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## **Financial Results for the First Half of FY 2010 and Projections for FY2010 (Summary)**

The 'Best Partner' Bank in a New Financial Era



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**Financial Results for the First Half of FY2010  
(April-September, 2010)**

# Financial Highlights

Net business income increased by ¥5.3 bn compared to the same period of FY2009, mainly due to gains from sales of bonds and cost reductions.

Ordinary profits rose by ¥6.5 bn, due to lower credit costs.

Consequently, net income after tax was ¥10.6 bn, up from ¥7.1 bn for 1st half of FY2009. We achieved initial target levels in main income segment.

【Non-consolidated】	(Y bn)		
	1H FY2010	1H FY2009	change from 1H FY2009
<b>Net business income</b>	23.7	18.3	5.3
<b>Core net business income</b>	20.6	23.1	△ 2.4
<b>Gross business profit</b>	59.0	55.9	3.0
Net interest income	49.7	52.2	△ 2.4
Fees and commissions	5.8	6.1	△ 0.2
Net other operating profit	3.2	△ 2.5	5.7
<b>Expenses</b>	35.4	35.7	△ 0.2
<b>Net transfer to general reserve for possible loan losses (A)</b>	△ 0.1	1.9	△ 2.0
<b>Net non-recurring gains(losses)</b>	△ 8.0	△ 9.1	1.1
Disposals of non-performing loans (B)	7.0	8.1	△ 1.1
Net gains(losses) on equity securities	△ 0.6	0.1	△ 0.8
<b>Ordinary profit</b>	15.7	9.2	6.5
<b>Net special gains(losses)</b>	0.4	0.6	△ 0.2
Gains on loan charged-offs (C)	0.8	0.9	△ 0.0
<b>Net income after tax</b>	10.6	7.1	3.4
<b>Net credit costs (A)+(B)-(C)</b>	6.0	9.1	△ 3.1

Difference from initial targets
0.7
2.7
2.6

Breakdown of Gross business profit			
	(Y bn)		
	1H FY2010	1H FY2009	change from 1H FY2009
Net interest income	49.7	52.2	△ 2.4
Interest income on domestic loans	41.9	46.0	△ 4.0
Interest income on securities	11.6	12.1	△ 0.5
(Domestic)	10.1	9.9	0.2
(Foreign)	1.4	2.1	△ 0.7
Interest expenses on deposits (△)	3.2	5.0	△ 1.7
Fees and commissions	5.8	6.1	△ 0.2
Investment trusts, Annuity and whole-life insurance	2.0	2.0	0.0
Net other operating profit	3.2	△ 2.5	5.7
Gains/losses on bonds	2.9	△ 2.8	5.7

# Balance Sheet as of September 30, 2010

## ●Loans (P. 4)

- Loan interest margins (P. 5)  
Interest margins net of credit costs improved by 6bps, due to lower credit cost ratio.

- Corporate loans (P. 6)  
The balance slightly decreased, due to relative weak corporate funding needs.

- Residential loans (P. 7)  
Showed fair growth through corresponding customers' needs.

## ●Investment Portfolio (P. 9)

Restructuring investment portfolio for steady performance and higher risk-adjusted return.

Unrealized gain stayed at almost similar level.

(Y bn)

At the end of 1H FY10. Figures in ( ) shows change from 1H FY09.			
Asset		Liabilities	
Loans (floating rate)	2,455.2 (+53.7)	Deposits (current)	3,749.7 (+152.8)
Loans based on market index rate	577.5 (Δ6.8)		
Loans (fixed rate)	2,376.5 (Δ74.5)	Deposits (time)	2,854.9 (Δ0.4)
securities invested	2,190.5 (+32.4)	Other liabilities	320.8 (Δ191.8)
Others	327.2 (Δ41.4)	Net assets	424.1 (+9.6)
<b>Total</b>	<b>7,349.5 (Δ29.7)</b>	<b>Total</b>	<b>7,349.5 (Δ29.7)</b>
Fees from corporate	0.8 (Δ0.3)	Client's assets	1,037.9 (Δ16.3)

\*securities evaluated at fair value.

## ●Deposits (P. 4)

Grew steadily especially through in individuals.

## ●Capital management (P. 12)

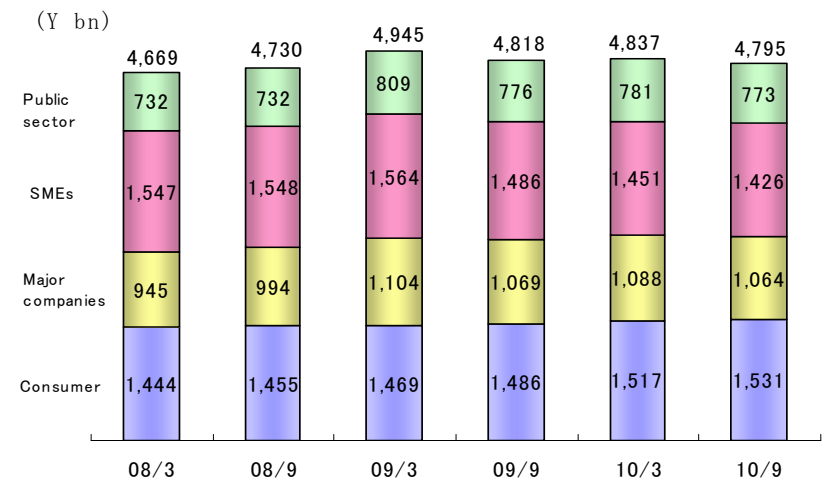
- Efficient capital allocation
- Sufficient capital for ongoing business

## ●Client Asset (P. 8)

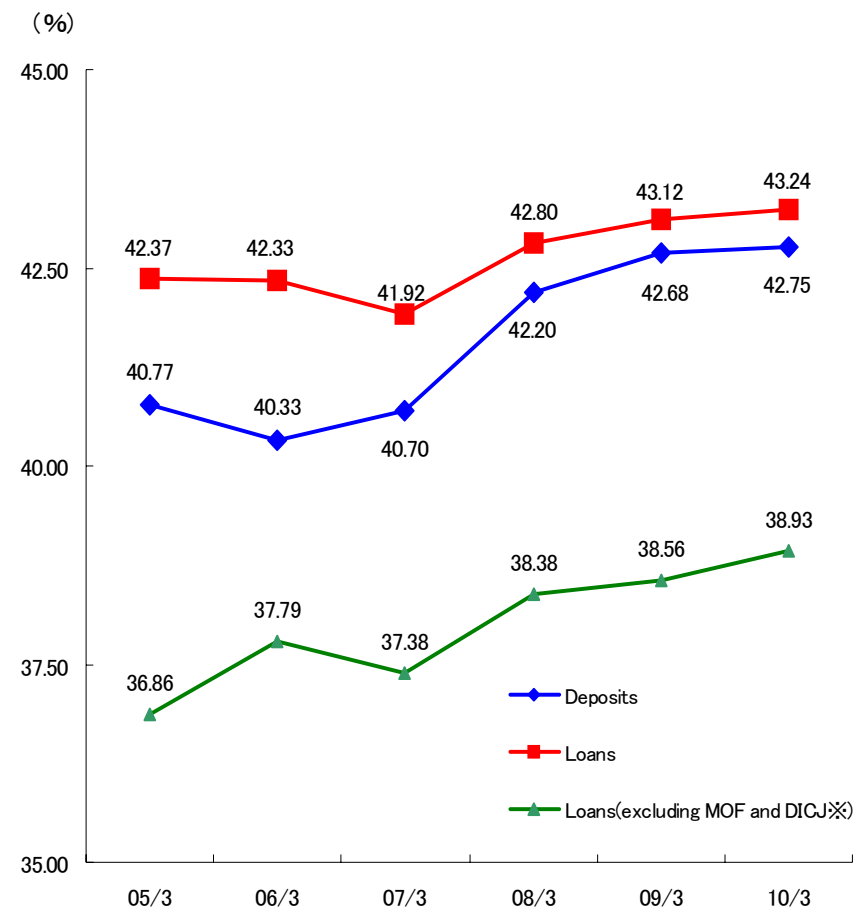
1 trillion of our client's assets sustained mainly due to steady increase in sales of annuity and whole-life insurance.

# Balance of Loans and Deposits

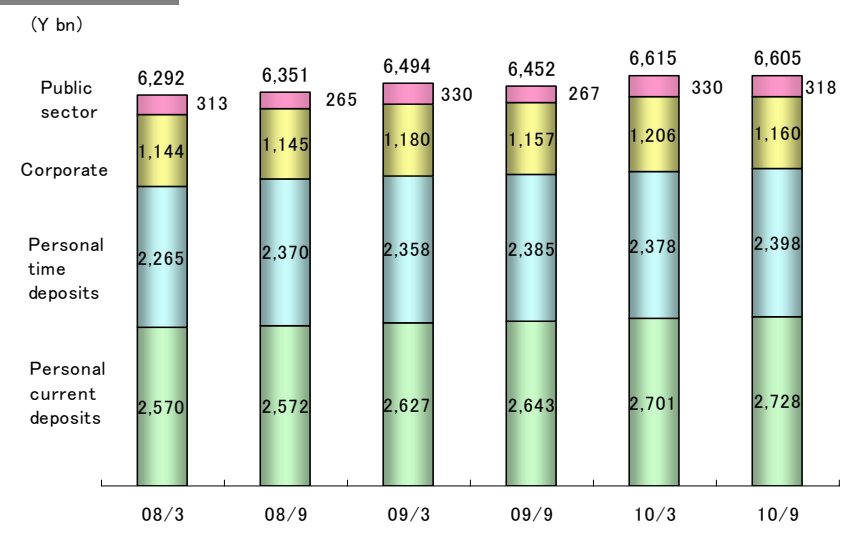
**Loans balance**



**Market shares in Ibaraki prefecture**



**Deposits balance**



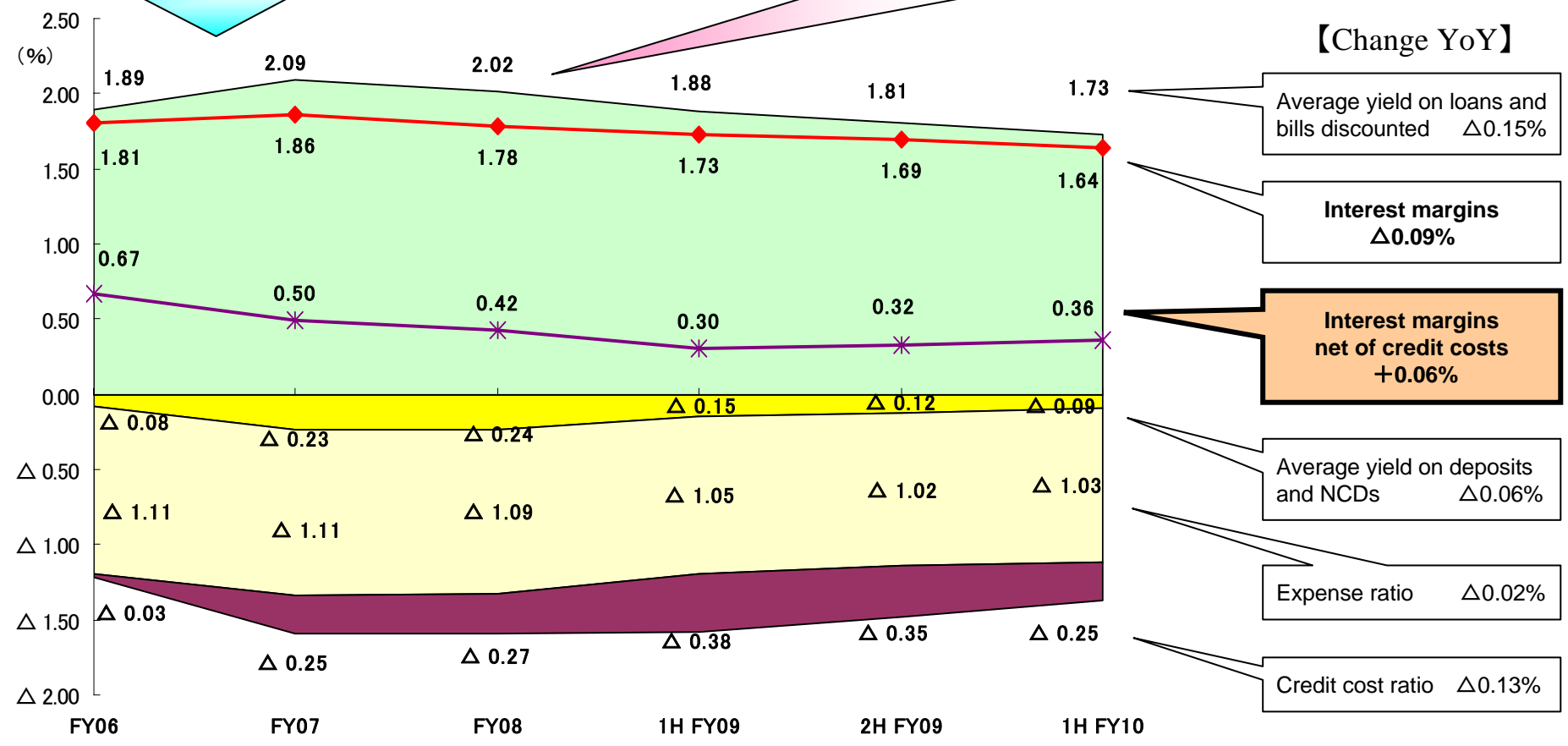
※Deposit Insurance Corporation of Japan

# Loan Interest Margins (Domestic)

Although yield on loans dropped due to lower market interest rates and competitive business environment, Interest margins net of costs improved by 6bps (0.30%→0.36%) mainly by improvement in credit cost and in general expenses.

Prime rate rose by 25bps (1.875%→2.125%) on Aug 25, 2006  
 Prime rate rose by 25bps (2.125%→2.375%) on Mar 26, 2007

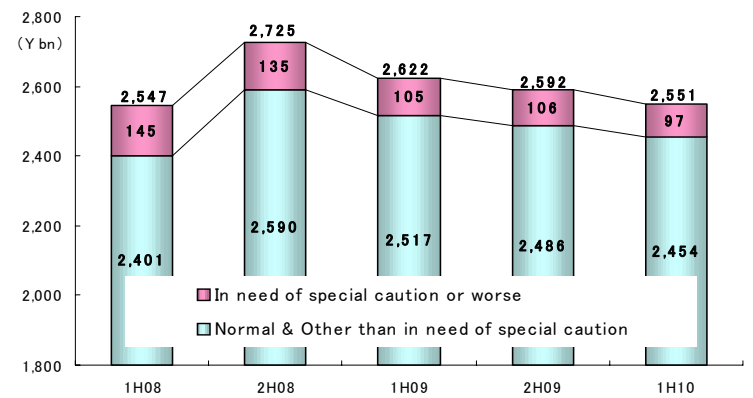
Prime rate lowered by 20bps (2.375% → 2.175%) on Dec 5, 2008  
 Prime rate lowered by 20bps (2.175% → 1.975%) on Jan 27, 2009



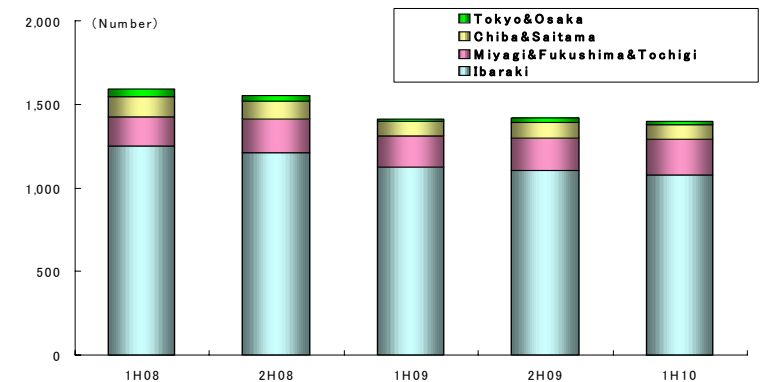
# Corporate Loans

Average balance of corporate loans slightly decreased due to weak corporate funding needs.  
 Increased loans especially in growing industries such as manufacturing, agriculture and medical etc. The number of SMEs increased compared to the same period of 2009.

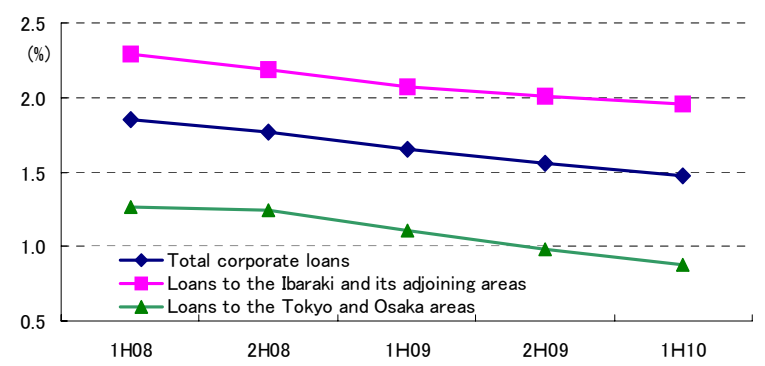
Average balance of Corporate Loans



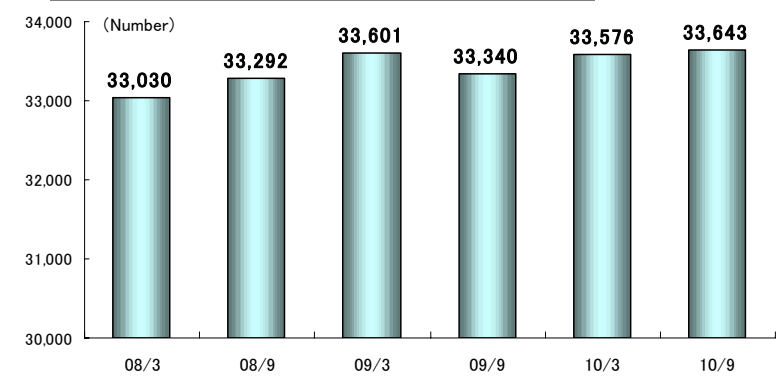
The number of new corporate clients (breakdown by regions)



Yields on Corporate Loans

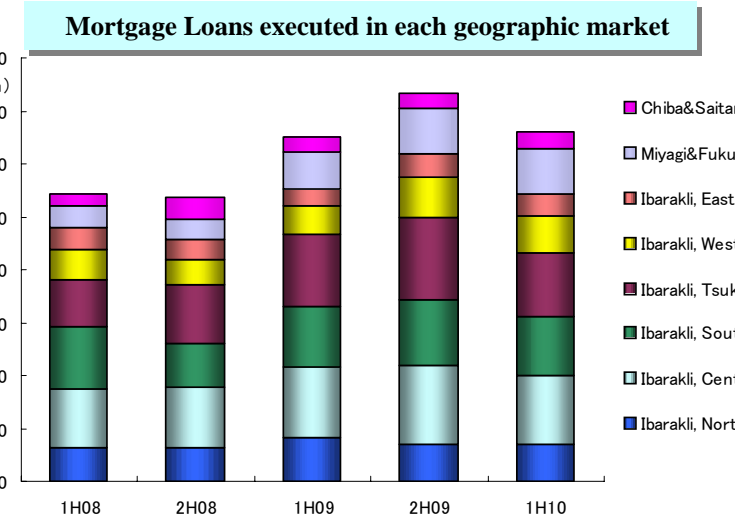
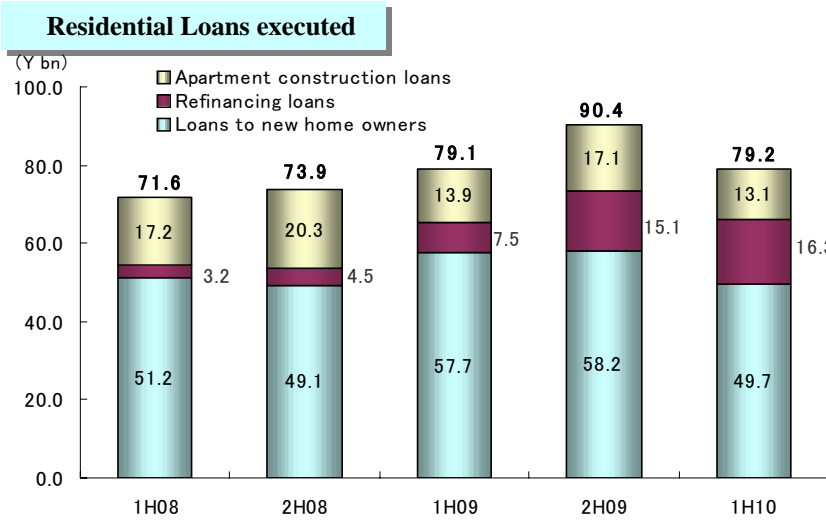
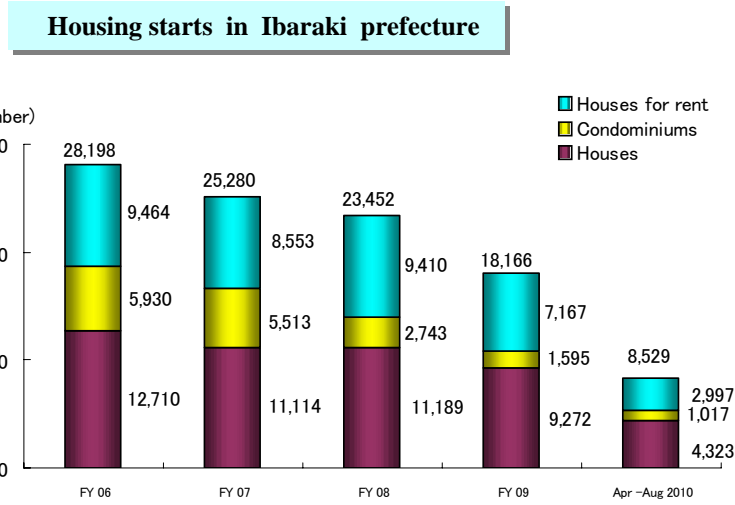
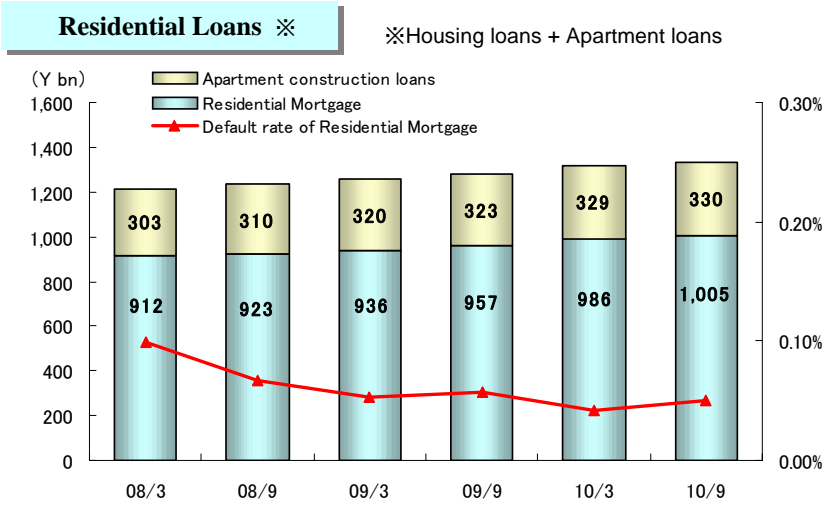


Numbers of Small and Medium Enterprise



# Residential Loans - Residential Mortgage and Apartment construction Loan

Residential loans continued to grow well, corresponding to customers' needs. Loan volume exceeded 1 trillion yen mark by strengthening approaches to customers' refinancing demands in neighborhood prefectures as well as new financing needs within Ibaraki prefecture.

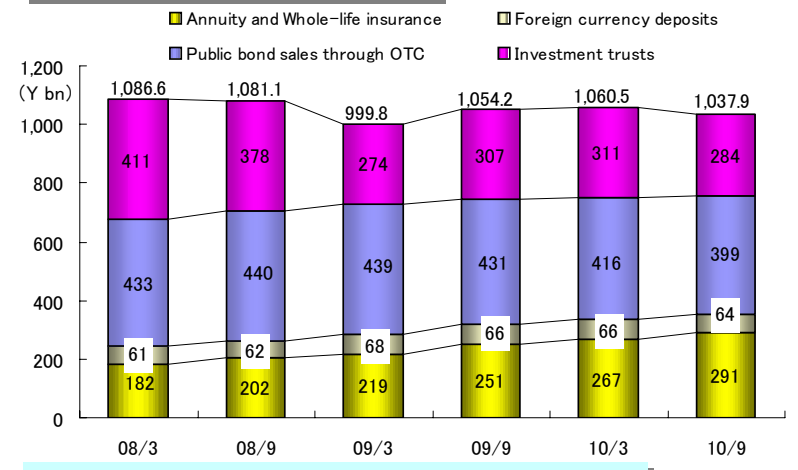




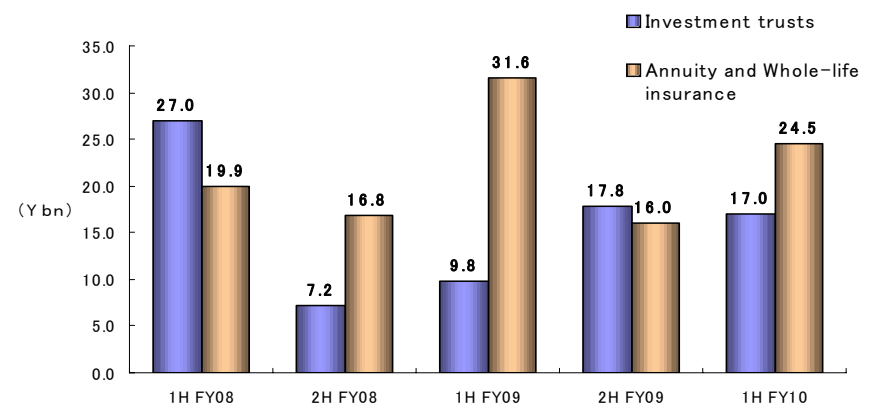
# Client Asset - Investment Products Sales

Sustained 1 trillion yen of our client's assets mainly due to steady increase in sales of annuity and whole-life insurance.

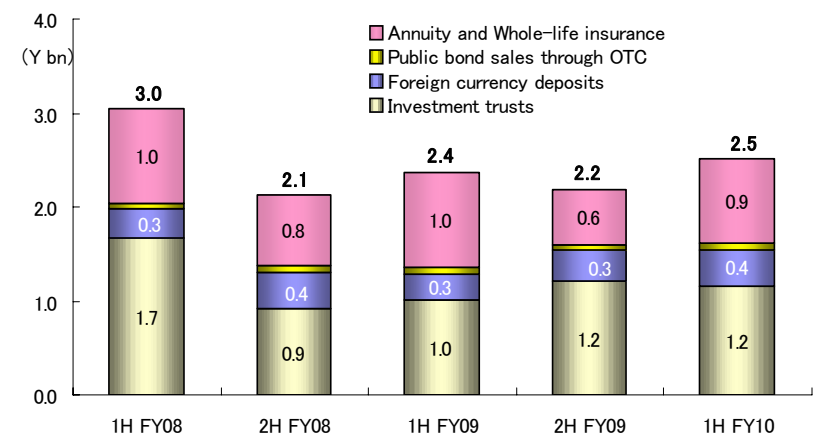
**Balance of Client asset custody**



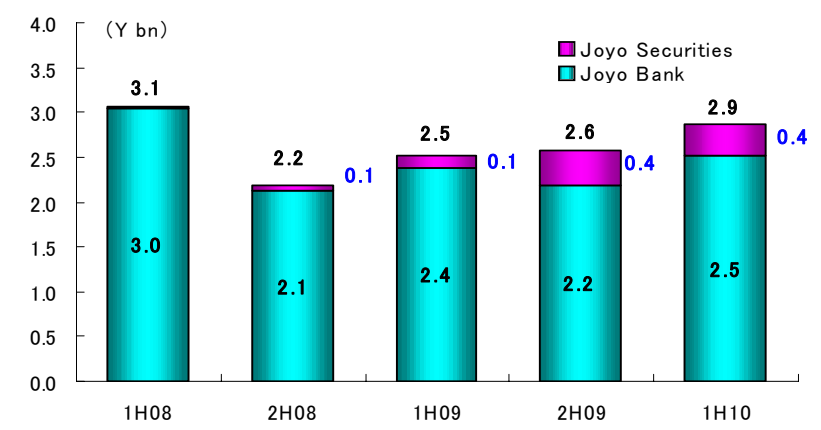
**Sales of Investment trusts and Insurance products**



**Fees from Investment product sales (Joyo Bank)**

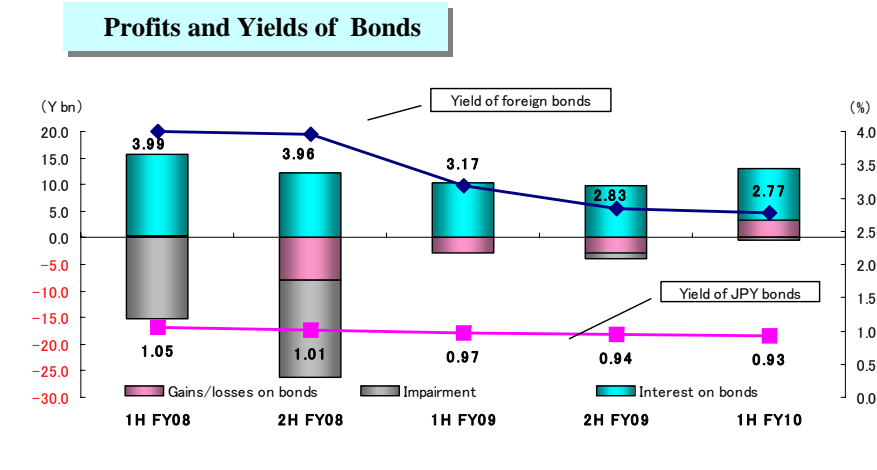
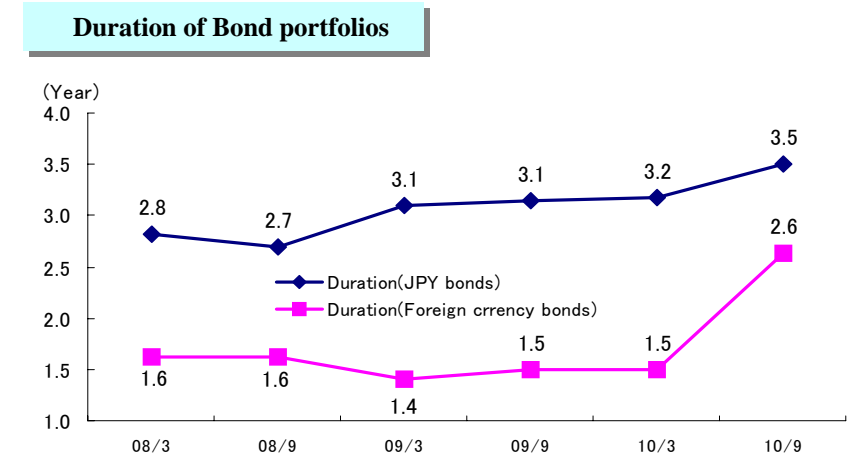
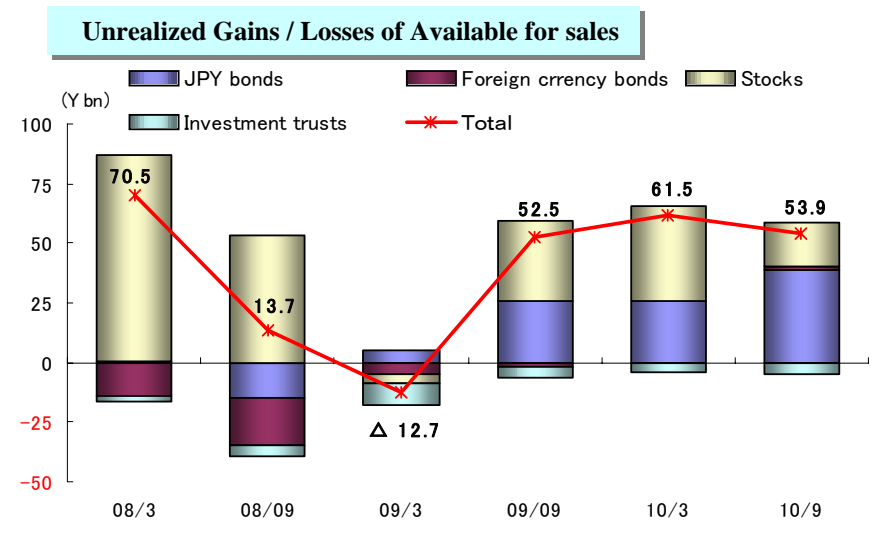
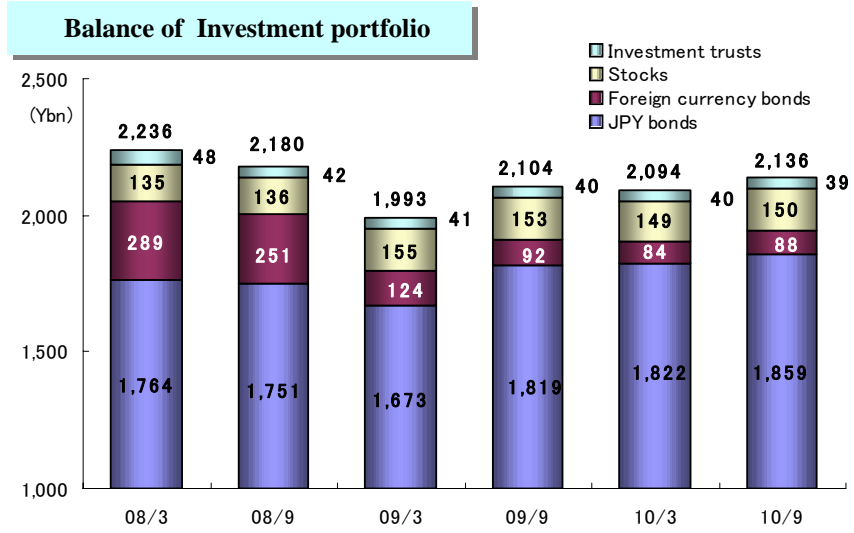


**Fees from Investment product sales (including Joyo Securities)**



# Investment Portfolio

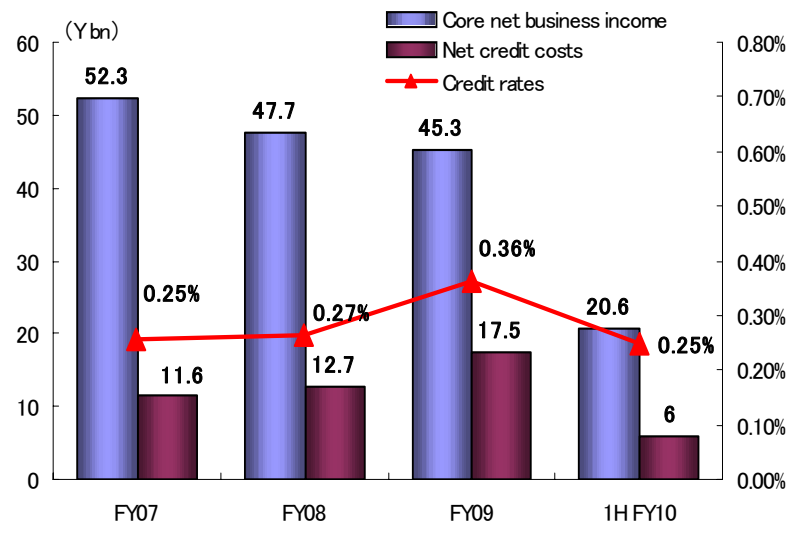
Total balance increased slightly after flexible operations of Japanese bonds.  
 Seek to enhance profitability of investment portfolio by closely monitoring market environment and influence from legal changes.



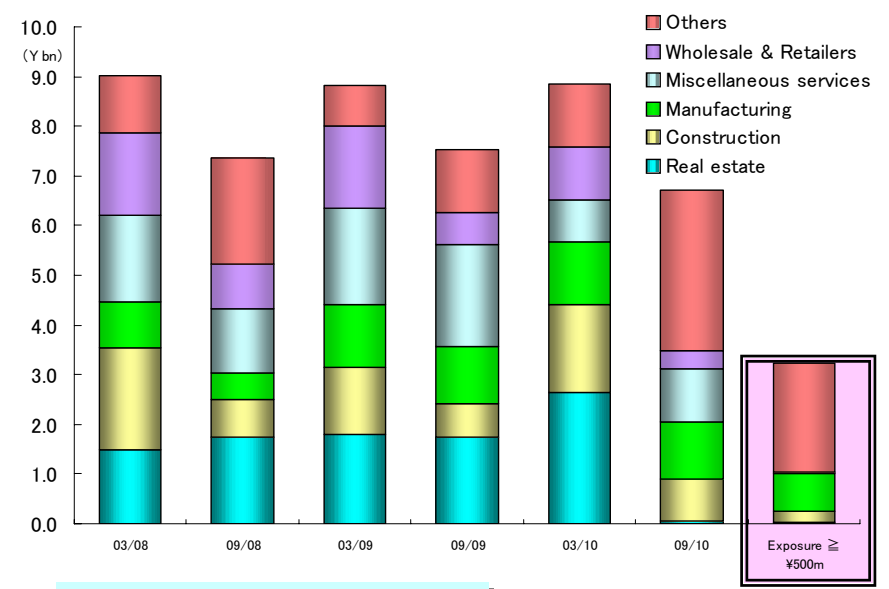
# Credit Costs

Net credit costs decreased to ¥6.0bn yen through internal credit risk management and support for customers' business restructuring.  
 25bps to total loan balance showed approaching to normalized level of 20bps.

**Core net business income and net credit costs ※**



**Disposal of Loans (breakdown by industry)**



※ Net credit costs = General provisions for possible loan losses + Disposals of non-performing loans  
 — Reversal of allowance for credit losses (previously charged-off)

**Land prices in Ibaraki prefecture**

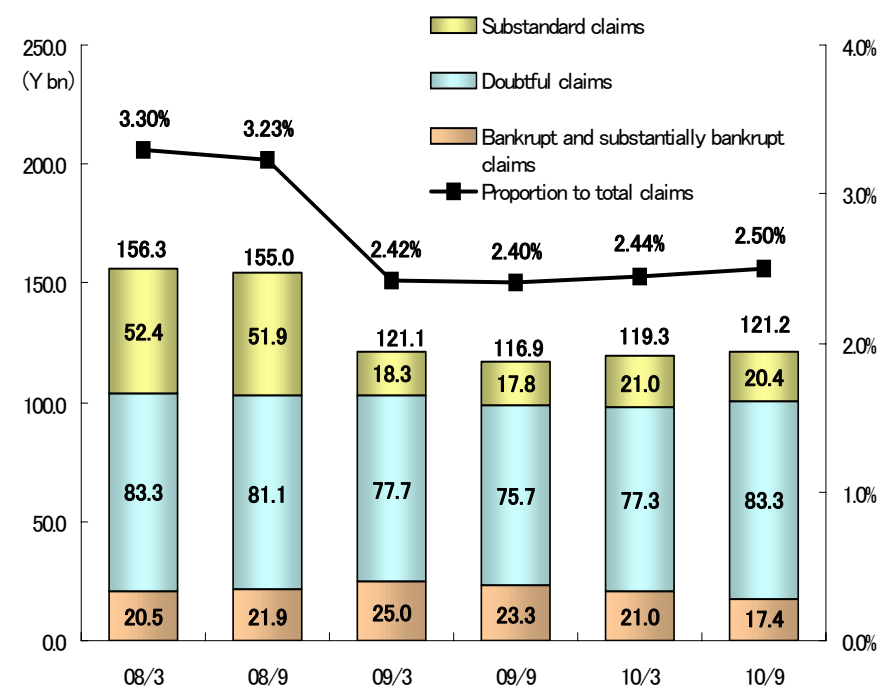
○Change of land prices in Ibaraki pref. (At 1st Jan)

	FY2008	FY2009	FY2010
Residential land prices	△2.4%	△3.6%	△5.1%
Commercial land prices	△3.2%	△4.0%	△5.2%

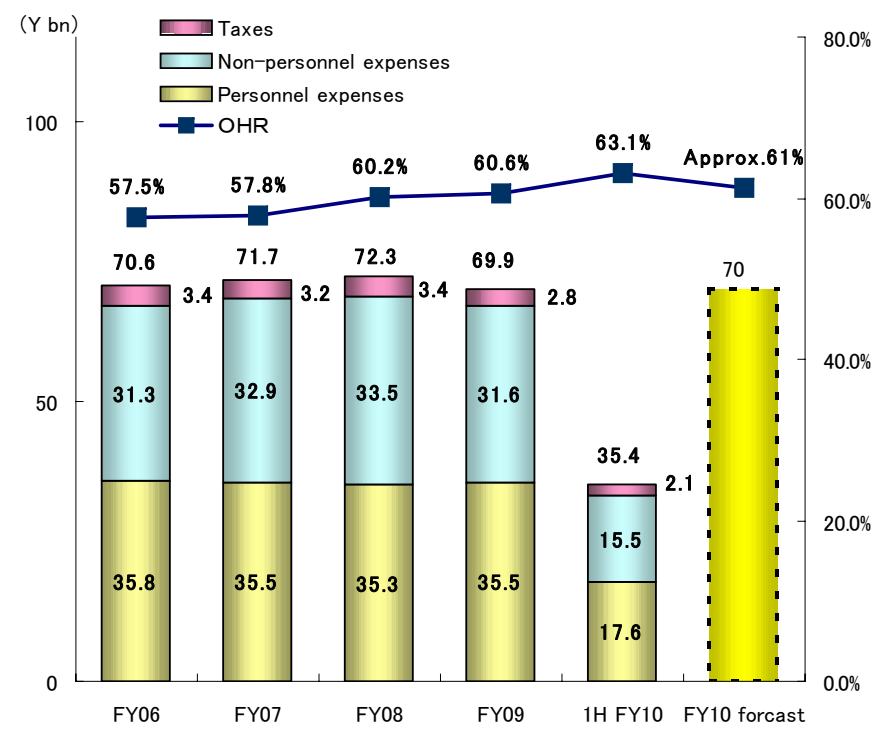
# Asset Quality and Cost Efficiency

Proportion of problem assets to total loans under financial revitalization law stayed at almost the same level, as the same period of FY2009.  
 Strengthen our support to our clients' business restructuring requirements.  
 Continue to reduce expenses especially in non personnel area.

**Problem assets under Financial Revitalization Law**



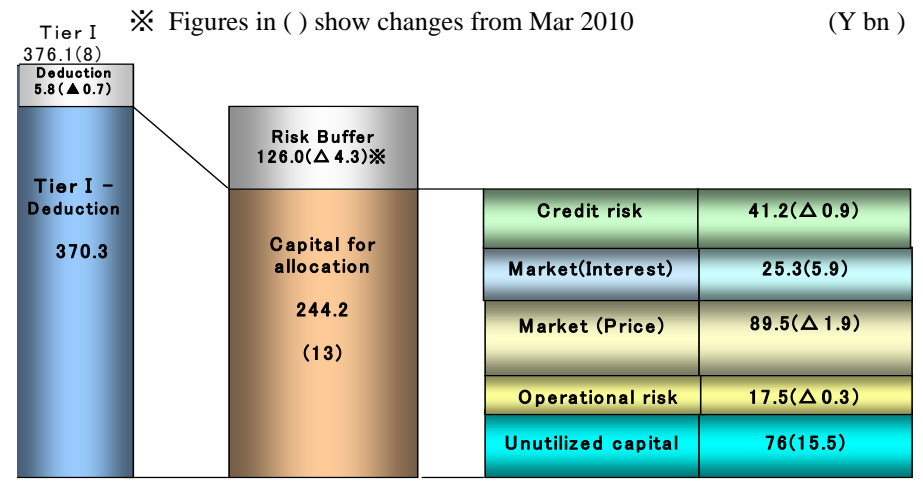
**G&A Expenses and OHR\***



\* OHR= Expense / (Expense+Core net business income)

# Capital Management

## Capital Utilization as of the end of Sep 2010



### 【Principle】

#### ○Capital sufficiency

- Maintaining sufficient capital level for ongoing our business
- Conservative capital management under stress scenarios

#### ○Capital efficiency

- Optimizing capital allocation to our business segments
- Shareholder return

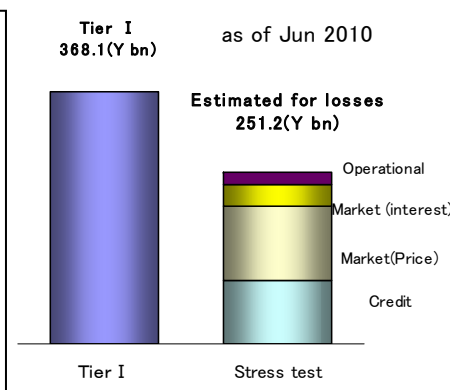
(\*1) Risk buffer : Total Risk Asset × 4%  
 This is defined as reserved capital against non-quantified risk or some unexpected events in the future.

**Stress Tests ( as of June 30 2010)**

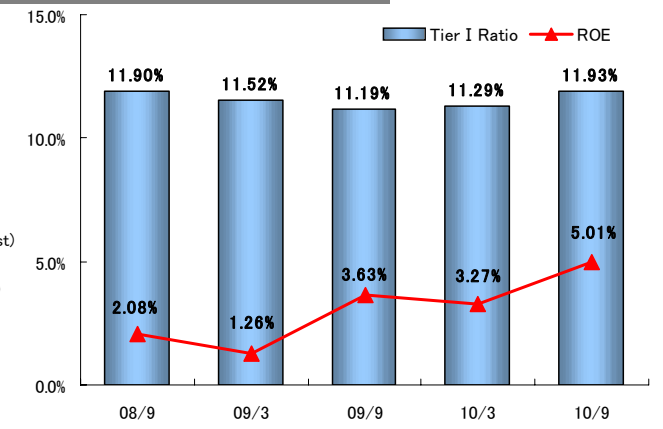
- Periodically we execute stress tests as examinations to confirm the soundness of our capital.
- Expected loss under the stressed scenario is below Tier I capital.

**Our stressed Scenario**

- Nikkei : ¥5,500
- 10Y yield (Japan) : Up 1.0%
- 10Y yield (USA/EU) : Up 1.5%
- Higher default rate
- More downgrades of substandard loans



### Tier I ratio and ROE



※The Core Tier I ratio was more than 11% as of Sep 2010.  
 Core Tier I = Tier I - deferred tax assets(net) - intangible fixed assets etc.

# Shareholder Return Plan for FY2010

## 【Shareholder Return Policy】

- Dividend payout ratio ⇒ equal or more than 20% of net profit after tax
- Shareholder return ratio ⇒ equal or more than 40% of net profit after tax

Dividend in FY2010 of ¥8 per share is planned, as was announced.

※ Shareholder return ratio = (Stock repurchase + Dividend) ÷ Net income after tax (non-consolidated)

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Number of stocks repurchased (thousands)	6,508	24,401	4,122	9,955	20,815	15,335	12,006	166
Total amount of stock repurchased (Y bn)	2.1	8.1	1.8	7.2	14.5	9.4	5.6	0
Total dividends (Y bn)	4.3	4.1	4.9	4.9	5.6	6.3	6.2	6.1
Dividend per stock (Y)	5.0	5.0	6.0	6.0	7.0	8.0	8.0	8.0
Net income after tax (non-consolidated) (Y bn)	8.3	22.8	26.1	24.7	26.1	12.9	5.0	12.9
Shareholder return ratio (%)	77.1	54.2	26.2	49.2	77.0	121.5	234.0	48.1
Dividend pay-out ratio (%)	51.3	18.4	19.1	20.0	21.6	48.8	123.1	47.6

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## Projections for annual FY2010

# Overview- Projections for annual FY2010

Projections for annual FY2010 are in line with our initial plan.

Improve gross business profit by increasing the volume of loans and business of client's asset sales.

[Non-consolidated]			(Y bn)		FY2010 Target
	1H FY2010	Change from 1H FY 2009	FY 2010 Forecast	Change from FY2009	
Net business income	23.7	5.3	47.0	5.3	47.0
Core net business income	20.6	△ 2.4	44.0	△ 1.3	
Gross business profit	59.0	3.0	117.0	3.4	
Net interest income	49.7	△ 2.4	101.0	△ 1.5	
Fees and commissions	5.8	△ 0.2	12.5	0.7	
Net other operating profit	3.3	5.7	3.5	4.2	
Expenses	35.4	△ 0.2	70.0	0.0	
Net transfer to general reserve for possible loan losses (A)	△ 0.1	△ 2.0	0.0	△ 1.9	
Net non-recurring gains(losses)	△ 8.0	1.1	△ 19.0	4.1	
Disposals of non-performing loans (B)	7.0	△ 1.1	14.0	△ 3.5	
Ordinary profit	15.7	6.5	28.0	9.4	28.0
Net special gains(losses)	0.4	△ 0.2	1.0	△ 0.4	
Gains on loan charged-offs (C)	0.8	0.0	2.0	0.0	
Net income after tax	10.6	3.4	18.0	5.0	18.0
Net credit costs (A)+(B)-(C)	6.0	△ 3.1	12.0	△ 5.5	

## The growth of gross business profit

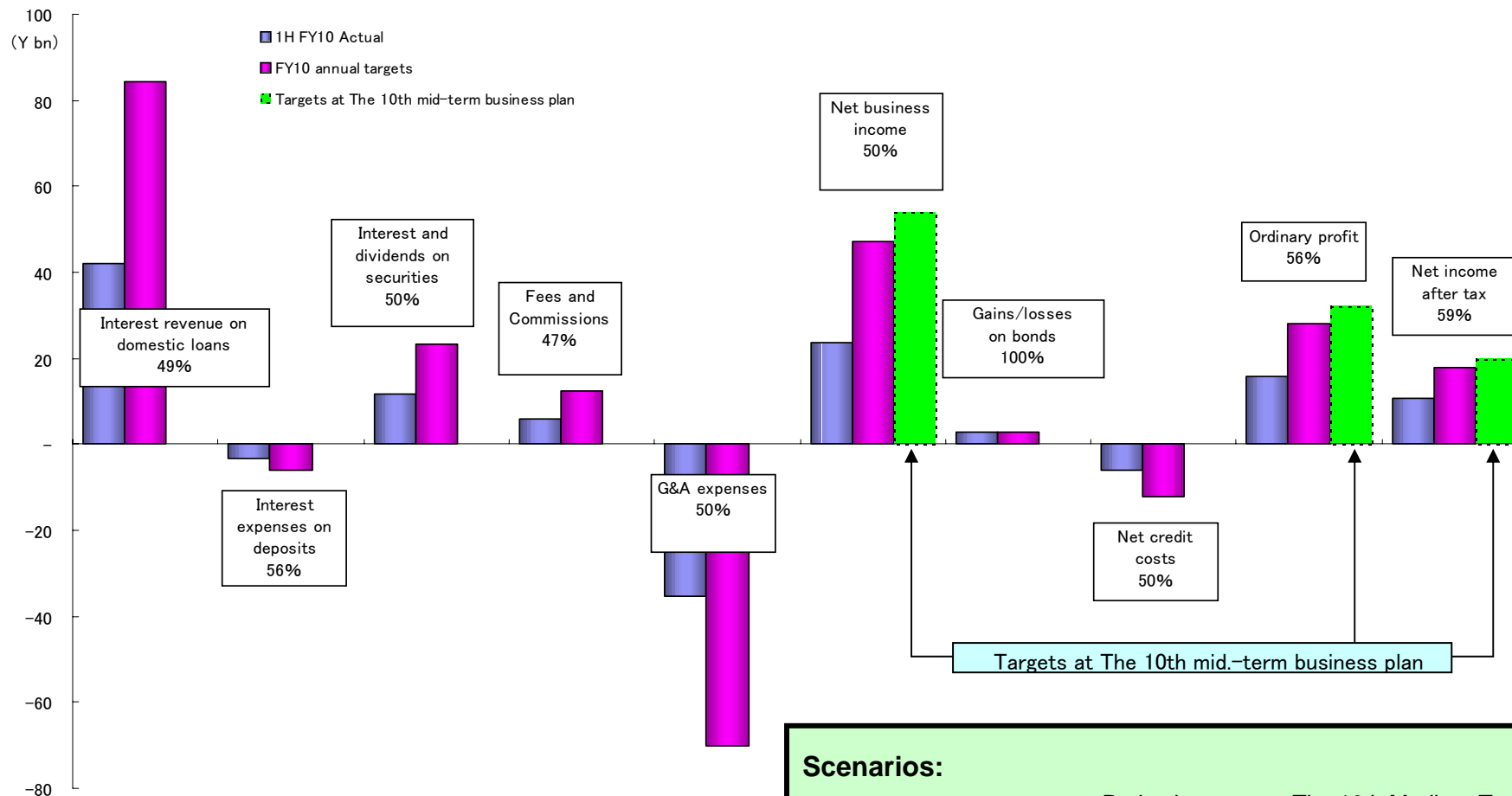
- Increase loans and deposit as well as client's asset sales.
  - ← Increase product line-ups.
  - ← Increase cross sells to customers.
- Restructuring the investment portfolio for steady performance and higher risk-adjusted returns.

## Credit costs

- Estimated the influence of foreign economy and JPY appreciation conservatively.
- Strengthening credit risk management.



# The current progress status of 1st.H.FY2010 v.s. FY2010 annual targets



	FY2010 annual targets	Targets at The 10th mid-term business plan	Change from The 10th mid-term business plan
<b>Net business income</b>	47 (Y bn)	54 (Y bn)	Δ7 (Y bn)
<b>Ordinary profit</b>	28 (Y bn)	32 (Y bn)	Δ4 (Y bn)
<b>Net income after tax</b>	18 (Y bn)	20 (Y bn)	Δ2 (Y bn)

Scenarios:	Projections for FY2010	The 10th Medium-Term Business Plan
Overnight interest rate :	0.10%	0.10%
10-year JGB :	0.90%	1.30%
Nikkei :	¥ 9,000	¥ 7,500

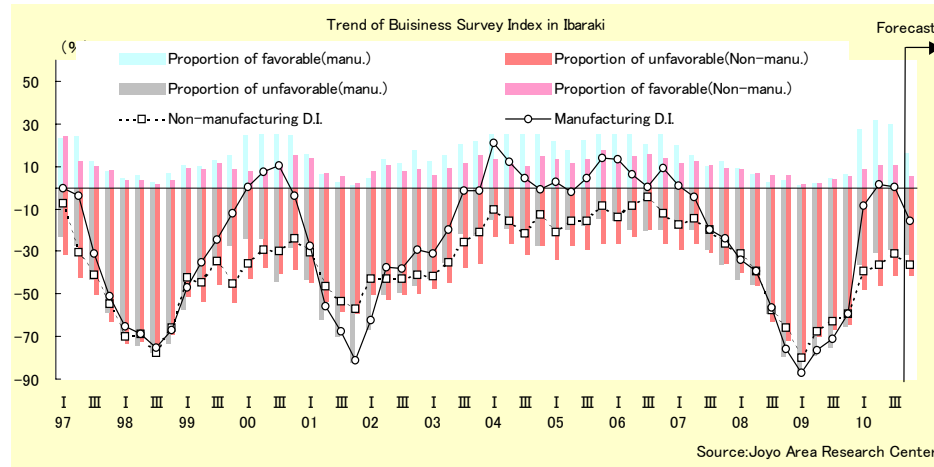
# Appendix

# Economy Indicators for Ibaraki Prefecture (1)

	Contents	Units	Ibaraki	Japan	Rank	Date
Land area	Total land area	km <sup>2</sup>	6,096	377,943	24	Oct 1, 2010
	Liveable land area	km <sup>2</sup>	3,976	121,412	4	Oct 1, 2010
Population	Population	K	2,960	127,510	11	Oct 1, 2010
	Proportion of senior	%	22.0	22.7	37	Oct 1, 2010
Economy	Prefectural GDP	Y Bn	11,578	515,651	12	FY2007
	Average prefectural income	Y K	3,007	3,059	12	FY2007
Industry	Farm output	Y Bn	428	8,651	2	2008
	Value of manufactured goods shipment	Y Bn	9,629	262,850	8	2009
	Annual sales of merchandizing goods (wholesale)	Y Bn	3,911	413,532	16	2007
	Annual sales of merchandizing goods (retail)	Y Bn	2,959	134,705	13	2007
	Number of establishments	-	127,109	5,951,148	13	2009
	Number of factories newly located / located area	number / ha	19 / 86	352 / 500	5 / 1	1H 2010

Source: Statistics Div of Ibaraki Pref, Ministry of Public Management, Ministry of economy, Trade and Industry, The Cabinet Office

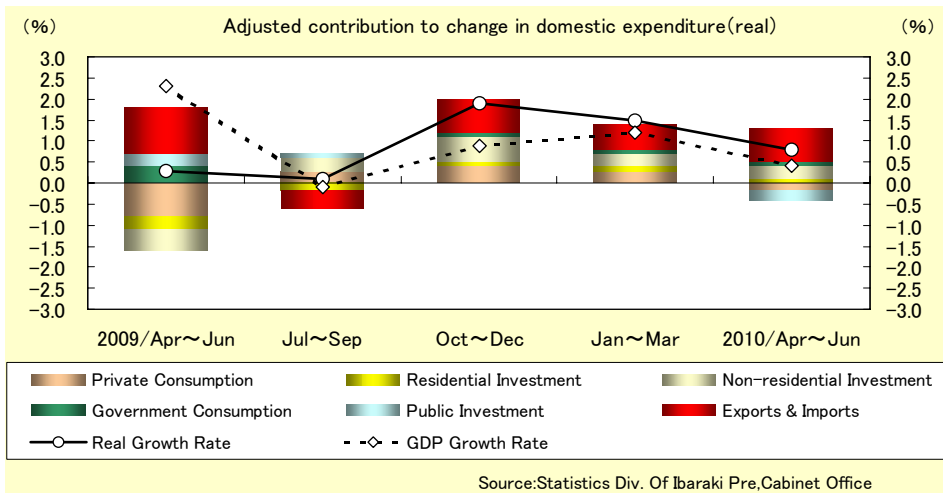
# Economy Indicators for Ibaraki Prefecture (2)



**Business sentiment continued to improve.**

- Sentiment index improved, in both manufacturing and non-manufacturing category. Forecast in manufacturing will turn negative in next quarter.

※Negative means “unfavorable exceeds favorable”.



**Although real GDP in Ibaraki prefecture continued to grow, growth level is still moderate.**

- Real GDP growth rate in Ibaraki prefecture was + 0.8% YOY for Apr.-Jun. 2010 compared with Jan.-Mar. 2010.

# Average Balance of Balance Sheet

(balance:Y bn, income/expenses:Y mm, yield:%)

	1H FY2010			Change from 1H FY2009		
	Average balance	Yield	Interest income	Average balance	Yield	Interest income
Loans and bills	4,839.7	1.73	42,005	△ 32.1	△0.16	△ 4,074
JPY	4,834.6	1.73	41,983	△ 31.0	△0.16	△ 4,061
Foreign	5.0	0.88	22	△ 1.0	△0.30	△ 13
Securities	2,094.0	1.10	11,642	0.8	△0.05	△ 504
Bonds	1,765.9	0.92	8,215	56.8	△0.03	△ 43
Stocks	150.4	2.42	1,825	△ 4.9	0.21	109
Foreign bonds	140.0	2.06	1,452	△ 51.8	△0.22	△ 742
Others	37.6	0.78	148	0.8	0.89	170
Call loans	8.3	0.53	22	△ 16.1	△0.37	△ 87
JPY	—	—	—	—	—	—
Foreign	8.3	0.53	22	△ 16.1	△0.36	△ 87
Bills bought	—	—	—	—	—	—
Other debt purchased	44.1	0.47	104	△ 9.3	△0.11	△ 53
Due from banks	24.7	1.95	242	△ 30.8	0.88	△ 54
NCD	—	—	—	—	—	—
Foreign exchange assets	1.6	0.33	2	0.0	△0.20	△ 2
Others	—	—	112	—	—	△ 16
Interest rate swaps	—	—	—	—	—	—
Interest earning assets	7,012.6	1.53	54,132	△ 87.7	△0.12	△ 4,792

(balance:Y bn, income/expense:Y mm, Yield:%)

	1H FY2010			Change from 1H FY2009		
	Average balance	Yield	Interest expense	Average balance	Yield	Interest expense
Deposits	6,719.0	0.10	3,405	109.6	△0.05	△ 1,777
JPY	6,654.5	0.09	3,245	131.3	△0.06	△ 1,766
Foreign	64.4	0.49	160	△ 21.6	0.10	△ 9
NCD	37.6	0.12	23	△ 47.0	△0.27	△ 139
Call money	18.8	0.15	14	△ 47.7	0.05	△ 15
JPY	15.3	0.08	6	△ 50.9	△0.01	△ 24
Foreign	3.5	0.43	7	3.1	0.75	8
Payable under securities lending transactions	3.6	0.05	1	△ 82.9	△0.04	△ 44
Bills sold	—	—	—	—	—	—
Borrowed money	54.1	1.16	316	△ 22.9	0.03	△ 116
Foreign exchange liabilities	0.1	—	0	0	—	—
Bonds	7.7	2.51	97	△ 7.2	0.26	△ 72
Others	1.4	—	516	0	—	△ 132
Interest rate swaps	—	—	509	—	—	△ 129
Interest bearing liabilities	6,842.8	0.12	4,375	△ 98.2	△0.07	△ 2,297
Other expenses	—	—	—	—	—	—
Interest bearing liabilities	6,842.8	0.12	4,375	△ 98.2	△0.06	△ 2,296

# Interest Yields and Spreads

**【Total account】**

	1H FY08	FY2008	1H FY09	FY2009	1H FY10	Change from 1H FY09
Average yield on interest earning assets (A)	1.88	1.83	1.65	1.61	1.53	△0.12
Average yield on loans and bills discounted (B)	2.05	2.02	1.88	1.85	1.73	△0.15
Average yield on securities	1.55	1.44	1.15	1.10	1.10	△0.05
Average yield on interest bearing liabilities	0.42	0.36	0.19	0.17	0.12	△0.07
Average yield on deposits and NCDs (C)	0.29	0.25	0.15	0.14	0.10	△0.05
Expense ratio	1.12	1.10	1.05	1.04	1.04	△0.01
Funding cost (D)	1.48	1.39	1.21	1.18	1.15	△0.06
Difference between average yield on loans and deposits (B)-(C)	1.76	1.77	1.73	1.71	1.63	△0.10
Difference between average yield on interest earning assets and funding cost (A)-(D)	0.40	0.44	0.44	0.43	0.38	△0.06

**【Domestic account】**

	1H FY08	FY2008	1H FY09	FY2009	1H FY10	Change from 1H FY09
	1.72	1.71	1.60	1.57	1.50	△0.10
	2.05	2.02	1.88	1.85	1.73	△0.15
	1.18	1.12	1.04	1.00	1.04	0.00
	0.31	0.27	0.18	0.16	0.12	△0.06
	0.27	0.24	0.15	0.14	0.09	△0.06
	1.11	1.09	1.05	1.03	1.03	△0.02
	1.37	1.30	1.19	1.16	1.14	△0.05
	1.78	1.78	1.73	1.71	1.64	△0.09
	0.35	0.41	0.41	0.41	0.36	△0.05

# Yen Denominated Loans (1)

©Breakdown by grades defined under Financial Revitalization Law

(Y bn)

	08/9		09/3		09/9		10/3		10/9		Change from 09/9	
	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion
Total Yen denominated loans	4,729.6	100.0%	4,945.1	100.0%	4,817.5	100.0%	4,836.6	100.0%	4,794.7	100.0%	△ 22.8	△ 0.5%
Normal	4,146.3	87.7%	4,288.3	86.7%	4,165.3	86.5%	4,111.0	85.0%	4,106.3	85.6%	△ 59.0	△ 1.4%
Ibaraki and its adjoining areas	3,128.7	66.2%	3,164.6	64.0%	3,120.8	64.8%	3,054.7	63.2%	3,072.8	64.1%	△ 48.0	△ 1.5%
Ibaraki	2,610.2	55.2%	2,654.0	53.7%	2,635.7	54.7%	2,578.5	53.3%	2,598.2	54.2%	△ 37.5	△ 1.4%
Miyagi , Fukushima and Tochigi	402.7	8.5%	391.4	7.9%	367.2	7.6%	358.6	7.4%	354.8	7.4%	△ 12.4	△ 3.4%
Chiba and Saitama	115.7	2.4%	119.1	2.4%	117.8	2.4%	117.6	2.4%	119.6	2.5%	1.8	1.5%
Tokyo and Osaka	1,017.5	21.5%	1,123.7	22.7%	1,044.4	21.7%	1,056.2	21.8%	1,033.5	21.6%	△ 10.9	△ 1.0%
Other than in need of special caution	408.1	8.6%	526.4	10.6%	524.1	10.9%	597.9	12.4%	562.4	11.7%	38.3	7.3%
In need of special caution	72.2	1.5%	27.7	0.6%	29.1	0.6%	29.6	0.6%	25.5	0.5%	△ 3.6	△ 12.4%
Potentially bankrupt or worse	102.9	2.2%	102.6	2.1%	98.9	2.1%	98.0	2.0%	100.4	2.1%	1.5	1.5%

©Breakdown by geographic area

(Y bn)

	08/9		09/3		09/9		10/3		10/9		Change from 09/9	
	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion
Total Yen denominated loans	4,729.6	100.0%	4,945.1	100.0%	4,817.5	100.0%	4,836.6	100.0%	4,794.7	99.1%	△ 22.8	△ 0.5%
Ibaraki and its adjoining areas	3,652.0	77.2%	3,779.3	76.4%	3,711.7	77.0%	3,724.8	77.0%	3,690.6	76.3%	△ 21.1	△ 0.6%
Ibaraki	3,032.7	64.1%	3,152.5	63.7%	3,098.8	64.3%	3,114.7	64.4%	3,084.5	63.8%	△ 14.3	△ 0.5%
Miyagi , Fukushima and Tochigi	481.1	10.2%	482.0	9.7%	468.8	9.7%	465.9	9.6%	460.7	9.5%	△ 8.1	△ 1.7%
Chiba and Saitama	138.2	2.9%	144.7	2.9%	144.0	3.0%	144.1	3.0%	145.3	3.0%	1.3	0.9%
Tokyo and Osaka	1,077.5	22.8%	1,165.7	23.6%	1,105.7	23.0%	1,111.8	23.0%	1,104.1	22.8%	△ 1.6	△ 0.1%

# Yen Denominated Loans (2)

◎Breakdown by borrower type

(Y bn)

	08/9		09/3		09/9		10/3		10/9		Change from 09/9	
	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion
Yen denominated loans (Total)	4,729.6	100.0%	4,945.1	100.0%	4,817.5	100.0%	4,836.6	100.0%	4,794.7	100.0%	△ 22.8	△ 0.5%
Personal loans	1,454.8	30.8%	1,468.7	29.7%	1,486.0	30.8%	1,516.7	31.4%	1,531.4	31.9%	45.4	3.1%
Corporate loans	2,542.4	53.8%	2,667.3	53.9%	2,555.7	53.1%	2,538.6	52.5%	2,490.1	51.9%	△ 65.6	△ 2.6%
Major companies	994.4	21.0%	1,103.5	22.3%	1,069.2	22.2%	1,087.7	22.5%	1,063.7	22.2%	△ 5.5	△ 0.5%
Medium sized companies	162.9	3.4%	154.4	3.1%	149.5	3.1%	128.1	2.6%	126.2	2.6%	△ 23.3	△ 15.6%
Small and medium sized companies	1,385.0	29.3%	1,409.4	28.5%	1,336.9	27.8%	1,322.7	27.3%	1,300.0	27.1%	△ 36.9	△ 2.8%
Public sector	732.4	15.5%	808.9	16.4%	775.7	16.1%	781.1	16.1%	773.1	16.1%	△ 2.6	△ 0.3%

◎Personal loans

(Y bn)

	08/9		09/3		09/9		10/3		10/9		Change from 09/9	
	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion
Personal loans (Total)	1,454.8	100.0%	1,468.7	100.0%	1,486.0	100.0%	1,516.7	100.0%	1,531.4	100.0%	45.4	3.1%
Residential loans	1,232.7	84.7%	1,255.9	85.5%	1,280.0	86.1%	1,315.5	86.7%	1,334.8	87.2%	54.8	4.3%
Consumer loans	79.7	5.5%	78.3	5.3%	77.6	5.2%	77.4	5.1%	77.6	5.1%	0.0	0.0%
Loans to small businesses	142.4	9.8%	134.5	9.2%	128.4	8.6%	123.8	8.2%	119.0	7.8%	△ 9.4	△ 7.3%

◎Corporate loans

(Y bn)

	08/9		09/3		09/9		10/3		10/9		Change from 09/9	
	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion
Corporate loans (Total)	2,542.4	100.0%	2,667.3	100.0%	2,555.7	100.0%	2,538.6	100.0%	2,490.1	100.0%	△ 65.6	△ 2.6%
Ibaraki and its adjoining areas	1,468.7	57.8%	1,504.7	56.4%	1,452.9	56.8%	1,429.7	56.3%	1,388.7	55.8%	△ 64.2	△ 4.4%
Ibaraki	1,040.9	40.9%	1,074.0	40.3%	1,040.3	40.7%	1,026.4	40.4%	994.7	39.9%	△ 45.6	△ 4.4%
Miyagi , Fukushima and Tochigi	334.4	13.2%	335.0	12.6%	319.3	12.5%	312.2	12.3%	303.9	12.2%	△ 15.4	△ 4.8%
Chiba and Saitama	93.3	3.7%	95.7	3.6%	93.4	3.7%	91.0	3.6%	90.0	3.6%	△ 3.4	△ 3.6%
Tokyo and Osaka	1,073.7	42.2%	1,162.6	43.6%	1,102.7	43.1%	1,108.9	43.7%	1,101.3	44.2%	△ 1.4	△ 0.1%



# Deposits and Client Asset Custody

◎Deposits (Y bn)

	08/9		09/3		09/9		10/3		10/9		Change from 09/9	
	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion
Deposits (Total)	6,412.4	100.0%	6,562.7	100.0%	6,554.9	100.0%	6,681.1	100.0%	6,677.6	100.0%	122.7	1.9%
Yen deposits	6,350.6	99.0%	6,494.4	99.0%	6,452.1	98.4%	6,614.9	99.0%	6,604.6	98.9%	152.5	2.4%
Foreign deposits	61.7	1.0%	68.2	1.0%	66.2	1.0%	66.2	1.0%	63.9	1.0%	△ 2.3	△3.5%
JOM deposits	0.0	0.0%	0.0	0.0%	36.6	0.6%	0.0	0.0%	9.0	0.1%	△ 27.6	△75.4%
Others	—	—	—	—	—	—	—	—	—	—	—	—
NCDs	80.9		104.0		58.8		24.5		34.7		△ 24.1	△41.0%

◎Yen deposits by customer types (Y bn)

	08/9		09/3		09/9		10/3		10/9		Change from 09/9	
	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion
Yen deposits (Total)	6,350.6	100.0%	6,494.4	100.0%	6,452.1	100.0%	6,614.9	100.0%	6,604.6	100.0%	152.5	2.4%
Personal	4,941.3	77.8%	4,984.9	76.8%	5,028.1	77.9%	5,078.9	76.8%	5,126.5	77.6%	98.4	2.0%
Corporate	1,144.6	18.0%	1,179.6	18.2%	1,157.3	17.9%	1,205.9	18.2%	1,160.3	17.6%	3.0	0.3%
Public sector	264.6	4.2%	329.8	5.1%	266.6	4.1%	330.0	5.0%	317.7	4.8%	51.1	19.2%

◎Clients' assets (Y bn)

	08/9		09/3		09/9		10/3		10/9		Change from 09/9	
	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion	End balance	Proportion
Personal (Total)	6,022.4	100.0%	5,984.7	100.0%	6,082.3	100.0%	6,139.4	100.0%	6,164.4	100.0%	82.1	1.3%
Current	2,571.5	42.7%	2,627.2	43.9%	2,643.2	43.5%	2,700.8	44.0%	2,728.4	44.3%	85.2	3.2%
Time deposits	2,369.7	39.3%	2,357.7	39.4%	2,384.9	39.2%	2,378.0	38.8%	2,398.1	38.9%	13.2	0.6%
(Sub total)	4,941.3	82.0%	4,984.9	83.3%	5,028.1	82.7%	5,078.9	82.8%	5,126.5	83.2%	98.4	2.0%
Investment	1,081.1	18.0%	999.8	16.7%	1,054.2	17.3%	1,060.5	17.2%	1,037.9	16.8%	△ 16.3	△1.5%

# Investment Portfolio

## ◎ Balance of Investment Portfolio

	09/9		10/3		10/9		Change from 03/10	
	Balance	Proportion	Balance	Proportion	Balance	Proportion	Balance	Proportion
Yen denominated bonds	1,818.9	86.4%	1,821.8	87.0%	1,859.2	87.0%	37.4	0.1%
Duration (years)	3.10	—	3.10	—	3.50	—	0.4	—
Fixed rate notes	1,574.2	74.8%	1,590.0	75.9%	1,611.6	75.5%	21.6	△0.5%
(Average yield : %)	(1.05)	—	(1.00)	—	(0.99)	—	(△0.01)	—
Floating rate notes	244.7	11.6%	231.7	11.1%	247.6	11.6%	15.9	0.0
(Average yield : %)	(0.60)	—	(0.53)	—	(0.46)	—	(△0.07)	—
Foreign denominated bonds	92.2	4.4%	83.7	4.0%	87.9	4.1%	4.2	0.0
Duration (years)	1.5	—	1.5	—	2.6	—	1.1	—
(Average yield : %)	(2.14)	—	(2.18)	—	(2.51)	—	(0.33)	—
Fixed rate notes	54.8	2.6%	49.5	2.4%	66.9	3.1%	17.4	0.0
(Average yield : %)	(4.41)	—	(4.28)	—	(3.76)	—	(△0.52)	—
(Average yield spread : %)	(3.28)	—	(3.54)	—	(3.20)	—	(△0.34)	—
Floating rate notes	37.4	1.8%	34.2	1.6%	20.9	1.0%	△ 13.3	△ 0.7%
(Average yield : %)	(1.66)	—	(0.69)	—	(0.74)	—	(0.05)	—
(Average yield spread : %)	(0.72)	—	(0.15)	—	(0.34)	—	(0.19)	—
Stock	153.4	7.3%	148.7	7.1%	149.6	7.0%	0.9	△ 0.1%
% to Tier I	—	42.0%	—	40.4%	—	39.0%	—	△ 3.0%
Investment trusts and others	39.5	1.9%	39.9	1.9%	39.0	1.8%	△ 0.9	△ 0.1%
Total	2,104.2	100.0%	2,094.2	100.0%	2,135.8	100.0%	41.6	0.0%
(Average yield : %)	(1.15)	—	(1.10)	—	(1.10)	—	(0.00)	—
Unrealized gains/losses	52.5	—	61.5	—	53.9	—	△ 7.6	—

# Foreign Securities Portfolio

○ Securities portfolio (Y bn)

	10/9		10/3		change from 10/3	
	Balance (*1)	Unrialized gains and losses(*2)	Balance (*1)	Unrialized gains and losses(*2)	Balance (*1)	Unrialized gains and losses(*2)
Domestic bonds	1,806.9	40.2	1,763.6	26.7	43.2	13.4
Foreign bonds	140.0	0.5	141.9	△ 0.8	△ 1.8	1.4
Stocks	149.6	18.2	148.7	39.9	0.9	△ 21.6
Investment trusts & Others	39.0	△ 4.8	39.9	△ 3.8	△ 0.8	△ 1.0
Trust beneficiary rights	27.0	△ 0.3	31.1	△ 0.4	△ 4.0	0.1
<b>Total</b>	<b>2,162.9</b>	<b>53.9</b>	<b>2,125.4</b>	<b>61.5</b>	<b>37.5</b>	<b>△ 7.6</b>

(\*1) Includes hold-to-maturity securities.

(\*2) On available-for-sale securities.

→ ○ Foreign bonds (Y bn)

	Balance			Unrealized gains/losses (* )		
	10/9	10/3	Change from 10/3	10/9	10/3	Change from 10/3
Sovereign	6.6	0.0	6.6	0.1	0.0	0.1
Corporete	93.3	97.4	△ 4.1	1.7	1.1	0.6
MBS(GNMA & CMO)	8.7	9.5	△ 0.7	0.0	0.0	0.0
Securitization	31.3	34.9	△ 3.5	△ 1.2	△ 1.8	0.5
<b>Total</b>	<b>140.0</b>	<b>141.9</b>	<b>△ 1.8</b>	<b>0.5</b>	<b>△ 0.8</b>	<b>1.4</b>

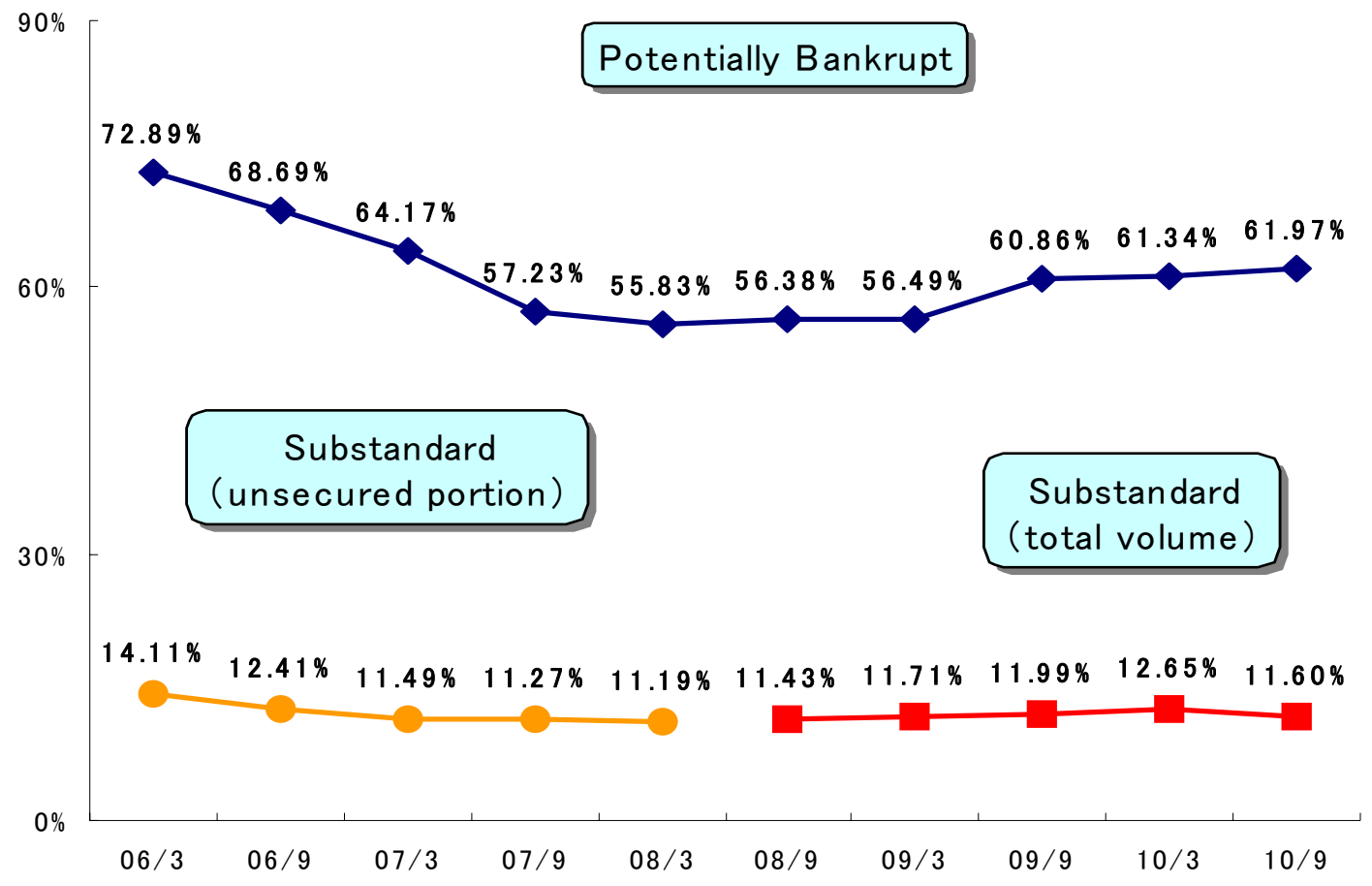
(\* ) On available-for-sale securities.

→ ○ Securitization (Y bn)

	Balance			Unrealized gains/losses		
	10/9	10/3	Change from 10/3	10/9	10/3	Change from 10/3
ABS	14.5	16.2	△ 1.6	△ 0.2	△ 0.2	0.0
CDO	9.3	10.4	△ 1.0	△ 0.7	△ 1.2	0.4
CLO	7.4	8.2	△ 0.8	△ 0.1	△ 0.3	0.1
<b>Total</b>	<b>31.3</b>	<b>34.9</b>	<b>△ 3.5</b>	<b>△ 1.2</b>	<b>△ 1.8</b>	<b>0.5</b>

# Provisions to each NPL category

Reserve ratio for possible loan losses (Potentially bankrupt & Substandard loans)



# Management Indices (Non-consolidated)

	09/9	10/3	10/9	Change(YoY)
<b>EPS</b> (Yen)	9.25	16.81	13.77	4.53
<b>ROE</b> (Net income basis : %)	3.63	3.27	5.01	1.38
	3.78	3.46	5.53	1.75
<b>BPS</b> (Yen)	536.2	546.2	548.7	12.5
<b>OHR</b> (Core net business income basis : %)	60.7	60.6	63.1	2.4
<b>ROA</b> (Core net business income basis : %)	0.62	0.61	0.56	△0.06

※ EPS is based on the average number of shares outstanding. BPS is based on the number of shares outstanding at the end of FY.

ROE on the top is based on average balance of capitals at the beginning of FY and capitals at the end of FY.

ROE on the bottom is based on average balance of capital. (excluding net unrealized gains on other securities)

	09/3	09/9	10/3	Change(YoY)
Market shares in Ibaraki (Loans)	43.12	42.84	43.24	0.12
Market shares in Ibaraki (Deposits)	42.68	42.10	42.75	0.07

(%)

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