

December 16, 2013

Company name: Aozora Bank, Ltd.

Name of representative: Shinsuke Baba, President and CEO

Listed exchange: TSE, Code 8304

Enquiries: Ichiro Mizuno, Joint General Manager

Financial Control Division (03) 3263-1111

Finalization of Capital Adequacy Ratio as of September 30, 2013

Aozora Bank, Ltd. hereby announces its finalized capital adequacy ratio as of September 30, 2013, updating the preliminary figures announced on November 15, 2013.

The amount of regulatory capital and risk-weighted assets was changed from the preliminary figures, and the Bank has made necessary revisions to the 'Financial Results for 1st Half of FY2013', published on November 15, 2013. There were no changes to the preliminary figures for the capital adequacy ratio and Tier 1 ratio.

1. Reason for the revisions

The consolidated and non-consolidated capital adequacy ratios as of September 30, 2013, were disclosed as preliminary figures on November 15, 2013. These figures have now been finalized.

2. Revisions in detail

'Financial Results for 1st Half of FY2013'

Page 7 '9 Capital Adequacy Ratio (under Japanese domestic standards)'

Refer to attachment for detailed revisions (the revised parts are underscored).

End

'Financial Results for 1st Half of FY2013'

Page7 9. Capital Adequacy Ratio (under Japanese domestic standards)

(Before revision)

9. Capital Adequacy Ratio (under Japanese domestic standards)

【Consolidated】

(Unit: JPY millions)

| | September 30, 2013 | | | March 31, 2013 | September 30, 2012 |
|---|----------------------|-----------|-----------|----------------|--------------------|
| | (A) (preliminary) | (A) - (B) | (A) - (C) | (B) | (C) |
| (1) Capital adequacy ratio | 16.09% | 0.39% | (3.07%) | 15.70% | 19.16% |
| Tier I ratio | 16.62% | 0.35% | (3.81%) | 16.27% | 20.43% |
| (2) Tier I | 500,916 | 16,649 | (106,741) | 484,267 | 607,657 |
| (3) Tier II (qualifying as capital) | 18,829 | 228 | 240 | 18,601 | 18,589 |
| (a) General allowance for loan losses | 18,829 | 228 | 240 | 18,601 | 18,589 |
| (b) Subordinated debt | - | - | - | - | - |
| (a) + (b) | 18,829 | 228 | 240 | 18,601 | 18,589 |
| (4) Deductions | 34,919 | (482) | (21,196) | 35,401 | 56,115 |
| Amounts equivalent to funding of other financial institutions | 9,186 | 1,109 | (5,851) | 8,077 | 15,037 |
| (5) Regulatory Capital (2)+(3)-(4) | 484,825 | 17,358 | (85,306) | 467,467 | 570,131 |
| (6) Risk-weighted assets | 3,012,697 | 36,447 | 38,418 | 2,976,250 | 2,974,279 |

【Non-consolidated】

(Unit: JPY millions)

| | September 30, 2013 | | | March 31, 2013 | September 30, 2012 |
|---|----------------------|-----------|-----------|----------------|--------------------|
| | (A) (preliminary) | (A) - (B) | (A) - (C) | (B) | (C) |
| (1) Capital adequacy ratio | 16.02% | 0.36% | (3.19%) | 15.66% | 19.21% |
| Tier I ratio | 16.48% | 0.33% | (3.88%) | 16.15% | 20.36% |
| (2) Tier I | 497,384 | 15,834 | (109,382) | 481,550 | 606,766 |
| (3) Tier II (qualifying as capital) | 18,856 | 223 | 231 | 18,633 | 18,625 |
| (a) General allowance for loan losses | 18,856 | 223 | 231 | 18,633 | 18,625 |
| (b) Subordinated debt | - | - | - | - | - |
| (a) + (b) | 18,856 | 223 | 231 | 18,633 | 18,625 |
| (4) Deductions | 32,668 | (398) | (20,160) | 33,066 | 52,828 |
| Amounts equivalent to funding of other financial institutions | 9,186 | 1,109 | (5,851) | 8,077 | 15,037 |
| (5) Regulatory Capital (2)+(3)-(4) | 483,572 | 16,456 | (88,991) | 467,116 | 572,563 |
| (6) Risk-weighted assets | 3,016,963 | 35,683 | 36,880 | 2,981,280 | 2,980,083 |

(After revision)

9. Capital Adequacy Ratio (under Japanese domestic standards)

【Consolidated】

(Unit: JPY millions)

| | September 30, 2013 | | | March 31, 2013 | September 30, 2012 |
|---|--------------------|---------------|-----------------|----------------|--------------------|
| | (A) | (A) - (B) | (A) - (C) | (B) | (C) |
| (1) Capital adequacy ratio | 16.09% | 0.39% | (3.07%) | 15.70% | 19.16% |
| Tier I ratio | 16.62% | 0.35% | (3.81%) | 16.27% | 20.43% |
| (2) Tier I | 500,916 | 16,649 | (106,741) | 484,267 | 607,657 |
| (3) Tier II (qualifying as capital) | <u>18,832</u> | <u>231</u> | <u>243</u> | 18,601 | 18,589 |
| (a) General allowance for loan losses | <u>18,832</u> | <u>231</u> | <u>243</u> | 18,601 | 18,589 |
| (b) Subordinated debt | - | - | - | - | - |
| (a) + (b) | <u>18,832</u> | <u>231</u> | <u>243</u> | 18,601 | 18,589 |
| (4) Deductions | 34,919 | (482) | (21,196) | 35,401 | 56,115 |
| Amounts equivalent to funding of other financial institutions | 9,186 | 1,109 | (5,851) | 8,077 | 15,037 |
| (5) Regulatory Capital (2)+(3)-(4) | <u>484,828</u> | <u>17,361</u> | <u>(85,303)</u> | 467,467 | 570,131 |
| (6) Risk-weighted assets | <u>3,013,177</u> | <u>36,927</u> | <u>38,898</u> | 2,976,250 | 2,974,279 |

【Non-consolidated】

(Unit: JPY millions)

| | September 30, 2013 | | | March 31, 2013 | September 30, 2012 |
|---|--------------------|---------------|---------------|----------------|--------------------|
| | (A) | (A) - (B) | (A) - (C) | (B) | (C) |
| (1) Capital adequacy ratio | 16.02% | 0.36% | (3.19%) | 15.66% | 19.21% |
| Tier I ratio | 16.48% | 0.33% | (3.88%) | 16.15% | 20.36% |
| (2) Tier I | 497,384 | 15,834 | (109,382) | 481,550 | 606,766 |
| (3) Tier II (qualifying as capital) | 18,856 | 223 | 231 | 18,633 | 18,625 |
| (a) General allowance for loan losses | 18,856 | 223 | 231 | 18,633 | 18,625 |
| (b) Subordinated debt | - | - | - | - | - |
| (a) + (b) | 18,856 | 223 | 231 | 18,633 | 18,625 |
| (4) Deductions | 32,668 | (398) | (20,160) | 33,066 | 52,828 |
| Amounts equivalent to funding of other financial institutions | 9,186 | 1,109 | (5,851) | 8,077 | 15,037 |
| (5) Regulatory Capital (2)+(3)-(4) | 483,572 | 16,456 | (88,991) | 467,116 | 572,563 |
| (6) Risk-weighted assets | <u>3,017,098</u> | <u>35,818</u> | <u>37,015</u> | 2,981,280 | 2,980,083 |