

**Information Meeting  
The Year Ended March 2008**



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# I. Profile of The Nanto Bank

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1. Medium-Term Management Plan

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# Profile of The Nanto Bank

(As of the end of March 2008)

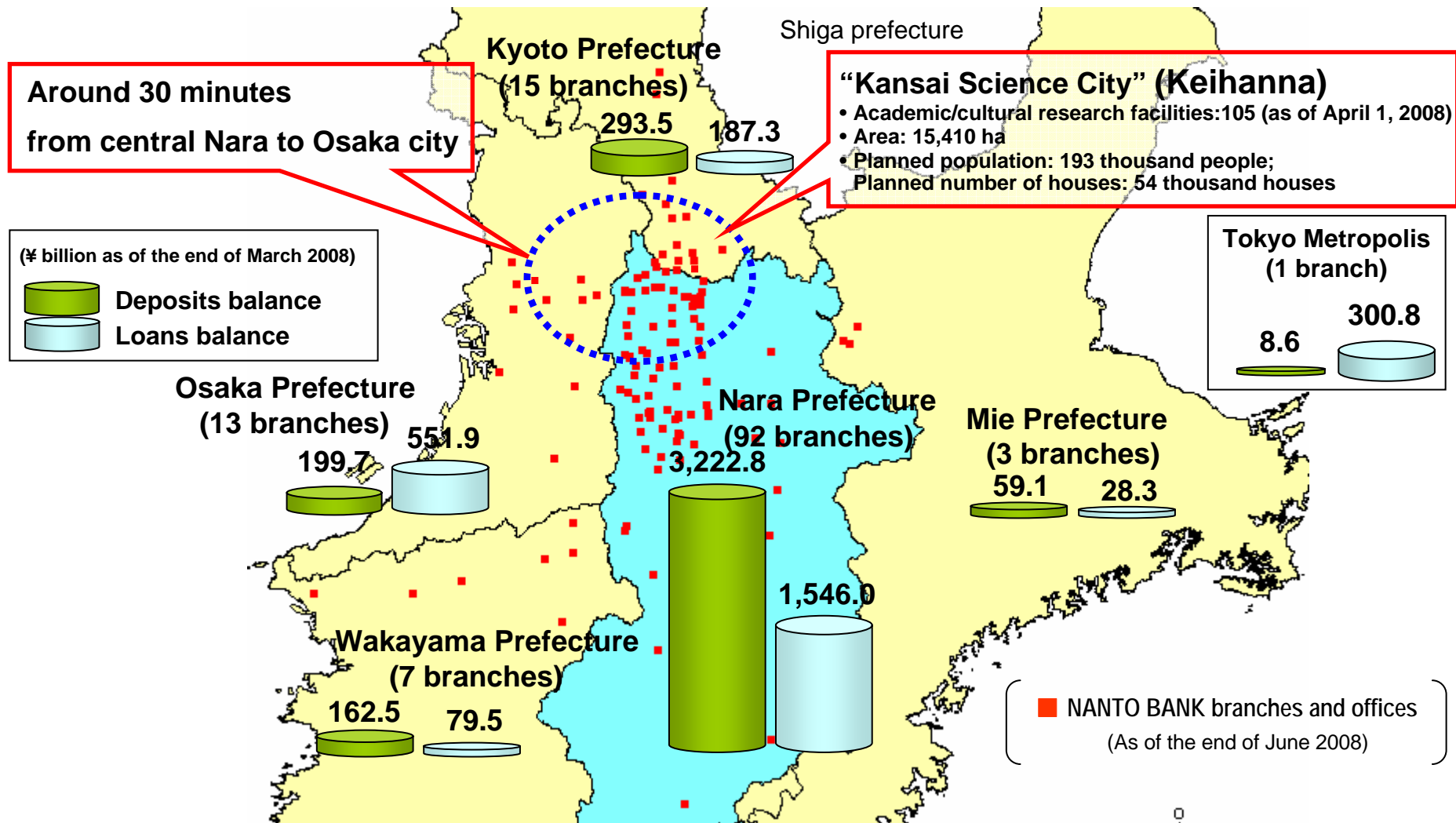
1.Founded	June 1, 1934
2.Location of Head Office	16, Hashimoto-cho, Nara City
3.Capital	¥29,249 million
4.Number of employees	2,614
5.Number of offices	131 (Japan, as of the end of June 2008), 2 (Overseas, representative offices in Hong Kong and Shanghai)
6.Total assets	¥4,551.7 billion
7.Deposits outstanding	¥4,090.6 billion
8.Outstanding loans	¥2,694.2 billion
9.Capital adequacy ratio	Non-consolidated:10.53% Consolidated:10.78%



(Head Office)

# Outline of Business Foundation

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



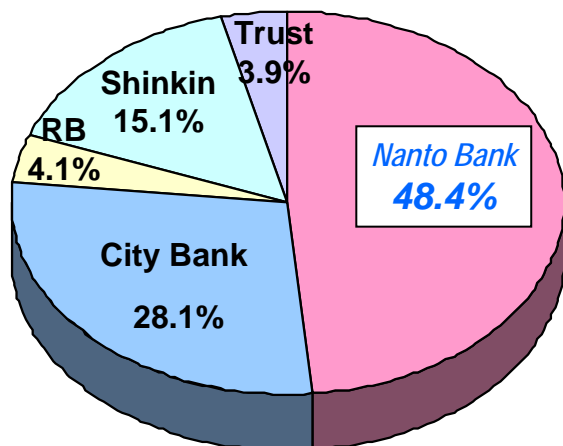
# Share in Nara Prefecture

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

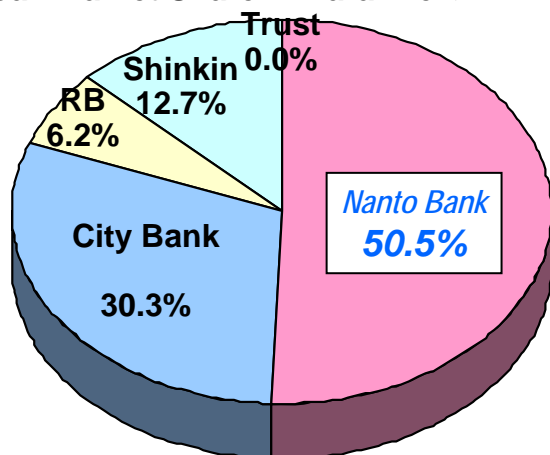
Deposit market share in Nara Pref.: 48.4%

Loan Market Share in Nara Pref.: 50.5% (at end of March 2008)

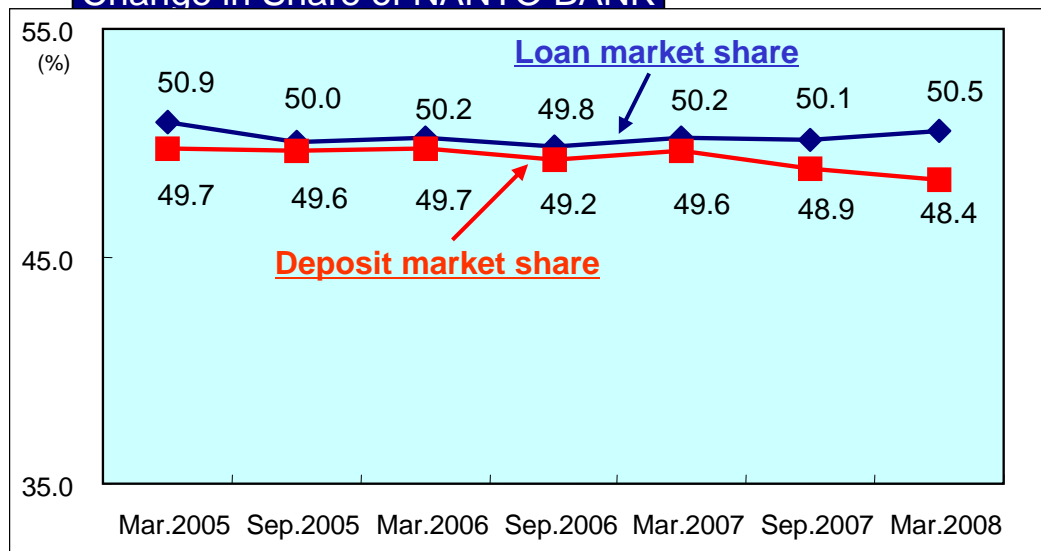
<Deposit Market Share in Nara Pref.>



<Loan Market Share in Nara Pref.>



Change in Share of NANTO BANK



	Branches
NANTO BANK	92
City Bank	37
Regional Bank	20
Trust Bank	2
Shinkin Bank	47
TOTAL	198

<Number of Bank Branches in Nara Pref.>

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

# Present Conditions in Nara Prefecture

## Market Condition in Nara and Osaka Prefectures

		Nara Prefecture	National ranking	Osaka Prefecture	National ranking	Source
1	Population	1,415 thousand	(29)	8,814 thousand	(3)	2006 Population Census
2	Number of private enterprises (offices)	48 thousand	(40)	421 thousand	(2)	2006 Establishment and Enterprise Census
3	Housing starts	10 thousand	(29)	95 thousand	(3)	Annual Construction Statistics 2006
4	Deposits balance	¥10.3 trillion	(22)	¥79.7 trillion	(2)	Kinyu Journal "Regional Financial Map 2008"
5	Loans balance	¥3.3 trillion	(30)	¥46.3 trillion	(2)	Kinyu Journal "Regional Financial Map 2008"

## Main Indices Related to Individuals in Nara Prefecture

		Nara Prefecture	National ranking	Source
6	Personal savings (per capita)	¥5,891 thousand	(6)	The Central Council for Financial Services Information 2007
7	Newspapers subscriptions (per household)	1.37	(1)	Japan Newspaper Association 2007
8	Number of residents traveling abroad (per 1,000 people)	163.58	(4)	Annual Report of Statistics on Legal Migrants 2006
9	Number of households with piano (per 1,000 households)	353	(2)	National Survey of Family Income and Expenditure 2004
10	Employment rate outside the Prefecture	29.32%	(1)	2005 Population Census

of which, 90% works in Osaka Prefecture

### < 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.

## I. Profile of The Nanto Bank

## II. Financial Results for FY2007

## III. Management Strategy

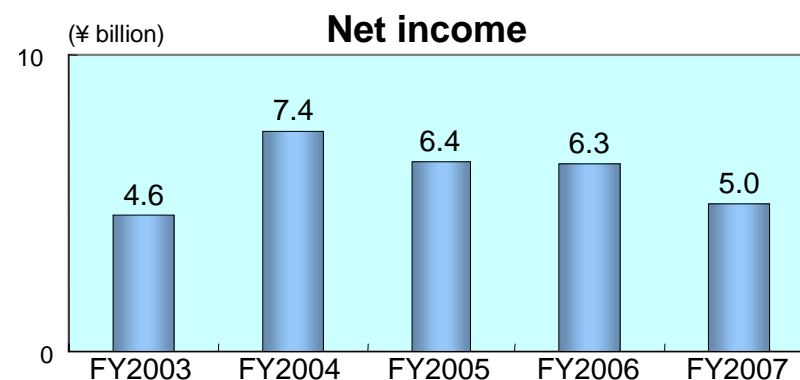
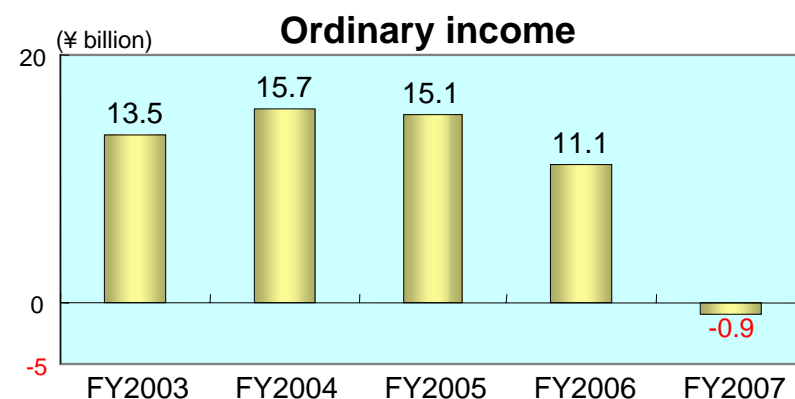
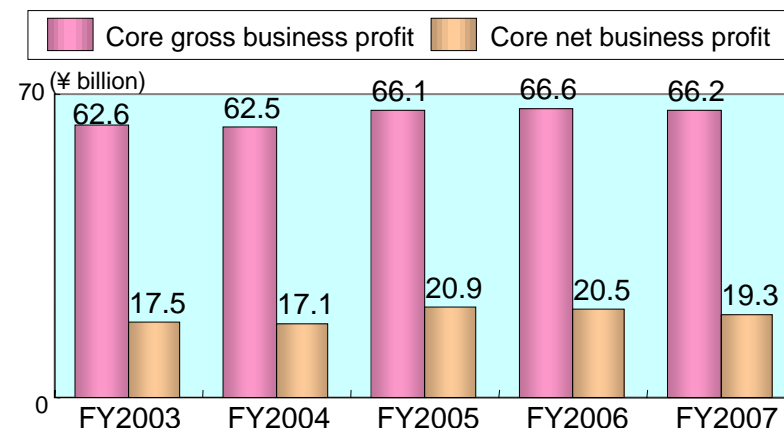
1. Medium-Term Management Plan

2. Growth Strategy



# Financial Results for FY2007 - (1) Summary

- Nanto Bank recorded an ordinary loss of ¥900 million, a year-on-year decline of ¥12.1 billion, which was due to the fact that even through the core gross business profit of the top-line profit, was around the same level as that for last year, there was an increase in losses on securities as instability in financial markets brought on by the US subprime loan problem persisted.
- On the other hand, net income shrank ¥1.2 billion year on year to ¥5.0 billion because there was a substantial drop in credit costs as a result of not only a decline in new non-performing loans but aggressive efforts to recover and improve the rating of existing loans.

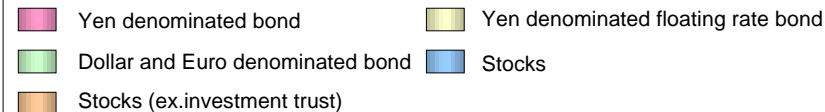
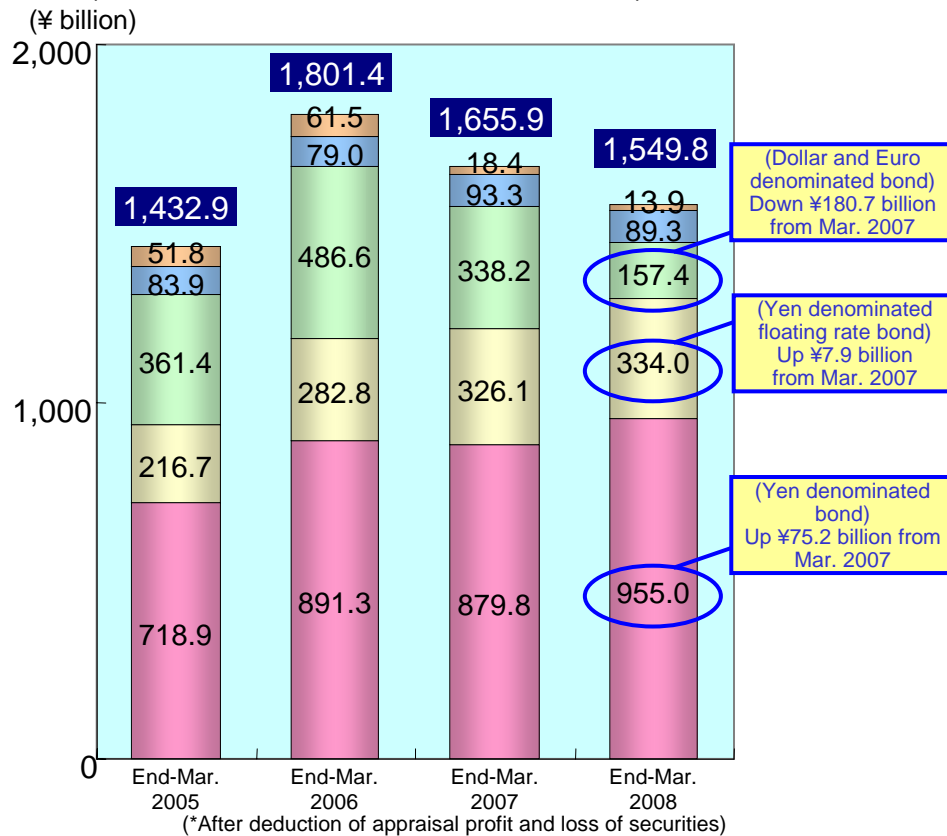


# Financial Results for FY2007 – (2) Management of Securities 1

## Shift of Outstanding Securities

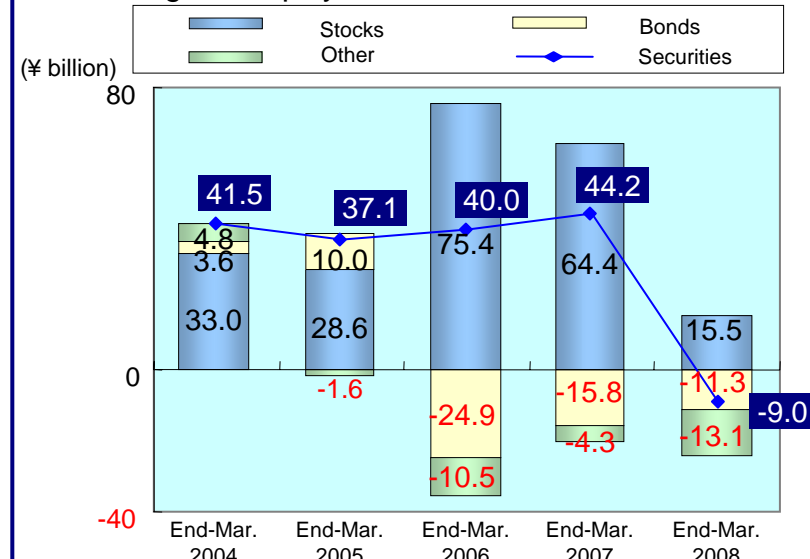
◆ There was decline in foreign bonds, whose spread between acquisition cost and management return declined, and an increase in the asset allocation towards yen-denominated bonds which generate strong interest income.

◆ Balance of outstanding securities as of March 2008: ¥1,549.8 billion (Down ¥106.1 billion from March 2007)

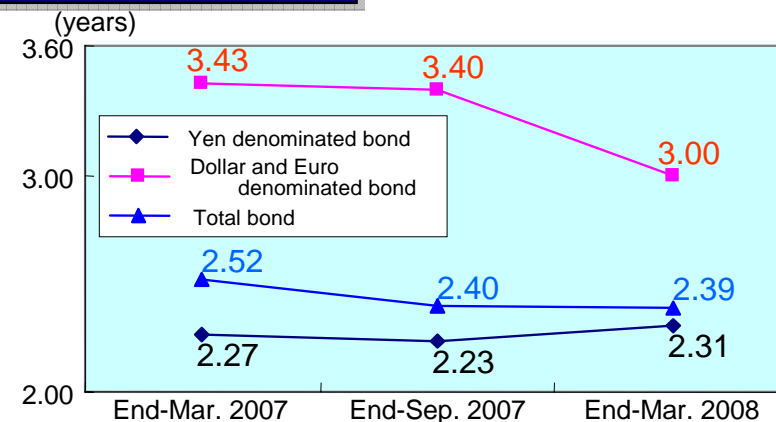


## Unrealized Gains and Losses of Securities

◆ As of March 31, 2008, Nanto Bank recorded unrealized gains and losses on securities of -¥9.0 billion mainly as a result of a decline in unrealized gains on shares due to the stagnant equity market.



## Bond Duration



# Financial Results for FY2007 – (2) Management of Securities 2

- The book value of securitized products, such as synthetic CDOs, CDOs, and Capital Notes, which were written down at the end of FY2007, declined to ¥16.3 billion at the end of March 2008 from ¥32.5 billion at the end of March 2007. (this decline includes ¥0.7 billion in unrealized losses on securities)
  - >The share of securitized products declined to 1% of total securities held by the bank
- Of these, the book value of products that incorporated subprime loans shrank to ¥1.6 billion at the end of March 2008 from ¥5.8 billion at the end of March 2007.

## <Breakdown of Securities Portfolio>

(¥ billion, %)

		Book value as March 31, 2008 (after right down)		
			Unrealized gain/loss	Unrealized gain/loss ratio
1	Marketable securities total	1,549.8	-9.06	-0.58
2	Overseas securities	362.9	-11.78	-3.24
3	Yen-denominated bonds	205.4	-7.78	-3.78
4	of which are synthetic CDOs (1)	14.3	0.00	0.00
5	of which are capital notes (2)	1.1	0.05	4.59
6	of which are CMBS a	0.6	0.00	-1.06
7	Foreign-currency-denominated bonds	157.4	-4.00	-2.54
8	of which are CDOs (3)	0.5	-0.12	-22.86
9	of which are capital notes (4)	0.3	0.00	0.00
10	of which are US mortgages b	5.7	0.06	1.09
11	Domestic bonds	1,081.0	-11.39	-1.05
12	Japanese government bonds	655.6	-14.64	-2.23
13	Local government bonds	281.0	2.44	0.87
14	Other bonds	144.3	0.80	0.55
15	of which are CMBS c	1.6	0.00	-0.05
16	of which are ABS d	0.2	0.00	-0.89
17	Stocks	87.3	15.52	17.77
18	Other securities	18.5	-1.40	-7.59
19	Trust beneficiary rights	2.5	-0.02	-0.88
20	of which are CMBS e	2.5	-0.02	-0.88
21	<b>Total</b>	<b>1,552.3</b>	<b>-9.08</b>	<b>-0.58</b>
22	Securitized products that were written down in FY2007 {(1)+(2)+(3)+(4)}	16.3	-0.07	-0.46
23	Other securitized products (a+b+c+d+e)	10.7	0.03	0.28
24	<b>Total securitized products</b>	<b>27.1</b>	<b>-0.04</b>	<b>-0.16</b>

## <Breakdown of Securitized Products >

(¥ billion)

	Ranking as of March 31, 2008	Book value as of March 31, 2008 (after right down)		Losses recorded in FY2007			
			Unrealized gain/loss	Less than sales	Write offs	Loss of redemption	Total
Synthetic CDO		14.3	0.00	1.59	0.46	7.40	9.46
AAA		3.0	0.00				
AA		0.3	0.00				
A		4.9	0.00				
	BBB		6.0	0.00			
CDO		0.5	-0.12	0.00	0.23	0.00	0.23
A		0.3	-0.12				
	BB or less		0.2	0.00			
Capital note		1.4	0.05	0.00	4.64	0.00	4.64
BBB		0.3	0.05				
BB or less		1.1	0.00				
US mortgage	AAA	5.7	0.06	-	-	-	-
CMBS		4.8	-0.02	-	-	-	-
AAA		2.0	0.00				
AA		0.5	-0.01				
	A		2.2	-0.01			
ABS	AAA	0.2	0.00	-	-	-	-
<b>Total</b>		<b>27.1</b>	<b>-0.04</b>	<b>1.59</b>	<b>5.34</b>	<b>7.40</b>	<b>14.34</b>

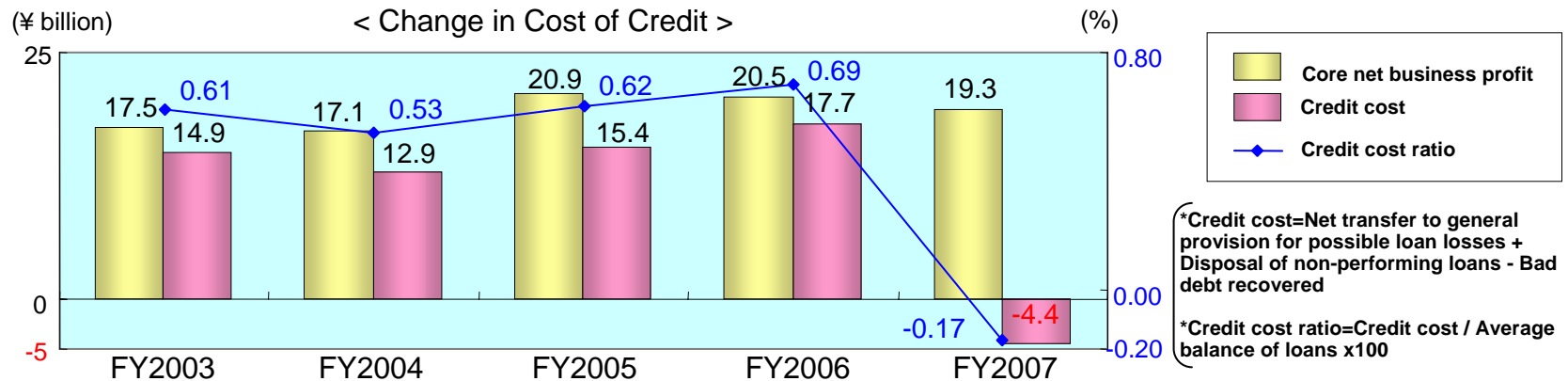
### <Reference>

- 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

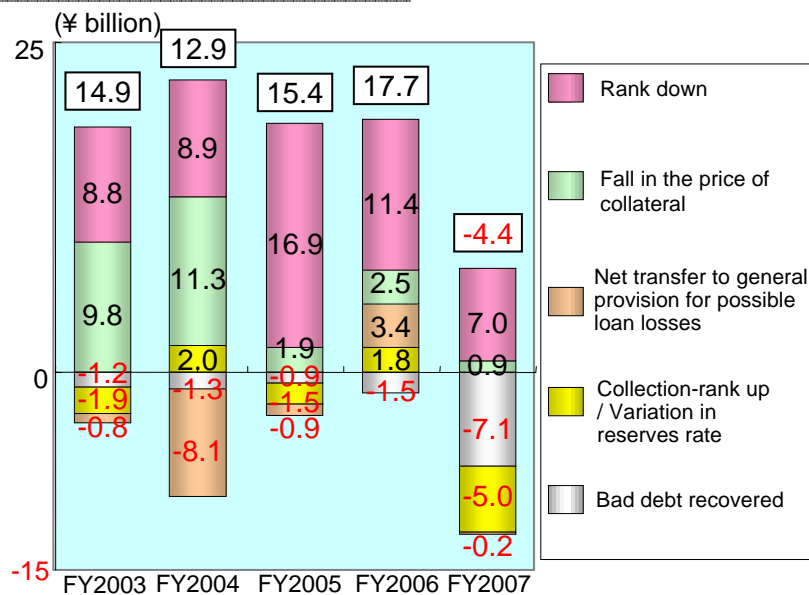
# Financial Results for FY2007 – (3) Disposal of Non-performing Loan

## Change in Cost of Credit

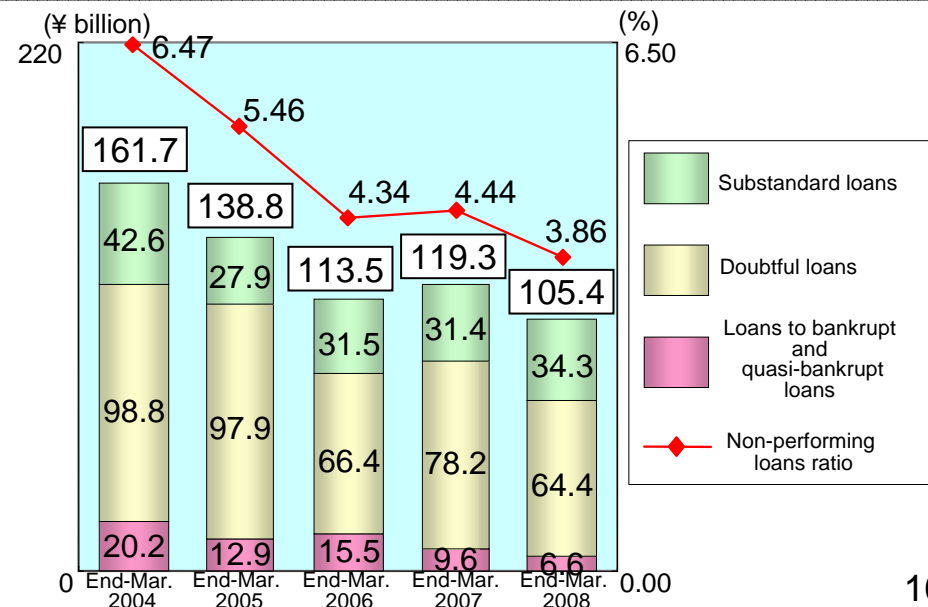
- Credit costs fell substantially as a result of stricter screening. This was mainly because of an improvement in the income from recovery of bad debts and a decline in the value of disposed non-performing loans for various reasons including the reversal of provisions for possible losses on particular loans following the partial recover of high-risk loans. As a result, credit costs fell dramatically to -¥4.4 billion for FY3/08.



## Breakdown of Cost of Credit



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



# Business Forecast for FY2008

		(¥ billion)	FY 2007	FY2008 Forecast	Y/Y change
1	Core gross business profit		66.2	68.3	+2.0
2	Interest income		64.7	63.1	-1.5
3	Interest on loans and discounts		51.9	54.9	+2.9
4	Interest on securities		26.9	23.2	-3.6
5	Interest on deposits		11.3	12.1	+0.7
6	Fees and commissions		7.8	8.0	+0.1
7	Other operating income (*1)		(6.3)	(2.9)	+3.4
8	Cost of derivative financial products		6.7	3.1	-3.5
9	Expenses		46.9	50.8	+3.8
10	Personnel expenses		25.2	24.8	-0.3
11	Non-personnel expenses		19.6	23.4	+3.7
12	Core net business profit		19.3	17.5	-1.8
13	Gains/Losses on bonds (JGBs, etc.)		(17.7)	0.0	+17.7
14	Net transfer to general provision for possible loan losses		-	(0.5)	-0.5
15	Net business profit		1.5	18.0	+16.4
16	Non-recurrent gains/losses		(2.5)	(7.0)	-4.4
17	Gains/Losses on stocks		3.0	0.0	-3.0
18	Disposal of non-performing loans		4.7	6.0	+1.2
19	Ordinary income		(0.9)	11.0	+11.9
20	Extraordinary gains/losses		9.1	1.0	-8.1
21	Bad debt recovered		7.1	1.0	-6.1
22	Gain on reversal of provision for possible loan loss		2.0	-	-2.0
23	Income before taxes		8.1	12.0	+3.8
24	Net income		5.0	7.0	+1.9
25	Credit cost (*2)		(4.4)	4.5	+8.9

\*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 + Gain on reversal of provision for possible loan loss)

◆ Although core gross business profit is expected to increase mainly as a result of the increase in interest on loans, core net business profit is projected to decline ¥1.8 billion YoY to ¥17.5 billion because of an increase in partnership system related expenses.

## Factors behind changes in interest on loans and deposits for FY2008 (comparison with FY2007) (¥ billion)

	Change	Balance factor	Return factor
Loans	+2.9	+2.0	+0.9
Net general loans	+0.6	+0.4	+0.3
Retail (short-term prime)	-0.9	-0.4	-0.5
Retail (market)	+1.3	+0.7	+0.5
Wholesale	+0.3	+0.1	+0.2
Personal loans (including general accounts)	+1.7	+1.4	+0.3
Loans for local government	+0.6	+0.2	+0.4
Deposits	+0.7	-0.1	+0.8

◆ Since there was a dramatic increase in the gain on securities such as Japanese government bonds, ordinary income is projected to grow ¥11.9 billion YoY to ¥11.0 billion yen.

• Although ordinary income is forecast to increase ¥11.9 billion YoY, net income is expected to increase only ¥1.9 billion YoY to ¥7.0 billion. This is because ¥9.1 billion in extraordinary gains, including collection of written-off non-performing loans and gain on reversal of provisions for possible loans losses, were recorded for the previous fiscal year, this fiscal year only ¥1.0 billion will be recorded.

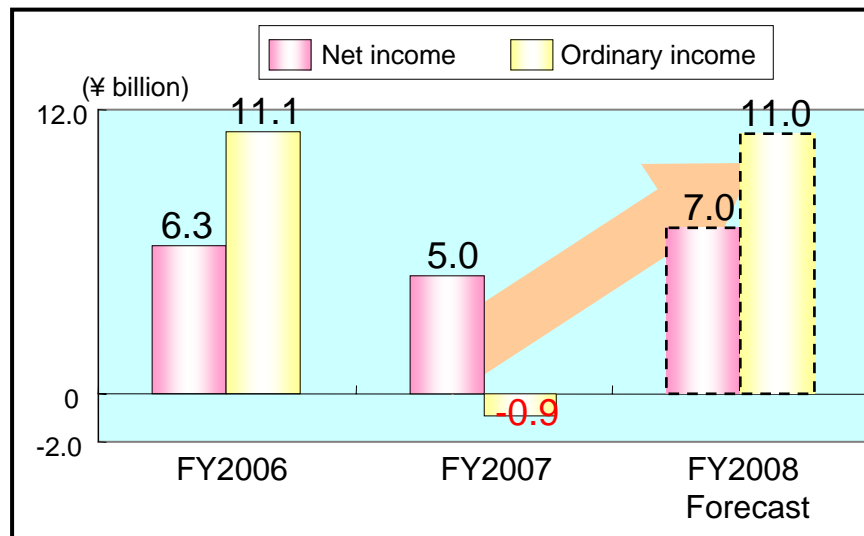
# Dividend Policy

## Changes in Shareholder Return Ratio and Payout Ratio

		FY2003	FY2004	FY2005	FY2006	FY2007	FY2008 Forecast
Net income	(¥ billion)	4.6	7.4	6.4	6.3	5.0	(¥7.0 billion)
Total dividends	(¥ billion)	1.3	1.6	1.3	1.6	1.6	(¥1.6 billion)
Acquisition of treasury stock	(¥ billion)		0.8			0.5	
Dividend per share	(¥)	5.0	6.0	5.0	6.0	6.0	(¥6.0)
Shareholder return ratio	(%)	29.8	34.3	21.5	26.2	42.7	
Payout ratio	(%)	29.8	22.4	21.5	26.2	32.8	

Including dividends for 70th anniversary of the founding of NANTO (¥1)

Dividend increase (¥1 per year)



- While ordinary income and net income fell temporarily as a result of the recording of losses on securities in FY2007, income levels are expected to improve starting in FY2008, which made it possible to maintain an interim dividend of ¥6 per share for FY2007.

## I. Profile of The Nanto Bank

## II. Financial Results for FY2007

## III. Management Strategy

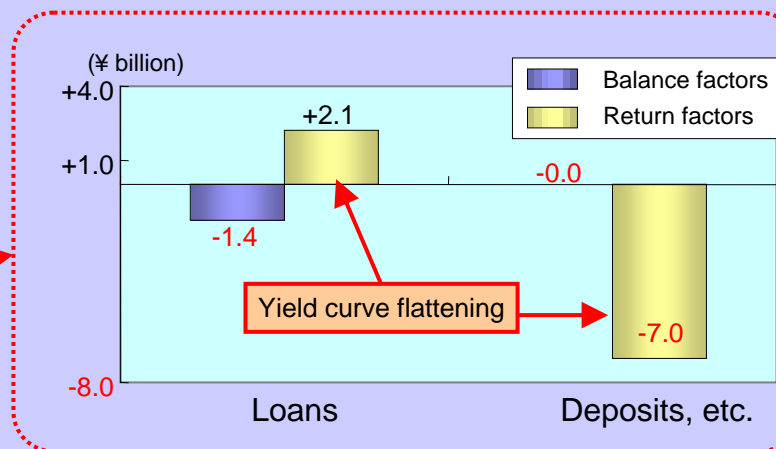
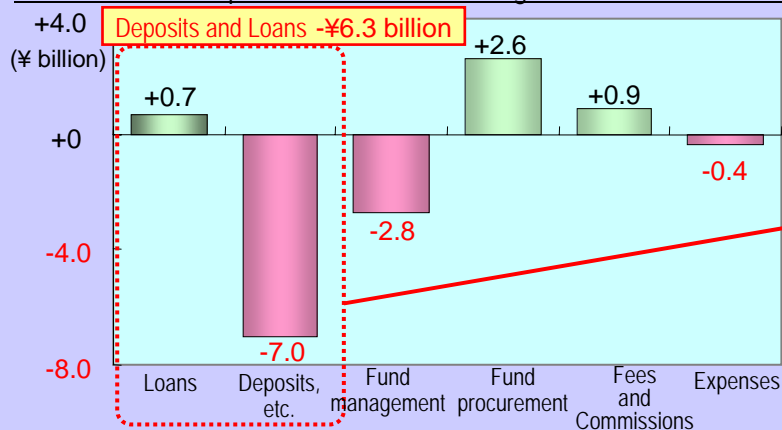
1. Medium-Term Management Plan

2. Growth Strategy

# Results of the Medium-Term Management Plan and Future Issues

Numerical Targets	FY2005		FY2007			
	(Result)		(Target)	(Result)	(Compared with FY2005)	(Compared with Target)
Core net business profit	¥17.1 billion		¥25.0 billion or higher	¥19.3 billion	+¥2.2 billion	- ¥5.7 billion
Capital adequacy ratio	9.19%		10% or higher	10.53%	+1.34%	+0.53%
Balance of retail business loans	¥950.3 billion		¥1 trillion or higher	¥974.5 billion	+¥24.2 billion	- ¥25.5 billion
Balance of personal loans	¥644.5 billion		¥800 billion or higher	¥826.9 billion	+¥182.4 billion	+¥26.9 billion
Balance of assets on deposit	¥245.2 billion		¥450 billion or higher	¥404.2 billion	+¥159.0 billion	- ¥45.8 billion

<Factor Analysis of Changes in Income from Fund Management and Procurement – Comparison with Numerical Targets from Medium-Term MP>



Therefore, the following issues will be dealt with in the new medium-term management plan.

Improve profitability

Improve risk management

Increase the effectiveness of the human resources



# Outline of the New Medium-Term Management Plan (Long-Term Vision and Numerical Targets)

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

**Stage 1**  
April 2008 – March 2011

**Stage 2**  
April 2011 – March 2014

Previous Medium-Term Management Plan

**Value Up “NANTO”**

(April 2005 – March 2008)

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

- ◆ Create a healthy and sound management system, establish a strong presence, and improve corporate value

Present

3 years later

6 years later

June 2014 is the 80<sup>th</sup> year anniversary of founding.

## <Numerical Targets>

Item	FY2007
1.Core net business profit	¥19.3 billion
2.Net income	¥5.0 billion
3.Outstanding loans	¥2,690 billion

FY2010 Plan
¥26.0 billion or higher
¥12.0 billion or higher
¥3,000 billion or higher

## <Management Indicator>

Item	FY2007	
Profitability	1.R O E (*1)	2.7%
Efficiency	2.O H R (*2)	70.83%
Soundness	3.Capital adequacy ratio	10.53%
	4.Non-performing loans ratio (*3)	3.86%

FY2010 Plan
5.4%
66.25%
10.67%
2.72%

## Numerical Target

- R O E — 8% or greater
- Capital adequacy ratio — 11% or greater

(\*1) ROE=Net income/ Net assets × 100

(\*2) OHR=Expenses/Core gross business profit × 100

(\*3) Non-performing loan ratio = amount of non-performing loans based on Financial Reconstruction Law / total value of credit provided × 100

## Medium-Term Management Plan “More Value - Nanto” (April 2008 - March 2011)

### Basic Policies (summary)

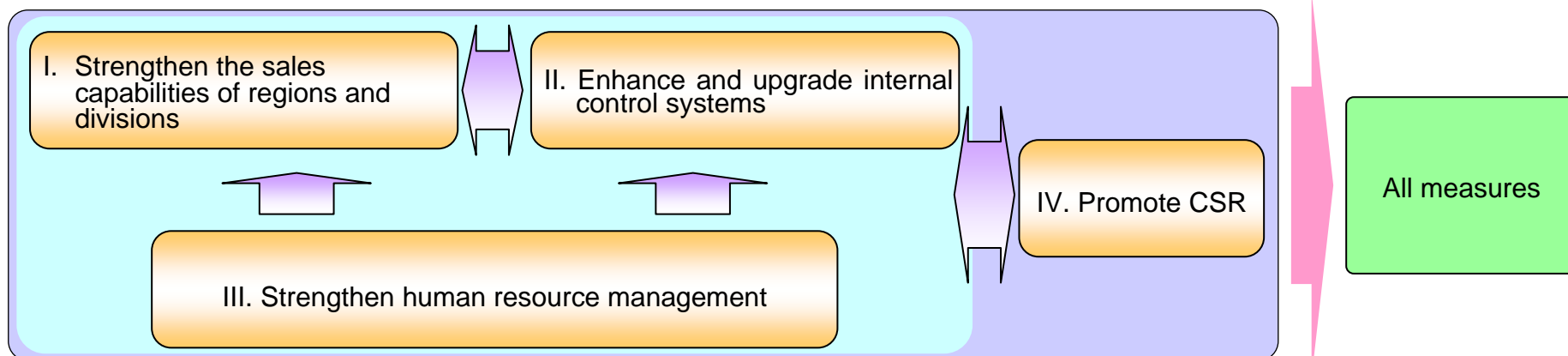
1. Strengthen profitability and improve risk management
2. Invigorate employees and the organization
3. Invigorate local economies
4. Promote CSR

### <Numerical Targets>

1. Core net business profit 2. Net income 3. Outstanding loans

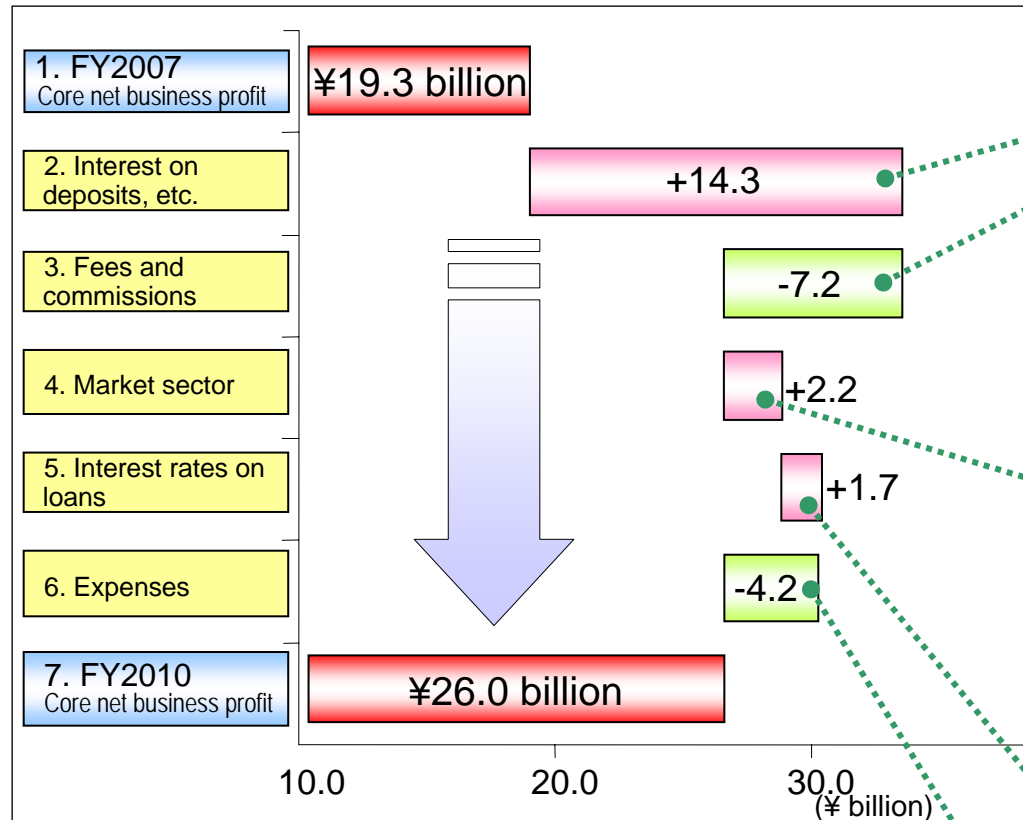
(Management indicator) 1) ROE 2) OHR 3) Capital adequacy ratio 4) Non-performing loans ratio

### <Priority Strategies>



# Outline of the New Medium-Term Management Plan (Core Net Business Profits)

<FY2010 Core Net Business Profit Plan (in Comparison with FY2007) >



<Factor of Changes in Interest on Loans and Deposits (from FY2007)>

	Change	Balance factor	Return factor
Net general loans	+5.5	+1.3	+4.2
Retail (short-term prime)	-0.6	-0.8	+0.1
Retail (market)	+4.2	+1.7	+2.4
Wholesale	+2.0	+0.3	+1.6
Personal loans (including general accounts)	+6.7	+3.8	+2.9
Loans for local government	+1.9	+0.7	+1.2

<Factor of Increases/Decreases in Market Sector (from FY2007) >

- Interest on securities -¥0.8 billion
  - Japan +¥4.2 billion; Overseas -¥5.0 billion
  - { Average balance: Japan +¥72.8 billion
  - Overseas -¥113.9 billion }
- Interest on fund management, etc. -¥0.8 billion
- Interest on fund procurement, etc. -¥3.8 billion
  - Japan +¥0.7 billion; Overseas -¥4.6 billion
  - { Interest payables under securities lending transactions -¥0.3 billion
  - { Cost of derivative financial products -¥4.2 billion }

<Factor of Increases in Fees and Commissions (from FY2007) >

- Investment trust related +¥2.0 billion
- Life insurance related +¥0.7 billion

<Factor of Increases in Expenses (from FY2007) >

- Non-personnel expenses +¥3.5 billion
- \*Investment in projects such as the those related to partnership system.

<Interest-Rate Scenario>

	FY2007 Plan		FY2008 Plan		FY2009 Plan		FY2010 Plan	
	9/2007	3/2008	9/2008	3/2009	9/2009	3/2010	9/2010	3/2011
<b>Japan</b>								
Overnight unsecured call rate	0.500	0.500	0.500	0.500	0.750	0.750	1.000	1.000
Short-term prime	2.375	2.375	2.375	2.375	2.375	2.625	2.625	2.875
3-month TIBOR	0.850	0.900	0.900	1.000	1.000	1.100	1.300	1.400
5-year JGB	1.200	1.000	1.100	1.400	1.400	1.500	1.700	1.800
<b>U.S.</b>								
3-month LIBOR	5.230	3.000	2.800	2.800	3.200	3.500	3.700	4.000
US 5-year bond	4.250	2.700	2.800	3.100	3.400	3.700	4.000	4.200
<b>EU</b>								
3-month LIBOR	4.790	4.300	4.300	4.300	4.300	4.300	4.300	4.300
German 5-year bond	4.160	3.800	4.000	4.200	4.400	4.400	4.500	4.500

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II. Financial Results for FY2007

III. Management Strategy

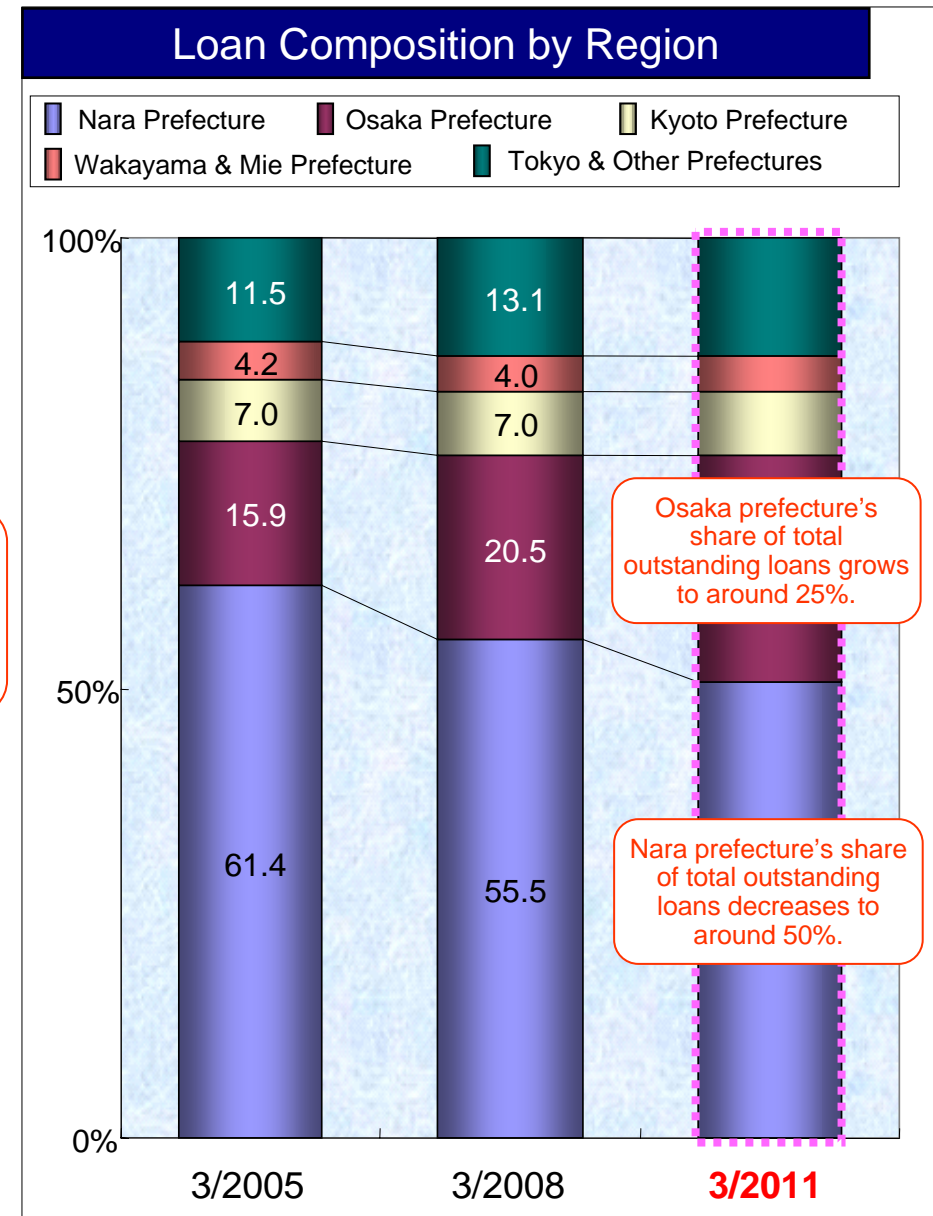
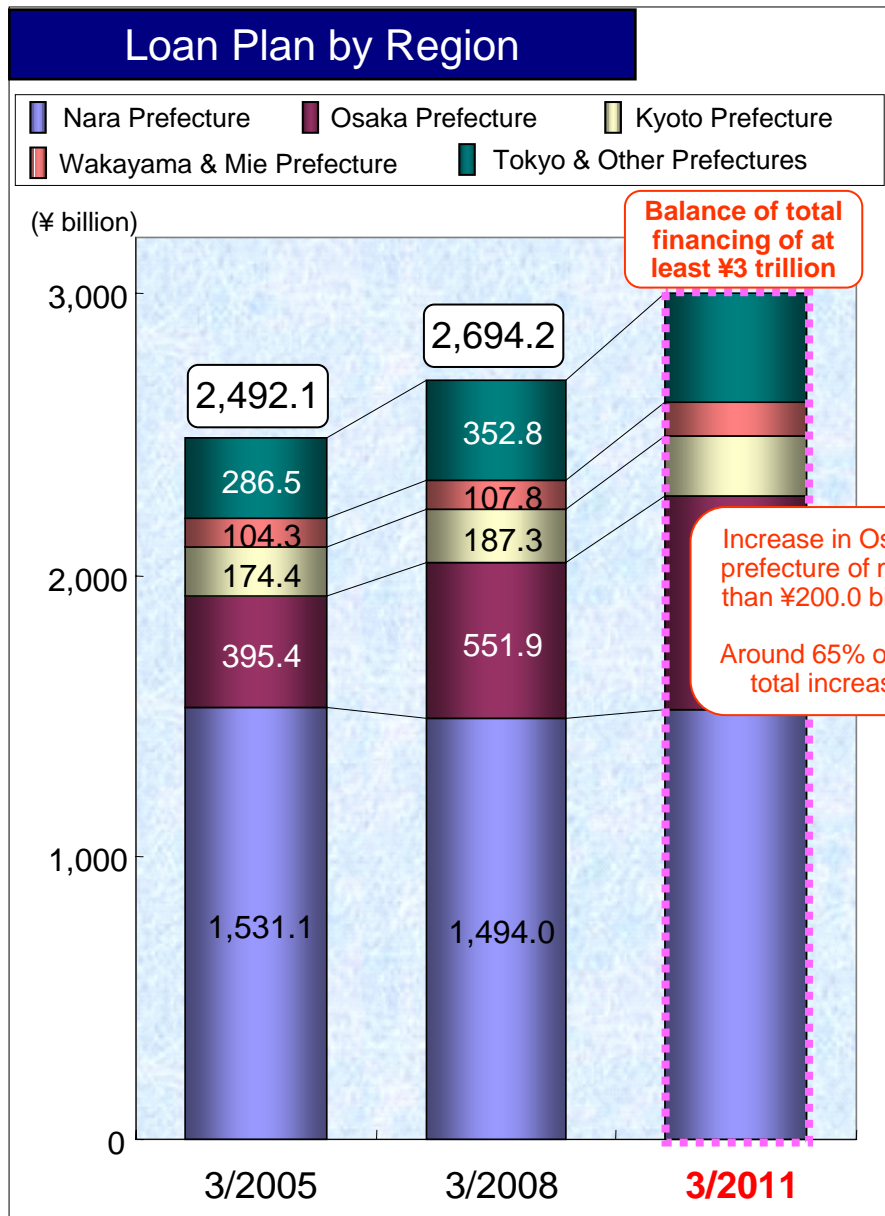
1. Medium-Term Management Plan

2. Growth Strategy

# Growth Strategy (Four Priority Strategies)

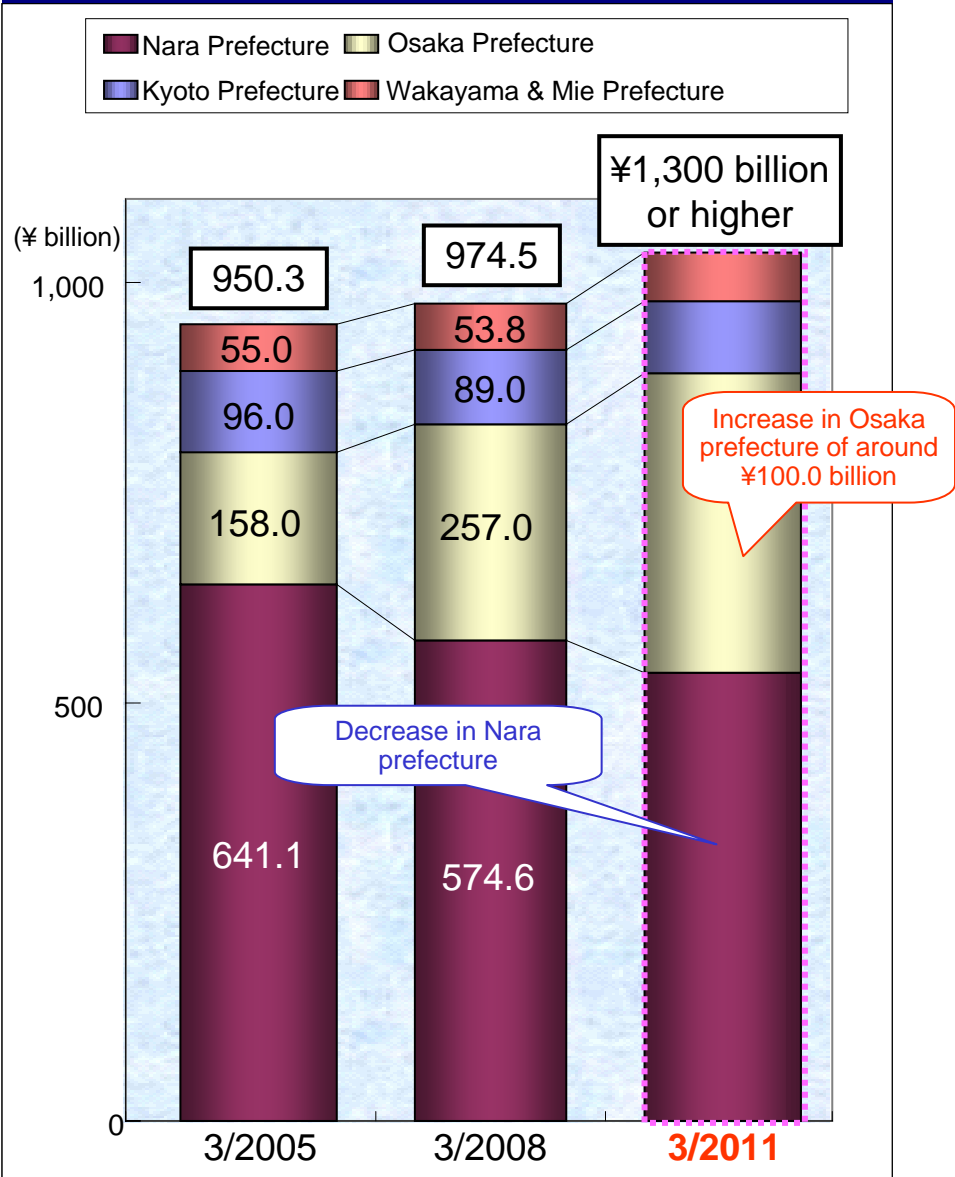
Priority Strategy	Goal	Measures
Strengthen the sales capabilities of regions and divisions	● Improve profitability	<ul style="list-style-type: none"> <li>● Management market such as for loans                             <ul style="list-style-type: none"> <li>• Further expand the business foundation (expand to new areas, open 10 offices and add at least 140 employees)</li> <li>• Increase retail loans (retail business, personal loans)</li> </ul> </li> <li>● Deposit and asset management market                             <ul style="list-style-type: none"> <li>• Expand the FA team, staff offices with money consultants</li> <li>• Strengthen the system to recommend items based on the customer segment (extremely wealthy, wealthy, middle/masses)</li> <li>• Improve revenue from service operations by improving sales of assets under management (investment trusts and life insurance)</li> </ul> </li> </ul>
Enhance and upgrade internal control systems	<ul style="list-style-type: none"> <li>● Further strengthening compliance</li> <li>● Create appropriate internal control system</li> <li>● Implement appropriate risk control</li> <li>● Improve profitability</li> </ul>	<ul style="list-style-type: none"> <li>● Legal compliance (improve attitude toward legal compliance)</li> <li>● Customer protection management (improve attitude toward customer and customer information protection)</li> <li>● Comprehensive risk management (improve earnings management through comprehensive earnings risk management system)</li> <li>● Credit risk management</li> <li>● Market risk management</li> <li>● Operational risk management</li> </ul>
Strengthen human resource management	● Invigorate employees and the organization	<ul style="list-style-type: none"> <li>● Human resource system                             <ul style="list-style-type: none"> <li>• Review the human resource system and qualification system</li> <li>• Review the employee evaluation system</li> </ul> </li> <li>● Reorganize the training/education system (strengthen younger employees sooner)</li> <li>● Make greater use of human resources                             <ul style="list-style-type: none"> <li>• Develop the abilities of female employees</li> </ul> </li> </ul>
Promote CSR	● Fulfill the corporate social responsibility	<ul style="list-style-type: none"> <li>● Promote environmental protection activities                             <ul style="list-style-type: none"> <li>• Thoroughly take into consideration the environment within the bank (expand the number of departments that are Environment ISO certified)</li> <li>• Promote environmental protection in local communities</li> </ul> </li> <li>● Promote contributions to the local community</li> <li>● Organize CSR (establish a CSR office)</li> </ul>

# (By Region and Division) Loan Plan – 1

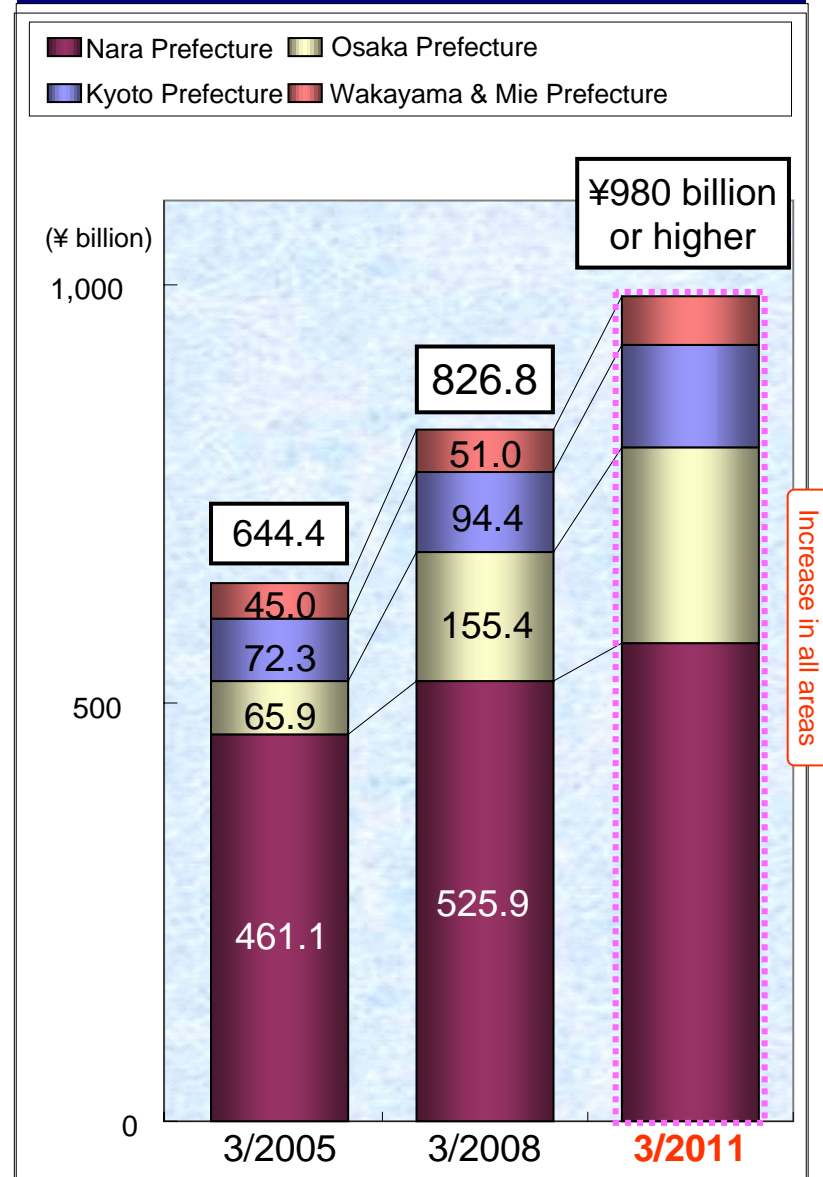


# (By Region and Division) Loan Plan – 2

## Retail Business Loan Plan by Region



## Personal Loan Plan by Region





# Workforce Placement in Osaka Prefecture /Expansion of Offices NANTO 南都銀行 ナント・なら・すっと!

- During the period of the present medium-term management plan (the three years from 2008 through 2010), there will be energetic commitment of human resources and expansion of offices and efforts will be made to increase retail lending.

## Commitment of human resources – at least 140 staff

[(March 2008) 216 staff → (March 2011) more than 356 staff]

## Expansion of offices – at least 10 offices

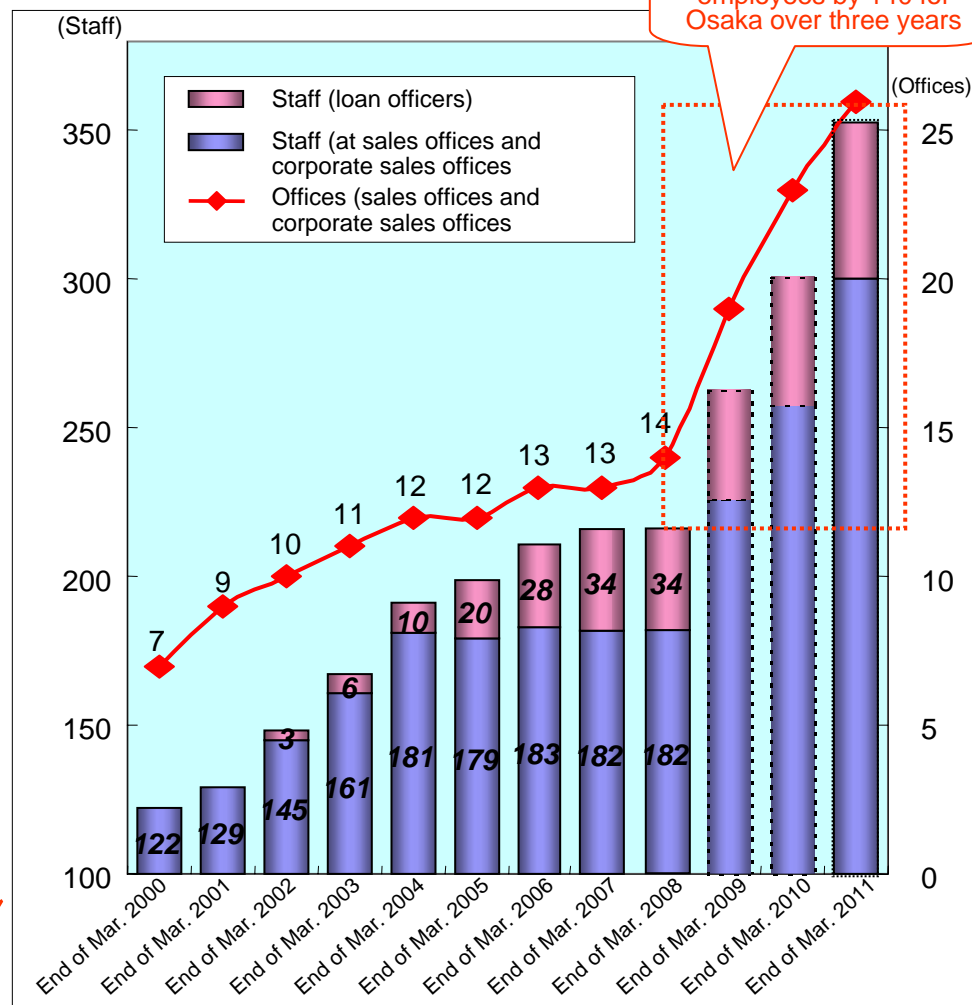
[(March 2008) 12 offices → (March 2011) more than 12 offices]

<Expansion of Offices in Osaka Prefecture>



Open 10 new offices in Osaka over three years

<Increase in Staff and Number of Offices in Osaka>



Increase in the number of employees by 140 for Osaka over three years



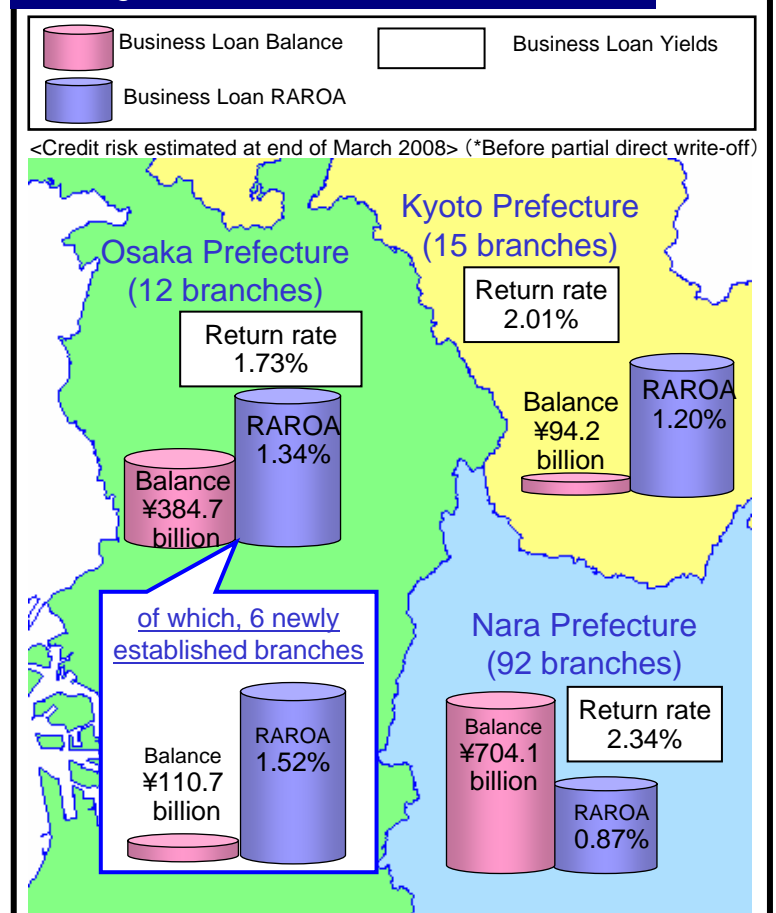
# Strengthen Retail Lending in Osaka Prefecture

- ◆ Steadily increase the outstanding balance of retail loans through an increase in the number of employees and offices in strategic areas
  - Increased the outstanding balance by at least four fold (from ¥93.8 billion as of March 31, 2000, to ¥412.8 billion as of March 31, 2008) through efforts since 2000 (around 8 years)
  - Increase of ¥188.5 billion over the three years of the previous medium-term management plan
  - Expected increase of ¥177.0 billion during the present medium-term management plan (From FY2008 through FY2010)

Balance of Retail Lending for Osaka Prefecture



Regional RAROA of Business Loans

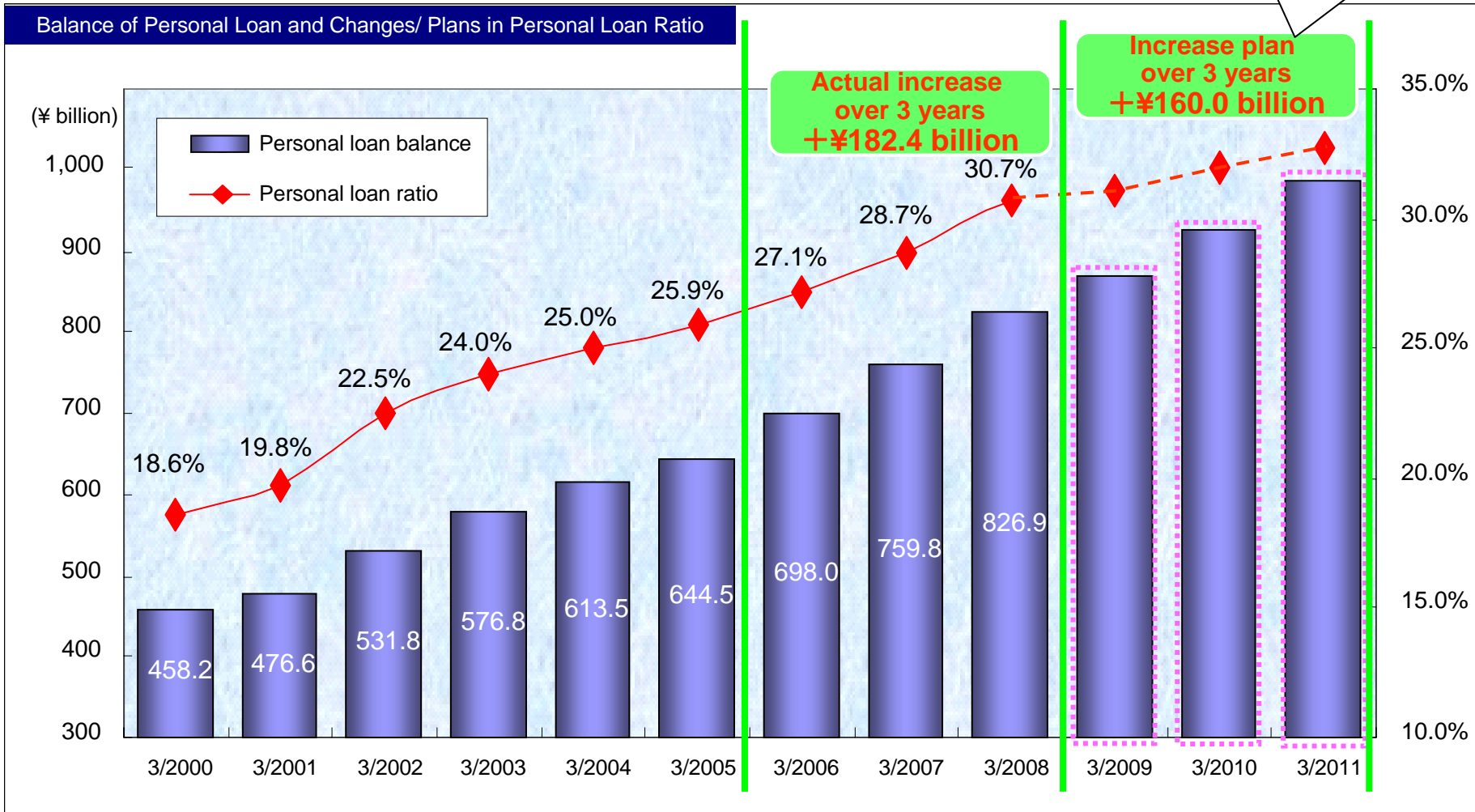


\*Business loan RAROA  
Risk-adjusted return rate (formula) interest after deducting credit cost / loan amount x 100  
\*Object: normal and substandard loans (including clients requiring control)

# Strengthen Personal Loan Promotion

- Strengthen promotion through tie-ups between specialized home loan channels (home loan centers at eight locations and home-loan offices at nine locations) and sales offices
- Commit personnel and expand home-loan offices with employees specializing in home loans (expected to increase the number of employees by 20 over three years)
- Actively respond to new projects by strengthening the relationship with the housing related businesses
- Conduct quick screenings (provide response the following day) and expand product (max. 40 year term)

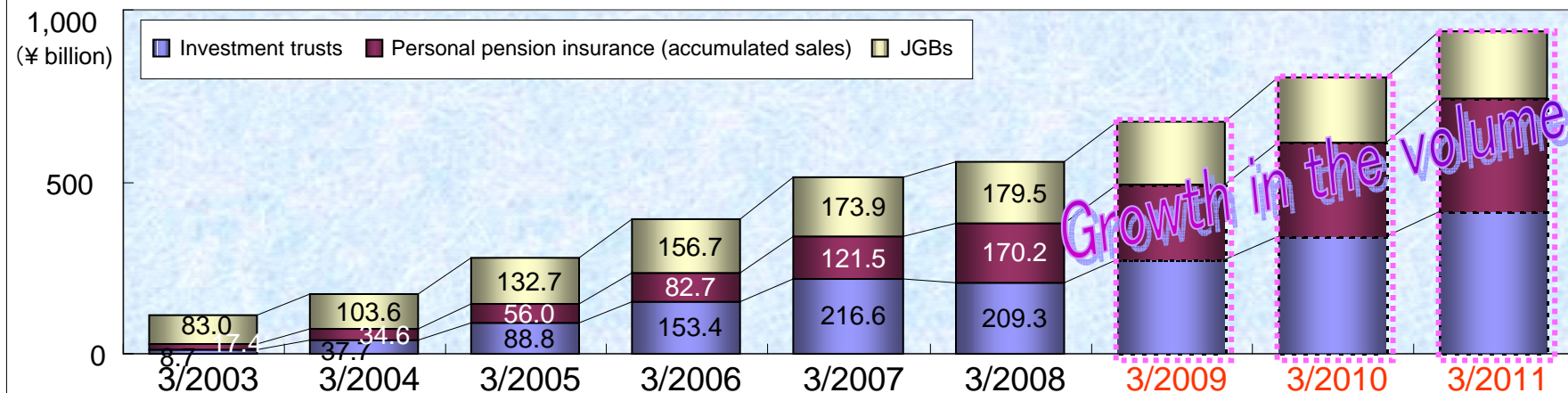
The projections are conservative because of the effect of the revisions on the Building Standards Law and stricter loan screening criteria.



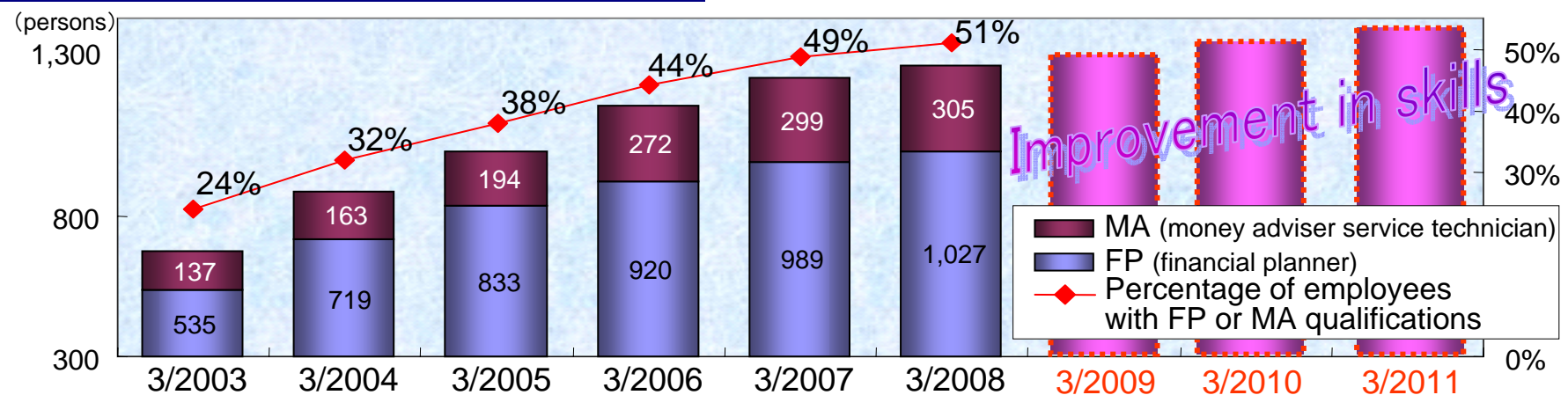
# Reinforce Assets on Deposit

- ◆ Assets on deposit (investment trust and individual annuity insurance, etc.) steadily increased
  - Enhancement of products line up [34 products for investment trust, 11 products for personal pension insurance, lump-sum benefit life insurance – 10 products
  - Assignment and utilization of professional staffs, and upgrade existing skills of personnel (increase the number of employees with FP and MA qualifications. At least 50% on the employees shall have the qualifications.)

Actual and Projected Balance of Assets on Deposit (investment trusts, individual pension insurance, etc.)



Number of Employees with the FP or MA Qualification



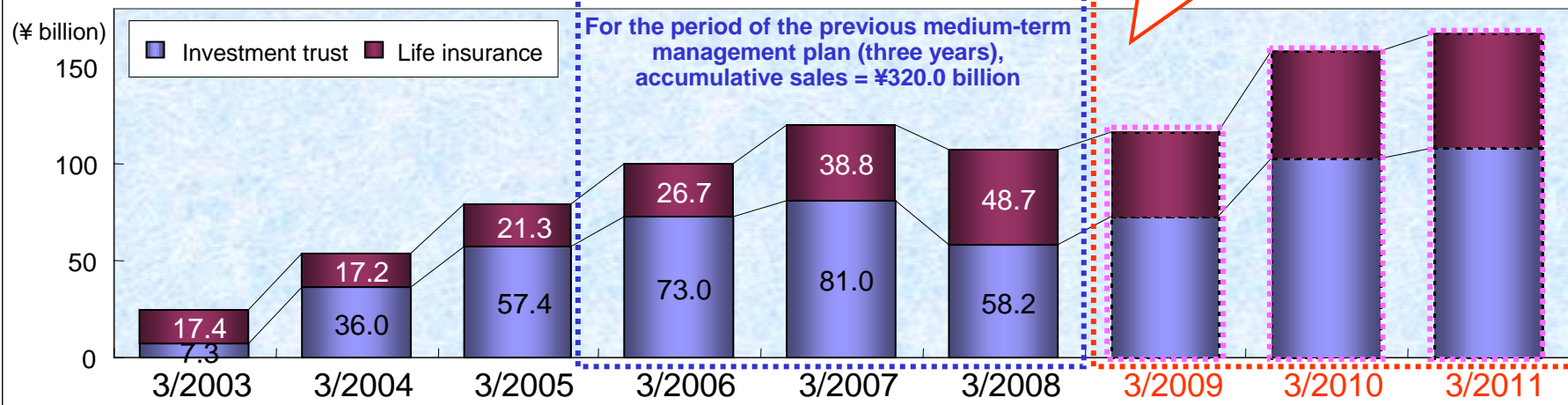
# Increase Profit on Fees and Commissions by Strengthening Sales of Asset Management Products

Profit on fees and commissions in FY2010 (Plan): ¥9.6 billion (Up ¥1.7 billion from FY2007)

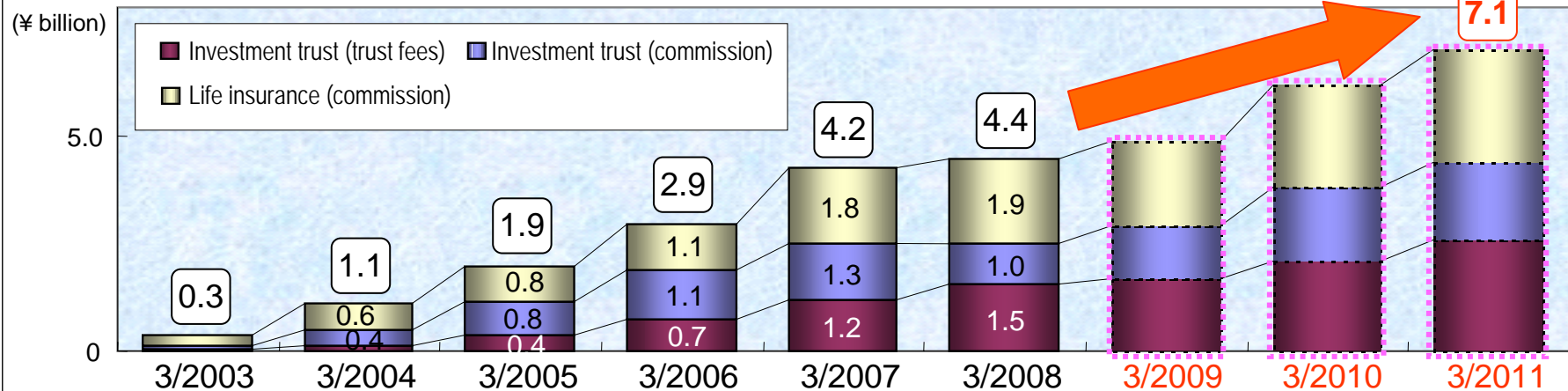
- Investment Trust Income: ¥4.4 billion (Up ¥2.0 billion from the FY2007)
- Insurance Income: ¥2.6 billion (Up ¥0.7 billion from the FY2007)

During the present medium-term management plan (three years), accumulative sales (projected) = ¥440.0 billion.

Actual and Projected Annual Sales of Investment Trusts and Life Insurance



Actual and Projected Revenue from Fees and Commissions Related to Investment Trusts and the Life Insurance



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.



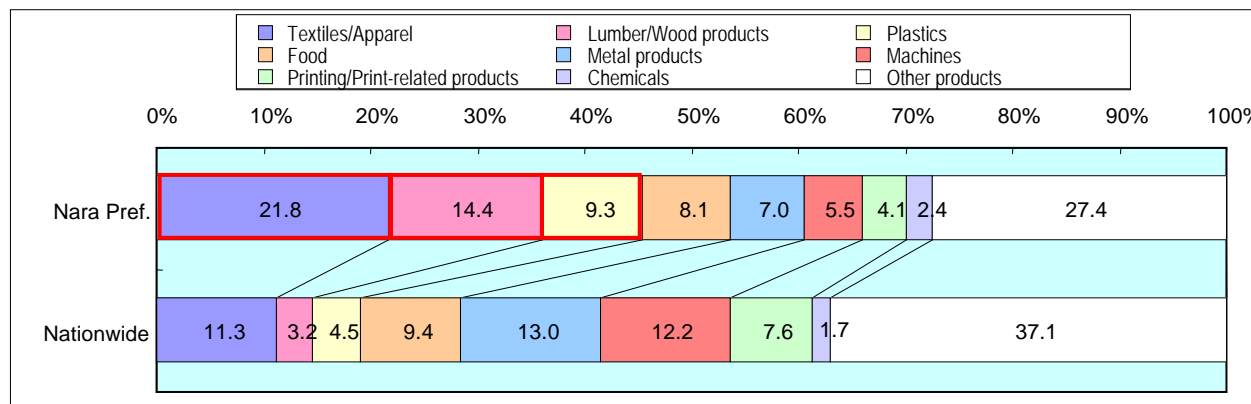
# Appendix for IR Meeting

□ General Economic Situation in Nara Prefecture—1, 2, 3	1
□ Number of Population and Households in Nara Prefecture	4
□ Housing Starts	5
□ Land Price Trend for Nara Prefecture	6
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# General Economic Situation in Nara Prefecture -1

## <Local Industries>

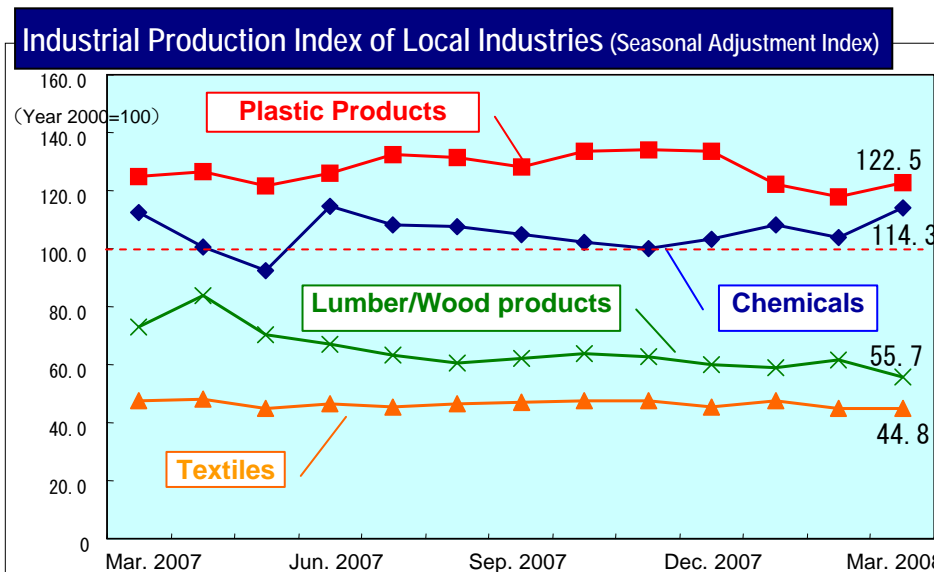
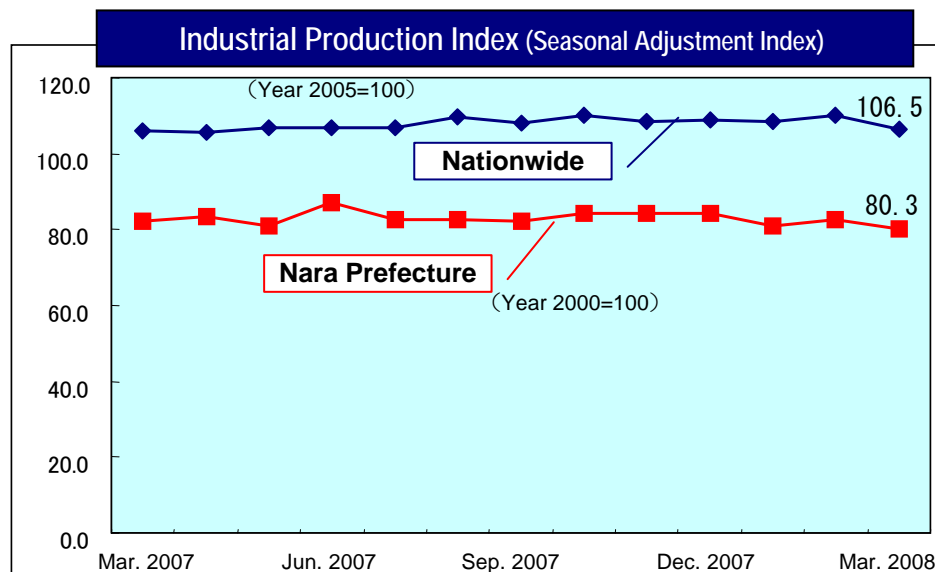
◆ Feature of industry in Nara Prefecture: Ratio for fabric, plastic and wood is high compared with other prefectures



[Source: 2006 Establishment and Enterprise Census]

## <Industrial Production Index in Nara Prefecture>

◆ Level of production is still low and remains at the same level



[Source: Nara Prefecture]

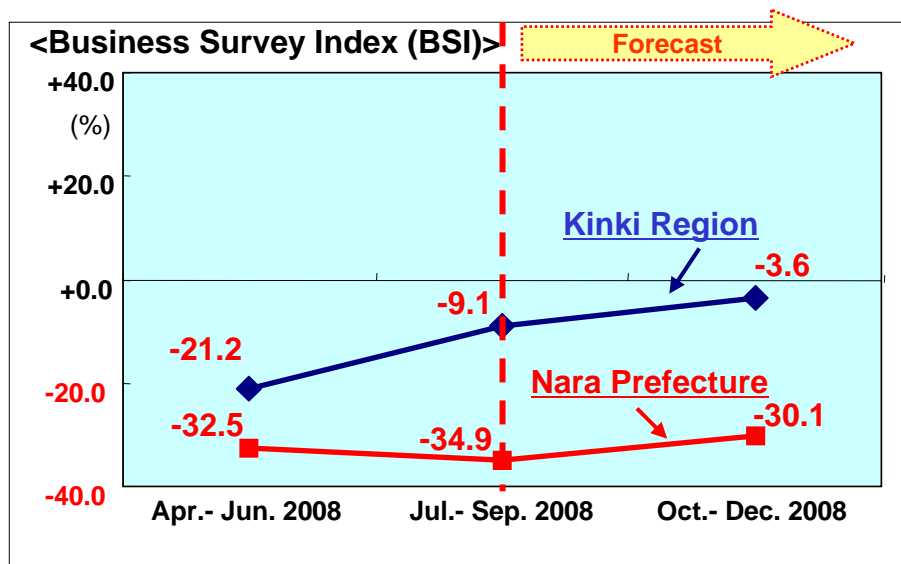
# General Economic Situation in Nara Prefecture -2

## <Business Condition of Corporation (BSI)>

- Business confidence in Nara Prefecture remains weak.
- Business Survey Index (BSI) in Nara Prefecture for the period from April to June 2008 significantly declined, and business confidence in Nara Prefecture is weak compared with BSI of Kinki region.

## <Movement of Corporate Investment>

- On the whole, movement of capital investment in Nara Prefecture remains weak compared to Kinki region.
- Within Nara prefecture, capital investments for all industries are expected to decline 23.7% YoY since those for non-manufacturing industries are projected to decline 39.3% but those for the manufacturing industry are forecast to grow 14.7%.



Corporate investment (excluding land and software investments) (%)	Nara Pref.			Kinki Region		
	FY2008			FY2008		
	Plan	1H	2H	Plan	1H	2H
All industries	-23.7	-5.5	-37.8	+10.8	+18.8	+4.1
Manufacturing	+14.7	-12.5	+86.3	+8.0	+18.1	-1.4
Non-manufacturing	-39.3	+0.9	-58.3	+14.5	+19.6	+10.6
By business size						
Large enterprises	-41.0	-9.1	-55.7	+11.2	+20.2	+3.7
Leading medium-sized enterprises	+15.9	-5.4	+86.0	+9.5	-2.5	+20.7
SMEs	-3.1	+9.8	-14.4	-33.7	-22.7	-43.2

[Source: Nara Finance Office Kinki Finance Bureau, survey conducted in Apr.-Jun. 2008]



# General Economic Situation in Nara Prefecture -3

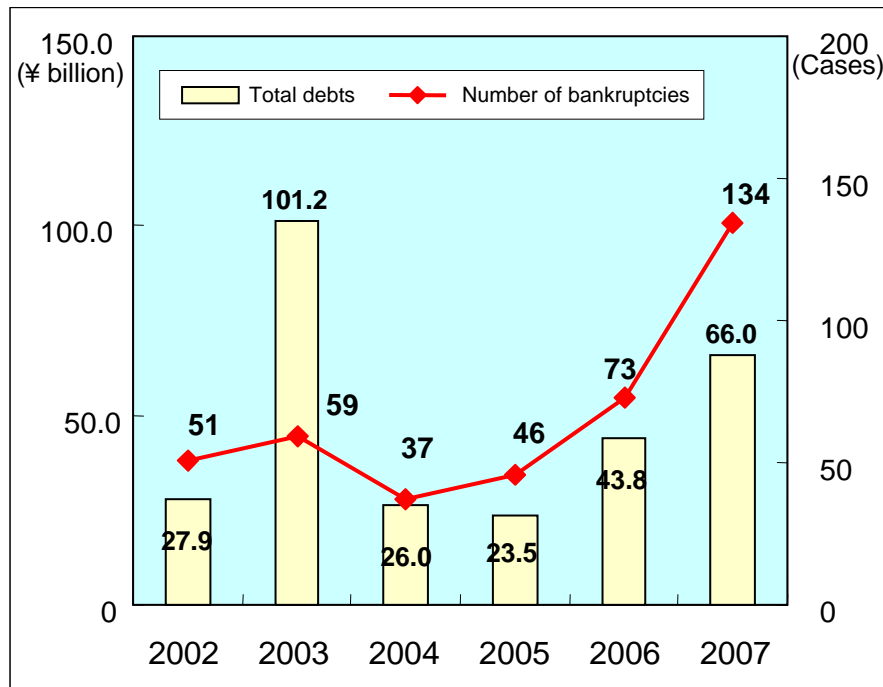
## ◆ Business Bankruptcy

- Both bankruptcy and total debts increased in 2007.
- Bankruptcy in Nara Prefecture in 2007 → 134 cases, ¥66.0 billion in total debts

## ◆ Employment Conditions

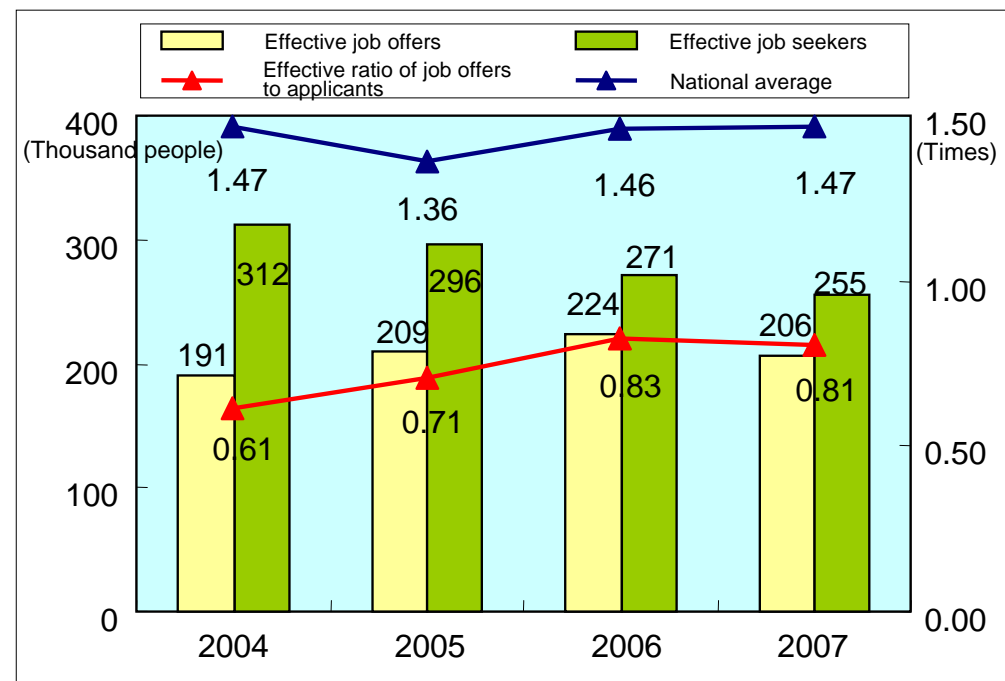
- Effective ratio of job offers to applicants in Nara Pref. is below the ratio of other prefectures in Japan.
- Effective ratio of job offers to applicants in Nara Pref. in 2007 → 0.81 times, 0.02 point down from the previous year.

### Number of Bankruptcies/Total Debts



[Source: TEIKOKU DATABANK]

### Effective Ratio of Job Offers to Applicants

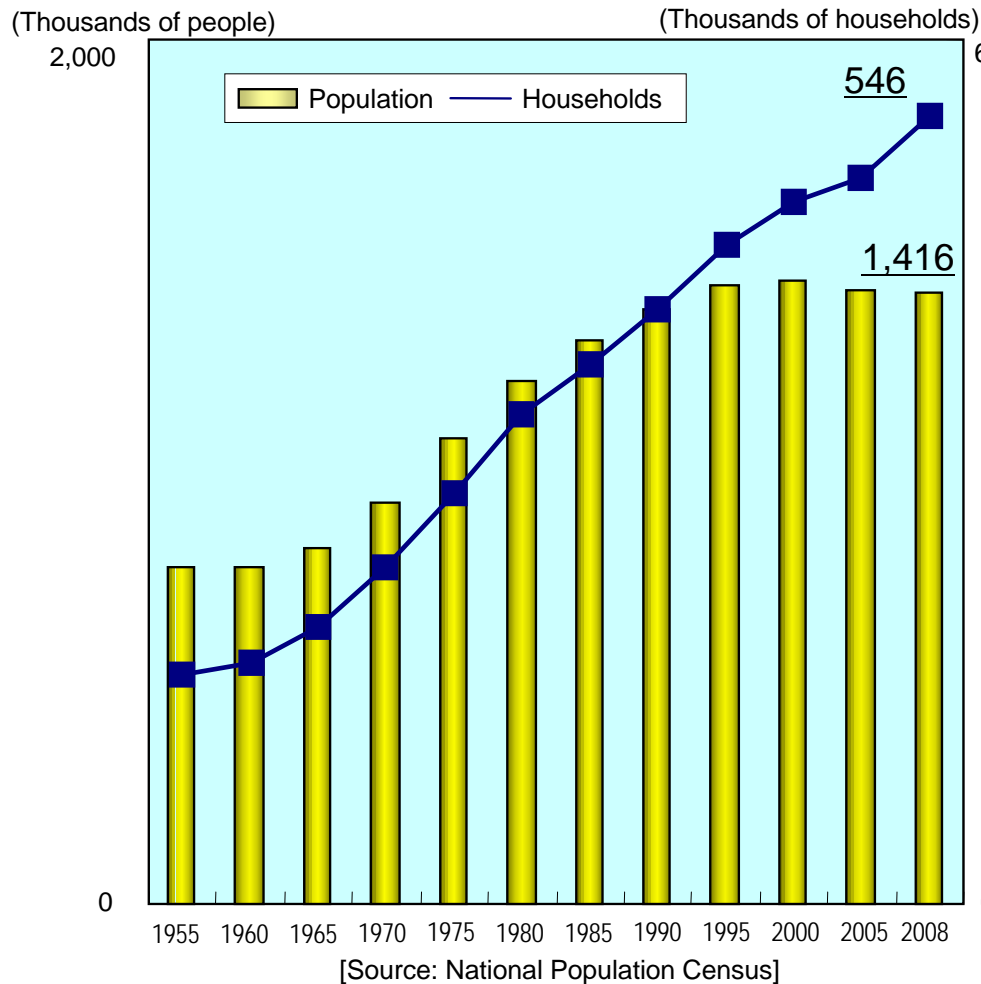


[Source: Nara Labor Bureau, Health, Labor and Welfare Ministry]

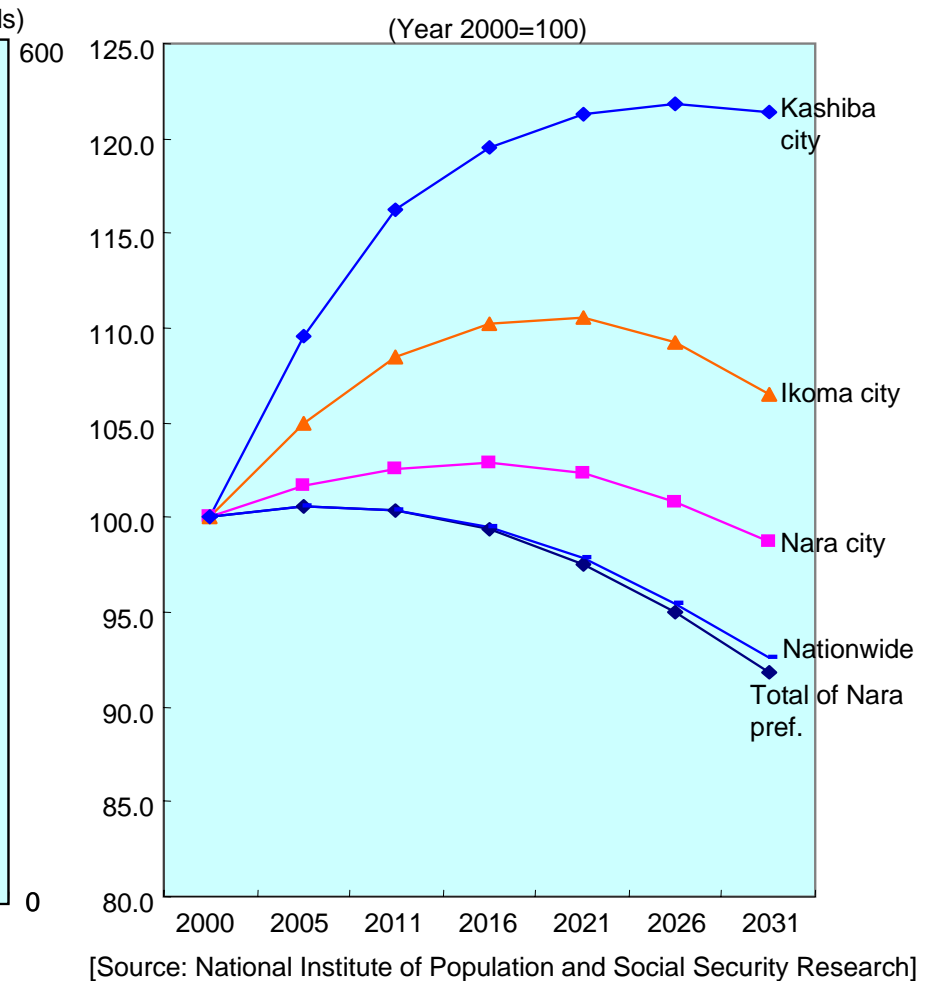
# Number of Population and Households in Nara Prefecture

- Population of Nara Prefecture (2006): 1.41 million, comprising 540,000 households
- While the population has been on a declining trend since 2000, the number of households has been on the rise.
- As to future population estimates, in line with the national trend, the population of Nara Prefecture is expected to decline overall, but forecasts suggest rising population numbers for the Osaka commuter belt.

**Nara Prefecture: Changing of Population and Households**



**Estimated Population of Future**

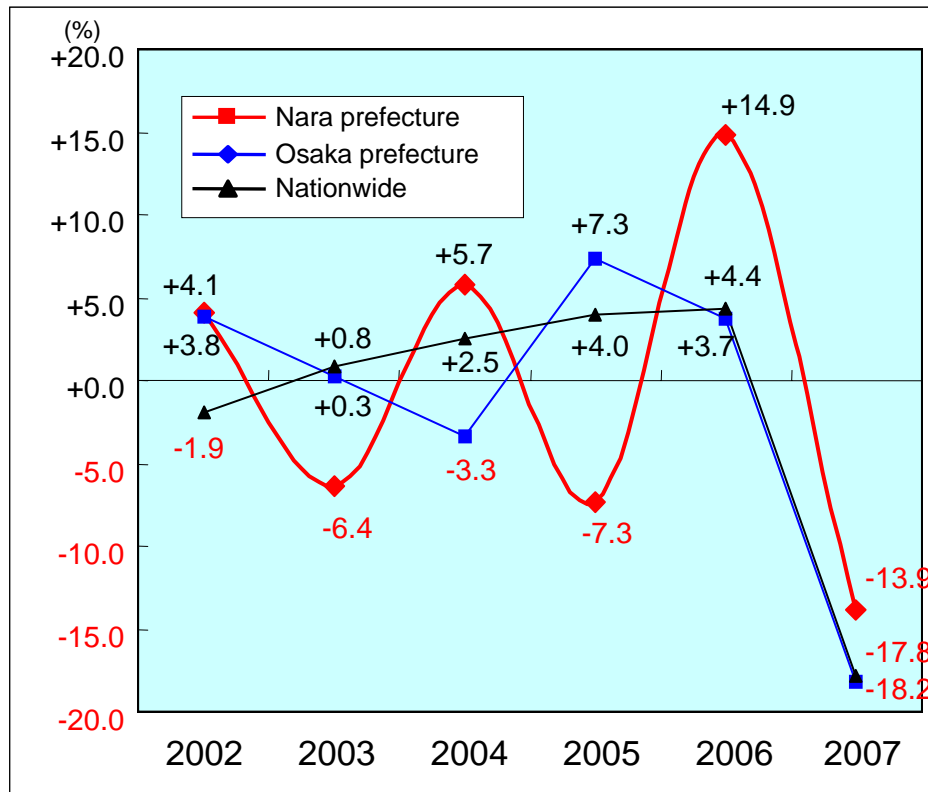


# Housing Starts

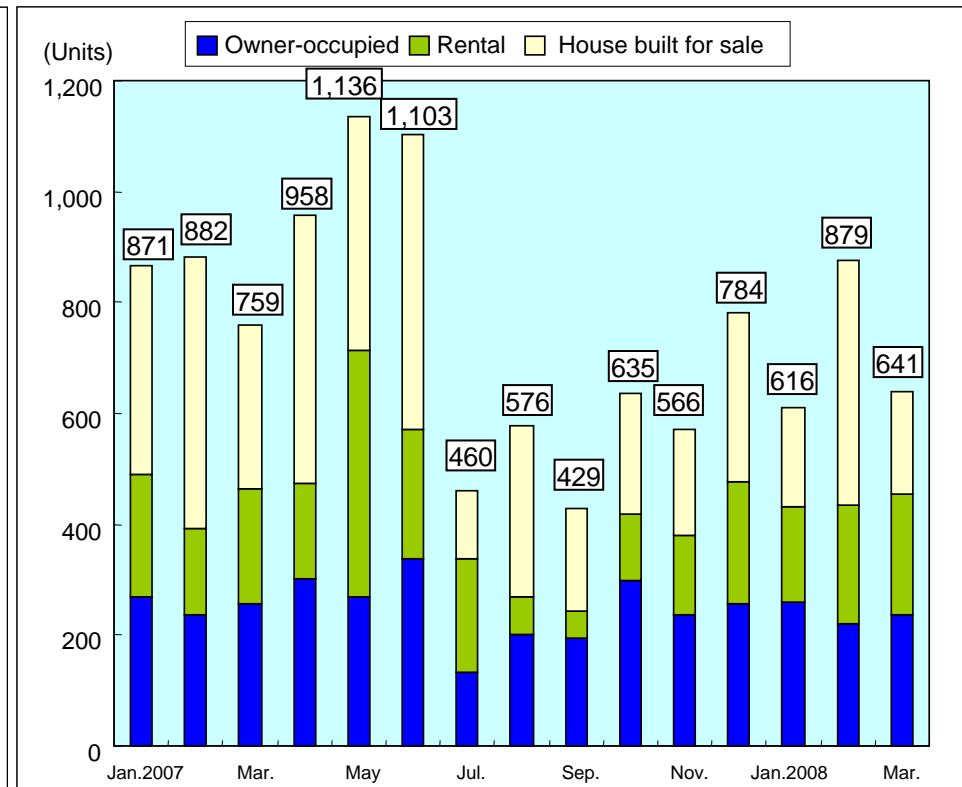
◆ The number of housing starts within Nara prefecture in 2007 fell year on year as a result of the effect of the revised Building Standards Law.

- While the number of housing starts throughout Japan fell in 2007, the rate of decline in Nara prefecture was less than for all Japan.

Year-on-year Growth Rate of Number of Housing Construction Starts

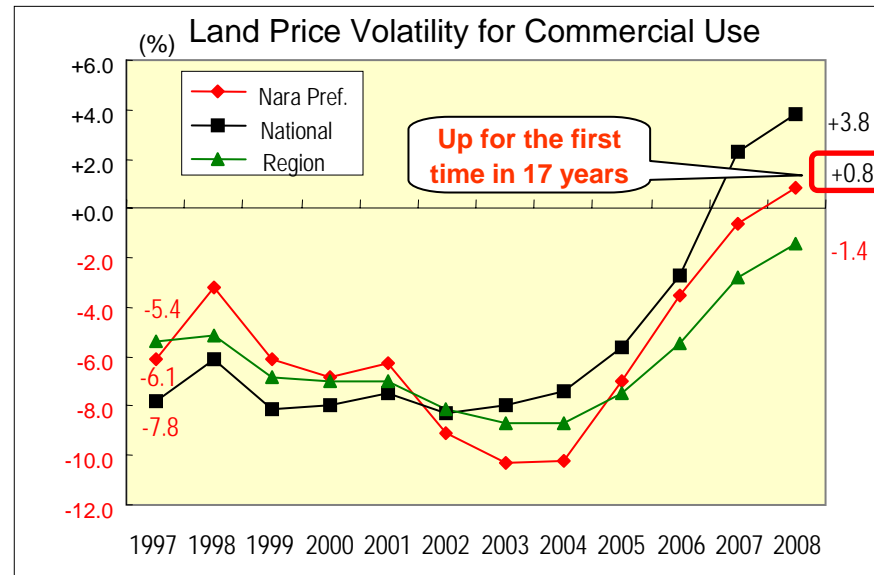
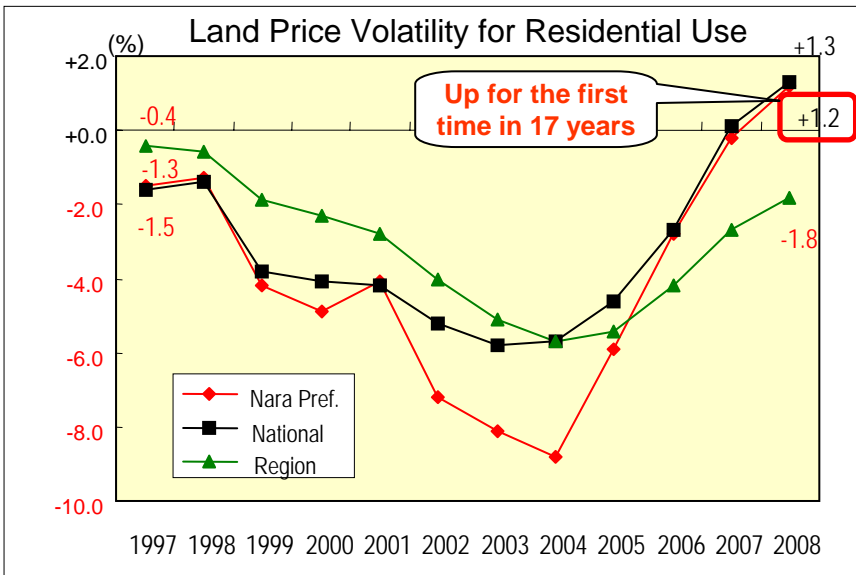


Breakdown of Housing Starts in Nara Pref.

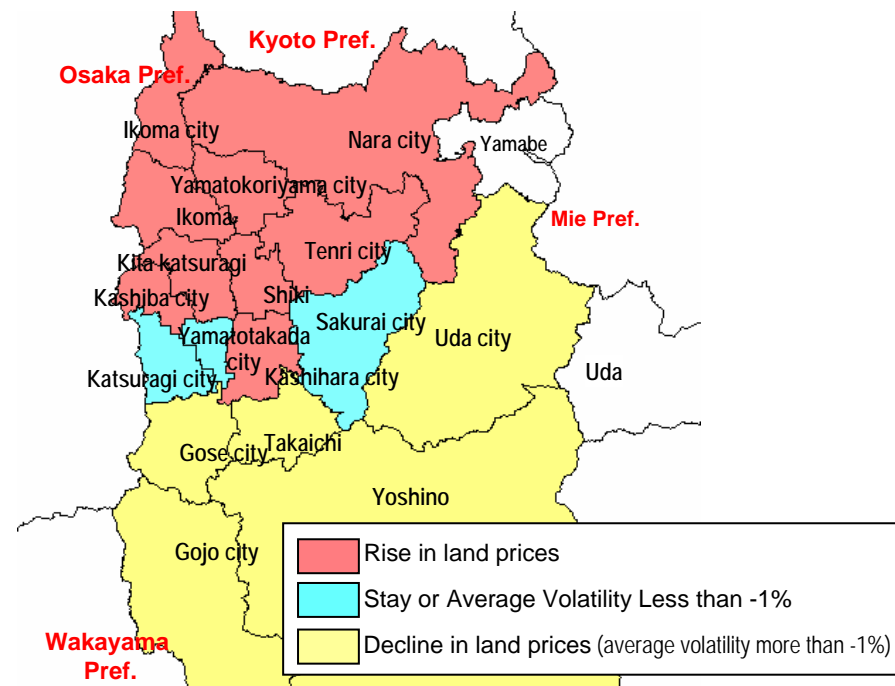


[Source: Land, Infrastructure and Transportation Ministry ]

# Land Price Trend for Nara Prefecture



	Residential Use Volatility in 2007 (%)		Commercial Use Volatility in 2007 (%)	
	Volatility	Ranking	Volatility	Ranking
Tokyo	+9.1	1	+15.8	1
Kanagawa	+4.3	2	+8.2	3
Saitama	+3.7	3	+6.0	7
Aichi	+3.0	4	+8.2	4
Chiba	+2.8	5	+6.1	6
Osaka	+2.5	6	+9.3	2
Hyogo	+2.5	6	+2.5	11
Kyoto	+1.8	8	+4.1	8
Shiga	+1.8	8	+3.6	9
Nara	+1.2	10	+0.8	14
Shizuoka	+0.5	11	+2.9	10
Okayama	-0.6	12	-0.2	15
Miyazaki	-0.8	13	-2.4	23
Miyagi	-1.0	14	+7.0	5
Hokkaido	-1.0	14	+1.0	13
Gifu	-1.0	14	-1.4	19
Gunma	-1.2	17	-2.4	23
Fukuoka	-1.5	18	+1.4	12
Wakayama	-2.6	33	-2.7	25
Kagawa	-5.6	47	-5.0	42
Nationwide	+1.3		+3.8	



# Financial Results for FY2007 (1) Summary of Profit and Loss

		(¥ billion)	FY 2006	FY 2007	YoY Change
1	Core gross business profit		66.6	66.2	-0.3
2	Net interest income		66.1	64.7	-1.4
3	Fees and commissions		7.8	7.8	+0.0
4	Other operating income (*1)		(7.4)	(6.3)	+1.0
5	Cost of derivative financial products		7.7	6.7	-0.9
6	Expenses		46.0	46.9	+0.8
7	Personnel expenses		25.4	25.2	-0.2
8	Non-personnel expenses		18.5	19.6	+1.1
9	Core net business profit		20.5	19.3	-1.2
10	Gains/Losses on bonds (JGBs, etc.)		(0.1)	(17.7)	-17.5
11	Net transfer to general provision for possible loan losses		3.4	-	-3.4
12	Net business profit		16.9	1.5	-15.3
13	Non-recurrent gains/losses		(5.7)	(2.5)	+3.1
14	Gains/Losses on stocks		10.7	3.0	-7.7
15	Disposal of non-performing loans		15.9	4.7	-11.1
16	Ordinary income		11.1	(0.9)	-12.1
17	Extraordinary gains/losses		0.2	9.1	+8.9
18	Recoveries of write-offs		1.5	7.1	+5.5
19	Gains on reversal of provisions for possible loan losses		0.0	2.0	+2.0
20	Income before taxes		11.3	8.1	-3.2
21	Net income		6.3	5.0	-1.2
22	Credit cost (*2)		17.7	(4.4)	-22.2

\*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+Gain on reversal of provisions for possible loan losses)

◆ Growth in interest on loans and deposits and interest on market sector, which includes the cost of derivatives that is the cost of procuring foreign-currency denominated bonds, were almost flat.

(Non-consolidated, ¥ billion)	FY2006	FY2007	YoY Change
Net interest income	66.1	64.7	-1.4
[Real net interest income]	[58.4]	[57.9]	[-0.4]
Interest on loans and deposits	40.8	40.6	-0.2
Interest on loans	45.9	51.9	+5.9
Interest on deposits	5.1	11.3	+6.2
Interest on market sector	25.3	24.1	-1.1
[Real interest on market sector]	[17.5]	[17.3]	[-0.2]
Interest on securities	36.7	26.9	-9.8
Interest on fund management, etc.	0.4	1.2	0.8
Interest on fund procurement, etc.	11.8	4.0	-7.7
[Cost of derivatives]	[7.7]	[6.7]	[-0.9]

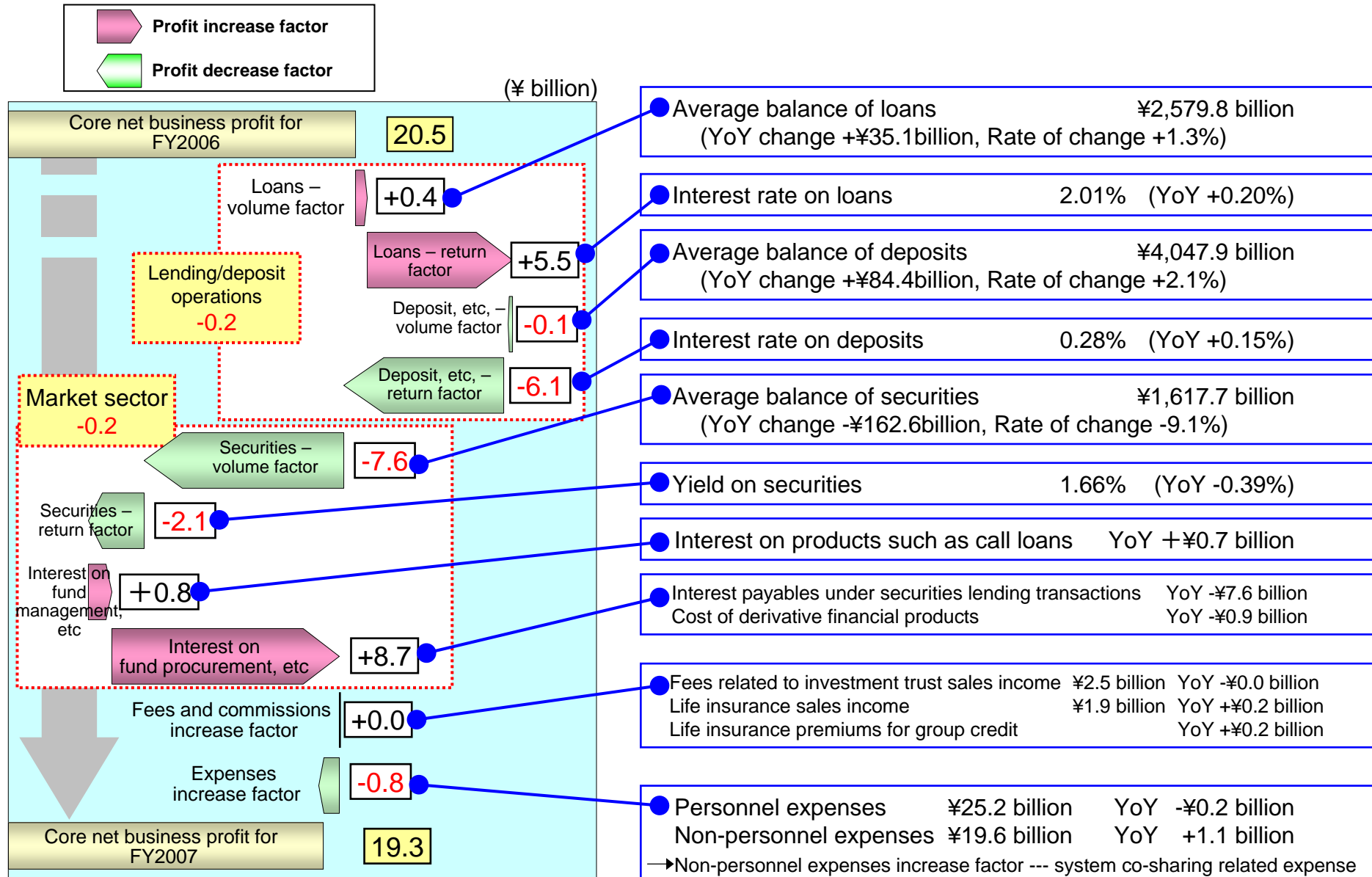
◆ At a time of continuing instability in financial markets stemming from the US subprime mortgage problem, the most conservative write-offs considered likely at the present time were recorded in order to reduce future risk factors as much as possible. Therefore, a loss of ¥17.7 billion on securities such as JGBs was recorded.

(Non-consolidated, ¥ billion)	FY2006	FY2007	YoY Change
Gains and losses on securities such as JGBs	(0.1)	(17.7)	-17.5
Gains on disposal	3.3	0.7	-2.6
Losses on disposal	2.2	5.6	+3.4
Write-offs	1.3	5.3	+4.0
Losses on redemption	0.0	7.4	+7.4

◆ Credit costs fell ¥22.2 billion to a ¥-4.4 billion YoY as a result of reversal of provision for possible loan losses due to strict screenings

(Non-consolidated, ¥ billion)	FY2006	FY2007	YoY Change
Credit cost	17.7	(4.4)	-22.2
Net transfer to general provision for possible loan losses	3.4	-	-3.4
Disposal of non-performing loans	15.9	4.7	-11.1
Recoveries of write-offs	1.5	7.1	+5.5
Gains on reversal of provisions for possible loan losses	0.0	2.0	+2.0
Gains on reversal of general provisions for possible loan losses	-	0.2	+0.2
Gains on reversal of provisions for possible losses on particular loans	-	1.8	+1.8

## Factor Analysis of Changes in Core Net Business Profit

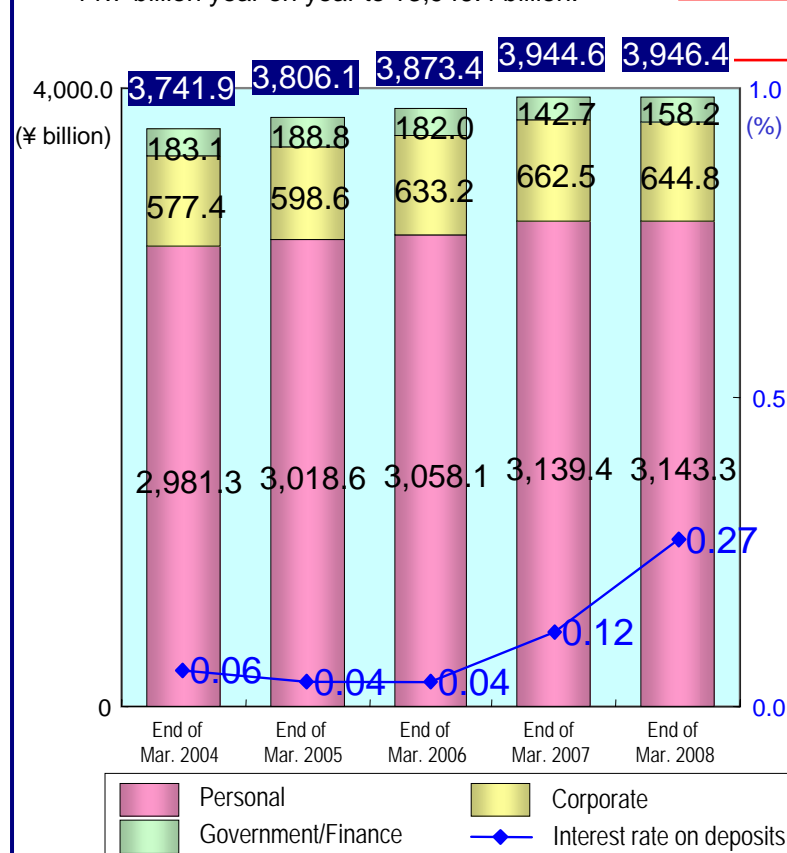


# Financial Results for FY2007 (3)Deposits and Assets on Deposit

## Deposits Outstanding

- ◆ Balance of deposits, particularly for personal deposits, has been stable.
- ◆ Balance of deposits as of March 31, 2008 rose ¥1.7 billion year on year to ¥3,946.4 billion.

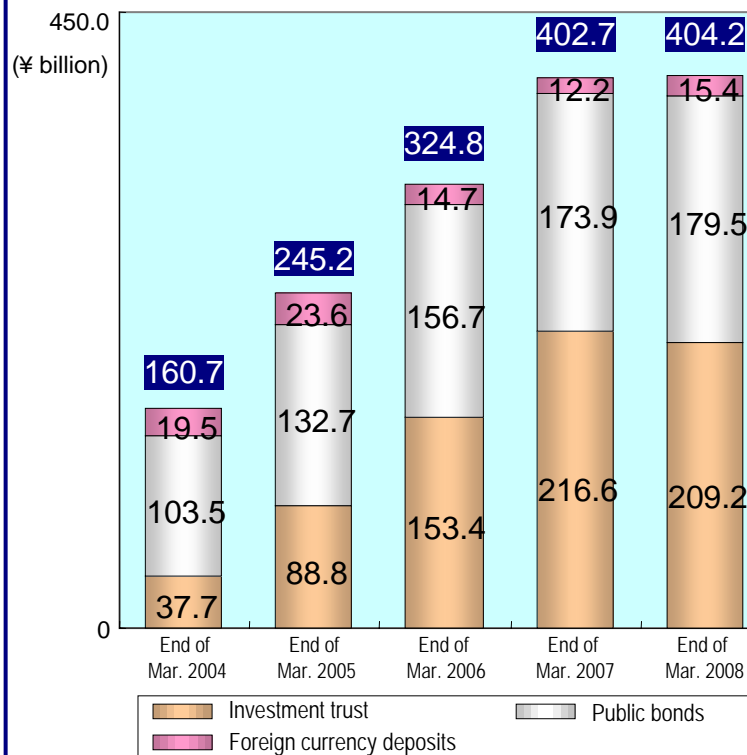
YoY change +¥1.7 billion  
YoY change rate +0.05%



## Assets on Deposit

- ◆ Assets on deposit have steadily increased, but as of March 31, 2008, growth slowed as a result of a decline in fund price due to stagnant markets.
- ◆ Assets on deposit as of March 31, 2008, grew ¥1.5 billion year on year to ¥404.2 billion.

YoY change +¥1.5 billion  
YoY change rate +0.37%



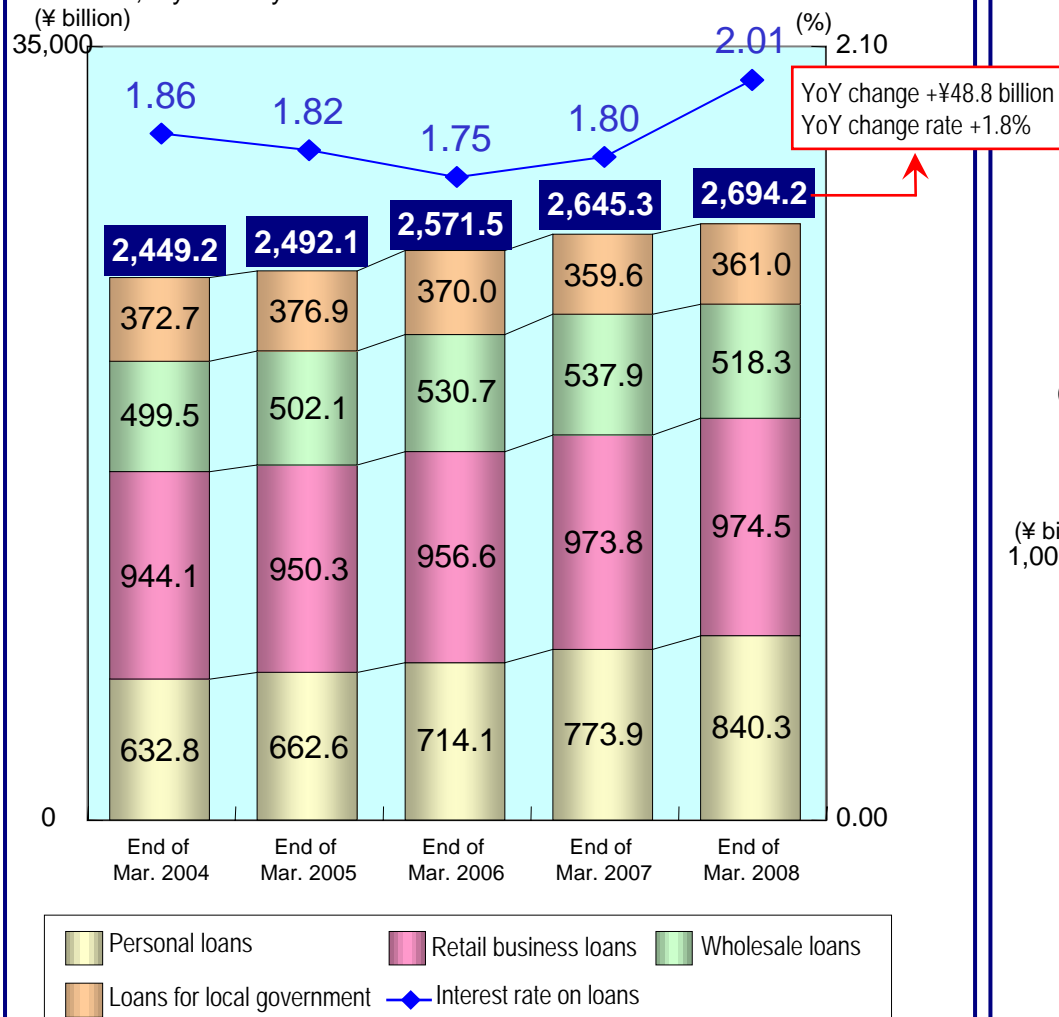
(¥ billion)	End of Mar. 2004	End of Mar. 2005	End of Mar. 2006	End of Mar. 2007	End of Mar. 2008	YoY Change	YoY Change rate
1 Deposit outstanding	3,741.9	3,806.1	3,873.4	3,944.6	3,946.4	+1.7	+0.05
2 Personal deposits	2,981.3	3,018.6	3,058.1	3,139.4	3,143.3	+3.9	+0.13
3 Negotiable deposits	34.2	2.5	41.2	218.4	144.2	-74.2	-33.98

(¥ billion)	End of Mar. 2004	End of Mar. 2005	End of Mar. 2006	End of Mar. 2007	End of Mar. 2008	YoY Change	YoY Change rate
1 Assets on deposit	160.7	245.2	324.8	402.7	404.2	+1.5	+0.37
2 Investment trust	37.7	88.8	153.4	216.6	209.2	-7.3	-3.38
3 Public bonds	103.5	132.7	156.7	173.9	179.5	+5.6	+3.23
4 Foreign currency deposits	19.5	23.6	14.7	12.2	15.4	+3.2	+26.17

# Financial Results for FY2007 (4) Loans Situation

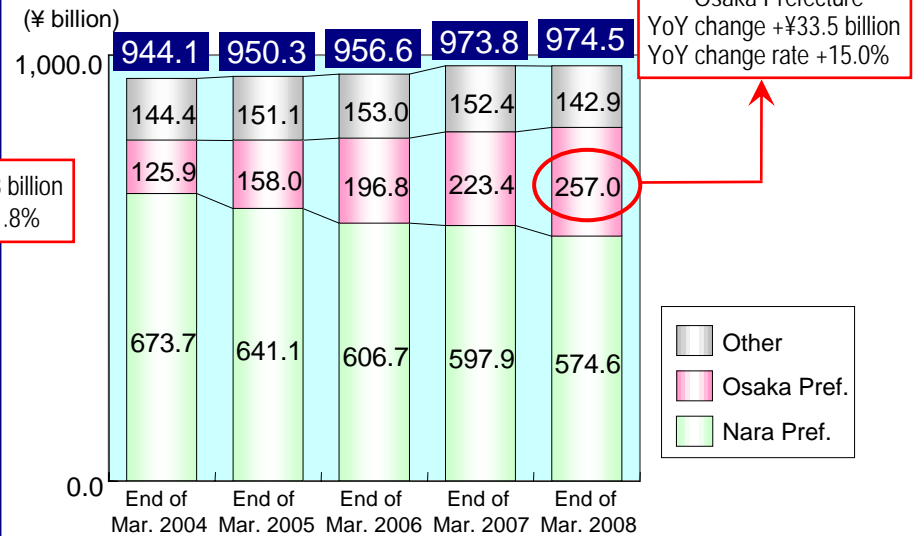
## Loans Outstanding by Sector

- ◆ The balance of loans has steadily risen, particularly for individual loans and retail business loans.
- ◆ Loans outstanding amounted to ¥2,694.2 billion, as of the end of March 2008, a year-on-year increase of ¥48.8 billion.

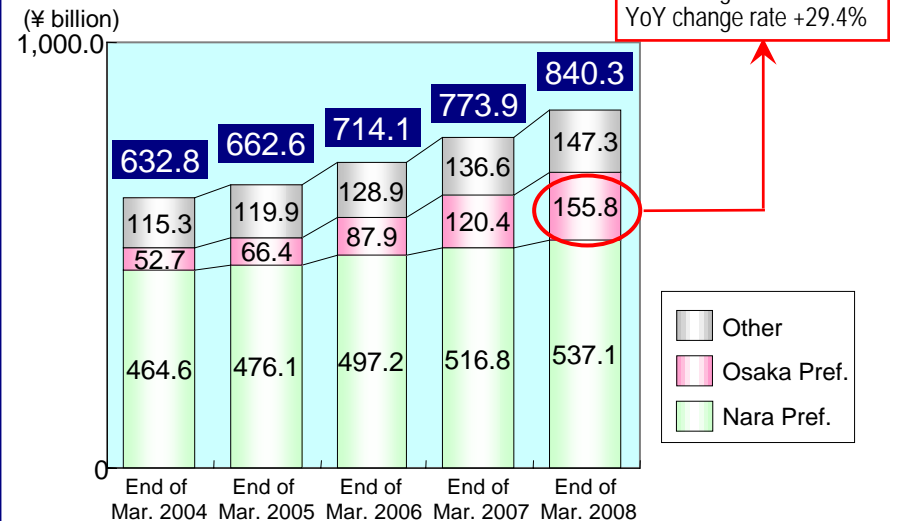


## Loans Outstanding by Prefecture

### <Retail Business Loans>



### <Personal Loans>

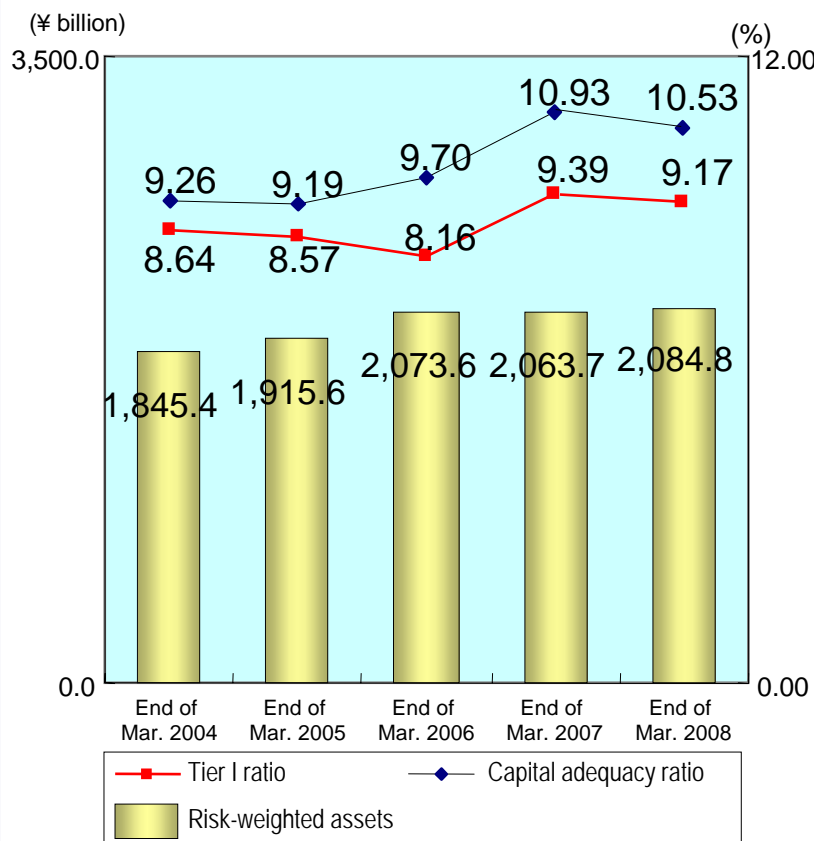




# Financial Results for FY2007 (5)Capital Adequacy Ratio/Capital Allocation

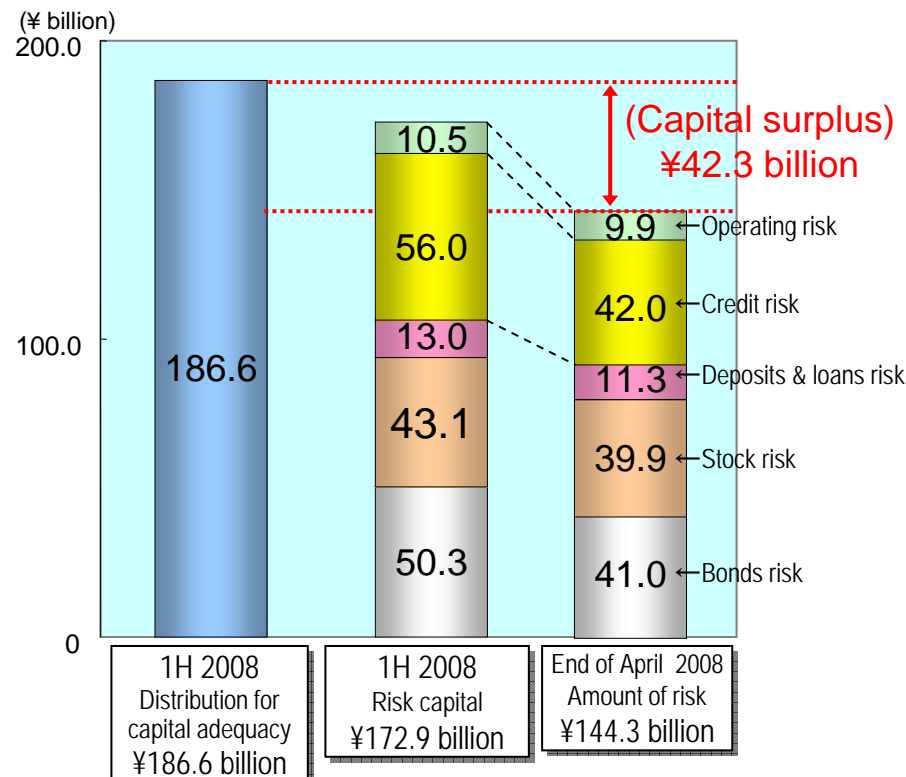
## Capital Adequacy Ratio

- ◆ As of the March 31, 2008, the capital ratio was 10.53% (TIER I ratio of 9.17%).
- ◆ Nanto Bank has issued ¥20.0 billion in preferred fund certificate in order to respond to changes in the financial environment and to handle the increase in risk assets such as the growth in loans in order to improve profits.



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

## Capital Allocation



<Interest-rate risk for bank account> (As of the end of March 2008)  
 ■ 99 percentile method  
 · Amount of interest-rate risk ¥30.1 billion  
 · Outlier ratio 13.4%

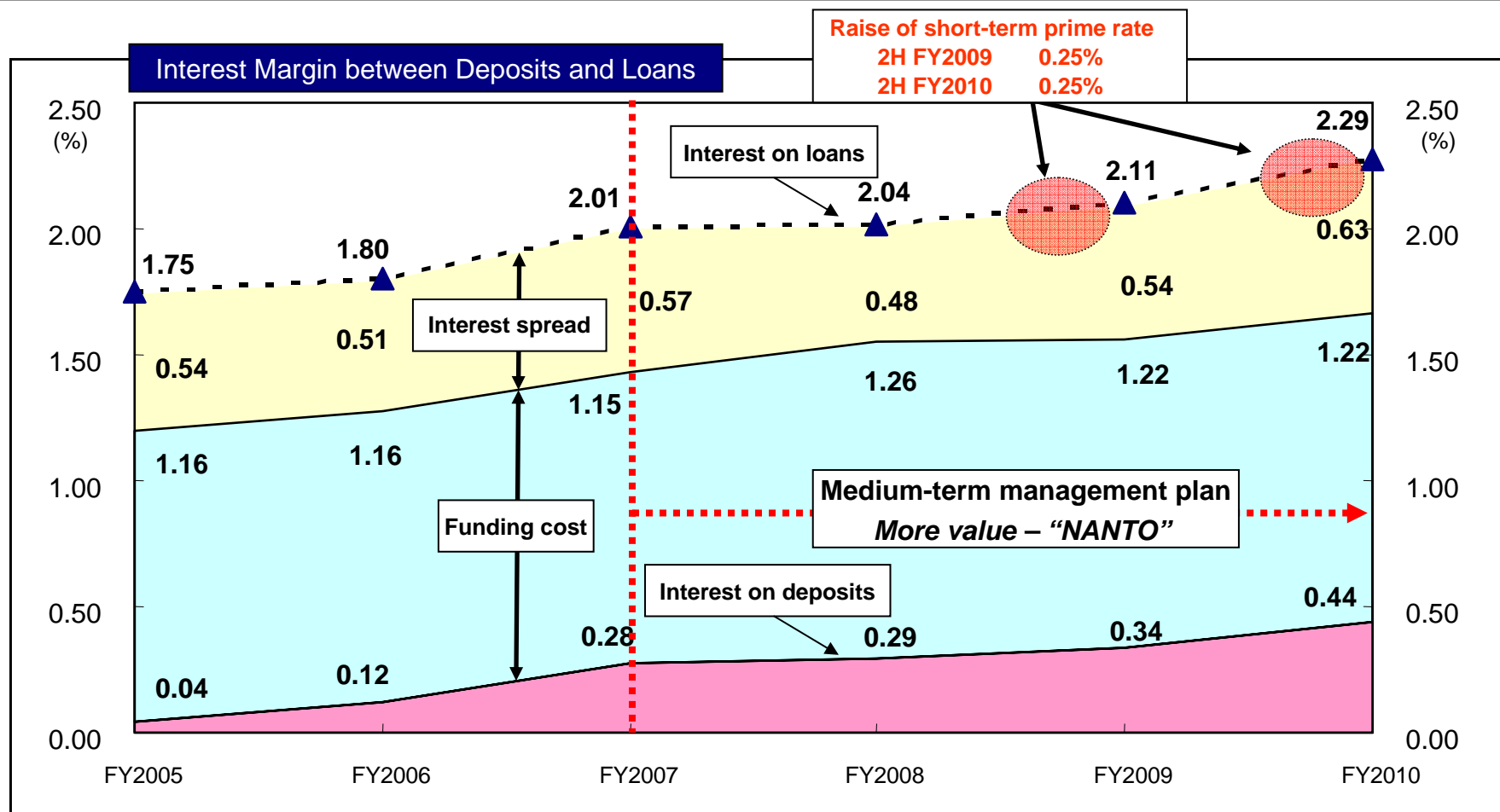
<Calculated method for amount of risk>

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

\*Correlations within the market risk categories are ignored.  
 \*Credit Risk: a business group is identified as a single entity.

# Changes in Deposit/Lending Spread

- ◆ In the medium-term management plan, interest rates are expected to gradually rise, and the margin for money on deposits and loans for FY2010, the last year of the medium-term management plan, is projected to rise 0.06 percentage points compared to FY2007.
  - The short-term prime rate for the second half of FY2009 and the second half of FY2010 are each expected to rise 0.25 percentage points.



# Effect of Increase in Interest Rate

Effect on yearly income due to increase in interest rate (calculated based on the portfolio of Japanese yen assets as of March 2008)

◆ Short-term interest rate increased 25 bp



- (1) Parallel shift = Effected income      Up ¥0.4 billion
- (2) Steepening = Effected income      Up ¥1.6 billion
- (3) Flattening = Effected income      Down ¥0.8 billion

(1) Increase in short-term interest rates = Increase in medium- and long-term interest rates (Parallel shift scenario)

Increase in short-term interest rates	=	Increase in medium- and long-term interest rates	→	<table border="1"> <tr><td>Investment</td><td>¥3.8 billion</td></tr> <tr><td>Interest on loans and discounts</td><td>¥2.8 billion</td></tr> <tr><td>Interest and dividends on securities</td><td>¥0.9 billion</td></tr> </table>	Investment	¥3.8 billion	Interest on loans and discounts	¥2.8 billion	Interest and dividends on securities	¥0.9 billion	-	<table border="1"> <tr><td>Funding</td><td>¥3.4 billion</td></tr> <tr><td>Interest on deposits + NCD</td><td>¥3.0 billion</td></tr> <tr><td>Interest on fund procurement, etc.</td><td>¥0.4 billion</td></tr> </table>	Funding	¥3.4 billion	Interest on deposits + NCD	¥3.0 billion	Interest on fund procurement, etc.	¥0.4 billion	=	Effect on income
Investment	¥3.8 billion																			
Interest on loans and discounts	¥2.8 billion																			
Interest and dividends on securities	¥0.9 billion																			
Funding	¥3.4 billion																			
Interest on deposits + NCD	¥3.0 billion																			
Interest on fund procurement, etc.	¥0.4 billion																			
0.25%		0.25%						¥0.4 billion												

(2) Increase in short-term interest rates < Increase in medium- and long-term interest rates (Steep scenario)

Increase in short-term interest rates	<	Increase in medium- and long-term interest rates	→	<table border="1"> <tr><td>Investment</td><td>¥5.0 billion</td></tr> <tr><td>Interest on loans and discounts</td><td>¥3.5 billion</td></tr> <tr><td>Interest and dividends on securities</td><td>¥1.6 billion</td></tr> </table>	Investment	¥5.0 billion	Interest on loans and discounts	¥3.5 billion	Interest and dividends on securities	¥1.6 billion	-	<table border="1"> <tr><td>Funding</td><td>¥3.5 billion</td></tr> <tr><td>Interest on deposits + NCD</td><td>¥3.1 billion</td></tr> <tr><td>Interest on fund procurement, etc.</td><td>¥0.4 billion</td></tr> </table>	Funding	¥3.5 billion	Interest on deposits + NCD	¥3.1 billion	Interest on fund procurement, etc.	¥0.4 billion	=	Effect on income
Investment	¥5.0 billion																			
Interest on loans and discounts	¥3.5 billion																			
Interest and dividends on securities	¥1.6 billion																			
Funding	¥3.5 billion																			
Interest on deposits + NCD	¥3.1 billion																			
Interest on fund procurement, etc.	¥0.4 billion																			
0.25%		0.50%						¥1.6 billion												

(3) Increase in short-term interest rates > Increase in medium- and long-term interest rates (Flat scenario)

Increase in short-term interest rates	>	Increase in medium- and long-term interest rates	→	<table border="1"> <tr><td>Investment</td><td>¥2.5 billion</td></tr> <tr><td>Interest on loans and discounts</td><td>¥2.2 billion</td></tr> <tr><td>Interest and dividends on securities</td><td>¥0.3 billion</td></tr> </table>	Investment	¥2.5 billion	Interest on loans and discounts	¥2.2 billion	Interest and dividends on securities	¥0.3 billion	-	<table border="1"> <tr><td>Funding</td><td>¥3.3 billion</td></tr> <tr><td>Interest on deposits + NCD</td><td>¥2.9 billion</td></tr> <tr><td>Interest on fund procurement, etc.</td><td>¥0.4 billion</td></tr> </table>	Funding	¥3.3 billion	Interest on deposits + NCD	¥2.9 billion	Interest on fund procurement, etc.	¥0.4 billion	=	Effect on income
Investment	¥2.5 billion																			
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Interest and dividends on securities	¥0.3 billion																			
Funding	¥3.3 billion																			
Interest on deposits + NCD	¥2.9 billion																			
Interest on fund procurement, etc.	¥0.4 billion																			
0.25%		0.00%						-¥0.8 billion												

# Ratio of Loans by Industry

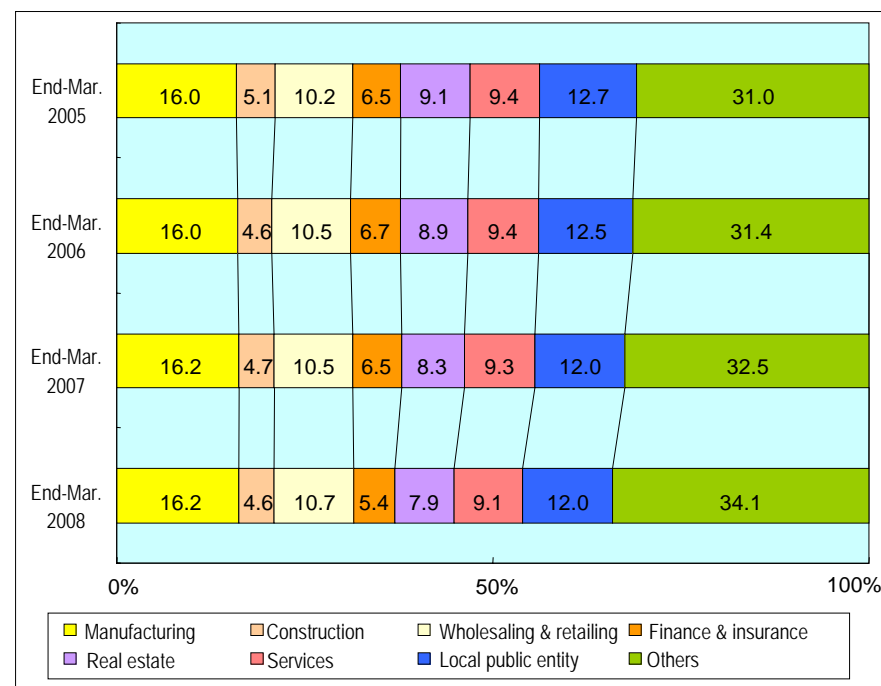
- As of March 31, 2008, industries with the largest number of outstanding loans, in order of volume of loans, were the manufacturing industry, local public entity, wholesaling and retailing industry, and services industry.
  - There has been a downward trend in the share of outstanding loans held by the construction industry, real estate industry, and local public entity.

## Loans Outstanding by Industry

(¥billion)

	End of March 2005	End of March 2006	End of March 2007	End of March 2008	YoY change	Compared with at end-March 2005
Domestic lending total volume	2,492.1	2,571.5	2,645.3	2,694.2	+48.8	+202.1
Manufacturing	398.1	411.2	428.4	437.4	+9.0	+39.3
Agriculture	12.7	10.5	8.2	7.4	-0.7	-5.2
Forestry	12.6	10.7	8.5	6.3	-2.2	-6.3
Fishery	2.8	2.7	2.6	3.8	+1.1	+0.9
Mining	24.5	21.0	19.8	18.0	-1.7	-6.4
Construction	127.7	118.2	125.3	124.0	-1.3	-3.7
Electric, gas, heat supply and water utility	12.4	12.4	7.5	7.3	-0.2	-5.0
Information communication	10.3	12.6	15.3	14.6	-0.6	+4.2
Transportation	73.2	70.5	75.0	76.3	+1.2	+3.0
Wholesaling & retailing	253.8	269.4	277.5	288.9	11.4	+35.1
Finance & insurance	162.1	172.7	172.2	146.0	-26.2	-16.0
Real estate	227.7	228.5	220.6	212.0	-8.6	-15.6
Services	233.1	242.6	245.1	244.6	-0.5	+11.5
Local public entity	317.4	321.3	316.2	323.2	+7.0	+5.8
Personal and others	623.2	666.4	722.4	783.8	+61.4	+160.6

## Ratio of Loans by Industry



# Shift in Classification of Debtors

## <The End of March 2008>

- ◆ Total credit (loans): ¥2,727.1 billion (increase of ¥44.1 billion from Mar. 2007)
- ◆ Loans to normal debtors: ¥2,401.0 billion (increase of ¥105.8 billion from Mar. 2007)
- ◆ Loans to debtors requiring caution and Substandard debtors: ¥255.0 billion (decrease of ¥44.8 billion from Mar. 2007)
- ◆ Loans to potentially bankrupt debtors and lower: ¥71.0 billion (decrease of ¥16.8 billion from Mar. 2007)

	(Subject: Credit related bonds such as loans)	Balance (As of the end of March 2007) a	As of the end of March 2008					For collection or write-offs g
			Normal assets b	Assets requiring caution c	Substandard assets d	Potentially bankrupt assets e	Bankrupt and effectively bankrupt assets F	
1	Normal debtors	2,295.2	2,188.2	28.0	6.9	3.3	1.9	66.6
2	Debtors requiring caution	254.2	34.2	172.1	6.8	7.5	0.8	32.4
3	Substandard debtors	45.5	4.1	1.7	29.2	4.8	0.4	5.2
4	Potentially bankrupt debtors	78.2	0.3	2.7	5.5	48.2	2.4	19.0
5	Bankrupt and effectively bankrupt debtors	9.6	0.0	1.0	0.0	0.3	1.0	7.1
6	New debtors	0.0	173.9	0.5	0.1	0.0	0.0	0.0
7	Total	2,682.9	2,401.0	206.2	48.7	64.4	6.6	130.5

Loans to normal debtors:  
 Increase of ¥105.8 billion  
 from March 2007

Loans to debtors requiring  
 caution and Substandard  
 debtors  
 Decrease of ¥44.8 billion from  
 March 2007

Lower than doubtful assets  
 Decrease of ¥16.8 billion  
 from March 2007

Lower than  
 doubtful assets  
 (for collection or right-offs)  
 ¥26.2 billion

# Partnership System for Regional Banks

## <Purpose>

- Reduce the cost related to main system, which is centered on accounting system for the future, and create a new investment capacity for the expansion of strategic investment for IT.
- Properly adjust ourselves to the changing financial environment and enrich product provision and customer services.
- Maintain future system development to cut down costs, retain system staff, or acquire new technology by outsourcing system development and operation.



- May 7, 2008 – transition to a partnership system for regional banks

Members of the Partnership System for Regional Banks:

- NANTO BANK, Joyo Bank, Hyakujushi Bank, Juroku Bank, Yamaguchi Financial Group (Yamaguchi Bank, Momiji Bank)

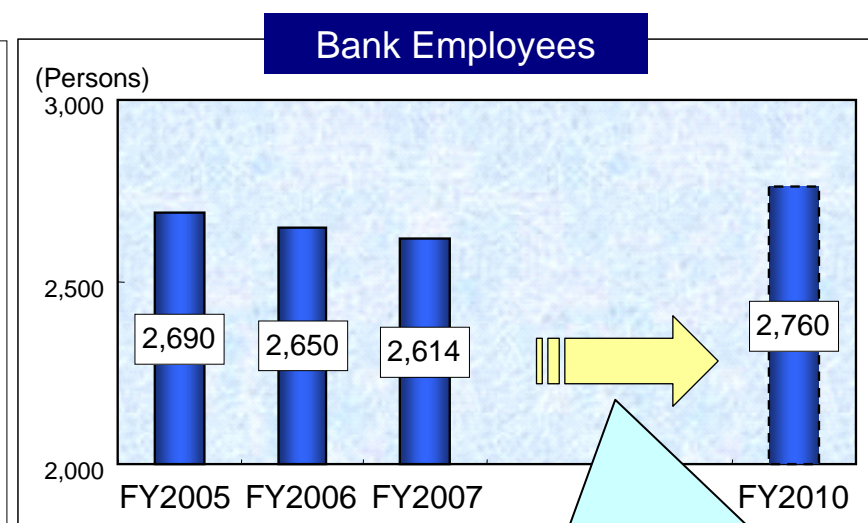
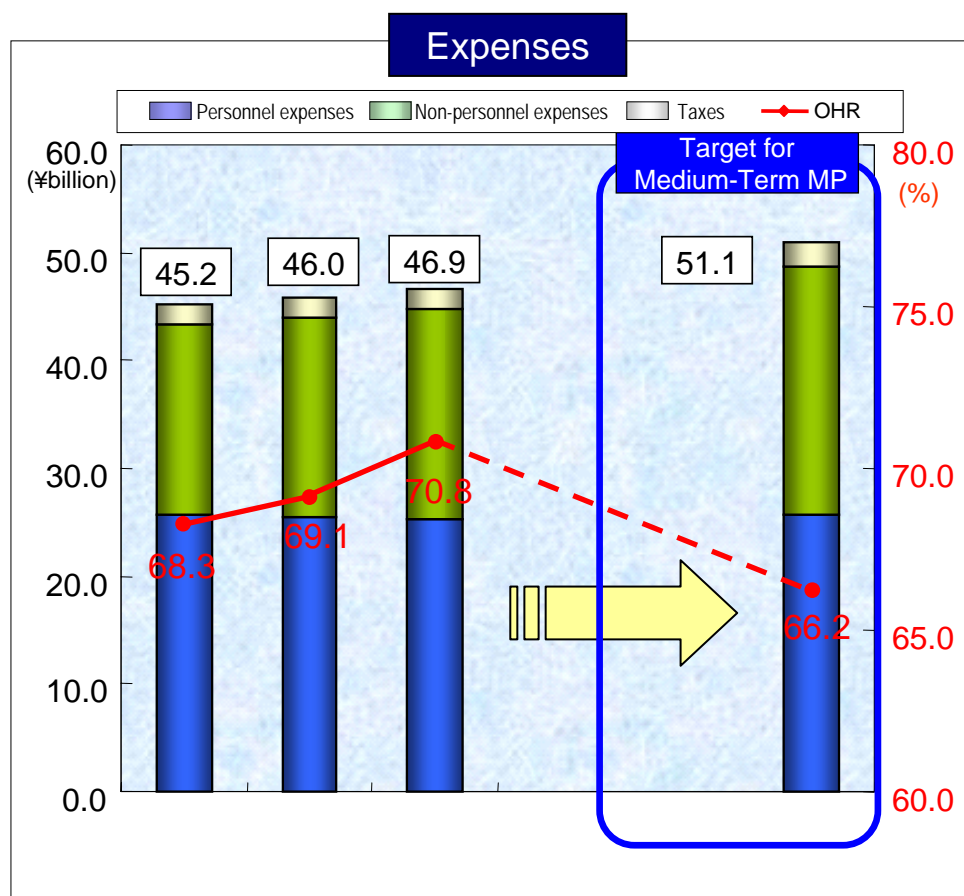


This Partnership System for Regional Banks received the “Minister of Economy, Trade and Industry Commendation Award” in the “IT Investment Streamlining Promotion Category” in October 2007.

# Expenses Plan

## ◆ Expenses Plan

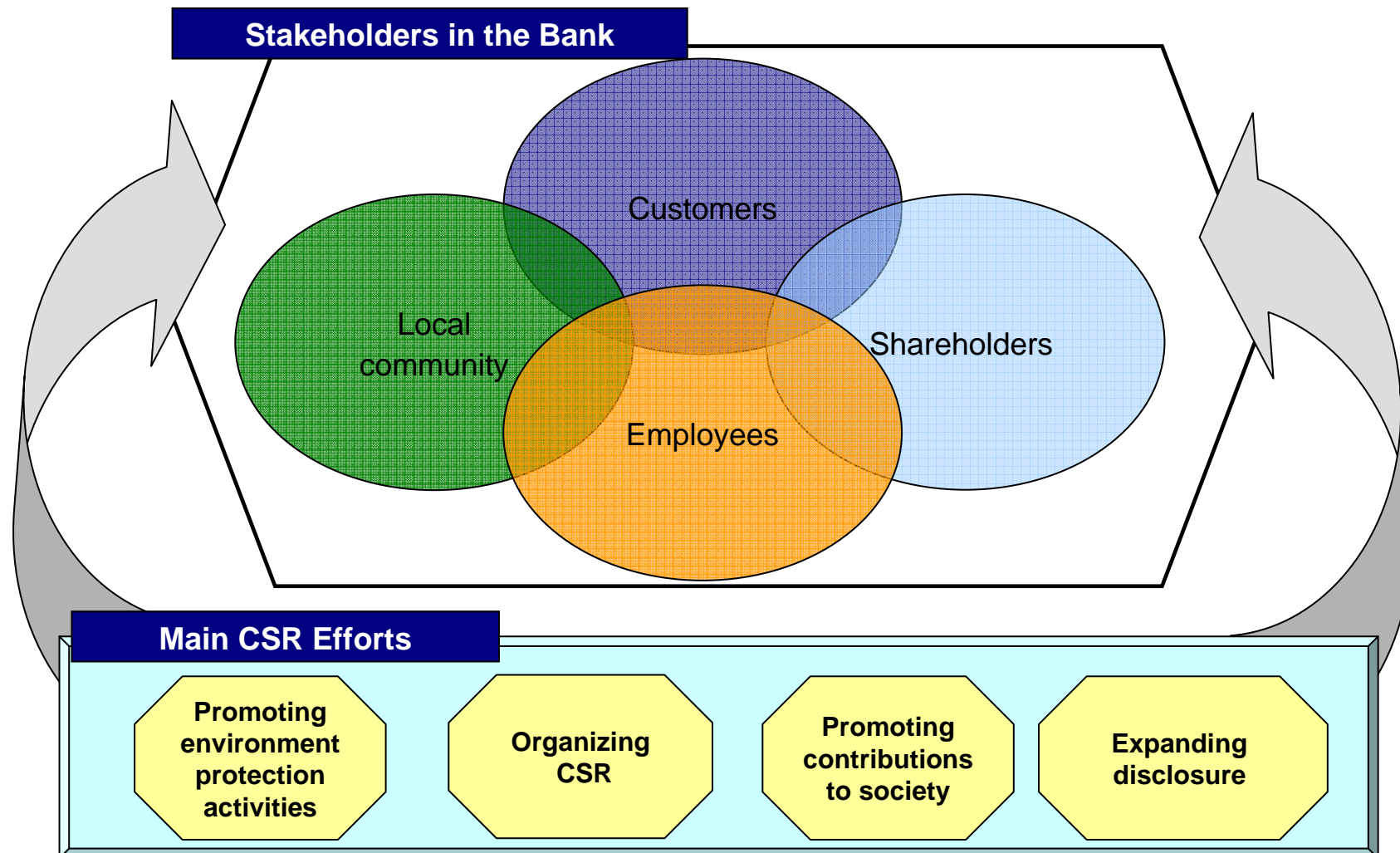
- Growth in personnel expenses are expected to be flat. Non-personnel expenses are projected to increase because of the increase in depreciation expenses accompanying start-up investments for the Partnership System for Regional Banks and system investments to strengthen sales.
- The number of employees is expected to grow in order to strengthen the sales capabilities.



- ◆ Implement more effective and efficient staff assignments
- Commit personnel to Osaka prefecture
  - Strengthen efforts by the retail division
  - Improve and expand the internal management system
  - Organization changes after introducing partnership system
  - Merger and closing of offices
- <In three years>
- increase of around 140 employees
  - increase or around 15 employees
  - increase or around 5 employees
  - decrease of around 30 employees
  - decrease of around 10 employees



- Nanto Bank will fulfill its corporate social responsibility by making use of its human network rooted in the local community and continue to work to protect the environment and make contributions to society that help enliven the local community.





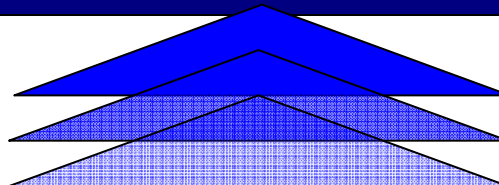


Nanto Bank is one of the constituent companies of the social responsibility investing (SRI) index.

- Nanto has been incorporated into FTSE4Good, which is drawing attention throughout the world.

\* FTSE4Good Index series

- Composed of corporations that fulfill criteria recognized globally regarding factors such as the environment, society, and human rights
- Share price index developed by the UK-based FTSE
- Up until now, 8 Japanese banks have been incorporated into the index



- Since its establishment in 1934, the bank’s consistent activities over many years, which are focused on its core business of financial services but also extend to local industry surveys and research, promotion of tourism, environment protection/planting trees, and sponsoring charity activities, scholarships, have been praised.

*More value – “Nanto”*  
**Priority strategy – Promoting CSR**

In this appendix, we refer to the future performance of the bank.

However, these descriptions do not guarantee the performance mentioned in the appendix and include risks and uncertainties.

Please be aware that the future performance mentioned in this appendix may change from the targets as a result of, for example, changes in the operating environment.

**[Inquiries:]**

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