

A O M O R I

B A N K

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Annual Report

Profile

The Aomori Bank, Ltd. has traveled the path of sound business management for over 130 years since its founding in 1879. In 1943, five banks based in Aomori Prefecture merged to form the present-day Aomori Bank, following which we have continued our strong growth as the region's leading financial institution.

In April 2010, we formulated our 13th three-year medium-term business plan "Active Change". Based on this plan, we aim to increase corporate value and to be able to grow along with local community.



Non-Consolidated Balance Sheets
The Aomori Bank, Ltd.
As of March 31, 2010 and 2009

	Millions of Yen		Thousands of U.S. dollars
	2010	2009	2010
Assets			
Cash and due from banks	¥79,041	¥83,254	\$849,541
Call loans	45,000	-	483,662
Trading account securities	516	628	5,546
Investment securities	643,339	583,140	6,914,655
Loans and bills discounted	1,383,628	1,412,152	14,871,324
Foreign exchanges	2,867	2,521	30,818
Other assets	7,247	7,483	77,896
Tangible fixed assets	24,559	25,586	263,970
Intangible fixed assets	2,459	1,695	26,429
Deferred income taxes	8,162	14,641	87,726
Customers' liabilities for acceptances and guarantees	19,295	20,722	207,386
Reserve for possible loan losses	(10,565)	(10,360)	(113,554)
Total assets	<u>¥2,205,550</u>	<u>¥2,141,464</u>	<u>\$23,705,403</u>
Liabilities and shareholders' equity			
Liabilities			
Deposits	¥2,065,389	¥1,986,934	\$22,198,940
Borrowed funds	-	40,100	-
Foreign exchanges	2	34	27
Corporate bond	20,000	20,000	214,961
Other liabilities	13,407	6,222	144,100
Reserve for employee's bonus	628	683	6,749
Reserve for employee's retirement benefit	3,139	1,734	33,748
Retirement benefits for directors and corporate auditors	635	548	6,829
Reserve for reimbursement of deposit	494	608	5,312
Deferred tax liabilities on land revaluation	2,752	2,775	29,587
Acceptances and guarantees	19,295	20,722	207,386
Total liabilities	<u>2,125,744</u>	<u>2,080,364</u>	<u>22,847,642</u>
Net assets			
Shareholder's equity			
Common stock	19,562	15,221	210,260
Capital surplus	12,916	8,575	138,826
Total retained earnings	40,109	39,009	431,098
Legal reserve	6,461	6,250	69,444
Appropriated retained earnings	30,500	45,200	327,815
Unappropriated retained earnings	3,148	(12,440)	33,837
Treasury stock	(531)	(525)	(5,713)
Total shareholder's equity	<u>72,056</u>	<u>62,280</u>	<u>774,471</u>
Valuation and translation adjustments			
Net unrealized gains (losses) on securities	5,569	(3,406)	59,857
Net deferred gains (losses) on hedging instruments	(153)	(138)	(1,653)
Revaluation reserve for land	2,333	2,365	25,085
Total Valuation and translation adjustments	<u>7,749</u>	<u>(1,180)</u>	<u>83,289</u>
Total net assets	<u>79,806</u>	<u>61,100</u>	<u>857,760</u>
Total liabilities and net assets	<u>¥2,205,550</u>	<u>¥2,141,464</u>	<u>\$23,705,403</u>

Non-Consolidated Statements of Changes In Net Assets
The Aomori Bank, Ltd.
As of March 31, 2010 and 2009

Millions of yen

	Shareholder's equity							Total
	Common stock	Capital surplus	Retained earnings			Treasury stock		
			Legal reserve	Appropriated retained earnings	Unappropriated retained earnings			
Balances as of March 31,2009	¥15,221	¥8,575	¥6,250	¥45,200	(¥12,440)	¥39,009	(¥525)	¥62,280
Changes during the accounting period								
Issuance of new shares	4,341	4,341						8,682
Dividends from surplus			210		(1,263)	(1,052)		(1,052)
Appropriated retained earnings				(14,700)	14,700	-		-
Net Income					2,122	2,122		2,122
Purchase of treasury stock							(11)	(11)
Disposal of treasury stock					(2)	(2)	5	3
Reversal of land revaluation excess					31	31		31
Changes other than Shareholders' equity (net)								-
Total changes during the accounting period	4,341	4,341	210	(14,700)	15,589	1,099	(6)	9,776
Balances as of March 31,2010	¥19,562	¥12,916	¥6,461	¥30,500	¥3,148	¥40,109	(¥531)	¥72,056

Thousands of US. dollars

	Shareholder's equity							Total
	Common stock	Capital surplus	Retained earnings			Treasury stock		
			Legal reserve	Appropriated retained earnings	Unappropriated retained earnings			
Balances as of March 31,2009	\$163,599	\$92,166	\$67,182	\$485,812	(\$133,714)	\$419,280	(\$5,648)	\$669,397
Changes during the accounting period								
Issuance of new shares	46,660	46,660						93,321
Dividends from surplus			2,262		(13,575)	(11,312)		(11,312)
Appropriated retained earnings				(157,996)	157,996	-		-
Net Income					22,815	22,815		22,815
Purchase of treasury stock							(125)	(125)
Disposal of treasury stock					(21)	(21)	60	38
Reversal of land revaluation excess					337	337		337
Changes other than Shareholders' equity (net)								-
Total changes during the accounting period	46,660	46,660	2,262	(157,996)	167,552	11,818	(65)	105,073
Balances as of March 31,2010	\$210,260	\$138,826	\$69,444	\$327,815	\$33,837	\$431,098	(\$5,713)	\$774,471

Non-Consolidated Statements of Changes In Net Assets
The Aomori Bank, Ltd.
As of March 31, 2010 and 2009

	Valuation and translation adjustments				Millions of yen
	Net unrealized fains(losses) on securities	Deferred fains(losses) on hedging instruments	Revaluation reserve for land	Total	Total net assets
	Balances as of March 31,2009	(¥3,406)	(¥138)	¥2,365	(¥1,180)
Changes during the accounting period					
Issuance of new shares					8,682
Dividends from surplus					(1,052)
Appropriated retained earnings					-
Net Income					2,122
Purchase of treasury stock					(11)
Disposal of treasury stock					3
Reversal of land revaluation excess					31
Changes other than Shareholders' equity (net)	8,976	(15)	(31)	8,929	8,929
Total changes during the accounting period	8,976	(15)	(31)	8,929	18,705
Balances as of March 31,2010	¥5,569	(¥153)	¥2,333	¥7,749	¥79,806

	Valuation and translation adjustments				Thousands of US. dollars
	Net unrealized fains(losses) on securities	Deferred fains(losses) on hedging instruments	Revaluation reserve for land	Total	Total net assets
	Balances as of March 31,2009	(\$36,618)	(\$1,490)	\$25,422	(\$12,686)
Changes during the accounting period					
Issuance of new shares					93,321
Dividends from surplus					(11,312)
Appropriated retained earnings					-
Net Income					22,815
Purchase of treasury stock					(125)
Disposal of treasury stock					38
Reversal of land revaluation excess					337
Changes other than Shareholders' equity (net)	96,475	(162)	(337)	95,975	95,975
Total changes during the accounting period	96,475	(162)	(337)	95,975	201,049
Balances as of March 31,2010	\$59,857	(\$1,653)	\$25,085	\$83,289	\$857,760

(*) The non-consolidated financial statements presented herein are expressed in yen and, solely for the convenience of the reader, have been translated into United States dollars at the rate of ¥93.04= U.S.\$1, the prevailing rate as of March 31, 2010. This translation should not be construed as a representation that all the amounts shown could be converted into U.S. dollars.

Board of Directors and Corporate Auditors

(as of June 25, 2010)

President

Yoshisada Kafuku

Deputy President

Satoshi Hamaya

Managing Directors

Tadashi Takayashiki
Atsushi Naito
Naomitsu Kikuchi
Toru Sasaki

Directors

Shoji Adachi
Mitsuaki Suto
Mitsuo Hayashi

Executive Officers

Susumu Narita
Shoji Fukui
Masato Tatenai
Reiji Tatebe

Standing Corporate Auditor

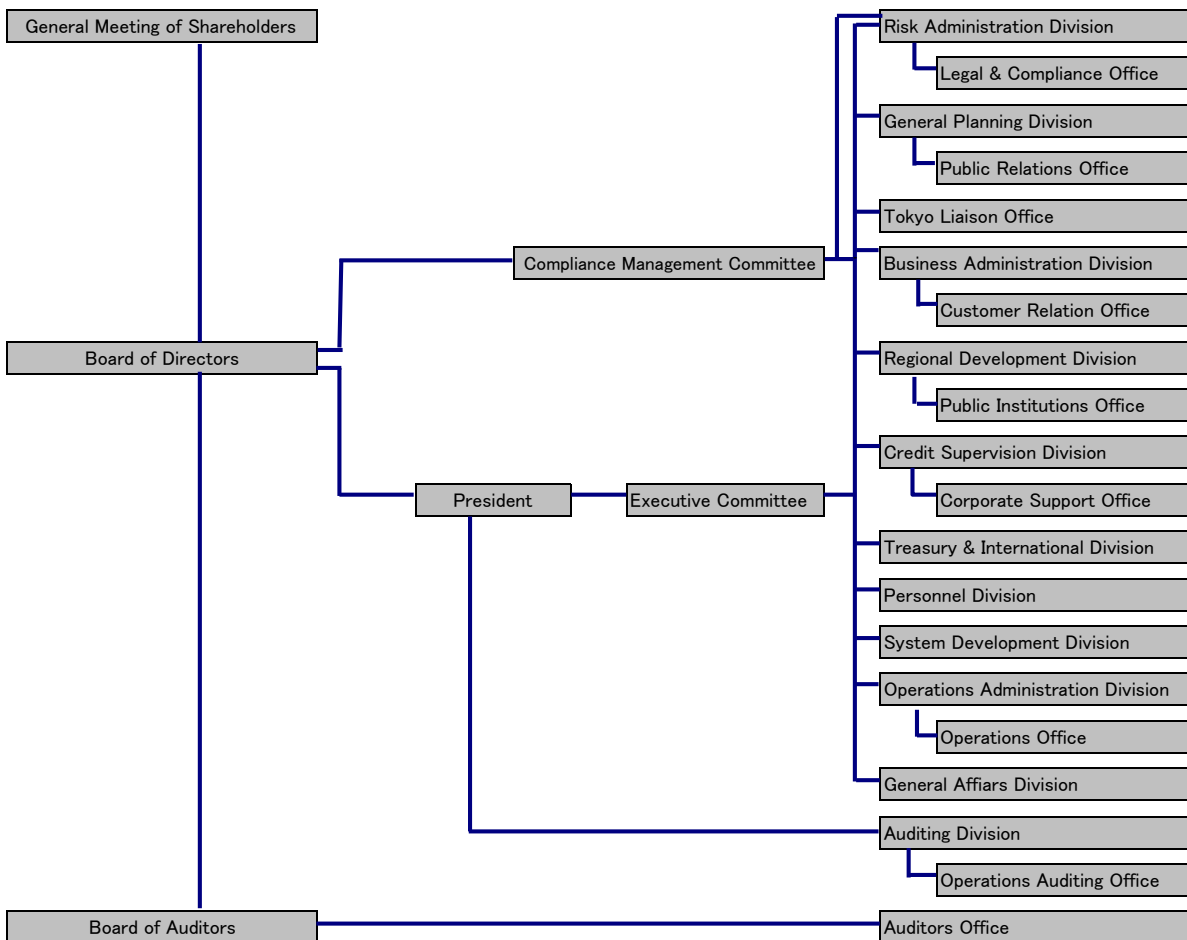
Hiroshi Sugita

Corporate Auditors

Kenichi Tanaka
Kazumi Osawa
Saburobe Nanao
Tetsuo Seito

Organization

(as of April 1, 2010)



Corporate Data

(as of March 31, 2010)

Company Name

The Aomori Bank, Ltd.

Head Office

9-30, Hashimoto 1-chome,
Aomori 030-0823, Japan

WEB URL

<http://www.a-bank.jp/>

Date of Establishment

October 1, 1943

Date of Foundation

January 20, 1879

Number of Employees

1,505

Number of Offices

111

Paid-in Capital

19,562 million yen

Number of Outstanding Shares

211,121 thousand

Total Assets

2,205.5 billion yen

Loans and Bills Discounted

1,383.6 billion yen

Capital Adequacy Ratio

12.23%(Domestic Standards)

Credit Rating

A(Japan Credit Rating Agency, Ltd)