

Aozora Bank announces the terms of Aozora Debentures both for its public sales and for asset saving (*Zaikei* issue), and of the Discount Aozora Debentures, 1 & 5 year(s)

Tokyo (February 26, 2002) — Aozora Bank, Ltd. (“Aozora Bank”) announced the terms of Aozora Debentures both for the public sales and for the asset saving (*Zaikei* issue) as well as its Discount Aozora Debentures as follows, in view of recent economic and financial conditions:

1. Aozora Debentures for the public sales,

March First Half Issue, 5 years

		March First Half Issue	February Second Half Issue
Interest-Bearing Debenture	Coupon	0.30% per annum	0.30% per annum
Interest-Compounded Debenture	Average Yield	0.304% Semiannually compounded interest of 0.30%	0.304% Semiannually compounded interest of 0.30%

※ Sales Period

From **Thursday, February 28, 2002** to **Tuesday, March 12, 2002**

2. Aozora Debentures for asset saving (*Zaikei* issue)

March, 5 years

		March	February
Interest-Bearing Debenture (<i>Zaikei</i>)	Coupon	0.30% per annum	0.20% per annum
Interest-Compound Debenture (<i>Zaikei</i>)	Average Yield	0.304% Semiannually Compounded interest of 0.30%	0.202% Semiannually compounded interest of 0.20%

※ Sales Period

From Thursday, February 28, 2002 to Wednesday, March 27, 2002

3. Discount Aozora Debentures, March First Half Issue, 1 year

Discount debentures

		March First Half Issue	February Second Half Issue
Discount rate		0.14% per annum	0.14% per annum
Yield to maturity	Before tax	0.150% per annum	0.150% per annum
	After tax	0.130% per annum	0.130% per annum
Issue Price on the last day of the sales period			
	Before tax	¥9,985 per ¥10,000	¥9,985 per ¥10,000
	After tax	¥9,987 per ¥10,000	¥9,987 per ¥10,000

Discount debentures (safe custody only)

		March First Half Issue	February Second Half Issue
Discount rate		0.11% per annum	0.11% per annum
Yield to maturity	Before tax	0.120% per annum	0.120% per annum
	After tax	0.100% per annum	0.100% per annum
Issue Price on the last day of the sales period			
	Before tax	¥9,988 per ¥10,000	¥9,988 per ¥10,000
	After tax	¥9,990 per ¥10,000	¥9,990 per ¥10,000

※ Sales Period

From Thursday, February 28, 2002 to Tuesday, March 12, 2002