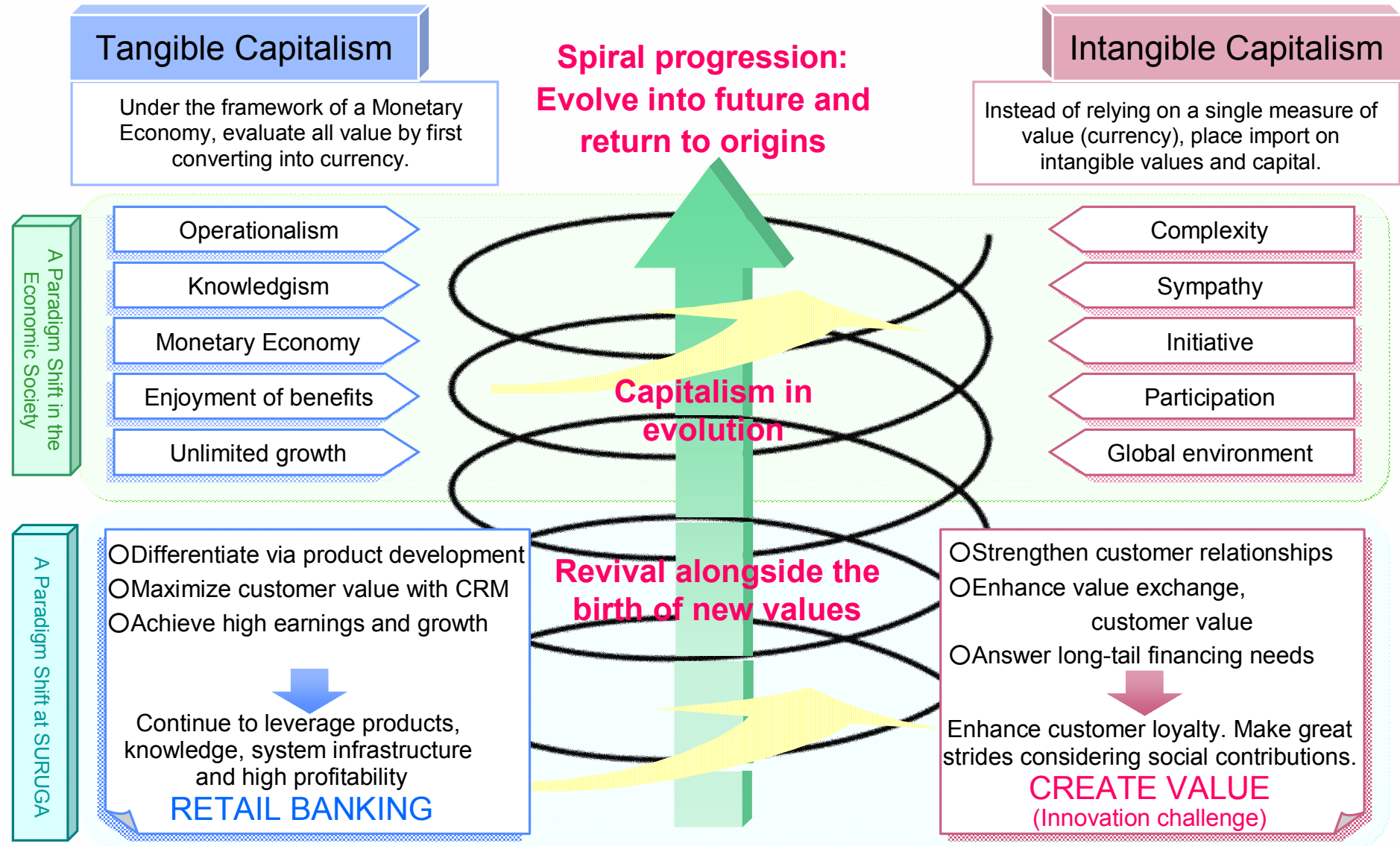


Meeting the Challenge of New Banking

Presentation to investors on fiscal year ended September 30, 2009

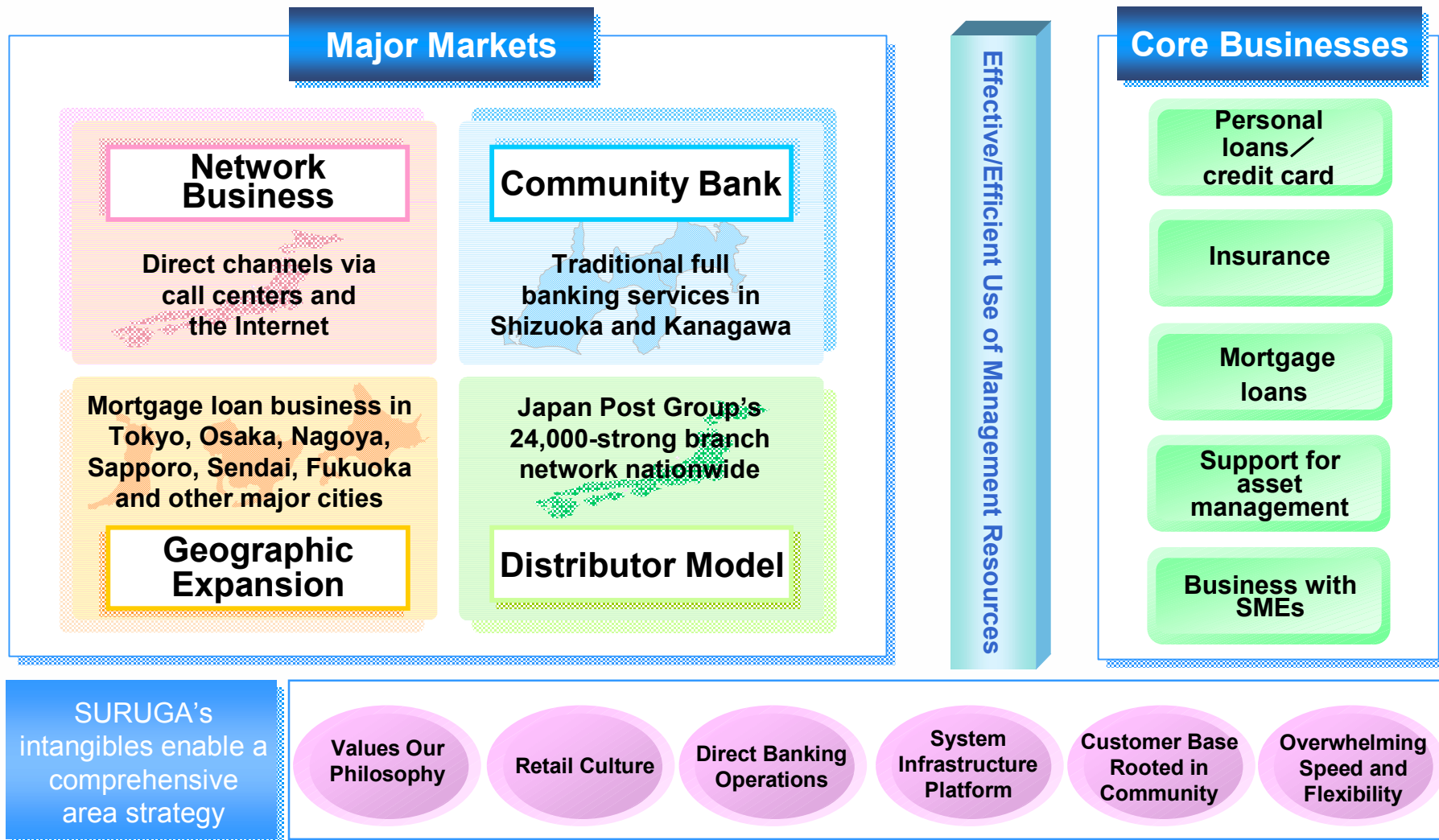
SURUGA bank

A Paradigm Shift in the Economic Society

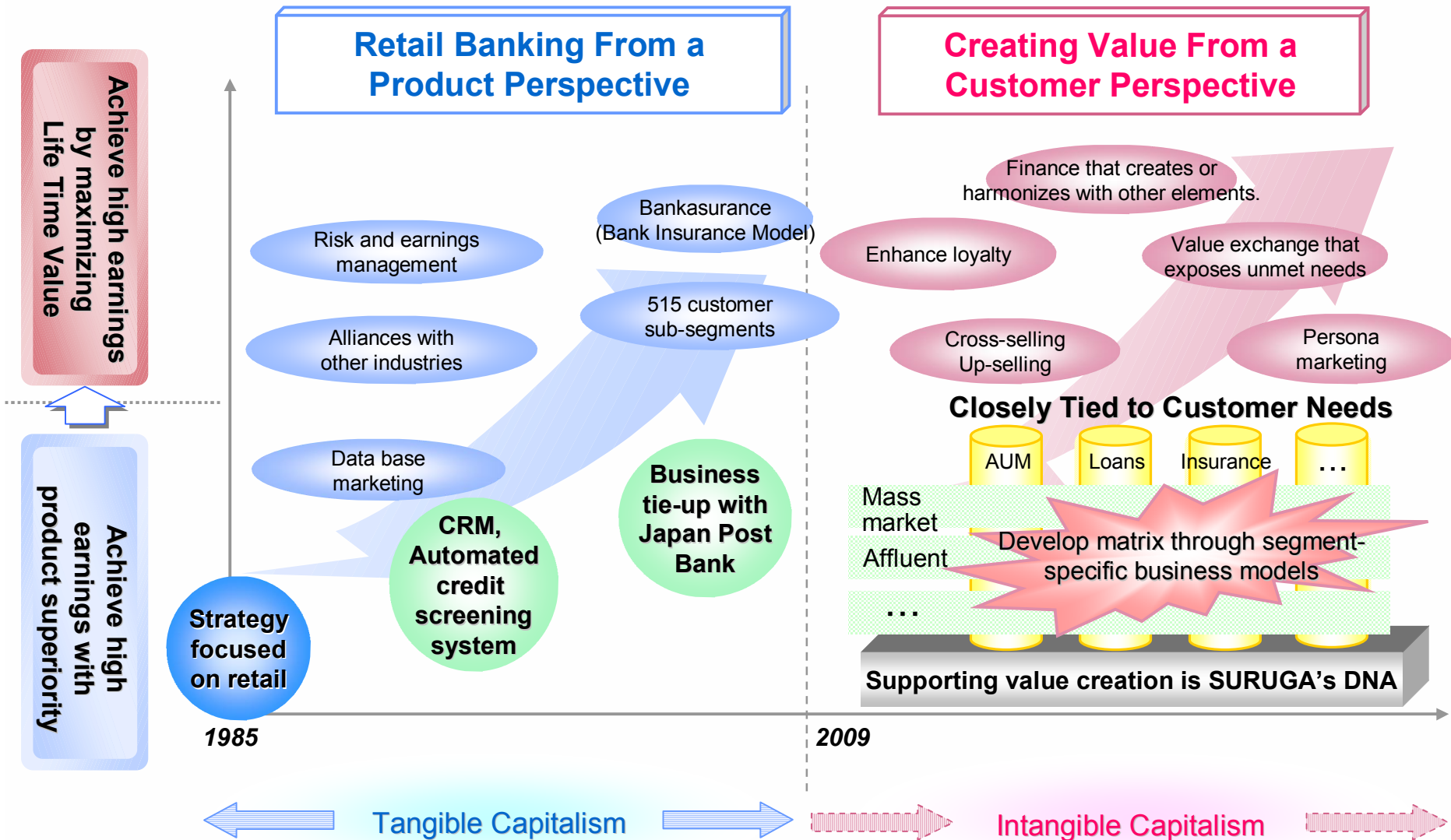


SURUGA's Business Design Delivers Unique Value

Incorporate Market Characteristics to Deliver SURUGA's Unique Value
Leverage know-how developed through SURUGA's retail-focused strategy

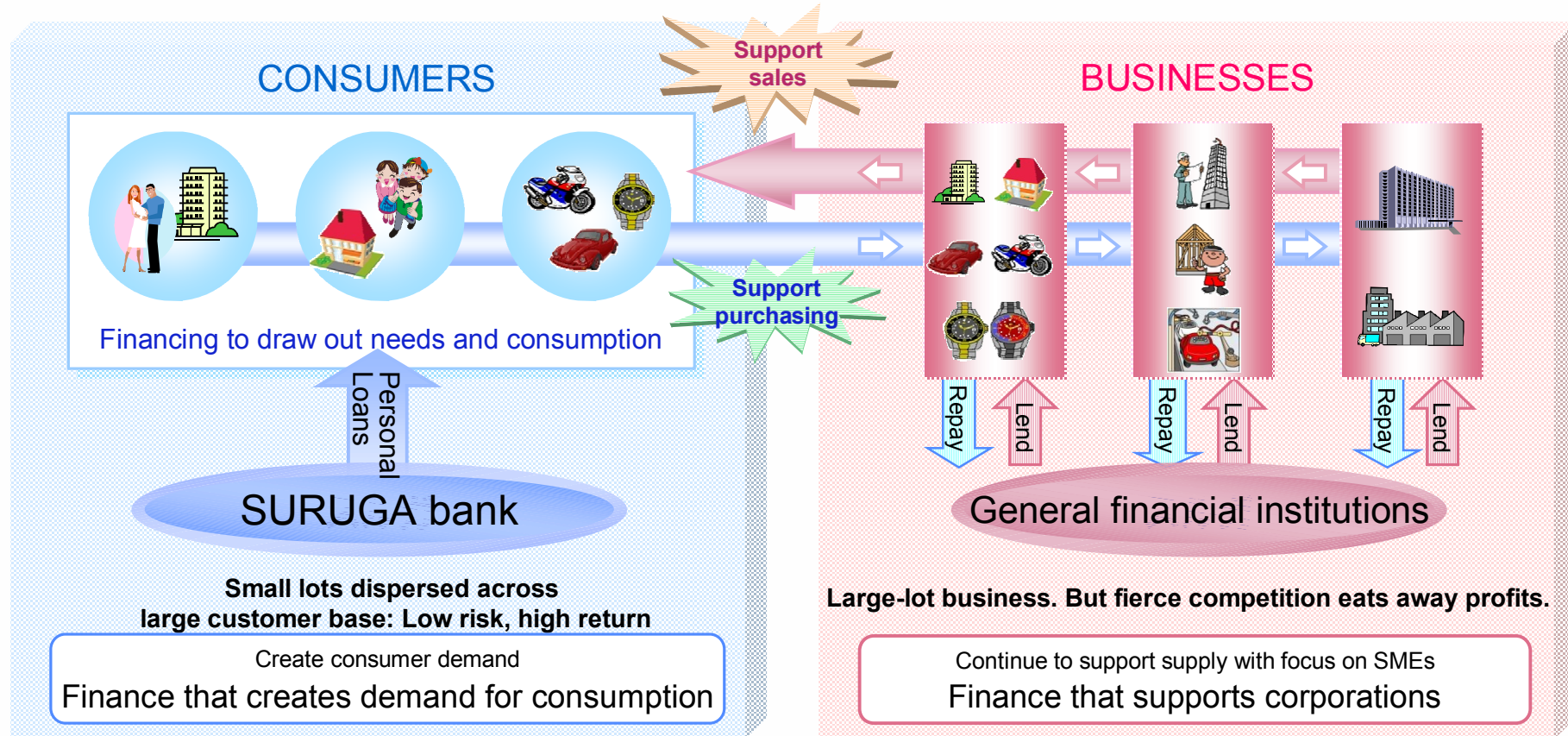


SURUGA Innovations to Create Value



SURUGA's Mission in Financial Services

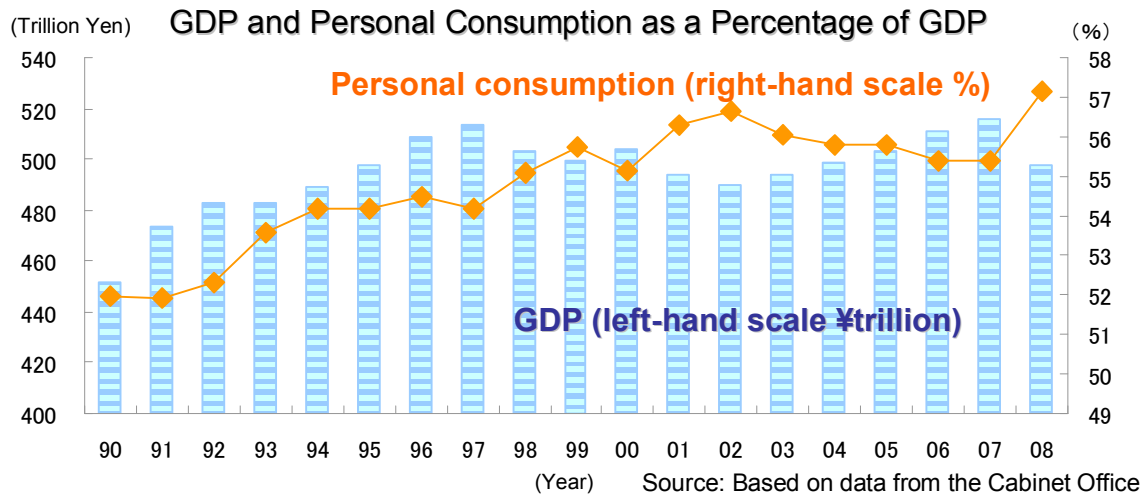
Personal consumption expenditures (household end-use) just under 60% of Japan's GDP



Support economic activity through finance for consumers by stimulating and creating healthy demand across a broad consumer base.

Personal Consumption and Retail Loan Market

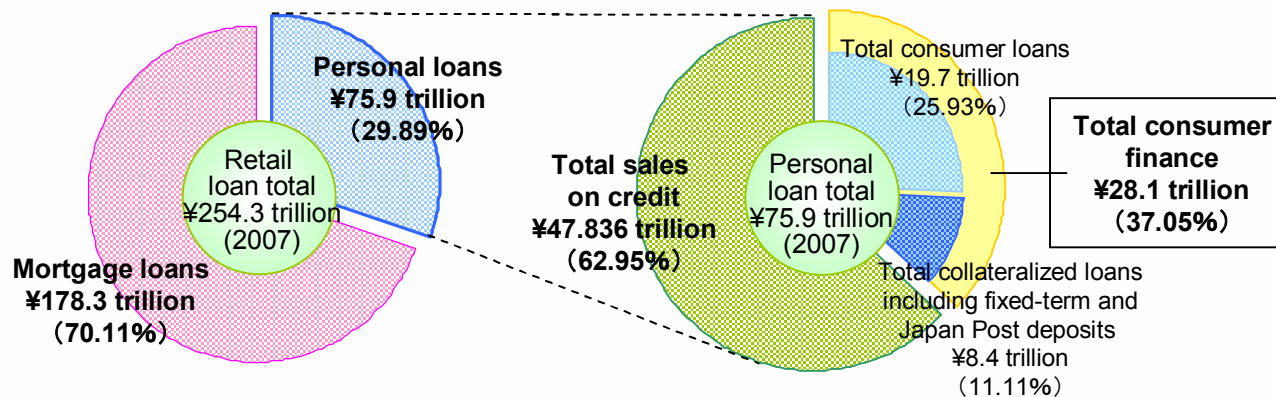
Personal Consumption Supporting Japan's Economy



Personal consumption accounts for just under 60% of Japan's GDP

In addition to government support of domestic demand, financial services are essential to support personal consumption

Retail Loan Market Size



Regulatory changes expand business opportunities

Demand for flexible response to sound needs for funds.

Source: Based on data from Japan Housing Finance Agency and the Japan Consumer Credit Association

Environment for Mortgage and Small Loans and our Strategy

Deploy SURUGA's unique business model to answer diversifying needs for retail finance and achieve both profitability and customer satisfaction.

Environment for Mortgage Loans and SURUGA's Strategy

- Housing policy important as the Government seeks to expand domestic demand.
- Junior baby boomer generation approaching home-buying age
- Price adjustment phase has stimulated real estate transactions

- Lineup of more than 34 types of highly unique products
- Appropriate pricing by avoiding price competition
- Comprehensive credit screening model leveraging quantitative and qualitative info

Environment

Strategy

Environment for Small Loans and SURUGA's Strategy

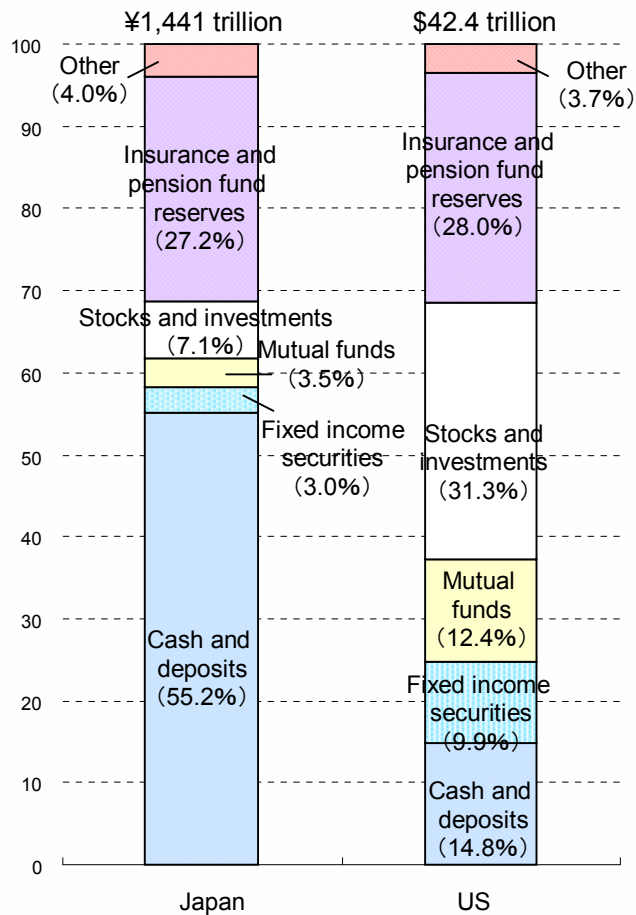
- Expectations for banks increase with revisions to Moneylending Law
- Reorganization of players driven by changes in operating environment
- Loan needs arising from changes in forms of employment and economic sentiment

- Extensive database. Superb mining skills.
- Credit-screening and credit-limit development system based on CRM
- Low-cost operational structure

Structural Differences in Consumer Finance (Japan & US)

Household Assets in Japan and US (June 2009)

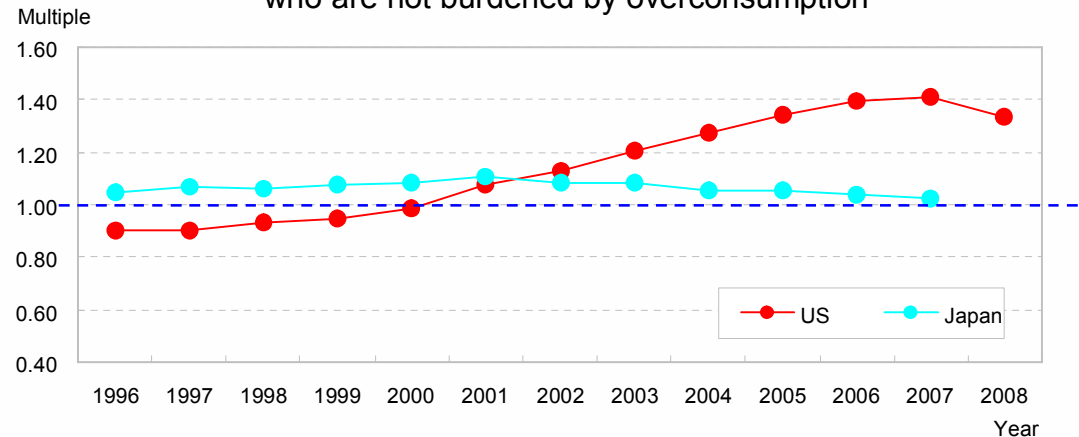
Japan households sound relative to US



Source: Based on data from Bank of Japan

Household Debt in Japan and US (as percentage of disposable income)

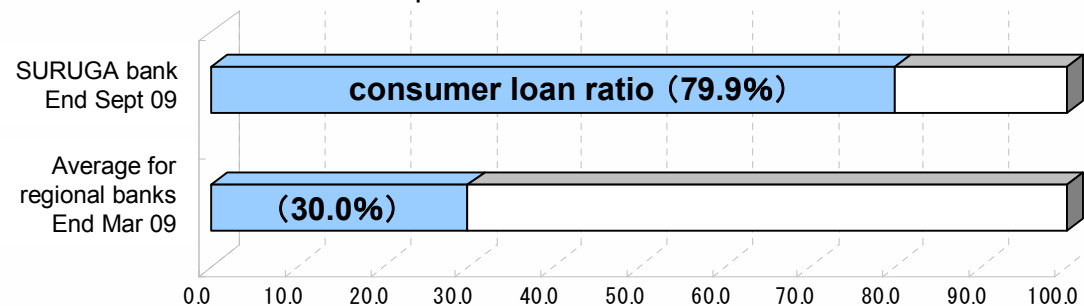
SURUGA is focused on domestic consumers, who are not burdened by overconsumption



Source: Based on data from the Ministry of Economy, Trade and Industry

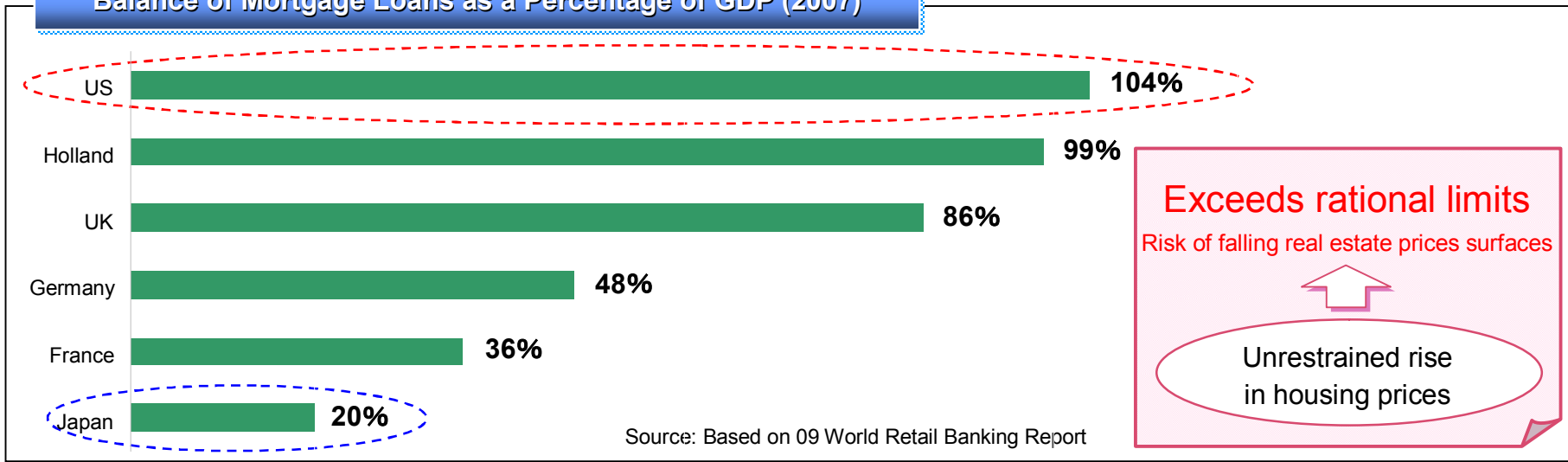
Comparison of Consumer Loan Ratios

SURUGA is focused on consumer loans. Little impact from economic fluctuations.

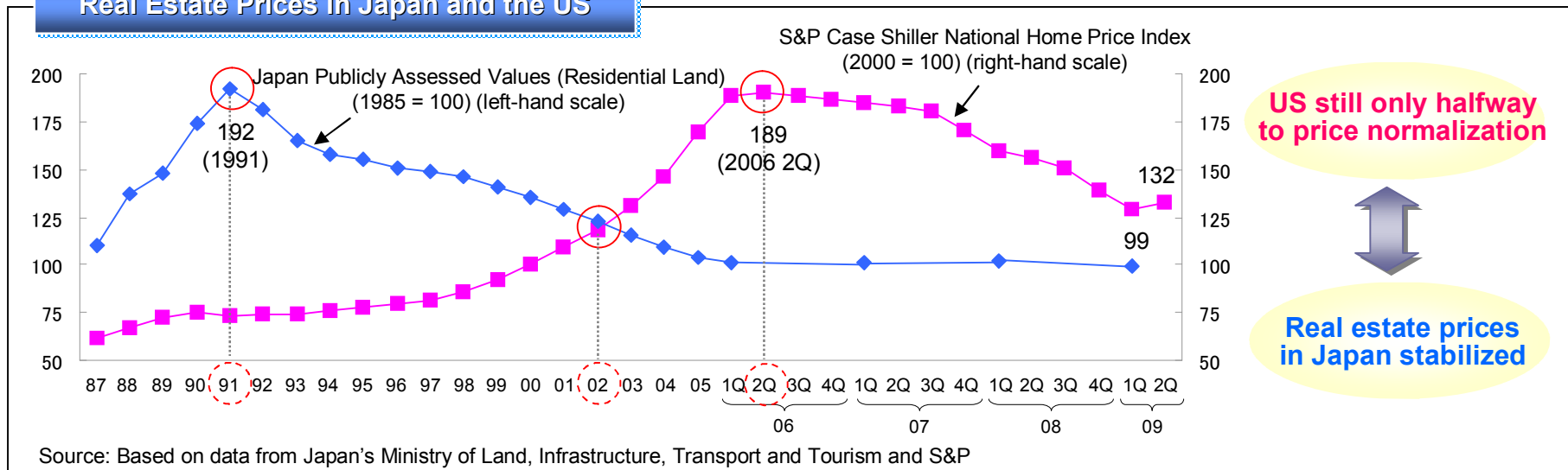


Mortgage Loan Markets in Japan and US

Balance of Mortgage Loans as a Percentage of GDP (2007)



Real Estate Prices in Japan and the US



Changes in Social Structure Creating New Values

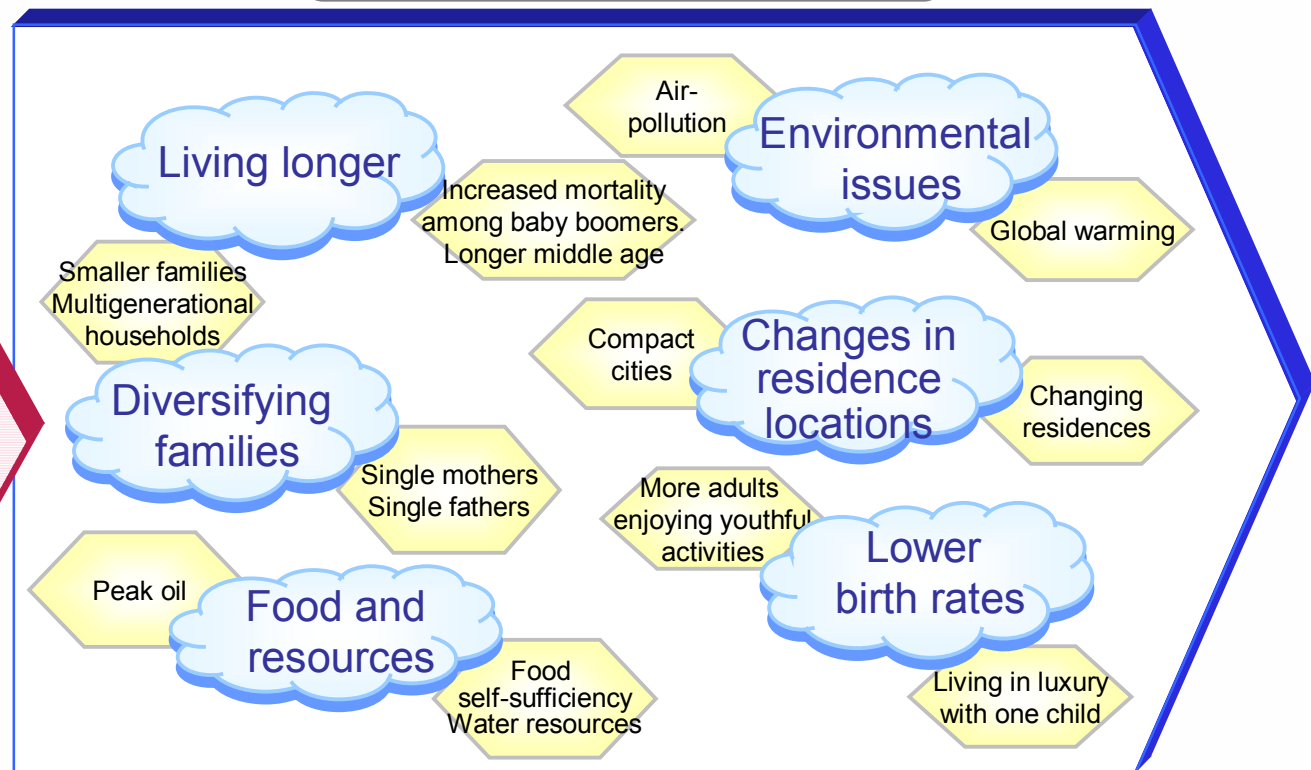
Drastic Societal Change from
 “Growth & Expansion” to “Saturation & Condensing”

Enormous business opportunities for SURUGA, which is deeply focused on the consumer

Social structure of the future
 Maturity, condensing, surplus

Social structure of the past
 Growth & expansion

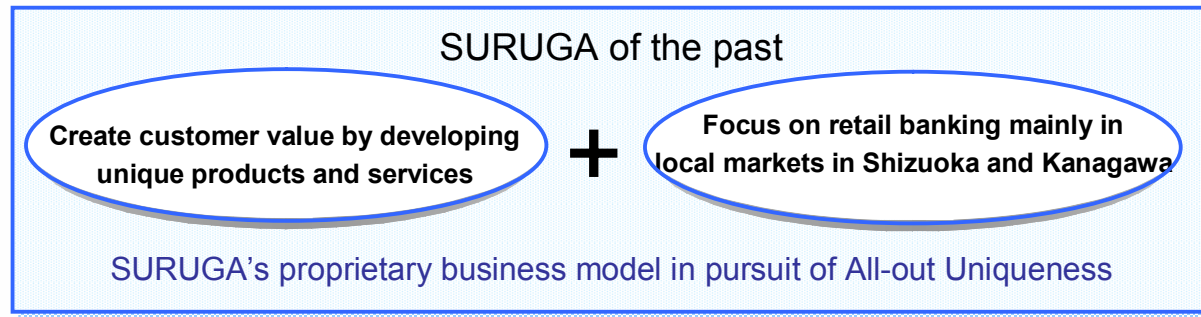
- Population growth
- Economic growth and expansion
- Social vitality



SURUGA's Strategic Direction Toward a Paradigm Shift

Evolve Business Model Leading into a Paradigm Shift

Complement nationwide **Financial Eco System**



SURUGA of the future

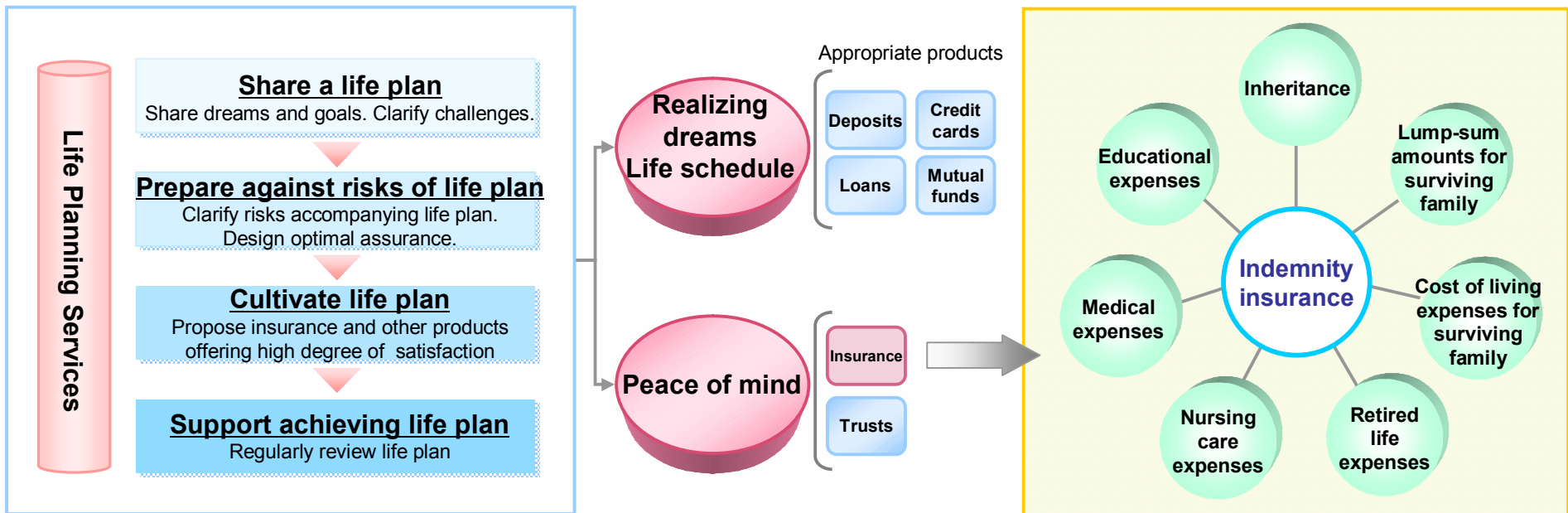
- Maximize Life Time Value through strengthened customer relationships
- Deploy long-tail finance model across broader geographies and alliances
- Contribute to Financial Eco System by stimulating sound consumer demand

Positioning Insurance as New Business Pillar

Uniqueness of SURUGA

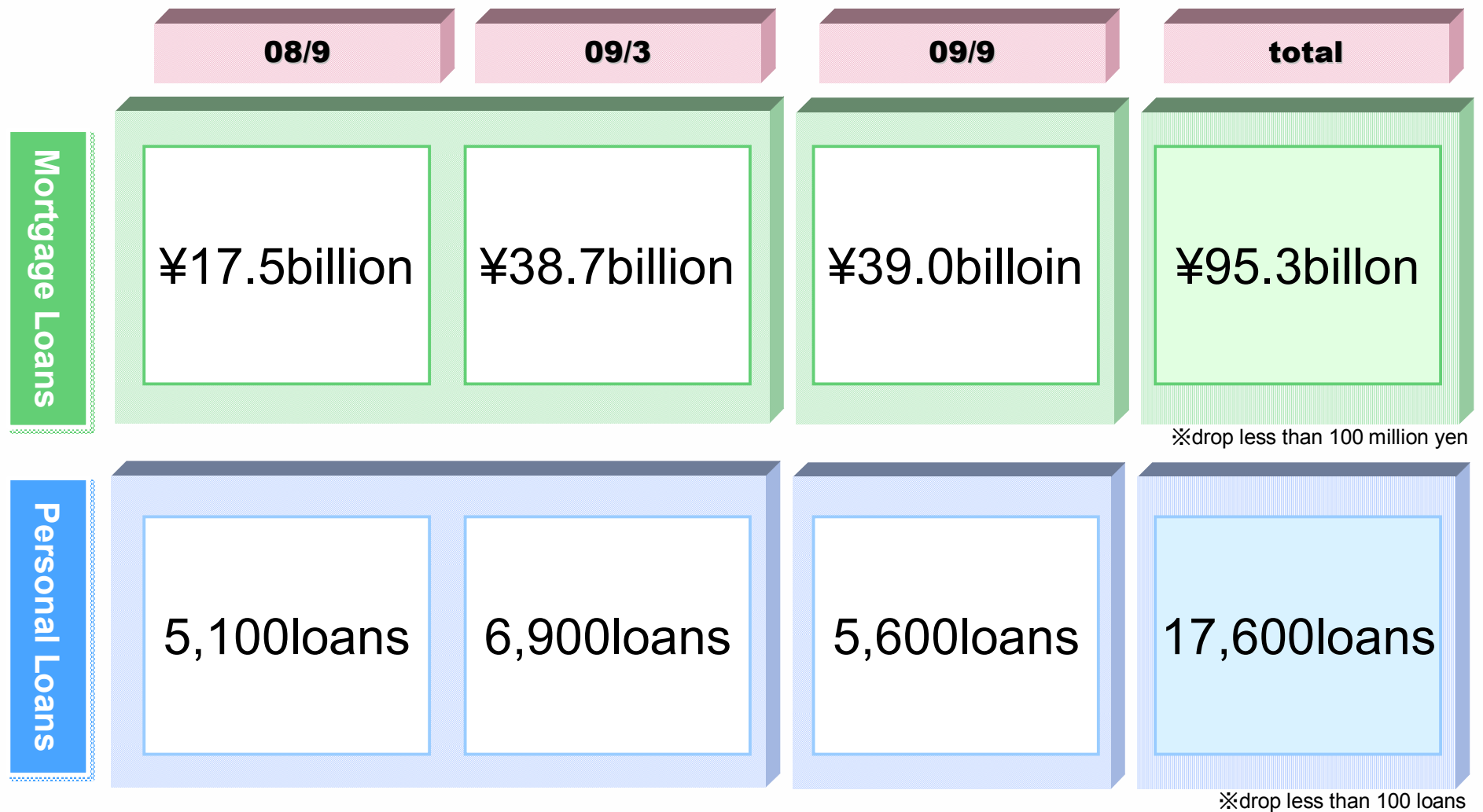


Life planning services
Create a life schedule customized to each of our customers



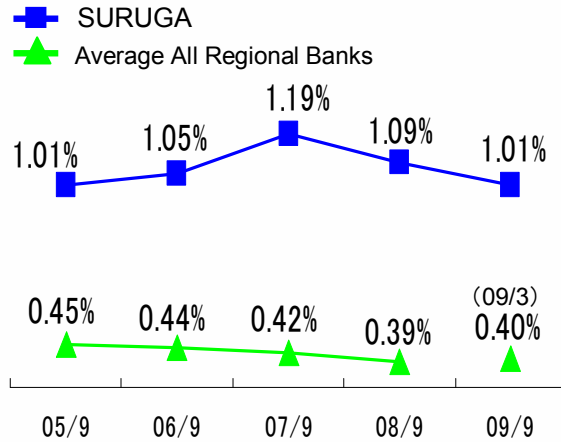
Business Alliance with Japan Post Bank

Results from May,2008

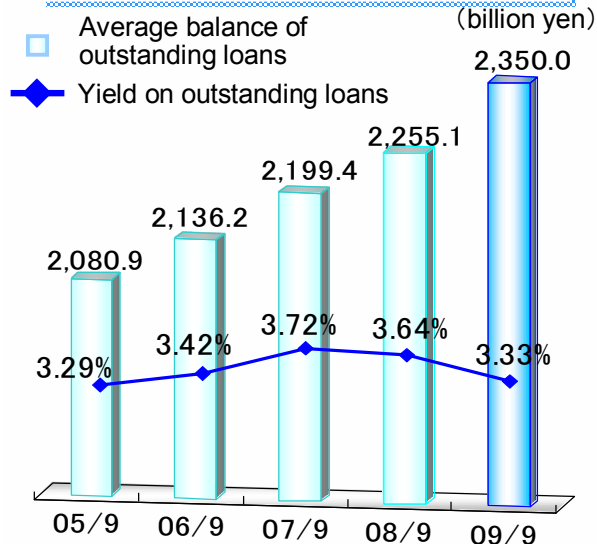


Interest Margins (Overall)

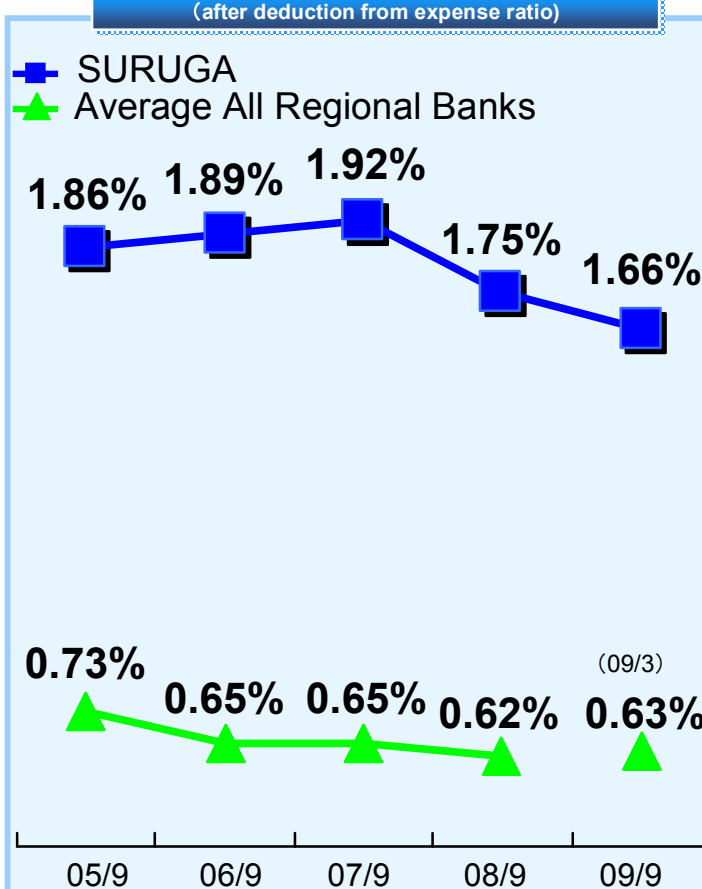
Net interest margin



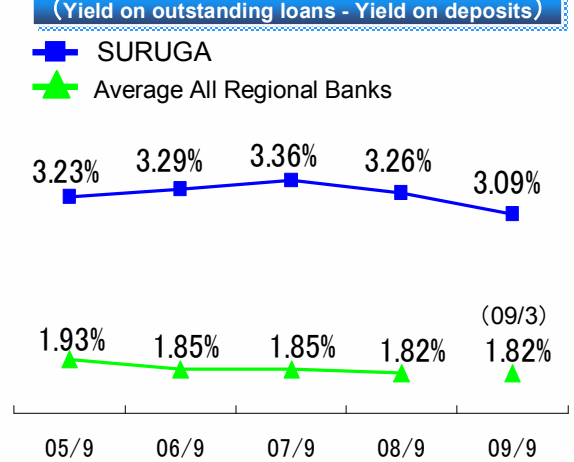
Average balance and yield of outstanding loans



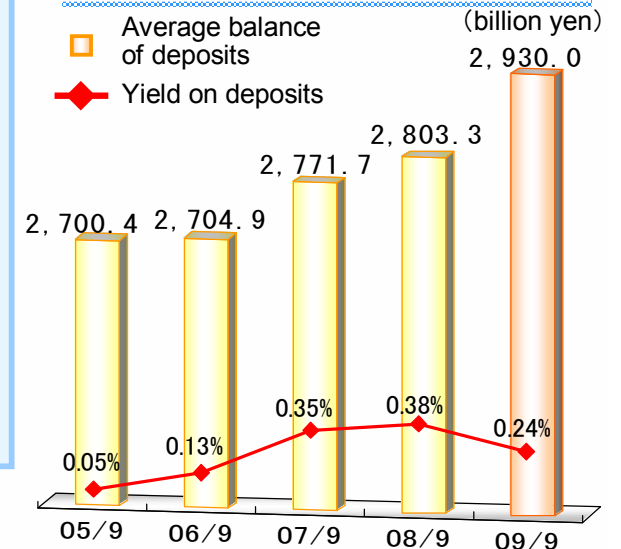
Loan-deposit margin (after deduction from expense ratio)



Loan-deposit margin (Yield on outstanding loans - Yield on deposits)



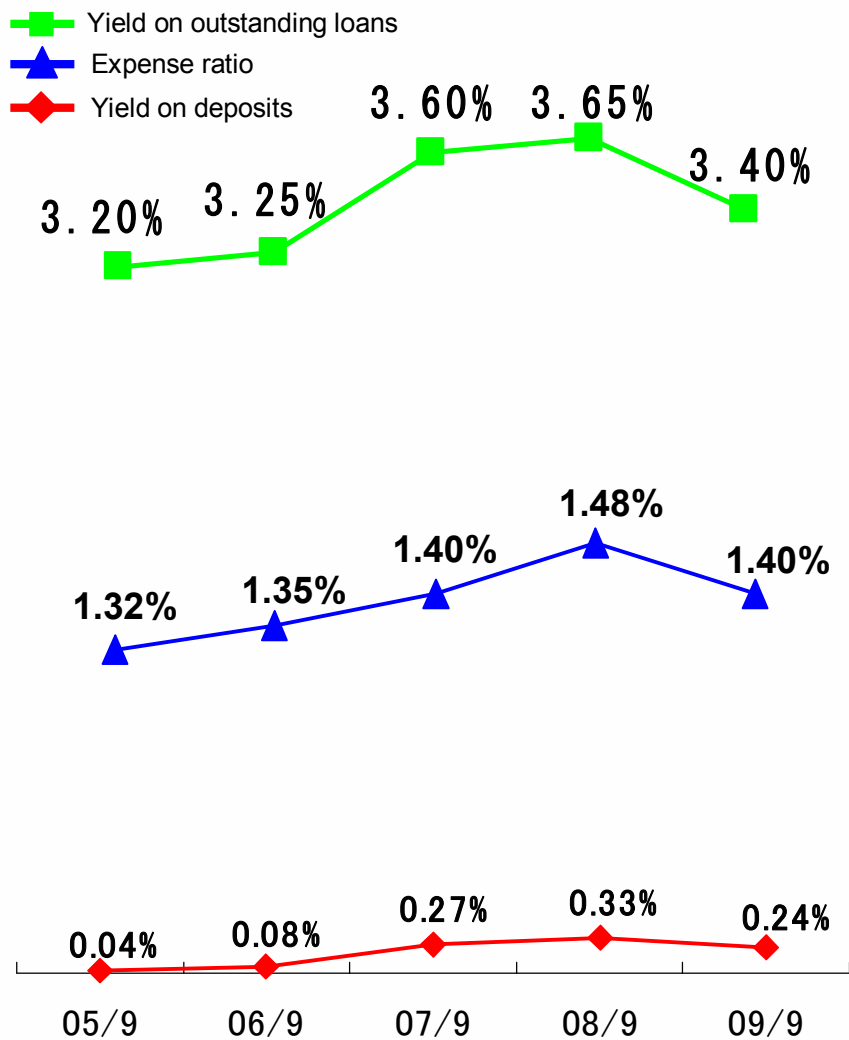
Average balance and yield on deposits



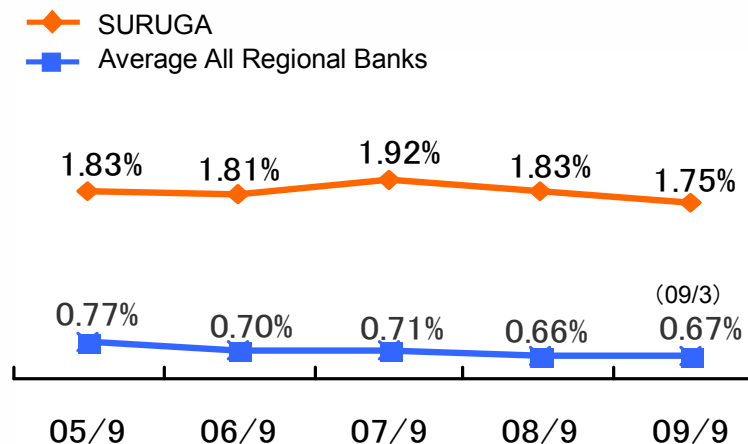
Yield / Margins (Domestic)

(※after deduction from expense ratio)

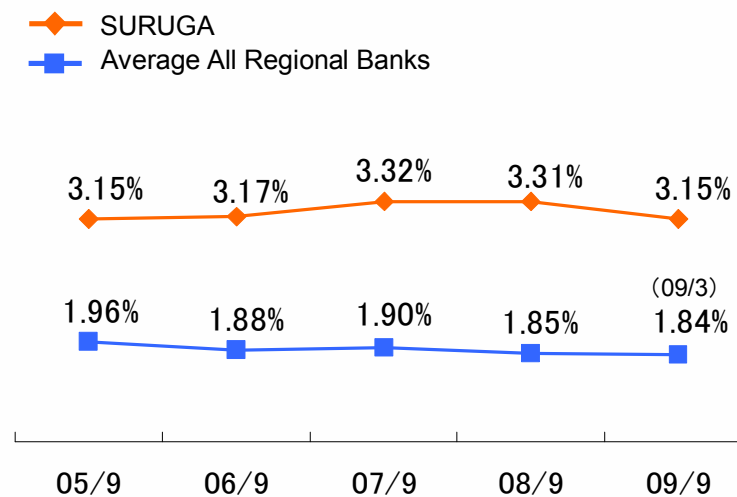
Yield-Expense ratio



Loan-deposit margin (after deduction from expense ratio)



Loan-deposit margin (Yield on outstanding loans - Yield on deposits)



Gross Operating and Yen loan-deposit income

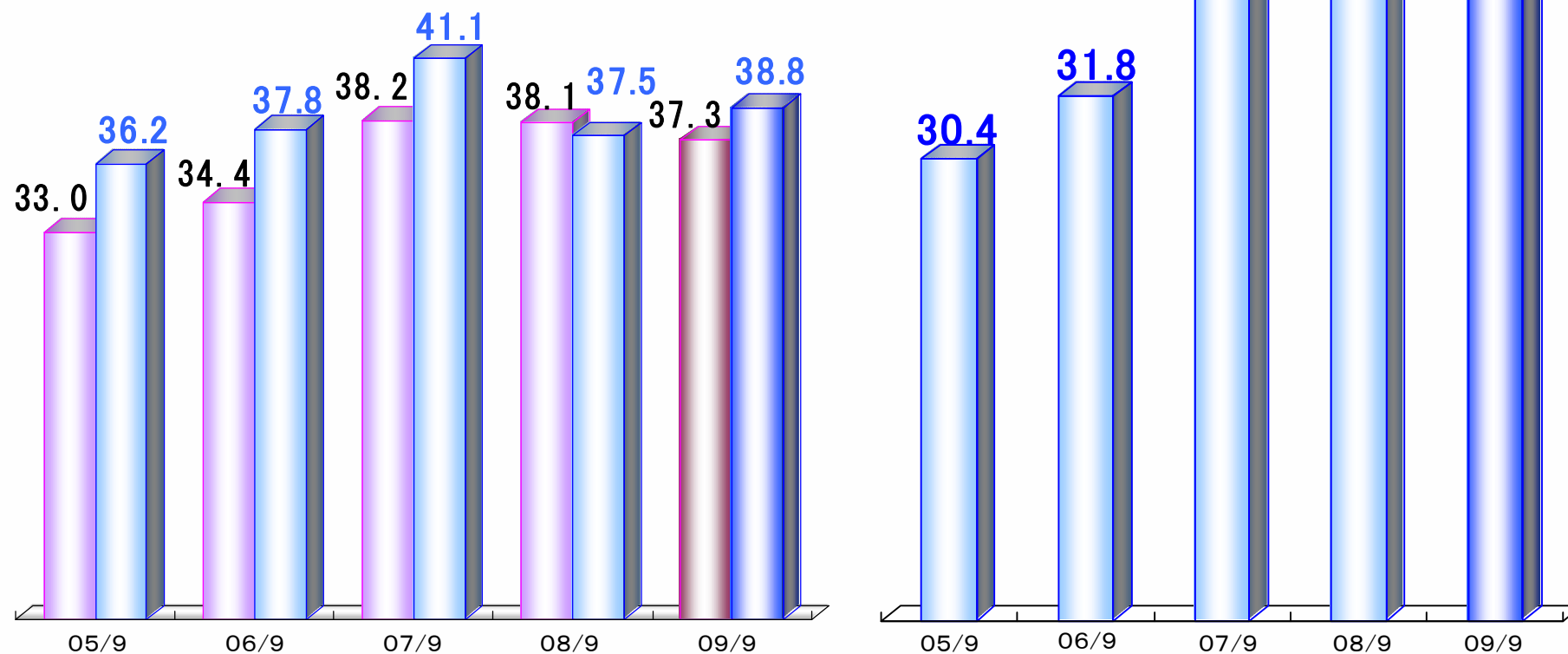
Net interest income / Gross Operating Income

Yen loan-deposit income

- Net interest income
- Gross operating income

(billion yen)

- Record income highs
- (billion yen)

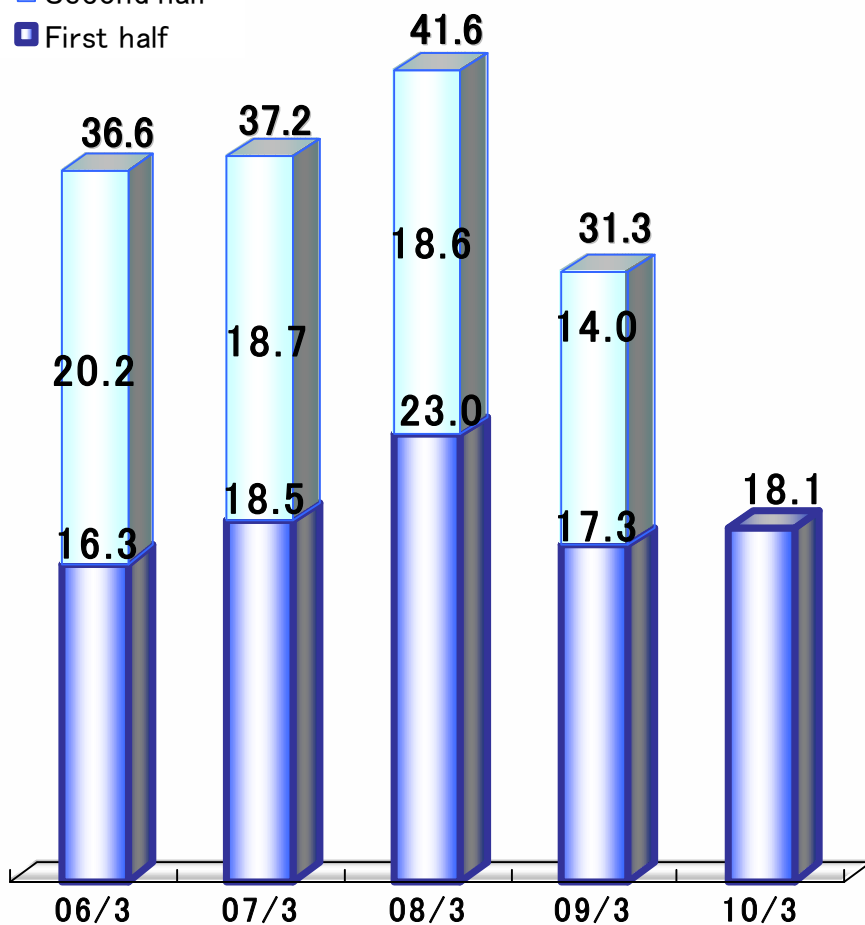


Net Operating and Net Income

Net operating income

(billion yen)

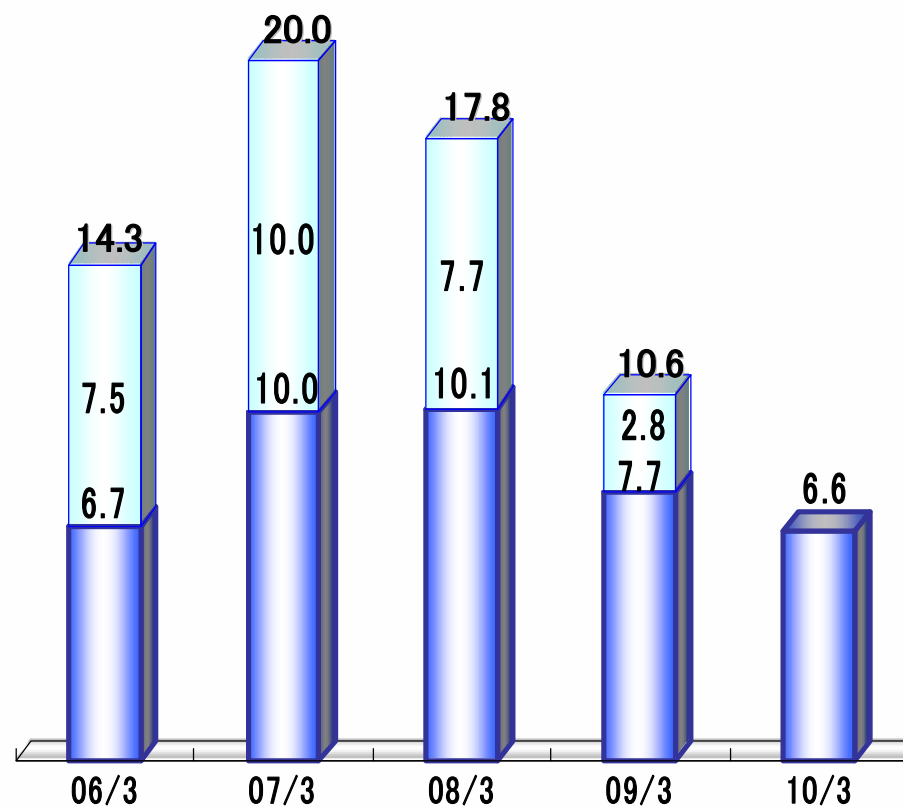
- Second half
- First half



Net income

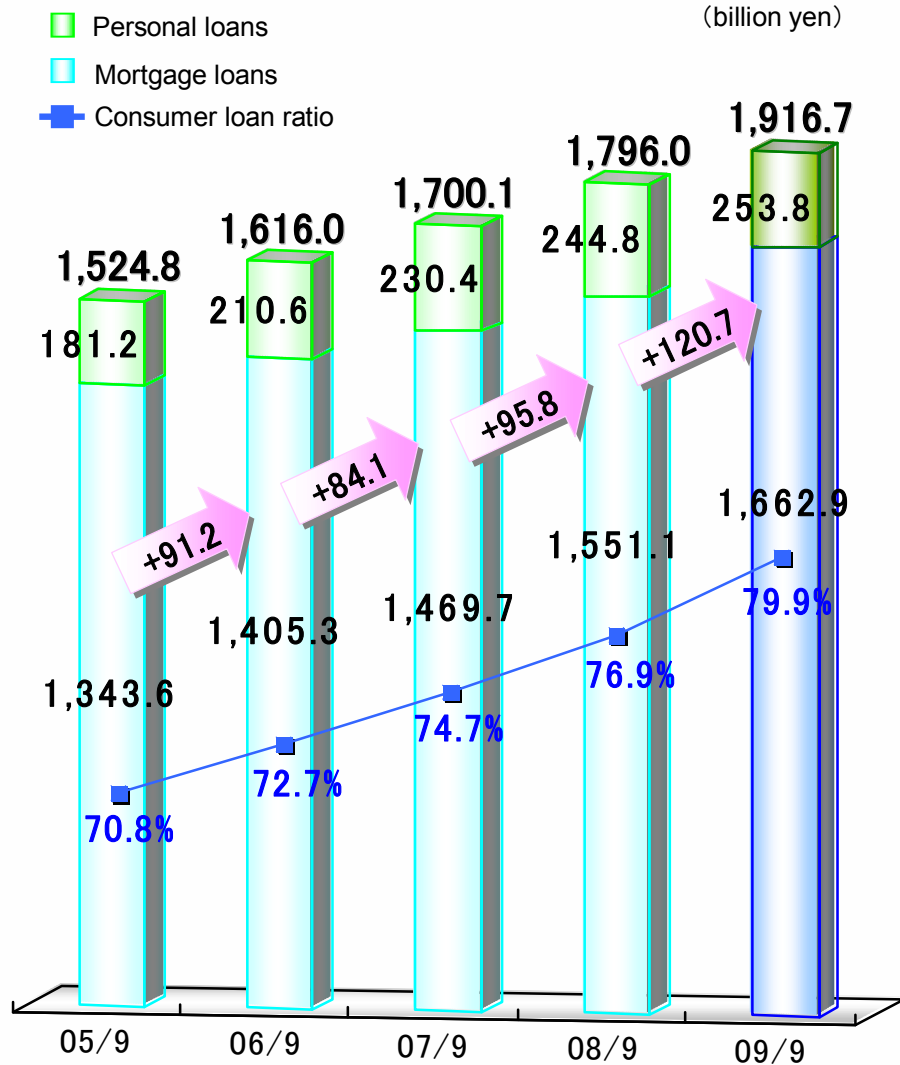
(billion yen)

- Second half
- First half

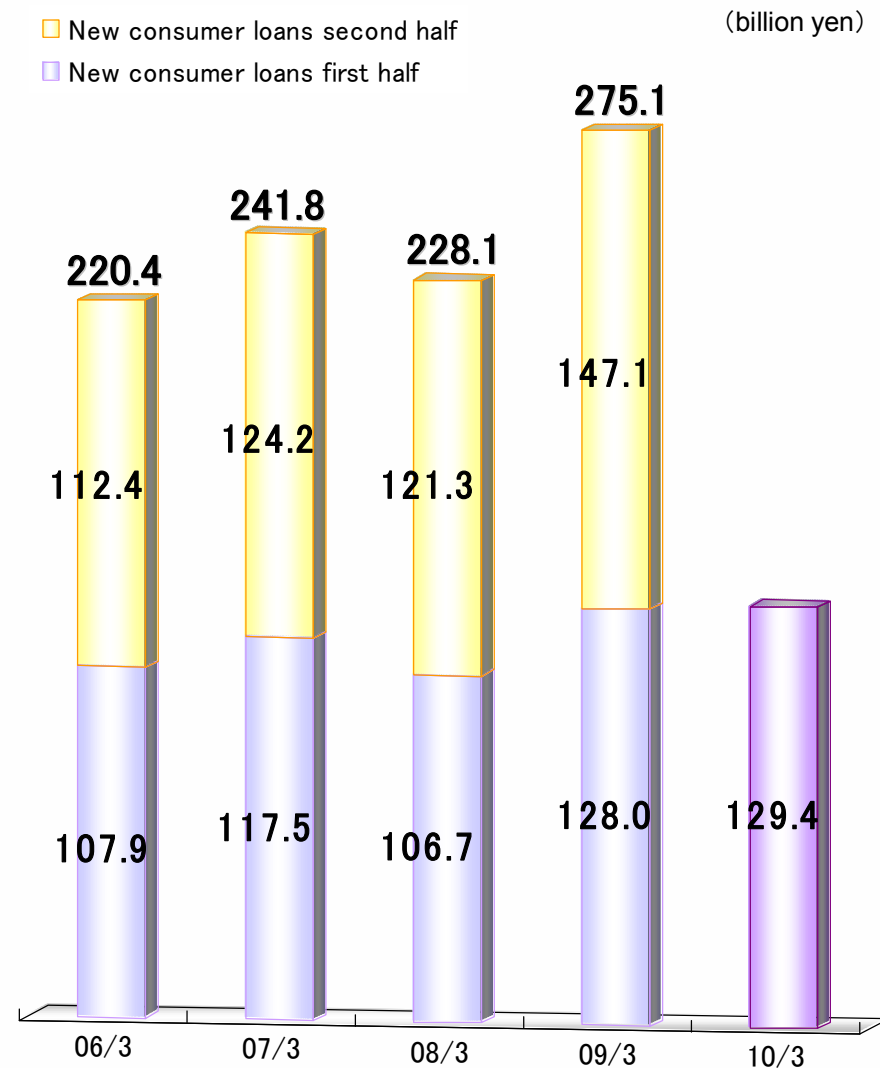


Strong Focus on Retail

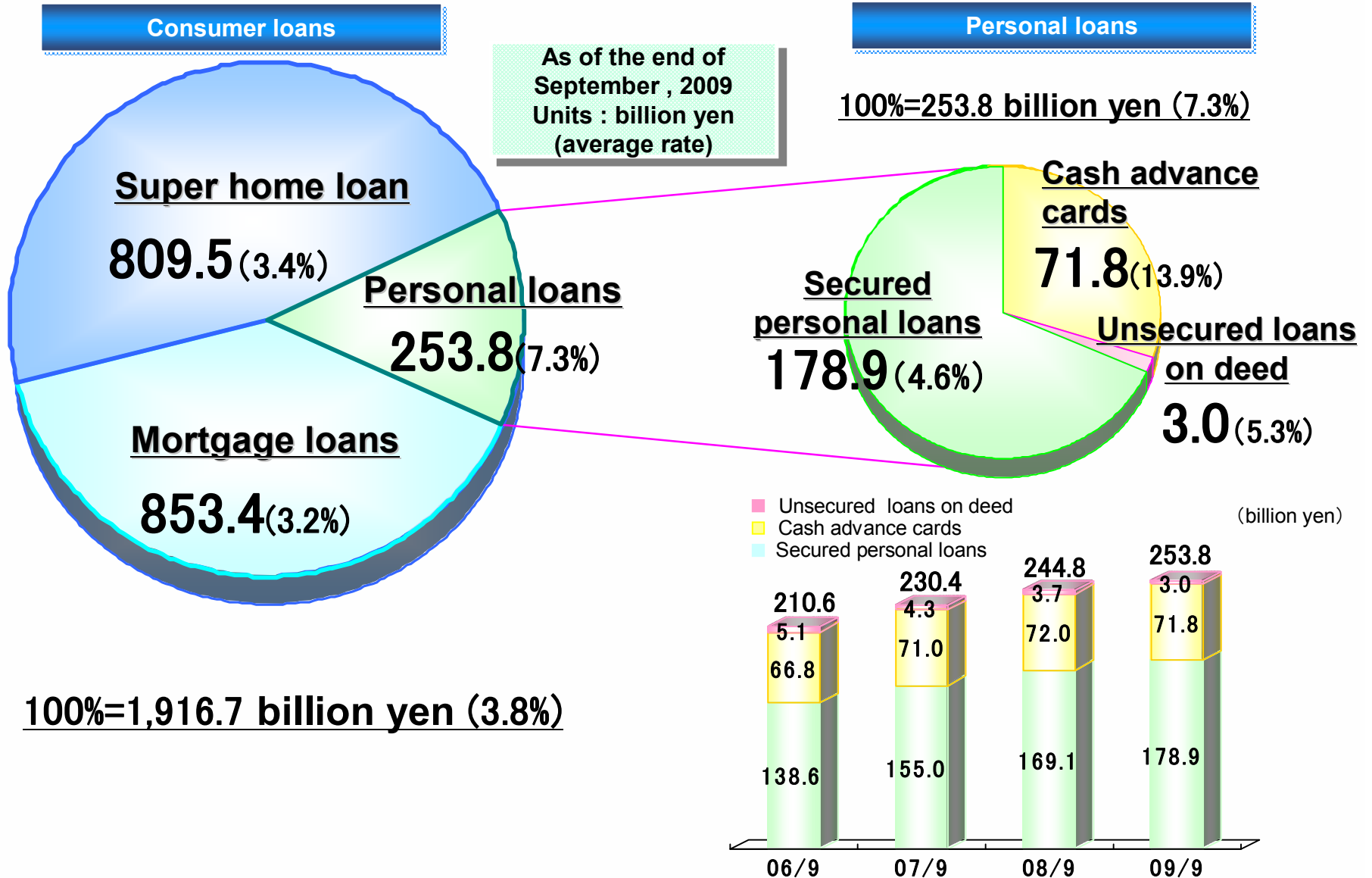
Consumer loan balance and ratio



New loan contracts

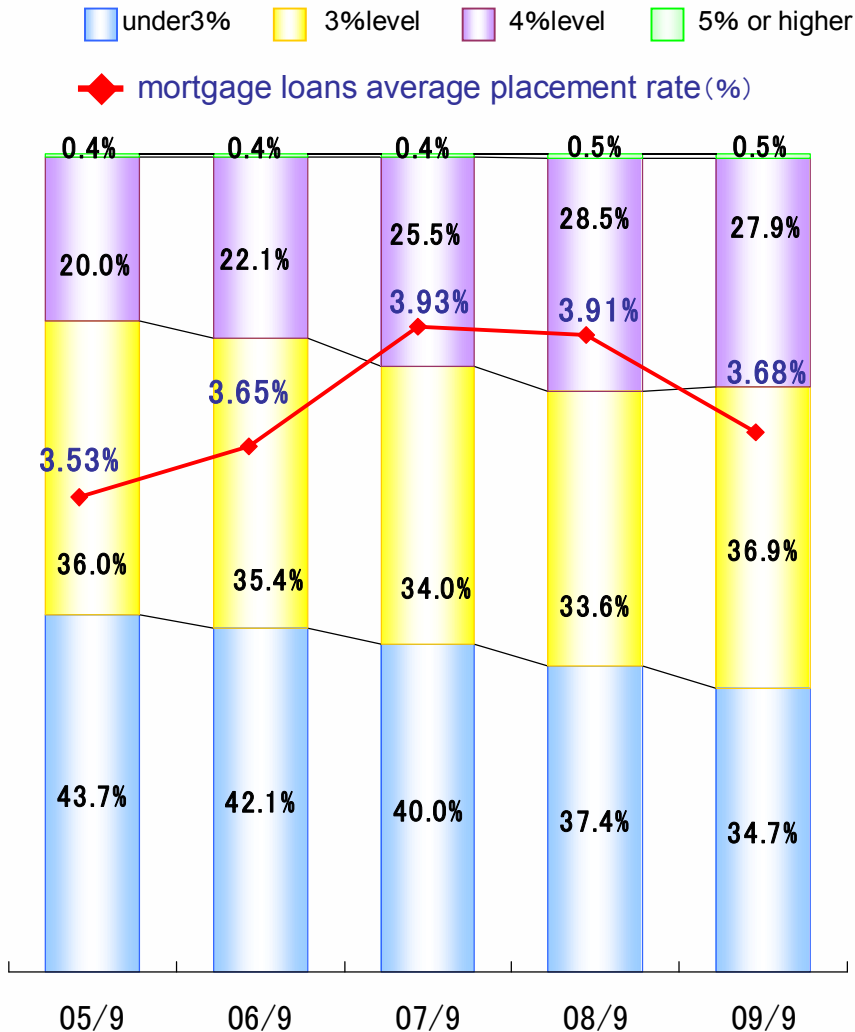


Focus on More Profitable Products

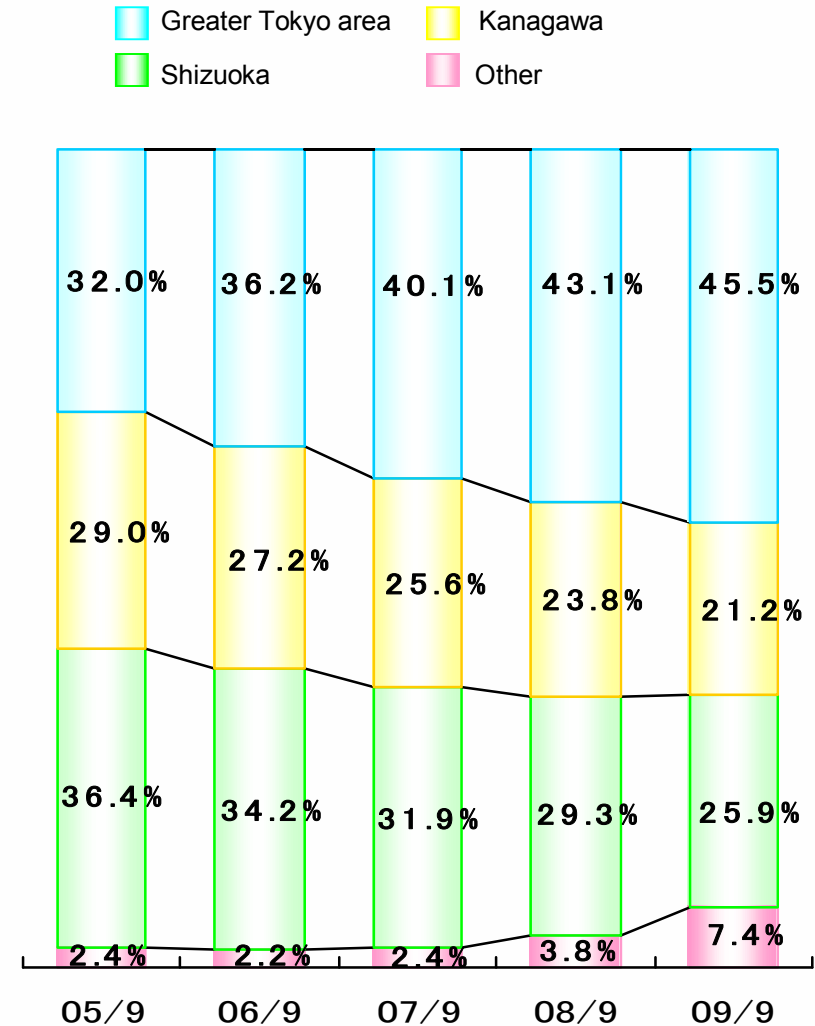


Mortgage Loans

Distribution of practical rates for mortgage loans (cumulative)



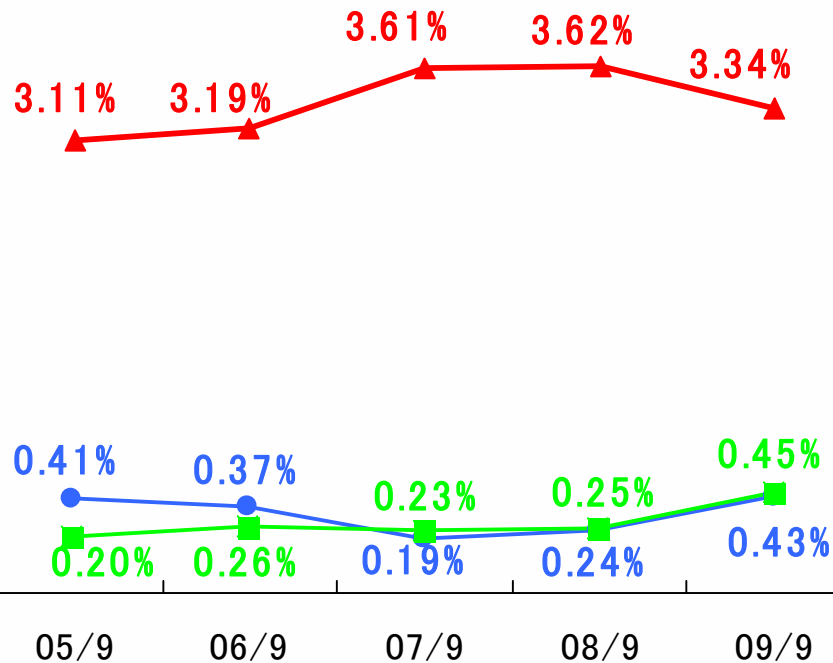
Mortgage loan balance by geographical area



Delinquency and Loss Rates on Consumer Loans

Mortgage Loans

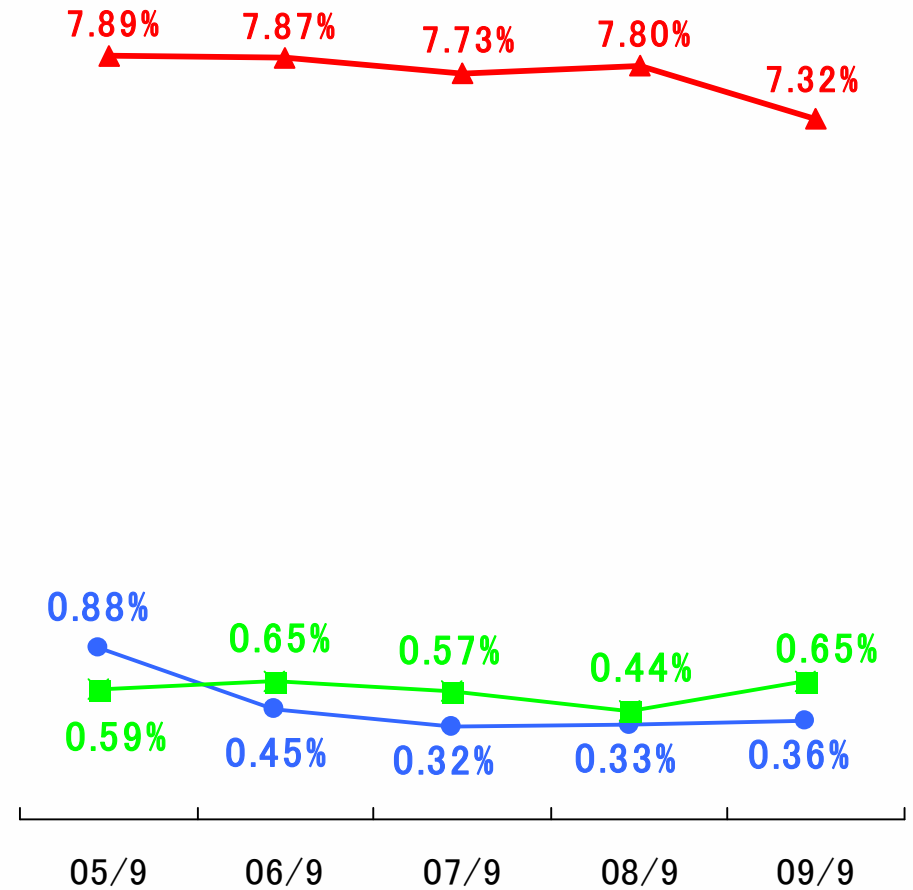
▲ Yield ● Delinquency rate ■ Loss rate



Delinquency rate = amount 3 months or more overdue / average amount of loan

Personal loans

▲ Yield ● Delinquency rate ■ Loss rate



Loss rate = default ratio × (1 - recovery rate)

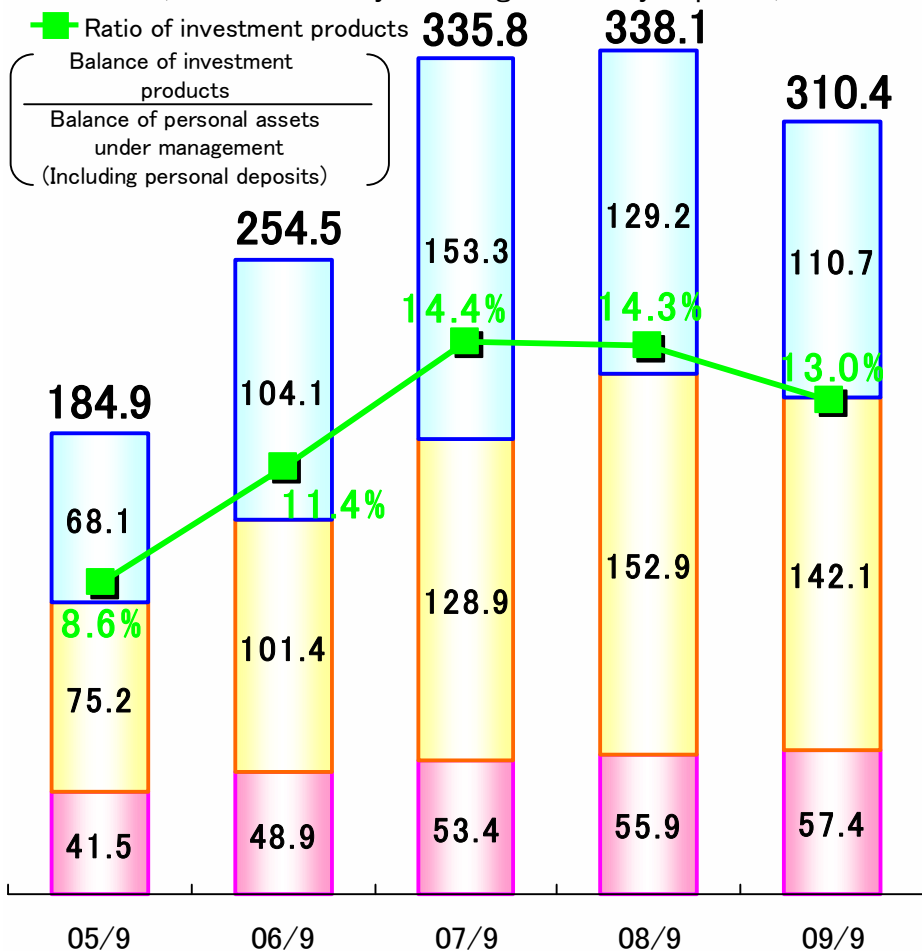
Fees Income

Balance breakdown of investment products

(billion yen)

- Mutual funds
- Insurance
- Other (JGBs in custody & Foreign currency deposits)
- Ratio of investment products

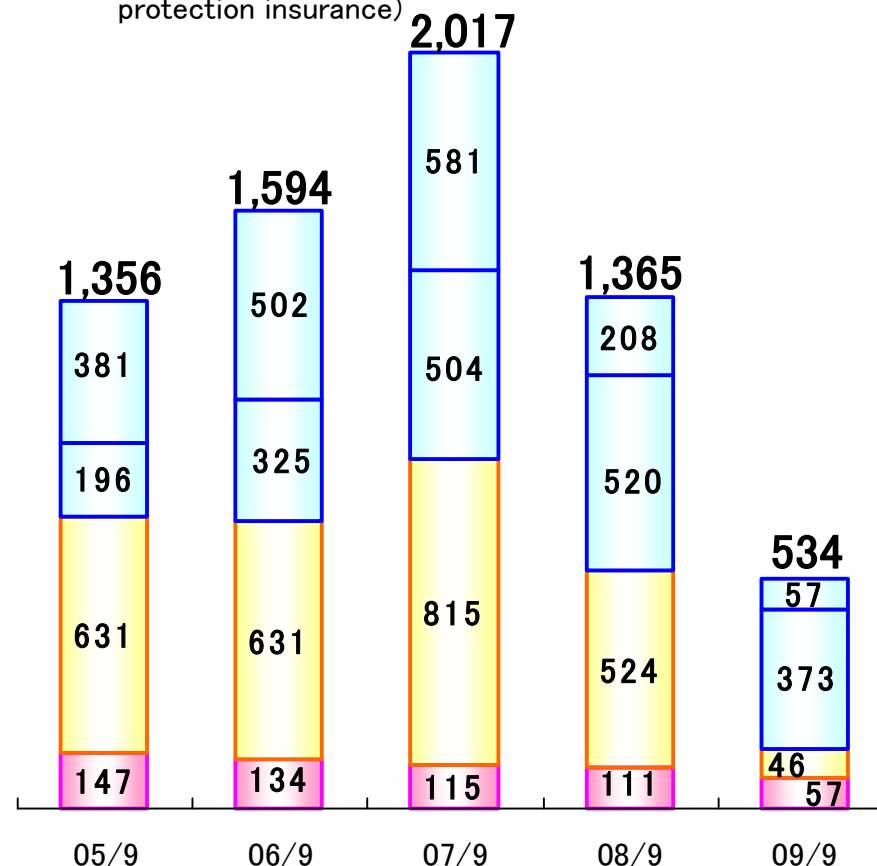
Balance of investment products
 Balance of personal assets under management
 (Including personal deposits)



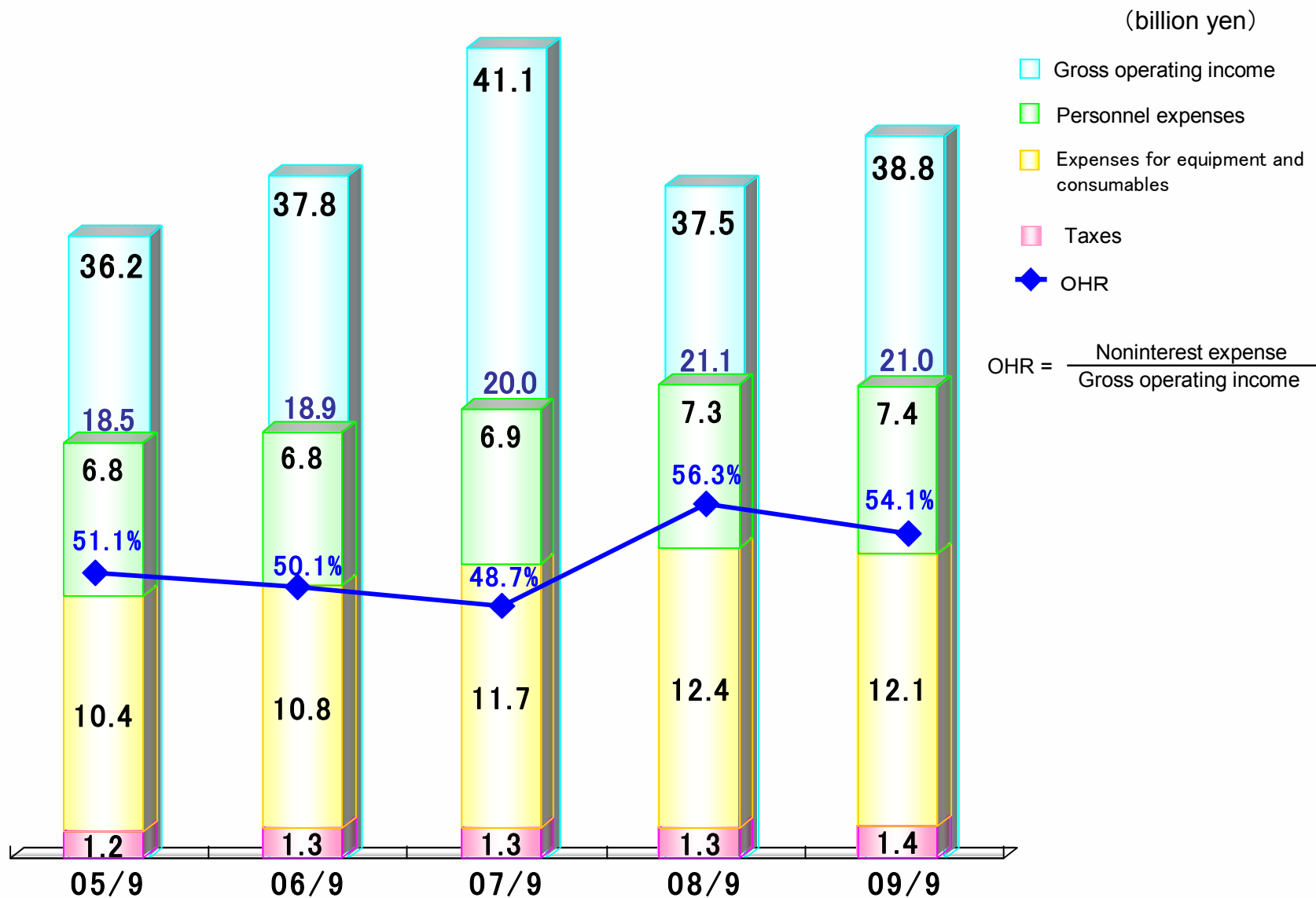
Commission from mutual funds and insurance products

(million yen)

- Mutual fund sales commissions
- Mutual fund fees
- Personal pension plans
- Other Insurance
 (Fire insurance & Single premium life insurance & protection insurance)



Expenses and OHR



Breakdown of Problem Assets based on the Financial Rehabilitation Law

(billion yen)

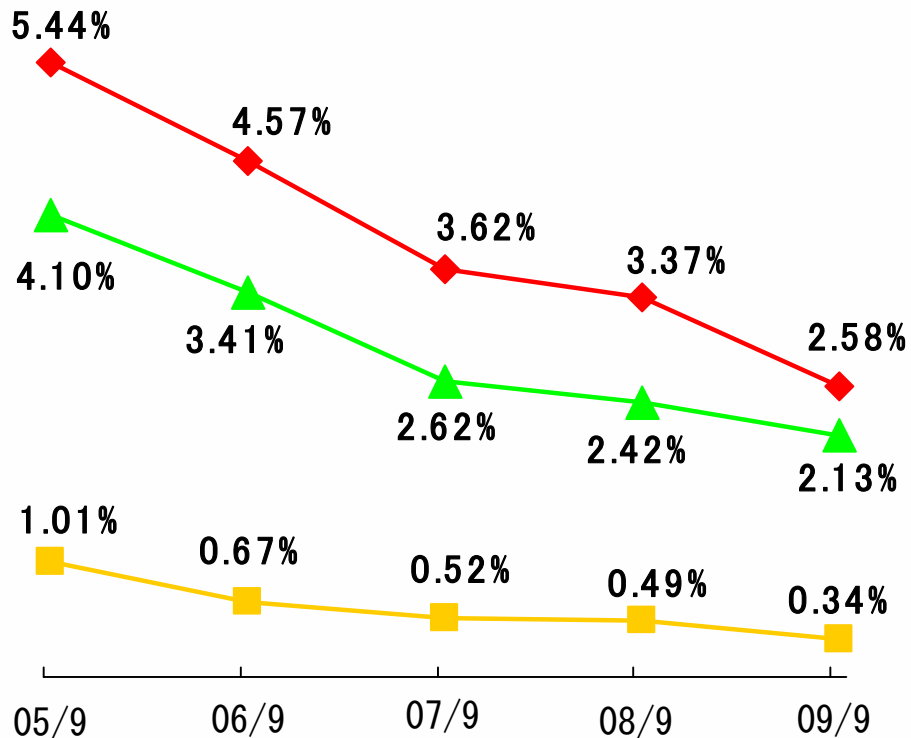
| Debtor classification | Sep. 09 Credit balance | Proportion | Consumer / Corporate | | Proportion | Total collateral and guarantees | Collateral | Guarantees ※ NOTE | Coverage ratio | Reserve | Reserved ratio | Total coverage ratio | | | | | | | | | | | | | | | | | | | | | | | | |
|---|------------------------|------------|-----------------------------|---------|------------|---|------------|----------------------|----------------|---------|----------------|----------------------|-----------------------------|---------------|--|--|--|--|--|--|--|--|--|---------------|---|--|--|--|--|--|--|--|--|--|--|--|
| Claims against bankrupt and substantially bankrupt obligors | 18.4 | 0.76% | Consumer | 14.1 | 0.73% | 8.8 | 7.9 | 0.9 | 63.02% | 5.2 | 100% | 100% | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Corporate | 4.3 | 0.89% | 3.7 | 2.0 | 1.6 | 85.45% | 0.6 | 100% | 100% | | | | | | | | | | | | | | | | | | | | | | | | |
| Claims with collection risk | 21.5 | 0.89% | Consumer | 3.1 | 0.16% | 1.5 | 0.9 | 0.6 | 50.69% | 1.1 | 73.17% | 86.77% | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Corporate | 18.4 | 3.75% | 15.8 | 8.8 | 6.9 | 85.61% | 2.1 | 79.82% | 97.09% | | | | | | | | | | | | | | | | | | | | | | | | |
| Claims for special attention | 22.2 | 0.92% | Consumer | 7.8 | 0.41% | 6.2 | 5.9 | 0.2 | 79.14% | 0.6 | 38.80% | 87.23% | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Corporate | 14.3 | 2.91% | 6.8 | 6.7 | 0 | 47.42% | 1.1 | 15.04% | 55.33% | | | | | | | | | | | | | | | | | | | | | | | | |
| Sub-total | 62.3 | 2.58% | Consumer | 25.1 | 1.30% | 16.7 | 14.8 | 1.9 | 66.55% | 6.9 | 83.11% | 94.35% | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Corporate | 37.1 | 7.56% | 26.3 | 17.6 | 8.6 | 70.86% | 3.8 | 35.92% | 81.33% | | | | | | | | | | | | | | | | | | | | | | | | |
| Normal assets | 2,352.4 | 97.42% | Consumer | 1,898.0 | 98.69% | <table border="1"> <tr> <td colspan="11" style="text-align: right;">Total coverage ratio</td> <td>86.57%</td> </tr> <tr> <td colspan="12"> Coverage ratio : Covered by collateral and guarantees Reserved ratio : Reserved for unsecured portion Total coverage : Covered by collateral, guarantees and reserves </td> </tr> </table> | | | | | | | Total coverage ratio | | | | | | | | | | | 86.57% | Coverage ratio : Covered by collateral and guarantees Reserved ratio : Reserved for unsecured portion Total coverage : Covered by collateral, guarantees and reserves | | | | | | | | | | | |
| | | | Total coverage ratio | | | | | | | | | | | 86.57% | | | | | | | | | | | | | | | | | | | | | | |
| Coverage ratio : Covered by collateral and guarantees Reserved ratio : Reserved for unsecured portion Total coverage : Covered by collateral, guarantees and reserves | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Corporate | 454.3 | 92.43% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 2,414.7 | 100% | Consumer | 1,923.1 | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Corporate | 491.5 | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

※ NOTE: The guarantee is not provided by us. We do not extend the guarantee by paying fee to external entity, but the third party, who serves as the joint guarantor to the borrower, extends the guarantee.

Bad - loan ratio / Credit costs status

Bad - loan Ratio

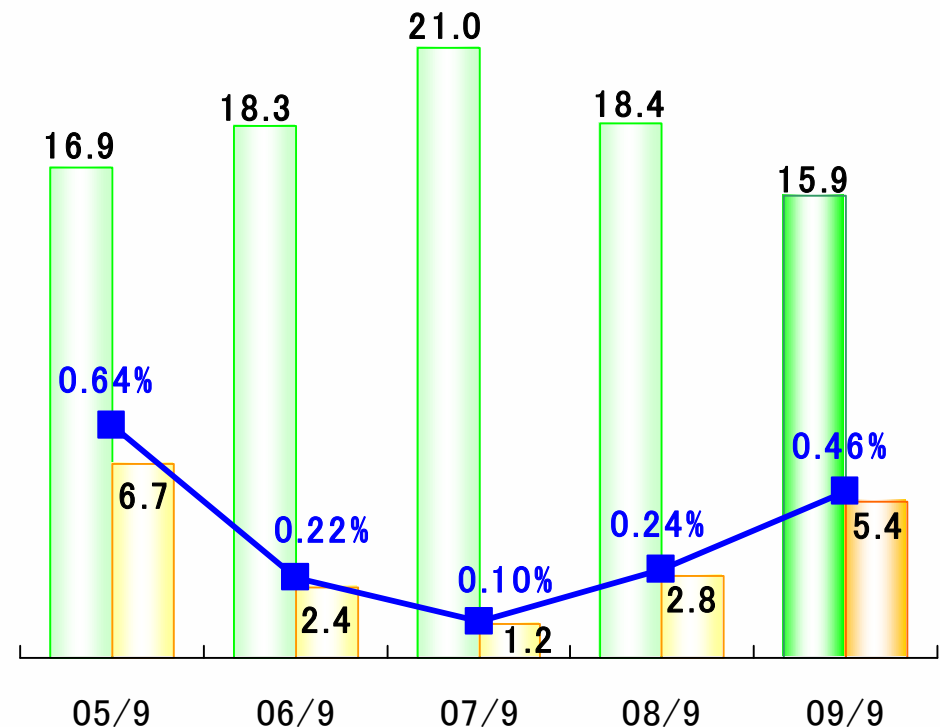
- ◆ Ratio of disclosed assets
- ▲ Ratio of disclosed assets after deduction from reserves
- Ratio of disclosed assets after deduction from reserves, collateral and guarantees



Credit costs status

(billion yen)

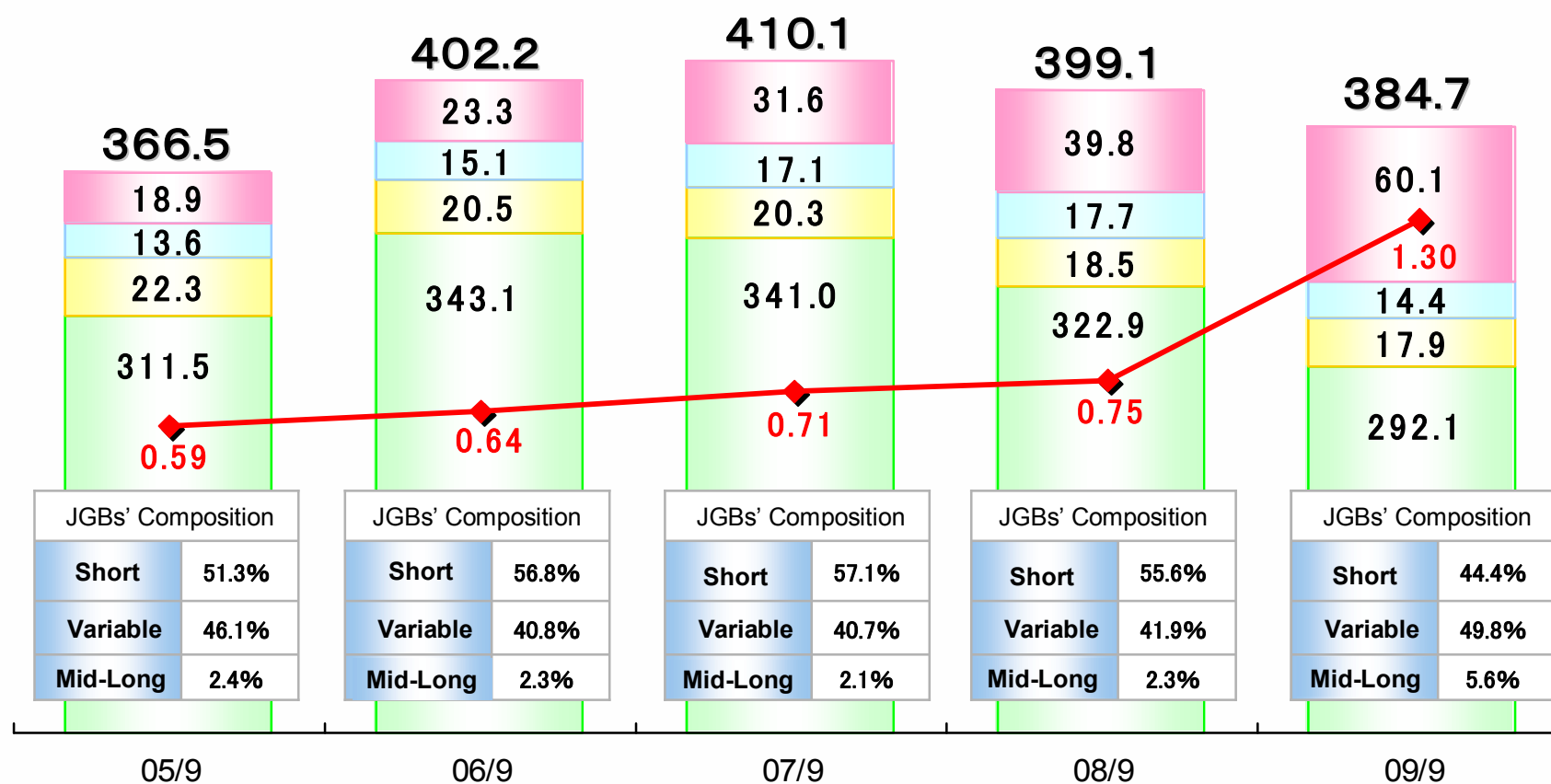
- Core net operating income
- Actual credit costs (credit costs - collection of claims written off)
- Actual credit costs ratio (Actual credit costs / loan average balance annual basis)



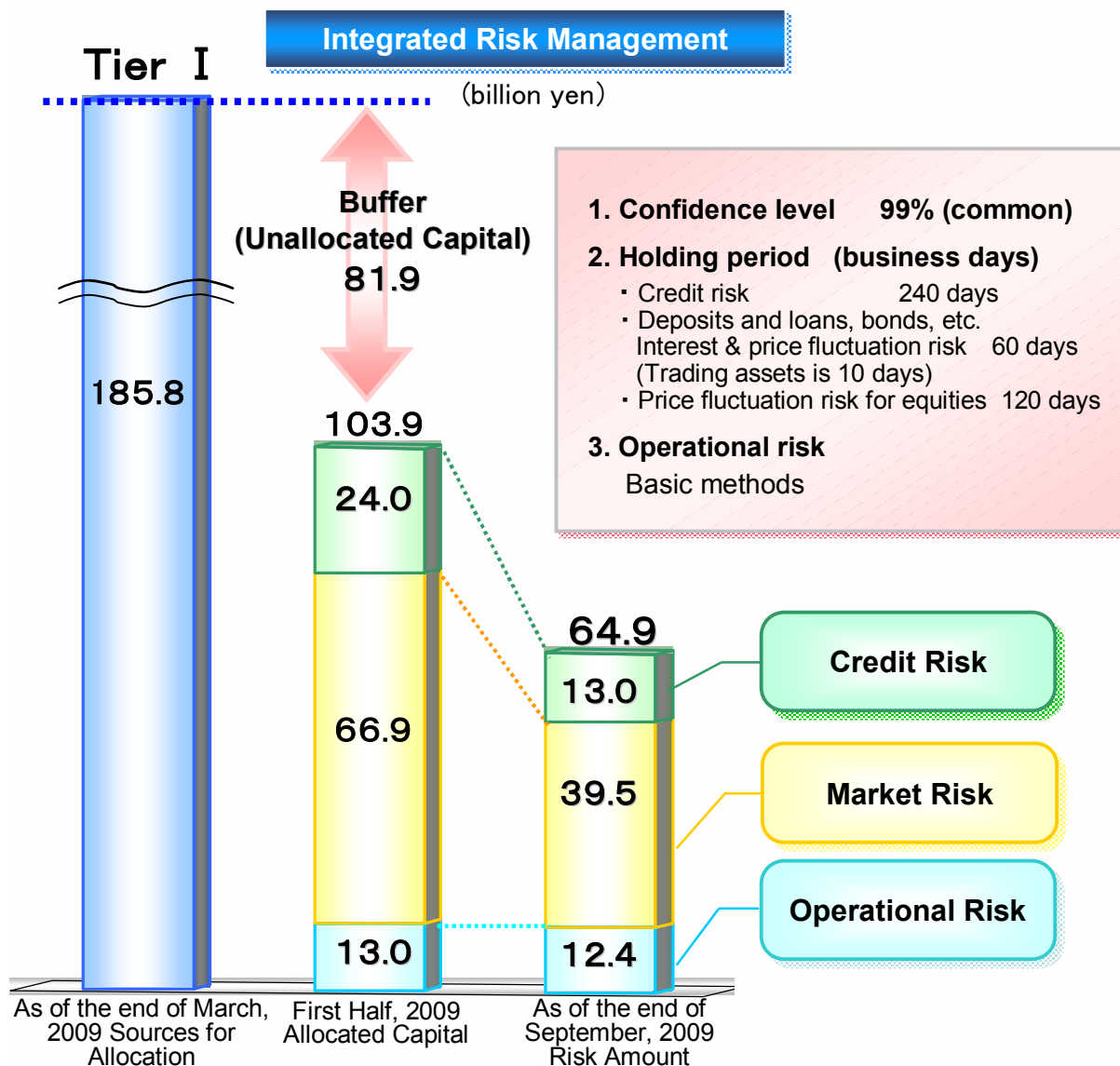
Bond Portfolio

- Regional government bonds
- Corporate bond
- Foreign bonds
- JGBs
- Average remaining maturity (Year)

(billion yen)



Status of Risk Amount



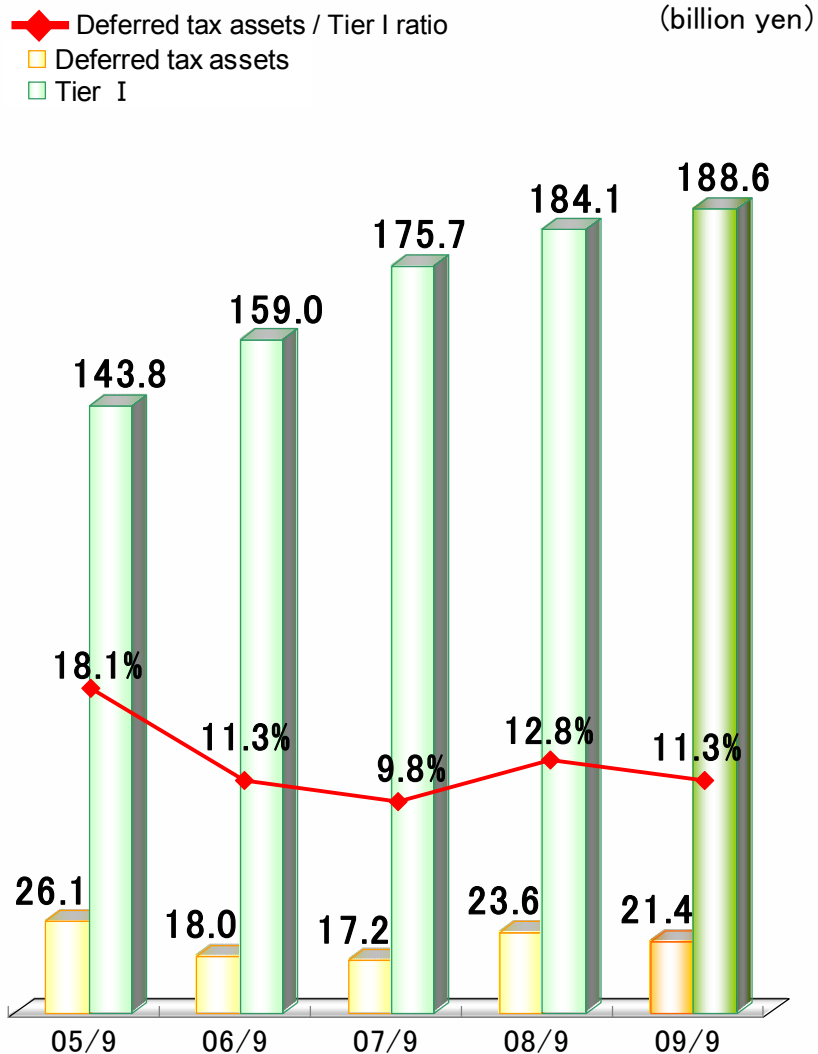
Outlier Ratio

As of the end of September, 2009

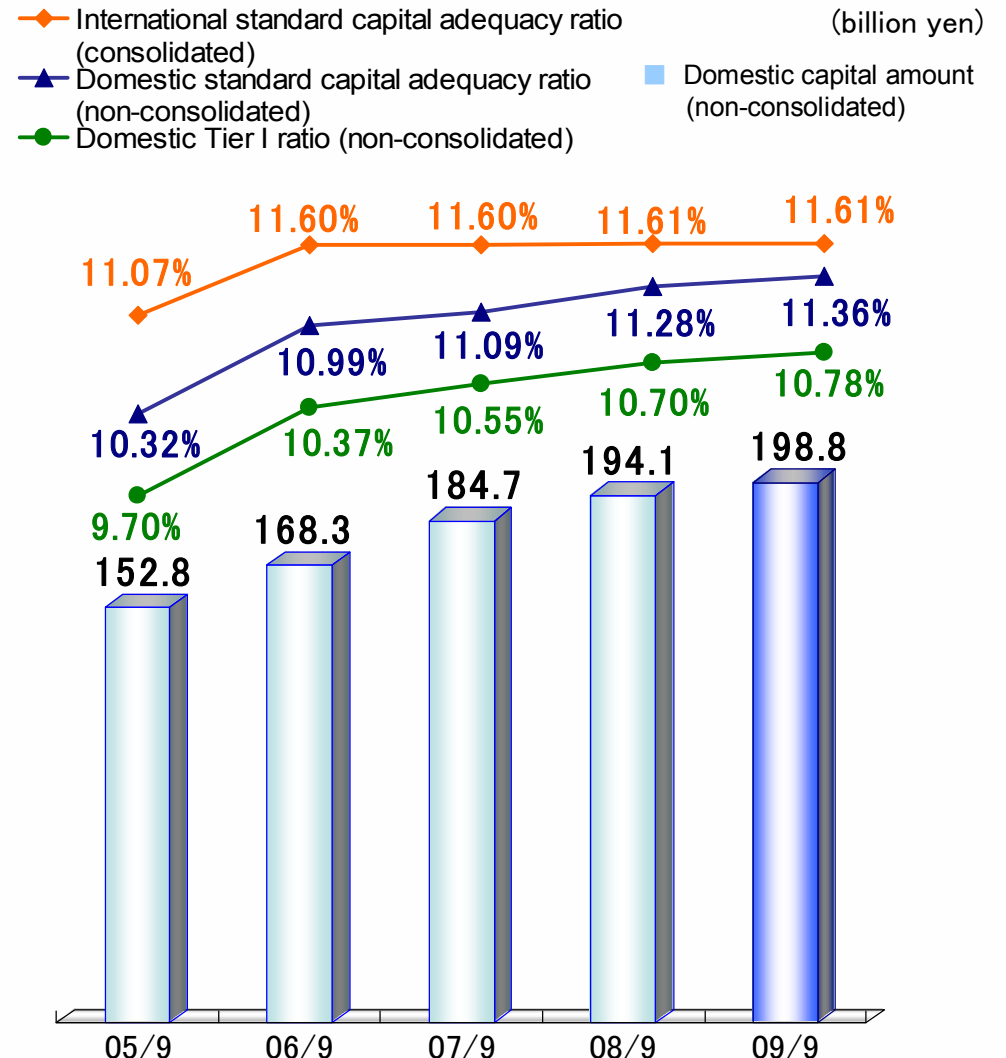
| | |
|---------------------------|-----------------|
| Interest Rate Shock range | ±200bps |
| Interest Rate Risk Amount | 4.1 billion yen |
| Outlier Ratio | 2.0% |

Capital Levels

Tier I Capital & Deferred Tax Assets



Capital adequacy ratio



2009 First half Results and FY 2009 Forecast

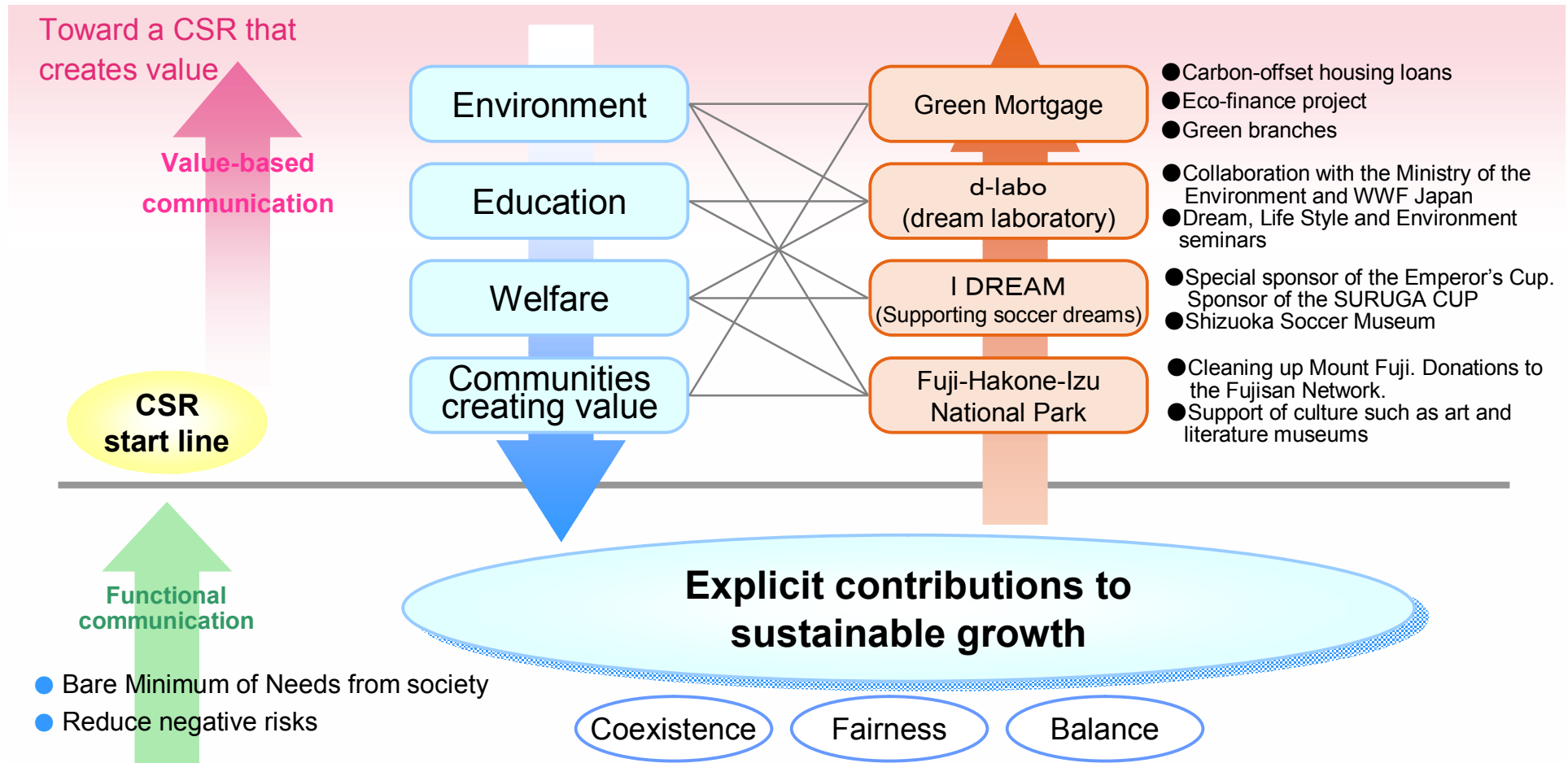
(billion yen)

| | Sep 2009 Forecasted (A) | Results Sep 2009 (B) | Increase or Decrease (B-A) | FY 2009 Forecast |
|-------------------------|-------------------------------|----------------------------|----------------------------------|---------------------|
| Net operating income | 17.5 | 18.1 | 0.6 | 36.5 |
| Ordinary profit | 12.5 | 10.3 | △ 2.1 | 27.5 |
| Net income | 7.5 | 6.6 | △ 0.8 | 16.0 |
| Actual credit cost | 4.0 | 5.4 | 1.4 | 8.0 |
| Dividends (Yen) | 6.5 | 6.5 | 0 | 13 |

Social Responsibility as SURUGA Sees It

CSR of the Future

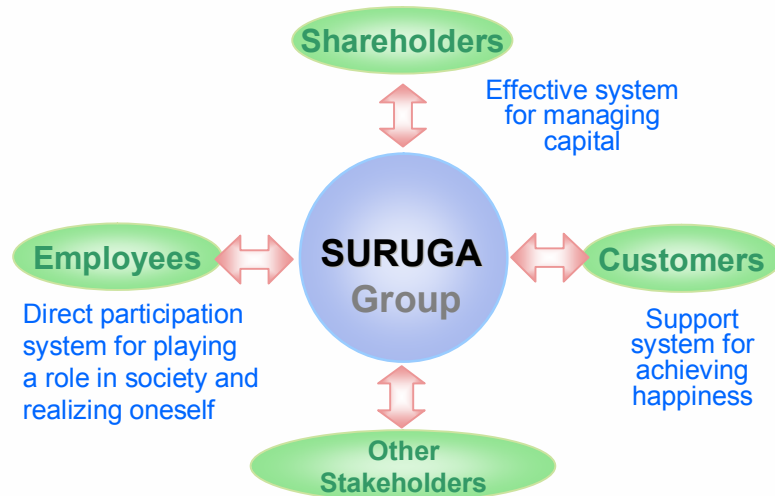
SURUGA's philosophy is to help our customers make their dreams come true on a timeline that works for them. By providing value to our customers we meet our stakeholders' expectations and fulfill social responsibilities.



Growth Within Our Corporate Philosophy

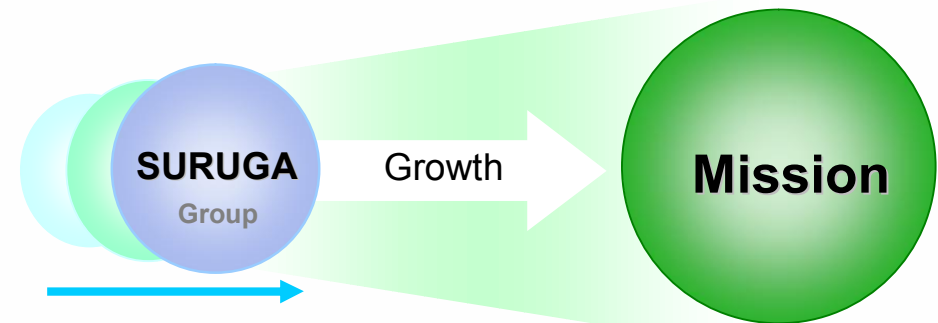
Growth as a Value Exchange System

Define growth as greater exchange of value with all stakeholders.



Growth as a Company with a mission

Define growth as making our mission more achievable. As a Life & Business Concierge, help make our customers' dreams come true on a timeline that works for them.



C·P·S Management

Management

| | | |
|----------|---|--|
| C | Culture-oriented Supporting culture nationally and regionally | Respect culture. Leverage the strengths of that culture to realize growth for SURUGA. |
| P | People-based Focusing on human capital | Achieve growth through management centered not on corporate theory but on the logic of its people. |
| S | Social-perspective Aiming to enhance social contributions | Always mindful of its role as a social institution. Achieves ends by means above the social code. |

For further details regarding the above, please contact

**IR & PR Office,
Suruga Bank Ltd.**

Tel: +81-3-3279-5536

e-mail: ir.koho@surugabank.co.jp

The foregoing material contains statements regarding future business performance. These statements are not intended as guarantees of any specific future performance, which is subject to a variety of risks and uncertainties. Actual future business results may differ from the targets contained in the present material, due to changes in the external business environment.