

December 12, 2019

Company name: Aozora Bank, Ltd.

Name of representative: Shinsuke Baba, President and CEO

Listed exchange: TSE, Code 8304

Contact: Yoshinari Takasaki, Joint General Manager

Financial Control Division (03 6752 1111)

### Finalization of Capital Adequacy Ratio as of September 30, 2019

**TOKYO December 12, 2019** - Aozora Bank, Ltd. today announced its finalized capital adequacy ratio as of September 30, 2019, updating the preliminary figures announced on November 14, 2019 as shown below.

|                  |                        | (million yen) |             |        |
|------------------|------------------------|---------------|-------------|--------|
|                  |                        | Final         | Preliminary | Change |
| Consolidated     | Capital adequacy ratio | 10.34%        | 10.34%      | -      |
|                  | Regulatory capital     | 467,077       | 467,077     | -      |
|                  | Risk-weighted assets   | 4,513,566     | 4,513,364   | +202   |
|                  | Total required capital | 180,542       | 180,534     | +8     |
| Non-consolidated | Capital adequacy ratio | 10.29%        | 10.29%      | -      |
|                  | Regulatory capital     | 465,667       | 465,667     | -      |
|                  | Risk-weighted assets   | 4,521,361     | 4,521,159   | +202   |
|                  | Total required capital | 180,854       | 180,846     | +8     |

Therefore, the Bank has made necessary revisions to the 'Financial Results for 1<sup>st</sup> Half of FY2019', published on November 14, 2019.

#### 1. Reason for the revisions

Capital adequacy ratios, disclosed as preliminary figures in the 'Financial Results for 1<sup>st</sup> Half of FY2019', have now been finalized.

#### 2. Revisions in detail

'Financial Results for 1<sup>st</sup> Half of FY2019'

Page 7 '9. Capital Adequacy Ratio (under Japanese domestic standards)'

Please see the attachment for the revisions in detail (the revised sections are underlined).

End

**(Before revision)**

## 9. Capital Adequacy Ratio (under Japanese domestic standards)

## ■Basel III

## (Consolidated)

|  |         | September 30, 2019 |               |                 | March 31, 2019<br>(B) | September 30, 2018<br>(C) |
|--|---------|--------------------|---------------|-----------------|-----------------------|---------------------------|
|  |         | preliminary (A)    | (A) - (B)     | (A) - (C)       |                       |                           |
| (1) Capital adequacy ratio                 | (4)/(5) | 10.34%             | 0.07%         | 0.20%           | 10.27%                | 10.14%                    |
| (2) Core capital: instruments and reserves |         | 483,415            | 5,823         | 11,551          | 477,592               | 471,863                   |
| (3) Core capital: regulatory adjustments   |         | 16,337             | 604           | 3,794           | 15,733                | 12,543                    |
| (4) Regulatory capital                     | (2)-(3) | 467,077            | 5,218         | 7,757           | 461,859               | 459,320                   |
| (5) Risk-weighted assets                   |         | <u>4,513,364</u>   | <u>20,198</u> | <u>(15,938)</u> | 4,493,166             | 4,529,302                 |
| (6) Total required capital                 | (5)*4%  | <u>180,534</u>     | <u>807</u>    | <u>(637)</u>    | 179,726               | 181,172                   |

## (Non-consolidated)

|  |         | September 30, 2019 |               |                | March 31, 2019<br>(B) | September 30, 2018<br>(C) |
|--|---------|--------------------|---------------|----------------|-----------------------|---------------------------|
|  |         | preliminary (A)    | (A) - (B)     | (A) - (C)      |                       |                           |
| (1) Capital adequacy ratio                 | (4)/(5) | 10.29%             | 0.10%         | 0.27%          | 10.19%                | 10.02%                    |
| (2) Core capital: instruments and reserves |         | 477,384            | 6,402         | 14,273         | 470,982               | 463,110                   |
| (3) Core capital: regulatory adjustments   |         | 11,716             | 261           | 3,014          | 11,454                | 8,702                     |
| (4) Regulatory capital                     | (2)-(3) | 465,667            | 6,140         | 11,259         | 459,527               | 454,408                   |
| (5) Risk-weighted assets                   |         | <u>4,521,159</u>   | <u>13,883</u> | <u>(9,615)</u> | 4,507,275             | 4,530,774                 |
| (6) Total required capital                 | (5)*4%  | <u>180,846</u>     | <u>555</u>    | <u>(384)</u>   | 180,291               | 181,230                   |

**(After revision)**

## 9. Capital Adequacy Ratio (under Japanese domestic standards)

## ■Basel III

## (Consolidated)

|  |         | September 30, 2019 |               |                 | March 31, 2019<br>(B) | September 30, 2018<br>(C) |
|--|---------|--------------------|---------------|-----------------|-----------------------|---------------------------|
|  |         | (A)                | (A) - (B)     | (A) - (C)       |                       |                           |
| (1) Capital adequacy ratio                 | (4)/(5) | 10.34%             | 0.07%         | 0.20%           | 10.27%                | 10.14%                    |
| (2) Core capital: instruments and reserves |         | 483,415            | 5,823         | 11,551          | 477,592               | 471,863                   |
| (3) Core capital: regulatory adjustments   |         | 16,337             | 604           | 3,794           | 15,733                | 12,543                    |
| (4) Regulatory capital                     | (2)-(3) | 467,077            | 5,218         | 7,757           | 461,859               | 459,320                   |
| (5) Risk-weighted assets                   |         | <u>4,513,566</u>   | <u>20,400</u> | <u>(15,736)</u> | 4,493,166             | 4,529,302                 |
| (6) Total required capital                 | (5)*4%  | <u>180,542</u>     | <u>816</u>    | <u>(629)</u>    | 179,726               | 181,172                   |

## (Non-consolidated)

|  |         | September 30, 2019 |               |                | March 31, 2019<br>(B) | September 30, 2018<br>(C) |
|--|---------|--------------------|---------------|----------------|-----------------------|---------------------------|
|  |         | (A)                | (A) - (B)     | (A) - (C)      |                       |                           |
| (1) Capital adequacy ratio                 | (4)/(5) | 10.29%             | 0.10%         | 0.27%          | 10.19%                | 10.02%                    |
| (2) Core capital: instruments and reserves |         | 477,384            | 6,402         | 14,273         | 470,982               | 463,110                   |
| (3) Core capital: regulatory adjustments   |         | 11,716             | 261           | 3,014          | 11,454                | 8,702                     |
| (4) Regulatory capital                     | (2)-(3) | 465,667            | 6,140         | 11,259         | 459,527               | 454,408                   |
| (5) Risk-weighted assets                   |         | <u>4,521,361</u>   | <u>14,085</u> | <u>(9,412)</u> | 4,507,275             | 4,530,774                 |
| (6) Total required capital                 | (5)*4%  | <u>180,854</u>     | <u>563</u>    | <u>(376)</u>   | 180,291               | 181,230                   |