

# Consolidated Financial Results for the fiscal year ended March 31, 2020



May 15, 2020

<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 24, 2020
Commencement of Dividend Payment (scheduled):			June 25, 2020
Securities Report Issuing Date (scheduled):			June 24, 2020
Trading Accounts:			None
Supplemental Information for Financial Statements:			Available
Investor Meeting Presentation:			None (Video of financial result briefing is going to be published on the Bank's website.)

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

## 1. Consolidated Financial Results (for the fiscal year ended March 31, 2020)

### (1) Operating Results

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

	Ordinary Income		Ordinary Profit		Profit Attributable to Owners of the Parent	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Fiscal year ended March 31, 2020	62,735	1.0%	6,919	-20.1%	4,951	-18.9%
Fiscal year ended March 31, 2019	62,117	-1.4%	8,661	-30.1%	6,105	-30.5%

(Note1) Comprehensive Income: Fiscal year ended March 31, 2020: ¥3,297 million [-46.0%];  
Fiscal year ended March 31, 2019: ¥6,108 million [-34.7%]

(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, 2020	¥115.40	¥114.87	3.8%	0.3%	11.0%
Fiscal year ended March 31, 2019	¥149.13	¥148.39	5.0%	0.4%	13.9%

### (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, 2020	2,435,689	129,960	5.3%	¥3,021.59
March 31, 2019	2,389,613	128,115	5.3%	¥2,982.60

(Reference) Own Capital: March 31, 2020: ¥129,710 million; March 31, 2019: ¥127,828 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, 2020	31,120	22,952	(1,937)	305,754
Fiscal year ended March 31, 2019	(61,286)	120,371	(8,435)	253,626

## 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, 2019	—	¥17.50	—	¥17.50	¥35.00	1,500	23.5%	1.2%
Fiscal year ended March 31, 2020	—	¥17.50	—	¥17.50	¥35.00	1,502	30.3%	1.2%
Fiscal year ending March 31, 2021 (Forecasts)	—	¥12.50	—	¥12.50	¥25.00		35.8%	

(Note) Considering the negative effect which the pandemic of the COVID-19 causes on our business, figures are estimated as much as we can grasp at the moment, and the dividends of the fiscal year ending March 31, 2021 are forecasted with the dividends payout ratio of approximately 30% that is the same as that of the fiscal year ended March 31, 2020. If business forecasts are changed in the future, dividend forecasts may also be changed.

## 3. Consolidated Earnings Forecasts (for the fiscal year ending March 31, 2021)

(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
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount
Six months ending September 30, 2020	30,000	-5.5%	1,800	-57.6%	1,000	-65.2%	¥23.29
Fiscal year ending March 31, 2021	60,000	-4.4%	5,000	-27.7%	3,000	-39.4%	¥69.88

**\* NOTES**

(1) Changes in the scope of consolidated significant subsidiaries in the fiscal year ended March 31, 2020: None

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

(A) Changes in accounting policies due to revision of accounting standards: 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, 2020	43,108,470 shares	March 31, 2019	43,108,470 shares
(B) Number of treasury stocks:	March 31, 2020	180,749 shares	March 31, 2019	250,327 shares
(C) Average outstanding stocks for the fiscal year ended:	March 31, 2020	42,910,763 shares	March 31, 2019	40,936,821 shares

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

(Unit: Millions of Yen)

	As of March 31, 2019	As of March 31, 2020
<b>Assets:</b>		
Cash and due from banks	254,210	305,962
Call loans and bills bought	707	—
Monetary claims bought	74	34
Money held in trust	15,148	4,103
Securities	279,114	258,436
Loans and bills discounted	1,698,859	1,723,532
Foreign exchanges	8,992	7,955
Lease receivables and investment assets	22,183	24,914
Other assets	78,328	76,425
Tangible fixed assets	23,985	22,766
Buildings, net	6,005	5,738
Land	13,188	13,426
Lease assets, net	15	10
Construction in progress	20	175
Other tangible fixed assets	4,756	3,414
Intangible fixed assets	4,266	4,930
Software	2,520	3,832
Lease assets	6	3
Other intangible fixed assets	1,739	1,094
Net defined benefit asset	479	412
Deferred tax assets	4,181	5,307
Customers' liabilities for acceptances and guarantees	7,788	10,156
Allowance for loan losses	(8,708)	(9,248)
<b>Total assets</b>	<b>2,389,613</b>	<b>2,435,689</b>

(Unit: Millions of Yen)

	As of March 31, 2019	As of March 31, 2020
<b>Liabilities:</b>		
Deposits	2,154,239	2,213,744
Negotiable certificates of deposit	31,428	30,631
Payables under repurchase agreements	21,734	4,001
Borrowed money	19,120	20,123
Foreign exchanges	108	225
Other liabilities	22,557	22,308
Reserve for bonuses	696	674
Net defined benefit liability	810	1,123
Reserve for retirement benefits for directors and corporate auditors	25	35
Reserve for reimbursement of deposits	109	70
Reserve for contingent losses	95	99
Reserve for point service program	158	183
Reserve for losses on interest payment	438	366
Deferred tax liabilities for land revaluation	2,188	1,985
Acceptances and guarantees	7,788	10,156
<b>Total liabilities</b>	<b>2,261,498</b>	<b>2,305,729</b>
<b>Net assets:</b>		
Capital stock	56,967	56,967
Capital surplus	14,275	14,264
Retained earnings	54,701	58,625
Treasury stock	(347)	(250)
<b>Total shareholders' equity</b>	<b>125,596</b>	<b>129,606</b>
Valuation difference on available-for-sale securities	1,639	163
Deferred gains on hedges	(0)	1
Revaluation reserve for land	1,312	838
Remeasurements of defined benefit plans	(719)	(899)
<b>Total accumulated other comprehensive income</b>	<b>2,232</b>	<b>103</b>
Stock acquisition rights	286	250
<b>Total net assets</b>	<b>128,115</b>	<b>129,960</b>
<b>Total liabilities and net assets</b>	<b>2,389,613</b>	<b>2,435,689</b>

(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, 2019	For the year ended March 31, 2020
Ordinary income	62,117	62,735
Interest income	29,469	29,393
Interest on loans and bills discounted	26,373	26,785
Interest and dividends on securities	2,408	1,718
Interest on call loans and bills bought	10	(3)
Interest on deposits with banks	85	84
Other interest income	590	808
Fees and commissions	9,454	9,929
Other operating income	19,421	21,455
Other income	3,772	1,955
Recoveries of written off claims	837	414
Other	2,935	1,541
Ordinary expenses	53,456	55,815
Interest expenses	1,535	1,326
Interest on deposits	1,186	1,265
Interest on negotiable certificates of deposit	8	9
Interest on call money and bills sold	(28)	(18)
Interest on payables under securities lending transactions	240	0
Interest on borrowings and rediscounts	67	65
Interest on bonds	53	—
Other interest expenses	8	3
Fees and commissions payments	4,518	4,885
Other operating expenses	16,863	18,414
General and administrative expenses	27,096	27,439
Other expenses	3,441	3,748
Provision of allowance for loan losses	333	718
Other	3,108	3,029
Ordinary profit	8,661	6,919
Extraordinary income	3	9
Gain on disposal of non-current assets	3	9
Extraordinary losses	123	102
Loss on disposal of non-current assets	91	96
Impairment loss	32	6
Income before income taxes	8,541	6,826
Income taxes - current	2,493	2,527
Income taxes - deferred	(57)	(652)
Total income taxes	2,436	1,874
Profit	6,105	4,951
Profit attributable to owners of the parent	6,105	4,951

## (Consolidated Statements of Comprehensive Income)

(Unit: Millions of Yen)

	For the year ended March 31, 2019	For the year ended March 31, 2020
<b>Profit</b>	6,105	4,951
<b>Other comprehensive income</b>	3	(1,654)
Valuation difference on available-for-sale securities	142	(1,476)
Deferred gains or losses on hedges	(0)	2
Remeasurements of defined benefit plans	(138)	(180)
<b>Comprehensive income</b>	6,108	3,297
Comprehensive income attributable to:		
Owners of the parent	6,108	3,297

(3) Consolidated Statements of Changes in Net Assets  
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

For the year ended March 31, 2020

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	56,967	14,275	54,701	(347)	125,596
Changes of items during period					
Cash dividends			(1,501)		(1,501)
Profit attributable to owners of the parent			4,951		4,951
Reversal of revaluation reserve for land			473		473
Purchase of treasury shares				(1)	(1)
Sales of treasury shares		(11)		98	87
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	(11)	3,924	96	4,010
Balance at end of current period	56,967	14,264	58,625	(250)	129,606

	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	1,639	(0)	1,312	(719)	2,232	286	128,115
Changes of items during period							
Cash dividends							(1,501)
Profit attributable to owners of the parent							4,951
Reversal of revaluation reserve for land							473
Purchase of treasury shares							(1)
Sales of treasury shares							87
Net changes of items other than shareholders' equity	(1,476)	2	(473)	(180)	(2,128)	(35)	(2,164)
Total changes of items during period	(1,476)	2	(473)	(180)	(2,128)	(35)	1,845
Balance at end of current period	163	1	838	(899)	103	250	129,960



## (4) Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

	For the year ended March 31, 2019	For the year ended March 31, 2020
<b>Cash flows from operating activities:</b>		
Income before income taxes	8,541	6,826
Depreciation	2,786	2,967
Impairment loss on fixed assets	32	6
Increase (decrease) in allowance for loan losses	39	540
Increase (decrease) in reserve for bonuses	0	(21)
(Increase) decrease in net defined benefit asset	151	230
Decrease (increase) in net defined benefit liability	(154)	(108)
Increase (decrease) in reserve for retirement benefits for directors and corporate auditors	6	9
Increase (decrease) in reserve for reimbursement of dormant deposits	(65)	(39)
Decrease (increase) in reserve for contingent losses	(23)	4
Increase (decrease) in reserve for point service program	10	25
Increase (decrease) in reserve for losses on interest payment	(58)	(71)
Interest income	(29,469)	(29,393)
Interest expenses	1,535	1,326
Loss (gain) related securities	1	920
Loss (gain) on money held in trust	313	93
Foreign exchange losses (gains)	(1,558)	(1,079)
Loss (gain) on disposal of non-current assets	20	25
Increase in loans and bills discounted	(98,866)	(24,672)
Increase in deposits	70,470	59,504
Increase in negotiable certificate of deposits	7,385	(797)
Increase (decrease) in borrowed money (excepting subordinated borrowings)	(22,996)	1,003
Decrease (increase) in due from banks (excluding due from central bank)	(346)	376
Decrease (increase) in call loans	151	747
Increase (decrease) in payables under repurchase agreements	(22,059)	(17,733)
Net change in foreign exchange accounts (assets)	413	1,037
Net change in foreign exchange accounts (liabilities)	(19)	117
Decrease (increase) in lease receivables and lease investment assets	(843)	(2,731)
Decrease (increase) in initial clearing margin for CCP	(2,700)	—
Interest and dividends received	30,590	31,827
Interest paid	(1,692)	(1,398)
Other, net	564	3,734
Subtotal	(57,838)	33,278
Income taxes paid	(3,447)	(2,157)
<b>Net cash provided by (used in) operating activities</b>	<b>(61,286)</b>	<b>31,120</b>

(Unit: Millions of Yen)

	For the year ended March 31, 2019	For the year ended March 31, 2020
<b>Cash flows from investing activities:</b>		
Purchases of securities	(184,870)	(377,557)
Proceeds from sales of securities	162,604	315,074
Proceeds from redemptions of securities	151,205	76,921
Increase in money held in trust	(5,000)	(16,800)
Decrease in money held in trust	—	27,750
Purchases of property, plant and equipment	(2,056)	(1,902)
Purchases of intangible fixed assets	(1,984)	(1,990)
Proceeds from sales of property, plant and equipment	527	1,535
Payments for disposal of property, plant and equipment	(54)	(76)
<b>Net cash provided by investing activities</b>	<b>120,371</b>	<b>22,952</b>
<b>Cash flows from financing activities:</b>		
Repayments of subordinated bonds	(12,000)	—
Proceeds from issuance of shares	5,646	—
Cash dividends paid	(1,689)	(1,498)
Payments of lease obligations	(417)	(438)
Purchases of treasury stock	(2)	(1)
Proceeds from sales of treasury stock	28	0
<b>Net cash used in financing activities</b>	<b>(8,435)</b>	<b>(1,937)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>17</b>	<b>(7)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>50,667</b>	<b>52,128</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>202,959</b>	<b>253,626</b>
<b>Cash and cash equivalents at end of period</b>	<b>253,626</b>	<b>305,754</b>