

Compliance

Compliance Measures

In addition to observing laws, regulations and rules, compliance refers to the act of adhering to and fulfilling social norms. Hyakugo Bank believes that as a bank, whose most valuable asset is its credibility, enhancing its managerial soundness and solidifying society's trust are natural principles of compliance, and each executive and employee must steadily put compliance into practice in the daily execution of duties.

To this end, the Hyakugo Bank has made compliance one of its highest management priorities and has been making efforts to bolster its compliance structure, while at the same time mitigate ethical and legal risks*.

Specifically, in addition to issuing the Compliance Manual that states fundamental guidelines for compliance within the Bank, we have created the Bank-wide Compliance Committee to discuss overall compliance measures. Furthermore, Hyakugo Bank has established the

Compliance Management Division to conduct integrated supervision and promotion of compliance.

Moreover, compliance officers are assigned to all headquarters divisions, regional headquarters, branches, Retail Banking Centers, and Consulting Plazas to prevent legal infractions and check the status of compliance. Furthermore, Hyakugo Bank is engaged in initiatives based on the Compliance Action Plan, which is formulated as a concrete action plan each year.

Hyakugo Bank will continue to reinforce its compliance structure going forward.

* The risk of Hyakugo Bank having to assume liability for damages or the Bank losing its credibility as a result of Hyakugo Bank being held legally or morally culpable by clients, shareholders and other stakeholders, on account of directors and employees engaging in activities that violate laws, regulations, rules, social norms, etc. in the execution of their duties or Hyakugo Bank's rules of procedures being in violation thereof.

Management of Conflicts of Interest

In transactions that may pose a conflict of interest between Hyakugo Bank or its group companies and customers, and between customers of Hyakugo Bank or its group companies, Hyakugo Bank properly conducts business so as not to unfairly impair the interests of customers, in accordance with the Banking Act, the Financial Instruments and Exchange Act and other related laws and regulations.

"Transactions that may pose a conflict of interest" refer to transactions entered into by Hyakugo Bank or its group companies that "may unfairly impair the interests of customers." "Conflicts of interest" refer to situations in which interests conflict between the Hyakugo Bank or its group companies and the customer, and the interests between the customers of Hyakugo Bank or its group companies. Companies that are subject to the management of conflicts of interest include Hyakugo Bank, and Hyakugo Research Institute and Hyakugo Securities, both of which are companies of Hyakugo Bank Group.

Hyakugo Bank appropriately manages conflicts of interest by identifying transactions that are subject to conflict of interest management.

Pursuant to laws and regulations, Hyakugo Bank also discloses its Guidelines on the Management of Conflicts of Interest by posting them on its website and at its branches.

Response to the financial alternative dispute resolution (ADR) system

Hyakugo Bank has concluded a contract regarding procedures for handling customer complaints and procedures for dispute resolution with the Japanese Bankers Association, which is the designated dispute resolution institution as defined in the Banking Act.

Contact: Advisory Office, Japanese Bankers Association
Phone: 0570-017109 or 03-5252-3772

Initiatives for Anti-Money Laundering and Counter Financing of Terrorism

Financial institutions face the risk of day-to-day transactions being used for money laundering, financing of terrorism, or financial crimes due to the nature of their business. As the threat of terrorism grows around the world, money is increasingly transferred over greater distances, and as globalism in money transferring increases, there is a rising interest in the measures being taken by financial institutions to combat these risks

With this background, the Hyakugo Bank Group carries out effective initiatives for combatting money laundering and the financing of terrorism in order to comply with related laws and regulations such as the Act on Prevention of Transfer of Criminal Proceeds and the Foreign Exchange and Foreign Trade Act and to enable the Group to respond to constantly changing risks. Through this, the Group lives up to the trust vested in it as a financial institution.

For the "Policy on Anti-Money Laundering and Counter Financing of Terrorism", please scan the QR code at right side.

https://www.hyakugo.co.jp/policy/money_laundering.html

