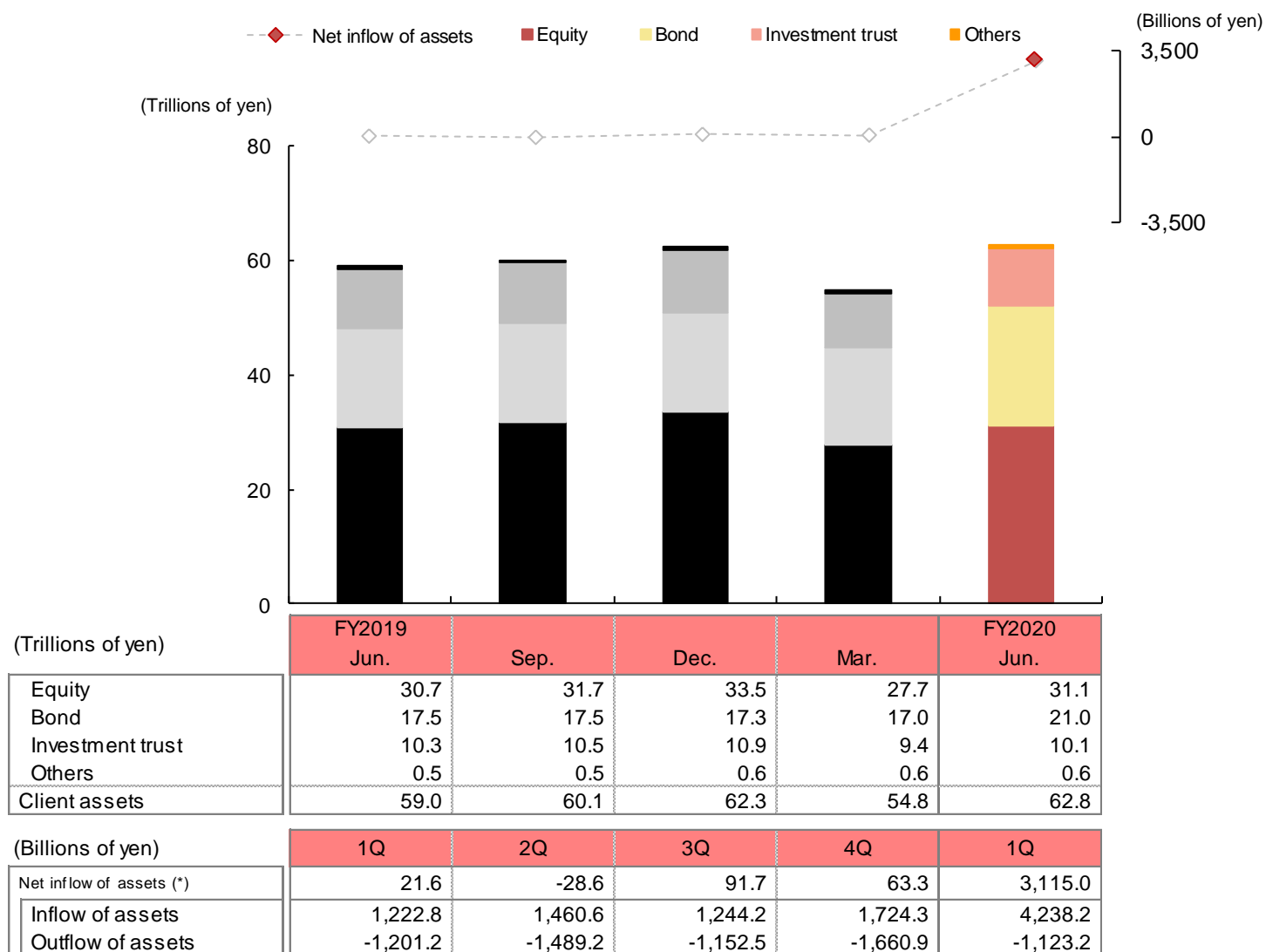
(\*2) Source: prepared by SMBC Nikko based on the information published by REFINITIV (only the deals listed on the Japanese stock market)

(\*3) Source: prepared by SMBC Nikko based on the information published by REFINITIV (corporate bonds, FILP agency/municipality bonds(proportional shares as lead manager),samurai bonds)

(\*4) Source: REFINITIV, M&A announced deals with any Japanese involvement

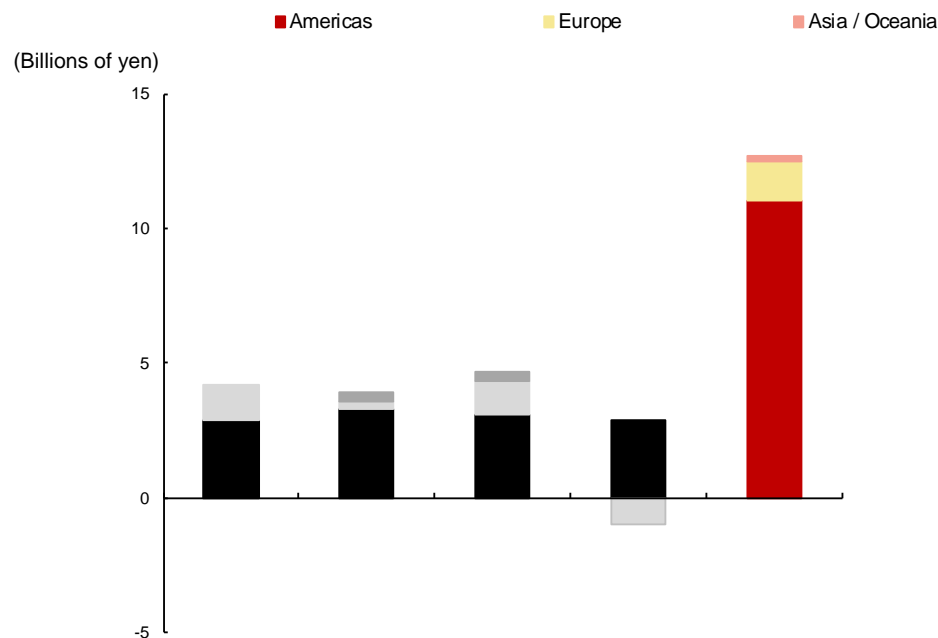
# Client Assets / Net Inflow of Assets

【non-consolidated】



(\*) Sum of Net inflow of assets of the sales division (including Public Institutions Divisions and etc.)

# Profit of Overseas Offices (Based on Management Accounting)



(Billions of yen)	FY2019 1Q	2Q	3Q	4Q	FY2020 1Q	Q on Q	Y on Y
Americas	2.9	3.3	3.1	2.9	11.0	3.8X	3.7X
Europe	1.3	0.3	1.2	-1.0	1.5	-	+14%
Asia / Oceania	0.0	0.3	0.4	0.0	0.2	2.4X	3.5X
<b>Overseas Offices Total(*)</b>	<b>4.4</b>	<b>4.0</b>	<b>4.8</b>	<b>1.9</b>	<b>12.8</b>	<b>6.5X</b>	<b>2.9X</b>

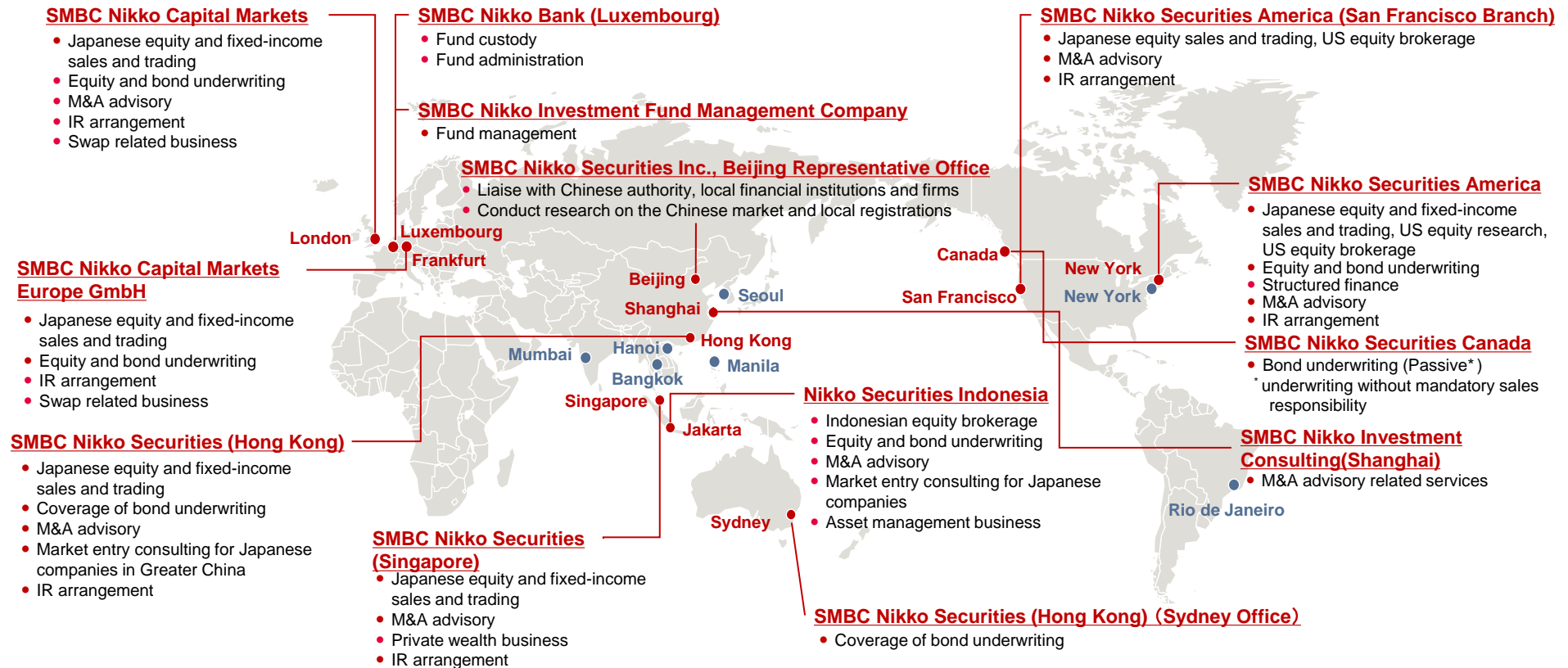
## Q on Q

- ◇ Overseas Offices Profit (Q on Q +10.9 B, 6.5X)  
Capturing fundraising needs under COVID-19 circumstances, DCM business has steadily grown. This quarter has recorded the highest profit for America on a quarterly basis.  
In Europe, FIST business was profitable, resulting as a surplus.
- ◇ Total Profit (SMBC Nikko and Overseas Offices)  
Net operating revenue 88.4B (Q on Q -2.7B, -3%)  
Ordinary profit 17.9B (+4.1B, +30%)

## Y on Y

- ◇ Overseas Offices Profit (Y on Y +8.4 B, 2.9X)  
Capturing fundraising needs under COVID-19 circumstances, DCM business has steadily grown. This quarter has recorded the highest profit for America on a quarterly basis.
- ◇ Total Profit (SMBC Nikko and Overseas Offices)  
Net operating revenue (Y on Y +7.6B, +9%)  
Ordinary profit (+9.1B, 2.0X)  
Working on solution proposals as SMBC group, led to acquisition of projects and huge profit increase on management accounting basis.

# Overseas Network



## Business Partners (Asia)

- KB Securities (Seoul)**
  - Alliance in M&A advisory, DCM and IPO business
- First Metro Securities (Manila)**
  - Alliance in M&A advisory and DCM business
- Petro Vietnam Securities (Hanoi)**
  - Market entry consulting for Japanese companies in Vietnam
- Phatra Securities (Bangkok)**
  - Alliance in M&A advisory and DCM/ECM business
- Kotak Mahindra Capital Company (Mumbai)**
  - Alliance in M&A advisory

## Business Partners (Americas)

- Citigroup (New York)**
  - Collaboration in various business worldwide
- Moelis & Company (New York)**
  - Alliance in M&A advisory
- BTG Pactual (Rio de Janeiro)**
  - Alliance in M&A advisory

- SMBC Nikko Group Company
- SMBC Nikko Business Partner

# Reference Data

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# Consolidated Business Results (Quarterly Trend)

(Millions of yen)	FY2019				FY2020
	1Q	2Q	3Q	4Q	1Q
Operating revenue	92,780	96,480	108,757	100,731	95,718
Commissions received	45,619	51,282	56,115	51,898	40,679
Commissions to consignees	7,859	8,495	10,042	11,923	11,854
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	8,821	11,870	12,479	7,695	4,394
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	9,157	11,073	13,650	12,119	7,549
Other fees received	19,780	19,843	19,942	20,160	16,879
Net trading income	23,464	24,912	28,395	26,924	27,381
Equities	5,031	5,285	11,464	10,109	13,343
Bonds / Others	18,433	19,626	16,930	16,815	14,038
Financial revenue	21,199	18,085	22,511	20,083	25,672
Other sales	2,497	2,200	1,735	1,825	1,985
Financial expenses	20,255	16,263	21,428	17,469	24,434
Cost of other sales	1,843	2,432	1,477	1,550	1,858
Net operating revenue	70,681	77,784	85,850	81,711	69,425
SG&A	65,344	66,429	69,624	71,624	62,457
Operating profit / loss	5,336	11,354	16,226	10,087	6,968
Ordinary profit / loss	6,469	13,019	17,127	13,232	7,542
Extraordinary income / losses	-321	1,181	-129	-118	1,659
Profit before income taxes	6,148	14,200	16,998	13,113	9,202
Income taxes	1,058	2,828	5,816	1,507	2,663
Profit / loss	5,089	11,371	11,181	11,606	6,538
Profit attributable to owners of parent	5,094	11,363	11,195	11,629	6,472



# Non-consolidated Business Results (Quarterly Trend)

(Millions of yen)	FY2019				FY2020
	1Q	2Q	3Q	4Q	1Q
Operating revenue	87,482	91,164	103,339	96,031	90,175
Commissions received	43,170	48,493	52,729	49,306	37,357
Commissions to consignees	7,168	7,754	9,316	11,449	11,179
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	8,488	11,432	11,714	7,338	3,467
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	9,129	11,056	13,618	12,076	7,467
Other fees received	18,384	18,249	18,080	18,442	15,242
Net trading income	23,464	24,912	28,395	26,867	27,227
Equities	5,031	5,285	11,464	10,052	13,188
Bonds / Others	18,433	19,626	16,930	16,815	14,038
Financial revenue	20,847	17,759	22,214	19,857	25,590
Financial expenses	20,000	16,066	21,284	17,340	24,401
Net operating revenue	67,482	75,097	82,054	78,691	65,773
SG&A	63,653	65,423	66,869	68,372	60,508
Operating profit / loss	3,828	9,673	15,185	10,319	5,265
Ordinary profit / loss	4,757	10,663	15,357	11,842	5,674
Extraordinary income / losses	-240	296	-244	-540	8,504
Profit before income taxes	4,516	10,959	15,113	11,302	14,178
Income taxes	568	2,269	5,388	1,497	2,345
Profit / loss	3,947	8,689	9,725	9,804	11,833

# Operational Indicators -1

【non-consolidated】

## ◇ Sales of Products

(Billions of yen)

	FY2019				FY2020
	1Q	2Q	3Q	4Q	1Q
Investment trusts	533.9	689.3	682.4	719.0	460.4
(Equity investment trusts)	( 377.4 )	( 484.1 )	( 494.6 )	( 498.9 )	( 337.3 )
(Foreign registered investment trusts)	( 115.8 )	( 160.8 )	( 151.4 )	( 217.8 )	( 90.8 )
Fund wrap	69.4	61.4	93.6	58.7	26.2
Foreign bonds (*1)	672.5	477.5	645.4	603.1	424.1
(Foreign currency bonds)	( 222.7 )	( 228.3 )	( 179.0 )	( 200.8 )	( 112.4 )
Domestic bonds	1,105.2	1,652.0	1,377.3	1,008.1	887.0
(Retail target JGBs)	( 175.9 )	( 289.4 )	( 271.6 )	( 324.8 )	( 1.7 )
Public offering	66.6	92.4	116.4	73.4	0.4
Annuity / insurance	39.6	30.7	29.9	18.3	6.1
Total	2,487.1	3,003.4	2,945.1	2,480.7	1,804.1

(\*1) Foreign bonds sales include already-issued bonds and yen-denominated foreign bonds.

## ◇ Market Share

	FY2019				FY2020
	1Q	2Q	3Q	4Q	1Q
ECM Global Equity (*2)	10.7%	15.4%	18.4%	19.8%	2.6%
DCM All Bonds in Yen (*3)	18.7%	19.3%	18.8%	18.8%	14.4%
M&A Japan related (*4)	11.2%	17.9%	14.8%	8.4%	8.2%

(\*2) Global Equity & Equity-Related-Japan : Book runner

(\*3) All Bonds in Yen, Lead manager

(\*4) Any Japanese involvement announced : Rank value

Source: prepared by SMBC Nikko based on the information published by REFINITIV

Source: prepared by SMBC Nikko based on the information published by REFINITIV

Source: prepared by REFINITIV

## ◇ Direct Channel Ratio (\*1)

	FY2019				FY2020
	1Q	2Q	3Q	4Q	1Q
Based on number of transaction	91.9%	91.8%	89.8%	91.2%	84.4%
(Nikko EZ Trade)	( 88.9%)	( 89.1%)	( 86.7%)	( 88.3%)	( 82.2%)
Based on commissions	26.3%	24.1%	23.2%	24.9%	18.5%
(Nikko EZ trade)	( 16.1%)	( 15.1%)	( 14.8%)	( 16.0%)	( 12.9%)

(\*1) Percentage of transactions via non-face-to-face channels in equities & CBs (brokerage & subscription) with individual clients.

## ◇ Brokerage Commissions Rate (\*2)

(Billions of yen)	FY2019				FY2020
	1Q	2Q	3Q	4Q	1Q
Equity brokerage amount	8,119.1	8,469.6	9,865.9	10,620.2	10,230.3
Equity brokerage commissions (*3)	7.2	7.7	9.5	10.9	10.8
Equity commissions rate	8.1bp	8.4bp	9.0bp	9.5bp	10.0bp

(\*2) "Equity brokerage amount" and "Equity commissions rate" in the table represent the total of cash and margin transactions.

(\*3) on a consolidated basis

# Operational Indicators -3

## ◇ Number of Accounts

(Thousands of accounts)	FY2019				FY2020
	Jun.19	Sep.19	Dec.19	Mar.20	Jun.20
	Total accounts	3,433	3,449	3,455	3,453
Cash management accounts	2,936	2,949	2,959	2,974	3,007
Newly opened accounts	30	31	28	39	39

【non-consolidated】

## ◇ Number of Branches

Branches	FY2019				FY2020
	Jun.19	Sep.19	Dec.19	Mar.20	Jun.20
	142	143	144	141	141

【non-consolidated】

## ◇ Number of Employees

Employees	FY2019				FY2020
	Jun.19	Sep.19	Dec.19	Mar.20	Jun.20
	12,119	11,917	11,742	11,484	11,833
Number of employees in overseas offices	770	791	795	802	814

(\*)Overseas offices total is defined as the total of:

- ✓ Employees of consolidated subsidiaries which are SMBC Nikko Securities (Hong Kong), SMBC Nikko Securities (Singapore), SMBC Nikko Capital Markets Europe, SMBC Nikko Investment Consulting (Shanghai), SMBC Nikko Bank (Luxembourg) and SMBC Nikko Investment Fund Management Company.
- ✓ Employees of affiliated companies which are Securities Product Group of SMBC Nikko Capital Markets and SMBC Nikko Securities America.

# Business collaboration with Sumitomo Mitsui Banking Corporation

【non-consolidated】

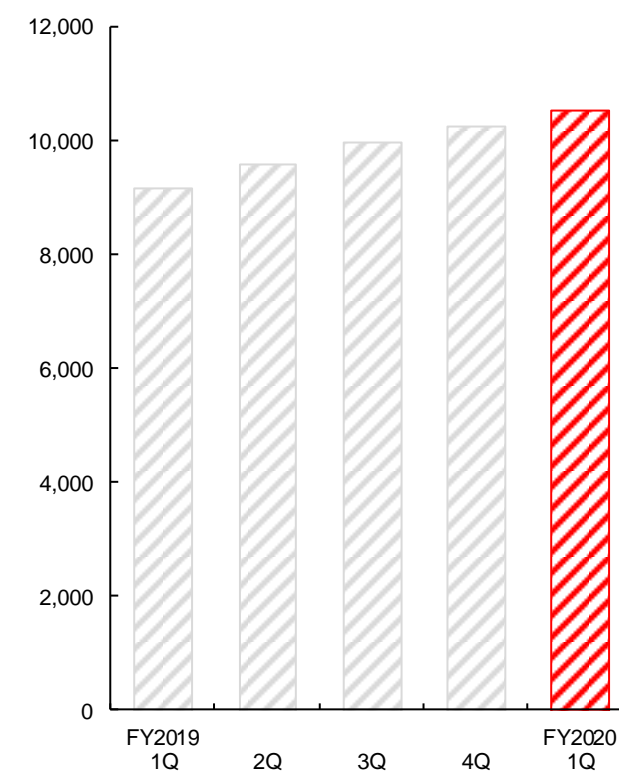
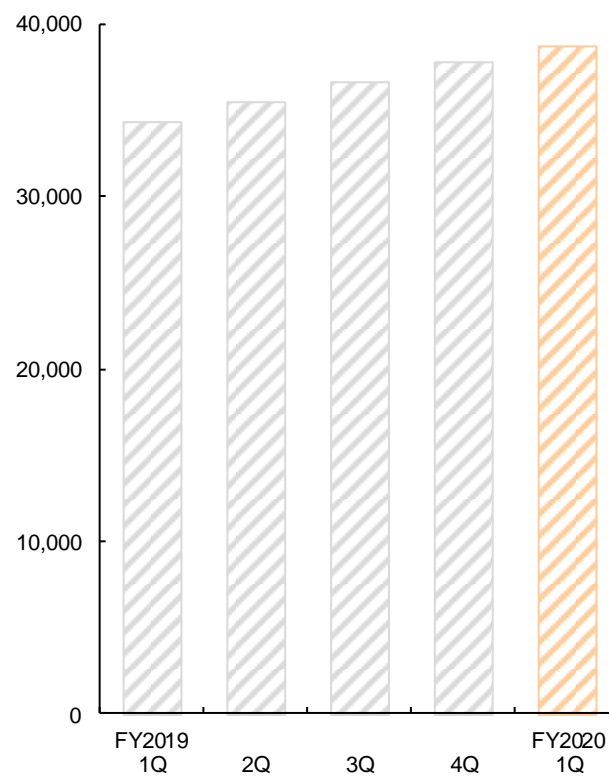
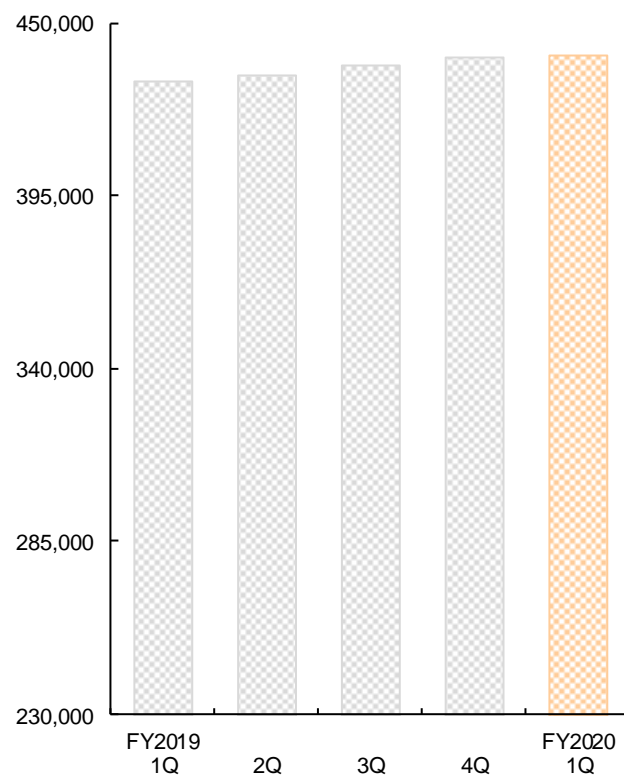
## Asset management (Referral service and financial products intermediary service (\*1))

## Investment banking (Referral service)

Individual customer (No. of accounts) (\*2)

Corporate clients (No. of deals) (\*3)

Corporate clients (No. of deals)



Note) No. of accounts shows the number of the accounts existed at the end of respective quarters. No. of deals shows accumulated acquired deals in either asset management or investment banking since its inception.

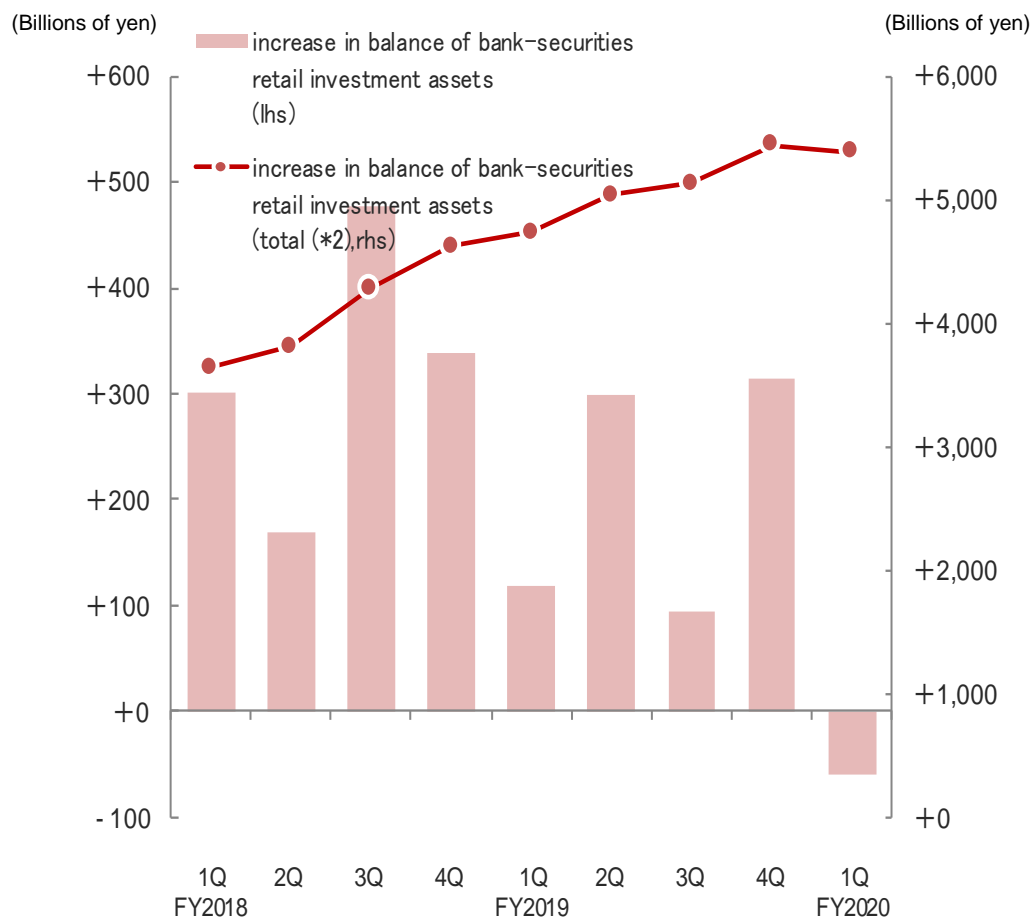
(\*1) Financial products intermediary services by SMBC: SMBC Nikko commissions SMBC to solicit and intermediate securities transactions to customers.

(\*2) The number of accounts at the end of each quarter with regards to individual customer who either was referred by SMBC to SMBC Nikko or opened an account with SMBC Nikko via SMBC's financial products intermediary service.

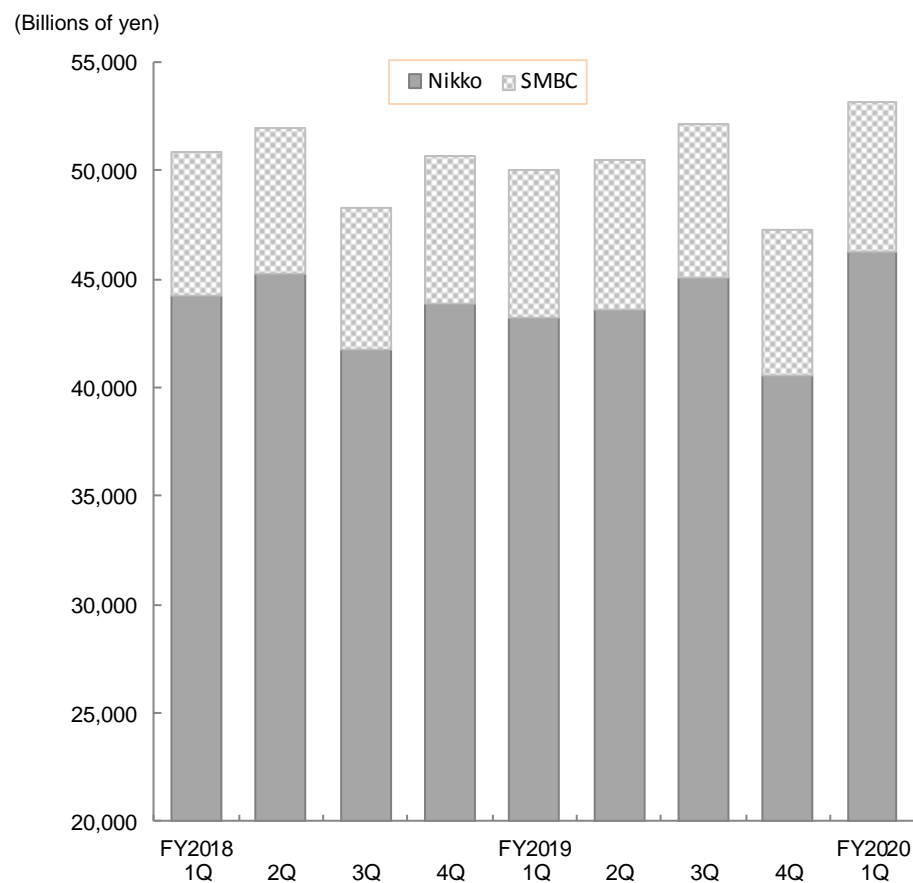
(\*3) The number of the accumulated acquired deals on asset management with corporate clients via SMBC's referral services and financial products intermediary services on behalf of SMBC Nikko since the inception of respective services.

# Sum of bank-securities retail investment assets

Increase in balance of bank-securities retail investment assets (\*1)



Balance of bank-securities retail investment assets (\*3)



(\*1) Sum of retail investment assets (foreign deposit, investment trusts, single premium life insurance) change of SMBC and investment assets (net inflow of assets) change at the sales division (retail) of Nikko  
 (\*2) cumulative amount since FY 2013 1Q  
 (\*3) Sum of retail investment assets (foreign deposit, investment trusts, single premium life insurance) of SMBC and investment assets (client assets) at the sales division (including Public Institutions Divisions and etc.) of Nikko



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