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Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]



January 29, 2024

Company name: SBI Sumishin Net Bank, Ltd.

Listing: Tokyo Stock Exchange

Securities code: 7163

URL: <https://www.netbk.co.jp/contents/company/en/>

Representative: Noriaki Maruyama, President and Chief Executive Officer

Contact: Tomokazu Yokoi, Director and Managing Executive Officer, General Manager of Corporate Division

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Scheduled date of filing quarterly securities report: February 9, 2024

Scheduled date of commencing dividend payments: –

Specified transaction account: None

Supplementary briefing material on financial results: Available

Financial results briefing session: Scheduled (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)

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

	Ordinary income		Ordinary profit (loss)		Profit (loss) attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2023	85,319	19.9	25,097	15.1	18,254	25.5
December 31, 2022	71,139	18.1	21,807	28.4	14,546	11.6

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥16,256 million [162.8%]

Nine months ended December 31, 2022: ¥6,186 million [(52.0)%]

	Profit (loss) per share	Diluted profit (loss) per share
Nine months ended	Yen	Yen
December 31, 2023	121.06	–
December 31, 2022	96.46	–

(Note) Diluted profit (loss) per share is not stated as there are no diluted shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	10,343,135	146,701	1.4
March 31, 2023	8,679,004	131,691	1.5

(Reference) Core capital: As of December 31, 2023: ¥146,642 million

As of March 31, 2023: ¥131,604 million

(Note) “Capital adequacy ratio” is calculated by dividing (net assets at the end of the period minus non-controlling interests at the end of the period) by total assets at the end of the period.

The “capital adequacy ratio” is not the capital adequacy ratio stated in the Capital Adequacy Ratio Notification.

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	—	0.00	—	0.00	198.95
Fiscal year ending March 31, 2024	—	7.50	—		
Fiscal year ending March 31, 2024 (Forecast)				8.00	15.50

(Note) Revision of latest announced estimates for cash dividends per share of common stock: None

For the fiscal year ended March 31, 2023, SBI Sumishin Net Bank, Ltd. (the “Company”) paid cash dividends of 198.95 yen per share using retained earnings for a total dividend of approximately 30,000 million yen, based on the resolution of the Extraordinary General Meeting of Shareholders held on January 18, 2023 (a written resolution based on Article 319, Paragraph 1 of the Companies Act of Japan), with the same date as the record date and January 20, 2023, as the effective date.

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 profit (loss)		Profit (loss) attributable to owners of the parent		Profit (loss) per share
	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2024	34,000	15.7	23,400	17.4	155.17

(Note) Revision of latest announced forecast of consolidated earnings: None

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2023 (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Specific accounting treatments for the preparation of the quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to revisions to accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

As of December 31, 2023: 150,793,800

As of March 31, 2023: 150,793,800

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

As of December 31, 2023: 39,068

As of March 31, 2023: —

3) Average number of outstanding shares during the period:

Nine months ended December 31, 2023: 150,779,517

Nine months ended December 31, 2022: 150,793,800

* These consolidated financial results for the nine months ended December 31, 2023, are outside the scope of the quarterly review procedures to be performed by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecasts and other notes

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. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Cash and due from banks	1,100,449	1,780,535
Monetary claims bought	243,353	216,397
Money held in trust	13,657	13,657
Securities	558,769	551,007
Loans and bills discounted	6,594,878	7,546,235
Foreign exchanges	7,102	8,190
Other assets	125,881	190,525
Property, plant and equipment	3,790	3,353
Intangible assets	26,908	28,285
Deferred tax assets	7,231	7,685
Allowance for loan losses	(3,019)	(2,740)
Assets	8,679,004	10,343,135
Liabilities		
Deposits	7,975,420	9,205,409
Call money and bills sold	48,000	256,000
Cash collateral received for securities lent	145,885	152,913
Borrowed money	300,000	500,000
Foreign exchanges	1,533	4,025
Other liabilities	74,352	75,445
Provision for bonuses	510	416
Provision for retirement benefits	15	16
Provision for point card certificates	952	1,245
Provision for reimbursement of deposits	52	53
Reserves under special laws	9	9
Deferred tax liabilities	580	898
Liabilities	8,547,313	10,196,434
Net assets		
Share capital	31,000	31,000
Capital surplus	13,625	13,601
Retained earnings	98,723	115,841
Treasury shares	-	(66)
Shareholders' equity	143,349	160,376
Valuation difference on available-for-sale securities	(11,409)	(13,034)
Deferred gains or losses on hedges	(335)	(699)
Accumulated other comprehensive income	(11,744)	(13,734)
Non-controlling interests	87	58
Net assets	131,691	146,701
Liabilities and net assets	8,679,004	10,343,135

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statements of Income)

	(Millions of yen)	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Ordinary income	71,139	85,319
Interest income	35,350	40,058
Interest on loans and discounts	27,910	30,773
Interest and dividends on securities	5,923	7,813
Fees and commissions	29,894	37,887
Other ordinary income	5,659	7,247
Other income	235	126
Ordinary expenses	49,331	60,222
Interest expenses	4,713	7,943
Interest on deposits	3,385	7,980
Fees and commissions payments	19,483	24,217
Other ordinary expenses	856	447
General and administrative expenses	23,298	27,242
Other expenses	978	371
Ordinary profit (loss)	21,807	25,097
Extraordinary income	-	1,537
Gains on disposal of fixed assets	-	7
Gains on business transfer	-	1,529
Extraordinary losses	330	328
Losses on disposal of non-current assets	0	0
Impairment losses	218	187
Provision of reserve for financial instruments transaction liabilities	-	0
Other	111	140
Profit (loss) before income taxes	21,477	26,306
Income taxes-current	7,028	7,284
Income taxes-deferred	(103)	776
Income taxes	6,925	8,060
Profit (loss)	14,551	18,246
Profit (loss) attributable to non-controlling interests	5	(7)
Profit (loss) attributable to owners of the parent	14,546	18,254

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit (loss)	14,551	18,246
Other comprehensive income	(8,364)	(1,989)
Valuation difference on available-for-sale securities, net of tax	(12,549)	(1,624)
Deferred gains or losses on hedges, net of tax	4,184	(364)
Comprehensive income	6,186	16,256
Comprehensive income attributable to owners of the parent	6,181	16,264
Comprehensive income attributable to non- controlling interests	5	(7)

(3) Notes to the Consolidated Financial Statements
(Notes on going concern assumptions)
Not applicable.

(Notes on significant changes in total shareholders' equity)
Not applicable.

Explanatory Material

For the Nine Months Ended December 31, 2023



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1. Profits and Losses

[Consolidated]

(Millions of yen)

	Nine months ended		Nine months ended December 31, 2022 (B)
	December 31, 2023 (A)	(A) - (B)	
Consolidated gross profit	52,588	6,735	45,853
Net interest income	32,118	1,478	30,640
Net fees and commissions	13,670	3,259	10,410
Net other operating income	6,799	1,997	4,802
Net gains (losses) on bonds	981	167	813
General and administrative expenses (-)	27,242	3,943	23,298
Total credit cost (-)	308	(356)	665
Net gains (losses) on stocks	—	171	(171)
Share of profit (loss) of entities accounted for using equity method	45	1	43
Others	15	(30)	45
Ordinary profit (loss)	25,097	3,289	21,807
Extraordinary gains (losses)	1,209	1,539	(330)
Profit (loss) before income taxes	26,306	4,829	21,477
Income taxes - current (-)	7,284	255	7,028
Income taxes - deferred (-)	776	879	(103)
Income taxes (-)	8,060	1,134	6,925
Profit (loss)	18,246	3,694	14,551
Profit (loss) attributable to owners of the parent	18,254	3,707	14,546
Consolidated ordinary business profit	25,345	2,791	22,554

Note 1: Consolidated gross profit = (Interest income - (Interest expenses - Money held in trust expenses))

+ (Fees and commissions - Fees and commissions payments)

+ (Other ordinary income - Other ordinary expenses)

Note 2: Consolidated ordinary business profit = Non-consolidated banking profit + Subsidiary gross profit

- Subsidiary general and administrative expenses - Internal transactions

Profits and Losses by Segment

Digital Banking Business

(Millions of yen)

	Nine months ended		Nine months ended December 31, 2022 (B)
	December 31, 2023 (A)	(A) - (B)	
Gross profit	47,462	4,101	43,360
Expenses, etc. (-)	24,973	2,692	22,280
Ordinary profit (loss)	22,488	1,408	21,079

Banking as a Service (BaaS) Business

(Millions of yen)

	Nine months ended		Nine months ended December 31, 2022 (B)
	December 31, 2023 (A)	(A) - (B)	
Gross profit	6,226	3,098	3,128
Expenses, etc. (-)	3,550	1,126	2,423
Ordinary profit (loss)	2,675	1,971	704

THEMIX Business

(Millions of yen)

	Nine months ended		Nine months ended December 31, 2022 (B)
	December 31, 2023 (A)	(A) - (B)	
Gross profit	110	110	—
Expenses, etc. (-)	205	164	40
Ordinary profit (loss)	(94)	(53)	(40)

Note 1: Expenses, etc., include total credit cost and net gains on stocks, which are reported under the Digital Banking Business.

Note 2: From the three months ended June 30, 2023, non-financial businesses, such as advertising businesses, which were previously included in the "BaaS Business," are disclosed as a separate segment, the "THEMIX Business."

The figures for the nine months ended December 31, 2022 are disclosed based on the new reportable segments.

[Non-consolidated]

(Millions of yen)

		Nine months ended		Nine months ended
		December 31, 2023	(A) - (B)	December 31, 2022
		(A)		(B)
Gross banking profit		49,097	5,914	43,182
Net interest income		32,027	1,526	30,501
Net fees and commissions		11,826	3,658	8,168
Net other operating income		5,242	729	4,513
Net gains (losses) on bonds		981	167	813
Expenses (excluding non-recurring losses)	(-)	25,385	4,221	21,163
Personnel expenses	(-)	4,322	439	3,882
Non-personnel expenses	(-)	19,523	3,556	15,967
Taxes	(-)	1,539	225	1,313
Ordinary business profit		23,711	1,692	22,018
Provisions for general reserve for possible loan losses (1)	(-)	76	(136)	212
Banking profit		23,635	1,829	21,805
Non-recurring gains (losses)		(641)	(377)	(263)
Credit costs (2)	(-)	133	21	111
Net gains (losses) on stocks		(486)	(315)	(171)
Other non-recurring gains (losses)		(21)	(40)	19
Ordinary profit (loss)		22,994	1,451	21,542
Extraordinary gains (losses)		(17)	313	(330)
Profit (loss) before income taxes		22,976	1,764	21,212
Income taxes - current	(-)	6,602	(104)	6,706
Income taxes - deferred	(-)	327	369	(42)
Income taxes	(-)	6,929	265	6,664
Profit (loss)		16,047	1,499	14,547
Total credit cost ((1) + (2))	(-)	209	(114)	324
OHR	(*)	51.7%	2.6%	49.0%

*OHR = Expenses / Gross banking profit

2. Domestic Interest Spread

[Non-consolidated]

(%)

		Nine months ended December 31, 2023		Nine months ended December 31, 2022	
		(A)	(A) - (B)	(B)	
Yield on interest-earning assets	(A)	0.52	(0.03)	0.55	
Interest earned on loans and bills discounted	(C)	0.57	(0.05)	0.63	
Interest earned on securities		0.46	0.03	0.43	
Total cost of funding (including expenses)	(B)	0.40	0.03	0.37	
Cost of interest-bearing liabilities		0.03	0.00	0.03	
Interest paid on deposits, etc.	(D)	0.02	0.00	0.01	
Expense ratio		0.38	0.01	0.37	
Overall interest spread	(A) - (B)	0.12	(0.06)	0.18	
Interest spread	(C) - (D)	0.55	(0.06)	0.61	

3. Net Gains (Losses) on Securities

[Consolidated]

(Millions of yen)

	Nine months ended December 31, 2023		Nine months ended December 31, 2022	
	(A)	(A) - (B)	(B)	
Net gains (losses) on bonds	981	167	813	
Net gains (losses) on stocks	—	171	(171)	

[Non-consolidated]

(Millions of yen)

	Nine months ended December 31, 2023		Nine months ended December 31, 2022	
	(A)	(A) - (B)	(B)	
Net gains (losses) on bonds	981	167	813	
Net gains (losses) on stocks	(486)	(315)	(171)	

4. Capital Adequacy Ratios (domestic standard)

[Consolidated]

(Billions of yen, %)

	As of December 31, 2023		As of March 31, 2023
	(A)	(A) - (B)	
(1) Capital adequacy ratio (2) / (3)	8.55	(0.40)	8.95
(2) Amount of core capital	141.4	15.3	126.1
(3) Amount of risk-weighted assets	1,654.4	245.8	1,408.6
(4) Total required capital	66.1	9.8	56.3

[Non-consolidated]

(Billions of yen, %)

	As of December 31, 2023		As of March 31, 2023
	(A)	(A) - (B)	
(1) Capital adequacy ratio (2) / (3)	8.42	(0.53)	8.95
(2) Amount of core capital	140.8	13.4	127.4
(3) Amount of risk-weighted assets	1,671.3	248.1	1,423.1
(4) Total required capital	66.8	9.9	56.9

5. Return on Equity

[Consolidated]

(%)

	Nine months ended December 31, 2023		Nine months ended December 31, 2022
	(A)	(A) - (B)	
Return on Equity (ROE)	17.4	4.4	13.0
ROE (excluding the effects of business transfer)	16.4	3.3	

Note 1: ROE formula

$$\frac{\text{Profit (loss) attributable to owners of parent}}{(\text{Total core capital at the beginning of the period} + \text{Total core capital at the end of the period}) / 2} \times 100 \times \frac{365}{\text{Number of days during the period}}$$

Note 2: Total core capital = Total net assets - Non-controlling interests

Note 3: ROE (excluding the effects of business transfer) is calculated based on the profit (loss) attributable to owners of the parent

(with the effective tax rate of 30.62%), which is calculated by deducting "extraordinary income from sales of the guarantee business in a subsidiary (1,529 million yen)" recorded in the nine months ended December 31, 2023.

6. Key Performance Indicators

(1) Disbursements of Mortgages

[Consolidated] (Billions of yen)

	Nine months ended December 31, 2023		Nine months ended December 31, 2022
	(A)	(A) - (B)	
Disbursements of mortgages	1,211.2	162.5	1,048.7
Original	1,152.2	211.3	940.9
Bank agencies	664.6	133.7	530.9
Flat 35	58.9	(48.8)	107.8

Note: Original: Original represents the total disbursements of mortgages sold by the Company, mortgages sold by the Company as a bank agency c Sumitomo Mitsui Trust Bank, Limited, mortgages sold by bank agencies with the Company as the affiliated bank, and mortgages ori by Yuryo Loan, Ltd.

Flat35: Flat 35 is sold by the Company and Yuryo Loan, Ltd.

(2) Number of Accounts

[Non-consolidated] (Ten thousands of accounts)

	As of December 31, 2023		As of March 31, 2023
	(A)	(A) - (B)	
Number of accounts	688	73	614
Digital Banking Business	557	24	532
BaaS Business	130	48	81

(3) Number of BaaS Business Partners

[Non-consolidated] (Number of companies)

	As of December 31, 2023		As of March 31, 2023
	(A)	(A) - (B)	
Number of BaaS business partners	15	5	10

7. Deposits and Loans

(1) Deposits and Loans

[Non-consolidated]

(Billions of yen)

	As of December 31, 2023		As of March 31, 2023
	(A)	(A) - (B)	
Deposits (Ending balance)	9,224.0	1,246.3	7,977.7
Deposits (Average balance)	8,643.2	995.6	7,647.5
Loans (Ending balance)	7,565.0	958.4	6,606.5
Loans (Average balance)	7,082.4	1,046.8	6,035.6

(2) Breakdown of Domestic Loans and Ratio of Loans of Small to Mid-Sized Enterprises

[Non-consolidated]

(Billions of yen)

	As of December 31, 2023		As of March 31, 2023
	(A)	(A) - (B)	
Domestic loans (excluding governments)	6,773.1	999.9	5,773.2
Large enterprises	84.1	11.2	72.9
Mid-sized enterprises	—	—	—
Small to mid-sized enterprises	6,688.9	988.6	5,700.2
Small to mid-sized enterprises	27.4	(8.5)	36.0
Individuals	6,661.4	997.2	5,664.1
Ratio of loans to small to mid-sized enterprises	(B) / (A)	98.7%	0.0%
			98.7%

(3) Loans to Individual

[Non-consolidated]

(Billions of yen)

	As of December 31, 2023		As of March 31, 2023
	(A)	(A) - (B)	
Total	6,661.4	997.2	5,664.1
Mortgage loans	6,219.7	923.8	5,295.9
Others	441.6	73.4	368.2

8. Disclosure of Claims Classified under the Financial Revitalization Act

[Consolidated]

(Millions of yen)

	As of December 31, 2023 (A)		As of March 31, 2023 (B)
		(A) - (B)	
Bankrupt or substantially bankrupt	2,657	212	2,445
Doubtful	904	72	831
Restructured	705	1	704
Total	4,267	285	3,981

Total normal claims	7,543,849	951,250	6,592,599
Total balance of claims, including normal claims	7,548,116	951,536	6,596,580
NPL ratio	0.05%	(0.00)%	0.06%

Note: Total balance of claims, including normal claims, are loans, foreign exchanges, and accrued interest and suspense payments within Other assets.

9. Coverage Ratio of Claims Classified under the Financial Revitalization Act

[Consolidated]

(Millions of yen)

	As of December 31, 2023 (A)		As of March 31, 2023 (B)
		(A) - (B)	
Coverage amount (A)	4,042	312	3,729
Reserve for possible loan losses	669	(3)	673
Collateral and guarantees	3,372	316	3,056
Claims classified under the Financial Revitalization Act (B)	4,267	285	3,981

Coverage ratio (A) / (B)	94.73%	1.05%	93.68%
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(Reference) Self-assessment (Borrower classification)

[Consolidated]

(Millions of yen)

	As of December 31, 2023 (A)		As of March 31, 2023 (B)
		(A) - (B)	
Bankrupt borrowers (A)	505	93	411
Substantially bankrupt borrowers (B)	2,151	118	2,033
Potentially bankrupt borrowers (C)	904	72	831
Borrowers requiring caution (D)	3,297	(110)	3,407
Borrowers under requirement of control	706	1	705
Other borrowers requiring caution	2,590	(111)	2,702
Normal borrowers (E)	7,541,258	951,361	6,589,896
Total balance of claims, including normal claims (A) + (B) + (C) + (D) + (E)	7,548,116	951,536	6,596,580

Note: Total balance of claims, including normal claims, are loans, foreign exchanges, and accrued interest and suspense payments within Other assets.

10. Reserve for Possible Loan Losses

[Consolidated]

(Millions of yen)

	As of December 31, 2023		As of March 31, 2023 (B)
	(A)	(A) - (B)	
Allowance for loan losses	2,740	(278)	3,019
General reserve for possible loan losses	2,078	(247)	2,326
Specific reserves for possible loan losses	662	(30)	692

[Non-consolidated]

(Millions of yen)

	As of December 31, 2023		As of March 31, 2023 (B)
	(A)	(A) - (B)	
Allowance for loan losses	2,742	137	2,604
General reserve for possible loan losses	2,098	76	2,021
Specific reserves for possible loan losses	644	61	583

11. Loans by Industry

[Non-consolidated]

(Millions of yen, %)

	As of December 31, 2023		As of March 31, 2023	
	Loans receivable	Ratio	Loans receivable	Ratio
Individuals	6,661,458	88.05	5,664,193	85.74
Financial institutions	109,556	1.45	107,320	1.62
Government of Japan	791,964	10.47	833,393	12.61
Others	2,091	0.03	1,686	0.03
Total	7,565,070	100.00	6,606,594	100.00

12. Unrealized Gains (Losses) on Securities

[Consolidated]

(Billions of yen)

	As of December 31, 2023			As of March 31, 2023	
	Amount on the consolidated balance sheet	Unrealized gains/losses (A)	(A) - (B)	Amount on the consolidated balance sheet	Unrealized gains/losses (B)
Securities	622.8	(18.7)	(2.3)	658.1	(16.4)
Held-to-maturity debt securities	—	—	—	—	—
Available-for-sale securities	622.8	(18.7)	(2.3)	658.1	(16.4)
Stocks	0.0	—	—	0.0	—
Bonds	267.9	(11.0)	(2.9)	240.5	(8.0)
Japanese government bonds	183.0	(7.5)	(1.6)	149.8	(5.9)
Others	354.8	(7.7)	0.6	417.6	(8.4)
Foreign bonds	280.6	(6.5)	0.8	317.2	(7.3)

Note: The above table includes beneficial interests in trusts within "Monetary claims bought" in addition to "Securities."

[Non-consolidated]

(Billions of yen)

	As of December 31, 2023			As of March 31, 2023	
	Amount on the non-consolidated balance sheet	Unrealized gains/losses (A)	(A) - (B)	Amount on the non-consolidated balance sheet	Unrealized gains/losses (B)
Securities	633.9	(18.7)	(2.3)	668.1	(16.4)
Held-to-maturity debt securities	—	—	—	—	—
Stocks of subsidiaries and affiliates	11.1	—	—	10.0	—
Available-for-sale securities	622.8	(18.7)	(2.3)	658.1	(16.4)
Stocks	0.0	—	—	0.0	—
Bonds	267.9	(11.0)	(2.9)	240.5	(8.0)
Japanese government bonds	183.0	(7.5)	(1.6)	149.8	(5.9)
Others	354.8	(7.7)	0.6	417.6	(8.4)
Foreign bonds	280.6	(6.5)	0.8	317.2	(7.3)

Note: The above table includes beneficial interests in trusts within "Monetary claims bought" in addition to "Securities."

13. Derivatives

(1) Derivatives for which hedge accounting is not applied

[Non-consolidated]

(Billions of yen)

		As of December 31, 2023			As of March 31, 2023		
		Contract amount, etc.	Fair value	Unrealized gains/losses	Contract amount, etc.	Fair value	Unrealized gains/losses
Interest rate-related		—	(0.0)	4.4	—	(0.0)	3.0
Interest rate options	sold	271.4	(8.5)	(4.1)	215.2	(5.4)	(2.3)
	bought	270.5	8.5	8.5	214.7	5.4	5.4
Currency-related		—	(0.7)	(0.7)	—	0.4	0.4
Foreign exchange forward contracts	sold	674.9	0.6	0.6	814.3	(1.0)	(1.0)
	bought	798.1	(1.3)	(1.3)	941.9	1.5	1.5
Currency options	sold	1.2	(0.0)	(0.0)	0.8	(0.0)	0.0
	bought	1.2	0.0	0.0	0.8	0.0	0.0

Note: The above transactions are stated at fair value, and unrealized gains (losses) are recorded in the non-consolidated statements of income.

(2) Derivatives for which hedge accounting is applied

[Non-consolidated]

(Billions of yen)

		As of December 31, 2023			As of March 31, 2023		
		Contract amount, etc.	Portion of contract amount, etc., exceeding 1 year	Fair value	Contract amount, etc.	Portion of contract amount, etc., exceeding 1 year	Fair value
Interest rate-related		—	—	(1.1)	—	—	(0.3)
Interest rate swaps (Receive floating rate and pay fixed rate)	Loans, available-for-sale securities (bonds)	162.5	155.6	(1.1)	137.1	120.3	(0.3)
Interest rate swaps (Receive fixed rate and pay floating rate)	Borrowed money	200.0	200.0	*Note 2	—	—	—

Note 1: The deferral method is applied in accordance with "Treatment of Accounting and Auditing Concerning Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Auditing Committee Report No. 24 (February 13, 2002)).

Note 2: The exceptional treatment for interest rate swaps is not stated at fair value since it is accounted for as one unit with hedged borrowed money.

14. Deferred Tax Assets and Liabilities

[Consolidated]

(Millions of yen)

	As of December 31, 2023	As of March 31, 2023
Net deferred tax assets (liabilities)	6,787	6,651

[Non-consolidated]

(Millions of yen)

	As of December 31, 2023	As of March 31, 2023
Net unrealized losses on available-for-sale securities	6,181	5,227
Net deferred losses on hedges	1,291	890
Allowance for loan losses	583	579
Loss on devaluation of stocks of subsidiaries and associates	247	98
Reserve for point card certificates	381	291
Accrued enterprise tax	134	352
Reserve for bonuses	87	130
Other	285	446
Subtotal deferred tax assets (A)	9,192	8,016
Subtotal valuation allowance (B)	(247)	(98)
Total deferred tax assets (A) + (B) (C)	8,945	7,917
Valuation difference on available-for-sale securities	(428)	(191)
Net deferred gains on hedges	(947)	(742)
Total deferred tax liabilities (D)	(1,376)	(934)
Net deferred tax assets (liabilities) (C) + (D)	7,568	6,983