

## 【NEWS RELEASE】

August 30, 2019

Sumitomo Mitsui Banking Corporation

Signing of a Memorandum of Understanding  
with Northern Arc Capital Limited (formerly known as IFMR Capital Limited)

TOKYO, August 30, 2019 --- Sumitomo Mitsui Banking Corporation (SMBC, President and CEO: Mr. Makoto Takashima) announced today that it signed a Memorandum of Understanding (“MOU”) with Northern Arc Capital Limited (“Northern Arc Capital”) on August 26, 2019, by reviewing an existing MOU signed on February 16, 2017. Under this comprehensive collaboration framework, SMBC intends to further strengthen its capability to extend financial solutions to inclusive sectors like agriculture and Micro, Small, and Medium Enterprises (“MSMEs”) etc., in the Republic of India (“India”).

Northern Arc Capital - is a systematically important Non-Banking Finance Company (“NBFC”) that through a combination of capital, structured products and partnerships, helps other mid-to-small sized NBFCs and Micro-Finance Institutions (“MFIs”) - engaged in financing priority sectors in India, such as agriculture and MSMEs – to gain access to debt funding from mainstream domestic and international investors/lenders. Northern Arc Capital often identifies such NBFCs and MFIs (called "partner-originators") in their nascency, and helps to incubate, mentor, nurture, and grow them by providing initial funding support, improving their internal risk management, control framework, and corporate governance structure until they reach a matured, and advanced stage of operations.

Under this MOU, both parties intend to explore and try actualising mutually beneficial growth plans, and aspirational goals. With a view to positively contribute towards the Indian growth story, SMBC intends to further deepen its understanding and knowledge of the financial landscape of the country. SMBC aims to enhance its ability to address the funding needs of both Japanese and non-Japanese clients operating in India.

(Reference: Overview of Northern Arc capital)

Name:	Northern Arc Capital Limited
Establishment:	2008
Location of Head Office:	Chennai, Republic of India
Outline of Business:	NBFC extends financing, through lending and investment, to other NBFCs and MFIs that provide funding to Priority Sectors in India. It also acts an arranger of securitized assets and the direct assignment/outright purchase of assets originated by these NBFCs and MFIs.

(Notes) Priority Sector Lending (PSL) guidelines in India are established by the Reserve Bank of India, which mandates banks to extend a specified portion of their lending asset to certain sectors, such as agriculture, and MSMEs.