



Bank of Yokohama

Investor Presentation

~ Financial Results for 1st Quarter of FY14~

August, 2014

The Bank of Yokohama, Ltd.

1. Summary of FY14-1Q Income Statement

- FY14-1Q Net income (Non-consolidated basis): JPY15.4Bn nearly flat from FY13-1Q
- FY14-1Q Net income (Consolidated basis): JPY15.3Bn nearly flat from FY13-1Q

〈Non-consolidated basis〉

(JPY Bn)

	FY13-1Q	FY14-1Q	Change	FY14 Forecast
				(Announced on May 12th)
Gross Operating Income	53.0	50.4	- 2.6	206.0
of which, interest income from domestic operations	39.4	38.0	- 1.4	155.2
of which, fees & commissions from domestic operations	10.4	10.2	- 0.2	40.9
of which, trading income from domestic operations	- 0.0	0.0	+ 0.0	0.4
of which, other ordinary income from domestic operations	2.5	1.0	- 1.5	5.4
of which, gross operating income from international operations	0.6	0.9	+ 0.3	3.8
Expenses (-)	24.1	25.0	+ 0.9	102.0
(Reference) OHR(%)	45.5%	49.7%	+ 4.2%	49.5%
Core net business profit	28.9	25.3	- 3.6	104.0
Provision of allowance for general loan losses (-)	0.4	- 0.0	- 0.4	-
Net business profit	28.4	25.4	- 3.0	-
Non-recurring gains (losses)	- 3.8	- 2.2	+ 1.6	-
of which, disposal of bad debts (-)	2.2	1.5	- 0.7	-
of which, gains or losses on stocks & other securities	0.7	0.0	- 0.7	-
Ordinary profit	24.5	23.1	- 1.4	94.0
Net income	15.5	15.4	- 0.1	61.0
Credit costs (-)	2.7	1.4	- 1.3	8.0

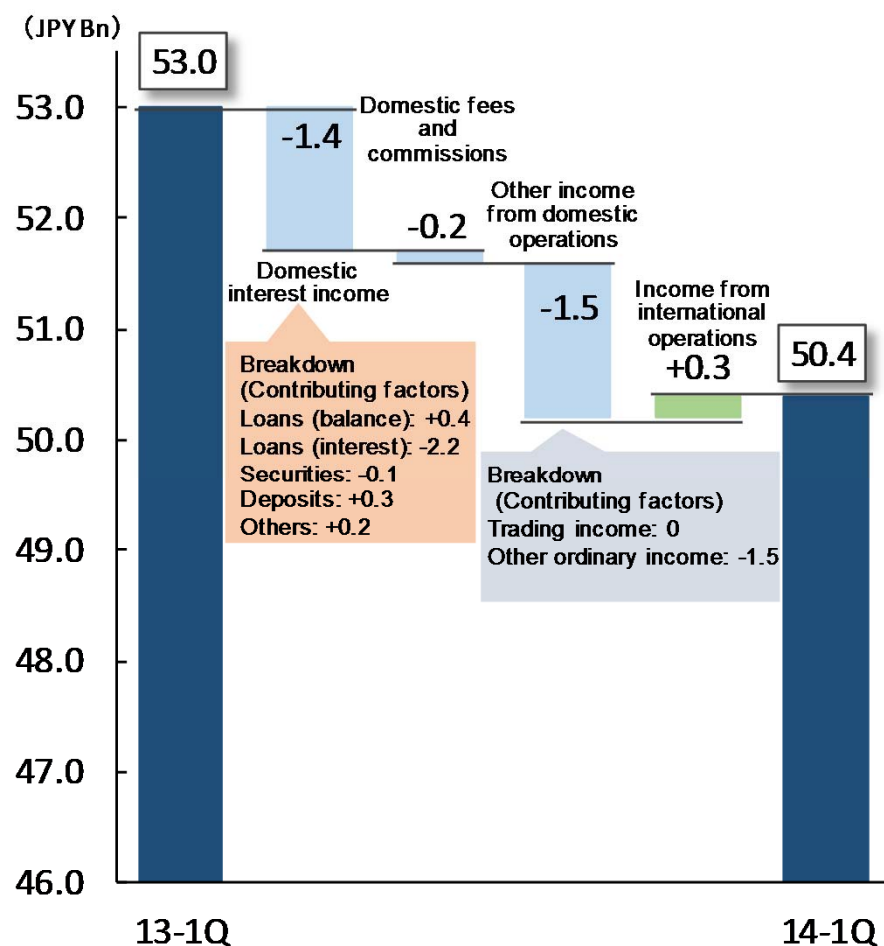
〈Consolidated basis〉

Ordinary profit	25.9	24.7	- 1.2	102.0
Net income	15.4	15.3	- 0.1	63.0

2. Gross Operating Income & Expenses

- FY14-1Q Gross Operating Income: Decreased by JPY2.6Bn from FY13-1Q
- FY14-1Q Expenses: Increased by JPY0.9Bn from FY13-1Q
- Due to the decrease in gross operating income and increase in expenses, OHR of FY14-1Q was 49.7%, in the range of the medium term management plan target – high 40s%.

Breakdown of Gross Operating Income



Breakdown of Expenses

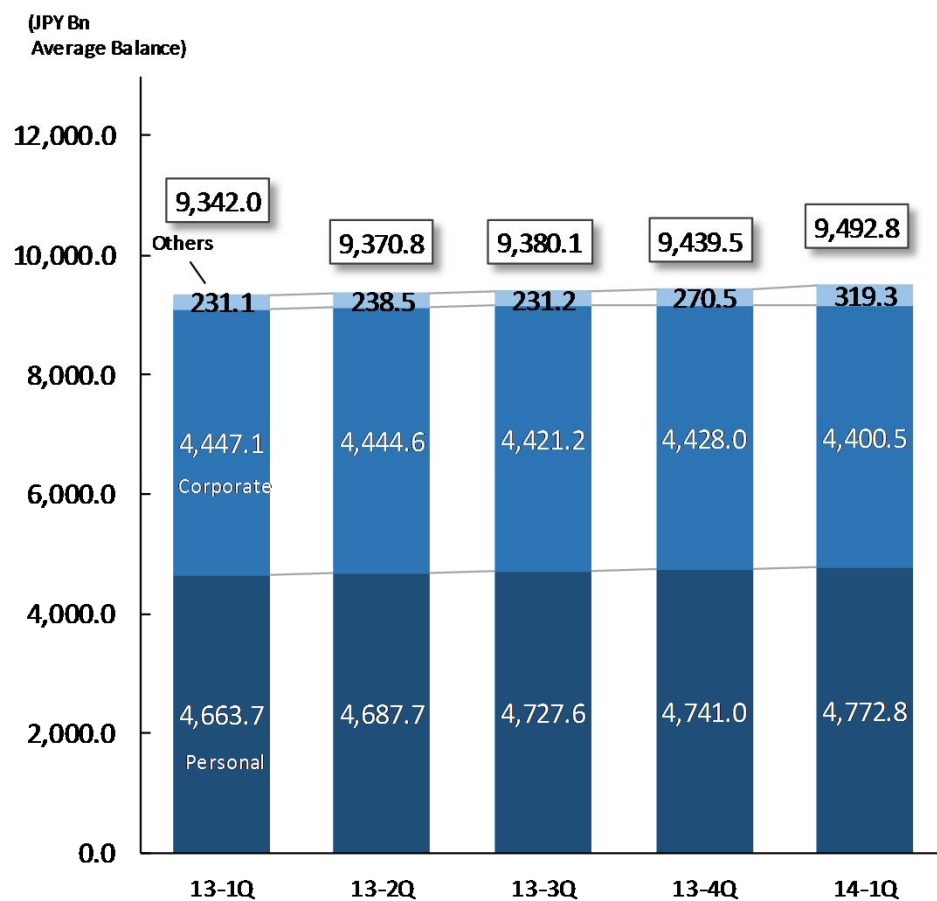
(JPY Bn)

	FY14-1Q	Change from FY13-1Q	Factors
Personnel	10.9	+ 1.0	• Increase in bonuses
Non-Personnel	12.5	- 0.2	+0.5 Transfer dispatched staff to regular employment
Taxes	1.5	+ 0.2	• Increase in consumption tax
Total	25.0	+ 0.9	

3. Loans & Deposits

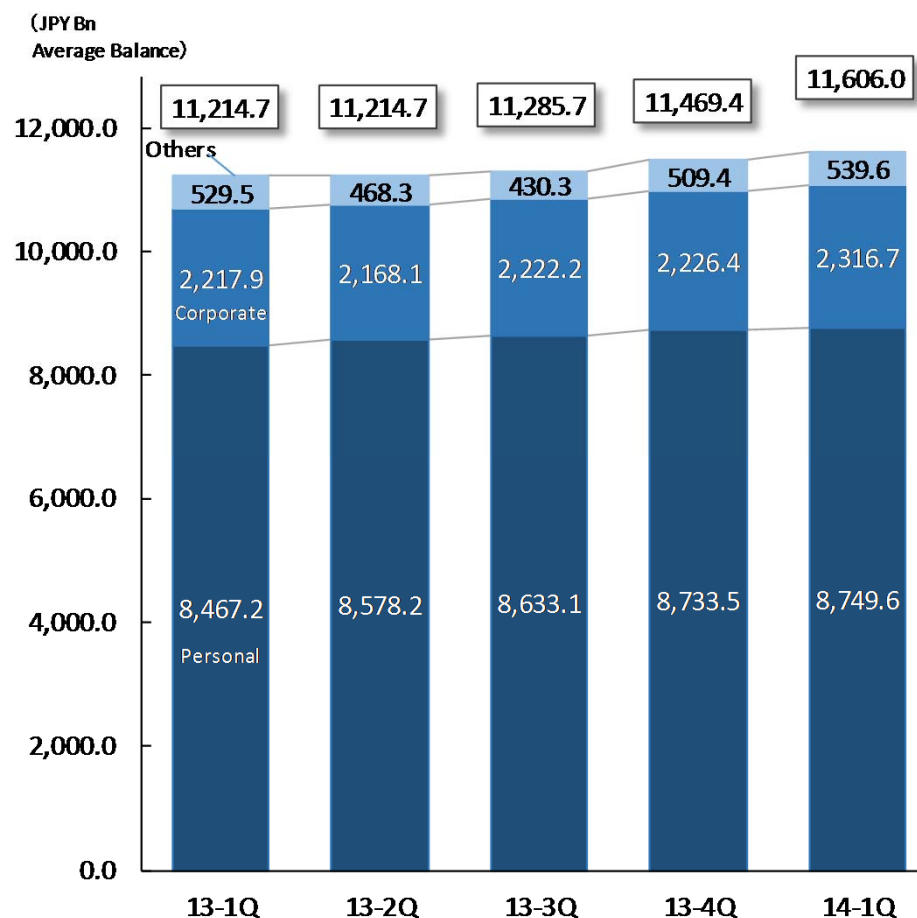
- FY14-1Q average balance of loans: Increased by 1.6% from FY13-1Q – Personal +2.3%; Corporate -1.0%
- FY14-1Q average balance of deposits: Increased by 3.4% from FY13-1Q – Personal +3.3%; Corporate +4.4%

Total Average Balance of Loans



(Note 1) Domestic branches
 (Note 2) Others = Local Public + Public related sectors

Total Average Balance of Deposits

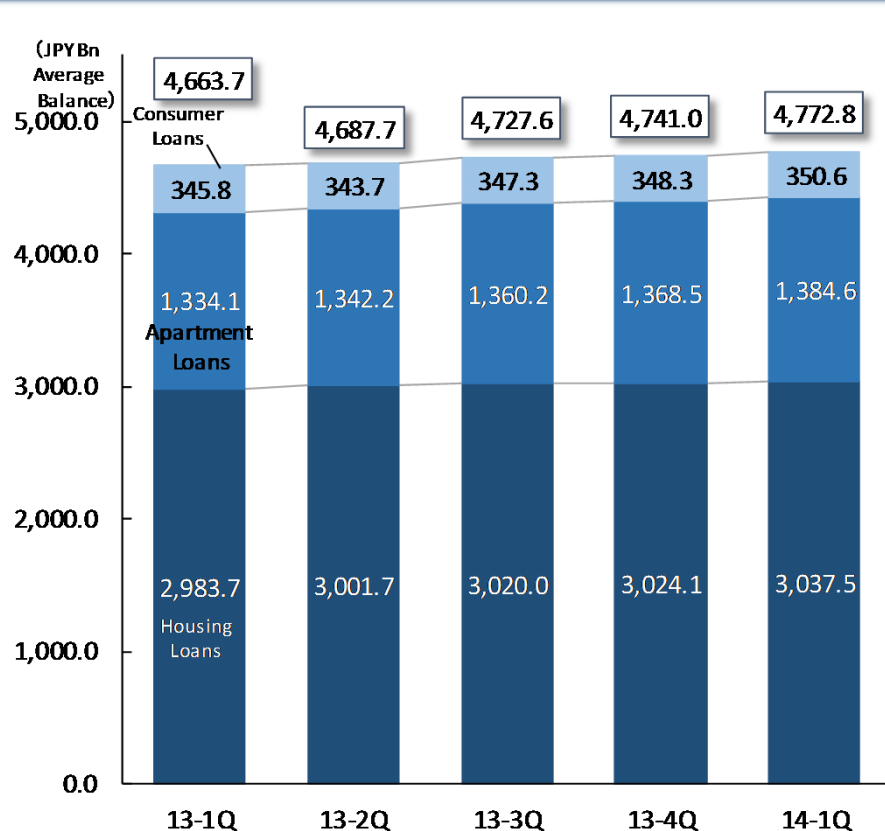


(Note 1) Domestic branches
 (Note 2) Others = Local Public + Financial Institutions

4. Personal and Corporate & Other Loans

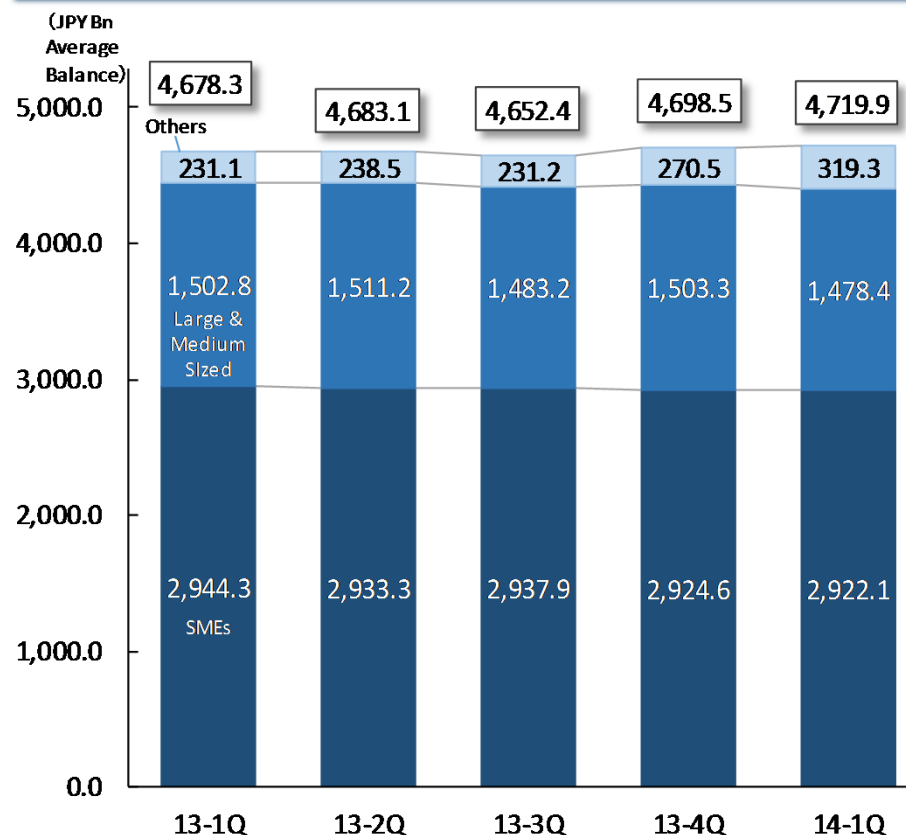
- Change of FY14-1Q Personal loans from FY13-1Q: Housing loans +1.8%; Apartment Loans +3.7%; Consumer Loans +1.3%
- Change of FY14-1Q Corporate loans from FY13-1Q: SMEs except for quasi-public sector companies increased by JPY43.6Bn (+1.5%) from FY13-1Q regardless of the decrease in the total corporate loans.
- Change of FY14-1Q Overseas branch loans from FY13-1Q: Increased by JPY2.9Bn (+26.8%)

Personal Loans



(Note) "Apartment Loans" are the loans to the landowners who build leasing properties.

Corporate & Other Loans



(Note 1) Domestic branches

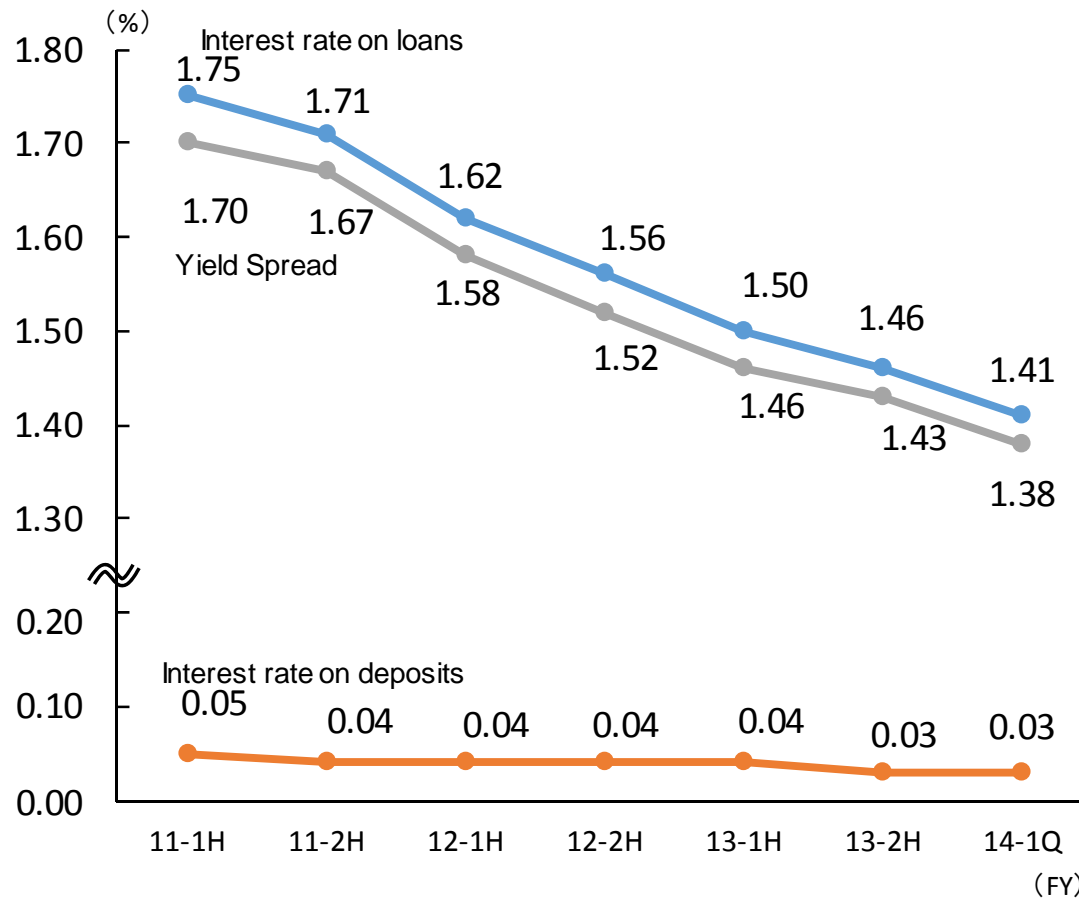
(Note 2) Others = Local Public + Public related sectors

(Note 3) SMEs = SMEs + Quasi-public sector companies

5. Loans & Deposits Yield - Domestic Operations

■ FY14-1Q interest rate on loans: 1.41%; Yield spread between loans and deposits: 1.38%

Loans & Deposits Yield



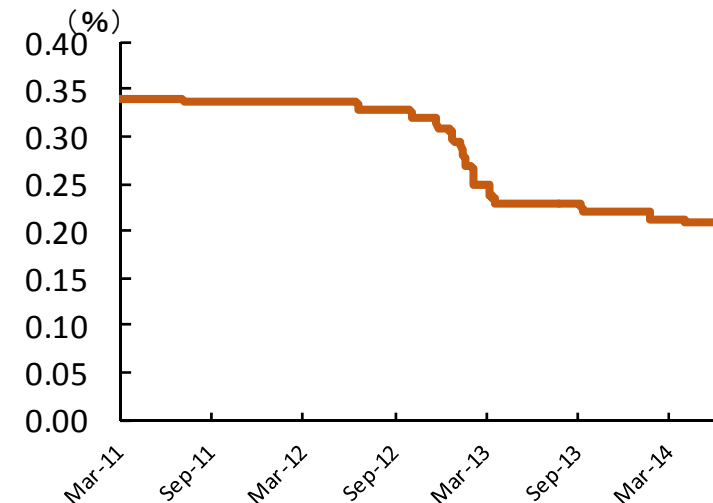
(Note 1) 11-1H to 13-2H: Semi-annually

(Note 2) 14-1Q: Quarterly

Loans & Deposits Yield (FY)

	FY11	FY12	FY13	FY14 Forecast
Interest rate on loans	1.73	1.59	1.48	1.42
Yield Spread	1.68	1.55	1.44	1.38
Interest rate on deposits	0.05	0.04	0.04	0.04

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6. Securities Portfolio

- Regarding the securities of June 2014, the government bonds temporarily increased due to the flexible investment operations, thereby extending the domestic bonds duration.

Total of Held-to-Maturities & Available-for-Sales

	Mar-13	Mar-14	Jun-14	Unrealized gains(losses)	
				Change from Mar-14	Change from Mar-14
Total	2,226.9	2,050.2	2,252.1	+ 201.9	+ 12.1
Bonds	1,848.3	1,581.4	1,748.1	+ 166.7	20.5
Government bonds	870.7	543.2	740.2	+ 197.0	6.4
Local bonds	231.1	256.9	271.0	+ 14.1	2.9
Corporate bonds	746.3	781.2	736.7	- 44.5	11.1
Government guaranteed bonds	433.1	453.0	419.0	- 34.0	
Bank bonds	51.2	90.5	101.7	+ 11.2	
Industrial bonds	100.1	76.9	54.6	- 22.3	
Equity securities	187.4	186.0	194.6	+ 8.6	73.3
Others	191.2	282.8	309.3	+ 26.5	11.5
Domestic Investment trusts	90.9	123.5	146.6	+ 23.1	
Foreign bonds	92.4	152.1	160.7	+ 8.6	
Foreign equity securities	1.0	1.0	1.0	0.0	
Others	6.7	6.0	1.0	- 5.0	

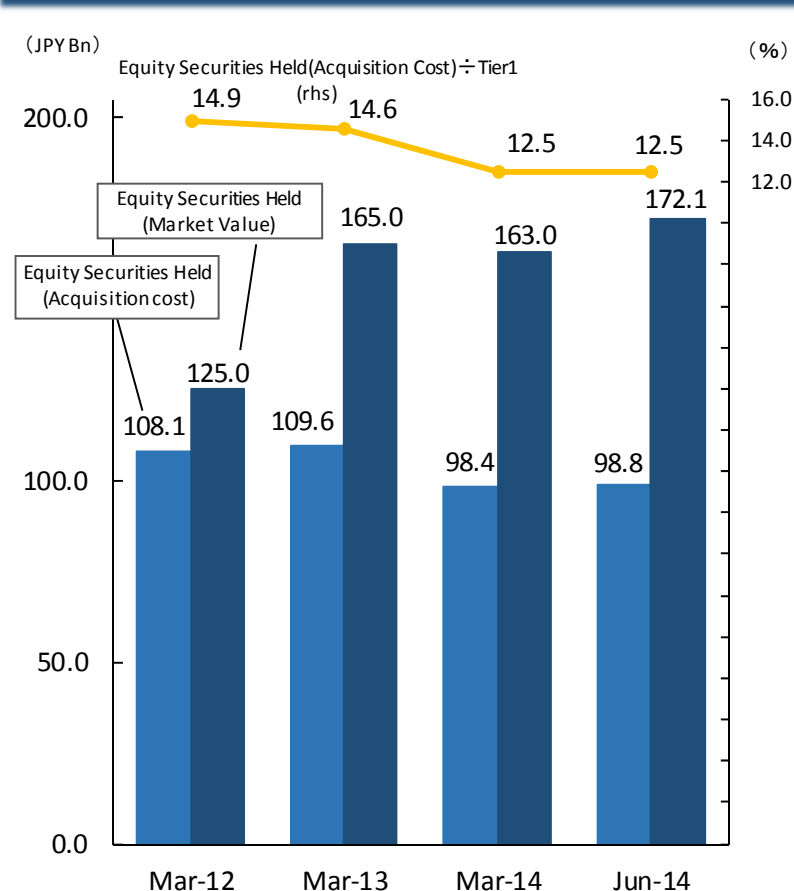
【Duration】

	Mar-13	Mar-14	Jun-14
Domestic Bonds	2.8	2.2	2.9
Foreign Bonds	2.9	2.3	2.2

(Note 1) The duration above is that of "Available-for-Sales."

(Note 2) Domestic bonds duration of June 2014 was affected by Buy-Write operations.

Equity Securities Held for Customer Relationships

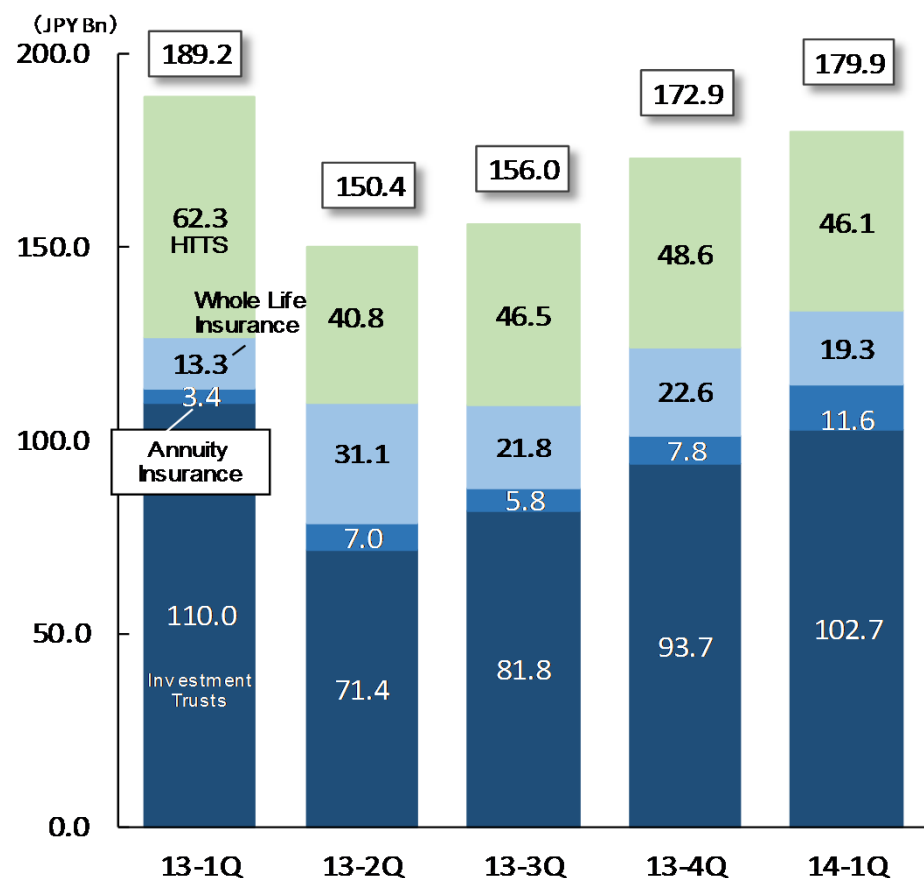


[Ref] Tier 1	725.9	746.9	783.2	788.0
				(JPY Bn)

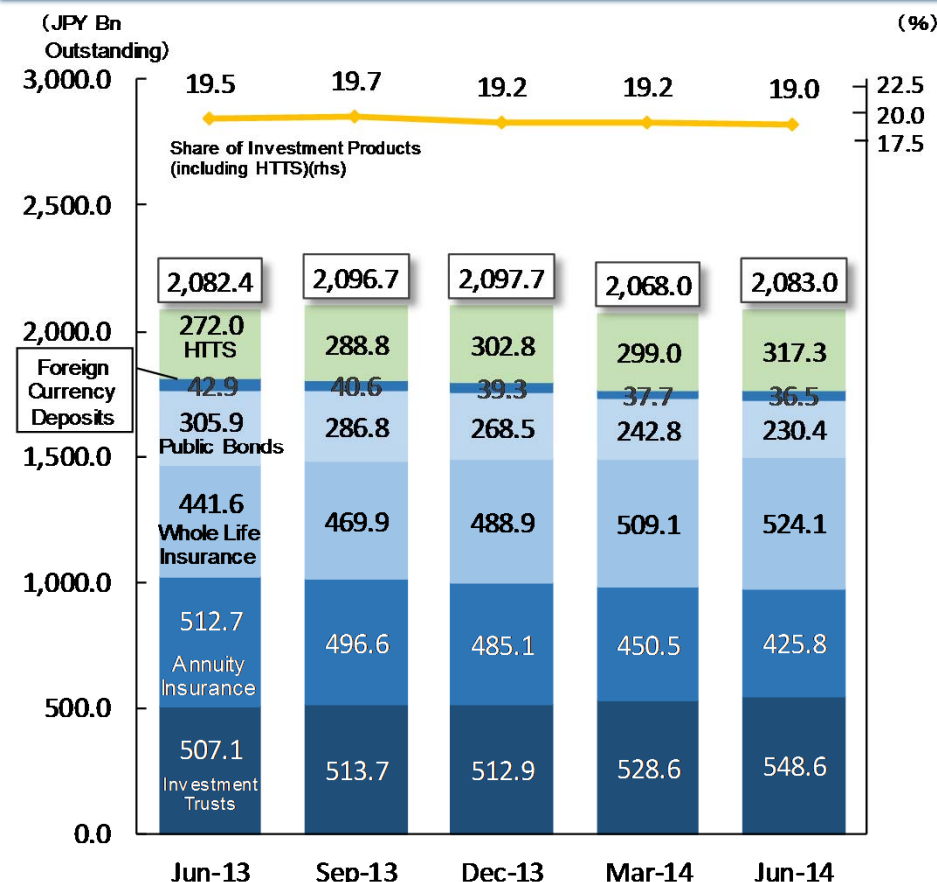
7. Investment Products for individuals

- Group-wide sales amount of investment trusts and insurance products of FY14-1Q: Increased by JPY7Bn (+4.0%) from FY13-4Q
- As of Jun-14, the group-wide balance of Investment products for individuals: Increased by JPY15Bn (+0.7%) from Mar-14

Sales Amount of Investment Trusts & Insurance



Balance of Investment Products (for Individuals)



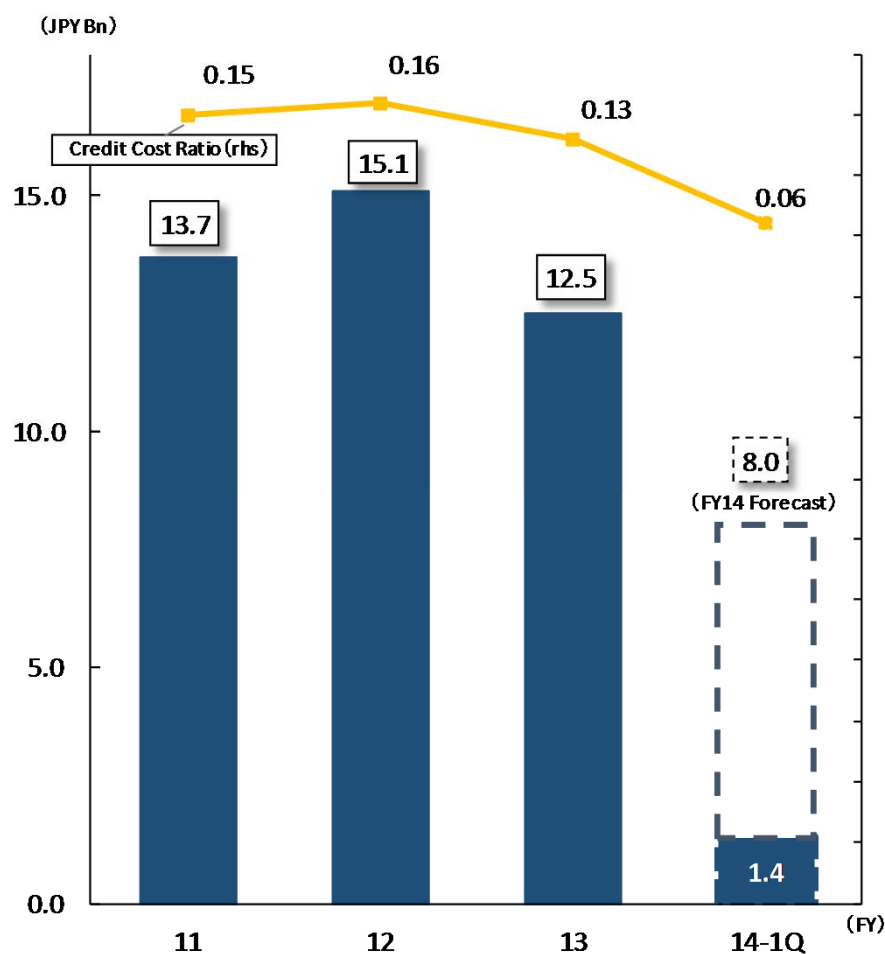
(Note) The results of Hamagin Tokai Tokyo Securities ("HTTS" as follows) are sales results of bonds, investment trusts, foreign bonds, and structured bonds.

(Note 1) The balance of HTTS represents the balance of stocks, bonds, investment trusts, annuity insurance, foreign bonds, and structured bonds.
 (Note 2) Share of investment products = Outstanding balance of investment products including HTTS ÷ (outstanding balance of personal deposits + outstanding balance of investment products including HTTS)

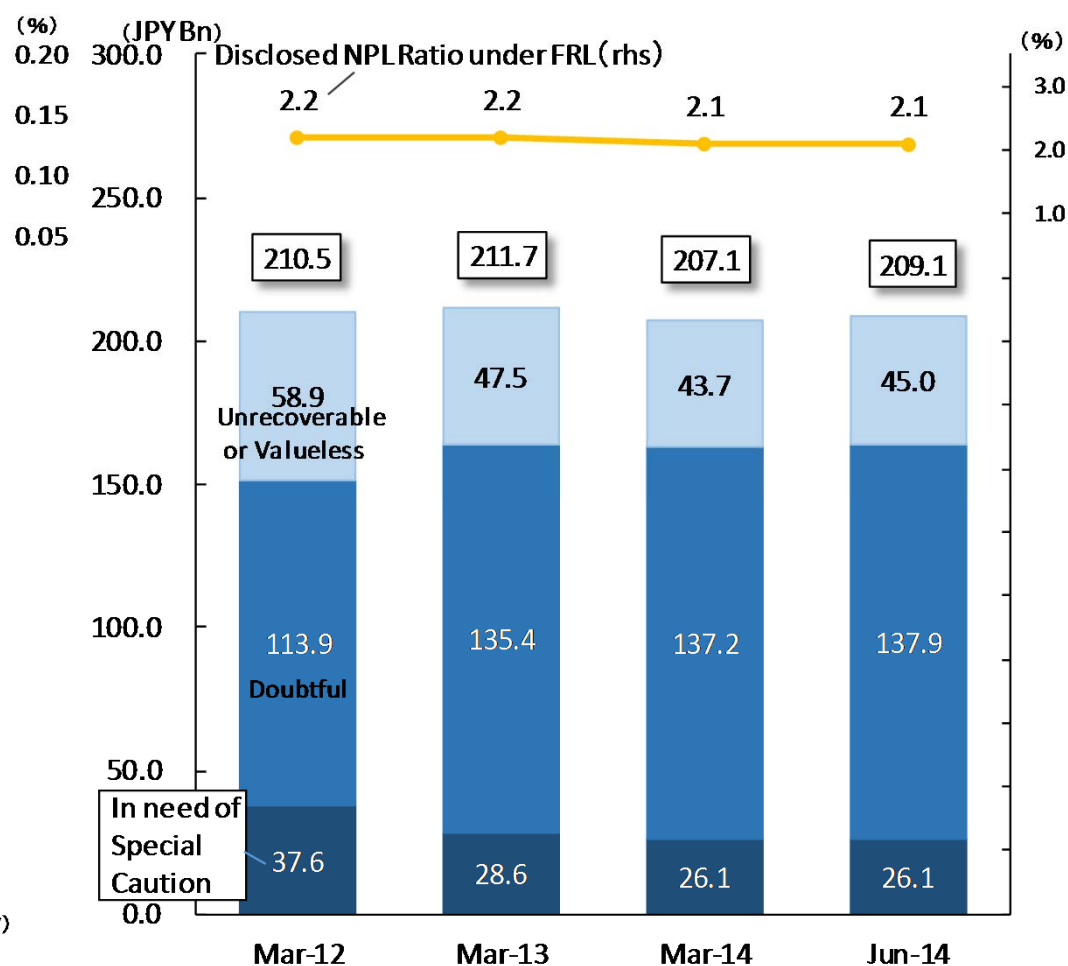
8. Credit Costs & Balance of FRL disclosed claims

- FY14-1Q Credit Costs: Amounted to JPY1.4Bn (Decreased by JPY1.3Bn from FY13-1Q)
- FY14-1Q Disclosed Non-Performing Loans (NPL) Ratio under Financial Revitalization Law (FRL): 2.1%, same level as the end of Mar-14

Credit Costs



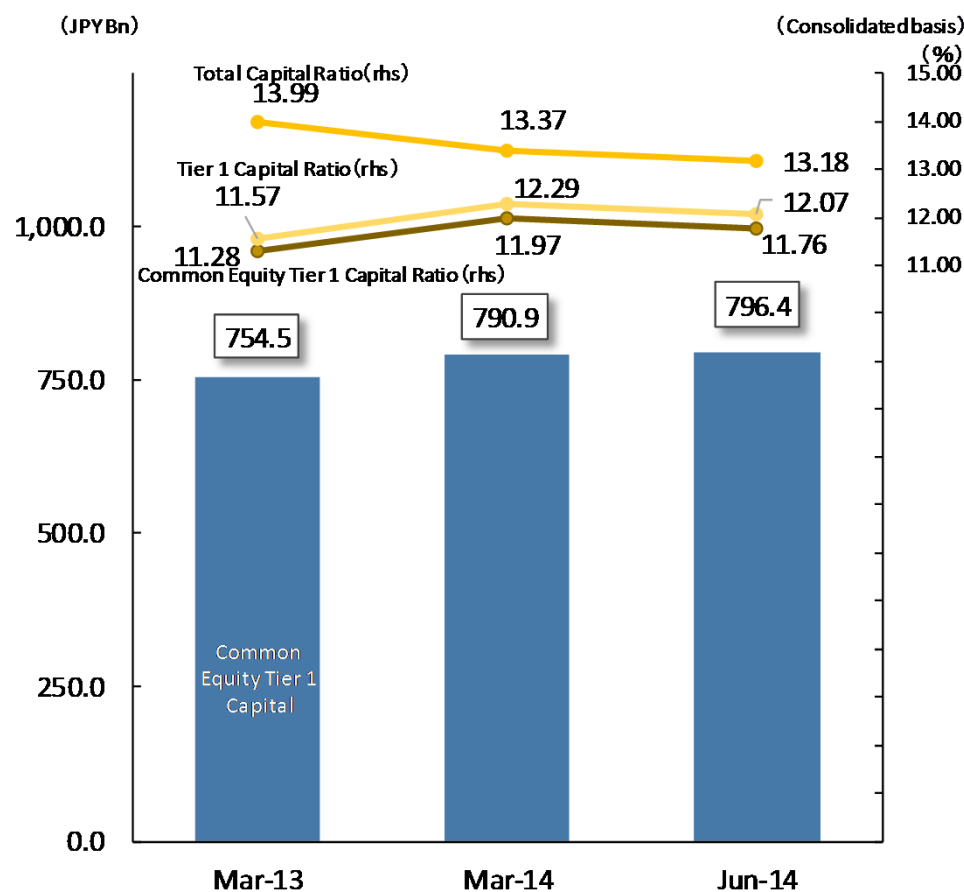
Disclosed NPLs under FRL



9. Capital Adequacy & Shareholder Return

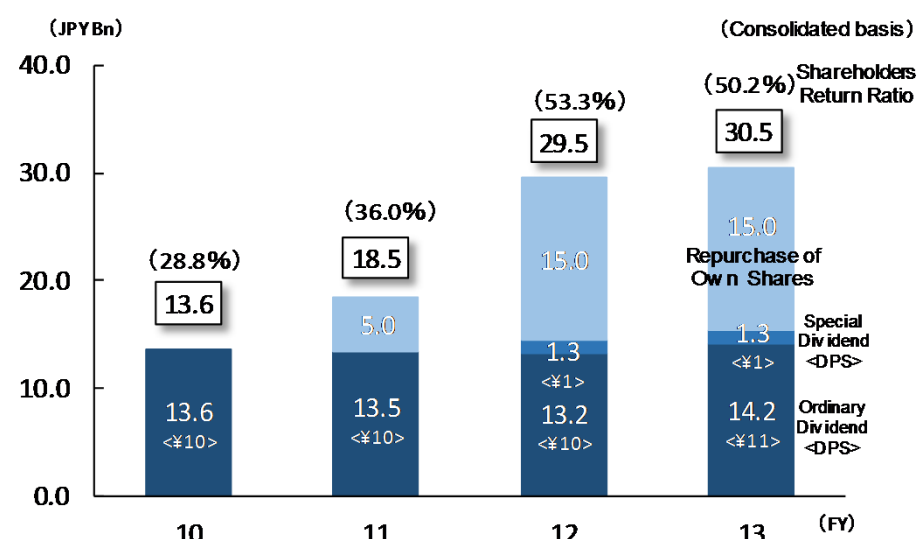
- Common Equity Tier 1 capital ratio (Consolidated) continually maintained at the sufficient level, 11.76% as of Jun-14.
- We repurchased own shares of JPY10.0Bn from May-14 to Jun-14.

Common Equity Tier 1 Capital



(Note) Transition basis. Common Equity Tier 1 capital ratio on the full adoption basis (Jun-14) is 12.15%.

Shareholder Return



(Note) DPS: Dividends Per Share

Shareholder Return Policy for the term of the medium term management plan	
Ordinary Dividend	11 yen per share per annum is to be paid out stably regardless of business results.
Flexible Share Buyback	We will flexibly repurchase own shares on market condition and our performance.
Special Dividend	Special dividends will be paid out, in cases where Net Income (Consolidated) exceeds 55 billion yen.

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