



Bank of Yokohama

Annual Report 2013

Year Ended March 31, 2013

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 ¥13.4 trillion and deposits of ¥11.4 trillion as of March 31, 2013. In April 2013, the Bank of Yokohama launched a new medium-term management plan, "Tackle for the Dream." We are working under this plan to become an attractive financial institution for customers, shareholders, employees, and communities by enhancing and deepening the "solid business foundation" and, by maintaining and reinforcing the "strong management foundation" for the realization of the Long-Term Vision.

Contents

01	The Bank of Yokohama Brand	12	Investing in Human Resources
02	A Message from the President	13	Governance System
03	The Potential of Our Business Territory	17	Maintaining a Sound Financial Standing
04	Consolidated Financial Highlights	19	Five-Year Summary of Consolidated Financial Statements
05	Shareholder Return Policy	21	Consolidated Financial Statements
06	New Medium-Term Management Plan	56	Independent Auditor's Report
08	Supporting Corporate Customers	57	Non-Consolidated Financial Statements
10	Personal Banking Services	60	Corporate Information
11	CSR Activities		

This report contains information that constitutes forward-looking statements. These statements appear in a number of places in this report 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 Bank of Yokohama Brand

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 develop as a trustworthy bank. 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 employees 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 text below “Afresh” supports this message, being translated as “Something new for you.”



Bank of Yokohama

BRAND SYMBOL

A stylized image of a ship seen from the bow at water level, this two-part symbol represents “customers” and “us” sailing together swiftly toward new destinations. Our logo expresses our commitment to continued growth in partnership with our customers. The two elements facing each other symbolize our stance of always engaging face-to-face with every customer and listening carefully to their needs and wishes.

[Colors]

The two different shades of blue in the logo represent two important values that we aim to combine. The deep ocean blue is expressive of reliability and stability, while the clear sky blue symbolizes openness and flexibility.

A Message from the President



I would like to begin this message by expressing our sincere appreciation to our customers for their continuing patronage and loyalty.

Our management philosophy for the Bank of Yokohama emphasizes growth in partnership with our region through contribution to development and prosperity in our business territory, which consists of Kanagawa Prefecture and southwestern Tokyo. As a regional retail bank, we are dedicated to meeting the needs of our individual customers and our corporate customers, especially small and medium-sized enterprises.

Kanagawa Prefecture has a GDP similar to that of Denmark or Thailand. In addition to this economic potential, population growth is expected to continue in Kanagawa Prefecture until 2015 and in Yokohama City and Kawasaki City into the 2020s, in contrast with a downward trend in Japan's national population. Our region ranks second in Japan in terms of the number of academic, development and research institutions, and first in terms of the number of people employed in those institutions. Another indicator of the future growth potential of our region is the growing number of venture businesses originating from universities.

This excellent environment is reflected in the Bank of Yokohama's deposit and lending statistics. As of March 31, 2013, our deposits amounted to ¥11.4 trillion, while loans and bills discounted totaled ¥9.3 trillion. Both of these figures are new records and are the highest among Japan's regional banks. The growth of our lending activities was centered primarily in Kanagawa Prefecture, with the result that lending to borrowers within Kanagawa accounted for 78.1% of total lending. Our share of total lending by all financial institutions in Kanagawa Prefecture reached 32.7%, which is 9.1 percentage points higher than the level as of March 31, 1998. In addition, our continuing efforts to optimize our operations and achieve high standards of efficiency are reflected in the lowest overhead ratio of any regional bank.

In accordance with our policy on returns to shareholders, we implemented a ¥15 billion share buyback scheme in the year ended March 2013. Because our non-consolidated net income exceeded ¥50 billion, the stable dividend of ¥10 per share was augmented by

a performance-linked special dividend of ¥1 per share, bringing the total dividend to ¥11 per share.

We anticipate unprecedented changes in the economic environment for banks, including the introduction of quantitative and qualitative easing measures by the Bank of Japan in an effort to bring Japan's deflationary trend to an end. We will prepare for this new financial and economic environment under the Bank of Yokohama's new medium-term management plan, "Tackle for the Dream" (April 2013–March 2016). Our goals under the new medium-term management plan are to maintain a healthy balance of soundness, earning performance and growth potential while strengthening our position as the preferred bank for our customers by expanding our contact points and building relationships with regional customers, and by providing solutions that help our corporate and public sector customers to resolve problems.

I will conclude this message with a pledge that the Bank of Yokohama will work toward the achievement of the goals set down in the new medium-term management plan by continuing to create new opportunities for every individual customer to discover the best possible financial products. We will increase our efforts to build customer relationships and identify needs, so that we can use our consulting capabilities to offer optimized solutions to match the life stages of individual customers and the growth stages of corporate customers. We are also determined to maintain our reputation for dependability and our position as the preferred bank for our customers by remaining alert to changes in the financial and economic environment, and by actively taking up new challenges.

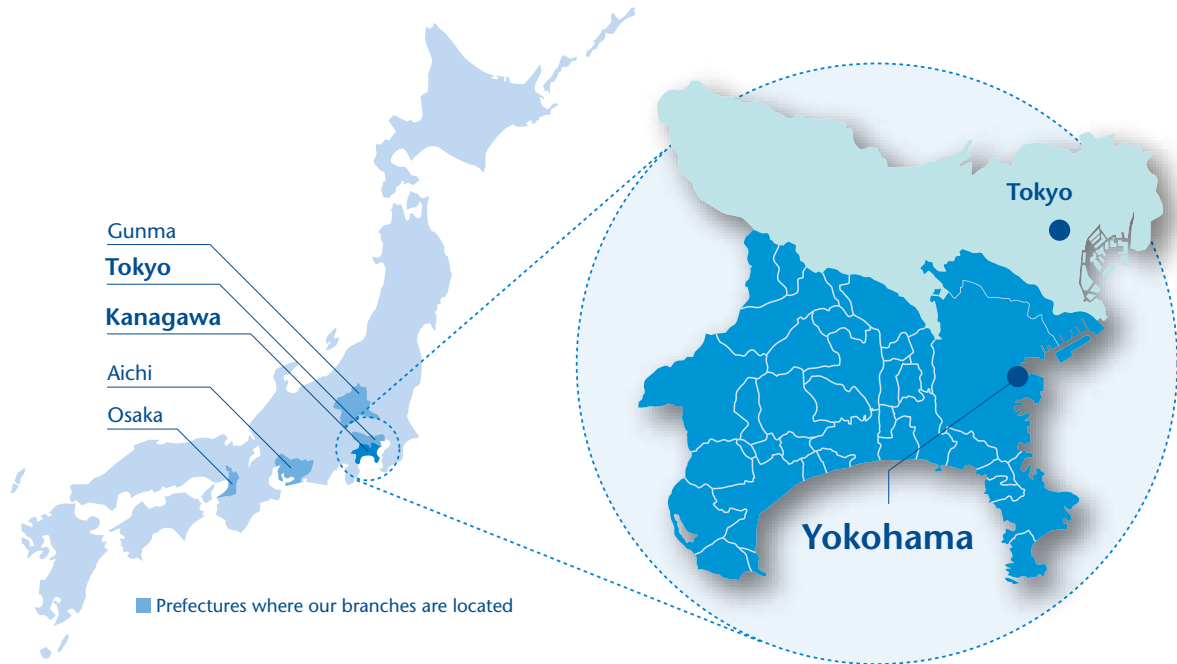
The management and employees of the Bank of Yokohama remain firmly committed to the continuing fulfillment of our social mission as a regional financial institution through contribution to regional economic development. We look forward to continuing patronage in the future.

September 2013

Tatsumaro Terazawa
Representative Director, President

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 place us among the top-five prefectures in Japan.

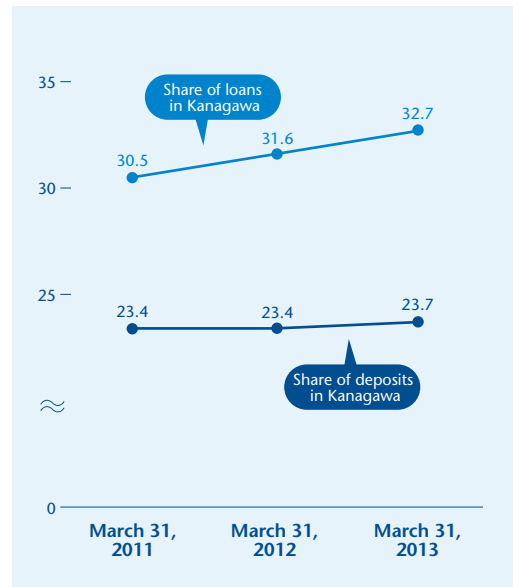


Potential of Kanagawa Prefecture

<p>Population (Oct. 2012)</p> <p>9.06 million (2nd/47 Prefectures) (Tokyo, Kanagawa, Osaka)</p>	<p>Manufacturing Output (2011)</p> <p>¥18.0 trillion (2nd) (Aichi, Kanagawa, Osaka)</p>
<p>Number of Businesses (Feb. 2012)</p> <p>316 thousand (4th) (Tokyo, Osaka, Aichi, Kanagawa)</p>	<p>Consumption Expenditure (FY09)</p> <p>¥19.5 trillion (2nd) (Tokyo, Kanagawa, Osaka)</p>
<p>Gross Prefectural Product (FY09)</p> <p>¥29.7 trillion (4th) (Tokyo, Osaka, Aichi, Kanagawa)</p>	<p>(Note) Sources: <ul style="list-style-type: none"> • Population and # of Businesses: Ministry of Internal Affairs and Communications • Gross Prefectural Product & Consumption Expenditure of Households: Each Prefecture • Manufacturing Output: Ministry of Economy, Trade and Industry </p>

Market Shares in Kanagawa Prefecture

As of March 31, 2013



(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

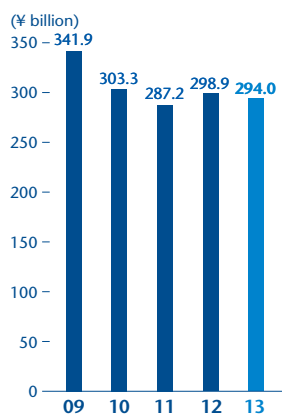
Years ended March 31	Millions of Yen*		Thousands of U.S. Dollars**
	2013	2012	2013
At year-end:			
Total assets	¥13,468,743	¥12,802,131	\$143,208,325
Cash and due from banks	923,218	811,600	9,816,251
Deposits	11,450,207	11,061,581	121,745,964
Loans and bills discounted	9,343,974	8,970,301	99,351,137
Securities	2,219,630	2,113,975	23,600,539
Total equity	895,664	832,765	9,523,276
Capital stock	215,628	215,628	2,292,702
For the year:			
Total income	¥ 294,010	¥ 298,934	\$ 3,126,103
Total expenses	199,519	203,003	2,121,415
Net income	55,342	51,190	588,439

* Yen amounts have been rounded down to millions of yen.

** U.S. dollar amounts are translated, for reference only, at the rate of ¥94.05=\$1 effective on March 31, 2013.

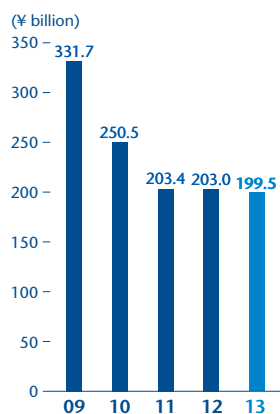
Total Income

Years ended March 31



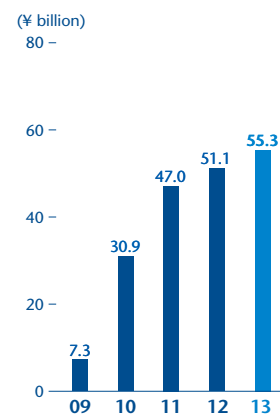
Total Expenses

Years ended March 31



Net Income

Years ended March 31



Shareholder Return Policy

Shareholder Return 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 the year ending March 31, 2014, 11 yen per share per annum is to be paid out stably regardless of business results. 5.5 yen is to be paid out as an Interim Dividend, and the other 5.5 yen is to be paid out as an End of the Term Dividend. In addition, we will flexibly repurchase own shares based on market conditions and our performance. Also, in cases where Net Income (consolidated) exceeds 55 billion yen, special dividends will be paid out.

Dividend Record

	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013	March 31, 2014 (Forecast)
Annual dividend per share	¥10.00	¥10.00	¥10.00	¥10.00	¥11.00	¥11.00
Interim dividend per share	¥ 5.00	¥ 5.00	¥ 5.00	¥ 5.00	¥ 5.00	¥ 5.50
Term-end dividend per share	¥ 5.00	¥ 5.00	¥ 5.00	¥ 5.00	¥ 6.00	¥ 5.50
Payout ratio*	157.13%	43.86%	29.92%	27.41%	27.21%	26.90%**

* Payout Ratio is calculated as; Total Dividends Paid divided by Net Income (Non-consolidated).

** Payout Ratio for FY2013 (Forecast) is calculated on condition that the Bank achieves its officially forecasted Net Income for FY2013 (Non-consolidated) and pays Dividends.

New Medium-Term Management Plan

(April 2013—March 2016)

Tackle for the

The Bank of Yokohama started a new three-year medium-term management plan called “Tackle for the Dream,” from April 2013.

The business environment surrounded the Bank is expected to continue to be tough for some time due to ongoing lower interest rates and the implementation of Basel III regulation. Meanwhile, the population in Kanagawa Prefecture is increasing, suggesting potential market growth.

In order to accommodate these circumstances and achieve sustainable growth, we positioned the period covered by our medium-term management plan as the three year enhance and deepen the solid business foundation and to maintain and reinforce the strong management foundation for the realization of the Long-Term Vision. To achieve this, we will focus on improving RORA, non-asset business, consulting, cross-selling, and direct sales activities by the head office.

MEDIUM-TERM MANAGEMENT PLAN

Tackle for the Dream

(April 2013—March 2016)

Three years to enhance and deepen the solid business foundation and to maintain and reinforce the strong management foundation for the realization of the Long-Term Vision



RECOGNITION OF ISSUES

- The loan balance has increased while yields have fallen.
- The balance of unsecured consumer loans has decreased.
- Fees and commission income remained unchanged, etc.

EXTERNAL ENVIRONMENT

- The population of Kanagawa Prefecture is expected to increase in the coming years.
- The structure of industry has been changing due to an increasing overseas expansion by companies.
- Japan’s economy is expected to recover gradually.
- Interest rates are likely to remain stable at a low level.
- Basel III regulation has been introduced.

FY2012 Results	
Number of Main Individual Customers*	2.3 million
Fee and Commission Income Ratio (consolidated)	20.0%
Net Income ROE (consolidated)	6.8%
Net Income RORA (consolidated)	0.82%
Common Equity Tier 1 Ratio (consolidated)	11.28%
OHR (non-consolidated)	47.6%
Credit Cost Ratio (non-consolidated)	0.16%

* “The number of main individual customers” means the number of customers who mainly use the Bank’s services (defined by the Bank)

PREVIOUS MEDIUM-TERM MANAGEMENT PLAN

New Horizon 2nd Stage

(April 2010—March 2013)

MEDIUM-TERM MANAGEMENT PLAN

Tackle for the Dream

(April 2013—March 2016)

April 2013

April 2014

Dream

To become an attractive financial institution for customers, shareholders, employees, and communities

【Point of focus】

Improving RORA*, non-asset business, consulting, cross-selling and direct sales by the head office

*RORA=Return on Risk Assets

MANAGEMENT TARGETS

- Aiming to become a bank that customers would be willing to select, by helping them with solutions that can assist with problem solving.
- Aiming for future growth by, in particular, increasing business opportunities with local customers and activating transactions with them.
- Aiming to become a well-balanced bank in terms of soundness, profitability and growth potential.

FUNDAMENTAL STRATEGIES

- Increasing business opportunities with individual customers and activating transactions with them
- Enhancing problem-solving support for customers in the corporate and public sectors and expanding transactions as a main bank
- Enhancing the risk-return ratio in market operations
- Improving productivity through effective operations
- Maintaining and reinforcing the strong management foundation

Target in FY2015

Around 2.5 million

Around 22%

Around 7%

Around 0.8%

Around 11%

Late 40's%

Around 0.15%

Next Stage

April 2015

March 2016

Supporting Corporate Customers



The Bank of Yokohama is continually working to meet the changing financial needs of its customers. We also make optimal use of wide-ranging information sources and the capabilities of the Bank of Yokohama Group to provide solutions to customers' problems in such areas as mergers and acquisitions and business inheritance. In addition, our Shanghai Branch provides financial services to customers with business operations in China and helps companies in our region to expand overseas.

Meeting a Wide Range of Financing Needs

Since corporate customers seek various types of financing approaches, we have adopted non-recourse loans, PFIs, etc., and also ABLs as non-traditional forms of financial support that do not depend on real estate collateral and personal guarantees, in order to best serve each customer's needs.

With the growing use of syndicated loans and private placement bonds in financing, we are continuously seeking new and more responsive ways to serve our customers.

Advanced Support for Growth Industries

We especially focus on financial support to growth industries such as medical care, nursing care, environment and energy.

In addition to the fund we established in July 2010, called the Growth Sector Strategy Fund, we established the Support Fund for Growth in August 2011, in cooperation with our group company, Yokohama Capital, to reinforce our financial support capabilities for corporate customers.

Business Support through Our Network

We provide value-added information through our extensive



networks in Kanagawa Prefecture and southwestern Tokyo, including solution-based consulting that makes the most of our various information resources and M&A services to assist companies with expansion, restructuring and business succession.

To supply customers with new opportunities for sales channel expansion, we have provided business matching services while planning and hosting business forums. In October 2012, 39 regional banks participated in a forum we sponsored on "Regional Bank Food Selection." We frequently organized seminars to supplement general business information sharing.

Business Loan Centers

Our Business Loan Centers assist a wide range of small and medium sized 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 10 Business Loan Centers through which customers can obtain fine-tuned support to meet their financing needs.



Support for Global Business

The Bank of Yokohama offers customized financial service to corporate customers through Shanghai branch in China, where prospects for economic growth remain strong.

In Asia, we are affiliated with foreign banks such as the Bank of East Asia, Bangkok Bank, Bank Internasional Indonesia and Standard Chartered Bank for provision of local financial services through optimal cooperation.

In partnership with the Kanagawa Prefectural Government, the entire Bank



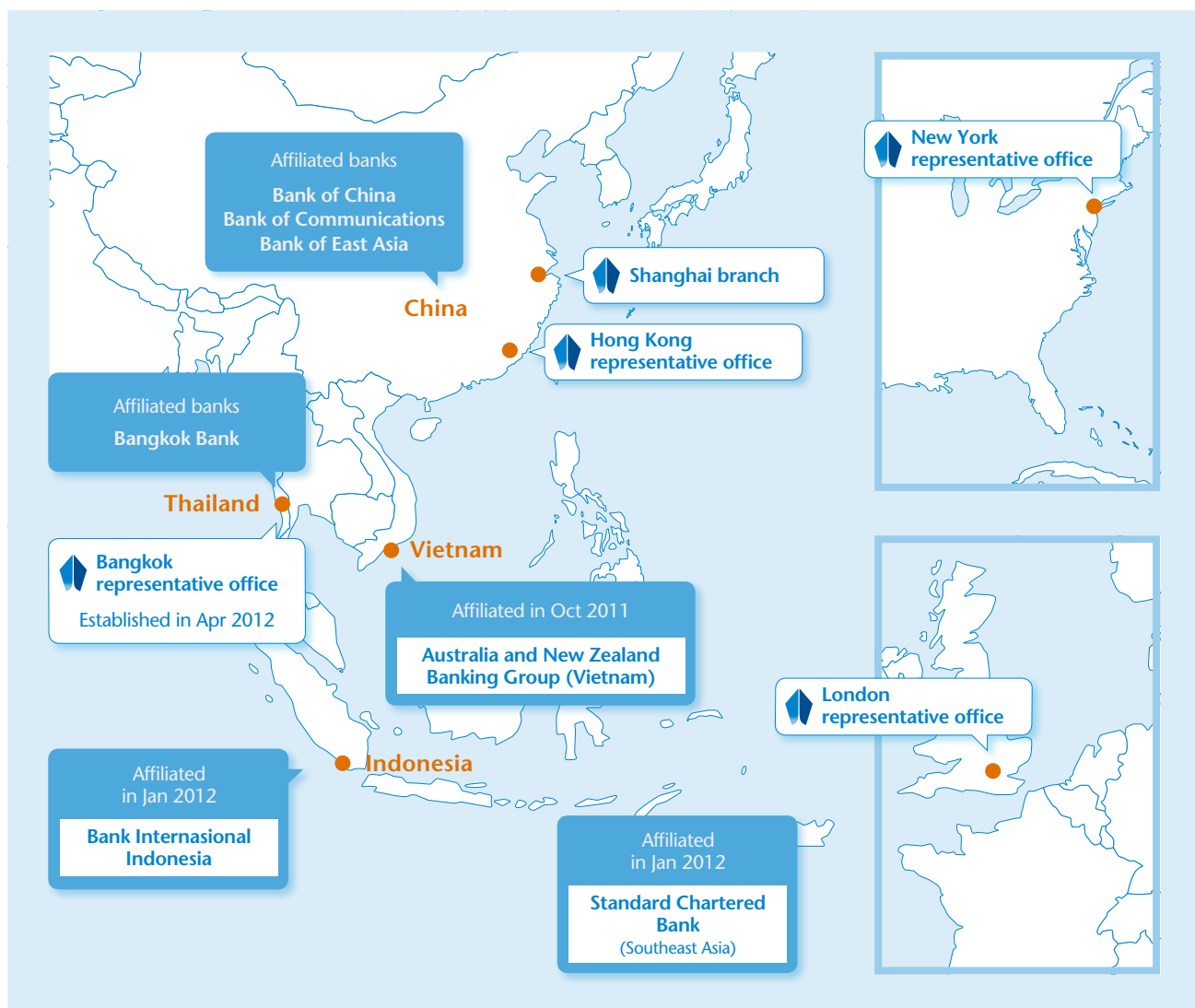
of Yokohama Group, including Hamagin Research Institute, works to support overseas expansion by enterprises within Kanagawa prefecture.

In addition, we assist customers engaged in overseas trade or investment by offering risk hedging based on trade insurance under a service agreement with Nippon Export and Investment Insurance.

E-Receipts Service

In February 2013, the Bank of Yokohama began to offer the new e-receipts service. This new service is the ideal solution for business owners who want to make effective use of their receivables or who want to avoid the troublesome processes associated with bills, such as administration, stamp duty, custody and transportation, by integrating their payment methods.

International Network



Personal Banking Services



Our efforts to enhance the convenience of our banking services include the expansion of our branch and ATM network. We are also enhancing our ability to provide products and services that match customers' needs by expanding our product line-up and strengthening our consulting capabilities.

ATM Pay-Easy Service

The Pay-Easy service is available at all Bank of Yokohama ATMs, except those in convenience stores. Customers can use Bank of Yokohama cash cards or cash to pay taxes and other fees and charges even if they are not registered for Internet banking or mobile banking. There are no charges for using this service, which is also available on holidays and outside of normal banking hours. Since April 2013, we began to accept payments of Yokohama municipal taxes through this system.

"Hamagin My Direct"

Customers can use personal computers, smartphones and other types of mobile phones to carry out banking transactions easily wherever they are. The transactions handled include balance inquiries, transfers, the creation of term accounts, investment trust transactions, foreign currency deposit transactions and partial advance mortgage repayments, as well as various types of notifications.

We are continually improving our screen displays and user friendliness in response to customer input. We are also working to enhance user convenience by discounting fees and adding new types of accounts and applications that can be processed via the Bank of Yokohama website. Another focus is the enhancement of security. For example, we have introduced one-time passwords and email notification passwords.

Housing Loans

We have been providing financial support through various kinds of housing loans to our customers, focused on their financial needs and life plans, such as building and purchasing a house and transferring a mortgage from another bank.

Customers are able to consult and apply for loans with our specialized staffs at 26 housing loan centers, most open even on weekends and holidays. We also have established direct housing

loan centers for customers who wish to consult and apply by phone or over the Internet.

Non-deposit Products

To respond to customers asset management needs, we have created a variety of products, such as investment trusts, life insurance, etc.

We handled 63 brands of investment trusts in total as of the end of March 2013, and 12 brands of them are sold only through the Internet and telephone banking. In November 2012 we began selling exclusive original investment fund products in which 70% of investments are hedged against currency fluctuations using Australian, Canadian and Norwegian government bonds. We have also begun selling funds based on investment in U.S. REITs.

We sell 20 different types of life insurance products such as personal annuity insurance and premium whole life insurance, etc. We are progressively expanding the areas where we handle assurance products. Currently these products are sold in all areas except certain locations in Tokyo and outside of Kanagawa Prefecture.



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.

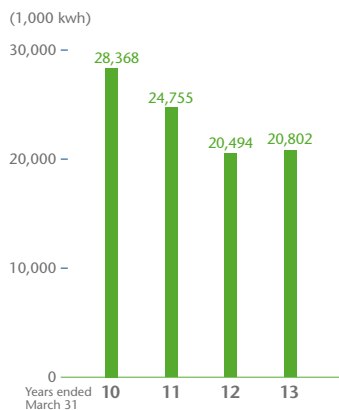
Our commitment to the realization of this management philosophy is the foundation stone of the Bank of Yokohama's corporate social responsibility (CSR) activities. We are determined to ensure that the Bank of Yokohama will continue to be attractive to customers, shareholders, employees and communities by encouraging our officers and employees to think and act for themselves, by actively assimilating ideas and expertise from both within and beyond the Bank of Yokohama Group, by constantly remaining alert to environmental changes, and by continually taking on new challenges.

Environmental Initiatives

As part of its contribution to environmental conservation activities in its region, the Bank of Yokohama supports environmental conservation activities by communities in various ways, including the provision of financial products and services. We also develop and review our business structures from an environmental perspective and actively sponsor initiatives that include urban greening and other activities that contribute to the community.

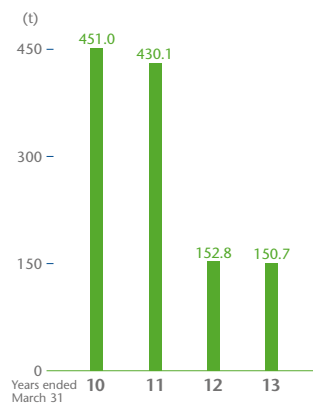
We are determined to ensure that a beautiful natural environment can be bequeathed to future generations of children.

Electricity Consumption



We are working to reduce electricity consumption for lighting and other purposes in our branches. For example, we are installing high-efficiency reflectors in lighting fixtures and switching to LED lighting.

Paper Consumption



We have reduced paper consumption by eliminating the use of paper forms through a shift to paperless operations based on digitization since the introduction of the MEJAR system in 2009.

Initiatives for Children

The Bank of Yokohama is helping to foster the sound development of the young citizens of the future and contribute to further regional revitalization by providing children with opportunities to experience various activities and present their own achievements in the three areas: culture and the arts, which help them to develop their own sensitivity; sports, through which they can achieve vigorous physical and mental growth; and economic and financial education, through which they can develop an interest in the economy and finance by learning about economic mechanisms and the role of banks by studying banking structures.



Sponsored Youth Soccer Clinic



Orchestra Program for Children

Investing in Human Resources



One of our basic strategies under the “Tackle for the Dream” medium-term management plan is to improve productivity by operating efficiently. We are actively carrying out, as a priority policy for this strategy, the improvement of staff engagement and motivation by optimally assigning employees and providing career design support.

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 special 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.

Enhancing Motivation

Our business operations are becoming increasingly sophisticated and specialized, and we are continually improving our career design support systems to help 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.

Expanding Opportunities for Female Employees

We have a program to enhance the status of female employees. Measures under this program include promotion to executive positions. As of March 31, 2013, 17 female employees 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.

Work-Life Balance Measures

<p>Support for continuing employment</p> <ul style="list-style-type: none"> • Long-term parental leave system • Long-term family care leave system • Childbirth leave for fathers • Work-life balance working hours system • Work-life balance leave system • Unmarried name utilization system • Programs for employees on parental leave • Home nursing • Half-day leave • Childbirth/childcare advice service • Family care leave 	<p>Expansion of Non-Working Hours</p> <ul style="list-style-type: none"> • Support for work-life balance through staggered working hours • Permanent adoption of “Refreshing Wednesday” program • Establishment of prohibited times for overtime work • Refresh month • Refresh leave • Work-life balance program • Welfare facilities, contracted facilities 	<p>Career Development Support</p> <ul style="list-style-type: none"> • Task-specific skill certification system • Career redirection system • In-house recruitment system • Holiday seminars • Career advisory service • Subsidy system to support human resource value improvement 	<p>Health Management Support</p> <ul style="list-style-type: none"> • Regular health and dental checkups • Comprehensive checkups at medical facilities, gastrointestinal examinations • Health management center • Mental health advice center • Telephone-based health counseling • Mental health (self-care) support system
--	---	--	---

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 supervise and monitor 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 consists of ten directors, including two outside directors—nine men and one woman (as of

August 31, 2013). Meetings of the Board of Directors are normally held monthly.

B. Auditors, Board of Corporate Auditors

The Board of Corporate Auditors consists of five corporate auditors (all male), including three outside corporate auditors (as of August 31, 2013). 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

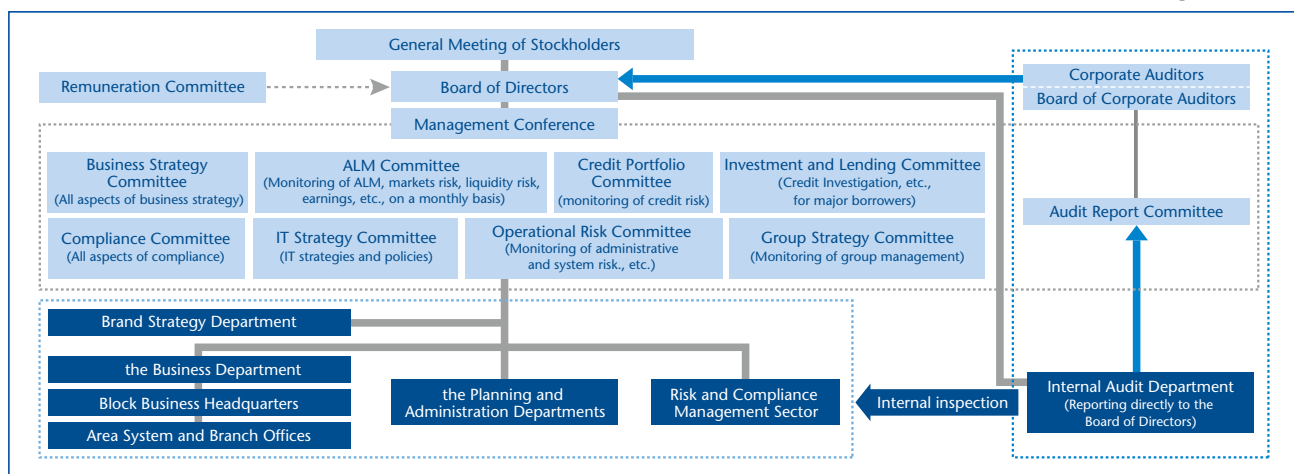
The membership of the Management Conference includes representative directors and directors. It deliberates on agenda items for meetings of the Board of Directors and makes decisions on important management matters as stipulated in the Bank’s internal regulations. Meetings of the Management Conference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

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 August 31, 2013)



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 or individual 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 August 31, 2013)

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 forms 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.

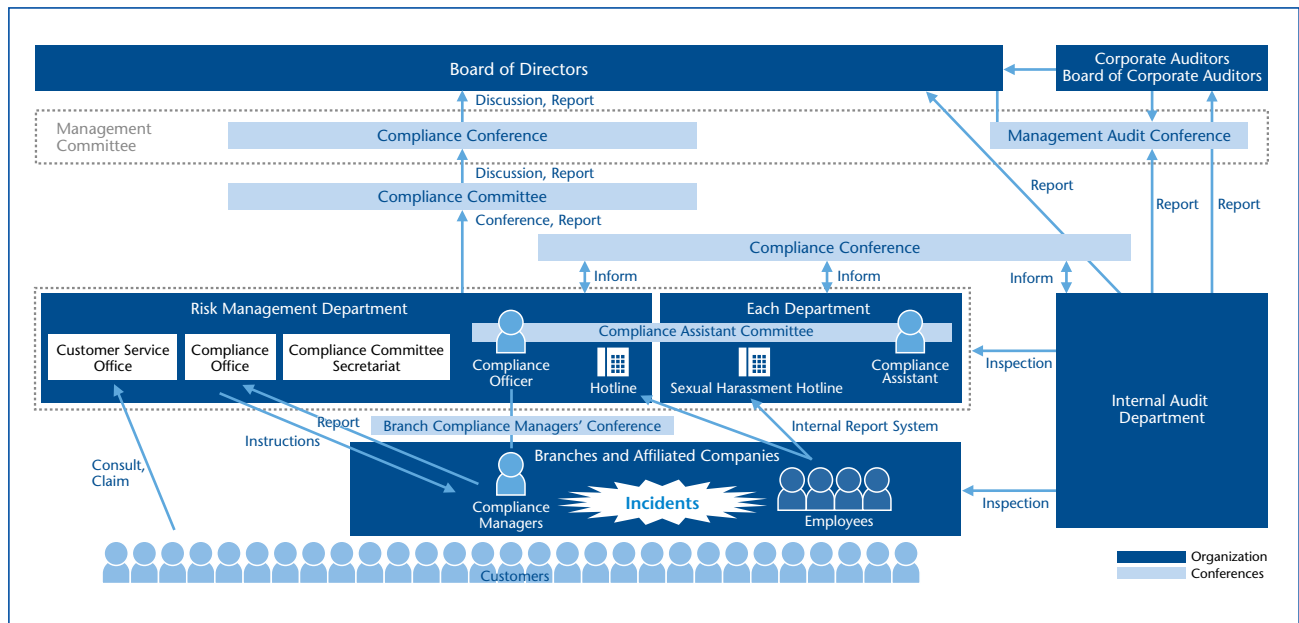
Approach to Customer Protection and Other Control Systems

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. After the Great East Japan Earthquake, highly effective risk management is required to maintain financial system. 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 controlled.” 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 a 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.

Governance System

- The Bank distinguishes and controls risks on a comprehensive and consolidated basis in principle. Under the Basel III framework, the Bank assessed its credit risk using the “Foundation Internal Ratings Based approach (FIRB)” and operational risk 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

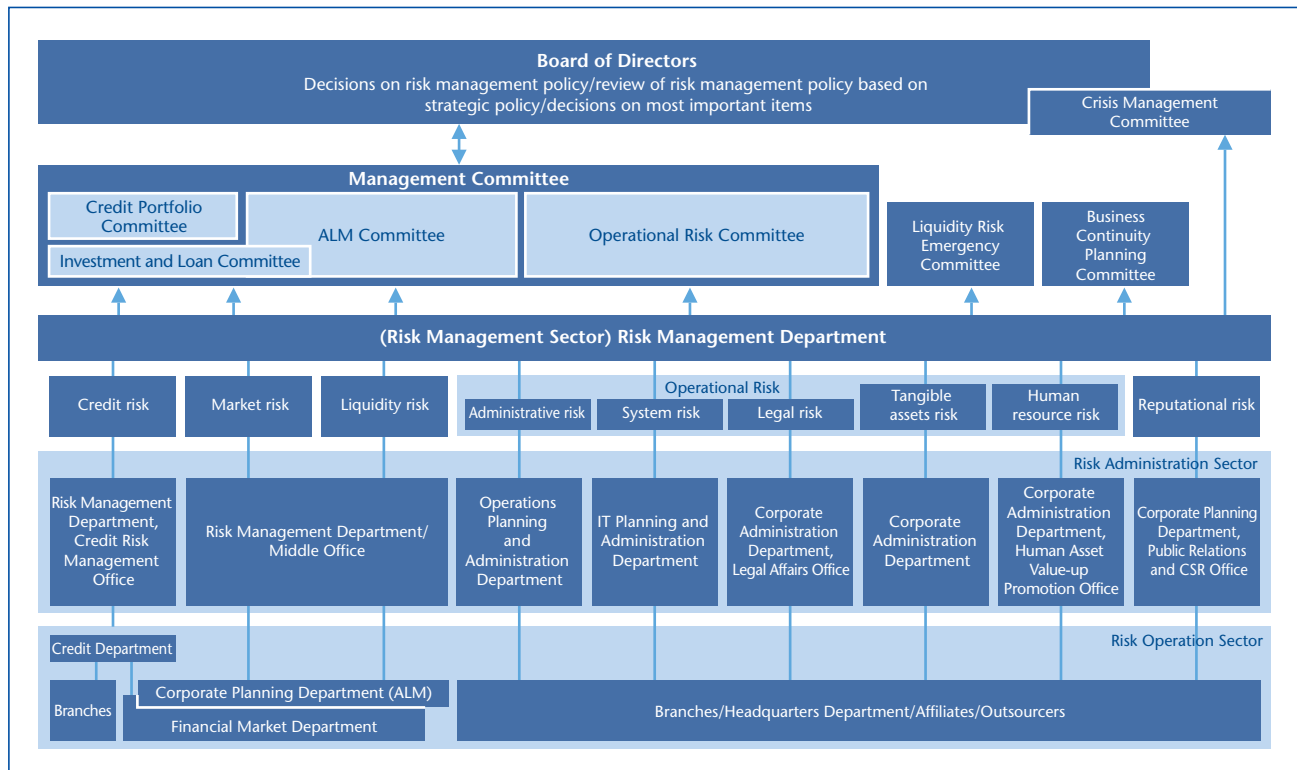
In keeping with the following basic rules, the Bank endeavors to refine its risk management practices and make them even stricter.

- 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 disaster, economic recession and 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

Problem Claims Ratio Holds Steady (Non-Consolidated)

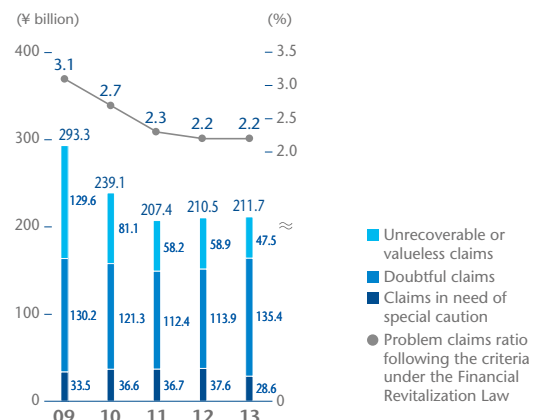
Problem claims (under Financial Revitalization Law) increased by ¥1.2 billion to ¥211.7 billion from the previous term. The problem claims ratio was unchanged from the previous term, at 2.2%.

Coverage of Credit Information (As of March 31, 2013) (¥ billion, %)

		Unrecoverable or valueless claims	Doubtful claims	Subtotal	In need of special caution (borrower category)	Total
Outstanding claims	(A)	47.5	135.4	183.0	30.8	213.9
Sum covered by collateral, etc.	(B)	30.8	94.5	125.3	13.4	138.8
Sum of possible uncollectible loans	(C=A-B)	16.7	40.9	57.7	17.3	75.1
Specific allowance for possible loan losses	(D)	16.7	22.1	38.9	4.6	43.5
Allowance coverage ratio	(D/C)x100	100.0	54.1	67.4	27.1	58.0
Total coverage ratio	(B+D) /Ax100	100.0	86.1	89.7	58.8	85.2

Problem Claims as a Percentage of Total Claims

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



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.

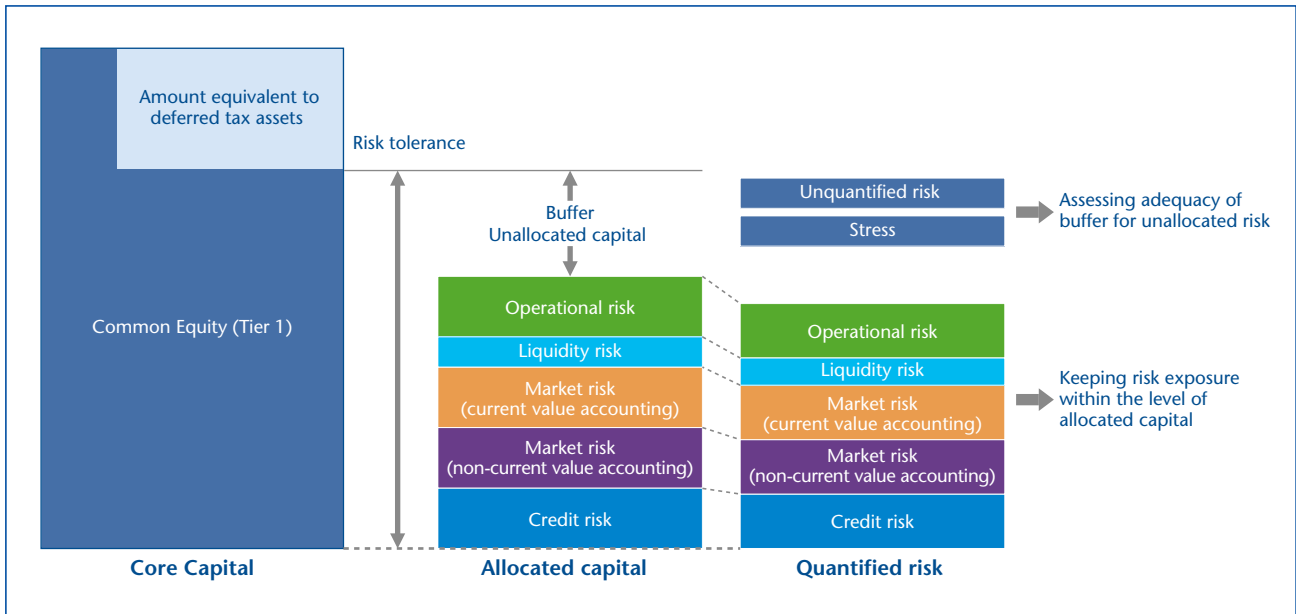
2. Overview of Credit Risk Management Policies and Procedures

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.

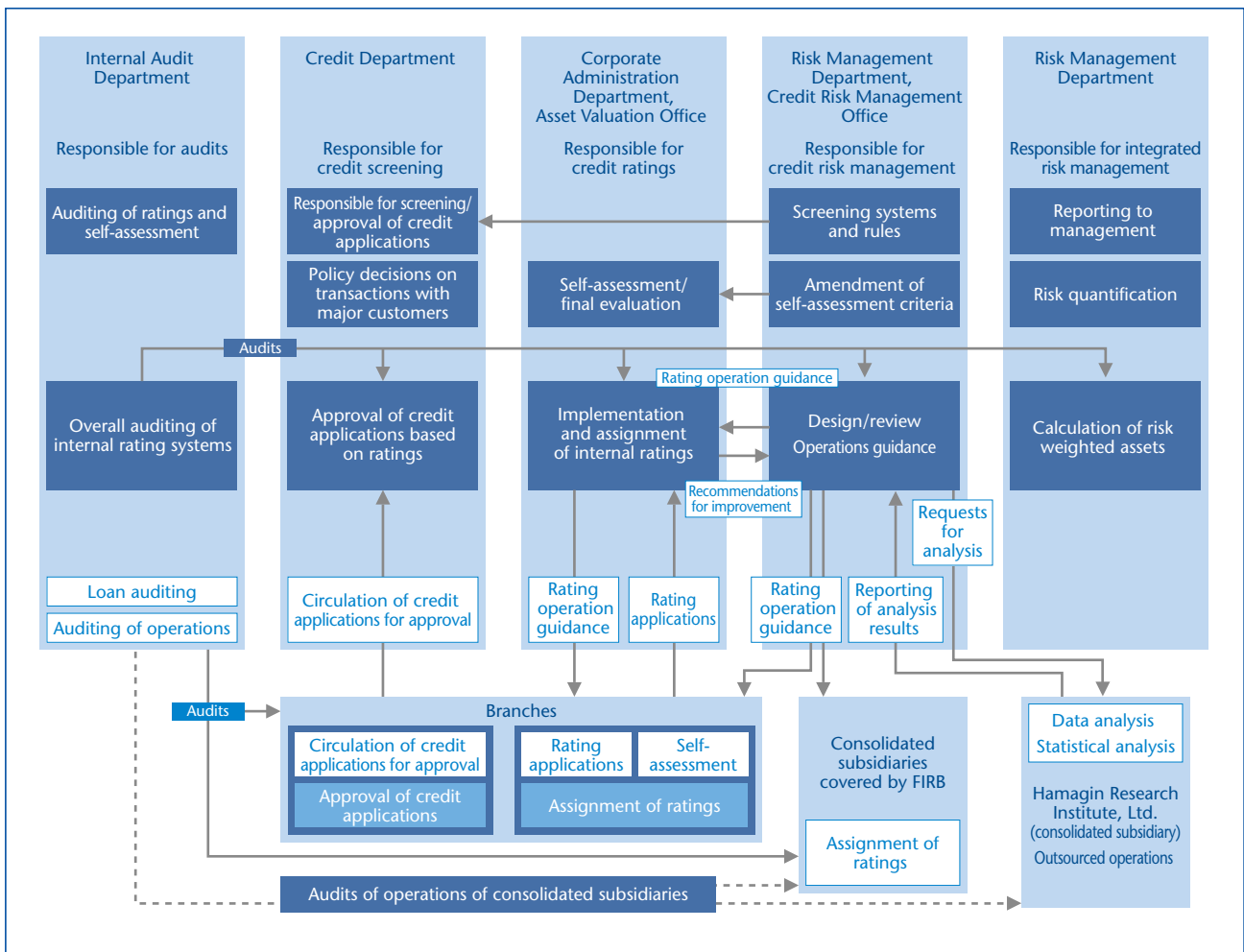
The Credit Risk Management Office, which is independent of the Credit Department (responsible for credit screening) and the Corporate Administration Department, Asset Valuation Office (responsible for credit ratings), has developed internal rating and self-assessment systems to analyze the credit risk of obligors 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 Integrated Risk Quantification Assessment



Organizational Structure for Internal Rating Systems



Five-Year Summary of Consolidated Financial Statements

Consolidated Balance Sheets

As of March 31,	Millions of Yen				
	2013	2012	2011	2010	2009
ASSETS:					
Cash and due from banks	¥ 923,218	¥ 811,600	¥ 857,677	¥ 731,175	¥ 623,224
Call loans and bills bought	250,527	108,820	143,395	92,425	72,076
Monetary claims bought	140,652	164,256	188,390	213,567	246,295
Trading assets	34,932	24,256	100,368	42,392	59,916
Securities	2,219,630	2,113,975	1,994,647	1,741,692	1,348,507
Loans and bills discounted	9,343,974	8,970,301	8,601,882	8,485,502	8,961,222
Foreign exchanges	5,742	5,214	3,948	4,839	7,257
Deferred tax assets	16,723	34,562	49,940	61,155	68,042
Customers' liabilities for acceptances and guarantees	256,681	293,484	331,805	358,400	400,362
Other	345,525	352,884	336,821	347,569	358,047
Allowance for loan losses	(68,866)	(77,226)	(88,352)	(94,406)	(110,413)
Total	¥13,468,743	¥12,802,131	¥12,520,526	¥11,984,313	¥12,034,535
LIABILITIES:					
Deposits	¥11,450,207	¥11,061,581	¥10,725,087	¥10,428,935	¥10,158,230
Negotiable certificates of deposit	32,490	27,460	96,900	48,750	130,520
Call money and bills sold	207,707	40,689	36,908	23,410	127,764
Payables under securities lending transactions	5,100				
Trading liabilities	1,046	1,286	1,460	1,573	1,426
Borrowed money	300,618	304,226	282,939	99,758	250,293
Foreign exchanges	77	51	28	85	45
Bonds payable	64,300	64,300	64,300	64,300	34,300
Other liabilities	233,021	154,594	170,312	173,812	194,063
Provision for directors' bonuses	64	66	40	9	
Provision for retirement benefits	203	171	143	118	91
Provision for reimbursement of deposits	1,537	1,029	898	934	879
Provision for contingent losses	691	1,096	700	594	420
Reserves under special laws	5	3	2	1	
Deferred tax liabilities for land revaluation	19,323	19,323	22,048	22,048	22,048
Acceptances and guarantees	256,681	293,484	331,805	358,400	400,362
Total liabilities	12,573,078	11,969,365	11,733,577	11,222,733	11,320,448
EQUITY:					
Capital stock	215,628	215,628	215,628	215,628	215,628
Surplus, reserves and other	624,056	563,530	520,180	496,979	450,102
Minority interests	55,979	53,606	51,139	48,972	48,354
Total equity	895,664	832,765	786,948	761,580	714,086
TOTAL	¥13,468,743	¥12,802,131	¥12,520,526	¥11,984,313	¥12,034,535

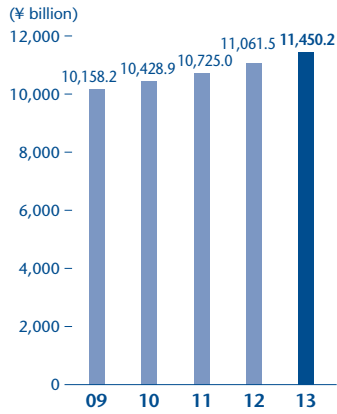
Consolidated Statements of Income

Years ended March 31,	Millions of Yen				
	2013	2012	2011	2010	2009
INCOME:					
Interest on loans and bills discounted	¥ 146,526	¥ 151,930	¥ 157,937	¥ 172,263	¥ 190,945
Other	147,483	147,004	129,300	131,095	151,002
Total income	294,010	298,934	287,238	303,358	341,947
EXPENSES:					
Interest on deposits	5,556	6,125	8,155	12,864	22,521
Other	193,962	196,877	195,295	237,636	309,255
Total expenses	199,519	203,003	203,450	250,500	331,777
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	94,490	95,931	83,787	52,857	10,170
TOTAL INCOME TAXES	35,712	41,139	33,323	20,238	2,121
MINORITY INTERESTS IN NET INCOME	(3,436)	(3,601)	(3,375)	(1,672)	(703)
NET INCOME	¥ 55,342	¥ 51,190	¥ 47,089	¥ 30,946	¥ 7,344

Yen amounts have been rounded down to millions of yen.

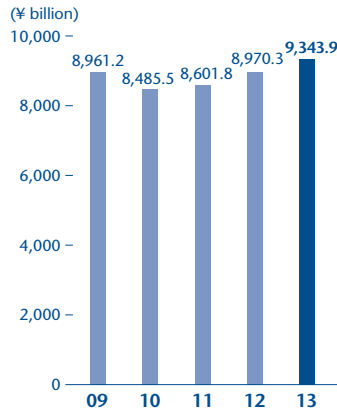
Deposits

As of March 31



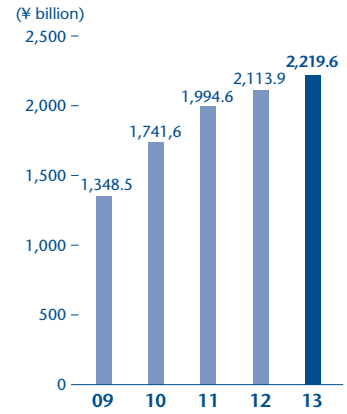
Loans and Bills Discounted

As of March 31



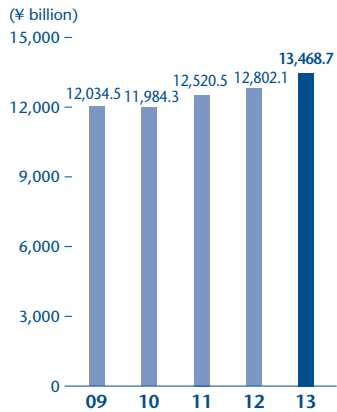
Securities

As of March 31



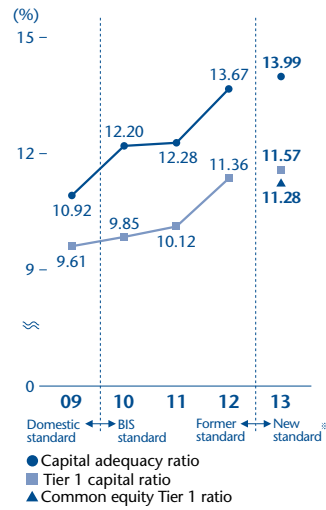
Total Assets

As of March 31



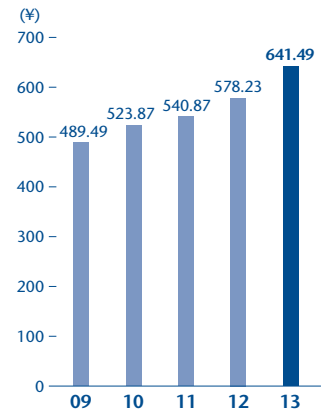
Capital Adequacy Ratio

As of March 31



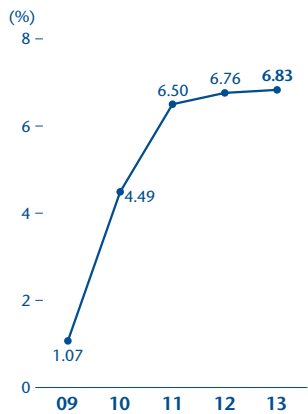
Net Assets Per Share

As of March 31



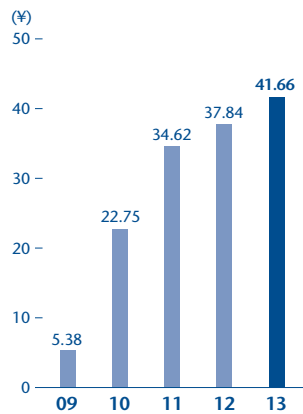
ROE

Years ended March 31



Net Income Per Share

Years ended March 31



※ The ratio has been calculated in accordance with the notification of revision to Capital Adequacy Ratio (FSA Notification No. 28, 2012, hereinafter referred to as "New Standard") since the end of March, 2013.

Consolidated Financial Statements

Consolidated Balance Sheet

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
March 31, 2013

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
ASSETS:			
Cash and due from banks (Notes 3 and 27)	¥ 923,218	¥ 811,600	\$ 9,816,251
Call loans and bills bought (Note 27)	250,527	108,820	2,663,767
Monetary claims bought (Note 27)	140,652	164,256	1,495,509
Trading assets (Note 4)	34,932	24,256	371,426
Securities (Notes 5, 12, and 27)	2,219,630	2,113,975	23,600,539
Loans and bills discounted (Notes 6, 12, and 27)	9,343,974	8,970,301	99,351,137
Foreign exchanges (Notes 6 and 7)	5,742	5,214	61,063
Lease receivables and investment assets (Note 26)	61,914	58,215	658,310
Other assets (Notes 8 and 12)	145,253	154,533	1,544,428
Tangible fixed assets (Note 9)	125,435	125,606	1,333,713
Intangible fixed assets (Note 10)	12,922	14,529	137,398
Deferred tax assets (Note 25)	16,723	34,562	177,810
Customers' liabilities for acceptances and guarantees (Note 11)	256,681	293,484	2,729,205
Allowance for loan losses	(68,866)	(77,226)	(732,231)
TOTAL	¥13,468,743	¥12,802,131	\$143,208,325
LIABILITIES:			
Deposits (Notes 12, 13, and 27)	¥11,450,207	¥11,061,581	\$121,745,964
Negotiable certificates of deposit	32,490	27,460	345,454
Call money and bills sold (Notes 12 and 27)	207,707	40,689	2,208,478
Payables under securities lending transactions (Note 12)	5,100		54,236
Trading liabilities (Note 4)	1,046	1,286	11,130
Borrowed money (Notes 12, 14, and 27)	300,618	304,226	3,196,371
Foreign exchanges (Note 7)	77	51	829
Bonds payable (Note 15)	64,300	64,300	683,679
Other liabilities (Note 16)	233,021	154,594	2,477,638
Provision for directors' bonuses	64	66	687
Provision for retirement benefits (Note 17)	203	171	2,161
Provision for reimbursement of deposits	1,537	1,029	16,346
Provision for contingent losses	691	1,096	7,354
Reserves under special laws	5	3	54
Deferred tax liabilities for land revaluation	19,323	19,323	205,463
Acceptances and guarantees (Note 11)	256,681	293,484	2,729,205
Total liabilities	12,573,078	11,969,365	133,685,049
EQUITY (Notes 18 and 19):			
Capital stock—common stock—authorized, 3,000,000 thousand shares in 2013 and 2012; issued, 1,310,071 thousand shares in 2013 and 1,361,071 thousand shares in 2012	215,628	215,628	2,292,702
Capital surplus	177,244	177,244	1,884,577
Subscription rights to shares	309	285	3,289
Retained earnings	358,033	336,007	3,806,839
Treasury stock—common stock—at cost, 1,607 thousand shares in 2013 and 14,095 thousand shares in 2012	(625)	(5,591)	(6,647)
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	54,863	21,347	583,347
Deferred gains or losses on hedges	(19)	(11)	(202)
Revaluation reserve for land	34,249	34,249	364,162
Total	839,684	779,159	8,928,067
Minority interests	55,979	53,606	595,209
Total equity	895,664	832,765	9,523,276
TOTAL	¥13,468,743	¥12,802,131	\$143,208,325

See notes to consolidated financial statements.

Consolidated Statement of Income

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2013

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
INCOME:			
Interest income:			
Interest on loans and bills discounted	¥146,526	¥151,930	\$1,557,962
Interest and dividends on securities	21,771	19,422	231,490
Interest on call loans and bills bought	926	564	9,852
Interest on due from banks	1,116	2,736	11,869
Other interest income	2,766	3,263	29,413
Fees and commissions	56,095	54,326	596,448
Trading profits	2,044	1,803	21,734
Other operating income (Note 21)	56,962	56,683	605,664
Other income (Note 22)	5,800	8,204	61,671
Total income	294,010	298,934	3,126,103
EXPENSES:			
Interest expenses:			
Interest on deposits	5,556	6,125	59,084
Interest on negotiable certificates of deposit	53	118	571
Interest on call money and bills sold	390	412	4,155
Interest on payables under securities lending transactions	28		308
Interest on borrowed money	2,212	2,232	23,526
Interest on bonds payable	1,248	1,246	13,273
Other interest expenses	876	1,811	9,314
Fees and commissions	11,518	11,485	122,472
Trading losses	8	20	93
Other operating expenses (Note 23)	43,630	44,644	463,907
General and administrative expenses	109,510	110,867	1,164,381
Provision of allowance for loan losses	12,904	7,222	137,205
Other expenses (Note 24)	11,579	16,816	123,126
Total expenses	199,519	203,003	2,121,415
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	94,490	95,931	1,004,688
INCOME TAXES (Note 25):			
Current	35,603	28,305	378,554
Deferred	109	12,834	1,160
Total income taxes	35,712	41,139	379,714
INCOME BEFORE MINORITY INTERESTS	58,778	54,791	624,974
MINORITY INTERESTS IN NET INCOME	(3,436)	(3,601)	(36,535)
NET INCOME	¥ 55,342	¥ 51,190	\$ 588,439
PER SHARE INFORMATION (Notes 2.u and 20):			
Basic net income per share	¥ 41.66	¥ 37.84	\$ 0.44
Diluted net income per share	41.64	37.82	0.44
Dividend on common stock	11.00	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, 2013

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
INCOME BEFORE MINORITY INTERESTS	¥58,778	¥54,791	\$624,974
OTHER COMPREHENSIVE INCOME (Note 29):			
Valuation difference on available-for-sale securities	33,660	7,972	357,899
Deferred gains or losses on hedges	(7)	(1)	(80)
Revaluation reserve for land		2,724	
Total other comprehensive income	33,652	10,696	357,819
COMPREHENSIVE INCOME	¥92,431	¥65,487	\$982,793
Comprehensive income attributable to owners of the parent	¥88,851	¥61,814	\$944,729
Comprehensive income attributable to minority interests	3,579	3,673	38,064

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Year Ended March 31, 2013

	Thousands				Millions of Yen								
	Outstanding Number of Shares of Common Stock	Capital Stock	Capital Surplus	Subscription Rights to Shares	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income					Minority Interests	Total Equity
							Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Total			
BALANCE, APRIL 1, 2011	1,359,904	¥215,628	¥177,244	¥274	¥298,369	¥ (669)	¥13,446	¥ (9)	¥31,524	¥735,809	¥51,139	¥786,948	
Net income					51,190					51,190		51,190	
Cash dividends, ¥10.00 per share of common stock					(13,534)					(13,534)		(13,534)	
Purchases of treasury stock	(13,086)					(5,012)				(5,012)		(5,012)	
Disposals of treasury stock	157				(17)	89				72		72	
Net change in the year				10			7,900	(1)	2,724	10,634	2,466	13,101	
BALANCE, MARCH 31, 2012	1,346,975	215,628	177,244	285	336,007	(5,591)	21,347	(11)	34,249	779,159	53,606	832,765	
Net income					55,342					55,342		55,342	
Cash dividends, ¥10.00 per share of common stock					(13,400)					(13,400)		(13,400)	
Purchases of treasury stock	(38,660)					(15,015)				(15,015)		(15,015)	
Disposals of treasury stock	148		9			56				65		65	
Retirements of treasury stock			(9)		(19,916)	19,925							
Net change in the year				24			33,516	(7)		33,533	2,372	35,906	
BALANCE, MARCH 31, 2013	1,308,463	¥215,628	¥177,244	¥309	¥358,033	¥ (625)	¥54,863	¥(19)	¥34,249	¥839,684	¥55,979	¥895,664	

	Thousands of U.S. Dollars (Note 1)											
	Capital Stock	Capital Surplus	Subscription Rights to Shares	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income					Minority Interests	Total Equity
						Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Total			
BALANCE, MARCH 31, 2012	\$2,292,702	\$1,884,577	\$3,034	\$3,572,649	\$ (59,456)	\$226,977	\$ (122)	\$364,162	\$8,284,523	\$569,978	\$8,854,501	
Net income				588,439					588,439		588,439	
Cash dividends, \$0.11 per share of common stock				(142,484)					(142,484)		(142,484)	
Purchases of treasury stock					(159,654)				(159,654)		(159,654)	
Disposals of treasury stock			97		601				698		698	
Retirements of treasury stock			(97)	(211,765)	211,862							
Net change in the year			255			356,370	(80)		356,545	25,231	381,776	
BALANCE, MARCH 31, 2013	\$2,292,702	\$1,884,577	\$3,289	\$3,806,839	\$ (6,647)	\$583,347	\$ (202)	\$364,162	\$8,928,067	\$595,209	\$9,523,276	

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Year Ended March 31, 2013

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 94,490	¥ 95,931	\$ 1,004,688
Adjustments to reconcile income before income taxes and minority interests to net cash provided by (used in) operating activities:			
Depreciation and amortization	9,533	10,383	101,367
Impairment losses	117		1,247
Amortization of goodwill	612	526	6,514
Increase (decrease) in allowance for loan losses	(8,360)	(11,125)	(88,891)
Increase (decrease) in provision for directors' bonuses	(2)	26	(22)
Increase (decrease) in provision for retirement benefits	31	28	336
Increase (decrease) in provision for reimbursement of deposits	507	130	5,397
Increase (decrease) in provision for contingent losses	(404)	395	(4,305)
Interest income	(173,107)	(177,916)	(1,840,586)
Interest expenses	10,367	11,947	110,231
Loss (gain) related to securities	10,966	13,243	116,605
Foreign exchange losses (gains)	(4,855)	392	(51,626)
Loss (gain) on disposals of fixed assets	469	391	4,994
Net decrease (increase) in trading assets	(10,676)	76,112	(113,514)
Net increase (decrease) in trading liabilities	(239)	(173)	(2,545)
Net decrease (increase) in loans and bills discounted	(373,632)	(368,418)	(3,972,700)
Net increase (decrease) in deposits	388,626	336,493	4,132,130
Net increase (decrease) in negotiable certificates of deposit	5,030	(69,440)	53,482
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	4,352	21,286	46,274
Net decrease (increase) in due from banks (excluding due from the Bank of Japan)	188,392	(51,651)	2,003,107
Net decrease (increase) in call loans and others	(119,181)	57,705	(1,267,216)
Net increase (decrease) in call money and others	167,017	3,781	1,775,836
Net increase (decrease) in payables under securities lending transactions	5,100		54,236
Net decrease (increase) in foreign exchanges—assets	(528)	(1,266)	(5,617)
Net increase (decrease) in foreign exchanges—liabilities	26	22	285
Net decrease (increase) in lease receivables and investment assets	(4,262)	(6,063)	(45,325)
Interest and dividends received	181,151	180,215	1,926,118
Interest paid	(11,510)	(13,746)	(122,390)
Other, net	31,010	(21,385)	329,723
Subtotal	391,044	87,828	4,157,833
Income tax paid	(34,592)	(13,181)	(367,813)
Net cash provided by (used in) operating activities—(Forward)	¥ 356,451	¥ 74,647	\$ 3,790,020

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Year Ended March 31, 2013

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Net cash provided by (used in) operating activities—(Forward)	¥ 356,451	¥ 74,647	\$ 3,790,020
INVESTING ACTIVITIES:			
Purchases of securities	(4,538,054)	(3,129,034)	(48,251,514)
Proceeds from sales of securities	4,092,682	2,738,713	43,516,028
Proceeds from maturities of securities	434,709	243,260	4,622,116
Purchases of tangible fixed assets	(4,396)	(3,549)	(46,741)
Proceeds from sales of tangible fixed assets	187	236	1,990
Purchases of intangible fixed assets	(3,239)	(2,477)	(34,441)
Other, net	(950)	235	(10,103)
Net cash provided by (used in) investing activities	(19,060)	(152,617)	(202,665)
FINANCING ACTIVITIES:			
Decrease in subordinated borrowings	(8,000)		(85,061)
Cash dividends paid	(13,400)	(13,534)	(142,484)
Cash dividends paid to minority stockholders	(1,207)	(1,207)	(12,834)
Purchases of treasury stock	(15,015)	(5,012)	(159,654)
Proceeds from sales of treasury stock	10	2	111
Net cash provided by (used in) financing activities	(37,612)	(19,750)	(399,922)
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS			
	56	(7)	604
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	299,834	(97,728)	3,188,037
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	420,937	518,666	4,475,683
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 3)	¥ 720,772	¥ 420,937	\$ 7,663,720

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Year Ended March 31, 2013

1. BASIS OF PRESENTATION

The accompanying consolidated financial statements of The Bank of Yokohama, Ltd. (the "Bank") and its 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 regulations, in accordance with the Enforcement Regulation for the Banking Act, and in accordance 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.

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.

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 ¥94.05 to U.S. \$1, the rate of exchange at March 31, 2013. Such translation 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, 2013 and 2012, 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 fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

Of the consolidated subsidiaries, 10 in 2013 and 2012 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 year ended March 31.

The consolidated financial statements do not include the accounts of four subsidiaries in 2013 and 2012, because the total assets, total income, net income, retained earnings, and accumulated other comprehensive income of these entities would not have had a material effect on the consolidated financial statements.

Investments in the unconsolidated subsidiaries are 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 have been 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 the 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 bought 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 using 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 using 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. Tangible fixed assets—Tangible fixed assets are stated at cost, less accumulated depreciation. Depreciation of tangible fixed assets owned by the Bank and its consolidated domestic subsidiaries is computed mainly using 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.

Change of accounting policy which is not easily distinguished from change of accounting estimate

Effective April 1, 2012, as a result of the revision of Japanese corporate tax law, the Bank and its consolidated domestic subsidiaries changed their depreciation method for tangible fixed assets acquired on or after April 1, 2012, to the method stipulated under the revised corporate tax law.

The effect of this change was immaterial.

e. Software—Cost of computer software obtained for internal use is amortized principally using the straight-line method over the estimated useful lives of five to seven 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 is 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. Revaluation Reserve for Land—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 revaluation reserve for land represents unrealized appreciation of land and is stated, net of income taxes, as a component of equity. There was no effect on the consolidated statement 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 revaluation reserve for land account and related deferred tax liabilities.

The carrying amount of the land after the above one-time revaluation exceeded the market value by ¥40,636 million (\$432,070 thousand) and ¥40,789 million as of March 31, 2013 and 2012, respectively.

h. Allowance for loan losses—The Bank provides an allowance for loan losses, which is determined based on management’s judgment and an assessment of future losses based on bank’s 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, the 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 in the 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 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 whose loans are classified as “possible bankruptcy” or “restructured loans” over a certain amount, 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 (the “DCF method”). Also, for claims for which allowance has been provided based on the DCF method in previous fiscal years, an allowance is provided based on the DCF method.

For collateralized or guaranteed claims to borrowers who are in “virtual bankruptcy” or “legal bankruptcy” category, the amount exceeding the estimated value of collateral or guarantees has been deducted as deemed uncollectible directly from those claims. As of March 31, 2013 and 2012, the deducted amounts were ¥76,860 million (\$817,225 thousand) and ¥83,866 million, respectively.

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

- i. Provision for directors' bonuses**—Provision for directors' bonuses are provided in the amount of the estimated bonuses that are attributable to each fiscal year.
- j. Provision for retirement benefits**—The Bank and its consolidated domestic subsidiaries have lump-sum retirement benefit plans and contributory-funded defined benefit pension plans covering substantially all of its employees. The Bank and its consolidated domestic subsidiaries account for the provision for 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.
- k. Provision for reimbursement of deposits**—Provision for reimbursement of deposits that were derecognized as liabilities under certain conditions is provided for possible losses on future claims of withdrawal based on historical reimbursement experience.
- l. Provision for contingent losses**—The Bank provides a provision for contingent losses not covered by other provisions in an amount deemed necessary based on estimated losses in the future.
- m. Reserve under special laws**—Reserve under special laws 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.
- n. Stock Options**—In December 2005, the Accounting Standard Board of Japan (“ASBJ”) issued ASBJ Statement No. 8, “Accounting Standard for Stock Options,” and related guidance. That new standard and guidance are applicable to stock options newly granted on and after May 1, 2006. This standard requires companies to measure the cost of employee stock options based on the fair value at the date of grant and recognize compensation expense 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 subscription rights to shares 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.
- o. 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. The revised accounting standard for lease transactions was effective for fiscal years beginning on or after April 1, 2008.

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 was 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 be recognized as lease receivables and all finance leases that are not deemed to transfer ownership of the leased property to the lessee 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.

- p. Income Taxes**—The provision for income taxes is computed based on the pretax income included in the consolidated statement 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.
- q. Translation of Foreign Currencies**—Assets and liabilities denominated in foreign currencies and accounts of overseas branches held by the Bank are 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 their respective year-end exchange rates.

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

- s. Cash and Cash Equivalents**—For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash and due from the Bank of Japan.
- t. Cash Dividends**—Cash dividends charged to retained earnings are the dividends paid during the year and represent year-end dividends for the preceding year and interim dividends for the current year.
- u. 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 statement of income are dividends applicable to the respective years, including dividends to be paid after the end of the year.

v. New Accounting Pronouncements

Accounting Standard for Retirement Benefits—On May 17, 2012, the ASBJ issued ASBJ Statement No. 26, “Accounting Standard for Retirement Benefits,” and ASBJ Guidance No. 25, “Guidance on Accounting Standard for Retirement Benefits,” which replaced the Accounting Standard for Retirement Benefits that had been issued by the Business Accounting Council in 1998, with an effective date of April 1, 2000, and the other related practical guidance, and followed by partial amendments from time to time through 2009.

Major changes are as follows:

- (a) Treatment in the balance sheet—Under the current requirements, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are not recognized in the balance sheet, and the difference between retirement benefit obligations and plan assets (hereinafter, “deficit or surplus”), adjusted by such unrecognized amounts, is recognized as a liability or asset.

Under the revised accounting standard, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss shall be recognized within equity (accumulated other comprehensive income), after adjusting for tax effects, and any resulting deficit or surplus shall be recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits).

- (b) Treatment in the statement of income and the statement of comprehensive income—The revised accounting standard does not change how to recognize actuarial gains and losses and past service costs in profit or loss. Those amounts would be recognized in profit or loss over a certain period no longer than the expected average remaining working lives of the employees. However, actuarial gains and losses and past service costs that arose in the current period and have not yet been recognized in profit or loss shall be included in other comprehensive income and actuarial gains and losses and past service costs that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period shall be treated as reclassification adjustments.

- (c) Amendments relating to the method of attributing expected benefit to periods and relating to the discount rate and expected future salary increases—The revised accounting standard also made certain amendments relating to the method of attributing expected benefit to periods and relating to the discount rate and expected future salary increases.

This accounting standard and the guidance for (a) and (b) above are effective for the end of annual periods beginning on or after April 1, 2013, and for (c) above are effective for the beginning of annual periods beginning on or after April 1, 2014, or for the beginning of annual periods beginning on or after April 1, 2015, subject to certain disclosure in March 2015, both with earlier application being permitted from the beginning of annual periods beginning on or after April 1, 2013. However, no retrospective application of this accounting standard to consolidated financial statements in prior periods is required.

The Bank expects to apply the revised accounting standard for (a) and (b) above from the end of the annual period beginning on April 1, 2013, and for (c) above from the beginning of the annual period beginning on April 1, 2014, and is in the process of measuring the effects of applying the revised accounting standard in future applicable periods.

3. CASH AND CASH EQUIVALENTS

The reconciliation of “Cash and cash equivalents” in the consolidated statement of cash flows and “Cash and due from banks” in the consolidated balance sheet as of March 31, 2013 and 2012, was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Cash and due from banks	¥ 923,218	¥ 811,600	\$ 9,816,251
Interest-bearing deposits included in due from banks (other than due from the Bank of Japan)	(202,445)	(390,662)	(2,152,531)
Cash and cash equivalents	¥ 720,772	¥ 420,937	\$ 7,663,720

4. TRADING ASSETS AND LIABILITIES

Trading assets and liabilities as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Trading assets:			
Trading securities	¥33,911	¥23,033	\$360,568
Trading-related financial derivatives	1,021	1,223	10,858
Total	¥34,932	¥24,256	\$371,426
Trading liabilities—trading-related financial derivatives	¥ 1,046	¥ 1,286	\$ 11,130

5. SECURITIES

Securities as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Japanese national government bonds	¥ 873,289	¥ 770,236	\$ 9,285,374
Japanese local government bonds	231,826	257,839	2,464,932
Japanese corporate bonds	746,402	879,869	7,936,231
Japanese corporate stocks	177,814	140,822	1,890,636
Other securities	190,297	65,207	2,023,366
Total	¥2,219,630	¥2,113,975	\$23,600,539

The carrying amounts and aggregate fair value of securities as of March 31, 2013 and 2012, were as follows:

March 31, 2013	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 112,265	¥61,496	¥5,225	¥ 168,535
Debt securities	1,541,170	16,076	185	1,557,061
Other securities	296,817	11,263	261	307,819
Held-to-maturity	294,457	12,984	1	307,440

March 31, 2012	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 110,764	¥30,637	¥13,473	¥ 127,928
Debt securities	1,597,681	14,957	525	1,612,113
Other securities	207,144	1,330	1,165	207,309
Held-to-maturity	295,831	7,161	50	302,942

March 31, 2013	Thousands of U.S. Dollars			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	\$ 1,193,675	\$653,869	\$55,564	\$ 1,791,980
Debt securities	16,386,712	170,937	1,975	16,555,674
Other securities	3,155,955	119,762	2,779	3,272,938
Held-to-maturity	3,130,863	138,062	21	3,268,904

Information on available-for-sale securities and held-to-maturity securities, which were sold during the years ended March 31, 2013 and 2012, was as follows:

March 31, 2013	Millions of Yen		
	Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	¥ 611	¥ 197	¥ 77
Debt securities	4,079,056	4,051	12,862
Other securities	4,334	166	1
Total	¥4,084,002	¥4,416	¥12,941

March 31, 2012	Millions of Yen		
	Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	¥ 2,443	¥ 916	¥ 94
Debt securities	2,743,797	3,505	13,993
Other securities	9,649	65	20
Held-to-maturity	264		
Total	¥2,756,155	¥4,488	¥14,108

March 31, 2013	Thousands of U.S. Dollars		
	Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	\$ 6,506	\$ 2,100	\$ 822
Debt securities	43,371,147	43,083	136,760
Other securities	46,088	1,775	17
Total	\$43,423,741	\$46,958	\$137,599

Impairment losses on securities whose fair value can be reliably determined, other than trading securities for the years ended March 31, 2013 and 2012, were ¥248 million (\$2,646 thousand) and ¥2,249 million, respectively.

Securities also include corporate stocks in unconsolidated and associated companies and investments in unconsolidated subsidiaries, which totaled ¥680 million (\$7,240 thousand) and ¥760 million as of March 31, 2013 and 2012, respectively.

6. LOANS AND BILLS DISCOUNTED

Loans and bills discounted as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Bills discounted	¥ 39,664	¥ 43,863	\$ 421,736
Loans on bills	302,570	313,829	3,217,122
Loans on deeds	8,166,557	7,731,297	86,832,086
Overdrafts	835,182	881,310	8,880,193
Total	¥9,343,974	¥8,970,301	\$99,351,137

"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 ¥5,279 million (\$56,140 thousand) and ¥10,766 million as of March 31, 2013 and 2012, respectively, as well as "past due loans" totaling ¥179,280 million (\$1,906,230 thousand) and ¥164,213 million as of March 31, 2013 and 2012, 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, 2013 and 2012, were ¥4,532 million (\$48,188 thousand) and ¥5,196 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, 2013 and 2012, were ¥24,130 million (\$256,569 thousand) and ¥32,456 million, respectively.

The allowance for 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, 2013 and 2012, the amounts of unused commitments were ¥1,772,116 million (\$18,842,277 thousand) and ¥1,698,870 million, respectively. As of March 31, 2013 and 2012, the amounts of unused commitments whose remaining contract terms were within one year were ¥1,103,152 million (\$11,729,425 thousand) and ¥1,088,172 million, respectively.

As 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 reasons (e.g., changes in financial situation and 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, 2013 and 2012, the Bank has the right by contract or custom to sell or repledge bills discounted and foreign exchange bills bought, and their total face value was ¥40,173 million (\$427,147 thousand) and ¥44,744 million, respectively.

7. FOREIGN EXCHANGES

Foreign exchanges as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Assets			
Foreign exchange bills bought	¥ 508	¥ 881	\$ 5,411
Foreign exchange bills receivable	3,581	3,185	38,084
Due from foreign correspondent accounts	1,652	1,147	17,568
Total	¥5,742	¥5,214	\$61,063
Liabilities			
Foreign exchange bills sold	¥ 2		\$ 28
Foreign exchange bills payable	75	¥ 50	801
Total	¥ 77	¥ 51	\$ 829

8. OTHER ASSETS

Other assets as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Accrued income	¥ 17,316	¥ 18,668	\$ 184,125
Prepaid expenses	24,224	26,385	257,573
Derivatives other than for trading—assets	48,972	44,504	520,708
Receivables for securities transactions	16,409	23,187	174,480
Other	38,329	41,787	407,542
Total	¥145,253	¥154,533	\$1,544,428

Other assets included cash collateral paid of financial instruments amounting to ¥3,120 million (\$33,176 thousand) and ¥5,557 million as of March 31, 2013 and 2012, respectively, and security deposits amounting to ¥5,493 million (\$58,416 thousand) and ¥5,570 million as of March 31, 2013 and 2012, respectively.

9. TANGIBLE FIXED ASSETS

Tangible fixed assets as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Buildings, net	¥ 38,485	¥ 39,065	\$ 409,204
Land	80,387	80,387	854,731
Construction in progress	736	240	7,836
Other	5,825	5,912	61,942
Total	¥125,435	¥125,606	\$1,333,713

The accumulated depreciation of tangible fixed assets as of March 31, 2013 and 2012, amounted to ¥164,802 million (\$1,752,287 thousand) and ¥162,995 million, respectively.

10. INTANGIBLE FIXED ASSETS

Intangible fixed assets as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Software	¥11,522	¥13,168	\$122,514
Goodwill	917	755	9,756
Other	482	605	5,128
Total	¥12,922	¥14,529	\$137,398

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, 2013 and 2012, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Assets pledged as collateral:			
Securities	¥1,193,217	¥1,222,845	\$12,687,055
Loans and bills discounted	20,772	25,713	220,861
Relevant liabilities to above assets:			
Deposits	¥ 27,684	¥ 16,395	\$ 294,359
Call money and bills sold	50,200		533,759
Payables under securities lending transactions	5,100		54,236
Borrowed money	212,940	210,430	2,264,115

Additionally, securities amounting to ¥135,452 million (\$1,440,215 thousand) and ¥185,150 million as of March 31, 2013 and 2012, respectively, and other assets amounting to ¥21 million (\$231 thousand) and ¥21 million as of March 31, 2013 and 2012, 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, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Current deposits	¥ 419,000	¥ 453,138	\$ 4,455,080
Ordinary deposits	7,237,337	6,831,701	76,952,022
Savings deposits	222,998	228,445	2,371,063
Deposits at notice	83,088	84,155	883,454
Time deposits	3,292,891	3,290,611	35,012,136
Other deposits	194,891	173,527	2,072,209
Total	¥11,450,207	¥11,061,581	\$121,745,964

14. BORROWED MONEY

As of March 31, 2013 and 2012, the weighted-average annual interest rates applicable to borrowed money were 0.61% and 0.69%, respectively.

Borrowed money includes borrowings from the Bank of Japan and other financial institutions. In addition, borrowed money included subordinated borrowings totaling ¥65,000 million (\$691,122 thousand) and ¥73,000 million as of March 31, 2013 and 2012, respectively.

Annual maturities of borrowed money as of March 31, 2013, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2014	¥229,639	\$2,441,678
2015	2,666	28,350
2016	1,818	19,335
2017	1,123	11,944
2018	370	3,942
2019 and thereafter	65,000	691,122
Total	¥300,618	\$3,196,371

15. BONDS PAYABLE

Bonds payable as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due December 2018, 2.56% interest	¥11,400	¥11,400	\$121,212
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due December 2018, 1.78% interest	8,900	8,900	94,631
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due February 2019, 2.48% interest	5,700	5,700	60,606
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due February 2019, 1.84% interest	8,300	8,300	88,251
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due July 2019, 1.82% interest	20,000	20,000	212,653
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due July 2019, 1.22% interest	10,000	10,000	106,326
Total	¥64,300	¥64,300	\$683,679

Annual maturities of bonds payable as of March 31, 2013, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2019 and thereafter	¥64,300	\$683,679

16. OTHER LIABILITIES

Other liabilities as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Accrued expenses	¥ 11,619	¥ 12,855	\$ 123,548
Unearned revenue	32,725	30,441	347,956
Income taxes payable	21,426	20,725	227,825
Derivatives other than for trading—liabilities	59,855	46,686	636,418
Payables for securities transactions	60,954	11,672	648,109
Other	46,440	32,213	493,782
Total	¥233,021	¥154,594	\$2,477,638

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 that have not been settled.

17. PROVISION FOR 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 payments and annuity payments from a trustee. In addition, the Bank and three consolidated subsidiaries have defined contribution pension plans. If the termination is involuntary, the employee is entitled to greater payments than in the case of voluntary termination.

The provision for retirement benefits as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Projected benefit obligation	¥(78,648)	¥(72,978)	\$(836,236)
Fair value of plan assets	77,057	65,594	819,329
Unfunded projected benefit obligation	(1,590)	(7,383)	(16,907)
Unrecognized actuarial loss	23,687	31,507	251,860
Net liability recognized	22,097	24,124	234,953
Prepaid pension cost	22,300	24,295	237,114
Provision for retirement benefits	¥ (203)	¥ (171)	\$ (2,161)

The components of net periodic retirement benefit costs for the years ended March 31, 2013 and 2012, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Service cost	¥ 1,417	¥ 1,347	\$ 15,076
Interest cost	1,455	1,466	15,480
Expected return on plan assets	(2,007)	(1,951)	(21,349)
Recognized actuarial loss	4,349	4,356	46,250
Other retirement costs (non-actuarial-basis cost)	468	610	4,978
Net periodic retirement benefit costs	¥ 5,683	¥ 5,829	\$ 60,435

Assumptions used for the years ended March 31, 2013 and 2012, were set forth as follows:

	2013	2012
Discount rate	1.40%	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 an Audit & Supervisory Board, 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 (noncash 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 retained earnings may be reversed without limitation. The Companies Act also provides that capital stock, legal retained earnings 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 Subscription Rights to Shares

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, subscription rights to shares are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury subscription rights to shares and treasury stock. Such treasury subscription rights to shares are presented as a separate component of equity or deducted directly from subscription rights to shares.

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 ¥70 million (\$747 thousand) and ¥79 million for the fiscal years ended March 31, 2013 and 2012, respectively.

The stock options outstanding as of March 31, 2013, are as follows:

Stock Option	Persons Granted	Number of Options Granted (Shares)	Date of Grant	Exercise Price	Exercise Period
2004 Stock Option	8 directors and 186 employees	1,407,000	July 7, 2003	¥437	From June 27, 2005 to June 26, 2013
2005 Stock Option	8 directors and 280 employees	2,186,000	July 6, 2004	624	From June 26, 2006 to June 25, 2014
2006 Stock Option	7 directors and 455 employees	4,379,000	July 7, 2005	648	From June 29, 2007 to June 28, 2015
2009 Stock Option	7 directors and 11 executive officers	178,800	July 9, 2008	1	From July 10, 2008 to July 9, 2038
2010 Stock Option	8 directors and 10 executive officers	277,200	July 8, 2009	1	From July 9, 2009 to July 8, 2039
2011 Stock Option	7 directors and 10 executive officers	322,800	July 7, 2010	1	From July 8, 2010 to July 7, 2040
2012 Stock Option	8 directors and 11 executive officers	189,800	July 6, 2011	1	From July 7, 2011 to July 6, 2041
2013 Stock Option	8 directors and 12 executive officers	218,400	July 5, 2012	1	From July 6, 2012 to July 5, 2042

The stock option activity is as follows:

Year Ended March 31, 2012	2003 Stock Option	2004 Stock Option	2005 Stock Option	2006 Stock Option	2009 Stock Option	2010 Stock Option	2011 Stock Option	2012 Stock Option	2013 Stock Option
Non-vested (shares):									
March 31, 2011—outstanding							80,100		
Granted								189,800	
Canceled							(5,200)		
Vested							(74,900)	(142,700)	
March 31, 2012—outstanding								47,100	
Vested (shares):									
March 31, 2011—outstanding	1,036,000	620,000	1,968,000	4,288,000	121,900	234,100	242,700		
Vested							74,900	142,700	
Exercised					(33,400)	(53,500)	(62,900)		
Canceled									
March 31, 2012—outstanding	1,036,000	620,000	1,968,000	4,288,000	88,500	180,600	254,700	142,700	

Year Ended March 31, 2013	2003 Stock Option	2004 Stock Option	2005 Stock Option	2006 Stock Option	2009 Stock Option	2010 Stock Option	2011 Stock Option	2012 Stock Option	2013 Stock Option
Non-vested (shares):									
March 31, 2012—outstanding								47,100	
Granted									218,400
Canceled								(1,500)	(4,400)
Vested								(45,600)	(164,300)
March 31, 2013—outstanding									49,700
Vested (shares):									
March 31, 2012—outstanding	1,036,000	620,000	1,968,000	4,288,000	88,500	180,600	254,700	142,700	
Vested								45,600	164,300
Exercised		(41,000)			(19,300)	(29,000)	(37,400)	(18,700)	
Canceled	(1,036,000)								
March 31, 2013—outstanding		579,000	1,968,000	4,288,000	69,200	151,600	217,300	169,600	164,300
Exercise price	¥ 520	¥ 437	¥ 624	¥ 648	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1
	\$5.53	\$4.65	\$6.63	\$6.89	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01
Average stock price at exercise		¥ 518			¥ 366	¥ 366	¥ 366	¥ 366	
		\$5.51			\$3.89	\$3.89	\$3.89	\$3.89	
Fair value price at grant date					¥ 647	¥ 454	¥ 368	¥ 367	¥ 326
					\$6.88	\$4.83	\$3.91	\$3.90	\$3.47

The Assumptions Used to Measure Fair Value of 2013 Stock Option

Estimate method:	Black-Scholes option-pricing model
Volatility of stock price:	39.108%
Estimated remaining outstanding period:	Five years and one month
Estimated dividend:	¥10.00 per share
Risk free interest rate:	0.196%

20. PER SHARE INFORMATION

Reconciliation of the differences between basic and diluted net income per share (“EPS”) for the years ended March 31, 2013 and 2012, was as follows:

Year Ended March 31, 2013	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
	Net Income	Weighted-Average Shares		EPS
Basic EPS—Net income available to common stockholders	¥55,342	1,328,207	¥41.66	\$0.44
Effect of dilutive warrants		751		
Diluted EPS—Net income for computation	¥55,342	1,328,959	¥41.64	\$0.44
Year Ended March 31, 2012				
Basic EPS—Net income available to common stockholders	¥51,190	1,352,546	¥37.84	
Effect of dilutive warrants		654		
Diluted EPS—Net income for computation	¥51,190	1,353,201	¥37.82	

21. OTHER OPERATING INCOME

Other operating income for the years ended March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Gain on foreign exchange transactions—net	¥ 1,550	¥ 1,574	\$ 16,487
Gain on sales and redemption of bonds and other securities	4,218	3,572	44,857
Gain on derivatives	16,244	17,060	172,721
Lease receipts	25,119	26,165	267,091
Other	9,829	8,310	104,508
Total	¥56,962	¥56,683	\$605,664

22. OTHER INCOME

Other income for the years ended March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Gain on sales of stock and other securities	¥ 197	¥ 916	\$ 2,101
Recovery of claims previously charged-off	2,506	4,111	26,650
Other	3,096	3,177	32,920
Total	¥5,800	¥8,204	\$61,671

23. OTHER OPERATING EXPENSES

Other operating expenses for the years ended March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Losses on sales and redemption of bonds and other securities	¥13,658	¥15,246	\$145,225
Losses on write-downs of bonds and other securities	40	174	429
Lease costs	22,438	23,209	238,579
Other	7,493	6,013	79,674
Total	¥43,630	¥44,644	\$463,907

24. OTHER EXPENSES

Other expenses for the years ended March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Losses on sales of stocks and other securities	¥ 77	¥ 94	\$ 822
Losses on write-downs of stocks and other securities	1,607	2,217	17,087
Loss on disposals of fixed assets	469	393	4,994
Impairment loss	117		1,247
Direct charge-off of loans	7,228	11,604	76,853
Other	2,080	2,506	22,123
Total	¥11,579	¥16,816	\$123,126

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 38.0% for the year ended March 31, 2013, and 40.6% for the year ended March 31, 2012.

The tax effects of significant temporary differences which result in deferred tax assets and liabilities as of March 31, 2013 and 2012, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Deferred tax assets:			
Allowance for loan losses	¥36,874	¥38,800	\$392,077
Provision for retirement benefits	5,537	5,218	58,876
Write-downs of securities	3,504	3,048	37,257
Other	12,866	12,028	136,803
Less valuation allowance	(4,689)	(4,410)	(49,858)
Total deferred tax assets	54,093	54,685	575,155
Deferred tax liabilities:			
Net unrealized gain on available-for-sale securities	28,035	10,301	298,091
Gain on contribution of the employees' retirement benefit trust	6,115	6,115	65,028
Other	3,218	3,705	34,226
Total deferred tax liabilities	37,370	20,122	397,345
Net deferred tax assets	¥16,723	¥34,562	\$177,810

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of income for the year ended March 31, 2012, was as follows:

	2012
Normal effective statutory tax rate	40.6%
Decrease in deferred taxes due to newly enacted tax reform laws	3.5
Other—net	(1.2)
Actual effective tax rate	42.9%

A reconciliation between the normal effective statutory tax rate for the year ended March 31, 2013, and the actual effective tax rate reflected in the accompanying consolidated statement of income was not required under Japanese accounting standards due to immaterial differences.

26. LEASES

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
	2013	2012	2013
Gross lease receivables	¥62,478	¥59,195	\$664,308
Unguaranteed residual values	4,808	4,881	51,131
Unearned interest income	(6,709)	(7,040)	(71,336)
Investments in leases, current	¥60,577	¥57,037	\$644,103

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
2014	¥ 302	\$ 3,214
2015	247	2,634
2016	214	2,286
2017	191	2,031
2018	169	1,797
2019 and thereafter	371	3,946
Total	¥1,496	\$15,908

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
2014	¥20,791	\$221,073
2015	15,060	160,137
2016	10,878	115,663
2017	7,180	76,348
2018	3,977	42,294
2019 and thereafter	4,588	48,793
Total	¥62,478	\$664,308

The minimum rental commitments under noncancelable operating leases as of March 31, 2013 and 2012, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Due within one year	¥237	¥212	\$2,521
Due after one year	617	752	6,563
Total	¥854	¥964	\$9,084

27. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Group Policies for Financial Instruments

The Group engages in banking as its mainstay business, as well as leasing, securities, conducting survey research and other information services, venture capital, and other financial service businesses. As the Group positions its core business services exclusively for local small- and medium-sized businesses 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 loans to small- and medium-sized businesses 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 fixed 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 that it is capable of controlling based on its 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 interest rate swaps, currency swaps, and forward exchange contracts that are utilized to control the risks from loan and bills discounted, foreign-currency monetary claims, and debt. The Bank reviews the effectiveness of hedging activities using 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 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 loan losses.

Under its Internal Credit Rating System, the Bank uses data of past credit default experience, collateral, and guarantees sorted by credit rating to statistically quantify the aggregate credit risk volume for 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 in 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 in 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 in 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, periodic investigations are performed.

Aiming at enhancing the effectiveness of these credit portfolio management measures, the Credit Portfolio Committee (Executive Committees consist of directors, etc.) 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 the 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 64 regional banks. By using these shared systems, the Bank carries out calculations according to the Monte Carlo simulation method in a short time and, thereby, achieves a 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 (Executive Committees consist of directors, etc.) analyzes and examines their credibility and decides on 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 (Asset Liability Management) processes.

To control market risks effectively, the ALM Committee (Executive Committees consist of directors, etc.) 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 upper limits of the risk that the Bank can hold) by operation and the warning points (the level of loss amounts to start reviewing operating 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) functions. The middle office is responsible for market risk management, measuring risks and returns relating to market transactions, and monitoring the front office and back office. In addition to sharing recognition and exchanging views on economic trends and market trends in "Market Opinion Exchange Meeting" that consisted of directors, 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 bonds ("JGBs"), 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 for operational features and investment policies, in addition to VaR (Value-at-Risk) and BPV (Basis Point Value), to quantify market risk. To quantify market risk that cannot be captured by VaR, stress tests are regularly carried out. The same market risk measurement system is commonly used in the 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. In calculating 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 nontrading purposes (those for banking operations).

The aggregate amount of the market risks (estimated loss amount) of the Bank's trading business was ¥44 million (\$469 thousand) and ¥39 million as of March 31, 2013 and 2012, respectively. 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 ¥117,595 million (\$1,250,355 thousand) and ¥109,127 million as of March 31, 2013 and 2012, respectively. It should be noted that the aggregate amounts of market risks represent a simple sum of amounts of each market risk categorized by risk type. It should also be noted that the interest risks on loans and deposits are calculated by defining core deposits as liquid deposits that 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 fluctuations, and therefore, there may be cases where market risks cannot be captured in such situations where 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 only affect 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 outflows, the ALM Committee semiannually sets limits 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 limits in a strict manner.

In addition, the status of investments 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 liquidity risk management.

In cases where obvious signs of liquidity risk can be discerned, such as in case of significant changes in the market environment and/or the Bank's status of fund investments 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 these prices 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

March 31, 2013	Millions of Yen		
	Carrying Amount	Fair Value	Unrealized Gain/Loss
(1) Cash and due from banks	¥ 923,218	¥ 923,218	
(2) Call loans and bills bought	250,527	250,527	
(3) Monetary claims bought	140,652	140,652	
(4) Securities:			
Held-to-maturity securities	294,457	307,440	¥12,982
Available-for-sale securities	1,915,101	1,915,101	
(5) Loans and bills discounted	9,343,974		
Allowance for loan losses*1	(67,967)		
Net	9,276,006	9,353,967	77,960
Total assets	¥12,799,964	¥12,890,908	¥90,943
(1) Deposits	¥11,450,207	¥11,453,145	¥ 2,937
(2) Call money and bills sold	207,707	207,707	
(3) Borrowed money	300,618	301,359	740
Total liabilities	¥11,958,534	¥11,962,212	¥ 3,678
Derivative instruments*2:			
Hedge accounting is not applied	¥ 8,151	¥ 8,151	
Hedge accounting is applied	(19,059)	(19,059)	
Total derivative instruments	¥ (10,908)	¥ (10,908)	

March 31, 2012	Millions of Yen		
	Carrying Amount	Fair Value	Unrealized Gain/Loss
(1) Cash and due from banks	¥ 811,600	¥ 811,600	
(2) Call loans and bills bought	108,820	108,820	
(3) Monetary claims bought	164,256	164,256	
(4) Securities:			
Held-to-maturity securities	295,831	302,942	¥ 7,110
Available-for-sale securities	1,804,350	1,804,350	
(5) Loans and bills discounted	8,970,301		
Allowance for loan losses*1	(75,617)		
Net	8,894,684	8,969,679	74,995
Total assets	¥12,079,544	¥12,161,650	¥82,106
(1) Deposits	¥11,061,581	¥11,066,105	¥ 4,524
(2) Call money and bills sold	40,689	40,689	
(3) Borrowed money	304,226	304,878	652
Total liabilities	¥11,406,497	¥11,411,674	¥ 5,177
Derivative instruments*2:			
Hedge accounting is not applied	¥ 7,313	¥ 7,313	
Hedge accounting is applied	(9,558)	(9,558)	
Total derivative instruments	¥ (2,244)	¥ (2,244)	

March 31, 2013	Thousands of U.S. Dollars		
	Carrying Amount	Fair Value	Unrealized Gain/Loss
(1) Cash and due from banks	\$ 9,816,251	\$ 9,816,251	
(2) Call loans and bills bought	2,663,767	2,663,767	
(3) Monetary claims bought	1,495,509	1,495,509	
(4) Securities:			
Held-to-maturity securities	3,130,863	3,268,904	\$138,041
Available-for-sale securities	20,362,590	20,362,590	
(5) Loans and bills discounted	99,351,137		
Allowance for loan losses*1	(722,673)		
Net	98,628,464	99,457,392	828,928
Total assets	\$136,097,444	\$137,064,413	\$966,969
(1) Deposits	\$121,745,964	\$121,777,194	\$ 31,230
(2) Call money and bills sold	2,208,478	2,208,478	
(3) Borrowed money	3,196,371	3,204,250	7,879
Total liabilities	\$127,150,813	\$127,189,922	\$ 39,109
Derivative instruments*2:			
Hedge accounting is not applied	\$ 86,667	\$ 86,667	
Hedge accounting is applied	(202,649)	(202,649)	
Total derivative instruments	\$ (115,982)	\$ (115,982)	

*1 Allowances for 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 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 Bought

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

(3) Monetary Claims Bought

The fair values of beneficiary rights of trust in monetary claims bought 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.

(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 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

The fair values of demand deposits are recognized as payment at the date of the consolidated balance sheet. The fair values of time deposits 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) Call Money and Bills Sold

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

(3) 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) Carrying amount of financial instruments whose fair value cannot be reliably determined

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Equity securities without readily available market price ^{*1*3}	¥9,281	¥12,896	\$98,682
Investments in partnerships ^{*2*3}	109	136	1,164
Total	¥9,390	¥13,032	\$99,846

*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 a readily available market price, are out of the scope of the fair value disclosure.

*3 During the year ended March 31, 2013, impairment losses on equity securities without a readily available market price of ¥1,365 million (\$14,518 thousand) and on investments in partnerships of ¥6 million (\$72 thousand) were recognized. During the year ended March 31, 2012, impairment losses on equity securities without readily available market price of ¥110 million and on investments in partnerships of ¥2 million were recognized.

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

	Millions of Yen					
March 31, 2013	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	Due after 10 Years
Due from banks	¥ 806,995					
Call loans and bills bought	250,527					
Monetary claims bought	22,337					¥ 117,835
Securities:						
Held-to-maturity securities	36,086	¥ 57,335	¥ 19,087	¥ 25,512	¥ 146,566	10,000
Available-for-sale securities with contractual maturities	319,687	647,122	271,865	194,239	167,762	110,846
Loans and bills discounted	2,312,053	1,603,206	1,129,339	665,598	727,215	2,633,620
Total	¥3,747,687	¥2,307,664	¥1,420,291	¥885,349	¥1,041,543	¥2,872,302

	Millions of Yen					
March 31, 2012	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	Due after 10 Years
Due from banks	¥ 687,571					
Call loans and bills bought	108,820					
Monetary claims bought	21,255					¥ 142,681
Securities:						
Held-to-maturity securities	22,763	¥ 67,221	¥ 25,777	¥ 5,470	¥ 165,048	10,000
Available-for-sale securities with contractual maturities	247,739	656,351	424,241	84,105	178,224	57,894
Loans and bills discounted	2,243,030	1,596,756	1,055,510	622,725	681,650	2,501,632
Total	¥3,331,180	¥2,320,329	¥1,505,529	¥712,301	¥1,024,922	¥2,712,208

	Thousands of U.S. Dollars					
March 31, 2013	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	Due after 10 Years
Due from banks	\$ 8,580,495					
Call loans and bills bought	2,663,767					
Monetary claims bought	237,508					\$ 1,252,903
Securities:						
Held-to-maturity securities	383,697	\$ 609,625	\$ 202,945	\$ 271,260	\$ 1,558,384	106,326
Available-for-sale securities with contractual maturities	3,399,120	6,880,619	2,890,643	2,065,277	1,783,753	1,178,596
Loans and bills discounted	24,583,234	17,046,325	12,007,866	7,077,072	7,732,225	28,002,342
Total	\$39,847,821	\$24,536,569	\$15,101,454	\$9,413,609	\$11,074,362	\$30,540,167

Note: As of March 31, 2013, loans and bills discounted whose cash flow cannot be estimated, such as "legal bankruptcy," "virtual bankruptcy," and "possible bankruptcy" loans, amounting to ¥184,560 million (\$1,962,370 thousand) and loans and bills discounted with no contractual maturities amounting to ¥88,379 million (\$939,703 thousand) are not included.
As of March 31, 2012, loans and bills discounted whose cash flow cannot be estimated, such as "legal bankruptcy," "virtual bankruptcy," and "possible bankruptcy" loans, amounting to ¥174,979 million and loans and bills discounted with no contractual maturities amounting to ¥94,014 million are not included.

March 31, 2013	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	¥10,683,123	¥541,266	¥212,972	¥ 5,824	¥ 7,020
Call money and bills sold	207,707				
Borrowed money	229,639	4,484	1,494	45,000	20,000
Total	¥11,120,471	¥545,751	¥214,466	¥50,824	¥27,020

March 31, 2012	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	¥10,336,058	¥524,438	¥188,604	¥ 5,512	¥ 6,967
Call money and bills sold	40,689				
Borrowed money	224,027	5,347	1,851	33,000	40,000
Total	¥10,600,775	¥529,786	¥190,455	¥38,512	¥46,967

March 31, 2013	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	\$113,589,834	\$5,755,092	\$2,264,457	\$ 61,932	\$ 74,649
Call money and bills sold	2,208,478				
Borrowed money	2,441,678	47,685	15,886	478,469	212,653
Total	\$118,239,990	\$5,802,777	\$2,280,343	\$540,401	\$287,302

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, 2013 and 2012

The Bank had the following derivative contracts, which were quoted on listed exchanges, outstanding as of March 31, 2013 and 2012:

March 31, 2013	Millions of Yen			
	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Bond contracts—Futures written	¥ 22,399		¥ (1)	¥ (1)

March 31, 2012	Millions of Yen			
	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Bond contracts—Futures written	¥ 569		¥ 1	¥ 1

March 31, 2013	Thousands of U.S. Dollars			
	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Bond contracts—Futures written	\$238,167		\$(13)	\$(13)

The Bank had the following derivative contracts, which were not quoted on listed exchanges, outstanding as of March 31, 2013 and 2012:

Millions of Yen				
March 31, 2013	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Interest rate contracts:				
Interest rate swaps:				
Receive fixed and pay floating	¥2,028,952	¥1,703,655	¥ 43,762	¥ 43,762
Receive floating and pay fixed	1,984,770	1,576,392	(35,995)	(35,995)
Receive floating and pay floating	546,640	468,650	(252)	(252)
Caps and others written	41,716	22,203	(63)	554
Caps and others purchased	29,100	10,700	48	48
Foreign exchange:				
Currency swaps	106,687	80,189	507	507
Forward exchange contracts written	19,302		(599)	(599)
Forward exchange contracts purchased	19,041		737	737
Options written	25,878	17,469	(1,418)	666
Options purchased	26,046	17,469	1,425	(243)

Millions of Yen				
March 31, 2012	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Interest rate contracts:				
Interest rate swaps:				
Receive fixed and pay floating	¥2,091,873	¥1,723,755	¥ 36,285	¥ 36,285
Receive floating and pay fixed	2,088,200	1,615,170	(30,050)	(30,050)
Receive floating and pay floating	381,060	335,060	180	180
Caps and others written	51,009	29,448	(147)	671
Caps and others purchased	35,000	18,400	134	134
Foreign exchange:				
Currency swaps	148,453	116,285	849	849
Forward exchange contracts written	22,955		(349)	(349)
Forward exchange contracts purchased	23,462		379	379
Options written	36,104	20,560	(2,573)	136
Options purchased	35,571	20,560	2,604	511

Thousands of U.S. Dollars				
March 31, 2013	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Interest rate contracts:				
Interest rate swaps:				
Receive fixed and pay floating	\$21,573,125	\$18,114,361	\$ 465,312	\$ 465,312
Receive floating and pay fixed	21,103,358	16,761,216	(382,729)	(382,729)
Receive floating and pay floating	5,812,228	4,982,988	(2,683)	(2,683)
Caps and others written	443,560	236,078	(670)	5,899
Caps and others purchased	309,410	113,769	514	514
Foreign exchange:				
Currency swaps	1,134,372	852,627	5,401	5,401
Forward exchange contracts written	205,239		(6,377)	(6,377)
Forward exchange contracts purchased	202,456		7,844	7,844
Options written	275,160	185,746	(15,088)	7,086
Options purchased	276,944	185,746	15,156	(2,585)

Derivative Transactions to Which Hedge Accounting Is Applied at March 31, 2013 and 2012

The Bank had the following derivative contracts, which were not quoted on listed exchanges, outstanding as of March 31, 2013 and 2012:
Millions of Yen

March 31, 2013	Hedged Item	Contract Amount		Fair Value
		Contract Amount	Due after One Year	
Interest rate contracts—Interest rate swaps—receive floating and pay fixed	Loans and bills discounted	¥ 6,400	¥6,400	¥ (5)
Foreign exchange—Currency swaps	Deposits denominated in foreign currencies, due from banks denominated in foreign currencies, etc.	470,851		(19,053)

March 31, 2012	Hedged Item	Contract Amount		Fair Value
		Contract Amount	Due after One Year	
Interest rate contracts—Interest rate swaps—receive floating and pay fixed	Loans and bills discounted	¥ 5,475	¥5,475	¥ (9)
Foreign exchange—Currency swaps	Deposits denominated in foreign currencies, due from banks denominated in foreign currencies, etc.	339,769		(9,549)

March 31, 2013	Hedged Item	Contract Amount		Fair Value
		Contract Amount	Due after One Year	
Interest rate contracts—Interest rate swaps—receive floating and pay fixed	Loans and bills discounted	\$ 68,057	\$68,057	\$ (62)
Foreign exchange—Currency swaps	Deposits denominated in foreign currencies, due from banks denominated in foreign currencies, etc.	5,006,401		(202,587)

The above interest rate swaps that 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 the hedged items (i.e., loan and bills discounted).

29. OTHER COMPREHENSIVE INCOME

The components of other comprehensive income for the years ended March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Valuation difference on available-for-sale securities:			
Gains arising during the year	¥ 43,973	¥ (1,817)	\$ 467,552
Reclassification adjustments to profit or loss	7,421	12,334	78,911
Amount before income tax effect	51,394	10,516	546,463
Income tax effect	(17,734)	(2,543)	(188,564)
Total	¥ 33,660	¥ 7,972	\$ 357,899
Deferred gain or losses on hedges:			
Gains arising during the year	¥ (803)	¥ (1,513)	\$ (8,548)
Reclassification adjustments to profit or loss	792	1,512	8,424
Amount before income tax effect	(11)	(1)	(124)
Income tax effect	4		44
Total	¥ (7)	¥ (1)	\$ (80)
Revaluation reserve for land:			
Income tax effect		¥ 2,724	
Total		¥ 2,724	
Total other comprehensive income	¥ 33,652	¥10,696	\$ 357,819

30. SEGMENT INFORMATION

Under the ASBJ Statement No. 17, "Accounting Standard for Segment Information Disclosures," and ASBJ Guidance No. 20, "Guidance on Accounting Standard for Segment Information Disclosures," 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.

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 periodic 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

(1) On May 10, 2013, the Board of Directors resolved the following appropriation of retained earnings:

Appropriation of Retained Earnings as of March 31, 2013

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends—Common stock (¥6.00—\$0.06 per share)	¥7,850	\$83,475

(2) On May 10, 2013, the Board of Directors resolved the following purchases of treasury stock:

On May 10, 2013, the Board of Directors resolved to purchase its own shares as defined under Article 459, Section 1 of the Companies Act.

(1) Type of shares to be purchased	Common stock
(2) Total number of shares to be purchased	12,000,000 shares (upper limit)
(3) Total amount of shares to be purchased	¥5 billion (upper limit)
(4) Schedule of purchases of stock	From May 16, 2013 to June 18, 2013

The Bank purchased its own shares based on the resolution at the Board of Directors' Meeting held on May 10, 2013.

(1) Type of shares to be purchased	Common stock
(2) Total number of shares to be purchased	9,019,000 shares
(3) Total amount of shares to be purchased	¥4,999,988,000
(4) Schedule of purchases of stock	From May 16, 2013 to June 5, 2013

Deloitte.

Deloitte Touche Tohmatsu LLC
MS Shibaura Building
4-13-23, Shibaura
Minato-ku, Tokyo 108-8530
Japan
Tel: +81 (3) 3457 7321
Fax: +81 (3) 3457 1694
www.deloitte.com/jp

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated balance sheet of The Bank of Yokohama, Ltd. and its consolidated subsidiaries as of March 31, 2013, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 its consolidated subsidiaries as of March 31, 2013, and the consolidated results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

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

Deloitte Touche Tohmatsu LLC

June 14, 2013

Member of
Deloitte Touche Tohmatsu Limited

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet

The Bank of Yokohama, Ltd.
March 31, 2013—Unaudited

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
ASSETS:			
Cash and due from banks	¥ 919,886	¥ 810,478	\$ 9,780,824
Call loans and bills bought	250,527	108,820	2,663,767
Monetary claims bought	131,220	155,144	1,395,220
Trading assets	34,932	24,256	371,426
Securities	2,226,982	2,122,239	23,678,705
Loans and bills discounted	9,389,852	9,017,178	99,838,944
Foreign exchanges	5,742	5,214	61,063
Other assets	124,186	133,998	1,320,431
Tangible fixed assets	126,129	126,299	1,341,092
Intangible fixed assets	11,102	12,695	118,053
Deferred tax assets	7,671	25,556	81,571
Customers' liabilities for acceptances and guarantees	67,045	75,287	712,873
Allowance for loan losses	(56,490)	(64,843)	(600,646)
TOTAL	¥13,238,790	¥12,552,327	\$140,763,323
LIABILITIES:			
Deposits	¥11,484,992	¥11,091,562	\$122,115,815
Negotiable certificates of deposit	52,490	48,460	558,107
Call money and bills sold	207,707	40,689	2,208,478
Payables under securities lending transactions	5,100		54,236
Trading liabilities	1,046	1,286	11,130
Borrowed money	319,529	325,044	3,397,445
Foreign exchanges	77	51	829
Bonds payable	64,300	64,300	683,679
Other liabilities	181,536	109,074	1,930,209
Provision for directors' bonuses	64	66	687
Provision for reimbursement of deposits	1,537	1,029	16,346
Provision for contingent losses	691	1,096	7,354
Deferred tax liabilities for land revaluation	19,323	19,323	205,463
Acceptances and guarantees	67,045	75,287	712,873
Total liabilities	12,405,444	11,777,272	131,902,651
EQUITY:			
Capital stock—common stock—authorized, 3,000,000 thousand shares in 2013 and 2012; issued, 1,310,071 thousand shares in 2013 and 1,361,071 thousand shares in 2012	215,628	215,628	2,292,702
Capital surplus	177,244	177,244	1,884,577
Subscription rights to shares	309	285	3,289
Retained earnings:			
Legal retained earnings	38,384	38,384	408,125
Other retained earnings	313,593	293,569	3,334,327
Valuation difference on available-for-sale securities	54,580	21,296	580,339
Deferred gains or losses on hedges	(19)	(11)	(202)
Revaluation reserve for land	34,249	34,249	364,162
Treasury stock—common stock—at cost, 1,607 thousand shares in 2013 and 14,095 thousand shares in 2012	(625)	(5,591)	(6,647)
Total equity	833,346	775,054	8,860,672
TOTAL	¥13,238,790	¥12,552,327	\$140,763,323

Non-Consolidated Statement of Income

The Bank of Yokohama, Ltd.
Year Ended March 31, 2013—Unaudited

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
INCOME:			
Interest income:			
Interest on loans and bills discounted	¥146,598	¥152,037	\$1,558,733
Interest and dividends on securities	21,681	19,347	230,531
Interest on call loans and bills bought	926	564	9,852
Interest on due from banks	1,116	2,734	11,868
Other interest income	2,677	3,186	28,465
Fees and commissions	47,805	47,586	508,302
Trading profits	369	494	3,928
Other operating income	22,008	22,192	234,008
Other income	5,018	7,337	53,365
Total income	248,202	255,481	2,639,052
EXPENSES:			
Interest expenses:			
Interest on deposits	5,561	6,129	59,138
Interest on negotiable certificates of deposit	61	129	653
Interest on call money and bills sold	390	412	4,155
Interest on payables under securities lending transactions	28		308
Interest on borrowed money	3,303	3,287	35,129
Interest on bonds payable	1,248	1,246	13,273
Other interest expenses	876	1,811	9,314
Fees and commissions	15,667	16,029	166,584
Trading losses	8	20	93
Other operating expenses	13,691	15,413	145,579
General and administrative expenses	101,116	103,135	1,075,138
Provision of allowance for loan losses	11,786	7,817	125,325
Other expenses	8,643	13,343	91,899
Total expenses	162,385	168,778	1,726,588
INCOME BEFORE INCOME TAXES	85,817	86,703	912,464
INCOME TAXES:			
Current	32,128	26,258	341,612
Deferred	347	11,308	3,696
Total income taxes	32,476	37,567	345,308
NET INCOME	¥ 53,341	¥ 49,135	\$ 567,156
PER SHARE INFORMATION:			
	Yen		U.S. Dollars
Basic net income per share	¥40.16	¥36.32	\$0.43
Diluted net income per share	40.13	36.31	0.43

Non-Consolidated Statement of Changes in Equity

The Bank of Yokohama, Ltd.
Year Ended March 31, 2013—Unaudited

	Thousands	Millions of Yen										
	Outstanding Number of Shares of Common Stock	Capital Surplus				Retained Earnings			Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Treasury Stock
BALANCE, APRIL 1, 2011	1,359,904	¥215,628	¥177,244		¥274	¥38,384	¥257,986	¥13,516	¥ (9)	¥31,524	¥ (669)	¥733,879
Net income							49,135					49,135
Cash dividends, ¥10.00 per share of common stock							(13,534)					(13,534)
Purchases of treasury stock	(13,086)										(5,012)	(5,012)
Disposals of treasury stock	157						(17)				89	72
Net change in the year					10			7,779	(1)	2,724		10,513
BALANCE, MARCH 31, 2012	1,346,975	215,628	177,244		285	38,384	293,569	21,296	(11)	34,249	(5,591)	775,054
Net income							53,341					53,341
Cash dividends, ¥10.00 per share of common stock							(13,400)					(13,400)
Purchases of treasury stock	(38,660)										(15,015)	(15,015)
Disposals of treasury stock	148			¥ 9							56	65
Retirements of treasury stock				(9)			(19,916)				19,925	
Net change in the year					24			33,284	(7)			33,301
BALANCE, MARCH 31, 2013	1,308,463	¥215,628	¥177,244		¥309	¥38,384	¥313,593	¥54,580	¥(19)	¥34,249	¥ (625)	¥833,346

	Thousands of U.S. Dollars											
	Capital Surplus				Retained Earnings			Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Treasury Stock	Total Equity
BALANCE, MARCH 31, 2012		\$2,292,702	\$1,884,577		\$3,034	\$408,125	\$3,121,420	\$226,434	\$(122)	\$364,162	\$(59,456)	\$8,240,876
Net income							567,156					567,156
Cash dividends, \$0.11 per share of common stock							(142,484)					(142,484)
Purchases of treasury stock											(159,654)	(159,654)
Disposals of treasury stock				\$ 97							601	698
Retirements of treasury stock				(97)			(211,765)				211,862	
Net change in the year					255			353,905	(80)			354,080
BALANCE, MARCH 31, 2013		\$2,292,702	\$1,884,577		\$3,289	\$408,125	\$3,334,327	\$580,339	\$(202)	\$364,162	\$(6,647)	\$8,860,672

Corporate Information

CORPORATE DATA

(As of March 31, 2013)

<p>Company Name The Bank of Yokohama, Ltd.</p> <p>Head Office 1-1, Minatomirai 3-chome, Nishi-ku, Yokohama, Kanagawa 220-8611, Japan Tel: +81 (45) 225-1111 Fax: +81 (45) 225-1160</p>	<p>Date of Establishment December 16, 1920</p> <p>Paid-in Capital ¥215,628 million</p> <p>Number of Employees 4,593</p>	<p>Number of Branches and Offices (As of August 31, 2013) 610 Domestic: 605 (196 branches, 8 sub-branches, 401 ATM locations) Overseas: 1 Branch, 4 Representative offices</p> <p>Internet Address http://www.boy.co.jp/e/index.html</p>
--	--	--

INTERNATIONAL NETWORK

(As of August 31, 2013)

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

Tokyo Office:

8-2, Nihonbashi 2-chome,
Chuo-ku, Tokyo 103-0027, Japan
Tel: +81 (3) 3272-4171

Asia

Shanghai Branch:

17F, Shanghai World Financial Center,
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
Takashi Kato

Hong Kong Representative Office:

Suite 2109, Tower 6, The Gateway,
Harbour City, 9 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong,
S.A.R., People's Republic of China
Tel: +852-2523-6041
Fax: +852-2845-9022

CHIEF REPRESENTATIVE
Kentaro Yamauchi

Bangkok Representative Office:

No. 57 Park Ventures Ecoplex, Unit1005,
10th Floor, Wireless Road, Lumpini,
Patumwan Bangkok 10330, Thailand
Tel: +66 2254-7251
Fax: +66 2254-7255

CHIEF REPRESENTATIVE
Tomonori Okayama

North America

New York Representative Office:

780 Third Avenue., 32nd Floor,
New York, NY 10017, U.S.A.
Tel: +1 (212) 750-0022
Fax: +1 (212) 750-8008

CHIEF REPRESENTATIVE
Kazuya Miyashita

Europe

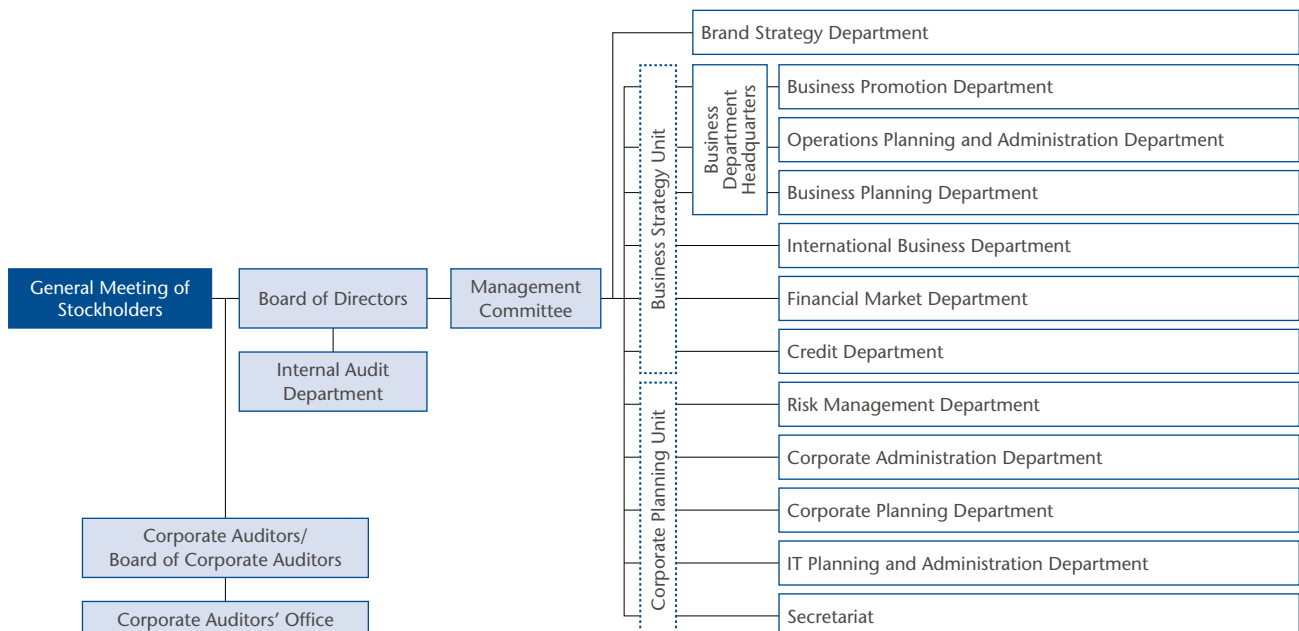
London Representative Office:

40 Basinghall Street,
London EC2V 5DE, U.K.
Tel: +44 (20) 7628-9973
Fax: +44 (20) 7638-1886

CHIEF REPRESENTATIVE
Daisuke Tabata

ORGANIZATION

(As of August 31, 2013)



DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE AUDITORS

(As of August 31, 2013)

Representative Director, President

Tatsumaro Terazawa

Representative Director, Deputy President

Chiyuki Okubo

Representative Director, Managing Executive Officer

Kengo Takano

Director and Managing Executive Officers

Atsushi Mochizuki
Susumu Koshida

Director and Executive Officers

Yasuyoshi Oya
Kenichi Kawamura
Yasuhiro Shibuya

Outside Directors

Harumi Sakamoto
Minoru Morio

Managing Executive Officers

Shizumi Maesako
Yoshiyuki Hiranuma

Executive Officers

Shinya Yamada
Soh Okada
Osamu Ishida
Yasutaka Nozawa
Hironobu Onishi
Tomonori Ito
Yoshiyuki Oishi
Mitsukazu Kudo
Mitsuhiro Hara
Kazuhiro Okada

Full-time Corporate Auditors

Ryuichi Kaneko
Katsunori Amano

Outside Full-time Corporate Auditor

Michio Ayuse

Outside Corporate Auditor

Atsushi Shimizu
Rikuro Oikawa

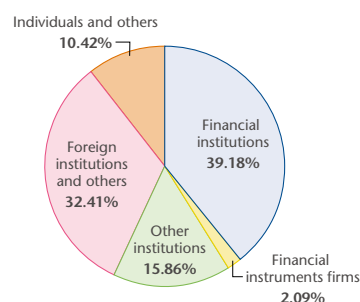
INVESTOR INFORMATION

(As of March 31, 2013)

Authorized Stocks	3,000,000 thousand
Outstanding Stocks	1,310,071 thousand shares
Capital Adequacy Ratio (Consolidated)	13.99%
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, 2013)



MAJOR STOCKHOLDERS (Common Stock)

(As of March 31, 2013)

	Number of stock held (thousand)	Percentage of stock held (%)
Japan Trustee Services Bank, Ltd. (Trustee Account)	78,348	5.98
The Master Trust Bank of Japan, Ltd. (Trustee Account)	59,206	4.51
Meiji Yasuda Life Insurance Company	36,494	2.78
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	2.78
Northern Trust Co. (AVFC) Sub A/C American Clients	35,774	2.73
Japan Trustee Services Bank, Ltd. (Trustee Account 9)	29,097	2.22
Nippon Life Insurance Company	26,709	2.03
The Dai-ichi Life Insurance Company, Limited	21,994	1.67
Northern Trust Co. AVFC RE U.S. Tax Exempted Pension Funds	20,844	1.59
Mitsui Sumitomo Insurance Company, Limited	14,738	1.12

GROUP COMPANIES

(As of August 31, 2013)

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.

1-1, Minatomirai 3-chome, Nishi-ku, Yokohama, Kanagawa 220-8611, Japan
Internet URL Address: <http://www.boy.co.jp/>

Printed in Japan