

SURUGA Bank LTD.

Consolidated Financial Results for Third Quarter of Fiscal Year Ending March 31, 2014

<under Japanese GAAP>

Stock Exchange: Tokyo (code: 8358)
 URL: <http://www.surugabank.co.jp>
 Representative: President Mitsuyoshi Okano

(Japanese yen amounts of less than one million and the first decimal place have been rounded down.)

1. Consolidated Financial Results (for the nine months ended December 31, 2013)

(1) Operating Results

(Unit: Millions of Yen, %: Changes from corresponding period of the previous fiscal year)

	Ordinary Income		Ordinary Profit		Net Income	
Third Quarter						
Ended December 31, 2013	88,145	7.5%	34,113	31.4%	20,860	35.1%
Ended December 31, 2012	81,988	2.3%	25,955	16.5%	15,433	35.7%

(Note1) Comprehensive Income: Third quarter ended December 31, 2013: ¥26,052 million (54.9%); Third quarter ended December 31, 2012: ¥16,811 million (63.5%)

(Note2) Percentages shown in Ordinary Income, Ordinary Profit and Net Income and Comprehensive Income are the increase (decrease) from the same period previous year.

	Net Income per Share	Net Income per Share(Diluted)
Third Quarter		
Ended December 31, 2013	¥88.24	¥88.13
Ended December 31, 2012	¥65.47	—

(2) Financial Position

(Unit: Millions of Yen, except percentages)

	Total Assets	Total Net Assets	Own Capital Ratio
December 31, 2013	3,905,577	245,571	6.2%
March 31, 2013	3,769,657	222,450	5.8%

(Reference) Own Capital: December 31, 2013: ¥243,395 million; March 31, 2013: ¥219,990 million

(Note) Own Capital Ratio = (Total Net Assets - Subscription Rights to Shares - Minority Interests) / Total Assets * 100

2. Dividend on Common Stock

	Annual Cash Dividends par Share				
	1 st Quarter-End	2 nd Quarter-End	3 rd Quarter-End	Fiscal Year-End	Total
Fiscal year ended March 31, 2013	—	¥6.50	—	¥8.50	¥15.00
Fiscal year ending March 31, 2014	—	¥7.50			
Fiscal year ending March 31, 2014 (Forecasts)			—	¥7.50	¥15.00

(Note) Revision of forecasts for dividends for quarter in review: No

3. Earnings Forecasts (for the fiscal year ending March 31, 2014)

(Unit: Millions of Yen, except per share data)

	Ordinary Income		Ordinary Profit		Net Income		Net Income per Share
Fiscal year ending March 31, 2014	115,000	3.3%	38,000	4.8%	23,100	8.7%	¥97.66

(Note1) Percentages shown in Ordinary Income, Ordinary Profit and Net Income are the increase (decrease) from the same period previous year.

(Note2) Revision of earnings forecasts for quarter in review: No

※Note

(1) Changes in the scope of consolidated significant subsidiaries during the nine months ended December 31, 2013: No

(2) Adoption of simplified accounting methods for the preparation of quarterly consolidated financial statements: Yes

Note: For details, please refer to the “Adoption of particular accounting methods for quarterly consolidated financial statements” in the section 2. Items regarding summary information (notes) on page 3.

(3) Changes in accounting standards, accounting estimates, and restatements.

(A) Changes due to revision of accounting standards: No

(B) Changes due to reasons other than (A): No

(C) Changes in accounting estimates: No

(D) Restatements: No

(4) Number of common shares issued at the end of period

(A) Number of stocks issued (including treasury stocks):	December 31, 2013	258,139,248 shares	March 31, 2013	258,139,248 shares
(B) Number of treasury stocks:	December 31, 2013	21,615,610 shares	March 31, 2013	22,361,833 shares
(C) Average outstanding stocks for the nine months ended:	December 31, 2013	236,386,832 shares	December 31, 2012	235,709,239 shares

(Statement relating to the status of the quarterly review procedures)

This quarterly report is not subject to the quarterly review procedures, which are based on the Financial Instruments and Exchange Law.

The audit procedures are not finished at the time of release of these financial statements.

(Notes for using forecasts information etc.)

The description of future performance of this report is based on information, which is presently available and certain assumptions which are considered to be reasonable, and it does not guarantee future performance. Please take note that future performance may differ from forecasts. Regarding the assumptions for financial forecasts of this report, please refer to P2 of attached documents.

[Attachment]

○ Contents of the attachment

1. Qualitative information	2
(1) Description of business performance	2
(2) Description of financial position	2
(3) Description of forward-looking information such as consolidated earnings forecast.....	2
2. Items regarding summary information (notes)	3
(1) Adoption of particular accounting methods for quarterly consolidated financial statements.....	3
3. Quarterly consolidated financial statements.....	4
(1) Quarterly consolidated balance sheets	4
(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income	5
(3) Explanatory notes regarding the going concern assumption	7
(4) Note for Material Changes in Shareholders' Equity	7

1. Qualitative information

(1) Description of business performance

With regard to the profit and loss situation on a consolidated basis ordinary income was up ¥6.157 billion from the same period of the previous year to ¥88.145 billion owing to factors such as gains from increase in interest on loans and discounts.

Ordinary expenses totaled ¥54.031 billion, down ¥2.002 billion year-on-year owing to factors such as decrease in loan-loss allowance.

As a result, ordinary profit increased ¥8.158 billion from a year earlier to ¥34.113 billion.

Net income during the period performed a year-on-year increase of ¥5.427 billion to ¥20.860 billion.

(2) Description of financial position

The balance of deposits was up ¥112.940 billion to ¥3.623031 trillion from the end of the previous fiscal year, as the balance of individual deposits grew ¥ 190.596 billion.

With regard to our main accounts on a consolidated basis at the end of the period, balance of loans and bills discounted totaled ¥2.836424 trillion, up ¥ 81.523 billion from the same period of the previous year as the personal loan balance (non-consolidated) increased ¥100.626 billion.

Balance of securities totaled ¥216.607 billion, down ¥14.185 billion compared to the end of the previous fiscal year.

(3) Description of forward-looking information such as consolidated earnings forecast

There is no change in forecasts for the year ending March 31, 2014 from the figures published on November 8, 2013.

Consolidated

	Full year
Ordinary income	115,000 million yen
Ordinary profit	38,000 million yen
Net income	23,100 million yen

Non-consolidated

	Full year
Ordinary income	106,000 million yen
Net business profit	43,000 million yen
Ordinary profit	37,500 million yen
Net income	23,000 million yen
Credit-related expenses in real terms	4,000 million yen

(Note) The earnings forecast was created based on the information available as of the date of this announcement and actual results may differ from the forecast figures owing to various factors in the future.

2. Items regarding summary information (notes)

(1) Adoption of particular accounting methods for quarterly consolidated financial statements

The Company calculates tax expenses for the Company and its consolidated subsidiaries by multiplying a reasonably estimated effective tax rate by net income before taxes for the current quarter.

3. Quarterly consolidated financial statements
 (1) Quarterly consolidated balance sheets

Millions of Yen

	As of Mar. 31, 2013	As of Dec. 31, 2013
Assets		
Cash and due from banks	109,970	375,717
Call loans and bills bought	570,064	362,474
Trading account securities	34	50
Money held in trust	1,000	959
Securities	230,792	216,607
Loans and bills discounted	2,754,901	2,836,424
Foreign exchanges	3,927	3,718
Lease receivables and investment assets	5,652	5,543
Other assets	38,635	44,912
Tangible fixed assets	48,953	49,000
Intangible fixed assets	23,919	29,566
Deferred tax assets	7,917	5,247
Customers' liabilities for acceptances and guarantees	4,170	4,184
Allowance for loan losses	△30,282	△28,828
Total assets	3,769,657	3,905,577
Liabilities		
Deposits	3,510,091	3,623,031
Borrowed money	3,265	2,595
Foreign exchanges	17	33
Other liabilities	25,024	25,961
Provision for bonus	648	5
Provision for directors' bonus	80	—
Provision for retirement benefits	261	271
Provision for directors' retirement benefits	2,701	2,851
Provision for reimbursement of deposits	274	263
Provision for contingent loss	552	606
Deferred tax liabilities	119	202
Acceptances and guarantees	4,170	4,184
Total liabilities	3,547,207	3,660,006
Net assets		
Capital stock	30,043	30,043
Capital surplus	19,547	20,223
Retained earnings	179,511	196,594
Treasury stock	△17,194	△16,658
Total shareholders' equity	211,908	230,203
Valuation difference on available-for-sale securities	8,097	13,202
Deferred gains or losses on hedges	△15	△9
Total accumulated other comprehensive income	8,082	13,192
Subscription rights to shares	784	418
Minority interests	1,675	1,756
Total net assets	222,450	245,571
Total liabilities and net assets	3,769,657	3,905,577

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

Millions of Yen

	Nine months ended Dec. 31, 2012	Nine months ended Dec. 31, 2013
Ordinary income	81,988	88,145
Interest income	68,198	74,728
(Interest on loans and discounts)	66,725	72,371
(Interest and dividends on securities)	923	1,750
Fees and commissions	9,066	9,154
Other ordinary income	3,345	2,895
Other income	1,377	1,366
Ordinary expenses	56,033	54,031
Interest expenses	2,285	2,544
(Interest on deposits)	2,227	2,500
Fees and commissions payments	9,855	9,377
Other ordinary expenses	2,322	2,828
General and administrative expenses	34,082	34,292
Other expenses	7,488	4,988
Ordinary profit	25,955	34,113
Extraordinary income	20	140
Gain on disposal of noncurrent assets	20	51
Reversal of subscription rights to shares gain	—	88
Extraordinary loss	141	182
Loss on disposal of noncurrent assets	141	182
Income before income taxes and minority interests	25,834	34,071
Total income taxes	10,289	13,166
Income before minority interests	15,545	20,905
Income attributable to minority interests	111	44
Interim net income	15,433	20,860

Quarterly consolidated statements of comprehensive income

Millions of Yen

	Nine months ended Dec. 31, 2012	Nine months ended Dec. 31, 2013
Income before minority interests	15,545	20,905
Other comprehensive income		
Valuation difference on available-for-sale securities	1,353	5,142
Deferred gains or losses on hedges	△87	5
Total other comprehensive income	1,266	5,147
Comprehensive income	16,811	26,052
(Breakdown)		
Comprehensive income attributable to owners of the parent	16,687	25,971
Comprehensive income attributable to minority interests	124	81

(3) Explanatory notes regarding the going concern assumption
There is no applicable item.

(4) Note for Material Changes in Shareholders' Equity
There is no applicable item.