



Bank of Yokohama

# ***Investor Presentation***

***~ Financial Results for FY13 (1-3Q) ~***

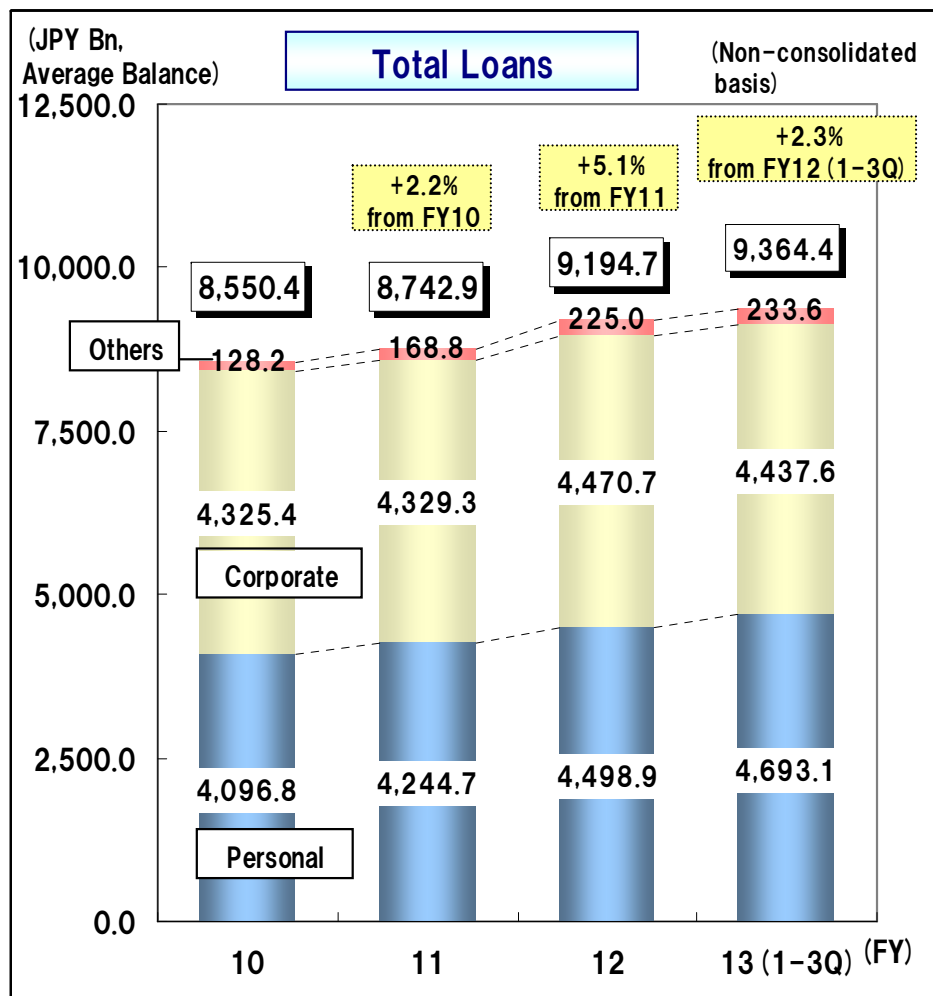
**February 2014**

**The Bank of Yokohama, Ltd.**

# 1. Business Results

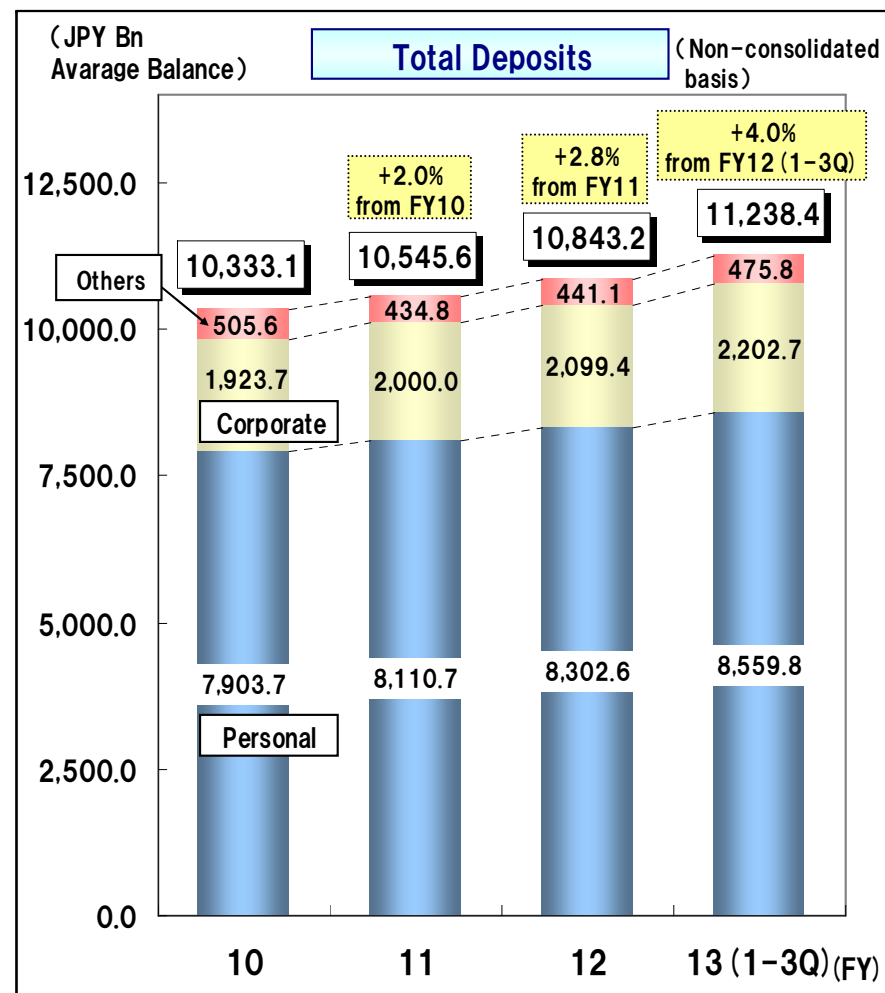
## (1) Loans & Deposits

■ FY13 (1-3Q) : The average loan balance **increased by 2.3%** from FY12 (1-3Q) . The average deposit balance **increased by 4.0%**.



(Note1) Domestic branches

(Note2) Others = Local Public + Public related sectors



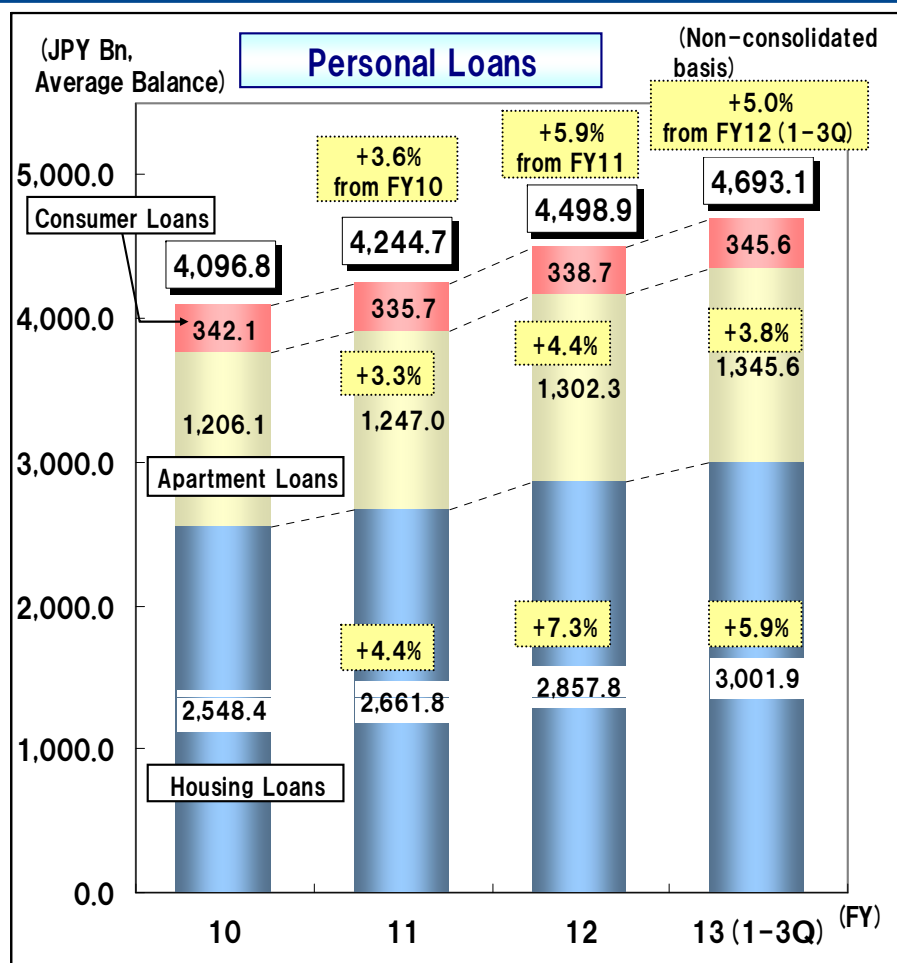
(Note1) Domestic branches

(Note2) Others = Local Public + Financial Institutions

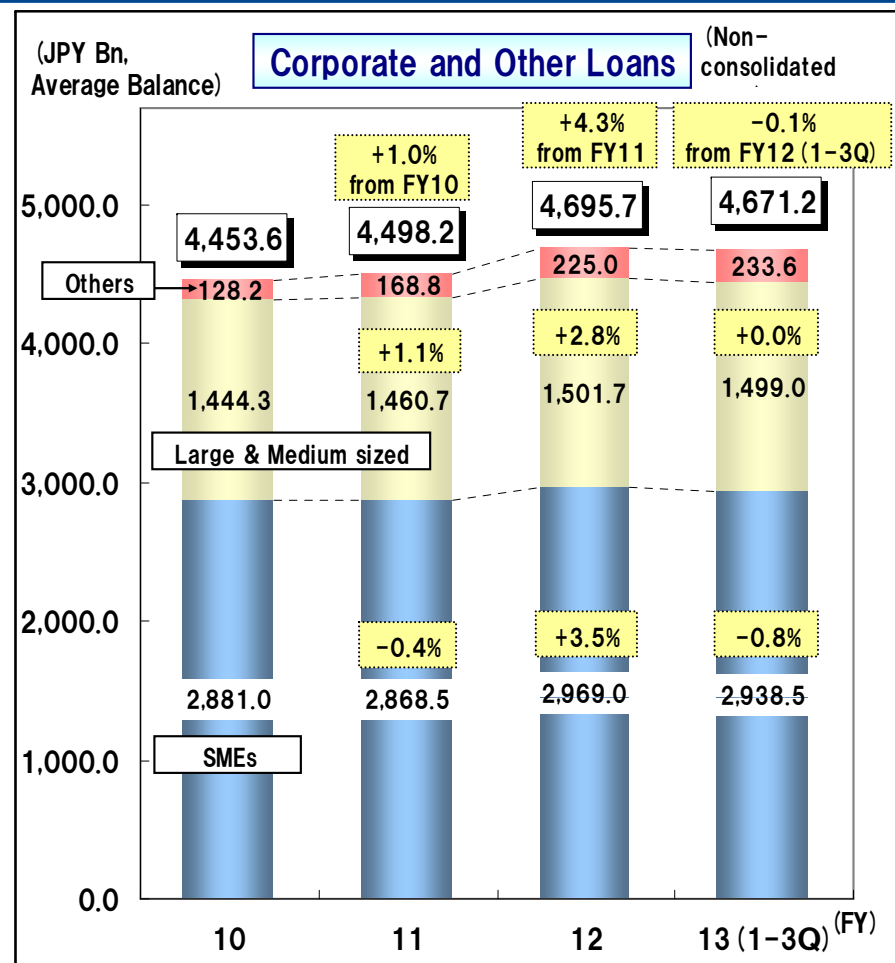
# 1. Business Results

## (2) Personal & Corporate Loans

- FY13 (1-3Q): As the average balance of housing loans grew by 5.9% and that of apartment loans grew by 3.8%, the total growth of personal loans from FY12 (1-3Q) was 5.0%.
- FY13 (1-3Q): Corporate and other loans decreased by 0.1% with the decrease of loans for SMEs. However, loans for SMEs as of Dec-13 (outstanding balance, except for quasi-public) grew by 0.2% from Dec-12 with the moderate increase of production in Kanagawa prefecture.



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



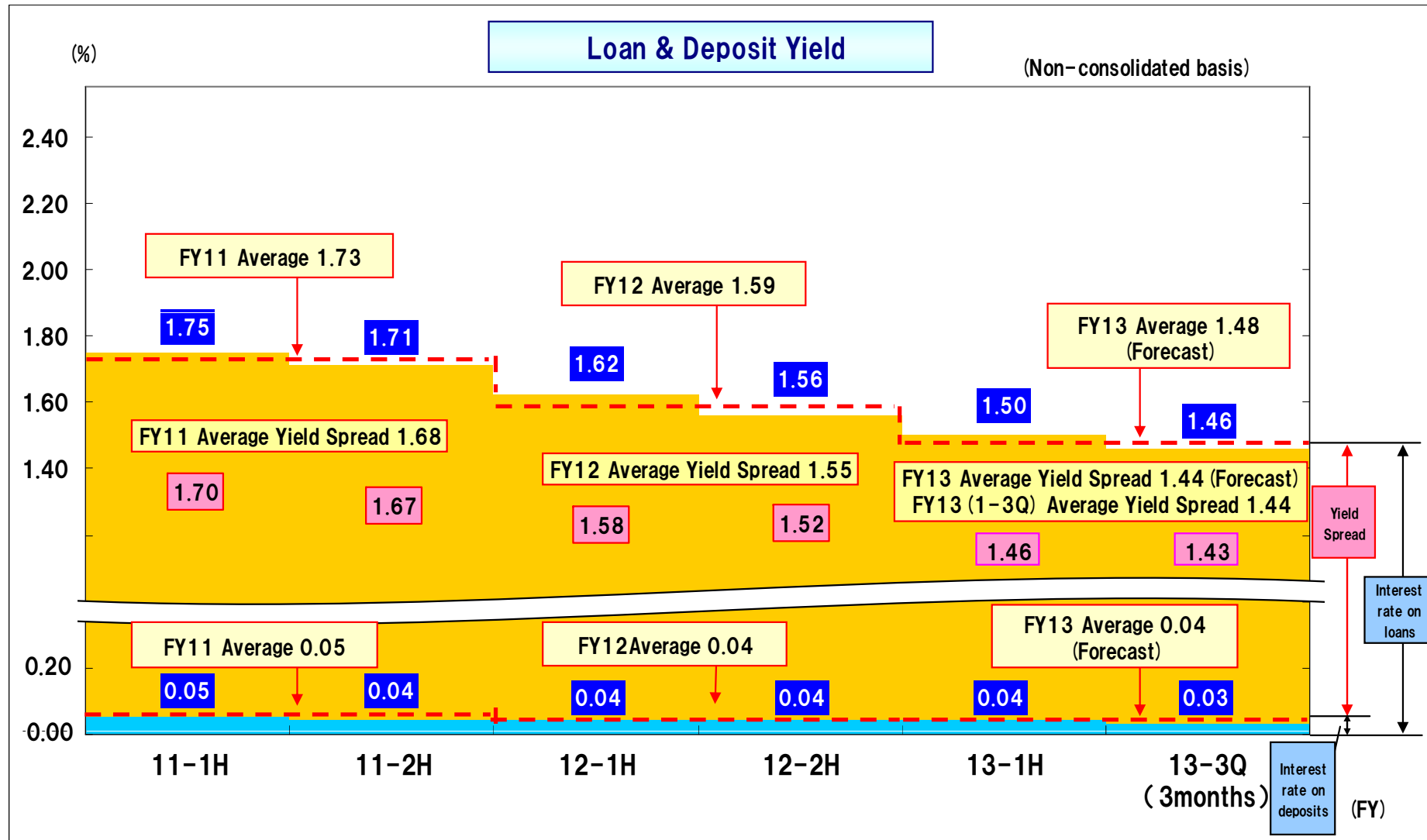
(Note1) Domestic branches

(Note2) Others = Local Public + Public related sectors

# 1. Business Results

## (3) Loan & Deposit Yield (Domestic Operations)

- FY13-3Q(3months): Loan yield was **1.46%**, almost the same level as we planned.



# 1. Business Results

## (4) Securities Portfolio

- Securities portfolio as of Dec-13 **decreased by JPY73.9Bn** from Mar-13 to **JPY2,153.0Bn**.
- The ratio of equity securities held for customer relationships to Tier 1 Capital **decreased to 12%**.

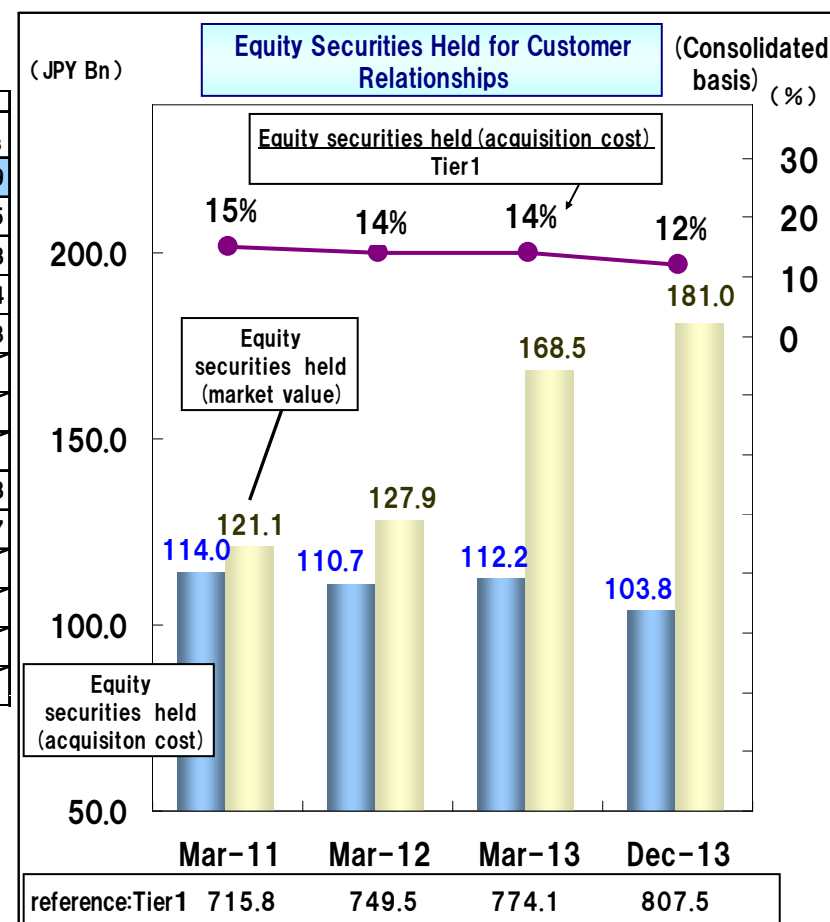
### 【Securities Portfolio】 Total of Held-to-Maturities & Available-for-Sales

					(JPY Bn)	
	Mar-12	Mar-13	Dec-13	Difference from Mar-13	Unrealized gains (losses)	Difference from Mar-13
<b>Total</b>	<b>2,122.2</b>	<b>2,226.9</b>	<b>2,153.0</b>	<b>-73.9</b>	<b>105.7</b>	<b>+10.9</b>
<b>Bonds</b>	<b>1,905.2</b>	<b>1,848.3</b>	<b>1,693.5</b>	<b>-154.8</b>	<b>18.3</b>	<b>-10.5</b>
Government bonds	768.2	870.7	684.0	-186.7	6.4	-4.8
Local bonds	257.1	231.1	237.1	+6.0	2.9	-1.4
Corporate bonds	879.8	746.3	772.3	+26.0	8.9	-4.3
Government guaranteed bonds	444.0	433.1	443.9	+10.8		
Bank bonds	86.8	51.2	84.2	+33.0		
Industrial bonds	150.0	100.1	80.8	-19.3		
Equity securities	150.8	187.4	199.3	+11.9	75.1	+19.8
Others	66.1	191.2	260.1	+68.9	12.2	+1.7
Domestic investment trusts	28.6	90.9	110.8	+19.9		
Foreign bonds	35.7	92.4	141.0	+48.6		
Foreign equity securities	1.0	1.0	1.0	0.0		
Others	0.8	6.7	7.2	+0.5		

### 【Duration】

	Mar-12	Mar-13	Dec-13
Domestic Bonds	2.8	2.8	2.4
Foreign Bonds	1.2	2.9	2.4

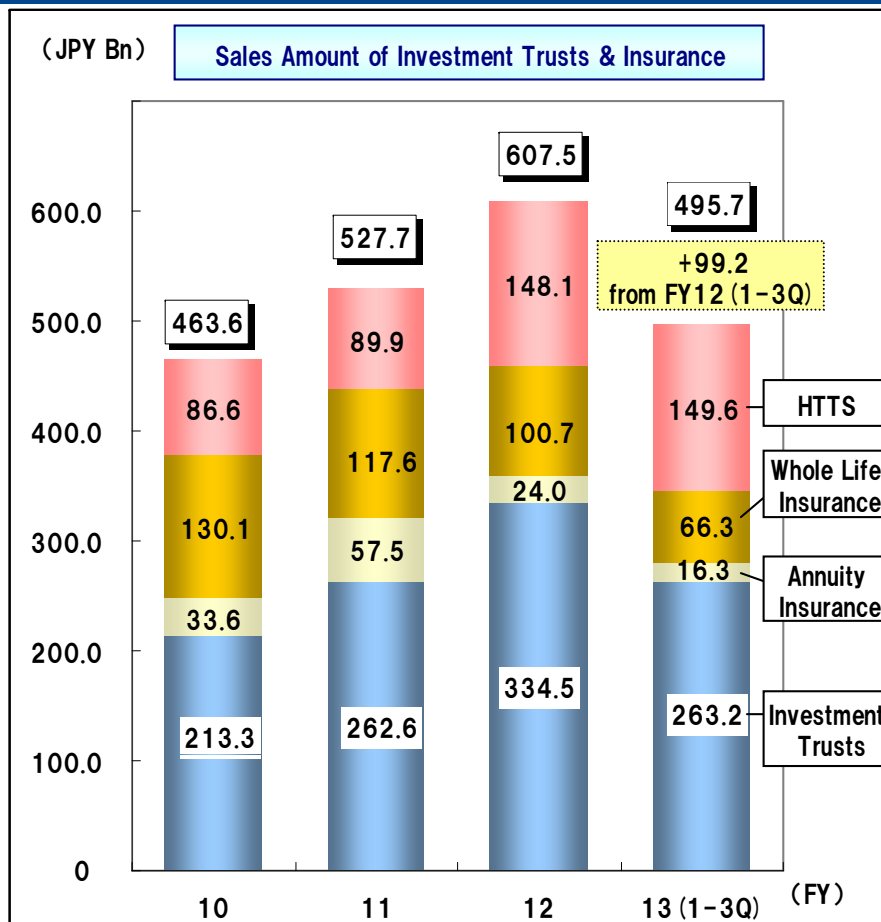
(Note) The duration above is that of "Available-for-Sales."



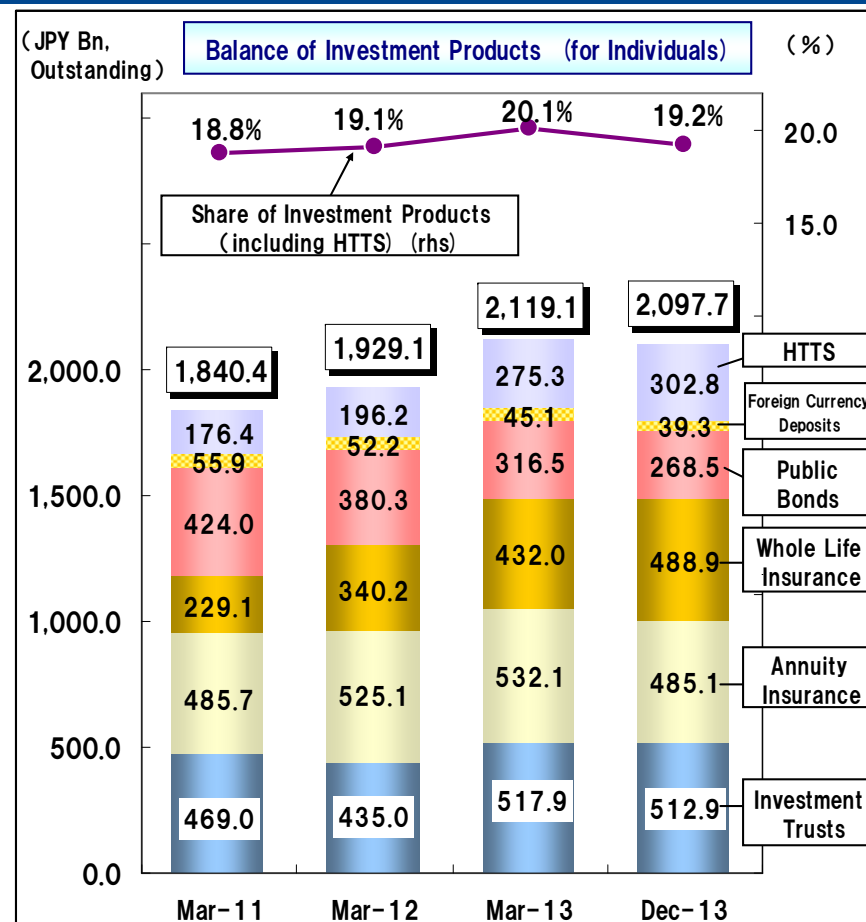
# 1. Business Results

## (5) Investment Products

- FY13 (1-3Q): The sales amount of investment trust and insurance products **increased by JPY99.2Bn** from FY12 (1-3Q) to **JPY495.7Bn**.
- Dec-13: The balance of Investment products including Hamagin Tokai Tokyo Securities (“HTTS” as follows) was **JPY2,097.7Bn**.



(Note) The results of HTTS are sales results of bonds, investment trusts, foreign bonds, and structured bonds.



(Note1) The balance of HTTS represents the balance of stocks, bonds, investment trusts, annuity insurance, foreign bonds, and structured bonds.

(Note2) Share of investment products = Outstanding balance of investment products including HTTS ÷ (outstanding balance of personal deposits + outstanding balance of investment products including HTTS)

## 2. Financial Summary

### (1) FY13 (1-3Q) Operation Results

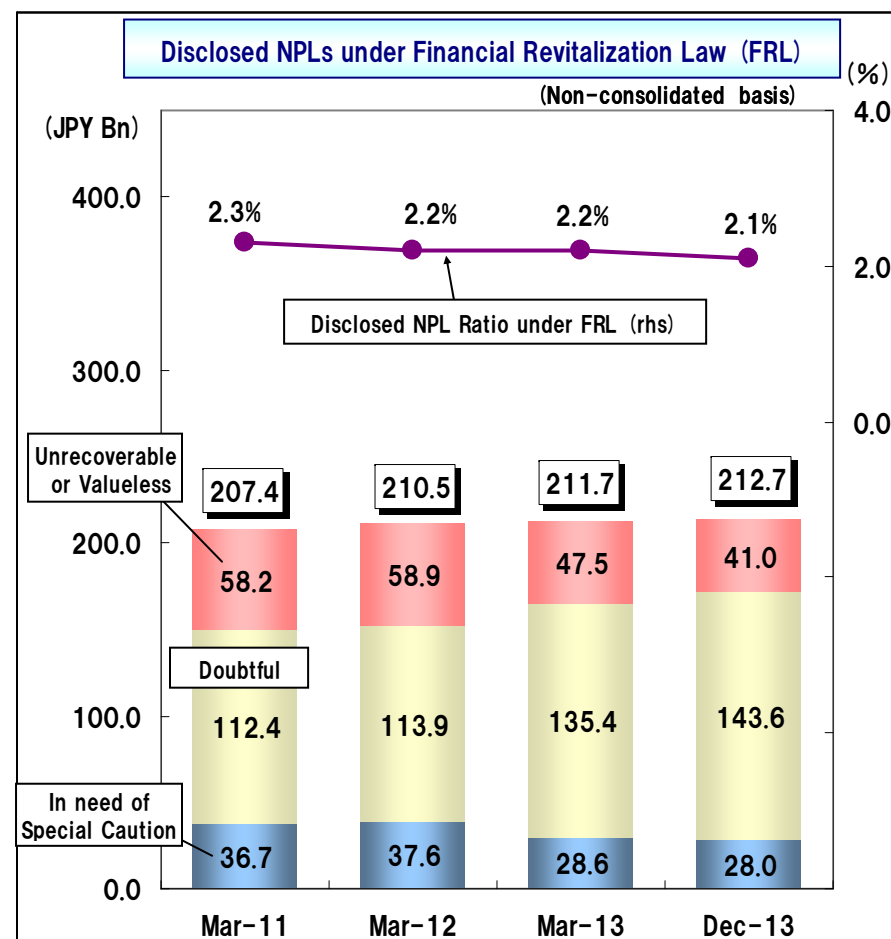
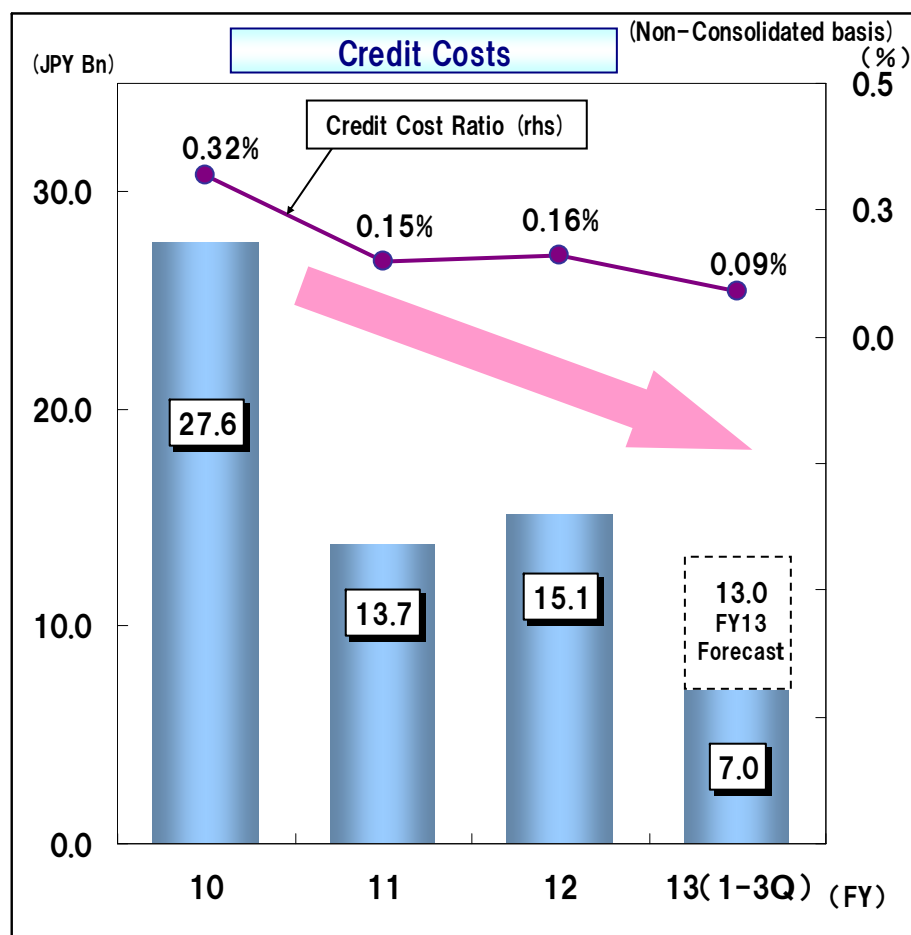
- FY13 (1-3Q) : Net income (Non-consolidated) increased by **JPY3.9Bn** from FY12 (1-3Q) to **JPY45.1Bn**.

				(JPY Bn)
<Non-consolidated basis>	FY12(1-3Q)	FY13(1-3Q)	Increase /Decrease	FY13 Forecast (announced on Nov 8)
Gross Operating Income	150.3	150.8	0.5	204.0
of which, interest income from domestic operations	121.2	118.5	- 2.7	157.4
of which, fees and commissions from domestic operations	20.9	25.9	5.0	37.5
of which, other ordinary income from domestic operations	6.2	4.2	- 2.0	5.7
Expenses (—)	73.3	73.1	- 0.2	99.0
(Reference) OHR(%)	48.7%	48.5%	-0.2%	-
Core net business profit	76.9	77.6	0.7	105.0
Provision of allowance for general loan losses (—)	- 3.1	0.3	3.4	-
Net business profit	80.1	77.2	- 2.9	-
Non-recurring gains (losses)	- 13.7	- 8.7	5.0	-
of which, disposal of bad debts (—)	11.4	6.6	- 4.8	-
of which, gains or losses on stocks and other securities	- 0.2	1.1	1.3	-
Ordinary profit	66.4	68.5	2.1	87.5
Net income	41.2	45.1	3.9	55.5
Credit costs (—)	8.3	7.0	- 1.3	13.0
<Consolidated basis>				
Ordinary profit	73.4	74.6	1.2	94.5
Net income	42.6	46.1	3.5	56.5

## 2. Financial Summary

### (2) Credit Costs & NPL

- Credit costs in FY13 (1-3Q) **decreased by JPY1.3Bn** from FY12 (1-3Q) to **JPY7.0Bn**.
- Non-performing Loan (NPL) ratio continually stayed at the low level, **2.1%** as of Dec-13.



(note1) Credit Costs = Disposal of bad debts + provision of allowance for general loan losses

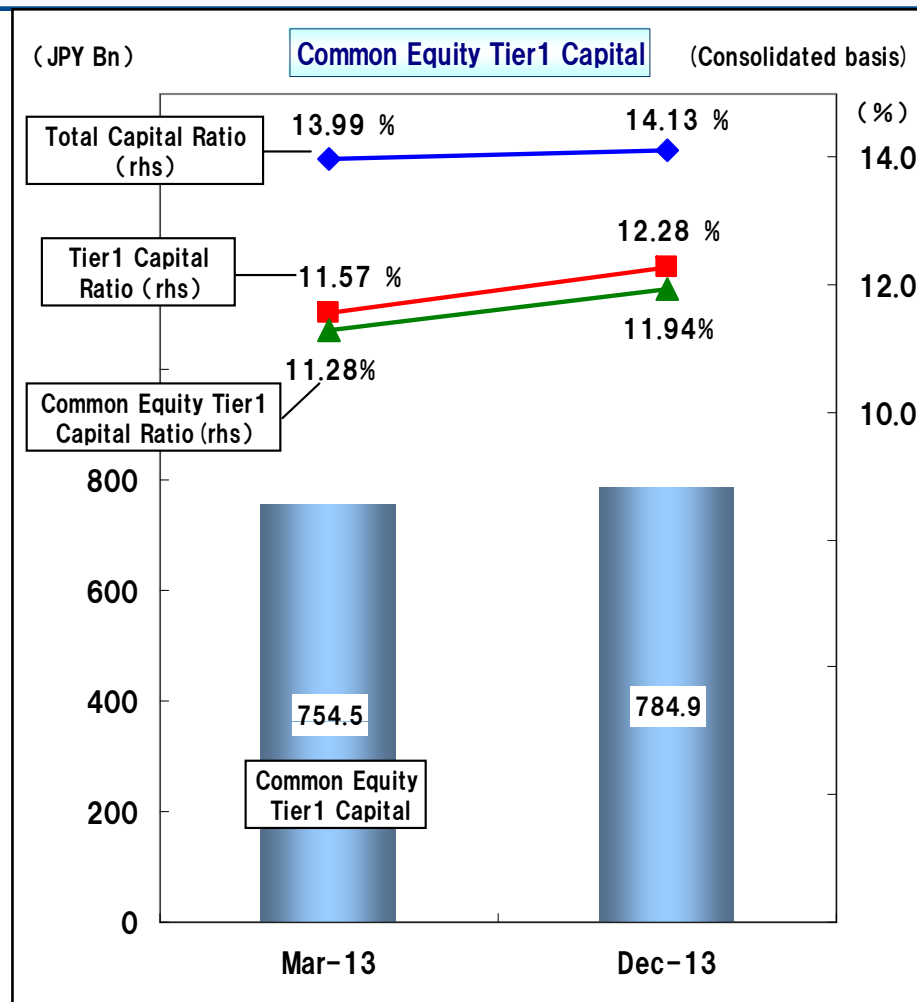
(note2) Credit cost ratio = Credit costs ÷ Average balance of loans  
13 (1-3Q) Ratio is on annualized basis.



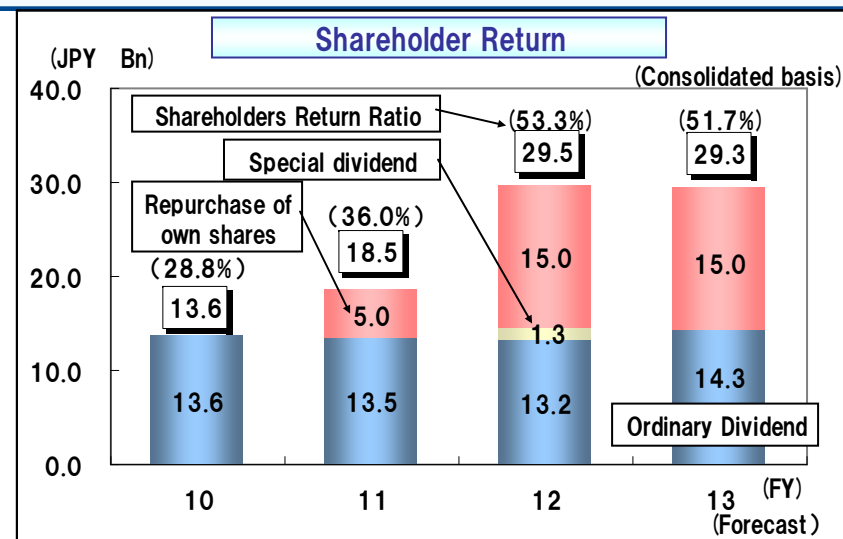
## 2. Financial Summary

### (3) Capital Adequacy & Shareholder Return

- Common Equity Tier 1 Capital ratio (Consolidated) continually maintained at the sufficient level, **11.94%** as of Dec-13.
- We repurchased totaling **JPY15.0Bn** of our own shares during FY13 (including the planned repurchase of JPY5.0Bn from Feb-14 to Mar-14).
- Targeting the full-year results for FY13, we consider paying special dividends in line with the shareholder return policy.



(Note) Transition basis. Common Equity Tier 1 capital ratio on the full adoption basis (Dec-13) is 12.50%.



#### 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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Bank of Yokohama

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