Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Six Months Ended September 30, 2023 (Under Japanese GAAP)

November 7, 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: November 28, 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 Six Months Ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

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

	Ordinary Income		Ordinary Profit		Profit Attributable to Owners of Parent	
Six Months Ended	JPY million	%	JPY million	%	JPY million	%
September 30, 2023	65,921	12.8	22,545	25.4	16,097	25.6
September 30, 2022	58,391	10.8	17,966	31.3	12,812	30.8

(Note) Comprehensive income For the six months ended September 30, 2023: JPY 14,755 million [23.2%]
For the six months ended September 30, 2022: JPY 11,973 million [10.6%]

	Profit per Share	Diluted Profit per Share
Six Months Ended	JPY	JPY
September 30, 2023	93.26	—
September 30, 2022	77.90	—

(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	%
September 30, 2023	12,170,897	259,764	1.9
March 31, 2023	11,589,508	231,684	1.8

(Reference) Own Capital: September 30, 2023 JPY 240,611 million, March 31, 2023 JPY 213,032 million

(Note) “Own Capital Ratio” is calculated as follows: (Total Net Assets – Stock Acquisition Rights – Non-controlling Interests) / 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	—	0.00			
Fiscal Year Ending March 31, 2024 (Forecast)			—	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) 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

(3) Number of issued shares (common shares)

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

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

(iii) Average number of shares outstanding during the period

As of September 30, 2023	172,613,016 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 “(3) 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.

[Reference] Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Six Months Ended September 30, 2023

(from April 1, 2023 to September 30, 2023)

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

	Ordinary Income		Ordinary Profit		Profit	
Six Months Ended	JPY million	%	JPY million	%	JPY million	%
September 30, 2023	64,108	12.0	23,346	22.9	16,241	24.2
September 30, 2022	57,190	9.8	18,983	31.9	13,075	31.2

	Profit per Share
Six Months Ended	JPY
September 30, 2023	94.08
September 30, 2022	79.50

(Note) 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) Non-consolidated Financial Position

	Total Assets	Net Assets	Own Capital Ratio
As of	JPY million	JPY million	%
September 30, 2023	12,245,466	235,917	1.9
March 31, 2023	11,694,235	209,270	1.7

(Reference) Own capital: September 30, 2023 JPY 235,917 million March 31, 2023 JPY 209,270 million

(Note) "Own Capital Ratio" is calculated as follows: (Total Net Assets – Stock Acquisition Rights) / Total Assets x 100 at year end. Own Capital Ratio stated above is not Capital Adequacy Ratio (Japanese domestic standard).

* Interim financial results reports are exempt from interim 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 Interim Financial Results

(1) Explanation of Operating Results

During the six months ended September 30, 2023, the global financial and economic environment was on the path to recovery overall following the easing of strict restrictions on activities as COVID-19 countermeasures. On the other hand, downside risks to the economy still require attention due to the effect of rising energy prices and soaring raw materials prices stemming from the protracted Russia-Ukraine situation, persisting and high inflation rates. In the financial markets, while the Federal Reserve (FRB) continues to assess the timing of interest rate hikes, the European Central Bank (ECB) suggested the possibility of halting rate increases during its regular policy meeting held on September 14, creating an uncertain outlook.

In the Japanese economic environment, the economy saw only a modest improvement despite a recovery trend in personal consumption and capital investment due to the shift to a “post-COVID-19” phase in personal life and corporate activities, 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 in the “post-COVID-19” phase, 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 the financial markets, the Bank of Japan decided to increase the flexibility of yield curve control (YCC) operations at its monetary policy meeting on July 28, raising the yield target for the 10-year government bonds from 0.5% to 1.0%. This signifies a turning point in monetary policy, necessitating increased vigilance regarding market dynamics.

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. In addition, we also began accepting applications for the account transfer service for scholarships of the Japan Student Services Organization, the Small Business Mutual Aid system managed by the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN (SME SUPPORT, JAPAN), and loan repayments for Japan Finance Corporation (the Micro Business and Individual Unit and the Small and Medium Enterprise (SME) Unit). Furthermore, 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 14.37 million as of September 30, 2023. The deposit balance on a non-consolidated basis also increased

steadily, reaching ¥9,550 billion as of September 30, 2023.

Regarding ordinary income for the six months ended September 30, 2023, interest income amounted to ¥39,632 million, an increase of ¥6,350 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 ¥21,140 million, an increase of ¥600 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 ¥4,246 million, an increase of ¥442 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 ¥999 million, an increase of ¥513 million year on year. As a result, ordinary income totaled ¥65,921 million, an increase of ¥7,529 million year on year.

On the other hand, among ordinary expenses, interest expenses amounted to ¥4,874 million, an increase of ¥1,791 million year on year, in line with the increase in the deposit balance. Fees and commissions payments amounted to ¥16,605 million, a decrease of ¥6 million year on year, because of a decrease in loan guarantee expenses for card loans, despite an increase in fees and commissions on domestic and foreign exchanges. General and administrative expenses amounted to ¥20,520 million, an increase of ¥769 million year on year, owing to increases in amortization of software, outsourcing expenses and advertising expenses. Rakuten International Commercial Bank recorded ordinary expenses of ¥2,484 million, an increase of ¥403 million year on year. As a result, ordinary expenses totaled ¥43,375 million, an increase of ¥2,951 million year on year.

As a result of the above ordinary income and expenses, ordinary profit totaled ¥22,545 million, an increase of ¥4,578 million year on year, and profit attributable to owners of parent totaled ¥16,097 million, an increase of ¥3,285 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 September 30, 2023, securities amounted to ¥824,555 million, an increase of ¥44,181 million from the end of the previous fiscal year due to purchase of government-backed bonds and foreign bonds, and monetary claims bought were ¥2,309,284 million, an increase of ¥206,224 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 ¥3,929,155 million, an increase of ¥148,568 million from the end of the previous fiscal year owing to a net increase in the balance of card loans, in addition to steady increases in real estate investment loans and affiliated loans. Cash and due from banks amounted to ¥4,153,635 million, an increase of ¥103,407 million from the

end of the previous fiscal year. As a result, total assets amounted to ¥12,170,897 million, having increased by ¥581,389 million from the end of the previous fiscal year.

As for liabilities, ordinary deposits were ¥8,490,805 million, an increase of ¥364,157 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 ¥854,379 million, an increase of ¥89,525 million from the end of the previous fiscal year. Foreign currency deposits were ¥63,859 million, a decrease of ¥7,943 million from the end of the previous fiscal year. Borrowed money amounted to ¥2,307,400 million, an increase of ¥30,000 million 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 ¥11,911,133 million, having increased by ¥553,309 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 ¥16,097 million from the end of the previous fiscal year to ¥202,812 million due to the recording of profit attributable to owners of parent. As a result, total net assets amounted to ¥259,764 million, having increased by ¥28,079 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. Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Cash and due from banks	4,050,227	4,153,635
Call loans	7,370	14,436
Cash collateral provided for securities borrowed	559,174	561,874
Monetary claims bought	2,103,059	2,309,284
Securities	780,373	824,555
Loans and bills discounted	3,780,587	3,929,155
Foreign exchanges	9,904	12,316
Other assets	260,223	321,780
Tangible fixed assets	3,715	3,484
Intangible fixed assets	19,266	21,137
Deferred tax assets	8,228	10,513
Customers' liabilities for acceptances and guarantees	9,533	11,617
Allowance for loan losses	(2,156)	(2,893)
Total assets	11,589,508	12,170,897
Liabilities		
Deposits	8,985,693	9,433,751
Call money	12,028	12,724
Cash collateral received for securities lent	3,895	3,009
Borrowed money	2,277,400	2,307,400
Foreign exchanges	3,019	2,011
Other liabilities	64,313	138,485
Provision for bonuses	630	735
Provision for bonuses for directors (and other officers)	5	2
Retirement benefit liability	1,292	1,384
Provision for reimbursement of deposits	11	12
Acceptances and guarantees	9,533	11,617
Total liabilities	11,357,824	11,911,133
Net assets		
Share capital	25,954	32,616
Capital surplus	3,880	10,543
Retained earnings	186,714	202,812
Total shareholders' equity	216,549	245,972
Valuation difference on available-for-sale securities	(7,364)	(10,933)
Deferred gains or losses on hedges	(12)	649
Foreign currency translation adjustment	3,821	4,903
Remeasurements of defined benefit plans	38	19
Total accumulated other comprehensive income	(3,517)	(5,361)
Non-controlling interests	18,651	19,152
Total net assets	231,684	259,764
Total liabilities and net assets	11,589,508	12,170,897

(2) Interim Consolidated Statements of Income and Comprehensive Income

(Interim Consolidated Statements of Income)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Ordinary income	58,391	65,921
Interest income	33,282	39,632
Interest on loans and discounts	23,455	26,568
Interest and dividends on securities	739	2,118
Fees and commissions	20,540	21,140
Other operating income	3,804	4,246
Other ordinary income	170	187
Trust fees	594	713
Ordinary expenses	40,424	43,375
Interest expenses	3,082	4,874
Interest on deposits	2,692	3,418
Fees and commissions payments	16,611	16,605
Other ordinary expenses	2	—
General and administrative expenses	19,751	20,520
Other expenses	975	1,374
Ordinary profit	17,966	22,545
Extraordinary losses	0	0
Loss on disposal of non-current assets	0	0
Profit before income taxes	17,966	22,544
Income taxes - current	6,662	7,936
Income taxes - deferred	(865)	(897)
Total income taxes	5,797	7,039
Profit	12,169	15,505
Loss attributable to non-controlling interests	(643)	(592)
Profit attributable to owners of parent	12,812	16,097

(Interim Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	12,169	15,505
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,896)	(3,558)
Deferred gains or losses on hedges	(4)	661
Foreign currency translation adjustment	2,681	2,165
Remeasurements of defined benefit plans, net of tax	23	(19)
Total other comprehensive income	(196)	(750)
Comprehensive income	11,973	14,755
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,512	14,254
Comprehensive income attributable to non-controlling interests	460	501

(3) Interim Consolidated Statements of Change in Net Assets

Six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(Millions of yen)

	Shareholders' equity				Accumulated other comprehensive income		
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment
Balance at beginning of period	25,954	2,468	159,022	187,445	(3,596)	9	3,269
Changes during period							
Increase by corporate division		1,412		1,412			
Issuance of new stock				－			
Net changes in items other than shareholders' equity			12,812	12,812			
Total changes during period					(2,659)	(4)	1,340
Balance at end of period	－	1,412	12,812	14,225	(2,659)	(4)	1,340
Net changes in items other than shareholders' equity	25,954	3,880	171,835	201,670	(6,255)	4	4,610

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(47)	(363)	19,413	206,494
Changes during period				
Increase by corporate division				1,412
Issuance of new stock				－
Net changes in items other than shareholders' equity				12,812
Total changes during period	23	(1,299)	460	(839)
Balance at end of period	23	(1,299)	460	13,385
Net changes in items other than shareholders' equity	(23)	(1,663)	19,873	219,880

Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(Millions of yen)

	Shareholders' equity				Accumulated other comprehensive income		
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment
Balance at beginning of period	25,954	3,880	186,714	216,549	(7,364)	(12)	3,821
Changes during period							
Increase by corporate division				—			
Issuance of new stock	6,662	6,662		13,324			
Net changes in items other than shareholders' equity			16,097	16,097			
Total changes during period					(3,569)	661	1,082
Balance at end of period	6,662	6,662	16,097	29,422	(3,569)	661	1,082
Net changes in items other than shareholders' equity	32,616	10,543	202,812	245,972	(10,933)	649	4,903

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	38	(3,517)	18,651	231,684
Changes during period				
Increase by corporate division				—
Issuance of new stock				13,324
Net changes in items other than shareholders' equity				16,097
Total changes during period	(19)	(1,843)	501	(1,342)
Balance at end of period	(19)	(1,843)	501	28,079
Net changes in items other than shareholders' equity	19	(5,361)	19,152	259,764

(4) Notes to Interim Consolidated Financial Statements

(Notes on going concern assumption)
Not applicable.

(Notes on a substantial change in the amount of shareholders' equity)
Six months ended September 30, 2023 (from April 1, 2023 to September 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 legal 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 legal capital surplus of ¥10,543 million as of September 30, 2023.

(end)

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Supplementary Materials

for the First Half of the FY2023

November 7, 2023

Rakuten Bank

Rakuten Bank, Ltd.

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1. Income Analysis (Non-consolidated)

(Millions of yen)

	No.	FY2023		FY2022
		1H	YoY	1H
Ordinary Income	1	64,108	6,917	57,190
Gross Operating Profit	2	43,244	5,447	37,797
Net Interest Income	3	34,482	4,404	30,077
Net Fees and Commissions	4	4,529	609	3,919
Net Other Operating Income	5	4,233	433	3,799
Net Gains (Losses) on Bonds	6	—	(9)	9
General and Administrative Expenses (excluding Non-recurring Losses)	7	(18,849)	(805)	(18,044)
Personnel Expenses	8	(3,822)	(232)	(3,589)
Non-personnel Expenses	9	(13,841)	(469)	(13,372)
Taxes	10	(1,185)	(103)	(1,081)
Net Operating Profit before Provision of Allowance for Loan Losses	11	24,395	4,642	19,753
Provision of General Allowance for Loan Losses	12	(337)	(121)	(215)
Net Operating Profit	13	24,057	4,520	19,537
Core Net Operating Profit	14	24,395	4,651	19,743
Net Non-recurring Gains (Losses)	15	(711)	(157)	(553)
Write-Off of Loans	16	(120)	(15)	(104)
Provision of Specific Allowance for Loan Losses	17	(421)	(321)	(100)
Other Disposal of Non-performing Loans	18	—	(0)	0
Gains on Recoveries of Written-Off Claims	19	3	(5)	8
Other Non-recurring Gains (Losses)	20	(172)	185	(358)
Ordinary Profit	21	23,346	4,362	18,983
Net Extraordinary Gains (Losses)	22	(0)	(0)	(0)
Income before Income Taxes	23	23,345	4,362	18,983
Income Taxes	24	(7,104)	(1,197)	(5,907)
Net Income	25	16,241	3,165	13,075

Total Credit Cost	26	(876)	(465)	(410)
Provision of General Allowance for Loan Losses	27	(337)	(121)	(215)
Write-Off of Loans	28	(120)	(15)	(104)
Provision of Specific Allowance for Loan Losses	29	(421)	(321)	(100)
Other Disposal of Non-performing Loans	30	—	(0)	0
Gains on Recoveries of Written-Off Claims	31	3	(5)	8

OHR	32	43.5%	(4.1)pp	47.7%

(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 = (13) Net Operating Profit－(6) Net Gains (Losses) on Bonds+(12) Provision of General Allowance for Loan Losses
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)

	September 2022	September 2023	March 2023
Bankrupt and Practically Bankrupt Claims	—	—	—
Doubtful Claims	825	1,360	1,102
Claims Requiring Close Watch	696	1,307	1,091
Normal Claims	3,447,528	3,929,861	3,788,470
Total	3,449,049	3,932,528	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)

	September 2022	September 2023	March 2023
Capital Adequacy Ratio	12.60%	11.30%	11.21%
Total Capital	207,514	247,886	218,348
Total Required Capital	65,850	87,675	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)

	September 2022	September 2023	March 2023
Capital Adequacy Ratio	11.59%	10.77%	10.57%
Total Capital	192,826	235,711	207,103
Total Required Capital	66,531	87,506	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 Own Capital at the Beginning and End of the Period.
Own Capital = Total Net Assets – Stock Acquisition Rights – Non-controlling Interests

6. Securities (Consolidated)

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

1. Held-To Maturity Debt Securities

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

	Type	Consolidated 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)

1H FY2023 (September 30, 2023) (Millions of yen)

	Type	Interim Consolidated Balance Sheet Amount	Fair Value	Unrealized Gains/Losses
Securities with Fair Value Exceeding Interim Consolidated Balance Sheet Amount	Japanese Government Bonds	—	—	—
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	—	—	—
	Others	—	—	—
	Subtotal	—	—	—
Securities with Fair Value Not Exceeding Interim Consolidated Balance Sheet Amount	Japanese Government Bonds	517,567	502,393	(15,174)
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	34,299	33,995	(303)
	Others	—	—	—
	Subtotal	551,866	536,388	(15,477)
Total		551,866	536,388	(15,477)

3. Other Securities

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

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

1H FY2023 (September 30, 2023) (Millions of yen)

	Type	Interim Consolidated Balance Sheet Amount	Acquisition Cost	Unrealized Gains/Losses
Securities with Interim Consolidated Balance Sheet Amount Exceeding Acquisition Costs	Equity Securities	—	—	—
	Bonds	11,074	11,051	23
	Japanese Government Bonds	—	—	—
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	11,074	11,051	23
	Others	124,311	124,138	173
	Subtotal	135,386	135,190	196
Securities with Interim Consolidated Balance Sheet Amount Not Exceeding Acquisition Costs	Equity Securities	—	—	—
	Bonds	140,595	146,640	(6,044)
	Japanese Government Bonds	118,896	124,224	(5,328)
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	21,699	22,415	(715)
	Others	203,076	213,158	(10,082)
	Subtotal	343,672	359,798	(16,126)
Total		479,059	494,989	(15,929)

7. Derivative Transactions (Consolidated)

1. Derivative transactions to which the hedge accounting method is not applied

The following tables set forth the contract amount or the amount equivalent to the notional amount, fair value, valuation gains (losses) and fair value calculation methodologies by type of derivative with respect to derivative transactions to which the hedge accounting method is not applied as of the interim consolidated financial statement date. Contract amount does not indicate the market risk relating to derivative transactions.

(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.
2. Interest swaps include interest swaption transactions which are difficult to differentiate for our bank.

1H FY2023 (September 30, 2023) (Millions of yen)

Category	Type	Notional Amount		Fair Value	Unrealized Gains/Losses
		Total	Over 1 Year		
OTC	Interest Rate Swaption				
	Sold	125,358	125,358	(13,425)	(13,425)
	Purchased	125,436	125,436	13,414	13,414
Total		—	—	(10)	(10)

(Note) 1. The above is based on a mark-to-market valuation and has been recorded on the interim consolidated statements of income.
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 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.

1H FY2023 (September 30, 2023) (Millions of yen)

Category	Type	Notional Amount		Fair Value	Unrealized Gains/Losses
		Total	Over 1 Year		
OTC	Forward Exchange Contracts				
	Sold	536,759	453	3,682	3,682
	Purchased	553,284	1,601	3,417	3,417
	Currency Swaps	12,377	12,377	(2,824)	(2,824)
Total		—	—	4,276	4,276

(Note) The above is based on a mark-to-market valuation and has been recorded on the interim consolidated statements of income.

(iii) Bond-Related Transactions

FY2022 (March 31, 2023)

No relevant transactions

1H FY2023 (September 30, 2023) (Millions of yen)

Category	Type	Notional Amount		Fair Value	Unrealized Gains/Losses
		Total	Over 1 Year		
Exchange	Bond Futures				
	Sold	—	—	—	—
	Purchased	289	—	(0)	(0)
Total		—	—	(0)	(0)

(Note) The above is based on a mark-to-market valuation and has been recorded on the interim consolidated statements of income.

2. Derivative Transactions to Which the Hedge Accounting Method Is Applied

The following tables set forth the contract amount or the amount equivalent to the notional amount, fair value, valuation gains (losses) and fair value calculation methodologies by type of derivative and hedge accounting method with respect to derivative transactions to which the hedge accounting method as of the interim consolidated financial statement date. Contract amount does not indicate the market risk relating to derivative transactions.

(i) Foreign Currency-Related Transactions

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

Hedge Accounting Method	Type	Principal Items Hedged	Notional Amount		Fair Value
			Total	Over 1 Year	
Deferral Hedge Method	Forward Exchange Contracts				
	Sold	Unfulfilled Forward Contract Related to Foreign Currency Time Deposits	25	15	0
	Purchased		201	65	(2)
	Currency Swaps	Foreign Currency Denominated Securities	16,118	16,118	0
Total			—	—	(1)

(Note) Rakuten Bank applies deferred hedge accounting as stipulated in the "Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Committee Practical Guidance No. 25, October 8, 2020), etc.

1H FY2023 (September 30, 2023) (Millions of yen)

Hedge Accounting Method	Type	Principal items hedged	Notional Amount		Fair Value
			Total	Over 1 Year	
Deferral Hedge Method	Forward Exchange Contracts				
	Sold	Unfulfilled Forward Contract Related to Foreign Currency Time Deposits	37	15	(3)
	Purchased		220	53	19
	Currency Swaps	Foreign Currency Denominated Securities	45,963	45,963	(3,029)
Total			—	—	(3,012)

(Note) Rakuten Bank applies deferred hedge accounting as stipulated in the "Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Committee Practical Guidance No. 25, October 8, 2020), etc.

8. Interest Spread (Non-consolidated)

(%)

	1H FY2022	1H FY2023	FY2022
Yield on interest earning assets	0.95	0.94	0.92
Total cost of funding (including expenses)	0.42	0.39	0.40
Overall interest spread	0.53	0.55	0.52
Cost of interest bearing liabilities	0.05	0.07	0.05
Interest spread	0.90	0.87	0.87

9. Deposits (Non-consolidated)

(Millions of yen)

	September 2022	September 2023	March 2023
Ordinary Deposits	7,789,872	8,648,166	8,287,342
Time Deposits	511,052	813,338	748,343
Other Deposits	93,797	88,566	94,190
Total	8,394,722	9,550,071	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
September 2022	491,425	8,682	4,019	6,924	511,052
September 2023	795,054	7,203	4,133	6,945	813,338
March 2023	730,163	7,942	3,833	6,403	748,343

11. General and Administrative Expenses (Non-consolidated)

(Millions of yen)

	1H FY2022	1H FY2023	FY2022
Personnel Expenses	3,589	3,822	7,138
Non-personnel Expenses	13,372	13,841	26,525
Depreciation and Amortization Expenses	1,781	2,087	3,692
Tax and Due	1,081	1,185	2,186
Total	18,044	18,849	35,850

12. Officers and Employees (Non-consolidated)

	September 2022	September 2023	March 2023
Officers	9	9	9
Directors	5	5	5
Audit and Supervisory Board Members	4	4	4
Employees	855	901	827
Total	864	910	836

(Note) Employees include regular, non-regular or contract employees, and employees seconded to Rakuten Bank, Ltd. while employees from Rakuten Bank, Ltd. seconded to other companies have been excluded.

(end)