

Consolidated Financial Results for the six months ended September 30, 2020



November 6, 2020

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	Phone: +81-98-866-1212
Securities Report Issuing Date (scheduled):		November 26, 2020	
Commencement of Dividend Payment (scheduled):		December 4, 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 six months ended September 30, 2020)

(1) Operating Results

(Unit: Millions of Yen)

	Ordinary Income		Ordinary Profit		Profit Attributable to Owners of the Parent	
	Amount	% Change	Amount	% Change	Amount	% Change
Six months ended September 30, 2020	¥29,036	-8.5%	¥2,312	-45.6%	¥1,435	-50.1%
Six months ended September 30, 2019	¥31,730	5.3%	¥4,249	-2.1%	¥2,874	-6.9%

(Note1) Comprehensive Income: Six months ended September 30, 2020: ¥1,761 million [-45.1%];
Six months ended September 30, 2019: ¥3,208 million [2.0%]

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

	Net Income per Share	Net Income per Share (Diluted)
Six months ended September 30, 2020	¥33.42	¥33.28
Six months ended September 30, 2019	¥67.01	¥66.70

(2) Financial Position

(Unit: Millions of Yen)

	Total Assets	Total Net Assets	Own Capital Ratio
September 30, 2020	¥2,727,012	¥131,006	4.8%
March 31, 2020	¥2,435,689	¥129,960	5.3%

(Reference) Own Capital: September 30, 2020: ¥130,787 million; March 31, 2020: ¥129,710 million

(Note) Own Capital Ratio = (Total Net Assets – Stock Acquisition Rights) / Total Assets
The ratio above is not based on the regulation of Capital Adequacy Ratio.

2. Dividends on Common Stock

	Annual Cash Dividends per Share				
	1 Quarter -End	2 Quarter -End	3 Quarter -End	Fiscal Year -End	Total
Fiscal year ended March 31, 2020	—	¥17.50	—	¥17.50	¥35.00
Fiscal year ending March 31, 2021	—	¥12.50	—	—	—
Fiscal year ending March 31, 2021 (Forecasts)	—	—	—	¥12.50	¥25.00

(Note) Revisions to the most recently announced earnings forecast: None

(Note) Dividend forecasts for the fiscal year ending March 31, 2021 are calculated to the extent that it can be grasped at the moment considering the impact of COVID-19 on the business performance, and the payout ratio is set at about 30 percent which is the same level as the previous year. In case the earnings forecast fluctuates in the future, the dividend forecasts may also change.

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	
Fiscal year ending March 31, 2021	¥60,000	-4.4%	¥5,000	-27.7%	¥3,000	-39.4%	¥69.88

(Note) Revisions to the most recently announced earnings forecast: None

*** NOTES**

(1) Changes in the scope of consolidated significant subsidiaries in the six months ended September 30, 2020: 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):

September 30, 2020	43,108,470 shares	March 31, 2020	43,108,470 shares
September 30, 2020	122,701 shares	March 31, 2020	180,749 shares
September 30, 2020	42,962,413 shares	September 30, 2019	42,893,589 shares

(B) Number of treasury stocks:

(C) Average outstanding stocks for the
six months ended:

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of Yen)

	As of March 31, 2020	As of September 30, 2020
Assets:		
Cash and due from banks	305,962	501,599
Monetary claims bought	34	21
Money held in trust	4,103	8,082
Securities	258,436	317,594
Loans and bills discounted	1,723,532	1,754,947
Foreign exchanges	7,955	9,705
Lease receivables and investment assets	24,914	23,609
Other assets	76,425	77,567
Tangible fixed assets	22,766	22,755
Intangible fixed assets	4,930	5,316
Net defined benefit asset	412	413
Deferred tax assets	5,307	5,434
Customers' liabilities for acceptances and guarantees	10,156	10,472
Allowance for loan losses	(9,248)	(10,508)
Total assets	2,435,689	2,727,012

(Unit: Millions of Yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities:		
Deposits	2,213,744	2,400,805
Negotiable certificates of deposit	30,631	42,841
Payables under repurchase agreements	4,001	1,049
Borrowed money	20,123	114,244
Foreign exchanges	225	66
Other liabilities	22,308	22,072
Reserve for bonuses	674	699
Net defined benefit liability	1,123	1,069
Reserve for retirement benefits for directors and corporate auditors	35	7
Reserve for reimbursement of deposits	70	69
Reserve for contingent losses	99	117
Reserve for point service program	183	181
Reserve for losses on interest payment	366	322
Deferred tax liabilities for land revaluation	1,985	1,985
Acceptances and guarantees	10,156	10,472
Total liabilities	2,305,729	2,596,005
Net assets:		
Capital stock	56,967	56,967
Capital surplus	14,264	14,250
Retained earnings	58,625	59,309
Treasury stock	(250)	(169)
Total shareholders' equity	129,606	130,357
Valuation difference on available-for-sale securities	163	416
Deferred gains on hedges	1	—
Revaluation reserve for land	838	838
Remeasurements of defined benefit plans	(899)	(825)
Total accumulated other comprehensive income	103	429
Stock acquisition rights	250	219
Total net assets	129,960	131,006
Total liabilities and net assets	2,435,689	2,727,012

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

	(Unit: Millions of Yen)	
	For the six months ended September 30, 2019	For the six months ended September 30, 2020
Ordinary income	31,730	29,036
Interest income	14,527	14,067
Interest on loans and bills discounted	13,329	13,307
Interest and dividends on securities	707	705
Fees and commissions	4,990	4,845
Other operating income	11,441	9,517
Other income	771	605
Ordinary expenses	27,481	26,723
Interest expenses	724	250
Interest on deposits	698	211
Fees and commissions payments	2,449	2,221
Other operating expenses	9,313	8,283
General and administrative expenses	13,756	13,988
Other expenses	1,236	1,980
Ordinary profit	4,249	2,312
Extraordinary income	9	0
Gain on disposal of non-current assets	9	0
Extraordinary losses	36	49
Loss on disposal of non-current assets	30	40
Impairment loss	6	9
Income before income taxes	4,222	2,263
Income taxes - current	1,581	1,089
Income taxes - deferred	(233)	(262)
Total income taxes	1,348	827
Profit	2,874	1,435
Profit attributable to owners of the parent	2,874	1,435

(Consolidated Statements of Comprehensive Income)

(Unit: Millions of Yen)

	For the six months ended September 30, 2019	For the six months ended September 30, 2020
Profit	2,874	1,435
Other comprehensive income	334	326
Valuation difference on available-for-sale securities	249	253
Deferred gains or losses on hedges	3	(1)
Remeasurements of defined benefit plans	81	73
Comprehensive income	3,208	1,761
(Comprehensive income attributable to:)		
Owners of the parent	3,208	1,761

(3) Consolidated Statements of Changes in Net Assets
For the six months ended September 30, 2019

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	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			(750)		(750)
Profit attributable to owners of the parent			2,874		2,874
Purchase of treasury stocks				(0)	(0)
Sales of treasury stocks		(11)		98	87
Reversal of revaluation reserve for land			460		460
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	(11)	2,584	97	2,671
Balance at end of current period	56,967	14,264	57,285	(250)	128,267

	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							(750)
Profit attributable to owners of the parent							2,874
Purchase of treasury stocks							(0)
Sales of treasury stocks							87
Reversal of revaluation reserve for land							460
Net changes of items other than shareholders' equity	249	3	(460)	81	(126)	(35)	(162)
Total changes of items during period	249	3	(460)	81	(126)	(35)	2,509
Balance at end of current period	1,889	2	851	(637)	2,105	250	130,624

For the six months ended September 30, 2020

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	56,967	14,264	58,625	(250)	129,606
Changes of items during period					
Cash dividends			(751)		(751)
Profit attributable to owners of the parent			1,435		1,435
Purchase of treasury stocks				(0)	(0)
Sales of treasury stocks		(14)		80	66
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	(14)	684	80	750
Balance at end of current period	56,967	14,250	59,309	(169)	130,357

	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	163	1	838	(899)	103	250	129,960
Changes of items during period							
Cash dividends							(751)
Profit attributable to owners of the parent							1,435
Purchase of treasury stocks							(0)
Sales of treasury stocks							66
Net changes of items other than shareholders' equity	253	(1)	—	73	326	(31)	295
Total changes of items during period	253	(1)	—	73	326	(31)	1,045
Balance at end of current period	416	—	838	(825)	429	219	131,006