



NEWS RELEASE

Nov 05, 2021

R&I Affirms Ratings: SMBC Group

Rating and Investment Information, Inc. (R&I) has announced the following:

SEC. CODE	COMPANY NAME
8316	Sumitomo Mitsui Financial Group, Inc.
----	Sumitomo Mitsui Banking Corp.
----	SMBC Nikko Securities Inc.
----	Sumitomo Mitsui Card Co., Ltd.
----	SMBC Consumer Finance Co., Ltd.

* Please refer below for rated bonds, etc.

RATIONALE:

The SMBC Group is a leading financial group in the world, particularly in commercial banking, and is one of Japan's three mega-banking groups. The SMBC Group is designated as a Global Systemically Important Bank. The group also has a strong market position in securities, investment banking, credit cards, leasing (conducted by an equity method affiliate), consumer financing, asset management and other operations, developing a relatively diversified business portfolio. With a robust domestic customer base that consists of major corporate customers and small to medium-sized businesses, the SMBC Group has an extremely strong franchise. Its capability in the settlement business, at which the group excels, is superior to any other bank in Japan.

The group is expanding its overseas franchise. Leveraging unique products, it starts business with global major companies and seeks to develop orthodox transactions gradually. The group is thus establishing a position of the core bank for global companies. Owing to cooperation with the U.S.-based Jefferies Financial Group Inc. under a strategic capital and business alliance, the overseas securities business, where the group lagged behind, will likely make progress. Focusing management resources on Asia, the group announced its plan to invest in several non-banking businesses in 2021 in addition to PT Bank BTPN Tbk, an Indonesia-based local bank that became a consolidated subsidiary of Sumitomo Mitsui Banking Corp. (SMBC). It will take some time before such investments produce results, in R&I's view, but the group's network in Asia is steadily widening.

While risk assets are increasing due to multiple investments and acquisitions, the group retains risk resilience matching the AA rating category. It is attributable to reduction in stock price risk as well as curtailment of credit risk and interest rate risk, ample capital, etc. In light of certain resistance to downward pressure in stress scenarios, R&I believes that the group will be able to maintain risk resilience adequate for the AA rating category in the medium term. Its regulatory capital is at a sufficient level even if IRRBB (interest rate risk in the banking book), which is not reported as risk asset, is considered.

In terms of impacts from the COVID-19 pandemic, the quality of assets is what R&I pays the most attention to. An increase in bad loans remains in a narrow range owing to governments' supportive packages, but negative effects have been accumulated on borrowers in some industries. Asset soundness has been maintained by, for instance, increasing the allowance for loan losses under its strict policy on provisions. Meanwhile, a time lag between changes in the bank's balance sheet and macro-economy may cause credit cost to stay high. R&I will pay attention to developments in overseas credit and object financing for aircraft, etc., as well as any incurrence of credit cost and sufficiency of allowance for loan losses.

The SMBC Group's earning capacity is at a relatively advantageous level among the three mega-banking groups but slightly low for the rating. Its strength lies in efficiency-oriented business

■Contact : Sales and Marketing Division, Customer Service Dept. TEL. +81-(0)3-6273-7471 E-mail. infodept@r-i.co.jp
■Media Contact : Corporate Planning Division (Public Relations) TEL. +81-(0)3-6273-7273

Rating and Investment Information, Inc. TERRACE SQUARE, 3-22 Kanda Nishikicho, Chiyoda-ku, Tokyo 101-0054, Japan <https://www.r-i.co.jp>

Credit ratings are R&I's opinions on an issuer's general capacity to fulfill its financial obligations and the certainty of the fulfillment of its individual obligations as promised (creditworthiness) and are not statements of fact. Further, R&I does not state its opinions about any risks other than credit risk, give advice regarding investment decisions or financial matters, or endorse the merits of any investment. R&I does not undertake any independent verification of the accuracy or other aspects of the related information when issuing a credit rating and makes no related representations or warranties. R&I is not liable in any way for any damage arising in relation to credit ratings (including amendment or withdrawal thereof). As a general rule, R&I issues a credit rating for a fee paid by the issuer. For details, please refer to <https://www.r-i.co.jp/en/docs/policy/site.html>.

©Rating and Investment Information, Inc.

management that has taken root in the group. For domestic banking operations, structural reforms are speedy as exemplified by the transformation of SMBC retail branches into next-generation ones all at once. Under the medium term management plan having started in FY2020 (the year ended March 2021), the group will increase consolidated net business profit by 100 billion yen in three years and aims at bottom-line profit on a core earnings basis of more than 700 billion yen. The key is to continue to improve the cost efficiency of domestic banking operations while using the enhanced franchise. R&I considers that the SMBC Group will be able to make a big step forward in improving its creditworthiness if it can lower the break-even point of domestic banking operations.

Sumitomo Mitsui Financial Group, Inc.

Sumitomo Mitsui Financial Group, Inc. is the holding company of the SMBC Group. The rating is one notch lower than those of the group's core companies, reflecting the entire group creditworthiness and the structural subordination inherent in a holding company, among other reasons.

Sumitomo Mitsui Banking Corp.

Sumitomo Mitsui Banking Corp. (SMBC) is the core commercial bank of the SMBC Group. Since it accounts for the majority of the group's customer base, earnings and risks, the rating directly reflects the entire group creditworthiness.

SMBC Nikko Securities Inc.

SMBC Nikko Securities Inc. is the core securities company of the SMBC Group. Because of its unity with the group, the rating directly reflects the entire group creditworthiness. As one of the major securities companies in Japan, the company has a solid franchise in the retail segment. It plays a central role in the asset management business based on the group's integrated management approach. Its market position has been strengthening in wholesale as well, following the integration of banking and securities services that took place after it joined the SMBC Group. With the retail segment accounting for a large proportion, the company has a relatively stable earnings structure compared to other securities firms. Efficiency is increasing through branch channel reviews and digitization, while a rise in costs is reined in. The company intends to strengthen investment banking and sales & trading operations overseas, particularly in the U.S. Eyes are on whether the company will be able to diversify earnings sources while controlling increases in risks and expenditures.

Sumitomo Mitsui Card Co., Ltd.

Sumitomo Mitsui Card Co., Ltd. is a credit card company of the SMBC Group. Since it is responsible for creating strategies for cashless payment, one of the group's main businesses, and corporate settlement, Sumitomo Mitsui Card is strategically very important to the group. The rating directly reflects the entire group creditworthiness. The company as a pioneer in the VISA card business in Japan has a solid franchise. It has been successfully acquiring new members for numberless cards and other proper cards, while increasing affiliated merchants through a new settlement network. Fanned by the trend toward cashless payment, its franchise will be strengthened further even amid the prolonged COVID-19 pandemic, in R&I's view.

The company increased the issue limit of its commercial paper program from 300 billion yen to 400 billion yen. In light of its liquidity at hand, alternative liquidity, etc., R&I believes that sufficient liquidity will be secured even after the issue limit raise.

SMBC Consumer Finance Co., Ltd.

SMBC Consumer Finance Co., Ltd. (SMBCCF) is a consumer finance company of the SMBC Group. With the "Promise" brand and its subsidiary's "SMBC Mobit" brand, the company conducts the unsecured consumer finance business for the group. Given its strategic importance compared with the group's other businesses, the rating for SMBCCF is one notch below that for SMBC, a core company of the group. Demand for funds, which decreased due to the COVID-19 pandemic, is recovering

■Contact : Sales and Marketing Division, Customer Service Dept. TEL. +81-(0)3-6273-7471 E-mail. infodept@r-i.co.jp
■Media Contact : Corporate Planning Division (Public Relations) TEL. +81-(0)3-6273-7273

Rating and Investment Information, Inc. TERRACE SQUARE, 3-22 Kanda Nishikicho, Chiyoda-ku, Tokyo 101-0054, Japan <https://www.r-i.co.jp>

Credit ratings are R&I's opinions on an issuer's general capacity to fulfill its financial obligations and the certainty of the fulfillment of its individual obligations as promised (creditworthiness) and are not statements of fact. Further, R&I does not state its opinions about any risks other than credit risk, give advice regarding investment decisions or financial matters, or endorse the merits of any investment. R&I does not undertake any independent verification of the accuracy or other aspects of the related information when issuing a credit rating and makes no related representations or warranties. R&I is not liable in any way for any damage arising in relation to credit ratings (including amendment or withdrawal thereof). As a general rule, R&I issues a credit rating for a fee paid by the issuer. For details, please refer to <https://www.r-i.co.jp/en/docs/policy/site.html>.

©Rating and Investment Information, Inc.



NEWS RELEASE

moderately and the quality of assets has been maintained. The burden of refunding overpaid interests continues to be reduced. The value of its franchise and the earning capacity will be on an increasing trend over the medium term. SMBCCF announced that it made a major Vietnamese non-banking business VPBank Finance Co., Ltd. (FE Credit) an equity method affiliate of the company in accordance with the SMBC Group's strategy. R&I will keep an eye on whether business synergy can be achieved earlier and growth in the Vietnam market can be captured.

The primary rating methodologies applied to this rating are provided at "R&I's Basic Methodology for Corporate Credit Ratings", "Shared Rating Approach for Financial Institutions, etc.", "Depository Financial Institutions", "Securities Firms", "Credit Card and Credit Sales", "Consumer Finance", "R&I's Analytical Approach to Financial Groups" and "R&I's Analytical Approach to Regulatory Capital Instruments and Financial Institutions". The methodologies are available at the web site listed below, together with other rating methodologies that are taken into consideration when assigning the rating.

https://www.r-i.co.jp/en/rating/about/rating_method.html

R&I RATINGS:

ISSUER: Sumitomo Mitsui Financial Group, Inc. (Sec. Code: 8316)
Issuer Rating
RATING: A+, Affirmed
RATING OUTLOOK: Stable

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.1	Issue Date	Maturity Date	Issue Amount (mn)
	Sep 12, 2014	Sep 12, 2024	JPY 100,000

RATING: A+, Affirmed

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.3	Issue Date	Maturity Date	Issue Amount (mn)
	May 29, 2015	May 29, 2025	JPY 42,000

RATING: A+, Affirmed

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.4	Issue Date	Maturity Date	Issue Amount (mn)
	May 29, 2015	May 29, 2030	JPY 33,000

RATING: A+, Affirmed

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.7	Issue Date	Maturity Date	Issue Amount (mn)
	Sep 28, 2015	Oct 15, 2025	JPY 81,000

RATING: A+, Affirmed

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.10	Issue Date	Maturity Date	Issue Amount (mn)
	Jun 03, 2016	Jun 03, 2026	JPY 10,000

RATING: A+, Affirmed

■Contact : Sales and Marketing Division, Customer Service Dept. TEL. +81-(0)3-6273-7471 E-mail. infodept@r-i.co.jp
■Media Contact : Corporate Planning Division (Public Relations) TEL. +81-(0)3-6273-7273

Rating and Investment Information, Inc. TERRACE SQUARE, 3-22 Kanda Nishikicho, Chiyoda-ku, Tokyo 101-0054, Japan <https://www.r-i.co.jp>

Credit ratings are R&I's opinions on an issuer's general capacity to fulfill its financial obligations and the certainty of the fulfillment of its individual obligations as promised (creditworthiness) and are not statements of fact. Further, R&I does not state its opinions about any risks other than credit risk, give advice regarding investment decisions or financial matters, or endorse the merits of any investment. R&I does not undertake any independent verification of the accuracy or other aspects of the related information when issuing a credit rating and makes no related representations or warranties. R&I is not liable in any way for any damage arising in relation to credit ratings (including amendment or withdrawal thereof). As a general rule, R&I issues a credit rating for a fee paid by the issuer. For details, please refer to <https://www.r-i.co.jp/en/docs/policy/site.html>.

©Rating and Investment Information, Inc.



NEWS RELEASE

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.11	Issue Date Jun 03, 2016	Maturity Date Jun 03, 2026	Issue Amount (mn) JPY 20,000
RATING:	A+, Affirmed		

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.8	Issue Date Jun 13, 2016	Maturity Date Jun 15, 2026	Issue Amount (mn) JPY 55,000
RATING:	A+, Affirmed		

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.9	Issue Date Jun 13, 2016	Maturity Date Jun 15, 2026	Issue Amount (mn) JPY 65,000
RATING:	A+, Affirmed		

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.13	Issue Date Sep 12, 2016	Maturity Date Sep 15, 2026	Issue Amount (mn) JPY 41,000
RATING:	A+, Affirmed		

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.14	Issue Date Mar 16, 2018	Maturity Date Mar 16, 2028	Issue Amount (mn) JPY 100,000
RATING:	A+, Affirmed		

ISSUER: Sumitomo Mitsui Banking Corp.
Issuer Rating
RATING: AA-, Affirmed
RATING OUTLOOK: Stable

Shelf Registration (Bonds)
ISSUE AMOUNT (mn): JPY 1,000,000
ISSUE PERIOD: From Jul 14, 2020 to Jul 13, 2022
RATING: AA-, Affirmed (Preliminary)

Unsec. Sub. Bonds No.25	Issue Date Jun 01, 2011	Maturity Date Jun 01, 2026	Issue Amount (mn) JPY 30,000
RATING:	A+, Affirmed		

Unsec. Sub. Bonds No.27	Issue Date Nov 02, 2011	Maturity Date Nov 10, 2021	Issue Amount (mn) JPY 40,000
RATING:	A+, Affirmed		

Unsec. Sub. Bonds No.28	Issue Date	Maturity Date	Issue Amount (mn)
--------------------------------	-------------------	----------------------	--------------------------

■Contact : Sales and Marketing Division, Customer Service Dept. TEL. +81-(0)3-6273-7471 E-mail. infodept@r-i.co.jp
■Media Contact : Corporate Planning Division (Public Relations) TEL. +81-(0)3-6273-7273

Rating and Investment Information, Inc. TERRACE SQUARE, 3-22 Kanda Nishikicho, Chiyoda-ku, Tokyo 101-0054, Japan <https://www.r-i.co.jp>

Credit ratings are R&I's opinions on an issuer's general capacity to fulfill its financial obligations and the certainty of the fulfillment of its individual obligations as promised (creditworthiness) and are not statements of fact. Further, R&I does not state its opinions about any risks other than credit risk, give advice regarding investment decisions or financial matters, or endorse the merits of any investment. R&I does not undertake any independent verification of the accuracy or other aspects of the related information when issuing a credit rating and makes no related representations or warranties. R&I is not liable in any way for any damage arising in relation to credit ratings (including amendment or withdrawal thereof). As a general rule, R&I issues a credit rating for a fee paid by the issuer. For details, please refer to <https://www.r-i.co.jp/en/docs/policy/site.html>.

©Rating and Investment Information, Inc.



NEWS RELEASE

Dec 20, 2011

Dec 18, 2026

JPY 30,000

RATING:

A+, Affirmed

Short-term Debts

RATING:

a-1+, Affirmed

Commercial Paper

SUPPORT:

Unsecured

RATING:

a-1+, Affirmed

ISSUER:

SMBC Nikko Securities Inc.

Issuer Rating

RATING:

AA-, Affirmed

RATING OUTLOOK:

Stable

Commercial Paper

ISSUE LIMIT (mn):

JPY 1,000,000

SUPPORT:

Unsecured

RATING:

a-1+, Affirmed

Euro MTN Prog.

ISSUE LIMIT (mn):

JPY 1,000,000

SUPPORT:

Keepwell agreement

SUPPORTED BY:

Sumitomo Mitsui Financial Group, Inc.

Sumitomo Mitsui Banking Corp.

RATING:

AA-, Affirmed

ISSUER:

Sumitomo Mitsui Card Co., Ltd.

Issuer Rating

RATING:

AA-, Affirmed

RATING OUTLOOK:

Stable

Commercial Paper

ISSUE LIMIT (mn):

JPY 300,000 --> 400,000

SUPPORT:

Unsecured

RATING:

a-1+, Affirmed

ISSUER:

SMBC Consumer Finance Co., Ltd.

Issuer Rating

RATING:

A+, Affirmed

RATING OUTLOOK:

Stable

A preliminary rating is assigned when a provisional credit rating is needed for an individual obligation on which final terms have not been determined. A credit rating finally assigned may differ from the preliminary rating depending on, among others, the details of the actual contract of the

■Contact : Sales and Marketing Division, Customer Service Dept. TEL. +81-(0)3-6273-7471 E-mail. infodept@r-i.co.jp
■Media Contact : Corporate Planning Division (Public Relations) TEL. +81-(0)3-6273-7273

Rating and Investment Information, Inc. TERRACE SQUARE, 3-22 Kanda Nishikicho, Chiyoda-ku, Tokyo 101-0054, Japan <https://www.r-i.co.jp>

Credit ratings are R&I's opinions on an issuer's general capacity to fulfill its financial obligations and the certainty of the fulfillment of its individual obligations as promised (creditworthiness) and are not statements of fact. Further, R&I does not state its opinions about any risks other than credit risk, give advice regarding investment decisions or financial matters, or endorse the merits of any investment. R&I does not undertake any independent verification of the accuracy or other aspects of the related information when issuing a credit rating and makes no related representations or warranties. R&I is not liable in any way for any damage arising in relation to credit ratings (including amendment or withdrawal thereof). As a general rule, R&I issues a credit rating for a fee paid by the issuer. For details, please refer to <https://www.r-i.co.jp/en/docs/policy/site.html>.

©Rating and Investment Information, Inc.

individual obligation.

A credit rating for a medium-term note (MTN) program is assigned to the program and not to individual notes issued under the program. The credit rating of individual notes is generally the same as that of the program. As regards credit-linked notes, index-linked notes or other notes, however, there are some cases where the rating on each note will not be on par with the program or no rating will be assigned, depending on the details of the individual note contract. Upon the issuer's request, R&I may assign a credit rating to individual notes issued under the program.

■Contact : Sales and Marketing Division, Customer Service Dept. TEL. +81-(0)3-6273-7471 E-mail. infodept@r-i.co.jp
■Media Contact : Corporate Planning Division (Public Relations) TEL. +81-(0)3-6273-7273

Rating and Investment Information, Inc. TERRACE SQUARE, 3-22 Kanda Nishikicho, Chiyoda-ku, Tokyo 101-0054, Japan <https://www.r-i.co.jp>

Credit ratings are R&I's opinions on an issuer's general capacity to fulfill its financial obligations and the certainty of the fulfillment of its individual obligations as promised (creditworthiness) and are not statements of fact. Further, R&I does not state its opinions about any risks other than credit risk, give advice regarding investment decisions or financial matters, or endorse the merits of any investment. R&I does not undertake any independent verification of the accuracy or other aspects of the related information when issuing a credit rating and makes no related representations or warranties. R&I is not liable in any way for any damage arising in relation to credit ratings (including amendment or withdrawal thereof). As a general rule, R&I issues a credit rating for a fee paid by the issuer. For details, please refer to <https://www.r-i.co.jp/en/docs/policy/site.html>.