

Information Meeting
—The First Half Ended
September 2018—
Appendix



THE NANTO BANK, LTD.

Table of Contents

I. Current Status of the Regional Economy

1. Population and Number of Households	2
2. Number of Private Enterprises	3
3. Business Sentiment among Nara Prefecture-based Companies	4
4. Industrial Production Index and Employment Conditions	5
5. Business Bankruptcy	6
6. Number of Tourists	7
7. Balances of Deposits and Loans in Nara Prefecture	8

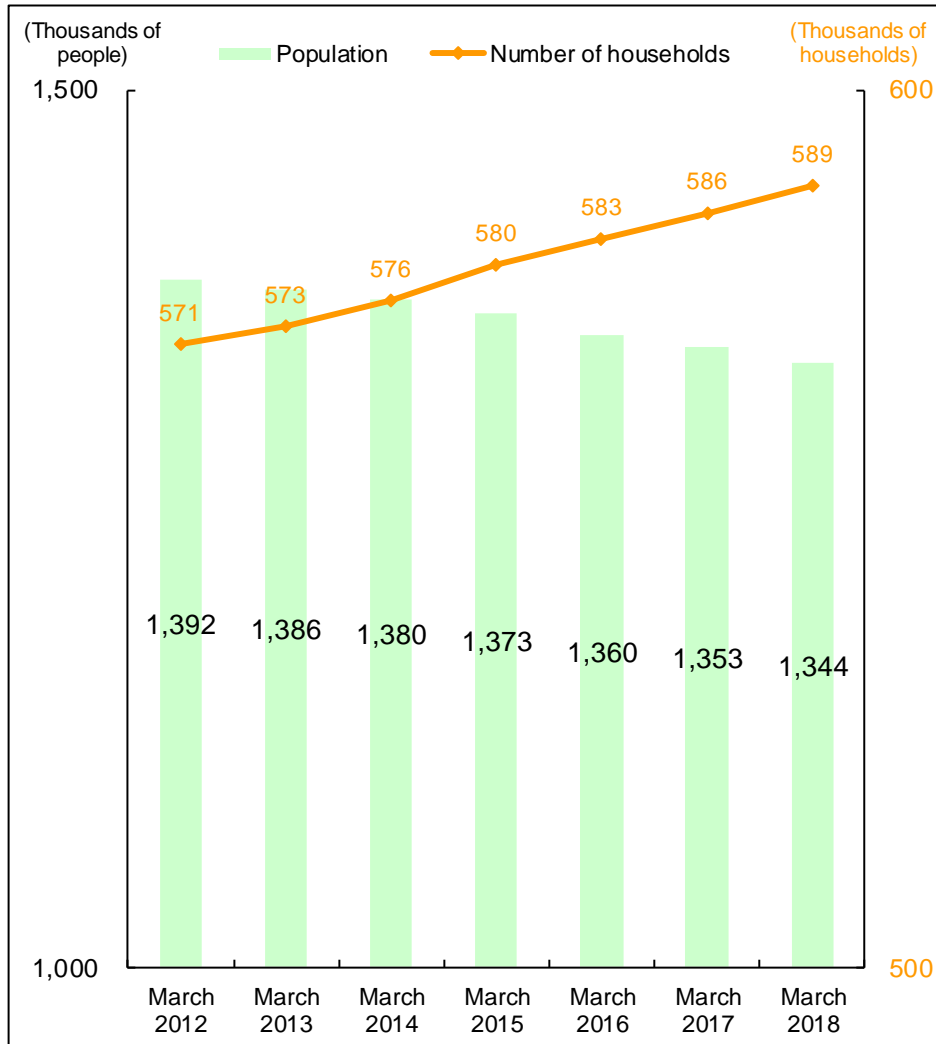
II. Numerical Data and Metrics

1. Profits and Losses	10
2. Principal Accounts (Deposits)	11
3. Principal Accounts (Loans)	12
4. Principal Accounts (Assets under Management)	13
5. Interest Margins	14
6. Loans by Industry	15
7. Classification of Debtors	16
8. Capital Adequacy Ratio	17
9. Total Risk Management	18
10. Composition of Shareholders	19
11. Share in Nara Prefecture	20
12. Business Performance for Nanto Bank Group Companies	21
13. Initiatives for ESG	22

I. Current Status of the Regional Economy

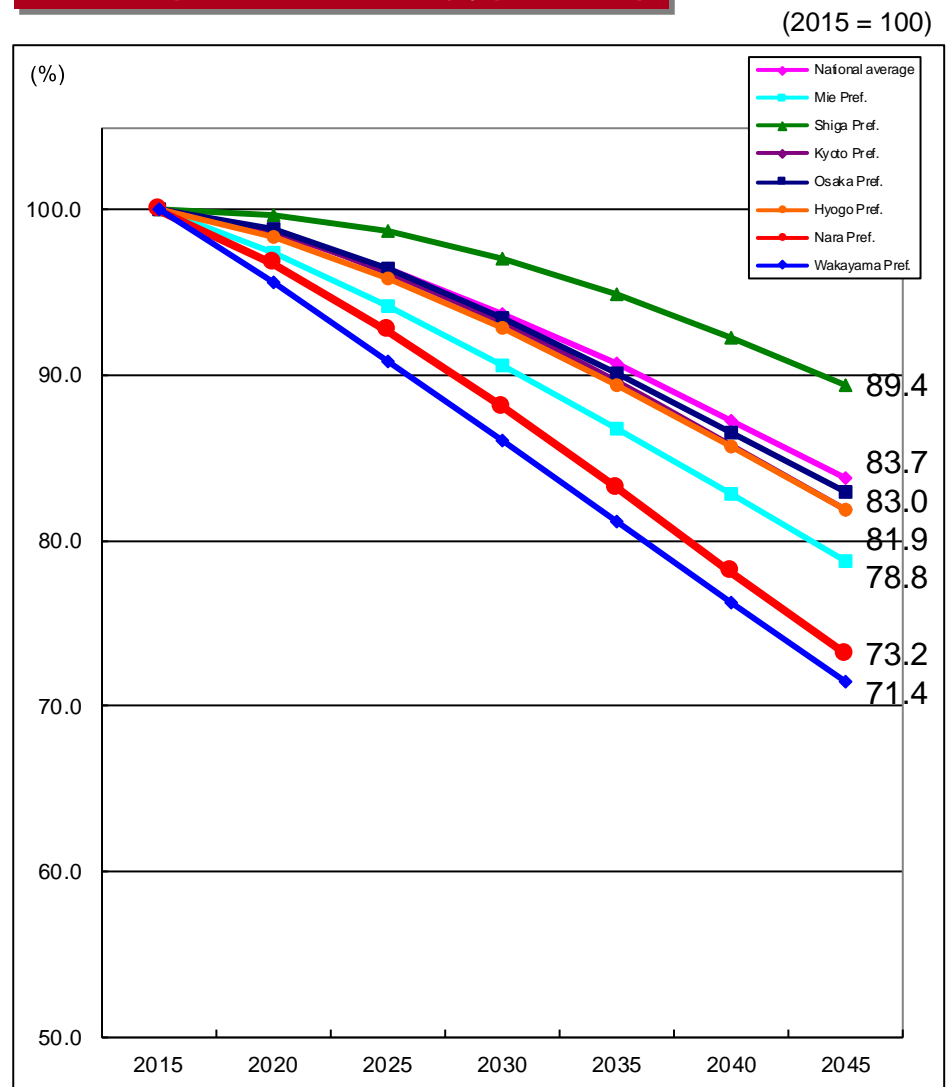
1. Population and Number of Households

Population and Number of Households (Nara Prefecture)



(Source: Nara Prefecture)

Future Population Estimates (by prefecture)



(Source: National Institute of Population and Social Security Research)

2. Number of Private Enterprises

Number of Private Enterprises

	Jul. 2009	Feb. 2012	Jul. 2014	Change from Feb. 2012	
				Change (number)	Change (%)
National average	5,886,193	5,453,635	5,541,634	+87,999	+1.6
Osaka Pref.	443,848	408,713	413,110	+4,397	+1.1
Nara Pref.	50,424	46,711	48,034	+1,323	+2.8

(Source: Ministry of Internal Affairs and Communications)

Number of Private Enterprises by Industry (Nara Prefecture)

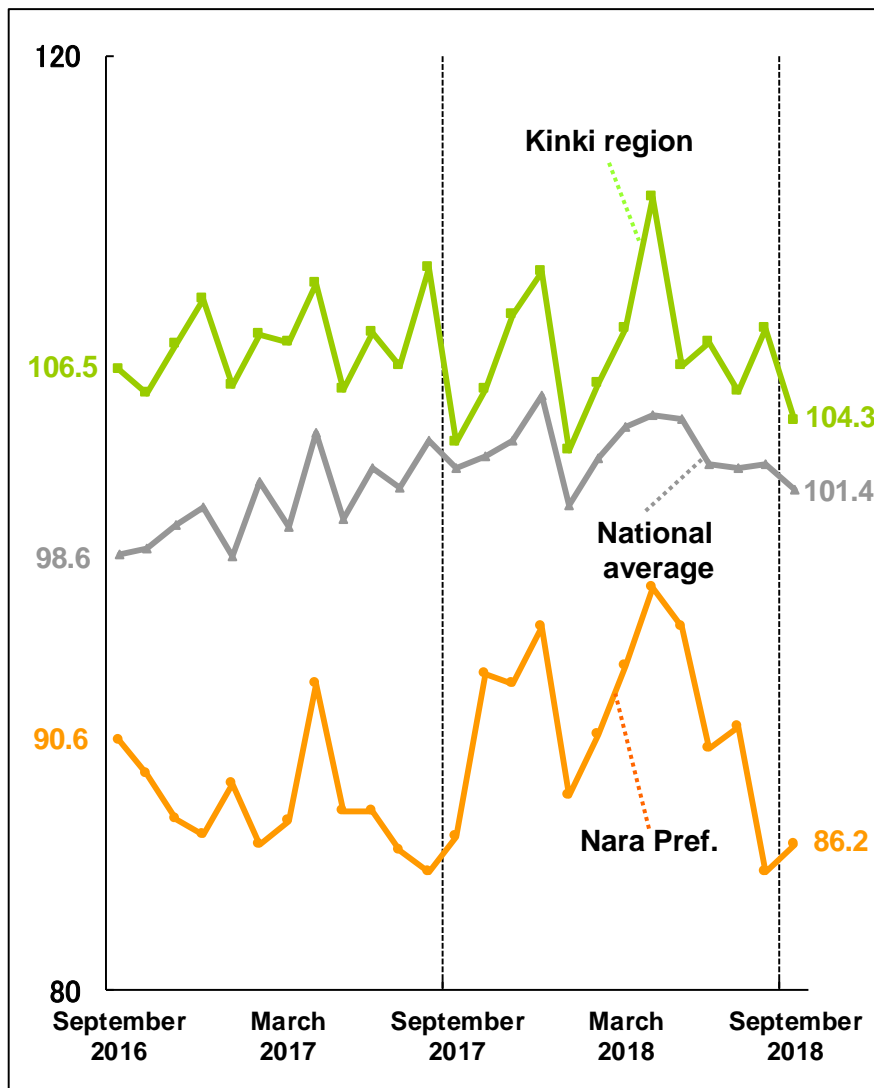
	Jul. 2009	Feb. 2012	Jul. 2014	Change from Feb. 2012	
				Change (number)	Change (%)
All industries	50,424	46,711	48,034	+1,323	+2.8
Agriculture, fishery and forestry	132	117	141	+24	+20.5
Mining, stone and gravel quarrying	5	6	5	-1	-16.7
Construction	4,394	3,882	3,851	-31	-0.8
Manufacturing	5,423	5,073	5,030	-43	-0.8
Electric, gas, heat supply and water supply	35	34	37	+3	+8.8
Information communication	342	282	279	-3	-1.1
Transportation and postal services	821	785	745	-40	-5.1
Wholesaling and retailing	14,073	12,434	12,538	+104	+0.8
Finance and insurance	732	694	703	+9	+1.3
Real estate and leasing	3,288	3,050	3,107	+57	+1.9
Academic research and specialized and technology services	1,568	1,446	1,555	+109	+7.5
Accommodation and food services	5,552	5,184	5,349	+165	+3.2
Living and entertainment services	4,365	4,101	4,231	+130	+3.2
Education and learning-aid services	1,630	1,629	1,767	+138	+8.5
Medical and welfare services	3,451	3,603	4,251	+648	+18.0
Integrated services	443	323	424	+101	+31.3
Others (*)	4,170	4,068	4,021	-47	-1.2

(*) Others: Religion; car maintenance; political, economic and culture associations; and waste treatment services

(Source: Ministry of Internal Affairs and Communications)

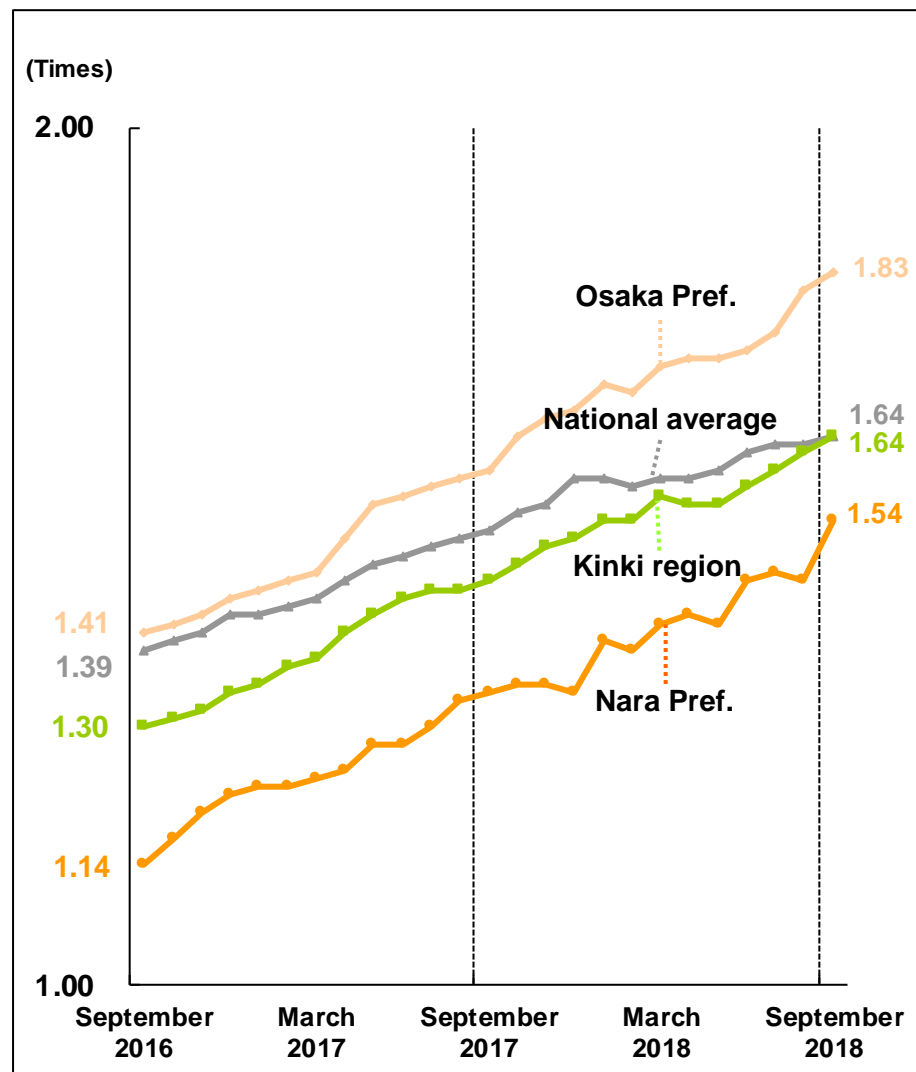
4. Industrial Production Index and Employment Conditions

Industrial Production Index



(Source: Ministry of Economy, Trade and Industry, Kinki Bureau of Economy, Trade and Industry, Nara Prefecture)

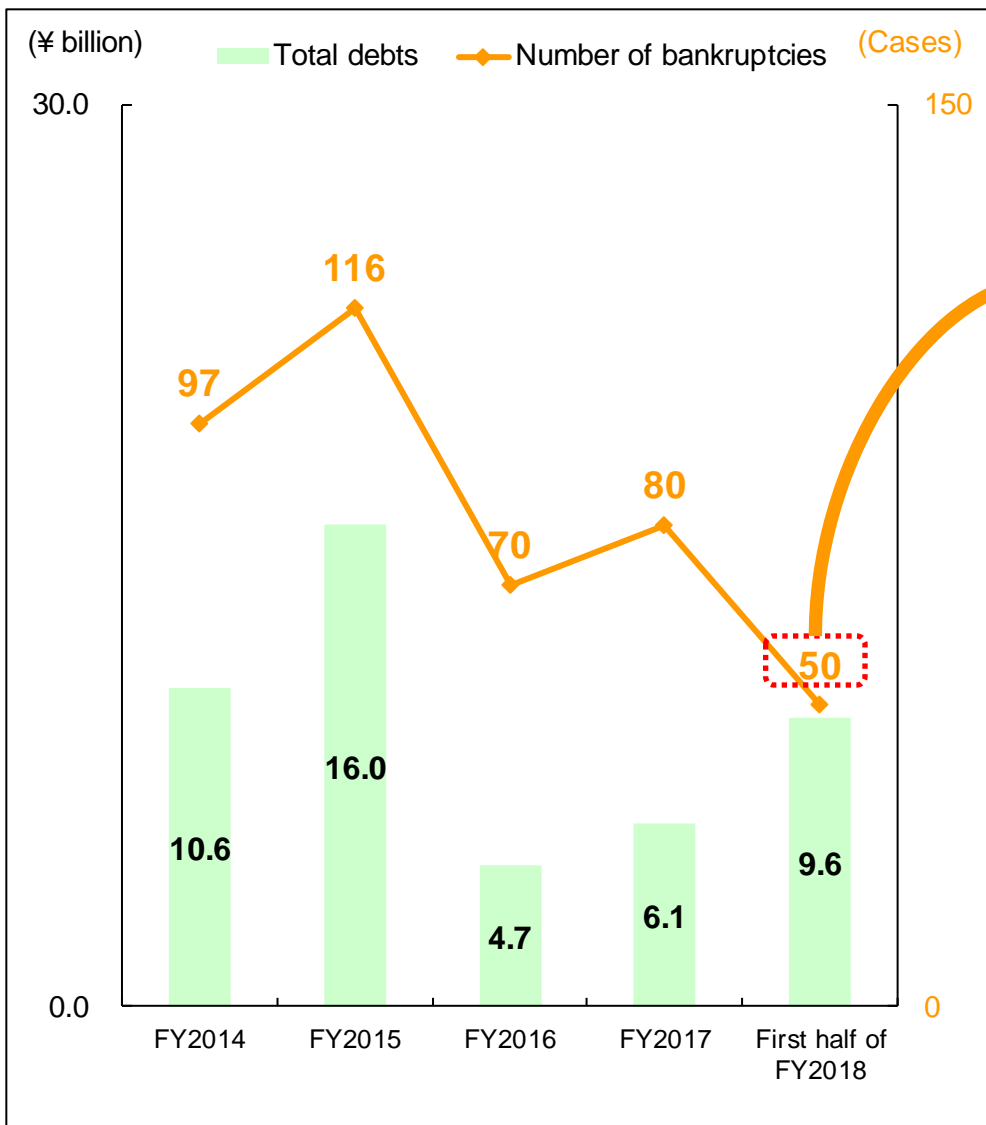
Effective Ratio of Job Offers to Applicants



(Source: Ministry of Health, Labour and Welfare)

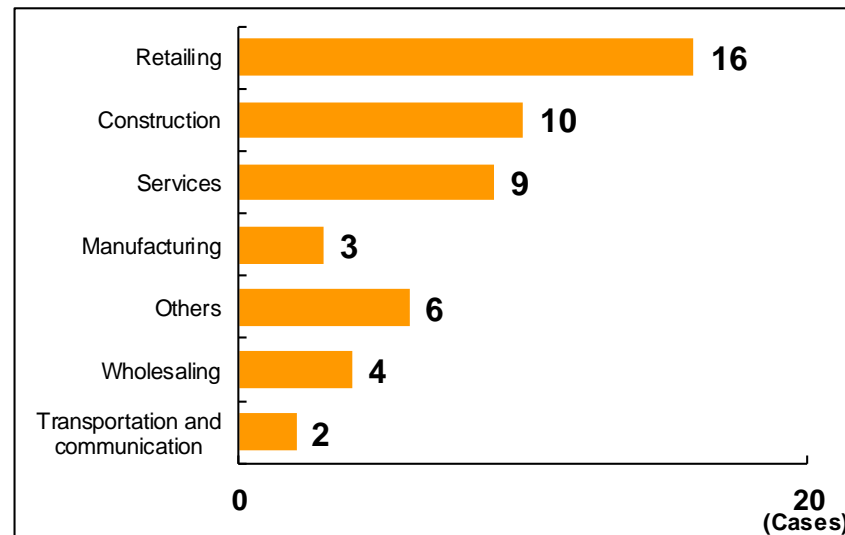
5. Business Bankruptcy

Number of Bankruptcies in Nara Prefecture



(Source: Teikoku Databank)

Number of Bankruptcies by Industry



(Source: Teikoku Databank)

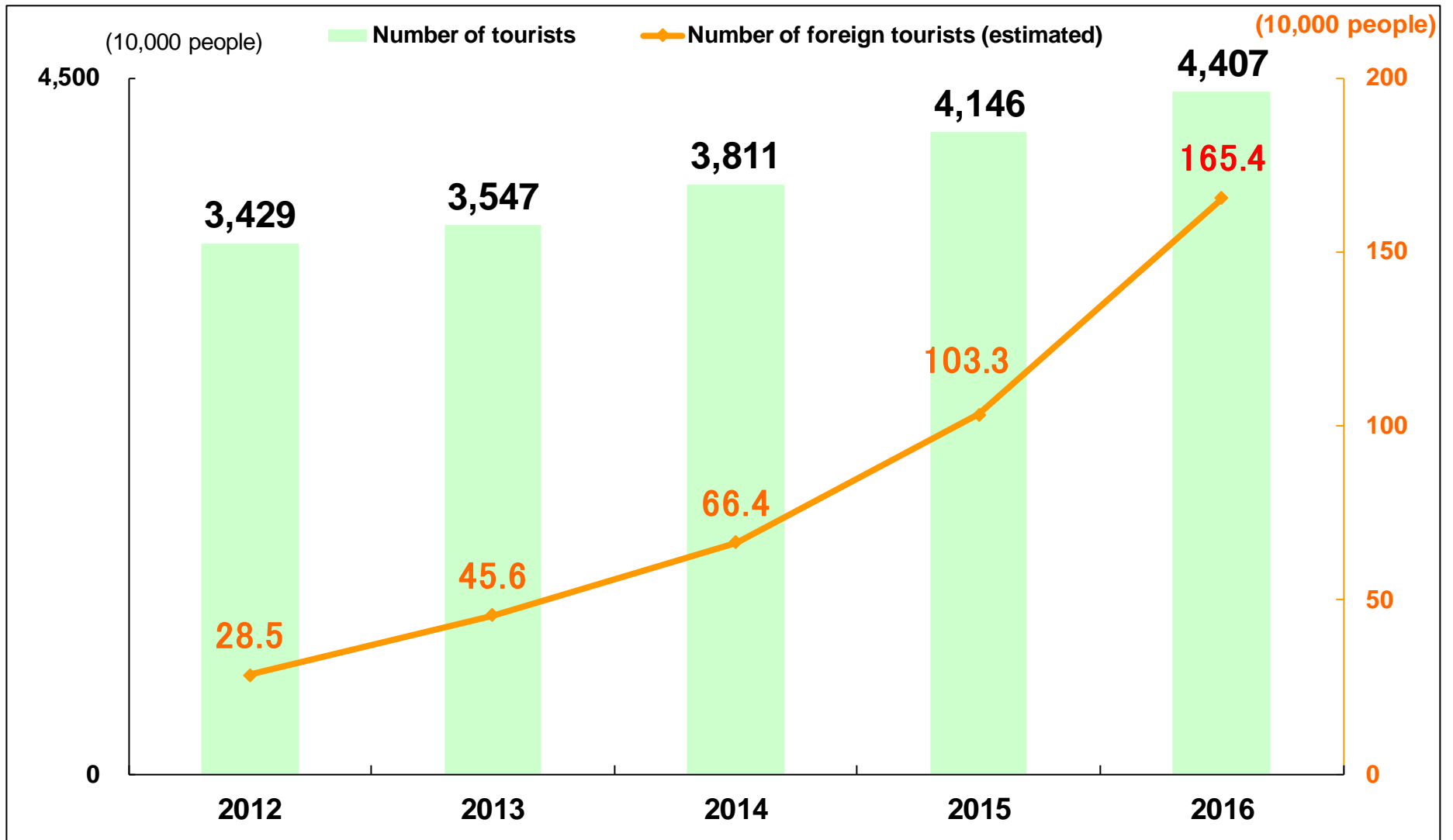
<Changes in the Number of Bankruptcies by Industry>

	FY2014	FY2015	FY2016	FY2017	First half of FY2018
Retailing	28	28	16	25	16
Construction	21	24	18	15	10
Services	22	29	11	13	9
Manufacturing	12	16	7	9	3
Others	1	3	1	9	6
Wholesaling	10	13	15	7	4
Transportation and communication	3	3	2	2	2
Total	97	116	70	80	50

(Source: Teikoku Databank)

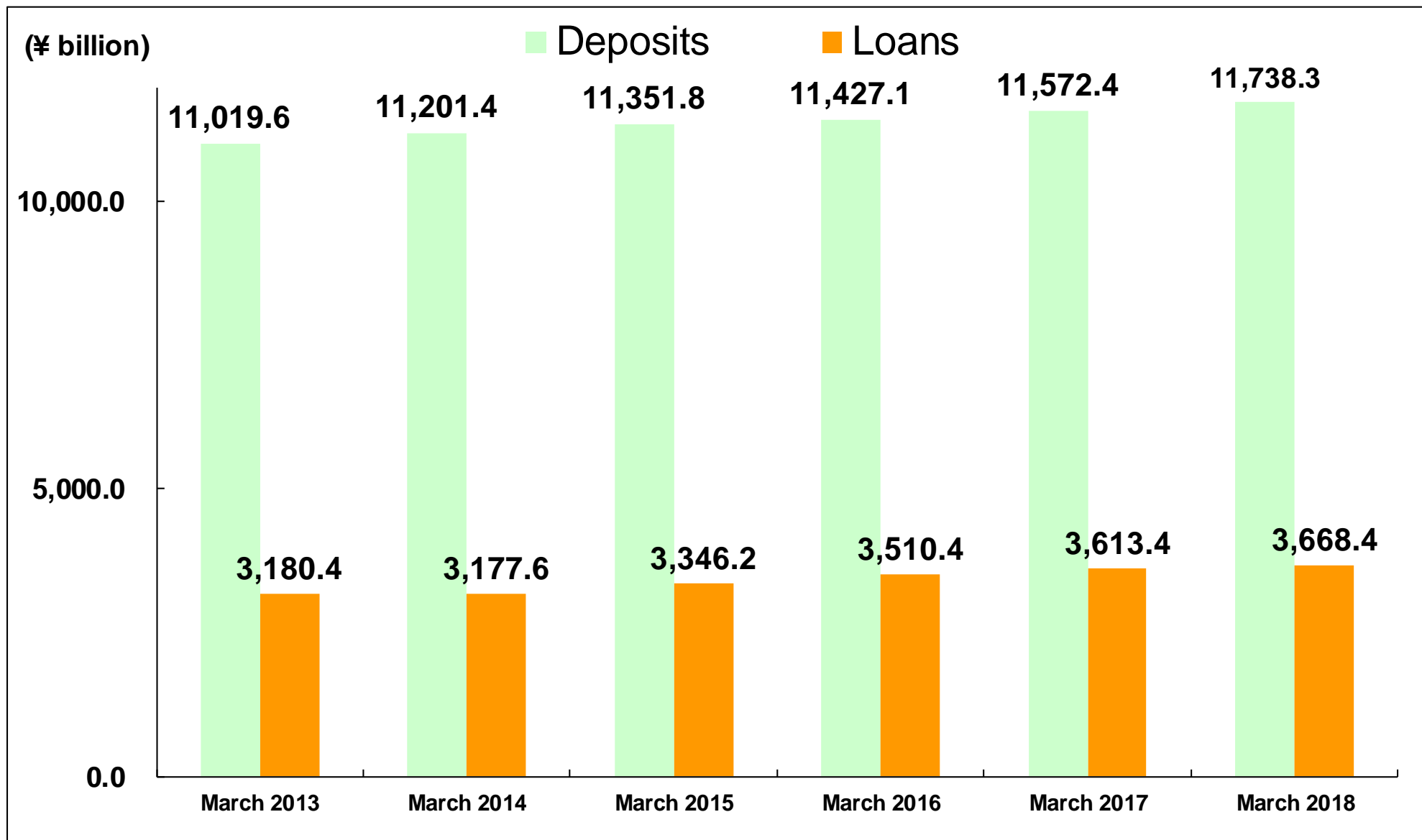
6. Number of Tourists

Number of Tourists Visiting Nara Prefecture



(Source: Nara Prefecture)

7. Balances of Deposits and Loans in Nara Prefecture



(Source: Kinyu Journal, *Financial Map*)

II. Numerical Data and Metrics

1. Profits and Losses

Summary of profit and loss (non-consolidated)

(¥ million)

	FY2013		FY2014		FY2015		FY2016		FY2017		FY2018	Y/Y change
		1H		1H		1H		1H		1H		
Gross business profit	60,772	30,241	61,238	32,172	55,380	28,295	57,929	30,768	51,001	26,039	22,637	-3,401
Interest income	52,018	26,569	51,143	26,110	49,640	25,436	49,663	25,033	47,221	24,019	21,290	-2,728
Interest on loans	38,532	19,554	36,512	18,510	34,785	17,585	32,411	16,382	30,927	15,610	15,220	-390
Interest and dividends from securities	17,360	9,023	17,871	9,366	17,925	9,301	20,371	10,038	19,544	10,150	7,950	-2,200
Interest on deposits	3,004	1,583	2,513	1,359	2,293	1,208	1,198	692	776	421	339	-82
Fees and commissions	5,769	2,893	6,248	3,113	6,131	3,216	5,387	2,828	5,313	2,381	3,180	799
Other operating income	2,984	778	3,846	2,948	-390	-357	2,877	2,907	-1,532	-361	-1,833	-1,472
Gains/Losses on bonds (JGBs, etc.)	2,923	705	4,274	3,045	823	159	3,973	3,452	-1,405	-114	-1,430	-1,316
Cost of derivative financial products	107	57	736	232	1,483	623	1,322	697	493	393	521	128
Expenses	44,994	22,697	45,119	23,025	43,275	21,778	40,170	19,668	40,372	20,314	19,625	-689
Net business profit (before net transfer to general provision for possible loan losses)	15,777	7,544	16,119	9,147	12,105	6,517	17,758	11,100	10,629	5,724	3,012	-2,712
Core net business profit	12,854	6,839	11,844	6,101	11,281	6,358	13,785	7,648	12,035	5,839	4,442	-1,396
Net transfer to general provision for possible loan losses	1,113	1,073	1,768	-217	-3,702	-993	3,011	2,152	-	-	-296	-296
Net business profit	14,664	6,470	14,350	9,365	15,807	7,510	14,747	8,948	10,629	5,724	3,308	-2,416
Non-recurrent gains/losses	3,558	2,049	2,028	810	-2,705	146	1,312	-187	6,546	2,122	703	-1,418
Gains/Losses on stocks	1,607	582	1,515	1,450	1,529	792	2,235	0	3,565	1,583	970	-612
Disposal of non-performing loans	-5	171	308	1,224	5,092	1,455	730	151	344	82	823	741
Reversal of provision for loan losses	-	-	-	-	-	-	-	-	3,086	548	-	-548
Bad debt recovered	1,454	1,160	578	97	296	142	802	401	512	82	53	-28
Ordinary income	18,223	8,520	16,379	10,175	13,101	7,657	16,059	8,760	17,175	7,847	4,012	-3,835
Extraordinary gains/losses	-78	-5	234	-26	483	-38	-118	-68	-22	-10	4,758	4,768
Income before income taxes	18,144	8,514	16,614	10,148	13,585	7,619	15,941	8,691	17,153	7,837	8,770	933
Income taxes	9,316	3,280	6,861	3,516	1,878	2,322	3,824	1,731	4,329	1,766	2,260	493
Net income	8,827	5,234	9,752	6,632	11,706	5,296	12,116	6,959	12,823	6,070	6,510	439
Credit-related costs	-346	84	1,497	908	1,094	290	2,939	1,903	-3,253	-548	473	1,021

2. Principal Accounts (Deposits)

All deposits

(¥ billion)

	FY2013		FY2014		FY2015		FY2016		FY2017		FY2018	Y/Y change
		1H		1H		1H		1H		1H		
All deposits (period-end balance)	4,679.0	4,621.7	4,770.2	4,706.2	4,781.7	4,815.2	4,780.7	4,762.3	4,850.9	4,843.8	4,939.3	95.4
Deposits	4,597.0	4,493.5	4,702.4	4,626.5	4,730.2	4,752.2	4,747.7	4,732.6	4,826.9	4,803.3	4,904.7	101.3
Personal deposits	3,531.4	3,484.6	3,601.2	3,552.8	3,625.4	3,607.2	3,672.6	3,626.7	3,740.4	3,716.1	3,776.8	60.6
Corporate deposits	849.0	814.9	871.0	859.6	886.0	897.6	875.9	888.4	882.4	889.3	915.8	26.4
Government deposits	204.8	186.6	210.8	196.4	207.6	229.7	192.0	210.8	194.9	192.4	203.1	10.7
Negotiable CD	81.9	128.1	67.7	79.7	51.5	62.9	33.0	29.7	24.0	40.4	34.5	-5.9

All deposits (average balance)	4,625.4	4,603.2	4,733.2	4,733.4	4,881.2	4,895.2	4,809.2	4,836.6	4,860.3	4,865.9	4,928.4	62.4
Deposits	4,498.6	4,479.1	4,622.6	4,610.2	4,767.2	4,772.5	4,761.5	4,778.2	4,820.9	4,820.7	4,897.5	76.7
Negotiable CD	126.8	124.0	110.5	123.1	114.0	122.7	47.6	58.4	39.4	45.2	30.9	-14.2

All deposits = Deposits + Negotiable CD

Deposits by region (period-end balance)

(¥ billion)

	FY2013		FY2014		FY2015		FY2016		FY2017		FY2018	Y/Y change
		1H		1H		1H		1H		1H		
Nara Pref.	3,714.0	3,628.8	3,794.2	3,715.0	3,820.6	3,800.8	3,861.2	3,816.4	3,918.0	3,886.9	3,973.5	86.6
Other prefectures	883.0	864.7	908.1	911.5	909.5	951.3	886.4	916.2	908.8	916.4	931.2	14.7
Osaka Pref. (including Hyogo Pref.)	280.5	276.9	289.0	292.5	296.4	314.5	287.5	308.4	300.4	305.5	313.9	8.4
Kyoto Pref.	333.8	334.7	343.4	345.0	356.1	363.9	343.6	350.1	348.4	346.5	355.1	8.5
Wakayama Pref.	179.2	182.5	183.5	187.7	178.9	189.6	179.2	181.1	180.8	186.2	183.6	-2.6
Mie Pref.	69.3	67.8	69.2	69.1	70.3	69.3	70.9	69.7	73.0	72.3	73.3	1.0
Tokyo	20.1	2.6	22.7	17.1	7.7	13.9	5.0	6.6	6.0	5.7	5.0	-0.7

3. Principal Accounts (Loans)

Loans (¥ billion)

	FY2013		FY2014		FY2015		FY2016		FY2017		FY2018	Y/Y change
		1H		1H		1H		1H		1H		
Loans (period-end balance)	2,983.9	2,902.8	3,088.7	3,019.0	3,198.1	3,120.5	3,262.3	3,240.9	3,340.8	3,295.5	3,368.3	72.7
Consumer loans	944.6	933.1	966.0	950.9	989.8	977.2	1,017.6	1,004.0	1,053.7	1,033.2	1,062.7	29.4
Housing mortgage loans	836.5	823.5	857.6	843.2	883.0	866.8	917.6	900.5	959.3	936.1	971.9	35.8
Loans (average balance)	2,888.9	2,864.0	2,983.5	2,965.8	3,109.1	3,077.6	3,247.0	3,225.1	3,291.1	3,275.4	3,357.9	82.5

Loans to SMEs (period-end balance)	1,872.5	1,847.3	1,892.0	1,861.6	1,939.4	1,900.4	2,035.0	1,992.9	2,130.5	2,075.5	2,166.7	91.2
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Loans by region (period-end balance) (¥ billion)

	FY2013		FY2014		FY2015		FY2016		FY2017		FY2018	Y/Y change
		1H		1H		1H		1H		1H		
Nara Pref.	1,464.9	1,457.6	1,517.4	1,484.0	1,583.7	1,529.8	1,658.7	1,629.8	1,713.1	1,683.4	1,711.1	27.6
Osaka Pref. + Hyogo Pref.	712.6	684.0	745.8	727.7	759.2	747.6	790.5	773.0	828.8	805.5	843.9	38.3
Osaka Pref.	653.2	634.7	687.1	668.1	699.5	688.5	731.4	713.0	771.0	746.9	786.7	39.7
Hyogo Pref.	59.3	49.2	58.6	59.5	59.6	59.0	59.0	59.9	57.8	58.5	57.1	-1.4
Others	806.2	761.1	825.4	807.2	855.2	843.1	812.9	837.9	798.8	806.5	813.2	6.6
Kyoto Pref.	201.5	198.6	207.6	206.4	222.6	215.1	245.1	224.4	248.2	249.7	253.9	4.1
Wakayama Pref.	79.2	77.4	81.0	79.8	86.4	82.4	94.3	93.3	94.4	91.3	93.4	2.1
Mie Pref.	21.8	22.3	20.7	21.5	20.6	20.2	21.7	21.1	21.7	21.9	21.9	0.0
Tokyo	503.6	462.6	515.8	499.3	525.5	525.3	451.6	499.0	434.4	443.4	443.8	0.3

4. Principal Accounts (Assets under Management)

Assets under management

(¥ billion)

	FY2013		FY2014		FY2015		FY2016		FY2017		FY2018	Y/Y change
		1H		1H		1H		1H		1H		
Personal deposit assets (period-end balance)	212.4	229.4	201.5	206.9	183.7	185.3	173.6	175.0	159.6	163.6	162.5	-1.0
Foreign currency deposits	14.1	14.8	11.1	12.8	9.6	10.1	10.0	9.7	9.6	10.0	9.0	-1.0
Public bonds	65.1	76.4	44.4	54.2	29.3	35.4	19.8	24.4	17.2	18.3	16.2	-2.0
Investment trusts	133.1	138.2	145.9	139.8	144.6	139.7	143.8	140.8	132.7	135.1	137.1	1.9

	FY2013		FY2014		FY2015		FY2016		FY2017		FY2018	Y/Y change
		1H		1H		1H		1H		1H		
Value of deposit assets sold	90.3	44.8	103.1	47.4	93.3	55.0	65.4	33.0	71.6	25.0	41.2	16.2
Investment trusts	50.4	25.6	62.6	26.5	57.6	35.6	43.8	20.2	49.9	18.4	23.6	5.1
Life insurance policies	39.8	19.2	40.4	20.9	35.6	19.3	21.5	12.8	21.6	6.5	17.6	11.0

5. Interest Margins

Overall

(%)

	FY2013		FY2014		FY2015		FY2016		FY2017		FY2018	Y/Y
		1H		1H		1H		1H		1H	1H	change
Returns from cash investments (A)	1.15	1.18	1.08	1.11	1.00	1.03	0.98	0.98	0.95	0.97	0.87	-0.10
Returns from loans (B)	1.33	1.36	1.22	1.24	1.11	1.13	0.99	1.01	0.93	0.95	0.90	-0.05
Returns from securities	0.92	0.96	1.00	1.00	1.06	1.13	1.16	1.15	1.24	1.25	1.06	-0.19
Returns from financing	0.08	0.09	0.07	0.07	0.07	0.07	0.06	0.06	0.06	0.07	0.07	0.00
Returns from deposits	0.06	0.07	0.05	0.05	0.04	0.05	0.02	0.02	0.01	0.01	0.01	0.00
Returns from external debts	0.14	0.11	0.16	0.16	0.18	0.18	0.18	0.16	0.20	0.23	0.21	-0.02
Cost of deposits (C)	1.04	1.05	1.00	1.02	0.93	0.93	0.86	0.83	0.84	0.85	0.80	-0.05
Expense ratio	0.97	0.98	0.95	0.97	0.88	0.88	0.83	0.81	0.83	0.83	0.79	-0.04
Cost of funds raised (D)	1.02	1.03	0.98	1.00	0.90	0.91	0.80	0.78	0.80	0.81	0.78	-0.03
Deposit-loan margin (B) – (C)	0.29	0.31	0.22	0.22	0.18	0.20	0.13	0.18	0.09	0.10	0.10	0.00
Total interest margin (A) – (D)	0.13	0.15	0.10	0.11	0.10	0.12	0.18	0.20	0.15	0.16	0.09	-0.07

Domestic business divisions

(%)

	FY2013		FY2014		FY2015		FY2016		FY2017		FY2018	Y/Y
		1H		1H		1H		1H		1H	1H	change
Returns from cash investments (A)	1.11	1.14	1.02	1.05	0.92	0.95	0.89	0.90	0.87	0.88	0.76	-0.12
Returns from loans (B)	1.33	1.36	1.23	1.25	1.12	1.14	0.99	1.01	0.93	0.94	0.88	-0.06
Returns from securities	0.87	0.92	0.91	0.91	0.94	1.05	1.03	1.04	1.10	1.14	0.78	-0.36
Returns from financing	0.08	0.08	0.07	0.07	0.05	0.05	0.02	0.03	0.01	0.02	0.01	-0.01
Returns from deposits	0.06	0.07	0.05	0.05	0.04	0.05	0.02	0.02	0.01	0.01	0.01	0.00
Returns from external debts	0.10	0.10	0.09	0.09	0.09	0.09	0.03	0.04	-0.00	-0.00	-0.00	0.00
Cost of deposits (C)	1.03	1.04	1.00	1.02	0.92	0.93	0.85	0.83	0.83	0.84	0.79	-0.05
Expense ratio	0.96	0.97	0.94	0.96	0.87	0.87	0.82	0.80	0.82	0.82	0.78	-0.04
Cost of funds raised (D)	1.04	1.05	1.00	1.02	0.91	0.92	0.79	0.79	0.78	0.79	0.74	-0.05
Deposit-loan margin (B) – (C)	0.30	0.32	0.23	0.23	0.20	0.21	0.14	0.18	0.10	0.10	0.09	-0.01
Total interest margin (A) – (D)	0.07	0.09	0.02	0.03	0.01	0.03	0.10	0.11	0.09	0.09	0.02	-0.07

6. Loans by Industry

Loans Outstanding and Ratio of Loans by Industry

(¥ billion, %)

	Mar. 2016		Sep. 2016		Mar. 2017		Sep. 2017		Mar. 2018		Sep. 2018		Change from Mar. 2018
	Value	Ratio	Value	Ratio	Value	Ratio	Value	Ratio	Value	Ratio	Value	Ratio	
Total lending volume	3,198.1	100.00	3,240.9	100.00	3,262.3	100.00	3,295.5	100.00	3,340.8	100.00	3,368.3	100.00	27.4
Manufacturing	500.7	15.65	502.2	15.49	491.3	15.06	480.2	14.57	474.7	14.21	484.7	14.39	10.0
Agriculture and forestry	2.7	0.08	2.3	0.07	2.2	0.07	2.2	0.06	2.2	0.06	2.1	0.06	-0.0
Fishery	3.7	0.11	3.6	0.11	3.4	0.10	3.3	0.10	2.3	0.06	2.3	0.06	0.0
Mining, stone and gravel quarrying	11.7	0.36	11.4	0.35	11.1	0.34	10.9	0.33	11.4	0.34	10.3	0.30	-1.1
Construction	85.1	2.66	78.3	2.41	80.3	2.46	76.5	2.32	80.0	2.39	78.5	2.33	-1.4
Electric, gas, heat supply and water supply	27.8	0.87	24.3	0.75	23.5	0.72	24.7	0.75	29.3	0.87	33.2	0.98	3.8
Information communication	39.7	1.24	46.0	1.42	42.6	1.30	39.9	1.21	29.8	0.89	23.3	0.69	-6.5
Transportation and postal services	105.2	3.29	108.0	3.33	107.6	3.30	104.9	3.18	106.9	3.19	110.7	3.28	3.8
Wholesaling and retailing	292.2	9.13	296.5	9.15	287.8	8.82	282.7	8.58	277.3	8.30	283.9	8.42	6.5
Finance and insurance	148.4	4.64	126.1	3.89	127.9	3.92	131.0	3.97	135.5	4.05	129.7	3.85	-5.7
Real estate and leasing	359.8	11.25	372.2	11.48	375.6	11.51	402.2	12.20	421.3	12.61	438.7	13.02	17.4
Services	177.5	5.55	177.9	5.49	186.2	5.70	189.8	5.76	196.6	5.88	198.5	5.89	1.8
Local public entity	541.6	16.93	574.1	17.71	589.2	18.06	598.6	18.16	600.4	17.97	589.6	17.50	-10.8
Others	901.3	28.18	917.3	28.30	932.8	28.59	947.9	28.76	972.5	29.11	982.1	29.15	9.6

7. Classification of Debtors

<As of September 30, 2018>

- ◆ Total credit (loans): ¥3,397.2 billion (increase of ¥31.4 billion from Mar. 31, 2018)
- ◆ Loans to normal debtors: ¥3,254.3 billion (increase of ¥38.5 billion from Mar. 31, 2018)
- ◆ Loans to debtors requiring caution and substandard debtors: ¥95.6 billion (decrease of ¥5.8 billion from Mar. 31, 2018)
- ◆ Loans to potentially bankrupt debtors and lower: ¥47.2 billion (decrease of ¥1.2 billion from Mar. 31, 2018)

(¥ billion)

	(Subject: Credit related claimable assets such as loans)	As of March 31, 2018 a	As of September 30, 2018					
			Normal assets b	Assets requiring caution c	Substandard assets d	Potentially bankrupt assets e	Bankrupt and effectively bankrupt assets f	For collection or write-offs g
1	Normal debtors	3,215.7	3,168.3	12.3	0.5	1.7	0.2	32.4
2	Debtors requiring caution	92.1	13.8	71.8	0.5	1.9	0.1	3.9
3	Substandard debtors	9.3	0.1	0.2	8.7	0.2	0.0	-0.0
4	Potentially bankrupt debtors	44.4	0.5	1.1	0.0	39.3	0.2	3.1
5	Bankrupt and effectively bankrupt debtors	4.0	0.0	0.0	0.0	0.1	3.1	0.8
6	New debtors	0.0	71.4	0.2	0.0	0.0	0.0	0.0
7	Total	3,365.7	3,254.3	85.7	9.8	43.5	3.7	40.2

Change over March 31, 2018					
Normal assets	Assets requiring caution	Substandard assets	Potentially bankrupt assets	Bankrupt and effectively bankrupt assets	Collection, write-off, etc.
38.5	-6.4	0.5	-0.8	-0.3	-1.1

8. Capital Adequacy Ratio

[Non-consolidated]

(¥ billion)

	FY2013		FY2014		FY2015		FY2016		FY2017		FY2018	Y/Y change
		1H*		1H		1H		1H		1H		
Capital adequacy ratio	10.03%	10.40%	9.29%	10.20%	9.11%	9.32%	9.19%	9.12%	9.64%	9.85%	9.50%	-0.35 pt
Core capital-related fundamental items (A)	204.7	-	194.0	209.7	200.1	197.3	213.3	208.2	239.0	235.5	243.9	8.4
Core capital-related adjustment items (B)	-	-	0.6	-	1.1	0.5	1.8	1.1	2.3	1.7	2.6	0.8
Capital value (A) - (B)	204.7	201.8	193.4	209.7	198.9	196.7	211.5	207.1	236.6	233.7	241.3	7.5
Risk assets	2,039.8	1,939.7	2,080.8	2,054.4	2,181.1	2,111.3	2,300.7	2,271.1	2,454.1	2,372.4	2,539.2	166.7
Total capital requirement	81.5	77.5	83.2	82.1	87.2	84.4	92.0	90.8	98.1	94.8	101.5	6.6

*Previous standard (Basel II)

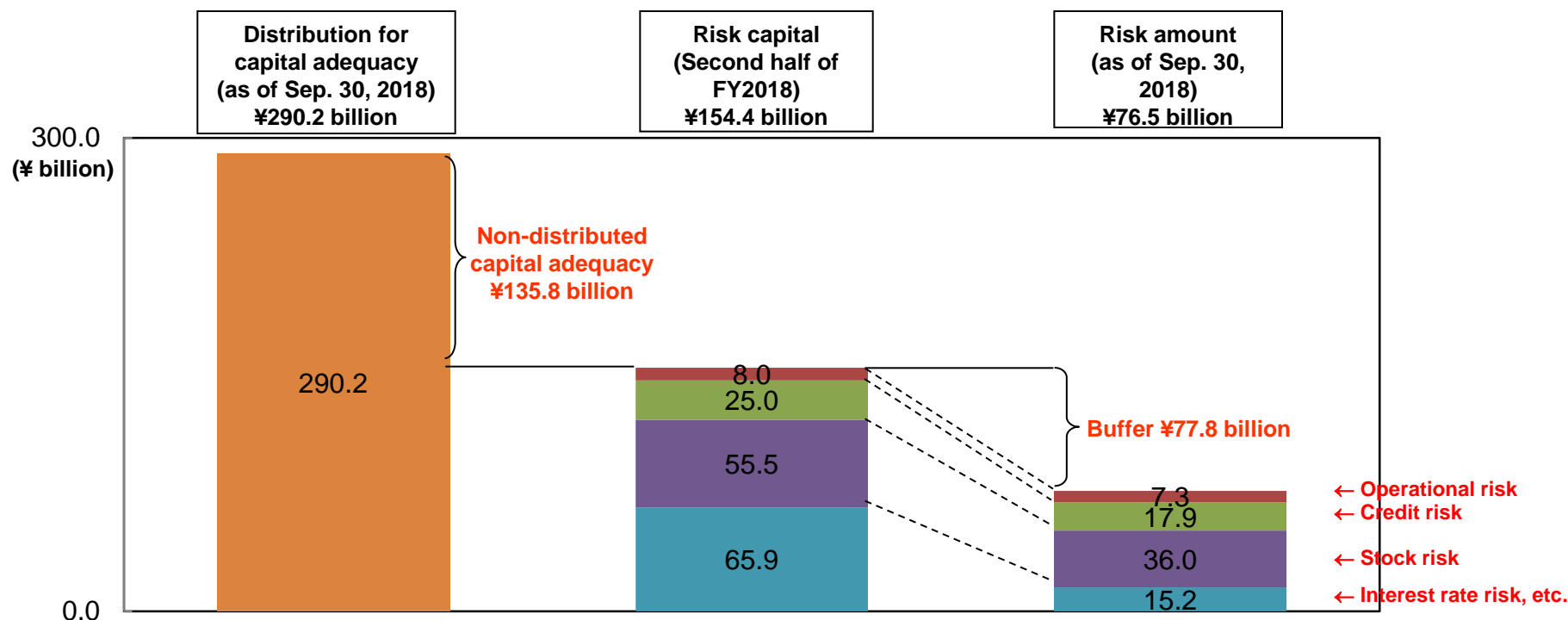
[Consolidated]

(¥ billion)

	FY2013		FY2014		FY2015		FY2016		FY2017		FY2018	Y/Y change
		1H*		1H		1H		1H		1H		
Capital adequacy ratio	10.51%	10.90%	9.72%	10.67%	9.36%	9.75%	9.42%	9.35%	9.88%	10.07%	9.86%	-0.21 pt
Core capital-related fundamental items (A)	216.4	-	205.0	221.6	208.2	208.5	221.3	216.4	248.0	243.8	255.6	11.8
Core capital-related adjustment items (B)	-	-	0.7	-	1.3	0.6	1.9	1.2	2.5	1.9	2.8	0.8
Capital value (A) - (B)	216.4	213.4	204.3	21.6	206.9	207.8	219.3	215.1	245.5	241.8	252.8	10.9
Risk assets	2,059.2	1,956.4	2,101.7	2,076.7	2,209.7	2,130.7	2,327.7	2,299.5	2,482.6	2,400.3	2,563.5	163.1
Total capital requirement	82.3	78.2	84.0	83.0	88.3	85.2	93.1	91.9	99.3	96.0	102.5	6.5

*Previous standard (Basel II)

9. Total Risk Management



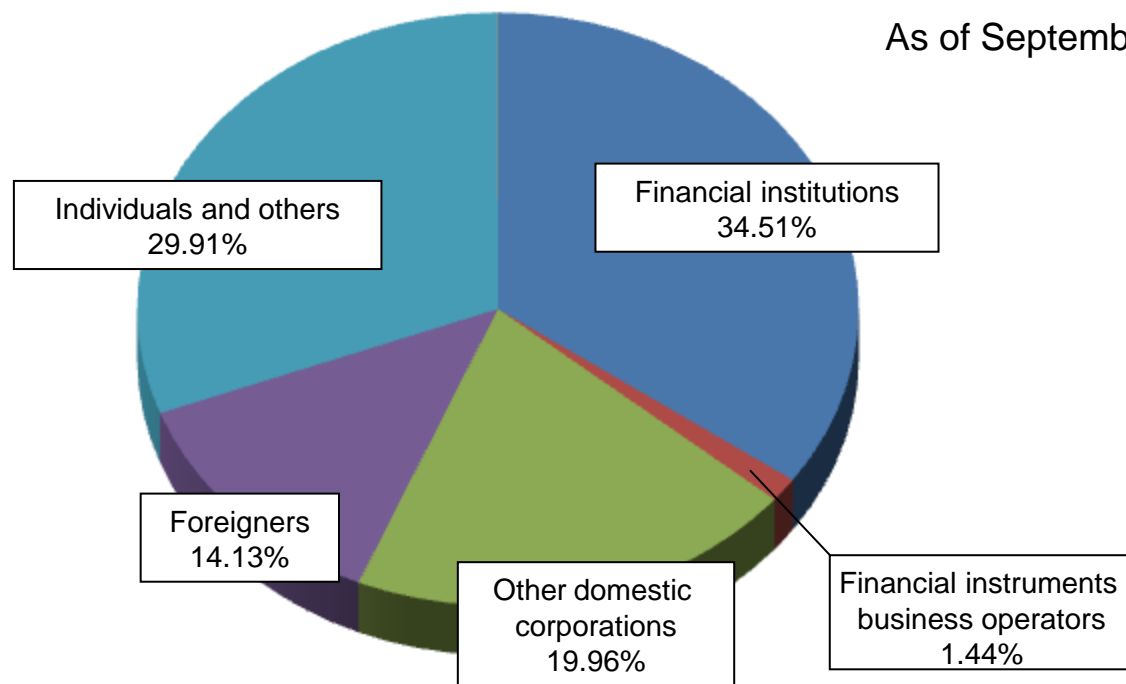
- Distribution for capital adequacy = Core capital + Valuation difference on available-for-sale securities reported on the balance sheet
- Interest-rate risk measurement includes use of an internal model that considers core deposits

<Risk Measurement Method>

		Measurement approach	Confidence level	Holding period
Credit risk		Monte Carlo simulation	99%	1 year
Market risk	Interest/Stocks, etc. for investment purposes	Historical simulation	99%	120 business days
	Strategic purposes	Historical simulation	99%	240 business days
	Short-term trade	Historical simulation	99%	10 business days
Operational risk		Gross profit distribution approach		

10. Composition of Shareholders

As of September 30, 2018



(Thousands of shares, %)

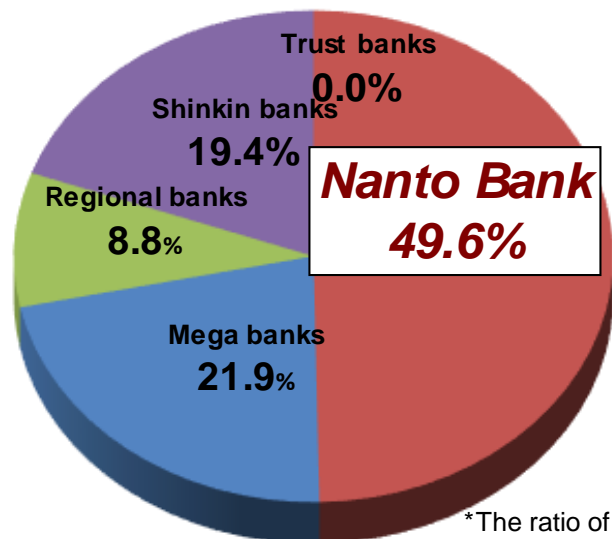
	As of March 31, 2015		As of March 31, 2016		As of March 31, 2017		As of March 31, 2018		As of September 30, 2018	
	Thousands of shares	Ratio	Thousands of shares	Ratio	Thousands of shares	Ratio	Thousands of shares	Ratio	Thousands of shares	Ratio
Number of shares outstanding	272,756	100.00	272,756	100.00	27,275	100.00	33,025	100.00	33,025	100.00
Financial institutions (Banks, trust banks, life insurers, P&C insurers and others)	92,341	33.85	94,169	34.52	9,524	34.92	11,488	34.78	11,397	34.51
Financial instruments business operators	3,237	1.19	2,360	0.87	311	1.14	435	1.32	477	1.44
Other domestic corporations	64,025	23.47	66,103	24.24	6,349	23.27	6,672	20.20	6,592	19.96
Foreigners	25,504	9.35	22,740	8.34	2,935	10.76	4,283	12.97	4,668	14.13
Individuals and others	87,539	32.09	87,274	31.99	8,142	29.85	10,133	30.68	9,878	29.91
National and municipal governments	107	0.04	107	0.04	10	0.03	10	0.03	10	0.03

* A 1-for-10 stock merger was conducted in October 2016.

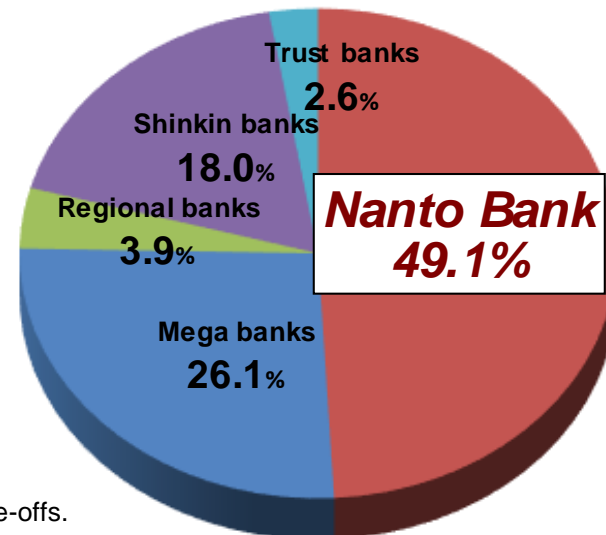
* The Bank implemented a capital increase during the first half of FY2017, adding 5.75 million issued shares.

11. Share in Nara Prefecture

Share in Loans

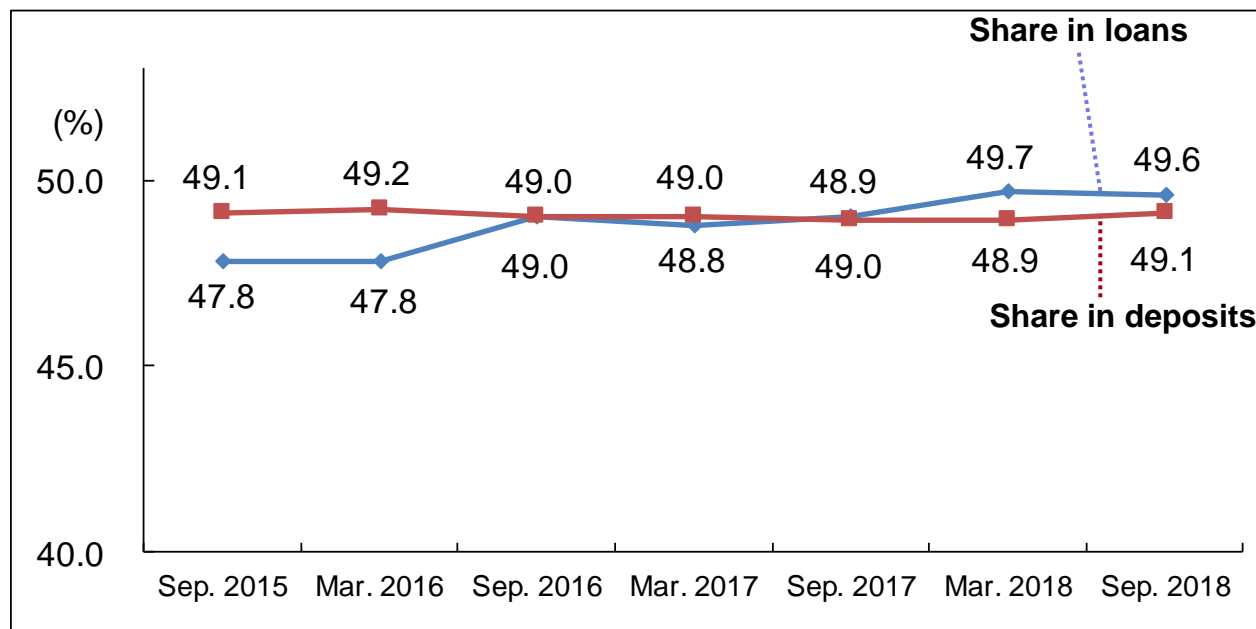


Share in Deposits



*The ratio of loans shown is after deducting partial direct write-offs.

*Commercial banks, trust banks and shinkin banks in Nara Prefecture.
(excluding agricultural cooperatives, Japan Post Bank) (as of September 30, 2018)



12. Business Performance for Nanto Bank Group Companies

(¥ million)

Company name	Principal business	Capital	Ratio of shares held by the Bank	Results	FY2017		FY2018		Y/Y change
						1H	1H		
Nanto Estate Co., Ltd.	Leasing and management of real estate	30	100%	Net sales	382	188	226	37	
				Ordinary income	41	19	34	15	
				Net income	-43	12	22	10	
Nanto Business Service Co., Ltd.	Centralized processing of clerical operations for the Bank	10	100%	Net sales	431	216	208	-7	
				Ordinary income	56	23	24	0	
				Net income	37	15	16	0	
Nanto Credit Guarantee Co., Ltd.	Credit guarantee	10	100%	Net sales	1,327	655	666	11	
				Ordinary income	650	300	486	185	
				Net income	331	149	348	198	
Nanto Lease Co., Ltd.	Leasing	500	100%	Net sales	6,713	3,258	3,581	323	
				Ordinary income	474	225	50	-175	
				Net income	344	155	27	-127	
Nanto Computer Service Co., Ltd.	Computer software development and services	10	100%	Net sales	793	403	379	-23	
				Ordinary income	83	32	21	-10	
				Net income	54	20	14	-6	
Nanto Investment Management Co., Ltd.	Investment advisory services	120	100%	Net sales	73	38	34	-3	
				Ordinary income	14	8	4	-3	
				Net income	9	5	3	-2	
Nanto DC Card Co., Ltd.	Credit card business	50	100%	Net sales	525	256	278	21	
				Ordinary income	59	22	30	7	
				Net income	37	14	19	4	
Nanto Card Services Co., Ltd.	Credit card business	50	100%	Net sales	614	300	325	24	
				Ordinary income	53	28	32	3	
				Net income	42	24	44	20	
Nanto Staff Service Co., Ltd.	Employment placement operations	20	100%	Net sales	78	41	37	-3	
				Ordinary income	12	6	9	2	
				Net income	3	4	7	2	
Nangin Agency Co., Ltd.	Bank agency services	50	100%	Net sales	61	35	26	-8	
				Ordinary income	10	6	4	-1	
				Net income	6	4	2	-1	
Nanto Challenged Co., Ltd.	Centralized processing of clerical operations for the Bank	20	100%	Net sales	-	-	0	-	
				Ordinary income	-	-	-0	-	
				Net income	-	-	-0	-	

13. Initiatives for ESG

Environment

- ★ **Participating in the Yoshino Cherry Tree Preservation Group**
Initiatives to grow and preserve 30,000 cherry trees at Mt. Yoshino
- ★ **Initiatives for environmental ISO activities**
Initiatives for environmental preservation conforming to the environmental ISO (ISO14001)
- ★ **Paper recycling at a recycling center**
Regenerated 310 tons of papers in FY2017
- ★ **Delivering environmentally-conscious financial products**
Retail: Green personal car and green renovation loans
Corporate: Green private placement bonds
- ★ **Promoting forest preservation activities**
Using paper made from timber from forest thinning and using timber for branches



Cherry trees at Mt. Yoshino



Nanto Bank women's hockey team

Governance

- ★ **Utilization of outside officers**
2 outside directors (9 directors in total)
2 outside auditors (4 auditors in total)
*As of November 2018

- ★ **Holding of Shareholders' Social Gathering**
Hold a social gathering for our shareholders once a year to make the most of constructive dialog with shareholders in our management

Social

Social contribution

- ★ **Organizing the Nanto Manyo Charity Walk**
Organizing ancient city tours and contributing the amount in accordance with the number of participants to welfare organizations
- ★ **Initiatives for financial and economic education**
Organized workplace tours and visiting lectures at 16 schools in total in FY2017
- ★ **Nanto Bank Small Kindness Group**
Conducting activities benefitting the public such as cleaning and blood donation
- ★ **Public interest incorporated foundation: Nanto Scholarship Society**
[As of October 31, 2018] 66 scholarship students,
total number of graduates: 1,387
- ★ **Women's hockey team: SHOOTING STARS**
Organizing hockey school classes, etc.
- ★ **Nanto Nara cheer squad**
Volunteer group consisting of former Bank employees that provides guided tours at shrines and temples
- ★ **Established Nanto Challenged Co., Ltd.**
In August 2018, a new company was established to promote the employment of people with disabilities.

Promoting the empowerment of women

- ★ **Increasing the appointment to managerial positions**
[As of April 1, 2018] Percentage out of total managerial positions: 13.0%
- ★ **Enhancing a working systems**
Expanding leave and shortened work-hour systems

**In this material, we refer to the future performance of the Bank.
However, please be aware that these contents do not guarantee our future performance
and it may change due to the unexpected risks and uncertainties in the operating
environment.**

[Contact, if any:]

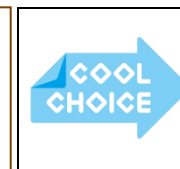
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THE NANTO BANK, LTD.