Bank of Yokohama

Annual Report 2011

Year Ended March 31, 2011

横浜銀行

Profile

The Bank of Yokohama, Ltd. was founded in 1920 to serve the needs of individuals and companies in Kanagawa Prefecture and southwestern Tokyo. With its main business focusing on its home region, the Bank has since grown to become one of Japan's leading regional banks, with consolidated total assets of ¥12,520.5 billion and deposits of ¥10,821.9 billion as of March 31, 2011. Continuing to strengthen our presence under "New Horizon 2nd Stage," the medium-term management plan that we launched in April 2010, we are now moving to realize our vision for the Bank of Yokohama as a financial institution that is attractive to customers, shareholders, employees and communities.

Contents

This report contains information that constitutes forward-looking statements. These statements appear in a number of places in this presentation and include statements regarding the intent, belief or current expectations of the Bank or its officers with respect to the financial condition of the Bank. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors. The information contained in this report identifies important factors that could cause such differences, including but not limited to, changes in overall economic conditions.

The "Three-Ships Spirit"

MANAGEMENT PHILOSOPHY

Reflecting Yokohama's heritage as a port city, the "Three Ships" represents eternal prosperity, with customers, shareholders and bank employees (the "Three Ships") growing hand in hand with harmony. The three ideas underlying the concept we are working to realize are as follows.

- We aim to become a bank that is trusted. We will do this by fully recognizing our traditional role in ensuring a stable supply of funds, and in providing the kind of financial services demanded by the community by conducting our business in as thorough a manner as possible.
- In each area of our market, we aim to become a community bank deeply rooted in its locality, with each branch working to be the "best bank," growing through contribution to the community and in concert with it.
- We aim to be a bank that serves all the community, and is a great place to work, by developing and training dynamic talents and fostering energetic culture.

Our Brand Promise

We will create new opportunities for each and every customer
to enjoy the most appropriate financial services.

Afresh
あなたに、あたらしく。

BRAND SLOGAN

The word "Afresh" means "new," "again" and "to make something better." "Afresh" expresses our commitment to understanding and realizing the needs and wants of every single customer in the most advantageous manner by keeping a clear, positive outlook on the present and the future. The Japanese following "Afresh" supports this message and can be translated as "Something new for you."

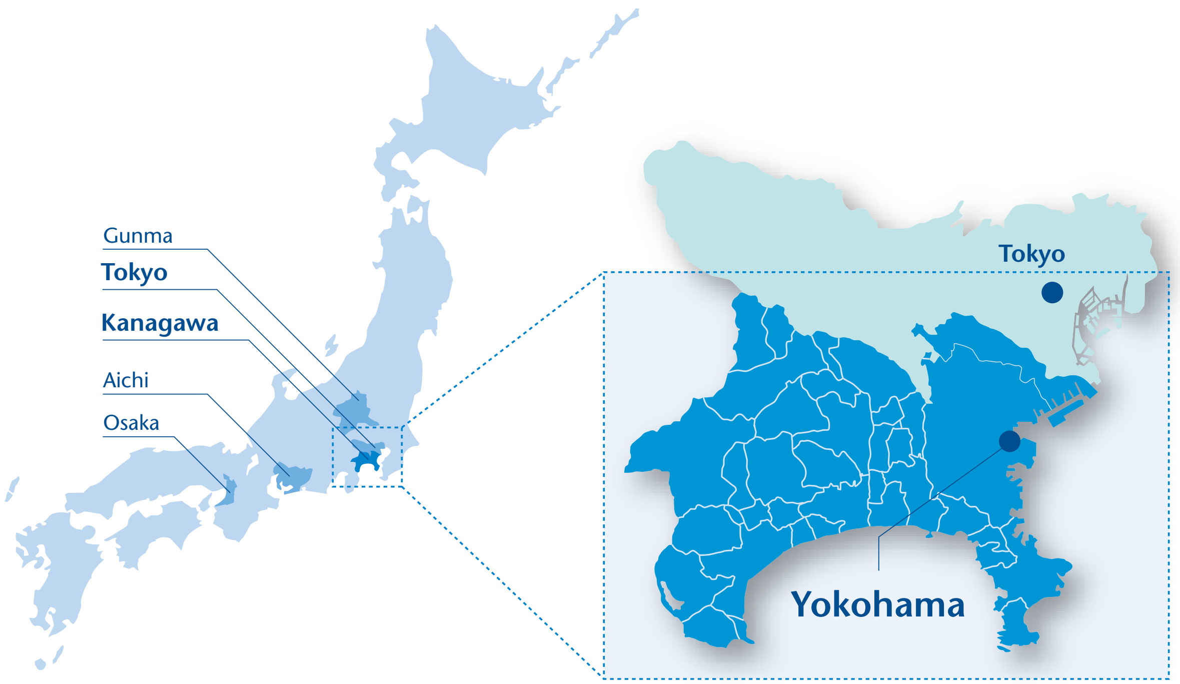
Bank of Yokohama

BRAND SYMBOL

A stylized image of a ship seen from the front along the waterline, this two-part symbol represents "customers" and "us" sailing together swiftly toward new destinations.

The Potential of Our Business Territory

Our business territory encompasses Kanagawa Prefecture and southwestern Tokyo, an area of excellent growth potential. Kanagawa's economic strength is also reflected in its total population and its indicators, such as gross prefectural product and retail sales, which are among the highest in Japan.



Potential of Kanagawa Prefecture

Population (Oct. 2010)
9.05 million (2nd/47 Prefectures) (Tokyo, Kanagawa, Osaka)

Number of Businesses (Jul. 2009)
310 thousand (4th) (Tokyo, Osaka, Aichi, Kanagawa)

Gross Prefectural Product (FY08)
¥30.9 trillion (4th) (Tokyo, Osaka, Aichi, Kanagawa)

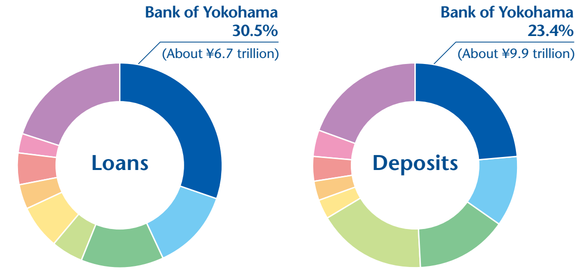
Manufacturing Output (2009)
¥14.9 trillion (3rd) (Aichi, Shizuoka, Kanagawa)

Retail Sales (2007)
¥8.5 trillion (3rd) (Tokyo, Osaka, Kanagawa)

(Note) Sources:
- Population and Number of Businesses: Ministry of Internal Affairs and Communications
- Gross Prefectural Product: Cabinet Office, Government of Japan
- Manufacturing Output, Retail Sales: Ministry of Economy, Trade and Industry

Market Share in Kanagawa Prefecture

As of March 31, 2011



	Loans	Deposits
Banking Group A	13%	11%
Banking Group B	13%	14%
Banking Group C	5%	17%
Banking Group D	7%	3%
Regional Banks	4%	3%
2nd Tier Regional Banks	5%	4%
Trust Banks, etc.	3%	4%
Co-op Banks	20%	19%

(Note) Market share calculations do not include Japan Post Bank, Credit Cooperatives and Japan Agricultural Cooperatives.

Consolidated Financial Highlights

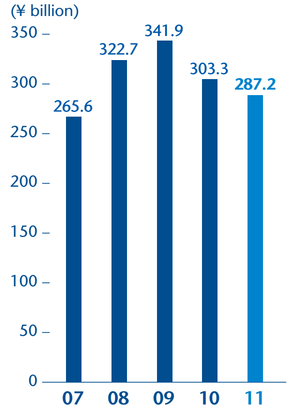
The Bank of Yokohama, Ltd. and Consolidated Subsidiaries

	Millions of Yen*		Thousands of U.S. Dollars**
Years ended March 31	2011	2010	2011
At year-end:			
Total assets	¥12,520,526	¥11,984,313	$150,577,585
Cash and due from banks	857,677	731,175	10,314,824
Deposits	10,821,987	10,477,685	130,150,182
Loans and bills discounted	8,601,882	8,485,502	103,450,183
Securities	1,994,647	1,741,692	23,988,543
Total equity	786,948	761,580	9,464,208
Capital stock	215,628	215,628	2,593,249
For the year:			
Total income	¥ 287,238	¥ 303,358	$ 3,454,464
Total expenses	203,450	250,500	2,446,793
Net income	47,089	30,946	566,319

* Yen amounts have been rounded down to millions of yen.
** U.S. dollar amounts are translated, for reference only, at the rate of ¥83.15=$1 effective on March 31, 2011.

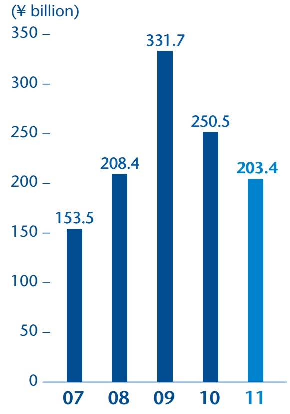
Total Income

Years ended March 31



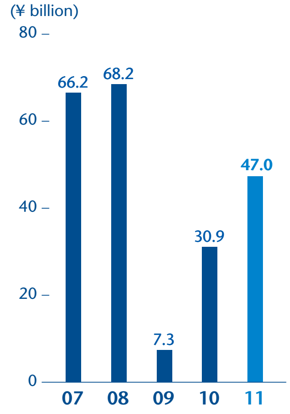
Total Expenses

Years ended March 31



Net Income

Years ended March 31



Message from the Management

Tadashi Ogawa, Chairman and Director (Left)
Tatsumaro Terazawa, President (Right)

Under "New Horizon 2nd Stage," we continue to invest resources into our core regional retail business, while working to strengthen our financial structure and expand performance.

We would like to begin this message by expressing our deep appreciation for your continued patronage and support of the Bank of Yokohama.

We would also like to express our deepest condolences to everyone who has been affected by the Great East Japan Earthquake. This disaster claimed many precious lives and caused enormous property damage in the Tohoku region in northeast Japan.

The Bank of Yokohama, mainly serving individuals and companies in Kanagawa Prefecture and southwest Tokyo, has been pursuing normal banking operations at all branches.

With the passage of time, we expect economic growth backed by the strong potential of this region to provide impetus for Japan's economic recovery.

In April 2010, the Bank of Yokohama launched a new medium-term management plan called "New Horizon 2nd Stage." Under this plan, we aim to realize our vision of the Bank of Yokohama as a financial institution that is attractive to shareholders, customers, employees and communities. We are striving toward this goal by intensively investing management resources into our regional retail business, which is a core area of strength for the Bank of Yokohama Group, and by working relentlessly to strengthen our financial structure and expand our business performance.

Last year we celebrated the 90th anniversary of the Bank's founding. As we now move toward our 100th anniversary and beyond, the management and employees of the Bank of Yokohama Group are united in their determination to maintain the attractiveness of the Bank of Yokohama for all stakeholders by contributing to further prosperity in our region. We look forward to your continued support in the future.

September 2011

Tadashi Ogawa
Chairman and Director

Tatsumaro Terazawa
President

Medium-Term Management Plan

OUTLINE OF MEDIUM-TERM MANAGEMENT PLAN, "NEW HORIZON 2ND STAGE"

During the three-year period from April 2010 to March 2013, the Bank of Yokohama will build a "solid business foundation" that prepares us for the future, and a "strong business foundation" that can endure any changes in our operational environment. In line with our Long-Term Vision, we continue to build the Bank into an attractive financial institution for customers, shareholders, employees and communities.

The main themes of the plan are:

(1) Improvement of corporate value by developing the "Yokohama Brand"
(2) Intensification of low-cost operation
(3) Improvement of performance by reinforcing investment in human resources

KEY STRATEGIES

1. Direction of Practical Steps

(1) Provision of high-value financial services for customers
(2) Establishment of easy-to-use service channels for customers
(3) Enhancement of stability of the management to ensure customers feel secure

2. Important Measures

(1) Intensification in regional retail banking
(2) Improvement of fund management
(3) Strengthening of risk management
(4) Intensification of low-cost operation
(5) Improvement of performance by reinforcing investment in human resources

MAIN TARGET FIGURES (for the final fiscal year)

Core Tier 1 Ratio (Consolidated)	ROE (Consolidated)	Credit Costs Ratio (Non-consolidated)	OHR (Non-consolidated)
More than 8% *1	Around 7% *2	Around 0.30% *3	Around 45% *4

*1 {Tier 1 – (preferred stock + preferred securities + net deferred tax assets etc.) }/ Risk assets
*2 Net income / Shareholders' equity (average)
*3 Credit costs / Average balance of total loans
*4 Expenses / Gross operating income

PROGRESS OF THE MEDIUM-TERM MANAGEMENT PLAN

The first year of "New Horizon 2nd Stage," launched in April 2010, has passed. With regards to the plan's four main target figures, we made satisfactory progress toward our targeted Core Tier 1 Ratio, ROE and Credits Cost Ratio.

(¥ billion)

		FY10 Plan (A) (Revised in Nov. 10)	1st year of New Horizon 2nd Stage FY10 Actual (B)	(B)-(A)	2nd year of New Horizon 2nd Stage FY11 Plan (Year under review)	3rd year of New Horizon 2nd Stage FY12 Plan (As originally forecasted)
Non-consolidated	Gross operating income	206.0	205.1	-0.9	206.0	221.0
	Expenses	99.5	98.7	-0.8	99.0	99.0
	Net business profit	106.5	106.4	-0.1	107.0	122.0
	Credit costs	29.0	28.9	-0.1	24.0	26.0
	Ordinary profit	71.5	74.9	3.4	79.0	92.0
	Net income	43.0	45.4	2.4	47.0	55.5
	OHR	48.3%	48.1%	-0.2%	48.0%	Around 45%
	Credit Costs Ratio	0.33%	0.33%	-0.0%	0.27%	Around 0.30%
Consolidated	Ordinary profit	76.5	81.6	5.1	83.5	95.0
	Net income	44.0	47.0	3.0	48.0	56.0
	ROE	—	6.5%	—	—	Around 7%
	Core Tier 1 Ratio	—	8.6%	—	—	Higher than 8.0%
Loans (Non-consolidated)		—	8,636.3	—	—	9,460.0
Retail loans within Kanagawa Prefecture (Non-consolidated) *		—	5,973.5	—	—	6,550.0
Deposits (Non-consolidated)		—	10,753.1	—	—	10,800.0
Non-deposit products for individuals (Consolidated)		—	1,840.4	—	—	2,200.0

* Retail loans within Kanagawa Prefecture = Loans to small and medium-sized businesses in Kanagawa Prefecture + loans to individuals in Kanagawa Prefecture

Supporting Corporate Customers

The Bank of Yokohama offers a variety of services to meet the wide-ranging financing needs of its corporate customers. We are also developing sophisticated advisory services based on the capabilities of our group companies. These include advice in areas requiring specialist knowledge, such as M&A and business succession. In July 2010, we adopted a policy concerning initiatives toward the reinforcement of growth infrastructure for the regional economy. Under that policy, we are now stepping up our efforts in sectors of the regional economy that are seen as offering growth potential.

The Bank is also helping local businesses to expand overseas by offering financial services at its Shanghai Branch in China.

Solutions for Diversifying Financing Needs

The financing needs of businesses are becoming increasingly diverse. The Bank is enhancing its capacity to meet these changing needs through involvement in non-recourse loans using real estate liquidation schemes, private finance initiatives (PFIs) and other financing structures. We help our customer to find solutions to a wide range of financing requirements.

Syndicated loans and private bond placements have become established as financing methods used by local companies. The Bank will continue to actively meet the diversifying financing needs of our customers.

Initiatives toward the Reinforcement of Growth Infrastructure for the Regional Economy

In July 2010, we established the Growth Sector Support Strategy Fund for corporate customers that are involved in activities in potential growth areas, such as the environment, energy, health care and care for the elderly. Through this fund, we aim to achieve growth in partnership with our region through regional contribution. In addition to supplying capital through this fund, the Bank of Yokohama Group also actively provides a range of support services.

Business Loan Centers

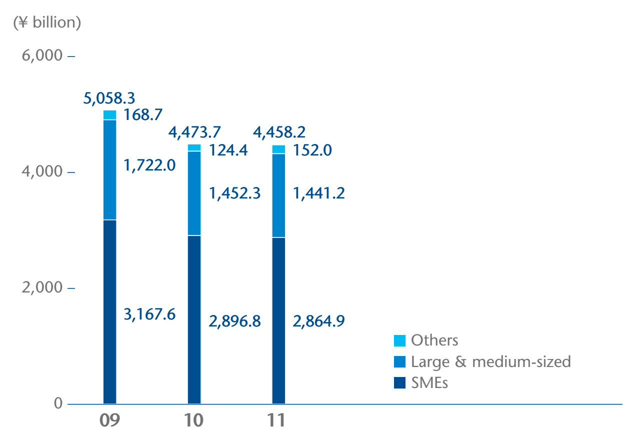
Our Business Loan Centers assist a wide range of small and medium enterprises, especially by arranging credit guarantees through Credit Guarantee Corporations and providing finance using public support systems, such as policy finance schemes operated by local governments. Currently there are ten Business Loan Centers through which customers can obtain fine-tuned support to meet their financing needs.

Venture Company Investment

We support venture companies by arranging capital through the Dream Fund, which encompasses various government policy finance schemes for new businesses. We also arrange investment through Dream Fund Investment Partnerships, which invest mainly in venture companies with strong links to Kanagawa Prefecture.

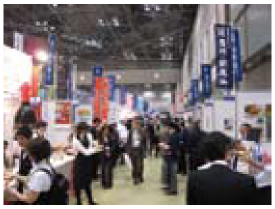
Corporate Loans (Non-Consolidated)

As of March 31



(Note) "Others" includes loans to public and public related sectors.
Domestic branches.

Enhanced Business Support



We help our customers to achieve sustainable growth by providing high-added-value information through our extensive network in Kanagawa Prefecture and southwest Tokyo. To meet customer needs for sales channel expansion opportunities, we actively provide business matching services and plan and hold business forums. In our M&A services, we are making optimal use of the Bank of Yokohama Group's wide-ranging information resources and capabilities, and reinforcing solutions-based consulting and marketing services, to meet customer needs in such areas as business expansion and restructuring, and to provide solutions for management succession issues.

Management Improvement Support for Business Restructuring

We take full advantage of business information obtained through contact with our customers to ascertain customers' financial circumstances, make qualitative considerations and assess external environmental factors. On that basis, we provide support to customers in need of management improvement through concrete measures that are specifically tailored to each customer's intentions and plans.

Specialist units work closely with bank branches to support these activities. Staff also visit customers directly.

Support for Overseas Expansion

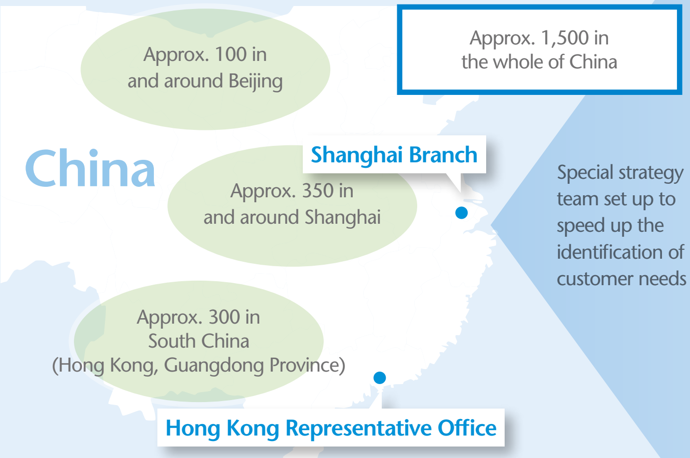
In November 2009, we opened the Shanghai Branch in Shanghai, China and began providing locally based financial services to customers who do business in China, which continues to see striking economic growth.

In addition, we actively provide local financial services in Asian markets through our alliances with overseas banks. These include the Bank of East Asia, Ltd., which is the largest independent local bank in Hong Kong, and the Bangkok Bank Public Company Limited, which is Thailand's biggest commercial bank.

Asia Strategy

In China, the Bank of Yokohama offers high-quality services to about 1,500 of the local branches of our Japanese corporate customers, a number that has nearly doubled (up from 800) since 2006. To better identify our customers' needs in this fast-growing market, a special "Shanghai branch strategy team" was set up in April 2011, focusing on three kinds of funding needs consulting and sales information. In 2013, we aim to complement this service range with Chinese yuan (CNY)-denominated loans.

Local Branches of Our Corporate Customers



Other than the above, our overseas bases also include representative offices in New York and London.

Services that Meet Customers' Needs in China

Funding Needs
In addition to the conventional loans (JPY/USD/EUR) offered by the Shanghai Branch and domestic branches in Japan, the Shanghai Branch will also offer CNY-denominated loans in the future.

Consulting Needs
Specially trained professionals resolve issues faced by overseas management, including compliance with local regulations, and also offer labor and tax services.

Sales Information Needs
Through in-depth sales information, we seek to assist customers' business development efforts through business matching.

Personal Banking Services

Our focus in our business for individual customers is to improve customer convenience, especially through the enhancement of our branch and ATM networks. In addition, we will develop new functions by utilizing alliances. Another priority is the enhancement of our consulting services, such as housing loans and non-deposit products, that we offer to meet customers' needs.

Consultation-Based Selling

One of the key priorities identified in "New Horizon 2nd Stage," the medium-term management plan launched in April 2010, is the development of easy-to-use service channels for our customers. In March 2011, we took an important step forward under this policy by relocating and expanding the Tamagawa Branch in Tokyo, which also began to open on Saturdays, Sundays and public holidays in addition to weekdays. We also installed a counter for our securities subsidiary, Hamagin Tokai Tokyo Securities, as part of the new Tamagawa Consulting Plaza, which offers a wide range of advisory services.

ATM Network

As of May 31, 2011, we had 397 unmanned branches in railway stations and other convenient locations. In addition to linkage with convenience store ATMs, we maintain ATM network alliances with other financial institutions. We share ATM services with several other regional banks, specifically the Kanagawa Bank, Joyo Bank, Chiba Bank, Tsukuba Bank, Tokyo Tomin Bank, Hokuriku Bank, Hokkaido Bank and Musashino Bank.

Housing Loans

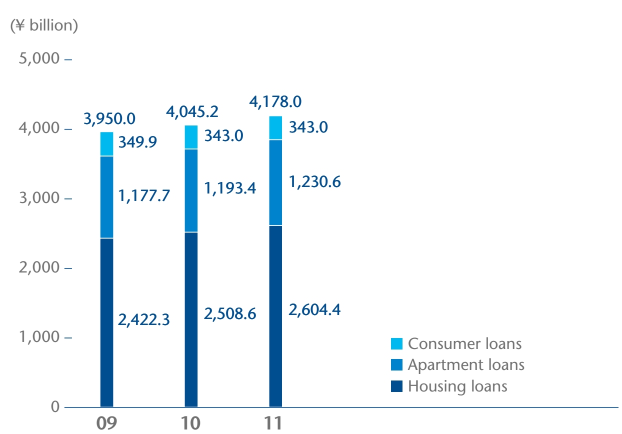
The Bank of Yokohama offers an extensive range of housing loan products to suit the needs and life plans of individual customers, including the construction or purchase of a residence or the refinancing of a loan from other financial institutions. We have also enhanced our services to existing loan customers, which include an Internet-based system under which customers can partially repay loans ahead of schedule without additional fees.

Expert staff stand ready to assist customers at our 26 Housing Loan Centers (as of March 31, 2011), most of which are open on weekdays and Sundays for consultations and applications.

In addition, customers can apply for preliminary loan screening by contacting our Direct Housing Loan Centers by telephone or via the Internet. We also operate a toll-free advice line for customers with existing loans to inquire about matters such as early repayment or loan modification procedures.

Individual Loans (Non-Consolidated)

As of March 31



Investment Trusts

We have expanded our range of investment trusts to meet the investment needs of our customers. As of March 31, 2011, we offered 50 funds.

There has been steady growth in sales of 16 investment trusts that are sold exclusively through direct channels, such as Internet banking and telephone banking.

Life Insurance

The Bank offers a variety of life insurance products to meet the wide-ranging post-retirement asset management and inheritance needs of our customers, introducing new products and revising the product range as appropriate. Our range as of March 31, 2011 includes seven personal fixed annuity insurance products, of which two are foreign currency-denominated, five personal variable annuity insurance products, including one foreign currency-denominated product, three lump-sum whole life insurance products, and one lump-sum medical insurance product.

In April 2010, we also began to handle indemnity insurance in two areas, and by the end of March 2011 our range consisted of 18 products.

Inheritance-Related Services

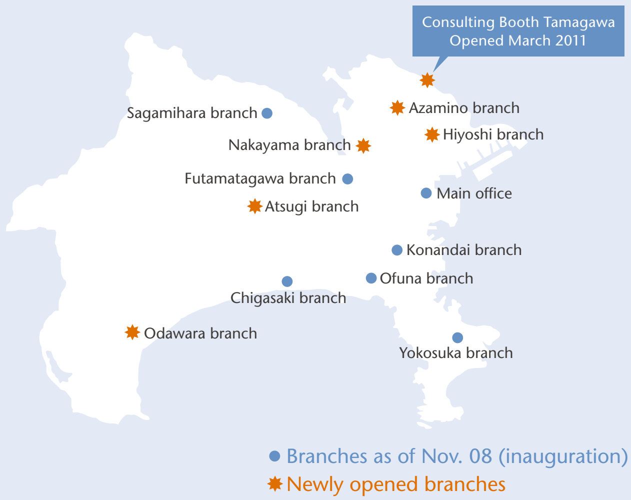
To meet the inheritance-related requirements of its customers, the Bank provides testamentary trust and estate settlement services in partnership with the Mitsubishi UFJ Trust and Banking Corporation and The Sumitomo Trust & Banking Co., Ltd., for which it acts as a trust agency.

Securities Business Strategy

Hamagin Tokai Tokyo Securities, a securities company established jointly by the Bank of Yokohama and Tokai Tokyo Financial Holdings, commenced operations with seven branches in November 2008. Since then, it has continued to develop its network to meet the securities investment needs of customers throughout Kanagawa Prefecture and has also established five shared branches inside Bank of Yokohama branches. In March 2011, the "Consulting Booth Tamagawa" was opened on the second floor of the Bank of Yokohama's Tamagawa Branch. This facility provides high-added-value securities services to a growing number of local customers. The Bank of Yokohama and Hamagin Tokai Tokyo Securities will continue to work together to meet a wide spectrum of customer needs.

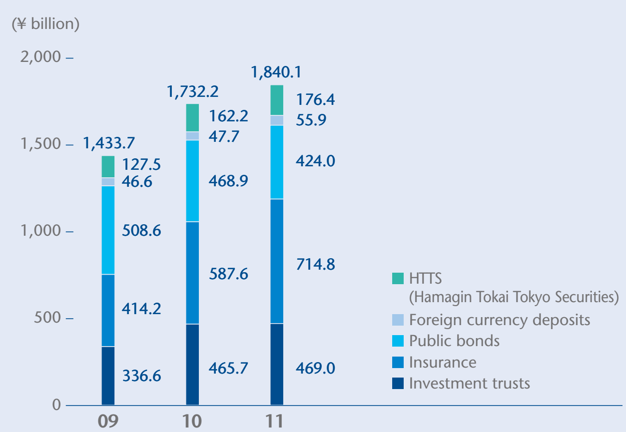
Branch Network of Hamagin Tokai Tokyo Securities

As of August 31, 2011



Balance of Non-Deposit Products for Individuals (Consolidated)

As of March 31



(Note) Insurance = annuity insurance + whole life insurance

Financial Market Activities

We actively use financial markets, including money markets, foreign exchange markets, bond markets and derivatives markets, both to meet the increasingly diverse needs of our customers, and also for diversified investment on our own account. We also use financial markets as part of our asset and liability management (ALM) to appropriately manage interest rate risk, price fluctuation risk, exchange rate risk and liquidity risk.

New Products and Services to Meet Customer Needs

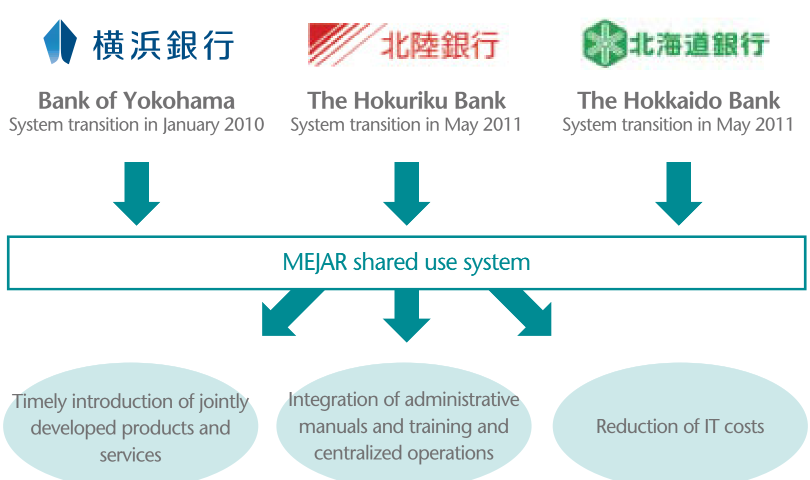
We offer various derivatives that our customers use to hedge against interest rate and currency fluctuations and other risk factors. For added convenience, customers can place applications for foreign exchange contracts through our Internet-based Hamagin FX Direct service.

Diversified Investment

The Bank aims to secure stable investment returns by engaging in diversified investment that balances risks and returns, while paying careful consideration to the market environment to ensure diversification of income sources and risks.

IT-Related Initiatives

In May 2011, the Bank of Yokohama, the Hokuriku Bank, Ltd. and the Hokkaido Bank, Ltd., began to use the "MEJAR" shared use system, which the Bank introduced ahead of the other banks in January 2010. By sharing the system, the participating banks will achieve further reductions in their IT costs while responding more effectively to the wide-ranging needs of their customers. The system will also facilitate the timely introduction of jointly developed products, and allow the banks to integrate their administrative operations. A back-up center has been established in Toyama Prefecture to spread and avert risks relating to earthquakes and other contingencies.



The risk from earthquakes and other disasters has been spread or averted through the maintenance of a back-up center in Toyama, in addition to the main system in Yokohama.

Investing in Human Resources

One of the core themes of our medium-term management plan "New Horizon 2nd Stage" is "improvement of performance by reinforcing investment in human resources." We will continue to invest proactively in human resources under this strategy, the aim of which is to build a strong foundation for the Bank of Yokohama's future growth by enhancing the specialist skills of our staff and creating an organizational environment in which they can utilize those skills to the full.

Human Resources Development

In October 2010, we established a new head office organization, the Financial Business School, to coordinate all aspects of education and training. We also reviewed and strengthened our education and training system. Specific steps included a review of job rotation systems for younger employees, the introduction of new training programs to enhance the specialist skills of mid-level employees, and the expansion of training programs to strengthen the management skills of executives.

Experts from various fields have been appointed as full-time instructors for high-quality education and training programs provided under yearly schedules. We will continue to develop human resources with advanced skills through in-house and external training systems, including overseas MBA programs.

Improving Motivation

Our business operations are becoming increasingly sophisticated and specialized, and we are continually improving our career design support systems to help individual employees to utilize their experience and skills in this environment. Our efforts to provide a diverse range of highly motivated human resources also include the reemployment of former employees who left the Bank for various reasons, such as marriage or childbirth, and the offer of formal, full-time jobs to part-time workers and others. In these ways, we are continually working to make effective use of the human resources of the Bank of Yokohama Group.

Active Promotion for Female Employees

We have introduced a program to enhance the status of female employees. Measures under this program include promotion to executive positions. As of March 31, 2011, 12 women had been promoted to branch manager level. We are actively preparing for the promotion of more female employees to executive roles.

Work-Life Balance Measures

The Bank is implementing a range of initiatives to help employees achieve a healthy work-life balance. These include support for continuing employment, the enhancement of non-work time, career development support, and support for health management. We have also introduced a flextime system, which allows employees to arrange their working hours more flexibly.

Profit Distribution Policy

Dividend Policy

Returning profits to shareholders is an important management priority for the Bank of Yokohama. In the year ended March 31, 2005, the Bank introduced a performance-based dividend policy, while adhering to the concept of a stable dividend.

In keeping with that policy, to flexibly return profits to our shareholders and further increase management and financial stability, for the fiscal year ending March 31, 2012 the Bank has decided to add a Special Dividend linked to business results to the Ordinary Dividend, which is paid on a stable basis.

(1) Ordinary Dividend

The Bank will pay a dividend of ¥10 per share irrespective of business performance, consisting of an interim dividend of ¥5 per share and a year-end dividend of ¥5 per share.

(2) Special Dividend

Regarding the portion of the dividend linked to business results, the Bank will make a profit distribution (in the form of payment of a Special Dividend or purchase of treasury stock) equivalent to approximately 40% of the amount exceeding ¥50 billion in net income, if net income for the fiscal year exceeds ¥50 billion.

CSR Activities

As a bank with strong regional ties, the Bank of Yokohama aims to provide branches that are readily accessible to its customers and facilitate the provision of financial services in its region, while also building stronger relationships with local governments. We are also involved in a wide spectrum of social contribution initiatives, including support initiatives for families with children in our region.

Environmental Initiatives

Since May 2011, we provide housing loans for the construction or purchase of houses containing a specific percentage of Kanagawa-produced timber. This system encourages tree thinning and forest recycling through the use of local timber. In July 2011, we began to handle loans for residential installations of solar panels, with the aim of contributing toward a low-carbon society based on solar power generation.

The entire Bank of Yokohama Group is committed to energy conservation and recycling. As part of that commitment, we are participating in the nationwide "Challenge 25 Campaign," which promotes efforts to prevent global warming, including electricity and water conservation and eco-driving techniques. We also support the efforts of the Kanagawa Prefectural Government to promote the use of electric vehicles, which we have already introduced.

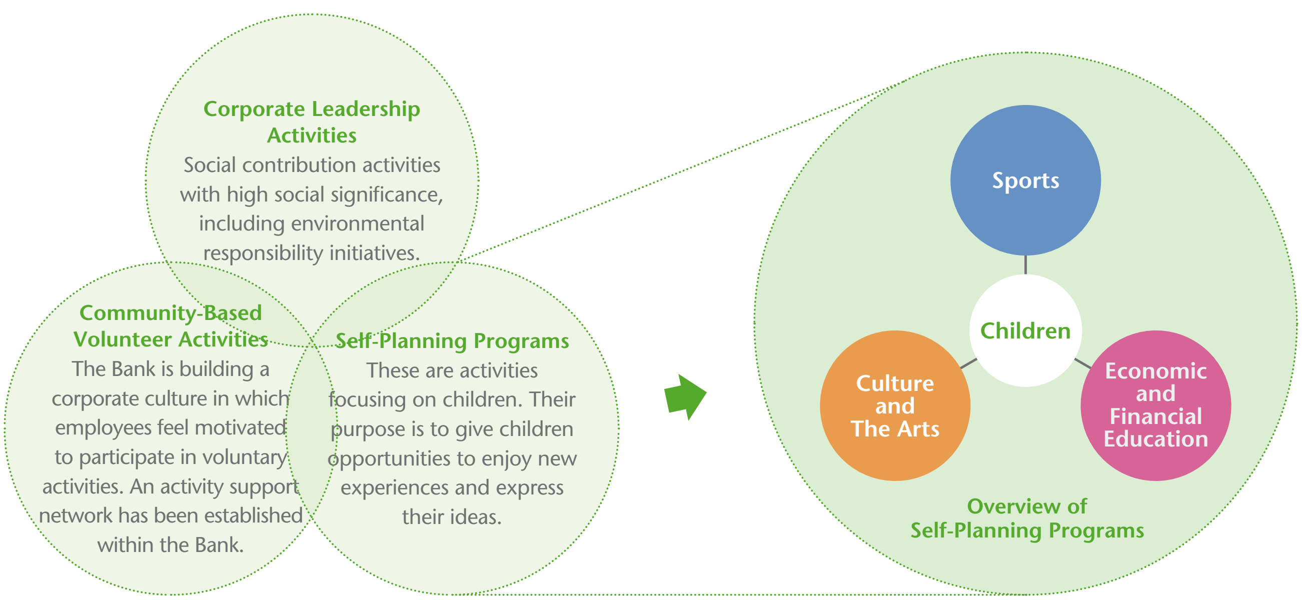
Voluntary Activities in Communities

Working alongside members of local communities, Bank of Yokohama employees and employees of group companies participate as volunteers in various community initiatives, including clean-up and beautification projects and welfare support programs.

Initiatives for Children in Our Region

As part of our economic and financial education activities, our branches offer work experience opportunities for students from local elementary and junior and senior high schools. Through this program, we help children to develop a better understanding of the meaning of work. The Bank of Yokohama also contributes to the development of children through its support for sports, culture and the arts.

Overview of Regional Social Initiatives



Governance System

CORPORATE GOVERNANCE

Basic Approach

In accordance with the Bank of Yokohama's recognition of corporate governance as a critical management issue, the Board of Directors and Board of Corporate Auditors supervises and monitors the execution of the duties of directors while placing great emphasis on compliance with the Corporation Law and other laws and ordinances.

The Bank has introduced an executive officer system, within which executive officers appointed by the Board of Directors are responsible for the operation of their departments, together with directors. In addition, the term of office of directors has been limited to one year in order to invigorate the Board of Directors and to facilitate quick responses to changes in the business environment.

Description of Management Organization

The Bank is structured under the "company with auditors" system.

The Board of Directors is the apex of a structure designed to support appropriate delegation of authority and timely decision-making while ensuring strict enforcement of internal regulations.

It is the Bank's view that the effectiveness of corporate governance can be enhanced through the appointment of highly independent outside directors, which ensures thorough management oversight, and the maintenance of an auditing function through the corporate auditors and Board of Corporate Auditors.

A. Board of Directors

The Board of Directors makes decisions on important matters pertaining to the Bank's management, including policies and the execution of operations. Directors regularly report to the Board of Directors on various matters, including compliance, risk management and audit results. Meetings of the Board of Directors are normally held monthly.

B. Auditors, Board of Corporate Auditors

Individual auditors attend important management meetings, including meetings of the Board of Directors, in accordance with audit policies and plans determined by the Board of Auditors. The auditors also perform their duties by monitoring the Bank's operations, financial position, and the performance of directors' duties.

The Bank has established the Corporate Auditor's Office and staffed it with full-time employees to assist the corporate auditors, including the outside corporate auditors, and to ensure the smooth functioning of the Board of Corporate Auditors. The Board of Corporate Auditors normally meets monthly.

C. Management Conference

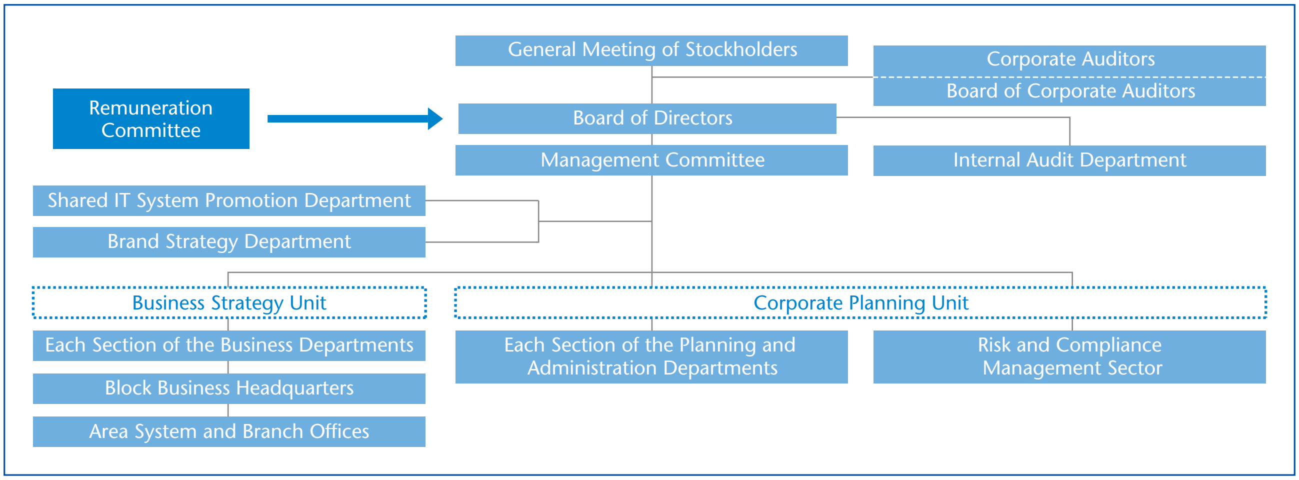
The membership of the Management Committee includes representative directors and directors. It deliberates on agenda items for meetings of the Board of Directors and makes decisions on important management matters as stipulated in the Bank's internal regulations. Meetings of the Management Conference are normally held monthly.

D. Remuneration Committee

The Remuneration Committee was established to deliberate on directors' remuneration. Its task is to ensure objectivity and transparency in related decisions.

Corporate Governance Structure

(As of June 30, 2011)



Governance System

Improvement of Internal Control Systems

The Bank develops and administers the following internal control systems to ensure compliance with laws and regulations, and with our Articles of Incorporation. These systems are continually assessed, and when necessary, steps are taken to improve their effectiveness.

A. A framework to ensure that the execution of duties of directors and employees is in accordance with the Articles of Incorporation as well as other laws and ordinances.

B. A framework for storing and managing information related to the execution of duties of directors.

C. Regulations and other frameworks related to control of loss-related risk.

D. A framework to ensure the execution of duties of the directors is being performed efficiently.

E. Systems to ensure the accuracy of financial statements.

F. A framework to ensure the appropriateness of operations within the Bank's group, comprising its subsidiaries as well as the Bank itself.

G. A framework concerning employees involved when Corporate Auditors request that the employees be assigned to assist them in their necessary duties, as well as provisions regarding the independence of those employees from the directors.

H. A framework enabling directors and employees to report to the Board of Corporate Auditors and a framework covering other reports to the Board of Corporate Auditors.

I. Other frameworks to ensure that audits by the Corporate Auditors are to be performed effectively.

(As of June 30, 2011)

COMPLIANCE

Approach to Compliance

The Bank has established the "Compliance Committee" and "Compliance Conference", which are forums for deliberations on basic compliance policies, stringent measures to prevent regulatory violations, and other compliance-related matters. Management is actively involved in compliance activities and is working to enhance related systems by strengthening compliance checks and providing detailed guidance to branches.

Basic Compliance Policy

The Bank's basic policy on compliance is determined by resolutions of the Board of Directors. Core aspects of compliance are defined in the Compliance Regulations. Every fiscal year the Board of Directors determines the Compliance Program of specific compliance measures, which form the basis for actual compliance implementation.

Compliance Framework

The Compliance Office within the Risk Management Department has overall responsibility for compliance activities throughout the Bank of Yokohama organization. Compliance officers are appointed directly by the Board of Directors and work independently of business departments to coordinate all aspects of compliance activities.

Elimination of Antisocial Elements

We are constantly aware of our social mission and responsibilities as a bank. For this reason, we steadfastly refuse to provide funds to antisocial elements that could threaten public order and safety and resolutely reject any unlawful demands or intervention by such elements. The entire Bank of Yokohama organization is united behind our fundamental principle of excluding any relationship whatsoever, including business transactions, with antisocial elements.

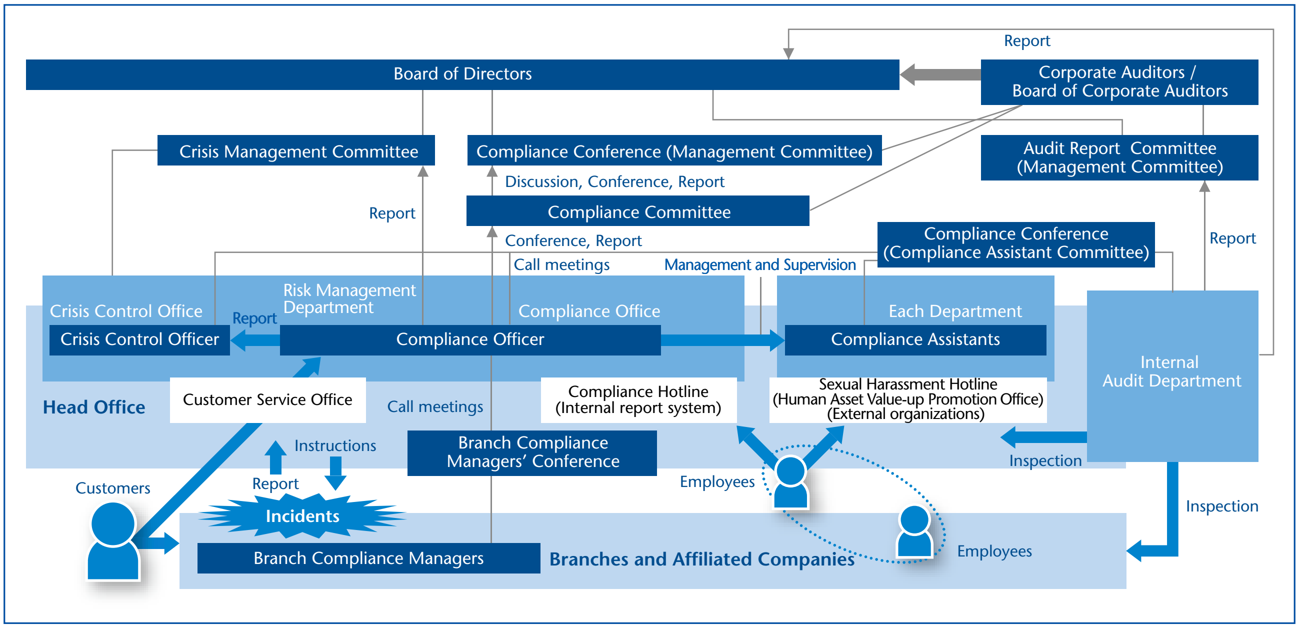
Approach to Customer Protection and Other Control Systems

In an effort to strengthen customer protection and other control systems, the Compliance Office has oversight, planning and management functions related to customer protection and other controls. The Customer Services Office, which operates within the Risk Management Department, serves as a framework for accommodating customer comments and complaints.

Protection of Personal Information

The Bank's Declaration on the Protection of Personal Information is based on the Japanese Personal Information Protection Law, industry guidelines and other requirements. This declaration, and the purposes for which customers' personal information will be used, are clearly stated on our website, in posters displayed in branches, and in brochures.

Compliance Structure



RISK MANAGEMENT

Approach to Risk Management

The risks confronting banks are becoming increasingly diverse and complex in step with the progress of financial deregulation, globalization and securitization as well as the development of derivatives and other financial engineering and IT, along with the growing sophistication of customer needs. Given this situation, the Bank positions risk management as a critical management issue from the standpoint of maintaining and improving the soundness of its business, and constantly works to refine its approach in this direction.

Consequently, the Bank comprehensively manages a wide range of risks by conducting dynamic risk control. At the same time, the Bank has constructed a strict monitoring framework to cope with the various risks such as credit risk, market risk and liquidity risk. Under this framework, risk-controlling departments and risk-taking departments are organizationally separated.

Based on this framework, the Bank takes the characteristics of the various risks into consideration to draw a sharp line between "risks that should be taken" and "risks that should be avoided." The Bank actively deals with those risks that should be taken by applying appropriate control systems. In this manner, the Bank conducts sound and highly profitable business as the leader of the financial system in its region.

Basic Policies on Risk Management

Based on the Basic Risk Management Principles approved by the Board of Directors, the Bank conducts risk management in keeping with the basic policies stated below:

- Our risk management systems are designed to minimize the effects of economic fluctuations and market changes. As a major element of the financial system of our region, our basic mission is to provide financial services reliably and continuously.
- The Bank continually identifies, assesses, monitors and controls the various risks inherent in its operations, products, services and systems corresponding to our strategic goals, including medium-term management plans and operational management policies. In this way, the Bank is able to secure stable income commensurate with risk by maintaining sound management and appropriately allocating our management resources.
- The Bank has established specific risk management policies according to our strategic goals, and the Bank takes appropriate steps to ensure that all within our organization are aware of these policies. Risk management policies are reviewed annually or as required when there are changes in our strategic goals or the external environment.
- Various risks confronted by the Bank are distinguished and controlled as much as possible in an integrated manner because they are either cross-organizational, ranging across various operations, or are closely related to one another.
- The Bank distinguishes and controls risks on a comprehensive and consolidated basis in principle. Under the Basel II

framework, the Bank has established a credit risk management structure based on internal ratings and enhanced our operational risk management systems. Credit risk is assessed by using the "Foundation Internal Ratings Based approach (FIRB)" and operational risk by using the "Standardized Approach." The Bank has adopted the BIS Standard as of December 2009.

Integrated Risk Management

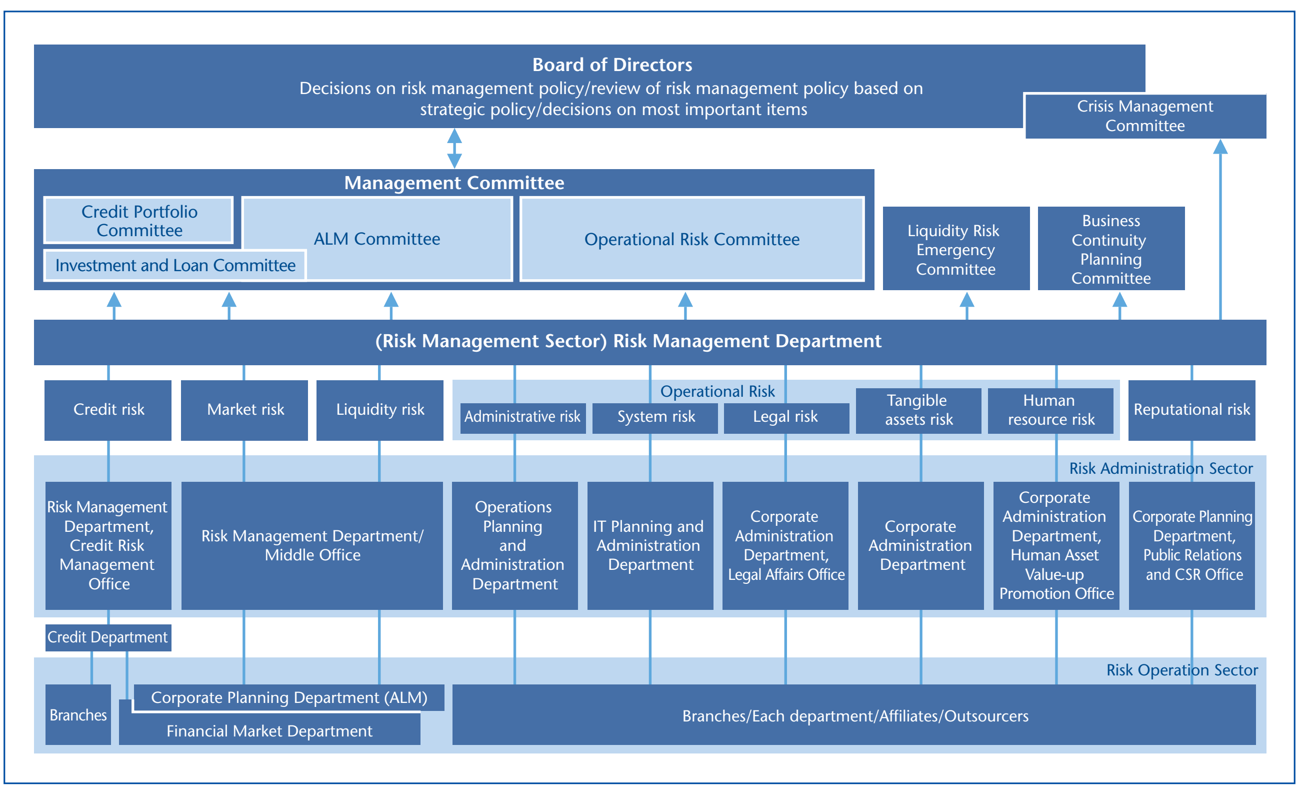
One of the Bank's basic policies of risk management is to "manage risks in an integrated manner as much as possible." To accomplish this goal, the Bank formulates "Integrated Risk Management Regulations" and seeks to understand each risk quantitatively in an integrated manner while conducting its business in pursuit of two aspects: to ensure the soundness of its management and to improve its profitability and efficiency.

Method of Risk Management

In keeping with the following basic rules, the Bank endeavors to refine its risk management practices and make them even stricter.

- Certain risks can be quantified, understood and thereby managed. After quantifying such risks by means of risk analysis using VaR (Value at Risk), BPV (Basis Point Value), gap analysis and simulations, the Bank controls those risks in keeping with the expected returns and management strengths.
- Applying back testing and stress tests, the Bank checks its quantification techniques and the validity and effectiveness of its management methods to ensure the effectiveness of risk management while also working to refine its quantification techniques and make them more precise. When conducting stress tests, we facilitate risk communication through the use of forward-looking scenarios that anticipate changes in the environment.
- The Bank seeks to prevent the emergence of reputational risks and other risks that should be avoided or constrained. If such risks do emerge, however, the Bank seeks to deal with them immediately.
- The Bank identifies and assesses new risks resulting from various actions, such as the development, supply or modification of products and services, and establishes clearly defined risk control methods and management reporting systems.
- When tasks are outsourced, appropriate risk management measures are employed to ensure customer protection and management soundness.
- The Bank maintains risk management regulations concerning the establishment and effectiveness of risk management systems.

Risk Management Structure



Maintaining a Sound Financial Standing

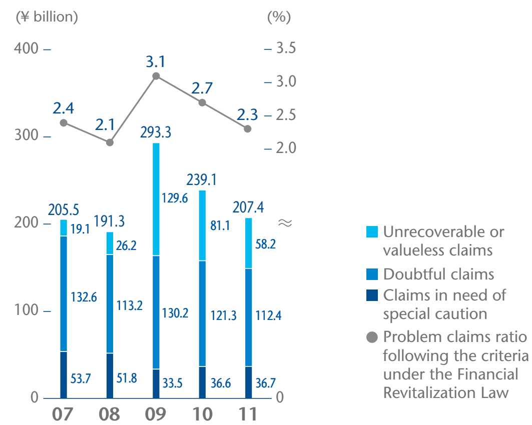
CLAIMS

The Problem Claims Ratio Decreased to 2.3% (Non-Consolidated)

In the term under review, as a result of improvements in borrower categories and progress in debt collection, through removal of bad assets from the balance sheet and support for business improvement, problem claims (following the criteria set out in the Financial Revitalization Law) decreased ¥31.7 billion compared with the previous term-end to ¥207.4 billion. The problem claims ratio decreased 0.4 percentage points to 2.3 %.

Problem Claims as a Percentage of Total Claims

(In Accordance with the Financial Revitalization Law) (Non-Consolidated)
As of March 31



Coverage of Credit Information (As of March 31, 2011)

(¥ billion, %)

		Unrecoverable or valueless claims	Doubtful claims	Subtotal	In need of special caution (borrower category)	Total
Outstanding claims	(A)	58.2	112.4	170.6	42.1	212.7
Sum covered by collateral, etc.	(B)	33.9	81.0	114.9	19.4	134.4
Sum of possible uncollectible loans	(C=A-B)	24.3	31.3	55.6	22.6	78.2
Specific allowance for possible loan losses	(D)	24.3	11.4	35.8	4.2	40.0
Allowance coverage ratio	(D/C)x100	100.0	36.6	64.3	19.0	51.1
Total coverage ratio	(B+D) /Ax100	100.0	82.3	88.3	56.2	82.0

CAPITAL ADEQUACY

1. Overview of Capital Adequacy Assessment Method

As stipulated in its Basic Regulations on Capital Adequacy Management, the Bank of Yokohama assesses its capital adequacy by ascertaining whether it has sufficient capital to cover its risk exposure, taking into account management plans and strategies. Capital adequacy is assessed on the basis of total risk exposure and the capital adequacy ratio.

To assess capital adequacy based on total risk exposure, the Bank determines whether the buffer (unallocated capital) is sufficient to cover unallocated risk. In this way, it ensures that risk does not exceed its financial capacity.

Specifically, anticipated risk exposure is estimated on the basis of business plans for each segment, and capital is allocated within the scope of real capital according to the level of risk in each category, including credit risk, market risk, liquidity risk and operational risk. To monitor the effect of sudden environmental changes and economic cycles on the overall portfolio, the Bank analyzes the potential impact, including the degree of capital impairment, by periodically conducting stress tests based on common scenarios that reflect the possibility of serious deterioration in relation to each type of risk.

The Bank assesses its capital adequacy from the perspective of whether or not its capital buffer (unallocated capital) is sufficient, taking into account stress test results and risks that have been excluded from quantification because of quantification model limitations and other factors. The results are used to formulate capital strategies and risk management policies.

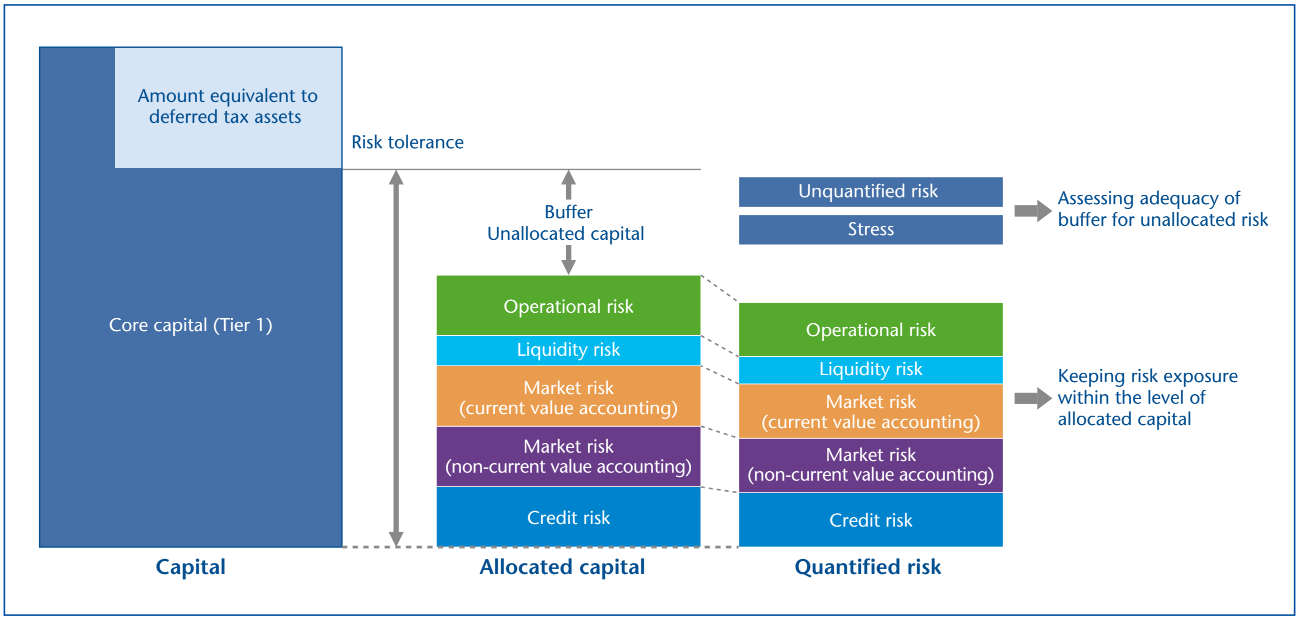
2. Overview of Credit Risk Management Policies and Procedures

The basic policy of the Bank of Yokohama, as an institution that helps to maintain an orderly credit environment in its region, is to supply credit reliably regardless of business trends and changes in the economic environment with a forward-looking stance, while keeping its exposure to credit risk within its financial capacity and enhancing its risk management approach. Under this policy, we have continually strengthened our credit risk management systems, based on internal rating systems.

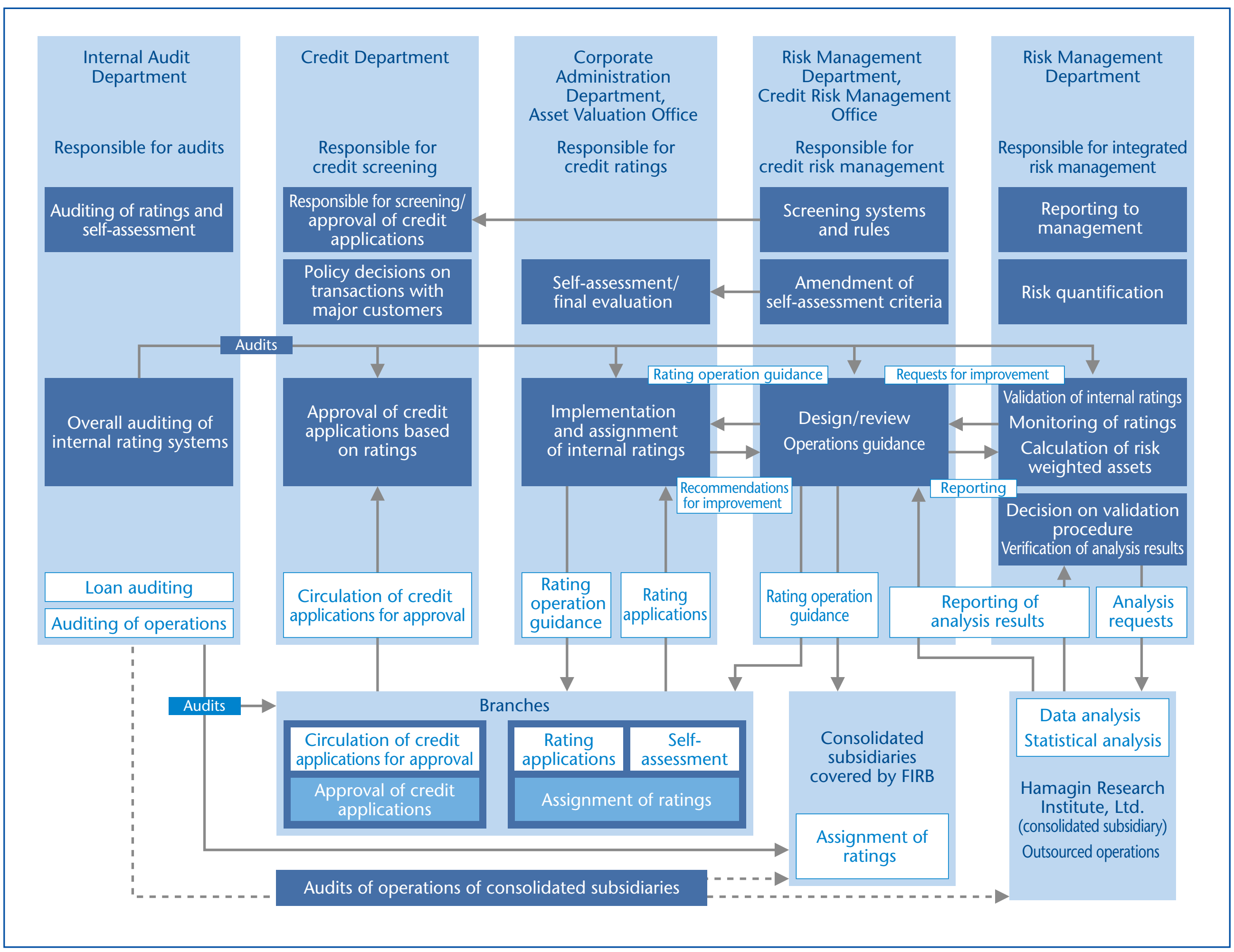
The Credit Risk Management Office, which is independent of the Credit Department (responsible for credit screening) and the Corporate Administration Department, Asset Valuation Office (responsible for credit ratings), has developed internal rating and self-assessment systems to analyze the credit risk of obligators and transactions. These systems are used to manage credit risk appropriately, and to write off assets and provide reserves where appropriate. The Risk Management Department, responsible for integrated risk management, maintains the effectiveness and objectivity of internal rating systems by validating them and by monitoring credit portfolios.

Maintaining a Sound Financial Standing

Overview of Capital Adequacy Assessment Method



Organizational Structure for Internal Rating Systems



Five-Year Summary of Consolidated Financial Statements

Consolidated Balance Sheets

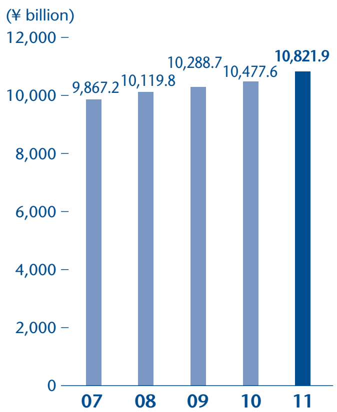
As of March 31,	2011	2010	2009	2008	2007
	Millions of Yen				
ASSETS:					
Cash and due from banks	**¥ 857,677**	¥ 731,175	¥ 623,224	¥ 544,132	¥ 383,330
Call loans and bills purchased	**143,395**	92,425	72,076	232,611	204,354
Other debt purchased	**188,390**	213,567	246,295	290,984	317,603
Trading assets	**100,368**	42,392	59,916	51,480	82,437
Securities	**1,994,647**	1,741,692	1,348,507	1,408,100	1,670,276
Loans and bills discounted	**8,601,882**	8,485,502	8,961,222	8,518,650	8,115,015
Foreign exchange assets	**3,948**	4,839	7,257	3,595	4,399
Deferred tax assets	**49,940**	61,155	68,042	36,149	5,592
Customers' liabilities for acceptances and guarantees	**331,805**	358,400	400,362	426,264	441,010
Other	**336,821**	347,569	358,047	533,868	234,036
Allowance for possible loan losses	**(88,352)**	(94,406)	(110,413)	(56,317)	(55,876)
Total	**¥12,520,526**	¥11,984,313	¥12,034,535	¥11,989,520	¥11,402,180
LIABILITIES:					
Deposits	**¥10,821,987**	¥10,477,685	¥10,288,750	¥10,119,828	¥ 9,867,222
Call money and bills sold	**36,908**	23,410	127,764	202,779	132,391
Trading liabilities	**1,460**	1,573	1,426	1,954	2,669
Borrowed money	**282,939**	99,758	250,293	110,887	2,648
Foreign exchange liabilities	**28**	85	45	55	36
Bonds and notes	**64,300**	64,300	34,300	40,000	40,000
Other liabilities	**170,312**	173,812	194,063	314,838	125,580
Accrued bonuses to directors and corporate auditors	**40**	9		85	80
Liability for employees' retirement benefits	**143**	118	91	73	53
Reserve for directors' and corporate auditors' retirement benefits				1,072	
Reserve for reimbursement of deposits	**898**	934	879	881	
Reserve for contingent losses	**700**	594	420	116	
Reserves under special law	**2**	1			
Deferred tax liabilities					6,446
Deferred tax liabilities for land revaluation surplus	**22,048**	22,048	22,048	22,333	22,363
Acceptances and guarantees	**331,805**	358,400	400,362	426,264	441,010
Total liabilities	**11,733,577**	11,222,733	11,320,448	11,241,171	10,640,503
EQUITY:					
Capital stock	**215,628**	215,628	215,628	215,597	215,481
Surplus, reserves and other	**520,180**	496,979	450,102	487,299	501,008
Minority interests	**51,139**	48,972	48,354	45,450	45,187
Total equity	**786,948**	761,580	714,086	748,348	761,677
TOTAL	**¥12,520,526**	¥11,984,313	¥12,034,535	¥11,989,520	¥11,402,180

Consolidated Statements of Income

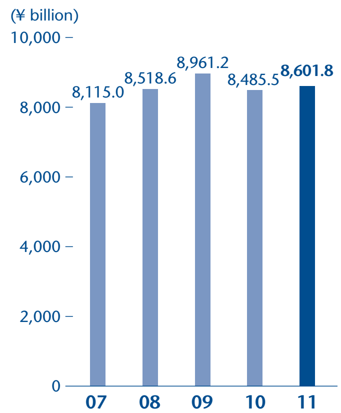
Years ended March 31,	2011	2010	2009	2008	2007
	Millions of Yen				
INCOME:					
Interest on loans and discounts	**¥ 158,422**	¥ 172,673	¥ 194,017	¥ 190,793	¥ 161,968
Other	**128,816**	130,684	147,930	131,982	103,715
Total income	**287,238**	303,358	341,947	322,776	265,684
EXPENSES:					
Interest on deposits	**8,259**	13,214	23,863	28,610	12,225
Other	**195,191**	237,286	307,914	179,830	141,348
Total expenses	**203,450**	250,500	331,777	208,441	153,574
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	**83,787**	52,857	10,170	114,335	112,109
TOTAL INCOME TAXES	**33,323**	20,238	2,121	44,378	44,261
MINORITY INTERESTS IN NET INCOME	**(3,375)**	(1,672)	(703)	(1,686)	(1,558)
NET INCOME	**¥ 47,089**	¥ 30,946	¥ 7,344	¥ 68,270	¥ 66,289

Yen amounts have been rounded down to millions of yen.

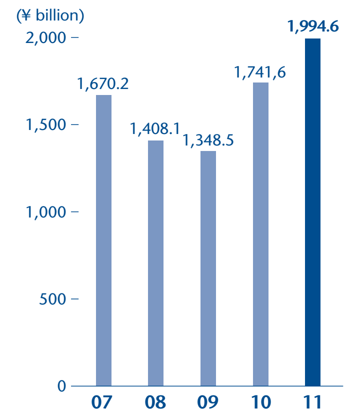
Deposits
As of March 31



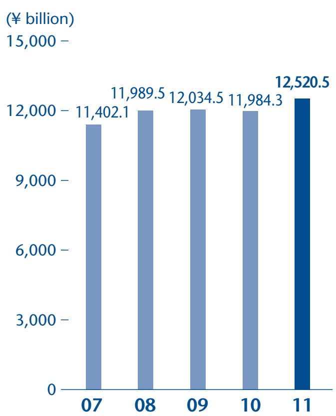
Loans and Bills Discounted
As of March 31



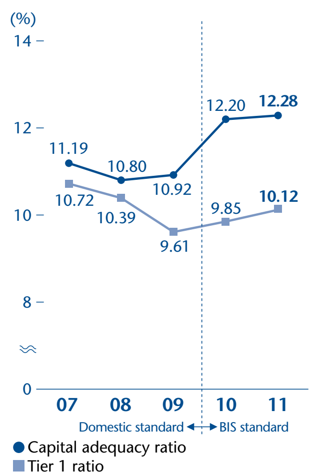
Securities
As of March 31



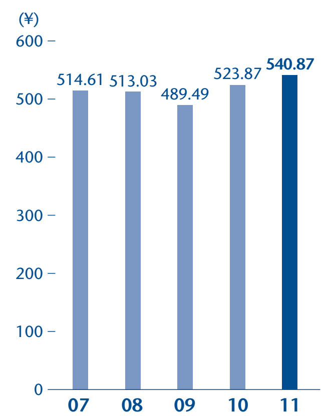
Total Assets
As of March 31



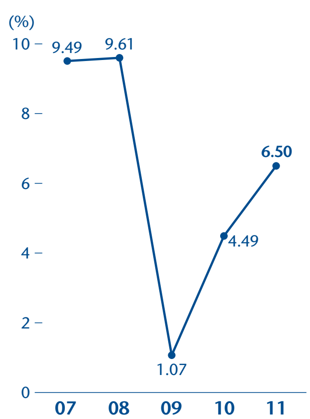
Capital Adequacy Ratio
As of March 31



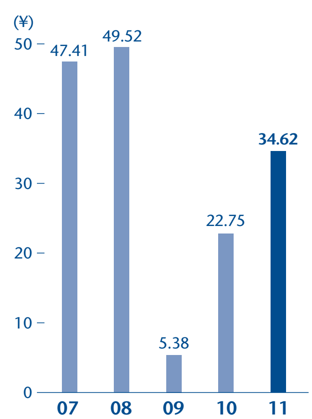
Net Assets Per Share
As of March 31



ROE
Years ended March 31



Net Income Per Share
Years ended March 31



Consolidated Financial Statements

Consolidated Balance Sheets

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	**2011**
ASSETS:			
Cash and due from banks (Notes 3 and 27)	**¥ 857,677**	¥ 731,175	**$ 10,314,824**
Call loans and bills purchased (Note 27)	**143,395**	92,425	**1,724,537**
Other debt purchased (Note 27)	**188,390**	213,567	**2,265,672**
Trading assets (Note 4)	**100,368**	42,392	**1,207,082**
Securities (Notes 5, 12 and 27)	**1,994,647**	1,741,692	**23,988,543**
Loans and bills discounted (Notes 6, 12 and 27)	**8,601,882**	8,485,502	**103,450,183**
Foreign exchange assets (Notes 6 and 7)	**3,948**	4,839	**47,488**
Lease receivables and investment assets (Note 26)	**52,819**	57,225	**635,232**
Other assets (Notes 8 and 12)	**139,006**	138,403	**1,671,757**
Premises and equipment (Note 9)	**126,960**	130,158	**1,526,884**
Intangible fixed assets (Note 10)	**18,034**	21,781	**216,893**
Deferred tax assets (Note 25)	**49,940**	61,155	**600,613**
Customers' liabilities for acceptances and guarantees (Note 11)	**331,805**	358,400	**3,990,445**
Allowance for possible loan losses	**(88,352)**	(94,406)	**(1,062,568)**
TOTAL	**¥12,520,526**	¥11,984,313	**$150,577,585**
LIABILITIES:			
Deposits (Notes 12, 13 and 27)	**¥10,821,987**	¥10,477,685	**$130,150,182**
Call money and bills sold	**36,908**	23,410	**443,876**
Trading liabilities (Note 4)	**1,460**	1,573	**17,560**
Borrowed money (Notes 12 and 14)	**282,939**	99,758	**3,402,757**
Foreign exchange liabilities (Note 7)	**28**	85	**347**
Bonds and notes (Note 15)	**64,300**	64,300	**773,301**
Other liabilities (Note 16)	**170,312**	173,812	**2,048,259**
Accrued bonuses to directors and corporate auditors	**40**	9	**487**
Liability for employees' retirement benefits (Note 17)	**143**	118	**1,723**
Reserve for reimbursement of deposits	**898**	934	**10,810**
Reserve for contingent losses	**700**	594	**8,429**
Reserves under special law	**2**	1	**34**
Deferred tax liabilities for land revaluation surplus	**22,048**	22,048	**265,167**
Acceptances and guarantees (Note 11)	**331,805**	358,400	**3,990,445**
Total liabilities	**11,733,577**	11,222,733	**141,113,377**
EQUITY (Notes 18 and 19):			
Capital stock—common stock—authorized, 3,000,000 thousand shares in 2011 and 2010; issued, 1,361,071 thousand shares in 2011 and 2010	**215,628**	215,628	**2,593,249**
Capital surplus	**177,244**	177,244	**2,131,623**
Stock acquisition rights	**274**	192	**3,301**
Retained earnings	**298,369**	264,885	**3,588,334**
Treasury stock—common stock—at cost, 1,166 thousand shares in 2011 and 1,183 thousand shares in 2010	**(669)**	(689)	**(8,052)**
Accumulated other comprehensive income (loss):			
Unrealized gain on available-for-sale securities	**13,446**	23,855	**161,711**
Deferred loss on derivatives under hedge accounting	**(9)**	(32)	**(118)**
Land revaluation surplus	**31,524**	31,524	**379,129**
Total	**735,809**	712,608	**8,849,177**
Minority interests	**51,139**	48,972	**615,031**
Total equity	**786,948**	761,580	**9,464,208**
TOTAL	**¥12,520,526**	¥11,984,313	**$150,577,585**

See notes to consolidated financial statements.

Consolidated Statements of Income

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	**2011**
INCOME:			
Interest income:			
Interest on loans and discounts	**¥158,422**	¥172,673	**$1,905,263**
Interest and dividends on securities	**17,681**	17,890	**212,641**
Other interest income	**6,279**	6,712	**75,526**
Fees and commissions	**52,171**	51,019	**627,436**
Trading profits	**1,250**	1,379	**15,045**
Other operating income (Note 21)	**44,724**	44,895	**537,879**
Other income (Note 22)	**6,708**	8,786	**80,674**
Total income	**287,238**	303,358	**3,454,464**
EXPENSES:			
Interest expenses:			
Interest on deposits	**8,259**	13,214	**99,328**
Interest on borrowings and rediscounts	**2,612**	2,364	**31,419**
Other interest expenses	**2,673**	2,320	**32,159**
Fees and commissions	**10,423**	10,419	**125,362**
Trading losses	**16**	72	**200**
Other operating expenses (Note 23)	**32,499**	36,431	**390,852**
General and administrative expenses	**110,968**	112,006	**1,334,552**
Provision for possible loan losses	**14,266**	35,241	**171,577**
Other expenses (Note 24)	**21,730**	38,431	**261,344**
Total expenses	**203,450**	250,500	**2,446,793**
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	**83,787**	52,857	**1,007,671**
INCOME TAXES (Note 25):			
Current	**15,719**	31,524	**189,051**
Deferred	**17,603**	(11,285)	**211,709**
Total income taxes	**33,323**	20,238	**400,760**
NET INCOME BEFORE MINORITY INTERESTS	**50,464**		**606,911**
MINORITY INTERESTS IN NET INCOME	**(3,375)**	(1,672)	**(40,592)**
NET INCOME	**¥ 47,089**	¥ 30,946	**$ 566,319**

	Yen		U.S. Dollars
PER SHARE INFORMATION (Notes 2.v and 20):			
Basic net income per share	**¥ 34.62**	¥ 22.75	**$ 0.42**
Diluted net income per share	**34.61**	22.75	**0.42**
Dividend on common stock	**10.00**	10.00	**0.12**

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Year Ended March 31, 2011

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
	2011	**2011**
NET INCOME BEFORE MINORITY INTERESTS	**¥ 50,464**	**$ 606,911**
OTHER COMPREHENSIVE INCOME (LOSS) (Note 29):		
Unrealized gain (loss) on available-for-sale securities	**(10,409)**	**(125,195)**
Deferred loss on derivatives under hedge accounting	**22**	**274**
Total other comprehensive income (loss)	**(10,387)**	**(124,921)**
COMPREHENSIVE INCOME (Note 29)	**¥ 40,077**	**$ 481,990**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO (Note 29):		
Owners of the parent	**¥ 36,702**	**$ 441,405**
Minority interests	**3,374**	**40,585**

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

	Thousands	Millions of Yen										
							Accumulated Other Comprehensive Income (Loss)					
	Outstanding Number of Shares of Common Stock	Capital Stock	Capital Surplus	Stock Acquisition Rights	Retained Earnings	Treasury Stock	Unrealized Gain (Loss) on Available-for-sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Land Revaluation Surplus	Total	Minority Interests	Total Equity
BALANCE, APRIL 1, 2009	1,359,866	¥215,628	¥177,244	¥ 87	¥247,545	¥(712)	¥ (5,517)	¥(69)	¥31,524	¥665,731	¥48,354	¥714,086
Net income					30,946					30,946		30,946
Cash dividends, ¥10.00 per share for common stock					(13,598)					(13,598)		(13,598)
Purchase of treasury stock	(72)					(32)				(32)		(32)
Disposal of treasury stock	93				(8)	55				46		46
Net change in the year				104			29,372	37		29,514	617	30,132
BALANCE, MARCH 31, 2010	1,359,887	215,628	177,244	192	264,885	(689)	23,855	(32)	31,524	712,608	48,972	761,580
Net income					47,089					47,089		47,089
Cash dividends, ¥10.00 per share for common stock					(13,599)					(13,599)		(13,599)
Purchase of treasury stock	(65)					(27)				(27)		(27)
Disposal of treasury stock	82				(5)	48				42		42
Net change in the year				82			(10,409)	22		(10,304)	2,167	(8,136)
BALANCE, MARCH 31, 2011	**1,359,904**	**¥215,628**	**¥177,244**	**¥274**	**¥298,369**	**¥(669)**	**¥ 13,446**	**¥ (9)**	**¥31,524**	**¥735,809**	**¥51,139**	**¥786,948**

	Thousands of U.S. Dollars (Note 1)										
						Accumulated Other Comprehensive Income (Loss)					
	Capital Stock	Capital Surplus	Stock Acquisition Rights	Retained Earnings	Treasury Stock	Unrealized Gain (Loss) on Available-for-sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Land Revaluation Surplus	Total	Minority Interests	Total Equity
BALANCE, MARCH 31, 2010	$2,593,249	$2,131,623	$2,312	$3,185,631	$(8,295)	$286,899	$(392)	$379,129	$8,570,156	$588,963	$9,159,119
Net income				566,319					566,319		566,319
Cash dividends, $0.12 per share for common stock				(163,550)					(163,550)		(163,550)
Purchase of treasury stock					(335)				(335)		(335)
Disposal of treasury stock				(66)	578				512		512
Net change in the year			989			(125,188)	274		(123,925)	26,068	(97,857)
BALANCE, MARCH 31, 2011	**$2,593,249**	**$2,131,623**	**$3,301**	**$3,588,334**	**$(8,052)**	**$161,711**	**$(118)**	**$379,129**	**$8,849,177**	**$615,031**	**$9,464,208**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	**2011**
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	**¥ 83,787**	¥ 52,857	**$ 1,007,671**
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation	**11,006**	11,172	**132,375**
Amortization of goodwill	**526**	648	**6,327**
Decrease in allowance for possible loan losses	**(6,054)**	(16,007)	**(72,813)**
Increase in accrued bonuses to directors and corporate auditors	**31**	9	**378**
Increase in liability for employees' retirement benefits	**25**	26	**303**
(Decrease) increase in reserve for reimbursement of deposits	**(35)**	54	**(430)**
Increase in reserve for contingent losses	**106**	174	**1,277**
Interest income	**(182,383)**	(197,277)	**(2,193,430)**
Interest expenses	**13,545**	17,898	**162,906**
Losses (gains) on sales, write-downs and redemption of securities—net	**2,213**	(355)	**26,621**
Foreign exchange losses—net	**2,423**	871	**29,150**
Losses on disposal of fixed assets—net	**360**	3,045	**4,338**
Net (increase) decrease in trading assets	**(57,976)**	17,524	**(697,253)**
Net (decrease) increase in trading liabilities	**(113)**	146	**(1,362)**
Net (increase) decrease in loans	**(116,219)**	480,054	**(1,397,712)**
Net increase in deposits	**344,302**	188,934	**4,140,738**
Net increase (decrease) in other borrowings	**183,180**	(160,534)	**2,203,010**
Net (increase) in due from banks	**(2,400)**	(46,098)	**(28,868)**
Net (increase) decrease in call loans and others	**(26,446)**	12,028	**(318,057)**
Net increase (decrease) in call money and others	**13,498**	(104,354)	**162,334**
Net decrease in foreign exchange (assets)	**890**	2,418	**10,709**
Net (decrease) increase in foreign exchange (liabilities)	**(56)**	39	**(680)**
Net decrease in lease receivables and investment assets	**3,741**	9,649	**44,991**
Interest and dividends received	**188,535**	200,439	**2,267,413**
Interest paid	**(15,429)**	(18,829)	**(185,566)**
Other—net	**2,764**	(39,545)	**33,244**
Subtotal	**443,822**	414,992	**5,337,614**
Income tax paid	**(30,958)**	(12,849)	**(372,321)**
Net cash provided by operating activities—(Forward)	**¥ 412,864**	¥ 402,142	**$ 4,965,293**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	**2011**
Net cash provided by operating activities—(Forward)	**¥ 412,864**	¥ 402,142	**$ 4,965,293**
INVESTING ACTIVITIES:			
Purchases of securities	**(817,823)**	(740,905)	**(9,835,517)**
Proceeds from sales of securities	**275,222**	156,449	**3,309,957**
Proceeds from maturities of securities	**273,085**	229,016	**3,284,246**
Expenditures for premises and equipment	**(2,437)**	(6,430)	**(29,310)**
Expenditures for intangible fixed assets	**(2,287)**	(9,974)	**(27,510)**
Proceeds from sales of premises and equipment	**242**	6,606	**2,913**
Other—net	**58**	(247)	**699**
Net cash used in investing activities	**(273,939)**	(365,485)	**(3,294,522)**
FINANCING ACTIVITIES:			
Increase in subordinated loans		10,000	
Proceeds from subordinated bonds and convertible bonds		30,000	
Dividends paid	**(13,599)**	(13,598)	**(163,550)**
Dividends paid to minority interests stockholders	**(1,207)**	(1,207)	**(14,516)**
Purchase of treasury stock	**(27)**	(32)	**(335)**
Proceeds from sales of treasury stock	**42**	46	**512**
Net cash (used in) provided by financing activities	**(14,791)**	25,207	**(177,889)**
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	**(31)**	(11)	**(380)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**124,101**	61,853	**1,492,502**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**394,564**	332,711	**4,745,219**
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 3)	**¥ 518,666**	¥ 394,564	**$ 6,237,721**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

1. BASIS OF PRESENTATION

The accompanying consolidated financial statements of The Bank of Yokohama, Ltd. (the "Bank") and consolidated subsidiaries (the "Group") have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulation and the Enforcement Regulation for the Banking Law and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

Under Japanese GAAP, a consolidated statement of comprehensive income is required from the fiscal year ended March 31, 2011 and has been presented herein. Accordingly, accumulated other comprehensive income is presented in the consolidated balance sheet and the consolidated statement of changes in equity. Information with respect to other comprehensive income for the year ended March 31, 2010 is disclosed in Note 29. In addition, "net income before minority interests" is disclosed in the consolidated statement of income from the year ended March 31, 2011.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2010 financial statements to conform to the classifications used in 2011.

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Bank is incorporated and operates. As permitted by the Japanese Financial Instruments and Exchange Act, amounts less than one million yen have been omitted. As a result, the totals do not necessarily agree with the sum of the individual amounts. Yen amounts, other than per share amounts, have been rounded down to millions of yen. Yen per share amounts have been rounded down to two decimal places.

The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥83.15 to U.S.$1, the rate of exchange at March 31, 2011. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Principles of Consolidation—The consolidated financial statements include the accounts of the Bank and its significant subsidiaries. The number of consolidated subsidiaries as of March 31, 2011 and 2010 was 11.

Under the control or influence concept, those companies in which the Bank, directly or indirectly, is able to exercise control over operations are to be fully consolidated, and those companies over which the Bank, directly or indirectly, has the ability to exercise significant influence will be accounted for by the equity method.

Of the consolidated subsidiaries, 10 in 2011 and 2010 have a fiscal year ending on March 31, which is the same as the fiscal year of the Bank. One consolidated subsidiary with balance sheet dates of January 24 and July 24 was consolidated based on the tentative financial statements as of and for the period ended March 31.

The consolidated financial statements do not include the accounts of 3 subsidiaries in 2011 and 4 subsidiaries in 2010, because the total assets, total income, net income and retained earnings of these entities would not have had a material effect on the consolidated financial statements.

Investments in the unconsolidated subsidiaries were stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

All significant intercompany balances, transactions and unrealized profits included in assets are eliminated in consolidation.

Goodwill represents the difference between the cost of an acquisition and the fair value of the net assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is amortized using the straight line method over five years.

b. Trading Purpose Transactions—"Transactions for trading purposes" (for the purpose of capturing gains arising from short-term changes in interest rates, currency exchange rates or market prices of securities and other market-related indices or from arbitrage opportunities) are included in "Trading assets" and "Trading liabilities" on a trade date basis. Trading securities and monetary claims purchased for trading purposes recorded in these accounts are stated at fair value and trading-related financial derivatives are stated at the amounts that would be settled if they were terminated at the end of the fiscal year.

Profits and losses on transactions for trading purposes are shown as "Trading profits" or "Trading losses" on a trade date basis.

c. **Securities**—Securities are classified and accounted for, depending on management's intent, as follows: (1) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are stated at amortized cost computed by the straight-line method and (2) available-for-sale securities are stated at fair value with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. Securities whose fair values cannot be reliably determined are stated at cost determined by the moving-average cost method.

For other than temporary declines in fair value, securities are reduced to net realizable value by a charge to income.

d. **Premises and Equipment**—Premises and equipment are stated at cost less accumulated depreciation. Depreciation of premises and equipment owned by the Bank and its domestic consolidated subsidiaries is computed mainly by the declining-balance method while the straight-line method is applied to buildings acquired after April 1, 1998.

The range of useful lives is from 2 to 60 years for buildings and from 2 to 20 years for equipment.

Depreciation of leased property and equipment owned by a consolidated subsidiary is provided on the straight-line method over the lease periods.

e. **Software**—Cost of computer software obtained for internal use is amortized principally using the straight-line method over the estimated useful lives of 5 to 7 years.

f. **Long-Lived Assets**—The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

g. **Land Revaluation**—Under the "Law of Land Revaluation," the Bank elected a one-time revaluation of its own use land to a value based on real estate appraisal information as of March 31, 1998.

The resulting land revaluation surplus represents unrealized appreciation of land and is stated, net of income taxes, as a component of equity. There was no effect on the consolidated statements of income. Continuous readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation surplus account and related deferred tax liabilities.

The carrying amount of the land after the above one-time revaluation exceeded the market value by ¥39,995 million ($481,007 thousand) and ¥37,983 million as of March 31, 2011 and 2010, respectively.

h. **Stock Issuance Costs**—Stock issuance costs are charged to income when paid.

i. **Allowance for Possible Loan Losses**—The Bank and certain consolidated finance companies provide an allowance for possible loan losses which is determined based on management's judgment and assessment of future losses based on their self-assessment systems. These systems reflect past experience of credit losses, possible credit losses, business and economic conditions, the character, quality and performance of the portfolio, value of collateral or guarantees and other pertinent indicators.

The Bank has implemented a self-assessment system to determine its asset quality. The quality of all loans is assessed by branches and the credit supervisory division with a subsequent audit by the asset review and inspection division in accordance with the Bank's policy and guidelines for the self-assessment of asset quality.

The Bank has established a credit rating system under which its customers are classified into five categories. The credit rating system is used for self-assessment of asset quality. All loans are classified into five categories for self-assessment purposes: "normal," "in need of caution," "possible bankruptcy," "virtual bankruptcy" and "legal bankruptcy."

The allowance for possible loan losses is calculated based on the actual historical loss ratio for normal and in need of caution categories, the fair value of the collateral for collateral-dependent loans, and other factors of solvency including future cash flows for other categories. For claims to borrowers who are classified in the possible bankruptcy category, for which future cash flows could be reasonably estimated, an allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate and the carrying value of the claims.

For collateralized or guaranteed claims to borrowers who are in “virtual bankruptcy” or “legal bankruptcy,” the amount exceeding the estimated value of collateral or guarantees has been deducted as deemed uncollectible directly from those claims. As of March 31, 2011 and 2010, the deducted amounts were ¥106,527 million ($1,281,154 thousand) and ¥133,331 million, respectively.

Other consolidated subsidiaries maintain allowances for possible loan losses which are provided as deemed necessary to cover expected losses based on their own experience.

j. **Accrued Bonuses to Directors and Corporate Auditors**—Accrued bonuses to directors and corporate auditors are provided in the amount of the estimated bonuses which are attributable to each fiscal year.

k. **Liability for Employees' Retirement Benefits**—The Bank and domestic consolidated subsidiaries have lump-sum retirement benefit plans. The Bank has a contributory funded defined benefit pension plan and a domestic consolidated subsidiary has a non-contributory funded pension plan covering substantially all of its employees. The Bank and domestic consolidated subsidiaries account for the liability for employees' retirement benefits based on projected benefit obligations and plan assets at the balance sheet date. Net actuarial gain (loss) is amortized using the straight-line method over 15 years commencing from the next fiscal year after incurrence.

l. **Reserve for Reimbursement of Deposits**—Reserve for reimbursement of deposits which were derecognized as liabilities under certain conditions is provided for possible losses on future claims of withdrawal based on historical reimbursement experience.

m. **Reserve for Contingent Losses**—The Bank provides a reserve for contingent liabilities not covered by other reserves in an amount deemed necessary based on estimated losses in the future.

n. **Reserve under Special Law**—Reserve under special law is provided for contingent liabilities from brokering of security transactions in accordance with section 1 of Article 46-5 of Japanese Financial Instruments and Exchange Act.

o. **Asset Retirement Obligations**—In March 2008, the Accounting Standards Board of Japan (the “ASBJ”) published the accounting standard for asset retirement obligations, ASBJ Statement No.18, “Accounting Standard for Asset Retirement Obligations” and ASBJ Guidance No.21, “Guidance on Accounting Standard for Asset Retirement Obligations”. Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard was effective for fiscal years beginning on or after April 1, 2010.

The Company applied this accounting standard effective April 1, 2010. The effect of this change was negligible.

p. **Stock Options**—In December 2005, the ASBJ issued ASBJ Statement No. 8, “Accounting Standard for Stock Options” and related guidance. The new standard and guidance are applicable to stock options newly granted on and after May 1, 2006. This standard requires companies to recognize compensation expense for employee stock options based on the fair value at the date of grant and over the vesting period as consideration for receiving goods or services. The standard also requires companies to account for stock options granted to non-employees based on the fair value of either the stock option or the goods or services received. In the balance sheet, stock options are presented as stock acquisition rights as a separate component of equity until exercised. The standard covers equity-settled, share-based payment transactions, but does not cover cash-settled, share-based payment transactions.

The Bank has applied this accounting standard for stock options to those granted on and after May 1, 2006.

q. **Leases**—In March 2007, the ASBJ issued ASBJ Statement No. 13, “Accounting Standard for Lease Transactions,” which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.

Lessee

Under the previous accounting standard, finance leases that were deemed to transfer ownership of leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions.

The Group applied the revised accounting standard effective April 1, 2008. In addition, the Group accounted for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions.

Lessor

Under the previous accounting standard, finance leases that were deemed to transfer ownership of leased property to the lessee were to be treated as sales. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if sold" information is disclosed in the notes to the lessor's financial statements. The revised accounting standard requires that all finance leases that are deemed to transfer ownership of the leased property to the lessee should be recognized as lease receivables, and all finance leases that are not deemed to transfer ownership of the leased property to the lessee should be recognized as investments in leases.

The Group applied the revised accounting standard effective April 1, 2008.

Lease revenue and lease costs are recognized over the lease period.

r. **Income Taxes**—The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences. A valuation allowance is provided for any portion of the deferred tax assets if it is considered more likely than not that they will not be realized.

s. **Translation of Foreign Currencies**—Assets and liabilities denominated in foreign currencies and accounts of overseas branches held by the Bank have been translated at exchange rates prevailing as of the balance sheet date.

Foreign currency accounts held by consolidated foreign subsidiaries are translated into the currency of the subsidiaries at the respective year-end exchange rates.

t. **Derivatives and Hedging Activities**—Derivative financial instruments are classified and accounted for as follows: (a) all derivatives, except those entered into for hedging purposes, will be recognized as either assets or liabilities and measured at fair value with gains or losses on derivative transactions recognized in the statements of income, or (b) for derivatives used for hedging purposes, if the derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on the derivatives are deferred until maturity of the hedged transactions (deferral hedge accounting).

The Bank applies deferral hedge accounting based on the rules of the Japanese Institute of Certified Public Accountants ("JICPA") Industry Audit Committee Report No. 24 for interest rate derivatives to manage interest rate risk from various financial assets and liabilities as a whole. Under these rules, the effectiveness of a fair value hedge is assessed by an identified group of hedge deposits, loans and similar instruments and by a corresponding group of hedging instruments such as interest rate swaps in the same maturity category. Also, under these rules, the effectiveness of cash flow hedges is assessed based on the correlation between a base interest rate index of the hedged cash flow and that of the hedging instrument.

The Bank applies deferral hedge accounting based on the rules of the JICPA Industry Audit Committee Report No. 25 for currency swaps and funding swaps used for the purpose of currency exchange.

u. **Cash and Cash Equivalents**—For the purpose of the consolidated statements of cash flows, cash and cash equivalents represent cash and due from the Bank of Japan.

v. **Cash Dividends**—Cash dividends charged to retained earnings are those dividends paid during the year and represent year-end dividends for the preceding year and interim dividends for the current year.

w. **Per Share Information**—Basic net income per share is computed by dividing net income available to common stockholders by the weighted-average number of shares of common stock outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted net income per share of common stock assumes full conversion of the outstanding convertible notes and bonds at the beginning of the year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

x. New Accounting Pronouncements

Accounting Changes and Error Corrections—In December 2009, the ASBJ issued ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No. 24 "Guidance on Accounting Standard for Accounting Changes and Error Corrections." Accounting treatments under this standard and guidance are as follows:

(1) Changes in Accounting Policies—When a new accounting policy is applied with revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.
(2) Changes in Presentations—When the presentation of financial statements is changed, prior period financial statements are reclassified in accordance with the new presentation.
(3) Changes in Accounting Estimates—A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.
(4) Corrections of Prior Period Errors—When an error in prior period financial statements is discovered, those statements are restated. This accounting standard and the guidance are applicable to accounting changes and corrections of prior period errors which are made from the beginning of the fiscal year that begins on or after April 1, 2011.

3. CASH AND CASH EQUIVALENTS

The reconciliation of "Cash and cash equivalents" in the consolidated statements of cash flows and "Cash and due from banks" in the consolidated balance sheets as of March 31, 2011 and 2010 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Cash and due from banks	**¥ 857,677**	¥ 731,175	**$10,314,824**
Interest-bearing deposits included in due from banks (other than deposits with the Bank of Japan)	**(339,011)**	(336,610)	**(4,077,103)**
Cash and cash equivalents	**¥ 518,666**	¥ 394,564	**$ 6,237,721**

4. TRADING ASSETS AND LIABILITIES

Trading assets and liabilities as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Trading assets:			
Trading securities	**¥ 99,015**	¥40,961	**$1,190,800**
Trading-related financial derivatives	**1,353**	1,430	**16,282**
Total	**¥100,368**	¥42,392	**$1,207,082**
Trading liabilities—Trading-related financial derivatives	**¥ 1,460**	¥ 1,573	**$ 17,560**

5. SECURITIES

Securities as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Japanese national government bonds	**¥ 765,967**	¥ 736,654	**$ 9,211,881**
Japanese local government bonds	**291,625**	293,544	**3,507,227**
Japanese corporate bonds	**740,672**	500,767	**8,907,668**
Japanese corporate stocks	**134,571**	154,487	**1,618,422**
Other securities	**61,809**	56,239	**743,345**
Total	**¥1,994,647**	¥1,741,692	**$23,988,543**

The carrying amounts and aggregate fair value of securities as of March 31, 2011 and 2010 were as follows:

	Millions of Yen							
	2011				2010			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:								
Available-for-sale:								
Equity securities	**¥ 114,061**	**¥24,940**	**¥17,846**	**¥ 121,155**	¥ 117,576	¥33,429	¥10,382	¥ 140,622
Debt securities	**1,567,949**	**18,995**	**2,748**	**1,584,195**	1,342,310	18,789	2,028	1,359,071
Other securities	**232,554**	**747**	**2,835**	**230,466**	252,620	1,200	2,940	250,880
Held-to-maturity	**214,146**	**4,206**	**514**	**217,838**	172,258	4,117	112	176,262

	Thousands of U.S. Dollars			
	2011			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	**$ 1,371,757**	**$299,945**	**$214,631**	**$ 1,457,071**
Debt securities	**18,856,876**	**228,446**	**33,058**	**19,052,264**
Other securities	**2,796,810**	**8,993**	**34,103**	**2,771,700**
Held-to-maturity	**2,575,424**	**50,587**	**6,189**	**2,619,822**

Information on available-for-sale securities and held-to-maturity securities which were sold during the years ended March 31, 2011 and 2010 was as follows:

	Millions of Yen			Thousands of U.S. Dollars		
March 31, 2011	Proceeds	Realized Gains	Realized Losses	Proceeds	Realized Gains	Realized Losses
Available-for-sale:						
Equity securities	**¥ 5,995**	**¥1,624**	**¥ 501**	**$ 72,099**	**$19,538**	**$ 6,031**
Debt securities	**266,649**	**1,090**	**2,187**	**3,206,846**	**13,109**	**26,312**
Other securities	**2,640**	**108**	**23**	**31,754**	**1,310**	**280**
Held-to-maturity	**153**	**1**		**1,842**	**14**	
Total	**¥275,437**	**¥2,824**	**¥2,712**	**$3,312,541**	**$33,971**	**$32,623**

March 31, 2010	Millions of Yen Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	¥ 17,014	¥3,991	¥ 397
Debt securities	136,503	985	576
Other securities	7,840	143	75
Held-to-maturity	120		
Total	¥161,479	¥5,121	¥1,048

Transfers of held-to-maturity debt securities to available-for-sale securities due to deterioration of issuers' credit worthiness amounted to ¥606 million for the year ended March 31, 2010.

The impairment losses on available-for-sale securities for the years ended March 31, 2011 and 2010 were ¥991 million ($11,926 thousand) and ¥310 million, respectively.

Securities also include corporate stocks in unconsolidated and associated companies and investments in unconsolidated subsidiaries which totaled ¥335 million ($4,035 thousand) and ¥458 million as of March 31, 2011 and 2010, respectively.

6. LOANS AND BILLS DISCOUNTED

Loans and bills discounted as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Bills discounted	**¥ 37,503**	¥ 34,784	**$ 451,033**
Loans on bills	**304,394**	326,473	**3,660,789**
Loans on deeds	**7,346,443**	7,180,878	**88,351,692**
Overdrafts	**913,541**	943,365	**10,986,669**
Total	**¥8,601,882**	¥8,485,502	**$103,450,183**

"Past due loans" include loans classified as "possible bankruptcy" and "virtual bankruptcy" under the Bank's self-assessment guidelines. Interest receivables on loans in these categories are not accrued as accruals for accounting purposes. The loans and bills discounted include "loans to borrowers in bankruptcy" totaling ¥16,401 million ($197,256 thousand) and ¥41,521 million as of March 31, 2011 and 2010, respectively, as well as "past due loans" totaling ¥156,541 million ($1,882,642 thousand) and ¥161,311 million as of March 31, 2011 and 2010, respectively.

In addition to "past due loans" as defined, certain other loans classified as "in need of caution" under the Bank's self-assessment guidelines include "accruing loans contractually past due for three months or more." "Accruing loans contractually past due for three months or more" are loans on which the principal and/or interest is three months or more past due but exclude "loans to borrowers in bankruptcy" or "past due loans." The balances of "accruing loans contractually past due for three months or more" as of March 31, 2011 and 2010 were ¥6,161 million ($74,099 thousand) and ¥7,625 million, respectively.

"Restructured loans" are loans where the Bank and its subsidiaries have restructured lending conditions, such as by a reduction of the original interest rate, forbearance of interest payments, principal repayments or renunciation of claims to support the borrowers' reorganization, but exclude "loans to borrowers in bankruptcy," "past due loans" and "accruing loans contractually past due for three months or more. "The outstanding balances of "restructured loans" as of March 31, 2011 and 2010 were ¥30,620 million ($368,260 thousand) and ¥29,021 million, respectively.

The allowance for possible loan losses is not deducted from the amounts of loans shown in the above three paragraphs.

Contracts of overdraft facilities and loan commitment limits are contracts under which the Bank lends to customers up to the prescribed limits in response to customer applications for loans as long as there is no violation of any condition in the contracts. As of March 31, 2011 and 2010, the amounts of unused commitments were ¥1,692,553 million ($20,355,429 thousand) and ¥1,827,405 million, respectively. As of March 31, 2011 and 2010, the amounts of unused commitments whose remaining contract terms were within one year were ¥1,027,189 million ($12,353,456 thousand) and ¥1,168,829 million, respectively.

Since many of these commitments expire without being drawn down, the unused amount does not necessarily represent a future cash requirement. Most of these contracts have conditions whereby the Bank can refuse customer applications for loans or decrease the contract limits for certain reason (e.g., changes in financial situation, deterioration in customers' creditworthiness). At the inception of the contracts, the Bank obtains real estate, securities or other assets as collateral if considered to be necessary. Subsequently, the Bank performs periodic reviews of the customers' business results based on internal rules and takes necessary measures to reconsider conditions in the contracts and/or require additional collateral and guarantees.

Discounting bills are treated as secured lending transactions. As of March 31, 2011 and 2010, the Bank has right by contract or custom to sell or repledge bills discounted and foreign exchange bills bought and their total face value was ¥38,309 million ($460,733 thousand) and ¥35,582 million, respectively.

7. FOREIGN EXCHANGES

Foreign exchange assets and liabilities as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Assets			
Foreign exchange bills bought	**¥ 806**	¥ 798	**$ 9,700**
Foreign exchange bills receivable	**2,388**	2,676	**28,721**
Due from foreign correspondent accounts	**753**	1,364	**9,067**
Total	**¥3,948**	¥4,839	**$47,488**
Liabilities			
Foreign exchange bills sold	**¥ 2**	¥ 64	**$ 26**
Foreign exchange bills payable	**26**	21	**321**
Total	**¥ 28**	¥ 85	**$ 347**

8. OTHER ASSETS

Other assets as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Accrued income	**¥ 14,904**	¥ 15,814	**$ 179,243**
Prepaid expenses	**28,041**	29,378	**337,245**
Financial derivatives	**47,705**	46,157	**573,733**
Other	**48,354**	47,052	**581,536**
Total	**¥139,006**	¥138,403	**$1,671,757**

Other assets included security deposits amounting to ¥5,972 million ($71,827 thousand) and ¥6,037 million as of March 31, 2011 and 2010, respectively.

9. PREMISES AND EQUIPMENT

Premises and equipment as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Buildings	**¥ 39,358**	¥ 40,927	**$ 473,341**
Land	**80,387**	80,026	**966,777**
Construction in progress	**572**	1,056	**6,887**
Other	**6,641**	8,148	**79,879**
Total	**¥126,960**	¥130,158	**$1,526,884**

The accumulated depreciation of premises and equipment as of March 31, 2011 and 2010 amounted to ¥159,508 million ($1,918,321 thousand) and ¥154,912 million, respectively.

10. INTANGIBLE FIXED ASSETS

Intangible fixed assets as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Software	**¥16,136**	¥19,355	**$194,060**
Goodwill	**1,281**	1,807	**15,414**
Other	**616**	618	**7,419**
Total	**¥18,034**	¥21,781	**$216,893**

11. CUSTOMERS' LIABILITIES FOR ACCEPTANCES AND GUARANTEES

All contingent liabilities arising from acceptances and guarantees are reflected in acceptances and guarantees. As a contra account, customers' liabilities for acceptances and guarantees are presented as assets, representing the Bank's and certain consolidated subsidiaries' rights of indemnity from the applicants.

12. ASSETS PLEDGED

Assets pledged as collateral and the related liabilities as of March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Assets pledged as collateral:			
Securities	**¥1,006,756**	¥981,807	**$12,107,716**
Loans and bills discounted	**28,521**	49,239	**343,007**
Relevant liabilities to above assets:			
Deposits	**38,511**	35,316	**463,159**
Borrowed money	**190,180**		**2,287,192**

Additionally, securities amounting to ¥128,088 million ($1,540,448 thousand) and ¥122,198 million as of March 31, 2011 and 2010, respectively, and other assets amounting to ¥8,073 million ($97,093 thousand) and ¥5,171 million as of March 31, 2011 and 2010, respectively, were pledged as collateral for transactions such as exchange settlement transactions or as substitute securities for initial margin on futures transactions and others.

13. DEPOSITS

Deposits as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Current deposits	**¥ 396,673**	¥ 404,795	**$ 4,770,579**
Ordinary deposits	**6,462,042**	6,090,357	**77,715,488**
Savings deposits	**232,500**	239,072	**2,796,160**
Deposits at notice	**85,700**	72,085	**1,030,676**
Time deposits	**3,334,394**	3,411,015	**40,100,960**
Negotiable certificates of deposit	**96,900**	48,750	**1,165,363**
Other deposits	**213,775**	211,607	**2,570,956**
Total	**¥10,821,987**	¥10,477,685	**$130,150,182**

14. BORROWED MONEY

As of March 31, 2011 and 2010, the weighted average annual interest rates applicable to borrowed money were 0.7 %and 2.1%, respectively.

Borrowed money includes borrowings from the Bank of Japan and other financial institutions. In addition, borrowed money included subordinated debt totaling ¥73,000 million ($877,931 thousand) and ¥73,000 million as of March 31, 2011 and 2010, respectively.

Annual maturities of borrowed money as of March 31, 2011, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2012	¥201,798	$2,426,925
2013	3,858	46,405
2014	2,176	26,177
2015	1,482	17,824
2016	623	7,495
2017 and thereafter	73,000	877,931
Total	¥282,939	$3,402,757

15. BONDS AND NOTES

Bonds and notes as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due December 2018, 2.56% interest	**¥11,400**	¥11,400	**$137,101**
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due December 2018, 1.84% interest	**8,900**	8,900	**107,035**
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due February 2019, 2.48% interest	**5,700**	5,700	**68,551**
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due February 2019, 1.92% interest	**8,300**	8,300	**99,820**
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due July 2019, 1.82% interest	**20,000**	20,000	**240,529**
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due July 2019, 1.29% interest	**10,000**	10,000	**120,265**
Total	**¥64,300**	¥64,300	**$773,301**

Annual maturities of bonds and notes as of March 31, 2011 were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2017 and thereafter	¥64,300	$773,301

16. OTHER LIABILITIES

Other liabilities as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Accrued expenses	**¥ 16,096**	¥ 16,745	**$ 193,579**
Unearned income	**31,158**	30,944	**374,721**
Accrued income taxes	**5,089**	20,706	**61,213**
Financial derivatives	**45,081**	38,475	**542,166**
Other	**72,887**	66,940	**876,580**
Total	**¥170,312**	¥173,812	**$2,048,259**

The domestic exchange settlement account consists of outstanding remittance bills from other banks and/or collection bills for which the Bank has received notices for payment from other banks which have not been settled.

17. EMPLOYEES' RETIREMENT BENEFITS

Under most circumstances, employees terminating their employment are entitled to retirement and pension benefits determined by reference to basic rates of pay at the time of termination, length of service and conditions under which the termination occurs. Such retirement benefits are made in the form of a lump-sum severance payment and annuity payment from a trustee. In addition, the Bank has a defined contribution pension plan. If the termination is involuntary, the employee is entitled to greater payments than in the case of voluntary termination.

The liability for employees' retirement benefits as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Projected benefit obligation	**¥(73,599)**	¥(73,359)	**$(885,145)**
Fair value of plan assets	**63,124**	64,906	**759,163**
Unfunded projected benefit obligation	**(10,475)**	(8,452)	**(125,982)**
Unrecognized actuarial loss	**35,970**	35,314	**432,603**
Net liability recognized	**25,495**	26,861	**306,621**
Prepaid pension cost	**25,638**	26,979	**308,344**
Liability for employees' retirement benefits	**¥ (143)**	¥ (118)	**$ (1,723)**

The components of net periodic retirement benefit costs for the years ended March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Service cost	**¥ 1,304**	¥ 1,239	**$ 15,692**
Interest cost	**1,462**	1,469	**17,588**
Expected return on plan assets	**(1,979)**	(1,774)	**(23,807)**
Recognized actuarial loss	**4,043**	4,368	**48,630**
Other retirement costs (non-actuarial basis cost)	**481**	433	**5,796**
Net periodic retirement benefit costs	**¥ 5,313**	¥ 5,736	**$ 63,899**

Assumptions used for the years ended March 31, 2011 and 2010 were set forth as follows:

	2011	2010
Discount rate	**2.00%**	2.00%
Expected rate of return on plan assets	**3.50%**	3.50%
Recognition period of actuarial gain/loss	**15 years**	15 years

18. EQUITY

Japanese banks are subject to the Companies Act of Japan (the "Companies Act") and the Banking Law. The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the stockholders meeting. For companies that meet certain criteria such as (1) having a Board of Directors, (2) having independent auditors, (3) having a Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. The Bank meets all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to stockholders subject to certain limitations and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act and the Banking Law provide certain limitations on the amounts available for dividends or the purchase of treasury stock.

b. Increases/Decreases and Transfer of Common Stock, Reserve and Surplus

The Banking Law requires that an amount equal to 20% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of the aggregate amount of the legal reserve and additional paid-in capital equals 100% of capital stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that capital stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the stockholders.

c. Treasury Stock and Treasury Stock Acquisition Rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the stockholders which is determined by specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

19. STOCK OPTIONS

The Bank's stock option plans grant options to directors and others to purchase certain shares of the Bank's common stock in the respective exercise periods. The exercise prices are subject to adjustments for stock issuances below fair value and stock splits.

Stock-based compensation expense was ¥117 million ($1,414 thousand) and ¥121 million for the fiscal years ended March 31, 2011 and 2010, respectively.

The stock options outstanding as of March 31, 2011 are as follows:

Stock Option	Persons Granted	Number of Options Granted (Shares)	Date of Grant	Exercise Price	Exercise Period
2001 Stock Option	8 directors 275 executive officers and managers	1,504,000	July 7, 2000	¥498	From June 29, 2002 to June 28, 2010
2002 Stock Option	8 directors 252 executive officers and managers	1,489,000	July 6, 2001	502	From June 28, 2003 to June 27, 2011
2003 Stock Option	8 directors 180 employees	1,473,000	July 5, 2002	520	From June 27, 2004 to June 26, 2012
2004 Stock Option	8 directors 186 employees	1,407,000	July 7, 2003	437	From June 27, 2005 to June 26, 2013
2005 Stock Option	8 directors 280 employees	2,186,000	July 6, 2004	624	From June 26, 2006 to June 25, 2014
2006 Stock Option	7 directors 455 employees	4,379,000	July 7, 2005	648	From June 29, 2007 to June 28, 2015
2009 Stock Option	7 directors 11 executive officers	178,800	July 9, 2008	1	From July 10, 2008 to July 9, 2038
2010 Stock Option	8 directors 10 executive officers	277,200	July 8, 2009	1	From July 9, 2009 to July 8, 2039
2011 Stock Option	7 directors 10 executive officers	322,800	July 7, 2010	1	From July 8, 2010 to July 7, 2040

The stock option activity is as follows:

Year Ended March 31, 2010	2001 Stock Option	2002 Stock Option	2003 Stock Option	2004 Stock Option	2005 Stock Option	2006 Stock Option	2009 Stock Option	2010 Stock Option	2011 Stock Option
Non-vested (shares):									
March 31, 2009—outstanding							43,900		
Granted								277,200	
Canceled							(2,200)		
Vested							(41,700)	(208,800)	
March 31, 2010—outstanding								68,400	
Vested (shares):									
March 31, 2009—outstanding	503,000	684,000	1,036,000	680,000	1,968,000	4,288,000	134,900		
Vested							41,700	208,800	
Exercised	(3,000)			(50,000)			(26,000)		
Canceled									
March 31, 2010—outstanding	500,000	684,000	1,036,000	630,000	1,968,000	4,288,000	150,600	208,800	

Year Ended March 31, 2011	2001 Stock Option	2002 Stock Option	2003 Stock Option	2004 Stock Option	2005 Stock Option	2006 Stock Option	2009 Stock Option	2010 Stock Option	2011 Stock Option
Non-vested (shares):									
March 31, 2010—outstanding								**68,400**	
Granted									**322,800**
Canceled								**(6,000)**	
Vested								**(62,400)**	**(242,700)**
March 31, 2011—outstanding									**80,100**
Vested (shares):									
March 31, 2010—outstanding	**500,000**	**684,000**	**1,036,000**	**630,000**	**1,968,000**	**4,288,000**	**150,600**	**208,800**	
Vested								**62,400**	**242,700**
Exercised				**(10,000)**			**(28,700)**	**(37,100)**	
Canceled	**(500,000)**								
March 31, 2011—outstanding		**684,000**	**1,036,000**	**620,000**	**1,968,000**	**4,288,000**	**121,900**	**234,100**	**242,700**
Exercise price	**¥498**	**¥502**	**¥520**	**¥437**	**¥624**	**¥648**	**¥1**	**¥1**	**¥1**
	$5.99	**$6.04**	**$6.25**	**$5.26**	**$7.50**	**$7.79**	**$0.01**	**$0.01**	**$0.01**
Average stock price at exercise				**¥499**			**¥435**	**¥431**	
				$6.00			**$5.23**	**$5.18**	
Fair value price at grant date							**¥647**	**¥454**	**¥368**
							$7.78	**$5.46**	**$4.43**

The Assumptions Used to Measure Fair Value of 2011 Stock Option

Estimate method:	Black-Scholes option pricing model
Volatility of stock price:	40.938%
Estimated remaining outstanding period:	Five years
Estimated dividend:	¥10.00 per share
Interest rate with risk free:	0.345%

20. PER SHARE INFORMATION

Reconciliation of the differences between basic and diluted net income per share ("EPS") for the years ended March 31, 2011 and 2010, was as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
Year Ended March 31, 2011	Net Income	Weighted-Average Shares	EPS	
Basic EPS—Net income available to common stockholders	**¥47,089**	**1,359,930**	**¥34.62**	**$0.42**
Effect of dilutive warrants		**599**		
Diluted EPS—Net income for computation	**¥47,089**	**1,360,529**	**¥34.61**	**$0.42**
Year Ended March 31, 2010				
Basic EPS—Net income available to common stockholders	¥30,946	1,359,890	¥22.75	
Effect of dilutive warrants		387		
Diluted EPS—Net income for computation	¥30,946	1,360,277	¥22.75	

21. OTHER OPERATING INCOME

Other operating income for the years ended March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Gain on foreign exchange transactions—net	**¥ 2,082**	¥ 2,113	**$ 25,050**
Gain on sales and redemption of bonds and other securities	**1,194**	987	**14,370**
Gain on derivatives	**5,790**	3,062	**69,636**
Lease receipts	**25,506**	27,458	**306,752**
Other	**10,150**	11,273	**122,071**
Total	**¥44,724**	¥44,895	**$537,879**

22. OTHER INCOME

Other income for the years ended March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Gain on sales of stock and other securities	**¥1,629**	¥4,134	**$19,601**
Recovery of claims previously charged-off	**2,493**	2,122	**29,990**
Other	**2,584**	2,529	**31,083**
Total	**¥6,708**	¥8,786	**$80,674**

23. OTHER OPERATING EXPENSES

Other operating expenses for the years ended March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Losses on sales and redemption of bonds and other securities	**¥ 3,195**	¥ 3,574	**$ 38,427**
Losses on write-downs of bonds and other securities	**94**	125	**1,131**
Lease costs	**22,212**	24,100	**267,139**
Other	**6,997**	8,631	**84,155**
Total	**¥32,499**	¥36,431	**$390,852**

24. OTHER EXPENSES

Other expenses for the years ended March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Loss on sales of stocks and other securities	**¥ 501**	¥ 397	**$ 6,032**
Loss on write-down of stocks and other securities	**1,247**	668	**15,002**
Loss on disposal of fixed assets	**360**	3,045	**4,338**
Direct charge-off of loans	**18,004**	28,365	**216,535**
Other	**1,616**	5,954	**19,437**
Total	**¥21,730**	¥38,431	**$261,344**

25. INCOME TAXES

The Bank and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40.6% for the years ended March 31, 2011 and 2010.

The tax effects of significant temporary differences which result in deferred tax assets and liabilities as of March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Deferred tax assets:			
Allowance for possible loan losses	**¥54,186**	¥70,840	**$651,667**
Write-down of securities	**3,795**	3,972	**45,644**
Net unrealized loss on available-for-sale securities	**52**	36	**629**
Other	**16,710**	17,211	**200,972**
Less valuation allowance	**(5,845)**	(5,882)	**(70,297)**
Total deferred tax assets	**68,899**	86,179	**828,615**
Deferred tax liabilities:			
Gain on contribution of the employees' retirement benefit trust	**7,809**	14,198	**93,923**
Net unrealized gain on available-for-sale securities	**6,978**	6,978	**83,923**
Other	**4,170**	3,847	**50,156**
Total deferred tax liabilities	**18,958**	25,024	**228,002**
Net deferred tax assets	**¥49,940**	¥61,155	**$600,613**

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of income for the year ended March 31, 2010 was as follows:

	2010
Normal effective statutory tax rate	40.6 %
Permanently tax-exempt income	(0.9)
Special deduction from corporation taxes	(0.8)
Change in valuation allowance	(0.3)
Other—net	(0.3)
Actual effective tax rate	38.3 %

A reconciliation between the normal effective statutory tax rate for the year ended March 31,2011 and the actual effective tax rate reflected in the accompanying consolidated statements of income was not required under Japanese accounting standards due to immaterial differences.

26. LEASES

a. Lessee

The Group leases certain equipment and other assets.

Lease payments under finance leases for the years ended March 31, 2011 and 2010 amounted to ¥5 million ($67 thousand) and ¥9 million, respectively.

Pro forma information of leased property whose lease inception was before March 31, 2008

ASBJ Statement No. 13, "Accounting Standard for Lease Transactions" requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. However, the ASBJ Statement No. 13 permits leases without ownership transfer of the leased property to the lessee whose lease inception was before March 31, 2008 to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the financial statements. The Group applied the ASBJ Statement No. 13 effective April 1, 2008 and accounted for such leases as operating lease transactions. Pro forma information of leased property whose lease inception was before March 31, 2008 such as acquisition cost, accumulated depreciation, obligations under finance leases, depreciation expense, interest expense and other information of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
		Equipment	
Acquisition cost	**¥50**	¥53	**$606**
Accumulated depreciation	**40**	34	**490**
Net leased property	**¥ 9**	¥19	**$116**

Obligations under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Due within one year	**¥4**	¥ 5	**$53**
Due after one year	**1**	6	**20**
Total	**¥6**	¥12	**$73**

Depreciation expense and interest expense under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Depreciation expense	**¥5**	¥9	**$66**
Interest expense			**3**
Total	**¥5**	¥9	**$69**

Depreciation expense and interest expense, which are not reflected in the accompanying consolidated statements of income, were computed by the straight-line method and the interest method, respectively.

The minimum rental commitments under noncancelable operating leases as of March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Due within one year	**¥ 84**	¥ 91	**$1,020**
Due after one year	**75**	158	**905**
Total	**¥160**	¥249	**$1,925**

b. Lessor

A consolidated subsidiary leases certain equipment and other assets to various customers.

The net investments in leases are summarized as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Gross lease receivables	**¥51,849**	¥57,059	**$623,569**
Unguaranteed residual values	**6,416**	7,323	**77,163**
Unearned interest income	**(5,982)**	(7,555)	**(71,949)**
Investments in leases, current	**¥52,283**	¥56,827	**$628,783**

Maturities of lease receivables for finance leases that are deemed to transfer ownership of the leased property to the lessee were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2012	¥179	$2,164
2013	113	1,365
2014	78	945
2015	55	662
2016	42	517
2017 and thereafter	104	1,259
Total	¥574	$6,912

Maturities of investment in leases for finance leases that are not deemed to transfer ownership of the leased property to the lessee were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2012	¥18,313	$220,243
2013	13,366	160,754
2014	9,269	111,483
2015	5,992	72,066
2016	3,060	36,812
2017 and thereafter	1,846	22,211
Total	¥51,849	$623,569

The minimum rental commitments under noncancelable operating leases as of March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Due within one year	**¥ 190**	¥ 160	**$ 2,295**
Due after one year	**851**	871	**10,242**
Total	**¥1,042**	¥1,032	**$12,537**

27. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

In March 2008, the ASBJ revised ASBJ Statement No. 10, "Accounting Standard for Financial Instruments" and issued ASBJ Guidance No.19, "Guidance on Accounting Standard for Financial Instruments and Related Disclosures". This accounting standard and the guidance are applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010. The Group applied the revised accounting standard and the guidance effective March 31, 2010.

(1) Group Policies for Financial Instruments

The Group engages in banking as its mainstay business, as well as leasing, credit guarantee, venture capital, securities, and other financial service businesses. Since the Group positions its core business services exclusively for local small- and medium-sized enterprises and individuals, it is a fundamental policy of the Group to aim to minimize any adverse effects of economic fluctuations and the changing market environment, and to provide financial services reliably. Under this policy, the Group endeavors to maintain sound management by continuously identifying, assessing, monitoring and controlling the various risks inherent in financial instruments that correspond to the strategic goals of the Bank, including medium-term management plans and operational management policies. The Group also strives to secure stable revenues, commensurate with the risks, by appropriately allocating management resources.

(2) Nature and Extent of Risks Arising from Financial Instruments

The financial assets of the Bank, which mainly consist of business loans to small- and medium-sized enterprises and personal housing loans, are exposed to customer credit risk. Securities mainly consist of debt securities, equity securities and investment trusts, and are accounted for as trading securities, held-to-maturity securities and available-for-sale securities. These securities are exposed to issuers' credit risk and the risk of market price fluctuations.

The financial liabilities of the Bank are mainly personal deposits, which consist of liquidity deposits and term deposits. These deposits are exposed to liquidity risk, such as losses generated by unexpected withdrawals.

There are certain mismatches in interest rates and contract periods between financial assets such as loans and financial liabilities such as deposits, which are exposed to market risks from changes in variable interest rates. However, a part of this risk is mitigated by using interest-rate swap derivatives.

The Bank uses swaps, futures, forward and option contracts, and other similar types of contracts based on either interest rates, foreign exchange rates or securities prices. These financial instruments are used in trading activities to generate trading revenues and fee income and are also used in Asset and Liability Management ("ALM") activities to control exposure to fluctuations in such market rates or prices.

The Bank uses derivatives to provide customers with risk hedging methods, to complement their ALM activities, to hedge market risks, and to strengthen earnings. The Bank carefully studies the risks involved with derivative transactions and maintains a policy of limiting the volume of the risks within a range which they are capable of controlling based on their financial strength.

Derivatives used for hedging purposes are recorded on the basis of hedge accounting in accordance with the Japanese accounting standard for financial instruments. Such derivatives are currency swaps, forward exchange contracts, interest rate swaps, which are utilized to control the risks from foreign-currency monetary claims and debt, loan and bills discounted. The Bank reviews the effectiveness of hedging activities by the methods permitted under the accounting standard.

Similar to other market transactions, derivative transactions are subject to a variety of risks, including market, credit and liquidity risks. Among those risks, the Bank emphasizes establishing a risk management structure to understand and manage market risk and credit risk.

Certain consolidated subsidiaries hold lease receivables and installment receivables. These financial instruments are exposed to market risks from changes in variable interest rates and credit risk.

(3) Risk Management for Financial Instruments

(a) Credit risk management

Under the consensus that credit risk is the risk with the most influence on the Bank's financial stability, the Bank has established a "Credit Policy" to realize one of its management philosophies, "We facilitate stable supply of funds as a mainstay of the credit order," and takes every initiative to optimize its credit portfolio management and credit control of individual accounts.

In addition, the Credit Risk Management Office in the Risk Management Department ("RMD"), which is responsible for credit risk control, has been established as a section independent of the Credit Department, which assesses the credit of individual accounts. The RMD has developed an "Internal Credit Rating System" and a "Self-Assessment System" to categorize the credibility of debtors and individual loan projects from an independent point of view and conducts appropriate credit risk control and proper amortization and/or determines the allowance for possible loan losses.

Under its Internal Credit Rating System, the Bank uses data of past credit default experiences, collateral and guarantees sorted by credit rating to statistically quantify the aggregate credit risk volume of the entire credit portfolio. Such data and the quantified credit risk are then used to assess the debtor's financial health and profitability, including comparison of management strength and adjustment of appropriate lending rates.

The Bank also monitors the portfolio from various aspects to strictly control the following credit concentration risks:

- Debtor concentration risk could generate large losses due to too much credit concentrated on specific debtors or debtor groups. In order to control such risk, an aggregate credit limit and action plans for major debtors with a certain amount of credit, which is determined based on their management strength and profitability, are decided directly by the Board of Directors.
- Industry concentration risk could generate large losses due to too much credit concentrated on specific industries that could be significantly affected by changes in their respective surrounding economic conditions. In order to control such risk, the Bank uses credit limits established exclusively for specific industries and an alarm-point system.
- Use-of-loans concentration risk could generate large losses due to too much credit concentrated on specific use of loaned funds that could be significantly affected by changes in financing practices and the social environment. To identify increases in such risk, periodical investigations are performed.

Aiming at enhancing the effectiveness of these credit portfolio management measures, the Credit Portfolio Committee (Executive Committees consist of directors) meets periodically. In this Committee, credit breakdowns by region, amount, credit rating, industry and product, as well as risks against returns, are analyzed from a company-wide point of view. The Committee also discusses and decides material matters for advancing the credit risk control systems through measures including verification of effectiveness of the Internal Credit Rating System.

To properly backup these credit risk control systems, an accumulation of large quantities of data is necessary. While the Bank continuously takes initiatives to expand and enrich its internal databases, it uses the "Credit Risk Information Total Service (CRITS)" and the "Credit Risk Assessment System (Credit Gauge)," which are provided by the Regional Banks Association of Japan as shared systems, to complement its own databases.

These shared systems are fully equipped with major functions such as financial scoring models for enterprises, credit control databases and credit risk quantification systems. They also provide extensive statistical data on nationwide credit conditions and credit risks collected from 63 regional banks. By using these shared systems, the Bank is capable of carrying out calculations according to the Monte Carlo simulation method (200 thousand times) in a short time, and thereby achieving detailed quantification of credit risk.

In order to assess the credibility of individual accounts, the Bank performs strict examinations in conformity with the five principles of “publicity,” “safety,” “profitability,” “growth” and “liquidity,” as stipulated in the Credit Policy.

During credit examinations, not only the credit risk relating to the traditional loan business, but also the credit risk of counterparties of derivatives and other market transactions are examined. Final decisions are made on the aggregate credit limit for entire on- and off-balance transactions and/or domestic and overseas transactions by customer group.

Regarding the individual credit of major debtors, the Investment and Loan Committee (one of the executive committees in which directors participate) analyzes and examines their credibility, and decides the extension of credit. This treatment is also aimed at enhancing the Bank’s corporate governance.

If the debtor enterprises’ performance deteriorates after the credit extension, the Management Support Office proactively assists in their rehabilitation. For effective rehabilitation support, human resources with rich knowledge and experience are indispensable. Based on this understanding, the Bank has established a Business Solution Advisor Certification System to nurture human resources capable of rehabilitation support and strengthened its structure for helping customers enhance their management systems.

(b) Market risk management (foreign exchange risk and interest risk)

It is a fundamental policy of the Bank to enter into market transactions that appropriately meet customers’ needs, which have been increasingly diversified due to the development of financial engineering (such as the emergence of various derivative transactions), as well as in transactions that enhance the profitability of the Bank.

It is also its fundamental policy to perform market risk management that corresponds to the above-mentioned market transactions. Specifically, the Bank controls interest rate risk, foreign exchange risk and price fluctuation risk in its ALM processes.

To control market risks effectively, the ALM Committee (Executive Committees consist of directors) meets semiannually to set the amount of capital to be allocated within the Bank’s risk tolerance parameters in relation to the level of risk exposure, and to set the position limits (the maximum holding amounts) by operation and the warning points (the level of loss amounts at which to start reviewing countermeasure policies). The market risk operation sections enter into market transactions flexibly and efficiently in conformity with these risk limit rules.

The Bank has established reciprocal control mechanisms in its market operations by separating its organization into front office (Financial Market Department), middle office (RMD) and back office (Operations Planning and Administration Department). The middle office is responsible for market risk management, measures risks and returns relating to market transactions, and monitors front office and back office. The middle office provides daily reports to management concerning market risk exposure and the profit-and-loss situation. For management purposes, the Bank also separates the market operations into trading operations and banking operations.

The Bank’s trading operations include profit-generating trading transactions that take advantage of short-term fluctuations and differences in value among markets in indices such as interest rates, foreign exchange rates, and market quotations of financial instruments. The trading operations also deal with transactions for the purpose of mitigating possible losses incurred from the above-mentioned transactions. The financial instruments that are allowed to be dealt with in the trading operations include Japanese government bond (“JGB”), JGB futures, interest rate swaps, and interest rate futures. Operations other than trading operations are defined as banking operations. The trading operations are carried out in a rigid manner in compliance with the Bank’s internal rules on definition of trading transactions, authorities for fair value calculation and its methods.

The Bank currently utilizes various effective measurement methods suitable to operational features and investment policies, in addition to VaR (Value-at-Risk) and BPV (Basis Point Value), to quantify market risk. The same market risk measurement system is commonly used for calculation of VaR and other measures of market risk.

The Bank performs quantitative analysis on market risks relating to all financial instruments in principle, using mainly VaR. For the calculating of VaR, the Bank uses the historical simulation method (confidence interval: 99.9%, observation period: 1,250 days). As for holding periods, the Bank has set 10 days for financial instruments for trading purposes, and periods considered appropriate (primarily from one month to one year, based on the position settlement periods and other factors) for financial instruments for non-trading purposes (those for banking operations).

As of March 31, 2011, the aggregate amount of the market risks (estimated loss amount) of the Bank’s trading business was ¥68 million ($824 thousand). The aggregate amount of the market risks of the banking business, excluding market risks of unlisted equity securities and other financial instruments whose fair value cannot be reliably determined, stood at ¥110,275 million ($1,326,229 thousand). It should be noted that the aggregate amount of market risks represent a simple sum of amounts of each market risk categorized by risk type. It should be also noted that the interest risks on loans and deposits are calculated by defining core deposits as liquid deposits which have had no movement, incoming or outgoing, to/from the Bank for a considerable period of time and by categorizing these using maturity periods of up to five years with an average of less than 2.5 years.

The Bank carries out back testing to compare VaR calculated based on the models with hypothetical profit and loss, which are assumed to have been incurred when the portfolio was fixed as it was at the point of the risk amount measurement. The outcome of the tests is reported to the ALM Committee quarterly. According to the result of back testing conducted, it is believed that the measurement model the bank uses is adequate to capture market risks. It should be noted that VaR measures the amount of market risk at certain probability levels statistically calculated based on historical market fluctuation, and therefore there may be cases where market risks cannot be captured in such situations as when market conditions are changing captured in such situations as when market conditions are changing dramatically beyond what was experienced historically.

(c) Liquidity risk management

The basic structure of assets and liabilities of a bank is to procure funds as deposits with relatively short maturities and to invest them in loans and debt securities with long maturities.

Therefore, managing liquidity risk to facilitate a stable settlement system should be recognized as a top-priority issue for a bank. Should the Bank's liquidity fall short, it would not affect only the Bank but also the whole financial system and the whole regional economy significantly, and would clearly show the emergence of systemic risk. Based on this understanding, the Bank closely stipulates in its internal regulations, such as the Basic Regulations of Liquidity Risk Management, the methods of liquidity risk management to be used in day-to-day operations, as well as appropriate countermeasures to be taken in case of concern and/or critical situations regarding liquidity risk.

In order to facilitate stable funding management on a daily basis and maintain preparation for urgent cash out-flows, the ALM Committee semiannually sets guidelines for fund reserves that require maintenance of highly liquid assets above a certain level stipulated in the guidelines. The middle office(RMD) monitors the level of fund reserves daily against the guidelines in a strict manner.

In addition, the status of investment and procurement of funds are examined together with the prospects of the interest rate and foreign exchange markets and with current circumstances regarding risks, not only by the ALM Committee but also by Market Risk Expert Committees held in relevant sections every week. This is done in order to reflect changes in the market environment in the liquidity risk management.

In cases where obvious signs of liquidity risk can be discerned, such as in the case of significant changes in the market environment and/or the Bank's status of fund investment and procurement, the Liquidity Risk Emergency Committee will be called upon immediately to, with participation of relevant sections, compile and organize information and make prompt decisions on necessary countermeasures.

(4) Supplementary Explanation on Fair Value of Financial Instruments

The fair values of financial instruments are based on their market prices and, in cases where market prices are not readily available, reasonably calculated prices. Such prices have been calculated using certain assumptions, and may differ if calculated based on different assumptions.

(5) Fair Values of Financial Instruments

Fair values of financial instruments are based on quoted prices in active markets. If quoted prices are not available, other rational valuation techniques are used instead.

(a) Fair value of financial instruments

	Millions of Yen		
March 31, 2011	Carrying Amount	Fair Value	Unrealized Gain/Loss
(1) Cash and due from banks	**¥ 857,677**	**¥ 857,677**	
(2) Call loans and bills purchased	**143,395**	**143,395**	
(3) Other debt purchased	**188,390**	**188,390**	
(4) Securities:			
Held-to-maturity securities	**214,146**	**217,838**	**¥ 3,691**
Available-for-sale securities	**1,766,601**	**1,766,601**	
(5) Loans and bills discounted	**8,601,882**		
Allowance for possible loan losses*1	**(86,046)**		
Net	**8,515,836**	**8,593,691**	**77,855**
Total assets	**¥11,686,048**	**¥11,767,594**	**¥81,546**
(1) Deposits, excluding negotiable certificates of deposit	**¥10,725,087**	**¥10,732,150**	**¥ 7,062**
(2) Borrowed money	**282,939**	**283,612**	**673**
Total liabilities	**¥11,008,026**	**¥11,015,762**	**¥ 7,736**
Derivative instruments*2:			
Hedge accounting is not applied	**¥ 7,191**	**¥ 7,191**	
Hedge accounting is applied	**(4,672)**	**(4,672)**	
Total derivative instruments	**¥ 2,518**	**¥ 2,518**	

	Millions of Yen		
March 31, 2010	Carrying Amount	Fair Value	Unrealized Gain/Loss
(1) Cash and due from banks	¥ 731,175	¥ 731,175	
(2) Other debt purchased	213,567	213,567	
(3) Securities:			
Held-to-maturity securities	172,258	176,262	¥ 4,004
Available-for-sale securities	1,554,671	1,554,671	
(4) Loans and bills discounted	8,485,502		
Allowance for possible loan losses*1	(91,095)		
Net	8,394,406	8,469,481	75,074
Total assets	¥11,066,079	¥11,145,158	¥79,078
(1) Deposits, excluding negotiable certificates of deposit	¥10,428,935	¥10,437,756	¥ 8,820
Total liabilities	¥10,428,935	¥10,437,756	¥ 8,820
Derivative instruments*2:			
Hedge accounting is not applied	¥ 6,637	¥ 6,637	
Hedge accounting is applied	901	901	
Total derivative instruments	¥ 7,539	¥ 7,539	

March 31, 2011	Thousands of U.S. Dollars Carrying Amount	Fair Value	Unrealized Gain/Loss
(1) Cash and due from banks	$ 10,314,824	$ 10,314,824	
(2) Call loans and bills purchased	1,724,537	1,724,537	
(3) Other debt purchased	2,265,672	2,265,672	
(4) Securities:			
Held-to-maturity securities	2,575,424	2,619,822	$ 44,398
Available-for-sale securities	21,245,958	21,245,958	
(5) Loans and bills discounted	103,450,183		
Allowance for possible loan losses*1	(1,034,829)		
Net	102,415,354	103,351,676	936,322
Total assets	$140,541,769	$141,522,489	$980,720
(1) Deposits, excluding negotiable certificates of deposit	$128,984,819	$129,069,759	$ 84,940
(2) Borrowed money	3,402,757	3,410,854	8,097
Total liabilities	$132,387,576	$132,480,613	$ 93,037
Derivative instruments*2:			
Hedge accounting is not applied	$ 86,488	$ 86,488	
Hedge accounting is applied	(56,198)	(56,198)	
Total derivative instruments	$ 30,290	$ 30,290	

*1 Allowances for possible loan losses relevant to loans and bills discounted have been deducted.
*2 Derivative instruments include derivative transactions both in trading assets and liabilities, and other assets and liabilities. Derivative instruments are presented as net of assets and liabilities associated with derivative transactions.

Assets

(1) Cash and Due from Banks

The carrying amounts of due from banks with no maturities approximate fair values. For due from banks with maturities, the carrying amounts approximate fair values because they have short maturities of one year or less.

(2) Call Loans and Bills Purchased

The carrying amounts of call loans and bills purchased approximate fair values because they have short maturities of one year or less.

(3) Other Debt Purchased

The fair values of beneficiary rights of trust in other debt purchased are measured at the quoted price obtained from financial institutions.

(4) Securities

The fair values of marketable equity securities are measured at the quoted market price of the stock exchange for equity instruments. Fair values of bonds are measured at the market price or the quoted price obtained from financial institutions. Fair values of investment trusts are measured at the quoted price.

The fair values of private placements with floating interest rates approximate their book values as long as customers' credit risks have not changed significantly after issuance because the market rates are promptly reflected in the floating interest rates. The fair values of private placements with fixed interest rates are determined by discounting future cash flows at the rate that consists of the risk free rate and the credit risk premium that corresponds to the internal credit rating.

For the fair value of floating rate government bonds, after consideration of the recent market environment, a judgment has been made by management that current market prices are not indicative of fair value. At the end of this fiscal year, the fair values of these bonds were determined based on the value reasonably estimated. As a result, securities and unrealized gains on available-for-sale securities as of March 31, 2011 were higher by ¥8,035 million ($96,635 thousand) and ¥4,771 million ($57,382 thousand), respectively, and deferred tax assets as of March 31, 2011 were lower by ¥3,263 million ($39,253 thousand), than they would have been if value based on market prices.

The value reasonably estimated of floating rate government bonds is calculated by discounting future cash flows estimated based on factors, including implied forward rates, by the discount rate determined based on government bond spot rates. Major variables in the measurement methodology were the yield of government bonds and volatility of swap options.

(5) Loans and Bills Discounted

The carrying amounts of loans and bills discounted with floating interest rates approximate fair value as long as customers' credit risks have not changed significantly after lending because the market rates are promptly reflected in the floating interest rates.

The fair values of loans and bills discounted with fixed interest rates are determined by discounting the future cash flows at the rates that consist of the risk free rate and the credit risk premium that corresponds to the internal credit rating. The future cash flows of certain loans and bills discounted are grouped by product and by remaining duration in accordance with internal rules of credit risk classification. The carrying amounts of loans and bills discounted with maturity less than one year approximate fair value because of their short maturities.

For loans to obligors "legal bankruptcy," "virtual bankruptcy" and "possible bankruptcy," a reserve is provided based on the discounted cash flow method or based on amounts expected to be collected through the disposal of collateral or execution of guarantees. The carrying value net of the reserve as of the consolidated balance sheet date is a reasonable estimate of the fair values of those loans.

The carrying amounts of loans and bills discounted that do not have fixed maturities due to loan characteristics, such as limited loan amounts within the value of pledged assets, approximate fair value due to their expected repayment periods and interest rate conditions.

Liabilities

(1) Deposits, Excluding Negotiable Certificates of Deposit

The fair values of demand deposits are recognized as the payment at the date of the consolidated balance sheet. The fair values of time deposit are determined by discounting the contractual cash flows grouped by product and by the remaining duration at the rates that would be applied for similar new contracts. The carrying amounts of the deposits with maturities less than one year approximate fair value because of their short term maturities.

(2) Borrowed Money

The carrying amount of borrowed money with floating interest rates approximates fair value because the market rates are promptly reflected in the floating interest rate, and the credit risks of the Bank and its consolidated subsidiaries have not changed significantly after borrowing. The fair value of borrowed money with fixed interest rates is determined by discounting future cash flows at the rate that would be applied for similar new contracts. The carrying amount of borrowed money with maturity of less than one year approximates fair value because of its short maturity period.

Derivatives

The fair values of derivative instruments are measured at the market price or determined using the discounted cash flow method or option pricing model.

(b) Financial instruments whose fair value cannot be reliably determined

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
	Carrying Amount		
Equity securities without readily available market price*1*3	**¥13,418**	¥14,115	**$161,379**
Investments in partnerships*2*3	**145**	188	**1,746**
Total	**¥13,563**	¥14,304	**$163,125**

*1 Equity securities without readily available market price are out of the scope of the fair value disclosure because their fair values cannot be reliably determined.

*2 Investments in partnerships, the assets of which comprise equity securities without readily available market price, are out of the scope of the fair value disclosure.

*3 During the year ended March 31, 2011, impairment losses on equity securities without readily available market price of ¥273 million ($3,295 thousand) and on investments in partnerships of ¥23 million ($283 thousand) were recognized, respectively.

(6) Maturity Analysis for Financial Assets and Liabilities with Contractual Maturities

	Millions of Yen					
March 31, 2011	Due in 1 Year or Less	Due after 1 Year through 3 Years	Due after 3 Years through 5 Years	Due after 5 Years through 7 Years	Due after 5 Years through 10 Years	Due after 10 Years
Due from banks	**¥ 702,934**					
Call loans and bills purchased	**143,395**					
Other debt purchased	**19,173**					**¥ 169,135**
Securities:						
Held-to-maturity securities	**20,208**	**¥ 56,600**	**¥ 57,335**	**¥ 3,040**	**¥ 66,889**	**10,000**
Available-for-sale securities with contractual maturities	**143,849**	**549,754**	**555,289**	**96,596**	**214,845**	**56,984**
Loans and bills discounted	**2,218,334**	**1,525,850**	**1,012,950**	**532,708**	**661,708**	**2,372,152**
Total	**¥3,247,895**	**¥2,132,205**	**¥1,625,575**	**¥632,344**	**¥943,442**	**¥2,608,272**

	Millions of Yen					
March 31, 2010	Due in 1 Year or Less	Due after 1 Year through 3 Years	Due after 3 Years through 5 Years	Due after 5 Years through 7 Years	Due after 5 Years through 10 Years	Due after 10 Years
Due from banks	¥ 602,755					
Other debt purchased	17,663					¥ 196,390
Securities:						
Held-to-maturity securities	7,964	¥ 41,992	¥ 67,503	¥ 24,777	¥ 19,830	10,000
Available-for-sale securities with contractual maturities	198,664	332,707	507,284	68,487	161,662	124,477
Loans and bills discounted	2,328,931	1,435,364	957,547	519,640	617,109	2,309,142
Total	¥3,155,979	¥1,810,063	¥1,532,334	¥612,904	¥798,601	¥2,640,011

	Thousands of U.S. Dollars					
March 31, 2011	Due in 1 Year or Less	Due after 1 Year through 3 Years	Due after 3 Years through 5 Years	Due after 5 Years through 7 Years	Due after 5 Years through 10 Years	Due after 10 Years
Due from banks	**$ 8,453,814**					
Call loans and bills purchased	**1,724,537**					
Other debt purchased	**230,595**					**$ 2,034,104**
Securities:						
Held-to-maturity securities	**243,032**	**$ 680,704**	**$ 689,539**	**$ 36,560**	**$ 804,438**	**120,265**
Available-for-sale securities with contractual maturities	**1,730,000**	**6,611,600**	**6,678,170**	**1,161,708**	**2,583,824**	**685,317**
Loans and bills discounted	**26,678,707**	**18,350,581**	**12,182,208**	**6,406,599**	**7,958,007**	**28,528,593**
Total	**$39,060,685**	**$25,642,885**	**$19,549,917**	**$7,604,867**	**$11,346,269**	**$31,368,279**

Note: Loans and bills discounted whose cash flow cannot be estimated such as "legal bankruptcy," "virtual bankruptcy" and "possible bankruptcy" loans amounting to ¥172,943 million ($2,079,899 thousand) and loans and bills discounted with no contractual maturities amounting to ¥105,233 million ($1,265,589 thousand) are not included.

March 31, 2011	Millions of Yen Due in 1 Year or Less	Due after 1 Year through 3 Years	Due after 3 Years through 5 Years	Due after 5 Years through 7 Years	Due after 7 Years through 10 Years
Deposits, excluding negotiable certificates of deposit	**¥9,988,303**	**¥556,760**	**¥169,071**	**¥4,340**	**¥6,611**

March 31, 2010	Millions of Yen Due in 1 Year or Less	Due after 1 Year through 3 Years	Due after 3 Years through 5 Years	Due after 5 Years through 7 Years	Due after 7 Years through 10 Years
Deposits, excluding negotiable certificates of deposit	¥9,665,483	¥577,008	¥175,401	¥4,710	¥6,331

March 31, 2011	Thousands of U.S. Dollars Due in 1 Year or Less	Due after 1 Year through 3 Years	Due after 3 Years through 5 Years	Due after 5 Years through 7 Years	Due after 7 Years through 10 Years
Deposits, excluding negotiable certificates of deposit	**$120,123,918**	**$6,695,854**	**$2,033,326**	**$52,204**	**$79,517**

Note: The cash flow of demanded deposits is included in "Due in 1 year or less."

28. DERIVATIVE INFORMATION

Derivative Transactions to Which Hedge Accounting Is Not Applied at March 31, 2011 and 2010

The Bank had the following derivative contracts, that were quoted on listed exchanges, outstanding as of March 31, 2011:

March 31, 2011	Millions of Yen Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Bond contracts—Futures written	**¥554**		**¥ (4)**	**¥ (4)**

March 31, 2011	Thousands of U.S. Dollars Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Bond contracts—Futures written	**$6,665**		**$ (48)**	**$ (48)**

The Bank had the following derivative contracts, that were not quoted on listed exchanges, outstanding as of March 31, 2011 and 2010:

March 31, 2011	Millions of Yen Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Interest rate contracts:				
Interest rate swaps:				
Receive fixed and pay floating	**¥2,047,650**	**¥1,696,868**	**¥ 30,021**	**¥ 30,021**
Receive floating and pay fixed	**2,045,391**	**1,638,091**	**(24,809)**	**(24,809)**
Receive floating and pay floating	**192,490**	**192,490**	**220**	**220**
Caps and others written	**50,231**	**32,565**	**(145)**	**861**
Caps and others purchased	**33,300**	**17,300**	**113**	**113**
Foreign exchange:				
Currency swaps	**202,879**	**180,617**	**1,330**	**1,330**
Forward exchange contracts written	**17,184**		**(135)**	**(135)**
Forward exchange contracts purchased	**21,915**		**117**	**117**
Options written	**69,777**	**26,610**	**(5,008)**	**(534)**
Options purchased	**72,073**	**26,610**	**5,492**	**2,051**

March 31, 2011	Thousands of U.S. Dollars Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Interest rate contracts:				
Interest rate swaps:				
Receive fixed and pay floating	**$24,625,988**	**$20,407,320**	**$ 361,048**	**$ 361,048**
Receive floating and pay fixed	**24,598,812**	**19,700,435**	**(298,375)**	**(298,375)**
Receive floating and pay floating	**2,314,973**	**2,314,973**	**2,647**	**2,647**
Caps and others written	**604,105**	**391,652**	**(1,746)**	**10,360**
Caps and others purchased	**400,481**	**208,058**	**1,361**	**1,361**
Foreign exchange:				
Currency swaps	**2,439,922**	**2,172,191**	**15,996**	**15,996**
Forward exchange contracts written	**206,674**		**(1,635)**	**(1,635)**
Forward exchange contracts purchased	**263,569**		**1,414**	**1,414**
Options written	**839,181**	**320,034**	**(60,230)**	**(6,431)**
Options purchased	**866,788**	**320,034**	**66,056**	**24,668**

March 31, 2010	Millions of Yen Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Interest rate contracts:				
Interest rate swaps:				
Receive fixed and pay floating	¥1,774,883	¥1,479,327	¥ 28,360	¥ 28,360
Receive floating and pay fixed	1,772,100	1,404,297	(23,812)	(23,812)
Caps and others written	57,668	34,355	(77)	1,300
Caps and others purchased	31,110	16,310	41	41
Foreign exchange:				
Currency swaps	266,407	235,349	1,855	1,855
Forward exchange contracts written	25,750		(357)	(357)
Forward exchange contracts purchased	30,671		438	438
Options written	70,457	42,537	(3,711)	540
Options purchased	68,054	41,898	3,900	839

Derivative Transactions to Which Hedge Accounting Is Applied at March 31, 2011 and 2010

The Bank had the following derivative contracts, that were not quoted on listed exchanges, outstanding as of March 31, 2011 and 2010:

March 31, 2011	Hedged Item	Millions of Yen Contract Amount	Contract Amount Due after One Year	Fair Value
Interest rate contracts—Interest rate swaps—receive floating and pay fixed	Loans and bills discounted	**¥ 610**	**¥610**	**¥ (10)**
Foreign exchange—Currency swaps	Deposits denominated in foreign currencies, due from bank's denominated in foreign currencies, etc.	**335,554**		**(4,662)**

March 31, 2011	Hedged Item	Thousands of U.S. Dollars Contract Amount	Contract Amount Due after One Year	Fair Value
Interest rate contracts—Interest rate swaps—receive floating and pay fixed	Loans and bills discounted	**$ 7,344**	**$7,344**	**$ (130)**
Foreign exchange—Currency swaps	Deposits denominated in foreign currencies, due from bank's denominated in foreign currencies, etc.	**4,035,536**		**(56,068)**

March 31, 2010	Hedged Item	Millions of Yen Contract Amount	Contract Amount Due after One Year	Fair Value
Interest rate contracts—Interest rate swaps—receive floating and pay fixed	Loans and bills discounted	¥ 697	¥697	¥ (7)
Foreign exchange—Currency swaps	Deposits denominated in foreign currencies, due from bank's denominated in foreign currencies, etc.	390,807		908

The above interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements is recognized and included in interest expense or income. In addition, the fair value of such interest rate swaps in Note 27 is included in that of hedged items (i.e. loan and bills discounted).

29. COMPREHENSIVE INCOME (LOSS)

Other comprehensive income (loss) for the year ended March 31, 2010 consists of the following:

	Millions of Yen 2010
Other comprehensive income (loss):	
Unrealized gain (loss) on available-for-sale securities	¥29,527
Deferred loss on derivatives under hedge accounting	37
Total other comprehensive income (loss)	¥29,564

Total comprehensive income for the year ended March 31, 2010 comprises the following:

	Millions of Yen 2010
Total comprehensive income attributable to:	
Owners of the parent	¥60,356
Minority interests	1,826
Total comprehensive income	¥62,183

30. SEGMENT INFORMATION

In March 2008, the ASBJ revised ASBJ Statement No. 17 “Accounting Standard for Segment Information Disclosures” and issued ASBJ Guidance No.20 “Guidance on Accounting Standard for Segment Information Disclosures”. Under the standard and guidance, an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. This accounting standard and the guidance are applicable to segment information disclosures for the fiscal years beginning on or after April 1, 2010.

For the Year Ended March 31, 2010

a. Business Segment Information

The Group operates in the following industries:

Banking consists of banking.

Leasing consists of leasing.

Other consists of credit guarantee, venture capital, securities and other.

Information about business segment information for the year ended March 31, 2010 was as follows:

	Millions of Yen				
	2010				
	Banking	Leasing	Other	Eliminations/ Corporate	Consolidated
Ordinary income:					
Outside customers	¥ 255,131	¥38,037	¥ 8,066		¥ 301,235
Intersegment income	1,096	205	6,765	¥ (8,066)	
Total	256,227	38,242	14,831	(8,066)	301,235
Ordinary expenses	201,861	38,483	15,166	(8,058)	247,453
Ordinary profit	¥ 54,366	¥ (240)	¥ (334)	¥ (8)	53,782
Other income and expenses—net					(924)
Income before income taxes and minority interests					¥ 52,857
Assets, depreciation and capital expenditures:					
Assets	¥11,679,397	¥99,678	¥317,098	¥(111,860)	¥11,984,313
Depreciation	10,254	555	361		11,172
Capital expenditures	14,850	1,256	298		16,405

Note: Ordinary income and expenses mean total income and expenses less certain special income and expenses included in other income and expenses in the accompanying consolidated statements of income. Ordinary profit means ordinary income less ordinary expenses.

b. Segment Information by Geographic Area

Ordinary income and total assets as of and for the year ended March 31, 2010 were primarily concentrated in Japan. Accordingly, the presentation of segment information by geographic area is not required under the related regulations for these fiscal years.

c. Ordinary Income from International Operations

Ordinary income arising from international operations both in and outside Japan was minor in relation to the total ordinary income for the year ended March 31, 2010 . Accordingly, the presentation of ordinary income from international operations is not required under the related regulations for these fiscal years.

For the Year Ended March 31, 2011

The Group engages in banking as its mainstay business, as well as leasing, securities and other financial services businesses. The Group Strategic Conference established in the Bank helps each Group company set its own management goals, and conducts periodical reviews of progress as part of its thorough supervision of the management of the Group. Segment information for businesses other than the banking operations of each Group company is not disclosed due to their immateriality.

31. SUBSEQUENT EVENT

On May 13, 2011, the Board of Directors resolved the following appropriation of retained earnings:

Appropriation of Retained Earnings as of March 31, 2011

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends—Common stock (¥5.00—$0.06 per share)	¥6,799	$81,774

Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Bank of Yokohama, Ltd.:

We have audited the accompanying consolidated balance sheets of The Bank of Yokohama, Ltd. (the "Bank") and consolidated subsidiaries as of March 31, 2011 and 2010, and the related consolidated statements of income for the years then ended, the consolidated statement of comprehensive income for the year ended March 31, 2011, and the related consolidated statements of changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Bank of Yokohama, Ltd. and consolidated subsidiaries as of March 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 14, 2011

Member of
Deloitte Touche Tohmatsu Limited

Non-Consolidated Balance Sheets

The Bank of Yokohama, Ltd.
March 31, 2011 and 2010—Unaudited

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
ASSETS:			
Cash and due from banks	**¥ 854,674**	¥ 728,373	**$ 10,278,710**
Call loans and bills purchased	**143,395**	92,425	**1,724,537**
Other debt purchased	**180,135**	206,039	**2,166,388**
Trading assets	**100,368**	42,392	**1,207,082**
Securities	**2,004,082**	1,750,458	**24,102,020**
Loans and bills discounted	**8,644,177**	8,525,715	**103,958,837**
Foreign exchange assets	**3,948**	4,839	**47,488**
Other assets	**123,456**	119,144	**1,484,740**
Premises and equipment	**127,628**	130,890	**1,534,917**
Intangible fixed assets	**15,477**	18,533	**186,136**
Deferred tax assets	**39,330**	50,285	**473,007**
Customers' liabilities for acceptances and guarantees	**82,528**	91,326	**992,527**
Allowance for possible loan losses	**(73,862)**	(78,599)	**(888,304)**
TOTAL	**¥12,245,341**	¥11,681,828	**$147,268,085**
LIABILITIES:			
Deposits	**¥10,871,045**	¥10,518,073	**$130,740,175**
Call money and bills sold	**36,908**	23,410	**443,876**
Trading liabilities	**1,460**	1,573	**17,560**
Borrowed money	**304,800**	114,619	**3,665,675**
Foreign exchange liabilities	**28**	85	**347**
Bonds and notes	**64,300**	64,300	**773,301**
Other liabilities	**126,700**	132,557	**1,523,754**
Accrued bonuses to directors and corporate auditors	**40**	9	**487**
Reserve for reimbursement of deposits	**898**	934	**10,810**
Reserve for contingent losses	**700**	594	**8,429**
Deferred tax liabilities for land revaluation surplus	**22,048**	22,048	**265,167**
Acceptances and guarantees	**82,528**	91,326	**992,527**
Total liabilities	**11,511,461**	10,969,533	**138,442,108**
EQUITY:			
Capital stock—common stock—authorized, 3,000,000 thousand shares in 2011 and 2010; issued, 1,361,071 thousand shares in 2011 and 2010	**215,628**	215,628	**2,593,249**
Capital surplus	**177,244**	177,244	**2,131,623**
Stock acquisition rights	**274**	192	**3,301**
Retained earnings:			
Legal reserve	**38,384**	38,384	**461,626**
Unappropriated	**257,986**	226,141	**3,102,661**
Unrealized gain on available-for-sale securities	**13,516**	23,901	**162,558**
Deferred loss on derivatives under hedge accounting	**(9)**	(32)	**(118)**
Land revaluation surplus	**31,524**	31,524	**379,129**
Treasury stock—common stock—at cost, 1,166 thousand shares in 2011 and 1,183 thousand shares in 2010	**(669)**	(689)	**(8,052)**
Total equity	**733,879**	712,294	**8,825,977**
TOTAL	**¥12,245,341**	¥11,681,828	**$147,268,085**

Non-Consolidated Statements of Income

The Bank of Yokohama, Ltd.
Years Ended March 31, 2011 and 2010—Unaudited

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
INCOME:			
Interest income:			
Interest on loans and discounts	**¥158,421**	¥172,677	**$1,905,244**
Interest and dividends on securities	**17,610**	17,865	**211,798**
Other interest income	**6,198**	6,590	**74,540**
Fees and commissions	**45,440**	44,921	**546,491**
Trading profits	**423**	515	**5,099**
Other operating income	**9,953**	6,665	**119,704**
Other income	**5,725**	8,122	**68,859**
Total income	**243,773**	257,359	**2,931,735**
EXPENSES:			
Interest expenses:			
Interest on deposits	**8,288**	13,265	**99,687**
Interest on borrowings and rediscounts	**3,598**	3,263	**43,281**
Other interest expenses	**2,673**	2,320	**32,159**
Fees and commissions	**15,008**	14,679	**180,505**
Trading losses	**16**	72	**200**
Other operating expenses	**3,273**	3,676	**39,366**
General and administrative expenses	**103,122**	104,578	**1,240,198**
Provision for possible loan losses	**14,176**	30,904	**170,492**
Other expenses	**17,657**	33,491	**212,355**
Total expenses	**167,816**	206,251	**2,018,243**
INCOME BEFORE INCOME TAXES	**75,956**	51,107	**913,492**
INCOME TAXES:			
Current	**13,195**	29,869	**158,691**
Deferred	**17,312**	(9,762)	**208,209**
Total income taxes	**30,507**	20,107	**366,900**
NET INCOME	**¥ 45,449**	¥ 31,000	**$ 546,592**

	Yen		U.S. Dollars
PER SHARE INFORMATION:			
Basic net income per share	**¥ 33.42**	¥ 22.79	**$ 0.40**
Diluted net income per share	**33.40**	22.78	**0.40**

Non-Consolidated Statements of Changes in Equity

The Bank of Yokohama, Ltd.
Years Ended March 31, 2011 and 2010—Unaudited

	Thousands	Millions of Yen									
			Capital Surplus		Retained Earnings						
	Outstanding Number of Shares of Common Stock	Capital Stock	Additional Paid-in Capital	Stock Acquisition Rights	Legal Reserve	Unappropriated	Unrealized Gain (Loss) on Available-for-sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Land Revaluation Surplus	Treasury Stock	Total Equity
BALANCE, APRIL 1, 2009	1,359,866	¥215,628	¥177,244	¥ 87	¥38,384	¥208,749	¥ (5,241)	¥(69)	¥31,524	¥(712)	¥665,595
Net income						31,000					31,000
Cash dividends, ¥10.00 per share for common stock						(13,598)					(13,598)
Purchase of treasury stock	(72)									(32)	(32)
Disposal of treasury stock	93					(8)				55	46
Net change in the year				104			29,142	37			29,284
BALANCE, MARCH 31, 2010	1,359,887	215,628	177,244	192	38,384	226,141	23,901	(32)	31,524	(689)	712,294
Net income						45,449					45,449
Cash dividends, ¥10.00 per share for common stock						(13,599)					(13,599)
Purchase of treasury stock	(65)									(27)	(27)
Disposal of treasury stock	82					(5)				48	42
Net change in the year				82			(10,384)	22			(10,279)
BALANCE, MARCH 31, 2011	**1,359,904**	**¥215,628**	**¥177,244**	**¥274**	**¥38,384**	**¥257,986**	**¥ 13,516**	**¥ (9)**	**¥31,524**	**¥(669)**	**¥733,879**

	Thousands of U.S. Dollars									
		Capital Surplus		Retained Earnings						
	Capital Stock	Additional Paid-in Capital	Stock Acquisition Rights	Legal Reserve	Unappropriated	Unrealized Gain (Loss) on Available-for-sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Land Revaluation Surplus	Treasury Stock	Total Equity
BALANCE, MARCH 31, 2010	$2,593,249	$2,131,623	$2,312	$461,626	$2,719,685	$ 287,444	$ (392)	$379,129	$ (8,295)	$8,566,381
Net income					546,592					546,592
Cash dividends, $0.12 per share for common stock					(163,550)					(163,550)
Purchase of treasury stock									(335)	(335)
Disposal of treasury stock					(66)				578	512
Net change in the year			989			(124,886)	274			(123,623)
BALANCE, MARCH 31, 2011	**$2,593,249**	**$2,131,623**	**$3,301**	**$461,626**	**$3,102,661**	**$ 162,558**	**$ (118)**	**$379,129**	**$ (8,052)**	**$8,825,977**

Corporate Information

CORPORATE DATA

(As of March 31, 2011)

Company Name
The Bank of Yokohama, Ltd.

Head Office
1-1, Minatomirai 3-chome, Nishi-ku,
Yokohama, Kanagawa 220-8611, Japan
Tel: 81 (45) 225-1111
Fax: 81 (45) 225-1160

Date of Establishment
December 16, 1920

Paid-in Capital
¥215,628 million

Number of Employees
4,637

Number of Branches and Offices (As of May 31, 2011)
605
Domestic: 601 (196 branches, 8 sub-branches, 397 ATM locations)
Overseas: 1 Branch, 3 Representative offices

Internet Address
http://www.boy.co.jp/e/index.html

INTERNATIONAL NETWORK

(As of July 31 ,2011)

Japan

Head Office:
1-1, Minatomirai 3-chome,
Nishi-ku, Yokohama,
Kanagawa 220-8611, Japan
Tel: 81 (45) 225-1111
Fax: 81 (45) 225-1160
URL: http://www.boy.co.jp/

Tokyo Office:
8-2, Nihonbashi 2-chome,
Chuo-ku, Tokyo 103-0027, Japan
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100 Century Avenue, Pudong New Area,
Shanghai 200120,
People's Republic of China
Tel: 86 (21) 6877-6800
Fax: 86 (21) 6877-6680

GENERAL MANAGER
Mineaki Tsushima

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Tsim Sha Tsui, Kowloon, Hong Kong,
S.A.R., People's Republic of China
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Fax: 852-2845-9022

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CHIEF REPRESENTATIVE
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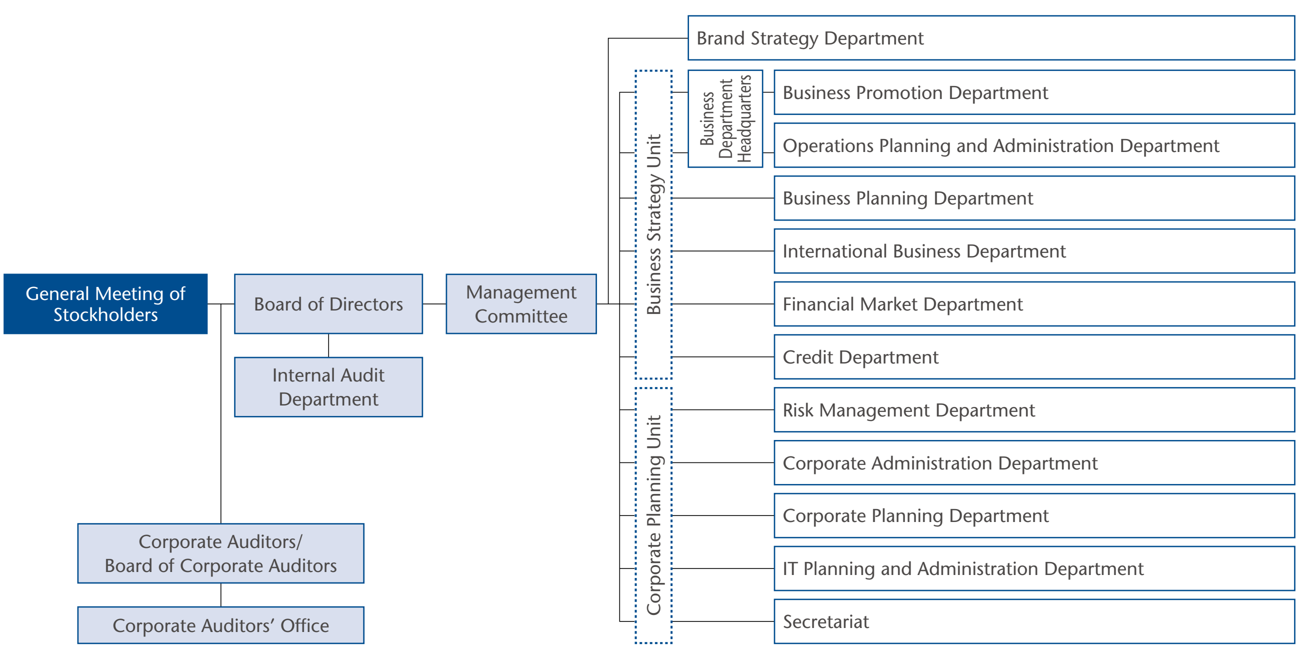
London EC2V 5DE, U.K.
Tel: 44 (20) 7628-9973
Fax: 44 (20) 7638-1886

CHIEF REPRESENTATIVE
Tatsuya Kataoka

ORGANIZATION

(As of Augst 1 ,2011)



DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE AUDITORS

(As of June 21, 2011)

Chairman and Director
Tadashi Ogawa

President (Representative Director)
Tatsumaro Terazawa

Deputy President (Representative Director)
Chiyuki Okubo

Representative Director
Masaki Itoh

Director and Managing Executive Officers
Seiichi Yoneda
Takashi Noguchi

Director and Executive Officers
Atsushi Mochizuki
Kengo Takano

Outside Directors
Shoji Hanawa
Harumi Sakamoto

Managing Executive Officer
Shunji Komatsu

Executive Officers
Yoshiyuki Hiranuma
Shinya Yamada
Shizumi Maesako
Susumu Koshida
Yasuhiro Shibuya
Soh Okada
Osamu Ishida
Yuji Shirai
Yasutaka Nozawa
Yasuyoshi Oya

Corporate Auditors
Ryuichi Kaneko
Katsunori Amano

Outside Corporate Auditors
Toru Hara
Masahiro Hoshino
Atsushi Shimizu

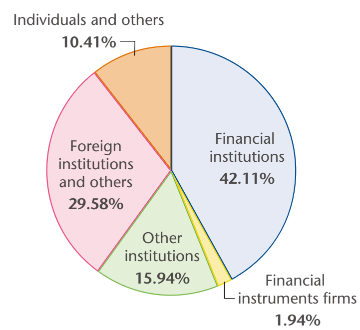
INVESTOR INFORMATION

(As of March 31, 2011)

Authorized Stocks	3,000,000 thousand
Outstanding Stocks	1,361,071 thousand shares
Capital Adequacy Ratio (Consolidated)	12.28%
Stock Listing	First Section of the Tokyo Stock Exchange
Ticker code	8332
Unit of trading	1,000 shares

INFORMATION ON COMMON STOCK

(As of March 31, 2011)



MAJOR STOCKHOLDERS (Common Stock)

(As of March 31, 2011)

	Number of stock held (thousand)	Percentage of stock held (%)
Japan Trustee Services Bank, Ltd. (Trustee Account)	113,109	8.31
The Master Trust Bank of Japan, Ltd. (Trustee Account)	64,803	4.76
State Street Bank and Trust Company	52,126	3.82
Meiji Yasuda Life Insurance Company	36,494	2.68
Trust & Custody Services Bank, Ltd. (Meiji Yasuda Life Insurance Company Retirement Benefit trust Account re-entrusted by Mizuho trust and banking Co., Ltd.)	36,494	2.68
Nippon Life Insurance Company	26,709	1.96
Japan Trustee Services Bank, Ltd. (Trustee Account 9)	25,757	1.89
The Dai-ichi Life Insurance Co., Ltd.	21,994	1.61
Japan Trustee Services Bank, Ltd. (Trustee Account 4)	17,559	1.29
Mitsui Sumitomo Insurance Co., Ltd.	14,738	1.08

GROUP COMPANIES

(As of March 31, 2011)

Name	Main Business
Hamagin Tokai Tokyo Securities Co., Ltd.	Securities services
Hamagin Research Institute, Ltd.	Consulting business, conducting surveys researches, and other information services
Hamagin Finance Co., Ltd.	Leasing and factoring services
Yokohama Capital Co., Ltd.	Investment in, and Financing to, small and medium-sized enterprises
Yokohama Guarantee Co., Ltd.	Residential-loan-guarantee services
Yokohama Staff Service Co., Ltd.	Temporary staff dispatching agency and management of real estate
Yokohama Operation Service Co., Ltd.	Cash dispenser control center
Hamagin Mortgage Service Co., Ltd.	Real estate appraisal services
Hamagin Business Operations Center Co., Ltd.	Back office services
BANKCARD Service Japan Co., Ltd.	Creditcard services

The Bank of Yokohama, Ltd.

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