

February 2, 2021

# The Gunma Bank, Ltd.

Financial Results for the Third Quarter of Fiscal Year 2020, ending March 31, 2021

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: February 3, 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 or the first decimal place have been rounded down.)

## 1. Financial Highlights (from April 1, 2020 to December 31, 2020)

### (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	%
Third quarter Ended Dec.31, 2020	108,319	(2.4)	25,253	(17.9)	18,470	(15.8)
Ended Dec.31, 2019	110,967	(4.4)	30,746	(8.8)	21,939	(5.0)

Note: Comprehensive Income Third quarter ended Dec. 31, 2020: 49,541million of yen[ 51.3%]  
 Third quarter ended Dec. 31, 2019: 32,748million of yen[ — %]

	Profit per Share	Profit per Share (Diluted)
	yen	yen
Third quarter Ended Dec.31, 2020	43.98	—
Ended Dec.31, 2019	51.87	51.79

### (2) Consolidated Financial Conditions

	Total Assets	Total Net Assets	Capital Assets to Total Assets
	million of yen	million of yen	%
As of Dec.31, 2020	9,824,070	532,119	5.4
Mar.31, 2020	8,416,864	488,028	5.8

(Reference) Capital assets as of Dec. 31, 2020: 532,119 million of yen; Mar. 31, 2020: 487,741 million of yen

Note: “Capital assets to total assets” represents (“Total net assets”-“Share acquisition rights”)/ “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				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Fiscal Year-end	Total
	yen	yen	yen	yen	yen
Fiscal year Ended Mar. 31, 2020	—	6.00	—	7.00	13.00
Ending Mar. 31, 2021	—	6.00	—	—	—
Ending Mar. 31, 2021(Projection)	—	—	—	7.00	13.00

Note: Revisions of released cash dividends projections: No

## 3. Consolidated Earnings Projections for Fiscal year 2020 (from April 1, 2020 to March 31, 2021)

(%: Changes from the previous fiscal year)

	Ordinary Profit		Profit Attributable to Owners of Parent		Profit per Share
	million of yen	%	million of yen	%	yen
Fiscal year Ending Mar. 31, 2021	28,500	(9.6)	20,500	(8.0)	48.80

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.:		No
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):	Dec. 31, 2020	435,888,177 Shares
	Mar. 31, 2020	435,888,177 Shares
② Number of treasury shares:	Dec. 31, 2020	15,547,657 Shares
	Mar. 31, 2020	16,375,803 Shares
③ Average number of issued shares :	Nine months ended Dec. 31, 2020	420,005,145 Shares
	Nine months ended Dec. 31, 2019	422,942,603 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.

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## 1. Qualitative Information

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

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

Ordinary income amounted to 108,319 million of yen, a decrease of 2,647 million of yen year on year, mainly due to decreases in interest income.

Ordinary expenses amounted to 83,065 million of yen, an increase of 2,845 million of yen year on year, mainly due to increases in other expenses such as net transfer to allowance for loan losses.

As a result, ordinary profit amounted to 25,253 million of yen, a decrease of 5,493 million of yen year on year.

Besides, profit attributable to owners of parent amounted to 18,470 million of yen, a decrease of 3,468 million of yen year on year.

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

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

Total assets increased by 1,407.2 billion of yen to 9,824.0 billion of yen during the period under review, whereas total liabilities increased by 1,363.1 billion of yen to 9,291.9 billion of yen during the period under review.

Also, net assets increased by 44.0 billion of yen to 532.1 billion of yen during the period under review.

As for the main accounts, loans and bills discounted increased by 169.4 billion of yen to 5,712.6 billion of yen during the period under review.

Securities increased by 376.4 billion of yen to 2,165.8 billion of yen during the period under review.

Deposits increased by 479.5 billion of yen to 7,519.6 billion of yen during the period under review.

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

Consolidated business forecast for the fiscal year ending March 31, 2021 remains unchanged from the figures announced on May 11, 2020.

\* The above earnings forecast is based on information available at the present time. Therefore, actual results may differ significantly from the forecast due to various factors.

In case the earnings forecast needs to be revised in the future due to the COVID-19 situation or other events, the Bank will promptly make a public announcement.

## 2. Quarterly Consolidated Financial Statements and Notes

## (1) Quarterly Consolidated Balance Sheets

(Unit: million of yen)

	As of March 31, 2020	As of December 31, 2020
<b>Assets:</b>		
Cash and due from banks	845,309	1,747,608
Monetary claims bought	9,113	6,199
Trading account securities	1,722	825
Money held in trust	6,778	10,168
Securities	1,789,364	2,165,841
Loans and bills discounted	5,543,176	5,712,626
Foreign exchanges	17,872	12,536
Lease receivables and investments in leases	58,925	58,770
Other assets	93,309	70,584
Tangible fixed assets	68,354	67,951
Intangible fixed assets	9,760	9,522
Retirement benefit asset	251	428
Deferred tax assets	8,552	1,415
Customers' liabilities for acceptances and guarantees	9,790	10,144
Allowance for loan losses	(45,418)	(50,552)
<b>Total assets</b>	<b>8,416,864</b>	<b>9,824,070</b>
<b>Liabilities:</b>		
Deposits	7,040,108	7,519,676
Negotiable certificates of deposit	164,214	224,040
Payables under repurchase agreements	18,402	10,113
Payables under securities lending transactions	91,131	155,067
Borrowed money	481,744	1,237,730
Foreign exchanges	381	185
Bonds payable	50,000	50,000
Borrowed money from trust account	4,899	8,138
Other liabilities	47,657	52,101
Provision for bonuses for directors (and other officers)	61	44
Retirement benefit liability	10,521	9,829
Provision for retirement benefits for directors (and other officers)	288	254
Provision for reimbursement of deposits	682	582
Provision for point card certificates	140	145
Provision for contingent loss	947	938
Reserves under special laws	0	0
Deferred tax liabilities	14	5,106
Deferred tax liabilities for land revaluation	7,851	7,851
Acceptances and guarantees	9,790	10,144
<b>Total liabilities</b>	<b>7,928,835</b>	<b>9,291,951</b>
<b>Net assets:</b>		
Capital stock	48,652	48,652
Capital surplus	29,581	29,581
Retained earnings	383,452	396,288
Treasury shares	(9,309)	(8,838)
Total shareholders' equity	452,377	465,684
Valuation difference on available-for-sale securities	31,427	61,523
Deferred gains or losses on hedges	(330)	(221)
Revaluation reserve for land	13,778	13,778
Foreign currency translation adjustment	29	(98)
Remeasurements of defined benefit plans	(9,541)	(8,547)
Total accumulated other comprehensive income	35,363	66,435
Share acquisition rights	287	-
<b>Total net assets</b>	<b>488,028</b>	<b>532,119</b>
<b>Total liabilities and net assets</b>	<b>8,416,864</b>	<b>9,824,070</b>

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

## Quarterly Consolidated Statements of Income

For the nine months ended

(Unit: million of yen)

	For the nine months ended Dec.31, 2019	For the nine months ended Dec.31, 2020
<b>Ordinary income</b>	110,967	108,319
Interest income	58,923	53,783
Of which, Interest on loans and discounts	42,976	40,572
Of which, Interest and dividends on securities	15,196	12,465
Trust fees	30	40
Fees and commissions	15,273	15,643
Other ordinary income	27,813	28,965
Other income	8,927	9,886
<b>Ordinary expenses</b>	80,220	83,065
Interest expenses	5,017	1,970
Of which, Interest on deposits	1,060	356
Fees and commissions payments	6,124	6,157
Other ordinary expenses	21,157	22,275
General and administrative expenses	43,055	43,531
Other expenses	4,865	9,130
<b>Ordinary profit</b>	30,746	25,253
Extraordinary income	0	278
Gain on disposal of non – current assets	0	4
Gain on reversal of share acquisition rights	–	274
Extraordinary losses	321	152
Loss on disposal of non – current assets	146	64
Impairment loss	174	87
Provision of reserve for financial instruments transaction liabilities	0	0
Profit before income taxes	30,425	25,379
Income taxes – current	7,638	8,218
Income taxes – deferred	769	(1,309)
Total income taxes	8,407	6,909
<b>Profit</b>	22,018	18,470
Profit attributable to non – controlling interests	79	–
<b>Profit attributable to owners of parent</b>	21,939	18,470

## Quarterly Consolidated Statements of Comprehensive Income

For the nine months ended

(Unit: million of yen)

	For the nine months ended Dec.31, 2019	For the nine months ended Dec.31, 2020
<b>Profit</b>	22,018	18,470
Other comprehensive income	10,729	31,071
Valuation difference on available – for – sale securities	10,633	29,787
Deferred gains or losses on hedges	(59)	108
Foreign currency translation adjustment	(123)	(127)
Remeasurements of defined benefit plans, net of tax	85	994
Share of other comprehensive income of entities accounted for using equity method	194	308
<b>Comprehensive income</b>	32,748	49,541
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	32,571	49,541
Comprehensive income attributable to non – controlling interests	176	–

## (3) Notes on Going Concern Assumption

Not applicable.

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

Not applicable.

**(5) Additional Information**

(The impact on economic activities due to the spread of COVID – 19)

The impact on economic activities due to the spread of COVID – 19 was significant in the first half of the consolidated fiscal year under review, but the trend of economic activity could be seen recovery in this third quarter.

Though uncertainty of economic conditions has been currently increasing due to resurgence of the spread, The Gunma Bank, Ltd. ("the Bank") assumes that economic conditions will gradually recover.

Even though the Bank recognizes that the impact of the infectious disease on business result and finance of debtors is still significant, the Bank estimates allowance for loan losses assuming that loan losses will not increase significantly thanks to economic measures by the government and local public organization as well as financing support from financial institutions.

Since it is still uncertain when the spread of this infectious disease will subside, there may be a significant effect on loan losses after the fourth quarter of the consolidated fiscal year under review due to its impact on economic activities.

There has been no significant change in assumptions on the impact of COVID – 19 as noted in "Additional Information" in the previous securities report.

(Measures for transferring share acquisition rights that have already been granted as Stock Remuneration – type Stock Option)

As for stock – based remuneration for Directors who are not outside directors (hereinafter referred to "Eligible Directors"), the Bank introduced a "Restricted Stock Remuneration Plan" and "Performance – linked Stock Remuneration Plan" in place of the "Stock Remuneration – type Stock Option Plan" in order to enhance the link with stock values and business performance after approval at the 134th Annual General Meeting of Stockholders held on June 2019.

Accordingly, the Eligible Directors waived their unexercised share acquisition rights that had been granted by the Bank under the previous Stock Remuneration – type Stock Option Plan to allow the Bank to acquire the share acquisition rights without compensation. Instead, the Eligible Directors were granted restricted stock in the same number as the shares subject to share acquisition rights. The same transition measures were taken for Executive Officers, etc.

In regard to the above, the Bank recorded a "Gain on reversal of share acquisition rights" of 274 million of yen as extraordinary income related to the renounced rights to acquire shares and 183 million of yen as general and administrative expenses related to restricted stock granted to the Eligible Directors in the third quarter of the consolidated fiscal year under review.

## Supplementary Information

Financial Results for the Third Quarter of Fiscal Year 2020, ending March 31, 2021

## 1. Profit and Loss Conditions

- Consolidated ordinary profit amounted to 25.2 billion of yen, and profit attributable to owners of the parent company amounted to 18.4 billion of yen. Accordingly, the achievement rates for the annual performance were 88.6% and 90.0%, respectively.
- Non-consolidated profit from the core net business profit excluding gains (losses) on bonds amounted to 20.5 billion of yen, up 0.3 billion of yen year on year due to an increase in net fees and commissions income, and a decrease in expenses regardless of a decrease in net interest income.
- Ordinary profit amounted to 23.2 billion of yen, down 2.7 billion of yen year on year due to increases in net credit costs and retirement benefit costs regardless of an increase in Gains (losses) on stocks and other securities.
- Profit amounted to 17.3 billion of yen, down 1.0 billion of yen year on year.

## 【Consolidated】

(Unit : million of yen)

		For the nine months ended Dec.31, 2020		For the nine months ended Dec.31, 2019	For the year ended March 31, 2021	
		(a)	(a) - (b)		Projection	Achievement rate (%)
Core gross business profits	1	65,187	(1,212)	66,400		
Net interest income	2	51,812	(2,093)	53,905		
Non-interest business profit	3	13,375	880	12,495		
Expenses (excluding non-recurrent expenses) [-]	4	42,027	(837)	42,865		
Ordinary profit	5	25,253	(5,493)	30,746	28,500	88.6
Profit attributable to owners of parent	6	18,470	(3,468)	21,939	20,500	90.0

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

## 【Non-consolidated】

(Unit : million of yen)

		For the nine months ended Dec.31, 2020		For the nine months ended Dec.31, 2019	For the year ended March 31, 2021	
		(a)	(a) - (b)		Projection	Achievement rate (%)
Core gross business profits	7	61,268	(550)	61,819		
Net interest income	8	53,048	(953)	54,001		
Of which, Interest on loans and discounts	9	40,759	(2,359)	43,118		
Of which, Interest and dividends on securities	10	13,521	(1,582)	15,104		
Of which, gains (losses) on cancellation of investment trusts	11	1,457	132	1,324		
Net fees and commissions income	12	7,726	494	7,232		
Profit from other business transactions	13	493	(92)	585		
Expenses (excluding non-recurrent expenses) [-]	14	40,674	(926)	41,600		
Personnel expenses	15	22,366	(18)	22,385		
Non-Personnel expenses	16	15,865	(889)	16,754		
Taxes	17	2,442	(18)	2,461		
Core net business profit excluding gains (losses) on bonds (7-14)	18	20,594	375	20,218	25,000	82.3
Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts	19	19,136	242	18,893		
Core net business profit (18+22)	20	23,436	(122)	23,558		
Gains or losses on investment securities conditions	21	10,690	2,430	8,260		
Gains (losses) on bonds	22	2,842	(497)	3,340		
Gains (losses) on stocks and other securities	23	7,848	2,928	4,920		
Net credit costs [-]	24	6,589	4,192	2,396		
Other non-recurrent gains (losses)	25	(1,448)	(1,326)	(122)		
Retirement benefit costs [-]	26	1,430	1,307	122		
Ordinary profit	27	23,247	(2,712)	25,959	25,000	92.9
Extraordinary income (losses)	28	126	447	(320)		
Profit before income taxes	29	23,373	(2,265)	25,639		
Total income taxes [-]	30	5,975	(1,170)	7,146		
Income taxes - current	31	7,196	815	6,380		
Income taxes - deferred	32	(1,220)	(1,986)	765		
Profit	33	17,398	(1,094)	18,492	18,000	96.6

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



**(Reference I ) Consolidated Profit and Loss Conditions**

(Unit: million of yen)

		For the nine months ended Dec.31, 2020 (a)	(a) - (b)	For the nine months ended Dec.31, 2019 (b)
Core gross business profits	1	65,187	(1,212)	66,400
Net interest income	2	51,812	(2,093)	53,905
Non-interest business profit	3	13,375	880	12,495
Net fees and commissions income	4	9,526	347	9,179
Profit from other business transactions	5	3,848	532	3,315
Expenses (excluding non-recurrent expenses)	[-] 6	42,027	(837)	42,865
Gains or losses on investment securities conditions	7	10,681	540	10,140
Gains (losses) on bonds	8	2,841	(498)	3,340
Gains (losses) on stocks and other securities	9	7,840	1,039	6,800
Net credit costs	[-] 10	7,249	4,303	2,946
Others	11	(1,339)	(1,355)	16
Ordinary profit	12	25,253	(5,493)	30,746
Extraordinary income (losses)	13	125	446	(320)
Profit before income taxes	14	25,379	(5,046)	30,425
Total income taxes	[-] 15	6,909	(1,498)	8,407
Income taxes - current	16	8,218	580	7,638
Income taxes - deferred	17	(1,309)	(2,079)	769
Profit	18	18,470	(3,547)	22,018
Profit attributable to non-controlling interests	[-] 19	—	(79)	79
Profit attributable to owners of parent	20	18,470	(3,468)	21,939

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

**(Reference II ) Gains or Losses on Investment Securities Conditions (Non-consolidated)**

(Unit: million of yen)

		For the nine months ended Dec.31, 2020 (a)	(a) - (b)	For the nine months ended Dec.31, 2019 (b)
Gains (losses) on bonds	21	2,842	(497)	3,340
Gains on sales	22	3,219	(85)	3,305
Gains on redemption	23	29	(9)	39
Losses on sales	[-] 24	401	401	—
Losses on redemption	[-] 25	—	—	—
Losses on devaluation	[-] 26	6	1	5
Gains (losses) on stocks and other securities	27	7,848	2,928	4,920
Gains on sales	28	9,336	2,895	6,440
Losses on sales	[-] 29	1,467	231	1,235
Losses on devaluation	[-] 30	20	(264)	285

**(Reference III ) Credit Costs Conditions (Non-consolidated)**

(Unit: million of yen)

		For the nine months ended Dec.31, 2020 (a)	(a) - (b)	For the nine months ended Dec.31, 2019 (b)
Net transfer to general allowance for loan losses	[-] 31	4,742	6,047	(1,304)
Disposal of non-performing loans	[-] 32	1,848	(1,856)	3,704
Written-off of loans	33	—	—	—
Net transfer to specific allowance for loan losses	34	1,535	(1,432)	2,968
Net transfer to accident loss	35	(8)	13	(22)
Losses on sales of loans	36	30	(477)	508
Cost born under joint responsibility system of guarantee corporations	37	290	40	250
Recoveries of written off claims	38	2	(1)	3
Net credit costs (31+32-38)	[-] 39	6,589	4,192	2,396

## 2. Main Account

### (1) Loans (Non-consolidated)

■ Loans and bills discounted amounted to 5,773.3 billion of yen, up 191.6 billion of yen year on year due to increases in loans to small and medium – sized enterprises, etc.

(Unit : billion of yen)

	As of Dec.31, 2020 (a)			As of Sep.30, 2020 (b)	As of Dec.31, 2019 (c)
		(a) – (b)	(a) – (c)		
Loans and bills discounted	5,773.3	70.9	191.6	5,702.3	5,581.7
Retail loans	4,638.4	0.2	102.5	4,638.2	4,535.8
Small and medium– sized enterprises	2,328.0	(2.6)	99.5	2,330.6	2,228.5
Individuals	2,310.3	2.8	3.0	2,307.5	2,307.3
Of which, Housing-related loans	2,232.2	3.0	4.7	2,229.1	2,227.4
Housing loans	1,322.4	7.4	8.3	1,314.9	1,314.0
Apartment loans	647.9	(1.7)	5.2	649.7	642.6
Others	261.8	(2.5)	(8.9)	264.4	270.7
Other loans	1,134.8	70.7	89.0	1,064.1	1,045.8
Corporations	814.5	(6.3)	24.8	820.8	789.6
Public sectors	167.6	83.1	78.1	84.5	89.5
Overseas branch and Non-residents	152.6	(6.0)	(13.9)	158.7	166.6

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 7,782.2 billion of yen, up 547.3 billion of yen year on year due to increases in individuals deposits, etc.

(Unit : billion of yen)

	As of Dec.31, 2020 (a)			As of Sep.30, 2020 (b)	As of Dec.31, 2019 (c)
		(a) – (b)	(a) – (c)		
Deposits and Negotiable certificates of deposit	7,782.2	161.9	547.3	7,620.2	7,234.9
Deposits	7,530.0	166.0	591.9	7,364.0	6,938.1
Of which, Individuals	5,378.7	125.6	277.4	5,253.0	5,101.3
Negotiable certificates of deposit	252.1	(4.0)	(44.5)	256.1	296.7

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

■ Deposit financial assets amounted to 910.8 billion of yen, up 17.9 billion of yen year on year mainly due to an increase in the balance owned by Gungin Securities.

(Unit : billion of yen)

	As of Dec.31, 2020 (a)			As of Sep.30, 2020 (b)	As of Dec.31, 2019 (c)
		(a) – (b)	(a) – (c)		
Deposit financial assets	910.8	14.7	17.9	896.1	892.8
Individuals	847.8	13.2	11.0	834.5	836.7
Investment trust	230.1	5.9	(7.1)	224.2	237.3
Public bonds (Government bonds, etc.)	36.9	(2.2)	(4.7)	39.1	41.6
Life insurance	470.2	0.3	(2.4)	469.8	472.6
Gungin Securities (including intermediation)	110.4	9.1	25.3	101.3	85.0
Corporations, etc.	63.0	1.4	6.8	61.5	56.1
Bank, non-consolidated	14.6	(1.1)	(2.2)	15.8	16.9
Gungin Securities (including intermediation)	48.3	2.6	9.1	45.6	39.1

**(4) Gains and Losses on Valuation of Other Securities (Non-consolidated)**

■ Gains and losses on valuation of other securities amounted to 86.5 billion of yen , a decrease of 39.4 billion of yen year on year.

(Unit : billion of yen)

	As of Dec.31, 2020 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2020 (b)	As of Dec.31, 2019 (c)
Other securities	86.5	15.4	(39.4)	71.0	125.9
Stocks	71.5	8.7	(22.7)	62.7	94.2
Bonds	7.7	0.1	(4.2)	7.5	11.9
Foreign securities	6.3	1.7	1.6	4.6	4.7
Investment trusts, etc.	0.9	4.8	(14.1)	(3.9)	15.0

**3. Disclosed Claims under the Financial Reconstruction Law (Non-consolidated)**

■ Non-performing loan ratio is 1.96%. Assuming that the partial direct write off is applied to the remaining debt, the ratio would be 1.64%.

(Unit : billion of yen)

	As of Dec.31, 2020 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2020 (b)	As of Dec.31, 2019 (c)
Bankrupt and Substantially Bankrupt Claims	28.1	(0.1)	(0.8)	28.2	28.9
Doubtful Claims	39.7	0.4	2.2	39.3	37.5
Substandard Claims	47.0	0.7	5.1	46.2	41.8
Disclosed claims under the Financial Reconstructoin Law ( i )	114.9	1.1	6.6	113.7	108.2
Normal Claims	5,732.3	53.0	183.1	5,679.2	5,549.1
Toltal Claims ( ii )	5,847.2	54.1	189.8	5,793.0	5,657.4
Non-performing loan ratio ( i ) / ( ii )	1.96 %	— %	0.05 %	1.96 %	1.91 %

Note: The Gunma Bank, Limited does not apply partial direct written-off.

The below figures are presented if The Gunma Bank, Limited had applied the partial direct written-off

(Unit : billion of yen)

Disclosed claims under the Financial Reconstructoin Law	95.7	1.4	5.7	94.2	89.9
Non-performing loan ratio	1.64 %	0.01 %	0.05 %	1.63 %	1.59 %

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

■ Quarterly interest rate spread on loans and bills discounted to domestic customers was 0.94%, the same level as in the second quarter of the fiscal year under review.

(Quarterly interest rate spread)

(Unit : %)

	For the year ended March 31, 2020				For the year ended March 31, 2021		
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
Average yield on loans and bills discounted	0.98	0.96	0.96	0.95	0.94	0.94	0.94
Average yield on securities	1.26	0.89	1.15	0.03	1.17	0.56	0.73
Average yield on deposits and negotiable certificates of deposit	0.00	0.00	0.00	0.00	0.00	0.00	0.00