



Bank of Yokohama

Investor Presentation

~ Financial Results for 3rd Quarter of FY15 ~

February, 2016

The Bank of Yokohama, Ltd.

1. Summary of FY15-3Q Income Statement

- FY15-3Q Net income (Non-consolidated basis): Increased by **JPY3.4bn (Up 6.4%)** from FY14-3Q, reaching a historic-high at **JPY55.5bn**
- FY15-3Q Profit attributable to owners of parent ^(Note): Increased by **JPY1.9bn (Up 3.5%)** from FY14-3Q, reaching a historic-high at **JPY55.8bn**

〈Non-consolidated basis〉

(¥bn)

	FY14-3Q	FY15-3Q	Change from 14-3Q		FY15 Forecast (Announced on Nov 9th)
Gross Operating Income	154.5	151.3	- 3.2	-2.1%	206.0
Interest income from domestic operations	117.6	115.7	- 1.9	-	148.5
Fees & commissions from domestic operations	29.7	30.4	+ 0.7	-	48.0
Trading income from domestic operations	0.3	0.1	- 0.2	-	0.3
Other ordinary income from domestic operations	3.7	1.6	- 2.1	-	4.7
Gross operating income from international operations	3.0	3.2	+ 0.2	-	4.5
Expenses (-)	75.7	73.8	- 1.9	-2.5%	101.5
(Reference) OHR(%)	49.0%	48.8%	-0.2%	-	49.2%
Core net business profit	78.8	77.4	- 1.4	-1.7%	104.5
Provision of allowance for general loan (-)	- 3.5	-	+ 3.5	-	-
Net business profit	82.3	77.4	- 4.9	-5.9%	-
Non-recurring gains (losses)	- 4.8	3.9	+ 8.7	-	-
of which, disposal of bad debts (-)	3.4	- 1.1	- 4.5	-	-
of which, gains or losses on stocks & other securities	0.0	4.6	+ 4.6	-	-
Ordinary profit	77.4	81.4	+ 4.0	+ 5.1%	110.0
Net income	52.1	55.5	+ 3.4	+ 6.4%	74.0
Credit costs (-)	-0.0	- 1.1	- 1.1	-	- 3.0

〈Consolidated basis〉

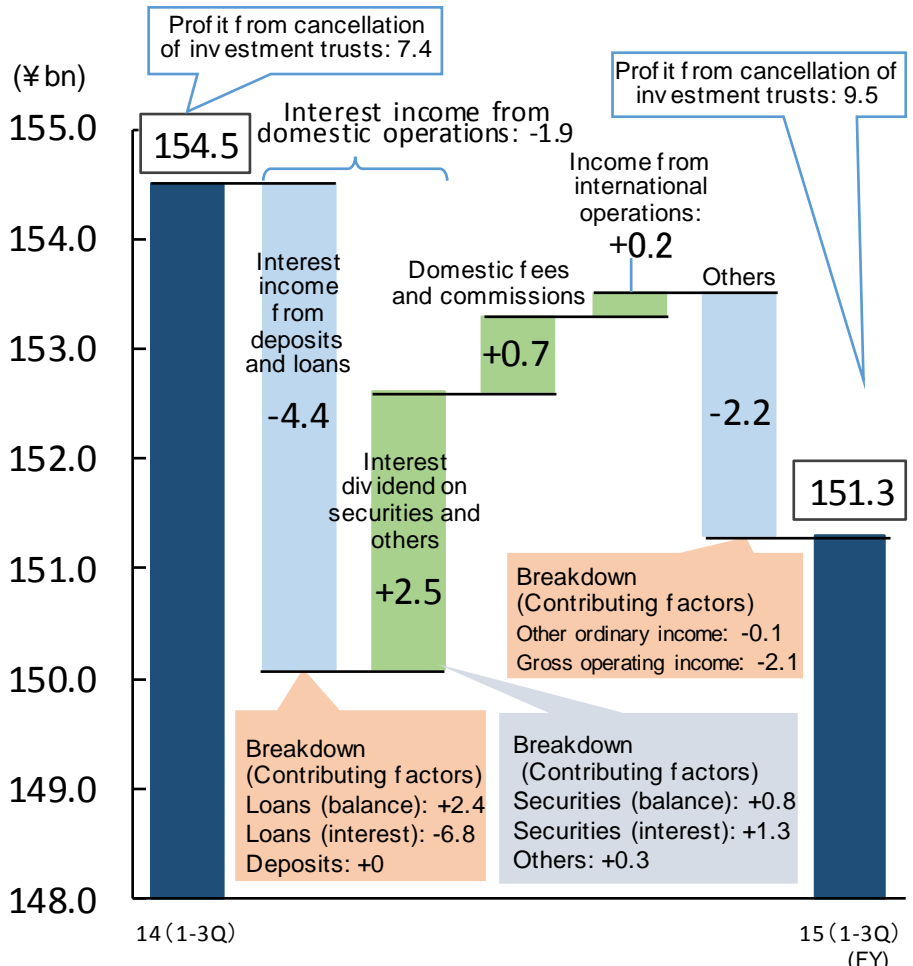
Ordinary profit	85.0	85.4	+ 0.4	0.3%	116.5
Profit attributable to owners of parent	53.9	55.8	+ 1.9	3.5%	76.5

(Note) "Profit attributable to owners of parent" represents prior "Net income (Consolidated basis)" in accordance with the revision of accounting standards.

2. Gross Operating Income & Expenses

- FY15-3Q Gross Operating Income: Decreased by **JPY3.2bn (Down 2.1%)** to **JPY151.3bn** from FY14-3Q
 Profit from cancellation of Investment trusts: **JPY9.5bn (Up JPY2.1bn)**, Buy-write: **JPY0.9bn (Up JPY0.6bn)**
- FY15-3Q Expenses: Decreased by **JPY1.9bn (Down 2.5%)** from FY14-3Q; OHR of FY15-3Q resulted in **48.8%**

Breakdown of Gross Operating Income



Breakdown of Expenses

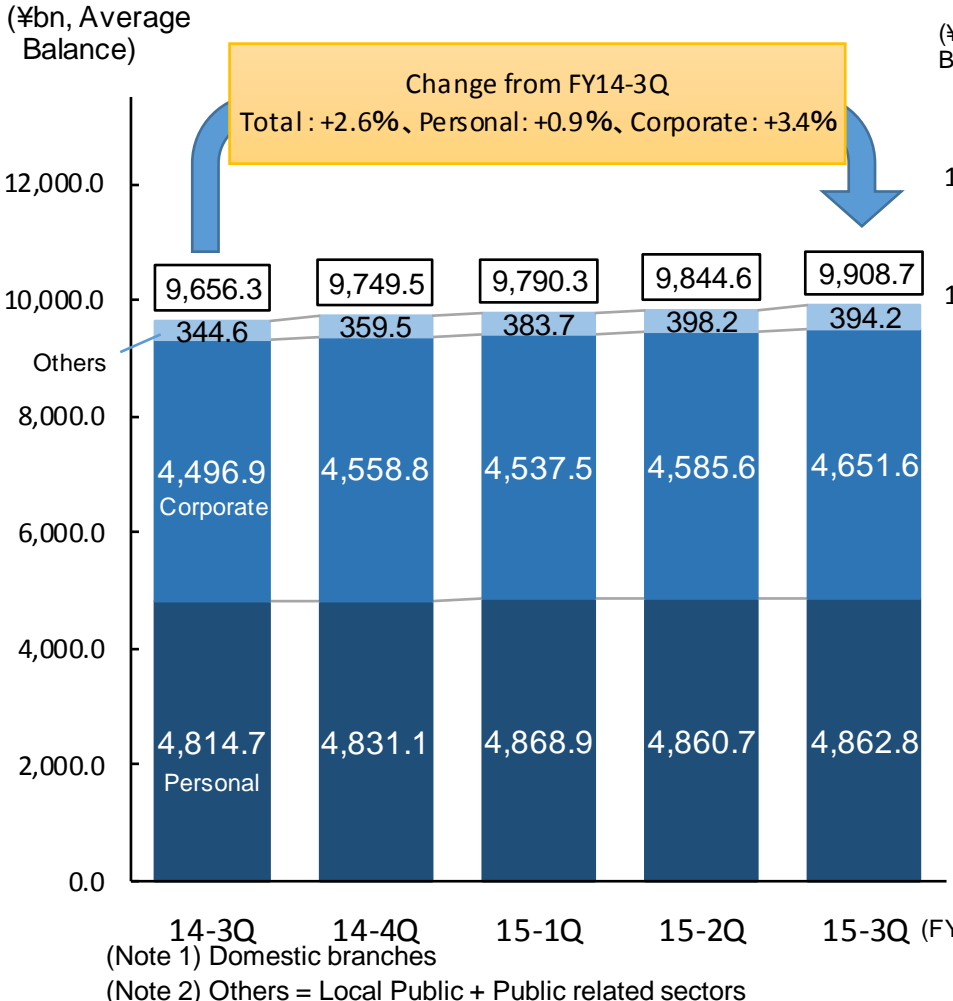
(¥bn)

	FY15 (1-3Q)	Change from FY14-3Q	Factors
Personnel	33.6	+ 0.4	• Bonuses: +0.3
Non-Personnel	34.9	- 2.9	• Deposit insurance premium: -3.3 • Advertising expenses: +0.2
Tax	5.2	+ 0.6	• Size-based corporate tax: +0.5 • Consumption tax +0.1
Total	73.8	- 1.9	

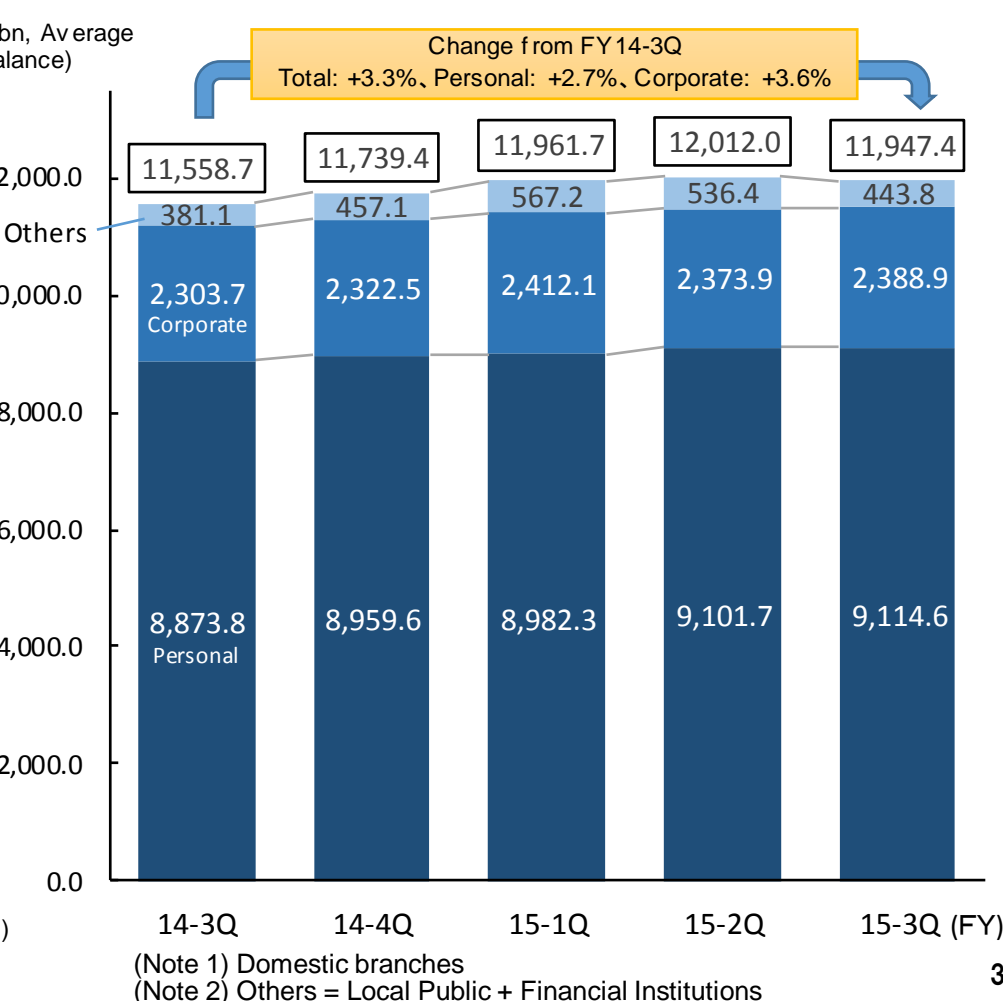
3. Loans & Deposits

- FY15-3Q average balance of loans: Increased by 2.6% from FY14-3Q – Personal Up 0.9%; Corporate Up 3.4%
- FY15-3Q average balance of deposits: Increased by 3.3% from FY14-3Q – Personal Up 2.7%; Corporate Up 3.6%

Total Average Balance of Loans



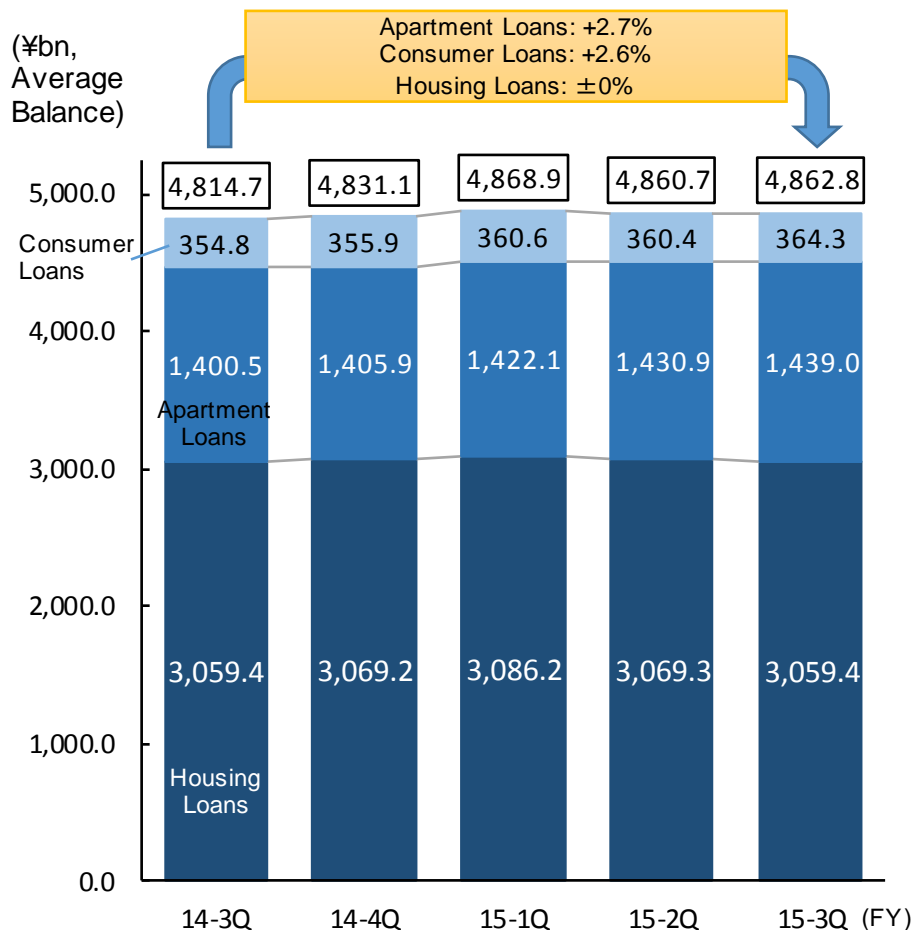
Total Average Balance of Deposits



4. Personal and Corporate Loans

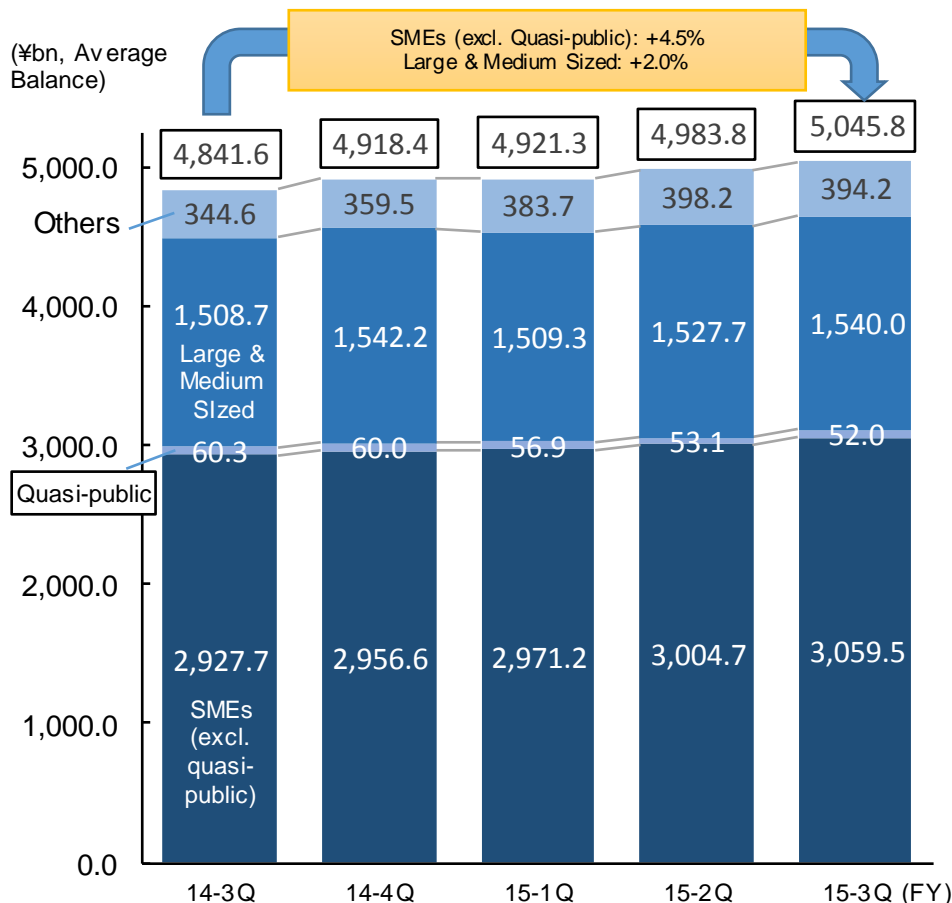
- Change of FY15-3Q Personal loans from FY14-3Q: Apartment Loans **Up 2.7%**; Consumer Loans **Up 2.6%**
- Change of FY15-3Q Corporate loans from FY14-3Q: SMEs excluding quasi-public sector companies **Up 4.5%**; Large & Medium sized **Up 2.0%**

Personal Loans



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

Corporate Loans

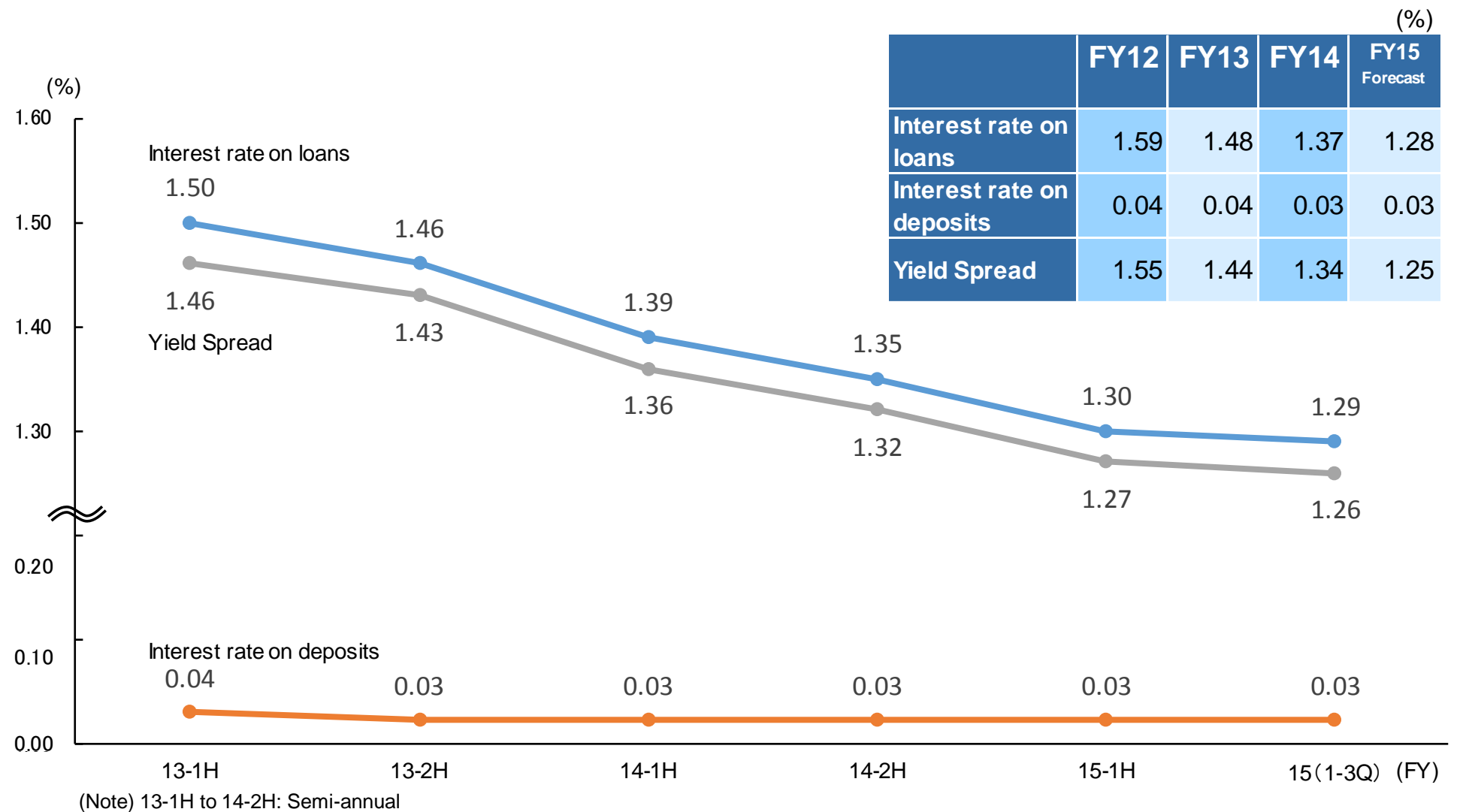


- (Note 1) Domestic branches
(Note 2) Others = Local Public + Public related sectors
(Note 3) SMEs do not include quasi-public sector companies

5. Deposits & Loans Yield – Domestic Operations

■ FY15-3Q interest rate on loans: **1.29%**; Yield spread between loans and deposits: **1.26%**

Deposits & Loans Yield



6. Securities Portfolio

- The balance of securities as of Dec-15: Increased by **JPY42.5bn** from Mar-15
- The balance of JGB as of Dec-15 increased due to the flexible investment operations, thereby extending the domestic bonds duration.
- The balance of the diversified investments as of Dec-15 increased by **JPY77.2bn** on efforts to promote diversified investments such as domestic investment. The component ratio increased from **23.6%** of Mar-15 to **26.2%** of Dec-15.

The Balance of Securities

	Mar-14	Mar-15	Dec-15	(¥bn)		
				Change from Mar-15	Unrealized gains (losses)	Change from Mar-15
Total	2,050.2	2,461.8	2,504.3	+ 42.5	150.5	- 16.4
Bonds	1,581.4	1,648.5	1,609.2	- 39.3	17.4	- 0.4
Government bonds	543.2	700.1	782.1	+82.0	5.2	- 0.3
Local bonds	256.9	258.8	230.6	- 28.2	2.1	+0.1
Corporate bonds	781.2	689.5	596.5	- 93.0	9.9	- 0.3
Government guaranteed bonds	453.0	375.1	328.3	- 46.8	-	-
Bank bonds	90.5	124.9	119.1	- 5.8	-	-
Industrial bonds	76.9	33.0	21.6	- 11.4	-	-
Equity securities	186.0	232.1	236.7	+4.6	119.0	+5.0
Diversified Investment	282.8	581.1	658.3	+77.2	14.0	- 21.0
Investment trusts	123.5	303.5	405.8	+102.3	-	-
Foreign bonds	152.1	275.5	249.8	- 25.7	-	-
Foreign equity securities	1.0	1.0	1.0	0.0	-	-
Others	6.0	0.9	1.6	+0.7	-	-

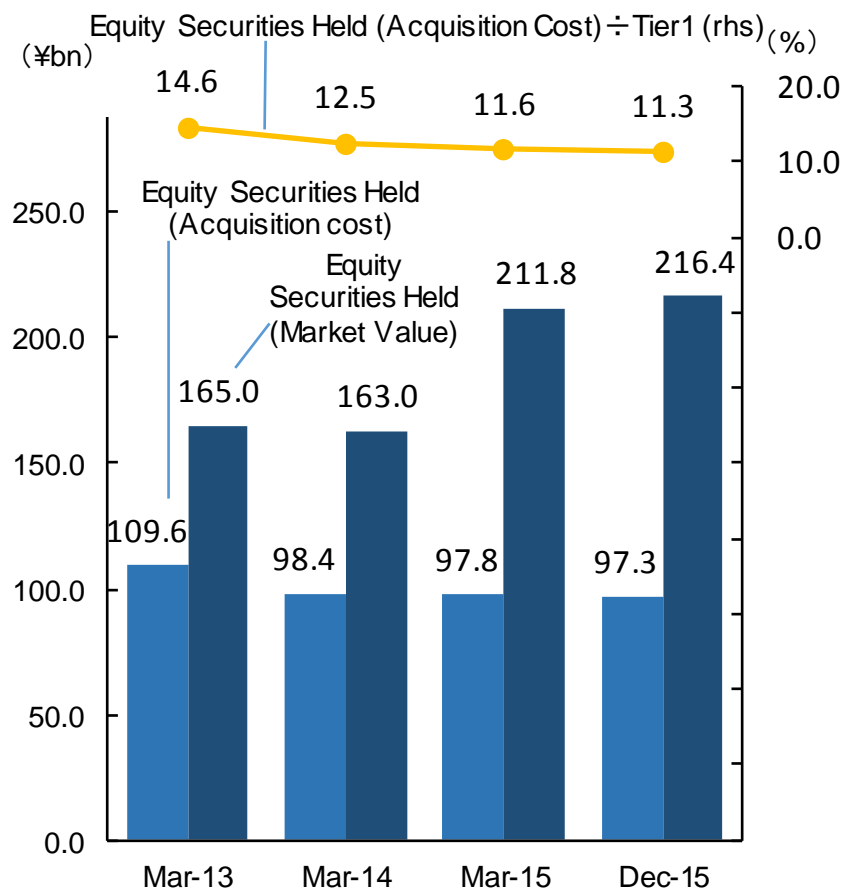
(Duration)

	Mar-14	Mar-15	Dec-15
Domestic Bonds	2.1	2.8	3.3
Foreign Bonds	2.3	2.6	2.9

(Note 1) The duration above is that of "Available-for-Sales."

(Note 2) Domestic bonds duration of Dec 2015 was affected by Buy-Write operations.

Equity Securities Held for Customer Relationships

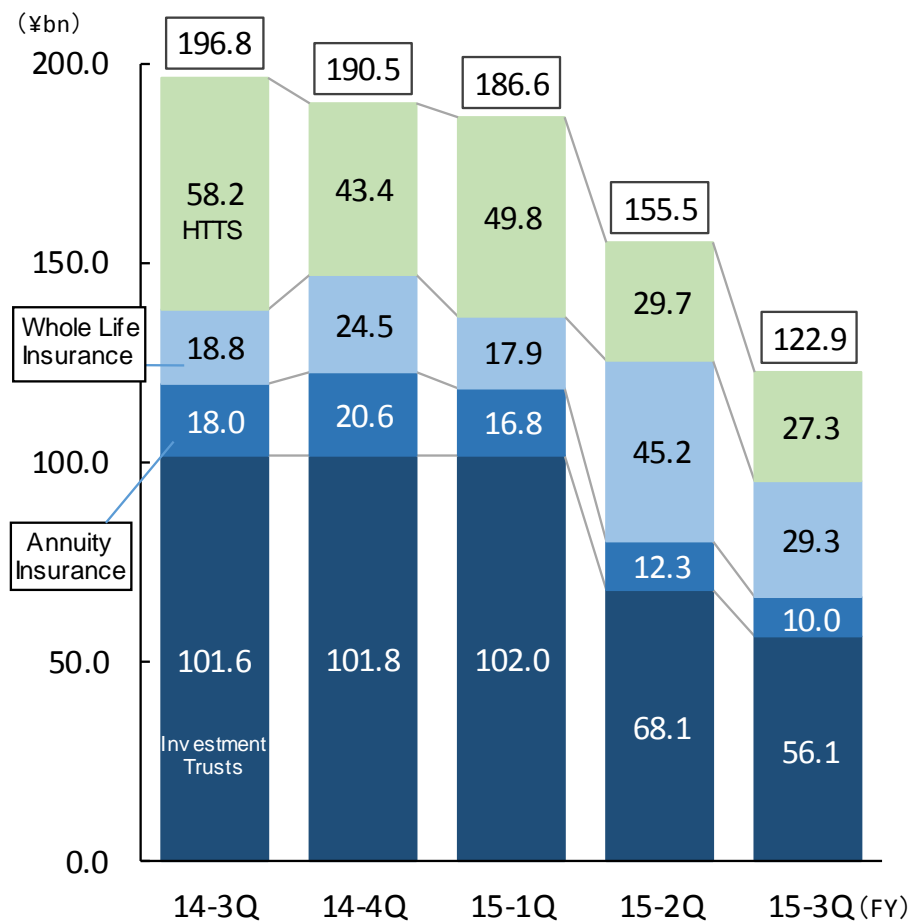


[ref] Tier1 746.9 783.2 836.9 854.2 (¥bn)

7. Investment Products for individuals (Bank + Hamagin Tokai Tokyo Securities ("HTTS" as follows))

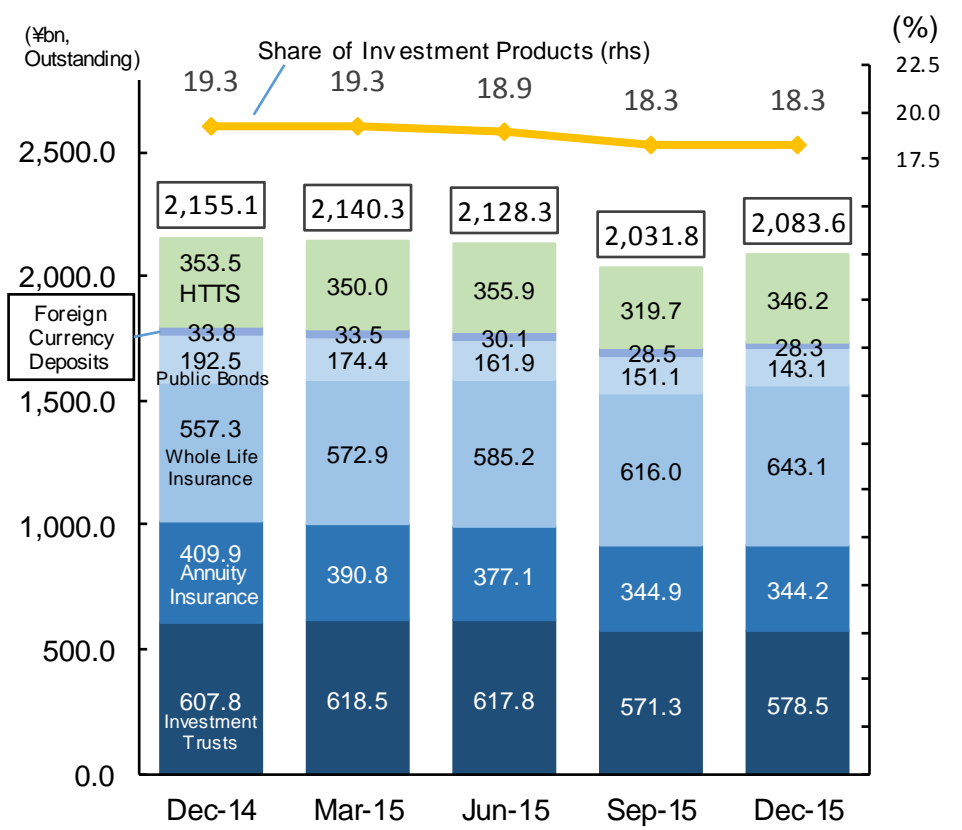
- Sales of investment products for individuals of FY15-3Q: Decreased by **JPY73.9bn (Down 37.5%)**
- The balance of Investment products for individuals as of Dec-15: Decreased by **JPY71.5bn (Down 3.3%)**

Sales of Investment Products for Individuals



(Note1) The results of HTTS are sales results of bonds, investment trusts, foreign bonds, and structured bonds.

Balance of Investment Products for Individuals

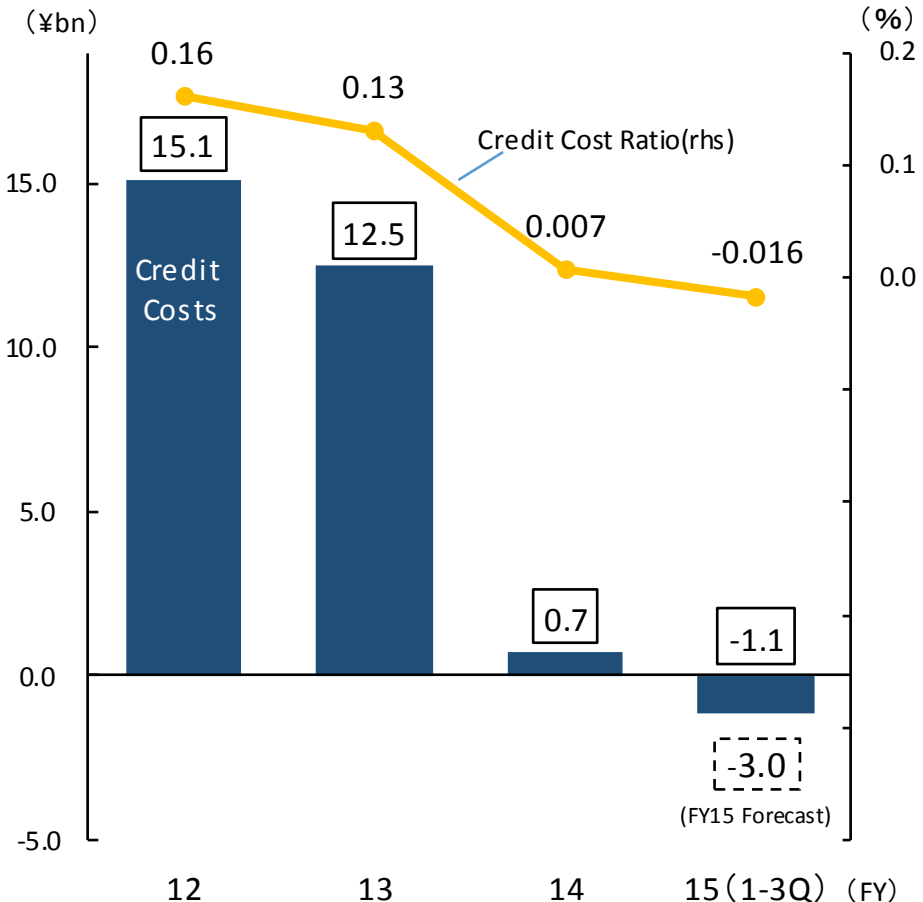


(Note 2) The balance of HTTS represents the balance of stocks, bonds, investment trusts, annuity insurance, foreign bonds, and structured bonds.
 (Note 3) Share of investment products = Outstanding balance of investment products including HTTS ÷ (outstanding balance of personal deposits + outstanding balance of investment products including HTTS)

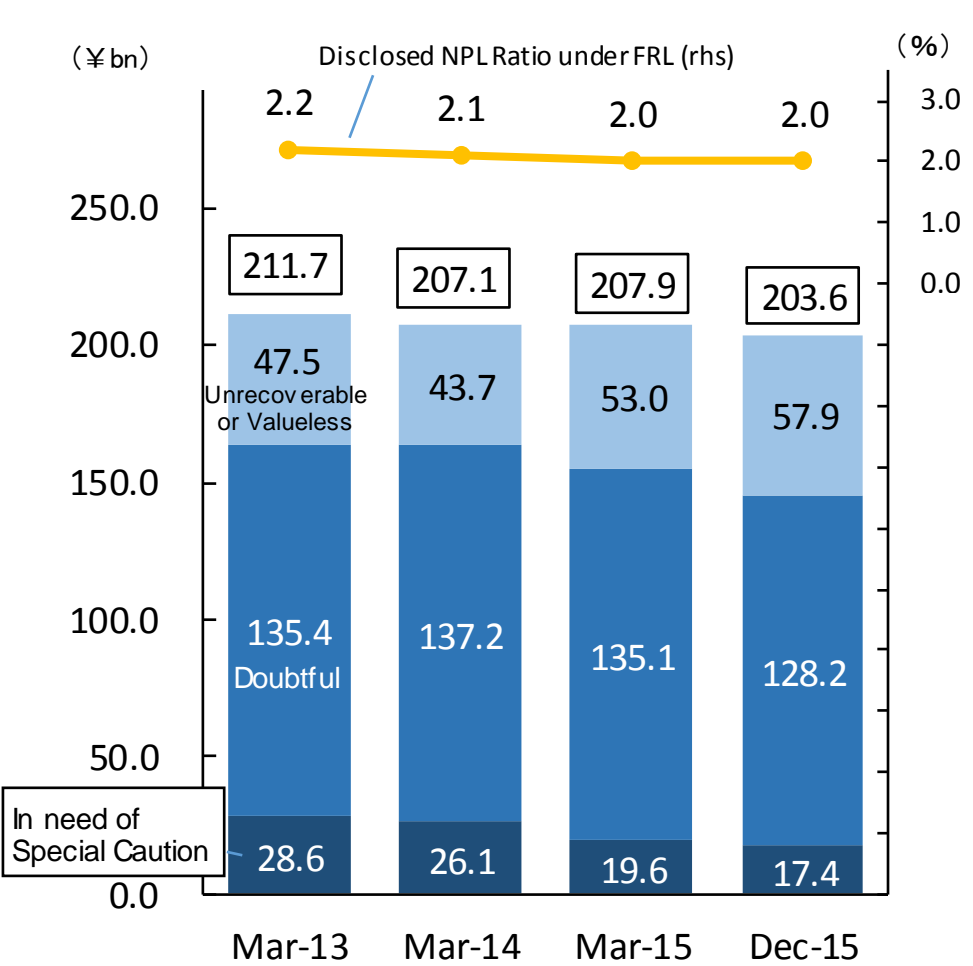
8. Credit Costs & Balance of FRL disclosed claims

- FY15-3Q Credit Costs: Amounted to **JPY1.1bn** (Decreased by **JPY1.1bn** from FY14-3Q)
- Non-Performing Loans (NPL) Ratio under Financial Revitalization Law (FRL) of Dec-15: Remained at low and stable level from last year at **2.0%**

Credit Costs



Disclosed NPLs under FRL

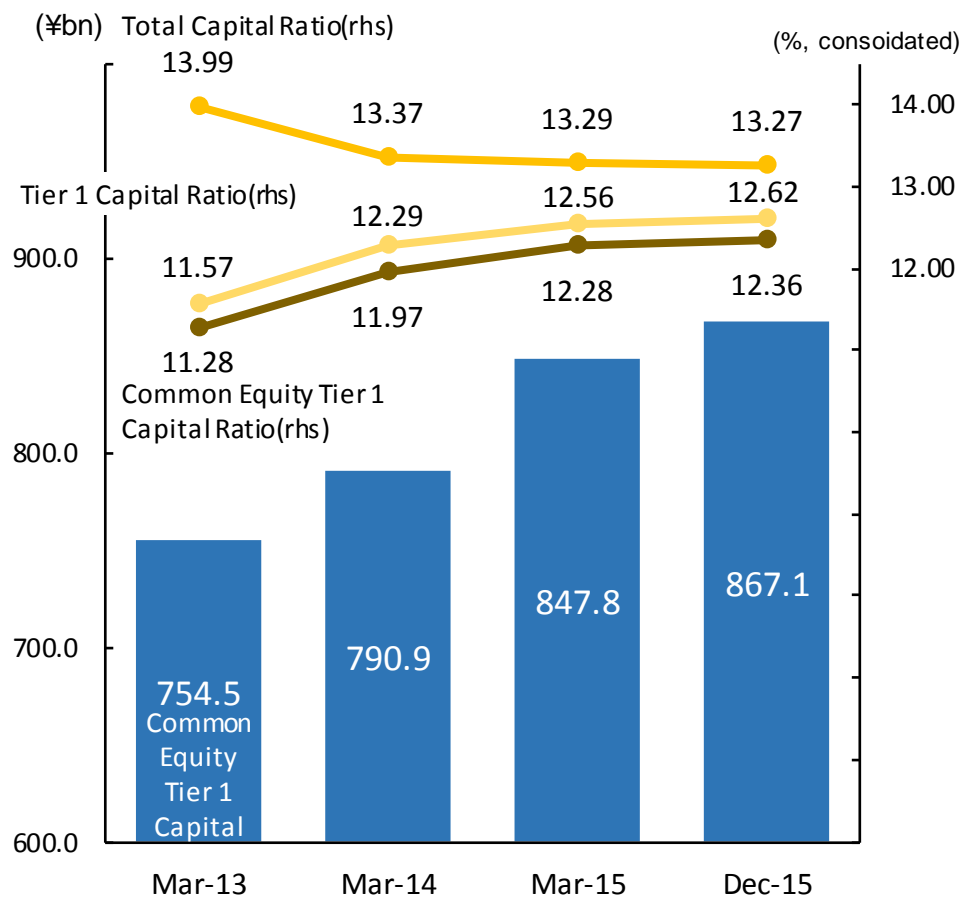


(Note 1) Credit cost ratio = Credit costs ÷ Average balance of loans
 (Note 2) Credit cost ratio for FY15-3Q is an annualized figure.

9. Capital Adequacy & Shareholder Return

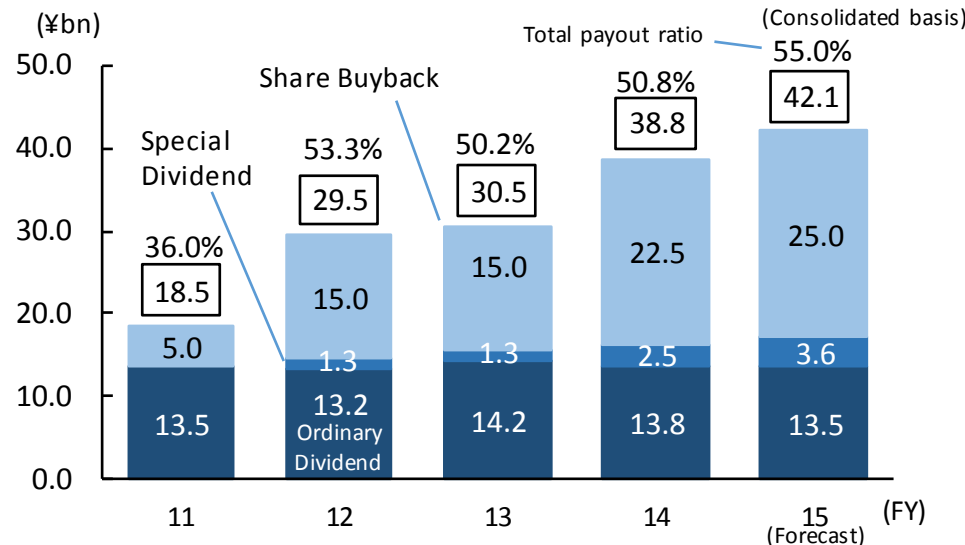
- Common Equity Tier 1 capital ratio (Consolidated): Continually maintained at the sufficient level, 12.36% as of Dec-15
- Share Buyback of FY15: Repurchased own shares of JPY25.0bn as of Dec-15
- Dividend of FY15: Special dividend of JPY3 per share, which is JPY1 increase from FY14, in addition to ordinary dividend of JPY11 (scheduled)

Common Equity Tier 1 Capital



(Note1) Transition basis. Common Equity Tier 1 capital ratio on the full adoption basis (Dec-15) is 13.02%.

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

Afresh あなたに、あたらしく。



Bank of Yokohama

Copyright© 2016 The Bank of Yokohama, Ltd. This document may not be reproduced or distributed to any third party without prior written consent of The Bank of Yokohama, Ltd. This document has been prepared for information purposes only and does not form part of a solicitation to sell or purchase any securities. Information contained herein may be changed or revised without prior notice. This document may contain forward-looking statements as to future results of operations. No forward-looking statement can be guaranteed and actual results of operations may differ from those projected.