



Outline of Business Results for FY2015



① 沖縄銀行

Highlights for FY2015

Ordinary income increased due to an increase in interest and dividends on securities, despite a decrease in interest on loans and bills discounted (increased revenues). Ordinary profit increased mainly due to an increase in gains and losses on securities and a decrease in credit costs (increased earnings)

(¥ billion)

Non-consolidated	FY15	FY14	YoY change
Ordinary income	37.8	36.4	+1.3
Gross business profit	30.9	30.5	+0.3
Interest income	27.8	27.8	+0.0
Fees and commissions	2.6	2.3	+0.3
Fees and commissions (excluding trust fees)	2.2	2.0	+0.2
Trust account services	0.4	0.3	+0.0
Other business profit	0.3	0.3	(0.0)
Gains (losses) on bond trading	0.3	0.2	+0.0
Expenses (excluding non-recurrent items)	20.6	19.7	+0.9
Business profit on core banking operations	9.9	10.6	(0.6)
Provision of general allowance for possible loan losses	0.9	(0.3)	+1.3
Net business profit	9.3	11.2	(1.9)
Non-recurrent items	1.4	(1.2)	+2.6
Net gains (losses) on equity securities	0.6	0.1	+0.5
Bad debt disposal (non-recurrent items)	(0.0)	1.9	(1.9)
Ordinary profit	10.7	9.9	+0.7
Extraordinary gains (losses)	0.0	(0.1)	+0.1
Net income	7.1	6.7	+0.3

Credit costs	0.9	1.6	(0.6)
Non-performing loan ratio	1.66%	1.61%	+0.05pt
Capital ratio	10.88%	11.13%	(0.25)pt

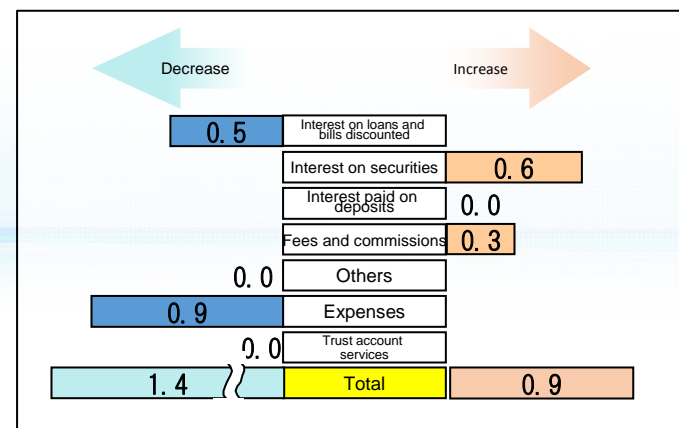
■ Year-on-year changes

(¥ billion, %)

	Average balance	Yield	Interest
Loans and bills discounted	+65.4	(0.14)	(0.5)
Securities	+15.8	+0.08	+0.6
Deposits	+76.6	(0.00)	(0.0)
Others	-	-	+0.0
Total	-	-	+0.0

■ Net gains on securities are posted as +¥0.5 billion

■ YoY comparison of business profit on core banking operations

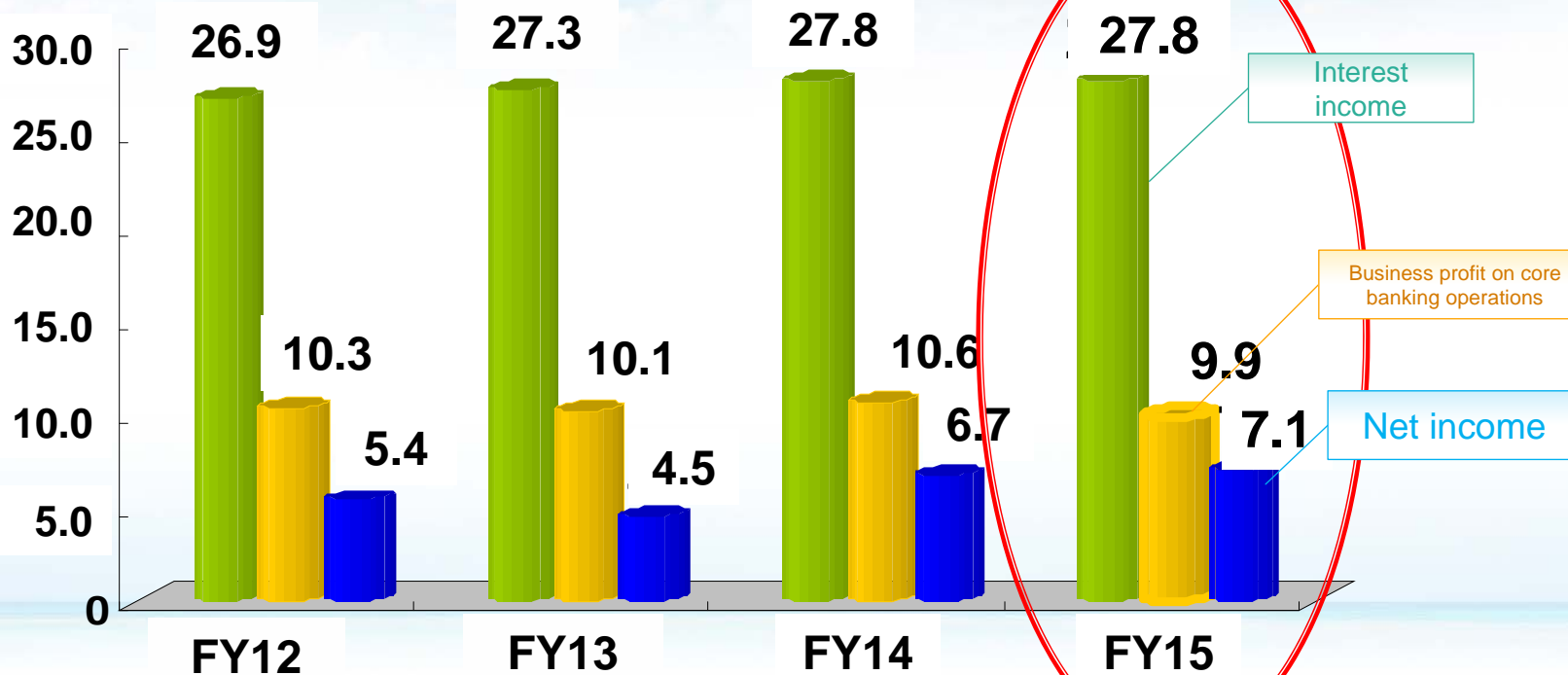


Profits



Business profit on core banking operations decreased mainly due to increase in expenses

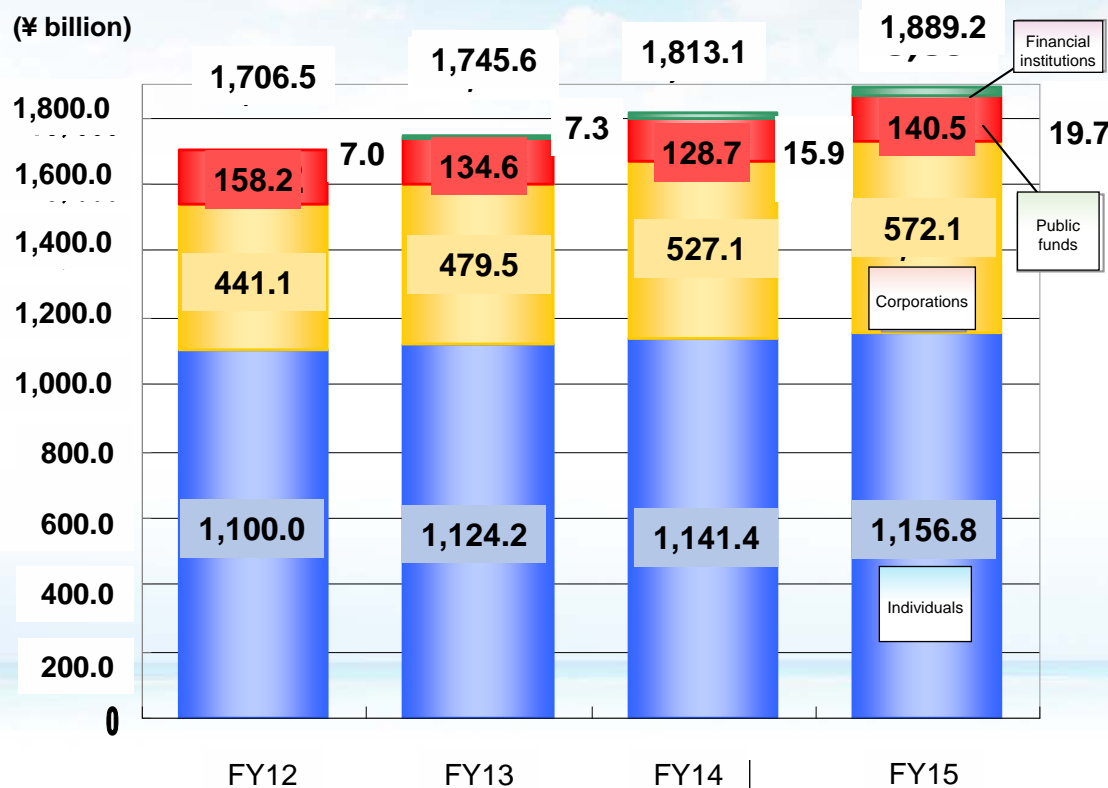
(¥ billion)



Deposits (Average Balance)



Deposits by corporations rose by ¥45.0 billion (+8.5%)
 Deposits by individuals rose by ¥15.5 billion (+1.3%)
 Total deposits rose by ¥76.0 billion (+4.1%) to ¥1,889.2 billion



Deposits by corporations

Increased liquidity in deposits due to enhanced function to trace funds by "Strong Relations Plan"

Deposits by individuals

Increased liquidity due to continued efforts for opening of new salary payment and pension accounts

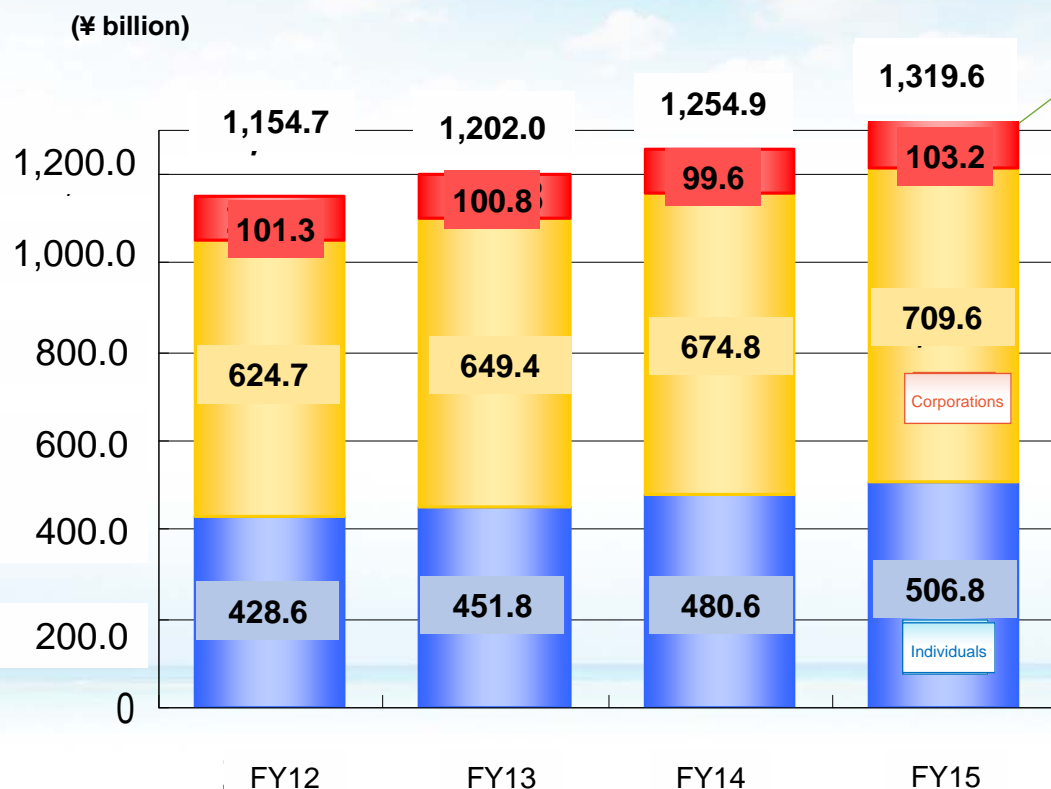
* Including trust accounts



Loans (Average Balance)



Business loans rose by ¥34.8 billion, loans to individuals rose by ¥26.2 billion
 Total loans and bills discounted rose by ¥64.7 billion (+4.9%) to ¥1,319.6 billion



Local government bodies and other public organizations

Business loans
 Factors for increase in loans: real estate and medical

Loans to individuals
 Factors for increase in loans: Mortgage loans

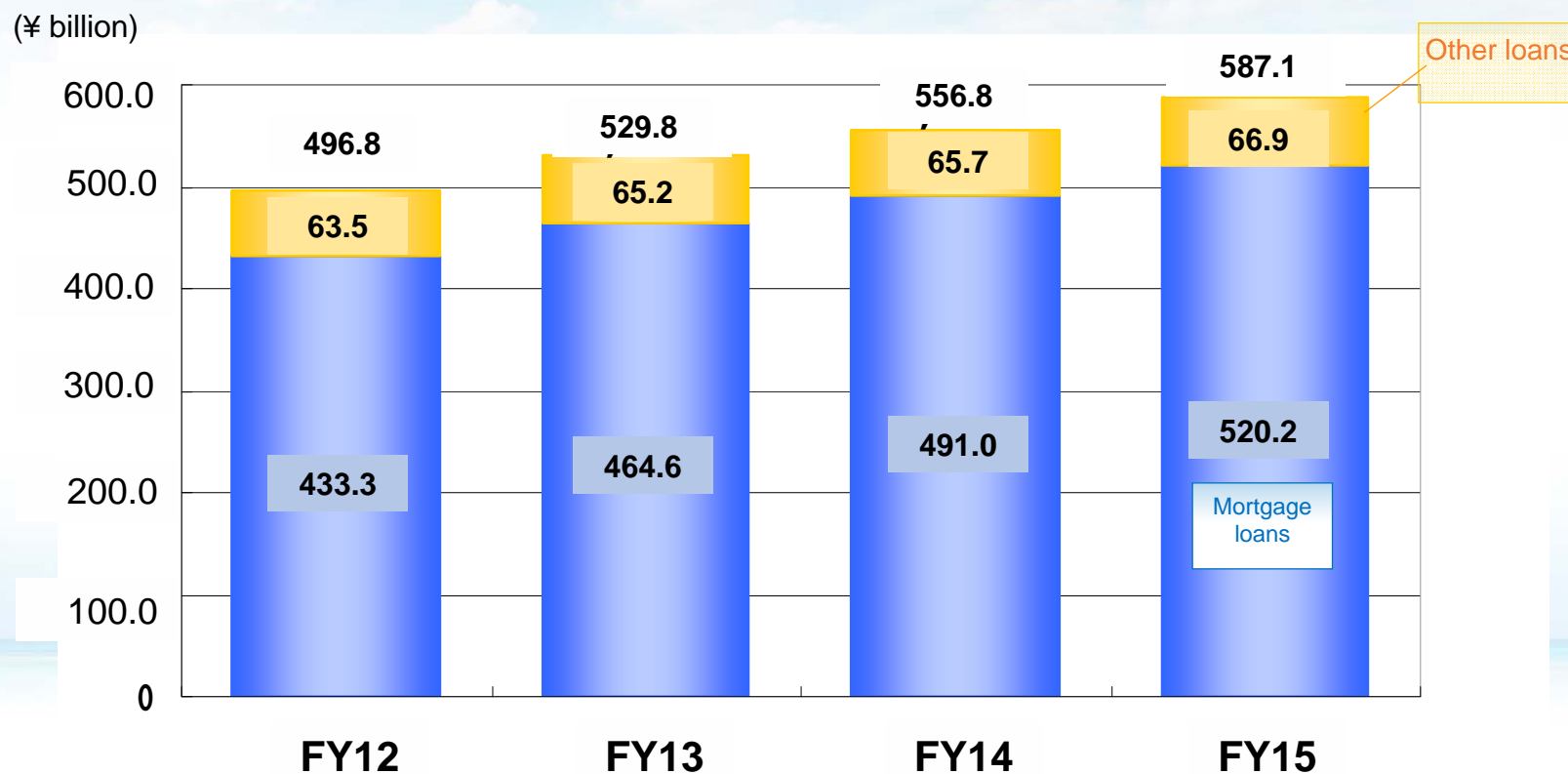
* Including trust accounts



Loans to Individuals (Term-End Balance)



Mortgage loans rose by ¥29.1 billion, other loans rose by ¥1.2 billion
 Loans to individuals rose by ¥30.3 billion (+5.4%) year on year to ¥587.1 billion



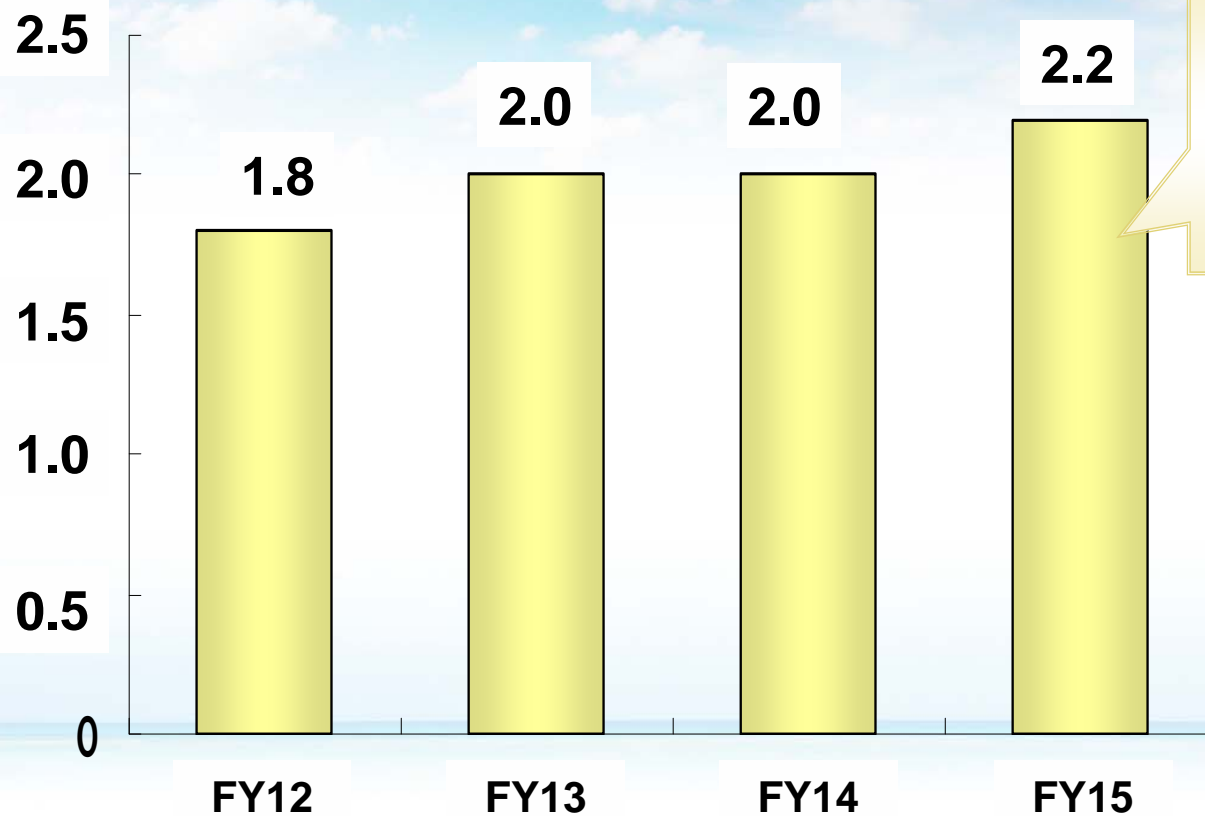
* Including trust accounts



Fees and Commissions (Excluding Trust Fees)



(¥ billion)

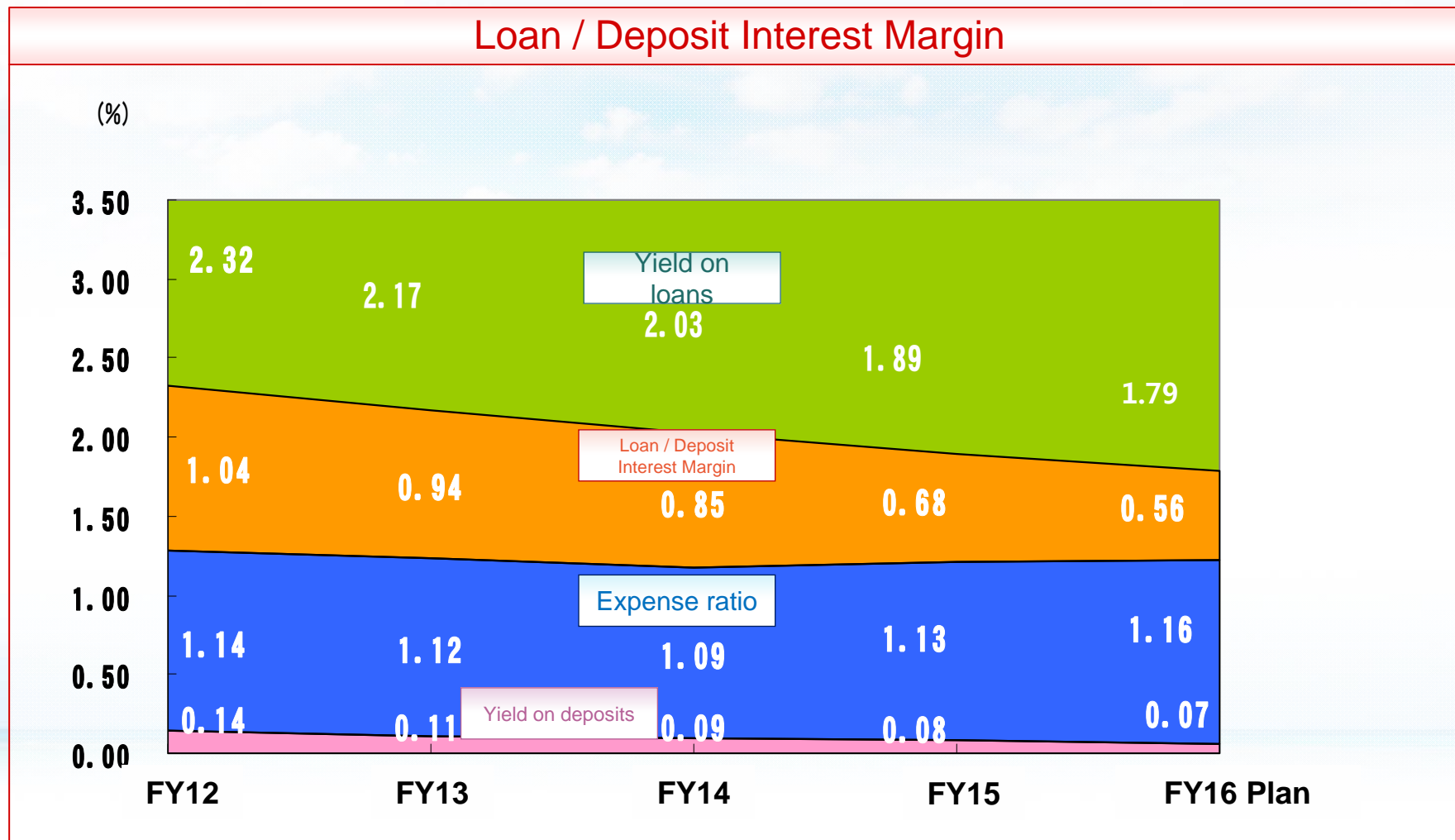


¥0.2 billion increase
YoY

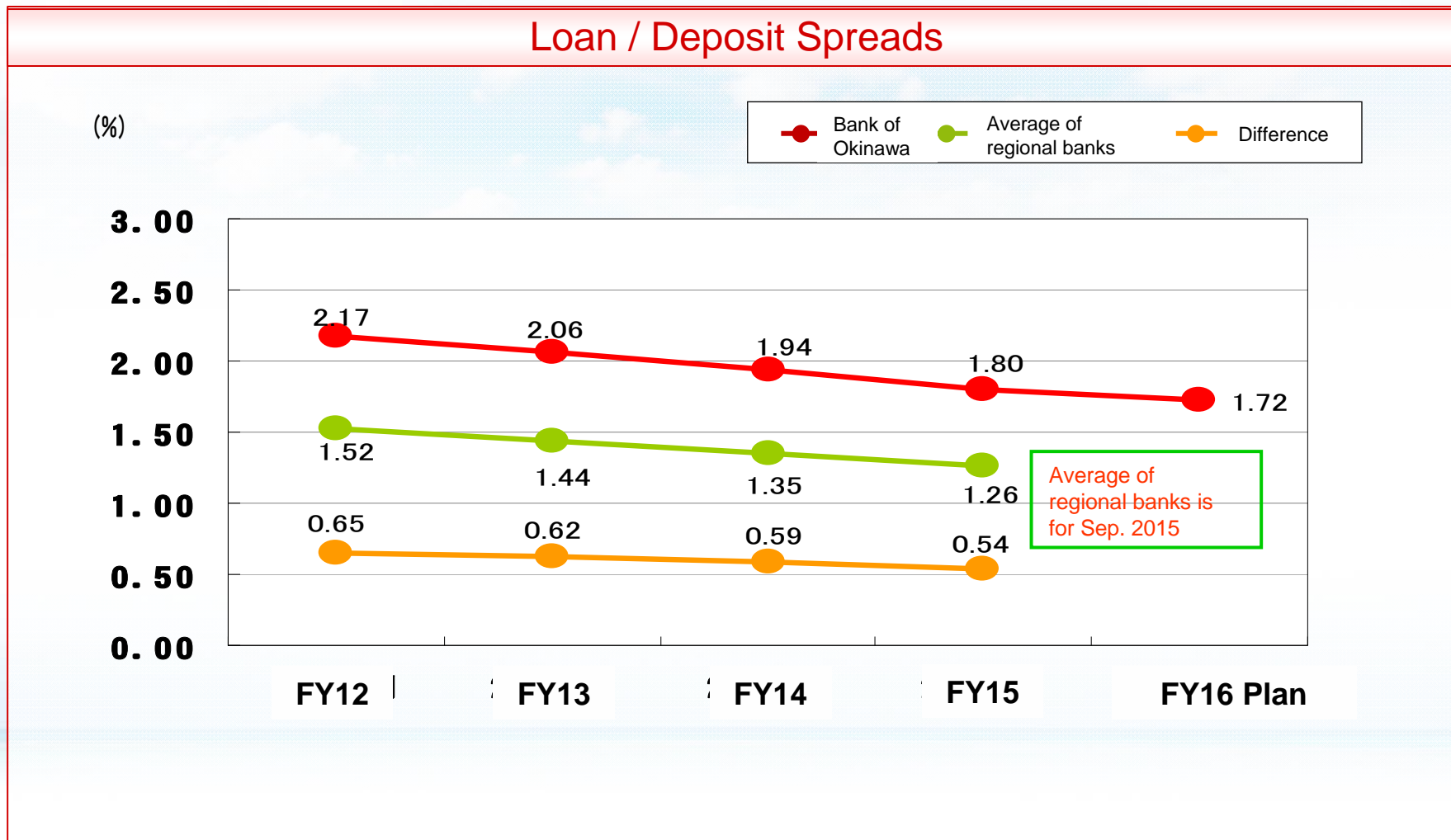
Increased fees due to increased
assets in custody



Loan / Deposit Interest Margin (Domestic)



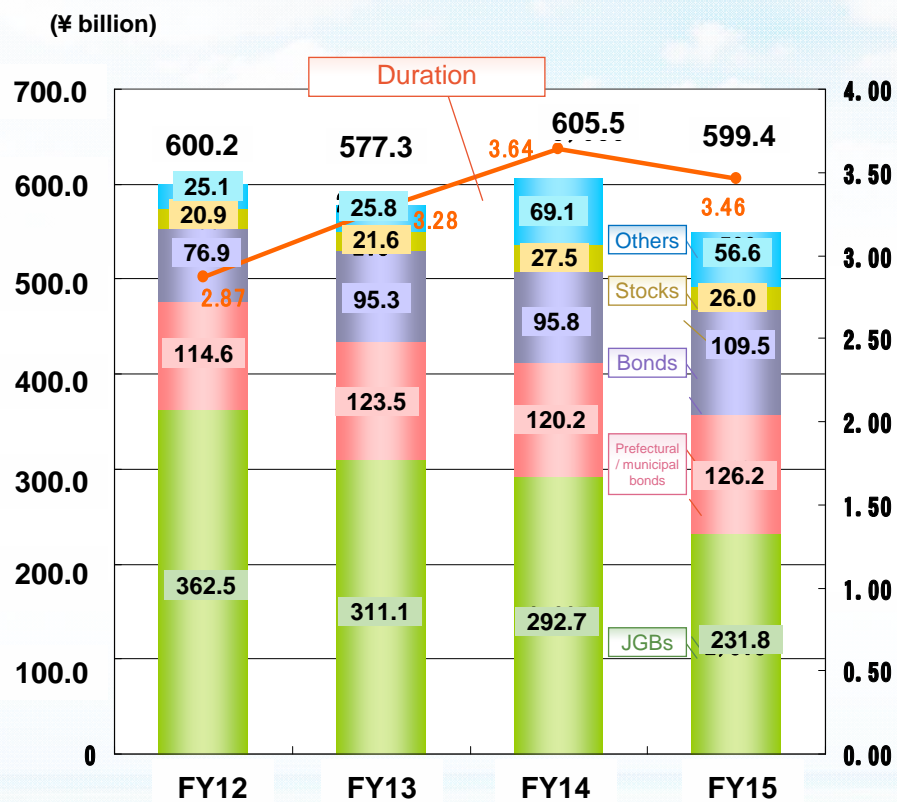
Loan / Deposit Spreads (Domestic)



Securities (Term-End Balance)

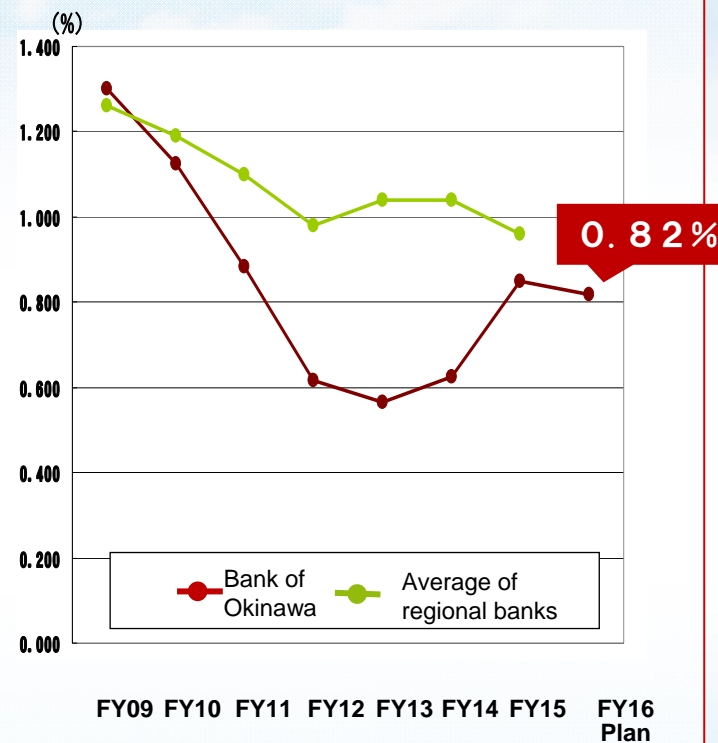


Term-end balance and average duration



* The value of duration includes floating rate JGBs

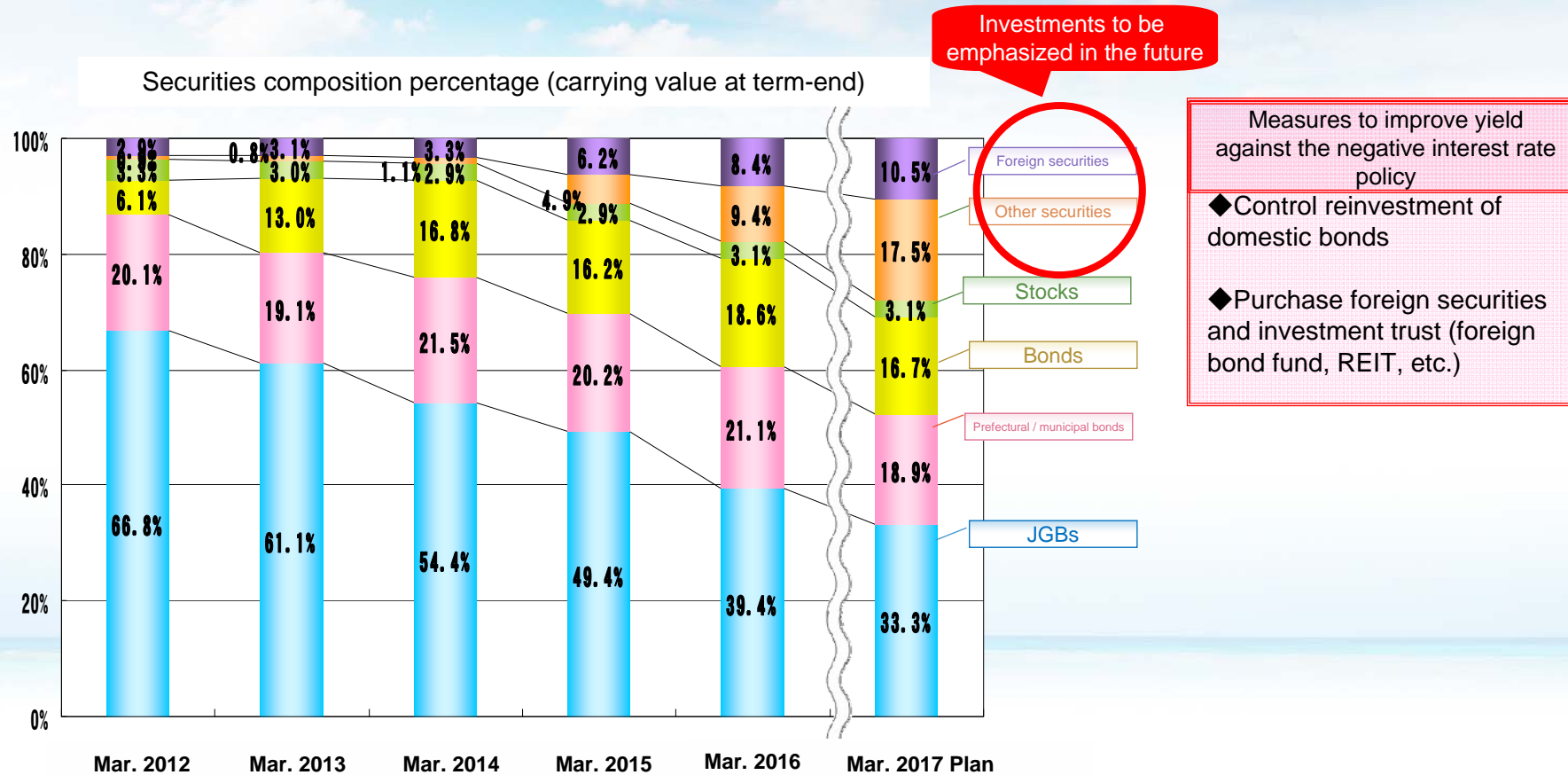
Yield on securities



Securities Allocation



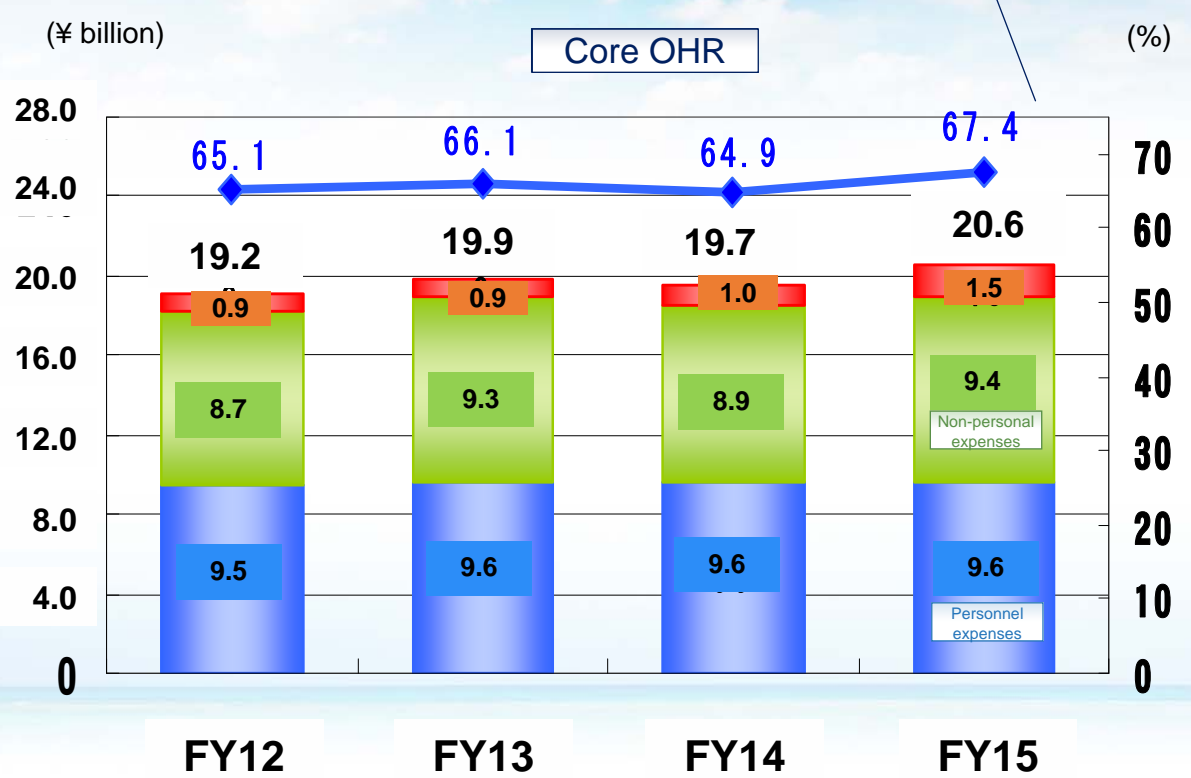
Pursuing higher yields through rebalancing from yen bond holdings (such as JGBs)



Expenses



Increase due to increase in expenses (+¥0.9 billion YoY)
Core OHR was 67.4%, up 2.5 points



Increase in consumption tax due to capital investment
Increase in factor based tax
(up ¥0.4 billion)

Increase in business consignment expenses
Increase in depreciation and amortization expenses
(up ¥0.4 billion)

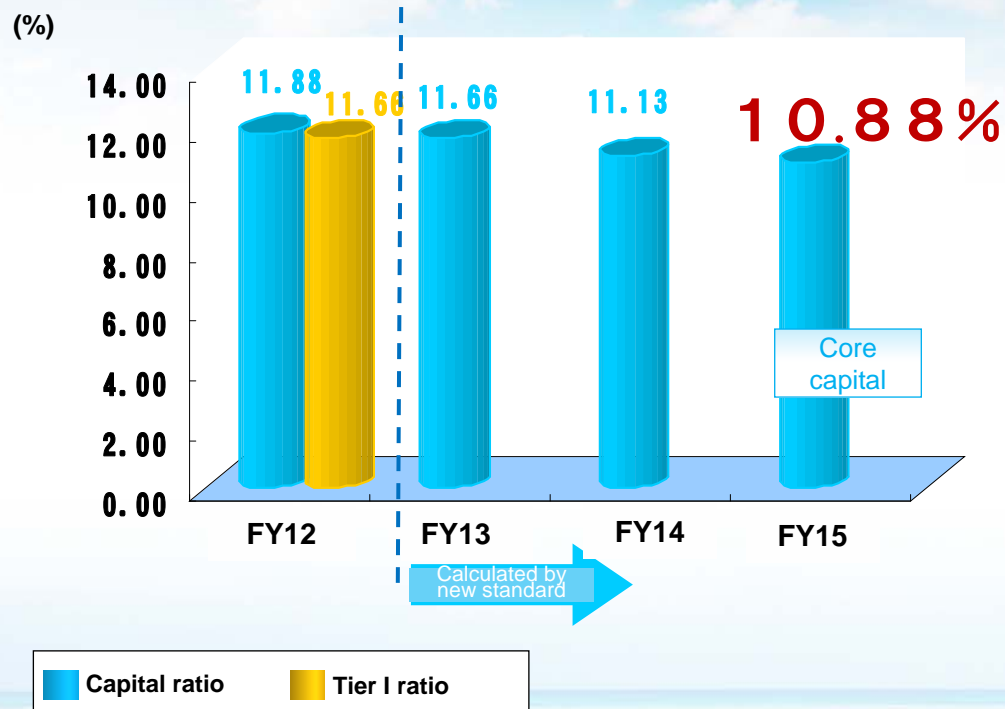
Personnel expenses was flat



Capital Ratio (Basel III Standard)



Capital ratio (domestic standard) at 10.88%



Average capital ratio of regional banks in the term ended September 2015 (domestic standard): 10.65%

Full application based capital ratio
(Non-consolidated) 10.75%

Outlier Ratio

<Reference>	Total interest rate risk	Outlier ratio
End of March 2015	¥5,321 million	4.44%

Yen: 1 percentile, Foreign currencies: 99 percentile

Core deposits are assumed to be 50% of the term-end balance of liquid deposits.
The average maturity is assumed to be 2.5 years.



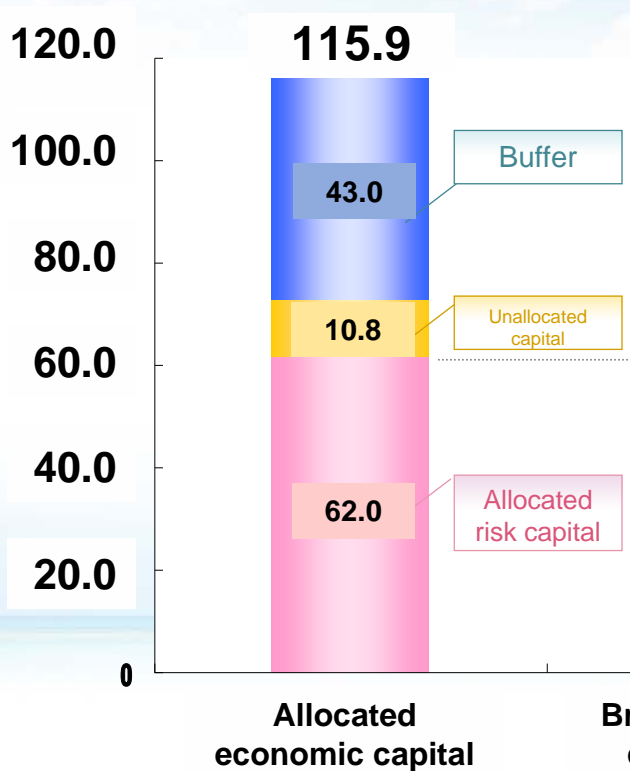
Source: Regional Banks Association of Japan

Risk Management - Capital Allocation -



Controlling risks within the scope of core capital

(¥ billion)



■ Basis for risk calculation

	Credit risk	Market risk	Loan / deposit interest risk	Operational risk
Holding period	1 year	Strategic share holdings: 1 year Others: 1 month	1 year	Basic indication approach (BIA)
Confidence interval	99%	99%	99%	
Observation period	1 year	1 year	1 year	

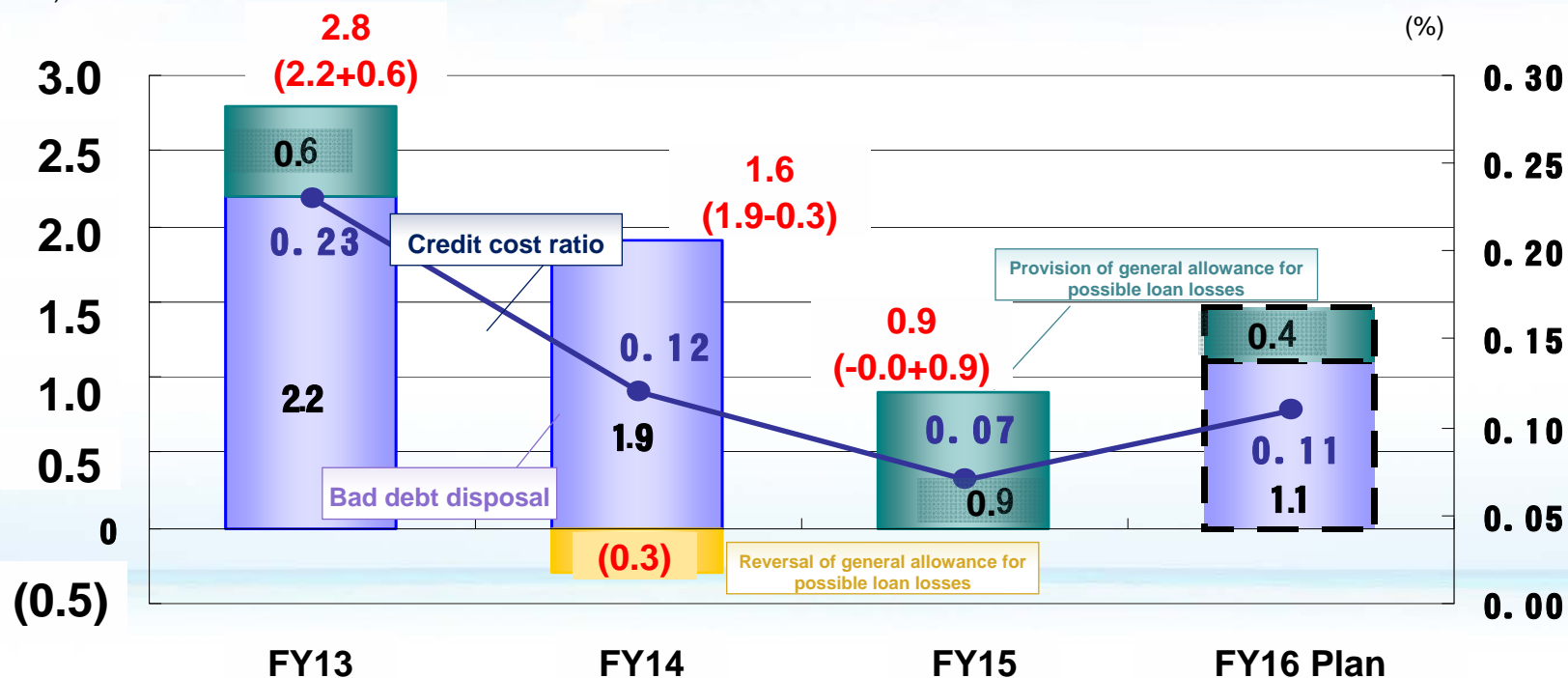


Credit Cost



Bad debt disposal decreased due to debtors' upgrades in rank, etc.
 Total credit costs amounted to ¥0.9 billion (down ¥0.7 billion YoY)

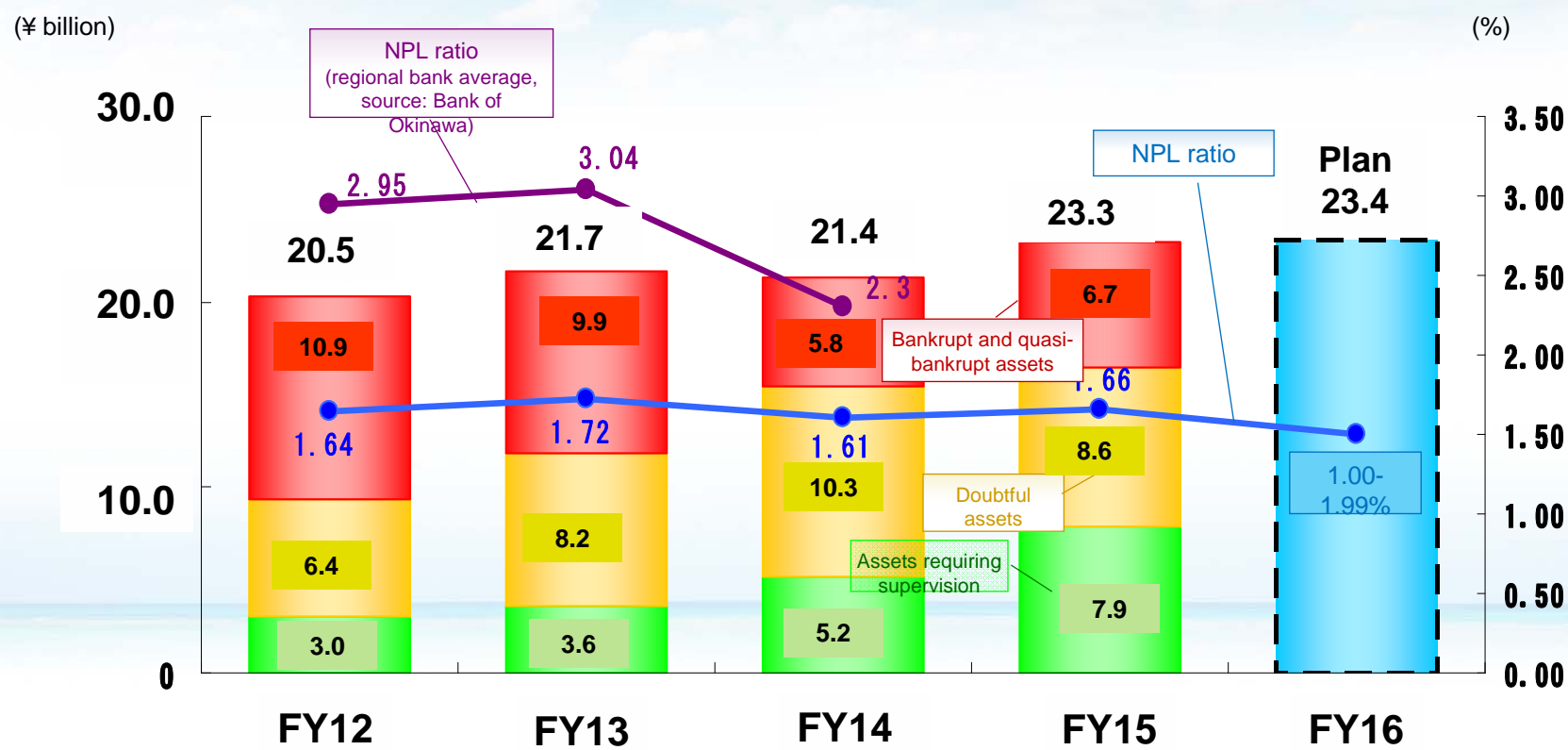
(¥ billion)



Mandatory Disclosure of Bad Debt under the Financial Reconstruction Law



¥23.3 billion (1.66%)
Remained at low level, below the regional bank average of 2.3%



Our Share of the Market Served by the Three Okinawan Regional Banks (FY2015)



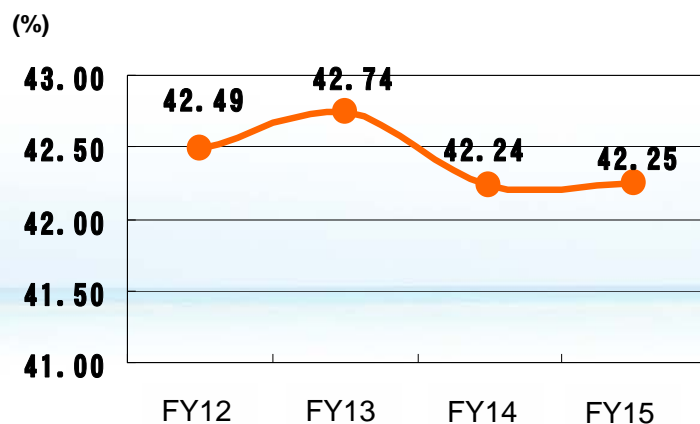
Increase both in shares of loans and shares of deposits

Loans: 42.25% (up 0.01 points YoY)

Deposits: 42.25% (up 0.15 points YoY)

Loans

(average balance)



Deposits

(average balance)

