

Sumitomo Mitsui Financial Group

Issuer View • 04 February 2026

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Ratings

Sumitomo Mitsui Financial Group Inc

	Rating	Outlook
Fitch	A-	Stable
Moody's*	A1	Stable
S&P	A-	Stable

Homepage

www.smfg.co

* Senior Unsecured

Sumitomo Mitsui Banking Corporation (SMBC) is a commercial bank headquartered in Tokyo and, by assets, one of the largest banks in Japan. SMBC is a wholly consolidated subsidiary of Sumitomo Mitsui Financial Group (SMFG) and itself includes additional subsidiaries such as SMBC Trust Bank. SMBC offers its clients financial products and services in the areas of banking, leasing, securities, credit cards, and consumer finance. The bank reports across the four business units "Retail", "Wholesale", "Global", and "Global Markets", as well as the segment "Head office account and other". The loan portfolio primarily consists of loans to large corporations (09/2025: 38.4%), lending to mid-sized corporations and SMEs (33.7%), as well as loans to individuals (17.5%). In addition to its domestic lending portfolio, the institution maintains a significant international business, distributed across the regions Americas (09/2025: 41.8%), EMEA (29.4%), and Asia (29.1%). The bank's funding mix predominantly comprises deposits and is selectively supplemented by capital market issuances. Foreign currency issuances serve to refinance international borrowers and diversify the investor base. As of the end of the III. quarter, the outstanding volume of foreign currency bonds amounted to approx. USD 85bn. SMBC regularly issues [green bonds](#), the proceeds of which are used to finance various environmental projects. As of the current reporting date, the institution held six green bonds with a total volume of approx. EUR 1.6bn. The financial year-end is 31 March.

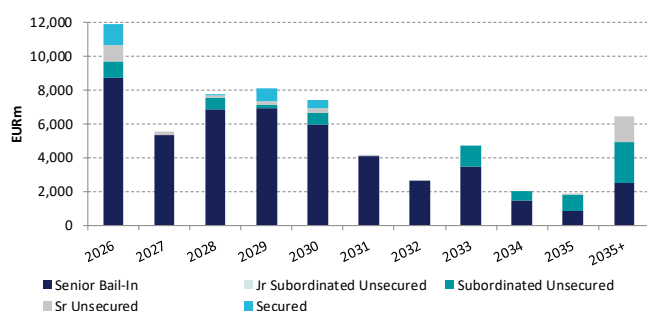
Balance Sheet

(EURm)	2024Y	2025Y	2026H1
Net Loans to Customers	650,778	680,921	646,389
Total Securities	463,750	530,249	494,377
Total Deposits	1,100,058	1,165,700	1,071,716
Tier 1 Common Capital	73,492	71,577	68,752
Total Assets	1,809,229	1,892,327	1,761,777
Total Risk-weighted Assets	568,982	575,313	545,912

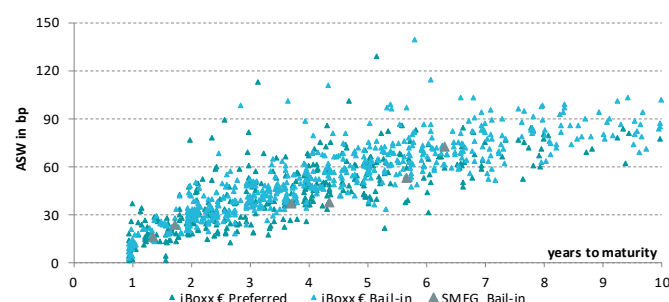
Income Statement

(EURm)	2024Y	2025Y	2026H1
Net Interest Income	12,010	14,297	7,637
Net Fee & Commission Inc.	9,517	9,593	4,970
Net Trading Income	688	2,345	844
Operating Expense	14,373	14,687	7,314
Credit Commit. Impairment	1,750	2,107	537
Pre-tax Profit	8,573	10,394	7,592

Redemption Profile



Senior Unsecured Bonds (EUR BMK)



Company Ratios

	2024Y	2025Y	2026H1		2024Y	2025Y	2026H1
Net Interest Margin	1.04	0.92	1.00	Liquidity Coverage Ratio	-	-	-
ROAE	7.05	7.90	12.64	IFRS Tier 1 Leverage Ratio	4.14	3.86	-
Cost-to-Income	56.40	53.78	47.31	NPL/Loans at Amortised Cost	0.96	0.80	0.90
Core Tier 1 Ratio	12.92	12.44	12.59	Reserves/Loans at Amort. Cost	0.76	0.83	0.79

As of: 04 February 2026; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Floor Research

Strengths / Opportunities

- Market position and diversified business portfolio
- Liquidity
- Likelihood of government support

Risks / Weaknesses

- Foreign currency funding profile
- Competition in the domestic market
- Profitability

Covered Bonds

The outstanding covered bond volume totals JPY 449bn

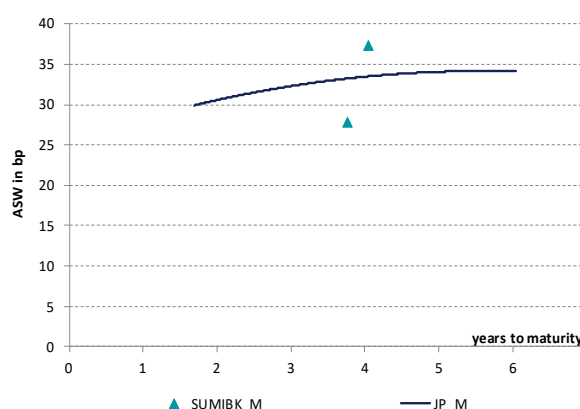
The issuer, Sumitomo Mitsui Banking Corporation, operates solely a mortgage-covered bond issuance program, with the cover pool totalling JPY 797.0bn as of the reporting date, 18 November 2025. Against this, issued covered bonds amount to JPY 448.6bn, resulting in a calculated overcollateralization ratio of 77.7%. Currently, there is no covered bond legislation in Japan; instead, the issuer has specified a “Minimum Committed” OC of 25%. In the January composition of the iBoxx EUR Covered, SMBC is represented with two outstanding bonds in benchmark format, with the most recent issuance dating back to February 2025. Two additional bonds no longer meet the index criteria due to a remaining maturity of less than one year.

Programme data

18 November 2025	Mortgage
Covered bonds outstanding	JPY 448.6bn (appr. EUR 2.5bn) ¹
Cover pool volume	JPY 797.0bn (appr. EUR 4.4bn) ¹
Current OC (nominal / comitted)	77.7% / 25.0%
Type primary cover	100% Residential
Main country	100% Japan
Main region	44.7% Tokyo
Number of loans	44,159
Share top 10 exposures	0.2%
NPL	0.0%
Fixed interest (Cover Pool / CBs)	0% / 100%
WAL (Cover Pool / CBs)	27.4y / 2.2y
CB Rating (Fitch / Moody's / S&P)	- / Aaa / -

Source: Issuer, rating agencies, Bloomberg, NORD/LB Floor Research; ¹ Conversion rate as at 18 November 2025

Spread overview (BMK) – Japan



Loans located exclusively in Japan

As of the reporting date, 18 November 2025, SMBC's cover pool consists entirely of residential mortgage-backed securities (RMBS), all geographically located in Japan. The largest share of the total 44,159 loans securitized in the RMBS is concentrated in the Tokyo region with 44.7%, followed by Osaka with 15.7% and Kanagawa with 13.9%. The average loan amount as of 18 November 2025 is JPY 24.7m, and the ten largest exposures account for 0.2% of the cover pool. Non-performing loans are not included in the cover pool. 100% of the loans are classified as “Owner/Family occupied.” While the average LTV for the non-indexed case is reported at 79.8%, the indexed LTV, which reflects changes in real estate market prices, stands at 66.2%. SMBC's cover pool consists of 90% variable-rate loans, with the remaining 10% classified as “Fixed to Fix/Floating Choice Loans”.

Rating and regulatory treatment

SMBC's covered bonds have the highest rating from the rating agency Moody's (Aaa). The agency also rates the Timely Payment Indicator (TPI) and TPI Leeway as “Probable” and “2” respectively. A risk weight of 20% in accordance with CRR applies to the covered bonds. In our understanding, the EUR benchmarks are not suitable as eligible assets in the context of the LCR, also due to the fact that covered bonds legislation does not yet exist in Japan, and do not count as eligible collateral in the context of the ECB Collateral Framework.

Appendix

Contacts at NORD/LB

Floor Research



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Governments	+49 511 9818-9660
Länder/Regionen	+49 511 9818-9660
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Relationship Management

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Öffentliche Kunden	rm-oek@nordlb.de

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