

Core Policies of Medium-Term Management Plan (FY2017–2019)

SMBC Group Next Stage

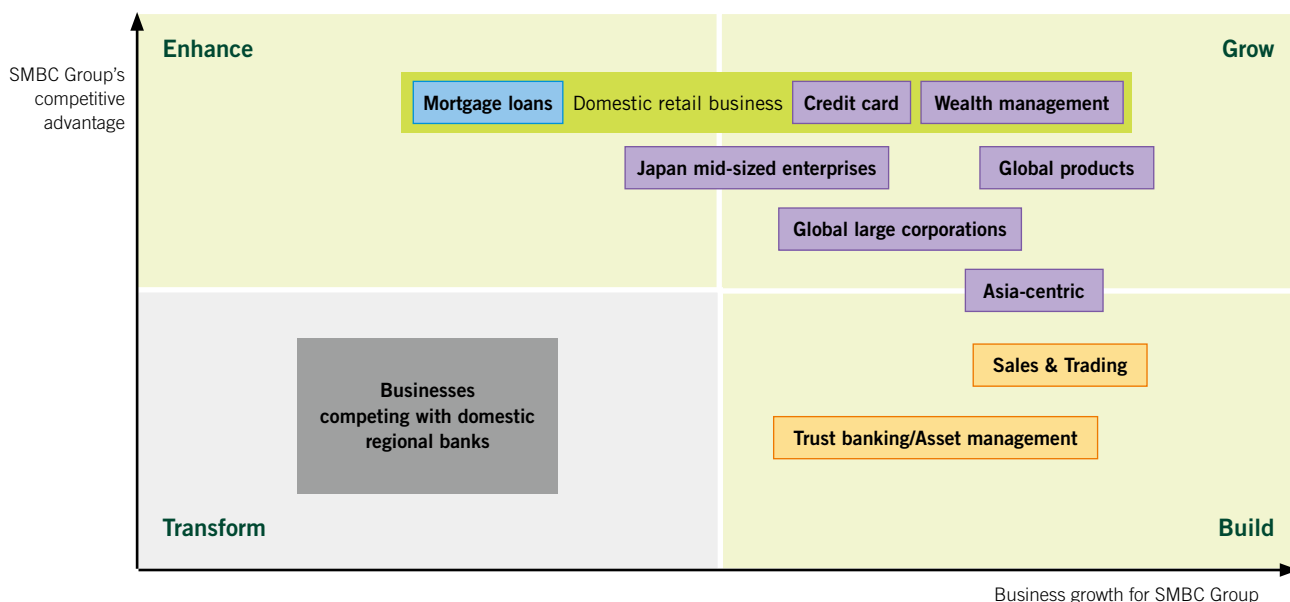
To achieve sustainable growth by combining the Group's strengths with more focused business management

FY2019 Financial Targets

Capital Efficiency	ROE	7~8%	Maintain at least 7% notwithstanding accumulation of capital
Cost Efficiency	OHR	1% reduction compared with FY2016	Reduce to around 60% at the earliest opportunity in or after FY2020 (FY2016: 62.1%)
Financial Soundness	CET1 ratio*	10%	Maintain capital in line with the tightening of regulations (FY2016: 8.3%)

*Post-Basel III reforms basis

Business Portfolio Transformation



Discipline

Disciplined business management

- 1 ■ Transformation of business/asset portfolio
- Improving productivity and efficiency

Focus

Focus on our strengths to generate growth

- 2 ■ Focus on Seven Core Business Areas

Integration

Integration across the Group and globally to achieve sustainable growth

- 3 ■ Introduced CxO system and group-wide business units
- Digitalization
- ESG

Seven Core Business Areas

Concept		Strategic Focus
Enhance Enhance business base in domestic market	1	Hold the number one retail banking franchise in Japan
	2	Build on our lead position in the Japanese medium-sized enterprise market
	3	Increase market share in Corporate & Investment Banking in key global markets
Grow Sustainable growth of US/EU businesses Make Asia our second mother market	4	Establish a top-tier position in product lines where we are competitive globally
	5	Accelerate our "Asia-centric" strategy
Build Build our new strengths for future growth	6	Strengthen sales & trading capability
	7	Develop asset-light businesses: trust banking and asset management

Digitalization

Corporate Governance Framework

