

SIBOS Osaka 2012 – Opening Plenary

The following is a summary of the welcoming address given by Takeshi Kunibe, President and CEO of Sumitomo Mitsui Banking Corporation.

1. Holding SIBOS in Osaka

SIBOS is being held in Japan for the first time in more than 30 years of its history, and I am delighted that so many people have gathered here in Osaka for this milestone event. Osaka, through the ages, has flourished as one of the major commercial centers of Japan and has a culture of actively accepting new ideas. Many companies globally renowned for innovation and technology were founded and nurtured in Osaka. Further, the city was designated as a “Kansai innovation special zone” under the national government’s New Growth Strategy last year. Osaka is an ideal city for hosting SIBOS to discuss innovations in financial services.

2. Three Changes Confronting Financial Institutions

Today I would like to share with you my thoughts on three areas of change confronting financial institutions and how we should address them. The first area of change is in our regulatory environment. The financial crisis triggered by the Lehman Shock has spurred major changes in the global financial regulatory framework, and the importance of commercial banking and transaction banking business is being reaffirmed. The second area of change is in the global economic order. The decoupling of growth between developed economies and emerging economies, mainly those in Asia, is expected to continue. However, for Asia to continue as the driver of global economic growth, it needs to shift to regional-demand-led growth. Financial institutions need to support the change in trade flows by further upgrading transaction banking services. The third area of change is in technology. The spread of smartphones and social media has exposed the Japanese financial sector to a new frontier of competition, and leading-edge technologies must be applied to create new financial services.

3. Dealing with Changes

(a) Anticipate and Act Proactively

How should the banking sector deal with changes in these three areas? The global economic outlook remains very uncertain and financial markets continue to be unstable. Amid such an environment, anticipating and proactively responding to change is the key to survival. In order to recognize the new reality and proactively act accordingly, we should make decisions by constantly asking ourselves, “Is it sustainable? Is it rational?”

(b) Constant Pillars

By using such a decision-making yardstick, it becomes evident what the core foundations of our

business model are. In other words, placing commercial banking at the heart of our business and maintaining a long-term commitment to our client should be the two constant pillars of the banking industry. We, at SMBC, have consistently focused on the traditional commercial banking business and emphasized quality since long before the financial crisis. In transaction banking business, we have been steadily strengthening our ability to accommodate the needs of our clients, especially in Asia. Further, reflecting our long-term commitment to Asia, we have been proactively providing funds for its long-term development through infrastructure finance. This year, our Hong Kong and Bangkok branches celebrated their 50th and 60th anniversaries, respectively, and our Singapore branch will celebrate its 50th anniversary next year. The strong relationship that we have established with our clients in Asia over the decades is one of our most important assets.

4. Conclusion

Let me conclude by taking a moment to thank everyone for your support after the March 11th earthquake and tsunami. Under very difficult conditions, the Japanese banking industry made a concerted and united effort to keep the financial system functioning. As a result, we were able to prove the soundness of our financial system.

SWIFT has been playing a crucial role in making the banking industry more efficient by standardizing operations across borders, and is expected to continue to show the appropriate path for dealing with changes in the industry. It is very significant that SWIFT should hold SIBOS 2012 here in Asia now, and I hope we will capitalize on this opportunity to further deepen discussions on innovations in transaction banking business. I believe the fruits of such efforts will become a new source of energy for creating new financial services.

Thank you.