S&P Global
Ratings

Research

Sumitomo Mitsui Financial Group Inc. (Holding Company); Sumitomo Mitsui Banking Corp. (Lead Bank)

Primary Credit Analyst:
Chizuru Tateno, Tokyo + 81 3 4550 8578; chizuru.tateno@spglobal.com

Secondary Contact:
Satoru Matsumoto, Tokyo + 81 3 4550 8673; satoru.matsumoto@spglobal.com

Table Of Contents

Table Of Contents (cont.)

Sumitomo Mitsui Financial Group Inc. (Holding Company); Sumitomo Mitsui Banking Corp. (Lead Bank)

Ratings Score Snapshot

Issuer Credit Rating
A-/Stable/NR

SACP: a → **Support: 0** → **Additional factors: 0**

Anchor	bbb+	
Business position	Strong	+1
Capital and earnings	Adequate	0
Risk position	Adequate	0
Funding	Strong	+1
Liquidity	Strong	
CRA adjustment		0

ALAC support	0
GRE support	0
Group support	0
Sovereign support	0

Issuer credit rating
A/Stable/A-1
Holding company ICR
A-/Stable/--

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths	Key risks
Strong and stable business foundation backed by leading market presence in Japan and diversified businesses.	Relatively weaker profitability than international peers amid competitive operating environment in domestic lending business.
Stable funding and strong liquidity backed by domestic retail deposit base.	Weaker foreign currency funding than yen funding.
High likelihood of extraordinary government support if needed.	

Diversified businesses and strong competitiveness in the domestic market will likely continue to support SMBC Group's revenue stability. S&P Global Ratings expects Sumitomo Mitsui Banking Corp. (SMBC) Group, as the largest-class banking group in Japan, to remain highly competitive in domestic commercial banking and retail banking markets. We also believe SMBC Group will maintain a well-balanced business portfolio comprising diverse businesses and geographies in coming years.

We expect the balance between the group's capital and risk-weighted assets to remain adequate in the next one to two years. The group is likely to continue expanding businesses with growth potential, including those in Asia and the U.S.

However, we expect our risk-adjusted capital (RAC) ratio for SMBC Group to remain slightly above 7.0% over the next one to two years, thanks to the group's stable accumulation of earnings and its capitalization strategy.

SMBC Group's large presence in Japan's banking system as one of three megabank groups will likely continue to underpin its creditworthiness. The group will likely receive extraordinary support from the Japanese government if needed, given its systemic importance to Japan's financial system. This strengthens the group's credit quality, in our view.

Outlook

Stable outlooks on SMBC Group's nonoperating holding company, Sumitomo Mitsui Financial Group Inc. (SMFG), its lead bank, Sumitomo Mitsui Banking Corp. (SMBC), and the group's core banking subsidiaries reflect our expectation that the entities will maintain stable credit profiles for the coming two years. This reflects our view that a likelihood of government support in times of need will underpin their creditworthiness. The outlooks also reflect our view that, for the next two years, the group will maintain entity-specific factors--such as its solid business foundation, stable funding base, and strong liquidity--in a stable manner.

Downside scenario

We might consider a downgrade if we lower by three notches or more the group stand-alone credit profile (SACP), our assessment of its group creditworthiness excluding the likelihood of extraordinary government support. However, we think a material decline in the group SACP is unlikely in the next one to two years.

We might consider lowering the group SACP if we have stronger expectations for:

- Worsening balances between capital and risk-weighted assets because of expansion of overseas business or enhancement of shareholder returns,
- Downward pressure on its foreign currency funding structure because of increased foreign currency assets, or
- Substantially weakening credit quality of its asset portfolio.

Upside scenario

We might consider upgrading SMFG and its core banking subsidiaries if:

- We raise our long-term sovereign credit rating on Japan and believe the group can maintain its asset quality and capital buffer, or
- We raise our group SACP for SMBC Group.

Key Metrics

Sumitomo Mitsui Financial Group Inc.--Key ratios and forecasts

	--Fiscal year*--				
(%)	**2021a**	**2022a**	**2023a**	**2024f**	**2025f**
Growth in operating revenue	5.0	8.5	18.1	6.0-7.0	5.0-6.0
Growth in customer loans	6.7	8.3	8.7	3.5-4.5	3.5-4.5
Net interest income/average earning assets (NIM)	1.0	1.1	1.1	1.1-1.2	1.2-1.3
Cost to income ratio	57.9	57.1	55.8	53.0-57.0	53.0-57.0
Return on assets	0.3	0.3	0.4	0.3-0.4	0.3-0.4
New loan loss provisions/average customer loans	0.3	0.2	0.3	0.2-0.3	0.2-0.3
Nonperforming assets/total claims	1.1	0.8	0.8	0.9-1.0	0.9-1.0
Risk-adjusted capital ratio§	6.9	6.9	7.0	7.0-7.5	7.0-7.5

*Fiscal years end March 31 of the following year. All figures are S&P Global Ratings-adjusted. §2023a of RAC is as of Sept. 30, 2023. a--Actual. f--Forecast. NIM--Net interest margin.

Anchor: 'bbb+', With An Economic Risk Score Reflecting Its Japanese And Overseas Exposures

We assess SMBC Group's anchor as 'bbb+', equivalent to the anchor for a bank operating primarily in Japan, based on our Banking Industry Country Risk Assessment (BICRA) analysis. However, the economic risk score for the group is '3', which is one category higher than our score for Japan's banking sector ('2'). This reflects the group's move, in line with its business strategy, to expand exposure to overseas countries and regions with growth potential that we regard as having higher economic risk than Japan.

We consider economic risk for Japanese banks to be relatively low compared with that for banks globally. Japanese banks benefit from operating in a large and diversified economy with various competitive industries. These strengths offset certain structural weaknesses, such as Japan's aging society, low economic growth, and the government's high debt. Gross private sector debt as a percentage of gross domestic product (GDP) has risen, but we expect it to continue to decline slowly into 2025.Conversely, we view industry risk that Japanese banks face as somewhat higher than that of their peer countries. This is because we believe that low profitability due to Japan's fragmented banking industry could pose added risk to the stability of the country's banking system. We expect higher domestic interest rates will help the industry to improve its resilience, albeit slowly. The industry's robust systemwide funding structure underpins our industry risk score for Japan. We believe the banking sector's buffer (earnings and capital) is well positioned to absorb its credit costs.

Business Position: Expanding Earnings In Growth Areas While Remaining A Leading Commercial Bank In Japan

We project SMBC Group will maintain its strengths, including a strong competitive position in domestic commercial and retail banking markets, geographically diversified groupwide revenue sources, and diversified businesses. The group's main operating bank, SMBC, which is one of the largest banks in Japan, provides traditional commercial banking services using its nationwide network in Japan and its overseas operations. Other group companies engage in leasing, brokerage and investment services, and credit card and consumer finance.

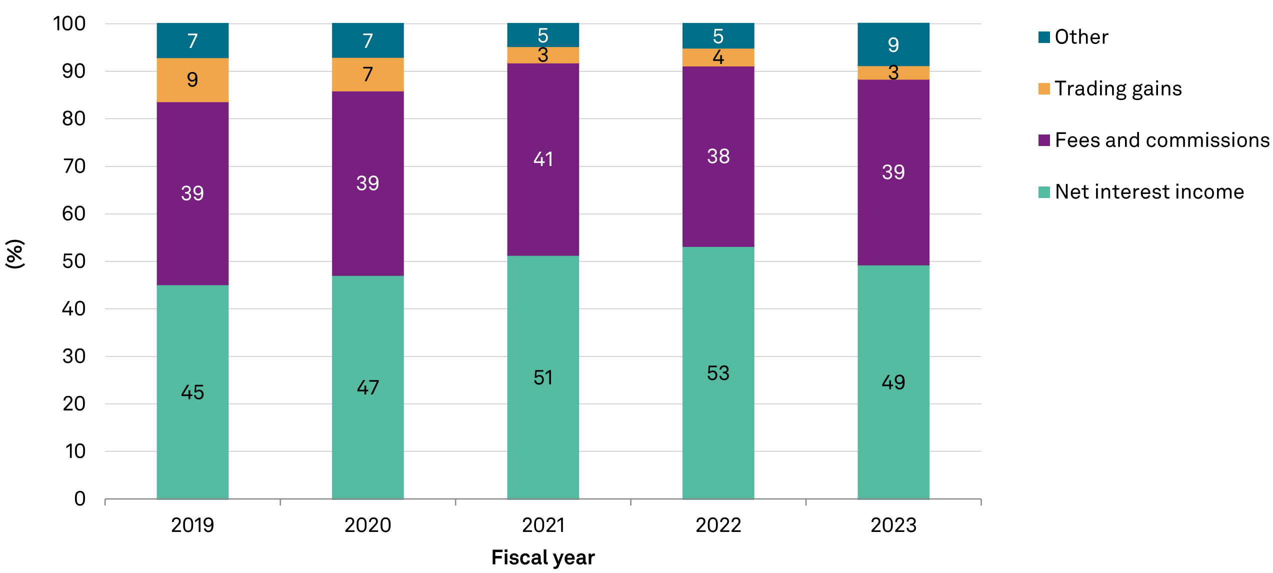
To further strengthen its business base, it is important for SMBC Group to generate stable income from its past investments, in our view. In recent years, the group made several investments in nonbanking financial companies and banks in emerging Asian economies and invested in U.S. securities companies. Profit from the group's international business unit rose to 41% of its consolidated net operating profit in fiscal 2023 (ended March 31, 2024). We expect the group to continue to add investments in its focus areas including overseas countries. Lack of a retail deposit funding base in major foreign currency countries outside Japan has constrained the pace of expansion of the group's overseas assets. While pursuing a profit target of over ¥1 trillion for fiscal 2024, the group aims to achieve a return on common equity Tier 1 capital of 11% in fiscal 2025, the final year of its current midterm management plan. We think the group also needs to improve asset efficiency to boost profitability.

SMBC Group has stable customer bases in both retail and corporate banking in Japan, in our view. Domestic retail deposits provide a stable funding base. It has also built strong, long-term relationships as the main bank of many of its corporate customers. Furthermore, the group has established groupwide business units to further support client needs. Specifically, it has integrated its management structure across the group's legal entities, including SMBC and other group companies.

Chart 1

Diversified revenue sources underpin business stability

Sumitomo Mitsui Financial Group Inc. breakdown of operating revenue

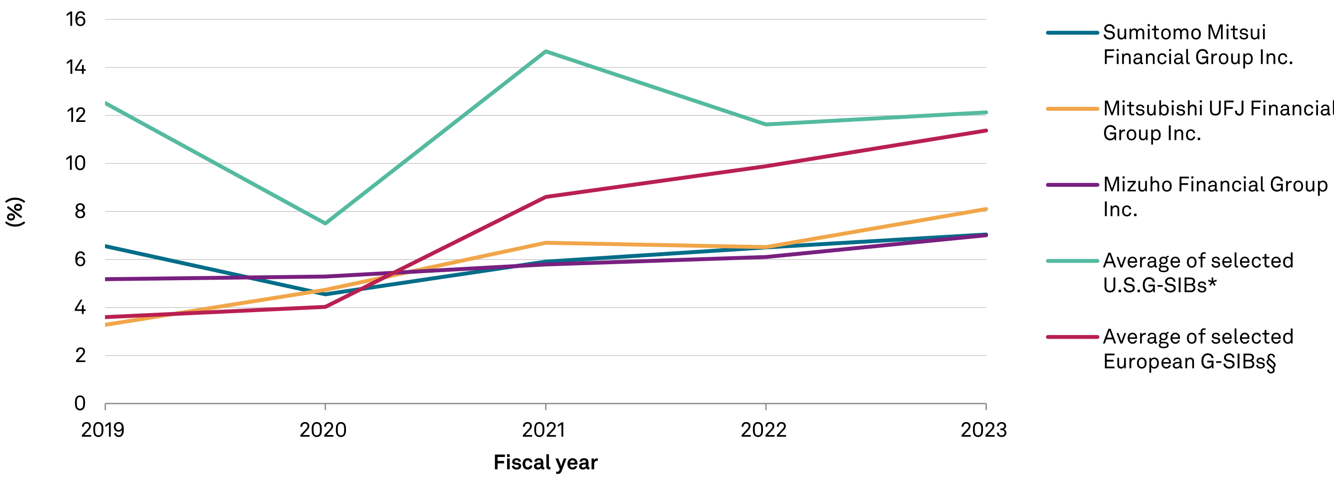


Fiscal years end March 31 of the following year. Source: S&P Global Ratings, based on company disclosures.

Chart 2

Profitability is improving but still below international comparison

Sumitomo Mitsui Financial Group Inc. movements in return on equity compared with domestic and foreign banks



Fiscal years end March 31 of the following year for Japanese banks. *U.S. global systemically important banks: Citigroup, Bank of America, JP Morgan, Wells Fargo. §European global systemically important banks: Barclays, HSBC, BNP Paribas, Deutsche Bank. Source: S&P Global Ratings, based on company disclosures.

Capital And Earnings: Capital Remains Adequate

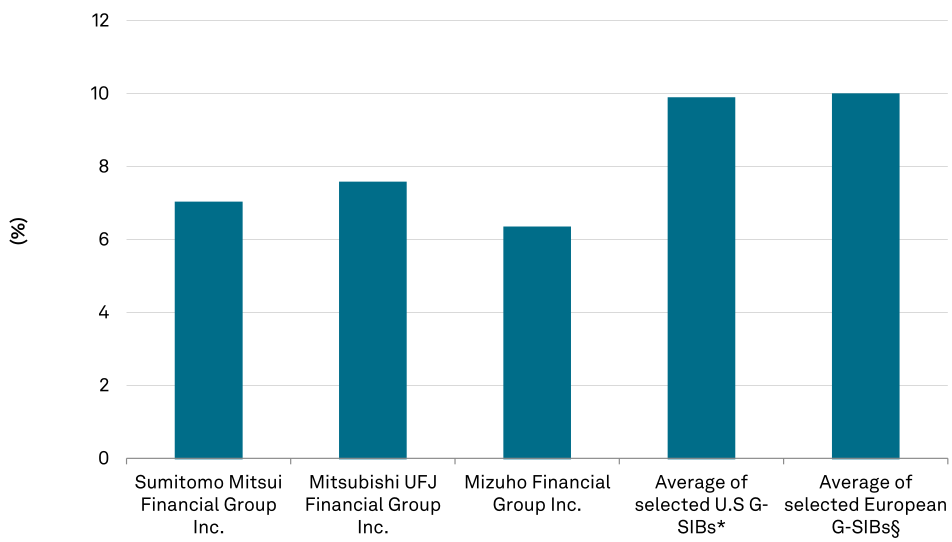
We expect SMBC Group to maintain adequate capitalization in the next two years or so. We think the group is likely to continue expanding overseas and other businesses with growth potential, while controlling the pace of asset expansion. We also assume the group will likely strengthen shareholder returns through means such as higher dividend payments and share repurchases. Even under these circumstances, we project the group's RAC ratio will remain slightly above 7.0% in the next one to two years, given the group's stable earnings accumulation and capitalization strategy. (Its RAC ratio was 7.0% as of Sept. 30, 2023.) Meanwhile, the RAC ratio is unlikely to improve significantly, because the group is seeking to build a highly profitable portfolio and its regulatory capital ratio has already reached the group's target.

We consider SMBC Group's RAC ratio to be volatile because of susceptibility to fluctuations in its equity holdings. The risk weight of equity in the RAC ratio is higher than that in the regulatory capital ratio. Furthermore, we incorporate unrealized gains and losses on equity holdings when we calculate risk-weighted assets (as we define them). Thus, if stock prices fall and reduce the group's unrealized gains, its risk-weighted assets would rise and weaken its RAC ratio.

We estimate SMBC Group's earnings buffer at about 50 basis points (bps) over the next one to two years. Despite a difficult competitive environment for its domestic lending business, a diversified business base both in business portfolio and geography will underpin its earnings base, in our view. We also expect rises in domestic interest rates and vigorous corporate activities to positive affect the group's earnings. We have estimated the earnings buffer assuming a normalized loss rate under our RAC framework, which is the premise of the estimated level, of 0.28% of the group's credit risk exposure.

Chart 3

Capitalization adequate but lower than international peers'
Sumitomo Mitsui Financial Group Inc. risk-adjusted capital ratio



As of Sept. 30, 2023, for Japanese banks, as of Dec. 31, 2023, for U.S. and European G-SIBs. *U.S. global systemically important banks: Citigroup, Bank of America, JP Morgan, Wells Fargo. §European global systemically important banks: Barclays, HSBC, BNP Paribas, Deutsche Bank. Source: S&P Global Ratings, based on company disclosures.

Risk Position: Asset Quality To Remain Manageable

We expect the group's asset quality to remain largely sound. The group's ratio of nonperforming assets (NPAs) has remained low, at 0.8% at the end of March 2024. SMBC Group has extensive operations in multiple countries and regions. Nevertheless, credit risk related to commercial banking is the major risk to the group, and highly complex investment banking business accounts for a limited portion of its overall earnings. We therefore think the group has average business complexity compared with major global financial groups.

We project SMBC Group's credit costs to average loans will be about 0.2%-0.3% for the next one to two years. This considers the higher cost of credit in areas of growth opportunity, including emerging Asian markets and consumer finance, than in domestic banking. SMBC Group's asset quality will likely remain susceptible to global economic trends. Our estimate of the group's credit costs incorporates our macroeconomic scenario, which assumes real GDP growth of 0.7% in 2024 and 1.1% in 2025 in Japan, and of 2.5% in 2024 and 1.7% in 2025 in the U.S. Additionally, the operating performance of large-lot borrowers that have close relationships with SMBC Group as their main bank affect the group's credit-related costs.

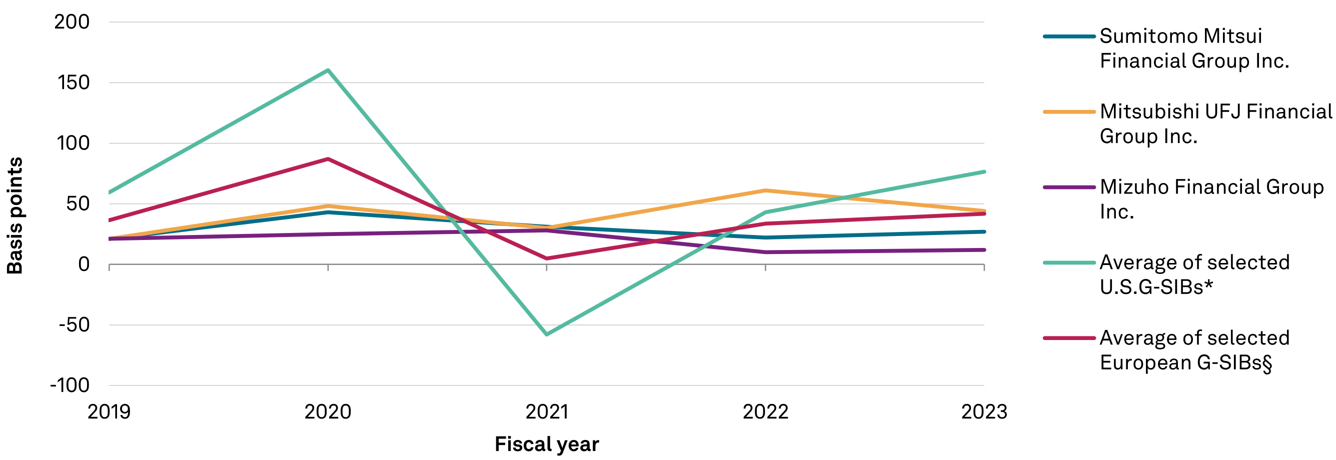
We think risks associated with the group's overseas loan portfolio will likely remain manageable. SMBC Group's international business unit accounted for about 48% of its aggregated segments' regulatory risk-weighted assets at the end of March 2024. However, assets with low probability of default under the group's internal rating scores dominate its overseas loan exposures. We estimate the group's exposure to emerging Asian economies with high economic risk, in which it has expanded its operations, account for about 5% of groupwide exposure. However, the group is likely to continue increasing its exposure to emerging Asian economies, in our view. Furthermore, Asian operations, including nonbanking business that the group has invested in, are highly sensitive to economic conditions. Accordingly, we view a potential spillover of turbulence from emerging Asian economies as a risk factor. This is because it could hurt the quality of the group's investment and loan portfolio and dampen profits in these economies. In fiscal 2023, the group recorded an impairment loss on VPBank Fiance Co. Ltd. (FE Credit), a Vietnamese nonbank that had been performing poorly.

SMBC Group's interest rate risk will likely remain manageable, in our view. As of the end of March 2024, the group had unrealized losses on its bond holdings arising mainly from a rise in interest rates in Japan and overseas. Nonetheless, the group has controlled the outstanding balance of its bonds and kept their duration within manageable ranges of 2.1 years for yen denominated bonds and 4.2 years for foreign bonds. To build a healthier portfolio and to prepare for future earnings opportunities, the group will likely continue to actively rebalance its portfolio using other stable earnings and by selling securities with unrealized gains as a buffer. The group's overall securities portfolio had ¥3.4 trillion in unrealized gains, as of the end of March 2024. Its interest rate risk in the banking book remained was 5% of Tier 1 capital. We consider the level manageable.

Chart 4

Credit costs remain manageable

Sumitomo Mitsui Financial Group Inc. credit costs ratio comparison with domestic and foreign banks

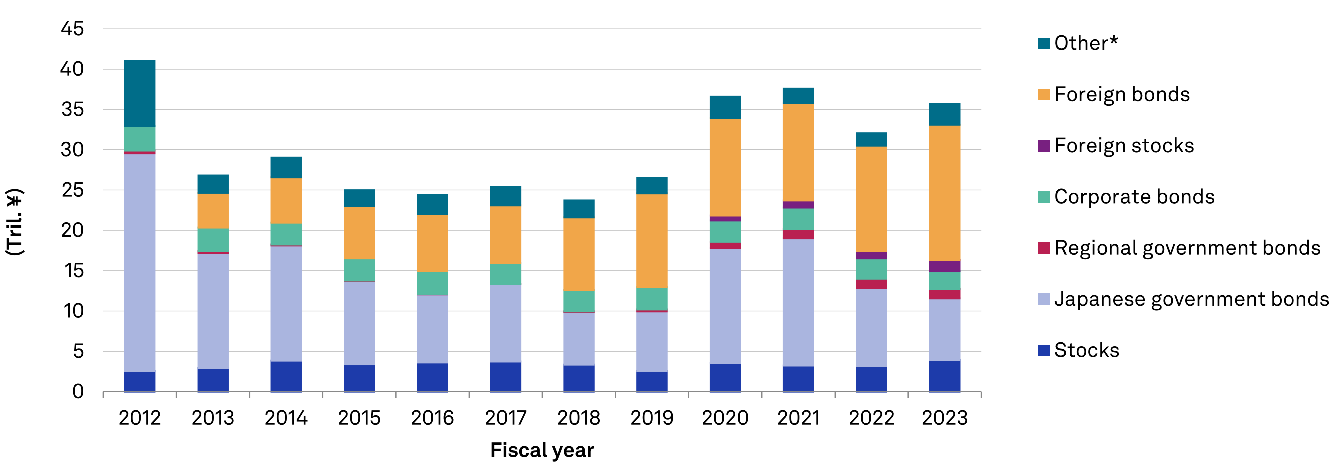


Fiscal years end March 31 of the following year for Japanese banks. *U.S. global systemically important banks: Citigroup, Bank of America, JP Morgan, Wells Fargo. §European global systemically important banks: Barclays, HSBC, BNP Paribas, Deutsche Bank. Source: S&P Global Ratings, based on company disclosures.

Chart 5

Japanese government bond holdings decline

Sumitomo Mitsui Financial Group Inc. movements in securities holdings, held-to-maturity and available-for-sale

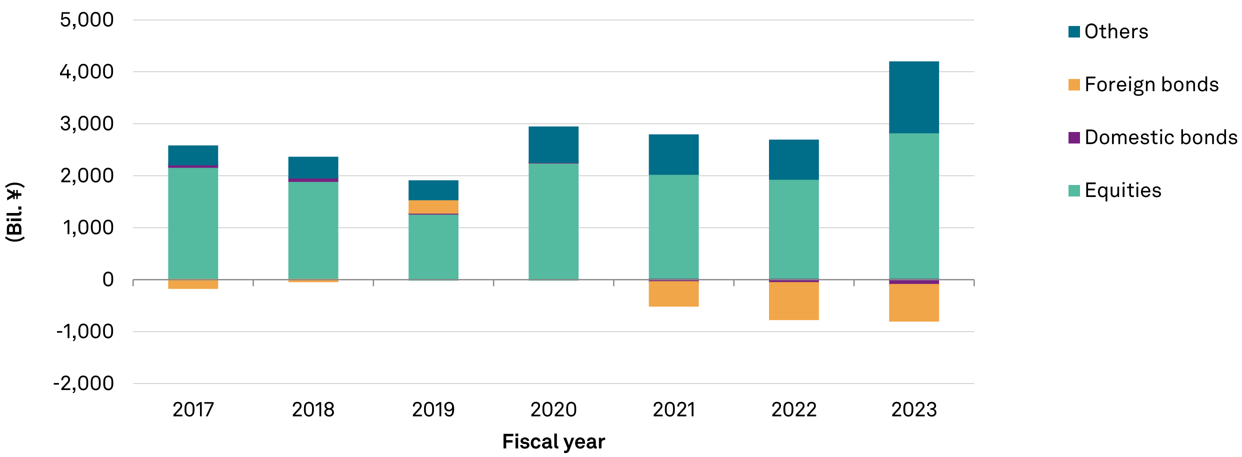


Fiscal years end March 31 of the following year. *Others in 2012 include foreign bonds. Source: S&P Global Ratings, based on company disclosures.

Chart 6

Valuation gains on stocks offset unrealized losses on bonds

Sumitomo Mitsui Financial Group Inc. movements in unrealized gains and losses on securities investment



Source: S&P Global Ratings, based on companies' disclosures.

Funding And Liquidity: Solid Core Deposit Base And Ample Liquidity

We expect SMBC Group to maintain solid funding capability and strong liquidity. A large pool of domestic customers underpins sufficient availability of funds from the group's stable core deposit base to meet its funding needs, in our view. Core customer deposits comprise about 70% of its funding base. At the same time, the group's stable funding ratio, as we define it, has been steady at about 130% (involving some proxies for calculating the ratio). Furthermore, underpinning the group's ample liquidity are highly liquid assets, including cash and deposits (¥78.1 trillion) and government bonds (¥7.5 trillion), as of the end of March 2024. It had a regulatory liquidity coverage ratio (LCR) of 131.2% on average from January to March 2024.

We think securing stable foreign currency-denominated funding is important for our credit quality analysis of SMBC Group. At the end of March 2024, the group's ratio of total loans to deposits in foreign currencies was 119%, which was higher than that ratio in yen. Demand for overseas lending remains strong at the group, in our view. A lack of overseas retail deposits forces it to rely on wholesale financial markets for some of its foreign currency funding. Overseas loans that SMBC and the group's major overseas banking subsidiaries have extended totaled $285 billion, up 21% from $235 billion as of the end of March 2019. Medium- to long-term funding, such as customer deposits and corporate bonds, has covered SMBC's foreign currency lending. SMBC has issued euro-denominated covered bonds since November 2018 to diversify its funding. SMBC Group's outstanding balance of foreign currency-denominated bonds, including total loss-absorbing capacity (TLAC) debt, totaled $67.5 billion at the end of March 2024. The group has reduced reliance on short-term market funding in foreign currencies.

Support: High Systemic Importance In Japan, But No Notch-Up

We consider SMBC Group highly likely to receive extraordinary government support in times of need. This reflects our view of the group's high systemic importance in Japan and the government's highly supportive tendency toward private-sector banks in Japan. We base our assessment on the group's large presence in the Japanese financial system as one of three megabank groups, as well as laws stipulating potential support, and the government's record of support for the banking sector.

Nevertheless, our long-term issuer credit ratings on SMBC Group's core operating banks are on par with the group SACP even after accounting for the likelihood of the group receiving extraordinary government support. This is because its group SACP is only one notch lower than our long-term sovereign rating on Japan, which limits the degree of government support factored into our issuer credit ratings.

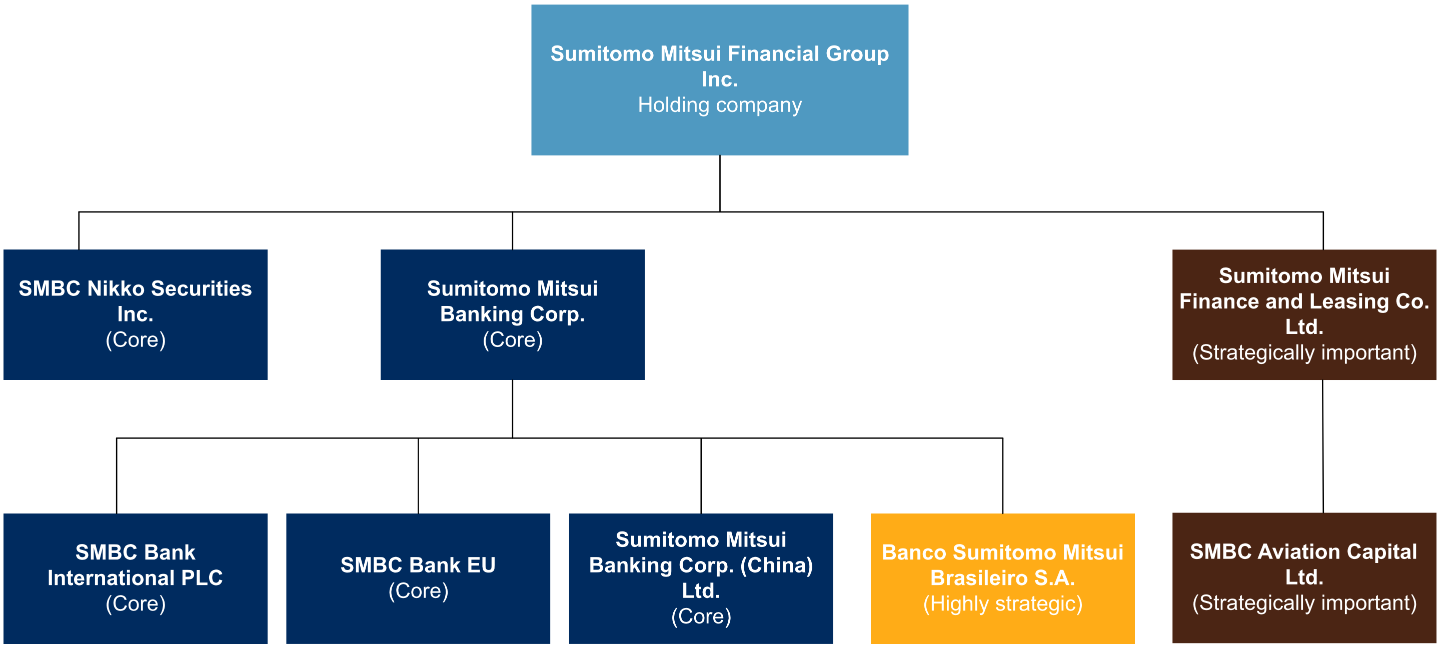
Environmental, Social, And Governance

Environmental, social and governance (ESG) factors have no material influence on our credit rating analysis of SMBC Group. We view ESG credit factors for SMBC Group as broadly in line with those of industry and local peers in Japan. Environmental factors include SMBC Group's estimate under a climate change scenario that transition risk will drive up its lead bank's credit costs of lending to the energy, power, automotive, and steel sectors between ¥2.5 billion and ¥28.0 billion annually until 2050. In addition, diversification of the group's portfolio of investments and loans somewhat mitigates the impact of environment risk on its creditworthiness. The group has disclosed that lending to the energy industry comprised just 7.4% of total lending as of March 31, 2023. Still, management of risk related to energy transition is a challenge for the group as a major global bank with a large corporate portfolio, in our view.

SMBC Group faces limited social exposure and risks from deficiencies in governance structure that may cause serious financial and reputational damage. This is primarily because of strict regulation and supervision of the countries where the group operates. For example, SMBC agreed in writing with the U.S. Federal Reserve Bank of New York in April 2019 to improve its New York branch's compliance with local laws and regulations.

Group Structure, Rated Subsidiaries

Sumitomo Mitsui Financial Group Rated Entities



Note: Entities in the chart include non-Japan registered ratings. Group status based on S&P Global Ratings' Group Rating Methodology. Source: S&P Global Ratings, using our Group Rating Methodology. Copyright © 2024 by Standard & Poor's Financial Services LLC. All rights reserved.

Hybrids

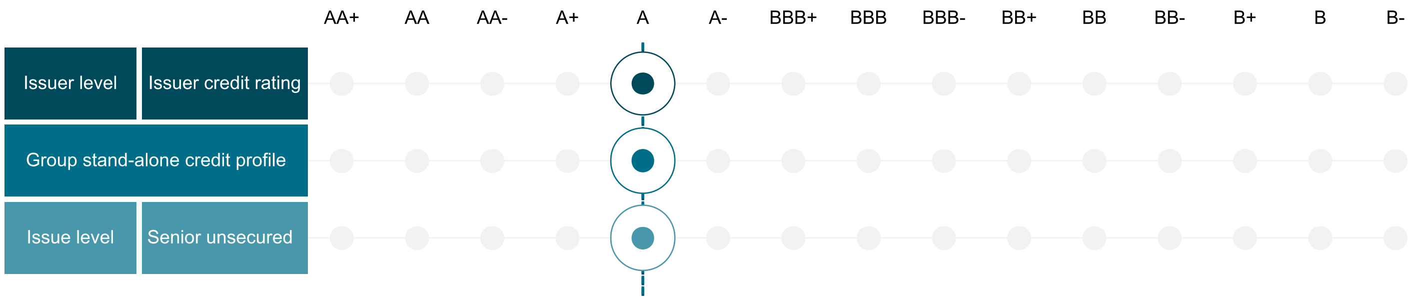
We rate SMFG-issued Basel III-compliant subordinated bonds as 'BBB+', two notches below our group SACP on SMBC Group. The downward adjustment reflects subordination risk and structural subordination because the nonoperating holding company issued the bonds. We did not deduct from the rating on such bonds any additional notch for loss absorption upon occurrence of a nonviability event. This is because:

- We believe the government would likely provide extraordinary, preemptive support to systemically important banks at a relatively early stage if they were to suffer financial distress; and
- Preemptive government support through a capital injection would not constitute a nonviability event and, therefore, would not lead to a write-down of principal or equity conversion of the hybrid.

Additionally, our rating on perpetual, subordinated additional Tier 1 (AT1) notes that SMFG has issued is five notches below the group SACP on SMBC Group, reflecting the following:

- Contractual subordination;
- The risk of nonpayment of coupons as regulatory Tier 1 capital;
- The risk of principal write-down if the group bank faces distress or nonviability; and
- Structural subordination due to issuer being a nonoperating holding company.

Sumitomo Mitsui Banking Corp.: Notching

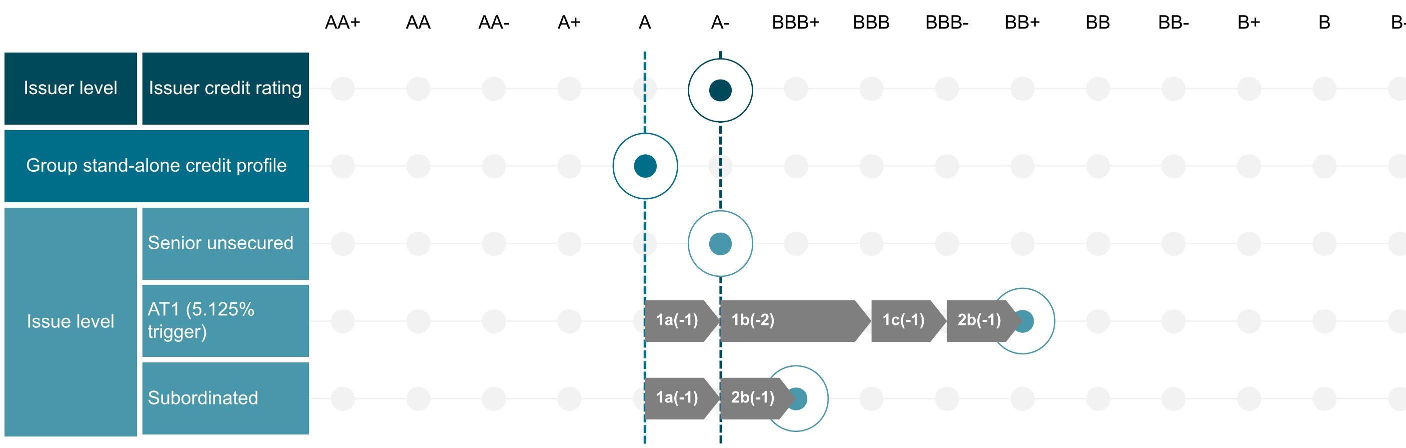


Key to notching

---- Issuer credit rating

----- Group stand-alone credit profile

Sumitomo Mitsui Financial Group Inc.: NOHC notching



Key to notching

---- Issuer credit rating

----- Group stand-alone credit profile

1a	Contractual subordination
1b	Discretionary or mandatory nonpayment clause and whether the regulator classifies it as regulatory capital
1c	Mandatory contingent capital clause or equivalent
2b	Other nonpayment or default risk not captured already

Note: The number-letter labels in the table above are in reference to the notching steps we apply to hybrid capital instruments, as detailed in table 2 of our "Hybrid Capital: Methodology And Assumptions" criteria, published on March 2, 2022.
The nonoperating holding company (NOHC) issuer credit rating and senior unsecured debt ratings are notched down from the group credit profile (GCP) under our criteria to reflect structural subordination (see "Group Rating Methodology," published July 1, 2019).
AT1--Additional tier 1.

Key Statistics

Table 1

Sumitomo Mitsui Financial Group Inc.--Key figures

	--Fiscal year*--				
(Bil. ¥)	**2023**	**2022**	**2021**	**2020**	**2019**
Adjusted assets	279,390	255,837	245,084	231,867	209,801
Customer loans (gross)	107,222	98,630	91,063	85,369	82,737
Operating revenues	3,811	3,226	2,974	2,831	2,825
Noninterest expenses	2,128	1,842	1,723	1,654	1,722
Core earnings	1,051	900	774	649	760

*Fiscal years end March 31 of the following year.

Table 2

Sumitomo Mitsui Financial Group Inc.--Capital and earnings

	--Fiscal year*--				
(%)	**2023**	**2022**	**2021**	**2020**	**2019**
Tier 1 capital ratio	14.3	14.9	15.5	17.0	16.6
Double leverage	115.5	109.2	108.5	106.9	106.3
Net interest income/operating revenues	49.4	53.3	51.4	47.2	45.2
Fee income/operating revenues	39.1	38.0	40.5	38.8	38.5
Market-sensitive income/operating revenues	1.6	1.1	2.0	9.9	11.9
Cost to income ratio	55.8	57.1	57.9	58.4	61.0
Preprovision operating income/average assets	0.6	0.5	0.5	0.5	0.5
Core earnings/average managed assets	0.4	0.3	0.3	0.3	0.4

*Fiscal years end March 31 of the following year.

Table 3

Sumitomo Mitsui Financial Group Inc.--Risk-weighted assets and risk-adjusted capital ratios

	(Bil. ¥)
S&P Global Ratings' risk-weighted assets (S&PGR RWA): Total credit risk (1)	121,838
Government and central banks	2,429
Institutions and central counterparties	6,978
Corporate	93,647
Retail	9,348
Securitization	2,987
Other assets	6,449
S&PGR RWA: Credit valuation adjustment (2)	0
S&PGR RWA: Total market risk (3)	19,018
S&PGR RWA: Total operational risk (4)	6,048
S&PGR RWA before diversification (5)=(1)+(2)+(3)+(4)	146,904
Total adjusted capital (TAC) (6)	10,296

Table 3

Sumitomo Mitsui Financial Group Inc.--Risk-weighted assets and risk-adjusted capital ratios (cont.)	
	(Bil. ¥)
Risk-adjusted capital (RAC) (%) (7)=(6)/(5)	7.0

As of Sept. 30, 2023.

Table 4

Sumitomo Mitsui Financial Group Inc.--Risk position					
	--Fiscal year*--				
(%)	**2023**	**2022**	**2021**	**2020**	**2019**
Growth in customer loans	8.7	8.3	6.7	3.2	5.8
New loan loss provisions/average customer loans	0.3	0.2	0.3	0.4	0.2
Net charge-offs/average customer loans	0.2	0.3	0.1	0.2	0.2
Nonperforming assets/total claims	0.8	0.8	1.1	1.0	0.7
Loan loss reserves/gross nonperforming assets	79.9	80.9	70.6	70.2	76.3

*Fiscal years end March 31 of the following year.

Table 5

Sumitomo Mitsui Financial Group Inc.--Funding and liquidity					
	--Fiscal year*--				
(%)	**2023**	**2022**	**2021**	**2020**	**2019**
Core deposits/funding base	69.1	71.5	68.4	69.4	69.0
Customer loans (net)/customer deposits	64.6	61.6	60.7	59.6	64.7
Long-term funding ratio	78.1	81.4	77.8	79.0	77.0
Stable funding ratio	129.8	138.3	140.6	144.8	132.9
Broad liquid assets/short-term wholesale funding (x)	3.1	3.9	3.1	3.5	2.8

*Fiscal years end March 31 of the following year.

Table 6

Sumitomo Mitsui Financial Group Inc.--Indicative issuer credit rating considering extraordinary support					
	Government local currency rating				
Stand-alone credit profile	**AA**	**AA-**	**A+**	**A**	**A-**
aa	AA				
aa-	AA-	AA-			
a+	AA-	A+	A+		
a	A+	A+	**A**	A	
a-	A+	A	A	A-	A-
bbb+	A	A	A	A-	BBB+
bbb	A	A-	A-	A-	BBB+
bbb-	A-	A-	BBB+	BBB+	BBB+

Source: Extract from S&P Global Ratings' "Financial Institutions Rating Methodology."

Sumitomo Mitsui Financial Group Inc.--Rating component scores	
Issuer credit rating	**A/Stable/A-1**
Holding company ICR	A-/Stable/--
SACP	a
Anchor	bbb+
Economic risk	3
Industry risk	4
Business position	Strong
Capital and earnings	Adequate
Risk position	Adequate
Funding	Strong
Liquidity	Strong
Comparable ratings analysis	0
Support	0
ALAC support	0
GRE support	0
Group support	0
Sovereign support	0
Additional factors	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

Related Criteria

- Financial Institutions Rating Methodology, Dec. 9, 2021
- Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Hybrid Capital: Methodology And Assumptions, March 2, 2022
- Group Rating Methodology, July 1, 2019
- Guarantee Criteria, Oct. 21, 2016
- Risk-Adjusted Capital Framework Methodology, April 30, 2024
- Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Principles of Credit Ratings, Feb. 16, 2011

Related Research

- Banking Industry Country Risk Assessment: Japan, July 31, 2024
- Japan Megabanks Set For Growth, June 16, 2024
- Japan Bank Outlook 2024: BOJ Hikes Will Widen Disparities, Jan. 23, 2024

- Japan-Based SMFG's Proposed Additional Tier 1 Perpetual Notes Assigned 'BB+' Rating, Feb. 25, 2024

Ratings Detail (As Of August 7, 2024)*	
Sumitomo Mitsui Financial Group Inc.	
Issuer Credit Rating	A-/Stable/NR
Junior Subordinated	BB+
Senior Unsecured	A-
Subordinated	BBB+
Issuer Credit Ratings History	
24-Apr-2020	A-/Stable/NR
16-Apr-2018	A-/Positive/NR
29-Nov-2017	A-/Stable/NR
Sovereign Rating	
Japan	A+/Stable/A-1
Related Entities	
Banco Sumitomo Mitsui Brasileiro S.A.	
Issuer Credit Rating	
Brazil National Scale	brAAA/Stable/brA-1+
SMBC Aviation Capital Ltd.	
Issuer Credit Rating	A-/Stable/--
SMBC Bank EU AG	
Issuer Credit Rating	A/Stable/A-1
SMBC Bank International PLC	
Issuer Credit Rating	A/Stable/A-1
SMBC Derivative Products Ltd.	
Issuer Credit Rating	AA-/Stable/--
SMBC Nikko Securities Inc.	
Issuer Credit Rating	A/Stable/A-1
Sumitomo Mitsui Banking Corp.	
Issuer Credit Rating	A/Stable/A-1
Commercial Paper	A-1
Senior Unsecured	A
Senior Unsecured	A-1
Short-Term Debt	A-1
Sumitomo Mitsui Banking Corp. (Brussels Branch)	
Commercial Paper	A-1
Sumitomo Mitsui Banking Corp. (China) Ltd.	
Issuer Credit Rating	A/Stable/A-1
Sumitomo Mitsui Banking Corp. (Dusseldorf Branch)	
Commercial Paper	A-1
Sumitomo Mitsui Banking Corp. (Sydney Branch)	
Certificate Of Deposit	A/A-1
Senior Unsecured	A

Ratings Detail (As Of August 7, 2024)*(cont.)	
Sumitomo Mitsui Finance and Leasing Co. Ltd.	
Issuer Credit Rating	A-/Stable/--
Senior Unsecured	A-

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.