

# Norinchukin Bank and the New JA Banking System

## FRAMEWORK OF THE JA BANKING SYSTEM AND THE UNIQUE SAFETY NET FOR THE COOPERATIVE CREDIT BUSINESS

The Norinchukin Bank Law was revised in June 2001 and went into effect on January 1, 2002. The objective of the revision is to create a sound and highly reliable organization of the JA credit business in line with changes in the business environment. To achieve this, the JA credit business will provide high-quality and sophisticated services to its clients as well as establish effective bankruptcy prevention measures.

JA, Shinnoren, and the Bank (all of which are JA bank members: JA bank is the generic term for JA, Shinnoren, and the Bank) will pursue more unified business operations in order to increase competitiveness and credibility (JA Banking System).

To facilitate unified business operations, JA bank basic policies have been formulated as a code of conduct for JA bank members. To conduct operations of the JA Banking System based on these policies, a JA Bank System Headquarters has been established within the Bank, and a JA Bank Prefectural Headquarters has been set up within each Shinnoren.

### Function of the JA Banking System

The specific activities of the JA Banking System are as follows:

#### Providing High-Quality and Sophisticated Financial Services

To promote the IT initiatives of the JA bank, a project team for IT planning and development was established within the Bank in July 2000. The team focuses on planning and developing unified, strategic systems. In order to achieve more efficient and streamlined development of the JA banks' computer system, the Bank, as the main coordinator of the system, established The JA Bank Computer System Co., Ltd., in March 2002. In addition, the Bank is focusing on R&D of new products and marketing methods for customer satisfaction by introducing Customer Relationship Management (CRM). Information networks linking JA, Shinnoren, and the Bank were also created to enable these three entities to pursue product development and business operations in line with customers' needs. The JA bank will work closely with the JA mutual insurance business in preparation for the defined contribution pension plan, which is due to be introduced in October 2002.