



Jefferies

# Jefferies and SMBC Expand and Strengthen Strategic Alliance, Broadening Joint Business Efforts Across EMEA

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**16 January 2024**

NEW YORK and London – January 16th, 2024 – Jefferies Financial Group, Inc. (NYSE: JEF) (“Jefferies”) and Sumitomo Mitsui Financial Group, Inc. (NYSE: SMFG) (“SMFG”), Sumitomo Mitsui Banking Corporation (“SMBC”), and other group companies (collectively, “SMBC Group”) announced today that they have signed a memorandum of understanding to further expand their global strategic alliance to now include enhanced collaboration across Europe, the Middle East and Africa (“EMEA”) on future corporate and investment banking business opportunities.

In support of the initial strategic alliance in 2021, SMBC provided \$2.25 billion in financing to Jefferies and purchased approximately 4.5% of the issued and outstanding common shares of Jefferies. In April 2023 the alliance was further bolstered by SMBC announcing its intention to raise its economic ownership to up to 15% on an as converted and fully diluted basis, which would result in SMBC becoming one of Jefferies’ most significant shareholders.

The Jefferies-SMBC strategic alliance commenced in 2021 in the U.S. and Japan and was significantly expanded in the U.S. in 2023, broadening the scope of collaboration in M&A advisory services, increasing collaboration across the firms’ equities and debt capital markets businesses, and launching a joint coverage model for designated investment grade clients. The alliance has now been further extended to formally cover EMEA in these business areas. Jefferies and SMBC have already been collaborating to deliver client solutions for over two years and this latest step enhances the alliance across the growing regional footprint in EMEA. The extended arrangement will benefit clients through the collective global insights and capabilities delivered from the comprehensive corporate and investment banking product and advisory platform offered by the two firms.

Rich Handler, Jefferies’ CEO, and Brian Friedman, its President, stated: “We are thrilled with the rapid early success and positive client response following the U.S. expansion of our alliance with SMBC Group in April 2023, and the next logical and straightforward step is to further expand our collaboration across EMEA. Over the last several years, Jefferies has made a significant investment to broaden and solidify its investment banking, sales, trading and research capabilities across EMEA. We now further accelerate these efforts by aligning with the significant capital base and world-class capabilities of SMBC Group. We are grateful to have such a productive relationship with SMBC Group and expect it to produce meaningful results for our clients and shareholders.”



President and Group CEO of SMFG, Toru Nakashima, President and CEO of SMBC, Akihiro Fukutome commented: "Since inception in 2021, our strategic alliance with Jefferies in the U.S. and Japan has been progressing well. Our combined capabilities allow us to better serve our clients and the partnership is already positively contributing to SMBC Group's performance and growth. Following this success, we are excited to launch this next phase of collaboration in EMEA, having already executed some joint transactions in the region. The enhanced strategic alliance with Jefferies represents a significant investment on behalf of SMBC Group and we believe the global partnership delivers mutual benefit and enhanced value for our stakeholders. Our clients expect us to be a global solutions partner and the formalisation of the joint arrangements in EMEA, in addition to the U.S. and Japan, leaves us better positioned to deliver on those expectations."

#### **About Jefferies Financial Group Inc.**

[Jefferies](#) is a leading, global, full-service investment banking and capital markets firm. With more than 40 offices around the world, we offer insights and expertise to investors, companies and governments.

#### **About Sumitomo Mitsui Financial Group, Inc.**

SMFG is one of the largest financial institutions headquartered in Japan, with an established presence across all consumer and corporate banking businesses. Through the subsidiaries and affiliates, SMFG offers a diverse range of financial services, including commercial banking, leasing, securities, credit card, consumer finance and other services. SMFG's consolidated total assets were 270,428.6bn Yen (equivalent to USD2,025bn ) as of December 31, 2022.

#### **About Sumitomo Mitsui Banking Corporation**

SMBC is the commercial banking subsidiary of SMFG and one of the largest banks globally on the basis of total assets. It provides an extensive range of corporate and consumer banking services in Japan and globally.

#### **Forward-Looking Statements**

This press release contains "forward-looking statements" within the meaning of the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements about our future and statements that are not historical facts. These forward-looking statements are typically identified by such words as "believe," "expect," "anticipate," "may," "intend," "outlook," "will," "estimate," "forecast," "project," "should," and other similar words and expressions, and are subject to numerous assumptions, risks, and uncertainties, which will change over time. Forward-looking statements may contain beliefs, goals, intentions and expectations regarding revenues, earnings, operations, arrangements and other results, and may include statements of future performance, plans, and objectives. Forward-looking statements also include statements pertaining to our strategies for future development of our businesses and products, including Jefferies and SMBC Group's strategic alliance. In particular, forward-looking statements include statements about the potential benefits of the collaboration with SMBC Group and SMBC's intention to increase its equity investment in Jefferies, as SMBC is under no obligation to do so. Forward-looking statements speak only as of the date they are made; we do not assume any duty, and do not undertake, to update any forward-looking statements. Furthermore, because forward-looking statements represent only our belief regarding future events, many of which by their nature are inherently uncertain, the actual results or outcomes may differ, possibly materially, from the anticipated results or outcomes indicated in these forward-looking statements. Information regarding important factors, including Risk Factors that could cause actual results or outcomes to differ, perhaps materially, from those in our forward-looking statements is contained in reports we file with the SEC.



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You should read and interpret any forward-looking statement together with reports we file with the SEC. Past performance may not be indicative of future results. Different types of investments involve varying degrees of risk. Therefore, it should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal the corresponding indicated performance level(s).

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