

Financial Data (Non-Consolidated)

KEY FINANCIAL INDICATORS

Key Financial Indicators

Fiscal years ended March 31

	Millions of yen	
	2021	2020
Ordinary income	¥ 1,946,224	¥ 1,799,283
Net ordinary income	394,325	379,077
Net income	279,837	273,044
Capital stock	3,500,000	3,500,000
Shares outstanding (thousand shares)	4,500,000	4,500,000
Net assets	11,362,133	8,987,651
Total assets	223,847,547	210,905,152
Deposits	189,593,469	183,004,733
Loans	4,691,723	4,961,733
Securities	138,183,264	135,198,460
Net assets per share (yen)	3,030.90	2,397.47
Dividends per share (yen)	50.00	50.00
[Interim dividends per share] (yen)	[0.00]	[25.00]
Net income per share (yen)	74.64	72.83
Diluted net income per share (yen)	—	—
Capital adequacy ratio (non-consolidated, domestic standard)	15.51%	15.55%
Dividend payout ratio	66.98%	68.64%
Employees	12,408	12,477

- Notes: 1. To calculate net assets per share, the treasury stock deducted from the number of common stock outstanding as of the end of the period included treasury stock held by the stock benefit trust. To calculate net income per share, the treasury stock deducted to calculate the average number of outstanding shares for the period included treasury stock held by the stock benefit trust.
2. Diluted net income per share is not presented since there has been no potential dilution for the fiscal years ended March 31, 2021 and 2020.
3. Capital adequacy ratio (non-consolidated, domestic standard) is calculated based on standards stipulated by Article 14-2 of the Banking Act for the purpose of determining whether banks have sufficient equity capital given their holdings of assets and other instruments (Notification No. 19, the Financial Services Agency of Japan, 2006).
4. Dividend payout ratio was calculated by dividing dividends per share of common stock by net income per share.
5. The number of employees excludes employees assigned to other companies by the Bank but includes employees assigned to the Bank by other companies. In addition, the figures do not include part-time employees (including those who have converted to indefinite term employment based on the system for conversion to indefinite term employment (associate employees)).

EARNINGS

Income Analysis

Fiscal years ended March 31

	Millions of yen	
	2021	2020
Gross operating profit:	¥ 1,319,027	¥ 1,314,210
(Excluding gains (losses) on bonds)	1,345,007	1,306,113
Domestic gross operating profit:	542,246	681,442
(Excluding gains (losses) on bonds)	583,914	677,877
Net interest income	455,698	549,737
Net fees and commissions	127,875	128,540
Net trading income	—	—
Net other operating income (loss)	(41,327)	3,164
(Gains (losses) on bonds)	(41,667)	3,565
Overseas gross operating profit:	776,780	632,767
(Excluding gains (losses) on bonds)	761,093	628,236
Net interest income	506,185	427,083
Net fees and commissions	67	350
Net trading income	—	—
Net other operating income (loss)	270,527	205,333
(Gains (losses) on bonds)	15,687	4,531
General and administrative expenses:	(1,010,175)	(1,020,253)
Personnel expenses	(119,374)	(122,586)
Non-personnel expenses	(834,256)	(844,334)
Taxes and dues	(56,544)	(53,332)
Operating profit (before provision for general reserve for possible loan losses)	308,852	293,956
Core net operating profit	334,832	285,859
(Excluding gains (losses) on cancellation of investment trusts)	285,993	245,830
Provision for general reserve for possible loan losses	—	(15)
Net operating profit:	308,852	293,941
Gains (losses) on bonds	(25,980)	8,097
Non-recurring gains (losses):	85,473	85,135
Gains (losses) related to stocks	(188,480)	11,545
Gains (losses) on money held in trust	272,749	72,838
Other non-recurring gains (losses)	1,204	752
Net ordinary income	394,325	379,077
Extraordinary income (loss):	(1,564)	(450)
Gains (losses) on sales and disposals of fixed assets	(557)	(450)
Losses on impairment of fixed assets	(1,006)	(0)
Income before income taxes	392,760	378,626
Income taxes—current	(124,123)	(101,266)
Income taxes—deferred	11,200	(4,315)
Net income	279,837	273,044
Credit-related expenses:	(23)	(13)
Provision for general reserve for possible loan losses	(23)	(13)
Write-off of loans	—	—
Provision for specific reserve for possible loan losses	—	—
Recoveries of written-off loans	—	—

Notes: 1. Net interest income is calculated by deducting interest expenses (excluding the expenses in relation to money held in trust) from interest income.

2. Core net operating profit = Operating profit (before provision for general reserve for possible loan losses) – Gains (losses) on bonds

3. General and administrative expenses exclude non-recurring losses.

4. Credit-related expenses are those expenses related to problem assets disclosed under the Financial Reconstruction Act.

5. Numbers in parenthesis indicate the amount of loss or expense.

Gross Operating Profit and Gross Operating Profit Margin

Fiscal years ended March 31

	Millions of yen	
	2021	2020
Gross operating profit	¥1,319,027	¥1,314,210
Gross operating profit margin	0.62%	0.64%

Notes: 1. Gross operating profit = net interest income + net fees and commissions + net other operating income (loss)

2. Gross operating profit margin = [gross operating profit / average balance of interest-earning assets] x 100

Net Operating Profit, Operating Profit (Before Provision for General Reserve for Possible Loan Losses), Core Net Operating Profit, and Core Net Operating Profit (Excluding Gains (Losses) on Cancellation of Investment Trusts)

Fiscal years ended March 31

	Millions of yen	
	2021	2020
Net operating profit	¥308,852	¥293,941
Operating profit (before provision for general reserve for possible loan losses)	308,852	293,956
Core net operating profit	334,832	285,859
Core net operating profit (excluding gains (losses) on cancellation of investment trusts)	285,993	245,830

Net Interest Income, Net Fees and Commissions, Net Trading Income, and Net Other Operating Income (Loss)

Fiscal years ended March 31

	Millions of yen		
	2021		
	Domestic	Overseas	Total
Net interest income:	¥455,698	¥506,185	¥ 961,884
Interest income	518,305	751,460	1,198,278
Interest expenses	62,606	245,274	236,393
Net fees and commissions:	127,875	67	127,943
Fees and commissions income	156,939	436	157,376
Fees and commissions expenses	29,063	369	29,433
Net trading income:	—	—	—
Trading gains	—	—	—
Trading losses	—	—	—
Net other operating income (loss):	(41,327)	270,527	229,200
Other operating income	3,187	290,497	293,684
Other operating expenses	44,514	19,969	64,484

	Millions of yen		
	2020		
	Domestic	Overseas	Total
Net interest income:	¥549,737	¥427,083	¥ 976,821
Interest income	629,096	789,429	1,318,014
Interest expenses	79,358	362,345	341,193
Net fees and commissions:	128,540	350	128,891
Fees and commissions income	159,951	613	160,564
Fees and commissions expenses	31,410	262	31,673
Net trading income:	—	—	—
Trading gains	—	—	—
Trading losses	—	—	—
Net other operating income (loss):	3,164	205,333	208,497
Other operating income	6,217	206,671	212,888
Other operating expenses	3,052	1,337	4,390

Notes: 1. "Domestic" represents yen-denominated transactions while "overseas" represents foreign currency-denominated transactions (except that yen-denominated transactions with non-residents of Japan are included in "overseas").

2. Interest expenses exclude expenses corresponding to money held in trust (fiscal year ended March 31, 2021, ¥4,760 million; fiscal year ended March 31, 2020, ¥5,441 million).

3. Interest income on "domestic" includes interest on transactions between "domestic" and "overseas" (fiscal year ended March 31, 2021, ¥71,487 million; fiscal year ended March 31, 2020, ¥100,511 million).

4. For a part of interest income and expenses as well as other operating income and expenses, transactions between "domestic" and "overseas" are offset to calculate totals. As a result, the total of each account may not be equal to the combined total of "domestic" and "overseas" of each item.

Average Balance, Interest, and Earnings Yield of Interest-Earning Assets and Interest-Bearing Liabilities

Fiscal years ended March 31

Domestic

	Millions of yen					
	2021			2020		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets:	¥204,928,217	¥518,305	0.25%	¥198,026,308	¥629,096	0.31%
Loans	5,888,523	10,060	0.17	4,947,212	11,056	0.22
Securities	70,330,066	410,942	0.58	71,842,673	492,509	0.68
Due from banks, etc.	56,799,558	29,230	0.05	52,928,370	28,874	0.05
Interest-bearing liabilities:	197,783,193	62,606	0.03	190,695,746	79,358	0.04
Deposits	188,043,501	38,323	0.02	183,018,232	55,096	0.03
Payables under securities lending transactions	155,875	155	0.09	229,198	229	0.10

Overseas

	Millions of yen					
	2021			2020		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets:	¥67,100,563	¥751,460	1.11%	¥63,366,957	¥789,429	1.24%
Loans	23,763	125	0.52	10,868	57	0.52
Securities	66,938,098	750,955	1.12	63,239,883	787,476	1.24
Due from banks, etc.	—	—	—	1,263	29	2.35
Interest-bearing liabilities:	67,508,045	245,274	0.36	63,324,744	362,345	0.57
Payables under securities lending transactions	1,482,339	6,752	0.45	2,240,788	49,376	2.20

Total

	Millions of yen					
	2021			2020		
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield
Interest-earning assets:	¥210,430,410	¥1,198,278	0.56%	¥203,590,095	¥1,318,014	0.64%
Loans	5,912,287	10,186	0.17	4,958,081	11,113	0.22
Securities	137,268,164	1,161,897	0.84	135,082,556	1,279,986	0.94
Due from banks, etc.	56,799,558	29,230	0.05	52,929,633	28,904	0.05
Interest-bearing liabilities:	203,692,867	236,393	0.11	196,217,319	341,193	0.17
Deposits	188,043,501	38,323	0.02	183,018,232	55,096	0.03
Payables under securities lending transactions	1,638,214	6,908	0.42	2,469,986	49,605	2.00

Notes: 1. Income and expenses for money held in trust are included in "other income" and "other expenses," respectively. Accordingly, the average balance of money held in trust (fiscal year ended March 31, 2021, ¥4,102,197 million; fiscal year ended March 31, 2020, ¥3,129,526 million) is excluded from interest-earning assets, and the average balance corresponding to money held in trust (fiscal year ended March 31, 2021, ¥4,102,197 million; fiscal year ended March 31, 2020, ¥3,129,526 million) and the corresponding interest (fiscal year ended March 31, 2021, ¥4,760 million; fiscal year ended March 31, 2020, ¥5,441 million) are excluded from interest-bearing liabilities.

2. Average balance and interest on transactions between "domestic" and "overseas" are offset to calculate totals.

3. "Due from banks, etc." consists of negotiable certificates of deposit, Bank of Japan deposits, call loans and monetary claims bought.

Changes in Interest Income and Expenses

Fiscal years ended March 31

Domestic

	Millions of yen					
	2021			2020		
	Balance-related change	Interest-related change	Net change	Balance-related change	Interest-related change	Net change
Interest income:	¥ 21,273	¥(132,064)	¥(110,791)	¥ 12,622	¥(136,351)	¥(123,729)
Loans	1,882	(2,877)	(995)	(2,439)	1,423	(1,016)
Securities	(10,178)	(71,388)	(81,567)	(44,152)	(78,376)	(122,529)
Due from banks, etc.	2,044	(1,688)	356	2,018	(4,048)	(2,030)
Interest expenses:	2,854	(19,606)	(16,751)	2,150	(37,691)	(35,541)
Deposits	1,474	(18,247)	(16,773)	791	(26,528)	(25,737)
Payables under securities lending transactions	(73)	(0)	(73)	(1,762)	978	(783)

Overseas

	Millions of yen					
	2021			2020		
	Balance-related change	Interest-related change	Net change	Balance-related change	Interest-related change	Net change
Interest income:	¥ 44,782	¥ (82,751)	¥ (37,969)	¥51,820	¥37,407	¥89,227
Loans	68	0	68	29	6	36
Securities	44,357	(80,879)	(36,521)	51,653	37,048	88,701
Due from banks, etc.	(29)	—	(29)	(168)	34	(134)
Interest expenses:	22,597	(139,669)	(117,071)	27,754	12,590	40,344
Payables under securities lending transactions	(12,747)	(29,875)	(42,623)	(8,376)	(1,530)	(9,907)

Total

	Millions of yen					
	2021			2020		
	Balance-related change	Interest-related change	Net change	Balance-related change	Interest-related change	Net change
Interest income:	¥ 43,120	¥(162,856)	¥(119,736)	¥ 21,265	¥(61,236)	¥(39,971)
Loans	1,914	(2,841)	(927)	(2,430)	1,450	(979)
Securities	20,418	(138,507)	(118,088)	(15,528)	(18,298)	(33,827)
Due from banks, etc.	2,045	(1,718)	326	2,023	(4,188)	(2,164)
Interest expenses:	12,554	(117,353)	(104,799)	7,188	(7,855)	(666)
Deposits	1,474	(18,247)	(16,773)	791	(26,528)	(25,737)
Payables under securities lending transactions	(12,760)	(29,936)	(42,697)	(65,514)	54,823	(10,691)

Notes: 1. Factors that increase or decrease both balance and interest rate are allocated based on the proportion of the increase or decrease in the balance and interest rate.

2. Average balance and interest on transactions between "domestic" and "overseas" are offset to calculate totals.

3. "Due from banks, etc." consists of negotiable certificates of deposit, Bank of Japan deposits, call loans and monetary claims bought.

General and Administrative Expenses

Fiscal years ended March 31

	Millions of yen			
	2021		2020	
	Amount	%	Amount	%
Personnel expenses:	¥ 117,288	11.63	¥ 120,653	11.84
Salaries and allowances	96,068	9.52	98,694	9.69
Others	21,219	2.10	21,959	2.15
Non-personnel expenses:	834,256	82.75	844,334	82.91
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	366,358	36.34	369,716	36.30
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network (Note)	237,439	23.55	237,820	23.35
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	57,436	5.69	59,486	5.84
Rent for land, buildings and others	11,531	1.14	11,956	1.17
Expenses on consigned businesses	67,002	6.64	64,085	6.29
Depreciation and amortization	34,943	3.46	36,146	3.54
Communication and transportation expenses	15,279	1.51	16,886	1.65
Maintenance expenses	13,378	1.32	12,457	1.22
IT expenses	12,914	1.28	16,791	1.64
Others	17,971	1.78	18,986	1.86
Taxes and dues	56,544	5.60	53,332	5.23
Total	¥1,008,089	100.00	¥1,018,320	100.00

Note: The Bank makes payments of contributions to the Organization for Postal Savings, Postal Life Insurance and Post Office Network in accordance with Article 18-3 of the Act on Organization for Postal Savings, Postal Life Insurance and Post Office Network.

DEPOSITS

Balances by Type of Deposit

As of March 31

Ending Balances

	Millions of yen			
	2021		2020	
	Amount	%	Amount	%
Liquid deposits:	¥101,309,018	53.43	¥ 87,567,568	47.84
Transfer deposits	9,150,117	4.82	7,712,325	4.21
Ordinary deposits, etc.	91,546,309	48.28	79,346,271	43.35
Savings deposits	612,591	0.32	508,971	0.27
Fixed-term deposits:	88,145,649	46.49	95,298,907	52.07
Time deposits	4,709,291	2.48	5,225,651	2.85
TEIGAKU deposits	83,436,358	44.00	90,073,256	49.21
Other deposits	138,801	0.07	138,256	0.07
Subtotal	189,593,469	100.00	183,004,733	100.00
Negotiable certificates of deposit	—	—	—	—
Total	¥189,593,469	100.00	¥183,004,733	100.00

Fiscal years ended March 31

Average Balances

	Millions of yen			
	2021		2020	
	Amount	%	Amount	%
Liquid deposits:	¥ 96,053,067	51.08	¥ 84,703,007	46.28
Transfer deposits	8,686,730	4.61	7,706,034	4.21
Ordinary deposits, etc.	86,803,482	46.16	76,527,985	41.81
Savings deposits	562,854	0.29	468,987	0.25
Fixed-term deposits:	91,763,655	48.79	98,087,845	53.59
Time deposits	4,940,369	2.62	6,208,331	3.39
TEIGAKU deposits	86,823,285	46.17	91,879,514	50.20
Other deposits	226,778	0.12	227,378	0.12
Subtotal	188,043,501	100.00	183,018,232	100.00
Negotiable certificates of deposit	—	—	—	—
Total	¥188,043,501	100.00	¥183,018,232	100.00

Time Deposits by Time to Maturity

As of March 31

		Millions of yen	
		2021	2020
Less than three months	Time deposits:	¥1,443,083	¥1,700,029
	Fixed interest rates	1,443,083	1,700,029
	Floating interest rates	—	—
	Other time deposits	—	—
≥ Three and < six months	Time deposits:	953,518	1,058,122
	Fixed interest rates	953,518	1,058,122
	Floating interest rates	—	—
	Other time deposits	—	—
≥ Six months and < one year	Time deposits:	1,813,541	1,954,446
	Fixed interest rates	1,813,541	1,954,446
	Floating interest rates	—	—
	Other time deposits	—	—
≥ One and < two years	Time deposits:	168,008	212,019
	Fixed interest rates	168,008	212,019
	Floating interest rates	—	—
	Other time deposits	—	—
≥ Two and < three years	Time deposits:	165,987	144,115
	Fixed interest rates	165,987	144,115
	Floating interest rates	—	—
	Other time deposits	—	—
Three years or more	Time deposits:	165,151	156,917
	Fixed interest rates	165,151	156,917
	Floating interest rates	—	—
	Other time deposits	—	—
Total	Time deposits:	¥4,709,291	¥5,225,651
	Fixed interest rates	4,709,291	5,225,651
	Floating interest rates	—	—
	Other time deposits	—	—

TEIGAKU Deposits by Time to Maturity

As of March 31

	Millions of yen	
	2021	2020
Less than one year	¥11,978,486	¥13,458,783
≥ One and < three years	10,752,458	14,660,631
≥ Three and < five years	11,523,210	13,087,421
≥ Five and < seven years	21,295,472	15,125,567
Seven years or more	27,886,729	33,740,852
Total	¥83,436,358	¥90,073,256

Note: Figures have been calculated based on the assumption that all deposits will be held to maturity.

LOANS

Loans by Category

As of March 31

Ending Balances

	Millions of yen	
	2021	2020
Domestic:		
Loans on notes	—	—
Loans on deeds	¥4,566,528	¥4,798,252
Overdrafts	99,623	144,159
Notes discounted	—	—
Subtotal	4,666,152	4,942,412
Overseas:		
Loans on notes	—	—
Loans on deeds	25,571	19,321
Overdrafts	—	—
Notes discounted	—	—
Subtotal	25,571	19,321
Total	¥4,691,723	¥4,961,733

Fiscal years ended March 31

Average Balances

	Millions of yen	
	2021	2020
Domestic:		
Loans on notes	—	—
Loans on deeds	¥5,781,276	¥4,779,394
Overdrafts	107,247	167,817
Notes discounted	—	—
Subtotal	5,888,523	4,947,212
Overseas:		
Loans on notes	—	—
Loans on deeds	23,763	10,868
Overdrafts	—	—
Notes discounted	—	—
Subtotal	23,763	10,868
Total	¥5,912,287	¥4,958,081

Loans by Time to Maturity

As of March 31

		Millions of yen	
		2021	2020
One year or less	Loans:	¥2,278,639	¥2,995,519
	Floating interest rates	/	/
	Fixed interest rates	/	/
> One and ≤ three years	Loans:	472,875	350,112
	Floating interest rates	135,746	79,873
	Fixed interest rates	337,128	270,239
> Three and ≤ five years	Loans:	527,795	351,031
	Floating interest rates	108,264	24,893
	Fixed interest rates	419,531	326,138
> Five and ≤ seven years	Loans:	172,897	298,005
	Floating interest rates	10,444	8,079
	Fixed interest rates	162,453	289,925
> Seven and ≤ ten years	Loans:	493,195	373,169
	Floating interest rates	11,943	2,250
	Fixed interest rates	481,251	370,919
Over ten years	Loans:	746,320	593,894
	Floating interest rates	14,958	11,784
	Fixed interest rates	731,361	582,110
No designated term	Loans:	—	—
	Floating interest rates	—	—
	Fixed interest rates	—	—
Total		¥4,691,723	¥4,961,733

Notes: 1. Loans to the Organization for Postal Savings, Postal Life Insurance and Post Office Network include loans for which the interest rate is revised (5 years/10 years), and those loans are recorded as fixed interest rate loans.

2. Loans to depositors (maturities of two years or less) are treated as having time to maturity of one year or less.

3. Loans with maturities of one year or less have not been categorized into fixed and floating interest rate instruments.

Loans and Acceptances and Guarantees by Type of Collateral

As of March 31

Loans by Type of Collateral

		Millions of yen	
		2021	2020
Securities		¥ —	¥ 11
Receivables		95,165	139,357
Merchandise		—	—
Real estate		—	—
Others		—	—
Subtotal		95,165	139,369
Guarantees		28,270	30,646
Credit		4,568,287	4,791,717
Total		¥4,691,723	¥4,961,733

Acceptances and Guarantees by Type of Collateral

	Millions of yen	
	2021	2020
Securities	—	—
Receivables	—	—
Merchandise	—	—
Real estate	—	—
Others	—	—
Subtotal	—	—
Guarantees	—	—
Credit	—	—
Total	—	—

Loans by Purpose

As of March 31

	Millions of yen			
	2021		2020	
	Amount	%	Amount	%
Funds for capital investment	¥ 24,608	0.52	¥ 8,089	0.16
Funds for working capital	4,667,114	99.47	4,953,644	99.83
Total	¥4,691,723	100.00	¥4,961,733	100.00

Loans by Industry

As of March 31

	Millions of yen			
	2021		2020	
	Amount	%	Amount	%
Domestic (excluding Japan Offshore Market accounts)	¥4,666,152	100.00	¥4,942,412	100.00
Agriculture, forestry, fisheries, and mining	—	—	—	—
Manufacturing	81,669	1.75	43,524	0.88
Utilities, information/communications, and transportation	137,714	2.95	108,064	2.18
Wholesale and retail	34,255	0.73	31,155	0.63
Finance and insurance	739,510	15.84	773,676	15.65
Construction and real estate	63,184	1.35	12,983	0.26
Services and goods rental/leasing	84,214	1.80	48,437	0.98
Central and local governments	3,428,219	73.46	3,782,410	76.52
Others	97,383	2.08	142,159	2.87
Overseas and Japan Offshore Market accounts	25,571	100.00	19,321	100.00
Governments	—	—	—	—
Others	25,571	100.00	19,321	100.00
Total	¥4,691,723		¥4,961,733	

Notes: 1. "Domestic" represents loans to residents of Japan, while "overseas" represents loans to non-residents of Japan.

2. Of "Finance and insurance," loans to the Organization for Postal Savings, Postal Life Insurance and Post Office Network, were ¥340,563 million and ¥439,734 million as of March 31, 2021 and March 31, 2020, respectively.

Loans to Individuals and Small and Medium-size Enterprises

As of March 31

	Millions of yen	
	2021	2020
Total loans (A)	¥4,691,723	¥4,961,733
Loans to individuals and small and medium-size enterprises (B)	99,623	144,159
(B)/(A)	2.12%	2.90%

Note: Individuals and small and medium-size enterprises are defined as companies with capital of ¥300 million or less (¥100 million or less for wholesalers and ¥50 million or less for retail and service businesses) or companies with full-time employees of 300 workers or less (100 employees or less for wholesalers, 50 employees or less for retail businesses, and 100 employees or less for service businesses) and individuals.

Risk-Monitored Loans

As of March 31

	Millions of yen	
	2021	2020
Loans to bankrupt borrowers	—	—
Non-accrual delinquent loans	—	¥0
Past-due loans for three months or more	—	—
Restructured loans	—	—
Total	—	¥0

Problem Assets Disclosed under the Financial Reconstruction Act

As of March 31

	Millions of yen	
	2021	2020
Loans to borrowers classified as bankrupt or quasi-bankrupt	—	—
Loans to borrowers classified as doubtful	—	¥ 0
Loans requiring close monitoring	—	—
Subtotal (A)	—	0
Loans to borrowers classified as normal	¥4,774,980	5,111,652
Total (B)	¥4,774,980	¥5,111,652
Non-performing loan ratio (A)/(B)	—	0.00%

Reserve for Possible Loan Losses

Fiscal years ended March 31

	Millions of yen			
	2021			
	Balance at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	Balance at the end of the fiscal year
General reserve for possible loan losses	¥ 258	¥280	¥ 258	¥280
Specific reserve for possible loan losses	772	655	772	655
Total	¥1,031	¥935	¥1,031	¥935

	Millions of yen			
	2020			
	Balance at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	Balance at the end of the fiscal year
General reserve for possible loan losses	¥243	¥ 258	¥243	¥ 258
Specific reserve for possible loan losses	715	772	715	772
Total	¥958	¥1,031	¥958	¥1,031

SECURITIES

Average Balance by Type of Trading Book Securities

Fiscal years ended March 31

	Millions of yen	
	2021	2020
Trading book Japanese government bonds	¥27	¥37
Trading book Japanese local government bonds	—	—
Trading book government guaranteed bonds	—	—
Other trading book securities	—	—
Total	¥27	¥37

Securities by Time to Maturity

As of March 31

	Millions of yen							Total
	2021							
	One year or less	> One and ≤ three years	> Three and ≤ five years	> Five and ≤ seven years	> Seven and ≤ ten years	Over ten years	No designated term	
Japanese government bonds	¥ 8,649,610	¥20,250,996	¥1,363,240	¥ 4,479,727	¥ 4,786,847	¥10,963,054	¥ —	¥ 50,493,477
Japanese local government bonds	740,045	1,571,253	1,430,374	784,542	967,598	—	—	5,493,814
Japanese corporate bonds	2,880,054	2,414,872	1,940,009	1,448,959	1,044,624	1,286,428	—	11,014,949
Other securities:	2,817,159	5,366,470	4,137,454	3,329,780	3,545,199	6,622,653	45,362,304	71,181,022
Foreign bonds	2,816,908	5,365,773	4,133,086	3,311,025	2,553,306	5,325,015	—	23,505,116
Investment trusts	—	—	—	—	946,477	1,296,161	45,348,548	47,591,186
Foreign stocks	—	—	—	—	—	—	—	—
Total	¥15,086,869	¥29,603,593	¥8,871,079	¥10,043,009	¥10,344,270	¥18,872,136	¥45,362,304	¥138,183,264

	Millions of yen							Total
	2020							
	One year or less	> One and ≤ three years	> Three and ≤ five years	> Five and ≤ seven years	> Seven and ≤ ten years	Over ten years	No designated term	
Japanese government bonds	¥ 7,636,911	¥22,475,554	¥ 6,803,085	¥3,429,578	¥ 4,623,542	¥ 8,667,440	¥ —	¥ 53,636,113
Japanese local government bonds	1,194,461	1,496,337	1,550,490	699,463	1,045,596	—	—	5,986,349
Japanese corporate bonds	2,101,227	2,041,449	2,181,224	978,859	1,321,931	1,290,534	—	9,915,227
Other securities:	3,711,361	4,959,530	5,329,022	1,727,217	3,418,188	6,303,530	40,211,918	65,660,770
Foreign bonds	3,711,361	4,959,131	5,326,856	1,710,567	2,599,359	5,399,594	—	23,706,870
Investment trusts	—	—	—	—	788,417	903,936	40,208,662	41,901,017
Foreign stocks	—	—	—	—	—	—	—	—
Total	¥14,643,961	¥30,972,871	¥15,863,822	¥6,835,119	¥10,409,259	¥16,261,505	¥40,211,918	¥135,198,460

Balance by Type of Securities

As of March 31

Ending Balances

	Millions of yen	
	2021	2020
Domestic:		
Japanese government bonds	¥ 50,493,477	¥ 53,636,113
Japanese local government bonds	5,493,814	5,986,349
Japanese corporate bonds	11,014,949	9,915,227
Other securities	632,508	1,691,087
Subtotal	67,634,749	71,228,777
Overseas:		
Other securities:	70,548,514	63,969,682
Foreign bonds	23,505,116	23,706,870
Investment trusts	47,040,783	40,261,287
Foreign stocks	—	—
Subtotal	70,548,514	63,969,682
Total	¥138,183,264	¥135,198,460

Fiscal years ended March 31

Average Balances

	Millions of yen	
	2021	2020
Domestic:		
Japanese government bonds	¥ 52,505,182	¥ 54,702,343
Japanese local government bonds	5,687,442	6,210,203
Japanese corporate bonds	10,628,115	9,867,257
Other securities	1,509,325	1,062,868
Subtotal	70,330,066	71,842,673
Overseas:		
Other securities:	66,938,098	63,239,883
Foreign bonds	22,313,823	22,339,153
Investment trusts	44,622,132	40,898,861
Foreign stocks	—	—
Subtotal	66,938,098	63,239,883
Total	¥137,268,164	¥135,082,556

Asset Management Status

As of March 31

	Millions of yen			
	2021		2020	
	Outstanding assets	%	Outstanding assets	%
Due from banks, etc.	¥ 60,667,097	27.50	¥ 51,485,414	24.80
Call loans	1,390,000	0.63	1,040,000	0.50
Receivables under resale agreements	9,721,360	4.40	9,731,897	4.68
Receivables under securities borrowing transactions	—	—	112,491	0.05
Money held in trust	5,547,574	2.51	4,549,736	2.19
Securities:	138,183,264	62.64	135,198,460	65.14
Japanese government bonds	50,493,477	22.88	53,636,113	25.84
Japanese local government bonds	5,493,814	2.49	5,986,349	2.88
Japanese corporate bonds	11,014,949	4.99	9,915,227	4.77
Other securities:	71,181,022	32.26	65,660,770	31.64
Foreign bonds	23,505,116	10.65	23,706,870	11.42
Investment trusts	47,591,186	21.57	41,901,017	20.19
Loans	4,691,723	2.12	4,961,733	2.39
Others	394,410	0.17	439,879	0.21
Total	¥220,595,431	100.00	¥207,519,613	100.00

Notes: 1. "Due from banks, etc." consists of negotiable certificates of deposit, Bank of Japan deposits and monetary claims bought.
2. Investment trusts are mainly invested in foreign bonds.

Foreign Bonds

As of March 31

Foreign Bonds by Currency

	Millions of yen			
	2021		2020	
	Outstanding assets	%	Outstanding assets	%
Japanese yen	¥ 3,922,700	16.68	¥ 5,086,432	21.45
U.S. dollar	15,474,801	65.83	15,461,957	65.22
Euro	3,211,662	13.66	2,661,777	11.22
Others	895,951	3.81	496,702	2.09
Total	¥23,505,116	100.00	¥23,706,870	100.00

Money Held in Trust

As of March 31

Assets by Type

	Millions of yen			
	2021		2020	
	Outstanding assets	%	Outstanding assets	%
Domestic stocks	¥2,261,772	44.29	¥1,859,682	43.07
Domestic bonds	1,545,190	30.26	1,419,008	32.86
Others	1,299,148	25.44	1,038,853	24.06
Total	¥5,106,111	100.00	¥4,317,545	100.00

Assets by Currency

	Millions of yen			
	2021		2020	
	Outstanding assets	%	Outstanding assets	%
Japanese yen	¥5,105,922	99.99	¥4,311,553	99.86
U.S. dollar	189	0.00	5,991	0.13
Euro	—	—	0	0.00
Others	—	—	—	—
Total	¥5,106,111	100.00	¥4,317,545	100.00

Securitized Product Exposure

As of March 31, 2021 and March 31, 2020, the Bank held the following securitized products and other products.

The Bank's holdings of securitized products and others were limited to securitization exposure as a final investor. The Bank has never originated any securitized products and thus has no exposure as an originator and no exposure to special purpose entities (SPEs) that should be consolidated.

As of March 31

1. Securitized Products

Region		Millions of yen		
		2021		
		Acquisition cost	Net unrealized gains (losses)	Credit ratings
Domestic	Residential mortgage-backed securities (RMBS)	¥1,354,370	¥19,045	AAA
	Subprime loan related	—	—	—
	Collateralized loan obligations (CLO)	—	—	—
	Other securitized products	225,448	33	AAA
	Commercial mortgage-backed securities (CMBS)	—	—	—
	Collateralized debt obligations (CDO)	870	28	AAA
	Subtotal	1,580,689	19,106	
Overseas	Residential mortgage-backed securities (RMBS)	54,999	3,897	AAA
	Subprime loan related	—	—	—
	Collateralized loan obligations (CLO)	2,036,348	36,013	AAA
	Subtotal	2,091,347	39,911	
Total		¥3,672,037	¥59,017	

Region		Millions of yen		
		Acquisition cost	Net unrealized gains (losses)	Credit ratings
Domestic	Residential mortgage-backed securities (RMBS)	¥1,359,705	¥ 28,113	AAA
	Subprime loan related	—	—	—
	Collateralized loan obligations (CLO)	—	—	—
	Other securitized products	173,975	(205)	AAA
	Commercial mortgage-backed securities (CMBS)	—	—	—
	Collateralized debt obligations (CDO)	1,018	37	AAA
	Subtotal	1,534,699	27,945	
Overseas	Residential mortgage-backed securities (RMBS)	38,546	(9,390)	AAA
	Subprime loan related	—	—	—
	Collateralized loan obligations (CLO)	1,767,354	(121,935)	AAA
	Subtotal	1,805,900	(131,326)	
Total		¥3,340,600	¥(103,380)	

- Notes: 1. The underlying assets provided are only those from multiple debtors comprising securitized products.
2. The above table does not include securitized products that might be included in investment trusts. The same shall apply hereinafter.
3. Net unrealized gains (losses) do not reflect the effect of foreign exchange hedging. No hedging activities against credit risks were made.
4. Other securitized products are securitized products of which major underlying assets are auto loan claims.
5. Excludes U.S. GSE related items.
6. The overseas collateralized loan obligations (CLO) are only those in the United States. Net unrealized gains (losses) on the overseas CLO including foreign exchange hedging were ¥1,916 million as of March 31, 2021, compared with ¥(104,557) million as of March 31, 2020 (reference value calculated on management accounting basis).

2. Structured Investment Vehicles (SIVs)

There were no investments in SIVs.

3. Leveraged Loans

There were no outstanding leveraged loans.

4. Monoline Insurer-related Products

There were no monoline insurer-related exposures. In addition, the Bank has not extended credit to or executed credit derivatives transactions with any monoline insurers.

RATIOS

Net Ordinary Income to Assets and Equity

Fiscal years ended March 31

	%	
	2021	2020
Net ordinary income to assets	0.18	0.18
Net ordinary income to equity	3.87	3.72

- Notes: 1. Net ordinary income to assets = net ordinary income / [(sum of total assets at the beginning and the end of the fiscal year) / 2] x 100
2. Net ordinary income to equity = net ordinary income / [(sum of total net assets at the beginning and the end of the fiscal year) / 2] x 100

Net Income to Assets and Equity

Fiscal years ended March 31

	%	
	2021	2020
Net income to assets (ROA)	0.12	0.13
Net income to equity (ROE)	2.75	2.68

- Notes: 1. ROA = net income / [(sum of total assets at the beginning and the end of the fiscal year) / 2] x 100
2. ROE = net income / [(sum of total net assets at the beginning and the end of the fiscal year) / 2] x 100

Overhead Ratio

Fiscal years ended March 31

	%	
	2021	2020
Overhead ratio (OHR)	76.58	77.63

Note: OHR = [general and administrative expenses (excluding non-recurring expenses) / gross operating profit] x 100

Interest Rate Spread

Fiscal years ended March 31

	%	
	2021	2020
Domestic:		
Yield on interest-earning assets	0.25	0.31
Interest rate on interest-bearing liabilities	0.03	0.04
Interest rate spread	0.22	0.27
Overseas:		
Yield on interest-earning assets	1.11	1.24
Interest rate on interest-bearing liabilities	0.36	0.57
Interest rate spread	0.75	0.67
Total:		
Yield on interest-earning assets	0.56	0.64
Interest rate on interest-bearing liabilities	0.11	0.17
Interest rate spread	0.45	0.47

Loan-Deposit Ratio

As of March 31

	Millions of yen		
	2021		
	Domestic	Overseas	Total
Loans (A)	¥ 4,666,152	¥25,571	¥ 4,691,723
Deposits (B)	189,593,469	—	189,593,469
Loan-deposit ratio (A)/(B)	2.46%	—	2.47%
Loan-deposit ratio (average for the fiscal year)	3.13%	—	3.14%

	Millions of yen		
	2020		
	Domestic	Overseas	Total
Loans (A)	¥ 4,942,412	¥19,321	¥ 4,961,733
Deposits (B)	183,004,733	—	183,004,733
Loan-deposit ratio (A)/(B)	2.70%	—	2.71%
Loan-deposit ratio (average for the fiscal year)	2.70%	—	2.70%

Security-Deposit Ratio

As of March 31

	Millions of yen		
	2021		
	Domestic	Overseas	Total
Securities (A)	¥ 67,634,749	¥70,548,514	¥138,183,264
Deposits (B)	189,593,469	—	189,593,469
Security-deposit ratio (A)/(B)	35.67%	—	72.88%
Security-deposit ratio (average for the fiscal year)	37.40%	—	72.99%

	Millions of yen		
	2020		
	Domestic	Overseas	Total
Securities (A)	¥ 71,228,777	¥63,969,682	¥135,198,460
Deposits (B)	183,004,733	—	183,004,733
Security-deposit ratio (A)/(B)	38.92%	—	73.87%
Security-deposit ratio (average for the fiscal year)	39.25%	—	73.80%

OTHERS

Over-the-Counter Sales of Japanese Government Bonds

Fiscal years ended March 31

	Millions of yen	
	2021	2020
Long-term bonds	¥ 1,071	¥ 0
Medium-term bonds	0	0
Bonds for individuals	61,306	61,417
Total	¥62,377	¥61,417

Domestic Exchanges

Fiscal years ended March 31

Remittances

	Millions of yen			
	2021		2020	
	Remittances (thousands)	Amount	Remittances (thousands)	Amount
Sent	37,802	¥32,622,794	35,061	¥30,808,610
Received	144,924	33,080,173	120,207	29,582,167

Note: All remittances are transferred through the Interbank Data Telecommunication System ("Zengin Net").

CAPITAL POSITION

Capital Adequacy Ratio (Non-Consolidated, Domestic Standard)

As of March 31

		Millions of yen	
		2021	2020
Core Capital: instruments and reserves	Directly issued qualifying common stock or preferred stock mandatorily converted into common stock capital plus related capital surplus and retained earnings	¥9,057,375	¥8,964,975
	of which: Capital and capital surplus	7,796,285	7,796,285
	of which: Retained earnings	2,749,408	2,563,307
	of which: Treasury stock (deduction)	1,300,844	1,300,881
	of which: Cash dividends to be paid (deduction)	187,473	93,736
	of which: Other than above	—	—
	Subscription rights to common stock or preferred stock mandatorily converted into common stock	—	—
	Reserves included in Core Capital: instruments and reserves	280	258
	of which: General reserve for possible loan losses	280	258
	of which: Eligible reserve	—	—
	Eligible non-cumulative perpetual preferred stock subject to phase out arrangement included in Core Capital: instruments and reserves	—	—
	Eligible capital instrument subject to phase out arrangement included in Core Capital: instruments and reserves	—	—
	Capital instrument issued through the measures for strengthening capital by public institutions included in Core Capital: instruments and reserves	—	—
	45% of revaluation reserve for land included in Core Capital: instruments and reserves	—	—
	Core Capital: instruments and reserves (A)	9,057,656	8,965,233
Core Capital: regulatory adjustments	Total intangible fixed assets (net of related tax liability, excluding those relating to mortgage servicing rights)	33,294	32,685
	of which: Goodwill (net of related tax liability)	—	—
	of which: Other intangible fixed assets other than goodwill and mortgage servicing rights (net of related tax liability)	33,294	32,685
	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	—	—
	Shortfall of eligible provisions to expected losses	—	—
	Securitization gain on sale	—	—
	Gains and losses due to changes in own credit risk on fair valued liabilities	—	—
	Prepaid pension costs	—	—
	Investments in own shares (excluding those reported in the Net Assets section)	—	—
	Reciprocal cross-holdings in capital instruments issued by Other Financial Institutions for raising capital that are held by the Holding Company Group	—	—
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ('Other Financial Institutions'), net of eligible short positions, where the bank does not own more than 10% of the issued share capital ('Non-significant Investment') (amount above the 10% threshold)	—	—	

		Millions of yen	
		2021	2020
Core Capital: regulatory adjustments	Amount exceeding the 10% threshold on specified items	—	—
	of which: Significant investments in the common stock of Other Financial Institutions, net of eligible short positions	—	—
	of which: Mortgage servicing rights	—	—
	of which: Deferred tax assets arising from temporary differences (net of related tax liability)	—	—
	Amount exceeding the 15% threshold on specified items	—	—
	of which: Significant investments in the common stock of Other Financial Institutions, net of eligible short positions	—	—
	of which: Mortgage servicing rights	—	—
	of which: Deferred tax assets arising from temporary differences (net of related tax liability)	—	—
	Core Capital: regulatory adjustments (B)	33,294	32,685
Total capital	Total capital (A)–(B)=(C)	¥ 9,024,361	¥ 8,932,547
Risk-weighted assets	Credit risk-weighted assets	¥55,604,917	¥54,775,080
	of which: Total of items included in risk-weighted assets subject to transitional arrangements	—	—
	of which: Other Financial Institutions Exposures	—	—
	of which: Other than the above	—	—
	Market risk equivalent / 8%	—	—
	Operational risk equivalent / 8%	2,552,200	2,632,196
	Credit risk-weighted assets adjustments	—	—
	Operational risk equivalent adjustments	—	—
	Total amount of risk-weighted assets (D)	¥58,157,118	¥57,407,276
Capital adequacy ratio	Capital adequacy ratio (C)/(D) (%)	15.51	15.55

Note: The Bank has had its assessment method for capital adequacy ratios audited by the independent audit corporation KPMG AZSA LLC in accordance with the Japanese Institute of Certified Public Accountants (JICPA) Business Practice Guideline 4465: "Business practices concerning agreed upon procedures for capital adequacy ratio assessments." Of note, a portion of the independent audit did not involve auditing of consolidated financial statements or internal control auditing of financial reports. The audit corporation reported to the Bank the results of its external audit based on procedures within the scope of its agreement with the Bank and did not issue an audit opinion or conclusion regarding the capital adequacy ratio or the capital adequacy assessment process of the internal control system.

INSTRUMENTS FOR RAISING CAPITAL

Outline of Instruments for Raising Capital

The Bank raises capital through the issuance of common shares. Current issuance is as follows:

- Total issued and outstanding common shares: 4,500,000,000 shares (including 750,524,980 shares of treasury stock)

ASSESSMENT OF CAPITAL ADEQUACY

When creating or making major revisions to its business plans, the Bank performs stress tests based on multiple forward-looking scenarios. From the standpoint of business sustainability, the Bank assesses the adequacy of its own capital with regard to regulatory capital based on capital adequacy regulations and economic capital (risk capital) based on internal risk assessment methods. The findings are then reported to the ALM Committee, the Executive Committee and the Board of Directors.

For the capital adequacy assessment based on regulatory capital, the Bank ensures regulatory levels are satisfied based on calculations of regulatory ratios, including the capital adequacy ratio.

For the capital adequacy assessment based on economic capital, the Bank monitors capital adequacy by comparing the actual amount of risk taken to risk capital, which is allocated according to credit risk, market risk and operational risk when business plans are created, within the framework for integrated risk management. The Bank assesses the quality of its capital by examining the proportion of total stockholders' equity attributable to common stock to its risk capital.

The results of these assessments are reported periodically to the ALM Committee, the Executive Committee and the Board of Directors for the purpose of enhancing capital adequacy.

Total Required Capital (Non-Consolidated)

As of March 31

	Millions of yen	
	2021	2020
(1) Capital requirement for credit risk:	¥ 504,716	¥ 480,277
Portfolios applying the standardized approach	481,889	460,443
Securitization exposures	19,654	17,062
CVA risk equivalent	2,586	2,716
Central Counterparty-related exposures	586	55
(2) Capital requirement for credit risk of exposures relating to funds	1,719,479	1,710,725
(3) Capital requirement for market risk:	—	—
(4) Capital requirement for operational risk:	102,088	105,287
The basic indicator approach	102,088	105,287
Total capital requirements (1) + (2) + (3) + (4)	¥2,326,284	¥2,296,291

Notes: 1. Capital requirement for credit risk: Credit risk-weighted assets x 4%

2. Capital requirement for operational risk: (Operational risk equivalent / 8%) x 4%

3. Total capital requirements: Denominator of capital adequacy ratio x 4%

Exposure Amount of Capital Required for Credit Risk (On-Balance Sheet Items)

As of March 31

Item	(Reference) Risk weight (%)	Millions of yen	
		2021	2020
1 Cash	0	¥ 0	¥ 0
2 Japanese government and the Bank of Japan	0	0	0
3 Foreign central governments and central banks	0-100	8,108	8,061
4 Bank for International Settlements, etc.	0	—	—
5 Non-central government public sector entities	0	0	0
6 Foreign non-central government public sector entities	20-100	13,859	9,295
7 Multilateral Development Banks	0-100	0	0
8 Japan Finance Organization for Municipalities	10-20	2,720	2,734
9 Japanese government agencies	10-20	10,608	11,598
10 Three regional public corporations	20	516	540
11 Financial institutions and Type I Financial Instruments Business Operators	20-100	72,097	79,004
12 Corporates	20-100	269,910	246,067
13 Small and medium-size enterprises and individuals	75	—	—
14 Mortgage loans	35	—	—
15 Project finance (acquisition of real estate)	100	—	0
16 Past-due loans (three months or more)	50-150	0	0
17 Unsettled bills	20	—	—
18 Loans guaranteed by Credit Guarantee Corporation, etc.	0-10	—	—
19 Loans guaranteed by the Regional Economy Vitalization Corporation of Japan (REVIC), etc.	10	—	—
20 Investments in capital and others	100-1250	543	123
Exposure to investments, etc.	100	543	123
Exposure to critical investments	1250	—	—
21 Other than above	100-250	48,516	49,700
Exposures to fund procurement methods by other financial institutions, etc., other than those corresponding to common shares, other TLAC liabilities, etc.	250	27,662	30,167
Exposures to specific items that are not included in adjustment items	250	12,237	11,090
Exposures to other TLAC liabilities of banking and financial entities that are outside the scope of regulatory consolidation and where the bank owns more than 10% of the issued share capital	250	—	—
Exposures to other TLAC liabilities of banking and financial entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued share capital (amount above 5% threshold)	150	—	—
Exposures other than those listed above	100	8,616	8,442
22 Securitization transactions	—	19,619	17,021
Compliant with STC criteria	—	—	—
Non-compliant with STC criteria	—	19,619	17,021
23 Re-securitization transactions	—	34	40
24 Exposures relating to funds	—	1,719,479	1,710,725
25 Amounts included in risk-weighted assets due to transitional arrangements	—	—	—
26 Amounts related to exposures to fund procurement methods of other financial institutions, and such like, where such amounts are not included in risk-weighted assets due to transitional arrangements	—	—	—
Total	—	¥2,166,014	¥2,134,913

Notes: 1. Capital requirements are calculated using the following formula:

Credit risk-weighted assets x 4%

2. Risk weightings are stipulated in the FSA Bank Capital Adequacy Ratio Notification.

Amount of Capital Required for Credit Risk (Off-Balance Sheet Items)

As of March 31

Item	(Reference) CCF (%)	Millions of yen	
		2021	2020
1 Commitments cancelable automatically or unconditionally at any time	0	¥ 0	¥ 0
2 Commitments with an original maturity up to one year	20	466	80
3 Short-term trade contingent liabilities	20	—	—
4 Contingent liabilities arising from specific transactions	50	—	—
(Guaranteed principal amounts held in some trusts under the transitional provisions)	50	—	—
5 NIFs and RUFs	50	—	—
6 Commitments with an original maturity over one year	50	335	277
7 Contingent liabilities arising from directly substituted credit	100	16,622	16,588
(Secured with loan guarantees)	100	—	—
(Secured with securities)	100	—	—
(Secured with acceptances)	100	—	—
(Guaranteed principal amounts held in some trusts outside of the transitional arrangements)	100	—	—
(Credit derivative protection provided)	100	12,982	13,048
8 Sale and repurchase agreements and asset sales with recourse (after deductions)	—	—	—
Assets sold with repurchase agreements or assets sold with right of claim (before deductions)	100	—	—
Deductions	—	—	—
9 Forward asset purchases, forward deposits and partly-paid shares and securities	100	—	—
10 Securities lending, cash or securities collateral provision, or repo-style transactions	100	35,860	34,562
11 Derivative transactions and long-settlement transactions	—	1,724	1,810
Current exposure method	—	1,724	1,810
Derivative transactions	—	1,724	1,810
(1) Foreign exchange-related transactions	—	4,456	4,931
(2) Interest rate-related transactions	—	410	489
(3) Gold-related transactions	—	—	—
(4) Equity-related transactions	—	—	22
(5) Precious metal-related transactions (excluding gold)	—	—	—
(6) Other commodity-related transactions	—	—	—
(7) Credit derivative transactions (counterparty risk)	—	1	18
Write-off of credit equivalent amounts under master netting agreement (deduction)	—	3,144	3,650
Long-settlement transactions	—	0	—
12 Unsettled transactions	—	—	—
13 Unexecuted portion within eligible servicer cash advance credit facility related to securitization exposure	0–100	—	—
14 Off-balance sheet securitization exposure other than the above	—	—	—
Total	—	¥55,009	¥53,318

Notes: 1. Capital requirements are calculated using the following formula:

Credit risk-weighted assets x 4%

2. CCFs are stipulated in the FSA Bank Capital Adequacy Ratio Notification.

CREDIT RISK

Outline of Credit Risk Management Policies and Procedures

See Pages 98–100 (Credit Risk Management).

Qualified Rating Agencies Used

• Qualified Rating Agencies Used to Determine Risk Weights

In determining risk weights, the Bank utilizes the credit ratings of four rating agencies, specifically, Rating and Investment Information, Inc. (R&I), Japan Credit Rating Agency, Ltd. (JCR), Moody's Investors Service, Inc. (Moody's), and S&P Global Ratings (S&P), in addition to the Organisation for Economic Co-operation and Development (OECD).

• Qualified Rating Agencies Used to Determine Risk Weight by Exposure Category

The Bank uses the following qualified rating agencies for each of the following risk exposure categories.

In the case where multiple credit rating agencies provide ratings, the Bank selects the credit rating that yields the second smallest risk weight in accordance with the Capital Adequacy Notification.

Exposure		Rating agencies
Central governments and central banks	Resident	R&I, JCR, Moody's, S&P
	Non-resident	Moody's, S&P, OECD
Non-central government public sector entities		R&I, JCR, Moody's, S&P
Foreign non-central government public sector entities		Moody's, S&P, OECD
Multilateral Development Banks		Moody's, S&P
Japan Finance Organization for Municipalities		R&I, JCR, Moody's, S&P
Japanese government agencies		R&I, JCR, Moody's, S&P
Three regional public corporations		R&I, JCR, Moody's, S&P
Financial institutions and Type I Financial Instruments Business Operators	Resident	R&I, JCR, Moody's, S&P
	Non-resident	Moody's, S&P, OECD
Corporates	Resident	R&I, JCR, Moody's, S&P
	Non-resident	Moody's, S&P
Securitization transactions		R&I, JCR, Moody's, S&P

Exposure by Region, Industry, and Remaining Period

As of March 31

Exposure by Region and Industry, Past Due Loans for Three Months or More

		Millions of yen					Past due loans for three months or more
		2021					
Region	Industry	Loans, deposits, etc.	Securities	Derivatives	Others	Total	
Domestic	Agriculture, forestry, fisheries, and mining	—	—	—	—	—	—
	Manufacturing	¥ 105,688	¥ 1,532,239	—	¥ 1,120	¥ 1,639,048	—
	Utilities, information/communications, and transportation	953,353	3,714,700	—	27,839	4,695,893	—
	Wholesale and retail	138,370	462,248	—	10	600,629	—
	Finance and insurance	92,642,995 (377,287)	5,267,190	¥100,626	31,238	98,042,051 (377,287)	—
	Construction and real estate	117,199	207,375	—	5	324,580	—
	Services and goods rental/leasing	90,248	1,065,307	—	60,128	1,215,684	—
	Central and local governments	3,770,218	56,054,219	—	20,035	59,844,474	—
	Others	440,303	10,505	—	423,470	874,279	¥0
	Total	98,258,379 (377,287)	68,313,787	100,626	563,848	167,236,641 (377,287)	0
Foreign	Sovereigns	7,000	8,137,517	—	254	8,144,772	—
	Financial institutions	3,061,051	4,765,244	140,215	45	7,966,556	—
	Others	3,246,350	5,772,426	2,632	81	9,021,490	—
	Total	6,314,401	18,675,188	142,847	381	25,132,819	—
	Investment trust, etc.	4,765,748	47,883,913	—	—	52,649,662	—
	Grand total	¥109,338,529 (377,287)	¥134,872,890	¥243,473	¥564,229	¥245,019,122 (377,287)	¥0

		Millions of yen					
		2020					
Region	Industry	Loans, deposits, etc.	Securities	Derivatives	Others	Total	Past due loans for three months or more
Domestic	Agriculture, forestry, fisheries, and mining	—	—	—	—	—	—
	Manufacturing	¥ 83,526	¥ 1,296,401	—	¥ 515	¥ 1,380,444	—
	Utilities, information/communications, and transportation	921,456	3,337,277	—	14,742	4,273,476	—
	Wholesale and retail	137,269	295,899	—	4	433,174	—
	Finance and insurance	77,940,298 (456,254)	5,391,130	¥123,123	31,571	83,486,124 (456,254)	—
	Construction and real estate	61,984	230,202	—	7	292,194	—
	Services and goods rental/leasing	53,221	694,494	—	74,359	822,076	—
	Central and local governments	4,223,723	59,538,487	—	18,068	63,780,279	—
	Others	508,406	5	—	428,556	936,968	¥1
	Total	83,929,888 (456,254)	70,783,899	123,123	567,827	155,404,739 (456,254)	1
Foreign	Sovereigns	7,000	8,445,572	—	404	8,452,976	—
	Financial institutions	3,534,939	5,544,952	180,265	1,217	9,261,375	—
	Others	3,388,233	5,599,690	9,548	177	8,997,649	—
	Total	6,930,173	19,590,215	189,813	1,798	26,712,001	—
Investment trust, etc.	4,215,973	44,906,802	—	—	49,122,776	—	
Grand total	¥95,076,035 (456,254)	¥135,280,917	¥312,937	¥569,626	¥231,239,516 (456,254)	¥1	

Notes: 1. Loans, deposits, etc., comprise loans, due from banks, call loans, and off-balance sheet assets other than derivatives. Figures in parentheses are collateral provided (off-balance sheet assets) to the Organization for Postal Savings, Postal Life Insurance and Post Office Network noted elsewhere.

2. Securities include government bonds, local government bonds, corporate bonds, etc.

3. Derivatives comprise such instruments as foreign exchange forward contracts and interest rate swaps, etc.

4. "Past-due loans for three months or more" means the payment of principal or interest is past due three months or more from the day following the scheduled payment date.

5. The amount of exposure includes balances before the deduction of specific reserve for possible loan losses and after the application of credit risk mitigation methods.

6. Investment trusts and other funds are recorded in investment trust, etc.

As of March 31

Exposure by Time to Maturity

		Millions of yen				
		2021				
Time to maturity	Loans, deposits, etc.	Securities	Derivatives	Others	Total	
One year or less	¥ 39,348,540 (377,287)	¥ 15,157,597	¥ 6,796	¥ 65,086	¥ 54,578,020 (377,287)	
> One and ≤ three years	928,049	29,191,869	106,042	—	30,225,960	
> Three and ≤ five years	808,954	8,507,740	123,930	43	9,440,669	
> Five and ≤ seven years	222,664	9,767,176	6,704	—	9,996,545	
> Seven and ≤ ten years	493,195	8,884,557	—	—	9,377,752	
Over ten years	746,928	15,466,278	—	—	16,213,207	
No designated term	62,024,448	13,755	—	499,099	62,537,303	
Investment trust, etc.	4,765,748	47,883,913	—	—	52,649,662	
Total	¥109,338,529 (377,287)	¥134,872,890	¥243,473	¥564,229	¥245,019,122 (377,287)	

Time to maturity	Millions of yen				
	2020				
	Loans, deposits, etc.	Securities	Derivatives	Others	Total
One year or less	¥35,105,152 (456,254)	¥ 14,711,280	¥ 27,323	¥ 56,880	¥ 49,900,636 (456,254)
> One and ≤ three years	876,957	30,850,788	108,318	—	31,836,063
> Three and ≤ five years	675,821	15,592,948	126,174	38	16,394,983
> Five and ≤ seven years	485,879	6,724,258	44,872	—	7,255,010
> Seven and ≤ ten years	373,256	9,245,149	6,247	—	9,624,653
Over ten years	594,552	13,246,434	—	—	13,840,986
No designated term	52,748,441	3,255	—	512,707	53,264,405
Investment trust, etc.	4,215,973	44,906,802	—	—	49,122,776
Total	¥95,076,035 (456,254)	¥135,280,917	¥312,937	¥569,626	¥231,239,516 (456,254)

- Notes: 1. Loans, deposits, etc., comprise loans, due from banks, call loans, and off-balance sheet assets other than derivatives. Figures in parentheses are collateral provided (off-balance sheet assets) to the Organization for Postal Savings, Postal Life Insurance and Post Office Network noted elsewhere.
2. Securities include government bonds, local government bonds, corporate bonds, etc.
3. Derivatives comprise such instruments as foreign currency swaps and interest rate swaps, etc.
4. The amount of exposure includes balances before the deduction of specific reserve for possible loan losses and after the application of credit risk mitigation methods.
5. Investment trusts and other funds are recorded in investment trust, etc.

Loan Write-Offs by Industry and Counterparty

There were no write-offs of loans during the fiscal years ended March 31, 2021 and 2020.

Year-End Balances and Changes During the Fiscal Year of General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses, and Loan Loss Reserve for Specific Overseas Countries

By Region

Balance at the end of the fiscal year

As of March 31

	Millions of yen	
	2021	2020
General reserve for possible loan losses	¥161	¥137
Specific reserve for possible loan losses	—	—
Loan loss reserve for specific overseas countries	—	—

Changes during the fiscal year

Fiscal years ended March 31

	Millions of yen	
	2021	2020
General reserve for possible loan losses	¥23	¥13
Specific reserve for possible loan losses	—	—
Loan loss reserve for specific overseas countries	—	—

- Notes: 1. Breakdowns by domestic and overseas amounts are not disclosed as the Bank only booked general reserve for possible loan losses.
2. Since the reserves for possible loan losses noted are those for problem assets disclosed under the Financial Reconstruction Act, they do not match the figures for balance of reserve for possible loan losses and changes during the fiscal year on page 177.

By Industry

Balance at the end of the fiscal year

As of March 31

	Millions of yen	
	2021	2020
General reserve for possible loan losses	¥161	¥137
Specific reserve for possible loan losses	—	—
Loan loss reserve for specific overseas countries	—	—

Changes during the fiscal year

Fiscal years ended March 31

	Millions of yen	
	2021	2020
General reserve for possible loan losses	¥23	¥13
Specific reserve for possible loan losses	—	—
Loan loss reserve for specific overseas countries	—	—

Notes: 1. Breakdowns by industry are not disclosed as the Bank only booked general reserve for possible loan losses.

2. Since the reserves for possible loan losses noted are those for problem assets disclosed under the Financial Reconstruction Act, they do not match the figures for balance of reserve for possible loan losses and changes during the fiscal year on page 177.

Exposure by Risk Weight Classification

As of March 31

Risk weight	Millions of yen			
	2021		2020	
	Rated	Not rated	Rated	Not rated
0%	¥126,777,336	¥32,332,048	¥117,216,572	¥33,610,785
2%	—	653,415	—	68,913
4%	—	—	—	—
10%	267,093	3,332,155	424,600	3,583,187
20%	18,844,568	64,587	17,898,048	67,549
35%	—	—	—	—
50%	6,131,991	—	5,608,469	—
75%	—	—	—	—
100%	2,218,218	1,624,421	2,058,669	1,623,622
150%	—	—	—	—
250%	91,004	307,994	121,068	291,505
1250%	—	—	—	—
Others	—	101,911	—	—
Investment trust, etc.	—	52,649,662	—	49,122,776
Total	¥154,330,213	¥91,066,196	¥143,327,429	¥88,368,341

Notes: 1. Ratings are limited to those rated by qualified rating agencies.

2. The amount of exposure includes balances before the deduction of specific reserve for possible loan losses and after application of the credit risk mitigation methods.

3. The portion of exposure from assets qualified for credit risk mitigation methods is allocated to risk weight categories after the application of credit risk mitigation methods.

4. "Others" includes clearing funds contributed to a qualifying central counterparty.

5. Investment trusts and other funds are recorded in investment trust, etc. The weighted average of risk weights was 81.64% as of March 31, 2021 (compared with 87.06% as of March 31, 2020).

CREDIT RISK MITIGATION METHODS

Outline of Risk Management Policies and Procedures

The Bank applies "credit risk mitigation methods" as stipulated in the Capital Adequacy Notification in calculating its capital adequacy ratio. Credit risk mitigation methods involve taking into consideration the benefits of collateral and guarantees in the calculation of its capital adequacy ratio and can be appropriately applied to eligible financial collateral, the netting of loans against the Bank's self deposits, and guarantees and credit derivatives.

- **Categories of Eligible Financial Collateral**

Cash, self deposits, and securities are the only types of eligible financial collateral used by the Bank.

- **Outline of Policies and Procedures for the Assessment and Management of Collateral**

The Bank uses "the Simple Method" stipulated in the Capital Adequacy Notification when applying eligible financial collateral.

The Bank has established internal procedures that enable timely sales or acquisition of eligible financial collateral based on collateral contracts, including terms and conditions, signed prior to any of these transactions.

- **Outline of Policies and Procedures for the Netting of Loans and Self Deposits and the Types of Transactions and Scope for which Netting Can Be Applied**

The Bank regards the netted amount of loans and self deposits as the amount of exposure used in the calculation of the capital adequacy ratio in accordance with special clauses on netting in banking transaction agreements, etc.

Currently, there are no such transactions.

- **Explanation of the Credit Worthiness and Types of Guarantors and Major Counterparties in Credit Derivative Transactions**

The major guarantors used by the Bank are the national government, etc., whose risk weights are lower than debts. In addition, credit derivative clients are financial institutions whose risk weights are lower than reference debt.

- **Outline of Policies and Procedures for Legally Applying Close-Out Netting Contracts for Derivative Transactions as well as Repurchase Transaction Agreements and the Type and Scope of Transactions to which this Method Is Applied**

The Bank refers to the regulations of each country regarding the transactions and takes into account the effect of derivative transactions such as interest rate swaps and currency swaps for which close-out netting agreements have been concluded.

- **Information on the Concentration of Credit and Market Risk Arising from the Application of Credit Risk Mitigation Methods**

The principal credit risk mitigation method utilizes eligible financial collateral secured by cash and self deposits. As a result, there is no concentration of credit and market risk.

Exposure After Applying Credit Risk Mitigation

As of March 31

Item	Millions of yen			
	2021		2020	
	Exposure	%	Exposure	%
Eligible financial collateral	¥24,748,981	91.22	¥25,948,543	91.89
Guarantees and credit derivatives	2,379,347	8.77	2,288,216	8.10
Total	¥27,128,329	100.00	¥28,236,760	100.00

Notes: 1. The categories of eligible financial collateral used by the Bank include cash, self deposits, and securities.

2. The major guarantor used by the Bank is the central government, etc. The use of these guarantors lowers risk weights more than non-guaranteed debts.

3. Credit derivative clients are financial institutions whose risk weights are lower than reference debt.

4. Excludes exposure in funds included in investment trusts, etc.

DERIVATIVE TRANSACTIONS AND LONG-SETTLEMENT TRANSACTIONS

Outline of Risk Management Policies and Procedures

• Policy on Collateral Security and Reserve Calculation and Impact of Additional Collateral Demanded on Deterioration of Credit Quality

The Bank signs, as necessary, credit risk mitigation contracts with counterparties in derivative transactions that involve regular transfers of collateral determined in accordance with replacement costs and the likes. Under these contracts, the Bank must provide the counterparty with additional collateral in the event of deterioration in the Bank's credit quality. However, the impact of the additional collateral is deemed to be minor.

The Bank's policy on reserve calculation related to derivative transactions is the same as that applied to ordinary on-balance sheet assets.

• Policy on Credit Limit and Risk Capital Allocation Method

The Bank assigns debtors credit ratings to all derivative transaction counterparties. The Bank sets credit limits based on these ratings and conducts regular monitoring on a daily basis to ensure appropriate management of credit risk. The Bank uses the Current Exposure Method in determining the amount of credit outstanding as part of its credit risk management. This method takes into consideration the market value and price fluctuation risk of derivative transactions.

The risk capital allocations for derivative transactions are the same as other transactions.

Credit Equivalent Amounts of Derivative Transactions and Long-Settlement Transactions

As of March 31

	Millions of yen	
	2021	2020
Gross replacement costs	¥112,433	¥331,310
Gross add-on amounts	601,661	538,649
Gross credit equivalents	714,094	869,959
Currency-related transactions	559,254	669,742
Interest rate-related transactions	154,635	195,115
Equity-related transactions	—	2,844
Credit derivative transactions (counterparty risk)	201	2,255
Long-settlement transactions	3	—
Write-off of credit equivalent amount due to netting (deduction)	470,617	557,022
Net credit equivalents	243,476	312,937
Collateral held	4,488	89,147
Marketable securities	4,488	67,909
Cash	—	21,237
Net credit equivalent amounts (after considering credit risk mitigation benefits due to collateral)	243,476	312,937

Notes: 1. Credit equivalent amounts are calculated using the Current Exposure Method.

2. Derivative transactions and long-settlement transactions are recorded only for transactions that require the calculation of credit equivalent amounts.

3. Does not include exposure in funds that include investment trusts, etc.

4. Gross replacement costs for which reconstruction costs were less than zero are not included.

5. Credit risk mitigation benefits due to collateral are considered in risk weighting, but not in credit equivalent amounts.

6. Write-off of credit equivalent amount due to netting is equal to the figure obtained by subtracting credit equivalent amounts prior to credit risk mitigation with collateral from the sum of aggregated gross replacement costs and total gross add-ons.

Notional Principal Amounts of Credit Derivatives

As of March 31

	Millions of yen	
	2021	2020
Total return swap	¥33,584	¥46,253
Protection purchased	33,584	46,253
Used for credit risk mitigation	31,729	1,613
Protection provided	—	—

Note: Excludes credit derivatives included in investment trusts and other funds.

SECURITIZATION EXPOSURE

Outline of Risk Management Policies and Risk Characteristics

The Bank is exposed to risk associated with securitization as an investor. For the acquisition of securitized instruments, the Bank examines closely the quality of underlying assets, the structure of senior and subordinate rights, and the details of the securitization scheme. In view of these procedures, it assigns ratings to debtors as with other marketable securities and makes acquisitions within the credit limits. Following acquisition, the Bank monitors deterioration in the quality of underlying assets, a change in the composition of underlying assets or other development. Furthermore, credit risks related to securitized instruments are included in the calculation of the credit risk amount, while related interest rate risks are included in the calculation of the market risk amount. In addition, the Bank also recognizes market liquidity risk. The status of market risk, credit risk and market liquidity risk is reported to the Executive Committee and other organizational bodies.

Re-securitization exposure is the same as securitization exposure.

Outline of Establishment and Operation of System Prescribed by Section 1-1 to 1-4, Article 248 of the Public Notices on Capital Adequacy Ratios of Financial Instruments Business Operators

With regards to securitization exposure, the Bank has a system for ascertaining information relating to comprehensive risk characteristics and performance on a timely basis. Specifically, in addition to regularly reviewing ratings assigned to debtors, the Bank reviews ratings assigned to debtors when necessary if there has been deterioration in the quality of underlying assets, a change in the composition of underlying assets or other development that affects a debtor rating.

Re-securitization exposure is the same as securitization exposure.

Policy on Using Securitization Transactions as a Credit Risk Mitigation Method

The Bank does not use securitization transactions as a credit risk mitigation method.

Method Applied for the Calculation of Credit Risk-Weighted Asset Amounts with Regard to Securitization Exposure

The Bank applies the External Rating-Based Approach and the Standardized Approach stipulated in the Capital Adequacy Notification to calculate credit risk-weighted asset amounts related to securitization exposure.

Type of Securitization Conduit Used for Any Securitization Transactions Related to Third-party Assets Using Securitization Conduits and whether Securitization Exposures Related to such Securitization Transactions Are Held

The Bank does not conduct securitization transactions related to third-party assets using securitization conduits.

Subsidiaries, Affiliates and Other such Entities Holding Securitization Exposures Related to Securitization Transactions Conducted by the Bank

There are no subsidiaries, affiliates or other such entities holding securitization exposures related to securitization transactions conducted by the Bank.

Qualified Rating Agencies Used to Determine Risk Weight by Type of Securitization Exposure

The Bank adopts the credit ratings of the following qualified rating agencies to calculate credit risk-weighted asset amounts related to securitization exposure.

- Rating and Investment Information, Inc. (R&I)
- Japan Credit Rating Agency, Ltd. (JCR)
- Moody's Investors Service, Inc. (Moody's)
- S&P Global Ratings (S&P)

Investments in Securitization Transactions

Securitization Exposure and Breakdown by Type of Main Underlying Assets (Excludes Re-Securitization Exposure)

As of March 31

Type of underlying assets	Millions of yen	
	2021	2020
Mortgage loans	¥ 198,143	¥ 183,748
Auto loans	182,148	144,032
Leases	4,484	2,687
Accounts receivable	38,818	27,260
Corporate loans	2,043,193	1,780,161
Others	—	—
Total	¥2,466,789	¥2,137,890

Notes: 1. There are no off-balance sheet transactions.

2. Excludes securitization exposure included in investment trust, etc.

Re-Securitization Exposure and Breakdown by Type of Main Underlying Assets

As of March 31

Type of underlying assets	Millions of yen	
	2021	2020
Mortgage loans	¥870	¥1,018
Auto loans	—	—
Leases	—	—
Accounts receivable	—	—
Corporate loans	—	—
Others	—	—
Total	¥870	¥1,018

Notes: 1. There are no off-balance sheet transactions.

2. Excludes re-securitization exposure included in investment trust, etc.

Balance by Risk Weight of Securitization Exposure and Amount of Capital Requirements (Excluding Re-Securitization Exposure)

As of March 31

Risk weight	Millions of yen			
	2021		2020	
	Balance	Capital requirements	Balance	Capital requirements
≥15% and ≤20%	¥2,466,789	¥19,619	¥2,137,890	¥17,021
>20% and ≤45%	—	—	—	—
>45% and ≤70%	—	—	—	—
>70% and ≤140%	—	—	—	—
>140% and ≤225%	—	—	—	—
>225% and ≤420%	—	—	—	—
>420% and <1250%	—	—	—	—
1250%	—	—	—	—
Total	¥2,466,789	¥19,619	¥2,137,890	¥17,021

Notes: 1. There are no off-balance sheet transactions.

2. Excludes securitization exposure included in investment trust, etc.

3. Capital requirements are calculated using the following formula: Credit risk-weighted assets x 4%

Balance by Risk Weight of Re-Securitization Exposure and Amount of Capital Requirements

As of March 31

Risk weight	Millions of yen			
	2021		2020	
	Balance	Capital requirements	Balance	Capital requirements
100%	¥870	¥34	¥1,018	¥40
>100% and <1250%	—	—	—	—
1250%	—	—	—	—
Total	¥870	¥34	¥1,018	¥40

Notes: 1. There are no off-balance sheet transactions.

2. Excludes re-securitization exposure included in investment trust, etc.

3. There were no credit risk mitigation methods applied to re-securitization exposure.

4. Capital requirements are calculated using the following formula:

Credit risk-weighted assets x 4%

Accounting Policy for Securitization Transactions

The Bank complies with the “Accounting Standard for Financial Instruments” (ASBJ statement No. 10), etc., in recognizing the initiation and extinguishment of financial assets and liabilities in securitization transactions and assessing and booking these assets and liabilities.

OPERATIONAL RISK

Outline of Policies and Procedures for Risk Management

See Page 101 (Operational Risk Management).

Method Applied for the Calculation of Operational Risk Equivalent Amounts

The Bank adopts the Basic Indicator Approach stipulated in the Capital Adequacy Notification to calculate operational risk equivalent amounts based on capital adequacy regulations.

INVESTMENTS, STOCKS, AND OTHER EXPOSURES

Outline of Risk Management Policies and Procedures

Among exposures to investments, stocks, and other exposures, the Bank manages risk for available-for-sale securities in accordance with Market Risk Management/Market Liquidity Risk Management (Pages 96–97) and Credit Risk Management (Pages 98–100).

1. Balance Sheet Amounts and Fair Values

As of March 31

	Millions of yen			
	2021		2020	
	Balance sheet amount	Fair value	Balance sheet amount	Fair value
Exposure to listed equities, etc. (Note 1)	—	—	—	—
Exposure to investments or equities, etc., other than above (Note 2)	¥13,576	/	¥3,076	/
Total	¥13,576	/	¥3,076	/

Notes: 1. The number represents stocks with fair value.

2. The number represents stocks that are deemed to be extremely difficult to determine a fair value.

3. The figures in the above table do not include exposure to instruments embedded in investment trust, etc. The same applies below.

2. Gains (Losses) on Sale or Write-Off of Investment or Equity Exposures

Fiscal years ended March 31

	Millions of yen	
	2021	2020
Gains (Losses):	—	¥6,275
Gains	—	8,143
Losses	—	1,868
Write-offs	—	—

Note: The gains and losses in the above table are recorded as gains (losses) on sales of stock, etc., on the statements of income.

3. Unrealized Gains (Losses) Recognized on the Balance Sheets But Not on the Statements of Income

As of March 31

	Millions of yen	
	2021	2020
Unrealized gains (losses) recognized on the balance sheets but not on the statements of income	—	—

Note: The number represents unrealized gains (losses) on stocks with fair value.

4. Unrealized Gains (Losses) Not Recognized on the Balance Sheets or the Statements of Income

As of March 31

	Millions of yen	
	2021	2020
Unrealized gains (losses) not recognized on the balance sheets or the statements of income	—	—

Note: The number represents unrealized gains (losses) on stocks of subsidiaries and affiliates with fair value.

EXPOSURES RELATING TO FUNDS

As of March 31

Calculation method	Millions of yen			
	2021		2020	
	Balance	Capital requirements	Balance	Capital requirements
Exposures where fund components are identifiable (look-through approach) (note 3)	¥52,531,646	¥1,689,008	¥49,005,661	¥1,669,873
Exposures not included in any categories above where investment mandates of funds are known (mandate-based approach) (note 4)	—	—	—	—
Exposures not included in any categories above where there is a high probability of the weighted average risk weight applied to fund components being less than 250% (note 5)	61,535	6,153	37,859	3,785
Exposures not included in any categories above where there is a high probability of the weighted average risk weight applied to fund components being less than 400% (note 5)	11,535	1,845	7,534	1,205
Exposures not included in any categories above (Fall-back approach) (note 6)	44,944	22,472	71,721	35,860
Total	¥52,649,662	¥1,719,479	¥49,122,776	¥1,710,725

Notes: 1. The amount of required capital is the amount arrived at after multiplying credit risk assets by 4%.

2. Risk weight is specified in the Equity Ratio Notification.

3. As stipulated in Article 76 5-2 of the FSA Bank Capital Adequacy Ratio Notification.

4. As stipulated in Article 76 5-6 of the FSA Bank Capital Adequacy Ratio Notification.

5. As stipulated in Article 76 5-9 of the FSA Bank Capital Adequacy Ratio Notification.

6. As stipulated in Article 76 5-10 of the FSA Bank Capital Adequacy Ratio Notification.

INTEREST RATE RISK

Risk Management Policy and Procedure Overview

Interest rate risk in the banking book (IRRBB) refers to the risk of losses caused by interest rate fluctuations which affect the value of assets and liabilities (including off balance sheet items) and the earnings generated from assets and liabilities. As part of IRRBB monitoring, the Bank measures interest rate sensitivity (10BPV) on a daily basis, as well as Δ EVE (measuring amount of decreased economic value of equity, based on interest rate shocks listed in disclosed notifications) and Δ NII (measuring amount of decreased net interest income for the measurement period in response to an interest rate shock (12-month period from the calculation base date), based on interest rate shocks listed in disclosed notifications) both on a monthly basis. Both of them are used to evaluate the adequacy of equity capital. As to overall market risks including interest rate risks, the Bank measures market VaR (Value at Risk) on a daily basis. This monitoring verifies that market VaR is within the capital allocation amount range (refer to "Market Risk Management/Market Liquidity Risk Management" on Pages 96–97 for details).

Overview of Interest Rate Risk Calculation Methods

IRRBB is measured by estimating future cash flows mainly from assets and liabilities.

Interest Rate Risk Status

As of March 31

IRRBB1: Interest Rate Risk

		Millions of yen			
		Δ EVE		Δ NII	
Item No.		A	B	C	D
		2021	2020	2021	2020
1	Upward parallel shift	¥ 567,767	¥ 100,586	¥254,339	¥175,255
2	Downward parallel shift	2,274,001	2,420,055	(4,553)	(46,356)
3	Steeper	/	/	/	/
4	Flattener	/	/	/	/
5	Short-term interest rate up	/	/	/	/
6	Short-term interest rate down	/	/	/	/
7	Maximum	2,274,001	2,420,055	254,339	175,255
		E		F	
		2021		2020	
8	Equity capital	¥9,024,361		¥8,932,547	

Notes: 1. Decreased economic value and interest income are shown as positive values.

2. Key assumptions for Δ EVE and Δ NII calculations are as follows:

- The Bank has applied an internal model to allocate the estimated balance and termination dates of liquid deposits that have remained on deposit in the Bank for a long term without being withdrawn, (so-called "core deposits"). The average repricing maturities of liquid deposits are 3.7 years. The longest repricing maturities are 10 years.
- Interest rate risk relating to TEIGAKU deposits is calculated based on an estimated future cash flow using an internal model.
- The Bank aggregates Δ EVE of JPY, USD, EUR, GBP, and AUD taking into account the correlation between each different currency. On the other hand, the Bank adds only positive Δ EVE of the other currencies. Δ NII is the simple sum of Δ NII measured for each currency.
- Spread levels are included in discount rates and cash flows.

3. The Bank confirms that it has secured sufficient capital to counter measured interest rate risk.

4. According to the "Comprehensive Guidelines for Supervision of Major Banks, etc." prescribed by the Financial Services Agency (FSA), "Because JAPAN POST BANK is obligated legally to hold a portion of its assets in JGBs and other "safe" assets, the FSA takes this special information into consideration in its oversight of the Bank in terms of the application of the materiality test."