

Bank of The Ryukyus, Limited and consolidated subsidiaries

Consolidated Statements of Cash Flows

For the six months ended September 30, 2023 and 2022

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Cash flows from operating activities			
Income before income taxes	¥ 5,374	¥ 5,299	\$ 35,929
Depreciation	1,513	1,463	10,115
Impairment loss on fixed assets	—	4	—
Amortization of goodwill	15	—	106
Increase (decrease) in allowance for loan losses	(2,119)	(894)	(14,168)
Increase (decrease) in reserve for bonuses	56	21	377
Increase (decrease) in reserve for directors' bonuses	(12)	(12)	(81)
(Increase) decrease in net defined benefit asset	28	28	187
Decrease (increase) in net defined benefit liability	25	18	170
Increase (decrease) in reserve for retirement benefits for directors and corporate auditors	(8)	2	(60)
Increase (decrease) in reserve for reimbursement of dormant deposits	—	(0)	—
Decrease (increase) in reserve for contingent losses	(8)	(7)	(57)
Increase (decrease) in reserve for point service program	(3)	1	(20)
Increase (decrease) in reserve for losses on interest payment	(26)	(31)	(178)
Interest income	(14,598)	(14,000)	(97,594)
Interest expenses	965	253	6,456
Other gains (losses), net	501	1,181	3,351
Increase in loans and bills discounted	18,176	(3,664)	121,515
Increase in deposits	30,011	82,858	200,639
Increase in negotiable certificate of deposits	16,248	0	108,627
Increase (decrease) in borrowed money (excepting subordinated borrowings)	(85,286)	(189,259)	(570,176)
Decrease (increase) in due from banks (excluding due from central bank)	(66)	90	(442)
Decrease (increase) in call loans	1,313	(376)	8,778
Increase (decrease) in payables under repurchase agreements	750	36,892	5,016
Net change in foreign exchange accounts (assets)	2,270	(4,531)	15,176
Net change in foreign exchange accounts (liabilities)	2	32	18
Decrease (increase) in lease receivables and lease investment assets	(1,512)	(501)	(10,110)
Interest and dividends received	14,499	14,529	96,934
Interest paid	(978)	(248)	(6,540)
Other, net	(5,912)	(14,109)	(39,529)
Subtotal	(18,781)	(84,957)	(125,561)
Income taxes paid	(890)	(915)	(5,955)
Net cash used in operating activities	(19,672)	(85,872)	(131,516)
Cash flows from investment activities			
Purchases of securities	(234,311)	(123,053)	(1,566,465)
Proceeds from sales of securities	28,471	40,104	190,341
Proceeds from redemptions of securities	25,021	56,040	167,280
Increase in money held in trust	(10,000)	(5,900)	(66,854)
Decrease in money held in trust	10,000	5,000	66,854
Purchases of property, plant and equipment	(2,775)	(2,399)	(18,554)
Purchases of intangible fixed assets	(248)	(394)	(1,662)
Proceeds from sales of property, plant and equipment	67	153	452
Payments for disposal of property, plant and equipment	(8)	(29)	(57)
Net cash used in investment activities	(183,783)	(30,478)	(1,228,665)
Cash flows from financing activities			
Cash dividends paid	(728)	(742)	(4,873)
Payments of lease obligations	(175)	(216)	(1,171)
Purchases of treasury stock	(0)	(0)	(3)
Proceeds from sales of treasury stock	0	0	1
Net cash used in financing activities	(904)	(959)	(6,046)
Effect of exchange rate changes on cash and cash equivalents	63	76	427
Increase (decrease) in cash and cash equivalents	(204,296)	(117,233)	(1,365,800)
Cash and cash equivalents at beginning of the period	598,102	769,963	3,998,544
Cash and cash equivalents at end of the period (Note 2)	¥393,805	¥652,730	\$2,632,744

See accompanying notes to consolidated financial statements.