

## PERSONAL BANKING

In order to achieve the objectives set down in our medium-term business plan, the Personal Banking Group is in the process of implementing four concrete strategies. The first of these is to strengthen relationship marketing so as to heighten customer satisfaction through better knowledge of their needs. The core of this policy is a new service known as the “Fuji First Club,” which was inaugurated in March 1998. The purpose of this service is not simply to persuade customers to become members, but to create a steadily increasing group of “Fuji fans” who are completely satisfied with our services. It does this through close, long-term relationships and mutual communications with customers who take up membership. In order to strengthen relationships, it is vital to improve the quality of the bank personnel who actually come into direct contact with customers in bank branches and offices. This involves raising specialization levels among our staff by ensuring that they acquire the overall financial skills needed to respond satisfactorily to the increasingly diverse financial needs of each individual customer.

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The second strategy is to reinforce one of our greatest strengths - our personal loan services - by reinforcing the Bank’s already well-established status in this area. This involves continuing our active ongoing program of developing products that meet the varying needs of customers who use our housing loan services, and raising the standards of the services themselves.

The third strategy is to strengthen still further Fuji Bank’s reputation for asset management services by improving our investment products and services to meet expanding demand as the Big Bang financial reforms get underway. To satisfy customers from now on, it will be necessary to be able to respond to their needs in

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an appropriate manner by creating a full lineup of products and services to cope with various investment requirements. We intend to offer advice for managing investment portfolios that are tailored to each customer’s needs by placing special emphasis on investment trusts, which banks will be allowed to sell from December this year. For this reason, we are developing investment portfolio simulation software that will enable us to introduce and sell investment products that meet customer needs. At the same time, we plan to establish investment advisory desks and hold seminars for investors.

For customers with particularly sophisticated needs, we are working to develop tailor-made investment products that make synergistic use of the full functions of the Fuji Bank Group, including the Fuji Trust and Banking Company. We are also expanding the staff of the Private Banking Division and improving their specialist knowledge in this area of business.

Our fourth strategy is to streamline our marketing infrastructure. We are steadily enhancing the databases necessary for building closer customer relationships and facilitating more timely communications with them. We are also augmenting the telephone banking functions of the fund transfer service we initiated in March 1998, and are working both to expand the Fuji Cyber Bank into a fuller service and to improve customer convenience by putting ATMs into round-the-clock operation. To ensure that we can offer customers sophisticated specialist services, we plan to tie up with a wide range of specialist institutions and hire a number of mid-career personnel with professional skills and experience.

### Personal Banking Group

Group Head  
*Masaaki Sato*  
Managing Director

- Product Development & Marketing Division*
- Sales Channel Management Division*
- Private Banking Division*

The first point to note about the environment facing the Personal Banking Group is that it is becoming increasingly competitive. Our medium-term plan coincides with the full-scale implementation of Japan’s Big Bang financial reforms. This will usher in an era of ferocious competition unprecedented in Japan. We will be competing in the same markets with foreign financial institutions and entities from different business sectors, such as insurance and securities. Even the distribution sector, with its long and eminent history as a service industry, will be a competitor.

The second point to note is the onset of “individualization,” the process by which today’s individual customers become increasingly selective in demanding excellent services from an ever-widening array of choices. Unless banks can offer finely-tuned services that take the different lifestyles and values of individual customers very much into consideration, they will not be able to provide the levels of customer satisfaction that are increasingly required.

In order to pull ahead of the competition and truly satisfy our customers as a service business, we are moving away from our conventional “mass marketing” approach, which treats all customers in the same way. In its place, we are adopting a “relationship marketing” approach toward individual customers which aims to build closer relationships that enable us to understand and satisfy their needs much better.

Under our current medium-term plan, therefore, the Personal Banking Group’s strategy is to build stronger relationships with customers and ensure their satisfaction as a service company by providing the most appropriate services for their individual needs and transactional behavior. Instead of working simply to increase the number of accounts or boosting deposit balances, our key goal is to increase the number of customers who favor the Fuji Bank because our services are truly satisfactory.