



琉球銀行グループ
BANK OF THE RYUKYUS GROUP

Financial Results for FY 2022

Received an award for excellence in the 31st (Fiscal 2022)
Bingata Design Contest, for future category

“Cherry Blossoms and Cosmoses” by Asuka Kushi

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■ Financial Results for the Fiscal Year Ended March 31, 2023

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Financial Results for the Fiscal Year Ended March 31, 2023

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Financial Summary (Consolidated/Non-Consolidated)

Both consolidated and non-consolidated profit and income increased.

(100 million yen)

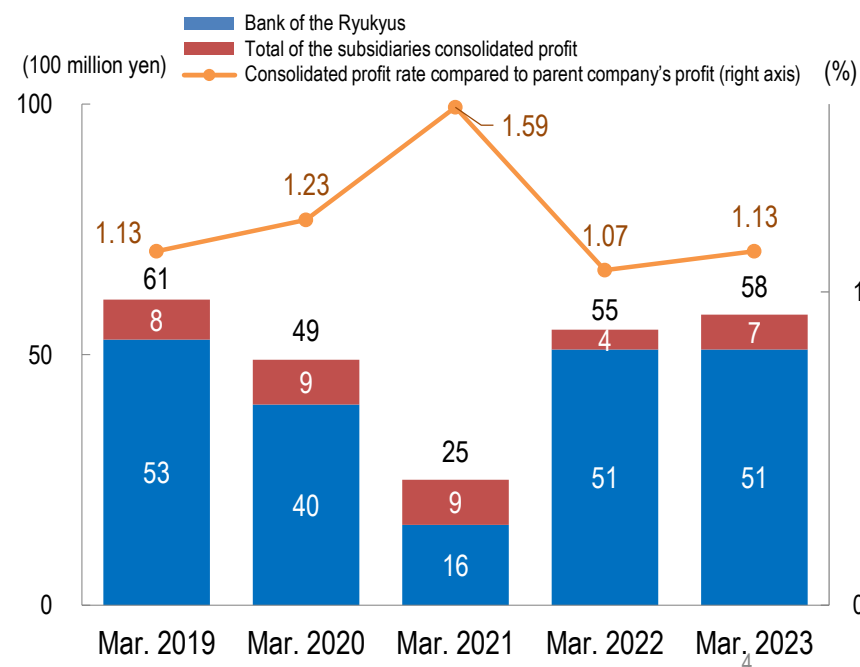
[Consolidated]	FY 2022 (Ended Mar. 2023)	Year on Year	Bank of the Ryukyus	Ryukyu Lease	RYUCOM (For four months)	OCS	Ryugin DC	Ryugin Hosho	Others
Ordinary revenue	600	30	407	155	15	18	18	7	-22
Ordinary profit	84	5	72	5	1	0	3	6	-4
Profit for the period attributable to owners of the parent company	58	3	51	3	0	0	2	4	-4

Note: "Others" encompasses inter-company eliminations as well as Ryugin Business Service Co., Ltd., and Ryugin Research Institute Ltd.

Consolidated Net Income and Consolidated Profit Rates Compared to Parent Company's Profit

(100 million yen)

[Non-Consolidated]	FY 2022 (Ended Mar. 2023)	Year on Year	FY 2021 (Ended Mar. 2022)
Ordinary revenue	407	20	386
Ordinary profit	72	2	69
Net income	51	-0	51



Summary of Profit/Loss Trends

(Non-Consolidated: March 2019 to March 2023)

(Million yen)

	Mar. 2019	Mar. 2020	Mar. 2021	Mar. 2022	Mar. 2023	Year on Year
Profit from customer services*1	3,472	3,619	3,835	5,097	5,691	+594
Deposit and loan balance*2	22,278	22,837	23,249	23,433	23,027	-406
Profit from service charges*3	5,347	5,400	5,775	6,288	6,754	+468
Expenses	-24,153	-24,618	-25,189	-24,623	-24,090	+533
Profit/loss in Trading Division	3,238	2,054	1,864	1,302	-312	-1,614
Profit/loss in Securities & International Department	1,845	1,778	1,357	537	-988	-1,525
Interest and dividends	2,298	1,597	1,201	1,054	1,883	+829
Gains/losses from forex and commodities trading	821	149	115	60	-919	-979
Balance of 5 bond accounts	-169	421	89	-818	-1,690	-872
Balance of 3 share accounts	-730	-1,089	41	-103	236	+339
Policy-related investment	1,393	276	506	765	676	-89
Net credit costs	217	-869	-3,313	729	1,914	+1,185
General provision for doubtful accounts*4	-644	-1,591	-2,751	880	1,987	+1,107
Miscellaneous, corporate tax, etc.	-1,553	-795	-770	-1,933	-2,098	-165
Net income	5,374	4,009	1,616	5,195	5,195	-0

*1 Profit from Customer Services = Deposit and Loan Balance + Profit from Service Charges – Expenses

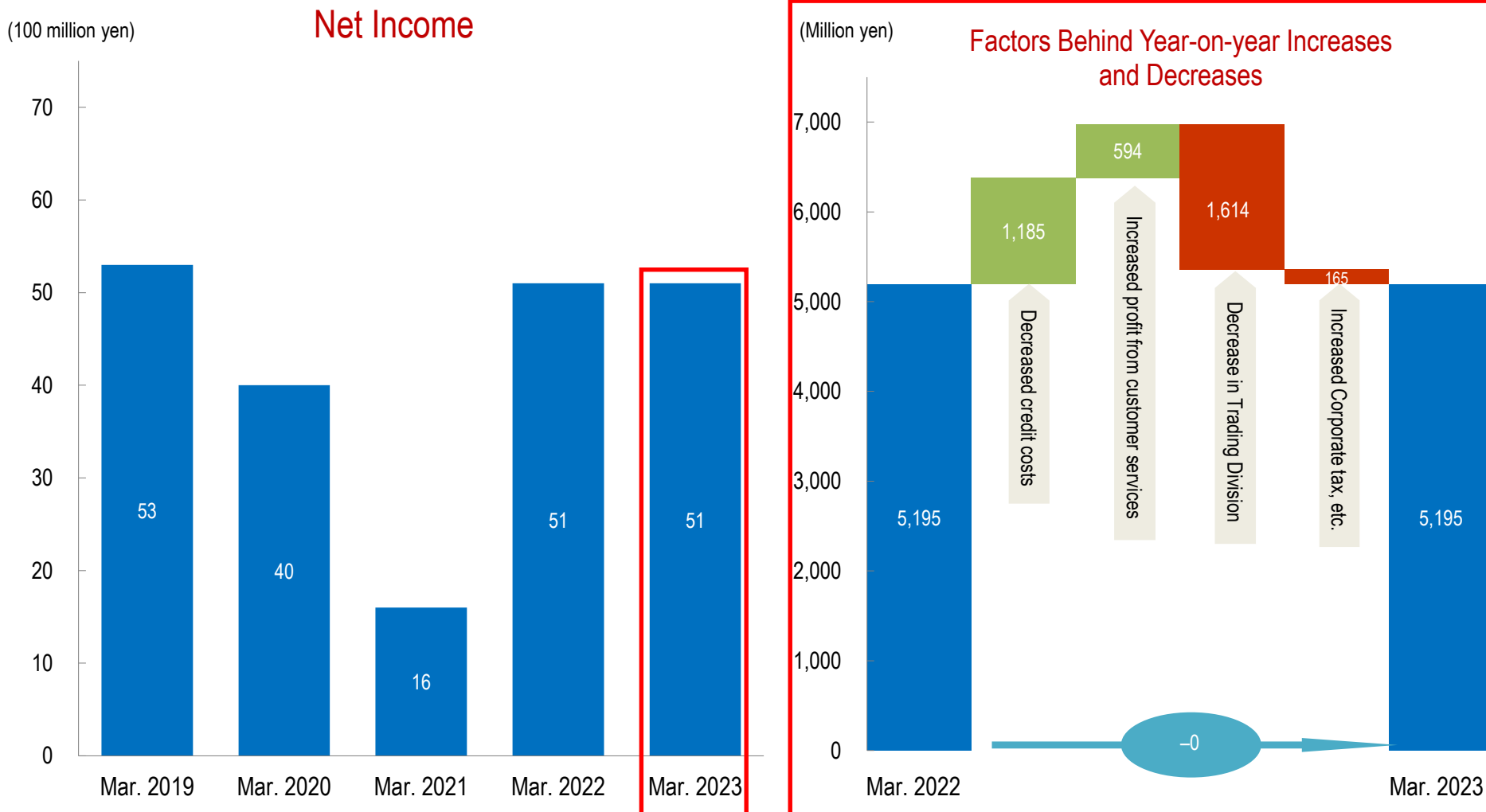
*2 Balance of deposits and loans (incl. loan-related fees). Interest on deposits is calculated based on currency swap income in real terms.

*3 Profit from service charges (excl. loan fees).

*4 General provision for doubtful accounts: negative amounts indicate a provision and positive amounts indicate a reversal.

Profit/Loss During the Fiscal Year Ended March 31, 2023

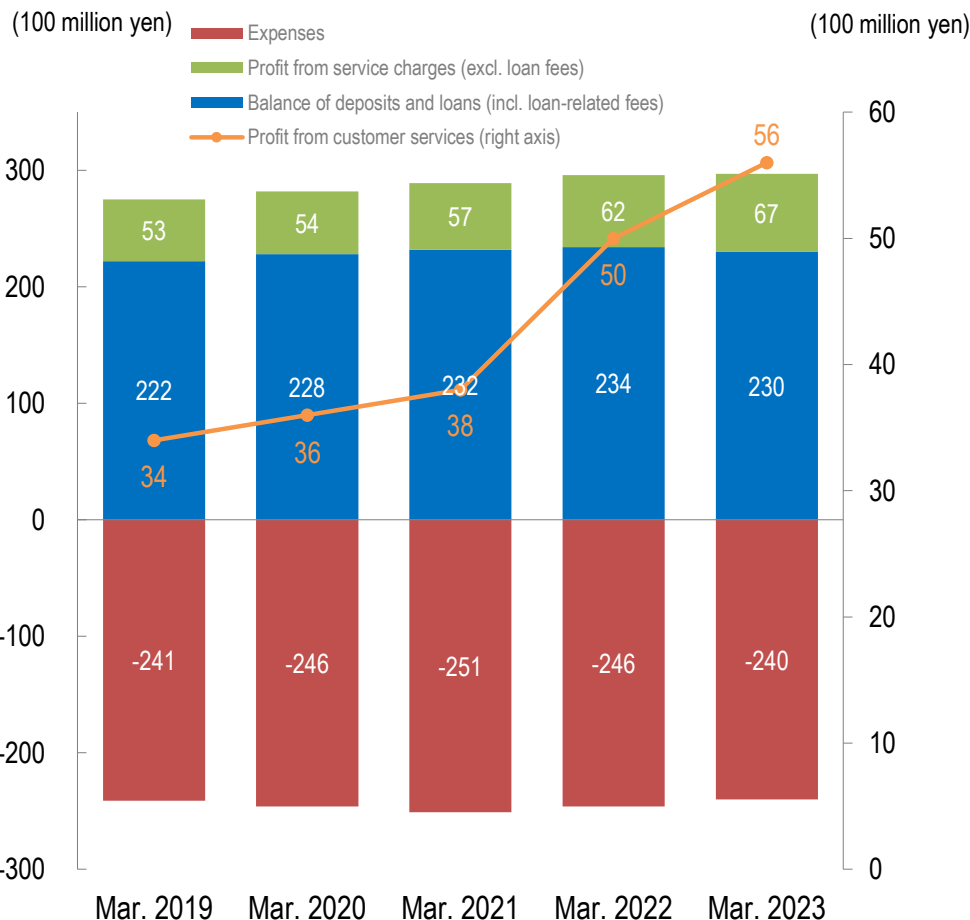
Year-on-year net income was nearly level due to a decrease in Trading Division even with decreased credit cost and increased profit from customer services.



Profit from Customer Services

Despite a decrease in the balance of deposits and loans, an increase in profit from customer services was driven by a decrease in expenses and an increase in profit from service charges.

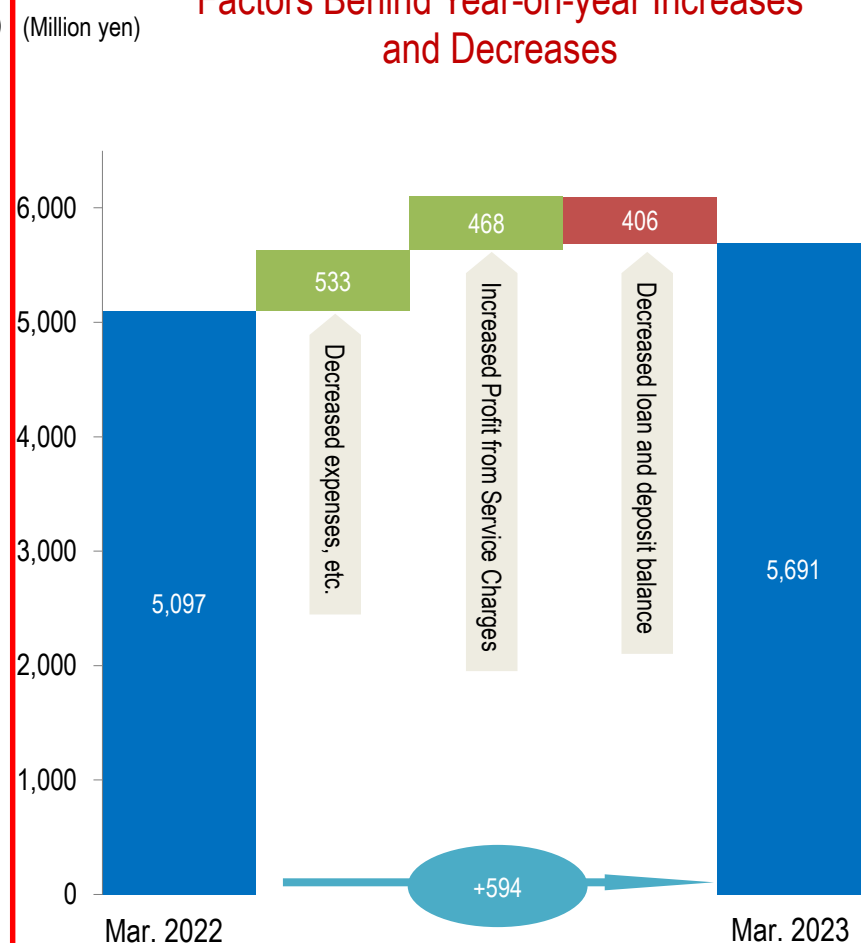
Profit from Customer Services



Note: Profit from Customer Services = Deposit and Loan Balance + Profit from Service Charges – Expenses

Note: For balances of deposits and loans, interest on deposits is calculated based on currency swap income in real terms.

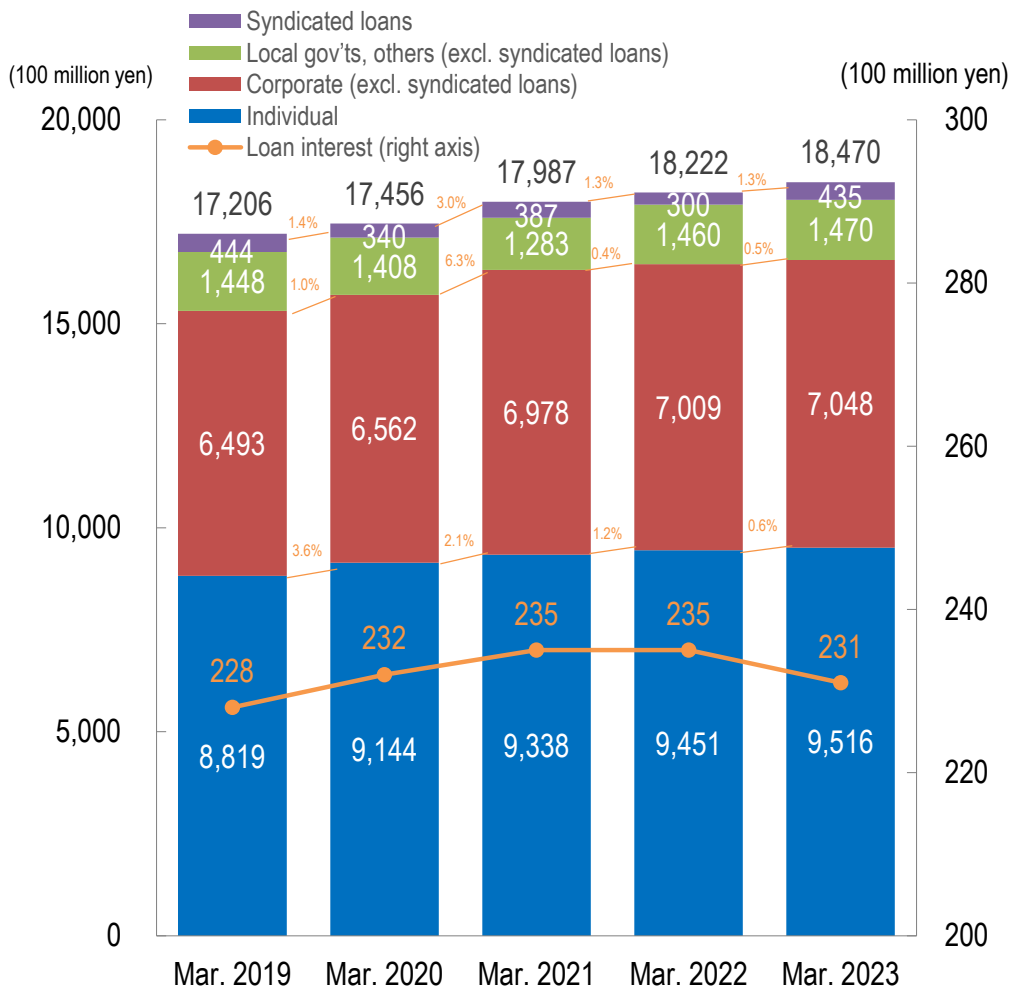
Factors Behind Year-on-year Increases and Decreases



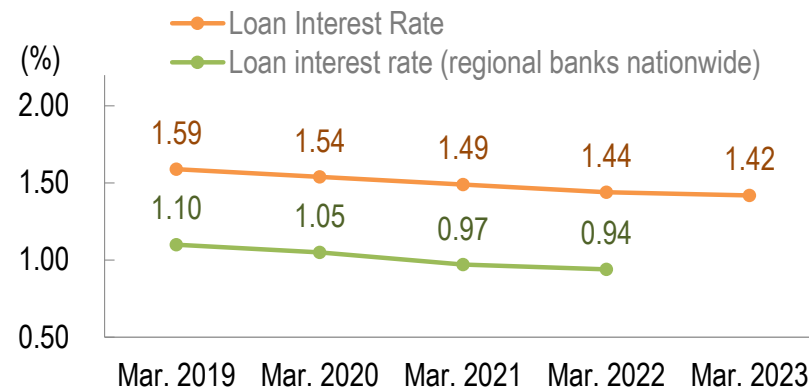
Loans (1/2)

Loan balance remained steady for both corporations and individuals. On the other hand, interest on loans decreased due to lower interest rates on loans.

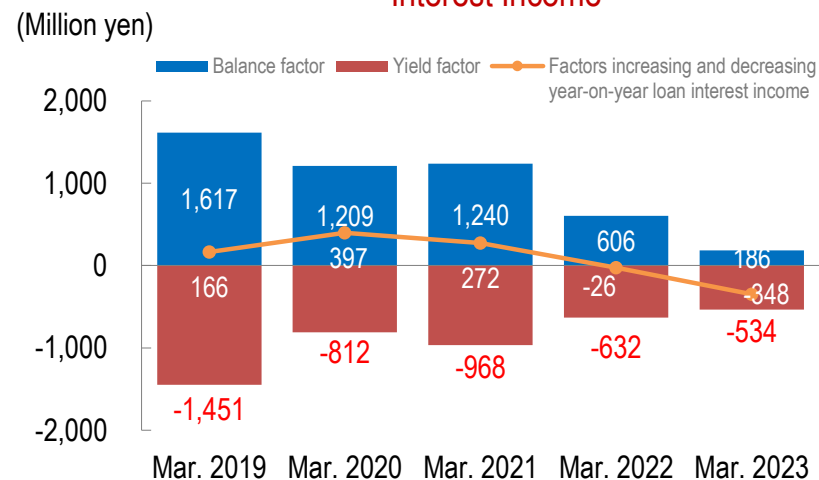
Loan Balance



Loan Interest Rate



Factors Increasing and Decreasing Loan Interest Income

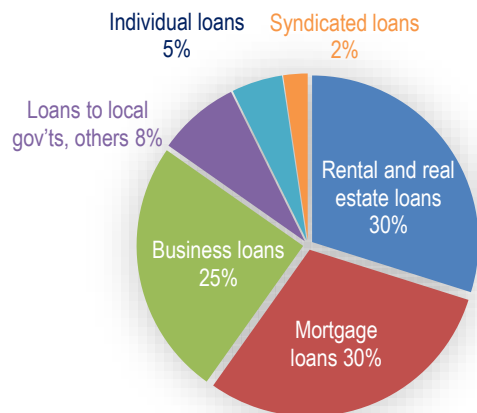


Note: Loan-related fees (consumer loan guarantee fees and group credit life insurance premiums) are deducted from the amount of loan interest income.

Loans (2/2)

Mortgage loans remained strong. Rental and real estate loans were slow.

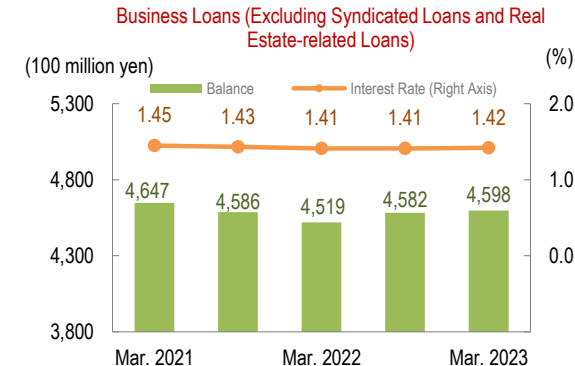
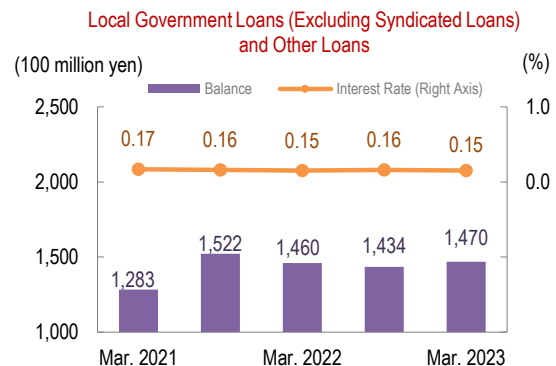
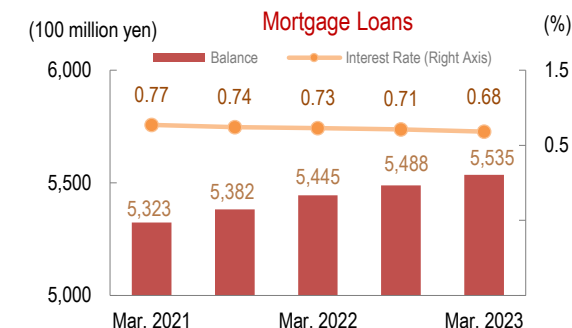
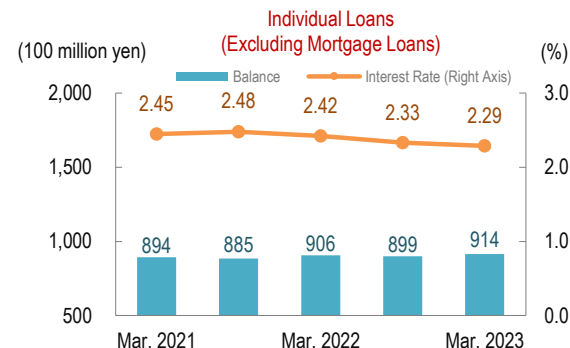
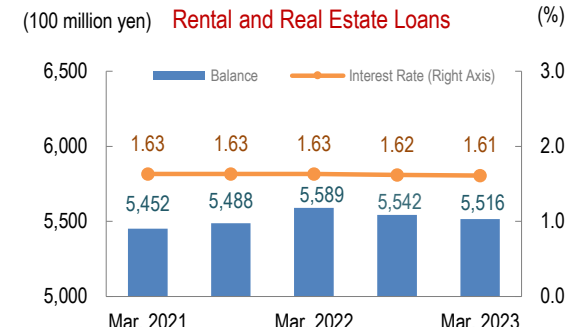
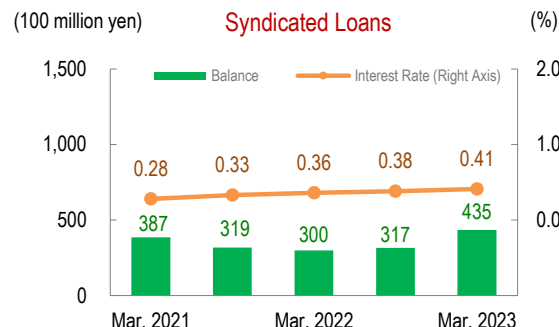
Breakdown of Loan Balances by Use



Note: Loan-related fees (consumer loan guarantee fees and group credit life insurance premiums) are deducted from yield calculation.

Interest Rate Conditions for Loans (Effectively Interest-free and Unsecured) to Local Governments

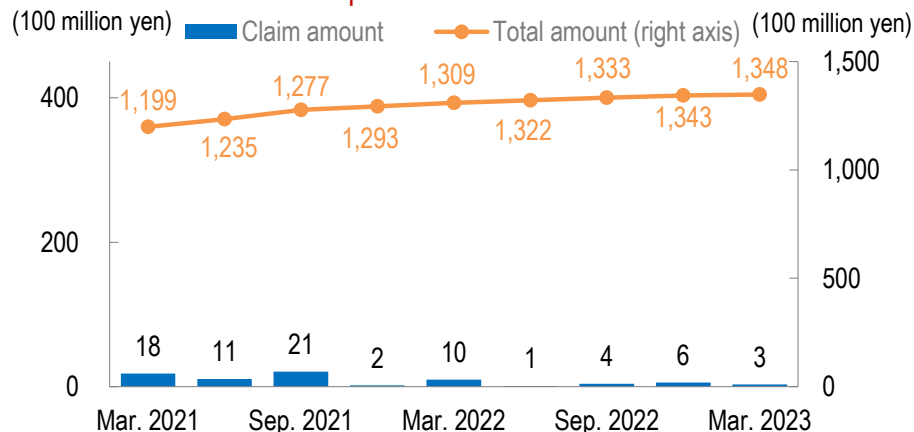
Local Gov't	Base Rate (Fixed)
Tokyo Metropolis	1.7%
Nara Pref.	2.175% (with 1.9% subsidized by nat'l gov't)
Fukuoka Pref.	1.3%
Kagoshima Pref.	1 year or less: 1.4% More than 1 year, max. 3 years: 1.6% More than 3 years, max. 5 years: 1.7%
Okinawa Pref.	0.8%



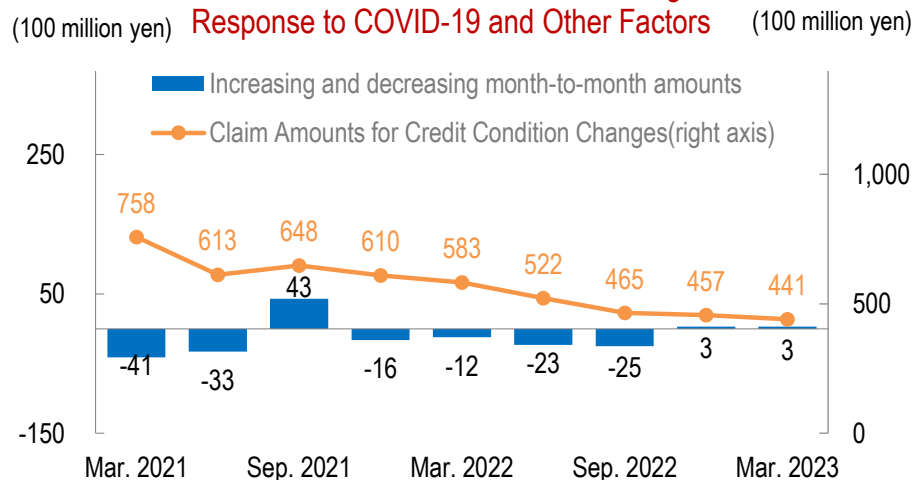
COVID-19 Crisis Financial Support

The amounts of provided loans with changed credit conditions have leveled out after the resumption of socioeconomic activities. In addition, 88% of our Bank's zero-zero (effectively interest-free and unsecured) loan clients responded as refundable to our survey.

Trends of Provided Loan Amounts with Changed Credit Condition in Response to COVID-19 and Other Factors

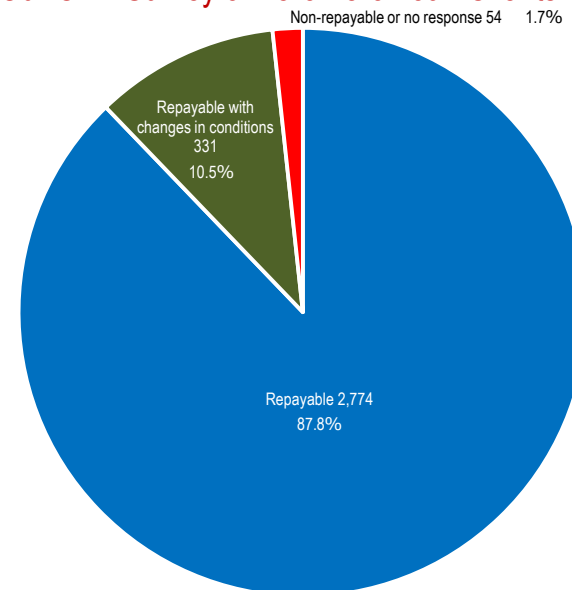


Claim Amounts for Credit Condition Changes in Response to COVID-19 and Other Factors



Note: Claim amounts for which principal payment has resumed following start of the changed-condition period by the creditor are subtracted from the claim amounts for credit condition changes shown in the graph.

Our Own Survey of Zero-zero Loan Clients



Note: The survey was conducted in the second half of FY 2022.

Note: The survey covered 3,159 customers with principal deferment periods remaining out of 4,278 zero-zero loan clients

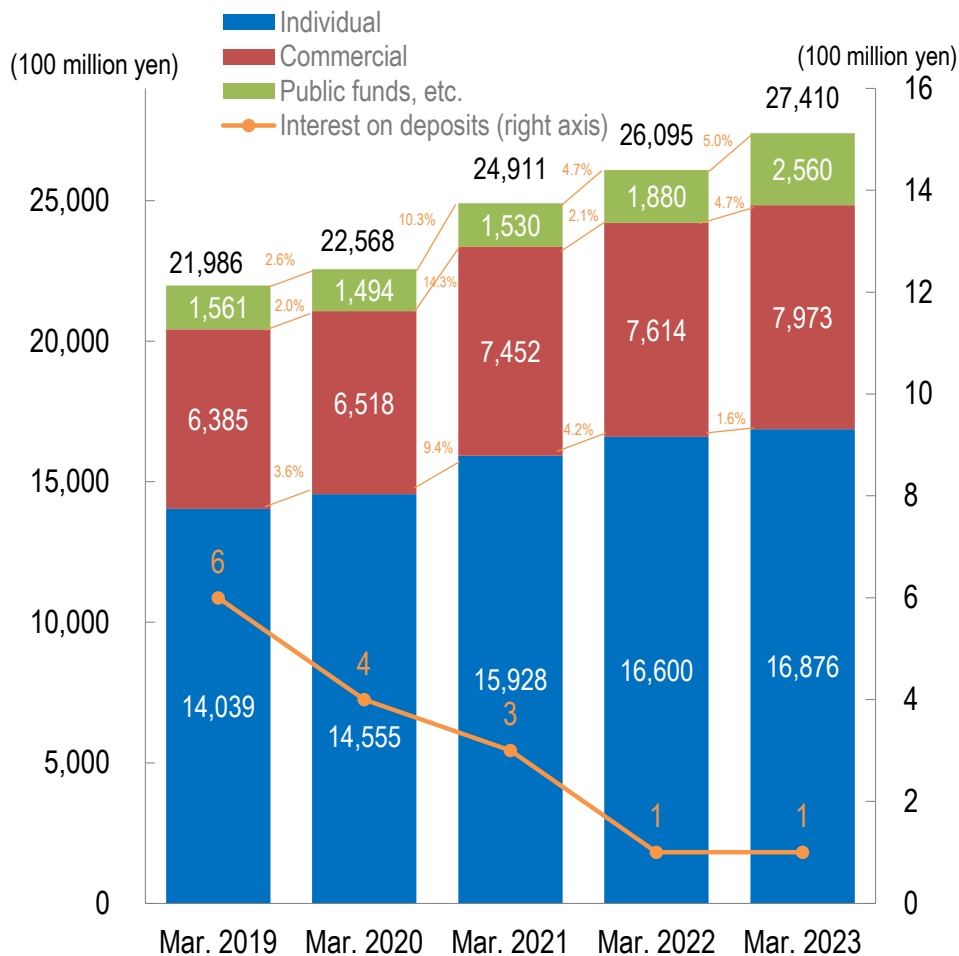
Number and Amount of Loans Provided by Our Bank under the Special Guarantee Program for Accompanied Support (National) and the Refinancing Fund for Accompanied Support (Prefectural)
(Number of loans, million yen)

Month	Number of loans provided	Provided amount
Jan. 2022	2	33
Feb. 2023	6	151
Mar. 2023	26	534
Total	34	719

Deposits, etc.

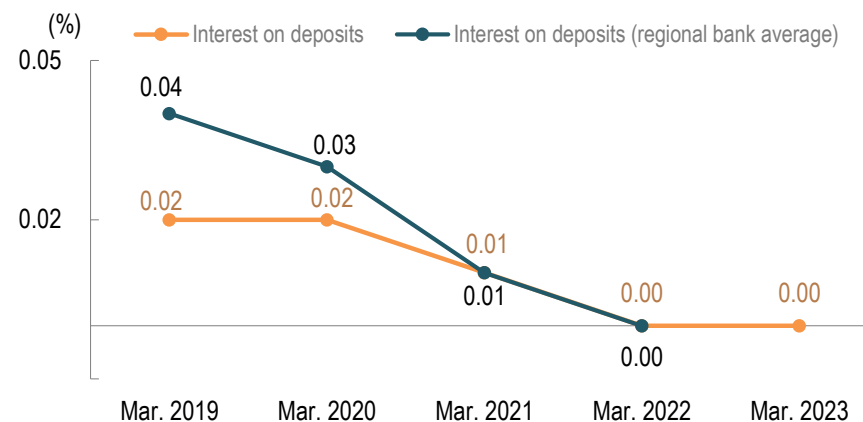
Deposit and other balances increased for both individuals and corporations, especially in corporate deposits and public funds.

Deposit and Other Balances



Note: Includes certificates of deposit (CDs).

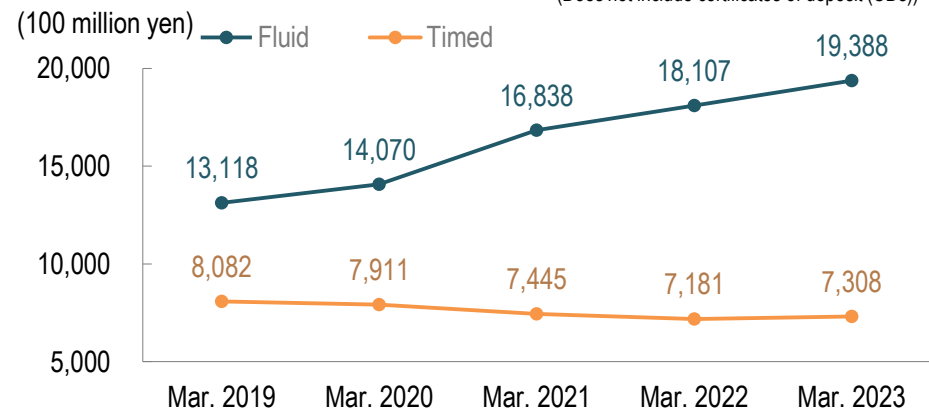
Interest on Deposits, etc.



Note: Rounded down to the nearest second decimal place

Averaged Liquid and Timed Deposit Balances

(Does not include certificates of deposit (CDs))

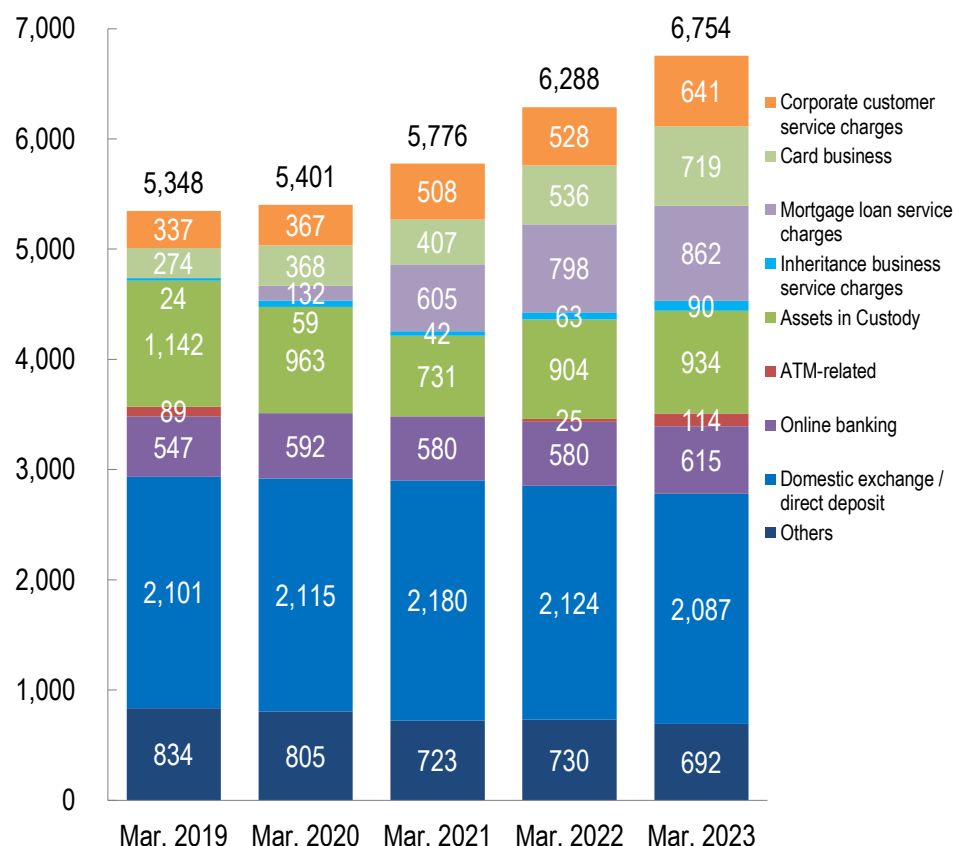


Profit from Service Charges

Card business-related charges, corporate customer service charges, and mortgage loan service charges drove the increase in profit from service charges.

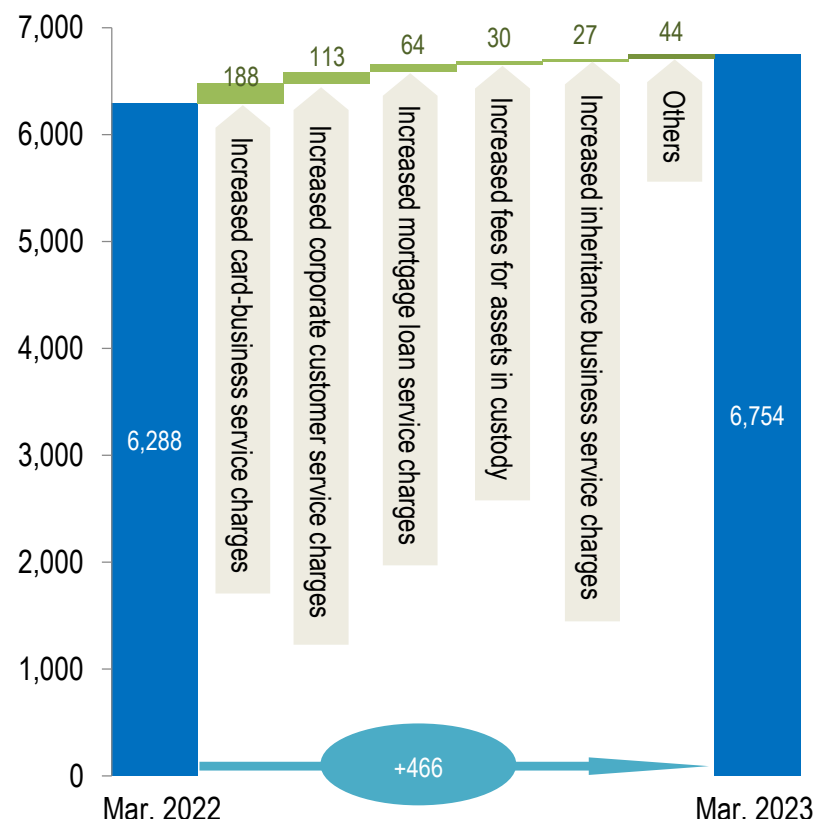
Trends in Profit from Service Charges
(Excluding Group Credit Life Insurance Premiums and Loan Guarantee Fees)

(Million yen)



Factors Behind Year-on-year Increases and Decreases

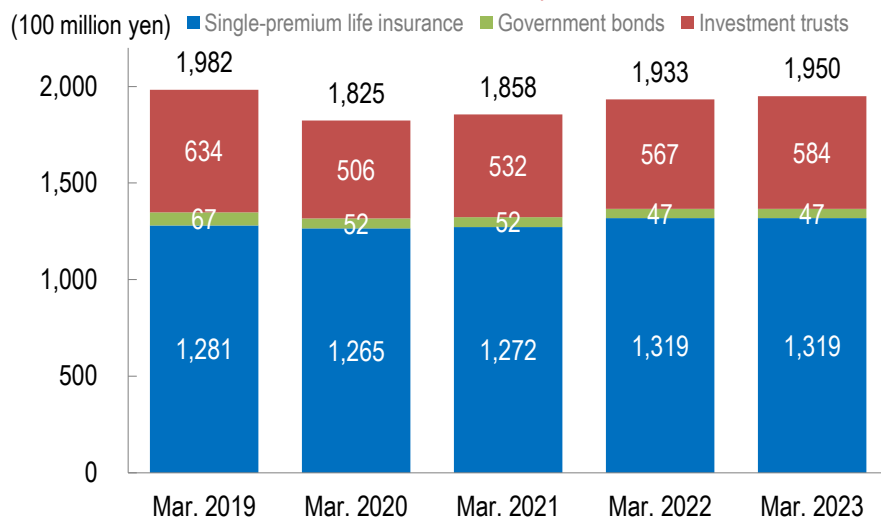
(Million yen)



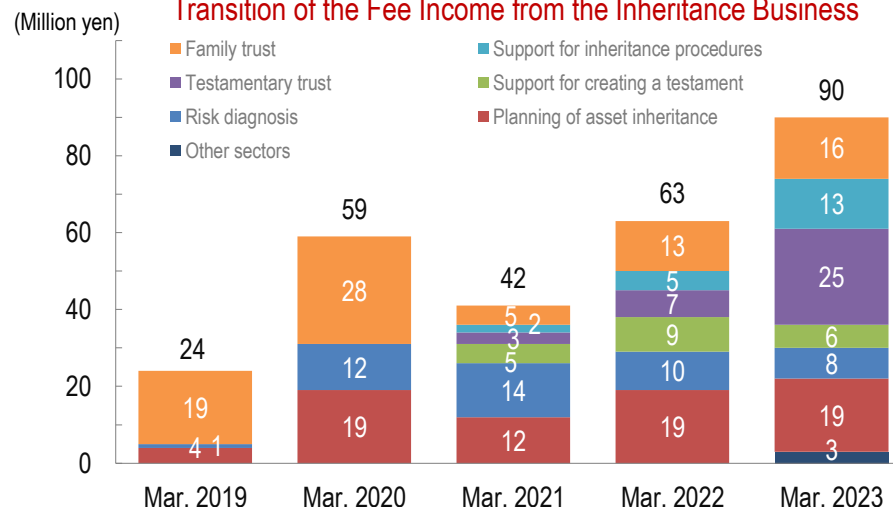
Assets in Custody and Inheritance Business

By developing sales strengthening measures for assets in custody, sales revenue from investment trusts, single-premium life insurances increased. Since our efforts to the inheritance-related needs were widely spread and recognized, the number of consultations and fee income from inheritance business increased.

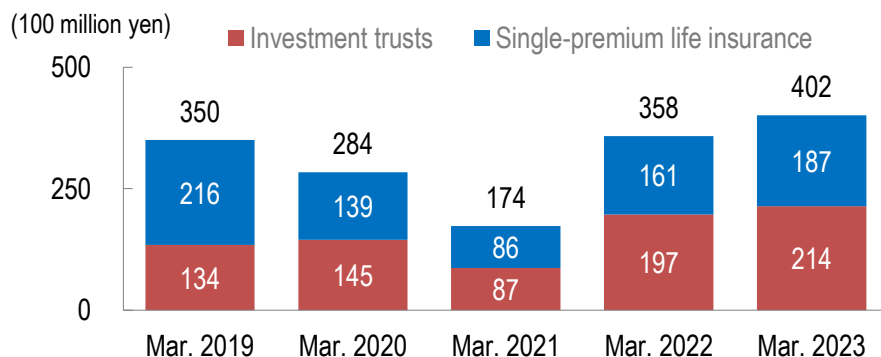
Assets in Custody Balance



Transition of the Fee Income from the Inheritance Business



Assets on Custody Sales Revenues



Launched “Money Trust,” a service based on our experience and know-how in the inheritance business

- Based on our previous consulting experience, we determined that we need a trust product specializing in money as one of the measures against dementia, etc.
- In February 2023, we launched “Money Trust” service, which is less expensive and requires a shorter period than those of the “Family Trust” that we have offered.



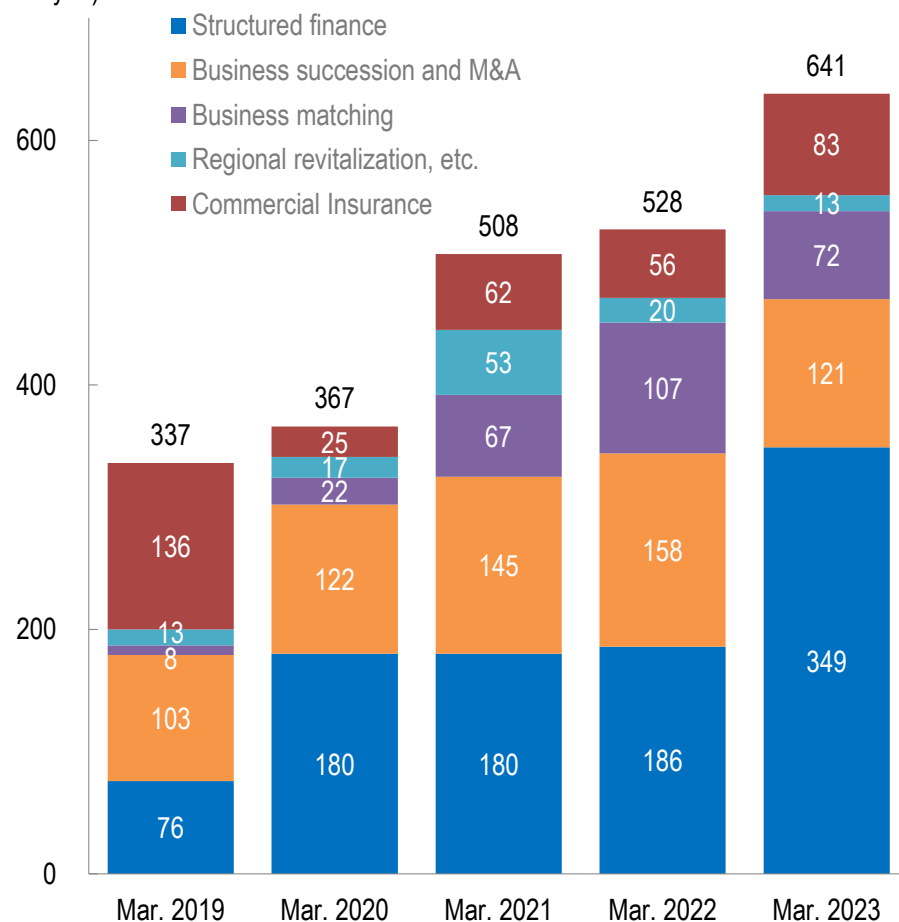
Note: Products and efforts related to inheritance, and commencement date
 2018: Ryugin Family Trust, risk diagnosis, and planning of asset inheritance
 2019: Testamentary trust and inheritance procedure service
 2023: Money Trust

Corporate Customer Services

Fee income was on an increasing trend, driven by structured finance, business succession and M&As, etc. ESG-related efforts were also started, supporting businesses from perspectives of Environment (E), Social (S) and Governance (G).

Service Fees for Corporate Customers

(Million yen)



Primary Consulting Business Services

[Structured Finance]

- We set up non-recourse loans and syndicated loans which bring financial institutions from within and outside the prefecture for our corporate clients who need to secure large amounts of funds for large-scale projects.

[Business Succession and M&A]

- Based on the know-how that our Bank has in-sourced and developed over many years in our operations, we provide various types of advice on the handing over of management to relatives, employees, and third parties, as well as on the hand-off of company stock and business assets.

[Business Matching]

- Using our networks, we introduce business partners and clients to customers and provide support to help solve management issues.

[Regional Revitalization]

- Adoption rates for subsidy application support has remained higher than the national average. In addition, we contribute to development of local communities through support for overseas deployment, startup venture assistance, and collaboration with local governments.

[Commercial Insurance]

- This is on the rise mainly due to insurance policies for retirement benefits to executives and for employee benefits.

New Efforts

[PPP/PFI]

- We actively engaged in PPP/PFI projects in Okinawa Prefecture and started our efforts to develop regional projects together with local businesses in Okinawa Prefecture.

[Mezzanine Finance]

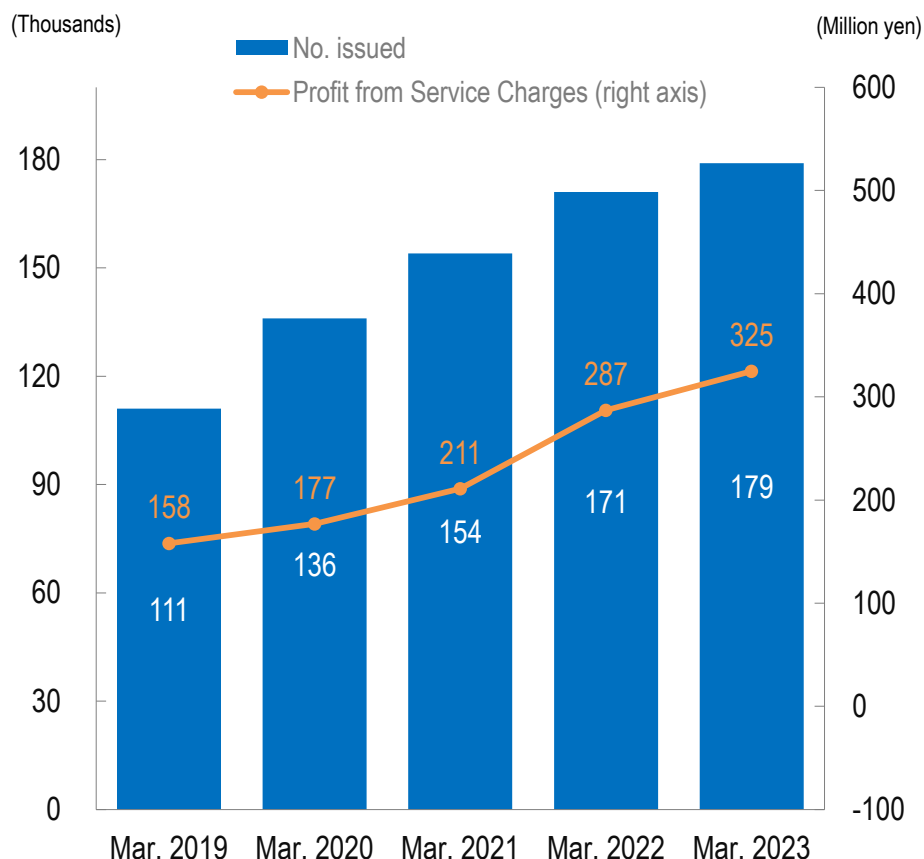
- This financing falls between bank loans and common stock. We launched this effort to expand the means of providing funds to corporate customers.

[ESG-related]

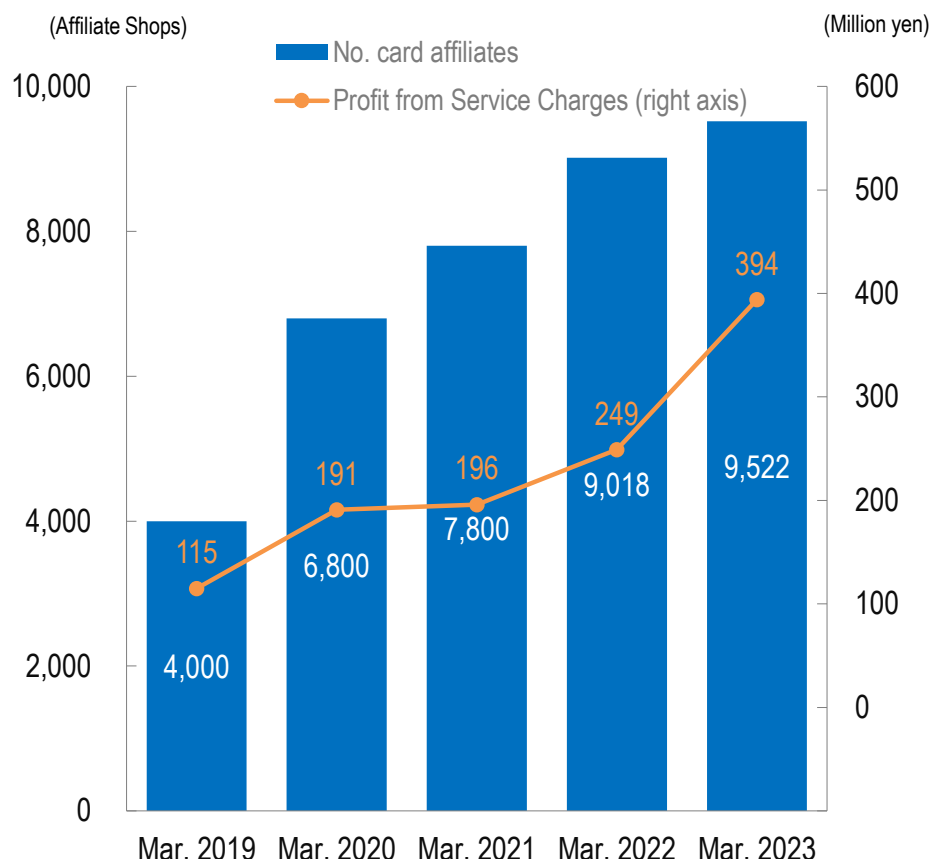
- We will start to offer "Ryugin SDGs Support Service" in June 2023 to visualize and improve ESG efforts of customers.

As both numbers of Visa debit cards issued and card affiliates steadily increased due to the resumption of socio-economic activities, charges from card users and card affiliates increased.

Total Numbers of Visa Debit Cards Issued and Profit from Service Charges



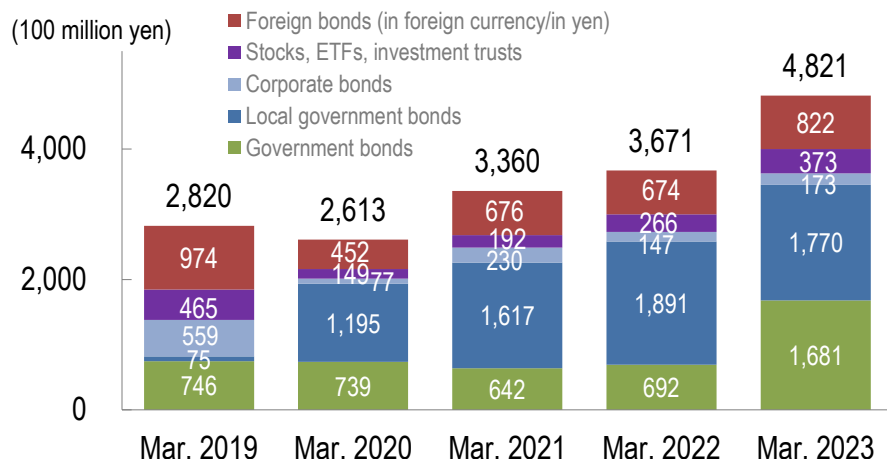
Number of Card Merchants and Profit from Service Charges



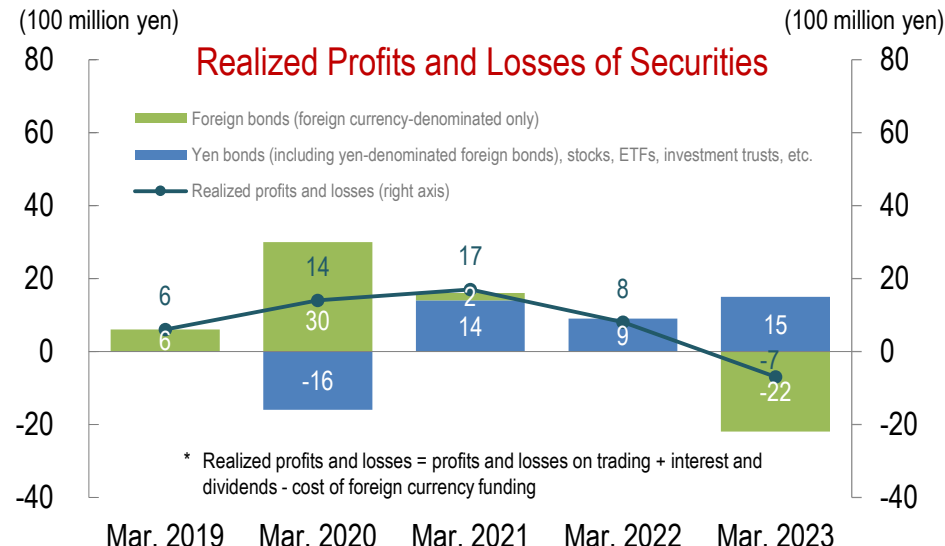
Securities

To strategically build up the balance of securities with the aim of improving yields over the medium to long term, while holding down the lengthening of durations.

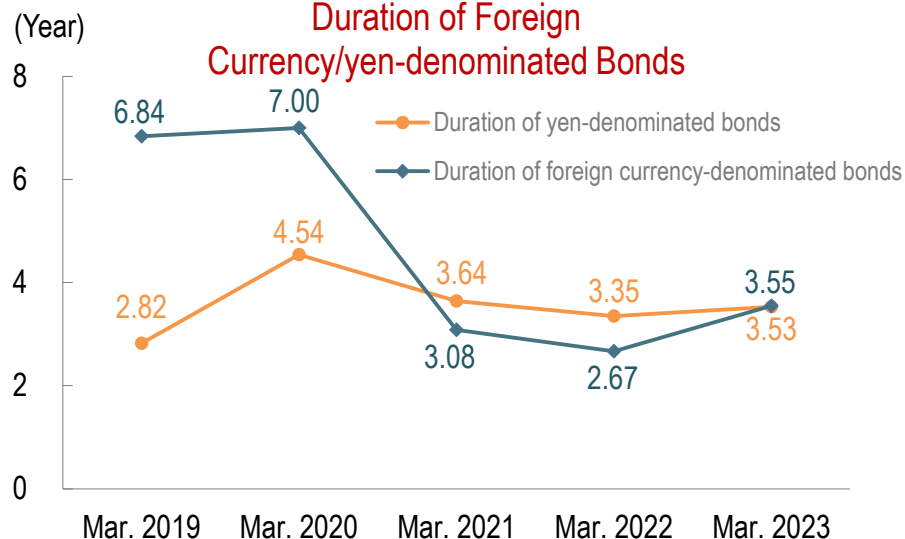
Balance of Securities



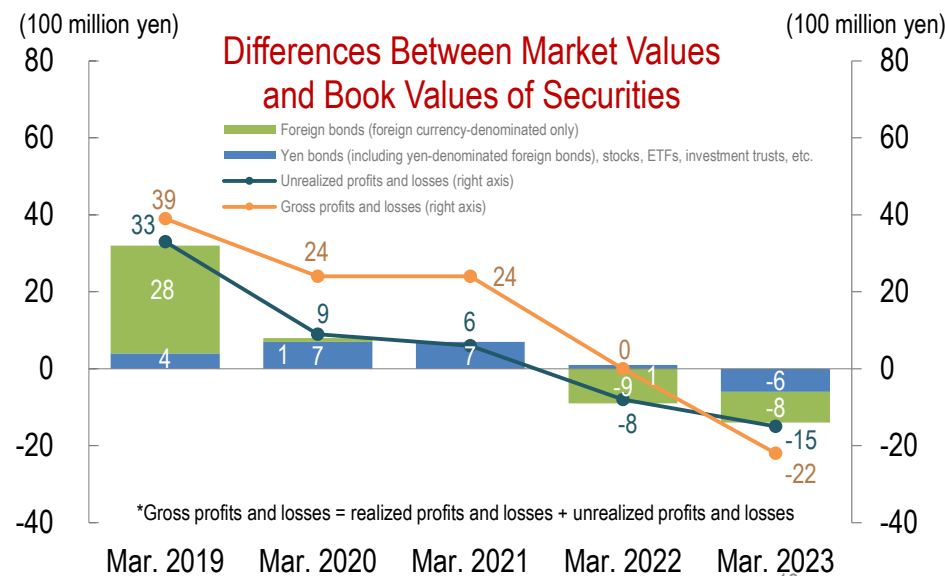
Realized Profits and Losses of Securities



Duration of Foreign Currency/yen-denominated Bonds



Differences Between Market Values and Book Values of Securities



Overview of Forward-looking Provisioning (1/2)



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[What is forward-looking provisioning]

It is a method of rationally estimating future risks based on future macroeconomic indicators and the current/future outlook in the business cycle, allowing us to be well-prepared for future losses and crises.

[What is the purpose of introducing forward-looking provisioning?]

It was introduced in FY 2020 (Ended Mar. 2021), in reaction to the expansion of the COVID-19 Crisis. This bolsters our financial resilience to economic-environment downturns in the future and makes it possible to focus firmly on forward-looking sales efforts, thus cultivating a framework that supports customers without fear of additional credit costs.

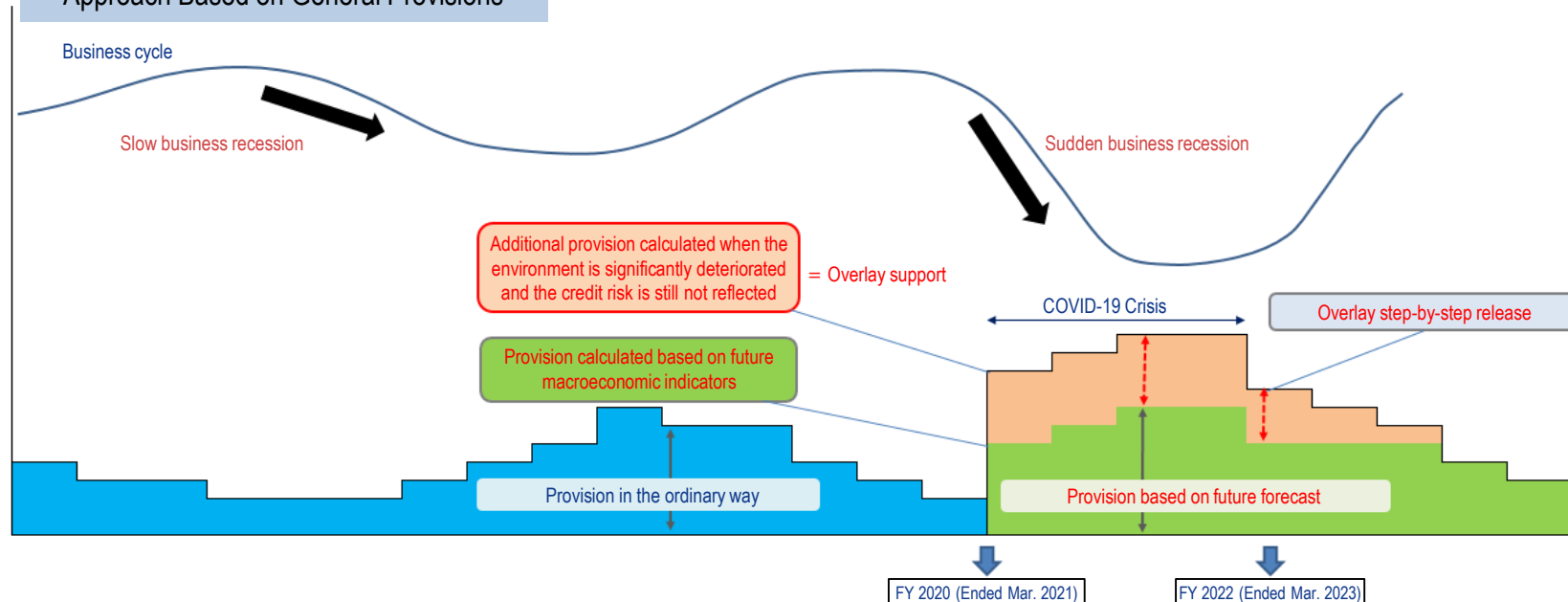
[What is overlay?]

This is a method to calculate additional provisions for specific industries when the external environment changes significantly.

[Actions when the business is improving]

If the business condition index shows continuous improvement, net credit costs will be reversed due to the partial release of overlays and a decrease in provisions based on the future forecast.

Approach Based on General Provisions



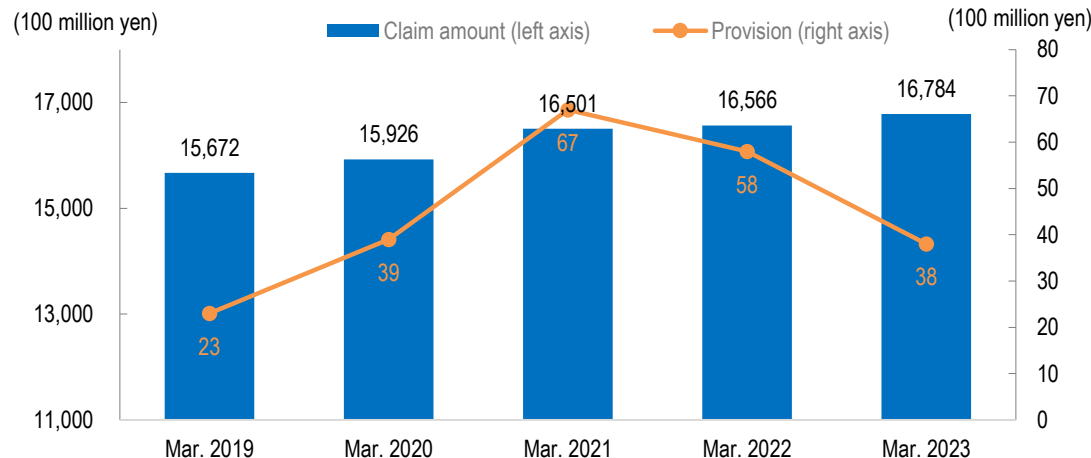
Overview of Forward-looking Provisioning (2/2)



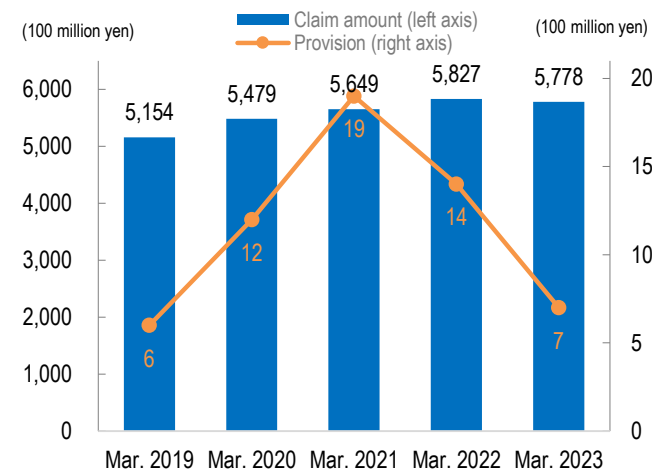
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Provisions decreased due to the improvement of various macroeconomic indicators and the release of some of the accommodation business from overlay-applied industries of accommodation and medical/healthcare. Further release will be considered if the economic environment improves more in the future.

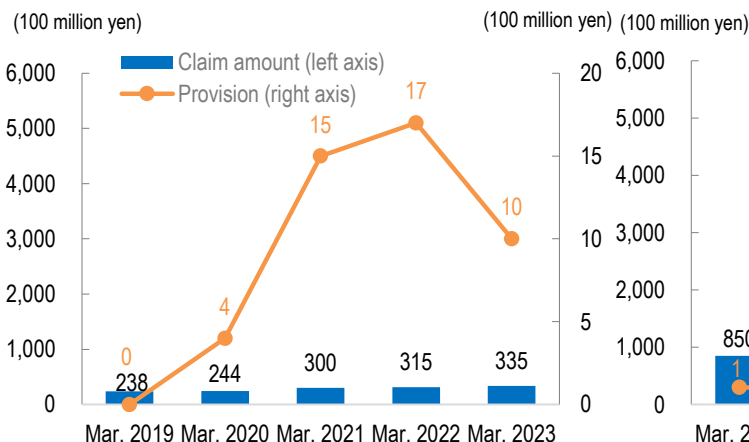
Overall



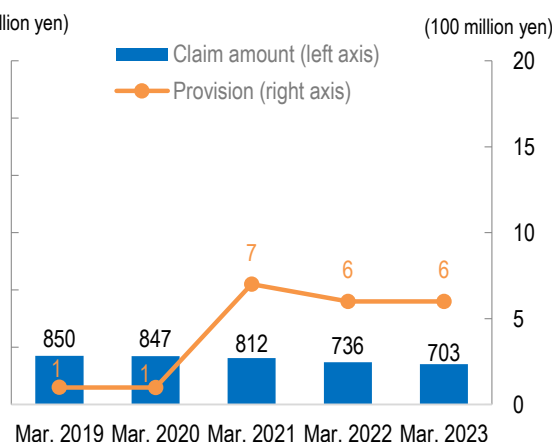
Real Estate



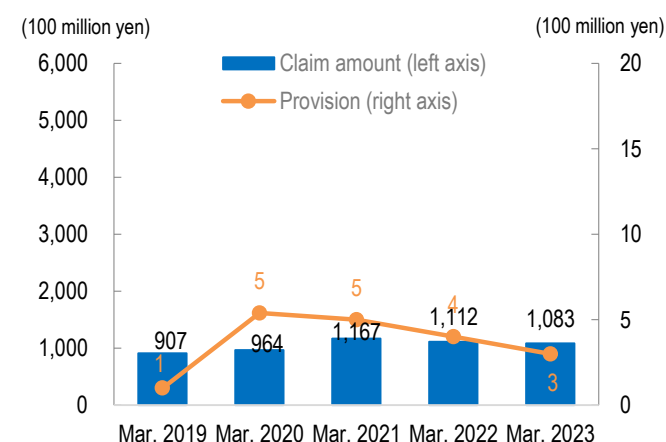
Accommodation Industry



Medical/healthcare Industry



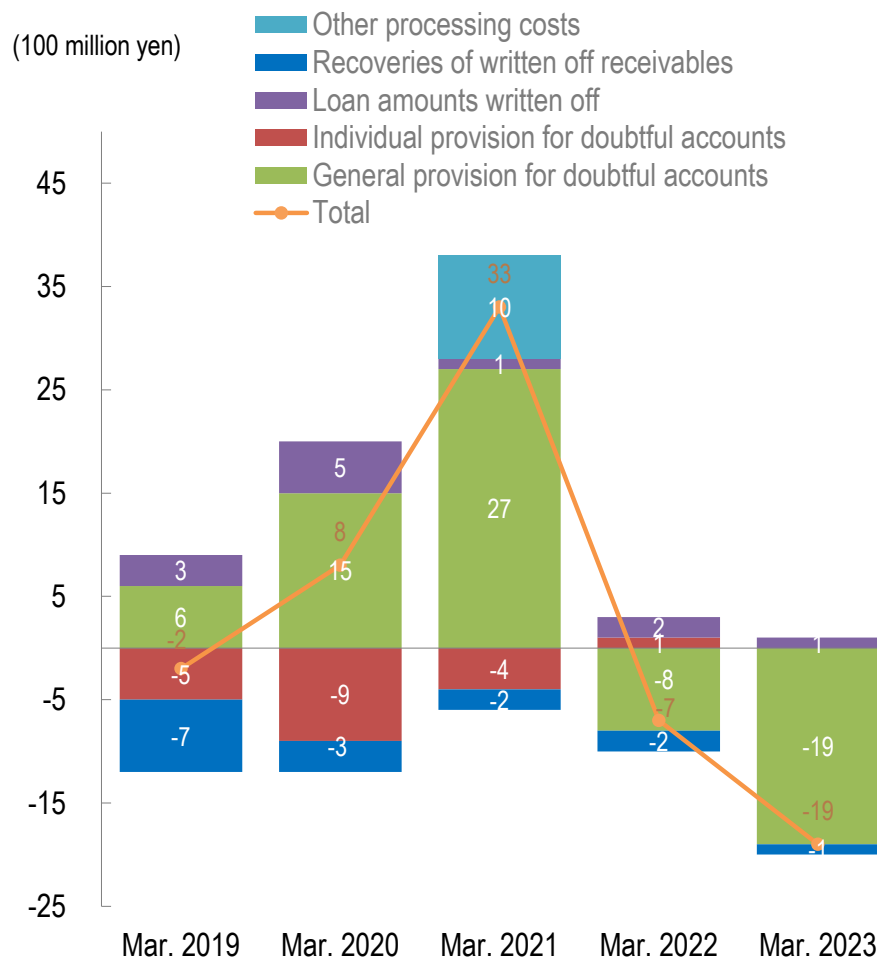
Restaurants and Service Industries



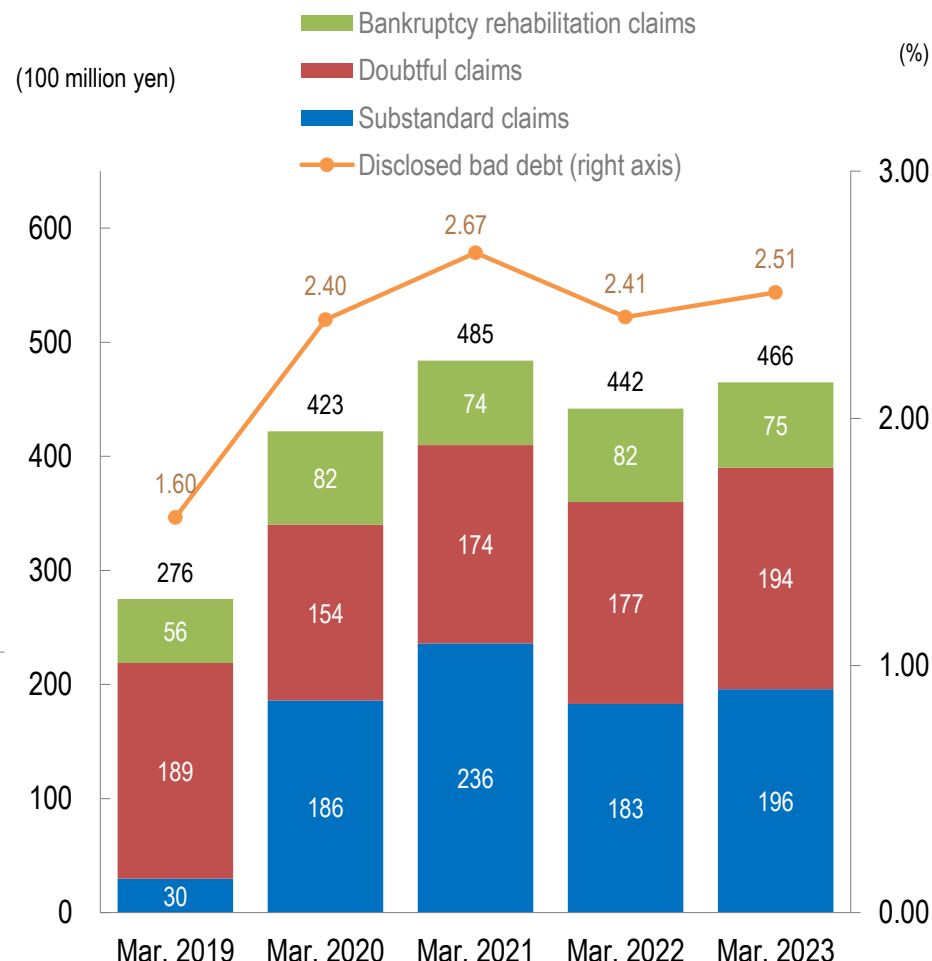
Net Credit Costs and Disclosed Bad Debt

Net credit cost decreased due to reversal cause by partial release of overlay in the accommodation industry and improvement of provision ratio.

Net Credit Costs

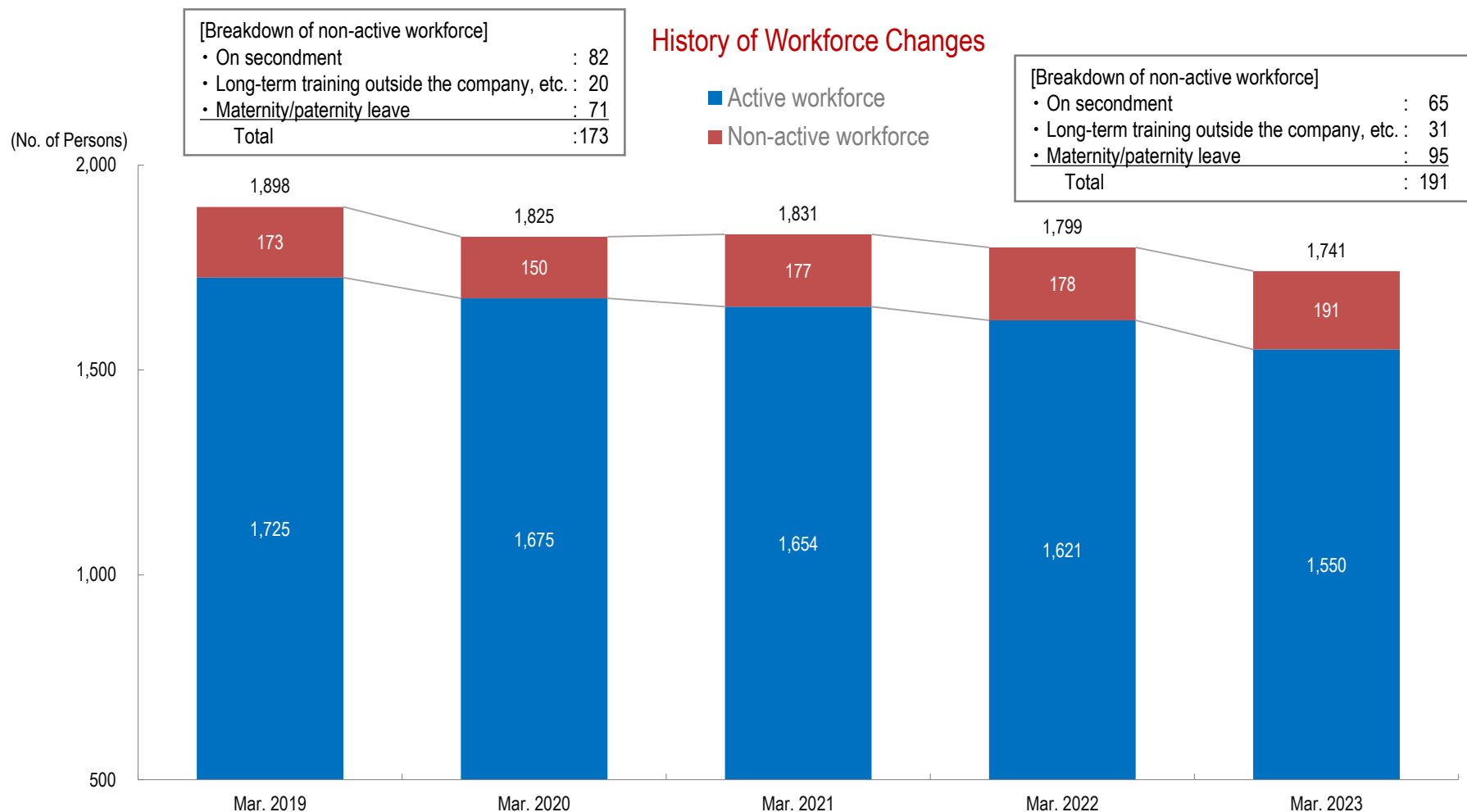


Disclosed Bad Debt



Workforce Planning

The active workforce decreased due to progress in efforts to improve operational efficiency. On the other hand, secondment, long-term training, and maternity/paternity leave were increased for non-active workforce.

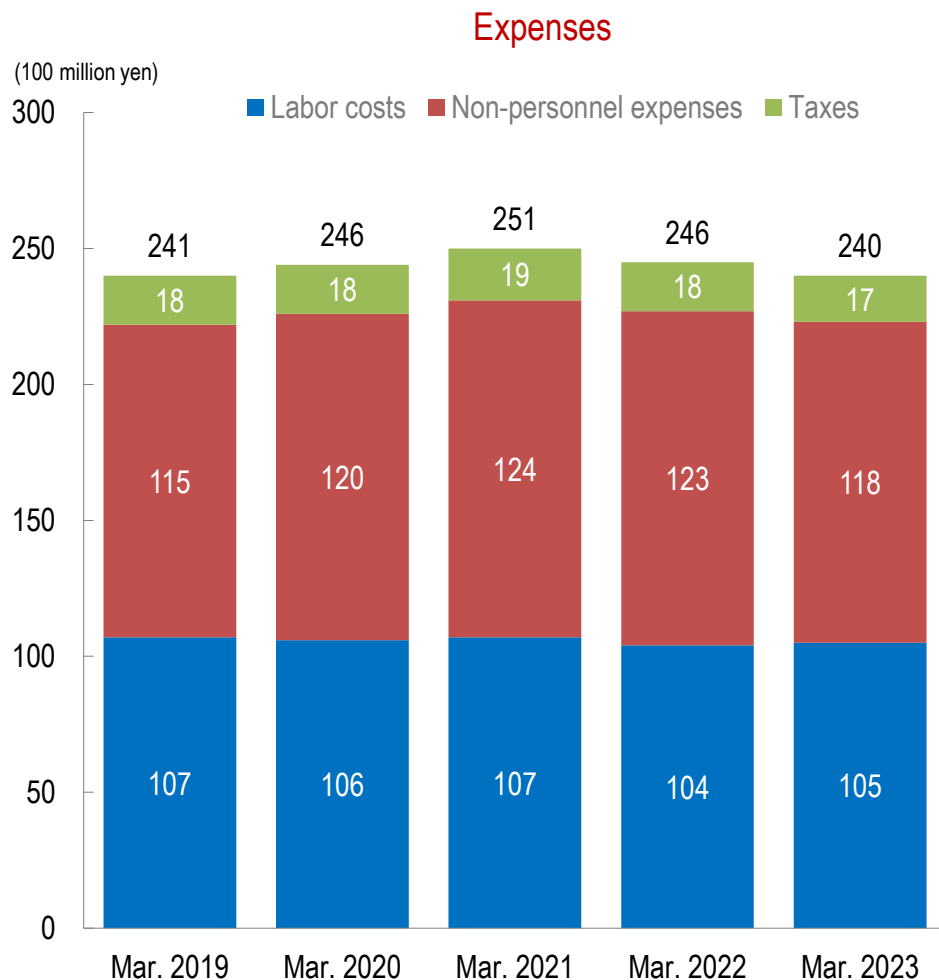


Note: The number of active workforce: The figure obtained by subtracting trainees, seconded employees, dispatched employees, etc. from the total number of employees, and adding the number of employees seconded from outside.

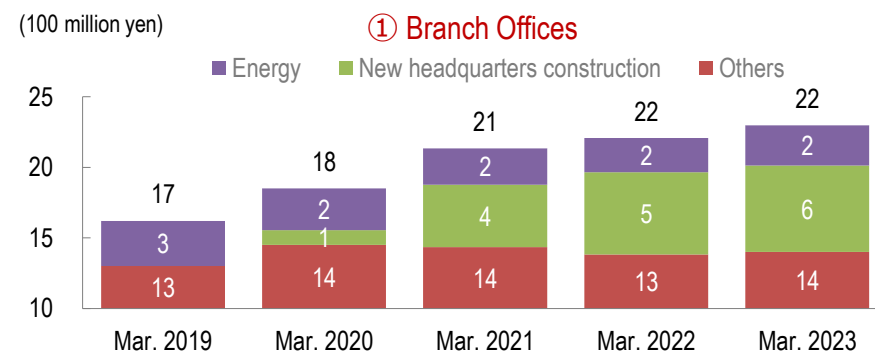
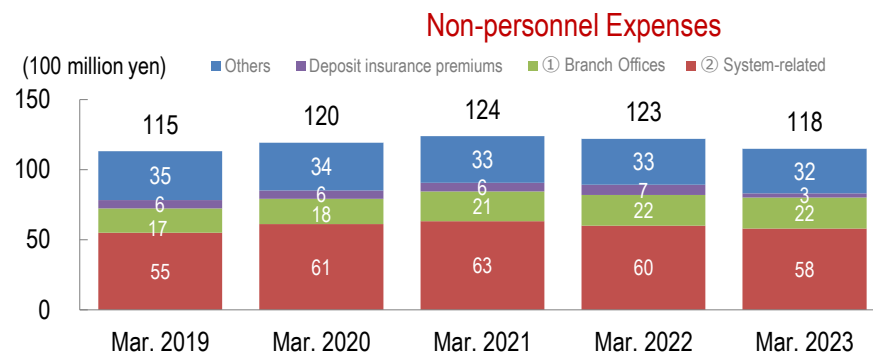
Note: Non-active workforce: employees on secondment, long-term training, and maternity/paternity leave

Expenses

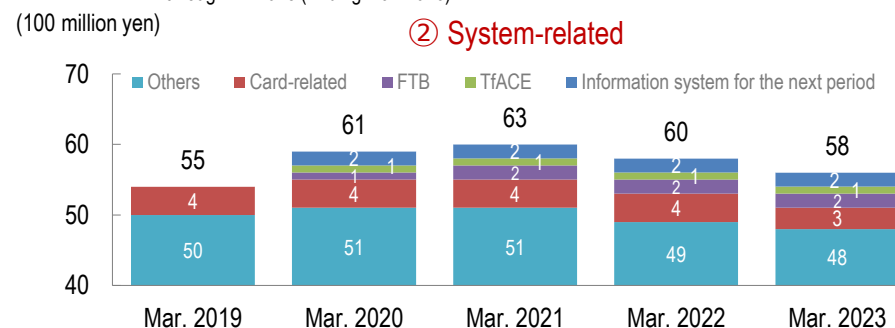
Property expenses decreased year-on-year due to a reduction in deposit insurance premiums and system-related expenses, etc.



Note: Personnel expenses include employees' past salaries with respect to retirement benefits, and impacts (loss/profit) of actuarial differences.



Note: Expenses related to the construction of new headquarters are expected to continue through FY 2025 (Ending Mar. 2026)

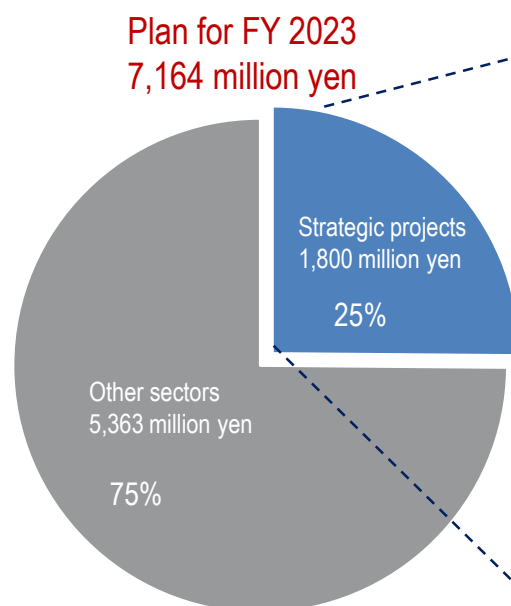
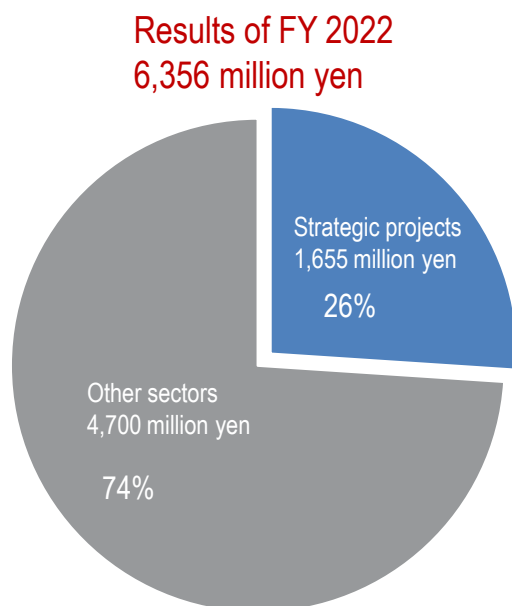


Note: FTB: Self-service terminals in the form of tablets at teller counters
Note: TfACE: Next-generation terminals at branches

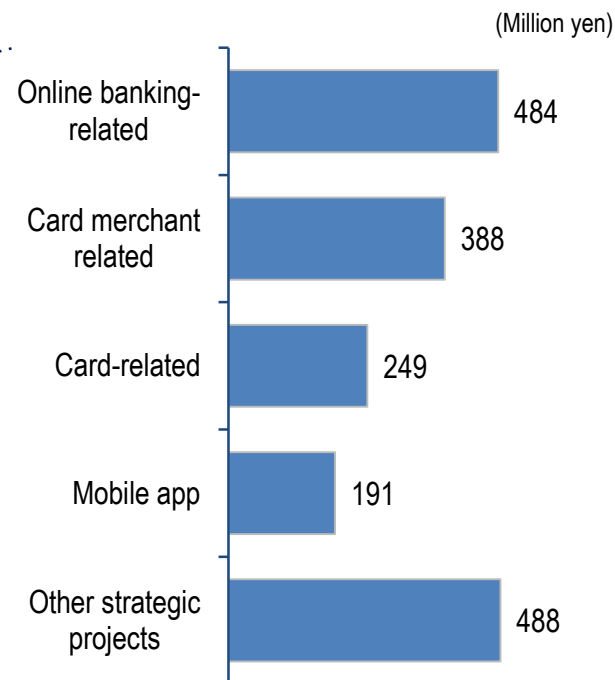
Mechanization Investment Plan

In the mechanization investment plan for FY 2023, mechanization investment for customer service and profit improvement measures, etc. accounts for approximately 25% of the total investment. We will continue to make strategic investments in order to achieve (1) expansion of our business foundation, (2) practice of ESG management, and (3) challenges for transformation, as set forth in the medium-term management plan “Value 2023.”

Actual Results of FY 2022 and the Mechanization Investment Plan for FY 2023



Breakdown of Major Strategic Projects



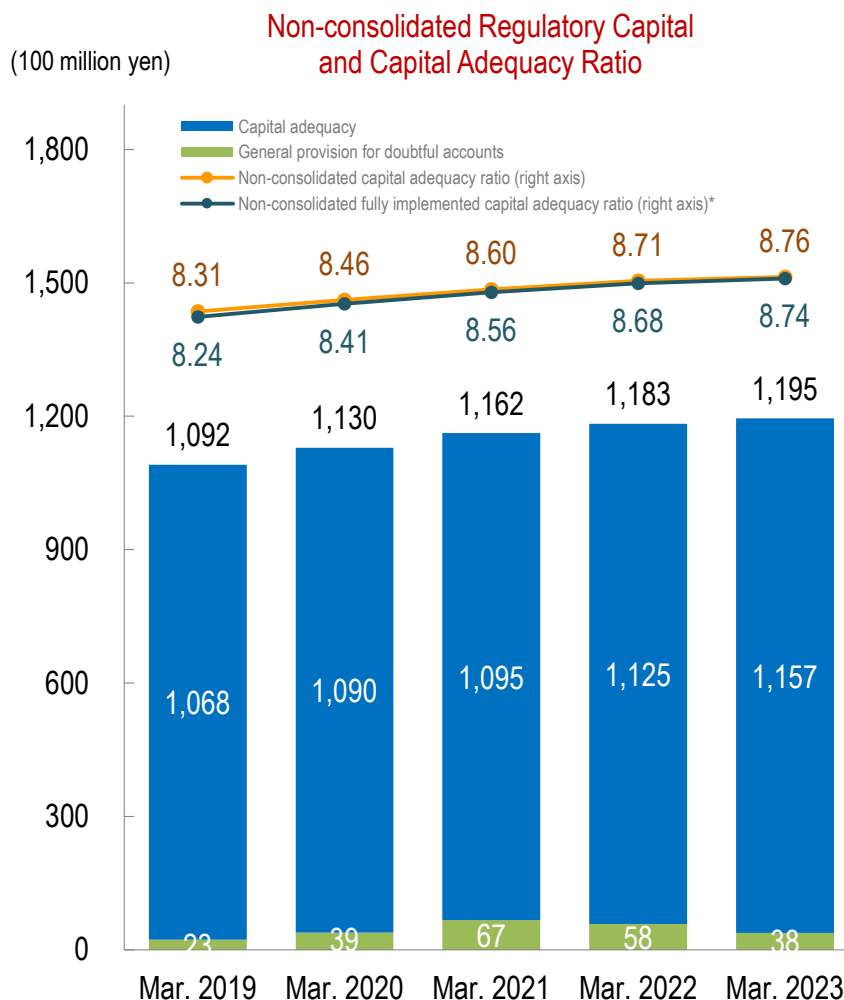
Note: [Strategic projects]

Projects such as customer service improvement measures and profit improvement measures

[Others] Projects related to systems, risks, foundations, aging, renewal, etc.

Capital Adequacy Ratio

Both non-consolidated and consolidated capital adequacy ratios have been steadily increasing due to stably built up profit, etc.



Note: Figures based on full implementation are calculated on the assumption that the current capital adequacy regulations (finalization of Basel III) will be applied, that there will be no capitalization of subordinated debt and land revaluation reserves, and that all of the intangible fixed assets and prepaid pension costs, etc. will be recorded as capital adjustments.

Forecast for FY 2023 (Ending March 31, 2024) 琉球銀行グループ BANK OF THE RYUKYUS GROUP

Although loan interest and profit from service charges are expected to increase with the recovery of the business climate in Okinawa Prefecture, the overall profit is anticipated to decline due to an increase in funding costs caused by a strategic accumulation in securities, an increase in labor costs induced by improved working conditions, and an increase in non-personnel expenses including capital investment to deal with new paper money, and the introduction of digital signage in all banking offices including ATMs outside of offices for prompt information delivery in case of ATM failure, etc.

Please note that some of the above-mentioned increases in expenses are temporary, and profits are expected to increase from FY 2024 onward.

Consolidated

(100 million yen)

	FY 2023 (Ending Mar. 2024)		FY 2022 (Ended Mar. 2023) Completed
	Forecast	Year on Year	
Ordinary revenue	622	22	600
Ordinary profit	74	-10	84
Profit for the period attributable to owners of the parent	51	-7	58

Non-Consolidated

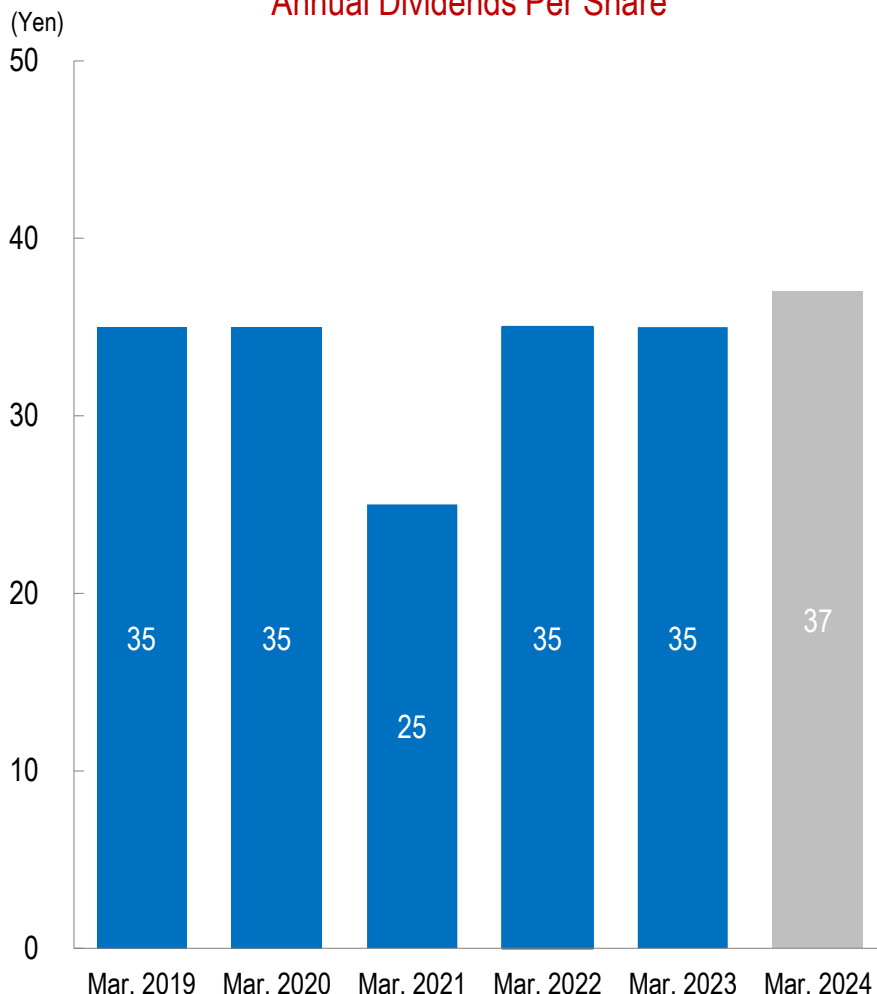
(100 million yen)

	FY 2023 (Ending Mar. 2024)		FY 2022 (Ended Mar. 2023) Completed
	Forecast	Year on Year	
Ordinary revenue	403	- 4	407
Ordinary profit	58	-14	72
Net income	40	-11	51

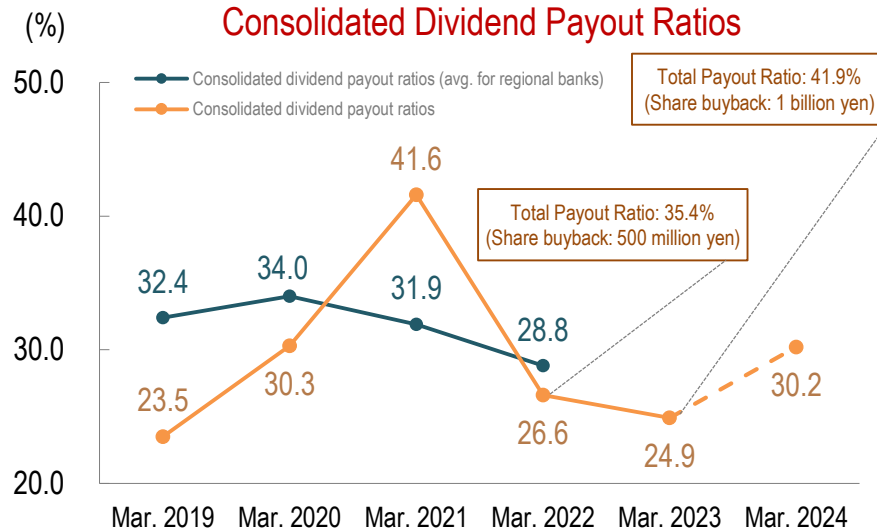
Dividends

For the FY 2022 (ended Mar. 2023), we plan to pay dividends unchanged from the previous fiscal year. From FY 2023 (ending Mar. 2024), we plan to increase the annual dividends by 2 yen per share.

Annual Dividends Per Share



Consolidated Dividend Payout Ratios



Dividend for FY 2022 (Ended Mar. 2023)

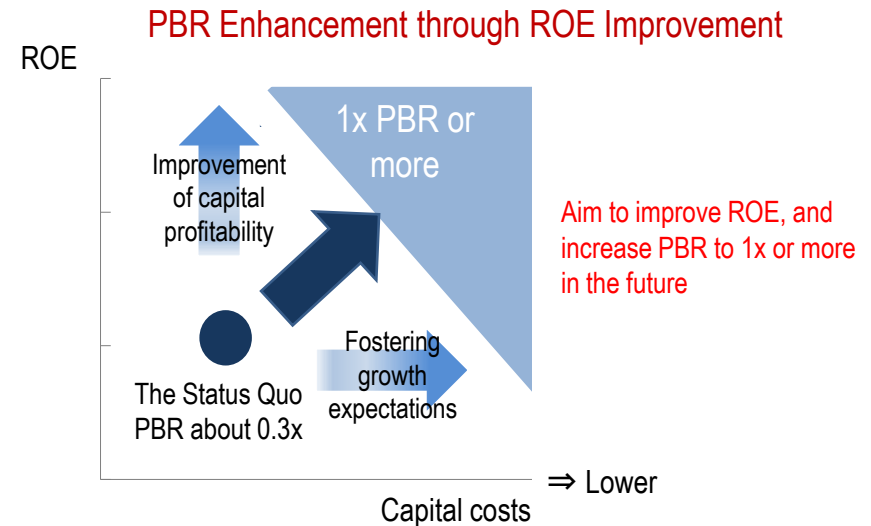
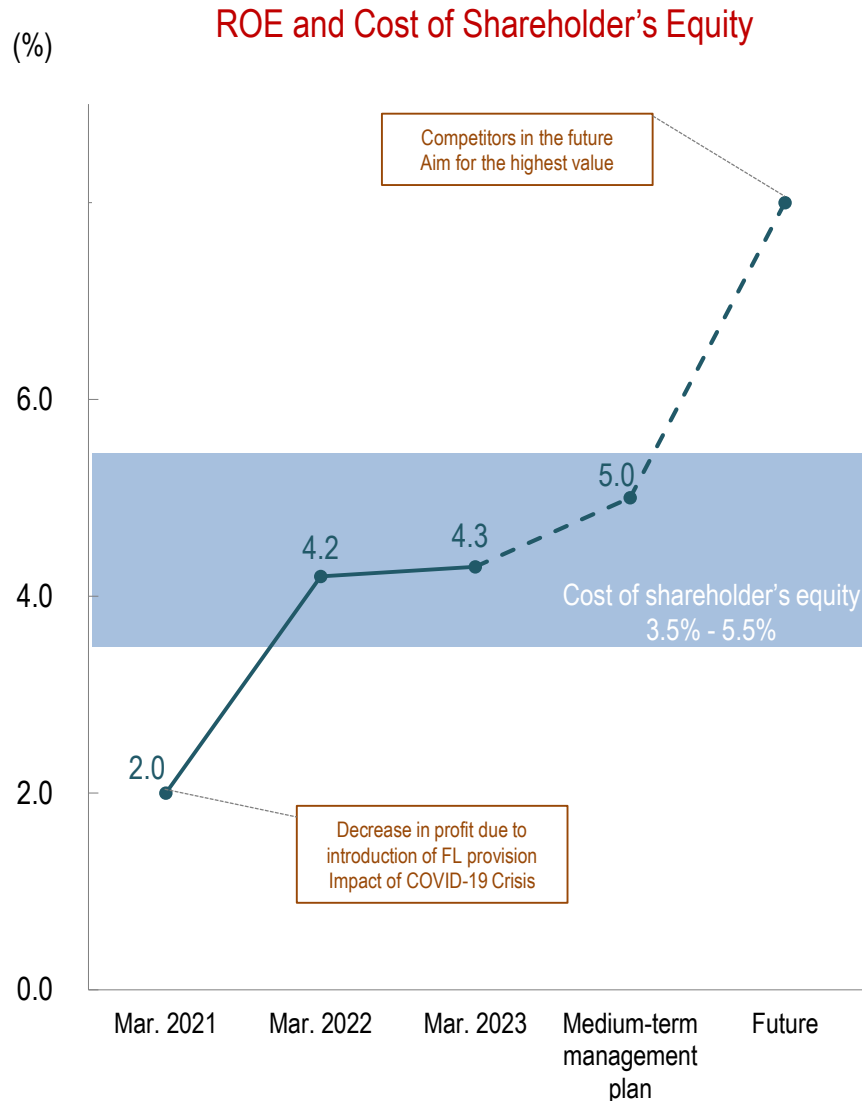
- For FY 2022 (ended Mar. 2023), we plan to pay annual dividends of 35 yen per share, maintaining the same stable dividend level as in FY 2021 (ended Mar. 2022).

Dividend for FY 2023 (ending Mar. 2024)

- Based on the recovery trend in business confidence in Okinawa Prefecture and on the future forecasts of the Bank's performance, we intend to increase the annual dividends per share by 2 yen to 37 yen for FY 2023 (ending Mar. 2024), in order to further enhance shareholder returns.

We recognize that ROE is basically in line with capital cost.

With ROE that is exceeding the cost of shareholder's equity in mind, we continuously strive to enhance PBR.



About the Cost of Shareholder's Equity

- Calculate the cost of shareholder's equity using CAPM. Since it varies depending on the timing and premises of the calculation, our Bank considers it as a range.
CAPM = Risk-free rate + our Bank's beta value × Equity risk premium
 - Indicators used in calculations
 - Risk-free rate : Yield of 10-year government bonds
 - Bank's beta value : For TOPIX
 - Equity risk premium : Expected profit rate on overall listed Japanese stocks
 - Indicator term
 - Bank's beta value : Average remaining life of the overall assets under management or 5 years
 - Equity risk premium : Base date calculated from the Bank listed on the first section market or 50 years
- Note: A number of years with high sensitivity is used in both calculations.



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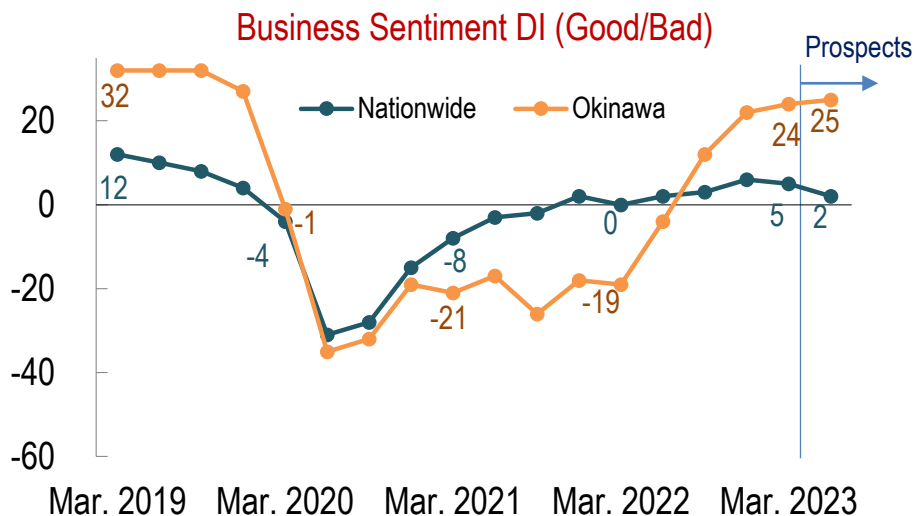
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Summary of Okinawa Economy

Received an award for excellence in the 31st (Fiscal 2022)
Bingata Design Contest, for future category

"Cherry Blossoms and Cosmoses" by Asuka Kushi

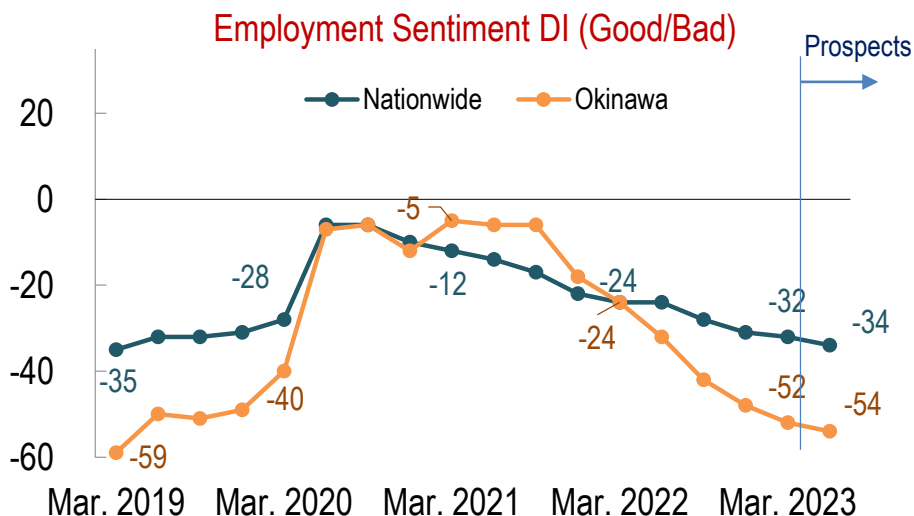
Due to the resumption of socio-economic activities, the tourism industry has been recovering.



Economic Overview of Okinawa Prefecture

- According to the Tankan's business sentiment, the economy in Okinawa Prefecture has been recovering since March 2022, and the recovery is likely to continue.
- Future outlook improved by 1 point from March 2023 to 25 on the "good" side.

Major Indicators



- Tourism is recovering due to the lifting of movement restrictions against COVID-19 and the government's demand boosting toward tourism, as well as the resumption of airline service from Taiwan, South Korea, and Hong Kong.
- The employment situation continues to improve due to the expansion of tourism demand. On the other hand, companies, especially in the service industry, are experiencing growing labor shortages.
- Public investment is currently increasing. Capital investment is recovering. Residential investment is ceasing to fall.

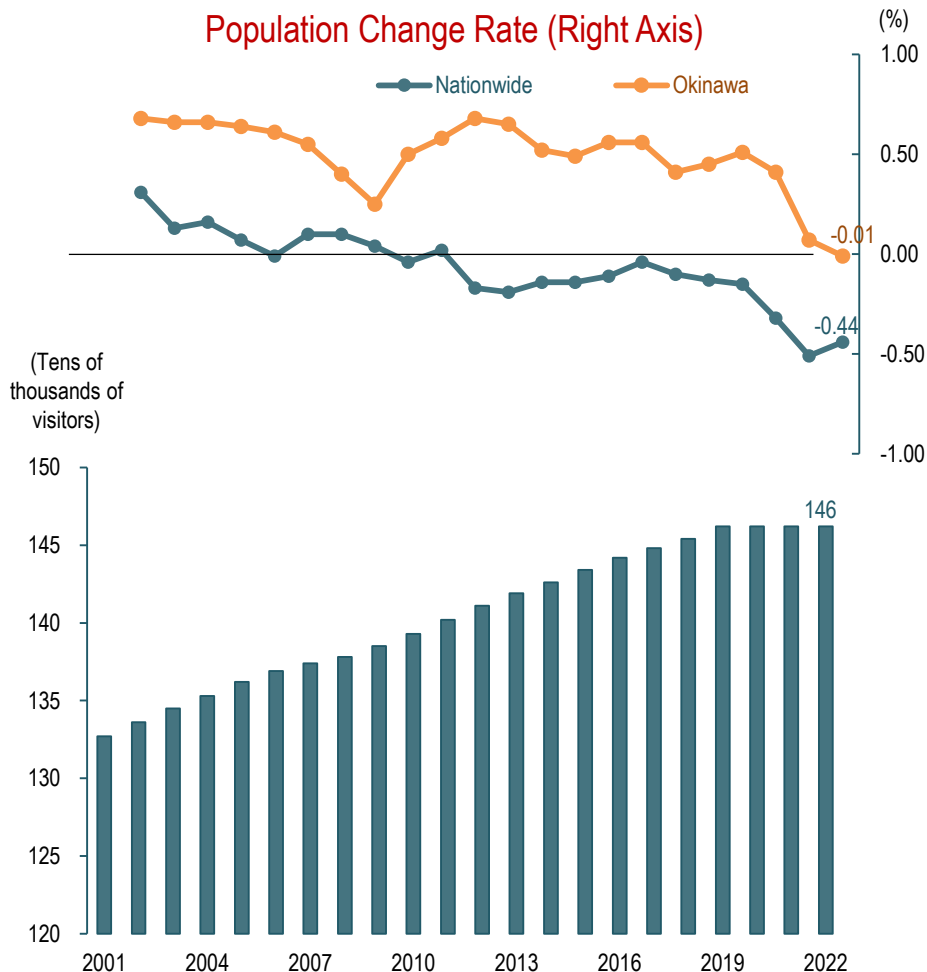
Source: Bank of Japan Naha Branch

Increase/Decrease of Population and Number of Tourists

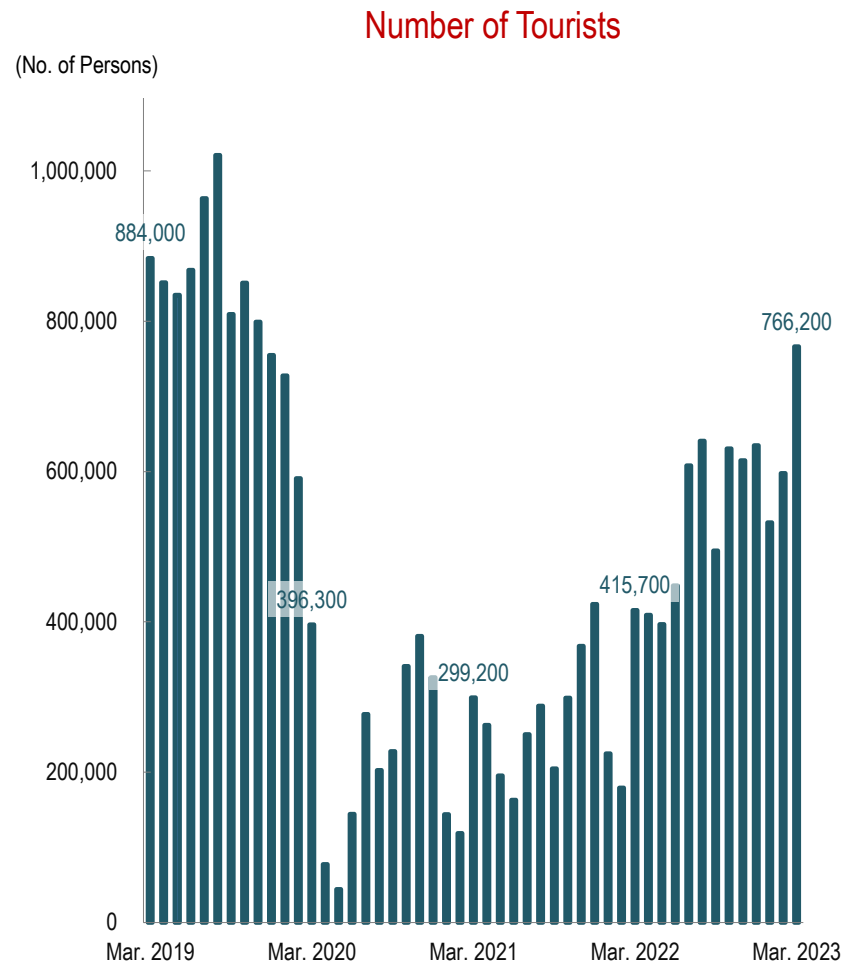
The total population in Okinawa Prefecture has nearly remained unchanged, but declined for the first time since the reversion of Okinawa to Japan in 1972.

The number of tourists remained strong due to the lifting of movement restrictions against COVID-19, continued national travel assistance program, and the resumption of airline service (Taiwan, South Korea, and Hong Kong).

Population Change Rate (Right Axis)



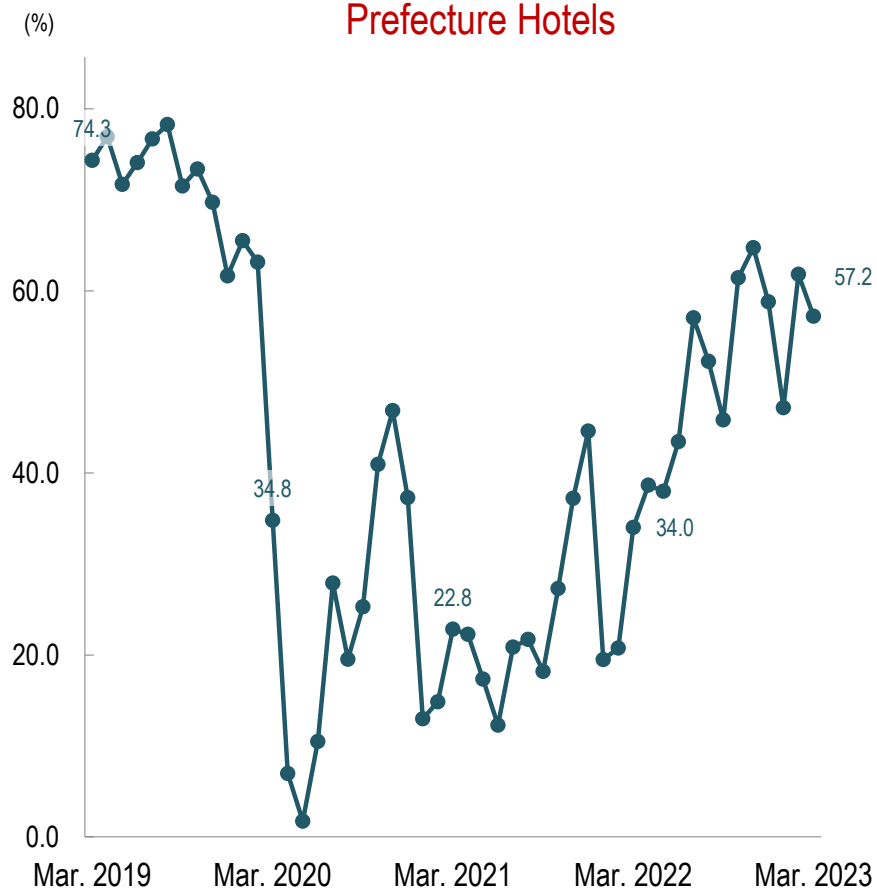
Number of Tourists



Hotel Occupancy Rates and Opening Plan

With a recovery in tourism demand, hotel occupancy rates are returning to 2019 levels, prior to the COVID-19 Crisis. Also, investment in Okinawa is strong, and luxury hotels are expected to open continuously in 2023 and beyond.

Occupancy Rates for Major Okinawa Prefecture Hotels



Source: Ryugin Research Institute Ltd.

Opening Status and Future Plans of Major Hotels

Hotel name	Location	Opening date	No. of rooms
Prince Hotel, Ocean View Ginowan	Ginowan city	Apr. 2022	340
Ryukyu Hotel & Resort, Nashiro Beach	Itoman city	July 2022	443
Southwest Grand Hotel	Naha city	June 2023 (Planned)	88
Hilton Okinawa Miyako Island Resort	Miyakojima city	June 2023 (Planned)	329
Rosewood Miyakojima	Miyakojima city	2024 (Planned)	55
Four Seasons Resort & Private Residence Okinawa	Onna village	2024 (Planned)	278
PGM Golf Resort Okinawa (tentative name)	Onna village	2026 (Planned)	200



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Unemployment Rates and Job-openings-to-applicants Ratios

(%) (Times)

—●— Unemployment Rates

—●— Job-openings-to-applicants Ratios (right axis)

1.29 3.1 2.9 1.13 4.2 3.2 0.85 0.76 1.14 3.9

Mar. 2019 Mar. 2020 Mar. 2021 Mar. 2022 Mar. 2023

No. of Corporate Bankruptcies and Total Debts

(No. of Bankruptcies) (100 million yen)

■ No. of Bankruptcies —●— Total Debts (right axis)

Note

3 5 5 8 6

Mar. 2019 Mar. 2020 Mar. 2021 Mar. 2022 Mar. 2023

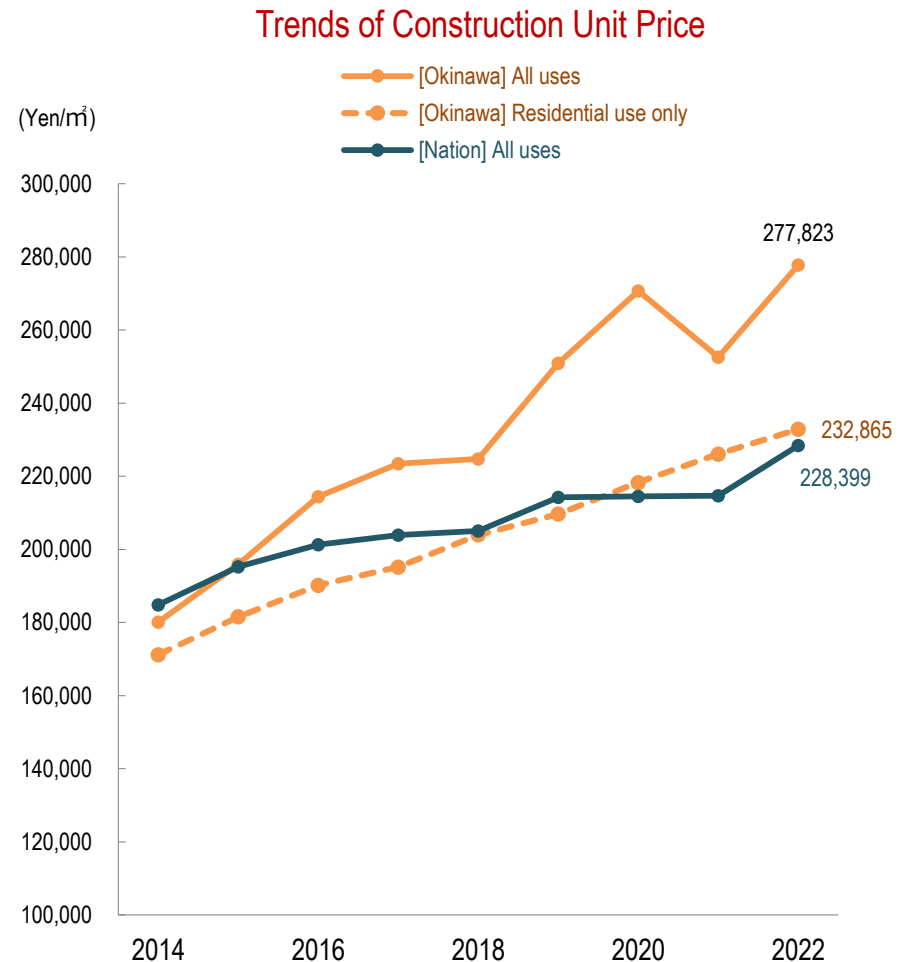
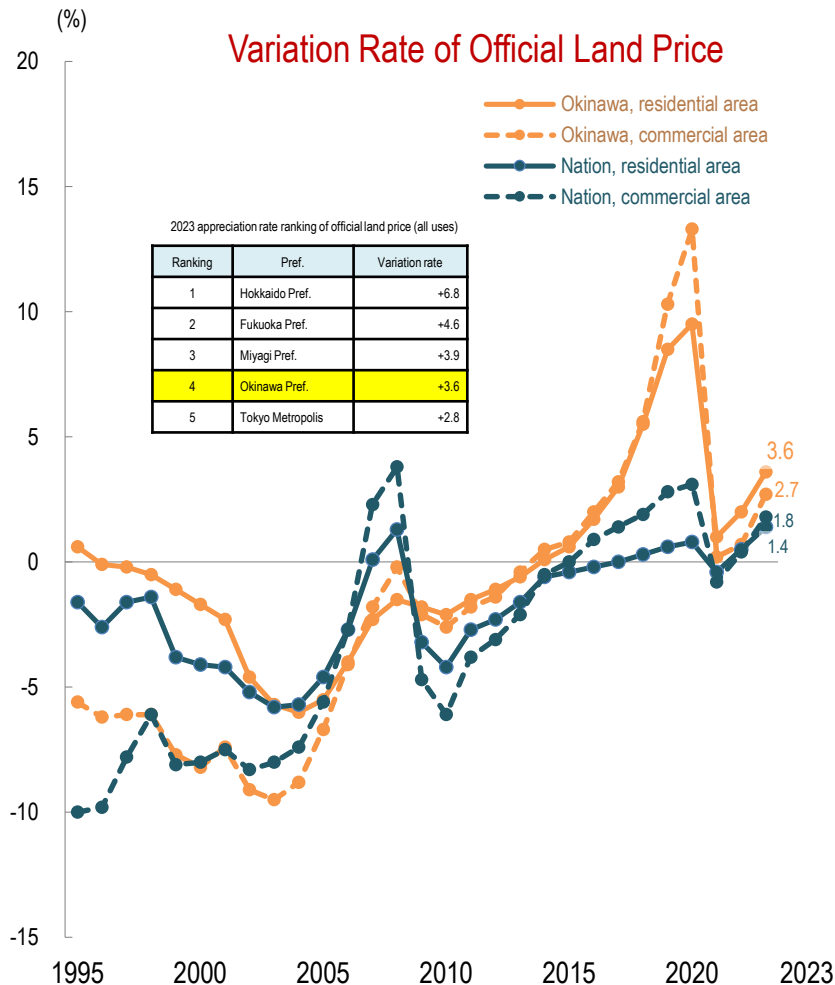
Note: [Total debts as of March 2021: approx. 5.7 billion yen]
 * Accommodation industry: approx. 3.6 billion yen
 * Chemical engineering products manufacturing: approx. 1.7 billion yen

Official Land Price and Construction Unit Price



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Official land prices increased 3.6% year-on-year on average for all land uses. This is the tenth straight year of increase, and the gain was increased 1.6 points higher year-on-year. Construction unit price also tended to be higher than that of the nation.

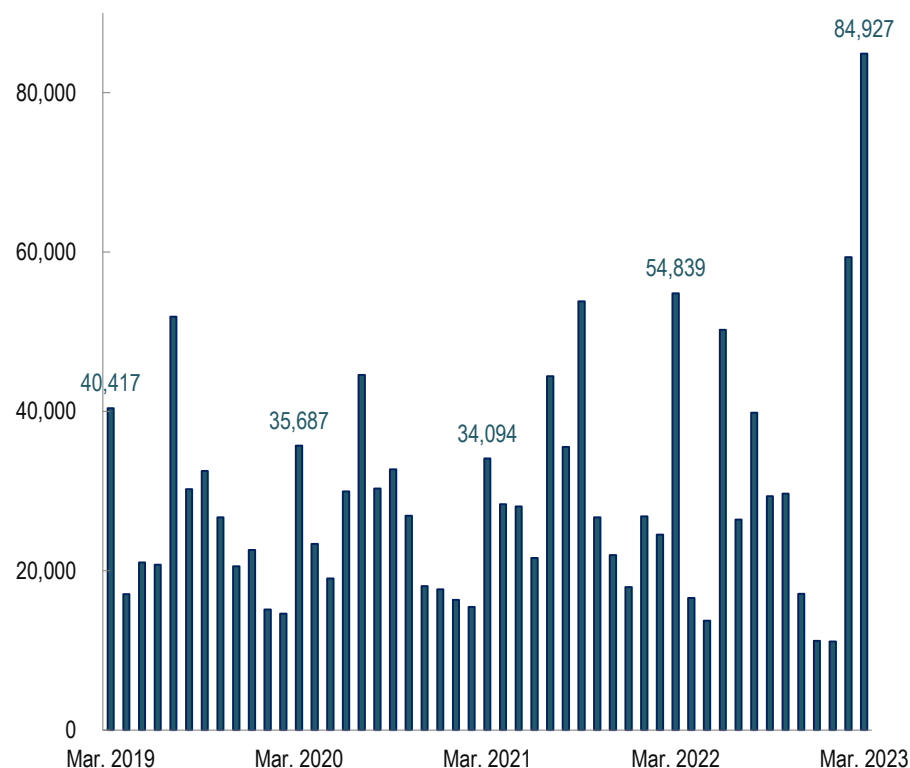


Public Construction Contract Amounts and Backlog Amounts from Construction Order

Public construction contract amounts remained steady in the COVID-19 Crisis, and currently have increased significantly. The variation rate of backlog amounts from the construction order has also remained strong.

Public Construction Contract Amounts

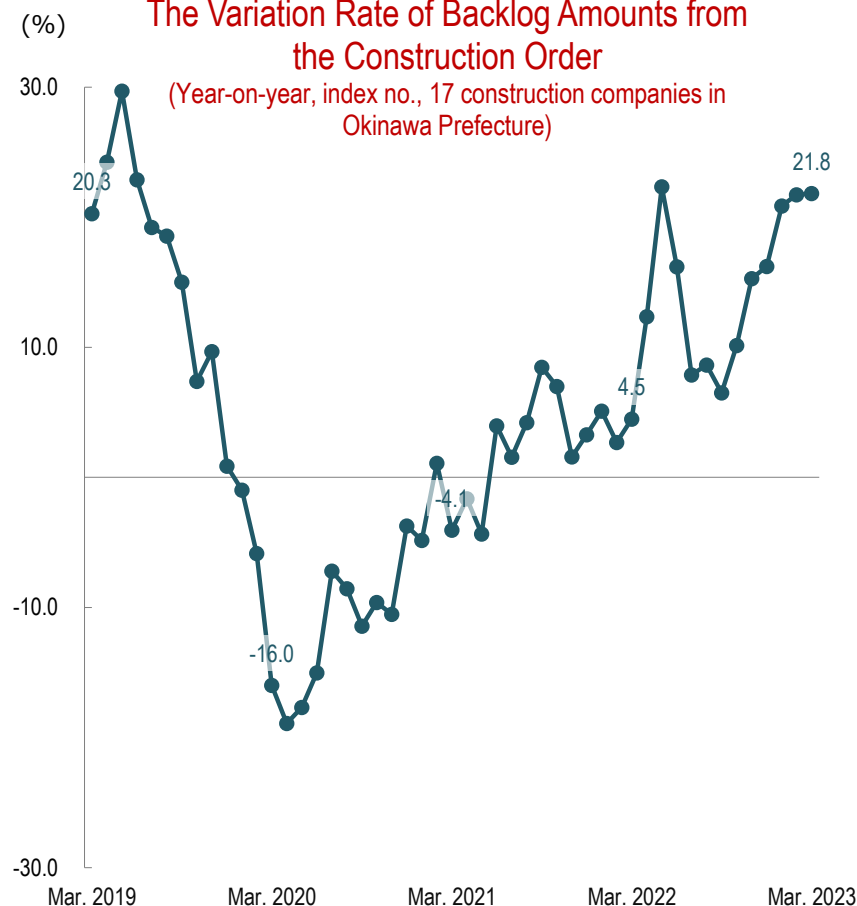
(Million yen)



Source: West Japan Construction Company Okinawa Branch

The Variation Rate of Backlog Amounts from the Construction Order

(Year-on-year, index no., 17 construction companies in Okinawa Prefecture)

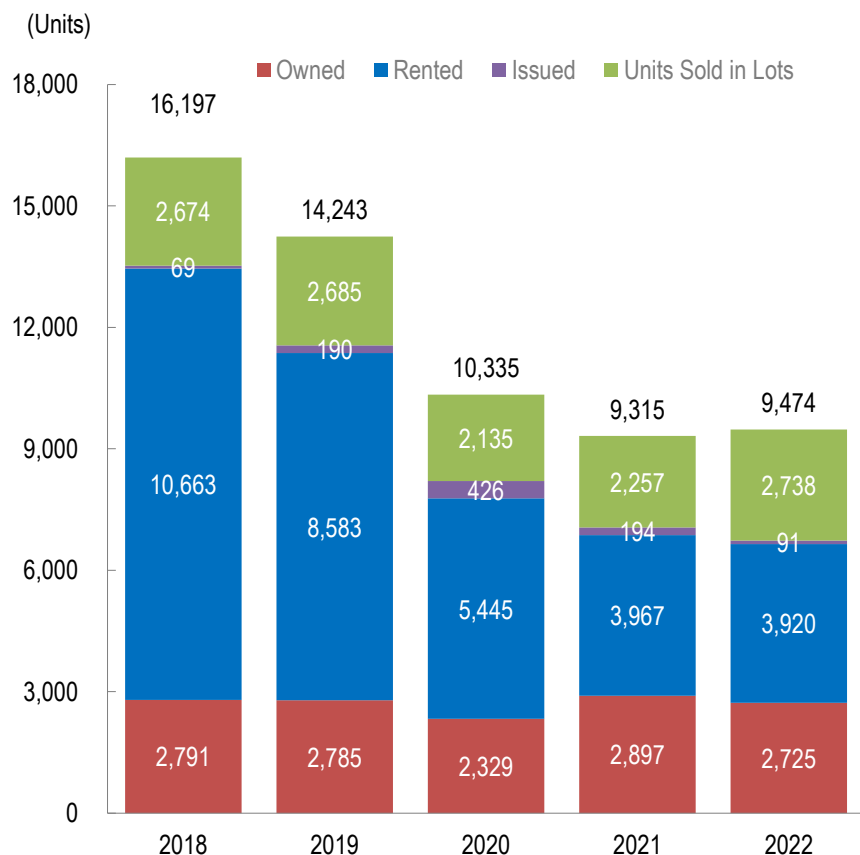


Source: Ryugin Research Institute Ltd.

Numbers of New Housing Construction Projects Started and Consumption Trends

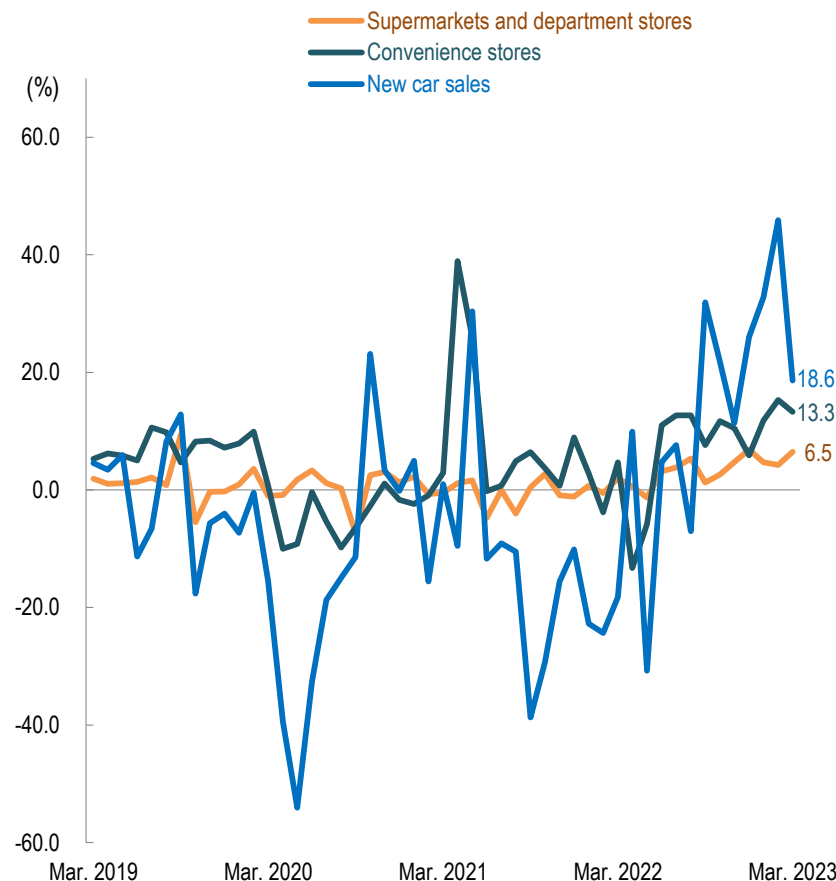
The number of new housing construction projects started turned upward for the first time in five years, and the decline in the rental was also reduced. Consumption trends remain steady.

Numbers of New Housing Construction Projects Started



Source: Ministry of Land, Infrastructure, Transport and Tourism

Consumption trends



Source: Ryugin Research Institute Ltd., Bank of Japan Naha Branch, Okinawa Automobile Dealers Association



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3 About Bank of the Ryukyus

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Bank of the Ryukyus Overview

Company Profile

Establishment

May 1, 1948

Capital

56.967 billion yen

Registered Address

1-11-1 Kumoji, Naha, Okinawa Prefecture
900-0015

Address for
Temporary Relocation

2-1 Higashi-machi, Naha, Okinawa Prefecture
900-0034

No. of Business
Locations

74 in Okinawa Pref., 1 in Tokyo

Total Assets

3.0043 trillion yen

Loans

1.8470 trillion yen

Deposits

2.7410 trillion yen

No. of Employees

1,345

Credit Ratings

R&I: A+
JCR: A+

Affiliated Companies

RL 琉球リース

Address
Establishment
Capital
Business Fields

1-7-1 Kumoji, Naha, Okinawa Prefecture
May 10, 1972
346 million yen (100% stock ownership by Bank of the Ryukyus)
Leasing and installment-selling of information-related devices/equipment, office equipment, and other machinery and equipment

株式会社 JOCOM

Address
Establishment
Capital
Business Fields

11F Ryukyu Lease Sogo Bldg. 1-7-1 Kumoji, Naha, Okinawa Prefecture
December 1, 2022
50 million yen (100% stock ownership by Bank of the Ryukyus)
System design and development, IT infrastructure services, and IT consulting

OCS

Address
Establishment
Capital
Business Fields

2-3-10 Matsuyama, Naha, Okinawa Prefecture
August 26, 2008
279.12 million yen (100% stock ownership by Bank of the Ryukyus)
Credit card, personal trust purchasing mediation, and contracted acquisition operations

RI りゅうぎんディーシー

Address
Establishment
Capital
Business Fields

1-7-1 Kumoji, Naha, Okinawa Prefecture
April 25, 1984
195 million yen (100% stock ownership by Bank of the Ryukyus)
Credit card, loan, and credit guarantee operations

りゅうぎん保証

Address
Establishment
Capital
Business Fields

Naha Port Bldg. 7th floor, 2-1 Higashi-machi, Naha, Okinawa Prefecture
July 2, 1979
20 million yen (100% stock ownership by Bank of the Ryukyus)
Debt obligation guarantee operations and similar in relation to real estate financing and consumer credit

りゅうぎん総合研究所

Address
Establishment
Capital
Business Fields

Ryugin Hoken Kaikan 3rd floor, 1-1-9 Tsubogawa, Naha, Okinawa Prefecture
June 28, 2006
23 million yen (100% stock ownership by Bank of the Ryukyus)
Industrial, economic and monetary surveys; research operations; and planning and operation of lecture events, training sessions, etc.

りゅうぎんビジネスサービス

Address
Establishment
Capital
Business Fields

3-33-1 Yafuso, Urasoe, Okinawa Prefecture
September 16, 1983
10 million yen (100% stock ownership by Bank of the Ryukyus)
Cash inspection and preparation/sorting, ATM maintenance and management, and delivery operations for documents and similar

Bank of the Ryukyus History

May 1948	Precursor organization established via the Military Government Ordinance No. 1
Jan. 1972	The Bank changed from special public corporation based on Military Government Ordinance to joint-stock corporation based on commercial law, and the name changed to Bank of the Ryukyus, Limited
May 1972	Business operating license acquired following Government of the Ryukyu Islands' establishment of the Banking Act, and the Bank changed from a proclamation-based bank to a commercial bank based on the Banking Act
Oct. 1983	Becomes first corporation in Okinawa Prefecture to be listed on the stock market (Tokyo Stock Exchange 2nd Section and Fukuoka Stock Exchange; later listed on Tokyo Stock Exchange 1st Section in Sep. 1985)
Sep. 1999	Fiscal soundness plan established based on 22.7 billion yen capital increase through third-party allocation and 40.0 billion yen in public financing (unsecured convertible bonds)
Jan. 2006	Judankai joint banking system (for 8 regional banks) launched
Oct. 2006	Bank acquires 34 billion yen of stock from among 40 billion yen of public preferred stock and cancels it
July 2010	Completes repayment of public loans to conclude fiscal soundness plan
Apr. 2015	Okinawa Credit Service Co., Ltd. becomes a consolidated subsidiary of the Bank
Jan. 2017	Begins offering customer services for Bank of the Ryukyus Card affiliates
July 2017	Ryukyu Leasing Co., Ltd. becomes wholly owned subsidiary of the Bank
May 2018	Celebrates 70th anniversary of bank founding
Sep. 2018	Capital increase through 5.6 billion yen public offering
Nov. 2019	Bank of the Ryukyus Group SDG Declaration established
Apr. 2020	The Bank joins the TSUBASA Alliance
Dec. 2020	Headquarters temporarily relocated to Naha Port Bldg.
Jan. 2021	The Bank enters into the Okinawa Economic Revitalization Partnership with The Bank of Okinawa
Apr. 2022	Listed on new "Prime Market" section of Tokyo Stock Exchange
Dec. 2022	RYUCOM Co., Ltd. (IT business) becomes a consolidated subsidiary of the Bank
Feb. 2023	We established a joint venture called "Yui Partner Service Corporation" with Okinawa Kaiho Bank, Ltd.
Apr. 2023	Medium-Term Management Plan "Value 2023" launched

Bank of the Ryukyus was originally established on May 1, 1948 as a special banking organization via the Military Government Ordinance, and the US government provided 51 percent of the capital investment. The Bank was modeled after the US Federal Reserve System and Philippine National Bank, and following its initial founding was operated very much like a central bank.

In the spring of 1972, as part of preparations for Okinawa's return to Japanese sovereignty, the Bank was reorganized as a joint-stock corporation and shares in the organization held by the US government were distributed among Okinawa Prefecture citizens. As of this event, our organization began operating as a commercial bank in Japan, and in 1983 we became the first corporation from Okinawa Prefecture to be listed on the stock market.

As part of measures toward greater asset soundness for the Bank and a stronger corporate financial structure, in September 1999 we implemented a 22.7 billion yen capital increase through third-party allocation and also received 40.0 billion yen in public financing. By July 2010, we completed repayment of all public loans.

Okinawa Credit Service Co., Ltd., which handles credit-card business and personal trust purchasing mediation services, became a consolidated subsidiary of the Bank of the Ryukyus Group in April 2015, and Ryukyu Leasing Co., Ltd., which is engaged in comprehensive leasing operations, became a wholly owned subsidiary in July 2017. These and other such changes were implemented in order to strengthen the Group as a whole, thus ensuring provision of high value to our customers.

In April 2020, we joined the TSUBASA Alliance, which is headed up by The Chiba Bank, Ltd. Also, in April 2022, Bank of the Ryukyus was listed on the Tokyo Stock Exchange's new market, the Prime Market. In December of the same year, RYUCOM Co., Ltd. (IT business) became a consolidated subsidiary of the Bank.

In April 2023, we started our medium-term management plan called "Value 2023." With the long-term vision of "achieving a beneficial cycle in the local economy as a financial group that grows together with the local community," we will commit on three basic strategies "expansion of our business foundation, practice of ESG management, and challenges for change" throughout the period. We aim to achieve sustainable growth by emphasizing high-quality consulting service, activities toward decarbonization, new business development, and the cultivation of specialized human resources to implement these emphasis points.

Contact information for questions about this document:

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The information in this document is on a non-consolidated basis unless otherwise specified.

Information is based on guidelines of published data, and some totals presented in this document may not add up due to rounding. In addition, because calculations may involve the use of our unique definitions for illustration and comparison purposes, the numbers presented in this document may not match the published figures.

This document contains information about the future (forward-looking information) such as forecasts, outlooks, objectives and plans concerning the Bank of the Ryukyus. Said forward-looking information was created based on information available as of May 12, 2023 and does not represent a guarantee of future performance.

Certain assumptions and hypotheses are used for descriptions of forward-looking information, but these assumptions and hypotheses may be inaccurate from an objective perspective and may not materialize in the future. Forward-looking information involves risks and uncertainties, so we ask readers to refer to earnings briefs and annual reports from the Bank for more details. The Bank will not update any forward-looking information contained in this document.