ANNUAL REPORT 2012

THE OITA BANK,LTD.

THE OITA BANK,LTD.

OITA BANK PROFILE

The Oita Bank, Ltd., was founded in 1893 in Oita Prefecture, Kyushu, in the southwest of the Japanese archipelago. For more than a century, the Bank has provided outstanding financial services to individual and corporate clients, contributing significantly to the economic growth and prosperity of Oita Prefecture and the greater Kyushu region.

In Oita Prefecture, there was a steady stream of capital investment from some of the world's most prominent enterprises in the high-tech and automotive industries, which has had a major impact on the economy of the prefecture. At the same time, the prefecture continues to reinforce infrastructure to support its development as a hub of international business.

As the leading bank native to Oita Prefecture, the Oita Bank strives to strengthen its management structure and enhance financial services, thereby contributing to the region's prosperity.

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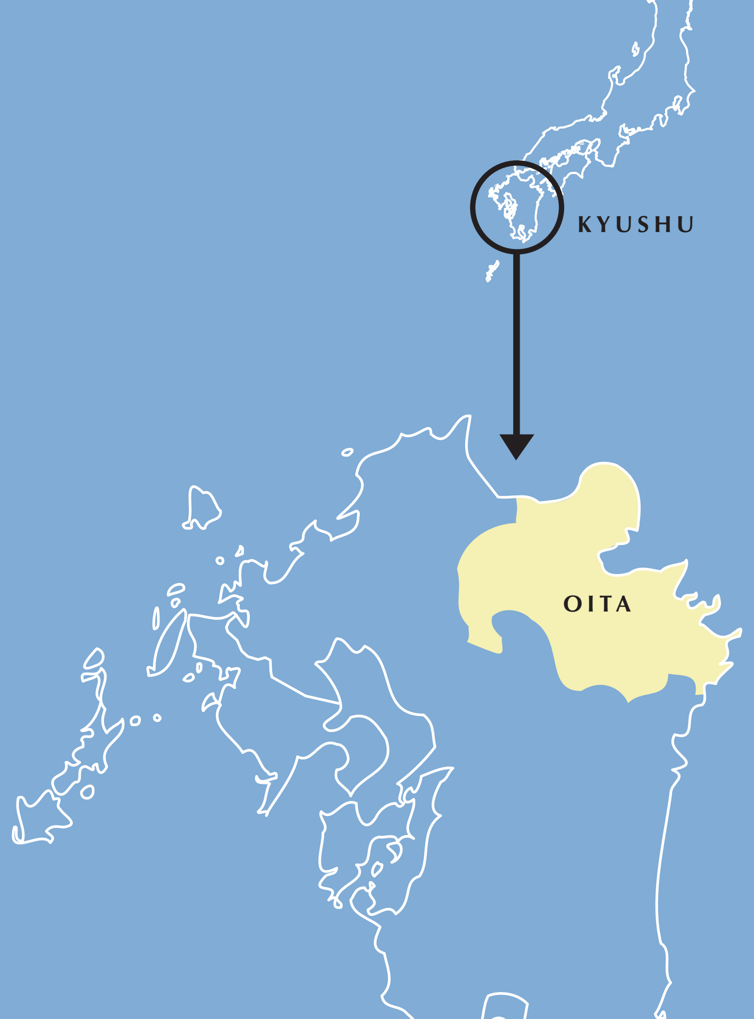
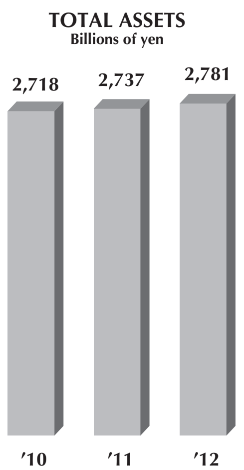
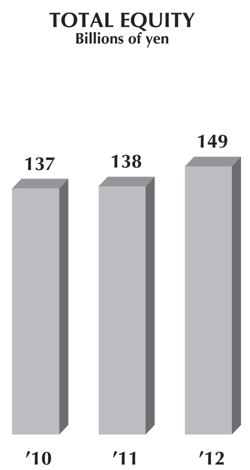


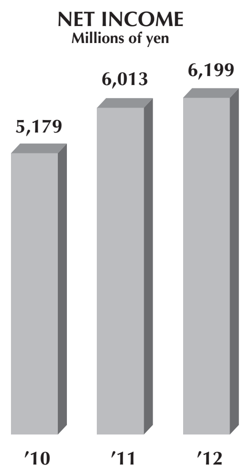
CONSOLIDATED FINANCIAL HIGHLIGHTS

THE OITA BANK, LTD. and Subsidiaries
Years Ended March 31, 2012, 2011 and 2010

	Millions of Yen		
	2012	2011	2010
Deposits	**¥2,520,402**	¥2,485,319	¥2,464,152
Loans and bills discounted	**1,622,743**	1,679,742	1,660,342
Investment securities	**974,925**	855,254	826,150
Common stock	**19,598**	19,598	19,598
Total equity	**149,982**	138,895	137,792
Total assets	**2,781,917**	2,737,641	2,718,925
Net income	**6,199**	6,013	5,179
Number of branches	**103**	103	103
Number of employees	**1,693**	1,646	1,623







Note: All graph figures are for the years ended March 31.

A MESSAGE FROM THE MANAGEMENT

Greeting

We heartily thank you for your patronage of the Oita Bank since its establishment in 1893.

Your support has allowed the Bank to establish a solid foundation as a regional financial institution.

In the Annual Report 2012, we outline our management policies to foster an understanding of our recent operating performance and the status of our activities.

At the beginning of FY2011, ended March 31, 2012, the domestic economy suffered the impact of a supply chain disruption caused by the Great East Japan Earthquake and consumers' tightening their wallets, resulting in a decline in manufacturing activities and exports, and stagnant consumer spending. However, restoration of the supply chain for manufacturing activities recovered to the levels before the earthquake. Such an uptick helped relax consumers' self-restraint and led to a recovery in consumer confidence, showing a recovery of the domestic economy. However, after the summer, rapid yen appreciation, the deceleration of overseas economies caused by the European debt crisis and flooding in Thailand weakened the recovery trend. During the second half, economic recovery slowed. Although the domestic economy is expected to be supported by earthquake/disaster restoration demand, concern over the deceleration of overseas economies, historic high yen appreciation and the restriction of the electric supply are posing serious uncertainty to the future economy.

The economy of Oita Prefecture at the beginning of the fiscal year under review was stagnant due to difficulty in the procurement of raw materials, other materials and equipment, the disruption of logistics functions, tight consumer spending and a decline in the number of tourists, all of which was similar to other areas nationwide in the aftermath of the Great East Japan Earthquake. However, as the impact of the earthquake receded, manufacturing activities recovered and consumer spending progressed steadily. Given all these favorable factors, the overall economy of Oita Prefecture during the first half showed a moderate recovery trend. During the second half, however, manufacturing activities seesawed with the impact of the slowdown of overseas economies, high yen appreciation and flooding in Thailand and a recovery trend of the prefectural economy has been leveling off.

Shoji Himeno, President

In such an operating environment, The Oita Bank, Ltd. (the "Bank" or "the Oita Bank"), in its fiscal 2011, worked across the board on various measures of the Medium-Term Management Plan 2011. Consequently, on a non-consolidated basis the Bank reported net income of ¥5.9 billion, exceeding that of the previous fiscal year. Adhering to compliance and the promotion of CSR as a premise of all our activities, we will continue to "provide financing that is closely tailored to the needs of the regional community," which is a fundamental policy of the Medium-Term Management Plan 2011, with the concerted efforts of all executives and regular employees.

The Bank will strive to strengthen its management base by further reinforcing relationships with customers and aggressively supporting customers' business development and lives.

We thank you for your continued support of these endeavors.

FY2011 Operating Performance

In FY2011, the Oita Bank's executives and regular employees worked together in a challenging operating environment to deliver the following business results.

Deposits

As of March 31, 2012, total deposits, including negotiable certificates of deposit, amounted to ¥2,527.0 billion, up ¥35.2 billion from a year earlier.

As a result of our efforts to promote sales to individual customers by responding to their diverse investment needs, the balance of public bonds, mutual funds, foreign currency deposits and pension insurance funds for individuals was ¥403.3 billion, up ¥3.3 billion.

Loans

Total loans outstanding amounted to ¥1,627.9 billion on March 31, 2012, up ¥58.4 billion from one year earlier.

Marketable Securities

As a result of the Bank's endeavor to build a portfolio designed to earn a stable rate of return, marketable securities on March 31, 2012, totaled ¥972.1 billion, ¥119.6 billion higher than the previous fiscal year-end.

Foreign Exchange

Foreign exchange transactions, including international trade transactions, overseas remittances and foreign currency deposits, totaled US$2,071 million, $62 million higher than the previous fiscal year-end.

Earnings

Ordinary profit rose ¥1,805 million from the preceding year due to an increase in other income resulting from posting a gain on reversal of the reserve for possible loan losses.

Ordinary expenses increased ¥403 million compared with the preceding year due to an increase in the loss on sale of Japanese government bonds and other bonds and operating expenses.

Ordinary income increased ¥1,402 million to ¥11,846 million because the increase in ordinary profit exceeded the increase in ordinary expenses.

Net income advanced ¥301 million to ¥5,950 million despite an increase in the impairment loss because income taxes decreased.

Dividend Policy

In due consideration of its responsibility to the public as a financial institution, the Bank's fundamental dividend policy is stable and continuous profit distribution. To this end, we are striving to strengthen its financial structure by reinforcing the long-term stability of its management base, improving management efficiency and building sufficient reserves.

In FY2011, the Bank's annual dividend was ¥6.00 per share (including an interim dividend per share of ¥3.00).

Medium- to Long-Term Management Strategy

Medium-Term Management Plan 2011 (April 1, 2011, through March 31, 2014)

The operating environment surrounding regional financial institutions is increasingly fierce as cross-regional and cross-industry competition has intensified. To respond to this rapidly changing business environment quickly and appropriately, we moved forward with the Medium-Term Management Plan 2011 from April 2011.

The Medium-Term Management Plan 2011 defines the Bank's fundamental policy as providing financing that is closely tailored to the needs of the regional community. The three pillars for achieving this objective are to "strengthen human resources and organizational prowess," "reinforce management structure" and "bolster our sales infrastructure," for which we are making concerted efforts to achieve various measures.

By further enhancing relationships with customers and aggressively supporting their business development and lives, the Bank intends to boost its own earning capabilities and foster a solid management foundation.

(1) "Strengthen human resources and organizational prowess"
Strengthen our OJT promotion system to cultivate the banking personnel needed to meet the needs of our customers and cultivate a spirit of challenge.

(2) "Reinforce the management structure"
Promote operating efficiency and establish a profit management structure and foster system collaboration.

(3) "Bolster our sales infrastructure"
Through our business activities designed to invigorate the overall community, we will provide services that impress our customers. We are building structures to achieve these goals.

Risk Management

With the increasing liberalization and internationalization of Japan's financial sector and continuing advances in information technology, the environment in which banks operate is changing dramatically. Accordingly, the risks affecting financial institutions are growing in diversity, complexity and magnitude.

For banks today, the accurate assessment and management of a wide variety of risks is more vital than ever before.

The Oita Bank fully recognizes these challenging conditions. To ensure sound financial management, stable earnings and lasting growth, the Bank is enhancing and reinforcing its risk management structure. Specifically, the Risk Supervisory Division manages a wide range of risks in each of the Bank's areas of operation. In addition, the Integrated Risk Management Committee works to strengthen centralized oversight and management of risks. The Bank manages risk by type in accordance with its General Risk Management Policy and Regulations for each type of risk.

The Oita Bank discloses the amount of its risk-managed loans in accordance with the Banking Act. As of March 31, 2012, such loans totaled ¥88.0 billion, down ¥4.0 billion from a year earlier. The ratio of risk-managed loans to total loans of ¥1,627.9 billion was 5.41%.

Turning to the assessment of assets under the Financial Reconstruction Act, total credit assets including loans at March 31, 2012, were ¥1,659.8 billion, 94.41% of which were normal loans without concern of collectability. The Bank has sufficient treasury stock, reserves for possible loan losses, collateral and guarantees to cover possible bad loans.

Capital Adequacy Ratio

As of March 31, 2012, the Bank's capital adequacy ratio was 12.28% on a nonconsolidated basis and 12.96% on a consolidated basis, both of which easily exceed the national standard of 4%.

For customers to be able do transactions with us with peace of mind, we will strive to further increase our capital adequacy and strengthen our management structure.

Credit Rating

On September 29, 2000, the Bank attained an A+ long-term preferred debt rating from Japan Credit Rating Agency, Ltd. (JCR). In its review of February 14, 2012, JCR reaffirmed the Bank's A+ rating. Given that "A+" is the highest of the three kinds of "A," the JCR rating attests to the stability and soundness of the Oita Bank.

Compliance

Compliance means abiding by laws, social codes and all other regulations to which any corporation is expected to observe as a member of society. For a bank, a most important asset of which is trust, compliance is an absolute requirement for the soundness of business and confidence of society.

In the banking business, we must observe the Banking Act, the Civil Code, the Companies Act, the Personal Information Protection Law, the Consumer Contract Act and the Financial Instruments and Exchange Act and many others.

Accordingly, we believe that as a financial institution compliance with such laws, codes and regulations and thorough managerial accountability are the prerequisites of a financial institution.

With compliance as the bedrock for our all operations, we strive to become a bank trusted by customers, investors and members of the community.

Conclusion

With the influx of some of the world's leading high-tech and automotive companies, Oita Prefecture is developing into an important business hub. In addition, Ritsumeikan Asia Pacific University (APU), which was inaugurated in April 2000, has been bringing in an increasing number of exchange students from other Asian countries to the prefecture, thereby driving the region's internationalization both economically and culturally.

As a bank firmly rooted in Oita Prefecture, the Oita Bank is solidly committed to finding out how it can contribute to the region's development regardless of social trends and putting such contributions into action aggressively.

The management philosophy of the Oita Bank is "To make every effort to contribute to the prosperity of the local community through banking operations." This promise is the goal of all employees of the Oita Bank and will always remain foremost in our thoughts.

August 2012

Shoji Himeno
President

S. Himeno

Consolidated Balance Sheet

THE OITA BANK, LTD. and Consolidated Subsidiaries
March 31, 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	**2012**
ASSETS:			
Cash and due from banks (Notes 24 and 27)	**¥ 42,204**	¥ 40,222	**$ 513,493**
Call loans (Note 27)	**58,000**	82,000	**705,681**
Commercial paper and other debt purchased (Note 3)	**11,810**	5,838	**143,691**
Trading account securities (Note 3)	**66**	26	**803**
Money held in trust (Note 4)	**4,794**	4,782	**58,328**
Investment securities (Notes 3, 11 and 27)	**974,925**	855,254	**11,861,844**
Loans and bills discounted (Notes 5, 12 and 27)	**1,622,743**	1,679,742	**19,743,800**
Foreign exchange assets (Note 6)	**3,908**	3,691	**47,548**
Lease receivables and leased investment assets (Notes 11 and 26)	**14,703**	14,688	**178,890**
Other assets (Notes 7 and 11)	**22,496**	21,994	**273,707**
Premises and equipment (Note 8)	**38,219**	38,926	**465,007**
Intangible assets (Note 9)	**5,050**	3,205	**61,442**
Deferred tax assets (Note 22)	**7,686**	13,374	**93,515**
Customers' liabilities for acceptances and guarantees (Note 10)	**20,111**	24,659	**244,689**
Reserve for possible loan losses (Note 27)	**(44,803)**	(50,767)	**(545,114)**
TOTAL	**¥2,781,917**	¥2,737,641	**$33,847,390**
LIABILITIES:			
Deposits (Notes 11, 13 and 27)	**¥2,520,402**	¥2,485,319	**$30,665,555**
Call money	**5,753**	19,956	**69,996**
Payables under securities lending transactions (Note 11)	**8,925**		**108,589**
Borrowed money (Notes 11, 14 and 27)	**32,276**	24,291	**392,699**
Foreign exchange liabilities	**31**	37	**377**
Other liabilities (Note 15)	**25,194**	23,943	**306,533**
Liability for retirement benefits (Note 16)	**10,889**	10,763	**132,485**
Reserve for reimbursement of deposits	**1,856**	1,807	**22,581**
Deferred tax liabilities for land revaluation excess	**6,456**	7,914	**78,549**
Negative goodwill	**37**	52	**450**
Acceptances and guarantees (Note 10)	**20,111**	24,659	**244,689**
Total liabilities	**2,631,934**	2,598,746	**32,022,557**
EQUITY (Notes 17 and 30):			
Common stock, authorized, 300,000,000 shares in 2012 and 2011; issued, 171,436,342 shares in 2012 and 2011	**19,598**	19,598	**238,447**
Capital surplus	**10,745**	10,745	**130,733**
Retained earnings	**90,935**	84,932	**1,106,399**
Treasury stock—at cost, 1,821,929 shares in 2012 and 2,473,098 shares in 2011	**(548)**	(740)	**(6,667)**
Accumulated other comprehensive income			
Unrealized gain on available-for-sale securities (Note 3)	**12,554**	7,766	**152,743**
Deferred loss on derivatives under hedge accounting	**(1,172)**	(743)	**(14,259)**
Land revaluation excess	**9,940**	9,784	**120,939**
Total	**142,052**	131,343	**1,728,336**
Minority interests	**7,929**	7,551	**96,471**
Total equity	**149,982**	138,895	**1,824,820**
TOTAL	**¥2,781,917**	¥2,737,641	**$33,847,390**

See notes to consolidated financial statements.

Note: Amounts stated in U.S. dollars are translated from Japanese yen, solely for convenience, at the rate of ¥82.19=U.S. $1, the approximate exchange rate prevailing at March 31, 2012.

Consolidated Statement of Income

THE OITA BANK, LTD. and Consolidated Subsidiaries   Year Ended March 31, 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	**2012**
INCOME:			
Interest on:			
Loans and discounts	**¥27,487**	¥30,024	**$334,432**
Securities	**11,088**	10,806	**134,906**
Other	**29**	27	**352**
Total interest income	**38,605**	40,858	**469,704**
Fees and commissions	**7,507**	7,706	**91,337**
Other operating income (Note 18)	**8,408**	8,451	**102,299**
Reversal of reserve for possible loan losses	**3,914**	1,054	**47,621**
Other income (Note 19)	**1,552**	1,812	**18,883**
Total income	**59,988**	59,883	**729,869**
EXPENSES:			
Interest on:			
Deposits	**1,994**	2,679	**24,260**
Borrowings and rediscounts	**398**	451	**4,842**
Other	**514**	477	**6,253**
Total interest expenses	**2,908**	3,608	**35,381**
Fees and commissions	**1,400**	1,502	**17,033**
Other operating expenses (Note 20)	**7,612**	6,931	**92,614**
General and administrative expenses	**32,191**	31,620	**391,665**
Other expenses (Note 21)	**4,134**	3,423	**50,298**
Total expenses	**48,246**	47,086	**587,005**
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	**11,741**	12,796	**142,851**
INCOME TAXES (Note 22):			
Current	**1,441**	4,141	**17,532**
Deferred	**3,738**	2,058	**45,479**
Total income taxes	**5,180**	6,199	**63,024**
NET INCOME BEFORE MINORITY INTERESTS	**6,561**	6,597	**79,827**
MINORITY INTERESTS IN NET INCOME	**362**	583	**4,404**
NET INCOME	**¥ 6,199**	¥ 6,013	**$ 75,422**

	Yen		U.S Dollars
	2012	2011	**2012**
PER SHARE OF COMMON STOCK (Note 2.p):			
Basic net income	**¥ 36.61**	¥ 35.27	**$ 0.445**
Cash dividends applicable to the year	**6.00**	6.00	**0.073**

See notes to consolidated financial statements.

Note: Amounts stated in U.S. dollars are translated from Japanese yen, solely for convenience, at the rate of ¥82.19=U.S. $1, the approximate exchange rate prevailing at March 31, 2012.

Consolidated Statement of Comprehensive Income

THE OITA BANK, LTD. and Consolidated Subsidiaries   Year Ended March 31, 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	**2012**
NET INCOME BEFORE MINORITY INTERESTS	**¥ 6,561**	¥ 6,597	**$ 79,827**
OTHER COMPREHENSIVE INCOME (Note 23):			
Unrealized gain (loss) on available-for-sale securities	**4,811**	(3,481)	**58,535**
Deferred loss on derivatives under hedge accounting	**(429)**	(264)	**(5,219)**
Land revaluation excess	**988**		**12,020**
Total other comprehensive income	**5,371**	(3,745)	**65,348**
COMPREHENSIVE INCOME (Note 23)	**¥11,932**	¥ 2,851	**$145,175**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO (Note 23):			
Owners of the parent	**¥11,546**	¥ 2,277	**$140,479**
Minority interests	**386**	574	**4,696**

See notes to consolidated financial statements.

Note: Amounts stated in U.S. dollars are translated from Japanese yen, solely for convenience, at the rate of ¥82.19=U.S. $1, the approximate exchange rate prevailing at March 31, 2012.

Consolidated Statement of Changes in Equity

THE OITA BANK, LTD. and Consolidated Subsidiaries   Year Ended March 31, 2012

	Thousands	Millions of Yen									
						Accumulated other comprehensive income					
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available for-Sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Land Revaluation Excess	Total	Minority Interests	Total Equity
BALANCE, APRIL 1, 2010	**171,395**	**¥19,598**	**¥10,745**	**¥79,868**	**¥(29)**	**¥11,239**	**¥(479)**	**¥9,864**	**¥130,807**	**¥6,984**	**¥137,791**
Net income				6,013					6,013		6,013
Cash dividends, ¥6.00 per share				(1,028)					(1,028)		(1,028)
Purchase of treasury stock	(2,636)				(772)				(772)		(772)
Disposal of treasury stock	204		(1)		61				59		59
Transfer from land revaluation excess				80					80		80
Transfer to capital surplus from retained earnings			1	(1)							
Net change in the year						(3,472)	(264)	(80)	(3,816)	566	(3,249)
BALANCE, MARCH 31, 2011	**168,963**	**19,598**	**10,745**	**84,932**	**(740)**	**7,766**	**(743)**	**9,784**	**131,343**	**7,551**	**138,895**
Net income				6,199					6,199		6,199
Cash dividends, ¥6.00 per share				(1,028)					(1,028)		(1,028)
Purchase of treasury stock	(7)				(1)				(1)		(1)
Disposal of treasury stock	658		(0)		193				192		192
Transfer from land revaluation excess				832					832		832
Transfer to capital surplus from retained earnings			0	(0)							
Net change in the year						4,787	(429)	156	4,514	378	4,893
BALANCE, MARCH 31, 2012	**169,614**	**¥19,598**	**¥10,745**	**¥90,935**	**¥(548)**	**¥12,554**	**¥(1,172)**	**¥9,940**	**¥142,052**	**¥7,929**	**¥149,982**

	Thousands of U.S. Dollars (Note.1)									
					Accumulated other comprehensive income					
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available for-Sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Land Revaluation Excess	Total	Minority Interests	Total Equity
BALANCE, MARCH 31, 2011	**$238,447**	**$130,733**	**$1,033,361**	**$(9,003)**	**$94,488**	**$(9,040)**	**$119,041**	**$1,598,041**	**$91,872**	**$1,689,925**
Net income			75,422					75,422		75,422
Cash dividends, $0.07 per share			(12,507)					(12,507)		(12,507)
Purchase of treasury stock				(12)				(12)		(12)
Disposal of treasury stock		(0)		2,348				2,336		2,336
Transfer from land revaluation excess			10,122					10,122		10,122
Transfer to capital surplus from retained earnings		0	(0)							
Net change in the year					58,243	(5,219)	1,898	54,921	4,599	59,532
BALANCE, MARCH 31, 2012	**$238,447**	**$130,733**	**$1,106,399**	**$(6,667)**	**$152,743**	**$(14,259)**	**$120,939**	**$1,728,336**	**$96,471**	**$1,824,820**

See notes to consolidated financial statements.

Note: Amounts stated in U.S. dollars are translated from Japanese yen, solely for convenience, at the rate of ¥82.19=U.S. $1, the approximate exchange rate prevailing at March 31, 2012.

Consolidated Statement of Cash Flows

THE OITA BANK, LTD. and Consolidated Subsidiaries
Year Ended March 31, 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	**2012**
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	**¥ 11,741**	¥ 12,796	**$ 142,851**
Adjustments for:			
Income taxes paid	**(4,928)**	(3,214)	**(59,958)**
Depreciation and amortization	**3,433**	3,321	**41,769**
Impairment losses	**1,231**	104	**14,977**
Accumulation of negative goodwill	**(14)**	(14)	**(170)**
Decrease in reserve for possible loan losses	**(5,963)**	(2,566)	**(72,551)**
Increase in liability for retirement benefits	**125**	121	**1,520**
Increase in reserve for reimbursement of deposits	**48**	325	**584**
Interest income-accrued basis	**(38,605)**	(40,858)	**(469,704)**
Interest expenses-accrued basis	**2,908**	3,608	**35,381**
Net loss on investment securities	**1,857**	1,221	**22,593**
Net (gain) loss on money held in trust	**(33)**	2	**(401)**
Foreign exchange losses	**3**	14	**36**
Net loss on disposal of fixed assets	**125**	100	**1,520**
Loss on adjustment for changes of accounting standard for asset retirement obligations		127	
Net (increase) decrease in trading account securities	**(39)**	128	**(474)**
Net (increase) decrease in loans and bills discounted	**56,999**	(19,401)	**693,502**
Net increase in deposits	**35,083**	21,167	**426,852**
Net increase (decrease) in borrowed money	**7,984**	(1,810)	**97,140**
Net decrease in due from banks (excluding due from The Bank of Japan)	**551**	959	**6,703**
Net decrease in call loans	**18,027**	29,404	**219,333**
Net decrease in call money	**(14,202)**	(3,304)	**(172,794)**
Net increase in payables under securities lending transactions	**8,925**		**108,589**
Net (increase) decrease in foreign exchange assets	**(216)**	195	**(2,628)**
Net decrease in foreign exchange liabilities	**(6)**	(70)	**(73)**
Net (increase) decrease in lease receivables and leased investment assets	**(15)**	669	**(182)**
Interest income-cash basis	**38,158**	41,458	**464,265**
Interest expenses-cash basis	**(3,207)**	(3,979)	**(39,019)**
Other-net	**3,930**	(0)	**47,816**
Total adjustments	**112,160**	27,709	**1,364,642**
Net cash provided by operating activities	**123,902**	40,506	**1,507,506**
INVESTING ACTIVITIES:			
Purchases of investment securities	**(284,488)**	(192,786)	**(3,461,345)**
Proceeds from sales of investment securities	**45,472**	21,575	**553,254**
Proceeds from maturities of investment securities	**124,287**	134,634	**1,512,191**
Proceeds from decrease in money held in trust		945	
Purchases of premises and equipment	**(3,118)**	(1,754)	**(37,936)**
Purchases of intangible assets	**(3,020)**	(1,162)	**(36,744)**
Proceeds from sales of premises and equipment	**394**	405	**4,793**
Proceeds from sales of intangible assets	**6**	0	**73**
Payments for execution of asset retirement obligations	**(4)**		**(48)**
Net cash used in investing activities	**(120,471)**	(38,143)	**(1,465,762)**
FINANCING ACTIVITIES:			
Dividends paid	**(1,028)**	(1,028)	**(12,507)**
Dividends paid by consolidated subsidiaries to minority shareholders	**(7)**	(7)	**(85)**
Repayment of lease obligations	**(7)**	(4)	**(85)**
Purchases of treasury stock	**(1)**	(772)	**(12)**
Proceeds from sales of treasury stock	**150**	60	**1,825**
Net cash used in financing activities	**(894)**	(1,752)	**(10,877)**
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	**(3)**	(14)	**(36)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**2,533**	596	**30,818**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**38,164**	37,567	**464,338**
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 24)	**¥ 40,697**	¥ 38,164	**$ 495,157**

See notes to consolidated financial statements.

THE OITA BANK, LTD. and Consolidated Subsidiaries
Year Ended March 31, 2012

1 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of THE OITA BANK, LTD. (the "Bank") and its nine consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and the Enforcement Regulation for the Banking Law of Japan (the "Banking Law"), and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

Certain reclassifications and rearrangements have been made in the 2011 consolidated financial statements to conform to the classifications and presentations used in 2012.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Bank is incorporated and operates. Amounts of less than one million yen have been omitted in the accompanying consolidated financial statements as permitted by the Financial Instruments and Exchange Law. Consequently, the totals shown in the accompanying consolidated financial statements do not necessarily agree with the sums of the individual amounts.

The translation of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥82.19 to $1, the approximate rate of exchange at March 31, 2012. Such translation should not be construed as representation that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. ***Consolidation*** - The consolidated financial statements include the accounts of the Bank and its nine significant subsidiaries (together, "the Companies"). The fiscal periods of all consolidated subsidiaries end on March 31.

Under the control or influence concept, those companies in which the Bank, directly or indirectly, is able to exercise control over operations are fully consolidated.

Investments in the remaining unconsolidated subsidiaries are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

Any material deficiency of the cost of the Bank's investments in subsidiaries over its equity in the net assets at the respective dates of acquisition is being amortized over a period of ten years. Other deficiencies or excesses are credited or charged to income when incurred.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Companies is eliminated.

b. ***Cash and Cash Equivalents*** - For the purpose of reporting cash flows, cash and cash equivalents represent cash and amounts due from the Bank of Japan.

c. ***Trading Account Securities*** - Trading account securities, which are held for the purpose of earning capital gains in the near term, are reported at fair value and the related unrealized gains and losses are included in earnings. The cost of trading account securities sold is determined by the moving-average method.

d. ***Investment Securities and Money Held in Trust*** - All applicable securities are classified and accounted for, depending on management's intent, as follows:

(i) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are reported at amortized cost, and (ii) available-for-sale securities, which are not classified as either of trading account securities or held-to-maturity debt securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. The cost of available-for-sale securities sold is determined based on the moving-average method.

Non-marketable available-for-sale securities are stated at cost or amortized cost determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

Securities managed through money held in trust accounts are reported at fair value and the related unrealized gains and losses are included in earnings.

e. ***Premises and Equipment*** - Premises and equipment are stated at cost less accumulated depreciation. Depreciation of premises and equipment is principally computed using the declining-balance method over the estimated useful lives of the assets and depreciation of leased premises and equipment is provided on the straight-line method over the lease periods.

f. ***Software*** - Cost of computer software obtained for internal use is amortized using the straight-line method over the estimated useful lives of five years.

g. ***Long Lived Assets*** - The Companies review their long lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

h. ***Land Revaluation*** - Under the "Law of Land Revaluation", the Bank elected a one-time revaluation of its own-use land to a value based on real estate appraisal information as of March 31, 1998.

The resulting land revaluation excess represents unrealized appreciation of land and is stated, net of income taxes, as a component of equity. There was no effect on the statement of income. Continuous readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation excess account and related deferred tax liabilities.

As March 31, 2012 and 2011, the carrying amount of the land after the above one-time revaluation exceeded the market value by ¥12,915 million ($157,135 thousand) and ¥13,627 million, respectively.

i. ***Foreign Currency Items*** - All assets and liabilities denominated in foreign currencies are translated into Japanese yen at the current exchange rates at each balance sheet date.

j. ***Reserve for Possible Loan Losses*** - The Bank determines the amount of the reserve for possible loan losses by means of management's judgment and assessment of future losses based on the self-assessment system. This system reflects past experience of credit losses, possible credit losses, business and economic conditions, the character, quality and performance of the portfolio, and other pertinent indicators.

The Bank implemented the self-assessment system for its asset quality. The quality of all loans are assessed by branches and the credit supervisory division with a subsequent audit by the Bank's asset review and inspection division in accordance with the Bank's policy and rules for self-assessment of asset quality.

The Bank has established a credit rating system under which its customers are classified into five categories. The credit rating system is used for self-assessment of asset quality. All loans are classified into five categories for self assessment purposes such as “normal”, “caution”, “possible bankruptcy”, “virtual bankruptcy” and “legal bankruptcy”.

Reserve for possible loan losses is calculated based on the actual past loss ratio for normal and caution categories, and the fair value of the collateral for collateral-dependent loans and other factors of solvency including value of future cash flows for other self assessment categories. For loans such as possible bankruptcy, the reserve for possible loan losses is provided for in an amount deemed necessary to cover possible losses on loans considering the customer’s solvency and other factors, after the estimated fair value of the collateral real estate or guaranteed amount has been deducted. For loans such as virtual bankruptcy or legal bankruptcy, the reserve for possible loan losses is provided based upon the loan amount, after the estimated fair value of the collateral real estate or guaranteed amount has been deducted.

In addition, for loans which were mainly classified into possible bankruptcy and restructured loans as defined in Note 5 below, if the exposure to an obligor exceeds a certain specific amount and if future cash flows of the principal and interest can be reasonably estimated, the discounted cash flow method is used to calculate the reserve for possible loan losses, under which method the reserve is determined as the difference between the book value of the loan and the present value of future cash flows discounted using the contractual interest rate before the loan was classified as one of the above loans.

The consolidated subsidiaries determine the amount of the reserve for possible loan losses by a comparable self-assessment system as the Bank.

*k. **Retirement and Pension Plans*** - The Bank has a contributory funded pension plan and an unfunded retirement benefit plan. Consolidated subsidiaries have unfunded retirement benefit plans. The amount of liability for employees’ retirement benefit is determined based on the projected benefit obligations and the pension assets at the balance sheet date. Prior service cost is amortized using the straight-line method over ten years. Net actuarial gain or loss is amortized using the straight-line method over ten years commencing from the next fiscal year of occurrence.

Retirement benefits to directors and corporate auditors are provided at the amount, which would be required, if all directors and corporate auditors retired at the balance sheet date.

The Bank terminated its retirement benefits plan for directors and corporate auditors at the Bank’s general shareholders meeting held on June 26, 2012. The payment of retirement benefits, estimated according to the length of service of eligible directors and corporate auditors through June 26, 2012, was approved at that meeting. The payments will be made at the time of each eligible person’s retirement.

*l. **Reserve for Reimbursement of Deposits*** - Reserve for reimbursement of deposits is provided for the deposits derecognized from the liabilities at the estimated amount of future claims for withdrawal.

*m. **Leases*** - As Lessor, lease revenue is recognized at the date of each lease payment according to the lease contracts.

As Lessee, all finance lease transactions are capitalized to recognize lease assets and lease obligations in the balance sheet. However, the Bank accounted for leases which existed at March 31, 2008 and do not transfer ownership of the leased property to the lessee as operating lease transactions according to the transition rule.

*n. **Derivatives and Method of Hedge Accounting*** - The Bank’s policy is to use derivative financial instruments (“derivatives”) primarily for the purpose of reducing market risks associated with its assets and liabilities. The Bank also utilizes derivatives as a part of its trading activities. Consolidated subsidiaries do not utilize any derivatives.

The Bank enters into interest rate swaps as a means of hedging its interest rate risk on certain loans and investment securities. The Bank also enters into foreign exchange forward contracts and currency swaps, futures and options to hedge exchange risk associated with its assets and liabilities denominated in foreign currencies.

The Bank applies deferred hedge accounting, which is stipulated in the “Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry” (the Japanese Institute of Certified Public Accountants (the “JICPA”) Industry Audit Committee, Report No.24), to the interest risk caused by its financial assets and liabilities.

In evaluating the effectiveness of a hedge, the hedged item, such as loans and deposits, and the hedge instruments, such as interest rate swaps, are specified and evaluated regarding the hedging approach. Effectiveness of the hedging approach is evaluated by verifying the correlation of the interest fluctuation factor of the hedged item and the hedge instruments.

*o. **Accounting for Trust-type Employee Stock Ownership Incentive Plan*** - The Bank introduced an incentive plan for employees named the “Employee Stock Ownership Plan Trust” (ESOP Trust) and entered into a trust agreement with trustee on November 15, 2010.

Because the Bank guarantees the liability of the ESOP Trust, the ESOP Trust is substantially a part of the Bank and is treated as the same entity for accounting purposes. Accordingly, stocks held by the ESOP Trust are recognized and treated as treasury stock and assets, liabilities and expenses of the ESOP Trust are included in the accompanying financial statements.

*p. **Per Share Information*** - The weighted average number of shares of common stock used in the computation of basic net income per share during the year excludes treasury stock held by the Bank in its own name, as well as shares of treasury stock owned by the ESOP Trust (2,089 thousand shares and 893 thousand shares for the years ended March 31, 2012 and 2011, respectively). The average number of common shares used in the computation was 169,286 thousand shares and 170,495 thousand shares for the years ended March 31, 2012 and 2011, respectively.

Diluted net income per share is not disclosed for the years ended March 31, 2012 and 2011 because there are no dilutive securities.

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective year including dividends to be paid after the end of the year.

*q. **Accounting Changes and Error Corrections*** - In December 2009, the ASBJ issued ASBJ Statement No. 24, “Accounting Standard for Accounting Changes and Error Corrections” and ASBJ Guidance No. 24, “Guidance on Accounting Standard for Accounting Changes and Error Corrections.” Accounting treatments under this standard and guidance are as follows: (1) Changes in Accounting Policies-When a new accounting policy is applied with revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions. (2) Changes in Presentations-When the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation. (3) Changes in Accounting Estimates-A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods. (4) Corrections of Prior-Period Errors-When an error in prior-period financial statements is discovered, those statements are restated. This accounting standard and the guidance are applicable to accounting changes and corrections of prior-period errors which are made from the beginning of the fiscal year that begins on or after April 1, 2011.

r. New Accounting Pronouncements

Accounting Standard for Retirement Benefits - On May 17, 2012, the ASBJ issued ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," which replaced the Accounting Standard for Retirement Benefits that had been issued by the Business Accounting Council in 1998 with effective date of April 1, 2000 and the other related practical guidances, being followed by partial amendments from time to time through 2009.

Major changes are as follows:

(a) Treatment in the balance sheet

Under the current requirements, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are not recognized in the balance sheet, and the difference between retirement benefit obligations and plan assets (hereinafter, "deficit or surplus"), adjusted by such unrecognized amounts, are recognized as a liability or asset.

Under the revised accounting standard, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss shall be recognized within equity (accumulated other comprehensive income), after adjusting for tax effects, and the deficit or surplus shall be recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits).

(b) Treatment in the statement of income and the statement of comprehensive income (or the statement of income and comprehensive income)

The revised accounting standard would not change how to recognize actuarial gains and losses and past service costs in profit or loss. Those amounts would be recognized in profit or loss over a certain period no longer than the expected average remaining working lives of the employees. However, actuarial gains and losses and past service costs that arose in the current period and yet to be recognized in profit or loss shall be included in other comprehensive income and actuarial gains and losses and past service costs that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period shall be treated as reclassification adjustments.

This accounting standard and the guidance are effective for the end of annual periods beginning on or after April 1, 2013 with earlier application being permitted from the beginning of annual periods beginning on or after April 1, 2013. However, no retrospective application of this accounting standard to consolidated financial statements in prior periods is required.

3 TRADING ACCOUNT SECURITIES AND INVESTMENT SECURITIES

Trading account securities at March 31, 2012 and 2011 consisted of Japanese government bonds and local government bonds.

Investment securities at March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Japanese government bonds	**¥ 402,156**	¥ 287,212	**$ 4,893,004**
Local government bonds	**115,398**	126,156	**1,404,039**
Debentures	**252,871**	222,923	**3,076,663**
Equity securities	**38,584**	40,285	**469,448**
Other securities	**165,914**	178,676	**2,018,664**
Total	**¥ 974,925**	¥ 855,254	**$11,861,844**

The costs and aggregate fair value of securities at March 31, 2012 and 2011 were as shown in the table below. Securities below include trading account securities, investment securities and commercial paper within "Commercial paper and other debt purchased":

	Millions of Yen			
March 31, 2012	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading:				¥ 66
Available-for-sale:				
Equity securities	¥ 29,931	¥ 7,982	¥ 1,739	36,174
Debt securities	755,006	12,685	217	767,474
Other	163,590	2,560	2,239	163,911
Held-to-maturity:				
Debt securities	2,951	18	0	2,970

	Millions of Yen			
March 31, 2011	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading:				¥ 26
Available-for-sale:				
Equity securities	¥ 32,562	¥ 8,318	¥ 3,017	37,863
Debt securities	625,053	9,043	1,037	633,060
Other	177,550	1,427	2,131	176,845
Held-to-maturity:				
Debt securities	3,232	11	5	3,238

	Thousands of U.S. Dollars			
March 31, 2012	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading:				$ 803
Available-for-sale:				
Equity securities	$ 364,168	$ 97,116	$ 21,158	440,126
Debt securities	9,186,105	154,337	2,640	9,337,802
Other	1,990,388	31,147	27,241	1,994,293
Held-to-maturity:				
Debt securities	35,904	219	0	36,135

The information of available-for-sale securities which were sold during the year ended March 31, 2012 and 2011 were as follows:

	Millions of Yen		
March 31, 2012	Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	¥ 2,027	¥ 0	¥ 1,244
Debt securities	32,365	427	33
Other	9,657	123	691
Total	¥ 44,050	¥ 551	¥ 1,969

	Millions of Yen		
March 31, 2011	Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	¥ 1,857	¥ 140	¥ 1,098
Debt securities	5,997	69	1
Other	13,758	182	52
Total	¥ 21,613	¥ 392	¥ 1,151

	Thousands of U.S. Dollars		
March 31, 2012	Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	$ 24,662	$ 0	$ 15,135
Debt securities	393,782	5,195	401
Other	117,496	1,496	8,407
Total	$ 535,953	$ 6,703	$ 23,956

Impairment losses on available-for-sale securities for the years ended March 31, 2012 and 2011 were ¥462 million ($5,621 thousand) and ¥219 million, respectively.

Net unrealized gain on available-for-sale securities for the years ended March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Valuation differences:			
Available-for-sale securities	**¥ 19,032**	¥ 12,602	**$ 231,561**
Deferred tax liabilities	**(6,465)**	(4,848)	**(78,659)**
Minority interests	**(11)**	12	**(133)**
Net unrealized gain on available-for sale securities	**¥ 12,554**	¥ 7,766	**$ 152,743**

4 MONEY HELD IN TRUST

Money held in trust was all classified as trading, whose net unrealized gains of ¥43 million ($523 thousand) and ¥14 million for the years ended March 31, 2012 and 2011, respectively, were recognized in the consolidated statements of income.

5 LOANS AND BILLS DISCOUNTED

Loans and bills discounted as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Bills discounted	**¥ 12,777**	¥ 12,058	**$ 155,456**
Loans on notes	**83,080**	94,900	**1,010,828**
Loans on deeds	**1,360,929**	1,394,766	**16,558,328**
Overdrafts	**165,956**	178,017	**2,019,175**
Total	**¥1,622,743**	¥ 1,679,742	**$ 19,743,800**

Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No.24. The Bank has rights to sell or pledge these bills discounted. The total of the face value of bills discounted was ¥12,785 million ($155,554 thousand) and ¥12,071 million at March 31, 2012 and 2011, respectively.

Loans and bills discounted as of March 31, 2012 and 2011 included the following loans:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Loans to obligors in bankruptcy	**¥ 5,271**	¥ 5,925	**$ 64,131**
Past due loans	**76,198**	72,924	**927,095**
Restructured loans	**7,988**	14,878	**97,189**
Total	**¥ 89,458**	¥ 93,728	**$ 1,088,429**

Loans to obligors in bankruptcy represent nonaccrual loans to debtors who are legally bankrupt, which are defined in the Enforcement Ordinance for the Corporation Tax Law.

Past due loans are nonaccrual loans, which include loans classified as “possible bankruptcy” and “virtual bankruptcy”.

Nonaccrual loans are defined as loans (after the partial charge-off of claims deemed uncollectible) in which the Companies discontinue the accruing of interest income when substantial doubt is judged to exist as to the ultimate collectability of either principal or interest if they are past due for a certain period or for other reasons.

Accruing loans contractually past due three months or more are loans in which the principal or interest is three months or more past due. The Companies do not have any such loans and bills discounted.

Restructured loans, designed to assist in the recovery of the financial soundness of debtors, are loans on which the Companies granted concessions (e.g., reduction of the stated interest rate, deferral of interest payment, extension of maturity date, reduction of the face amount). Loans classified as nonaccrual loans or accruing loans contractually past due three months or more are excluded.

6 FOREIGN EXCHANGES

Foreign exchange assets at March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Due from foreign banks	**¥ 3,843**	¥ 3,642	**$ 46,757**
Foreign exchange bills bought	**7**	13	**85**
Foreign exchange bills receivable	**56**	35	**681**
Total	**¥ 3,908**	¥ 3,691	**$ 47,548**

7 OTHER ASSETS

Other assets at March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Accrued income	**¥ 4,599**	¥ 4,697	**$ 55,955**
Derivatives	**736**	700	**8,954**
Prepaid pension expense	**8,330**	7,696	**101,350**
Prepaid expenses	**33**	27	**401**
Other	**8,796**	8,872	**107,020**
Total	**¥ 22,496**	¥ 21,994	**$ 273,707**

8 PREMISES AND EQUIPMENT

Premises and equipment as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Buildings	**¥ 7,285**	¥ 6,617	**$ 88,636**
Land	**26,339**	27,816	**320,464**
Leased assets	**25**	24	**304**
Construction in progress	**66**	91	**803**
Other	**4,502**	4,376	**54,775**
Total	**¥ 38,219**	¥ 38,926	**$ 465,007**

Accumulated depreciation at March 31, 2012 and 2011 amounted to ¥37,156 million ($452,074 thousand) and ¥37,472 million, respectively.

As of March 31, 2012 and 2011, deferred gains for tax purposes of ¥2,053 million ($24,978 thousand) and ¥2,053 million, respectively, on premises and equipment sold and replaced with similar assets have been deducted from the cost of newly acquired premises and equipment.

The Companies review their long-lived assets for impairment continuously. As of March 31, 2012 and 2011, the Bank recognized impairment losses of ¥1,231 million ($14,977 thousand) and ¥104 million as other expense for certain branches and idle fixed assets due to the carrying amount of the assets exceeds its recoverable amount and the carrying amount of the relevant assets was written down to the recoverable amount.

The Companies principally group operating assets by branch office, which is the minimum unit for management accounting and idle fixed assets are individually assessed for impairment.

The recoverable amount of operating assets is measured at the discounted cash flows from the continued use and eventual disposition of the asset. The discounted cash flows are calculated using a discount rate of 5.1%.

The recoverable amount of idle assets is measured at its net selling price determined by quotation from a third-party vendor.

9 INTANGIBLE ASSETS

Intangible assets as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Software	**¥ 4,931**	¥ 3,087	**$ 59,995**
Other	**118**	118	**1,435**
Total	**¥ 5,050**	¥ 3,205	**$ 61,442**

10 CUSTOMERS' LIABILITIES FOR ACCEPTANCES AND GUARANTEES

All contingent liabilities arising from acceptances and guarantees are reflected in "Acceptances and guarantees". As a contra account, "Customers' liabilities for acceptances and guarantees" are shown on the asset side representing the Bank's right of indemnity from the applicants.

11 ASSETS PLEDGED

Assets pledged as collateral and their relevant liabilities at March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Assets pledged as collateral:			
Investment securities	**¥ 76,900**	¥37,298	**$ 935,636**
Leased investment assets	**7,193**	7,573	**87,516**
Relevant liabilities to above assets:			
Deposits	**6,717**	18,817	**81,725**
Payables under securities lending transactions	**8,925**		**108,589**
Borrowed money	**14,059**	5,986	**171,054**

In addition, investment securities and others totaling ¥72,424 million ($881,177 thousand) and ¥71,630 million were pledged as collateral or security deposits for exchange settlement and futures contracts at March 31, 2012 and 2011, respectively.

Guarantee deposits on office space amounting to ¥463 million ($5,633 thousand) and ¥457 million were included in other assets at March 31, 2012 and 2011, respectively.

12 LOAN COMMITMENTS

Contracts of overdraft facilities and loan commitment limits are contracts where the Companies lend to customers up to the prescribed limits in response to customers' applications for loans as long as there is no violation of any conditions in the contracts. The unused amounts within the limits totaled ¥559,052 million ($6,801,946 thousand) at March 31, 2012 and ¥561,633 million at March 31, 2011 for these contracts. Of the above, the amounts for which the original agreement period was within a year or agreements which the Companies could cancel at any time without penalty totaled ¥549,930 million ($6,690,959 thousand) at March 31, 2012 and ¥553,002 million at March 31, 2011.

Since many of these commitments expire without being drawn upon, the unused amount does not necessarily represent a future cash requirement. Most of these contracts have conditions that the Companies can refuse a customers' application for loans or decrease the contract limits with proper reasons (e.g., changes in financial situation, deterioration in customers' creditworthiness). At the inception of the contracts, the Companies obtain real estate, securities, etc. as collateral if considered necessary. Subsequently, the Companies perform periodic reviews of the customers' business results based on internal rules and take necessary measures to reconsider conditions in contracts and require additional collateral and guarantees, if necessary.

13 DEPOSITS

Deposits at March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Current deposits	**¥ 89,202**	¥ 74,591	**$ 1,085,314**
Ordinary deposits	**1,299,430**	1,264,924	**15,810,074**
Savings at notice	**33,133**	34,640	**403,126**
Deposits at notice	**3,039**	3,603	**36,975**
Time deposits	**948,013**	939,251	**11,534,408**
Installment savings	**9,108**	9,154	**110,816**
Negotiable certificates of deposit	**102,836**	112,637	**1,251,198**
Other deposits	**35,637**	46,514	**433,592**
Total	**¥2,520,402**	¥2,485,319	**$30,665,555**

14 BORROWED MONEY

Borrowed money as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Borrowings from other financial institutions	**¥ 22,276**	¥ 14,291	**$ 271,030**
Subordinated debt	**10,000**	10,000	**121,669**
Total	**¥ 32,276**	¥ 24,291	**$ 392,699**

The weighted average interest rate of Borrowings from other financial institutions and Subordinated debt as of March 31, 2012 and 2011 are 0.71%, 2.21% and 0.86%, 2.29%, respectively.

Annual maturities of long-term debt as of March 31, 2012 for the next five years and thereafter were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2013	**¥ 12,376**	**$ 150,577**
2014	**2,585**	**31,451**
2015	**11,629**	**141,489**
2016	**1,065**	**12,957**
2017	**664**	**8,078**
2018 and thereafter	**3,953**	**48,095**
Total	**¥ 32,276**	**$ 392,699**

Please see Note 11 for assets pledged as collateral and their relevant borrowed money.

15 OTHER LIABILITIES

Other liabilities as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Domestic exchange unsettled	¥ 6	¥ 11	$ 73
Income taxes payable	321	2,928	3,905
Accrued expenses	2,779	3,106	33,811
Unearned income	2,401	2,862	29,212
Derivatives	3,632	2,965	44,190
Accounts payable	8,126	5,024	98,868
Other	7,927	7,044	96,447
Total	¥ 25,194	¥ 23,943	$ 306,533

16 LIABILITY FOR RETIREMENT BENEFITS

The Companies have severance payment plans for employees, directors and corporate auditors.

Under most circumstances, employees whose service with the Companies is terminated are entitled to retirement and pension benefits determined by reference to base rates of pay at the time of termination, length of service and conditions under which the termination occurs. If the termination is involuntary, caused by retirement at the mandatory retirement age or caused by death, the employee is entitled to greater payment than in the case of voluntary termination.

The liability for the employees' retirement benefits at March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Projected benefit obligation	¥ 30,077	¥ 28,772	$ 365,944
Fair value of plan assets	(21,524)	(21,276)	(261,881)
Unrecognized actuarial loss	(7,015)	(5,837)	(85,351)
Unrecognized prior service cost	581	824	7,068
Net liability	2,117	2,482	25,757
Prepaid pension expense	8,330	7,696	101,350
Liability for employees' retirement benefits	¥ 10,448	¥ 10,179	$ 127,120

The components of net periodic retirement benefit costs for the years ended March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Service cost	¥ 950	¥ 934	$ 11,558
Interest cost	572	541	6,959
Expected return on plan assets	(115)	(154)	(1,399)
Amortization of prior service cost	(242)	(242)	(2,944)
Recognized actuarial loss	1,123	1,096	13,663
Net periodic retirement benefit costs	¥ 2,288	¥ 2,174	$ 27,837

Assumptions used for the years ended March 31, 2012 and 2011 are set forth as follows:

	2012	2011
Discount rate	1.1%	2.0%
Expected rate of return on plan assets	0.9%	1.3%
Amortization period of prior service cost	10years	10years
Recognition period of actuarial gain/loss	10years	10years

The liability for retirement benefits at March 31, 2012 and 2011 for directors and corporate auditors is ¥441 million ($5,365 thousand) and ¥584 million, respectively. The retirement benefits for directors and corporate auditors are paid subject to the approval of the shareholders.

17 EQUITY

Japanese companies are subject to the Companies Act. The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends
Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at anytime during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Bank cannot do so because it does not meet all the above criteria. The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements. Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act and the Banking Law provides certain limitations on the amounts available for dividends or the purchase of treasury stock.

b. Increases/decreases and transfer of common stock, reserve and surplus
The Banking Law requires that an amount equal to 20% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the aggregate amount of legal reserve and additional paid-in capital equals 100% of the stated capital.
The Companies Act also provides that stated capital, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

c. Treasury stock and treasury stock acquisition rights
The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders, which is determined by specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock.
Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

18 OTHER OPERATING INCOME

Other operating income for the years ended March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Gain on sales and redemption of bonds and other securities	¥ 499	¥ 157	$ 6,071
Lease revenue	6,125	6,341	74,522
Other	1,784	1,951	21,705
Total	¥ 8,408	¥ 8,451	$ 102,299

19 OTHER INCOME

Other income for the years ended March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Gain on sales of stock and other securities	¥ 66	¥ 258	$ 803
Gain on money held in trust	79	49	961
Other	1,405	1,505	17,094
Total	¥ 1,552	¥ 1,812	$ 18,883

20 OTHER OPERATING EXPENSES

Other operating expenses for the years ended March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Loss on sales and redemption of bonds and other securities	¥ 727	¥ 53	$ 8,845
Cost of lease	5,481	5,683	66,686
Other	1,403	1,194	17,070
Total	¥ 7,612	¥ 6,931	$ 92,614

21 OTHER EXPENSES

Other expenses for the years ended March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Loss on sales of stocks and other securities	¥ 1,244	¥ 1,098	$ 15,135
Loss on devaluation of stocks and other securities	544	369	6,618
Write-down of loans	35	37	425
Loss on money held in trust	45	51	547
Loss on disposal of fixed assets	127	101	1,545
Impairment losses (Note 8)	1,231	104	14,977
Provision for reimbursement of deposits	694	887	8,443
Other	212	773	2,579
Total	¥ 4,134	¥ 3,423	$ 50,298

22 INCOME TAXES

The Companies are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40.4% for the years ended March 31, 2012 and 2011.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities at March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Deferred tax assets:			
Reserve for possible loan losses	¥ 14,484	¥ 19,787	$ 176,225
Liability for employees' retirement benefits	3,856	4,117	46,915
Depreciation	2,154	2,299	26,207
Other	4,940	5,415	60,104
Less valuation allowance	(9,362)	(11,178)	(113,906)
Total	16,073	20,441	195,559
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	6,460	4,862	78,598
Unrealized gain on Employees' retirement benefit trust	1,857	2,123	22,593
Other	68	80	827
Total	8,387	7,066	102,044
Net deferred tax assets	¥ 7,686	¥ 13,374	$ 93,515

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statements of income for the years ended March 31, 2012 and 2011 were as follows:

	2012	2011
Normal effective statutory tax rate	40.4%	40.4%
Expenses not deductible for income tax purposes	0.9	0.8
Income not taxable for income tax purposes	(1.6)	(1.5)
Effect of change in tax rate	9.9	
Valuation allowance	(4.1)	9.1
Other-net	(1.4)	(0.4)
Actual effective tax rate	44.1%	48.4%

On December 2, 2011, new tax reform laws were enacted in Japan which changed the normal effective statutory tax rate from approximately 40.4% to 37.7% effective for the fiscal years beginning on or after April 1, 2012 through March 31, 2015, and to 35.3% afterwards. The effect of this change was to decrease deferred tax assets and deferred tax liabilities for land revaluation excess in the consolidated balance sheet as of March 31, 2012 by ¥327 million ($3,978 thousand) and ¥923 million ($11,230 thousand), respectively and to increase income taxes-deferred in the consolidated statement of income for the year then ended by ¥1,159 million ($14,101 thousand).

23 COMPREHENSIVE INCOME

The components of other comprehensive income for the year ended March 31, 2012 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2012	2012
Unrealized gain on available-for-sale securities:		
Gains arising during the year	¥ 4,483	$ 54,544
Reclassification adjustments to profit or loss	1,945	23,664
Amount before income tax effect	6,429	78,221
Income tax effect	(1,617)	(19,673)
Total	4,811	58,535
Deferred loss on derivatives under hedge accounting:		
Losses arising during the year	(1,070)	(13,018)
Reclassification adjustments to profit or loss	502	6,107
Amount before income tax effect	(567)	(6,898)
Income tax effect	137	1,666
Total	(429)	(5,219)
Land revaluation excess:		
Reclassification adjustments to profit or loss		
Amount before income tax effect		
Income tax effect	988	12,020
Total	988	12,020
Total other comprehensive income	¥ 5,371	$ 65,348

The corresponding information for the year ended March 31, 2011 was not required under the accounting standard for presentation of comprehensive income as an exemption for the first year of adopting that standard and not disclosed herein.

24 CASH AND CASH EQUIVALENTS

The reconciliation of cash and due from banks in the consolidated balance sheets to cash and cash equivalents at March 31, 2012 and 2011 were:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Cash and due from banks	¥ 42,204	¥ 40,222	$ 513,493
Less deposits in other banks except for the Bank of Japan	(1,506)	(2,058)	(18,323)
Cash and cash equivalents, end of year	¥ 40,697	¥ 38,164	$ 495,157

25 RELATED PARTY TRANSACTIONS

Related party transactions for the years ended March 31, 2012 and 2011 are not disclosed due to the immaterial amount.

26 LEASES

Total lease payments under finance leases for the years ended March 31, 2012 and 2011 were ¥14 million ($170 thousand) and ¥15 million, respectively.

Pro forma information of leased property whose lease inception was before March 31, 2008.

ASBJ Statement No.13, "Accounting Standard for Lease Transactions", requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. However, the ASBJ Statement No.13 permits leases without ownership transfer of the leased property to the lessee whose lease inception was before March 31, 2008 to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the financial statements. The Companies accounted for such leases as operating lease transactions. Pro forma information of leased property whose lease inception was before March 31, 2008 such as acquisition cost, accumulated depreciation, obligations under finance leases, depreciation expense, interest expense and other information of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Acquisition cost	¥ 60	¥ 76	$ 730
Accumulated depreciation	59	61	717
Net leased property	¥ 1	¥ 14	$ 12

Obligations under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Due within one year	¥ 1	¥ 14	$ 12
Due after one year		1	
Total	¥ 1	¥ 15	$ 12

Depreciation expense and interest expense under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Depreciation expense	¥ 13	¥ 14	$ 158
Interest expense	0	0	0

Depreciation expense and interest expense, which are not reflected in the accompanying consolidated statement of income, are computed by the straight-line method and the interest method, respectively.

27 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Bank policy for financial instruments

The Bank's operations mainly include accepting deposits, providing loans, discounting bills, and buying and selling marketable securities and other financial instruments. Through these activities, the Bank holds substantial financial assets and financial liabilities that are subject to fluctuations in interest rates. To protect itself from the negative effects of interest rate fluctuations, the Bank conducts derivative transactions as part of its asset and liability management (ALM) activities.

In addition, the consolidated subsidiaries that engage in leasing and credit card businesses handle financial instruments as their principal business.

(2) Nature and extent of risks arising from financial instruments

Of the principal financial assets held by the Companies, loans are subject to credit risk, or default on the part of the customer. The Companies hold trading account securities and investment securities, for holding to maturity and for purely trading purposes, as well as to promote business activities. These securities are subject to issuer credit risk, interest rate fluctuation risk and market price fluctuation risk.

Of financial liabilities, deposits and borrowed money are subject to liquidity risk, or the possibility that the Companies may become unable to meet payment obligations when due in the event that they become unable to utilize markets in certain circumstances.

Among derivative transactions, the Bank employs interest rate swap transactions to hedge risk using ALM. To offset the risk of interest rate increases, the Bank employs variable receipt/fixed payment interest rate swap transactions on loans bearing long-term, fixed rates of interest, and securities.

With respect to currencies, the Bank employs currency swap transactions, forward exchange forward contracts and coupon swap transactions, primarily to hedge the exchange rate fluctuation risks on foreign currency assets and liabilities.

The Bank engages in bond futures transactions, mainly as part of its dealing operations.
With regard to the methods of hedge accounting for interest risks on financial assets and liabilities, the Bank employs deferred hedge accounting as provided in JICPA Industry Audit Committee Report No.24. To evaluate hedging effectiveness, for hedges designed to offset market fluctuations, the Bank performs specified evaluations of hedged loans at individual hedge stages grouped by (remaining) term.

The consolidated subsidiaries do not conduct derivative transactions.

(3) Risk management for financial instruments

Credit Risk Management
The Bank has in place various provisions, including a Credit Risk Management Policy and Credit Risk Management Provisions. These provisions, which extent beyond lending activities and include market transactions and off-balance-sheet assets, are in place to manage credit risks related to all manner of banking operations. For each activity, the Bank conducts credit screenings, manages credit limits, manages credit information and employs an internal rating system. The Bank also has in place a credit management system to support management improvements and handle loans that have become delinquent or present collection difficulties. The consolidated subsidiaries also have in place various credit risk management and other provisions. They act in accordance with these provisions to manage credit risks appropriately.

To manage these credit risks, the Companies have established credit risk management divisions, including screening divisions, credit management divisions and problem loan management divisions. The Bank's Credit Risk Management Division takes overall responsibility for credit risk management, including the status of credit risk and accompanying problems.

With regard to credit screening, the Bank's Audit Division checks the Credit Risk Management Division and consolidated subsidiaries' risk management divisions to ascertain the appropriateness of credit risk management.

Market Risk Management
The Bank has in place a system for managing market risk. All items that require market risk management, including deposit and loan transactions, market transactions and off-balance-sheet transactions, are managed in accordance with the Bank's Market Risk Management Policy and Market Risk Management Provisions. The ALM divisions manage market risk related to deposits and loans, while market-related divisions mainly manage market risk related to market transactions. The Bank's Risk Management Division provides comprehensive reports to the Risk Management Committee indicating risk amounts, stress test results and other information. Market Risk Management Policies and Provisions are also in place at consolidated subsidiaries, in line with each company's risk profile. In this manner, systems are in place to ensure the appropriate management of market risk.

The market risk management divisions of the Companies manage market risks in this way and the Bank's Risk Management Division serves as the central division for the management of market risk and addressing related problems.

With regard to audits of market risk management, the Audit Division performs checks to determine the appropriateness of market risk management.

(Quantitative Information Concerning Market Risks)
Major financial instruments held by the Bank, which are subject to the primary risk parameters such as interest rate risk and price fluctuation risk, are loans, securities (held to maturity debt securities and other securities), deposits and negotiable certificates of deposit, and interest rate swap transactions in derivative transactions.

For these financial assets and financial liabilities, the Bank employs quantitative analysis to manage interest rate risk and price fluctuation risk by determining the impact on profits or losses that they will have after specific periods of time, using a statistically forecast fluctuation band for interest rates. Value at Risk (VaR) is used to calculate the impact amount.

The covariance method (holding period of three months (six months for strategic holdings), confidence interval of 99%, observation period of one year) is used for securities, whereas for instruments other than securities, such as deposits and loans, VaR is calculated using the Monte Carlo simulation method (holding period of three months, confidence interval of 99%, observation period of five years).

As of March 31, 2012, the Bank's market risk (estimated loss value) on major financial instruments was ¥23,003 million ($279,875 thousand). Of this amount, ¥12,292 million ($149,555 thousand) was attributable to securities and ¥10,711 million ($130,319 thousand) was attributable to instruments other than securities, such as deposits and loans.

The Bank also conducts back-testing, comparing the VaR calculated using this model with actual profits or losses. During the consolidated fiscal year under review, back-testing demonstrated that its approximation model was sufficiently precise to capture market risk.

However, it is important to recognize that VaR estimation is a calculation based on a statistical process, results are different depending on the preconditions and calculation methods used.
Meanwhile, this process does not forecast maximum losses and future market conditions may differ substantially from past conditions.

Furthermore, quantitative analysis is not applied on certain financial instruments whose impact is immaterial nor those held by consolidated subsidiaries.

Liquidity Risk Management
The Bank manages liquidity risk in accordance with its Liquidity Risk Management Policy and Liquidity Risk Management Provisions. The International and Securities Division manages cash on a daily basis, and the Risk Management Division, which serves as the management division, monitors this risk, providing comprehensive reports to the Risk Management Committee including the status of risks, the status of assets available for payment, the results of stress tests and other information.

With regard to audits of liquidity risk management, the Audit Division checks to determine the appropriateness of liquidity risk management at the International and Securities Division and Risk Management Division.

(4) Fair values of financial instruments

Fair values of financial instruments are based on quoted price in active markets. If quoted price is not available, other rational valuation techniques are used instead. Also please see Note 28 for the detail of fair value for derivatives.

(a) Fair value of financial instruments

	Millions of Yen		
March 31, 2012	Carrying Amount	Fair Value	Unrealized Gain(Loss)
Cash and due from banks	¥ 42,204	¥ 42,204	
Call loans	58,000	58,000	
Investment Securities:			
Held-to-maturity securities	2,951	2,970	¥ 18
Available-for-sale securities	967,560	967,560	
Loans and bills discounted	1,622,743		
Reserve for possible loan losses (*1)	(40,538)		
	1,582,204	1,602,305	20,101
Total	¥2,652,921	¥2,673,040	¥ 20,119
Deposits	¥2,520,402	¥2,521,684	¥ (1,281)
Borrowed money	32,276	32,475	(199)
Total	¥2,552,678	¥2,554,160	¥ (1,481)
Derivative instruments (*2):			
Hedge accounting is not applied	¥ (1,080)	¥ (1,080)	
Hedge accounting is applied	(1,815)	(1,815)	
	¥ (2,896)	¥ (2,896)	

	Millions of Yen		
March 31, 2011	Carrying Amount	Fair Value	Unrealized Gain(Loss)
Cash and due from banks	¥ 40,222	¥ 40,222	
Call loans	82,000	82,000	
Investment Securities:			
Held-to-maturity securities	3,232	3,238	¥ 5
Available-for-sale securities	847,769	847,769	
Loans and bills discounted	1,679,742		
Reserve for possible loan losses (*1)	(46,550)		
	1,633,192	1,650,641	17,448
Total	¥2,606,416	¥2,623,871	¥ 17,454
Deposits	¥2,485,319	¥2,487,379	¥ (2,060)
Borrowed money	24,291	24,559	(267)
Total	¥2,509,611	¥2,511,939	¥ (2,328)
Derivative instruments (*2):			
Hedge accounting is not applied	¥ (1,017)	¥ (1,017)	
Hedge accounting is applied	(1,247)	(1,247)	
	¥ (2,264)	¥ (2,264)	

	Thousands of U.S. Dollars		
March 31, 2012	Carrying Amount	Fair Value	Unrealized Gain(Loss)
Cash and due from banks	$ 513,493	$ 513,493	
Call loans	705,681	705,681	
Investment Securities:			
Held-to-maturity securities	35,904	36,135	$ 219
Available-for-sale securities	11,772,235	11,772,235	
Loans and bills discounted	19,743,800		
Reserve for possible loan losses (*1)	(493,223)		
	19,250,565	19,495,133	244,567
Total	$32,277,904	$32,522,691	$ 244,786
Deposits	$30,665,555	$30,681,153	$ (15,585)
Borrowed money	392,699	395,121	(2,421)
Total	$31,058,255	$31,076,286	$ (18,019)
Derivative instruments (*2):			
Hedge accounting is not applied	$ (13,140)	$ (13,140)	
Hedge accounting is applied	(22,082)	(22,082)	
	$ (35,235)	$ (35,235)	

(*1) Reserve for possible loan losses relevant to loans and bills discounted have been deducted.
(*2) Derivative instruments are disclosed in the net amount of assets and liabilities.

Cash and due from banks

With regard to amounts due from banks that have not matured and short-term due from banks, as these instruments are settled within a short term and their fair value and book value are nearly identical, their book value is assumed as their fair value. Long-term due from banks with maturities are segmented according to deposit period, and fair value is calculated by discounting them to their present value, using an assumed rate of interest on new amounts due from banks of the same type.

Call loans

For items with a short commitment term (within three months), as their fair value and book value are nearly identical, their book value is assumed as their fair value.

Investment securities

The fair value of equity securities is determined by their prices on stock exchanges. The fair value of bonds is determined by their prices on exchanges or at rates indicated by financial institutions handling these transactions for the Bank. The fair value of investment trusts is based on the base value publicly disclosed.

Privately placed bonds guaranteed by the Bank are segmented according to internal rating and term, and fair value is determined by discounting the total amount of principal and interest by the assumed interest rate on new issue bonds of the same type.
For information pertaining to investment securities by holding purpose, please refer to Note 3.

Loans and bills discounted

As loans bearing floating rates of interest reflect market rates of interest in the short term, unless credit conditions of the lending entity have changed significantly after lending the loans, their fair value and book value are nearly identical, so their book value is assumed as their fair value. Fixed-rate loans are segmented by loan type, internal rating and period, and their fair value is determined by discounting the total amount of principal and interest by the assumed interest rate on new lendings of the same type. However, for items with a short commitment term (within three months), as their fair value and book value are nearly identical, their book value is assumed as their fair value.

The fair value of loans lended to entities that are legal bankruptcy, virtual bankruptcy or possible bankruptcy are determined according to the current value of expected future cash flows or the amount of collateral that is expected to be recoverable or guarantee amounts that are determined to be recoverable. As these amounts are nearly identical to the book value after deducting the allowance for doubtful accounts, these amounts are assumed as their fair value.

For loans that are fully secured by collateral and that have no specified repayment term, as in terms of their expected repayment periods and interest conditions their fair value and book value are nearly identical, their book value is assumed as their fair value.

Deposits

For demand deposits, fair value is assumed as amount to be paid when demanded on the balance sheet date (i.e., the book value). The fair value of time deposits is determined by segmenting such deposits by term and discounting future cash flows to their current value. The discount rate used is the rate of interest on new deposits of the same type. As the term on deposits is short (within three months), their fair value and book value are nearly identical, so their book value is assumed as their fair value.

Borrowed money

Of borrowed money, interest rates on floating-rate borrowings reflect market interest rates in the short term. Assuming that credit conditions of the Companies have not changed significantly since the time of borrowing, their fair value and book value are nearly identical, so their book value is assumed as their fair value. Such borrowings with fixed interest rates are segmented by term, the total amount of principal and interest on the borrowed money is divided by time period, and their present value is calculated by discounting according to the assumed interest rate. For items with a short commitment term (within three months), as their fair value and book value are nearly identical, their book value is assumed as their fair value.

Derivatives

The information of the fair value for derivatives is included in Note 28.

(b) Carrying amount of financial instruments whose fair value cannot be reliably determined

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Equity securities	¥ **2,410**	¥ 2,422	$ **29,322**
Other	**2,002**	1,830	**24,358**
Total	¥ **4,413**	¥ 4,253	$ **53,692**

(5) Maturity analysis for financial assets and securities with contractual maturities

	Millions of Yen			
March 31, 2012	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Due from banks	¥ 9,902			
Call loans	58,000			
Investment Securities:				
Held-to-maturity securities	800	¥ 2,050	¥ 100	
Available-for-sale securities	124,378	445,426	335,990	¥ 4,887
Loans and bills discounted (*1)	487,605	509,349	280,619	268,149
Total	¥ 680,686	¥ 956,825	¥ 616,710	¥ 273,036

	Millions of Yen			
March 31, 2011	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Due from banks	¥ 10,725			
Call loans	82,000			
Investment Securities:				
Held-to-maturity securities	279	¥ 2,850	¥ 100	
Available-for-sale securities	107,563	422,046	263,940	¥ 2,000
Loans and bills discounted (*1)	482,194	571,896	286,046	264,560
Total	¥ 682,763	¥ 996,793	¥ 550,087	¥ 266,560

	Thousands of U.S. Dollars			
March 31, 2012	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Due from banks	$ 120,476			
Call loans	705,681			
Investment Securities:				
Held-to-maturity securities	9,733	$ 24,942	$ 1,216	
Available-for-sale securities	1,513,298	5,419,467	4,087,966	$ 59,459
Loans and bills discounted(*1)	5,932,656	6,197,213	3,414,271	3,262,550
Total	$ 8,281,859	$11,641,623	$ 7,503,467	$ 3,322,009

(*1) Excluded from the loan amount for the years ended March 31, 2012 and 2011 were ¥77,020 million ($937,096 thousand) and ¥75,043 million in loans classified as "possible bankruptcy", "virtual bankruptcy" and "legal bankruptcy" on which the redemption amount cannot be forecast, respectively.

(6) Maturity analysis for deposits with contractual maturities

	Millions of Yen			
March 31, 2012	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Deposits	¥2,277,815	¥ 240,826	¥ 1,761	
Total	¥2,277,815	¥ 240,826	¥ 1,761	

	Millions of Yen			
March 31, 2011	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Deposits	¥2,229,183	¥ 253,757	¥ 2,377	
Total	¥2,229,183	¥ 253,757	¥ 2,377	

	Thousands of U.S. Dollars			
March 31, 2012	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Deposits	$27,714,016	$ 2,930,113	$ 21,425	
Total	$27,714,016	$ 2,930,113	$ 21,425	

Please see Note 14 for maturities of borrowed money.

28 DERIVATIVES

It is the Bank's policy to use derivative financial instruments ("derivatives") primarily for the purpose of reducing market risks associated with its assets and liabilities. The Bank also utilizes derivatives as a part of its trading activities.

The Bank enters into interest rate swaps as a means of hedging its interest rate risk on certain loans and investment securities. The Bank also enters into foreign exchange forward contracts, currency swaps to hedge exchange risk associated with its assets and liabilities denominated in foreign currencies.

Derivatives are subject to market risk and credit risk. Market risk is the exposure created by potential fluctuations of market conditions, including interest and foreign exchange rates. Credit risk is the possibility that a loss may result from counterpart's failure to perform under a contract. Because the counterparties to those derivatives are limited to major financial institutions and securities companies, the Bank does not anticipate material losses arising from credit risk.

Concerning risk management associated with derivative transactions, the front and back offices of the trading divisions (the International and Securities Division) are clearly separated, while the Asset and Liabilities Management Office synthetically manages the Bank's market risks. In this manner, an internal monitoring system is effectively secured. Derivative transactions entered into by the Bank have been made in accordance with internal policies, which regulate the trading activities, and credit risk management has formal risk limits and credit lines. The Bank's positions gains-and-losses and other conditions are periodically reported to management.

Derivative transactions to which hedge accounting is not applied at March 31, 2012 and 2011

	Millions of Yen			
March 31, 2012	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain (Loss)
Currency swaps	¥ 30,166		¥ (88)	¥ (88)
Coupon swaps	72,594	¥33,145	60	60
Foreign currency forward contracts:				
Selling	19,747	20	(1,055)	(1,055)
Buying	55		1	1

	Millions of Yen			
March 31, 2011	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain (Loss)
Currency swaps	¥ 29,090	¥ 8,229	¥ (569)	¥ (569)
Coupon swaps	111,079	71,407	91	91
Foreign currency forward contracts:				
Selling	31,585		(539)	(539)
Buying	62		1	1

	Thousands of U.S. Dollars			
March 31, 2012	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain (Loss)
Currency swaps	$ 367,027		$ (1,070)	$ (1,070)
Coupon swaps	883,246	$ 403,272	730	730
Foreign currency forward contracts:				
Selling	240,260	243	(12,836)	(12,836)
Buying	669		12	12

Derivative transactions to which hedge accounting is applied at March 31, 2012 and 2011

	Millions of Yen			
March 31, 2012	Hedged Item	Contract Amount	Contract Amount Due after One Year	Fair Value
Interest rate swaps: (fixed rate payment, floating rate receipt)	Loans and bills discounted	¥ 40,029	¥ 40,029	¥ (1,815)

	Millions of Yen			
March 31, 2011	Hedged Item	Contract Amount	Contract Amount Due after One Year	Fair Value
Interest rate swaps: (fixed rate payment, floating rate receipt)	Loans and bills discounted	¥ 41,930	¥ 41,930	¥ (1,247)

	Thousands of U.S. Dollars			
March 31, 2012	Hedged Item	Contract Amount	Contract Amount Due after One Year	Fair Value
Interest rate swaps: (fixed rate payment, floating rate receipt)	Loans and bills discounted	$ 487,030	$ 487,030	$ (22,082)

The fair value of derivative transactions is calculated by discounting them to their present value.

The contract or notional amounts of derivatives which are shown in the above table do not represent the amounts exchanged by the parties and do not measure the Bank's exposure to credit or market risk.

29 SEGMENT INFORMATION

Under the ASBJ Statement No.17, "Accounting Standard for Segment Information Disclosures" and ASBJ Guidance No. 20, "Guidance on Accounting Standard for Segment Information Disclosures", an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

(1) Description of reportable segments

The Companies' reportable segments are those for which separate financial information is available and regular evaluation by the Board of Directors is being performed in order to decide how management resources are allocated and in assessing performance. The Companies concentrate on the banking business, and also conduct other financial services including the leasing and the credit-card business.

Therefore, the Companies' reportable segments consist of Banking and Lease.

(2) Methods of measurement for the amounts of ordinary income, profit, assets and other items for each reportable segment

The accounting policies of each reportable segment are consistent with those disclosed in Note 2, "Summary of Significant Accounting Policies".

(3) Information about ordinary income, profit, assets and other items

	Millions of Yen						
	2012						
	Reportable Segment						
	Banking	Lease	Total	Other	Total	Reconciliations	Consolidated
Ordinary income:							
Ordinary income from external customers	¥ 50,962	¥ 7,468	¥ 58,431	¥ 1,860	¥ 60,291	¥ (305)	¥ 59,986
Inter segment ordinary income	194	781	975	803	1,778	(1,778)	
Total	¥ 51,156	¥ 8,249	¥ 59,406	¥ 2,664	¥ 62,070	¥ (2,083)	¥ 59,986
Segment profit	¥ 11,954	¥ 507	¥ 12,462	¥ 697	¥ 13,159	¥ (61)	¥ 13,098
Segment assets	2,761,448	22,028	2,783,476	12,241	2,795,718	(13,800)	2,781,917
Other:							
Depreciation	3,103	287	3,390	43	3,433		3,433
Total interest income	37,912	16	37,928	1,068	38,996	(391)	38,605
Total interest expenses	2,820	175	2,996	5	3,002	(93)	2,908
Increase in premises and equipment and intangible assets	5,962	200	6,162	42	6,204	(45)	6,159
Impairment losses of assets	1,231		1,231		1,231		1,231

	Millions of Yen						
	2011						
	Reportable Segment						
	Banking	Lease	Total	Other	Total	Reconciliations	Consolidated
Ordinary income:							
Ordinary income from external customers	¥ 49,130	¥ 7,783	¥ 56,914	¥ 1,855	¥ 58,769		¥ 58,769
Inter segment ordinary income	207	804	1,012	729	1,742	¥ (1,742)	
Total	¥ 49,338	¥ 8,587	¥ 57,926	¥ 2,585	¥ 60,511	¥ (1,742)	¥ 58,769
Segment profit	¥ 10,530	¥ 537	¥ 11,067	¥ 826	¥ 11,894	¥ 121	¥ 12,016
Segment assets	2,718,670	21,999	2,740,670	12,645	2,753,316	(15,674)	2,737,641
Other:							
Depreciation	2,919	358	3,278	43	3,321		3,321
Total interest income	40,083	14	40,097	1,147	41,245	(387)	40,858
Total interest expenses	3,494	214	3,708	10	3,719	(111)	3,608
Increase in premises and equipment and intangible assets	2,867	123	2,990	10	3,001	(16)	2,984
Impairment losses of assets	104		104		104		104

	Thousands of U.S. Dollars						
	2012						
	Reportable Segment						
	Banking	Lease	Total	Other	Total	Reconciliations	Consolidated
Ordinary income:							
Ordinary income from external customers	$ 620,051	$ 90,862	$ 710,925	$ 22,630	$ 733,556	$ (3,710)	$ 729,845
Inter segment ordinary income	2,360	9,502	11,862	9,770	21,632	(21,632)	
Total	$ 622,411	$ 100,365	$ 722,788	$ 32,412	$ 755,201	$ (25,343)	$ 729,845
Segment profit	$ 145,443	$ 6,168	$ 151,624	$ 8,480	$ 160,104	$ (742)	$ 159,362
Segment assets	33,598,345	268,013	33,866,358	148,935	34,015,305	(167,903)	33,847,390
Other:							
Depreciation	37,753	3,491	41,245	523	41,769		41,769
Total interest income	461,272	194	461,467	12,994	474,461	(4,757)	469,704
Total interest expenses	34,310	2,129	36,452	60	36,525	(1,131)	35,381
Increase in premises and equipment and intangible assets	72,539	2,433	74,972	511	75,483	(547)	74,936
Impairment losses of assets	14,977		14,977		14,977		14,977

Note: 1. The "Other" segment contains business that is not included in these reporting segments, such as the credit-card business.

2. Adjustment amounts for the years ended March 31, 2012 and 2011 were as follows:

(1) A reconciliation in ordinary income from external customers of ¥305 million ($3,710 thousand) for the year ended March 31, 2012 was made to adjust gain on reversal of reserve for possible loan losses.

(2) Segment profit reconciliations of ¥61 million ($742 thousand) and ¥121 million were made to eliminate intersegment transactions.

(3) A downward reconciliation in segment assets of ¥13,800 million ($167,903 thousand) and ¥15,674 million was made to eliminate intersegment transactions.

(4) A downward reconciliation in total interest income of ¥391 million ($4,757 thousand) and ¥387 million was made to eliminate intersegment transactions.

(5) A downward reconciliation in total interest expenses of ¥93 million ($1,131 thousand) and ¥111 million was made to eliminate intersegment transactions.

(6) A reconciliation in increase in premises and equipment and intangible assets of ¥45 million ($547 thousand) and ¥16 million was made to eliminate intersegment transactions.

3. Segment profit is reflected as an adjustment to ordinary profit on the consolidated statement of income.

4. Ordinary income represents total income less certain special income included in other income in the accompanying consolidated statement of income.

Related Information

(1) Information by Services
Income regarding major services for the years ended March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Loan Businesses	**¥ 27,376**	¥ 29,911	**$ 333,081**
Securities Investment Businesses	**11,642**	11,211	**141,647**
Other	**20,966**	17,646	**255,091**
Total	**¥ 59,986**	¥ 58,769	**$ 729,845**

(2) Geographical Information
(a) Ordinary income
Ordinary income from external domestic customers exceeded 90% of total ordinary income on the consolidated statements of income for the years ended March 31, 2012 and 2011; therefore, geographical ordinary income information is not presented.

(b) Premises and Equipment
The balance of domestic premises and equipment exceeded 90% of total balance of premises and equipment in the consolidated balance sheets as of March 31, 2012 and 2011; therefore, geographical premises and equipment information is not presented.

(3) Major Customer Information
Ordinary income to a specific customer did not reach 10% of total ordinary income in the consolidated statements of income for the years ended March 31, 2012 and 2011; therefore, major customer information is not presented.

30 SUBSEQUENT EVENT

At the Bank's general shareholders meeting held on June 26, 2012, the Bank's shareholders approved the following.

Appropriations of Retained Earnings

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥3.00 ($0.03) per share	**¥514**	**$6,253**

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
THE OITA BANK, LTD.:

We have audited the accompanying consolidated balance sheet of THE OITA BANK, LTD. and consolidated subsidiaries as of March 31, 2012, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in conformity with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of THE OITA BANK, LTD. and consolidated subsidiaries as of March 31, 2012, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 26, 2012

Member of
Deloitte Touche Tohmatsu Limited

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NUMBER OF MONEY EXCHANGE OFFICES
34

NUMBER OF OFFICES BY DISTRICT

Oita Prefecture	92
Miyazaki Prefecture	2
Kumamoto Prefecture	1
Fukuoka Prefecture	6
Osaka	1
Tokyo	1
Total	103

(As of June 30, 2012)

BOARD OF DIRECTORS AND AUDITORS

President
Shoji Himeno

Vice President
Shigenari Koganemaru

Senior Managing Director
Youichi Miura

Managing Directors
Takayuki Suzuki
Issei Takahara
Nobuhide Shimizu

Director, Advisor
Yoshito Ogura

Directors
Tomohiro Watanabe
Hideki Eto

Outside Directors
Norio Shimoda
Izumi Kuwano

Standing Auditors
Tomiichiro Goto
Toru Hirose

Outside Auditors
Hiroshi Kawano
Tsunemasa Kojima
Juro Yakushiji

Executive Officers
Nobuhiko Iwata
Shinichi Nagaki
Masaki Kodama
Yoshio Hirayama
Kazutoshi Hikita
Kunihiro Kikuguchi
Toshiki Hijiya

(As of June 30, 2012)

Summary of Non-Consolidated Balance Sheet (Unaudited)

THE OITA BANK, LTD.
March 31, 2012

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
ASSETS:			
Cash and due from banks	¥ 41,426	¥ 39,459	$504,027
Call loans	58,000	82,000	705,681
Commercial paper and other debt purchased	11,810	5,838	143,691
Trading account securities	66	26	803
Money held in trust	4,794	4,782	58,328
Investment securities	972,147	852,493	11,828,044
Loans and bills discounted	1,627,962	1,686,388	19,807,300
Foreign exchange assets	3,908	3,691	47,548
Other assets	16,540	16,203	201,241
Premises and equipment	36,405	36,957	442,937
Intangible assets	4,950	3,107	60,226
Deferred tax assets	6,116	11,770	74,412
Customers' liabilities for acceptances and guarantees	19,962	24,473	242,876
Reserve for possible loan losses	(42,039)	(47,904)	(511,485)
TOTAL	¥2,762,051	¥2,719,288	$33,605,681
LIABILITIES:			
Deposits	¥2,527,088	¥2,491,862	$30,746,903
Call money	5,753	19,956	69,996
Payables under securities lending transactions	8,925		108,589
Borrowed money	23,668	16,250	287,966
Foreign exchange liabilities	31	37	377
Other liabilities	19,322	18,562	235,089
Liability for retirement benefits	10,675	10,564	129,881
Reserve for reimbursement of deposits	1,856	1,807	22,581
Deferred tax liabilities for land revaluation excess	6,456	7,914	78,549
Acceptances and guarantees	19,962	24,473	242,876
Total liabilities	2,623,741	2,591,430	31,922,873
EQUITY:			
Common stock	19,598	19,598	238,447
Capital surplus	10,582	10,582	128,750
Retained earnings:			
Legal reserve	10,431	10,431	126,913
Unappropriated	76,928	71,174	935,977
Total retained earnings	87,359	81,605	1,062,890
Unrealized gain on available-for-sale securities	12,550	7,771	152,694
Deferred loss on derivatives under hedge accounting	(1,172)	(743)	(14,259)
Land revaluation excess	9,940	9,784	120,939
Treasury stock-at cost	(548)	(740)	(6,667)
Total equity	138,309	127,858	1,682,795
TOTAL	¥2,762,051	¥2,719,288	$33,605,681

Note: Amounts stated in U.S. dollars are translated from Japanese yen, solely for convenience, at the rate of ¥82.19=U.S. $1, the approximate exchange rate prevailing at March 31, 2012.

Summary of Non-Consolidated Statement of Income (Unaudited)

THE OITA BANK, LTD.
Year Ended March 31, 2012

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
INCOME:			
Interest on:			
Loans and discounts	**¥ 26,835**	¥ 29,295	**$ 326,499**
Securities	**11,063**	10,780	**134,602**
Other	**28**	27	**340**
Total interest income	**37,928**	40,103	**461,467**
Fees and commissions	**6,942**	7,165	**84,462**
Other operating income	**500**	250	**6,083**
Reversal of reserve for possible loan losses	**4,139**	1,028	**50,358**
Other income	**1,546**	1,788	**18,810**
Total income	**51,056**	50,336	**621,194**
EXPENSES:			
Interest on:			
Deposits	**1,995**	2,681	**24,273**
Borrowings and rediscounts	**302**	329	**3,674**
Other	**514**	476	**6,253**
Total interest expenses	**2,812**	3,487	**34,213**
Fees and commissions	**1,701**	1,788	**20,695**
Other operating expenses	**1,038**	186	**12,629**
General and administrative expenses	**30,988**	30,358	**377,028**
Other expenses	**4,019**	3,316	**48,898**
Total expenses	**40,561**	39,137	**493,502**
INCOME BEFORE INCOME TAXES	**10,494**	11,199	**127,679**
INCOME TAXES:			
Current	**816**	3,490	**9,928**
Deferred	**3,726**	2,058	**45,333**
Total income taxes	**4,543**	5,549	**55,274**
NET INCOME	**¥ 5,950**	¥ 5,649	**$ 72,393**
	Yen		U.S. Dollars
PER SHARE OF COMMON STOCK:			
Basic net income	**¥ 35.14**	¥ 33.13	**$ 0.427**
Cash dividends applicable to the year	**6.00**	6.00	**0.073**

Note: Amounts stated in U.S. dollars are translated from Japanese yen, solely for convenience, at the rate of ¥82.19=U.S. $1, the approximate exchange rate prevailing at March 31, 2012.

Summary of Non-Consolidated Statement of Changes in Equity (Unaudited)

THE OITA BANK, LTD.
Year Ended March 31, 2012

	Thousands	Millions of Yen								
				Retained Earnings						
	Outstanding number of shares of Common Stock	Common Stock	Capital Surplus	Legal Reserve	Unappropriated	Unrealized Gain on Available for-sale Securities	Deferred loss on Derivatives under Hedge Accounting	Land Revaluation Excess	Treasury Stock	Total Equity
BALANCE, APRIL 1, 2010	**171,396**	**¥19,598**	**¥10,582**	**¥10,431**	**¥66,474**	**¥11,240**	**¥(479)**	**¥9,864**	**¥(29)**	**¥127,682**
Net income					5,649					5,649
Cash dividends, ¥6.00 per share					(1,028)					(1,028)
Purchase of treasury stock	(2,637)								(772)	(772)
Disposal of treasury stock	204		(1)						61	59
Transfer from land revaluation excess					80					80
Transfer to capital surplus from retained earnings			1		(1)					
Net change in the year						(3,469)	(264)	(80)		(3,813)
BALANCE, MARCH 31, 2011	**168,963**	**19,598**	**10,582**	**10,431**	**71,174**	**7,771**	**(743)**	**9,784**	**(740)**	**127,858**
Net income					5,950					5,950
Cash dividends, ¥6.00 per share					(1,028)					(1,028)
Purchase of treasury stock	(7)								(1)	(1)
Disposal of treasury stock	658		(0)						193	192
Transfer from land revaluation excess					832					832
Transfer to capital surplus from retained earnings			0		(0)					
Net change in the year						4,779	(429)	156		4,505
BALANCE, MARCH 31, 2012	**169,614**	**¥19,598**	**¥10,582**	**¥10,431**	**¥76,928**	**¥12,550**	**¥(1,172)**	**¥9,940**	**¥(548)**	**¥138,309**

	Thousands of U.S. Dollars								
			Retained Earnings						
	Common Stock	Capital Surplus	Legal Reserve	Unappropriated	Unrealized Gain on Available for-sale Securities	Deferred loss on Derivatives under Hedge Accounting	Land Revaluation Excess	Treasury Stock	Total Equity
BALANCE, MARCH 31, 2011	**$238,447**	**$128,750**	**$126,913**	**$865,969**	**$94,549**	**$(9,040)**	**$119,041**	**$(9,003)**	**$1,555,639**
Net income				72,393					72,393
Cash dividends, $0.07 per share				(12,507)					(12,507)
Purchase of treasury stock								(12)	(12)
Disposal of treasury stock		(0)						2,348	2,336
Transfer from land revaluation excess				10,122					10,122
Transfer to capital surplus from retained earnings		0		(0)					
Net change in the year					58,145	(5,219)	1,898		54,812
BALANCE, MARCH 31, 2012	**$238,447**	**$128,750**	**$126,913**	**$935,977**	**$152,694**	**$(14,259)**	**$120,939**	**$(6,667)**	**$1,682,795**

Note: Amounts stated in U.S. dollars are translated from Japanese yen, solely for convenience, at the rate of ¥82.19=U.S. $1, the approximate exchange rate prevailing at March 31, 2012.

THE OITA BANK, LTD.

Printed in Japan