

August 3, 2021

# The Gunma Bank, Ltd.

Financial Results for the First Quarter of Fiscal Year 2021, ending March 31, 2022

Stock Exchange Listing: Tokyo(code:8334)  
 URL: <https://www.gunmabank.co.jp/>  
 Representative: Akihiko Fukai, President  
 For Inquiry: Takeo Uchibori, Managing Executive Officer and General Manager,  
 Corporate Planning Department  
 Filing date of Financial Statements: August 4, 2021 (scheduled)  
 Trading Accounts: No  
 Payment date of cash dividends: —  
 Supplementary Materials : Attached  
 IR Conference : Not scheduled

(Japanese yen amounts of less than 1 million have been rounded down.)

## 1. Financial Highlights (from April 1, 2021 to June 30, 2021)

### (1) Consolidated Operating Results (%:Changes from corresponding period of the previous fiscal year)

	Ordinary Income		Ordinary Profit		Profit Attributable to Owners of Parent	
	million of yen	%	million of yen	%	million of yen	%
First Quarter Ended Jun.30, 2021	44,767	13.9	17,095	146.6	11,467	108.8
Ended Jun.30, 2020	39,291	0.4	6,932	(39.4)	5,492	(33.8)

(Note) Comprehensive Income First Quarter ended Jun. 30, 2021: 13,841 million of yen [ (41.3)%]  
 First Quarter ended Jun. 30, 2020: 23,564 million of yen [ 329.3%]

	Profit per Share	Profit per Share (Diluted)
	yen	yen
First Quarter Ended Jun.30, 2021	27.28	—
Ended Jun.30, 2020	13.09	13.08

### (2) Consolidated Financial Conditions

	Total Assets	Total Net Assets	Capital Assets to Total Assets
	million of yen	million of yen	%
As of Jun.30, 2021	10,738,229	558,954	5.2
Mar.31, 2021	10,615,756	548,093	5.2

(Reference) Capital assets as of Jun. 30, 2021 : 558,954 million of yen; Mar. 31, 2021 : 548,093 million of yen

(Note) “Capital Assets to Total Assets” represents “Total Net Assets” / “Total Assets” at term end.

“Capital Assets to Total Assets” stated above was not calculated based on the public notice of “Capital Assets to Total Assets”

## 2. Cash Dividends for Shareholders

	Annual Cash Dividends Per Share				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Fiscal Year-end	Total
Fiscal year	yen	yen	yen	yen	yen
Ended Mar. 31, 2021	—	6.00	—	7.00	13.00
Ending Mar. 31, 2022	—	—	—	—	—
Ending Mar. 31, 2022(Projection)	—	7.00	—	7.00	14.00

(Note) Revisions of released cash dividends projections: No

## 3. Consolidated Earnings Projections for Fiscal year 2021 (from April 1, 2021 to March 31, 2022)

(%:Changes from corresponding period of the previous fiscal year)

	Ordinary Profit		Profit Attributable to Owners of Parent		Profit per Share
	million of yen	%	million of yen	%	yen
Six Months ending Sep. 30, 2021	16,500	0.5	11,500	(6.6)	27.36
Fiscal Year ending Mar. 31, 2022	35,000	74.3	24,000	77.8	57.10

(Note) Revisions of released earnings projections: No

## Notes

(1) Material changes in consolidated subsidiaries during the period (changes in specific subsidiaries accompanied by changes in scope of consolidation):		No
(2) Adoption of particular accounting methods for quarterly consolidated financial statements:		No
(3) Changes in accounting principles, accounting estimates and restatement		
① Changes in accounting principles accordance with changes in accounting standard, etc.:		Yes
② Other changes in accounting principles:		No
③ Changes in accounting estimates:		No
④ Restatement:		No
(4) Number of issued shares (common stock)		
① Number of issued shares (including treasury shares):	Jun. 30, 2021	435,888,177 Shares
	Mar. 31, 2021	435,888,177 Shares
② Number of treasury shares:	Jun. 30, 2021	15,548,639 Shares
	Mar. 31, 2021	15,548,367 Shares
③ Average number of issued shares :	Three months ended Jun. 30, 2021	420,339,647 Shares
	Three months ended Jun. 30, 2020	419,512,243 Shares

This quarterly report is not subject to the quarterly review.

Notes for using forecasts information, etc.

The description of future performance of this report is based on information which is presently available and certain assumptions which are considered to be reasonable, and it does not guarantee future performance.

Please take note that future performance may differ from forecasts depending on various future factors.

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## 1. Qualitative Information

### (1) Qualitative Information related to the Results of Operations

Operating results for the first quarter of the consolidated fiscal year under review were as follows.  
 Ordinary income amounted to 44,767 million of yen , an increase of 5,475 million of yen year on year, mainly due to increases in interest income such as interest and dividends on securities.  
 Ordinary expenses amounted to 27,672 million of yen, a decrease of 4,687 million of yen year on year, mainly due to decreases in other expenses such as net transfer to allowance for loan losses.  
 As a result, ordinary profit amounted to 17,095 million of yen, an increase of 10,163 million of yen year on year. Also, profit attributable to owners of parent amounted to 11,467 million of yen, an increase of 5,974 million of yen year on year.

### (2) Qualitative Information related to the Financial Conditions

The financial status as of the end of the first quarter of the consolidated fiscal year under review was as follows.  
 Total assets increased by 122.4 billion of yen to 10,738.2 billion of yen during the period under review, whereas total liabilities increased by 111.6 billion of yen to 10,179.2 billion of yen during the period under review.  
 Also, net assets increased by 10.8 billion of yen to 558.9 billion of yen during the period under review.  
 As for the main accounts, loans and bills discounted decreased by 31.0 billion of yen to 5,657.8 billion of yen during the period under review.  
 Securities decreased by 87.6 billion of yen to 2,314.7 billion of yen during the period under review.  
 Deposits decreased by 6.0 billion of yen to 7,735.5 billion of yen during the period under review.

### (3) Qualitative Information related to the Consolidated Earnings Projections

Consolidated business forecast for the six months ending September 30, 2021 and the fiscal year ending March 31, 2022 remains unchanged from the figures announced on May 12, 2021.

## 2. Quarterly Consolidated Financial Statements and Notes

## (1) Quarterly Consolidated Balance Sheets

(Unit: million of yen)

	As of Mar. 31, 2021	As of Jun. 30, 2021
<b>Assets:</b>		
Cash and due from banks	2,326,681	2,529,620
Call loans and bills bought	–	5,529
Monetary claims bought	5,621	5,433
Trading securities	823	858
Money held in trust	11,268	8,968
Securities	2,402,460	2,314,775
Loans and bills discounted	5,688,847	5,657,804
Foreign exchanges	14,947	37,320
Lease receivables and investments in leases	59,528	60,327
Other assets	71,348	72,361
Tangible fixed assets	69,463	68,890
Intangible fixed assets	9,956	9,767
Retirement benefit asset	6,631	7,080
Deferred tax assets	1,571	1,485
Customers' liabilities for acceptances and guarantees	9,632	9,166
Allowance for loan losses	(63,028)	(51,161)
<b>Total assets</b>	<b>10,615,756</b>	<b>10,738,229</b>
<b>Liabilities:</b>		
Deposits	7,741,661	7,735,589
Negotiable certificates of deposit	167,674	237,519
Call money and bills sold	37,087	33,174
Securities sold under repurchase agreements	4,992	4,315
Cash collateral received for securities lent	669,024	612,525
Borrowed money	1,291,081	1,410,741
Foreign exchanges	162	120
Bonds payable	50,000	50,000
Borrowed money from trust account	8,953	9,622
Other liabilities	66,683	50,626
Provision for bonuses for directors (and other officers)	56	14
Retirement benefit liability	368	374
Provision for retirement benefits for directors (and other officers)	244	232
Provision for reimbursement of deposits	533	476
Provision for point card certificates	144	151
Provision for contingent loss	900	950
Reserves under special laws	0	0
Deferred tax liabilities	10,636	15,905
Deferred tax liabilities for land revaluation	7,823	7,767
Acceptances and guarantees	9,632	9,166
<b>Total liabilities</b>	<b>10,067,663</b>	<b>10,179,274</b>
<b>Net assets:</b>		
Share capital	48,652	48,652
Capital surplus	29,581	29,581
Retained earnings	391,382	399,514
Treasury shares	(8,838)	(8,838)
<b>Total shareholders' equity</b>	<b>460,778</b>	<b>468,910</b>
Valuation difference on available-for-sale securities	71,541	73,622
Deferred gains or losses on hedges	(231)	(185)
Revaluation reserve for land	13,715	14,070
Foreign currency translation adjustment	(98)	118
Remeasurements of defined benefit plans	2,387	2,418
<b>Total accumulated other comprehensive income</b>	<b>87,314</b>	<b>90,044</b>
<b>Total net assets</b>	<b>548,093</b>	<b>558,954</b>
<b>Total liabilities and net assets</b>	<b>10,615,756</b>	<b>10,738,229</b>

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

## Quarterly Consolidated Statements of Income

For the three months ended

(Unit: million of yen)

	For the three months ended Jun.30, 2020	For the three months ended Jun.30, 2021
<b>Ordinary income</b>	39,291	44,767
Interest income	18,981	21,179
Interest on loans and discounts	13,538	13,268
Interest and dividends on securities	5,247	7,514
Trust fees	8	11
Fees and commissions	5,759	6,237
Other ordinary income	10,864	11,915
Other income	3,678	5,423
<b>Ordinary expenses</b>	32,359	27,672
Interest expenses	924	484
Interest on deposits	155	89
Fees and commissions payments	2,054	2,108
Other ordinary expenses	7,272	9,379
General and administrative expenses	14,934	14,374
Other expenses	7,172	1,326
<b>Ordinary profit</b>	6,932	17,095
Extraordinary income	0	0
Gain on disposal of non – current assets	0	0
Extraordinary losses	36	832
Loss on disposal of non – current assets	6	8
Impairment losses	29	824
Provision of reserve for financial instruments transaction liabilities	0	0
<b>Profit before income taxes</b>	6,896	16,263
Income taxes – current	2,911	367
Income taxes – deferred	(1,507)	4,428
<b>Total income taxes</b>	1,403	4,796
<b>Profit</b>	5,492	11,467
<b>Profit attributable to owners of parent</b>	5,492	11,467

## Quarterly Consolidated Statements of Comprehensive Income

For the three months ended

(Unit: million of yen)

	For the three months ended Jun.30, 2020	For the three months ended Jun.30, 2021
<b>Profit</b>	5,492	11,467
Other comprehensive income	18,071	2,374
Valuation difference on available – for – sale securities	17,544	1,941
Deferred gains or losses on hedges	25	45
Foreign currency translation adjustment	(29)	216
Remeasurements of defined benefit plans, net of tax	331	30
Share of other comprehensive income of entities accounted for using equity method	199	139
<b>Comprehensive income</b>	23,564	13,841
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	23,564	13,841

### 3. Notes to the Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Note on Significant Changes in The Amounts of Shareholders' Equity)

Not applicable.

(Changes in accounting principles)

(Application of Accounting Standard for Revenue Recognition, etc.)

The Gunma Bank, Ltd. ("The Bank") has applied the "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan ("ASBJ") Statement No.29, March 31, 2020; hereinafter, "the Accounting Standard for Revenue Recognition"), etc. effective from the beginning of the first quarter of the consolidated fiscal year under review. The Bank recognizes revenue as the amount expected to be received in exchange for promised goods or services at the time when the control of said goods or services is transferred to the customer.

The application of the Accounting Standard for Revenue Recognition is subject to the transitional treatment provided for in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition.

The impact of this change on the consolidated financial statements for the first quarter of the fiscal year under review is minimal.

(Accounting Standard for Fair Value Measurement)

The Bank has applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No.30, July 4, 2019) and others from the beginning of the first quarter of the consolidated fiscal year.

In accordance with Article 8 of "Accounting Standard for Fair Value Measurement", the fair value adjustment method used to determine the fair value of derivatives is revised to maximize the use of relevant observable inputs estimated from derivatives and others traded in the market. In accordance with Article 20 of "Accounting Standard for Fair Value Measurement", the cumulative effects arising from the retroactive application of these new accounting policies to all the previous fiscal years were reflected in Retained earnings and Accumulated other comprehensive income as of April 1, 2021.

As a result, "Other assets" decreased by 120 million of yen, "Deferred tax liabilities" decreased by 16 million of yen, "Other liabilities" decreased by 66 million of yen, "Retained earnings" decreased by 38 million of yen, and "Deferred gains or losses on hedges" increased by 0 million of yen as of April 1, 2021.

(Additional Information)

With respect to loan losses due to the impact of COVID-19, The Bank estimates allowance for loan losses assuming that loan losses will not significantly increase thanks to economic measures by the government and local public organizations as well as financing support from financial institutions.

However, since it is still uncertain when the spread of this infectious disease will subside, there may be a significant effect on future loan losses due to its impact on economic activities.

There has been no significant change in estimate assumptions on the impact of COVID-19 as noted in "Significant Accounting Estimates" in the previous securities report.

## Supplementary Information

Financial Results for the First Quarter of Fiscal Year 2021, ending March 31, 2022

### 1. Profit and Loss Conditions

- Consolidated core net business profit excluding gain (loss) on bonds amounted to 12.2 billion of yen, up 3.9 billion of yen year on year, due to an increases in net interest income such as interest and dividends on securities and non-interest business profit such as corporate service – related and deposit financial assets – related as well as to cutting down on expenses.
- Ordinary profit amounted to 17.0 billion of yen, up 10.1 billion of yen year on year, due to an increases in core net business profit excluding gain (loss) on bonds, an increases in gain or loss on investment securities and a significant decrease in net credit costs, etc.
- Profit attributable to owners of parent amounted to 11.4 billion of yen, up 5.9 billion of yen year on year, although an impairment losses was recorded due to the consolidation of branches to optimize the branch network.
- Ordinary profit and profit attributable to owners of parent have made high progress compared with the projection for the fiscal year ending September 30, 2021.

#### 【Consolidated】

(Unit : million of yen)

		For the three months ended Jun. 30, 2021 (a)	(a) – (b)	For the three months ended Jun. 30, 2020 (b)	For the six months ending Sep. 30, 2021	
					Projection	Achievement rate (%)
Core gross business profits	1	26,528	3,824	22,704		
Net interest income	2	20,695	2,639	18,056		
Non-interest business profit	3	5,832	1,185	4,647		
Corporate service – related	4	626	432	194		
Deposit financial assets – related	5	2,003	983	1,019		
Others	6	3,202	(230)	3,433		
Expenses (excluding non-recurrent expenses) [–]	7	14,299	(131)	14,430		
Core net business profit excluding gain (loss) on bonds (1–7)	8	12,229	3,955	8,273		
Gain or loss on investment securities	9	5,458	474	4,984		
Gain (loss) on bonds	10	844	(1,812)	2,657		
Gain (loss) on stocks and other securities	11	4,614	2,286	2,327		
Net credit costs [–]	12	671	(5,153)	5,825		
Others	13	79	580	(500)		
Ordinary profit	14	17,095	10,163	6,932	16,500	103.6
Extraordinary income (losses)	15	(831)	(795)	(35)		
Impairment losses [–]	16	824	794	29		
Profit before income taxes	17	16,263	9,367	6,896		
Total income taxes [–]	18	4,796	3,392	1,403		
Profit	19	11,467	5,974	5,492		
Profit attributable to owners of parent	20	11,467	5,974	5,492	11,500	99.7

(Note) Gain or loss on bonds is excluded from “Profit from other business transactions” and included in “Gain or loss on investment securities”.

#### (Reference)

Overhead ratio (7/1)	21	53.9 %	(9.6) %	63.5 %
Return on equity	22	8.3 %	3.9 %	4.4 %

(Note) Return on equity (ROE) (annualized rate) =  $\frac{\text{Profit attributable to owners of parent}}{(\text{Net assets excluding equity warrants at the beginning of the period} + \text{Net assets at the end of the period excluding equity warrants}) / 2} \times 100$



**【Non-consolidated】**

(Unit: million of yen)

		For the three months ended Jun. 30, 2021		For the three months ended Jun. 30, 2020	For the six months ending Sep. 30, 2021	
		(a)	(a) - (b)		Projection	Achievement rate (%)
Core gross business profits	1	24,606	3,339	21,267		
Net interest income	2	20,779	2,656	18,122		
Domestic business	3	19,611	2,263	17,347		
Of which, Interest on loans and discounts	4	12,817	117	12,699		
Of which, Interest and dividends on securities	5	6,505	1,908	4,596		
Of which, gain (loss) on cancellation of investment trusts	6	1,897	827	1,069		
Non-domestic business	7	1,167	392	775		
Net fees and commissions income	8	3,581	519	3,062		
Profit from other business transactions	9	246	163	82		
Expenses (excluding non-recurrent expenses) [-]	10	13,826	(161)	13,988		
Personnel expenses	11	7,206	(331)	7,538		
Non-Personnel expenses	12	5,799	399	5,399		
Taxes	13	820	(230)	1,050		
Core net business profit excluding gain (loss) on bonds (1-10)	14	10,780	3,501	7,278	14,000	77.0
Core net business profit excluding gain (loss) on bonds and cancellation of investment trusts	15	8,883	2,673	6,209		
Core net business profit (14+18)	16	11,624	1,688	9,936		
Gain or loss on investment securities	17	5,458	464	4,994		
Gain (loss) on bonds	18	844	(1,813)	2,657		
Gain (loss) on stocks and other securities	19	4,614	2,277	2,336		
Net credit costs [-]	20	360	(5,040)	5,401		
Other non-recurrent gain (loss)	21	14	529	(515)		
Retirement benefit costs [-]	22	44	(432)	476		
Ordinary profit	23	15,893	9,536	6,357	15,000	105.9
Extraordinary income (losses)	24	(831)	(795)	(35)		
Impairment losses [-]	25	824	794	29		
Profit before income taxes	26	15,061	8,740	6,321		
Total income taxes [-]	27	4,318	3,104	1,213		
Profit	28	10,743	5,635	5,107	10,500	102.3

(Note) Gain or loss on bonds is excluded from "Profit from other business transactions" and included in "Gain or loss on investment securities".

**(Reference I ) Gain or Loss on Investment Securities Conditions**

(Unit: million of yen)

		For the three months ended Jun. 30, 2021		For the three months ended Jun. 30, 2020
		(a)	(a) - (b)	
Gain (loss) on bonds	29	844	(1,813)	2,657
Gain on sales	30	3,395	660	2,734
Gain on redemption	31	—	(29)	29
Loss on sales [-]	32	2,550	2,443	106
Loss on redemption [-]	33	—	—	—
Loss on devaluation [-]	34	—	—	—
Gain (loss) on stocks and other securities	35	4,614	2,277	2,336
Gain on sales	36	5,231	1,686	3,545
Loss on sales [-]	37	616	(577)	1,193
Loss on devaluation [-]	38	1	(14)	15

**(Reference II ) Credit Costs Conditions**

(Unit: million of yen)

		For the three months ended Jun. 30, 2021		For the three months ended Jun. 30, 2020
		(a)	(a) - (b)	
Net transfer to general allowance for loan losses [-]	39	(360)	(4,779)	4,418
Disposal of non-performing loans [-]	40	722	(261)	983
Written-off of loans	41	—	—	—
Net transfer to specific allowance for loan losses	42	616	(277)	894
Net transfer to accident loss	43	49	67	(18)
Losses on sales of loans	44	—	—	—
Cost born under joint responsibility system of guarantee corporations	45	55	(51)	106
Recoveries of written off claims	46	1	0	1
Net credit costs (39+40-46) [-]	47	360	(5,040)	5,401

## 2. Main Account Conditions

### (1) Loans 【Non-consolidated】

■ Loans and bills discounted amounted to 5,717.8 billion of yen, down 31.7 billion of yen compared with the previous fiscal year-end due to decreases in loans to small and medium-sized enterprises despite an increase in housing loans.

(Unit : billion of yen)

	As of Jun.30, 2021 (a)			As of Mar.31, 2021 (b)	As of Jun.30, 2020 (c)
		(a) - (b)	(a) - (c)		
Loans and bills discounted	5,717.8	(31.7)	48.0	5,749.6	5,669.8
Retail loans	4,621.2	(36.1)	43.9	4,657.3	4,577.3
Small and medium-sized enterprises	2,302.3	(38.3)	31.7	2,340.7	2,270.5
Individuals	2,318.8	2.2	12.1	2,316.6	2,306.7
Of which, Housing-related loans	2,239.7	2.3	12.1	2,237.3	2,227.5
Housing loans	1,334.2	5.5	22.9	1,328.7	1,311.2
Apartment loans	648.3	(1.4)	(0.6)	649.8	649.0
Others	257.0	(1.6)	(10.1)	258.7	267.2
Other loans	1,096.6	4.3	4.0	1,092.2	1,092.5
Corporations	824.1	(19.3)	(10.7)	843.4	834.8
Public sectors	115.8	25.7	26.3	90.0	89.4
Overseas branch and Non-residents	156.6	(2.0)	(11.5)	158.7	168.2

(Note) Regional public corporations and Tokyo/Osaka Branch accounts are not included in Small and medium-sized enterprises but are classified into Corporations.

### (2) Deposits and Negotiable certificates of deposit 【Non-consolidated】

■ Deposits and Negotiable certificates of deposit amounted to 8,014.2 billion of yen, up 65.3 billion of yen compared with the previous fiscal year-end due to an increase in individuals deposits.

(Unit : billion of yen)

	As of Jun.30, 2021 (a)			As of Mar.31, 2021 (b)	As of Jun.30, 2020 (c)
		(a) - (b)	(a) - (c)		
Deposits and Negotiable certificates of deposit	8,014.2	65.3	446.2	7,948.8	7,567.9
Deposits	7,747.9	(4.7)	472.8	7,752.7	7,275.1
Of which, Individuals	5,453.9	84.9	200.2	5,368.9	5,253.6
Of which, Corporations	1,915.2	7.1	185.4	1,908.0	1,729.7
Negotiable certificates of deposit	266.2	70.1	(26.5)	196.0	292.7

### (3) Deposit financial assets 【Including Gungin Securities】

■ Deposit financial assets amounted to 956.3 billion of yen, up 20.4 billion of yen compared with the previous fiscal year-end mainly due to an increase in the balance owned by investment trust

(Unit : billion of yen)

	As of Jun.30, 2021 (a)			As of Mar.31, 2021 (b)	As of Jun.30, 2020 (c)
		(a) - (b)	(a) - (c)		
Deposit financial assets	956.3	20.4	77.9	935.8	878.4
Individuals	889.3	18.5	66.9	870.7	822.3
Investment trust	254.6	10.0	32.3	244.5	222.3
Public bonds (Government bonds, etc.)	37.2	0.0	(2.8)	37.1	40.0
Life insurance	477.7	2.8	8.3	474.8	469.4
Gungin Securities (including intermediation)	119.6	5.4	29.1	114.1	90.4
Corporations, etc.	67.0	1.8	10.9	65.1	56.0
Bank, non-consolidated	14.8	0.2	(1.4)	14.5	16.3
Gungin Securities (including intermediation)	52.1	1.6	12.3	50.5	39.7

**(4) Gain and Loss on Valuation of Other Securities 【Non-consolidated】**

■ Gain and loss on valuation of other securities amounted to 103.7 billion of yen , up 2.8 billion of yen compared with the previous fiscal year-end.

(Unit : billion of yen)

	As of Jun.30, 2021 (a)			As of Mar.31, 2021 (b)	As of Jun.30, 2020 (c)
		(a) - (b)	(a) - (c)		
Other securities	103.7	2.8	34.7	100.9	69.0
Stocks	79.0	(4.9)	10.6	83.9	68.4
Bonds	8.2	4.7	1.4	3.4	6.7
Foreign securities	6.1	2.3	2.1	3.8	4.0
Investment trusts, etc.	10.2	0.7	20.4	9.5	(10.1)

**3. Disclosed Claims under the Financial Reconstruction Law 【Non-consolidated】**

■ Disclosed claims under the Financial Reconstruction Law amounted to 119.6 billion of yen, down 14.4 billion of yen compared with the previous fiscal year-end. Non-performing loan ratio is 2.05%, down 0.25% compared with the previous fiscal year-end. Assuming that the partial direct written-off is applied to the remaining debt, the ratio would be 1.73%.

(Unit : billion of yen)

	As of Jun.30, 2021 (a)			As of Mar.31, 2021 (b)	As of Jun.30, 2020 (c)
		(a) - (b)	(a) - (c)		
Bankrupt and Substantially Bankrupt Claims	28.4	0.1	(0.9)	28.3	29.4
Doubtful Claims	42.5	(2.5)	5.1	45.1	37.4
Substandard Claims	48.6	(12.0)	(3.0)	60.6	51.6
Disclosed claims under the Financial Reconstruction Law ①	119.6	(14.4)	1.1	134.1	118.5
Normal Claims ②	5,693.5	3.5	55.6	5,690.0	5,637.8
Total Claims (①+②)③	5,813.2	(10.9)	56.8	5,824.1	5,756.4
Non-performing loan ratio (①/③)④	2.05 %	(0.25) %	— %	2.30 %	2.05 %

(Note) The Gunma Bank, Ltd. ("the Bank") does not apply partial direct written-off.

The below figures are presented if the Bank had applied the partial direct written-off.

(Unit : billion of yen)

Disclosed claims under the Financial Reconstruction Law	100.6	(14.0)	2.1	114.6	98.5
Non-performing loan ratio	1.73 %	(0.24) %	0.02 %	1.97 %	1.71 %

**4. Interest Rate Spread (Domestic Business) 【Non-consolidated】**

■ Quarterly interest rate spread on loans and bills discounted to domestic customers was 0.93%, down 0.01% year on year. On the other hand, quarterly interest rate spread on securities to domestic customers was 1.31%, up 0.14% year on year.

(Quarterly interest rate spread)

(Unit : %)

	FY2020 ended Mar. 31, 2021				FY2021 ending Mar. 31, 2022
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter
Average yield on loans and bills discounted	0.94	0.94	0.94	0.94	0.93
Average yield on securities	1.17	0.56	0.73	0.21	1.31
Average yield on deposits and negotiable certificates of deposit	0.00	0.00	0.00	0.00	0.00

## 5. Capital Ratio (International standard)

■ Total Capital Ratio amounted to 13.28%, up 0.54% compared with the previous fiscal year-end, and maintained a high level.

## 【Consolidated】

(Unit : billion of yen)

	As of Jun.30, 2021 (a)			As of Mar.31, 2021 (b)	As of Jun.30, 2020 (c)
		(a) - (b)	(a) - (c)		
Total capital ratio	13.28 %	0.54 %	0.55 %	12.74 %	12.73 %
Tier1 ratio	12.09 %	0.51 %	0.60 %	11.58 %	11.49 %
Common equity Tier1 ratio	12.09 %	0.51 %	0.60 %	11.58 %	11.49 %
Total capital	574.8	9.8	46.1	564.9	528.7
Tier1 capital	523.5	9.7	46.1	513.8	477.4
Common equity Tier1 capital	523.5	9.7	46.1	513.8	477.4
Risk weighted assets	4,327.7	(105.7)	175.8	4,433.4	4,151.8
Total required capital	346.2	(8.4)	14.0	354.6	332.1

## 【Non consolidated】

(Unit : billion of yen)

	As of Jun.30, 2021 (a)			As of Mar.31, 2021 (b)	As of Jun.30, 2020 (c)
		(a) - (b)	(a) - (c)		
Total capital ratio	12.69 %	0.51 %	0.36 %	12.18 %	12.33 %
Tier1 ratio	11.52 %	0.48 %	0.41 %	11.04 %	11.11 %
Common equity Tier1 ratio	11.52 %	0.48 %	0.41 %	11.04 %	11.11 %
Total capital	542.3	8.7	36.7	533.6	505.6
Tier1 capital	492.2	8.7	36.7	483.5	455.4
Common equity Tier1 capital	492.2	8.7	36.7	483.5	455.4
Risk weighted assets	4,272.0	(106.2)	173.2	4,378.2	4,098.7
Total required capital	341.7	(8.4)	13.8	350.2	327.9

(Note 1) " Total required capital " = " Risk weighted assets " × 8%

(Note 2) Of the amount of " Risk weighted assets ", credit risk is calculated by the foundation internal rating-based approach, and operational risk is calculated by the standardized approach.

(Note 3) The composition, etc. of capital disclosure will be posted on the website.  
(<https://www.gunmabank.co.jp/ir/zaimu/zaimu3.html>)