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Consolidated Financial Results for the Three Months Ended June 30, 2023 (Under Japanese GAAP)

August 8, 2023

Company name: Rakuten Bank, Ltd. Listing: Tokyo Stock Exchange
Securities code: 5838 URL: https://www.rakuten-bank.co.jp/corp/english/
Representative: Hiroyuki Nagai, President and CEO
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Scheduled date to file quarterly securities report: August 10, 2023
Scheduled date to commence dividend payments: -
Trading accounts: None Supplementary material on financial results: Yes
Financial results briefing: Scheduled (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (from April 1, 2023 to June 30,2023)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Ordinary Income		Ordinary Profit		Profit Attributable to Owners of Parent	
Three Months Ended	JPY million	%	JPY million	%	JPY million	%
June 30, 2023	32,635	12.2	11,369	23.3	8,087	22.3
June 30, 2022	29,077	9.7	9,217	31.3	6,608	32.2

(Note) Comprehensive income For the three months ended June30, 2023: JPY 12,063 million [57.9%]
For the three months ended June30, 2022: JPY 7,638 million [30.9%]

	Profit per Share	Diluted Profit per Share
Three Months Ended	JPY	JPY
June 30, 2023	47.37	—
June 30, 2022	40.18	—

(Note) 1. The Company conducted a seventy for one stock split of its common shares effective September 27, 2022. Accordingly, the profit per share has been calculated based on the assumption that the stock split was carried out at the beginning of the fiscal year ended March 31, 2023.
2. “Diluted Profit per Share” is not stated as there are no diluted shares.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Own Capital Ratio
As of	JPY million	JPY million	%
June 30, 2023	12,011,139	257,071	1.9
March 31, 2023	11,589,508	231,684	1.8

(Reference) Own Capital: June 30, 2023 JPY 237,546 million, March 31, 2023 JPY 213,032 million

(Note) “Own Capital Ratio” is calculated as follows: (Total net assets – Subscription rights to share – Minority interest) / Total Assets x 100 at year end. Own Capital Ratio stated above is not Capital Adequacy Ratio (Japanese domestic standard).

2. Dividends Distribution

	Annual dividends per share				
	First Quarter-End	Second Quarter-End	Third Quarter-End	Fiscal Year-End	Total
Fiscal Year Ended	Yen	Yen	Yen	Yen	Yen
March 31, 2023	—	0.00	—	0.00	0.00
Fiscal Year Ending March 31, 2024	—				
Fiscal Year Ending March 31, 2024 (Forecast)		0.00	—	0.00	0.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Forecasts for the Fiscal Year Ending March 31, 2024（from April 1, 2023 to March 31, 2024）

(Percentages indicate year-on-year changes.)

	Ordinary Income		Ordinary Profit		Profit Attributable to Owners of Parent		Profit per Share
Fiscal Year Ending	JPY million	%	JPY million	%	JPY million	%	JPY
March 31, 2024	134,849	11.9	44,563	15.0	31,549	13.9	181.79

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

※ Special notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatements

(i) Changes in accounting policies due to revision of accounting standards and other regulations: None

(ii) Changes in accounting policies due to reasons other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2023	174,482,380 shares
As of March 31, 2023	164,463,880 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2023	— shares
As of March 31, 2023	— shares

(iii) Average number of shares outstanding during the period

As of June 30, 2023	170,723,110 shares
As of March 31, 2023	164,463,880 shares

(Note) The Company conducted a seventy for one stock split of its common shares effective September 27, 2022. The items in "(4) Number of issued shares (common shares)" are calculated based on the assumption that the stock split was carried out at the beginning of the fiscal year ended March 31, 2023.

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements contained in this document, including the financial results forecasts, are based on information currently available to the Company and certain assumptions deemed to be reasonable, and the Company does not promise achievement. Actual results may differ significantly from these forecasts due to a wide range of factors.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the three months ended June 30, 2023, the global economy was on the path to recovery following the easing of strict restrictions on activities as COVID-19 countermeasures. On the other hand, there were concerns about a possible economic slowdown due to the effect of rising energy prices and soaring raw materials prices stemming from the protracted Russia-Ukraine situation, persisting high inflation rates, and monetary tightening mainly in the United States and Europe.

The Japanese economy, despite some weakness, saw signs of recovery as personal consumption and capital investment picked up owing to the downgrading of COVID-19 to a Class 5 infectious disease in May 2023, in addition to the effects of COVID-19 vaccination and various policies. In the course of responding to COVID-19, the digital shift in personal lives and corporate activities progressed. This trend is expected to continue, and we recognize that the social role expected of the Group as a provider of banking services that are all completed online is further increasing.

In this financial and economic environment, recognizing that banking services are an important part of the social infrastructure, the Group has promoted the operation of high-performance and stable settlement infrastructure, enhanced system efficiency, and upgraded its internal control systems. Furthermore, the Group has demonstrated a commitment to management with a greater emphasis on profitability and growth potential than ever before through the introduction of new services, strengthening of fund management, and other initiatives.

Specifically, we promoted initiatives to encourage individual customers to use their accounts with us as their main accounts for daily use so as to increase non-interest income and raise profitability per individual customer. Under this strategy, we strove to increase the number of partners for which our settlement services can be used. First, in account transfer and Pay-easy services, we began handling public money of Hachioji City and also began accepting applications for the account transfer service for scholarships of the Japan Student Services Organization. In addition, for Rakuten Bank Convenience Store Payment Service (convenience store slip payment by Rakuten Bank App), we began handling the standardized QR code for local taxes (eL-QR), resulting in an increase in the number of parties to which payment can be made via payment slips.

As a result, the number of accounts increased steadily. The total number of accounts exceeded 14 million in June 2023 and increased to 14.04 million as of June 30, 2023. The deposit balance on a non-consolidated basis exceeded ¥9 trillion as of March 31, 2023, and increased steadily, reaching ¥9,488 billion as of June 30, 2023.

Regarding ordinary income for the three months ended June 30, 2023, interest income amounted to ¥19,258 million, an increase of ¥2,882 million year on year. This was attributable to an increase in the balance of trust beneficiary rights backed by credit card receivables of Rakuten Card Co., Ltd. and other assets and an increase in the loan balance, including investment property loans and affiliated loans. Fees and commissions amounted to ¥10,834 million, an increase of ¥330 million year on year, owing to increases in exchange-related fees and commissions, because more individual customers use their accounts with the Company as their main bank accounts in line with the increase in the number of

accounts. Other operating income amounted to ¥2,094 million, an increase of ¥291 million year on year, as a result of an increase in income pertaining to foreign currency deposits reflecting the rise in overseas interest rates. Moreover, Rakuten International Commercial Bank, which started operating in Taiwan in January 2021, recorded ordinary income of ¥482 million, an increase of 325 million year on year. As a result, ordinary income totaled ¥32,635 million, an increase of ¥3,558 million year on year.

On the other hand, among ordinary expenses, interest expenses amounted to ¥2,219 million, an increase of ¥787 million year on year, in line with the increase in the deposit balance. Fees and commissions payments amounted to ¥8,295 million, a decrease of ¥50 million year on year, because of a decrease in loan guarantee expenses for card loans. General and administrative expenses amounted to ¥10,029 million, an increase of ¥239 million year on year, owing to increases in outsourcing expenses and advertising expenses. Rakuten International Commercial Bank recorded ordinary expenses of ¥1,232 million, an increase of ¥314 million year on year. As a result, ordinary expenses totaled ¥21,266 million, an increase of ¥1,405 million year on year.

As a result of the above ordinary income and expenses, ordinary profit totaled ¥11,369 million, an increase of ¥2,152 million year on year, and profit attributable to owners of parent totaled ¥8,087 million, an increase of ¥1,478 million year on year.

Since the Group consists of a single segment of the banking business, information on operating results, etc. by segment is omitted.

(2) Explanation of the Financial Position

With regard to assets as of June 30, 2023, securities amounted to ¥806,072 million, an increase of ¥25,699 million from the end of the previous fiscal year due to purchase of foreign bonds, and monetary claims bought were ¥2,140,473 million, an increase of ¥37,413 million from the end of the previous fiscal year due to the purchase of trust beneficiary rights backed by credit card receivables of Rakuten Card Co., Ltd. and other assets. Loans and bills discounted amounted to ¥3,853,295 million, an increase of ¥72,708 million from the end of the previous fiscal year owing to steady increases in real estate investment loans and affiliated loans. Cash and due from banks amounted to ¥4,318,229 million, an increase of ¥268,001 million from the end of the previous fiscal year. As a result, total assets amounted to ¥12,011,139 million, having increased by ¥421,630 million from the end of the previous fiscal year.

As for liabilities, ordinary deposits were ¥8,522,154 million, an increase of ¥395,506 million from the end of the previous fiscal year due to an increase in the number of accounts and because more individual customers use their accounts with the Company as their main bank accounts, as well as an increase in the number of customers who use the account linking service with Rakuten Securities, Inc. (Money Bridge). Term deposits were ¥746,774 million, a decrease of ¥18,079 million from the end of the previous fiscal year. Foreign currency deposits were ¥66,870 million, a decrease of ¥4,932 million from the end of the previous fiscal year. Borrowed money amounted to ¥2,277,400 million, unchanged from the end of the previous fiscal year, reflecting the Company’s use of funds supplied by the Bank of Japan to support increased lending. As a result, total liabilities amounted to ¥11,754,067 million, having increased by ¥396,243 million from the end of the

previous fiscal year.

As for net assets, share capital and capital surplus amounted to ¥32,616 million and ¥10,543 million, respectively, an increase of ¥6,662 million each from the end of the previous fiscal year due to the capital increase in line with the listing on the Prime Market of the Tokyo Stock Exchange in April 2023. Meanwhile, retained earnings increased by ¥8,087 million from the end of the previous fiscal year to ¥194,802 million due to the recording of profit attributable to owners of parent. As a result, total net assets amounted to ¥257,071 million, having increased by ¥25,387 million from the end of the previous fiscal year.

(3) Explanation of Consolidated Financial Forecasts and Other Forward-Looking Statements

There is no change to the consolidated financial forecasts for the full year announced on May 10, 2023.

The financial forecasts are based on information currently available to the Company and certain assumptions deemed to be reasonable, and the Company does not promise achievement. Actual results may differ significantly from these forecasts due to a wide range of factors.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Cash and due from banks	4,050,227	4,318,229
Call loans	7,370	6,733
Cash collateral provided for securities borrowed	559,174	556,901
Monetary claims bought	2,103,059	2,140,473
Securities	780,373	806,072
Loans and bills discounted	3,780,587	3,853,295
Foreign exchanges	9,904	9,148
Other assets	260,223	279,707
Tangible fixed assets	3,715	3,589
Intangible fixed assets	19,266	20,288
Deferred tax assets	8,228	7,666
Customers' liabilities for acceptances and guarantees	9,533	11,528
Allowance for loan losses	(2,156)	(2,497)
Total assets	11,589,508	12,011,139
Liabilities		
Deposits	8,985,693	9,359,782
Call money	12,028	11,238
Cash collateral received for securities lent	3,895	4,416
Borrowed money	2,277,400	2,277,400
Foreign exchanges	3,019	2,153
Other liabilities	64,313	85,907
Provision for bonuses	630	278
Provision for bonuses for directors (and other officers)	5	0
Retirement benefit liability	1,292	1,347
Provision for reimbursement of deposits	11	12
Acceptances and guarantees	9,533	11,528
Total liabilities	11,357,824	11,754,067
Net assets		
Share capital	25,954	32,616
Capital surplus	3,880	10,543
Retained earnings	186,714	194,802
Total shareholders' equity	216,549	237,961
Valuation difference on available-for-sale securities	(7,364)	(5,514)
Deferred gains or losses on hedges	(12)	89
Foreign currency translation adjustment	3,821	4,981
Remeasurements of defined benefit plans	38	29
Total accumulated other comprehensive income	(3,517)	(415)
Non-controlling interests	18,651	19,525
Total net assets	231,684	257,071
Total liabilities and net assets	11,589,508	12,011,139

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Ordinary income	29,077	32,635
Interest income	16,375	19,258
Interest on loans and discounts	11,590	13,060
Interest and dividends on securities	240	882
Fees and commissions	10,504	10,834
Other operating income	1,803	2,094
Other ordinary income	108	103
Trust fees	285	343
Ordinary expenses	19,860	21,266
Interest expenses	1,432	2,219
Interest on deposits	1,252	1,653
Fees and commissions payments	8,345	8,295
Other ordinary expenses	1	—
General and administrative expenses	9,789	10,029
Other expenses	291	721
Ordinary profit	9,217	11,369
Extraordinary losses	0	0
Loss on disposal of non-current assets	0	0
Profit before income taxes	9,217	11,368
Income taxes - current	3,452	3,775
Income taxes - deferred	(537)	(194)
Total income taxes	2,914	3,580
Profit	6,302	7,787
Loss attributable to non-controlling interests	(305)	(299)
Profit attributable to owners of parent	6,608	8,087

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	6,302	7,787
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,668)	1,863
Deferred gains or losses on hedges	(2)	102
Foreign currency translation adjustment	2,989	2,319
Remeasurements of defined benefit plans, net of tax	16	(9)
Total other comprehensive income	1,335	4,275
Comprehensive income	7,638	12,063
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,578	11,189
Comprehensive income attributable to non-controlling interests	1,059	873

(3) Notes to Consolidated Financial Statements

(Notes on going concern assumption)
Not applicable.

(Notes on a substantial change in the amount of shareholders' equity)
Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)
Substantial change in the amount of shareholders' equity

The Company gained approval for listing from the Tokyo Stock Exchange, Inc. and listed its shares on the Tokyo Stock Exchange Prime Market on April 21, 2023. Upon listing, share capital and capital surplus each increased by ¥3,694 million owing to the issuance of 5,555,500 new shares through a public offering (book building method) with a payment deadline of April 20, 2023.

Moreover, share capital and capital surplus each increased by ¥2,967 million owing to the issuance of 4,463,000 new shares through third-party allotment (secondary offering through over-allotment) with a payment deadline of May 24, 2023.

As a result, share capital and capital surplus each increased by ¥6,662 million during the three months ended June 30, 2023, resulting in share capital of ¥32,616 million and capital surplus of ¥10,543 million as of June 30, 2023.

(end)

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Supplementary Materials

for the First Quarter of the FY2023

August 8, 2023

Rakuten Bank

Rakuten Bank, Ltd.

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1. Income Analysis (Non-consolidated)

(Millions of yen)

	No.	Q1/FY2023		Q1/FY2022
			YoY	
Ordinary Income	1	31,768	3,221	28,546
Gross Operating Profit	2	21,541	2,696	18,845
Net Interest Income	3	16,923	2,031	14,891
Net Fees and Commissions	4	2,534	382	2,152
Net Other Operating Income	5	2,084	282	1,801
Net Gains (Losses) on Bonds	6	-	(10)	10
General and Administrative Expenses (excluding Non-recurring Losses)	7	(9,209)	(198)	(9,010)
Personnel Expenses	8	(1,839)	(119)	(1,720)
Non-personnel Expenses	9	(6,788)	(58)	(6,730)
Taxes	10	(581)	(21)	(559)
Net Operating Profit before Provision of Allowance for Loan Losses	11	12,331	2,497	9,834
Provision of General Allowance for Loan Losses	12	(156)	(76)	(80)
Net Operating Profit	13	12,174	2,420	9,754
Core Net Operating Profit	14	12,331	2,507	9,824
Net Non-recurring Gains (Losses)	15	(382)	(294)	(87)
Write-Off of Loans	16	(43)	1	(45)
Provision of Specific Allowance for Loan Losses	17	(170)	(138)	(32)
Other Disposal of Non-performing Loans	18	-	(0)	0
Gains on Recoveries of Witten-Off Claims	19	1	(0)	2
Other Non-recurring Gains (Losses)	20	(169)	(157)	(11)
Ordinary Profit	21	11,792	2,126	9,666
Net Extraordinary Gains (Losses)	22	(0)	(0)	(0)
Income before Income Taxes	23	11,792	2,125	9,666
Income Taxes	24	(3,609)	(655)	(2,954)
Net Income	25	8,182	1,470	6,712

Total Credit Cost	26	(369)	(213)	(156)
Provision of General Allowance for Loan Losses	27	(156)	(76)	(80)
Write-Off of Loans	28	(43)	1	(45)
Provision of Specific Allowance for Loan Losses	29	(170)	(138)	(32)
Other Disposal of Non-performing Loans	30	-	(0)	0
Gains on Recoveries of Witten-Off Claims	31	1	(0)	2

OHR	32	42.7%	(5.0)pp	47.8%

(Note)
1. (2) Gross Operating Profit=(3) Net Interest Income+(4) Net Fees and Commissions+(5) Net Other Operating income
2. (11) Net Operating Profit before Provision of Allowance for Loan Losses=(2) Gross Operating Profit－(7) General and Administrative Expenses
3. (13) Net Operating Profit=(2) Gross Operating Profit－(7) General and Administrative Expenses－(12) Provision of General Allowance for Loan Losses
4. (14) Core Net Operating Profit＝(11) Net Operating Profit before Provision of Allowance for Loan Losses－(6) Net Gains (Losses) on Bonds
5. (32) OHR=(7) General and Administrative Expenses / (2) Gross Operating Profit

2. Disclosure Based on the Categories of the Financial Revitalization Act (Non-consolidated)

(Millions of yen)

	June 2022	June 2023	March 2023
Bankrupt and Practically Bankrupt Claims	—	—	—
Doubtful Claims	844	1,266	1,102
Claims Requiring Close Watch	448	1,250	1,091
Normal Claims	3,189,678	3,855,145	3,788,470
Total	3,190,972	3,857,663	3,790,664

(Note) The above is based on the categories of the Financial Revitalization Act

3. Consolidated Capital Adequacy Ratio (Japanese Domestic Standard)

(Millions of yen)

	June 2022	June 2023	March 2023
Capital Adequacy Ratio	10.54%	11.42%	11.21%
Total Capital	200,928	240,675	218,348
Total Required Capital	76,232	84,250	77,843

(Note) Disclosed based on Financial Service Agency Public Notice No. 7 (2014).

4. Non-consolidated Capital Adequacy Ratio (Japanese Domestic Standard)

(Millions of yen)

	June 2022	June 2023	March 2023
Capital Adequacy Ratio	9.59%	10.82%	10.57%
Total Capital	185,506	228,171	207,103
Total Required Capital	77,371	84,347	78,321

(Note) Disclosed based on Financial Service Agency Public Notice No. 7 (2014).

5. Consolidated Return on Equity (ROE)

	FY2022
Consolidated ROE (Return on Equity)	13.8%

(Note) Return on Equity = Profit Attributable to Owners of Parent for the Period / Average of the Balance of Total Equity Less Non-controlling Interests at the Beginning and End of the Period.

6. Securities (Consolidated)

(Note) Includes trust beneficiary rights within “monetary claims bought” in addition to “securities” in the quarterly consolidated balance sheets.

1. Trading Account Securities

Not applicable

2. Held-To Maturity Debt Securities

FY2022 (March 31, 2023) (Millions of yen)

	Type	Consolidataed Balance Sheet Amount	Fair Value	Unrealized Gains/Losses
Securities with Fair Value Exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	29,976	30,004	27
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	—	—	—
	Others	—	—	—
	Subtotal	29,976	30,004	27
Securities with Fair Value Not Exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	488,422	482,798	(5,623)
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	3,652	3,544	(107)
	Others	—	—	—
	Subtotal	492,074	486,343	(5,731)
Total		522,051	516,347	(5,703)

Q1/FY2023 (June 30, 2023) (Millions of yen)

	Type	Quarterly Consolidated Balance Sheet Amount	Fair Value	Unrealized Gains/Losses
Securities with Fair Value Exceeding Quarterly Consolidated Balance Sheet Amount	Japanese Government Bonds	89,869	90,015	145
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	—	—	—
	Others	—	—	—
	Subtotal	89,869	90,015	145
Securities with Fair Value Not Exceeding Quarterly Consolidated Balance Sheet Amount	Japanese Government Bonds	428,115	423,817	(4,297)
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	3,639	3,548	(91)
	Others	—	—	—
	Subtotal	431,754	427,365	(4,389)
Total		521,624	517,380	(4,243)

3. Other Securities

FY2022 (March 31, 2023) (Millions of yen)

	Type	Acquisition Cost	Consolidated Balance Sheet Amount	Unrealized Gains/Losses
Securities with Consolidated Balance Sheet Amount Exceeding Acquisition Costs	Equity Securities	—	—	—
	Bonds	12,466	12,505	39
	Japanese Government Bonds	—	—	—
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	12,466	12,505	39
	Others	88,067	88,141	74
	Subtotal	100,534	100,647	113
Securities with Consolidated Balance Sheet Amount Not Exceeding Acquisition Costs	Equity Securities	1,430	1,430	—
	Bonds	151,232	147,699	(3,532)
	Japanese Government Bonds	124,475	121,912	(2,563)
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	26,757	25,787	(969)
	Others	161,274	153,907	(7,367)
	Subtotal	313,937	303,037	(10,899)
Total		414,471	403,684	(10,786)

Q1/FY2023 (June 30, 2023) (Millions of yen)

	Type	Acquisition Cost	Quarterly Consolidated Balance Sheet Amount	Unrealized Gains/Losses
Securities with Quarterly Consolidated Balance Sheet Amount Exceeding Acquisition Costs	Equity Securities	—	—	—
	Bonds	19,703	19,769	66
	Japanese Government Bonds	—	—	—
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	19,703	19,769	66
	Others	97,763	97,844	80
	Subtotal	117,466	117,613	146
Securities with Quarterly Consolidated Balance Sheet Amount Not Exceeding Acquisition Costs	Equity Securities	—	—	—
	Bonds	142,846	140,321	(2,525)
	Japanese Government Bonds	124,350	122,241	(2,109)
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	18,496	18,080	(416)
	Others	188,277	182,538	(5,739)
	Subtotal	331,124	322,859	(8,265)
Total		448,591	440,472	(8,118)

7. Derivative Transactions (Consolidated)

(i) Interest Rate-Related Transactions

FY2022 (March 31, 2023) (Millions of yen)

Category	Type	Notional Amount		Fair Value	Unrealized Gains/Losses
		Total	Over 1 Year		
OTC	Interest Rate Swaption				
	Sold	109,973	109,973	(8,808)	(8,808)
	Purchased	110,104	110,104	8,803	8,803
Total		—	—	(5)	(5)

(Note) 1. The above is based on a mark-to-market valuation and has been recorded on the consolidated statements of income. Derivative transactions which hedge accounting are applied based on the rules of the "Accounting and Auditing Treatment of Accounting Standard for Financial Instruments in the Banking Industry" (Japanese Institute of Certified Public Accountants ("JICPA") Industry Committee Practical Guideline No. 24, March 17, 2022,) etc. are not included in the above.
2. Interest swaps include interest swaption transactions which are difficult to differentiate for our bank.

Q1/FY2023 (June 30, 2023) (Millions of yen)

Category	Type	Notional Amount		Fair Value	Unrealized Gains/Losses
		Total	Over 1 Year		
OTC	Interest Rate Swaption				
	Sold	118,119	118,119	(8,505)	(8,505)
	Purchased	118,482	118,482	8,518	8,518
Total		—	—	12	12

(Note) 1. The above is based on a mark-to-market valuation and has been recorded on the quarterly consolidated statements of income. Derivative transactions which hedge accounting are applied based on the rules of the "Accounting and Auditing Treatment of Accounting Standard for Financial Instruments in the Banking Industry" (Japanese Institute of Certified Public Accountants ("JICPA") Industry Committee Practical Guideline No. 24, March 17, 2022,) etc. are not included in the above.
2. Interest swaps include interest swaption transactions which are difficult to differentiate for our bank.

(ii) Foreign Currency-Related Transactions

FY2022 (March 31, 2023) (Millions of yen)

Category	Type	Notional Amount		Fair Value	Unrealized Gains/Losses
		Total	Over 1 Year		
OTC	Forward Exchange Contracts				
	Sold	562,969	573	2,331	2,331
	Purchased	631,279	2,240	1,794	1,794
	Currency Options				
	Sold	—	—	—	—
	Purchased	—	—	—	—
	Currency Swaps	12,435	12,435	(1,266)	(1,266)
Total		—	—	2,859	2,859

(Note) The above is based on a mark-to-market valuation and has been recorded on the consolidated statements of income. Currency swap transactions, etc., to which hedge accounting is applied and those attached to foreign currency-denominated monetary claims and obligations, etc., that are reflected in the consolidated balance sheets of the relevant foreign currency-denominated monetary claims and obligations, etc., or foreign currency-denominated monetary claims and obligations, etc. that are eliminated in consolidation based on the rules of the "Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Committee Practical Guidance No. 25, October 8, 2020,) etc. are not included in the above.

Q1/FY2023 (June 30, 2023) (Millions of yen)

Category	Type	Notional Amount		Fair Value	Unrealized Gains/Losses
		Total	Over 1 Year		
OTC	Forward Exchange Contracts				
	Sold	542,784	485	4,728	4,728
	Purchased	566,441	1,922	2,676	2,676
	Currency Options				
	Sold	153	—	(0)	(0)
	Purchased	153	—	0	0
	Currency Swaps	12,377	12,377	(2,314)	(2,314)
Total		—	—	5,089	5,089

(Note) The above is based on a mark-to-market valuation and has been recorded on the quarterly consolidated statements of income. Currency swap transactions, etc., to which hedge accounting is applied and those attached to foreign currency-denominated monetary claims and obligations, etc., that are reflected in the quarterly consolidated balance sheets of the relevant foreign currency-denominated monetary claims and obligations, etc., or foreign currency-denominated monetary claims and obligations, etc. that are eliminated in consolidation based on the rules of the “Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry” (JICPA Industry Committee Practical Guidance No. 25, October 8, 2020,) etc. are not included in the above.

(iii) Equity-Related Transactions
No relevant transactions

(iv) Bond-Related Transactions
FY2022 (March 31, 2023)
No relevant transactions

Q1/FY2023 (June 30, 2023) (Millions of yen)

Category	Type	Notional Amount		Fair Value	Unrealized Gains/Losses
		Total	Over 1 Year		
Exchange	Bond Futures				
	Sold	—	—	—	—
	Purchased	742	—	—	—
Total		—	—	—	—

(Note) The above is based on a mark-to-market valuation and has been recorded on the Statements of Income.
Derivative transactions which hedge accounting are applied are not included in the above.

(v) Product-Related Transactions
No relevant transactions

(vi) Credit Derivative Transactions
No relevant transactions

8. Interest Spread (Non-consolidated)

(%)

	Q1/FY2022	Q1/FY2023	FY2022
Yield on interest earning assets	0.96	0.93	0.92
Total cost of funding (including expenses)	0.43	0.38	0.40
Overall interest spread	0.53	0.55	0.52
Cost of interest bearing liabilities	0.05	0.06	0.05
Interest spread	0.91	0.87	0.87

9. Deposits (Non-consolidated)

(Millions of yen)

	June 2022	June 2023	March 2023
Ordinary Deposits	7,439,852	8,674,045	8,287,342
Time Deposits	601,268	723,118	748,343
Other Deposits	93,309	90,853	94,190
Total	8,134,430	9,488,017	9,129,876

10. Time Deposits by Maturity (Non-consolidated)

(Millions of yen)

	1 Year or Less	Over 1 Year 2 Years or Less	Over 2 Years 3 Years or Less	Over 3 Years	Total
June 2022	581,380	8,512	4,581	6,794	601,268
June 2023	704,222	8,160	4,054	6,680	723,118
March 2023	730,163	7,942	3,833	6,403	748,343

11. General and Administrative Expenses (Non-consolidated)

(Millions of yen)

	Q1/FY2022	Q1/FY2023	FY2022
Personnel Expenses	1,720	1,839	7,138
Non-personnel Expenses	6,730	6,788	26,525
Depreciation and Amortization Expenses	891	1,044	3,692
Tax and Due	559	581	2,186
Total	9,010	9,209	35,850

(end)