

# Investment in YES BANK

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May 9th, 2025



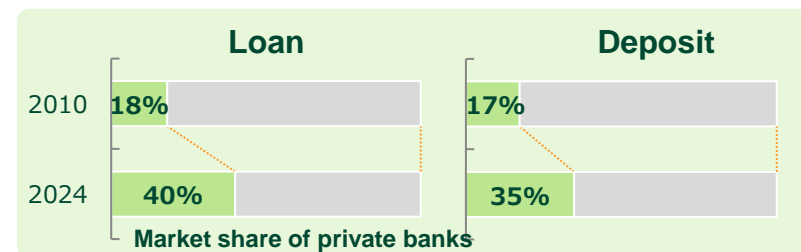
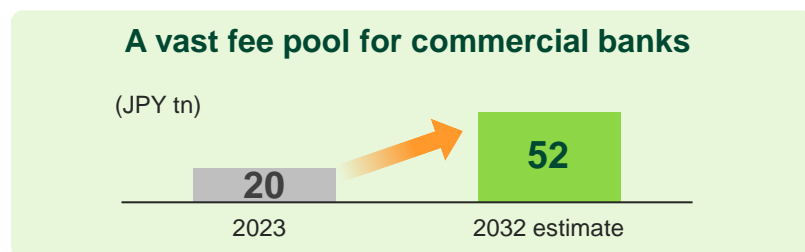
SUMITOMO MITSUI  
FINANCIAL GROUP

# Overview of Investment

- ◆ SMBC has signed an agreement<sup>\*1</sup> to acquire 20% of the outstanding common shares of YES BANK Limited (YES BANK), a commercial bank in India.
- ◆ Investment amount is INR 134.8 bn (approx. JPY 240 bn, PBR 1.4x), ROE >10% in the fifth year after the investment.
- ◆ Send two non-executive directors and make YES BANK an equity method affiliate of SMFG and SMBC.

## 1 Growth potential of Indian commercial banking business

- Fee pool is expected to grow **2.5x** in ten years<sup>\*2</sup>
- Steadily shifting from state-owned banks to private banks.



## 2 Opportunity to fill the missing piece

- Enter the commercial banking business in India, which was the last missing piece of Multi-Franchise Strategy
- Enables to cover all segments in India with YES BANK, the 6<sup>th</sup> largest private commercial bank
- Rare opportunity for a foreign bank with this investment size

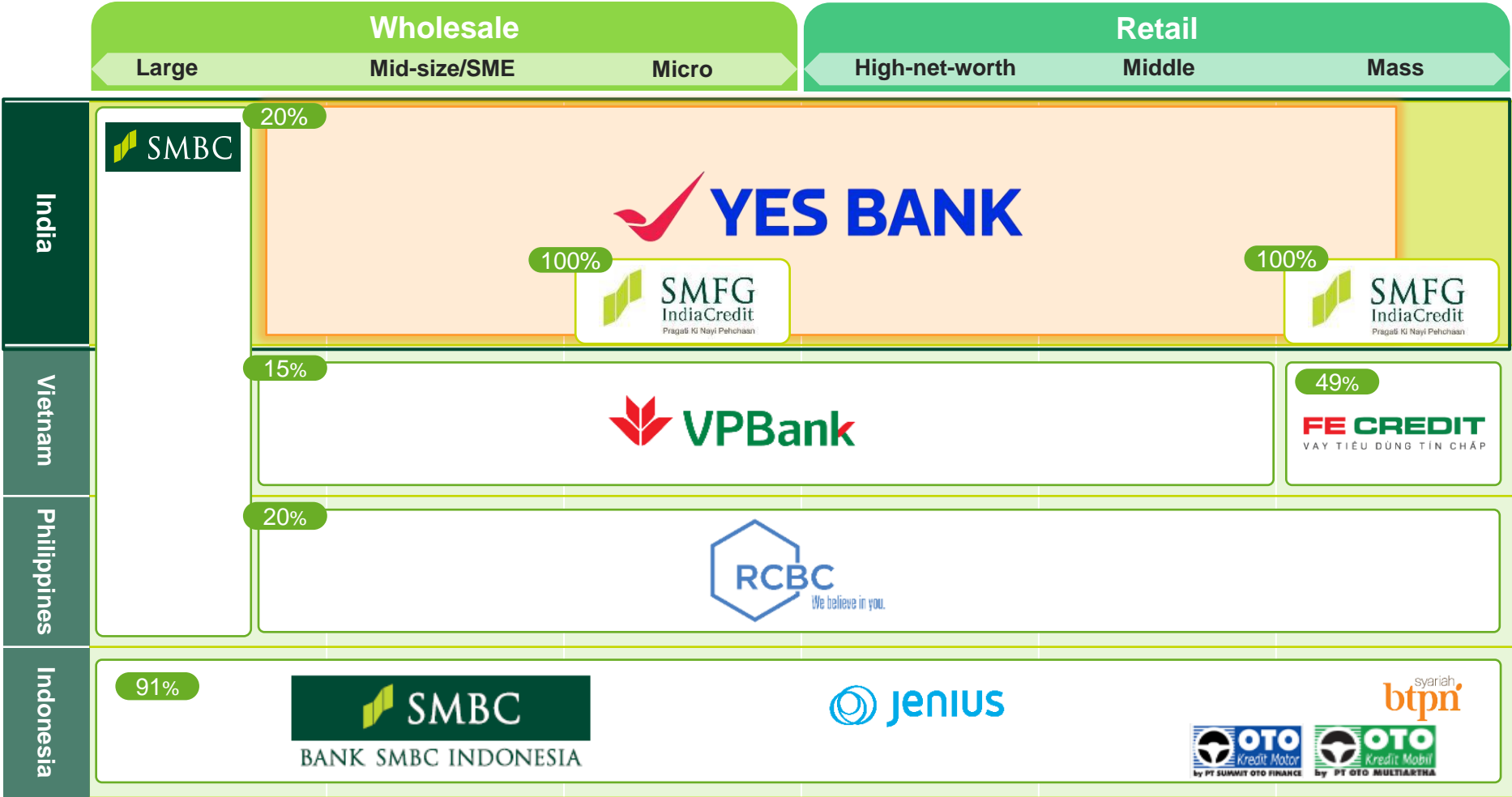
## 3 Disciplined price negotiation

- Careful negotiations led to an agreement at a fair price (**PBR 1.4x** with goodwill expected at approx. JPY 70 bn)
- **Investment ROE of >10%** in the fifth year
- Estimated impact on the CET1 ratio: (24) bps

# Overview of Multi-Franchise Strategy

Plan for  
Fulfilled Growth

Commercial banking business in India is the last piece of our Multi-Franchise Strategy. Focus on maximize returns from existing investments without expanding into additional countries or new businesses.





**The 6th largest private bank in India  
with a network of >1,200 branches**

**Transitioning from a strong turnaround story  
to a growth phase**

**Well-balanced business portfolio,  
primarily focused on  
rapidly growing SMEs and retail sectors**

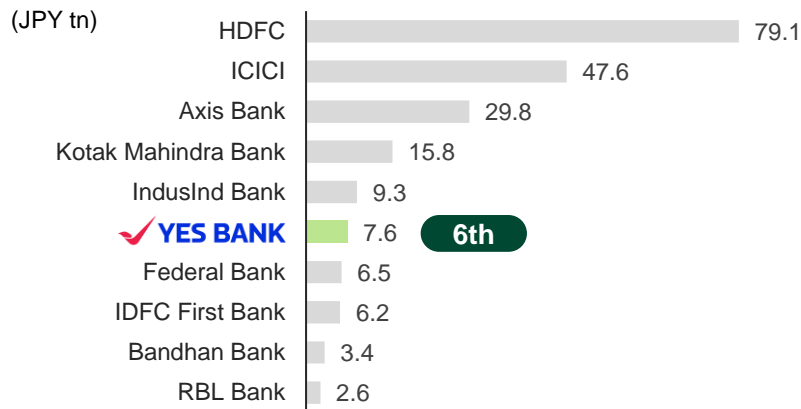
**Strong deposit growth driven by  
hybrid marketing strategies combining  
digital initiatives and physical branches**

# Strengths of YES BANK

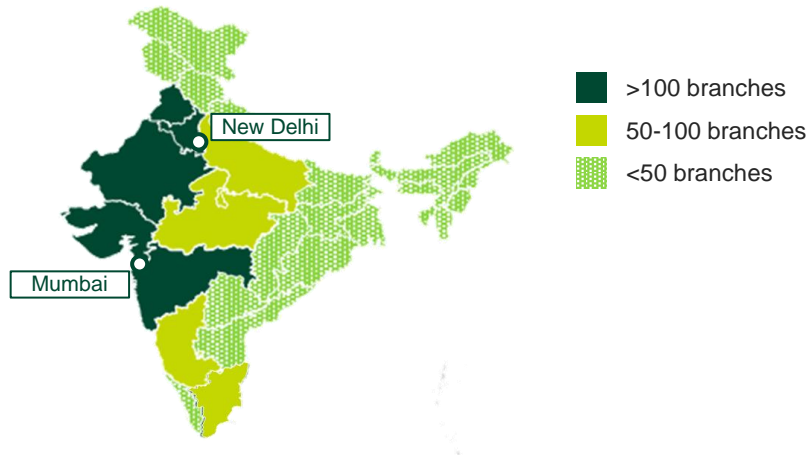
Plan for  
**Fulfilled Growth**

## Large scale and strong network

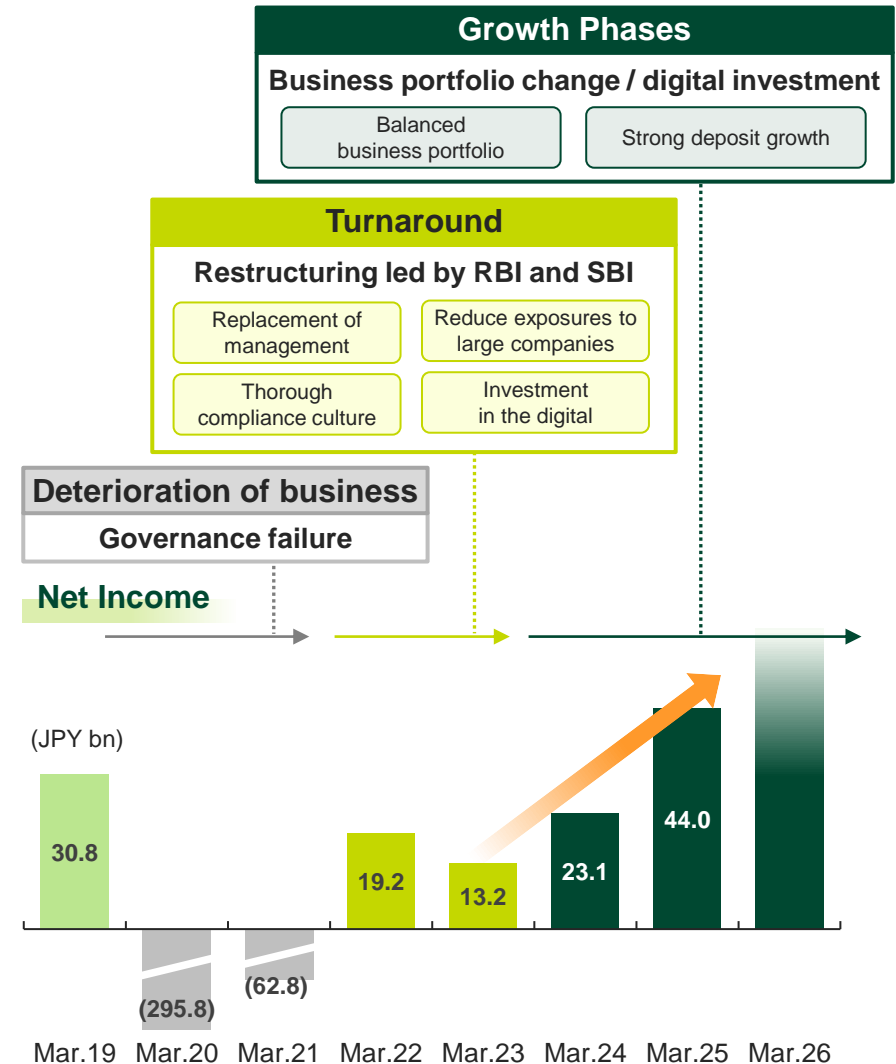
### Sixth-largest asset size in the private sector\*1



### A network of >1,200 branches across India



## From a strong turnaround to a growth phase



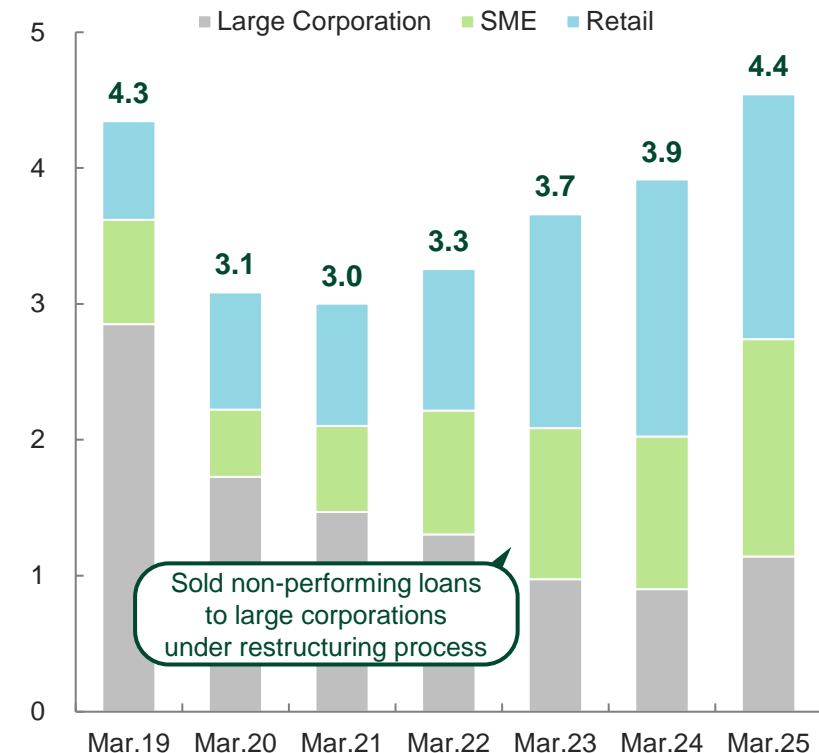
\*1 As of the end of March 2025 (March 2024 for IndusInd Bank). The exchange rate is INR/JPY=1.80

## Balanced Business Portfolio

- Transformed to a balanced business portfolio by strengthening SME and retail businesses, shifting from a focus on large corporations

### Loan Balance

(JPY tn)

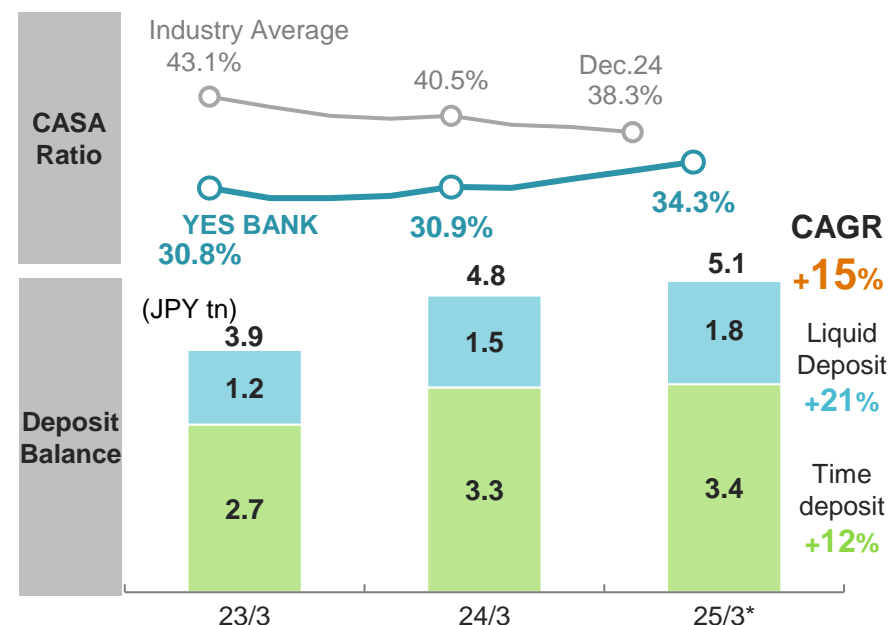


Sold non-performing loans to large corporations under restructuring process

NPL ratio	3.2%	16.8%	15.4%	13.9%	2.2%	1.7%	1.7%
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## Strong deposit growth

- Achieved strong deposit growth incl. CASA, by hybrid strategy with physical branches and strength in digital.



**CAGR**  
**+15%**

Liquid Deposit  
**+21%**

Time deposit  
**+12%**

### Retail Super App



- Equipped with >250 functions targeting young people, with simple UI and advanced personalization
- Rapidly growing with 3.4 mn users in 16 months since launch (Aug.23-Dec.24)

# (Ref.) Overview of YES BANK

Plan for  
Fulfilled Growth

## Summary

Name	YES BANK Limited	
Listing	Mumbai Stock Exchange (Market cap: JPY 1 tn)	
Ratings	Moody's: Ba3	
Establishment	2003	
Subsidiary	YES Securities (India) Limited	
Representative	Mr. Prashant Kumar (Managing Director & CEO)	
# of Employees	28,687 (as of Mar.25)	
Network	Nationwide network of >1,200 branches	
Major shareholders*1	State Bank of India	24.0%
	Verventa Holdings	9.2%
	CA Basque Investments	6.8%
	Life Insurance Corp of India	4.0%
	HDFC Bank	2.7%
	ICICI Bank Limited	2.4%
	Kotak Mahindra Bank Limited	1.2%
	Axis Bank Limited	1.0%

## Consolidated Financial Summary\*2

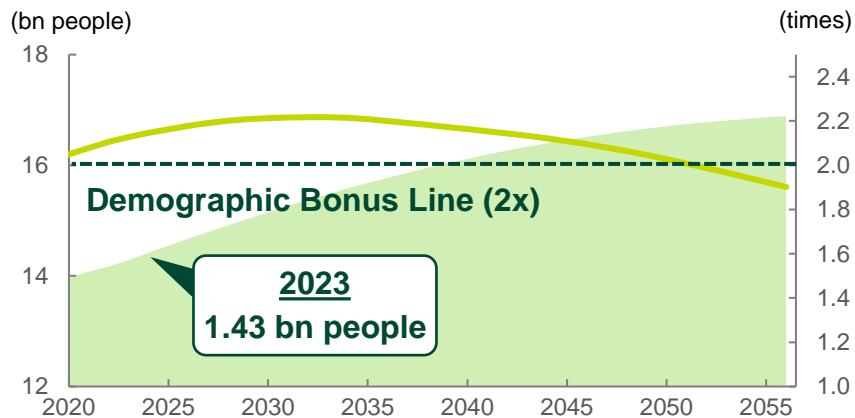
(JPY bn)	FY3/23	FY3/24	FY3/25
Gross profit	216.5	241.8	271.4
Expenses	158.9	180.2	193.8
Net business profit	57.6	61.6	77.6
Credit costs	44.4	34.0	19.5
Net Income	13.2	23.1	44.0
Total Assets	6,393.7	7,314.5	7,634.0
Loans	3,658.3	4,100.4	4,430.1
Deposit	3,912.9	4,792.1	5,119.6
ROA	0.2%	0.3%	0.6%
Non-performing loan ratio	2.2%	1.7%	1.7%
CET1 Ratio	13.3%	12.2%	13.5%

\*1 As of Apr. 25 \*2 The exchange rate is INR/JPY=1.80

# (Ref.) Growth potential of the Indian market

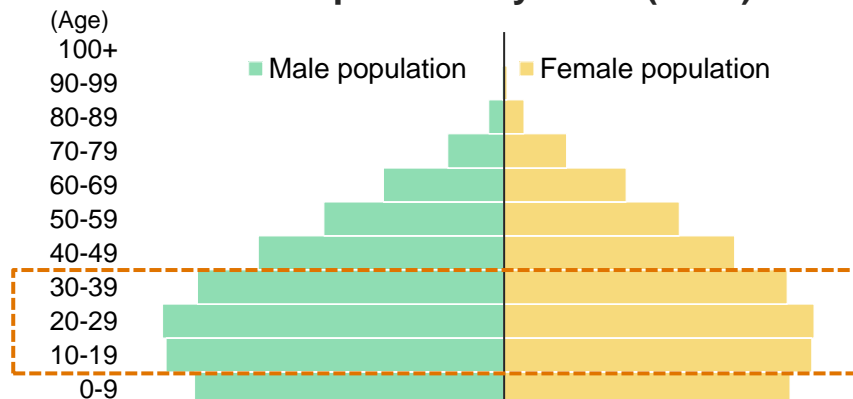
## Population growth continues<sup>\*1</sup>

### Demographic bonus expected until 2050

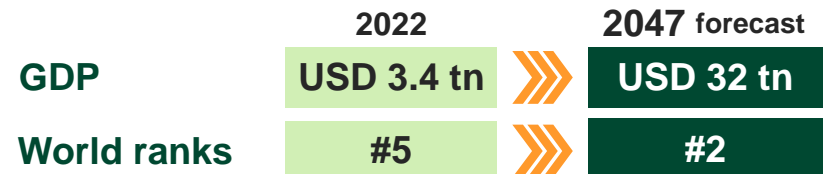


## Youth are driving economic growth

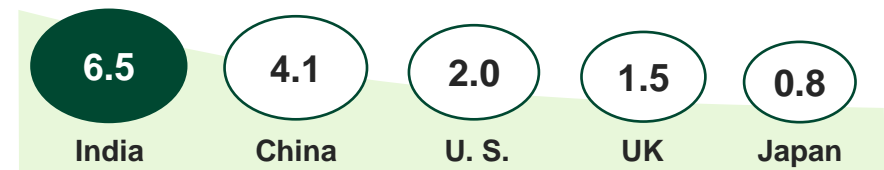
### Population Pyramid (2023)<sup>\*1</sup>



## The second largest GDP in the world<sup>\*2</sup>

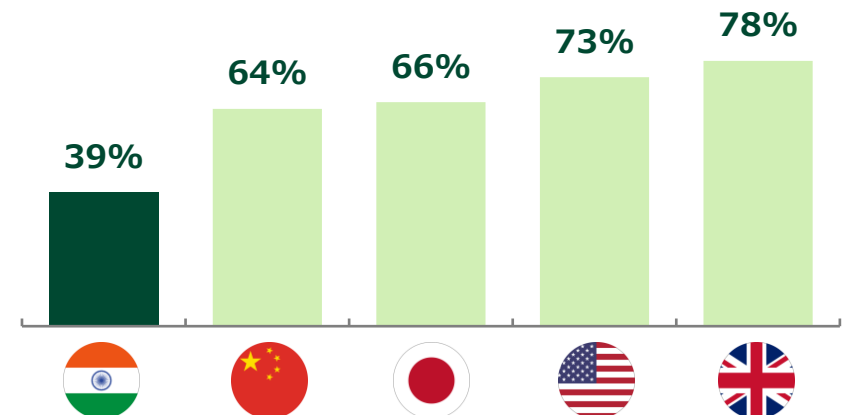


### GDP growth rate forecast (2026) (%)



## High growth potential in the retail market<sup>\*3</sup>

### Personal credit as a percentage of GDP (2023)



<sup>\*1</sup> United Nations "World Population prospects 2024"

<sup>\*2</sup> RBI database and IMF database

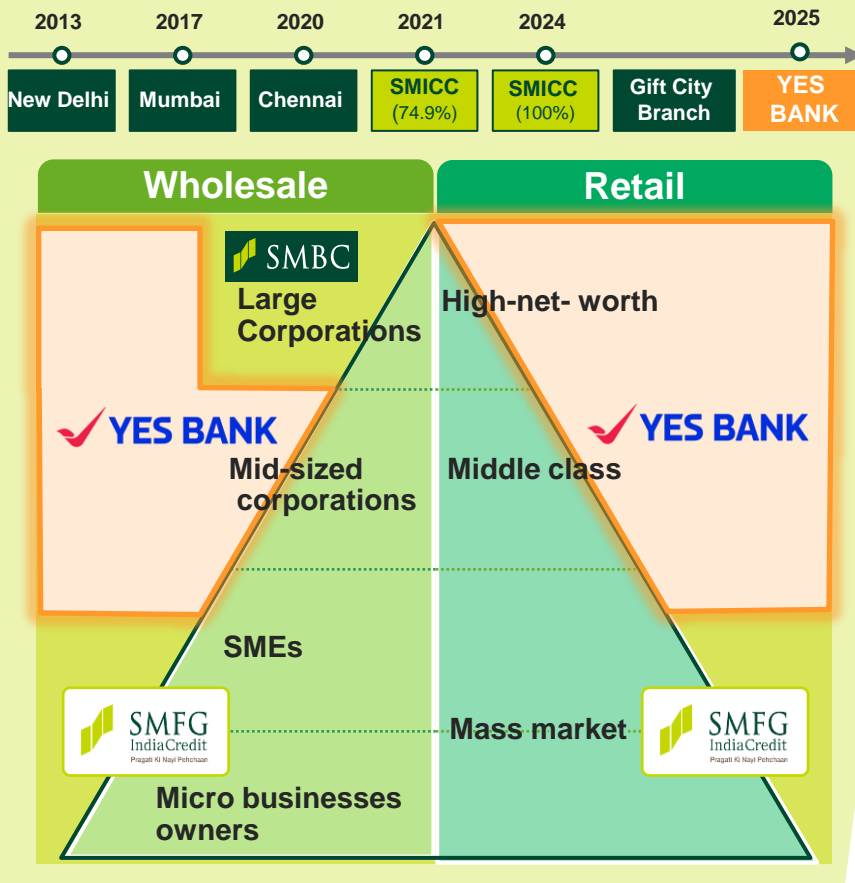
<sup>\*3</sup> IMF database



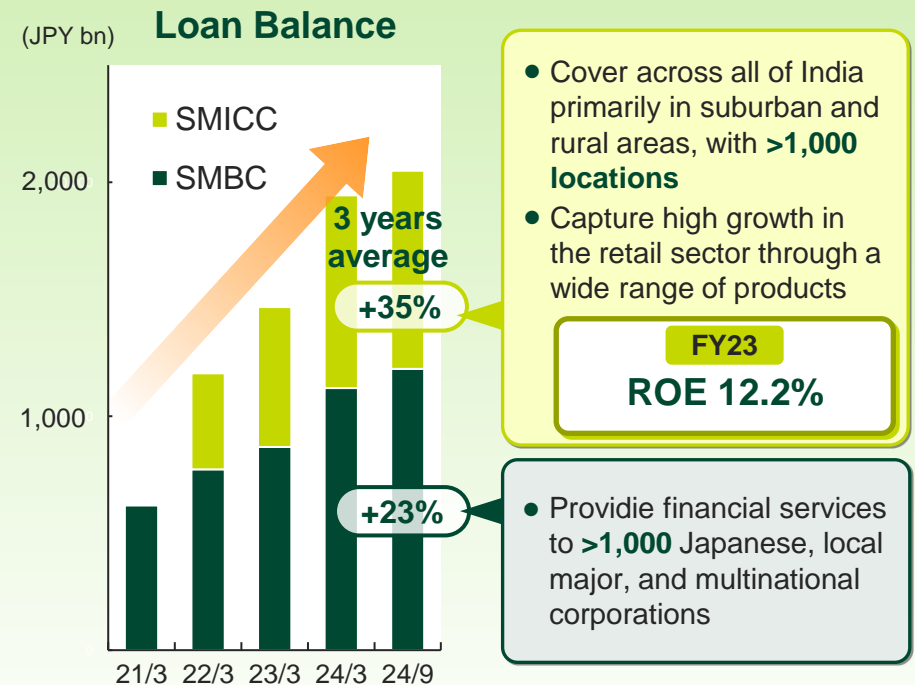
# (Ref.) SMBC's history in India

Plan for  
**Fulfilled Growth**

## Expanded coverage area



## Historical growth of business in India





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