

# ***Information Meeting***

## *Appendix*



**The Bank of Yokohama, Ltd.**

**November 27, 2006**

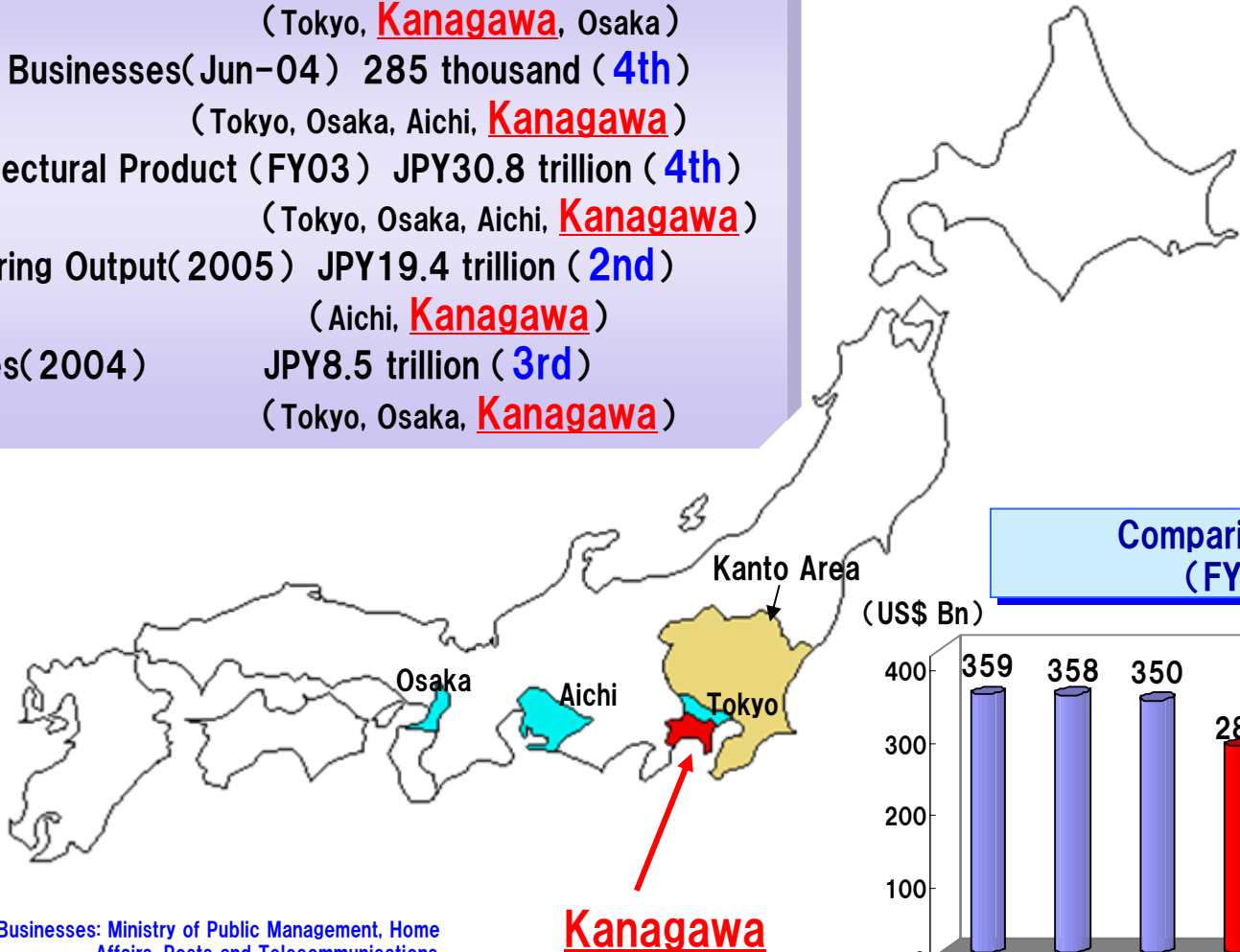
*"The Best Regional Bank that is strongly supported by customers and that continues to evolve"*

- ◆ *Our Home Market*
- ◆ *Market Share in Kanagawa Prefecture*
- ◆ *Added Value*
- ◆ *Loan Yields*
- ◆ *Uncollateralized Consumer Loans*
- ◆ *Asset Quality*
- ◆ *Transition of Fees & Commissions*
- ◆ *Breakdown of Fees & Commissions*
- ◆ *Personal Financial Assets*
- ◆ *Equity Portfolio*
- ◆ *Bond Portfolio*
- ◆ *Deferred Tax Assets*
- ◆ *Number of Employees*
- ◆ *Service Channels*

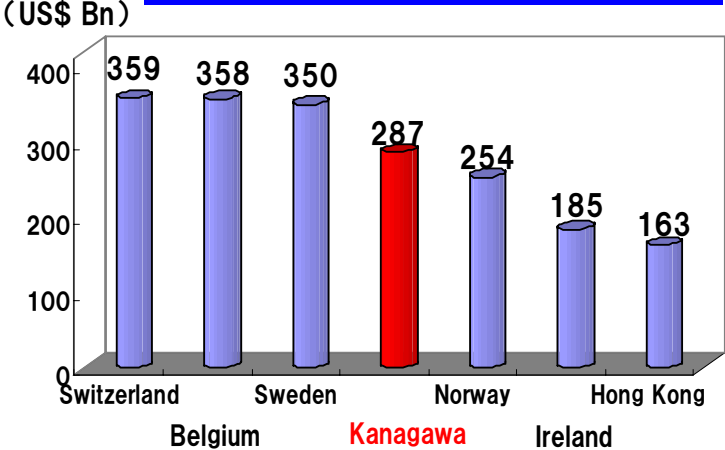
# Our Home Market

## (1) Potential of Kanagawa Prefecture

Population(Mar-06) 8.69 million (2nd/47 Prefectures)  
 (Tokyo, **Kanagawa**, Osaka)  
 Number of Businesses(Jun-04) 285 thousand (4th)  
 (Tokyo, Osaka, Aichi, **Kanagawa**)  
 Gross Prefectural Product (FY03) JPY30.8 trillion (4th)  
 (Tokyo, Osaka, Aichi, **Kanagawa**)  
 Manufacturing Output(2005) JPY19.4 trillion (2nd)  
 (Aichi, **Kanagawa**)  
 Retail Sales(2004) JPY8.5 trillion (3rd)  
 (Tokyo, Osaka, **Kanagawa**)



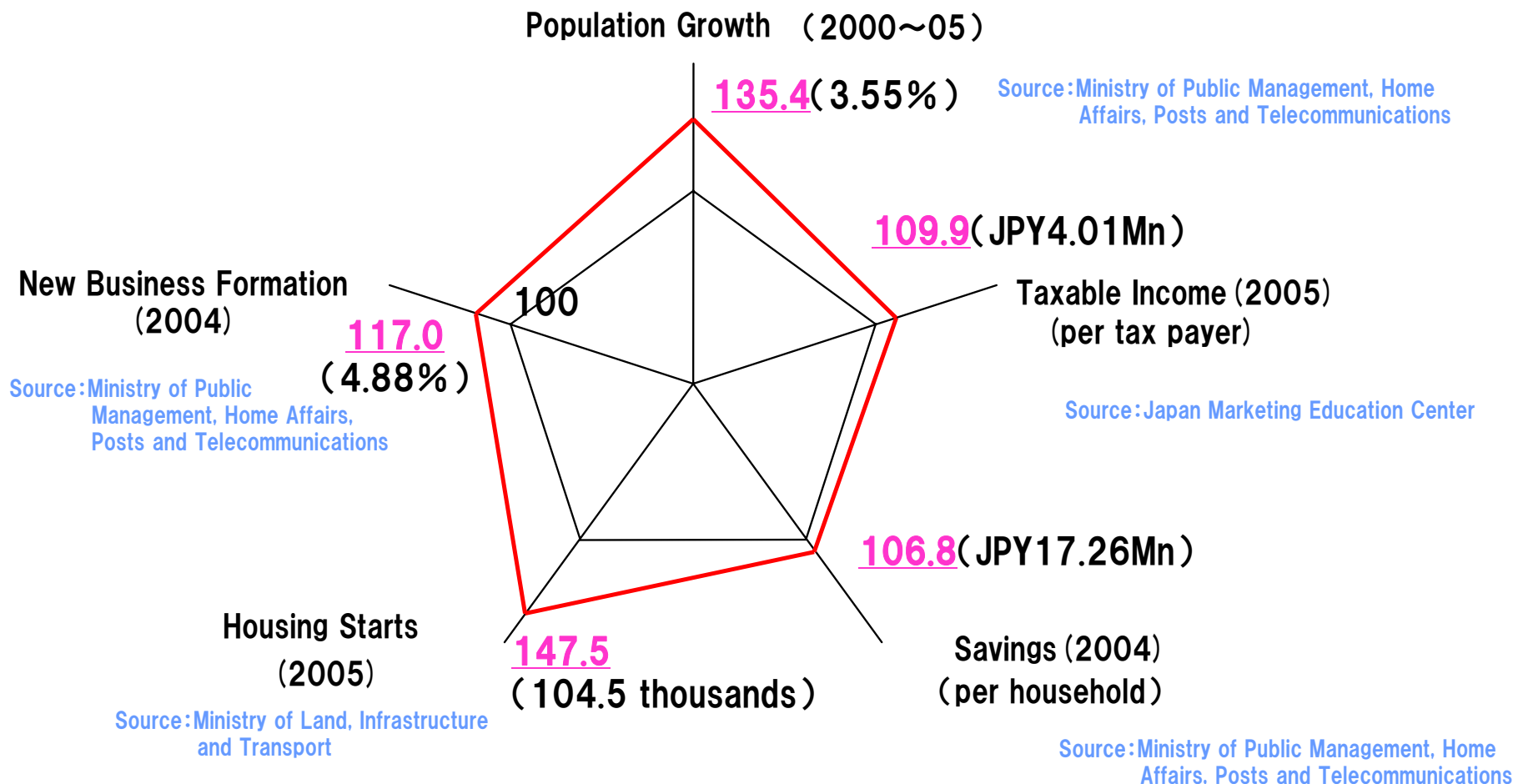
Comparison of GDP (FY2004)



(Note) Source  
 •Population & # of Businesses: Ministry of Public Management, Home Affairs, Posts and Telecommunications  
 •Gross Prefectural Product: Each Prefecture  
 •Manufacturing Output, Retail Sales: Ministry of Economy, Trade and Industry

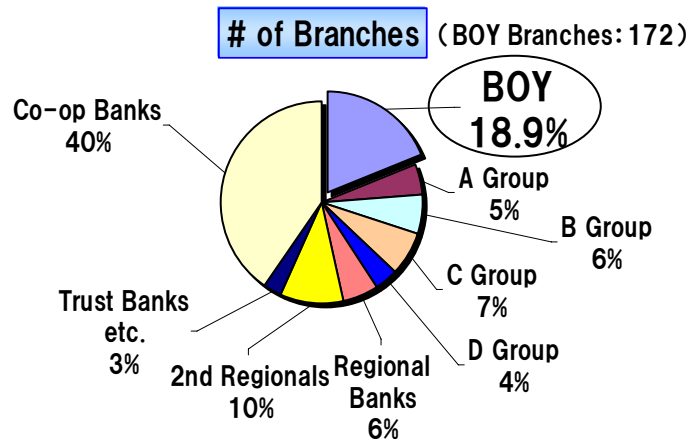
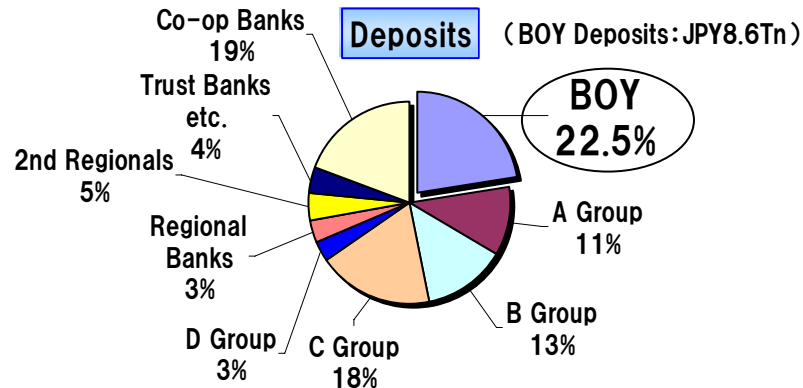
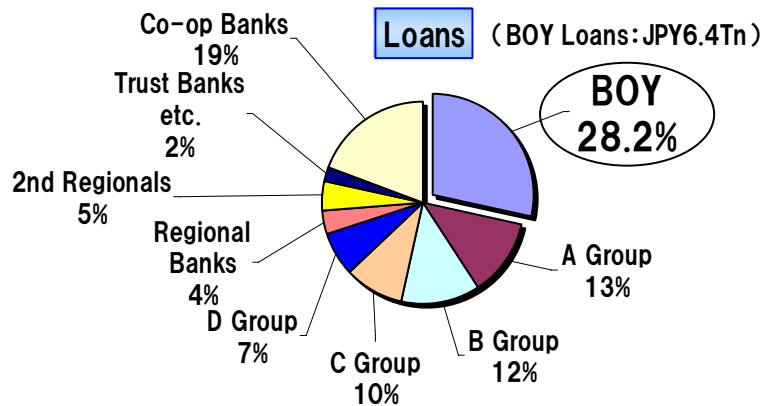
## (2) Kanagawa's superiority to the rest of the Kanto area

~ *Relative Position (Indexed Average of Tokyo, Tochigi, Gunma, Ibaragi, Chiba, Saitama and **Kanagawa**) = 100*



# Market Share in Kanagawa Prefecture

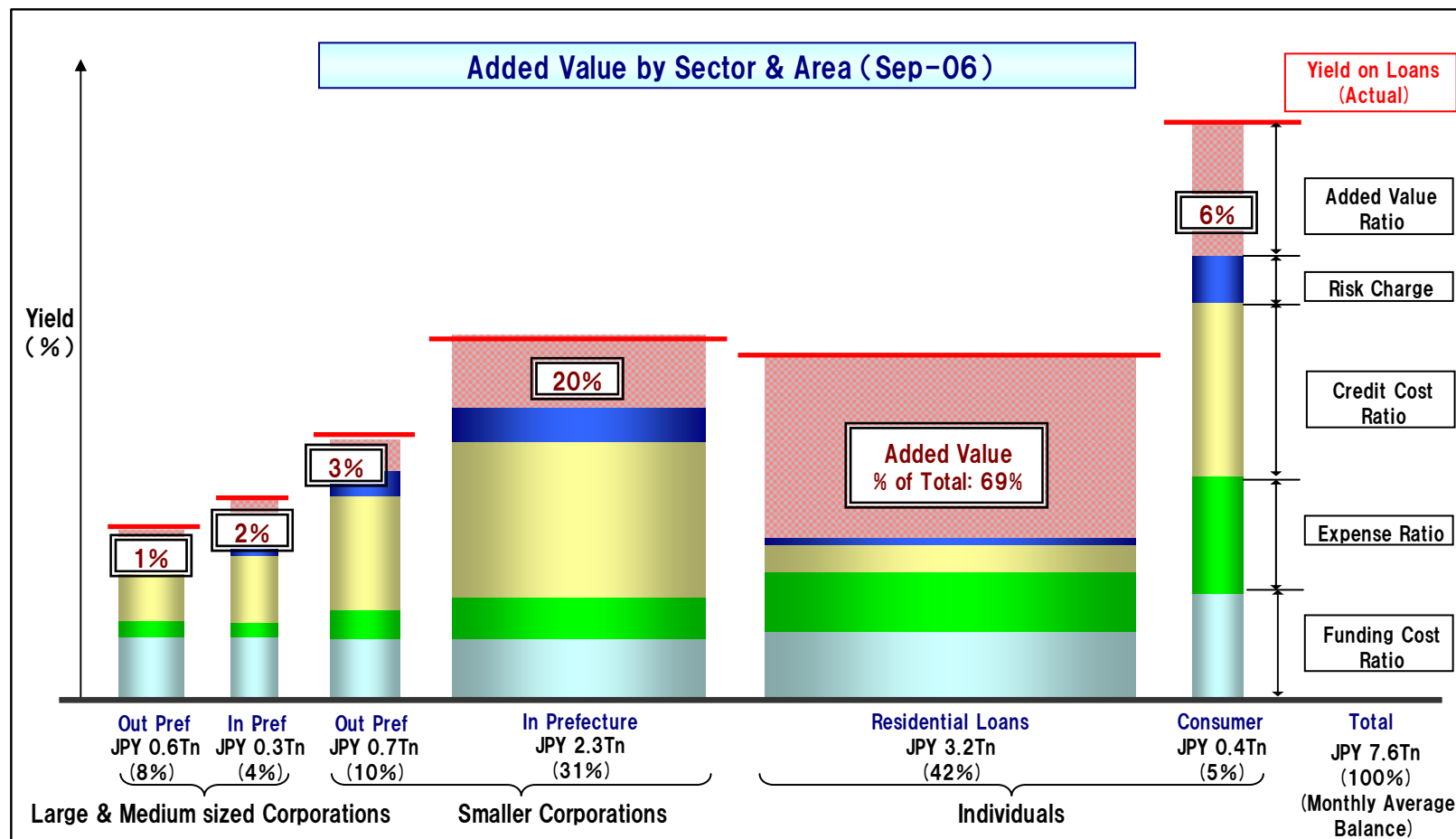
Market Share in Kanagawa Prefecture <Sep-06>



(Note) Bank Estimates.

# Added Value

- Mar-06: Share of Smaller Corporations in Pref. accounts for 20%, Residential Loans for 69% of total added value.
- Continue to focus on these sectors.



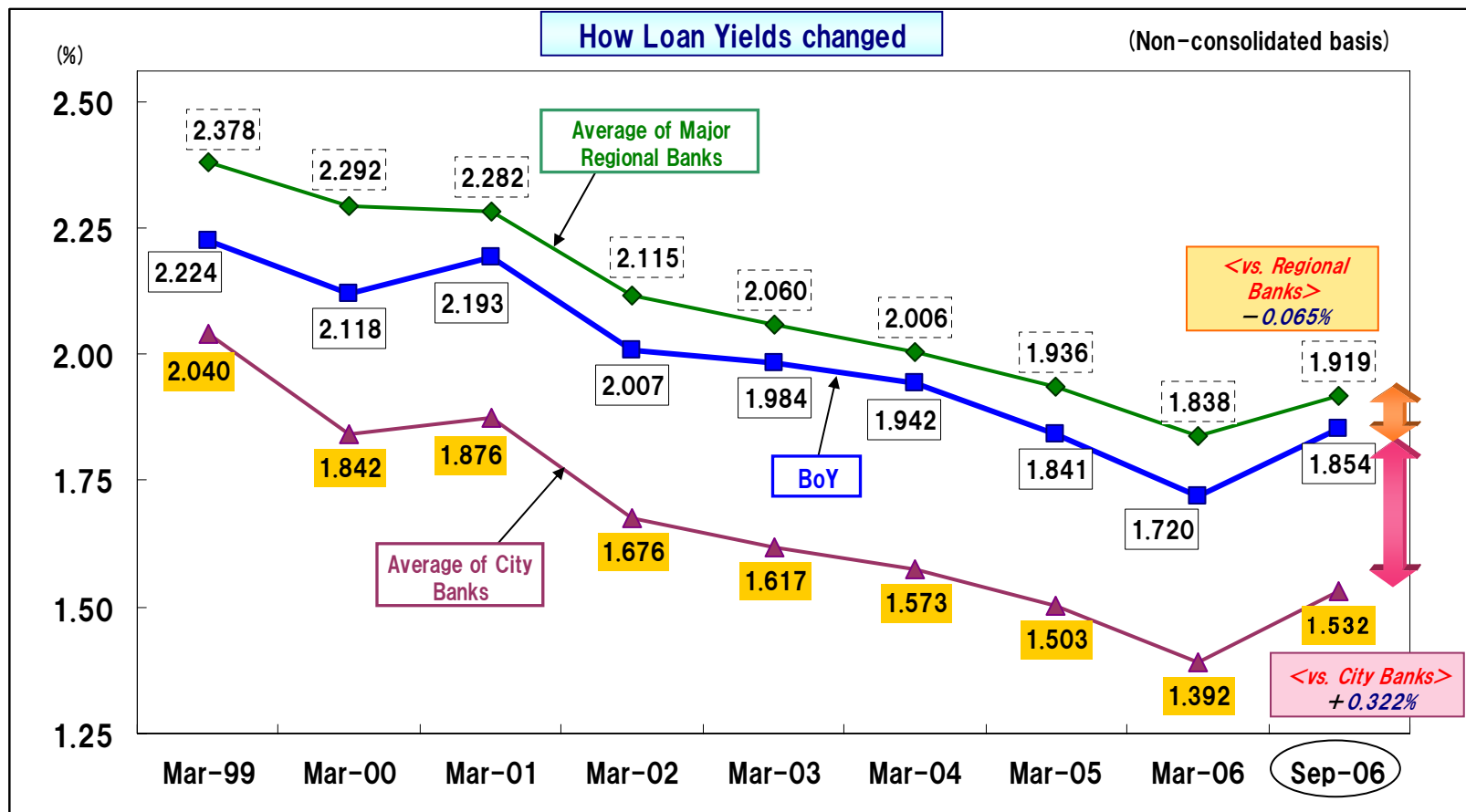
(Note1) Corporations = normal borrowers (excluding no ratings) + claims in need of caution other than in need of special caution. Smaller corporations = capital under ¥1Bn (Large & Medium sized corporations = capital more than ¥1Bn)

(Note2) Funding cost ratios is calculated from market rates corresponding to interest maturities of each loan.

(Note3) Credit cost ratio is calculated from Estimated Loss Ratio (Estimated default ratio - Estimated collection ratio).

(Note4) Risk Charge is calculated from "Credit risk × Target ROE 10% (before taxes: 17%)".

- Continuous efforts to “Improve Interest Margin” since FY97 ~ 【ROA Promotion → RAROA Promotion → Added Value Promotion】
- Average loan yield for the month of Sep-06: against City Banks **+0.322%**, against Regional Banks **-0.065%**.



(Note1) Source: Bank of Japan

(Note2) Contracted interest rates for all loans are the average interest rates of each month.

- Widened product lineup due to higher demand for uncollateralized consumer loans.

## 《Bank Card Loan》

- Amount: JPY0.1~3Mn
- Interest rate: 8.0~13.1%

## 《Next Plan》

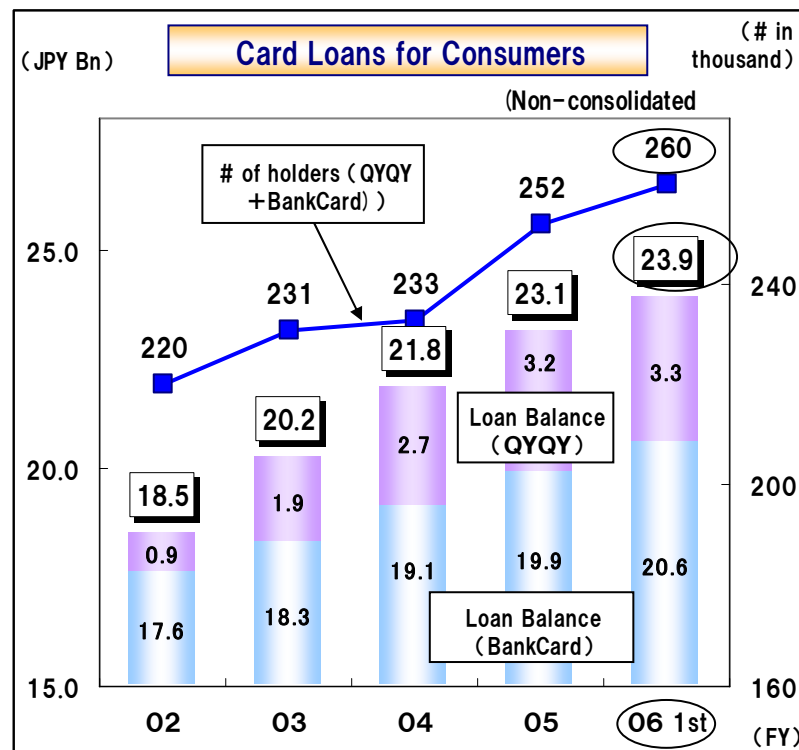
(Started from Feb-05)

- No minimum on salary
- Amount: JPY0.5~2Mn
- Interest rate: 9.25%

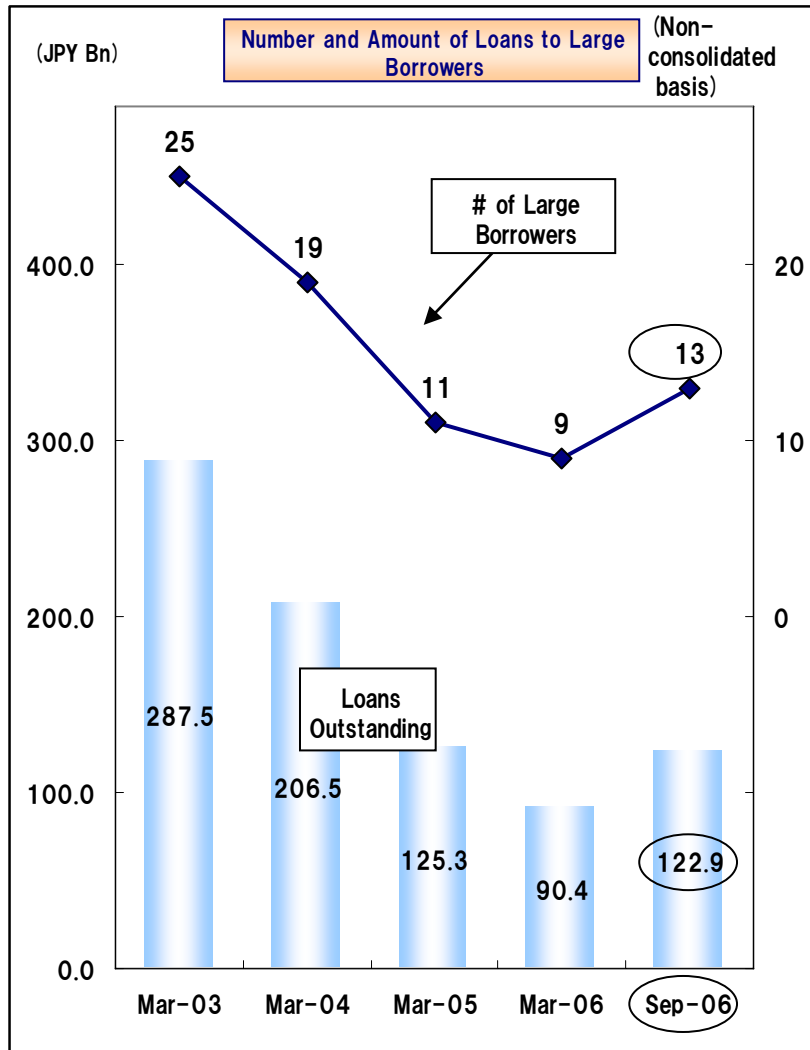
## 《Quicky (QYQY)》

(Started from Apr-02)

- Unmanned application
- Same day response
- Amount: JPY0.1~0.5Mn
- Interest rate: 17.6%







(Note) Large Borrowers: those categorized as problem claims and claims in need of caution other than in need of special caution with more than JPY5Bn in loans.

**Transition of Borrowers by category (Mar-06 → Sep-06)**

(Loan Amount)

		Sep-06			
		A	B	C	Total
M a r . 0 6	A	98.6%	1.4%	0.0%	100.0%
	B	8.0%	86.8%	5.2%	100.0%
	C	0.1%	0.9%	99.0%	100.0%

(the # of Borrowers)

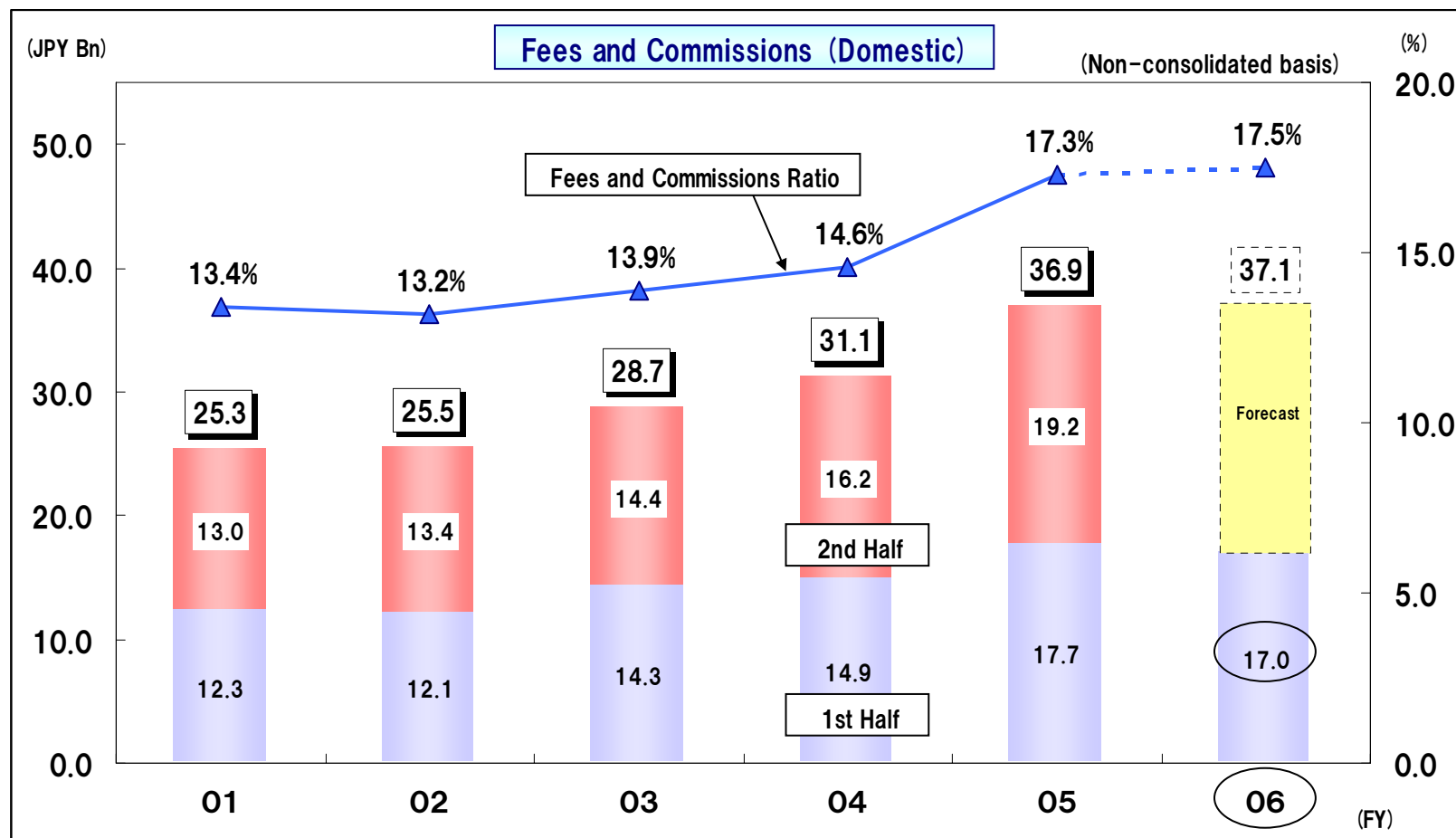
		Sep-06			
		A	B	C	Total
M a r . 0 6	A	99.9%	0.1%	0.0%	100.0%
	B	8.5%	86.5%	5.0%	100.0%
	C	1.3%	2.4%	96.3%	100.0%

A: Normal  
 B: In need of special caution  
 C: Possible/Virtual/Legal bankruptcy

(Note) Transition is based on change from Mar-06 to Sep-06.

# Fees & Commissions ( Domestic Operations)

- Expanded Fees & Commission business through Non-Deposit Products (Investment Trust, Annuity Insurance).
- Fees & Commissions was **JPY17.0Bn** in FY06 1st Half (down **JPY 0.7Bn, -3.9%** from FY05 1st Half).
- Forecast for FY06: Expected to be **JPY37.1Bn** (Fees & Commission Ratio to be **17.5%**).

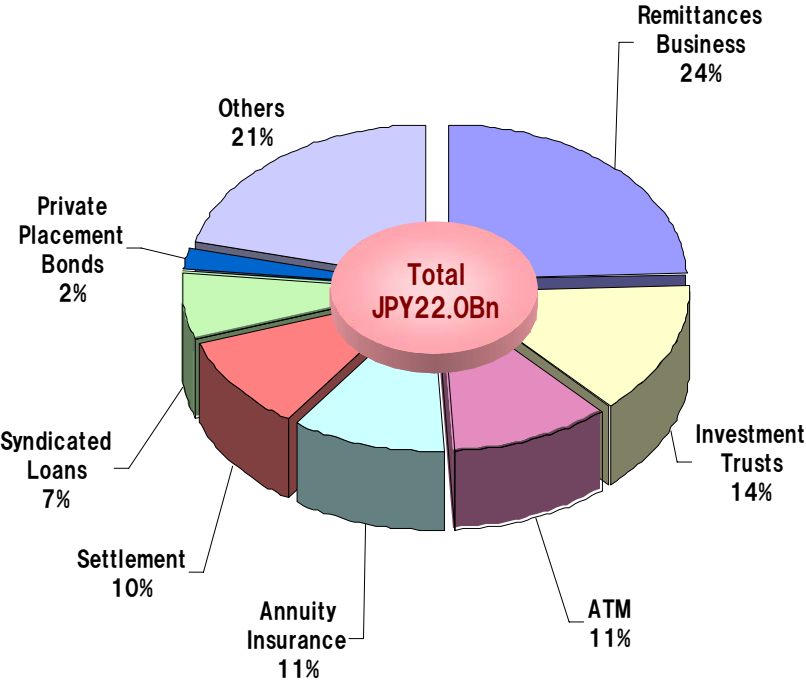


(Note) Fees and Commissions Ratio = Fee Income (Domestic) ÷ Gross Operating Income (excluding gains and losses on sales and redemptions of both bonds). In FY06, Gross Operating Income is based on forecast basis.

# Fees & Commissions Income (Domestic Operations)

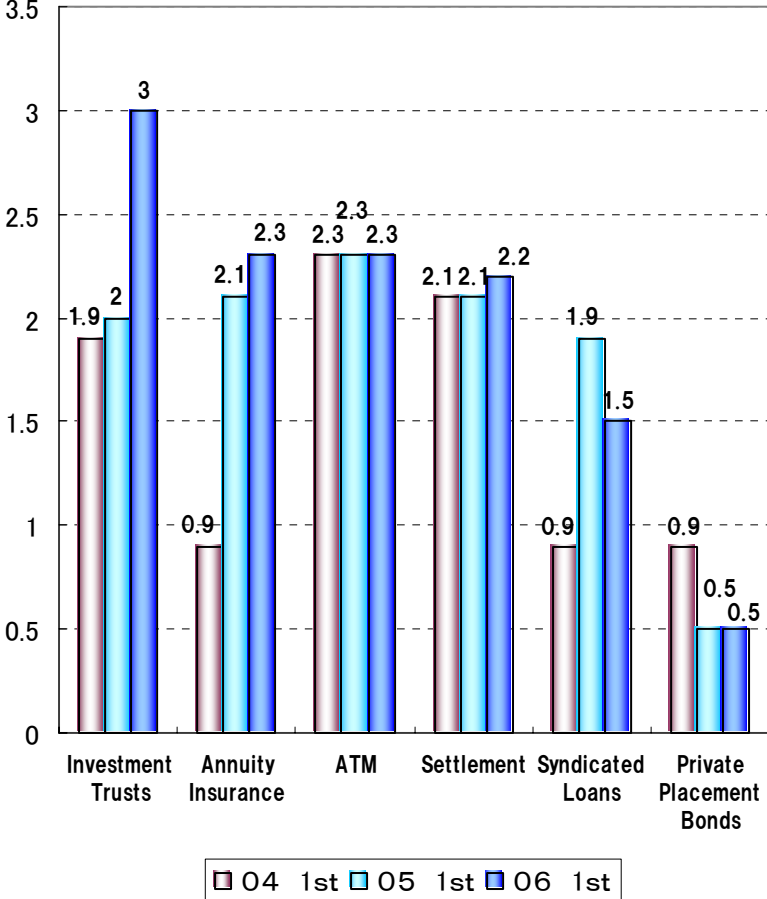
**Breakdown of Fees & Commissions Income (FY06-1st)**

(Non-consolidated basis)



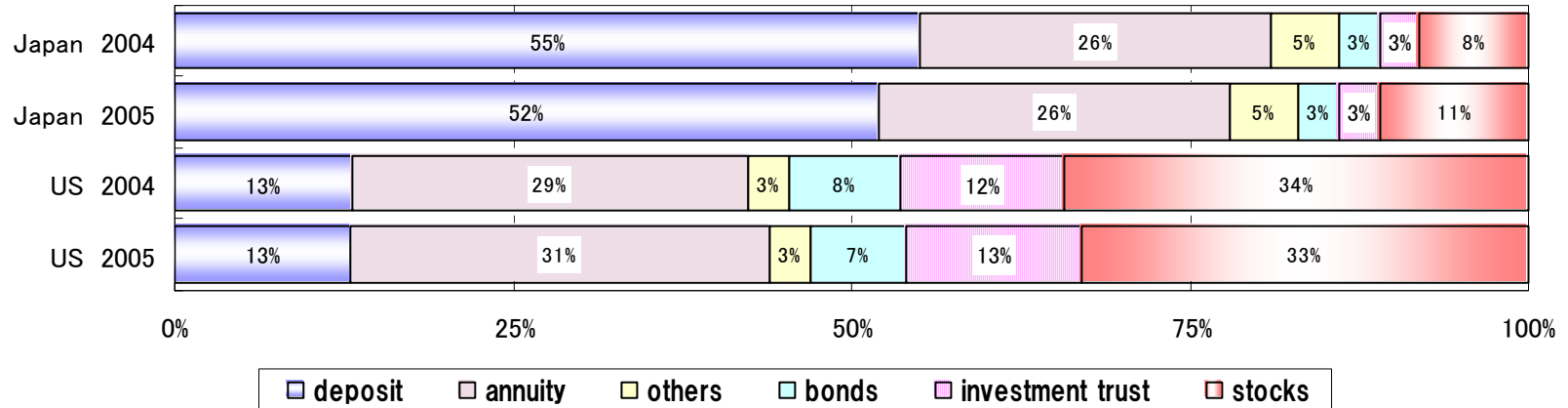
**Change in the breakdown of Fees & Commissions Income during the last 3 years**

(JPY Bn) (Non-consolidated basis)



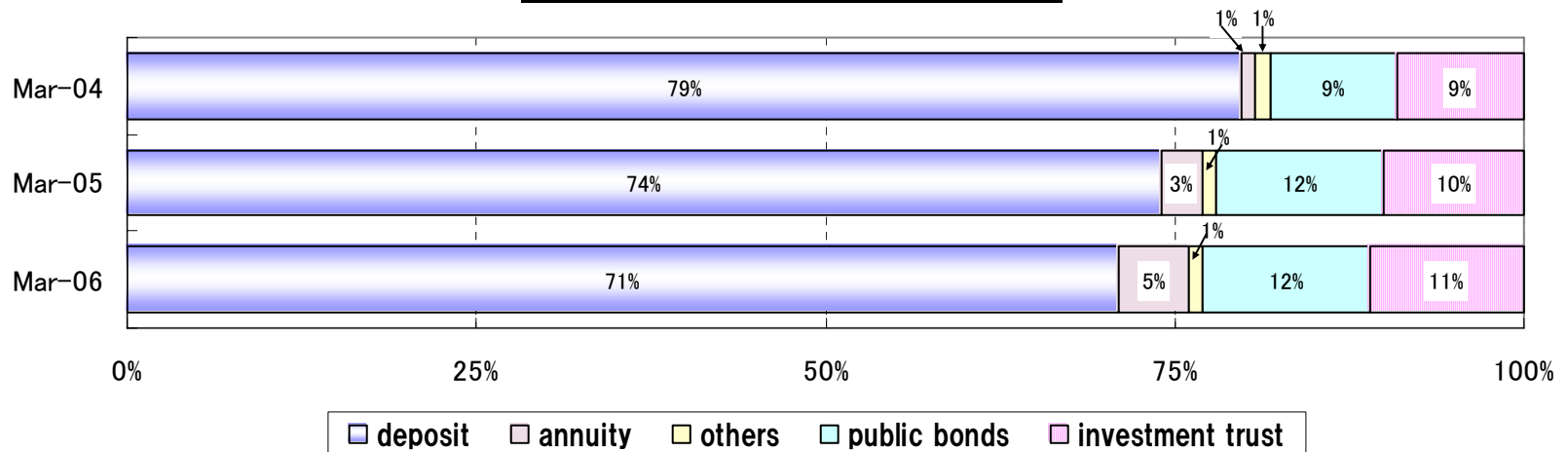
- Continuous shift from Deposit to Non-Deposit Products.
- Plenty of room for us to further promote Non-Deposit Products.

## Comparison of Personal Financial Assets between US & Japan

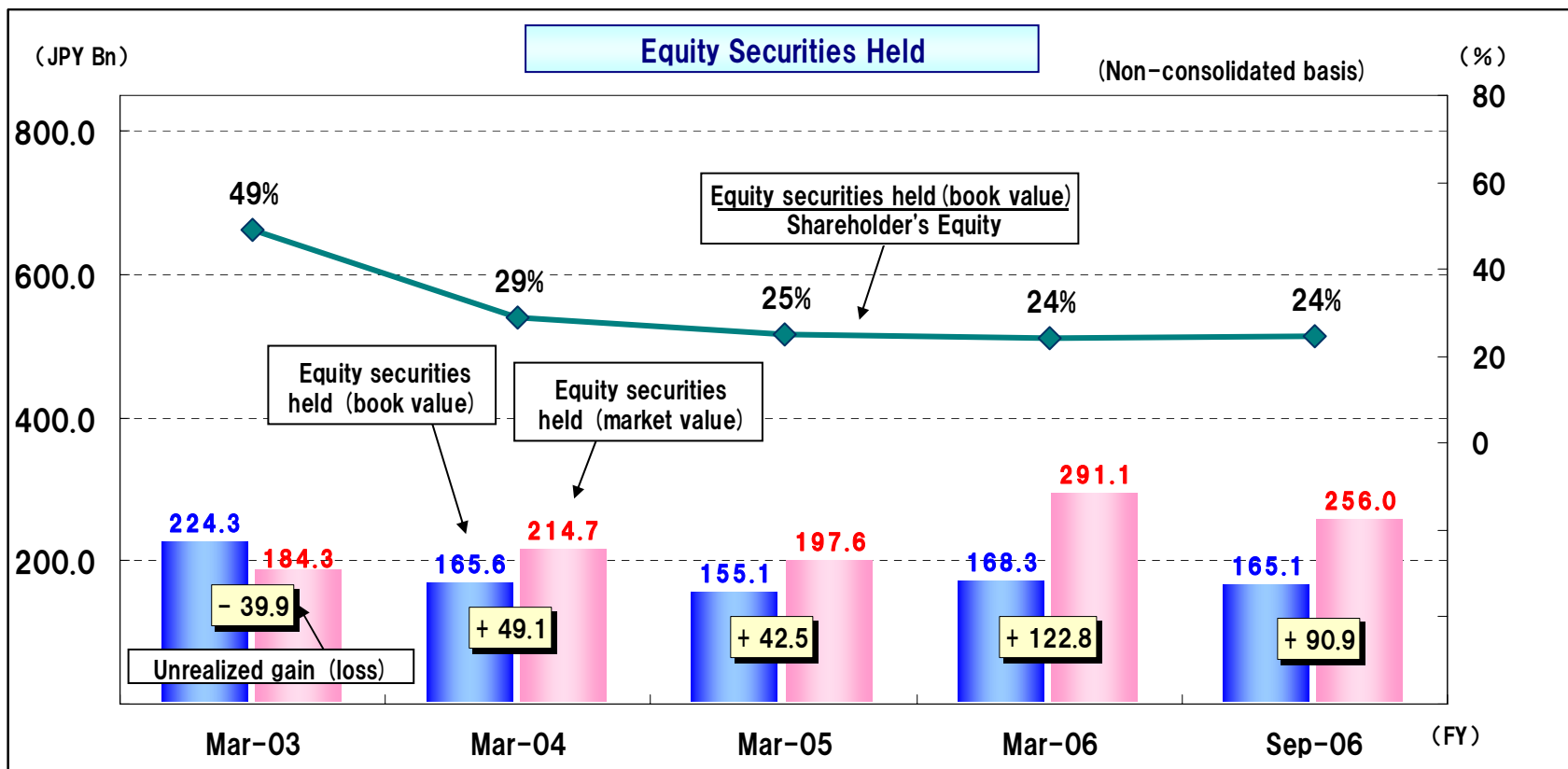


(Source)BOJ(Flow of Funds), FRB(Flow of Funds)

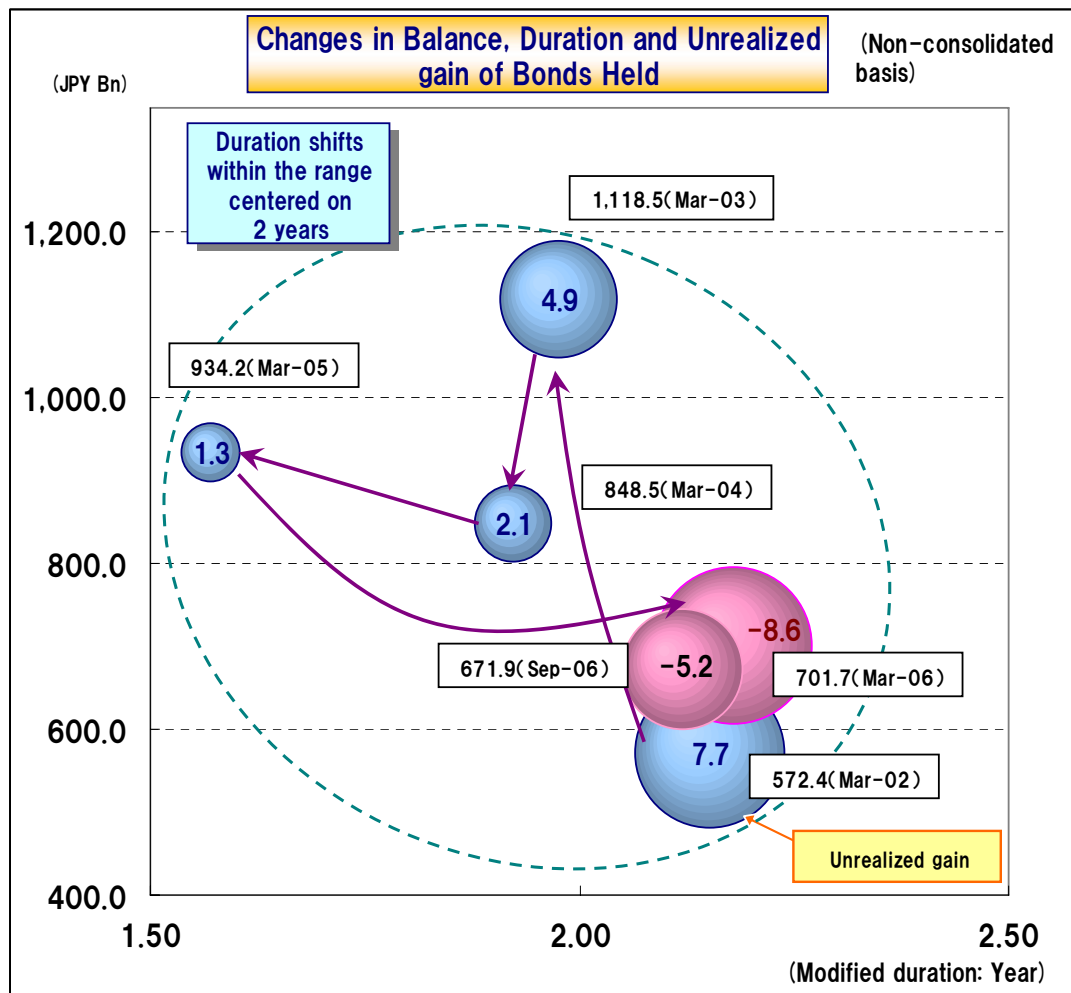
## Transition of Portfolio of Our Customers



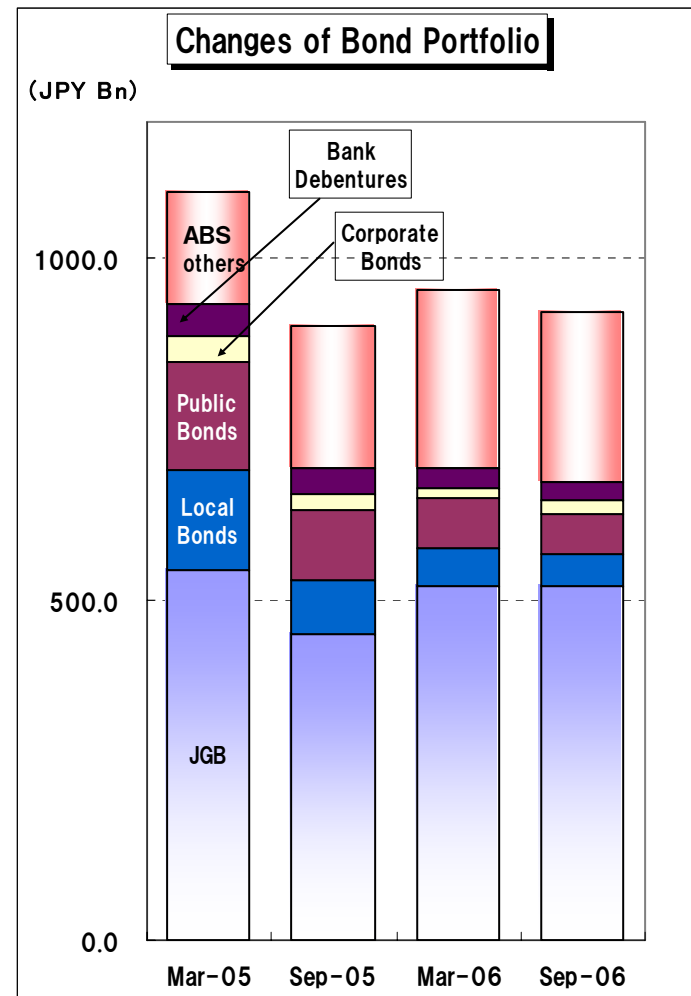
(Note) Only for those whose financial assets (sum of time deposits, public bonds, investment trusts, foreign deposits, etc.) are more than 10 million yen.



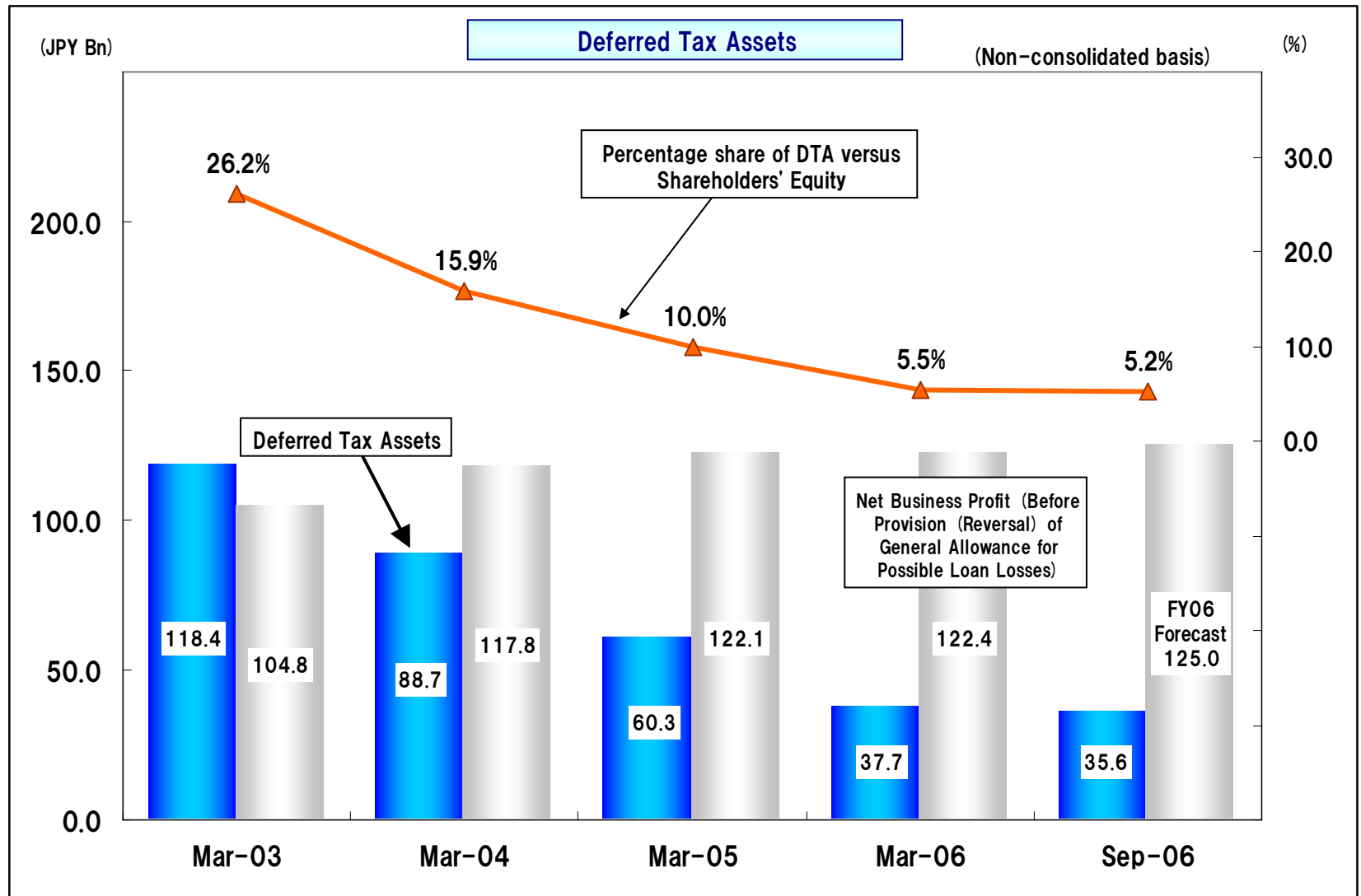
	FY05	FY06 1 <sup>st</sup> Half
Loss on Devaluation of Securities	JPY 0.6Bn	JPY 0.4Bn
Evaluation Gain (Loss) on Other Securities	+JPY111.2Bn	+JPY83.6Bn
Equity Securities	+JPY122.8Bn	+JPY90.9Bn
Bonds	-JPY8.6Bn	-JPY5.2Bn



(Note) Managerial Accounting basis (Available-for-sale securities)



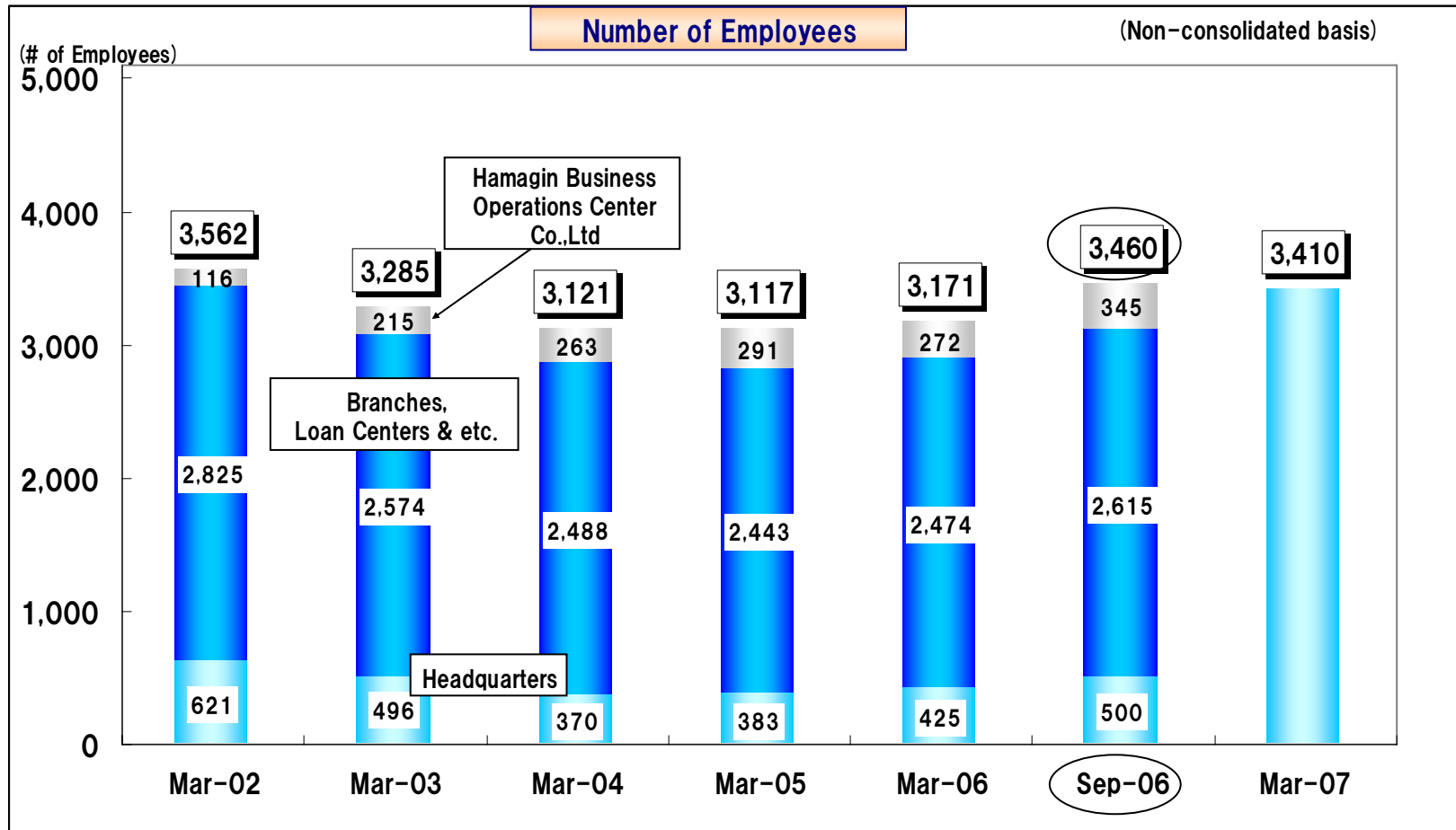
(Note) Managerial Accounting basis (Available-for-sale securities + ABS)



(Note1) Deferred Tax Assets, excluding net unrealized gains on available-for-sale securities

# Number of Employees

- In Oct-06, most of the employees in our wholly owned subsidiary, Hamagin Business Operations Center, was rehired by the Bank.
- Promoting embodiment of human asset strategy such as improvement in human asset value, motivation and strategic reallocation of personnel.

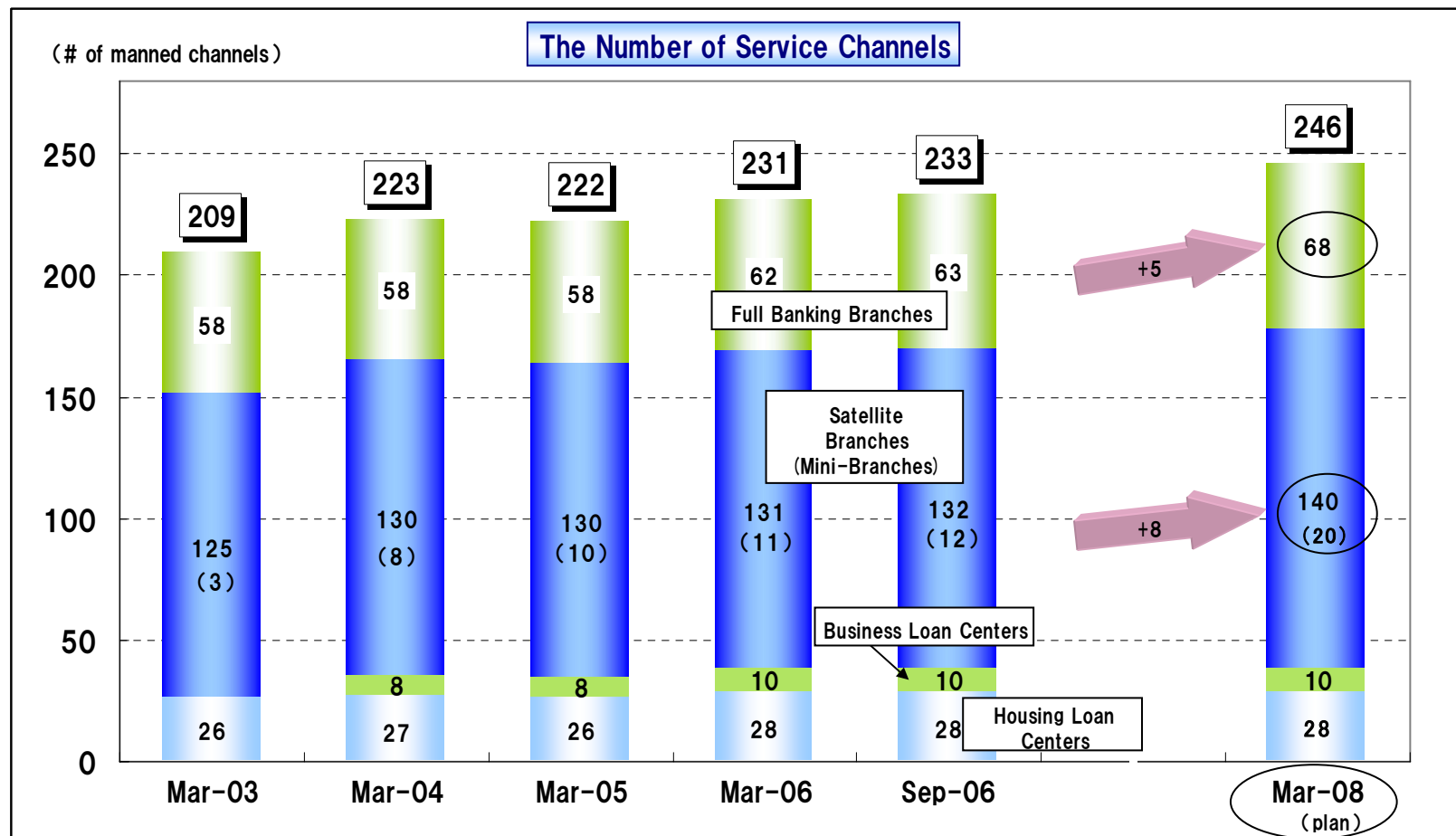


(Note1) Hamagin Business Operations Center accounts for only those who are dispatched to the bank (HQ & Branches)

(Note2) Does not include part-timers.



- FY06 1st Half: Newly opened **1** Full Banking branch ( Tamachi ), and **1** Mini-Branch ( Kawasaki Station West Exit ).
- As for existing branches, we will review the functions of branches according to types of customers, and renew these branches.



- (Note1) Satellite Branches: small branches and sub-branches specialized in face-to-face operations for mainly individual customers.  
 (Note2) Mini Branches: smaller size channels staffed by four to six bank employees.  
 (Note3) Business Loan Centers: loan center that handle loans to smaller corporations by using credit scoring model.

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