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**Aozora Reports Net Income of 12.4 billion for the First Three Months of FY2015;
- Progress of 29 % towards full-year forecast -**

TOKYO July 31, 2015 – Aozora Bank, Ltd. (“Aozora” or “the Bank”), a leading Japanese commercial bank, today announced its financial results for the first three months of FY2015.

Earnings results for the first three months of FY2015

For the first three months of FY2015, Aozora reported consolidated net revenue of 23.5 billion yen and net income of 12.4 billion yen, representing progress of 24% and 29%, respectively, towards the full-year forecasts of 96.0 billion yen and 43.0 billion yen.

Shinsuke Baba, Representative Director, President and Chief Executive Officer of Aozora Bank commented, “With the full repayment of public funds on June 29, we entered a new stage in our development and we are pleased to get off to a strong start. We were able to achieve year-on-year increases in both net interest income and non-interest income as a result of our ongoing focus on disciplined balance sheet management and diversification of income sources. Reflecting these results, our reported net income represented progress of 29% against our full-year earnings forecast. In addition, today we announced a first quarter dividend of 4.00 yen per common share and remain committed to a 50% payout ratio for the full year.”

Baba concluded, “We will strive to further enhance Aozora's corporate value through the provision of differentiated and specialized financial services. We also reaffirm our commitment to a strong risk management framework and the maintenance of sound management in order to preserve our financial strength and institutional discipline. Going forward, we intend to put more emphasis on quality communications with our stakeholders, including our shareholders. We also expect to provide full support for our customers as well as contribute to the economic and social development of Japan. I would like to express my gratitude to all of our stakeholders for their continued support.”

1. Summary of the results for the first three months (Consolidated)

- Net revenue was 23.5 billion yen, an increase of 1.6 billion yen, or 7.3% year on year, reflecting year on year increases in both net interest income and non-interest income. Business profit was 13.6 billion yen, an increase of 1.1 billion yen, or 9.1% year on year. Net income was 12.4 billion yen, representing progress of 29% towards the full-year forecast of 43.0 billion yen.
 - Net interest income was 13.0 billion yen, an increase of 1.0 billion yen, or 8.6% year on year. The net interest margin expanded 10 bps to 1.30% as a result of an increase in the yield on total investments as the Bank continued its disciplined approach to balance sheet management.
 - Non-interest income was 10.5 billion yen, an increase of 0.6 billion yen, or 5.6% year on year, mainly due to the favorable sale of financial products to our mass affluent retail customers, as well as growth in earnings from the sale of derivative-related products to our corporate and financial institution customers.
 - General and administrative expenses were 9.8 billion yen, a year on year increase of 0.4 billion yen, or 4.8%. The OHR (general and administrative expenses as a percentage of net revenue) was 41.9%, due to the ongoing priority assigned to efficient operations.

- Credit-related expenses were a net reversal of 1.6 billion yen, compared with a net reversal of 8.8 billion yen recorded in the first three months of FY2014, mainly due to the recoveries of written-off claims.
- The loan balance was 2,716.3 billion yen, a decrease of 59.5 billion yen, or 2.1%, from March 31, 2015. Reflecting the Bank's ongoing focus on balancing risk and return, overseas loans increased approximately 33 billion yen while domestic loans decreased approximately 92 billion yen.
- Funding from retail customers was approximately 2,040 billion yen. The percentage of retail funding to total core funding (the sum of deposits, negotiable certificates of deposit and debentures) was stable at approximately 60%. The Bank maintained adequate liquidity reserves of approximately 600 billion yen as of June 30, 2015.
- Non-performing claims as defined by the Financial Reconstruction Law (FRL) were almost unchanged from March 31, 2015 at 39.1 billion yen. The FRL ratio was 1.41%. The percentage of FRL claims covered by reserves, collateral and guarantees was 78.8% as of June 30, 2015. The ratio of loan loss reserves to total loans on a consolidated basis remained high at 2.34%.
- Aozora will announce its June 30, 2015 consolidated capital adequacy ratio (Basel III basis, domestic standard) at a later date. The Bank expects the ratio to remain at an adequate level, approximately 10.5% following the full repayment of public funds in June 2015.

Note: From FY2015 onwards, consolidated net income represents 'profit attributable to owners of parent' in accordance with the Revised Accounting Standard for Business Combinations and related standards and implementation guidance.

2. Performance in the first three months of FY2015 (April 1, 2015 to June 30, 2015)

Consolidated basis

(100 million yen)	Net Revenue	Business Profit	Ordinary Profit	Net Income	Net Income per common share
FY2015 1 st quarter (Apr. – Jun.) (a)	235	136	159	124	10.61 Yen
FY2014 1 st quarter (Apr. – Jun.) (b)	219	125	216	123	10.24 Yen
Change (a) - (b)	16	11	-57	1	0.37 Yen
Percentage change ((a)-(b)) / (b)	7.3%	9.1%	-26.4%	0.5%	3.6%
FY2015 full-year forecast (c)	960	530	535	430	36.86 Yen
Progress (a)/(c)	24.4%	25.7%	29.7%	28.7%	28.7%

Non-consolidated basis

(100 million yen)	Net Revenue	Business Profit before general loan-loss reserve	Ordinary Profit	Net Income	Net Income per common share
FY2015 1 st quarter (Apr. – Jun.) (a)	226	136	157	122	10.49 Yen
FY2014 1 st quarter (Apr. – Jun.) (b)	197	110	206	172	14.39 Yen
Change (a) - (b)	29	26	-49	-49	-3.90 Yen
Percentage change ((a)-(b)) / (b)	14.8%	23.1%	-23.9%	-28.7%	-27.1%
FY2015 full-year forecast (c)	890	490	495	400	34.29 Yen
Progress (a)/(c)	25.4%	27.7%	31.6%	30.5%	30.5%

I. Revenue and Expenses

	FY2014	FY2015	Change (B) – (A)		Page
	(100 million yen)	Apr. - Jun. (A)	Apr. - Jun. (B)	Amount	
Net revenue	219	235	16	7.3%	-
Net interest income	120	130	10	8.6%	4
<i>Net interest margin</i>	<i>1.20%</i>	<i>1.30%</i>	<i>0.10%</i>	-	4
Non-interest income	99	105	6	5.6%	-
Net fees and commissions	25	27	2	8.4%	4
Net trading revenues	24	38	13	55.7%	5
Net other ordinary income	50	40	-10	-19.9%	-
Gains/losses on bond transactions	27	22	-6	-20.5%	5
Net other ordinary income excluding gains/losses on bond transactions	23	18	-4	-19.2%	5
General & administrative expenses	-94	-98	-4	-4.8%	6
Business profit	125	136	11	9.1%	-
Credit-related expenses	88	16	-71	-	6
Ordinary profit	216	159	-57	-26.4%	-
Extraordinary profit	-57	-	57	-	-
Taxes	-35	-36	-0	-	6
Net income	123	124	1	0.5%	-

In the first three months of FY2015, consolidated net revenue increased 1.6 billion yen, or 7.3% year on year, to 23.5 billion yen, representing progress of 24% towards the full-year forecast of 96.0 billion yen.

Net interest income was 13.0 billion yen, an increase of 1.0 billion yen, or 8.6% year on year. The Bank's net interest margin increased 10 bps to 1.30%. Contributing to this result was an increase in the yield on total investments of 11 bps as the Bank continued its disciplined approach to balance sheet management.

Non-interest income increased 0.6 billion yen, or 5.6% year on year, to 10.5 billion yen. Net fees and commissions were 2.7 billion yen, an increase of 0.2 billion yen, or 8.4% year on year, and net trading revenues were 3.8 billion yen, an increase of 1.3 billion yen, or 55.7%, due to strong results from the sale of derivative-related products. Gains/losses on bond transactions were a gain of 2.2 billion yen, a decrease of 0.6 billion yen, or 20.5%, compared with the first three months of FY2014, reflecting gains mainly from U.S. Treasury bonds. Net other ordinary income, excluding gains/losses on bond transactions, was 1.8 billion yen, a decrease of 0.4 billion yen, or 19.2% year on year.

General and administrative expenses were 9.8 billion yen, an increase of 0.4 billion yen, or 4.8% year on year. The OHR remained low at 41.9%, due to the ongoing priority the Bank has assigned to efficient operations.

Consolidated business profit increased 1.1 billion yen, or 9.1%, to 13.6 billion yen.

Credit-related expenses were a net reversal of 1.6 billion yen, compared with a net reversal of 8.8 billion yen recorded in the first three months of FY2014, mainly due to the recoveries of written-off claims.

Ordinary profit was 15.9 billion yen, a decrease of 5.7 billion yen, or 26.4%, mainly attributable to the change in the reversal of credit-related expenses noted above. Pre-tax income was almost unchanged year on year, due to the recognition in the first three months of FY2014 of an extraordinary loss of 5.7 billion yen as a result of crystallizing a negative foreign currency translation adjustment. Taxes were a net expense of 3.6 billion yen, compared with a net expense of 3.5 billion yen in the first three months of FY2014.

As a result of the aforementioned factors, consolidated net income was 12.4 billion yen, an increase of 0.1 billion yen, or 0.5% year on year, representing progress of 29% towards the full-year forecast of 43.0 billion yen.

1. Net Revenue

(1)① Net Interest Income

(100 million yen)	FY2014	FY2015	Change (B)–(A)
	Apr. - Jun. (A)	Apr. - Jun. (B)	
Net interest income (a)-(b)	120	130	10
Interest income (a)	153	165	12
Interest on loans and discounts	102	108	6
Interest and dividends on securities	47	48	1
Other interest income	2	8	6
Interest on swaps	2	1	-1
Interest expenses (b)	-34	-35	-2
Interest on deposits and NCDs	-25	-21	3
Interest on debentures	-1	-2	-0
Interest on borrowings and rediscount	-2	-2	-0
Other interest expenses	-2	-3	-1
Interest on swaps	-4	-7	-4

(1)② Net Interest Margin

	FY2014	FY2015	Change (B)–(A)
	Apr. - Jun. (A)	Apr. - Jun. (B)	
Yield on total investments (a)	1.54%	1.65%	0.11%
Yield on loans	1.58%	1.58%	0.00%
Yield on securities	1.50%	1.83%	0.33%
Net interest margin (b)	0.34%	0.35%	0.01%
Loan margin (a)-(b)	1.20%	1.30%	0.10%

Net interest income was 13.0 billion yen, an increase of 1.0 billion yen, or 8.6% year on year. Interest income increased 1.2 billion yen, mainly as a result of the Bank's continued focus on balancing risk and return. The net interest margin increased 10 bps to 1.30%, reflecting an improvement of 11 bps in the yield on total investments, mainly due to an improvement in the yield on securities, while the yield on loans remained unchanged year on year.

(2) Net Fees and Commissions

(100 million yen)	FY2014	FY2015	Change (B)–(A)
	Apr. - Jun. (A)	Apr. - Jun. (B)	
Net fees and commissions (a)-(b)	25	27	2
Fees and commissions received (a)	27	29	2
Loan business-related	8	11	3
Securities-related and agency	16	14	-2
Others	3	4	1
Fees and commissions payments (b)	-2	-2	0

Net fees and commissions were 2.7 billion yen, an increase of 0.2 billion yen, or 8.4% year on year, mainly reflecting earnings from the sale of investment trusts and insurance to the Bank's mass affluent retail customers, as well as loan-related fee income.

Earnings from the Bank's retail-related business (the sum of earnings from the sale of investment trusts, insurance and structured bonds) to our mass affluent retail customers increased 0.3 billion yen, or 18.0% year on year, to 1.9 billion yen. This increase was mainly due to growth in earnings from the sale of structured bonds (included in 'Net Trading Revenues'), which reflected the Bank's continued efforts to further strengthen the capabilities of its sales staff, as well as enhance its investment product line-up in order to respond to the needs of its customers.

【Ref. 】 Earnings from Retail-Related Business

(100 million yen)	FY2014	FY2015	Change (B)–(A)
	Apr. - Jun. (A)	Apr. - Jun. (B)	
Earnings related to the sale of investment trusts, insurance and structured bonds	16	19	3

Note: Earnings related to the sale of investment trusts and insurance are recorded as net fees and commissions, and earnings related to the sale of structured bonds are recorded as trading revenues.

(3) Net Trading Revenues

(100 million yen)	FY2014	FY2015	Change (B)–(A)
	Apr. - Jun. (A)	Apr. - Jun. (B)	
Net trading revenues	24	38	13
Income on trading-related financial derivatives transactions	22	25	3
Others	2	12	11

Net trading revenues were 3.8 billion yen, an increase of 1.3 billion yen, or 55.7% year on year, as a result of the continued favorable sale of derivative-related products to our corporate and financial institution customers, in addition to growth in earnings related to the sale of structured bonds to the Bank's mass affluent retail customers.

(4) Gains/Losses on Bond Transactions

(100 million yen)	FY2014	FY2015	Change (B)–(A)
	Apr. - Jun. (A)	Apr. - Jun. (B)	
Gains/losses on bond transactions	27	22	-6
Japanese government bonds	15	1	-14
Foreign government bonds and mortgage bonds	-0	17	17
Others	13	3	-10
Profit from hedge funds	3	1	-2
Others (REIT, foreign currency ETFs, etc.)	10	2	-7

Gains/losses on bond transactions were 2.2 billion yen, compared with a gain of 2.7 billion yen in the first three months of FY2014. The Bank continued to focus on the diversification and performance of its investment portfolio.

(5) Net Other Ordinary Income Excluding Gains/losses on Bond Transactions

(100 million yen)	FY2014	FY2015	Change (B)–(A)
	Apr. - Jun. (A)	Apr. - Jun. (B)	
Net other ordinary income excluding gains/losses on bond transactions	23	18	-4
Gains /losses on foreign currency transactions	-6	-8	-3
Gains /losses on derivatives other than trading, net	0	-1	-1
Gains from limited partnerships	13	21	7
Real estate-related	2	2	-1
Distressed loan-related	10	13	3
Others (Buyout, etc.)	1	6	5
Gains on distressed loans (Aozora Loan Services)	3	-0	-3
Others	12	7	-5

Net other ordinary income, excluding gains/losses on bond transactions, was 1.8 billion yen, a decrease of 0.4 billion yen, or 19.2% year on year. This result included strong gains from limited partnerships of 2.1 billion yen, representing a year on year increase of 0.7 billion yen.

2. General and Administrative Expenses (G&A Expenses)

(100 million yen)	FY2014	FY2015	Change (B)–(A)
	Apr. - Jun. (A)	Apr. - Jun. (B)	
G & A expenses	-94	-98	-4
Personnel	-48	-49	-1
Non-personnel expense	-40	-42	-2
Tax	-6	-8	-2

General and administrative expenses increased 0.4 billion yen, or 4.8% year on year, to 9.8 billion yen, mainly due to an increase in the amount allocated to retail-related business. The OHR was 41.9% due to growth in net revenue, as well as the ongoing priority the Bank has assigned to efficient operations.

3. Credit-Related Expenses

(100 million yen)	FY2014	FY2015	Change (B)–(A)
	Apr. - Jun. (A)	Apr. - Jun. (B)	
Credit-related expenses	88	16	-71
Write-off of loans	-0	-0	-0
Gains/losses on disposition of loans	26	-1	-27
Reserve for possible loan losses	30	1	-29
Specific reserve for possible loan losses	12	-14	-26
General reserve for possible loan losses	18	15	-3
Reserve for credit losses on off-balance-sheet instruments	11	-4	-16
Recoveries of written-off claims	21	21	1

Credit-related expenses were a net reversal of 1.6 billion yen, compared with a net reversal of 8.8 billion yen in the first three months of FY2014, mainly due to the recoveries of written-off claims. The ratio of loan loss reserves to total loans remained high at 2.34%, which reflected the Bank's continued conservative allocation of reserves.

4. Taxes

(100 million yen)	FY2014	FY2015	Change (B)–(A)
	Apr. - Jun. (A)	Apr. - Jun. (B)	
Taxes	-35	-36	-0

A net tax expense of 3.6 billion yen was recognized in the first three months of FY2015, compared with a net expense of 3.5 billion yen in the first three months of FY2014. The effective tax rate (taxes as a proportion of pre-tax income) was 22.3%. In calculating deferred tax assets, the Bank continued its conservative estimation of future taxable income and future deductible temporary differences in consideration of the uncertainty of such estimations.

II. Balance Sheet

(100 million yen)	Mar. 31, 2015 (A)	Jun.30, 2015 (B)	Change (B)–(A)		Jun.30, 2014	Page
			Amount	%		
Total assets	49,245	48,496	-749	-1.5%	49,224	-
Loan and bills discounted	27,758	27,163	-595	-2.1%	26,420	8
Securities	9,841	10,887	1,047	10.6%	12,882	9
Cash and due from banks	5,505	5,364	-141	-2.6%	3,728	-
Others	6,141	5,081	-1,059	-17.3%	6,194	-
Total liabilities	43,571	44,510	940	2.2%	44,114	-
Deposits	26,981	28,074	1,094	4.1%	26,912	8
Negotiable certificates of deposit	2,867	3,166	300	10.5%	2,627	8
Debentures	2,461	2,514	53	2.1%	2,073	8
Borrowed money	1,872	1,888	16	0.8%	2,231	-
Others	9,390	8,868	-522	-5.6%	10,271	-
Total net assets	5,674	3,985	-1,689	-29.8%	5,110	-
Capital stock	1,000	1,000	-	-	1,000	-
Capital surplus	2,897	873	-2,024	-69.9%	2,897	-
Retained earnings	2,350	1,838	-512	-21.8%	2,164	-
Treasury stock	-993	-34	959	-96.6%	-993	-
Valuation difference on available-for-sale securities	349	238	-112	-32.0%	4	-
Foreign currency translation adjustment	12	16	3	28.3%	-13	-
Others	59	55	-4	-7.1%	51	-
Total liabilities and net assets	49,245	48,496	-749	-1.5%	49,224	-

Total assets were 4,849.6 billion yen as of June 30, 2015, a decrease of 74.9 billion yen, or 1.5%, compared to March 31, 2015. Loans were 2,716.3 billion yen, a decrease of 59.5 billion yen, or 2.1%, from March 31, 2015. Reflecting the Bank's ongoing focus on balancing risk and return, overseas loans increased approximately 33 billion yen while domestic loans decreased approximately 92 billion yen. Securities increased by 104.7 billion yen, or 10.6%, from March 31, 2015, to 1,088.7 billion yen.

On the funding side, total liabilities were 4,451.0 billion yen, an increase of 94.0 billion yen, or 2.2%, compared to March 31, 2015. Deposits and negotiable certificates of deposit increased 139.3 billion yen. Funding from retail customers was approximately 2,040 billion yen, and the percentage of retail funding to total core funding (the sum of deposits, negotiable certificates of deposit and debentures) was stable at approximately 60%.

Net assets were 398.5 billion yen, representing a decrease of 168.9 billion yen, or 29.8%, in comparison with March 31, 2015. This decrease mainly reflected the full repayment of public funds (a total of 163.9 billion yen including an annual installment repayment in June this year). Net assets per common share were 340.96 yen, as compared to 336.83 yen per common share as of March 31, 2015.

1. Funding (Deposits and Debentures)

(100 million yen)	Mar. 31, 2015 (A)	June 30, 2015 (B)	Change (B)–(A)	June 30, 2014
Total core funding	32,309	33,754	1,446	31,612

Funding sources by products

(100 million yen)	Mar. 31, 2015 (A)	June 30, 2015 (B)	Change (B)–(A)	June 30, 2014
Deposits / NCDs	29,847	31,241	1,393	29,538
Debentures	2,461	2,514	53	2,073

Funding sources by customers

(100 million yen)	Mar. 31, 2015 (A)	June 30, 2015 (B)	Change (B)–(A)	June 30, 2014
Retail	20,597	20,422	-176	20,486
Corporate	6,135	7,189	1,054	5,777
Financial Institutions	5,576	6,144	568	5,350

Note: Corporate includes public entities

Total core funding (the sum of deposits, negotiable certificates of deposit and debentures) was 3,375.4 billion yen, an increase of 144.6 billion yen, or 4.5%, from March 31, 2015, mainly due to an increase in corporate deposits. This increase reflected additional funding related to the full repayment of public funds, as well as the Bank's implementation of flexible operations based on the level of interest bearing assets. The percentage of retail funding to total core funding (the sum of deposits, negotiable certificates of deposit and debentures) remained stable at approximately 60%.

The Bank maintained adequate liquidity reserves as of June 30, 2015, approximately 600 billion yen following the full repayment of public funds.

2. Loans

(100 million yen)	Mar. 31, 2015 (A)	June 30, 2015 (B)	Change (B)–(A)	June 30, 2014
Loans	27,758	27,163	-595	26,420
Domestic loans	20,197	19,276	-921	20,826
Overseas loans	7,561	7,887	326	5,594

Loans were 2,716.3 billion yen, a decrease of 59.5 billion yen, or 2.1%, from March 31, 2015.

Domestic loans decreased approximately 92 billion yen as a result of the Bank's ongoing focus on balancing risk and return. Overseas loans increased by approximately 33 billion yen as a result of the Bank's selective origination of real estate non-recourse loans and corporate loans, mainly in North America where the risk-return profiles remain attractive.

3. Securities

(100 million yen)	Book Value				Unrealized Gains/Losses			
	Mar. 31, 2015 (A)	Jun. 30, 2015 (B)	Change (B) – (A)	Jun. 30, 2014	Mar. 31, 2015 (A)	Jun. 30, 2015 (B)	Change (B) – (A)	Jun. 30, 2014
JGBs	1,940	1,940	0	4,047	9	9	-0	12
TDB only	1,602	1,602	-0	3,002	0	0	0	-0
15Y floating rate only	338	338	0	941	9	9	-0	12
Municipal bonds	185	158	-27	137	1	1	-1	1
Corporate bonds	393	445	52	488	0	1	0	3
Equities	418	447	29	302	263	265	2	7
Foreign bonds	3,704	3,776	72	3,885	36	-56	-92	-61
Others	3,200	4,122	921	4,022	201	151	-50	72
Hedge funds	72	70	-2	69	24	24	-1	19
ETFs	1,444	2,233	789	1,795	111	72	-39	24
Investment in limited partnerships	675	677	3	398	6	6	0	0
REIT	482	552	70	367	59	49	-10	28
Investment trusts	324	324	-0	1,274	-2	-2	-0	-1
Others	204	266	62	120	4	3	-1	1
Total	9,841	10,887	1,047	12,882	511	370	-141	33

Securities were 1,088.7 billion yen as of June, 30, 2015, an increase of 104.7 billion yen, or 10.6%, compared to March 31, 2015. The Bank continues to enhance its interest income through an ongoing focus on the diversification and performance of its investment portfolio. In the first three months of FY2015, domestic equities and foreign currency denominated ETFs, foreign bonds including U.S. Treasury bonds, as well as REITs, were increased.

Total unrealized gains amounted to 37.0 billion yen in comparison to unrealized gains of 51.1 billion yen in March 31, 2015.

III. Disclosed Claims under the Financial Reconstruction Law (Non-consolidated)

(100 million yen)	Mar. 31, 2015 (A)	Jun. 30, 2015	Change (B)–(A)	Jun. 30, 2014
Bankrupt and similar credit	3	3	-0	26
Doubtful credit	262	273	11	538
Special attention credit	118	115	-3	177
FRL credit, total (a)	382	391	9	741
Normal credit (b)	27,871	27,209	-662	26,123
Total credit (c)=(a)+(b)	28,253	27,599	-653	26,864
FRL credit ratio (a)/(c)	1.35%	1.41%	0.06%	2.75%

Non-performing claims as defined by the Financial Reconstruction Law (FRL) were almost unchanged from March 31, 2015 at 39.1 billion yen. The FRL ratio was 1.41%. The percentage of FRL claims covered by reserves, collateral and guarantees was 78.8% as of June 30, 2015. The ratio of loan loss reserves to total loans on a consolidated basis remained high at 2.34% as of June, 30, 2015.

Aozora Bank, Ltd. is a leading provider of lending, securitization, business and asset revitalization, asset management, loan syndication and investment advisory services to financial institutions, corporate and retail customers. Originally established in 1957 as the Nippon Fudosan Bank, Ltd., the Bank changed its name to Aozora Bank, Ltd. in 2001. Aozora is proud of its heritage and the long-term relationships it has developed with corporate, financial and individual customers over the years. Building on this heritage, Aozora has created a strong customer-oriented and performance-based culture that will contribute to both innovative business solutions for customers and sustainable earnings growth for investors and shareholders. News and other information about Aozora Bank, Ltd. is available at <http://www.aozorabank.co.jp/english/>

Forward-Looking Statements

This announcement contains forward-looking statements regarding the Bank's financial condition and results of operations. These forward-looking statements, which include the Bank's views and assumptions with respect to future events, involve certain risks and uncertainties. Actual results may differ from forecasts due to changes in economic conditions and other factors, including the effects of changes in general economic conditions, changes in interest rates, stock markets and foreign currency, and any ensuing decline in the value of our securities portfolio, incurrence of significant credit-related costs and the effectiveness of our operational, legal and other risk management policies.