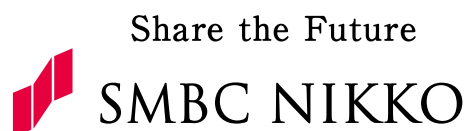


# Earnings Announcement for the Second Quarter of FY2020 ending March 31, 2021 (JGAAP)

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SMBC Nikko Securities Inc.

October 30, 2020



	[ Reference Data ]	
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The information contained in this document is based on data available as of October 30, 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 (October 30, 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.

# Summary of business results for the 2Q of the FY ending Mar. 2021

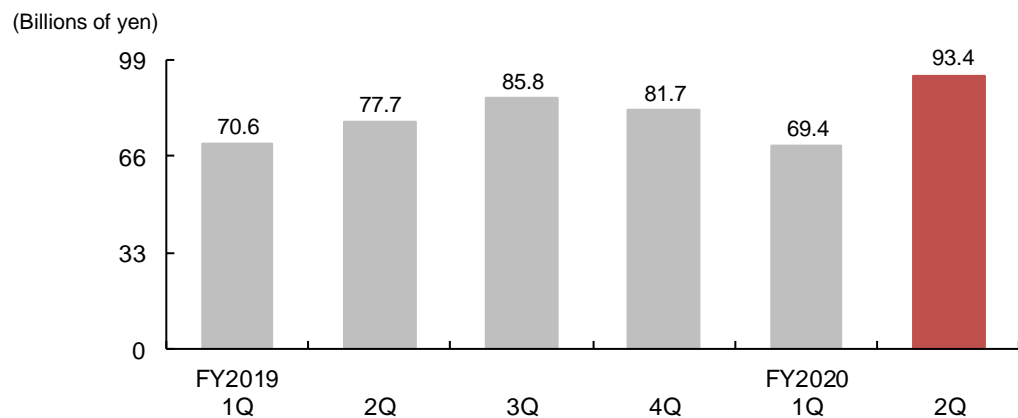
FY ending Mar.2021 2Q	<ul style="list-style-type: none"> <li>■ <b>Net Operating Revenue : ¥ 93.4 B (+35% Q on Q), Ordinary Profit : ¥ 28.3 B (3.8X), Profit (*) : ¥ 21.7 B (3.4X)</b> Resumes of sales activities and start of portfolio proposal led to increase in subscription commission in investment trusts and US equity trading. In addition, we managed to engage in large deals in underwriting of equities.</li> <li>■ SG&amp;A was ¥ 68.0 B (+9%).</li> </ul>
6 months to Sep.30 2020	<ul style="list-style-type: none"> <li>■ <b>Net Operating Revenue : ¥ 162.8 B (+10% Y on Y), Ordinary Profit : ¥ 35.9 B (+84%), Profit (*) : ¥ 28.2 B (+71%)</b> Compared to last fiscal year with uncertainty caused from geopolitical risks, Net operating revenue increased. Expenses reduced due to restricted cost management taken throughout the period.</li> <li>■ SG&amp;A was ¥ 130.5 B (-1%).</li> </ul>
Financial Conditions	<ul style="list-style-type: none"> <li>■ As of the end of Sep. 2020, total assets was ¥ 11.2 trillion, net assets was ¥ 880.9 B</li> <li>■ Capital adequacy ratio (non-consolidated) was 315%, reflecting a sound financial base of the company.</li> </ul>

Billions of Yen	FY2020		Q on Q	6 months to Sep. 30 2019	6 months to Sep. 30 2020	Y on Y
	1Q	2Q				
Operating revenue	95.7	109.9	+15%	189.2	205.6	+9%
Net operating revenue	69.4	93.4	+35%	148.4	162.8	+10%
SG&A	62.4	68.0	+9%	131.7	130.5	-1%
Ordinary profit / loss	7.5	28.3	3.8x	19.4	35.9	+84%
Profit before taxes	9.2	28.4	3.1x	20.3	37.7	+85%
Profit / loss(*)	6.4	21.7	3.4x	16.4	28.2	+71%
	Mar.-end '20	Sep.-end '20	From Mar.-end '20	Sep.-end '19	Sep.-end '20	Y on Y
Total assets (Trillions of yen)	12.2	11.2	-1.0	12.7	11.2	-1.4
Total net assets (Billions of yen)	851.4	880.9	+29.5	830.2	880.9	+50.7

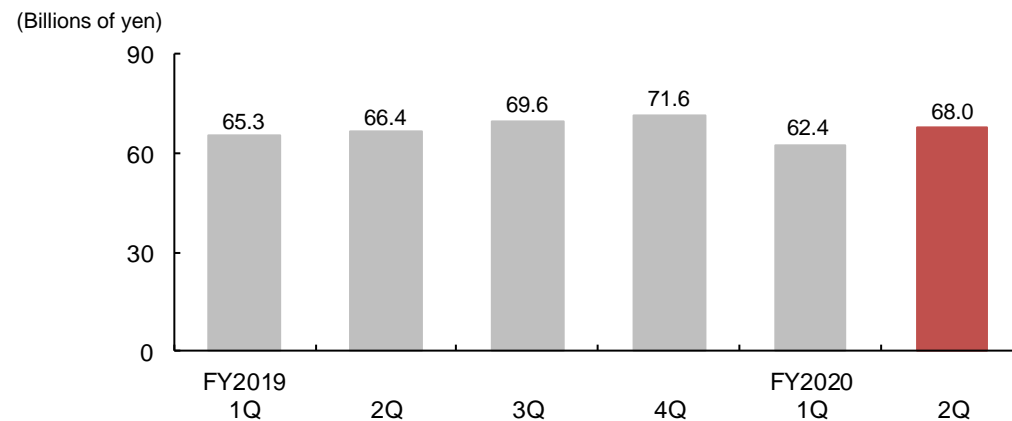
(\*) profit attributable to owners of parent

# Business Results (Quarterly Trend)

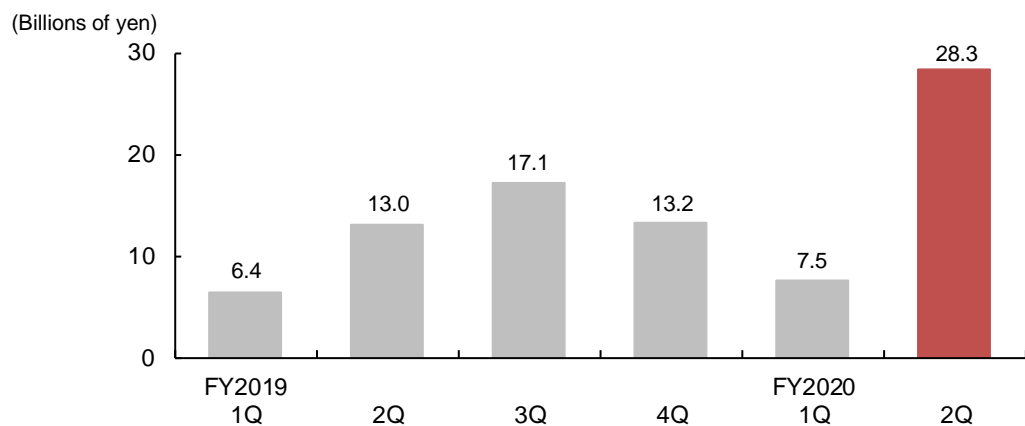
## Net Operating Revenue



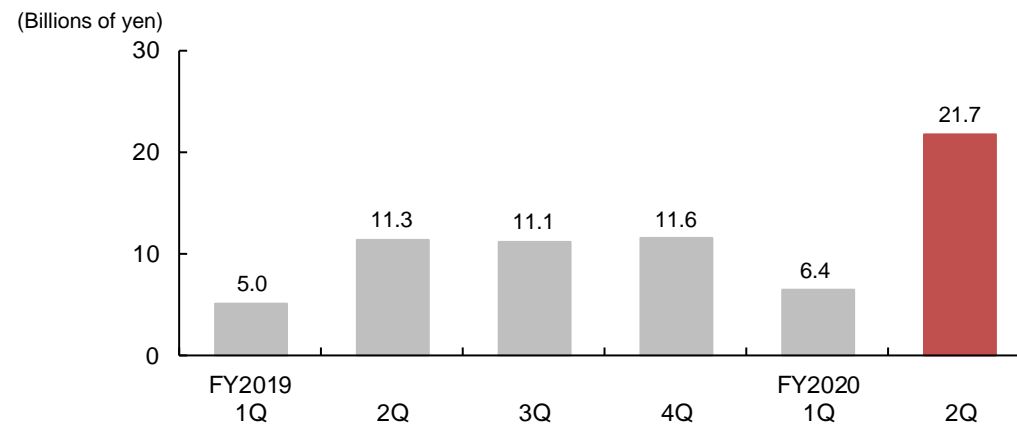
## SG&A



## Ordinary Profit



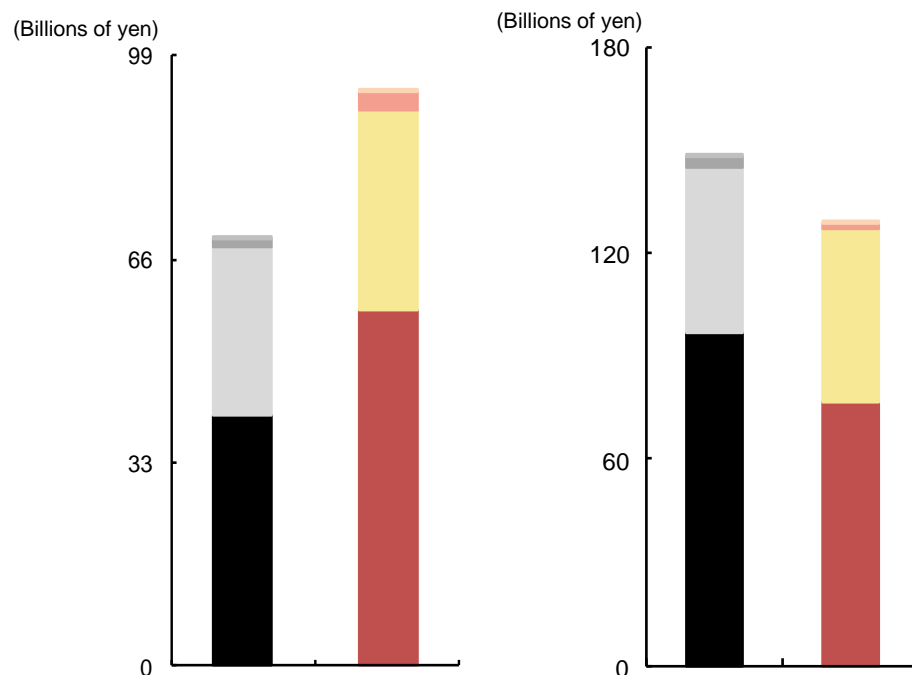
## Profit (\*)



(\*) profit attributable to owners of parent

# Net Operating Revenue

■ Commission income   ■ Net trading income   ■ Net financial income   ■ Net sales (\*)



	FY2020 1Q	2Q	Q on Q	6 months to Sep. 30 2019	6 months to Sep. 30 2020	Y on Y
Commission income	40.6	57.6	+42%	96.9	98.2	+1%
Net trading income	27.3	32.7	+20%	48.3	60.1	+24%
Net financial income	1.2	2.9	2.4X	2.7	4.1	+51%
Net sales (*)	0.1	0.1	+6%	0.4	0.2	-38%
<b>Total</b>	<b>69.4</b>	<b>93.4</b>	<b>+35%</b>	<b>148.4</b>	<b>162.8</b>	<b>+10%</b>

## Q on Q

In all incomes profit increased.

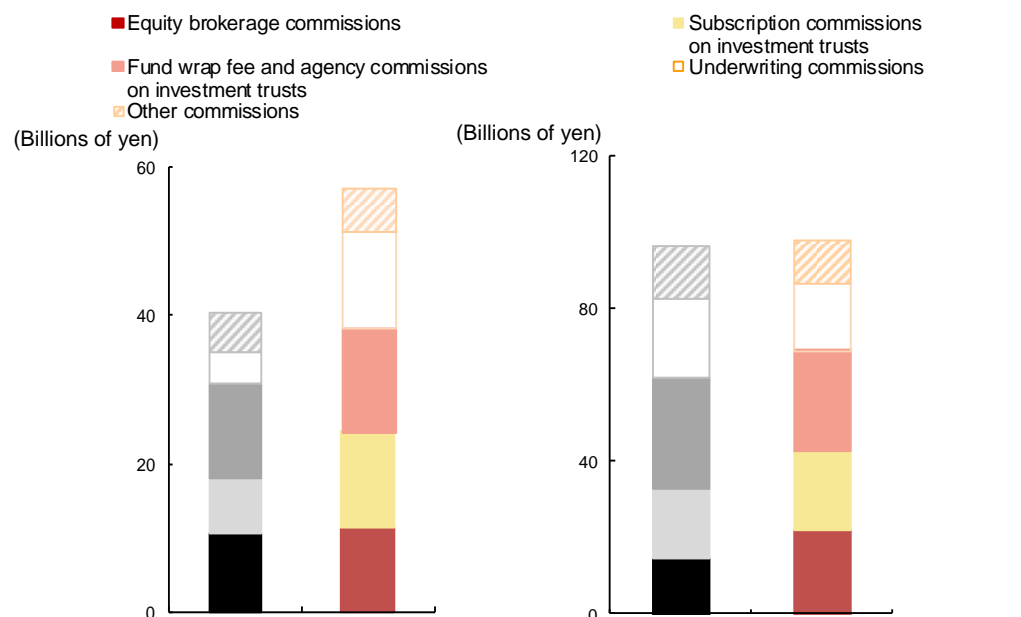
- ◇ Commission Income (Q on Q +17.0 B, +42%)
- ◇ Net Trading Income (Q on Q +5.4 B, +20%)
- ◇ Net Financial Income (Q on Q +1.7 B, 2.4X)

## Y on Y

Except the Net sales, all incomes increased compared to last fiscal year, leading to a gain in Net operating revenue.

- ◇ Commission Income (Y on Y +1.3 B, +1%)
- ◇ Net Trading Income (Y on Y +11.8 B, +24%)
- ◇ Net Financial Income (Y on Y +1.4 B, +51%)

# Commission Income



(Billions of yen)

	FY2020 1Q	2Q	Q on Q	6 months to Sep. 30 2019	6 months to Sep. 30 2020	Y on Y
Equity brokerage commissions	10.8	11.3	+4%	15.0	22.1	+48%
Subscription commissions on investment trusts	7.4	13.1	+77%	18.2	20.6	+13%
Fund wrap fee and agency commissions on investment trusts	12.7	13.9	+10%	28.9	26.6	-8%
Underwriting commissions	4.3	13.1	3.0X	20.6	17.5	-15%
Other commissions	5.2	6.0	+14%	13.9	11.2	-19%
<b>Total</b>	<b>40.6</b>	<b>57.6</b>	<b>+42%</b>	<b>96.9</b>	<b>98.2</b>	<b>+1%</b>
Equity brokerage amount (*1)	10,230.3	9,615.8	-6%	16,588.7	19,846.1	+20%
TSE share (%)	2.54%	2.54%	-0.00pt	2.46%	2.54%	+0.08pt
Retail market share (%) (*2)	4.60%	5.25%	+0.66pt	4.87%	4.91%	+0.04pt
Sale of investment trusts(*3)	257.7	486.7	+89%	621.3	744.4	+20%
Client assets of investment trusts	10,062.5	10,385.9	+3%	10,485.6	10,385.9	-1%
Client assets of fund wrap	2,012.3	2,065.1	+3%	2,025.0	2,065.1	+2%

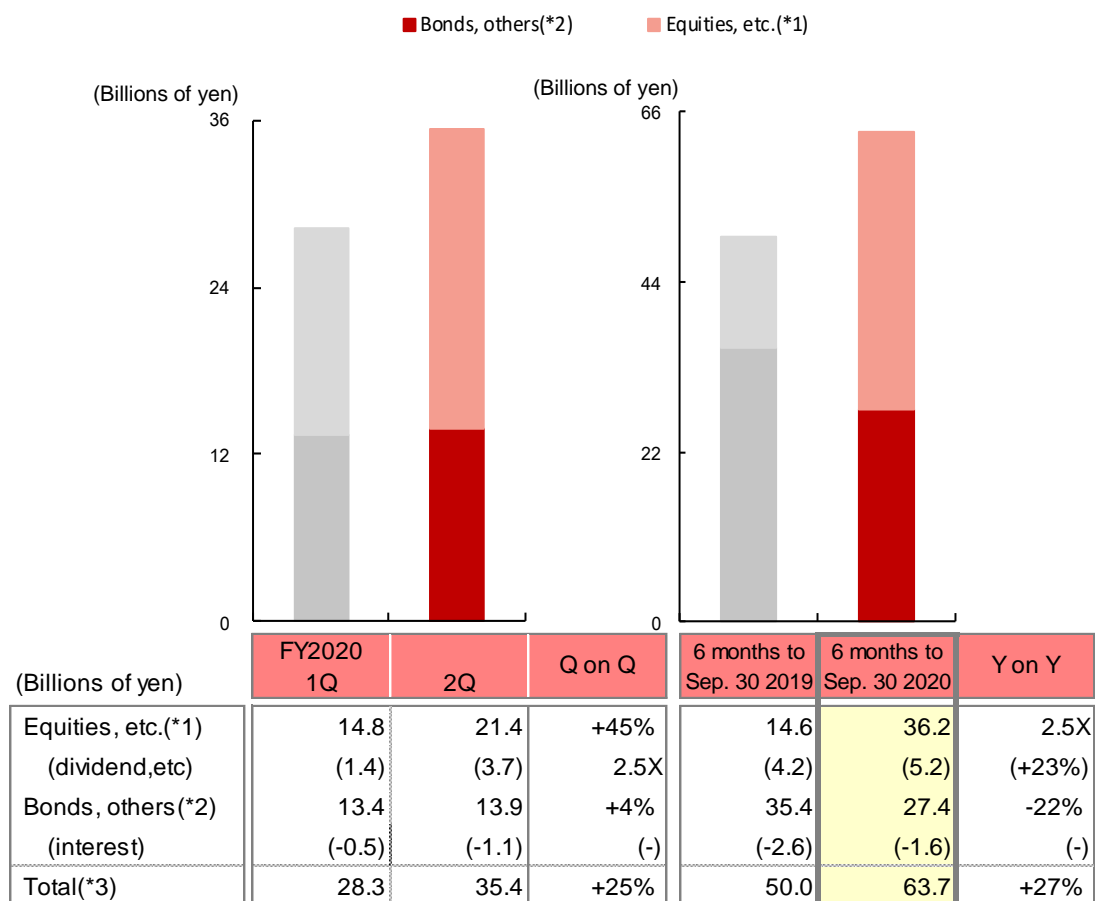
## Q on Q

- ◇ Equity Brokerage Commissions (Q on Q +0.5 B, +4%)  
Although the trading volume decreased, retail market share increased.
- ◇ Subscription Commissions on Investment Trusts (Q on Q +5.7 B, +77%)  
Resumes of sales activities and sales of investment trusts which captivated our customers needs impacted the profit.
- ◇ Underwriting Commissions (Q on Q +8.8 B, 3.0X)  
Managed to engage in several large deals in underwriting of equities. Continuous issuance needs for the purpose of securing cash on hand, led to high activity of bonds.

## Y on Y

- ◇ Equity Brokerage Commissions (Y on Y +7.1 B, +48%)  
Customers' investment minds recovered, which led to an increase in transaction amount. Ratio of retail customers also increased.
- ◇ Subscription Commissions on Investment Trusts (Y on Y +2.4 B, +13%)  
Compared to conscious market risks driven by geopolitical risks of last fiscal year, market environment improved.
- ◇ Underwriting Commissions (Y on Y -3.1 B, -15%)  
Due to spread of COVID-19, domestic primary market of equities was quiet. Also our underwriting of bonds was inactive.

# Net Trading Income (adjusted Net Financial Income)



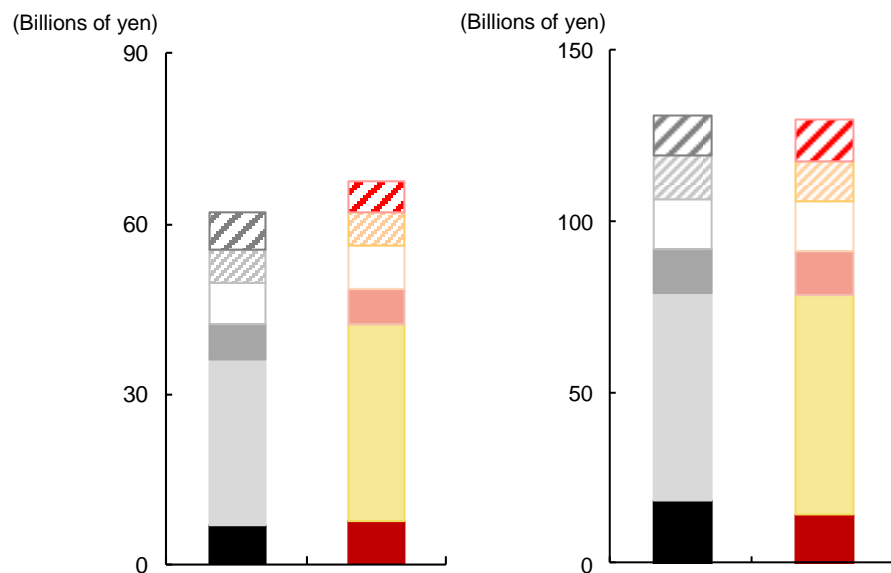
## Q on Q

- ◇ Equities, etc. (Q on Q +6.6 B, +45%)  
OTC transaction of foreign equities has marked its highest on quarterly basis.
- ◇ Bonds, others (Q on Q +0.5 B, +4%)  
Low activity of customers continued.

## Y on Y

- ◇ Equities, etc. (Y on Y +21.6 B, 2.5X)  
Expanding OTC transactions caused the large increase in income compared to last fiscal year.
- ◇ Bonds, others (Y on Y -8.0 B, -22%)  
COVID-19 impacted the activity of our customers.

■ Trading related expenses    ■ Personnel expenses    ■ Real estate expenses  
■ Office cost    ■ Depreciation and amortization    ■ Other



(Billions of yen)	FY2020 1Q	2Q	Q on Q	6 months to Sep. 30 2019	6 months to Sep. 30 2020	Y on Y
Trading related expenses	6.8	7.5	+10%	18.4	14.4	-22%
Personnel expenses	29.4	34.7	+18%	60.7	64.1	+6%
Real estate expenses	6.3	6.5	+3%	13.2	12.9	-2%
Office cost	7.3	7.6	+3%	14.4	14.9	+3%
Depreciation and amortization	5.7	5.8	+3%	13.1	11.5	-12%
Other	6.6	5.6	-15%	11.7	12.3	+6%
<b>SG&amp;A</b>	<b>62.4</b>	<b>68.0</b>	<b>+9%</b>	<b>131.7</b>	<b>130.5</b>	<b>-1%</b>
<b>SG&amp;A/ Net operating revenue</b>	<b>90%</b>	<b>73%</b>	<b>- 17pt</b>	<b>89%</b>	<b>80%</b>	<b>- 9pt</b>

## Q on Q

- ◇ Trading Related Expenses (Q on Q +0.7 B, +10%)  
The expense relative to transaction amount and business performance has risen.
- ◇ Personnel Expenses (Q on Q +5.3 B, +18%)  
The expenses relative to business performance has risen.

## Y on Y

- ◇ Trading Related Expenses (Y on Y -4.0 B, -22%)  
Due to continuous restrained cost management, travel expenses and advertising expenses decreased.
- ◇ Personnel Expenses (Y on Y +3.4 B, +6%)  
The expenses relative to business performance has risen.



# Balance Sheet / Capital Adequacy Ratio

(Billions of Yen)	Mar.20	Sep.20	Variance
Current assets	11,953.2	10,909.3	-1,043.8
Trading products	3,296.4	2,930.2	-366.1
Loans secured by securities	6,172.1	5,755.4	-416.7
Other current assets	2,484.6	2,223.6	-260.9
Noncurrent assets	323.7	350.5	+26.8
Tangible assets	30.3	30.5	+0.1
Intangible assets	67.9	67.6	-0.2
Investments and other assets	225.4	252.3	+26.9
<b>Total assets</b>	<b>12,276.9</b>	<b>11,259.9</b>	<b>-1,017.0</b>
Current liabilities	10,866.5	9,879.3	-987.1
Trading products	2,687.7	2,276.1	-411.6
Loans payable secured by securities	5,560.9	4,930.1	-630.8
Short-term loans payable / Commercial papers	1,475.5	1,523.0	+47.5
Other current liabilities	1,142.2	1,150.0	+7.7
Noncurrent liabilities / Reserves under the special laws	558.9	499.5	-59.4
<b>Total liabilities</b>	<b>11,425.4</b>	<b>10,378.9</b>	<b>-1,046.5</b>
<b>Total net assets</b>	<b>851.4</b>	<b>880.9</b>	<b>+29.5</b>
<b>Total liabilities and net assets</b>	<b>12,276.9</b>	<b>11,259.9</b>	<b>-1,017.0</b>

【non-consolidated】

(Billions of Yen)	Mar.20	Sep.20	Variance
Basic items	757.3	784.4	+27.0
Supplementary items	37.4	56.4	+18.9
Deductible assets	203.2	218.1	+14.8
Net capital	591.5	622.7	+31.1
Risk total	192.1	197.8	+5.7
Market Risk	51.4	61.3	+9.8
Counterparty Risk	65.3	57.8	-7.5
Basic Risk	75.2	78.7	+3.4
<b>Capital Adequacy Ratio</b>	<b>308%</b>	<b>315%</b>	<b>+7 pt</b>

【non-consolidated】

Credit ratings on Long Term (as of October 30, 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 - Sep. 2020

Rank	Book runner	Amount (bill of yen)	Mkt.Share (%)
1	SMBC Nikko	333.4	14.5%
2	Daiwa	304.2	13.2%
3	Nomura	301.4	13.1%
4	Mizuho	252.4	11.0%
5	Goldman Sachs	216.1	9.4%

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

【Based on Deals】			【Based on Underwriting Amounts】	
Rank	Lead Manager	No. Deals	Rank	Underwriting Amount Amount (bill of yen)
1	Nomura	7	1	SMBC Nikko 30.3
2	SMBC Nikko	6	2	Daiwa 23.4
3	Daiwa	5	3	Mizuho 14.0
3	Mizuho	5	4	Credit Suisse 10.4
5	SBI	4	5	SBI 3.9

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

Rank	Manager	Amount (bill of yen)	Mkt.Share (%)
1	Mizuho	2,850.8	20.9%
2	Nomura	2,607.5	19.2%
3	Mitsubishi UFJ Morgan Stanley	2,505.6	18.4%
4	SMBC Nikko	2,445.1	18.0%
5	Daiwa	2,362.3	17.4%

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

【Based on Deals】			【Based on Deal Size】	
Rank	Advisor	No. Deals	Rank	Advisor Deal size (bill of yen)
1	Sumitomo Mitsui Financial Group	53	1	Morgan Stanley 10,492.9
2	Nomura	36	2	Nomura 9,584.7
3	Deloitte	35	3	Goldman Sachs 5,673.6
4	Mizuho Financial Group	29	4	Deloitte 5,229.9
5	Morgan Stanley	19	8	Sumitomo Mitsui Financial Group 2,944.0

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

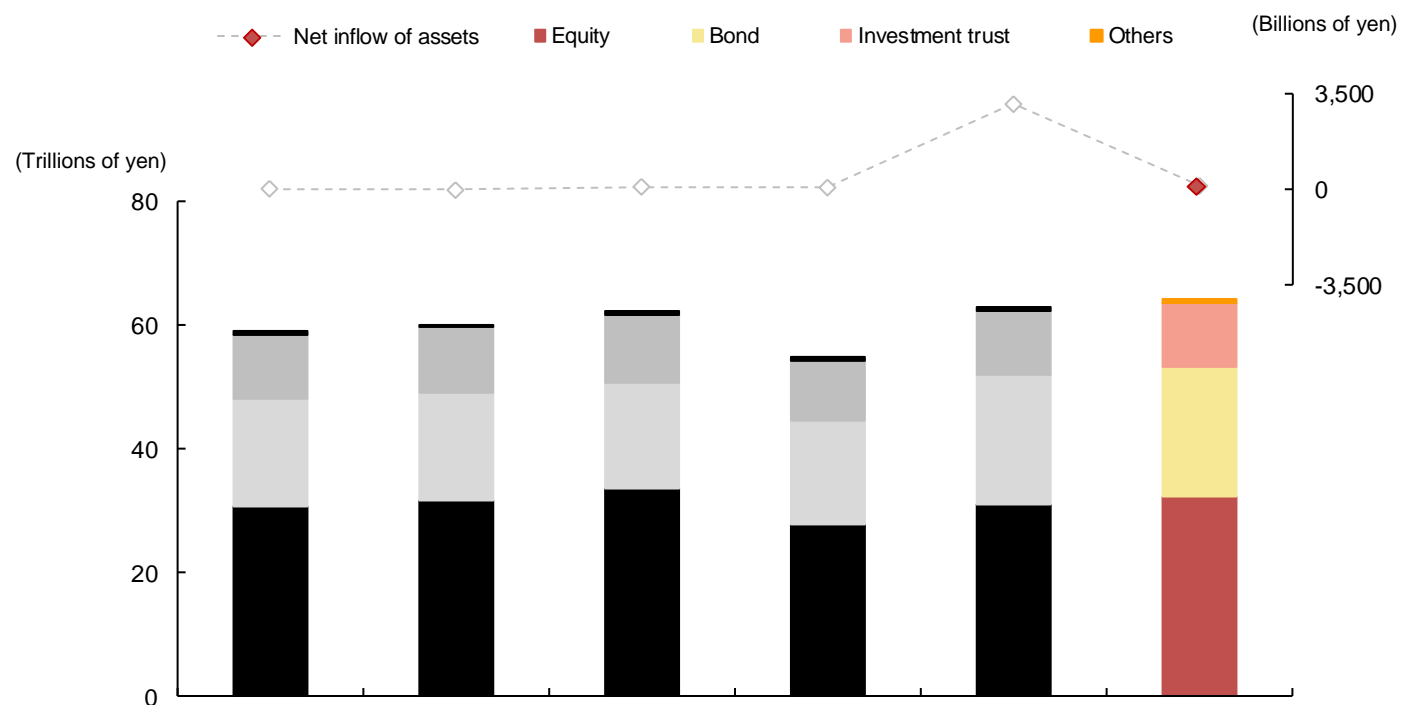
(\*2) Source: prepared by SMBC Nikko based on the information published by REFINITIV (only the deals listed on the Japanese stock market)

(\*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】



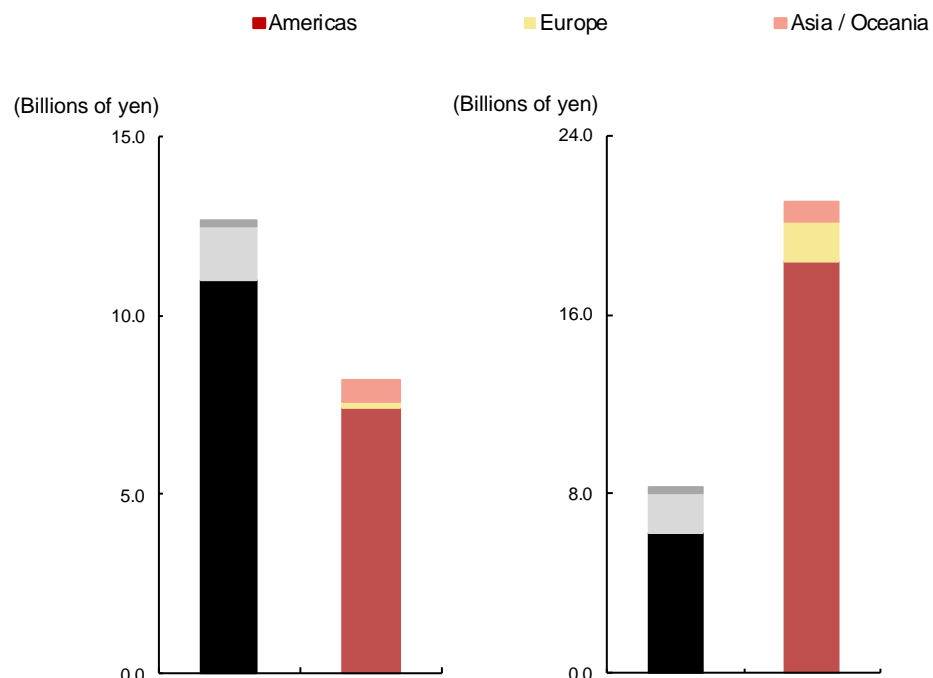
(Trillions of yen)	FY2019				FY2020	
	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.
Equity	30.7	31.7	33.5	27.7	31.1	32.5
Bond	17.5	17.5	17.3	17.0	21.0	20.7
Investment trust	10.3	10.5	10.9	9.4	10.1	10.4
Others	0.5	0.5	0.6	0.6	0.6	0.6
Client assets	59.0	60.1	62.3	54.8	62.8	64.2

(Billions of yen)	1Q	2Q	3Q	4Q	1Q	2Q
	Net inflow (outflow) of assets(*)	21.6	-28.6	91.7	63.3	3,115.0
Inflow of assets	1,222.8	1,460.6	1,244.2	1,724.3	4,238.2	1,355.0
Outflow of assets	-1,201.2	-1,489.2	-1,152.5	-1,660.9	-1,123.2	-1,231.4

(\*) 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)	FY2020 1Q	2Q	Q on Q	6 months to Sep. 30 2019	6 months to Sep. 30 2020	Y on Y
Americas	11.0	7.4	-33%	6.3	18.4	2.9X
Europe	1.5	0.2	-86%	1.7	1.7	+3%
Asia / Oceania	0.2	0.6	2.9X	0.3	0.9	2.5X
Overseas Offices Total(*)	12.8	8.3	-35%	8.4	21.1	2.5X

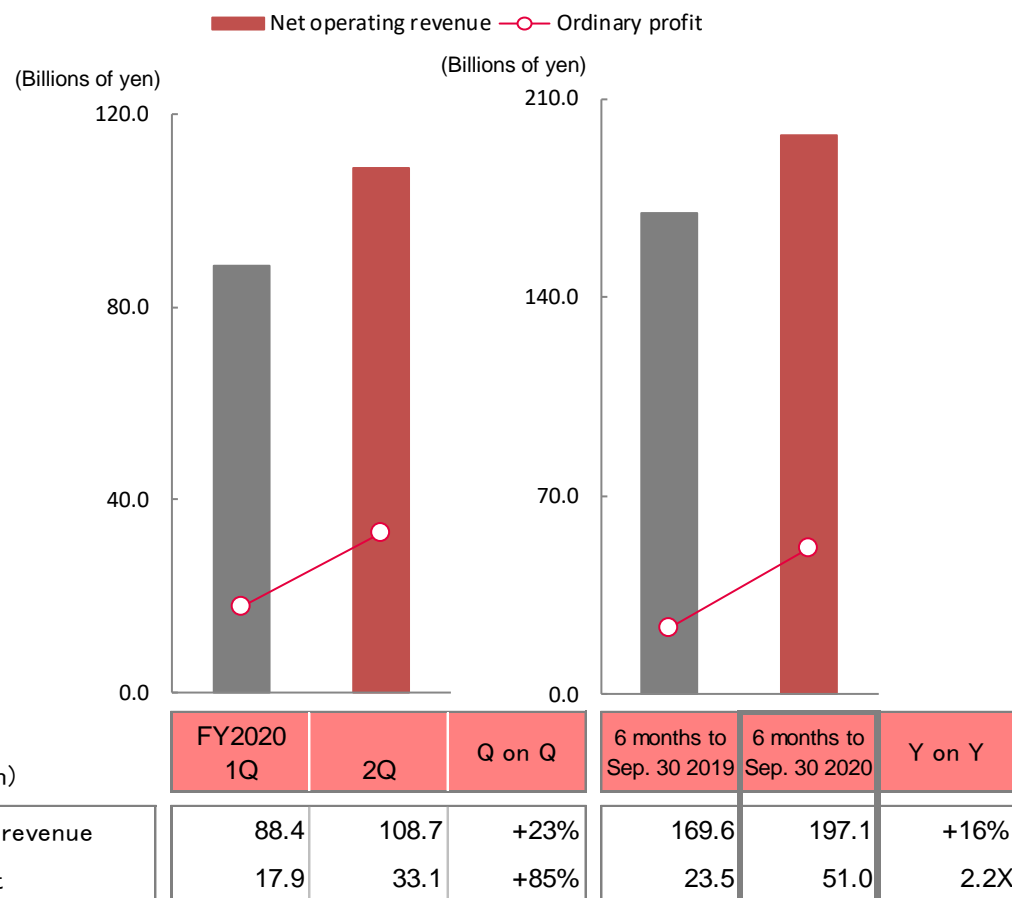
## Q on Q

- ◇ Overseas Offices Profit (Q on Q -4.5 B, -35%)  
Although profit has decreased compared to last quarter, mainly DCM business in America secured profit.  
Also, Equity business was successful in all offices due to global offering.  
On the other hand, in Europe, FIST and DCM business were weak.

## Y on Y

- ◇ Overseas Offices Profit (Y on Y +12.7 B, 2.5X)  
Capturing fundraising needs under COVID-19 circumstances, DCM business in America has steadily grown.

# 【Reference】 Based on Management Accounting (SMBC Nikko and Overseas Offices)



## Q on Q

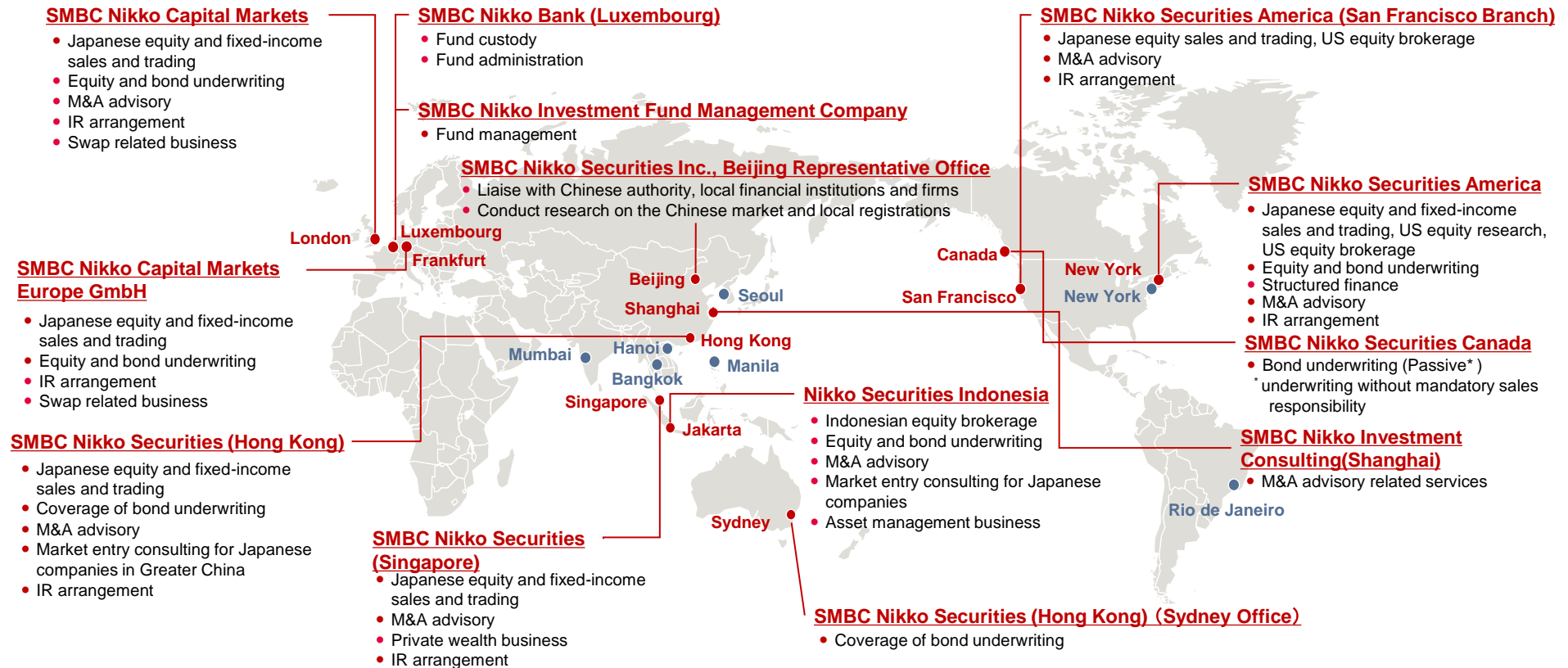
- ◇ Net operating revenue (Q on Q +20.3 B, +23%)
- ◇ Ordinary profit (Q on Q +15.2 B, +85%)

## Y on Y

- ◇ Net operating revenue (Y on Y +27.5 B, +16%)
- ◇ Ordinary profit (Y on Y +27.5 B, 2.2X)

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

## Operational reform

### • Actions of Operational reform

- For the Medium-term management plan goal “transformation into a creative company”, we started operational reform to seek “creation of new value”, “improvement of productivity”, “increase engagement”.
- Working on customer oriented improvement of convenience and product, service enhancement, along with promoting operational efficiency.

### <Overview of operational reform>

- Diversification of branch office function according to customers needs
- Maintenance of WFH environment to realize “anytime, anywhere”, dealing with strengthening digitalization with/after COVID-19 and reviewing operational flow and efficiency (including paper less)
- Reformation of the head office (from labor intensive place to a place of value creation) , anticipating “anytime, anywhere”.
- Promoting work style reform

### 【Main accomplishments】

- Satellite office : Trial from October, full expansion from January 2021
- Settlement from remote environment, digitization of account opening procedure with iPads (from August)
- HQ business reduction : planned reduction of workload worth 1,000 people aim realization during mid-term plan period, and connect to replacement in growth potential areas

## Innovation promotion

### • Creating new customer experience value

- Nikko Open Innovation Lab is established in March 2020
  - ✓ Finding ideas, implementing adopted projects by Nikko Ventures (in-company new project)
  - ✓ Cooperation with different industries and academic institutions

## Alliance with SBI group

### • Investment in SBI Money Plaza

- SMBC Nikko Securities , SBI Securities and SBI Money Plaza announced to form a capital alliance in the face-to face securities business of regional financial institutions.
- After the acquisition of shares, personnel exchanges will be held, and knowledge of securities sales will be utilized for sales activities at joint stores, providing more advanced financial services to our customers.

## Nikko FROGGY wins ACC Grand Prix

- Investing information service “Nikko FROGGY” that allows you to buy stocks from the articles, wins grand prix in ACC TOKYO CREATIVITY AWARDS Branded Communication A-Category
  - Other awards (Marketing Effectiveness: Gold, Branded Communication B-Category: Silver, Design: Bronze)

# Reference Data

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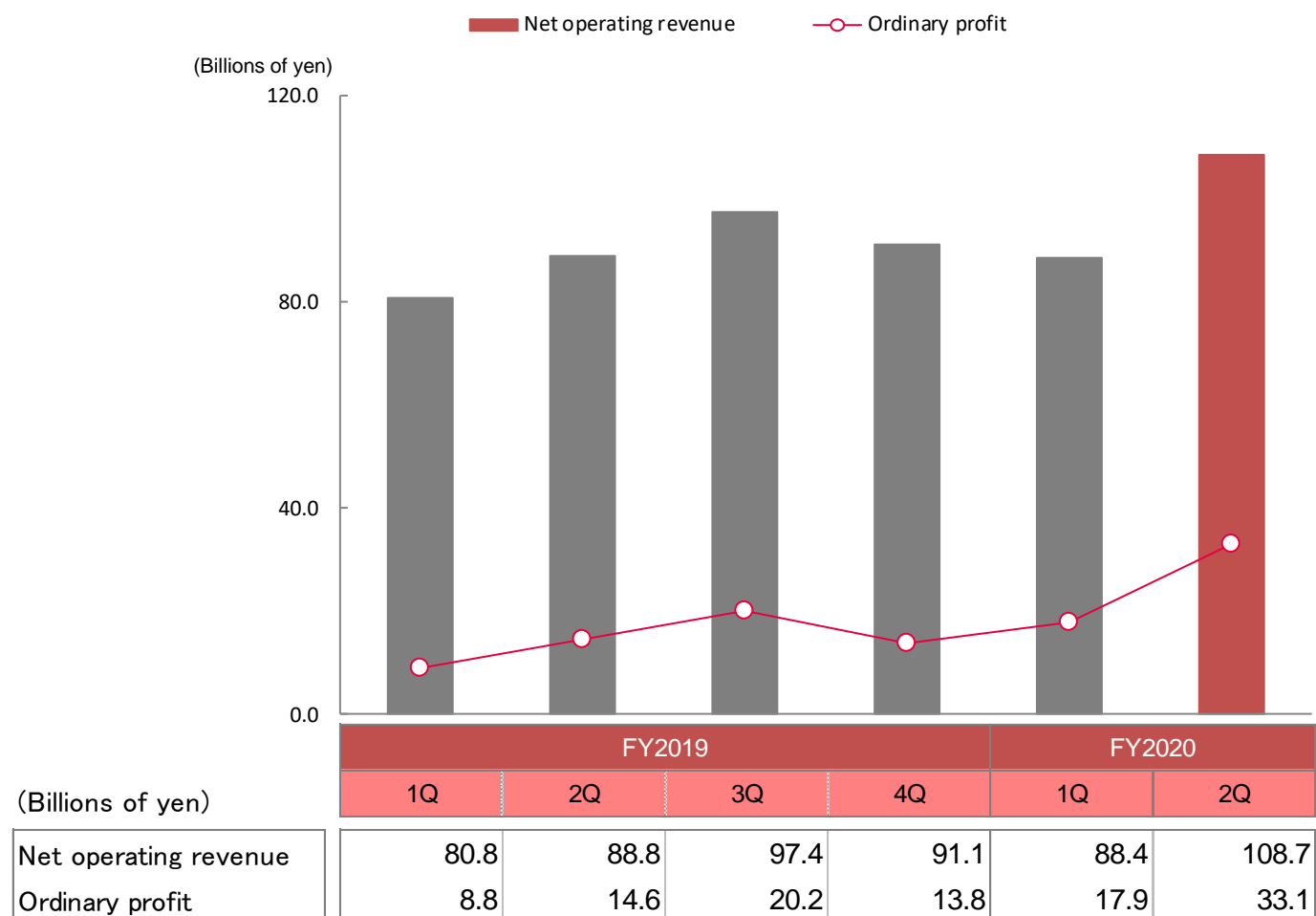
# Consolidated Business Results (Quarterly Trend)

(Millions of yen)	FY2019				FY2020	
	1Q	2Q	3Q	4Q	1Q	2Q
Operating revenue	92,780	96,480	108,757	100,731	95,718	109,963
Commissions received	45,619	51,282	56,115	51,898	40,679	57,616
Commissions to consignees	7,859	8,495	10,042	11,923	11,854	11,850
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	8,821	11,870	12,479	7,695	4,394	13,137
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	9,157	11,073	13,650	12,119	7,549	13,944
Other fees received	19,780	19,843	19,942	20,160	16,879	18,683
Net trading income	23,464	24,912	28,395	26,924	27,381	32,779
Equities	5,031	5,285	11,464	10,109	13,343	17,670
Bonds / Others	18,433	19,626	16,930	16,815	14,038	15,108
Financial revenue	21,199	18,085	22,511	20,083	25,672	17,750
Other sales	2,497	2,200	1,735	1,825	1,985	1,817
Financial expenses	20,255	16,263	21,428	17,469	24,434	14,817
Cost of other sales	1,843	2,432	1,477	1,550	1,858	1,683
Net operating revenue	70,681	77,784	85,850	81,711	69,425	93,462
SG&A	65,344	66,429	69,624	71,624	62,457	68,045
Operating profit / loss	5,336	11,354	16,226	10,087	6,968	25,416
Ordinary profit / loss	6,469	13,019	17,127	13,232	7,542	28,368
Extraordinary income / loss	-321	1,181	-129	-118	1,659	129
Profit before income taxes	6,148	14,200	16,998	13,113	9,202	28,498
Income taxes	1,058	2,828	5,816	1,507	2,663	6,791
Profit / loss	5,089	11,371	11,181	11,606	6,538	21,706
Profit attributable to owners of parent	5,094	11,363	11,195	11,629	6,472	21,744

# Non-consolidated Business Results (Quarterly Trend)

(Millions of yen)	FY2019				FY2020	
	1Q	2Q	3Q	4Q	1Q	2Q
Operating revenue	87,482	91,164	103,339	96,031	90,175	104,874
Commissions received	43,170	48,493	52,729	49,306	37,357	54,422
Commissions to consignees	7,168	7,754	9,316	11,449	11,179	11,197
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	8,488	11,432	11,714	7,338	3,467	12,689
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	9,129	11,056	13,618	12,076	7,467	13,355
Other fees received	18,384	18,249	18,080	18,442	15,242	17,179
Net trading income	23,464	24,912	28,395	26,867	27,227	32,747
Equities	5,031	5,285	11,464	10,052	13,188	17,638
Bonds / Others	18,433	19,626	16,930	16,815	14,038	15,108
Financial revenue	20,847	17,759	22,214	19,857	25,590	17,705
Financial expenses	20,000	16,066	21,284	17,340	24,401	14,779
Net operating revenue	67,482	75,097	82,054	78,691	65,773	90,095
SG&A	63,653	65,423	66,869	68,372	60,508	66,156
Operating profit / loss	3,828	9,673	15,185	10,319	5,265	23,938
Ordinary profit / loss	4,757	10,663	15,357	11,842	5,674	24,844
Extraordinary income / loss	-240	296	-244	-540	8,504	138
Profit before income taxes	4,516	10,959	15,113	11,302	14,178	24,983
Income taxes	568	2,269	5,388	1,497	2,345	6,315
Profit / loss	3,947	8,689	9,725	9,804	11,833	18,667

# Based on Management Accounting \* (Quarterly Trend)



# Operational Indicators -1

【non-consolidated】

## ◇ Sales of Products

(Billions of yen)

	FY2019				FY2020	
	1Q	2Q	3Q	4Q	1Q	2Q
Investment trusts	533.9	689.3	682.4	719.0	460.4	693.0
(Equity investment trusts)	( 377.4 )	( 484.1 )	( 494.6 )	( 498.9 )	( 337.3 )	( 524.8 )
(Foreign registered investment trusts)	( 115.8 )	( 160.8 )	( 151.4 )	( 217.8 )	( 90.8 )	( 144.5 )
Fund wrap	69.4	61.4	93.6	58.7	26.2	43.1
Foreign bonds (*1)	672.5	477.5	645.4	603.1	424.1	487.7
(Foreign currency bonds)	( 222.7 )	( 228.3 )	( 179.0 )	( 200.8 )	( 112.4 )	( 168.8 )
Domestic bond	1,105.2	1,652.0	1,377.3	1,008.1	887.0	1,549.2
(Retail target JGBs)	( 175.9 )	( 289.4 )	( 271.6 )	( 324.8 )	( 1.7 )	( 71.0 )
Public offering	66.6	92.4	116.4	73.4	0.4	212.3
Annuity / insurance	39.6	30.7	29.9	18.3	6.1	15.2
<b>Total</b>	<b>2,487.1</b>	<b>3,003.4</b>	<b>2,945.1</b>	<b>2,480.7</b>	<b>1,804.1</b>	<b>3,000.5</b>

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

## ◇ Market Share

	FY2019				FY2020	
	1Q	2Q	3Q	4Q	1Q	2Q
ECM Global Equity (*2)	10.7%	15.4%	18.4%	19.8%	2.6%	14.5%
DCM All bond in Yen (*3)	18.7%	19.3%	18.8%	18.8%	14.4%	18.0%
M&A Japan related (*4)	11.2%	17.9%	14.8%	8.4%	8.2%	15.6%

(\*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

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Source: prepared by REFINITIV

## ◇ Direct Channel Ratio (\*1)

	FY2019				FY2020	
	1Q	2Q	3Q	4Q	1Q	2Q
Based on number of transaction	94.3%	94.2%	93.0%	95.0%	94.6%	94.4%
(Nikko EZ trade)	( 91.3%)	( 91.5%)	( 89.9%)	( 92.1%)	( 92.3%)	( 92.6%)
Based on commissions	26.3%	24.1%	23.2%	25.0%	18.5%	13.4%
(Nikko EZ trade)	( 16.1%)	( 15.2%)	( 14.8%)	( 16.0%)	( 13.0%)	( 9.1%)

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

(\*2) Have adjusted the amount retrospectively from FY2019 to FY2020 1Q.

## ◇ Brokerage Commissions Rate (\*3)

(Billions of yen)	FY2019				FY2020	
	1Q	2Q	3Q	4Q	1Q	2Q
Equity brokerage amount	8,119.1	8,469.6	9,865.9	10,620.2	10,230.3	9,615.8
Equity brokerage commissions (*4)	7.2	7.7	9.5	10.9	10.8	11.3
Equity commissions rate	8.1bp	8.4bp	9.0bp	9.5bp	10.0bp	11.2bp

(\*3) "Equity brokerage amount" and "Equity commissions rate" in the table represent the total of cash and margin transactions.

(\*4) 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	Sep.20
	Total accounts	3,433	3,449	3,455	3,453	3,489
Cash management accounts	2,936	2,949	2,959	2,974	3,007	3,051
Newly opened accounts	30	31	28	39	39	53

【non-consolidated】

## ◇ Number of Branches

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

【non-consolidated】

## ◇ Number of Employees

	FY2019				FY2020	
	Jun.19	Sep.19	Dec.19	Mar.20	Jun.20	Sep.20
	Employees	12,119	11,917	11,742	11,484	11,833
Number of employees in overseas offices	770	791	795	802	814	779

(\*)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】

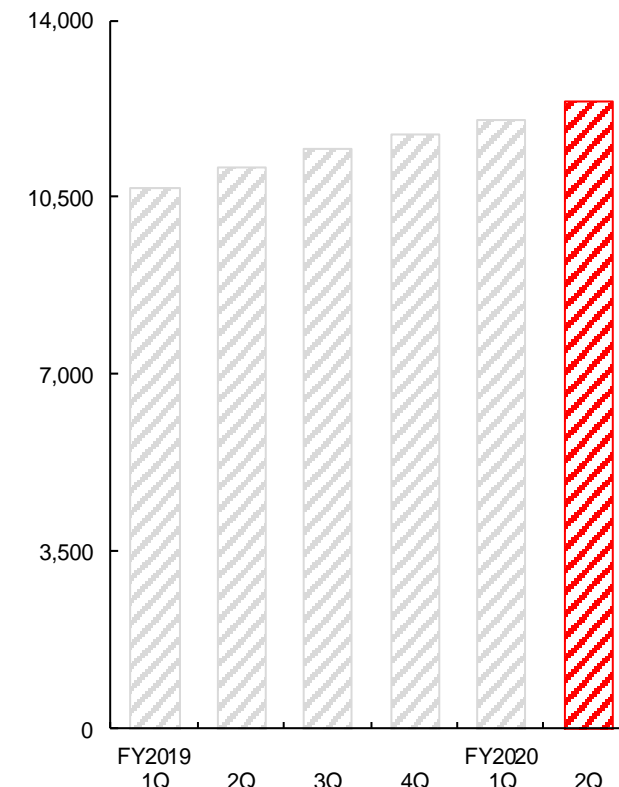
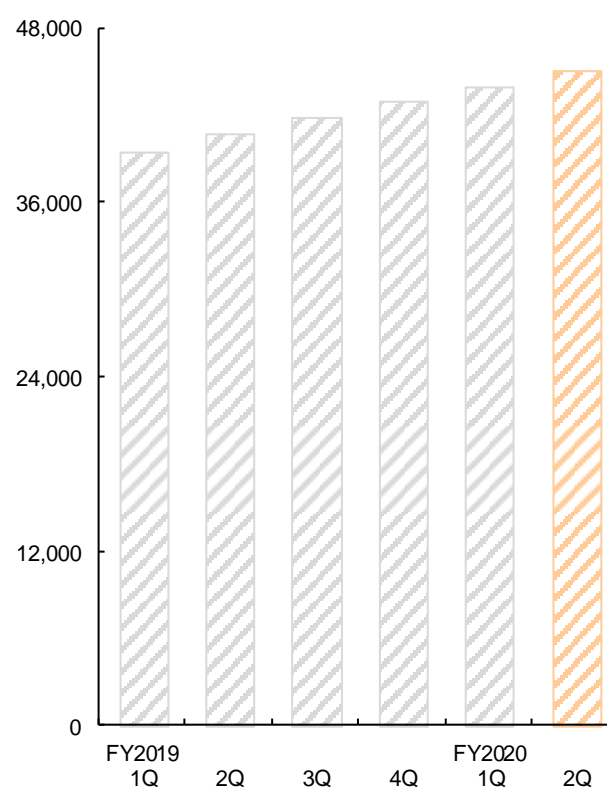
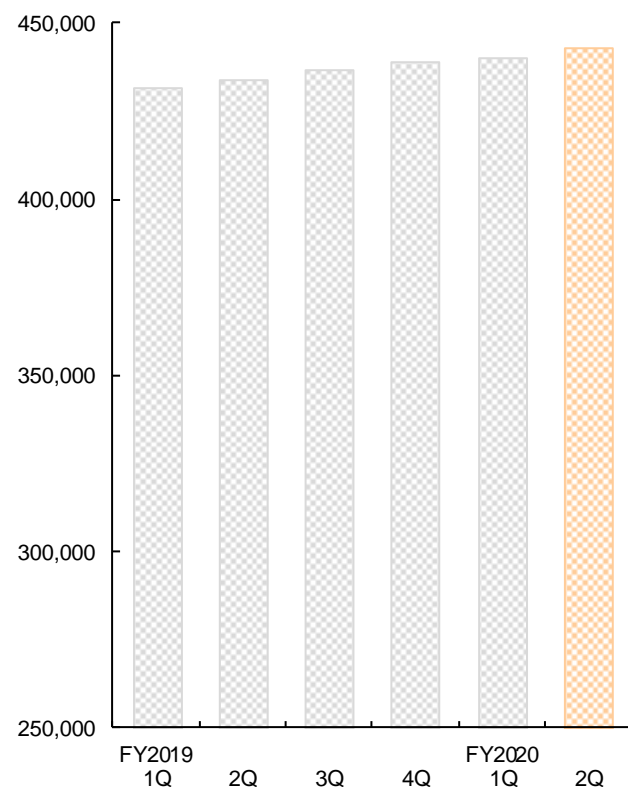
## Asset management (Referral service and financial products intermediary service (\*1))

## 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.

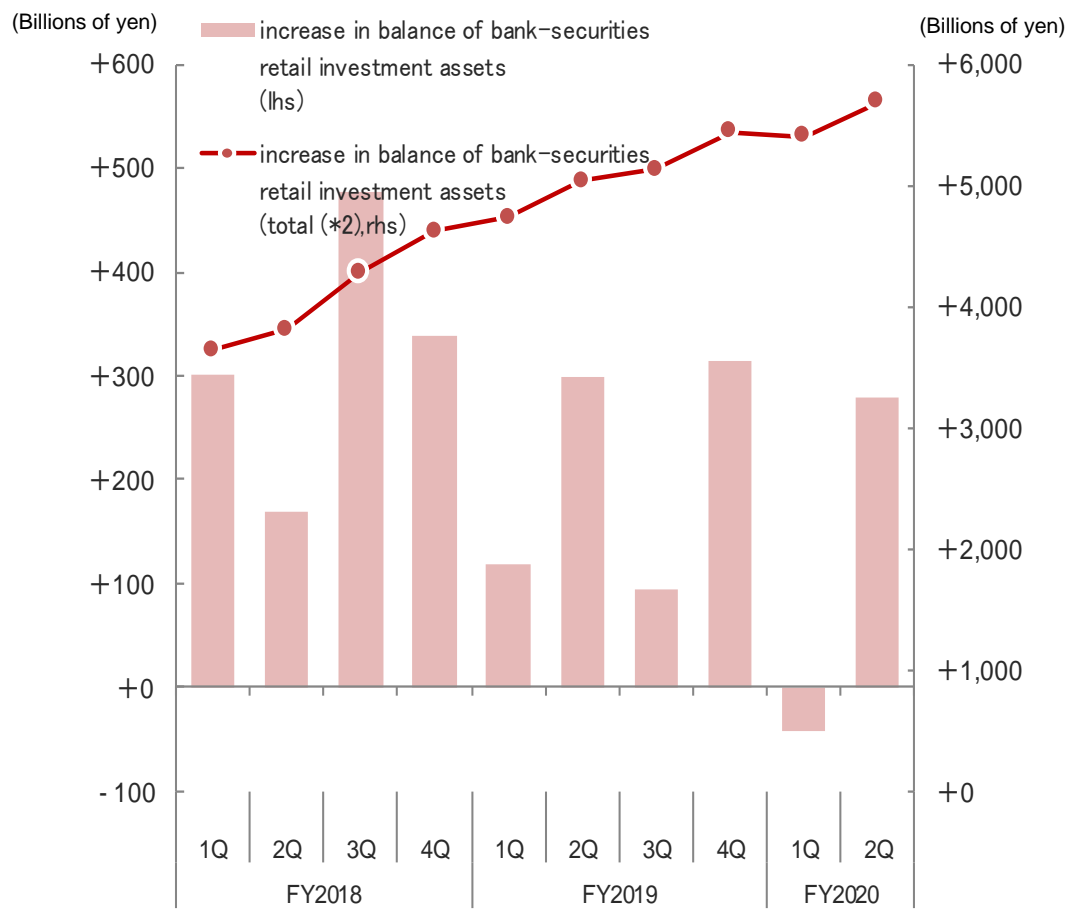
(\*1) Financial products intermediary services by SMBC: SMBC Nikko commissions SMBC to solicit and intermediate securities transactions to customers.

(\*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.

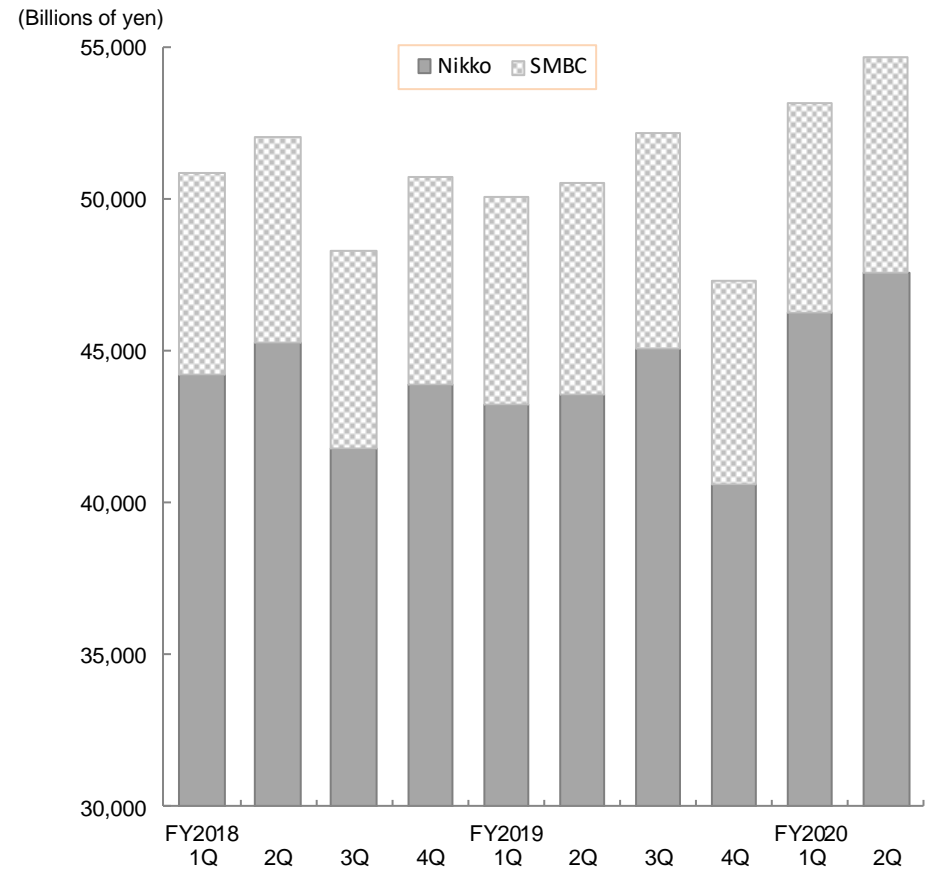
(\*3) The number of the accumulated acquired deals on asset management with corporate clients via SMBC's referral services and financial products intermediary services on behalf of SMBC Nikko since the inception of respective services.

# 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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