Wealth Management

Strengthening the Wealth Management Business to Capture Japan's Largest AUM

Differentiation Through Group, Corporate-Individual Collaboration and Sales Structure Efficiency

We continue to position the wealth management business as a critical strategic area, given the ongoing shift from savings to asset formation and the growing number of wealthy customers.

Looking back on roughly the last decade, we have transitioned from a business structure mainly reliant on flow-based revenues to a stable business model centered on stock-based revenues, by shifting our operations to be centered on long-term, diversified investments under the fundamental premise of a customer-oriented approach. Going forward, the needs of individual customers are expected to become increasingly diverse, with the expansion of inheritance and succession due to the aging population, and the deepening needs of business owners accompanying the activation of corporate actions.

To optimally address these diverse needs, the SMBC Group will build a structure capable of providing "high-quality, unified consulting" by concentrating the Group's comprehensive capabilities, regardless of the delivery channel. Under the unified brand "SMBC Wealth," common to SMBC, SMBC Nikko Securities, and SMBC Trust Bank, we will deploy three models so customers can enjoy optimal value tailored to their characteristics and lifestyles.

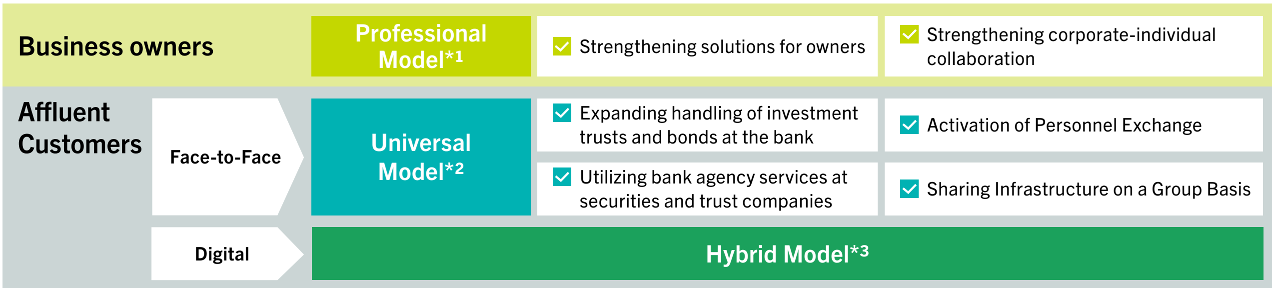
We will also work on the sophistication of products and services. In collaboration with SMBC Global Investment & Consulting and Sumitomo Mitsui DS Asset Management, SMBC, SMBC Nikko Securities, and SMBC Trust Bank will strive to create funds with high acceptability based on customer analysis and provide model portfolios combining appropriate products. Going beyond simply offering financial products, we will pursue value for our customers, aiming to draw up guidelines together for realizing their life goals and to continue as a lifelong partner.

Acquiring "Digital Affluent Customers" Through Digital × Human Consulting

Traditionally, the main method for asset management services involved sales representatives providing face-to-face information at branch counters or homes during weekday daytime hours. However, with various financial services now being offered via smartphones, customers are increasingly gathering information and making investment decisions not only from the "people" at banks and securities companies but also from their own smartphones. This trend is particularly pronounced among what can be called "digital affluent customers"—those in their 40s to 60s who are adept with smartphones, active in both their work and leisure, and have high incomes.

As the expansion of customers with such preferences is expected, building new asset management services suited to the digital age is essential. To provide a service combining digital convenience with high-quality human consulting, we established a new company, Olive Consulting.

In addition to transactions at SBI Securities' industry-lowest fee levels, the company offers "Flexible Consulting," allowing customers to flexibly choose and combine consultation channels, advisors, and consultation times according to their lifestyle. We aim to realize a new asset management experience where daily transactions are completed digitally, while seamlessly receiving highly specialized support when needed.



**1 Professional Model: For corporate owner customers with advanced needs encompassing both corporate and individual aspects, specialists from the bank, securities, and trust companies team up to provide sophisticated services including asset management, shareholding management, and business succession.*
**2 Universal Model: For wealthy customers who prefer face-to-face transactions, we provide one-stop services by sharing functions such as products and talent across group companies.*
**3 Hybrid Model: For wealthy customers who prefer digital channels (digital affluent), we provide a hybrid experience combining digital and human support.*