

The Gunma Bank, Ltd.

Financial Results for the First Quarter of Fiscal Year 2022, ending March 31, 2023

Stock Exchange Listing: Tokyo(code:8334)
 URL: <https://www.gunmabank.co.jp/>
 Representative: Akihiko Fukai, President
 For Inquiry: Hideyuki Saito, Managing Executive Officer and General Manager,
 Corporate Planning Department
 Filing date of Financial Statements: August 3, 2022 (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. Consolidated Financial Highlights (from April 1, 2022 to June 30, 2022)

(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, 2022	46,031	2.8	11,932	(30.2)	8,612	(24.9)
Ended Jun.30, 2021	44,767	13.9	17,095	146.6	11,467	108.8

(Note) Comprehensive Income First Quarter ended Jun. 30, 2022: (18,754) million of yen [— %]
 First Quarter ended Jun. 30, 2021: 13,841 million of yen [(41.3)%]

	Profit per Share	Profit per Share (Diluted)
	yen	yen
First Quarter Ended Jun.30, 2022	20.97	—
Ended Jun.30, 2021	27.28	—

(2) Consolidated Financial Conditions

	Total Assets	Total Net Assets	Capital Assets to Total Assets
	million of yen	million of yen	%
As of Jun.30, 2022	10,296,231	507,626	4.9
Mar.31, 2022	11,148,539	529,256	4.7

(Reference) Capital assets as of Jun. 30, 2022 : 507,626 million of yen; Mar. 31, 2022 : 529,256 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, 2022	—	7.00	—	7.00	14.00
Ending Mar. 31, 2023	—	—	—	—	—
Ending Mar. 31, 2023(Projection)	—	8.00	—	8.00	16.00

(Note) Revisions of released cash dividends projections: No

3. Consolidated Earnings Projections for Fiscal year 2022 (from April 1, 2022 to March 31, 2023)

(%: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, 2022	19,000	(19.6)	13,000	(15.4)	31.66
Fiscal Year ending Mar. 31, 2023	39,000	(0.3)	27,000	2.1	65.75

(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, 2022 425,888,177 Shares
	Mar. 31, 2022 425,888,177 Shares
② Number of treasury shares:	Jun. 30, 2022 15,224,683 Shares
	Mar. 31, 2022 15,224,436 Shares
③ Average number of issued shares :	Three months ended Jun. 30, 2022 410,663,696 Shares
	Three months ended Jun. 30, 2021 420,339,647 Shares

This quarterly report is out of the scope of quarterly review by certified public accountants or independent audit firms.

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 46,031 million of yen, an increase of 1,263 million of yen year on year, mainly due to increases in other income such as gain on sales of stock and other securities, etc.

Ordinary expenses amounted to 34,099 million of yen, an increase of 6,426 million of yen year on year, mainly due to increases in other ordinary expenses such as loss on sales of bonds, etc.

As a result, ordinary profit amounted to 11,932 million of yen, a decrease of 5,163 million of yen year on year. Also, profit attributable to owners of parent amounted to 8,612 million of yen, a decrease of 2,854 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 decreased by 852.3 billion of yen to 10,296.2 billion of yen during the period under review, whereas total liabilities decreased by 830.6 billion of yen to 9,788.6 billion of yen during the period under review.

Also, net assets decreased by 21.6 billion of yen to 507.6 billion of yen during the period under review.

As for the main accounts, loans and bills discounted increased by 9.2 billion of yen to 5,767.3 billion of yen during the period under review.

Securities decreased by 72.3 billion of yen to 2,428.6 billion of yen during the period under review.

Deposits amounted to 7,959.3 billion of yen, the same level as the previous fiscal year.

(3) Qualitative Information related to the Consolidated Earnings Projections

Consolidated business forecast for the six months ending September 30, 2022 and the fiscal year ending March 31, 2023 remains unchanged from the figures announced on May 11, 2022.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Unit: million of yen)

	As of Mar. 31, 2022	As of Jun. 30, 2022
Assets:		
Cash and due from banks	2,651,118	1,885,929
Call loans and bills bought	6,119	-
Monetary claims bought	5,706	-
Trading securities	942	905
Money held in trust	8,268	7,260
Securities	2,501,019	2,428,650
Loans and bills discounted	5,758,096	5,767,389
Foreign exchanges	34,244	9,931
Lease receivables and investments in leases	60,191	59,401
Other assets	78,824	82,716
Tangible fixed assets	66,191	65,853
Intangible fixed assets	9,236	8,791
Retirement benefit asset	10,813	11,362
Deferred tax assets	1,488	11,802
Customers' liabilities for acceptances and guarantees	8,764	8,521
Allowance for loan losses	(52,485)	(52,285)
Total assets	11,148,539	10,296,231
Liabilities:		
Deposits	7,959,333	7,959,308
Negotiable certificates of deposit	209,258	253,026
Call money and bills sold	70,496	72,440
Securities sold under repurchase agreements	8,153	8,374
Cash collateral received for securities lent	732,995	475,307
Borrowed money	1,500,795	882,138
Foreign exchanges	534	346
Bonds payable	50,000	40,000
Borrowed money from trust account	12,056	12,526
Other liabilities	57,106	67,387
Provision for bonuses for directors (and other officers)	59	13
Retirement benefit liability	362	369
Provision for retirement benefits for directors (and other officers)	204	191
Provision for reimbursement of deposits	367	337
Provision for point card certificates	155	-
Provision for contingent loss	900	936
Reserves under special laws	0	0
Deferred tax liabilities	359	-
Deferred tax liabilities for land revaluation	7,377	7,377
Acceptances and guarantees	8,764	8,521
Total liabilities	10,619,283	9,788,604
Net assets:		
Share capital	48,652	48,652
Capital surplus	29,581	29,581
Retained earnings	407,300	413,037
Treasury shares	(7,352)	(7,352)
Total shareholders' equity	478,181	483,919
Valuation difference on available-for-sale securities	33,379	6,166
Deferred gains or losses on hedges	(137)	(156)
Revaluation reserve for land	13,415	13,415
Remeasurements of defined benefit plans	4,417	4,282
Total accumulated other comprehensive income	51,074	23,707
Total net assets	529,256	507,626
Total liabilities and net assets	11,148,539	10,296,231

(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, 2021	For the three months ended Jun.30, 2022
Ordinary income	44,767	46,031
Interest income	21,179	20,850
Interest on loans and discounts	13,268	13,599
Interest and dividends on securities	7,514	6,988
Trust fees	11	10
Fees and commissions	6,237	6,331
Other ordinary income	11,915	9,017
Other income	5,423	9,821
Ordinary expenses	27,672	34,099
Interest expenses	484	1,234
Interest on deposits	89	175
Fees and commissions payments	2,108	2,076
Other ordinary expenses	9,379	15,801
General and administrative expenses	14,374	13,473
Other expenses	1,326	1,513
Ordinary profit	17,095	11,932
Extraordinary income	0	29
Gain on disposal of non – current assets	0	29
Extraordinary losses	832	181
Loss on disposal of non – current assets	8	149
Impairment losses	824	32
Provision of reserve for financial instruments transaction liabilities	0	0
Profit before income taxes	16,263	11,780
Income taxes – current	367	1,838
Income taxes – deferred	4,428	1,329
Total income taxes	4,796	3,167
Profit	11,467	8,612
Profit attributable to owners of parent	11,467	8,612

Quarterly Consolidated Statements of Comprehensive Income

For the three months ended

(Unit: million of yen)

	For the three months ended Jun.30, 2021	For the three months ended Jun.30, 2022
Profit	11,467	8,612
Other comprehensive income	2,374	(27,367)
Valuation difference on available – for – sale securities	1,941	(27,205)
Deferred gains or losses on hedges	45	(18)
Foreign currency translation adjustment	216	–
Remeasurements of defined benefit plans, net of tax	30	(134)
Share of other comprehensive income of entities accounted for using equity method	139	(8)
Comprehensive income	13,841	(18,754)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	13,841	(18,754)

(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 Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Gunma Bank ("The Bank") has applied "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, Jun 17, 2021) from the beginning of the first quarter of the consolidated fiscal year.

In accordance with Article 27-2 of "Implementation Guidance on Accounting Standard for Fair Value Measurement", The Bank decided to apply the new accounting policy stipulated in "Implementation Guidance on Accounting Standard for Fair Value Measurement" in the future.

There is no impact on the consolidated financial statements for the current period.

(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 2022, ending March 31, 2023

1. Profit and Loss Conditions

- Consolidated core net business profit excluding gains (losses) on bonds amounted to 12.4 billion of yen, up 0.1 billion of yen year on year, due to increase in non-interest business profit such as corporate service revenue as well as cutting down on expenses, regardless of a decrease in net income due to decrease gains (losses) on cancellation of investment trusts. In addition, Consolidated core net business profit excluding gains (losses) on bonds and cancellation of investment trusts amounted to 12.2 billion of yen, up 1.8 billion of yen year on year.
- Ordinary profit amounted to 11.9 billion of yen, down 5.1 billion of yen year on year, due to decrease in gains or losses on investment securities caused by promoting securities portfolio improvement, such as chiefly decreasing foreign securities, amid rapidly rising the U.S. interest rates.
- In addition, Profit attributable to owners of parent amounted to 8.6 billion of yen, the achievement rate against the projection of 13.0 billion of yen for the second quarter of the fiscal year 2022, ending Mar 31, 2023 was 66.2%, which was going well.

【Consolidated】

(Unit : million of yen)

		For the three months ended Jun. 30, 2022 (a)	(a) - (b)	For the three months ended Jun. 30, 2021 (b)	For the six months ending Sep.30,2022 Projection
Core gross business profits	1	26,041	(487)	26,528	46,800
Net interest income	2	19,616	(1,079)	20,695	35,500
Of which, gains (losses) on cancellation of investment trusts	3	200	(1,696)	1,897	
Non-interest business profit	4	6,424	591	5,832	11,300
Corporate service revenue	5	1,526	899	626	2,300
Deposit financial asset revenue	6	1,662	(340)	2,003	3,800
Others	7	3,235	32	3,202	5,200
Expenses (excluding non-recurrent expenses) [－]	8	13,637	(661)	14,299	27,300
Over head ratio (8/1)	9	52.3%	(1.6)%	53.9%	58.3%
Core net business profit excluding gains (losses) on bonds (1-8)	10	12,403	174	12,229	19,500
Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts	11	12,202	1,870	10,332	
Gains or losses on investment securities	12	15	(5,442)	5,458	
Gains (losses) on bonds	13	(8,942)	(9,787)	844	
Gains (losses) on stocks and other securities	14	8,958	4,344	4,614	
Net credit costs [－]	15	730	58	671	
Others	16	243	164	79	
Ordinary profit	17	11,932	(5,163)	17,095	19,000
Extraordinary income (losses)	18	(152)	679	(831)	
Of which, impairment losses [－]	19	32	(791)	824	
Profit before income taxes	20	11,780	(4,483)	16,263	
Total income taxes [－]	21	3,167	(1,628)	4,796	
Profit	22	8,612	(2,854)	11,467	
Profit attributable to owners of parent	23	8,612	(2,854)	11,467	13,000 achievement rate [66.2%]

(Note) Gains (losses) on bonds is excluded from "Others" on Non-interest business profit and included in "Gains or losses on investment securities".

Total profit of the Bank Group companies	24	852	128	723
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(Note) "Total profit of the Bank Group companies" = "Profit attributable to owners of parent" - "profit(non-consolidated)"

【Non-consolidated】

(Unit: million of yen)

		For the three months ended Jun. 30, 2022 (a)	(a) - (b)	For the three months ended Jun. 30, 2021 (b)	For the six months ending Sep.30,2022 Projection
Core gross business profits	1	24,373	(233)	24,606	43,200
Net interest income	2	19,693	(1,085)	20,779	35,600
Domestic business	3	18,058	(1,552)	19,611	
Of which, Interest on loans and discounts	4	12,737	(80)	12,817	
Of which, Interest and dividends on securities	5	5,156	(1,348)	6,505	
Of which, gains (losses) on cancellation of investment trusts	6	200	(1,696)	1,897	
International business	7	1,635	467	1,167	
Non-interest business profit	8	4,680	852	3,827	7,500
Net fees and commissions income	9	3,658	76	3,581	
Profit from other business transactions	10	1,021	775	246	
Expenses (excluding non-recurrent expenses) [－]	11	13,140	(685)	13,826	26,200
Personnel expenses	12	7,231	25	7,206	
Non-Personnel expenses	13	5,168	(631)	5,799	
Taxes	14	740	(79)	820	
Core net business profit excluding gains (losses) on bonds (1-11)	15	11,233	452	10,780	17,000
Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts	16	11,032	2,149	8,883	
Real net business profit (15+19)	17	2,290	(9,334)	11,624	
Gains or losses on investment securities	18	15	(5,442)	5,458	
Gains (losses) on bonds	19	(8,942)	(9,787)	844	
Gains (losses) on stocks and other securities	20	8,958	4,344	4,614	
Net credit costs [－]	21	735	375	360	2,800
Other non-recurrent gains (losses)	22	146	131	14	
Ordinary profit	23	10,660	(5,233)	15,893	17,000
Extraordinary income (losses)	24	(104)	727	(831)	
Of which, impairment losses [－]	25	32	(791)	824	
Profit before income taxes	26	10,555	(4,505)	15,061	
Total income taxes [－]	27	2,795	(1,522)	4,318	
Profit	28	7,759	(2,983)	10,743	11,500

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

(Reference) Gain or Loss on Investment Securities Conditions

(Unit: million of yen)

		For the three months ended Jun. 30, 2022 (a)	(a) - (b)	For the three months ended Jun. 30, 2021 (b)
Gains (losses) on bonds	29	(8,942)	(9,787)	844
Gain on sales	30	0	(3,395)	3,395
Gain on redemption	31	—	—	—
Loss on sales [－]	32	8,902	6,351	2,550
Loss on redemption [－]	33	41	41	—
Loss on devaluation [－]	34	—	—	—
Gains (losses) on stocks and other securities	35	8,958	4,344	4,614
Gain on sales	36	9,633	4,401	5,231
Loss on sales [－]	37	547	(69)	616
Loss on devaluation [－]	38	128	126	1

(Reference) Net Credit Costs Conditions

(Unit: million of yen)

		For the three months ended Jun. 30, 2022 (a)	(a) - (b)	For the three months ended Jun. 30, 2021 (b)
Net credit costs (40+41-47) [－]	39	735	375	360
Net transfer to general allowance for loan losses [－]	40	(227)	133	(360)
Disposal of non-performing loans [－]	41	963	241	722
Written-off of loans	42	—	—	—
Net transfer to specific allowance for loan losses	43	863	246	616
Net transfer to accident loss	44	35	(13)	49
Losses on sales of loans	45	0	0	—
Cost born under joint responsibility system of guarantee corporations	46	64	8	55
Recoveries of written off claims	47	0	(0)	1

2. Main Account Conditions

- Loans and bills discounted amounted to 5,827.1 billion of yen, up 8.9 billion of yen compared with the previous fiscal year-end, due to increases in housing loans, loans to corporations of large enterprises, etc and loans to non-residents, etc.
- Deposits and Negotiable certificates of deposit amounted to 8,252.7 billion of yen, up 43.3 billion of yen compared with the previous fiscal year-end, due to steadily increase individual deposits and corporation deposits, in addition, increase negotiable certificates of deposit.
- Deposit financial assets amounted to 1,011.8 billion of yen, up 5.1 billion of yen compared with the previous fiscal year-end, due to an increase in the balance owned by Gungin Securities.
- Unrealized gains and losses on valuation of other securities amounted to 6.7 billion of yen, down 39.0 billion of yen compared with the previous fiscal year-end.

(1) Loans 【Non-consolidated】

(Unit : billion of yen)

	As of Jun.30, 2022 (a)	(a) - (b)	(a) - (c)	As of Mar.31, 2022 (b)	As of Jun.30, 2021 (c)
Loans and bills discounted	5,827.1	8.9	109.2	5,818.1	5,717.8
Retail loans	4,627.2	(22.9)	6.0	4,650.2	4,621.2
Small and medium- sized enterprises	2,286.1	(27.0)	(16.2)	2,313.2	2,302.3
Individuals	2,341.1	4.0	22.2	2,337.0	2,318.8
Of which, Housing-related loans	2,260.2	3.1	20.4	2,257.0	2,239.7
Housing loans	1,359.8	4.3	25.6	1,355.4	1,334.2
Apartment loans	650.1	0.1	1.7	650.0	648.3
Others	250.1	(1.3)	(6.8)	251.5	257.0
Of which, Unsecured consumer loans	58.3	1.0	3.4	57.3	54.9
Other loans	1,199.8	31.9	103.1	1,167.8	1,096.6
Corporations	903.7	9.5	79.6	894.2	824.1
Public sectors	116.7	2.3	0.9	114.4	115.8
Overseas branch and Non-residents	179.2	20.0	22.5	159.1	156.6

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

(Reference)

(Unit : billion of yen)

	For the three months ended Jun. 30, 2022 (Apr.2022-Jun.2022)	Mid-Term Business Plan Final Year Target (cumulative total during 3 years) (Apr.2022-Mar.2025)
Amount of sustainable finance excuted	33.0	500.0

(Note 1) The Mid-Term Business Plan [Innovation for "Purpose"] targets a cumulative total of 500.0 billion of yen for sustainable finance during 3 years.

(Note 2) Sustainable finance targets finance that contributes to solving environmental and social issues such as renewable energy-related, start-up financing and business succession-related, etc (including investment by Gunma Regional Advanced Solution Partners, an investment specialized subsidiary).

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

(Unit : billion of yen)

	As of Jun.30, 2022 (a)	(a) - (b)	(a) - (c)	As of Mar.31, 2022 (b)	As of Jun.30, 2021 (c)
Deposits and Negotiable certificates of deposit	8,252.7	43.3	238.5	8,209.3	8,014.2
Deposits	7,969.7	(0.6)	221.7	7,970.4	7,747.9
Of which, Individuals	5,590.5	66.3	136.5	5,524.1	5,453.9
Of which, Corporations	1,935.8	31.8	20.6	1,904.0	1,915.2
Negotiable certificates of deposit	282.9	43.9	16.7	238.9	266.2

(3) Deposit financial assets 【Consolidated】

(Unit : billion of yen)

	As of Jun.30, 2022 (a)	(a) - (b)	(a) - (c)	As of Mar.31, 2022 (b)	As of Jun.30, 2021 (c)
Bank, non-consolidated	790.6	(5.5)	6.0	796.2	784.5
Investment trust	246.0	(12.8)	(11.3)	258.8	257.4
Public bonds (Government bonds, etc.)	42.4	(2.4)	(6.9)	44.8	49.3
Life insurance	502.1	9.6	24.3	492.5	477.7
Gungin Securities (including intermediation)	221.1	10.7	49.4	210.3	171.7
Deposit financial assets	1,011.8	5.1	55.4	1,006.6	956.3
Of which, Individual deposit financial assets	928.4	2.4	39.1	926.0	889.3

(4) Unrealized Gains and Losses on Valuation of Other Securities 【Non-consolidated】 (Unit : billion of yen)

	As of Jun.30, 2022 (a)	(a) - (b)	(a) - (c)	As of Mar.31, 2022 (b)	As of Jun.30, 2021 (c)
Other securities	6.7	(39.0)	(97.0)	45.7	103.7
Stocks	61.0	(6.6)	(18.0)	67.7	79.0
Bonds	(27.8)	(14.0)	(36.1)	(13.8)	8.2
Foreign securities	(17.1)	(8.8)	(23.3)	(8.3)	6.1
Investment trusts, etc.	(9.2)	(9.4)	(19.5)	0.2	10.2

3. Disclosed Claims under the Financial Reconstruction Law ("FRL") 【Non-consolidated】

With the implementation of the Cabinet Office Order to Amend the Ordinance for Enforcement of the Banking Act, etc. on March 31, 2022, the categories of Risk-monitored Loans under the Banking Act and the scope of claims subject to disclosure were aligned with the Disclosed Claims under the FRL stipulated under the Act on Emergency Measures for the Revitalization of Financial Functions.

(Unit : billion of yen)

	As of Jun.30, 2022 (a)	(a) - (b)	(a) - (c)	As of Mar.31, 2022 (b)	As of Jun.30, 2021 (c)
Bankrupt and Substantially Bankrupt Claims	28.0	0.6	(0.4)	27.3	28.4
Doubtful Claims	47.6	(0.7)	5.0	48.3	42.5
Substandard Claims	45.2	0.7	(3.3)	44.5	48.6
Loans past due 3 months or more	2.0	0.5	0.0	1.5	1.9
Restructured Loans	43.2	0.1	(3.4)	43.0	46.6
Disclosed claims under the FRL ①	120.9	0.6	1.3	120.3	119.6
Normal Claims	5,768.5	(16.5)	74.9	5,785.1	5,693.5
Total Claims ②	5,889.5	(15.9)	76.2	5,905.5	5,813.2
Non-performing loan ratio ① ÷ ②	2.05 %	0.02 %	—	2.03 %	2.05 %

(Note) The Bank does not apply partial direct written-off.

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

Disclosed claims under the FRL	102.2	0.3	1.5	101.9	100.6
Non-performing loan ratio	1.74 %	0.01 %	0.01 %	1.73 %	1.73 %

4. Domestic Interest Rate Spread 【Non-consolidated】

(Unit : %)

	For the three months ended Jun. 30, 2022 (a)	(a) - (b)	(a) - (c)	FY2021 ended Mar.31, 2022 (b)	For the three months ended Jun. 30, 2021 (c)
Average yield on interest earning assets ①	0.82	0.05	(0.19)	0.77	1.01
Average yield on loans and bills discounted	0.91	(0.02)	(0.02)	0.93	0.93
Average yield on securities	1.00	0.32	(0.31)	0.68	1.31
Average yield on interest bearing liabilities ②	0.49	(0.01)	(0.05)	0.50	0.54
Average yield on deposits and negotiable certificates of deposit	0.00	—	—	0.00	0.00
Average yield on external liabilities	(0.00)	—	—	(0.00)	(0.00)
Average interest rate spread ① - ②	0.33	0.06	(0.14)	0.27	0.47

5. Capital Ratio (International standard)

【Consolidated】

(Unit : billion of yen)

	As of Jun.30, 2022 (a)	(a) - (b)	(a) - (c)	As of Mar.31, 2022 (b)	As of Jun.30, 2021 (c)
Total capital ratio	12.07 %	(0.33)%	(1.21)%	12.40 %	13.28 %
Tier1 ratio	11.10 %	(0.13)%	(0.99)%	11.23 %	12.09 %
Common equity Tier1 ratio	11.10 %	(0.13)%	(0.99)%	11.23 %	12.09 %
Total capital	512.5	(28.7)	(62.2)	541.3	574.8
Tier1 capital	471.4	(18.6)	(52.1)	490.1	523.5
Common equity Tier1 capital	471.4	(18.6)	(52.1)	490.1	523.5
Risk weighted assets	4,244.0	(118.2)	(83.6)	4,362.2	4,327.7
Total required capital	339.5	(9.4)	(6.6)	348.9	346.2

【Non-consolidated】

(Unit : billion of yen)

	As of Jun.30, 2022 (a)	(a) - (b)	(a) - (c)	As of Mar.31, 2022 (b)	As of Jun.30, 2021 (c)
Total capital ratio	11.36 %	(0.40)%	(1.33)%	11.76 %	12.69 %
Tier1 ratio	10.44 %	(0.17)%	(1.08)%	10.61 %	11.52 %
Common equity Tier1 ratio	10.44 %	(0.17)%	(1.08)%	10.61 %	11.52 %
Total capital	474.7	(31.2)	(67.6)	506.0	542.3
Tier1 capital	436.3	(20.0)	(55.9)	456.3	492.2
Common equity Tier1 capital	436.3	(20.0)	(55.9)	456.3	492.2
Risk weighted assets	4,176.6	(123.6)	(95.3)	4,300.2	4,272.0
Total required capital	334.1	(9.8)	(7.6)	344.0	341.7

(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.