

A History of Standing Side-by-Side with Customers and Society

SMBC Group has inherited the business spirit of Mitsui and Sumitomo, creating social value while standing side-by-side with customers and society. With this spirit, we will continue to take initiative in economic growth and resolution of social issues to contribute to “Fulfilled Growth” where people feel fulfilled.

MITSUI

Innovation of Business Practices

Achieved better life for people in the city of Edo by anticipating potential needs

SUMITOMO

Revitalization of Land Damaged by Copper Mines

Put efforts into reforestation under the spirit, “benefit self and benefit others, private and public interests are one and the same”

Supporting economic growth through proactive financing

The cabinet of Hayato Ikeda, inaugurated in July 1960, launched the “Income Doubling Plan” with the goal of doubling per-capita national income in 10 years, and Japan entered an era of rapid economic growth, with an average GDP growth rate of 10%. Mitsui Bank and Sumitomo Bank, the predecessors of SMBC, supported this growth through the proactive supply of financing.

- 1967 Sumitomo Credit Service (now Sumitomo Mitsui Card Company) established
- 1968 Sogo Lease (now Sumitomo Mitsui Finance and Leasing) established
- 1969 Japan Information Services (now the Japan Research Institute) established

↑ 1960's

● An Era of Economic Growth

↓ 1980's

Expanding high-risk/high-return loans with the arrival of the Bubble Economy

Starting in 1983, stock and land prices consistently rose, ushering in the Bubble Economy era. Corporate earnings increased, and low interest rates and low-cost financing from capital markets allowed firms to increase upfront capital expenditures and financial operations. At the same time, the competitive environment for banks intensified, as a result of interest rate liberalization, etc. Our predecessor banks increased high-risk, high-return lending in order to survive, such as real estate investment and financial engineering.

- 1985 Sumigin-Bankers Investment Management (now Sumitomo Mitsui DS Asset Management) established
- 1985 Mitsui Investment Management (now Sumitomo Mitsui DS Asset Management) established

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The Bubble Economy bursts, bringing with it prolonged financial difficulties

Companies that had invested excessive amounts of money in asset transactions fell into financial difficulties with the bursting of the Bubble Economy, and for the banks that had provided funding, the disposal of bad loans became a major challenge to their business.

On the other hand, the “Japanese Big Bang” expanded the scope of banks’ operations in the 1990s. The financial industry began to draw up a growth strategy taking advantage of the expanded scope of business, while defending against financial instability. Sakura Bank and Sumitomo Bank also shifted toward a merger based on the principle of “together establishing a new financial business providing customers with higher value-added products and services.”

- 1990 Mitsui Taiyo-Kobe Bank established (renamed Sakura Bank in 1992)
- 1999 Sakura Leasing (now Sumitomo Mitsui Finance and Leasing) established

▲ 1990's

● An Era of Stagnation

▼ 2000's

The Birth of a new, advanced financial institution for the 21st century

In 2001, Sakura Bank and Sumitomo Bank merged into Sumitomo Mitsui Banking Corporation. The business base was expanded in order to provide the most valuable services to customers by adding new functions such as consumer finance and securities, after the transition to a holding company structure in the following year. The non-performing loan ratio, which had weighed heavily on the business, was reduced by half after the merger, and public funds were fully repaid in 2006. Just when it at last appeared that SMBC Group had been put into an environment where we could achieve a more autonomous management strategy, the Global Financial Crisis struck. An international trend towards reviewing the financial system to prevent such a crisis accelerated, and we were forced to respond with increased capital when we had planned to proactively invest in key strategic areas.

- 2001 Sumitomo Mitsui Banking Corporation established
- 2002 Sumitomo Mitsui Financial Group established
- 2003 Reorganization to make Sumitomo Mitsui Card Company, SMBC Leasing (now Sumitomo Mitsui Finance and Leasing), and Japan Research Institute subsidiaries of Sumitomo Mitsui Financial Group
- 2004 Promise (now SMBC Consumer Finance) becomes an equity-method affiliate
- 2009 Nikko Cordial Securities (now SMBC Nikko Securities) becomes a subsidiary

Expanding and strengthening group and global management

In order to provide more valuable services to our customers, we strived for top-line growth by significantly expanding our operational and geographic wings in the first half of the 2010s. However, the business environment surrounding us changed dramatically with the China shock in 2015, the introduction of negative interest rates in 2016, and the resolution of Basel III finalization in 2017, and our strategy shifted from top-line growth to efficiency of capital, assets, and expenses.

As our business diversified and globalized, we focused on improving the quality of corporate infrastructure through the establishment of materialities (“Environment,” “Next Generation,” and “Community”) in 2014, the formation of Five Values in the same year, and the introduction of units and CxO system in 2017.

- 2012 Promise becomes a subsidiary
SMBC Aviation Capital becomes a subsidiary
- 2013 Bank BTPN becomes an equity-method affiliate
Societe Generale Private Banking (now SMBC Trust Bank) becomes a subsidiary
- 2015 The Bank of East Asia becomes an equity-method affiliate
- 2016 Sumitomo Mitsui Asset Management becomes a subsidiary
- 2018 Sumitomo Mitsui Finance and Leasing is deconsolidated, and becomes an equity-method affiliate
- 2019 Bank BTPN becomes a subsidiary
Sumitomo Mitsui DS Asset Management launched

2010's

An Era of Fulfilled Growth

2020's

Realization of growth with quality

The Medium-Term Management Plan in FY2020-2022 was launched amid the COVID-19 pandemic. SMBC Group has taken various measures to achieve our vision of becoming “a trusted global solution provider committed to the growth of our customers and advancement of society.” In particular, after achieving the CET1 ratio target in 2019, as we entered a phase where we could utilize excess capital, we actively invested in priority areas such as our multi-franchise strategy in Asia and overseas securities business.

During this Medium-Term Management Plan, we revised our Mission and added “society” as one of stakeholders. Efforts on sustainability were also accelerated by the establishment of the Sustainability Committee and Group CSuO, as well as a Sustainability Division.

- 2021 Invested in ARA Asset Management
Invested in RCBC
Invested in Jefferies
FE Credit becomes an equity-method affiliate
Fullerton India (now SMFG India Credit Company) becomes a subsidiary
- 2022 Investment in SBI Holdings
- 2023 CCCMK Holdings becomes an equity-method affiliate