

# IR Presentation

Results for the First Half of Fiscal Year Ending March 31, 2011

**77 BANK**

**七十七銀行**

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## Summary of profits and losses

(JPY bn, %)

	First half FY2010	First half FY2011	YoY change	
			Increase/ decrease	Rate of change %
Gross operating income	39.9	42.1	2.2	5.5
[Core gross operating income]	[ 41.4]	[ 41.7]	[ 0.3]	[ 0.7]
Interest income	36.2	36.7	0.5	1.5
Fees and commissions	4.9	4.7	(0.2)	(3.6)
Gains (losses) on bonds	(1.5)	0.4	1.9	
Foreign exchange transaction income	0.2	0.2	0.0	
Expenses	28.7	28.6	(0.1)	(0.3)
Operating income before provision of general reserve for possible loan losses	11.2	13.5	2.3	20.8
[Core operating income]	[ 12.7]	[ 13.1]	[ 0.4]	[ 3.3]
Provision of general reserve for possible loan losses	1.4	-	(1.4)	
Operating income	9.8	13.5	3.7	38.6
Special income and losses	(2.8)	(1.8)	1.0	
Gains (losses) on stocks	0.5	(0.1)	(0.6)	
Losses on bad debt written-off	3.0	0.5	(2.5)	
Ordinary income	6.9	11.7	4.8	69.6
Extraordinary income	0.0	0.2	0.2	
Extraordinary loss	0.3	1.3	1.0	
Income taxes (incl. deferred taxes)	2.5	4.4	1.9	
Net income	4.1	6.2	2.1	52.0
Credit-related expenses	4.4	0.3	(4.1)	

### Interest income

Interest on loans and discounts  
(-JPY 2.0 bn)  
interest and dividends on trading  
account and investment securities  
(+JPY 1.2 bn)  
Interest on deposits (-JPY 1.3 bn)

### Core operating income

Increase mainly due to rise in  
interest income

### Ordinary income

Increase due to decline in credit-  
related expenses

Recorded JPY 0.2 billion gains on provision of  
reserve for possible loan losses, as the reversal  
of general reserve for possible loan losses (JPY  
2.5 bn) exceeded provision of specific reserve  
for possible loan losses (JPY 2.3 bn).

### Net income

Continued growth for 2 terms

# Major accounts / interest rates / interest margin

## ■ Major accounts (average balances)

(JPY bn, %)

	First half FY2010	First half FY2011	YoY change
Loans and bills discounted	3,407.0	3,434.9	0.8
Corporate loans	1,953.5	1,971.9	0.9
[excl. spread loans]	[ 1,169.6]	[ 1,176.5]	[ 0.6]
[Spread loans]	[ 783.9]	[ 795.4]	[ 1.5]
Consumer loans	723.2	753.1	4.1
[Housing loans]	[ 665.4]	[ 698.7]	[ 5.0]
Loans for local governments	730.3	709.9	(2.8)
Securities	1,753.7	2,024.7	15.5
National government bonds	801.4	835.9	4.3
Local government bonds	100.5	117.3	16.7
Corporate bonds	524.6	713.4	36.0
Stocks	70.3	69.5	(1.1)
Others	256.9	288.6	12.3
Deposits and certificates of deposits	5,234.3	5,346.6	2.1
Retail deposits	3,613.9	3,701.7	2.4
Corporate deposits	1,219.9	1,235.4	1.3
Assets in custody (Term-end balance)	615.4	640.4	4.1

## ■ Interest rates / interest margin

(%)

	First half FY2010	First half FY2011	YoY change
Loans and bills discounted interest rate	1.78	1.65	(0.13)
Corporate loans	1.73	1.60	(0.13)
[excl. spread loans]	[ 2.26]	[ 2.19]	[ (0.07)]
[Spread loans]	[ 0.94]	[ 0.73]	[ (0.21)]
Consumer loans	2.53	2.38	(0.15)
[Housing loans]	[ 2.23]	[ 2.11]	[ (0.12)]
Loans for local governments	1.37	1.28	(0.09)
Securities interest rate	1.17	1.13	(0.04)
Deposits and certificates of deposit interest rate	0.17	0.11	(0.06)
Interest rate spread	1.31	1.30	(0.01)
Net interest margin	0.22	0.23	0.01

\* Ref.

(Note) Figures of "Assets in custody" are total of investment trusts, public bonds, individual annuity insurance and foreign-currency deposits.

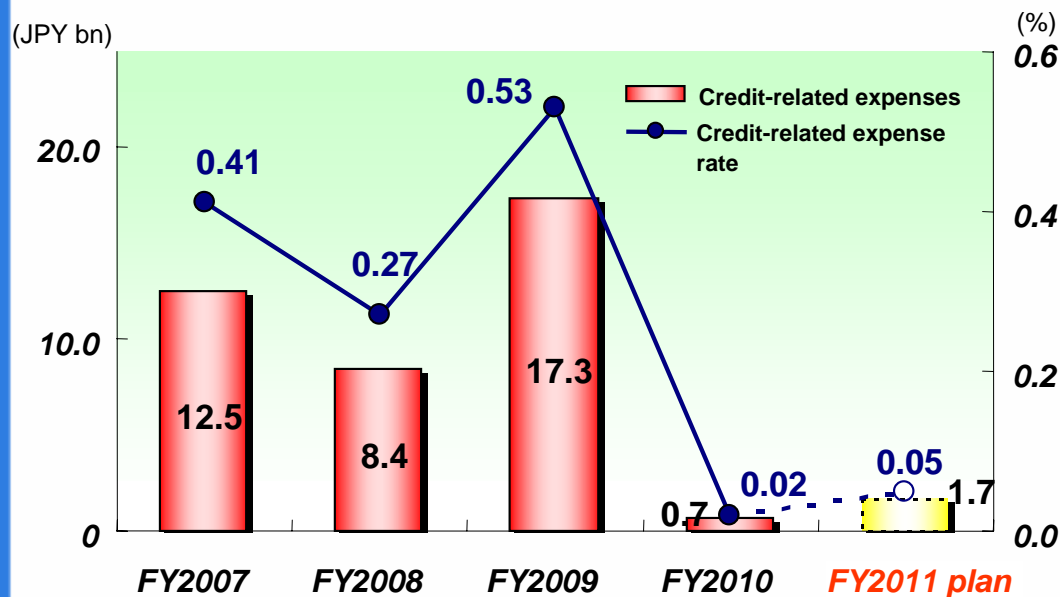
## Credit-related expenses and credit disclosed under the Financial Reconstruction Law

### ■ Credit-related expenses

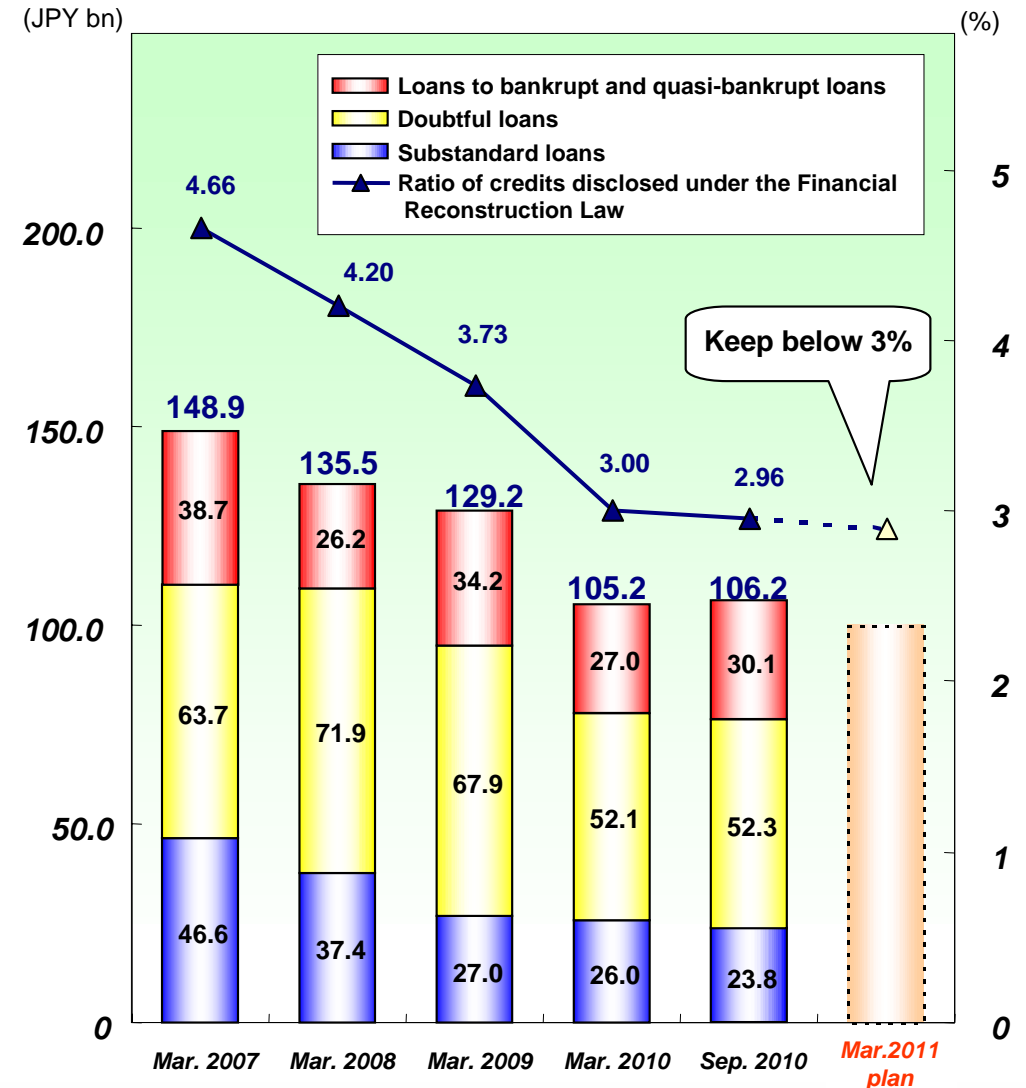
(JPY bn)

	FY2007	FY2008	FY2009	First half FY2010	FY2010	First half FY2011	FY2011 Plan
Provision of general reserve for possible loan losses	2.3	(1.8)	2.7	1.4	-	-	(3.8)
Loss on bad debt written-off	10.2	10.2	14.6	3.0	2.1	0.5	5.5
[Loss on sale]	[4.1]	[4.9]	[4.6]	[0.8]	[1.8]	[0.3]	[N/A]
Gains (losses) on provision of reserve for possible loan losses	-	-	-	-	1.4	0.2	-
<b>Total</b>	<b>12.5</b>	<b>8.4</b>	<b>17.3</b>	<b>4.4</b>	<b>0.7</b>	<b>0.3</b>	<b>1.7</b>

### Credit-related expenses and credit-related expense rate trends



### Credits disclosed under the Financial Reconstruction Law



## Securities (1)

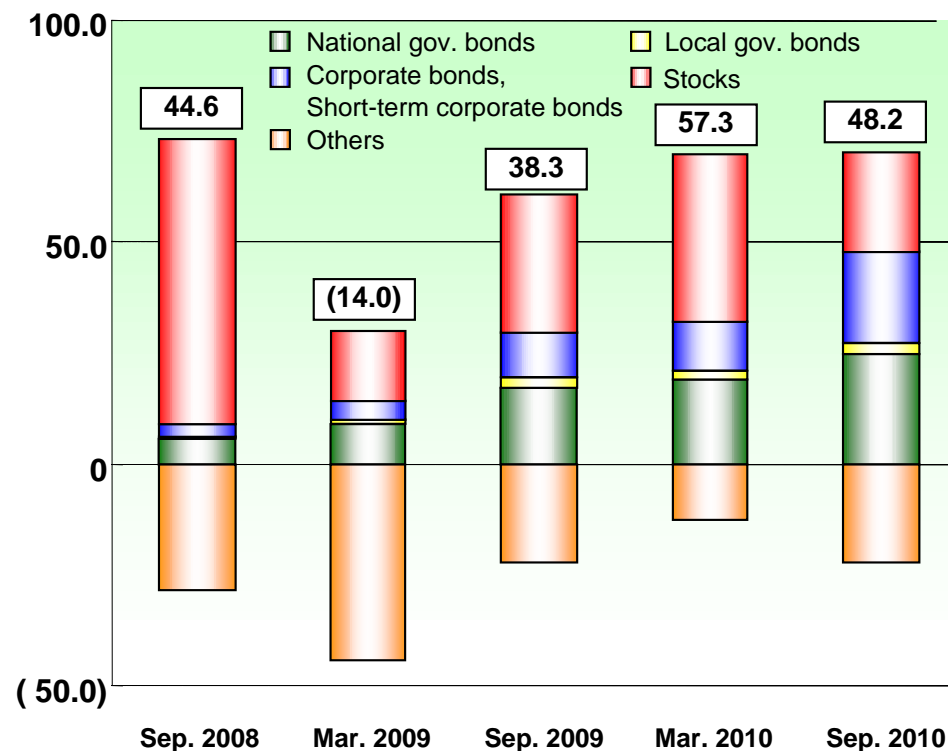
### Balance of securities

(JPY bn)

	End of Sep. 2010	Gains (losses) from revaluation	Change from Mar. 2010
<b>Securities</b>	<b>2,052.7</b>	<b>48.2</b>	<b>(9.0)</b>
<b>Bonds</b>	<b>1,961.1</b>	<b>25.8</b>	<b>6.1</b>
National gov. bonds	822.3	24.6	5.7
Local gov. bonds	116.2	2.7	0.5
Corporate bonds	740.0	20.7	9.7
Others	282.6	(22.2)	(9.8)
Yen-denominated foreign bonds	56.1	0.5	0.2
Foreign-currency bonds	108.0	(0.3)	1.9
Investment trusts	118.5	(22.4)	(11.9)
<b>Stocks</b>	<b>91.6</b>	<b>22.4</b>	<b>(15.1)</b>

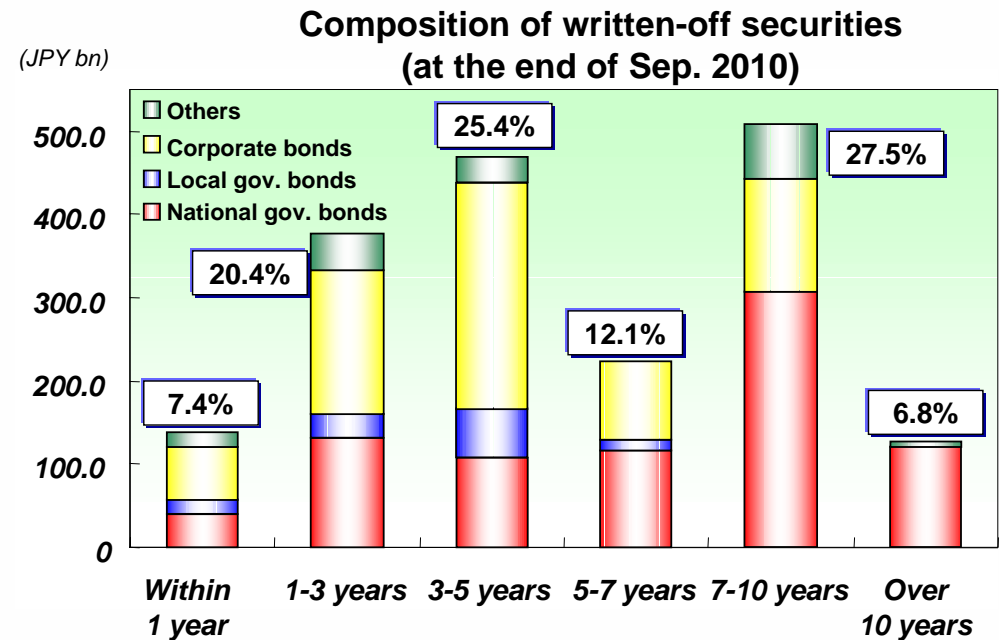
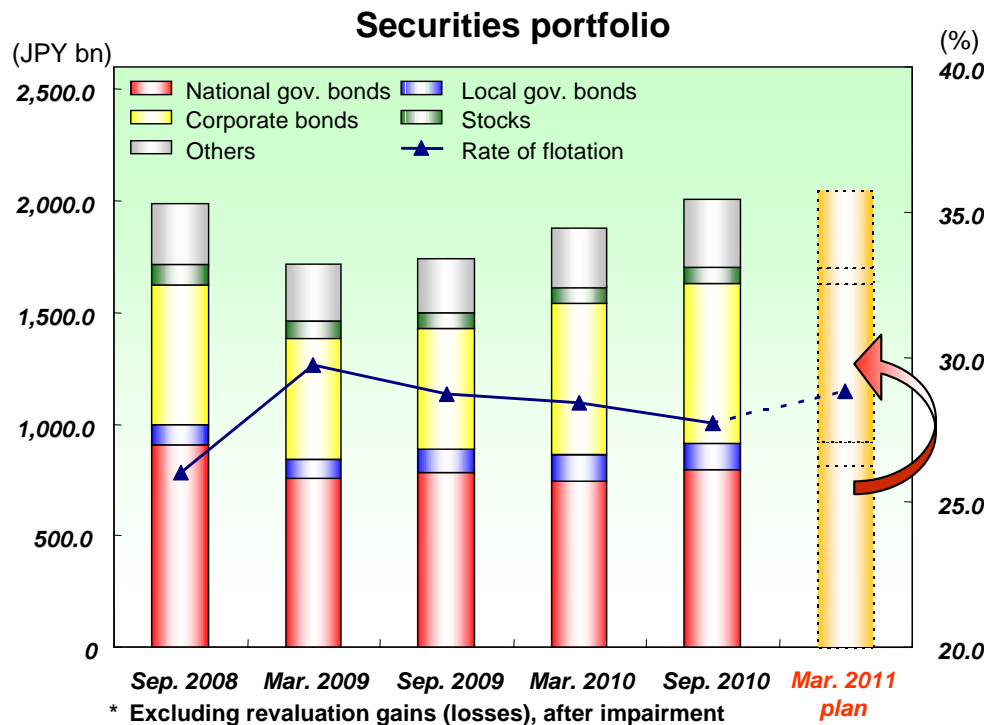
### Gains (losses) from revaluation of securities

(JPY bn)

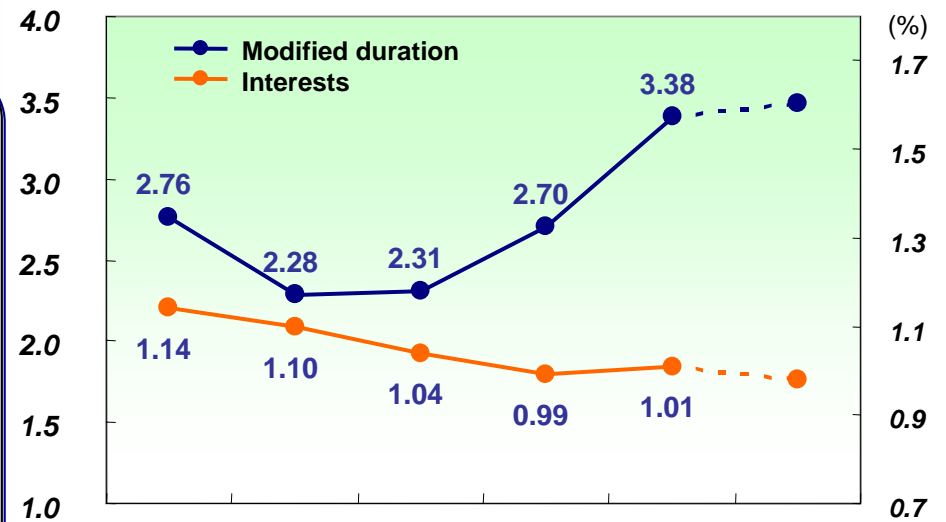


- ◆ Balance of floating-rate national government bonds at the end of September 2010: JPY 364.5 bn  
(The valuation difference between the theoretical price and market price of floating-rate national government bonds was JPY 17.4 bn)
- ◆ Impairment loss of securities: JPY 0.4 bn

## Securities (2)



Interests and modified duration of yen-denominated bonds



Sep. 2008 Mar. 2009 Sep. 2009 Mar. 2010 Sep. 2010 Mar. 2011 plan

\* Yen-denominated bonds other than investment trusts

- Improvement in profitability and financial health
- ◆ Improvement in profitability
  - Acquisition of stable, lasting revenue base by building a ladder portfolio
  - Ongoing shift to industrial bonds, foreign securities, investment trusts, etc.
  - Replacement of stock names with emphasis on growth potential and profitability, and diversification of the investment asset classes
- ◆ Strengthening of ability to respond to changes in the investment environment, etc. by ensuring thorough ALM (asset liability management) and revenue management, and improvement in financial health
- ◆ Nurturing of experts in response to diversification and increased sophistication of investment targets and methods



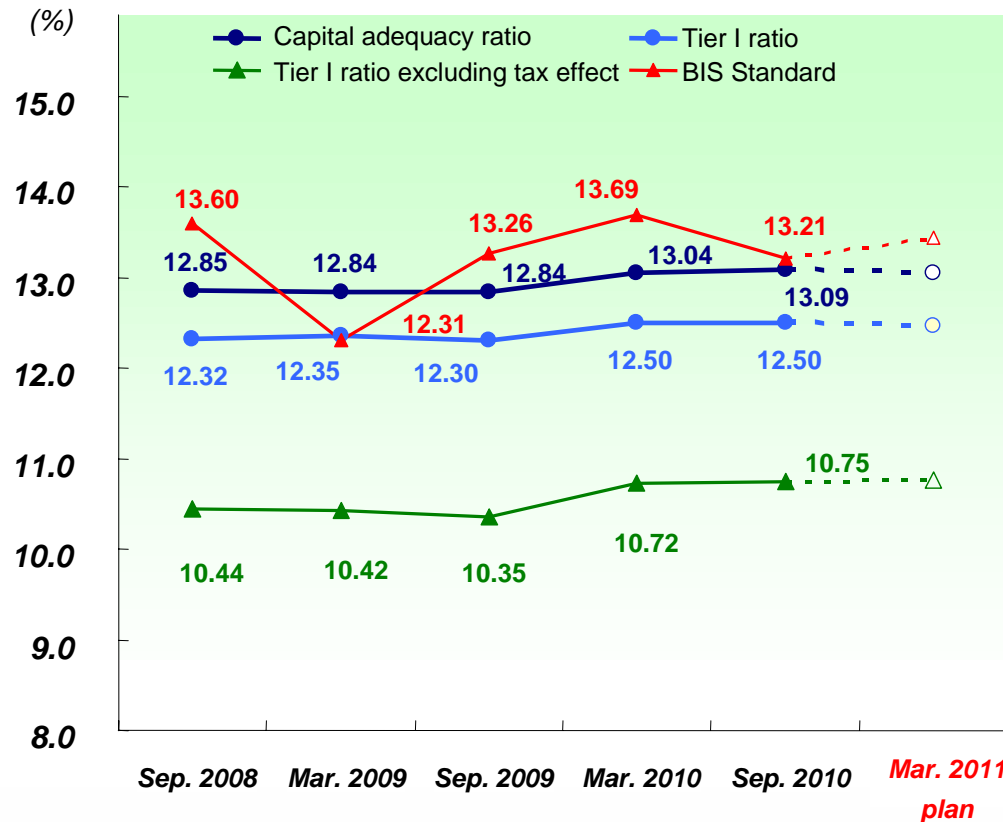
## Capital adequacy

### At the end of Sep. 2010

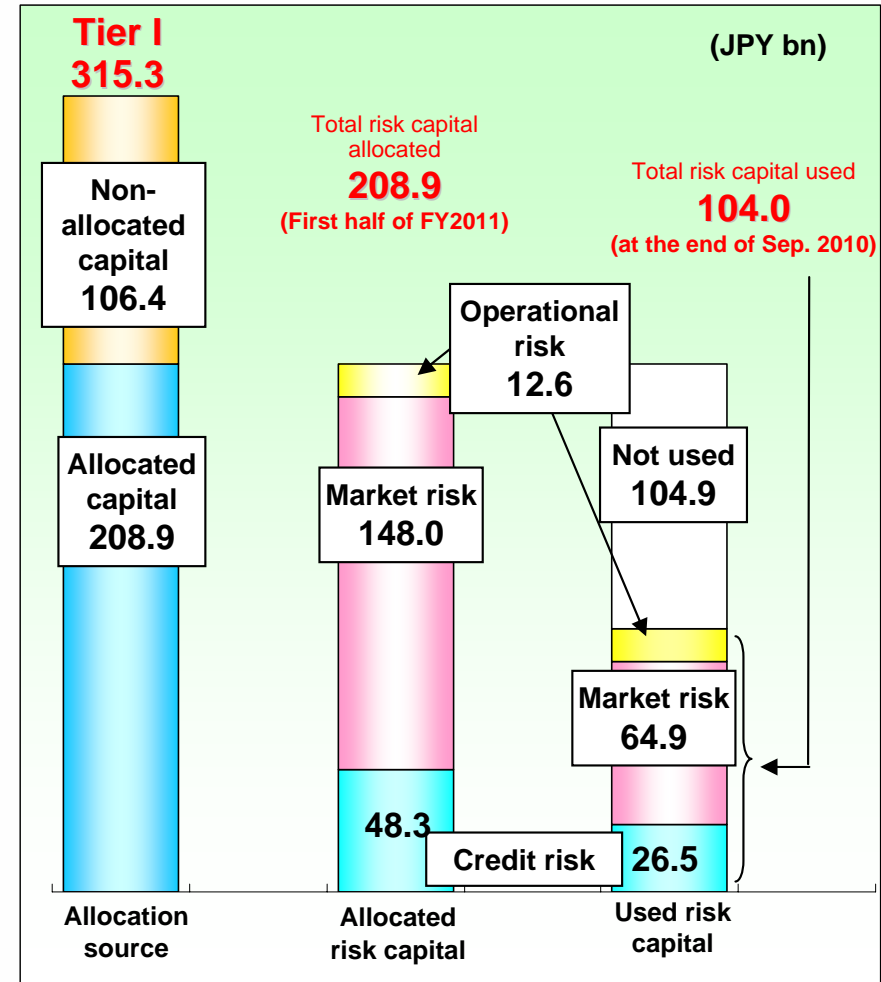
Non-consolidated capital adequacy ratio  
**13.09%** (Change from End-Mar. 2010: +0.05)  
 Tier I ratio **12.50%** (Change from End-Mar. 2010: ±0)  
 Tier I ratio excluding tax effect **10.75%** (Change from End-Mar. 2010: +0.03)  
 Ratio of tax effect equivalent to Tier I **14.01%** (Change from End-Mar. 2010: -0.25)

**High enough**

### Capital adequacy ratio / Tier I ratio



### Management of risk capital (at the end of Sep. 2010)



### Reference: Outlier ratio (at the end of Sep. 2010)

Amount of interest rate risk	Tier I + Tier II	Outlier ratio
JPY 24.9 bn	JPY 329.9 bn	7.55%

(Note) From the end of March 2010, our internal model is applied for the calculation of core deposits.



### Enhance operating capabilities

#### Further enhance total deposits, loans and assets in custody (1)

##### ◆ Increase corporate loans

Survey of situation regarding the main banks used by enterprises in Miyagi Prefecture  
 < 22,108 enterprises surveyed > (Source: Teikoku Data Bank)

54.4%  
 Enterprises whose main bank is The 77 Bank

Remaining 40% & Tohoku area customers  
 Enterprises whose main bank is another bank & prospective new customers

Raise our share  
 In business with  
 existing borrowers

Seek to make  
 new borrowers  
 into main  
 customers

Regain  
 customers  
 from other  
 banks

##### Customer visit initiative

< Customers listed >

□ Corporations & sole proprietors: approx. 19,000

Brand new customers: approx. 4,000

Existing customers: approx. 15,000

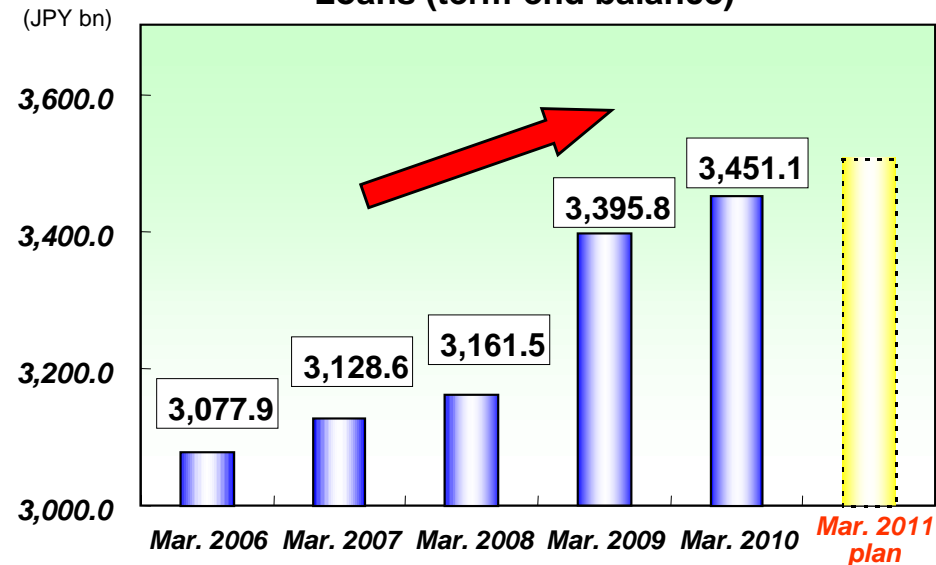
□ Wealthy individuals: approx. 5,000

Operation  
 Branch

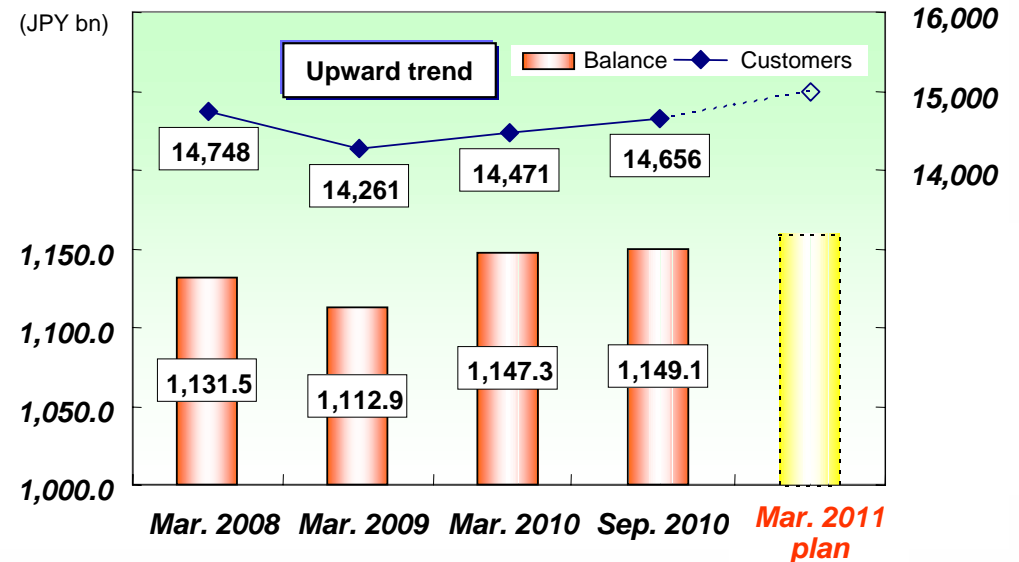
Headquarters Support by Area-Specific Solution Sales  
 Implementation Teams

Maintain the growing trend for the number of borrowers  
 among small- and medium-sized enterprises (SMEs)  
 and the balance of loans to such borrowers

Loans (term-end balance)



Number of customers and loan balances to SMEs (Customers)



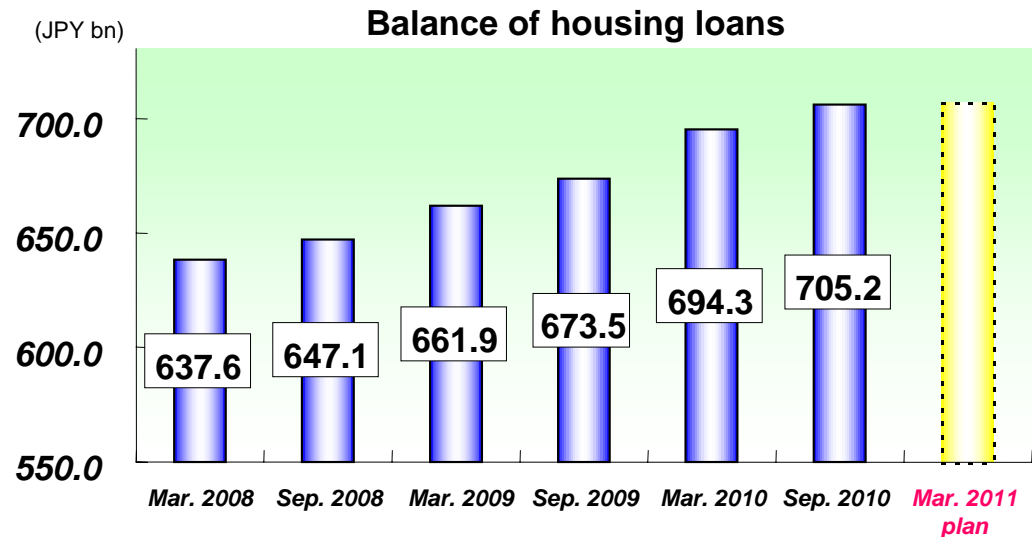
### Enhance operating capabilities

#### Further enhance total deposits, loans and assets in custody (2)

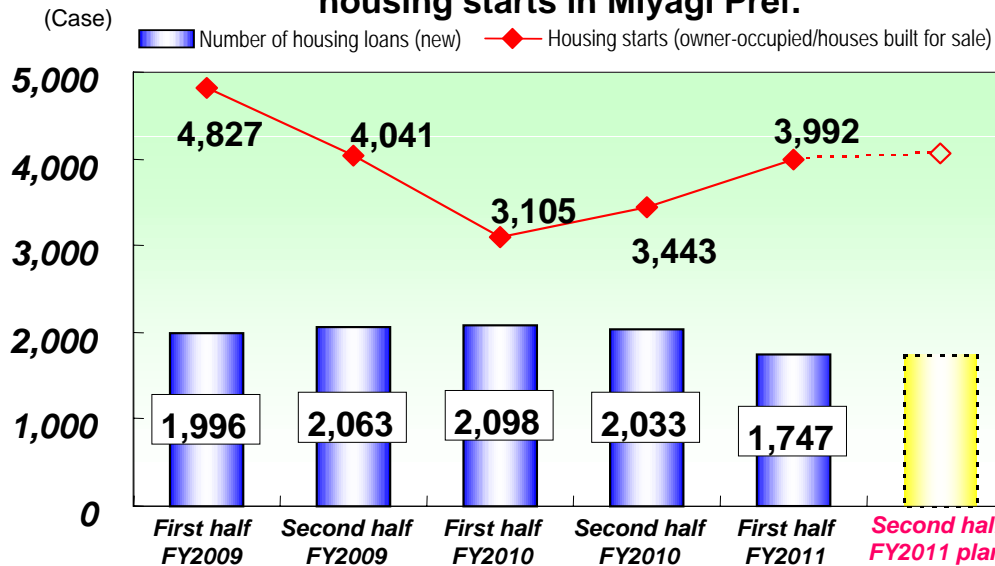
##### ◆ Increasing housing loan balance

Growing balance of housing loans amid persistently sluggish housing starts

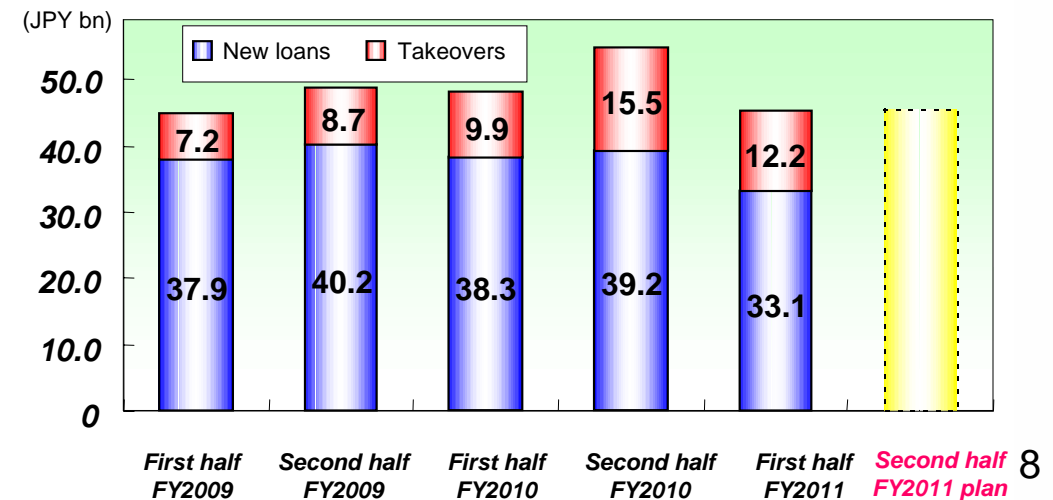
- Promote initiation of new loan transactions**
  - Strengthen relationships with housing companies
  - Promote housing loans for employees of new companies conducting business in Miyagi Prefecture
  - Lower interest rates for floating-rate housing loans (from August 2010)
- Step up efforts to take over other lenders' loans**
  - Launch a housing loan product with insurance coverage for eight major diseases (from April 2010)
  - Expansion of housing loan granting standards (from November 2010)
  - Strengthen efforts outside of Miyagi Prefecture



##### Number of housing loans granted and housing starts in Miyagi Pref.



##### Amount of housing loans granted



# Enhance operating capabilities

### Further enhance total deposits, loans and assets in custody (3)

#### Enhance assets in custody

**Intra-prefecture bank deposit market share (incl. Japan Post Bank) 39.2%: Top share in Japan**  
(as of March 31, 2010; data from the Financial Journal)

**The percentage of bank deposit balances made up of investment trusts & insurance policies** (as of March 31, 2010)  
The 77 Bank **3.4%**  
Regional bank average **approx. 9.0%**

Increase of 1%  
⇒ JPY 50 billion increase

Build a promotion system enabling the head office and operation branches to work as one team

#### Support by the Reinforcement Team for Assets in Custody Sales Support

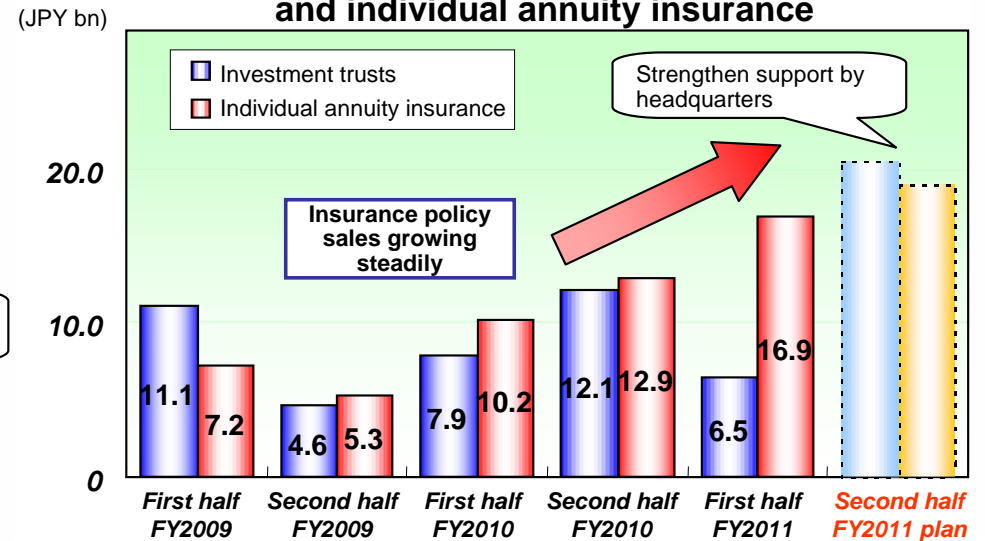
Established in April 2010

- Support by head office Money Advisors (MA) Over-the-counter sales and accompanied visits
- First half FY2011 results: 25 branches

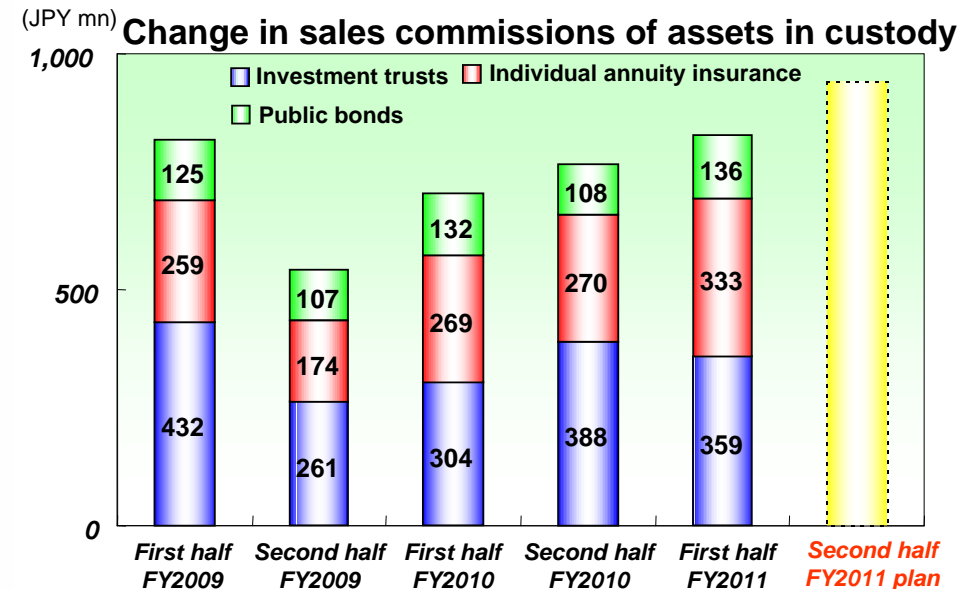
#### Establishment of operation branch sales system

- Revision of product lineup  
Replace products with hot-selling products such as domestic bond-type funds
- Expand the number of branches offering secured products  
At start, 29 branches ⇒ Now, 134 branches (from October 2010)

#### Change in sales amount of investment trusts and individual annuity insurance



#### Change in sales commissions of assets in custody



### Enhance operating capabilities

#### ■ Boost the promotion structure

◆ Strengthen solution sales by significantly expanding the number of Relationship Managers (RMs)

- RM personnel expansion plan (150 by March 31, 2012)

**Increased by 138  
(as of September 30, 2010)**

- Utilization of female RMs

End Mar. 2010  
45



End Sep. 2010  
71

**+26**

◆ Establishment of optimized operation branch system and sales style

- Increase the number of branches with lobby attendants
- Enhance sales skills  
Hold trainings sessions designed to help enhance officers' practical skills  
"MA College": from November 2010  
"Corporate RM Development Program": from April 2010

Steady implementation of proposal-type sales activities

Steady identification of revenue opportunities

Shift to a revenue opportunity creation-type sales model

#### ■ Upgrade relationships

##### Strengthen relationships with customers

- Step up support for medical and nursing care businesses  
⇒ Assign two dedicated officers
- Provide matching opportunities by holding business meetings  
⇒ Total number of business meetings held during the first half of FY2011: Approx. 900
- Hold seminars for wealthy individuals and elderly customers
- Propose financial products suitable with regard to life events for different age groups  
⇒ Win business from the child-rearing and wealth-creation segments by proposing medical, cancer and education insurance products
- Improve convenience of direct channels  
⇒ Win business from the youth and workers' segments

Continue to pursue the customer visit initiative

Conduct lobby sales

Win business from individual customers

#### ■ Capture diversifying needs

- ◆ Strengthen the approach for catering to business succession and inheritance needs
  - Specific proposals by dedicated head office staff

### Improve productivity

#### Continue cost reduction

Implement the reduction measures formulated by the Expenditure Reduction Project Team (July 2009 to March 2010)

Reduction measures: approx. JPY 1.2 billion (ordinary year basis)

- JPY 0.5 billion in personnel expenses
- JPY 0.2 billion in IT systems
- JPY 0.5 billion in other expenses

There are also ongoing considerations on transitioning to a shared IT system

#### Create sales time and RMs

Continue to pursue operational process innovation in operation branches

Review of administrative flow

Pursue centralization at headquarters

Reflecting investigations of the actual status of operation branches as well as their requests/proposals

Effect creating sales time (per branch, per day)

Approx. 5.5 hours in total

Cumulative effect creating sales time due to operational process innovation in operation branches (from July 2009)

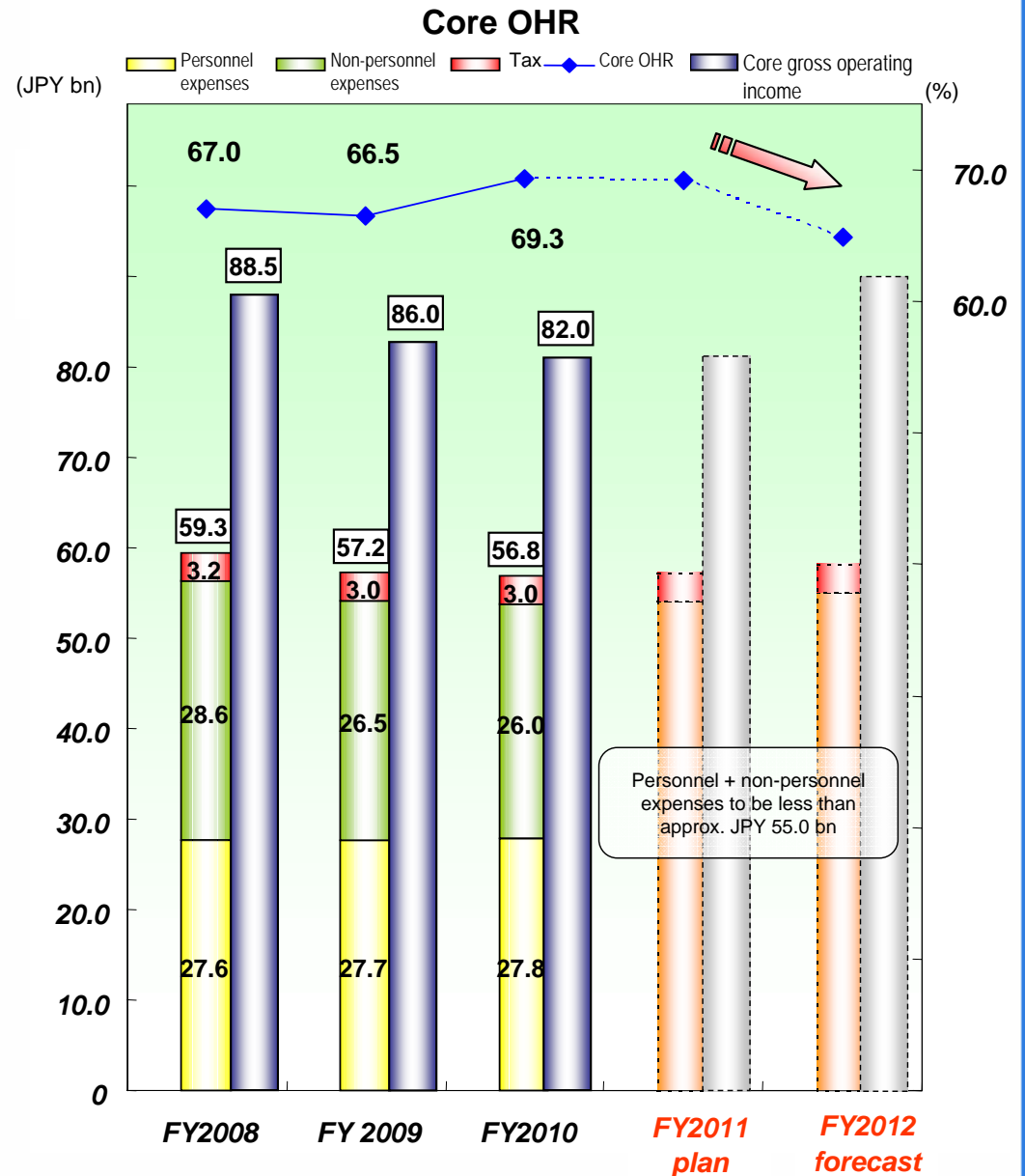
Use of sales time created

Strengthen sales capability

Enhance productivity

Branch floor sales

Reduction of overtime worked





# Contribute to regional economic growth

## Economic environment of Miyagi Prefecture

Major economic indicators of Miyagi Pref.

	Amount	Share	Rank
Population	2,329,000	1.8%	15th
Real GDP	JPY 9,044.8 bn	1.6%	19th
Agricultural output	JPY 187.5 bn	2.2%	19th
Fishery production	JPY 82.9 bn	5.4%	4th
Shipments of manufactured items	JPY 2,918.8 bn	1.1%	26th
Wholesale sales	JPY 8,069.6 bn	2.0%	9th
Retail sales	JPY 2,531.8 bn	1.9%	15th

### Survey of Factory Location Trends

#### First half FY2011

- Number of factory locations:  
**12 locations (10<sup>th</sup> /Japan)**
- Area of factory locations  
**53.2 ha (3<sup>rd</sup> /Japan)**

Source: Preliminary report from Tohoku Bureau of Economy, Trade and Industry

### Miyagi

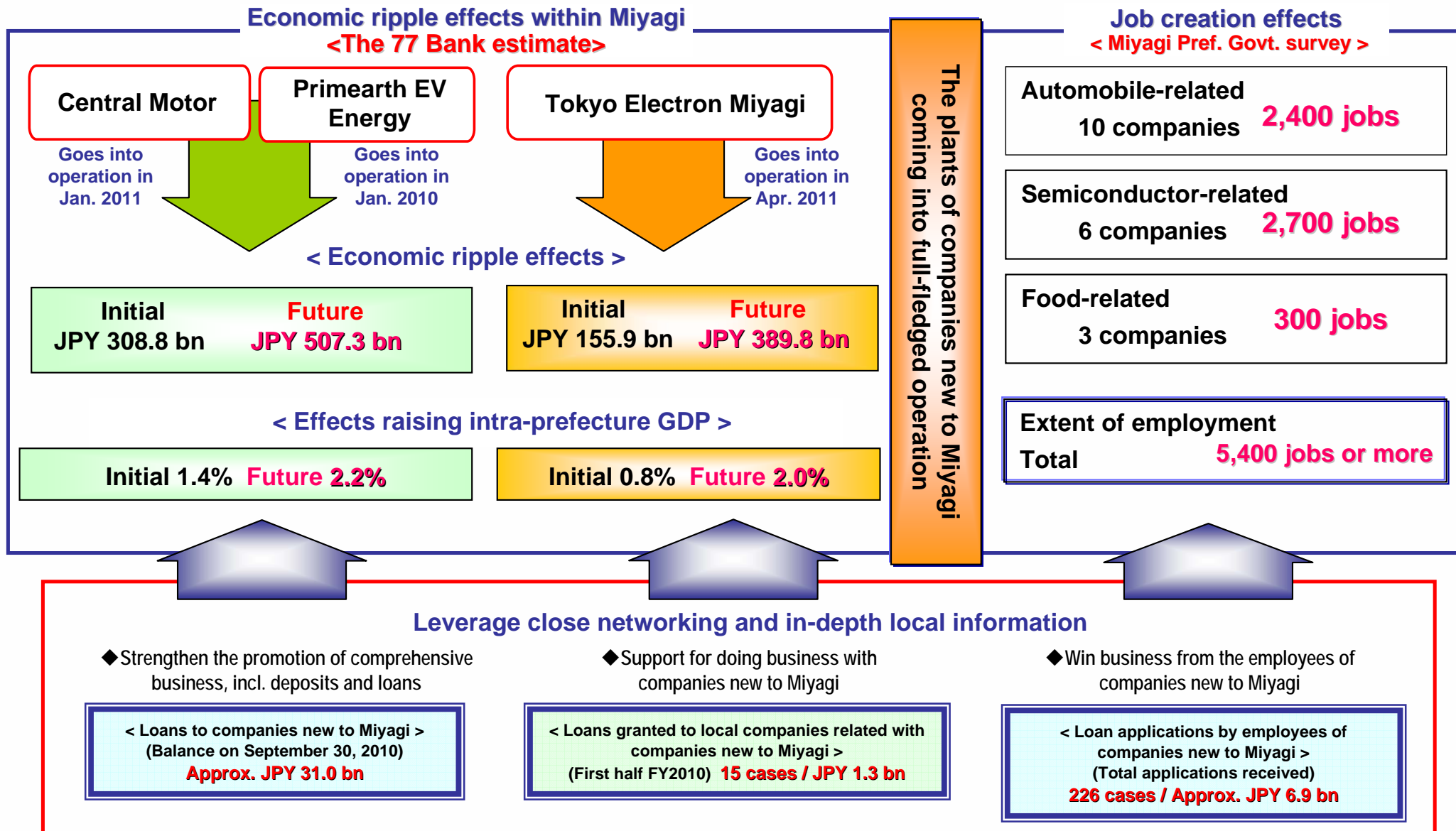
**Changes in regional industrial structure**

Tohoku Shinkansen Sendai ⇄ Tokyo  
Fastest train: 1 hr. 36 mn. (Same as Tokyo ⇄ Nagoya)



# Contribute to regional economic growth

■ Increased efforts by Miyagi Prefecture concerning companies newly operating in the prefecture





# Contribute to regional economic growth

### Promotion of locally-focused financial services

#### ◆ Business matching

- Provide matching opportunities by holding trade fairs

Name	Subject	Venue	Times held
Miyagi Trade Fair	Food	Sendai	6
Regional Bank Food Selection		Tokyo	5
Delicious Food in Yamagata and Miyagi, Kingdom of Food Trade Fair		Sendai Yamagata	3
Japanese Food Fest in Shanghai			1
Japan Regional Bank Joint Business Fair in Shanghai	Manufacturing	Shanghai	5
Shanghai Manufacturing Trade Fair			

Total number of transactions signed: **600 plus**

### Boost the support for local companies for Asia business

#### Local companies' growing interest in Asia

Approx. 270 overseas offices opened to date by The 77 Bank's customers

Approx. 140 of these are in China

Approx. 90 of these are Asian offices outside of China

Reinforce the system to support overseas business

#### ◆ Establishment of the Asia Business Support Reinforcement Project Team (Six members, incl. one dedicated officer)

- Business partnership with external organizations  
**Concluded an agreement with the Hong Kong Trade Development Council on mutual cooperation (November 30, 2010)**
- Holding a food trade fair in Hong Kong (February 2011)
- Expanding the program to send trainees overseas
- Increasing the number of trainees sent to Asia (March 2011)
- Effectively using the Shanghai Representative Office (opened in 2005)

#### ◆ Increase efforts concerning agribusiness

- Qualified as Farm Management Advisors  
**Total 10 personnel**
- Introduced the exclusive products "77 Agripartner 50," etc.
- Established < 77 > Foodstuff Selection , a home page introducing food-related customers
- Held agribusiness seminars for personnel (attended by 55 personnel)

### Promotion of financial facilitation, and other policies

#### ■ Promotion of financial facilitation

##### ◆ Promotion of financial facilitation

- Cumulative total as of the end of Sep. 2010 after the SME Financial Facilitation Law came into force (Dec. 4, 2009)

##### Sole proprietor and SMEs

	Number of applications (Cases)	Amount (JPY bn)
Application	6,265	236.7
With guarantee by credit guarantee corporations	2,398	40.5
Execution	5,388	211.9
Rejection	261	8.4
Currently undergoing screening	355	11.0
Withdrawal	261	5.3

##### Housing loan borrowers

	Number of applications (Cases)	Amount (JPY bn)
Application	895	10.4
Execution	680	7.9
Rejection	58	0.5
Currently undergoing screening	83	1.0
Withdrawal	74	0.9

\*Figures shown are rounded down to the nearest billion yen.

#### ■ Contribution to local community

##### ◆ Efforts to let customers use our services with peace of mind

- Installation of ATMs with audio guidance (140 branches)
- Over-the-counter bank transfer fee reduction for visually-handicapped customers
- Installation of communication boards and writing boards
- Holding internal training sessions for improving in-person customer service

##### ◆ Step up environmental efforts

- Provide eco-friendly financial products
- Preferential interest rates on loans for eco-friendly cars and homes
- Investment in eco-friendly funds through investment trusts
- Underwriting private placement bonds that support social contribution and other activities
- Strengthen efforts against global warming

##### ◆ Education business

- Continue to hold the Economics Koshien Miyagi meetings
- Open a corporate-sponsored seminar at Tohoku Gakuin University (from Second half, FY2012)

##### ◆ Continue to conduct corporate blood donation

#### ■ Enhance IR activities

- ◆ Conduct IR activities targeting the region and individuals

#### ■ Strengthen our compliance framework

##### ◆ Ensure compliance

- Ensure compliance by means of various internal group training sessions

## Profits and losses

(JPY bn)

	FY2010 Results		FY2011 Plan	
		YoY change		YoY change
Gross operating income	77.8	(0.2)	81.9	4.1
[Core gross operating income]	[ 82.0]	[ (4.0)]	[ 82.8]	[ 0.8]
Interest income	71.7	(4.5)	72.7	1.0
Fees and commissions	9.7	0.4	9.7	0.0
Gains (losses) on bonds	(4.2)	3.8	(0.9)	3.3
Foreign exchange transaction income	0.4	0.2	0.3	(0.1)
Expenses	56.8	(0.4)	57.3	0.5
Operating income before provision of general reserve for possible loan losses	21.0	0.2	24.6	3.6
[Core operating income]	[ 25.2]	[ (3.6)]	[ 25.5]	[ 0.3]
Provision of general reserve for possible loan losses	—	(2.7)	(3.8)	(3.8)
Operating income	21.0	2.9	28.4	7.4
Special income (losses)	(2.5)	2.9	(7.8)	(5.3)
Gains (losses) on stocks	1.4	(9.1)	0.9	(0.5)
Losses on bad debt written-off	2.1	(12.5)	5.5	3.4
Ordinary income	18.4	5.8	20.5	2.1
Extraordinary income	1.4	1.4	7.0	5.6
Extraordinary losses	0.5	(0.2)	1.5	1.0
Income taxes (incl. deferred taxes)	7.7	3.5	11.0	3.3
Net income	11.6	3.9	15.0	3.4
Credit-related expenses	0.7	(16.6)	1.7	1.0

#### Extraordinary income

Recorded extraordinary income due to the return of the proxy portion of the Employees' Pension Fund (JPY 7.0 bn)

## Major accounts / interest rates / interest margin

(JPY bn, %)

		FY2010 Results	YoY change	FY2011 Plan	YoY change
Major accounts (average balances)	Loans and bills discounted	3,429.3	5.2	3,464.2	1.0
	Securities	1,794.5	(7.1)	2,114.2	17.8
	Deposits and certificates of deposits	5,240.1	2.6	5,347.9	2.1
Interest rates / interest margin	Loans and bills discounted interest rate	1.75	(0.21)	1.63	(0.12)
	Securities interest rate	1.12	(0.25)	1.10	(0.02)
	Interest rate on deposits	0.15	(0.10)	0.10	(0.05)
	Interest rate spread	1.30	(0.10)	1.29	(0.01)
	Net interest margin	0.22	(0.07)	0.22	0.00

Reference	Loans to SMEs (term-end balance)	1,147.3	3.1	1,160.0	1.1
	Assets in custody (term-end balance)	638.0	10.4	707.5	10.9
	Total deposits, loans and assets in custody (term-end balance)	9,434.8	3.9	9,596.5	1.7

(Note) Figures in the "YoY change" column of major accounts ("Loans and bills discounted," "Securities" and "Deposits and certificates of deposits" accounts), "Loans to SMEs," "Assets in custody" and "Total deposits, loans and assets in custody" show the rate of changes, and figures in the "YoY change" column of interest rates / interest margin show percentage points

## Progress of the Medium-term Management Plan (1) (Figures to be planned and reviewed annually)

### I. Average balance of major accounts

(JPY bn)

	FY2010 result	First half	FY2011 plan
		FY2011 result	
Loans and bills discounted	3,429.3	3,434.9	3,464.2
Corporate loans	1,969.5	1,971.9	1,993.0
Consumer loans	730.3	753.1	757.0
Actual deposits and certificates of deposits	5,234.5	5,340.3	5,347.9
Retail deposits	3,632.3	3,701.7	3,711.8

(Reference) Forecast when the Medium-term Management Plan started		
FY2010	FY2011	FY2012
3,474.0	3,555.0	3,625.0
2,001.0	2,040.0	2,076.0
720.0	738.0	760.0
5,157.5	5,233.0	5,313.5
3,616.0	3,702.0	3,782.0

### II. Term-end balances

(JPY bn)

	FY2010 result	First half	FY2011 Plan
		FY2011 result	
Loans and bills discounted	3,451.1	3,527.4	3,506.0
Loans to SMEs	1,147.3	1,149.1	1,160.0
Actual deposits and certificates of deposits	5,359.4	5,405.4	5,397.0
Balance of assets in custody	638.0	640.4	707.5
Total deposits, loans and assets in custody	9,434.8	9,557.9	9,596.5
Sales of investment trusts and individual annuity insurance	43.1	23.4	[111.0] 67.9

(Reference) Forecast when the Medium-term Management Plan started		
FY2010	FY2011	FY2012
3,567.0	3,623.0	3,710.0
1,125.0	1,150.0	More than JPY 1.2 tn 1,200.0
5,197.0	5,277.5	5,357.0
650.0	740.0	850.0
9,403.0	9,629.0	More than JPY 10 tn 9,905.0
161.0	215.0	Sales More than JPY 200 bn 270.0

(Note) Figures in   represent the target at the end of the Medium-term Management Plan. Figures in brackets represent the accumulated sales amount of investment trusts and individual annuity insurance

## Progress of the Medium-term Management Plan (2) (Figures to be planned and reviewed annually)

### III. Profits and losses

(JPY bn, %)

	FY2010 result	First half FY2010 result	FY2011 plan	(Reference) Forecast at the beginning of the Medium-term Management Plan		
				FY2010	FY2011	FY2012
Core gross operating income	82.0	41.7	82.8	83.0	85.3	90.3
Interest income	71.7	36.7	72.7	73.2	74.5	78.9
Fees and commissions	9.7	4.7	9.7	9.4	10.1	10.7
Expenses [Personnel + non-personnel expenses]	56.8 [53.8]	28.6 [26.9]	57.3 [54.2]	58.5 [55.4]	58.3 [55.0]	58.3 [55.0]
Core operating income	25.2	13.1	25.5	24.5	27.0	32.0
Core OHR	69.3	68.5	69.2	70.5	68.3	65% or less
Capital adequacy ratio (Domestic standards)	13.0	13.0	13.0	12.1	12.0	12.1

(Note) Figures in 65% or less represent the target at the end of the Medium-term Management Plan.

### [Forecast on the major interest rates (Annual average)]

(JPY, %)

	FY2010 result	First half FY2010 result	FY2011 plan	(Reference) Forecast at the beginning of the Medium-term Management Plan		
				FY2010	FY2011	FY2012
Unsecured call rate O/N	0.10	0.09	0.09	0.10	0.10	0.25
JPY TIBOR (3 months)	0.53	0.38	0.36	0.70	0.70	0.75
5-year JGBs	0.64	0.38	0.35	0.80	1.05	1.25
10-year JGBs	1.36	1.16	1.09	1.30	1.55	1.75
Nikkei Average (At the term-end)	11,089	9,369	10,000	9,000	11,000	13,000

This is a Japanese-English translation of the presentation material for your convenience. In the case that there is any discrepancy between the Japanese and English versions, the Japanese version is assumed to be correct.

Please note that the projections described in this document do not guarantee future performance. Future performance projections may differ from actual results due to uncertainty caused by factors such as changes in the business environment.

七十七銀行