

Information Meeting The First Half Ended September 2009

December 1, 2009



THE NANTO BANK, LTD

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I. Financial Results for the First Half of FY2009

II. Management Strategy

Financial Results for the First Half of FY2009 – 1. Summary of Profit and Loss

		1H FY 2008	1H FY2009	
				Y/Y change
1	Core gross business profit	33.8	33.2	-0.5
2	Interest income	31.6	30.2	-1.4
3	Fees and commissions	4.0	2.9	-1.0
4	Other operating income (*1)	(1.7)	0.1	+1.9
5	Cost of derivative financial products	1.9	(0.0)	-1.9
6	Expenses	26.3	25.1	-1.2
7	Personnel expenses	13.5	13.2	-0.2
8	Non-personnel expenses	11.0	10.5	-0.4
9	Taxes	1.7	1.2	-0.5
10	Core net business profit	7.5	8.1	+0.6
11	Gains/Losses on bonds (JGBs, etc.)	(4.8)	2.9	+7.7
12	Net transfer to general provision for possible loan losses	(2.1)	(0.0)	+2.1
13	Net business profit	4.8	11.1	+6.3
14	Non-recurrent gains/losses	(3.8)	(4.6)	-0.8
15	Gains/Losses on stocks	3.0	(0.2)	-3.2
16	Disposal of non-performing loans	6.0	3.9	-2.0
17	Retirement benefit costs	0.9	1.3	+0.3
18	Ordinary income	0.9	6.4	+5.4
19	Extraordinary gains/losses	0.4	1.1	+0.6
20	Bad debt recovered	0.5	1.2	+0.6
21	Income before taxes	1.4	7.6	+6.1
22	Net income	1.0	4.8	+3.8
23	Credit cost (*2)	3.2	2.7	-0.5

*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)

<No10 Core net business profit>

Core net business profit rose ¥600 million year on year to ¥8.1 billion because even though fees and commissions declined for various reasons including stagnant sales of investment trusts and life insurance, real net interest income, which deducts cost of derivative financial products, rose ¥500 million and expenses declined ¥1.2 billion yen.

<Breakdown of real net interest income>

	(¥ billion)	1H FY2008	1H FY2009	Y/Y Change
Net interest income		31.6	30.2	-1.4
[Real net interest income]		[29.7]	[30.2]	[+0.5]
Interest on loans and deposits		20.7	21.6	+0.9
Interest on loans		26.8	26.2	-0.6
Interest on deposits		6.1	4.5	-1.6
Interest on market sector		10.9	8.5	-2.3
[Real interest on market sector]		[8.9]	[8.5]	[-0.3]
Interest on securities		11.7	9.1	-2.5
Interest on fund management		0.8	0.1	-0.6
Interest on fund procurement		1.6	0.7	-0.8
[Cost of derivative financial products]		[1.9]	[(0.0)]	[-1.9]

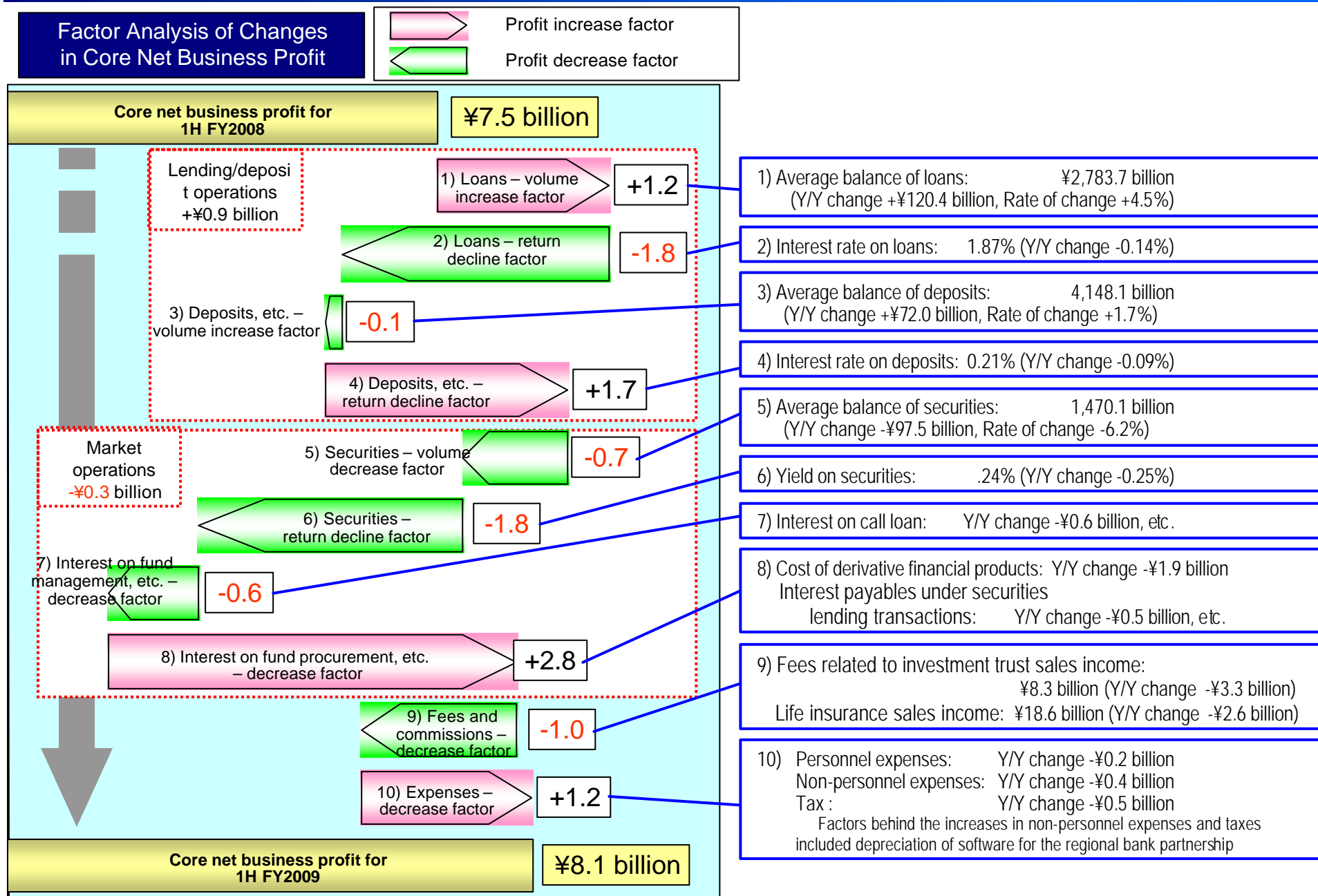
<No22 Net income>

Interim net income increased ¥3.8 billion year on year to ¥4.8 billion because of an increase in core net business profit, a ¥4.4 billion improvement in gains/losses on securities, a ¥500 million decline in credit costs, and other reasons.

<Breakdown of gains/losses on securities and credit cost>

	(¥ billion)	1H FY2008	1H FY2009	Y/Y Change
Gains/losses on securities		(1.8)	2.6	+4.4
Gains/Losses on bonds (JGBs, etc.)		(4.8)	2.9	+7.7
Gains/Losses on stocks		3.0	(0.2)	-3.2
Credit cost		3.2	2.7	-0.5
Net transfer to general provision for possible loan losses		(2.1)	(0.0)	+2.1
Disposal of non-performing loans		6.0	3.9	-2.0
Bad debt recovered		0.5	1.2	+0.6

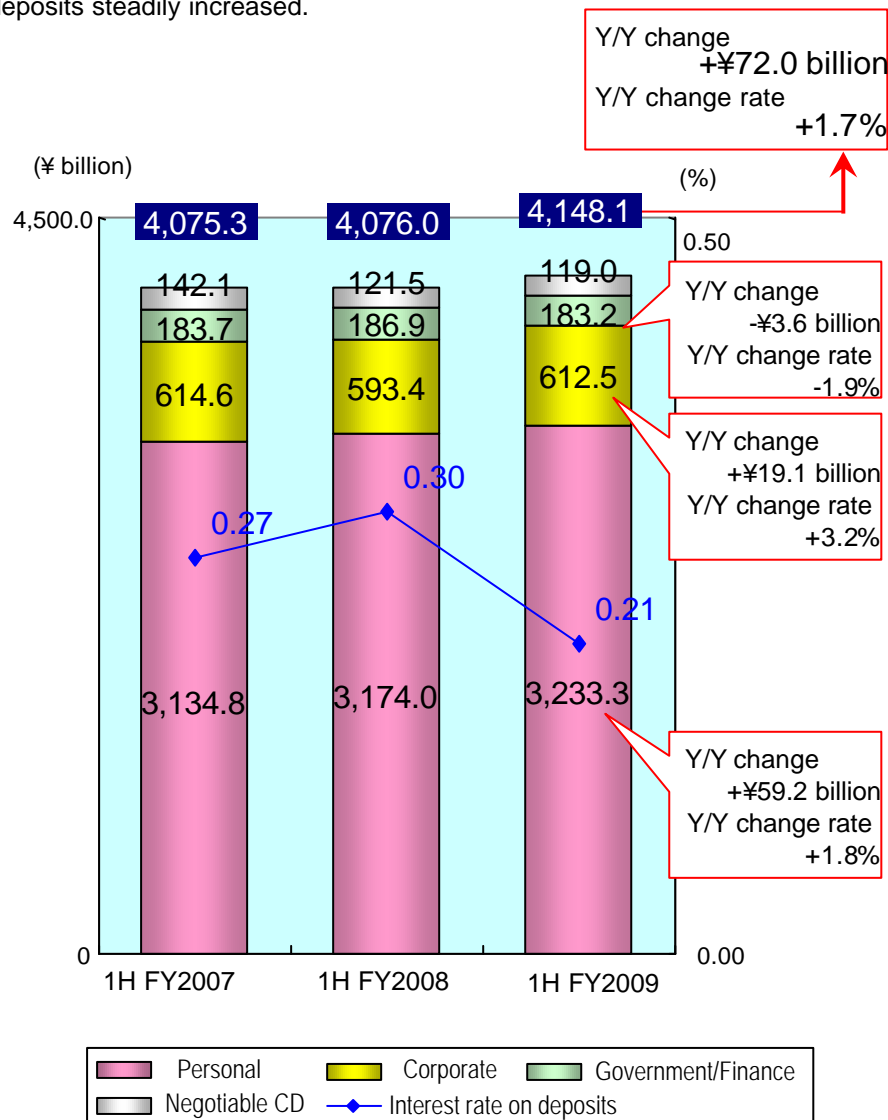
Financial Results for the First Half of FY2009 – 2. Summary of Core Net Business Profit



Financial Results for the First Half of FY2009 – 3. Deposits

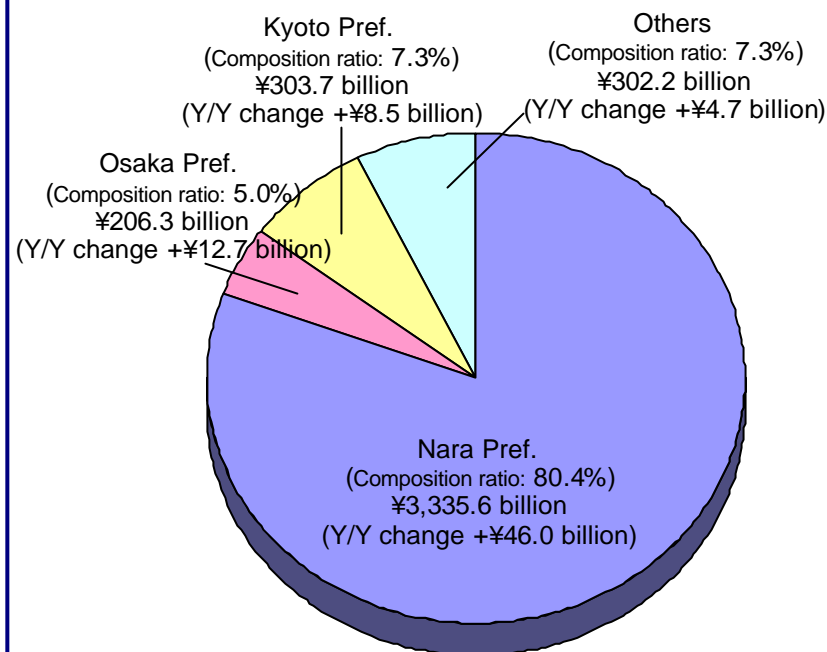
Average Balance of Deposits by Sector

The average balance of deposits during the first half of FY2009 rose ¥72.0 billion year on year to ¥4,148.1 billion since mainly personal deposits steadily increased.



Average Balance of Deposits by Prefecture

Deposits for all prefectures rose year on year. During the first half of FY2009, the average balance of deposits for Nara Prefecture was ¥3,335.6 billion, which accounted for 80% of Nanto Bank's total deposits.



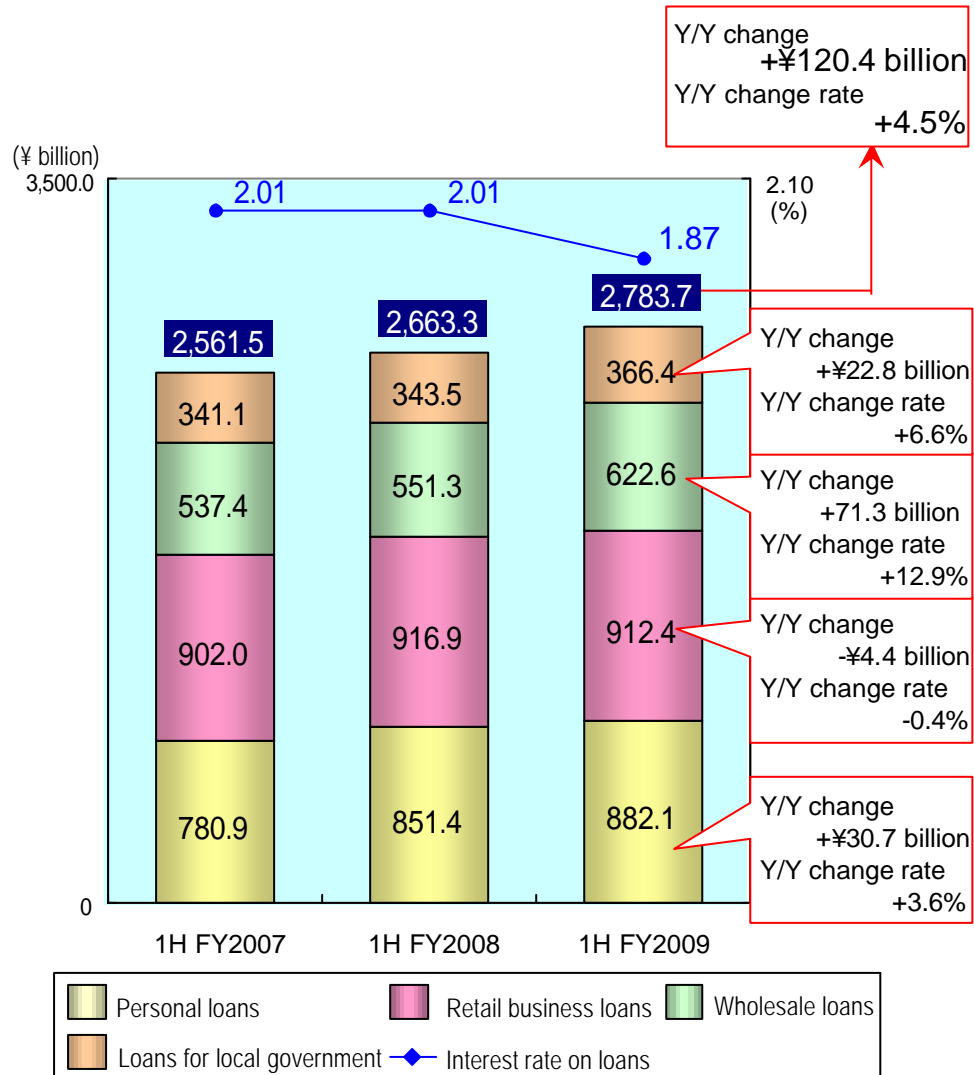
<Average balance of deposits>

(¥ billion)	1H FY2008		1H FY2009			
	Average Balance	Ratio	Average Balance	Y/Y change		Ratio
				Amount	Rate	
Nara Pref.	3,289.6	80.7%	3,335.6	+46.0	+1.4	80.4%
Outside Nara Pref.	786.4	19.3%	812.4	+26.0	+3.3	19.6%
Osaka	193.6	4.8%	206.3	+12.7	+6.6	5.0%
Kyoto	295.2	7.2%	303.7	+8.5	+2.9	7.3%
Wakayama	164.8	4.0%	167.5	+2.7	+1.6	4.0%
Mie	59.5	1.5%	61.0	+1.5	+2.5	1.5%
Hyogo	-	-	0.0	+0.0	-	0.0%
Tokyo	73.1	1.8%	73.5	+0.4	+0.5	1.8%
Total deposits	4,076.0	100.0%	4,148.1	+72.0	+1.8	100.0%

Financial Results for the First Half of FY2009 – 4. Loans

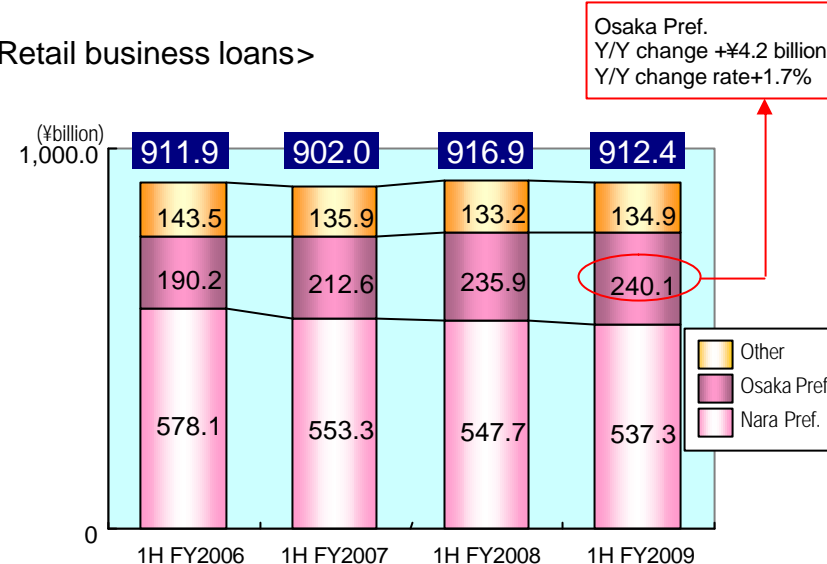
Average Balance of Loans by Sector

Loans outstanding for the first half of FY2009 amounted to ¥2,783.7 billion, a year-on-year increase of ¥120.4 billion due to increases in both personal and business loans.

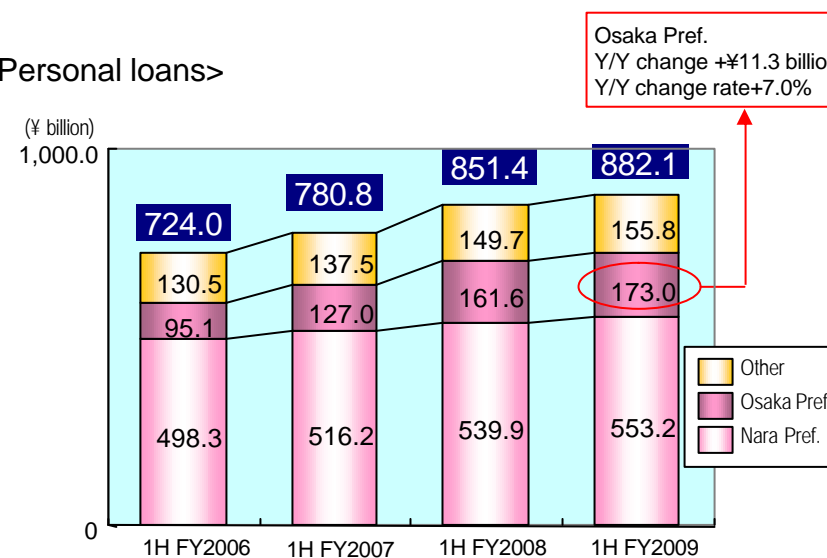


Average Balance of Loans by Prefecture

<Retail business loans>



<Personal loans>



Financial Results for the First Half of FY2009 – 5. Securities-1

For FY2008, a loss was recorded on securities (¥13.0 billion on bonds including government bonds and ¥17.3 billion on stock holdings) because of financial market turbulence stemming from various factors including the global economic downturn and financial uncertainty that originated in the U.S. During the first half of FY2009, ¥2.5 billion in gains were recorded from the disposal of securitized products (five issues of synthetic CDOs), which included unrealized gains generated from the market recovery.

As a result, the book value of securitized products (synthetic CDOs, CDOs, capital notes), which were written down, shrank to ¥100 million, eliminating the risk of future losses.

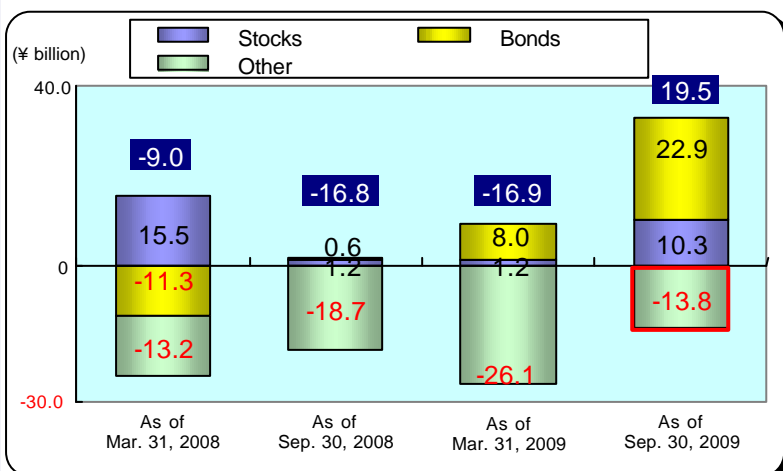
Gains/Losses on Securities

		FY2008		FY2009	Y/Y
		1H	Full Year	1H	Change
		(¥ billion)			
1	Gains/losses on securities	(1.8)	(30.4)	2.6	+4.4
2	Gains/losses on bonds (Japanese government bonds, etc.)	(4.8)	(13.0)	2.9	+7.7
3	Gain on disposal of bonds	2.7	4.4	* 3.3	+0.5
4	Gain on redemption of bonds	0.1	0.1	-	-0.1
5	Loss on disposal of bonds	1.8	2.2	* 0.2	-1.6
6	Loss on redemption of bonds	5.8	11.5	0.1	-5.6
7	Write-offs	0.1	3.8	0.0	-0.0
8	Gains/losses on stocks	3.0	(17.3)	(0.2)	-3.2
9	Gain on disposal of stocks	5.1	5.1	0.1	-4.9
10	Loss on disposal of stocks	0.1	1.2	0.0	-0.1
11	Write-offs	1.9	21.3	* 0.3	-1.5

No.2 Gains/losses on bonds	¥2.9 bn
No.3 Gain on disposal of bonds	¥3.3 bn
(Synthetic CDO ¥2.5 bn, Japanese government bonds ¥0.2 bn, Local government bonds ¥0.4 bn, etc.)	
No.5 Loss on disposal of bonds	¥0.2 bn
(Japanese government bonds ¥0.04 bn, Local government bonds ¥0.1 bn etc.)	
No.8 Gains/losses on stocks	- ¥0.2 bn
No.11 Write-offs	¥0.3 bn
(Impairment loss due to 30% or more decline in value ¥0.3 bn)	

	(¥ billion)	As of Mar. 31, 2008		As of Sep. 30, 2008		As of Mar. 31, 2009		As of Sep. 30, 2009					
		Number of stocks traded	Book value	Number of stocks traded	Book value	Number of stocks traded	Book value	Change from Mar. 2008	Number of stocks traded	Book value			
Synthetic CDO		10	14.33	9	7.57	8	3.98	-2	-10.4	2	0.14	-6	-3.8
CDO		2	0.57	0	0.0	0	0.0	-2	-0.6	0	0.0	0	0.0
Capital note		9	1.48	9	0.67	9	0.08	0	-1.4	8	0.01	-1	-0.1
Total		21	16.39	18	8.24	17	4.06	-4	-12.3	10	0.15	-7	-3.9
Sub-prime loan incorporated products		10	1.61	8	1.04	8	0.41	-2	-1.2	6	0.15	-2	-0.3
Products that do not incorporate sub-prime loans		11	14.78	10	7.20	9	3.65	-2	-11.1	4	0.0	-5	-3.7

Unrealized Gains/Losses of Securities



*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).

< Breakdown of other bonds >

	(¥ billion)	As of Mar. 31, 2008		As of Sep. 31, 2008		As of Mar. 31, 2009		As of Sep. 31, 2009			
		Book value	Unrealized Gain/loss	Book value	Unrealized Gain/loss	Book value	Unrealized Gain/loss	Book value	Change from Mar. 2009	Unrealized Gain/loss	Change from Mar. 2009
1	Other bonds	384.6	-13.2	319.6	-18.7	282.5	-26.1	264.0	-18.5	-13.8	12.3
2	Overseas securities	362.9	-11.7	302.2	-16.7	269.8	-25.1	248.7	-21.1	-13.3	11.8
3	Government bonds	55.6	-1.6	55.8	-1.6	28.0	0.4	26.2	-1.8	0.5	0.1
4	Government guaranteed bonds, etc.	0.0	0.0	0.0	0.0	11.9	0.1	12.8	0.9	0.2	0.1
5	Corporate bonds	141.3	-2.9	132.6	-5.2	132.1	-7.7	118.8	-13.3	0.6	8.3
6	Financial institution's bonds, etc.	48.4	0.0	47.7	-1.7	52.6	-3.0	51.4	-1.2	-0.6	2.4
7	Subordinate bonds	92.9	-2.9	84.9	-3.4	79.5	-4.7	67.4	-12.0	1.2	5.9
8	Other overseas securities	165.9	-7.1	113.7	-9.8	97.7	-17.9	90.9	-6.8	-14.8	3.1
9	CMS difference type	27.0	-1.6	27.2	-3.3	20.0	-2.8	20.0	0.0	-1.6	1.1
10	CMS product type	31.0	-0.2	27.0	-0.7	27.0	-4.1	27.0	0.0	-2.6	1.4
11	enman bond	55.0	-4.5	30.0	-4.2	30.0	-9.5	30.0	0.0	-8.5	1.0
12	Capital guaranteed index bond	12.0	-0.7	12.1	-1.1	11.9	-1.4	11.7	-0.2	-1.9	-0.4
13	Securitized products	22.6	0.0	11.5	-0.2	7.0	0.0	0.4	-6.5	0.0	0.0
14	Others	21.6	-1.4	17.2	-1.9	12.6	-0.9	15.2	2.5	-0.4	0.5

Subordinated debt — term or perpetual subordinated debt issued by major Japanese banks
 Constant Maturity Swap (CMS) (difference type) — Floating-rate bond with a coupon that is linked to the difference between long- and short-term interest rates (example: 20-year swap rate — 2-year swap rate + alpha)
 CMS (product type) — Floating-rate bonds with a coupon that is linked to long-term interest rates (20-year swap rate x alpha)
 Enman bonds — bonds whose early redemption and coupon for the following six months are determined by the level of the Nikkei 225 index.
 Principal-protected notes and indexlinked bonds — bonds that employ a mechanism that the principle is fully repaid when the bond is redeemed and whose coupon and return at maturity are linked to the performance of items such as indexes and funds.

Financial Results for the First Half of FY2009 – 5. Securities -2

Asset management environment toward the end of FY2009

- ≧The global economy has made it through the most difficult period and is gradually beginning to recover.
- Continuing benefits of fiscal policy and monetary easing (policy rates in Japan, Europe, and the U.S. have not been changed) by countries throughout the world.
- Expectations that the U.S., Japanese, and European economies, in that order, will begin to recover in the second half, but the recovery will be weak.

Strategic Investment

<1st Half FY2009>

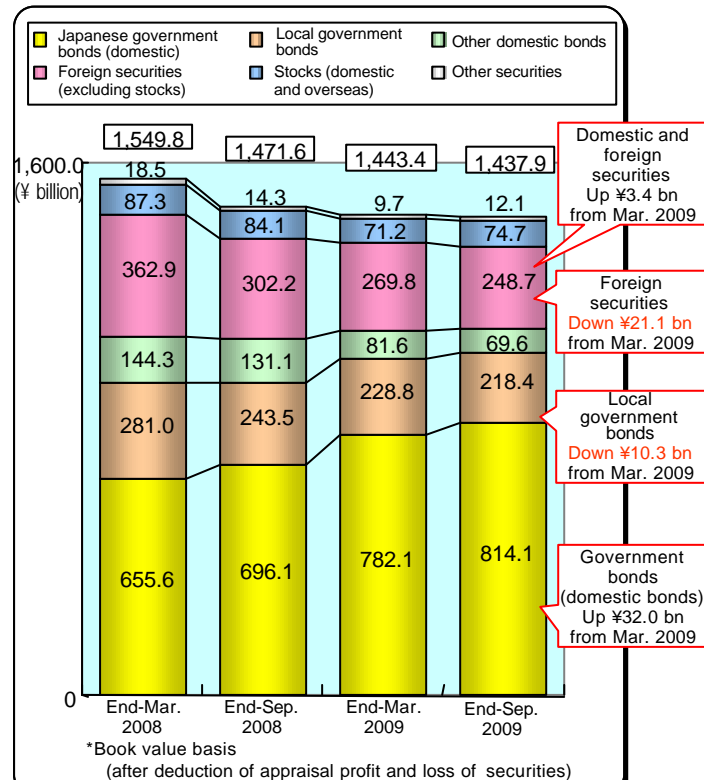
For Japanese government bonds, build a ladder portfolio and increase holdings of U.S. and Japanese stocks when there are signs that the U.S. and Japanese economies have hit the bottom.

<2nd Half FY2009>

For Japanese government bonds, continue to build a ladder portfolio and increase holdings of U.S. and Japanese stocks when there are signs that the U.S. and Japanese economies have hit the bottom. There is no room to further lower the policy rate in Japan. Reduce holdings of yen-denominated bonds and increase holdings of foreign-currency-denominated bonds, particularly government bonds and government-guaranteed bonds whose interest income ratios increased as medium- and long-term interest rates rise.

Balance of Outstanding Securities

≧ Balance of outstanding securities as of Sep. 2009:
¥1,437.9 billion (Down ¥5.5 billion from Mar. 2008)



2nd Half FY2009 Investment Plan

<Japanese and overseas stocks>

- ? For Japanese stocks, mainly invest in major Japanese companies and build a highly liquid portfolio.
- ? For foreign stocks, invest in investment trusts linked to foreign stock market indexes.

<Foreign securities>

- ? Mainly invest in foreign-currency-denominated medium- and short-term government bonds and government-guaranteed bonds.
- ? Additionally invest in undervalued corporate bonds and term subordinated bonds issued by mega banks, improve returns.

<Japanese government bonds/local government bonds>

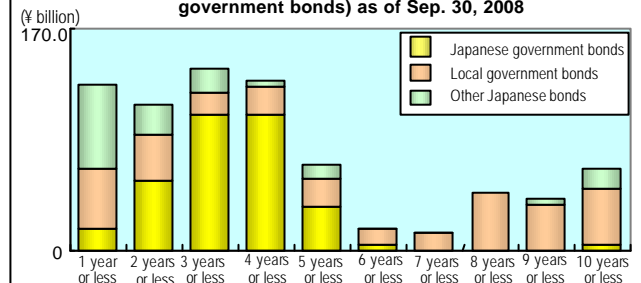
- ? Build a JGB-centered ladder portfolio.
- ? Limit credit risk and concentrate investments on low-risk products such as government bonds until full-fledged recovery is seen. Reduce the balance of structured bonds from various perspectives including credit risk and liquidity.

Mechanism to build a ladder portfolio

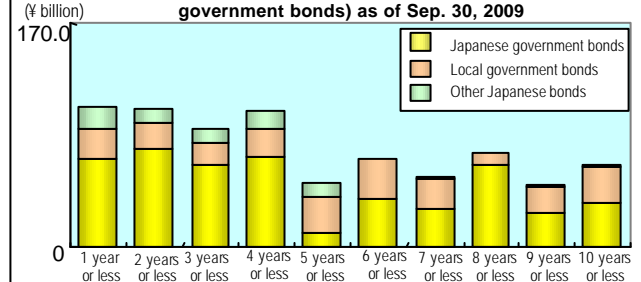
(Objective)

- ? Establish a stable earnings base.
- ? Diversify interest rate risk over various maturities and average the amount reinvested each year (diversify investment timing).

Maturity ladder for Japanese bonds (excluding floating-rate government bonds) as of Sep. 30, 2008

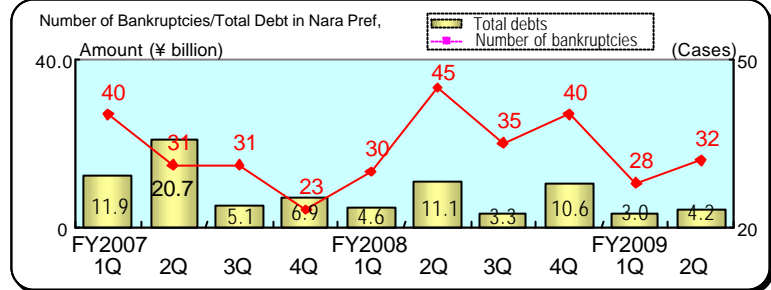
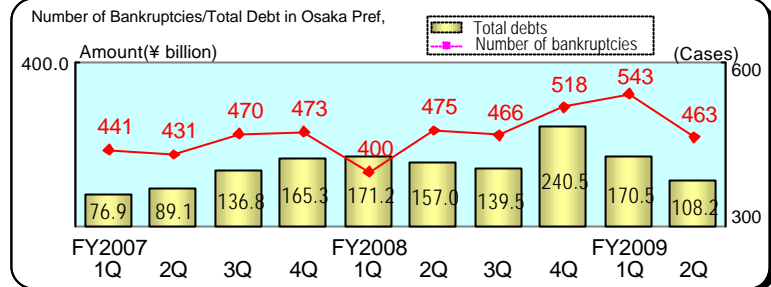
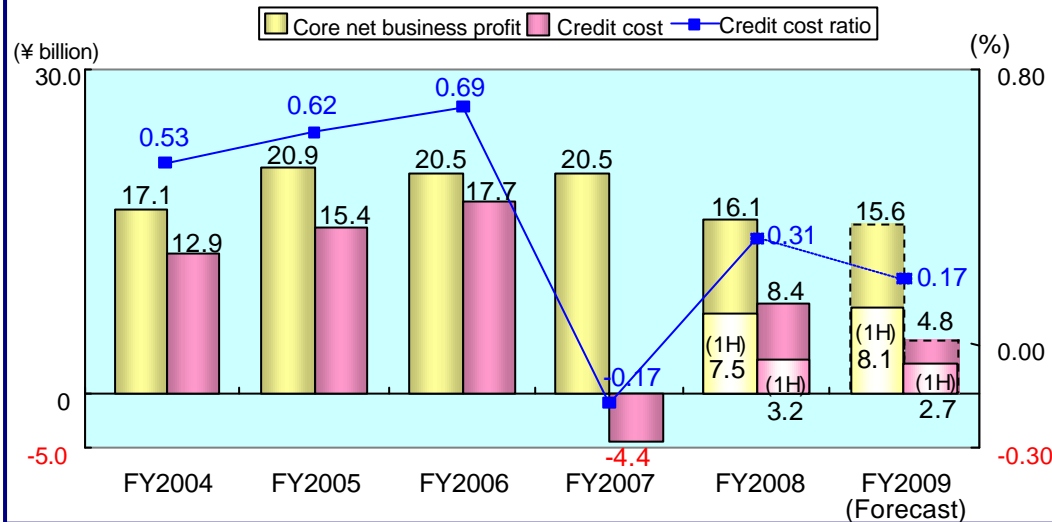


Maturity ladder for Japanese bonds (excluding floating-rate government bonds) as of Sep. 30, 2009

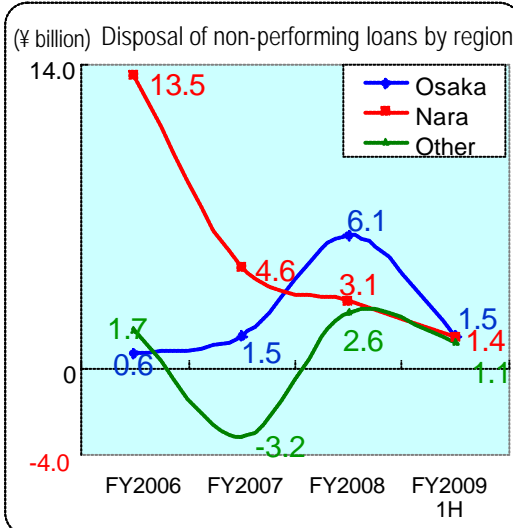
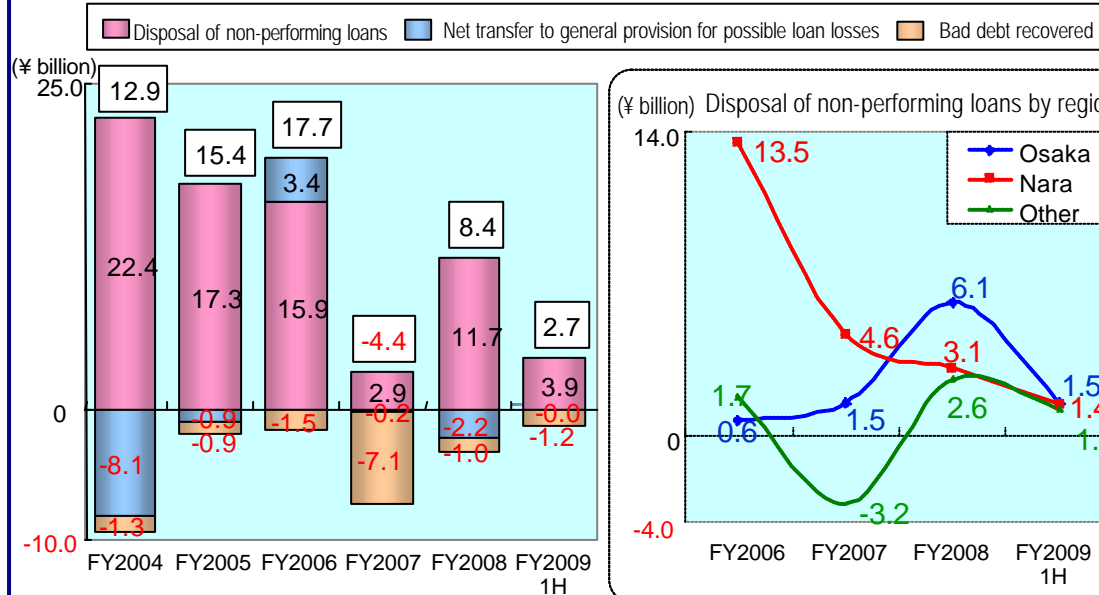


Financial Results for the First Half of FY2009 – 6. Disposal of NPLs

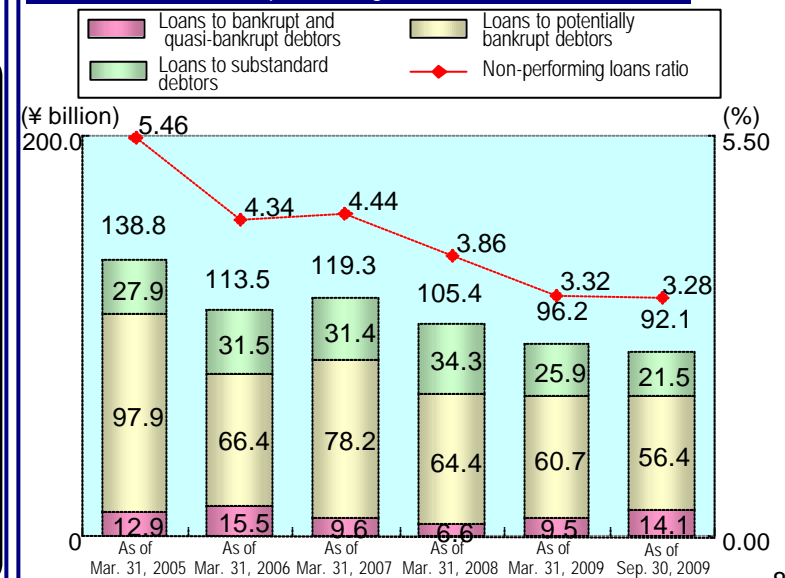
Credit Cost



Breakdown of Credit Cost



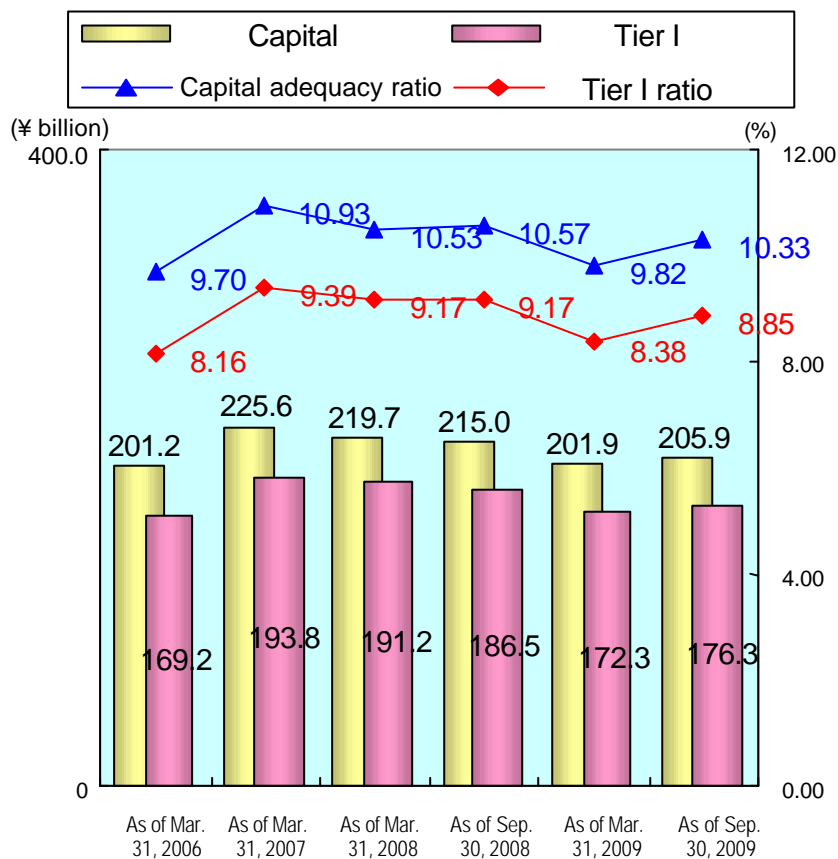
Credits Disclosed under the Financial Reconstruction Law / Non-performing Loans Ratio



Capital Adequacy Ratio

• As of the end of September 2009
 Capital adequacy ratio= 10.33%
 (Change from March 2009: +0.51%)

Tier I Ratio= 8.85%
 (Change from March 2009: +0.47%)



		(¥ billion, %)	As of Mar. 31, 2006	As of Mar. 31, 2007	As of Mar. 31, 2008	As of Sep. 30, 2008	As of Mar. 31, 2009	As of Sep. 30, 2009	Change from Mar. 2009
1	Tier I		169.2	193.8	191.2	186.5	172.3	176.3	+4.0
2	Of which, preferred securities		-	20.0	20.0	20.0	20.0	20.0	+0.0
3	Tier II		32.1	32.8	33.0	32.7	32.8	32.4	-0.3
4	General provision for possible loan losses		12.1	12.8	13.0	12.7	12.8	12.4	-0.3
5	Hybrid debt capital instruments		20.0	20.0	20.0	20.0	20.0	20.0	+0.0
6	Deductions		0.0	1.0	4.5	4.2	3.2	2.8	-0.3
7	Capital		201.2	225.6	219.7	215.0	201.9	205.9	+4.0
8	Risk weighted assets		2,073.6	2,063.7	2,084.8	2,032.4	2,055.6	1,992.6	-62.9
9	Credit-risk assets		2,073.6	1,941.6	1,960.4	1,906.1	1,931.0	1,868.3	-62.6
10	Amount equivalent to operational risk		-	122.1	124.4	126.3	124.5	124.2	-0.2
11	Capital adequacy ratio (No.7 / No.8 x 100)		9.70	10.93	10.53	10.57	9.82	10.33	+0.51
12	Tier I ratio (No.1 / No.8 x 100)		8.16	9.39	9.17	9.17	8.38	8.85	+0.47

* 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 are calculated based on theoretical price from FY2008.

<Interest rate risk for bank account> (As of September 30, 2009)
 • 99 percentile method
 • Amount of interest rate risk ¥23.0 billion
 • Outlier ratio 11.0%

* Core deposit model was introduced in demand deposit from the end of September 2009.

Business Forecast for FY2009

		(¥ billion)	FY 2008	FY2009 Forecast	Y/Y change	(FY2009 Initial forecast)
1	Core gross business profit		66.3	65.9	-0.4	
2	Interest income		63.0	59.4	-3.6	
3	Fees and commissions		6.3	6.1	-0.2	
4	Other operating income (*1)		(3.0)	0.4	+3.4	
5	Cost of derivative financial products		3.3	(0.1)	-3.4	
6	Expenses		50.2	50.3	+0.0	
7	Personnel expenses		26.2	26.3	+0.0	
8	Non-personnel expenses		21.5	22.0	+0.4	
9	Taxes		2.4	2.0	-0.4	
10	Core net business profit		16.1	15.6	-0.5	[15.7]
11	Gains/Losses on bonds (JGBs, etc.)		(13.0)	2.8	+15.8	
12	Net transfer to general provision for possible loan losses		-	(0.6)	-0.6	
13	Net business profit		3.0	19.0	+15.9	[16.0]
14	Non-recurrent gains/losses		(30.6)	(8.5)	+22.1	
15	Gains/Losses on stocks		(17.3)	(0.3)	+17.0	
16	Disposal of non-performing loans		11.4	7.0	-4.4	
17	Retirement benefit costs		1.9	2.6	+0.6	
18	Ordinary income		(27.5)	10.5	+38.0	[9.0]
19	Extraordinary gains/losses		2.7	1.6	-1.1	
20	Bad debt recovered		1.0	1.6	+0.5	
21	Reversal of provision for possible loan loss		1.8	-	-1.8	
22	Income before taxes		(24.8)	12.1	+36.9	
23	Net income		(22.3)	7.5	+29.8	[6.0]
24	Credit cost (*2)		8.4	4.8	-3.6	[4.8]
	Dividends per share		¥6.0	¥6.0		[¥6.0]

*1 Except gains/losses on bonds (JGBs, etc.)

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

<No10 Core net business profit>

Real net interest income, which includes cost of derivative financial products, is projected to decline ¥100 million year on year since interest on market sector income will likely decline although interest on loans and deposits is forecasted to increase because of greater lending and a decline in interest rate on deposits. In addition, core net business profit is expected to shrink ¥500 million year on year to ¥15.6 billion as a result of fees and commissions shrinking ¥200 million year on year.

<Breakdown of real net interest income>

	(¥ billion)	FY2009	FY2009 Forecast	Y/Y change
Interest income		63.0	59.4	-3.6
[Real net interest income]		[59.6]	[59.5]	[-0.1]
Business loans		42.7	43.1	+0.3
Interest on loans		53.9	51.6	-2.2
Interest on deposits		11.1	8.5	-2.5
Interest on market sector		20.2	16.2	-3.9
[Real net interest income]		[16.8]	[16.4]	[-0.4]
Interest on securities		21.9	17.6	-4.3
Interest on fund management		1.2	0.2	-0.9
Interest on fund procurement		2.9	1.6	-1.3
Cost of derivative financial products		3.3	(0.1)	-3.4

<No23 Net income>

Net income is projected to increase by ¥29.8 billion year on year to ¥7.5 billion since substantial improvement in securities-related gains and decline in credit costs are expected.

	(¥ billion)	FY2009	FY2009 Forecast	Y/Y change
Gains/losses on securities		(30.4)	2.4	+32.9
Gains/losses on bonds (JGBs., etc.)		(13.0)	2.8	+15.8
Gains/losses on stocks		(17.3)	(0.3)	+17.0
Credit cost		8.4	4.8	-3.6
Net transfer to general provision for possible loan losses		-	(0.6)	-0.6
Disposal of non-performing loans		11.4	7.0	-4.4
Gain on reversal of provision for possible loan loss		1.8	-	-1.8
Bad debt recovered		1.0	1.6	+0.5

I. Financial Results for the First Half of FY2009

II. Management Strategy

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)
1. Core net business profit	¥19.3 bn
2. Net income	¥5.0 bn
3. Outstanding loans	¥2.69 tn

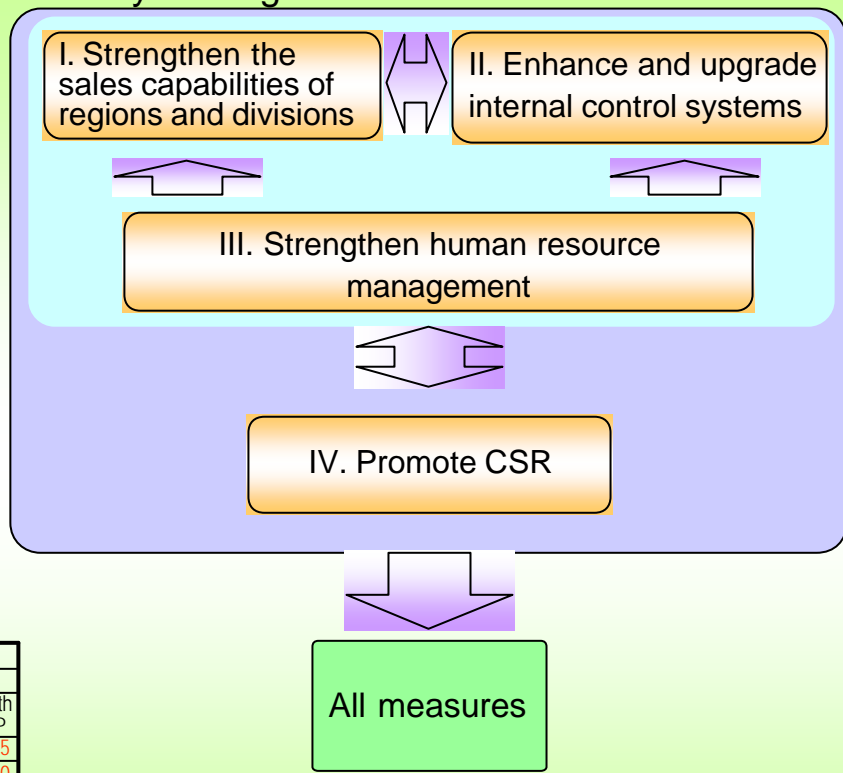
Management indicators		
Profitability	1. ROE (*1)	2.70%
Efficiency	2. OHR (*2)	70.83%
Soundness	3. Capital adequacy ratio	10.53%
	4. Bad debt ratio (*3)	3.86%

More Value – "NANTO"				
Item	FY2008 (Results)		FY2009 (Estimate)	
	(Results)	Compared with mid-term MP	(Estimate)	Compared with mid-term MP
1. Core net business profit	¥16.1 bn	-¥1.3 bn	¥15.6 bn	-¥6.0 bn
2. Net income	-¥22.3 bn	-¥29.5 bn	¥7.5 bn	-¥1.9 bn
3. Outstanding loans	¥2.86 tn	¥0.07 tn	¥2.83 tn	-¥0.06 tn
1. ROE (*1)	4.80%	+0.30%	4.80%	+0.30%
2. OHR (*2)	75.67%	1.22%	76.25%	+6.31%
3. Capital adequacy ratio	9.82%	-0.93%	10.40%	-0.30%
4. Bad debt ratio (*3)	3.32%	-0.32%	3.11%	+0.06%

<Interest rate scenario>

	(%)	FY2008		FY2009			
		As of Mar. 31, 2009		As of Sep. 30, 2009		As of Mar. 31, 2010	
		(Results)	Compared with Mid-term MP	(Results)	Compared with Mid-term MP	(Estimate)	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	0.65	-0.25	0.54	-0.46	0.60	-0.50
	5-year JGB	0.79	-0.51	0.59	-0.81	0.80	-0.70
U.S.	3-month LIBOR	1.19	-1.61	0.29	-2.91	0.90	-2.60
	US 5-year bond	1.66	-1.44	2.31	-1.09	2.70	-1.00
EU	3-month LIBOR	1.51	-2.79	0.71	-3.59	0.90	-3.40
	German 5-year bond	2.23	-1.97	2.40	-2.00	2.50	-1.90

Priority Strategies



Corporate Banking Efforts -1 (Osaka Strategy)

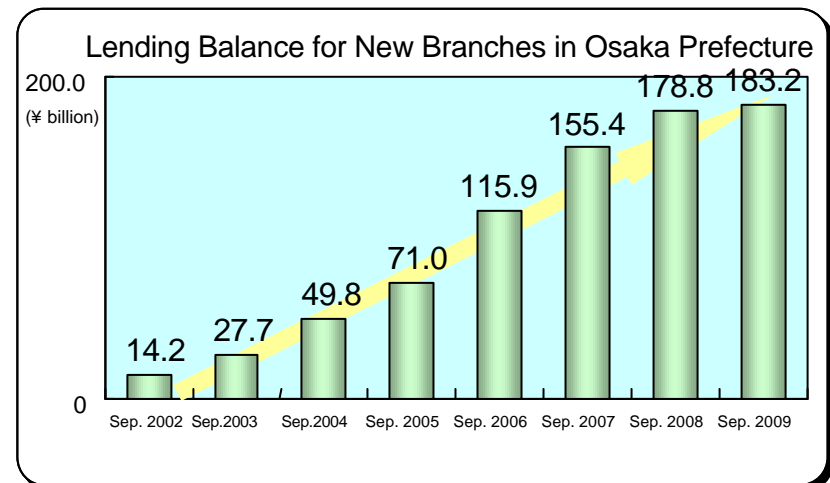
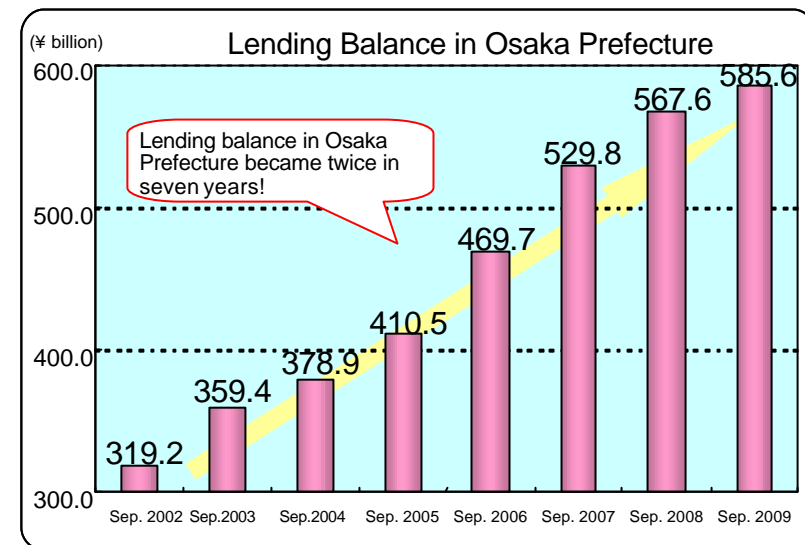
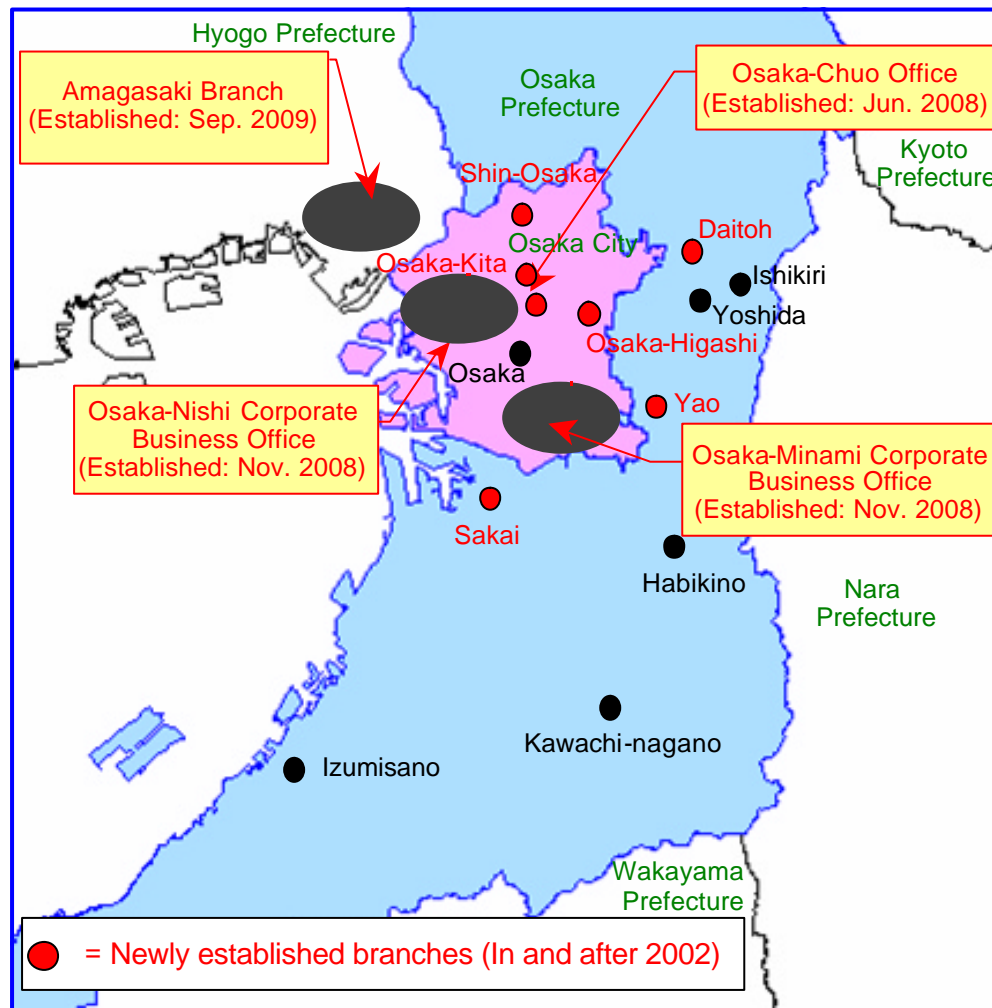
< Nanto Bank's Growth Scenario >

Priority strategic areas

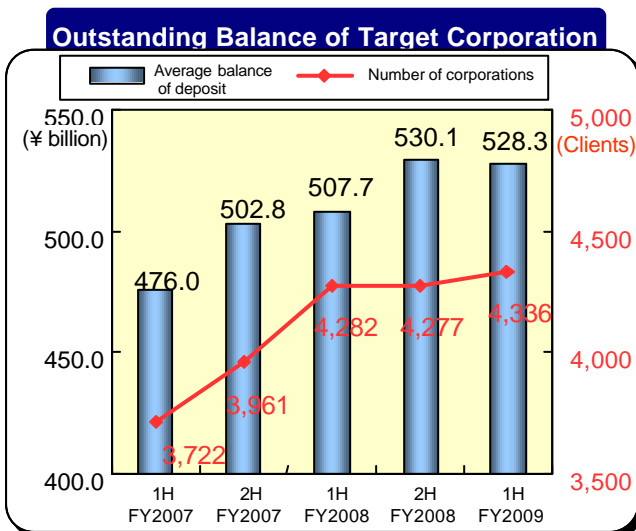
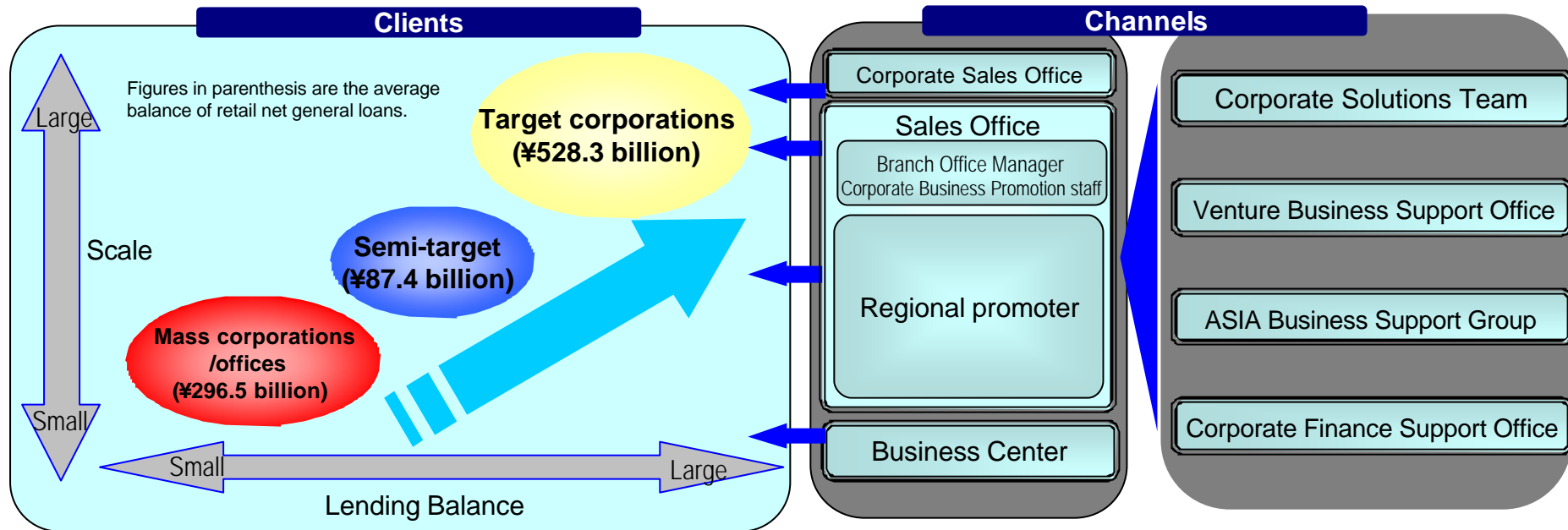
- Nanto Bank will increase business loans and personal loans and strive to expand and strengthen sales offices in areas such as Osaka, which are the bank's strategic areas.

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 -2 (Sales Promotion System)



Solution Sales

Develop sales to solve customer problems through a cooperation between sales offices and headquarters

- Business Matching
- Business Succession/M&A
- Business Creation Support
- Overseas Expansion Support

<7th Nanto Venture Business Fair>
 Held: October 2008
 Participating companies: 109
 Visitors: around 4,300
 Business negotiations: 576

<Nanto Food Business Matching Event>
 First one held in January 2008
 First attempt by local banks in the Kinki region
 Received public commendation by the Kinki Local Finance Bureau for superior efforts
<Summary of 2nd Fair>
 Held: November 2008
 Participating companies: 96
 Visitors: around 950
 Business negotiations: 1,500

<Business Fair Over a Meal>

Management Improvement Support

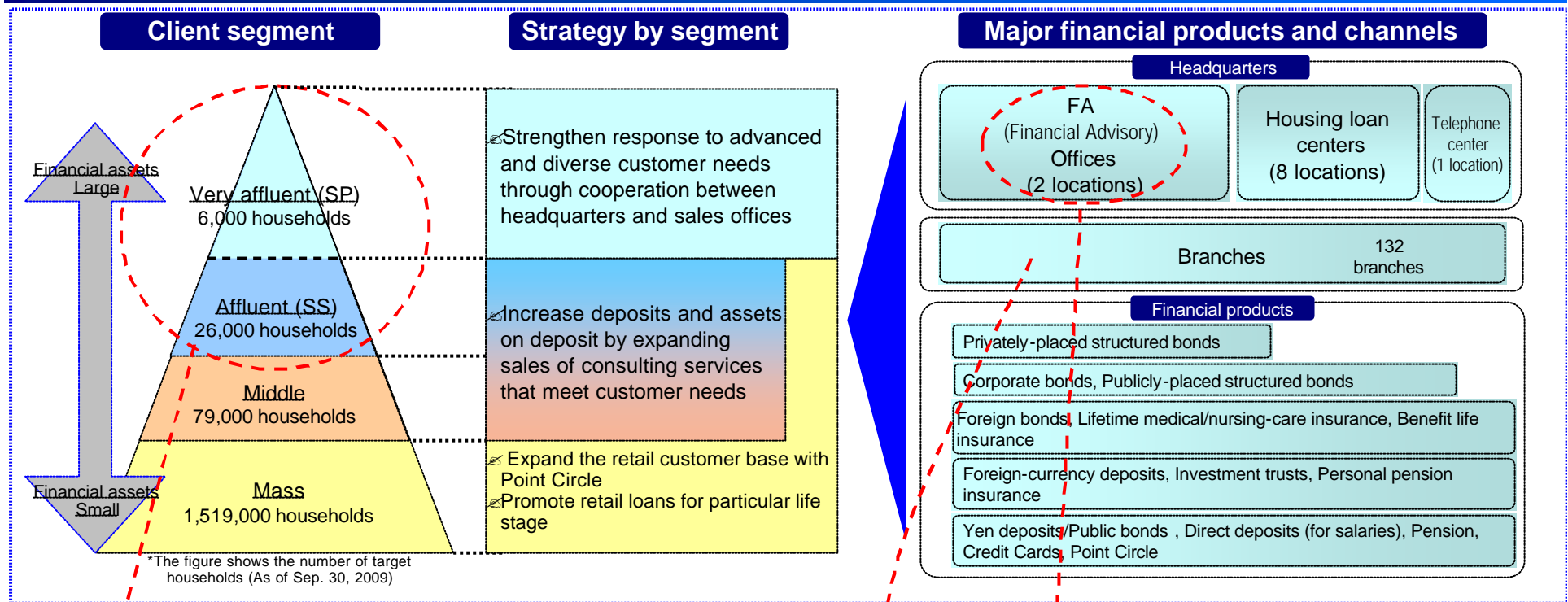
Established Corporate Finance Support Office in October 2001 (six members)

<Main types of support >

- Providing support for improving finances, fund raising, business plans
- Providing support for creating and promoting/managing business improvement plans
- Expanding support system through partnerships with public organizations

Period	Companies receiving Management Improvement support	Companies whose ranking rose	Percentage of companies whose ranking rose
FY2006	222	43	19.4%
FY2007	155	34	21.9%
FY2008	220	52	23.6%
1H FY2009	126	19	15.1%

Retail Banking Efforts -1 (Sales Promotion System)



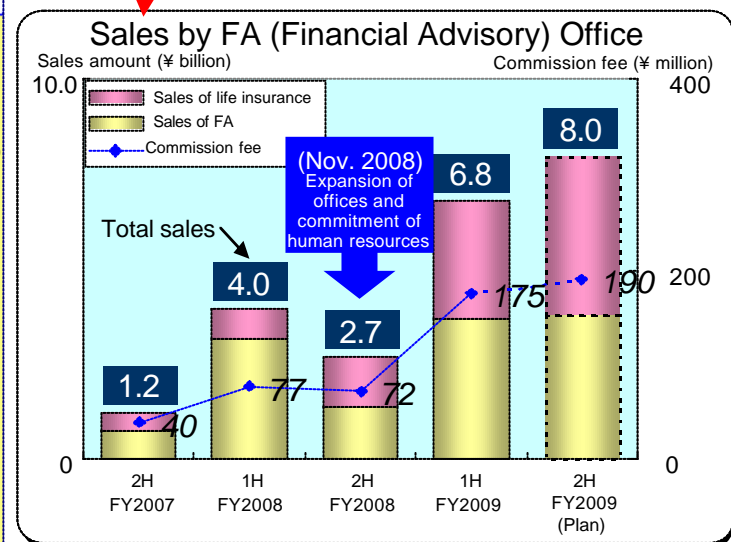
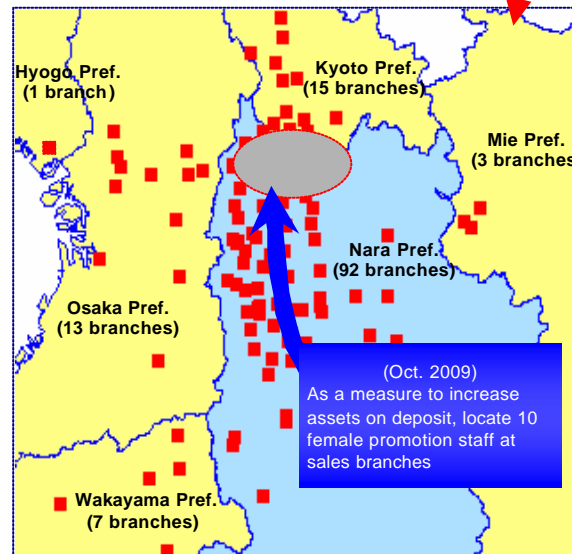
*The figure shows the number of target households (As of Sep. 30, 2009)

< Number of households and personal assets on deposits by transaction amount > (End of Sep. 2009)

	Households	Change from March 2009
¥1 billion and up	1,502	+44
¥30 million - ¥1 billion	17,700	+576
Total households	19,202	+620

	Personal assets on deposits (¥ billion)	Change from March 2009
¥1 billion and up	274.0	+5.9
¥30 million - ¥1 billion	818.7	+27.4
Total households	1,092.7	+33.3

(* Personal assets on deposits = Deposits + Public bonds + Investment trusts + Life insurance)

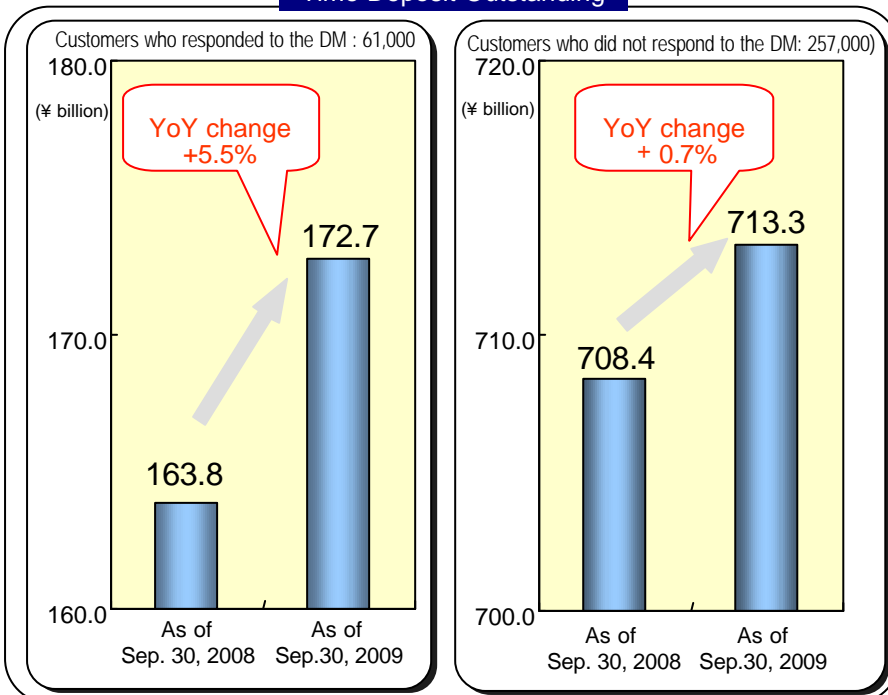


Retail Banking Efforts -2 (Promoting Point Circle)

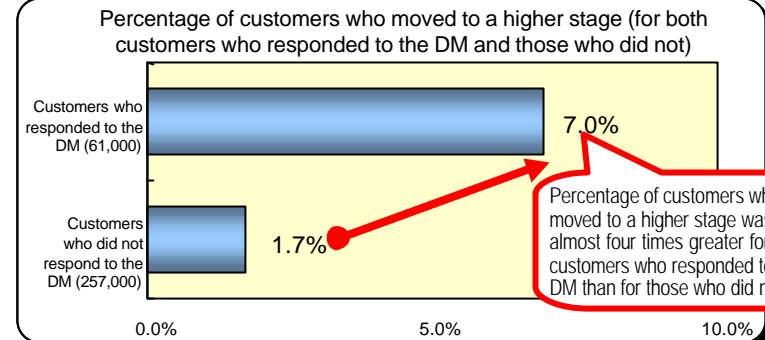
< Strengthen business foundation making use of the point system >
 Determine the Point Circle (point system) as a main service and make efforts to strengthen the business foundation of retail customers

- Implemented measures to promote new Point Circle Membership Program
 - By sending direct mails (DM) to non-members, promoted the membership program.
- [Campaign implemented] December 2008
 [Number of DM sent] 319,000
 [Number of new members] 61,000 (hit ratio of 19.3%)

Time Deposit Outstanding

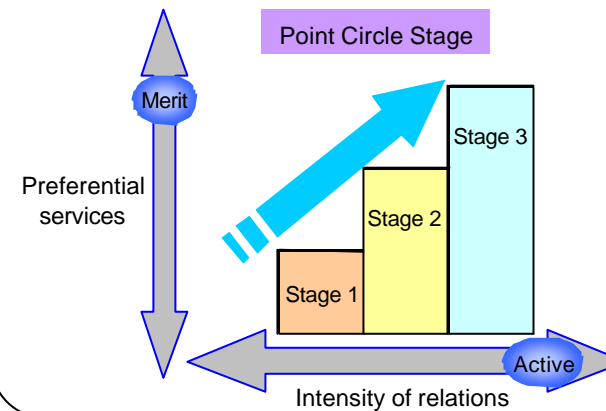


Percentage of Customers Who Moved to Higher Stage



Percentage of customers who moved to a higher stage was almost four times greater for customers who responded to the DM than for those who did not.

*Comparison of the percentage of customers who moved to a higher stage between September 30, 2008, and September 30, 2009, for those who responded to the DM and those who did not.



Main Foundation Items

<Customers who responded to the DM (61,000)>

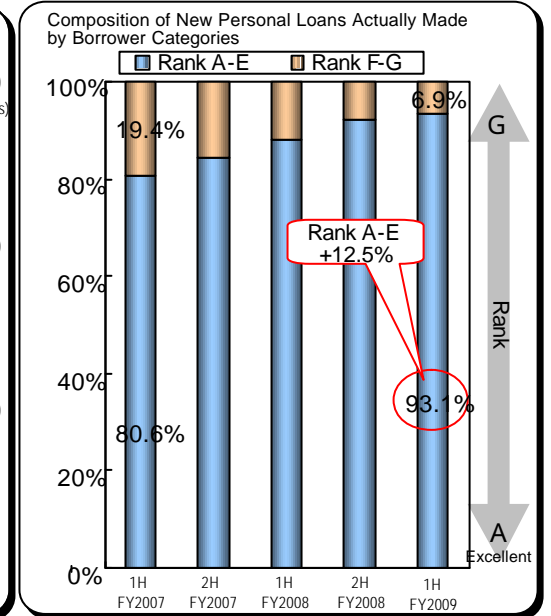
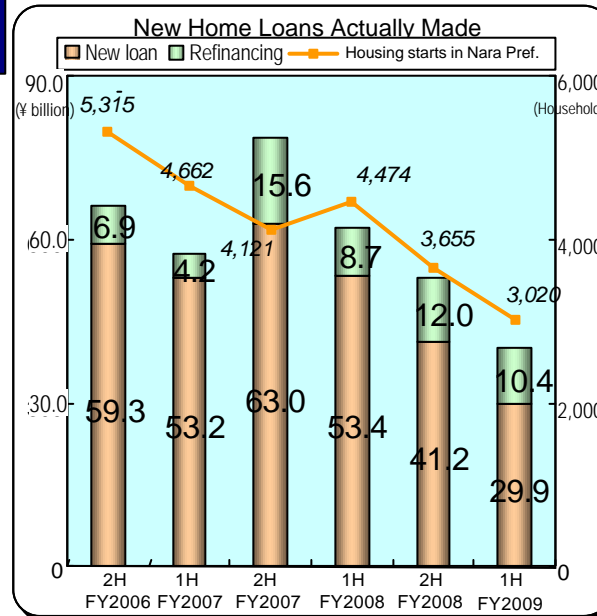
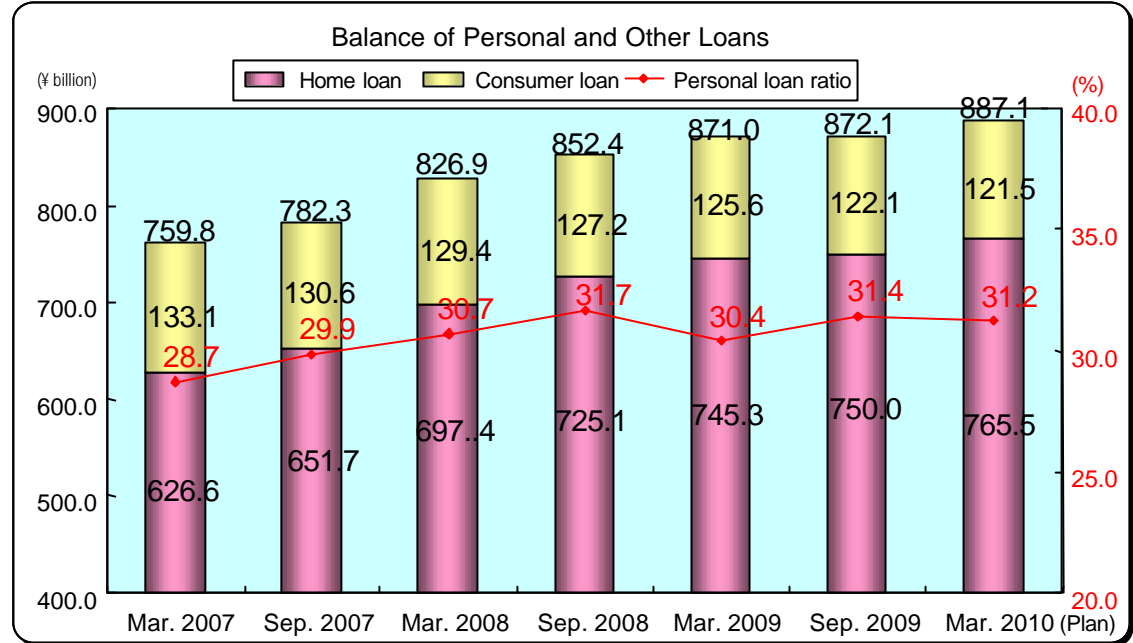
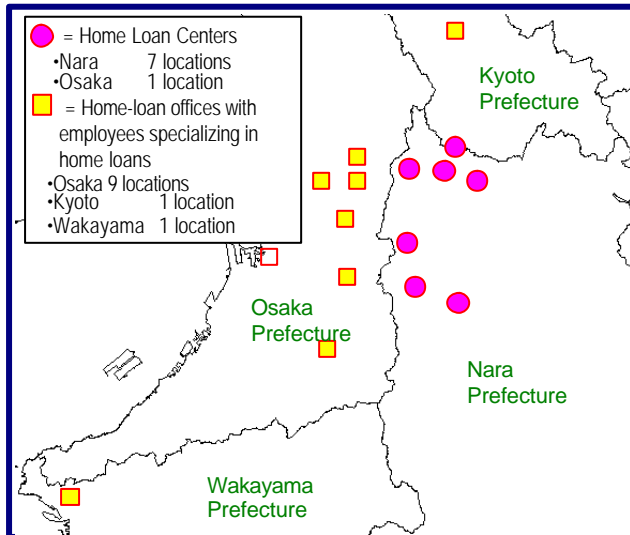
Foundation item	1H FY2008	1H FY2009	Change
Credit card	11,807	12,490	683
Safe or safety case	1,866	2,202	336
Direct banking	4,620	6,611	1,991

Retail Banking Efforts -3 (Reinforcing Personal Loans)

- <Measures for reinforcing personal loans>
- Strengthening the relationship with housing corporations
 - Strengthen tie-ups between home loan centers at 8 locations and sales offices
 - Strengthen efforts to promote refinancing
 - Conduct a campaign of life support
 - Promote real-estate backed loans
 - Limit lending to customers with low customer attribute (score) ranking

Promote personal loans that balance volume and quality

- <Establish the Home Loan Administration Team>
- Establish the Home Loan Administration Team within the Credit Analyzing Division and strengthen management of delinquent loans
 - Open a counter for consulting on weekends
 - Provide flexible terms and conditions



*Nanto Bank's original scoring model

Appendix

Profile of the Nanto Bank	Appendix-1
Outline of Business Foundation	Appendix-2
Share in Nara Prefecture	Appendix-3
Market in Nara Prefecture	Appendix-4
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Efforts to Improve CSR	Appendix-14

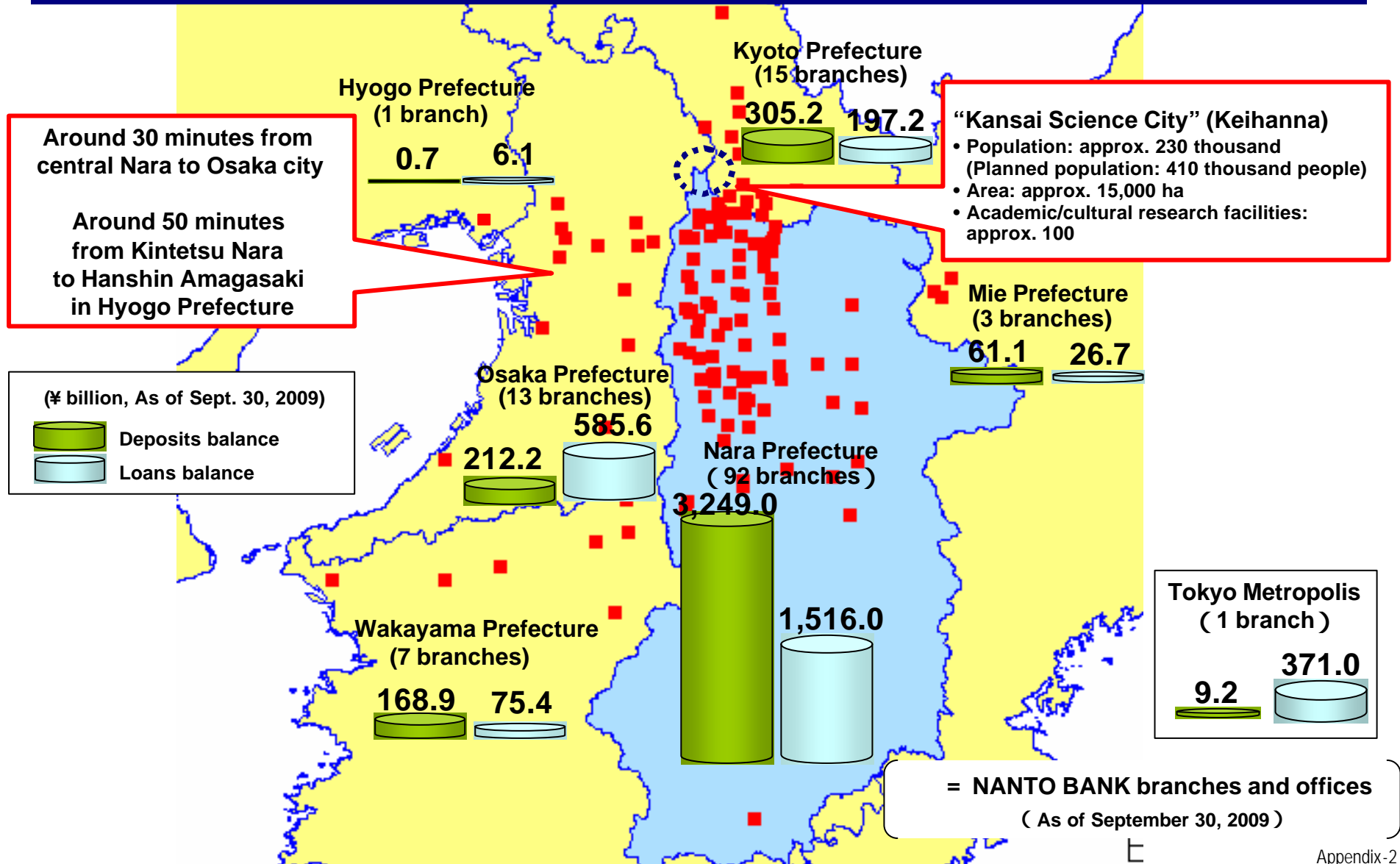
(As of the end of March 2009)

1. Founded	June 1, 1934
2. Location of Head Office	16, Hashimoto-cho, Nara City
3. Capital	¥29,249 million
4. Number of employees	2,803
5. Number of offices	132 (Japan), 2 (representative offices in Hong Kong and Shanghai)
6. Total assets	¥4,486.7 billion
7. Deposits outstanding	¥4,006.6 billion
8. Outstanding loans	¥2,778.3 billion
9. Capital adequacy ratio	Non-consolidated: 10.33% Consolidated: 10.57%



(Head Office)

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



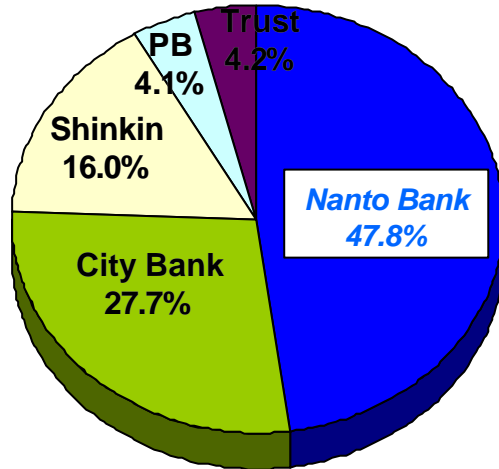
Share in Nara Prefecture

Maintained firmly around 50% of deposit and loan market share in Nara Prefecture

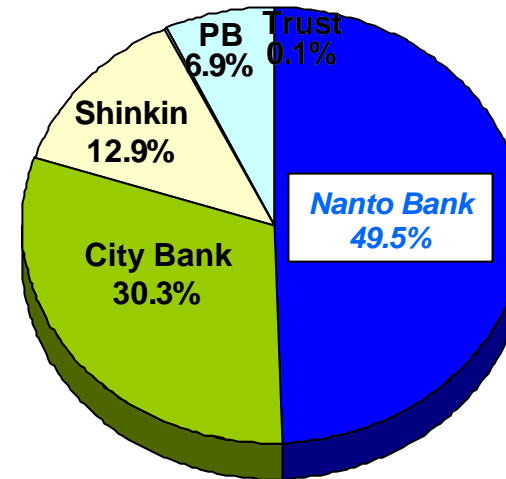
Deposit market share in Nara Pref.: 47.8%

Loan Market Share in Nara Pref.: 49.5% (As of September 30, 2009)

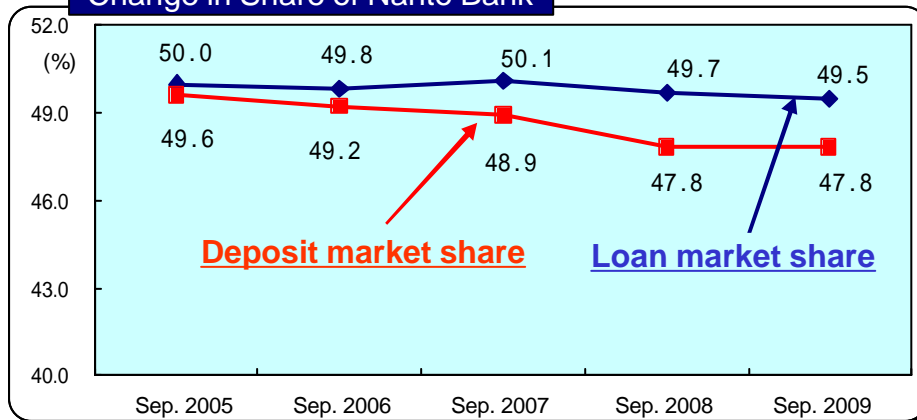
<Deposit Market Share in Nara Pref.>



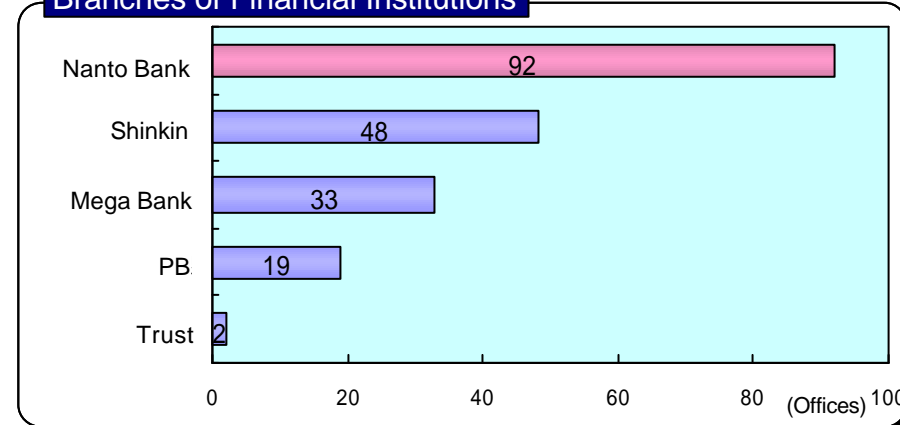
< Loan Market Share in Nara Pref. >



Change in Share of Nanto Bank



Branches of Financial Institutions

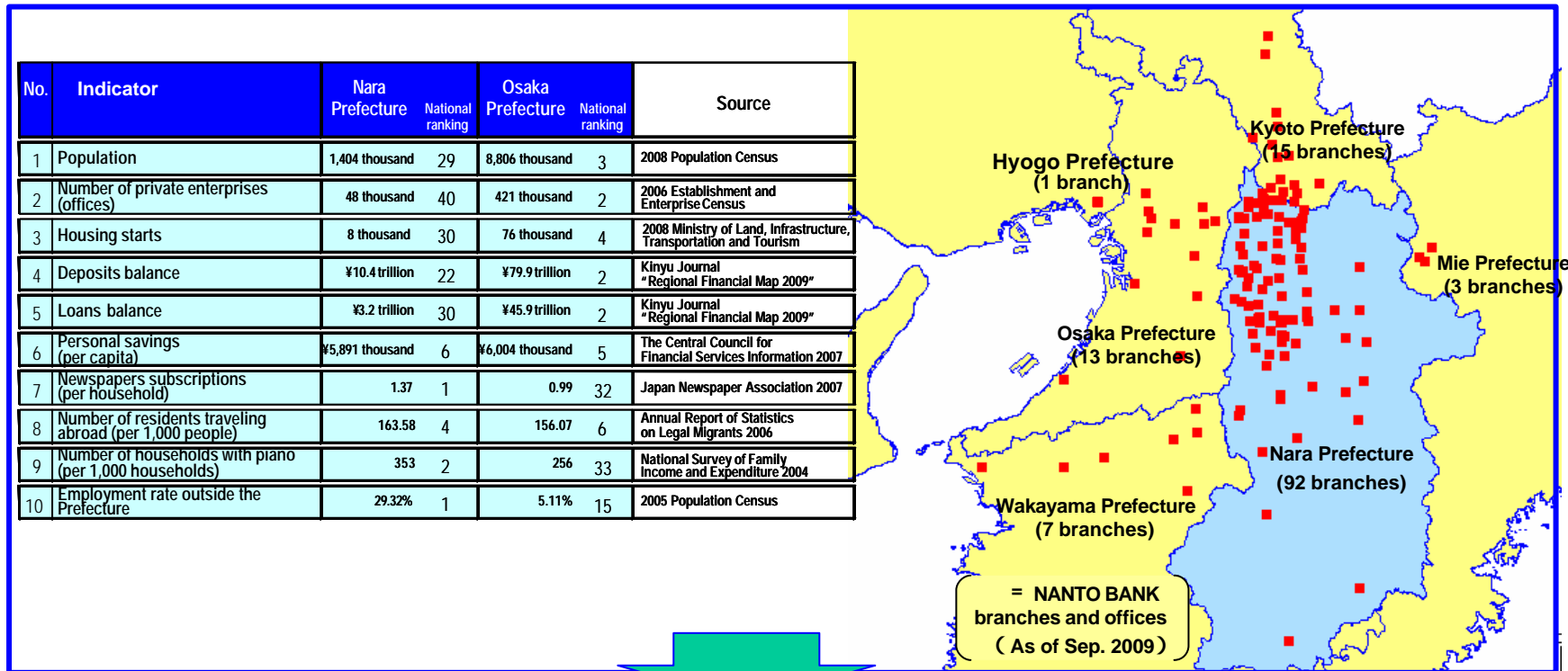


* Total number of commercial banks, trust banks, and shinkin banks in Nara Prefecture. (excluding agricultural cooperatives and postal savings)

* excluding agricultural cooperatives and postal savings

Market in Nara Prefecture

- ✂ 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 the Nara residents work outside the prefecture which is the largest percentage in Japan. Of which, around 90% of them work in Osaka.



< Nanto Bank's Growth Scenario >

✂ Priority strategic areas

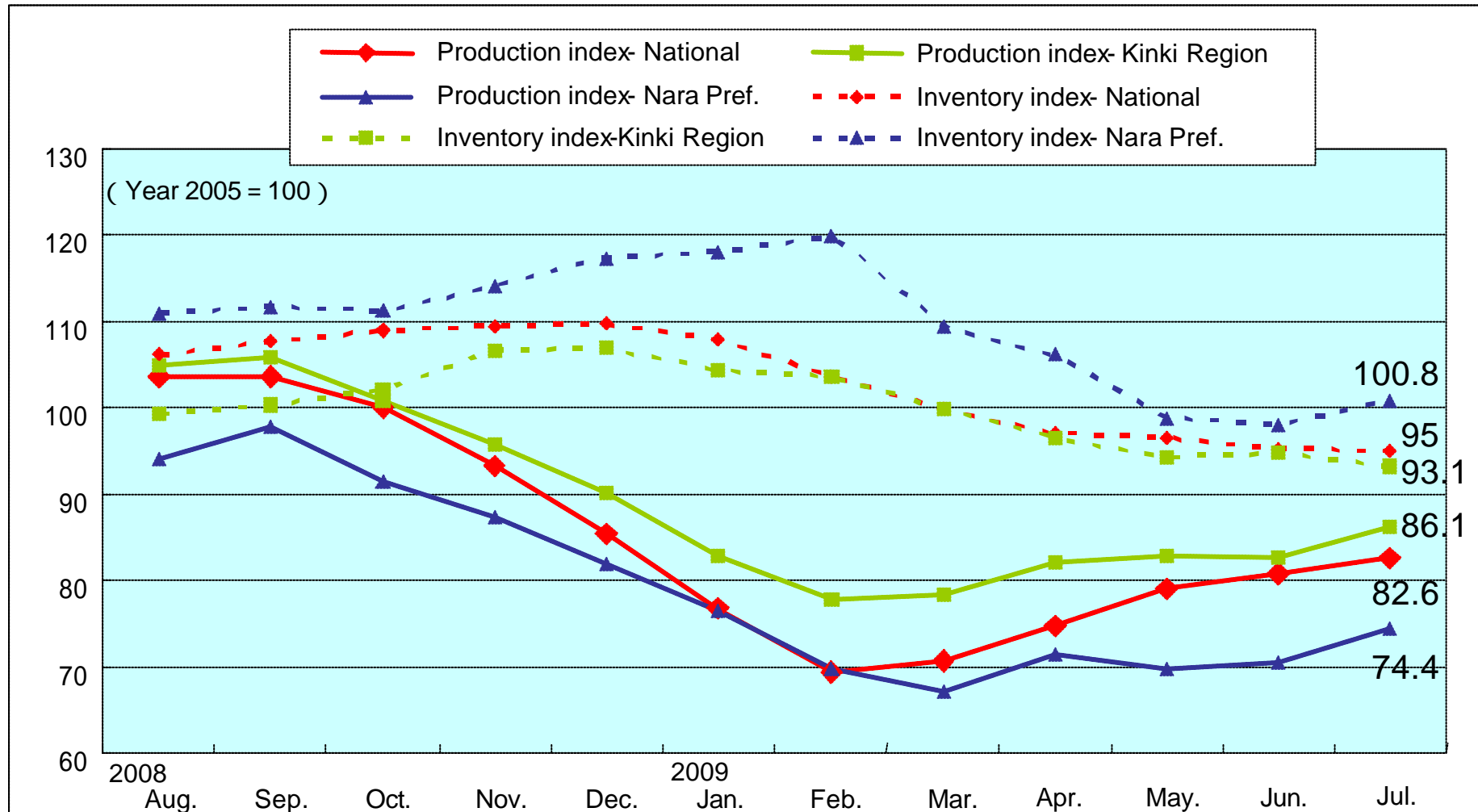
- Nanto Bank will increase business loans and personal loans and strive to expand and strengthen sales offices in areas such as Osaka, which are the bank's strategic areas.

✂ 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.

Industrial Production Index for Nara Prefecture

☞ Compared to all Japan and the Kinki region, industrial production for Nara Prefecture remains weak.

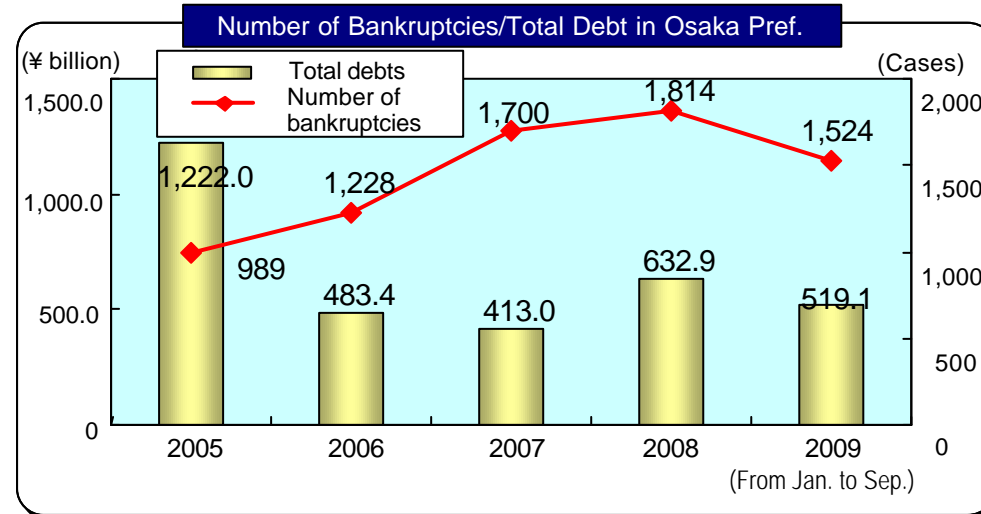
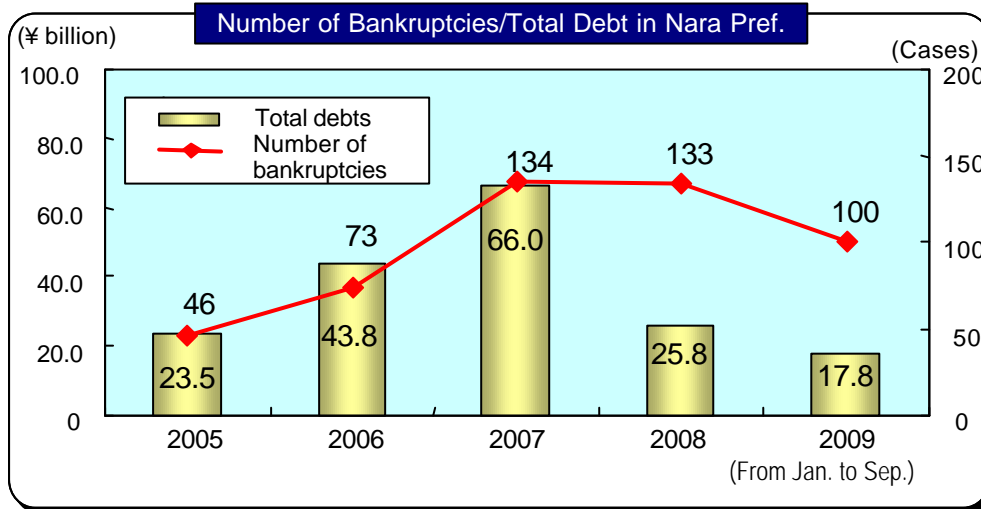


[Source: Nara Prefecture / Ministry of Economy, Trade and Industry]

Business Bankruptcy and Employment Conditions

Corporate bankruptcies

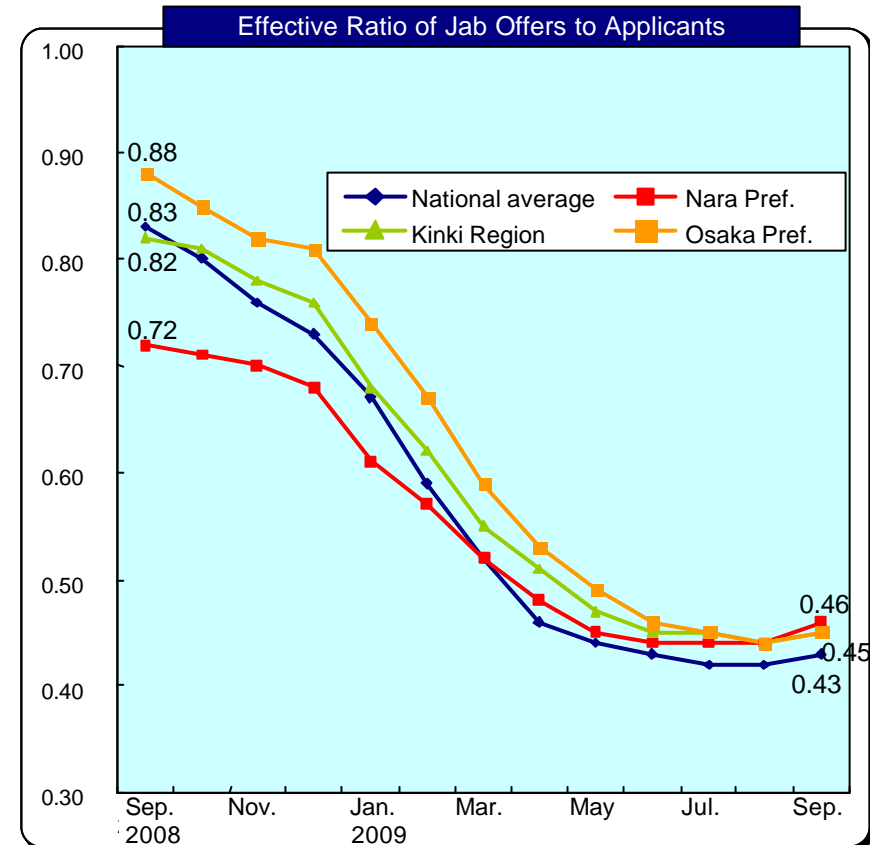
- During the first nine months of 2009 (January-September), the number of bankruptcies in Nara Prefecture increased 2 cases year on year to 100 but the amount declined ¥4.7 billion year on year to ¥17.8 billion; there were many small bankruptcies.



[Source: TEIKOKU DATABANK]

Employment

- The recent effective ratio of job offers to applicants in Nara Prefecture remains low although it is higher than the national average.
- The effective ratio of job offers to applicants in Nara Prefecture (September 2009) was 0.46 times, which was 0.26 points lower than the ratio for September 2008.

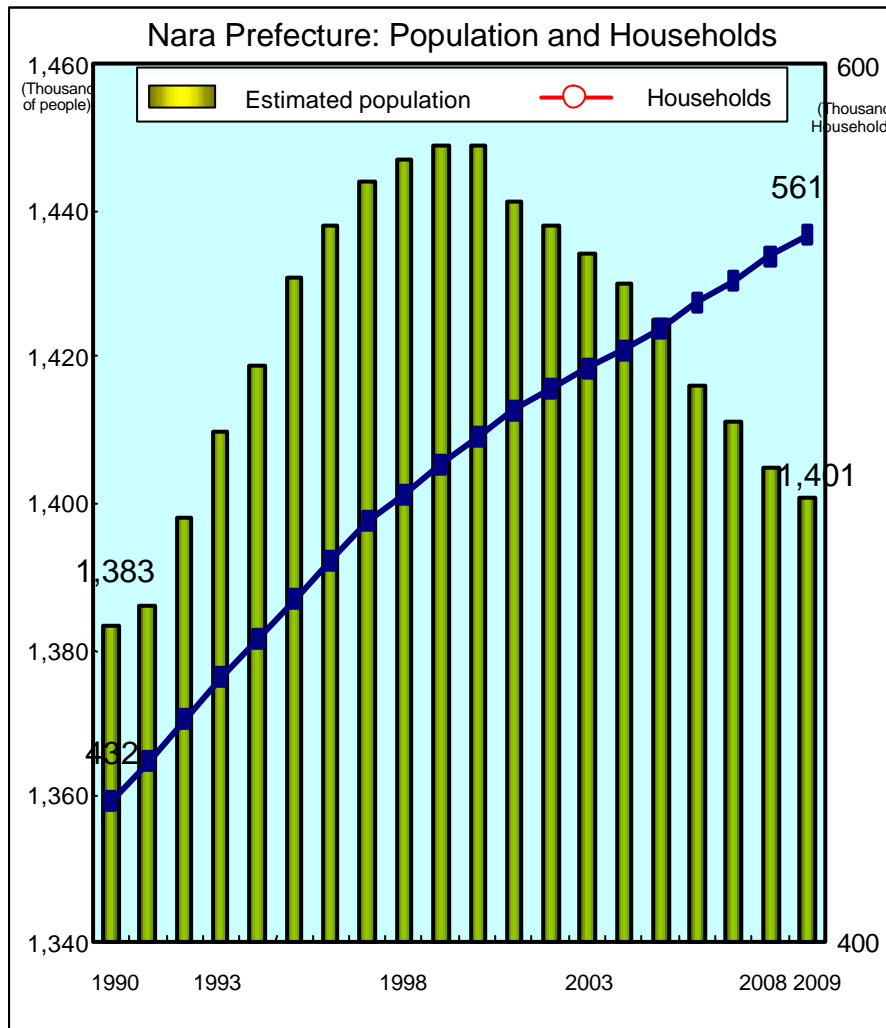


[Source: Health, Labour and Welfare Ministry / Nara Labor Bureau]

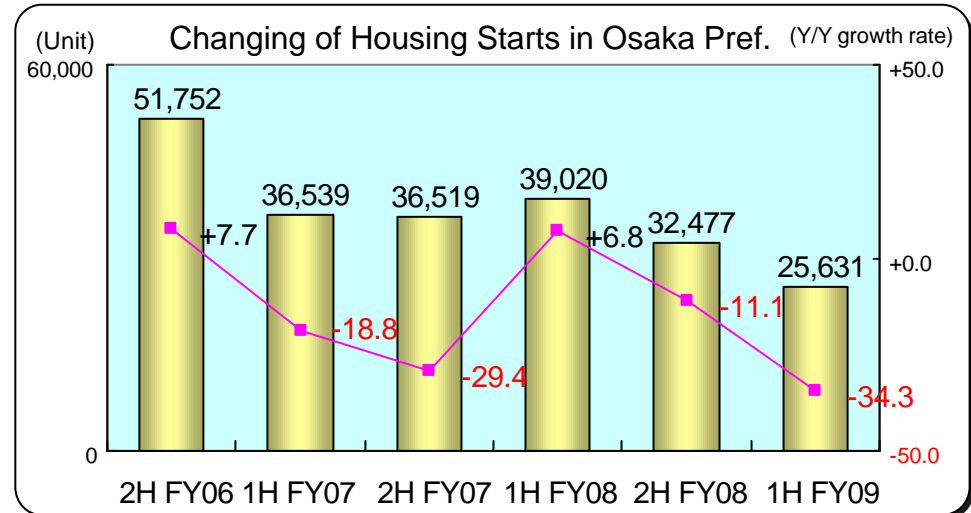
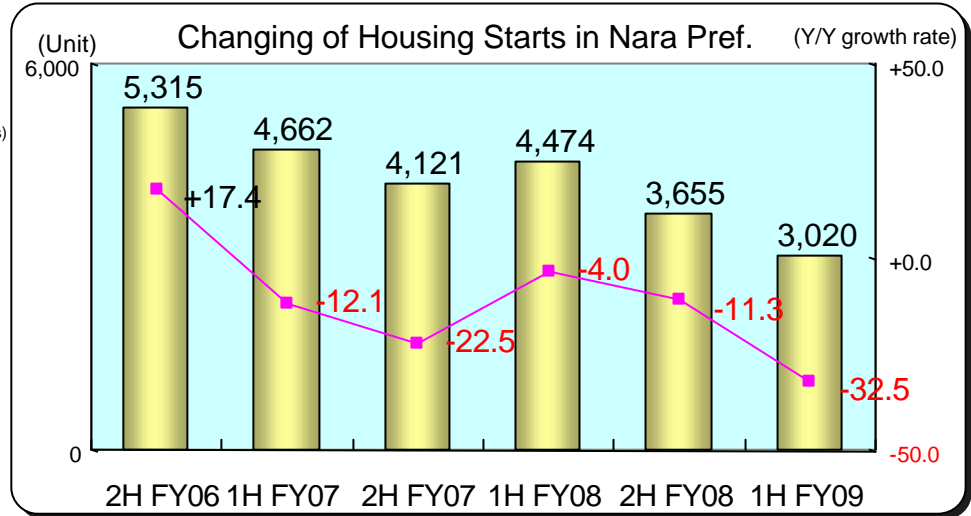
Number of Population and Households, and Housing Starts in Nara Prefecture

≪ **Population of Nara Prefecture (2009): 1.40 million, comprising 560,000 households**
 ≪ The population has been on a declining trend, but the upward trend in the number of households has continued as more and more households are made up of nuclear families.

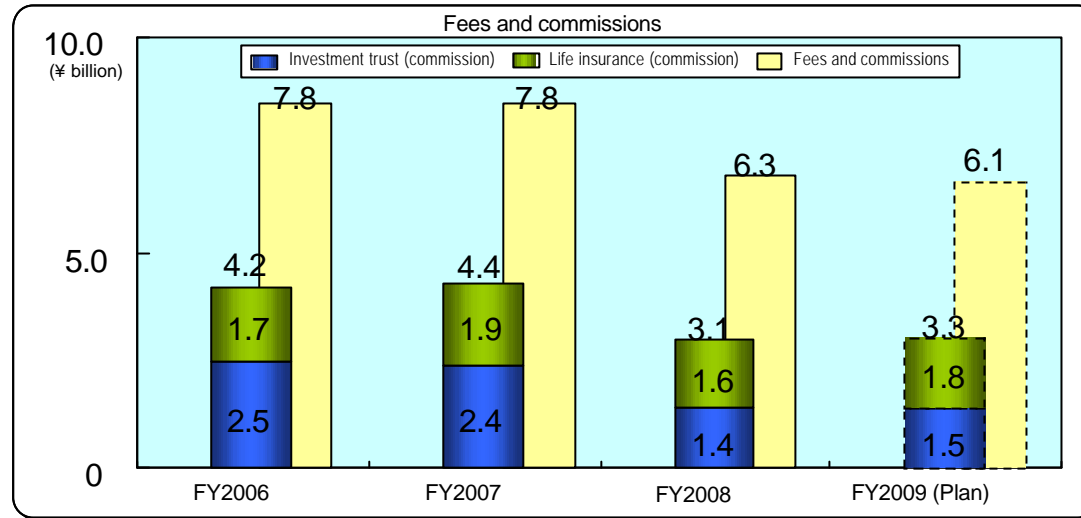
The number of housing starts for Nara Prefecture during 1st Half FY2009 declined 32.5% year on year to 3,020.
 · There has been a downward trend in housing starts since 1st Half 2007, and the 32.5% decline in 1st Half FY2009 shows that the ratio of decline has been accelerated.



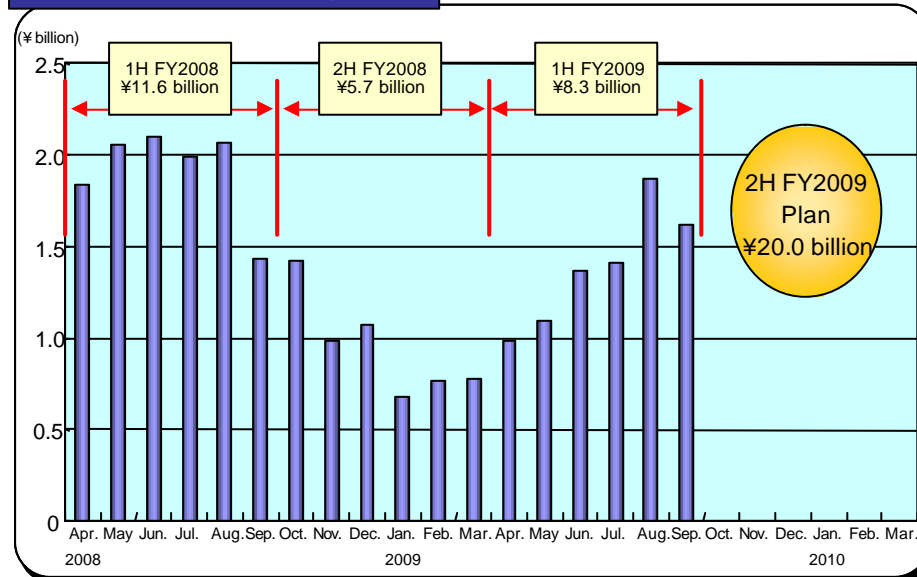
Source: Nara Statistics Division



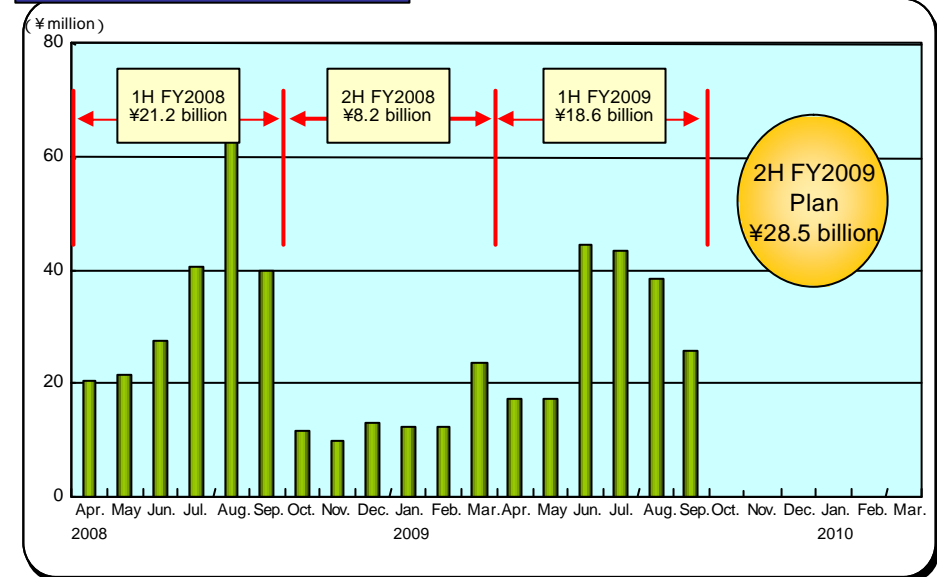
Sales of Investment Trusts and Life Insurance



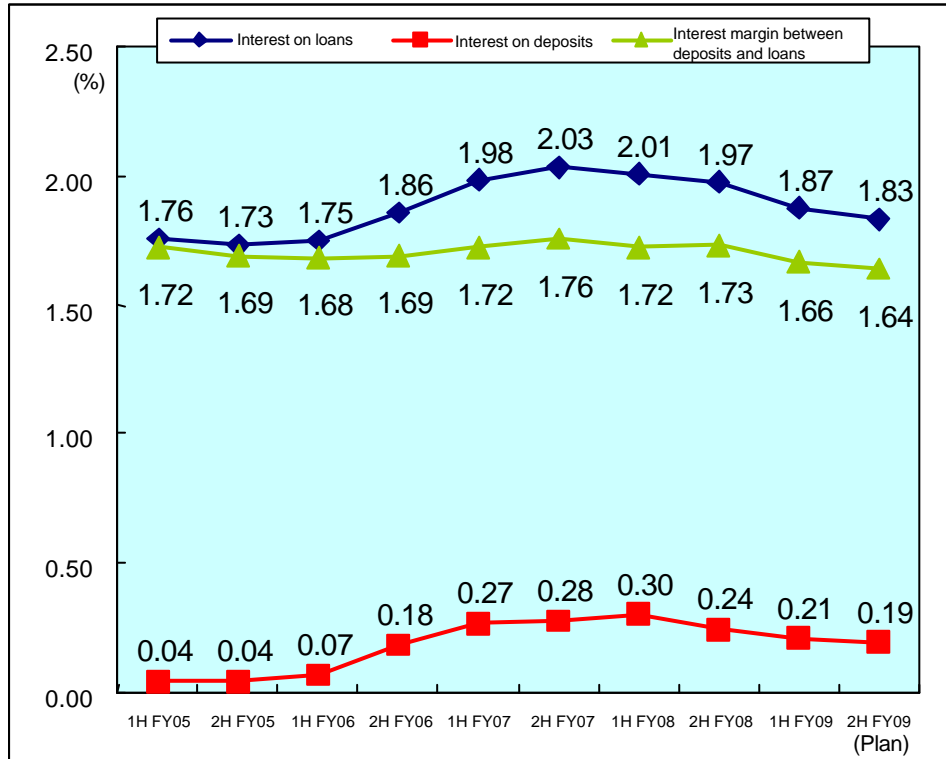
Sales of investment trusts by months



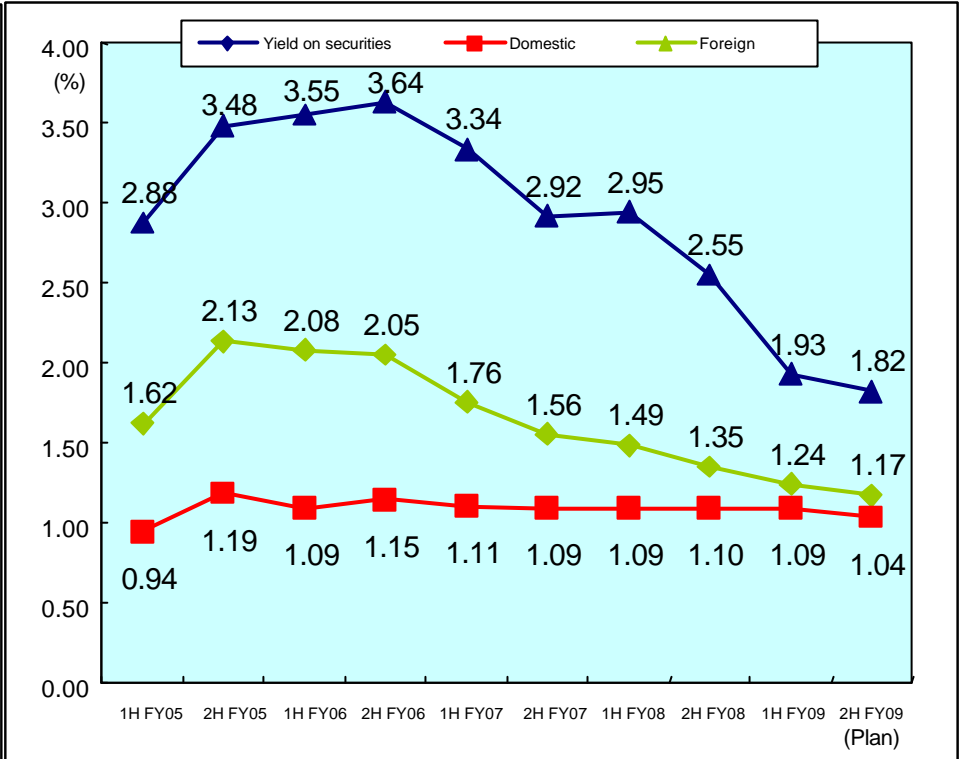
Sales of life insurance by months



Interest on Deposit and Loan



Yield on Securities



Ratio of Loans by Industry

Loans Outstanding by Industry

(¥billion)	End of Sep. 2008	End of Mar. 2009	Change from end of Sep. 2008	End of Sep. 2009
Domestic lending total volume	2,692.7	2,867.7	+174.9	2,778.3
Manufacturing	440.1	500.0	+59.8	492.6
Agriculture and forestry	9.3	10.0	+0.7	5.2
Fishery	3.5	3.2	-0.2	3.0
Mining and quarrying of stone and gravel	18.1	23.0	+4.8	6.4
Construction	114.9	124.4	+9.5	114.6
Electric power, gas, heat supply and water supply	6.7	12.0	+5.2	9.7
Telecommunication	16.0	15.5	-0.4	19.4
Transport and postal activities	76.7	78.4	+1.6	78.9
Wholesale and retail	279.0	301.3	+22.2	294.0
Finance and insurance	145.8	147.3	+1.4	132.9
Real estate and goods rental and leasing	213.8	220.5	+6.7	313.7
Services	249.5	257.8	+8.3	159.2
Local government	308.1	350.8	+42.6	327.8
Others	810.5	822.7	+12.2	820.1

Ratio of Loans by Industry

(%)	End of Sep. 2008	End of Mar. 2009	Change from end of Sep. 2008	End of Sep. 2009
Domestic lending total volume	100.0	100.0	+0.0	100.0
Manufacturing	16.3	17.4	+1.1	17.7
Agriculture and forestry	0.3	0.3	+0.0	0.2
Fishery	0.1	0.1	-0.0	0.1
Mining and quarrying of stone and gravel	0.7	0.8	+0.1	0.2
Construction	4.3	4.3	+0.1	4.1
Electric power, gas, heat supply and water supply	0.2	0.4	+0.2	0.3
Telecommunication	0.6	0.5	-0.1	0.7
Transport and postal activities	2.8	2.7	-0.1	2.8
Wholesale and retail	10.4	10.5	+0.1	10.6
Finance and insurance	5.4	5.1	-0.3	4.8
Real estate and goods rental and leasing	7.9	7.7	-0.3	11.3
Services	9.3	9.0	-0.3	5.7
Local government	11.4	12.2	+0.8	11.8
Others	30.1	28.7	-1.4	29.5

* Followed by the revisions of the Japan Standard Industrial Classification (JSIC) in Nov. 2007, balances of loans outstanding were recorded accordance with the classification after the revision from the first half of FY2009.

Shift in Classification of Debtors

<As of September 30, 2009>

- ✂ Total credit (loans): ¥2,805.9 billion (decrease of ¥92.7 billion from Mar. 2009)
- ✂ Loans to normal debtors: ¥2,519.2 billion (decrease of ¥89.7 billion from Mar. 2009)
- ✂ Loans to debtors requiring caution and Substandard debtors: ¥216.1 billion (decrease of ¥3.1 billion from Mar. 2009)
- ✂ Loans to potentially bankrupt debtors and lower: ¥70.5 billion (increase of ¥0.2 billion from Mar. 2009)

(¥billion)

	(Subject: Credit related claimable assets such as loans)	Balance (As of March 31, 2009) a	As of September 30, 2009					For collection or write-offs g
			Normal assets b	Assets requiring caution c	Substandard assets d	Potentially bankrupt assets e	Bankrupt and quasi-bankrupt assets F	
1	Normal debtors	2,609.0	2,453.9	23.5	6.8	1.9	2.3	120.3
2	Debtors requiring caution	183.2	11.2	147.3	2.9	7.6	0.5	13.4
3	Substandard debtors	36.0	4.0	8.8	21.8	2.4	0.4	2.0
4	Potentially bankrupt debtors	60.7	0.0	4.3	0.0	44.0	6.5	5.7
5	Bankrupt and quasi-bankrupt debtors	9.5	0.0	0.1	0.0	0.3	4.1	4.9
6	New debtors	0.0	53.6	0.1	0.0	0.0	0.0	0.0
7	Total	2,898.6	2,519.2	184.4	31.6	56.4	14.1	146.4

Loans to normal debtors:
 Decrease of ¥89.7 billion
 from March 2009

Loans to debtors requiring caution
 and substandard debtors
 Decrease of ¥3.1 billion
 from March 2009

Loans to potentially bankrupt
 debtors or below
 Increase of ¥0.2 billion
 from March 2009

Loans to potentially bankrupt
 debtors or below
 collection or write-offs
 ¥10.6 billion

The bank obtained ISO14001, an environmental management standard, in 2002. In addition to conducting in-house environment-friendly activities, the bank calls on the local community to protect the environment.

<Main efforts>

Energy conservation

Conduct a “Cool Biz (casual day)” campaign at all offices, in which workers wear lighter clothing during summer to reduce the use of air conditioning.

Reduction in paper use

Digitalize internal documents.

Campaigns to plant greenery

Grow trees and cut grass in Asuka-village.

Support for the “Yoshino Heart Project”

Conduct various activities including a PR campaign at convenience stores in the greater Tokyo metropolitan area for the 1300th Anniversary of Nara Heijo-kyo Capital, making use of products made from waste Yoshino Japanese cedar and cypress lumber

Recycling center

Establish a recycling center and recycle waste paper

Provide information

Hold seminars on environment protection, etc.



Planting trees



Sento-kun ad chopsticks



Promoting CSR (Social Contributions)

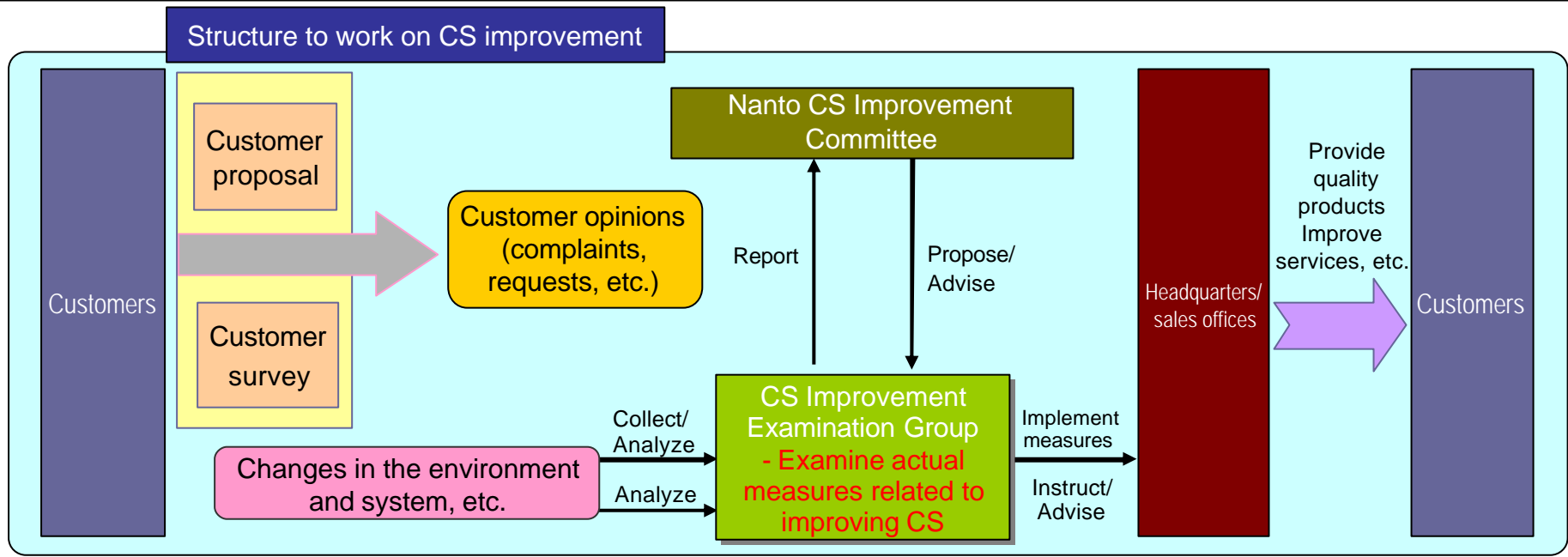
- ✉ The tourist information site “Ee Koto Nara (Attractive Nara),” the first one among local banks in the Kinki region, was launched in April 2006 Awarded the “8th Nara Prefecture Tourism PR Prize” for 2006.
- ✉ Active efforts were taken related to finance and economics education. Holding finance and economic lectures at local elementary schools, and hosting a Nara leg of the “National High School Economics Quiz Tournament (Economics Koshien)”

Tourist information site “Ee Koto Nara”



Finance and economics lecture at a local elementary school

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)



CS Declaration

- We will greet customers with a smile in heart and strive to provide customers with thoughtful service.
- We will endeavor to provide better products and services that satisfy customers.
- We will work to provide accurate and rapid responses and easy-to-understand, precise explanations.

All-office Smile Campaign

- With the CS Declaration, an “All-office Smile Campaign” is held in which employees working at counters and visiting customers provide service with a smile, the foundation of the service industry. (from October 1 through December 30, 2009)

CS Training

- Based on items such as requests from customers, staff receive thorough training to deepen their understanding of the significance and importance of CS and about what their role should be in improving CS.

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:]

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