

Completion of Acquisition of Remaining Stake in SMFG India Credit Company

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1. Summary of Investment

Basic information

Target Company	<ul style="list-style-type: none">SMFG India Credit Co. Ltd. ("SMICC")In November 2021, SMFG acquired a 74.9% equity stake in SMICC from Fullerton Financial Holdings Pte. Ltd. ("FFH"), making SMICC a consolidated subsidiary
Overview	<ul style="list-style-type: none">SMFG acquired the remaining 25.1% stake in SMICC for USD 0.7 billion from Angelica Investments Pte. Ltd., a 100% owned subsidiary of FFHSMICC has become a 100% owned subsidiary of SMFG
Financial Impact	<ul style="list-style-type: none">No impact on RWA: increase in the equity stake of the consolidated subsidiaryApprox. (8) bps on CET1 ratioInvestment return criteria ($\text{ROCET1} \geq 9.5\%$) has been satisfied (approx. 14% for the FY3/23). ROCET1 is expected to improve to around 20% after this transaction
Strategic Rationale	<ol style="list-style-type: none">Accelerate SMFG's strategy to expand its franchise in AsiaCapture the growth in India's financial services for the retail and SME sector

2. Initiatives after initial investment and Outlook

Initiatives after initial investment

Rebranding

Rebranded in May 2023



Governance

Strengthened Governance

- Assigned two directors (incl. the Chairman of the Board) and seconded staff

Business Synergies

Funding Support

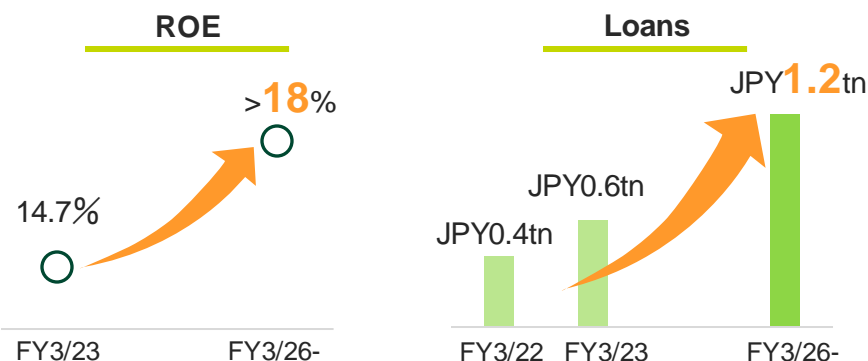
- Strongly support for debt/equity funding by SMBC
- Support in bolstering SMICC's investor base in both On-shore and Off-shore markets

Collaboration with SMBC group

- Sales financing for Japanese construction machinery, commercial vehicle, and motor manufacturers, by leveraging SMBC's customer base
- Knowledge sharing with group companies and Asian partners of SMBC Group

Outlook

- Expand branch network (Rural / Housing Finance)
- Enhance product offerings by utilizing digital channel
- Funding Support (debt / equity)



Create social value

- Contribute to the community and society mainly in rural areas through microfinance and CSR activities



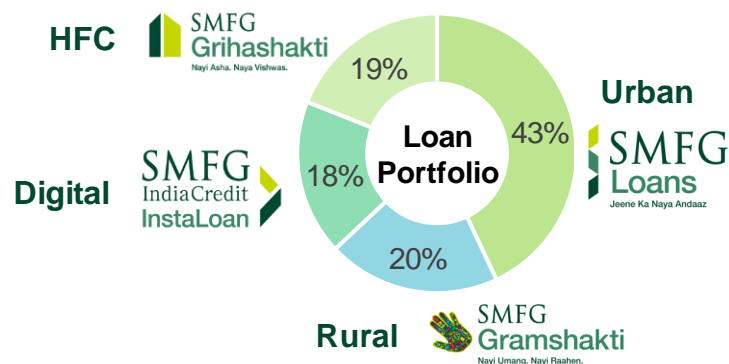
3. Overview of SMICC (1) business

SMICC has a Pan-India network, diversified product and well-balanced profitable loan book

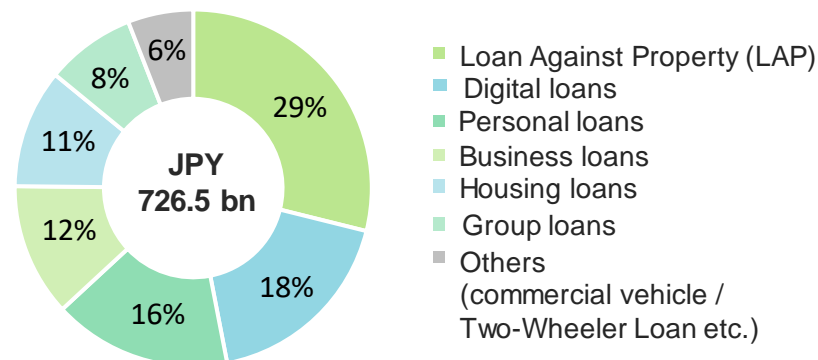
Company information

Name	SMFG India Credit Company Limited
History	1994 : Established
	2005 : Acquisition by FFH
	2015 : Launched housing finance subsidiary
	2021 : Acquisition of 74.9% stake by SMFG
	2023 : Renamed to SMFG India Credit Company
	2024 : Acquisition of remaining 25.1% stake by SMFG
MD & CEO	Mr. Shantanu Mitra
Employees*	Approx. 20,000
Network*	Over 900 branches throughout India with expansion of its footprints primarily in sub-urban and rural areas

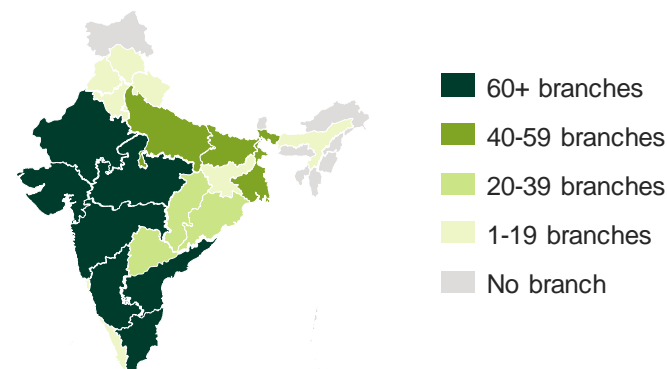
Business segment



Breakdown of loan portfolio



Branch network across India



3. Overview of SMICC (2) financial highlights^{*1}

(JPY bn)	FY3/20	FY3/21	FY3/22	FY3/23	1-3Q FY3/24
Gross operating profit	52.2	48.1	40.8	58.8	61.8
Operating expenses	19.1	18.0	23.5	33.8	35.2
Credit cost	16.5	54.4	15.5	9.5	16.3
Net profit	11.0	(18.3)	1.2	11.6	8.3
ROE	18.0%	(23.8)%	2.0%	14.7%	12.0%
Loans	419.1	378.2	411.4	596.7	726.5
NPL ratio^{*2}	2.2%	9.6%	6.6%	3.8%	3.3%
Total Assets	473.6	419.3	441.4	666.7	817.4
Net Assets	66.1	62.4	72.3	85.0	96.7

*1 TTM as of Mar.20: INR1=1.44, Mar.21: INR1=1.51, Mar.22: INR1=1.62, Mar.23: INR1=1.63, Dec.23: INR1=1.71

*2 NPL ratio is on a standalone-basis