

A O M O R I

B A N K

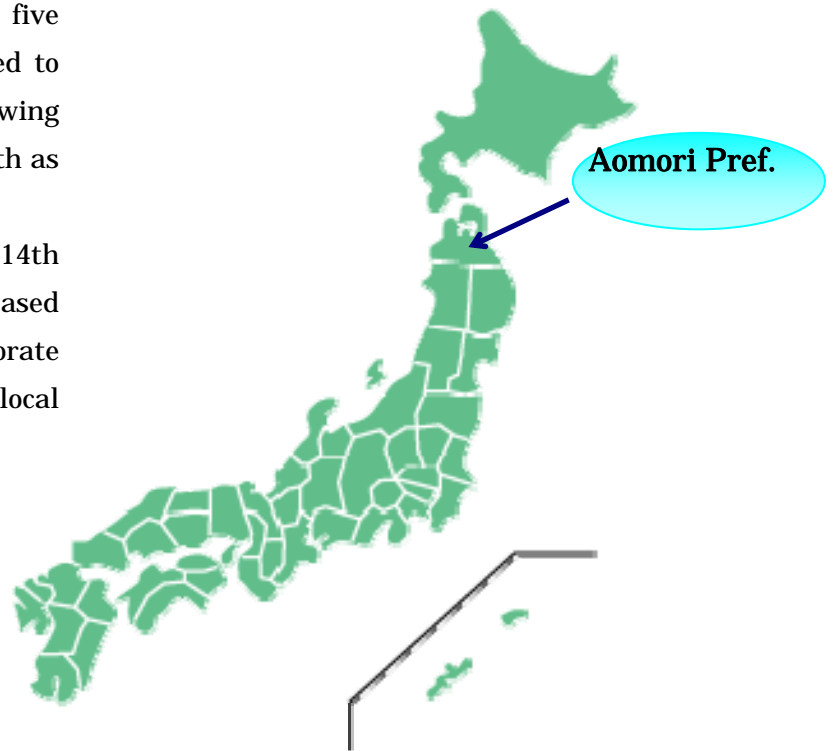
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Annual Report

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, 2014 and 2013

	Millions of Yen		Thousands of U.S. dollars
	2014	2013	2014
Assets			
Cash and due from banks	¥123,090	¥120,399	\$1,195,986
Call loans	55,000	50,000	534,395
Monetary claims bought	1,730	1,262	16,812
Trading account securities	184	263	1,796
Investment securities	828,596	845,555	8,050,881
Loans and bills discounted	1,522,301	1,474,065	14,791,112
Foreign exchanges	5,101	951	49,569
Other assets	8,592	7,961	83,487
Tangible fixed assets	20,954	21,109	203,604
Intangible fixed assets	1,193	1,409	11,595
Customers' liabilities for acceptances and guarantees	15,010	16,208	145,850
Reserve for possible loan losses	(11,953)	(12,676)	(116,141)
Total assets	<u>¥2,569,804</u>	<u>¥2,526,508</u>	<u>\$24,968,952</u>
Liabilities and shareholders' equity			
Liabilities			
Deposits	¥2,223,019	¥2,193,919	\$21,599,489
Negotiable certificates of deposits	163,210	138,090	1,585,794
Call money	8,542	2,539	83,000
Borrowed funds	34,117	65,749	331,496
Foreign exchanges	4	4	46
Other liabilities	14,881	4,798	144,590
Reserve for employee's bonus	562	620	5,460
Reserve for employee's retirement benefit	5,416	2,994	52,630
Reserve for reimbursement of deposit	338	353	3,284
Deferred tax liabilities	3,340	2,273	32,456
Deferred tax liabilities on land revaluation	2,210	2,245	21,478
Acceptances and guarantees	15,010	16,208	145,850
Total liabilities	<u>2,470,654</u>	<u>2,429,796</u>	<u>24,005,578</u>
Net assets			
Shareholder's equity			
Common stock	19,562	19,562	190,075
Capital surplus	12,916	12,916	125,499
Total retained earnings	48,855	45,480	474,691
Legal reserve	6,646	6,646	64,576
Appropriated retained earnings	36,000	34,000	349,786
Unappropriated retained earnings	6,209	4,834	60,329
Treasury stock	(823)	(1,017)	(8,005)
Total shareholder's equity	<u>80,510</u>	<u>76,941</u>	<u>782,261</u>
Valuation and translation adjustments			
Net unrealized gains (losses) on securities	16,163	17,262	157,044
Net deferred gains (losses) on hedging instruments	(60)	(77)	(584)
Revaluation reserve for land	2,449	2,511	23,796
Total Valuation and translation adjustments	<u>18,552</u>	<u>19,695</u>	<u>180,257</u>
Stock option rights	88	74	855
Total net assets	<u>99,150</u>	<u>96,712</u>	<u>963,374</u>
Total liabilities and net assets	<u>¥2,569,804</u>	<u>¥2,526,508</u>	<u>\$24,968,952</u>

Non-Consolidated Income
The Aomori Bank, Ltd.
Years ended March 31, 2014 and 2013

	Millions of Yen		Thousands of U.S. dollars
	2014	2013	2014
Income			
Interest on;			
Loans and discounts	¥22,039	¥23,473	\$214,143
Securities	8,420	8,940	81,814
Other	173	157	1,682
	<u>30,633</u>	<u>32,570</u>	<u>297,640</u>
Fees and commissions	6,171	6,612	59,959
Other income	1,077	967	10,468
Total income	<u>37,881</u>	<u>40,151</u>	<u>368,068</u>
Expenses			
Interest on;			
Deposits	1,907	1,976	18,529
Borrowings and rediscounts	190	186	1,853
Other	98	60	959
	<u>2,196</u>	<u>2,223</u>	<u>21,341</u>
Fees and commissions	2,806	3,040	27,271
General and administrative expenses	24,562	24,327	238,652
Other expenses	753	4,049	7,322
Loss on impairment of fixed assets	98	98	959
Total expenses	<u>30,417</u>	<u>33,738</u>	<u>295,547</u>
Income (Loss) before income taxes	7,463	6,412	72,520
Income taxes			
Current income taxes	1,200	186	11,660
Deferred income taxes	1,685	1,949	16,374
Total income taxes	<u>2,885</u>	<u>2,136</u>	<u>28,034</u>
Net income (Loss)	<u>¥4,578</u>	<u>¥4,276</u>	<u>\$44,485</u>
<hr/>			
	Yen		Cents
Net income (Loss) per share	¥22.45	¥20.77	¢ 21.81

Non-Consolidated Statements of Changes in Net Assets
The Aomori Bank, Ltd.
As of March 31, 2014 and 2013

Millions of yen

	Shareholder's equity							
	Common stock	Capital surplus	Retained earnings				Treasury stock	Total
			Legal reserve	Appropriated retained earnings	Unappropriated retained earnings	Total retained earnings		
Balances as of March 31, 2013	¥19,562	¥12,916	¥6,646	¥34,000	¥4,834	¥45,480	(¥1,017)	¥76,941
Changes during the accounting period								
Dividends from surplus					(1,235)	(1,235)		(1,235)
Appropriated retained earnings				2,000	(2,000)	-		-
Net Income					4,578	4,578		4,578
Purchase of treasury stock							(4)	(4)
Disposal of treasury stock					(29)	(29)	197	167
Reversal of land revaluation excess					62	62		62
Changes other than Shareholders' equity (net)								-
Total changes during the accounting period	-	-		2,000	1,375	3,375	193	3,568
Balances as of March 31, 2014	¥19,562	¥12,916	¥6,646	¥36,000	¥6,209	¥48,855	(¥823)	¥80,510

Thousands of US. dollars

	Shareholder's equity							
	Common stock	Capital surplus	Retained earnings				Treasury stock	Total
			Legal reserve	Appropriated retained earnings	Unappropriated retained earnings	Total retained earnings		
Balances as of March 31, 2013	\$190,075	\$125,499	\$64,576	\$330,353	\$46,968	\$441,898	(\$9,887)	\$747,586
Changes during the accounting period								
Dividends from surplus					(12,006)	(12,006)		(12,006)
Appropriated retained earnings				19,432	(19,432)	-		-
Net Income					44,485	44,485		44,485
Purchase of treasury stock							(40)	(40)
Disposal of treasury stock					(291)	(291)	1,923	1,632
Reversal of land revaluation excess					604	604		604
Changes other than Shareholders' equity (net)								-
Total changes during the accounting period	-	-		19,432	13,360	32,793	1,882	34,675
Balances as of March 31, 2014	\$190,075	\$125,499	\$64,576	\$349,786	\$60,329	\$474,691	(\$8,005)	\$782,261

Non-Consolidated Statements of Changes In Net Assets
The Aomori Bank, Ltd.
As of March 31, 2014 and 2013

Millions of yen

	Valuation and translation adjustments				Stock option rights	Total net assets
	Net unrealized gains(losses) on securities	Deferred gains(losses) on hedging instruments	Revaluation reserve for land	Total		
Balances as of March 31,2013	¥17,262	(¥77)	¥2,511	¥19,695	¥74	¥96,712
Changes during the accounting period						
Dividends from surplus						(1,235)
Appropriated retained earnings						-
Net Income						4,578
Purchase of treasury stock						(4)
Disposal of treasury stock						167
Reversal of land revaluation excess						62
Changes other than Shareholders' equity (net)	(1,099)	17	(62)	(1,143)	13	(1,130)
Total changes during the accounting period	(1,099)	17	(62)	(1,143)	13	2,438
Balances as of March 31,2014	¥16,163	(¥60)	¥2,449	¥18,552	¥88	¥99,150

Thousands of US. dollars

	Valuation and translation adjustments				Stock option rights	Total net assets
	Net unrealized gains(losses) on securities	Deferred gains(losses) on hedging instruments	Revaluation reserve for land	Total		
Balances as of March 31,2013	\$167,723	(\$755)	\$24,401	\$191,370	\$728	\$939,684
Changes during the accounting period						-
Dividends from surplus						(12,006)
Appropriated retained earnings						-
Net Income						44,485
Purchase of treasury stock						(40)
Disposal of treasury stock						1,632
Reversal of land revaluation excess						604
Changes other than Shareholders' equity (net)	(10,678)	170	(604)	(11,112)	126	(10,986)
Total changes during the accounting period	(10,678)	170	(604)	(11,112)	126	23,689
Balances as of March 31,2014	\$157,044	(\$584)	\$23,796	\$180,257	\$855	\$963,374

(*) 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 ¥102.92= U.S.\$1, the prevailing rate as of March 31, 2014. 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

Chairman

Yoshisada Kafuku

President

Satoshi Hamaya

Senior Managing Director

Susumu Narita
Shoji Adachi

Managing Directors

Reiji Tatebe
Fumitaka Demachi

Directors

Akihiro Kawamura
Hitoshi Takeuchi
Mitsuo Hayashi

Executive Officers

Hiromiki Sugiyama
Hiroshi Yamauchi
Tomohiko Sasaki
Keitaro Ishikawa

Standing Corporate Auditor

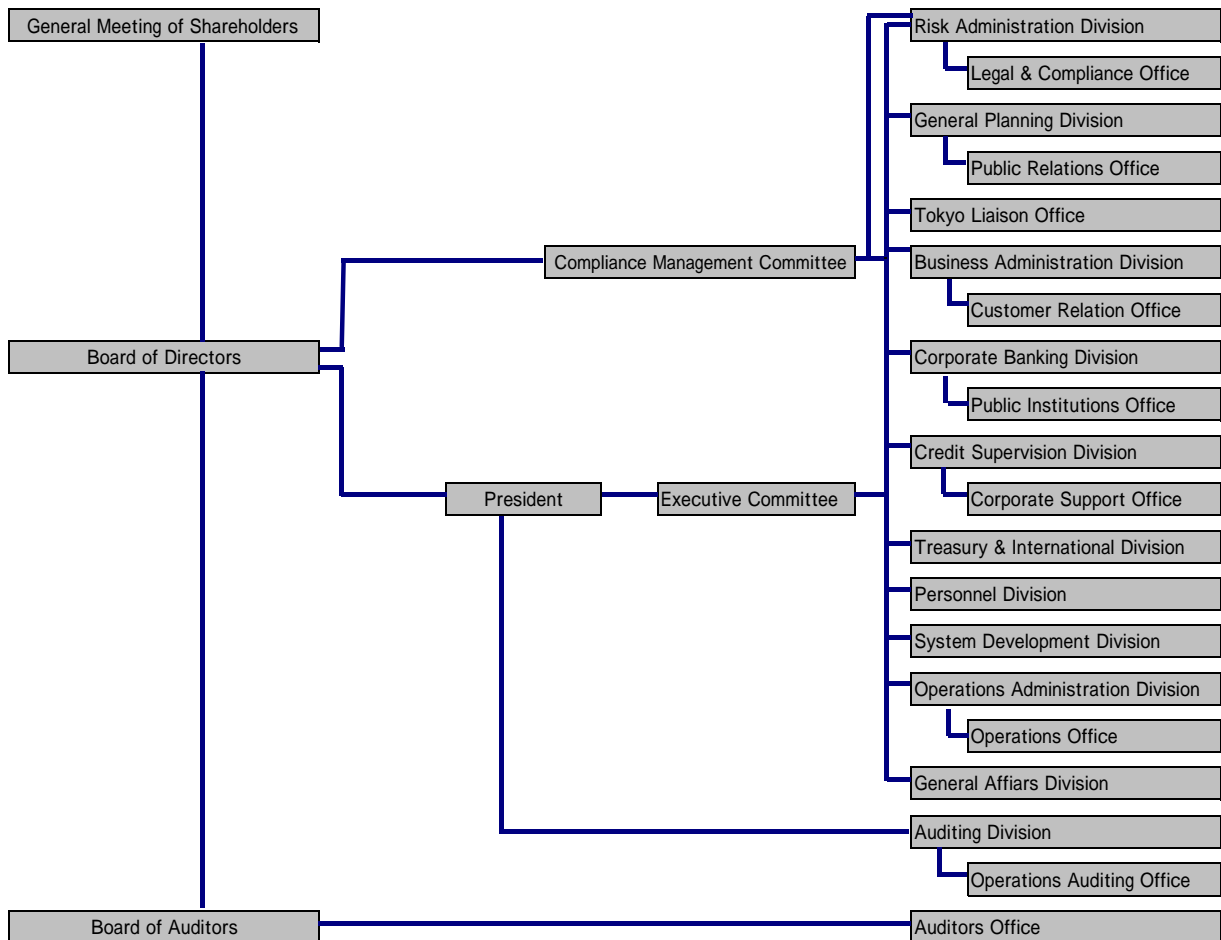
Mitsuaki Suto

Corporate Auditors

Syoichi Sawamukai
Tetsuo Seito
Takashi Oya
Toru Numata

Organization

(as of March 31, 2014)



Corporate Date

(as of March 31, 2014)

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

1,414

Number of Offices

105

Paid-in Capital

19,562 million yen

Number of Outstanding Shares

207,121 thousand

Total Assets

2,586.7 billion yen

Loans and Bills Discounted

1,515.3billion yen

Capital Adequacy Ratio

11.83%(Domestic Standards)

Credit Rating

A(Japan Credit Rating Agency, Ltd)