Information Meeting

～ Financial Results for FY08～

May 21, 2009

The Bank of Yokohama, Ltd.

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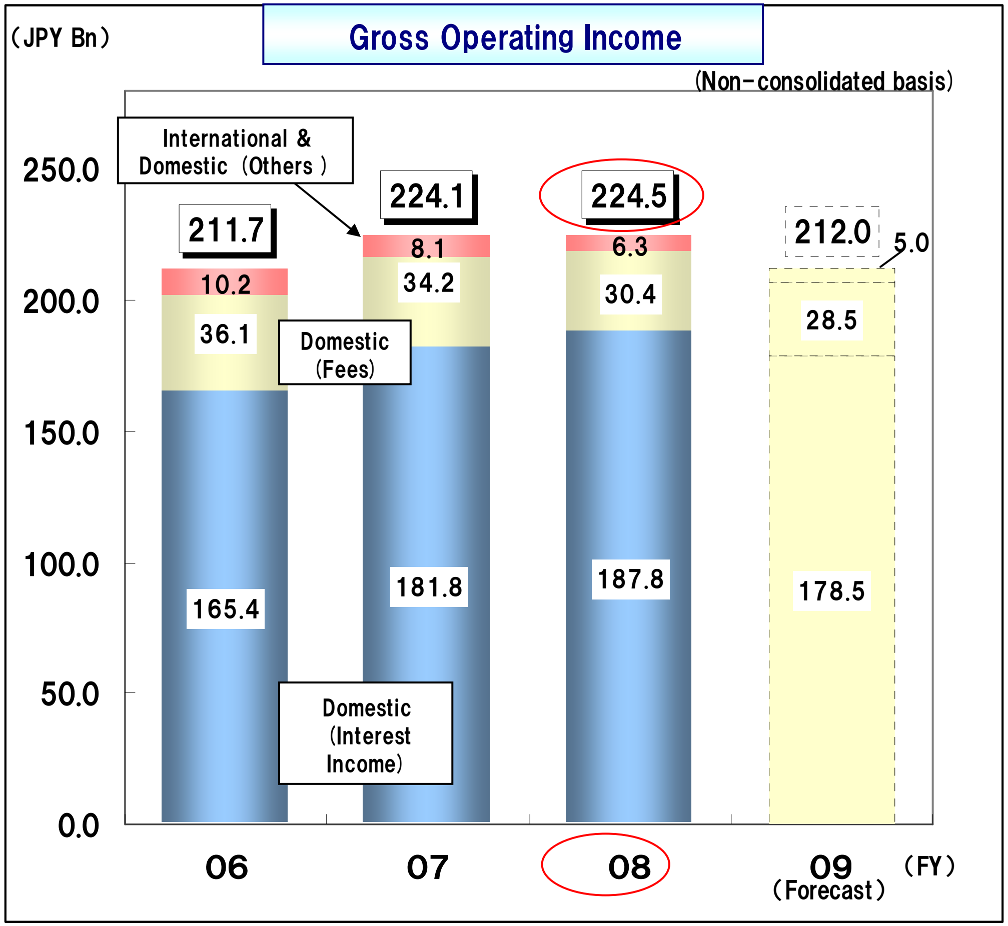
1. Operating Performance

(1) Gross Operating Income

- FY08: Gross Operating Income increased by JPY0.4Bn (+0.1%) to JPY224.5Bn.
- "Core Base" Income (Domestic Interest Income + Fees & Commissions) increased by 2.1Bn to JPY218.2Bn.
- FY09 Forecast: JPY212.0Bn (down JPY12.5Bn, -5.5% from FY07).



Comparison from FY07

(JPY Bn)

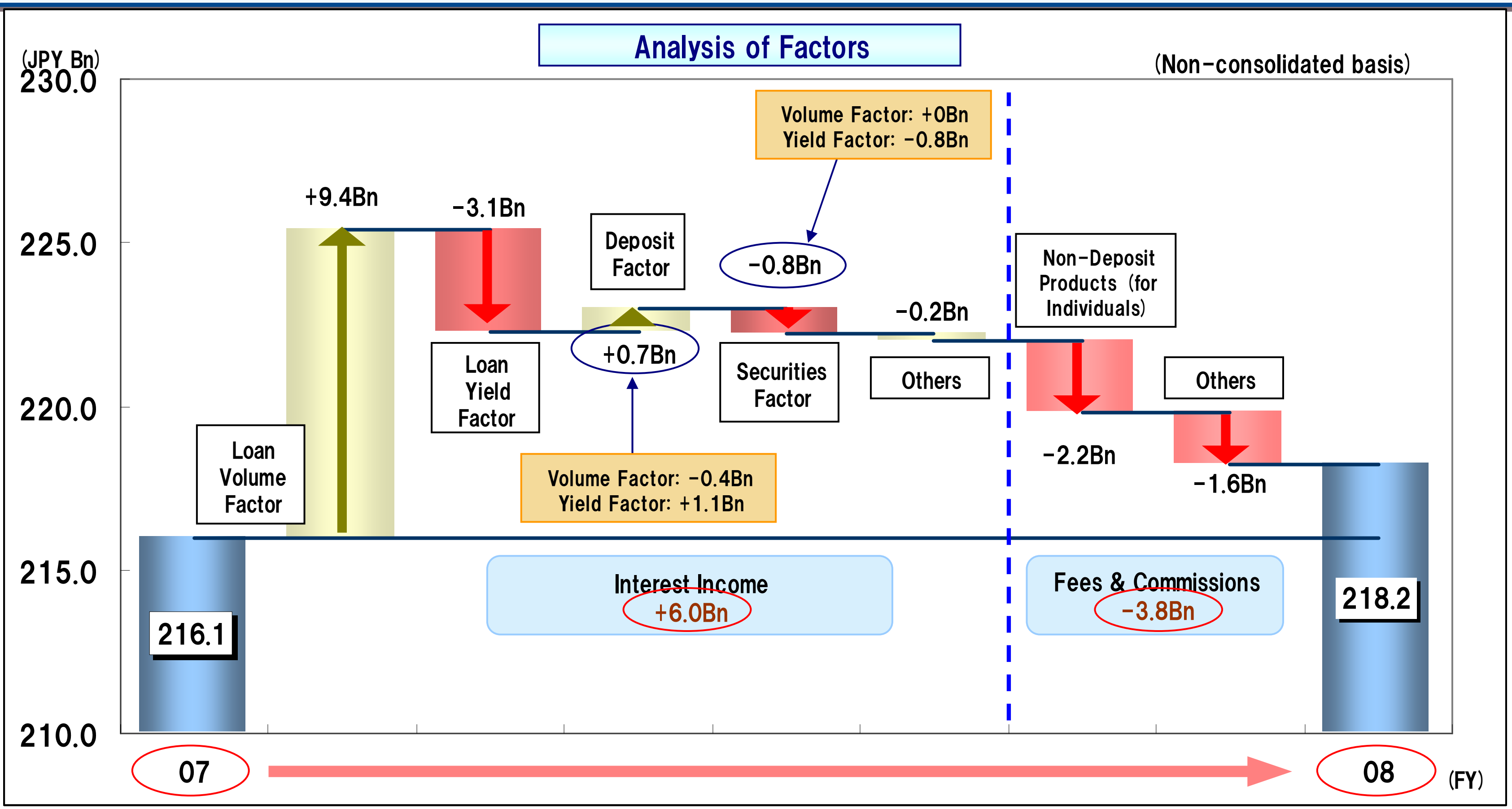
	FY07 (actual)	FY08 (actual)	change	
Gross Operating Income	224.1	224.5	+0.4	
Domestic GOI	218.9	220.3	+1.4	
Interest Income①	181.8	187.8	+6.0	A
Fees & Commissions②	34.2	30.4	-3.8	B
Trading Profits	0.9	1.0	+0.1	
Other Operating Income	1.8	1.0	-0.8	
GOI from Int'l Operations	5.2	4.2	-1.0	
Core Base GOI①+②	216.1	218.2	+2.1	

Factors behind the change:
A Increase in loan volume
B Decrease in sales of Investment Trust, and decrease in fees from Syndicated loans, Private Placement Bonds.

1. Operating Performance

(2) Factor Analysis

- While Loan Volume Factor increased by JPY9.4Bn due to increase in loan volume, Loan Yield Factor declined by JPY3.1Bn due to two BOJ rate cuts during the period. Interest Income increased by JPY6.0Bn from FY07.
- Fees and commissions income declined by JPY3.8Bn from FY07, due to a drop in Non-Deposit Products amid the deteriorated market environment.
- Because of factors such as a decline in interest income due to the impact of lower interest rates, for FY09 we are forecasting a drop in core base gross operating income of JPY11.2Bn from the previous term to JPY207.0Bn.



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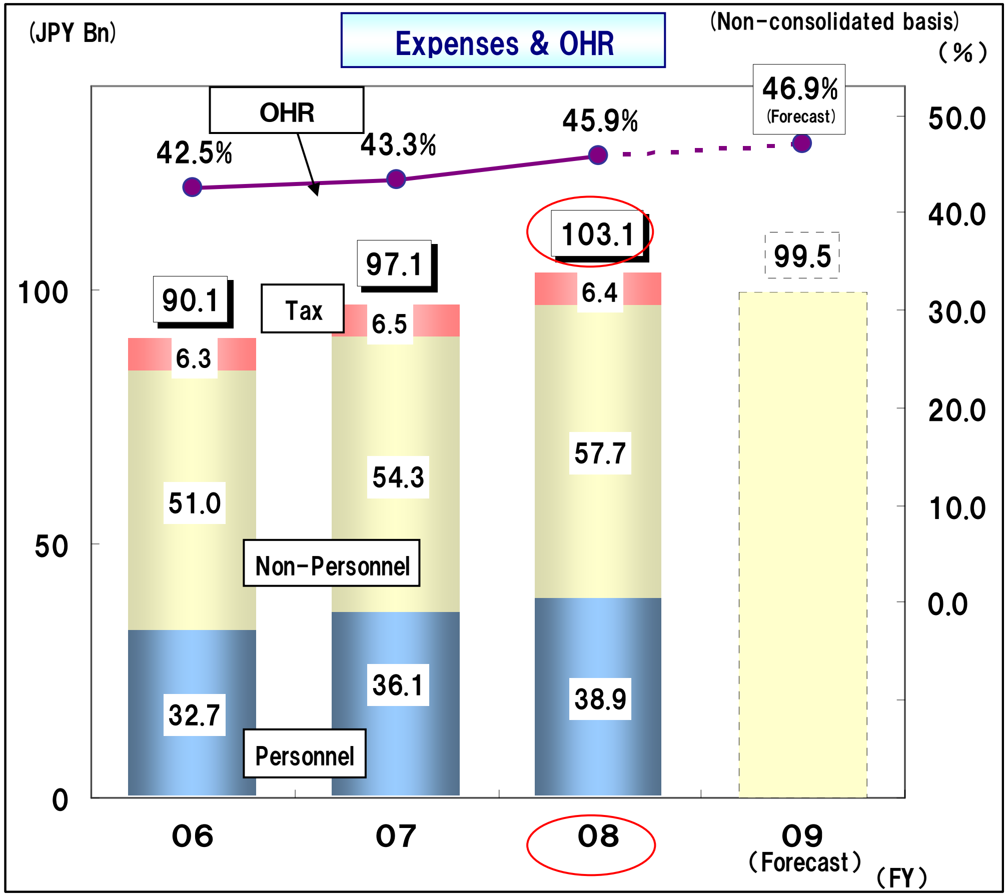
(3) Expenses & OHR

- FY08: Expenses were JPY103.1Bn (+JPY6.0Bn, +6.2%). OHR was 45.9%.
- FY09 Forecast: JPY99.5Bn (-JPY3.6Bn, -3.4% from FY07).
- To adapt to major changes in the financial and economic environment, we will be rigorous in selecting only new investments that are absolutely essential, and we will work to reduce costs. OHR will remain within mid-40% range.



Comparison from FY07

(JPY Bn)

	FY07 (actual)	FY08 (actual)	change	
Expenses	97.1	103.1	+6.0	
Personnel	36.1	38.9	+2.8	A
Non-Personnel	54.3	57.7	+3.4	B
Tax	6.5	6.4	−0.1	
OHR(%)	43.3	45.9	+2.6	

Factors behind the change:
A Increase in the # of personnel etc.
B Increase in IT related investments, and Brand Strategies etc.

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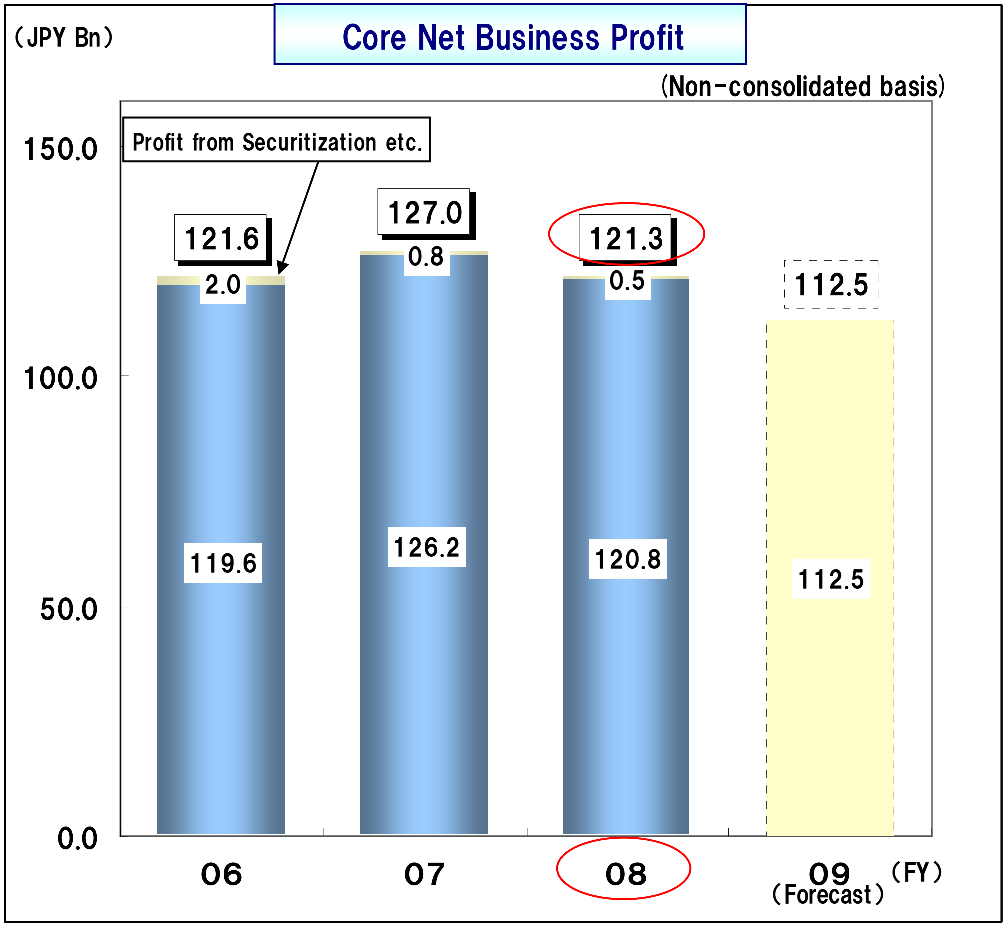
(4) Core Net Business Profits

- FY08:Core Net Business Profits decreased by JPY5.7Bn (-4.4%) from F07 to JPY121.3Bn.
- FY09 Forecast: Down JPY8.8Bn (-7.2%) from FY08 to JPY112.5Bn.



Comparison from FY07

(JPY Bn)

	FY07 (actual)	FY08 (actual)	change
Core Net Business Profit (non-consolidated)	127.0	121.3	-5.7
ROE(Core Net Business Profit)	17.92%	17.76%	-0.16%
ROA(Core Net Business Profit)	1.14%	1.06%	-0.08%
Core Net Business Profit (consolidated)	136.6	131.6	-5.0

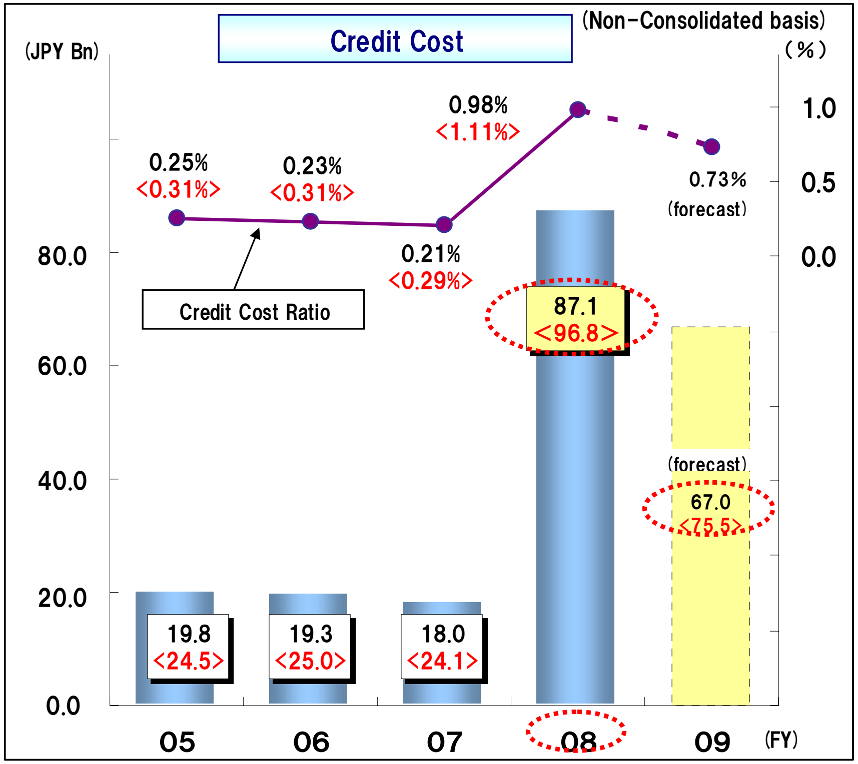
Factors behind the change:
Increase in Gross Operating Income +0.4Bn
Increase in Expenses -6.0Bn

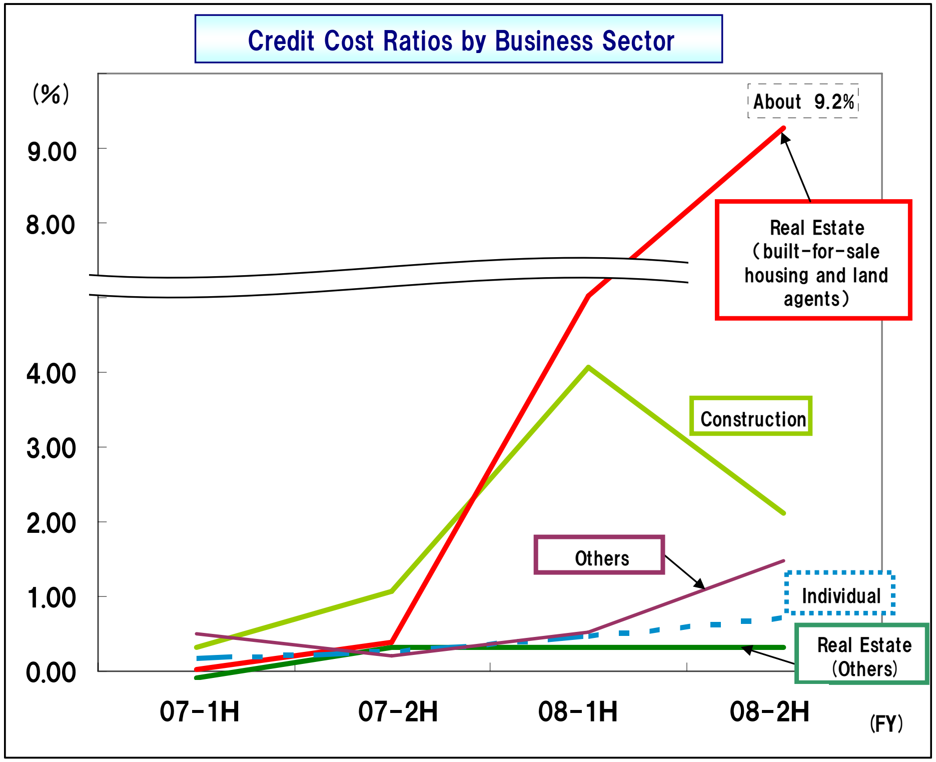
(Note) ROE = (Core Net Business Profit) ÷ Net Asset (Average, excluding subscription rights to share)
ROA = (Core Net Business Profit) ÷ Total Assets (Average, excluding customers' liabilities for acceptances & guarantees)

1. Operating Performance

(5) Problem Claims～Credit Cost

- FY08: Credit Costs (non-consolidated basis) increased by JPY69.1Bn (+383%) from FY07 to JPY87.1Bn. Loans to customers in Tokyo and outside Kanagawa prefecture account for about 70% of the cost.
- While the credit cost ratio for built-for-sale housing and land agents (i.e. real estate companies) increased in both the first and second halves of FY08, that for the construction sector climbed during the first half but fell back in the second. Credit cost ratios for other general sectors and individual loans remained at a low level.
- FY09 Forecast (non-consolidated): JPY67.0Bn.





(note1) Figures in angle brackets represent the values on a consolidated basis.
(note2) Credit Costs = Disposal of bad debts + Transfer to Allowance for possible loan losses
(note3) Credit cost ratio = Credit cost ÷ Average balances of loan and lease
※Average balances of loan and lease (consolidated basis): ((balances (beginning of period) + balances (end of period)) ÷ 2)

(note1) Credit cost ratio is annualized by multiplying credit cost for six months by 2.
(note2) Allowances for possible loan losses are distributed proportionally to the loans outstanding.
(note3) Loans to individuals include credit cost incurred by the Group guaranty companies.

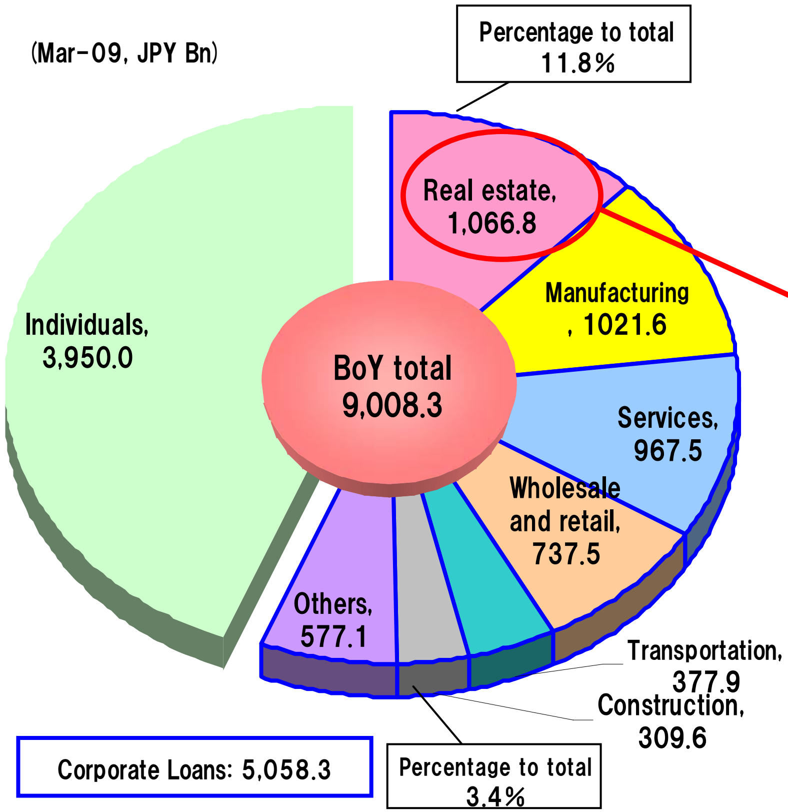
1. Operating Performance

(5) Problem Claims～Loans to Real Estate Sector

- Loans to Real Estate Sector (JPY1066.8Bn) account for 11.8% of Total loans outstanding (JPY9,008.3Bn) as of Mar-09.
- Loans to "large-scale customers with rapid growth of sales" in built-for-sale housing and land agent sector (JPY173.2Bn, 1.9% of total loans), were the main factor of increase in credit cost.

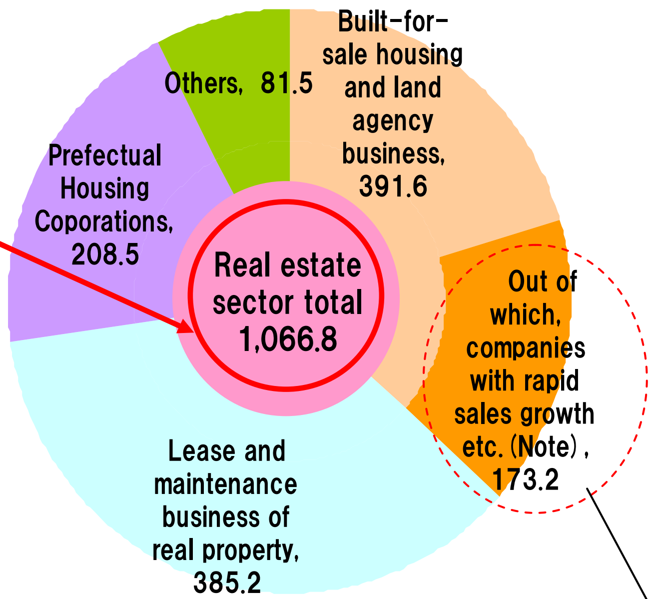
Classification of Loan by Type of Industry

(Mar-09, JPY Bn)



Breakdown of Loans to Real Estate Sector

(Mar-09, JPY Bn)



(Note) Companies with ①loans more than JPY 1Bn and ②sales growth of 1.5 times in the past 5 years

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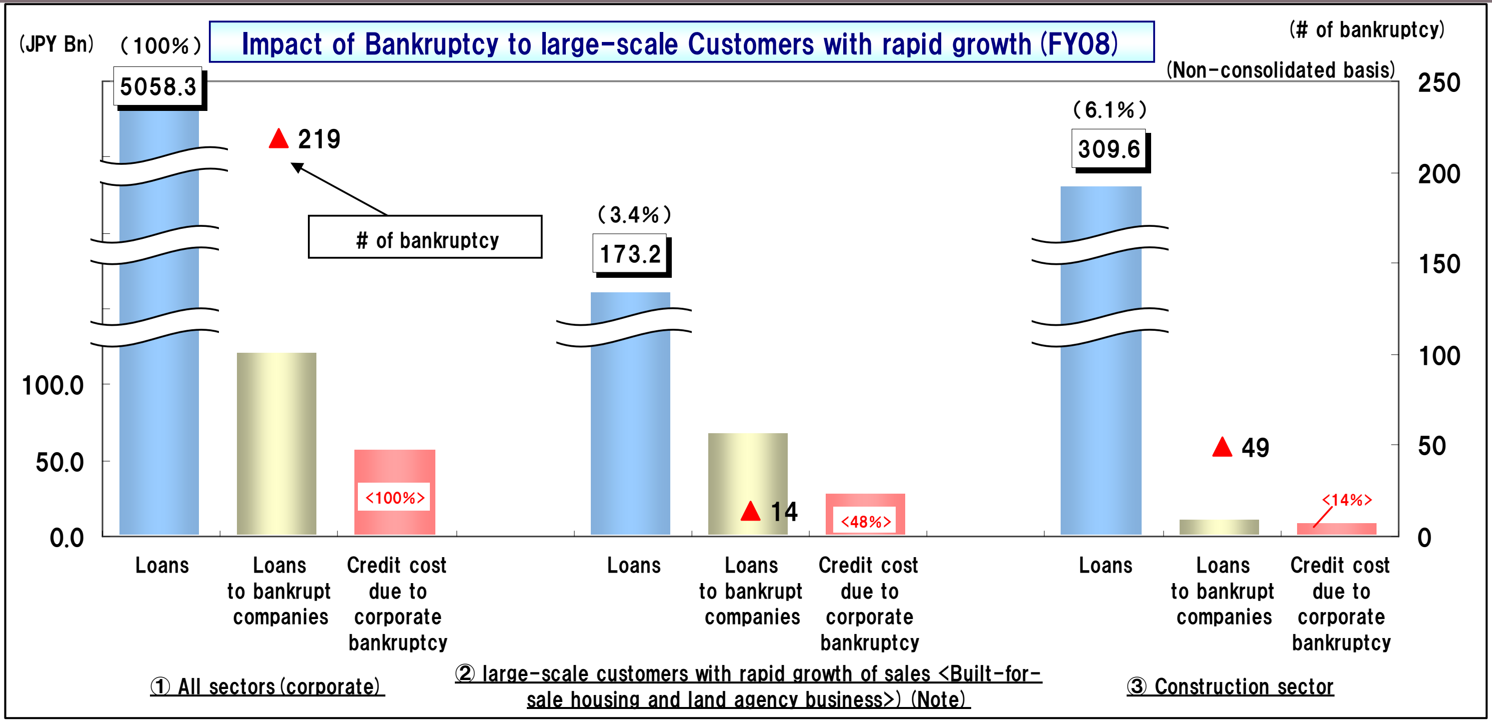
(5) Problem Claims～Impact of bankruptcy by "Large-scale customers with rapid growth of sales"

- Mar-09: Corporate Loans outstanding was JPY505.83Bn.
- Of this, less than 10% was to "Large-scale customers with rapid sales growth (built-for-sale housing and land agents)" (3.4%) and companies in the construction sector (6.1%).
- In addition, over 60% of total credit cost resulting from corporate bankruptcies involved "Large-scale customers with rapid sales growth (built-for-sale housing and land agents)" (48%) and companies in the construction sector (14%).



	②/①	③/①	(②+③)/①
Loans	3.4%	6.1%	9.5%
Loans to bankrupt companies	55.5%	8.0%	63.5%
Credit cost due to crporate bankruptcy	47.8%	13.8%	61.6%

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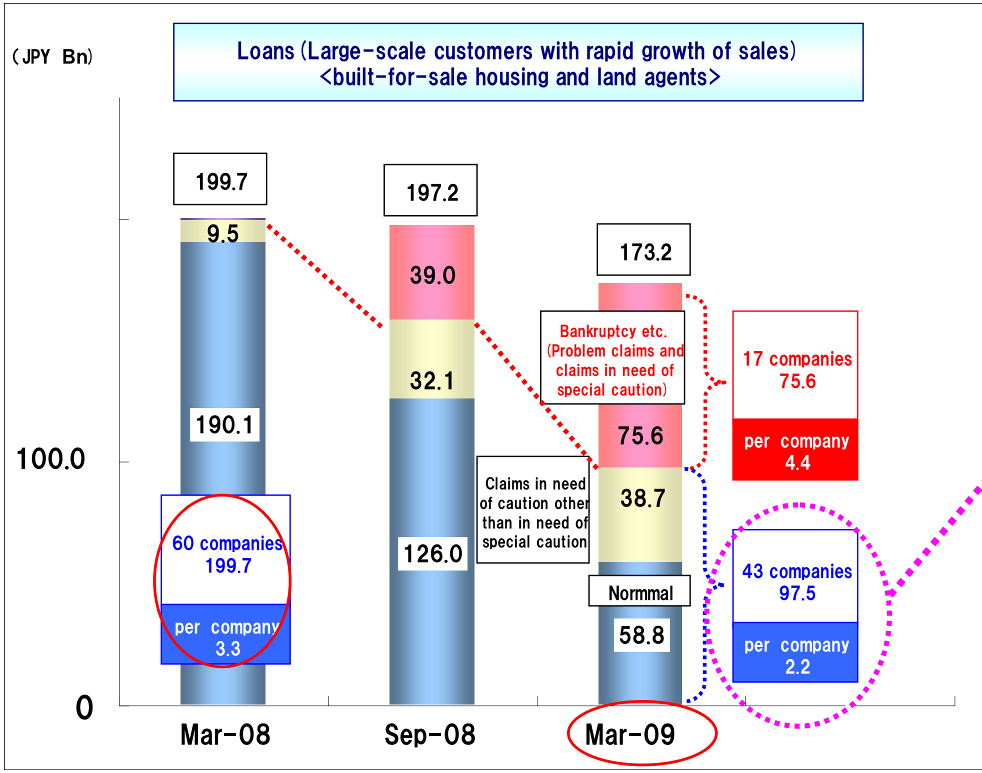
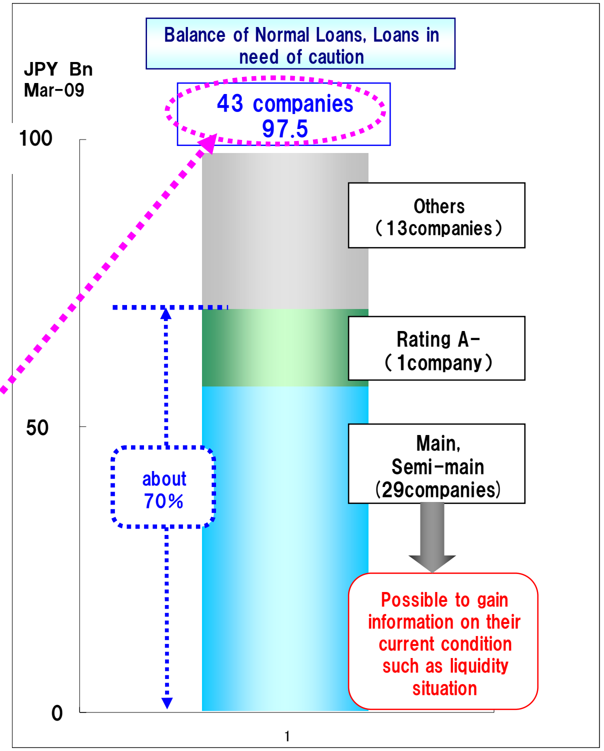
(5) Problem Claims～Loans to "Large-scale customers with rapid growth of sales (built-for-sale housing and land agents)"

- Mar-09: The balance of normal loans and loans in need of caution to "Large-scale customers with rapid growth of sales (built-for-sale housing and land agents)" stood at JPY97.5Bn, a 51% reduction from the end of March 2008. The proportion of loans to small borrowers also increased.
- Around 70% of normal loans and loans in need of caution were to main customers, semi-main customers, etc. for which it is possible to gain information on their current condition, such as their liquidity situation, so the risk of credit costs rising sharply in the future is limited.



(note) Customers with rapid growth of sales = Customers with loans more than JPY1Bn, sales growth of 1.5 times in the past 5 years. (as of Sep-08)

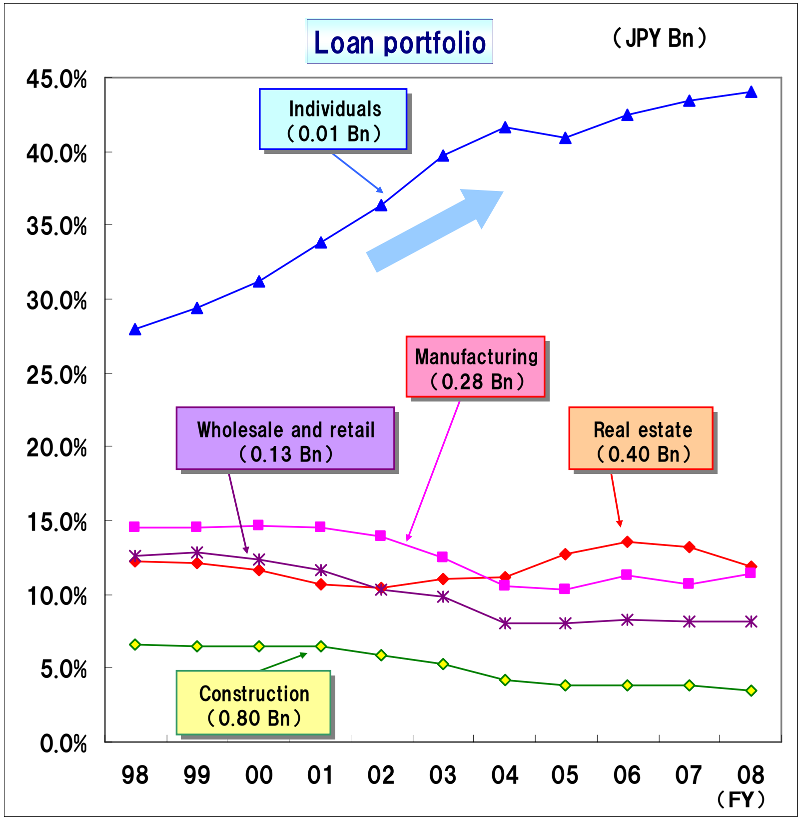


(note1) Rating as of 09/4/30, R&I
(note2) Others are customers excluding main customers, semi-main customers and customers with rating of A-

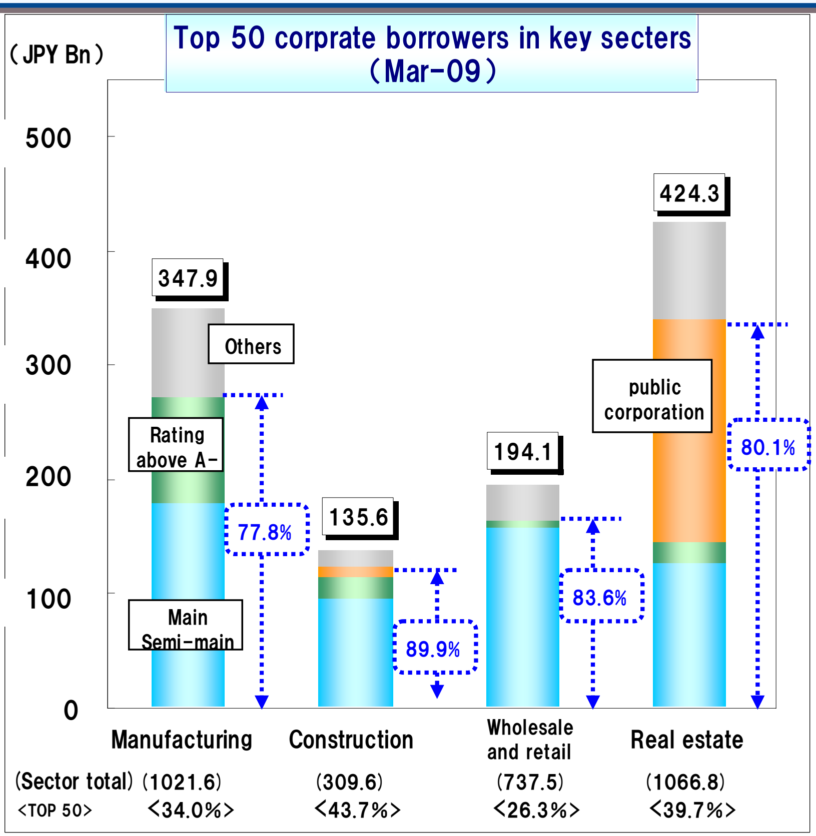
1. Operating Performance

(5) Problem Claims～Portfolio Trend and Condition of Main Borrowers

- Loans to individual customers, for whom the credit cost ratio is low, increased as a proportion of our loan portfolio. There was little change, meanwhile, in loans to key corporate sectors (i.e. manufacturing, construction, wholesale/retail, and real estate) as a proportion of our loan portfolio.
- Looking at loans to our main corporate borrowers (i.e. our top 50 corporate borrowers in key corporate sectors), we see that for all four sectors 80-90% of loans were to main customers, semi-main customers, etc. for which it is possible to gain information on their current condition, such as their liquidity situation, so the risk of credit costs rising sharply in the future is limited.



(note) Figures in brackets represent the value of average loan amount per customer.

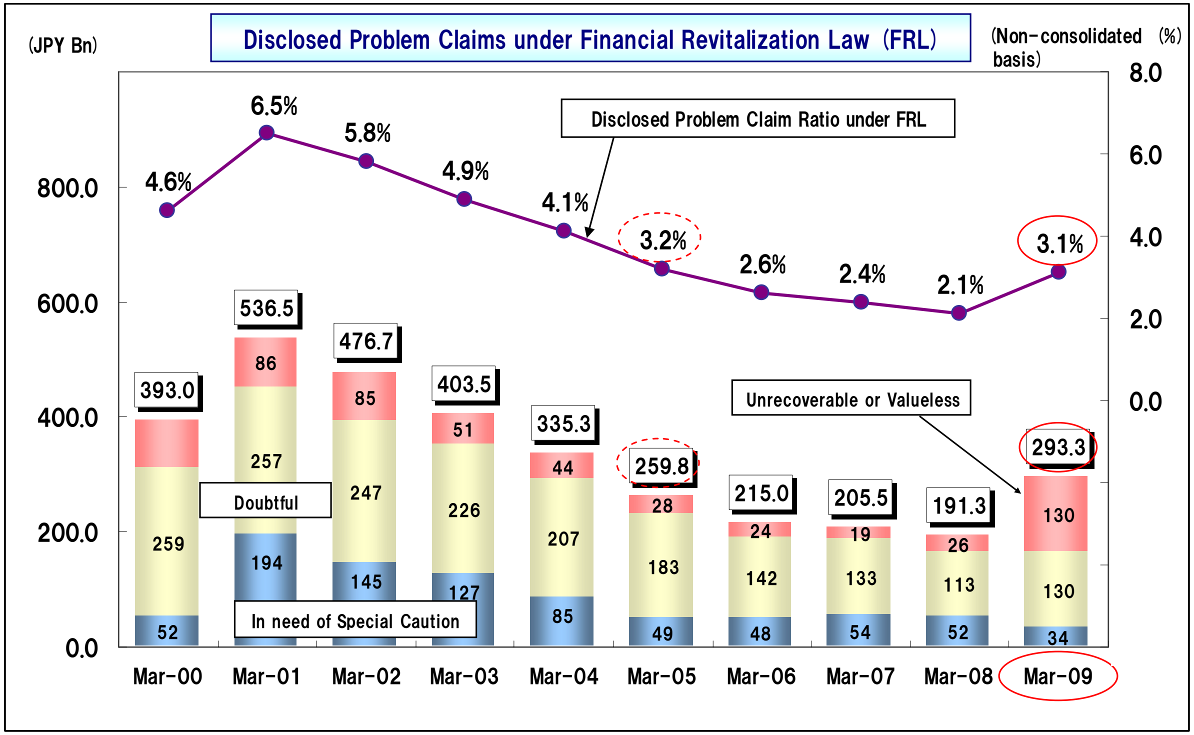


(note) Loan balance of above graph does not include bankrupt loans.

1． Operating Performance

(5) Problem Claims～Disclosed Problem Claim under FRL

- Sep-09: Problem claims (non-consolidated basis) stood at JPY293.3Bn, an increase of JPY102.0Bn from the end of March 2008. The main reason for the increase was a rise in unrecoverable or valueless claims (100% covered by allowance for possible loan losses and collateral and guarantees), particularly to the real-estate sector, of JPY103.4Bn.
- Although the problem claims ratio increased to 3.1% on a non-consolidated basis, it should be stable at a low level over the medium to long term.



(JPY Bn)

	Mar-08 (actual)	Mar-09 (actual)	change
Disclosed Problem Claims (Non-Consolidated)	191.3	293.3	102.0
Manufacturing	22.7	20.4	-2.3
Construction	14.2	18.4	4.2
Wholesale and Retail	21.7	29.4	7.7
Real Estate	47.0	138.9	91.9
Services	34.9	28.9	-6.0
Others(Individuals)	50.4	57.1	6.7
Disclosed Problem Claims (Subsidiaries)	5.4	5.9	0.5
Disclosed Problem Claims (consolidated)	196.7	299.2	102.5

1． Operating Performance

(5) Problem Claims～Efforts to Strengthen Credit Management

- By increasing number of personnel for both Head Office and Branch and by strengthening the screening structure, we will further practice careful credit management.
- In order to strengthen efforts to rehabilitate troubled borrowers, we will execute a PDCA cycle such as obtaining more information from each borrowers.
- We are working to control credit costs.

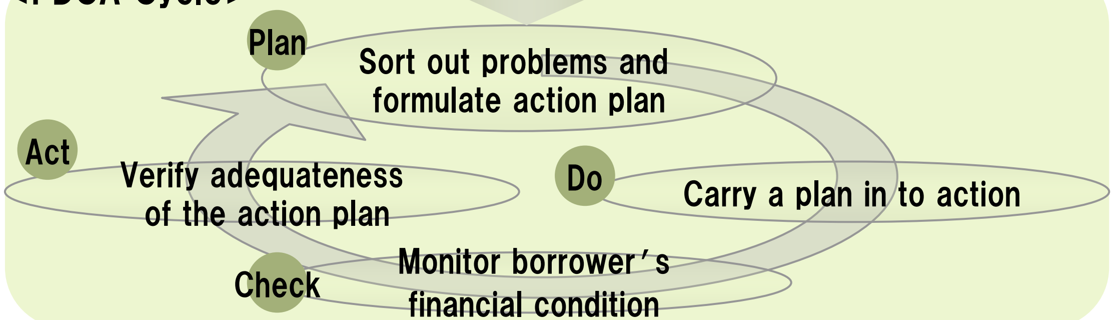
Efforts to Strengthen Credit Management

Structure Reinforcement — Practicing careful credit management

- <Branch personnel> Increase number of loan managers → 08/3 ⇒ 09/4 Number of personnel +120%
- <Head office personnel> Established a specialist team to monitor the condition of borrowers → 08/3 ⇒ 09/4 Number of personnel +80%
- Strengthen the screening structure at head office → Review authority of approving loans at branches

Further strengthen efforts to rehabilitate troubled borrowers — Practicing PDCA cycle on rehabilitating and supporting troubled borrowers

<PDCA Cycle> Adequate monitoring of borrowers condition



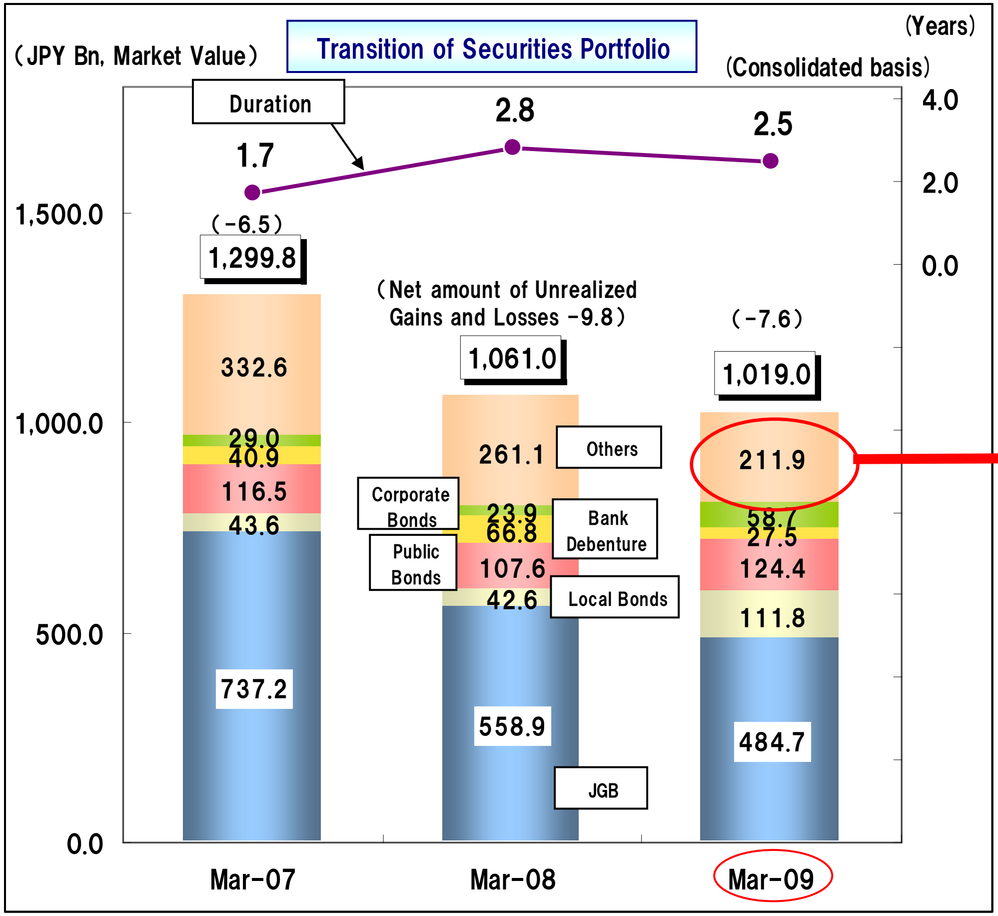
→ Improvement of troubled borrowers → Control credit costs

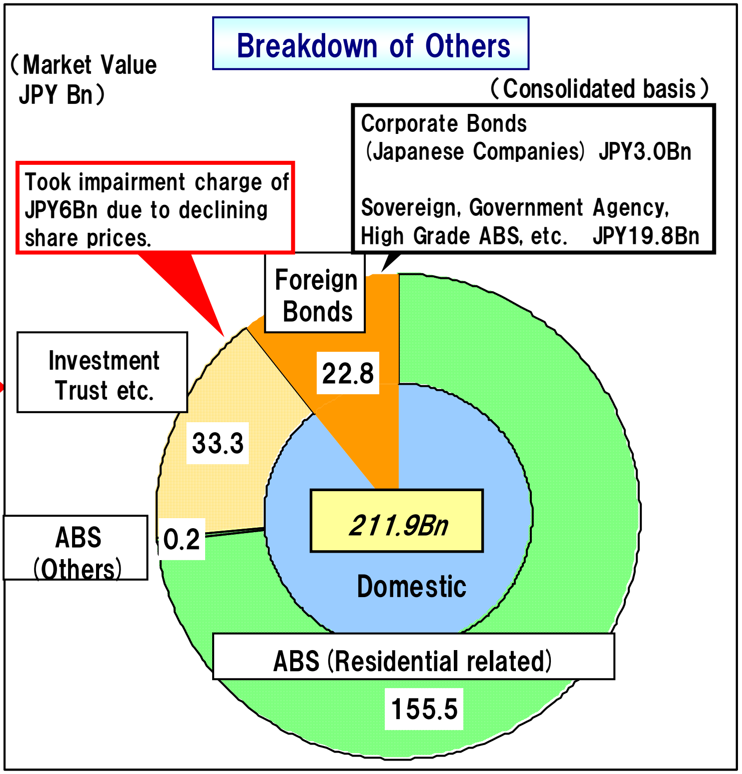
FY09 Credit Cost (Non-consolidated) **JPY 67Bn**

1. Operating Performance

(6) Securities Portfolio

- Established a sound securities portfolio not subject to impacts from interest rate risk and credit risk.
- We took JPY6.0Bn in impairment charges on investment trusts, mainly due to declining share prices.
- The risk of impairment losses occurring in the future is limited as we have already curbed investment in investment trusts.



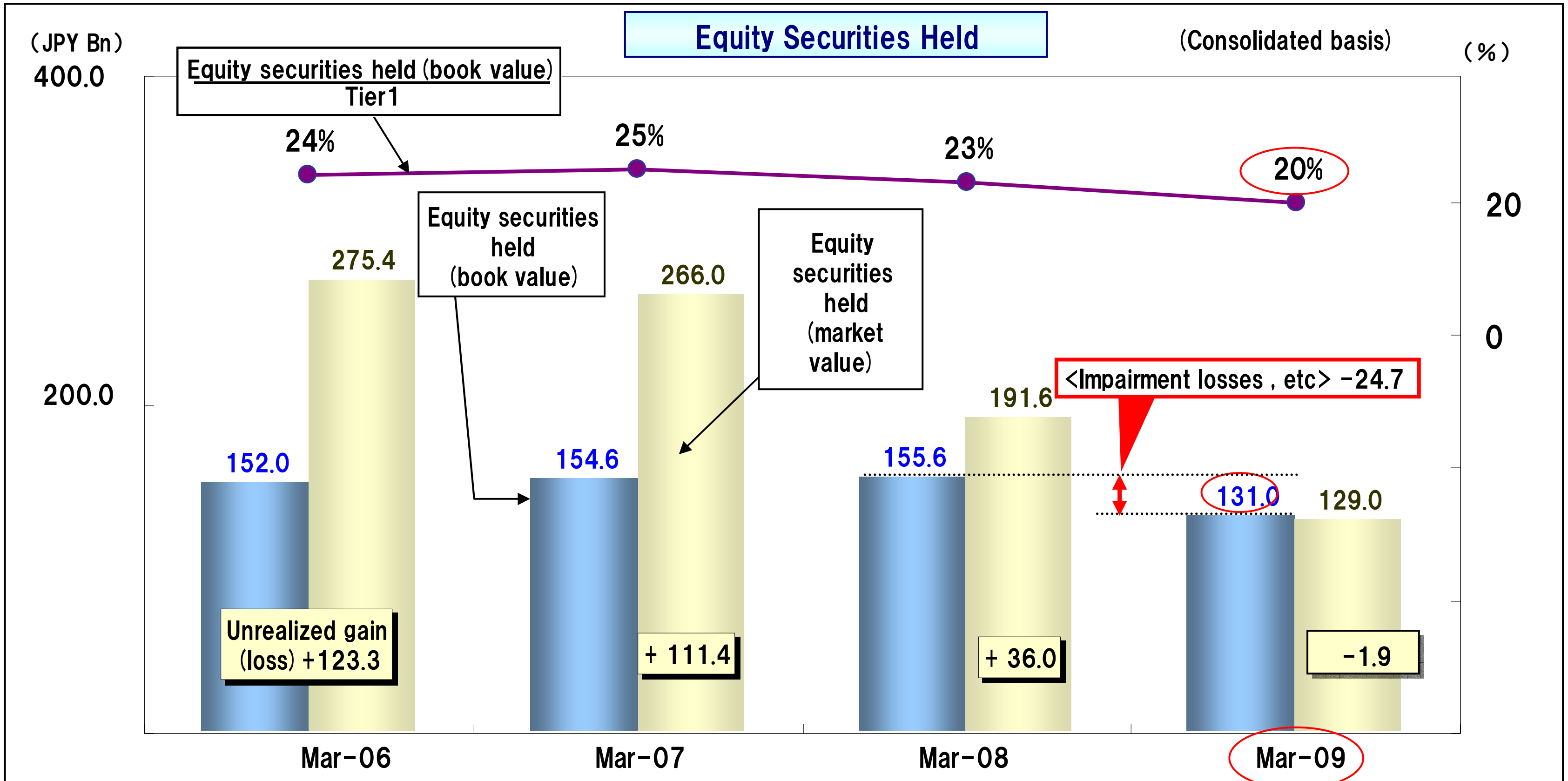


(Note 1) The balance and the unrealized losses covers only available for sale securities with market value, but does not cover stocks.
(Note 2) The duration does not contain ones of foreign bonds and investment trusts.

1. Operating Performance

(7) Equity Portfolio

- Percentage of equity securities held under Assets (Tier1) was as low as 20%, with a limited price fluctuation risk.
- We took JPY24.7Bn in impairment charges, mainly due to declining share prices.
- The risk of impairment losses occurring in the future has declined as we have already taken impairment charges on most of our share holdings.



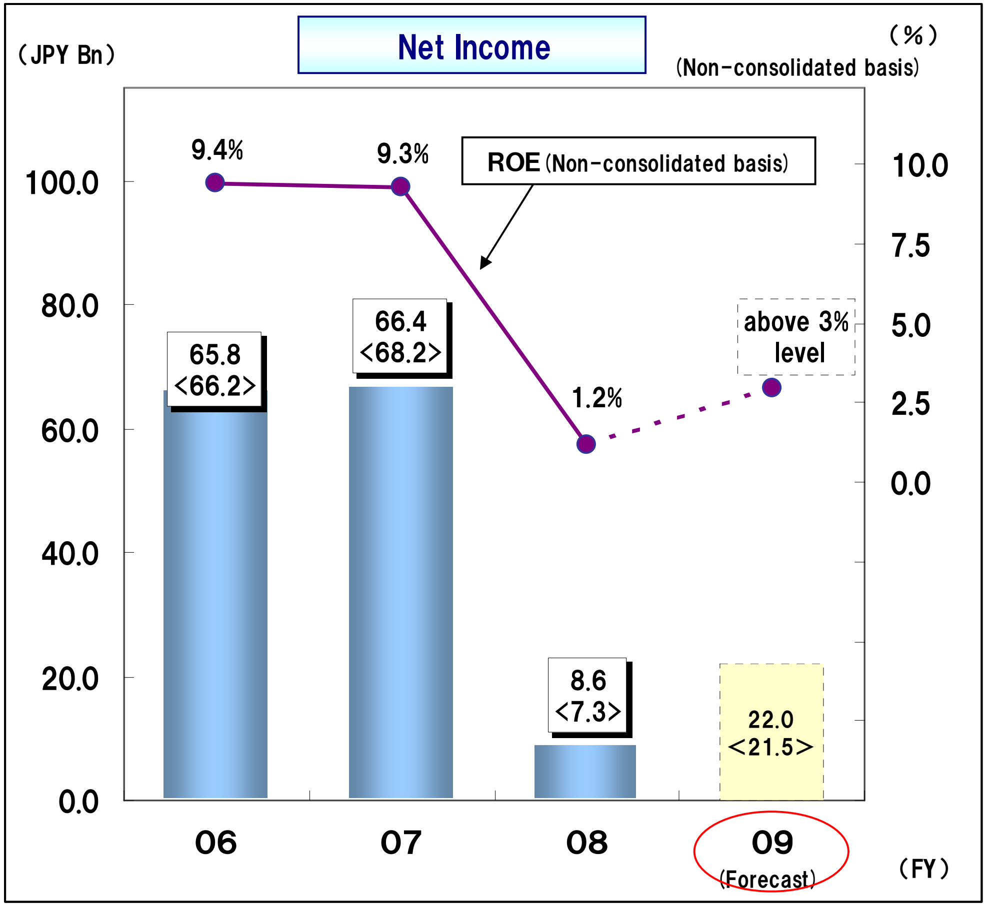
<reference> Tier1	Mar-06	Mar-07	Mar-08	Mar-09
Tier1	612.2	617.3	652.0	646.7

(Note) Equity Securities: Securities with market value

1. Operating Performance

(8) Net Income

- FY08: Net Income (non-consolidated basis) decreased to JPY8.6Bn (-JPY57.8Bn, -86.9% from FY07). ROE (non-consolidated basis) decreased to 1.2%.
- FY09 Forecast: Up JPY13.4Bn to JPY22.0Bn (+155.8% from FY07). ROE (non-consolidated basis) is expected to be above 3% level.



Comparison from FY07

(JPY Bn)

	07 (actual)	08 (actual)	change
Net Income (Non-Consolidated)	66.4	8.6	-57.8
Net Income (Subsidiaries)	2.6	0.0	-2.6
Others (adjustments for consolidation etc.)	-0.8	-1.3	-0.5
ROE (Net Income base, non-consolidated)	9.3%	1.2%	-8.1%
Net Income (Consolidated)	68.2	7.3	-60.9
ROE (Net Income base, consolidated)	9.6%	1.0%	-8.6%

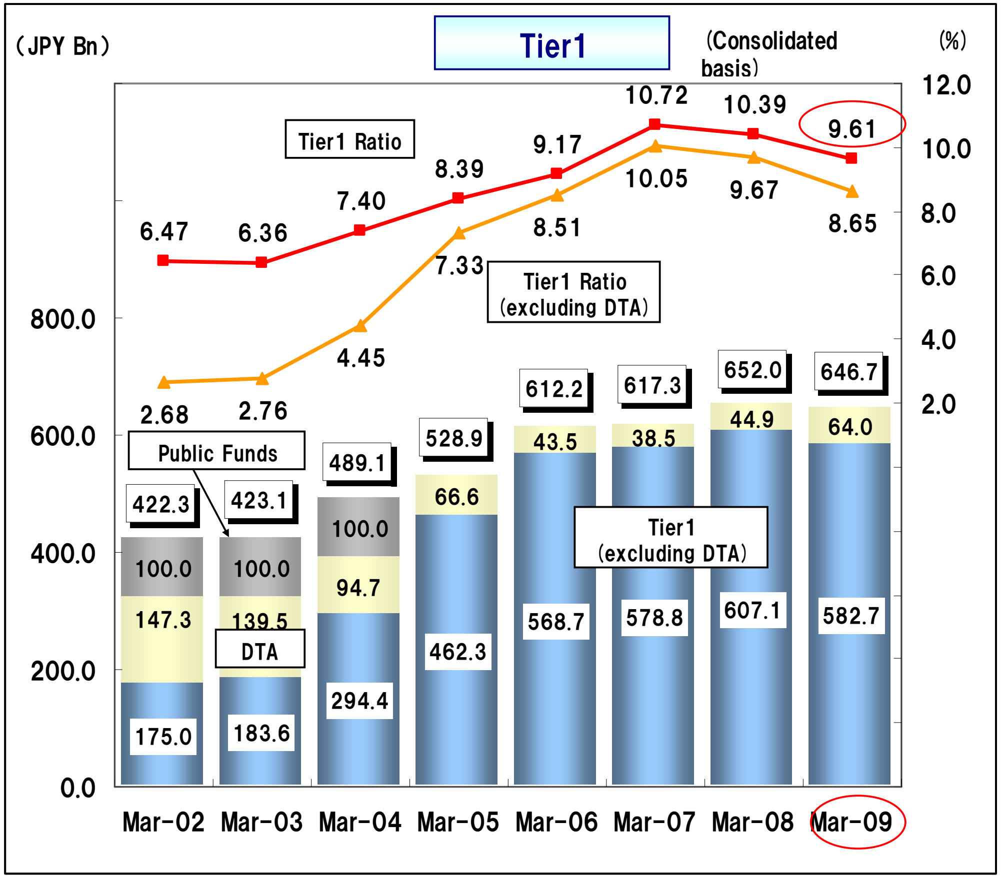
Factors behind the change:
Decrease in Core Net Business Profit: -JPY5.7Bn
Increase in Credit Cost: -JPY69.1Bn
Increase in Stock related loss etc.: -JPY25.5Bn
Decrease in Income tax etc.: +JPY39.4Bn

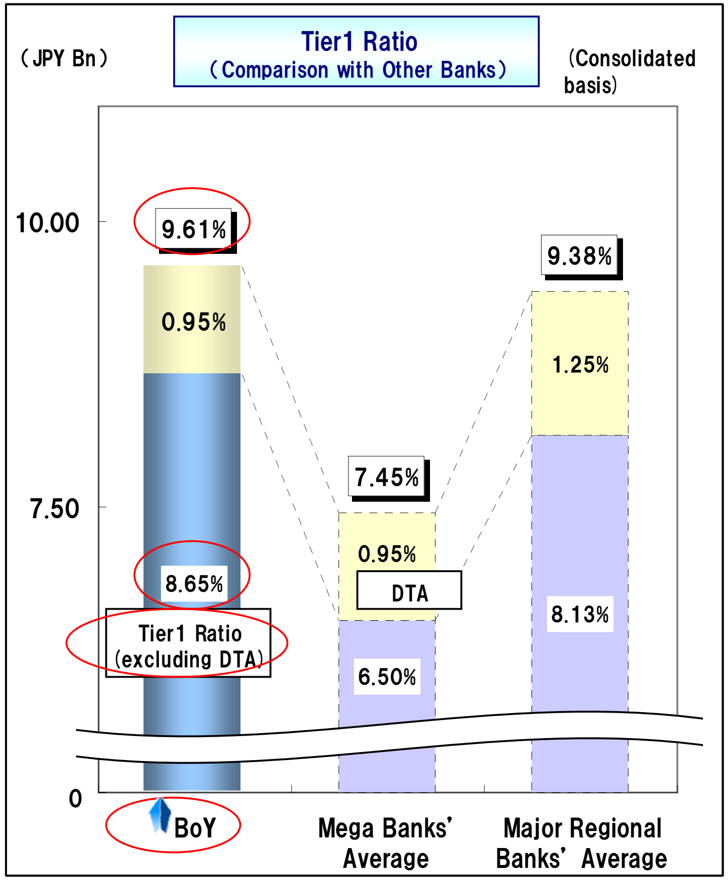
(Note1) Figures in angle brackets represent the values on consolidated basis.
(Note2) ROE = Core Net Business Profit ÷ Net Asset (Average, excluding subscription rights to share)

1． Operating Performance

(9) Tier 1 Capital

- Although the Tier 1 ratio had fallen below 10% at the end of March 2009 (consolidated basis) due to an increase in risk assets, at 9.61% it maintained high level.
- In terms of stability and "Quality of Capital (Core Tier1 ratio etc.)", we established a position superior to the averages of the mega-banks and the major regional banks.



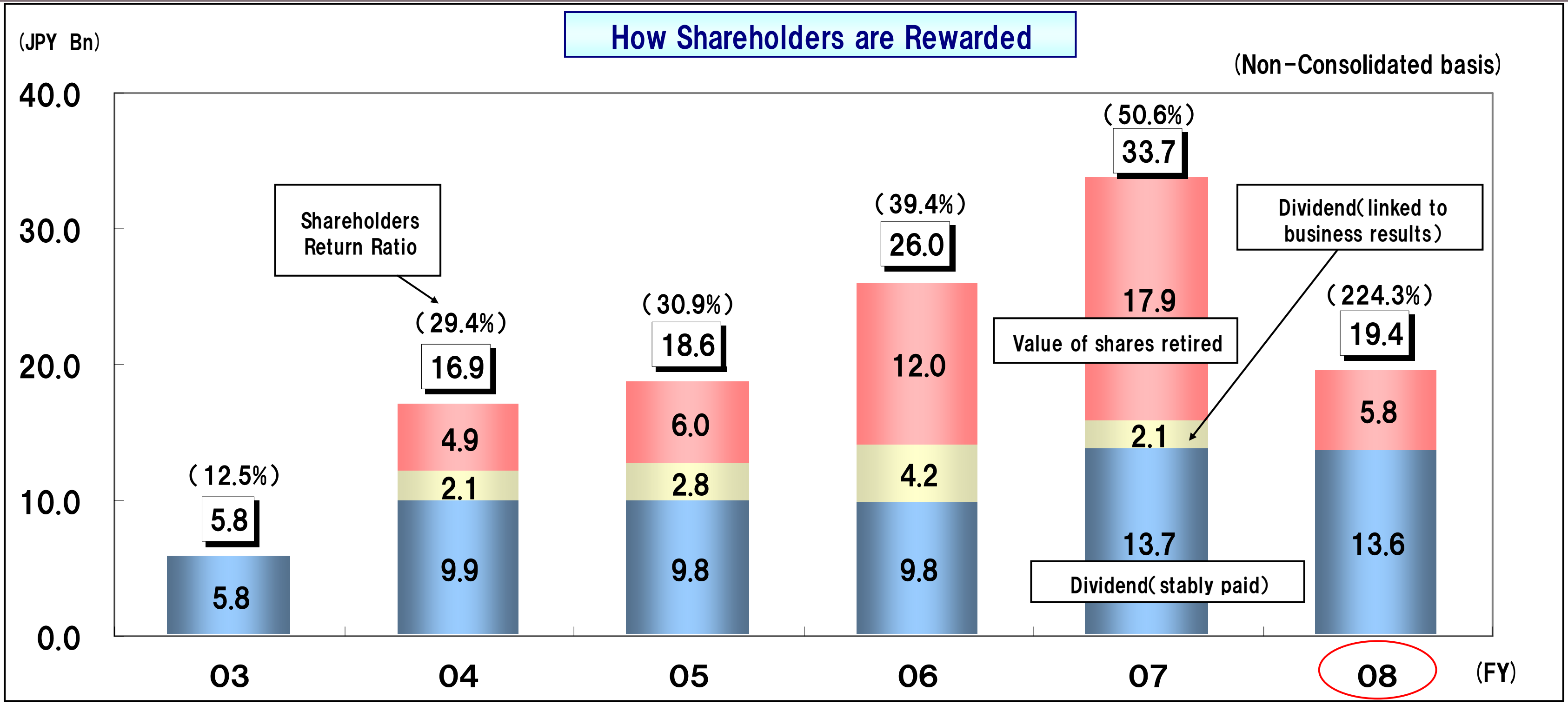


(Note1) Mega Banks: Mitsubishi UFJ FG, Sumitomo Mitsui FG, Mizuho FG
Major Regional Banks: 10 largest regional banks in terms of Deposits, excluding BoY
(Note2) Core Tier 1 means the balance obtained by deducting the amount equal to deferred tax assets and public funds from Tier 1.

1. Operating Performance

(10) Shareholder Return

- Dividend: Paying a stable annual dividend of at least JPY10 in accordance with our formula for calculating dividends.
- Repurchase of own shares :We repurchased shares JPY5.8Bn for FY08-1st Half.



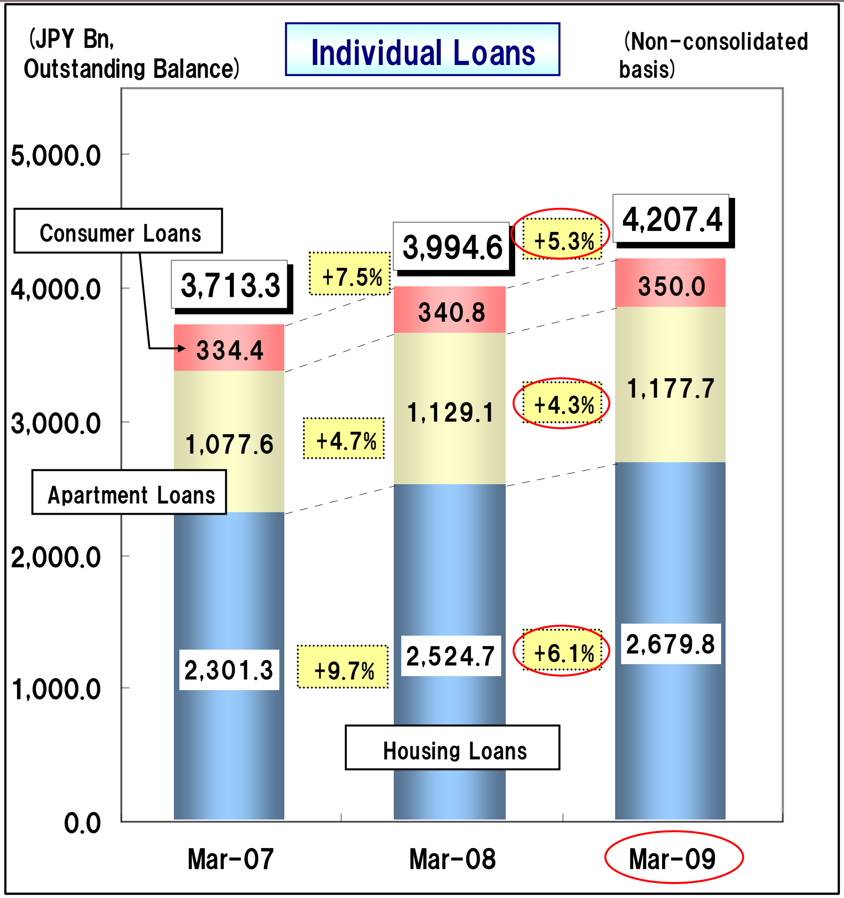
Dividend Policy	~03 Ordinary Dividend 5yen	04~06 Stable Dividend+Special Dividend ①Ordinary Dividend (Stable) 7yen ②Special Dividend (Performance based) 30% of the amount exceeding 50 billion yen in Net Income	07~ Stable Dividend+Special Dividend ①Ordinary Divident (Stable) 10yen ②Special Dividend (Performance based) 35% of the amount exceeding 60 billion yen in Net Income
Shareholder Return ratio	–	higher than 30%	higher than 40%

2. Business Performance

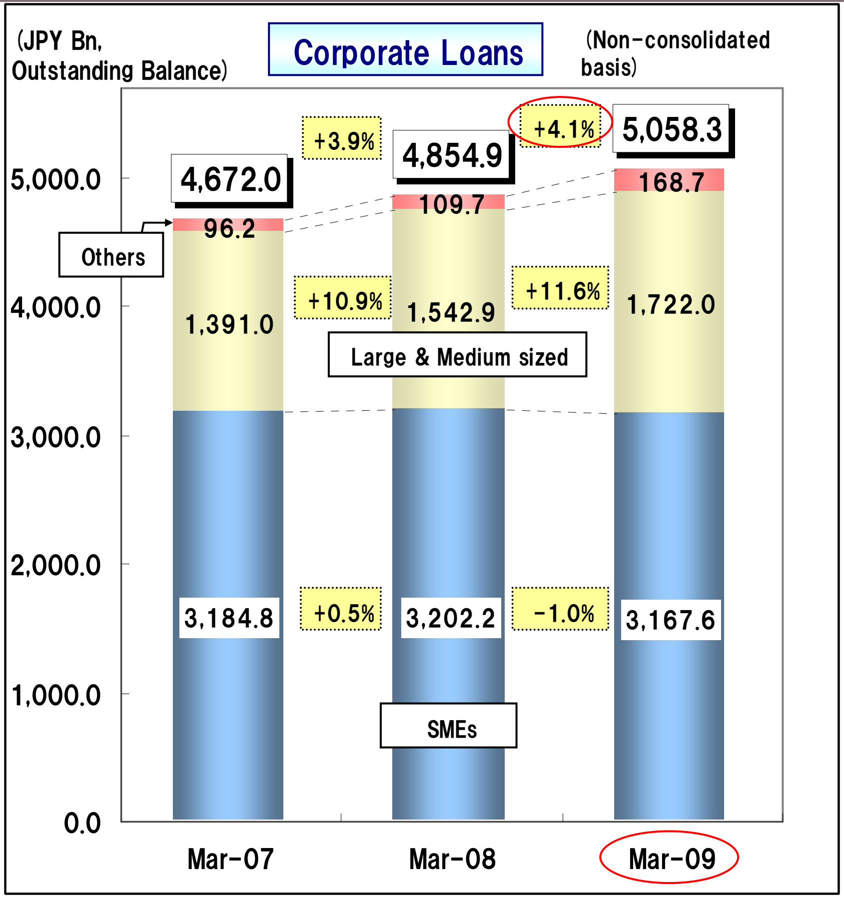
2. Business Performance

(1) Individual Loans & Corporate Loans

- Individual Loans: Housing Loans grew by 6.1%, Apartment Loans grew by 4.3%. Total growth is 5.3% from Mar-08.
- Corporate Loans: Corporate Loans grew 4.1% in total due mainly to growth in Loans to Large & Medium sized companies. Although loans to SMEs declined, this was due to a drop in loans to the real estate and construction sectors. Loans to other sectors increased.



(Note) Housing loan includes a portion that has been securitized.
(Mar-07: JPY271.0Bn, Mar-08: JPY270.6Bn, Mar-09: JPY257.4Bn)

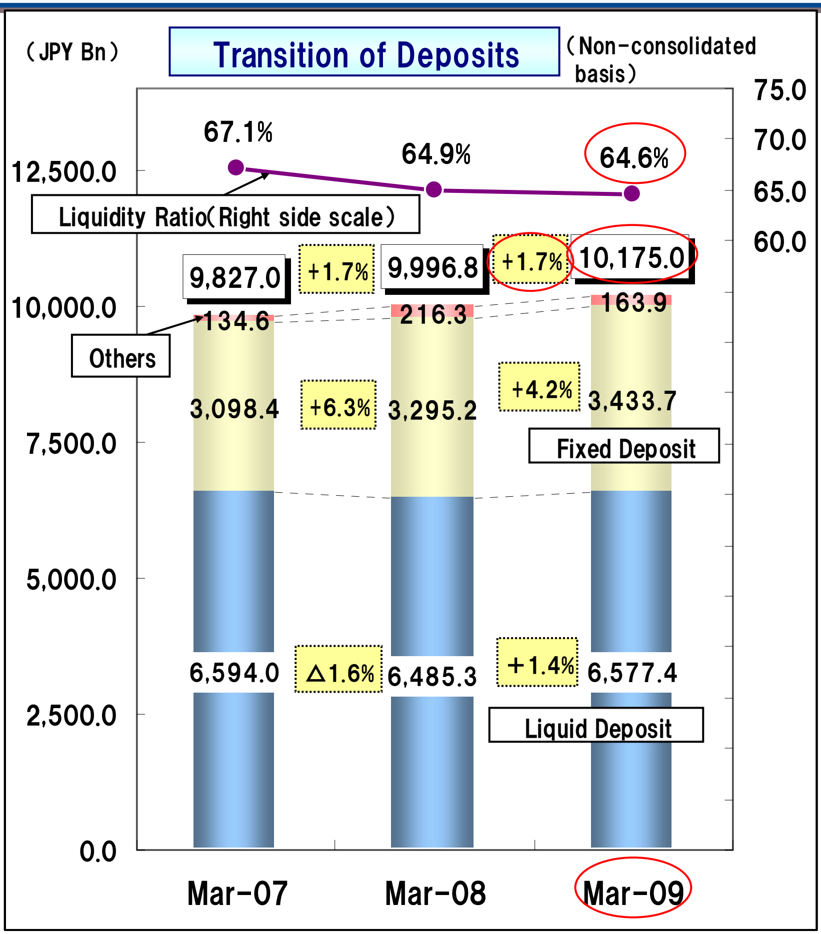


(Note) "Others" include loans to public and public related sectors.

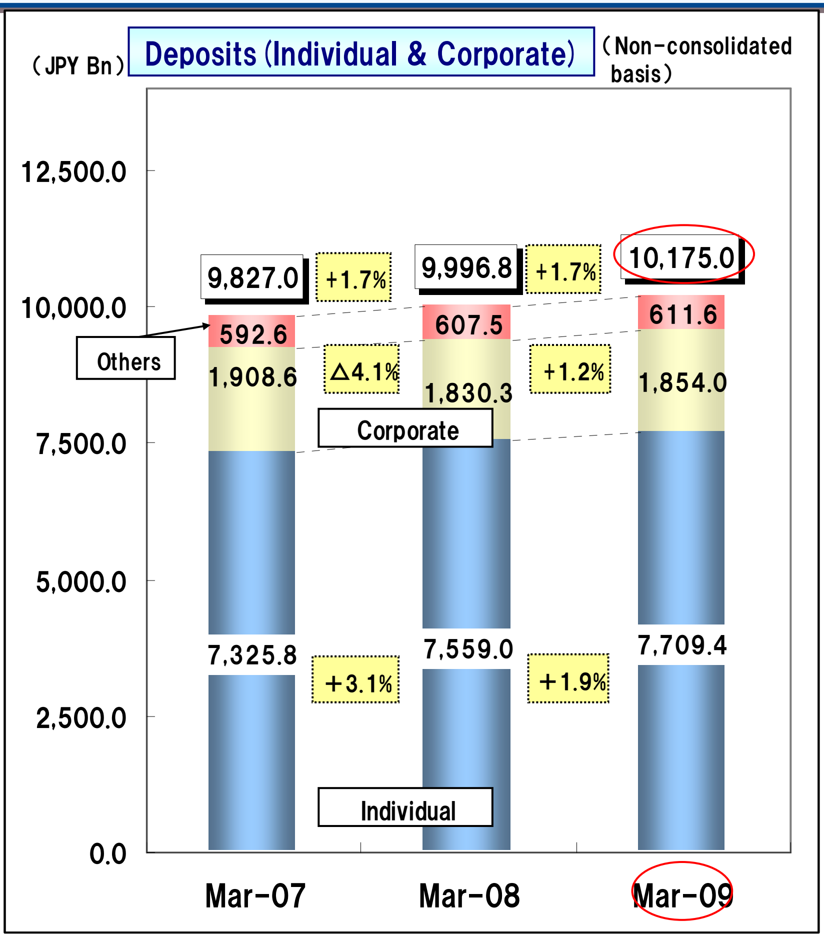
2. Business Performance

(2) Deposits

- Mar-09: Deposits grew by +1.7% from Mar-08, surpassing JPY10Tn for the first time at the end of fiscal year.
- Liquidity ratio is 64.6%, maintaining the highest level among regional banks. (Average 52%)
- Deposits for both Individual and Corporate customers grew steadily.



(Note1) Liquid Deposit = current, ordinary, saving, and other deposits.
(Note2) Fixed Deposit = time deposit etc.
(Note3) Others = miscellaneous and other deposits.

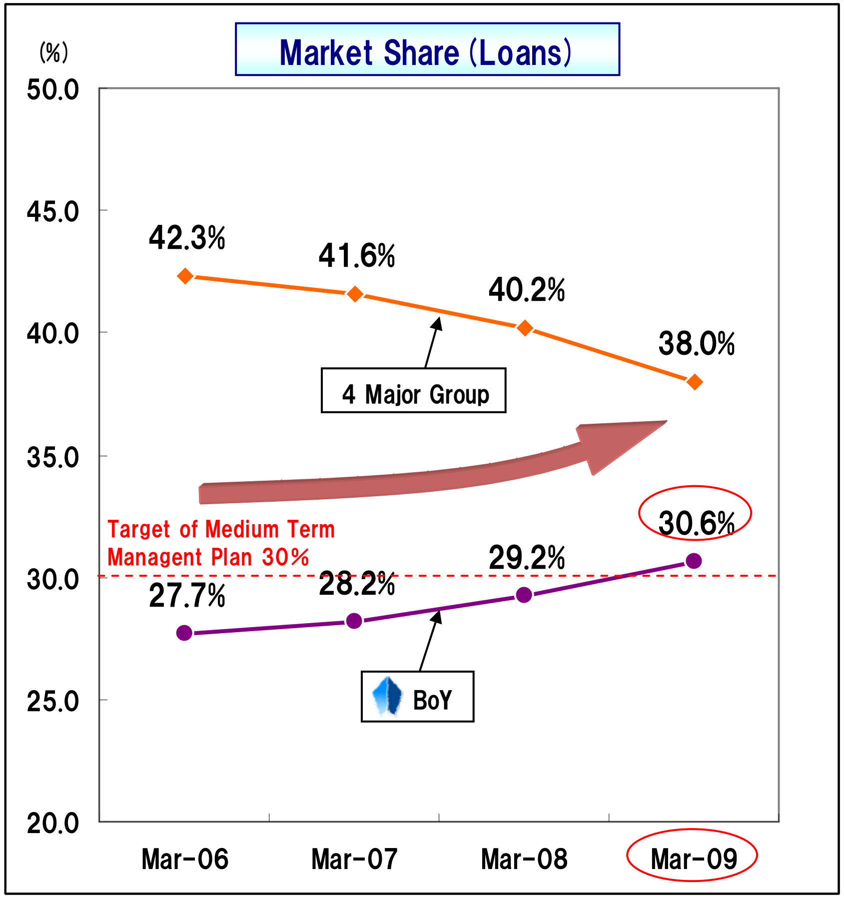


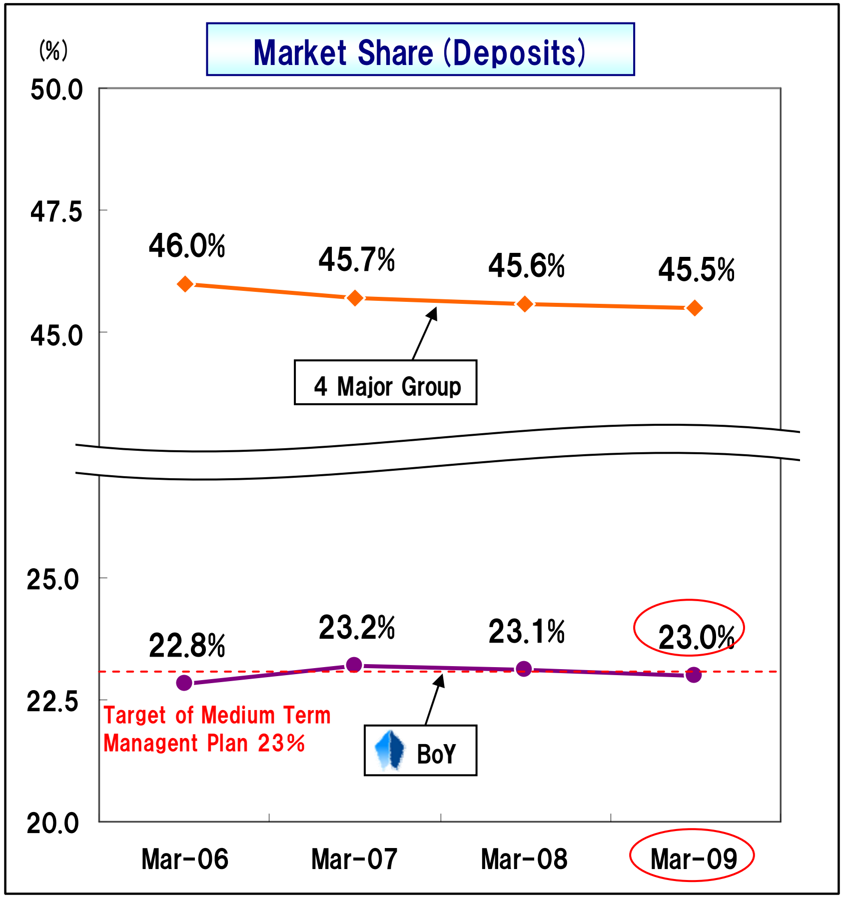
(note) Others = Local Public + Financial institutions

2. Business Performance

(3) Market Share in Kanagawa Prefecture

- Mar-09: Market share of loans was 30.6%, and the share of deposits was 23.0%, both surpassing the target level stated in our Medium Term Management Plan (Target for Loans: higher than 30%, Target for Deposits: higher than 23%).



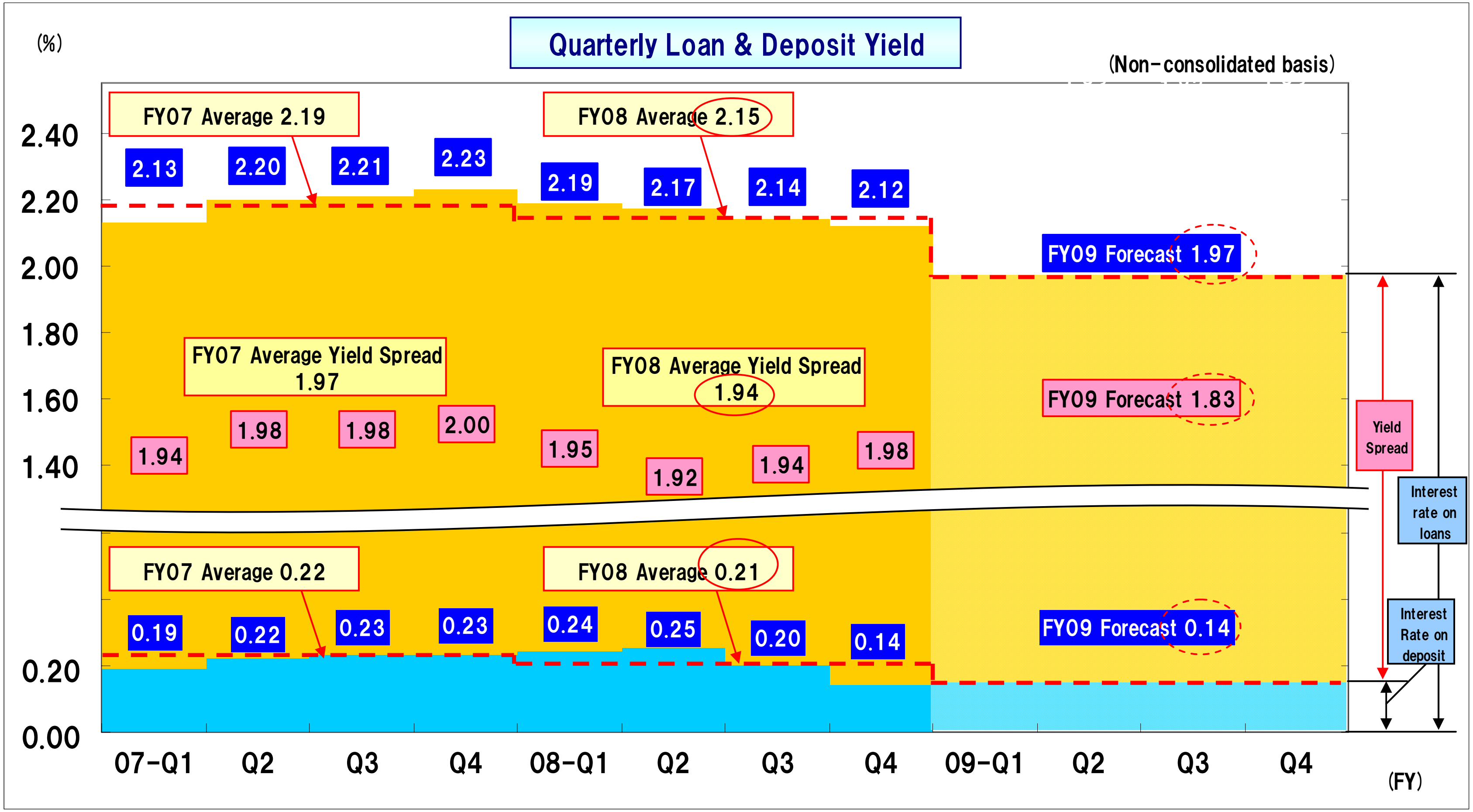


(Note1) Market share above does not include Japan Post, Credit Unions & JA. (Bank estimates)
(Note2) 4 Major Group: Mitsubishi UFJ FG, Sumitomo Mitsui FG, Mizuho FG, Resona HD

2. Business Performance

(4) Loan & Deposit Yield (Domestic Operations)

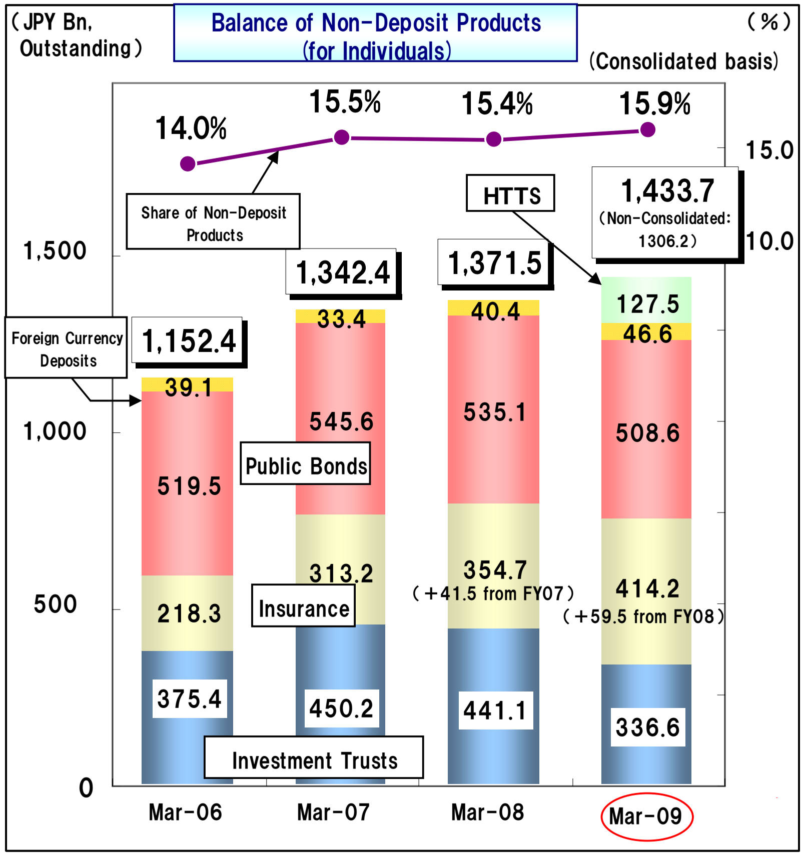
- FY08: As a result of two BOJ rate cuts (Oct-08 and Dec-08, each cutting 20bp), Deposit Yield declined to 0.21%, Loan Yield declined to 2.15% and Yield spread shrunk to 1.94%.
- FY09 Forecast: As Deposit Yield decline to 0.14% and Loan Yield decline to 1.97%, yield spread is expected to shrink to 1.83%.

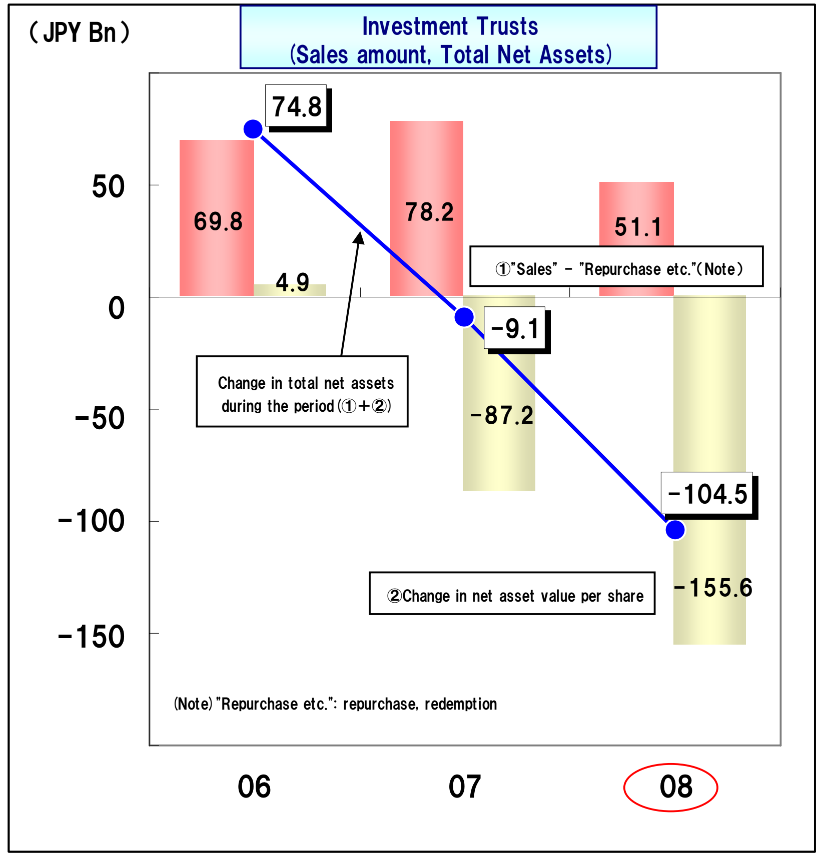


2. Business Performance

(5) Non-Deposit Products

- Balance of Investment trusts decreased by JPY104.5Bn from Mar-08, due mainly to decrease in net asset value per share (-JPY155.6Bn)
- Net sales amount (Sales – Repurchase etc.) was JPY51.1Bn maintaining about 65% level compared to FY07 (JPY78.2Bn).
- Balance of Insurance products increased JPY59.5Bn surpassing the growth of last year (JPY41.5Bn).





(Note1) Share of Non-Deposit Products = Outstanding balance of Non-Deposit Products ÷(outstanding balance of individual deposits+ outstanding balance of Non-Deposit Products)

(Note2) Insurance = annuity insurance + whole life insurance

(note) Net sales amount: Sales – Repurchase etc. (Repurchase, Redemption etc.)

3. Management & Business Strategies

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(1) Partial revision of the Medium-Term Management Plan

- Due to major changes in the financial and economic environment, interest rate scenario and stock price levels on which the Plan was premised have significantly changed, and to adapt to the change, we have made partial revision to the Plan. Changes are made to Target Figures (Gross Operating Income, Earnings Per Share, Non-Deposit Products Outstanding), and "Measures to be Focused on in the Final Year" (note) are added.
- Long Term Vision, Main Theme (1.Developing functions by utilizing alliances, 2.Proactively investing in Human Assets, 3.Establishing "Yokohama Brand"), Manifesto remains unchanged.

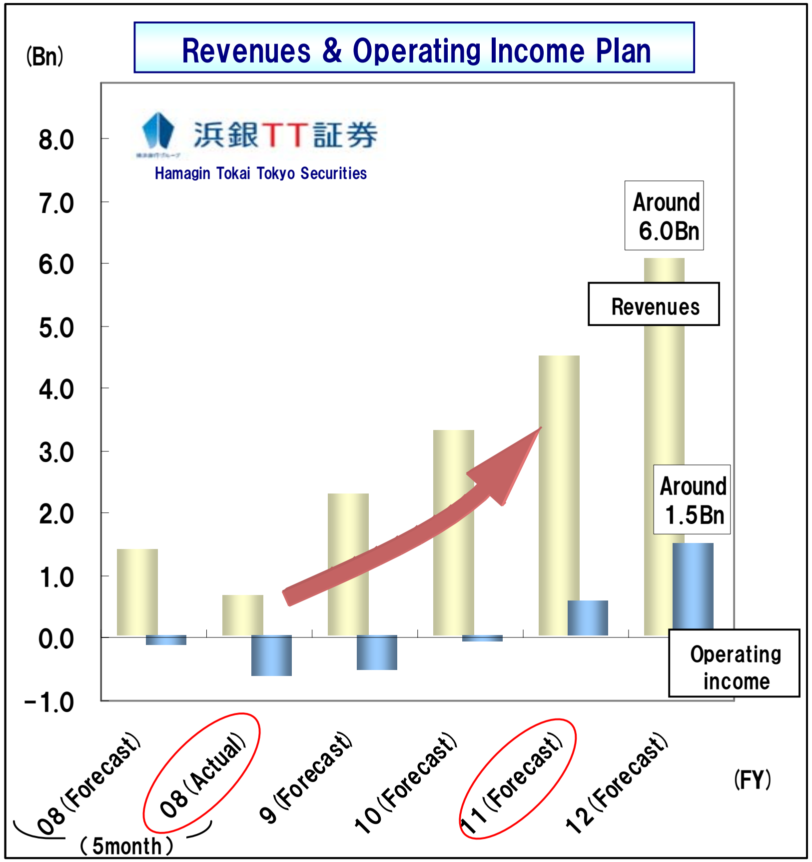
Revisions made to the Medium-Term Management Plan "New Horizon" (07～09)

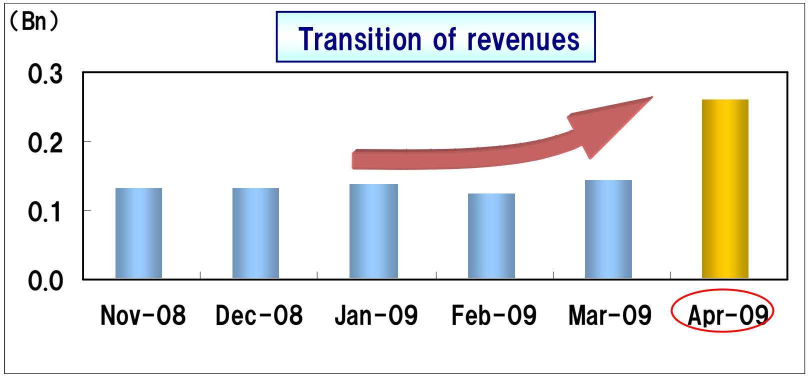
		Original		Revised
Target Figures	Profitability	① Gross Operating Income: JPY270Bn ② EPS: +30% increase	Revision	① Gross Operating Income: JPY212Bn ② EPS: JPY15.8
	Market Share in Kanagawa	① Loans: higher than 30% ② Deposit: higher than 23% ③ Non-Deposit Products Outstanding: +50% increase		① Loans: higher than 30% ② Deposit: higher than 23% ③ +12% from FY08
Measures to be Focused on in the Final Year		This was not included when the Medium Term Management Plan was formulated (not initially planned)	Addition	Intensification of low-cost operation Enhancement of human resource performance Enhancement of credit control [refer to P.13] (note)

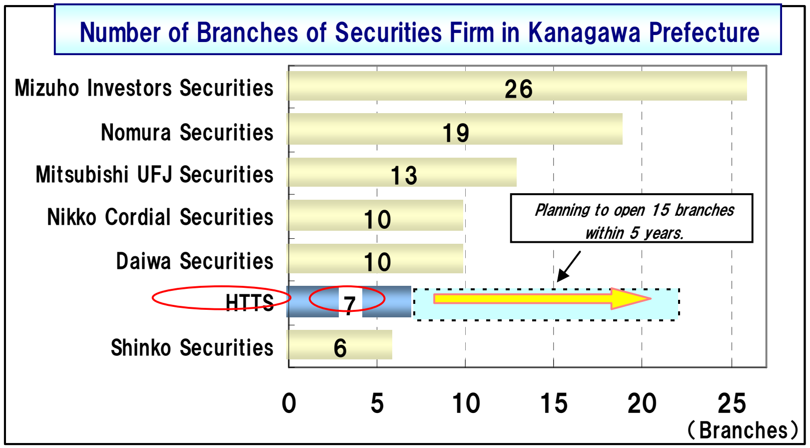
3. Management & Business Strategies

(2) Alliance – Establishment of Securities Subsidiary

- "Hamagin Tokai Tokyo Securities" (HTTS) started business in Nov-08.
- Although performance in FY08 was worse than projected due to a deterioration in securities markets, operating revenue has been increasing since the start of the new fiscal year.
- With the aim of making it Kanagawa's number-one securities firm, we plan to open a further 15 branches over the next four years, use it to boost the Group's total customer assets in custody, and secure annual profits of JPY1.5Bn within five years of launching operations.







(note) Number of branches are as of November 4, 2008

3. Management & Business Strategy

(3) International Strategy

- Overseas expansion of Japanese companies in China (especially around Shanghai) are increasing, and financial needs of our customer is expanding accordingly.
- In response to these needs, we are planning to establish Shanghai Branch, and have acquired approval for preparation of establishment in August-08. We are aiming to open the branch during FY09.
- In February 2009 we relocated our Shanghai office to the 17th floor of the Shanghai World Financial Center in Pudong, the city's main financial district.

Purpose of establishment of a branch

<Present>

Shanghai Representatives Office → Provision of information → Overseas subsidiaries of our customers

Increase in Overseas Subsidiaries of Japanese Companies in China → Establishment of Shanghai Branch

<After conversion>

Shanghai Branch → Provision of information + Deposits・Loans・Foreign Currencies → Overseas subsidiaries of our customers

After the conversion we can offer loans and other products to more than 600 companies which own overseas subsidiaries in China.

Afresh あなたに、あたらしく。

Bank of Yokohama