

February 5, 2024

Consolidated Financial Results for the Nine Months Ended December 31, 2023 (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, 2024
 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, 2023

(from April 1, 2023 to December 31, 2023)

(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, 2023 | 156,066 | 17.6 | 33,909 | 14.2 | 24,630 | 10.8 |
| Dec.31, 2022 | 132,698 | 17.0 | 29,705 | (10.6) | 22,220 | (5.1) |

Note: Comprehensive income For the nine months ended Dec.31, 2023 : 37,314 million yen [— %]
 For the nine months ended Dec.31, 2022 : (39,060) million yen [— %]

| | Basic earnings per share | | Diluted earnings per share | |
|-------------------|--------------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Nine months ended | | | | |
| Dec.31, 2023 | 61.84 | | — | |
| Dec.31, 2022 | 54.13 | | — | |

(2) Consolidated financial position

| | Total assets | | Net assets | | Equity-to-asset ratio | |
|--------------|-----------------|--|-----------------|--|-----------------------|--|
| | Millions of yen | | Millions of yen | | % | |
| As of | | | | | | |
| Dec.31, 2023 | 10,674,792 | | 537,184 | | 5.0 | |
| Mar.31, 2023 | 10,662,300 | | 515,810 | | 4.8 | |

Reference: Equity As of Dec. 31, 2023 : 537,184 million yen As of Mar. 31, 2023 : 515,810 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, 2023 | — | 8.00 | — | 10.00 | 18.00 |
| ending Mar. 31, 2024 | — | 10.00 | — | | |
| ending Mar. 31, 2024(Forecast) | | | | 12.00 | 22.00 |

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 ended Mar. 31, 2023 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 2023 (from April 1, 2023 to March 31, 2024)

(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 2023 | | | | | | |
| ending Mar. 31, 2024 | 42,000 | 9.6 | 30,000 | 7.4 | 75.60 | |

Note: Revisions to the forecast of earnings most recently announced: Yes

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:

None

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, 2023 | 425,888,177 shares |
| As of Mar. 31, 2023 | 425,888,177 shares |

② Number of treasury shares at the end of the period

| | |
|---------------------|-------------------|
| As of Dec. 31, 2023 | 33,398,309 shares |
| As of Mar. 31, 2023 | 19,344,421 shares |

③ Average number of shares outstanding during the period

| | |
|---------------------------------|--------------------|
| Nine months ended Dec. 31, 2023 | 398,294,846 shares |
| Nine months ended Dec. 31, 2022 | 410,529,674 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.

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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 156,066 million yen, an increase of 23,367 million yen year on year, mainly due to increases in interest income, etc.

Ordinary expenses amounted to 122,156 million yen, an increase of 19,163 million yen year on year, mainly due to increases in interest expenses, etc.

As a result, ordinary profit amounted to 33,909 million yen, an increase of 4,204 million yen year on year.

Also, profit attributable to owners of parent amounted to 24,630 million yen, an increase of 2,409 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 increased by 12.4 billion yen to 10,674.7 billion yen during the period under review, whereas total liabilities decreased by 8.8 billion yen to 10,137.6 billion yen during the period under review.

Also, net assets increased by 21.3 billion yen to 537.1 billion yen during the period under review.

As for the main accounts, loans and bills discounted increased by 272.8 billion yen to 6,264.1 billion yen during the period under review.

Securities decreased by 429.4 billion yen to 2,187.8 billion yen during the period under review.

Deposits increased by 88.3 billion yen to 8,133.1 billion yen during the period under review.

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

Consolidated and non-consolidated earnings forecasts for the fiscal year ending March 31, 2024 has been revised as follows based on the performance up the third quarter, etc.

(Unit : Billions of yen)

| | FY2023 ending Mar.31,2024 【Consolidated】 (a) | (a) - (b) | Previous Forecast (b) | FY2023 ending Mar.31,2024 【Non-Consolidated】 (c) | (c) - (d) | Previous Forecast (d) |
|---|---|-----------|-----------------------------|---|-----------|-----------------------------|
| Ordinary profit | 42.0 | 2.0 | 40.0 | 37.5 | 1.5 | 36.0 |
| (Attributable to owners of parent) Profit | 30.0 | 2.0 | 28.0 | 27.0 | 2.0 | 25.0 |

Note: Earnings forecasts are based on information available at the present time.

Actual results may differ from the forecasts due to various of economic situation and stock price level, etc.

2. Quarterly consolidated financial statements and notes

(1) Quarterly consolidated balance sheets

(Unit: Millions of yen)

| | As of Mar. 31, 2023 | As of Dec. 31, 2023 |
|--|---------------------|---------------------|
| Assets: | | |
| Cash and due from banks | 1,833,043 | 1,974,626 |
| Trading securities | 541 | 339 |
| Money held in trust | 9,854 | 11,854 |
| Securities | 2,617,250 | 2,187,848 |
| Loans and bills discounted | 5,991,297 | 6,264,100 |
| Foreign exchanges | 10,045 | 10,926 |
| Lease receivables and investments in leases | 60,554 | 62,146 |
| Other assets | 74,120 | 98,831 |
| Tangible fixed assets | 65,013 | 65,389 |
| Intangible fixed assets | 8,053 | 8,069 |
| Retirement benefit asset | 16,963 | 18,184 |
| Deferred tax assets | 13,003 | 6,879 |
| Customers' liabilities for acceptances and guarantees | 8,527 | 8,711 |
| Allowance for loan losses | (45,967) | (43,114) |
| Total assets | 10,662,300 | 10,674,792 |
| Liabilities: | | |
| Deposits | 8,044,837 | 8,133,175 |
| Negotiable certificates of deposit | 199,419 | 218,803 |
| Call money and bills sold | 28,708 | 39,712 |
| Securities sold under repurchase agreements | 86,565 | 132,692 |
| Cash collateral received for securities lent | 723,449 | 357,275 |
| Borrowed money | 926,993 | 1,111,896 |
| Foreign exchanges | 338 | 468 |
| Bonds payable | 50,000 | 40,000 |
| Borrowed money from trust account | 12,988 | 13,397 |
| Other liabilities | 55,774 | 72,712 |
| Provision for bonuses for directors (and other officers) | 56 | 38 |
| Retirement benefit liability | 358 | 350 |
| Provision for retirement benefits for directors (and other officers) | 167 | 144 |
| Provision for reimbursement of deposits | 264 | 209 |
| Provision for contingent loss | 926 | 934 |
| Reserves under special laws | 0 | 0 |
| Deferred tax liabilities for land revaluation | 7,112 | 7,083 |
| Acceptances and guarantees | 8,527 | 8,711 |
| Total liabilities | 10,146,489 | 10,137,607 |

(Unit: Millions of yen)

| | As of Mar. 31, 2023 | As of Dec. 31, 2023 |
|---|---------------------|---------------------|
| Net assets: | | |
| Share capital | 48,652 | 48,652 |
| Capital surplus | 29,581 | 29,587 |
| Retained earnings | 429,438 | 446,050 |
| Treasury shares | (9,233) | (17,145) |
| Total shareholders' equity | 498,439 | 507,144 |
| Valuation difference on available-for-sale securities | (2,920) | 10,016 |
| Deferred gains or losses on hedges | 250 | 389 |
| Revaluation reserve for land | 13,022 | 13,007 |
| Remeasurements of defined benefit plans | 7,018 | 6,626 |
| Total accumulated other comprehensive income | 17,370 | 30,040 |
| Total net assets | 515,810 | 537,184 |
| Total liabilities and net assets | 10,662,300 | 10,674,792 |

(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, 2022 | For the nine months ended Dec.31, 2023 |
|--|---|---|
| Ordinary income | 132,698 | 156,066 |
| Interest income | 64,182 | 79,595 |
| Interest on loans and discounts | 43,050 | 50,791 |
| Interest and dividends on securities | 19,251 | 27,944 |
| Trust fees | 29 | 28 |
| Fees and commissions | 16,651 | 20,704 |
| Other ordinary income | 29,308 | 25,514 |
| Other income | 22,526 | 30,224 |
| Ordinary expenses | 102,993 | 122,156 |
| Interest expenses | 9,036 | 28,574 |
| Interest on deposits | 908 | 3,033 |
| Fees and commissions payments | 6,285 | 6,829 |
| Other ordinary expenses | 44,965 | 46,210 |
| General and administrative expenses | 39,279 | 38,858 |
| Other expenses | 3,427 | 1,683 |
| Ordinary profit | 29,705 | 33,909 |
| Extraordinary income | 1,529 | 1 |
| Gain on disposal of non-current assets | 1,529 | 1 |
| Extraordinary losses | 376 | 416 |
| Loss on disposal of non-current assets | 344 | 178 |
| Impairment losses | 32 | 237 |
| Provision of reserve for financial instruments transaction liabilities | 0 | 0 |
| Profit before income taxes | 30,857 | 33,494 |
| Income taxes - current | 6,420 | 8,173 |
| Income taxes - deferred | 2,216 | 691 |
| Total income taxes | 8,637 | 8,864 |
| Profit | 22,220 | 24,630 |
| Profit attributable to owners of parent | 22,220 | 24,630 |

Quarterly consolidated statements of comprehensive income
For the nine months ended

(Unit: Millions of yen)

| | For the nine months ended Dec.31, 2022 | For the nine months ended Dec.31, 2023 |
|--|---|---|
| Profit | 22,220 | 24,630 |
| Other comprehensive income | (61,280) | 12,684 |
| Valuation difference on available-for-sale securities | (60,960) | 12,534 |
| Deferred gains or losses on hedges | 55 | 138 |
| Remeasurements of defined benefit plans, net of tax | (404) | (391) |
| Share of other comprehensive income of entities accounted for using equity method | 29 | 403 |
| Comprehensive income | (39,060) | 37,314 |
| (Comprehensive income attributable to) | | |
| Comprehensive income attributable to owners of parent | (39,060) | 37,314 |

(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.

Supplementary Information

Financial Results for the Nine Months Ended December 31, 2023

1. Profit and Loss Conditions

- Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts amounted to 33.5 billion yen, up 2.9 billion yen year-on-year due to increases in interest on loans and discounts, non-interest business profit, etc. as well as cutting down on expenses.
- Ordinary profit amounted to 33.9 billion yen, up 4.2 billion yen year-on-year, due to an increase in gains or losses on investment securities and a decrease in net credit cost.
- As a result, profit attributable to owners of parent amounted 24.6 billion yen, up 2.4 billion yen year-on-year. Based on the performance up to the nine months, earnings forecast for FY 2023, ending Mar. 2024 has been revised upward from 28.0 billion yen to 30.0 billion yen, a record-high.

【Consolidated】

(Unit : Millions of yen)

| | | Nine months ended Dec. 31, 2023 (a) | | Nine months ended Dec. 31, 2022 (b) | FY2023 ending Mar. 31, 2024 forecast |
|---|----|-------------------------------------|-----------|-------------------------------------|--------------------------------------|
| | | | (a) - (b) | | |
| Gross business profits | 1 | 44,227 | (5,658) | 49,885 | |
| Core gross business profits (1-14) | 2 | 68,719 | (2,143) | 70,863 | 91,200 |
| Net interest income | 3 | 51,020 | (4,125) | 55,146 | 67,900 |
| Of which, Interest on loans and discounts | 4 | 50,791 | 7,740 | 43,050 | |
| Of which, Interest and dividends on securities | 5 | 27,944 | 8,693 | 19,251 | |
| Of which, gains (losses) on cancellation of investment trusts | 6 | (4,214) | (4,643) | 428 | |
| Non-interest business profit (refer to marginal table) | 7 | 17,698 | 1,981 | 15,717 | 23,300 |
| Net fees and commissions income | 8 | 13,902 | 3,506 | 10,396 | |
| Profit from other business transactions | 9 | 3,795 | (1,525) | 5,320 | |
| Expenses (excluding non-recurrent expenses) [-] | 10 | 39,349 | (430) | 39,780 | 52,700 |
| Core net business profit excluding gains (losses) on bonds (2-10) | 11 | 29,369 | (1,713) | 31,083 | 38,500 |
| Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts | 12 | 33,584 | 2,930 | 30,654 | 43,300 |
| Gains or losses on investment securities | 13 | 2,949 | 3,255 | (306) | |
| Gains (losses) on bonds | 14 | (24,492) | (3,514) | (20,978) | |
| Gains (losses) on stocks and other securities | 15 | 27,441 | 6,769 | 20,671 | |
| Net credit costs [-] | 16 | (698) | (2,670) | 1,972 | 1,800 |
| Provision of general allowance for loan losses | 17 | [(1,984)] - | 26 | (26) | |
| Disposal of non-performing loans | 18 | 292 | (1,709) | 2,001 | |
| Of which, Provision of specific allowance for loan losses | 19 | [1,003] - | (1,801) | 1,801 | |
| Reversal of allowance for loan losses | 20 | 981 | 981 | - | |
| Recoveries of written off receivables | 21 | 8 | 6 | 2 | |
| Others | 22 | 892 | (8) | 901 | |
| Ordinary profit | 23 | 33,909 | 4,204 | 29,705 | 42,000 |
| Extraordinary income (losses) | 24 | (415) | (1,568) | 1,152 | |
| Of which, gains (losses) on disposal of non-current assets | 25 | (177) | (1,362) | 1,185 | |
| Profit before income taxes | 26 | 33,494 | 2,636 | 30,857 | |
| Total income taxes [-] | 27 | 8,864 | 226 | 8,637 | |
| Profit | 28 | 24,630 | 2,409 | 22,220 | |
| Profit attributable to owners of parent | 29 | 24,630 | 2,409 | 22,220 | 30,000 progress rate 82.1% |

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)

| | | | | | |
|---------------------------------------|----|--------|-------|--------|--------|
| Non-interest business profit | 30 | 17,698 | 1,981 | 15,717 | 23,300 |
| Corporate service revenue | 31 | 4,888 | 735 | 4,152 | 7,100 |
| Deposit financial asset, etc. revenue | 32 | 5,562 | 403 | 5,158 | 7,600 |
| Others | 33 | 7,247 | 842 | 6,405 | 8,600 |

(Related items regarding consolidated companies)

(Unit : Millions of yen)

| | | | | |
|--|----|-------|-------|-------|
| Total profit of the Bank group companies | 34 | 2,112 | (559) | 2,672 |
| **Profit attributable to owners of parent - "profit(non-consolidated)" | | | | |

(Various ratio)

| | | | | |
|---|----|-------|--------|-------|
| Over head ratio(10 / 2) | 35 | 57.2% | 1.1% | 56.1% |
| excluding cancellation of investment trusts(10 / (2-6)) | 36 | 53.9% | (2.5)% | 56.4% |
| Return on equity (annualized rate) | 37 | 6.2% | 0.4% | 5.8% |

【Non-consolidated】

(Unit : Millions of yen)

| | | Nine months ended Dec. 31, 2023 (a) | | Nine months ended Dec. 31, 2022 (b) | FY2023 ending Mar. 31, 2024 forecast |
|---|----|-------------------------------------|-----------|-------------------------------------|--------------------------------------|
| | | | (a) - (b) | | |
| Gross business profits | 1 | 39,270 | (5,580) | 44,851 | |
| Core gross business profits (1-20) | 2 | 63,759 | (2,067) | 65,827 | 84,700 |
| Net interest income | 3 | 51,249 | (4,097) | 55,347 | 68,200 |
| Domestic business | 4 | 47,499 | (3,919) | 51,419 | |
| Of which, Interest on loans and discounts | 5 | 39,568 | 1,050 | 38,517 | |
| Of which, Interest and dividends on securities | 6 | 7,426 | (3,956) | 11,383 | |
| Of which, gains (losses) on cancellation of investment trusts | 7 | (4,214) | (4,643) | 428 | |
| International business | 8 | 3,749 | (178) | 3,927 | |
| Non-interest business profit | 9 | 12,510 | 2,030 | 10,479 | 16,500 |
| Net fees and commissions income | 10 | 10,828 | 2,331 | 8,496 | |
| Profit from other business transactions | 11 | 1,681 | (301) | 1,983 | |
| Expenses (excluding non-recurrent expenses) [-] | 12 | 37,955 | (401) | 38,356 | 50,800 |
| Personnel expenses | 13 | 21,013 | (272) | 21,285 | |
| Non-Personnel expenses | 14 | 14,773 | (158) | 14,931 | |
| Taxes | 15 | 2,168 | 29 | 2,138 | |
| Core net business profit excluding gains (losses) on bonds (2-12) | 16 | 25,804 | (1,666) | 27,470 | 33,900 |
| Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts | 17 | 30,018 | 2,977 | 27,041 | 38,700 |
| Real net business profit (16+20) | 18 | 1,314 | (5,179) | 6,494 | |
| Gains or losses on investment securities | 19 | 2,952 | 3,256 | (304) | |
| Gains (losses) on bonds | 20 | (24,489) | (3,513) | (20,975) | |
| Gains (losses) on stocks and other securities | 21 | 27,441 | 6,769 | 20,671 | |
| Net credit costs [-] | 22 | (1,105) | (2,991) | 1,885 | 1,300 |
| Other non-recurrent gains (losses) | 23 | 657 | 10 | 647 | |
| Ordinary profit | 24 | 30,519 | 4,592 | 25,927 | 37,500 |
| Extraordinary income (losses) | 25 | (415) | (1,615) | 1,200 | |
| Of which, gains(losses) on disposal of non-current assets | 26 | (177) | (1,362) | 1,185 | |
| Profit before income taxes | 27 | 30,104 | 2,976 | 27,128 | |
| Total income taxes [-] | 28 | 7,587 | 6 | 7,580 | |
| Profit | 29 | 22,517 | 2,969 | 19,547 | 27,000 |

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, 2023 (a) | | Nine months ended Dec. 31, 2022 (b) |
|---|----|-------------------------------------|-----------|-------------------------------------|
| | | | (a) - (b) | |
| Gains or losses on investment securities | 30 | 2,952 | 3,256 | (304) |
| Gains (losses) on bonds | 31 | (24,489) | (3,513) | (20,975) |
| Gain on sales | 32 | 1,317 | (1,902) | 3,219 |
| Gain on redemption | 33 | — | — | — |
| Loss on sales [-] | 34 | 25,376 | 1,425 | 23,950 |
| Loss on redemption [-] | 35 | 429 | 184 | 245 |
| Loss on devaluation [-] | 36 | 0 | 0 | — |
| Gains (losses) on stocks and other securities | 37 | 27,441 | 6,769 | 20,671 |
| Gain on sales | 38 | 28,737 | 6,772 | 21,964 |
| Loss on sales [-] | 39 | 1,272 | 144 | 1,127 |
| Loss on devaluation [-] | 40 | 23 | (141) | 164 |

(Reference) Net credit costs conditions

(Unit : Millions of yen)

| | | Nine months ended Dec. 31, 2023 (a) | | Nine months ended Dec. 31, 2022 (b) |
|---|----|-------------------------------------|-----------|-------------------------------------|
| | | | (a) - (b) | |
| Net credit costs (42+43-49-50) [-] | 41 | (1,105) | (2,991) | 1,885 |
| Provision of general allowance for loan losses [-] | 42 | [(1,706)] — | (216) | 216 |
| Disposal of non-performing loans [-] | 43 | 262 | (1,409) | 1,671 |
| Written-off of loans | 44 | — | — | — |
| Provision of specific allowance for loan losses | 45 | [347] — | (1,494) | 1,494 |
| Provision of accident loss | 46 | 8 | 6 | 2 |
| Losses on sales of loans | 47 | — | (4) | 4 |
| Cost born under joint responsibility system of guarantee corporations | 48 | 253 | 82 | 170 |
| Reversal of allowance for loan losses | 49 | ▶ 1,359 | 1,359 | — |
| Recoveries of written off receivables | 50 | 8 | 6 | 2 |

2. Main Account Conditions

- Loans and bills discounted amounted to 6,324.2 billion yen, up 406.1 billion yen year on year, due to general increase in loans to retail, cross-boarder loans, structured finance, large enterprises.
- Deposits and negotiable certificates of deposit amounted to 8,392.4 billion yen, up 211.0 billion yen year on year, due to steadily increases individual deposits and corporation deposits.
- Deposit financial assets amounted to 1,103.7 billion yen, up 78.4 billion yen year on year, due to increases in the balance of investment trust and life insurance.
- Unrealized gains on valuation of other securities amounted to 11.5 billion yen.

(1) Loans 【Non-consolidated】

(Unit : Billions of yen)

| | As of | (a) - (b) | (a) - (c) | As of | As of |
|--|---------------------|-----------|-----------|---------------------|---------------------|
| | Dec.31, 2023 (a) | | | Sep.30, 2023 (b) | Dec.31, 2022 (c) |
| Loans and bills discounted | 6,324.2 | 79.5 | 406.1 | 6,244.7 | 5,918.1 |
| Retail loans | 4,774.3 | 42.2 | 114.7 | 4,732.0 | 4,659.6 |
| Small and medium- sized enterprises | 2,367.0 | 29.5 | 64.4 | 2,337.4 | 2,302.5 |
| Individuals | 2,407.3 | 12.6 | 50.3 | 2,394.6 | 2,357.0 |
| Of which, housing-related loans | 2,318.5 | 10.9 | 42.9 | 2,307.6 | 2,275.5 |
| Housing loans | 1,409.2 | 10.7 | 34.8 | 1,398.4 | 1,374.4 |
| Apartment loans | 668.8 | 2.0 | 15.1 | 666.8 | 653.7 |
| Others | 240.3 | (1.9) | (7.0) | 242.2 | 247.3 |
| Of which, unsecured consumer loans | 68.5 | 1.8 | 8.6 | 66.6 | 59.8 |
| Other loans | 1,549.9 | 37.2 | 291.4 | 1,512.6 | 1,258.5 |
| cross-boarder loans and structured finance | 264.2 | 5.9 | 117.9 | 258.2 | 146.2 |
| Corporations (large and second-tier enterprises, etc.) | 1,082.8 | 20.6 | 157.0 | 1,062.2 | 925.8 |
| Public sectors | 111.0 | 7.4 | (12.9) | 103.6 | 124.0 |
| Overseas branch | 91.7 | 3.1 | 29.3 | 88.5 | 62.3 |

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)

| (cumulative total for 3 years during Medium-term business plan) | Nine months | Cumulative total | Medium-term business plan final year target cumulative total during 3 years (Apr.2022 - Mar.2025) |
|--|---|-----------------------|--|
| | ended December. 2023 (Apr.2023 - Dec.2023) | (Apr.2022 - Dec.2023) | |
| Amount of sustainable finance executed | 254.1 | 520.3 | 800.0 |

Note 1: The medium-term business plan [Innovation for "Purpose"] targets a cumulative total of 800.0 billion yen for sustainable finance during three years.

Note 2: Sustainable finance targets financing 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 | (a) - (b) | (a) - (c) | As of | As of |
|---|---------------------|-----------|-----------|---------------------|---------------------|
| | Dec.31, 2023 (a) | | | Sep.30, 2023 (b) | Dec.31, 2022 (c) |
| Deposits and negotiable certificates of deposit | 8,392.4 | 38.7 | 211.0 | 8,353.6 | 8,181.3 |
| Deposits | 8,142.1 | 45.2 | 215.3 | 8,096.9 | 7,926.8 |
| Of which, individuals | 5,767.9 | 103.8 | 120.0 | 5,664.0 | 5,647.8 |
| Of which, corporations | 1,985.3 | (30.9) | 53.4 | 2,016.3 | 1,931.9 |
| Negotiable certificates of deposit | 250.2 | (6.5) | (4.3) | 256.7 | 254.5 |

(3) Deposit financial assets 【Consolidated】

(Unit : Billions of yen)

| | As of | (a) - (b) | (a) - (c) | As of | As of |
|---|---------------------|-----------|-----------|---------------------|---------------------|
| | Dec.31, 2023 (a) | | | Sep.30, 2023 (b) | Dec.31, 2022 (c) |
| Deposit financial assets | 1,103.7 | 2.3 | 78.4 | 1,101.4 | 1,025.3 |
| (Of which, individual deposit financial assets) | 1,016.0 | 3.7 | 80.4 | 1,012.3 | 935.5 |
| Bank, non-consolidated | 859.7 | 1.3 | 73.9 | 858.4 | 785.8 |
| Investment trust | 265.6 | (1.4) | 28.5 | 267.0 | 237.0 |
| Public bonds (Government bonds, etc.) | 36.6 | (0.8) | (2.9) | 37.4 | 39.5 |
| Life insurance | 557.5 | 3.5 | 48.3 | 553.9 | 509.2 |
| Gungin Securities (including intermediation) | 244.0 | 1.0 | 4.4 | 242.9 | 239.5 |

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

(Unit : Billions of yen)

| | As of Dec.31, 2023 (a) | | | As of Sep.30, 2023 (b) | As of Dec.31, 2022 (c) | As of Dec.31,2023 balance sheet value |
|-------------------------|------------------------------|-----------|-----------|------------------------------|------------------------------|--|
| | | (a) - (b) | (a) - (c) | | | |
| Other securities | 11.5 | 19.7 | 53.3 | (8.2) | (41.8) | 2,165.8 |
| Stocks | 55.0 | (7.7) | 5.5 | 62.7 | 49.5 | 151.6 |
| Bonds | (24.0) | 12.0 | 40.2 | (36.0) | (64.2) | 1,272.1 |
| Others | (19.4) | 15.5 | 7.6 | (34.9) | (27.1) | 741.9 |
| Foreign securities | 3.2 | 15.4 | 13.3 | (12.1) | (10.1) | 502.0 |
| Investment trusts, etc. | (22.7) | 0.0 | (5.7) | (22.8) | (16.9) | 239.9 |

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 Dec.31, 2023 (a) | | | As of Sep.30, 2023 (b) | As of Dec.31, 2022 (c) |
|--|------------------------------|-----------|-----------|------------------------------|------------------------------|
| | | (a) - (b) | (a) - (c) | | |
| Bankrupt and substantially bankrupt claims | 29.7 | (1.0) | 5.9 | 30.7 | 23.8 |
| Doubtful claims | 35.9 | (1.3) | (6.8) | 37.2 | 42.7 |
| Substandard claims | 38.2 | (0.3) | (8.7) | 38.6 | 47.0 |
| Loans past due three months or more | 4.7 | 0.9 | 2.2 | 3.7 | 2.5 |
| Restructured loans | 33.5 | (1.3) | (11.0) | 34.8 | 44.5 |
| Disclosed claims under the FRL ① | 103.9 | (2.7) | (9.6) | 106.7 | 113.6 |
| Normal claims | 6,281.5 | 82.7 | 418.1 | 6,198.7 | 5,863.4 |
| Total claims ② | 6,385.4 | 80.0 | 408.4 | 6,305.4 | 5,977.0 |
| Ratio to the total claims ①/② | 1.62 % | (0.07)% | (0.28)% | 1.69 % | 1.90 % |

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 | 84.7 | (3.0) | (13.7) | 87.8 | 98.5 |
| Ratio to the total claims | 1.33 % | (0.06)% | (0.32)% | 1.39 % | 1.65 % |

4. Interest Rate Spread 【Non-consolidated】

(All branches)

(Unit : %)

| | Nine months ended Dec. 31, 2023 (a) | | | Nine months ended Dec. 31, 2022 (b) |
|--|--|-----------|------|--|
| | | (a) - (b) | | |
| Average yield on interest earning assets ① | 1.22 | 0.24 | 0.98 | |
| Average yield on loans and bills discounted | 1.10 | 0.12 | 0.98 | |
| Average yield on securities | 1.56 | 0.51 | 1.05 | |
| Average yield on interest bearing liabilities ② | 0.86 | 0.23 | 0.63 | |
| Average yield on deposits and negotiable certificates of deposit | 0.05 | 0.03 | 0.02 | |
| Average yield on external liabilities | 0.37 | 0.22 | 0.15 | |
| Average interest rate spread ①-② | 0.36 | 0.01 | 0.35 | |

(Domestic segment)

(Unit : %)

| | Nine months ended Dec. 31, 2023 (a) | | | Nine months ended Dec. 31, 2022 (b) |
|--|--|-----------|--------|--|
| | | (a) - (b) | | |
| Average yield on interest earning assets ① | 0.76 | (0.06) | 0.82 | |
| Average yield on loans and bills discounted | 0.89 | (0.02) | 0.91 | |
| Average yield on securities | 0.52 | (0.21) | 0.73 | |
| Average yield on interest bearing liabilities ② | 0.49 | (0.02) | 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 | 0.27 | (0.04) | 0.31 | |

5. Capital Ratio (International Standard)

【Consolidated】

(Unit : Billions of yen)

| | As of | | | As of Sep.30, 2023 (b) | As of Dec.31, 2022 (c) |
|-----------------------------|---------------------|-----------|-----------|------------------------------|------------------------------|
| | Dec.31, 2023 (a) | (a) - (b) | (a) - (c) | | |
| Total capital ratio | 15.01 % | 1.58 % | 3.10 % | 13.43 % | 11.91 % |
| Tier1 ratio | 13.88 % | 1.51 % | 3.19 % | 12.37 % | 10.69 % |
| Common equity Tier1 ratio | 13.88 % | 1.51 % | 3.19 % | 12.37 % | 10.69 % |
| Total capital | 547.1 | 23.1 | 49.4 | 523.9 | 497.6 |
| Tier1 capital | 505.9 | 23.1 | 59.4 | 482.8 | 446.5 |
| Common equity Tier1 capital | 505.9 | 23.1 | 59.4 | 482.8 | 446.5 |
| Risk weighted assets | 3,643.4 | (257.9) | (532.2) | 3,901.3 | 4,175.7 |
| Total required capital | 291.4 | (20.6) | (42.5) | 312.1 | 334.0 |

【Non-consolidated】

(Unit : Billions of yen)

| | As of | | | As of Sep.30, 2023 (b) | As of Dec.31, 2022 (c) |
|-----------------------------|---------------------|-----------|-----------|------------------------------|------------------------------|
| | Dec.31, 2023 (a) | (a) - (b) | (a) - (c) | | |
| Total capital ratio | 14.39 % | 1.57 % | 3.28 % | 12.82 % | 11.11 % |
| Tier1 ratio | 13.25 % | 1.49 % | 3.29 % | 11.76 % | 9.96 % |
| Common equity Tier1 ratio | 13.25 % | 1.49 % | 3.29 % | 11.76 % | 9.96 % |
| Total capital | 506.8 | 22.2 | 50.6 | 484.6 | 456.1 |
| Tier1 capital | 466.8 | 22.1 | 58.0 | 444.6 | 408.8 |
| Common equity Tier1 capital | 466.8 | 22.1 | 58.0 | 444.6 | 408.8 |
| Risk weighted assets | 3,522.0 | (258.3) | (580.9) | 3,780.3 | 4,103.0 |
| Total required capital | 281.7 | (20.6) | (46.4) | 302.4 | 328.2 |

Note 1: The Bank has early adopted the new "International convergence of capital measurement and capital standards (finalising BaselIII reforms)" from the end of Mar. 2023.

Note 2: " Total required capital " = " Risk weighted assets " × 8%

Note 3: Of the amount of "Risk weighted assets(as of Sep.30, 2023 and Dec. 31, 2023)", credit risk is calculated by the foundation internal rating-based approach, and operational risk is calculated by the standardized measurement approach "use conservative estimate for the internal loss multiplier

6. Earnings Forecasts

【Consolidated】

(Unit : Billions of yen)

| | | FY2023 ending | | | FY2023 ending Mar.31,2024 published in Nov. (b) | FY2022 ended Mar.31,2023 (c) |
|--|----|------------------------------|---------|---------|---|---------------------------------|
| | | Mar.31, 2024 forecast (a) | (a)-(b) | (a)-(c) | | |
| Core gross business profits | 1 | 91.2 | 2.9 | (1.2) | 88.3 | 92.4 |
| Net interest income | 2 | 67.9 | 2.4 | (3.5) | 65.5 | 71.4 |
| Non-interest business profit | 3 | 23.3 | 0.5 | 2.3 | 22.8 | 21.0 |
| Of which, corporate service revenue | 4 | 7.1 | 0.1 | 1.1 | 7.0 | 6.0 |
| Of which, deposit financial assets, etc. revenue | 5 | 7.6 | 0.1 | 0.8 | 7.5 | 6.8 |
| Expenses (excluding non-recurrent expenses)[-] | 6 | 52.7 | (0.3) | 0.5 | 53.0 | 52.2 |
| Core net business profit | 7 | 38.5 | 3.2 | (1.7) | 35.3 | 40.2 |
| excluding gains(losses) on bonds (1-6) | | | | | | |
| excluding gains (losses) on bonds and cancellation of investment trusts | 8 | 43.3 | 1.9 | 3.4 | 41.4 | 39.9 |
| Net credit costs [-] | 9 | 1.8 | — | 0.6 | 1.8 | 1.2 |
| Ordinary profit | 10 | 42.0 | 2.0 | 3.7 | 40.0 | 38.3 |
| Profit attributable to owners of parent | 11 | 30.0 | 2.0 | 2.1 | 28.0 | 27.9 |

【Non-consolidated】

(Unit : Billions of yen)

| | | FY2023 ending | | | FY2023 ending Mar.31,2024 published in Nov. (b) | FY2022 ended Mar.31,2023 (c) |
|--|----|------------------------------|---------|---------|---|---------------------------------|
| | | Mar.31, 2024 forecast (a) | (a)-(b) | (a)-(c) | | |
| Core gross business profits | 12 | 84.7 | 3.0 | (1.2) | 81.7 | 85.9 |
| Net interest income | 13 | 68.2 | 2.4 | (3.5) | 65.8 | 71.7 |
| Non-interest business profit | 14 | 16.5 | 0.6 | 2.3 | 15.9 | 14.2 |
| Expenses (excluding non-recurrent expenses)[-] | 15 | 50.8 | (0.2) | 0.6 | 51.0 | 50.2 |
| Core net business profit | 16 | 33.9 | 3.2 | (1.7) | 30.7 | 35.6 |
| excluding gains (losses) on bonds (12-15) | | | | | | |
| excluding gains (losses) on bonds and cancellation of investment trusts | 17 | 38.7 | 1.9 | 3.4 | 36.8 | 35.3 |
| Net credit costs [-] | 18 | 1.3 | 0.1 | 0.3 | 1.2 | 1.0 |
| Ordinary profit | 19 | 37.5 | 1.5 | 4.0 | 36.0 | 33.5 |
| Profit | 20 | 27.0 | 2.0 | 2.4 | 25.0 | 24.6 |

Note 1: Gains or losses on bonds are excluded from "Non-interest business profit".

Note 2: Earnings forecasts are based on information available at the present time. Actual results may differ from the forecasts due to various of economic situation, etc.