

Consolidated Financial Highlights

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries

| September 30, 2006 and 2005 | Millions of yen | | Thousands of U.S.dollars |
|---|-----------------|--------------|--------------------------|
| | 2006 | 2005 | 2006 |
| Total assets | ¥ 10,746,746 | ¥ 10,461,821 | \$ 91,166,835 |
| Cash and due from banks | 364,972 | 441,945 | 3,096,132 |
| Deposits | 9,347,833 | 9,179,252 | 79,299,570 |
| Loans and bills discounted | 8,133,609 | 7,850,540 | 68,999,065 |
| Securities | 1,308,658 | 1,264,824 | 11,101,612 |
| Total stockholders' equity | | 621,694 | |
| Total net assets | 721,593 | | 6,121,425 |
| Capital stock | 215,305 | 214,944 | 1,826,482 |
| Six months ended September 30, 2006 and 2005 | 2006 | 2005 | 2006 |
| Total income | ¥ 128,361 | ¥ 119,930 | \$ 1,088,913 |
| Total expenses | 74,567 | 70,913 | 632,573 |
| Income before income taxes and minority interests | 53,793 | 49,017 | 456,340 |
| Net income | 31,333 | 29,139 | 265,808 |
| Dividends declared per share (yen and U.S.dollrs) | ¥ 3.5 | | \$ 0.03 |

Note: The amounts are presented in millions of yen and are rounded down to the nearest million.

Note: U.S.dollar amounts are translated, for convenience only, at the rate of ¥117.88 = \$1.00, as of Sept.30, 2006.

Note: The amounts are presented in thousands of dollars and are rounded to the nearest thousands.

Message from the President

As always, we would like to extend our greatest appreciation for your warm support and continued patronage.

The Japanese economy has continued its basic tone of gradual economic recovery with capital investment steadily progressing against the backdrop of higher corporate earnings, while exports have continued to increase as a result of expansion of the overseas economy.

A robust performance from the corporate sector has spread to the household sector through an increase in employment and wages, providing steady growth in personal consumption.

As regards the economic situation in Kanagawa Prefecture, an autonomous recovery led by private-sector demand has brightened prospects as capital investment maintained a high growth level against the backdrop of a local community investment policy.

Under such circumstances, our Mid-Term Management Plan “Go Forward!” which was launched in April 2005, has passed the year and a half mark, during which the Bank has implemented proactive policies toward the realization of “The best regional bank that is strongly supported by customers and that continues to evolve.”

For developing our branch network in Kanagawa Prefecture, we have promoted opening of branches specialized in servicing individual customers (mini-branch) in order to strengthen our ability to offer consultation services to individual customers. In September 2006, we opened the Kawasaki Nishiguchi Branch, the 12th branch of its kind and in December 2006, we opened the Shinkoyasu Branch, relocating the Shinkoyasu Sub-Branch and establishing it as a branch. In February 2007, we are planning to open the “Tama Center Branch.”

In January 2007, we will open “Yokohama Premium Lounge” in the SOGO Yokohama Department Store as a newly functioning specialized branch dedicated to consultation services.

Furthermore, in southwestern Tokyo, bordering Kanagawa Prefecture, we are promoting development of our branch network, focusing on strengthening loans to small and medium-sized enterprises. Following the Shinagawa Branch, Omori Branch, Gotanda Station Branch and Tamachi Branch, the Ebisu Branch was newly opened in November 2006.

In addition to the measures mentioned above, we have enhanced our ATM network at railway stations, which are closely linked to the daily lives of our customers. We have already installed our ATMs at all stations on the Odakyu Line and 15 stations on the Sagami Railway Line. From the spring of 2007, it will become possible for our customers to withdraw cash and make balance inquiries with our cash cards at “VIEW ALTTE,” the ATM corner in each JR station in alliance with JR East, which I believe will also improve the convenience of customers who use railway stations.

In order to establish mid and long-term relations with our customers, in July 2006, as a new service for individual customers, we have launched “<Hamagin> My Point,” a point-system service. We have also added two types of gold cards to the “Yokohama Bank Card,” a multi-functional card, which constitutes the core of our card strategies, with a view toward strengthening our products and services, that are the key transaction base of the Bank.



With regard to organizational structure, We have established in October 2006 the “Asia Business Promotion Office” by promoting from the internal office of the Corporate Banking Department, with a view toward assisting our customers in their expanding overseas business operations, including the growing economies of Asia, as well as to planning and developing future overseas strategies and human asset development of the Bank.

As for dividends, in May 2005, we had introduced a structure to reward shareholders linked to business results, while adhering to the concept of stable dividends. We have resumed paying interim dividends for the first time in six years based on the Bank’s strengthened financial structure and a favorable upturn in the economic environment.

The financial industry has entered the “Age of Mega-Competition” without borders. On the other hand, with the economy in the process of expansion, changes in the needs of customers and deregulation, etc., the field where banks can play a role is expanding more widely than ever before.

Kanagawa Prefecture and southwestern Tokyo, our major business markets, have one of the most-endowed business environments in Japan. Utilizing the superiority of such home markets, we will aim at expanding business opportunities as well as reinforcing our strong relationship with our customers, our most precious asset, and we, from each and every officer to all of our employees, will continue to make our best efforts to live up to the expectations of and trustworthiness from our customers, shareholders and the people throughout the region.

At the Bank of Yokohama, we appreciate your continued support.

December 2006

Tadashi Ogawa
President

A handwritten signature in blue ink, reading "T. Ogawa". The signature is written in a cursive style with a long horizontal stroke at the end.

Consolidated Interim Financial Statements

1. Consolidated Interim Balance Sheets (Unaudited)

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
September 30, 2006 and 2005

| | Millions of yen | | Thousands of U.S.dollars |
|---|---------------------|---------------------|--------------------------|
| | 2006 | 2005 | 2006 |
| ASSETS: | | | |
| Cash and due from banks | ¥ 364,972 | ¥ 441,945 | \$ 3,096,132 |
| Call loans and bills purchased | | 100,464 | |
| Other debt purchased | 295,390 | 237,114 | 2,505,862 |
| Trading assets | 69,301 | 28,380 | 587,896 |
| Securities | 1,308,658 | 1,264,824 | 11,101,612 |
| Loans and bills discounted | 8,133,609 | 7,850,540 | 68,999,065 |
| Foreign exchange assets | 4,058 | 5,500 | 34,427 |
| Other assets | 105,494 | 94,750 | 894,932 |
| Premises and equipment | | 138,929 | |
| Tangible fixed assets | 132,872 | | 1,127,186 |
| Intangible fixed assets | 13,364 | | 113,373 |
| Deferred tax assets | 6,850 | 32,146 | 58,115 |
| Goodwill | | 939 | |
| Customers' liabilities for acceptances and guarantees | 369,440 | 327,492 | 3,134,043 |
| Allowance for possible loan losses | (57,266) | (61,208) | (485,808) |
| TOTAL | ¥ 10,746,746 | ¥ 10,461,821 | \$ 91,166,835 |

| | Millions of yen | | Thousands of U.S.dollars |
|---|---------------------|---------------------|--------------------------|
| | 2006 | 2005 | 2006 |
| LIABILITIES: | | | |
| Deposits | ¥ 9,347,833 | ¥ 9,179,252 | \$ 79,299,570 |
| Call money and bills sold | 21,037 | 373 | 178,464 |
| Trading liabilities | 2,896 | 2,160 | 24,573 |
| Borrowed money | 16,363 | 33,409 | 138,811 |
| Foreign exchange liabilities | 188 | 60 | 1,602 |
| Bonds and notes | 40,000 | 66,000 | 339,328 |
| Other liabilities | 204,606 | 204,526 | 1,735,721 |
| Liability for employees' retirement benefits | 55 | 83 | 471 |
| Deferred tax liabilities for land revaluation surplus | 22,730 | 22,736 | 192,827 |
| Acceptances and guarantees | 369,440 | 327,492 | 3,134,043 |
| Total liabilities | 10,025,152 | 9,836,096 | 85,045,410 |
| MINORITY INTERESTS | | 4,030 | |
| STOCKHOLDERS' EQUITY: | | | |
| Capital stock | | 214,944 | |
| Capital surplus | | 176,563 | |
| Retained earnings | | 161,437 | |
| Land revaluation surplus | | 31,993 | |
| Net unrealized gain on available-for-sale securities | | 37,436 | |
| Treasury stock | | (680) | |
| Total stockholders' equity | | 621,694 | |
| NET ASSETS: | | | |
| Stockholders' equity: | | | |
| Capital stock | 215,305 | | 1,826,482 |
| Capital surplus | 176,925 | | 1,500,891 |
| Retained earnings | 208,573 | | 1,769,372 |
| Treasury stock | (6,564) | | (55,687) |
| Valuation and translation adjustments: | | | |
| Net unrealized gain on available-for-sale securities | 49,989 | | 424,071 |
| Net deferred loss on hedging instruments | (79) | | (674) |
| Land revaluation surplus | 32,507 | | 275,767 |
| Minority interests | 44,936 | | 381,203 |
| Total net assets | 721,593 | | 6,121,425 |
| TOTAL | ¥ 10,746,746 | ¥ 10,461,821 | \$ 91,166,835 |

Note: The amounts are presented in millions of yen and are rounded down to the nearest million.

Note: U.S.dollar amounts are translated, for convenience only, at the rate of ¥117.88 = \$1.00, as of Sept.30, 2006.

Note: The amounts are presented in thousands of dollars and are rounded to the nearest thousands.

2.Consolidated Interim Statements of Income (Unaudited)

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Six months ended September 30, 2006 and 2005

| | Millions of yen | | Thousands of U.S.dollars |
|--|-----------------|-----------------|--------------------------|
| | 2006 | 2005 | 2006 |
| INCOME: | | | |
| Interest income: | | | |
| Interest on loans and discounts | ¥ 77,433 | ¥ 76,505 | \$ 656,888 |
| Interest and dividends on securities | 6,615 | 5,786 | 56,119 |
| Other interest income | 3,520 | 2,495 | 29,867 |
| Fees and commissions | 23,887 | 23,654 | 202,644 |
| Trading profits | 407 | 171 | 3,457 |
| Other operating income | 4,746 | 5,804 | 40,268 |
| Other income | 11,749 | 5,512 | 99,670 |
| Total income | 128,361 | 119,930 | 1,088,913 |
| EXPENSES: | | | |
| Interest expenses: | | | |
| Interest on deposits | 4,214 | 1,873 | 35,756 |
| Other interest expenses | 1,803 | 1,500 | 15,298 |
| Fees and commissions | 3,321 | 2,525 | 28,175 |
| Trading losses | 39 | | 335 |
| Other operating expenses | 514 | 3,625 | 4,365 |
| General and administrative expenses | 46,435 | 44,668 | 393,920 |
| Other expenses | 18,238 | 16,720 | 154,724 |
| Total expenses | 74,567 | 70,913 | 632,573 |
| INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS | 53,793 | 49,017 | 456,340 |
| INCOME TAXES: | | | |
| Current | 19,141 | 10,456 | 162,378 |
| Deferred | 2,513 | 8,943 | 21,325 |
| Total income taxes | 21,654 | 19,399 | 183,703 |
| MINORITY INTERESTS | 804 | 478 | 6,829 |
| INTERIM NET INCOME | ¥ 31,333 | ¥ 29,139 | \$ 265,808 |

Note: The amounts are presented in millions of yen and are rounded down to the nearest million.

Note: U.S.dollar amounts are translated,for convenience only, at the rate of ¥117.88 = \$1.00, as of Sept.30, 2006.

Note: The amounts are presented in thousands of dollars and are rounded to the nearest thousands.

3.Consolidated Interim Statements of Changes in Net Assets (Unaudited)

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries

Six months ended September 30, 2006

Millions of yen

| | Stockholders' equity | | | | Valuation and translation adjustments | | | Minority interests |
|--|----------------------|-----------------|-------------------|----------------|--|--|--------------------------|--------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury stock | Net unrealized gain on available-for-sale securities | Net deferred loss on hedging instruments | Land revaluation surplus | |
| BALANCE, MARCH 31, 2006 | ¥215,179 | ¥176,798 | ¥189,923 | ¥(471) | ¥66,396 | | ¥32,516 | ¥44,557 |
| Interim net income | | | 31,333 | | | | | |
| Cash dividends | | | (12,643) | | | | | |
| Bonus to directors and corporate auditors | | | (48) | | | | | |
| Reversal of land revaluation surplus | | | 8 | | | | | |
| Repurchase of treasury stock | | | | (6,098) | | | | |
| Disposal of treasury stock | | | | 5 | | | | |
| Exercise of warrants | 126 | 126 | | | | | | |
| Net changes of items other than stockholders' equity | | | | | (16,407) | (79) | (8) | 378 |
| BALANCE, SEPTEMBER 30, 2006 | ¥215,305 | ¥176,925 | ¥208,573 | ¥(6,564) | ¥49,989 | ¥(79) | ¥32,507 | ¥44,936 |

Thousands of U.S.dollars

| | Stockholders' equity | | | | Valuation and translation adjustments | | | Minority interests |
|--|----------------------|-----------------|-------------------|----------------|--|--|--------------------------|--------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury stock | Net unrealized gain on available-for-sale securities | Net deferred loss on hedging instruments | Land revaluation surplus | |
| BALANCE, MARCH 31, 2006 | \$1,825,408 | \$1,499,819 | \$1,611,159 | \$(4,000) | \$563,259 | | \$275,840 | \$377,989 |
| Interim net income | | | 265,808 | | | | | |
| Cash dividends | | | (107,253) | | | | | |
| Bonus to directors and corporate auditors | | | (415) | | | | | |
| Reversal of land revaluation surplus | | | 73 | | | | | |
| Repurchase of treasury stock | | | | (51,733) | | | | |
| Disposal of treasury stock | | (1) | | 46 | | | | |
| Exercise of warrants | 1,074 | 1,073 | | | | | | |
| Net changes of items other than stockholders' equity | | | | | (139,188) | (674) | (73) | 3,214 |
| BALANCE, SEPTEMBER 30, 2006 | \$1,826,482 | \$1,500,891 | \$1,769,372 | \$(55,687) | \$424,071 | \$(674) | \$275,767 | \$381,203 |

Note: The amounts are presented in millions of yen and are rounded down to the nearest million.

Note: U.S.dollar amounts are translated, for convenience only, at the rate of ¥117.88 = \$1.00, as of Sept.30, 2006.

Note: The amounts are presented in thousands of dollars and are rounded to the nearest thousands.

Note: Appropriation of retained earnings are approved at the ordinary general meeting of shareholders in June 2006.

4.Consolidated Interim Statements of Cash Flows (Unaudited)

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Six months ended September 30, 2006 and 2005

| | Millions of yen | | Thousands of U.S.dollars |
|--|------------------|------------------|--------------------------|
| | 2006 | 2005 | 2006 |
| OPERATING ACTIVITIES: | | | |
| Income before income taxes and minority interests | ¥ 53,793 | ¥ 49,017 | \$ 456,340 |
| Depreciation | 4,470 | 4,348 | 37,924 |
| Loss on impairment of long-lived assets | 24 | 105 | 211 |
| Amortization of goodwill | 117 | 117 | 996 |
| Equity in earnings of associated companies | (282) | (200) | (2,394) |
| Decrease in allowance for possible loan losses | (4,927) | (13,596) | (41,802) |
| Increase (Decrease) in liability for employees' retirement benefits | (33) | 9 | (281) |
| Interest income | (87,569) | (84,787) | (742,874) |
| Interest expenses | 6,018 | 3,374 | 51,054 |
| Losses (gains) on sales, write-down and redemption of securities - net | (9,753) | 2,221 | (82,738) |
| Foreign exchange gains - net | (229) | (1,956) | (1,951) |
| Losses on disposal of fixed assets - net | 352 | 122 | 2,989 |
| Net (increase) decrease in trading assets | (40,914) | 22,545 | (347,085) |
| Net decrease in trading liabilities | (2,227) | (4) | (18,898) |
| Net increase in loans | (8,302) | (60,478) | (70,434) |
| Net decrease in deposits | (102,207) | (117,686) | (867,044) |
| Net decrease in other borrowings | (996) | (29) | (8,452) |
| Net (increase) decrease in due from banks (excluding deposits at BOJ) | (10,906) | 4,296 | (92,523) |
| Net decrease (increase) in call loans and others | 29,175 | (50,534) | 247,499 |
| Net increase (decrease) in call money and others | 20,743 | (167,813) | 175,973 |
| Net decrease in foreign exchange (assets) | 1,266 | 761 | 10,741 |
| Net increase in foreign exchange (liabilities) | 89 | | 762 |
| Interest and dividends received | 84,932 | 88,567 | 720,496 |
| Interest paid | (4,677) | (3,246) | (39,681) |
| Other - net | 86,487 | 66,342 | 733,692 |
| Subtotal | 14,442 | (258,504) | 122,520 |
| Income tax paid | (15,412) | (11,774) | (130,744) |
| Net cash used in operating activities | (969) | (270,279) | (8,224) |
| INVESTING ACTIVITIES: | | | |
| Purchases of securities | (346,908) | (631,957) | (2,942,897) |
| Proceeds from sales of securities | 204,784 | 293,351 | 1,737,227 |
| Proceeds from maturities of securities | 242,052 | 524,120 | 2,053,384 |
| Expenditures for premises and equipment | | (1,012) | |
| Expenditures for tangible fixed assets | (3,252) | | (27,594) |
| Expenditures for intangible fixed assets | (3,466) | | (29,403) |
| Proceeds from sales of premises and equipment | | 1,076 | |
| Other - net | (131) | | (1,112) |
| Net cash provided by investing activities | 93,078 | 185,577 | 789,605 |
| FINANCING ACTIVITIES: | | | |
| Repayments of subordinated bonds | (25,000) | (20,000) | (212,080) |
| Issuance of common stock | 253 | 163 | 2,147 |
| Dividends paid | (12,643) | (11,994) | (107,253) |
| Dividends paid to minority interests stockholders | (399) | (5) | (3,390) |
| Purchase of treasury stock | (6,098) | (3,691) | (51,733) |
| Proceeds from sales of treasury stock | 5 | 5 | 45 |
| Net cash used in financing activities | (43,882) | (35,521) | (372,264) |
| FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS | (5) | (18) | (48) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 48,221 | (120,241) | 409,069 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF TERM | 256,402 | 543,900 | 2,175,112 |
| CASH AND CASH EQUIVALENTS, END OF INTERIM TERM | ¥ 304,623 | ¥ 423,658 | \$ 2,584,181 |

Note: The amounts are presented in millions of yen and are rounded down to the nearest million.

Note: U.S.dollar amounts are translated, for convenience only, at the rate of ¥117.88 = \$1.00, as of Sept.30, 2006.

Note: The amounts are presented in thousands of dollars and are rounded to the nearest thousands.

Non-Consolidated Interim Financial Statements

1.Non-Consolidated Interim Balance Sheets (Unaudited)

The Bank of Yokohama, Ltd.
September 30, 2006 and 2005

| | Millions of yen | | Thousands of U.S.dollars |
|---|---------------------|---------------------|--------------------------|
| | 2006 | 2005 | 2006 |
| ASSETS: | | | |
| Cash and due from banks | ¥ 364,971 | ¥ 441,876 | \$ 3,096,127 |
| Call loans and bills purchased | | 100,464 | |
| Other debt purchased | 295,390 | 237,114 | 2,505,862 |
| Trading assets | 69,301 | 28,380 | 587,896 |
| Securities | 1,307,060 | 1,263,018 | 11,088,059 |
| Loans and bills discounted | 8,133,184 | 7,850,550 | 68,995,455 |
| Foreign exchange assets | 4,058 | 5,500 | 34,427 |
| Other assets | 105,224 | 94,279 | 892,637 |
| Premises and equipment | | 141,934 | |
| Tangible fixed assets | 135,873 | | 1,152,645 |
| Intangible fixed assets | 12,545 | | 106,425 |
| Deferred tax assets | 1,725 | 25,996 | 14,636 |
| Customers' liabilities for acceptances and guarantees | 119,386 | 130,317 | 1,012,777 |
| Allowance for possible loan losses | (49,740) | (53,923) | (421,958) |
| TOTAL | ¥ 10,498,980 | ¥ 10,265,509 | \$ 89,064,988 |

| | Millions of yen | | Thousands of U.S.dollars |
|---|---------------------|---------------------|--------------------------|
| | 2006 | 2005 | 2006 |
| LIABILITIES: | | | |
| Deposits | ¥ 9,375,975 | ¥ 9,206,201 | \$ 79,538,303 |
| Call money and bills sold | 21,037 | 373 | 178,464 |
| Trading liabilities | 2,896 | 2,160 | 24,573 |
| Borrowed money | 57,363 | 34,409 | 486,622 |
| Foreign exchange liabilities | 188 | 60 | 1,602 |
| Bonds and notes | 40,000 | 65,000 | 339,328 |
| Other liabilities | 182,517 | 182,123 | 1,548,334 |
| Deferred tax liabilities for land revaluation surplus | 22,730 | 22,736 | 192,827 |
| Acceptances and guarantees | 119,386 | 130,317 | 1,012,777 |
| Total liabilities | 9,822,095 | 9,643,383 | 83,322,830 |
| STOCKHOLDERS' EQUITY: | | | |
| Capital stock | | 214,944 | |
| Capital surplus: | | | |
| Additional paid-in capital | | 176,560 | |
| Other capital surplus | | 3 | |
| Retained earnings: | | | |
| Legal reserve | | 38,383 | |
| Unappropriated | | 123,705 | |
| Land revaluation surplus | | 31,993 | |
| Net unrealized gain on available-for-sale securities | | 37,217 | |
| Treasury stock | | (680) | |
| Total stockholders' equity | | 622,126 | |
| NET ASSETS: | | | |
| Stockholders' equity: | | | |
| Capital stock | 215,305 | | 1,826,482 |
| Capital surplus: | | | |
| Additional paid-in capital | 176,921 | | 1,500,864 |
| Other capital surplus | 3 | | 27 |
| Retained earnings: | | | |
| Legal reserve | 38,383 | | 325,618 |
| Other retained earnings | 170,719 | | 1,448,244 |
| Treasury stock | (6,564) | | (55,687) |
| Valuation and translation adjustments: | | | |
| Net unrealized gain on available-for-sale securities | 49,688 | | 421,517 |
| Net deferred loss on hedging instruments | (79) | | (674) |
| Land revaluation surplus | 32,507 | | 275,767 |
| Total net assets | 676,885 | | 5,742,158 |
| TOTAL | ¥ 10,498,980 | ¥ 10,265,509 | \$ 89,064,988 |

Note: The amounts are presented in millions of yen and are rounded down to the nearest million.

Note: U.S.dollar amounts are translated,for convenience only, at the rate of ¥117.88 = \$1.00, as of Sept.30, 2006.

Note: The amounts are presented in thousands of dollars and are rounded to the nearest thousands.

2.Non-Consolidated Interim Statements of Income (Unaudited)

The Bank of Yokohama, Ltd.

Six months ended September 30, 2006 and 2005

| | Millions of yen | | Thousands of U.S.dollars |
|--------------------------------------|-----------------|-----------------|--------------------------|
| | 2006 | 2005 | 2006 |
| INCOME: | | | |
| Interest income: | | | |
| Interest on loans and discounts | ¥ 77,397 | ¥ 76,434 | \$ 656,577 |
| Interest and dividends on securities | 6,614 | 5,758 | 56,110 |
| Other interest income | 3,520 | 2,495 | 29,867 |
| Fees and commissions | 22,404 | 22,223 | 190,066 |
| Trading profits | 407 | 171 | 3,457 |
| Other operating income | 3,885 | 5,070 | 32,965 |
| Other income | 10,509 | 4,756 | 89,153 |
| Total income | 124,740 | 116,910 | 1,058,195 |
| EXPENSES: | | | |
| Interest expenses: | | | |
| Interest on deposits | 4,216 | 1,874 | 35,772 |
| Other interest expenses | 2,410 | 1,500 | 20,445 |
| Fees and commissions | 5,120 | 4,229 | 43,437 |
| Trading losses | 39 | | 335 |
| Other operating expenses | 239 | 3,190 | 2,035 |
| General and administrative expenses | 45,476 | 43,857 | 385,787 |
| Other expenses | 15,422 | 14,593 | 130,830 |
| Total expenses | 72,925 | 69,246 | 618,641 |
| INCOME BEFORE INCOME TAXES | 51,814 | 47,663 | 439,554 |
| INCOME TAXES: | | | |
| Current | 18,492 | 10,225 | 156,872 |
| Deferred | 2,028 | 8,814 | 17,209 |
| Total income taxes | 20,520 | 19,039 | 174,081 |
| INTERIM NET INCOME | ¥ 31,294 | ¥ 28,623 | \$ 265,473 |

Note: The amounts are presented in millions of yen and are rounded down to the nearest million.

Note: U.S.dollar amounts are translated, for convenience only, at the rate of ¥117.88 = \$1.00, as of Sept.30, 2006.

Note: The amounts are presented in thousands of dollars and are rounded to the nearest thousands.

3.Non-Consolidated Interim Statements of Changes in Net Assets (Unaudited)

The Bank of Yokohama, Ltd.

Six months ended September 30, 2006

Millions of yen

| | Stockholders' equity | | | | | | Valuation and translation adjustments | | |
|--|----------------------|----------------------------|-----------------------|-------------------|-------------------------|----------------|--|--|--------------------------|
| | Capital stock | Capital surplus | | Retained earnings | | Treasury stock | Net unrealized gain on available-for-sale securities | Net deferred loss on hedging instruments | Land revaluation surplus |
| | | Additional paid-in capital | Other capital surplus | Legal reserve | Other retained earnings | | | | |
| BALANCE, MARCH 31, 2006 | ¥215,179 | ¥176,795 | ¥3 | ¥38,383 | ¥152,108 | ¥(471) | ¥66,030 | | ¥32,516 |
| Interim net income | | | | | 31,294 | | | | |
| Cash dividends | | | | | (12,643) | | | | |
| Bonus to directors and corporate auditors | | | | | (48) | | | | |
| Transfer to legal reserve | | | | | | | | | |
| Reversal of land revaluation surplus | | | | | 8 | | | | |
| Repurchase of treasury stock | | | | | | (6,098) | | | |
| Disposal of treasury stock | | | | | | 5 | | | |
| Exercise of warrants | 126 | 126 | | | | | | | |
| Net changes of items other than stockholders' equity | | | | | | | (16,341) | (79) | (8) |
| BALANCE, SEPTEMBER 30, 2006 | ¥215,305 | ¥176,921 | ¥3 | ¥38,383 | ¥170,719 | ¥(6,564) | ¥49,688 | ¥(79) | ¥32,507 |

Thousands of U.S.dollars

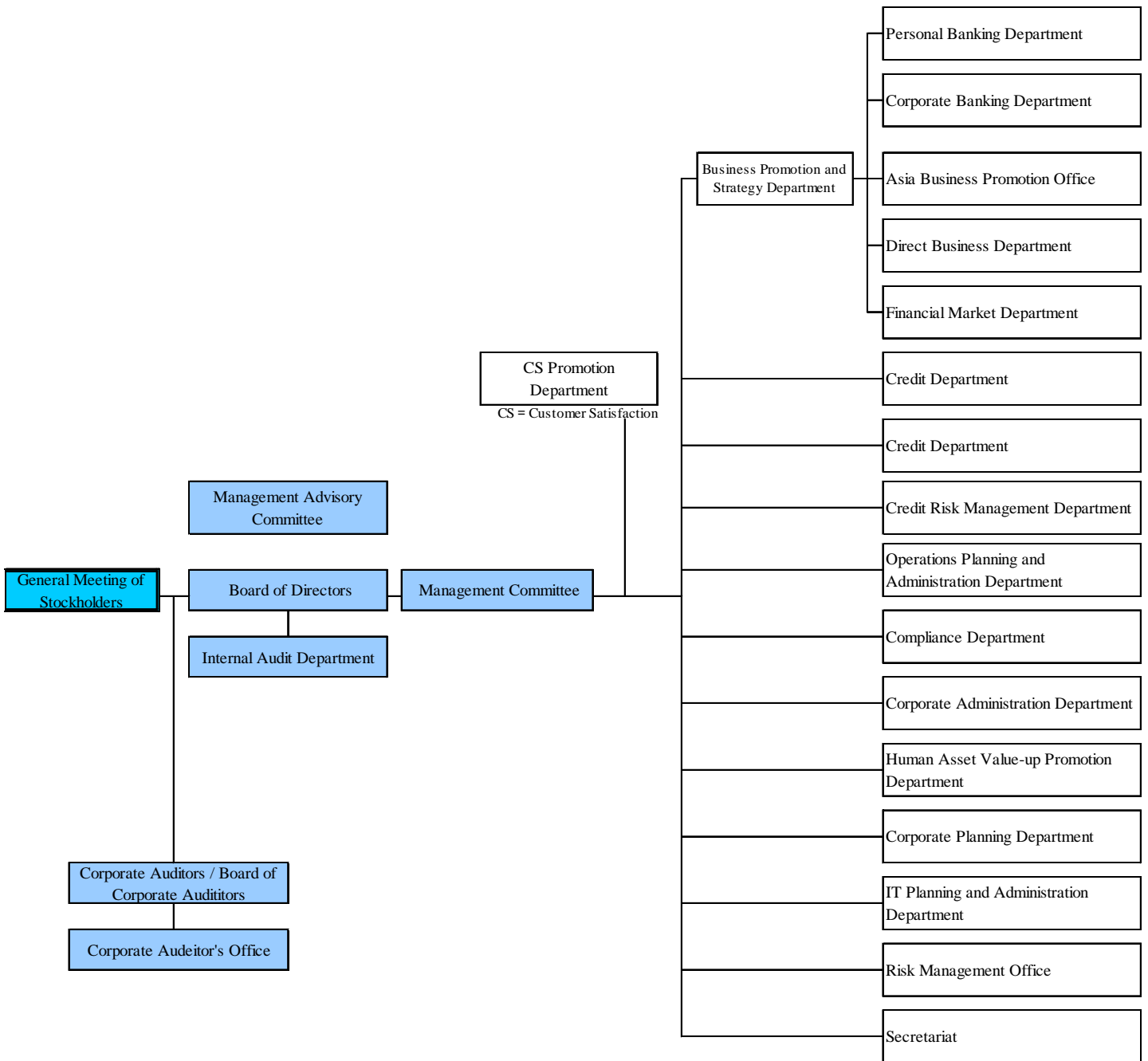
| | Stockholders' equity | | | | | | Valuation and translation adjustments | | |
|--|----------------------|----------------------------|-----------------------|-------------------|-------------------------|----------------|--|--|--------------------------|
| | Capital stock | Capital surplus | | Retained earnings | | Treasury stock | Net unrealized gain on available-for-sale securities | Net deferred loss on hedging instruments | Land revaluation surplus |
| | | Additional paid-in capital | Other capital surplus | Legal reserve | Other retained earnings | | | | |
| BALANCE, MARCH 31, 2006 | \$1,825,408 | \$1,499,791 | \$28 | \$325,614 | \$1,290,370 | \$(4,000) | \$560,148 | | \$275,840 |
| Interim net income | | | | | 265,473 | | | | |
| Cash dividends | | | | | (107,253) | | | | |
| Bonus to directors and corporate auditors | | | | | (415) | | | | |
| Transfer to legal reserve | | | | 4 | (4) | | | | |
| Reversal of land revaluation surplus | | | | | 73 | | | | |
| Repurchase of treasury stock | | | | | | (51,733) | | | |
| Disposal of treasury stock | | | (1) | | | 46 | | | |
| Exercise of warrants | 1,074 | 1,073 | | | | | | | |
| Net changes of items other than stockholders' equity | | | | | | | (138,631) | (674) | (73) |
| BALANCE, SEPTEMBER 30, 2006 | \$1,826,482 | \$1,500,864 | \$27 | \$325,618 | \$1,448,244 | \$(55,687) | \$421,517 | \$(674) | \$275,767 |

Note: The amounts are presented in millions of yen and are rounded down to the nearest million.

Note: U.S.dollar amounts are translated, for convenience only, at the rate of ¥117.88 = \$1.00, as of Sept.30, 2006.

Note: The amounts are presented in thousands of dollars and are rounded to the nearest thousands.

Note: Appropriation of retained earnings are approved at the ordinary general meeting of shareholders in June 2006.



Directors, Executive Officers and Corporate Auditors As of June 28, 2006

Chairman

Sadaaki Hirasawa

President

Tadashi Ogawa

Deputy President

(Representative Director)

Hiroshi Hayakawa

Management Section

**Representative Director
(Head of Administration)**

Yoshio Ota

Director and Executive Officer

Masaki Ito

Executive Officer

Seiichi Yoneda

Marketing Section

**Representative Director
(Head of Business Promotion)**

Chiyuki Okubo

Director and Managing Executive Officer

Toshiyuki Mimura

Managing Executive Officers

Soichi Ushijima

Yasuhiko Teramura

Executive Officers

Tetsunobu Ikeda

Ryuichi Kaneko

Masayuki Ishii

Takashi Yoshikawa

Hideya Shimoyama

Toshio Aoi

Takashi Noguchi

Takashi Matsuda

Corporate Auditors

Kazutaka Tsumura

Jun Okura

Shinsuke Kobayashi

Masahiro Hoshino

International Network As of September 30, 2006

JAPAN

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Tel :81(3)3272-4171

ASIA

Hong Kong

Representative Office
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People 's Republic of China

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Shanghai

Representative Office

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Chief Representative

Hironori Nakajima

NORTH AMERICA

New York

Representative Office

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Tel :1 (212)750- 0022

Fax :1 (212)750- 8008

Chief Representative

Harumichi Oishi

EUROPE

London

Representative Office

40 Basinghall Street,
London EC2V 5DE, U.K.

Tel :44 (20)7628- 9973

Fax :44 (20)7638- 1886

Chief Representative

Takeshi Watanabe

Date of Establishment

December 16, 1920

Number of Stockholders

30,319

(Incomplete stock units are not included)

Number of Branches and Offices

199

Domestic: 195

Overseas: 4

Stock Listing

First Section of the Tokyo Stock Exchange

Number of Employees

3,602

Paid-in Capital

¥215,305 million

Capital Adequacy Ratio(Consolidated)

10.45%

Major Stockholders

| | Number of stocks held (thousand) | Voting rights (%) |
|--|-------------------------------------|----------------------|
| Japan Trustee Services Bank, Ltd. | 75,286 | 5.35 |
| The Master Trust Bank of Japan, Ltd. | 64,922 | 4.61 |
| State Street Bank and Trust Company | 51,457 | 3.66 |
| Meiji Yasuda Life Insurance Company | 36,494 | 2.59 |
| The Dai-ichi Mutual life Insurance Company | 36,494 | 2.59 |
| 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 | 2.59 |
| State Street Bank and Trust Company 505103 | 30,406 | 2.16 |
| Nippon Life Insurance Company | 26,710 | 1.89 |
| The Chase Manhattan Bank,N.A. London SEC8 Lending Omnibus Account | 21,997 | 1.56 |
| Mitsubishi UFJ Trust and Banking Corporation | 16,059 | 1.14 |

THE BANK OF YOKOHAMA, LTD

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