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Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

November 11, 2022

Company name: The Awa Bank, Ltd.

Stock exchange listing: Tokyo

Code number: 8388

URL: <https://www.awabank.co.jp/>

Representative: Susumu Nagaoka

President and Director

Contact: Seiji Fujikura

Executive Officer, General Manager, Business Management Division

Phone: 088-623-3131

Scheduled date of filing quarterly securities report: November 11, 2022

Scheduled date of commencing dividend payments: December 05, 2022

Trading Accounts: No

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 01, 2022 to September 30, 2022)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Ordinary revenues		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	40,266	21.9	7,793	10.9	5,270	7.1
September 30, 2021	33,006	3.7	7,022	15.3	4,919	22.3

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ (9,708) million [-%]
Six months ended September 30, 2021: ¥ 10,453 million [(58.0)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	127.58	-
September 30, 2021	117.20	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
September 30, 2022	3,789,706	276,923	7.3
March 31, 2022	3,977,726	288,404	7.2

(Reference) Equity: As of September 30, 2022: ¥ 276,923 million
As of March 31, 2022: ¥ 288,404 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	20.00	-	22.50	42.50
Fiscal year ending March 31, 2023	-	22.50			
Fiscal year ending March 31, 2023 (Forecast)			-	22.50	45.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 2nd quarter (interim) dividend for the fiscal year ending March 31, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Ordinary revenues		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	86,100	26.7	13,500	(16.3)	8,800	(20.8)	213.45

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

September 30, 2022: 43,240,000 shares

March 31, 2022: 43,240,000 shares

2) Total number of treasury shares at the end of the period:

September 30, 2022: 2,014,355 shares

March 31, 2022: 1,603,702 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 41,309,332 shares

Six months ended September 30, 2021: 41,976,872 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Six Months Ended September 30, 2022 (April 01, 2022 to September 30, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Ordinary revenues		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	31,999	28.0	7,044	6.9	4,749	3.1
September 30, 2021	24,990	5.1	6,589	18.9	4,605	25.4

	Basic earnings per share
Six months ended	Yen
September 30, 2022	114.96
September 30, 2021	109.71

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
September 30, 2022	3,766,543	267,171	7.0
March 31, 2022	3,956,485	279,273	7.0

(Reference) Equity: As of September 30, 2022: ¥ 267,171 million
As of March 31, 2022: ¥ 279,273 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Ordinary revenues		Ordinary profit		Net income		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	70,600	34.2	13,100	(16.3)	8,800	(20.2)	213.45

Interim Consolidated Financial Statements
Interim Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of September 30,2022
Assets		
Cash and due from banks	690,236	415,052
Call loans and bills bought	18,358	128,774
Monetary claims bought	1,398	749
Securities	1,031,863	970,322
Loans and bills discounted	2,117,033	2,132,555
Foreign exchanges	9,240	14,907
Lease receivables and investments in leases	28,935	29,161
Other assets	48,700	64,909
Tangible fixed assets	38,147	38,230
Intangible fixed assets	4,528	4,263
Deferred tax assets	214	208
Customers' liabilities for acceptances and guarantees	8,482	9,440
Allowance for loan losses	(19,414)	(18,869)
Total assets	3,977,726	3,789,706
Liabilities		
Deposits	3,167,043	3,143,620
Negotiable certificates of deposit	133,504	155,583
Call money and bills sold	12,850	-
Cash collateral received for securities lent	40,945	30,616
Borrowed money	266,375	102,385
Foreign exchanges	18	23
Other liabilities	40,154	57,391
Provision for bonuses	22	23
Provision for bonuses for directors (and other officers)	54	18
Provision for retirement benefits for directors (and other officers)	14	12
Provision for share-based compensation	257	250
Provision for reimbursement of deposits	271	246
Provision for contingent loss	1,205	1,288
Deferred tax liabilities	15,427	9,245
Deferred tax liabilities for land revaluation	2,691	2,634
Acceptances and guarantees	8,482	9,440
Total liabilities	3,689,322	3,512,782

(Million yen)

	As of March 31,2022	As of September 30,2022
Net assets		
Share capital	23,452	23,452
Capital surplus	20,106	20,106
Retained earnings	185,469	189,926
Treasury shares	(4,100)	(4,928)
Total shareholders' equity	224,927	228,557
Valuation difference on available-for-sale securities	58,375	42,740
Deferred gains or losses on hedges	(24)	630
Revaluation reserve for land	5,126	4,995
Total accumulated other comprehensive income	63,476	48,366
Total net assets	288,404	276,923
Total liabilities and net assets	3,977,726	3,789,706

Interim Consolidated Statements of Income and Comprehensive Income

Interim Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Ordinary income	33,006	40,266
Interest income	18,797	21,262
Interest on loans and discounts	11,914	12,147
Interest and dividends on securities	6,619	7,917
Fees and commissions	4,882	4,763
Other ordinary income	7,989	10,353
Other income	1,336	3,887
Ordinary expenses	25,984	32,473
Interest expenses	809	2,812
Interest on deposits	199	350
Fees and commissions payments	565	553
Other ordinary expenses	6,912	13,455
General and administrative expenses	15,058	14,877
Other expenses	2,638	773
Ordinary profit	7,022	7,793
Extraordinary income	44	0
Gain on disposal of non-current assets	0	0
Gain on termination of retirement benefit plan	44	-
Extraordinary losses	79	339
Loss on disposal of non-current assets	74	78
Impairment losses	5	260
Profit before income taxes	6,986	7,453
Income taxes - current	2,331	1,858
Income taxes - deferred	(265)	324
Total income taxes	2,066	2,183
Profit	4,919	5,270
Profit attributable to owners of parent	4,919	5,270

Interim Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	4,919	5,270
Other comprehensive income	5,533	(14,979)
Valuation difference on available-for-sale securities	5,544	(15,634)
Deferred gains or losses on hedges	7	654
Remeasurements of defined benefit plans, net of tax	(18)	-
Comprehensive income	10,453	(9,708)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,453	(9,708)

Interim Consolidated Statements of Changes in Net Assets

For the six months ended September 30,2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	23,452	20,106	176,045	(3,529)	216,075
Changes during period					
Dividends of surplus			(848)		(848)
Profit attributable to owners of parent			4,919		4,919
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				216	216
Reversal of revaluation reserve for land					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	4,071	215	4,287
Balance at end of period	23,452	20,106	180,117	(3,313)	220,362

	Accumulated other comprehensive income					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 period	73,194	(1,528)	5,134	18	76,819	292,894
Changes during period						
Dividends of surplus						(848)
Profit attributable to owners of parent						4,919
Purchase of treasury shares						(0)
Disposal of treasury shares						216
Reversal of revaluation reserve for land						-
Net changes in items other than shareholders' equity	5,544	7	-	(18)	5,533	5,533
Total changes during period	5,544	7	-	(18)	5,533	9,820
Balance at end of period	78,739	(1,520)	5,134	-	82,353	302,715

For the six months ended September 30,2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	23,452	20,106	185,469	(4,100)	224,927
Changes during period					
Dividends of surplus			(943)		(943)
Profit attributable to owners of parent			5,270		5,270
Purchase of treasury shares				(1,067)	(1,067)
Disposal of treasury shares			(0)	239	239
Reversal of revaluation reserve for land			130		130
Net changes in items other than shareholders' equity					
Total changes during period	-	-	4,457	(828)	3,629
Balance at end of period	23,452	20,106	189,926	(4,928)	228,557

	Accumulated other comprehensive income					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 period	58,375	(24)	5,126	-	63,476	288,404
Changes during period						
Dividends of surplus						(943)
Profit attributable to owners of parent						5,270
Purchase of treasury shares						(1,067)
Disposal of treasury shares						239
Reversal of revaluation reserve for land						130
Net changes in items other than shareholders' equity	(15,634)	654	(130)	-	(15,110)	(15,110)
Total changes during period	(15,634)	654	(130)	-	(15,110)	(11,480)
Balance at end of period	42,740	630	4,995	-	48,366	276,923

Interim Non-consolidated Financial Statements
Interim Non-consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of September 30,2022
Assets		
Cash and due from banks	690,232	415,046
Call loans	18,358	128,774
Monetary claims bought	1,398	749
Securities	1,041,936	980,253
Loans and bills discounted	2,114,303	2,128,937
Foreign exchanges	9,240	14,907
Other assets	47,118	63,142
Other	47,118	63,142
Tangible fixed assets	37,713	37,383
Intangible fixed assets	4,451	4,156
Customers' liabilities for acceptances and guarantees	8,482	9,440
Allowance for loan losses	(16,752)	(16,248)
Total assets	3,956,485	3,766,543
Liabilities		
Deposits	3,172,026	3,150,422
Negotiable certificates of deposit	137,504	159,583
Call money	12,850	-
Cash collateral received for securities lent	40,945	30,616
Borrowed money	254,425	87,258
Foreign exchanges	18	23
Other liabilities	31,497	48,828
Income taxes payable	2,581	1,225
Lease liabilities	106	78
Asset retirement obligations	140	156
Other	28,668	47,367
Provision for bonuses for directors (and other officers)	54	18
Provision for share-based compensation	257	250
Provision for reimbursement of deposits	271	246
Provision for contingent loss	1,205	1,288
Deferred tax liabilities	14,978	8,759
Deferred tax liabilities for land revaluation	2,691	2,634
Acceptances and guarantees	8,482	9,440
Total liabilities	3,677,211	3,499,372

(Million yen)

	As of March 31,2022	As of September 30,2022
Net assets		
Share capital	23,452	23,452
Capital surplus	16,232	16,232
Legal capital surplus	16,232	16,232
Retained earnings	180,240	184,176
Legal retained earnings	14,064	14,064
Other retained earnings	166,176	170,112
Reserve for tax purpose reduction entry of non-current assets	560	560
Reserve for cancellation of shares	2,995	4,995
General reserve	143,520	150,520
Retained earnings brought forward	19,100	14,036
Treasury shares	(4,100)	(4,928)
Total shareholders' equity	215,825	218,933
Valuation difference on available-for-sale securities	58,346	42,612
Deferred gains or losses on hedges	(24)	630
Revaluation reserve for land	5,126	4,995
Total valuation and translation adjustments	63,448	48,238
Total net assets	279,273	267,171
Total liabilities and net assets	3,956,485	3,766,543

Interim Non-consolidated Statements of Income

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Ordinary income	24,990	31,999
Interest income	18,763	21,229
Interest on loans and discounts	11,916	12,152
Interest and dividends on securities	6,582	7,880
Fees and commissions	4,189	4,021
Other ordinary income	699	2,849
Other income	1,337	3,899
Ordinary expenses	18,400	24,954
Interest expenses	794	2,797
Interest on deposits	199	350
Fees and commissions payments	542	519
Other ordinary expenses	413	6,750
General and administrative expenses	14,326	14,140
Other expenses	2,322	747
Ordinary profit	6,589	7,044
Extraordinary income	0	-
Extraordinary losses	79	337
Profit before income taxes	6,509	6,706
Income taxes - current	2,145	1,631
Income taxes - deferred	(241)	325
Total income taxes	1,904	1,957
Profit	4,605	4,749

Interim Non-consolidated Statements of Changes in Net Assets

For the six months ended September 30,2021

(Million yen)

	Shareholders' equity		
	Share capital	Capital surplus	
		Legal capital surplus	Total capital surplus
Balance at beginning of period	23,452	16,232	16,232
Changes during period			
Dividends of surplus			
Provision of reserve for cancellation of shares			
Provision of general reserve			
Profit			
Purchase of treasury shares			
Disposal of treasury shares			
Reversal of revaluation reserve for land			
Net changes in items other than shareholders' equity			
Total changes during period	-	-	-
Balance at end of period	23,452	16,232	16,232

	Shareholders' equity							
	Retained earnings						Treasury shares	Total shareholders' equity
	Legal retained earnings	Other retained earnings				Total retained earnings		
		Reserve for tax purpose reduction entry of non-current assets	Reserve for cancellation of shares	General reserve	Retained earnings brought forward			
Balance at beginning of period	14,064	560	2,995	136,520	16,758	170,898	(3,529)	207,054
Changes during period								
Dividends of surplus					(848)	(848)		(848)
Provision of reserve for cancellation of shares						-		-
Provision of general reserve				7,000	(7,000)	-		-
Profit					4,605	4,605		4,605
Purchase of treasury shares							(0)	(0)
Disposal of treasury shares							216	216
Reversal of revaluation reserve for land								-
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	7,000	(3,242)	3,757	215	3,972
Balance at end of period	14,064	560	2,995	143,520	13,516	174,655	(3,313)	211,027

(Million yen)

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	73,014	(1,528)	5,134	76,620	283,675
Changes during period					
Dividends of surplus					(848)
Provision of reserve for cancellation of shares					-
Provision of general reserve					-
Profit					4,605
Purchase of treasury shares					(0)
Disposal of treasury shares					216
Reversal of revaluation reserve for land					-
Net changes in items other than shareholders' equity	5,489	7	-	5,497	5,497
Total changes during period	5,489	7	-	5,497	9,470
Balance at end of period	78,504	(1,520)	5,134	82,117	293,145

For the six months ended September 30,2022

(Million yen)

	Shareholders' equity		
	Share capital	Capital surplus	
		Legal capital surplus	Total capital surplus
Balance at beginning of period	23,452	16,232	16,232
Changes during period			
Dividends of surplus			
Provision of reserve for cancellation of shares			
Provision of general reserve			
Profit			
Purchase of treasury shares			
Disposal of treasury shares			
Reversal of revaluation reserve for land			
Net changes in items other than shareholders' equity			
Total changes during period	-	-	-
Balance at end of period	23,452	16,232	16,232

	Shareholders' equity							
	Retained earnings						Treasury shares	Total shareholders' equity
	Legal retained earnings	Other retained earnings				Total retained earnings		
		Reserve for tax purpose reduction entry of non-current assets	Reserve for cancellation of shares	General reserve	Retained earnings brought forward			
Balance at beginning of period	14,064	560	2,995	143,520	19,100	180,240	(4,100)	215,825
Changes during period								
Dividends of surplus					(943)	(943)		(943)
Provision of reserve for cancellation of shares			2,000		(2,000)	-		-
Provision of general reserve				7,000	(7,000)	-		-
Profit					4,749	4,749		4,749
Purchase of treasury shares							(1,067)	(1,067)
Disposal of treasury shares					(0)	(0)	239	239
Reversal of revaluation reserve for land					130	130		130
Net changes in items other than shareholders' equity								
Total changes during period	-	-	2,000	7,000	(5,064)	3,935	(828)	3,107
Balance at end of period	14,064	560	4,995	150,520	14,036	184,176	(4,928)	218,933

(Million yen)

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	58,346	(24)	5,126	63,448	279,273
Changes during period					
Dividends of surplus					(943)
Provision of reserve for cancellation of shares					-
Provision of general reserve					-
Profit					4,749
Purchase of treasury shares					(1,067)
Disposal of treasury shares					239
Reversal of revaluation reserve for land					130
Net changes in items other than shareholders' equity	(15,733)	654	(130)	(15,209)	(15,209)
Total changes during period	(15,733)	654	(130)	(15,209)	(12,102)
Balance at end of period	42,612	630	4,995	48,238	267,171