



# Financial Results for the 1st Quarter of FY2014

August, 2014

Ashikaga Holdings Co., Ltd.

The Ashikaga Bank, Ltd.



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**Note :** Figures are non-consolidated basis of The Ashikaga Bank, Ltd. without special mention.

“HD” : Ashikaga Holdings Co., Ltd. (Consolidated basis)

“BK” : The Ashikaga Bank, Ltd. (Non-consolidated basis)

# Income Status

《BK》

(JPY Bn)

	1st Quarter FY2011	1st Quarter FY2012	1st Quarter FY2013	1st Quarter FY2014	Y oY	Progress	Projection FY2014
Gross business profit	22.1	24.0	21.3	19.7	- 1.5	+25.4%	77.7
Core gross business profit	19.3	18.4	19.5	19.7	0.2	+25.6%	77.2
Expenses	13.6	13.5	12.7	12.3	- 0.4	+25.6%	48.1
Net business income (before provision for general reserve for possible loan losses)	8.4	10.5	8.6	7.4	- 1.1	+25.2%	29.6
Core net business income	5.6	4.9	6.7	7.4	0.7	+25.7%	29.0
Credit related costs	1.3	1.1	0.3	- 0.0	- 0.4	-1.2%	4.0
Gains (losses) on stocks	- 0.4	- 0.0	2.9	- 0.0	- 2.9	-1.6%	0.5
Ordinary profit	6.5	9.1	11.0	7.3	- 3.6	+28.8%	25.4
Income taxes-current	0.0	0.6	0.4	3.2	2.8	+41.8%	7.8
Income taxes-deferred	- 0.0	- 0.0	0.0	- 0.0	- 0.0	+0.0%	0.3
Net income	6.5	8.4	10.6	4.0	- 6.5	+23.7%	17.1

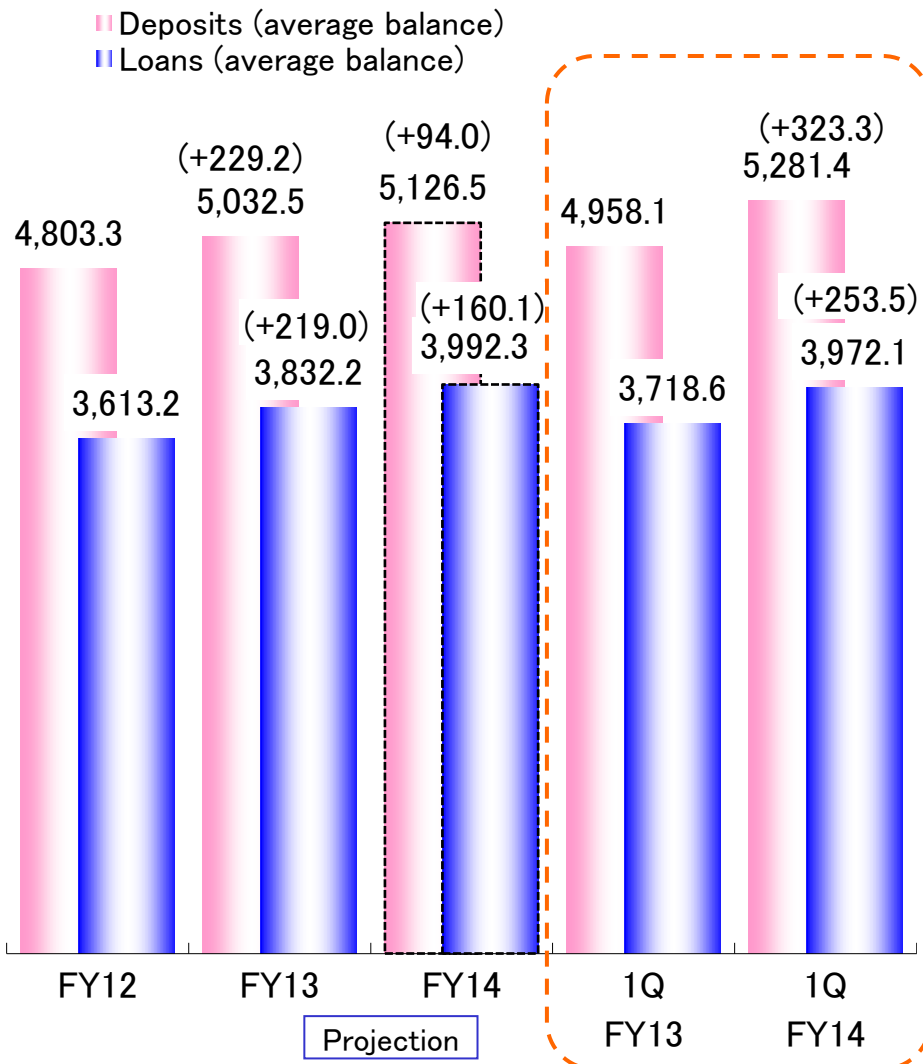
《HD》

(JPY Bn)

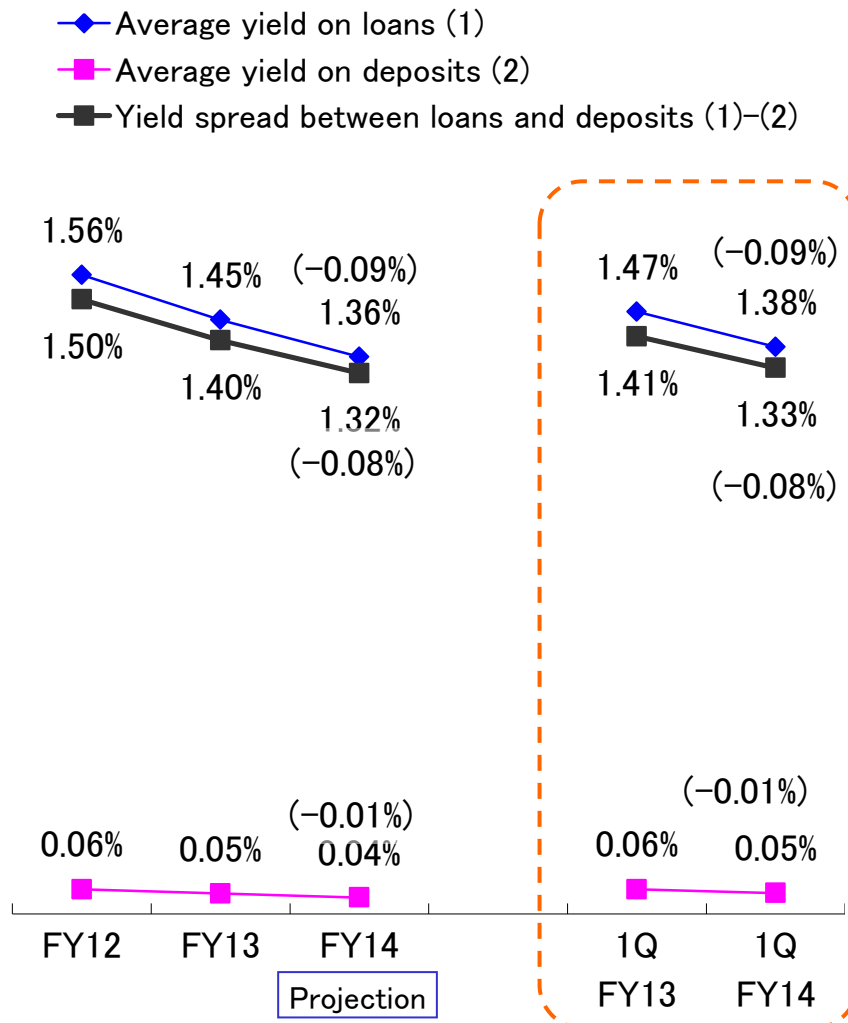
	1st Quarter FY2011	1st Quarter FY2012	1st Quarter FY2013	1st Quarter FY2014	Y oY	Progress	Projection FY2014
Ordinary income	26.2	27.9	27.6	23.7	- 3.9	+25.8%	92.0
Consolidated gross business profit	22.4	24.3	22.0	20.5	- 1.4		
General and administrative expenses	15.7	15.6	14.9	14.5	- 0.4		
Credit related costs	1.9	1.2	0.6	0.4	- 0.2		
Gains (losses) on stocks	- 0.4	- 0.0	2.3	- 0.0	- 2.4		
Ordinary profit	4.4	7.3	8.8	5.6	- 3.1	+31.4%	18.0
Income taxes-current	0.2	0.9	0.5	3.3	2.8		
Income taxes-deferred	0.0	0.0	0.1	0.1	0.0		
Net income	4.1	6.5	8.1	2.1	- 5.9	+14.2%	15.0

# Loans and Deposits : Average balance / Average yield (BK)

## 《Loans and Deposits average balance》 (JPY Bn)



## 《Loans and Deposits yield》

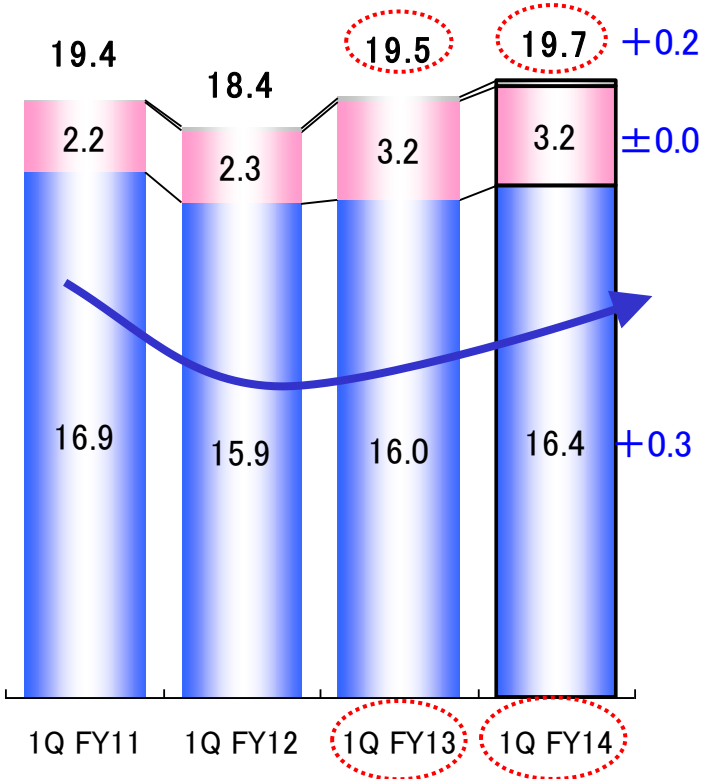


# Factor analysis (Core gross business profit) (BK)

## 《Core gross business profit of BK》

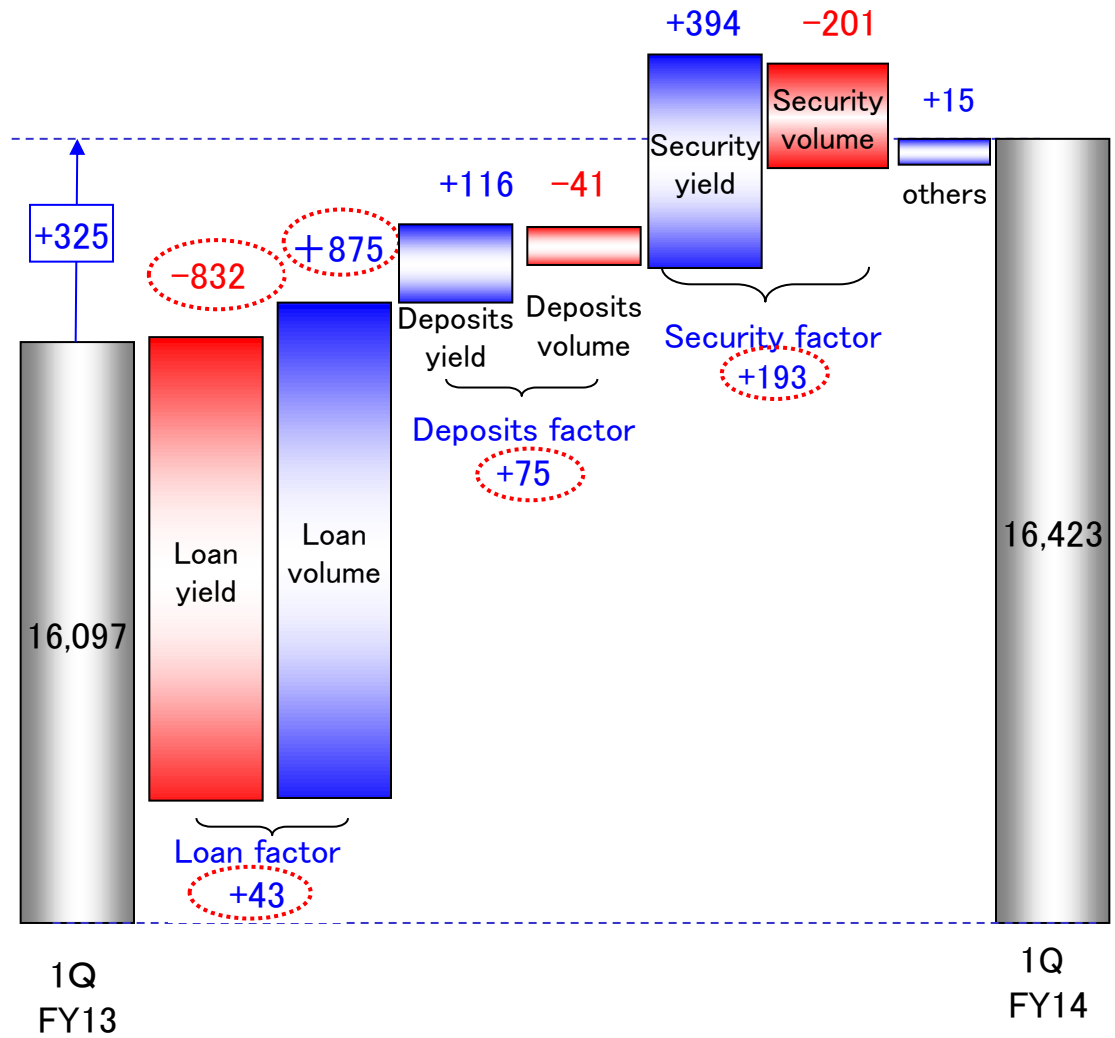
(JPY Bn)

- Net other business income
- Net fees and commissions
- Net interest income



## 《Factor analysis for net interest income (Y o Y change)》

(JPY Million)



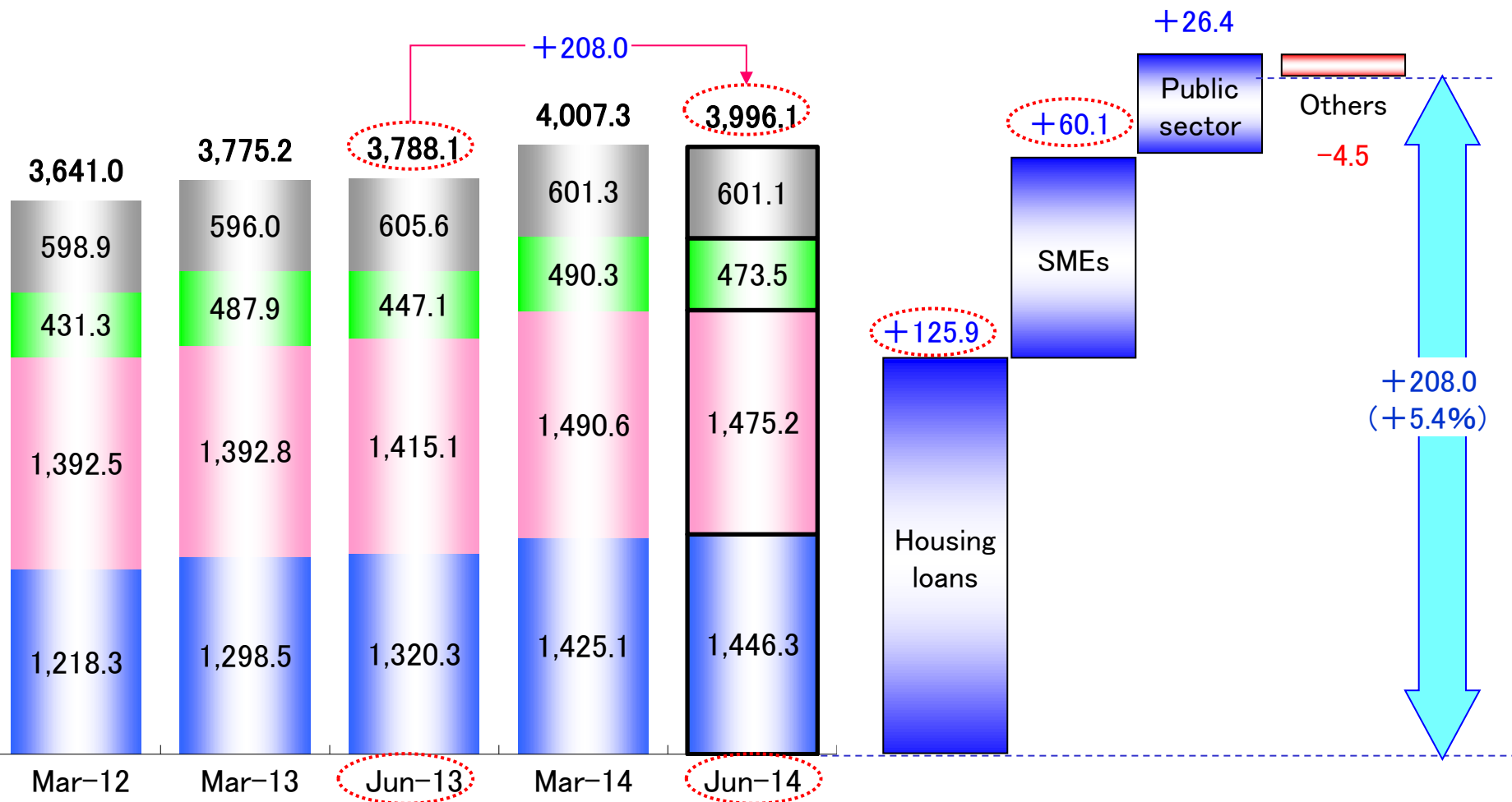
# Loans : Term-end balance (BK)

《Loans (term-end balance)》 (JPY Bn)

《Breakdown of Y o Y change in total loan balance》

(JPY Bn)

■ Housing loans ■ SMEs ■ Public sector ■ Others

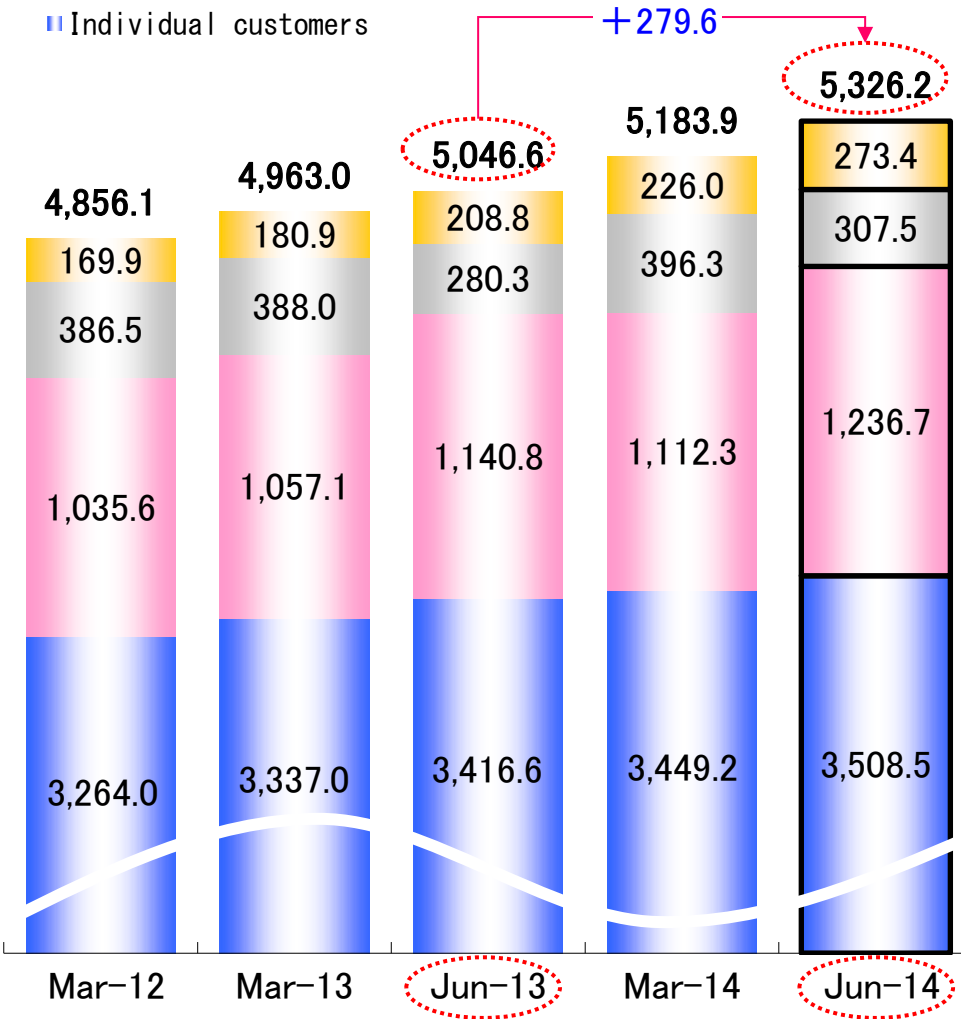


# Deposits : Term-end balance (BK)

## 《Deposits (term-end balance)》

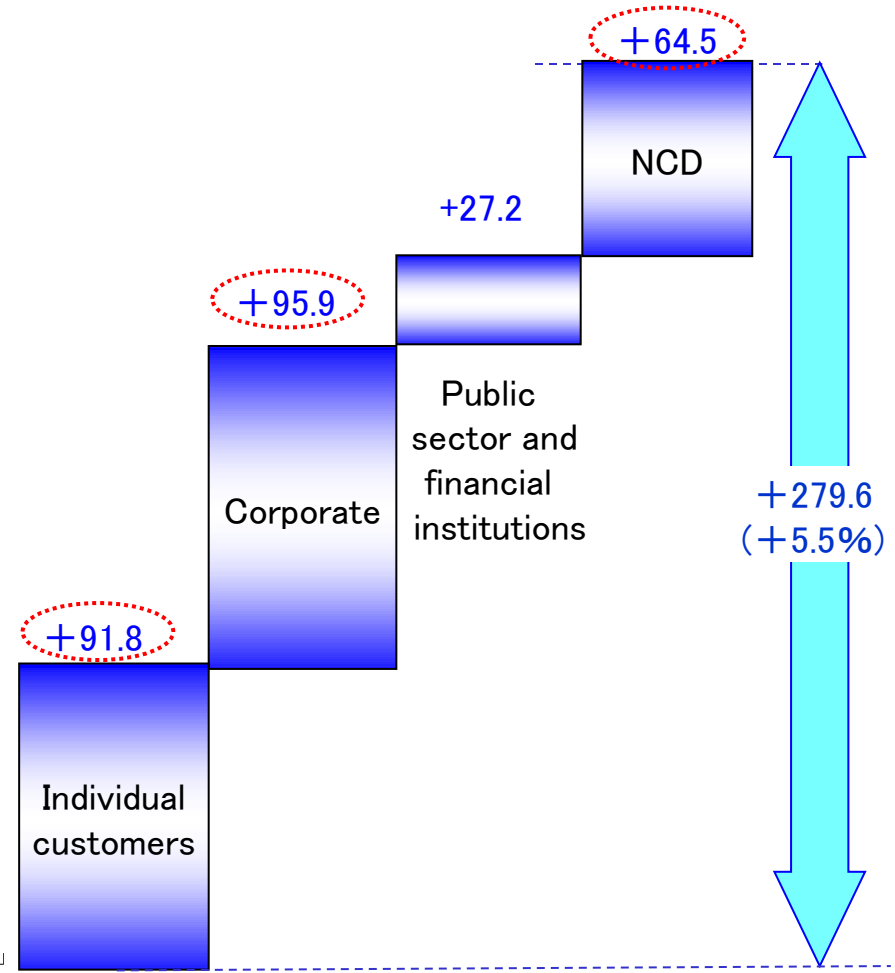
(JPY Bn)

- NCD
- Public sector and financial institutions
- Corporate
- Individual customers



## 《Breakdown of Y o Y change in deposits balance》

(JPY Bn)

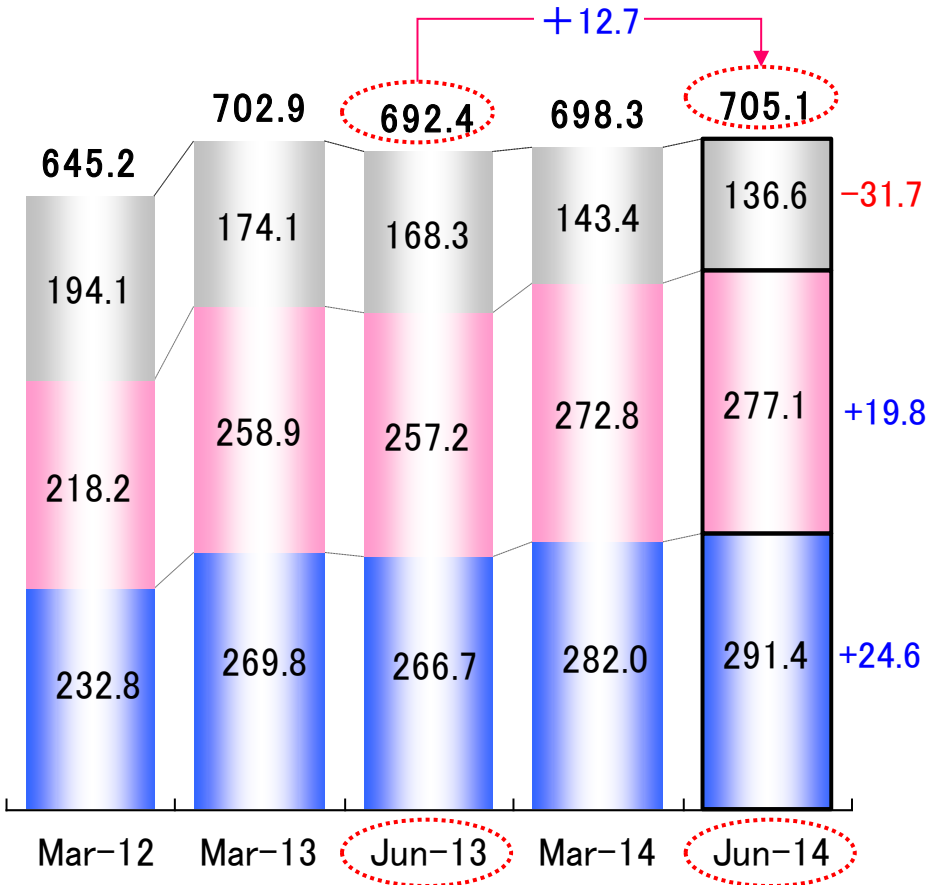


# Individual customer assets under custody (BK)

《Individual Customer assets under custody (term-end balance)》

(JPY Bn)

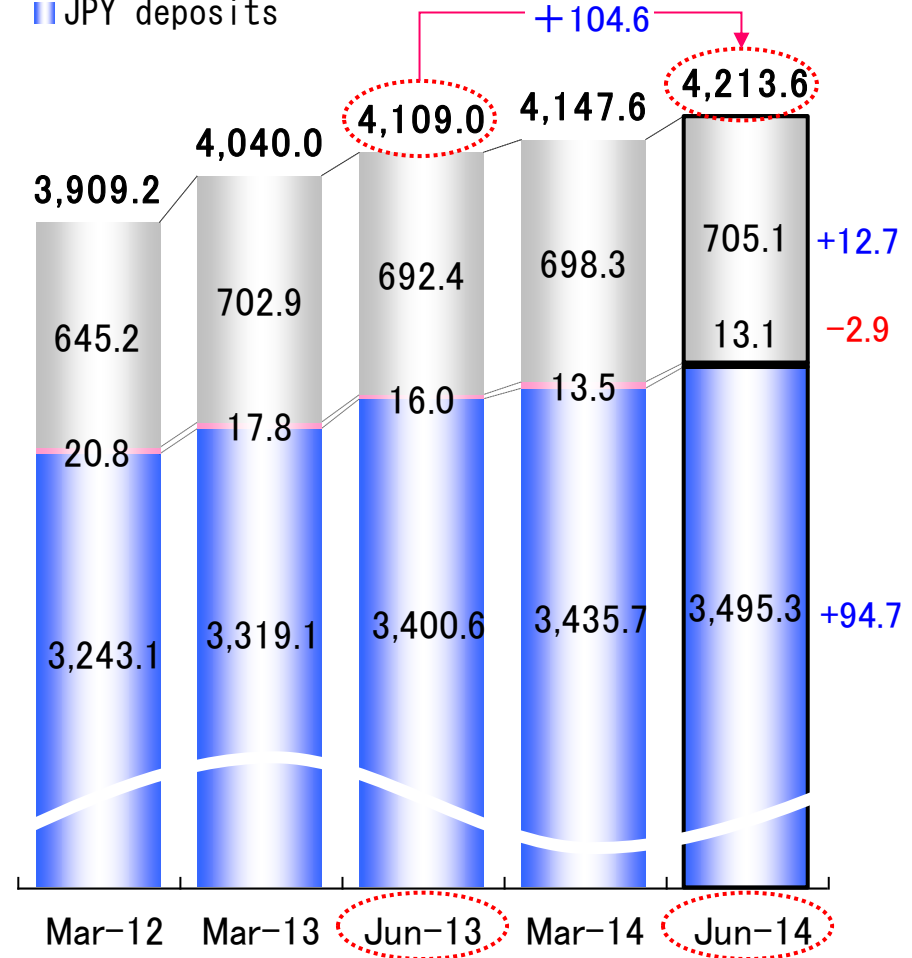
- Public bonds
- Insurance
- Investment trusts



《Total Individual Customer assets (term-end balance)》

(JPY Bn)

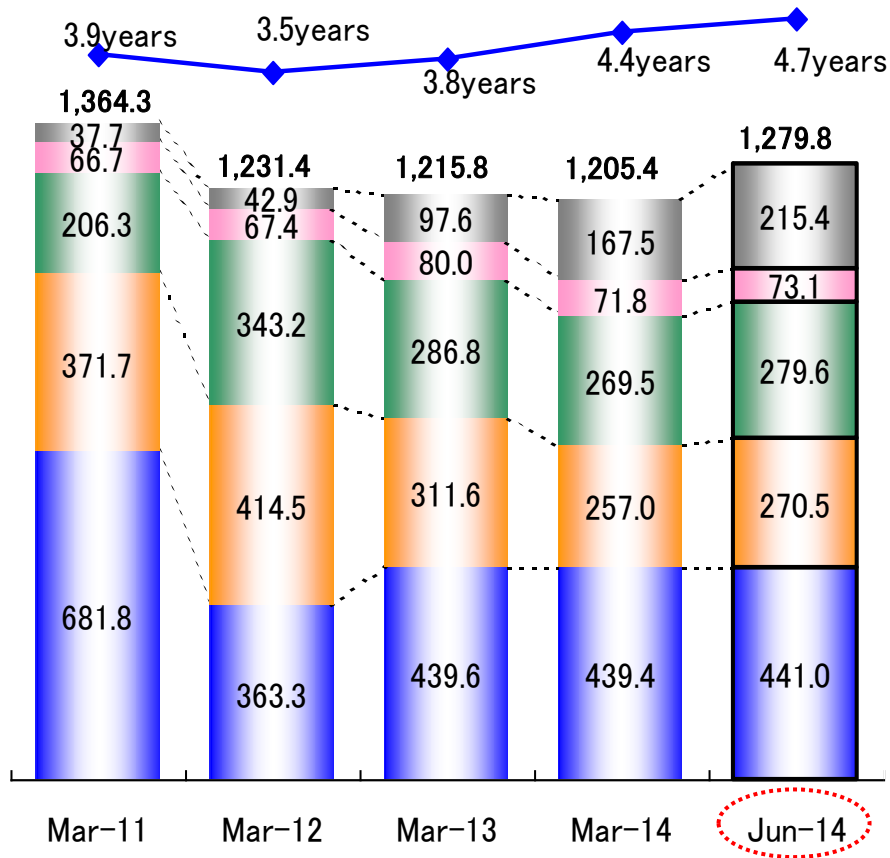
- Under custody
- Foreign currency deposits
- JPY deposits





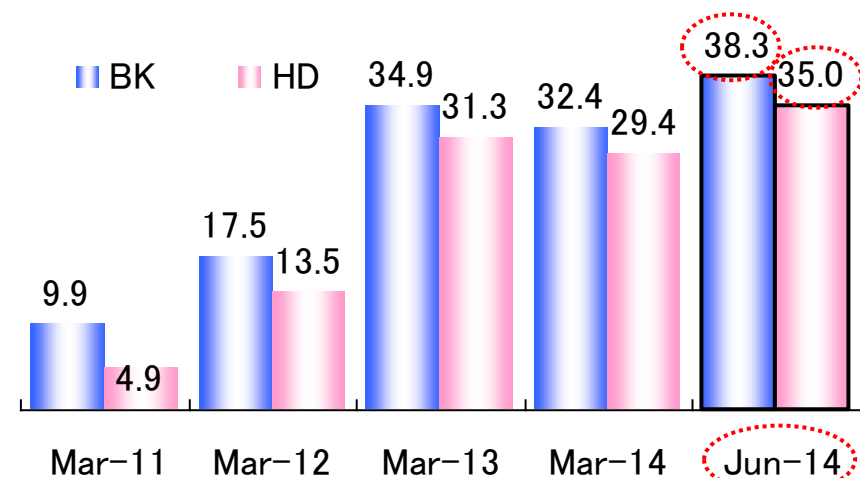
## 《Securities (term-end balance)》 (JPY Bn)

- Other securities
- Stocks
- Corporate bonds
- Municipal bonds
- Government bonds
- ◆ Duration of yen-denominated bonds



※Yen-denominated bonds = Domestic bond + Yen-denominated foreign bond

## 《Unrealized Valuation Gains on Other Securities (available-for-sale securities)》 (JPY Bn)



※Other Securities = Securities except Held-to-maturity ones

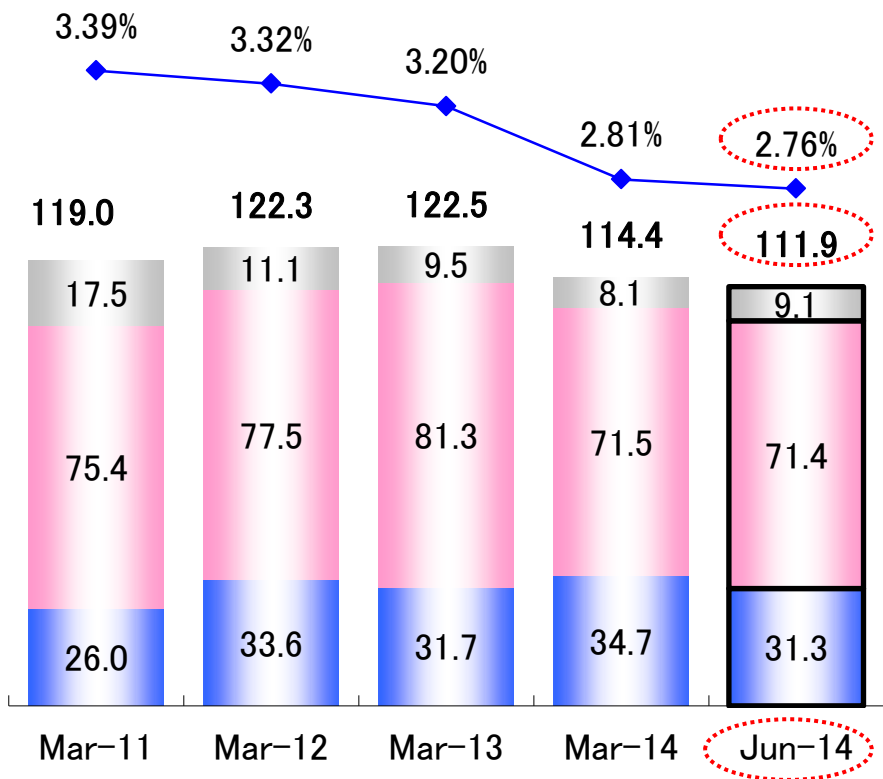
	BK		HD	
	Jun-14	Change from Mar-14	Jun-14	Change from Mar-14
Unrealized Valuation Gains	38.3	5.9	35.0	5.6
Bonds	10.0	3.5	10.0	3.5
Stocks	24.4	1.3	20.8	1.3
Others	3.7	1.0	4.0	0.6

# Non-performing loans / Credit related costs

## 《Loans subject to mandatory disclosure under the Financial Reconstruction Law》

(JPY Bn)

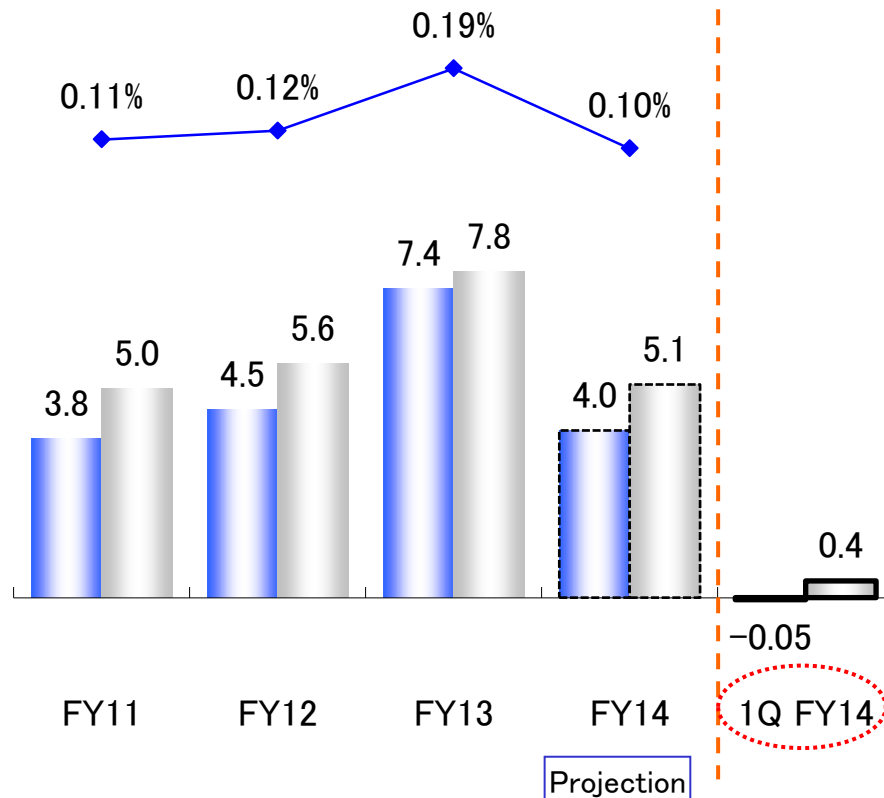
- Bankrupt and substantially bankrupt claims
- Doubtful claims
- Claims requiring supervision
- ◆ Non-performing loan ratio



## 《Credit related costs》

(JPY Bn)

- BK
- HD
- ◆ Credit-related costs ratio

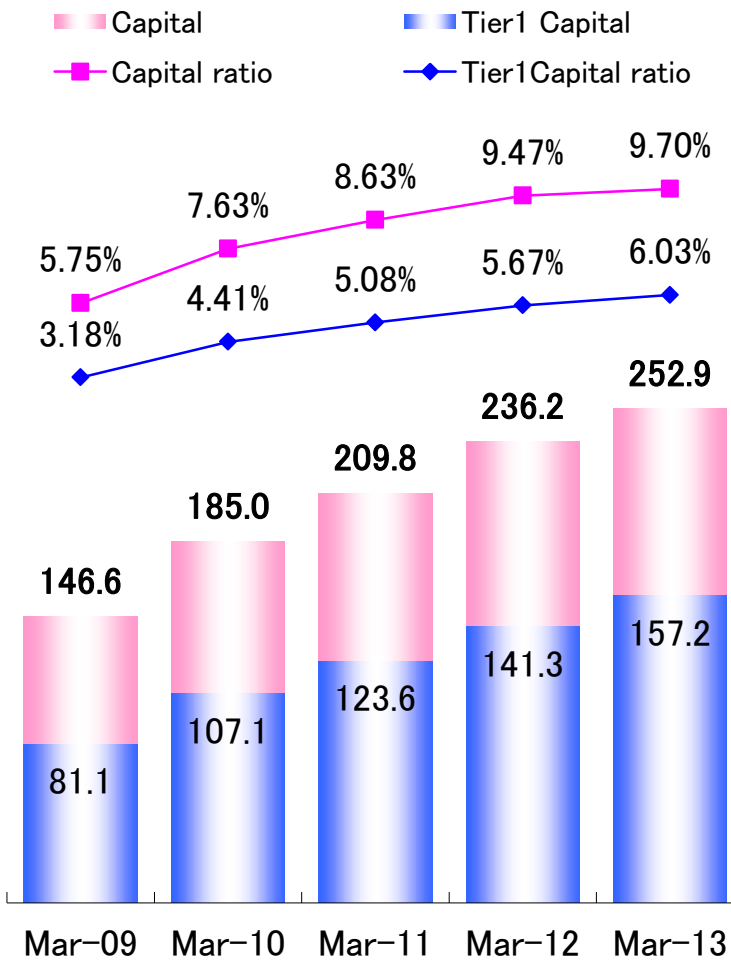


※Credit-related costs ratio  
= Credit-related costs / Average balance of loans

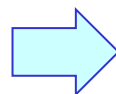
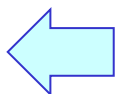
# Capital ratio (Domestic standard) (HD)

《 HD 》

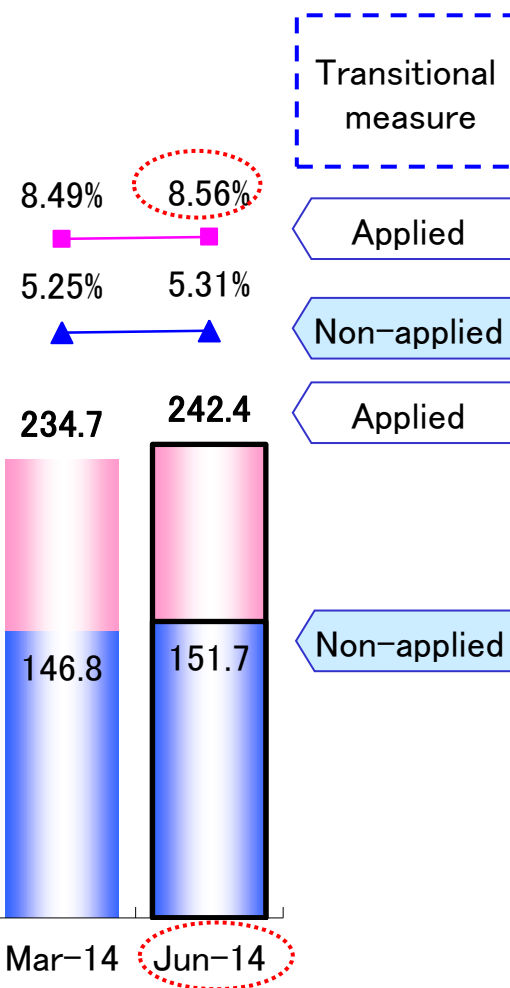
(JPY Bn)



Basel II



Basel III



Transitional measure

Applied

Non-applied

Applied

Non-applied

(New domestic standard)

Main transitional measure

**Subordinated debt**  
**80.0 JPY Bn**  
 - To be reduced in increments of 10% from FY2015/3

# Progress to HD consolidated forecasts for 2nd Quarter, FY2014

JPY Bn, %

	Forecasts for 2nd Quarter, FY2014	Results for the 1st Quarter	Progress to the 2nd Quarter	Forecasts for FY2014
Ordinary Income	45	23.7	52.8%	92
Ordinary profit	8	5.6	70.6%	18
Income taxes-current	4	3.3	83.8%	8
Income taxes-deferred	0	0.1	-	-5
Net income	4	2.1	53.6%	15

➤ Normal effective statutory tax rate : 35.37%

➤ Reason that tax burden looks large :  
Consolidation adjustments  
such as amortization of goodwill (6.2 JPY Bn)

➤ Increase of deferred tax assets caused by shift to consolidated tax return.

- Reason that tax burden looks large:
1. Amortization of goodwill : 1.5JPY Bn.
  2. Due to decline in the past loan loss ratio (0.18%→0.07%), the tax-free portion decreased, approximately 4 JPY Bn , among general allowance for loan losses.



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