

Messages from Group CRO and Group CCO

MESSAGE FROM Chief Risk Officer



Natsuhiro Samejima

Senior Managing Executive Officer
Group CRO

SMBC Group is rapidly advancing its business initiatives, including the rollout of new financial services such as “Olive” and “V Point,” and expanding its overseas operations through our Multi-Franchise strategy. Meanwhile, the external environment is becoming increasingly uncertain due to rising global geopolitical risks, political instability in various countries, and shifts in monetary policy. In this ever-changing landscape, accurately assessing risk is essential for achieving sustainable growth. In this context, I would like to highlight three key pillars of our risk management approach.

The first is “Enhancing resilience to uncertainty and volatility.” We are strengthening our ability to detect early warning signs of uncertainty and volatility, such as geopolitical tensions, cyberattacks, and increasing natural disasters. By conducting stress tests and other analyses, we aim to swiftly assess potential impacts on our operations and establish a playbook for timely action plans. We are also reinforcing our preparedness to ensure rapid service recovery should a risk event occur.

The second is “Agile support to business.” In addressing medium- to long-term challenges such as the expanded use of AI and initiatives to contribute to social value creation, we work closely with business units to explore appropriate risk-taking methods. Through this, we support the sound execution of SMBC Group’s business initiatives from a risk management perspective.

The third is “Strengthening the risk management foundation.” As SMBC Group continues to grow, we will strive to enhance our risk management framework to ensure alignment across the Group globally. Additionally, we are committed to fostering a sound risk culture so that SMBC Group is recognized as a dignified and trusted financial group.

As Group CRO, I will continue to promote collaboration across SMBC Group and support sound risk-taking to achieve further growth together with our customers.



See page 102 for more information on our risk management initiatives.

MESSAGE FROM Chief Compliance Officer

In response to the increasingly diverse expectations of customers and society, the expansion and diversification of SMBC Group's business, and the continuing complexity of the global market environment and regulations, it is more important than ever to have a proactive attitude that aligns with and anticipates change, while acting swiftly and independently.

As Group CCO, my top priority in preventing corporate misconduct is to deeply embed a sound corporate culture.

In recent years, the importance of a principles-based discipline in governance and compliance has grown significantly, for which corporate culture serves as its foundation. I believe that corporate culture serves as a compass for executives and employees to make the right decisions in areas not explicitly governed by laws or rules. When individuals share the same values for ethical judgment, it becomes a source of competitive strength.

"Integrity" is the first of our "Five Values" which are the shared values of SMBC Group. While compliance with laws and rules is a given, it is equally important to do what is right even when not explicitly stated. This means that each Group employee must embody and act with "Integrity". By adhering to the "Five Values" during our daily work, I believe we can establish a strong, group-wide corporate culture.

Furthermore, to truly embed a sound corporate culture, we must also foster a healthy workplace environment. In order to remain resilient amid global uncertainty and regulatory shifts, it is essential to maintain a workplace where mutual respect and "Integrity" are upheld.

As Group CCO, I will continue to lead efforts to instill a sound corporate culture within the Group.



Teiko Kudo

Director
Deputy President and
Executive Officer
Group CCO



See page 104 for more information on our compliance system.