



Bank of Yokohama

# ***Information Meeting***

***~ Financial Results for FY12 ~***

**May 17, 2013**

**The Bank of Yokohama, Ltd.**

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# Highlights in FY2012

1

## Strong growth of loans

- ✓ The average loan balance grew by 5.1% in FY12. As a result, the average loan balance exceeded JPY9Tn for the first time.
- ✓ Meanwhile, domestic loan yield dropped 0.14% points.

2

## Loan asset quality improved

- ✓ Net income RORA increased by 0.04% points as we worked to set the interest rate at appropriate levels relative to risk.
- ✓ As a result of careful support to customers, the balance of “in need of caution” other than “in need of special caution” decreased by 9.4% to less than JPY1Tn.

3

## Fees and commissions increased

- ✓ Domestic fees and commissions increased by JPY0.6Bn with an upward turn of settlement-related fees.
- ✓ The ratio of fees and commissions to consolidated gross operating income increased by 0.8% points to 20.0%.

4

## Customer base for non-deposit products expanded

- ✓ The number of investment trust and insurance customers increased by approximately 10,000 from 211,000 to 220,000.
- ✓ The balance of the Group's non-deposit products for individuals including Hamagin Tokai Tokyo Securities exceeded JPY2Tn to JPY2.1Tn. The share of non-deposit products also exceeded 20% to 20.1%.

5

## Low cost operation maintained

- ✓ OHR was 47.6%, one of the lowest among Japanese banks, as a result of cost reduction efforts and the decline in deposit insurance premium.
- ✓ Net business profit increased for the first time in 5 years.

6

## Sufficient capital and aggressive shareholder return

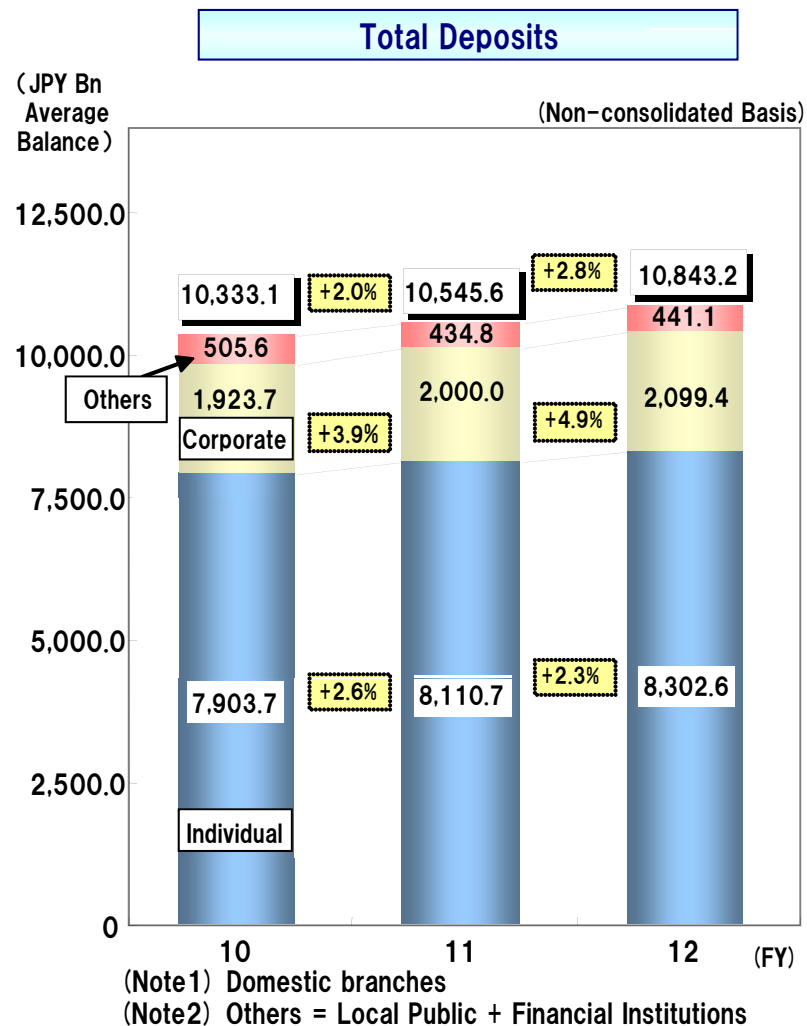
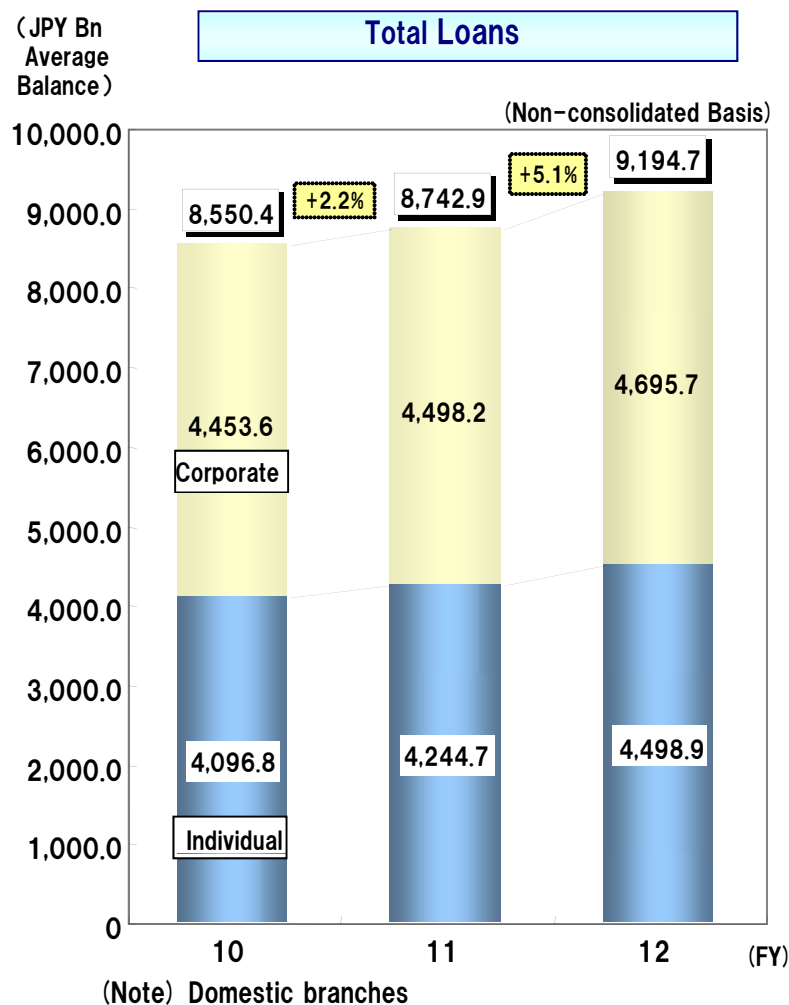
- ✓ Common Equity Tier 1 ratio was 11.28%, above the final Basel III standard, securing a stable business foundation.
- ✓ The shareholder return ratio in FY 2012 was 55.3% through the repurchase of own shares of JPY15.0Bn and special dividends of JPY1 per share.

# 1. Business Results

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## (1) Loans & Deposits

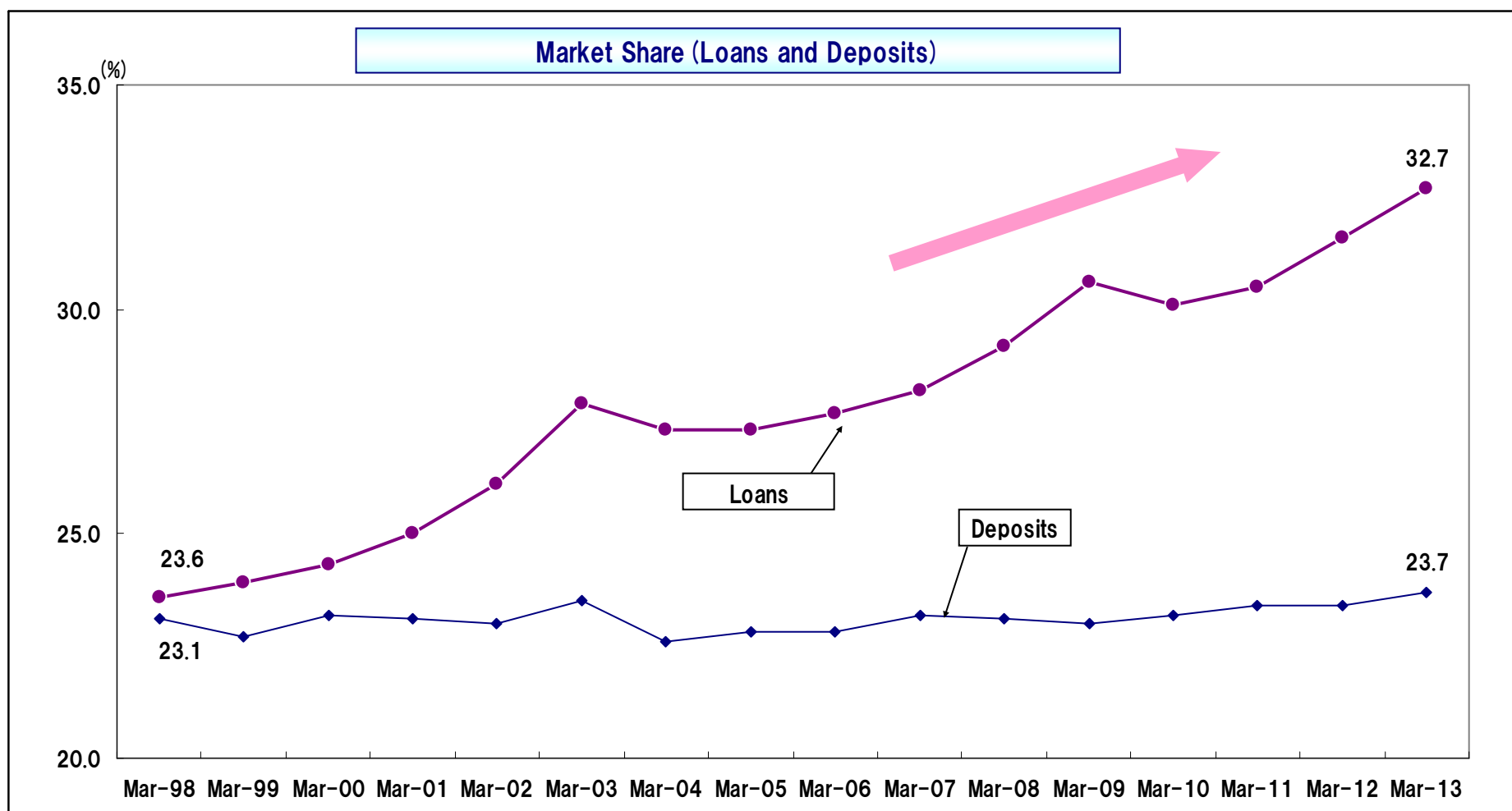
- FY12 : The average loan balance **increased by 5.1%**. As a result, it exceeded JPY9.0Tn for the first time.
- FY12: The average individual deposit balance **increased by 2.3%** and the average corporate deposit balance **increased by 4.9%**. As a result, the average deposit balance **increased by 2.8%**.



# 1. Business Results

## (2) Market Share in Kanagawa Prefecture

- Mar-13: Market share of loans increased to **32.7%** due to our steady financing in Kanagawa prefecture. Market share of deposits was **23.7%**.



(Note) Market share above does not include Japan Post, Credit Unions & JA. (Bank estimates)

# 1. Business Results

## (3) Securities Portfolio

- Securities portfolio as of Mar-13 **increased by JPY104.7Bn** from Mar-12 to **JPY2,226.9Bn** as a result of investments in domestic investment trusts and foreign bonds in addition to government bonds.
- The ratio of equity securities held for customer relationships to Tier 1 Capital **decreased to 14%**.

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

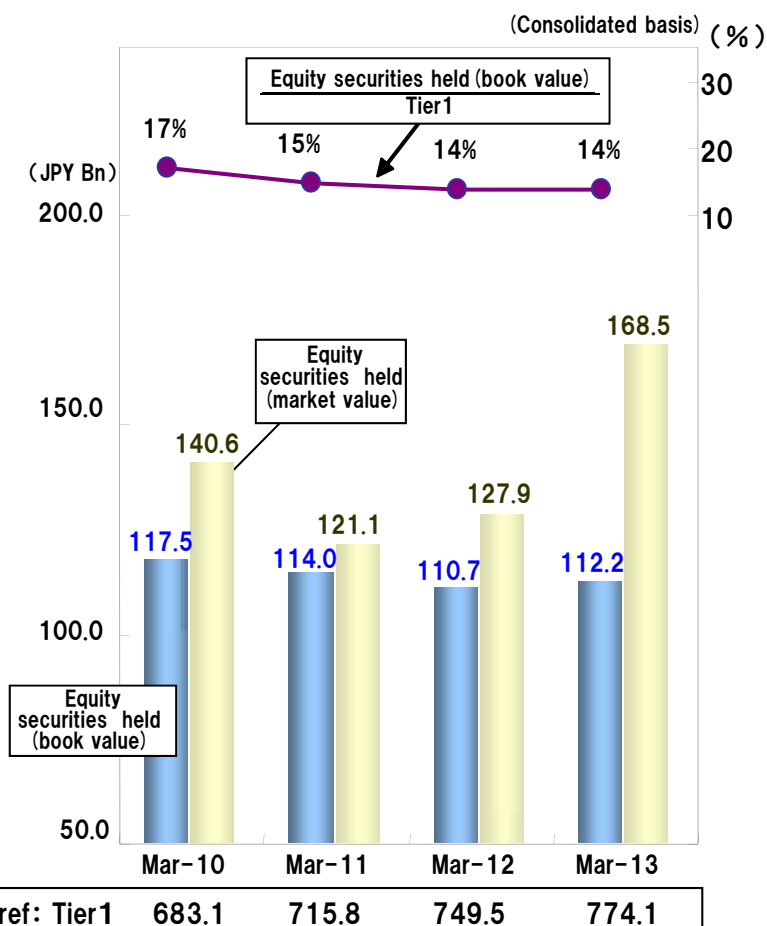
					(JPY Bn)	
	Mar-11	Mar-12	Mar-13	Difference from Mar-12	Unrealized gains (losses)	Difference from Mar-12
<b>Total</b>	<b>2,004.0</b>	<b>2,122.2</b>	<b>2,226.9</b>	<b>+104.7</b>	<b>94.8</b>	<b>+56.6</b>
Bonds	1,796.7	1,905.2	1,848.3	-56.9	28.8	+7.3
Government bonds	764.4	768.2	870.7	+102.5	11.2	+1.0
Local bonds	291.6	257.1	231.1	-26.0	4.3	0.0
Corporate bonds	740.6	879.8	746.3	-133.5	13.2	+6.4
Government guaranteed bonds	309.1	444.0	433.1	-10.9		
Bank bonds	79.2	86.8	51.2	-35.6		
Industrial bonds	117.2	150.0	100.1	-49.9		
Equity securities	144.5	150.8	187.4	+36.6	55.3	+38.5
Others	62.7	66.1	191.2	+125.1	10.5	+10.6
Domestic investment trusts	25.3	28.6	90.9	+62.3		
Foreign bonds	35.9	35.7	92.4	+56.7		
Foreign equity securities	1.0	1.0	1.0	0.0		
Others	0.4	0.8	6.7	+5.9		

### 【Duration】

	Mar-11	Mar-12	Mar-13	Apr-13
Duration(years)	2.8	2.8	2.8	2.2

(Note) The duration above is that of "Available-for-Sales" and it does not contain ones of foreign bonds and investment trusts.

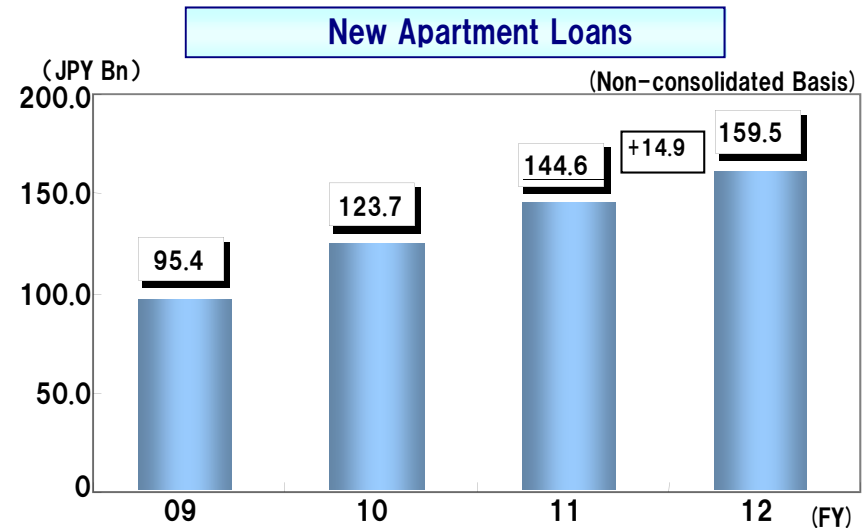
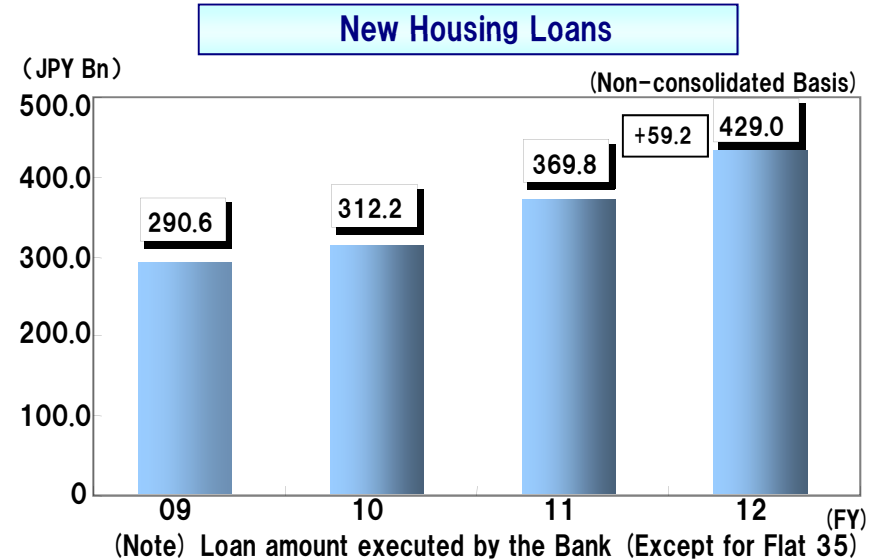
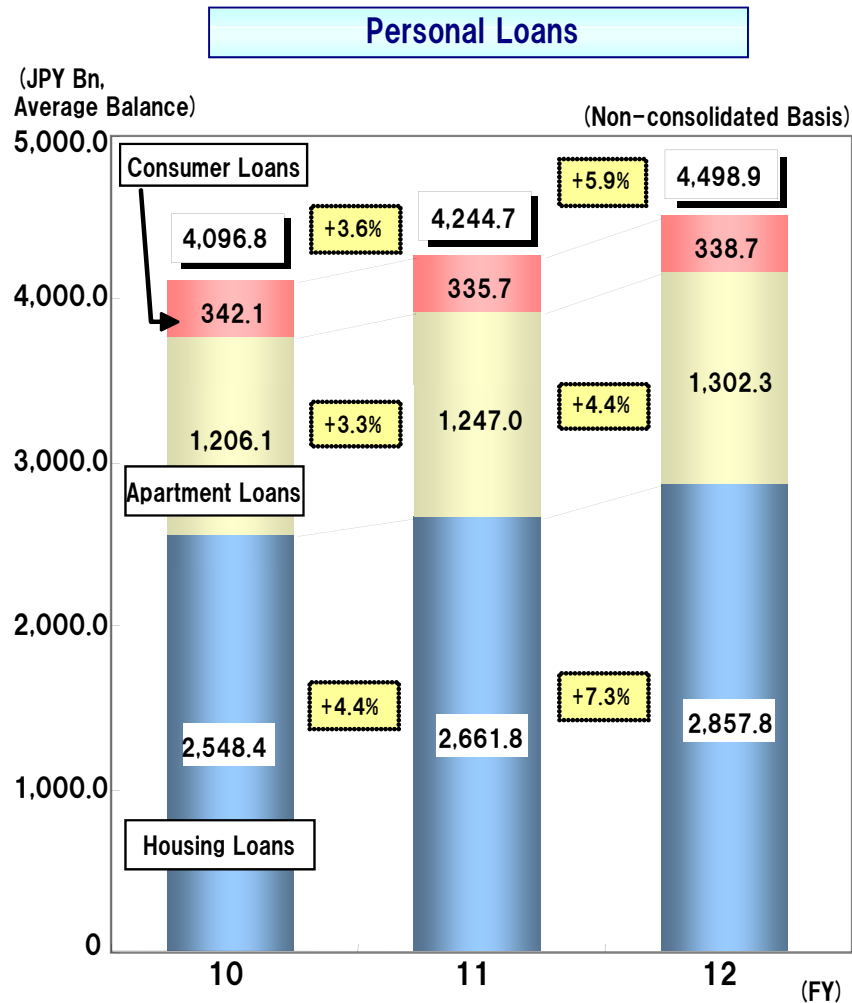
### Equity Securities Held for Customer Relationships



# 1. Business Results

## (4) Personal Loans

- FY12: As the average balance of housing loans grew by 7.3% and that of apartment loans grew by 4.4%, the total growth of personal loans was 5.9%.
- New housing loans increased by JPY59.2Bn to JPY429.0Bn. Also, new apartment loans increased by JPY14.9Bn to JPY159.5Bn.



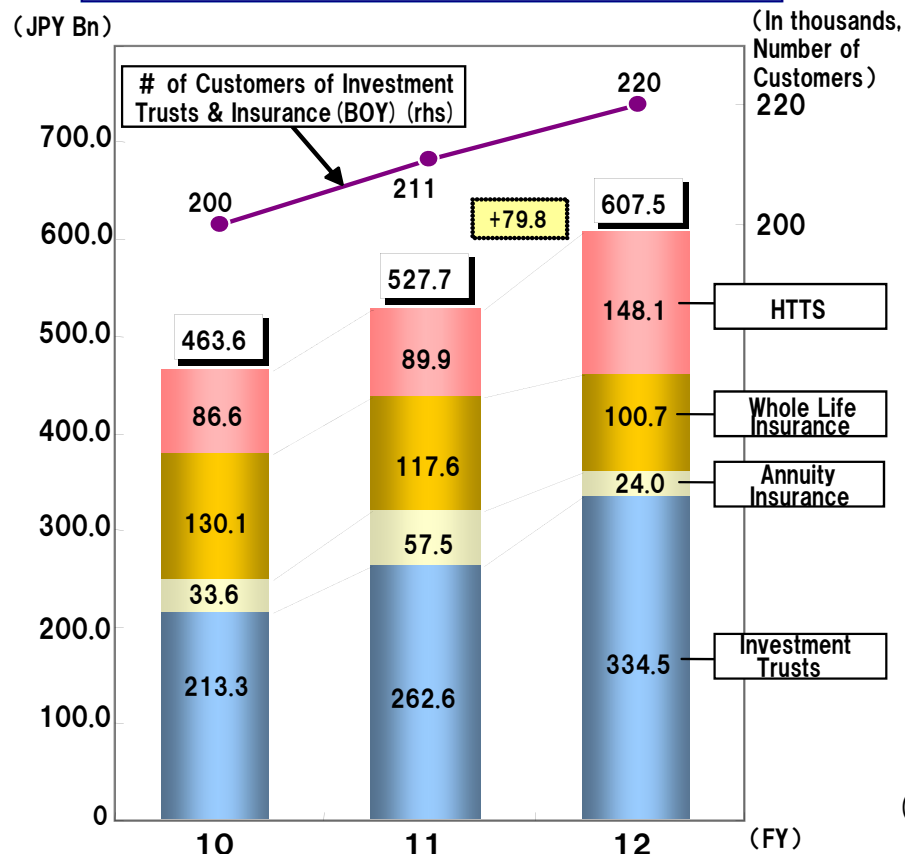


# 1. Business Results

## (5) Non-Deposit Products

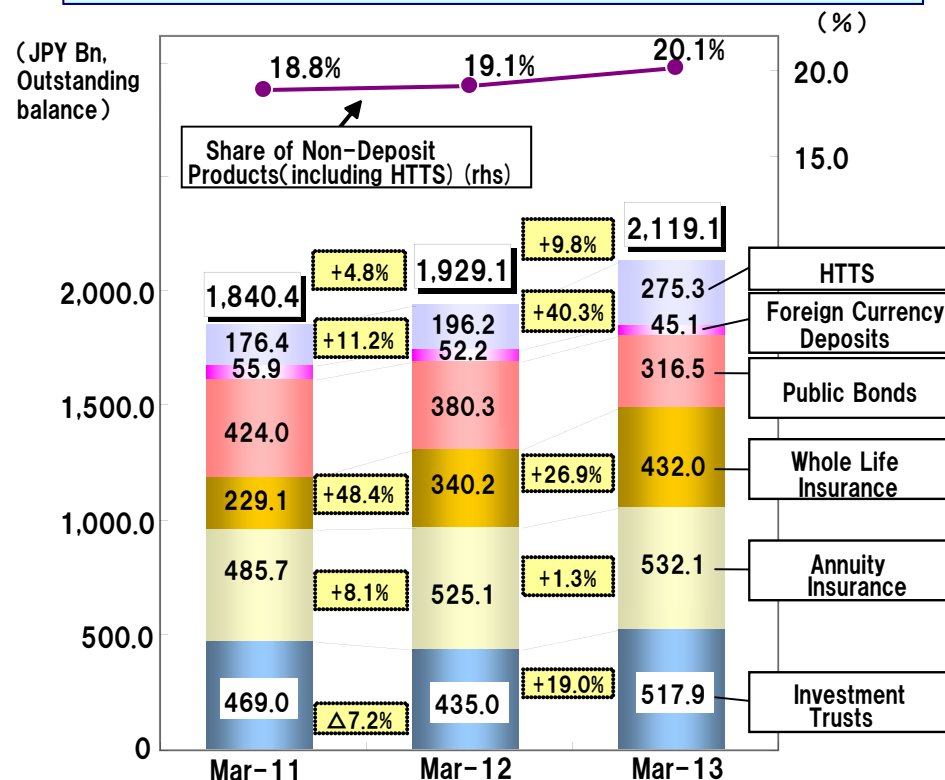
- FY12: The sales amount of investment trust and insurance products **increased by JPY79.8Bn to JPY607.5Bn**, the highest sales amount in the past. The number of investment trust and insurance customers of the Bank has increased to expand the customer base.
- Mar-13: The balance of non-deposit products including Hamagin Tokai Tokyo Securities ( "HTTS" as follows) **increased by 9.8% to JPY2,119.1Bn**, and the share of non-deposit products including HTTS **increased by 1.0% points to 20.1%**.

Sales Amount of Investment Trusts & Insurance



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

Balance of Non-Deposit Products (for Individuals)



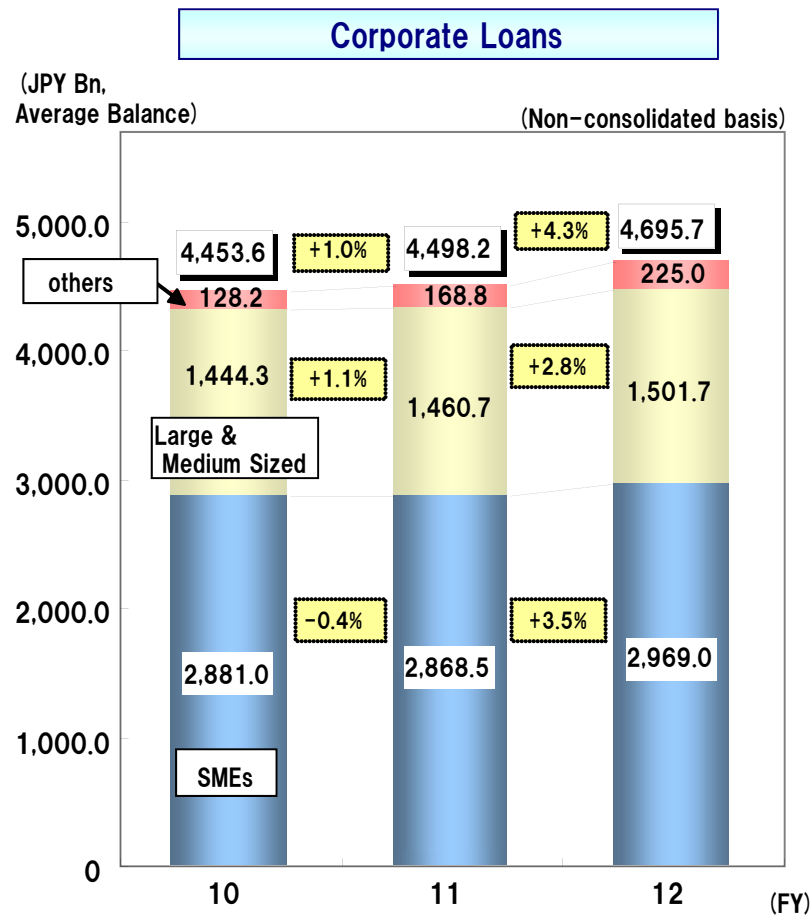
(Note1) The balance of HTTS represents the balance of stocks, bonds, investment trusts, annuity insurance, foreign bonds, and structured bonds.

(Note2) Share of non-deposit products = Outstanding balance of non-deposit products including HTTS ÷ (outstanding balance of individual deposits + outstanding balance of non-deposit products including HTTS)

# 1. Business Results

## (6) Corporate Loans

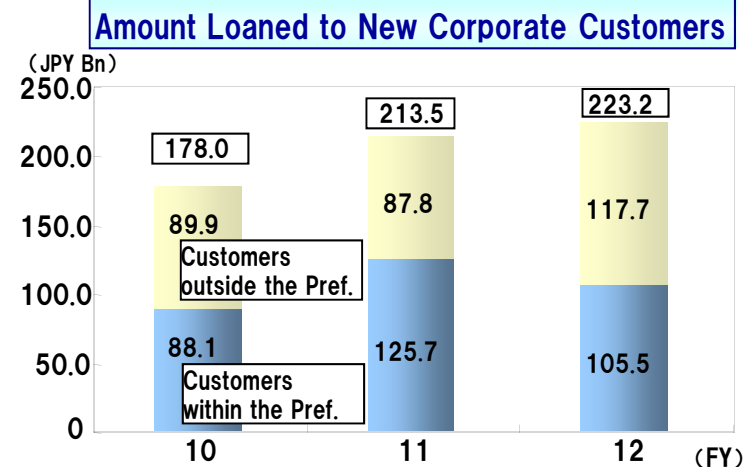
- FY-12: Corporate loans **increased by 4.3%** with the increase of loans for both large and medium-sized companies and SMEs.
- Loans to new corporate customers exceeded JPY200.0Bn for the two consecutive years as a result of strengthened practice.
- Aggressive group-wide responses to the financing needs of customers in growth industries.



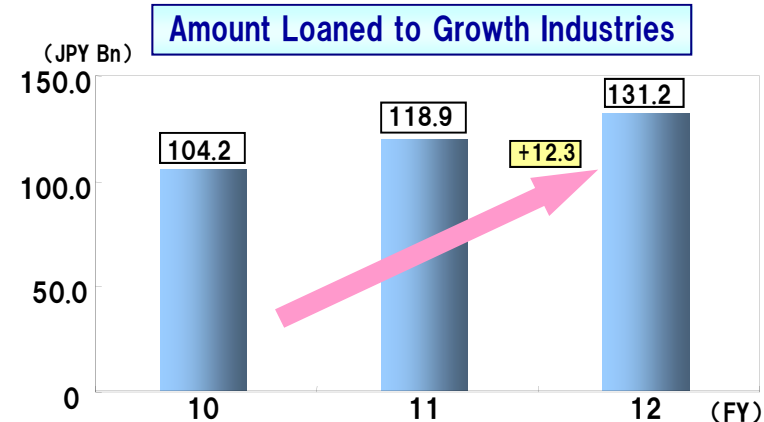
(Note1) "Others" include loans to public and public related sectors.

(Note2) Domestic branches

- ◆ Loans to new corporate customers exceeded JPY200.0Bn for the two consecutive years



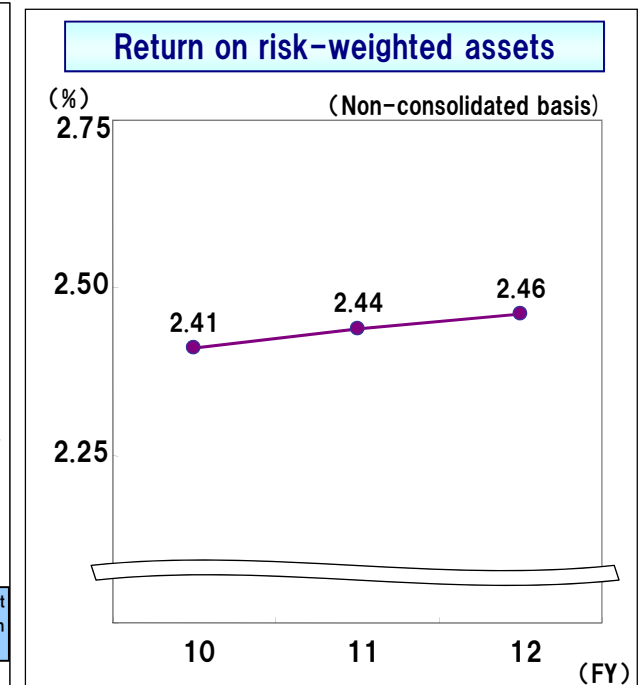
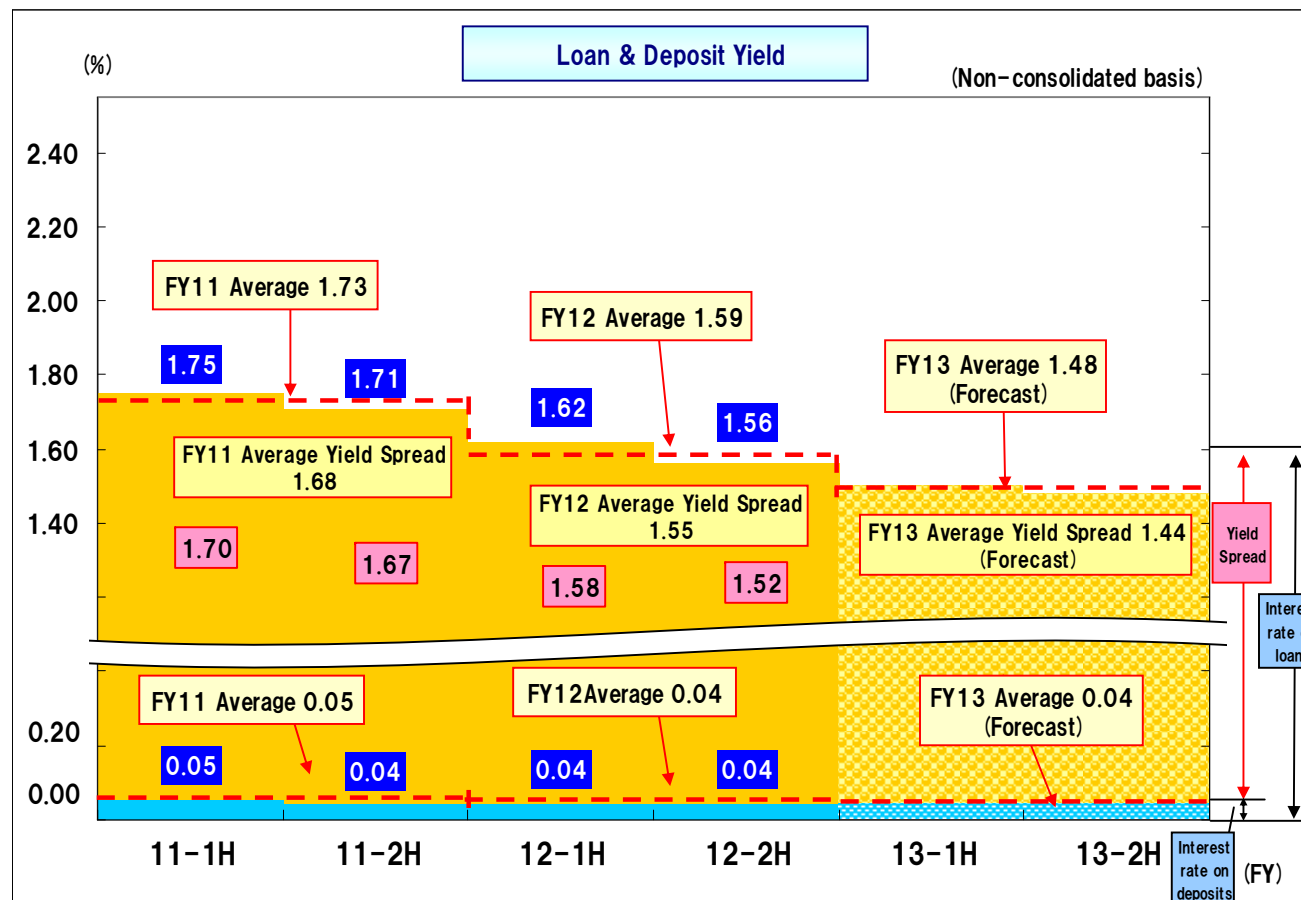
- ◆ Loans to growth industries increased particularly in medical /nursing and environmental areas



# 1. Business Results

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

- FY12: Loan yield was **1.59%**. The yield spread between loans and deposits became **1.55%**.
- Although the yield spread between loans and deposits is narrowing, assets with high credit quality have been accumulated. As a result, return on risk-weighted assets has improved.



(Note) Return on risk-weighted assets = Interest income during the term / Risk-weighted assets (average of the beginning and ending balance)

## **2. Financial Summary**

## 2. Financial Summary

### (1) Operation Results

- FY12 Non-consolidated : Gross operating income decreased by **JPY1.3Bn (-0.6%)** to **JPY202.3Bn**. Net business profit increased by **JPY0.5Bn (+0.5%)** to **JPY105.8Bn**. Net income increased by **JPY4.2Bn (+8.5%)** to **JPY53.3Bn**.
- FY12 Consolidated : Net income increased by **JPY4.2Bn (+8.1%)** to **JPY55.3Bn**.

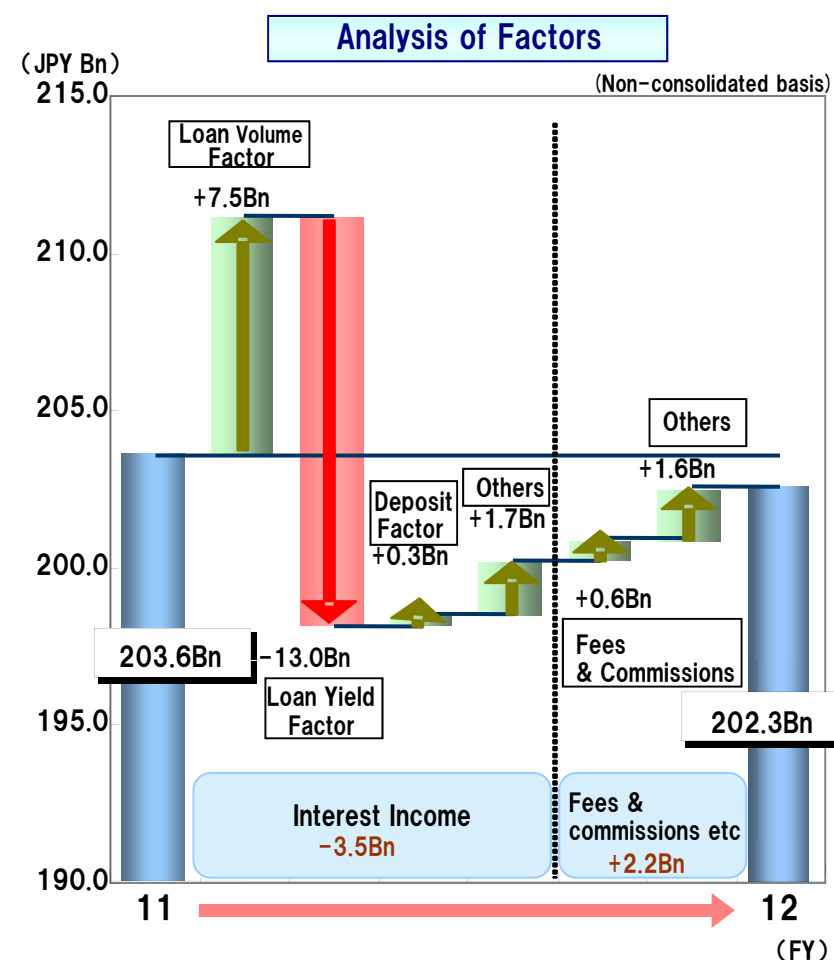
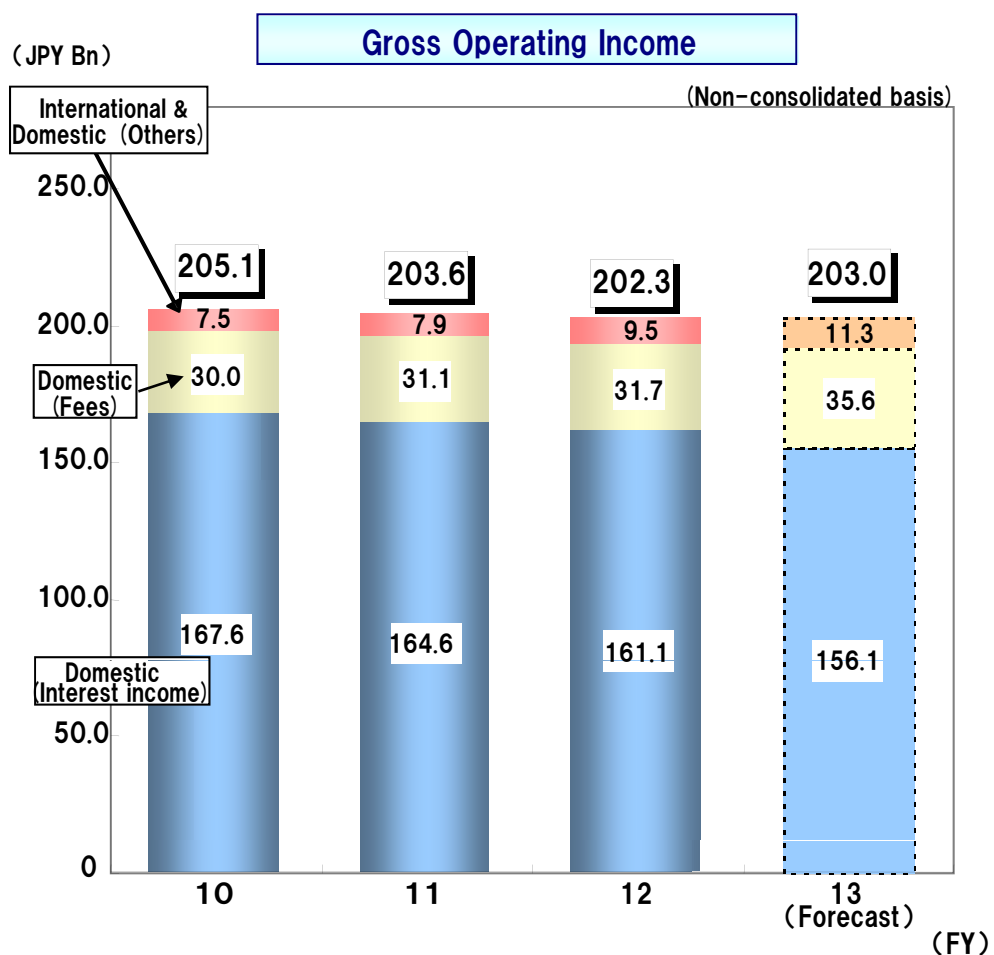
(JPY Bn)

<Non-consolidated basis>	FY11 Actual	FY12 Actual	Increase /Decrease	Differences from forecast (announced in Nov-12)
Gross Operating Income	203.6	202.3	-1.3	+0.8
Expenses	98.3	96.4	-1.9	-1.6
Net business profit	105.3	105.8	+0.5	+2.3
<i>Credit costs( - )</i>	13.7	15.1	+1.4	+3.1
<i>Gains or losses on stocks and other securities</i>	-1.3	-1.4	-0.1	-
<i>Of which, losses on devaluation of stocks and other securities( - )</i>	2.1	1.5	-0.6	-
Ordinary profit	87.0	86.4	-0.6	-1.1
Net income	49.1	53.3	+4.2	-0.7
<b>&lt;Consolidated basis&gt;</b>				
Ordinary profit	96.3	95.0	-1.3	-1.5
Net income	51.1	55.3	+4.2	-0.7

## 2. Financial Summary

### (2) Gross Operating Income

- FY12 : Gross operating income **decreased by JPY1.3Bn (-0.6%)** to JPY202.3Bn. Gross operating income decreased at a slower pace than before due to the increase in domestic fees & commissions and domestic other ordinary income, despite the effect of declining loan yield.
- FY13 Forecast: Aim to achieve JPY203.0Bn by slowing down the loan yield declines and increasing settlement-related fees.

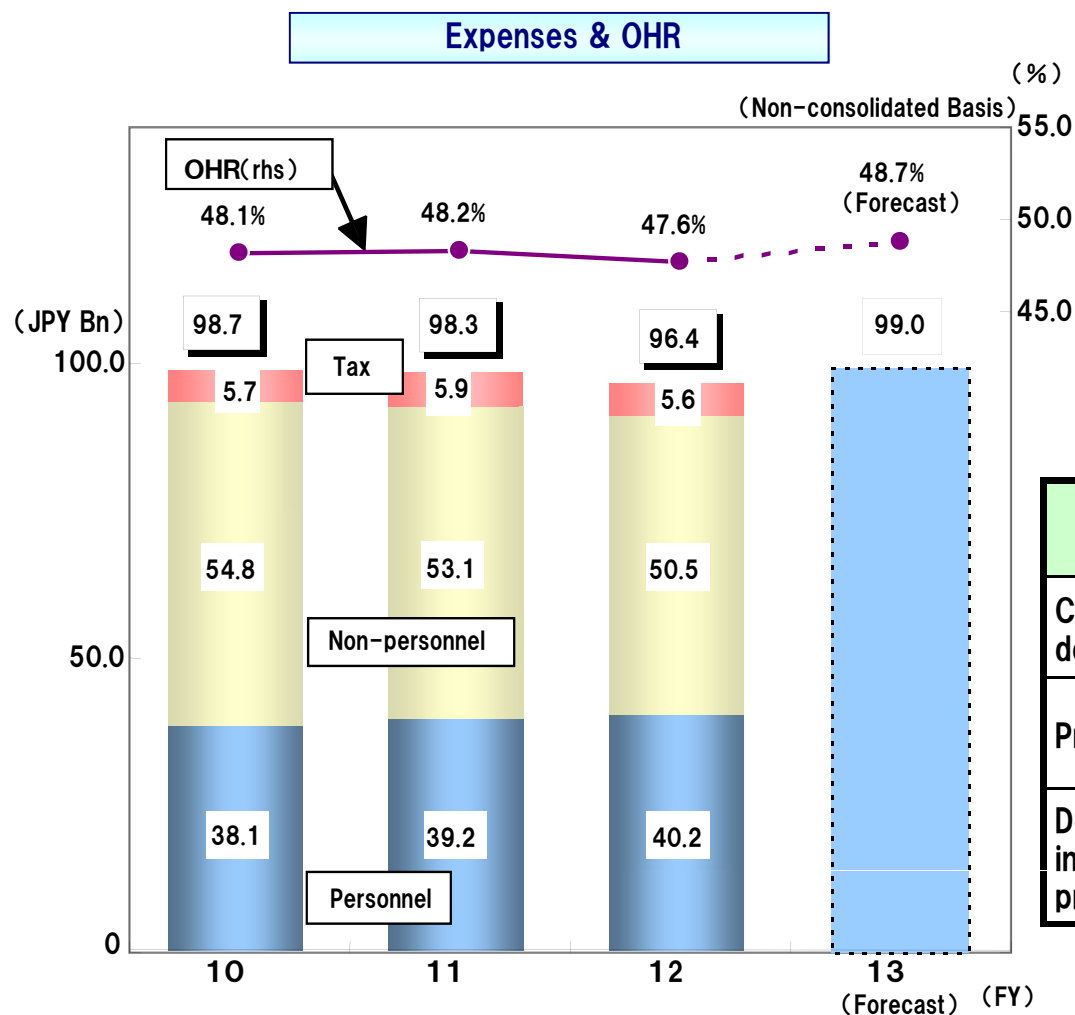


(note) Deposit factor includes increase/decrease attributed to NCD. 13

## 2. Financial Summary

### (3) Expenses & OHR

- FY12 : Expenses decreased by JPY1.9Bn to JPY96.4Bn, mainly due to the decline in deposit insurance premium.  
OHR decreased by 0.6% points to 47.6%.
- FY13 Forecast : JPY99.0Bn (+JPY2.6Bn)



*Factors behind the changes from FY11 to FY12*  
**Personnel: +JPY1.0Bn**  
*Transfer dispatched staff to regular employment*

**Non-personnel: -JPY2.6Bn**  
*Transferring personnel expenses and decrease in deposit insurance premium*

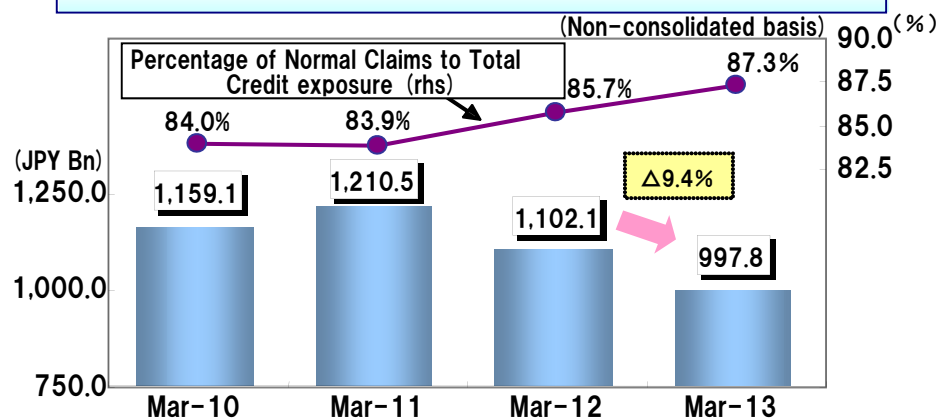
FY	10	11	12	13 (Plan)
Covered deposits	9,986.7	10,166.1	10,366.2	10,688.0
Premium rate	0.084	0.084	0.070	0.084 (0.070)
Deposit insurance premium	8.3	8.5	7.2	8.9 (7.4)

## 2. Financial Summary

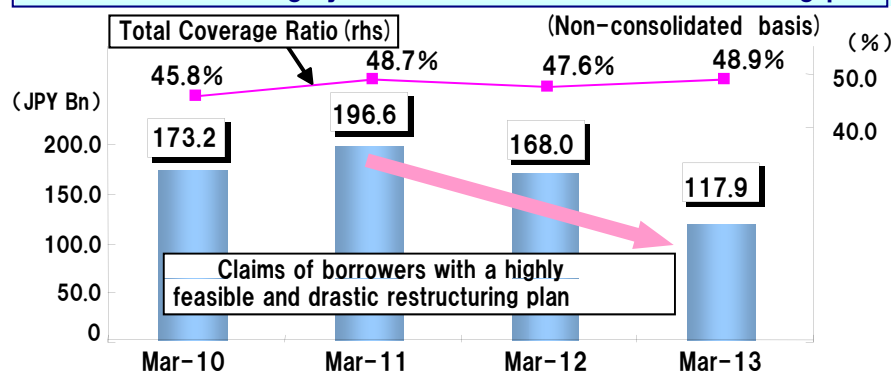
### (4) Financial Claims

- As a result of careful support to “in need of caution” customers, the percentage of normal claims to total credits **increased by 1.6% points to 87.3%** and the balance of “in need of caution” other than “in need of special caution” **decreased by 9.4% to JPY997.8Bn**.
- The balance of the claims of the borrowers with a highly feasible and drastic restructuring plan decreased because of appropriate rating based on the progress of the plans.
- Non-performing Loan (NPL) ratio maintained **2.2%**, due to the rank-down from the borrowers with a highly feasible and drastic restructuring plan as well as the write-off from the NPLs.

Claims of “In need of caution” other than “in need of special caution”

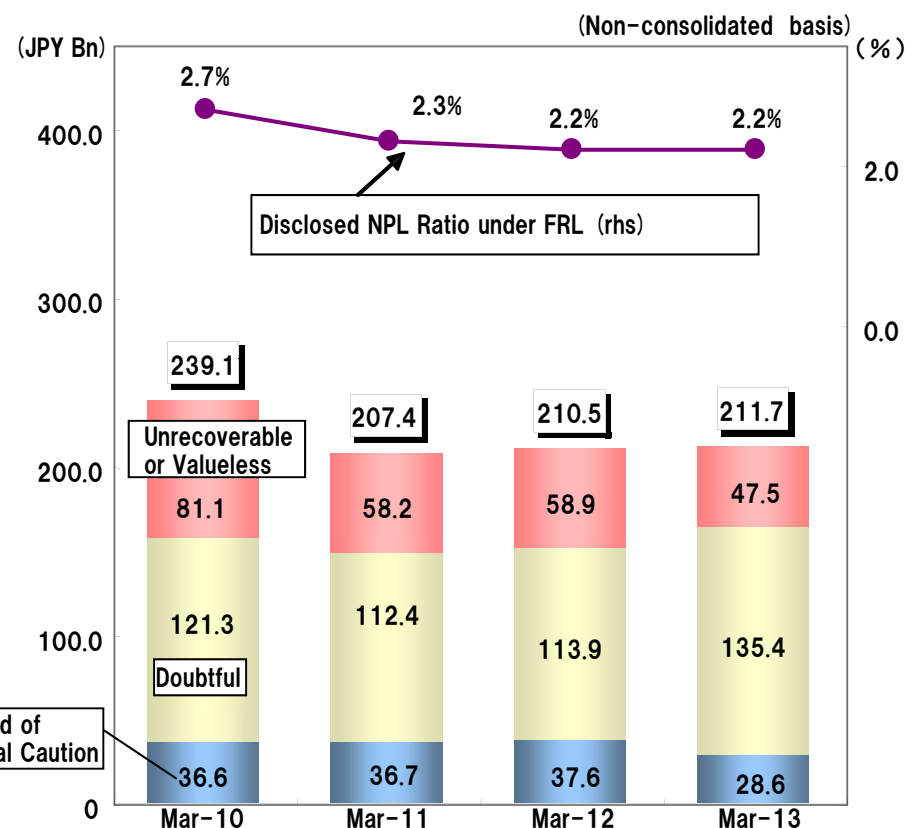


Borrowers with a highly feasible and drastic restructuring plan



(note) Including borrowers who have developed a highly feasible and drastic restructuring plan and borrowers who are in the process of preparing such a plan

Disclosed NPLs under Financial Revitalization Law (FRL)

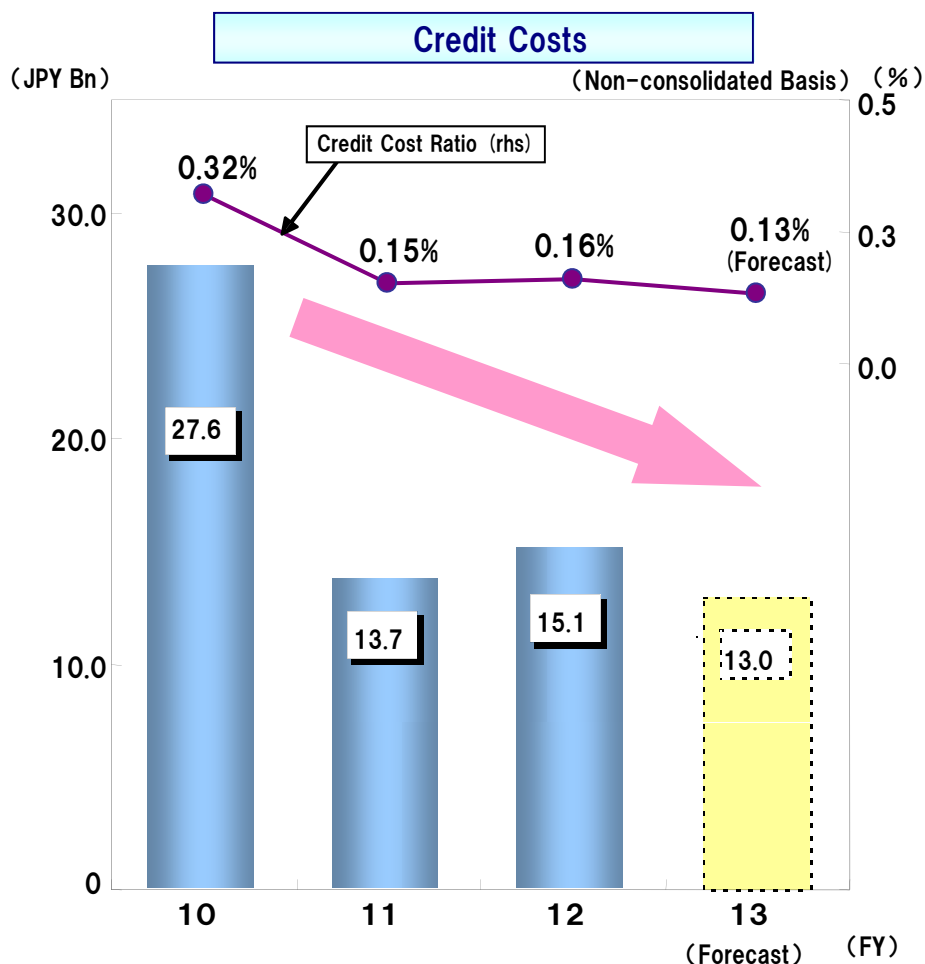




## 2. Financial Summary

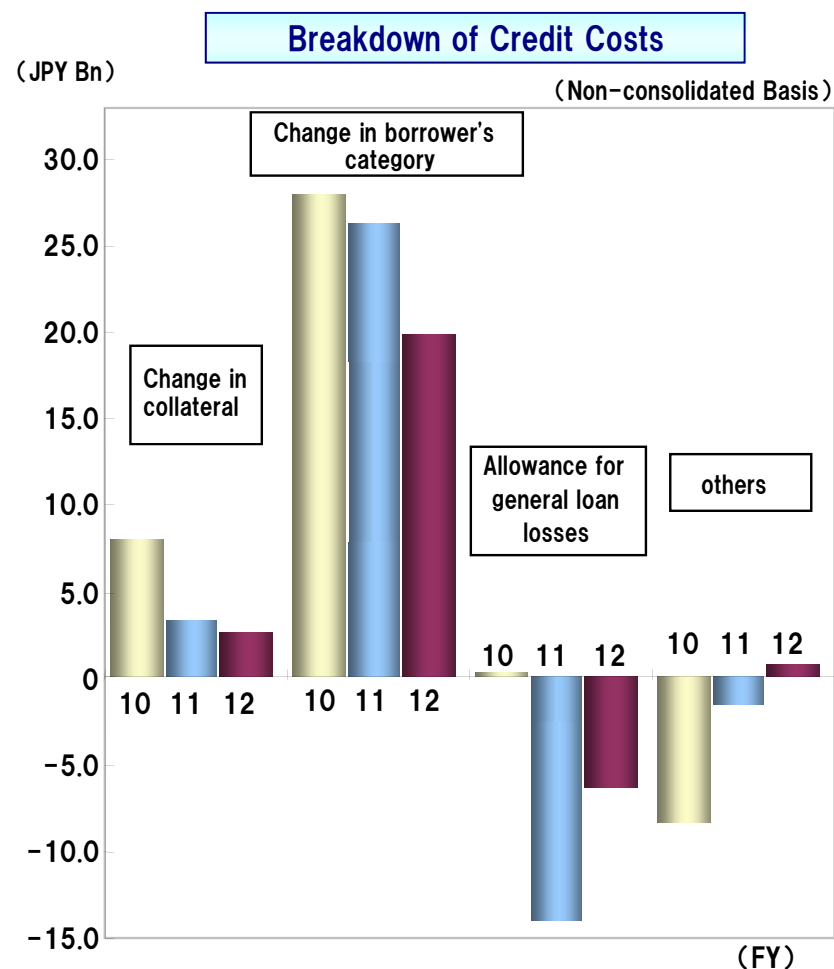
### (5) Credit Costs

- FY12: Credit costs **increased by JPY1.4Bn (+10.2%) to JPY15.1Bn** due to the provisions related to the prospect of supporting management improvement after the end of SME Financing Facilitation Act.
- FY13 Forecast : **JPY13.0Bn (-JPY2.1Bn, -13.9%)**



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

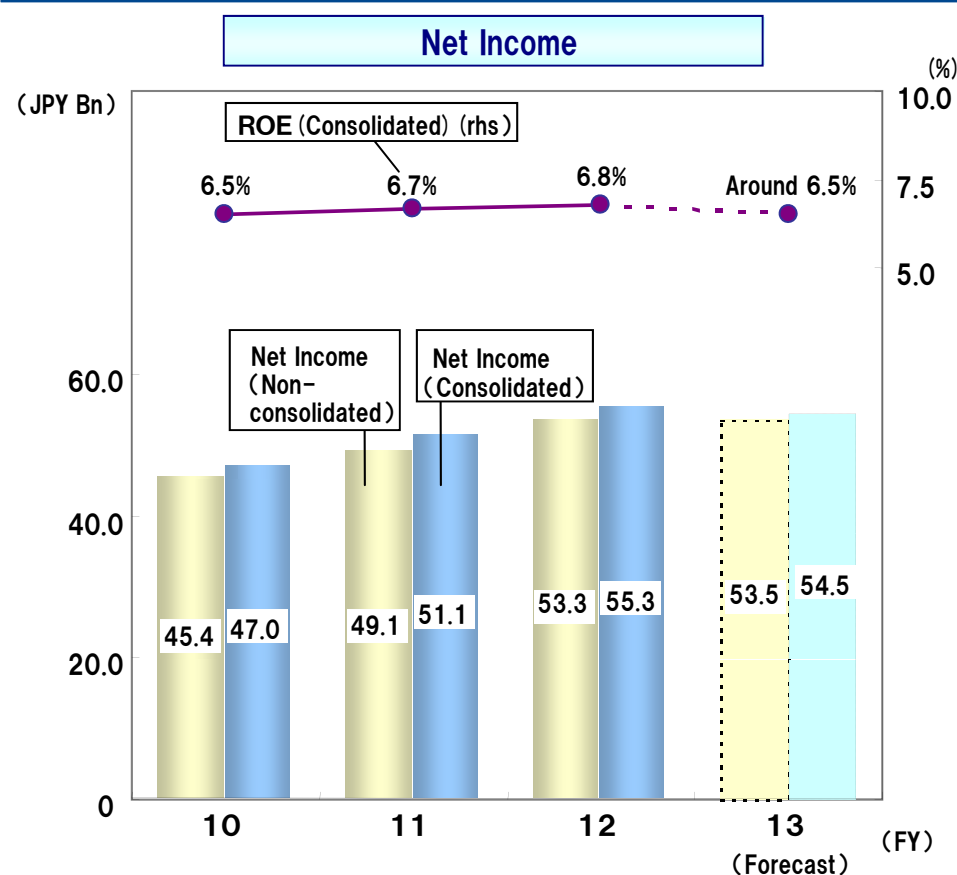
(note2) Credit cost ratio = Credit costs ÷ Average balance of loans



## 2. Financial Summary

### (6) Net Income

- FY12: Net income (Non-consolidated) increased by JPY4.2Bn (+8.5%) to JPY53.3Bn due to the decline in corporate income tax rate. Net income (Consolidated) increased by JPY4.2Bn (+8.1%) to JPY55.3Bn and ROE (Consolidated) rose by 0.1% points to 6.8%.
- FY13 Forecast (Non-consolidated): JPY53.5Bn (+JPY0.2Bn, +0.3%)



#### 【Comparison from FY11】

	(JPY Bn)		
	FY11	FY12	
	(actual)	(actual)	change
<b>Net Income (Non-consolidated)</b>	<b>49.1</b>	<b>53.3</b>	<b>+4.2</b>
<b>ROE</b> (Net Income base, Non-consolidated)	<b>6.5%</b>	<b>6.6%</b>	<b>+0.1%</b>
<b>Net Income (Consolidated)</b>	<b>51.1</b>	<b>55.3</b>	<b>+4.2</b>
<b>ROE</b> (Net Income base, Consolidated)	<b>6.7%</b>	<b>6.8%</b>	<b>+0.1%</b>
<b>RORA</b> (Net Income base, Consolidated)	<b>0.78%</b>	<b>0.82%</b>	<b>+0.04%</b>

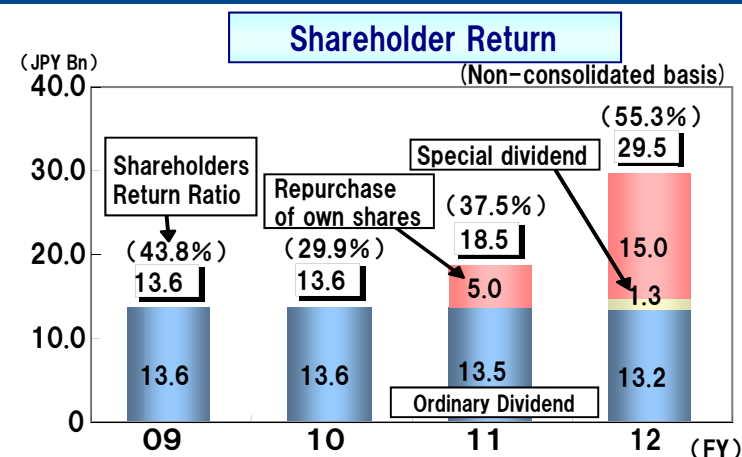
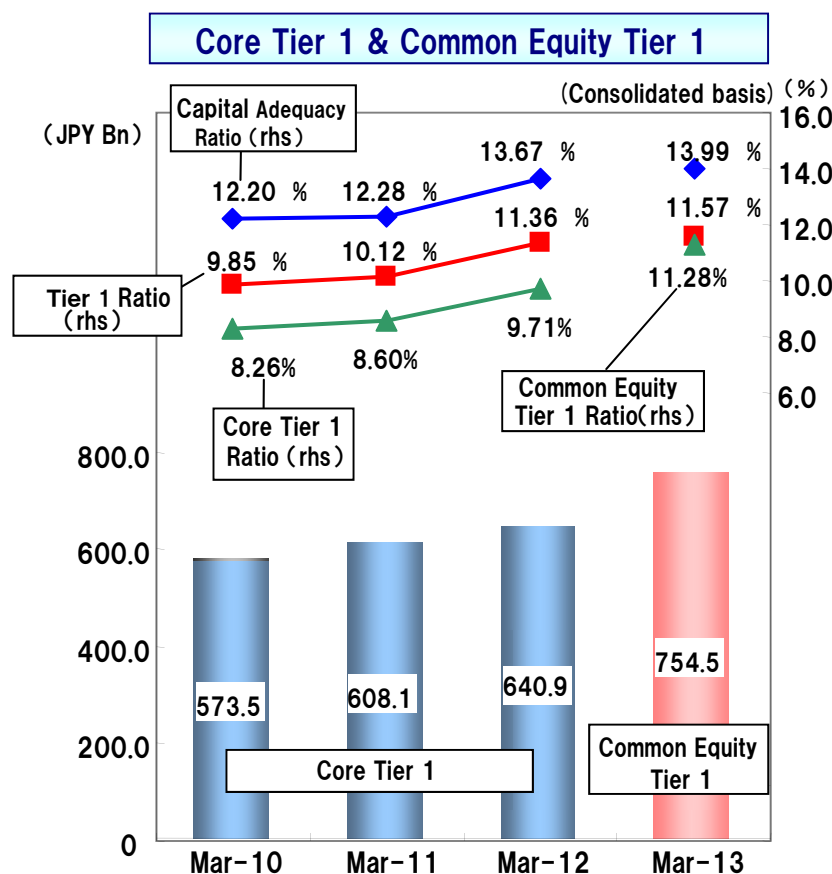
*Factors behind the change from FY11 to FY12:*  
*Increase in Core Net Business Profit: JPY0.5Bn*  
*Increase in Credit Costs: JPY1.4Bn*  
*Decrease in Income tax etc.: JPY5.1Bn*

(Note) ROE (Consolidated) = Net Income ÷ Net Asset (Average, excluding subscription rights to share and minority interests)

## 2. Financial Summary

### (7) Capital Adequacy & Shareholder Return

- Common Equity Tier 1 ratio (Consolidated) continually maintained at the high level, **11.28%** as of Mar-13. On the back of this high capital levels, we paid special dividends of JPY1 per share as performance-linked special return to shareholders in addition to the repurchase of own shares totaling **JPY15.0Bn** during the FY12.
- The shareholder return policy for the term of the medium term management plan is to pay ordinary dividends at a rate of **JPY11 per share (+JPY1)**, to continue to flexibly repurchase own shares, and to pay **special dividends if consolidated net income exceeds JPY55Bn**.



#### 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**.

(Note 1) Core Tier 1 ratio is calculated based on all deductions of the Basel III framework.  
 (Note 2) Core Tier 1 ratio = {Tire 1- (preferred stock-preferred securities-net deferred tax assets etc.)} / Risk assets (Basel II base)

## **3. Management Strategies**

### 3. Management Strategies

#### (1) Review of the Results under the Previous Medium Term Management Plan

- Despite the challenging environment where ultra-low interest rates continued, we basically achieved three (credit cost ratio, ROE, and core Tier 1 ratio) out of four main objectives.

(JPY Bn)

		1st year of Management Plan	2nd year of Management Plan	3rd year of Medium Term Management Plan		
		FY10 Actual	FY11 Actual	FY12 Plan (originally planned)	FY12 Actual	Differences from Plan
Non-consolidated basis	Gross Operating Income	205.1	203.6	221.0	202.3	-18.7
	- Expenses	98.7	98.3	99.0	96.4	-2.6
	Net Business Profit	106.4	105.3	122.0	105.8	-16.2
	- Credit Costs (Note1)	28.9	13.7	26.0	15.1	-10.9
	Ordinary Profit	74.9	87.0	92.0	86.4	-5.6
	Net Income	45.4	49.1	55.5	53.3	-2.2
	OHR	48.1%	48.2%	Around 45%	47.6%	-
	Credit Costs Ratio (Note1)	0.33%	0.15%	0.30%	0.16%	-0.14%
Consolidated basis	Ordinary Profit	81.6	96.3	95.0	95.0	±0
	Net Income	47.0	51.1	56.0	55.3	-0.7
	ROE	6.5%	6.7%	Around 7%	6.8%	-
	Core Tier 1 Ratio (Note2)	8.6%	9.7%	Higher than 8.0%	10.05%	-
	Loans (Non-consolidated)	8,636.3	9,008.2	9,460.0	9,379.4	-80.6
	Retail Loans within Kanagawa Prefecture (Non-consolidated) (Note3)	5,973.5	6,233.0	6,550.0	6,490.6	-59.4
	Deposits (Non-consolidated)	10,753.1	11,091.5	10,800.0	11,484.9	+684.9
	Non-Deposit Products for Individuals (consolidated)	1,840.4	1,929.1	2,200.0	2,119.1	-80.9

(Note1) "Recoveries of written-off claims" is not included in credit costs in FY10 Actual.

(Note2) Risk-weighted assets at the end of FY12 are calculated based on the Basel III framework.

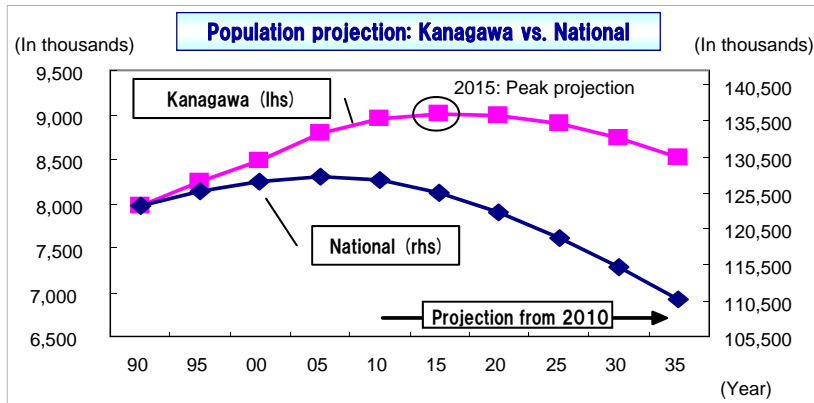
(Note3) Retail Loans within Kanagawa Prefecture = Loans to small and medium-sized businesses in Kanagawa Pref.+Loans to individuals in Kanagawa Pref. 20

# 3. Management Strategies

## (2) Potential of Kanagawa Prefecture

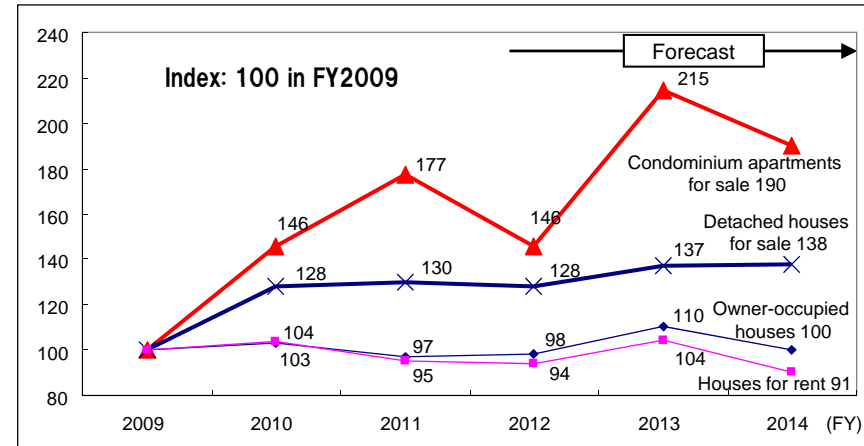
- In Kanagawa, the population is expected to continue to grow until 2015. In particular, the population of Yokohama-city and Kawasaki-city, the growth areas, will continue to increase until 2020 and 2030, respectively.
- Construction starts of detached houses and condominium apartments for sale are expected to continue to grow going forward.
- Kanagawa is a center of vibrant service industries such as R&D and medical welfare with many start-up companies.

### Population projection



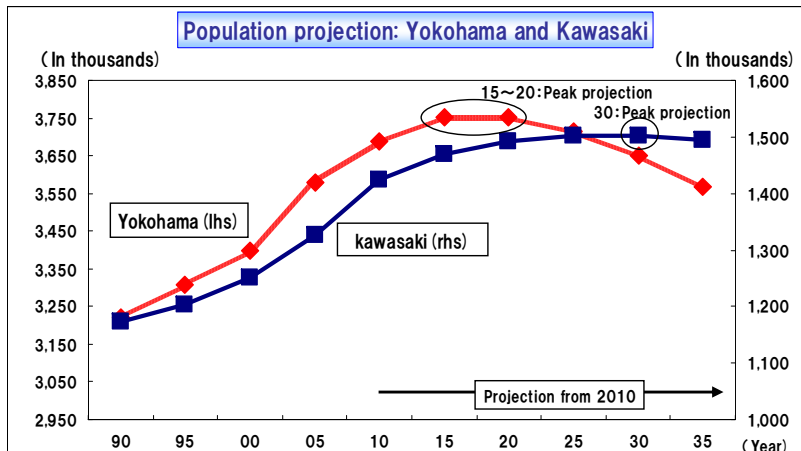
Source: National Institute of Population and Social Security Research

### New Housing Construction Starts Forecast



Source: Hamagin Research Institute

### Population projection: Yokohama and Kawasaki



Source: National Institute of Population and Social Security Research (Yokohama city, Kawasaki city)

### Status of service industries and start-up companies

Service industries: Number of employees (in thousands)			Academic/R&D institutes: Number of employees (in thousands)		
1st	Tokyo	3768	1st	Kanagawa	52
2nd	Osaka	1930	2nd	Tokyo	42
3rd	<b>Kanagawa</b>	<b>1582</b>	3rd	Ibaraki	31
4th	Aichi	1435	4th	Osaka	17
5th	Hokkaido	1082	5th	Saitama	17

Medical welfare: Number of employees (in thousands)			Number of venture companies originated from universities		
1st	Tokyo	657	1st	Tokyo	432
2nd	Osaka	480	2nd	<b>Kanagawa</b>	<b>138</b>
3rd	<b>Kanagawa</b>	<b>379</b>	3rd	Osaka	118
4th	Aichi	317	4th	Fukuoka	107
5th	Hokkaido	297	5th	Kyoto	102

Source: 2009 Economic Census, MIC: 2008 Industry Technology Survey, METI

# 3. Management Strategies

## (3) Points of the Medium Term Management Plan “Tackle for the Dream” (Apr-13~Mar-16)

- The three years to enhance and deepen the “solid business foundation” and to maintain and reinforce the “strong management foundation” under the financial environment of yield curve flattening caused by the “Quantitative and Qualitative Monetary Easing.”

### FY15 Targets

#### 1 Increasing business opportunities and activating transactions with customers

- ✓ Aim to increase the number of various transactions with customers by increasing business opportunities and providing consulting services and new products/services that meet customer needs.

Number of main individual customers:  
Around 2.5 million  
(+200,000)

#### 2 Expansion of fees and commissions businesses

- ✓ Increase the proportion of fees and commissions businesses by providing a wide variety of service solutions other than lending transactions.

Fees and commissions income ratio:  
Around 22% (+2%)

#### 3 Higher income relative to risk (RORA)

- ✓ Secure sufficient income relative to risk by expanding new products such as unsecured consumer loans.

Net income RORA:  
Around 0.8%  
(Maintained)

#### 4 Improved convenience and cost reduction by efficient operations (improved productivity)

- ✓ Realize improved convenience and cost reduction through improved productivity in the areas of branches, facilities, administration, IT, and human resources.

OHR:  
Late 40's %  
(Maintained)

#### 5 Maintaining and reinforcing the strong management foundation

- ✓ Maintain and reinforce the sound management foundation through strict risk management and sufficient capital.

Credit cost ratio:  
Around 0.15%  
Common Equity Tier 1 ratio:  
Around 11% (Maintained)

#### 6 Securing of sufficient income (ROE)

- ✓ Realize sustained growth and secure sufficient income through the steady implementation of the new plan.

Net income ROE:  
Around 7%  
(Maintained)

# 3. Management Strategies

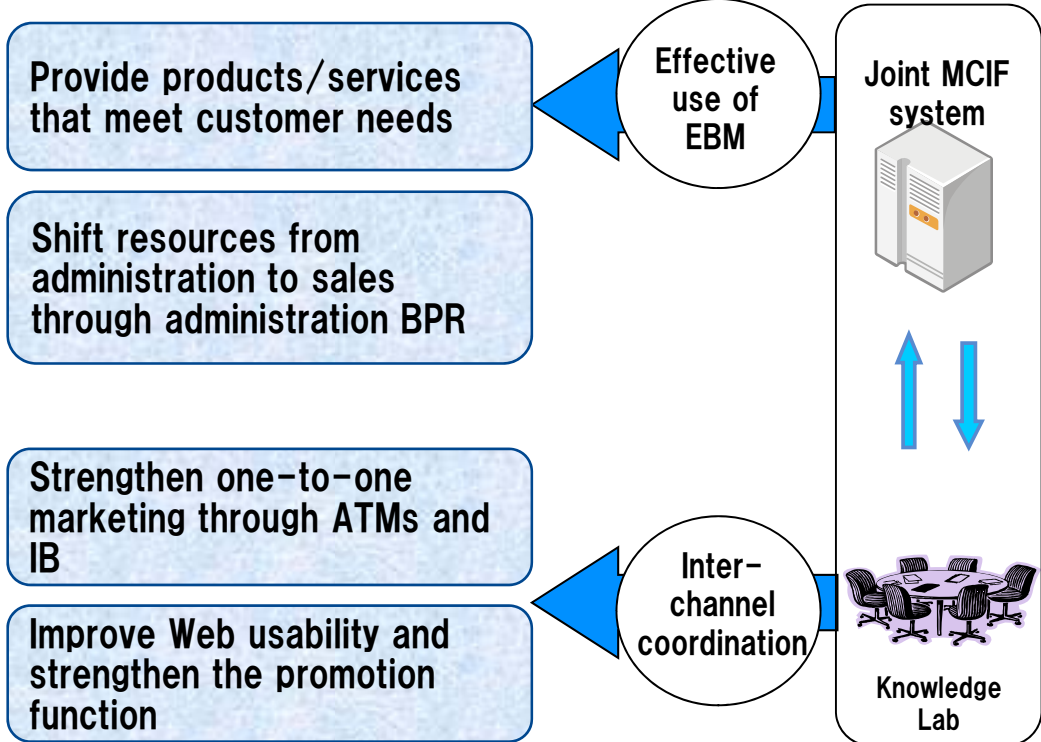
## (4) Personal Banking Strategy -Expanded Customer Contacts

- For customers in Wealth Management Segment, we will strengthen the sales force and enhance contacts between branches and customers.
- For customers in Wealth Building Segment and non-customers, we will expand contact points with customers who cannot have usually contact with branches by strengthening the direct channel function.
- By effectively using MCIF, which we introduced ahead of other banks, we will provide products and services that meet customer needs on a timely basis.

### Customer Base Structure

Segment	No. of customers	No. of main customers	
Customers in wealth management	0.33 million	0.27 million	Handled by branches
Customers in wealth building	4.81 million	2.03 million	Handled by the head office
<b>Total</b>	<b>5.14 million</b>	<b>2.3 million</b>	
Non-customers in Kanagawa		3.91 million	

Increase the number of main customers / promote cross-selling





# 3. Management Strategies

## (4) Personal Banking Strategy –Deeper Relationship with Customers

- Provide competitive new products/services such as trust products and unsecured consumer loan in order to meet the needs of customers in various life stages, .
- Aim to make customers use as many products and services as possible and to activate transactions with customers.

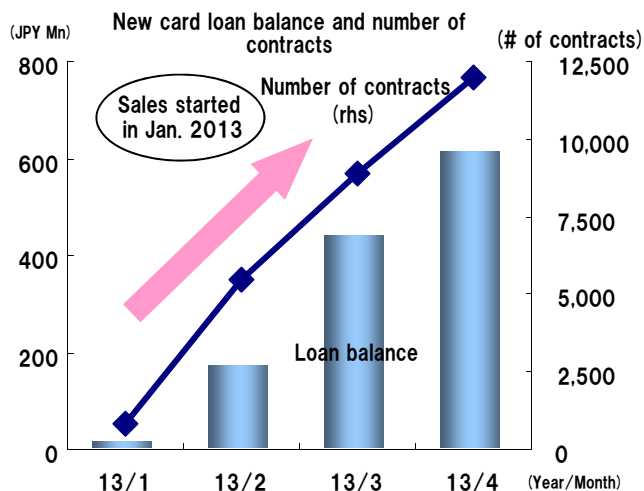


### Protection insurance

Prefecture-wide sales of protection insurance started. Protection is provided according to life stages with the strengthened direct channel function.

### Introduction of unsecured consumer loans

New unsecured consumer loan products are provided according to life stages.

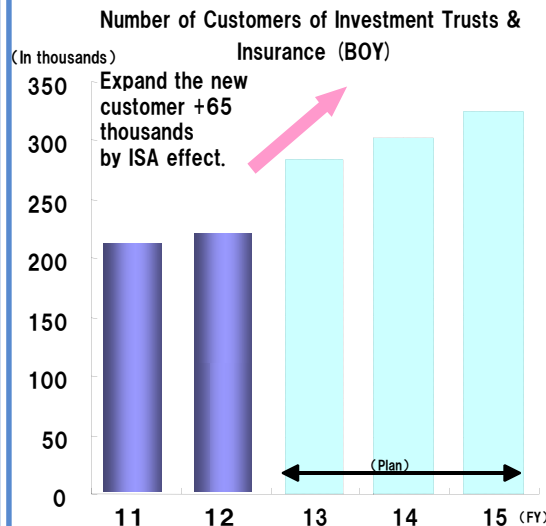


### Strengthen coordination with Hamagin Tokai Tokyo Securities

Support customers in their investment in financial assets with portfolio proposals under cooperation among group companies.

### Responses to the Japanese version of ISA

Expand the customer base to use investment trusts by responding to the introduction of the Japanese version of ISA.

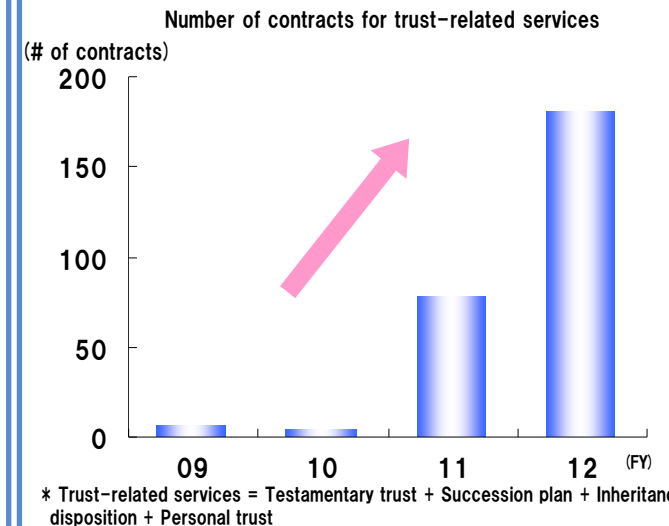


### Responses to the non-taxable education funds endowment program

- April 2013: Started offering trust services for education funds
  - June 2013: Scheduled to start offering deposit services for education funds
- Support the dreams of children and grandchildren using the non-taxable education funds endowment program.

### Enhancement of personal trust products

Provide asset management using personal trusts and support smooth inheritance.



\* Trust-related services = Testamentary trust + Succession plan + Inheritance disposition + Personal trust

# 3. Management Strategies

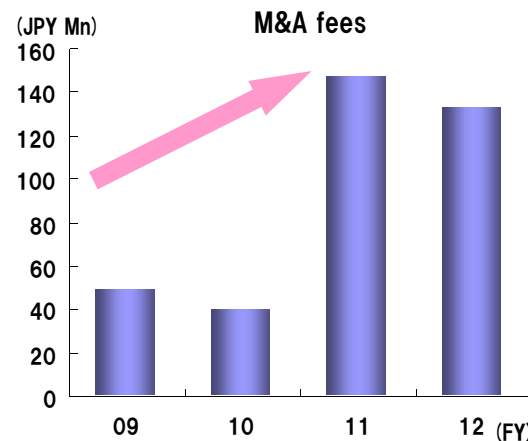
## (5) Corporate Banking Strategy – Problem Solving Support and Expansion of Main Transactions

- Strengthen proposals to support problem solving for customers, such as M&A, business matching, and various fund-raising schemes.
- Boost the number of corporate main customers by enhancing comprehensive transactions such as settlement transactions and lease transactions.

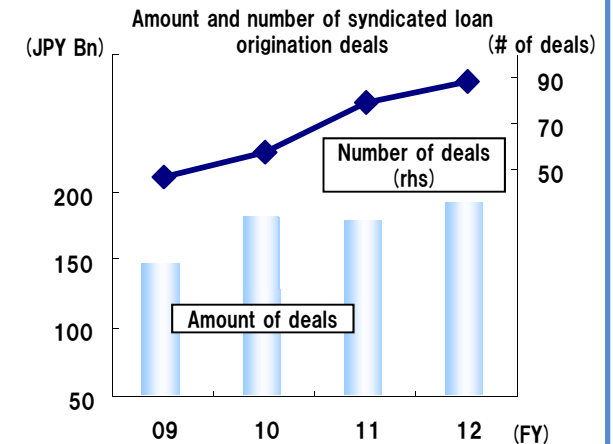
### Problem solving support

- ✓ Strengthen M&A proposals to resolve management issues through coordination with external organizations.
- ✓ Support customers in their efforts to expand business opportunities by enhancing partnerships for business matching.
- ✓ Provide many customers with various fund-raising schemes such as syndicated loans and private placement bonds.

### Problem solving support with M&A



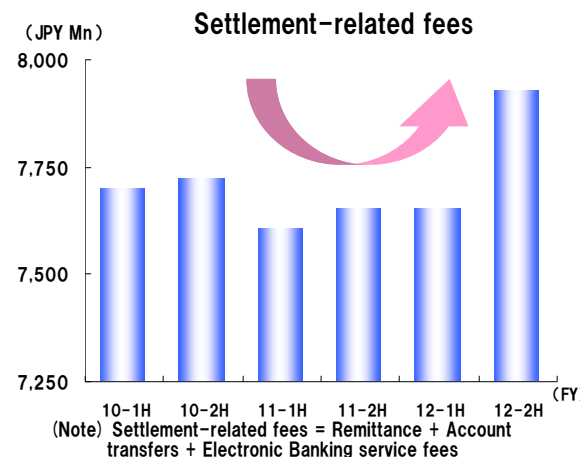
### Number of syndicated loan deals



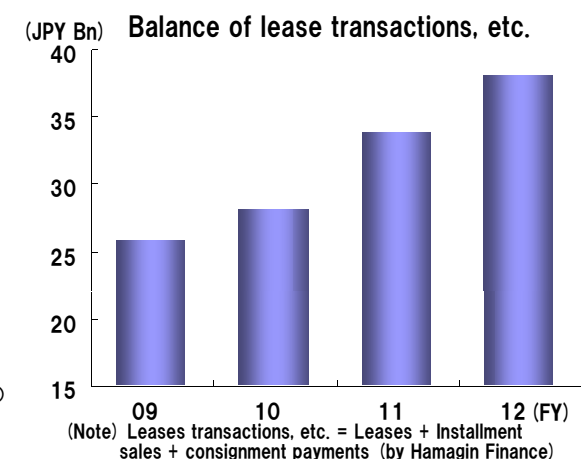
### Expansion of main transactions

- ✓ Boost the number of corporate main customers by enhancing comprehensive transactions such as settlement transactions.
- ✓ Provide a wider variety of service solutions under cooperation among group companies.

### Strengthen settlement transactions



### Strengthen lease transactions, etc.

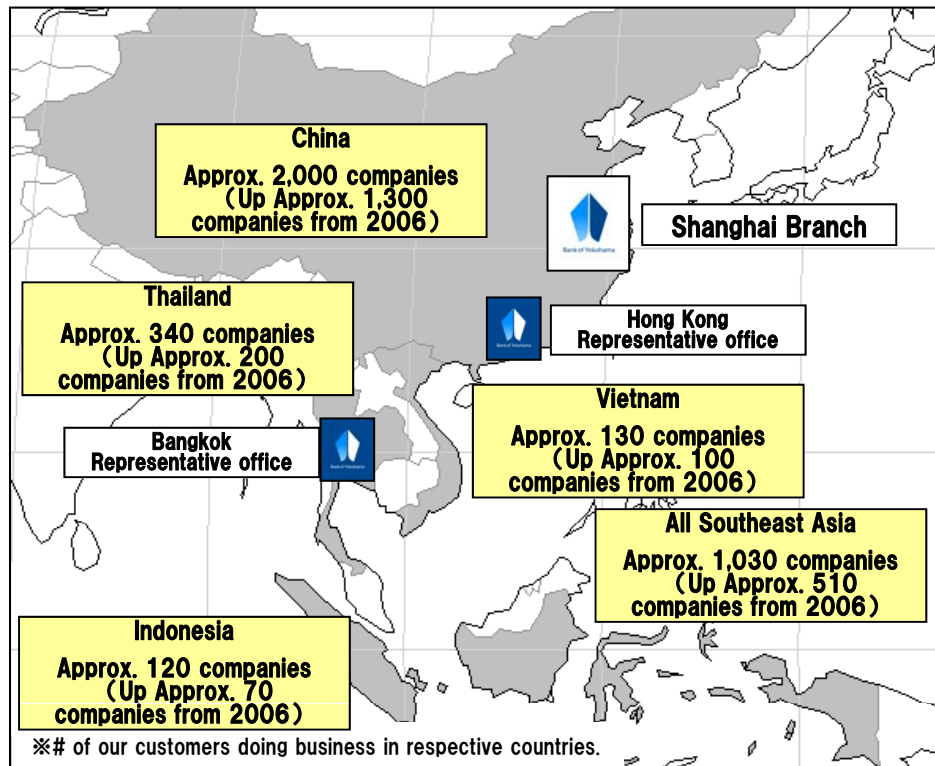


# 3. Management Strategies

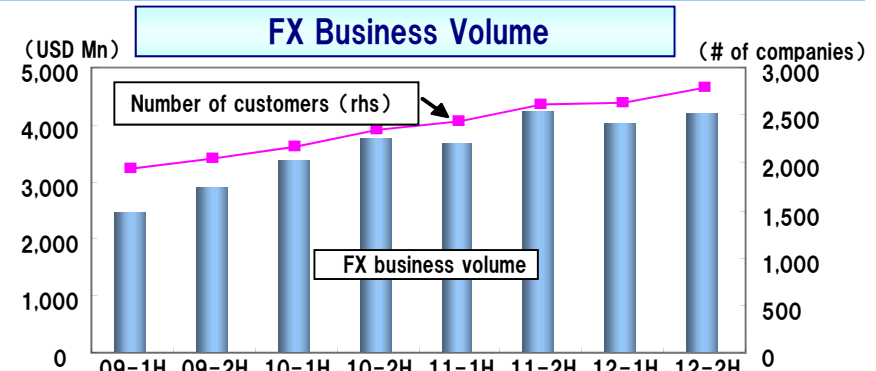
## (6) Asia Strategy

- Strengthen support to overseas businesses of our customers in China and Southeast Asia through our own locations, Hamagin Research Institute, and affiliated financial institutions.

### Support in Asia



### Enhancement of FX transactions



(Note1) Customers above are limited to those whose transaction amount is USD1,000 or more in total.  
 (Note2) FX business volume is a total of corporations, public entities and financial corporations

Nov 2012

**Started overseas funds transfer in currencies of Asian emerging economies**

Currencies handled: Increased from 15 to 19 currencies  
 (KRW, TWD, IDR, and INR added)

Jan 2013

**Agreement with Kanagawa Prefecture for overseas expansion support**

An agreement reached among Kanagawa Prefecture, Bank of Yokohama, Hamagin Research Institute for overseas expansion support to SMEs in the prefecture to strengthen support capability.

May 2013

**Shanghai Branch started to provide loans with SBLC (Standby credit) issued by other regional banks**

Increase the loan balance and improve the revenue base in Shanghai Branch by supporting companies operating in China and by cooperating with other regional banks.

### 【Affiliated financial institutions】

Region	Affiliated financial institutions
Southeast Asia	All Southeast Asia: Standard Chartered Bank
	Indonesia: Bank Internasional Indonesia
	Thailand: Bangkok Bank
	Vietnam: ANZ Bank (Vietnam)
China/Hong Kong	China: Bank of China, Bank of Communications
	Hong Kong: Bank of East Asia

### 3. Management Strategies

#### (7) Financial Forecast of the Medium Term Management Plan “Tackle for the Dream”

■ Target figures of the medium term management plan are as follows:

		(JPY Bn)				
		FY11 Actual	FY12 Actual	FY13 Plan	FY15 Plan	Changes in 3years
Non-Consolidated basis	Gross Operating Income	203.6	202.3	203.0	213.0	+10.7
	Of which, Fees and Commissions	31.1	31.7	35.6	37.0	+5.3
	- Expenses	98.3	96.4	99.0	104.0	+7.6
	Net Business Profit	105.3	105.8	104.0	109.0	+3.2
	- Credit Costs	13.7	15.1	13.0	14.0	-1.1
	Ordinary Profit	87.0	86.4	87.0	92.0	+5.6
	Net Income	49.1	53.3	53.5	59.0	+5.7
	OHR (Note1)	48.2%	47.6%	48.7%	Late 40's%	-
	Credit Costs Ratio (Note1)	0.15%	0.16%	0.13%	Around 0.15%	Around -0.01%
Consolidated basis	Gross Operating Income	222.6	222.6	222.0	230.0	+7.4
	Of which, Fees and Commissions	42.8	44.5	48.0	51.0	+6.5
	Ordinary Profit	96.3	95.0	93.5	100.0	+5.0
	Net Income	51.1	55.3	54.5	61.0	+5.7
	Fees and Commissions Income Ratio (Note1)	19.2%	20.0%	Around 21%	Around 22%	Around +2%
	Net Income ROE (Note1)	6.7%	6.8%	Around 7%	Around 7%	Maintained
	Net Income RORA (Note1)	-	0.82%	Around 0.8%	Around 0.8%	Maintained
	Common Equity Tier 1 Ratio (Note1)	-	11.28%	Around 11%	Around 11%	Maintained
Number of Main Individual Customers (Note1,2)		2.33 million	2.29 million	Around 2.35 million	Around 2.50 million	Around +0.20 million

(Note 1) Medium term management plan target item

(Note 2) “The number of main individual customers” means the number of customers who mainly use the Bank’s services (defined by the Bank).

Afresh あなたに、あたらしく。



Bank of Yokohama

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