



# Financial Results for the 1st Quarter of FY2015

July, 2015

Ashikaga Holdings Co., Ltd. (code : 7167)

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 FY2012	1st Quarter FY2013	1st Quarter FY2014	1st Quarter FY2015	Y oY	Progress	Projection FY2015
Core gross business profit	18.4	19.5	19.7	22.9	+ 3.2	+28.9%	79.5
Gross business profit	24.0	21.3	19.7	23.6	+ 3.8	+29.6%	80.0
Expenses	13.5	12.7	12.3	11.9	- 0.3	+25.5%	47.0
Net business income (before general allowance for loan losses)	10.5	8.6	7.4	11.6	+ 4.1	+35.2%	33.2
Core net business income	4.9	6.7	7.4	10.9	+ 3.5	+33.8%	32.5
Credit related costs	1.1	0.3	- 0.0	- 1.2	- 1.1	-61.1%	2.0
Gains (losses) on stocks	- 0.0	2.9	- 0.0	- 0.6	- 0.6	-	-
Ordinary profit	9.1	11.0	7.3	12.1	+ 4.7	+39.7%	30.5
Income taxes-current	0.6	0.4	3.2	2.6	- 0.6	+28.4%	9.2
Income taxes-deferred	- 0.0	0.0	- 0.0	- 0.0	+ 0.0	+0.0%	-2.2
Net income	8.4	10.6	4.0	9.4	+5.4	+40.3%	23.5

《HD》

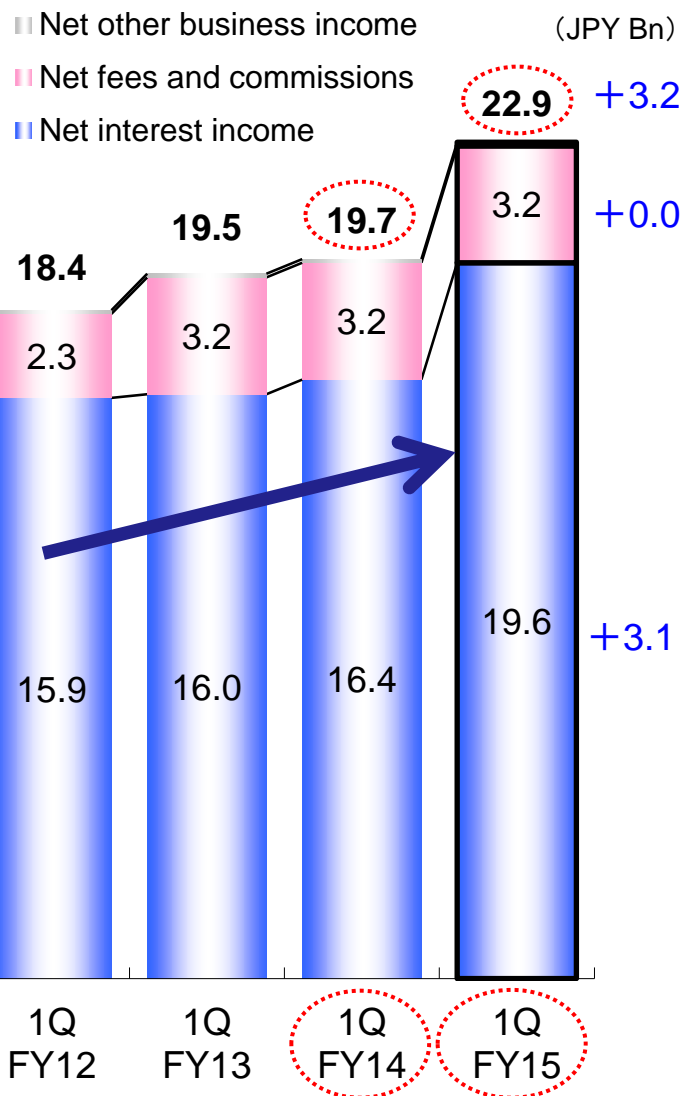
(JPY Bn)

	1st Quarter FY2011	1st Quarter FY2012	1st Quarter FY2013	1st Quarter FY2015	Y oY	Progress	Projection FY2015
Ordinary income	27.9	27.6	23.7	28.7	+ 4.9	+30.2%	95.0
Consolidated gross profit	24.3	22.0	20.5	24.1	+ 3.5		
General and administrative expenses	15.6	14.9	14.5	14.1	- 0.3		
Credit related costs	1.2	0.6	0.4	- 0.9	- 1.3		
Gains (losses) on stocks	- 0.0	2.3	- 0.0	- 0.6	- 0.6		
Ordinary profit	7.3	8.8	5.6	10.2	+ 4.6	+43.8%	23.5
Income taxes-current	0.9	0.5	3.3	1.4	- 1.9		
Income taxes-deferred	0.0	0.1	0.1	1.1	+ 0.9		
Net income	6.5	8.1	2.1	7.7	+ 5.5	+45.3%	17.0

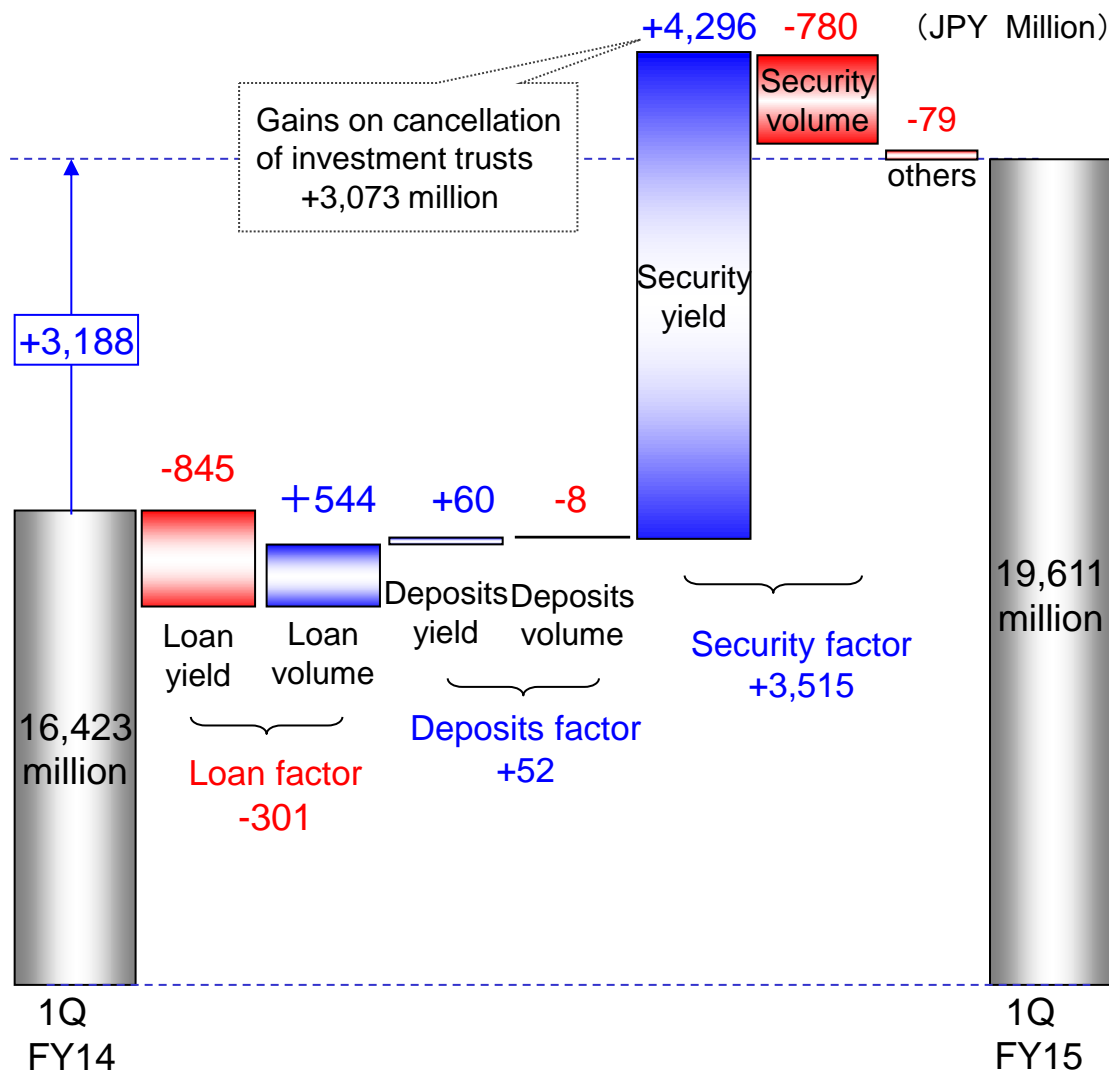
# Top-line

- ◆ Core gross business profit (excluding gains (losses) on bonds) rose 3.2 billion yen YoY, to 22.9 billion yen.
- ◆ Of that, net interest income increased 3.1 billion yen YoY, to 19.6 billion yen, due to security yield factor including gains on cancellation of investment trusts.

## 《Core gross business profit》



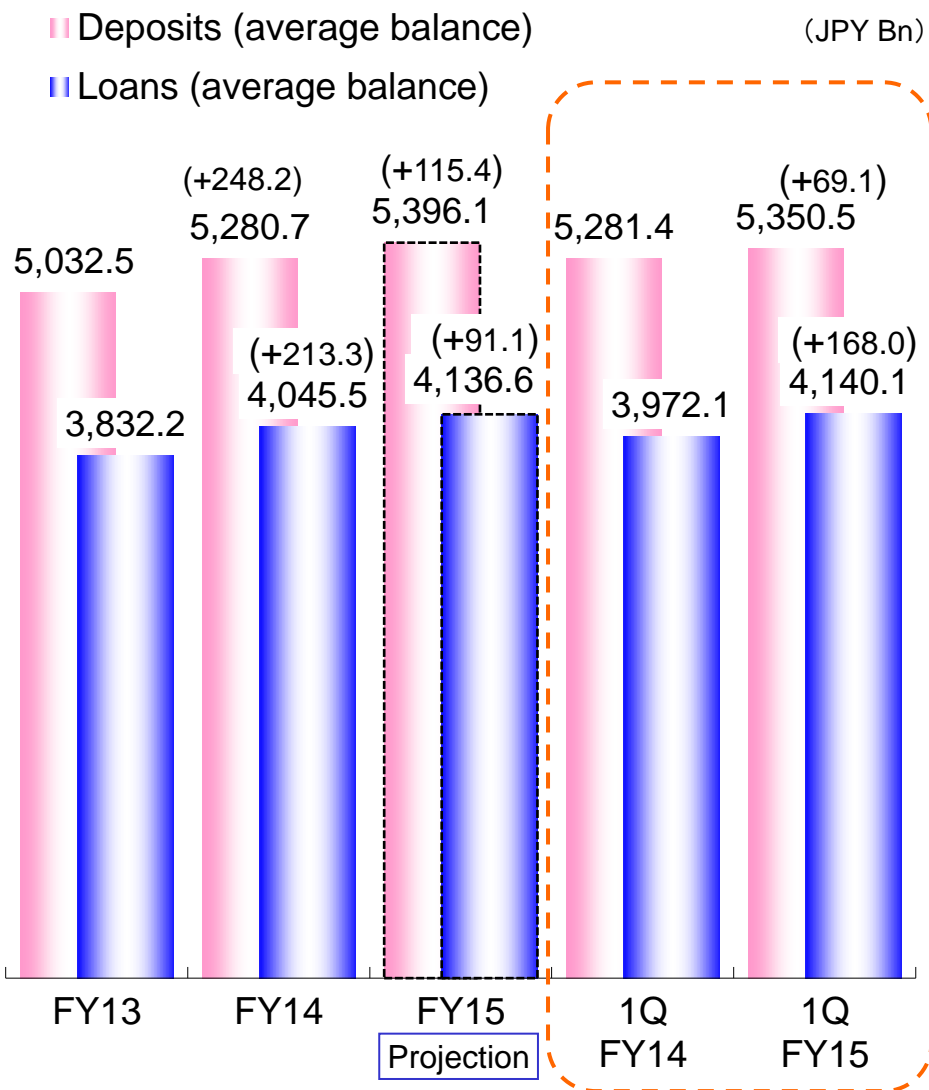
## 《Factor analysis for net interest income (Y o Y change)》



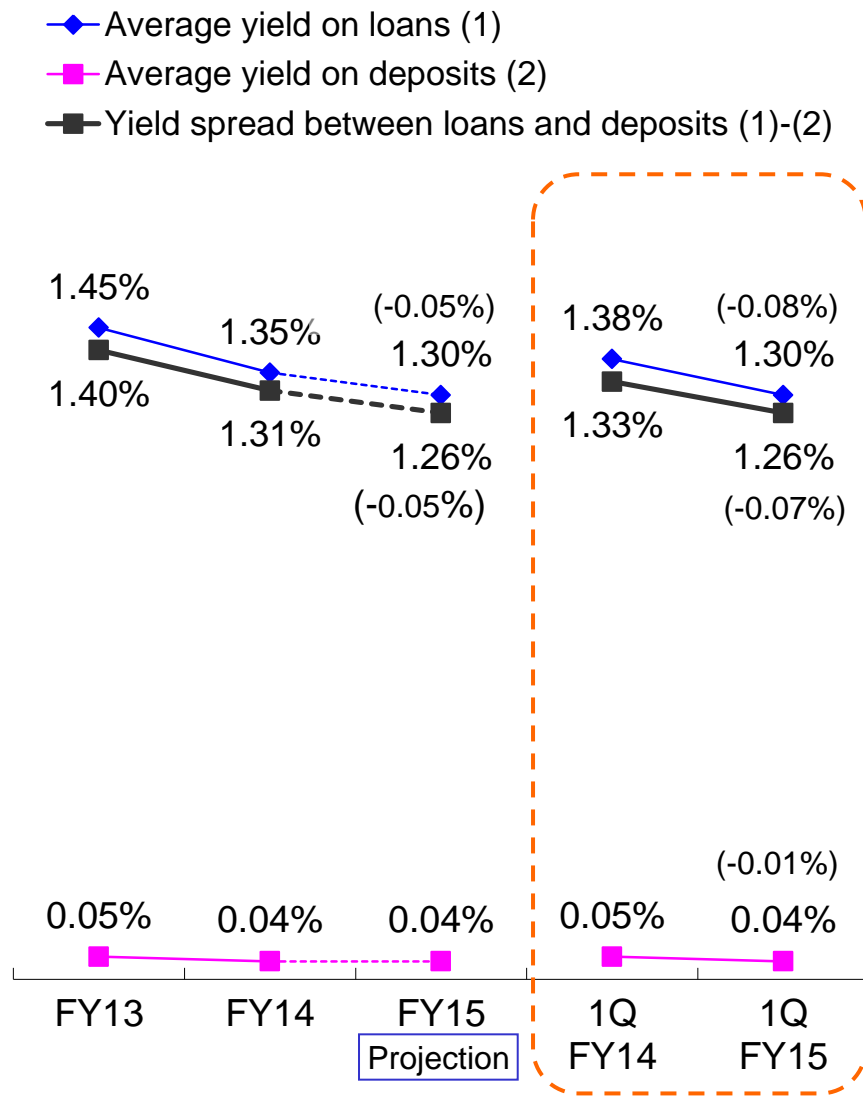
# Loans and Deposits ( average balance / average yield )

- ◆ The average balances of loans and deposits in FY15-1Q increased steadily.
- ◆ Average yield on loans continued to decline, but remained in line with our expectation.

## 《Loans and Deposits average balance 》



## 《Loans and Deposits yield 》



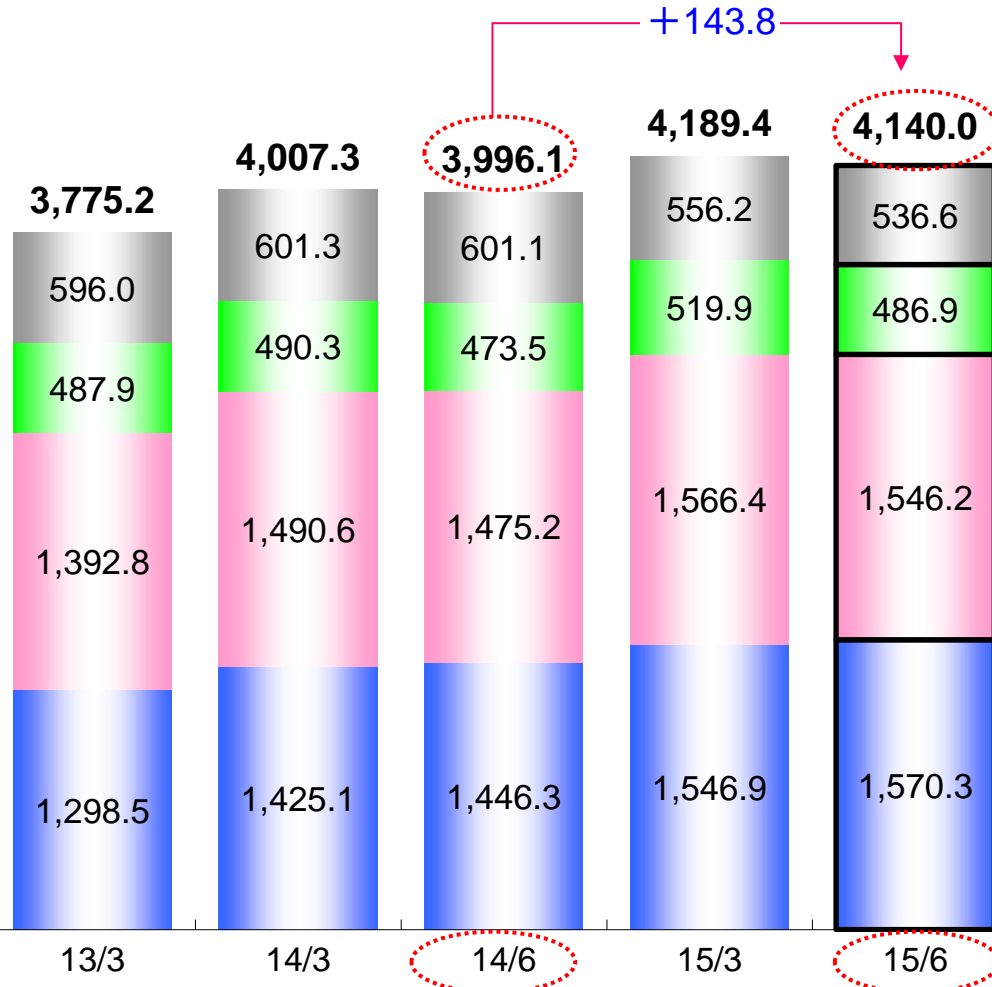
# Loans (term-end balance)

◆ The term-end loans balance increased 143.8 billion yen YoY, to 4,140.0 billion yen (3.5% annualized) , mainly due to increases in housing loans and loans to small and medium-sized enterprises (SMEs) .

## 《Loans (term-end balance) 》

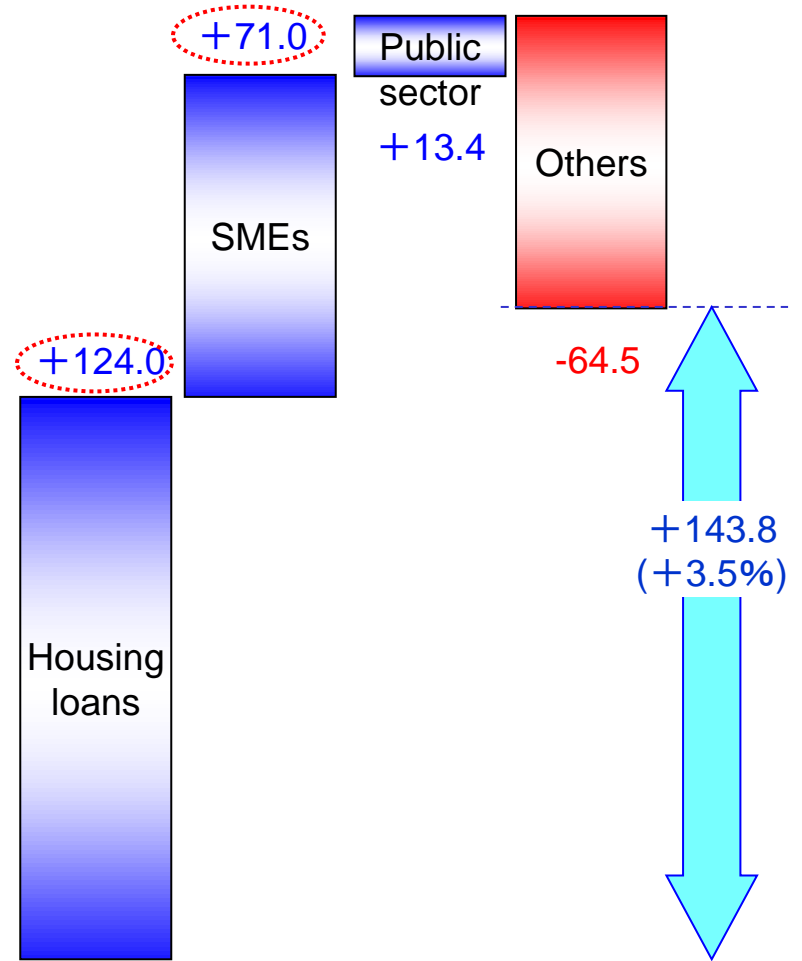
(JPY Bn)

■ Housing loans ■ SMEs ■ Public sector ■ Others



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

(JPY Bn)

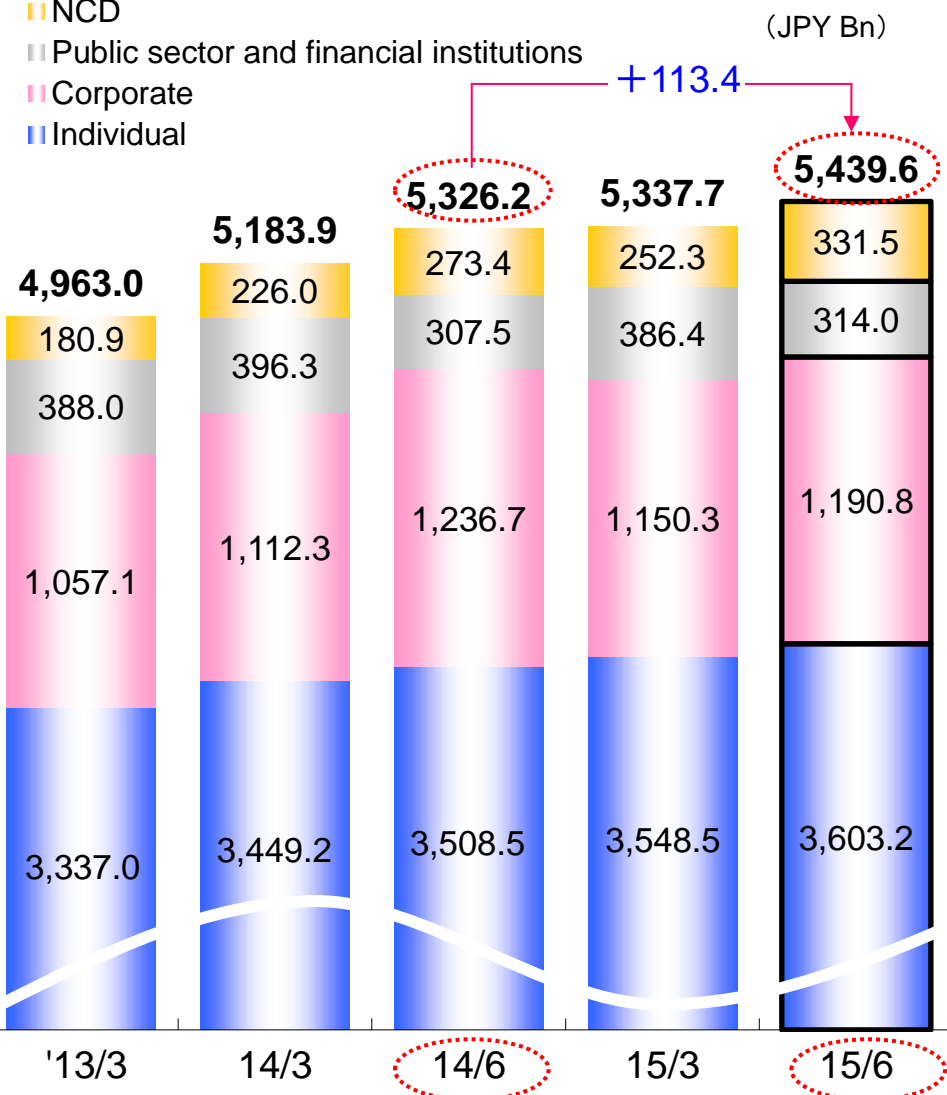


# Deposits (term-end balance)

◆ The term-end deposits balance including NCD increased 113.4 billion yen YoY, to 5,439.6 billion yen (2.1% annualized), by growth in individual sectors.

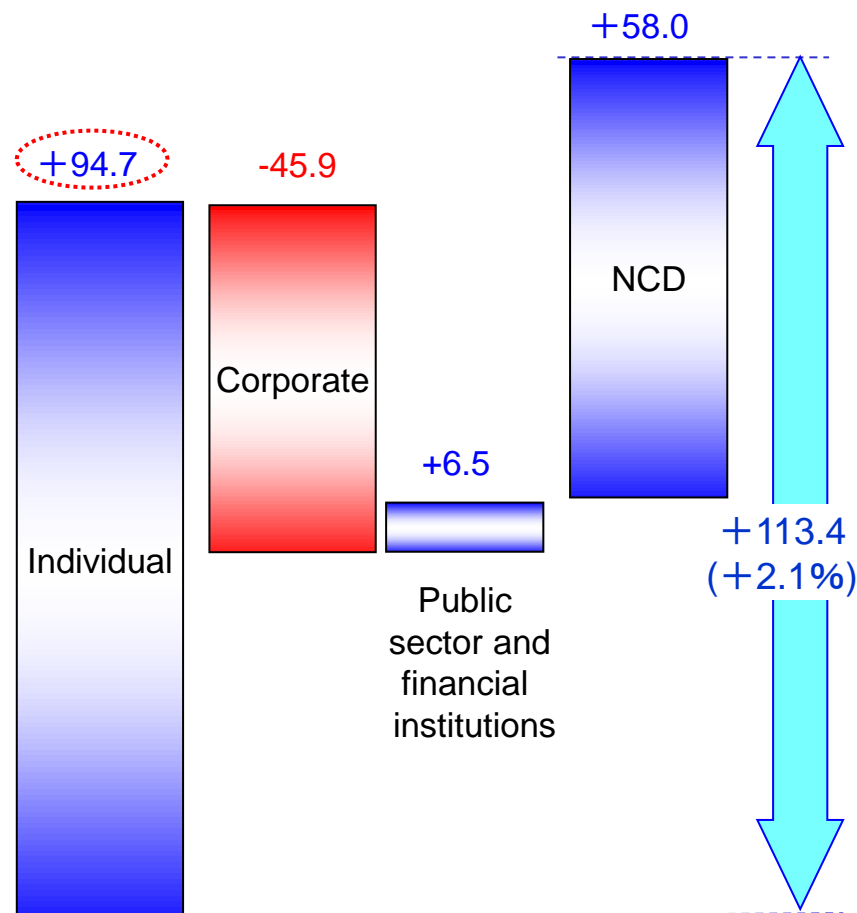
## 《Deposits (term-end balance)》

■ NCD  
 ■ Public sector and financial institutions  
 ■ Corporate  
 ■ Individual



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

(JPY Bn)



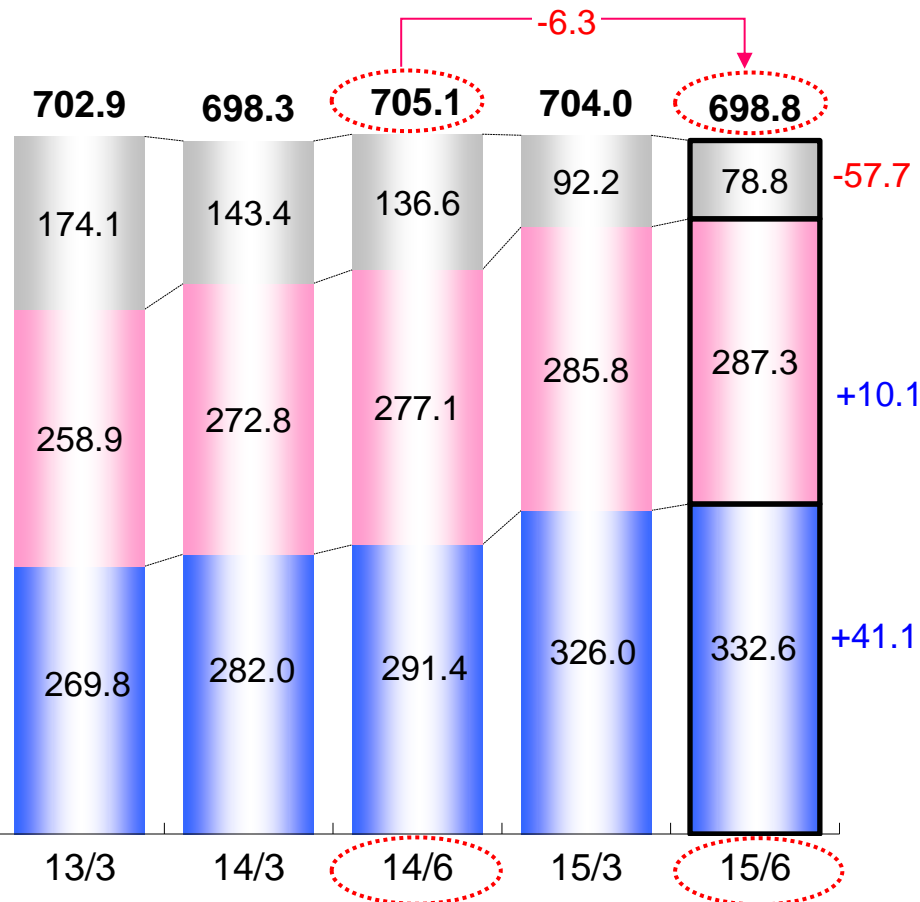
# Individual financial assets (term-end balance)

- ◆ Investment trusts and insurance increased steadily.
- ◆ Total individual financial assets increased 88.3 billion yen YoY, to 4,302.0 billion yen.

## 《Assets under custody for individuals (term-end balance)》

(JPY Bn)

■ Investment trusts ■ Insurance ■ Public bonds



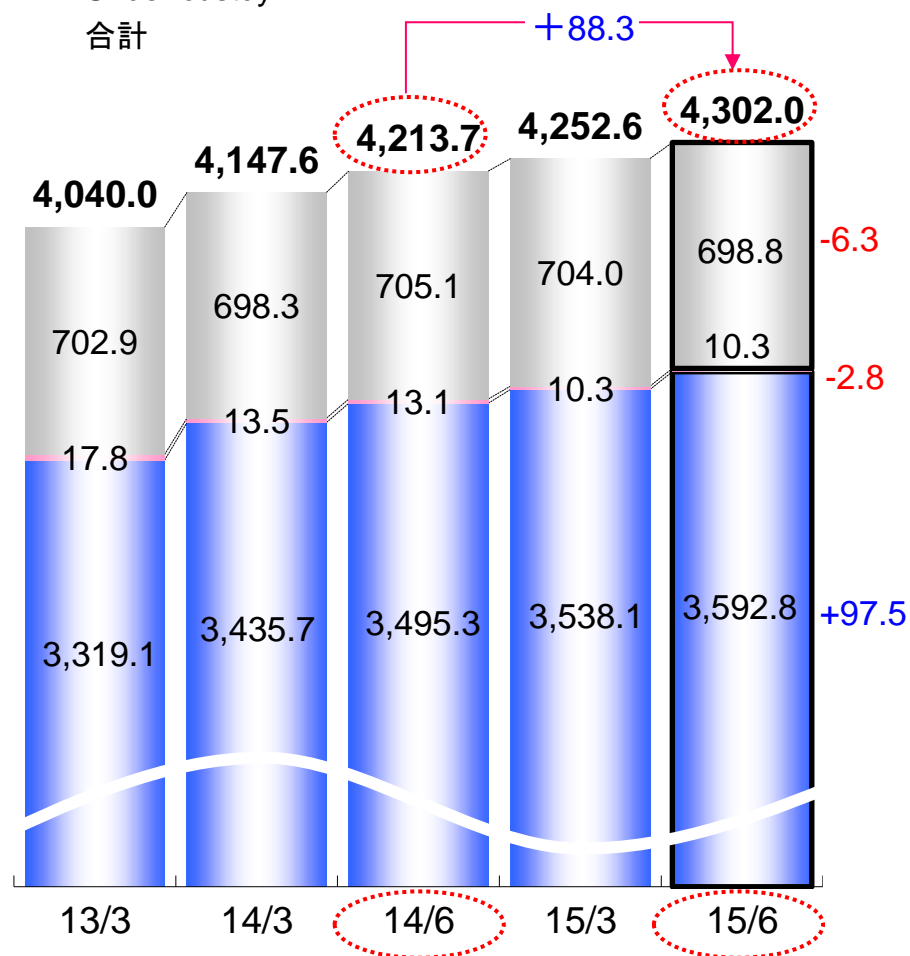
## 《Individual financial assets (term-end balance)》

(JPY Bn)

■ Foreign currency deposits

■ Under custody

合計

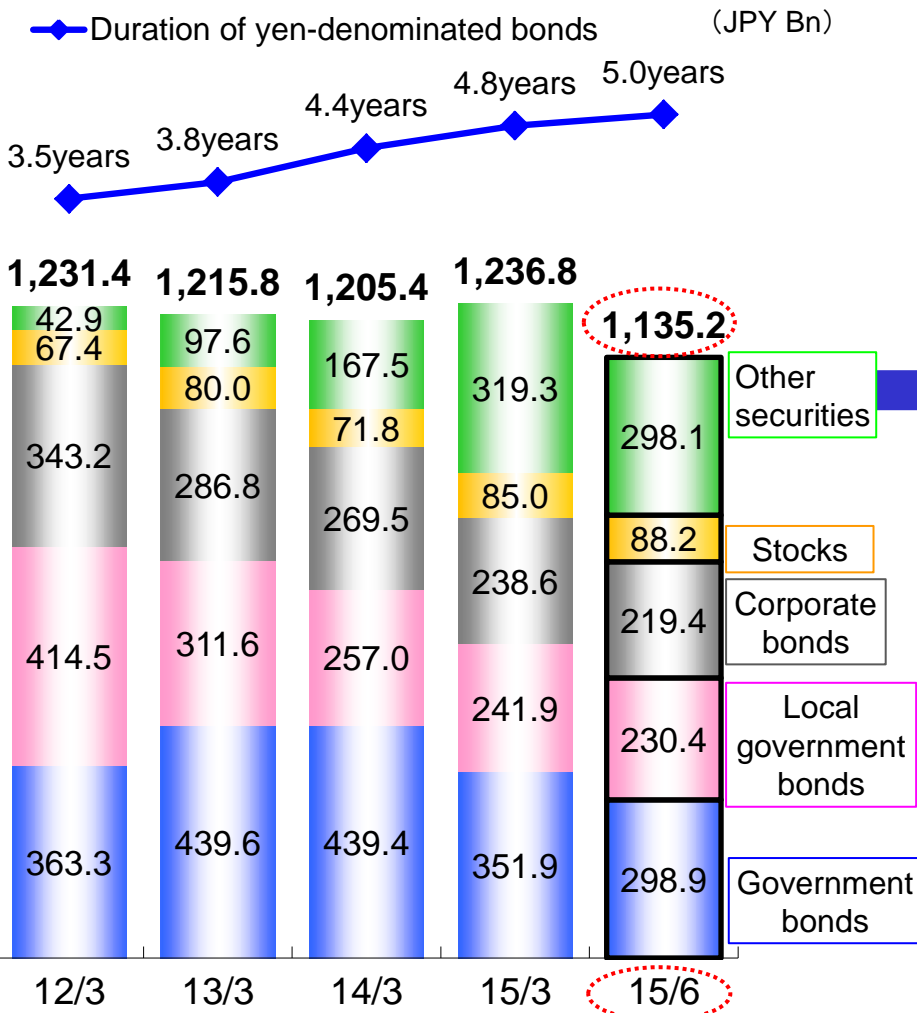




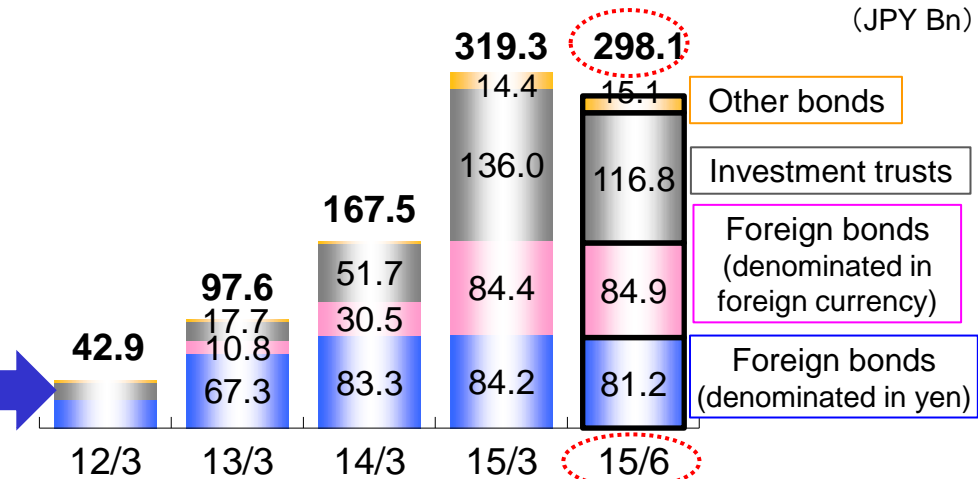
# Securities

- ◆ The balance of securities declined 144.5 billion yen from the end of FY2014, to 1,135.2 billion yen, due to the decrease of bonds such as JGB and local government bonds, etc.
- ◆ The duration of yen-denominated bonds was 5.0 years.

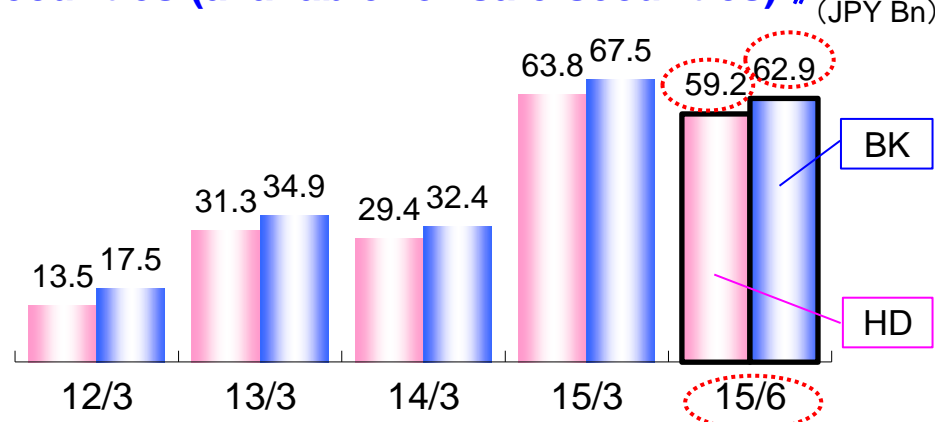
## 《Securities (term-end balance)》



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



## 【HD/BK】《Unrealized valuation gains on other securities (available-for-sale securities)》



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

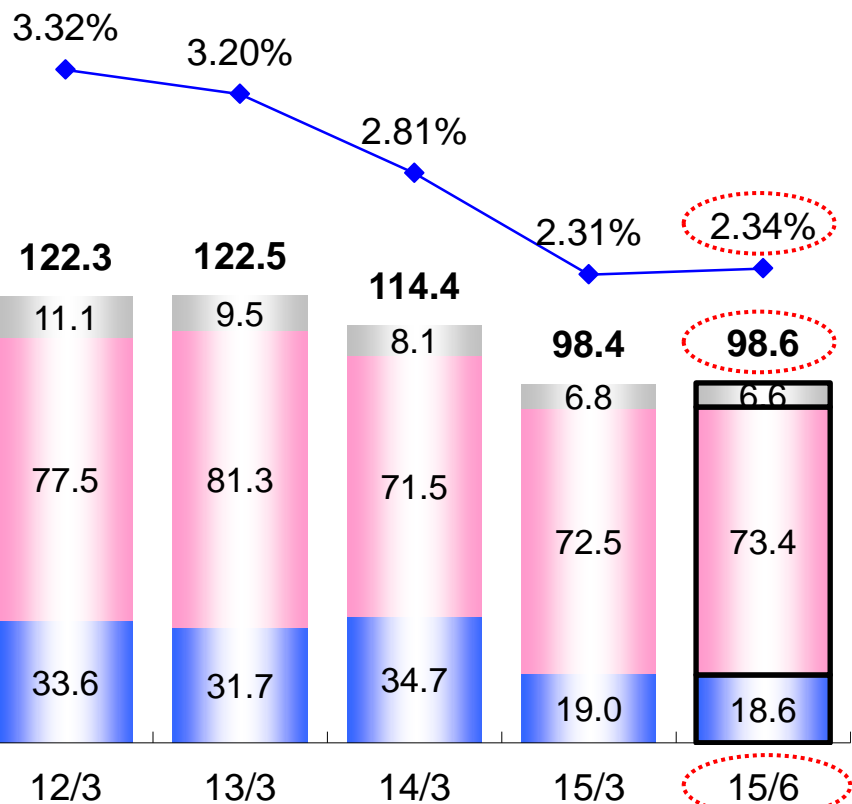
\*Other Securities = Available-for-sale securities

# Non-performing loans / Credit related costs

- ◆ The balance of non-performing loans (loans subject to mandatory disclosure under the financial revitalization law) increased 0.2 billion yen from the end of FY2014, to 98.6 billion yen. The non-performing loan ratio rose 0.03 points, to 2.34%.
- ◆ Credit related costs were -1.2 billion yen on non-consolidated basis (BK) and -0.9 billion yen on consolidated basis (HD) due to the gains on reversal of allowance for loan losses.

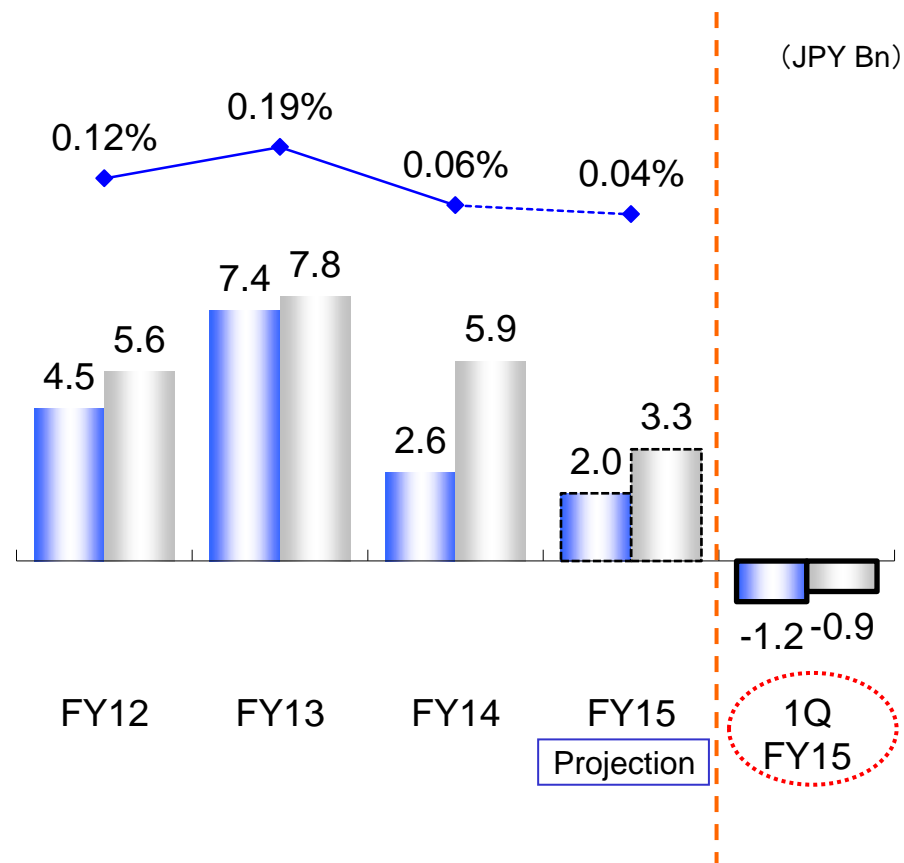
## 《Loans subject to mandatory disclosure under the Financial Revitalization Law》

- Bankrupt and substantially bankrupt claims
  - Doubtful claims
  - Claims requiring supervision
  - ◆ Non-performing loan ratio
- (JPY Bn)



## 《Credit related costs》

- BK
- HD
- ◆ Credit related costs ratio

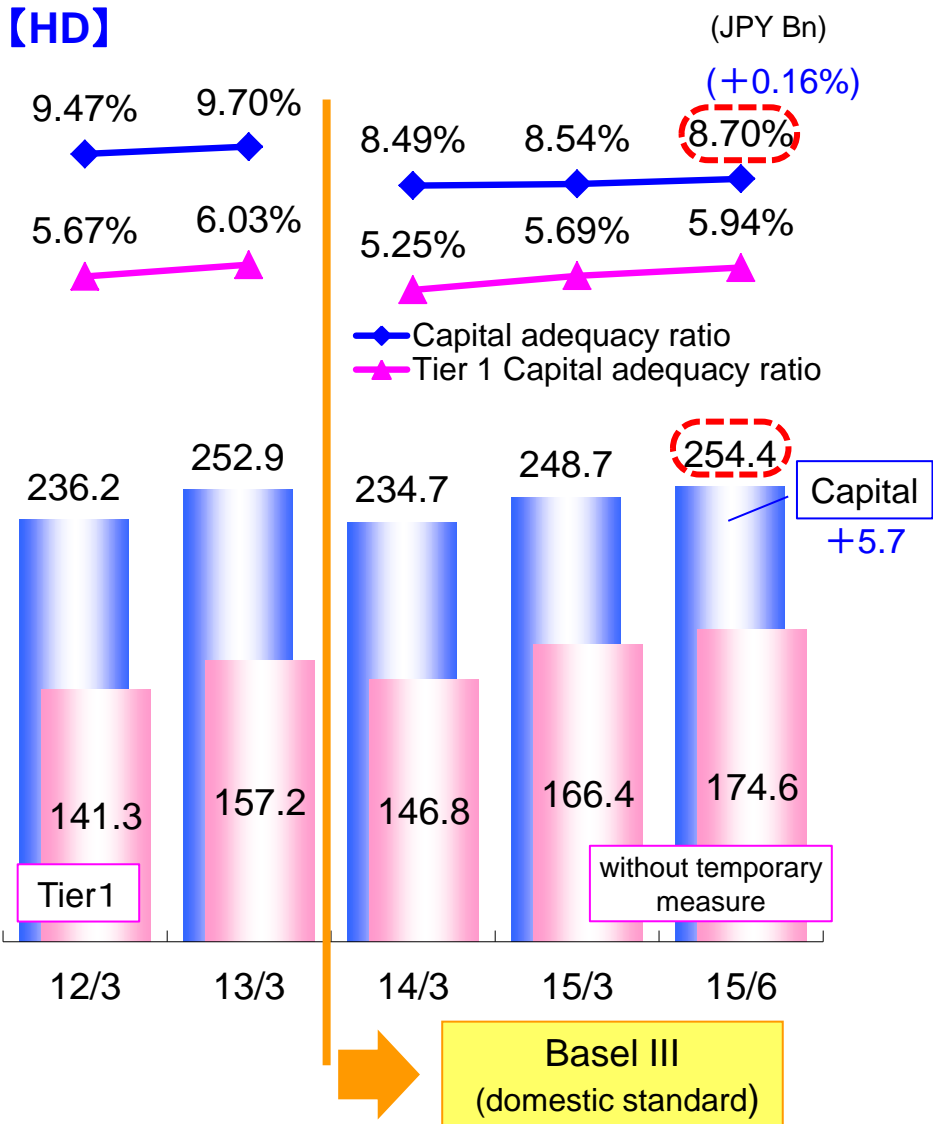


\*Credit related costs ratio  
= Credit related costs / Average balance of loans

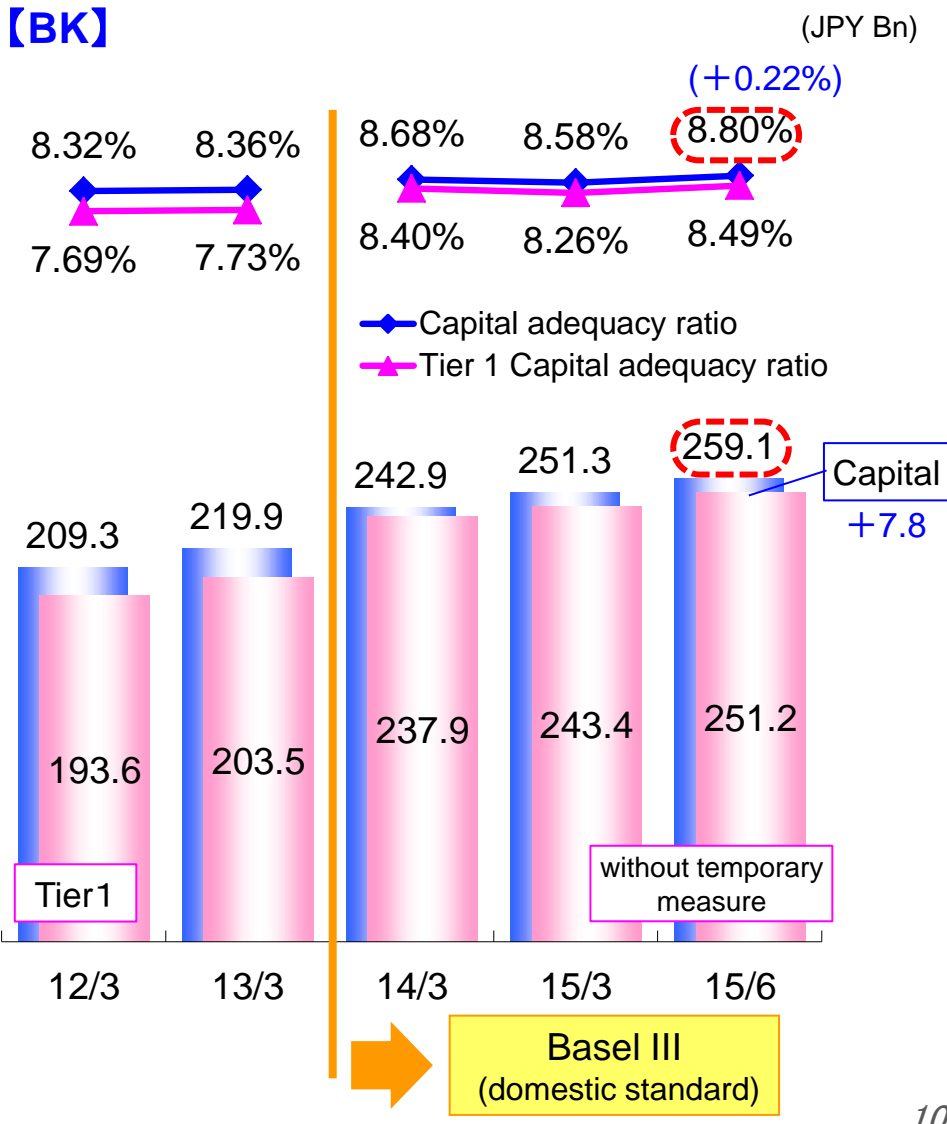
# Capital adequacy ratio (Domestic standard)

- ◆ The capital adequacy ratio based on Basel III (domestic standard) was 8.70% of HD, up 0.16 point from the end of FY2014.
- ◆ The above ratio of BK was up 0.22 point, to 8.80%.

## 【HD】



## 【BK】





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