

Financial Results for the Fiscal Year
Ended March 31, 2011

Ashikaga Holdings Co., Ltd
The Ashikaga Bank, Ltd

Financial Results for the Fiscal Year Ended March 31, 2011

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Consolidated Financial Information for Fiscal 2010

1. Consolidated Balance Sheets

【Ashikaga Holdings Co., Ltd.】

(Millions of yen)

Item	As of March 31, 2010	As of March 31, 2011
Assets		
Cash and due from banks	93,372	119,674
Call loans and bills purchased	148,016	130,385
Commercial paper and other debt purchased	6,544	7,848
Trading securities	4,377	3,536
Money held in trust	84	-
Securities	1,238,501	1,335,264
Loans and bills discounted	3,367,654	3,474,628
Foreign exchanges	4,477	6,223
Other assets	23,740	26,456
Tangible fixed assets	26,882	26,208
Buildings	6,850	6,765
Land	13,282	13,083
Lease assets	22	21
Construction in progress	533	748
Other tangible fixed assets	6,193	5,589
Intangible fixed assets	117,336	112,902
Software	3,587	5,360
Goodwill	113,194	106,991
Lease assets	15	12
Other intangible fixed assets	539	537
Deferred tax assets	5,433	10,403
Customer liabilities for acceptances and guarantees	24,170	20,247
Reserve for possible loan losses	(70,801)	(55,097)
Total Assets	4,989,790	5,218,682
Liabilities		
Deposits	4,363,937	4,481,517
Negotiable certificates of deposit	87,735	107,119
Collateral deposits received for securities lending	10,315	19,700
Borrowed money	215,366	289,236
Foreign Exchanges	436	463
Other liabilities	36,074	43,080
Reserve for directors' bonuses	48	70
Reserve for employee retirement benefits	15,374	15,610
Reserve for directors' retirement benefits	141	174
Reserve for reimbursement of deposits	1,236	1,350
Reserve for contingent losses	164	286
Reserve for credit card rewards points	52	65
Reserve for losses on disaster	-	518
Acceptances and guarantees	24,170	20,247
Total liabilities	4,755,053	4,979,438
Net Assets		
Capital stock	105,010	105,010
Capital surplus	95,780	95,780
Retained earnings	25,179	35,494
Total shareholders' equity	225,970	236,285
Net unrealized valuation gains (losses) on other securities (available for sale securities)	8,774	2,958
Gains (losses) on deferred hedges	(7)	-
Total accumulated other comprehensive income	8,766	2,958
Total net assets	234,737	239,243
Total liabilities and net assets	4,989,790	5,218,682

(Note) Figures are rounded down to the nearest million.

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

【Ashikaga Holdings Co., Ltd.】

(1) Consolidated Statements of Income

(Millions of yen)

Item	FY 2009	FY 2010
Operating income	117,053	104,644
Interest income	84,649	78,160
Interest on loans and discounts	69,951	66,089
Interest and dividends on securities	13,944	11,571
Interest on call loans and bills bought	233	181
Interest on deposits with other banks	28	174
Other interest income	490	143
Fees and commissions	17,016	16,812
Other business income	9,723	7,338
Other operating income	5,663	2,333
Operating expenses	92,368	88,879
Interest expenses	10,342	8,521
Interest on deposits	6,505	4,733
Interest on negotiable certificates of deposit	109	274
Interest on call money and bills sold	44	2
Interest on deposits for bonds lending transaction	79	9
Interest on borrowed money	3,583	3,488
Other interest expenses	19	13
Fees and commissions	5,152	5,563
Other business expenses	114	116
General and administrative expenses	58,109	59,829
Other operating expenses	18,648	14,848
Provision for reserve for possible loan losses	6,342	1,608
Write-off amount of loans	5,237	9,032
Losses on sales of stocks	3,604	773
Write-off amount of stocks	2,072	1,752
Losses on sales of loans	858	695
Other expenses or losses	532	986
Operating profit	24,684	15,765
Special gains	980	888
Gains on dispositions of fixed assets	12	200
Recoveries of written-off claims	967	687
Special losses	242	1,317
Losses on dispositions of fixed assets	206	234
Impairment losses	35	-
Losses caused by adoption of accounting standard for asset retirement obligations	-	378
Provision for reserve for losses on disaster	-	518
Losses on advanced depreciation of fixed assets	-	186
Net profit before income taxes	25,422	15,336
Corporate, inhabitant, business taxes	358	649
Corporate tax adjustments, etc.	(405)	(1,298)
Total corporate taxes, etc.	(46)	(648)
Income before minority interests	25,469	15,985
Net profit	25,469	15,985

(Note) Figures are rounded down to the nearest million.

(2) Consolidated Statements of Comprehensive Income

Item	FY 2009	FY 2010
Income before minority interests	-	15,985
Other comprehensive income	-	(5,808)
Net unrealized valuation gains (losses) on other securities (available for sale securities)	-	(5,815)
Gains (losses) on deferred hedges	-	7
Comprehensive income	-	10,176
Comprehensive income attributable to owners of the parent	-	10,176

(Note) Figures are rounded down to the nearest million.

3. Consolidated Statement of Shareholders' Equity

【Ashikaga Holdings Co., Ltd.】

(Millions of Yen)

Item	FY 2010 (ended March 31, 2011)
Shareholders' equity	
Capital stock	
Balance at the end of previous period	105,010
Changes of items during the period	
Total changes of items during the period	-
Balance at the end of current period	105,010
Capital surplus	
Balance at the end of previous period	95,780
Changes of items during the period	
Total changes of items during the period	-
Balance at the end of current period	95,780
Retained earnings	
Balance at the end of previous period	25,179
Changes of items during the period	
Dividends from surplus	(5,670)
Net profit	15,985
Total changes of items during the period	10,315
Balance at the end of current period	35,494
Total shareholders' equity	
Balance at the end of previous period	225,970
Changes of items during the period	
Dividends from surplus	(5,670)
Net profit	15,985
Total changes of items during the period	10,315
Balance at the end of current period	236,285
Accumulated other comprehensive income	
Net unrealized valuation gains (losses) on other securities (available for sale securities)	
Balance at the end of previous period	8,774
Changes of items during the period	
Net changes of items other than shareholders' equity	(5,815)
Total changes of items during the period	(5,815)
Balance at the end of current period	2,958
Gains (losses) on deferred hedges	
Balance at the end of the previous period	(7)
Changes of items during the period	
Net changes of items other than shareholders' equity	7
Total changes of items during the period	7
Balance at the end of current period	-
Total accumulated other comprehensive income	
Balance at the end of previous period	8,766
Changes of items during the period	
Net changes of items other than shareholders' equity	(5,808)
Total changes of items during the period	(5,808)
Balance at the end of current period	2,958
Total net assets	
Balance at the end of previous period	234,737
Changes of items during the period	
Dividends from surplus	(5,670)
Net profit	15,985
Net changes of items other than shareholders' equity	(5,808)
Total changes of items during the period	4,506
Balance at the end of current period	239,243

(Note) Figures are rounded down to the nearest million.

4. Consolidated Statements of Cash Flows

(Millions of yen)

[Ashikaga Holdings Co., Ltd.]	FY ended Mar 31, 2010	FY ended Mar 31, 2011
Cash flows from operating activities		
Net profit before income taxes	25,422	15,336
Depreciation	2,951	3,770
Impairment losses	35	-
Amortization of goodwill	6,202	6,202
Increase (decrease) in reserve for loan losses	(2,705)	(15,703)
Increase (decrease) in reserve for directors' bonuses	35	21
Increase (decrease) in reserve for employee retirement benefits	232	235
Increase (decrease) in reserve for directors' retirement benefits	61	32
Increase (decrease) in reserve for reimbursement of deposits	81	114
Increase (decrease) in reserve for contingent losses	71	121
Increase (decrease) in reserve for credit card rewards points	3	13
Increase (decrease) in reserve for losses on disaster	-	518
Interest income	(84,649)	(78,160)
Interest expenses	10,342	8,521
Losses (gains) on securities	(6,203)	(3,044)
Losses (gains) on money held in trust	(1)	(0)
Losses (gains) on foreign exchange	4	(2)
Losses (gains) on dispositions of fixed assets	193	33
Losses on advanced depreciation of fixed assets	-	186
Net decrease (increase) in loans and bills discounted	70,881	(106,973)
Net increase (decrease) in deposits	99,052	117,580
Net increase (decrease) in negotiable certificates of deposit	70,626	19,383
Net increase (decrease) in borrowed money (excluding subordinated borrowed money)	81,376	73,870
Net decrease (increase) in due from banks (excluding due from the Bank of Japan)	(1,654)	(4,279)
Net decrease (increase) in call loans and bills purchased	(99,070)	17,609
Net decrease (increase) in trading securities	456	829
Net increase (decrease) in call money and bills sold	(90,000)	-
Net increase (decrease) in collateral deposits received for securities lending	(122,116)	9,384
Net decrease (increase) in foreign exchanges (assets)	(177)	(1,745)
Net increase (decrease) in foreign exchanges (liabilities)	(45)	27
Interest received	85,460	76,091
Interest paid	(9,900)	(6,601)
Other, net	(5,663)	3,163
Subtotal	31,306	136,537
Income taxes paid	(1,514)	(501)
Net cash provided by (used in) operating activities	29,791	136,036
Cash flows from investing activities		
Purchases of securities	(700,573)	(1,701,732)
Proceeds from sales of securities	480,016	276,325
Proceeds from redemption of securities	174,576	1,322,168
Proceeds from sales of money held in trust	158	84
Purchases of tangible fixed assets	(4,200)	(2,721)
Proceeds from sales of tangible fixed assets	36	191
Purchases of intangible fixed assets	(2,210)	(2,636)
Other, net	(22)	7
Net cash provided by (used in) investing activities	(52,219)	(108,312)
Cash flows from financing activities		
Dividends paid	(2,904)	(5,670)
Repayment of lease liabilities	(4)	(8)
Net cash provided by (used in) financing activities	(2,909)	(5,678)
Effect of exchange rate changes on cash and cash equivalents	(3)	(22)
Net increase (decrease) in cash and cash equivalents	(25,340)	22,022
Cash and cash equivalents at the beginning of the period	113,707	88,367
Cash and cash equivalents at the end of the period	88,367	110,390

5. Non-consolidated Balance Sheets

【The Ashikaga Bank, Ltd.】

(Millions of yen)

Item	As of March 31, 2010	As of March 31, 2011
Assets		
Cash and due from banks	93,370	119,673
Cash	45,311	44,193
Due from banks	48,059	75,480
Call loans	148,016	130,385
Commercial paper and other debt purchased	6,544	7,848
Trading securities	4,377	3,536
Japanese government bonds	4,188	2,503
Local government bonds	188	542
Government guaranteed bonds	-	490
Money held in trust	84	-
Securities	1,267,440	1,364,344
Japanese government bonds	518,170	681,830
Local government bonds	388,296	371,730
Corporate bonds	234,826	206,305
Stocks	69,944	66,774
Other securities	56,201	37,703
Loans and bills discounted	3,365,921	3,473,289
Bills discounted	27,853	28,524
Loans on bills	235,840	220,463
Loans on deeds	2,672,074	2,847,623
Overdrafts	430,152	376,678
Foreign exchanges	4,477	6,223
Due from foreign banks (our accounts)	4,304	6,004
Foreign bills bought	74	138
Foreign bills receivable	99	79
Other assets	19,195	21,805
Domestic exchange settlement account, debit	44	17
Prepaid expenses	282	103
Accrued income	5,985	5,985
Variation margins of future markets	6	3
Derivatives	3,773	5,287
Others	9,102	10,408
Tangible fixed assets	27,960	27,427
Buildings	7,328	7,193
Land	13,892	13,881
Lease assets	20	19
Construction in progress	533	748
Other tangible fixed assets	6,186	5,584
Intangible fixed assets	4,150	5,903
Software	3,613	5,368
Other intangible fixed assets	536	535
Deferred tax assets	6,401	11,066
Customer liabilities for acceptances and guarantees	24,170	20,247
Reserve for possible loan losses	(65,756)	(50,217)
Total Assets	4,906,354	5,141,531

(Millions of yen)		
Item	As of March 31, 2010	As of March 31, 2011
Liabilities		
Deposits	4,417,799	4,539,546
Current deposits	137,834	149,552
Ordinary deposits	2,179,907	2,281,664
Savings deposits	64,025	63,487
Deposits at notice	35,806	35,477
Time deposits	1,787,411	1,822,198
Installment savings	15,931	15,594
Other deposits	196,882	171,571
Negotiable certificates of deposit	87,735	107,119
Collateral deposits received for securities lending	10,315	19,700
Borrowed money	135,366	209,236
Borrowings from other banks	135,366	209,236
Foreign Exchanges	436	463
Foreign bills sold	341	359
Foreign bills payable	94	104
Other liabilities	20,347	27,169
Domestic exchange settlement account, credit	1,486	1,798
Income taxes payable	284	220
Accrued expenses	8,509	10,056
Unearned income	2,132	1,926
Reserve for interest on installment savings	12	8
Derivatives	3,065	4,147
Lease liabilities	21	20
Asset retirement obligations	-	429
Others	4,835	8,561
Reserve for directors' bonuses	23	42
Reserve for employee retirement benefits	14,589	14,885
Reserve for directors' retirement benefits	100	114
Reserve for reimbursement of deposits	1,236	1,350
Reserve for contingent losses	164	286
Reserve for credit card rewards points	7	23
Reserve for losses on disaster	-	518
Acceptances and guarantees	24,170	20,247
Total liabilities	4,712,292	4,940,703
Net Assets		
Capital stock	135,000	135,000
Retained earnings	44,614	57,990
Earned surplus reserve	2,010	4,423
Other earned surplus	42,603	53,567
Earned surplus brought forward	42,603	53,567
Total shareholders' equity	179,614	192,990
Net unrealized valuation gains (losses) on other securities (available for sale securities)	14,455	7,837
Gains (losses) on deferred hedges	(7)	-
Total valuation and translation adjustments, etc.	14,448	7,837
Total net assets	194,062	200,828
Total liabilities and net assets	4,906,354	5,141,531

(Note) Figures are rounded down to the nearest million.

6. Non-consolidated Statements of Income

【The Ashikaga Bank, Ltd.】

(Millions of yen)

Item	FY 2009	FY 2010
Operating income	112,355	99,586
Interest income	80,659	74,394
Interest on loans and discounts	66,613	62,760
Interest and dividends on securities	13,304	11,144
Interest on call loans	233	181
Interest on deposits with other banks	27	174
Other interest income	480	134
Fees and commissions	15,643	15,425
Fees and commissions on domestic and foreign exchanges	5,138	5,048
Other fees and commissions	10,504	10,376
Other business income	9,439	7,066
Gains on foreign exchange transactions	467	521
Gains on sales of trading securities	28	-
Gains on sales of bonds	8,904	6,315
Income from derivatives	38	229
Others	0	0
Other operating income	6,613	2,699
Gains on sales of stocks and other securities	5,374	1,077
Gains on money held in trust	1	0
Others	1,238	1,621
Operating expenses	72,382	74,647
Interest expenses	6,915	5,163
Interest on deposits	6,528	4,749
Interest on negotiable certificates of deposit	109	274
Interest on call money	44	2
Interest on deposits for bonds lending transaction	79	9
Interest on borrowed money	145	122
Other interest expenses	6	5
Fees and commissions	5,152	5,620
Fees and commissions on domestic and foreign exchanges	955	966
Other fees and commissions	4,197	4,654
Other business expenses	27	22
Losses on sales of trading securities	-	22
Write-off amount of bonds	27	-
General and administrative expenses	50,703	52,373
Other operating expenses	9,584	11,467
Provision for reserve for possible loan losses	4,006	-
Write-off amount of loans	4,308	8,839
Losses on sales of stocks	95	226
Write-off amount of stocks	201	1,065
Losses on sales of loans	471	371
Other expenses or losses	501	963
Operating profit	39,972	24,938
Special gains	950	1,065
Gains on dispositions of fixed assets	12	333
Reversal of reserve for possible loan losses	-	61
Recoveries of written-off claims	937	669
Special losses	254	1,259
Losses on dispositions of fixed assets	204	176
Impairment losses	49	-
Losses caused by adoption of accounting standard for asset retirement obligations	-	378
Provision for reserve for losses on disaster	-	518
Losses on advanced depreciation of fixed assets	-	186
Net profit before income taxes	40,668	24,743
Corporate, inhabitant, business taxes	85	84
Corporate tax adjustments, etc.	475	(781)
Corporate taxes, etc.	561	(697)
Net profit	40,107	25,441

(Note) Figures are rounded down to the nearest million.

7. Non-consolidated Statement of Shareholders' Equity

【The Ashikaga Bank., Ltd.】

(Millions of Yen)

Item	FY 2010 (ended March 31, 2011)
Stockholders' equity	
Capital stock	
Balance at the end of previous period	135,000
Changes of items during the period	
Total changes of items during the period	-
Balance at the end of current period	135,000
Retained earnings	
Earned surplus reserve	
Balance at the end of previous period	2,010
Changes of items during the period	
Dividends from surplus	2,412
Total changes of items during the period	2,412
Balance at the end of current period	4,423
Other earned surplus	
Earned surplus brought forward	
Balance at the end of previous period	42,603
Changes of items during the period	
Dividends from surplus	(14,477)
Net profit	25,441
Total changes of items during the period	10,963
Balance at the end of current period	53,567
Total retained earnings	
Balance at the end of previous period	44,614
Changes of items during the period	
Dividends from surplus	(12,064)
Net profit	25,441
Total changes of items during the period	13,376
Balance at the end of current period	57,990
Total shareholders' equity	
Balance at the end of previous period	179,614
Changes of items during the period	
Dividends from surplus	(12,064)
Net profit	25,441
Total changes of items during the period	13,376
Balance at the end of current period	192,990
Valuation and translation adjustments	
Net unrealized valuation gains (losses) on other securities (available for sale securities)	
Balance at the end of previous period	14,455
Changes of items during the period	
Net changes of items other than shareholders' equity	(6,617)
Total changes of items during the period	(6,617)
Balance at the end of current period	7,837
Gains (losses) on deferred hedges	
Balance at the end of previous period	(7)
Changes of items during the period	
Net changes of items other than shareholders' equity	7
Total changes of items during the period	7
Balance at the end of current period	-
Total valuation and translation adjustments	
Balance at the end of previous period	14,448
Changes of items during the period	
Net changes of items other than shareholders' equity	(6,610)
Total changes of items during the period	(6,610)
Balance at the end of current period	7,837
Total net assets	
Balance at the end of previous period	194,062
Changes of items during the period	
Dividends from surplus	(12,064)
Net profit	25,441
Net changes of items other than shareholders' equity	(6,610)
Total changes of items during the period	6,765
Balance at the end of current period	200,828

(Note) Figures are rounded down to the nearest million.

Financial Data for Fiscal 2010 (ended March 31, 2011)

1. Income Status

【The Ashikaga Bank, Ltd. (Non-Consolidated basis)】

(Millions of yen)

Item	FY 2010		FY 2009
	(A)	(A)-(B)	(B)
Gross business profit	86,079	(7,568)	93,647
Domestic gross business profit	84,656	(7,791)	92,447
Core gross business profit	78,340	(5,228)	83,569
Net interest income	68,723	(4,502)	73,226
Net fees and commissions	9,691	(691)	10,382
Net trading income	-	-	-
Net other business income	6,241	(2,597)	8,838
International gross business profit	1,423	223	1,199
Core gross business profit	1,423	223	1,199
Net interest income	507	(10)	517
Net fees and commissions	113	5	107
Net trading income	-	-	-
Net other business income	802	228	574
Expenses	51,592	1,948	49,643
Personnel expenses	25,064	1,108	23,956
Non-personnel expenses	23,909	1,064	22,844
Taxes	2,618	(224)	2,842
Net business income (before provision for general reserve for possible loan losses)	34,486	(9,516)	44,003
Gains (losses) on bonds	6,315	(2,562)	8,877
Provision for general reserve for possible loan losses	-	1,862	(1,862)
Net business income (after provision for general reserve for possible loan losses)	34,486	(11,378)	45,865
Net non-recurrent gains (losses)	(9,548)	(3,656)	(5,892)
Gains (losses) on stocks	(214)	(5,292)	5,077
Disposal of non-performing loans	9,333	(1,387)	10,720
Write-off amount of loans	8,839	4,531	4,308
Provision for specific reserve for possible loan losses	-	(5,868)	5,868
Losses on sales of loans	371	(99)	471
Provision for reserve for contingent losses	121	49	71
Credit cost +	9,333	474	8,858
Operating profit	24,938	(15,034)	39,972
Net special gains (losses)	(194)	(890)	695
Reversal of reserve for possible loan losses	61	61	-
Recovery of written-off claims	669	(268)	937
Net gains (losses) from fixed assets	157	348	(191)
Gains on dispositions of fixed assets	333	321	12
Losses on dispositions of fixed assets	176	(27)	204
Impairment losses	-	(49)	49
Losses caused by adoption of accounting standard for asset retirement obligations	378	378	-
Provision for reserve for losses on disaster	518	518	-
Losses on advanced depreciation of fixed assets	186	186	-
Net profit before income taxes	24,743	(15,924)	40,668
Corporate, inhabitant, business taxes	84	(1)	85
Corporate tax adjustments, etc.	(781)	(1,256)	475
Net profit	25,441	(14,666)	40,107

Reference (Disposal of non-performing loans)

【The Ashikaga Bank, Ltd.(Non-consolidated basis)】

(Millions of yen)

Item	FY 2010		FY 2009
	(A)	(A)-(B)	(B)
Disposal of non-performing loans	9,333	(1,387)	10,720
Write-off amount of loans	8,839	4,531	4,308
Provision for specific reserve for possible loan losses	-	(5,868)	5,868
Losses on sales of loans	371	(99)	471
Provision for reserve for contingent losses	121	49	71
Reversal of reserve for possible loan losses	61	(1,800)	1,862
Reversal of general reserve for possible loan losses	5,606	3,744	1,862
Reversal of specific reserve for possible loan losses	(5,544)	(5,544)	-
Recovery of written-off claims	669	(268)	937
Total - -	8,602	680	7,921

Reference (Consolidated Income Status)

【Ashikaga Holdings Co., Ltd.】

(Millions of yen)

Item	FY 2010		FY 2009
	(A)	(A)-(B)	(B)
Consolidated gross business profit	88,109	(7,670)	95,779
Net interest income	69,639	(4,667)	74,306
Net fees and commissions	11,248	(615)	11,864
Net trading income	-	-	-
Net other business income	7,221	(2,387)	9,609
General and administrative expenses	59,829	1,719	58,109
Write-off and reserve expenses of loans	11,457	(1,053)	12,511
Gains (losses) on stocks	(1,818)	(549)	(1,268)
Equity in gains (losses) of affiliated companies	-	-	-
Others	760	(33)	794
Operating Profit	15,765	(8,919)	24,684
Special gains (losses)	(428)	(1,165)	737
Net profit before income taxes	15,336	(10,085)	25,422
Corporate, inhabitant, business taxes	649	291	358
Corporate tax adjustments, etc.	(1,298)	(892)	(405)
Income before minority interests	15,985	(9,484)	25,469
Minority interests	-	-	-
Net profit	15,985	(9,484)	25,469

(Note) Consolidated gross business profit=(Interest income-Interest expenses)+(Fees and commissions income-Fees and commissions expenses)+
(Trading income-Trading expenses)+(Other business income-Other business expenses)

Reference (Number of Consolidated Subsidiaries)

【Ashikaga Holdings Co., Ltd.】

Item	FY 2010		FY 2009
	(A)	(A)-(B)	(B)
Number of consolidated subsidiaries	7	-	7
Number of affiliated companies applicable to the equity method	-	-	-

2. Net Business Income

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	FY 2010		FY 2009 (B)
	(A)	(A)-(B)	
Net business income (before provision for reserve for possible loan losses)	34,486	(9,516)	44,003
Per head (in thousands of yen)	12,999	(3,815)	16,814
Net business income	34,486	(11,378)	45,865
Per head (in thousands of yen)	12,999	(4,526)	17,525

3. Interest Rate Spread

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(%)

Item (Whole bank operations)	FY 2010		FY 2009 (B)
	(A)	(A)-(B)	
Average yield on interest earning assets	1.55	(0.17)	1.72
Average yield on loans and bills discounted	1.87	(0.12)	1.99
Average yield on securities	0.83	(0.23)	1.06
Average yield on interest bearing liabilities	1.22	(0.02)	1.24
Average yield on deposits and negotiable certificates of deposit	0.11	(0.04)	0.15
Average yield on call money and borrowed money	0.10	(0.04)	0.14
Average interest rate spread -	0.33	(0.15)	0.48

(%)

Item (Domestic operations)	FY 2010		FY 2009 (B)
	(A)	(A)-(B)	
Average yield on interest earning assets	1.54	(0.18)	1.72
Average yield on loans and bills discounted	1.87	(0.12)	1.99
Average yield on securities	0.82	(0.23)	1.05
Average yield on interest bearing liabilities	1.20	(0.02)	1.22
Average yield on deposits and negotiable certificates of deposit	0.10	(0.04)	0.14
Average interest rate spread -	0.34	(0.16)	0.50

4. Gains and Losses on Securities

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	FY 2010		FY 2009 (B)
	(A)	(A)-(B)	
Gains (losses) on bonds (Japanese government bonds, etc.)	6,315	(2,562)	8,877
Gains on sales	6,315	(2,589)	8,904
Gains on redemption	-	-	-
Losses on sales	-	-	-
Losses on redemption	-	-	-
Write-offs	-	(27)	27
Gains (losses) on stocks	(214)	(5,292)	5,077
Gains on sales	1,077	(4,296)	5,374
Losses on sales	226	131	95
Write-offs	1,065	863	201

5. Capital Adequacy Ratio (Domestic standard)

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2011			As of Sep 30, 2010	As of Mar 31, 2010
	(A)	(A-B)	(A-C)	(B)	(C)
Capital adequacy ratio	8.07%	(0.10%)	0.60%	8.17%	7.47%
Tier 1 Capital	182,936	(1,050)	15,387	183,987	167,549
Tier 2 Capital	15,341	103	45	15,237	15,295
General reserve for loan losses qualified as capital	15,341	103	45	15,237	15,295
Deductions	-	-	(1)	-	1
Capital + -	198,278	(946)	15,434	199,225	182,844
Risk assets	2,454,644	16,578	7,339	2,438,065	2,447,305

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2011			As of Sep 30, 2010	As of Mar 31, 2010
	(A)	(A-B)	(A-C)	(B)	(C)
Capital adequacy ratio	8.63%	0.02%	1.00%	8.61%	7.63%
Tier 1 Capital	123,623	1,123	16,517	122,500	107,106
Tier 2 Capital	86,999	654	8,286	86,344	78,713
General reserve for loan losses qualified as capital	15,187	92	27	15,094	15,159
Subordinated debts	80,000	-	-	80,000	80,000
(Portion of subordinated debts not qualified as capital)	(8,188)	561	8,258	(8,749)	(16,446)
Deductions	724	6	(9)	718	734
Capital + -	209,898	1,771	24,813	208,127	185,084
Risk assets	2,430,030	14,878	4,430	2,415,151	2,425,599

6. Return on Equity

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(%)

Item	FY 2010		FY 2009
	(A)	(A)-(B)	(B)
Net business income basis (before provision for general reserve for possible loan losses)	17.46	(7.98)	25.44
Net business income basis	17.46	(9.06)	26.52
Net profit basis	12.88	(10.31)	23.19

*A denominator (Net average assets) is calculated as follows: (Net assets at the beginning of period excludes subscription rights to shares + Net assets at term-end excludes subscription rights to shares)/2

Status of Loans

1. Risk-monitored Loans

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(1)Risk-monitored loans

(Millions of yen)

Item	As of Mar 31, 2011			As of Sep 30, 2010	As of Mar 31, 2010
	(A)	(A-B)	(A-C)	(B)	(C)
Loans to bankrupt borrowers	4,390	(3,085)	(5,881)	7,476	10,272
Non-accrual delinquent loans	88,319	(8,653)	(1,201)	96,973	89,520
Loans past due 3 month or more	18	(192)	(23)	211	42
Restructured loans	26,046	2,619	(35)	23,427	26,082
Total risk-monitored loans	118,776	(9,312)	(7,141)	128,088	125,918
(Reference)Amount of partial direct write-off executed	23,456	(674)	2,715	24,130	20,740
Total loans	3,473,289	117,052	107,368	3,356,237	3,365,921

(2)Ratio of Risk-monitored loans to total loans

(%)

Item	As of Mar 31, 2011			As of Sep 30, 2010	As of Mar 31, 2010
	(A)	(A-B)	(A-C)	(B)	(C)
Loans to bankrupt borrowers	0.12	(0.10)	(0.18)	0.22	0.30
Non-accrual delinquent loans	2.54	(0.34)	(0.11)	2.88	2.65
Loans past due 3 month or more	0.00	0.00	0.00	0.00	0.00
Restructured loans	0.74	0.05	(0.03)	0.69	0.77
Total risk-monitored loans	3.41	(0.40)	(0.33)	3.81	3.74

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(1)Risk-monitored loans

(Millions of yen)

Item	As of Mar 31, 2011			As of Sep 30, 2010	As of Mar 31, 2010
	(A)	(A-B)	(A-C)	(B)	(C)
Loans to bankrupt borrowers	4,553	(3,013)	(5,832)	7,566	10,386
Non-accrual delinquent loans	89,714	(8,868)	(1,579)	98,582	91,294
Loans past due 3 month or more	18	(192)	(23)	211	42
Restructured loans	26,046	2,619	(35)	23,427	26,082
Total risk-monitored loans	120,333	(9,454)	(7,471)	129,788	127,805
(Reference)Amount of partial direct write-off executed	26,972	(833)	2,596	27,805	24,376
Total loans	3,474,628	116,925	106,973	3,357,703	3,367,654

(2)Ratio of Risk-monitored loans to total loans

(%)

Item	As of Mar 31, 2011			As of Sep 30, 2010	As of Mar 31, 2010
	(A)	(A-B)	(A-C)	(B)	(C)
Loans to bankrupt borrowers	0.13	(0.09)	(0.17)	0.22	0.30
Non-accrual delinquent loans	2.58	(0.35)	(0.13)	2.93	2.71
Loans past due 3 month or more	0.00	0.00	0.00	0.00	0.00
Restructured loans	0.74	0.05	(0.03)	0.69	0.77
Total risk-monitored loans	3.46	(0.40)	(0.33)	3.86	3.79

2. Reserve for Possible Loan Losses

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2011			As of Sep 30, 2010	As of Mar 31, 2010
	(A)	(A-B)	(A-C)	(B)	(C)
Reserve for possible loan losses	50,217	(9,213)	(15,538)	59,430	65,756
General reserve for possible loan losses	29,570	(1,370)	(5,606)	30,940	35,176
Specific reserve for possible loan losses	20,647	(7,843)	(9,932)	28,490	30,580
Reserve for specific foreign debtors	-	-	-	-	-

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2011			As of Sep 30, 2010	As of Mar 31, 2010
	(A)	(A-B)	(A-C)	(B)	(C)
Reserve for possible loan losses	55,097	(9,225)	(15,703)	64,322	70,801
General reserve for possible loan losses	29,755	(1,389)	(5,606)	31,144	35,361
Specific reserve for possible loan losses	25,342	(7,836)	(10,097)	33,178	35,440
Reserve for specific foreign debtors	-	-	-	-	-

3. Ratio to Reserve for Total Risk-monitored Loans

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(%)

Item	As of Mar 31, 2011			As of Sep 30, 2010	As of Mar 31, 2010
	(A)	(A-B)	(A-C)	(B)	(C)
Before partial direct write-off	51.85	(3.07)	(7.17)	54.92	59.02
After partial direct write-off	42.21	(4.08)	(9.93)	46.29	52.14

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(%)

Item	As of Mar 31, 2011			As of Sep 30, 2010	As of Mar 31, 2010
	(A)	(A-B)	(A-C)	(B)	(C)
Before partial direct write-off	55.77	(2.72)	(6.81)	58.49	62.58
After partial direct write-off	45.72	(3.73)	(9.60)	49.45	55.32

4. Loans subject to mandatory disclosure under the Financial Reconstruction Law

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2011			As of Sep 30, 2010	As of Mar 31, 2010
	(A)	(A-B)	(A-C)	(B)	(C)
Bankrupt and substantially bankrupt claims	17,519	(1,504)	(1,579)	19,024	19,099
Doubtful claims	75,460	(10,485)	(5,789)	85,945	81,249
Claims requiring supervision	26,065	2,427	(58)	23,638	26,124
Subtotal	119,045	(9,562)	(7,427)	128,607	126,473
Normal claims	3,384,418	124,267	110,752	3,260,150	3,273,665
Total	3,503,463	114,704	103,325	3,388,758	3,400,138
(Reference) Amount of partial direct write-off executed	23,456	(674)	2,715	24,130	20,740

5. Coverage of loans subject to mandatory disclosure under the Financial Reconstruction Law

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2011			As of Sep 30, 2010	As of Mar 31, 2010
	(A)	(A-B)	(A-C)	(B)	(C)
Coverage amount	84,848	(11,331)	(14,408)	96,180	99,256
Portion covered by reserve	24,009	(7,367)	(13,968)	31,377	37,978
Portion covered by collateral and guarantees	60,838	(3,964)	(439)	64,802	61,278
Reserve for specific debtors	-	-	-	-	-

(%)

Coverage ratio /	71.27	(3.51)	(7.20)	74.78	78.47
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6. Loan Portfolio

(1) Classification of loans by type of industry

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2011			As of Sep 30, 2010	As of Mar 31, 2010
	(A)	(A-B)	(A-C)	(B)	(C)
Total	3,473,289	117,052	107,368	3,356,237	3,365,921
Manufacturing	527,964	6,190	8,636	521,774	519,328
Agriculture / Forestry	19,687	(2,347)	(1,896)	22,034	21,583
Fishery	646	122	28	524	618
Mining / Quarrying of stone / Gravel	4,947	373	(6,864)	4,574	11,811
Construction	150,579	3,599	(4,129)	146,980	154,708
Electricity, gas and water	21,957	117	(2,487)	21,840	24,444
Telecommunication	41,089	21,533	21,629	19,556	19,460
Transportation / Postal activities	91,395	1,264	1,199	90,131	90,196
Wholesale / Retail services	398,232	1,112	8,543	397,120	389,689
Financial and insurance services	95,695	(308)	16,621	96,003	79,074
Real estate / Goods rental and leasing	293,589	21,934	20,512	271,655	273,077
Services	334,607	18,531	31,769	316,076	302,838
Local government	325,587	52,928	13,595	272,659	311,992
Others	1,167,304	(7,997)	211	1,175,301	1,167,093

(2) Classification of risk-monitored loans by type of industry

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2011			As of Sep 30, 2010	As of Mar 31, 2010
	(A)	(A-B)	(A-C)	(B)	(C)
Total	118,776	(9,312)	(7,141)	128,088	125,918
Manufacturing	25,732	(9,302)	(8,082)	35,035	33,815
Agriculture / Forestry	953	32	329	920	624
Fishery	-	-	-	-	-
Mining / Quarrying of stone / Gravel	9	9	9	-	-
Construction	11,501	(942)	(1,271)	12,444	12,772
Electricity, gas and water	8	(1)	(1)	9	9
Telecommunication	321	(72)	(325)	394	647
Transportation / Postal activities	2,654	139	79	2,514	2,575
Wholesale / Retail services	19,449	2,163	3,101	17,285	16,348
Financial and insurance services	5,694	(3,632)	(3,933)	9,326	9,627
Real estate / Goods rental and leasing	15,960	904	167	15,055	15,792
Services	19,836	2,014	3,934	17,822	15,901
Local government	-	-	-	-	-
Others	16,654	(624)	(1,148)	17,278	17,802

(3) Individual loans

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2011			As of Sep 30, 2010	As of Mar 31, 2010
	(A)	(A-B)	(A-C)	(B)	(C)
Individual loans	1,227,371	(158)	6,602	1,227,529	1,220,769
Housing loans	1,188,221	1,793	10,190	1,186,428	1,178,031
Other loans	39,150	(1,951)	(3,588)	41,101	42,738

(4) Loans to small-and-medium-sized enterprises

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(%)

Item	As of Mar 31, 2011			As of Sep 30, 2010	As of Mar 31, 2010
	(A)	(A-B)	(A-C)	(B)	(C)
Ratio to total loans and bills discounted	74.04	(1.92)	(1.16)	75.96	75.20

7. Loans to Entities Overseas by Country
【The Ashikaga Bank, Ltd. (Non-consolidated basis)】
 (1) Specific overseas loans

Not applicable

(2) Loans to Asian Countries

(Millions of yen)

Item	As of Mar 31, 2011			As of Sep 30, 2010	As of Mar 31, 2010
	(A)	(A-B)	(A-C)	(B)	(C)
China	332	(2)	146	335	186
(Risk-monitored loans included)	-	-	-	-	-
Total	332	(2)	146	335	186
(Risk-monitored loans included)	-	-	-	-	-

(3) Loans to Latin American Countries

Not applicable

(4) Loans to Russia

Not applicable

8. Balance of Deposits and Loans
【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2011			As of Sep 30, 2010	As of Mar 31, 2010
	(A)	(A-B)	(A-C)	(B)	(C)
Deposits	4,539,546	174,857	121,747	4,364,689	4,417,799
Deposits (Annual or semiannual average)	4,370,035	25,036	87,005	4,344,999	4,283,029
Loans	3,473,289	117,052	107,368	3,356,237	3,365,921
Loans (Annual or semiannual average)	3,339,842	24,664	(1,905)	3,315,178	3,341,747

Valuation Gains (Losses) on Securities

1. Valuation Standards of Securities

Trading purpose securities	Market value method (Valuation differences are recognized as gains or losses and stated in statement of income)
Securities held to maturity	Amortized cost method
Other securities (available-for-sale securities)	Market value method (Valuation differences are stated in net assets of balance sheet)
Stocks of subsidiaries and affiliated companies	Cost accounting method

2. Unrealized Valuation Gains (Losses) on Other Securities (available-for-sale securities)

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

	As of Mar 31, 2011					As of Sep 30, 2010			As of Mar 31, 2010		
	Unrealized valuation gains (losses)					Unrealized valuation gains (losses)			Unrealized valuation gains (losses)		
	(A)	(A-B)	(A-C)	Valuation gains	Valuation losses	(B)	Valuation gains	Valuation losses	(C)	Valuation gains	Valuation losses
Held-to-maturity	1,369	(3,003)	1,180	1,382	13	4,372	4,393	20	189	618	429
Bonds	1,334	(2,971)	1,139	1,334	-	4,305	4,305	-	195	556	361
Others	35	(32)	41	48	13	67	87	20	(6)	61	68
Other (available-for-sale)	9,972	(8,862)	(10,501)	17,169	7,196	18,835	25,085	6,250	20,474	24,408	3,934
Stocks	7,933	1,870	(2,084)	8,958	1,025	6,062	7,313	1,250	10,017	10,649	631
Bonds	6,381	(11,196)	(6,847)	8,196	1,815	17,577	17,760	183	13,229	13,625	396
Others	(4,341)	463	(1,569)	13	4,355	(4,805)	10	4,816	(2,772)	133	2,906
Total	11,342	(11,865)	(9,321)	18,551	7,209	23,208	29,478	6,270	20,663	25,027	4,363
Stocks	7,933	1,870	(2,084)	8,958	1,025	6,062	7,313	1,250	10,017	10,649	631
Bonds	7,715	(14,167)	(5,708)	9,531	1,815	21,883	22,066	183	13,424	14,182	757
Others	(4,306)	431	(1,527)	62	4,368	(4,737)	98	4,836	(2,778)	195	2,974

(Note) Stocks in other securities (available-for-sale securities) that have market prices are stated at their average market prices during the final month of the fiscal year, and bonds and others that have market prices are stated at their fiscal (first half fiscal) year-end market prices.

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(Millions of yen)

	As of Mar 31, 2011					As of Sep 30, 2010			As of Mar 31, 2010		
	Unrealized valuation gains (losses)					Unrealized valuation gains (losses)			Unrealized valuation gains (losses)		
	(A)	(A-B)	(A-C)	Valuation gains	Valuation losses	(B)	Valuation gains	Valuation losses	(C)	Valuation gains	Valuation losses
Held-to-maturity	1,369	(3,003)	1,180	1,382	13	4,372	4,393	20	189	618	429
Bonds	1,334	(2,971)	1,139	1,334	-	4,305	4,305	-	195	556	361
Others	35	(32)	41	48	13	67	87	20	(6)	61	68
Other (available-for-sale)	4,952	(7,542)	(9,555)	14,230	9,277	12,495	21,966	9,471	14,507	20,737	6,229
Stocks	855	3,376	(621)	5,754	4,899	(2,521)	3,809	6,330	1,476	6,278	4,802
Bonds	6,655	(11,312)	(7,270)	8,470	1,815	17,967	18,150	183	13,925	14,318	393
Others	(2,557)	393	(1,663)	5	2,563	(2,951)	6	2,958	(893)	140	1,034
Total	6,322	(10,545)	(8,374)	15,613	9,291	16,868	26,360	9,492	14,697	21,356	6,659
Stocks	855	3,376	(621)	5,754	4,899	(2,521)	3,809	6,330	1,476	6,278	4,802
Bonds	7,989	(14,283)	(6,131)	9,805	1,815	22,273	22,456	183	14,120	14,875	754
Others	(2,522)	361	(1,622)	53	2,576	(2,884)	94	2,978	(900)	202	1,102

(Note) Stocks in other securities (available-for-sale securities) that have market prices are carried at their average market prices during the final month of the fiscal year, and bonds and others that have market prices are carried at their fiscal (first half fiscal) year-end market prices.

V Employees' Severance and Retirement Benefits

1. Projected Retirement Benefit Obligation

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2011		As of Mar 31, 2010 (B)
	(A)	(A-B)	
Projected retirement benefit obligation (Discount rate)	(47,490) 2%	(277)	(47,213) 2%
Fair value of plan assets	29,550	187	29,362
Unrealized actuarial differences	3,445	184	3,261
Sub total + +	(14,494)	95	(14,589)
Prepaid pension expenses	391	391	-
Reserve for employee retirement benefits	(14,885)	(296)	(14,589)

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2011		As of Mar 31, 2010 (B)
	(A)	(A-B)	
Projected retirement benefit obligation (Discount rate)	(49,304) 2%	(429)	(48,875) 2%
Fair value of plan assets	30,236	270	29,965
Unrealized actuarial differences	3,850	314	3,535
Sub total + +	(15,218)	155	(15,374)
Prepaid pension expenses	391	391	-
Reserve for employee retirement benefits	(15,610)	(235)	(15,374)

2. Retirement Benefit Costs

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2011		As of Mar 31, 2010 (B)
	(A)	(A-B)	
Retirement benefit costs	2,413	(224)	2,638
Service cost	1,327	126	1,201
Interest cost	938	19	918
Expected return on plan assets	(587)	(89)	(498)
Recognized actuarial loss	721	(267)	989
Other retirement cost	12	(13)	26

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2011		As of Mar 31, 2010 (B)
	(A)	(A-B)	
Retirement benefit costs	2,598	(218)	2,817