

Financial Summary

for the Third Quarter of Fiscal Year 2019 Ended December 31, 2019

February 12, 2020
Lawson Bank, Inc. (<https://www.lawsonbank.jp/>)

I. Financial Results Highlights

(Financial figures are truncated to the unit stated)

1. Results of Operation (Non-consolidated)

(Millions of Yen)

	3Q FY2018 (9months)	3Q FY2019 (9months)
Total revenue	13,786	19,677
Net interest income	-392	-815
Net fees and commissions	14,178	20,493
Net provision of general reserve for credit losses	2	-1
General and administrative expenses	13,070	17,796
Ordinary business profits	713	1,883
Ordinary profits	684	2,042
Net income	417	1,783

2. Balance Sheets (Non-consolidated)

(Millions of Yen)

	FY2018 (As of March 31, 2019)	3Q FY2019 (As of December 31, 2019)
Cash and due from banks	319,744	474,911
Loans	0	25
Other assets	65,919	68,871
Total assets	385,664	543,808
Deposits	14,840	29,424
Borrowed money	280,000	260,000
Other liabilities	69,671	231,448
Total liabilities	364,512	520,873
Total equity	21,151	22,935

3. Financial Ratios (Non-consolidated)

	3Q FY2018 (9 months)	3Q FY2019 (9 months)
Expense-to-revenue ratio	94.8%	90.4%

(Millions of Yen)

	FY2018 (As of March 31, 2019)	3Q FY2019 (As of December 31, 2019)
Risk-weighted assets	72,684	81,565
Core capital	7,362	9,606
Capital adequacy ratio	10.13%	11.78%

	FY2018 (As of March 31, 2019)	3Q FY2019 (As of December 31, 2019)
Number of ATM units installed	13,476	13,486
Total number of banking accounts	28,177	45,161

	3Q FY2018 (9 months)	3Q FY2019 (9 months)
Total number of ATM usage (1,000s)	140,676	178,820
Average daily ATM usage (no. of times per day per unit)	49.8	48.1

Note:

1. In FY2018, figures are from operations after June 1, 2018 when the absorption-type split of Lawson ATM Networks, Inc. was implemented.
2. Figures of total number of ATM usage are rounded off a number less than 1,000.
3. Figures of average daily ATM usage are rounded off to one decimal places.

	FY2018 (As of March 31, 2019)	3Q FY2019 (As of December 31, 2019)
Number of affiliated financial institutions (banks, companies, depositories)	113	123

Note: The JA Bank and JF Marine Bank are considered each as an institution depending on business categories.

II. Financial Statements

1. Balance Sheets (Non-consolidated)

(Financial figures are truncated to the unit stated)
(Millions of Yen)

	FY2018 (As of March 31, 2019)	3Q FY2019 (As of December 31, 2019)
[Assets]		
Cash and due from banks	319,744	474,911
Loans	0	25
Suspense payments in ATMs	25,519	26,386
Other assets	9,731	10,736
Tangible fixed assets	16,879	18,419
Intangible fixed assets	13,793	13,330
Reserve for loan losses	-3	-2
Total assets	385,664	543,808
[Liabilities]		
Deposits	14,840	29,424
Borrowed money	280,000	260,000
Suspense receipts of ATM	55,818	216,780
Other liabilities	13,681	14,537
Lease obligations	11,186	11,773
Accrued employees' bonuses	172	130
Total liabilities	364,512	520,873
[Equity]		
Common stock	11,600	11,600
Capital surplus	11,600	11,600
Retained earnings	-2,048	-264
Total shareholders' equity	21,151	22,935
Total equity	21,151	22,935
Total liabilities and equity	385,664	543,808

2. Statement of Income (Non-consolidated)

(Financial figures are truncated to the unit stated)
(Millions of Yen)

	3Q FY2018 (From April 1, 2018 to December 31, 2018)	3Q FY2019 (From April 1, 2019 to December 31, 2019)
Ordinary income	18,292	26,193
Interest income	-8	-16
Interest on loans and discounts	0	1
Interest and dividends on securities	-0	-
Interest on call loans	-	-6
Interest income on due from banks	-8	-14
Fees and commissions income	18,282	25,946
ATM commissions received	18,281	25,868
Other business income	0	-
Other ordinary income	18	263
Ordinary Expenses	17,607	24,151
Interest expenses	384	799
Interest on deposits	0	0
Interest on call money	0	4
Interest on borrowed money	170	494
Other interest paid	213	300
Fees and commissions expenses	4,103	5,452
ATM installation commissions expenses	1,868	2,394
ATM commissions expenses	2,225	2,913
Other business expenses	0	-
General and administrative expenses	13,070	17,796
Other ordinary expenses	49	103
Ordinary profit	684	2,042
Extraordinary profits	-	0
Other extraordinary profits	-	0
Extraordinary losses	15	8
Tangible fixed asset disposal expenses	15	3
Other extraordinary losses	-	4
Net income before income taxes	668	2,034
Income taxes	251	251
Income taxes	247	251
Deferred income taxes	4	-
Net income	417	1,783