

Financial Results Briefing Session for the Year Ended March 2020

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The Gunma Bank, Ltd.

First Section of the Tokyo
Stock Exchange: 8334

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I. Summary of Financial Results for the Year Ended March 2020



1. Profit and Loss Conditions

Core business net profit excluding profit from the cancellation of investment trusts was maintained at the same level as the previous fiscal year, and credit costs were controlled.

Consolidated

(Unit: billion yen, %)

	No.	Mar. 2019	Mar. 2020	Compared with Mar. 2019
Core business gross profit	1	91.0	84.7	-6.3
Non-interest business profit	2	16.7	17.1	0.4
Expenses	3	57.5	56.1	-1.3
Core business net profit	4	33.4	28.5	-4.9
OHR	5	63.2	66.3	3.1
Ordinary profit	6	35.7	31.5	-4.2
Net income attributable to owners of parent	7	23.3	22.2	-1.0

Special comments

[Consolidated]

- Non-interest business profit increased 0.4 billion yen year-on-year, contributed by a securities subsidiary and a leasing subsidiary.
- Net income amounted to 22.2 billion yen, with 17.9 billion yen on a non-consolidated basis and 4.3 billion yen, a difference between consolidated and non-consolidated accounting, as a result of a gain on the sale of strategically held stocks related to an increase in the Group's stake in a leasing subsidiary to 100%.

[Non-consolidated]

- Core business gross profits decreased mainly due to a loss on cancellation of investment trusts (cancellation of bear funds for hedging purposes).
- Meanwhile, we reduced expenses, mainly personnel and non-personnel expenses, which helped reduce the decrease in core business net profit, excluding gains/loss on the cancellation of investment trusts, to 0.4 billion yen year-on-year.
- Credit costs have been under control at the planned level of 4.0 billion yen, down 3.6 billion yen from the previous fiscal year as a result of enhanced management of borrowers during the loan period in Saitama, Tokyo and Kanagawa areas.

Non-consolidated

(Unit: billion yen)

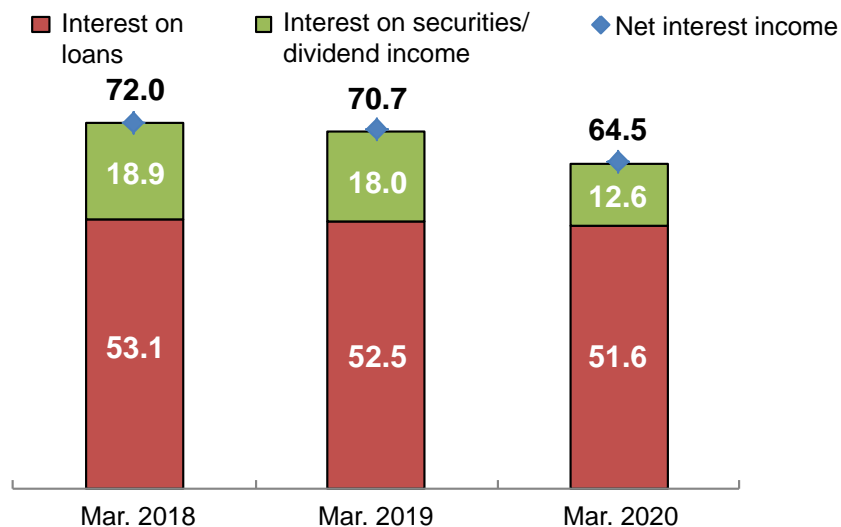
	No.	Mar. 2019	Mar. 2020	Compared with Mar. 2019
Core business gross profit	1	85.6	78.4	-7.2
Net interest income	2	74.4	67.6	-6.7
Profit/Loss from the cancellation of investment trusts	3	3.6	-1.4	-5.1
Non-interest business profit	4	11.2	10.7	-0.5
Net fees and commissions	5	10.5	9.8	-0.7
Other business profit	6	0.7	0.9	0.2
Expenses	7	56.1	54.4	-1.7
Core business net profit	8	29.5	24.0	-5.5
(Excluding profit/loss from the cancellation of investment trusts)	9	25.9	25.4	-0.4
Real net business profit	10	26.8	24.4	-2.3
Gain and loss on securities, etc.	11	11.7	5.4	-6.3
Credit costs	12	7.9	4.3	-3.6
Others	13	-1.3	0.2	1.6
Ordinary profit	14	31.9	25.3	-6.5
Extraordinary gain/loss	15	-0.4	-0.6	-0.2
Net income	16	20.9	17.9	-3.0

2. Status of Net Interest Income (1)

The main reason for a decrease in net interest income was decreases in interest on securities/dividend income (by 6.7 billion yen).

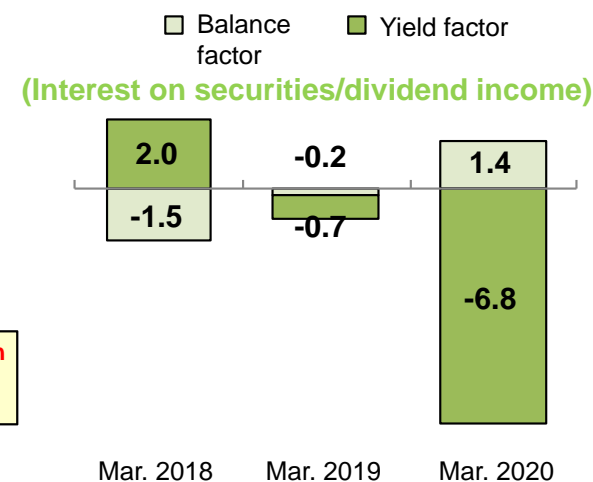
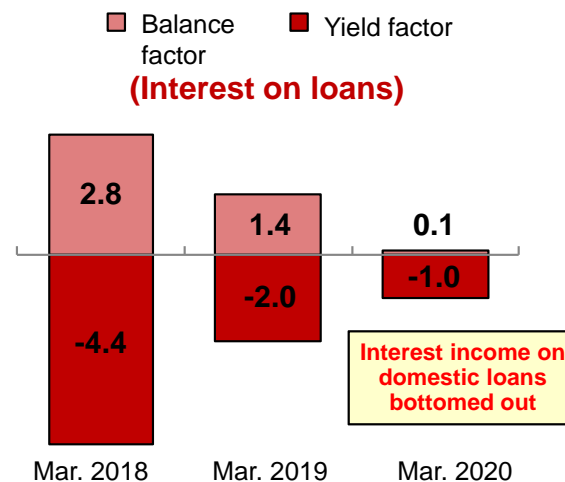
Net interest income in domestic transactions

(Unit: billion yen)

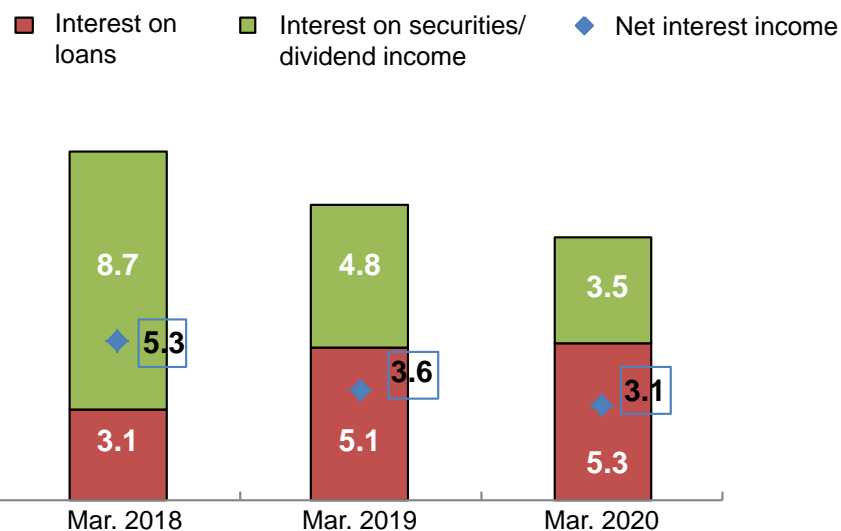


Factor for change

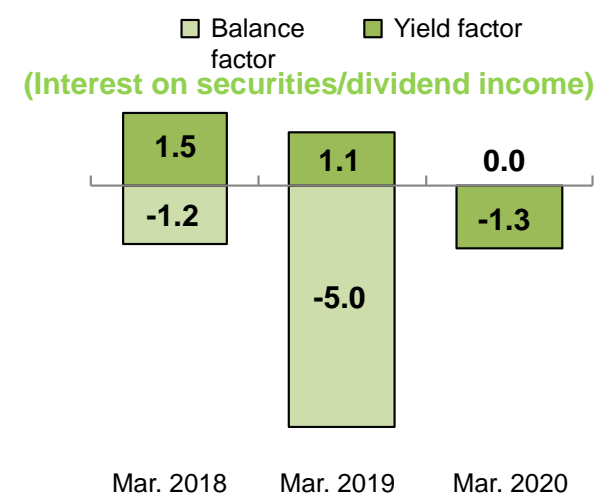
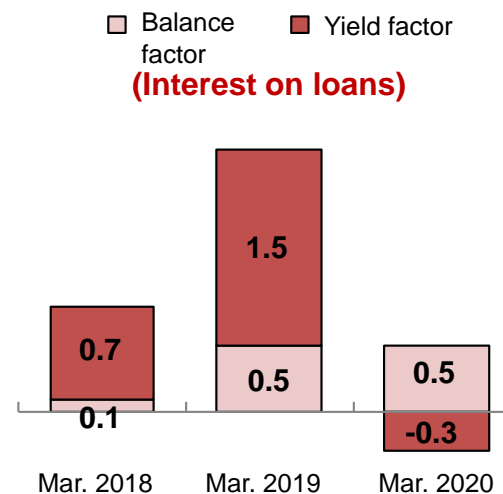
(Unit: billion yen)



Net interest income in international transactions



Factor for change

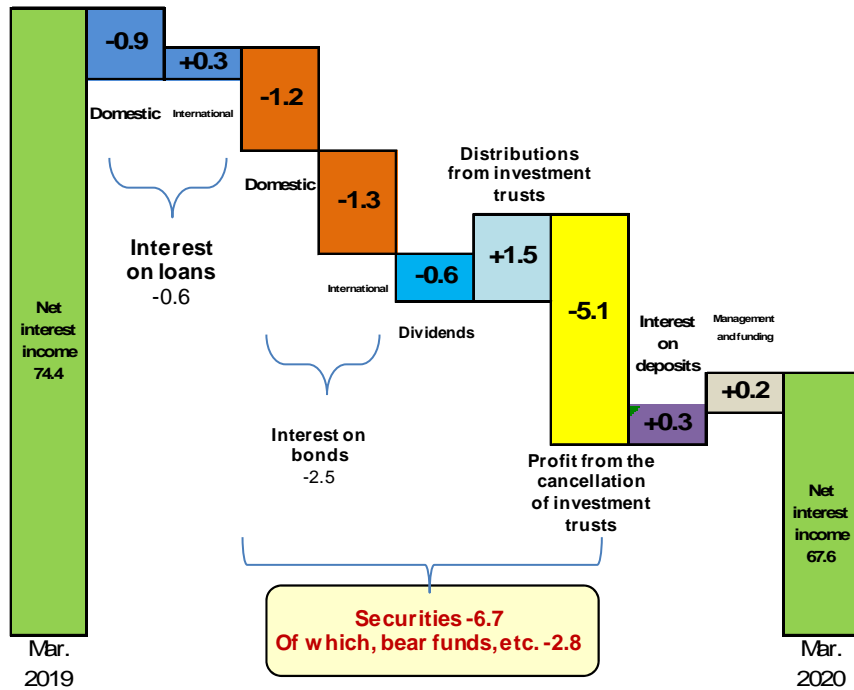


2. Status of Net Interest Income (2)

- 2.8 billion yen out of the loss on cancellation of investment trusts is related to the cancellation of bear funds for hedging purposes, etc.
- Interest rates on apartment loans seem to have bottomed out.

Factor for change in net interest income

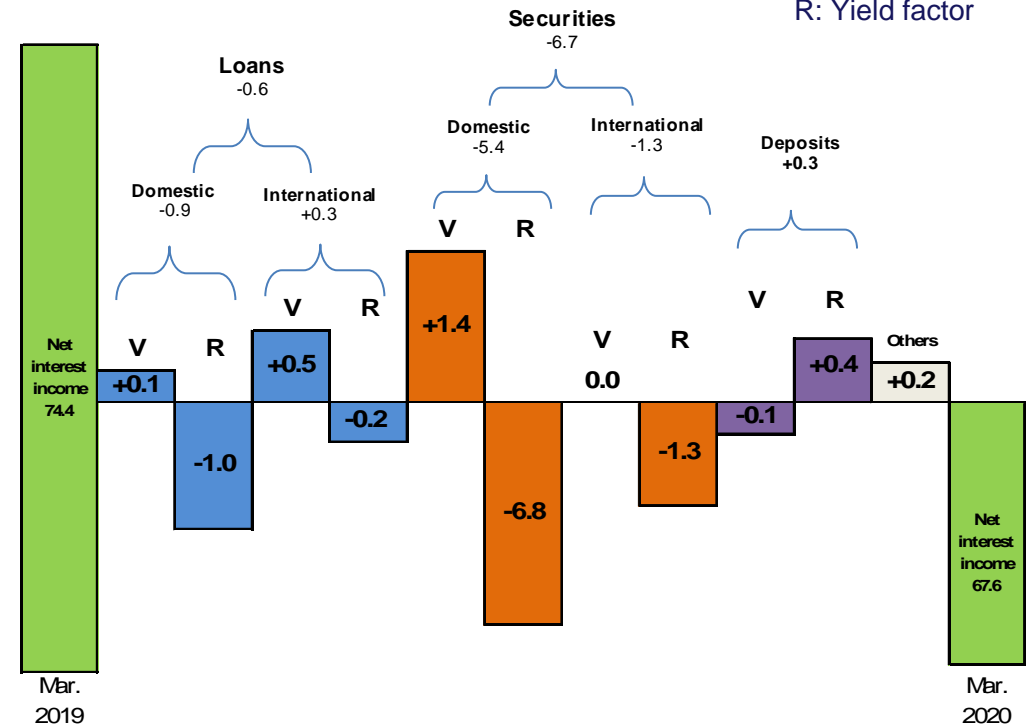
(Unit: billion yen)



Balance/yield factor

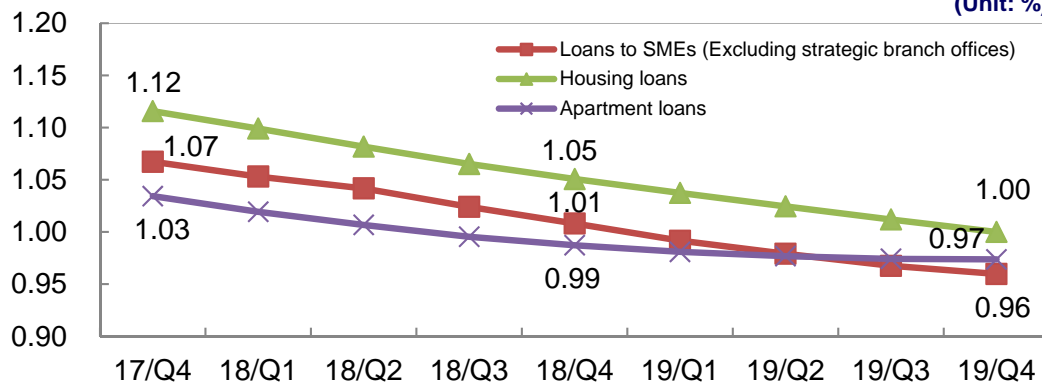
(Unit: billion yen)

V: Balance factor
R: Yield factor



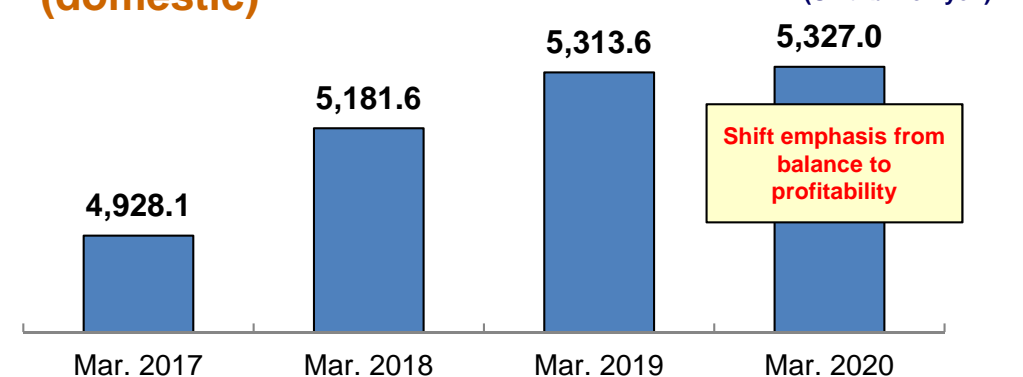
Changes in yield on loans (domestic)

(Unit: %)



Changes in average loan balance (domestic)

(Unit: billion yen)



Innovation New Dimension

3. Status of Deposits and Loans

Retail loans remained at the planned level, with an increase in loans to SMEs in Gunma Prefecture.

Breakdown of deposits and loans

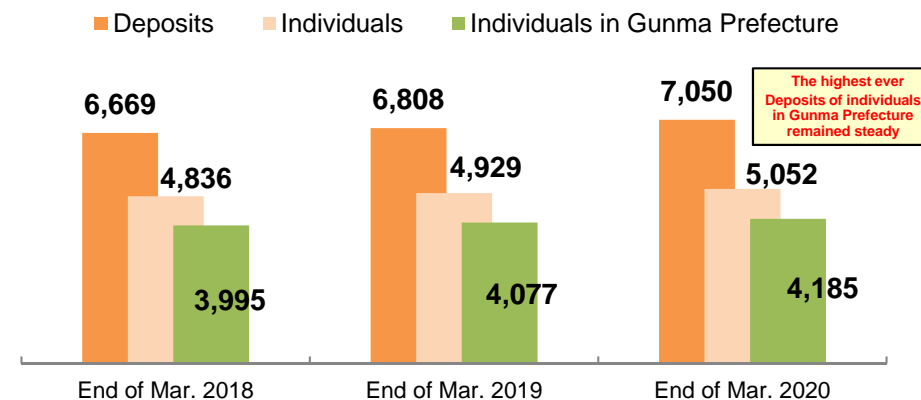
(Unit: billion yen)

	End of Mar. 2019	End of Mar. 2020	Compared to end of Mar. 2019	
			Change	Rate of change
Deposits, etc.	7,016.1	7,241.6	225.4	3.2
Deposits	6,808.4	7,050.1	241.6	3.6
Deposit to individuals	4,929.6	5,052.6	123.0	2.5
Certificate deposits	207.6	191.5	-16.1	-7.8
Loans	5,565.4	5,602.3	36.8	0.7
Retail	4,500.8	4,550.5	49.7	1.1
SMEs (*1)	2,195.1	2,235.8	40.6	1.9
Individuals	2,305.6	2,314.7	9.1	0.4
Housing loans	1,317.0	1,312.4	-4.6	-0.4
Apartment loans	631.6	651.4	19.8	3.1
Unsecured loans	51.5	54.6	3.1	6.1
Others	916.5	912.3	-4.2	-0.5
Cross-border	107.2	105.3	-1.9	-1.8
Structured finance	10.3	18.0	7.6	73.7
Domestic large and second-tier enterprises	665.1	661.9	-3.1	-0.5
Other (*2)	133.8	127.0	-6.7	-5.0
Overseas branches	52.7	54.2	1.4	2.8
Public entities	95.3	85.1	-10.1	-10.7

* Regional public corporations and Tokyo/Osaka Branch accounts are not included in SMEs (*1) but are classified into Others (*2).

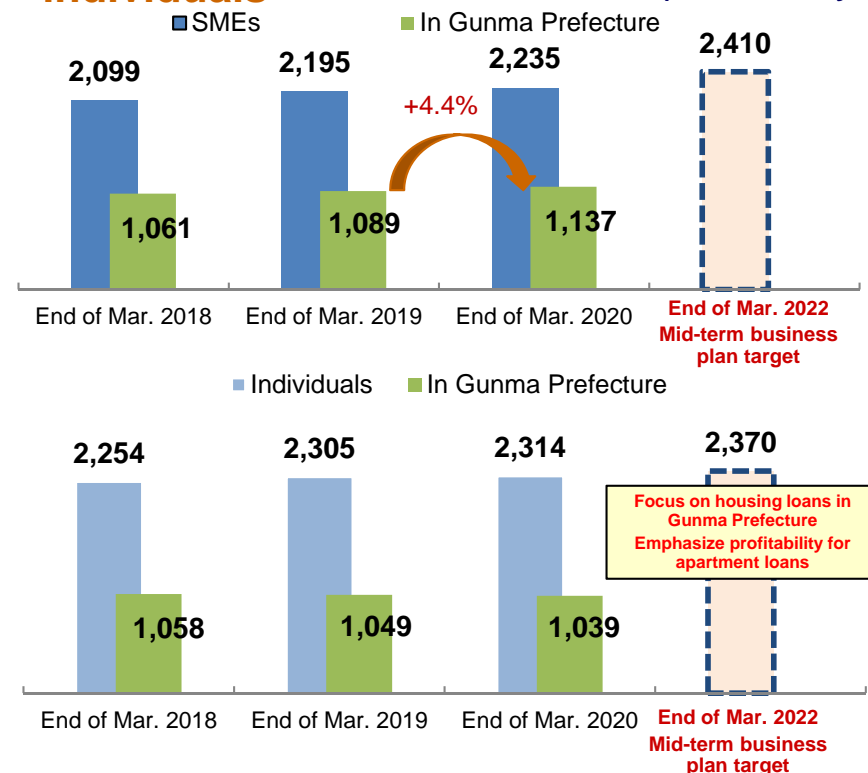
Changes in deposits

(Unit: billion yen)



Changes in loans to SMEs and individuals

(Unit: billion yen)



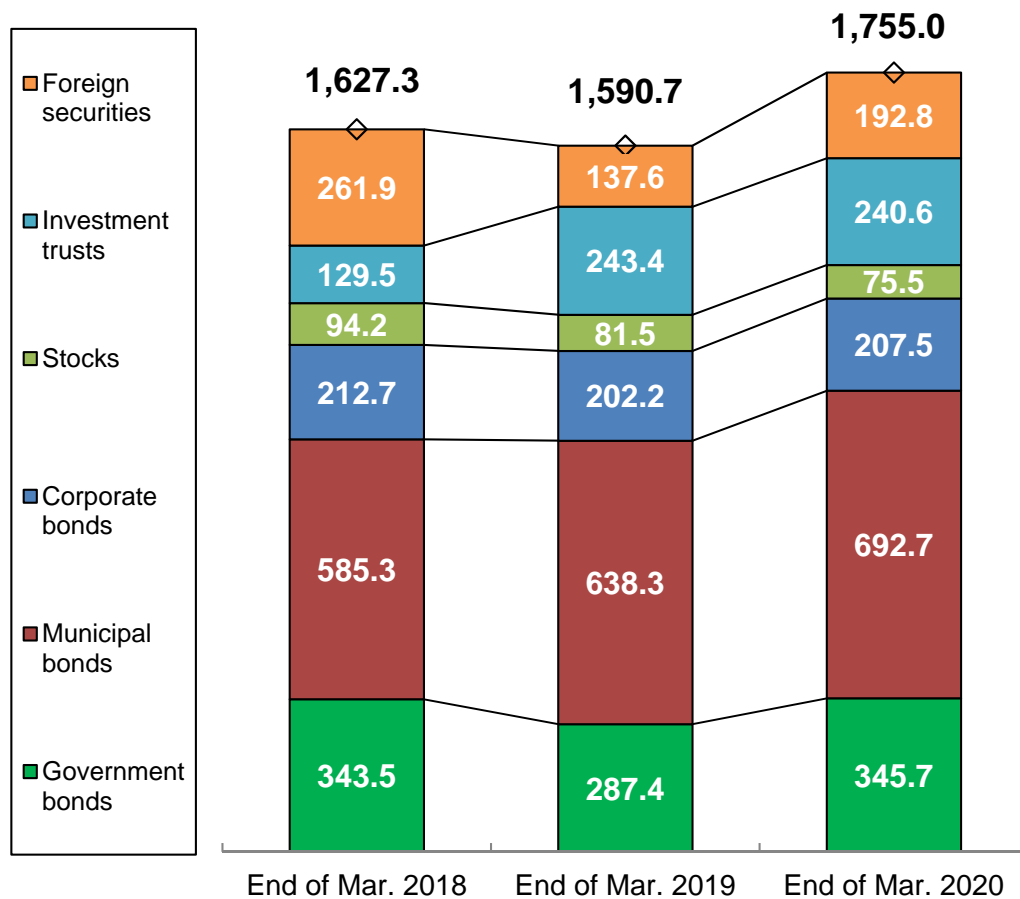
Innovation New Dimension

4. Status of Securities

Profit from valuation decreased mainly due to the impact of the sharp fall in the financial markets towards the end of the fiscal year.

■ Ending balance of securities (On the basis of not including profit/loss from valuation)

(Unit: billion yen)



Duration	(Domestic)	4.16 years	4.53 years	5.66 years
	(Foreign)	3.90 years	2.92 years	4.38 years
Bond yield	(Domestic)	0.72%	0.62%	0.49%
	(Foreign)	2.19%	2.86%	1.91%

■ Profit/loss from valuation of securities (Excluding held-to-maturity securities)

(Unit: billion yen)

	End of Mar. 2019	End of Mar. 2020	Change
Foreign securities	2.5	-0.6	-3.1
Investment trust, etc.	5.5	-20.3	-25.8
Stocks	85.2	57.0	-28.2
Strategically held stocks	80.3	56.3	-23.9
Investment stocks	4.9	0.7	-4.2
Bonds	17.6	7.8	-9.8
Government bonds	5.8	0.8	-5.0
Municipal bonds	9.4	5.9	-3.5
Corporate bonds	2.3	1.1	-1.1
Total	111.0	43.8	-67.2

■ Profit/loss on sale

(Unit: billion yen)

	Mar. 2019	Mar. 2020	Change
Gain and loss on securities, etc.	11.7	5.4	-6.2
Gain and loss on bonds	-2.7	0.4	3.1
Gain and loss on stocks, etc.	14.4	5.0	-9.4
Profit/loss on sale of stocks, etc.	14.4	6.2	-8.2
Investment stocks	6.1	2.6	-3.4
Strategically held stocks	8.3	3.6	-4.7
Losses on equity securities charge-offs (decrease)	-	1.2	1.2
Profit/Loss from the cancellation of investment trusts	3.6	-1.4	-5.1
Total	15.4	4.0	-11.4

5. Status of Non-interest Business Profit

- Corporate service fees are on an increasing trend.
- Business at Gungin Securities remained strong and achievements resulting from integrating banking and securities services have been steady.

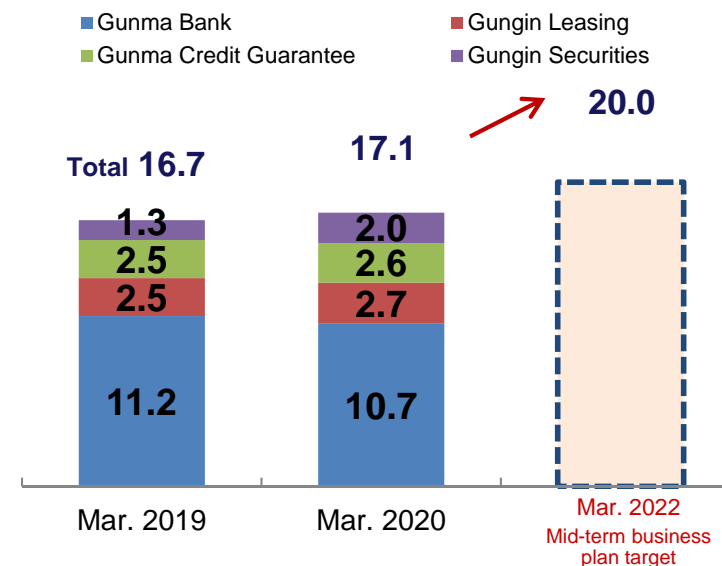
■ Non-interest business profit (consolidated)

(Unit: billion yen)

	Mar. 2019	Mar. 2020	Year-on-year
Consolidated non-interest business profit	16.7	17.1	0.40
A. Corporate service-related	2.2	2.9	0.63
Syndicate loans	0.5	0.7	0.16
Private placement bonds	0.3	0.3	0.03
Business insurance for corporations	0.3	0.0	-0.26
M&A	0.2	0.3	0.10
Business matching	0.3	0.4	0.13
Covenant loans and short-term continuous loans	0.1	0.3	0.21
Derivatives (interest and currency)	0.4	0.6	0.19
Financial product intermediation for corporations, others	0.2	0.3	0.07
B. Marketing capability for deposit financial assets-related	5.3	5.5	0.23
Investment trusts commissions	2.4	2.2	-0.19
Insurance sales commissions (individuals)	1.7	1.4	-0.28
Gungin Securities (for individuals), others	1.2	1.9	0.70
C. Others	9.1	8.7	-0.46
Dividend of group credit life insurance	1.4	1.0	-0.39
Base service commissions (domestic exchange, agency services, etc.)	8.3	8.5	0.18
Loan insurance premium	-6.3	-6.4	-0.19
Gungin Leasing	2.5	2.7	0.20
Gunma Credit Guarantee	2.5	2.6	0.03
Others	0.7	0.4	-0.29

■ Changes in non-interest business profit

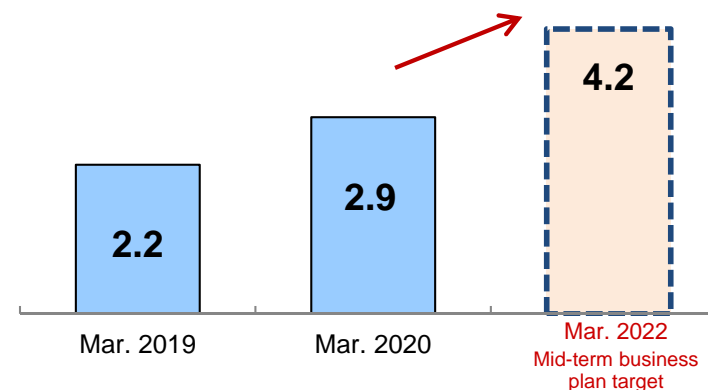
(Unit: billion yen)



* Total is not consistent with the combined total of each company because of the consolidation adjustment.

■ Changes in corporate service fees

(Unit: billion yen)



6. Status of Core Business Profit

- Profit from customer service business was secured.
- The customer service business profit ratio in the business remained on an upward trend.

■ Core business profit (Customer service business profit + interest on securities/dividend income)

(Unit: billion yen)

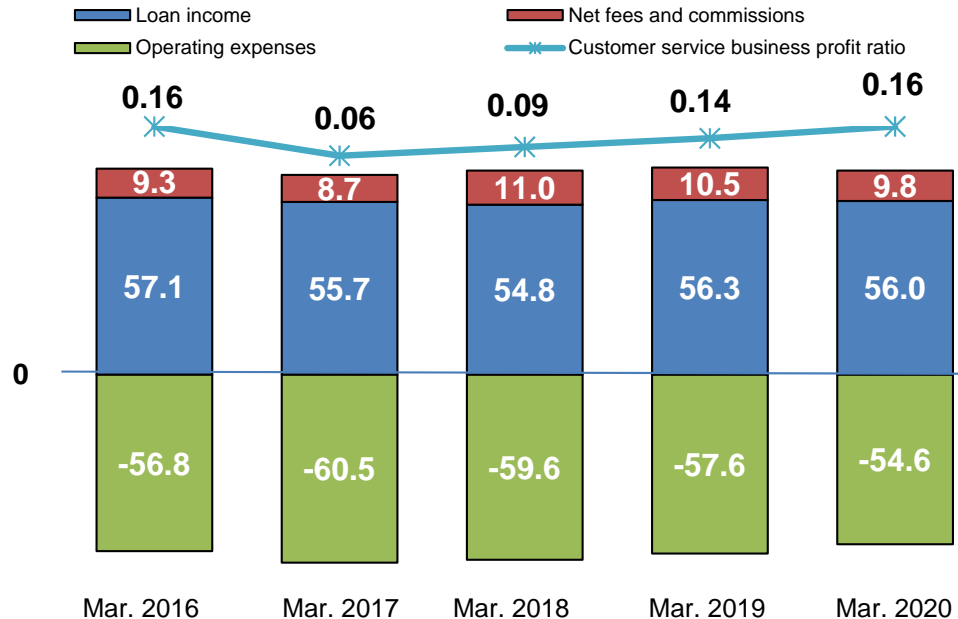
		(1)						(2)	(1) + (2)
	Customer service business profit ratio	Customer service business profit	Loan income	Net fees and commissions	Operating expenses	Average loan balance	Deposit and loan direct profit margin	Interest on securities/dividend income (*)	Core business profit
Mar. 2016	0.16%	9.6	57.1	9.3	56.8	4,905.6	1.17%	23.9	33.5
Mar. 2017	0.06%	3.9	55.7	8.7	60.5	5,072.1	1.10%	24.7	28.6
Mar. 2018	0.09%	6.2	54.8	11.0	59.6	5,332.8	1.03%	23.9	30.1
Mar. 2019	0.14%	9.2	56.3	10.5	57.6	5,491.3	1.03%	19.1	28.3
Mar. 2020	0.16%	11.1	56.0	9.8	54.6	5,523.1	1.02%	17.4	28.5

* Customer service business profit = Loan income (Average loan balance × Deposit and loan profit margin) + Net fees and commissions - Operating expenses

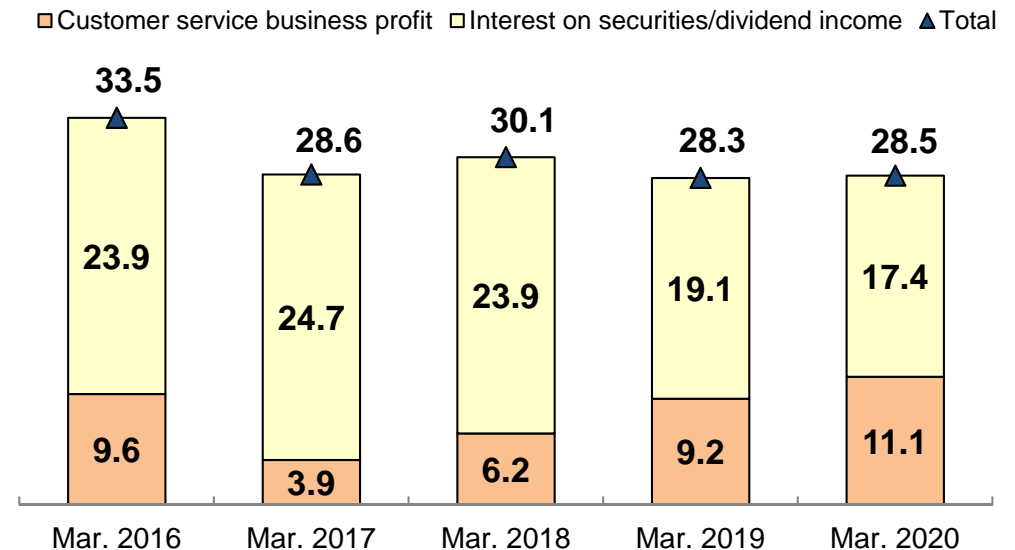
* Customer service business profit ratio = Customer service business profit / Average deposit balance

(*) Excluding profit from the cancellation of investment trusts

(Unit: billion yen, %)



(Unit: billion yen)



7. Status of Expenses

Expenses were down 1.7 billion yen from the previous year. Consolidated OHR rose with a decline in core business gross profit.

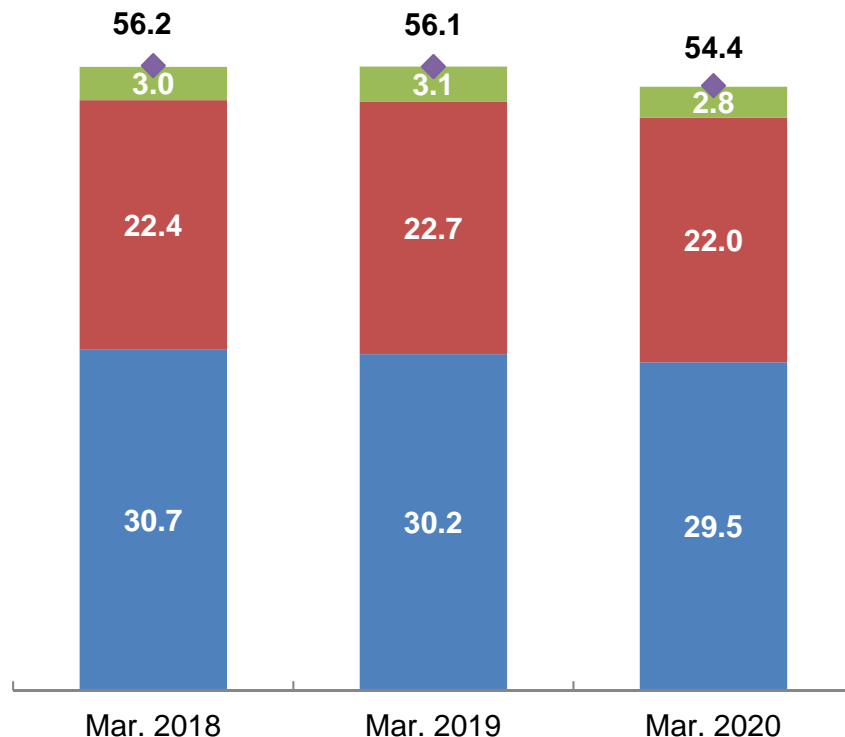
Consolidated OHR

	Mar. 2018	Mar. 2019	Mar. 2020	Mar. 2022 Mid-term business plan target
Consolidated OHR	60.5%	63.2%	66.3%	Around 65%

Changes in expenses (non-consolidated)

(Unit: billion yen)

■ Personnel expense ■ Non-personnel expense ■ Tax ◆ Total



Factor for change

(Unit: billion yen)

	Mar. 2019	Mar. 2020	Year-on-year	Main factors
Personnel expense	30.2	29.5	-0.7	Salary: -0.3, bonus: -0.2, social insurance, etc.: -0.1
Non-personnel expense	22.7	22.0	-0.7	Repair expenses: -0.4, maintenance expenses: -0.1, outsourcing expenses: -0.1
Tax	3.1	2.8	-0.2	Pro forma standard tax: -0.1, consumption tax: -0.1 (tax increase: +0.08)

Breakdown of investment amount

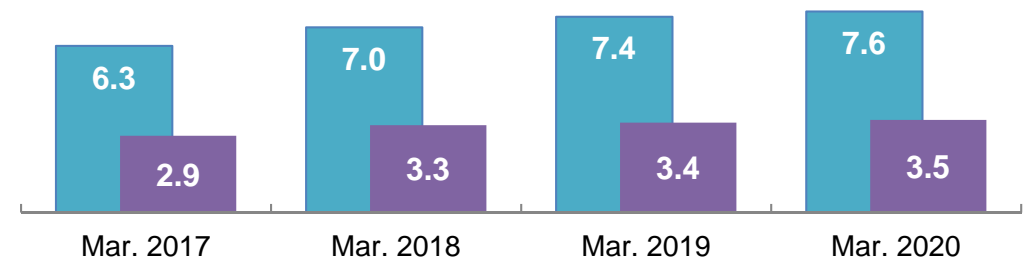
(Unit: billion yen)

	Mar. 2019	Mar. 2020	Year-on-year
System	4.9	3.0	-1.9
Office supply	0.3	0.0	-0.3
Movable asset/real estate	3.2	2.9	-0.3
Measures for branch offices	1.4	0.8	-0.6
Total	8.4	6.0	-2.4

System-related expenses

(Unit: billion yen)

■ Overall expenses ■ Depreciation expenses



8. Status of Credit Costs

- Credit costs significantly declined by 3.6 billion yen from the previous year, and were in line with the plan.
- Continued to strengthen management of borrowers during the loan period.

■ Changes in and breakdown of credit costs (non-consolidated)

(Unit: billion yen, %)

	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020	Year-on-year
(1) Credit costs	4.7	2.3	7.9	4.3	-3.6
Transfer to general provision for possible loan losses	0.4	-1.0	0.3	-1.1	-1.4
Disposal of non-performing loans	4.3	3.4	7.6	5.4	-2.1
Gain on the collection of claims written-off (decrease)	0.0	0.0	0.0	0.0	-0.0
(2) Loans (average balance)	5,072.1	5,332.8	5,491.3	5,523.1	31.8
Credit cost ratio (= (1) / (2))	0.09	0.04	0.14	0.08	-0.06

(Unit: billion yen)

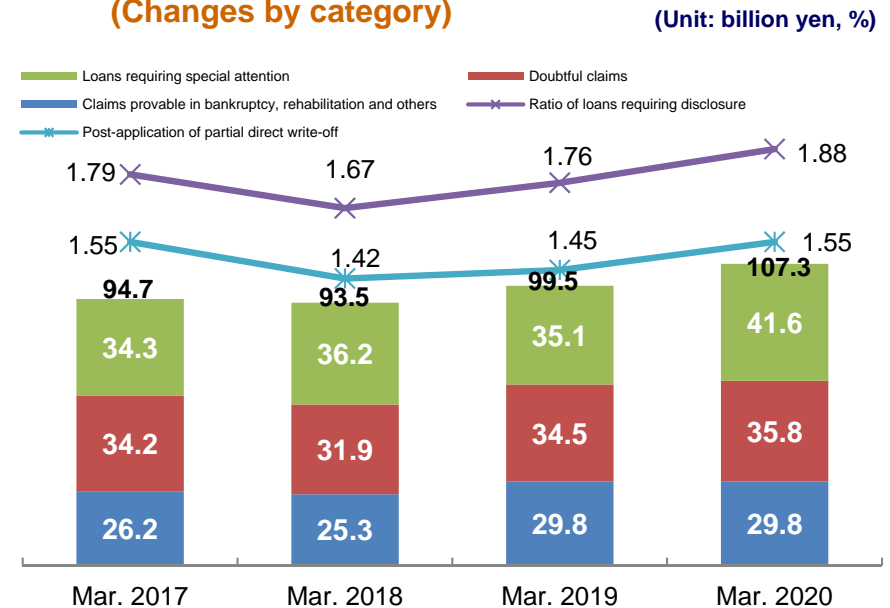
	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020	Year-on-year
Credit costs	4.7	2.3	7.9	4.3	-3.6
Due to changes to the provision ratio	0.8	-0.9	0.4	-0.5	-0.9
Other factors	3.9	3.2	7.5	4.8	-2.7
DCF	-0.4	-0.3	-0.3	-1.4	-1.1
Downgrade	6.2	4.9	9.7	9.0	-0.7
Collection, upgrade, etc.	-1.9	-1.4	-1.9	-2.8	-0.9

■ Provision ratios for possible loan losses

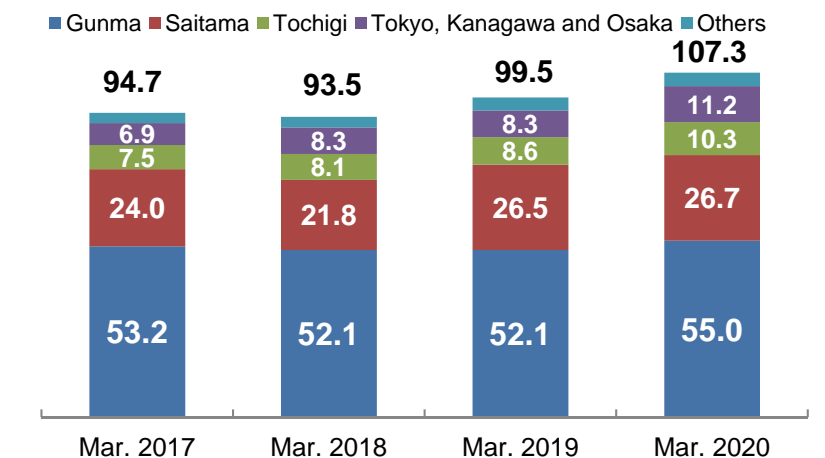
(Unit: %)

			Provision target	Period	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020
Normal borrowers			Entire claim amount	1 year	0.039	0.044	0.070	0.071
Borrowers requiring attention other than special attention	Borrowers without realistic, comprehensive business reconstruction plans Borrowers with realistic, comprehensive business reconstruction plans	Classification 1	Entire claim amount	3 years	1.111	1.038	0.992	0.957
		Classification 2	Entire claim amount	3 years	8.106	7.200	6.664	6.271
Borrowers requiring special attention								
Classification III borrowers threatened with bankruptcy			Entire non-coverage amount	3 years	39.488	37.470	34.668	32.950

■ Loans requiring disclosure under the Financial Reconstruction Act (Changes by category)



■ Loans requiring disclosure under the Financial Reconstruction Act (Changes by area)



9. Business Forecast (for Year Ending March 2021)

Net income is expected to be 20.5 billion yen on a consolidated basis and 18 billion yen on a non-consolidated basis.

Consolidated

(Unit: billion yen)

	No.	Mar. 2020	Forecast for Mar. 2021	Year-on-year
Core business gross profit	1	84.7	83.2	-1.5
Non-interest business profit	2	17.1	17.6	0.5
Expenses	3	56.1	56.3	0.2
Core business net profit	4	28.5	27.0	-1.5
OHR	5	66.3	67.7	1.4
Ordinary profit	6	31.5	28.5	-3.0
Net income attributable to owners of parent	7	22.2	20.5	-1.7

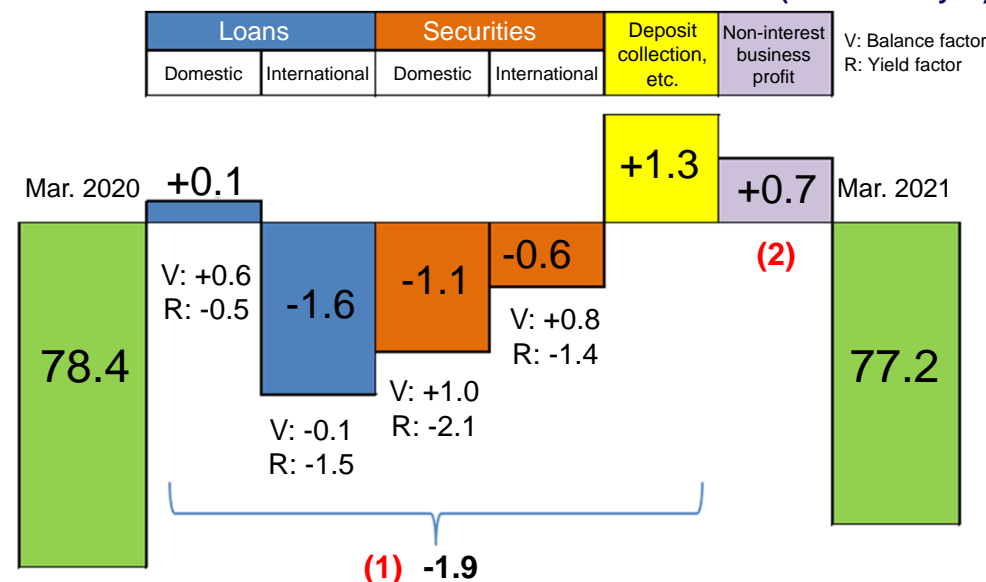
Non-consolidated

(Unit: billion yen)

	No.	Mar. 2020	Forecast for Mar. 2021	Year-on-year
Core business gross profit	1	78.4	77.2	-1.2
Net interest income	2	67.6	65.7	(1) -1.9
Non-interest business profit	3	10.7	11.4	(2) 0.7
Net fees and commissions	4	9.8	10.6	0.8
Other business profit	5	0.9	0.8	-0.1
Expenses	6	54.4	54.5	0.1
Core business net profit	7	24.0	22.7	-1.3
Gain and loss on securities, etc.	8	5.4	9.5	4.1
Credit costs	9	4.3	5.0	0.7
Others	10	0.2	-2.1	-2.3
Retirement benefit cost	11	-0.1	-1.9	-1.7
Ordinary profit	12	25.3	25.0	-0.3
Net income	13	17.9	18.0	0.1

Breakdown of changes in core business gross profits (non-consolidated)

(Unit: billion yen)



Average balance and yields (non-consolidated)

(Unit: billion yen, %)

	Average balance	Year-on-year	Yields	Year-on-year
Loans	5,582.9	59.8	0.99	-0.04
Domestic transactions	5,390.6	63.5	0.96	-0.01
Securities	1,813.0	152.8	0.77	-0.18
Domestic transactions	1,612.8	114.6	0.70	-0.13
Deposits	6,879.4	99.3	0.00	-0.01
Domestic transactions	6,832.2	111.0	0.00	-

II. Management Strategies and Shareholder Returns, etc.



1. Mid-Term Business Plan (Progress)

“Innovation New Dimension”
- Toward delivering value -

What we aspire to be

A regional financial group that delivers value by meeting customer needs through financial service innovation

Strategic themes

Transform our business platform through three reform initiatives

We will greatly improve customer satisfaction by seeking to enhance communication with customers and build a mid- to long-term relationship with them through continuing the three reform initiatives for processes, channels, and human resources.

Deliver advanced value through business model evolution

We will work to deliver the best possible value for the customer by evolving our business model in the form of revenue source diversification, while succeeding to "Value-added Proposals" we have developed to date.

Consolidated numerical targets for the final year of the plan (Year ending March 2022)

Item	Year ended March 2019 Results	Year ended March 2020 Results	Year ending March 2021 Plan	Target
<Profitability indices> Net income attributable to owners of parent	23.3 billion yen	22.2 billion yen	20.5 billion yen	24.0 billion yen
Non-interest business profit	16.7 billion yen	17.1 billion yen	17.6 billion yen	20.0 billion yen
RORA	0.54%	0.53%	Around 0.5%	0.5% or higher
<Efficiency index> OHR	63.2%	66.3%	67.7%	Around 65%
<Soundness index> Consolidated total capital ratio	12.25%	11.95%	Around 12%	12% level

Long-term target

<Profitability indices> ROE	4.4%	4.4%	4.1%	5% or higher
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* RORA: The ratio of profit to risk assets, representing the profitability to risk.
RORA = Net income attributable to owners of parent / Risk assets

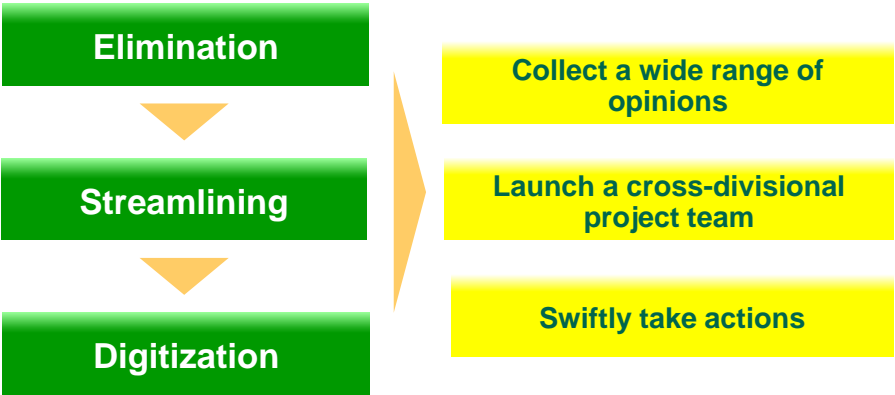
2. Transformation of Business Platform through Three Reform Initiatives (1)

(1) Process reform aimed to improve work quality

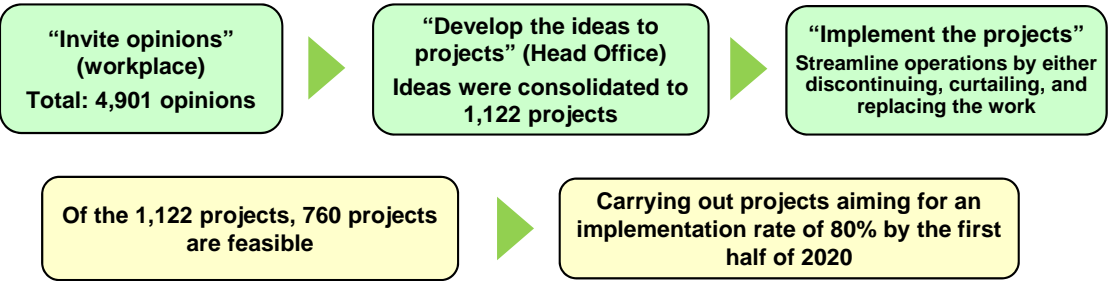
■ Business operation reform project (elimination and streamlining)



- 4,901 ideas have been consolidated and developed into 760 projects, which are in progress



(Aggregate opinions)



(Estimated effect of reduction in work volume)

Year ended March 2020: Approximately 133,239 hours/year (cumulative)
⇒ work volume for 76 staff (*)
Year ending March 2022: Approximately 399,237 hours/year (cumulative)
⇒ work volume for 227 staff (*)

(*) Based on the assumption that the prescribed annual work hours per person are 7.5 hours x (245 working days - 11 vacation days)

■ Initiatives to enhance digital innovation

- Strengthen functions by transferring and consolidating operations from the sales department and the system department

□ Organizational reform

- Establish “Digital Innovation Group” in the Corporate Planning Department (June 2020)



- The Group is provided with a wide range of strong authority to exercise top-down leadership.

□ Objectives

– Achieve “digital transformation” and “operational excellence” –

- Promote digitalization and paperless and seal-less operations of the work that has been streamlined through the business operation reform project
 - Consider introducing electronic contracts to eliminate slips and forms and the use of seals for deposits and various loan contracts
 - Consider reducing administrative work at branches and establishing middle and back offices
 - Promote RPA, and consider utilizing AI
- Expand non-face-to-face channels to enhance customer contact and achieve unparalleled convenience
 - Expand transactions that can be completed on the web or apps, and consider introducing new systems such as Internet banking and apps
- Renew the accounting system in the term after the next term

2. Transformation of Business Platform through Three Reform Initiatives (2)

(2) Personnel reforms for exercising creativity

■ Personnel system reform

- Introduce a new personnel system to secure and develop specialized personnel.
A new career track system will be established for specialists with advanced expertise in IT, market areas, consulting, etc.
- ⇒ “Expert (area-limited career-track positions)” and “Professional (unlimited career-track positions)”
- ⇒ No upper limit is set on compensation for “Professionals”

■ Work style reform

- Employees are allowed to remain in the same position after the age of 56 (the age of retirement from the managerial post) on an individual basis.
- | Office to belong to | Target (positions, etc.) |
|---------------------|--|
| Branches | Branch managers, deputy branch managers, deputy general managers, deputy heads/section managers |
| Head Office | General managers, deputy general managers, office managers/group managers (deputy general manager or higher) |
- Increase bonus rates for those who retire from the positions after the age of 56 to keep them motivated further.

■ Career challenge declaration (introduced in the year ended March 2017)

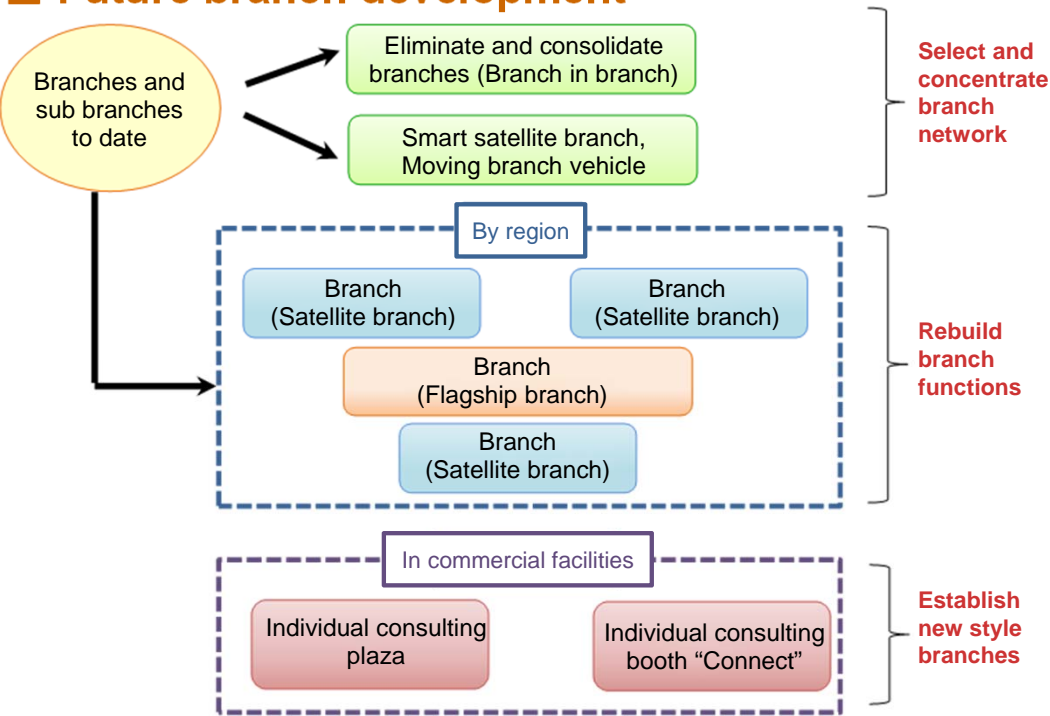
- [Objective] Establish a system to support young employees to proactively design their career development path and act accordingly. Assign those who join the program (challenge declarers) to their specialized fields.
- [Plan] Hold briefings and roundtable discussions on specialized human personnel to further enhance the declaration system and its effectiveness.

(Unit: person)

(Results)	Area	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020
	Corporate consulting	1	2	2	1
	Consulting subsidiaries			4	1
	Individual consulting	2	1	4	1
	International and market-related	1	3	1	2
	Risk management and financial management			1	2
	Total	4	6	12	7

(3) Channel reforms designed to enhance our customer interface

■ Future branch development



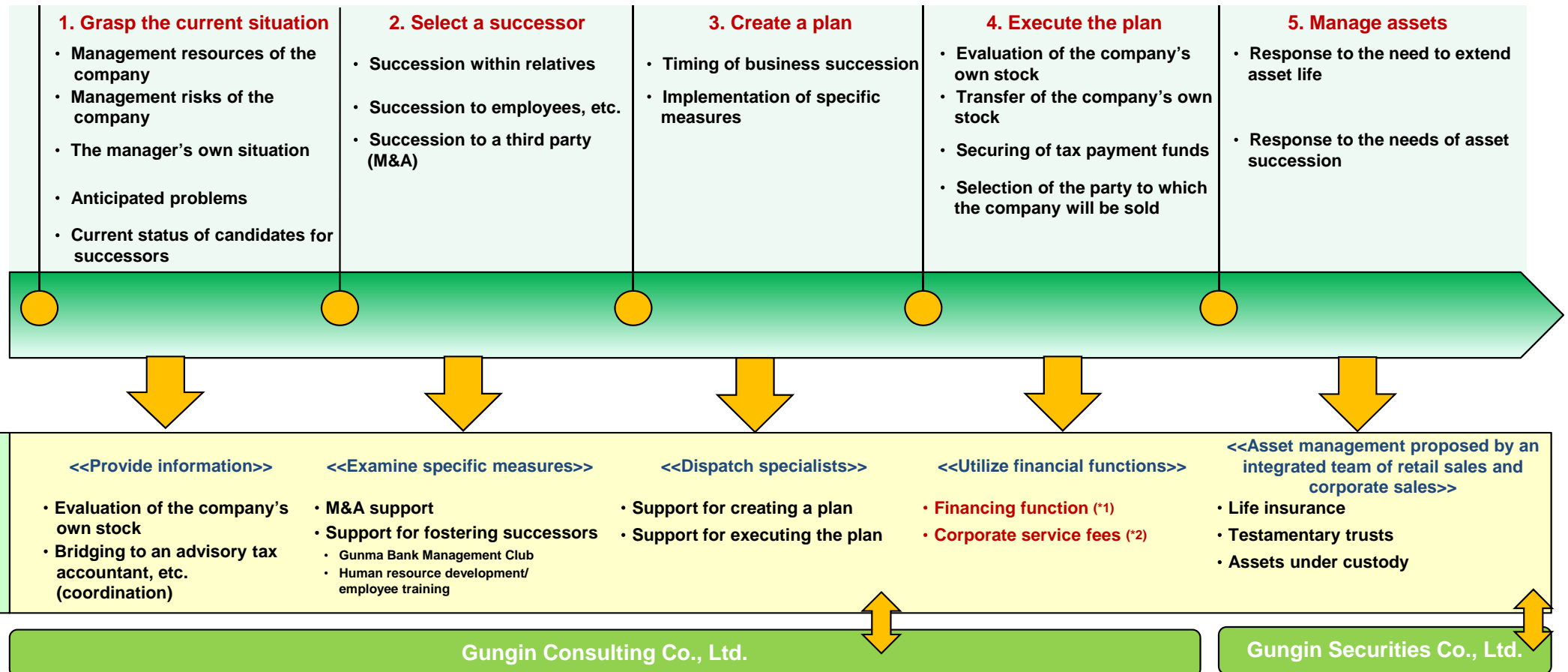
■ Efficiency plan

Branch strategy	Select and concentrate branch network	Rebuild branch functions
Form of branch	Branch in branch (*1)	Flagship branch (*2) (All blocks in Gunma Prefecture)
Staff members to be generated	Manpower equivalent to 130 staff members are to be generated during the Mid-term business plan	

- (*1) A branch structure that integrates multiple branches and sub branches within a single branch
- (*2) Regional core branches. They perform a wide range of business operations and have highly specialized staff.

3. Delivery of Advanced Value through Business Model Evolution (Business Succession)

How to proceed with business succession



(*1) Financing functions—funds for share buy-backs

Loans to individuals	Cases where a successor, etc. purchases shares
Loans to companies	Cases where the company repurchases shares (treasury stock)
Loan to new companies (holding companies)	Cases where a new company (holding company, etc.), which the successor invests in, is established and the company purchases shares (new business loan)
Loans to affiliated companies	Cases where an affiliate company purchases shares

(*2) Corporate services

- Structured covenant loans
- M&A
- Syndicate loans
- Private placement bonds
- Business matching
- Business insurance

3. Delivery of Advanced Value through Business Model Evolution (Business Succession)

■ Status of support for problem solving

Grasp customer needs

- (1) Companies that have net assets of 100 million yen or more with no successors or successors undetermined

Target area	Number of targets	Number of targets we proposed issues
Within Gunma Prefecture	1,199	1,016
Outside Gunma Prefecture	1,765	838
Total	2,964	1,854

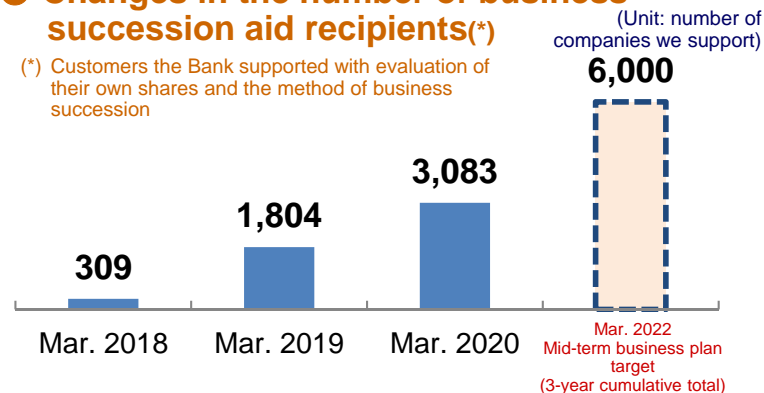
- (2) Select 530 companies as our top priority customers to provide support

Within Gunma Prefecture	Customers with net assets of 1 billion yen or more
Outside Gunma Prefecture	Customers whose main bank is the Bank and with net assets of 500 million yen or more

Target area	Number of targets	Needs level		Total
		High	Exist	
Within Gunma Prefecture	340	116	109	225
Outside Gunma Prefecture	190	51	81	132
Total	530	167	190	357

● Changes in the number of business succession aid recipients(*)

(*) Customers the Bank supported with evaluation of their own shares and the method of business succession



Strengthen efforts to meet needs

- Increase the number of dedicated personnel of the Head Office

	End of Mar. 2019	End of Sep. 2019	End of Mar. 2020	Mar. 2021 plan
Total	23	25	27	37
Business succession	6	6	8	12
M&A	6	8	8	12
Corporate consulting group	11	11	11	13

- Utilize the various functions of the Group

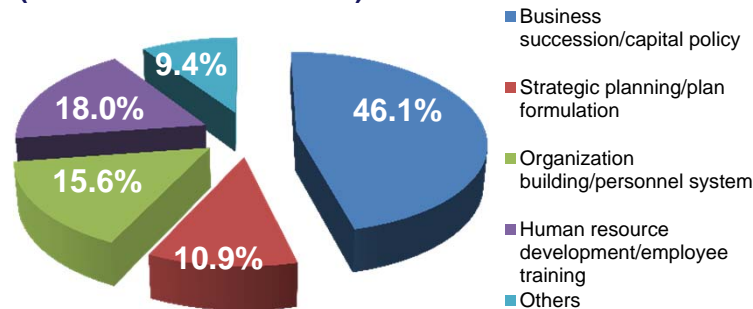
Structured covenant loans, private placement bonds, syndicate loans, M&A, business insurance, etc.

+

Collaboration with Gungin Consulting Co., Ltd.

- Utilize Gungin Consulting Co., Ltd.

(Breakdown of contracts)

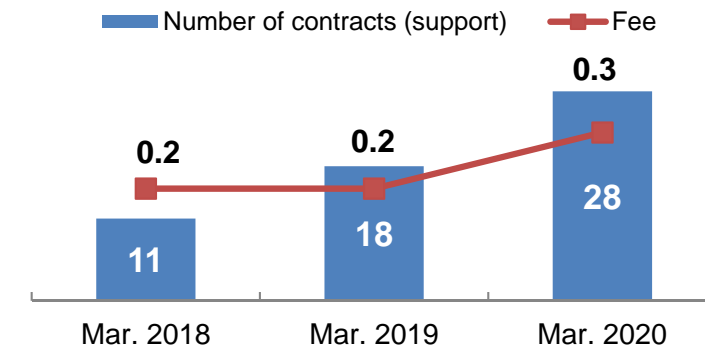


(As of March 31, 2020)

Results

- M&A deals made

(Unit: number of deals, billion yen)

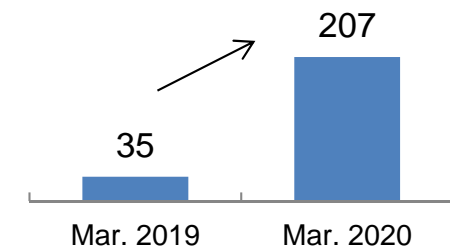


- Support provided in terms of business succession

Item	Results (for Year Ended March 2020)
Structured covenant loans	4.8 billion yen/fee: 84 million yen
Business matching	42 deals/fee: 6 million yen
Promotion for corporate and individual customers (assets under custody)	Fee: 12 million yen

(Operating income of Gungin Consulting)

(Unit: million yen)



Innovation New Dimension

4. Delivery of Advanced Value through Business Model Evolution (Inheritance-related Business)

Inheritance sorting service/Testamentary trust

Grasp customer needs

- Conduct surveys on needs for asset succession

Target	Number of targets	Number of surveys conducted as of March 2020
Customers aged 65 and over with financial assets under custody of 30 million yen or more	7,485	5,444
Customers aged 80 and over with an apartment loan balance of 100 million yen or more	692	401

Survey
Understand the family structure, assets, and needs of customers, and make proposals to solve the problem

Initiatives to address the need to extend asset life

Promote the initiatives in collaboration with Gungin Securities

- The business has grown steadily since its launch 3 years ago
- Established the fifth office in Gunma Prefecture in March 2020 in Kiryu City (Offices are in Maebashi, Takasaki, Ota, Shibukawa, and Kiryu)

Strengthen efforts to meet needs

- Increase the number of dedicated personnel of the Head Office

End of Mar. 2019	End of Sep. 2019	End of Mar. 2020	Mar. 2021 plan
4	7	9	13

- Expand consultation channels

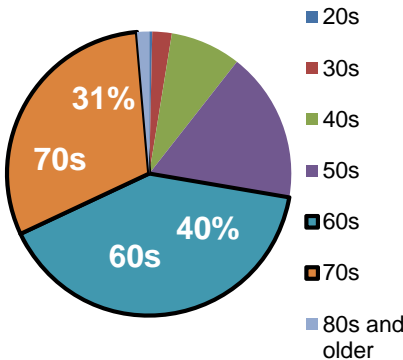
Established a consultation desk at Individual Consulting Plaza MAEBASHI, which is open on holidays

- Support branches

- (1) Strengthen training ⇒ Provide on-line training for employees working from home
- (2) Expand promotion tools

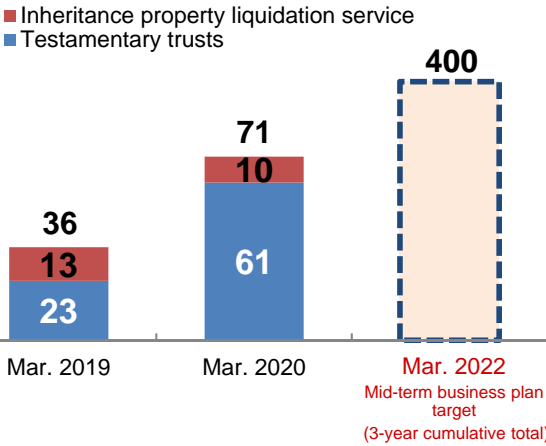
- Inheritance-related business Q&A
- Attribute survey sheet and needs raising sheet
- Leaflet for inheritance property liquidation service, etc.

By customer age (Gungin Securities)



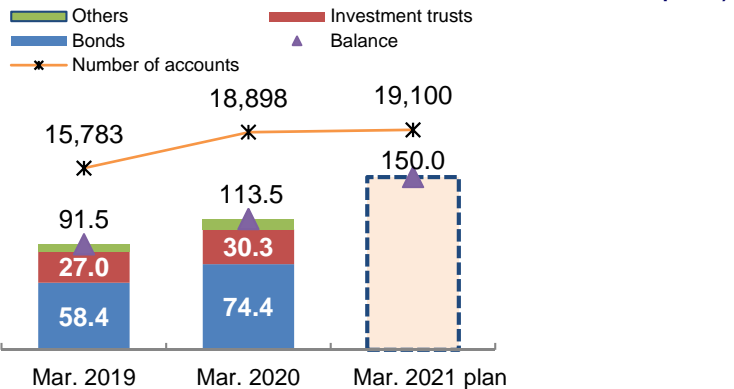
Results

(Unit: number of deals)



	Basic fee	Execution fee
Testamentary trusts	110,000 yen	Minimum amount 1.1 million yen
Liquidation of inheritance property	-	

Balance of deposit assets, number of accounts (Gungin Securities)



Innovation New Dimension

5. Initiatives to Improve Profitability

Aim to improve profit margins and boost non-interest business profits through operating activities that take into account the standard profit margin

■ Set standard profit margin levels in line with the RORA target for the entire Bank

The standard profit margin is a uniform indicator that all banks use to measure transaction profitability with “gross profit margin after credit costs (risk-adjusted profit margin),” and is set by region or by the rating of corporate borrowers.

- Previously, the standard profit margin level was set at a level about half of corporate borrowers of the Bank would satisfy, but now is set based on the RORA target for the entire Bank.

We will carry out sales activities with more consideration on risk and return.

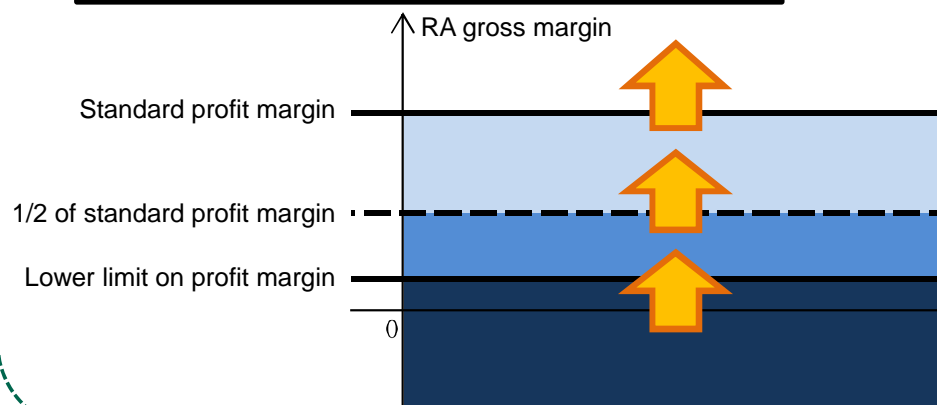
■ Launch full-scale sales activities aimed at improving customer profitability

Select companies the Bank prioritizes (priority targets) for improving profitability among companies with low profitability, and consider and implement improvement measures by company.

<<Points>>

- Narrow the target to customers with an average balance of 50 million yen or more to enhance the effectiveness of the Bank’s profit improvement.
- Number of priority targets: 800 companies in the second half of the previous fiscal year (total average balance: 240 billion yen) ➡ 1,200 companies in the first half of the current fiscal year (total average balance: 400 billion yen)

Aim for profitability of one stage higher



Half-year improvement when the stage upgrade of the priority targets is completed

Target for Sep. 2020 (Compared with Mar. 2020)

	RA gross margin	RA gross margin
Within Gunma Prefecture	+0.27%	+0.3 billion yen
Outside Gunma Prefecture	+0.24%	+0.2 billion yen
Total	+0.26%	+0.5 billion yen

Profitability status of priority targets

<About 800 companies, average balance during the term: 240 billion yen>

Result for Mar. 2020 (Compared with Sep. 2019)

	RA gross margin	RA gross margin
Within Gunma Prefecture	+0.21%	+0.17 billion yen
Outside Gunma Prefecture	+0.15%	+0.06 billion yen
Total	+0.19%	+0.2 billion yen

Profitability of priority targets is on an improving trend mainly due to increased non-interest business profit in Gunma Prefecture and reduced credit costs outside Gunma Prefecture.

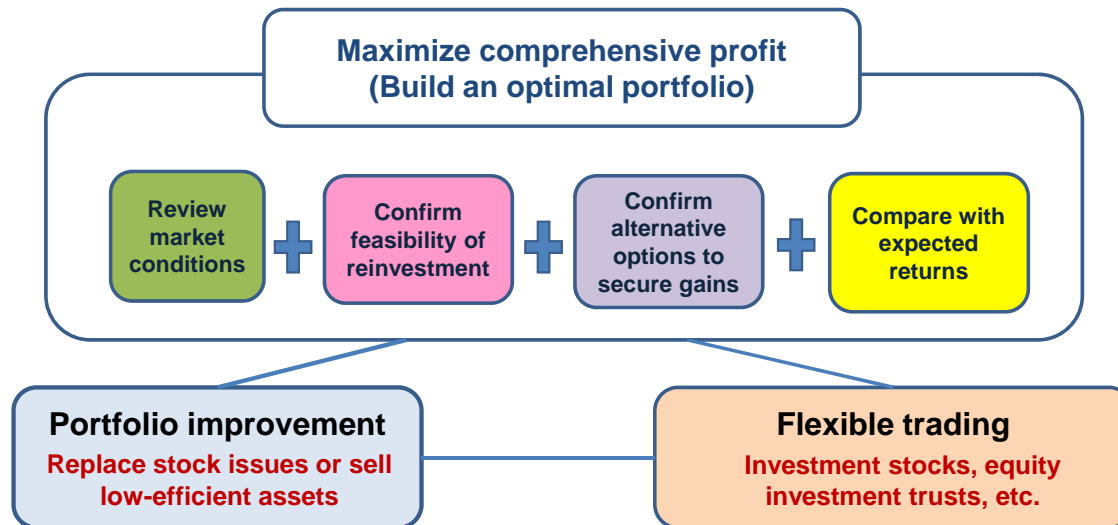
6. Investment in Securities

We strived to increase profits through comprehensive profit and loss management

■ Comprehensive profit and loss management

Build an optimal portfolio on the premise of expanding earnings on the basis of comprehensive profit and loss (net interest income + gains/losses on sale + unrealized gains/losses).

■ Our stance for gains on sale of securities



■ Investment policies

◎ Secure gains on sale of securities (gain on cancellation) and improve portfolio efficiency

- As for domestic bonds, we purchase JGBs, publicly offered municipal bonds, MBS issued by agencies, etc., in response to rising interest rates.
- With regard to stocks, we will continue to improve our portfolio through such means as issue replacement after stock reassessment.
- For investment trusts, we strive to secure profits by accurately seizing investment opportunities in line with market fluctuations and selling assets after buying on dips.

■ Profit/loss from valuation of investment trusts and foreign securities

(Unit: billion yen)

	End of Mar. 2019	End of Mar. 2020	Comparison
Investment trust, etc.	5.5	-20.3	-25.8
REIT	4.2	-5.6	-9.8
U.S. preferred REIT	0.4	-10.1	-10.5
Investment grade corporate bonds	2.3	-2.2	-4.5
Others	-1.4	-2.4	-1.0
Foreign securities	2.5	-0.6	-3.1
Foreign currency-denominated foreign securities	0.9	2.9	2.0
Foreign investment trusts	1.2	-2.1	-3.3
Others	0.4	-1.4	-1.8

■ Strengthening the system

- Review consultation and reporting systems, and change the alarm point management frequency of valuation gains/losses from monthly basis to daily basis to improve agility
- Confirm the outlook for asset allocation in response to changes in the investment environment as part of the monthly portfolio monitoring and continue the PDCA cycle and take other measures.

■ Reference for considering and discussing a sale

- (1) Valuation profit/loss ratio
 - 1) Domestic and foreign stocks and REITs: $\pm 10\%$, 20%
 - 2) Foreign bonds (investment eligible corporate bond funds): $\pm 5\%$, 10%

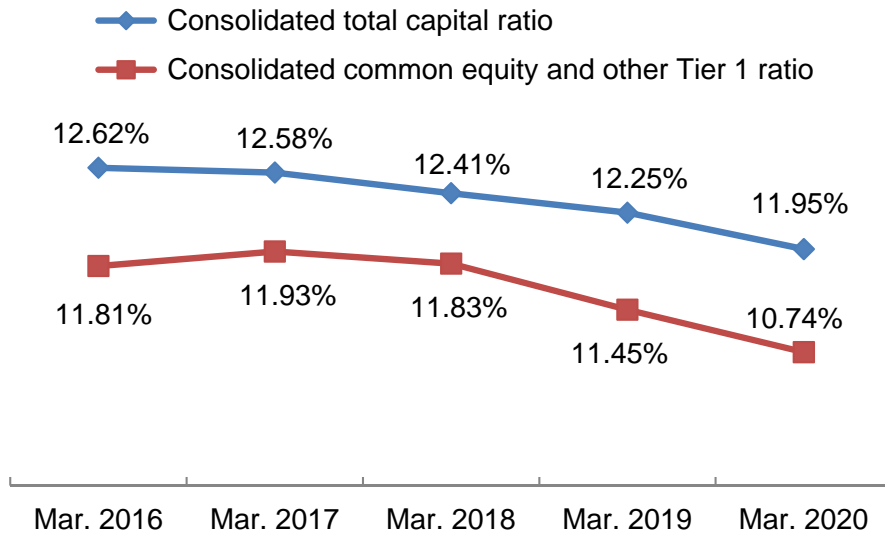
(Example) If we decide not to sell the asset at $+10\%$, we are required to sell it if its value falls below $+10\%$.
- (2) Amount of profit/loss from valuation
 - 1) When the profit from valuation is below 1 billion yen

(Example) When the profit from valuation falls below 1 billion yen, we are required to sell the asset.

7. Status of Capital, etc.

The Bank's capital level is acceptable. We continued to reduce holdings of strategically held stocks.

Changes in capital ratio



Subordinated bonds (B3T2 bonds), other Basel rules

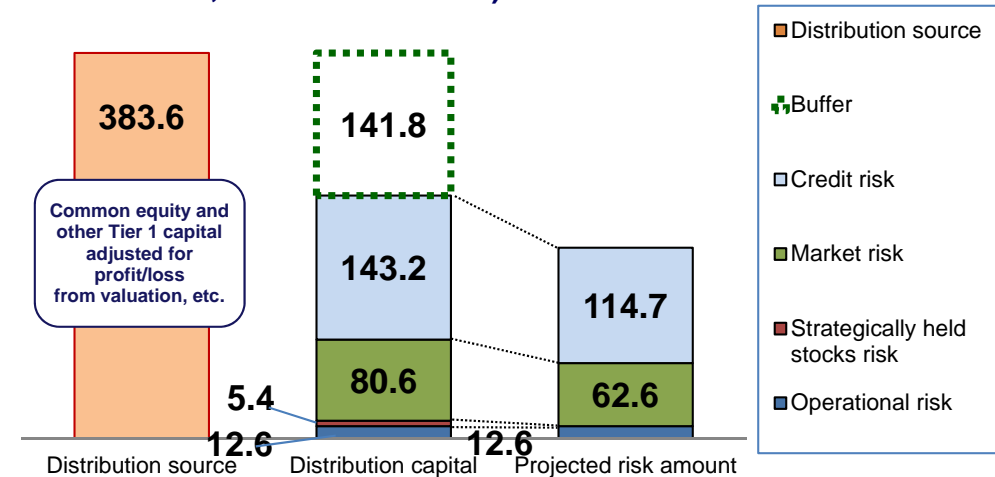
	Cumulative total issued	Purpose	Effect of increasing capital ratio
Subordinated bonds B3T2	50 billion yen	Bolstering capital	1.25%

	Mar. 2019	Mar. 2020	Standard set by rules
Consolidated leverage ratio	6.06%	5.35%	3% or more
Consolidated Liquidity Coverage Ratio (LCR)	126.8%	156.4%	100% or more
Interest Rate Risk in the Banking Book (IRRBB)	5.0%	4.5%	15% or less

Capital adequacy assessment

(Unit: billion yen)

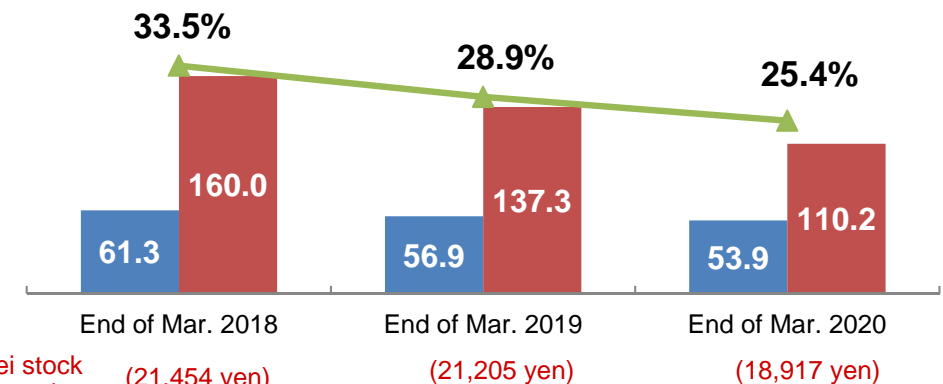
<Status of capital distribution (year ended March 2020, non-consolidated)>



Status of strategically held stocks

(Unit: billion yen)

Strategically held stocks (book value) Strategically held stocks (market price)
Holding ratio (on a market value basis)



8. Status of Shareholder Return and Per Share Indicators, etc.

■ Shareholder return policy

While striving to strengthen our financial position, we aim to return profits to shareholders in line with business performance based on our basic policy of continuing to pay stable dividends.

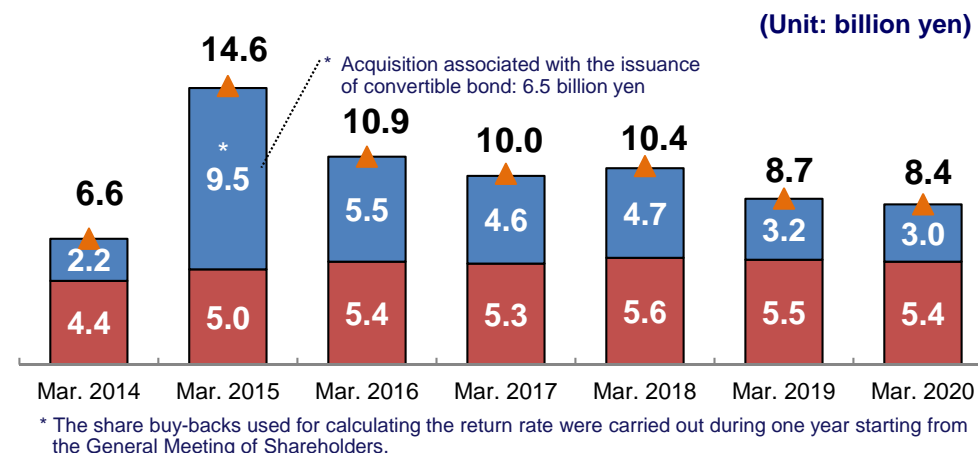
For the time being, we aim to achieve a shareholder return rate of approximately 40% of non-consolidated net income. The return includes dividends and amount of share buy-backs.

■ Status of shareholder return

(Unit: billion yen, %)

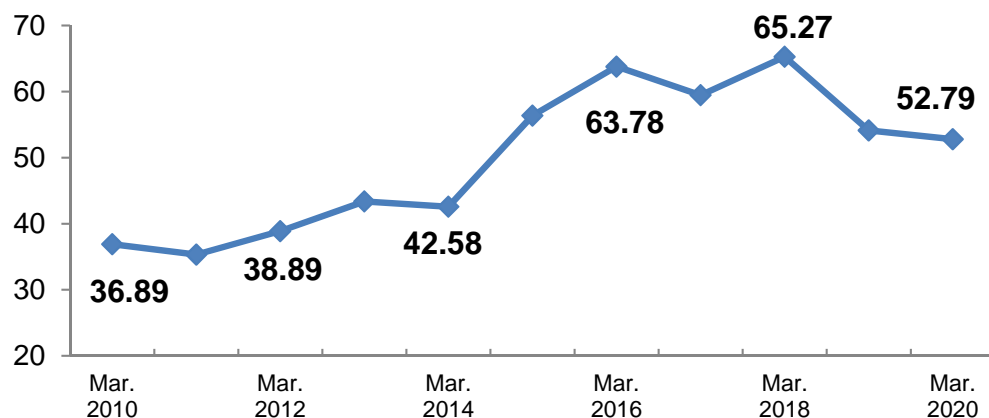
		Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020 plan
Dividends (1)		5.3	5.6	5.5	5.4
Share buy-backs (2)		4.6	4.7	3.2	3.0
(Number of shares repurchased: million)		(8)	(7)	(6)	(8)
Shareholder return amount (3) = (1) + (2)		10.0	10.4	8.7	8.4
Non-consolidated	Net income (4)	25.2	26.0	20.9	17.9
	Payout ratio = (1) / (4) x 100	21.0	21.7	26.6	30.4
	Shareholder return rate = (3) / (4) x 100	39.7	40.1	41.9	47.2

■ Acquisition amount of treasury stock ■ Dividends ▲ Shareholder return amount



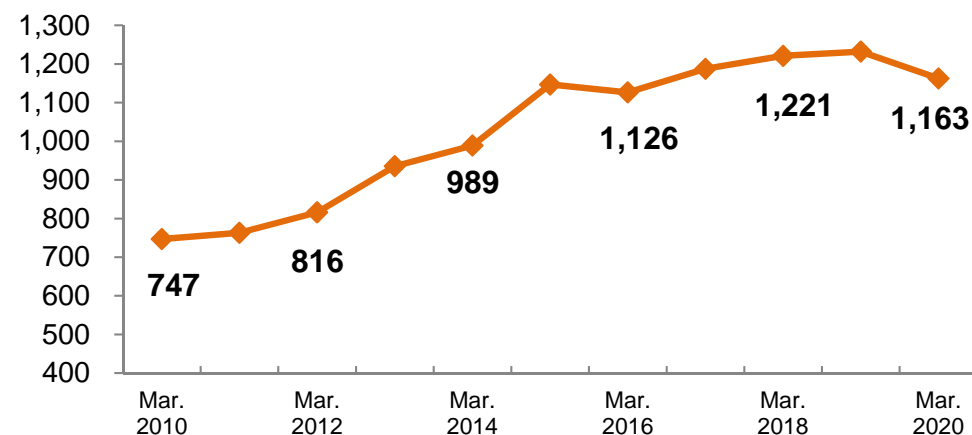
■ Net income per share (Consolidated EPS)

(Unit: yen)



■ Amount of net assets per share (Consolidated BPS)

(Unit: yen)



III. Environment, Social and Governance



1. ESG (Environment and Social)

■ The Bank issued a green bond for the first time among regional banks in Japan

- Received an award at the 1st ESG Finance Awards (sponsored by the Ministry of the Environment)
- Received an award at the 5th Sustainable Finance Awards (sponsored by Research Institute for Environmental Finance)

- Bond name:** Fifth Issuance of Basel III-compliant Subordinated Bonds with Early Redemption Clause (Basel III-compliant Subordinated Bonds) (Green bond)
- Issuance amount:** 10 billion yen Term: 10-year bond (NC 5 years)
- Issuance date:** November 26, 2019
- Interest rate:** (i) For the first five years: 0.37% per annum
(ii) Thereafter: 6-month Euro-yen LIBOR plus 0.42%
- Interest payment date:** May 26 and November 26 of each year
- Use of funds:** Apply to new and existing loans or expenditures that meet the eligibility criteria



■ Eligibility criteria

Renewable energy

Environmentally friendly private placement bonds

Energy efficiency

Clean transportation

Green buildings

■ Initiatives for work style reform

Efforts to reduce working hours

- Started a campaign of “smart working and leaving early” from the office (October 2015)

Efforts to promote women’s participation and advancement in the workplace

- Created an all-women staff team (April 2015)
- Expanded and disseminated various systems
- Received certifications of “Platinum Kurumin Mark” and “Eruboshi Mark”



	End of Mar. 2016	End of Mar. 2019	End of Mar. 2020	2022 target
Percentage of female managers: (Number of female managers)	5.8% (73)	10.0% (120)	11.0% (131)	20%



Initiatives for health and productivity management

- Established the “Declaration of Health and Productivity Management” (September 2018)
- Continuously received a certification of “Health and Productivity Management (White 500)” (February 2020)

■ Contribution to regional revitalization

“Distinctive examples of initiatives” that contribute to regional revitalization

- Establishment of the first branch in cooperation with a local public body (March 2020) -

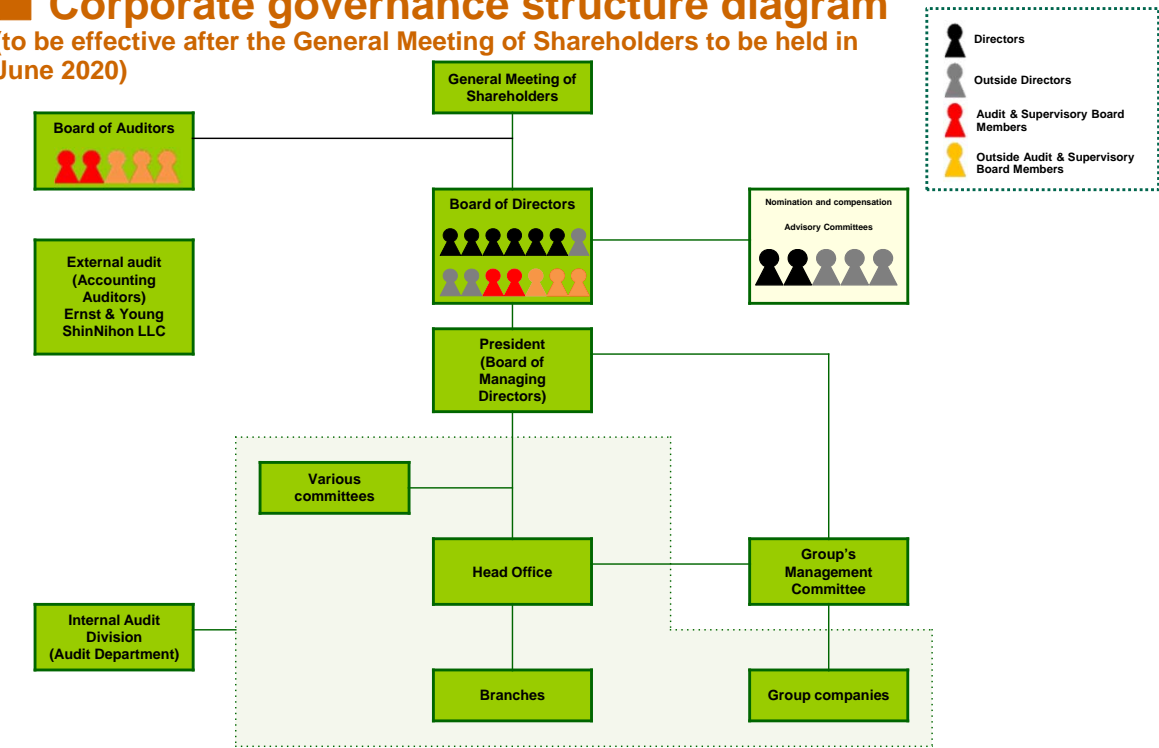
In addition to rebuilding the Kiryu Branch from the viewpoint of customer convenience, we collaborated with Kiryu City, which have concluded a comprehensive partnership agreement with us. We started creating a branch in a completely new approach under the concept of regional revitalization.

(Main features)

- Brick-like appearance that blends into Kiryu’s landscape
- Kiryu City’s tourist information center, Shirukuru Kiryu, is located on the premises
- The open space facing the front road and the large parking lot are used as event venues mainly on weekends
- A bus stop for the low-speed electric community bus “MAYU” was set up

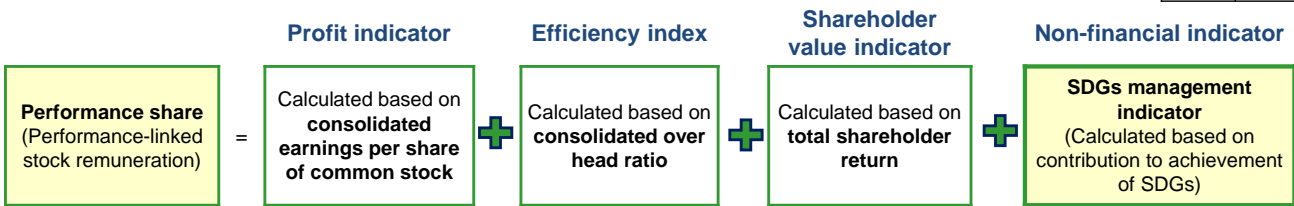
2. Efforts to Improve Governance (1)

■ Corporate governance structure diagram (to be effective after the General Meeting of Shareholders to be held in June 2020)



■ Med- to long-term incentive remuneration

Remuneration features	Basic remuneration	Variable remuneration		
		Short-term incentive remuneration	Mid- to long-term incentive remuneration	
Cash/stock	Cash remuneration		Stock remuneration	
Performance-linked or not	Non-performance-linked	Short-term performance-linked	Non-performance-linked	Mid- to long-term performance-linked
Remuneration name	Monthly remuneration	Bonus	Stock with restriction on transfer	Performance share



■ Major initiatives

Fiscal year	Major initiatives
2001	• Introduced an executive officer system
2005	• Elected Outside Directors
2010	• Decided to designate independent officers
2012	• Introduced stock remuneration-type stock option
2015	• Started the Board of Directors' effectiveness assessment
2018	• Established the Nomination and Compensation Advisory Committees
2019	• Formulated and disclosed the “Basic policy for executive remuneration” • Introduced remuneration systems with stock with restriction on transfer and performance-based stock

■ Knowledge of Outside Directors and Audit & Supervisory Board Members (to be effective after the General Meeting of Shareholders to be held in June 2020)

Position	Name	Term of office	Number of positions concurrently held at listed companies	Expertise				
				Corporate management	Finance	Accounting	Legal affairs	Administration
Directors	Eiji Muto	5 years	1		●			
	Jun Kondo	4 years	-	●				
	Kuniko Nishikawa	New appointment	1	●	●			
Audit & Supervisory Board Members	Kaneo Fukushima	6 years	-					●
	Makoto Tanaka	4 years	1			●		
	Yasuo Kamiya	New appointment	-				●	

2. Efforts to Improve Governance (2)

Directors



Chairman

Kazuo Saito



President

Akihiko Fukai



Executive Vice President

Nobuyuki Horie



Managing Director

Yukio Yuasa



Managing Director

Satoshi Inoue



Managing Director

Hiroyuki Irisawa



Director

Eiji Muto

Outside Independent

Outside Independent



Director

Jun Kondo

New appointment
Outside Independent



Director

Kuniko Nishikawa

Audit & Supervisory Board Members



Standing Audit & Supervisory Board Member

Noriyuki Watanabe

New appointment



Standing Audit & Supervisory Board Member

Shinya Koitabashi

Outside Independent



Audit & Supervisory Board Member

Kaneo Fukushima

Outside Independent



Audit & Supervisory Board Member

Makoto Tanaka

New appointment
Outside Independent

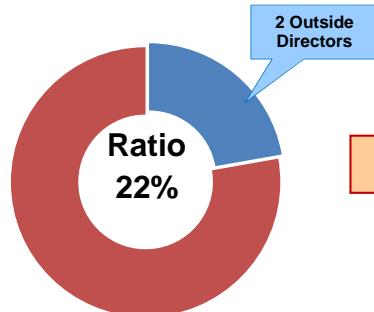


Audit & Supervisory Board Member

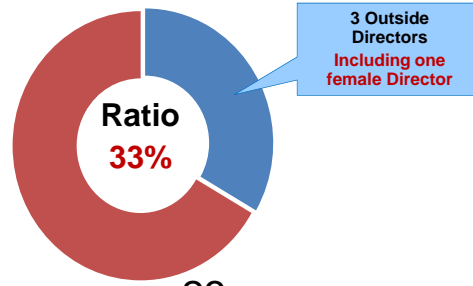
Yasuo Kamiya

Ratio of Outside Directors

<As of March 31, 2020>

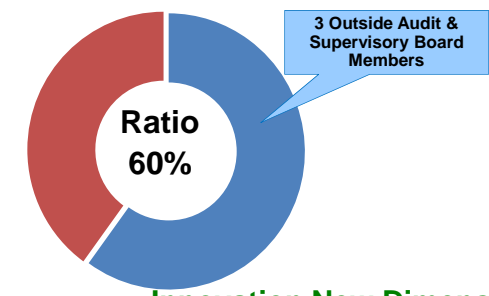


<Planned after the General Meeting of Shareholders to be held in June 2020>



Ratio of Outside Audit & Supervisory Board Members

<Planned after the General Meeting of Shareholders to be held in June 2020>



Innovation New Dimension

Gunma Bank Group SDGs Declaration



Gunma Bank Group SDGs Declaration

(GB Sustainability Policy 2030)

We strive to build a sustainable society and generate economic value by contributing to achieving Sustainable Development Goals (SDGs) through engaging in business activities in ways that always consider the development of local communities.

Priority issues and initiative policy

1. Sustained development of the regional economy

- We enhance the initiatives to assist the growth of regional business operators and vitalize regional communities while supporting the sustained development of regional economies by providing financial services befitting the diverse needs of customers.
- We endeavor to provide and expand various educational opportunities to nurture the next generation of leaders while enhancing financial and economic education to improve the financial literacy of the local communities.



2. Preservation and creation of global environment

- Under the Gunma Bank Environment Policy, we assist customers working to preserve the environment and create a beautiful environment and strive to lower environmental load from our operations.



3. Promote successful engagement by diverse personnel

- We enhance the diversity of directors and employees toward building a workplace in which all employees such as female, junior, and senior-age personnel can successfully work and foster them for the work and deliver a flexible work style.



4. Promote partnership

- We strive to build a sustainable society as a whole region through partnership with municipalities, corporate and individual customers.



(Established on February 25, 2019)

Under the Gunma Bank Group SDGs Declaration, the Bank Group strives to build a sustainable society and generate economic value by contributing to achieving Sustainable Development Goals (SDGs) through engaging in business.

This Mid-Term Business Plan was formulated under the philosophy. The Bank Group aims to generate stable revenues and attain future soundness by developing sustainable regional communities and realizing affluent future living as the Group strives to achieve the plan.

Corporate philosophy

SDGs Declaration

Mid-Term Business Plan “Innovation New Dimension”

Financial Results Briefing Session for the Year Ended March 2020

Data

May 22, 2020



The Gunma Bank, Ltd.

**First Section of the Tokyo
Stock Exchange: 8334**

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Supplement: Major economic indicators

This material has been prepared to provide information, not to solicit the transactions of specific securities. Descriptions in this material are subject to change without notice. Description on future business performance is included in this material. However, future business results are not guaranteed for the securities, which involve risks and uncertainties. Please be advised that future achievements may be different from targets due to changes in business environment, etc.

Response to the Novel Coronavirus Disease (COVID-19)

We will strive to prevent infection and fulfill our responsibilities to maintain the lives and businesses of our customers as a financial institution in the community.

◆ Initiatives for preventing infection and business continuity

Sales structure		Head Office
Domestic branches	Overseas branch (New York)	
Establishment of a financing consultation desk (Consultation requests are accepted at the desk throughout the “Golden Week” holidays spanning the end of April to early May *1)	Funding support for customers advanced to the U.S.	Development of a business continuity system
	Business continuity support from the Head Office	Separation of office floors
Reviewing sales activities through visits (reduction of meeting hours, response by phone, web conference, etc.)	Non-face-to-face meeting (telephone conference)	Non-face-to-face meeting (telephone/web conference)
Introduction of lunch time closure at all branches *2		Securing and deployment of face masks and other stockpiled supplies
Encouraging to wear face masks, wash hands, perform disinfect, etc., and measure temperature before going to the office		
Off-peak commuting, teleworking, shift work		
“Refraining from going out for unnecessary reasons,” “Cancellation of group training, in-house events, etc.”		

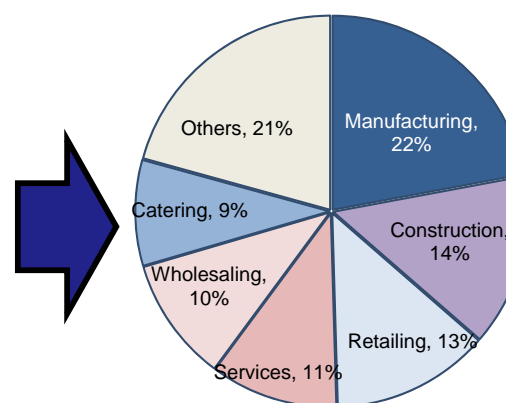
*1: 21 large branches within Gunma Prefecture. *2: Excluding the individual consulting plaza and loan stations.

◆ Status of application for novel coronavirus-related loans

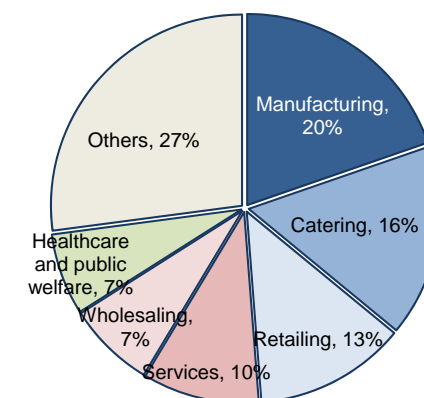
(As of May 21)

Consultation requests		Accepted requests	Loan execution		
New loans	12,547 customers	4,791 customers	Loaned to: <u>1,734 customers</u>	1,885 cases	91.3 bil yen
			Proper	553 cases	61.4 bil yen
			Guarantee corporation	1,332 cases	29.8 bil yen
Change of terms	465 customers	348 customers	Loaned to: <u>233 customers</u>	596 cases	18.5 bil yen
			Proper	327 cases	15.2 bil yen
			Guarantee corporation	269 cases	3.3 bil yen

● Percentage of new loans by industry



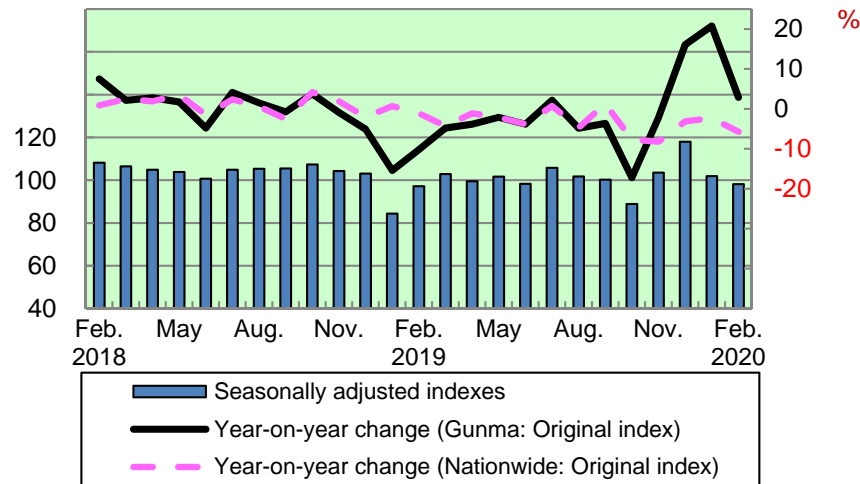
● Percentage of change of terms by industry



Innovation New Dimension

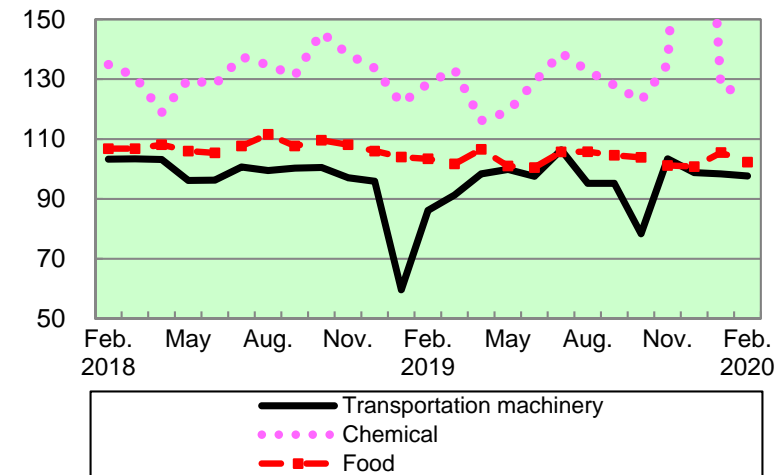
Economic Trends in Gunma Prefecture 1

■ Mining and manufacturing production index
(Year 2015 = 100)



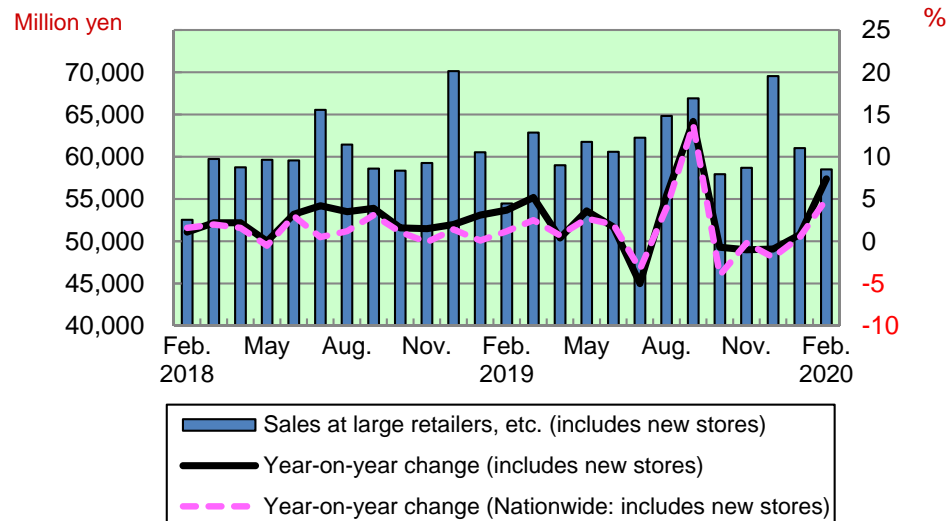
Source: Gunma Prefecture, Ministry of Economy, Trade and Industry

■ Production index by industry classification
(Seasonally adjusted)
(Year 2015 = 100, Top three industries by share)



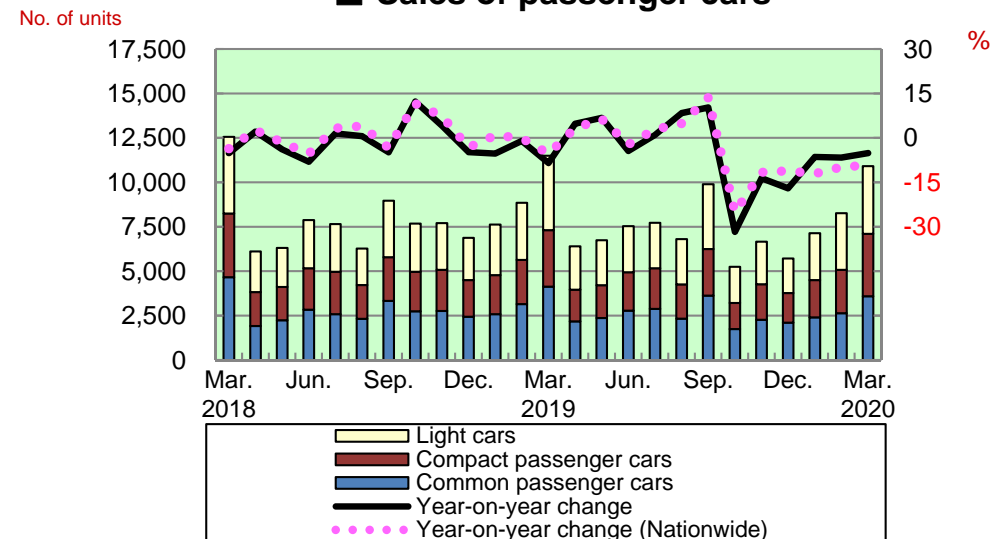
Source: Gunma Prefecture

■ Sales at large retailers, etc.



Source: Ministry of Economy, Trade and Industry

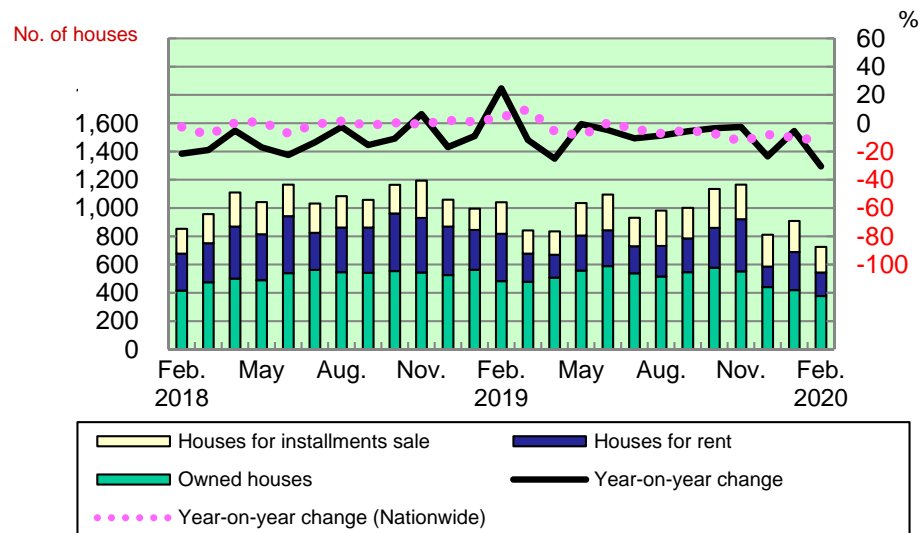
■ Sales of passenger cars



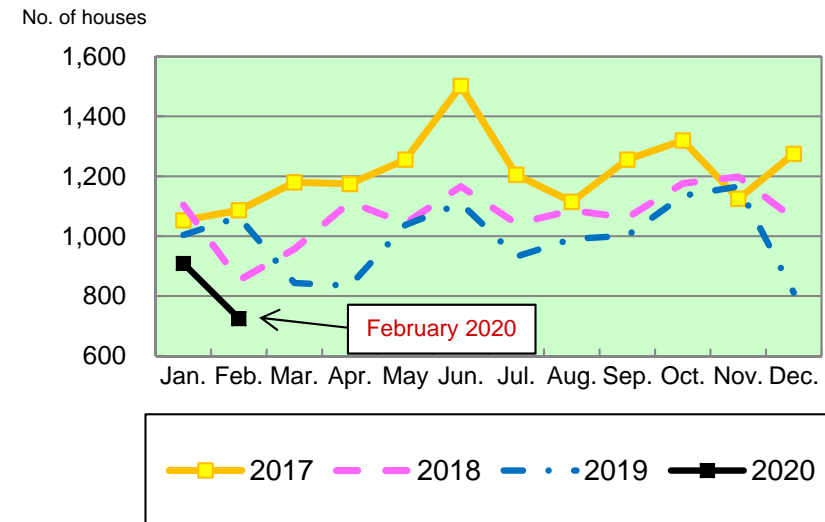
Sources: Japan Automobile Dealers Association, Japan Mini Vehicles Association, Japan Automobile Dealers Association Gunma Branch, Japan Mini Vehicles Association Gunma Branch

Economic Trends in Gunma Prefecture 2

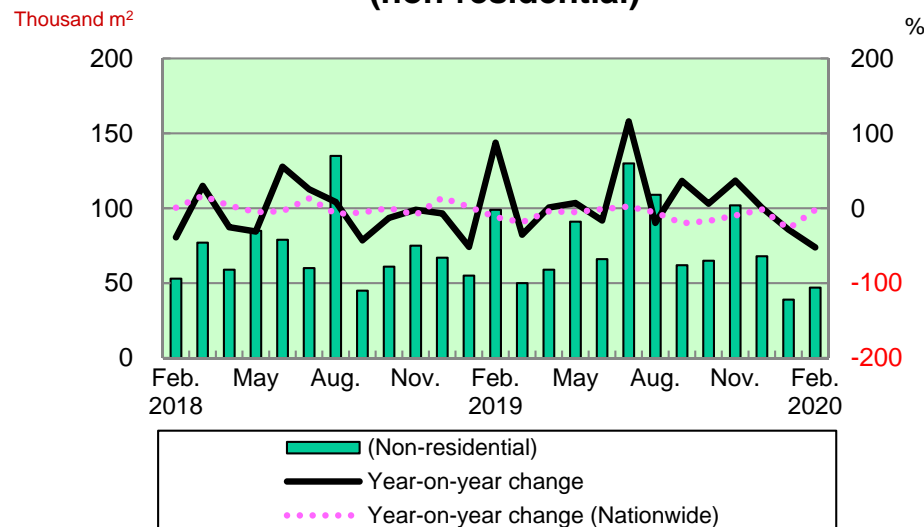
■ New housing starts



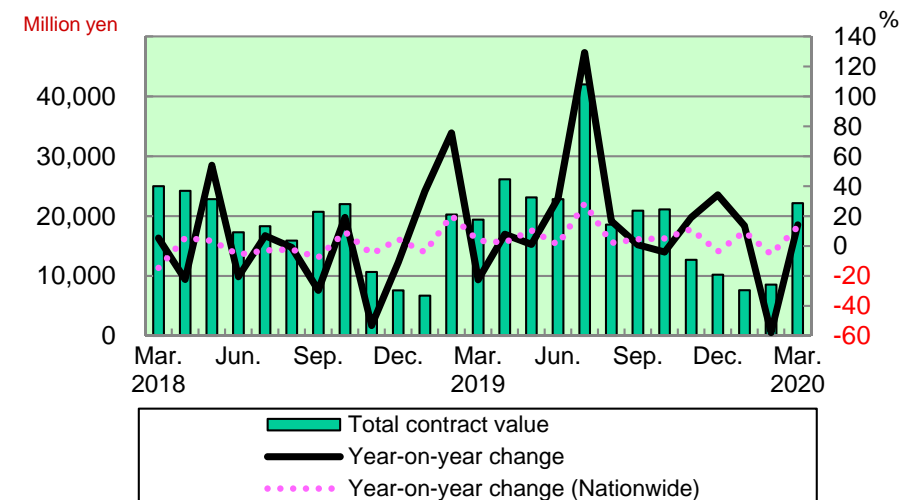
■ Monthly movements in new housing starts



■ Total floor space of construction starts (non-residential)

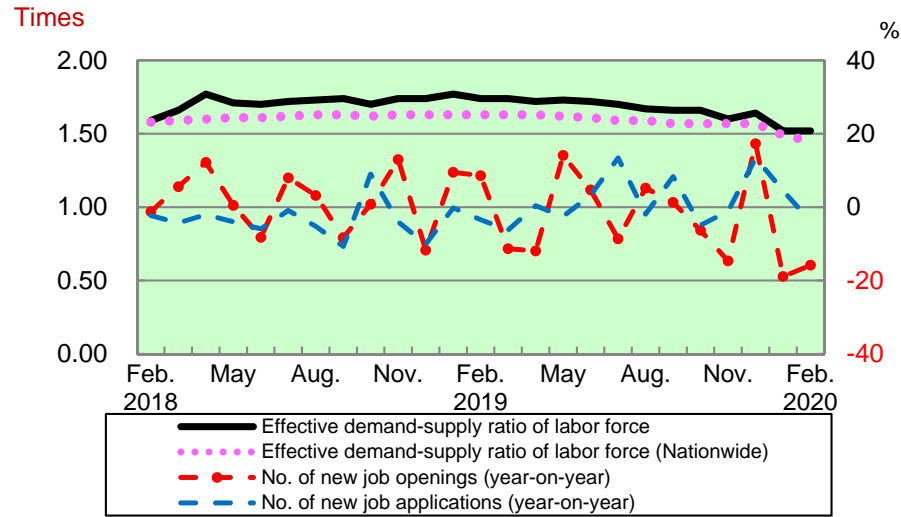


■ Value of public works contracts



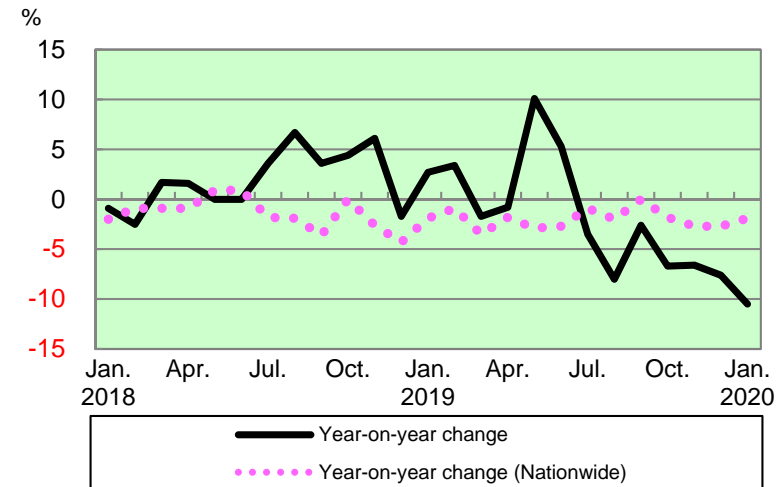
Economic Trends in Gunma Prefecture 3

■ Effective demand-supply ratio of labor force and number of new job openings and new job applications



Source: Gunma Labor Bureau

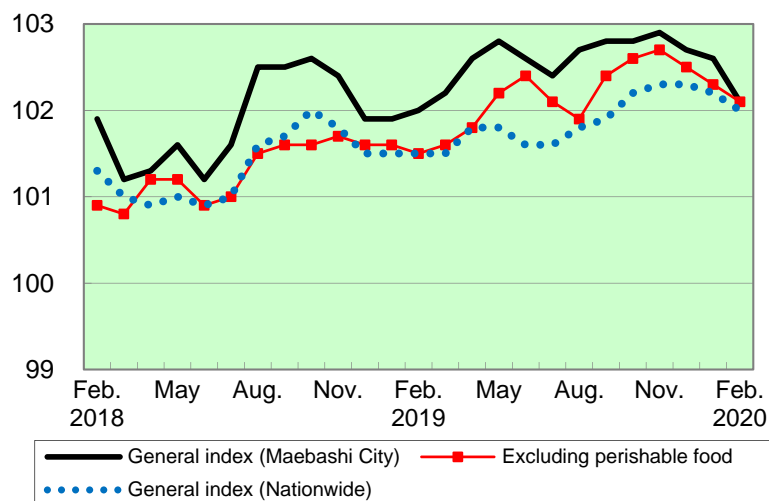
■ Total overtime hours



* All industries and offices with five employees or more

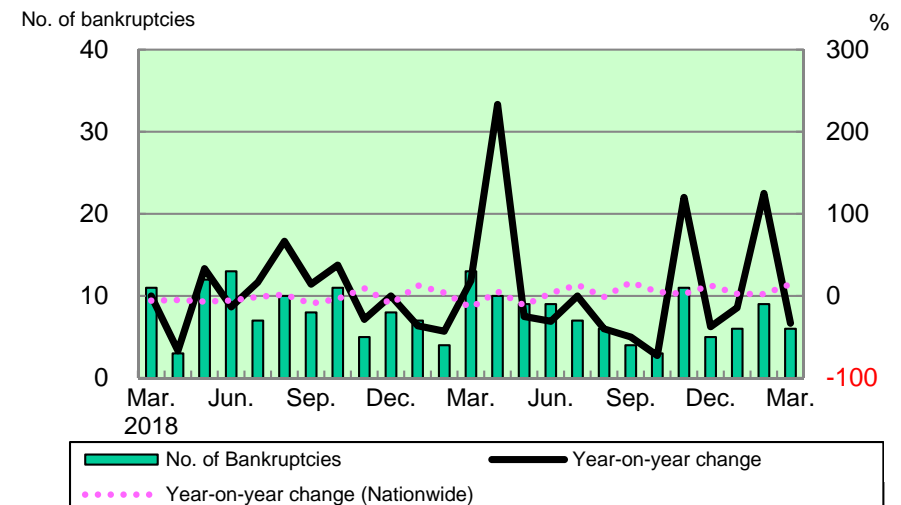
Sources: Ministry of Health, Labor and Welfare, Gunma Prefecture

■ Consumer price index (Year 2015 = 100)



Source: Ministry of Internal Affairs and Communications

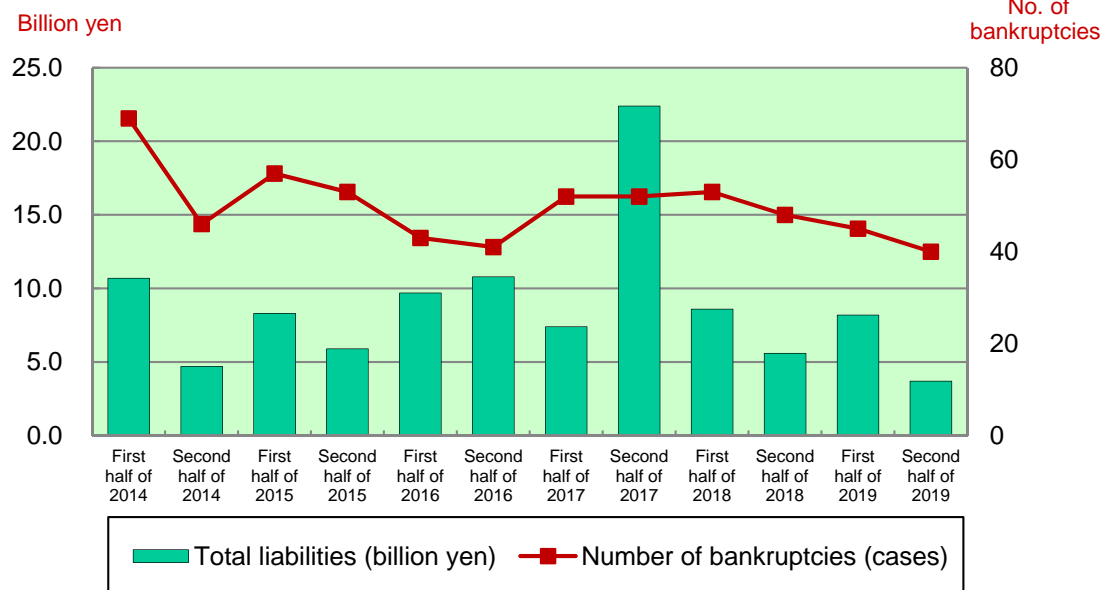
■ Number of bankruptcies



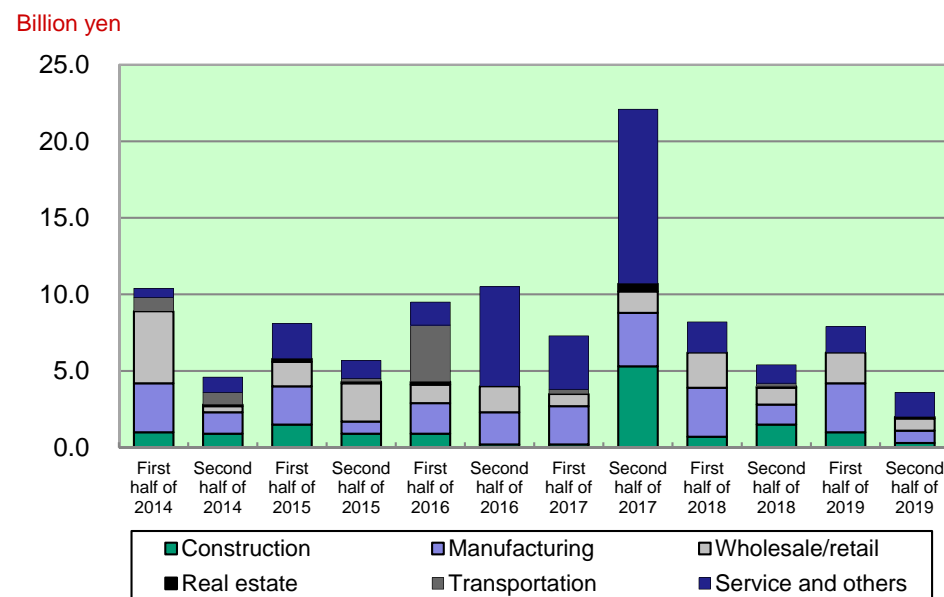
Source: Teikoku Databank

Economic Trends in Gunma Prefecture 4

■ Number of bankruptcies of companies and total liabilities



■ Industry breakdown of bankruptcies (amount of liabilities)



	FY2014		FY2015		FY2016		FY2017		FY2018		FY2019	
	Apr.-Sep.	Oct.-Mar.	Apr.-Sep.	Oct.-Mar.	Apr.-Sep.	Oct.-Mar.	Apr.-Sep.	Oct.-Mar.	Apr.-Sep.	Oct.-Mar.	Apr.-Sep.	Oct.-Mar.
No. of Bankruptcies	69 cases	46 cases	57 cases	53 cases	43 cases	41 cases	52 cases	52 cases	53 cases	48 cases	45 cases	40 cases
Total liabilities	10.7	4.7	8.3	5.9	9.7	10.8	7.4	22.4	8.6	5.6	8.2	3.7
Construction	0.1	0.9	1.5	0.9	0.9	0.2	0.2	5.3	0.7	1.5	1.0	0.3
Manufacturing	3.2	1.4	2.5	0.8	2.0	2.1	2.5	3.5	3.2	1.3	3.2	0.8
Wholesale/retail	4.7	0.4	1.6	2.5	1.2	1.7	0.8	1.4	2.3	1.1	2.0	0.8
Real estate	0.0	0.1	0.2	0.1	0.2	-	-	0.5	-	0.1	-	0.1
Transportation	0.9	0.8	-	0.2	3.7	0.0	0.3	0.0	0.0	0.2	0.0	0.0
Services and others	0.6	1.0	2.3	1.2	1.5	6.5	3.5	11.4	2.0	1.2	1.7	1.6

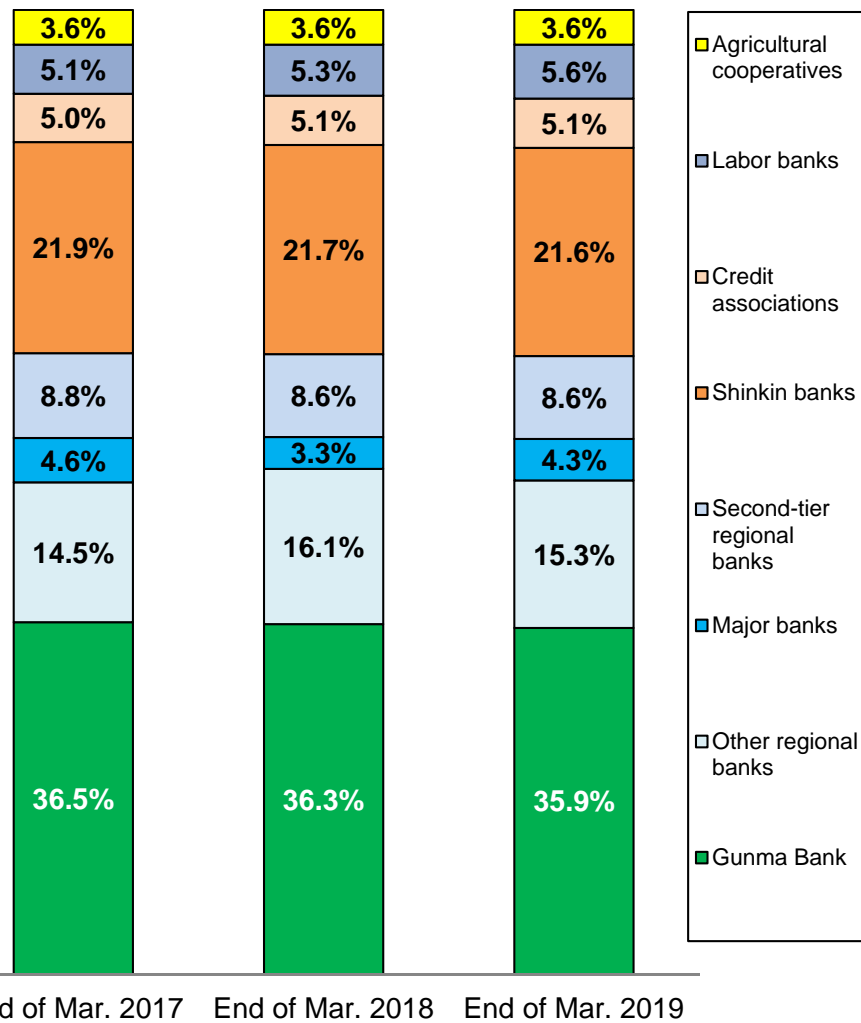
(*) Based on Teikoku Databank figures, includes only bankruptcies with liabilities of 10 million yen or more.

Excludes voluntary liquidations (e.g., suspension of banking transactions) and includes only bankruptcies under the five bankruptcy laws (e.g., Corporate Rehabilitation Act).

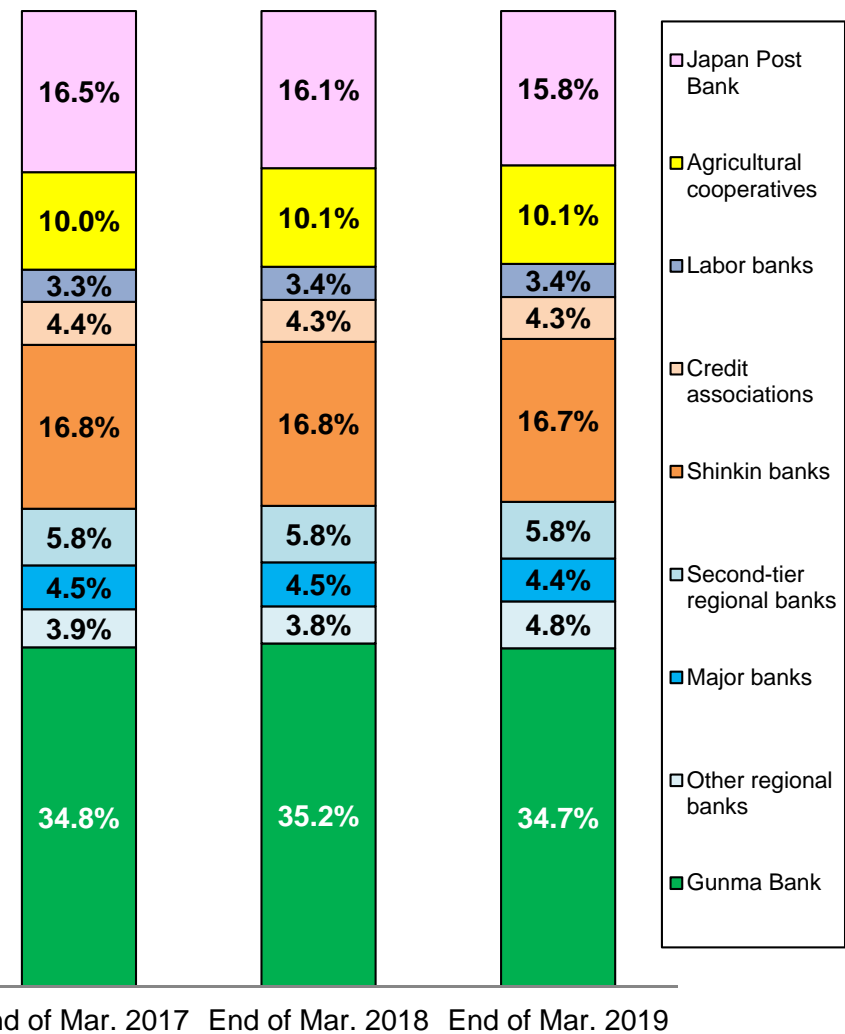
(*) First half: April–September, Second half: October–March

Economic Trends in Gunma Prefecture 5

Shares in loans



Shares in deposits



(Note) Source: "Financial Map" from an extra number of the "Financial Journal" 2020 edition

Profit and Loss Conditions

[Profit and loss conditions (non-consolidated)]

(Unit: billion yen)

	End of Mar. 2015		End of Mar. 2016		End of Mar. 2017		End of Mar. 2018		End of Mar. 2019		End of Mar. 2020	
	Sep. 2014		Sep. 2015		Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019	
Core business gross profit	46.5	92.2	46.0	91.6	44.9	88.6	47.8	89.5	45.9	85.6	41.6	78.4
Net interest income	41.5	81.7	41.0	81.4	40.0	79.0	41.4	77.3	39.5	74.4	35.8	67.6
Net fees and commissions	4.6	9.7	4.6	9.3	4.3	8.7	5.9	11.0	6.0	10.5	5.3	9.8
(Breakdown: profit/loss on cancellation of investment trusts)	0.6	0.6	1.0	1.9	1.0	2.0	3.9	3.6	3.4	3.6	0.4	-1.4
Others (excluding gains (losses) on bonds, etc.)	0.3	0.7	0.3	0.8	0.5	0.8	0.4	1.1	0.3	0.7	0.4	0.9
Expenses (-) (excluding extraordinary expenses)	29.8	58.3	28.9	56.7	28.7	56.6	28.8	56.2	28.6	56.1	28.0	54.4
Personnel expense	16.3	32.4	16.3	32.4	16.2	32.0	15.5	30.7	15.3	30.2	14.9	29.5
Non-personnel expense	12.0	23.5	10.9	21.7	10.5	21.3	11.3	22.4	11.3	22.7	11.1	22.0
Tax	1.5	2.3	1.6	2.5	1.9	3.2	1.9	3.0	1.9	3.1	1.8	2.8
Core business net profit	16.6	33.9	17.1	34.9	16.1	31.9	19.0	33.2	17.3	29.5	13.6	24.0
Ordinary profit	19.1	34.2	23.2	39.7	20.9	34.5	27.2	38.5	23.7	31.9	17.0	25.3
Net income	13.3	21.6	15.6	26.6	17.0	25.2	18.9	26.0	16.4	20.9	12.2	17.9
Credit costs	-0.9	1.9	-1.2	-0.5	1.4	4.7	0.3	2.3	1.2	7.9	2.3	4.3
Transfer to general provision for possible loan losses	-	0.2	-	-	0.5	0.4	-1.0	-1.0	-1.2	0.3	-0.6	-1.1
Disposal of non-performing loans	0.2	1.6	0.0	0.9	0.8	4.3	1.4	3.4	2.5	7.6	3.0	5.4
(Breakdown: transfer to specific provision for possible loan losses)	-	0.9	-	-	0.7	3.5	1.2	2.9	2.3	7.1	2.3	4.4
(Breakdown: loss on sales of loans)	0.0	0.3	0.1	0.4	0.0	0.4	0.0	0.1	0.0	0.1	0.4	0.7
Reversal of provision for possible loan losses (-)	1.1	-	1.2	1.5	-	-	-	-	-	-	-	-
Gain on the collection of claims written-off (-)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

[Profit and loss conditions (consolidated)]

(Unit: billion yen)

	End of Mar. 2015		End of Mar. 2016		End of Mar. 2017		End of Mar. 2018		End of Mar. 2019		End of Mar. 2020	
	Sep. 2014		Sep. 2015		Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019	
Core business gross profit	48.7	96.6	48.2	96.0	46.9	93.0	50.5	95.0	48.6	91.0	44.5	84.7
Net interest income	41.4	81.6	41.0	81.3	39.9	78.9	41.3	77.2	39.4	74.3	35.8	67.5
Non-interest business profit	7.2	14.9	7.2	14.7	7.0	14.1	9.1	17.8	9.1	16.7	8.7	17.1
Expenses (-) (excluding extraordinary expenses)	29.9	58.3	29.0	56.9	29.2	57.7	29.4	57.5	29.3	57.5	28.8	56.1
Ordinary profit	21.0	39.0	25.0	43.6	21.8	36.5	29.2	42.4	25.3	35.7	18.8	31.5
Net income attributable to owners of parent	14.0	25.9	16.7	28.6	17.5	26.3	20.1	28.3	17.4	23.3	13.4	22.2
OHR (%)	61.3	60.3	60.2	59.3	62.2	62.0	58.2	60.5	60.3	63.2	64.7	66.3
ROE (%)	5.9	5.3	6.4	5.6	6.9	5.1	7.6	5.4	6.4	4.4	5.0	4.4

Changes in Customer Service Business Profits

[Customer service business profit ratio]

(Unit: billion yen)

	Mar. 2015		Mar. 2016		Mar. 2017		Mar. 2018		Mar. 2019		Mar. 2020	
	Sep. 2014		Sep. 2015		Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019	
Customer service business profit ratio (* Annual ratio: (1) / (2) x Number of days for adjustment)	0.13%	0.16%	0.13%	0.16%	0.05%	0.06%	0.08%	0.09%	0.13%	0.14%	0.16%	0.16%
Customer service business profit (1)	4.0	9.6	4.0	9.6	1.6	3.9	2.7	6.2	4.6	9.2	5.4	11.1
Loan income	29.2	58.3	28.4	57.1	27.9	55.7	27.3	54.8	27.9	56.3	28.2	56.0
Net fees and commissions	4.6	9.7	4.6	9.3	4.3	8.7	5.9	11.0	6.0	10.5	5.3	9.8
Operating expenses (-)	29.9	58.4	29.0	56.8	30.7	60.5	30.5	59.6	29.4	57.6	28.1	54.6
Average deposit balance (2)	5,962.9	5,972.0	6,078.0	6,089.8	6,206.1	6,243.5	6,426.0	6,448.1	6,607.5	6,610.9	6,735.9	6,780.0

(1) Average loan balance x Deposit and loan direct profit margin + Net fees and commissions - Operating expenses

<Reference data>

(Unit: billion yen)

	Mar. 2015		Mar. 2016		Mar. 2017		Mar. 2018		Mar. 2019		Mar. 2020	
	Sep. 2014		Sep. 2015		Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019	
Loan income ((3) x (4) x Number of days for adjustment)	29.2	58.3	28.4	57.1	27.9	55.7	27.3	54.8	27.9	56.3	28.2	56.0
Deposit and loan direct profit margin (3)	1.270%	1.249%	1.170%	1.165%	1.111%	1.099%	1.029%	1.029%	1.019%	1.027%	1.023%	1.014%
Loans yield	1.306%	1.285%	1.208%	1.202%	1.136%	1.125%	1.057%	1.054%	1.045%	1.050%	1.044%	1.033%
Deposit cost	0.036%	0.036%	0.038%	0.037%	0.025%	0.026%	0.028%	0.025%	0.026%	0.023%	0.021%	0.019%
Average loan balance (4)	4,595.7	4,667.7	4,853.9	4,905.6	5,026.3	5,072.1	5,292.7	5,332.8	5,473.8	5,491.3	5,509.5	5,523.1

(3) Loans yield - Deposit cost

Changes in Average of Earning Assets and Funds Balance

[Average of earning assets balance]

(Unit: billion yen)

[All branches]	Mar. 2015		Mar. 2016		Mar. 2017		Mar. 2018		Mar. 2019		Mar. 2020	
	Sep. 2014		Sep. 2015		Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019	
Loans	4,595.7	4,667.7	4,853.9	4,905.6	5,026.3	5,072.1	5,292.7	5,332.8	5,473.8	5,491.3	5,509.5	5,523.1
Breakdown: large enterprises	769.6	776.9	781.1	771.9	702.9	685.2	643.6	640.2	653.4	657.1	648.9	652.8
Breakdown: second-tier enterprises	110.5	110.7	111.0	110.4	113.8	114.4	113.7	112.8	116.5	116.8	104.4	99.9
Breakdown: SMEs	1,746.8	1,772.9	1,841.9	1,880.7	1,982.0	2,014.8	2,098.3	2,134.0	2,218.6	2,246.4	2,300.3	2,315.6
Breakdown: individuals	1,796.3	1,830.1	1,932.9	1,964.7	2,058.7	2,087.9	2,172.3	2,197.2	2,260.3	2,273.9	2,302.6	2,304.6
Breakdown: public loans	123.3	122.3	130.9	125.1	121.1	120.5	214.1	200.1	169.8	142.1	99.5	96.3
Securities	2,100.7	2,119.1	2,100.8	2,053.6	1,974.5	1,978.5	1,851.5	1,791.4	1,572.4	1,555.4	1,640.7	1,660.2
Others	161.1	160.7	166.5	183.5	133.9	140.8	136.6	140.0	161.9	151.7	134.5	137.5
Earning assets in total	6,857.5	6,947.6	7,121.2	7,142.9	7,134.7	7,191.6	7,280.8	7,264.3	7,208.1	7,198.5	7,284.8	7,320.9

* Average balances totaled from all domestic branches are shown as breakdowns. Loans to regional public corporations and the Ministry of Finance (MOF) are included in public loans.

[Average of funds balance]

(Unit: billion yen)

[All branches]	Mar. 2015		Mar. 2016		Mar. 2017		Mar. 2018		Mar. 2019		Mar. 2020	
	Sep. 2014		Sep. 2015		Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019	
Deposits	5,962.9	5,972.0	6,078.0	6,089.8	6,206.1	6,243.5	6,426.0	6,448.1	6,607.5	6,610.9	6,735.9	6,780.0
(Breakdown: individuals)	4,458.5	4,477.2	4,540.9	4,553.2	4,599.5	4,635.5	4,743.8	4,779.3	4,865.7	4,885.8	4,958.3	4,995.9
(Breakdown: corporations)	1,199.6	1,206.9	1,262.7	1,267.5	1,342.0	1,351.2	1,421.4	1,427.3	1,465.4	1,465.3	1,519.2	1,534.4
Liquid deposits	3,701.7	3,724.6	3,866.7	3,881.7	4,011.9	4,055.7	4,264.5	4,303.5	4,483.1	4,502.0	4,667.2	4,725.5
Fixed deposits	2,261.1	2,247.4	2,211.3	2,208.1	2,194.1	2,187.8	2,161.5	2,144.6	2,124.4	2,108.9	2,068.7	2,054.5
Call money	63.3	95.1	78.6	66.1	69.2	72.9	48.8	45.3	19.7	26.1	17.8	16.0
Borrowings	177.2	179.3	189.4	219.6	255.7	263.6	320.6	321.5	339.9	356.7	425.2	430.2
Others	398.9	440.9	520.8	523.4	573.3	609.0	626.8	597.6	424.7	415.5	447.0	441.7
Funds in total	6,602.3	6,687.4	6,866.8	6,899.1	7,104.3	7,189.2	7,422.2	7,412.8	7,391.8	7,409.4	7,626.0	7,668.0

* Average balances totaled from all domestic branches are shown as breakdowns.

Changes in the Rates of Yield and the Profit Margins of Interest Rates

[Rates of yield and profit margins of interest rates (all branches)]

(Unit: %)

[All branches]	Mar. 2015		Mar. 2016		Mar. 2017		Mar. 2018		Mar. 2019		Mar. 2020	
	Sep. 2014		Sep. 2015		Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019	
Earning assets yield (1)	1.25	1.23	1.21	1.20	1.18	1.18	1.23	1.16	1.19	1.13	1.07	1.01
Breakdown: loans yield (2)	1.30	1.28	1.20	1.20	1.13	1.12	1.05	1.05	1.04	1.05	1.04	1.03
Breakdown: securities yield	1.19	1.14	1.25	1.25	1.35	1.35	1.78	1.54	1.78	1.46	1.19	0.96
Funding cost (3)	0.05	0.05	0.06	0.06	0.06	0.08	0.10	0.10	0.10	0.09	0.08	0.08
Deposit cost (4)	0.03	0.03	0.04	0.03	0.02	0.02	0.03	0.03	0.03	0.03	0.03	0.03
Overall direct profit margin (1) - (3)	1.20	1.18	1.15	1.14	1.12	1.10	1.13	1.06	1.09	1.04	0.99	0.93
Deposit and loan direct profit margin (2) - (4)	1.27	1.25	1.16	1.17	1.11	1.10	1.02	1.02	1.01	1.02	1.01	1.00
Ratio of expenses	0.97	0.94	0.91	0.89	0.88	0.86	0.85	0.83	0.82	0.81	0.79	0.76
Overall profit margin	0.30	0.31	0.31	0.32	0.31	0.32	0.36	0.30	0.32	0.28	0.25	0.22

* Profit margins are calculated on the table.

[Rates of yield and profit margins of interest rates (domestic transactions)]

(Unit: %)

[Domestic transactions]	Mar. 2015		Mar. 2016		Mar. 2017		Mar. 2018		Mar. 2019		Mar. 2020	
	Sep. 2014		Sep. 2015		Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019	
Earning assets yield (1)	1.23	1.19	1.17	1.15	1.12	1.10	1.13	1.06	1.08	1.02	0.97	0.91
Breakdown: loans yield (2)	1.31	1.29	1.21	1.20	1.12	1.11	1.03	1.02	0.99	0.98	0.97	0.97
Breakdown: securities yield	1.15	1.07	1.19	1.18	1.25	1.20	1.66	1.34	1.61	1.29	1.08	0.83
Funding cost (3)	0.03	0.03	0.03	0.03	0.02	0.01	0.01	0.01	0.01	0.01	0.00	0.00
Deposit cost (4)	0.03	0.03	0.03	0.03	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00
Overall direct profit margin (1) - (3)	1.20	1.16	1.14	1.12	1.10	1.09	1.12	1.05	1.07	1.01	0.97	0.91
Deposit and loan direct profit margin (2) - (4)	1.28	1.26	1.18	1.17	1.11	1.10	1.02	1.01	0.98	0.98	0.97	0.97
Ratio of expenses	0.95	0.92	0.89	0.88	0.86	0.85	0.83	0.81	0.81	0.79	0.77	0.75
Overall profit margin	0.27	0.26	0.27	0.27	0.27	0.27	0.32	0.27	0.30	0.26	0.23	0.20

* Profit margins are calculated on the table.

Changes in Loans and Deposits (by Region)

[Loans (ending balance)]

(Unit: billion yen)

[Domestic branches]	End of Mar. 2015		End of Mar. 2016		End of Mar. 2017		End of Mar. 2018		End of Mar. 2019		End of Mar. 2020	
	Sep. 2014		Sep. 2015		Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019	
Gunma	2,194.7	2,210.7	2,242.4	2,265.8	2,282.0	2,294.9	2,302.1	2,339.1	2,347.7	2,356.8	2,356.7	2,372.1
Saitama	858.7	901.9	939.7	983.7	1,016.8	1,053.0	1,069.2	1,101.2	1,119.2	1,139.4	1,134.6	1,133.1
Tochigi	391.3	406.3	422.8	443.0	456.5	471.4	484.1	495.0	506.6	514.2	510.3	509.4
Tokyo, Kanagawa, and Osaka	1,139.2	1,166.9	1,179.3	1,177.7	1,171.7	1,186.1	1,236.8	1,270.9	1,305.7	1,299.8	1,301.5	1,320.9
Head Office, etc.	76.2	96.0	109.9	123.6	130.7	170.5	298.9	262.9	212.3	202.3	205.9	212.3
Total	4,660.3	4,781.9	4,894.4	4,994.0	5,057.8	5,176.0	5,391.3	5,469.3	5,491.6	5,512.7	5,509.2	5,548.0

[Deposits (ending balance)]

(Unit: billion yen)

[Domestic branches]	End of Mar. 2015		End of Mar. 2016		End of Mar. 2017		End of Mar. 2018		End of Mar. 2019		End of Mar. 2020	
	Sep. 2014		Sep. 2015		Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019	
Gunma	4,820.2	4,964.7	4,929.6	5,083.9	5,010.6	5,253.6	5,209.0	5,407.9	5,375.0	5,537.7	5,500.7	5,752.1
Saitama	588.1	595.5	603.3	605.3	613.6	629.3	639.2	646.6	655.6	654.5	654.2	662.4
Tochigi	359.6	355.1	354.2	352.6	351.5	356.3	360.4	362.3	365.3	364.9	364.1	369.8
Tokyo, Kanagawa, and Osaka	143.1	131.5	137.8	160.3	169.3	176.9	192.5	202.7	224.6	217.6	237.1	215.2
Head Office, etc.	36.4	35.5	37.1	33.0	23.3	39.7	29.9	33.2	22.0	22.8	28.9	30.9
Total	5,947.6	6,082.5	6,062.2	6,235.2	6,168.4	6,455.8	6,431.3	6,652.7	6,642.7	6,797.7	6,785.1	7,030.7

Changes in Loans (by Type and by Size)

[Loan balances (by type and by size)]

(Unit: billion yen)

	End of Mar. 2015		End of Mar. 2016		End of Mar. 2017		End of Mar. 2018		End of Mar. 2019		End of Mar. 2020	
	Sep. 2014		Sep. 2015		Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019	
Loans	4,710.3	4,838.8	4,950.0	5,047.3	5,100.0	5,224.2	5,442.1	5,518.6	5,549.5	5,565.4	5,557.3	5,602.3
Domestic branches	4,660.3	4,781.9	4,894.4	4,994.0	5,057.8	5,176.0	5,391.3	5,469.3	5,491.6	5,512.7	5,509.2	5,548.0
Corporations	2,653.9	2,715.5	2,744.3	2,781.8	2,776.3	2,808.6	2,852.5	2,927.3	2,976.7	2,991.5	2,986.3	3,022.3
Large enterprises	743.2	742.7	719.2	680.2	611.3	579.1	567.4	564.9	579.5	554.2	558.0	566.8
Second-tier enterprises	107.2	110.8	111.4	108.0	115.4	114.4	113.4	112.1	119.6	110.8	93.6	95.0
SMEs	1,803.4	1,861.9	1,913.7	1,993.6	2,049.5	2,115.0	2,171.7	2,250.2	2,277.5	2,326.4	2,334.6	2,360.4
Breakdown: excluding strategic branch offices	1,626.8	1,691.6	1,746.8	1,841.9	1,892.8	1,962.1	2,020.8	2,099.9	2,140.5	2,195.1	2,215.5	2,235.8
Public entities	138.5	108.6	120.1	109.5	114.5	106.7	106.0	102.2	102.4	97.8	94.7	87.6
Regional public corporations	2.3	2.9	2.1	3.0	1.9	2.9	1.9	2.7	1.8	2.5	1.7	2.4
Municipal authorities	136.2	105.7	117.9	106.5	112.6	103.8	104.1	99.5	100.5	95.3	93.0	85.1
Central government	-	-	-	-	-	20.9	136.7	89.4	22.6	-	-	-
Individuals	1,837.6	1,912.4	1,975.2	2,039.4	2,100.7	2,159.3	2,207.1	2,254.5	2,281.8	2,305.6	2,309.5	2,314.7
Housing-related loans	1,777.9	1,850.3	1,910.7	1,972.2	2,031.2	2,087.6	2,134.7	2,180.9	2,207.3	2,230.2	2,228.3	2,233.3
Housing loans	1,217.0	1,250.5	1,270.2	1,285.1	1,293.6	1,300.5	1,307.4	1,314.8	1,316.3	1,317.0	1,313.7	1,312.4
Apartment loans	414.7	440.9	466.1	491.9	519.8	546.9	568.4	593.4	613.3	631.6	641.7	651.4
Others	146.2	158.8	174.4	195.1	217.7	240.1	258.8	272.5	277.6	281.5	272.8	269.4
Unsecured consumer loans	28.6	31.6	34.8	38.6	41.6	44.8	46.6	48.8	50.0	51.5	53.2	54.6
Other loans to individuals	31.0	30.4	29.5	28.5	27.8	26.8	25.6	24.6	24.5	23.9	27.9	26.7
Cross-border, etc.	30.2	45.2	54.7	63.2	66.1	80.3	88.8	95.8	107.9	117.6	118.5	123.3
Overseas branch	49.9	56.8	55.6	53.2	42.2	48.2	50.7	49.2	57.9	52.7	48.0	54.2

*Cross-border, etc. includes structured finance.

Changes in Loans to SMEs (by Industry)

[Breakdown of loans to SMEs (outstanding loan by industry)]

(Unit: billion yen)

SMEs (domestic branches) [Breakdown by industry (1)]	End of Mar. 2018		End of Mar. 2019		End of Mar. 2020	
	Sep. 2017		Sep. 2018		Sep. 2019	
Manufacturing	438.2	442.1	444.5	453.2	457.9	463.2
Gunma	267.8	267.1	265.1	268.3	276.4	279.1
Saitama	85.2	88.0	90.4	93.8	92.2	93.6
Tochigi	58.7	59.7	61.3	62.6	61.3	62.8
Tokyo and Kanagawa	21.2	21.9	22.5	22.8	22.3	21.8
Others	5.1	5.2	5.2	5.6	5.6	5.6
Construction	156.9	161.9	159.9	168.0	159.9	165.0
Gunma	97.5	99.5	95.7	101.9	97.8	102.8
Saitama	27.9	30.1	30.1	30.9	27.5	28.5
Tochigi	16.4	16.8	17.8	18.5	17.6	17.4
Tokyo and Kanagawa	13.5	13.8	14.9	15.2	15.3	14.1
Others	1.4	1.4	1.4	1.5	1.7	2.0
Wholesaling and retailing	306.6	311.0	323.7	324.2	336.4	332.1
Gunma	164.8	165.8	173.2	168.3	180.2	177.1
Saitama	69.1	70.7	72.6	74.5	76.5	76.5
Tochigi	32.0	33.2	35.4	36.0	35.8	35.7
Tokyo and Kanagawa	36.0	36.7	38.2	41.2	39.7	38.3
Others	4.4	4.4	4.3	4.2	4.2	4.3

(Unit: billion yen)

SMEs (domestic branches) [Breakdown by industry (2)]	End of Mar. 2018		End of Mar. 2019		End of Mar. 2020	
	Sep. 2017		Sep. 2018		Sep. 2019	
Real estate	403.6	438.5	456.6	469.5	465.0	464.8
Gunma	111.7	117.5	120.4	124.3	123.5	126.9
Saitama	138.5	145.9	151.1	155.6	155.6	155.4
Tochigi	50.3	52.3	52.4	53.9	52.9	51.1
Tokyo and Kanagawa	100.1	119.7	129.2	132.1	128.8	127.1
Others	2.8	2.9	3.5	3.6	4.2	4.1
Healthcare and public welfare	245.9	255.0	261.3	267.3	269.4	271.0
Gunma	110.9	113.2	113.7	114.4	114.2	115.7
Saitama	61.0	62.7	63.7	64.9	64.9	62.8
Tochigi	13.2	13.6	14.0	14.4	14.6	14.9
Tokyo and Kanagawa	58.1	62.4	67.1	70.6	73.0	74.8
Others	2.5	2.9	2.8	2.9	2.7	2.6
Other services	223.9	235.2	232.0	238.8	241.5	238.1
Gunma	124.5	130.9	125.5	129.9	130.1	129.2
Saitama	48.4	50.2	49.5	50.2	49.9	49.4
Tochigi	23.4	25.2	27.1	28.6	30.1	29.2
Tokyo and Kanagawa	24.3	25.8	27.3	27.4	29.5	28.3
Others	3.0	2.9	2.6	2.6	1.8	1.9

Status of Housing-related Loans

[Breakdown of housing loans/apartment loans (outstanding loan by region)]

(Unit: billion yen)

	End of Mar. 2015		End of Mar. 2016		End of Mar. 2017		End of Mar. 2018		End of Mar. 2019		End of Mar. 2020	
	Sep. 2014		Sep. 2015		Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019	
Housing loans	1,250.5	1,250.5	1,270.2	1,285.1	1,293.6	1,300.5	1,307.4	1,314.8	1,316.3	1,317.0	1,313.7	1,312.4
Gunma	719.1	719.1	720.5	720.4	716.8	712.8	708.5	706.7	703.4	701.5	698.3	698.1
Saitama	309.5	309.5	315.9	320.0	321.8	323.8	325.8	327.7	327.7	326.5	324.1	320.9
Tochigi	119.3	119.3	119.4	119.9	119.2	118.1	117.2	116.5	115.8	114.4	113.1	111.2
Tokyo and Kanagawa	102.4	102.4	114.2	124.6	135.7	145.6	155.8	163.7	169.4	174.4	178.0	182.0
Apartment loans	440.9	440.9	466.1	491.9	519.8	546.9	568.4	593.4	613.3	631.6	641.7	651.4
Gunma	220.8	220.8	226.5	233.1	240.0	247.0	251.4	255.6	257.8	259.3	259.6	259.9
Saitama	100.8	100.8	107.2	113.5	119.5	126.5	129.5	135.4	141.4	147.7	150.2	154.0
Tochigi	85.2	85.2	89.6	94.3	99.6	103.1	106.1	110.0	112.4	114.6	116.1	116.0
Tokyo and Kanagawa	34.0	34.0	42.7	50.8	60.5	70.3	81.2	92.3	101.6	109.8	115.6	121.3

[Status of loans for investment real estate]

(Unit: billion yen)

	Mar. 2018				Mar. 2019				Mar. 2020			
	Year-end balance	Change	Rate of change	Composition ratio	Year-end balance	Change	Rate of change	Composition ratio	Year-end balance	Change	Rate of change	Composition ratio
Total loan balance	5,518.6	294.3	5.6%	100.0%	5,565.4	46.8	0.8%	100.0%	5,602.3	36.8	0.7%	100.0%
Breakdown: for investment real estate	957.5	113.7	13.5%	17.3%	1,026.6	69.0	7.2%	18.4%	1,038.4	11.8	1.2%	18.5%
Breakdown: whole building	207.0	53.4	34.8%	3.7%	227.2	20.1	9.7%	4.0%	220.8	-6.3	-2.8%	3.9%
Breakdown: asset management companies	51.9	16.0	44.8%	0.9%	61.0	9.1	17.6%	1.0%	59.1	-1.9	-3.1%	1.1%
Breakdown: salaried workers	31.8	6.8	27.5%	0.5%	32.5	0.7	2.2%	0.5%	31.7	-0.8	-2.6%	0.6%

* Loans for investment real estate: loans for funds used by individuals (including asset management companies, etc.) to purchase residential and lodging real estate, such as apartments, condominiums, and guest houses, for investment purposes.

<DSCR and vacancy rate>

		Mar. 2018				Mar. 2019			
		Total	Maebashi city	Takasaki city	Tokyo and Kanagawa Prefecture	Total	Maebashi city	Takasaki city	Tokyo and Kanagawa Prefecture
Vacancy rate	(%)	5.6	9.0	5.7	2.8	5.0	9.2	5.1	2.1
DSCR	(times)	1.35	1.31	1.32	1.47	1.36	1.30	1.34	1.45

<Default rate>

(Unit: %)

	Mar. 2018	Mar. 2019
For investment real estate	0.22	0.32
Breakdown: apartment loans	0.07	0.07

* Cases in inheritance proceedings are excluded.

Status of Non-interest Business Profit

[Breakdown of non-interest business profit (excluding gains (losses) on bonds, etc.) (non-consolidated)]

(Unit: million yen)

	Mar. 2018		Mar. 2019		Mar. 2020	
	Sep. 2017		Sep. 2018		Sep. 2019	
Non-interest business profit	6,447	12,176	6,436	11,284	5,822	10,775
Breakdown: fees and commissions	10,093	19,306	10,362	19,103	9,803	18,727
Breakdown: fee and commission expenses (-)	4,107	8,253	4,297	8,566	4,476	8,903

[Breakdown of non-interest business profits (non-consolidated)]

(Unit: million yen)

	Mar. 2018				Mar. 2019				Mar. 2020			
	Sep. 2017 (Composition ratio)		(Composition ratio)		Sep. 2018 (Composition ratio)		(Composition ratio)		Sep. 2019 (Composition ratio)		(Composition ratio)	
Corporate service-related	811	100.0%	2,403	100.0%	1,148	100.0%	2,157	100.0%	1,269	100.0%	2,760	100.0%
Syndicate loans	166	20.4%	556	23.2%	275	23.9%	532	24.7%	305	24.1%	702	25.5%
Private placement bonds	172	21.3%	331	13.8%	137	12.0%	257	11.9%	135	10.7%	290	10.5%
Business insurance for corporations	49	6.1%	164	6.8%	187	16.3%	315	14.6%	32	2.5%	50	1.8%
M&A	145	17.9%	231	9.6%	89	7.8%	181	8.4%	152	12.0%	277	10.0%
Business matching	144	17.8%	295	12.3%	145	12.6%	307	14.2%	210	16.6%	439	15.9%
Covenant loans	-	-	-	-	49	4.3%	63	2.9%	53	4.2%	236	8.6%
Short-term continuous loans	-	-	-	-	-	-	-	-	19	1.5%	36	1.3%
Derivatives (interest and currency)	102	12.6%	748	31.1%	229	20.0%	434	20.2%	316	24.9%	623	22.6%
Financial product intermediation for corporations, others	30	3.9%	75	3.2%	34	3.1%	65	3.0%	43	3.5%	104	3.8%
Assets under custody-related, etc.	2,052	100.0%	4,466	100%	2,247	100.0%	4,275	100%	1,949	100.0%	3,858	100.0%
Investment trust	1,436	70.0%	3,015	67.5%	1,325	59.0%	2,397	56.1%	1,073	55.1%	2,211	57.3%
Insurance (excluding that for corporations)	548	26.7%	1,308	29.3%	833	37.1%	1,686	39.4%	757	38.8%	1,397	36.2%
Financial product intermediation (for individuals)	55	2.7%	115	2.6%	67	3.0%	130	3.1%	75	3.9%	181	4.7%
Testamentary trust/Inheritance sorting	11	0.6%	26	0.6%	13	0.6%	39	0.9%	18	0.9%	30	0.8%
Trust fee	0	0.0%	0	0.0%	7	0.3%	20	0.5%	24	1.3%	36	1.0%
Base service commissions	4,104	100.0%	8,209	100%	4,120	100.0%	8,322	100%	4,247	100.0%	8,509	100.0%
Breakdown: domestic exchange	2,327	56.7%	4,680	57.0%	2,324	56.4%	4,695	56.4%	2,348	55.3%	4,736	55.7%
Breakdown: agency services	1,247	30.4%	2,505	30.5%	1,256	30.5%	2,517	30.3%	1,274	30.0%	2,565	30.2%
Breakdown: banking services	467	11.4%	899	11.0%	476	11.6%	984	11.8%	562	13.3%	1,085	12.8%

* The ratio of each breakdown item to the respective non-interest business profit is calculated as the composition ratio.

Status of Marketing Capability for Personal Deposit Financial Assets

[Balance of deposit financial assets (individuals)]

(Unit: billion yen)

	Mar. 2015		Mar. 2016		Mar. 2017		Mar. 2018		Mar. 2019		Mar. 2020	
	Sep. 2014		Sep. 2015		Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019	
Investment trust	256.5	265.7	254.9	259.6	244.6	253.3	254.7	248.4	246.7	243.4	240.6	210.5
Pension insurance, etc.	460.8	483.0	483.3	499.7	495.8	489.7	487.6	474.9	473.9	473.9	472.4	469.6
Public bonds (JGBs)	142.3	122.4	104.4	93.3	81.5	69.2	64.3	58.6	55.0	48.4	44.3	40.9
Gungin Securities (directly sale or intermediation)	-	-	-	-	-	2.8	22.4	37.0	52.6	63.1	76.0	77.8
Total	859.7	871.2	842.7	852.6	821.9	812.3	829.1	819.0	828.4	828.9	833.5	798.9

[Sales amount for marketing capability for deposit financial assets (individuals)]

(Unit: billion yen)

	Mar. 2017			Mar. 2018			Mar. 2019			Mar. 2020		
	First half	Second half		First half	Second half		First half	Second half		First half	Second half	
Investment trust	19.5	32.9	52.4	39.3	48.6	87.9	35.0	29.4	64.4	28.7	38.0	66.8
Pension insurance, etc.	12.6	14.5	27.1	13.2	16.4	29.7	18.5	18.7	37.3	17.5	14.3	31.9
Public bonds (JGBs)	2.5	2.8	5.3	3.7	2.9	6.6	3.1	3.1	6.2	3.6	2.5	6.2
Gungin Securities (directly sale or intermediation)	-	8.1	8.1	14.3	16.7	31.0	20.4	19.0	39.5	21.7	30.8	52.6
Total	34.6	58.4	93.1	70.7	84.6	155.3	77.1	70.4	147.5	71.6	85.9	157.5

Status of Investment in Securities

[Breakdown of gain and loss on securities, etc.]

(Unit: million yen)

	Sep. 2017	Mar. 2018	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020
Gain and loss on securities, etc.	10,181	10,871	8,257	11,773	5,737	5,470
Gain and loss on bonds, etc.	146	-4,217	-2,352	-2,704	1,295	432
Gain on sale of bonds, etc.	217	230	421	584	1,295	3,717
Gain on redemption of bonds, etc.	-	-	35	35	29	39
Loss on sale of bonds, etc. (-)	70	4,412	2,804	3,284	-	3,295
Loss on devaluation of bonds, etc. (-)	-	35	5	39	29	29
Gain and loss on stocks, etc.	10,034	15,088	10,609	14,478	4,442	5,038
Gain on sale of stocks, etc.	10,176	15,414	11,079	16,159	5,849	8,125
Loss on sale of stocks, etc. (-)	141	326	469	1,680	1,017	1,861
Loss on equity securities charge-offs (-)	-	-	-	-	389	1,225

[Breakdown of other securities]

(Unit: billion yen)

	End of Sep. 2017		End of Mar. 2018		End of Sep. 2018		End of Mar. 2019		End of Sep. 2019		End of Mar. 2020	
	Book value	Unrealized gains/losses	Book value	Unrealized gains/losses	Book value	Unrealized gains/losses	Book value	Unrealized gains/losses	Book value	Unrealized gains/losses	Book value	Unrealized gains/losses
Other securities	1,781.7	150.6	1,613.4	135.1	1,518.1	125.2	1,576.6	111.0	1,621.3	127.0	1,741.1	43.8
Government bonds	381.4	9.5	343.5	8.4	295.7	5.8	287.4	5.8	275.0	6.1	345.7	0.8
Municipal bonds	568.4	10.7	585.3	9.6	616.3	7.2	638.3	9.4	651.6	8.3	692.7	5.9
Corporate bonds	243.4	1.4	209.8	1.4	199.0	0.8	199.3	2.3	190.8	3.0	204.8	1.0
Stocks	89.5	120.5	86.7	113.9	81.8	108.7	73.7	85.2	69.9	85.6	67.7	57.0
Investment trusts	97.5	3.9	128.5	2.2	166.5	1.5	241.2	5.5	270.9	17.8	236.6	-20.7
Foreign securities	400.3	4.4	258.7	-0.6	157.4	1.0	133.5	2.5	158.8	5.9	186.8	-0.6
Yen-denominated securities	15.7	0.0	13.7	0.0	10.4	0.0	9.9	0.0	9.8	0.0	10.1	0.0
Foreign-currency securities	384.5	4.3	244.9	-0.7	146.9	0.9	123.5	2.5	149.0	5.8	176.6	-0.6
Others	0.8	0.0	0.7	0.0	1.1	0.0	2.9	0.0	4.0	0.1	6.5	0.3

[Bond average yield and duration]

		Sep. 2017		Mar. 2018		Sep. 2018		Mar. 2019		Sep. 2019		Mar. 2020	
		Domestic bonds	Foreign bonds	Domestic bonds	Foreign bonds	Domestic bonds	Foreign bonds	Domestic bonds	Foreign bonds	Domestic bonds	Foreign bonds	Domestic bonds	Foreign bonds
Bond average yield	(%)	0.74	2.13	0.72	2.19	0.66	2.92	0.62	2.86	0.54	2.14	0.49	1.91
Modified duration	(year)	3.55	3.59	4.16	3.90	3.94	2.74	4.53	2.92	5.02	4.21	5.66	4.38

Status of Capital

[Status of capital (non-consolidated)]

(Unit: billion yen)

	End of Mar. 2015		End of Mar. 2016		End of Mar. 2017		End of Mar. 2018		End of Mar. 2019		End of Mar. 2020	
	Sep. 2014		Sep. 2015		Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019	
Total capital	433.4	453.8	446.7	451.4	453.7	476.3	497.6	497.3	513.7	504.8	530.9	483.4
Common equity and other Tier 1 capital	371.1	398.3	399.6	422.8	428.6	452.7	464.4	477.2	483.7	474.7	490.9	433.4
Tier 2 capital	62.2	55.5	47.0	28.6	25.1	23.6	33.2	20.0	30.0	30.0	40.0	50.0
Risk assets	3,289.2	3,501.1	3,502.4	3,650.8	3,721.5	3,913.8	3,969.2	4,149.5	4,095.5	4,263.2	4,230.2	4,175.5

Total capital ratio	13.17%	12.96%	12.75%	12.36%	12.19%	12.17%	12.53%	11.98%	12.54%	11.84%	12.55%	11.57%
Tier 1 ratio	11.28%	11.37%	11.41%	11.58%	11.51%	11.56%	11.70%	11.50%	11.81%	11.13%	11.60%	10.37%
Common equity and other Tier 1 ratio	11.28%	11.37%	11.41%	11.58%	11.51%	11.56%	11.70%	11.50%	11.81%	11.13%	11.60%	10.37%

[Status of capital (consolidated)]

(Unit: billion yen)

	End of Mar. 2015		End of Mar. 2016		End of Mar. 2017		End of Mar. 2018		End of Mar. 2019		End of Mar. 2020	
	Sep. 2014		Sep. 2015		Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019	
Total capital	452.8	474.6	468.5	467.0	469.7	498.7	521.2	522.0	540.1	529.9	557.4	505.7
Common equity and other Tier 1 capital	388.5	417.3	419.6	436.7	442.8	472.7	485.7	497.6	505.5	495.6	512.9	454.5
Other Tier 1 capital	-	-	-	-	-	0.7	0.6	2.9	3.0	2.7	2.9	-
Tier 2 capital	64.2	57.3	48.9	30.2	26.8	25.1	34.8	21.4	31.5	31.5	41.6	51.2
Risk assets	3,333.4	3,548.5	3,553.4	3,698.3	3,769.9	3,962.8	4,021.3	4,205.5	4,157.1	4,325.8	4,296.8	4,232.1

Consolidated total capital ratio	13.58%	13.37%	13.18%	12.62%	12.45%	12.58%	12.96%	12.41%	12.99%	12.25%	12.97%	11.95%
Consolidated Tier 1 ratio	11.65%	11.76%	11.80%	11.81%	11.74%	11.94%	12.09%	11.90%	12.23%	11.52%	12.00%	10.74%
Consolidated common equity and other Tier 1 ratio	11.65%	11.76%	11.80%	11.81%	11.74%	11.93%	12.07%	11.83%	12.16%	11.45%	11.93%	10.74%

Status of Risk Management Loans

[Risk management loans by industry and ratio of risk management loans]

(Unit: billion yen)

	End of Mar. 2018				End of Mar. 2019				End of Mar. 2020			
	Sep. 2017 (Composition ratio)		(Composition ratio)		Sep. 2018 (Composition ratio)		(Composition ratio)		Sep. 2019 (Composition ratio)		(Composition ratio)	
Risk management loans	94.2	100.0%	93.4	100.0%	96.4	100.0%	99.4	100.0%	104.8	100.0%	107.1	100.0%
Breakdown: manufacturing	23.6	25.1%	22.1	23.8%	22.8	23.7%	20.7	20.9%	22.1	21.1%	21.6	20.2%
Breakdown: wholesaling and retailing	13.6	14.5%	14.3	15.3%	14.9	15.5%	15.7	15.8%	18.1	17.3%	17.9	16.8%
Breakdown: healthcare and public welfare	12.0	12.8%	13.9	15.0%	16.3	17.0%	14.8	15.0%	16.5	15.8%	16.7	15.7%
Breakdown: real estate and goods rental	10.2	10.9%	10.1	10.9%	10.4	10.9%	11.0	11.1%	10.1	9.7%	10.3	9.7%
Breakdown: other services	11.5	12.2%	11.1	11.9%	10.8	11.3%	15.1	15.2%	16.0	15.3%	15.6	14.6%

Ratio of risk management loans	1.73%	1.69%	1.73%	1.78%	1.88%	1.91%
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* The ratio of risk management loans in the case where partial direct write-offs are executed

Ratio of risk management loans	1.49%	1.44%	1.46%	1.46%	1.56%	1.57%
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[Credit balance by borrower category]

(Unit: billion yen)

	End of Mar. 2018				End of Mar. 2019				End of Mar. 2020			
	Sep. 2017 (Composition ratio)		(Composition ratio)		Sep. 2018 (Composition ratio)		(Composition ratio)		Sep. 2019 (Composition ratio)		(Composition ratio)	
Normal borrowers	4,891.6	88.7%	5,028.7	89.9%	5,137.8	91.3%	5,158.8	91.5%	5,133.8	91.2%	5,148.1	90.5%
Borrowers requiring attention	321.9	5.8%	318.0	5.7%	305.1	5.4%	321.7	5.7%	338.8	6.0%	386.3	6.8%
Borrowers threatened with bankruptcy	33.3	0.6%	31.9	0.6%	33.2	0.6%	34.5	0.6%	37.2	0.7%	35.8	0.6%
Virtually bankrupt borrowers	19.9	0.4%	18.9	0.3%	19.9	0.4%	24.0	0.4%	20.8	0.4%	21.6	0.4%
Bankrupt borrowers	5.7	0.1%	6.4	0.1%	6.1	0.1%	5.8	0.1%	8.2	0.1%	8.2	0.1%
Others (municipal authorities, etc.)	241.1	4.4%	189.1	3.4%	123.3	2.2%	95.4	1.7%	93.1	1.6%	85.2	1.6%
Total	5,513.6	100.0%	5,593.2	100.0%	5,625.6	100.0%	5,640.4	100.0%	5,632.1	100.0%	5,685.5	100.0%

Transition in Loans by Borrower Category

[Transition in loans by borrower category]

(The numbers of borrowers are shown in parentheses in the upper columns, and the amounts are shown in billions of yen in the lower columns.)

			End of Mar. 2020									Total	
			Normal borrowers	Expected loss (1)	Expected loss (2)	Borrowers threatened with bankruptcy	Virtually bankrupt borrowers	Bankrupt borrowers	Others			Upgrade	Downgrade
										Breakdown: full recovery/repayment	Breakdown: sale and write-off of loans		
End of Mar. 2019	Normal borrowers	(24,783)	(21,770)	(1,550)	(46)	(28)	(34)	(15)	(1,340)	(1,335)	(5)	-	(1,673)
		2,944.5	2,759.3	128.3	7.1	1.6	2.7	1.9	43.6	43.5	0.1	-	141.6
	Expected loss (1)	(5,549)	(890)	(4,052)	(46)	(60)	(48)	(8)	(445)	(442)	(3)	(890)	(162)
		184.1	30.6	135.9	7.7	2.5	0.9	0.2	6.3	6.2	0.0	30.6	11.3
	Expected loss (2)	(441)	(19)	(26)	(335)	(32)	(7)	(1)	(21)	(17)	(4)	(45)	(40)
		80.5	8.3	3.7	63.6	4.1	0.3	0.0	0.5	0.5	0.0	12.0	4.4
	Borrowers threatened with bankruptcy	(567)	(2)	(9)	(6)	(453)	(31)	(8)	(58)	(52)	(6)	(Below borrowers threatened with bankruptcy)	
		30.3	0.4	0.2	0.3	24.8	2.5	0.2	1.9	1.0	0.8	(20)	-
	Virtually bankrupt borrowers	(308)	0	(3)	0	(8)	(173)	(12)	(112)	(77)	(35)	1.0	-
		20.4	0.0	0.1	0.0	0.7	14.5	3.0	2.1	1.2	0.8		
	Bankrupt borrowers	(64)	0	0	0	0	0	(28)	(36)	(12)	(24)		
		5.4	0.0	0.0	0.0	0.0	0.0	3.4	2.0	0.7	1.2		
	Total	(31,712)	(22,681)	(5,640)	(433)	(581)	(293)	(72)	(2,012)	(1,935)	(77)	(955)	(1,875)
		3,266.8	2,798.6	268.5	78.9	34.0	21.2	8.9	56.7	53.4	3.2	43.6	157.3

(Notes) 1. What is shown here is transition in borrower categories from the end of March 2019 to the end of March 2020.

2. Outstanding balances are calculated based on self-assessments, including loans, acceptances and guarantees, and foreign exchanges (excluding overseas balances, government/municipal authorities, and individual borrowers).

Those with outstanding balances not calculated based on self-assessments are aggregated into the "Normal" category.

3. The figures in the upper columns for "Others" indicate the number of borrowers who have resolved outstanding balances in FY2019 by full collection or repayment, final disposal (such as sale of loans), or other means.

4. The figures in the lower columns for "Others" indicate the amount decreased in FY2019.

5. Expected loss classification (1) is calculated as borrowers requiring attention other than special attention, excluding those with realistic, comprehensive business reconstruction plans.

Expected loss classification (2) is calculated as borrowers requiring attention other than special attention who have realistic, comprehensive business reconstruction plans and borrower requiring special attention.

Status of Capital Distribution

- As the distribution source, a sufficient level in preparation for unexpected economic environment changes, disaster risks, etc. is secured for “common equity and other Tier 1 capital adjusted for profit/loss from valuation, etc.”

(Unit: billion yen)

Risk categories		First half of FY2019			Second half of FY2019		
		Forecast risk amount	Capital to be distributed	Composition ratio	Forecast risk amount	Capital to be distributed	Composition ratio
Credit risk		108.6	134.0	35.0%	114.7	143.2	37.3%
Total market risks		66.3	85.0	22.2%	62.6	80.6	21.0%
	Market risk (investment securities shares, investment trusts, etc.)	38.3	52.1	13.6%	36.2	48.7	12.7%
	Market risk (trading)	0.6	0.6	0.2%	0.5	0.5	0.1%
	Market risk (loans and deposits, bonds, etc.)	27.4	32.3	8.4%	25.9	31.4	8.2%
Strategically held stocks		0.0	3.6	0.9%	-	5.4	1.4%
Operational risk		12.9	12.9	3.4%	12.6	12.6	3.3%
Total capital distribution … (a)		187.8	235.5	61.6%	189.9	241.8	63.0%
Distribution source … (b)		-	382.5	100.0%	-	383.6	100.0%
Buffer (b) - (a)		-	147.0	38.4%	-	141.8	37.0%

List of Group Companies



The Gunma Bank, Ltd. Banking business

- Developing diverse financial solutions through innovation in services to provide




ぐんぎん証券 Securities business

- Supporting diverse needs for the management of equities, bonds, and other assets



ぐんぎんリース株式会社
GUNGIN LEASING CO., LTD. Leasing business

- Supporting needs for effective introduction of equipment



ぐんぎんコンサルティング Management consulting services

- Providing the optimal solutions for the issues of each individual company

Gunma Finance (Hong Kong) Limited Banking business

- Supporting companies advancing to Asia

Gunma Credit Guarantee Co., Ltd. Credit guarantee services

- Assisting customers realizing their dreams, such as housing and vehicles

Gunma Chuo Kogyo Co., Ltd. Transport of goods
Maintenance of ATMs

- Supporting banking infrastructure through transportation and maintenance



ぐんぎんシステムサービス株式会社
Gungin System Service Co., Ltd. System development
System sales

- Supporting improvement of productivity through systematization



群銀カード Credit services

- Realizing diverse payment methods and cashless transactions



スカイオーシャン・アセットマネジメント Investment trust management services

- Promoting asset formation through the core and satellite management strategy

Summary of Financial Results of Group Companies

[Summary of financial results of group companies for the year ended March 2020]

(Unit: billion yen)

	Bank, non-consolidated	Total of subsidiaries	Gungin Securities	Gungin Leasing	Gunma Credit Guarantee	Others	Consolidation offset	Consolidated financial statements
Core business gross profit	78.4	7.3	2.0	2.4	2.5	0.3	-1.0	84.7
Net interest income	67.6	-0.1	0.0	-0.2	0.0	0.1	0.0	67.5
Non-interest business profit	10.7	7.4	2.0	2.6	2.5	0.1	-1.0	17.1
Net fees and commissions	9.8	3.0	0.4	-	2.5	0.0	-0.4	12.4
Other business profit	0.9	4.3	1.6	2.6	-	0.0	-0.6	4.7
Expenses	54.4	2.8	1.3	1.0	0.2	0.3	-1.1	56.1
Others	1.3	-0.2	0.0	-0.2	-0.1	0.0	1.8	2.9
Breakdown: gain and loss on securities, etc.	5.4	0.0	-	-	-	0.0	1.8	7.4
Breakdown: credit costs (-)	4.4	0.4	-	0.3	0.1	0.0	0.0	4.8
Ordinary profit	25.3	4.1	0.7	1.0	2.2	0.0	2.0	31.5
Net income	17.9	4.2	0.5	2.2	1.4	0.0	0.0	22.2

[Summary of financial results of group companies for the year ended March 2019]

(Unit: billion yen)

	Bank, non-consolidated	Total of subsidiaries	Gungin Securities	Gungin Leasing	Gunma Credit Guarantee	Others	Consolidation offset	Consolidated financial statements
Core business gross profit	85.6	6.3	1.2	2.3	2.5	0.3	-1.0	91.0
Net interest income	74.4	-0.0	0.0	-0.2	0.0	0.2	-0.1	74.3
Non-interest business profit	11.2	6.3	1.2	2.5	2.5	0.1	-0.9	16.7
Net fees and commissions	10.5	2.9	0.4	0.0	2.5	0.0	-0.3	13.1
Other business profit	0.7	3.4	0.8	2.5	0.0	0.1	-0.6	3.5
Expenses	56.1	2.4	0.9	1.0	0.2	0.3	-1.0	57.5
Others	2.4	-0.5	0.0	-0.2	-0.5	0.2	0.4	2.2
Breakdown: gain and loss on securities, etc.	11.7	0.2	-	0.2	-	0.0	-0.1	11.8
Breakdown: credit costs (-)	7.9	0.7	-	0.3	0.4	0.0	0.1	8.7
Ordinary profit	31.9	3.4	0.3	1.1	1.8	0.2	0.4	35.7
Net income	20.9	2.2	0.2	0.7	1.2	0.1	0.2	23.3

Status of Shareholders

[Shareholder composition]

(Unit: 1,000 shares)

	End of Mar. 2018				End of Mar. 2019				End of Mar. 2020			
	End of Sep. 2017		Number of shares	Composition ratio	End of Sep. 2018		Number of shares	Composition ratio	End of Sep. 2019		Number of shares	Composition ratio
	Number of shares	Composition ratio			Number of shares	Composition ratio			Number of shares	Composition ratio		
Financial institutions	173,137	37.56%	177,106	38.43%	164,298	36.20%	165,783	36.52%	153,607	34.45%	153,409	35.19%
Securities companies	5,747	1.25%	5,118	1.11%	7,436	1.64%	10,243	2.26%	8,913	2.00%	4,509	1.04%
Other domestic corporations	86,879	18.85%	81,021	17.58%	80,639	17.77%	80,148	17.66%	78,235	17.55%	78,415	17.99%
Government and municipalities	8,332	1.81%	8,332	1.81%	8,332	1.83%	8,332	1.84%	8,332	1.87%	8,332	1.91%
Foreign corporations/foreign individuals	78,113	16.95%	78,881	17.11%	88,175	19.43%	75,927	16.73%	78,501	17.60%	77,547	17.79%
Individuals/others (employees, etc.)	83,871	18.20%	83,621	18.14%	83,941	18.49%	86,386	19.03%	91,898	20.61%	97,297	22.32%
Treasury stock	24,805	5.38%	26,805	5.82%	21,064	4.64%	27,065	5.96%	26,398	5.92%	16,375	3.76%
Total	460,888	100%	460,888	100%	453,888	100%	453,888	100%	445,888	100%	435,888	100%

[Status of major shareholders]

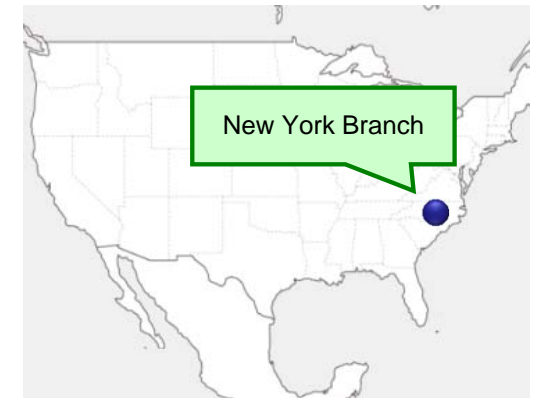
(Unit: 1,000 shares)

End of Mar. 2019			End of Mar. 2020		
	Ownership of shares	Ratio of shareholding		Ownership of shares	Ratio of shareholding
Japan Trustee Services Bank, Ltd. (Account in trust)	19,291	4.51%	The Master Trust Bank of Japan, Ltd. (Account in trust)	22,404	5.34%
The Master Trust Bank of Japan, Ltd. (Account in trust)	17,344	4.06%	Japan Trustee Services Bank, Ltd. (Account in trust)	19,998	4.76%
Japan Trustee Services Bank, Ltd. (Account in trust 9)	16,051	3.76%	Gunma Bank Employees' Shareholding Association	12,633	3.01%
Sumitomo Mitsui Banking Corporation	12,148	2.84%	Japan Trustee Services Bank, Ltd. (Account in trust 9)	11,815	2.81%
Gunma Bank Employees' Shareholding Association	11,983	2.80%	Meiji Yasuda Life Insurance Company	11,056	2.63%
Meiji Yasuda Life Insurance Company	11,056	2.59%	Sumitomo Life Insurance Company	10,657	2.54%
Sumitomo Life Insurance Company	10,657	2.49%	Japan Trustee Services Bank, Ltd. (Account in trust 5)	7,887	1.88%
Japan Trustee Services Bank, Ltd. (Account in trust 4)	7,754	1.81%	Japan Trustee Services Bank, Ltd. (Account in trust 4)	7,747	1.84%
Japan Trustee Services Bank, Ltd. (Account in trust 5)	7,723	1.80%	Nippon Life Insurance Company	7,608	1.81%
Nippon Life Insurance Company	7,608	1.78%	JP MORGAN CHASE BANK 385151	7,380	1.75%
Total	121,618	28.49%	Total	119,188	28.41%

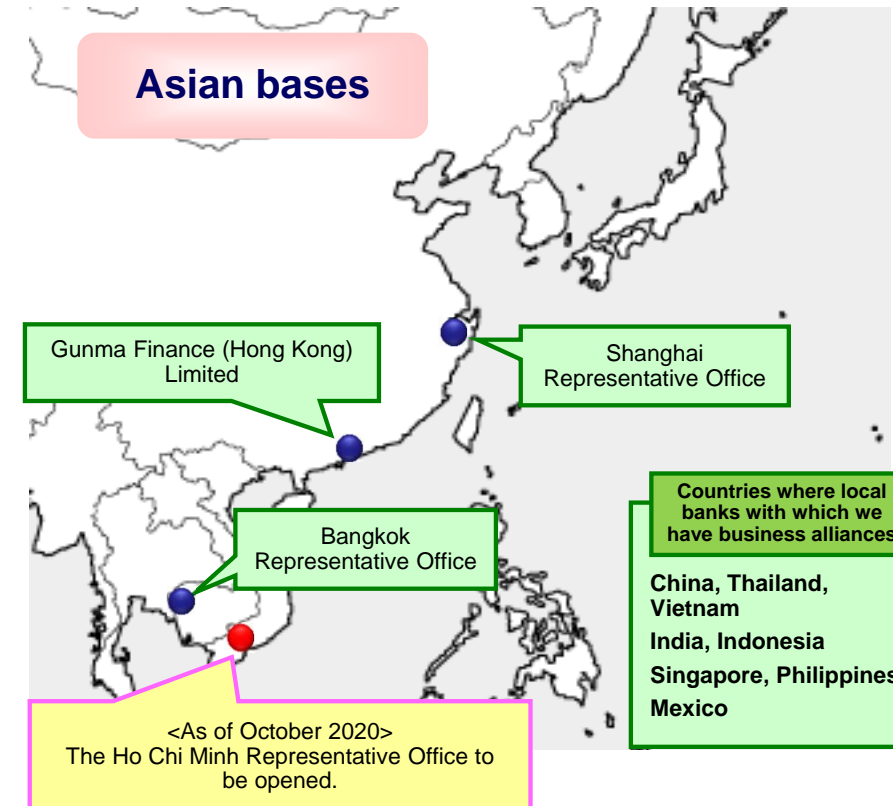
* The above excludes treasury stock. (The ratio of shareholding is calculated by excluding treasury stock.)

Branch Office Network

**158 offices including overseas branches
(157 in Japan + 1 overseas)**



Asian bases



*** The above as of end of March 2020.**

Main Initiatives for ESG and SDGs

Gunma Bank's Environmental Policy

- The Gunma Bank cares for the natural environment of the home land, aiming to realize a truly rich community where the harmonious balance between the environment and industry is maintained.
We will actively engage in environmental conservation and fulfill our responsibilities as citizens.

[Environmental Action Standard]

1. Promote resource conservation, energy conservation, and recycling activities, and strive to reduce the burden on the environment
2. Support customers engaged in environmental preservation activities through the provision of financial products and services
3. Promote environmental education for executives and employees, and support environmental conservation activities of executives and employees
4. Support environmental conservation activities in the region

<<Engage in forest maintenance activities (Gungin's forest)>>



<<Kannagawa River Clean Strategy>>



Efforts through Products and Services

- ◆ Environmentally friendly private placement bonds
- ◆ Natural environment preservation fund "Oze Kiko"
- ◆ Interest rate discounts for eco-friendly loans for purchasing homes and cars
(Purchases of environmentally friendly homes and cars)



Type	Start time	The number of bond issues	Issuance amount
Environmentally friendly project (with a guarantee by Gunma Bank)	Oct. 2007–Mar. 2019	272 cases	34.19 billion yen
Environmentally friendly project (with a guarantee by Credit Guarantee Association)	Oct. 2008–Mar. 2019	7 cases	0.33 billion yen
Gunma Bank Private Placement Bond for the SDGs (donation destination support type)	Nov. 2018–	183 cases	12.89 billion yen
Gunma Bank Private Placement Bond for the SDGs (issuer support type)	Apr. 2019–	47 cases	3.45 billion yen

(Contributions made up to March 2020)

Gunma Bank Environment Foundation

- ◆ The Foundation was established in 1995 with the aim of contributing to the development of the local society by conducting business to develop and improve the environment to live comfortable and healthy lives and by securing an environment where nature and people can live together in harmony.

<Enlightenment activities>

"Eco Kids Camp in Akagiyama," "Environment Expedition Team"

<Grant activities>

"Gunma Bank Environment Foundation Education Award,"
"Gunma Bank Environment Foundation Award"

Other Initiatives for Environment

◆ November 2019: Issued 10 billion yen "Green Bonds"

- ◆ Engage in forest maintenance activities (Gungin's forest)
- ◆ Promote energy saving at branches—install solar power generation system
- ◆ Set up charging stands for electric vehicles at the Head Office

<<Solar panels at Maebashi Kita Branch>>



<<EV station at the Head Office Sales Department>>



Main Initiatives for ESG and SDGs

- The Gunma Bank supports regional economic growth through the provision of a wide range of financial services, and also strives to contribute to the development of the regional community with its engagement in various social contribution activities.

Efforts to Regional Regeneration

- ◆ **Efforts towards financial intermediation**
 - * As an indicator that objectively shows the status of activities and effectiveness, we disclose “Benchmark indexes that measure financial intermediary functions”
- ◆ **Provision of optimal solutions based on evaluation of customers’ business potentials**
- ◆ **Contribution to communities through Gunma Bank Management Club**
- ◆ **Support for commercialization of applicants’ business with “the Gungin Business Support Grand Award”**
- ◆ **Launch of an investment trust nicknamed “Silk Heritage of Gunma” to support activities to safeguard the Tomioka Silk Mill and Related Sites**
- ◆ **Assistance for human resource development of corporate customers through holding “New employee workshops,” etc.**
- ◆ **Launch of the “Gunma Bank Private Placement Bond for the Revitalization of Regional Economies”**

<<Donations made through the “Gunma Bank Private Placement Bond for the Revitalization of Regional Economies” (handles between January 2017 and March 2019)>>

Type	The number of donations	Donation amount
Ale to the Future (tomorrow) (Donations to schools)	152 cases	13.6 billion yen
Gunma no Chikara (Gunma’s power) (Donations to local public organizations, etc.)	74 cases	8.47 billion yen

* A total of Ale to the Future (tomorrow), Gunma no Chikara (Gunma’s power), Gunma Bank Private Placement Bonds, and Credit Guarantee Association Private Placement Bonds.

<<Presentation Ceremony for Donations through “Silk Heritage of Gunma” Fund>>



<<The Gungin Business Support Grand Award Ceremony>>



<<Lecture meeting of the Gunma Bank Management Club>>

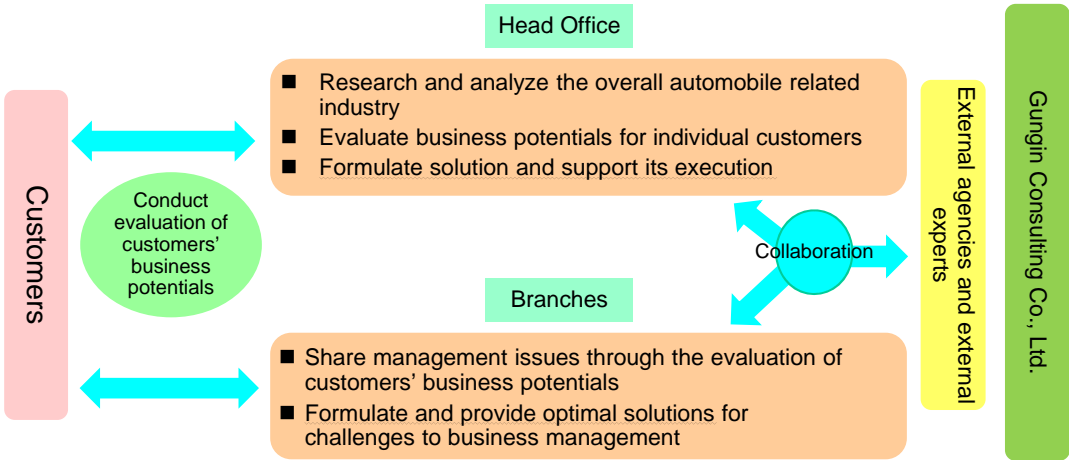


<<Evaluation of customers’ business potentials: Results up to March 2020>>

- **16 companies in the automobile related industry, 1,414 corporate customers of sales branch offices**

* Evaluation of customers’ business potentials: Properly evaluate business and growth potential, etc. of corporate customers based on regional economies and industrial trends. During the evaluation process, share recognition of management issues (needs) from dialogues with the president etc., leading to solution proposals.

[Evaluation system of customers’ business potentials]



Main Initiatives for ESG and SDGs

•The Gunma Bank supports regional economic growth through the provision of a wide range of financial services, and also strives to contribute to the development of the regional community with its engagement in various social contribution activities.

Toward Realization of a Vibrant Organizational Climate

- ◆ Certification acquisition related to promotion of women in the workforce
- ◆ Development and deployment of personnel with expert knowledge
- ◆ Support for activities of diverse personnel
 - Creating a mechanism to develop younger employees
 - Promotion of women in the workforce
 - Introduction of child care support allowance and telecommuting

Work style reform

<<Certification related to promotion of women in the workforce>>

•Acquired “Platinum Kurumin” certification

As an outstanding company that supports employees with childrearing based on the Act for Measures to Support the Development of the Next-Generation



•Acquired “Eruboshi Grade 3 (highest level)” certification

As an excellent company, in terms of its efforts to promote women in the workforce according to the Act on Promotion of Women's Participation and Advancement in the Workplace

Efforts to Contribute to Society

- ◆ Activities of our volleyball team, “Gunma Bank Greenwings”
- ◆ Promotion of culture and sports
- ◆ Initiative for financial education

Initiative for Barrier-free

- ◆ Establishment of communication tools, etc. at all branch offices
- ◆ Introduction of barrier free designed ATMs
- ◆ Barrier free facilities and services provided at branch offices

<<Promotion of women in the workforce>>



<<Visiting class by employees in their second year with the Bank>>



<<Meeting of dedicated teams composed of female employees>>



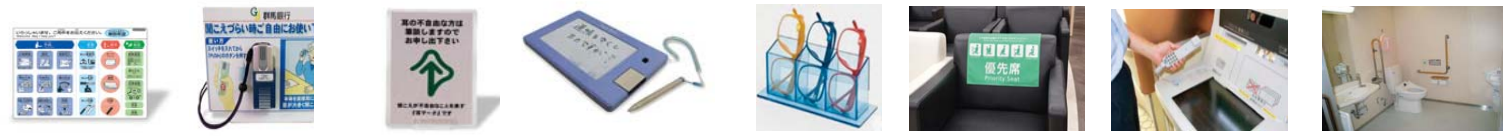
<<Greenwings>>



<<Gunma Symphony Orchestra>>



<<The Gunma tournament of “Economics Koshien”>>





This document contains descriptions on the future performance of the banking group. These descriptions do not guarantee such future performance, for which naturally there are risks and uncertainty.

Please note that future performance may deviate from the targets due to changes in the business environment and other reasons.

If you have further inquiries, please contact:

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The Gunma Bank, Ltd.

HP: <https://www.gunmabank.co.jp/>