



Financial Results for the 3rd Quarter of FY2014

February, 2015

Ashikaga Holdings Co., Ltd.

The Ashikaga Bank, Ltd.



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*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)

Summary of results (1) HD

- ◆ Ordinary income of Ashikaga Holdings Co., Ltd. (consolidated) declined 9.6 billion yen year-over-year (YoY), to 73.0 billion yen (Attained 76.0% of our projection for FY14).
- ◆ Ordinary profit declined 4.2 billion yen YoY, to 19.3 billion yen (Attained 92.0% of the projection).
- ◆ Net income declined 10.2 billion yen YoY, to 12.3 billion yen (Attained 72.5% of the projection).

《Ashikaga Holdings Co., Ltd. (Consolidated basis)》

(JPY Bn)	3Q	3Q	3Q	YOY	Projection FY2014	Progress
	FY2012 (Apr.-Dec.)	FY2013 (Apr.-Dec.)	FY2014 (Apr.-Dec.)			
		①	②		③	②÷③
Ordinary income	74.6	82.6	73.0	- 9.6	96.0	76.0%
Consolidated gross profit	62.7	62.1	62.5	+ 0.3		
General and administrative expenses	44.1	43.5	42.7	- 0.8		
Credit related costs	1.9	4.4	1.8	- 2.5		
Gains (losses) on stocks	- 1.1	9.2	0.4	- 8.7		
Ordinary profit	16.8	23.5	19.3	- 4.2	21.0	92.0%
Extraordinary income(losses)	- 0.2	- 0.2	- 0.0	+ 0.2		
Income before income taxes and minority interests	16.5	23.3	19.3	- 3.9		
Income taxes-current	1.6	1.9	8.6	+ 6.7		
Income taxes-deferred	0.9	- 1.2	- 1.6	- 0.4		
Net Income	14.0	22.6	12.3	- 10.2	17.0	72.5%
(Reference)						
Net income excluding amortization of goodwill	18.6	27.2	16.9			

(note) Revised Forecast
Announced on
Oct.29,2014

Summary of results (2) BK

- ◆ Core gross business profit of The Ashikaga Bank, Ltd. (non-consolidated) increased 1.1 billion yen YoY, to 60.1 billion yen. Core net business income increased 1.8 billion yen YoY, to 23.9 billion yen.
- ◆ Ordinary profit decreased 4.5 billion yen YoY, to 24.3 billion yen, mainly due to a decline in gains on sales of stocks. Net income decreased 10.5 billion yen YoY, to 17.9 billion yen, due to an increase of income taxes.

《The Ashikaga Bank, Ltd. (Non-Consolidated basis)》

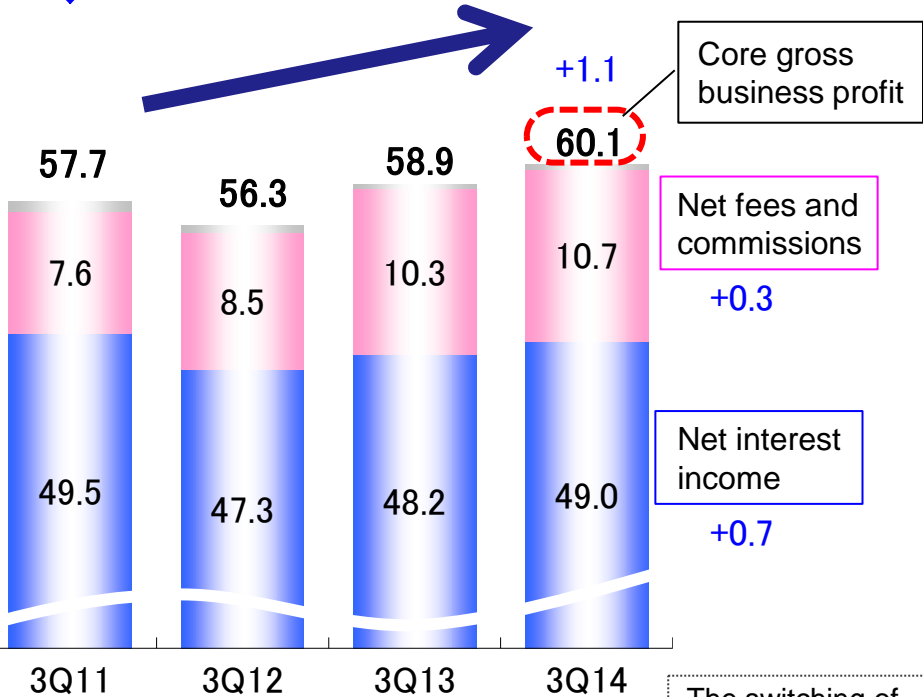
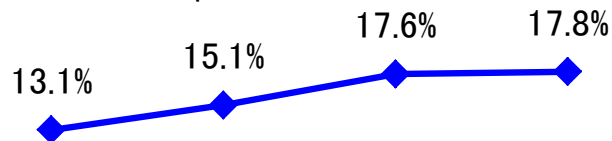
(JPY Bn)	3Q FY2012 (Apr.-Dec.)	3Q FY2013 (Apr.-Dec.) ①	3Q FY2014 (Apr.-Dec.) ②	YOY ②-①	Projection FY2014 ③	Progress ②÷③
Core gross business profit	56.3	58.9	60.1	+1.1	78.8	76.3%
Gross business profit	61.9	60.3	60.6	+0.3		
Net interest income	47.3	48.2	49.0	+0.7		
Net fees and commissions	8.5	10.3	10.7	+0.3		
Net other business income	6.0	1.6	0.8	- 0.8		
Gains (losses) on bonds	5.6	1.3	0.4	- 0.8		
Expenses	37.8	36.9	36.2	- 0.6	47.9	75.5%
Personnel expenses	20.4	19.6	19.3	- 0.2		
Non-personnel expenses	15.4	15.3	14.9	- 0.4		
Net business income (before general allowance for loan losses)	24.1	23.4	24.4	+1.0		
Core net business income	18.4	22.0	23.9	+1.8	30.8	77.7%
Credit related costs	1.5	3.8	0.7	- 3.0		
Gains (losses) on stocks	- 1.5	9.8	0.4	- 9.3		
Ordinary profit	21.7	28.9	24.3	- 4.5	27.9	87.3%
Income taxes-current	0.9	1.5	8.3	+6.7		
Income taxes-deferred	0.6	- 1.4	- 1.9	- 0.5		
Net Income	19.9	28.5	17.9	- 10.5	19.6	91.7%

Core gross business profit / Expenses

- ◆ Core gross business profit (excluding gains (losses) on bonds) rose 1.1 billion yen YoY, to 60.1 billion yen. Of that, net interest income increased 0.7 billion yen YoY, to 49.0 billion yen.
- ◆ Expenses declined 0.6 billion yen YoY, to 36.2 billion yen, of which personnel expenses dropped 0.2 billion yen, to 19.3 billion yen, and non-personnel expenses decreased 0.4 billion yen, to 14.9 billion yen.
- ◆ After the switching of accounting system in July 2011, core OHR continued declining, resulting to 60.1%.

《 Core gross business profit 》 (JPY Bn)

◆ Net fees and commissions / Core gross business profit

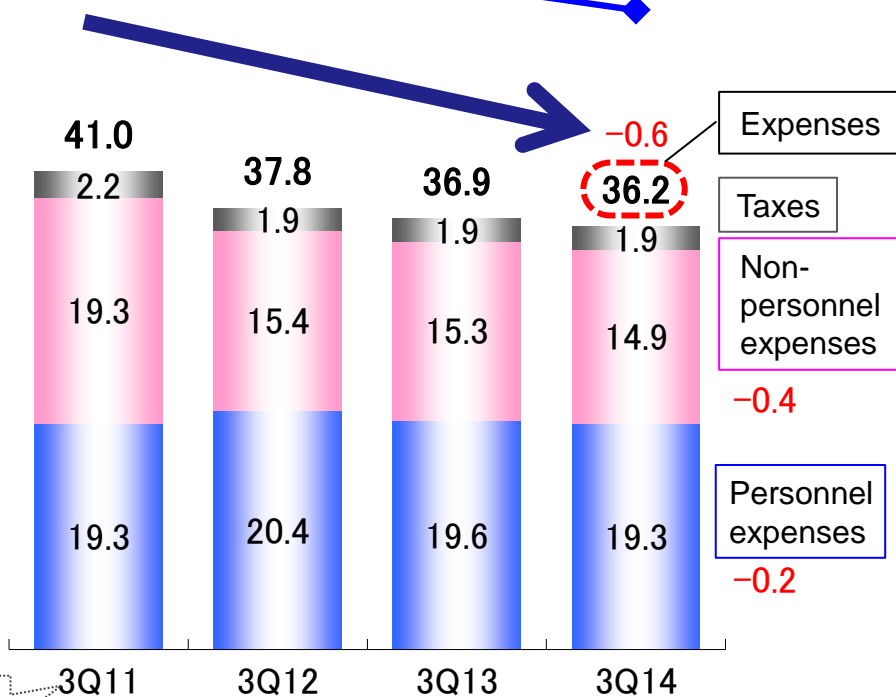
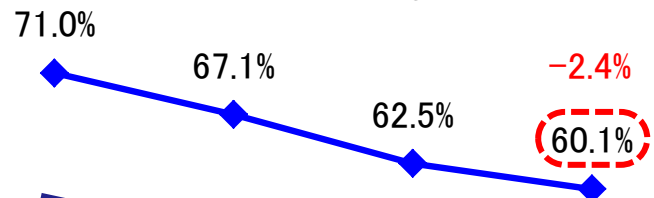


*Nine months ended December 31

The switching of accounting system in July 2011

《 Expenses / Core OHR 》 (JPY Bn)

◆ Core OHR (Expenses / Core gross business profit)

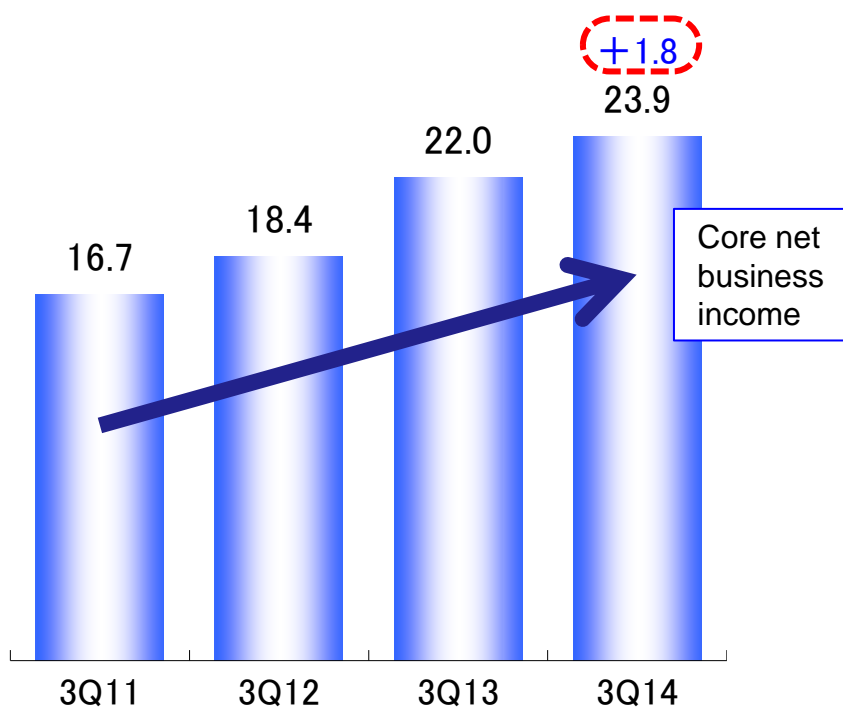


*Nine months ended December 31

Core net business income / Ordinary profit

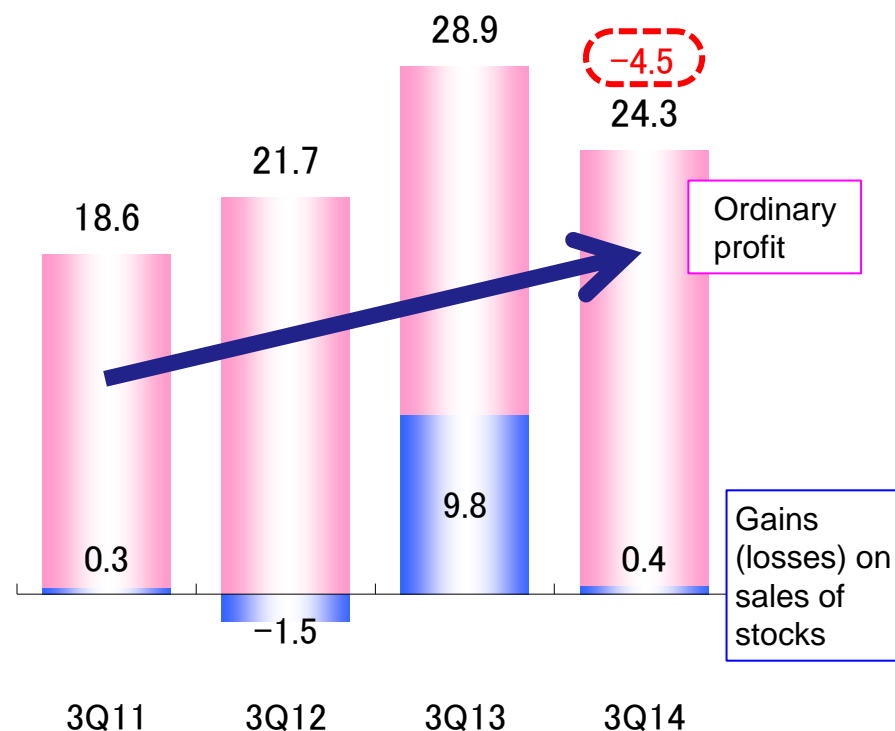
- ◆ Core net business income increased 1.8 billion yen YoY, to 23.9 billion yen, due to an increase of core gross business profit and a decrease of expenses.
- ◆ Ordinary profit is on an increasing trend, having decreased 4.5 billion yen YoY to 24.3 billion yen principally because of a reactionary drop in gains on sales of stocks.

《 Core net business income 》 (JPY Bn)



*Nine months ended December 31

《 Ordinary profit 》 (JPY Bn)

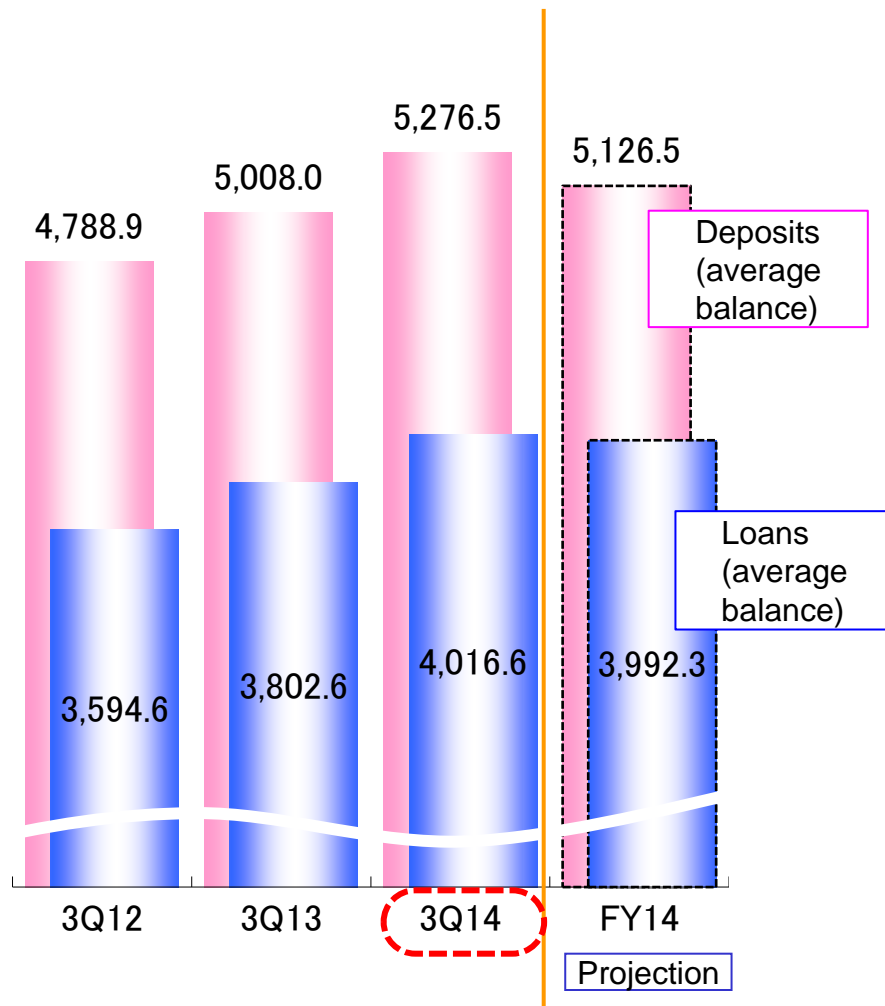


*Nine months ended December 31

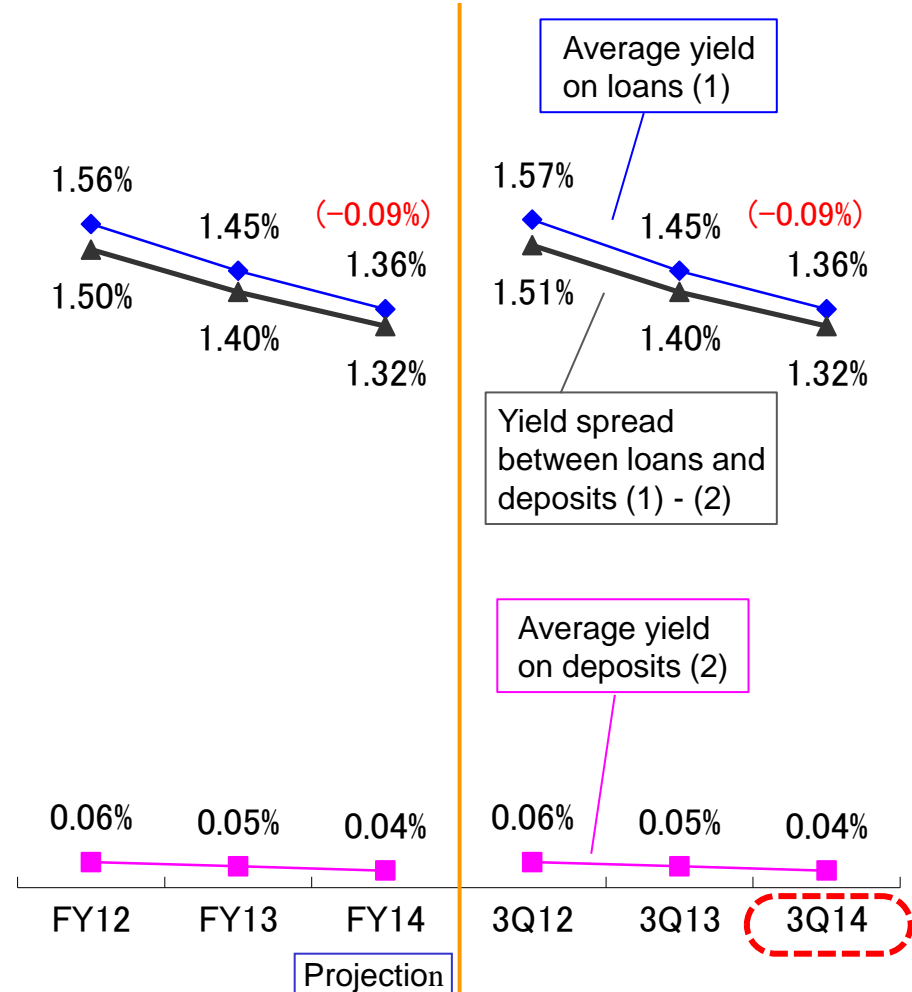
Loans and deposits (average balance / average yield)

- ◆ The average balances of loans and deposits in FY14-3Q increased steadily, exceeding an initial plan for FY2014.
- ◆ Average yield on loans continued to decline, but its speed decelerated and remained in line with expectation.

《Loans and deposits (average balance)》 (JPY Bn)

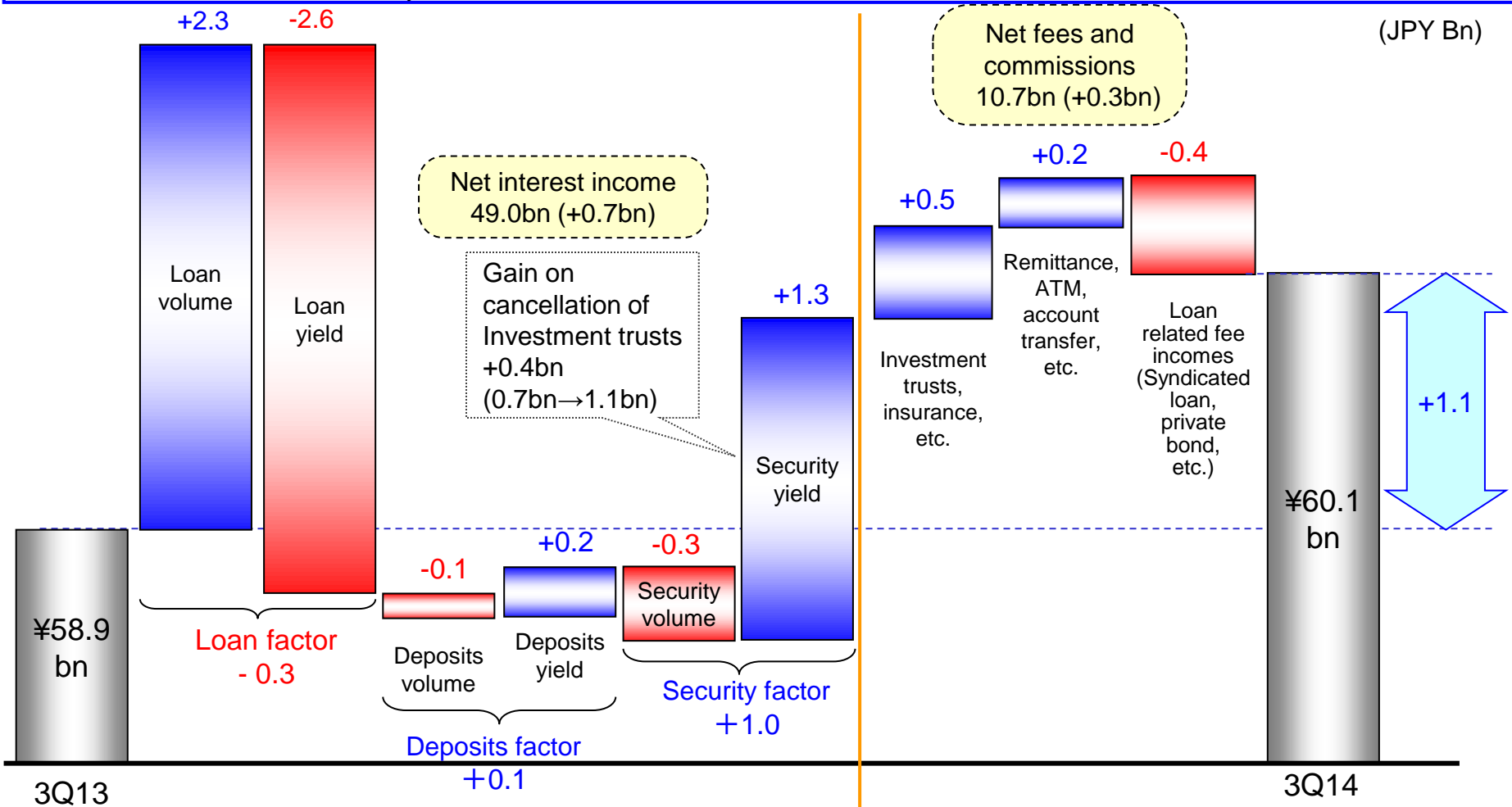


《Loan and deposit yields》



Factor analysis (Core gross business profit)

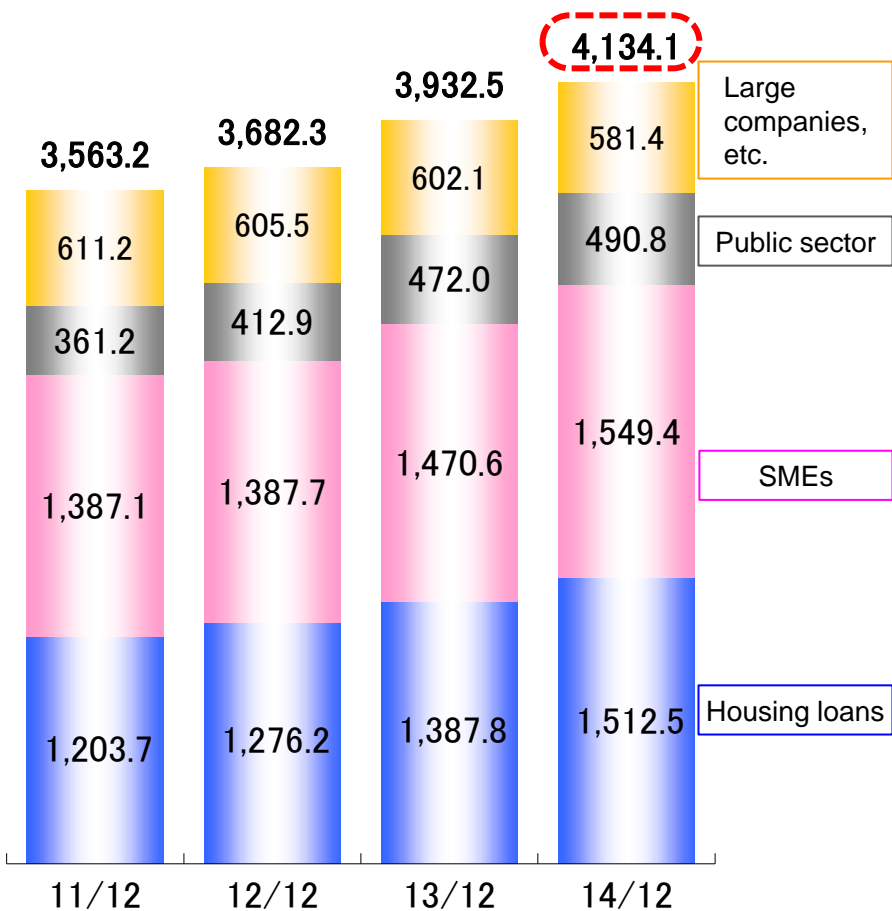
- ◆ Of the 0.7 billion yen increase in net interest income, the loan factor was down 0.3 billion yen, the deposit factor was up 0.1 billion yen, and the security factor was up 1.0 billion yen.
- ◆ Of the loan factor, negative impact due to a decline of loan yield is reduced (FY12-3Q down ¥4.5bn, FY13-3Q down ¥3.5bn, FY14-3Q down ¥2.6bn). And net interest income rose from the same period of the previous fiscal year, excluding gains on cancellation of investment trusts.
- ◆ Of the 0.3 billion yen increase in net fees & commissions, the over-the-counter factor including sales of investment trusts was up 0.5 billion yen, the settlement business factor including account transfer and ATM related commissions, etc. was up 0.2 billion yen, and the loan factor was down 0.4 billion yen.



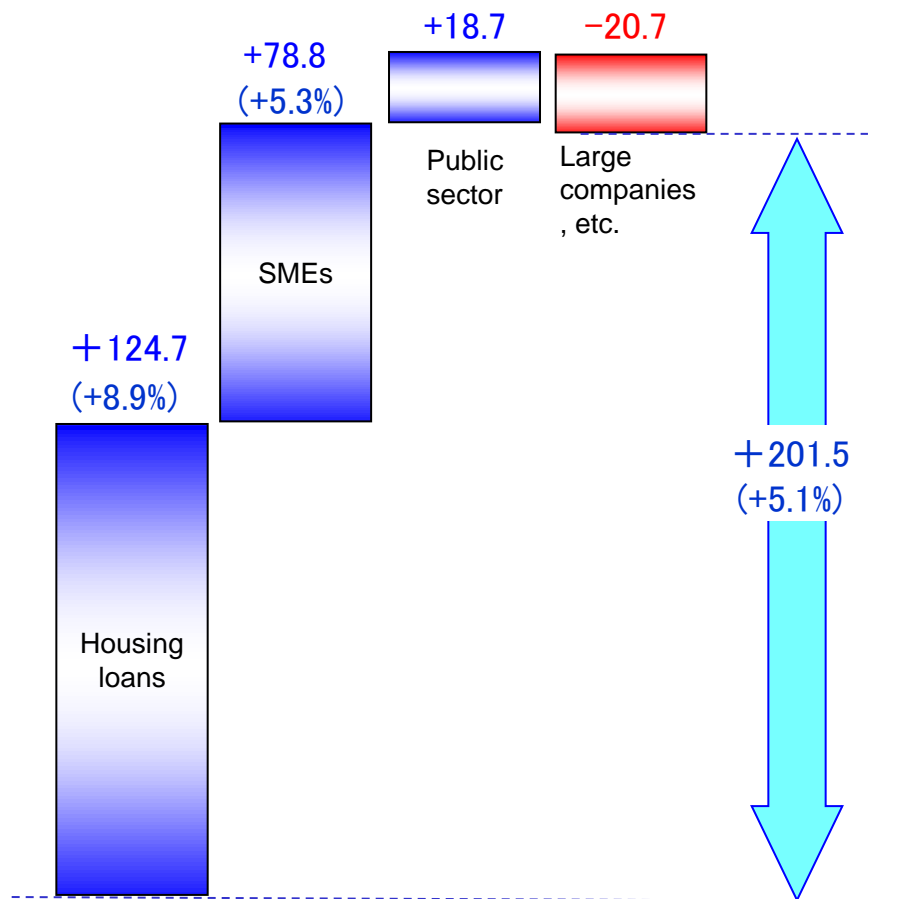
Loans (term-end balance)

- ◆ The term-end balance of loans increased 201.5 billion yen YoY, to 4,134.1 billion yen (5.1% annualized).
- ◆ Of that, housing loans increased 124.7 billion yen to 1,512.5 billion yen (8.9% annualized), and loans to small and medium-sized companies increased 78.8 billion yen to 1,549.4 billion yen (5.3% annualized).

《Loans (term-end balance)》 (JPY Bn)



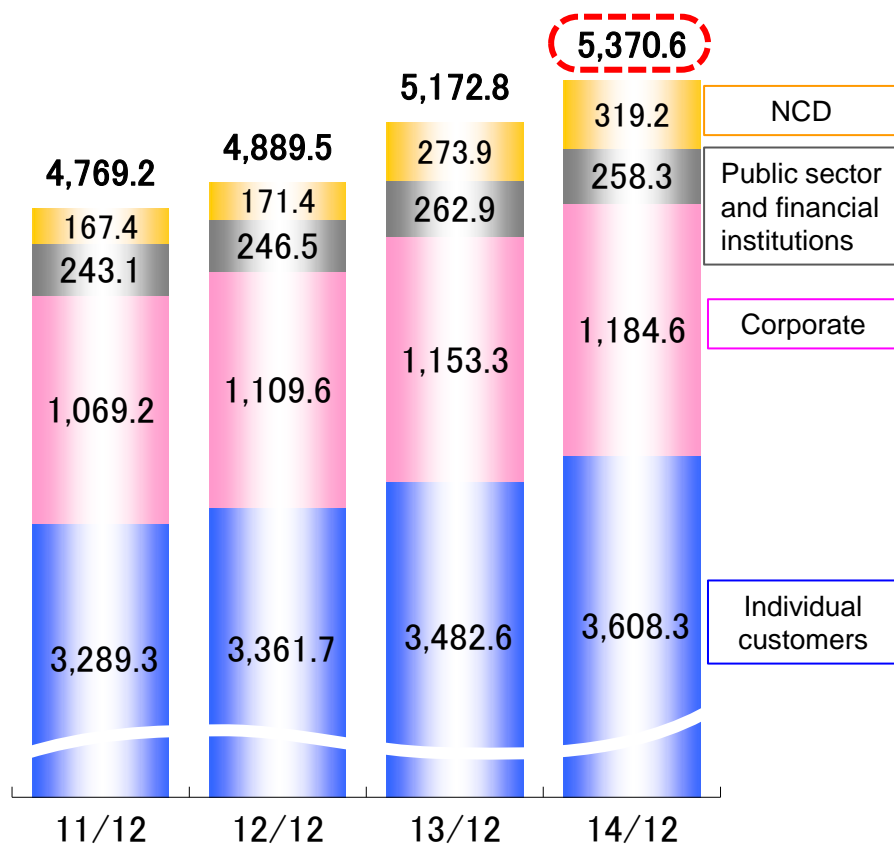
《Breakdown of changes in Loans(YOY)》 (JPY Bn)



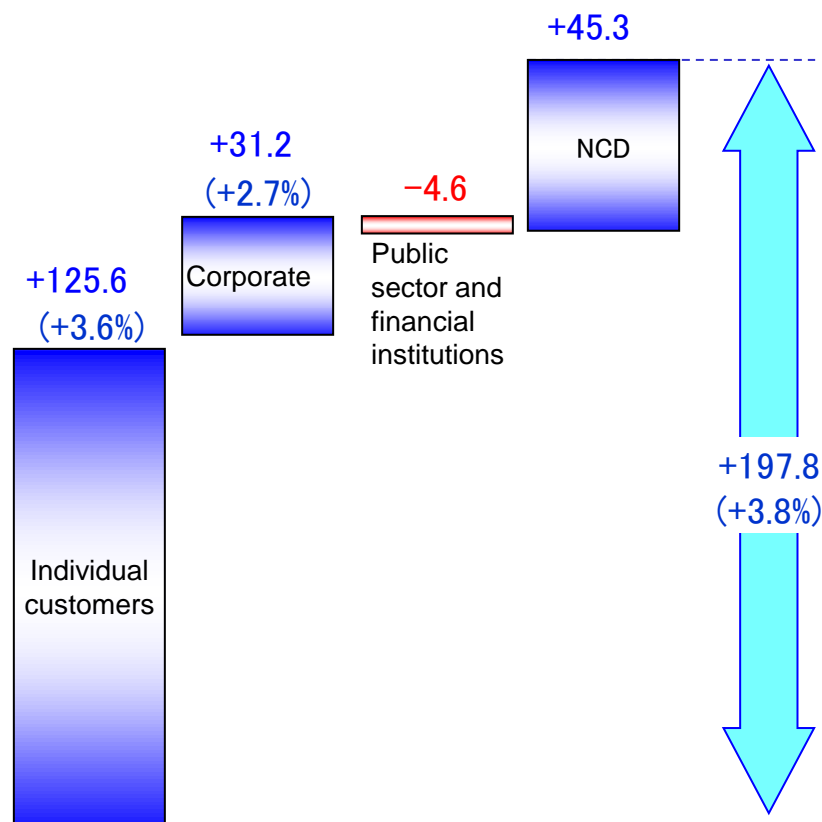
Deposits (term-end balance)

- ◆ The term-end balance of deposits including NCD increased 197.8 billion yen YoY, to 5,370.6 billion yen (3.8% annualized).
- ◆ Of that, deposits from individual customers increased 125.6 billion yen (3.6% annualized), deposits from corporate customers increased 31.2 billion yen (2.7% annualized) and NCD increased 45.3 billion yen.

《Deposits (term-end balance)》 (JPY Bn)



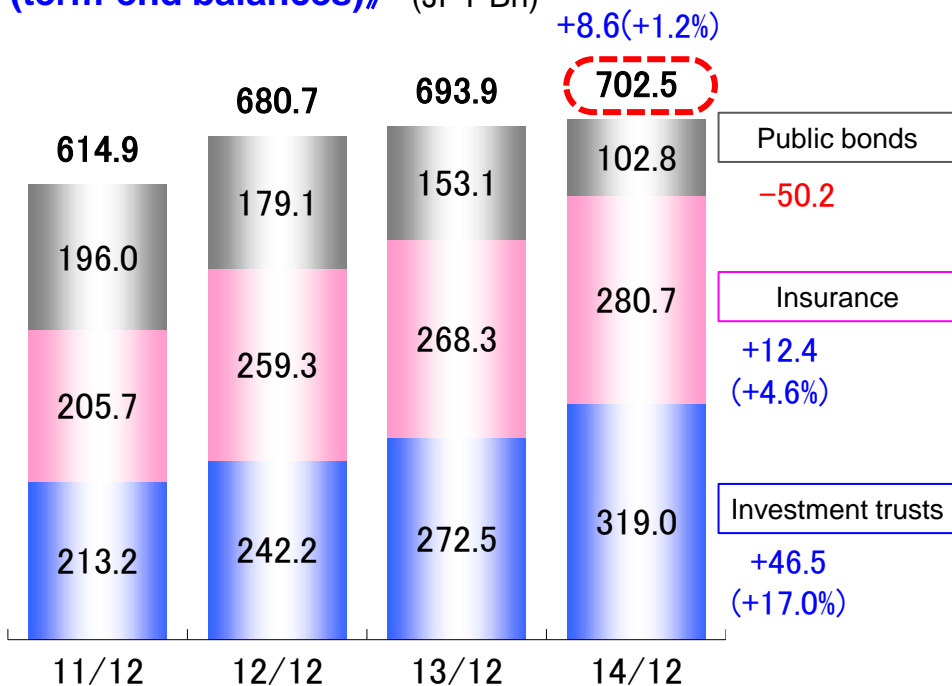
《Breakdown of changes in deposits(YOY)》 (JPY Bn)



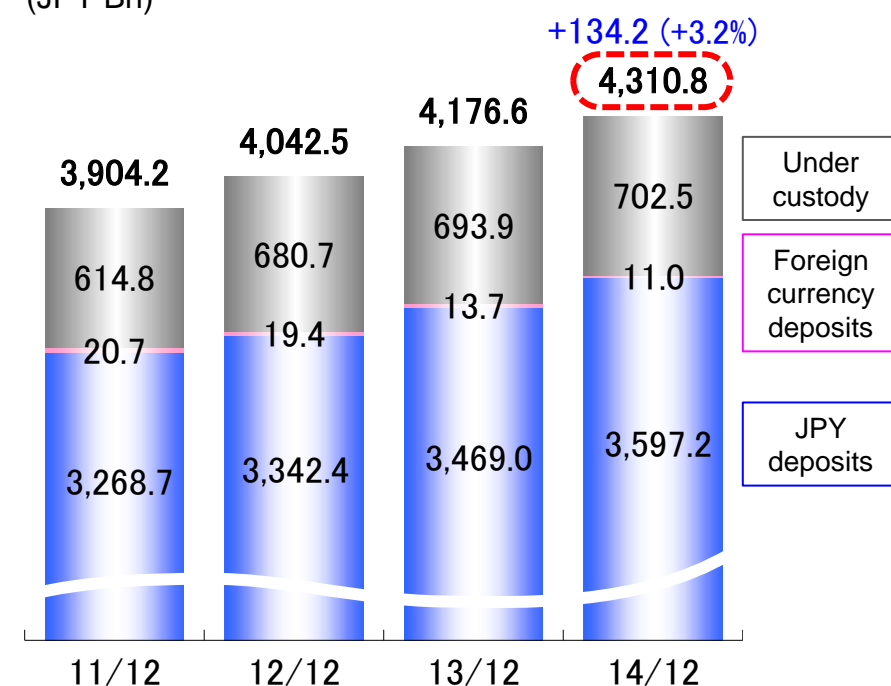
Individual financial assets (term-end balance)

- ◆ Individual customer assets under custody increased 8.6 billion yen YoY, to 702.5 billion yen. Of that, investment trusts increased 46.5 billion yen and insurances increased 12.4 billion yen, while bonds decreased 50.2 billion yen owing to redemption of large amount of JGB for individual investors.
- ◆ Number of “NISA” exceeded 55,000 accounts and the utilization rate rose to 46.0%.
- ◆ Total financial assets from individual customers increased 134.2 billion yen YoY, to 4,310.8 billion yen.

《Individual customer assets under custody (term-end balances)》 (JPY Bn)



《Personal financial assets (term-end balance)》 (JPY Bn)



(Note) Insurance = personal annuity insurance + whole-life insurance + educational endowment insurance

《Acquisition of NISA accounts》 (As of the end of December 2014)

Number of accounts opened

55,099 accounts (the utilization ratio 46.0%)

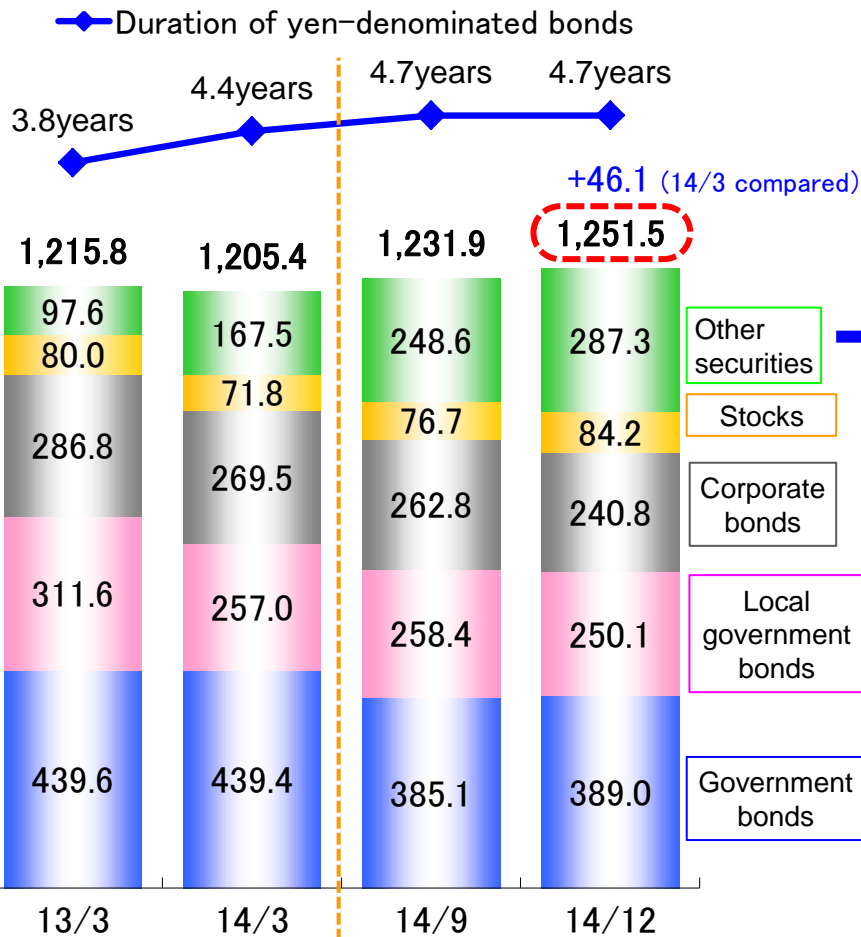


Securities

- ◆ The balance of securities increased 46.1 billion yen from the end of the previous fiscal year, to 1,251.5 billion yen. The balance fell in government bonds, corporate bonds. The increase in other securities was mainly due to foreign bonds and investment trusts. The duration of yen-denominated bonds was 4.7 years.
- ◆ Valuation gains on other securities (available-for-sale securities) increased from the end of the previous fiscal year, due to the decline in interest rates and raise in stock prices.

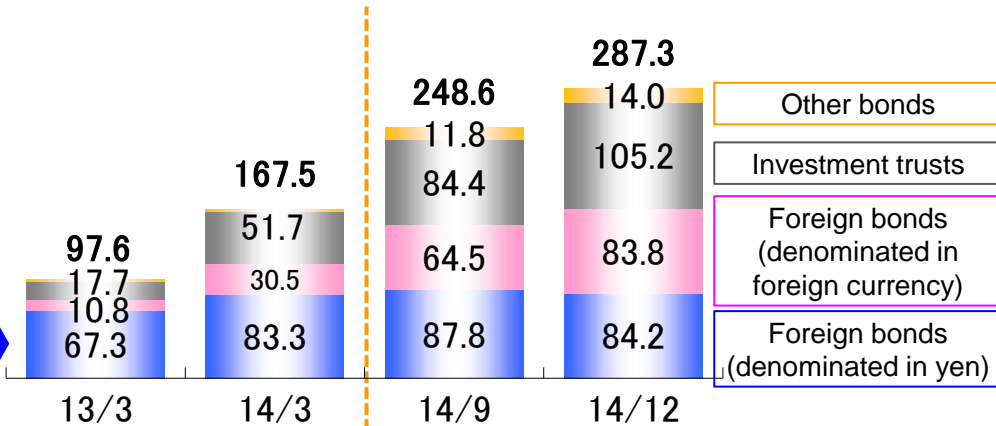
《Securities (term-end balances)》

(JPY Bn)



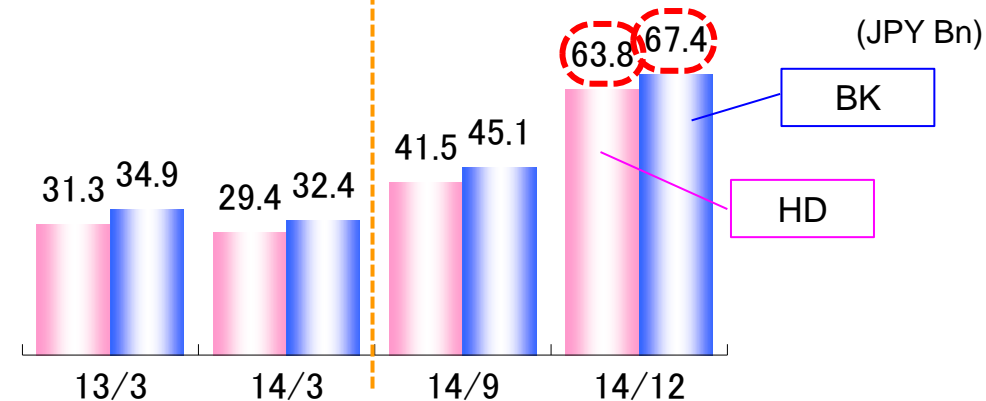
《Foreign bonds, etc. (term-end balances)》

(JPY Bn)



【HD / BK】《Unrealized Valuation Gains (Losses) on Other Securities (available-for-sale securities)》

(JPY Bn)



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

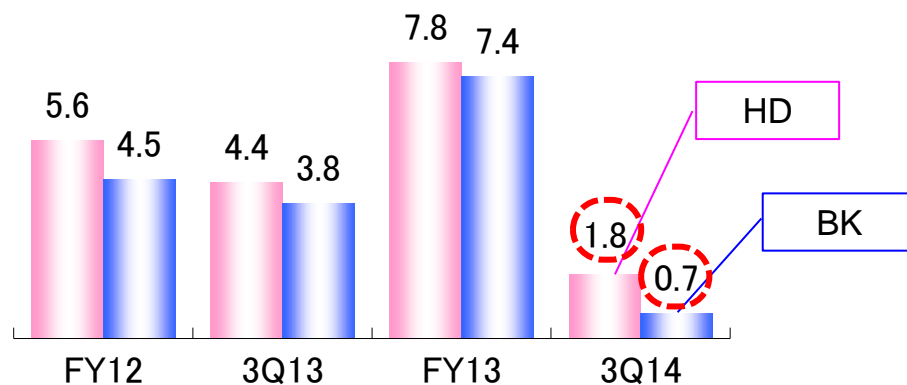
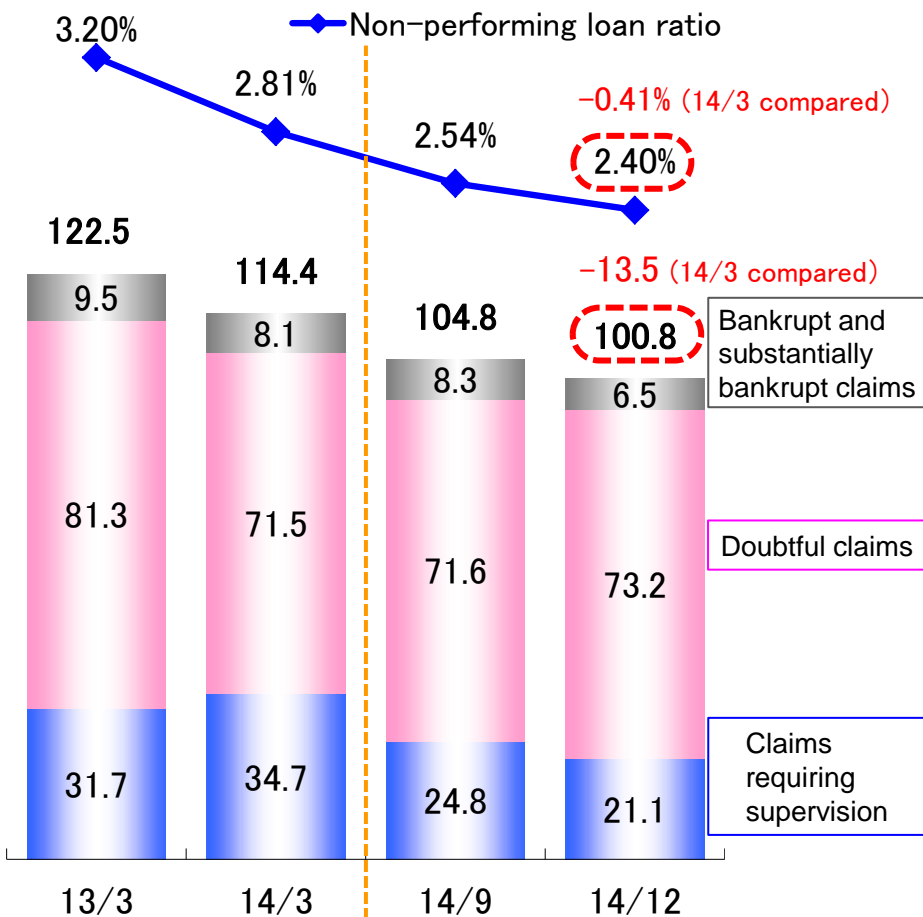
*Other securities = Available-for-sale securities

Non-performing loans / Credit related costs

- ◆ The balance of non-performing loans (loans subject to mandatory disclosure under the financial revitalization law) declined 13.5 billion yen from the end of the previous fiscal year, to 100.8 billion yen. The non-performing loan ratio fell 0.41 points from the end of the previous fiscal year, to 2.40%.
- ◆ Credit related costs decreased to 1.8 billion yen on consolidated basis (HD) and 0.7 billion yen on non-consolidated basis (BK). The balance of general allowance for loan losses declined due to a decrease of claims requiring supervision.

《 Loans subject to mandatory disclosure under the financial revitalization law 》 (JPY Bn)

《 HD / BK 》 《 Credit related costs 》 (JPY Bn)



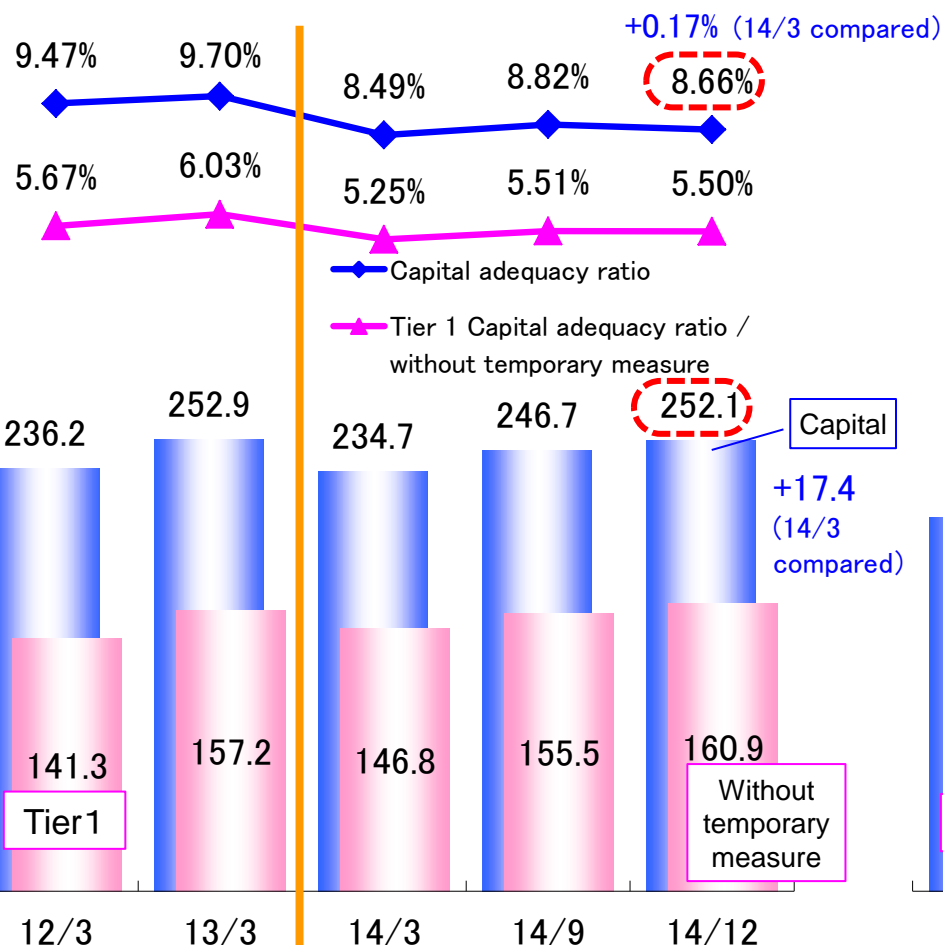
《 Reserve for possible loan losses 》 (JPY Bn)



Capital adequacy ratio

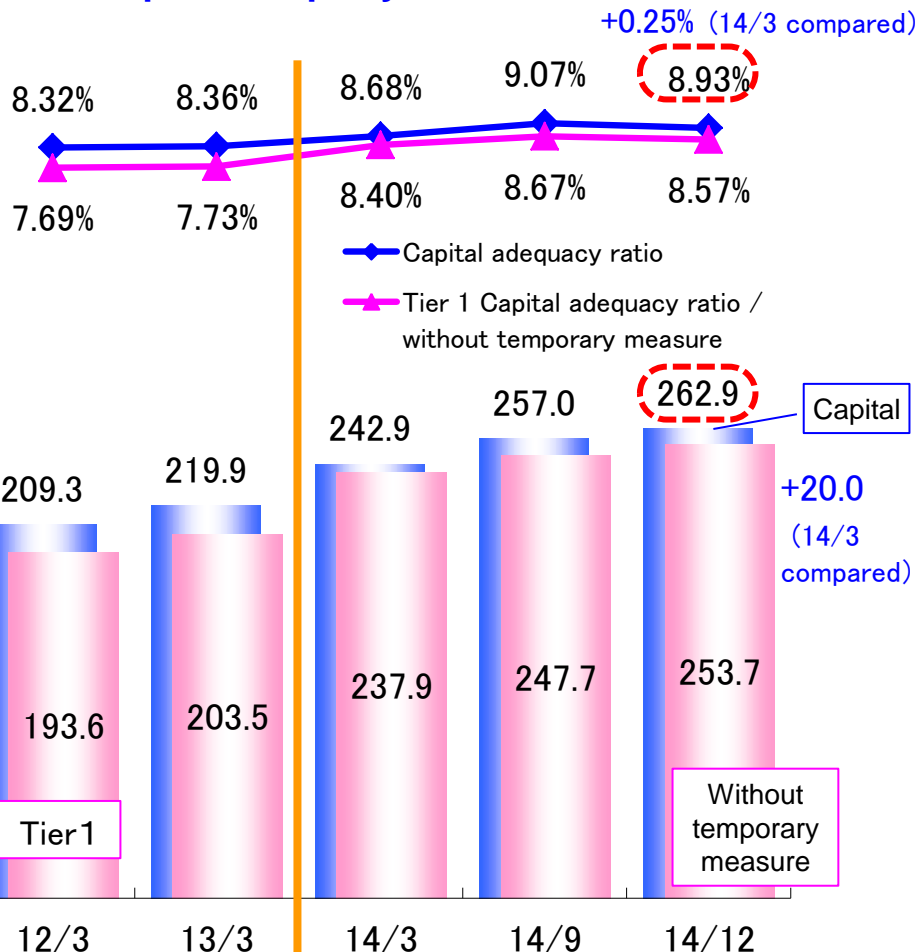
- ◆ The domestic standard of Basel III was applied to the capital adequacy ratio at the end of FY2013 ended Mar. 31, 2014.
- ◆ The capital adequacy ratio of HD was 8.66%, up 0.17 point from the end of the previous fiscal year and also, the ratio of BK was 8.93%, up 0.25 point.

【HD】《 Capital adequacy ratio 》 (JPY Bn)



Basel III

【BK】《 Capital adequacy ratio 》 (JPY Bn)



Basel III



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