

IR Presentation

Results for the First Half of Fiscal Year Ending March 31, 2012

December 13, 2011

77 BANK

七十七銀行

<p>1. Effects of the Great East Japan Earthquake</p> <ul style="list-style-type: none"> □ Current state of Miyagi Prefecture 1 <p>2. Results for the first half of FY2012</p> <ul style="list-style-type: none"> □ Summary of profits and losses 2 □ Major accounts / interest rates / interest margin 3 □ Credit-related expenses and credit disclosed under the Financial Reconstruction Law 4 □ Capital adequacy 5 □ Securities 6 <p>3. Major management policies</p> <ul style="list-style-type: none"> □ Reconstruction support policy and the use of public funds 8 □ Measures contributing to post-Great East Japan Earthquake reconstruction efforts 9 □ Enhance operating capabilities 10 □ A joint banking system 14 □ Improve productivity 15 □ Contribute to stakeholders 16 	<p>4. Projected performance for FY2012</p> <ul style="list-style-type: none"> □ Profits and losses 17 □ Major accounts / interest rates / interest margin 18 <p>5. Progress in implementing Medium-term Management Plan 19</p>
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Current state of Miyagi Prefecture

Current state

Mixed economic conditions

Future

Accelerating actions towards reconstruction

◆ Inland areas

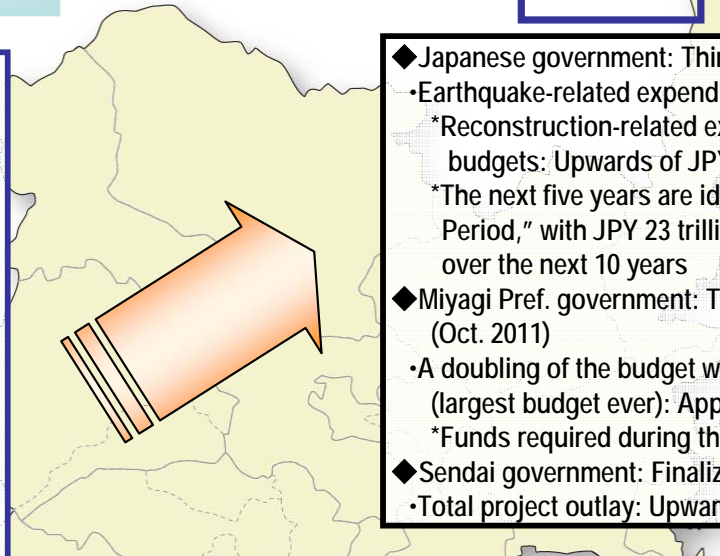
Signs of recovery due to the restoration of production / operating facilities and the implementation of restoration projects

◆ Serious damage to coastal areas

Challenging conditions persist despite some signs of improvement in certain segments, mainly in infrastructure

<Amount of damage in Miyagi Pref.>
(Published by the Miyagi Pref. in Oct. 2011)

- Housing: JPY 3.9 trillion
- Fishery: JPY 0.7 trillion
- Agriculture: JPY 0.5 trillion
- Public/civil engineering/transportation: JPY 1.0 trillion
- Lifeline and others: JPY 1.2 trillion
- Total: Approx. JPY 7.4 trillion**



- ◆ Japanese government: Third supplementary budget passed by the Diet (Nov. 2011)
 - Earthquake-related expenditure: Approx. JPY 9.2 trillion
 - *Reconstruction-related expenditure in the first to the third supplementary budgets: Upwards of JPY 15 trillion
 - *The next five years are identified as being a "Concentrated Reconstruction Period," with JPY 23 trillion expected to be spent for reconstruction over the next 10 years
- ◆ Miyagi Pref. government: The initially proposed FY2013 budget policy was unveiled (Oct. 2011)
 - A doubling of the budget with a focus on reconstruction efforts (largest budget ever): Approx. JPY 1.7 trillion
 - *Funds required during the reconstruction plan period (10 years): Approx. JPY 13 trillion
- ◆ Sendai government: Finalized the reconstruction plan (Nov. 2011)
 - Total project outlay: Upwards of JPY 1 trillion (during a 5-year period until FY2016)

Reference: Economic indicators in Miyagi Pref.

(Rate of change on YoY basis)

Items	Current state		
Effective ratio of job offers to applicants	Oct. 2011	YoY 0.74 times	▲ High in construction (4.85 times) and civil engineering (3.84 times)
Number of unemployment benefit recipients	Oct. 2011	YoY +72.5%	▼ Approx. 22,000 recipients as of Oct. 2011
Supermarket sales (77Bank's estimate)	Oct. 2011	YoY +10.4%	▲ Some boost from shifted demand from tsunami-hit areas
Department store sales in Sendai City	Oct. 2011	YoY +9.7%	▲ YoY gain for six months in a row
Number of new passenger car sales	Oct. 2011	YoY +57.3%	▲ Replacement demand likely to continue for the next six months or so
Number of housing starts	Oct. 2011	YoY +16.4%	▲ Earthquake damage-induced owner-occupied house rebuilding demand observed
Office building vacancy rate (Sendai Business district)	Oct. 2011	YoY 15.68%	▲ Improved for seven months in a row
Industrial large power user demand	Oct. 2011	YoY -29.4%	▼ Decline for eight months in a row
Industrial production index	Sep. 2011	YoY -27.9%	▼ YoY decline for seven months in a row
Major four port fish catch unloading	Sep. 2011	YoY -49.5%	▼ YoY decline for eight months in a row
Public work spending	Oct. 2011	YoY +351.5%	▲ YoY gain for six months in a row
Land prices (commercial land)	2011	YoY -5.9%	▼ Decline for three years in a row
Land prices (residential land)	2011	YoY -3.8%	▼ Decline fourteen years in a row

Summary of profits and losses

(JPY bn, %)

	First half FY2011	First half FY2012	YoY change	
			Increase/ decrease	Rate of change %
Gross operating income	42.1	42.0	(0.1)	(0.2)
[Core gross operating income]	[41.7]	[41.2]	[(0.5)]	[(1.2)]
Interest income	36.7	36.4	(0.3)	(0.8)
Fees and commissions	4.7	4.6	(0.1)	
Gains (losses) on bonds	0.4	0.8	0.4	
Foreign exchange transaction income	0.2	0.2	0.0	
Expenses	28.6	28.1	(0.5)	(1.5)
Operating income before provision of general reserve for possible loan losses	13.5	13.9	0.4	2.4
[Core operating income]	[13.1]	[13.1]	[0.0]	[(0.5)]
Provision of general reserve for possible loan losses	-	1.1	1.1	
Operating income	13.5	12.8	(0.7)	(5.5)
Special income (losses)	(1.8)	(7.4)	(5.6)	
Gains (losses) on stocks	(0.1)	(1.3)	(1.2)	
Losses on bad debt written-off	0.5	4.5	4.0	
Ordinary income	11.7	5.4	(6.3)	(53.6)
Extraordinary income	0.2	0.0	(0.2)	
Extraordinary loss	1.3	1.0	(0.3)	
Income taxes (incl. deferred taxes)	4.4	2.4	(2.0)	
Net income	6.2	2.0	(4.2)	(67.9)
Credit-related expenses	0.3	5.6	5.3	

Interest income

Decreased because of a fall in interest on loans due to declining interest rates

Core operating income

Flat year on year due to cost saving efforts

Ordinary income

Decrease due to an earthquake-induced rise in credit-related expenses and to an increase in securities impairment

Net income

First decrease in the last three accounting periods

Major accounts / interest rates / interest margin

■ Major accounts (average balances)

(JPY bn, %)

	First half FY2011	First half FY2012	YoY change
Loans and bills discounted	3,434.9	3,491.7	1.7
Corporate loans	1,971.9	2,049.0	3.9
[Excl. spread loans]	[1,176.5]	[1,175.3]	[(0.1)]
[Spread loans]	[795.4]	[873.7]	[9.8]
Consumer loans	753.1	753.9	0.1
[Housing loans]	[698.7]	[705.2]	[0.9]
Loans for local governments	709.9	688.8	(3.0)
Securities	2,024.7	2,326.0	14.9
National government bonds	835.9	1,025.5	22.7
Local government bonds	117.3	99.1	(15.5)
Corporate bonds	713.4	825.6	15.7
Stocks	69.5	70.2	1.0
Others	288.6	305.6	5.9
Deposits and certificates of deposits	5,346.6	6,274.0	17.3
Retail deposits	3,701.7	4,172.0	12.7
Corporate deposits	1,235.4	1,410.7	14.2
Assets in custody (Term-end balance)	640.4	654.7	2.2

■ Interest rates / interest margin

(%)

	First half FY2011	First half FY2012	YoY change
Loans and bills discounted interest rate	1.65	1.51	(0.14)
Corporate loans	1.60	1.46	(0.14)
[Excl. spread loans]	[2.19]	[2.10]	[(0.09)]
[Spread loans]	[0.73]	[0.59]	[(0.14)]
Consumer loans	2.38	2.25	(0.13)
[Housing loans]	[2.11]	[2.01]	[(0.10)]
Loans for local governments	1.28	1.19	(0.09)
Securities interest rate	1.13	1.01	(0.12)
Deposits and certificates of deposit interest rate	0.11	0.06	(0.05)
Interest rate spread	1.30	1.10	(0.20)
Net interest margin	0.23	0.21	(0.02)

* Ref.

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

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

■ Credit-related expenses

	(JPY bn)	
	FY2011	1H FY2012
Provision of reserve for possible loan losses	3.1	1.1
Loss on bad debt written-off	5.7	4.5
Provision of specific reserve for possible loan losses	4.4	3.8
Loss on sale of NPLs, etc.	1.3	0.7
Gains (losses) on provision of reserve for possible loan losses (Extraordinary loss)	48.1	-
Total	56.9	5.6
[Of which, disaster-related expenses]	[55.0]	[4.9]

<1H FY2012>

- Provision of reserve for possible loan losses •• JPY 1.1 bn
- Provision of specific reserve for possible loan losses ••• JPY 3.8 bn
- Credit-related expenses ••••• JPY 5.6 bn

Effects brought about mainly by reclassifications into lower categories in areas other than the tsunami affected areas (the area seriously damaged by tsunami caused by the Great East Japan Earthquake)

Fell short of the original forecast (JPY 7.0 billion for 1H FY2012)

Current developments in line with expectations

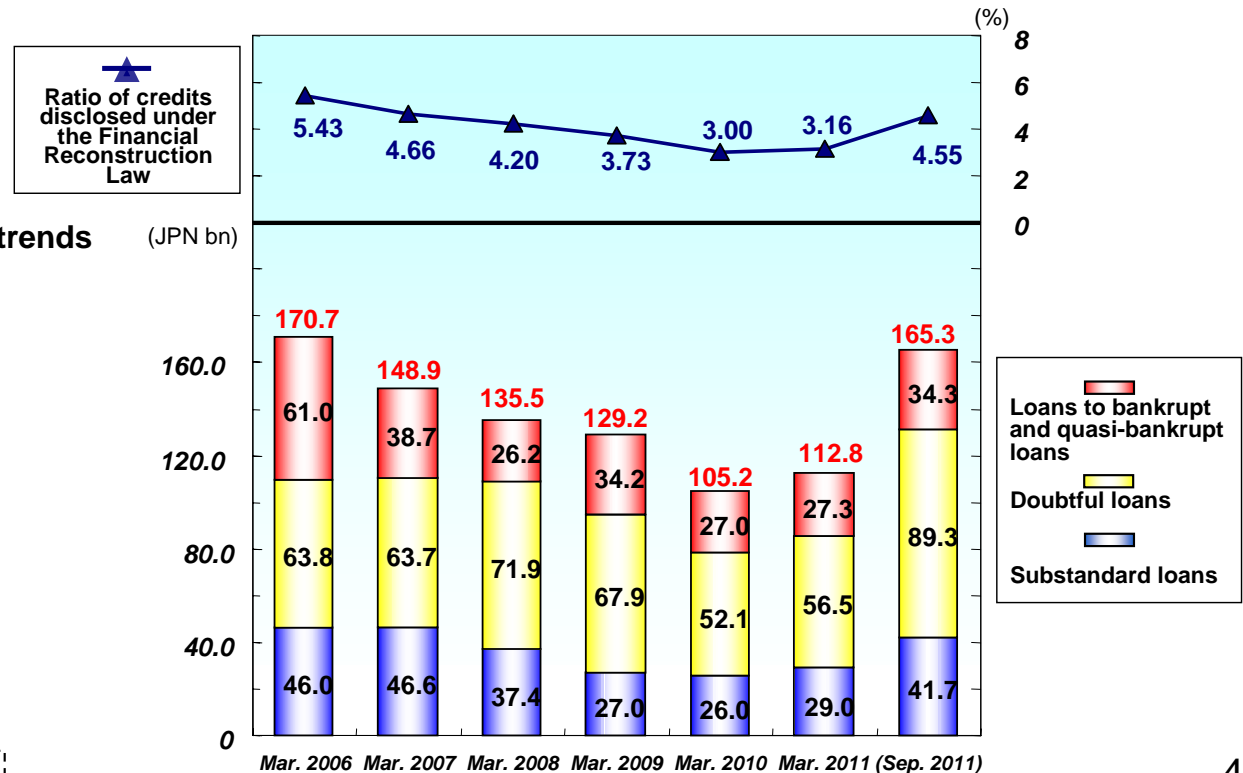
*The effects brought about by reclassifications into lower categories in the tsunami affected areas have been addressed by recording an allowance for doubtful accounts (the portion recorded as extraordinary loss) for FY2011, freeing 1H FY2012 income from such effects

<Reference>

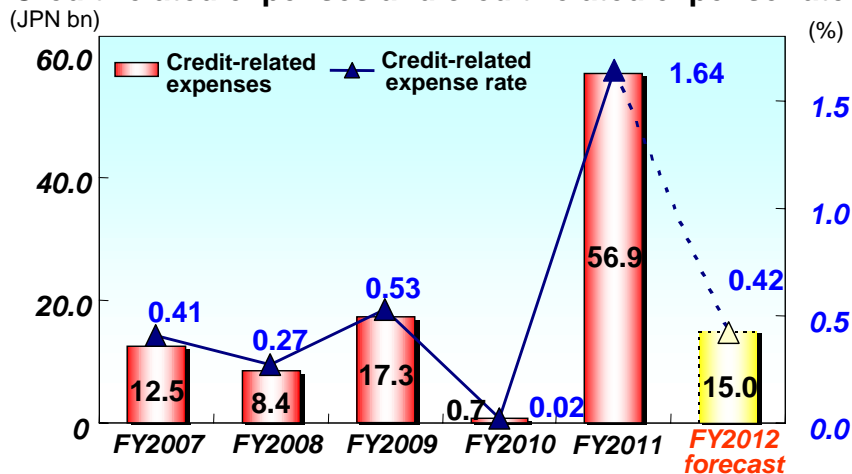
	(JPY bn)		
	FY2010	FY2011	1H FY2012
Reserve for possible loan losses (Amount posted on B/S)	43.6	96.9	100.5
Impact of disaster	-	55.0	59.9

*Including reserve for contingent loss

Credits disclosed under the Financial Reconstruction Law



Credit-related expenses and credit-related expense rate trends



Downward revision of JPY 2.0 billion from the original forecast of JPY 17.0 billion

Capital adequacy

◆ Capital adequacy ratio

As of the end of Sep. 2011

Capital adequacy ratio: 11.36%

• Average capital adequacy ratio for the last five years: 12.7%

Reference:

Average capital adequacy ratio for the 54 regional banks that have adopted domestic capital adequacy standards: 11.74%

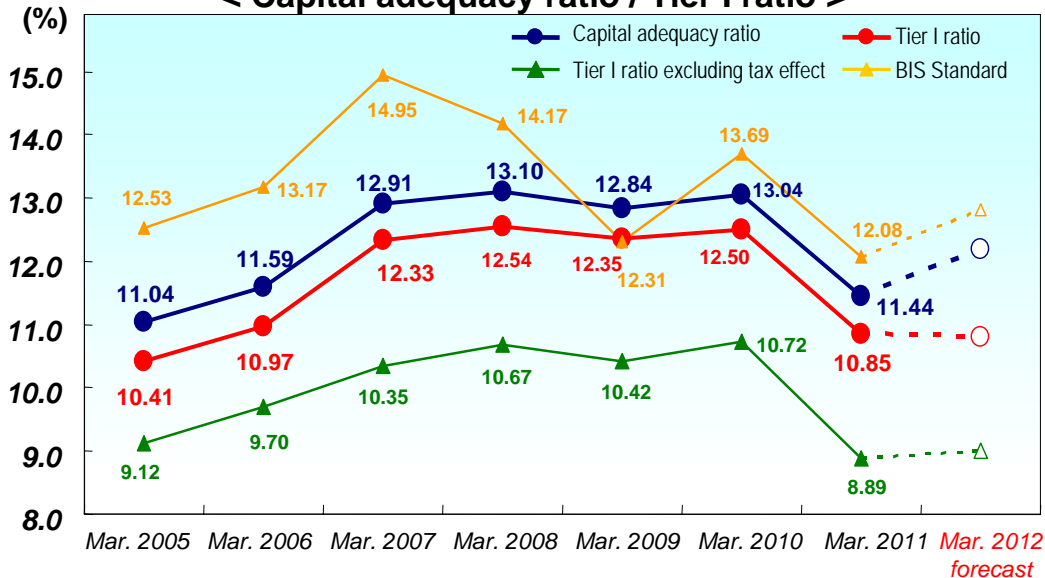
Tier I ratio: 10.77%

• Sufficient Tier I ratio level maintained

Reference:

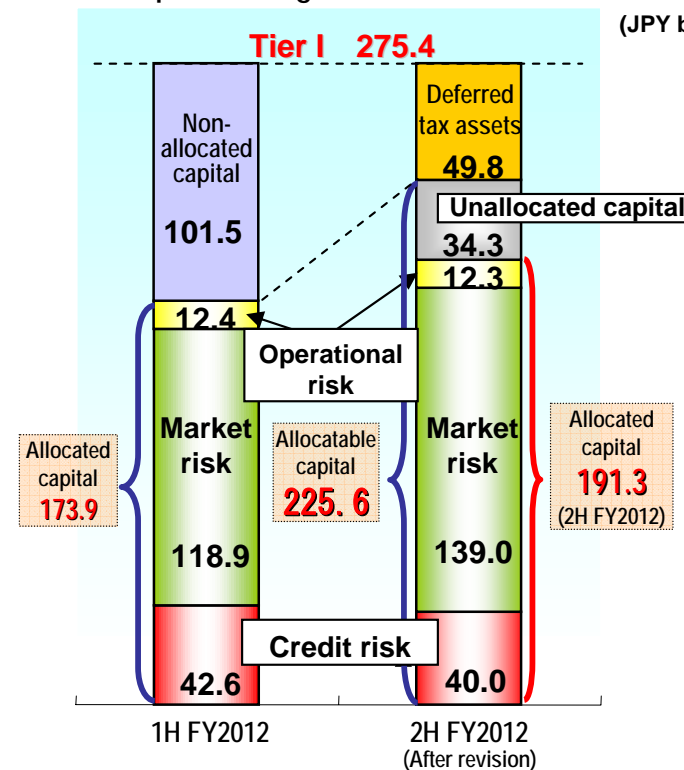
Average Tier I ratio for the 54 regional banks that have adopted domestic capital adequacy standards: 9.60%

< Capital adequacy ratio / Tier I ratio >



■ Management of risk capital

○ Revision in risk capital management method (from Oct. 2011)



◆ Key points of the revision

- Abolition of non-allocation capital ⇒ Effective use of capital
- Subtraction of deferred tax assets ⇒ Enhancement of allocatable capital quality
- New establishment of unallocated capital that is reallocatable ⇒ Enhancement of risk capital use flexibility

□ Reference: Outlier ratio (as of Sep.30, 2011)

Amount of interest rate risk	Tier I + Tier II	Outlier ratio
JPY 21.7 bn	JPY 291.7 bn	* 7.46%

* When the internal model is not applied to liquid deposits: 3.25%

Securities (1)

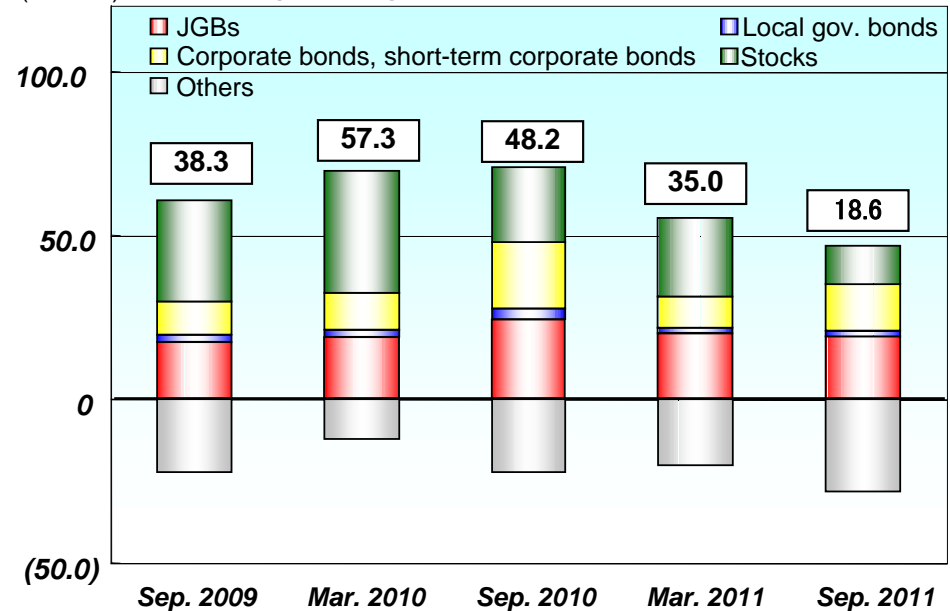
Balance of securities

(JPY bn)

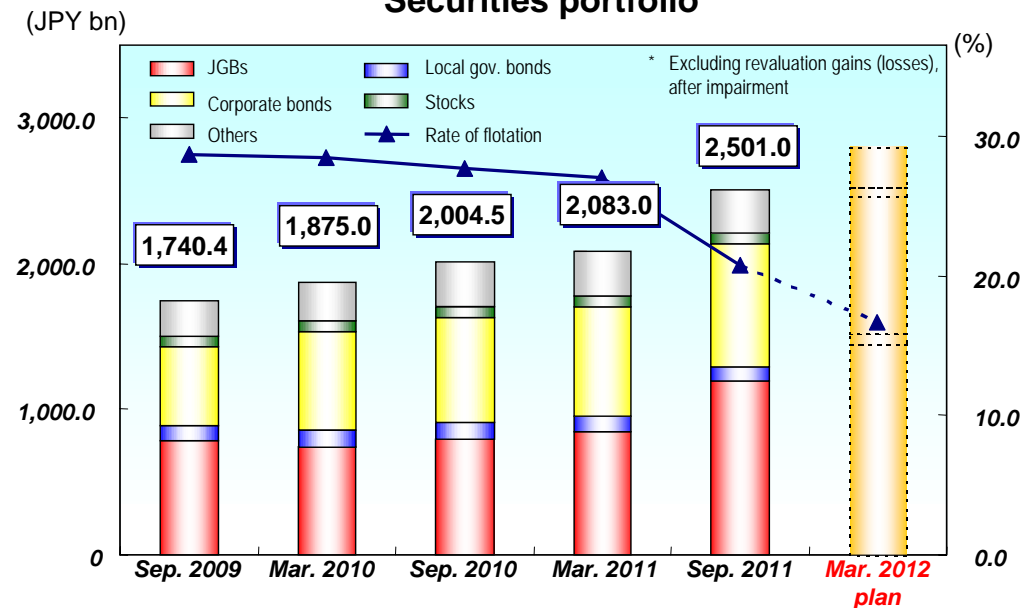
	Sep. 30, 2011	Gains (losses) from revaluation	Change from Mar. 31, 2011
Securities	2,519.6	18.6	(16.4)
Bonds	2,441.3	6.8	(4.7)
JGBs	1,213.0	19.0	(0.9)
Local gov. bonds	96.2	1.8	0.2
Corporate bonds	865.0	14.0	4.0
Others	267.1	(28.0)	(8.0)
Yen-denominated foreign bonds	39.5	0.4	(0.1)
Foreign-currency bonds	108.7	(1.1)	1.6
Investment trusts	118.9	(27.3)	(9.5)
Stocks	78.3	11.8	(11.7)

- ◆ Balance of floating-rate national government bonds at the end of Sep. 2011: JPY 344.0 bn
[The valuation difference between the theoretical price JPY 7.7 bn and market price -JPY 1.3 bn of floating-rate national government bonds was JPY 6.4 bn]
- ◆ Balance of direct loans and investments in Europe: JPY 25.2 bn (valuation loss of JPY 0.3 bn)
Amount of above in PIIGS nations: JPY 2.0 bn (valuation loss of JPY 0.3 bn)
- ◆ Impairment loss of securities: JPY 2.5 bn

Gains (losses) from valuation of securities



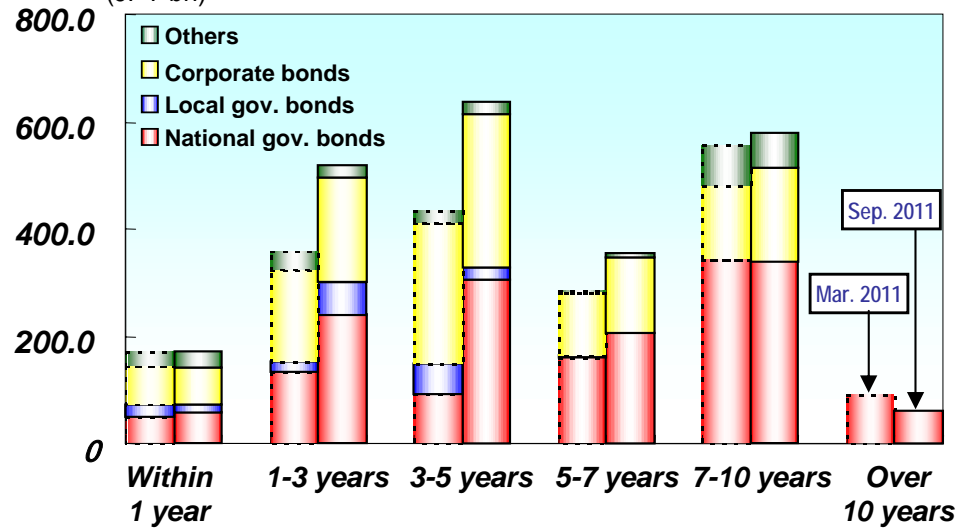
Securities portfolio



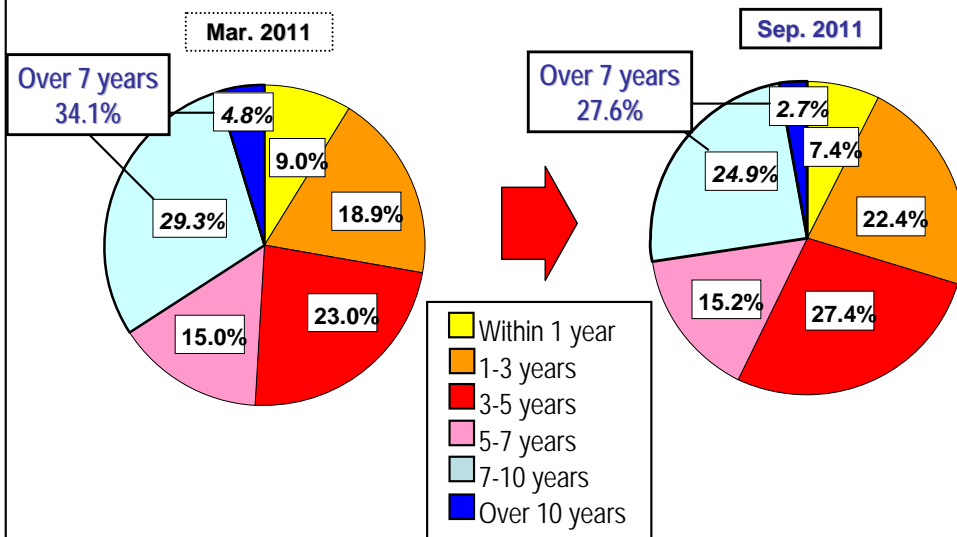
Securities (2)

Composition of securities (at the end of Sep. 2011)

<Balance by maturity period>
(JPY bn)



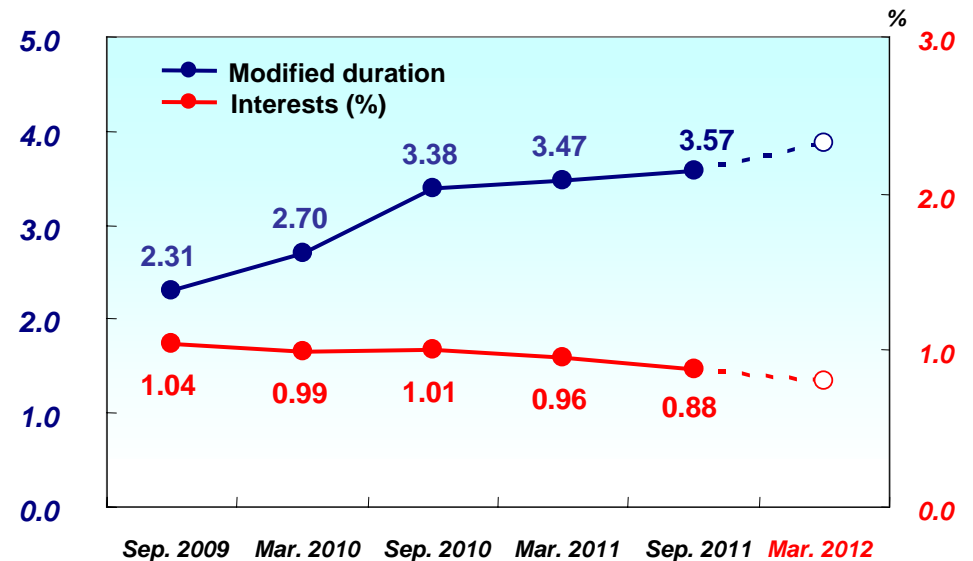
<Composition ratio by maturity period>



■ Improvement in profitability and financial health

- ◆ Efficient investment designed to address the widening deposit-loan gap
- ◆ Maintenance of portfolio liquidity and soundness levels
 - Continuation of public bonds-centric investment
- ◆ Securing of superior returns and enhancement of investment capability and the ability to address the changing climate
 - Securing of superior returns through flexible duration management and trading involving the replacement of portfolio constituents
 - Expansion and diversification of variety of investment methods and vehicles

Interests and modified duration of yen-denominated bonds



* Yen-denominated bonds excluding investment securities

Plan

Reconstruction support policy and the use of public funds

■ Reconstruction support policy

-To restore vigor, affluence and kindness to Miyagi and Tohoku

○Fulfill our financial intermediation function

- Strive to meet funding needs relating to restoration and reconstruction efforts
- Provide sincere cooperation to help solve disaster victims' problems, including loan terms and conditions alteration and the double mortgage issue

○Contribute to reconstruction and further development for the region

- Further enhance our consulting and judgment capabilities
- Provide swift and optimal solutions to customers with reconstruction needs
- Active participation in regional rehabilitation and industrial revitalization initiatives through enhanced collaboration with municipal governments
- Improve the branch network and sales platform in an effort to help enhance customer convenience and to assist efforts to achieve regional revitalization and rehabilitation

○Assist efforts to achieve a disaster prevention-aware, safe and environmentally-friendly society

- Strengthen the business continuity framework to provide continuous financial services
- Make long-term and sustainable contributions to the local community through initiatives to enhance energy conservation and for environmentally-friendliness

■ Use of public funds

◆ Application for the provision of public funds

On Dec. 8, 2011, 77 Bank obtained approval for its public funds application

- **Classification:** Term loan with a subordination clause (subordinated loan)
- **Loan amount:** JPY 20.0 billion
- **Loan period:** From Dec. 28, 2011 to Mar. 31, 2022
- **Loan interest rate:** 0.25%

Reference: Capital adequacy ratio

	Sep. 30, 2011	After injection of public funds Mar. 31, 2012 (Estimate)
Capital adequacy ratio	11.36%	Approx. 12.2%
*Reference: average capital adequacy ratio for the 54 regional banks that have adopted domestic standards: 11.74%		
Tier I Ratio	10.77%	Approx. 10.8%
*Reference: Average Tier I ratio for the 54 regional banks that have adopted domestic standards: 9.60%		

○Message to local community

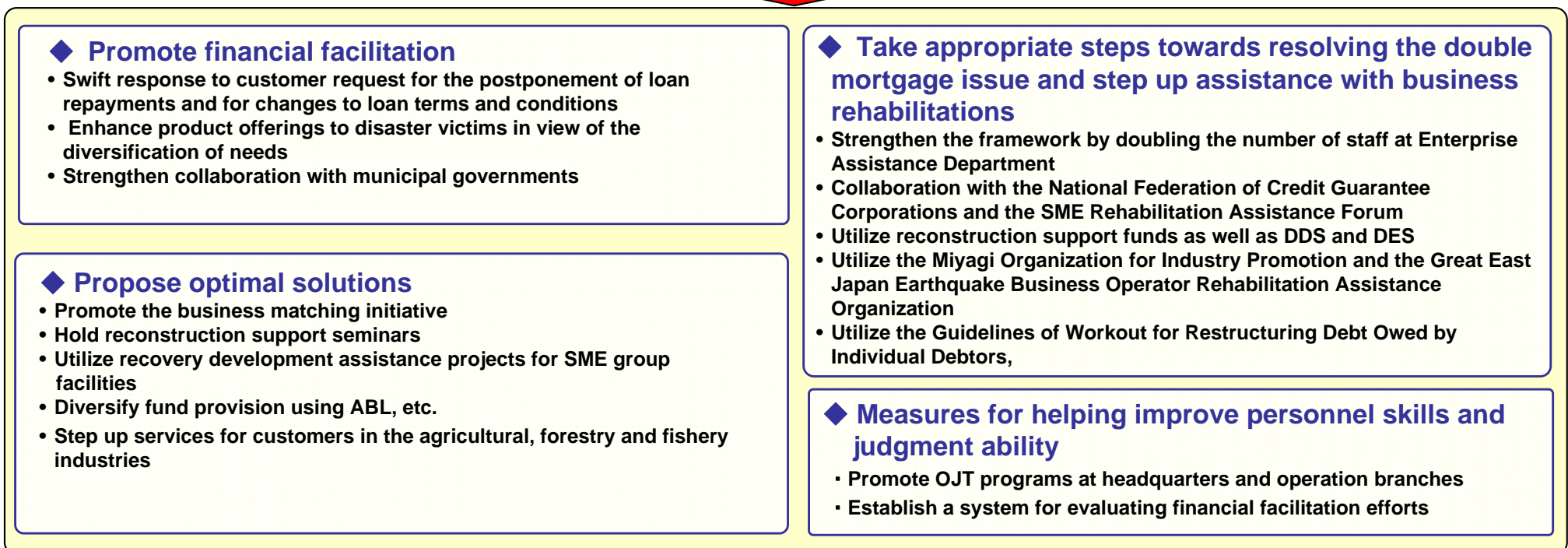
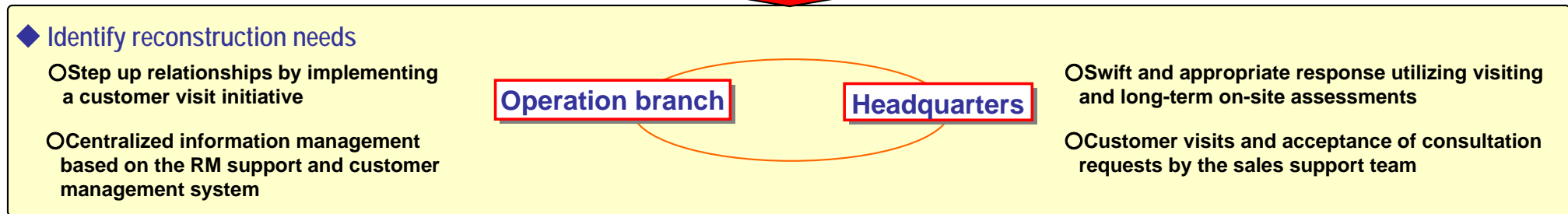
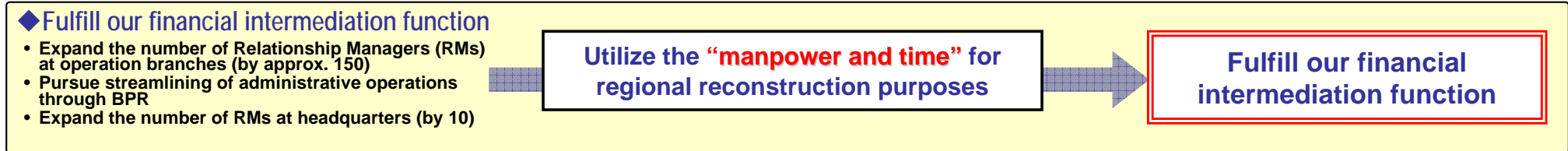
- Send out the message that 77 Bank is committed to "providing maximum assistance to local reconstruction in collaboration with the Japanese government"

○Restore capital adequacy without delay

- Make full preparations for future growth in risk assets and increases in credit costs by restoring capital adequacy as early as possible

- Aim to return the public funds promptly when the above-pre-disaster level capital adequacy has been achieved and when retained earnings have been built up to a level allowing 77 Bank to be sound enough to properly address future risks

Measures contributing to post-Great East Japan Earthquake reconstruction efforts



Enhance operating capabilities (1)

Further enhance total deposits, loans and assets in custody – Promote SME loans

Meet reconstruction funding needs

Operating funding needs account for the main part of reconstruction-related business funding needs (roughly 85% of the total)



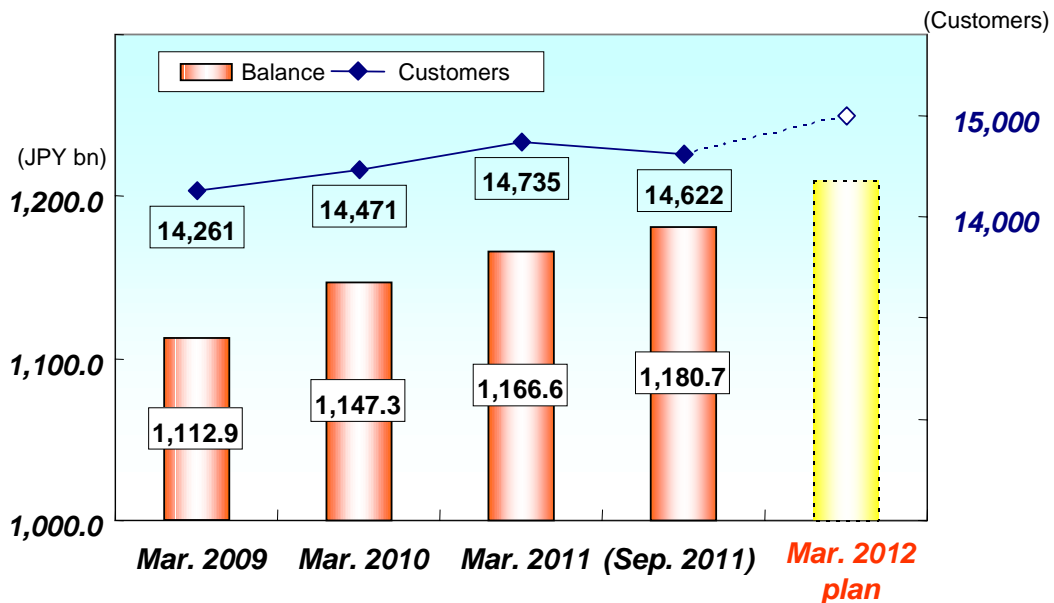
Reconstruction funding needs, including those for equipment fund, are expected to grow in future

<Status of meeting restoration and reconstruction funding needs (to Oct. 31, 2011)>

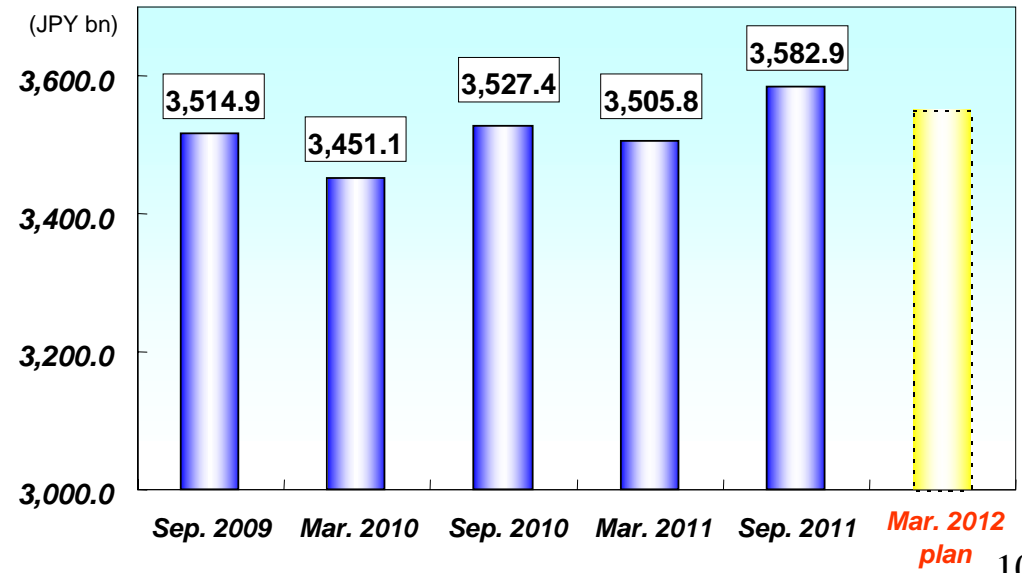
(Case, JPY bn)

Corporate	Operating fund	Case	2,317	Individuals	Unsecured loan	Case	1,134
		Amount	67.6			Amount	2.0
	Equipment fund	Case	427		Housing loan	Case	531
		Amount	13.1			Amount	9.8
	Total	Case	2,744		Total	Case	1,665
		Amount	80.7			Amount	11.8

Number of customers and loan balances to SMEs



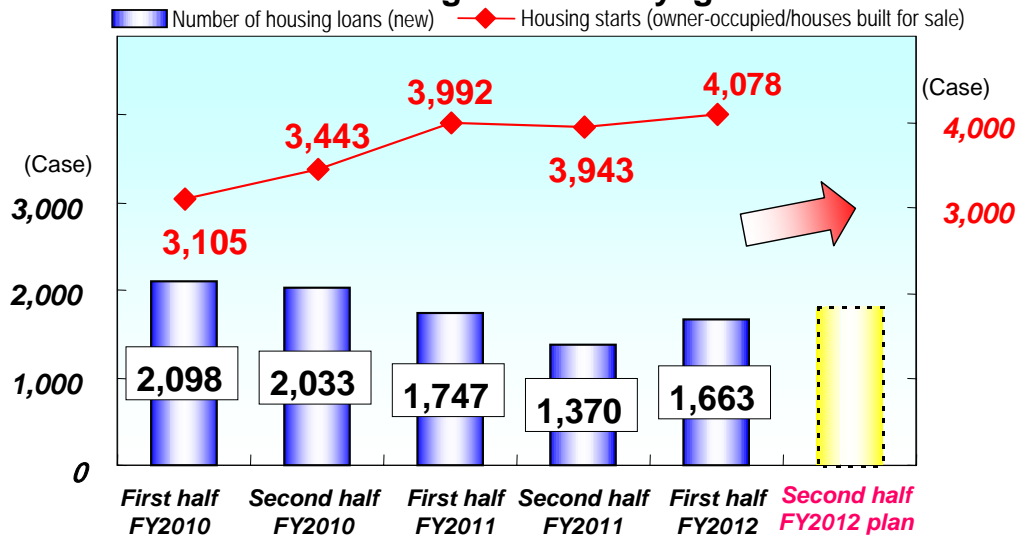
Loans (term-end balance)



Enhance operating capabilities (2)

Further enhance total deposits, loans and assets in custody – Promote housing loan

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

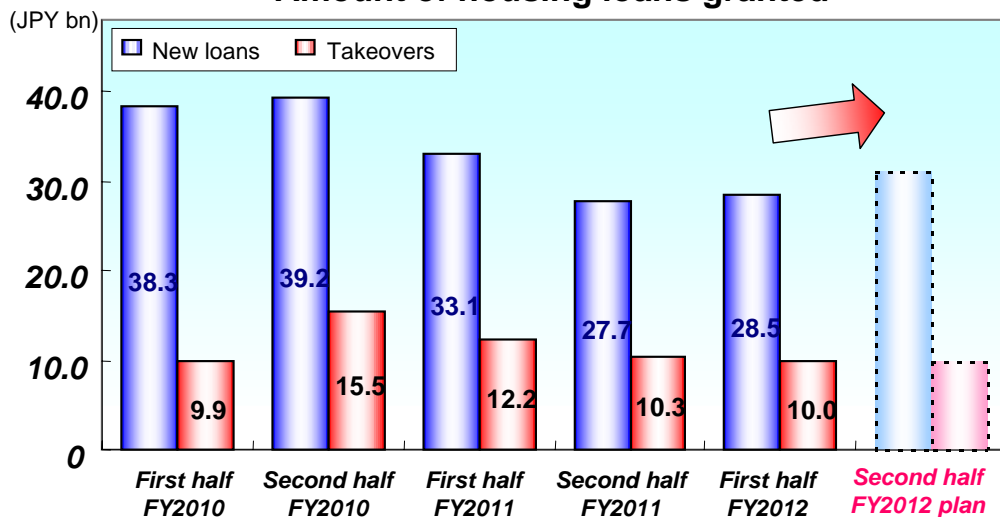


Increasing housing loan balance

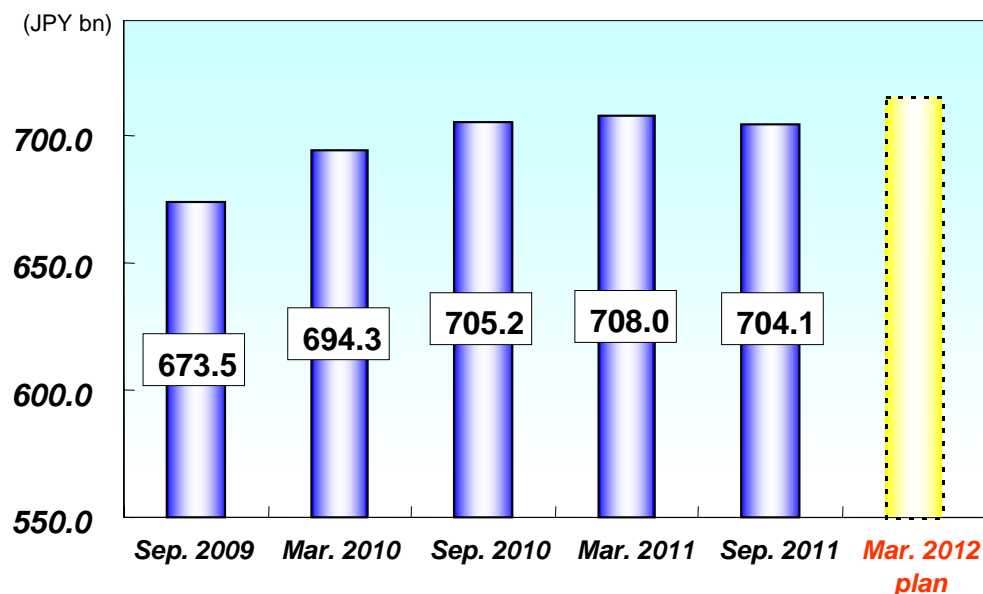
- 1H FY2012**
- Decrease in outstanding balance due to rising repayments financed by money received from insurance claims
- 2H FY2012**
- Signs of recovery in the number of housing starts
 - Win business by meeting restoration and reconstruction needs
 - Continue to promote the provision of housing loans to employees of companies new to Miyagi

Reference: Housing loans provided to employees of companies new to Miyagi:
Approx. JPY 1.0 billion (portion of loans granted in 1H FY2012)

Amount of housing loans granted



Balance of housing loans



Enhance operating capabilities (3)

Further enhance total deposits, loans and assets in custody – Enhance assets in custody

Balance of deposits and certificates of deposits (JPY bn)

		Sep. 2010	Mar. 2011 (A)	Sep. 2011 (B)	(B)-(A)
Individuals	Term-end balance	3,689.5	3,778.0	4,317.5	539.5
	Average balance	3,701.7	3,716.4	4,172.0	455.6
Corporate	Term-end balance	1,267.7	1,378.7	1,402.9	24.2
	Average balance	1,235.4	1,250.1	1,410.7	160.6
Public	Term-end balance	455.5	479.7	770.8	291.1
	Average balance	409.5	404.4	691.3	286.9
Total	Term-end balance	5,412.7	5,636.4	6,491.2	854.8
	Average balance	5,346.6	5,370.9	6,274.0	903.1

Enhance assets in custody

○The handling of rising deposits due to inflows caused by post-earthquake insurance claim payments received

- Meet customers' new investment needs

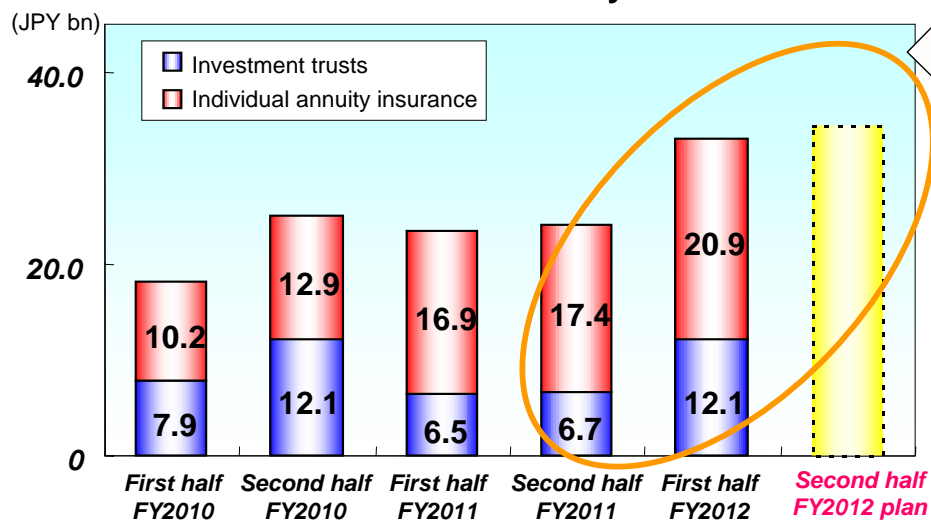
Launch of the marketing of products designed for risk-averse customers

- Opened the 77 Akaishidai Insurance Plaza in Nov. 2011

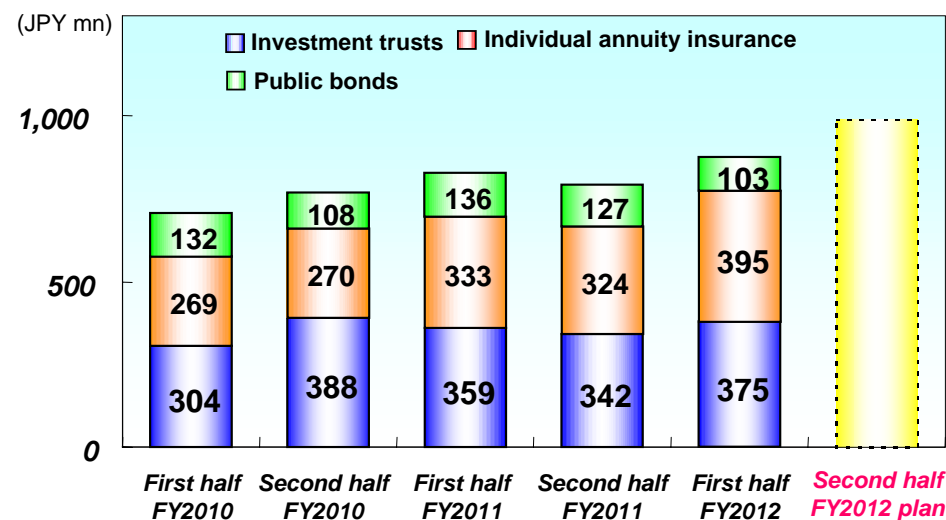
Business collaboration with Life Plaza Holdings operating within branches located in the north of Sendai City, which has a growing population

⇒ Even after the March 11 earthquake, the sales of investment trust and insurance products have been doing well

Change in sales amount of investment trusts and individual annuity insurance (JPY bn)

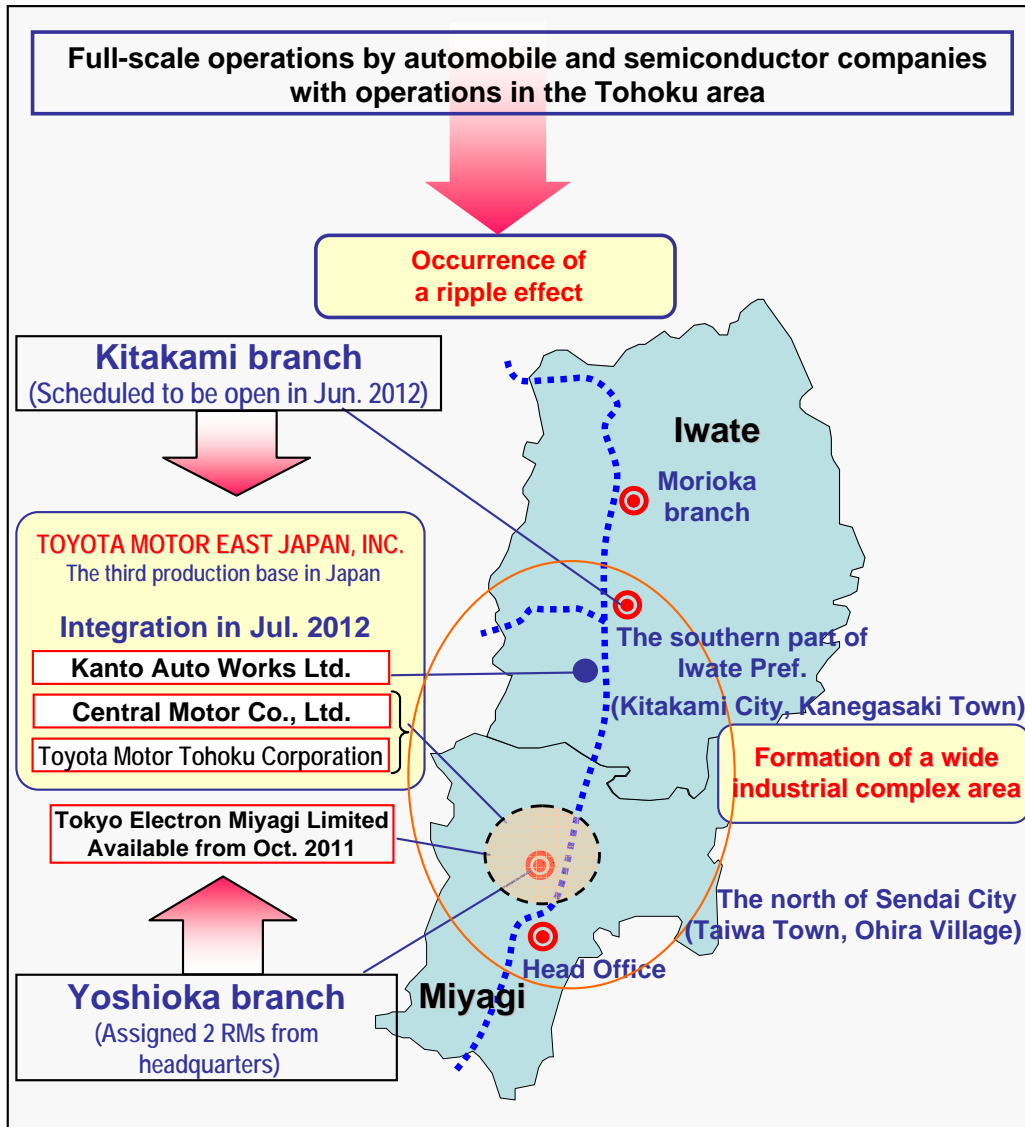


Change in sales commissions of assets in custody (JPY mn)

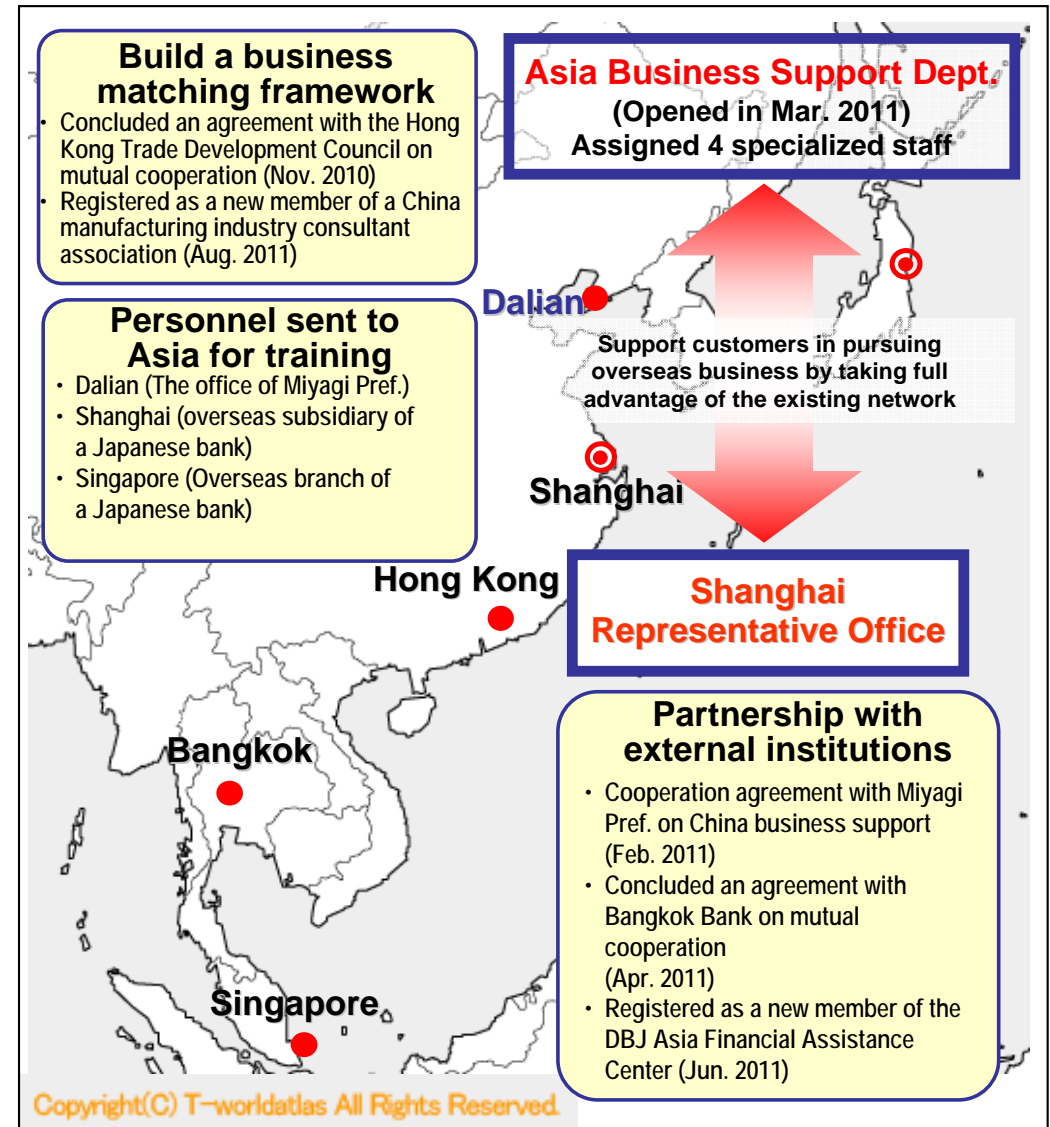


Enhance operating capabilities (4)

■ Increased efforts for companies new to Miyagi and their related local companies

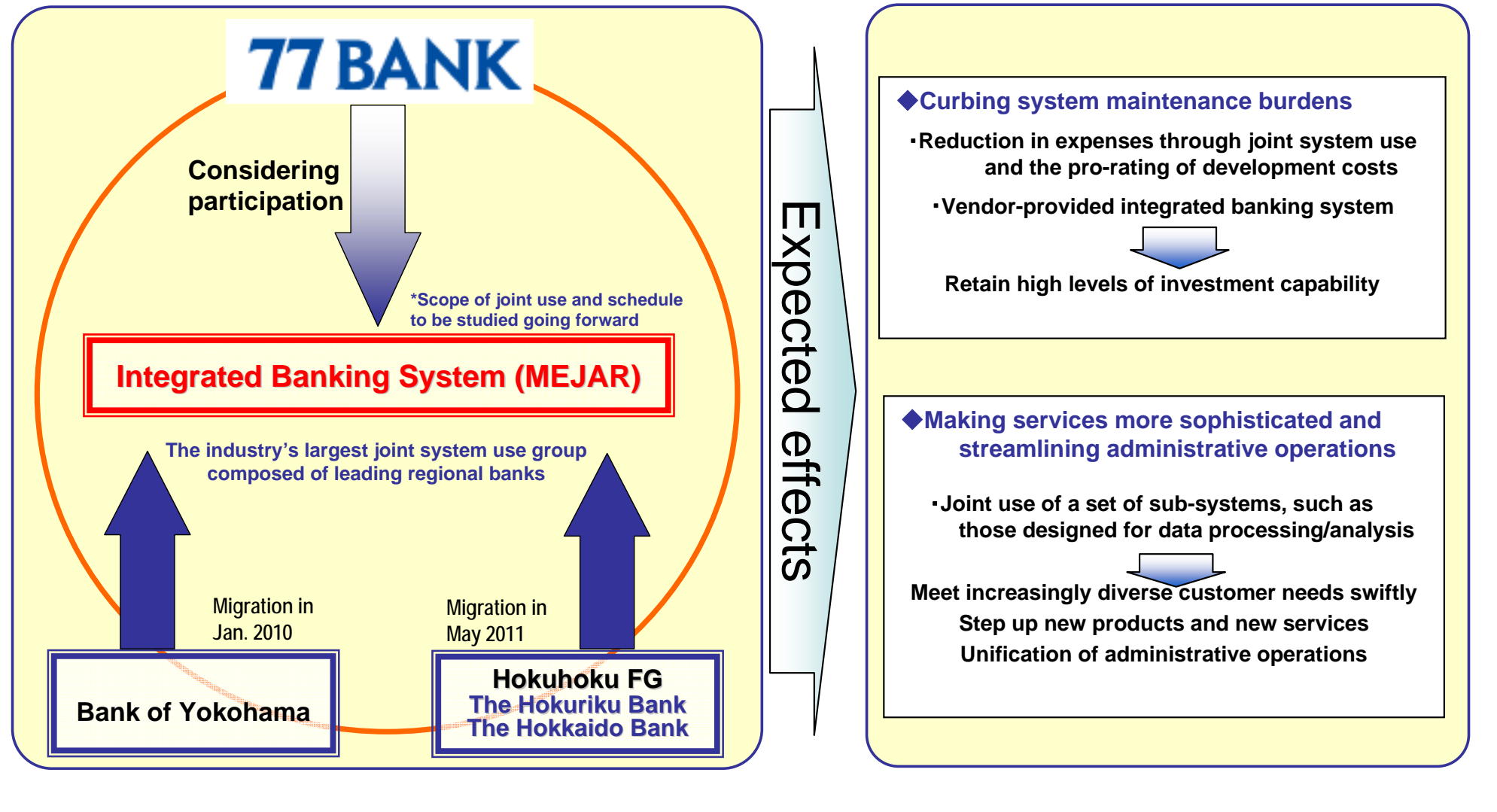


■ Boost the support for local companies for Asia business



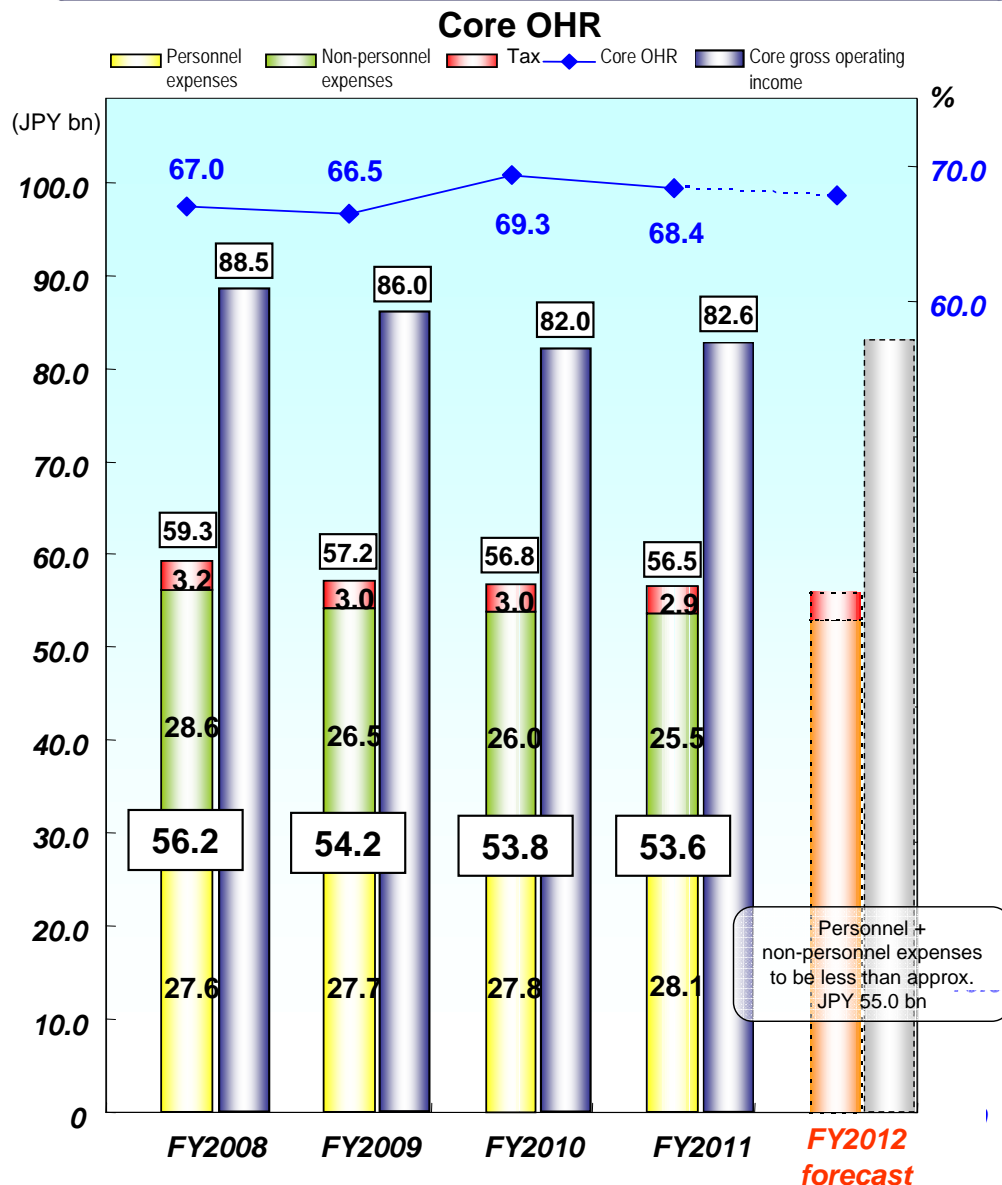
A joint banking system

Reached a basic agreement in November 2011 on participation in the integrated banking system MEJAR (Most Efficient Joint Advanced Regional banking-system)



Improve productivity

OHR



Improve efficiency of administrative work

Promote administrative operations streamlining

○Fundamental revision of administrative operations at operation branches

- Revision of information asset management by introducing a document management system (from Oct. 2011)

< Effect >
Creating sales time
Approx. 20 mins

○System replacement/renewal with next-generation operation branch terminal systems

- Revision of teller administrative duties by migrating from the open teller machines to an online teller system (from Nov. 2011)

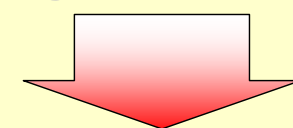
Approx. 3 hrs

○Replacement/renewal of administrative procedure terminal reference system (from Oct. 2011)

Approx. 10 mins

*Effect: Expected time saved daily per branch

Take advantage of administrative streamlining in an effective manner



Strengthen over-the-counter sales capabilities

Contribute to stakeholders

■ Improve stockholder value

◆ Maintain stable dividend payments (JPY)

FY2011			FY2012		
2Q	4Q	Full year	2Q	4Q	Full year (Estimate)
3.5	2.5	6.0	3.5	3.5	7.0

◆ Achieve enhanced shareholder understanding through IR activities

Dividend increase planned

■ Improve customer satisfaction

◆ Strengthen customer service capabilities to take into account the needs of earthquake victims, the elderly, handicapped persons, etc.

- Expanded the provision of proxy reading services (instituted in Oct. 2011) and services for writing things out for customers (revised in Oct. 2011)
- Expanded the availability of ATMs designed for visually impaired persons
- Encouraging employees to acquire qualifications as “Service Care Attendant”
- Development of “supporters of dementia sufferers” (166 persons as of Sep. 30, 2011)

◆ Enhance consulting functions

- Implement programs for improvement of business operations and rehabilitation of businesses in collaboration with external experts
- Step up assistance for customers with business succession and inheritance services needs
- Enhance life consulting services with the use of Consultation Plaza, Loan Center and Insurance Plaza

■ Contribute to local community

◆ Cultural activities

○ The 77 Bank Fureai concert

Concert performed by an orchestra composed for primary and junior high school students

Performed mainly in disaster-hit areas this fiscal year

○ Opening of 77 Bank-sponsored seminar at a local private university (Tohoku Gakuin University)

Lectures given by 77 Bank employees (from Sep. 2011 to Mar. 2012)

Seminar outline: Lectures on practical banking operations, covering financial systems, deposit/loan services, securities/insurance services, and international operations

○ Economics Koshien Miyagi meetings

Implemented an educational program designed to help participants acquire financial and economic knowledge

◆ Local community activities

○ Dispatch of lecturers to customer-organized training sessions

Provided orientation on reconstruction-related loan products

○ Active implementation of local community activities by three sporting clubs of 77 Bank

Provided technical training to primary, junior and high school students in disaster-hit areas

◆ Welfare activities

○ The 77 Bank Hearty Donation Society

Carried out donation solicitation activities for helping disaster-hit areas

Profits and losses

(JPY bn)

	FY2011		FY2012	
	results	YoY change	plan	YoY change
Gross operating income	83.0	5.2	83.0	0.0
[Core gross operating income]	[82.6]	[0.6]	[82.5]	[(0.1)]
Interest income	73.1	1.4	73.0	(0.1)
Fees and commissions	9.2	(0.5)	9.2	0.0
Gains (losses) on bonds	0.4	4.6	(0.5)	0.1
Foreign exchange transaction income	0.3	(0.1)	0.3	0.0
Expenses	56.5	(0.3)	56.0	(0.5)
Operating income before provision of general reserve for possible loan losses	26.5	5.5	27.0	0.5
[Core operating income]	[26.1]	[0.9]	[26.5]	[0.4]
Provision of general reserve for possible loan losses	3.1	3.1	1.0	(2.1)
Operating income	23.4	2.4	26.0	2.6
Special income (losses)	(7.2)	(4.7)	(16.0)	(8.8)
Gains (losses) on stocks	0.4	(1.0)	(0.5)	(0.9)
Losses on bad debt written-off	5.7	3.6	14.0	8.3
Ordinary income	16.1	(2.3)	10.0	(6.1)
Extraordinary income	7.4	6.0	11.0	3.6
Extraordinary losses	51.1	50.6	1.7	(49.4)
Income taxes (incl. deferred taxes)	3.0	(4.7)	8.8	5.8
Net income (Net loss)	(30.6)	(42.2)	10.5	41.1
Credit-related expenses	56.9	56.2	15.0	(41.9)

Core Operating income

Achieved year-on-year income growth due to cost savings, although interest income is projected to decline

Extraordinary income

Recorded extraordinary income due to transfer of the substitutional portion of the employees' pension fund (JPY 11.0 bn)

Major accounts / interest rates / interest margin

(JPY bn, %)

		FY2011		FY2012	
		results	YoY change	plan	YoY change
Major accounts (average balances)	Loans and bills discounted	3,455.5	0.8	3,509.8	1.6
	Securities	2,045.9	14.0	2,524.3	23.4
	Deposits and certificates of deposits	5,370.9	2.5	6,360.5	18.4
Interest rates / interest margin	Loans and bills discounted interest rate	1.62	(0.13)	1.52	(0.10)
	Securities interest rate	1.11	(0.01)	0.92	(0.19)
	Interest rate on deposits	0.09	(0.06)	0.05	(0.04)
	Interest rate spread	1.29	(0.01)	1.10	(0.19)
	Net interest margin	0.24	0.02	0.22	(0.02)
Reference (ending balance)	Loans to SMEs	1,166.6	1.7	1,210.0	3.7
	Assets in custody	650.3	1.9	712.0	9.5
	Total deposits, loans and assets in custody	9,772.1	3.6	10,814.0	10.7

(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)

I. Average balance of major accounts

	FY2010 result	FY2011 result	FY2012 plan		(Reference) Forecast at the beginning of the Medium-term Management Plan		
			First half FY2012 result		FY2010	FY2011	FY2012
Loans and bills discounted	3,429.3	3,455.5	3,491.7	3,509.8	3,474.0	3,555.0	3,625.0
Corporate loans	1,969.5	1,990.5	2,049.0	2,064.5	2,001.0	2,040.0	2,076.0
Consumer loans	730.3	756.1	753.9	756.9	720.0	738.0	760.0
Actual deposits and certificates of deposits	5,234.5	5,364.9	6,269.6	6,354.5	5,157.5	5,233.0	5,313.5
Retail deposits	3,632.3	3,716.4	4,172.0	4,280.6	3,616.0	3,702.0	3,782.0

II. Term-end balances

	FY2010 result	FY2011 result	FY2012 plan		(Reference) Forecast at the beginning of the Medium-term Management Plan					
			First half FY2012 result		FY2010	FY2011	FY2012			
Loans and bills discounted	3,451.1	3,505.8	3,582.9	3,551.0	3,567.0	3,623.0	3,710.0			
Loans to SMEs	1,147.3	1,166.6	1,180.7	1,210.0	1,125.0	1,150.0	More than JPY 1.2 tn 1,200.0			
Actual deposits and certificates of deposits	5,359.4	5,632.7	6,486.9	6,576.0	5,197.0	5,277.5	5,357.0			
Balance of assets in custody	638.0	650.3	654.7	712.0	650.0	740.0	850.0			
Total deposits, loans and assets in custody	9,434.8	9,772.1	10,706.5	10,814.0	9,403.0	9,629.0	More than JPY 10 tn 9,905.0			
Sales of investment trusts and individual annuity insurance	43.1	(90.6)	47.5	(123.6)	33.0	(161.1)	70.5	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)

III. Profits and losses

(JPY bn, %)

	FY2010 result	FY2011 result	FY2012 plan	
			First half FY2012 result	
Core gross operating income	82.0	82.6	41.2	82.5
Interest income	71.7	73.1	36.4	73.0
Fees and commissions	9.7	9.2	4.6	9.2
Expenses [Personnel + non-personnel expenses]	56.8 [53.8]	56.5 [53.6]	28.1 [26.7]	56.0 [53.1]
Core operating income	25.2	26.1	13.1	26.5
Core OHR	69.3	68.4	68.2	67.9
Capital adequacy ratio (Domestic standards)	13.0	11.4	11.4	12.2

(Reference) Forecast at the beginning of the Medium-term Management Plan		
FY2010	FY2011	FY2012
83.0	85.3	90.3
73.2	74.5	78.9
9.4	10.1	10.7
58.5	58.3	58.3
[55.4]	[55.0]	[55.0]
24.5	27.0	32.0
70.5	68.3	65% or less
12.1	12.0	12.1

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

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

	FY2010 result	FY2011 result	FY2012 plan	
			First half FY2012 result	
Unsecured call rate O/N	0.10	0.10	0.07	0.07
JPY TIBOR (3 months)	0.53	0.36	0.34	0.33
5-year JGBs	0.64	0.41	0.40	0.37
10-year JGBs	1.36	1.15	1.11	1.09
Nikkei Average (At the term-end)	11,089	9,755	8,700	8,700

(JPY, %)

(Reference) Forecast at the beginning of the Medium-term Management Plan		
FY2010	FY2011	FY2012
0.10	0.10	0.25
0.70	0.70	0.75
0.80	1.05	1.25
1.30	1.55	1.75
9,000	11,000	13,000

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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.

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