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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

November 10, 2023

Company name: The Awa Bank, Ltd.

Stock exchange listing: Tokyo

Code number: 8388

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

Representative: Takehisa Fukunaga

President and Director

Contact: Seiji Fujikura

Executive Officer, General Manager, Business Management Division

Phone: +81-88-623-3131

Scheduled date of filing quarterly securities report: November 10, 2023

Scheduled date of commencing dividend payments: December 5, 2023

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

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Ordinary revenues		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	38,104	(5.3)	8,135	4.3	5,429	3.0
September 30, 2022	40,266	21.9	7,793	10.9	5,270	7.1

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 24,012 million [-%]
Six months ended September 30, 2022: ¥ (9,708) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	133.26	-
September 30, 2022	127.58	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	3,839,197	301,456	7.8
March 31, 2023	3,850,329	278,763	7.2

(Reference) Equity: As of September 30, 2023: ¥ 301,456 million
As of March 31, 2023: ¥ 278,763 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, 2023	-	22.50	-	27.50	50.00
Fiscal year ending March 31, 2024	-	35.00			
Fiscal year ending March 31, 2024 (Forecast)			-	35.00	70.00

(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, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Ordinary revenues		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	74,500	(15.4)	15,700	1.7	10,600	3.8	260.64

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2023

(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: No

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, 2023: 41,040,000 shares

March 31, 2023: 41,040,000 shares

2) Number of treasury shares at the end of the period:

September 30, 2023: 371,494 shares

March 31, 2023: 273,664 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 40,739,826 shares

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

(Reference) Summary of Non-consolidated Financial Results

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

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

	Ordinary revenues		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	29,452	(7.9)	7,798	10.7	5,125	7.9
September 30, 2022	31,999	28.0	7,044	6.9	4,749	3.1

	Basic earnings per share
Six months ended	Yen
September 30, 2023	125.81
September 30, 2022	114.96

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	3,812,384	291,638	7.6
March 31, 2023	3,826,971	269,592	7.0

(Reference) Equity: As of September 30, 2023: ¥ 291,638 million
As of March 31, 2023: ¥ 269,592 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Ordinary revenues		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	58,100	(19.5)	15,400	3.3	10,600	4.4	260.64

Interim Consolidated Financial Statements
Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Cash and due from banks	482,868	457,737
Call loans and bills bought	140,894	45,161
Monetary claims bought	817	434
Securities	935,370	1,008,693
Loans and bills discounted	2,172,312	2,203,059
Foreign exchanges	8,879	6,886
Lease receivables and investments in leases	30,057	31,216
Other assets	46,019	53,345
Tangible fixed assets	38,438	38,281
Intangible fixed assets	4,515	4,221
Deferred tax assets	212	307
Customers' liabilities for acceptances and guarantees	8,924	9,335
Allowance for loan losses	(18,981)	(19,485)
Total assets	3,850,329	3,839,197
Liabilities		
Deposits	3,250,619	3,141,920
Negotiable certificates of deposit	130,006	154,227
Call money and bills sold	-	5,983
Cash collateral received for securities lent	-	4,173
Borrowed money	128,110	155,452
Foreign exchanges	2	7
Other liabilities	40,016	45,083
Provision for bonuses	22	25
Provision for bonuses for directors (and other officers)	50	16
Provision for retirement benefits for directors (and other officers)	15	9
Provision for share-based compensation	290	250
Provision for reimbursement of deposits	193	150
Provision for contingent loss	1,314	1,316
Deferred tax liabilities	9,454	17,269
Deferred tax liabilities for land revaluation	2,545	2,518
Acceptances and guarantees	8,924	9,335
Total liabilities	3,571,566	3,537,740

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Share capital	23,452	23,452
Capital surplus	20,106	20,106
Retained earnings	189,153	193,482
Treasury shares	(846)	(1,039)
Total shareholders' equity	231,866	236,001
Valuation difference on available-for-sale securities	42,401	57,550
Deferred gains or losses on hedges	(297)	3,137
Revaluation reserve for land	4,792	4,767
Total accumulated other comprehensive income	46,896	65,455
Total net assets	278,763	301,456
Total liabilities and net assets	3,850,329	3,839,197

Interim Consolidated Statements of Income and Comprehensive Income

Interim Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Ordinary income	40,266	38,104
Interest income	21,262	22,847
Interest on loans and discounts	12,147	12,814
Interest and dividends on securities	7,917	7,858
Fees and commissions	4,763	4,743
Other ordinary income	10,353	7,972
Other income	3,887	2,541
Ordinary expenses	32,473	29,969
Interest expenses	2,812	4,974
Interest on deposits	350	458
Fees and commissions payments	553	496
Other ordinary expenses	13,455	7,005
General and administrative expenses	14,877	15,574
Other expenses	773	1,918
Ordinary profit	7,793	8,135
Extraordinary income	0	12
Gain on disposal of non-current assets	0	12
Extraordinary losses	339	435
Loss on disposal of non-current assets	78	53
Impairment losses	260	382
Profit before income taxes	7,453	7,711
Income taxes - current	1,858	2,601
Income taxes - deferred	324	(318)
Total income taxes	2,183	2,282
Profit	5,270	5,429
Profit attributable to owners of parent	5,270	5,429

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	5,270	5,429
Other comprehensive income	(14,979)	18,583
Valuation difference on available-for-sale securities	(15,634)	15,148
Deferred gains or losses on hedges	654	3,434
Comprehensive income	(9,708)	24,012
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(9,708)	24,012

Interim Consolidated Statements of Changes in Equity
For the six months ended September 30, 2022

(Millions of 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	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

For the six months ended September 30, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	23,452	20,106	189,153	(846)	231,866
Changes during period					
Dividends of surplus			(1,126)		(1,126)
Profit attributable to owners of parent			5,429		5,429
Purchase of treasury shares				(245)	(245)
Disposal of treasury shares				51	51
Reversal of revaluation reserve for land			25		25
Net changes in items other than shareholders' equity					
Total changes during period	-	-	4,328	(193)	4,134
Balance at end of period	23,452	20,106	193,482	(1,039)	236,001

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total accumulated other comprehensive income	
Balance at beginning of period	42,401	(297)	4,792	46,896	278,763
Changes during period					
Dividends of surplus					(1,126)
Profit attributable to owners of parent					5,429
Purchase of treasury shares					(245)
Disposal of treasury shares					51
Reversal of revaluation reserve for land					25
Net changes in items other than shareholders' equity	15,148	3,434	(25)	18,558	18,558
Total changes during period	15,148	3,434	(25)	18,558	22,692
Balance at end of period	57,550	3,137	4,767	65,455	301,456

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

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Cash and due from banks	482,865	457,730
Call loans	140,894	45,161
Monetary claims bought	817	434
Securities	945,432	1,018,479
Loans and bills discounted	2,169,686	2,199,709
Foreign exchanges	8,879	6,886
Other assets	44,229	50,331
Other	44,229	50,331
Tangible fixed assets	37,224	36,684
Intangible fixed assets	4,411	4,132
Customers' liabilities for acceptances and guarantees	8,924	9,335
Allowance for loan losses	(16,393)	(16,502)
Total assets	3,826,971	3,812,384
Liabilities		
Deposits	3,257,104	3,146,172
Negotiable certificates of deposit	134,006	158,227
Call money	-	5,983
Cash collateral received for securities lent	-	4,173
Borrowed money	113,558	140,972
Foreign exchanges	2	7
Other liabilities	30,360	34,505
Income taxes payable	5	1,523
Lease liabilities	55	81
Asset retirement obligations	157	133
Other	30,142	32,766
Provision for bonuses for directors (and other officers)	50	16
Provision for share-based compensation	290	250
Provision for reimbursement of deposits	193	150
Provision for contingent loss	1,314	1,316
Deferred tax liabilities	9,026	17,114
Deferred tax liabilities for land revaluation	2,545	2,518
Acceptances and guarantees	8,924	9,335
Total liabilities	3,557,378	3,520,745

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Share capital	23,452	23,452
Capital surplus	16,232	16,232
Legal capital surplus	16,232	16,232
Retained earnings	183,862	187,887
Legal retained earnings	14,064	14,064
Other retained earnings	169,798	173,822
Reserve for tax purpose reduction entry of non-current assets	560	560
Reserve for cancellation of shares	15	2,015
General reserve	150,520	157,520
Retained earnings brought forward	18,702	13,727
Treasury shares	(846)	(1,039)
Total shareholders' equity	222,701	226,533
Valuation difference on available-for-sale securities	42,395	57,200
Deferred gains or losses on hedges	(297)	3,137
Revaluation reserve for land	4,792	4,767
Total valuation and translation adjustments	46,890	65,104
Total net assets	269,592	291,638
Total liabilities and net assets	3,826,971	3,812,384

Interim Non-consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Ordinary income	31,999	29,452
Interest income	21,229	22,798
Interest on loans and discounts	12,152	12,822
Interest and dividends on securities	7,880	7,801
Fees and commissions	4,021	3,949
Other ordinary income	2,849	169
Other income	3,899	2,534
Ordinary expenses	24,954	21,653
Interest expenses	2,797	4,952
Interest on deposits	350	458
Fees and commissions payments	519	454
Other ordinary expenses	6,750	71
General and administrative expenses	14,140	14,718
Other expenses	747	1,455
Ordinary profit	7,044	7,798
Extraordinary income	-	12
Extraordinary losses	337	435
Profit before income taxes	6,706	7,375
Income taxes - current	1,631	2,048
Income taxes - deferred	325	200
Total income taxes	1,957	2,249
Profit	4,749	5,125

Interim Non-consolidated Statements of Changes in Equity
For the six months ended September 30, 2022

(Millions of 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

(Millions of 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

For the six months ended September 30, 2023

(Millions of 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	15	150,520	18,702	183,862	(846)	222,701
Changes during period								
Dividends of surplus					(1,126)	(1,126)		(1,126)
Provision of reserve for cancellation of shares			2,000		(2,000)	-		-
Provision of general reserve				7,000	(7,000)	-		-
Profit					5,125	5,125		5,125
Purchase of treasury shares							(245)	(245)
Disposal of treasury shares							51	51
Reversal of revaluation reserve for land					25	25		25
Net changes in items other than shareholders' equity								
Total changes during period	-	-	2,000	7,000	(4,975)	4,024	(193)	3,831
Balance at end of period	14,064	560	2,015	157,520	13,727	187,887	(1,039)	226,533

(Millions of 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	42,395	(297)	4,792	46,890	269,592
Changes during period					
Dividends of surplus					(1,126)
Provision of reserve for cancellation of shares					-
Provision of general reserve					-
Profit					5,125
Purchase of treasury shares					(245)
Disposal of treasury shares					51
Reversal of revaluation reserve for land					25
Net changes in items other than shareholders' equity	14,804	3,434	(25)	18,214	18,214
Total changes during period	14,804	3,434	(25)	18,214	22,045
Balance at end of period	57,200	3,137	4,767	65,104	291,638