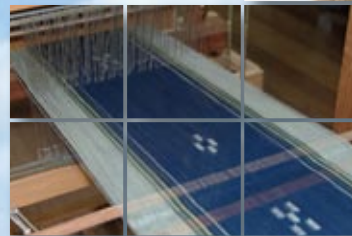


Bank of Okinawa **Financial Statements**

2011



Profile

The Bank's main base of operations is Okinawa Prefecture, an island prefecture blessed with an unspoiled natural environment, at the far southwestern end of the Japanese archipelago. It has a thriving tertiary sector, thanks to tourist attractions such as a subtropical oceanic climate and unique traditions and culture.

The Bank of Okinawa, Ltd. was established in June 1956, in response to growing demand from society for the establishment of a commercial bank, to promote economic progress in Okinawa after the war.

Since then, the Bank has worked to promote the industrial economy of the region and improve the living conditions of its people. It has steadily grown along with the region as a bank that offers international operations and medium-to-long-term financial trust services.

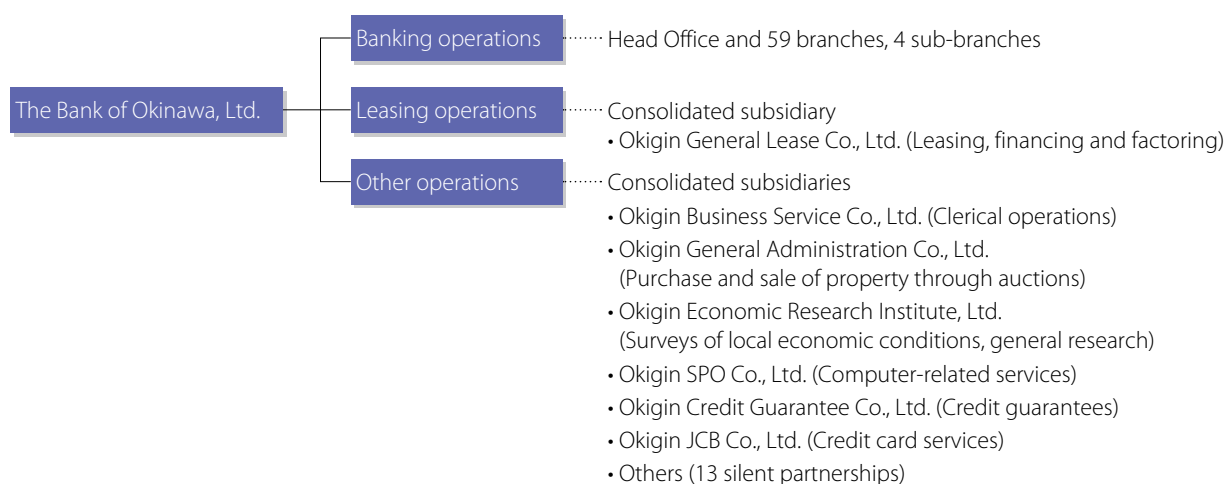
Thanks to the cooperation of the people of the region, the Bank saw remarkable growth and listed its stock on the First Section of the Tokyo Stock Exchange in September 1989.

We are committed to enhancing and strengthening our comprehensive financial services as a bank that is trusted and respected by the people of the region. To this end, we are guided by our corporate message of "strengthening relationships with our customers" and our management philosophy of actively contributing to the welfare of the regional community.

The Bank of Okinawa Group

As of March 31, 2011, the Group comprised the Bank and 20 consolidated subsidiaries (including 13 dormant partnerships). With the Bank's operations at the center, financial services extend across securities operations, trust banking, leasing and other operations.

Operating Structure of the Bank and Subsidiaries



Consolidated Five-Year Financial Summary

Years ended March 31	Millions of yen				
	2011	2010	2009	2008	2007
For the year					
Total income.....	¥ 54,476	¥ 55,523	¥ 54,897	¥ 56,366	¥ 57,948
Ordinary income.....	54,229	54,609	54,499	55,795	57,143
Extraordinary income.....	247	913	398	570	804
Total expenses.....	43,295	39,783	49,853	44,331	44,171
Ordinary expenses.....	43,025	39,590	49,507	43,848	43,948
Extraordinary loss.....	270	192	345	483	222
Income before income taxes.....	11,180	15,739	5,043	12,034	13,777
Net income.....	5,833	9,567	2,797	6,737	6,695
At year-end					
Total assets.....	1,743,642	1,610,665	1,454,095	1,393,358	1,375,310
Deposits.....	1,529,833	1,426,137	1,294,675	1,220,622	1,209,169
Loans and bills discounted.....	1,133,325	1,125,898	1,101,615	1,065,288	1,008,576
Securities.....	445,893	352,887	228,847	227,592	271,179
Total net assets.....	114,250	111,378	99,471	98,066	103,771
Capital ratio (based on domestic standards) (%).....	13.24	12.76	11.61	11.61	11.32

Note: The figures for deposits and loans shown in the Bank's consolidated financial statements do not include trust accounts.

Message from the President



Yoshiaki Tamaki, *President*

Operating Environment and Business Results

During fiscal 2010 ended March 31, 2011, consumer spending picked up and corporate earnings improved in the first half thanks to the government's economic stimulus policies. In the second half, however, amid persisting fears of a downward economic spiral including deflationary effects and a deteriorating employment picture, consumer confidence softened with the end of the eco-car subsidy system, and the domestic economy remained at a standstill. Further, the outlook is becoming increasingly uncertain, with many still anxious in the aftermath of the Great East Japan Earthquake.

Against this backdrop, in Okinawa Prefecture, consumer spending showed signs of improvement with higher consumer electronics sales due to the eco-point system and the shift to digital broadcasting, despite a year-on-year decrease in the value of public works contracts owing to a decline in large projects. Tourism increased year on year with the holding of the National High School Sports Championships in Okinawa. Corporate

bankruptcies were down overall in line with a decrease in bankruptcies and total liabilities as a result of the Act Concerning Temporary Measures to Facilitate Financing for SMEs.

Under these financial and economic conditions, in fiscal 2010, the final year of our medium-term management plan (2009-2010), we took steps to enhance customer service and improve business performance by steadily implementing measures based on our business strategy. As a result of these efforts, our business results were as follows.

Deposits (banking and trust accounts combined) increased by ¥129.8 billion year on year, to ¥1,583.0 billion (US\$19,037 million). Deposits held by individuals increased as a result of promotion of mainstay products such as our large-lot time deposits, ATM de Teiki time deposits, the money trust HAPPY NEW MONEY campaign, and the Let's Teiki time deposit with cash rewards. Also contributing to the increase was our greater focus on marketing the "Strong Relations Plan" and tracking of funding for corporate clients.

Loans and bills discounted (banking and trust accounts combined) increased ¥5.7 billion year on year, to ¥1,141.4 billion (US\$13,727 million). This reflected a steady increase in mortgage and other loans to individuals as a result of stronger marketing, chiefly at our Loan FP Station facilities, despite a decrease in business loans due to lower demand for working capital financing and capital investment funds.

As a result of the efficient fund management and stable earnings, mainly from investments in public bonds such as JGBs and local government bonds, the value of securities holdings rose ¥93.0 billion during the period to end the year at ¥445.8 billion (US\$5,362 million).

Reinforcing our foundations as the top bank in Okinawa

The Bank has embarked on SPEED&PROGRESS (Speed Management and Progress to the Next Generation), its new medium-term management plan for fiscal years 2011 and 2012 that introduces "Progress Strategy = Progress to the Next Generation," its strategy to promote the building of new models, human resources and a bank culture best suited for a new stage of growth. Our basic policy is to solidify our foundation as the region's number one bank and contribute to the region's economic development by building stronger ties with the local community by developing every-stronger relationships with customers and providing more sophisticated financial services.

By constantly meeting our customers' expectations, we seek to become the financial institution of choice for the ordinary people of Okinawa Prefecture as the People's Bank. Bank executives and employees will work together as one to enhance our management systems and improve the quality of our customer services. Further, I would like to report that Masatoshi Asato and Yoshiaki Tamaki have been appointed and are now serving as Chairman and President, respectively.

I look forward to the continued support and encouragement of all our stakeholders in this endeavor.

Yoshiaki Tamaki
President

Consolidated Risk-Monitored Loans

Consolidated risk-monitored loans at March 31, 2011 and 2010 are stated below.

Years ended March 31	Millions of yen			
	2011		2010	
Loans to bankrupt borrowers.....	¥ 1,906	(0.16%)	¥ 1,918	(0.16%)
Delinquent loans	16,722	(1.46%)	18,926	(1.66%)
Past due loans more than 3 months	701	(0.06%)	683	(0.06%)
Restructured loans	1,389	(0.12%)	1,396	(0.12%)
Total risk-monitored loans [A]	20,719	(1.81%)	22,925	(2.01%)
Provisions for possible loan losses [B].....	13,694		13,964	
Coverage ratio [B/A]	66.09%		60.91%	

Notes: 1. Figures relate to the sum of banking and trust banking main accounts.

2. Percentages in parentheses refer to total term-end loan balance.

Consolidated Balance Sheets

The Bank of Okinawa, Ltd. and Consolidated Subsidiaries As of March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2011	2010	2011
Assets			
Cash and due from banks	¥ 37,648	¥ 34,463	\$ 452,780
Call loan and bills bought	68,983	37,550	829,629
Monetary claims bought	223	196	2,685
Securities	445,893	352,887	5,362,516
Loans and bills discounted (Note 3)	1,133,325	1,125,898	13,629,895
Foreign exchanges	2,824	1,544	33,965
Lease claims and lease investment assets	17,166	18,786	206,456
Other assets	15,158	17,125	182,302
Tangible fixed assets	18,399	18,867	221,280
Intangible fixed assets	1,231	1,258	14,810
Deferred tax assets	4,365	3,127	52,496
Customers' liabilities for acceptances and guarantees	11,940	12,661	143,607
Allowance for loan losses	(13,518)	(13,703)	(162,583)
Total assets	¥1,743,642	¥1,610,665	\$20,969,842
Liabilities and Net assets			
Liabilities			
Deposits (Note 3)	¥1,529,833	¥1,426,137	\$18,398,474
Borrowed money	13,775	14,042	165,664
Foreign exchanges	60	87	721
Due to trust accounts	45,063	17,228	541,953
Other liabilities	20,141	20,136	242,230
Provision for bonuses	688	684	8,281
Provision for directors' bonuses	29	—	360
Provision for retirement benefits	5,772	5,919	69,418
Provision for directors' retirement benefits	27	287	328
Reserve for compensation for trust principal losses	153	233	1,851
Reserve for losses on interest refunded	171	132	2,065
Reserve for reimbursement of dormant deposits	54	55	658
Deferred tax liabilities on land revaluation	1,679	1,679	20,197
Acceptances and guarantees	11,940	12,661	143,607
Total liabilities	1,629,391	1,499,287	19,595,814
Net assets			
Capital stock	22,725	22,725	273,303
Capital surplus	17,629	17,630	212,021
Retained earnings	68,719	65,704	826,450
Treasury stock	(2,196)	(3,177)	(26,410)
Shareholders' equity	106,878	102,882	1,285,364
Valuation difference on available-for-sale securities	3,224	4,899	38,784
Deferred losses on hedges	10	8	126
Revaluation reserve for land	942	942	11,330
Accumulated other comprehensive income	4,177	5,849	50,242
Subscription rights to shares	43	—	520
Minority interests	3,151	2,646	37,900
Total net assets	114,250	111,378	1,374,027
Total liabilities and net assets	¥1,743,642	¥1,610,665	\$20,969,842

Consolidated Statements of Income

The Bank of Okinawa, Ltd. and Consolidated Subsidiaries For the years ended March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2011	2010	2011
Ordinary income	¥54,229	¥54,609	\$652,183
Interest income.....	32,446	32,689	390,221
Interest on loans and discounts.....	28,503	28,895	342,791
Interest and dividends on securities	3,689	3,534	44,368
Interest on call loans and bills bought.....	94	63	1,132
Interest on deposits with banks.....	1	0	16
Other interest income	159	194	1,913
Trust fees.....	326	321	3,925
Fees and commissions.....	3,698	3,694	44,482
Other ordinary income	16,305	16,309	196,091
Other income.....	1,451	1,595	17,462
Ordinary expenses	43,025	39,590	517,446
Interest expenses.....	5,025	4,335	60,441
Interest on deposits.....	4,436	3,925	53,359
Interest on call money and bills sold	0	0	7
Interest on borrowings and rediscount	229	246	2,762
Other interest expenses	358	162	4,311
Fees and commissions payments.....	1,468	1,419	17,666
Other ordinary expenses	12,318	11,866	148,149
General and administrative expenses	19,910	19,670	239,454
Other expenses.....	4,301	2,298	51,735
Provision of allowance for loans losses.....	961	—	11,565
Others.....	3,340	2,298	40,169
Ordinary profits	11,203	15,019	134,736
Extraordinary income	247	913	2,970
Gain on disposal of noncurrent assets.....	0	3	8
Reversal of allowance for loans losses.....	—	488	—
Recoveries of written-off claims.....	165	350	1,989
Reversal of reserve for compensation of trust fund principal	79	41	961
Reversal of reserve for reimbursement of dormant deposits.....	0	30	11
Extraordinary loss	270	192	3,250
Loss on disposal of noncurrent assets.....	47	142	573
Impairment loss.....	0	49	9
Loss on adjustment for changes of accounting standard for asset retirement obligations	221	—	2,667
Income before income taxes and minority interests	11,180	15,739	134,457
Income taxes — current	4,998	5,399	60,117
Income taxes — deferred	(167)	403	(2,011)
Total income taxes	4,831	5,802	58,106
Income before minority interests	6,348	—	76,350
Minority interests in income (loss)	514	369	6,190
Net income	¥ 5,833	¥ 9,567	\$ 70,159

Notes

- The original Japanese financial statements of the Bank of Okinawa, Ltd. and its consolidated subsidiaries as of March 31, 2011 that are the basis of the accompanying English consolidated financial statements have been audited in accordance with auditing standards, procedures and practices generally accepted and applied in Japan by Deloitte Touche Tohmatsu.
- Amounts in US dollars are included solely for the convenience of readers outside Japan. The rate of ¥83.15 = US\$1, the rate of exchange on March 31, 2011, has been used in translation.
- The figures for deposits and loans shown in the Bank's consolidated financial statements do not include trust accounts.

Consolidated Statement of Comprehensive Income

The Bank of Okinawa, Ltd. and Consolidated Subsidiaries For the years ended March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2011	2010	2011
Income before minority interests.....	¥6,348	¥—	\$76,350
Other comprehensive income.....	(1,673)	—	(20,124)
Valuation difference on available-for-sale securities.....	(1,675)	—	(20,149)
Deferred losses on hedges.....	2	—	25
Comprehensive income	¥4,675	¥—	\$56,225
Comprehensive income attributable to owners of the parent.....	4,161	—	50,049
Comprehensive income attributable to minority interests.....	513	—	6,176

Consolidated Statements of Changes in Net Assets

The Bank of Okinawa, Ltd. and Consolidated Subsidiaries For the years ended March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 2)		Millions of yen		Thousands of U.S. dollars (Note 2)
	2011	2010	2011		2011	2010	2011
Shareholders' equity				Accumulated other comprehensive income			
Capital stock				Valuation difference on available-for-sale securities			
Balance at the end of previous period.....	¥ 22,725	¥ 22,725	\$ 273,303	Balance at the end of previous period.....	¥ 4,899	¥ 574	\$ 58,920
Changes of items during the period:				Changes of items during the period:			
Total change during the period.....	—	—	—	Net changes in items other than			
Balance at the end of the current period...	¥ 22,725	¥ 22,725	\$ 273,303	shareholders' equity.....	(1,674)	4,324	(20,135)
				Total changes of items			
Capital surplus				during the period.....	(1,674)	4,324	(20,135)
Balance at the end of previous period.....	¥ 17,630	¥ 17,630	\$ 212,028	Balance at the end of the current period...	¥ 3,224	¥ 4,899	\$ 38,784
Changes of items during the period:							
Disposal of treasury stocks.....	—	(0)	—	Deferred losses on hedges			
Retirement of treasury stock.....	(0)	—	(6)	Balance at the end of previous period.....	¥ 8	¥ 35	\$ 100
Total changes of items				Changes of items during the period:			
during the period.....	(0)	(0)	(6)	Net changes in items other than			
Balance at the end of the current period...	¥ 17,629	¥ 17,630	\$ 212,021	shareholders' equity.....	2	(26)	25
				Total changes of items			
Retained earnings				during the period.....	2	(26)	25
Balance at the end of previous period.....	¥ 65,704	¥ 57,430	\$ 790,188	Balance at the end of the current period...	¥ 10	¥ 8	\$ 126
Changes of items during the period:							
Dividends from surplus.....	(1,355)	(1,321)	(16,300)	Revaluation reserve for land			
Net income.....	5,833	9,567	70,159	Balance at the end of previous period.....	¥ 942	¥ 970	\$ 11,330
Retirement of treasury stock.....	(1,463)	—	(17,597)	Changes of items during the period:			
Reversal of revaluation reserve for land..	—	27	—	Net changes in items other than			
Total changes of items				shareholders' equity.....	—	(27)	—
during the period.....	3,015	8,273	36,262	Total changes of items			
Balance at the end of the current period...	¥ 68,719	¥ 65,704	\$ 826,450	during the period.....	—	(27)	—
				Balance at the end of the current period...	¥ 942	¥ 942	\$ 11,330
Treasury stock							
Balance at the end of previous period.....	¥ (3,177)	¥ (2,171)	\$ (38,210)	Total accumulated other comprehensive income			
Changes of items during the period:				Balance at the end of previous period.....	¥ 5,849	¥ 1,579	\$ 70,352
Purchase of treasury stocks.....	(482)	(1,006)	(5,804)	Changes of items during the period:			
Disposal of treasury stocks.....	—	0	—	Net changes in items other than			
Retirement of treasury stock.....	1,463	—	17,604	shareholders' equity.....	(1,672)	4,269	(20,110)
Total changes of items				Total changes of items			
during the period.....	981	(1,005)	11,799	during the period.....	(1,672)	4,269	(20,110)
Balance at the end of the current period...	¥ (2,196)	¥ (3,177)	\$ (26,410)	Balance at the end of the current period...	¥ 4,177	¥ 5,849	\$ 50,242
Total shareholders' equity				Subscription rights to shares			
Balance at the end of previous period.....	¥102,882	¥ 95,614	\$1,237,309	Balance at the end of previous period.....	¥ —	¥ —	\$ —
Changes of items during the period:				Changes of items during the period:			
Dividends from surplus.....	(1,355)	(1,321)	(16,300)	Net changes in items other than			
Net income.....	5,833	9,567	70,159	shareholders' equity.....	43	—	520
Purchase of treasury stocks.....	(482)	(1,006)	(5,804)	Total changes of items			
Disposal of treasury stocks.....	—	0	—	during the period.....	43	—	520
Retirement of treasury stock.....	—	—	—	Balance at the end of the current period...	¥ 43	¥ —	\$ 520
Reversal of revaluation reserve for land..	—	27	—				
Total changes of items				Minority interests			
during the period.....	3,995	7,267	48,055	Balance at the end of previous period.....	¥ 2,646	¥ 2,276	\$ 31,824
Balance at the end of the current period...	¥106,878	¥102,882	\$1,285,364	Changes of items during the period:			
				Net changes in items other than			
				shareholders' equity.....	505	369	6,075
				Total changes of items			
				during the period.....	505	369	6,075
				Balance at the end of the current period...	¥ 3,151	¥ 2,646	\$ 37,900
				Total net assets			
				Balance at the end of previous period.....	¥111,378	¥ 99,471	\$1,339,486
				Changes of items during the period:			
				Dividends from surplus.....	(1,355)	(1,321)	(16,300)
				Net income.....	5,833	9,567	70,159
				Purchase of treasury stocks.....	(482)	(1,006)	(5,804)
				Disposal of treasury stocks.....	—	0	—
				Reversal of revaluation reserve for land..	—	27	—
				Net changes in items other than			
				shareholders' equity.....	(1,123)	4,639	(13,513)
				Total changes of items			
				during the period.....	2,872	11,906	34,541
				Balance at the end of the current period...	¥114,250	¥111,378	\$1,374,027

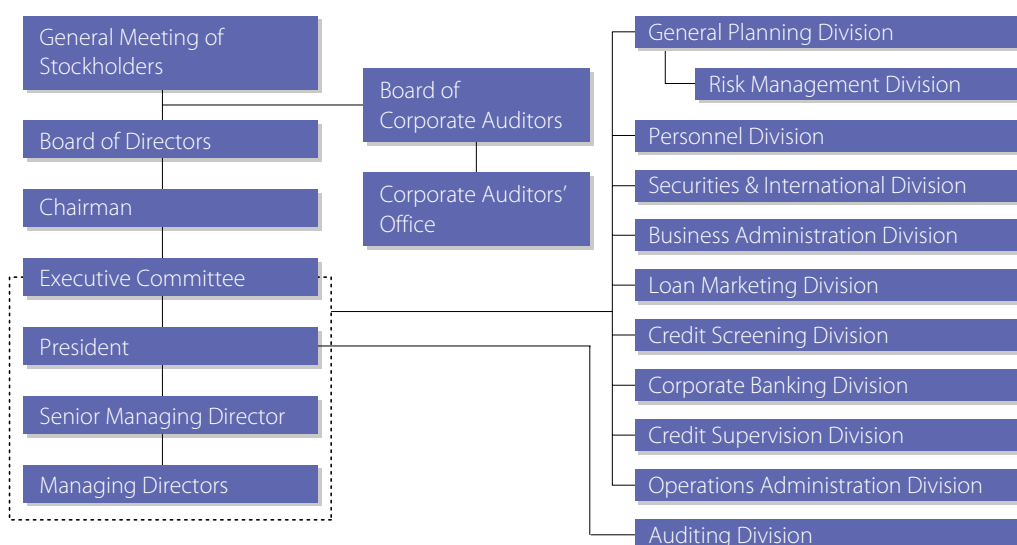
Consolidated Statements of Cash Flows

The Bank of Okinawa, Ltd. and Consolidated Subsidiaries For the years ended March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2011	2010	2011
Cash flows from operating activities			
Income before income taxes and minority interests.....	¥ 11,180	¥ 15,739	\$ 134,457
Depreciation and amortization	1,701	1,727	20,464
Impairment loss.....	0	49	9
Change in allowance for loan losses.....	(184)	(1,391)	(2,222)
Change in provision for bonuses.....	3	6	43
Change in provision for directors' bonuses.....	29	—	360
Change in provision for retirement benefits.....	(147)	228	(1,776)
Change in provision for directors' retirement benefits.....	(260)	(12)	(3,127)
Change in reserve for compensation for trust principal losses.....	(79)	(41)	(961)
Change in reserve for losses on interest refunded.....	39	40	469
Change in reserve for reimbursement of dormant deposits.....	(0)	(30)	(11)
Interest income.....	(32,446)	(32,689)	(390,221)
Interest expenses.....	5,025	4,335	60,441
Loss (gain) on related to securities transactions.....	(1,318)	(2,198)	(15,852)
Loss on disposal of noncurrent assets.....	47	139	565
Net change in loans and bills discounted	(7,426)	(24,283)	(89,319)
Net change in deposits.....	103,695	131,462	1,247,095
Net change in borrowed money (excluding subordinated loans)	(267)	(383)	(3,217)
Net change in due from banks (excluding due from the Bank of Japan).....	70	10	841
Net change in call loans and others	(31,459)	(11,628)	(378,346)
Net change in foreign exchange – assets.....	(1,279)	954	(15,386)
Net change in foreign exchange – liabilities.....	(27)	23	(326)
Net change in due to trust account	27,834	6,057	334,754
Interest received.....	33,321	32,341	400,739
Interest paid.....	(3,489)	(3,620)	(41,961)
Other.....	5,296	3,662	63,696
Subtotal.....	109,858	120,503	1,321,208
Income taxes paid.....	(6,961)	(1,560)	(83,725)
Net cash provided by (used in) operating activities.....	102,896	118,942	1,237,483
Cash flows from investing activities			
Purchases of securities.....	(576,143)	(413,557)	(6,928,966)
Proceeds from sales of securities.....	462,572	275,266	5,563,113
Proceeds from maturities of securities.....	16,868	25,193	202,863
Increase in money held in trust.....	(600)	(1,200)	(7,215)
Decrease in money held in trust.....	600	1,200	7,215
Purchases of tangible fixed assets	(716)	(2,351)	(8,617)
Proceeds from sales of tangible fixed assets.....	162	188	1,958
Purchases of intangible assets	(494)	(262)	(5,950)
Net cash provided by (used in) investing activities.....	(97,750)	(115,522)	(1,175,597)
Cash flows from financing activities			
Cash dividends paid	(1,355)	(1,321)	(16,300)
Cash dividends paid to minority shareholders	(8)	(3)	(100)
Purchase of treasury stock.....	(482)	(1,006)	(5,804)
Proceeds from sales of treasury stock.....	—	0	—
Net cash used in financing activities.....	(1,846)	(2,330)	(22,204)
Effect of exchange rate changes on cash and cash equivalents	(44)	(11)	(532)
Net change in cash and cash equivalents.....	3,255	1,078	39,148
Cash and cash equivalents at beginning of year.....	34,183	33,105	411,106
Cash and cash equivalents at end of year.....	¥ 37,438	¥ 34,183	\$ 450,254

Corporate Data

Organization Chart (As of July 1, 2011)



Board of Directors and Corporate Auditors (As of July 1, 2011)

Chairman
Masatoshi Asato

President
Yoshiaki Tamaki

Senior Managing Director
Shin Benoki

Managing Directors
Tadashi Kinjo
Tomokazu Kobashikawa
Masatake Toguchi

Directors
Kaoru Tamaki
Noriaki Nishihira

Directors (Part-time)
Masateru Higa
Hirokazu Taminato

Corporate Auditor
Isamu Nerome

Corporate Auditors (Part-time)
Moritake Tomikawa
Denichiro Ishimine
Susumu Tsuchida

Corporate Outline (As of March 31, 2011)

Date of Establishment June 21, 1956

Head Office

10-1, 3-chome, Kumoji, Naha, Okinawa 900-8651, Japan
TEL: +81-98-867-2141
FAX: +81-98-869-1473
URL: <http://www.okinawa-bank.co.jp/>
E-mail: bank@okinawa-bank.co.jp

Securities & International Division

10-1, 3-chome, Kumoji, Naha, Okinawa 900-8651, Japan
TEL: +81-98-869-1489
FAX: +81-98-869-1473

Network

Head Office and Branches: 64

Number of Employees: 1,093

Stock Exchange Listing

Tokyo Stock Exchange and Fukuoka Stock Exchange

Capital: ¥22,725 million

Number of Shares of Common Stock

Authorized: 44 million

Issued and Outstanding: 21.4 million

Number of Stockholders: 6,467

Major Stockholders (As of March 31, 2011)

Name	Number of shares owned (Thousands)	Proportion of total shares (%)
NORTHERN TRUST CO. (AVFC) SUB A/C AMERICAN CLIENTS	1,456	6.80
NORTHERN TRUST CO. AVFC RE U.S. TAX EXEMPTED PENSION FUNDS.....	754	3.52
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT).....	716	3.34
NIPPON LIFE INSURANCE CO.	696	3.25
THE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST.....	676	3.16
EMPLOYEE STOCKHOLDERS' ASSOCIATION	660	3.08
OKINAWA TOCHI JUTAKU K.K.	591	2.76
THE OKINAWA ELECTRIC POWER CO., INC.	494	2.30
SUMITOMO LIFE INSURANCE CO.	456	2.13
THE DAIDO FIRE & MARINE INSURANCE CO. LTD.	412	1.92
TOTAL	6,914	32.31

Note: In addition, shares in treasury totaled 623,000 (2.91%).