



Bank of Yokohama

Information Meeting

~ Interim Financial Results for FY15 ~

November 16, 2015

The Bank of Yokohama, Ltd.

December 1, 2015

“Total payout ratio: FY14” (Page 21, “Capital Adequacy & Shareholder Return”) was revised.



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Highlights

The financial and operating results in this document are compared to the first half of last fiscal year

Increase/up : "+"

Decrease/down: "-"

Highlights in FY15-1H

1 Core net business profit turned upward for the first time in 2 consecutive periods

- ✓ Gross operating income remained unchanged from the same period last year at JPY102.7bn, with a decline in interest income on loans and deposits offset by domestic fees and commissions income and others.
- ✓ The proportion of financial profit and loss of the market department in gross operating income remained at 13% backed by a stable revenue structure.
- ✓ Expenses decreased JPY1.1bn to JPY49.5bn, despite increases in personnel expenses and taxes, due to decreased deposit insurance premium; OHR declined 1.0% point to 48.2%.

2 Consolidated fees & commissions income ratio rose to 25%

- ✓ Sales of investment products hit a record high, reflecting a sharp rise of 33.3% in whole life insurance sales due to initiatives to enhance asset management proposals.
- ✓ The proportion of new investments in investment trusts increased 10% and the number of active investment trust accounts increased 3.0% to a historical high level, on promotion of "core & satellite investment strategies".

3 Average loan balance is persistently on the rise

- ✓ The average loan balance increased 2.9% backed by a 16.8% increase in new loans extended for capital expenditures primarily in growth areas.
- ✓ The average balance of loans to high-net-worth individuals increased 6.3%, hitting a record high, backed by strengthened consulting business by skilled financial consultants.

4 Interim net income reached a historical high

- ✓ Interim net income (Non-consolidated) increased JPY7.2bn to JPY40.5bn on the back of increased core net business profits, sale of the shares in DES that were acquired as part of business reorganization, and decreased credit costs.
- ✓ "Profit attributable to owners of parent" ROE (consolidated) increased 0.5% to 8.4%, beating the medium term management plan target.

5 Maintenance of solid capital base and proactive shareholder return

- ✓ The CET 1 ratio was 12.44%, higher than the Medium Term Management Plan target level. The CET 1 to total capital ratio rose 1.9% to 93.5%, a qualitatively robust level.
- ✓ We conducted a flexible JPY20.0bn share buyback program based on the shareholder return policy. (In addition, a resolution was made this November to implement a JPY5.0bn share buyback.)
- ✓ (We intend to increase dividend per share for four consecutive fiscal years by distributing a special dividend of JPY3. As a result, the total payout ratio is expected to exceed 50% for four consecutive fiscal years as well.)

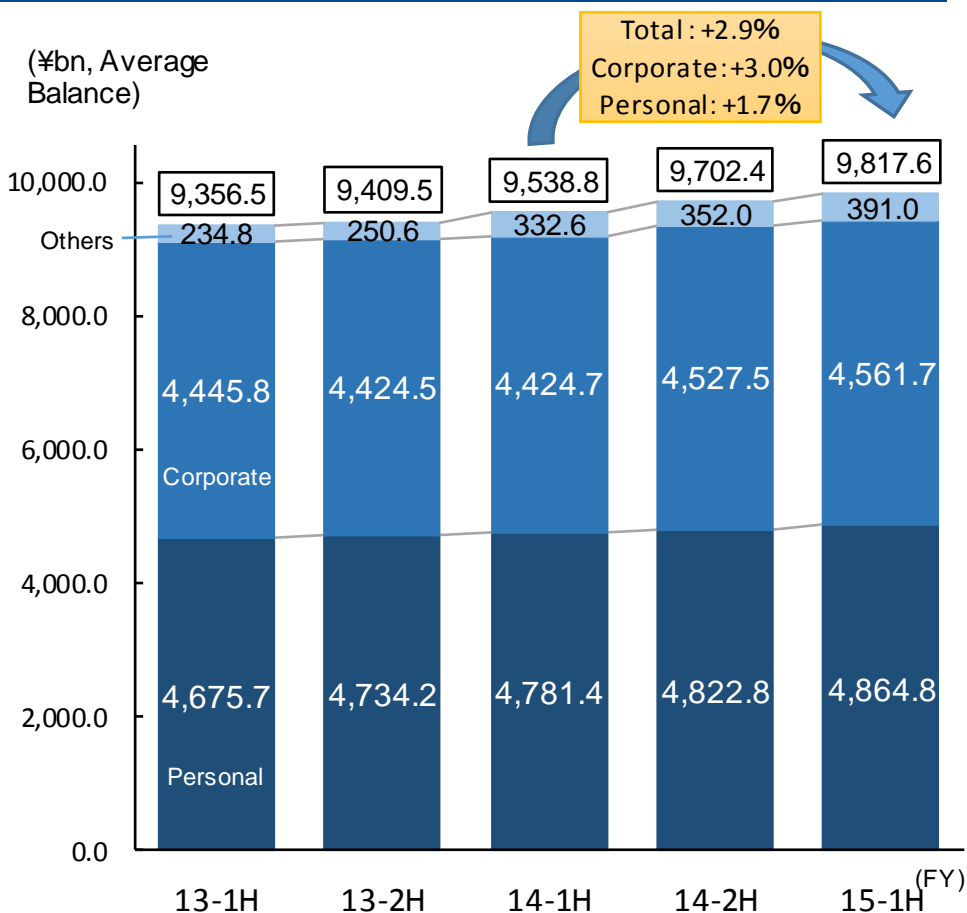
1. Business Results

1. Business Results

(1) Loans & Deposits for FY15-1H

- The average loan balance **increased by 2.9%** to **JPY9,817.6bn** with a focus on apartment loans and SME loans (personal loans **+1.7%**; corporate loans **+3.0%**).
- The average deposit balance **increased by 3.4%** to **JPY11,987.0bn** on increased liquid deposit loans (personal loans **+2.8%**; corporate loans **+4.1%**).

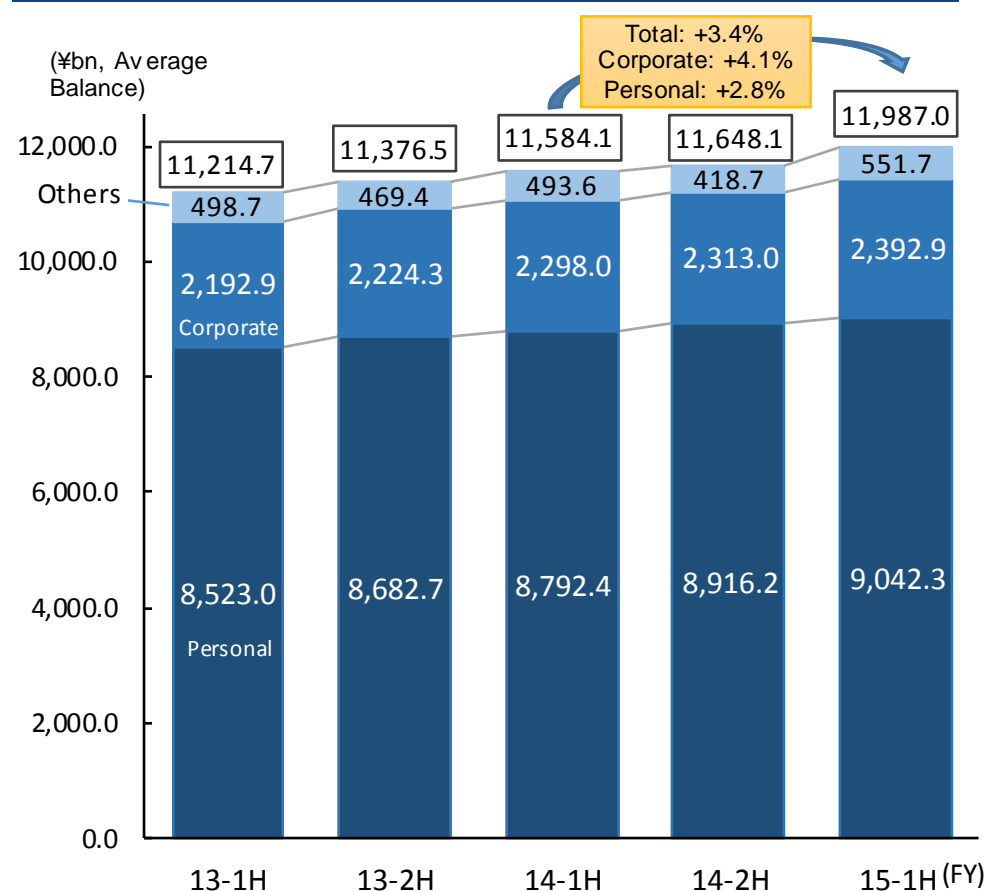
Total Loans



(Note 1) Domestic branches

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

Total Deposits



(Note 1) Domestic branches

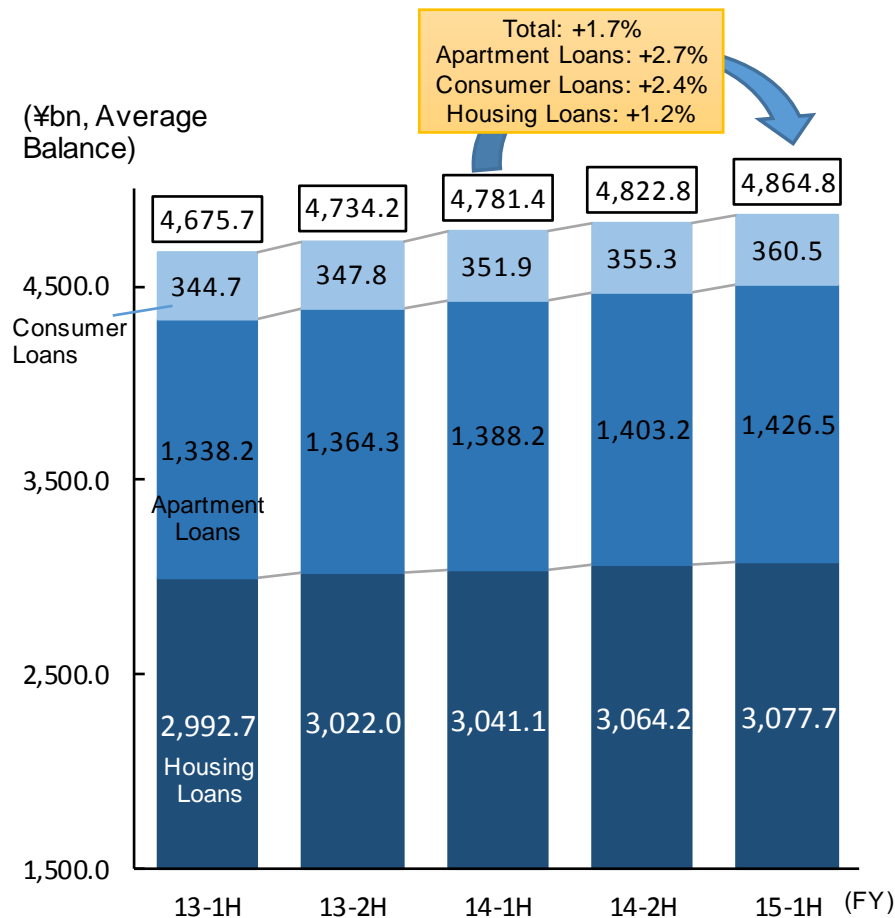
(Note 2) Others = Local Public + Financial Institutions

1. Business Results

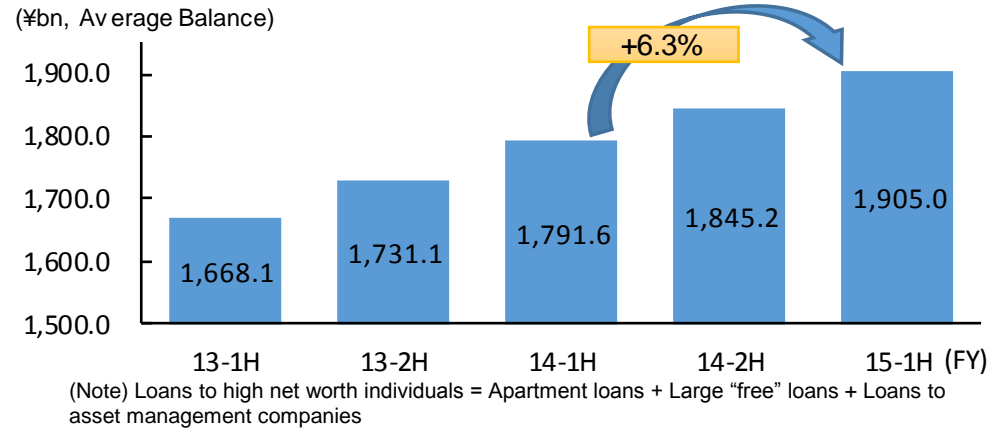
(2) Personal Loans for FY15-1H - Housing Loans, Apartment Loans(Loans to High-Net-Worth Individuals^(Note))

- The average personal loan balance **increased by 1.7%** to **JPY4,864.8bn** driven by a focus on apartment loans (+2.7%) and consumer loans (+2.4%).
- The average balance of loans to high-net-worth individuals **increased by 6.3%** to a record high of **JPY1,905.0bn** on the back of regional personnel reinforcement & relocation and strengthened consulting business by skilled financial consultants to tap potential needs of high-net-worth individuals in relation to inheritance and business succession.
- The average housing loan balance **increased by 1.2%** to **JPY3,077.7bn** driven by a focus on high-quality accounts with significant lifetime revenue growth potential.

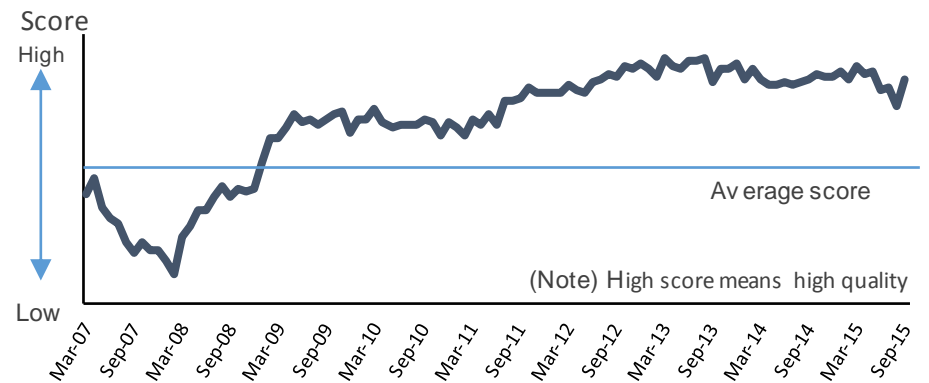
Personal Loans



Average Balance of Loans to High-Net-Worth Individuals



Average Score of New Housing Loans

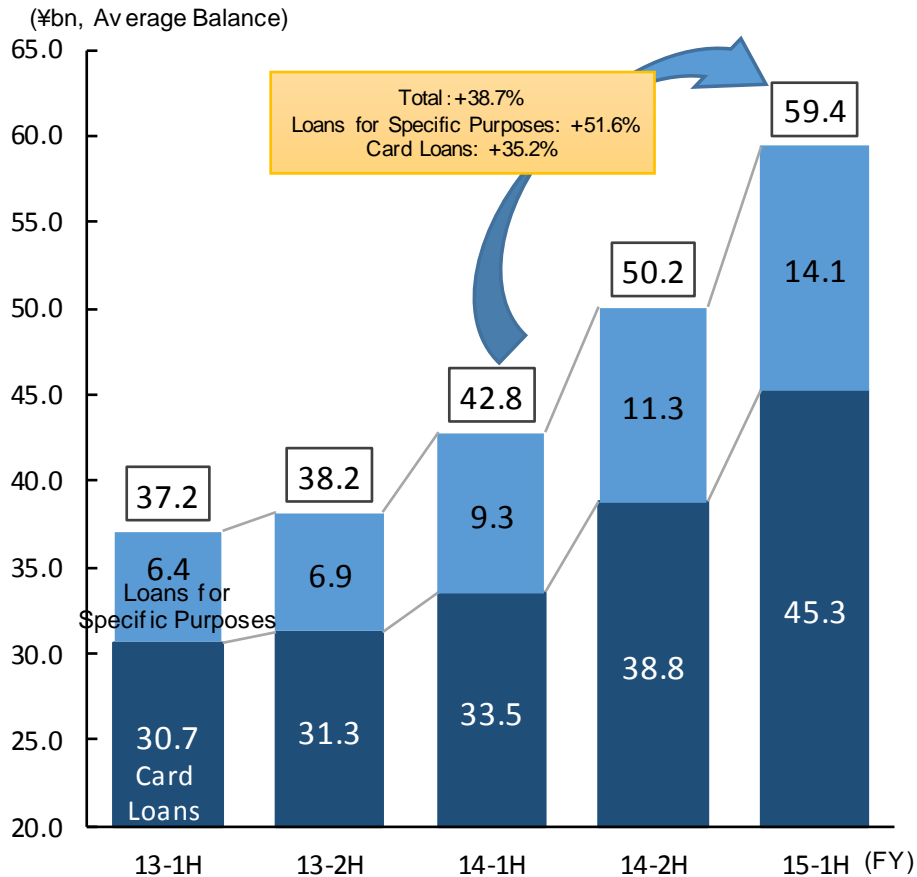


1. Business Results

(2) Personal Loans for FY15-1H ~ Unsecured Consumer Loans

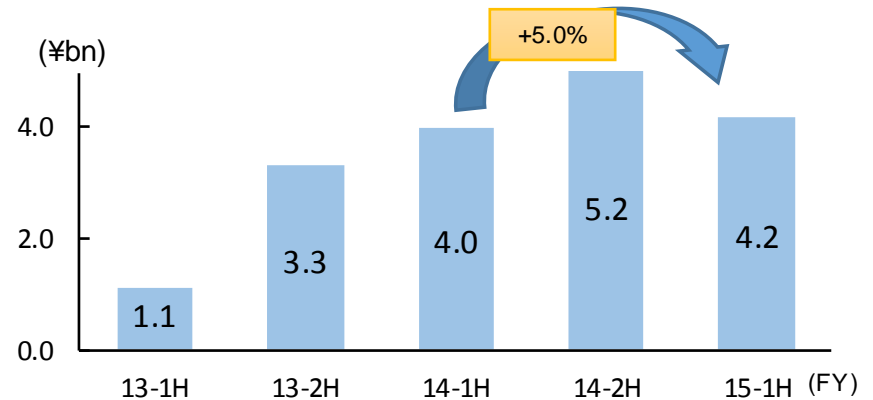
- The average balance of unsecured consumer loans **increased by 38.7%** to **JPY59.4bn**, driven by significant increases in both specific-purpose loans (+51.6%) and card loans (+35.2%).
- The amount extended for specific-purpose loans **increased by 5.0%** to **JPY4.2bn** on the back of accelerated loan approval process and introduction of more flexible interest rate pricing.
- The number of contracts for card loans **increased by 9.1%** to **368 thousand people** on product revision and strengthened web-based marketing.

Unsecured Consumer Loans

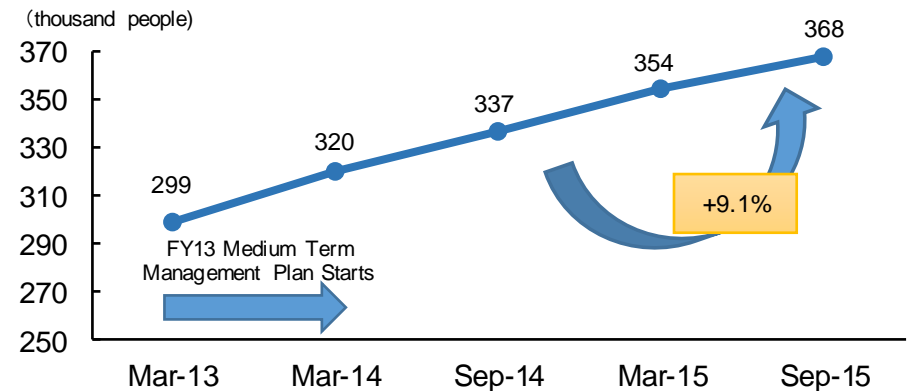


(Note) Loans for Specific Purposes: Educational loans, auto loans, life support loans and etc.

Amount Loaned for Specific Purposes



The Number of Contracts for Card Loans

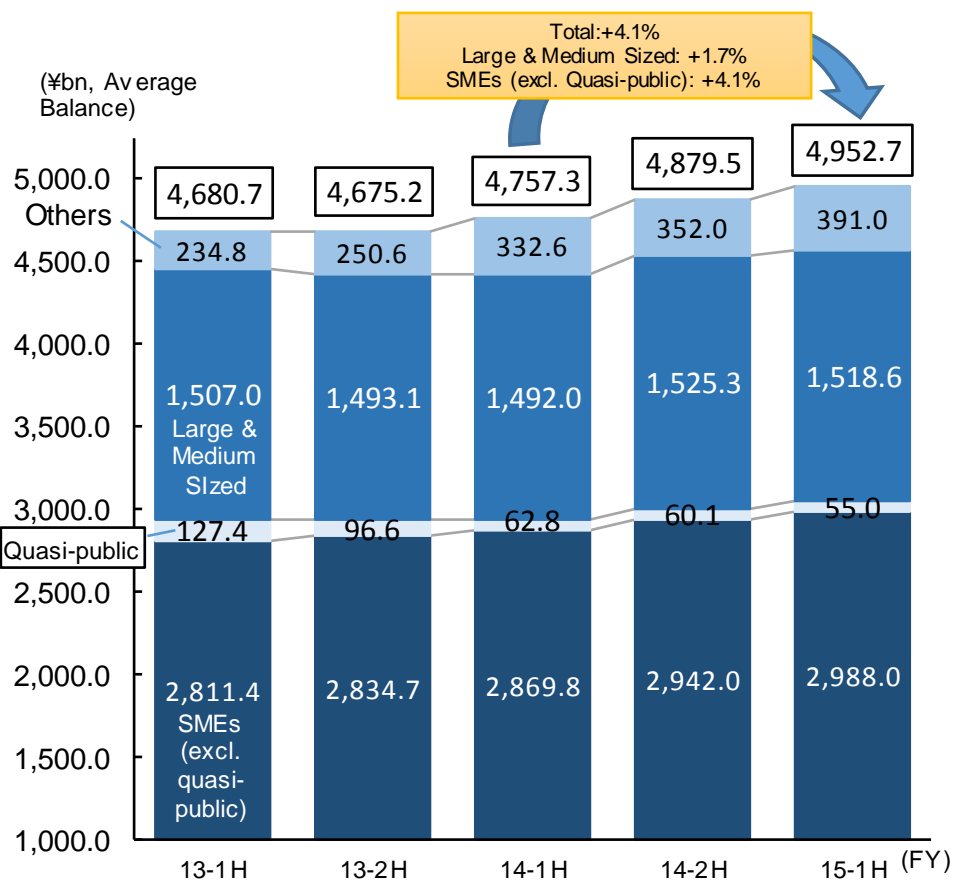


1. Business Results

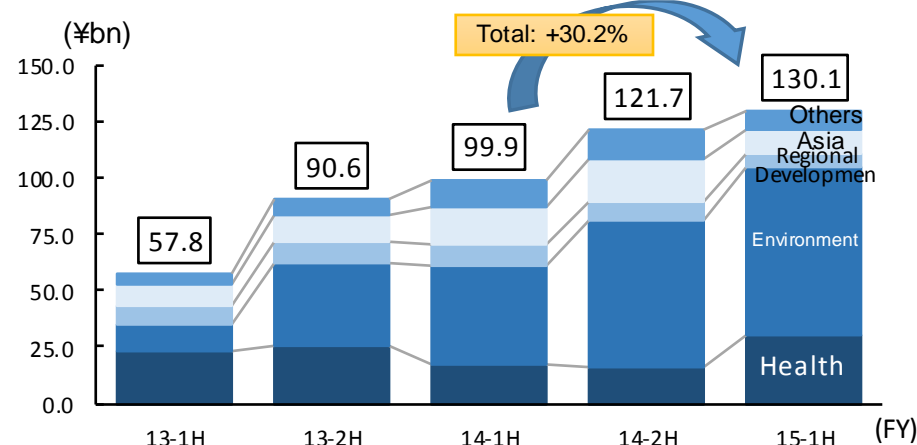
(3) Corporate Loans for FY15-1H

- Average corporate loan balance **increased by 4.1%** to **JPY4,952.7bn**, driven by a focus on SME loans (excl. quasi-public).
- New loans to growth sectors **increased by 30.2%** to a record **JPY130.1bn**, exploiting demand in environment and health fields.
- New loans for capital expenditures **increased by 16.8%** to **JPY217.2bn**, focused on real estate lessors, goods leasing, healthcare& welfare.

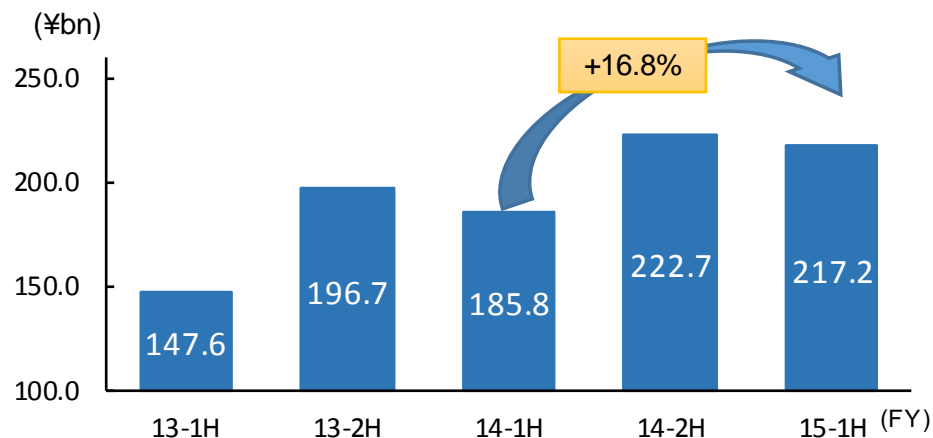
Corporate Loans



New Loans to Growth Sectors



New Loans for Capital Expenditures



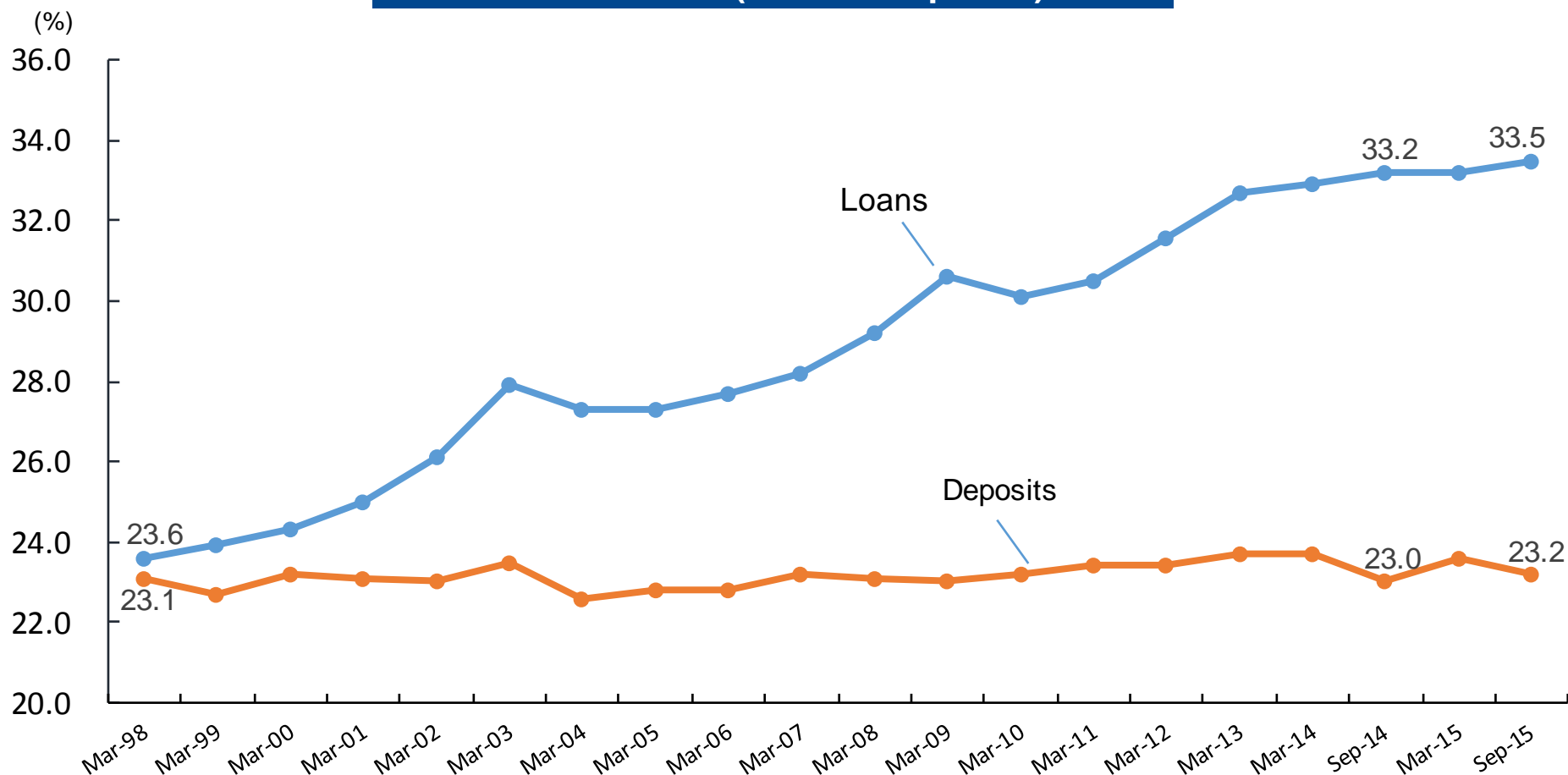
(Note 1) Domestic branches
(Note 2) Others = Local Public + Public related sectors

1. Business Results

(4) Market Share in Kanagawa Prefecture as of September 30, 2015

- Share of loans in Kanagawa Prefecture **increased by 0.3%** to **33.5%** due to a rise in SME and apartment loans within the prefecture. Share of deposits stayed almost flat at **23.2%** (+0.2%).

Market share (loans & deposits)



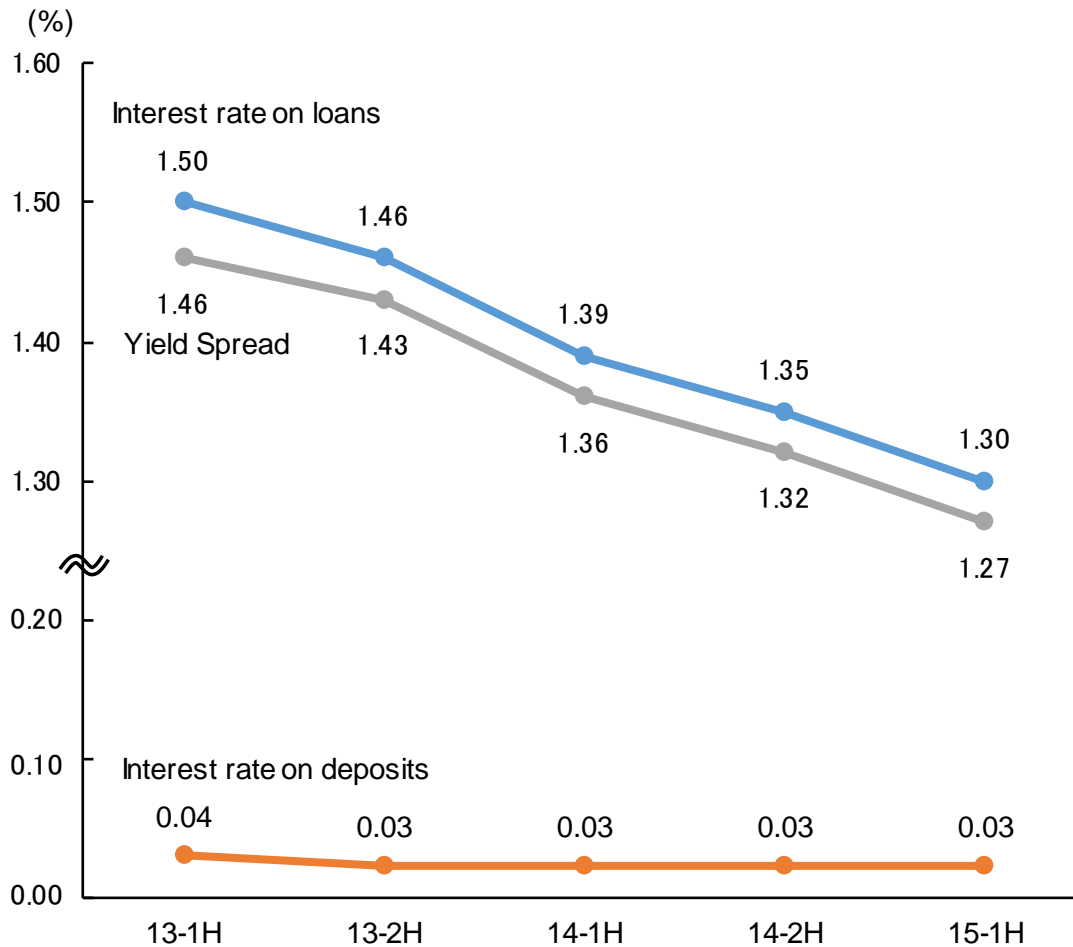
(Note) Market share above does not include Japan Post, Credit Unions, & JA. (Bank estimates)

1. Business Results

(5) Loan & Deposit Yield – Domestic Operations for FY15-1H

■ The loan yield fell 9bp to **1.30%** as market interest rates remained at low levels following the BOJ's expansion of QQE in Oct 2014. The loan yield for FY15 is forecast to fall 9bp to **1.28%**.

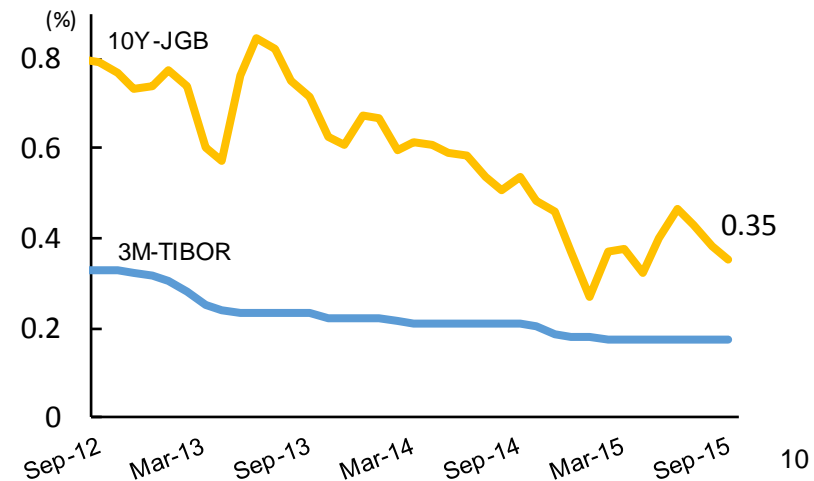
Loan & Deposit Yield - Semiannually



Loan & Deposit Yield - FY

	FY12	FY13	FY14	FY15 Forecast
Interest rate on loans	1.59	1.48	1.37	1.28
Interest rate on deposits	0.04	0.04	0.03	0.03
Yield Spread	1.55	1.44	1.34	1.25

Changes of Major Interest Rate Indicators



1. Business Results

(6) Fees & Commissions – Domestic Operations for FY15-1H

- Domestic fees and commissions rose **JPY1.5bn (+7.1%)** to **JPY22.5bn** due to increased business volume of insurance sales and syndicated loans.
- Consolidated fees & commissions income ratio **increased by 0.7%** to **25.4%**, far above the Medium Term Management Plan ("MTMP" as follows") target.

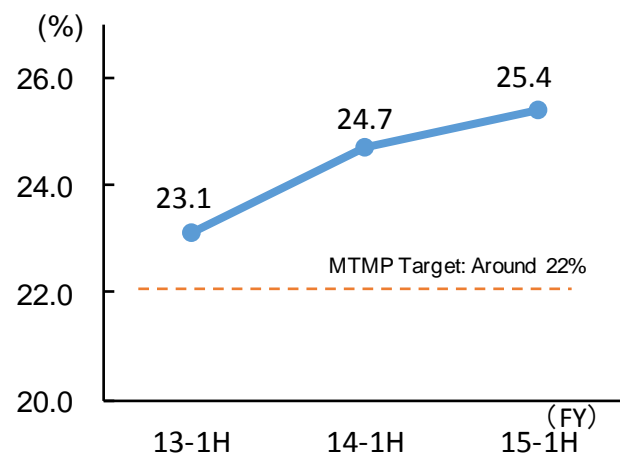
(¥bn)

	13-1H	14-1H	15-1H	Change from FY13-1H	
Fees and commissions (Domestic operations)	18.7	21.0	22.5	+ 1.5	+ 7.1%
Investment products	8.1	10.2	10.6	+ 0.4	+ 3.9%
Investment trusts	5.9	6.6	5.8	- 0.8	- 12.1%
Insurance	2.1	3.6	4.8	+ 1.2	+ 33.3%
Corporate lending-related	1.4	1.6	2.0	+ 0.4	+ 25.0%
Syndicated loan-related	1.1	1.4	1.8	+ 0.4	+ 28.5%
Private placement bond-related	0.2	0.2	0.1	- 0.1	- 50.0%
Settlement-related business	7.2	7.1	7.1	0.0	0.0%
Remittance	4.0	4.0	3.9	- 0.1	- 2.5%
Account transfer	2.3	2.2	2.2	0.0	0.0%
Electronic Banking service	0.8	0.8	0.8	0.0	0.0%
ATM-related	1.0	1.0	1.0	0.0	0.0%
Bank card-related	0.7	0.8	0.8	0.0	0.0%
Business matching, M&A	0.0	0.2	0.1	- 0.1	- 50.0%
Others	0.0	0.0	0.9	+ 0.9	-

Drivers of changes in fees & commissions

- Insurance: +JPY1.2bn
- Syndicated loan-related: +JPY0.4bn

Fees & Commissions Income Ratio (Consolidated)^(Note)



(Note) Fees & Commissions Income Ratio (Consolidated) = Fees & Commissions ÷ Gross Operating Income

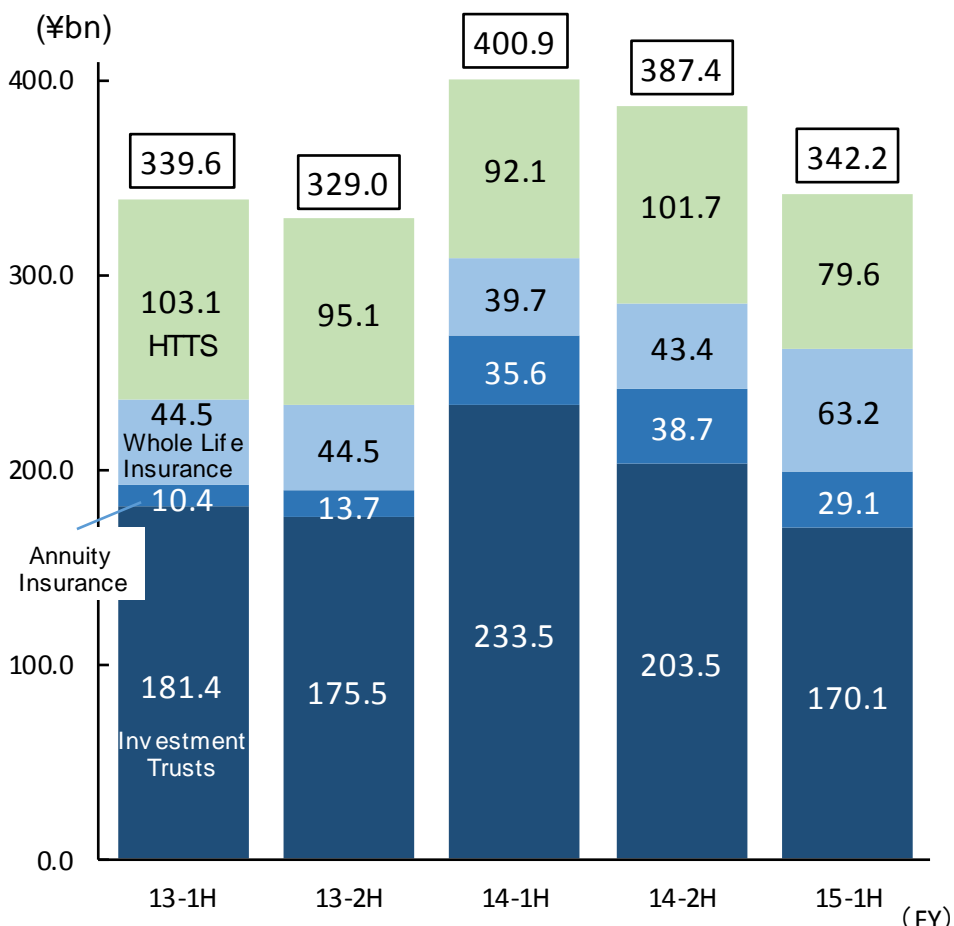
(Note) Remittance, ATM-related, and other fees are presented as net of related costs.

1. Business Results

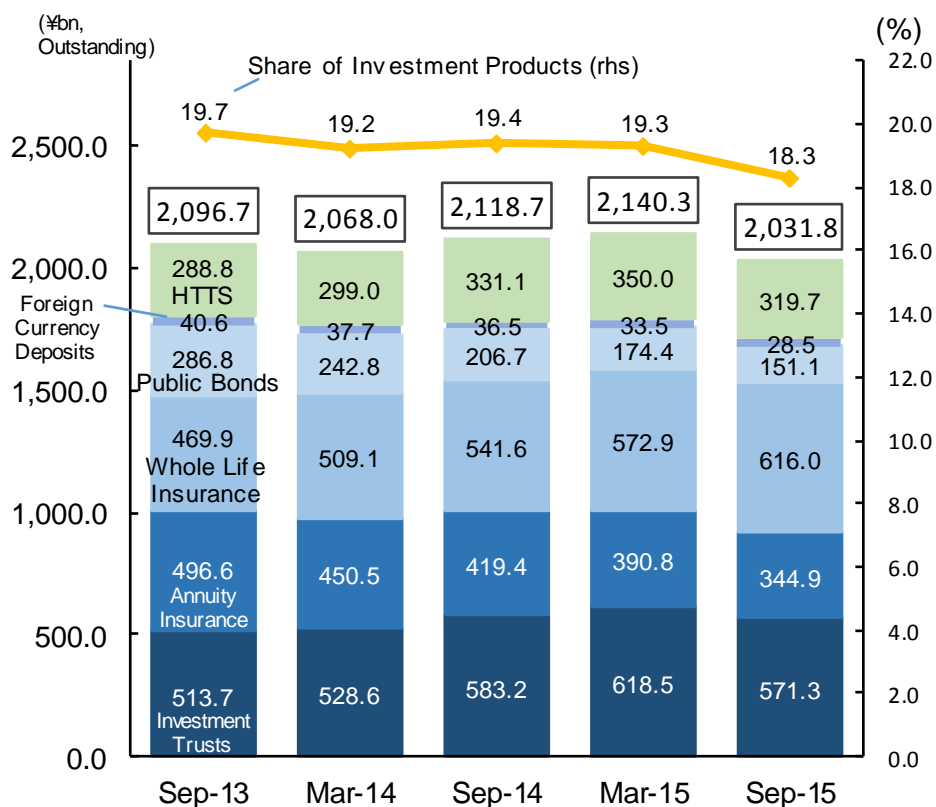
(7) Investment Products (Bank + Hamagin Tokai Tokyo Securities ("HTTS" as follows)) for FY15-1H

- Sales of investment products for individuals totaled **JPY342.2bn**, reflecting a sharp rise in whole life insurance sales due to initiatives to enhance asset management proposals.
- The balance of investment products for individuals was **JPY2,031.8bn** on a decline in net asset value due to market fluctuation and other factors.

Sales of Investment Products (for Individuals)



Balance of Investment Products (for Individuals)



(Note 1) The Balance of HTTS represents the balance of stocks, bonds, investment trusts, annuity insurance, foreign bonds, and structured bonds.

(Note 2) Proportion of Investment Products = Outstanding Balance of investment products including HTTS ÷ (Outstanding balance of deposits + Outstanding balance of investment products including HTTS)

1. Business Results

(8) Securities Portfolio as of September 30, 2015

- Balance of securities rose JPY80.7bn to JPY2,320.2bn due to diversification of investment from domestic bonds to domestic investment trusts and overseas bonds.
- The proportion of financial profit and loss of the market department in gross operating income remained unchanged backed by a stable revenue structure.
- The balance of listed shares held for customer relationships (acquisition cost) fell JPY1.3bn to JPY97.4bn. The ratio of listed shares held for customer relationships within Tier 1 fell 0.2% to 11.4%, as holdings continued to be controlled to prevent them from reaching an excessive level relative to equity capital.

The Balance of Securities

(¥bn)

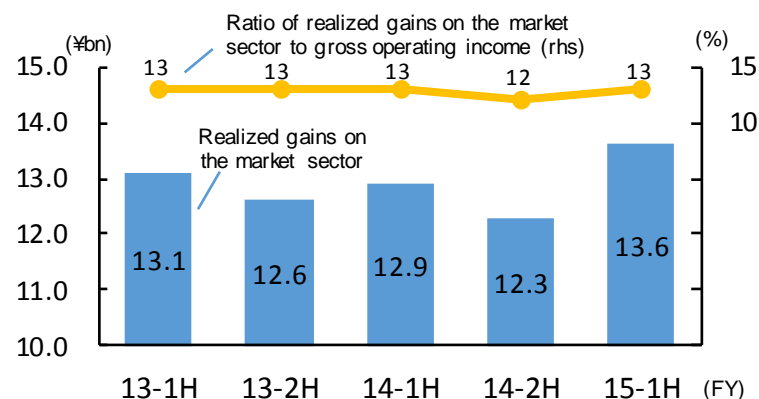
	Mar-14	Sep-14	Mar-15	Sep-15	Change from Sep-14	Unrealized gains (losses)	Change from Sep-14
Total	2,050.2	2,239.5	2,461.8	2,320.2	+ 80.7	132.5	+ 14.8
Bonds	1,581.4	1,637.9	1,648.5	1,505.9	- 132.0	17.8	- 1.3
Government bonds	543.2	683.4	700.1	650.3	- 33.1	5.6	+ 0.0
Local bonds	256.9	261.4	258.8	239.8	- 21.6	2.0	- 0.6
Corporate bonds	781.2	693.1	689.5	615.7	- 77.4	10.1	- 0.7
Government guaranteed bonds	453.0	388.0	375.1	338.4	- 49.6		
Bank bonds	90.5	97.6	124.9	124.3	+ 26.7		
Industrial bonds	76.9	45.8	33.0	23.6	- 22.2		
Equity securities	186.0	203.9	232.1	220.3	+ 16.4	102.5	+ 19.8
Diversified Investment	282.8	397.5	581.1	593.9	+ 196.4	12.1	- 3.7
Investment trusts	123.5	197.9	303.5	335.9	+ 138.0		
Foreign bonds	152.1	197.5	275.5	255.3	+ 57.8		
Foreign equity securities	1.0	1.0	1.0	1.0	0.0		
Others	6.0	1.0	0.9	1.6	+ 0.6		

<Duration (year)>

	Mar-14	Sep-14	Mar-15	Sep-15
Domestic Bonds	2.2	2.5	2.8	2.7
Foreign Bonds	2.3	2.3	2.6	2.4

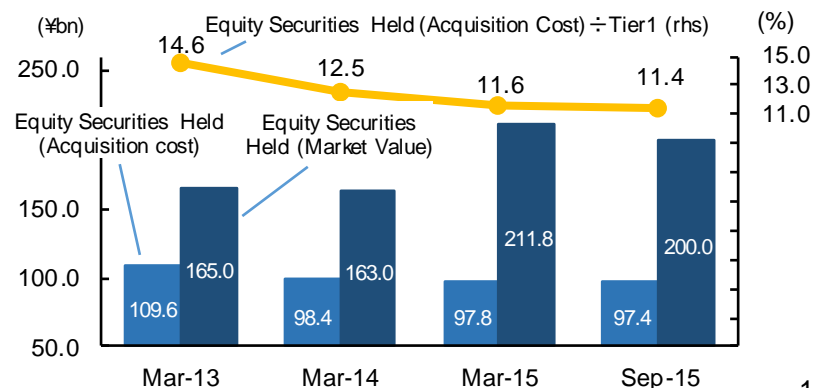
(Note) The duration above is that of "Available for Sales."

Financial Profit and Loss of the Market Department



(Note) Margin of Financial Profit and Loss of the Market Department = Financial Profit and Loss of the Market Department ÷ Gross operating income (Non-consolidated)

Equity Securities Held for Customer Relationships



2. Financial Summary

2. Financial Summary

(1) Operation Results for FY15-1H

- Gross operating income (Non-consolidated) was **JPY102.7bn**, the same level as last year, due to increases in income from domestic fees and commissions as well as from international operations.
- 1H net income (Non-consolidated) **rose JPY7.2bn (+21.4%)** to a record **JPY40.5bn** due to a fall in credit costs (**-JPY2.9bn**).
- 1H profit attributable to owners of parent **increased JPY5.9bn (+16.7%)** to **JPY40.9bn**, a historic high, due to increased non-consolidated parent level profits.

〈 Non-consolidated basis〉

(¥bn)

	14-1H	15-1H	Change from 14-1H		FY15 Forecast (Announced on Nov 9th)	Change from FY14
Gross Operating Income	102.7	102.7	0.0	0.0%	206.0	1.6
Interest income from domestic operations	77.3	76.7	- 0.6	-	148.5	- 6.5
Fees & commissions from domestic operations	21.0	22.5	1.5	-	48.0	5.8
Trading income from domestic operations	0.1	0.1	0.0	-	0.3	0.0
Other ordinary income from domestic operations	2.2	1.1	- 1.1	-	4.7	1.5
Gross operating income from international operations	1.8	2.1	0.3	-	4.5	1.1
Expenses (-)	50.6	49.5	- 1.1	- 2.1%	101.5	1.1
(Reference) OHR(%)	49.2%	48.2%	- 1.0%	-	49.2%	0.1%
Core net business profit	52.1	53.1	1.0	1.9%	104.5	0.5
Provision of allowance for general loan (-)	- 3.3	-	3.3	-	-	-
Net business profit	55.4	53.1	- 2.3	- 4.1%	-	-
Non-recurring gains (losses)	- 4.3	6.2	10.5	-	-	-
of which, disposal of bad debts (-)	3.6	- 2.7	- 6.3	-	-	-
of which, gains or losses on stocks & other securities	0.0	4.5	4.5	-	-	-
Ordinary profit	51.0	59.4	8.4	16.4%	110.0	8.0
Net income	33.3	40.5	7.2	21.4%	74.0	6.5
Credit costs (-)	0.2	- 2.7	- 2.9	-	- 3.0	- 3.7

〈 Consolidated basis〉

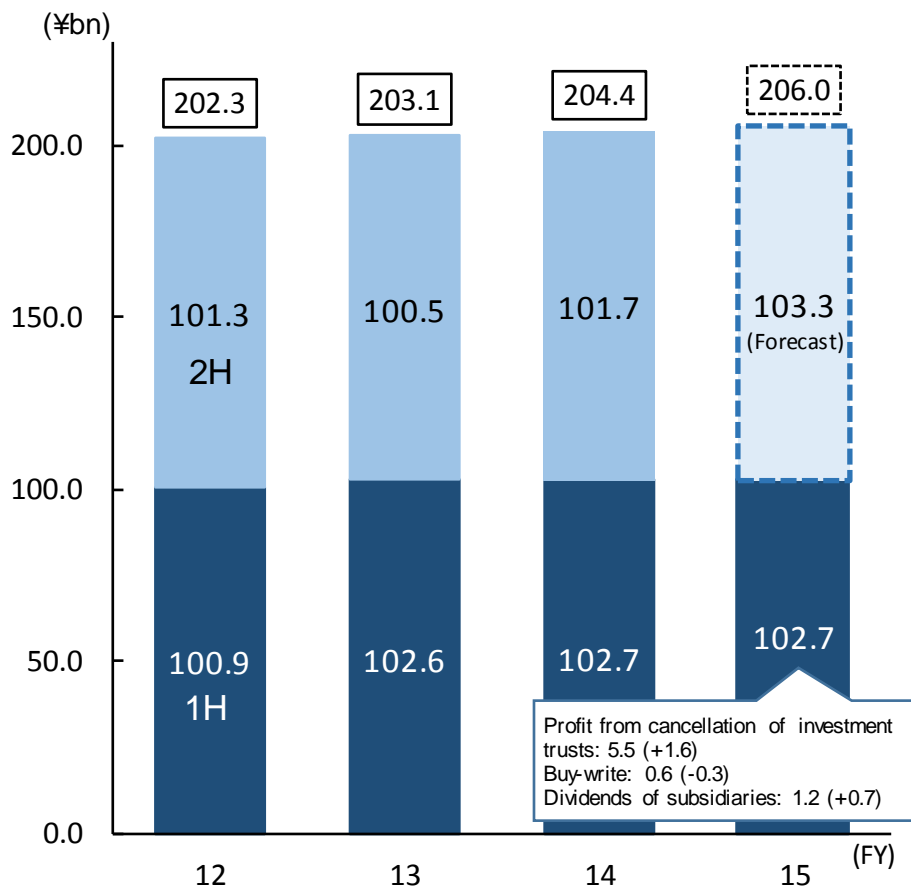
Ordinary profit	57.0	62.3	5.3	9.2%	116.5	8.5
Profit attributable to owners of parent	35.0	40.9	5.9	16.7%	76.5	0.2

2. Financial Summary

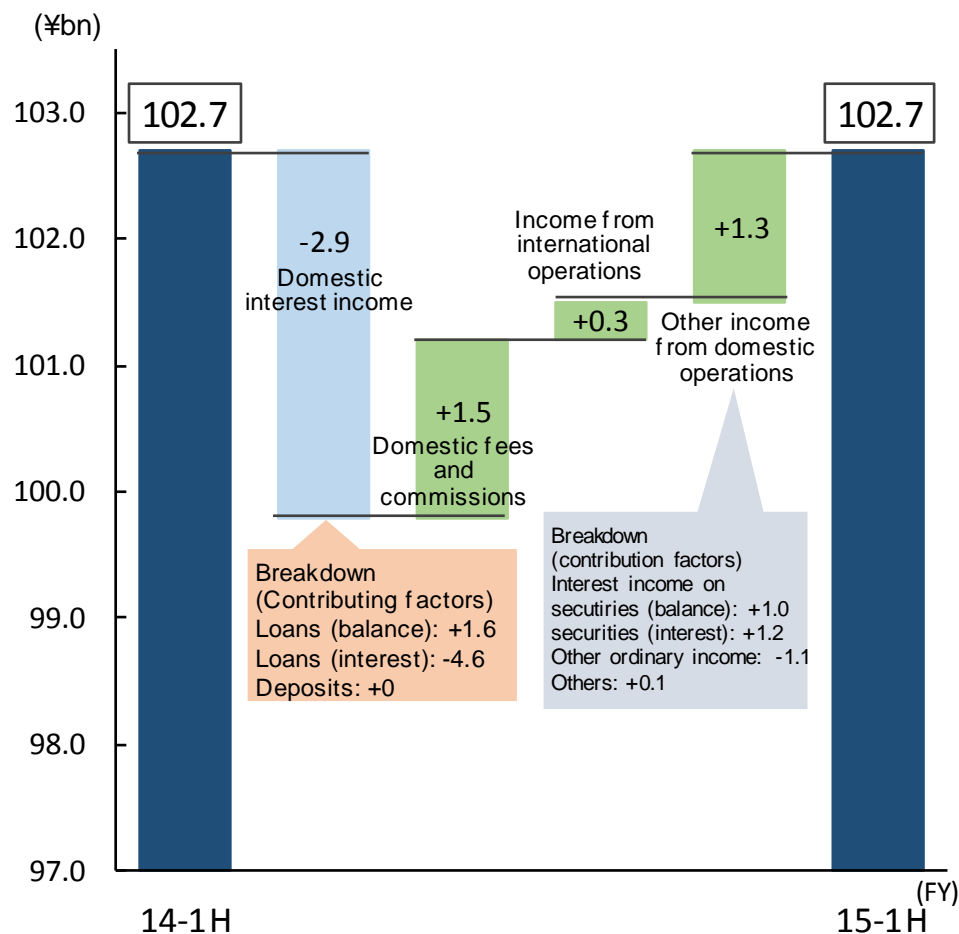
(2) Gross Operating Income for FY15-1H

- Gross operating income remained unchanged from the same period last year at **JPY102.7bn**, with a decline in interest income on loans and deposits resulting from lower interest rates offset by domestic fees and commissions income and others.
- Gross operating income for FY15 projected to **rise JPY1.6bn** to **JPY206.0bn** due to the continued focus on increasing income from domestic fees and commissions.

Gross Operating Income



Breakdown in Gross Operating Income

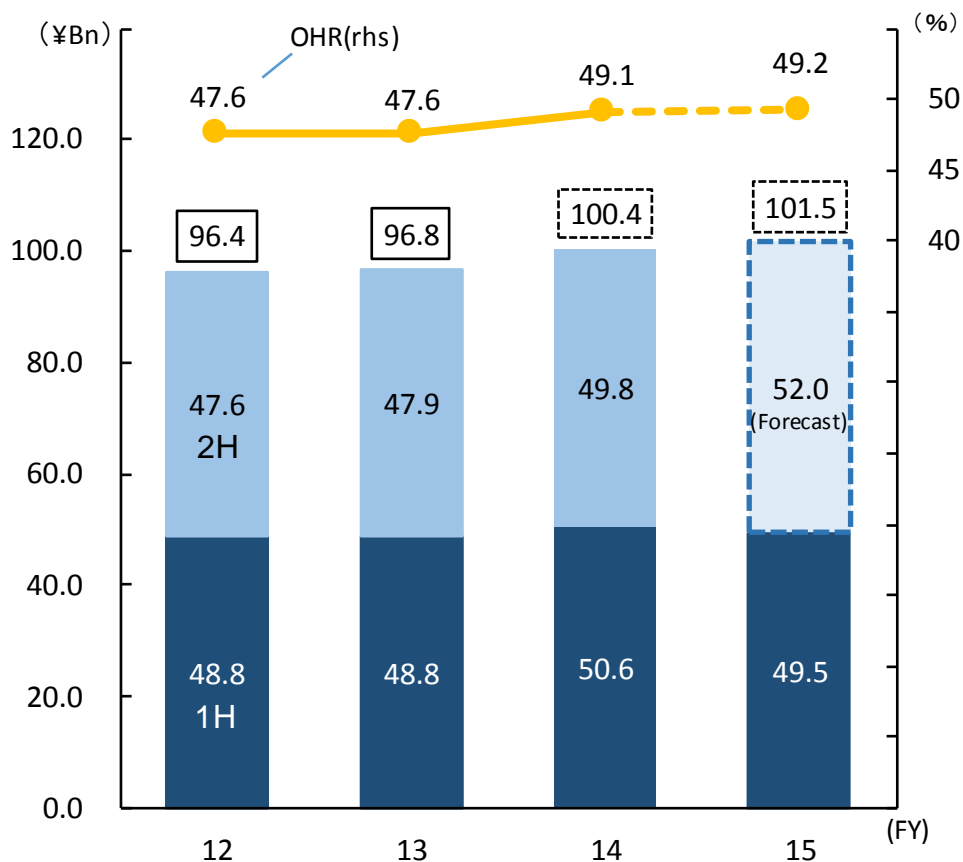


2. Financial Summary

(3) Expenses & OHR for FY15-1H

- Expenses **decreased JPY1.1bn (-2.0%)** to **JPY49.5bn**, despite increases in personnel expenses and taxes, due to decreased deposit insurance premium; OHR was **48.2%**.
- Expenses for FY15 are forecast at **JPY101.5bn**. OHR is projected to be **49.2%**, in line with the MTMP target of late 40's%.

Expenses & OHR



Drivers of Changes in Expenses

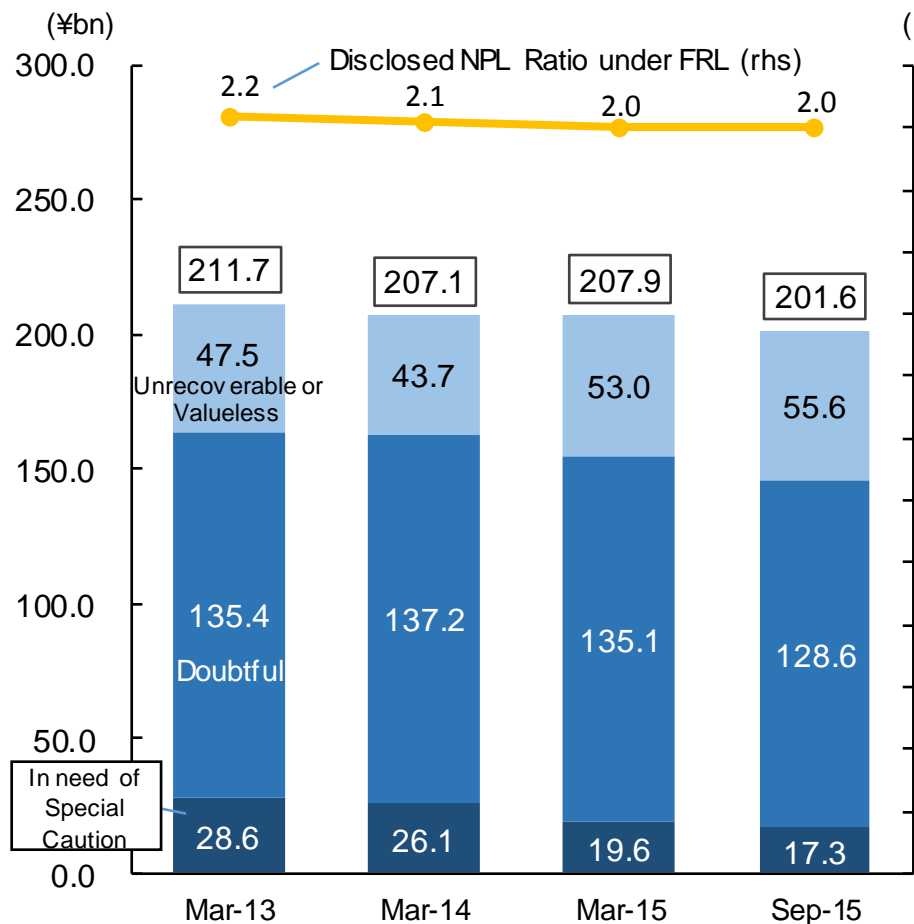
	15-1H	Change from FY14-1H	Factors
Personnel	22.5	+ 0.4	• Bonuses: +0.4 • Social insurance premium: +0.1
Non-Personnel	23.4	- 1.8	• Deposit insurance premium: -2.2 • Advertising expenses: +0.1
Tax	3.5	+ 0.4	• Size-based corporate tax: +0.3
Total	49.5	- 1.1	

2. Financial Summary

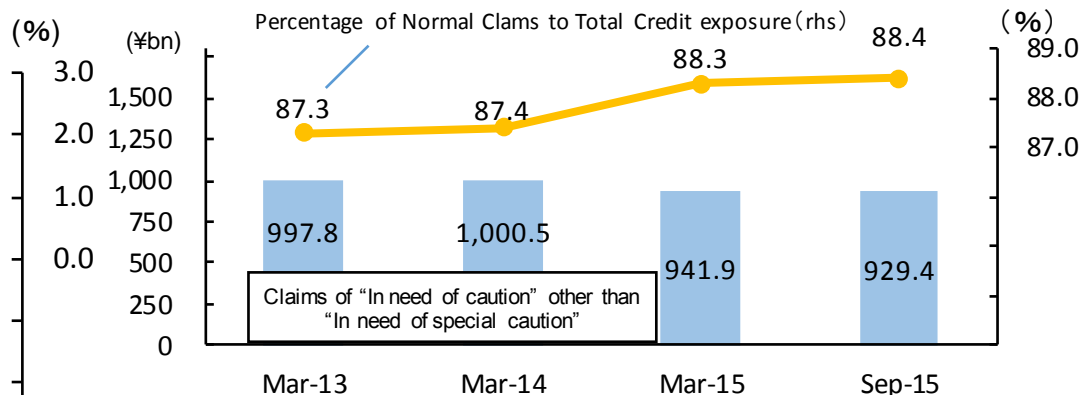
(4) Financial Claims as of September 30, 2015

- The balance of non-performing loans (NPL) fell JPY6.3bn from the end of FY14 to JPY201.6bn. Despite an increase in unrecoverable or valueless loans due to a preventive review of debtor classification, doubtful loans and loans in need of special caution decreased as a result of performance improvement.
- The balance of claims of "in need of caution" customers other than "in need of special caution" decreased by JPY12.5bn from the end of FY14 to JPY929.4bn, due to increases in the ranking of large claims to "normal" claims.
- The balance of borrowers with a highly feasible and drastic restructuring plan fell by JPY9.5bn from the end of FY14 to JPY91.2bn, due to normalization on improved conditions for large-scale borrowers with such plans.

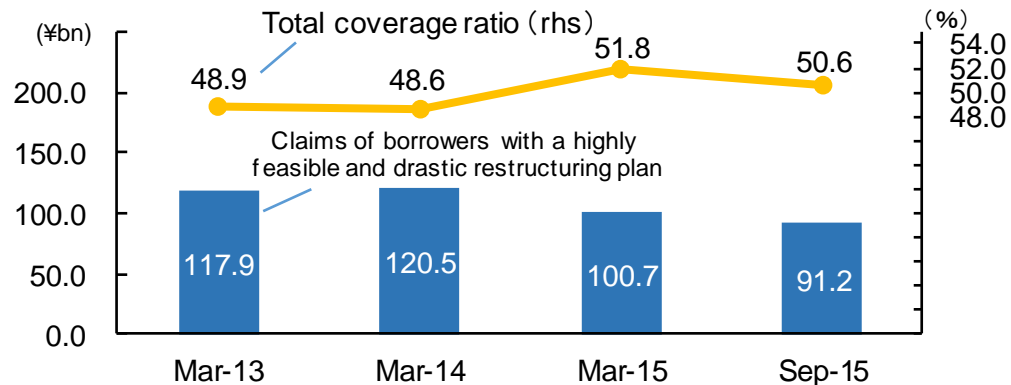
Disclosed NPLs under Financial Revitalization Law (FRL)



Claims of "in need of caution" customers other than "in need of special caution"



Borrowers with a highly feasible and drastic restructuring plan



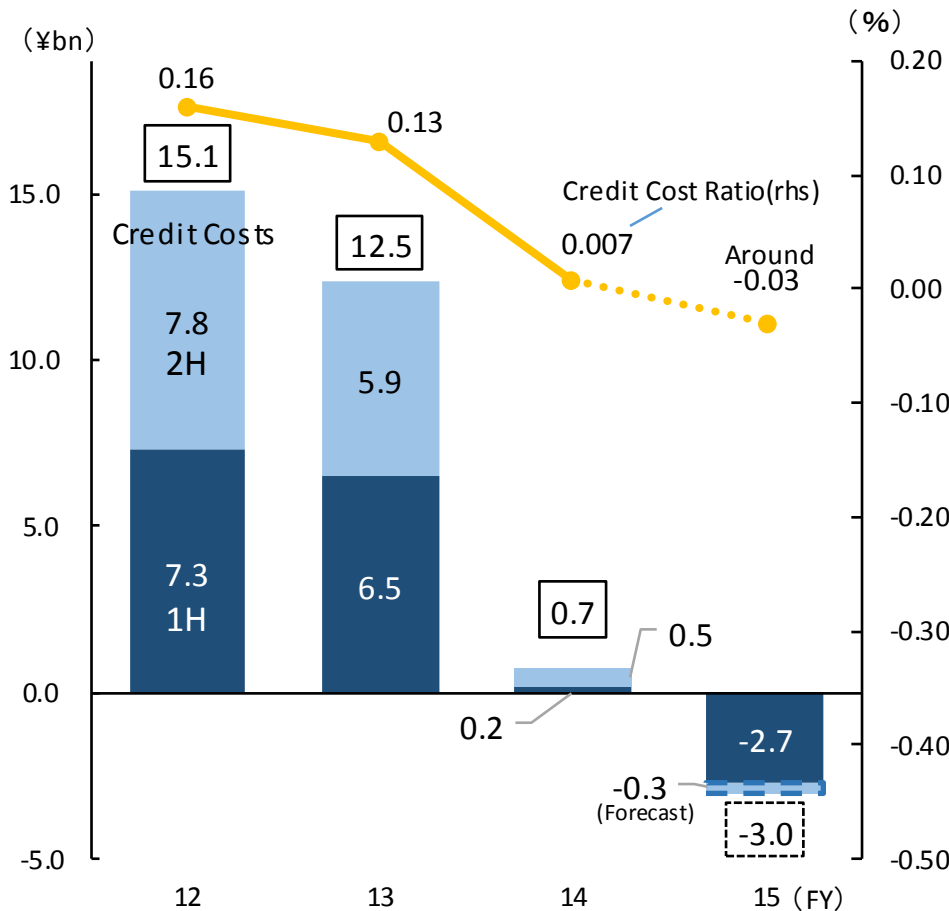
(Note) Including borrowers who have developed a highly feasible and drastic restructuring plan

2. Financial Summary

(5) Credit Costs for FY15-1H

- Credit costs fell JPY2.9bn to -JPY2.7bn due to a fall in the provision for general loan losses and a decrease in the number of new defaults.
- The provision ratio for possible bankruptcy fell 6.5% to 58.0% due to a reduction in defaults during the calculation period and other factors.

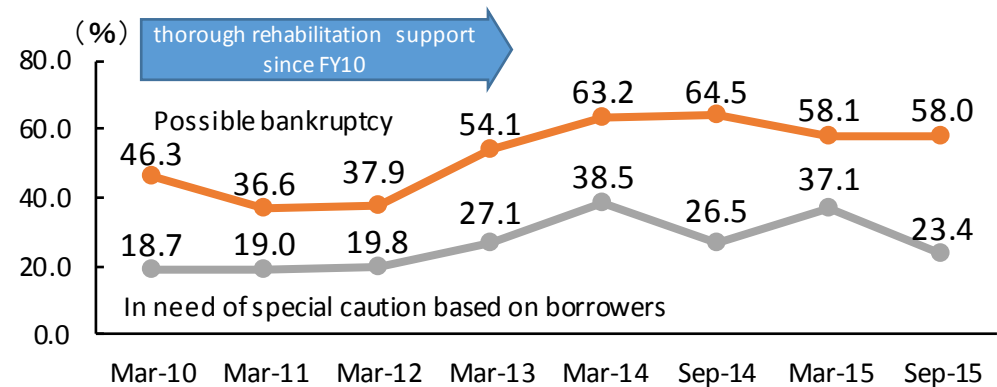
Credit Costs



Breakdown of Credit Costs

	(¥bn)			
	FY13 -1H	FY14 -1H	FY15 -1H	Change from FY14-1H
Effect of change in collateral	1.4	1.3	0.3	- 1.0
Effect of change in borrower's category	5.7	6.8	3.4	- 3.4
Effect of debt-collection or reversal of allowance	- 1.4	- 3.3	- 2.1	1.2
Provision of allowance for general loan losses	0.4	- 3.3	- 3.6	- 0.3
Others	1.1	- 0.6	- 0.6	0.0
Recoveries of written-off claims	- 0.6	- 0.5	- 0.5	0.0
Total	6.5	0.2	- 2.7	- 29.0

Provision Ratio for Loan Losses



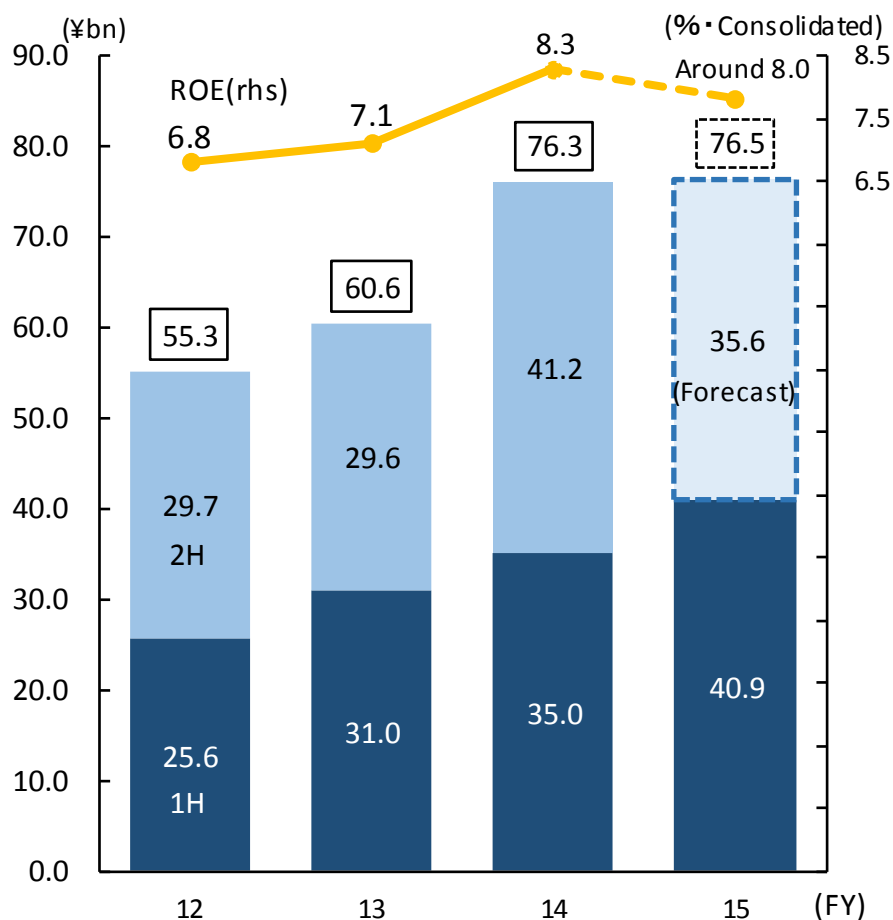
(Note) Credit cost ratio = Credit costs ÷ Average balance of loans

2. Financial Summary

(6) Net Income for FY15-1H

- 1H net income (Non-consolidated) rose JPY7.2bn (+21.4%) to a record JPY40.5bn due to an increase in core net business profit, the sale of DES shares acquired through business reorganization, a decrease in credit costs, and other factors.
- 1H profit attributable to owners of parent rose JPY5.9bn (+16.7%) to a historic high of JPY40.9bn due to increased profits at the non-consolidated parent level and other factors. ROE (Consolidated) rose 0.5% to 8.4%.

Interim net profits attributable to the shareholders of the parent company



Comparison with FY14-1H

		Comparison with FY14-1H (¥bn)		
		FY14-1H	FY15-1H	Change from FY14-1H
Non-consolidated	Net Income	33.3	40.5	+7.2
	ROE	7.6%	8.5%	+0.9%
Consolidated	Net Income	35.0	40.9	+5.9
	ROE	7.9%	8.4%	+0.5%
	RORA	1.04%	1.17%	+0.13%

Factors behind the change from FY14-1H to FY15-1H (non-consolidated):

- Core net business profit: +JPY1.0bn
- Credit costs (-): -JPY2.9bn
- Gains or losses on stocks & other securities: +JPY4.5bn
- Corporate tax cut: +JPY1.1bn

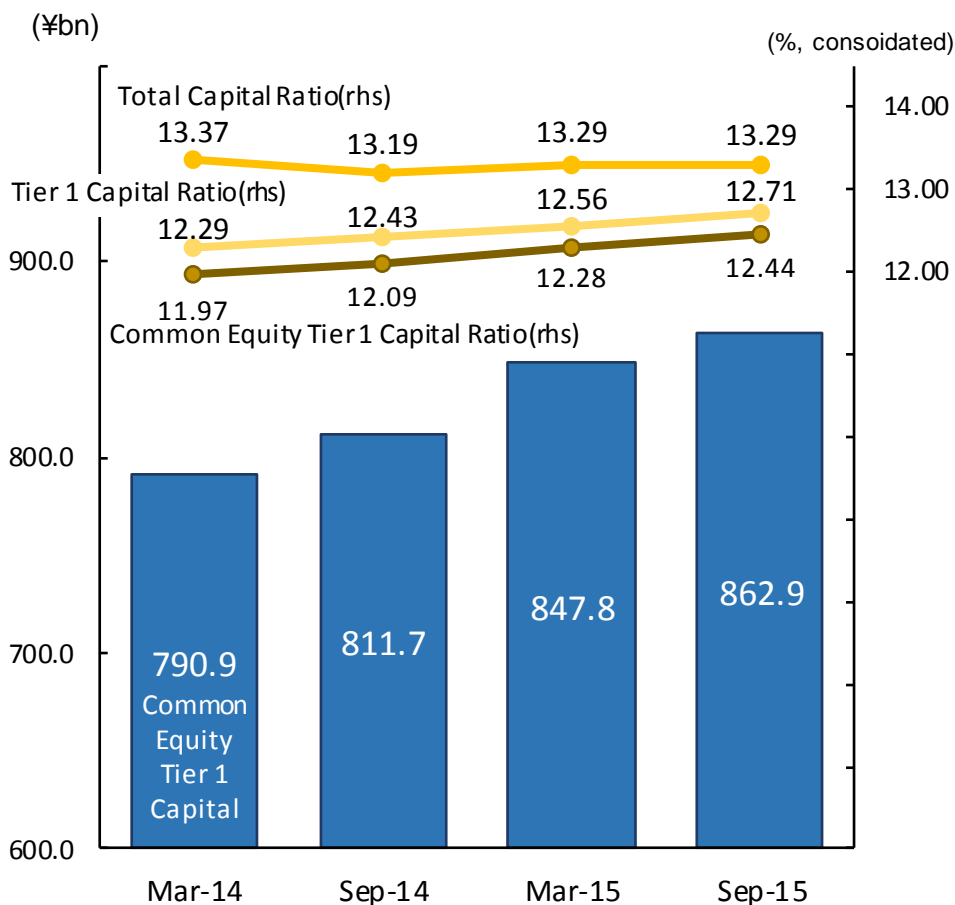
(Note) ROE (Consolidated) = (interim) profit attributable to owners of parent ÷ Net assets (Average, excluding subscription rights to share and minority interests)

2. Financial Summary

(7) Capital Adequacy & Shareholder Return

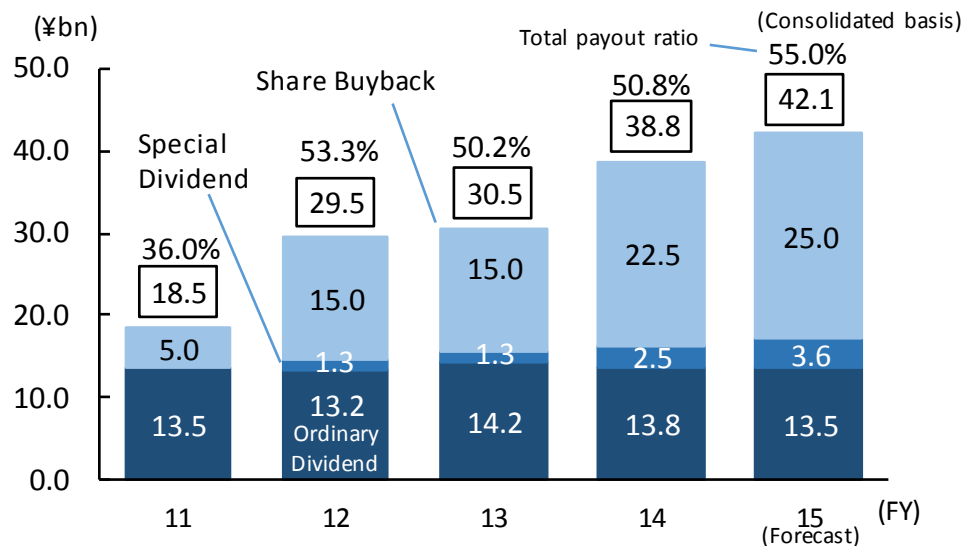
- The CET 1 ratio (Consolidated) was **12.44%**, higher than the MTMP level. The CET 1 to total capital ratio **rose 1.9%** to **93.5%**, a qualitatively robust level.
- We conducted a flexible **JPY20.0bn** share buyback program based on the shareholder return policy. (In addition, a resolution was made this November to implement a **JPY5.0bn** share buyback.)
- (We intend to increase dividend per share for four consecutive fiscal years by distributing a special dividend of **JPY3**. As a result, the total payout ratio is expected to **exceed 50%** for four consecutive fiscal years as well.)

Common Equity Tier 1 Capital



(Note 1) Transition basis. Common Equity Tier 1 capital ratio on the full implementation basis as of Sep-15 is 13.01%.

Shareholder Return



Shareholder Return Policy for the term of the medium term management plan (From Apr-13 through Mar-16)	
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) ^(Note2) exceeds 55 billion yen.

(Note 2) "Profit attributable to owners of parent" in the consolidated income statement

2. Financial Summary

(8) Progress on the Medium Term Management Plan

- Target levels are exceeded for 6 out of 7 objectives in the MTMP, except for the number of main individual customers. Regarding the number of main individual customers, we are strengthening direct promotion and workplace marketing.

				(¥bn)		
		1st Year	2nd Year	3rd Year		
		FY13 Actual	FY14 Actual	FY15 Initial Plan	FY15 Forecast (Announced on Nov 9)	FY15-1H Actual
Non-consolidated basis	Gross Operating Income	203.1	204.4	213.0	206.0	102.7
	Of which, Domestic Fees and Commissions	37.3	42.2	37.0	48.0	22.5
	- Expenses	96.8	100.4	104.0	101.5	49.5
	Core Net Business Profit	106.3	104.0	109.0	104.5	53.1
	- Credit Costs	12.5	0.7	14.0	-3.0	-2.7
	Ordinary Profit	92.3	102.0	92.0	110.0	59.4
	Net Income	58.7	67.5	59.0	74.0	40.5
	OHR (Note1)	47.6%	49.1%	Late 40s%	49.2%	48.2%
Credit Costs Ratio (Note1)	0.13%	0.007%	Around 0.15%	-	-0.05%	
Consolidated basis	Gross Operating Income	224.0	223.5	230.0	-	111.3
	Of which, Fees and Commissions	51.5	55.3	51.0	-	28.3
	Ordinary Profit	102.2	108.0	100.0	116.5	62.3
	Profit attributable to owners of parent	60.6	76.3	61.0	76.5	40.9
	Fees and Commissions Income Ratio(Note1)	22.9%	24.7%	Around 22%	Around 25%	25.4%
	Net Income ROE (Note1)	7.1%	8.3%	Around 7%	-	8.4%
	Net Income RORA (Note1)	0.91%	1.10%	Around 0.8%	-	1.17%
	Common Equity Tier 1 Capital Ratio (Note1)	11.97%	12.28%	Around 11%	-	12.44%
Number of Main Individual Customers (Note1, 2)	2.30 million	2.35 million	Around 2.50 million	-	2.36 million	

(Note 1) Medium Term Management Plan target item

(Note 2) "Number of main individual customers" means the number of customers who mainly use the Bank's services (defined by the Bank)

3. Growth Strategies

3. Growth Strategies

(1) Enhancement of solution business in the retail business

- Both the number of signed consulting contracts and revenues from these contracts have been on the rise, which is in line with skilled financial consultant personnel reinforcement and expanded alliance with outside experts; the potential needs of high-net-worth individuals are tapped through intensive consulting marketing efforts.
- In July 2015, we opened a free dial number dedicated to inheritance consulting services at the Inheritance Support Center that handles nearly half of the inheritance proceedings it undertakes. Also, in September, we strengthened the inheritance business organization, which has growing demand, by adding the function to provide personal trust services to all domestic branches.

Alliance with outside experts

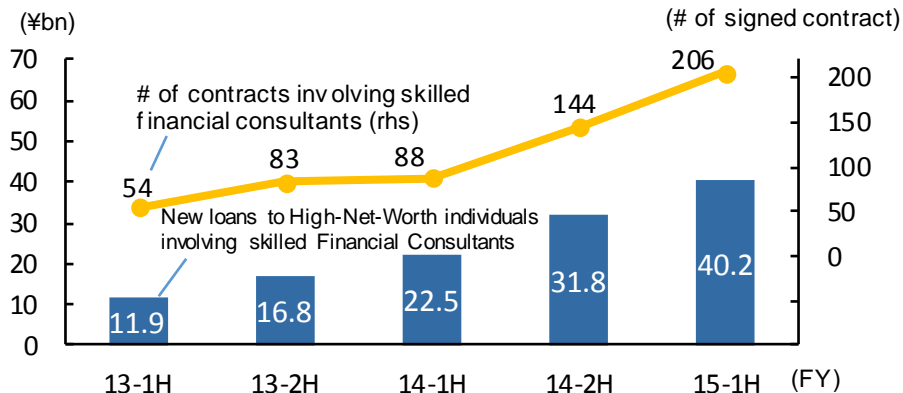
Inheritance, business succession (10 firms)

Hamagin Research Institute Ltd.
Tact Consulting Tax Co.
TACT Consulting Co., Ltd.
Yamada & Partners Certified Public Tax Accountants' Co.
Yamada & Partners Consulting Co., Ltd.
Hongo Tsuji Tax & Consulting
ASAHI Tax Corporation
Landmark Licensed Tax Accountant's Co.
Asahi Chuo General Office, Corporation of Tax Accountants
Ernst & Young Tax co.

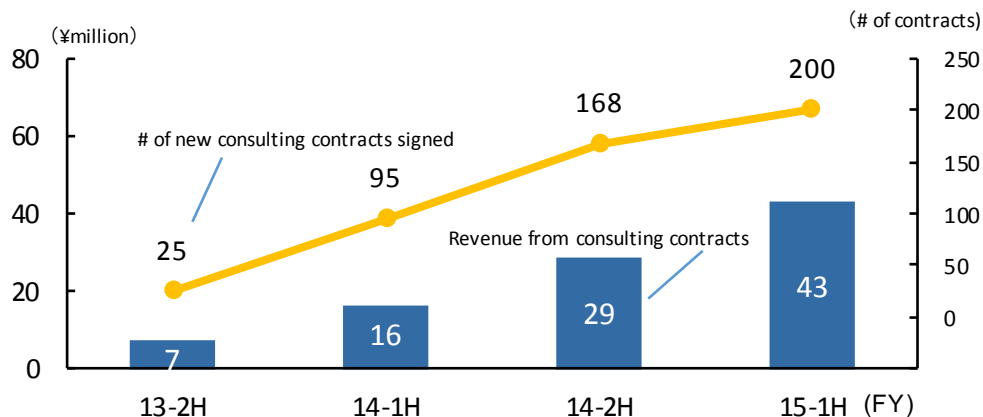
Effective utilization of real estates (4 firms)

Tokyu Corporation
Nippon Tochi-Tatemono Hanbai Co., Ltd.
Nomura Real Estate Co., Ltd.
Yasuda Real Estate Co., Ltd.

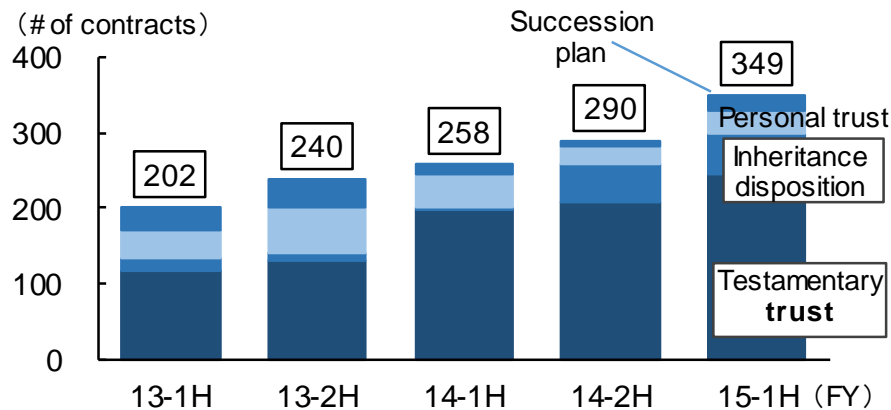
The number of contracts involving skilled Financial Consultants



The number of new consulting contracts signed



The number of contracts signed in relation to inheritance / trust-related services



3. Growth Strategies

(2) Efforts to improve customer convenience

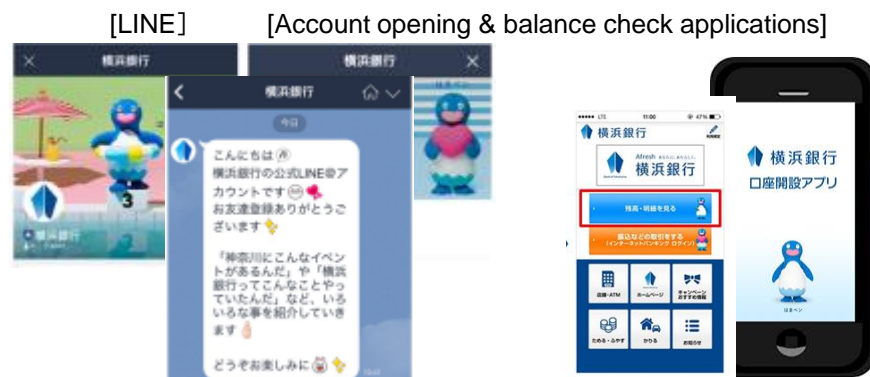
- Opened new branches in high-growth areas (e.g. Ebina Ekimae Branch) and focused on efforts to improve customer convenience (including account opening and balance inquires applications), with the aim to increase the number of main individual customers as expected in the MTMP.
- The number of protection-type insurance contracts signed **increased 30.1%**, driven by extended functions of branches to handle part of medical / cancer insurance policies.
- The number of active investment trust accounts **increased 3.0%** to a historical high level on promotion of "core & satellite investment strategies".

Opening of new branches in growth markets

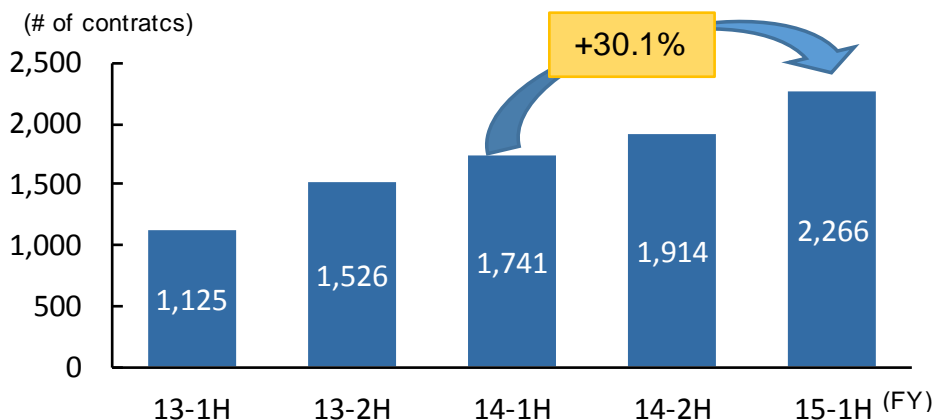


Population growth and higher business concentration expected due to easy access to/from three railways (Odakyu Railway Line, Sagami Railway Line and JR), Tomei Expressway and Ken-O Expressway

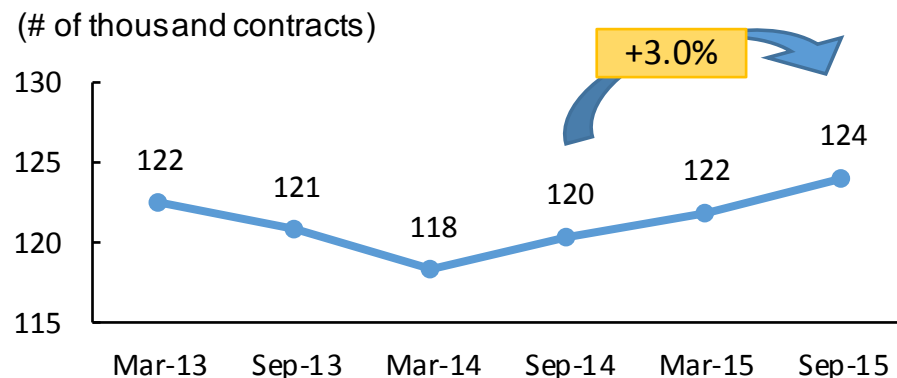
Efforts to increase transactions with customers interested in asset formation



The number of new protection-type insurance contracts signed



The number of active investment trust accounts



3. Growth Strategies

(3) Enhancement of solution business in the corporate business

- Strengthened the bank's ability to assist customers in enhancing their enterprise values by improving the appraising and consulting skills of corporate account representatives.

Efforts for business feasibility assessment

Enhance training / contents



Analyze target customers



Determine strategic directions



Provide solutions

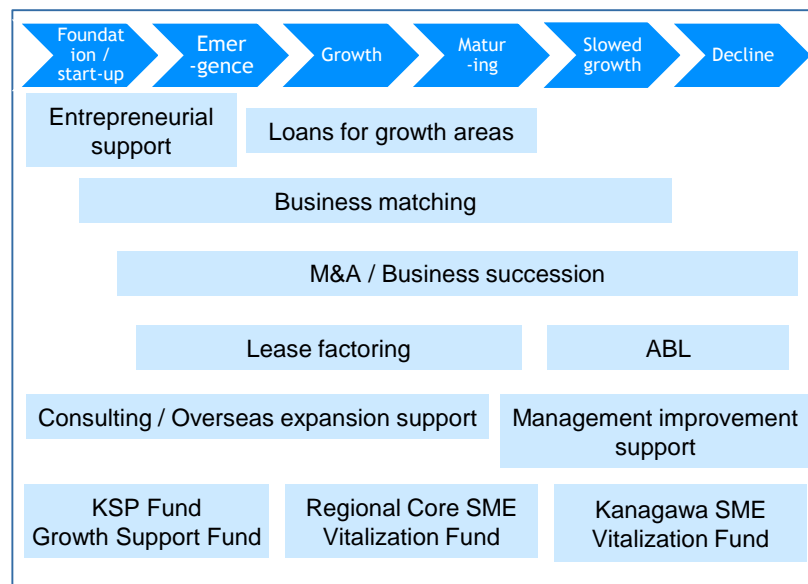
- Held group training programs / holiday seminars and distributed video contents to all corporate account representatives, including managers and executives, to promote the understanding and awareness of business feasibility assessment
- Held discussions with the management of eight companies, including regional core players, to share management issues
- Made use of the expertise and knowledge of outside institutions, such as REVIC, in addition to the analysis of business environment and market trend survey on its own
- Discussed with the management of customers about the direction of management strategies based on the results of analyses
- Provided solutions tailored to the life stage of customers

Examples of solutions:

Human resources related: Consulting in relation to human resources management
 Sales & marketing related: Enhancement of after-sales services and fee business

Support services tailored to life stages of customers

- Opened an entrepreneurial support desk to provide consulting services on start-up financing and provide information regarding the supports to start-ups by municipal governments
- Supported the introduction of a direct financing scheme under the "Yokohama City Subsidy Support Scheme for Private Placement"

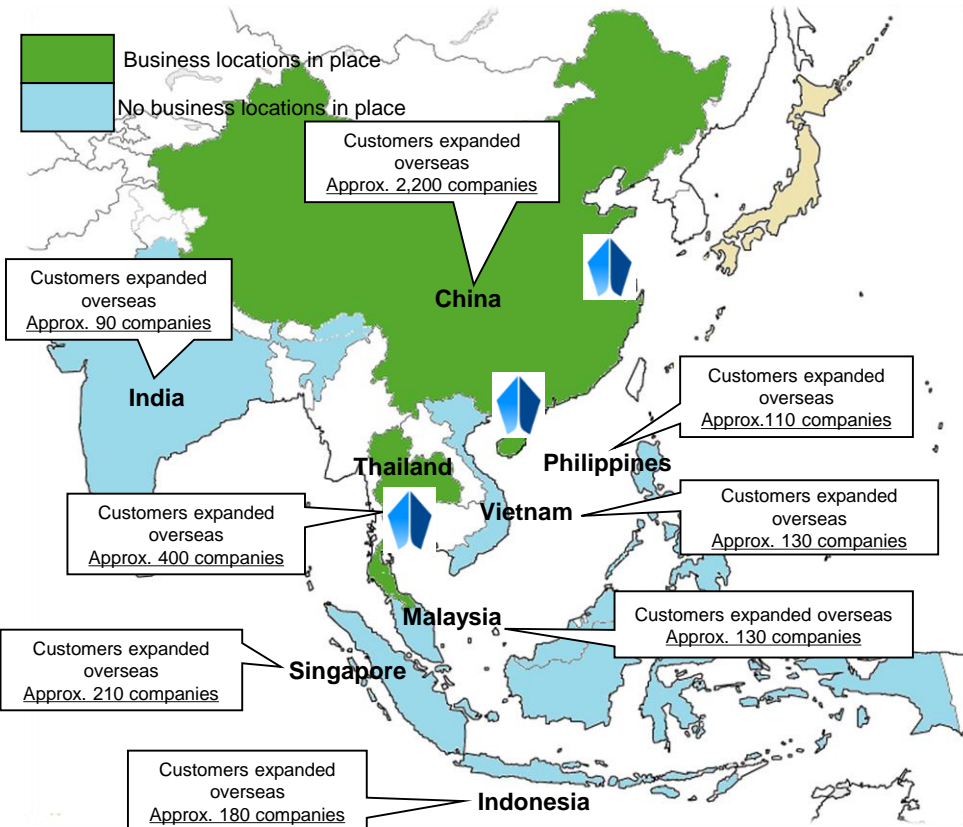


3. Growth Strategies

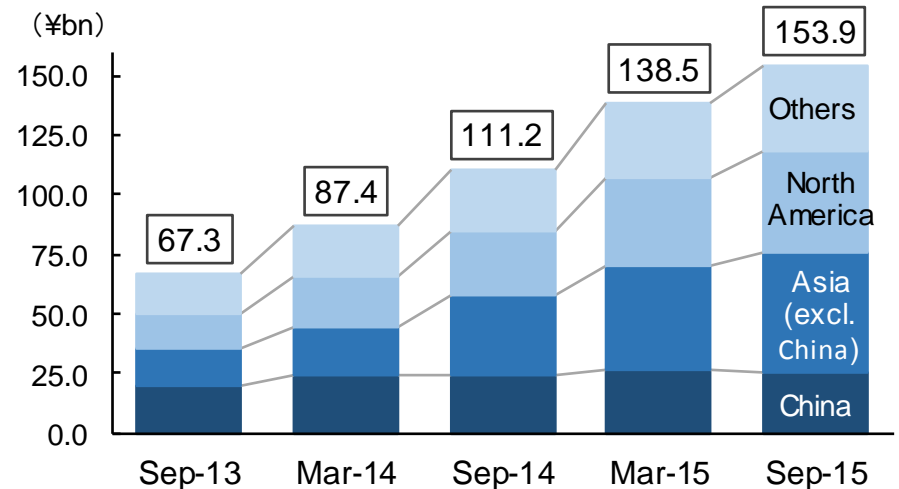
(3) Enhancement of solution business in the corporate business – Overseas strategy

- Enhanced overseas expansion supports to corporate customers in Asia by forming business alliances with Metropolitan Bank and Trust Company (the Philippines) in April 2015 and State Bank of India (India) in May 2015, as well as dispatched staff to Thailand, Vietnam and Indonesia to strengthen personnel education and training.
- The balance of credit to overseas entities **increased 38.3%** to **JPY153.9bn** backed by captured demand for Asia and North America.

Support and expansion in Asia



Balance of credit to overseas entities



(Note) The balance of credit to overseas entities is the sum of the loans extended by Shanghai Branch, the loans for non-residents, two-generation housing loans, loans for investments and standby LC

Country	Partner banks
China	Bank of China, Bank of Communications, Bank of East Asia (Hong Kong)
Thailand	Bangkok Bank
Indonesia	Bank Maybank Indonesia
Vietnam	Bank for Investment and Development of Vietnam Australia and New Zealand Banking Group (Vietnam)
Philippines	Metropolitan Bank and Trust Company
India	State Bank of India

(Note) The number of corporate customers expanded overseas. The number in China is the number of local subsidiaries including representative offices (as of the end of September 2015)

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