

Global Business Unit

The Global Business Unit supports the global business operations of domestic and overseas customers by leveraging SMBC Group's extensive global network and products and services in which we possess strengths.



Left

**Tetsuro
Imaeda**

**Deputy President and
Executive Officer**
Co-Head of Global
Business Unit

Right

**Keiichiro
Nakamura**

**Senior Managing
Executive Officer**
Co-Head of Global
Business Unit

Contribution to Consolidated Net Business Profit (FY2022)

¥ **612.2** billion

	FY2022 Results	YoY*1
Gross profit (JPY bn)	1,205.2	+144.4
Expenses (JPY bn)	637.9	+71.0
Base expenses (JPY bn)	598.9	+57.2
Net business profit (JPY bn)	612.2	+114.9
ROCE1*2	10.4%	+2.2%
RwA (JPY tn)	46.3	+1.6

*1 Figures are after adjustments for interest rate and exchange rate impacts.

*2 Figures exclude medium- to long-term foreign currency funding costs.

During the previous Medium-term Management Plan, despite the business environment remaining volatile due to the COVID-19 pandemic and the situation in Russia and Ukraine, we were able to significantly increase gross business profit through flexible resource management. As a result, we also significantly increased net business profit and served as a growth driver for the entire group, even as we invested to expand operations, such as strengthening our securities business and making upfront investments in our U.S. digital bank.

We are also making steady progress with initiatives aimed at mid- to long-term growth, such as strengthening our global CIB business by expanding our alliance with Jefferies, a U.S. securities firm, and increasing our investments in countries in Asia that fall within our multi-franchise strategy, and we feel that these efforts have been met with a positive response.

Under the new Medium-term Management Plan, we will enhance our systems for predicting and managing various risks, includ-

ing monitoring the growing impact of policy rate hikes in various countries on the real economy and the foreign currency funding environment. In addition, we will continue to focus on new high-growth, high profitability areas such as upgrading our global CIB business, including deepening collaboration with Jefferies, creating group synergies, strengthening the multi-franchise strategy through ecosystem development, and launching a digital bank in the U.S.

To achieve this business expansion and diversification, it is also essential to construct an operating structure that makes maximum use of the knowledge of the entire group, and to upgrade the governance system to meet our stakeholders' high expectations. In addition, alongside addressing social issues in countries around the world, as a Japanese bank we also strive to provide value to Japanese society and businesses.

Every one of us will take ownership and strive to achieve quality growth by unflinchingly facing change.

Global Business Unit



Reinforcement of Global CIB and Global S&T

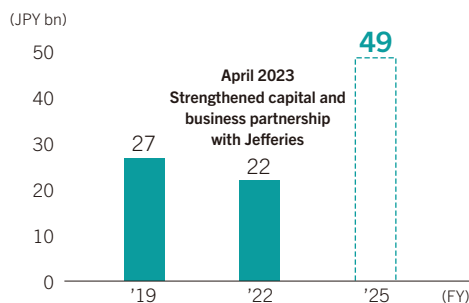
Leveraging the team that we built under the previous Medium-term Management Plan, we will further reinforce our cross-selling capabilities by strengthening sector collaboration in terms of coverage and enhancing our ability to offer cross-product solutions that integrate banking, securities, and derivatives. One example is the strengthening of the strategic capital and business alliance with Jefferies announced in April 2023. We will be expanding our collaboration to include M&A advisory and equity-related services, and will work with Jefferies to establish a joint coverage structure.

See page 069 for more information on how we are strengthening our partnership with Jefferies.

We will also create a flexible portfolio after articulating the strategy for each customer segment. With the aim of building a high-quality

client base, we will strive to acquire new clients and tier-up in the sectors on which we are focused, while at the same time reducing and recycling low-profit assets such as project and trade finance, as well as assets in regions with low growth and excess competition.

Net Business Profit from Overseas Securities



Expand and deepen the U.S. business

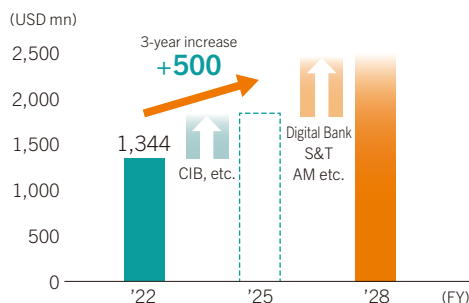
We have positioned the U.S., the world's largest and most stable market, as our biggest growth driver, and will continue to expand and diversify this business.

In the wholesale business, which is one area of focus, we will strengthen our global CIB business through initiatives including collaboration with Jefferies, etc., and also promote the use of investor funds based on our competitive edge in LBOs and infrastructure projects, etc., to expand our business efficiently.

In addition, in order to flexibly capture market revenues in response to changing market conditions, we will strengthen our sales and trading operations and enter the retail business through the launch of a digital bank.

See pages 076 and 102 for more information about our digital bank.

Net Business Profit from Americas Division



PRIORITY
STRATEGY
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Building a resilient management foundation

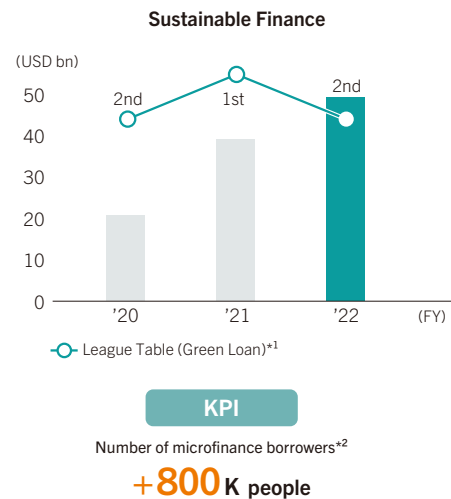
Given the number of rapid environmental changes currently taking place, we will closely monitor warning signs and build a resilient management foundation. In order to respond to the diversification of our businesses, such as the implementation of our multi-franchise strategy and the opening of our digital bank in the U.S., we will visualize the profitability of each business in terms of ROE and net income, and will continue to build a strong business portfolio by dynamically reviewing asset allocation in response to changes throughout the term of the Medium-term Management Plan. Moreover, as our business expands and diversifies, it is essential to strengthen risk management and governance systems, and upgrade operations. We will work as a single global entity to build management infrastructure that meets the needs of an increasingly complex business environment.



Initiatives to Create Social Value

In the previous Medium-term Management Plan, we formed specialized sustainable finance teams in each region, and worked to strengthen the Group's overall pitching and solution capabilities through global collaboration. In February 2023, we structured US\$600 million/€700 million in multi-currency green bonds for a major U.S. chemical company to finance low-carbon hydrogen projects, including one of the world's largest green hydrogen projects. By implementing multiple initiatives that enhance and leverage our knowledge of these advanced technologies, we have continued to maintain a strong presence and ranked second globally for green loan initiatives by value in FY2022.

In the new Medium-term Management Plan, we will continue to address various key issues such as the Environment, Diversity, Equity & Inclusion (DE&I) and Human Rights, and Poverty & Inequality. In the sustainable finance field, we will establish a global task force to accelerate the consolidation of knowledge and expertise, and develop an accompanying framework. We will also continue to expand our financial services in countries that fall within our multi-franchise strategy, including financial and economic education at Bank BTPN and rural microfinance at Fullerton India (now SMFG India Credit Company). Furthermore, as our business grows more diverse and complex, we aim to create an environment in which our professional employees throughout the world can leverage their diverse skills and values to play an active role in our operations and feel fulfilled in their work.



*1 Source: Dealogic

*2 Bank BTPN Syariah, SMFG India Credit Company