



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

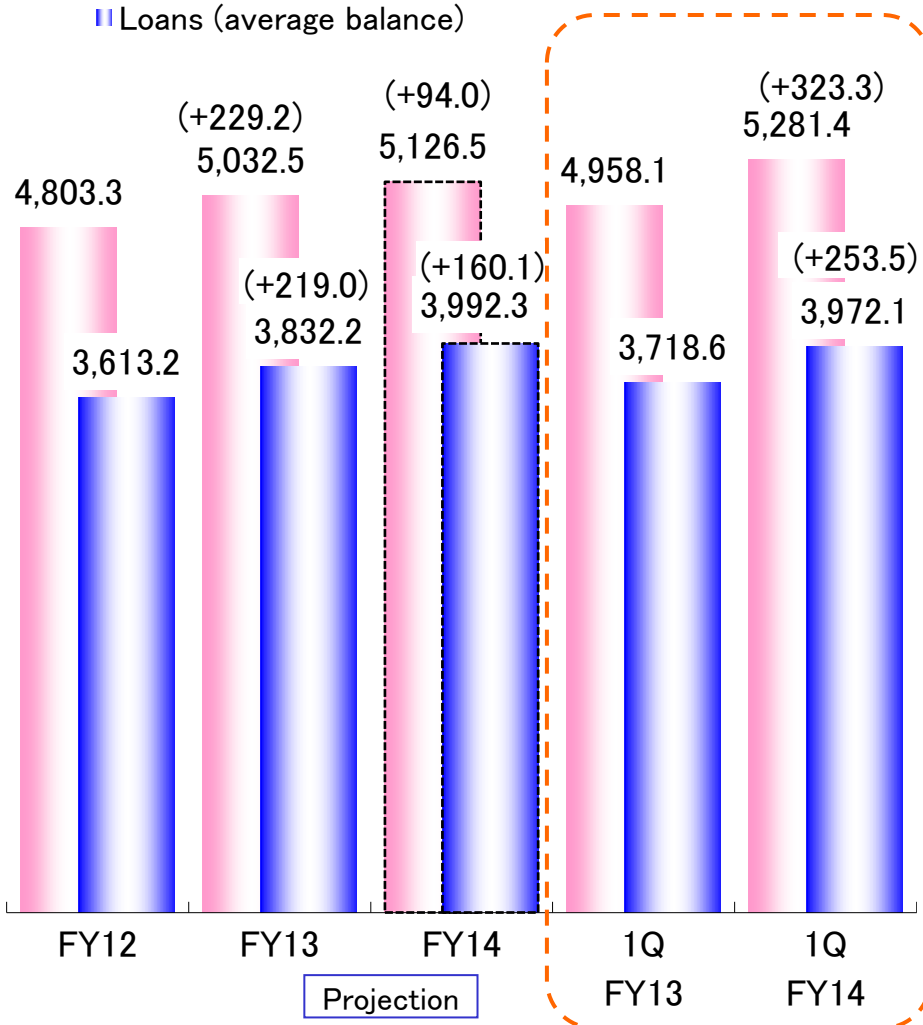


Loans and Deposits : Average balance / Average yield (BK)

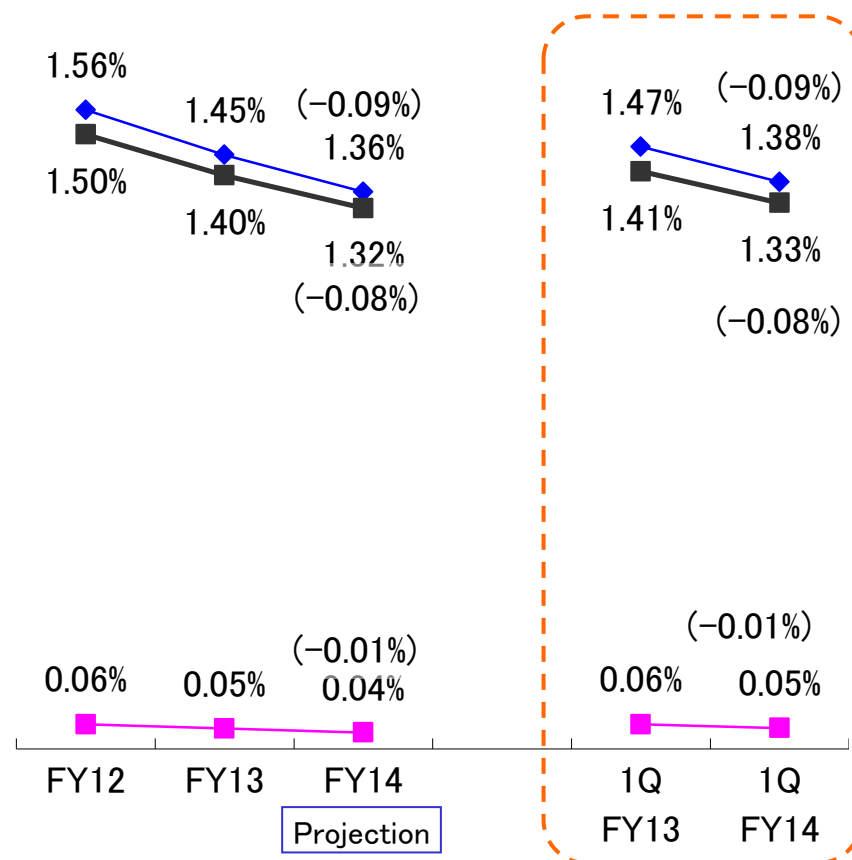
《Loans and Deposits average balance》 (JPY Bn)

《Loans and Deposits yield》

■ Deposits (average balance)
■ Loans (average balance)



◆ Average yield on loans (1)
■ Average yield on deposits (2)
■ Yield spread between loans and deposits (1)-(2)





Factor analysis (Core gross business profit) (BK)

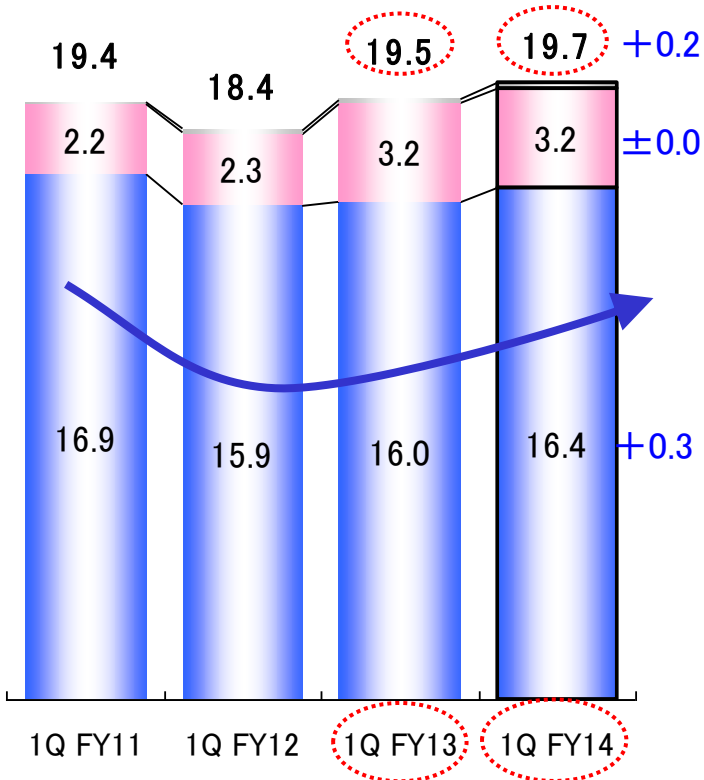
《Core gross business profit of BK》

(JPY Bn)

Net other business income

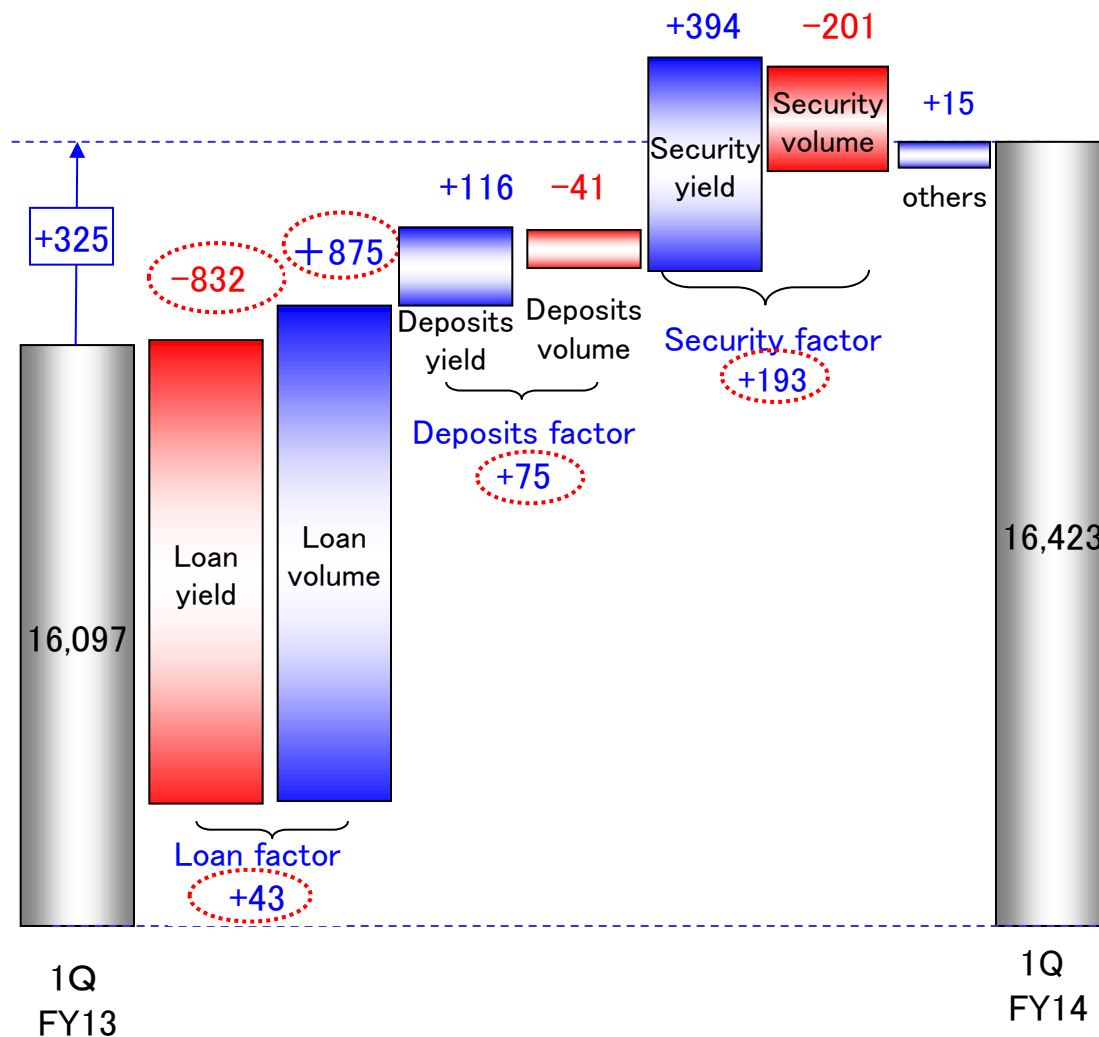
Net fees and commissions

Net interest income



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

(JPY Million)





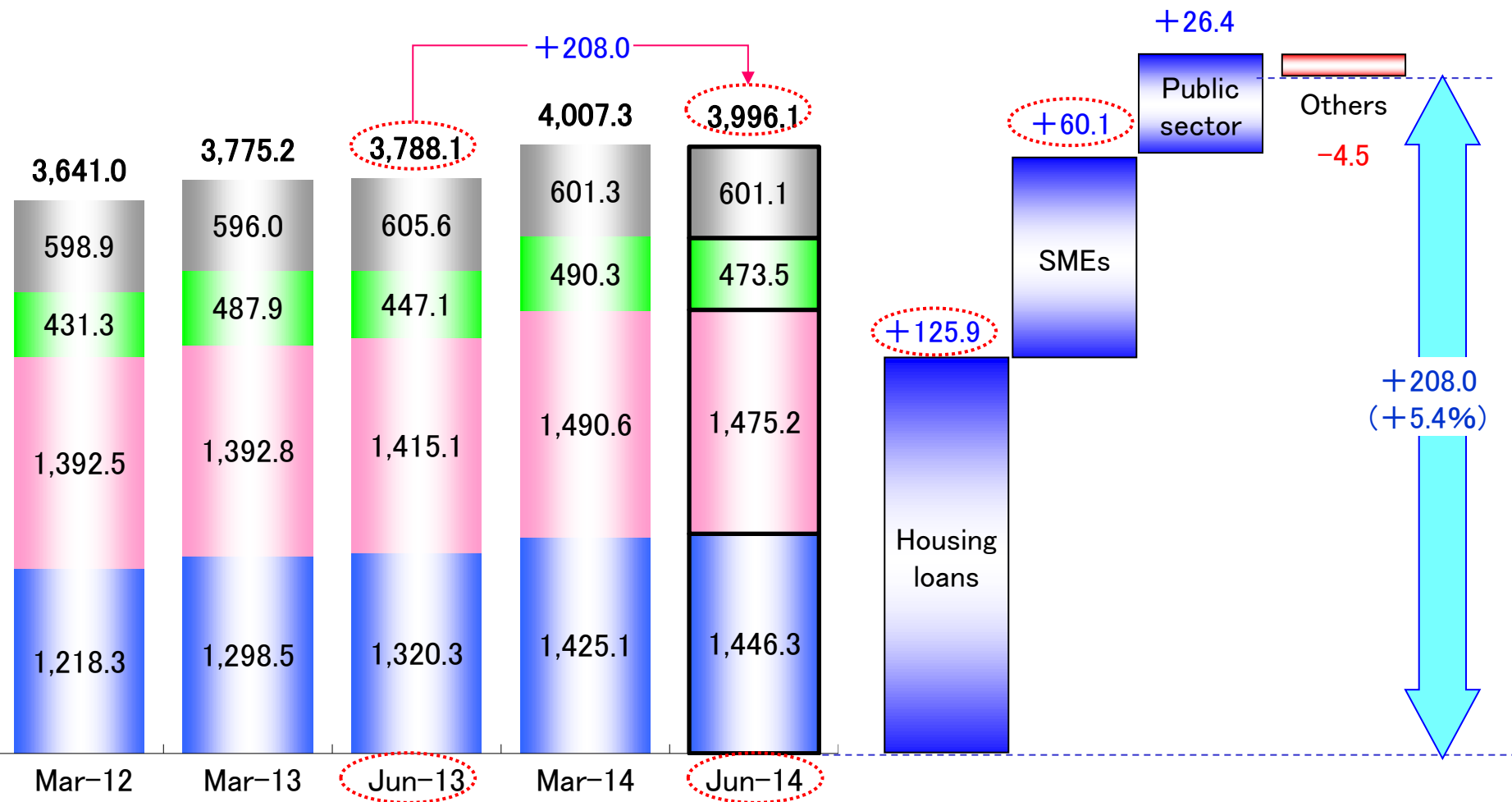
Loans : Term-end balance (BK)

《Loans (term-end balance)》 (JPY Bn)

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

(JPY Bn)

■ Housing loans ■ SMEs ■ Public sector ■ Others

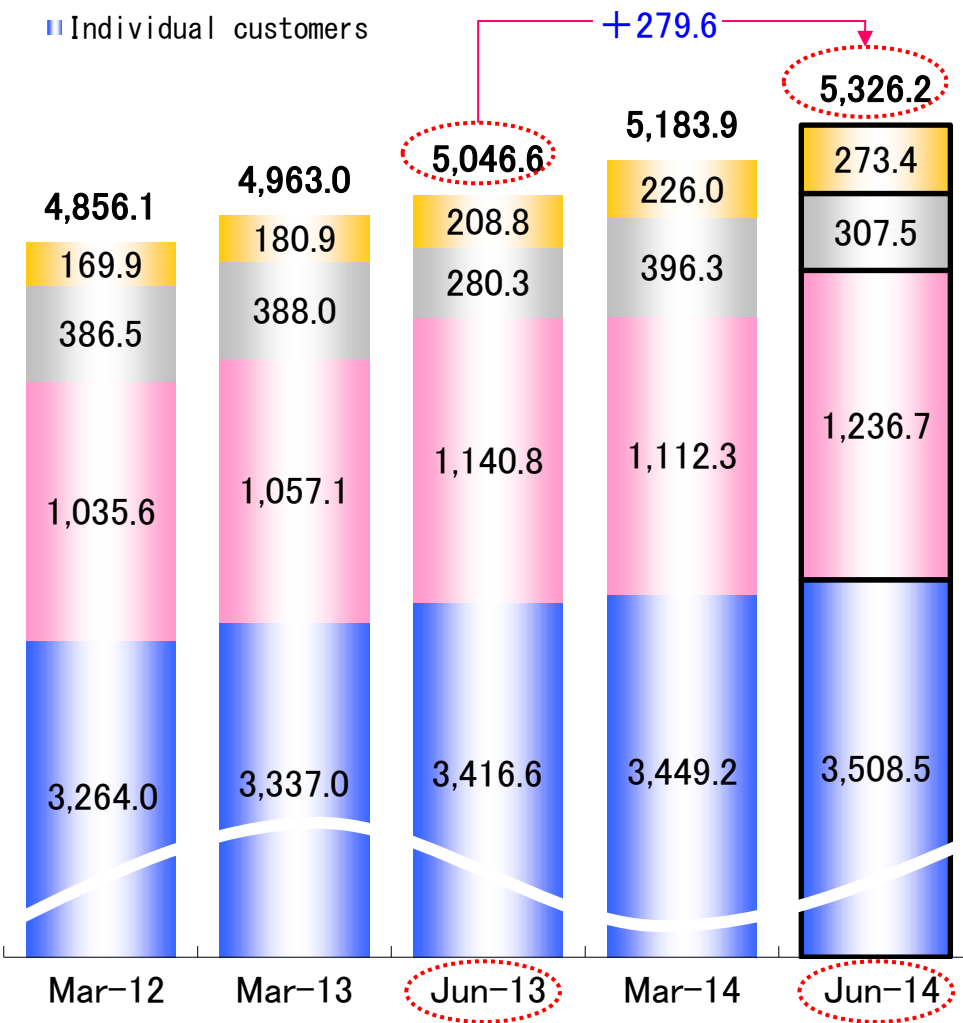


Deposits : Term-end balance (BK)

《Deposits (term-end balance)》

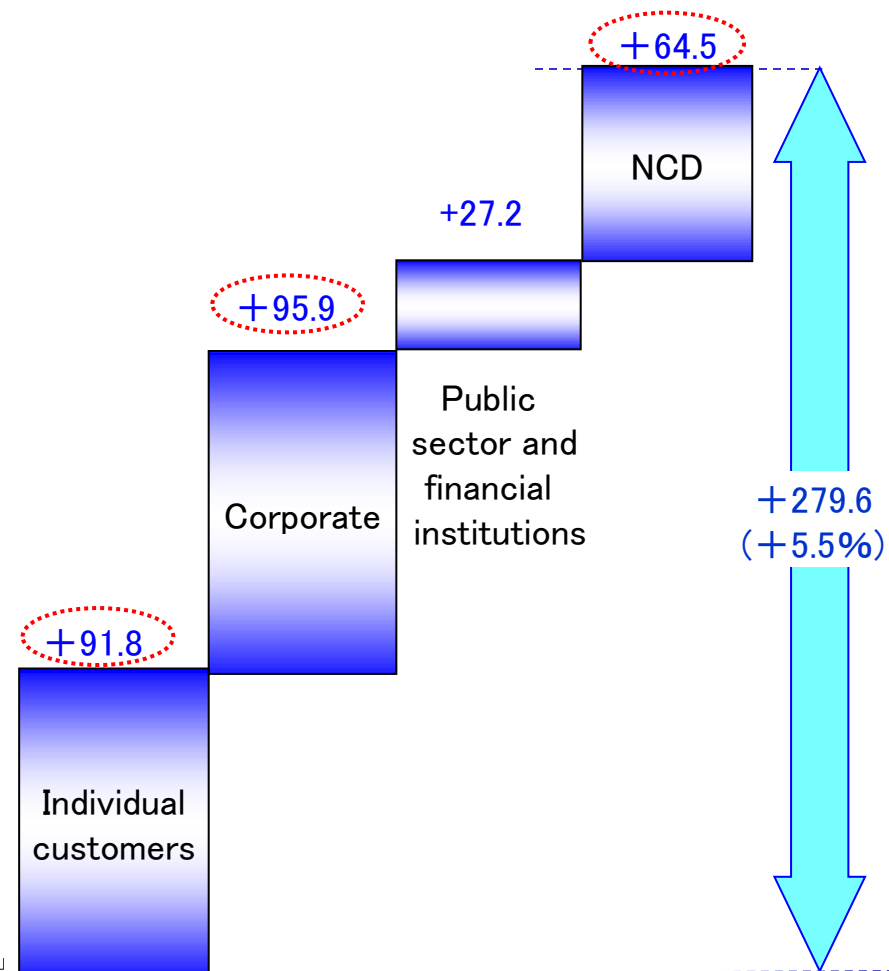
(JPY Bn)

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



《Breakdown of Y o Y change in deposits balance》

(JPY Bn)



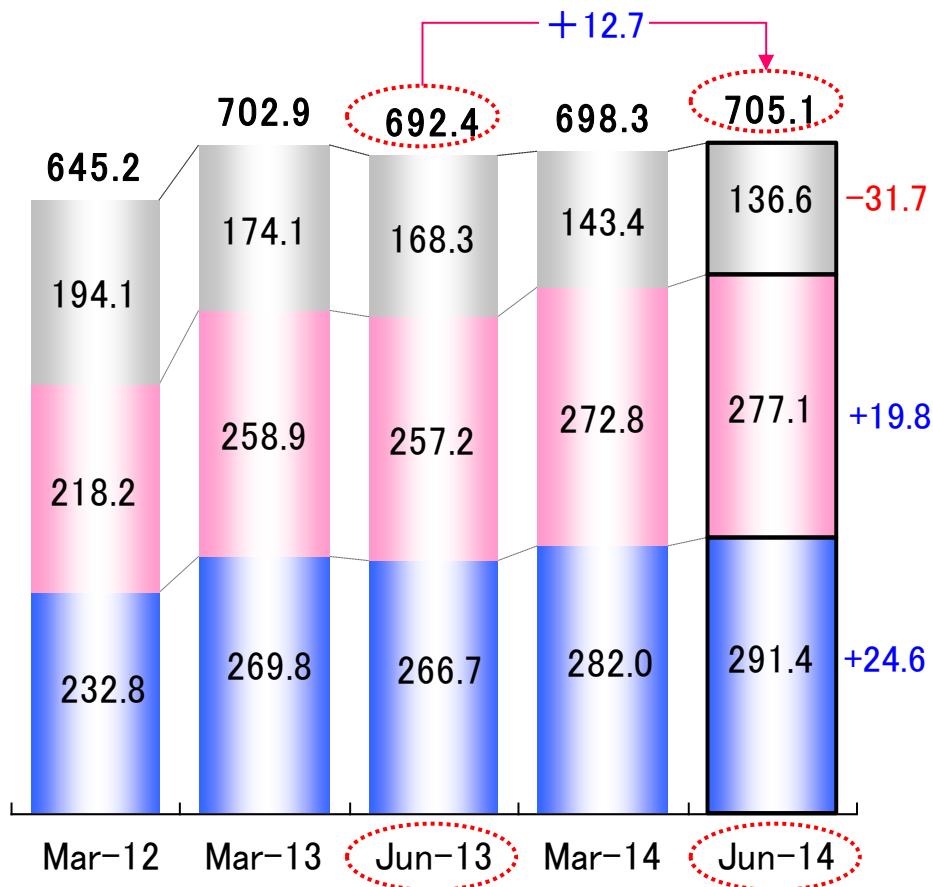


Individual customer assets under custody (BK)

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

(JPY Bn)

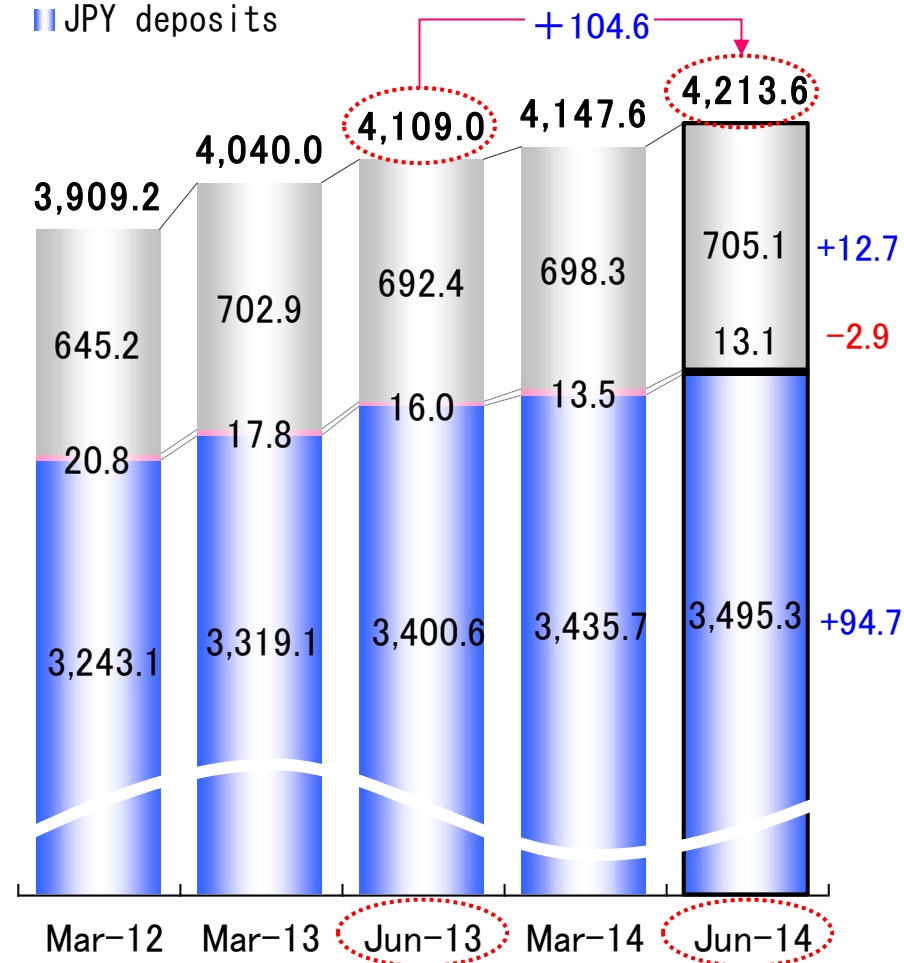
- Public bonds
- Insurance
- Investment trusts



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

(JPY Bn)

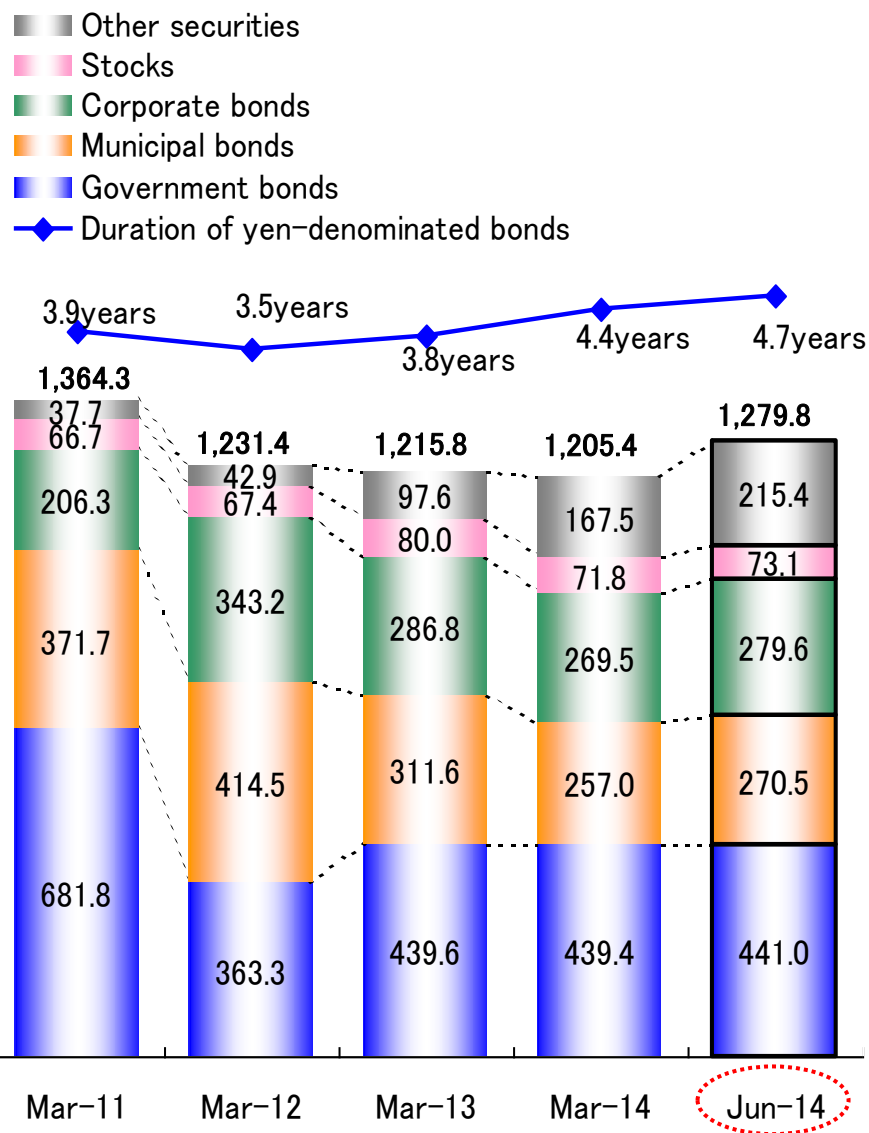
- Under custody
- Foreign currency deposits
- JPY deposits





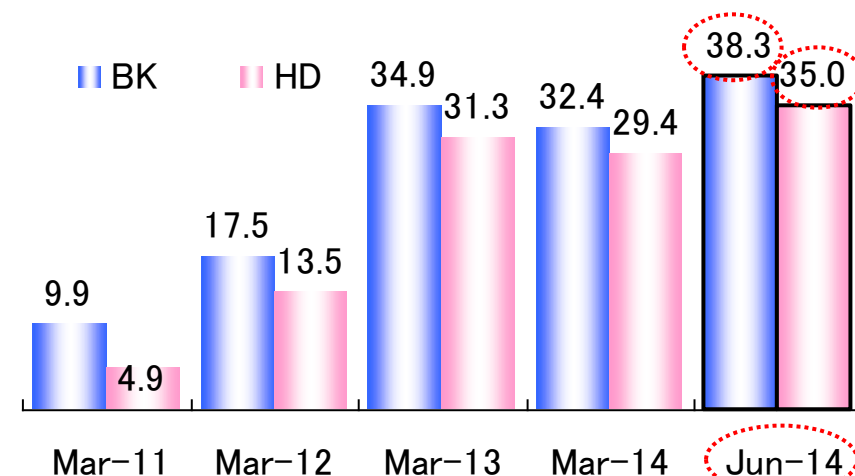
Securities

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



※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

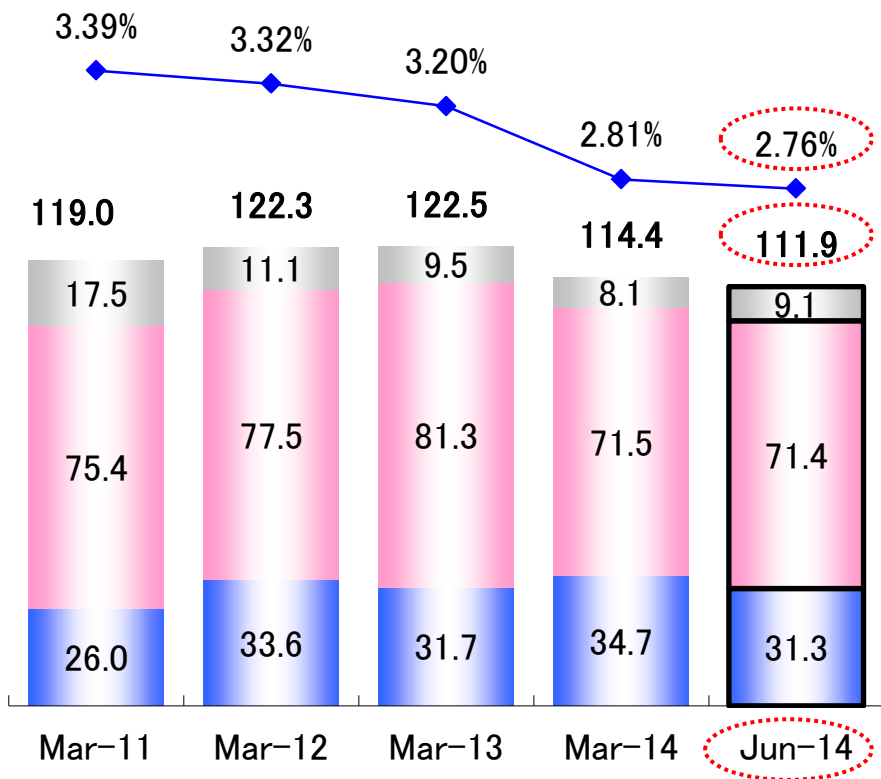


Non-performing loans / Credit related costs

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

(JPY Bn)

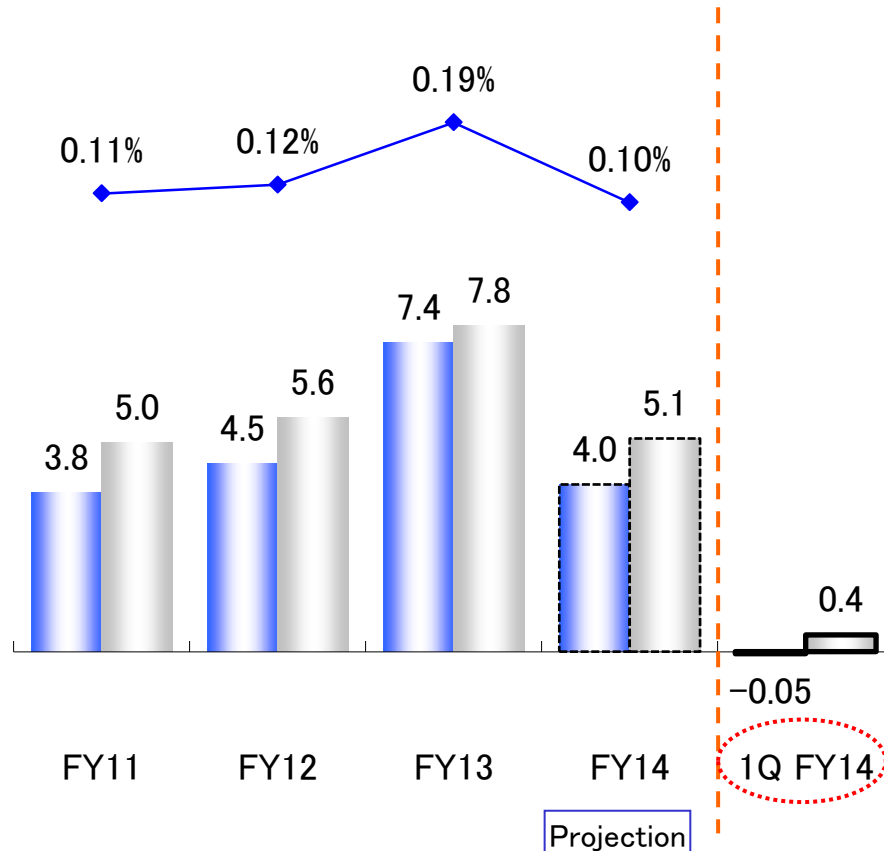
- Bankrupt and substantially bankrupt claims
- Doubtful claims
- Claims requiring supervision
- Non-performing loan ratio



《Credit related costs》

(JPY Bn)

- BK
- HD
- Credit-related costs ratio



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



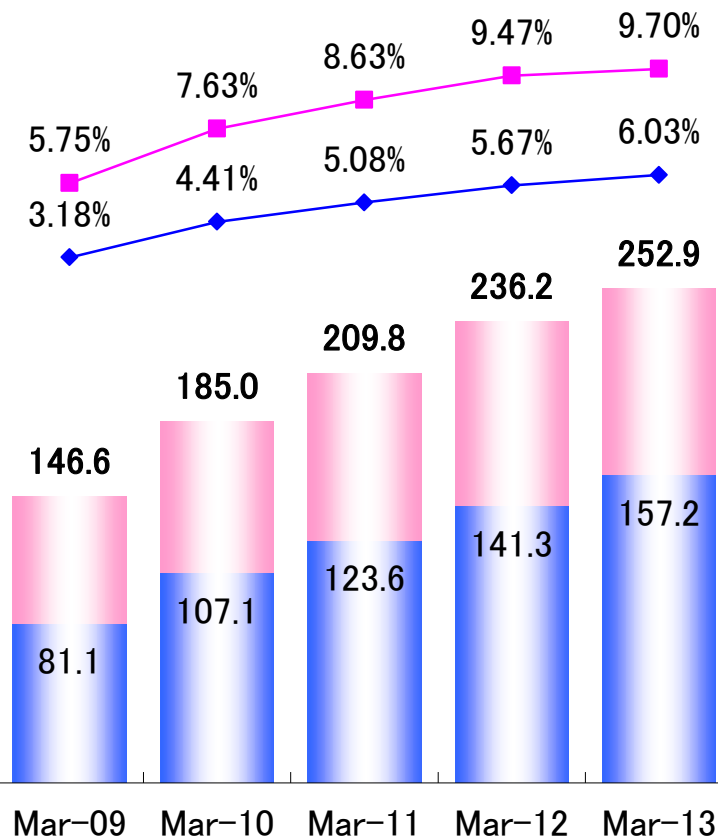
Capital ratio (Domestic standard) (HD)

《 HD 》

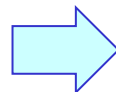
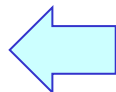
(JPY Bn)

Capital
Capital ratio

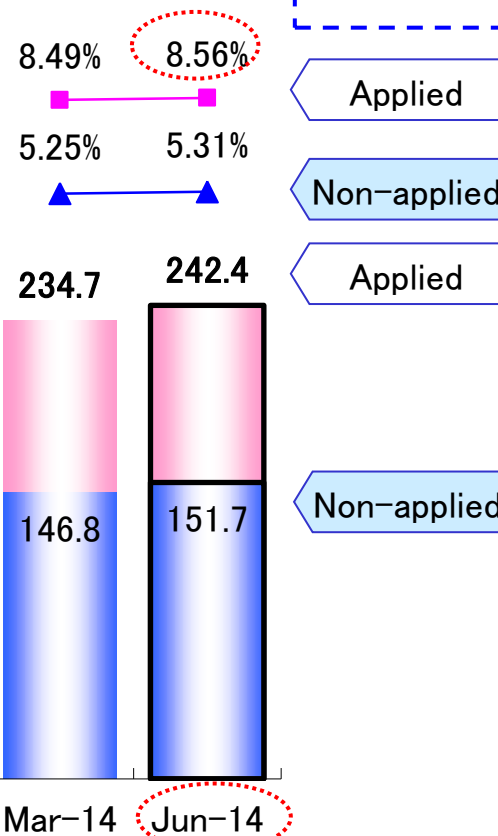
Tier1 Capital
Tier1 Capital ratio



Basel II



Basel III



(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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