

# Consolidated Financial Review

## Performance

Gunma Bank conducts consolidated accounting for its four consolidated subsidiaries and its two equity-method subsidiaries. These consolidated results for the fiscal year in review are as follows:

The balance of deposits at fiscal year-end stood at ¥6,255.3 billion, an increase of ¥163.3 billion. Loans and bills discounted stood at ¥4,806.9 billion, an increase of ¥254.5 billion, and securities stood at ¥2,320.7 billion, an increase of ¥94.6 billion. Total assets came to ¥7,550.9 billion, and Total stockholders' equity came to ¥368.3 billion.

In the year under review, total income amounted to ¥132.6 billion, up ¥2.1 billion from the previous year, mainly due to increases in interest and dividend income and fees and commissions.

Further, total expenses decreased ¥4.2 billion from the previous year to ¥91.6 billion, due to a decrease in credit expenses, offsetting increases mainly in interest expense and fees and commissions.

As a result, the bank reported pre-tax income (income before income taxes and minority interest) in the period in review of ¥40.9 billion, a increase of ¥6.2 billion, and Net Income of ¥25.9 billion, an increased ¥6.0 billion.

Consolidated total capital ratio based on Basel III reached as high as 13.45%, while both consolidated Tier 1 ratio and consolidated Common Equity Tier 1 ratio reached as high as 11.82%.

## Consolidated Capital Adequacy Ratio (BIS Standards)

|  | As at March 31, 2014 | As at March 31, 2015 | Billions of yen |
|--|----------------------|----------------------|-----------------|
| 1. Consolidated total capital ratio (4/7)        | 13.55%               | 13.45%               |                 |
| 2. Consolidated Tier 1 ratio (5/7)               | 11.82%               | 11.82%               |                 |
| 3. Consolidated Common Equity Tier 1 ratio (6/7) | 11.82%               | 11.82%               |                 |
| 4. Total capital (consolidated)                  | 434.1                | 475.0                |                 |
| 5. Tier 1 capital (consolidated)                 | 378.6                | 417.6                |                 |
| 6. Common Equity Tier 1 capital (consolidated)   | 378.6                | 417.6                |                 |
| 7. Risk weighted assets                          | 3,201.9              | 3,530.7              |                 |
| 8. Total required capital (consolidated)         | 256.1                | 282.4                |                 |