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February 3, 2023

Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Under Japanese GAAP)

Company name: The Gunma Bank, Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 8334
 URL: <https://www.gunmabank.co.jp/>
 Representative: Akihiko Fukai, President
 Inquiries: Hideyuki Saito, Managing Executive Officer and General Manager, Corporate Planning Department
 Scheduled date to file quarterly securities report: February 6, 2023
 Trading accounts: None
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended						
Dec.31, 2022	132,698	17.0	29,705	(10.6)	22,220	(5.1)
Dec.31, 2021	113,437	4.7	33,212	31.5	23,417	26.8

Note: Comprehensive income For the nine months ended Dec.31, 2022 : (39,060) million yen [— %]
 For the nine months ended Dec.31, 2021 : 17,501 million yen [(64.7) %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
Dec.31, 2022	54.13	—
Dec.31, 2021	55.83	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
Dec.31, 2022	10,109,648	482,888	4.8
Mar.31, 2022	11,148,539	529,256	4.7

Reference: Equity As of Dec. 31, 2022 : 482,888 million yen
 As of Mar. 31, 2022 : 529,256 million yen

Note: "Equity-to-asset ratio" represents "Net assets"/ "Total assets" at term end.

"Equity-to-asset ratio" stated above was not calculated based on the public notice of "Equity-to-asset ratio".

2. Cash dividends

	Annual 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	—	8.00	—		
ending Mar. 31, 2023(Forecast)				10.00	18.00

Note: 1. Revisions to the forecast of cash dividends most recently announced: None
 2. Fiscal year-end cash dividend of 10.00 yen for the fiscal year ending Mar. 31, 2023(forecast) includes a commemorative dividend of 1.00 yen for the 90th anniversary of the establishment of the Gunma Bank, Ltd.

3. Consolidated earnings forecast for fiscal year 2022 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Fiscal year 2022 ending Mar. 31, 2023	37,500	(4.1)	27,000	2.1	65.87

Note: Revisions to the forecast of earnings most recently announced: None

Notes

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements

None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- ① Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- ② Changes in accounting policies due to other reasons: None
- ③ Changes in accounting estimates: None
- ④ Restatement: None

(4) Number of issued shares (common shares)

① Total number of issued shares at the end of the period (including treasury shares)

As of Dec. 31, 2022	425,888,177 shares
As of Mar. 31, 2022	425,888,177 shares

② Number of treasury shares at the end of the period

As of Dec. 31, 2022	17,822,139 shares
As of Mar. 31, 2022	15,224,436 shares

③ Average number of shares outstanding during the period

Nine months ended Dec. 31, 2022	410,529,674 shares
Nine months ended Dec. 31, 2021	419,468,869 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

·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.

Table of contents

1. Qualitative information related to the quarterly financial results	
(1) Qualitative information related to the operating results	2
(2) Qualitative information related to the financial position	2
(3) Qualitative information related to the consolidated earnings forecast, etc	2
2. Quarterly consolidated financial statements and notes	
(1) Quarterly consolidated balance sheets	3
(2) Quarterly consolidated statements of income and comprehensive income	4
(3) Notes to the quarterly consolidated financial statements	5
(Note on going concern assumption)	5
(Note on significant changes in the amounts of shareholders' equity)	5
(Changes in accounting principles)	5
(Additional information)	5
Supplementary Information	6

1. Qualitative information related to the quarterly financial results

(1) Qualitative information related to the operating results

Operating results for the third quarter of the consolidated fiscal year under review were as follows.

Ordinary income amounted to 132,698 million yen, an increase of 19,260 million 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 102,993 million yen, an increase of 22,767 million 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 29,705 million yen, a decrease of 3,507 million yen year on year. Also, profit attributable to owners of parent amounted to 22,220 million yen, a decrease of 1,196 million yen year on year.

(2) Qualitative information related to the financial position

The financial position as of the end of the third quarter of the consolidated fiscal year under review was as follows.

Total assets decreased by 1,038.8 billion yen to 10,109.6 billion yen during the period under review, whereas total liabilities decreased by 992.5 billion yen to 9,626.7 billion yen during the period under review. Also, net assets decreased by 46.3 billion yen to 482.8 billion yen during the period under review. As for the main accounts, loans and bills discounted increased by 101.5 billion yen to 5,859.6 billion yen during the period under review. Securities decreased by 111.0 billion yen to 2,389.9 billion yen during the period under review. Deposits decreased by 42.5 billion yen to 7,916.7 billion yen during the period under review.

(3) Qualitative information related to the consolidated earnings forecasts, etc

Consolidated earnings forecasts for the fiscal year ending March 31, 2023 remain unchanged from the figures announced on November 9, 2022.

2. Quarterly consolidated financial statements and notes

(1) Quarterly consolidated balance sheets

(Unit: Millions of yen)

	As of Mar. 31, 2022	As of Dec. 31, 2022
Assets:		
Cash and due from banks	2,651,118	1,621,756
Call loans and bills bought	6,119	1,414
Monetary claims bought	5,706	—
Trading securities	942	544
Money held in trust	8,268	7,857
Securities	2,501,019	2,389,992
Loans and bills discounted	5,758,096	5,859,625
Foreign exchanges	34,244	10,576
Lease receivables and investments in leases	60,191	59,676
Other assets	78,824	87,225
Tangible fixed assets	66,191	65,306
Intangible fixed assets	9,236	8,236
Retirement benefit asset	10,813	12,052
Deferred tax assets	1,488	25,714
Customers' liabilities for acceptances and guarantees	8,764	8,365
Allowance for loan losses	(52,485)	(48,696)
Total assets	11,148,539	10,109,648
Liabilities:		
Deposits	7,959,333	7,916,789
Negotiable certificates of deposit	209,258	224,006
Call money and bills sold	70,496	56,435
Securities sold under repurchase agreements	8,153	45,530
Cash collateral received for securities lent	732,995	397,687
Borrowed money	1,500,795	845,037
Foreign exchanges	534	271
Bonds payable	50,000	50,000
Borrowed money from trust account	12,056	12,923
Other liabilities	57,106	60,648
Provision for bonuses for directors (and other officers)	59	38
Retirement benefit liability	362	367
Provision for retirement benefits for directors (and other officers)	204	174
Provision for reimbursement of deposits	367	289
Provision for point card certificates	155	—
Provision for contingent loss	900	902
Reserves under special laws	0	0
Deferred tax liabilities	359	—
Deferred tax liabilities for land revaluation	7,377	7,290
Acceptances and guarantees	8,764	8,365
Total liabilities	10,619,283	9,626,760
Net assets:		
Share capital	48,652	48,652
Capital surplus	29,581	29,581
Retained earnings	407,300	423,531
Treasury shares	(7,352)	(8,472)
Total shareholders' equity	478,181	493,293
Valuation difference on available-for-sale securities	33,379	(27,551)
Deferred gains or losses on hedges	(137)	(82)
Revaluation reserve for land	13,415	13,216
Remeasurements of defined benefit plans	4,417	4,012
Total accumulated other comprehensive income	51,074	(10,404)
Total net assets	529,256	482,888
Total liabilities and net assets	11,148,539	10,109,648

(2) Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statements of income

For the nine months ended

(Unit: Millions of yen)

	For the nine months ended Dec.31, 2021	For the nine months ended Dec.31, 2022
Ordinary income	113,437	132,698
Interest income	57,259	64,182
Interest on loans and discounts	40,051	43,050
Interest and dividends on securities	15,877	19,251
Trust fees	38	29
Fees and commissions	16,369	16,651
Other ordinary income	30,153	29,308
Other income	9,616	22,526
Ordinary expenses	80,225	102,993
Interest expenses	1,305	9,036
Interest on deposits	262	908
Fees and commissions payments	6,233	6,285
Other ordinary expenses	23,849	44,965
General and administrative expenses	42,058	39,279
Other expenses	6,778	3,427
Ordinary profit	33,212	29,705
Extraordinary income	2,493	1,529
Gain on disposal of non-current assets	2,493	1,529
Extraordinary losses	1,555	376
Loss on disposal of non-current assets	186	344
Impairment losses	1,369	32
Provision of reserve for financial instruments transaction liabilities	0	0
Profit before income taxes	34,149	30,857
Income taxes - current	6,345	6,420
Income taxes - deferred	4,386	2,216
Total income taxes	10,732	8,637
Profit	23,417	22,220
Profit attributable to owners of parent	23,417	22,220

Quarterly consolidated statements of comprehensive income

For the nine months ended

(Unit: Millions of yen)

	For the nine months ended Dec.31, 2021	For the nine months ended Dec.31, 2022
Profit	23,417	22,220
Other comprehensive income	(5,915)	(61,280)
Valuation difference on available-for-sale securities	(6,319)	(60,960)
Deferred gains or losses on hedges	134	55
Foreign currency translation adjustment	98	-
Remeasurements of defined benefit plans, net of tax	92	(404)
Share of other comprehensive income of entities accounted for using equity method	78	29
Comprehensive income	17,501	(39,060)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	17,501	(39,060)

(3) Notes to the quarterly consolidated financial statements

(Note 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, Ltd. ("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 Nine Months Ended December 31, 2022

1. Profit and Loss Conditions

- Consolidated core net business profit excluding gains (losses) on bonds amounted to 31.0 billion yen, up 1.4 billion yen year on year, due to increases in non-interest business profit centered on corporate business as well as cutting down on expenses, regardless of a decrease in net interest income due to a decrease gains (losses) on cancellation of investment trusts, etc. In addition, core net business profit excluding gains (losses) on cancellation of investment trusts amounted to 30.6 billion yen, up 2.1 billion yen year on year.
- Ordinary profit amounted to 29.7 billion yen, down 3.5 billion yen year on year, mainly due to a decrease in gains or losses on investment securities caused by promoting the restructuring of the securities portfolio, such as chiefly foreign securities, amid rapidly rising foreign interest rates, regardless of a halving in net credit costs.
- In addition, profit attributable to owners of parent amounted to 22.2 billion yen, the achievement rate against the forecast of 27.0 billion yen for the fiscal year 2022, ending Mar. 31, 2023 is 82.2%.

【Consolidated】

		Nine months ended Dec. 31, 2022 (a)		Nine months ended Dec. 31, 2021 (b)		FY2022 ending Mar. 31, 2023 forecast
			(a) - (b)			
Gross business profits	1	49,885	(22,547)	72,432		
Core gross business profits(1 – 13)	2	70,863	(661)	71,524	91,100	
Net interest income	3	55,146	(807)	55,953	69,500	
Of which, gains (losses) on cancellation of investment trusts	4	428	(711)	1,140		
Non-interest business profit (refer to marginal table)	5	15,717	146	15,570	21,600	
Net fees and commissions income	6	10,396	221	10,175		
Profit from other business transactions	7	5,320	(74)	5,395		
Expenses (excluding non-recurrent expenses) [-]	8	39,780	(2,063)	41,843	53,100	
Over head ratio (8/2)	9	56.1%	(2.4)%	58.5%	58.2%	
Core net business profit excluding gains (losses) on bonds (2–8)	10	31,083	1,402	29,680	38,000	
Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts	11	30,654	2,114	28,540		
Gains or losses on investment securities	12	(306)	(7,379)	7,073		
Gains (losses) on bonds	13	(20,978)	(21,886)	908		
Gains (losses) on stocks and other securities	14	20,671	14,506	6,165		
Net credit costs [-]	15	1,972	(2,004)	3,977		
Others	16	901	465	435		
Ordinary profit	17	29,705	(3,507)	33,212	37,500	
Extraordinary income (losses)	18	1,152	215	937		
Of which, gains (losses) on disposal of non-current assets	19	1,185	(1,121)	2,306		
Of which, impairment losses [-]	20	32	(1,336)	1,369		
Profit before income taxes	21	30,857	(3,292)	34,149		
Total income taxes [-]	22	8,637	(2,095)	10,732		
Profit	23	22,220	(1,196)	23,417		
Profit attributable to owners of parent	24	22,220	(1,196)	23,417	27,000	achievement rate [82.2%]

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

(Breakdown of non-interest business profit by business)

		(Unit : Millions of yen)			
Corporate service revenue	25	4,152	1,320	2,832	6,100
Deposit financial asset revenue	26	5,158	(693)	5,852	7,000
Others	27	6,405	(480)	6,886	8,500

		(Unit : Millions of yen)			
Total profit of the Bank group companies	28	2,672	458	2,214	
**Profit attributable to owners of parent" – "profit(non-consolidated)"	29	5.8%	0.2%	5.6%	

【Non-consolidated】

(Unit : Millions of yen)

		Nine months ended Dec. 31, 2022 (a)		Nine months ended Dec. 31, 2021 (b)	FY2022 ending Mar.31, 2023 forecast
			(a) - (b)		
Gross business profits	1	44,851	(22,144)	66,995	
Core gross business profits (1—20)	2	65,827	(260)	66,087	84,700
Net interest income	3	55,347	(878)	56,225	69,800
Domestic business	4	51,419	(1,072)	52,491	
Of which, Interest on loans and discounts	5	38,517	(147)	38,665	
Of which, Interest and dividends on securities	6	11,383	(1,475)	12,858	
Of which, gains (losses) on cancellation of investment trusts	7	428	(711)	1,140	
International business	8	3,927	194	3,733	
Non-interest business profit	9	10,479	617	9,862	14,900
Net fees and commissions income	10	8,496	100	8,396	
Profit from other business transactions	11	1,983	516	1,466	
Expenses (excluding non-recurrent expenses) [-]	12	38,356	(2,068)	40,424	51,200
Personnel expenses	13	21,285	(169)	21,455	
Non-Personnel expenses	14	14,931	(1,714)	16,646	
Taxes	15	2,138	(183)	2,322	
Core net business profit excluding gains (losses) on bonds (2—12)	16	27,470	1,807	25,662	33,500
Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts	17	27,041	2,518	24,522	
Real net business profit (16 + 20)	18	6,494	(20,076)	26,571	
Gains or losses on investment securities	19	(304)	(7,402)	7,098	
Gains (losses) on bonds	20	(20,975)	(21,884)	908	
Gains (losses) on stocks and other securities	21	20,671	14,481	6,190	
Net credit costs [-]	22	1,885	(1,423)	3,309	3,500
Other non-recurrent gains (losses)	23	647	391	255	
Ordinary profit	24	25,927	(3,778)	29,706	33,000
Extraordinary income (losses)	25	1,200	262	937	
Of which, gains(losses) on disposal of non-current assets	26	1,185	(1,121)	2,306	
Of which, impairment losses [-]	27	32	(1,336)	1,369	
Profit before income taxes	28	27,128	(3,516)	30,644	
Total income taxes [-]	29	7,580	(1,860)	9,441	
Profit	30	19,547	(1,655)	21,203	23,500

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

(Reference) Gains or losses on investment securities conditions

(Unit : Millions of yen)

		Nine months ended Dec. 31, 2022 (a)		Nine months ended Dec. 31, 2021 (b)
			(a) - (b)	
Gains or losses on investment securities	31	(304)	(7,402)	7,098
Gains (losses) on bonds	32	(20,975)	(21,884)	908
Gain on sales	33	3,219	(1,229)	4,449
Gain on redemption	34	—	—	—
Loss on sales [-]	35	23,950	20,410	3,540
Loss on redemption [-]	36	245	245	—
Loss on devaluation [-]	37	—	—	—
Gains (losses) on stocks and other securities	38	20,671	14,481	6,190
Gain on sales	39	21,964	13,528	8,435
Loss on sales [-]	40	1,127	(1,000)	2,128
Loss on devaluation [-]	41	164	47	117

(Reference) Net credit costs conditions

(Unit : Millions of yen)

		Nine months ended Dec. 31, 2022 (a)		Nine months ended Dec. 31, 2021 (b)
			(a) - (b)	
Net credit costs (43+44-50) [-]	42	1,885	(1,423)	3,309
Net transfer to general allowance for loan losses [-]	43	216	241	(25)
Disposal of non-performing loans [-]	44	1,671	(1,665)	3,336
Written-off of loans	45	—	(6)	6
Net transfer to specific allowance for loan losses	46	1,494	(1,221)	2,715
Net transfer to accident loss	47	2	(4)	6
Losses on sales of loans	48	4	(450)	455
Cost born under joint responsibility system of guarantee corporations	49	170	18	152
Recoveries of written off claims	50	2	0	2

2. Main Account Conditions

- Loans and bills discounted amounted to 5,918.1 billion yen, up 189.5 billion yen year on year, due to increases in loans to individuals centered on housing loans, loans to corporations of large enterprises, etc.
- Deposits and negotiable certificates of deposit amounted to 8,181.3 billion yen, up 126.2 billion yen year on year, due to steadily increases individual deposits and corporation deposits.
- Deposit financial assets amounted to 1,025.3 billion yen, up 32.7 billion yen year on year, due to an increase in the balance owned by Gungin Securities.
- Unrealized gains and losses on valuation of other securities decreased by 133.6 billion yen year on year, resulting in an unrealized losses on valuation of 41.8 billion yen.

(1) Loans 【Non-consolidated】

(Unit : Billions of yen)

	As of			As of	As of
	Dec.31, 2022 (a)	(a) - (b)	(a) - (c)	Sep.30, 2022 (b)	Dec.31, 2021 (c)
Loans and bills discounted	5,918.1	56.9	189.5	5,861.1	5,728.5
Retail loans	4,659.6	20.9	23.5	4,638.7	4,636.1
Small and medium- sized enterprises	2,302.5	14.8	(5.7)	2,287.7	2,308.3
Individuals	2,357.0	6.0	29.2	2,351.0	2,327.7
Of which, housing-related loans	2,275.5	5.7	25.7	2,269.8	2,249.7
Housing loans	1,374.4	7.0	25.5	1,367.4	1,348.9
Apartment loans	653.7	0.0	5.7	653.6	647.9
Others	247.3	(1.3)	(5.6)	248.7	252.9
Of which, unsecured consumer loans	59.8	1.1	3.8	58.7	56.0
Other loans	1,258.5	36.0	166.0	1,222.4	1,092.4
Corporations	949.6	39.0	119.6	910.6	830.0
Public sectors	124.0	13.3	24.9	110.6	99.0
Overseas branch and non-residents	184.8	(16.3)	21.4	201.1	163.3

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 : Billions of yen)

	Nine months ended Dec. 31, 2022 (Apr.2022-Dec.2022)	Medium-term business plan final year target (cumulative total during three years) (Apr.2022-Mar.2025)
Amount of sustainable finance excuted	138.8	500.0

Note 1: The medium-term business plan [Innovation for "Purpose"] targets a cumulative total of 500.0 billion yen for sustainable finance during three 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 : Billions of yen)

	As of			As of	As of
	Dec.31, 2022 (a)	(a) - (b)	(a) - (c)	Sep.30, 2022 (b)	Dec.31, 2021 (c)
Deposits and negotiable certificates of deposit	8,181.3	31.4	126.2	8,149.8	8,055.1
Deposits	7,926.8	29.4	103.8	7,897.3	7,822.9
Of which, individuals	5,647.8	80.7	94.8	5,567.1	5,553.0
Of which, corporations	1,931.9	12.7	24.9	1,919.1	1,906.9
Negotiable certificates of deposit	254.5	2.0	22.3	252.4	232.1

(3) Deposit financial assets 【Consolidated】

(Unit : Billions of yen)

	As of			As of	As of
	Dec.31, 2022 (a)	(a) - (b)	(a) - (c)	Sep.30, 2022 (b)	Dec.31, 2021 (c)
Deposit financial assets	1,025.3	(3.5)	32.7	1,028.8	992.6
(Of which, individual deposit financial assets)	935.5	(4.6)	18.9	940.1	916.6
Bank, non-consolidated	785.8	(9.5)	(8.8)	795.3	794.6
Investment trust	237.0	(4.2)	(28.5)	241.2	265.5
Public bonds (Government bonds, etc.)	39.5	(1.8)	(6.8)	41.4	46.4
Life insurance	509.2	(3.4)	26.5	512.6	482.6
Gungin Securities (including intermediation)	239.5	6.0	41.5	233.5	197.9

(4) Unrealized gains and losses on valuation of other securities 【Non-consolidated】

(Unit : Billions of yen)

	As of			As of	As of	As of Dec.31,2022 balance sheet value
	Dec.31, 2022 (a)	(a) - (b)	(a) - (c)	Sep.30, 2022 (b)	Dec.31, 2021 (c)	
Other securities	(41.8)	(27.2)	(133.6)	(14.5)	91.8	2,381.4
Stocks	49.5	(0.3)	(23.5)	49.8	73.0	168.1
Bonds	(64.2)	(31.2)	(69.0)	(32.9)	4.8	1,714.1
Others	(27.1)	4.2	(41.0)	(31.4)	13.9	499.1
Foreign securities	(10.1)	4.9	(15.0)	(15.1)	4.9	350.2
Investment trusts, etc.	(16.9)	(0.6)	(25.9)	(16.2)	8.9	148.9

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 : Billions of yen)

	As of			As of	As of
	Dec.31, 2022 (a)	(a) - (b)	(a) - (c)	Sep.30, 2022 (b)	Dec.31, 2021 (c)
Bankrupt and substantially bankrupt claims	23.8	(1.3)	(2.4)	25.1	26.2
Doubtful claims	42.7	(2.7)	(1.7)	45.5	44.4
Substandard claims	47.0	2.3	(2.9)	44.7	50.0
Loans past due three months or more	2.5	0.6	1.1	1.8	1.3
Restructured loans	44.5	1.6	(4.1)	42.8	48.6
Disclosed claims under the FRL ①	113.6	(1.7)	(7.1)	115.4	120.7
Normal claims	5,863.4	52.6	187.8	5,810.8	5,675.5
Total claims ②	5,977.0	50.8	180.7	5,926.2	5,796.3
Ratio to the total claims ①/②	1.90 %	(0.04)%	(0.18)%	1.94 %	2.08 %

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	98.5	(1.1)	(4.9)	99.6	103.4
Ratio to the total claims	1.65 %	(0.03)%	(0.14)%	1.68 %	1.79 %

4. Domestic Interest Rate Spread 【Non-consolidated】

(Unit : %)

	Nine months			Nine months
	ended Dec. 31, 2022 (a)	(a) - (b)		ended Dec. 31, 2021 (b)
Average yield on interest earning assets ①	0.82	0.02		0.80
Average yield on loans and bills discounted	0.91	(0.02)		0.93
Average yield on securities	0.73	(0.09)		0.82
Average yield on interest bearing liabilities ②	0.51	—		0.51
Average yield on deposits and negotiable certificates of deposit	0.00	—		0.00
Average yield on external liabilities	(0.00)	—		(0.00)
Average interest rate spread ①-②	0.31	0.02		0.29

5. Capital Ratio (International Standard)

【Consolidated】

(Unit : Billions of yen)

	As of			As of Sep.30, 2022 (b)	As of Dec.31, 2021 (c)
	Dec.31, 2022 (a)	(a) - (b)	(a) - (c)		
Total capital ratio	11.91 %	(0.32)%	(1.26)%	12.23 %	13.17 %
Tier1 ratio	10.69 %	(0.36)%	(1.30)%	11.05 %	11.99 %
Common equity Tier1 ratio	10.69 %	(0.36)%	(1.30)%	11.05 %	11.99 %
Total capital	497.6	(9.7)	(72.7)	507.4	570.4
Tier1 capital	446.5	(11.8)	(72.6)	458.4	519.2
Common equity Tier1 capital	446.5	(11.8)	(72.6)	458.4	519.2
Risk weighted assets	4,175.7	29.5	(153.5)	4,146.2	4,329.2
Total required capital	334.0	2.3	(12.2)	331.6	346.3

【Non-consolidated】

(Unit : Billions of yen)

	As of			As of Sep.30, 2022 (b)	As of Dec.31, 2021 (c)
	Dec.31, 2022 (a)	(a) - (b)	(a) - (c)		
Total capital ratio	11.11 %	(0.33)%	(1.45)%	11.44 %	12.56 %
Tier1 ratio	9.96 %	(0.38)%	(1.43)%	10.34 %	11.39 %
Common equity Tier1 ratio	9.96 %	(0.38)%	(1.43)%	10.34 %	11.39 %
Total capital	456.1	(9.8)	(80.5)	466.0	536.7
Tier1 capital	408.8	(12.6)	(77.8)	421.4	486.6
Common equity Tier1 capital	408.8	(12.6)	(77.8)	421.4	486.6
Risk weighted assets	4,103.0	30.1	(167.0)	4,072.8	4,270.0
Total required capital	328.2	2.4	(13.3)	325.8	341.6

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.