

The Gunma Bank, Ltd.

Financial Results for Fiscal Year 2020, ended 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
 Date of General Meeting of Shareholders: June 24, 2021 (scheduled)
 Payment Date of Cash Dividends: June 25, 2021 (scheduled)
 Securities Report Issuing Date: June 24, 2021 (scheduled)
 Trading Accounts: No
 Supplementary Materials : Attached
 IR Conference : Scheduled (for investors)

(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 March 31, 2021)

(1) Consolidated Operating Results

(%:Changes from previous fiscal year)

	Ordinary Income		Ordinary Profit		Profit Attributable to Owners of Parent	
Fiscal Year	million of yen	%	million of yen	%	million of yen	%
Ended Mar. 31, 2021	143,316	0.2	20,082	(36.3)	13,501	(39.4)
Ended Mar. 31, 2020	143,069	(3.8)	31,523	(11.9)	22,280	(4.5)

(Note) Comprehensive Income Fiscal Year 2020: 65,515 million of yen[-%] Fiscal Year 2019: (30,146) million of yen[-%]

	Profit per Share	Profit per Share (Diluted)	Return on Capital Assets	Ordinary Profit on Total Assets	Ordinary Profit on Ordinary Income
Fiscal Year	yen	yen	%	%	%
Ended Mar. 31, 2021	32.14	-	2.6	0.2	14.0
Ended Mar. 31, 2020	52.79	52.70	4.4	0.4	22.0

(Reference) Share of loss (profit) of entities accounted for using equity method

Fiscal Year 2020: 131 million of yen

Fiscal Year 2019: 160 million of yen

(2) Consolidated Financial Conditions

	Total Assets	Total Net Assets	Capital Assets to Total Assets	Net Assets per Share
Fiscal Year	million of yen	million of yen	%	yen
Ended Mar. 31, 2021	10,615,756	548,093	5.2	1,303.93
Ended Mar. 31, 2020	8,416,864	488,028	5.8	1,162.64

(Reference) Capital assets Fiscal Year 2020: 548,093 million of yen Fiscal Year 2019: 487,741 million of yen

(Note) "Capital Assets to Total Assets" represents ("Total Net Assets" - "Share acquisition rights") / "Total Assets" at fiscal year-end.
 "Capital Assets to Total Assets" stated above was not calculated based on the public notice of "Capital Assets to Total Assets"

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at year-end
Fiscal Year	million of yen	million of yen	million of yen	million of yen
Ended Mar. 31, 2021	1,987,175	(498,369)	(5,161)	2,324,903
Ended Mar. 31, 2020	316,974	(207,917)	(15,676)	841,386

2. Cash Dividends for Shareholders

	Annual Cash Dividends Per Share					Total Dividends (Annual)	Dividend Payout Ratio (Consolidated)	Ratio of Dividends to Total net assets (Consolidated)
	1Q-end	2Q-end	3Q-end	FY-end	Total			
Fiscal Year	yen	yen	yen	yen	yen	million of yen	%	%
Ended Mar. 31, 2020	-	6.00	-	7.00	13.00	5,453	24.6	1.1
Ended Mar. 31, 2021	-	6.00	-	7.00	13.00	5,464	40.4	1.0
Ending Mar. 31, 2022(Projection)	-	7.00	-	7.00	14.00		24.5	

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

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

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

Notes

(1) Material changes in consolidated subsidiaries during the period

(changes in specific subsidiaries accompanied by changes in scope of consolidation): No

(2) 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

(3) Number of issued shares (common stock)

① Number of issued shares (including treasury shares):	Mar. 31, 2021	435,888,177 Shares
	Mar. 31, 2020	435,888,177 Shares
② Number of treasury shares:	Mar. 31, 2021	15,548,367 Shares
	Mar. 31, 2020	16,375,803 Shares
③ Average number of issued shares:	Fiscal Year 2020	420,087,757 Shares
	Fiscal Year 2019	422,087,631 Shares

(Reference) Non – consolidated Financial Highlights

1. Financial Highlights (from April 1, 2020 to March 31, 2021)

(1) Non – consolidated Operating Results

(%:Changes from previous fiscal year)

	Ordinary Income		Ordinary Profit		Profit	
Fiscal Year	million of yen	%	million of yen	%	million of yen	%
Ended Mar. 31, 2021	109,020	2.0	16,890	(33.5)	11,680	(34.8)
Ended Mar. 31, 2020	106,907	(10.2)	25,386	(20.6)	17,918	(14.6)

	Profit per Share	Profit per Share (Diluted)
Fiscal Year	yen	yen
Ended Mar. 31, 2021	27.81	–
Ended Mar. 31, 2020	42.45	42.39

(2) Non – consolidated Financial Conditions

	Total Assets	Total Net Assets	Capital Assets to Total Assets	Total Net Assets per Share
Fiscal Year	million of yen	million of yen	%	yen
Ended Mar. 31, 2021	10,598,742	517,066	4.9	1,230.11
Ended Mar. 31, 2020	8,403,185	471,068	5.6	1,122.21

(Reference) Capital assets Fiscal Year 2020: 517,066 million of yen Fiscal Year 2019: 470,781 million of yen

(Note) “Capital Assets to Total Assets” represents (“Total Net Assets”–“Share acquisition rights”)/ “Total Assets” at fiscal year-end.

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

2. Non – consolidated Earnings Projections for Fiscal Year 2021 (from April 1, 2021 to March 31, 2022)

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

	Ordinary Profit		Profit		Profit per Share
	million of yen	%	million of yen	%	yen
Six Months ending Sep. 30, 2021	15,000	2.6	10,500	(4.4)	24.98
Fiscal Year ending Mar. 31, 2022	31,000	83.5	21,500	84.1	51.15

This report is out of the scope of the audit 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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Supplementary Information

1. Operating Results

(1) Analysis of Operating Results

Operating results for the consolidated fiscal year were as follows.

Ordinary income amounted to 143,316 million of yen, an increase of 246 million of yen compared with the previous fiscal year, mainly due to increases in other income such as gain on sale of equity securities, although interest income decreased.

Ordinary expenses amounted to 123,233 million of yen, an increase of 11,687 million of yen compared with the previous fiscal year, mainly due to increases in other expenses such as net transfer to allowance for loan losses, although interest expenses decreased.

As a result, ordinary profit amounted to 20,082 million of yen, a decrease of 11,440 million of yen compared with the previous fiscal year. Also, profit attributable to owners of parent amounted to 13,501 million of yen, a decrease of 8,779 million of yen compared with the previous fiscal year.

(2) Analysis of Financial Conditions

The financial status as of the end of the consolidated fiscal year was as follows.

Total assets increased by 2,198.8 billion of yen to 10,615.7 billion of yen during the period, whereas total liabilities increased by 2,138.8 billion of yen to 10,067.6 billion of yen during the period.

Also, net assets increased by 60.0 billion of yen to 548.0 billion of yen during the period.

As for the main accounts, loans and bills discounted increased by 145.6 billion of yen to 5,688.8 billion of yen during the period.

Securities increased by 613.0 billion of yen to 2,402.4 billion of yen during the period.

Deposits increased by 701.5 billion of yen to 7,741.6 billion of yen during the period.

(3) Analysis of Cash Flows

The cash flow status for the consolidated fiscal year was as follows.

The cash flow from operating activities was a net inflow of 1,987.1 billion of yen during the period, mainly due to increases in borrowed money and deposits.

The cash flow from investing activities was a net outflow of 498.3 billion of yen during the period, mainly due to purchase of securities.

The cash flow from financing activities was a net outflow of 5.1 billion of yen during the period, mainly due to dividends paid.

As a result, cash and cash equivalents at end of period increased by 1,483.5 billion of yen to 2,324.9 billion of yen during the period.

(4) Projections for Fiscal Year 2021, ending March 31, 2022

The Gunma Bank, Ltd. ("the Bank") is entering the last year of Mid - Term Business Plan, "Innovation New Dimension - Toward delivering value," launched in 2019. Through this plan, the Bank is working on initiatives aimed at drastically changing profit structure and building a strong management structure that allows the Bank to continue to support customers in the regional community. The Bank's earnings forecast for the fiscal year ending March 31, 2022 is as follows, mainly due to decreases in net credit costs.

(Unit : billion of yen)

	FY2021 ending Mar.31, 2022 【Consolidated】	Compared with FY2020 ended Mar.31, 2021	FY2021 ending Mar.31, 2022 【Non - Consolidated】	Compared with FY2020 ended Mar.31, 2021
Ordinary profit	35.0	15.0	31.0	14.2
(Attributable to owners of parent) Profit	24.0	10.5	21.5	9.9

(Note) The earnings forecast is based on information available at the present time. However, there is uncertainty in the outlook regarding when the novel coronavirus (COVID-19) pandemic will be contained, and the Bank recognizes that there may be an additional impact on the future results of the Bank Group. The Bank will continue to carefully examine the impact on the Bank Group, and in case the earnings forecast needs to be revised in the future, the Bank will promptly make a public announcement.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Periods

With respect to shareholder returns, the Bank is working to strengthen the financial structure and, under the basic policy of continuing to provide stable cash dividends, return performance – linked profits to shareholders. For the time being, the Bank is setting a target of 40% of the non – consolidated profit for the ratio of total payout to shareholders combining cash dividend payments and the acquisition cost of treasury shares. The Bank plans to pay 13 yen (6 yen as the interim cash dividend, 7 yen as the year – end cash dividend: total cash dividend payment of 5.4 billion of yen) cash dividends per share for the current period, which is the same level as last year, in light of the basic policy of continuing to provide stable cash dividends.

The ratio of total payment to shareholders combining cash dividend payments and the acquisition cost of treasury shares will be 46.7%.

The Bank also plans to distribute profits in the next period by adding 1 yen to the fixed amount of cash dividend based on the Bank shareholder return policy. Note that an annual cash dividend is projected to be 14 yen per share (7 yen as the interim cash dividend, 7 yen as the year – end cash dividend).

	FY2020 ended Sep.30, 2020	FY2020 ended Mar.31,2021	FY2021 ending Sep.30, 2021	FY2021 ending Mar.31,2022
Annual Cash dividends per share	6.00 yen	13.00 yen	7.00 yen	14.00 yen

2. Basic Approach to the Selection of Accounting Standards

In consideration for adapting to the International Financial Reporting Standards ("IFRS"), the Bank intend to respond appropriately in light of the environment surrounding the Bank and trends of other banks.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Unit: million of yen)

	As of Mar. 31, 2020	As of Mar. 31, 2021
Assets:		
Cash and due from banks	845,309	2,326,681
Monetary claims bought	9,113	5,621
Trading securities	1,722	823
Money held in trust	6,778	11,268
Securities	1,789,364	2,402,460
Loans and bills discounted	5,543,176	5,688,847
Foreign exchanges	17,872	14,947
Lease receivables and investments in leases	58,925	59,528
Other assets	93,309	71,348
Tangible fixed assets	68,354	69,463
Buildings, net	18,095	18,812
Land	41,834	41,600
Leased assets, net	749	664
Construction in progress	1,312	2,786
Other tangible fixed assets	6,363	5,600
Intangible fixed assets	9,760	9,956
Software	9,249	9,444
Other intangible fixed assets	511	512
Retirement benefit asset	251	6,631
Deferred tax assets	8,552	1,571
Customers' liabilities for acceptances and guarantees	9,790	9,632
Allowance for loan losses	(45,418)	(63,028)
Total assets	8,416,864	10,615,756
Liabilities:		
Deposits	7,040,108	7,741,661
Negotiable certificates of deposit	164,214	167,674
Call money and bills sold	–	37,087
Securities sold under repurchase agreements	18,402	4,992
Cash collateral received for securities lent	91,131	669,024
Borrowed money	481,744	1,291,081
Foreign exchanges	381	162
Bonds payable	50,000	50,000
Borrowed money from trust account	4,899	8,953
Other liabilities	47,657	66,683
Provision for bonuses for directors (and other officers)	61	56
Retirement benefit liability	10,521	368
Provision for retirement benefits for directors (and other officers)	288	244
Provision for reimbursement of deposits	682	533
Provision for point card certificates	140	144
Provision for contingent loss	947	900
Reserves under special laws	0	0
Deferred tax liabilities	14	10,636
Deferred tax liabilities for land revaluation	7,851	7,823
Acceptances and guarantees	9,790	9,632
Total liabilities	7,928,835	10,067,663

(Unit: million of yen)

	As of Mar. 31, 2020	As of Mar. 31, 2021
Net assets:		
Share capital	48,652	48,652
Capital surplus	29,581	29,581
Retained earnings	383,452	391,382
Treasury shares	(9,309)	(8,838)
Total shareholders' equity	452,377	460,778
Valuation difference on available-for-sale securities	31,427	71,541
Deferred gains or losses on hedges	(330)	(231)
Revaluation reserve for land	13,778	13,715
Foreign currency translation adjustment	29	(98)
Remeasurements of defined benefit plans	(9,541)	2,387
Total accumulated other comprehensive income	35,363	87,314
Share acquisition rights	287	-
Total net assets	488,028	548,093
Total liabilities and net assets	8,416,864	10,615,756

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

(Unit: million of yen)

	FY2019 ended Mar. 31, 2020	FY2020 ended Mar. 31, 2021
Ordinary income	143,069	143,316
Interest income	74,017	69,790
Interest on loans and discounts	56,904	54,034
Interest and dividends on securities	16,094	14,596
Interest on call loans and bills bought	15	(12)
Interest on deposits with banks	99	368
Other interest income	902	802
Trust fees	36	53
Fees and commissions	20,554	21,379
Other ordinary income	37,024	38,152
Other income	11,437	13,941
Recoveries of written off receivables	4	2
Other	11,433	13,938
Ordinary expenses	111,545	123,233
Interest expenses	6,437	2,530
Interest on deposits	1,348	451
Interest on negotiable certificates of deposit	952	224
Interest on call money and bills sold	0	(8)
Interest expenses on securities sold under repurchase agreements	317	64
Interest expenses on cash collateral received for securities lent	351	242
Interest on borrowings and rediscounts	545	248
Interest on bonds	187	214
Other interest expenses	2,734	1,094
Fees and commissions payments	8,131	8,208
Other ordinary expenses	31,821	29,020
General and administrative expenses	56,438	57,461
Other expenses	8,716	26,011
Provision of allowance for loan losses	3,679	21,888
Other	5,036	4,123
Ordinary profit	31,523	20,082
Extraordinary income	0	278
Gain on disposal of non – current assets	0	4
Gain on reversal of share acquisition rights	–	274
Extraordinary losses	694	552
Loss on disposal of non – current assets	212	270
Impairment losses	482	282
Provision of reserve for financial instruments transaction liabilities	0	0
Profit before income taxes	30,829	19,808
Income taxes – current	8,392	11,436
Income taxes – deferred	76	(5,128)
Total income taxes	8,469	6,307
Profit	22,360	13,501
Profit attributable to non – controlling interests	79	–
Profit attributable to owners of parent	22,280	13,501

Consolidated Statements of Comprehensive Income

(Unit: million of yen)

	FY2019 ended Mar. 31, 2020	FY2020 ended Mar. 31, 2021
Profit	22,360	13,501
Other comprehensive income	(52,506)	52,014
Valuation difference on available – for – sale securities	(46,608)	39,755
Deferred gains or losses on hedges	(151)	98
Foreign currency translation adjustment	(57)	(127)
Remeasurements of defined benefit plans, net of tax	(5,695)	11,929
Share of other comprehensive income of entities accounted for using equity method	6	358
Comprehensive income	(30,146)	65,515
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(30,323)	65,515
Comprehensive income attributable to non – controlling interests	176	–

(3) Consolidated Statements of Changes in Net Assets

FY2019 ended Mar. 31, 2020

(Unit: million of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at beginning of period	48,652	29,255	376,865	(16,977)	437,795	78,127	(179)
Changes during period							
Dividends of surplus			(5,504)		(5,504)		
Profit attributable to owners of parent			22,280		22,280		
Purchase of treasury shares				(3,000)	(3,000)		
Disposal of treasury shares			(105)	434	328		
Cancellation of treasury shares			(10,233)	10,233			
Fluctuations in the consolidated subsidiary equity		326			326		
Reversal of revaluation reserve for land			150		150		
Net changes in items other than shareholders' equity						(46,699)	(151)
Total changes during period	-	326	6,587	7,667	14,581	(46,699)	(151)
Balance at end of period	48,652	29,581	383,452	(9,309)	452,377	31,427	(330)

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	13,929	86	(3,846)	88,118	510	5,534	531,959
Changes during period							
Dividends of surplus							(5,504)
Profit attributable to owners of parent							22,280
Purchase of treasury shares							(3,000)
Disposal of treasury shares							328
Cancellation of treasury shares							
Fluctuations in the consolidated subsidiary equity							326
Reversal of revaluation reserve for land							150
Net changes in items other than shareholders' equity	(150)	(57)	(5,695)	(52,754)	(223)	(5,534)	(58,512)
Total changes during period	(150)	(57)	(5,695)	(52,754)	(223)	(5,534)	(43,930)
Balance at end of period	13,778	29	(9,541)	35,363	287	-	488,028

FY2020 ended Mar. 31, 2021

(Unit: million of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at beginning of period	48,652	29,581	383,452	(9,309)	452,377	31,427	(330)
Changes during period							
Dividends of surplus			(5,458)		(5,458)		
Profit attributable to owners of parent			13,501		13,501		
Purchase of treasury shares				(0)	(0)		
Disposal of treasury shares			(175)	471	295		
Cancellation of treasury shares							
Fluctuations in the consolidated subsidiary equity							
Reversal of revaluation reserve for land			63		63		
Net changes in items other than shareholders' equity						40,113	98
Total changes during period	-	-	7,930	470	8,401	40,133	98
Balance at end of period	48,652	29,581	391,382	(8,838)	460,778	71,541	(231)

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	13,778	29	(9,541)	35,363	287	-	488,028
Changes during period							
Dividends of surplus							(5,458)
Profit attributable to owners of parent							13,501
Purchase of treasury shares							(0)
Disposal of treasury shares							295
Cancellation of treasury shares							
Fluctuations in the consolidated subsidiary equity							
Reversal of revaluation reserve for land							63
Net changes in items other than shareholders' equity	(63)	(127)	11,929	51,950	(287)	-	51,663
Total changes during period	(63)	(127)	11,929	51,950	(287)	-	60,064
Balance at end of period	13,715	(98)	2,387	87,314	-	-	548,093

(4) Consolidated Statements of Cash Flows

	(Unit: million of yen)	
	FY2019 ended Mar. 31, 2020	FY2020 ended Mar. 31, 2021
Cash flows from operating activities		
Profit before income taxes	30,829	19,808
Depreciation	6,899	6,497
Impairment losses	482	282
Gain on reversal of share acquisition rights	–	(274)
Share of loss (profit) of entities accounted for using equity method	(160)	(131)
Increase (decrease) in allowance for loan losses	702	17,609
Increase (decrease) in provision for bonuses for directors (and other officers)	13	(4)
Decrease (increase) in retirement benefit asset	1,220	(6,380)
Increase (decrease) in retirement benefit liability	5,673	(10,153)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(102)	(43)
Increase (decrease) in provision for reimbursement of deposits	(223)	(148)
Increase (decrease) in provision for point card certificates	5	4
Increase (decrease) in provision for contingent loss	8	(47)
Interest income	(74,017)	(69,790)
Interest expenses	6,437	2,530
Loss (gain) related to securities	(7,419)	(12,638)
Loss (gain) on money held in trust	(14)	(7)
Foreign exchange losses (gains)	(401)	(302)
Loss (gain) on disposal of non-current assets	212	266
Net decrease (increase) in trading securities	(367)	899
Net decrease (increase) in loans and bills discounted	(30,993)	(145,670)
Net increase (decrease) in deposits	241,234	701,552
Net increase (decrease) in negotiable certificates of deposit	(18,966)	3,459
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	64,401	809,336
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	829	2,146
Net decrease (increase) in call loans	851	3,492
Net increase (decrease) in call money	220	23,677
Net increase (decrease) in cash collateral received for securities lent	46,627	577,893
Net decrease (increase) in foreign exchanges – assets	(11,086)	2,925
Net increase (decrease) in foreign exchanges – liabilities	13	(218)
Net decrease (increase) in lease receivables and investments in leases	(3,622)	(603)
Net increase (decrease) in borrowed money from trust account	2,914	4,054
Interest received	75,979	73,013
Interest paid	(6,709)	(2,884)
Other, net	(2,729)	(7,767)
Subtotal	328,741	1,992,383
Income taxes paid	(11,767)	(5,208)
Net cash provided by (used in) operating activities	316,974	1,987,175

(Unit: million of yen)

	FY2019 ended Mar. 31, 2020	FY2020 ended Mar. 31, 2021
Cash flows from investing activities		
Purchase of securities	(593,426)	(1,010,823)
Proceeds from sales of securities	189,844	314,580
Proceeds from redemption of securities	202,792	210,694
Increase in money held in trust	(840)	(4,490)
Purchase of tangible fixed assets	(3,798)	(5,022)
Purchase of intangible fixed assets	(2,505)	(3,431)
Proceeds from sale of tangible fixed assets	16	123
Net cash provided by (used in) investing activities	(207,917)	(498,369)
Cash flows from financing activities		
Issuance of subordinated bonds	20,000	–
Redemption of bonds with stock acquisition rights	(22,198)	–
Purchase of treasury shares	(3,000)	(0)
Proceeds from sale of treasury shares	328	295
Dividends paid	(5,504)	(5,456)
Dividends paid to non-controlling interests	(9)	–
Purchase of shares of subsidiaries resulting in no change in scope of consolidation	(5,293)	–
Net cash provided by (used in) financing activities	(15,676)	(5,161)
Effect of exchange rate change on cash and cash equivalents	(58)	(126)
Net increase (decrease) in cash and cash equivalents	93,321	1,483,517
Cash and cash equivalents at beginning of period	748,064	841,386
Cash and cash equivalents at end of period	841,386	2,324,903

(5) Notes

(Going Concern Assumption)

Not applicable.

(Additional Information)

(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 consolidated fiscal year.

(Segment Information)

1. Summary of reportable segments

The Bank Group’s reportable segments are group components for which separate financial information can be obtained. Each segment is subject to periodic examinations to allow the highest decision – making body of the Bank with respect to matters of management and execution of business to decide how to allocate management resources and assess performance.

In addition to its core banking services, the Bank Group provides financial services such as leasing and manages its businesses through two reportable segments – Banking and Lease.

In Banking, the Bank and its consolidated overseas subsidiary, Gunma Finance (Hong Kong), Ltd., offer deposit services, loan services, securities dealing, trading account securities services, securities investment services, domestic and foreign exchange services, and trust and other services.

In Lease, the Bank’s consolidated subsidiary, Gungin Leasing Co., Ltd., offers leasing services.

Note that the fund formation and management operations services offered by Gunma Regional Advanced Solution Partners Co., Ltd., a new company the Bank has established in the current consolidated fiscal year, are included in “Others.”

Also, the board of directors of the Bank resolved to dissolve Gunma Finance (Hong Kong), Ltd., and the company was closed on December 31, 2020. the company is currently in liquidation proceedings.

2. Basis of measurement of reportable segment ordinary income, profit (loss), assets, liabilities, and other items

The accounting methods applied to the business segments reported are the same as those described for the basis of presenting the consolidated financial statements. The figures for profit of reportable segments are based on ordinary profit. Inter – segment transaction prices are set under arm’s length conditions, the same as transactions with parties external to the Bank Group.

3. Information on the amount of reportable segment ordinary income, profit (loss), assets, liabilities, and other items

FY2020 ended Mar. 31, 2021

(Unit: million of yen)

	Reportable segments			Others	Total	Adjustment	Consolidated
	Banking	Lease	Total				
Ordinary income generated from businesses with							
External customers	106,916	30,552	137,469	5,847	143,316	-	143,316
Internal units	1,146	362	1,509	1,294	2,804	(2,804)	-
Total	108,063	30,915	138,979	7,141	146,120	(2,804)	143,316
Segment profit	15,947	245	16,193	3,939	20,132	(50)	20,082
Segment assets	10,602,009	83,627	10,685,636	42,863	10,728,500	(112,744)	10,615,756
Segment liabilities	10,079,332	69,074	10,148,406	20,437	10,168,844	(101,180)	10,067,663
Others							
Depreciation	5,619	703	6,322	94	6,417	80	6,497
Interest income	70,070	14	70,084	11	70,096	(306)	69,790
Interest expenses	2,521	285	2,806	6	2,812	(281)	2,530
Share of profit of entities accounted for using equity method	156	-	156	-	156	(24)	131
Extraordinary income	278	-	278	-	278	-	278
[Gain on reversal of share acquisition rights]	[274]	[-]	[274]	[-]	[274]	[-]	[274]
Extraordinary losses	552	-	552	0	552	-	552
[Loss on disposal of non-current assets]	[270]	[-]	[270]	[0]	[270]	[-]	[270]
(Impairment losses)	[282]	[-]	[282]	[-]	[282]	[-]	[282]
Tax	4,943	86	5,029	1,278	6,308	(0)	6,307
Investment of unconsolidated subsidiaries and associated companies	145	-	145	-	145	-	145
Increase of tangible fixed assets and intangible fixed assets	7,545	751	8,297	74	8,372	81	8,453

(Note 1) Ordinary income is presented in lieu of sales of companies in other industries.

(Note 2) "Others" include business segments not included in the reportable segments, such as the delivery of goods, etc., the maintenance of ATMs and operations of securities, guarantees and management consulting, the fund formation and management operations services.

(Note 3) Adjustments are as follows:

- (1) Adjustment for segment profit of (50) million of yen was elimination of intersegment transactions.
- (2) Adjustment for segment assets of (112,744) million of yen was elimination of intersegment transactions.
- (3) Adjustment for segment liabilities of (101,180) million of yen was elimination of intersegment transactions.
- (4) Adjustment for depreciation of 80 million of yen was elimination of intersegment transactions and the depreciation related to investments in leases classified as "tangible fixed assets" and "intangible fixed assets" on a consolidated basis.
- (5) Adjustment for interest income of (306) million of yen, adjustment for interest expenses of (281) million of yen, adjustment for share of profit of entities accounted for using equity method of (24) million of yen and adjustment for tax of (0) million of yen were elimination of intersegment transactions.
- (6) Adjustment for increase of tangible fixed assets and intangible fixed assets of 81 million of yen were transferred from investment in leases.

(Note 4) Segment profit was adjusted with reference to ordinary profit as stated in the consolidated statements of income.

(Per Share Information)

(Unit: yen)

	FY2020 ended Mar. 31, 2021
Total Net Assets Per Share	1,303.93
Profit Per Share	32.14
Diluted Profit Per Share	—

(Note 1) Basis for Computing Net Assets Per Share

(Unit: million of yen)

	As of Mar. 31, 2021
Total Net Assets	548,093
Amounts to be deducted from Total Net Assets	—
Net Assets attributable to Common Stock	548,093
Number of Common Stock Outstanding at the End of the Fiscal Period	420,339 thousand shares

(Note 2) Basis for computing Profit Per Share

(Unit: million of yen)

	FY2020 ended Mar. 31, 2021
Profit Attributable to Owners of Parent	13,501
Amount that does not belong to Common Shareholders	—
Profit Attributable to Common Stock	13,501
Average Number of Shares	420,087 thousand shares

(※) Diluted profit per share is not presented as there are no potentially dilutive shares.

(Material Subsequent Events)

Not applicable.

4. Non – Consolidated Financial Statements

(1) Non – Consolidated Balance Sheets

(Unit: million of yen)

	As of Mar. 31, 2020	As of Mar. 31, 2021
Assets:		
Cash and due from banks	843,982	2,326,094
Cash	65,883	59,297
Due from banks	778,099	2,266,797
Monetary claims bought	9,113	5,621
Trading securities	1,722	823
Trading government bonds	248	354
Trading local government bonds	474	469
Other trading securities	999	–
Money held in trust	4,368	4,368
Securities	1,798,960	2,412,563
Government bonds	346,546	679,159
Local government bonds	698,665	750,236
Corporate bonds	208,589	206,890
Stocks	132,614	203,380
Other securities	412,544	572,896
Loans and bills discounted	5,602,306	5,749,625
Bills discounted	29,807	21,901
Loans on bills	109,801	97,459
Loans on deeds	4,925,811	5,102,868
Overdrafts	536,885	527,395
Foreign exchanges	17,872	14,947
Due from foreign banks (our accounts)	17,814	14,942
Foreign bills bought	22	4
Foreign bills receivable	35	1
Other assets	74,022	53,027
Prepaid expenses	76	61
Accrued income	5,061	6,076
Financial derivatives	8,214	7,871
Cash collateral paid for financial instruments	1,388	4,298
Other	59,281	34,719
Property, plant and equipment	64,908	66,209
Buildings, net	17,832	18,563
Land	41,359	41,125
Leased assets, net	795	711
Construction in progress	1,312	2,786
Other tangible fixed assets	3,608	3,022
Intangible assets	9,631	9,801
Software	9,127	9,297
Other intangible fixed assets	503	504
Prepaid pension costs	3,815	3,196
Deferred tax assets	2,969	–
Customers' liabilities for acceptances and guarantees	9,790	9,632
Allowance for loan losses	(40,278)	(57,170)
Total assets	8,403,185	10,598,742

(Unit: million of yen)

	As of Mar 31, 2020	As of Mar 31, 2021
Liabilities:		
Deposits	7,050,138	7,752,757
Current deposits	298,467	339,888
Ordinary deposits	4,563,229	5,243,302
Savings deposits	96,654	101,685
Deposits at notice	12,723	18,752
Time deposits	1,964,278	1,920,635
Installment savings	2,805	2,079
Other deposits	111,979	126,413
Negotiable certificates of deposit	191,514	196,074
Call money	–	37,087
Securities sold under repurchase agreements	18,402	4,992
Cash collateral received for securities lent	91,131	669,024
Borrowed money	479,171	1,288,867
Borrowings from other banks	479,171	1,288,867
Foreign exchanges	382	162
Due to foreign banks (their accounts)	0	–
Foreign bills sold	305	110
Foreign bills payable	75	52
Bonds payable	50,000	50,000
Borrowed money from trust account	4,899	8,953
Other liabilities	26,734	44,865
Income taxes payable	839	6,794
Accrued expenses	4,257	3,906
Unearned revenue	1,777	1,729
Reserve for interest on installment savings	0	0
Financial derivatives	8,181	14,405
Cash collateral received for financial instruments	2,384	1,719
Lease obligations	796	711
Other	8,497	15,598
Provision for bonuses for directors (and other officers)	61	56
Provision for retirement benefits for directors (and other officers)	269	223
Provision for reimbursement of deposits	682	533
Provision for point card certificates	140	144
Provision for contingent loss	947	900
Deferred tax liabilities	–	9,576
Deferred tax liabilities for land revaluation	7,851	7,823
Acceptances and guarantees	9,790	9,632
Total liabilities	7,932,116	10,081,675

(Unit: million of yen)

	As of Mar 31, 2020	As of Mar 31, 2021
Net assets:		
Share capital	48,652	48,652
Capital surplus	29,114	29,114
Legal capital surplus	29,114	29,114
Retained earnings	358,237	364,346
Legal retained earnings	43,548	43,548
Other retained earnings	314,689	320,798
Reserve for tax purpose reduction entry	1,052	1,052
General reserve	287,650	299,650
Retained earnings brought forward	25,987	20,096
Treasury shares	(9,309)	(8,838)
Total shareholders' equity	426,694	433,275
Valuation difference on available-for-sale securities	30,638	70,307
Deferred gains or losses on hedges	(330)	(231)
Revaluation reserve for land	13,778	13,715
Total valuation and translation adjustments	44,086	83,790
Share acquisition rights	287	—
Total net assets	471,068	517,066
Total liabilities and net assets	8,403,185	10,598,742

(2) Non – Consolidated Statements of Income

	(Unit: million of yen)	
	FY2019 ended Mar. 31, 2020	FY2020 ended Mar. 31, 2021
Ordinary income	106,907	109,020
Interest income	74,098	71,086
Interest on loans and discounts	57,073	54,288
Interest and dividends on securities	15,978	15,652
Interest on call loans	15	(12)
Interest on deposits with banks	128	355
Other interest income	902	802
Trust fees	36	53
Fees and commissions	18,691	19,807
Fees and commissions on domestic and foreign exchanges	4,861	4,852
Other fees and commissions	13,829	14,954
Other ordinary income	4,711	4,429
Gain on foreign exchange transactions	678	526
Gain on sale of bonds	3,717	3,652
Gain on redemption of bonds	39	29
Gain on financial derivatives	275	220
Other income	9,369	13,644
Recoveries of written off receivables	3	2
Gain on sale of equity securities	8,125	12,310
Gain on money held in trust	14	7
Other	1,226	1,323
Ordinary expenses	81,520	92,129
Interest expenses	6,408	2,521
Interest on deposits	1,336	452
Interest on negotiable certificates of deposit	954	226
Interest on call money	0	(8)
Interest expenses on securities sold under repurchase agreements	317	64
Interest expenses on cash collateral received for securities lent	351	242
Interest on borrowings and rediscounts	526	235
Interest on bonds	187	214
Interest expenses on interest rate swaps	2,702	1,059
Other interest expenses	31	34
Fees and commissions payments	8,903	8,941
Fees and commissions on domestic and foreign exchanges	820	811
Other fees and commissions	8,082	8,129
Other ordinary expenses	3,327	492
Net loss on trading securities transactions	2	3
Loss on sale of bonds	3,295	489
Loss on devaluation of bonds	29	–
General and administrative expenses	54,669	55,611
Other expenses	8,210	24,562
Provision of allowance for loan losses	3,277	20,533
Written-off of loans	9	5
Loss on sale of equity securities	1,861	2,933
Loss on devaluation of equity securities	1,225	21
Other	1,836	1,068
Ordinary profit	25,386	16,890
Extraordinary income	0	278
Gain on disposal of non – current assets	0	4
Gain on reversal of share acquisition rights	–	274
Extraordinary losses	694	551
Loss on disposal of non – current assets	212	269
Impairment losses	482	282
Profit before income taxes	24,691	16,617
Income taxes – current	6,756	9,845
Income taxes – deferred	16	(4,908)
Total income taxes	6,773	4,937
Profit	17,918	11,680

(3) Non – Consolidated Statements of Changes in Net Assets

FY2019 ended Mar. 31, 2020

(Unit: million of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings				
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
					Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward	
Balance at beginning of period	48,652	29,114	29,114	43,548	1,052	272,650	38,761	356,012
Changes during period								
Dividends of surplus							(5,504)	(5,504)
Provision of general reserve						15,000	(15,000)	
Profit							17,918	17,918
Purchase of treasury shares								
Disposal of treasury shares							(105)	(105)
Cancellation of treasury shares							(10,233)	(10,233)
Reversal of revaluation reserve for land							150	150
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	-	15,000	(12,774)	2,225
Balance at end of period	48,652	29,114	29,114	43,548	1,052	287,650	25,987	358,237

	Shareholders' equity		Valuation and translation adjustments				Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	(16,977)	416,802	77,357	(179)	13,929	91,107	510	508,420
Changes during period								
Dividends of surplus		(5,504)						(5,504)
Provision of general reserve								
Profit		17,918						17,918
Purchase of treasury shares	(3,000)	(3,000)						(3,000)
Disposal of treasury shares	434	328						328
Cancellation of treasury shares	10,233							
Reversal of revaluation reserve for land		150						150
Net changes in items other than shareholders' equity			(46,718)	(151)	(150)	(47,020)	(223)	(47,244)
Total changes during period	7,667	9,892	(46,718)	(151)	(150)	(47,020)	(223)	(37,351)
Balance at end of period	(9,309)	426,694	30,638	(330)	13,778	44,086	287	471,068

FY2020 ended Mar. 31, 2021

(Unit: million of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings				
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
					Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward	
Balance at beginning of period	48,652	29,114	29,114	43,548	1,052	287,650	25,987	358,237
Changes during period								
Dividends of surplus							(5,458)	(5,458)
Provision of general reserve						12,000	(12,000)	
Profit							11,680	11,680
Purchase of treasury shares								
Disposal of treasury shares							(175)	(175)
Cancellation of treasury shares								
Reversal of revaluation reserve for land							63	63
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	-	12,000	(5,890)	6,109
Balance at end of period	48,652	29,114	29,114	43,548	1,052	299,650	20,096	364,346

	Shareholders' equity		Valuation and translation adjustments				Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	(9,309)	426,694	30,638	(330)	13,778	44,086	287	471,068
Changes during period								
Dividends of surplus		(5,458)						(5,458)
Provision of general reserve								
Profit		11,680						11,680
Purchase of treasury shares	(0)	(0)						(0)
Disposal of treasury shares	471	295						295
Cancellation of treasury shares								
Reversal of revaluation reserve for land		63						63
Net changes in items other than shareholders' equity			39,669	98	(63)	39,704	(287)	39,417
Total changes during period	470	6,580	39,669	98	(63)	39,704	(287)	45,997
Balance at end of period	(8,838)	433,275	70,307	(231)	13,715	83,790	-	517,066

Supplementary Information
For Fiscal Year 2020,
Ended March 31, 2021

The Gunma Bank, Ltd.

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I Financial Highlights for Fiscal Year 2020, Ended March 31, 2021

1. Profit and Loss Conditions 【Non-consolidated】

- Core net business profit excluding gain (loss) on bonds amounted to 26.6 billion of yen, up 2.5 billion of yen compared with the previous fiscal year due to increases in net interest income and net fees and commissions income as well as to cutting down on expenses.
- Profit amounted to 11.6 billion of yen, down 6.2 billion of yen compared with the previous fiscal year due to an increase in net credit costs.

(Unit : billion of yen)

	FY2020 ended Mar.31, 2021 (a)	(a-b)	FY2019 ended Mar.31, 2020 (b)
Core net business profit excluding gain (loss) on bonds	26.6	2.5	24.0
Ordinary profit	16.8	(8.4)	25.3
Profit	11.6	(6.2)	17.9

2. Main Account Conditions 【Non-consolidated】

- Loans and bills discounted amounted to 5,749.6 billion of yen, up 147.3 billion of yen compared with the previous fiscal year-end (Increasing rate 2.6%).
- Deposits and Negotiable certificates of deposit amounted to 7,948.8 billion of yen, up 707.1 billion of yen compared with the previous fiscal year-end (Increasing rate 9.7%).

(Unit : billion of yen)

	As of Mar.31, 2021 (a)	(a-b)	(a-b)/b	As of Mar.31, 2020 (b)
Loans and bills discounted	5,749.6	147.3	2.6%	5,602.3
Deposits and Negotiable certificates of deposit	7,948.8	707.1	9.7%	7,241.6

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

- Non-performing loan ratio amounted to 2.30%, up 0.42 point compared with the previous fiscal year-end.

(Unit : billion of yen)

	As of Mar.31, 2021 (a)	(a-b)	As of Mar.31, 2020 (b)
Disclosed Claims under the FRL	134.1	26.8	107.3
Non-performing loan ratio	2.30%	0.42%	1.88%

4. Capital Ratio Conditions 【Consolidated】

- Total Capital Ratio amounted to 12.74%, and maintained a high level.

	As of Mar.31, 2021 (a)	(a-b)	As of Mar.31, 2020 (b)
Total capital ratio	12.74%	0.79%	11.95%

5. Earnings Projections for Fiscal Year 2021, Ending March 31, 2022 【Consolidated / Non-consolidated】

- For fiscal year 2021, ending March 31, 2022, which is the last year of our mid-term business plan,
Profit attributable to owners of parent will be 24.0 billion of yen according to the initially planned target.

(Unit : billion of yen)

	FY2021 ending Mar.31,2022 【Consolidated】	Compared with FY2020 ended Mar.31, 2021	FY2021 ending Mar.31,2022 【Non-Consolidated】	Compared with FY2020 ended Mar.31, 2021
Ordinary profit	35.0	15.0	31.0	14.2
(Attributable to owners of parent) Profit	24.0	10.5	21.5	9.9

(Note) Earnings projections are based on information available at the present time.

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

6. Shareholder Return 【Non-consolidated】

- The annual cash dividends per share for fiscal year 2020, ended March 31, 2021 will be 13 yen (6 yen as the interim cash dividends, 7 yen as the year-end cash dividends) as projected at the beginning of the period.
Total shareholder return will be 46.7%.
- The annual cash dividends per share for fiscal year 2021, ending March 31, 2022 is forecast to increase by 1yen compared with the previous fiscal year to 14yen (7yen as the interim cash dividends, 7yen as the year-end cash dividends).

	FY2020 ended Sep.30, 2020	FY2020 ended Mar.31,2021	FY2021 ending Sep.30, 2021	FY2021 ending Mar.31,2022
Annual Cash dividends per share	6.00 yen	13.00 yen	7.00 yen	14.00 yen

(Shareholder return policy)

The Gunma Bank, Ltd. ("the Bank") is working to strengthen the financial structure and, under the basic policy of continuing to provide stable cash dividends, return performance-linked profits to shareholders. For the time being, the Bank is setting a target of 40% of the non-consolidated profit for the ratio of total payout to shareholders combining cash dividend payments and the acquisition cost of treasury shares.

1. Profit and Loss Conditions

【Consolidated】

■ Core gross business profits amounted to 86.4 billion of yen, up 1.6 billion of yen compared with the previous fiscal year, primarily due to an increase in non-interest business profit. Ordinary profit and profit attributable to owners of parent amounted to 20.0 billion of yen and 13.5 billion of yen, respectively, down compared with the previous fiscal year, mainly due to an increase in credit costs on a non-consolidated basis.

【Non-consolidated】

■ Core net business profit excluding gain (loss) on bonds amounted to 26.6 billion of yen, up 2.5 billion of yen compared with the previous fiscal year, due to increases in net interest income and net fees and commissions income as well as to cutting down on expenses, and core net business profit amounted to 29.8 billion of yen, up 5.3 billion of yen compared with the previous fiscal year.

Ordinary profit amounted to 16.8 billion of yen, down 8.4 billion of yen compared with the previous fiscal year, as a result of increases in net credit costs and retirement benefit costs despite an increase in gain or loss on investment securities.

In addition, profit amounted to 11.6 billion of yen, down 6.2 billion of yen compared with the previous fiscal year.

【Consolidated】

(Unit : billion of yen)

		FY2020 ended Mar.31, 2021 (a)	(a-b)	FY2019 ended Mar.31, 2020 (b)
Core gross business profits	1	86.4	1.6	84.7
Net interest income	2	67.2	(0.3)	67.5
Non-interest business profit	3	19.1	2.0	17.1
Expenses (excluding non-recurrent expenses)	[-] 4	55.4	(0.7)	56.1
Core net business profit excluding gain (loss) on bonds (1-4)	5	30.9	2.4	28.5
Ordinary profit	6	20.0	(11.4)	31.5
Profit attributable to owners of parent	7	13.5	(8.7)	22.2

(Note) Gain or loss on bonds is excluded from "Non-interest business profit".

【Non-consolidated】

(Unit : billion of yen)

		FY2020 ended Mar.31, 2021 (a)	(a-b)	FY2019 ended Mar.31, 2020 (b)
Core gross business profits	8	80.2	1.7	78.4
Net interest income	9	68.5	0.8	67.6
Domestic segment	10	63.5	(0.9)	64.5
Of which, Interest on loans and discounts	11	51.7	0.1	51.6
Of which, Interest and dividends on securities	12	11.2	(1.2)	12.5
Of which, gains (losses) on cancellation of investment trusts	13	0.3	1.8	(1.4)
Non-domestic segment	14	4.9	1.8	3.1
Net fees and commissions income	15	10.9	1.0	9.8
Profit from other business transactions	16	0.7	(0.2)	0.9
Expenses (excluding non-recurrent expenses)	[-] 17	53.6	(0.8)	54.4
Personnel expenses	18	29.4	(0.0)	29.5
Non-Personnel expenses	19	21.1	(0.8)	22.0
Taxes	20	2.9	0.0	2.8
Core net business profit excluding gain (loss) on bonds (8-17)	21	26.6	2.5	24.0
Core net business profit excluding gain (loss) on bonds and cancellation of investment trusts	22	26.2	0.7	25.4
Core net business profit (21+25)	23	29.8	5.3	24.4
Gain or loss on investment securities	24	12.5	7.0	5.4
Gain (loss) on bonds	25	3.1	2.7	0.4
Gain (loss) on stocks and other securities	26	9.3	4.3	5.0
Net credit costs	[-] 27	21.0	16.6	4.3
Other non-recurrent gains (losses)	28	(1.2)	(1.4)	0.2
Retirement benefit costs	[-] 29	1.9	1.7	0.1
Ordinary profit	30	16.8	(8.4)	25.3
Extraordinary income (losses)	31	(0.2)	0.4	(0.6)
Profit before income taxes	32	16.6	(8.0)	24.6
Total income taxes	[-] 33	4.9	(1.8)	6.7
Profit	34	11.6	(6.2)	17.9

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

2. Main Account Conditions

(1) Loans 【Non-consolidated】

■ Loans and bills discounted amounted to 5,749.6 billion of yen, up 147.3 billion of yen compared with the previous fiscal year-end due to increases in loans to small and medium-sized enterprises.

(Unit : billion of yen)

	As of Mar.31, 2021 (a)			As of Sep.30, 2020 (b)	As of Mar.31, 2020 (c)
		(a-b)	(a-c)		
Loans and bills discounted	5,749.6	47.2	147.3	5,702.3	5,602.3
Retail loans	4,657.3	19.1	106.7	4,638.2	4,550.5
Small and medium-sized enterprises	2,340.7	10.0	104.9	2,330.6	2,235.8
Individuals	2,316.6	9.0	1.8	2,307.5	2,314.7
Of which, Housing-related loans	2,237.3	8.1	3.9	2,229.1	2,233.3
Housing loans	1,328.7	13.7	16.2	1,314.9	1,312.4
Apartment loans	649.8	0.1	(1.6)	649.7	651.4
Others	258.7	(5.6)	(10.6)	264.4	269.4
Other loans	1,092.2	28.1	40.5	1,064.1	1,051.7
Corporations	843.4	22.5	43.5	820.8	799.8
Public sectors	90.0	5.5	4.9	84.5	85.1
Overseas branch and Non-residents	158.7	(0.0)	(7.9)	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 7,948.8 billion of yen, up 707.1 billion of yen compared with the previous fiscal year-end due to an increases in individuals deposits and corporations deposits, etc.

(Unit : billion of yen)

	As of Mar.31, 2021 (a)			As of Sep.30, 2020 (b)	As of Mar.31, 2020 (c)
		(a-b)	(a-c)		
Deposits and Negotiable certificates of deposit	7,948.8	328.5	707.1	7,620.2	7,241.6
Deposits	7,752.7	388.6	702.6	7,364.0	7,050.1
Of which, Individuals	5,368.9	115.9	316.3	5,253.0	5,052.6
Of which, Corporations	1,908.0	113.4	300.7	1,794.6	1,607.2
Negotiable certificates of deposit	196.0	(60.1)	4.5	256.1	191.5

(3) Deposit financial assets 【Including Gungin Securities】

■ Deposit financial assets amounted to 935.8 billion of yen, up 85.0 billion of yen compared with the previous fiscal year-end mainly due to an increase in the balance owned by Gungin Securities.

(Unit : billion of yen)

	As of Mar.31, 2021 (a)			As of Sep.30, 2020 (b)	As of Mar.31, 2020 (c)
		(a-b)	(a-c)		
Deposit financial assets	935.8	39.7	85.0	896.1	850.8
Individuals	870.7	36.1	71.7	834.5	798.9
Investment trust	244.5	20.3	34.0	224.2	210.5
Public bonds (Government bonds, etc.)	37.1	(2.0)	(3.8)	39.1	40.9
Life insurance	474.8	4.9	5.2	469.8	469.6
Gungin Securities (including intermediation)	114.1	12.8	36.3	101.3	77.8
Corporations, etc.	65.1	3.5	13.2	61.5	51.8
Bank, non-consolidated	14.5	(1.2)	(1.8)	15.8	16.4
Gungin Securities (including intermediation)	50.5	4.8	15.0	45.6	35.4

(4) Gain and Loss on Valuation of Other Securities [Non-consolidated]

■ Gain and loss on valuation of other securities amounted to 100.9 billion of yen, up 57.0 billion of yen compared with the previous fiscal year-end.

(Unit : billion of yen)

	As of Mar.31, 2021 (a)			As of Sep.30, 2020 (b)	As of Mar.31, 2020 (c)
		(a-b)	(a-c)		
Other securities	100.9	29.9	57.0	71.0	43.8
Stocks	83.9	21.2	26.9	62.7	57.0
Bonds	3.4	(4.0)	(4.3)	7.5	7.8
Foreign securities	3.8	(0.7)	4.4	4.6	(0.6)
Investment trusts, etc.	9.5	13.5	29.9	(3.9)	(20.3)

3. Disclosed Claims under the Financial Reconstruction Law [Non-consolidated]

■ Non-performing loan ratio is 2.30%. Assuming that the partial direct written-off is applied to the remaining debt, the ratio would be 1.97%.

(Unit : billion of yen)

	As of Mar.31, 2021 (a)			As of Sep.30, 2020 (b)	As of Mar.31, 2020 (c)
		(a-b)	(a-c)		
Disclosed claims under the FRL ①	134.1	20.3	26.8	113.7	107.3
Normal Claims ②	5,690.0	10.7	111.8	5,679.2	5,578.2
Total Claims (①+②)③	5,824.1	31.1	138.6	5,793.0	5,685.5
Non-performing loan ratio (①/③)④	2.30 %	0.34 %	0.42 %	1.96 %	1.88 %
Coverage ratio	71.3 %	2.7 %	0.1 %	68.6 %	71.2 %

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

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

(Unit : billion of yen)

Disclosed claims under the FRL	114.6	20.4	26.8	94.2	87.8
Non-performing loan ratio	1.97 %	0.34 %	0.42 %	1.63 %	1.55 %

4. Capital Ratio Conditions (International standard) [Consolidated]

■ Total Capital Ratio amounted to 12.74%, and maintained a high level.

	As of Mar.31, 2021 (a)			As of Sep.30, 2020 (b)	As of Mar.31, 2020 (c)
		(a-b)	(a-c)		
Total capital ratio	12.74 %	0.17 %	0.79 %	12.57 %	11.95 %
Tier1 ratio	11.58 %	0.21 %	0.84 %	11.37 %	10.74 %
Common equity Tier1 capital	11.58 %	0.21 %	0.84 %	11.37 %	10.74 %

5. Earnings Projections for Fiscal Year 2021, Ending March 31, 2022 [Consolidated/Non-consolidated]

■ For fiscal year 2021, ending March 31, 2022, which is the last year of mid-term business plan, Profit attributable to owners of parent will be 24.0 billion of yen according to the initially planned target. In addition, the annual cash dividends per share for fiscal year 2021, ending March 31, 2022 is forecast to increase by 1yen compared with the previous fiscal year to 14yen (7yen as the interim cash dividends, 7yen as the year-end cash dividends).

(Consolidated)

(Unit : billion of yen)

	Projection For the six months ending Sep.30, 2021	Compared with FY2020 ended Sep.30, 2020	Projection FY2021 ending Mar.31, 2022	Compared with FY2020 ended Mar.31, 2021
Ordinary profit	16.5	0.1	35.0	15.0
Profit attributable to owners of parent	11.5	(0.8)	24.0	10.5

(Non-consolidated)

(Unit : billion of yen)

	Projection For the six months ending Sep.30, 2021	Compared with FY2020 ended Sep.30, 2020	Projection FY2021 ending Mar.31, 2022	Compared with FY2020 ended Mar.31, 2021
Core net business profit excluding gain (loss) on bonds	14.0	1.1	27.8	1.2
Ordinary profit	15.0	0.4	31.0	14.2
Profit	10.5	(0.4)	21.5	9.9

(Note) Earnings projections are based on information available at the present time.

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

II Financial Data for Fiscal Year 2020, Ended March 31, 2021

1. Profit and Loss Conditions

【Consolidated】

(Unit: million of yen)

		FY2020 ended Mar.31, 2021 (a)	(a-b)	FY2019 ended Mar.31, 2020 (b)
Core gross business profits	1	86,421	1,681	84,740
Net interest income	2	67,259	(320)	67,579
Non-interest business profit	3	19,162	2,001	17,160
Net fees and commissions income	4	13,223	763	12,459
Profit from other business transactions	5	5,938	1,237	4,701
Expenses (excluding non-recurrent expenses) [-]	6	55,446	(733)	56,180
Gain or loss on investment securities	7	12,638	5,219	7,419
Gain (loss) on bonds	8	3,192	2,691	501
Gain (loss) on stocks and other securities	9	9,446	2,527	6,918
Net credit costs [-]	10	22,438	17,581	4,857
Others	11	(1,092)	(1,494)	401
Ordinary profit	12	20,082	(11,440)	31,523
Extraordinary income (losses)	13	(274)	420	(694)
Profit before income taxes	14	19,808	(11,020)	30,829
Total income taxes [-]	15	6,307	(2,161)	8,469
Income taxes-current	16	11,436	3,043	8,392
Income taxes-deferred	17	(5,128)	(5,205)	76
Profit	18	13,501	(8,858)	22,360
Profit attributable to non-controlling interests [-]	19	—	(79)	79
Profit attributable to owners of parent	20	13,501	(8,779)	22,280

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

(Reference)

Core net business profit excluding gain (loss) on bonds (1-6)	21	30,975	2,415	28,560
Overhead ratio (6/1)	22	64.1 %	(2.2) %	66.3 %
Return on equity	23	2.6 %	(1.8) %	4.4 %

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

(Number of consolidated companies)

(Unit: number of companies)

Number of consolidated subsidiaries	24	7	1	6
Number of affiliated companies applicable to the equity method	25	3	—	3

(Note) Gunma Regional Advanced Solution Partners co., Ltd. was newly established in December 2020 and has become a consolidated subsidiary of The Gunma Bank, Ltd.

【Non-consolidated】

(Unit : million of yen)

		FY2020 ended Mar.31, 2021 (a)	(a-b)	FY2019 ended Mar.31, 2020 (b)
Gross business profits	1	83,421	4,523	78,897
(excluding gain (loss) on bonds)	2	80,228	1,762	78,465
Domestic gross business profits	3	76,300	1,526	74,774
Net interest income	4	63,599	(943)	64,543
Net fees and commissions income	5	10,815	1,162	9,653
Profit from other business transactions	6	1,886	1,308	578
(Of which, Gain (loss) on bonds)	7	1,762	1,301	461
Non-domestic gross business profits	8	7,120	2,997	4,123
Net interest income	9	4,966	1,819	3,146
Net fees and commissions income	10	103	(67)	171
Profit from other business transactions	11	2,050	1,244	805
(Of which, Gain (loss) on bonds)	12	1,430	1,459	(29)
Expenses (excluding non-recurrent expenses) [-]	13	53,609	(802)	54,412
Personnel expenses	14	29,424	(91)	29,515
Non-Personnel expenses	15	21,193	(808)	22,002
Taxes	16	2,991	97	2,894
Core net business profit(1-13)	17	29,812	5,326	24,485
Core net business profit excluding gain (loss) on bonds (2-13)	18	26,618	2,565	24,053
Core net business profit excluding gain (loss) on bonds and cancellation of investment trusts	19	26,244	745	25,499
Net transfer to general allowance for loan losses [-]	20	14,560	15,699	(1,139)
Net business profit (1-13-20)	21	15,252	(10,372)	25,624
(Of which, Gain (loss) on bonds)	22	3,193	2,761	432
(Corresponding loss on money held in trust)	23	0	(0)	0
Non-recurrent gains (losses)	24	1,639	1,877	(238)
Disposal of non-performing loans [-]	25	6,448	950	5,497
Written-off of loans	26	5	(4)	9
Net transfer to specific allowance for loan losses	27	5,972	1,556	4,416
Net transfer to accident loss	28	(47)	(55)	8
Losses on sales of loans	29	144	(593)	737
Cost born under joint responsibility system of guarantee corporations	30	372	47	324
Recoveries of written off claims	31	2	(1)	3
(Net credit costs) (20+25-31) [-]	32	21,006	16,651	4,354
Gain (loss) on stocks and other securities	33	9,354	4,316	5,038
Other non-recurrent gain (loss)	34	(1,269)	(1,486)	217
Of which, Retirement benefit costs [-]	35	1,907	1,743	163
Ordinary profit	36	16,890	(8,495)	25,386
Extraordinary income (losses)	37	(273)	421	(694)
Profit before income taxes	38	16,617	(8,074)	24,691
Total income taxes [-]	39	4,937	(1,836)	6,773
Income taxes-current	40	9,845	3,089	6,756
Income taxes-deferred	41	(4,908)	(4,925)	16
Profit	42	11,680	(6,238)	17,918

2. Main Account Conditions 【Non-consolidated】

(Unit : billion of yen)

		As of Mar.31, 2021 (a)	(a-b)	(a-c)	As of Sep.30, 2020 (b)	As of Mar.31, 2020 (c)
Deposits	Term-end balance	7,752.7	388.6	702.6	7,364.0	7,050.1
	Average balance	7,309.9	140.4	529.9	7,169.5	6,780.0
Loans and bills discounted	Term-end balance	5,749.6	47.2	147.3	5,702.3	5,602.3
	Average balance	5,689.0	54.2	165.9	5,634.8	5,523.1
Securities	Term-end balance	2,412.5	457.1	613.6	1,955.4	1,798.9
	Average balance	1,955.8	172.3	295.6	1,783.5	1,660.2

3. Interest Rate Spread 【Non-consolidated】

(All branches)

(Unit : %)

		FY2020 ended Mar.31, 2021 (a)	(a-b)	FY2019 ended Mar.31, 2020 (b)
① Average yield on interest earning assets		0.91	(0.10)	1.01
	Average yield on loans and bills discounted	0.95	(0.08)	1.03
	Average yield on securities	0.80	(0.16)	0.96
② Average yield on interest bearing liabilities		0.63	(0.16)	0.79
	Average yield on deposits and negotiable certificates of deposit	0.00	(0.03)	0.03
	Average yield on call money and borrowed money	0.02	(0.09)	0.11
③ Average interest rate spread (①-②)		0.28	0.06	0.22

(Domestic segment)

(Unit : %)

		FY2020 ended Mar.31, 2021 (a)	(a-b)	FY2019 ended Mar.31, 2020 (b)
① Average yield on interest earning assets		0.85	(0.06)	0.91
	Average yield on loans and bills discounted	0.94	(0.03)	0.97
	Average yield on securities	0.65	(0.18)	0.83
② Average yield on interest bearing liabilities		0.60	(0.11)	0.71
	Average yield on deposits and negotiable certificates of deposit	0.00	—	0.00
	Average yield on call money and borrowed money	(0.00)	—	(0.00)
③ Average interest rate spread (①-②)		0.25	0.05	0.20

4. Gain or Loss on Investment Securities Conditions 【Non-consolidated】

(Unit: million of yen)

		FY2020 ended Mar.31, 2021 (a)	(a-b)	FY2019 ended Mar.31, 2020 (b)
Gain (loss) on bonds		3,193	2,761	432
	Gain on sales	3,652	(65)	3,717
	Gain on redemption	29	(9)	39
	Loss on sales [-]	489	(2,806)	3,295
	Loss on redemption [-]	—	—	—
	Loss on devaluation [-]	—	(29)	29
Gain (loss) on stocks and other securities		9,354	4,316	5,038
	Gain on sales	12,310	4,185	8,125
	Loss on sales [-]	2,933	1,071	1,861
	Loss on devaluation [-]	21	(1,203)	1,225

5. Capital Ratio (International standard)

【Consolidated】

(Unit : billion of yen)

	As of Mar.31, 2021			As of Sep.30, 2020	As of Mar.31, 2020
	(a)	(a-b)	(a-c)	(b)	(c)
Total capital ratio	12.74 %	0.17 %	0.79 %	12.57 %	11.95 %
Tier1 ratio	11.58 %	0.21 %	0.84 %	11.37 %	10.74 %
Common equity Tier1 ratio	11.58 %	0.21 %	0.84 %	11.37 %	10.74 %
Total capital	564.9	28.5	59.1	536.4	505.7
Tier1 capital	513.8	28.6	59.2	485.1	454.5
Common equity Tier1 capital	513.8	28.6	59.2	485.1	454.5
Risk weighted assets	4,433.4	167.5	201.3	4,265.9	4,232.1
Total required capital	354.6	13.4	16.1	341.2	338.5

【Non-consolidated】

(Unit : billion of yen)

	As of Mar.31, 2021			As of Sep.30, 2020	As of Mar.31, 2020
	(a)	(a-b)	(a-c)	(b)	(c)
Total capital ratio	12.18 %	0.02 %	0.61 %	12.16 %	11.57 %
Tier1 ratio	11.04 %	0.07 %	0.67 %	10.97 %	10.37 %
Common equity Tier1 ratio	11.04 %	0.07 %	0.67 %	10.97 %	10.37 %
Total capital	533.6	21.3	50.1	512.2	483.4
Tier1 capital	483.5	21.3	50.1	462.1	433.4
Common equity Tier1 capital	483.5	21.3	50.1	462.1	433.4
Risk weighted assets	4,378.2	168.4	202.7	4,209.7	4,175.5
Total required capital	350.2	13.4	16.2	336.7	334.0

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

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

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

6. Allowance for Loan Losses 【Consolidated／Non-consolidated】**(1) Written-off / Allowance criteria**

○ General allowance

	Allowance criteria
Normal Assets	The amount of possible loan losses over the next one year calculated based on the historical rate of credit losses is reserved.
Assets Requiring Caution	The amount of possible loan losses calculated for each category is reserved.
Substandard Assets, etc.	The amount of possible loan losses over the next three years calculated based on the historical rate of credit losses is reserved. However, for claims to large borrowers with credit exceeding a certain amount, provisions are reserved using the Discounted Cash Flow (DCF) method.
Other Assets Requiring Caution	

(Note) Substandard Assets, etc. are ① Substandard Assets and ② claims to borrowers classified as borrowers requiring caution, excluding Substandard Assets due to failing to correspond to restructured loans in the management improvement plan, etc. even after changing the lending terms.

○ Specific allowance

	Allowance criteria
Potentially Bankrupt Assets	For the part of a claim not secured by collateral or guarantees, etc., the amount of possible loan losses over the next three years calculated based on the historical rate of credit losses is reserved. However, for claims to large borrowers with credit exceeding a certain amount, provisions are reserved using the cash-flow deduction method.
Effectively Bankrupt Assets	The entire amount of a claim not secured by collateral or guarantees, etc., is reserved.
Bankrupt Assets	

(2) Breakdown of Allowance for Loan Losses**【Consolidated】**

(Unit : million of yen)

	As of Mar.31, 2021 (a)	(a-b)	(a-c)	As of Sep.30, 2020 (b)	As of Mar.31, 2020 (c)
Allowance for loan losses	63,028	12,691	17,609	50,337	45,418
General allowance	30,253	10,346	15,042	19,907	15,210
Specific allowance	32,775	2,345	2,566	30,429	30,208

【Non-consolidated】

(Unit : million of yen)

	As of Mar.31, 2021 (a)	(a-b)	(a-c)	As of Sep.30, 2020 (b)	As of Mar.31, 2020 (c)
Allowance for loan losses	57,170	12,228	16,891	44,942	40,278
General allowance	27,776	10,226	14,560	17,549	13,216
Specific allowance	29,393	2,001	2,331	27,392	27,061

7. Risk-Monitored Loans ("RML") 【Consolidated／Non-consolidated】

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

(Note) Partial direct written-off is an accounting procedure to offset allowance for loan losses for bankrupt borrowers and effectively bankrupt borrowers against the relevant accounts receivable.

(1) Balance of RML and RML Ratio

【Consolidated】

(Unit : million of yen, %)

	As of Mar.31, 2021 (a)		(a-b)		(a-c)		As of Sep.30, 2020 (b)		As of Mar.31, 2020 (c)	
		RML Ratio		RML Ratio		RML Ratio		RML Ratio		RML Ratio
Loans to Bankrupt Borrowers	8,624	0.15	(1,658)	(0.03)	277	—	10,282	0.18	8,346	0.15
Delinquent Loans	65,707	1.15	7,422	0.12	7,461	0.10	58,284	1.03	58,245	1.05
Loans past due 3 months or more	1,324	0.02	(920)	(0.01)	(936)	(0.02)	2,245	0.03	2,260	0.04
Restructured Loans	66,013	1.16	15,277	0.27	20,576	0.35	50,735	0.89	45,436	0.81
Total	141,669	2.49	20,121	0.34	27,379	0.43	121,547	2.15	114,289	2.06
Total loan balance (Term-end balance)	5,688,847		50,353		145,670		5,638,493		5,543,176	

(Note) Balance of RML and RML Ratio in the case where partial direct written-off are applied

RML	121,552	2.14	20,289	0.34	27,497	0.44	101,263	1.80	94,055	1.70
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【Non-consolidated】

(Unit : million of yen, %)

	As of Mar.31, 2021 (a)		(a-b)		(a-c)		As of Sep.30, 2020 (b)		As of Mar.31, 2020 (c)	
		RML Ratio		RML Ratio		RML Ratio		RML Ratio		RML Ratio
Loans to Bankrupt Borrowers	8,448	0.14	(1,629)	(0.03)	247	—	10,077	0.17	8,201	0.14
Delinquent Loans	64,928	1.12	7,590	0.12	7,559	0.10	57,338	1.00	57,368	1.02
Loans past due 3 months or more	1,324	0.02	(920)	(0.01)	(936)	(0.02)	2,245	0.03	2,260	0.04
Restructured Loans	59,348	1.03	15,364	0.26	19,998	0.33	43,984	0.77	39,350	0.70
Total	134,050	2.33	20,405	0.34	26,869	0.42	113,645	1.99	107,180	1.91
Total loan balance (Term-end balance)	5,749,625		47,226		147,319		5,702,398		5,602,306	

(Note) Balance of RML and RML Ratio in the case where partial direct written-off are applied

RML	114,605	2.00	20,416	0.35	26,874	0.43	94,189	1.65	87,731	1.57
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(2) Status of Coverage on RML

【Consolidated】

(Unit : million of yen)

	As of Mar.31,2021 (a)	(a-b)	(a-c)	As of Sep.30,2020 (b)	As of Mar.31,2020 (c)
① RML	141,669	20,121	27,379	121,547	114,289
② Covered by collaterals and guarantees	53,148	5,194	6,332	47,954	46,816
③ Allowance for loan losses	43,473	12,300	12,971	31,172	30,502
④ Coverage ratio((②+③)/①)	68.2%	3.2%	0.6%	65.0%	67.6%

(Note) Allowance for loan losses = Specific allowance + General allowance of Substandard claims

【Non-consolidated】

(Unit : million of yen)

	As of Mar.31,2021 (a)	(a-b)	(a-c)	As of Sep.30, 2020(b)	As of Mar.31, 2020(c)
① RML	134,050	20,405	26,869	113,645	107,180
② Covered by collaterals and guarantees	52,908	5,208	6,275	47,699	46,632
③ Allowance for loan losses	42,759	12,483	13,096	30,276	29,663
④ Coverage ratio((②+③)/①)	71.3%	2.7%	0.2%	68.6%	71.1%

(Note) Allowance for loan losses = Specific allowance + General allowance of Substandard claims

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

(1) Balance of Disclosed Claims under the FRL and Non-Performing Loan ratio ("NPL Ratio")

(Unit : million of yen, %)

	As of Mar.31, 2021(a)		(a-b)		(a-c)		As of Sep.30, 2020 (b)		As of Mar.31, 2020 (c)	
		NPL Ratio		NPL Ratio		NPL Ratio		NPL Ratio		NPL Ratio
Bankrupt and Substantially Bankrupt Claims	28,333	0.48	112	—	(1,546)	(0.04)	28,220	0.48	29,879	0.52
Doubtful Claims	45,125	0.77	5,821	0.10	9,303	0.14	39,303	0.67	35,822	0.63
Substandard Claims	60,673	1.04	14,444	0.25	19,062	0.31	46,229	0.79	41,611	0.73
Total	134,132	2.30	20,378	0.34	26,818	0.42	113,753	1.96	107,313	1.88
Normal Claims	5,690,045		10,753		111,824		5,679,291		5,578,220	
Total Claims	5,824,178		31,132		138,643		5,793,045		5,685,534	

(Note) Balance of Disclosed Claims under the FRL and NPL Ratio in the case where Partial direct written-off are applied

Disclosed Claims under the FRL	114,688	1.97	20,421	0.34	26,856	0.42	94,266	1.63	87,832	1.55
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(2) Status of Coverage on Disclosed Claims under the FRL

(Unit : million of yen)

	As of Mar.31, 2021(a)		(a-b)		(a-c)		As of Sep.30, 2020 (b)		As of Mar.31, 2020 (c)	
① Total coverage	95,743		17,665		19,321		78,077		76,422	
Value covered by collateral and guarantees	52,980		5,182		6,258		47,797		46,721	
Allowance for loan losses	42,763		12,483		13,062		30,279		29,700	
② Disclosed Claims under the FRL	134,132		20,378		26,818		113,753		107,313	
③ Coverage ratio (①/②)	71.3%		2.7%		0.1%		68.6%		71.2%	

(Reference) Breakdown of Disclosed Claims under the FRL (As of Mar.31, 2021)

(Unit : million of yen)

	Bankrupt and Substantially Bankrupt Claims	Doubtful Claims	Substandard Claims	Total
① Disclosed Claims under the FRL	28,333	45,125	60,673	134,132
② Covered by collaterals and guarantees	7,589	22,456	22,934	52,980
③ Uncoverage amount (①-②)	20,744	22,669	37,738	81,152
④ Allowance for loan losses	20,744	8,641	13,378	42,763
⑤ Coverage amount (②+④)	28,333	31,097	36,312	95,743
⑥ Allowance ratio (④/③)	100.0%	38.1%	35.4%	52.6%
⑦ Coverage ratio (⑤/①)	100.0%	68.9%	59.8%	71.3%

(Note) Covered by collaterals and guarantees of Substandard Claims is calculated based on coverage ratio of Substandard Assets.

9. Relationship between Self -Assessment, Disclosed Claims under the FRL and RML 【Non-consolidated】

(Unit : billion of yen)

Borrowers classification under the self-assessment guideline		A Disclosed Claimes under the FRL	Total coverage B		B/A Coverage ratio	=	Risk-Monitored Loans (Loans and bills discounted)	+	Others
			Covered by collaterals and guarantees	Allowance for loan losses					
Bankrupt Borrowers 8.4		Bankrupt and Substantially Bankrupt Claims 28.3		(Allowance ratio 100%) 20.7	100.0%		Loans to Bankrupt Borrowers 8.4		
Effectively Bankrupt Borrowers 19.8				Delinquent Loans 64.9					
Potentially Bankrupt Borrowers 45.1		Doubtful Claims 45.1	22.4	(Allowance ratio 38.1%) 8.6	68.9%				0.0
Borrowers Requiring Caution	Substandard Borrowers 78.9	Substandard Claims 60.6	22.9	(Allowance ratio against Substandard Claims 22.0%) 13.3	59.8%		Loans past due 3 months or more 1.3 Restructured Loans 59.3		
	Other Borrowers Requiring Caution 432.5	Normal Claims 5,690.0	Total 52.9		Total 42.7	↓ Total coverage ratio 71.3%			
Normal Borrowers 5,148.9									
Others 90.2									
Total 5,824.1			Total 5,824.1						
		Disclosed Claims under the FRL 134.1					Risk-Monitored Loans 134.0		
		↓ After partial direct written-off ※114.6					↓ After partial direct written-off ※114.6		

○ Disclosed Claims under the FRL The claims include loans and bills discounted, customers' liabilities for acceptances and guarantees, foreign exchange, securities loaned, accrued interest, suspense payments and bank guaranteed private placement bonds.
Note that substandard claims include only loans and bills discounted and are claims aggregated for each of the loans and bills discounted. (On the other hand, claims to substandard borrowers under the self-assessment guideline include all substandard claims to debtors of the substandard claims.)

○ Risk - Monitored Loans are aimed at loans and bills discounted only.

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

10. Loan Breakdown by Industry, etc. 【Non-consolidated】

(1) Loan Breakdown by Industry (Domestic branches excluding loans booked at offshore markets)

(Unit : billion of yen)

	As of Mar.31, 2021 (a)			As of Sep.30, 2020 (b)	As of Mar.31, 2020 (c)
		(a-b)	(a-c)		
Domestic branches	5,695.3	45.0	147.2	5,650.2	5,548.0
Manufacturing	730.0	1.4	37.8	728.5	692.2
Agriculture and forestry	8.9	(0.3)	(1.3)	9.2	10.2
Fishery	2.1	0.5	0.5	1.6	1.6
Mining, quarrying and gravel	4.2	0.4	0.8	3.7	3.3
Construction	206.7	15.0	27.0	191.7	179.6
Electricity, gas, heat supply and water	71.2	(0.1)	(1.2)	71.4	72.5
Information and communications	26.7	0.8	2.4	25.8	24.2
Transport and postal service	160.9	6.9	13.2	153.9	147.6
Wholesale and retail trade	458.3	0.5	10.1	457.8	448.1
Financial and insurance	171.6	3.6	8.1	168.0	163.4
Real estate and leasing	734.7	5.4	4.8	729.2	729.8
Medical, welfare	340.4	(0.3)	21.4	340.7	318.9
Other services	277.6	1.9	29.8	275.7	247.7
Local public sector	90.0	5.5	4.9	84.5	85.1
Others	2,411.4	3.5	(11.5)	2,407.8	2,423.0
Of which, Individuals	2,316.6	9.0	1.8	2,307.5	2,314.7

(2) Breakdown of RML by Industry

(Unit : billion of yen)

	As of Mar.31, 2021 (a)			As of Sep.30, 2020 (b)	As of Mar.31, 2020 (c)
		(a-b)	(a-c)		
All branches	134.0	20.4	26.8	113.6	107.1
Manufacturing	41.5	16.5	19.8	25.0	21.6
Agriculture and forestry	1.4	0.9	1.0	0.4	0.3
Fishery	—	—	—	—	—
Mining, quarrying and gravel	0.0	(0.0)	(0.5)	0.0	0.5
Construction	4.2	(0.4)	(0.0)	4.6	4.3
Electricity, gas, heat supply and water	1.0	0.7	0.7	0.2	0.2
Information and communications	0.6	0.0	(0.0)	0.6	0.7
Transport and postal service	2.4	0.3	0.4	2.0	1.9
Wholesale and retail trade	22.1	2.0	4.1	20.0	17.9
Financial and insurance	1.1	(0.1)	0.4	1.2	0.6
Real estate and leasing	10.8	0.1	0.5	10.7	10.3
Medical, welfare	14.9	(0.6)	(1.8)	15.6	16.7
Other services	19.8	0.7	4.2	19.1	15.6
Local public sector	—	—	—	—	—
Others	13.7	0.0	(2.1)	13.6	15.8

(3)Balance of small and medium-sized enterprises, etc. loans and Ratio

(Unit : billion of yen)

	As of Mar.31, 2021 (a)	(a-b)	(a-c)	As of Sep.30, 2020 (b)	As of Mar.31, 2020 (C)
Balance of small and medium-sized enterprises, etc. loans	4, 834. 2	37. 7	131. 1	4, 796. 5	4, 703. 1
Loans to individuals	2, 316. 6	9. 0	1. 8	2, 307. 5	2, 314. 7
Loans to small and medium-sized enterprises	2, 517. 6	28. 6	129. 3	2, 489. 0	2, 388. 3
Small and medium-sized enterprises, etc. loans ratio	84. 8 %	— %	0. 1 %	84. 8 %	84. 7 %

(Note) In loans to small and medium-sized enterprises, loans to Regional public corporations are included.

11. Loan Breakdown by Domicile of Borrower,etc. 【Non-consolidated】**(1)Balance of loans to specific foreign countries**

Not applicable.

(2)Balance of loans to Asian countries

(Unit : billion of yen)

	As of Mar.31, 2021 (a)	(a-b)	(a-c)	As of Sep.30, 2020 (b)	As of Mar.31, 2020 (C)
Balance of loans to Asian countries	51. 1	(3. 8)	(9. 6)	54. 9	60. 7
Of which Risk-Monitored Loans	—	—	—	—	—

(3)Balance of loans to Latin American countries

(Unit : billion of yen)

	As of Mar.31, 2021 (a)	(a-b)	(a-c)	As of Sep.30, 2020 (b)	As of Mar.31, 2020 (C)
Balance of loans to Latin American countries	4. 5	0. 4	(0. 8)	4. 1	5. 4
Of which Risk-Monitored Loans	—	—	—	—	—

(4)Balance of loans to Russia

Not applicable.