

February 14, 2017

Company name: Aozora Bank, Ltd.
Name of representative: Shinsuke Baba, President and CEO
Listed exchange: TSE, Code 8304
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Capital Adequacy Ratio as of December 31, 2016

TOKYO February 14, 2017 - Aozora Bank, Ltd. today announced its capital adequacy ratio as of December 31, 2016, based on the Basel III standards as stated below.

As of December 31, 2016, the Bank's consolidated capital adequacy ratio (domestic standard) was 10.70%. This ratio represents a decline as compared to September 30, 2016, and was mainly due to an increase in risk-weighted assets resulting from the depreciation of the yen. The Bank maintains a sufficient level of capital.

【Consolidated (domestic standard)】

(million yen)

		Dec. 31, 2016	Sep. 30, 2016	Mar. 31, 2016
(1) Capital adequacy ratio	(4)÷(5)	10.70%	11.33%	11.03%
(2) Core capital: instruments and reserves		446,798	437,657	421,139
(3) Core capital: regulatory adjustments		4,151	3,942	4,014
(4) Regulatory capital	(2)-(3)	442,646	433,715	417,125
(5) Risk-weighted assets		4,133,947	3,825,991	3,778,341
(6) Total required capital	(5)×4%	165,357	153,039	151,133

【Non-consolidated (domestic standard)】

(million yen)

		Dec. 31, 2016	Sep. 30, 2016	Mar. 31, 2016
(1) Capital adequacy ratio	(4)÷(5)	10.49%	11.16%	10.83%
(2) Core capital: instruments and reserves		438,145	431,786	413,813
(3) Core capital: regulatory adjustments		3,716	3,617	3,524
(4) Regulatory capital	(2)-(3)	434,429	428,168	410,288
(5) Risk-weighted assets		4,139,746	3,835,633	3,786,782
(6) Total required capital	(5)×4%	165,589	153,425	151,471

Note: Consolidated and non-consolidated capital adequacy ratios are calculated based on the FSA Notice Number 19, issued in 2006.

The 'Composition of Capital Disclosure' is available on our website at
<http://www.aozorabank.co.jp/english/ir/library/>.

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