

Consolidated Financial Results for the fiscal year ended March 31, 2019



May 10, 2019

< under Japanese GAAP >

Company Name:	Bank of The Ryukyus, Limited	Stock Exchange Listing:	Tokyo, Fukuoka
Code Number:	8399	URL:	https://www.ryugin.co.jp
Representative:	Representative Director, President		Yasushi Kawakami
Reference Person in Charge:	Executive Officer, General Planning Dept.		Hitoshi Kinjo
Date of Ordinary General Meeting of Shareholders (scheduled):			June 27, 2019
Commencement of Dividend Payment (scheduled):			June 28, 2019
Securities Report Issuing Date (scheduled):			June 27, 2019
Trading Accounts:			None
Supplemental Information for Financial Statements:			Available
Investor Meeting Presentation:			Scheduled

(Amounts less than one million yen are rounded down.)

1. Consolidated Financial Results (for the fiscal year ended March 31, 2019)

(1) Operating Results

(Unit: Millions of Yen, except per share data and percentages)

	Ordinary Income		Ordinary Profit		Profit Attributable to Owners of the Parent	
Fiscal year ended March 31, 2019	62,117	-1.4%	8,661	-30.1%	6,105	-30.5%
Fiscal year ended March 31, 2018	63,027	3.8%	12,395	27.6%	8,785	35.3%

(Note1) Comprehensive Income: Fiscal year ended March 31, 2019: ¥6,108 million [-34.7%];
Fiscal year ended March 31, 2018: ¥9,358 million [135.3%]

(Note2) Percentages shown in Ordinary Income, Ordinary Profit, Profit Attributable to Owners of the Parent and Comprehensive Income are the increase (decrease) from the same period of the previous year.

	Net Income per Share	Net Income per Share (Diluted)	Return on Equity	Ordinary Profit on Total Assets	Ordinary Profit on Ordinary Income
Fiscal year ended March 31, 2019	¥149.13	¥148.39	5.0%	0.4%	13.9%
Fiscal year ended March 31, 2018	¥230.33	¥229.19	7.8%	0.5%	19.7%

(2) Financial Position

(Unit: Millions of Yen, except per share data and percentages)

	Total Assets	Total Net Assets	Own Capital Ratio	Net Assets per share
March 31, 2019	2,389,613	128,115	5.3%	¥2,982.60
March 31, 2018	2,358,761	117,937	5.0%	¥3,078.12

(Reference) Own Capital: March 31, 2019: ¥127,828 million; March 31, 2018: ¥117,700 million

(Note) Own Capital Ratio = (Total Net Assets - Subscription Rights to Shares - Non-controlling Interests) / Total Assets
The ratio above is not based on the regulation of Capital Adequacy Ratio.

(3) Cash Flows

(Unit: Millions of Yen)

	Cash Flows from Operating activities	Cash Flows from Investing activities	Cash Flows from Financing activities	Cash and cash equivalents at end of period
Fiscal year ended March 31, 2019	(61,286)	120,371	(8,435)	253,626
Fiscal year ended March 31, 2018	(8,384)	1,221	(2,892)	202,959

2. Dividends on Common Stock

(Unit: Millions of Yen, except per share data and percentages)

	Annual Cash Dividends per Share					Total Cash Dividends	Dividends Pay-out Ratio (Consolidated)	Dividends on net assets ratio (Consolidated)
	1 Quarter -End	2 Quarter -End	3 Quarter -End	Fiscal Year -End	Total			
Fiscal year ended March 31, 2018	—	¥17.50	—	¥24.50	¥42.00	1,605	18.2%	1.4%
Fiscal year ended March 31, 2019	—	¥17.50	—	¥17.50	¥35.00	1,500	23.5%	1.2%
Fiscal year ending March 31, 2020 (Forecasts)	—	¥17.50	—	¥17.50	¥35.00		24.2%	

(Note) Dividends for the fiscal year ended March 31, 2018: ordinary dividend ¥17.50, special dividend ¥7.00

3. Consolidated Earnings Forecasts (for the fiscal year ending March 31, 2020)

(Unit: Millions of Yen, except per share data and percentages)

	Ordinary Income		Ordinary Profit		Profit Attributable to Owners of the Parent		Net Income per Share
Six months ending September 30, 2019	30,000	-0.5%	4,200	-3.2%	2,800	-9.3%	¥65.33
Fiscal year ending March 31, 2020	60,200	-3.1%	9,300	7.4%	6,200	1.6%	¥144.66

*** NOTES**

(1) Changes in the scope of consolidated significant subsidiaries in the fiscal year ended March 31, 2019: None

(2) Changes in accounting policies, accounting estimates, and restatements:

(A) Changes in accounting policies due to revision of accounting	None
(B) Changes in accounting policies due to reasons other than (A):	None
(C) Changes in accounting estimates:	None
(D) Restatements:	None

(3) Number of common stocks issued:

(A) Number of stocks issued (including treasury stocks):	March 31, 2019	43,108,470 shares	March 31, 2018	38,508,470 shares
(B) Number of treasury stocks:	March 31, 2019	250,327 shares	March 31, 2018	270,658 shares
(C) Average outstanding stocks for the fiscal year ended:	March 31, 2019	40,936,821 shares	March 31, 2018	38,142,167 shares

Consolidated Financial Statements**(1) Consolidated Balance Sheets**

(Unit: Millions of Yen)

	As of March 31, 2018	As of March 31, 2019
Assets:		
Cash and due from banks	203,196	254,210
Call loans and bills bought	816	707
Monetary claims bought	117	74
Money held in trust	10,461	15,148
Securities	407,845	279,114
Loans and bills discounted	1,599,993	1,698,859
Foreign exchanges	9,405	8,992
Lease receivables and investment assets	21,333	22,183
Other assets	74,568	78,328
Tangible fixed assets	24,097	23,985
Buildings, net	5,846	6,005
Land	14,196	13,188
Lease assets, net	12	15
Construction in progress	24	20
Other tangible fixed assets	4,017	4,756
Intangible fixed assets	3,441	4,266
Software	2,681	2,520
Lease assets	8	6
Other intangible fixed assets	751	1,739
Net defined benefit asset	486	479
Deferred tax assets	4,136	4,181
Customers' liabilities for acceptances and guarantees	7,528	7,788
Allowance for loan losses	(8,669)	(8,708)
Total assets	2,358,761	2,389,613

(Unit: Millions of Yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities:		
Deposits	2,083,768	2,154,239
Negotiable certificates of deposit	24,042	31,428
Payables under repurchase agreements	43,793	21,734
Borrowed money	42,116	19,120
Foreign exchanges	128	108
Bonds payable	12,000	—
Other liabilities	22,976	22,557
Reserve for bonuses	695	696
Net defined benefit liability	622	810
Reserve for retirement benefits for directors and corporate auditors	19	25
Reserve for reimbursement of deposits	175	109
Reserve for contingent losses	118	95
Reserve for point service program	147	158
Reserve for losses on interest payment	496	438
Deferred tax liabilities for land revaluation	2,193	2,188
Acceptances and guarantees	7,528	7,788
Total liabilities	2,240,823	2,261,498
Net assets:		
Capital stock	54,127	56,967
Capital surplus	11,437	14,275
Retained earnings	50,271	54,701
Treasury stock	(375)	(347)
Total shareholders' equity	115,460	125,596
Valuation difference on available-for-sale securities	1,497	1,639
Deferred gains on hedges	(0)	(0)
Revaluation reserve for land	1,323	1,312
Remeasurements of defined benefit plans	(580)	(719)
Total accumulated other comprehensive income	2,239	2,232
Stock acquisition rights	236	286
Total net assets	117,937	128,115
Total liabilities and net assets	2,358,761	2,389,613

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

	(Unit: Millions of Yen)	
	For the year ended March 31, 2018	For the year ended March 31, 2019
Ordinary income	63,027	62,117
Interest income	29,872	29,469
Interest on loans and bills discounted	26,259	26,373
Interest and dividends on securities	3,092	2,408
Interest on call loans and bills bought	12	10
Interest on deposits with banks	86	85
Other interest income	421	590
Fees and commissions	9,362	9,454
Other operating income	18,768	19,421
Other income	5,023	3,772
Reversal of allowance for loan losses	1,244	—
Recoveries of written off claims	695	837
Other	3,084	2,935
Ordinary expenses	50,631	53,456
Interest expenses	1,536	1,535
Interest on deposits	1,288	1,186
Interest on negotiable certificates of deposit	7	8
Interest on call money and bills sold	(19)	(28)
Interest on payables under securities lending transactions	66	240
Interest on borrowings and rediscounts	82	67
Interest on bonds	91	53
Other interest expenses	19	8
Fees and commissions payments	4,411	4,518
Other operating expenses	16,606	16,863
General and administrative expenses	26,611	27,096
Other expenses	1,465	3,441
Provision of allowance for loan losses	—	333
Other	1,465	3,108
Ordinary profit	12,395	8,661
Extraordinary income	13	3
Gain on disposal of non-current assets	13	3
Extraordinary losses	58	123
Loss on disposal of non-current assets	58	91
Impairment loss	—	32
Income before income taxes	12,350	8,541
Income taxes - current	3,038	2,493
Income taxes - deferred	426	(57)
Total income taxes	3,465	2,436
Profit	8,884	6,105
Profit attributable to non-controlling interests	99	—
Profit attributable to owners of the parent	8,785	6,105

(Consolidated Statements of Comprehensive Income)

(Unit: Millions of Yen)

	For the year ended March 31, 2018	For the year ended March 31, 2019
Profit	8,884	6,105
Other comprehensive income	473	3
Valuation difference on available-for-sale securities	(408)	142
Deferred gains or losses on hedges	(0)	(0)
Remeasurements of defined benefit plans	882	(138)
Comprehensive income	9,358	6,108
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	9,258	6,108
Comprehensive income attributable to non-controlling interests	99	—

(3) Consolidated Statements of Changes in Net Assets For the year ended March 31, 2018

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	54,127	10,054	42,822	(481)	106,522
Changes of items during period					
Cash dividends			(1,335)		(1,335)
Profit attributable to owners of the parent			8,785		8,785
Increase by share exchanges		114		612	727
Purchase of treasury shares				(595)	(595)
Sales of treasury shares		(14)		89	74
Change in treasury stock of parent arising from transactions with non-controlling shareholders		1,283			1,283
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	1,382	7,449	106	8,938
Balance at end of current period	54,127	11,437	50,271	(375)	115,460

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	1,905	0	1,323	(1,463)	1,766	238	2,461	110,988
Changes of items during period								
Cash dividends								(1,335)
Profit attributable to owners of the parent								8,785
Increase by share exchanges								727
Purchase of treasury shares								(595)
Sales of treasury shares								74
Change in treasury stock of parent arising from transactions with non-controlling shareholders								1,283
Net changes of items other than shareholders' equity	(408)	(0)	—	882	473	(1)	(2,461)	(1,990)
Total changes of items during period	(408)	(0)	—	882	473	(1)	(2,461)	6,948
Balance at end of current period	1,497	(0)	1,323	(580)	2,239	236	—	117,937

For the year ended March 31, 2019

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	54,127	11,437	50,271	(375)	115,460
Changes of items during period					
Issuance of new shares	2,840	2,840			5,680
Cash dividends			(1,686)		(1,686)
Profit attributable to owners of the parent			6,105		6,105
Reversal of revaluation reserve for land			10		10
Purchase of treasury shares				(2)	(2)
Sales of treasury shares		(2)		30	28
Net changes of items other than shareholders' equity					—
Total changes of items during period	2,840	2,838	4,429	28	10,135
Balance at end of current period	56,967	14,275	54,701	(347)	125,596

	Accumulated other comprehensive income					Stock acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,497	(0)	1,323	(580)	2,239	236	117,937
Changes of items during period							
Issuance of new shares							5,680
Cash dividends							(1,686)
Profit attributable to owners of the parent							6,105
Reversal of revaluation reserve for land							10
Purchase of treasury shares							(2)
Sales of treasury shares							28
Net changes of items other than shareholders' equity	142	(0)	(10)	(138)	(7)	49	42
Total changes of items during period	142	(0)	(10)	(138)	(7)	49	10,177
Balance at end of current period	1,639	(0)	1,312	(719)	2,232	286	128,115

(4) Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

	For the year ended March 31, 2018	For the year ended March 31, 2019
Cash flows from operating activities:		
Income before income taxes	12,350	8,541
Depreciation	2,687	2,786
Impairment loss on fixed assets	—	32
Increase (decrease) in allowance for loan losses	(1,771)	39
Increase (decrease) in reserve for bonuses	122	0
(Increase) decrease in net defined benefit asset	(195)	151
Decrease (increase) in net defined benefit liability	(354)	(154)
Increase (decrease) in reserve for retirement benefits for directors and corporate auditors	5	6
Increase (decrease) in reserve for reimbursement of dormant deposits	(30)	(65)
Decrease (increase) in reserve for contingent losses	(4)	(23)
Increase (decrease) in reserve for point service program	10	10
Increase (decrease) in reserve for losses on interest payment	(84)	(58)
Interest income	(29,872)	(29,469)
Interest expenses	1,536	1,535
Loss (gain) related securities	(1,779)	1
Loss (gain) on money held in trust	38	313
Foreign exchange losses (gains)	(611)	(1,558)
Loss (gain) on disposal of non-current assets	(12)	20
Increase in loans and bills discounted	(88,873)	(98,866)
Increase in deposits	68,871	70,470
Increase in negotiable certificate of deposits	1,116	7,385
Increase (decrease) in borrowed money (excepting subordinated borrowings)	(376)	(22,996)
Decrease (increase) in due from banks (excluding due from central bank)	100	(346)
Decrease (increase) in call loans	3,548	151
Increase (decrease) in payables under repurchase agreements	27,513	(22,059)
Net change in foreign exchange accounts (assets)	(2,100)	413
Net change in foreign exchange accounts (liabilities)	(181)	(19)
Decrease (increase) in lease receivables and lease investment assets	(73)	(843)
Decrease (increase) in initial clearing margin for CCP	(29,300)	(2,700)
Interest and dividends received	30,100	30,590
Interest paid	(1,693)	(1,692)
Other, net	2,272	564
Subtotal	(7,039)	(57,838)
Income taxes paid	(1,344)	(3,447)
Net cash used in operating activities	(8,384)	(61,286)

(Unit: Millions of Yen)

	For the year ended March 31, 2018	For the year ended March 31, 2019
Cash flows from investing activities:		
Purchases of securities	(244,501)	(184,870)
Proceeds from sales of securities	134,379	162,604
Proceeds from redemptions of securities	125,890	151,205
Increase in money held in trust	(10,500)	(5,000)
Decrease in money held in trust	0	—
Purchases of property, plant and equipment	(3,047)	(2,056)
Purchases of intangible fixed assets	(1,251)	(1,984)
Proceeds from sales of property, plant and equipment	286	527
Payments for disposal of property, plant and equipment	(35)	(54)
Net cash provided by investing activities	1,221	120,371
Cash flows from financing activities:		
Repayments of subordinated bonds	—	(12,000)
Proceeds from issuance of shares	—	5,646
Cash dividends paid	(1,334)	(1,689)
Cash dividends paid to minority shareholders	(6)	—
Payments of lease obligations	(479)	(417)
Purchases of treasury stock	(595)	(2)
Proceeds from sales of treasury stock	74	28
Purchase of investments in subsidiaries resulting in no change in scope of consolidation	(550)	—
Net cash used in financing activities	(2,892)	(8,435)
Effect of exchange rate change on cash and cash equivalents	(25)	17
Increase (decrease) in cash and cash equivalents	(10,081)	50,667
Cash and cash equivalents at beginning of period	213,040	202,959
Cash and cash equivalents at end of period	202,959	253,626