

December 13, 2017

Company name: Aozora Bank, Ltd.

Name of representative: Shinsuke Baba, President and CEO

Listed exchange: TSE, Code 8304

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### **Finalization of Capital Adequacy Ratio as of September 30, 2017**

Aozora Bank, Ltd. today announced its finalized capital adequacy ratio as of September 30, 2017, updating the preliminary figures announced on November 13, 2017 as shown below.

|                  |                        | Final     | Preliminary | Change  |
|------------------|------------------------|-----------|-------------|---------|
| Consolidated     | Capital adequacy ratio | 10.86%    | 10.87%      | ▲ 0.01% |
|                  | Regulatory capital     | 453,749   | 453,749     | -       |
|                  | Risk-weighted assets   | 4,174,924 | 4,173,927   | +997    |
|                  | Total required capital | 166,996   | 166,957     | +39     |
| Non-consolidated | Capital adequacy ratio | 10.68%    | 10.69%      | ▲ 0.01% |
|                  | Regulatory capital     | 446,221   | 446,221     | -       |
|                  | Risk-weighted assets   | 4,175,021 | 4,174,024   | +997    |
|                  | Total required capital | 167,000   | 166,960     | +40     |

Therefore, the Bank has made necessary revisions to the 'Financial Results for 1<sup>st</sup> Half of FY2017', published on November 13, 2017.

#### **1. Reason for the revisions**

Capital adequacy ratios, disclosed as preliminary figures in the 'Financial Results for 1<sup>st</sup> Half of FY2017', have now been finalized.

#### **2. Revisions in detail**

'Financial Results for 1<sup>st</sup> Half of FY2017'

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

Please see the attachment for the revisions in detail (the revised sections are underlined).

End

**(Before revision)**

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

## ■Basel III

## (Consolidated)

(million yen)

|                                            |         | September 30, 2017 |               |                | March 31, 2017<br>(B) | September 30, 2016<br>(C) |
|--------------------------------------------|---------|--------------------|---------------|----------------|-----------------------|---------------------------|
|                                            |         | preliminary (A)    | (A) - (B)     | (A) - (C)      |                       |                           |
| (1) Capital adequacy ratio                 | (4)/(5) | <u>10.87%</u>      | <u>0.12%</u>  | <u>(0.46%)</u> | 10.75%                | 11.33%                    |
| (2) Core capital: instruments and reserves |         | 461,075            | 14,809        | 23,418         | 446,266               | 437,657                   |
| (3) Core capital: regulatory adjustments   |         | 7,326              | 818           | 3,384          | 6,508                 | 3,942                     |
| (4) Regulatory capital                     | (2)-(3) | 453,749            | 13,992        | 20,034         | 439,757               | 433,715                   |
| (5) Risk-weighted assets                   |         | <u>4,173,927</u>   | <u>86,530</u> | <u>347,936</u> | 4,087,397             | 3,825,991                 |
| (6) Total required capital                 | (5)*4%  | <u>166,957</u>     | <u>3,462</u>  | <u>13,918</u>  | 163,495               | 153,039                   |

## (Non-consolidated)

(million yen)

|                                            |         | September 30, 2017 |               |                | March 31, 2017<br>(B) | September 30, 2016<br>(C) |
|--------------------------------------------|---------|--------------------|---------------|----------------|-----------------------|---------------------------|
|                                            |         | preliminary (A)    | (A) - (B)     | (A) - (C)      |                       |                           |
| (1) Capital adequacy ratio                 | (4)/(5) | <u>10.69%</u>      | <u>0.13%</u>  | <u>(0.47%)</u> | 10.56%                | 11.16%                    |
| (2) Core capital: instruments and reserves |         | 452,302            | 14,445        | 20,516         | 437,857               | 431,786                   |
| (3) Core capital: regulatory adjustments   |         | 6,081              | 306           | 2,464          | 5,775                 | 3,617                     |
| (4) Regulatory capital                     | (2)-(3) | 446,221            | 14,139        | 18,053         | 432,082               | 428,168                   |
| (5) Risk-weighted assets                   |         | <u>4,174,024</u>   | <u>82,977</u> | <u>338,391</u> | 4,091,047             | 3,835,633                 |
| (6) Total required capital                 | (5)*4%  | <u>166,960</u>     | <u>3,319</u>  | <u>13,535</u>  | 163,641               | 153,425                   |

**(After revision)**

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

## ■Basel III

## (Consolidated)

(million yen)

|                                            |         | September 30, 2017 |               |                | March 31, 2017<br>(B) | September 30, 2016<br>(C) |
|--------------------------------------------|---------|--------------------|---------------|----------------|-----------------------|---------------------------|
|                                            |         | (A)                | (A) - (B)     | (A) - (C)      |                       |                           |
| (1) Capital adequacy ratio                 | (4)/(5) | <u>10.86%</u>      | <u>0.11%</u>  | <u>(0.47%)</u> | 10.75%                | 11.33%                    |
| (2) Core capital: instruments and reserves |         | 461,075            | 14,809        | 23,418         | 446,266               | 437,657                   |
| (3) Core capital: regulatory adjustments   |         | 7,326              | 818           | 3,384          | 6,508                 | 3,942                     |
| (4) Regulatory capital                     | (2)-(3) | 453,749            | 13,992        | 20,034         | 439,757               | 433,715                   |
| (5) Risk-weighted assets                   |         | <u>4,174,924</u>   | <u>87,527</u> | <u>348,933</u> | 4,087,397             | 3,825,991                 |
| (6) Total required capital                 | (5)*4%  | <u>166,996</u>     | <u>3,501</u>  | <u>13,957</u>  | 163,495               | 153,039                   |

## (Non-consolidated)

(million yen)

|                                            |         | September 30, 2017 |               |                | March 31, 2017<br>(B) | September 30, 2016<br>(C) |
|--------------------------------------------|---------|--------------------|---------------|----------------|-----------------------|---------------------------|
|                                            |         | (A)                | (A) - (B)     | (A) - (C)      |                       |                           |
| (1) Capital adequacy ratio                 | (4)/(5) | <u>10.68%</u>      | <u>0.12%</u>  | <u>(0.48%)</u> | 10.56%                | 11.16%                    |
| (2) Core capital: instruments and reserves |         | 452,302            | 14,445        | 20,516         | 437,857               | 431,786                   |
| (3) Core capital: regulatory adjustments   |         | 6,081              | 306           | 2,464          | 5,775                 | 3,617                     |
| (4) Regulatory capital                     | (2)-(3) | 446,221            | 14,139        | 18,053         | 432,082               | 428,168                   |
| (5) Risk-weighted assets                   |         | <u>4,175,021</u>   | <u>83,974</u> | <u>339,388</u> | 4,091,047             | 3,835,633                 |
| (6) Total required capital                 | (5)*4%  | <u>167,000</u>     | <u>3,359</u>  | <u>13,575</u>  | 163,641               | 153,425                   |