

Consolidated Financial Results for the fiscal year ended March 31, 2021



May 13, 2021

<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:	General Manager, General Planning Dept.		Ken Shimabukuro
Date of Ordinary General Meeting of Shareholders (scheduled):			June 22, 2021
Commencement of Dividend Payment (scheduled):			June 23, 2021
Securities Report Issuing Date (scheduled):			June 22, 2021
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, 2021)

(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, 2021	57,278	-8.7%	3,844	-44.4%	2,579	-47.9%
Fiscal year ended March 31, 2020	62,735	1.0%	6,919	-20.1%	4,951	-18.9%

(Note1) Comprehensive Income: Fiscal year ended March 31, 2021: ¥3,108 million [-5.7%];
Fiscal year ended March 31, 2020: ¥3,297 million [-46.0%]

(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, 2021	¥ 60.03	¥ 59.79	2.0%	0.1%	6.7%
Fiscal year ended March 31, 2020	¥115.40	¥114.87	3.8%	0.3%	11.0%

(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, 2021	2,778,142	131,815	4.7%	¥3,061.43
March 31, 2020	2,435,689	129,960	5.3%	¥3,021.59

(Reference) Own Capital: March 31, 2021: ¥131,596 million; March 31, 2020: ¥129,710 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, 2021	295,374	(74,702)	(1,744)	524,688
Fiscal year ended March 31, 2020	31,120	22,952	(1,937)	305,754

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, 2020	—	¥17.50	—	¥17.50	¥35.00	1,502	30.3%	1.2%
Fiscal year ended March 31, 2021	—	¥12.50	—	¥12.50	¥25.00	1,074	41.6%	0.8%
Fiscal year ending March 31, 2022 (Forecasts)	—	¥17.50	—	¥17.50	¥35.00		32.7%	

3. Consolidated Earnings Forecasts (for the fiscal year ending March 31, 2022)

(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, 2021	28,100	-3.2%	3,100	34.1%	2,300	60.3%	¥53.51
Fiscal year ending March 31, 2022	56,300	-1.7%	6,600	71.7%	4,600	78.4%	¥107.01

*** NOTES**

(1) Changes in the scope of consolidated significant subsidiaries in the fiscal year ended March 31, 2021: 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, 2021	43,108,470 shares	March 31, 2020	43,108,470 shares
(B) Number of treasury stocks:	March 31, 2021	123,141 shares	March 31, 2020	180,749 shares
(C) Average outstanding stocks for the fiscal year ended:	March 31, 2021	42,973,909 shares	March 31, 2020	42,910,763 shares

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

(Unit: Millions of Yen)

	As of March 31, 2020	As of March 31, 2021
Assets:		
Cash and due from banks	305,962	525,140
Call loans and bills bought	—	506
Monetary claims bought	34	9
Money held in trust	4,103	533
Securities	258,436	333,047
Loans and bills discounted	1,723,532	1,778,890
Foreign exchanges	7,955	7,636
Lease receivables and investment assets	24,914	23,090
Other assets	76,425	75,114
Tangible fixed assets	22,766	23,238
Buildings, net	5,738	6,097
Land	13,426	13,274
Lease assets, net	10	6
Construction in progress	175	381
Other tangible fixed assets	3,414	3,478
Intangible fixed assets	4,930	5,155
Software	3,832	4,587
Lease assets	3	1
Other intangible fixed assets	1,094	566
Net defined benefit asset	412	815
Deferred tax assets	5,307	5,932
Customers' liabilities for acceptances and guarantees	10,156	11,224
Allowance for loan losses	(9,248)	(12,192)
Total assets	2,435,689	2,778,142

(Unit: Millions of Yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities:		
Deposits	2,213,744	2,453,399
Negotiable certificates of deposit	30,631	25,807
Payables under repurchase agreements	4,001	1,093
Borrowed money	20,123	128,573
Foreign exchanges	225	154
Other liabilities	22,308	21,927
Reserve for bonuses	674	683
Net defined benefit liability	1,123	890
Reserve for retirement benefits for directors and corporate auditors	35	10
Reserve for reimbursement of deposits	70	35
Reserve for contingent losses	99	112
Reserve for point service program	183	193
Reserve for losses on interest payment	366	274
Deferred tax liabilities for land revaluation	1,985	1,947
Acceptances and guarantees	10,156	11,224
Total liabilities	2,305,729	2,646,326
Net assets:		
Capital stock	56,967	56,967
Capital surplus	14,264	14,250
Retained earnings	58,625	60,004
Treasury stock	(250)	(170)
Total shareholders' equity	129,606	131,051
Valuation difference on available-for-sale securities	163	174
Deferred gains on hedges	1	—
Revaluation reserve for land	838	751
Remeasurements of defined benefit plans	(899)	(380)
Total accumulated other comprehensive income	103	544
Stock acquisition rights	250	219
Total net assets	129,960	131,815
Total liabilities and net assets	2,435,689	2,778,142

(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, 2020	For the year ended March 31, 2021
Ordinary income	62,735	57,278
Interest income	29,393	27,999
Interest on loans and bills discounted	26,785	26,558
Interest and dividends on securities	1,718	1,302
Interest on call loans and bills bought	(3)	(16)
Interest on deposits with banks	84	132
Other interest income	808	22
Fees and commissions	9,929	9,938
Other operating income	21,455	18,149
Other income	1,955	1,191
Recoveries of written off claims	414	303
Other	1,541	888
Ordinary expenses	55,815	53,433
Interest expenses	1,326	414
Interest on deposits	1,265	337
Interest on negotiable certificates of deposit	9	7
Interest on call money and bills sold	(18)	(1)
Interest on payables under securities lending transactions	0	3
Interest on borrowings and rediscounts	65	64
Other interest expenses	3	1
Fees and commissions payments	4,885	4,327
Other operating expenses	18,414	15,936
General and administrative expenses	27,439	27,792
Other expenses	3,748	4,961
Provision of allowance for loan losses	718	3,187
Other	3,029	1,774
Ordinary profit	6,919	3,844
Extraordinary income	9	43
Gain on disposal of non-current assets	9	43
Extraordinary losses	102	159
Loss on disposal of non-current assets	96	137
Impairment loss	6	21
Income before income taxes	6,826	3,728
Income taxes - current	2,527	1,976
Income taxes - deferred	(652)	(827)
Total income taxes	1,874	1,149
Profit	4,951	2,579
Profit attributable to owners of the parent	4,951	2,579

(Consolidated Statements of Comprehensive Income)

(Unit: Millions of Yen)

	For the year ended March 31, 2020	For the year ended March 31, 2021
Profit	4,951	2,579
Other comprehensive income	(1,654)	529
Valuation difference on available-for-sale securities	(1,476)	11
Deferred gains or losses on hedges	2	(1)
Remeasurements of defined benefit plans	(180)	519
Comprehensive income	3,297	3,108
Comprehensive income attributable to:		
Owners of the parent	3,297	3,108

(3) Consolidated Statements of Changes in Net Assets
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

For the year ended March 31, 2021

(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	14,264	58,625	(250)	129,606
Changes of items during period					
Cash dividends			(1,288)		(1,288)
Profit attributable to owners of the parent			2,579		2,579
Reversal of revaluation reserve for land			87		87
Purchase of treasury shares				(0)	(0)
Sales of treasury shares		(14)		80	66
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	(14)	1,379	80	1,444
Balance at end of current period	56,967	14,250	60,004	(170)	131,051

	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							(1,288)
Profit attributable to owners of the parent							2,579
Reversal of revaluation reserve for land							87
Purchase of treasury shares							(0)
Sales of treasury shares							66
Net changes of items other than shareholders' equity	11	(1)	(87)	519	441	(31)	410
Total changes of items during period	11	(1)	(87)	519	441	(31)	1,855
Balance at end of current period	174	—	751	(380)	544	219	131,815

(4) Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

	For the year ended March 31, 2020	For the year ended March 31, 2021
Cash flows from operating activities:		
Income before income taxes	6,826	3,728
Depreciation	2,967	2,936
Impairment loss on fixed assets	6	21
Increase (decrease) in allowance for loan losses	540	2,943
Increase (decrease) in reserve for bonuses	(21)	9
(Increase) decrease in net defined benefit asset	230	235
Decrease (increase) in net defined benefit liability	(108)	(130)
Increase (decrease) in reserve for retirement benefits for directors and corporate auditors	9	(25)
Increase (decrease) in reserve for reimbursement of dormant deposits	(39)	(35)
Decrease (increase) in reserve for contingent losses	4	12
Increase (decrease) in reserve for point service program	25	10
Increase (decrease) in reserve for losses on interest payment	(71)	(91)
Interest income	(29,393)	(27,999)
Interest expenses	1,326	414
Loss (gain) related securities	920	(129)
Loss (gain) on money held in trust	93	245
Foreign exchange losses (gains)	(1,079)	53
Loss (gain) on disposal of non-current assets	25	94
Increase in loans and bills discounted	(24,672)	(55,357)
Increase in deposits	59,504	239,655
Increase in negotiable certificate of deposits	(797)	(4,823)
Increase (decrease) in borrowed money (excepting subordinated borrowings)	1,003	108,450
Decrease (increase) in due from banks (excluding due from central bank)	376	(243)
Decrease (increase) in call loans	747	(481)
Increase (decrease) in payables under repurchase agreements	(17,733)	(2,908)
Net change in foreign exchange accounts (assets)	1,037	318
Net change in foreign exchange accounts (liabilities)	117	(71)
Decrease (increase) in lease receivables and lease investment assets	(2,731)	1,814
Interest and dividends received	31,827	28,259
Interest paid	(1,398)	(505)
Other, net	3,734	1,500
Subtotal	33,278	297,900
Income taxes paid	(2,157)	(2,525)
Net cash provided by operating activities	31,120	295,374

(Unit: Millions of Yen)

	For the year ended March 31, 2020	For the year ended March 31, 2021
Cash flows from investing activities:		
Purchases of securities	(377,557)	(179,020)
Proceeds from sales of securities	315,074	67,473
Proceeds from redemptions of securities	76,921	36,934
Increase in money held in trust	(16,800)	(23,200)
Decrease in money held in trust	27,750	26,492
Purchases of property, plant and equipment	(1,902)	(2,100)
Purchases of intangible fixed assets	(1,990)	(1,571)
Proceeds from sales of property, plant and equipment	1,535	382
Payments for disposal of property, plant and equipment	(76)	(92)
Net cash provided by (used in) investing activities	22,952	(74,702)
Cash flows from financing activities:		
Cash dividends paid	(1,498)	(1,291)
Payments of lease obligations	(438)	(453)
Purchases of treasury stock	(1)	(0)
Proceeds from sales of treasury stock	0	0
Net cash used in financing activities	(1,937)	(1,744)
Effect of exchange rate change on cash and cash equivalents	(7)	6
Increase in cash and cash equivalents	52,128	218,934
Cash and cash equivalents at beginning of period	253,626	305,754
Cash and cash equivalents at end of period	305,754	524,688