

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 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 2007, we formulated our 12th three-year medium-term business plan "Step up Plan 12th". 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, 2009 and 2008

	Millions of Yen		Thousands of U.S. dollars
	2009	2008	2009
Assets			
Cash and due from banks	¥83,254	¥39,186	\$847,548
Call loans	-	25,000	-
Trading account securities	628	782	6,396
Investment securities	583,140	598,456	5,936,478
Loans and bills discounted	1,412,152	1,390,857	14,375,975
Foreign exchanges	2,521	4,274	25,665
Other assets	7,483	7,664	76,179
Tangible fixed assets	25,586	25,108	260,472
Intangible fixed assets	1,695	1,828	17,265
Deferred income taxes	14,641	10,361	149,054
Customers' liabilities for acceptances and guarantees	20,722	22,982	210,955
Reserve for possible loan losses	(10,360)	(14,056)	(105,475)
Total assets	<u>¥2,141,464</u>	<u>¥2,112,448</u>	<u>\$21,800,515</u>
Liabilities and shareholders' equity			
Liabilities			
Deposits	¥1,986,934	¥1,970,164	\$20,227,368
Call money	-	4,007	-
Guarantee deposits received under securities lending transactions	-	505	-
Borrowed funds	40,100	4,500	408,225
Foreign exchanges	34	28	352
Corporate bond	20,000	20,000	203,603
Other liabilities	6,222	4,736	63,346
Reserve for employee's bonus	683	703	6,953
Reserve for employee's retirement benefit	1,734	596	17,654
Retirement benefits for directors and corporate auditors	548	626	5,583
Reserve for reimbursement of deposit	608	737	6,199
Deferred tax liabilities on land revaluation	2,775	2,777	28,258
Acceptances and guarantees	20,722	22,982	210,955
Total liabilities	<u>2,080,364</u>	<u>2,032,366</u>	<u>21,178,501</u>
Net assets			
Shareholder's equity			
Common stock	15,221	15,221	154,955
Capital surplus	8,575	8,575	87,296
Total retained earnings	39,009	53,285	397,127
Legal reserve	6,250	6,039	63,632
Appropriated retained earnings	45,200	44,700	460,144
Unappropriated retained earnings	(12,440)	2,546	(126,649)
Treasury stock	(525)	(400)	(5,349)
Total shareholder's equity	<u>62,280</u>	<u>76,681</u>	<u>634,029</u>
Valuation and translation adjustments			
Net unrealized gains (losses) on securities	(3,406)	1,144	(34,683)
Net deferred gains (losses) on hedging instruments	(138)	(111)	(1,411)
Revaluation reserve for land	2,365	2,368	24,079
Total Valuation and translation adjustments	<u>(1,180)</u>	<u>3,400</u>	<u>(12,016)</u>
Total net assets	<u>61,100</u>	<u>80,082</u>	<u>622,013</u>
Total liabilities and net assets	<u>¥2,141,464</u>	<u>¥2,112,448</u>	<u>\$21,800,515</u>

Non-Consolidated Income
The Aomori Bank, Ltd.
As of March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. dollars
	2009	2008	2009
Income			
Interest on;			
Loans and discounts	¥29,822	¥29,747	\$303,600
Securities	7,718	8,489	78,580
Other	717	2,556	7,308
	38,259	40,793	389,490
Fees and commissions	5,506	6,183	56,057
Other income	3,611	3,243	36,769
Total income	47,377	50,219	482,316
Expenses			
Interest on;			
Deposits	5,427	5,224	55,253
Borrowings and rediscounts	69	189	711
Corporate bond	398	401	4,060
Other	257	2,225	2,619
	6,153	8,040	62,644
Fees and commissions	10,372	7,700	105,598
General and administrative expenses	28,357	28,388	288,686
Other expenses	16,655	3,101	169,553
Loss on impairment of fixed assets	5	93	51
Total expenses	61,544	47,324	626,534
Income (Loss) before income taxes	(14,166)	2,895	(144,218)
Income taxes			
Current income taxes	236	445	2,408
Deferred income taxes	(1,190)	1,181	(12,116)
Total income taxes	(953)	1,627	(9,707)
Net income (Loss)	(¥13,212)	¥1,267	(\$134,510)
<hr/>			
	Yen		Cents
Net income (Loss) per share	(¥75.23)	¥7.21	(¢ 76.58)

Non-Consolidated Statements of Changes In Net Assets
The Aomori Bank, Ltd.
As of March 31, 2009 and 2008

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 31,2008	¥15,221	¥8,575	¥6,039	¥44,700	¥2,546	¥53,285	(¥400)	¥76,681
Changes during the accounting period								
Dividends from surplus			210		(1,265)	(1,054)		(1,054)
Appropriated retained earnings				500	(500)	-		-
Net Income (Loss)					(13,212)	(13,212)		(13,212)
Purchase of treasury stock							(200)	(200)
Disposal of treasury stock					(11)	(11)	75	64
Reversal of land revaluation excess					3	3		3
Changes other than Shareholders' equity (net)								
Total changes during the accounting period	-	-	210	500	(14,986)	(14,275)	(124)	(14,400)
Balances as of March 31 2009	¥15,221	¥8,575	¥6,250	¥45,200	(¥12,440)	¥39,009	(¥525)	¥62,280

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 31,2008	\$154,955	\$87,296	\$61,485	\$455,054	\$25,919	\$542,459	(\$4,079)	\$780,631
Changes during the accounting period								
Dividends from surplus			2,146		(12,881)	(10,734)		(10,734)
Appropriated retained earnings				5,090	(5,090)			-
Net Income (Loss)					(134,510)	(134,510)		(134,510)
Purchase of treasury stock							(2,041)	(2,041)
Disposal of treasury stock					(117)	(117)	771	653
Reversal of land revaluation excess					30	30		30
Changes other than Shareholders' equity (net)								
Total changes during the accounting period	-	-	2,146	5,090	(152,568)	(145,331)	(1,270)	(146,601)
Balances as of March 31 2009	\$154,955	\$87,296	\$63,632	\$460,144	(\$126,649)	\$397,127	(\$5,349)	\$634,029

Non-Consolidated Statements of Changes in Net Assets
The Aomori Bank, Ltd.
As of March 31, 2009 and 2008

Millions of yen

	Valuation and translation adjustments				Total net assets
	Net unrealized fains(losses) on securities	Deferred fains(losses) on hedging instruments	Revaluation reserve for land	Total	
Balances as of March 31,2008	¥1,144	(¥111)	¥2,368	¥3,400	¥80,082
Changes during the accounting period					
Dividends from surplus					(1,054)
Appropriated retained earnings					-
Net Income (Loss)					(13,212)
Purchase of treasury stock					(200)
Disposal of treasury stock					64
Reversal of land revaluation excess					3
Changes other than Shareholders' equity (net)	(4,551)	(26)	(3)	(4,581)	(4,581)
Total changes during the accounting period	(4,551)	(26)	(3)	(4,581)	(18,981)
Balances as of March 31,2009	(¥3,406)	(¥138)	¥2,365	(¥1,180)	¥61,100

Thousands of US. dollars

	Valuation and translation adjustments				Total net assets
	Net unrealized fains(losses) on securities	Deferred fains(losses) on hedging instruments	Revaluation reserve for land	Total	
Balances as of March 31,2008	\$11,649	(\$1,138)	\$24,110	\$34,620	\$815,252
Changes during the accounting period					
Dividends from surplus					(10,734)
Appropriated retained earnings					-
Net Income (Loss)					(134,510)
Purchase of treasury stock					(2,041)
Disposal of treasury stock					653
Reversal of land revaluation excess					30
Changes other than Shareholders' equity (net)	(46,332)	(273)	(30)	(46,636)	(46,636)
Total changes during the accounting period	(46,332)	(273)	(30)	(46,636)	(193,238)
Balances as of March 31,2009	(\$34,683)	(\$1,411)	\$24,079	(\$12,016)	\$622,013

(*) 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 ¥98.23= U.S.\$1, the prevailing rate as of March 31, 2009. 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 26, 2009)

President

Yoshisada Kafuku

Senior Managing Director

Satoshi Hamaya

Managing Directors

Seiji Hayashi
Tadashi Takayashiki
Atsushi Naito

Directors

Akio Ibata
Toru Sasaki
Hiroshi Sugita
Hiroshi Yamagata
Shoji Adachi
Mitsuo Hayashi

Executive Officers

Masaki Yamada
Mitsuaki Suto
Susumu Narita
Shoji Fukui

Standing Corporate Auditor

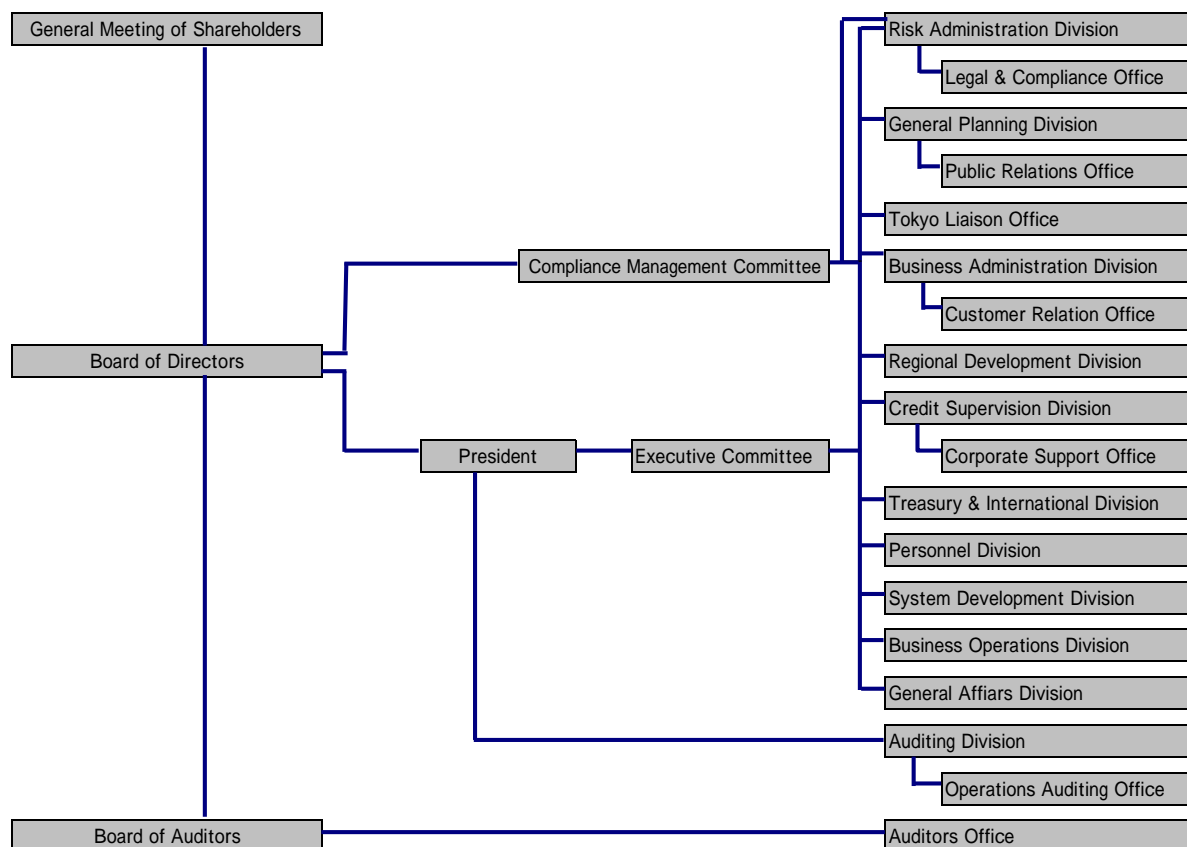
Naomitsu Kikuchi

Corporate Auditors

Kenichi Tanaka
Kazumi Osawa
Saburobe Nanao
Tetsuo Seito

Organization

(as of October 1, 2009)



Corporate Data

(as of March 31, 2009)

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

1,499

Number of Offices

110

Paid-in Capital

15,221 million yen

Number of Outstanding Shares

176,621 thousand

Total Assets

2,141.4 billion yen

Loans and Bills Discounted

1,412.1 billion yen

Capital Adequacy Ratio

10.32%(Domestic Standards)

Credit Rating

A(Japan Credit Rating Agency, Ltd)