

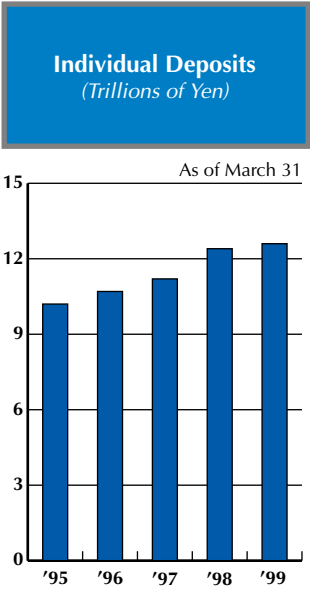
CONSUMER BANKING GROUP

Business Strategy

The dramatic growth marked by the consumer banking market in recent years, in terms of both assets and liabilities, presents a major business opportunity for financial institutions. In recognition of the strategic importance of the retail market, the Bank has focused on obtaining a deeper understanding of the specific and special demands of each market segment. Through this process, we are striving to offer products and services that truly satisfy the needs of our customers.

The Consumer Banking Group was established to this end. The Family Banking Division is responsible for the “asset-accumulating segment,” the Investment Services Division for the “asset-managing segment,” the Private Banking Division for owners of promising companies, the Remote Banking Division for payment and settlement services, and the Business Owner Banking Division for financial services to business owners.

Through this structure, the Group has cultivated its ability to respond in a timely and flexible manner to customers’ needs and to increase our competitive edge. We are able to provide financial products and services attuned to the life stage of each market segment and tailored to the specific requirements of our customers.



Key Priorities

- Provision of reliable financial services through professional consulting
- Enhancement of our responsiveness to customer needs and strengthening of our competitiveness

Family Banking Business

Recognizing that financial needs reflect changes in life stage and movements in the financial environment, the Bank is committed to providing customers with the right product and the right service at the right time. We offer a lifetime relationship, based on trust and a true understanding of each customer’s financial needs.

As customers in the asset-accumulating segment have long-term goals, such as the purchase of a house or the building of a nest egg for retirement, we focus on products that are principal-guaranteed or which provide a hedge against inflation rather than short-term, high-risk instruments. Concurrent with the start of over-the-counter sales of investment trusts in December 1998, we expanded our array of products by introducing our “Automatic Cumulative Investment Trust Purchase Service” and other long-term cumulative investment products.

Investment Services Business

To meet customers’ asset management needs, the Group provides investment advisory services based on a philosophy of asset preservation. This approach reflects our desire to build long-term relationships and strengthen our profile as a leader in the investment advisory business. As an illustration of our policy, as part of the investment trust business commenced in December 1998, we offer products and services specifically selected from the perspective of the customer’s total financial portfolio. Although all of the Bank’s branches handle investment trusts, financial consultants with expertise in this field have been placed in 70 of the Bank’s branches throughout Japan. Furthermore, in order to satisfy our customers’ asset management needs, we augment the Bank’s proprietary products with a broad variety of offerings from other institutions as well.

Private Banking Business

The Private Banking Division provides advisory services and offers financial products and services to business owners, which are designed to promote their business development and the management of their personal assets. As part of our overall strategy to foster long-term relationships, we provide advice tailored to the particular needs of each enterprise with the objective of enhancing corporate value. We are able to meet the needs of companies pursuing an initial public offering (IPO) and of those companies that have already gone public. At the same time, the Private Banking Division offers a broad range of proprietary and other products to enable customers to achieve their individual asset management objectives.

Our highly experienced and professional private bankers and other specialists on staff are able to offer advice and solutions for all of the financial needs and problems faced by our customers at every phase of their company's development. We are building new customer relationships, enhancing existing relationships and continuing to strengthen our position as the business partner of first choice.

Payment and Settlement Services

Advances in the fields of IT and telecommunications have led to sweeping changes in contemporary lifestyles. As illustrated by virtual shopping on the Internet, technological opportunities are directly and increasingly affecting consumption patterns. Concurrent with this shift in consumer behavior, demand is also increasing for technological enhancements to payment and settlement services.

In order to enhance the accessibility and convenience of our services to customers, the Bank is proactively systematizing our front end, which provides the interface with customers, by introducing new systems and upgrading payment and settlement functions through the application of electronic banking technologies. We are creating new market opportunities by using such technologies, along with the timely and visual information they provide, to add advisory capabilities to traditional products and services. As part of the Bank's strategy of emphasizing and enhancing Group capabilities, we have linked our settlement function to the payment function of The Sumitomo Credit Service Company, Limited, which in turn has a tie-up with VISA, a global leader in this market.

Finance Business for Business Owners

The Bank is committed to strengthening its ability to respond quickly to the financing needs of small and medium-sized businesses, and business owners. In addition to measures to enhance our credit screening process, we are placing experienced professionals in our specialized finance branches to offer sophisticated business and financial advisory services as a means of supporting the sound development of our customers' businesses. As an example of this, for new entrants to the apartment rental or management business, we approach the transaction from the customer's position. This includes making comprehensive proposals that incorporate advice on trends in the rental apartment market, location selection and management know-how, and offering a financial structure that is designed to manage overall project risk.

