

A O M O R I

B A N K

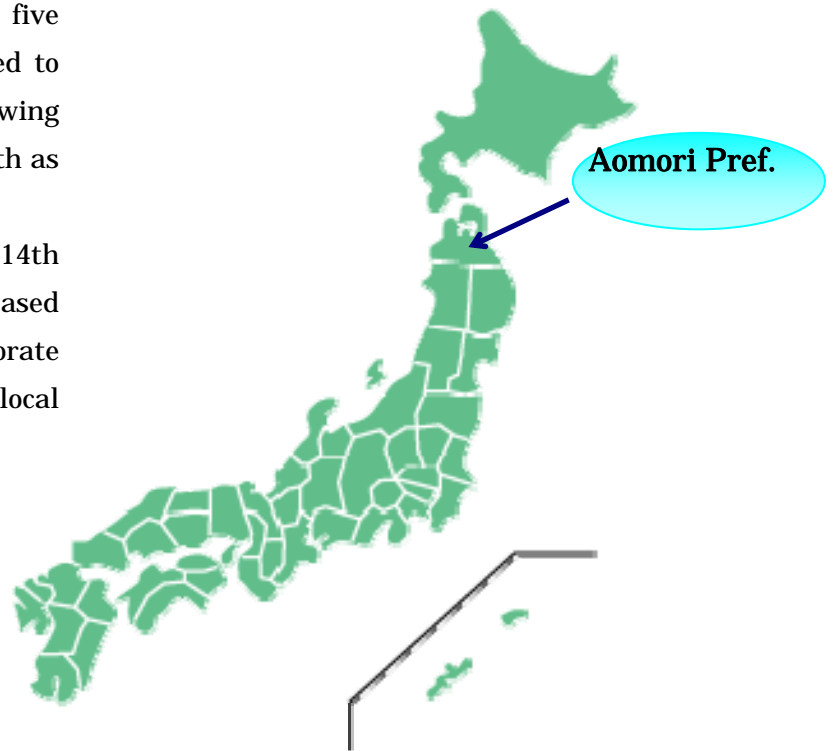
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Annual Report

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 2013, we formulated our 14th three-year medium-term business plan. 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, 2015 and 2014

	Millions of Yen		Thousands of U.S. dollars
	2015	2014	2015
Assets			
Cash and due from banks	¥85,427	¥123,090	\$710,888
Call loans	45,000	55,000	374,469
Monetary claims bought	1,980	1,730	16,477
Trading account securities	37	184	309
Money held in trust	919	-	7,647
Investment securities	901,566	828,596	7,502,427
Loans and bills discounted	1,578,880	1,522,301	13,138,725
Foreign exchanges	1,236	5,101	10,289
Other assets	5,458	6,031	45,424
Tangible fixed assets	20,258	20,954	168,583
Intangible fixed assets	1,278	1,193	10,641
Prepaid pension cost	2,837	2,560	10,641
Customers' liabilities for			
acceptances and guarantees	16,818	15,010	139,955
Reserve for possible loan losses	(12,567)	(11,953)	(104,582)
Reserve for investment loss	(28)	-	(236)
Total assets	<u>¥2,649,103</u>	<u>¥2,569,804</u>	<u>\$22,044,632</u>
Liabilities and shareholders' equity			
Liabilities			
Deposits	¥2,263,993	¥2,223,019	\$18,839,924
Negotiable certificates of deposits	130,200	163,210	1,083,465
Call money	40,166	8,542	334,250
Payables under securities lending transactions	2,923	-	24,326
Borrowed funds	53,714	34,117	446,985
Foreign exchanges	3	4	29
Other liabilities	15,140	14,881	125,991
Reserve for employee's bonus	613	562	5,101
Reserve for employee's retirement benefit	5,452	5,416	45,369
Reserve for reimbursement of deposit	450	338	3,746
Deferred tax liabilities	7,023	3,340	58,446
Deferred tax liabilities on land revaluation	1,926	2,210	16,029
Acceptances and guarantees	16,818	15,010	139,955
Total liabilities	<u>2,538,425</u>	<u>2,470,654</u>	<u>21,123,620</u>
Net assets			
Shareholder's equity			
Common stock	19,562	19,562	162,791
Capital surplus	12,916	12,916	107,484
Total retained earnings	51,841	48,855	431,398
Legal reserve	6,646	6,646	55,306
Appropriated retained earnings	39,000	36,000	324,540
Unappropriated retained earnings	6,195	6,209	51,552
Treasury stock	(699)	(823)	(5,820)
Total shareholder's equity	<u>83,620</u>	<u>80,510</u>	<u>695,853</u>
Valuation and translation adjustments			
Net unrealized gains (losses) on securities	24,294	16,163	202,169
Net deferred gains (losses) on hedging instruments	(43)	(60)	(358)
Revaluation reserve for land	2,698	2,449	22,453
Total Valuation and translation adjustments	<u>26,949</u>	<u>18,552</u>	<u>224,264</u>
Stock option rights	107	88	893
Total net assets	<u>110,678</u>	<u>99,150</u>	<u>921,012</u>
Total liabilities and net assets	<u>¥2,649,103</u>	<u>¥2,569,804</u>	<u>\$22,044,632</u>

Non-Consolidated Income
The Aomori Bank, Ltd.
Years ended March 31, 2015 and 2014

	Millions of Yen		Thousands of U.S. dollars
	2015	2014	2015
Income			
Interest on;			
Loans and discounts	¥20,797	¥22,039	\$173,069
Securities	9,030	8,420	75,145
Other	275	173	2,293
	<u>30,103</u>	<u>30,633</u>	<u>250,508</u>
Fees and commissions	7,362	6,171	61,267
Other income	2,096	1,077	17,446
Total income	<u>39,562</u>	<u>37,881</u>	<u>329,222</u>
Expenses			
Interest on;			
Deposits	1,740	1,907	14,484
Borrowings and rediscounts	167	190	1,397
Other	267	98	2,228
	<u>2,176</u>	<u>2,196</u>	<u>18,110</u>
Fees and commissions	3,261	2,806	27,138
General and administrative expenses	23,992	24,562	199,658
Other expenses	1,136	753	9,458
Loss on impairment of fixed assets	547	98	4,556
Total expenses	<u>31,114</u>	<u>30,417</u>	<u>258,922</u>
Income (Loss) before income taxes	8,447	7,463	70,300
Income taxes			
Current income taxes	2,235	1,200	18,598
Deferred income taxes	1,239	1,685	10,311
Total income taxes	<u>3,474</u>	<u>2,885</u>	<u>28,910</u>
Net income (Loss)	<u>¥4,973</u>	<u>¥4,578</u>	<u>\$41,389</u>
<hr/>			
	Yen		Cents
Net income (Loss) per share	<u>¥24.32</u>	<u>¥22.45</u>	<u>¢ 20.23</u>

Non-Consolidated Statements of Changes in Net Assets
The Aomori Bank, Ltd.
As of March 31, 2015 and 2014

Millions of yen

	Shareholder's equity							Total
	Common stock	Capital surplus	Retained earnings			Treasury stock		
			Legal reserve	Appropriated retained earnings	Unappropriated retained earnings		Total retained earnings	
Balances as of March 31, 2014	¥19,562	¥12,916	¥6,646	¥36,000	¥6,209	¥48,855	(¥823)	¥80,510
Cumulative effects of changes in accounting policies					(425)	(425)		(425)
Restated balance	19,562	12,916	6,646	36,000	5,783	48,429	(823)	80,084
Changes during the accounting period								
Dividends from surplus					(1,442)	(1,442)		(1,442)
Appropriated retained earnings				3,000	(3,000)			
Net Income					4,973	4,973		4,973
Purchase of treasury stock							(88)	(88)
Disposal of treasury stock					(70)	(70)	213	143
Reversal of land revaluation excess					(49)	(49)		(49)
Changes other than Shareholders' equity (net)								
Total changes during the accounting period				3,000	411	3,411	124	3,536
Balances as of March 31, 2015	¥19,562	¥12,916	¥6,646	¥39,000	¥6,195	¥51,841	(¥699)	¥83,620

Thousands of US. dollars

	Shareholder's equity							Total
	Common stock	Capital surplus	Retained earnings			Treasury stock		
			Legal reserve	Appropriated retained earnings	Unappropriated retained earnings		Total retained earnings	
Balances as of March 31, 2014	\$162,791	\$107,484	\$55,306	\$299,575	\$51,669	\$406,551	(\$6,856)	\$669,970
Cumulative effects of changes in accounting policies					(3,543)	(3,543)		(3,543)
Restated balance	162,791	107,484	55,306	299,575	48,126	403,008	(6,856)	666,427
Changes during the accounting period								
Dividends from surplus					(12,000)	(12,000)		(12,000)
Appropriated retained earnings				24,964	(24,964)			
Net Income					41,389	41,389		41,389
Purchase of treasury stock							(739)	(739)
Disposal of treasury stock					(583)	(583)	1,775	1,191
Reversal of land revaluation excess					(415)	(415)		(415)
Changes other than Shareholders' equity (net)								
Total changes during the accounting period				24,964	3,425	28,390	1,035	29,426
Balances as of March 31, 2015	\$162,791	\$107,484	\$55,306	\$324,540	\$51,552	\$431,398	(\$5,820)	\$695,853

Non-Consolidated Statements of Changes In Net Assets
The Aomori Bank, Ltd.
As of March 31, 2015 and 2014

	Valuation and translation adjustments					Total net assets
	Net unrealized gains(losses) on securities	Deferred gains(losses) on hedging instruments	Revaluation reserve for land	Total	Stock option rights	
	Millions of yen					
Balances as of March 31,2014	¥16,163	(¥60)	¥2,449	¥18,552	¥88	¥99,150
Cumulative effects of changes in accounting policies						(425)
Restated balance	16,163	(60)	2,449	18,552	88	98,724
Changes during the accounting period						
Dividends from surplus						(1,442)
Appropriated retained earnings						
Net Income						4,973
Purchase of treasury stock						(88)
Disposal of treasury stock						143
Reversal of land revaluation excess						(49)
Changes other than Shareholders' equity (net)	8,131	17	249	8,397	19	8,417
Total changes during the accounting period	8,131	17	249	8,397	19	11,953
Balances as of March 31,2015	¥24,294	(¥43)	¥2,698	¥26,949	¥107	¥110,678

	Valuation and translation adjustments					Total net assets
	Net unrealized gains(losses) on securities	Deferred gains(losses) on hedging instruments	Revaluation reserve for land	Total	Stock option rights	
	Thousands of US. dollars					
Balances as of March 31,2014	\$134,501	(\$500)	\$20,380	\$154,381	\$732	\$825,085
Cumulative effects of changes in accounting policies						(3,543)
Restated balance	134,501	(500)	20,380	154,381	732	821,542
Changes during the accounting period						
Dividends from surplus						(12,000)
Appropriated retained earnings						
Net Income						41,389
Purchase of treasury stock						(739)
Disposal of treasury stock						1,191
Reversal of land revaluation excess						(415)
Changes other than Shareholders' equity (net)	67,667	142	2,072	69,882	161	70,043
Total changes during the accounting period	67,667	142	2,072	69,882	161	99,470
Balances as of March 31,2015	\$202,169	(\$358)	\$22,453	\$224,264	\$893	\$921,012

(*) 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 ¥ 120.17= U.S.\$1, the prevailing rate as of March 31, 2015. 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 24, 2015)

Chairman

Satoshi Hamaya

President

Susumu Narita

Senior Managing Director

Reiji Tatebe

Managing Directors

Fumitaka Demachi

Akihiro Kawamura

Hitoshi Takeuchi

Directors

Hiomiki Sugiyama

Tomohiko Sasaki

Mitsuo Hayashi

Norihisa Ishida

Executive Officers

Keitaro Ishikawa

Satoru Ishibashi

Katsuhiro Ogasawara

Standing Corporate Auditor

Mitsuaki Suto

Corporate Auditors

Masaki Yamada

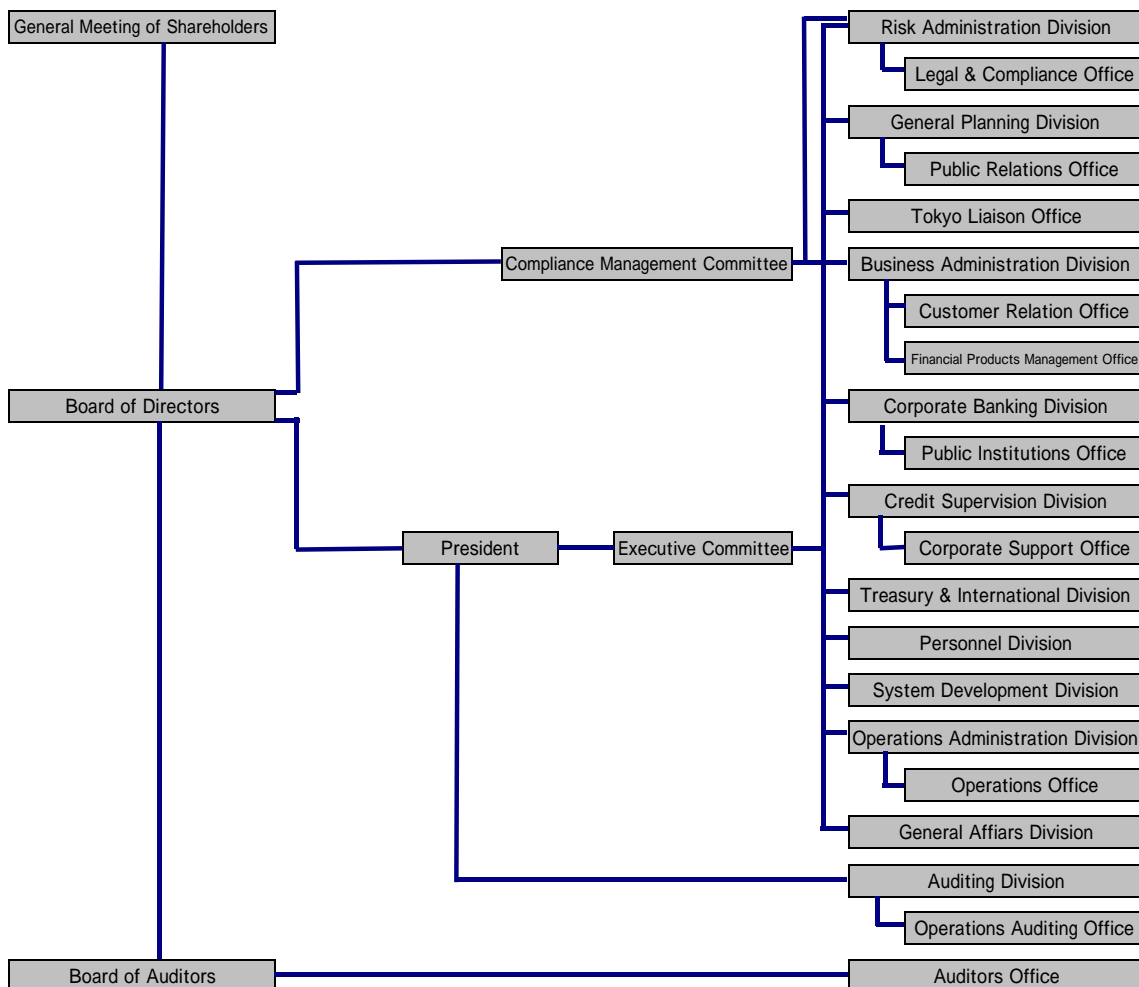
Tetsuo Seito

Takashi Oya

Toru Numata

Organization

(as of April 1, 2015)



Corporate Date

(as of March 31, 2015)

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

1,383

Number of Offices

103

Paid-in Capital

19,562 million yen

Number of Outstanding Shares

207,121 thousand

Total Assets

2,649.1 billion yen

Loans and Bills Discounted

1,578.8 billion yen

Capital Adequacy Ratio

11.46%(Domestic Standards)

Credit Rating

A(Japan Credit Rating Agency, Ltd)