

## MUFG Invests in a Leading Non-Banking Financial Company in India—No Impact on Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on MUFG Bank, Ltd. (security code: -)'s investment in India's Shriram Finance Limited.

- (1) On December 19, MUFG Bank, Ltd., Mitsubishi UFJ Financial Group (MUFG)'s core bank, announced that it would subscribe to a third-party allotment of equity shares in India's leading private non-banking financial company, Shriram Finance Limited (SFL) (Foreign Currency Long-Term Issuer Rating: BBB+). MUFG Bank plans to invest approximately INR 396.2 billion (approximately JPY 682.3 billion) to acquire 20% of the equity shares, making SFL an equity-method affiliate.
- (2) SFL is the second largest retail non-banking financial company (excluding housing finance companies) in India in terms of outstanding loan balance (AUM, approximately INR 2.8 trillion). It provides loans to micro, small, and medium enterprises and individual business owners, with particular strength in commercial and other vehicle loans, centered especially on used trucks. It has approximately 3,200 branches across India and a customer base of about 9.7 million. As MUFG is working to strengthen its business portfolio in Asia, this investment is positioned as an investment to capture business opportunities in India, where medium-to-long-term growth is anticipated.
- (3) MUFG's consolidated common equity Tier 1 capital (CET1) ratio (excluding valuation difference on available-for-sale securities, based on full implementation of Basel III, the same hereinafter) was 10.5% as of September 30, 2025. This investment is expected to reduce the ratio by approximately 0.6%, but even after factoring in this, the capital adequacy level commensurate with the rating will be maintained. MUFG plans to control its CET1 ratio within the range of 9.5% to 10.5%, and fluctuations within this range have been already incorporated into the rating. Considering SFL's profit scale, the contribution to profits through investment gains/losses under the equity method will also be limited.

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### <Reference>

Issuer: Mitsubishi UFJ Financial Group, Inc.

Long-term Issuer Rating: AA Outlook: Stable

Issuer: MUFG Bank, Ltd.

Long-term Issuer Rating: AA Outlook: Stable

Issuer: Mitsubishi UFJ Trust and Banking Corporation

Long-term Issuer Rating: AA Outlook: Stable

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