

Information Meeting The Year Ended March 2009

June 11, 2009



THE NANTO BANK, LTD

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I. Financial Results for FY2008

II. Management Strategy

Financial Results for FY2008

- 1. Summary of Profit and Loss

		(¥ billion)	FY2007	FY2008	Y/Y change
1	Core gross business profit		66.2	66.3	+0.1
2	Interest income		64.7	63.0	-1.7
3	Fees and commissions		7.8	6.3	-1.5
4	Other operating income (*1)		(6.3)	(3.0)	+3.3
5	Cost of derivative financial products		6.7	3.3	-3.3
6	Expenses		46.9	50.2	+3.2
7	Personnel expenses		25.2	26.2	+1.0
8	Non-personnel expenses		19.6	21.5	+1.8
9	Taxes		1.9	2.4	+0.4
10	Core net business profit		19.3	16.1	-3.1
11	Gains/Losses on bonds (JGBs, etc.)		(17.7)	(13.0)	+4.6
12	Net transfer to general provision for possible loan losses		-	-	-
13	Net business profit		1.5	3.0	+1.5
14	Non-recurrent gains/losses		(2.5)	(30.6)	-28.0
15	Gains/Losses on stocks		3.0	(17.3)	-20.4
16	Disposal of non-performing loans		4.7	11.4	+6.7
17	Ordinary income		(0.9)	(27.5)	-26.5
18	Extraordinary gains/losses		9.1	2.7	-6.4
19	Bad debt recovered		7.1	1.0	-6.0
20	Reversal of provision for possible loan loss		2.0	1.8	-0.1
21	Income before taxes		8.1	(24.8)	-32.9
22	Net income		5.0	(22.3)	-27.3
23	Credit cost (*2)		(4.4)	8.4	+12.9
24	Capital adequacy ratio (%)		10.53	9.82	-0.71

*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)

<No10 Core net business profit>

◆ Top-line profit fell ¥1.5 billion for various reasons including a decline in sales of investment trusts, but core gross business profit rose ¥0.1 billion year on year as a result of an increase in interest on loans.
◆ On the other hand, core net business profit shrank ¥3.1 billion year on year because of several factors including an increase in expenses related to the regional bank partnership system.

	(¥ billion)	FY2007	FY2008	Y/Y Change
Net interest income [Real net interest income]		64.7 [57.9]	63.0 [59.6]	-1.7 [+1.6]
Interest on loans and deposits		40.6	42.7	+2.1
Interest on loans		51.9	53.9	+1.9
Interest on deposits		11.3	11.1	-0.2
Interest on market sector [Real interest on market sector]		24.1 [17.4]	20.2 [16.9]	-3.8 [-0.5]
Interest on securities		26.9	21.9	-4.9
Interest on fund management		1.2	1.1	+0.0
Interest on fund procurement		4.0	2.8	-1.1
[Cost of derivative financial products]		[6.7]	[3.3]	[-3.3]

<No22 Net income>

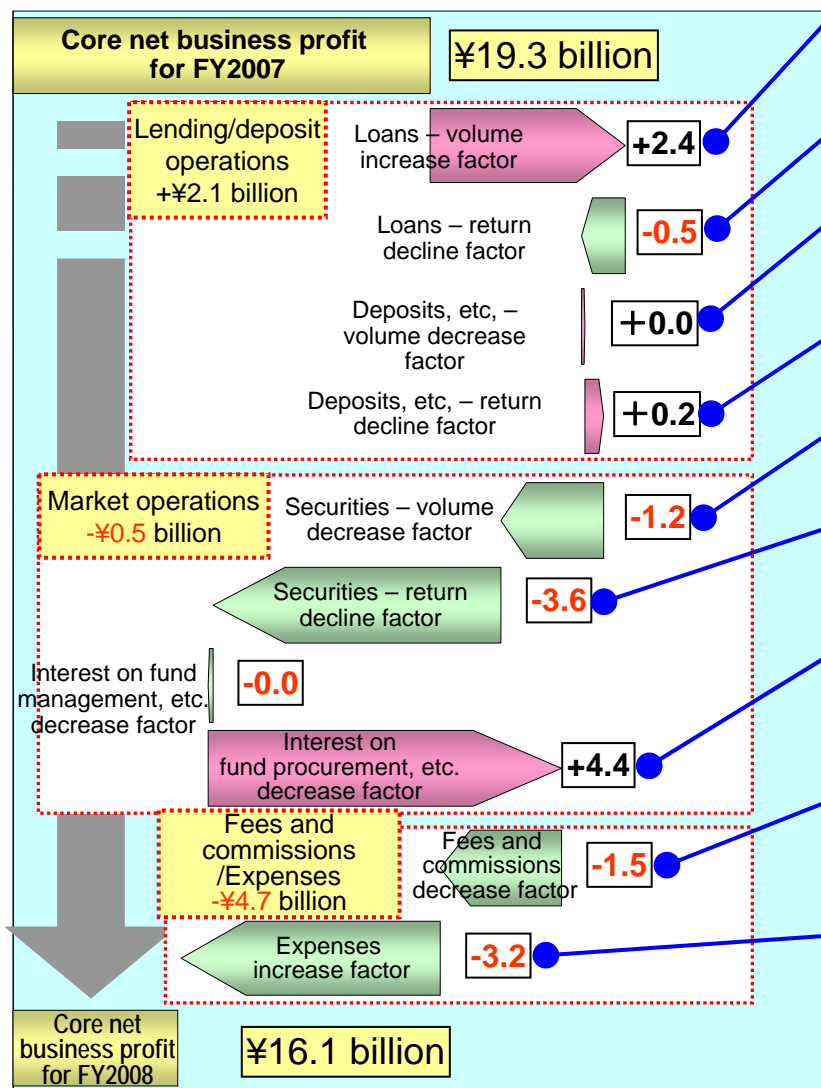
◆ The bank recorded a net loss of ¥22.3 billion for various reasons including the posting of ¥30.4 billion in losses related to bonds and shares due to stagnant financial markets and an increase in the disposal of retail non-performing loans following the deterioration in corporate earnings.

	(¥ billion)	FY2007	FY2008	Y/Y Change
Gains/losses on securities		(14.7)	(30.4)	-15.7
Gains/Losses on bonds (JGBs, etc.)		(17.7)	(13.0)	+4.6
Gains/Losses on stocks		3.0	(17.3)	-20.4
Credit cost		(4.4)	8.4	+12.9
Net transfer to general provision for possible loan losses		-	-	-
Disposal of non-performing loans		4.7	11.4	+6.7
Recoveries of write-offs		7.1	1.0	-6.0
Reversal of allowance for doubtful accounts		2.0	1.8	-0.1
Reversal of general allowances		0.2	2.2	+1.9
Reversal of special allowances		1.8	(0.3)	-2.1

Financial Results for FY2008

- 2. Summary of Core Net Business Profit

Factor Analysis of Changes in Core Net Business Profit

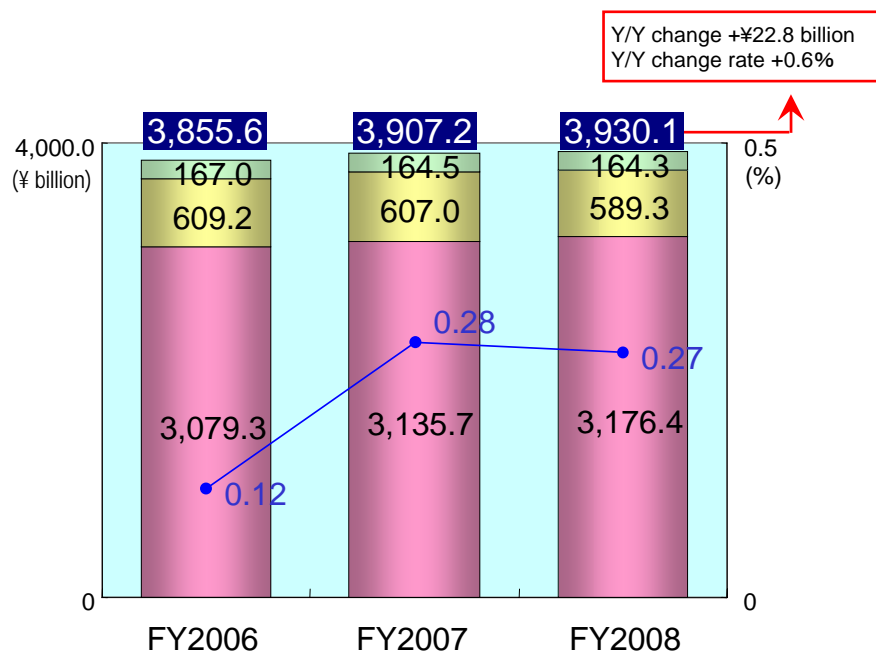


- Average balance of loans ¥2,702.9 billion (Y/Y change +¥123.0 billion Rate of change +4.8%)
- Interest rate on loans 1.99% (Y/Y -0.02%)
- Average balance of deposits ¥4,032.8 billion (Y/Y change -¥15.1 billion Rate of change -0.3%)
- Interest rate on deposits 0.27% (Y/Y -0.01%)
- Average balance of securities ¥1,540.4 billion (Y/Y change -¥77.2 billion Rate of change -4.8%)
- Yield on securities 1.42% (Y/Y change -0.24%)
- Interest payables under securities lending transactions Y/Y -¥1.4 billion
 Cost of derivative financial products Y/Y -¥3.3 billion
- Fees related to investment trust sales income ¥0.9 billion Y/Y -¥1.0 billion
 Life insurance sales income ¥1.3 billion Y/Y +¥0.2 billion
- Personnel expenses ¥26.2 billion Y/Y +1.0 billion
 Non-personnel expenses ¥21.5 billion Y/Y +¥1.8 billion
 (Factors behind the increase in non-personnel expenses included depreciation of software for the regional bank partnership)

Financial Results for FY2008 – 3. Deposits

Average Balance of Deposits by Sector

◆ The average balance of deposits during FY2008 rose ¥22.8 billion year on year to ¥3,930.1 billion since personal deposits rose ¥40.7 billion but corporate deposits declined ¥17.6 billion.



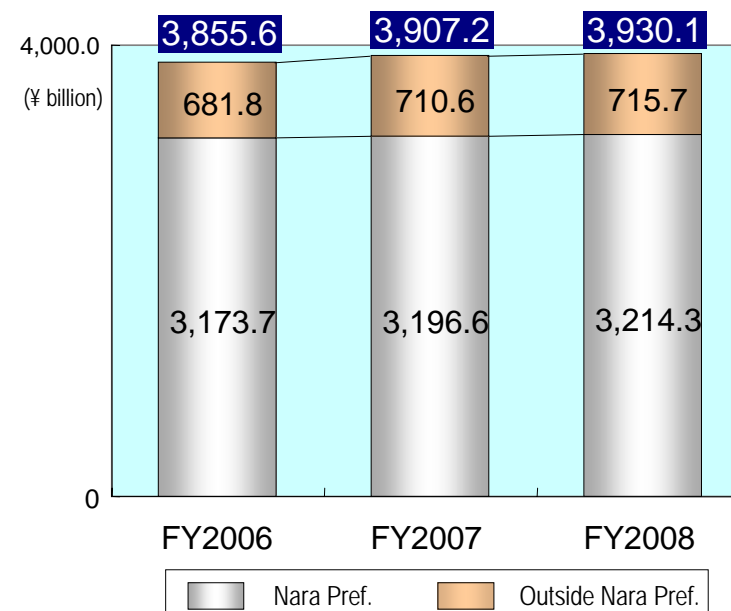
Personal
 Corporate
 Government/Finance
 Interest rate on deposits

<Average balance of deposits>

Category	Average Balance of Deposits (¥ billion)			
	FY2006	FY2007	FY2008	Y/Y change
Deposits outstanding	3,855.6	3,907.2	3,930.1	+22.8
Personal deposits	3,079.3	3,135.7	3,176.4	+40.7
Corporate deposits	609.2	607.0	589.3	-17.6
Government deposits	167.0	164.5	164.3	-0.2
NCD	107.9	140.7	102.7	-37.9
Deposits + NCD	3,963.5	4,047.9	4,032.8	-15.1

Average Balance of Deposits by Prefecture

◆ Deposits for all prefectures, excluding Tokyo, rose year on year. During FY2008, the average balance of deposits for Nara prefecture was ¥3,214.3 billion, which accounted for 82% of Nanto Bank's total deposits.



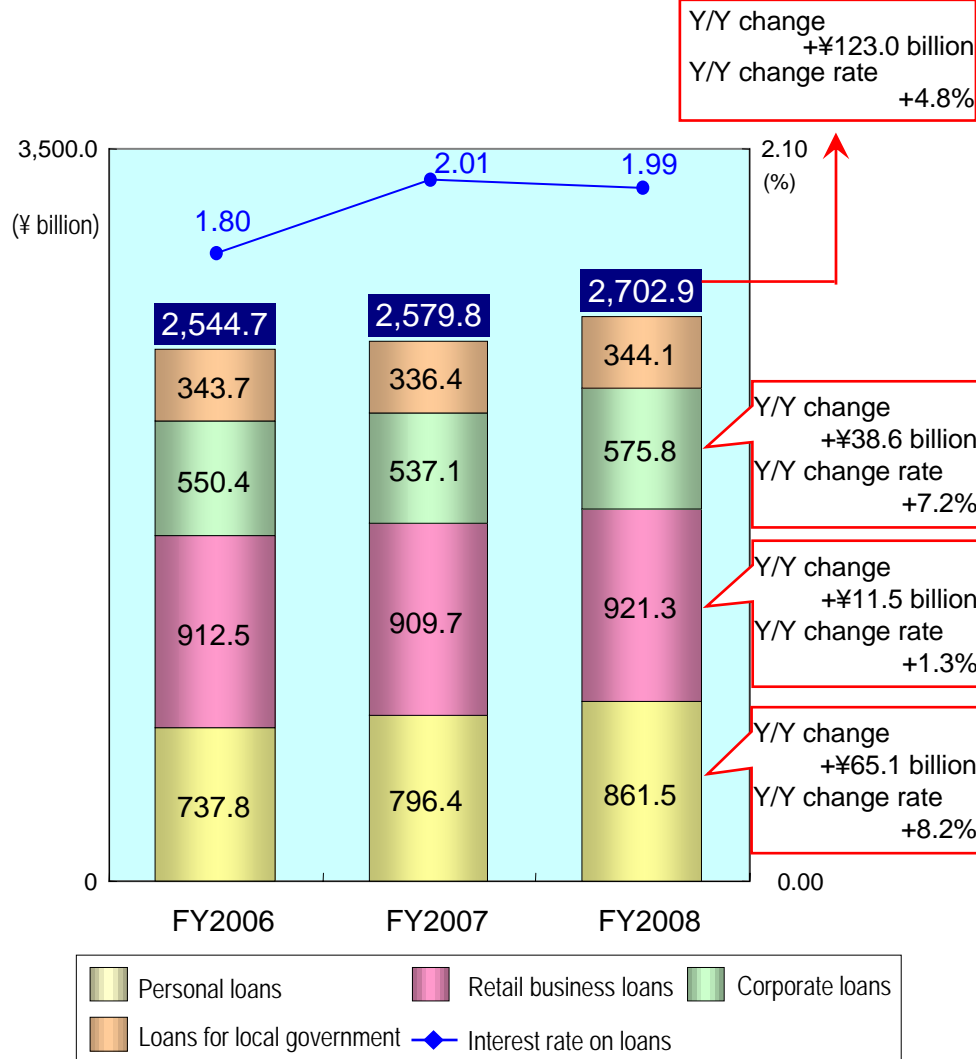
<Average balance of deposits>

Category	FY2006		FY2007		FY2008		
	Balance	Ratio	Balance	Ratio	Balance	Y/Y change	Ratio
Total deposits	3,855.6	100.0%	3,907.2	100.0%	3,930.1	+22.8	100.0%
Nara Pref.	3,173.7	82.3%	3,196.6	81.8%	3,214.3	+17.7	81.8%
Outside Nara Pref.	681.8	17.7%	710.6	18.2%	715.7	+5.1	18.2%
Osaka	175.7	4.6%	183.8	4.7%	191.1	+7.2	4.9%
Kyoto	283.2	7.3%	290.1	7.4%	292.8	+2.7	7.5%
Wakayama	161.9	4.2%	164.6	4.2%	165.1	+0.4	4.2%
Mie	55.6	1.4%	58.2	1.5%	59.6	+1.4	1.5%
Tokyo	5.2	0.1%	13.8	0.4%	6.9	-6.8	0.2%

Financial Results for FY2008 – 4. Loans

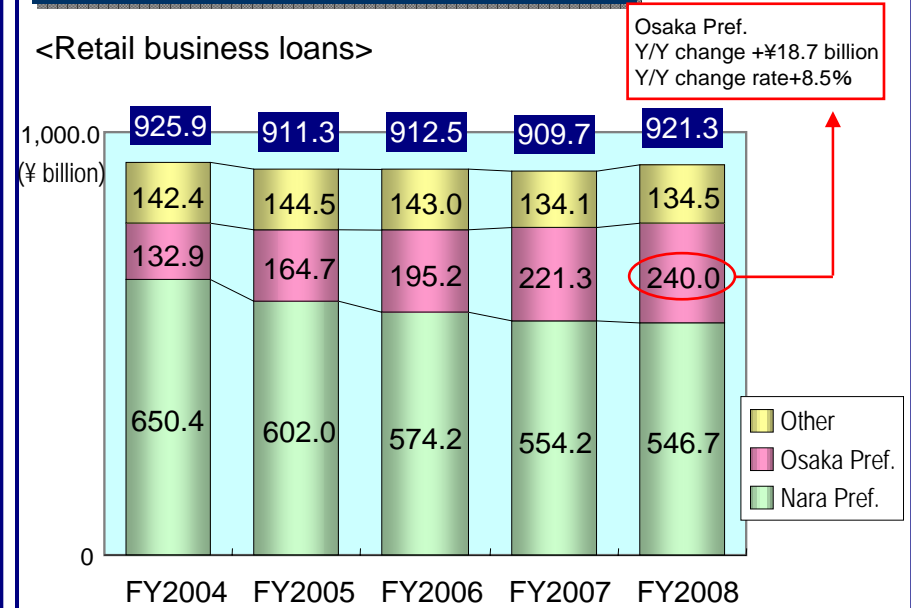
Average Balance of Loans by Sector

- ◆ The balance of loans has steadily risen for both personal and business loans.
- ◆ Loans outstanding for FY2008 amounted to ¥2,702.9 billion, a year-on-year increase of ¥123.0 billion.

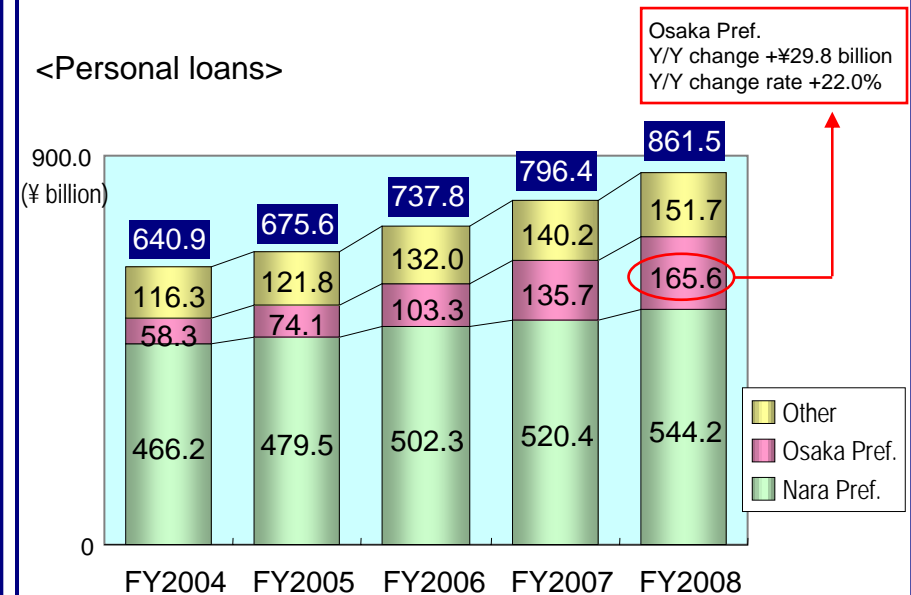


Average Balance of Loans by Prefecture

<Retail business loans>

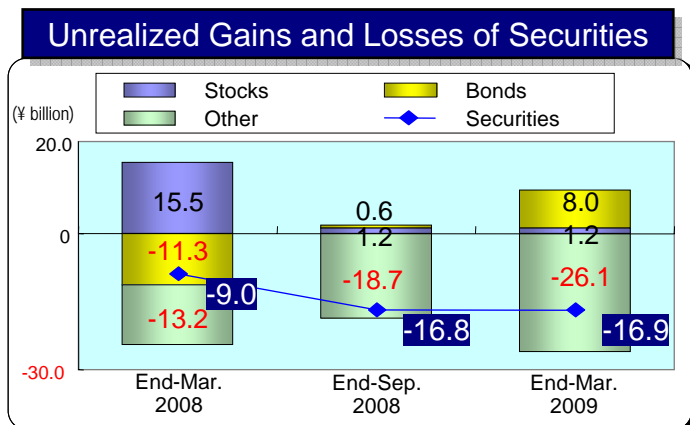
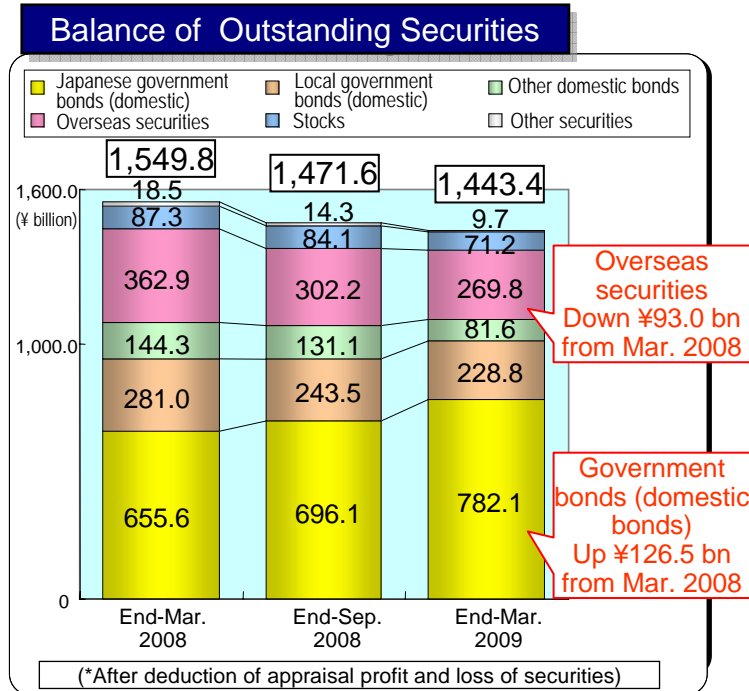


<Personal loans>



Financial Results for FY2008 – 5. Securities-1

- ◆ Balance of outstanding securities as of Mar. 2009: ¥1,443.4 billion (Down ¥106.3 billion from Mar. 2008)
- ◆ There was a decline in foreign bonds, whose spread between acquisition cost and management return shrank, and an increase in assets allocated to domestic bonds, particularly long-term government bonds.



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

	Book value	Unrealized gain/loss	End of Sep. 2008		End of Mar. 2009					
			Book value	Unrealized gain/loss	Book value	Change from 03/08	Change from 09/08	Unrealized gain/loss	Change from 03/08	Change from 09/08
1 Marketable securities total	1,549.8	-0.9	1,471.6	-16.8	1,443.4	-106.3	-28.1	-16.8	-7.8	0.0
2 Domestic bonds	1,081.0	-11.3	1,070.8	0.6	1,092.6	11.6	21.7	8.0	19.4	7.3
3 Japanese government bonds	655.6	-14.6	696.1	2.7	782.1	126.5	85.9	8.4	23.0	5.6
4 Fixed rate bonds	321.5	2.7	362.2	0.9	448.3	126.7	86.0	5.0	2.2	4.1
5 Floating rate bonds	334.0	-17.4	333.9	1.8	333.8	-0.2	-0.1	3.3	20.8	1.5
6 Local government bonds	281.0	2.4	243.5	-1.7	228.8	-52.1	-14.6	-0.2	-2.6	1.5
7 Other domestic bonds	144.3	0.8	131.1	-0.4	81.6	-62.7	-49.5	-0.2	-1.0	0.1
8 Of which are securitized products	1.8	0.0	1.1	0.0	0.3	-1.5	-0.7	0.0	0.0	0.0
9 CMBS (a)	1.6	0.0	1.0	0.0	0.3	-1.3	-0.7	0.0	0.0	0.0
10 ABS (b)	0.2	0.0	0.1	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
11 Overseas securities	362.9	-11.7	302.2	-16.7	269.8	-93.0	-32.4	-25.1	-13.4	-8.4
12 Government bonds	55.6	-1.6	55.8	-1.6	28.0	-27.5	-27.7	0.4	2.0	2.1
13 Government guaranteed bonds	0.0	0.0	0.0	0.0	11.9	11.9	11.9	0.1	0.1	0.1
14 Corporate bonds	141.3	-2.9	132.6	-5.2	132.1	-9.2	-0.5	-7.7	-4.8	-2.5
15 Financial institution's bonds, etc.	48.4	0.0	47.7	-1.7	52.6	4.1	4.8	-3.0	-3.0	-1.2
16 Subordinate bonds	92.9	-2.9	84.9	-3.4	79.5	-13.4	-5.4	-4.7	-1.7	-1.2
17 Other overseas securities	165.9	-7.1	113.7	-9.8	97.7	-68.1	-16.0	-17.9	-10.8	-8.1
18 Of which are CMS	58.0	-1.8	54.2	-4.1	47.0	-11.0	-7.2	-6.9	-5.0	-2.7
19 Of which are <i>enman</i> bond	55.0	-4.5	30.0	-4.2	30.0	-25.0	0.0	-9.5	-5.0	-5.2
20 Of which are capital guaranteed index bond	12.0	-0.7	12.1	-1.1	11.9	0.0	-0.1	-1.4	-0.7	-0.3
21 Of which are securitized products	22.6	0.0	11.5	-0.2	7.0	-15.6	-4.4	0.0	0.0	0.2
22 Synthetic CDOs (1)	14.3	0.0	7.5	0.0	3.9	-10.3	-3.5	0.0	0.0	0.0
23 Capital notes (2)	1.4	0.0	0.6	-0.1	0.0	-1.4	-0.5	0.0	0.0	0.1
24 CDOs (3)	0.5	-0.1	0.0	0.0	0.0	-0.5	0.0	0.0	0.1	0.0
25 US mortgages (c)	5.7	0.0	2.9	0.0	2.6	-3.0	-0.2	0.0	0.0	0.0
26 CMBS (d)	0.6	0.0	0.4	0.0	0.3	-0.2	0.0	0.0	0.0	0.0
27 Stocks	87.3	15.5	84.1	1.2	71.2	-16.0	-12.9	1.2	-14.3	0.0
28 Other securities	18.5	-1.4	14.3	-1.9	9.7	-8.8	-4.6	-0.9	0.4	1.0
29 Trust beneficiary rights	2.5	0.0	2.3	0.0	2.3	-0.1	0.0	0.0	0.0	0.0
30 of which are CMBS (e)	2.5	0.0	2.3	0.0	2.3	-0.1	0.0	0.0	0.0	0.0
31 Total	1,552.3	-9.0	1,474.0	-16.8	1,445.8	-106.5	-28.2	-16.9	-7.8	0.0
32 Securitized products that were written down (1)+(2)+(3)	16.3	0.0	8.2	-0.1	4.0	-12.3	-4.1	0.0	0.0	0.1
33 Other securitized products (a)+(b)+(c)+(d)+(e)	10.7	0.0	6.8	0.0	5.7	-4.9	-1.0	0.0	0.0	0.0

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 FY2008 – 5. Securities-2

- ◆ Loss on securities is recorded due to financial markets turmoil associated with financial instability originated from U.S. and the global economic recession. (Gains/losses on bonds: -¥13.0 billion, Gains/losses on stocks: -¥17.3 billion)
- ◆ The book value of securitized products, such as synthetic CDOs, CDOs, and Capital Notes, which were written down, declined to ¥4.0 billion at the end of Mar. 2009 from ¥16.3 billion at the end of March 2008.

Breakdown of Gains/Losses on Securities

	(¥ billion)	FY2007	FY2008			
			Forecast released on Jan. 22	Result	Difference from forecast	Y/Y Change
1	Gains/losses on securities	(14.7)	(26.3)	(30.4)	-4.0	-15.7
2	Gains/losses on bonds (Japanese government bonds, etc.)	(17.7)	(12.8)	(13.0)	-0.2	+4.6
3	Gain on disposal of bonds	0.7	3.3	4.4	+1.0	+3.6
4	Gain on redemption of bonds	0.0	0.1	0.1	+0.0	+0.1
5	Loss on disposal of bonds	5.6	2.2	2.2	+0.0	-3.4
6	Loss on redemption of bonds	7.4	9.9	11.5	+1.5	+4.0
7	Write-offs	5.3	4.0	3.8	-0.2	-1.5
8	Gains/losses on stocks	3.0	(13.5)	(17.3)	-3.8	-20.4
9	Gain on disposal of stocks	6.1	5.1	5.1	+0.0	-1.0
10	Loss on disposal of stocks	0.4	0.4	1.2	+0.7	+0.8
11	Write-offs	2.7	18.2	21.3	+3.0	+18.5

No5 Loss on disposal of securities

	1H FY08	2H FY08	FY08
Loss on disposal of J-REITs	¥1.0 bn	¥0.4 bn	¥1.4 bn
Loss on disposal of Lehman Brother bonds	¥0.8 bn	—	¥0.8 bn
Total	¥1.8 bn	¥0.4 bn	¥2.2 bn

No6 Loss on redemption of bonds

	1H FY08	2H FY08	FY08
Securitized products	¥5.5 bn	¥3.5 bn	¥9.1 bn
Investment trusts	¥0.2 bn	¥2.1 bn	¥2.4 bn
Total	¥5.8 bn	¥5.7 bn	¥11.5 bn

No7 Loss on write-off of bonds

	1H FY08	2H FY08	FY08
Subordinate bonds	—	¥2.6 bn	¥2.6 bn
Securitized products	¥0.1 bn	¥0.5 bn	¥0.6 bn
Investment trusts	—	¥0.5 bn	¥0.5 bn
Total	¥0.1 bn	¥3.6 bn	¥3.8 bn

No11 Loss on write-off of stocks

	1H FY08	2H FY08	FY08
• Losses due to decline in the stock market	¥1.9 bn	¥19.3 bn	¥21.3 bn
(breakdown by decline in value)			
30% - 50%	¥1.9 bn	¥15.5 bn	¥17.4 bn
50% or more	¥0.02 bn	¥3.8 bn	¥3.8 bn

Criteria for Recording Impairment on Securities

<Stocks>

- Shares whose market value at the end of the fiscal year declined 50% or more compared to the book value – uniform recording of impairment loss
 - Shares whose market value at the end of the fiscal year declined 30% or more but less than 50%, and whose average market value in the final month of the fiscal year fell 30% or more (compared to the book value) – uniform recording of impairment loss

<Bonds>

- Bonds whose market value at the end of the fiscal year declined 50% or more compared to the book value -uniform recording of impairment loss
 - Bonds whose market value (at the end of the fiscal year) declined 30% or more but less than 50% compared to the book value, and whose rating was BB or less –uniform recording of impairment loss
- * Of these bonds, unrealized gains/losses at the end of the fiscal year of securitized products that incorporate derivatives are recorded as “gain/loss on redemption” regardless of rating or decline in value.

<Breakdown of securitized products (1)

–book value after write down and unrealized gain/loss>

(¥ billion)	Book value as of Mar. 2008		Book value as of Sep. 2008		Book value as of Mar. 2009	
	Book value	Unrealized gain/loss	Book value	Change from Mar. 2008	Book value	Change from Mar. 2008
Synthetic CDO	14.3	0.00	7.5	-6.7	3.9	-10.3
CDO	0.5	-0.12	0.0	-0.5	0.0	-0.5
Capital note	1.4	0.05	0.6	-0.8	0.0	-1.4
Total	16.3	-0.07	8.2	-8.1	4.0	-12.3

<Breakdown of securitized products (2) –losses >

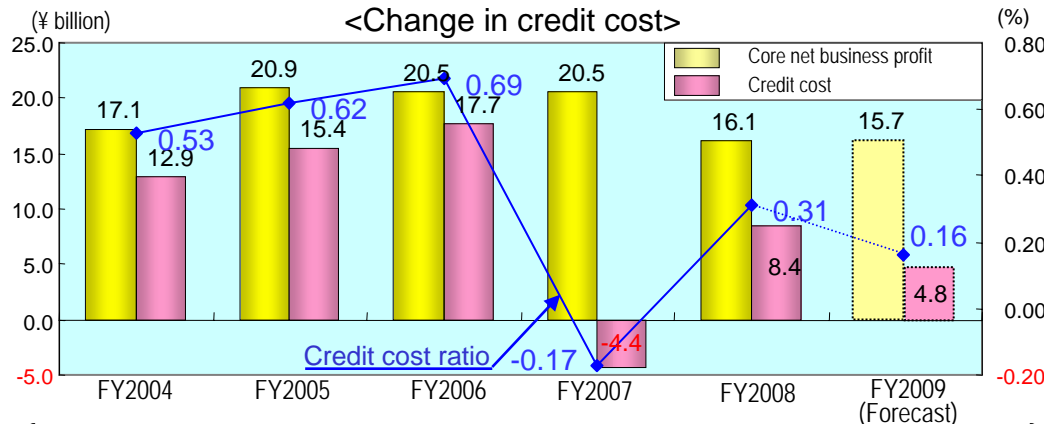
(¥ billion)	Losses recorded in FY2007				Losses recorded in 1H FY2008				Losses recorded in FY2008			
	Loss on disposal	Write-offs	Loss on redemption	Total	Loss on disposal	Write-offs	Loss on redemption	Total	Loss on disposal	Write-offs	Loss on redemption	Total
Synthetic CDO	1.5	0.4	7.4	9.4			4.7	4.7			8.3	8.3
CDO		0.2	0.2	0.2		0.1		0.1		0.1		0.1
Capital note		4.6	4.6	4.6		0.0	0.8	0.8		0.5	0.8	1.3
Total	1.5	5.3	7.4	14.3	0.0	0.1	5.5	5.7	0.0	0.6	9.1	9.8

Financial Results for FY2008 – 6. Disposal of NPLs

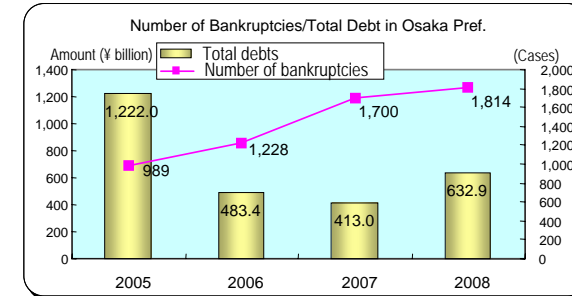
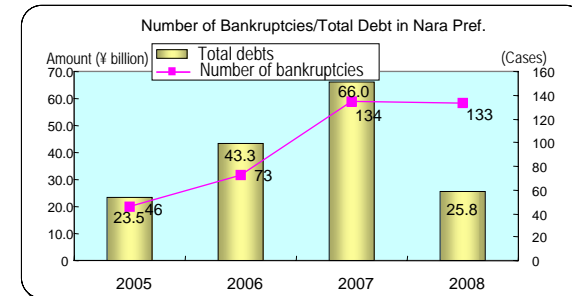
Credit Cost

In FY2008, disposal of retail non-performing loans rose as corporate earnings deteriorated due to the weak economy.

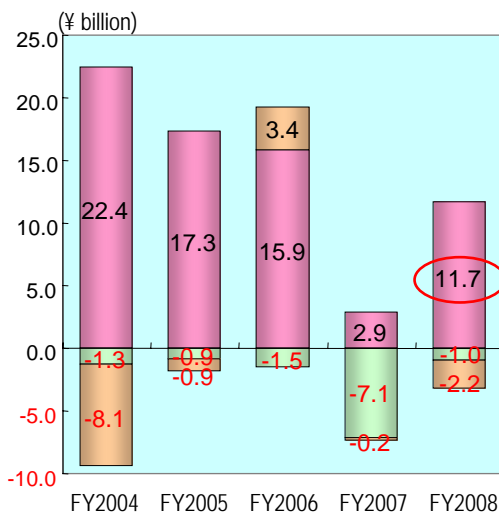
⇒ FY2008 Credit cost=¥8.4 billion (Credit cost ratio=0.31%)



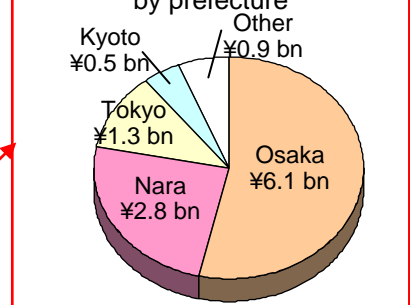
*Credit cost=Net transfer to general provision for possible loan losses + Disposal of non-performing loans
- Bad debt recovered
*Credit cost ratio=Credit cost / Average balance of loans x100



Breakdown of Credit Cost

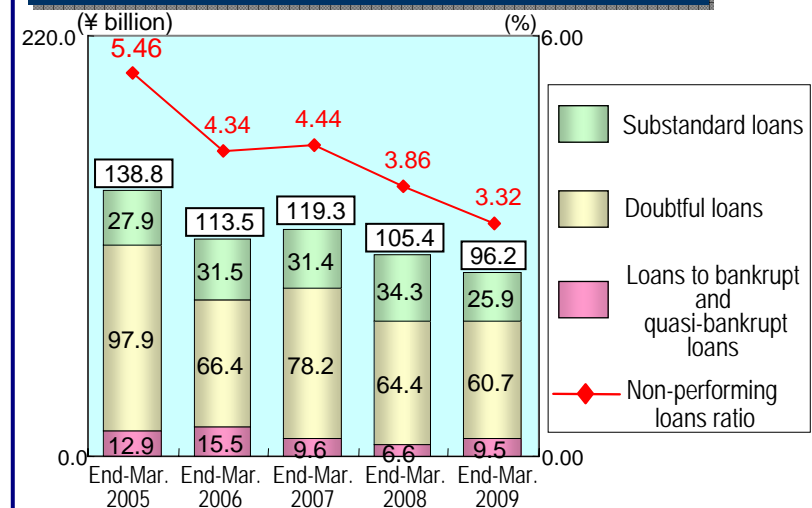


Disposal of non-performing loans by prefecture



Disposal of non-performing loans
Net transfer to general provision for possible loan losses
Bad debt recovered

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

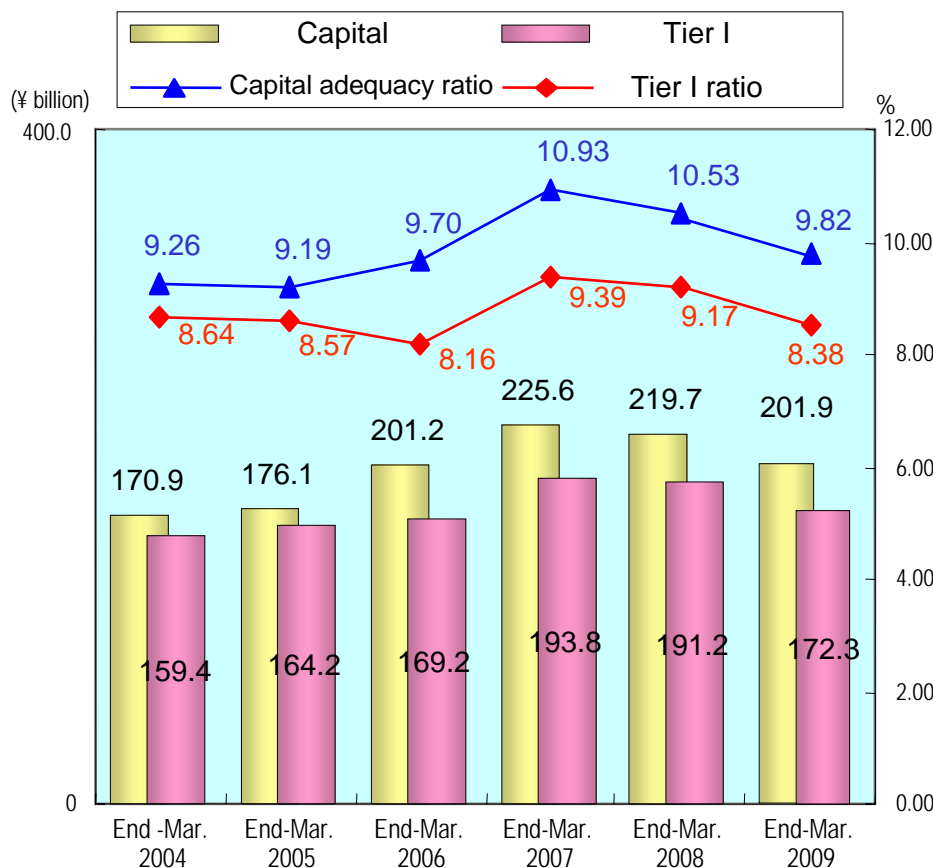


Financial Results for FY2008 – 7. Capital Adequacy Ratio

Capital Adequacy Ratio

• Mar. 2009 Capital adequacy ratio= 9.82%
(Change from Mar. 2008: -0.71%)

Tier I Ratio= 8.38%
(Change from Mar. 2008: -0.79%)



		End-Mar. 2004		End-Mar. 2005		End-Mar. 2006		End-Mar. 2007		End-Mar. 2008		End-Mar. 2009		Y/Y change
		(% billion, %)												
1	Tier I	159.4	164.2	169.2	193.8	191.2	172.3	-18.8						
2	Of which are preferred securities	-	-	-	20.0	20.0	20.0	+0.0						
3	Tier II	11.5	11.9	32.1	32.8	33.0	32.8	-0.1						
4	General provision for possible loan losses	11.5	11.9	12.1	12.8	13.0	12.8	-0.1						
5	Hybrid debt capital instruments	-	-	20.0	20.0	20.0	20.0	+0.0						
6	Deductions	0.0	0.0	0.0	1.0	4.5	3.2	-1.2						
7	Capital	170.9	176.1	201.2	225.6	219.7	201.9	-17.8						
8	Risk weighted asset	1,845.4	1,915.6	2,073.6	2,063.7	2,084.8	2,055.6	-29.1						
9	Credit-risk assets	1,845.4	1,915.6	2,073.6	1,941.6	1,960.4	1,931.1	-29.2						
10	Amount equivalent to operational risk	-	-	-	122.1	124.4	124.5	+0.1						
11	Capital adequacy ratio (No.7 / No.8 x 100)	9.26	9.19	9.70	10.93	10.53	9.82	-0.72						
12	Tier I ratio (No.1 / No.8 x100)	8.64	8.57	8.16	9.39	9.17	8.38	-0.78						

* 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"
* Unrealized gains/losses on floating rate bonds for FY2008 are calculated based on theoretical price.

<Interest-rate risk for bank account> (As of the end of Mar. 2009)
• 99 percentile method
• Amount of interest-rate risk ¥37.8 billion
• Outlier ratio 18.4%

Business Forecast for FY2009

		FY 2008	FY2009 Forecast	
(¥ billion)				
1	Core gross business profit	66.3	66.7	+0.3
2	Interest income	63.0	60.3	-2.7
3	Interest on loans	53.9	53.5	-0.3
4	Interest on securities	21.9	17.5	-4.4
5	Interest on fund management	1.1	0.2	-0.9
6	Interest on deposits	11.1	9.0	-2.1
7	Interest on fund procurement	2.8	1.9	-0.9
8	Fees and commissions	6.3	6.6	+0.2
9	Other operating income (*1)	(3.0)	(0.2)	+2.8
10	Cost of derivative financial products	3.3	0.5	-2.7
11	Expenses	50.2	51.0	+0.7
12	Personnel expenses	26.2	26.5	+0.2
13	Non-personnel expenses	21.5	22.3	+0.7
14	Taxes	2.4	2.1	-0.2
15	Core net business profit	16.1	15.7	-0.4
16	Gains/Losses on bonds (JGBs, etc.)	(13.0)	0.0	+13.0
17	Net transfer to general provision for possible loan losses	-	(0.3)	-0.3
18	Net business profit	3.0	16.0	+12.9
19	Non-recurrent gains/losses	(30.6)	(7.0)	+23.6
20	Gains/Losses on stocks	(17.3)	0.0	+17.3
21	Disposal of non-performing loans	11.4	5.7	-5.7
22	Ordinary income	(27.5)	9.0	+36.5
23	Extraordinary gains/losses	2.7	0.6	-2.1
24	Bad debt recovered	1.0	0.6	-0.4
25	Reversal of provision for possible loan loss	1.8	-	-1.8
26	Income before taxes	(24.8)	9.6	+34.4
27	Net income	(22.3)	6.0	+28.3
28	Credit cost (*2)	8.4	4.8	-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 – Reversal of provision for possible loan loss

<No15 Core net business profit>

◆ Core gross business profit is projected to increase for various reasons including growth in fees and commissions and a decline in interest on deposits as rates fall, but core net business profit is expected to decline ¥400 million year on year to ¥15.7 billion as a result of an increase in expenses due to several factors including growth in fees for sales support system and outsourcing fees.

<Personal loans>

(¥ billion/ %)	FY2009 Forecast			Change from FY2008			Change Factor	
	Balance	Return	Interest	Balance	Return	Interest	Balance factor	Return factor
Loans	2,836.4	1.88	53.5	+133.5	-0.11	-0.3	+2.66	-3.06
Business loans	1,579.1	1.74	27.5	+81.9	-0.13	-0.4		
Personal loans	894.1	2.23	20.0	+32.5	-0.11	-0.1		
Loans for local government	363.1	1.62	5.8	+19.0	-0.03	+0.2		
Deposits	4,031.9	0.22	9.0	-0.8	-0.05	-2.1	-0.00	-2.11

<No27 Net income>

◆ Net income is projected to increase ¥28.3 billion year on year to ¥6.0 billion since securities-related gains are forecast to improve dramatically and credit costs are expected to decline.

	FY2006	FY2007	FY2008	Forecast for FY 2009
Net income (¥ billion)	6.3	5.0	(22.3)	(6.0)
Total dividends (¥ billion)	1.6	1.6	1.6	(1.6)
Acquisition of treasury stock (¥ billion)	-	0.5	0.5	-
Dividend per share (¥)	6.0	6.0	6.0	(6.0)
Shareholder return ratio (%)	26.2	42.7	-	-
Payout ratio (%)	26.2	32.8	-	-

I. Financial Results for FY2008

II. Management Strategy

Progress in Implementing the Medium-Term Management Plan

Medium-Term Management Plan
More Value –“Nanto”

- Strive to expand the business foundation and improve risk management with the goal of further increasing corporate value

April 2008 – March 2011

Basic Policies (summary)

1. Strengthen profitability and improve risk management
2. Invigorate employees and the organization
3. Invigorate local economies
4. Promote CSR

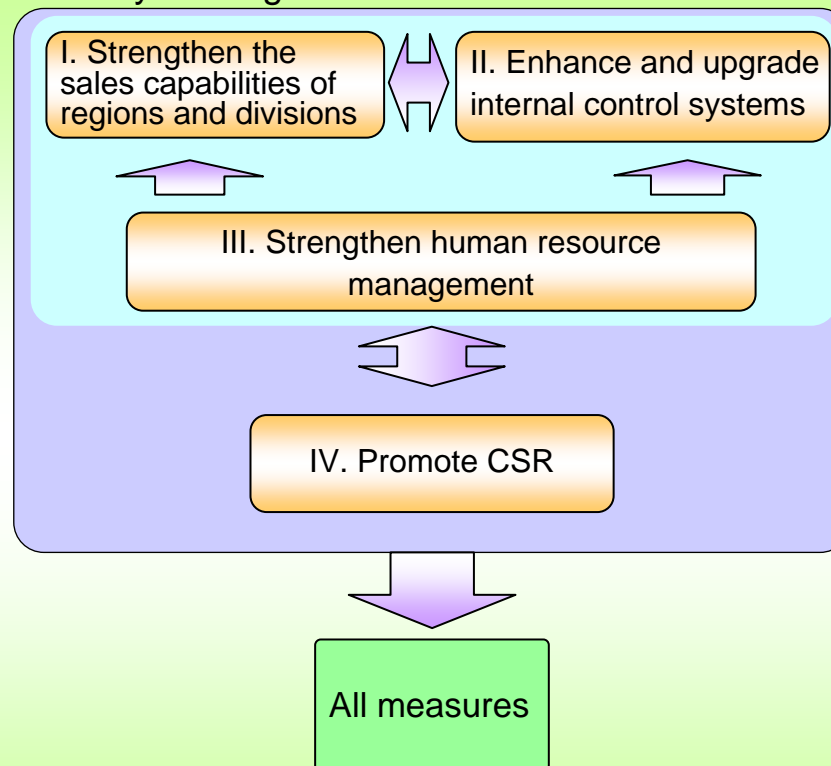
Numerical Targets

Item	FY2007 (Results)	FY2008 (Results)		FY2009 (Plan)	
		Compared with mid-term MP	Compared with mid-term MP	Compared with mid-term MP	Compared with mid-term MP
1. Core net business profit	¥19.3 bn	¥16.1 bn	-¥1.3 bn	¥15.7 bn	-¥5.9 bn
2. Net income	¥5.0 bn	-¥22.3 bn	-¥29.5 bn	¥6.0 bn	-¥3.4 bn
3. Outstanding loans	¥2,690 bn	¥2,860 bn	¥70 bn	¥2,910 bn	¥10 bn

<Interest rate scenario>

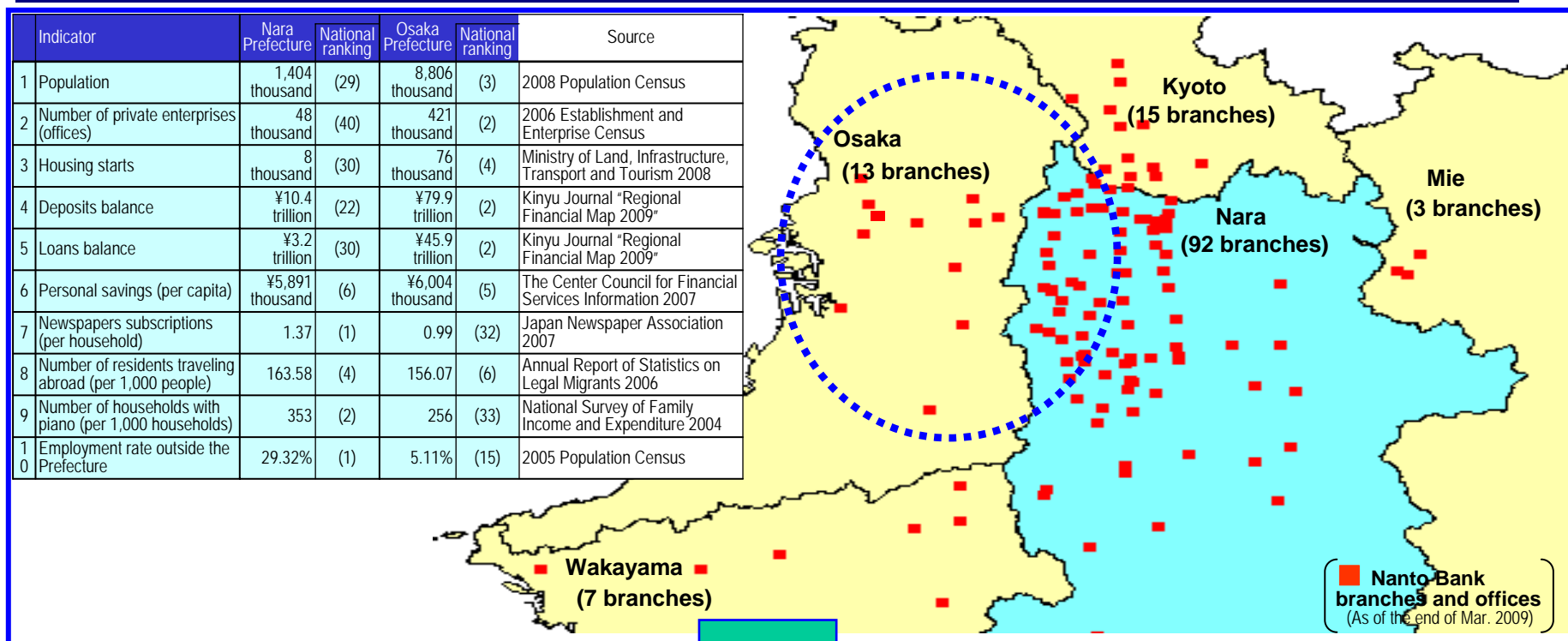
		FY2008 (%)		FY2009 (%)			
		3/2009	Compared with mid-term MP	9/2009	Compared with mid-term MP	3/2010	Compared with mid-term MP
Japan	Overnight unsecured call rate	0.10	-0.40	0.10	-0.65	0.10	-0.65
	Short-term prime	2.175	-0.200	2.175	-0.200	2.175	-0.450
	3-month TIBOR	0.70	-0.20	0.70	-0.30	0.70	-0.40
	5-year JGB	0.70	-0.60	0.70	-0.70	0.70	-0.80
	10-year JGB	1.30	-0.30	1.30	-0.40	1.30	-0.50
U.S.	3-month LIBOR	1.00	-1.80	1.00	-2.20	1.00	-2.50
	US 5-year bond	1.80	-1.30	1.80	-1.60	2.00	-1.70
EU	3-month LIBOR	2.00	-2.30	2.00	-2.30	2.00	-2.30
	German 5-year bond	2.20	-2.00	2.00	-2.40	2.00	-2.40

Priority Strategies



Market Characteristics

- The loan market for Osaka prefecture is around 14 times the size of the market in Nara.
- Nara prefecture is the typical retail market with many wealthy residents.
- Osaka city is around 30 minutes from the center of Nara prefecture, and 29.32% of Nara prefecture residents work outside the prefecture (the largest percent in Japan). Around 90% of the residents working outside of the prefecture work in Osaka.



< 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.

Corporate Banking Efforts (1)

<New Offices>

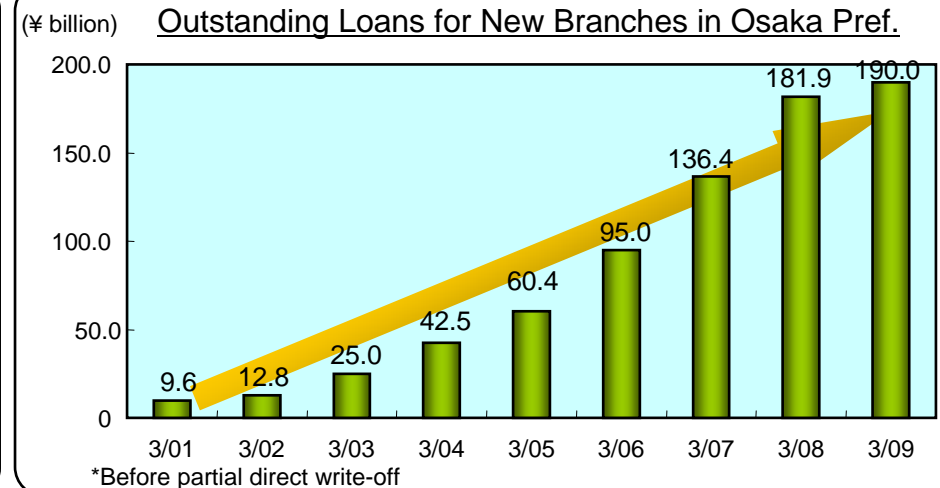
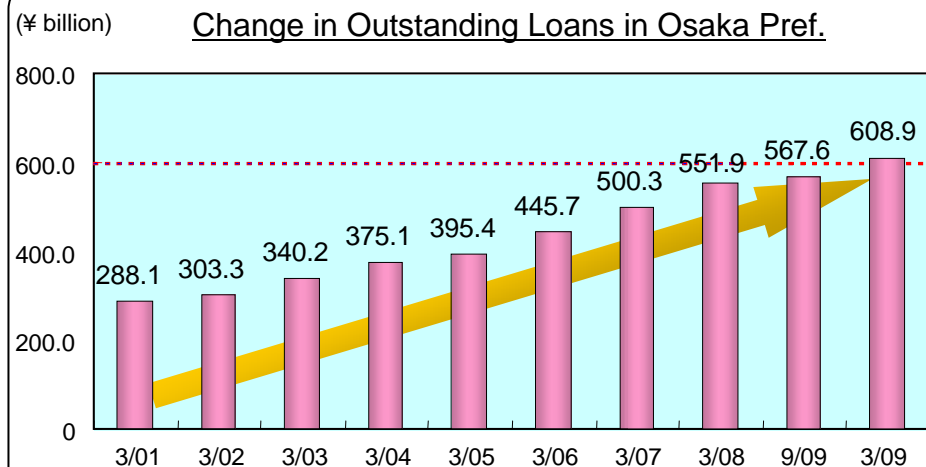
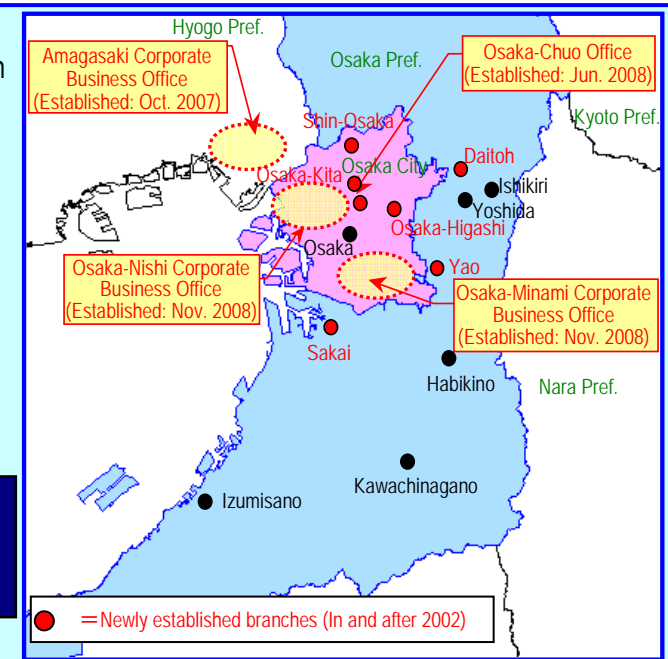
- 1) Oct.2000, established Higashi-Osaka Corporate Business Office -> Oct.2002 Osaka-Higashi Branch
- 2) Oct.2000, established Yao Corporate Business Office -> Apr.2004 Yao Branch
(Transfer of the Yao South Office)
- 3) Oct.2001, established Daitoh Corporate Business Office -> Dec.2003 Daitoh Branch
- 4) Jan.2003, established Osaka Corporate Business Office -> Jun.2008 incorporated into Osaka-Chuo Office
- 5) Jun.2003, established Osaka North Corporate Office -> Jan.2004 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

----- Medium-Term Management Plan More Value –“Nanto”-----

- 9) Jun.2008, established Osaka-Chuo Office
- 10) Nov.2008, established Osaka-Minami Corporate Business Office
- 11) " established Osaka West Corporate Business Office

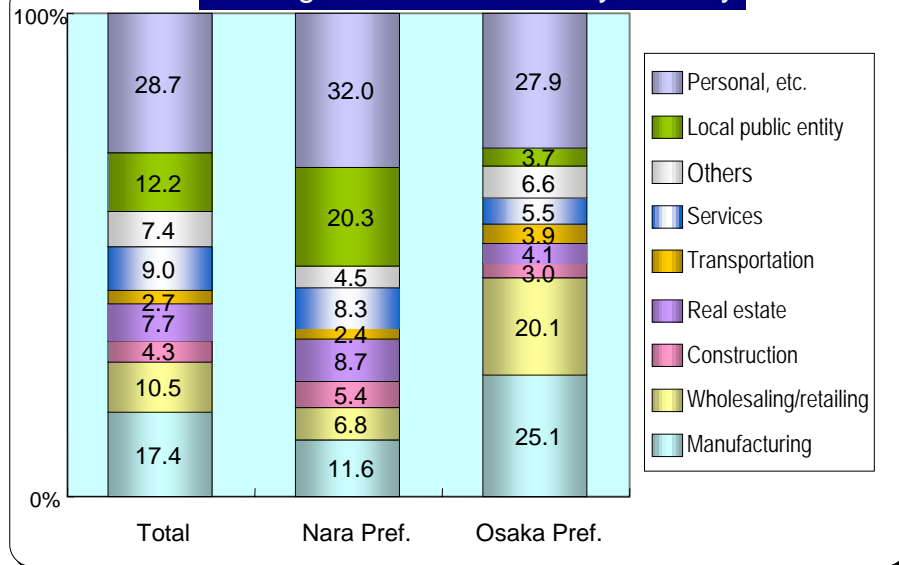
<Medium-term management plan>

- Expansion of offices: at least 10 offices
- Commitment of human resources: at least 140 staff

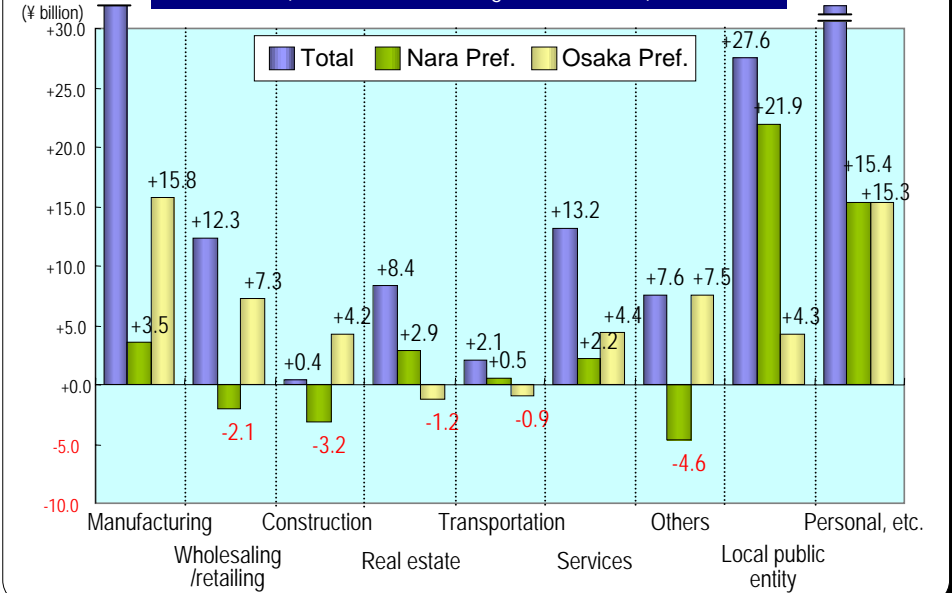


Corporate Banking Efforts (2)

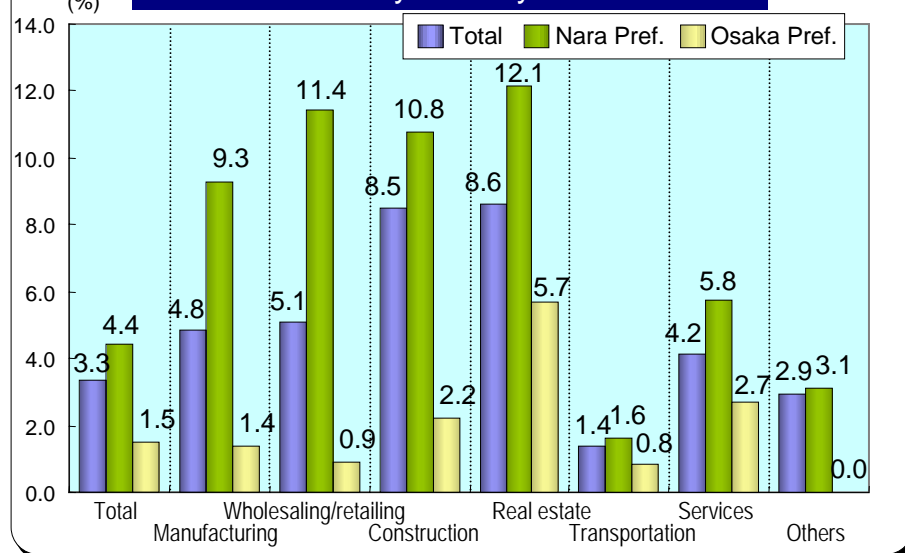
Closing Balance of Loans by Industry



Closing Balance of Loans by Industry (FY2008, YoY Change from FY2007)



Loans – Risk-Management Loan Ratio by Industry

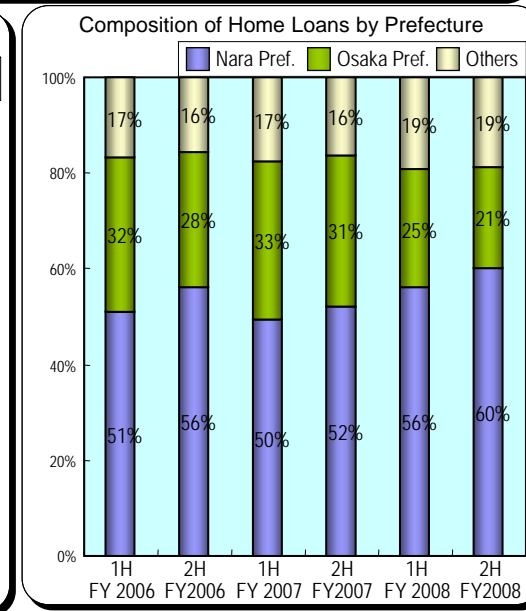
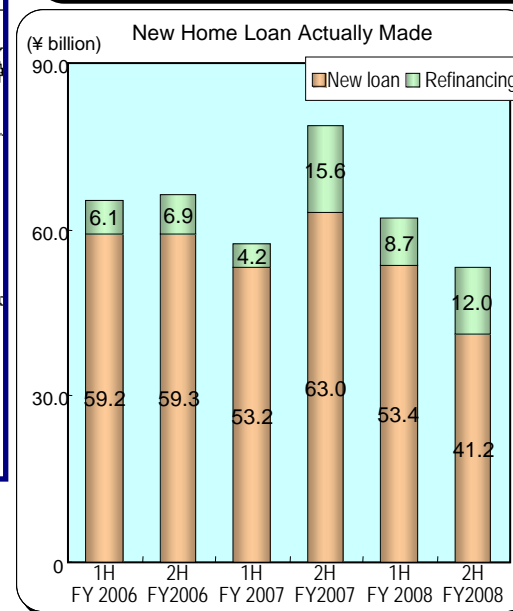
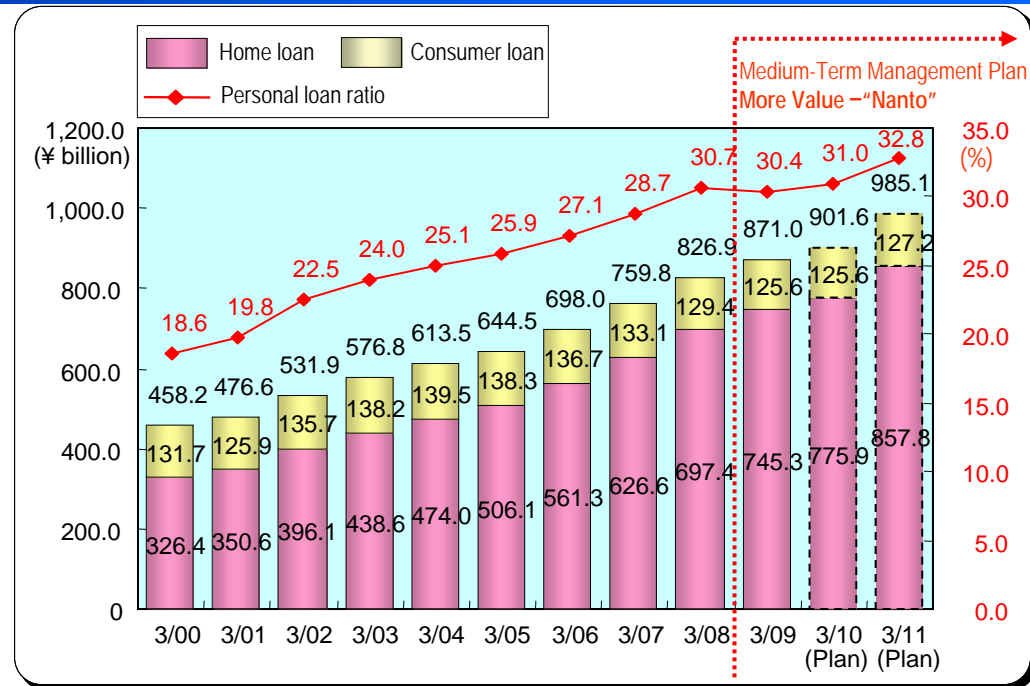
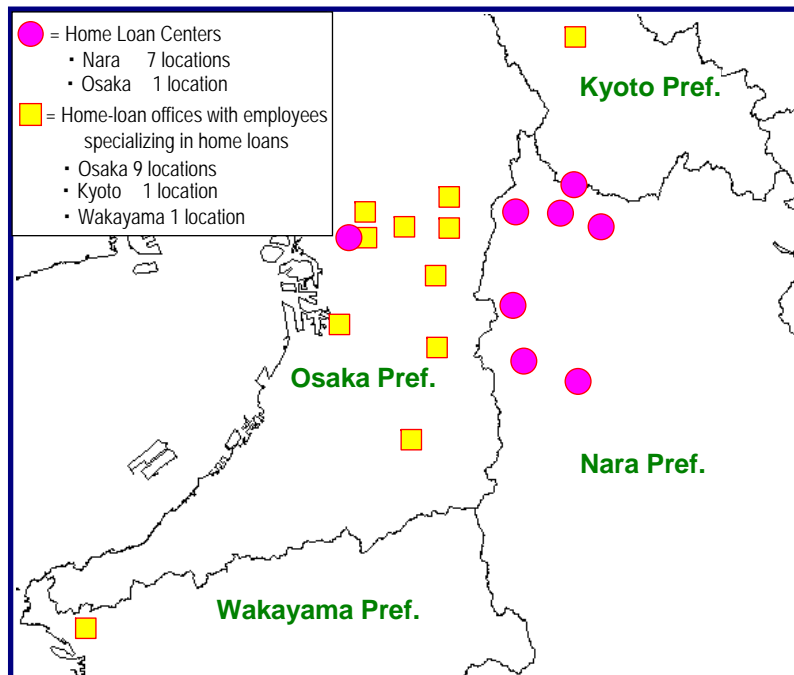


(\$ billion / %)	Total			Nara Pref.			Osaka Pref.			Others		
	Loans balance	Risk-management loan balance	Risk-management loan ratio	Loans balance	Risk-management loan balance	Risk-management loan ratio	Loans balance	Risk-management loan balance	Risk-management loan ratio	Loans balance	Risk-management loan balance	Risk-management loan ratio
Total	2,867.7	95.8	3.3	1,582.7	70.0	4.4	608.9	9.0	1.5	676.0	16.6	2.5
Manufacturing	500.0	24.2	4.8	183.7	17.0	9.3	153.1	2.1	1.4	163.1	5.0	3.1
Wholesaling/retailing	301.3	15.4	5.1	107.8	12.3	11.4	122.6	1.1	0.9	70.9	1.9	2.7
Construction	124.4	10.6	8.5	85.5	9.2	10.8	18.3	0.4	2.2	20.6	1.0	4.9
Real estate	220.5	19.0	8.6	137.0	16.6	12.1	24.7	1.4	5.7	58.7	0.9	1.5
Transportation	78.4	1.1	1.4	37.6	0.6	1.6	23.9	0.2	0.8	16.8	0.2	1.2
Services	257.8	10.7	4.2	131.7	7.6	5.8	33.6	0.9	2.7	92.5	2.0	2.2
Others	211.3	6.2	2.9	71.3	2.2	3.1	40.0	0.0	0.0	99.9	3.9	3.9
Local public entity	350.8	0.0	0.0	321.9	0.0	0.0	22.8	0.0	0.0	5.9	0.0	0.0
Personal, etc.	822.7	8.3	1.0	505.9	4.2	0.8	169.6	2.7	1.6	147.2	1.3	0.9

Retail Banking Efforts (1)

<Measures for reinforcing home loans>

- Strengthening the refinancing projects
 - Strengthen promotion through tie-ups between specialized home loan channels (home loan centers at 8 locations and home-loan offices at 11 locations) and sales offices
- Strengthening the relationship with the housing related businesses
 - Actively respond to new projects by strengthening the relationship with the housing related businesses
 - Strengthen the promotion of products and functional services related to direct deposit (for salaries), credit cards, utility bills, etc.

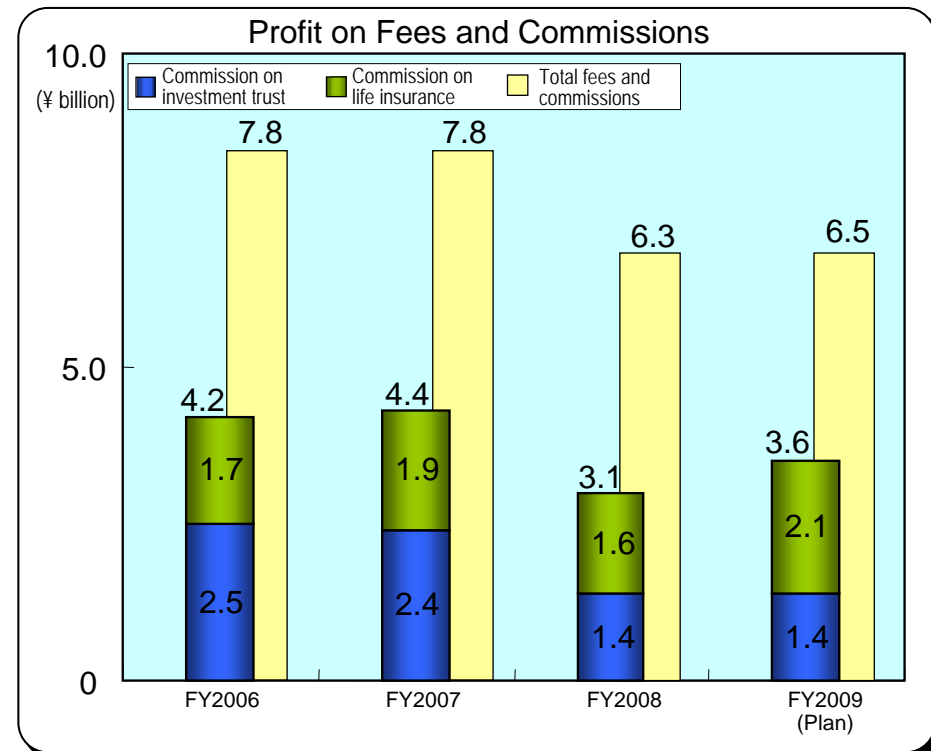
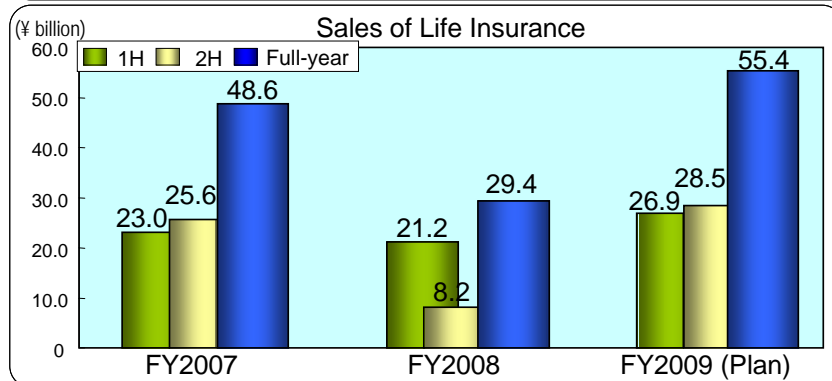
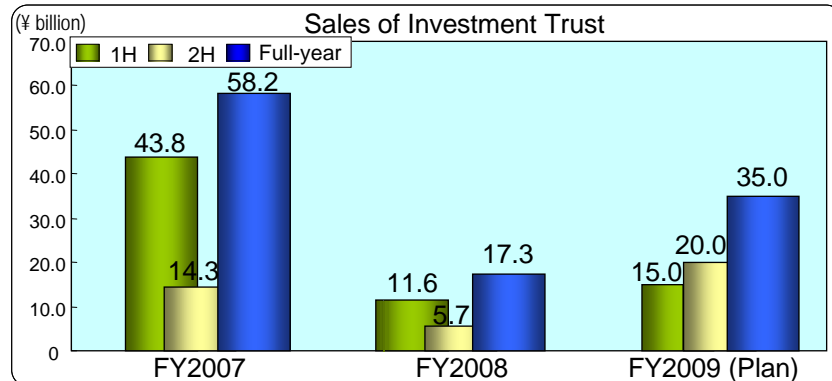
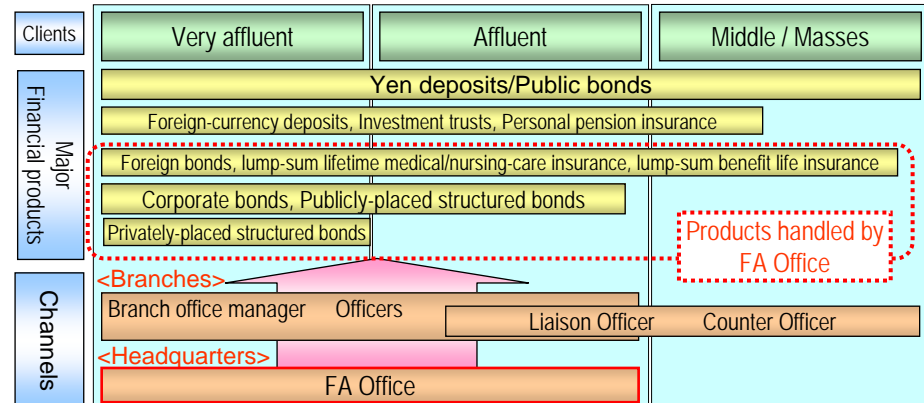


Retail Banking Efforts (2)

<Measures to reinforce assets on deposit>

- Strengthen efforts targeting the wealthy
 - FA offices were established in 2 locations within Nara Prefecture in November 2008, the number of personnel was increased from 4 to 10, and the financial product sales system was strengthened.
 - Promotional efforts were strengthened by integrating the sales offices and headquarters, particularly for wealthy households with financial assets worth ¥50 million or more.
- Introduction of new products etc.
 - New individual annuity insurance was introduced (2 other products were introduced from January 2009)
 - Enhancement of products lineup [37 products for investment trust, 11 products for personal pension insurance, 10 products for lump-sum benefit life insurance]
- Improving sales skills, etc.
 - Upgrade existing skills of personnel (At least 50% on the employees shall have the qualifications.)
 - Performance Report Meeting for customers, which also acts as follow-up activity, was held.

<Financial Products Sales Structure>



CSR-Related Efforts

◆ Nanto Bank is continuing to actively undertake CSR activities based on the two pillars of “environment preservation” and “social contributions” and is aiming to raise corporate value in non-financial terms as “a bank that grows with the local community.”

Promoting CSR

Environmental preservation

- Support the Yoshino Heart Project *
- Examine environment preservation within the main business
- Examine taking part in forest preservation activities

* Yoshino Heart Project promotes Yoshino Forest's wood products including thinned wood for disposable chopsticks for improving the forest and invigorating the forestry activity.



Yoshino Cedar chopsticks



Planting trees



Social contributions

- Actively support the 1300th Anniversary of the Nara Heijo-kyo Capital (starting from January 2010)
 - ◆ The 1300th Anniversary of Nara Heijo-kyo Capital Time Deposit (popularly referred to as *Nanto-de-sento*)
 - Amount collected: ¥130.0 billion
 - Maturity: 1 or 2 years
 - Applicable interest rate: Indicated rate + 0.13%
 - Period available: From May 27, 2009 to Sep. 30, 2009
- Work with the Yoshino Cherry Blossom Preservation Association
- Spread education about monetary economics within the local community



Nanto Bank's original "Sento-kun" ©Heijo-kyo 1300th Anniv.



Monetary economics class at local elementary school

Organizing CSR

Examine organized support for employee and OB volunteer activities

Expand disclosure of CSR information

Appendix

Profile of the Nanto Bank	Appendix-1
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Profile of the Nanto Bank

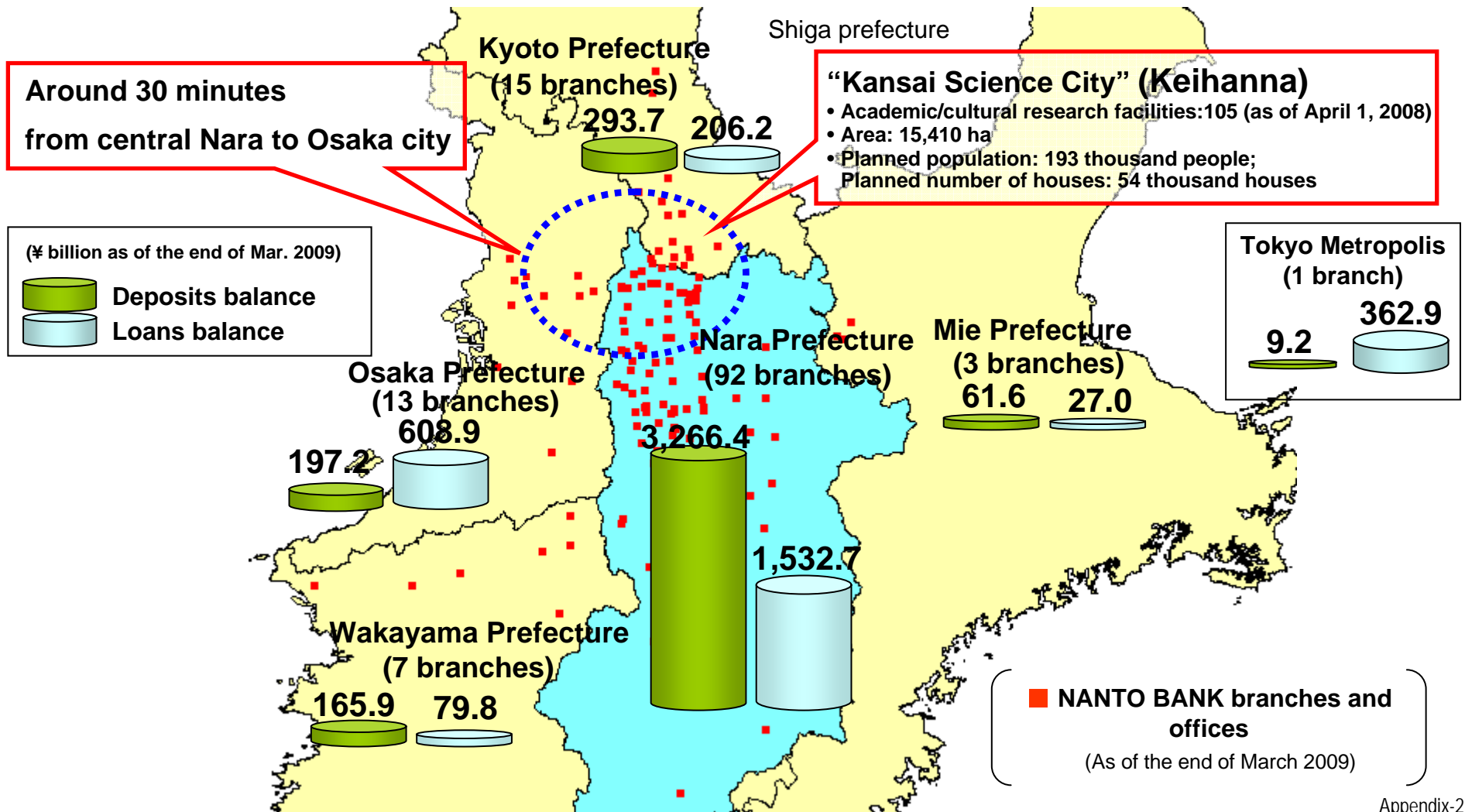
(As of the end of March 2009)

1. Founded	June 1, 1934
2. Location of Head Office	16, Hashimoto-cho, Nara City
3. Capital	¥29,249 million
4. Number of employees	2,645
5. Number of offices	131 (Japan), 2 (Overseas, representative offices in Hong Kong and Shanghai)
6. Total assets	¥4,596.3 billion
7. Deposits outstanding	¥4,093.2 billion
8. Outstanding loans	¥2,867.7 billion
9. Capital adequacy ratio	Non-consolidated: 9.82% Consolidated: 10.06%



(Head Office)

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



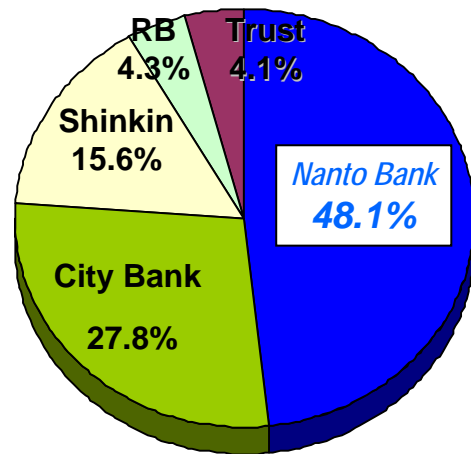
Share in Nara Prefecture

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

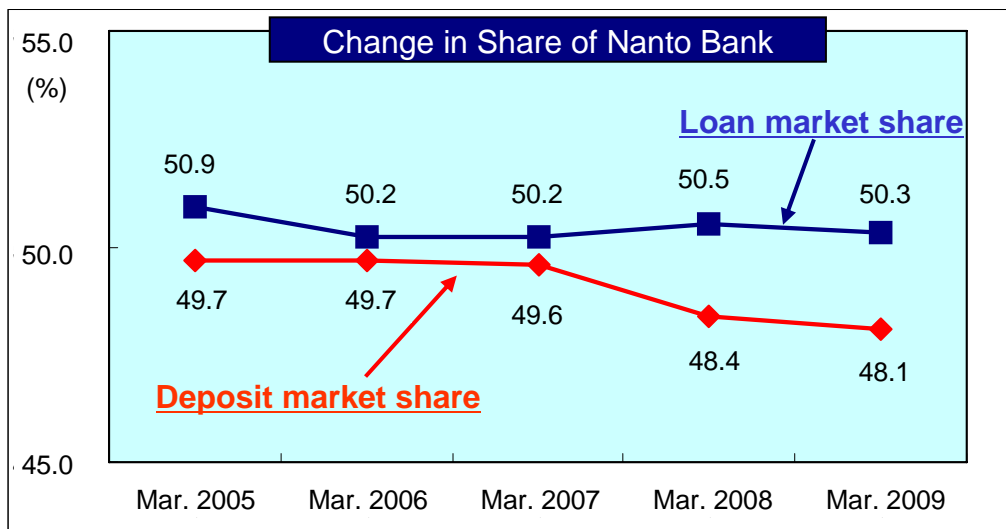
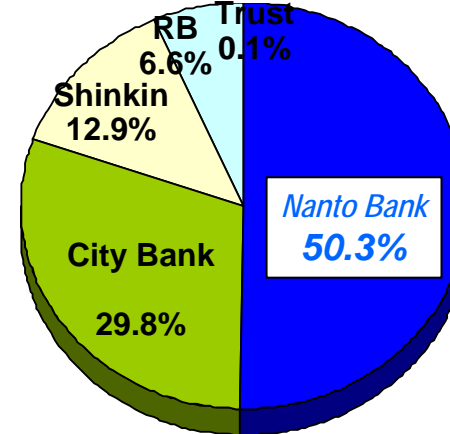
Deposit market share in Nara Pref.: 48.1%

Loan Market Share in Nara Pref.: 50.3% (at end of March 2009)

<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")

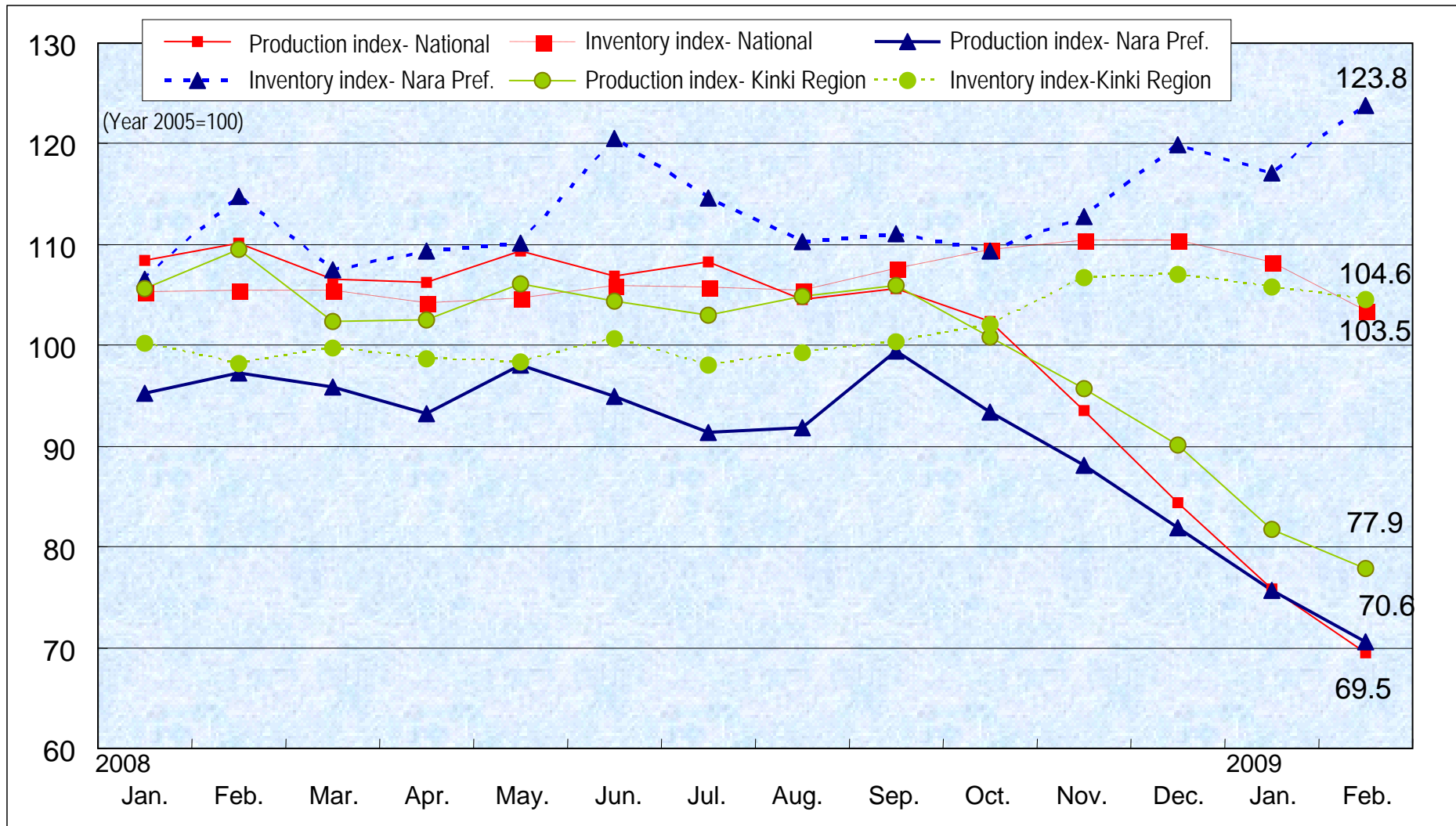
* Total number of commercial banks, trust banks, and shinkin banks in Nara Prefecture. (excluding agricultural cooperatives, postal savings)

Main Indicators for Nara Prefecture

No.	Indicator	Nara Prefecture		Osaka Prefecture		Source
			National ranking		National ranking	
1	Population	1,404 thousand	29	8,806 thousand	3	2008 Population Census
2	Number of private enterprises (offices)	48 thousand	40	421 thousand	2	2006 Establishment and Enterprise Census
3	Housing starts	8 thousand	30	76 thousand	4	2008 Ministry of Land, Infrastructure, Transportation and Tourism
4	Deposits balance	¥10.4 trillion	22	¥79.9 trillion	2	Kinyu Journal "Regional Financial Map 2009"
5	Loans balance	¥3.2 trillion	30	¥45.9 trillion	2	Kinyu Journal "Regional Financial Map 2009"
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 and continues to decline.

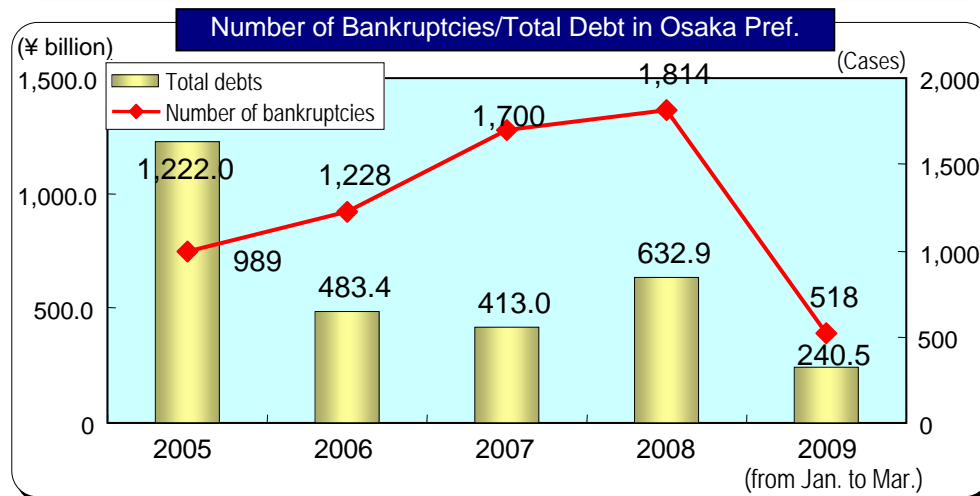
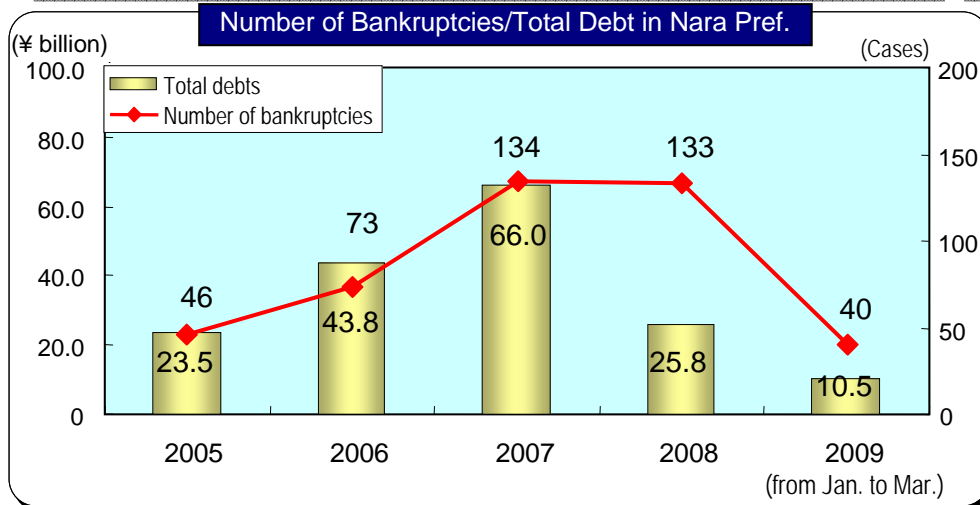


[Source: Nara Prefecture / Ministry of Economy, Trade and Industry]

Business Bankruptcy and Employment Conditions

◆ Business Bankruptcy

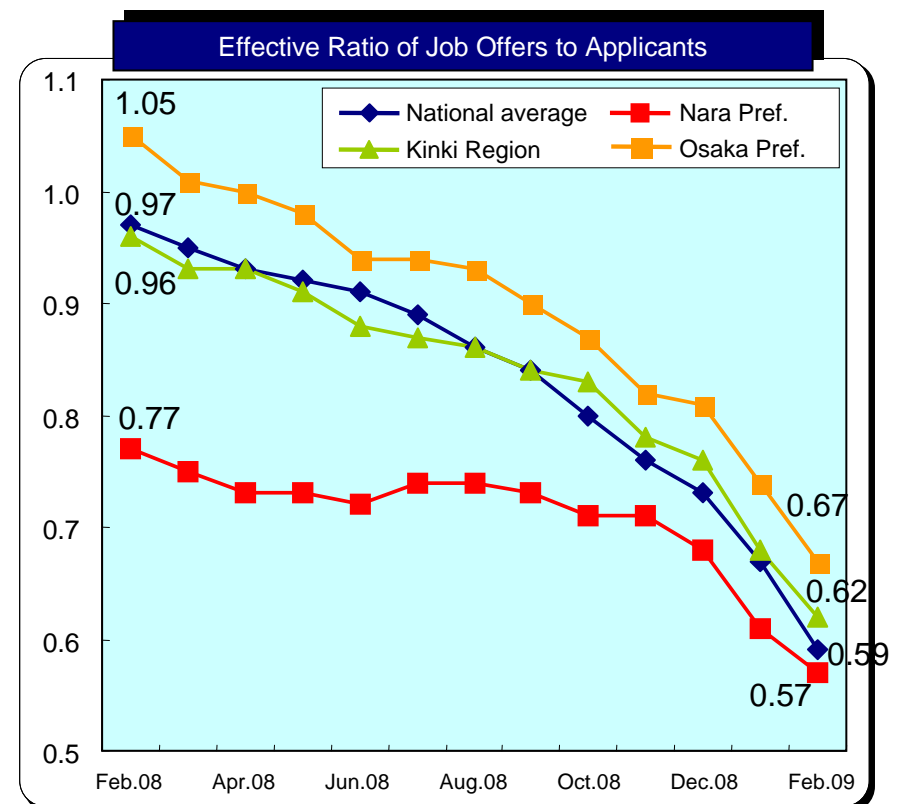
- Both bankruptcy and total debts increased in 2008.
- Bankruptcy in Nara Prefecture in 2008
→ 133 cases, ¥25.8 billion in total debts
- There has been a recent upward trend in the number of bankruptcies (for the period between Jan. and Mar. 2009)



[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 Feb. 2009 → 0.57 times, 0.20 point down from the previous year.

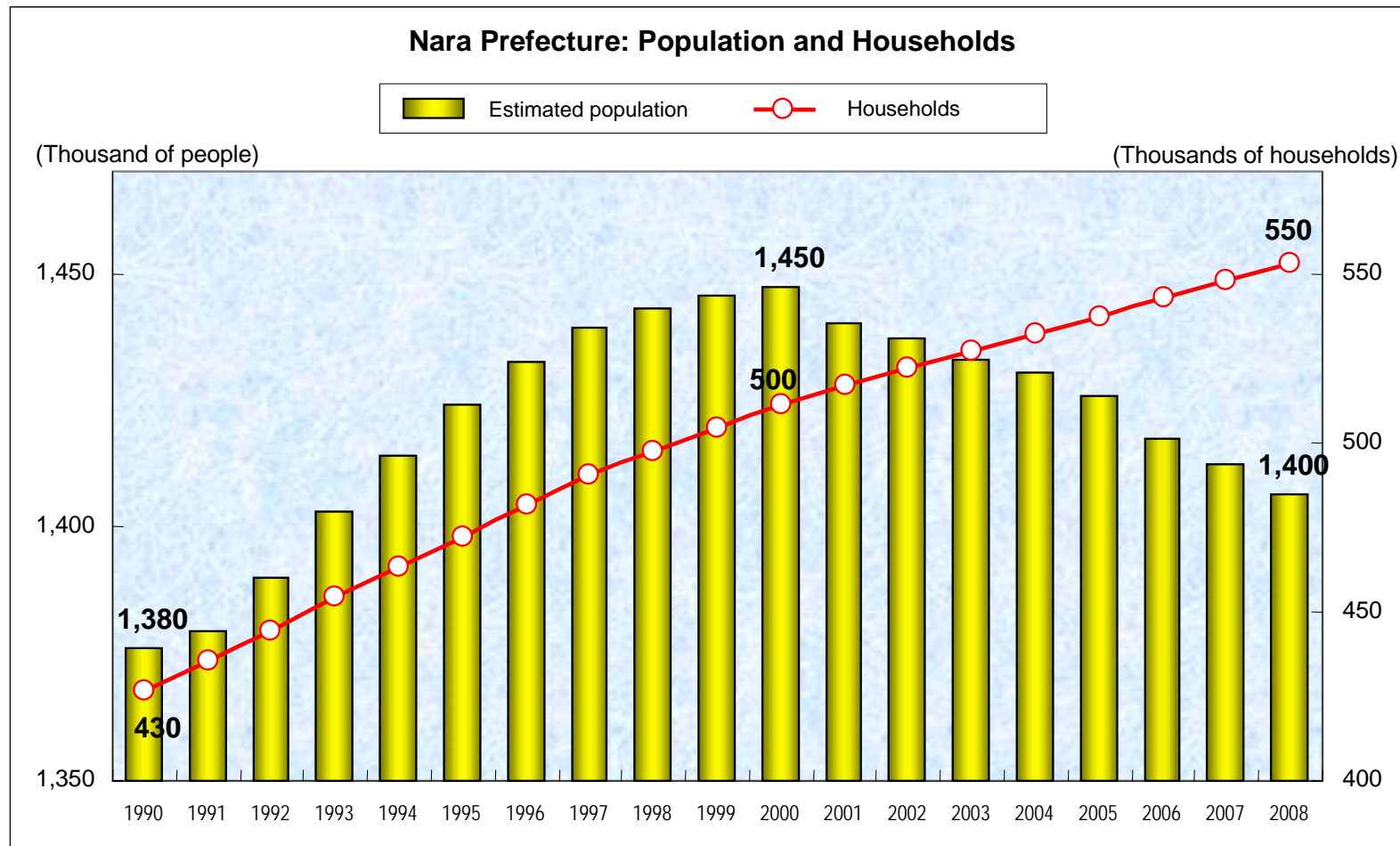


[Source: Health, Labour and Welfare Ministry / Nara Labor Bureau]

Number of Population and Households in Nara Prefecture

◆ Population of Nara Prefecture (2008): 1.40 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.

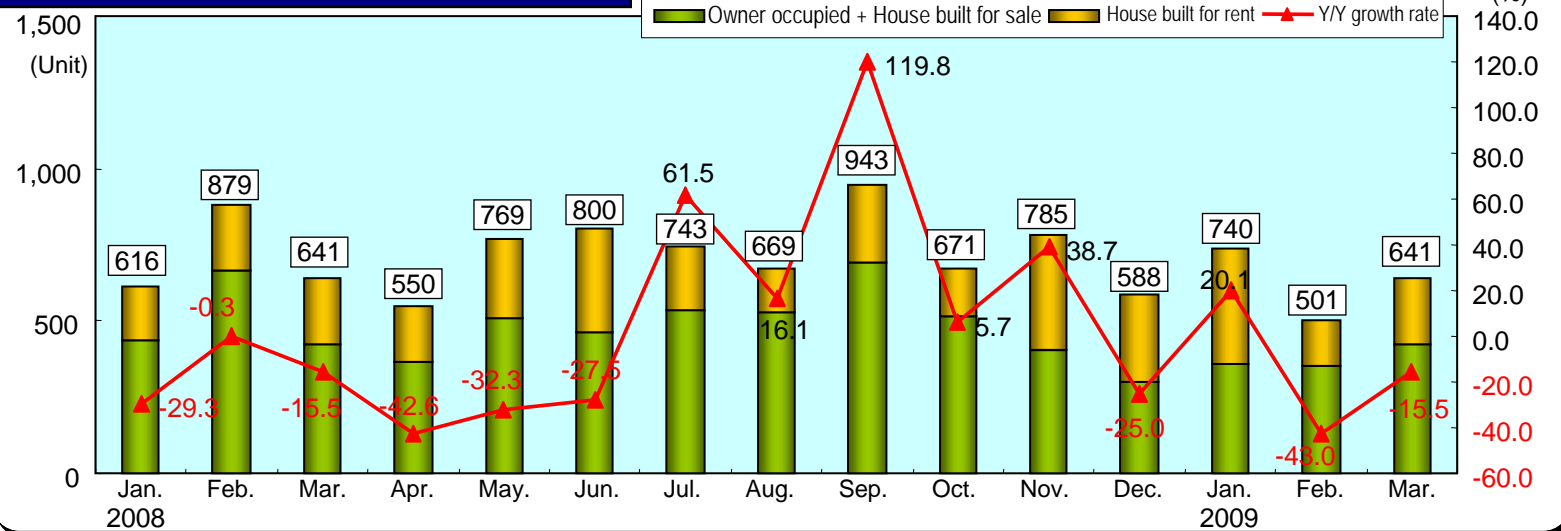


Source: Nara Statistics Division

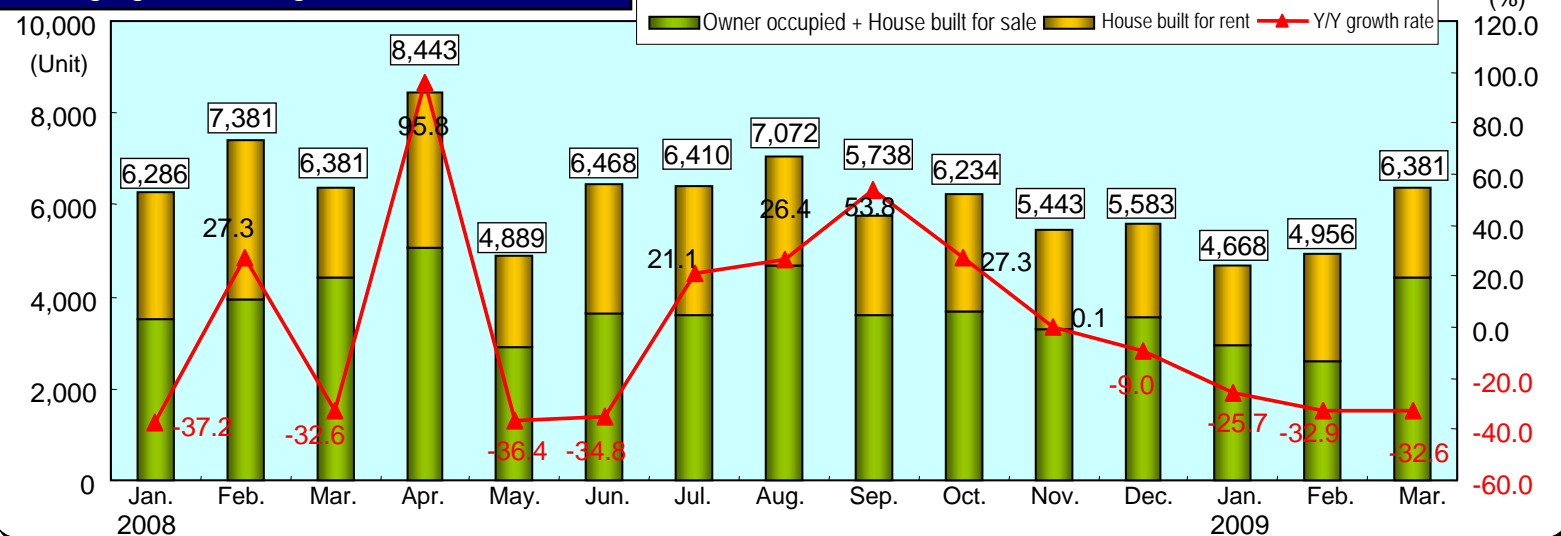
Housing Starts

- There has been a downward trend in the number of housing starts for various reasons including a deterioration in consumer sentiment due to the recession.

Changing of Housing Starts in Nara Pref.



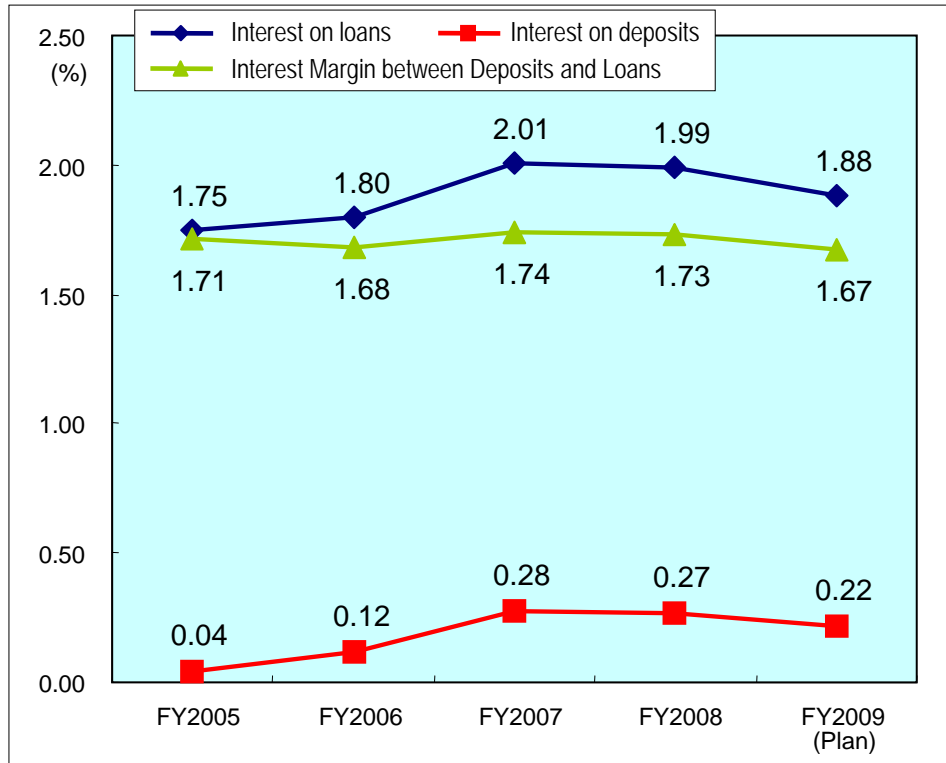
Changing of Housing Starts in Osaka Pref.



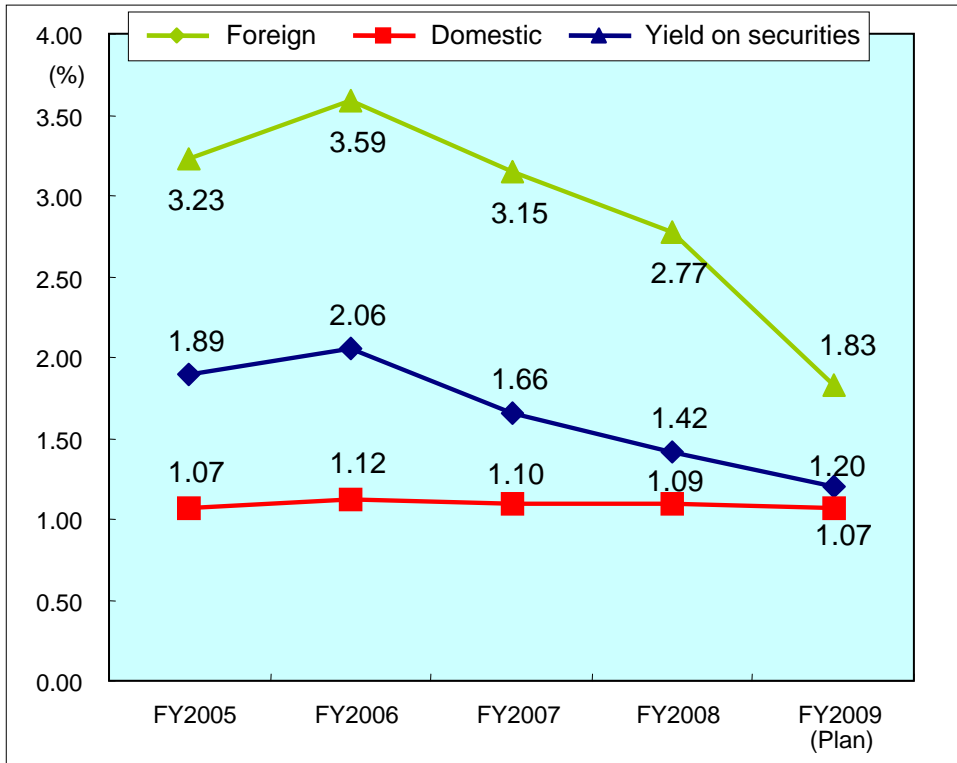
[Source: Ministry of Land, Infrastructure, Transportation and Tourism]

Various Interest Rates

Interest on Deposit and Loan



Yield on Securities



Ratio of Loans by Industry

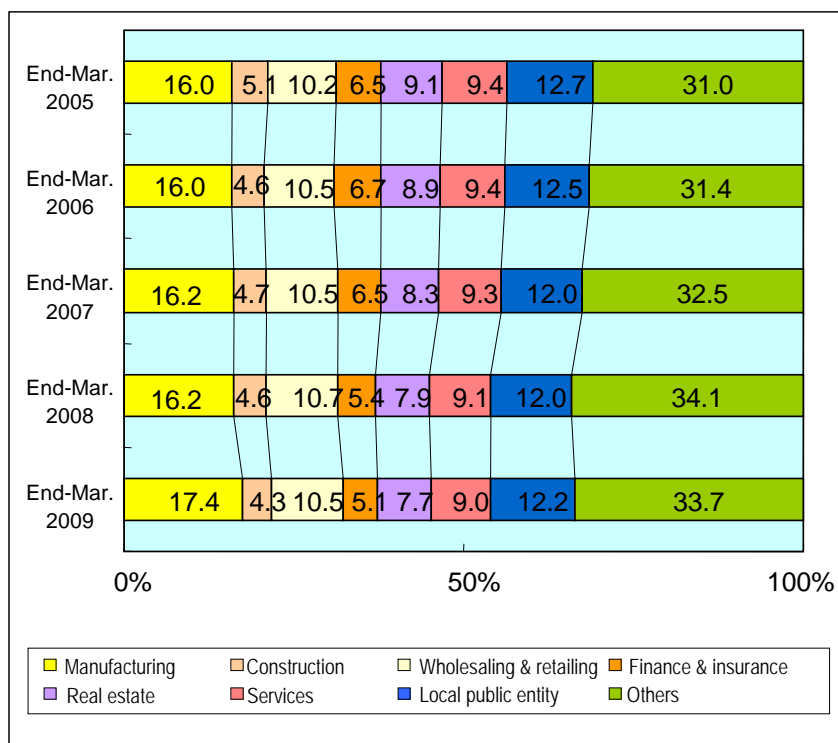
◆ As of March 31, 2009, industries with the largest number of outstanding loans, in order of volume of loans, were the manufacturing industry, local public entity, wholesaling and retailing industry, and services industry.

Loans Outstanding by Industry

(¥billion)

	End of Mar. 2005	End of Mar. 2006	End of Mar. 2007	End of Mar. 2008	End of Mar. 2009	Y/Y change
Domestic lending total volume	2,492.1	2,571.5	2,645.3	2,694.2	2,867.7	+173.4
Manufacturing	398.1	411.2	428.4	437.4	500.0	+62.5
Agriculture	12.7	10.5	8.2	7.4	4.1	-3.3
Forestry	12.6	10.7	8.5	6.3	5.9	-0.3
Fishery	2.8	2.7	2.6	3.8	3.2	-0.5
Mining	24.5	21.0	19.8	18.0	23.0	+4.9
Construction	127.7	118.2	125.3	124.0	124.4	+0.4
Electric, gas, heat supply and water utility	12.4	12.4	7.5	7.3	12.0	+4.6
Information communication	10.3	12.6	15.3	14.6	15.5	+0.9
Transportation	73.2	70.5	75.0	76.3	78.4	+2.1
Wholesaling & retailing	253.8	269.4	277.5	288.9	301.3	+12.3
Finance & insurance	162.1	172.7	172.2	146.0	147.3	+1.3
Real estate	227.7	228.5	220.6	212.0	220.5	+8.4
Services	233.1	242.6	245.1	244.6	257.8	+13.2
Local public entity	317.4	321.3	316.2	323.2	350.8	+27.6
Personal and others	623.2	666.4	722.4	783.8	822.7	+38.8

Ratio of Loans by Industry



Shift in Classification of Debtors

<The End of March 2009>

- ◆ Total credit (loans): ¥2,898.6 billion (increase of ¥171.5 billion from Mar. 2008)
- ◆ Loans to normal debtors: ¥2,609.0 billion (increase of ¥208.0 billion from Mar. 2008)
- ◆ Loans to debtors requiring caution and Substandard debtors: ¥219.2 billion (decrease of ¥35.7 billion from Mar. 2008)
- ◆ Loans to potentially bankrupt debtors and lower: ¥70.3 billion (decrease of ¥0.7 billion from Mar. 2008)

(¥billion)

	(Subject: Credit related claimable assets such as loans)	Balance (As of the end of March 2008) a	As of the end of March 2009					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	2,376.3	42.5	6.1	5.6	3.8	(33.5)
2	Debtors requiring caution	206.2	66.1	127.0	2.6	9.7	0.6	0.0
3	Substandard debtors	48.7	1.0	8.9	26.6	2.0	1.4	8.5
4	Potentially bankrupt debtors	64.4	0.2	3.9	0.5	42.7	1.6	15.3
5	Bankrupt and effectively bankrupt debtors	6.6	0.0	0.0	0.0	0.3	1.8	4.3
6	New debtors	0.0	165.1	0.6	0.0	0.2	0.1	0.0
7	Total	2,727.1	2,609.0	183.2	36.0	60.7	9.5	(5.2)

Loans to normal debtors:
Increase of ¥208.0 billion
from March 2008

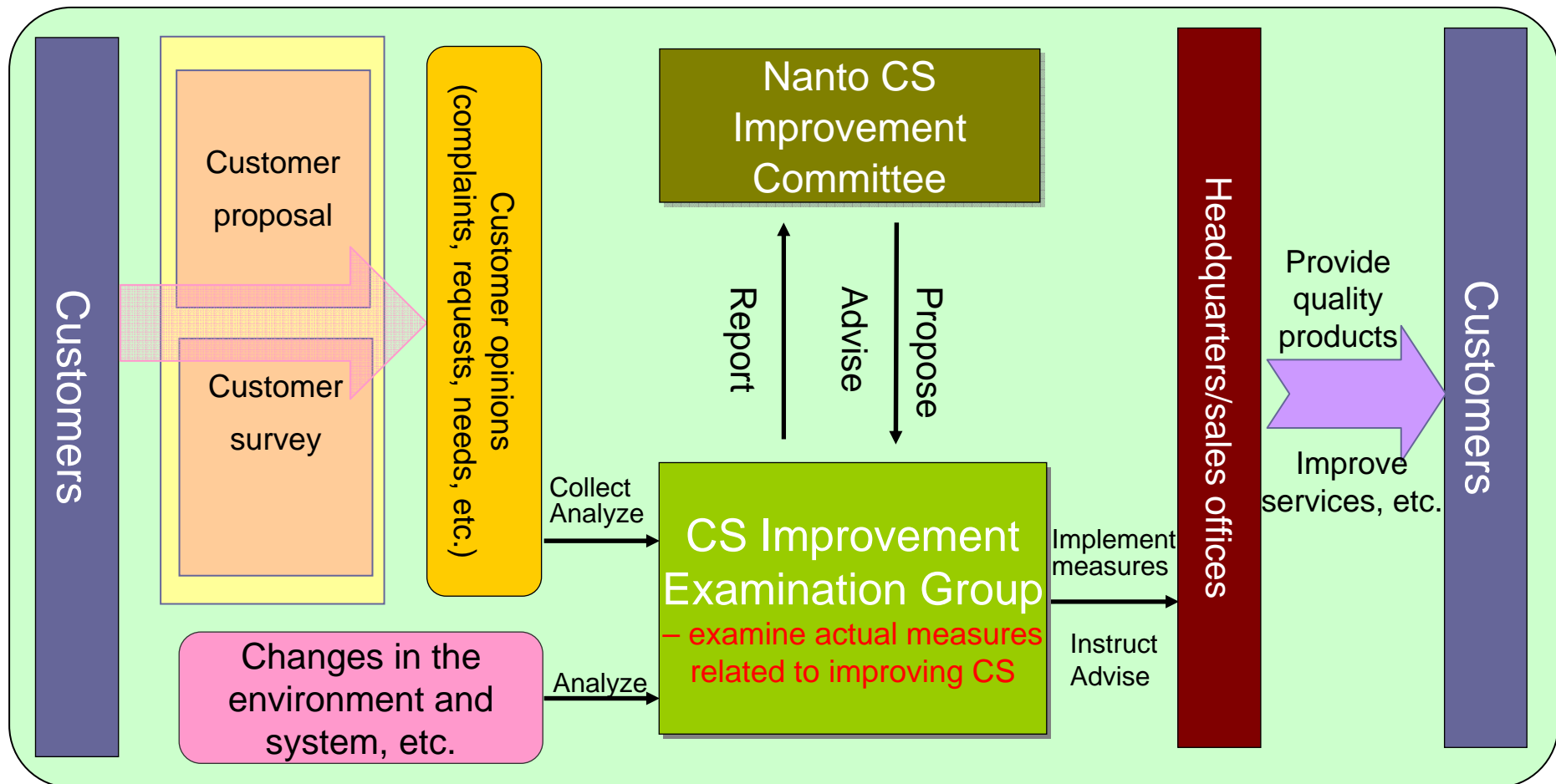
Loans to debtors requiring caution
and Substandard debtors
Decrease of ¥35.7 billion from March
2008

Loans to potentially bankrupt
debtors or below
Decrease of ¥0.7 billion from
March 2008

Loans to potentially bankrupt
debtors or below
For collection or write-offs
¥19.7 billion

Efforts to Improve CSR

- Return to the origin of the service industry, strengthen efforts to improve customer satisfaction, and examine measures to improve CS, centered on the CS Improvement Committee and the CS Improvement Examination Working (Group)



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/>



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