

(Ref.) Investment in YES BANK

- ◆ Completed the acquisition of 20% stake in YES BANK and agreed to acquire an additional 4.2%
- ◆ Concurrently sold our entire 1.65% stake in Kotak Mahindra Bank as part of portfolio reallocation

Investment in YES BANK

- Completed the previously announced 20% equity acquisition and will appoint two non-executive directors, making YES BANK an equity method affiliate of SMFG and SMBC.
- Agreed to acquire an additional 4.2% stake from CA Basque Investments, an affiliate of The Carlyle Group.
 - ✓ **Price:** Same per-share price as the initial 20% acquisition; **PBR 1.4x**, Investment amount of JPY 51 bn, goodwill of JPY 15 bn.
 - ✓ **Impact to CET1 ratio:** (5) bps from the additional stake and (29) bps in total.
 - ✓ **Profitability:** Expect profit contribution of JPY 24 bn and **Investment ROE of >10%** in the 5th year (increase by +JPY 4 bn from initial investment, after amortization of goodwill)

Reallocation of business portfolio

- Enhance capital efficiency by selling our stake in Kotak Mahindra Bank as reallocation of business portfolio in India.
- We have collaborated in wealth management and investment banking since our investment in 2010 and maintain our business alliance even after the sale of equity.

Sales amount	JPY 106 bn
Gains on stocks	JPY 94 bn
CET1 ratio	+7bps



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