

Japanese Honor and American Innovation

An Interview with Debbie Freer, Chief Operating Officer, SMBC Group in the Americas

EDITORS' NOTE Debbie Freer is an Executive Officer and the Chief Operating Officer for SMBC Group in the Americas. Freer joined the company in April 2019 as Chief Strategy Officer and General Manager of the Strategy and Transformation Department. She serves as an executive sponsor for the firm's Women's Inclusion Network, an employee-led resource group that promotes and champions the growth, development, and success of women across the organization. She has also completed



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SMBC's Global Leadership Program with The Wharton School. Prior to joining SMBC, Freer was with JPMorgan Chase as Global Head of Custody and Fund Services Product Development and Transformation. Her career includes senior leadership roles across the financial services industry. At RBC Capital Markets, she served as the Chief Operating Officer for the U.S. Investment Bank and CEO for U.S. Broker Dealers. Freer spent 22 years at Merrill Lynch, where she held various positions in operations, technology, product development, client services and trading. Other notable positions she has held include leading global client onboarding at Citigroup and serving as Global Chief Transformation Officer at UBS where she had strategic leadership responsibility for transformation programs to generate business value and support the corporation's growth agenda. Freer serves on the Board of Directors of the Ronald McDonald House New York, an organization serving children with cancer, and acts as a senior advisor to OUT Leadership, transforming organizations on equality and social purpose. She has a BS degree in international business management from Caldwell University in New Jersey and attended Harvard Business School for additional executive education.

COMPANY BRIEF Headquartered in Tokyo and with a 400-year history, SMBC Group offers a diverse range of financial services, including banking, leasing, securities, credit cards, and consumer finance. The Group has more than 140 offices and 86,000 employees worldwide in nearly 40 countries. Sumitomo Mitsui Financial Group, Inc. (SMFG) is the holding company of SMBC Group, which is one of the three largest banking groups in Japan. In the Americas, SMBC Group (smbcgroup.com) has a presence in the U.S., Canada, Mexico, Brazil, Chile, Colombia, and Peru. The Group offers a range of

commercial and investment banking services to its corporate, institutional, and municipal clients. The Group's operating companies in the Americas include Sumitomo Mitsui Banking Corp. (SMBC), SMBC Nikko Securities America, Inc., SMBC Nikko Securities Canada, Ltd., SMBC Capital Markets, Inc., SMBC Rail Services LLC, Manufacturers Bank, JRI America, Inc., SMBC Leasing and Finance, Inc., Banco Sumitomo Mitsui Brasileiro S.A., and Sumitomo Mitsui Finance and Leasing Co., Ltd.

Will you highlight the history of SMBC Group in the Americas?

SMBC Group globally is more than 400 years old. We began operating in the Americas in San Francisco in 1916 and then in New York in 1918. Throughout the past 100 plus years, we grew steadily, adding locations and businesses throughout the United States, Canada, and Latin America. Our solutions span corporate, institutional, and municipal clients' needs across commercial and investment banking. We are now adding a fully digital consumer bank with fully human customer service. Even in times of economic downturn, SMBC has stood strong with its clients and continued to grow. That resilience is pretty impressive.

What have been the keys to SMBC's strength in the Americas and how do you define the SMBC difference?

There are several strengths to our business in the Americas, all contributing to the reasons

I find this work so exciting every day. First, it's the people. People always make the difference. The dedication to our clients and being a part of growing this business in the Americas is evident throughout our front, middle, and back-office teams. Developing deep and long-lasting relationships with our clients and across our workforce is built into our corporate DNA. This is not a company that relies on off-the-shelf solutions. Our clients are real people with businesses that serve a wide swath of industries and societal needs. We learn about each of them, know their industry and their strategy, understand their motivation and end goals, and we find unique ways to meet their unique needs.

There's a reason we're the global leader in project finance and have won several awards in the Americas. We are a combination of Japanese honor and American innovation. Our company is committed to what our founders expounded: no matter how difficult, always do the right thing by society and business success will come. This has carried over to today and is evident in our leadership toward a better and more sustainable world. We help our clients build sustainable businesses with smart solutions, insightful advice, and unmatched service.

Will you describe your role and areas of focus?

As the Chief Operating Officer at SMBC, I deal with all operations, people management, and governance for the region. I have the ultimate responsibility to ensure that our infrastructure, staffing, and processes are sufficient to carry out the organization's strategy. My team

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and I also ensure we manage our daily activities in a safe and sound manner. This includes our people, technology, cybersecurity, business controls, and corporate services. In addition, I monitor the execution of key projects that align to SMBC Group’s mid-term plan and strategy – including the implementation of Target Operating Models that support our combined U.S. Operations governance model. Key components of this include our operational resilience and third-party management programs that ensure the resilience of our U.S. Operations from disruptions in the market or other external events.

Where do you see the greatest opportunities for growth for SMBC Group in the Americas?

The interesting thing is that the more creative we get and the more diverse we become, the more opportunities become apparent. Our people make the horizon limitless. SMBC has a diverse set of businesses in the Americas, and we’re fortunate to see opportunities across our portfolio. Our business is particularly focused on the integration of our Corporate and Investment Bank structure, the growth of our sponsors and financial institutions businesses, the integration of our cash and derivatives sales and trading business, the adoption of new strategic partnerships (as with Jefferies and Marathon Capital), and the launch of our digital banking business. Our ESG and Sustainable Finance efforts also present attractive growth areas aligned with the company’s values. All business groups within the Americas are stepping up and contributing. We have an advantage of being able to operate in the local and regional markets while connecting those markets to our broader global network, and vice versa. It’s really a symbiotic relationship that works well for clients and for us. I expect to continue to see high growth delivered by the Americas, regardless of the global economy.

How critical is it to build a diverse and inclusive workforce?

Very critical. Any firm that wants to be a long-term player in a global playing field must keep up with the times and recognize the tremendous value a diverse workforce brings, not only to expand markets and client base,

but also to bring different types of experiences, cultures, and thinking to the table with a voice that leads to breakthrough thinking, creative solutions, and new businesses. In my experience, the most successful teams draw on diversity of thought and background. Personally, I’ve been a champion of our gender diversity and LGBTQ+ employee networks, am a strong proponent of our disability and mental health education network, and have hired numerous veterans throughout the years. The people make it real, viable, and contribute to the next generation. We are steeped in tradition, but no company lasts more than 400 years globally – more than 100 years in the Americas – without recognizing the changing marketplace and the changing faces of clients and talent. So, diversity is a key goal for SMBC and our Diversity and Inclusion team is a critical component of our HR function. Taking it to the next level is creating an inclusive environment, where all have a voice, all are respected, all feel valued, and all are able to contribute with their strengths. We foster an inclusive environment. It’s part of our culture and engrained in our colleagues throughout the Americas.

Do you feel that there are strong opportunities for women to grow and lead in the industry?

Absolutely – not only in the industry broadly but, specifically, at SMBC. Women make up more than 50 percent of the population, but do not hold nearly the same percentages in leadership positions in this or most other industries – yet. The last few years have shined a spotlight on women’s roles in business and this is accelerating the rate of change and numbers of women in leadership positions, though still not nearly enough. But we will get there. The number of women in our senior leadership ranks is strong and growing. I strongly believe that women need to help women and be mentors to those coming up. Ultimately, we all need to take responsibility for our own careers and success, but make sure you network, do your job completely and fully, and if you need help, ask for it. When given the opportunity, women do very well in business, both in front office and support functions. I’m

proud that SMBC is dedicated to a longstanding global initiative to hire and promote more women throughout the company. This year was the first year for a global event – all geographies, all offices – for International Women’s Day to both celebrate and promote greater understanding. So yes, there are strong opportunities, but like everything in life, it’s what we make of them and how we support one another throughout the journey.

What do you see as your company’s responsibility to the communities it serves and to be a force for good in society?

SMBC’s founders were clear in their principle to always do the right thing by society, understanding that business success will follow in the long-term. We follow that same principle today. Differentiation comes through the people who work for us and the deep, long-lasting relationships we build with our clients and our employees. Creating and supporting sustainable business practices for ourselves and our clients is a large part of our business. We fund sustainability initiatives for clients and have strategists who can help them form their sustainability strategy and projects. Doing what’s right by society and the environment, ensuring sustainability for future generations, falls into that “right thing to do” category. We also encourage philanthropy that impacts our communities. For instance, I serve on the Board for the Ronald McDonald House New York, an organization serving children with cancer, and I am also a senior advisor to OUT Leadership, transforming organizations on equality and social purpose. I think it’s important that our business, our charitable giving, and our time make a positive difference.

What are your priorities for SMBC Group in the Americas?

As we move forward together in the Americas, my vision for the firm is one of a strong, dynamic global financial institution, differentiated by our people, the culture we continue to live and enhance, and the solid relationships we form and nurture with our clients. This means employing seamless unity and sticking closely to our values which include client focus. At the same time, as COO, I know we have to remain vigilant about our expenses and are constantly looking for opportunities to innovate and leverage new technologies and automation where it makes sense. Protecting and enhancing our reputation and our brand are also on the agenda. I am passionate about our transformation initiative to grow our businesses in line with our stated risk appetite. I employ a proven five-pillar transformation model, supported by robust governance and centralized management information dashboards, that I continue to leverage to evaluate our people, process, and technology. The key to success rests not only in strong management buy-in and ongoing governance, but also in being open and communicating frequently with all employees. People are what make a transformation successful, and I am so proud of what we’ve accomplished to date and look forward to the rest of the journey. ●