

Information Meeting
The First Half Ended September 2008



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I. Financial Results for the First Half of FY2008

II. Management Strategy

Financial Results for the First Half of FY2008

- 1. Summary of Profit and Loss

		(¥ billion)	1H FY 2007	1H FY2008	Y/Y change
1	Core gross business profit		33.0	33.8	+0.8
2	Interest income		32.4	31.6	-0.7
3	Fees and commissions		4.2	4.0	-0.2
4	Other operating income (*1)		(3.6)	(1.7)	+1.8
5	Cost of derivative financial products		3.8	1.9	-1.8
6	Expenses		23.9	26.3	+2.4
7	Personnel expenses		12.8	13.5	+0.6
8	Non-personnel expenses		9.7	11.0	+1.3
9	Taxes		1.3	1.7	+0.4
10	Core net business profit		9.0	7.5	-1.5
11	Gains/Losses on bonds (JGBs, etc.)		(3.0)	(4.8)	-1.7
12	Net transfer to general provision for possible loan losses		(0.1)	(2.1)	-1.9
13	Net business profit		6.1	4.8	-1.3
14	Extra-ordinary gains/losses		(1.0)	(3.8)	-2.7
15	Gains/Losses on stocks		1.4	3.0	+1.5
16	Disposal of non-performing loans		2.8	6.0	+3.1
17	Ordinary income		5.0	0.9	-4.0
18	Extraordinary gains/losses		3.0	0.4	-2.5
19	Bad debt recovered		3.0	0.5	-2.4
20	Income before taxes		8.0	1.4	-6.6
21	Net income		5.0	1.0	-4.0
22	Credit cost (*2)		(0.3)	3.2	+3.6

*1 Except bonds (ex. Government Bonds) gains/losses

*2 (Net transfer to general provision for possible loan losses + Disposal of non-performing loans) - (Bad debt recovered)

<No.10 Core net business profit >

◆ Fees and commissions fell ¥0.2 billion for various reasons including a decline in sales of investment trusts, but core gross business profit rose ¥0.8 billion year on year as a result of an increase in interest on loans and market sector profit including fees on derivatives.

◆ On the other hand, core net business profit shrank ¥1.5 billion year on year because of several factors including an increase in expenses related to the regional bank partnership system.

	(¥ billion)	1H FY2007	1H FY2008	Y/Y Change
Net interest income [Real net interest income]		32.4 [28.5]	31.6 [29.7]	-0.7 [+1.1]
Interest on loans and deposits		19.8	20.7	+0.8
Interest on loans		25.4	26.8	+1.4
Interest on deposits		5.5	6.1	+0.5
Interest on market sector [Real interest on market sector]		12.5 [8.7]	10.9 [8.9]	-1.6 [+0.2]
Interest on securities		14.5	11.7	-2.7
Interest on fund management		0.4	0.7	+0.3
Interest on fund procurement		2.3	1.5	-0.7
[Cost of derivative financial products]		[3.8]	[1.9]	[+1.8]

<No.21 Interim net income>

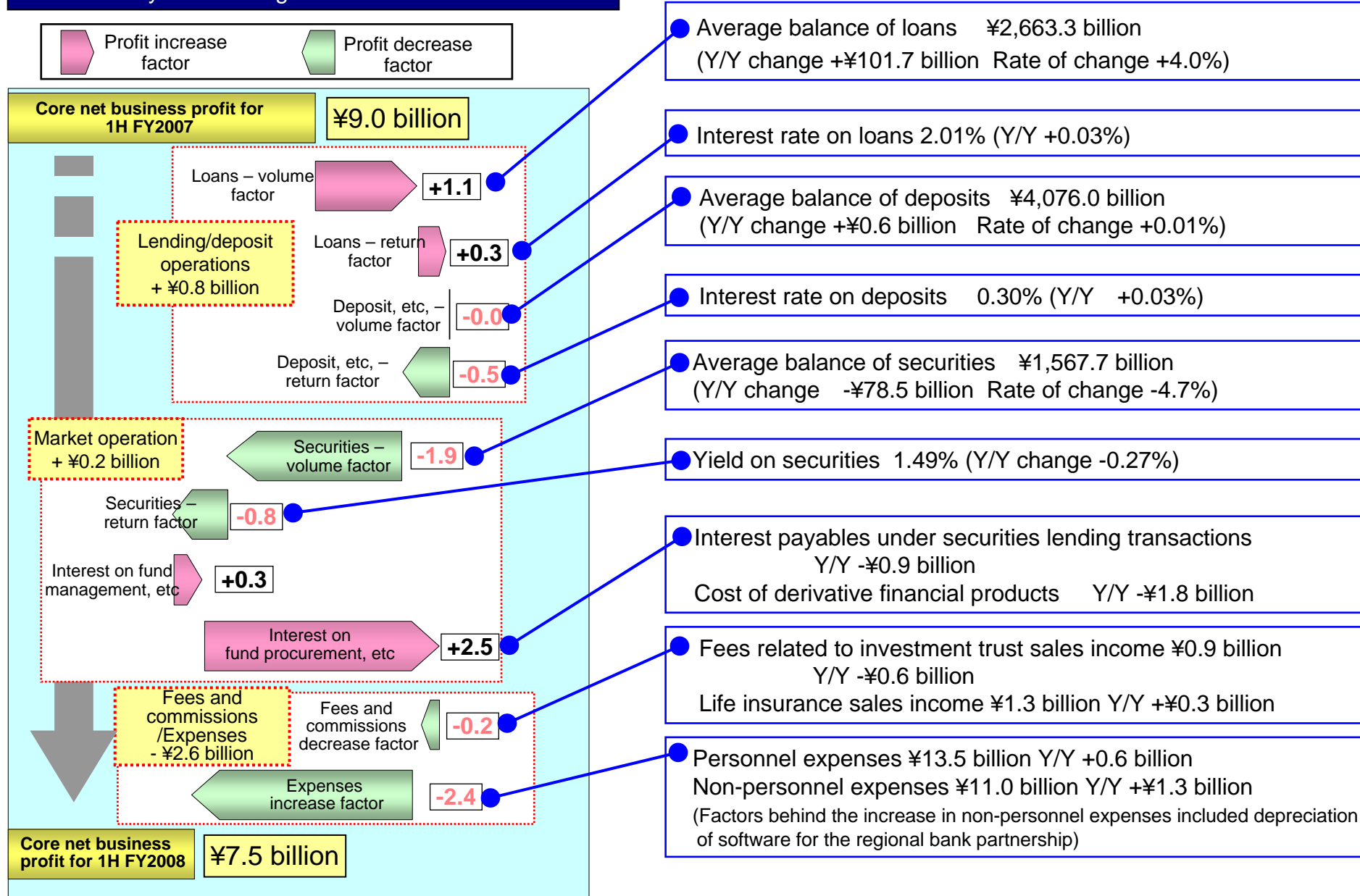
◆ Net profit for the first half shrank ¥4.0 billion to ¥1.0 billion for numerous reasons including the following: Even though gains on stocks rose ¥1.5 billion year on year following the recording of ¥5.1 billion in gains from the disposal of shares, a loss of ¥4.8 billion on the disposal of bonds (Japanese government bonds, etc.) was posted, and there was an increase in the disposal of non-performing loans.

	(¥ billion)	1H FY2007	1H FY2008	Y/Y Change
Credit cost		(0.3)	3.2	+3.6
Net transfer to general provision for possible loan losses		(0.1)	(2.1)	-1.9
Disposal of non-performing loans		2.8	6.0	+3.1
Recoveries of write-offs		3.0	0.5	-2.4

Financial Results for the First Half of FY2008

- 2. Summary of Core Net Business Profit

Factor Analysis of Changes in Core Net Business Profit

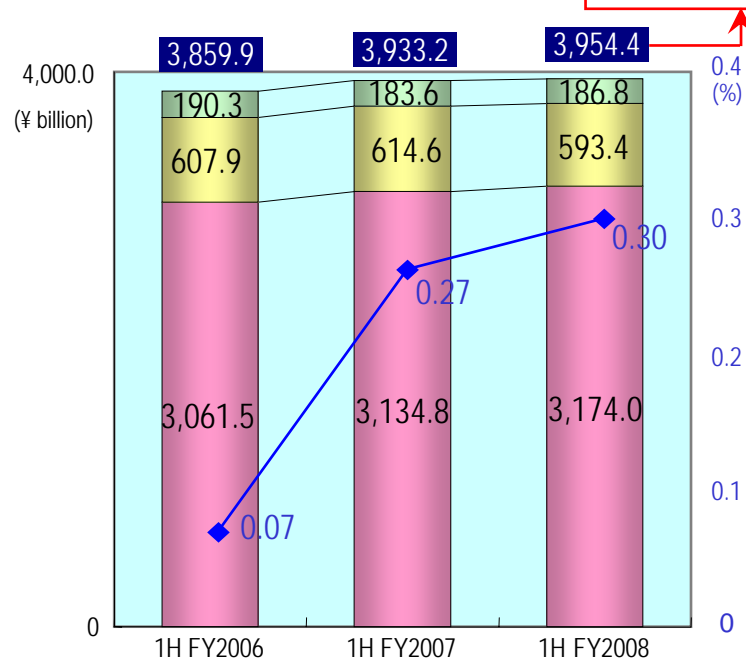


Financial Results for the First Half of FY2008 – 3. Deposits

Average Balance of Deposits by Sector

◆ The average balance of deposits during the first half of FY2008 rose ¥21.2 billion year on year to ¥3,954.4 billion since individual deposits rose ¥39.2 billion but corporate deposits declined ¥21.1 billion.

Y/Y change +¥21.2 billion
Y/Y change rate +0.54%



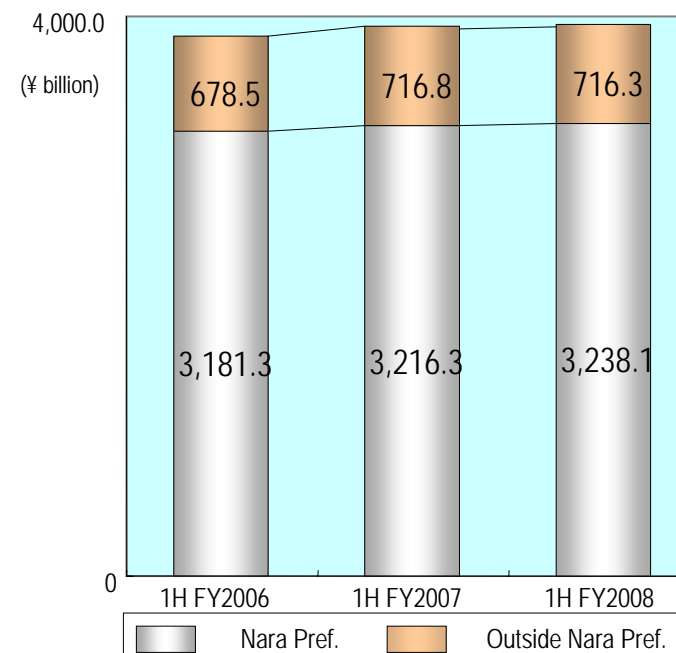
■ Personal ■ Corporate
■ Government/Finance ◆ Interest rate on deposits

<Average balance of deposits>

(¥ billion)	1H FY2006	1H FY2007	1H FY2008	Y/Y change
Deposit outstanding	3,859.9	3,933.2	3,954.4	+21.2
Personal deposits	3,061.5	3,134.8	3,174.0	+39.2
Corporate deposits	607.9	614.6	593.4	-21.1
Government deposits	190.4	183.7	186.9	+3.2
NCD	68.6	142.1	121.5	-20.5
Deposits + NCD	3,928.6	4,075.3	4,076.0	+0.6

Average Balance of Deposits by Prefecture

◆ During the first half of FY2008, the average balance of deposits for Nara prefecture was ¥3,232.2 billion, which accounted for 82% of Nanto Bank's total deposits.



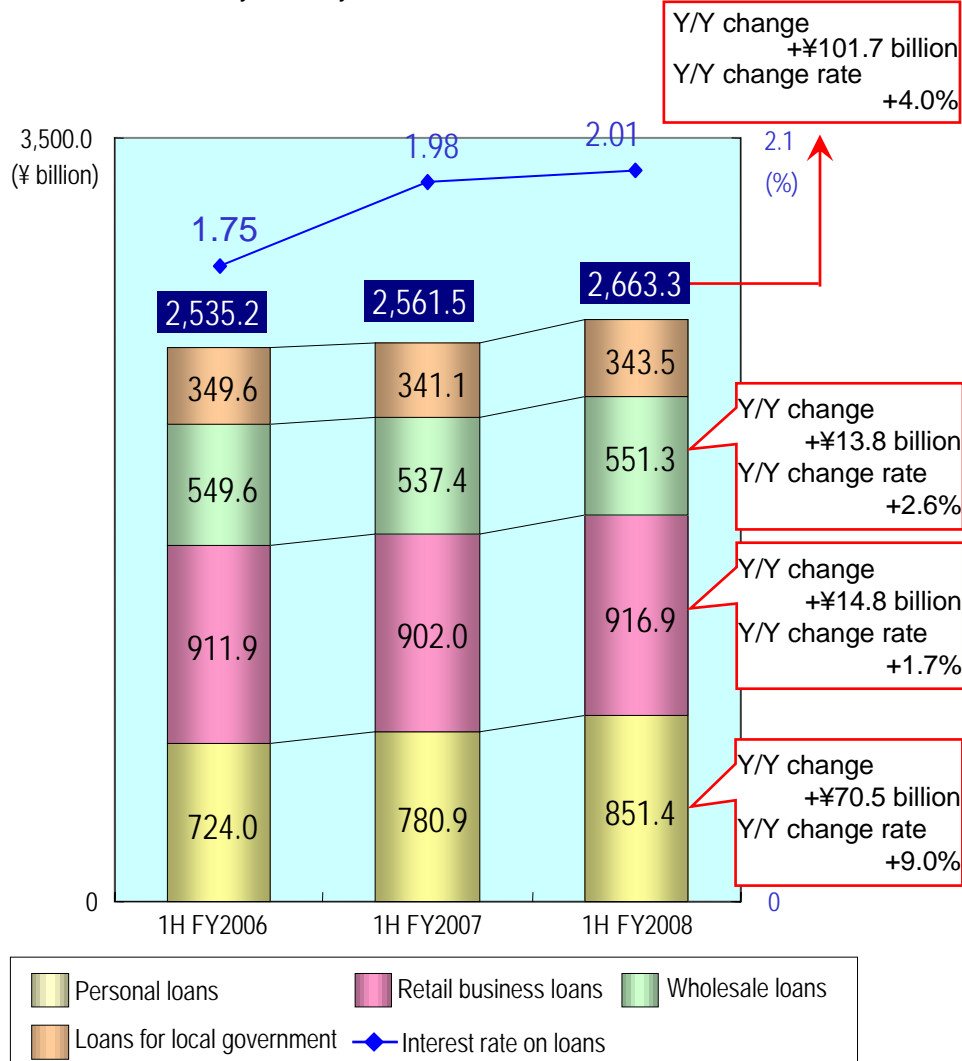
<Average balance of deposits by prefecture>

(¥ billion)	1H FY2006	1H FY2007	1H FY2008	Y/Y change
Total deposits	3,859.9	3,933.2	3,954.4	+21.2
Total - Nara Pref.	3,181.3	3,216.3	3,238.1	+21.7
Total - Outside Nara Pref.	678.5	716.8	716.3	-0.4
Osaka	173.0	182.5	190.2	+7.7
Kyoto	284.4	290.3	295.2	+4.8
Wakayama	161.0	164.7	164.8	+0.0
Mie	54.8	57.9	59.5	+1.5
Tokyo	5.1	21.1	6.4	-14.6

Financial Results for the First Half of FY2008 – 4. Loans

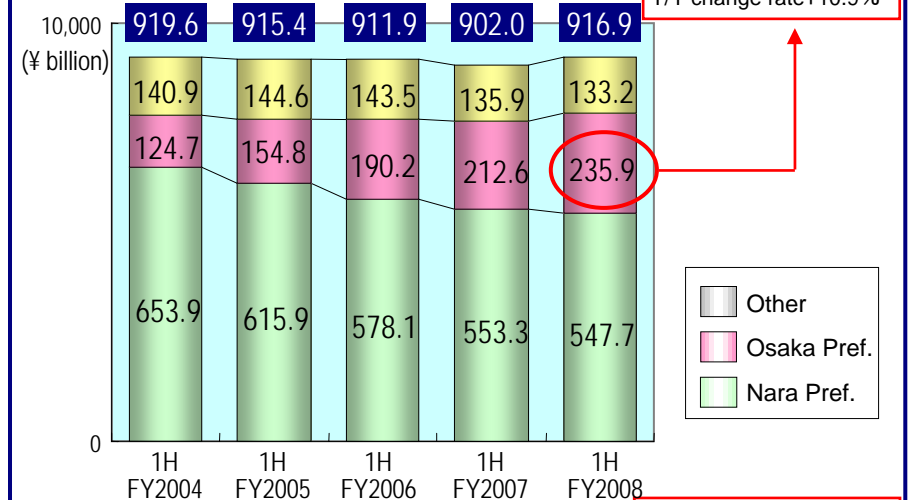
Average Balance of Loans by Sector

- ◆ The balance of loans has steadily risen, particularly for individual loans.
- ◆ Loans outstanding amounted to ¥2,663.3 billion, as of the end of the first half of FY2008, a year-on-year increase of ¥101.7 billion.

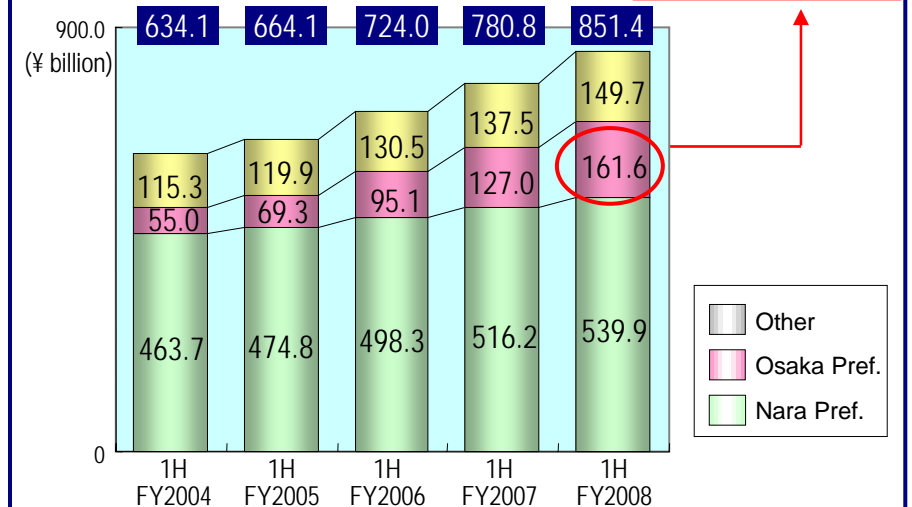


Average Balance of Loans by Prefecture

<Retail business loans>



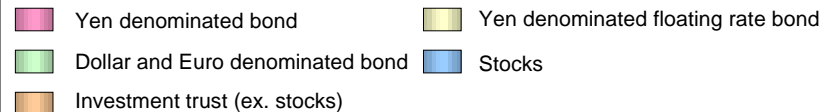
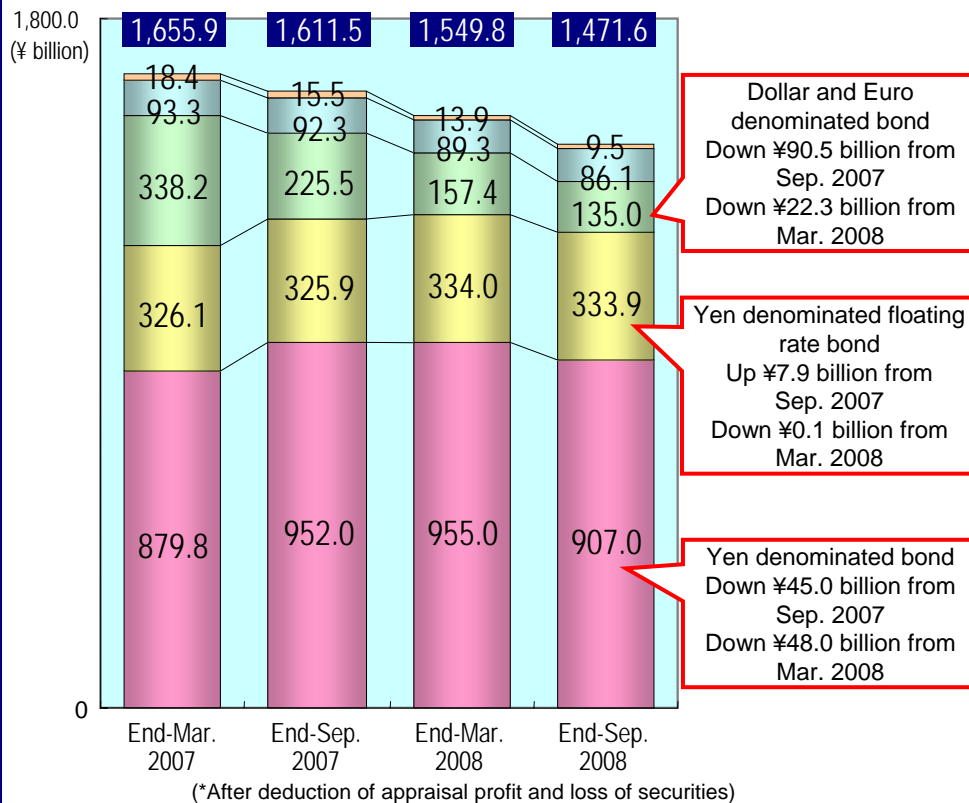
<Personal loans>



Financial Results for the First Half of FY2008 – 5. Securities-1

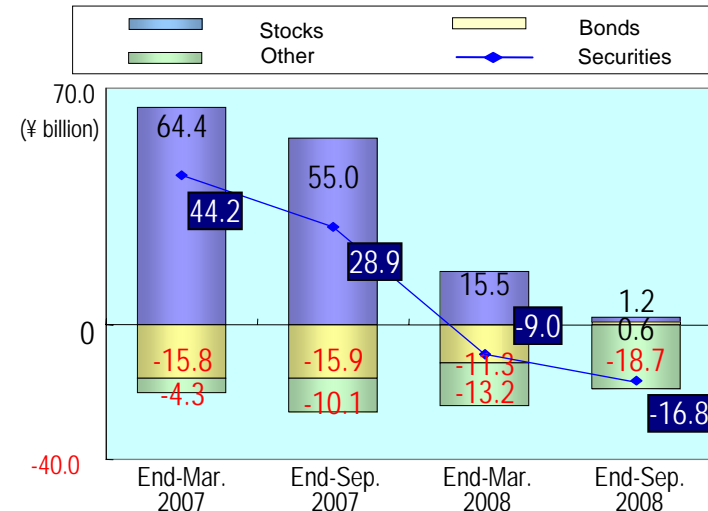
Balance of Outstanding Securities

- ◆ There was decline in foreign bonds, whose spread between acquisition cost and management return declined, and an increase in the asset allocation towards yen-denominated bonds which generate strong interest income.
(Rate of foreign bonds: Mar. 2006 27.0% => Sep. 2007 14.0%=>Sep. 2008 9.2%)
- ◆ Balance of outstanding securities as of Sep. 2008: ¥1,471.6 billion
(Down ¥139.8 billion from Sep. 2007, Down ¥78.1 billion from Mar. 2008)



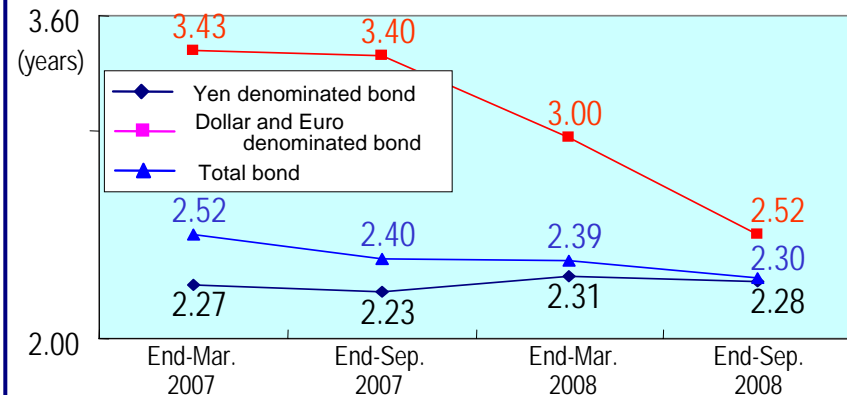
Unrealized Gains and Losses of Securities

- ◆ As of Sep. 30, 2008, Nanto Bank recorded unrealized gains and losses on securities of -¥16.8 billion mainly as a result of a decline in unrealized gains on shares due to the stagnant equity market.



*Fair value of floating rate bonds at the end of September 2008 is reasonably calculated based on *Practical Solution on Measurement of Fair Value Financial Assets (ASBJ PITF No.25).

Bond Duration



Financial Results for the First Half of FY2008 – 5. Securities-2

- Loss on securities is recorded due to financial market turmoil associated with financial instability originated from U.S. and the global economic recession.
- The book value of securitized products, such as synthetic CDOs, CDOs, and Capital Notes, which were written down, declined to ¥8.2 billion at the end of Sep. 2008 from ¥16.3 billion at the end of March 2008. (The share of securitized products declined to 0.5% of total securities held by the bank)

<Breakdown of gains/losses on securities>

	1H FY2007	1H FY2008			
		Forecast	Result	Difference from forecast	Y/Y Change
(¥ billion)					
1 Gains/losses on bonds (Japanese government bonds, etc.)	(3.0)	-	(4.8)	-4.8	-1.7
2 Gain on disposal of bonds	0.5	-	2.7	+2.7	+2.2
3 Gain on redemption of bonds	0.0	-	0.1	+0.1	+0.1
4 Loss on disposal of bonds	2.1	-	1.8	+1.8	-0.3
5 Loss on redemption of bonds	0.0	-	5.8	+5.8	+5.8
6 Write-offs	1.4	-	0.1	+0.1	-1.2
7 Gains/losses on stocks	1.4	-	3.0	+3.0	+1.5
8 Gain on disposal of stocks	1.9	-	5.1	+5.1	+3.1
9 Loss on disposal of stocks	0.1	-	0.1	+0.1	+0.0
10 Write-offs	0.3	-	1.9	+1.9	+1.5

No. 4
Loss on disposal of securities:
¥1.8 billion
Loss on disposal of J-REITs:
¥1.0 billion
Loss on disposal of ¥800 million
Lehman Brother bonds

No. 5
Loss on redemption of bonds:
¥5.8 billion
Securitized products:
¥5.5 billion
J-REITs: ¥ 0.2 billion

No. 10
Disposal of shares:
¥1.9 billion
Losses due to decline in the
stock market

<Breakdown of securities portfolio>

	End of Mar. 2008	End of Sep. 2008	End of Sep. 2008					
			Book value	Unrealized gain/loss	Book value		Unrealized gain/loss	
					Change from 03/08	Change from 03/08		
(¥ billion)								
1 Marketable securities total	1,549.8	-9.06	1,471.6	-78.16	-16.83	-7.77		
2 Overseas securities	362.9	-11.78	302.2	-60.64	-16.76	-4.98		
3 Yen-denominated bonds	205.4	-7.78	167.2	-38.27	-10.92	-3.13		
4 of which are synthetic CDOs (1)	14.3	0.00	7.5	-6.76	0.00	0.00		
5 of which are capital notes (2)	1.1	0.05	0.3	-0.79	-0.15	-0.20		
6 of which are CMBS a	0.6	0.00	0.4	-0.19	0.00	0.00		
7 Foreign-currency-denominated bonds	157.4	-4.00	135.0	-22.37	-5.84	-1.84		
8 of which are CDOs (3)	0.5	-0.12	0.0	-0.56	0.00	0.12		
9 of which are capital notes (4)	0.3	0.00	0.3	-0.02	-0.03	-0.03		
10 of which are US mortgages b	5.7	0.06	2.9	-2.80	-0.02	-0.08		
11 Domestic bonds	1,081.0	-11.39	1,070.8	-10.13	0.63	12.03		
12 Japanese government bonds	655.6	-14.64	696.1	40.54	2.77	17.41		
13 Of which are Japanese government bonds	321.5	2.79	362.2	40.67	0.91	-1.88		
14 Of which are floating rate bonds	334.0	-17.44	333.9	-0.12	1.85	19.29		
15 Corporate bonds	144.3	0.80	131.1	-13.19	-0.41	-1.21		
16 of which are CMBS c	1.6	0.00	1.0	-0.67	0.00	0.00		
17 of which are ABS d	0.2	0.00	0.1	-0.07	0.00	0.00		
18 Local government bonds	281.0	2.44	243.5	-37.49	-1.71	-4.16		
19 Stocks	87.3	15.52	84.1	-3.19	1.26	-14.26		
20 Other securities	18.5	-1.40	14.3	-4.18	-1.96	-0.56		
21 Trust beneficiary rights	2.5	-0.02	2.3	-0.16	-0.03	-0.01		
22 of which are CMBS e	2.5	-0.02	2.3	-0.16	-0.03	-0.01		
23 Total	1,552.3	-9.08	1,474.0	-78.32	-16.87	-7.78		
24 Securitized products that were written down in FY2007 ((1)+(2)+(3)+(4))	16.3	-0.07	8.2	-8.14	-0.19	-0.11		
25 Other securitized products (a+b+c+d+e)	10.7	0.03	6.8	-3.90	-0.07	-0.10		
26 Total securitized products	27.1	-0.04	15.0	-12.04	-0.27	-0.22		

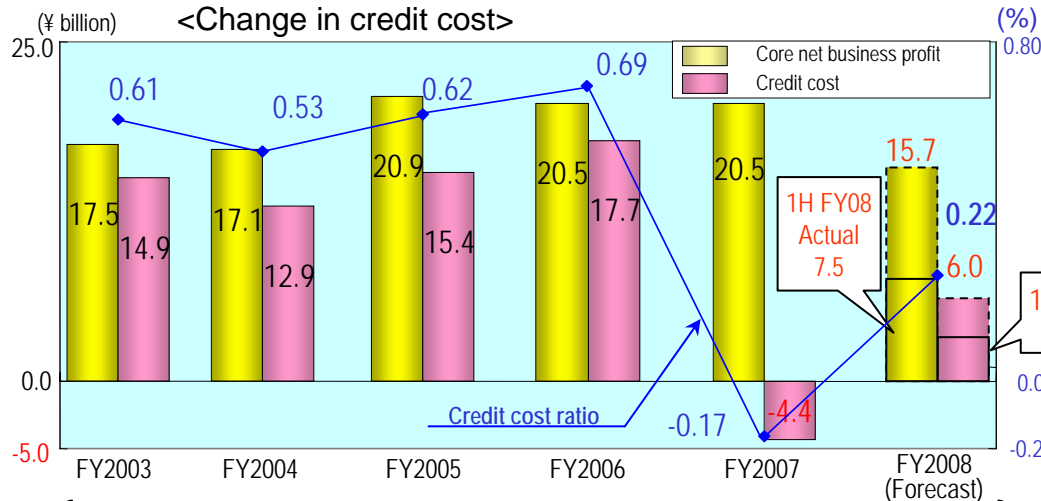
<Breakdown of securitized products and losses>

	Book value as of Mar. 2008		Book value as of Sep. 2008		Losses recorded in 1H FYs2008				1H FY2008		
	(after right down)	Unrealized gain/loss	(after right down)	Change from Mar. 2008	Unrealized gain/loss	Less than sales	Write offs	Loss of redemption	Total	Redemption	Total
(¥ billion)											
Synthetic CDO	14.3	0.00	7.5	-6.76	0.00			4.7	4.7	2.0	6.7
CDO	0.5	-0.12	0.0	-0.56	0.00		0.1		0.1	0.6	0.7
Capital note	1.4	0.05	0.6	-0.81	-0.19		0.0	0.8	0.8		0.8
Sub-total	16.3	-0.07	8.2	-8.14	-0.19	0.0	0.1	5.5	5.7	2.6	8.3
U.S. mortgage	5.7	0.06	2.9	-2.80	-0.02						0.0
CMBS	4.8	-0.02	3.7	-1.02	-0.05						0.0
ABS	0.2	0.00	0.1	-0.07	0.00						0.0
Total	27.1	-0.04	15.0	-12.04	-0.27	0.0	0.1	5.5	5.7	2.6	8.3

Synthetic CDO: Synthetic collateralized debt obligations that make use instruments such as credit derivatives and issued based on products such as corporate bonds, loans, and securities products
 CDO: Collateralized debt obligations backed by actual assets such as corporate bonds, loans, securitized products
 Capital note: Securities issued by a securities investment vehicle. The funds raised by the company issuing the capital notes are leveraged and used to invest in high-quality securities
 ABS: Securities backed by assets such as corporate loans, consumer loans, or leases
 CMBS: Commercial mortgage backed securities are securities backed by domestic commercial mortgages
 US mortgage: US mortgage securities issued by government sponsored entities

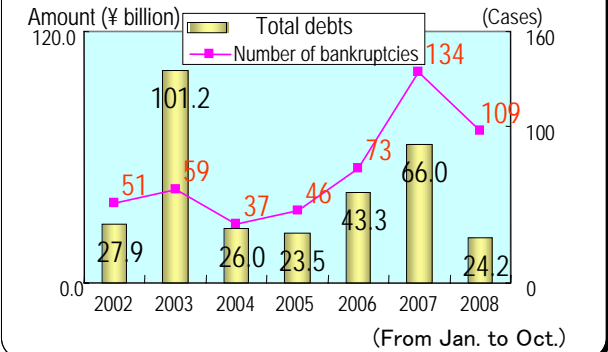
Financial Results for the First Half of FY2008 – 6. Disposal of NPLs

Credit Cost

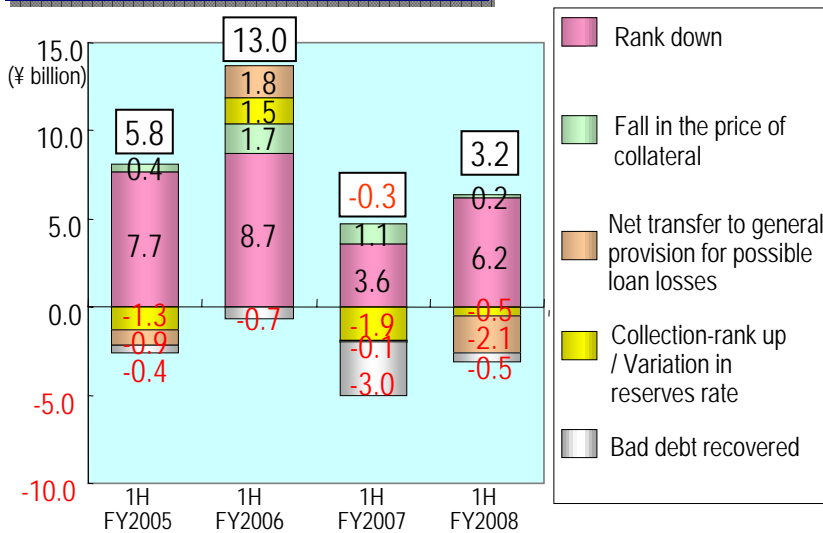


*Credit cost=Net transfer to general provision for possible loan losses + Disposal of non-performing loans - Bad debt recovered
 *Credit cost ratio=Credit cost / Average balance of loans x100

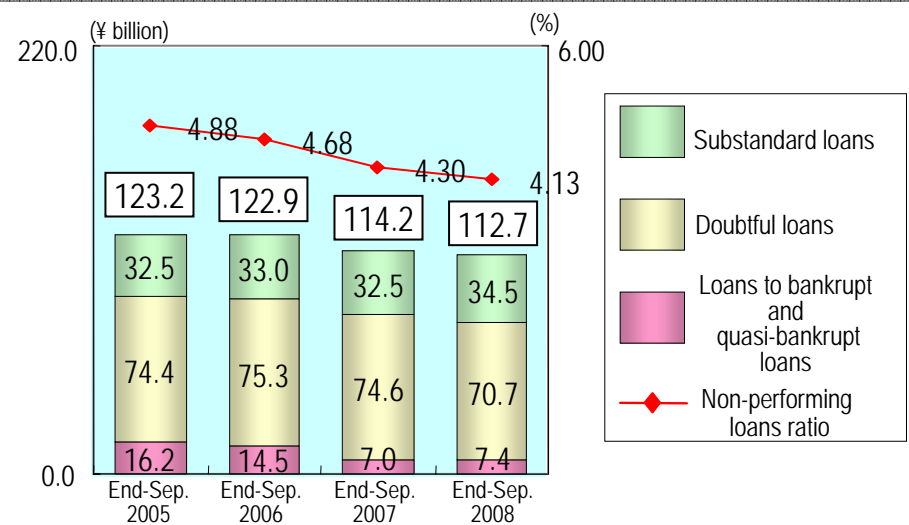
Number of Bankruptcies/Total Debt in Nara Pref.



Breakdown of Credit Cost



Credits Disclosed under the Financial Reconstruction Law / Non-performing Loans Ratio

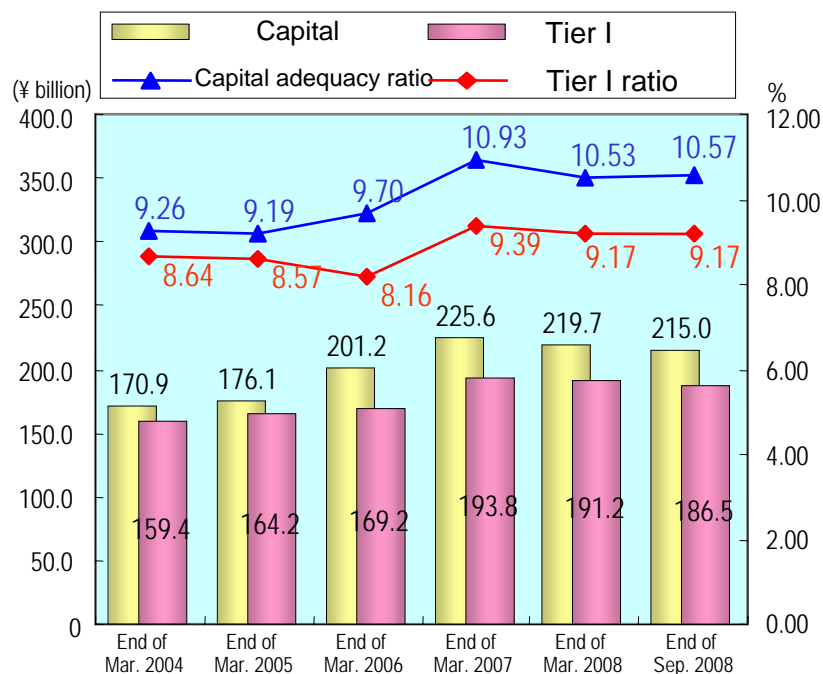


Financial Results for the First Half of FY2008

- 7. Capital Adequacy Ratio/Capital Allocation

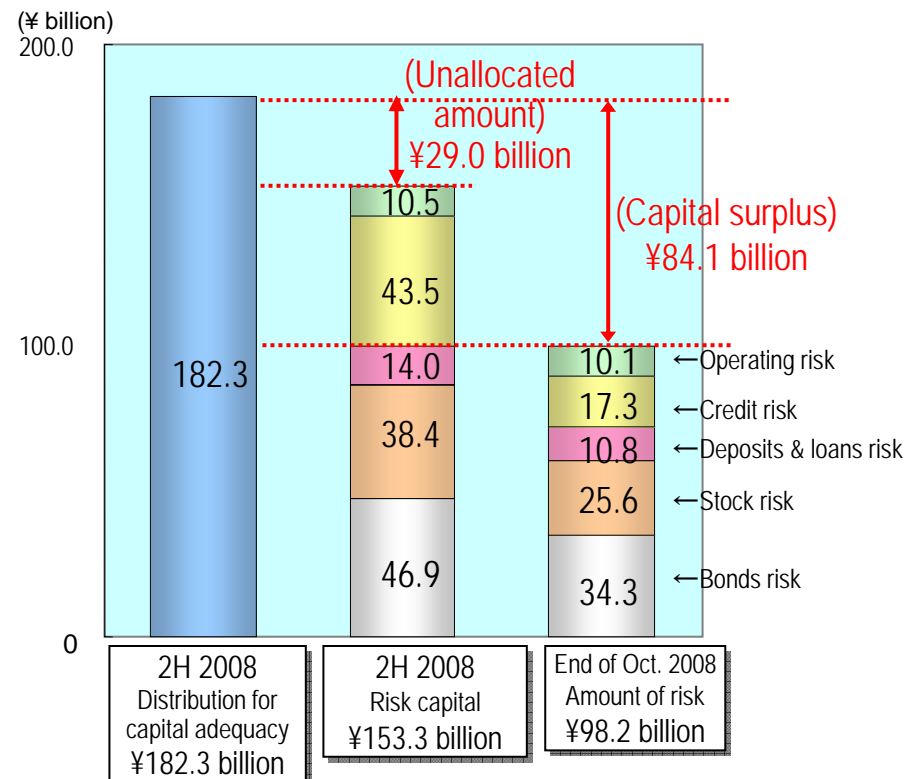
Capital Adequacy Ratio

- Sep. 2008 Capital adequacy ratio= 10.57%
(Change from Mar. 2008: +0.04%)
Tier I Ratio= 9.17%
(Change from Mar. 2008: Flat)



* Calculated by standard method of Basle II from March 2007
As for risk-weighted assets, calculated by "credit risk = standard method", "Operational risk = basic method"

Capital Allocation



<Interest-rate risk for bank account> (As of the end of Sept. 2008)

- 99 percentile method
- Amount of interest-rate risk ¥25.9 billion
- Outlier ratio 11.8%

<Calculated method for amount of risk>

	Credit risk	Market risk			Operational risk
		Deposits/loans and discounts	Stock/bonds, etc.	Cross-stockholdings	
Confidence level	99%				Basel II Basic Approach
Holding period	12 months	3 months	3 months	6 months	

*Correlations within the market risk categories are ignored.

*Credit Risk: a business group is identified as a single entity.

Business Forecast for FY2008

	FY 2007	FY2008 Forecast		
		(¥ billion)	Y/Y change	Compared with the initial forecast
1 Core gross business profit	66.2	67.7	+1.4	-0.6
2 Interest income	64.7	63.1	-1.6	+0.0
3 Interest on loans	51.9	54.3	+2.3	-0.5
4 Interest on securities	26.9	23.4	-3.5	+0.1
5 Interest on fund management	1.2	1.1	-0.1	+0.0
6 Interest on deposits	11.3	12.3	+0.9	+0.2
7 Interest on fund procurement	4.0	3.3	-0.6	-0.4
8 Fees and commissions	7.8	8.0	+0.1	+0.0
9 Other operating income (*1)	(6.3)	(3.4)	+2.9	-0.5
10 Cost of derivative financial products	6.7	3.7	-3.0	+0.5
11 Expenses	46.9	52.0	+5.0	+1.2
12 Personnel expenses	25.2	26.4	+1.1	+1.5
13 Non-personnel expenses	19.6	23.0	+3.3	-0.4
14 Taxes	1.9	2.6	+0.6	+0.0
15 Core net business profit	19.3	15.7	-3.6	-1.8
16 Gains/Losses on bonds (JGBs, etc.)	17.7	(6.1)	+11.6	-6.1
17 Net transfer to general provision for possible loan losses	-	(1.4)	-1.4	-0.9
18 Net business profit	1.5	11.0	+9.4	-7.0
19 Non-recurrent gains/losses	(2.5)	(8.0)	-5.4	-1.0
20 Gains/Losses on stocks	3.0	1.5	-1.5	+1.5
21 Disposal of non-performing loans	4.7	8.4	+3.6	+2.4
22 Ordinary income	(0.9)	3.0	+3.9	-8.0
23 Extraordinary gains/losses	9.1	1.0	-8.1	0.0
24 Bad debt recovered	7.1	1.0	-6.1	0.0
25 Gain on reversal of provision for possible loan loss	2.0	-	-2.0	-
26 Income before taxes	8.1	4.0	-4.1	-8.0
27 Net income	5.0	2.5	-2.5	-4.5
28 Credit cost (*2)	(4.4)	6.0	+10.4	+1.5

*1 Except bonds (ex. Government Bonds) gains/losses

*2 (Net transfer to general provision for possible loan losses + Disposal of non-performing loans) - (Bad debt recovered)

<No15 Core net business profit>

◆ Although core gross business profit is expected to increase mainly as a result of the increase in interest on loans, core net business profit is projected to decline ¥3.6 billion YoY to ¥15.7 billion because of an increase in partnership system related expenses.

<Factors behind changes in interest on loans and deposits for FY2008 (comparison with FY2007) >

	Change			Change Factor	
	Balance	Return	Interest	Balance factor	Return factor
Loans	+102.9	+0.01	+2.3	+2.2	+0.1
Business loans	+30.5	-0.01	+0.3	+0.5	-0.1
Retail	+15.9	-0.05	+0.0	+0.3	-0.4
Wholesale	+14.5	+0.05	+0.4	+0.1	+0.2
Personal loans	+67.5	-0.01	+1.5	+1.6	+0.0
Loans for local government	+4.8	+0.11	+0.4	+0.0	+0.3
Deposits	+5.7	+0.02	+0.9	+0.0	+0.8

<No22 Ordinary income>

• Ordinary income is expected to increase ¥3.9 billion year on year to ¥3.0 billion since gains/losses on bonds (Japanese government bonds, etc.), a large volume of which were recorded last year, are expected to improve although the disposal of non-performing loans is projected to increase as a result of a decline in corporate earnings.

<No27 Net income>

• Although ordinary income is forecast to increase, net income is expected to decrease ¥2.5 billion year-on-year to ¥2.5 billion. This is because ¥9.1 billion in extraordinary gains, including collection of written-off non-performing loans and gain on reversal of provisions for possible loan losses, were recorded for the previous fiscal year, this fiscal year only ¥1.0 billion will be recorded.

<Dividends>

	FY2005	FY2006	FY2007
Net income (¥ billion)	6.4	6.3	5.0
Total dividends (¥ billion)	1.3	1.6	1.6
Acquisition of treasury stock (¥ billion)			0.5
Dividend per share (¥)	5.0	6.0	6.0
Shareholder return ratio (%)	21.5	26.2	42.7
Payout ratio (%)	21.5	26.2	32.8

Forecast for FY 2008
(2.5)
(1.6)
(6.0)

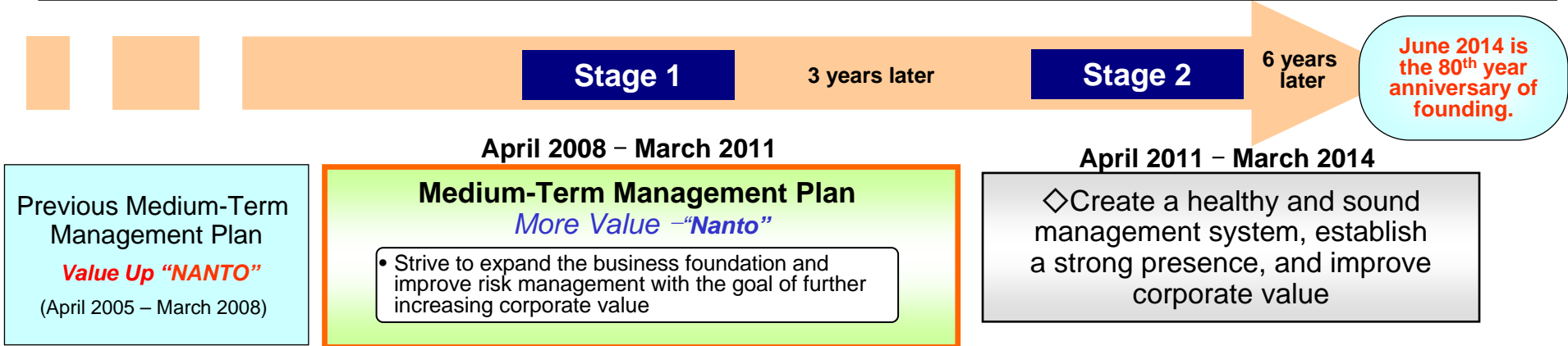
I. Financial Results for the First Half of FY2008

II. Management Strategy

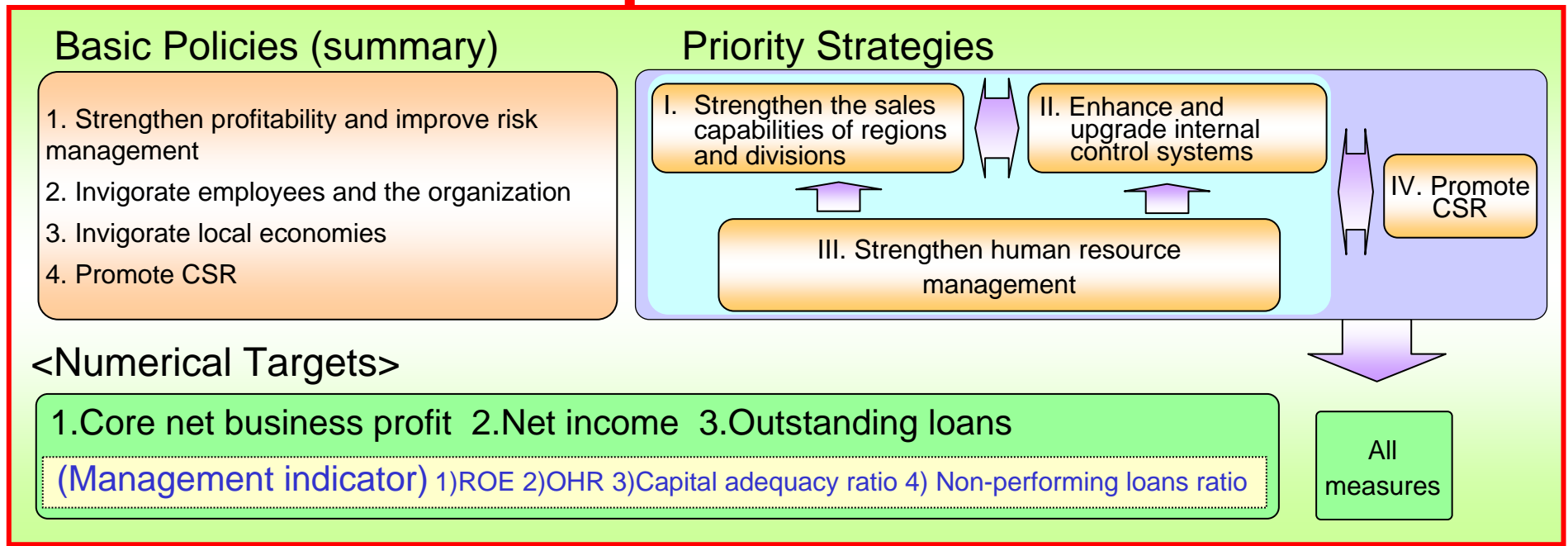
Outline of the Medium-Term Management Plan

-1. Long-Term Vision and Outline of the Plan

Long-term vision – Aim to further increase corporate value and become a bank that grows with the local community



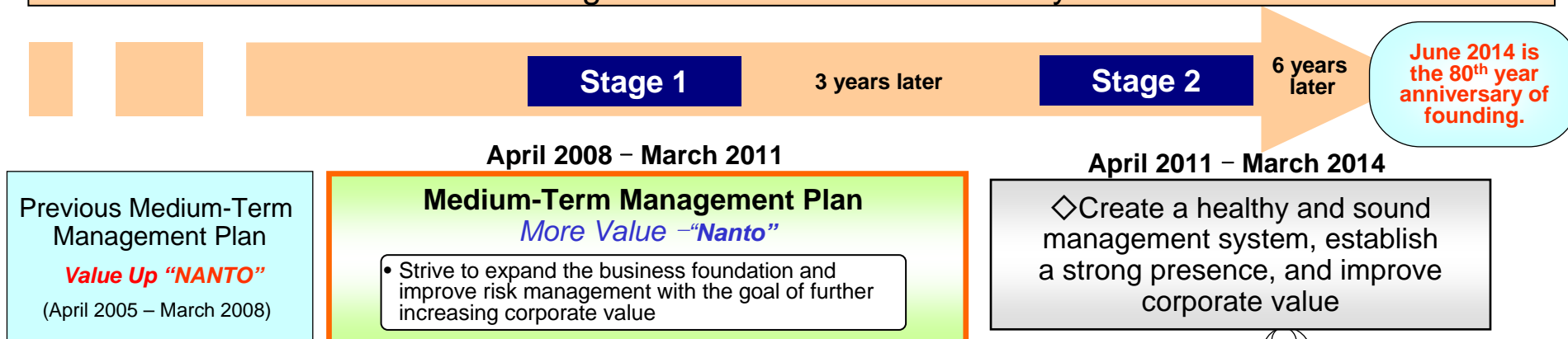
June 2014 is the 80th year anniversary of founding.



Outline of the Medium-Term Management Plan

-2. Numerical Targets

Long-term vision – Aim to further increase corporate value and become a bank that grows with the local community



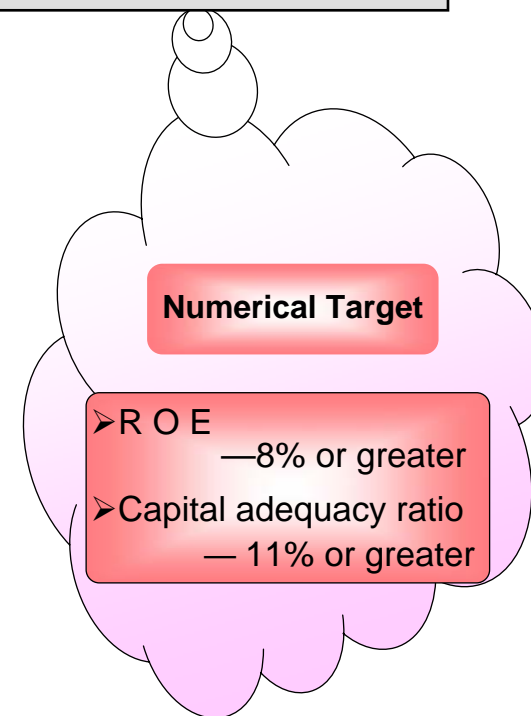
<Numerical Targets>

Item	FY2007	FY2008		(FY2009)	FY2010 Plan
		1H Result	Full-year forecast		
1.Core net business profit	¥19.3 billion	¥7.5 billion	¥15.7 billion	→	¥26.0 billion or higher
2.Net income	¥5.0 billion	¥1.0 billion	¥2.5 billion	→	¥12.0 billion or higher
3.Outstanding loans	¥2,690 billion	¥2,690 billion	¥2,770 billion	→	¥3,000 billion or higher

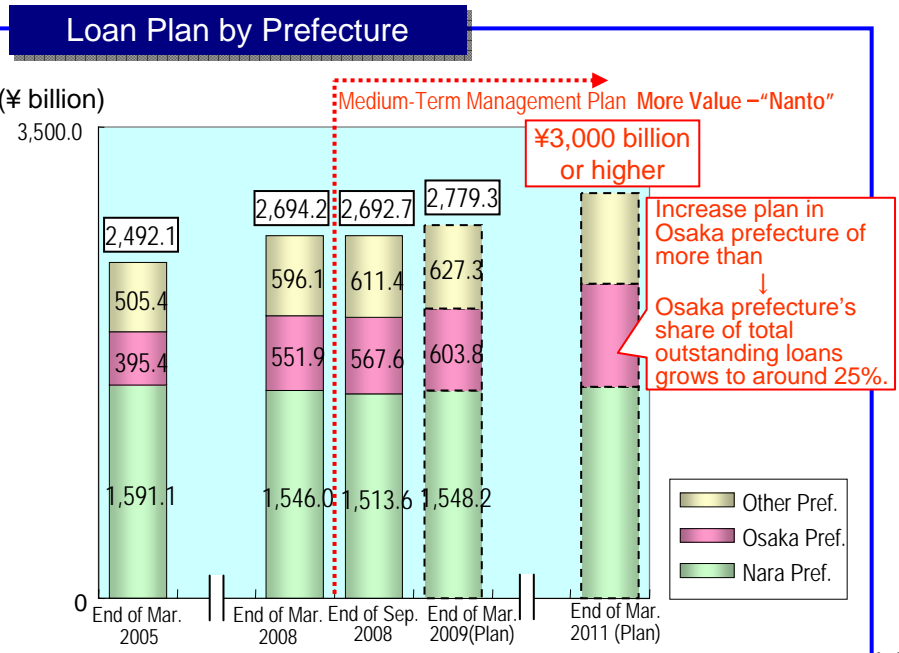
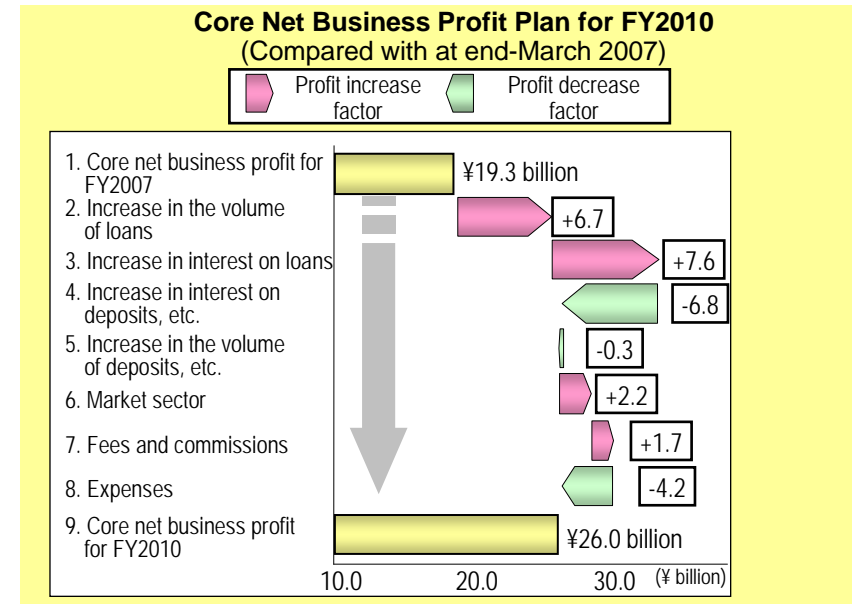
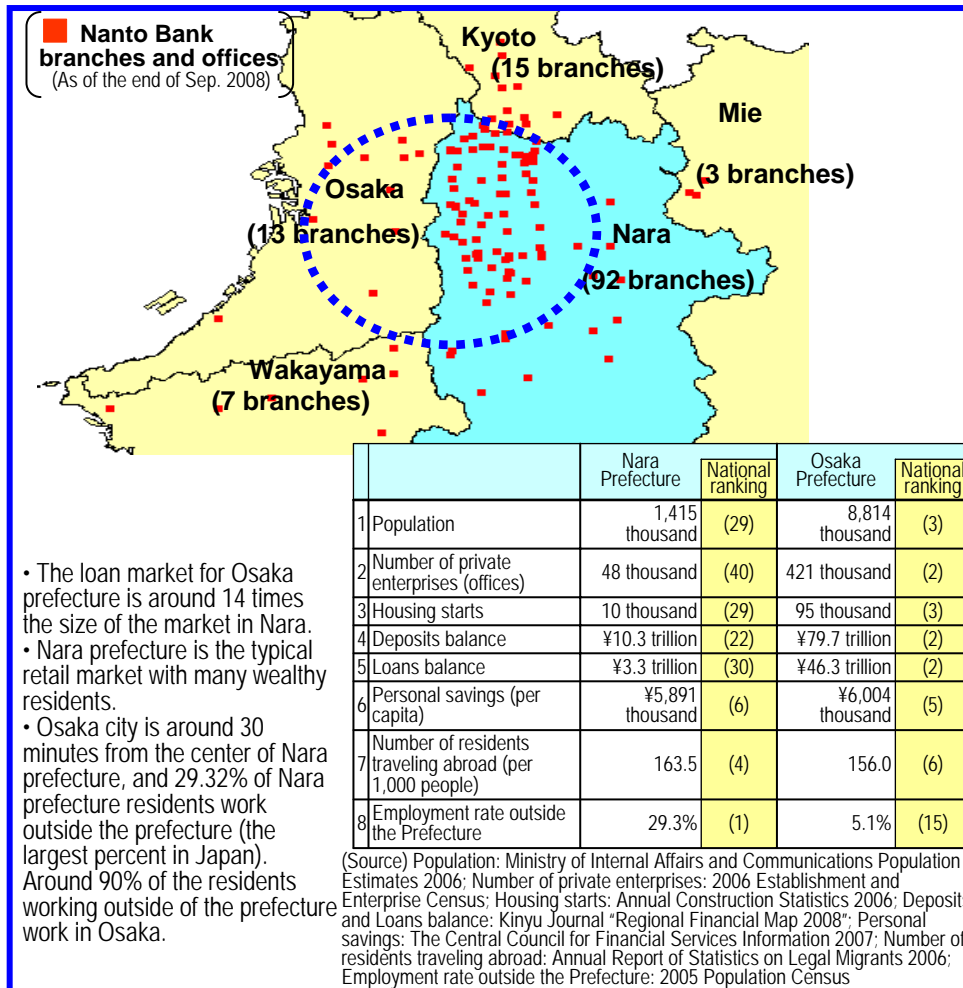
<Management Indicator>

Item	FY2007	FY2008		(FY2009)	FY2010 Plan
		1H Result	Full-year forecast		
Profitability				→	
1.R O E (*1)	2.70%	1.21%	1.48%	→	5.40%
Efficiency				→	
2.O H R (*2)	70.83%	77.81%	76.81%	→	66.25%
Soundness				→	
	3.Capital adequacy ratio	10.53%	10.57%	10.80%	→
4.Non-performing loans ratio (*3)	3.86%	4.13%	4.17%	→	2.72%

(*1) ROE=Net income/ Net assets × 100
 (*2) OHR=Expenses/Core gross business profit × 100
 (*3) Non-performing loan ratio = amount of non-performing loans based on Financial Reconstruction Law / Total value of credit provided × 100



Loans Increase Plan – 1



< Nanto Bank's Growth Scenario >

- ◆ **Priority strategic areas**
 - Nanto Bank will increase business loans and personal loans and strive to expand and strengthen sales offices in areas such as Osaka, which are the bank's strategic areas.
- ◆ **Existing area centered on Nara prefecture**
 - Nanto Bank will make a detailed breakdown of customer segments, develop more strategic business activities, and promote asset management products and personal loans.

Loans Increase Plan – 2

Retail Business Loans - Balance Plan by Prefecture

◆Retail business loans

The target is to expand financing by around ¥60.0 billion to at least ¥1,030.0 billion during the three years of the medium-term business plan by increasing the balance of loans in Osaka prefecture.

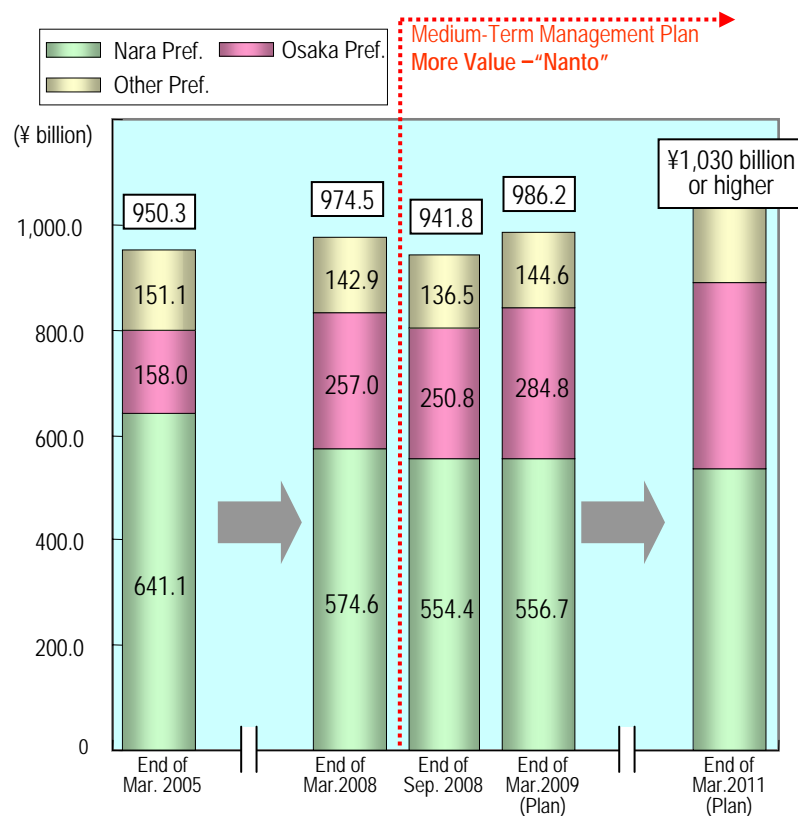
(Increase during the three years of the plan)

Former Plan (Actual)
(FY05-FY07)

- Nara Pref.= -¥66.5 billion
- Osaka Pref.= +¥98.9 billion
- Other Pref.= -¥8.1 billion

Current Plan (Plan)
(FY08-FY10)

- Approx. -¥40.0 billion
- Approx. +¥100.0 billion
- Flat



Personal Loans - Balance Plan by Prefecture

◆Personal Loans

The target is to increase loans by ¥150.0 billion to at least ¥980.0 billion during the three years of the medium-term plan by increasing the balance of loans in all sales areas.

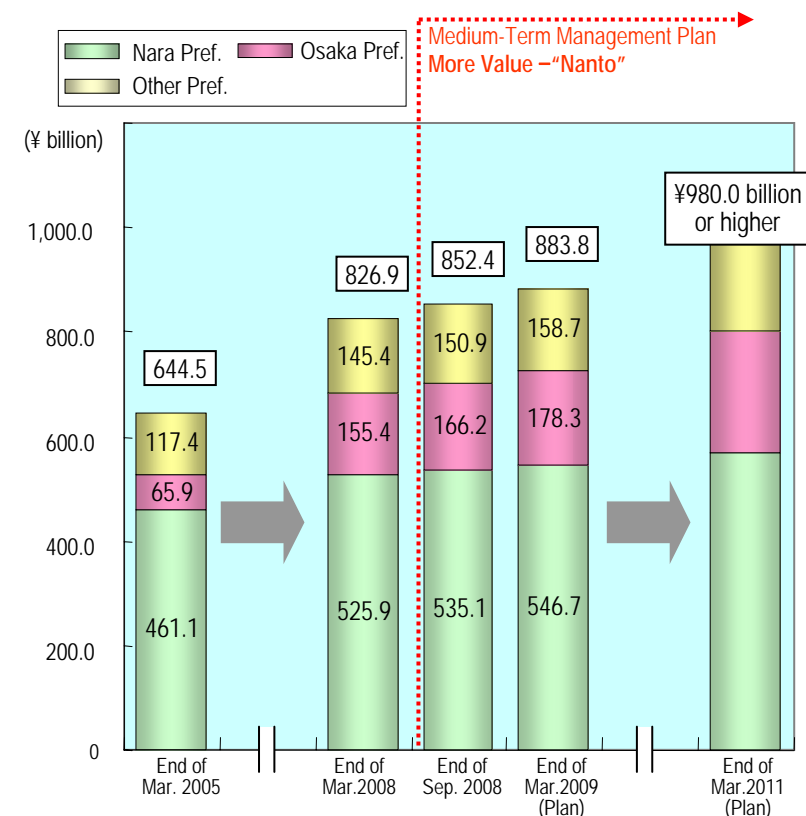
(Increase during the three years of the plan)

Former Plan (Actual)
(FY05-FY07)

- Nara Pref.= +¥64.8 billion
- Osaka Pref.= +¥89.5 billion
- Other Pref.= +¥28.0 billion

Current Plan (Plan)
(FY08-FY10)

- Approx. +¥44.0 billion
- Approx. +¥77.0 billion
- Approx. +¥35.0 billion



Aggressive Investment in Osaka Region –1

- ◆ Starting with the launch of the Higashi Osaka-Corporate Business Office in October 2000, corporate sales offices have steadily been opened, and after developing new corporate clients for a certain period, the offices were upgraded to a branch office. Since October 2001, home mortgage promotion offices have been created in 9 locations.
- ◆ The Osaka Regional Head Office, which possesses sales planning, sales promotion, and credit screening functions, was created in June 2007.
- ◆ The medium-term plan contains plans to vigorously expand offices and invest resources and further strengthen retail lending.

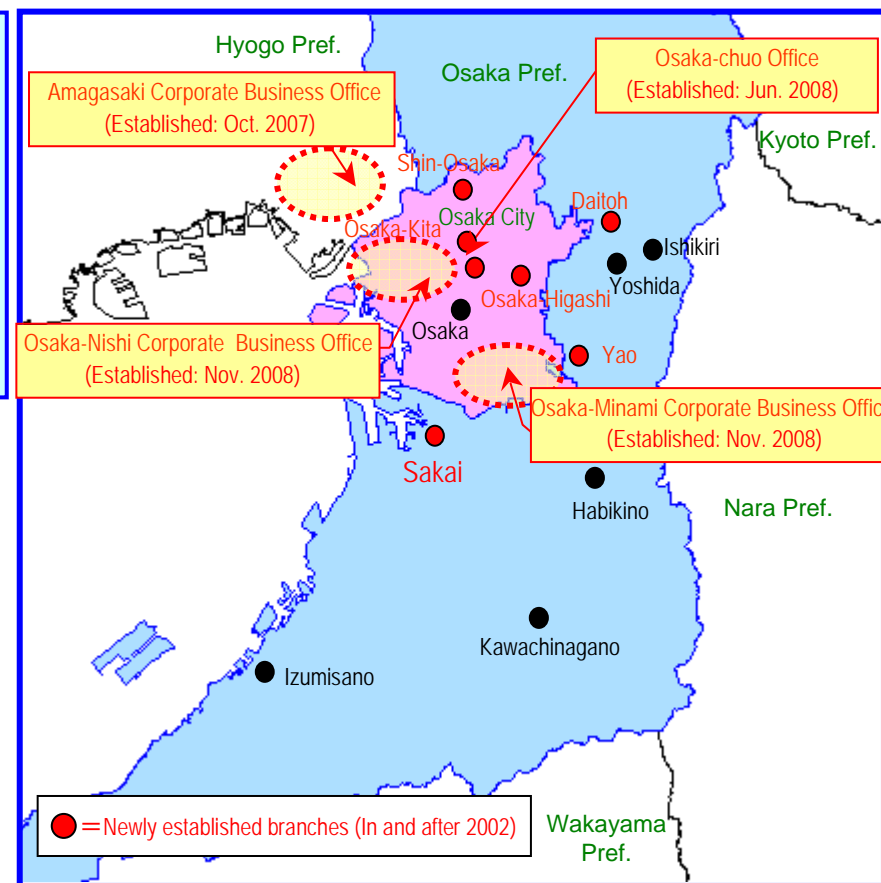
Medium-term management plan: Expansion of offices – at least 10 offices Commitment of human resources – at least 140 staff

<Actual figures for the first half FY2008>

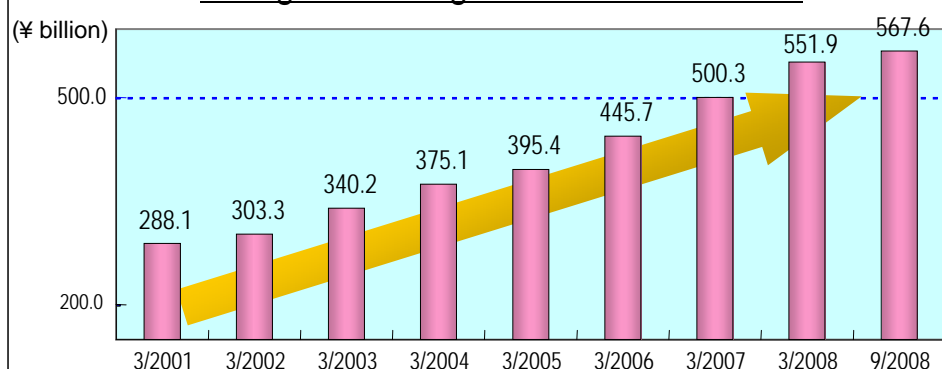
- With the goal of further improving Nanto Bank's presence in Osaka, the Osaka-Chuo Office was established as the sales base for Osaka Pref. in June 2008.
- The Osaka South Corporate Office and Osaka West Corporate Business Office were opened in November 2008.

<New Offices>

- 1) Oct.2000, established Higashi-Osaka Corporate Business Office -> Oct.2002 Osaka-Higashi Branch
- 2) Oct.2000, established Yao Corporate Business Office -> Apr.2004 Yao Branch (Transfer of the Yao South Office)
- 3) Oct.2001, established Daitoh Corporate Business Office -> Dec.2003 Daitoh Branch
- 4) Jan.2003, established Osaka Corporate Business Office -> Jun.2008 incorporated into Osaka-chuo office
- 5) Jun.2003, established Osaka North Corporate Office -> Osaka-Kita Branch
- 6) Jun.2004, established Sakai Corporate Business Office -> Nov.2005 Sakai Branch
- 7) Aug.2005, established Shin-Osaka Corporate Business Office -> Aug.2006 Shin-Osaka Branch
- 8) Oct.2007, established Amagasaki Corporate Business Office
- 9) Nov.2008, established Osaka-Minami Corporate Business Office
- 10) " established Osaka West Corporate Business Office

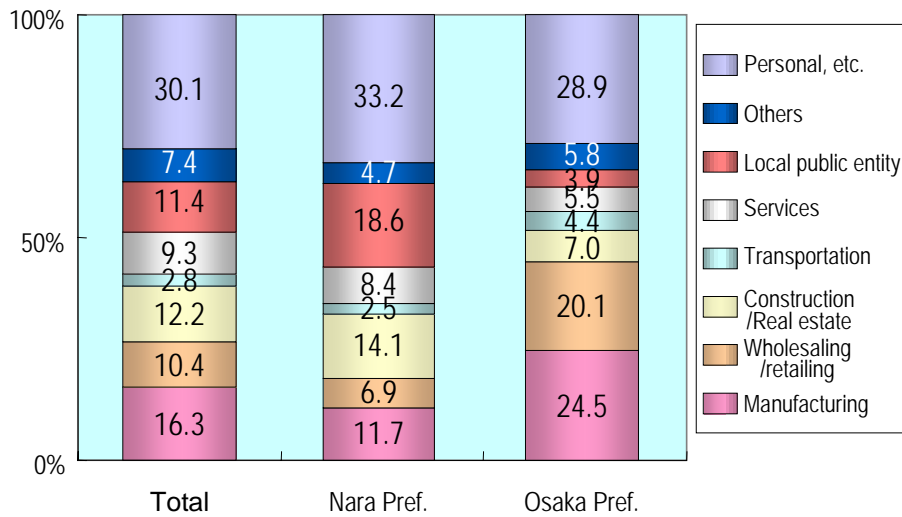


Change in Lending Balance in Osaka Pref.

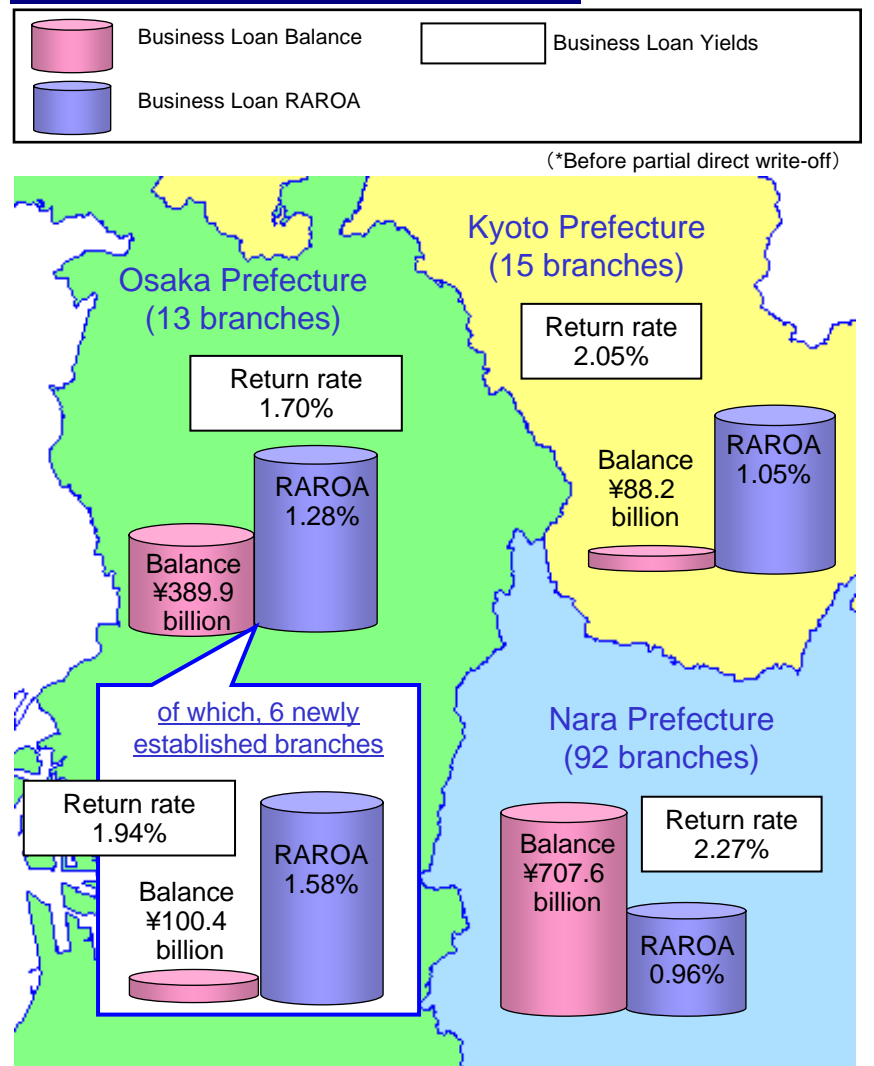


Aggressive Investment in Osaka Region – 2

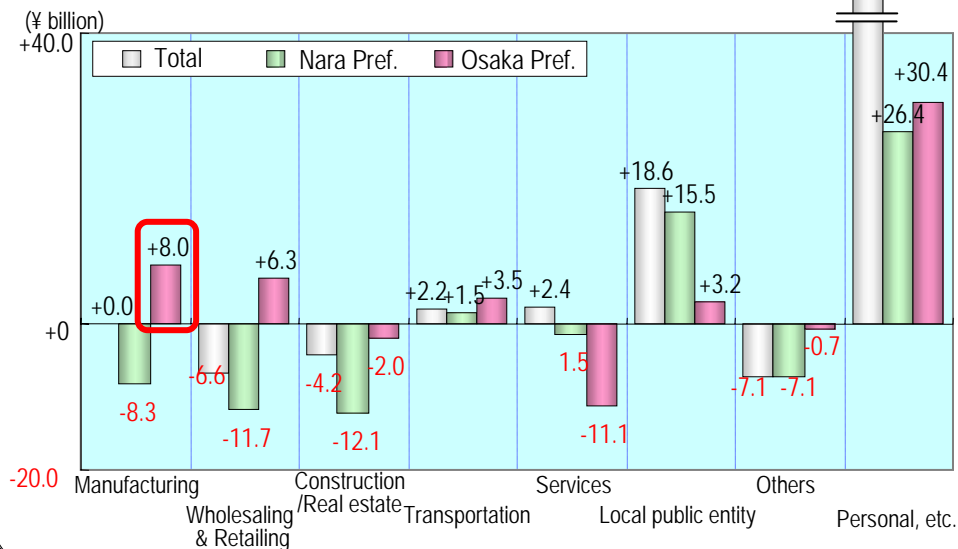
Closing Balance of Loans by Industry



Regional RAROA of Business Loans



Closing Balance of Loans by industry (1H FY2008, YoY Change from 1H FY2007)



*Business loan RAROA

Risk-adjusted return rate (formula) interest after deducting credit cost / loan amount x 100

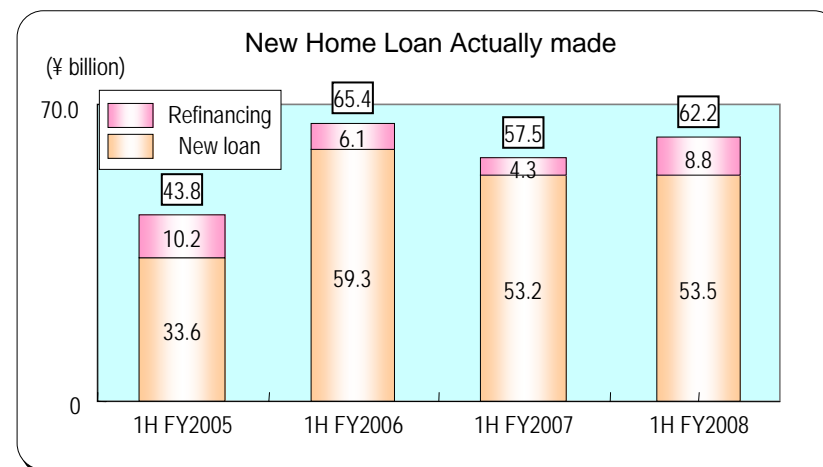
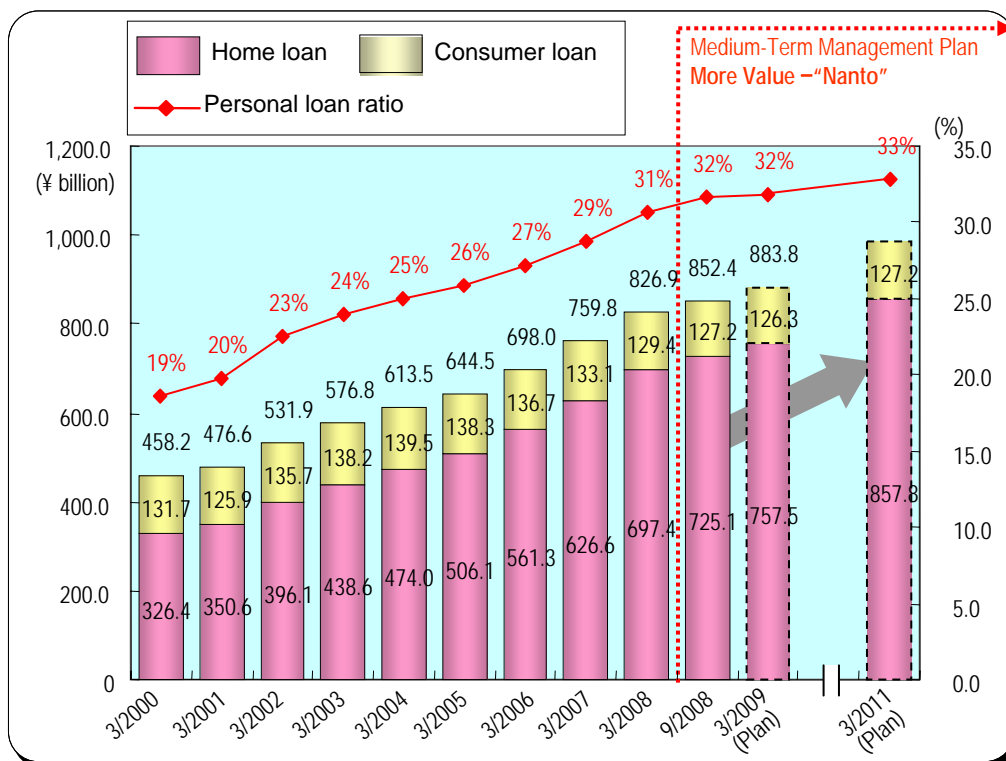
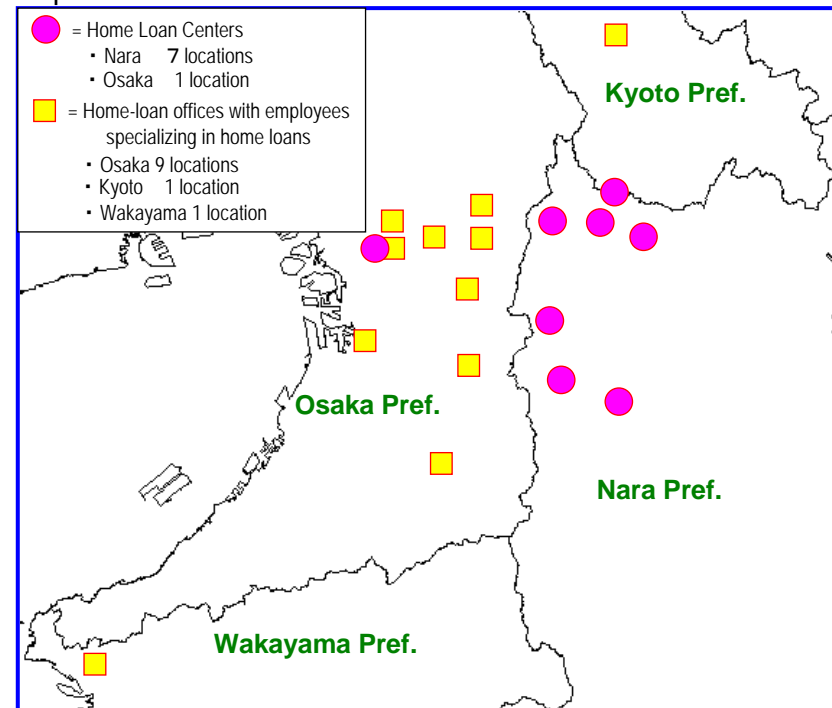
*Object: normal and substandard loans (including clients requiring control)

Expansion of Home Loans

Reinforce Home Loans

- ◆ Strengthen promotion through tie-ups between specialized home loan channels (home loan centers at eight locations and home-loan offices at nine locations) and sales offices
- ◆ Actively respond to new projects by strengthening the relationship with the housing related businesses
- ◆ Commit personnel and expand home-loan offices with employees specializing in home loans
- ◆ Participation in the Regional Bank Home Mortgage Partnership Council

<Specialized Home Loan Channels>



Expansion of Asset on Deposit

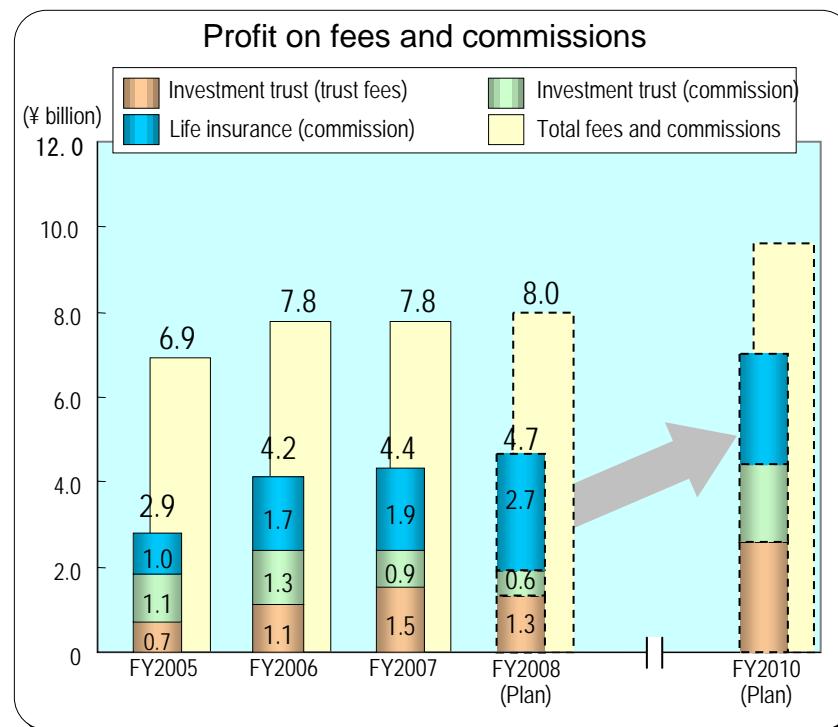
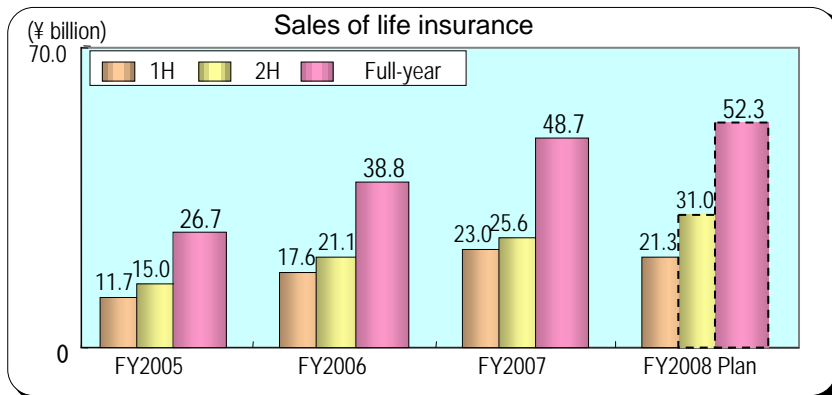
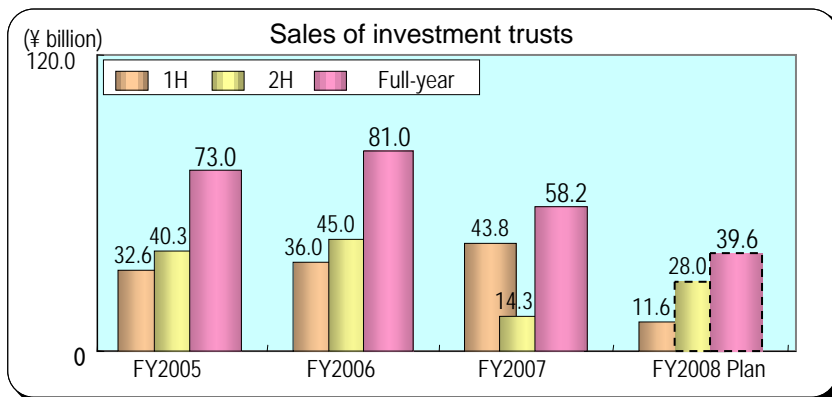
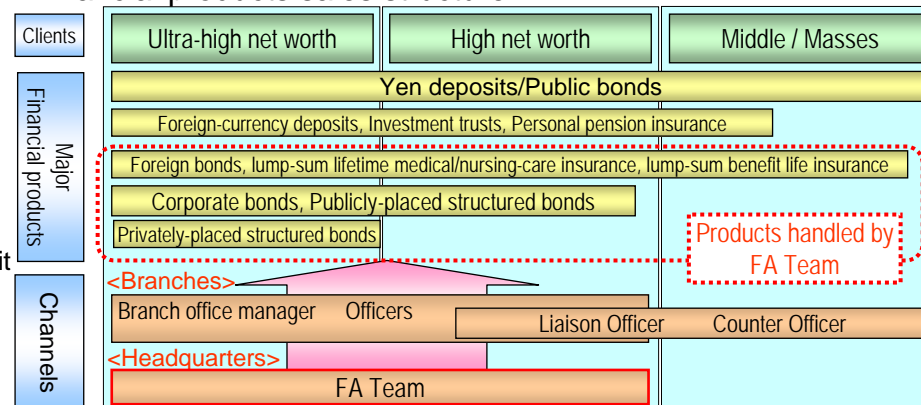
Reinforce Assets on Deposit

Focus is on the sale of financial instruments such as investment trusts and life insurance, the core of commission and feels.

<Measures to increase trust assets>

- Assign 2 FA teams to offices in Nara prefecture in November 2008 and strengthen the sales system for financial products.
- Enhancement of products lineup [37 products for investment trust, 11 products for personal pension insurance, 10 products for lump-sum benefit life insurance]
- Upgrade existing skills of personnel (At least 50% on the employees shall have the qualifications.)

<Financial products sales structure>



Appendix

□ Profile of The Nanto Bank	1
□ Outline of Business Foundation	2
□ Share in Nara Prefecture	3
□ Main indicators for Nara Prefecture	4
□ Industrial Production Index	5
□ Business Bankruptcy and Employment Conditions	6
□ Number of Population and Households in Nara Prefecture	7
□ Estimated Population of Future in Nara Prefecture	8
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□ Ratio of Loans by Industry	11
□ Shift in Classification of Debtors	12

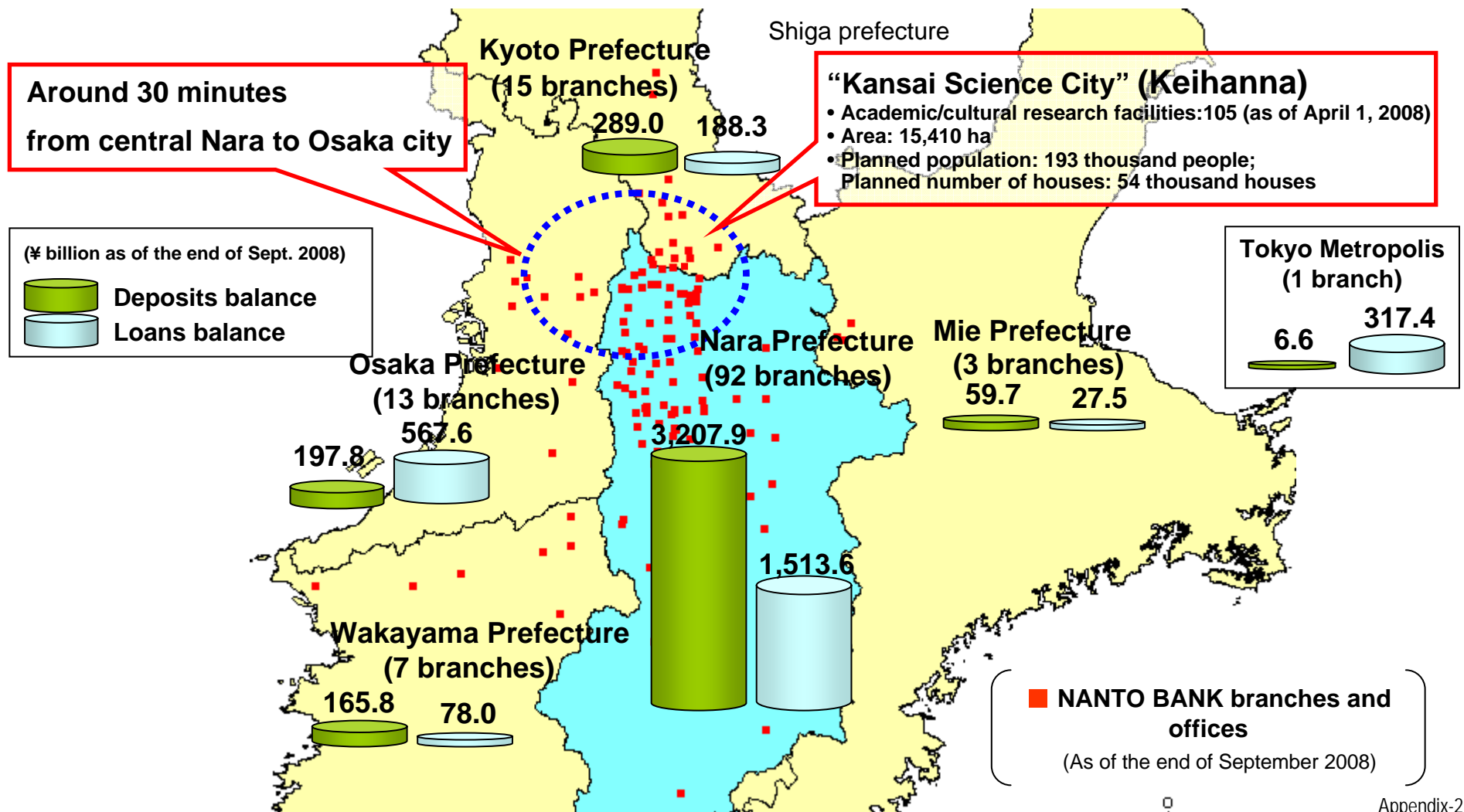
(As of the end of September 2008)

1.Founded	June 1, 1934
2.Location of Head Office	16, Hashimoto-cho, Nara City
3.Capital	¥29,249 million
4.Number of employees	2,743
5.Number of offices	131 (Japan), 2 (Overseas, representative offices in Hong Kong and Shanghai)
6.Total assets	¥4,485.4 billion
7.Deposits outstanding	¥4,059.9 billion
8.Outstanding loans	¥2,692.7 billion
9.Capital adequacy ratio	Non-consolidated:10.57% Consolidated:10.83%



(Head Office)

Bases for business: Nara Pref. 92, Osaka Pref. 13, Kyoto Pref. 15,
Wakayama Pref. 7, Mie Pref. 3, Tokyo 1



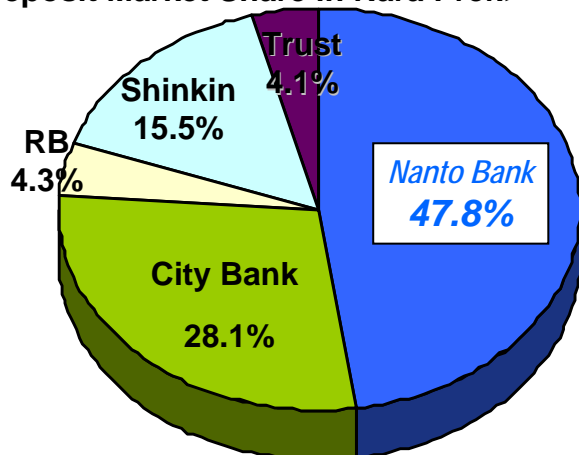
Share in Nara Prefecture

Maintained firmly approximately 50% of deposit and loan market share within Nara Prefecture

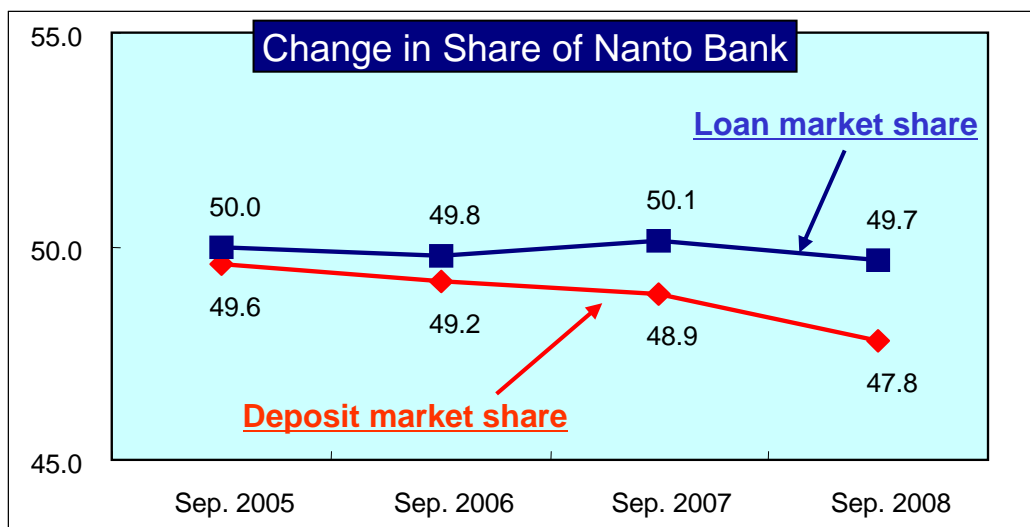
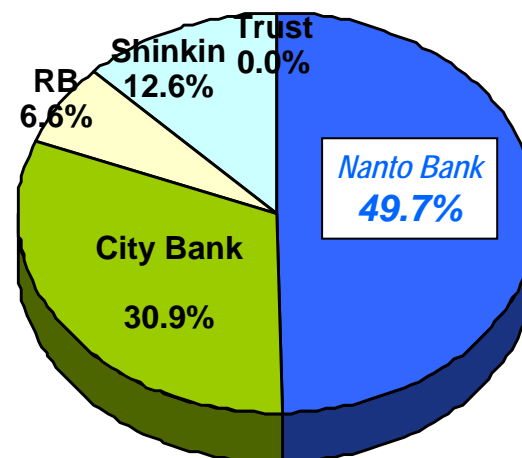
Deposit market share in Nara Pref.: 47.8%

Loan Market Share in Nara Pref.: 49.7% (at end of September 2008)

<Deposit Market Share in Nara Pref.>



<Loan Market Share in Nara Pref.>



<Loan Market Share in Osaka Pref.>		
	Nanto Bank Volume of Loans	Size of Osaka pref. Loan Market
3/2003	¥340.2 billion Share: 0.6%	¥52,864.4 billion
3/2008	¥551.9 billion Share: 1.2%	¥45,996.8 billion

(Kinyu Journal "Regional Financial Map 2009")

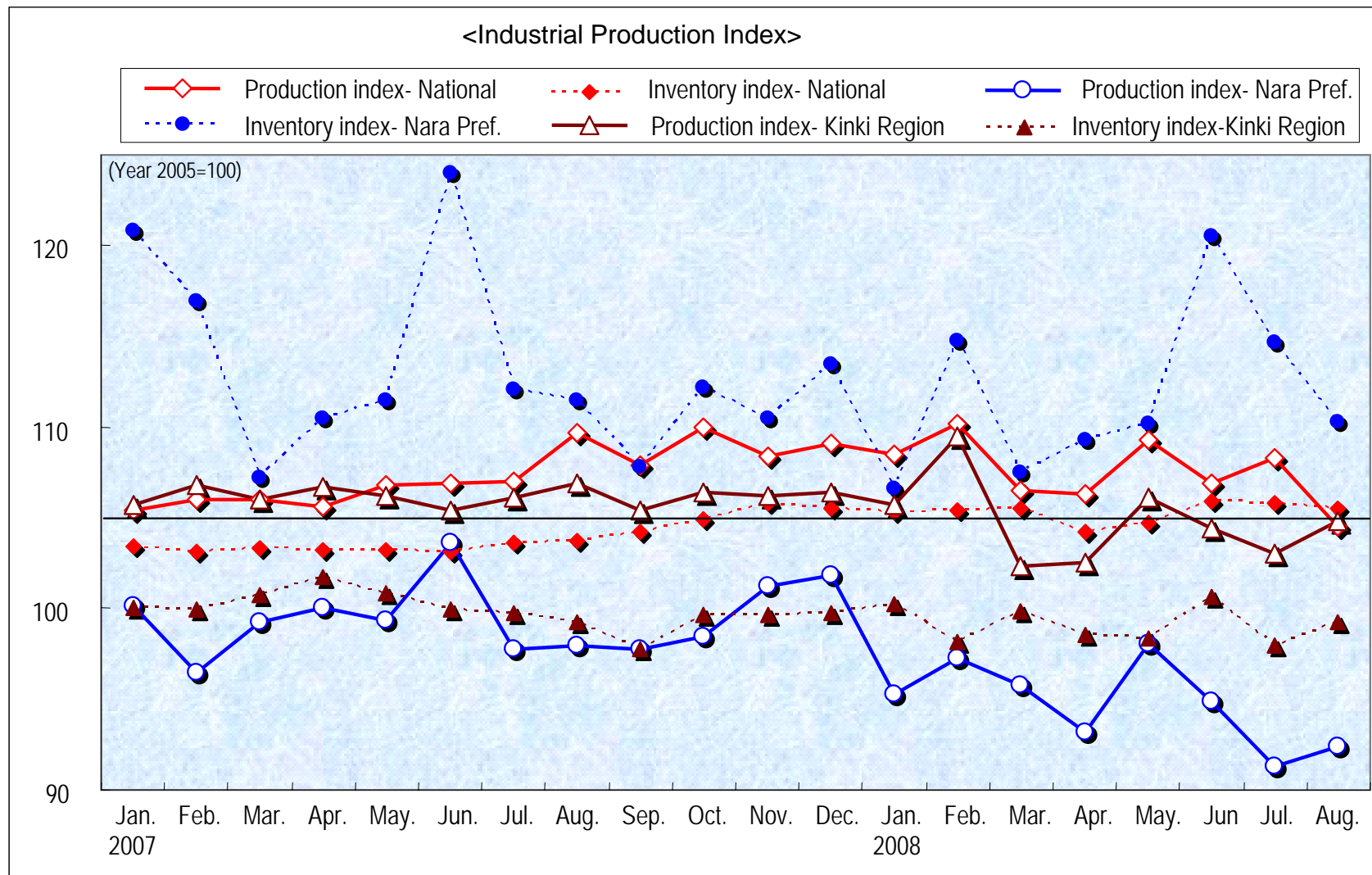
* Total number of commercial banks, trust banks, and shinkin banks in Nara Prefecture. (excluding agricultural cooperatives, postal savings)

Main Indicators for Nara Prefecture

No.	Indicator	Nara Prefecture		Osaka Prefecture		Source
			National ranking		National ranking	
1	Population	1,415 thousand	29	8,814 thousand	3	2006 Population Census
2	Number of private enterprises (offices)	48 thousand	40	421 thousand	2	2006 Establishment and Enterprise Census
3	Housing starts	10 thousand	29	95 thousand	3	Annual Construction Statistics 2006
4	Deposits balance	¥10.3 trillion	22	¥79.7 trillion	2	Kinyu Journal "Regional Financial Map 2008"
5	Loans balance	¥3.3 trillion	30	¥46.3 trillion	2	Kinyu Journal "Regional Financial Map 2008"
6	Personal savings (per capita)	¥5,891 thousand	6	¥6,004 thousand	5	The Central Council for Financial Services Information 2007
7	Newspapers subscriptions (per household)	1.37	1	0.99	32	Japan Newspaper Association 2007
8	Number of residents traveling abroad (per 1,000 people)	163.58	4	156.07	6	Annual Report of Statistics on Legal Migrants 2006
9	Number of households with piano (per 1,000 households)	353	2	256	33	National Survey of Family Income and Expenditure 2004
10	Employment rate outside the Prefecture	29.32%	1	5.11%	15	2005 Population Census

Industrial Production Index

<Industrial Production Index in Nara Prefecture>
 Production has remained at a low level since the start of 2008.



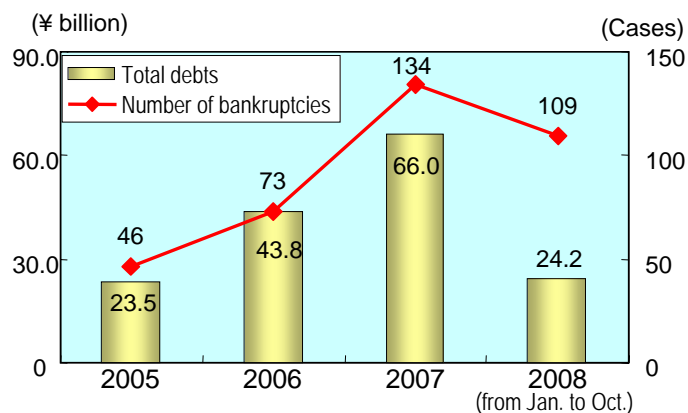
[Source: Nara Prefecture]

Business Bankruptcy and Employment Conditions

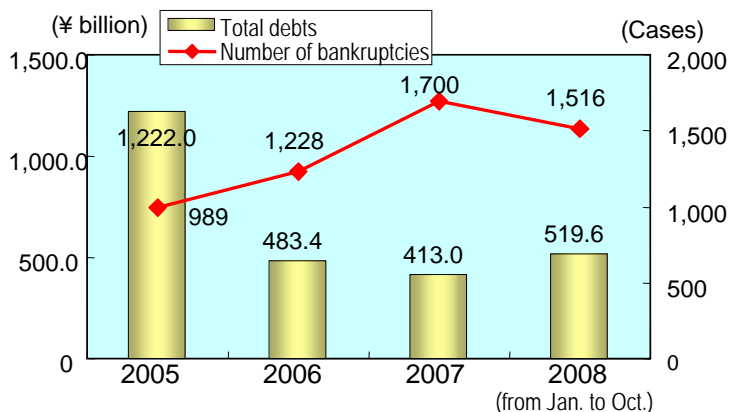
◆ Business Bankruptcy

- Both bankruptcy and total debts increased in 2007.
- Bankruptcy in Nara Prefecture in 2007
 → 134 cases, ¥66.0 billion in total debts
- There has been a recent upward trend in the number of bankruptcies (for the period between Jan. and Oct. 2008)

Number of Bankruptcies/Total Debt in Nara Pref.



Number of Bankruptcies/Total Debt in Osaka Pref.

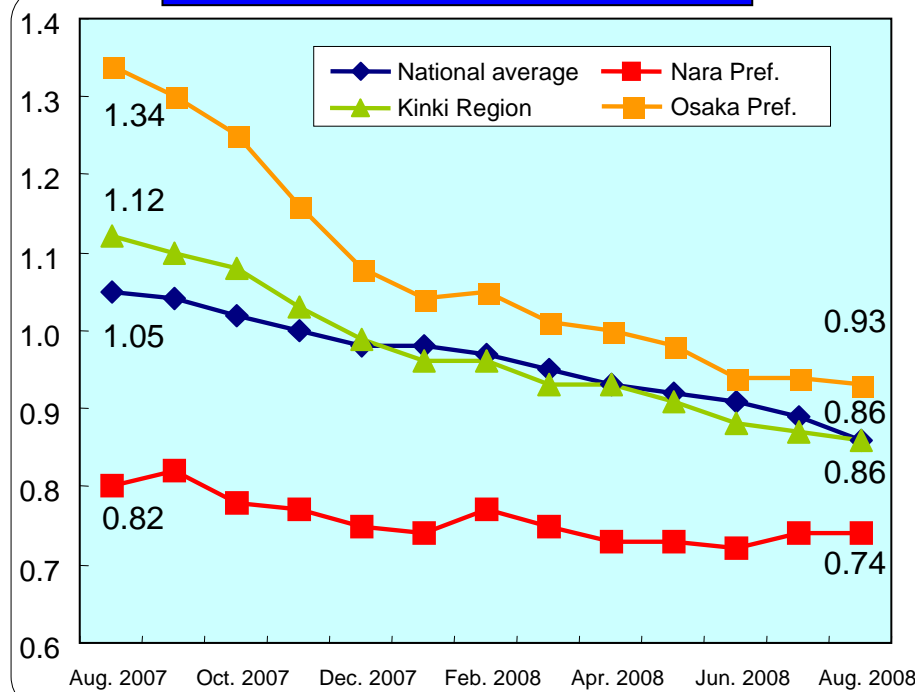


[Source: TEIKOKU DATABANK]

◆ Employment Conditions

- Effective ratio of job offers to applicants in Nara Pref. is below the ratio of other prefectures in Japan.
- Effective ratio of job offers to applicants in Nara Pref. in 2008 → 0.74 times, 0.08 point down from the previous year.

Effective Ratio of Job Offers to Applicants

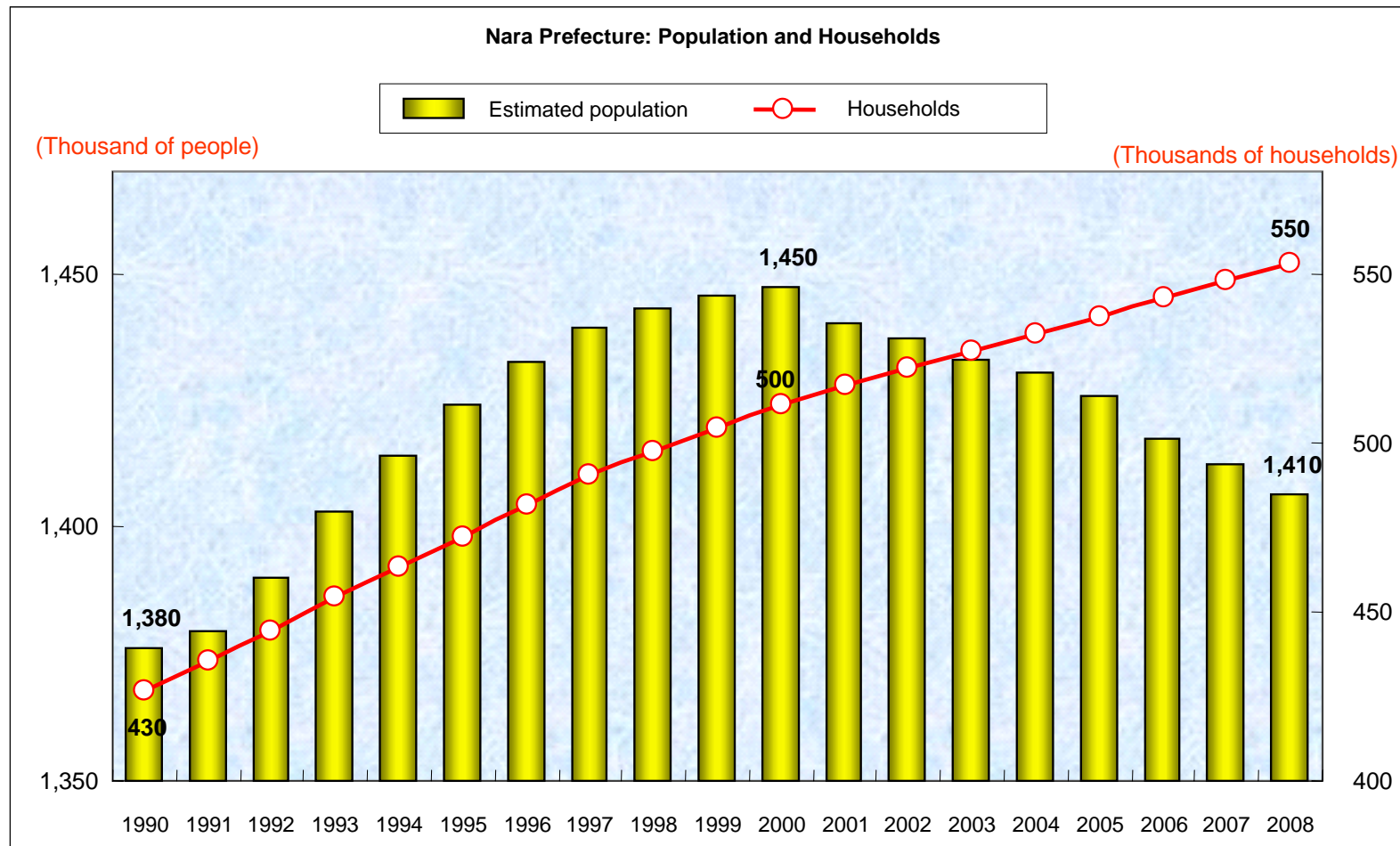


[Source: Health, Labor and Welfare Ministry / Nara Labor Bureau]

Number of Population and Households in Nara Prefecture

◆Population of Nara Prefecture (2008): 1.41 million, comprising 550,000 households

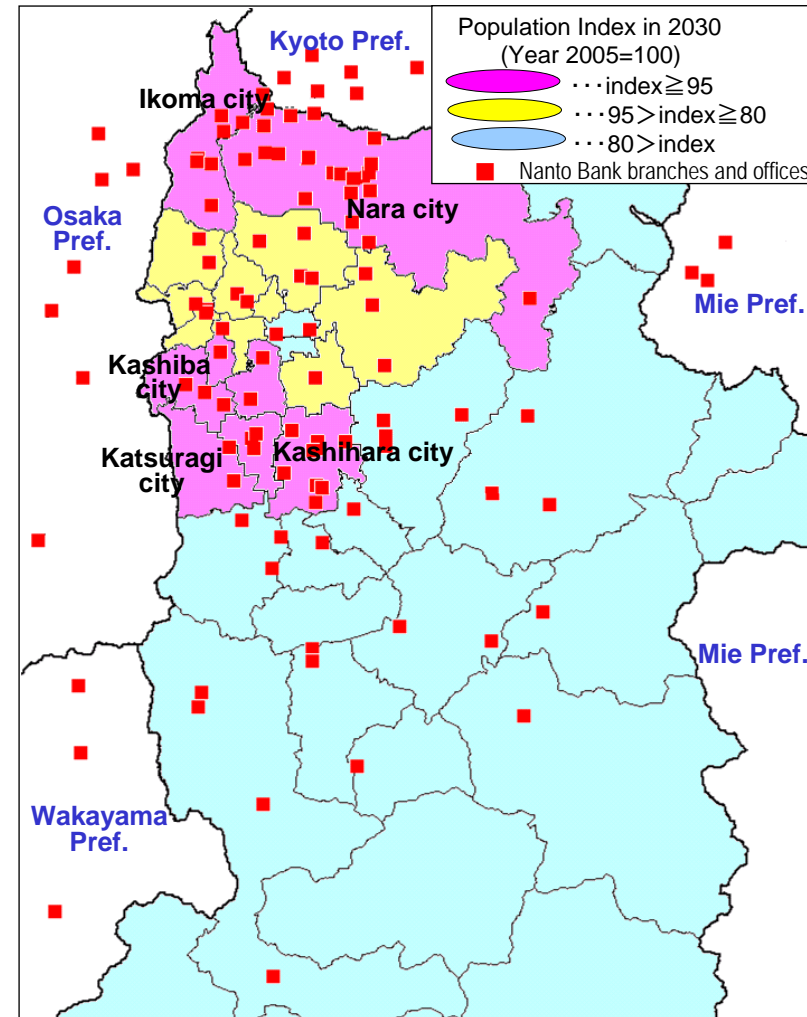
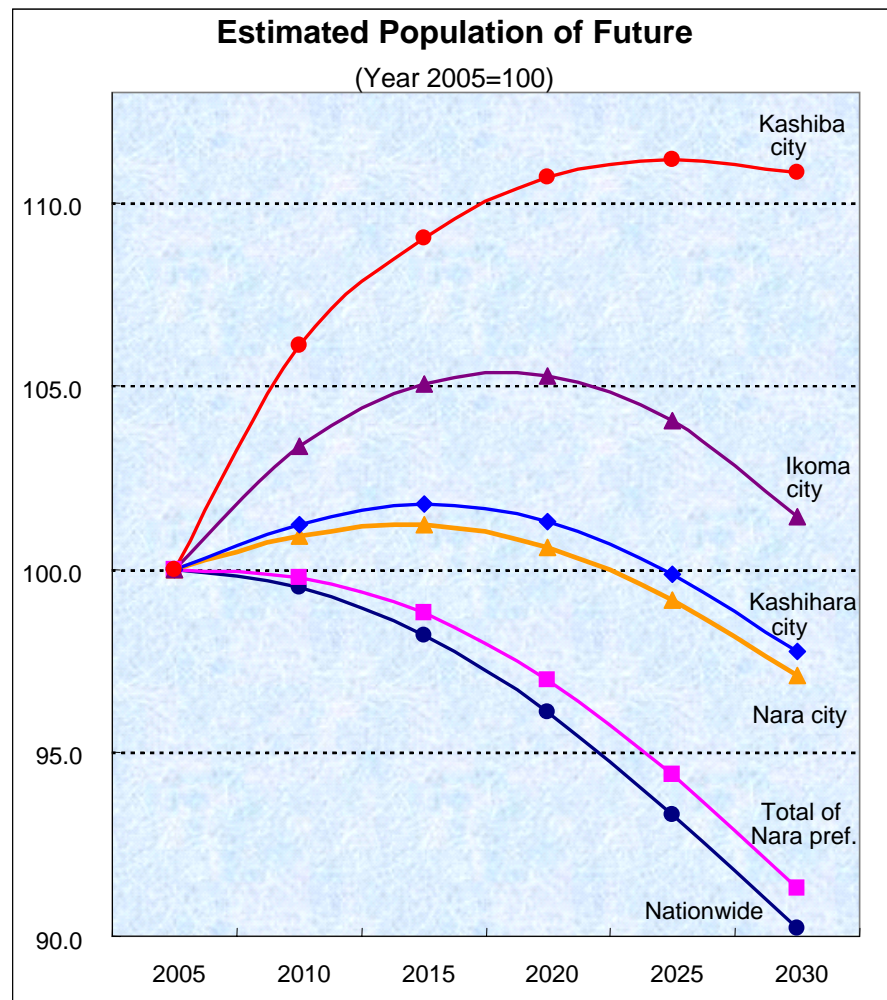
- The population has been on a declining trend since 2000.
- On the other hand, the upward trend in the number of households has continued as more and more households are made up of nuclear families.



Source: Nara Statistics Division

Estimated Population of Future in Nara Prefecture

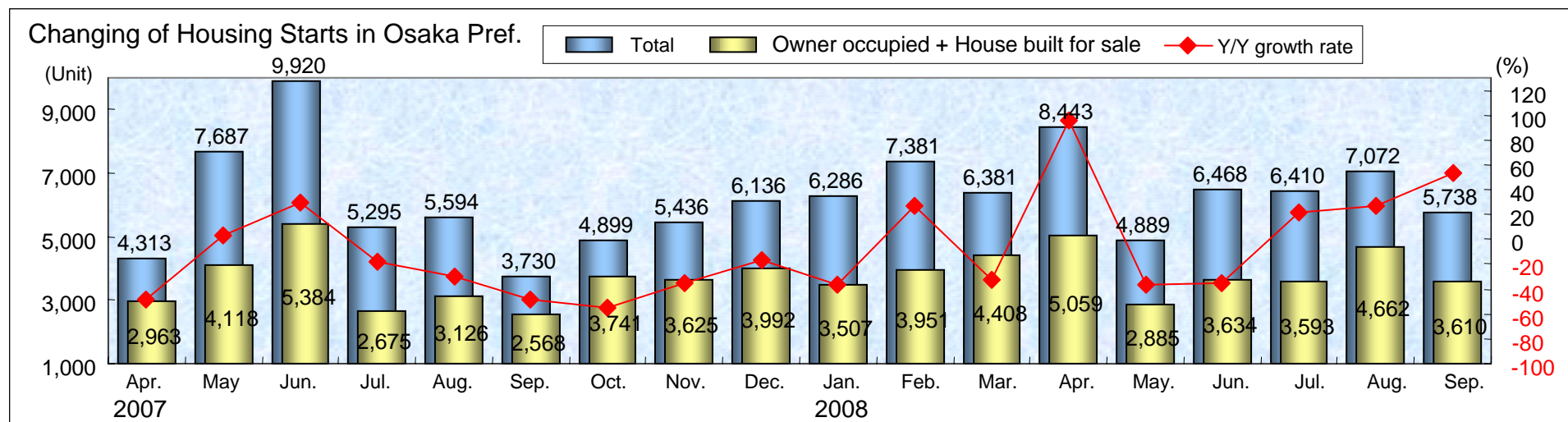
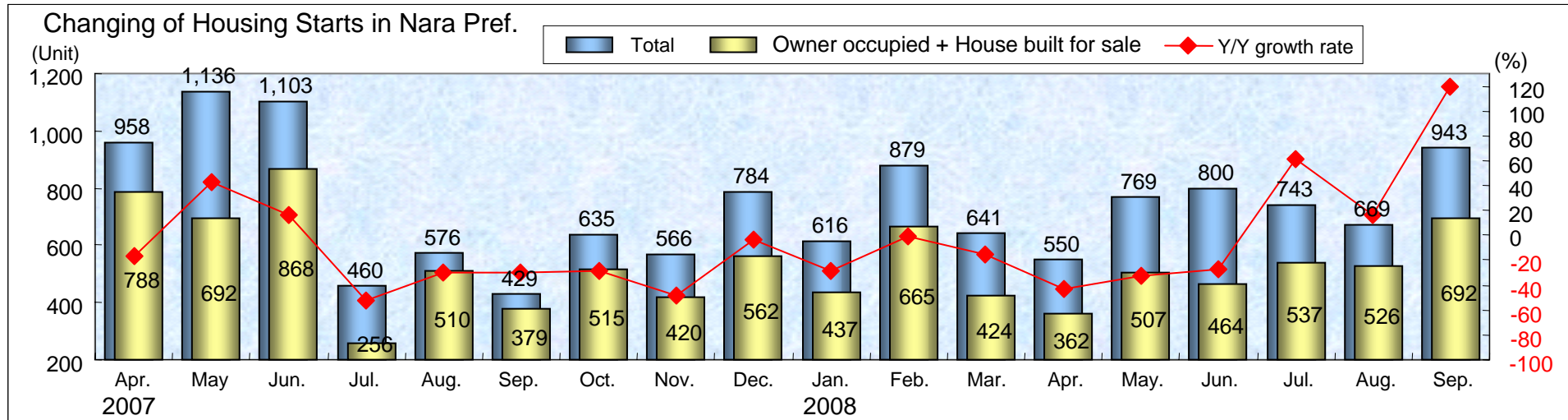
- According to projections for Nara prefecture, the population is expected to decline in a similar fashion to all Japan but will be slightly higher than the national average.
- By area, the future population for areas that have been developed as bed towns for Osaka will remain high.



[Source: National Institute of Population and Social Security Research]

Housing Starts

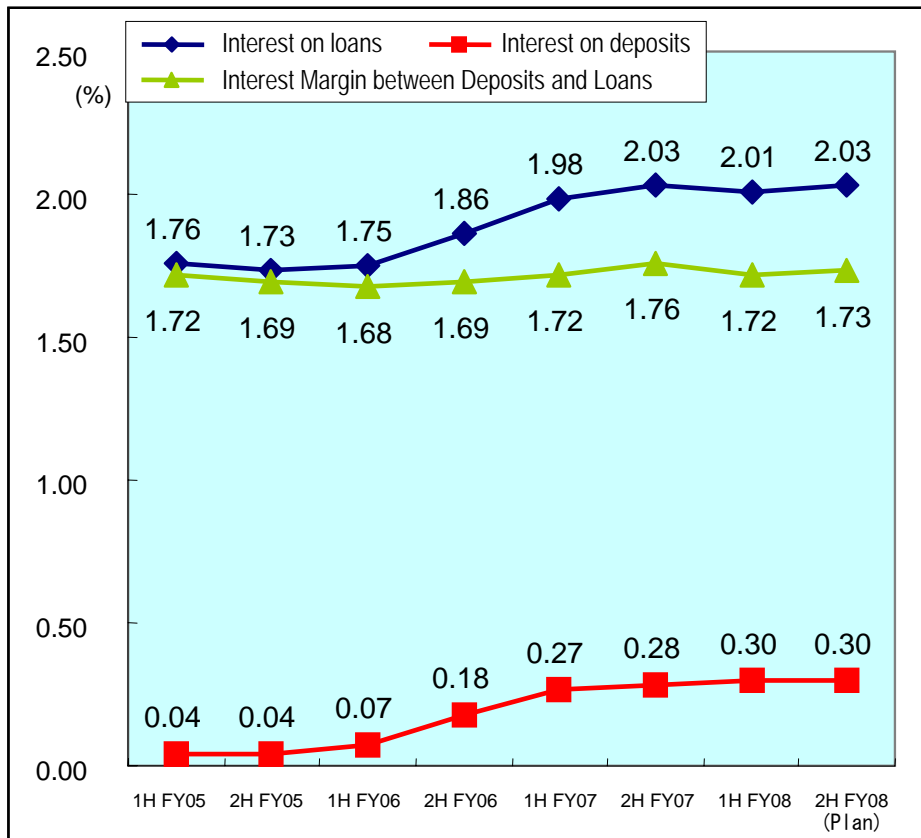
- There was a temporary decline in the number of housing starts due to revisions to the Building Standards Law in 2007.
- Although the number of housing starts has been growing since the beginning of 2008, they have not reached the level of 2007.



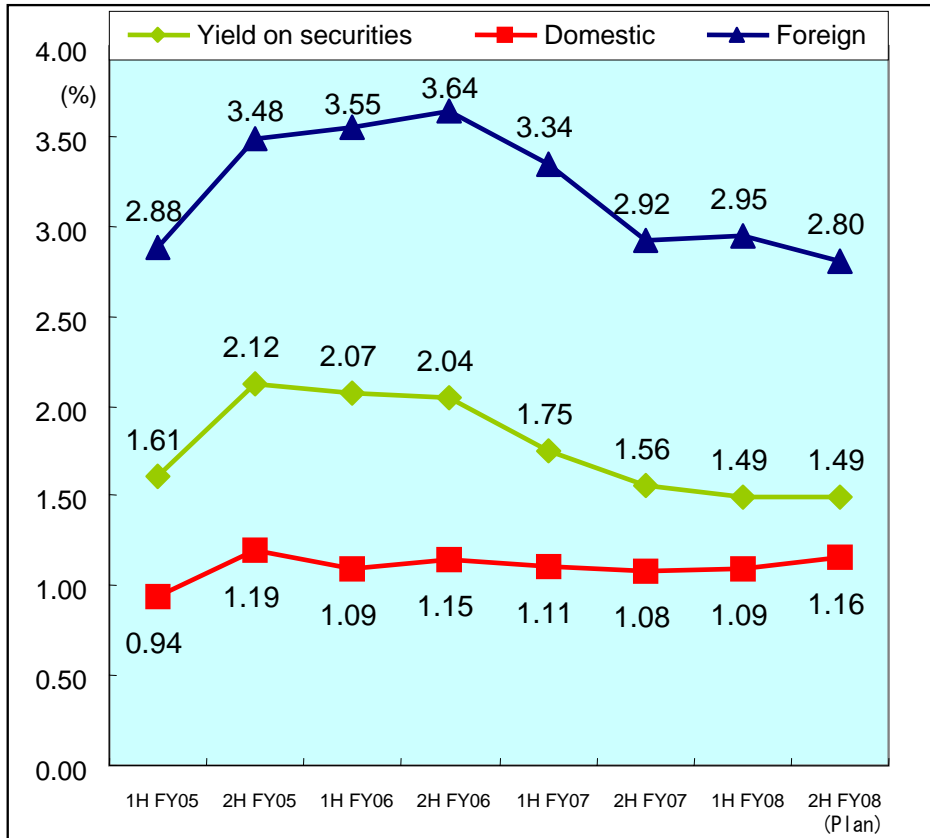
[Source: Land, Infrastructure and Transportation Ministry]

Various interest rates

Interest on Deposit and loan



Yield on securities



Ratio of Loans by Industry

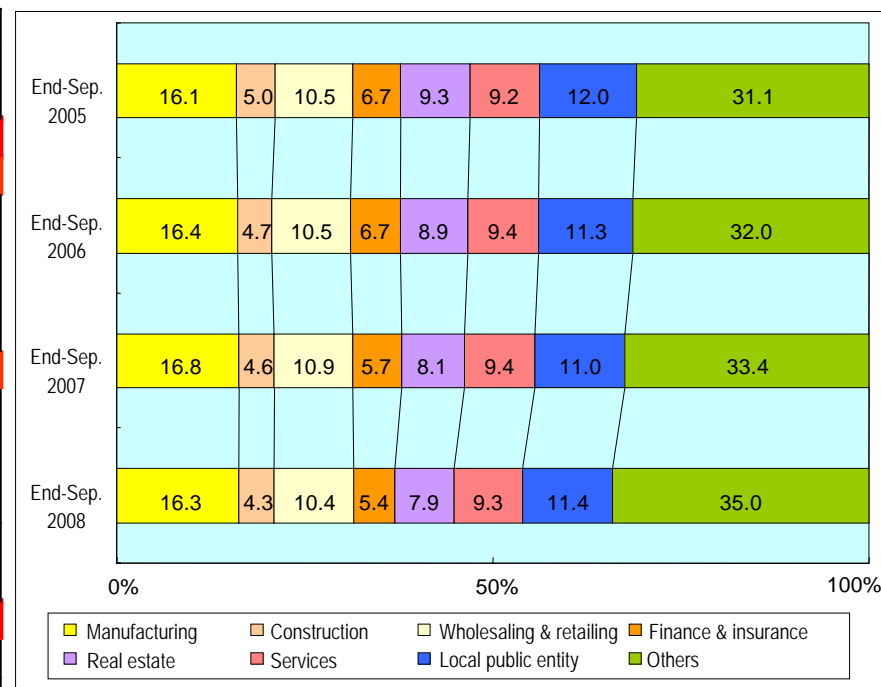
- As of September 30, 2008, industries with the largest number of outstanding loans, in order of volume of loans, were the manufacturing industry, local public entity, wholesaling and retailing industry, and services industry.
 - There has been a downward trend in the share of outstanding loans held by the construction industry, real estate industry, and local public entity.

Loans Outstanding by Industry

(¥billion)

	End of Sep. 2005	End of Sep. 2006	End of Sep. 2007	End of Sep. 2008	Y/Y change	Compared with at end-Sep. 2005
Domestic lending total volume	2,480.8	2,584.6	2,619.2	2,692.7	+73.5	+211.9
Manufacturing	400.5	424.0	440.2	440.1	-0.0	+39.6
Agriculture	10.9	9.0	7.6	4.4	-3.2	-6.4
Forestry	11.7	9.3	6.8	4.9	-1.9	-6.8
Fishery	2.5	2.8	2.5	3.5	+1.0	+1.0
Mining	24.3	23.4	17.9	18.1	+0.2	-6.2
Construction	124.7	120.7	119.7	114.9	-4.7	-9.8
Electric, gas, heat supply and water utility	12.3	7.3	7.1	6.7	-0.3	-5.6
Information communication	12.0	14.9	15.4	16.0	+0.6	+4.0
Transportation	66.5	69.0	74.5	76.7	+2.2	+10.1
Wholesaling & retailing	260.1	272.6	285.7	279.0	-6.6	+18.9
Finance & insurance	167.3	174.3	149.4	145.8	-3.5	-21.4
Real estate	231.8	229.6	213.3	213.8	+0.4	-18.0
Services	228.9	243.0	247.0	249.5	+2.4	+20.5
Local public entity	296.9	292.3	289.4	308.1	+18.6	+11.2
Personal and others	629.8	691.6	742.2	810.5	+68.3	+180.7

Ratio of Loans by Industry



Shift in Classification of Debtors

<The End of September 2008>

- ◆ Total credit (loans): ¥2,725.4 billion (decrease of ¥1.7 billion from Mar. 2008)
- ◆ Loans to normal debtors: ¥2,428.3 billion (increase of ¥27.2 billion from Mar. 2008)
- ◆ Loans to debtors requiring caution and Substandard debtors: ¥218.9 billion (decrease of ¥36.0 billion from Mar. 2008)
- ◆ Loans to potentially bankrupt debtors and lower: ¥78.1 billion (increase of ¥7.1 billion from Mar. 2008)

	(Subject: Credit related claimable assets such as loans)	Balance (As of the end of March 2008) a	As of the end of September 2008					For collection or write-offs g
			Normal assets b	Assets requiring caution c	Substandard assets d	Potentially bankrupt assets e	Bankrupt and effectively bankrupt assets F	
1	Normal debtors	2,401.0	2,288.5	25.1	7.8	2.2	1.8	75.4
2	Debtors requiring caution	206.2	47.6	142.4	3.1	7.5	0.4	5.0
3	Substandard debtors	48.7	0.3	1.2	37.1	4.3	0.7	4.7
4	Potentially bankrupt debtors	64.4	0.0	0.9	0.5	56.4	1.4	5.0
5	Bankrupt and effectively bankrupt debtors	6.6	0.0	0.0	0.0	0.2	2.8	3.5
6	New debtors	0.0	91.6	0.4	0.0	0.0	0.0	0.0
7	Total	2,727.1	2,428.3	170.2	48.6	70.7	7.4	93.8

Loans to normal debtors:
Increase of ¥27.2 billion
from March 2008

Loans to debtors requiring
caution and Substandard
debtors
Decrease of ¥36.0 billion from
March 2008

Loans to potentially bankrupt
debtors or below
Increase of ¥7.1 billion from
March 2008

Loans to potentially bankrupt
debtors or below
For collection or right-offs
¥8.5 billion

In this material, we refer to the future performance of the bank.
However, these descriptions do not guarantee the performance mentioned in the material and include risks and uncertainties.
Please be aware that the future performance mentioned in this material may change from the targets as a result of, for example, changes in the operating environment.

[Inquiries:]

The NANTO BANK, LTD. General Planning Division IR Group

TEL: 0742-27-1552

FAX: 0742-20-3614

E-mail: ir-souki@nantobank.co.jp

URL: <http://www.nantobank.co.jp/>



みんなで止めよう温暖化

チーム・マイナス6%