

# **Selected Financial Information For the Fiscal Year Ended March 31, 2020**



**JAPAN POST BANK Co., Ltd.  
May 15, 2020**

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## 【Consolidated subsidiaries, etc.】

Consolidated subsidiaries	4 companies ( Principal companies: JAPAN POST BANK LOAN CENTER Co., Ltd. Japan Post Investment Corporation )
Affiliates accounted for by the equity method	ATM Japan Business Service, Ltd. JP Asset Management Co., Ltd.

## Financial Data

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Note: All Japanese yen figures in the financial statements of JAPAN POST BANK Co., Ltd. (the "Bank") and its consolidated subsidiaries (the "Group") have been rounded down. Accordingly, the total of each account may not be equal to the combined total of individual items.

## Financial Highlights

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# 1. Overview of FY2020/3 Results

- In the extremely challenging business environment with yen interest rates remained at a low level and deteriorating market environment due to the spread of COVID-19 in the fourth quarter, net ordinary income on a consolidated basis was ¥379.1 bn.
- Net income attributable to owners of parent increased by ¥7.2 bn year on year to ¥273.4 bn, which equated to 101.2% of the earnings forecasts.

## Consolidated

### Net ordinary income

¥379.1 bn

+¥5.1 bn, +1.3%  
YoY

Earnings forecast  
(FY2020/3)

¥375.0 bn

Achievement rate

101.1%

### Net income attributable to owners of parent

¥273.4 bn

+¥7.2 bn, +2.7%  
YoY

Earnings forecast  
(FY2020/3)

¥270.0 bn

Achievement rate

101.2%

### Dividend per share

¥50

Unchanged YoY

Forecast of  
dividends

¥50

## Non-consolidated

### Gross operating profit

¥1,314.2 bn

¥(12.8) bn, (0.9)% YoY

### Net operating profit

¥293.9 bn

+¥4.4 bn, +1.5% YoY

### Net ordinary income

¥379.0 bn

+¥4.7 bn, +1.2% YoY

### Net income

¥273.0 bn

+¥6.8 bn, +2.5% YoY

### Total assets

¥210.9 tn

+¥1.9 tn vs FY2019/3 end

### Securities

¥135.1 tn

¥(1.9) tn vs FY2019/3 end

Japanese government bonds

¥53.6 tn

¥(4.7) tn vs FY2019/3 end

Foreign securities, etc. ¥65.6 tn

+¥3.1 tn vs FY2019/3 end

### Capital adequacy ratio

15.55%

(0.22)% vs FY2019/3 end

## 2. Results of Operations

Non-consolidated

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2019 (A)	March 31, 2020 (B)	
	(¥bn, %)		
Gross operating profit	1,327.0	1,314.2	(12.8)
Net interest income	1,016.1	976.8	(39.3)
Net fees and commissions	106.7	128.8	22.1
Net other operating income (loss)	204.1	208.4	4.3
Gains (losses) on foreign exchanges	219.4	202.1	(17.3)
Gains (losses) on bonds	(12.2)	8.0	20.3
General and administrative expenses (*)	1,037.5	1,020.2	(17.2)
Provision for general reserve for possible loan losses	—	0.0	0.0
Net operating profit	289.4	293.9	4.4
Non-recurring gains (losses)	84.8	85.1	0.3
Gains (losses) on money held in trust	77.7	72.8	(4.8)
Net ordinary income	374.2	379.0	4.7
Net income	266.1	273.0	6.8
ROE (**)	2.32%	2.68%	0.35 %
OHR (***)	78.18%	77.63%	(0.55)%

\* General and administrative expenses exclude non-recurring losses.

\*\* ROE = net income / [(sum of total net assets at the beginning and the end of the fiscal year) / 2] x 100

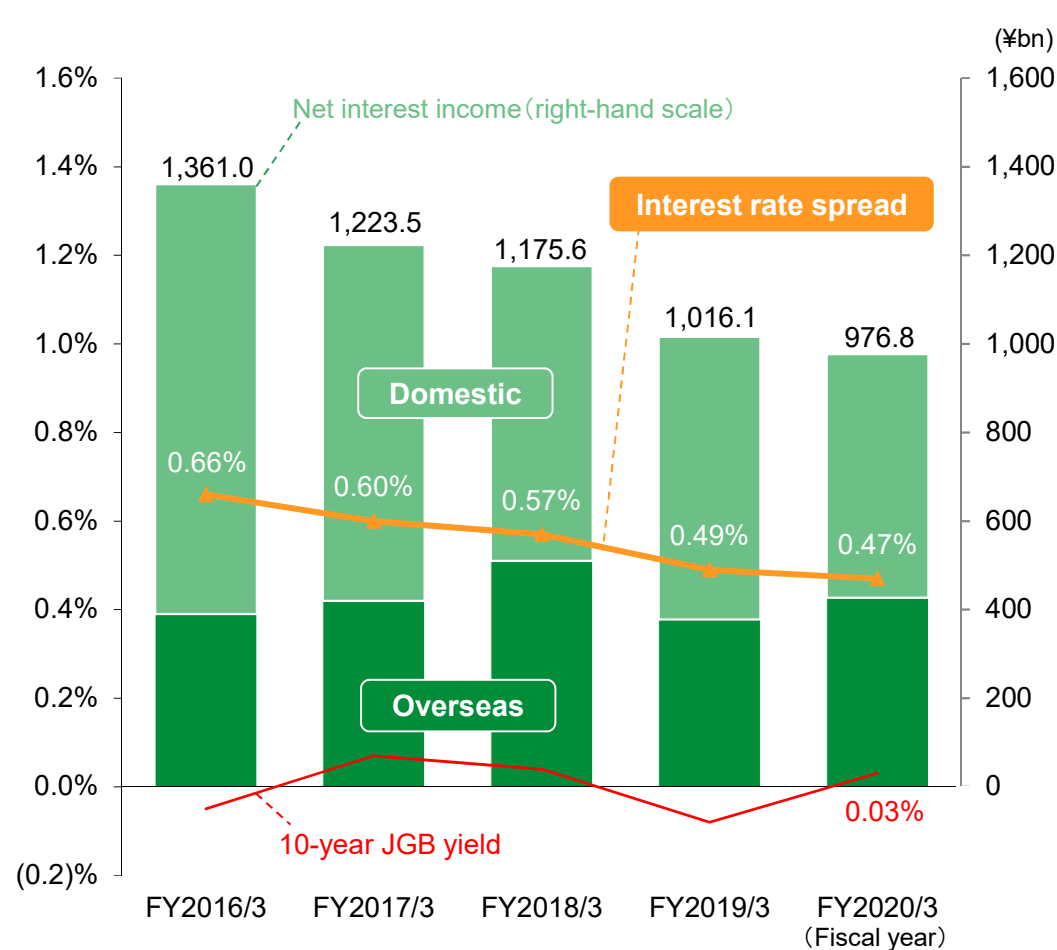
\*\*\* OHR = (general and administrative expenses / gross operating profit) x 100

- In the extremely challenging business environment with yen interest rates remained at a low level and deteriorating market environment due to the spread of COVID-19, gross operating profit for the fiscal year ended March 31, 2020 decreased by ¥12.8 bn year on year to ¥1,314.2 bn.  
Net interest income decreased by ¥39.3 bn year on year, mainly due to a decrease in interest on Japanese government bonds.  
Net fees and commissions increased by ¥22.1 bn year on year.  
Net other operating income increased by ¥4.3 bn year on year.
- General and administrative expenses decreased by ¥17.2 bn year on year to ¥1,020.2 bn.
- Net operating profit increased by ¥4.4 bn year on year to ¥293.9 bn.
- Net ordinary income increased by ¥4.7 bn year on year to ¥379.0 bn.
- Net income increased by ¥6.8 bn year on year to ¥273.0 bn.

### 3. Trend of Net Interest Income and Interest Rate Spread

Non-consolidated

■ Net interest income was ¥976.8 bn and interest rate spread was 0.47% for the fiscal year ended March 31, 2020.



	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2019 (A)	March 31, 2020 (B)	
Net interest income	637.9	549.7	(88.1)
Interest income	752.8	629.0	(123.7)
Interest income on Japanese government bonds	523.3	428.1	(95.1)
Interest expenses	114.9	79.3	(35.5)

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2019 (A)	March 31, 2020 (B)	
Net interest income	378.2	427.0	48.8
Interest income	700.2	789.4	89.2
Interest income on foreign securities	698.7	787.4	88.7
Interest expenses	322.0	362.3	40.3

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2019 (A)	March 31, 2020 (B)	
Net interest income	1,016.1	976.8	(39.3)
Interest income	1,357.9	1,318.0	(39.9)
Interest expenses	341.8	341.1	(0.6)

Source: JGB interest rate information – Ministry of Finance Japan

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. For a part of interest 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.

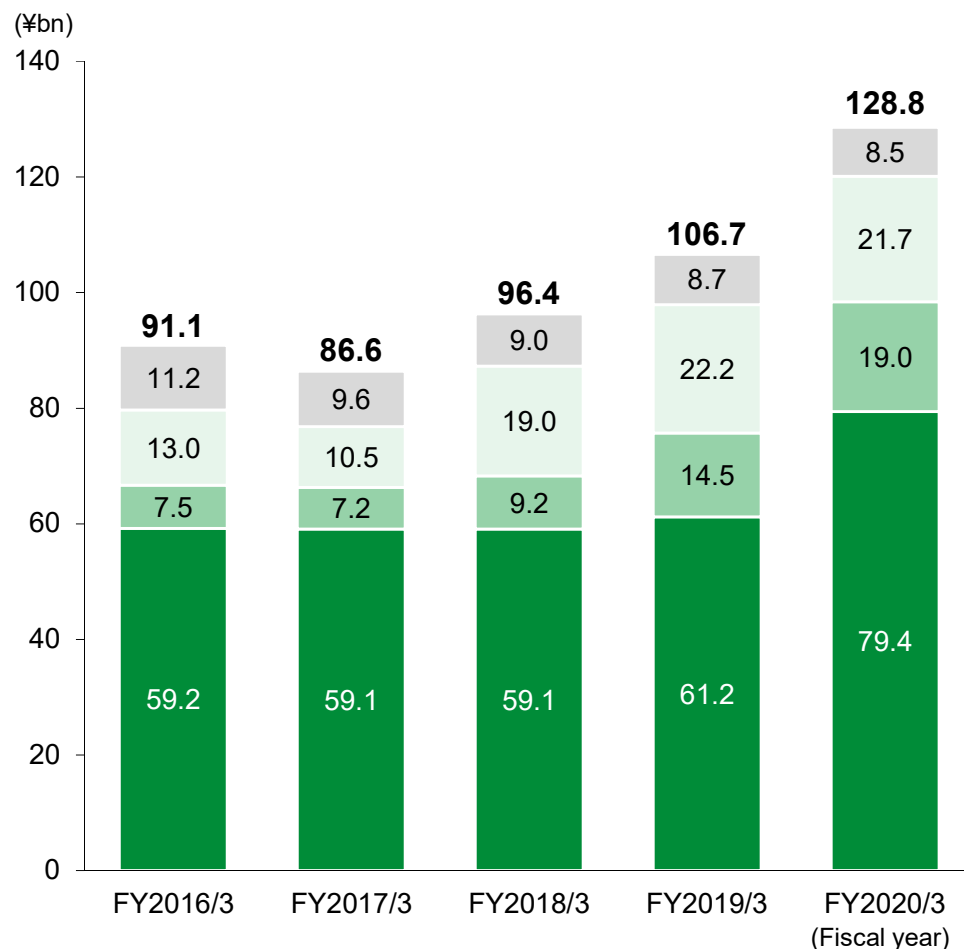
## 4. Net Fees and Commissions

Non-consolidated

■ Net fees and commissions for the fiscal year ended March 31, 2020 increased by ¥22.1 bn year on year to ¥128.8 bn.

### Trend of Net Fees and Commissions

■ Exchange and settlement transactions ■ ATMs ■ Investment trusts ■ Others



### Breakdown of Net Fees and Commissions

(¥bn)

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2019 (A)	March 31, 2020 (B)	
Net fees and commissions relating to	106.7	128.8	22.1
Exchange and settlement transactions	61.2	79.4	18.2
ATMs	14.5	19.0	4.5
Investment trusts	22.2	21.7	(0.4)
Others	8.7	8.5	(0.1)

### Results of Investment Trusts Sales (Contract Basis)

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2019 (A)	March 31, 2020 (B)	
Number of contracts (thousands)	2,303	3,170	866
Sales amount (billions of yen)	891.0	691.4	(199.5)

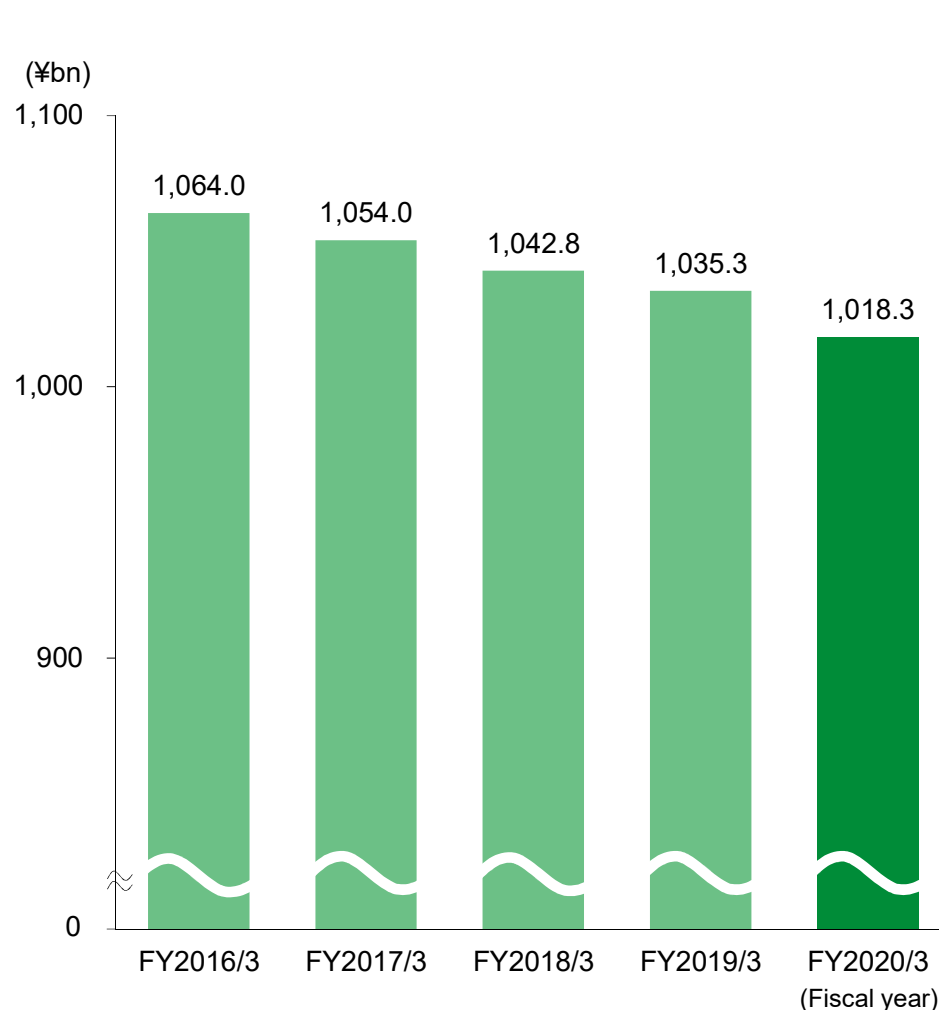
  

	As of March 31, 2019 (A)	As of March 31, 2020 (B)	Increase (Decrease) (B) – (A)
	Number of investment trust accounts (thousands)	1,062	1,185
Net assets (billions of yen)	2,285.9	2,301.7	15.8

## 5. Trend of General and Administrative Expenses

Non-consolidated

- General and administrative expenses for the fiscal year ended March 31, 2020 decreased by ¥17.0 bn year on year to ¥1,018.3 bn.



(¥bn)

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2019 (A)	March 31, 2020 (B)	
Personnel expenses (*)	124.2	120.6	(3.5)
Salaries and allowances	101.6	98.6	(2.9)
Non-personnel expenses	841.6	844.3	2.6
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	600.6	369.7	(230.9)
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network	—	237.8	237.8
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	59.6	59.4	(0.1)
Taxes and dues	69.5	53.3	(16.1)
<b>Total</b>	<b>1,035.3</b>	<b>1,018.3</b>	<b>(17.0)</b>

\* Personnel expenses include non-recurring losses.



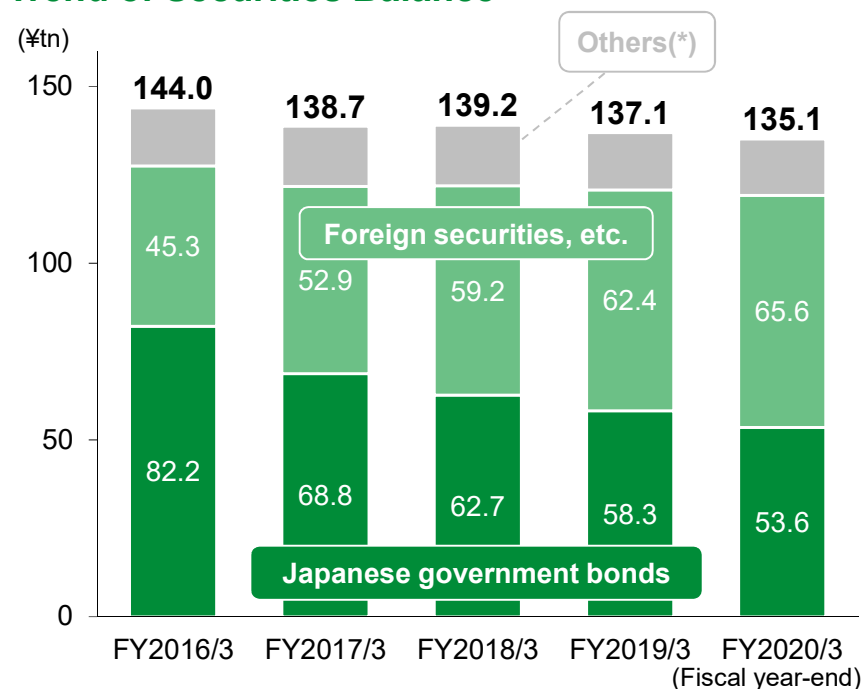
## 6. Financial Conditions

Non-consolidated

	(¥bn)		
	As of March 31, 2019 (A)	As of March 31, 2020 (B)	Increase (Decrease) (B) – (A)
<b>Assets</b>	208,970.4	210,905.1	1,934.6
Cash and due from banks	50,698.5	51,663.9	965.3
Call loans	400.0	1,040.0	640.0
Receivables under resale agreements	8,368.1	9,731.8	1,363.7
Money held in trust	3,990.7	4,549.7	558.9
Securities	137,135.2	135,198.4	(1,936.8)
Loans	5,297.4	4,961.7	(335.6)
<b>Liabilities</b>	197,619.6	201,917.5	4,297.8
Deposits	180,999.1	183,004.7	2,005.5
Payables under repurchase agreements	11,569.3	14,855.6	3,286.2
Payables under securities lending transactions	2,473.4	2,219.3	(254.0)
<b>Net assets</b>	11,350.8	8,987.6	(2,363.1)
Total shareholders' equity	8,973.0	9,058.7	85.6
Total valuation and translation adjustments	2,377.7	(71.0)	(2,448.7)

- Total assets increased by ¥1.9 tn from March 31, 2019, to ¥210.9 tn as of March 31, 2020.
- Securities decreased by ¥1.9 tn from March 31, 2019, to ¥135.1 tn as of March 31, 2020.
- Loans decreased by ¥0.3 tn from March 31, 2019, to ¥4.9 tn as of March 31, 2020.

### Trend of Securities Balance

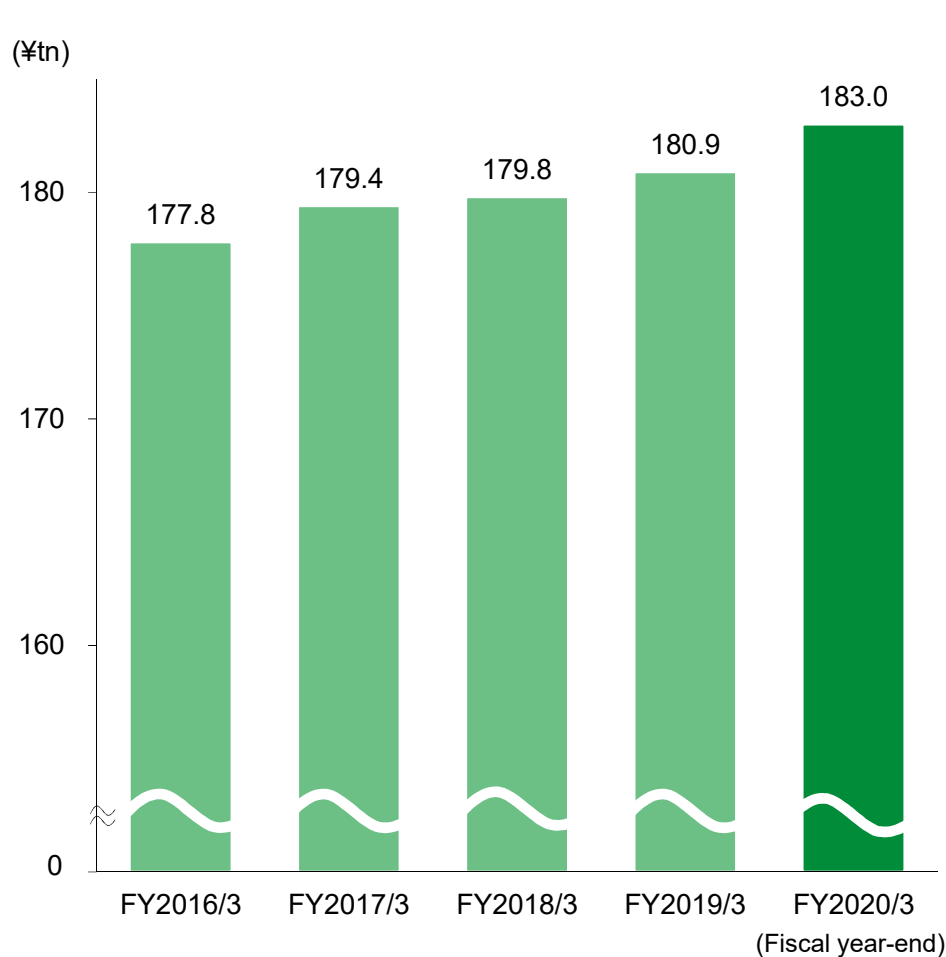


\* "Others" consists of Japanese local government bonds, commercial paper, Japanese corporate bonds and Japanese stocks.

# 7. Trend of Deposit Balance

Non-consolidated

■ Deposit balance as of March 31, 2020 was ¥183.0 tn, which remained stable.



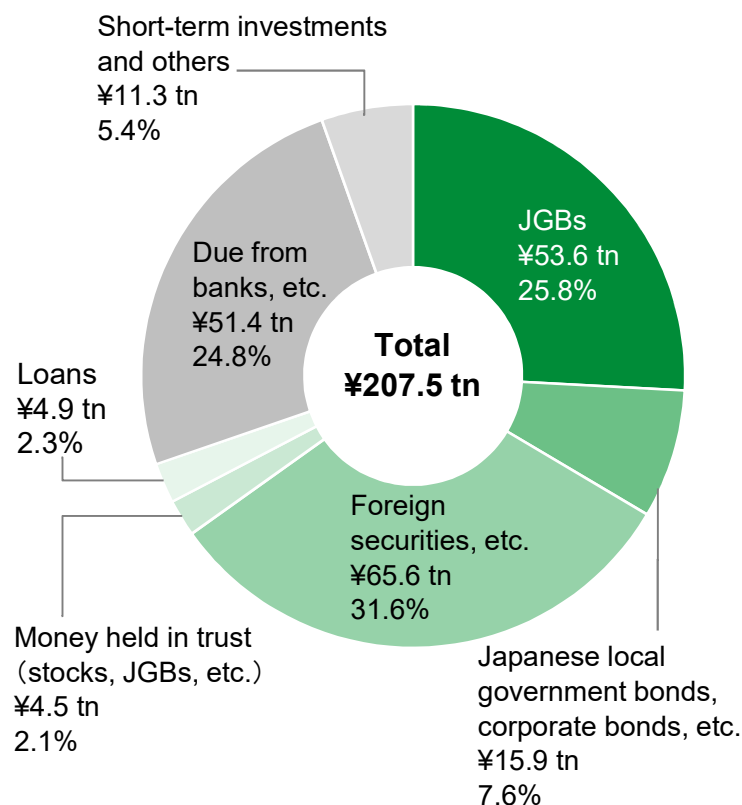
	As of March 31, 2019 (A)	As of March 31, 2020 (B)	Increase (Decrease) (B) – (A)
Liquid deposits	79.9	87.5	7.6
Transfer deposits	16.1	7.7	(8.4)
Ordinary deposits, etc. (*)	63.4	79.3	15.9
Savings deposits	0.4	0.5	0.1
Fixed-term deposits	100.9	95.2	(5.6)
Time deposits	7.0	5.2	(1.8)
TEIGAKU deposits	93.8	90.0	(3.7)
Other deposits	0.1	0.1	0.0
<b>Total</b>	<b>180.9</b>	<b>183.0</b>	<b>2.0</b>

\* Ordinary deposits, etc. = Ordinary deposits + Special deposits (equivalent to ordinary savings)

# 8. Asset Management Status

Non-consolidated

■ Included in investment assets as of March 31, 2020, JGBs were ¥53.6 tn and foreign securities, etc. were ¥65.6 tn.



(¥bn)

Categories	As of March 31, 2019 (A)	%	As of March 31, 2020 (B)	%	Increase (Decrease) (B) – (A)
Securities	137,135.2	66.5	135,198.4	65.1	(1,936.8)
Japanese government bonds	58,356.5	28.3	53,636.1	25.8	(4,720.4)
Japanese local government bonds, corporate bonds, etc. (*)	16,279.1	7.9	15,904.8	7.6	(374.2)
Foreign securities, etc.	62,499.5	30.3	65,657.5	31.6	3,157.9
Foreign bonds	22,035.5	10.6	23,706.8	11.4	1,671.3
Investment trusts (**)	40,433.9	19.6	41,901.0	20.1	1,467.0
Money held in trust (stocks, JGBs, etc.)	3,990.7	1.9	4,549.7	2.1	558.9
Domestic stocks	2,141.7	1.0	1,859.6	0.8	(282.1)
Loans	5,297.4	2.5	4,961.7	2.3	(335.6)
Due from banks, etc. (***)	50,674.2	24.6	51,485.4	24.8	811.1
Short-term investments and others (****)	8,877.5	4.3	11,324.2	5.4	2,446.7
<b>Total</b>	<b>205,975.2</b>	<b>100.0</b>	<b>207,519.6</b>	<b>100.0</b>	<b>1,544.3</b>

\* "Japanese local government bonds, corporate bonds, etc." consists of Japanese local government bonds, commercial paper, Japanese corporate bonds and Japanese stocks.

\*\* Investment trusts are mainly invested in foreign bonds.

\*\*\* "Due from banks, etc." consists of negotiable certificates of deposit, Bank of Japan deposits and monetary claims bought.

\*\*\*\* "Short-term investments and others" consists of call loans and receivables under resale agreements, etc.

## 9. Unrealized Gains (Losses) on Financial Instruments

Non-consolidated

- Net unrealized losses on financial instruments (available-for-sale) after taking into consideration of gains (losses) from hedge accounting were ¥(102.0) bn as of March 31, 2020 (before application of tax effect accounting), decreased by ¥3.5 tn from March 31, 2019.
- Significant decrease of net unrealized gains on financial instruments (available-for-sale) after taking into consideration of gains (losses) from hedge accounting is mainly due to expanding net unrealized losses in investment trusts (\*).
- Due to recovery of market environment, net unrealized gains on financial instruments after taking into consideration of gains (losses) from hedge accounting (preliminary figure) were approximately ¥1.3 tn as of April 30, 2020 (before application of tax effect accounting).

(¥bn)

	As of March 31, 2019		As of March 31, 2020	
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)
Held-to-maturity securities	27,242.5	793.1	24,170.7	490.8

(¥bn)

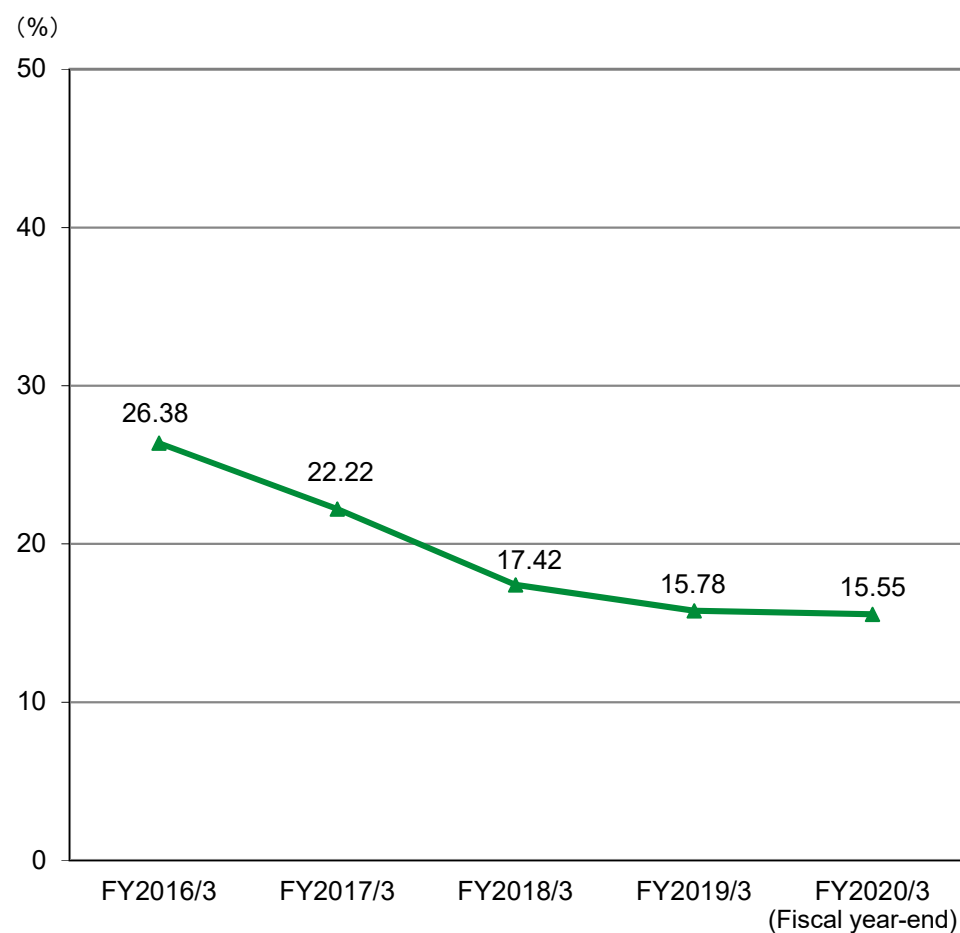
	As of March 31, 2019		As of March 31, 2020	
	Amount on the balance sheet / Notional amount	Net unrealized gains (losses) / Net deferred gains (losses)	Amount on the balance sheet / Notional amount	Net unrealized gains (losses) / Net deferred gains (losses)
Available-for-sale	114,193.4	3,517.2	115,936.1	370.6
Securities (A)	110,241.9	2,128.5	111,386.4	(751.5)
Japanese government bonds	33,340.6	1,167.6	32,597.9	794.2
Foreign bonds	22,003.0	637.7	23,706.8	429.4
Investment trusts (*)	40,433.9	184.9	41,901.0	(2,040.4)
Others	14,464.2	138.2	13,180.6	65.1
Effect of fair value hedge accounting (B)		266.4		308.3
Money held in trust (C)	3,951.4	1,122.2	4,549.7	813.8
Domestic stocks	2,141.7	1,106.4	1,859.6	816.5
Others	1,809.7	15.8	2,690.0	(2.7)
Derivatives for which deferred hedge accounting is applied (D)	14,366.1	(89.8)	16,340.3	(472.7)
Total (A) + (B) + (C) + (D)		3,427.4		(102.0)

\* Investment trusts are mainly invested in foreign bonds.

# 10. Trend of Capital Adequacy Ratio

■ Capital adequacy ratio (non-consolidated, domestic standard) was 15.55% as of March 31, 2020.

【Non-consolidated】



【Non-consolidated】

	As of March 31, 2019 (A)	As of March 31, 2020 (B)	Increase (Decrease) (B) – (A)
Total capital (a)	8,844.2	8,932.5	88.3
Total amount of risk-weighted assets (b)	56,033.5	57,407.2	1,373.7
Credit risk-weighted assets	53,334.0	54,775.0	1,441.0
Capital adequacy ratio (a) / (b)	15.78%	15.55%	(0.22)%

【Consolidated】

	As of March 31, 2019 (A)	As of March 31, 2020 (B)	Increase (Decrease) (B) – (A)
Total capital (a)	8,853.3	8,942.0	88.7
Total amount of risk-weighted assets (b)	56,004.5	57,390.8	1,386.3
Credit risk-weighted assets	53,305.1	54,758.8	1,453.7
Capital adequacy ratio (consolidated) (a) / (b)	15.80%	15.58%	(0.22)%

# 11.Plans for the Fiscal Year Ending March 31, 2021

Consolidated

## (1) Earnings Forecasts

- For earnings forecasts for the fiscal year ending March 31, 2021, net ordinary income and net income attributable to owners of parent are expected to amount to ¥275.0 bn and ¥200.0 bn, respectively.
- The decrease in income from the previous period is mainly attributable to the significant increase in those dividends from investment trusts in our held securities which are special dividends not recognized in income on condition that foreign credit spreads remain high (We anticipate that the impact of these special dividends will be large, especially in the first half of the year).

### Achievement of the fiscal year ended March 31, 2020 Forecasts and Full-year Earnings Forecasts for the fiscal year ending March 31, 2021 (Consolidated)

(¥bn)

	For the fiscal year		Increase (Decrease) (B) – (A)	For the fiscal year ending March 31, 2021 (forecast)
	ended March 31, 2020 (forecast) (A)	ended March 31, 2020 (actual) (B)		
Net interest income, etc. (*)	1,290.0	1,267.0	(22.9)	1,180.0
Net fees and commissions	120.0	128.8	8.8	130.0
General and administrative expenses	1,040.0	1,019.5	(20.4)	1,040.0
Net ordinary income	375.0	379.1	4.1	275.0
Net income attributable to owners of parent	270.0	273.4	3.4	200.0

### Assumptions for the earnings forecasts

- ◆ Assumptions of domestic and foreign market interest rates are based on the implied forward rates as of March 31, 2020.
- ◆ We anticipate that foreign credit spreads remain high during the first half of FY2020 and will gradually decrease as the impact of COVID-19 is gradually resolved.
- ◆ If foreign credit spreads widen (or tighten) more than the amount anticipated above, then the projected income for the fiscal year ending March 31, 2021 might decrease (or increase). Such financial market trends might affect our performance.

\* Net interest income, etc. = Interest income - Interest expenses (including gains (losses) on sales, etc.)

# 11.Plans for the Fiscal Year Ending March 31, 2021

## (2) Dividends

Consolidated

- Dividend per share for the fiscal year ended March 31, 2020 is ¥50 (including interim dividends of ¥25).
- Dividend per share for the fiscal year ending March 31, 2021 is undetermined at this point, since the financial markets are in a state of uncertainty in the meantime and there is a possibility that our performance will change significantly, depending upon the market trends, we are considering it while assessing business performance trends going forward.
- Taking into account uncertain future market trends etc., our current policy for dividends from surplus for the fiscal year ending March 31, 2021 is to provide annual dividends, which will be provided once in that year.

### Actual result and forecast of dividends

(¥bn,%)

	For the fiscal year	
	ended March 31, 2020 (actual)	ending March 31, 2021 (forecast)
Dividend per share	¥50 (Interim ¥25, Annual ¥25)	undetermined (*)
Total dividend payment	187.4	undetermined
Dividend payout ratio	68.5%	undetermined

\* Until fiscal year ended March 31, 2020, we have provided dividends twice per year in the form of interim dividends and annual dividends. However, taking into account uncertain future market trends and current net unrealized gains (losses) on available-for-sale securities, our current policy for dividends from surplus for the fiscal year ending March 31, 2021 is to provide annual dividends, which will be provided once in that year.

### (Reference) Basic dividend policy (until March 31, 2021)

1. The Bank aims to secure dividends of ¥50 per share.
2. The Bank aims to maintain stable dividends per share.
3. The Bank shall also consider the implementation of additional shareholder returns according to conditions such as future regulatory trends, income growth and adequacy of internal reserves.

# (Reference) Portfolio Management Status

Non-consolidated

(¥bn)

	As of March 31, 2019 (A)	As of March 31, 2020 (B)	Increase (Decrease) (B) – (A)
Yen interest rates assets	116,823.2	113,956.9	(2,866.2)
Short-term assets	55,363.1	57,186.6	1,823.5
Japanese government bonds and government guaranteed bonds	61,460.0	56,770.3	(4,689.7)
Risk assets	81,931.4	84,870.5	2,939.0
Japanese local government bonds	6,383.9	5,986.3	(397.6)
Japanese corporate bonds, etc.	7,865.4	7,594.4	(271.0)
Foreign securities, etc.	60,121.0	63,402.3	3,281.2
Loans	2,216.8	2,291.7	74.8
Money held in trust (stocks), etc.	2,415.5	2,286.0	(129.5)
Strategic investment areas	2,928.5	3,309.6	381.1

- Notes: 1. Since these figures are calculated on management accounting basis, they are not equal to the figures for balance of each categories on page 9, and also the sum of “Yen interest rates assets” and “Risk assets” is not equal to the “Total” on page 9.
2. “Strategic investment areas” is Alternative assets (Private Equity Funds and Real Estate Funds (Equity), etc.), Real Estate Funds (Debt) and Direct Lending Funds.



## Financial Data

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# 1. Summarized Balance Sheets

Non-consolidated

	As of March 31, 2019 (A)	As of March 31, 2020 (B)	Increase (Decrease) (B) – (A)
<b>Total assets</b>	<b>208,970,478</b>	<b>210,905,152</b>	<b>1,934,674</b>
Cash and due from banks	50,698,549	51,663,901	965,352
Call loans	400,000	1,040,000	640,000
Receivables under resale agreements	8,368,139	9,731,897	1,363,758
Receivables under securities borrowing transactions	–	112,491	112,491
Monetary claims bought	295,679	315,812	20,133
Trading account securities	2	31	29
Money held in trust	3,990,780	4,549,736	558,956
Securities	137,135,264	135,198,460	(1,936,804)
Loans	5,297,424	4,961,733	(335,691)
Foreign exchanges	80,396	147,469	67,072
Other assets	2,452,409	2,816,117	363,707
Tangible fixed assets	201,786	193,752	(8,033)
Intangible fixed assets	51,003	47,114	(3,888)
Deferred tax assets	–	127,662	127,662
Reserve for possible loan losses	(958)	(1,031)	(72)

	As of March 31, 2019 (A)	As of March 31, 2020 (B)	Increase (Decrease) (B) – (A)
<b>Total liabilities and net assets</b>	<b>208,970,478</b>	<b>210,905,152</b>	<b>1,934,674</b>
<b>Total liabilities</b>	<b>197,619,672</b>	<b>201,917,500</b>	<b>4,297,828</b>
Deposits	180,999,134	183,004,733	2,005,599
Payables under repurchase agreements	11,569,371	14,855,624	3,286,253
Payables under securities lending transactions	2,473,457	2,219,384	(254,073)
Commercial paper	28,029	–	(28,029)
Borrowed money	3,900	10,100	6,200
Foreign exchanges	628	511	(117)
Other liabilities	1,354,810	1,596,945	242,134
Reserve for bonuses	7,739	7,331	(408)
Reserve for employees' retirement benefits	144,190	141,628	(2,562)
Reserve for employee stock ownership plan trust	839	605	(233)
Reserve for management board benefit trust	238	311	73
Reserve for reimbursement of deposits	88,332	80,324	(8,008)
Deferred tax liabilities	948,998	–	(948,998)
<b>Total net assets</b>	<b>11,350,806</b>	<b>8,987,651</b>	<b>(2,363,154)</b>
Capital stock	3,500,000	3,500,000	–
Capital surplus	4,296,285	4,296,285	–
Retained earnings	2,477,736	2,563,307	85,571
Treasury stock	(1,300,926)	(1,300,881)	45
<b>Total shareholders' equity</b>	<b>8,973,095</b>	<b>9,058,711</b>	<b>85,616</b>
Net unrealized gains (losses) on available-for-sale securities	2,440,064	256,880	(2,183,184)
Net deferred gains (losses) on hedges	(62,353)	(327,940)	(265,586)
<b>Total valuation and translation adjustments</b>	<b>2,377,710</b>	<b>(71,060)</b>	<b>(2,448,771)</b>

(Millions of yen)

## 2. Income Analysis

Non-consolidated

(Millions of yen)

	For the fiscal year ended		(B) – (A)
	March 31, 2019 (A)	March 31, 2020 (B)	
Gross operating profit	1,327,033	1,314,210	(12,823)
Net interest income	1,016,126	976,821	(39,304)
Net fees and commissions	106,761	128,891	22,129
Net other operating income (loss)	204,145	208,497	4,351
Gains (losses) on foreign exchanges	219,448	202,139	(17,308)
Gains (losses) on bonds	(12,241)	8,097	20,339
General and administrative expenses	(1,037,537)	(1,020,253)	17,283
Personnel expenses	(126,360)	(122,586)	3,774
Non-personnel expenses	(841,648)	(844,334)	(2,685)
Taxes and dues	(69,527)	(53,332)	16,195
Operating profit (before provision for general reserve for possible loan losses)	289,496	293,956	4,460
Core net operating profit	301,738	285,859	(15,878)
Excluding gains (losses) on cancellation of investment trusts	249,737	245,830	(3,907)
Provision for general reserve for possible loan losses	–	(15)	(15)
<b>Net operating profit</b>	<b>289,496</b>	<b>293,941</b>	<b>4,445</b>
Non-recurring gains (losses)	84,803	85,135	332
Gains (losses) related to stocks	(10,983)	11,545	22,528
Gains (losses) on money held in trust	77,717	72,838	(4,878)
<b>Net ordinary income</b>	<b>374,299</b>	<b>379,077</b>	<b>4,778</b>

	For the fiscal year ended		(B) – (A)
	March 31, 2019 (A)	March 31, 2020 (B)	
Extraordinary income (loss)	(4,107)	(450)	3,656
Gains (losses) on sales and disposals of fixed assets	(3,556)	(450)	3,106
Losses on impairment of fixed assets	(550)	(0)	550
<b>Income before income taxes</b>	<b>370,192</b>	<b>378,626</b>	<b>8,434</b>
Income taxes – current	(99,417)	(101,266)	(1,848)
Income taxes – deferred	(4,596)	(4,315)	280
<b>Total income taxes</b>	<b>(104,013)</b>	<b>(105,581)</b>	<b>(1,568)</b>
<b>Net income</b>	<b>266,178</b>	<b>273,044</b>	<b>6,866</b>
Gains (losses) on money held in trust	77,717	72,838	(4,878)
Dividends and interest income	71,741	77,881	6,139
Gains (losses) on sales of stocks	20,709	19,389	(1,319)
Unrealized gains (losses)	367	3	(363)
Impairment losses	(3,573)	(9,212)	(5,639)
Withholding income tax, etc.	(11,526)	(15,223)	(3,696)
Credit-related expenses	14	(13)	(28)
Provision for general reserve for possible loan losses	14	(13)	(28)

- Notes: 1. General and administrative expenses exclude non-recurring losses related to retirement benefit costs (¥1,993 million and ¥2,158 million recorded as profits for the fiscal years ended March 31, 2020 and 2019, respectively).
2. Core net operating profit = Operating profit (before provision for general reserve for possible loan losses) - Gains (losses) on bonds
3. Credit-related expenses are those expenses related to problem assets disclosed under the Financial Reconstruction Act.
4. Numbers in parenthesis indicate the amount of loss, expense or decrease.

### 3. Selected Ratios

Non-consolidated

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2019 (A)	March 31, 2020 (B)	
Net income to assets (ROA)	0.12%	0.13%	0.00%
Net income to equity (ROE)	2.32	2.68	0.35
Overhead ratio (OHR)	78.18	77.63	(0.55)
Expense-to-deposit ratio	0.57	0.55	(0.01)

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  
 3. OHR = (general and administrative expenses / gross operating profit) x 100  
 4. Expense-to-deposit ratio = (general and administrative expenses / average deposit balances) x 100

### 4. Interest Rate Spread

Non-consolidated

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2019 (A)	March 31, 2020 (B)	
Yield on interest-earning assets (a)	0.67%	0.64%	(0.03)%
Total cost of funding (including general and administrative expenses) (b)	0.71	0.69	(0.02)
Interest rate on interest-bearing liabilities (c)	0.17	0.17	(0.00)
Overall interest rate spread (a) - (b)	(0.04)	(0.04)	(0.00)
Interest rate spread (a) - (c)	0.49	0.47	(0.02)

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

Non-consolidated

(1) Domestic

(Millions of yen, %)

	For the fiscal year ended						Increase (Decrease) (B) – (A)
	March 31, 2019 (A)			March 31, 2020 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	194,710,207	752,825	0.38%	198,026,308	629,096	0.31%	(0.06)%
Loans	6,090,997	12,072	0.19	4,947,212	11,056	0.22	0.02
Securities	77,703,674	615,038	0.79	71,842,673	492,509	0.68	(0.10)
Due from banks, etc.	49,543,054	30,905	0.06	52,928,370	28,874	0.05	(0.00)
Interest-bearing liabilities	187,129,472	114,900	0.06	190,695,746	79,358	0.04	(0.01)
Deposits	181,227,650	80,834	0.04	183,018,232	55,096	0.03	(0.01)
Payables under securities lending transactions	6,057,199	1,013	0.01	229,198	229	0.10	0.08

(2) Overseas

(Millions of yen, %)

	For the fiscal year ended						Increase (Decrease) (B) – (A)
	March 31, 2019 (A)			March 31, 2020 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	59,119,568	700,201	1.18%	63,366,957	789,429	1.24%	0.06%
Loans	5,000	20	0.41	10,868	57	0.52	0.10
Securities	59,005,163	698,775	1.18	63,239,883	787,476	1.24	0.06
Due from banks, etc.	8,801	164	1.86	1,263	29	2.35	0.49
Interest-bearing liabilities	58,418,073	322,000	0.55	63,324,744	362,345	0.57	0.02
Payables under securities lending transactions	2,619,354	59,283	2.26	2,240,788	49,376	2.20	(0.05)

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

Non-consolidated

(3) Total

(Millions of yen, %)

	For the fiscal year ended						Increase (Decrease) (B) – (A)
	March 31, 2019 (A)			March 31, 2020 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	200,414,539	1,357,985	0.67%	203,590,095	1,318,014	0.64%	(0.03)%
Loans	6,095,997	12,093	0.19	4,958,081	11,113	0.22	0.02
Securities	136,708,838	1,313,813	0.96	135,082,556	1,279,986	0.94	(0.01)
Due from banks, etc.	49,551,855	31,069	0.06	52,929,633	28,904	0.05	(0.00)
Interest-bearing liabilities	192,132,309	341,859	0.17	196,217,319	341,193	0.17	(0.00)
Deposits	181,227,650	80,834	0.04	183,018,232	55,096	0.03	(0.01)
Payables under securities lending transactions	8,676,554	60,297	0.69	2,469,986	49,605	2.00	1.31

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. Income and expenses for money held in trust are included in “other ordinary income” and “other ordinary expenses,” respectively. Accordingly, the average balance of money held in trust (fiscal year ended March 31, 2020, ¥3,129,526 million; fiscal year ended March 31, 2019, ¥2,977,608 million) is excluded from interest-earning assets, and the average balance corresponding to money held in trust (fiscal year ended March 31, 2020, ¥3,129,526 million; fiscal year ended March 31, 2019, ¥2,977,608 million) and the corresponding interest (fiscal year ended March 31, 2020, ¥5,441 million; fiscal year ended March 31, 2019, ¥5,298 million) are excluded from interest-bearing liabilities.

3. For investment trusts, the distribution of profits, which was deducted from the book value as the repayment of principal, was ¥60,511 million for the fiscal year ended March 31, 2020 (¥80,783 million for the fiscal year ended March 31, 2019).

4. Average balance and interest on transactions between “domestic” and “overseas” are offset to calculate totals.

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

## 6. Asset Management Status

Non-consolidated

(Millions of yen, %)

	As of March 31, 2019 (A)		As of March 31, 2020 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Due from banks, etc.	50,674,248	24.60	51,485,414	24.80	811,165
Call loans	400,000	0.19	1,040,000	0.50	640,000
Receivables under resale agreements	8,368,139	4.06	9,731,897	4.68	1,363,758
Receivables under securities borrowing transactions	—	—	112,491	0.05	112,491
Money held in trust	3,990,780	1.93	4,549,736	2.19	558,956
Domestic stocks	2,141,784	1.03	1,859,682	0.89	(282,101)
Domestic bonds	1,195,685	0.58	1,419,008	0.68	223,323
Securities	137,135,264	66.57	135,198,460	65.14	(1,936,804)
Japanese government bonds	58,356,567	28.33	53,636,113	25.84	(4,720,454)
Japanese local government bonds	6,383,964	3.09	5,986,349	2.88	(397,615)
Commercial paper	220,998	0.10	806,975	0.38	585,976
Japanese corporate bonds	9,574,857	4.64	9,108,252	4.38	(466,605)
Japanese stocks	99,286	0.04	3,255	0.00	(96,030)
Other securities	62,499,590	30.34	65,657,514	31.63	3,157,924
Foreign bonds	22,035,528	10.69	23,706,870	11.42	1,671,341
Investment trusts	40,433,941	19.63	41,901,017	20.19	1,467,075
Loans	5,297,424	2.57	4,961,733	2.39	(335,691)
Others	109,366	0.05	439,879	0.21	330,512
Total	205,975,224	100.00	207,519,613	100.00	1,544,388

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.

# 7. Unrealized Gains (Losses) on Financial Instruments

Non-consolidated

## (1) Held-to-maturity Securities

(Millions of yen)

	As of March 31, 2019 (A)		As of March 31, 2020 (B)		Increase (Decrease) (B) – (A)	
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)
Japanese government bonds	25,015,921	755,550	21,038,148	475,518	(3,977,772)	(280,032)
Japanese local government bonds	533,474	4,001	1,146,788	1,665	613,313	(2,335)
Japanese corporate bonds	1,660,749	28,626	1,985,771	13,654	325,022	(14,972)
Others	32,433	5,014	–	–	(32,433)	(5,014)
Foreign bonds	32,433	5,014	–	–	(32,433)	(5,014)
<b>Total</b>	<b>27,242,577</b>	<b>793,192</b>	<b>24,170,708</b>	<b>490,838</b>	<b>(3,071,869)</b>	<b>(302,354)</b>

Note: Net unrealized gains (losses) shown above are calculated by deducting the amount on the balance sheet from the fair value.

## (2) Available-for-sale Securities

(Millions of yen)

	As of March 31, 2019 (A)		As of March 31, 2020 (B)		Increase (Decrease) (B) – (A)	
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)
Japanese stocks	96,909	5,124	5	–	(96,904)	(5,124)
Bonds	47,326,243	1,298,872	45,366,981	857,136	(1,959,262)	(441,735)
Japanese government bonds	33,340,646	1,167,684	32,597,964	794,222	(742,682)	(373,461)
Japanese local government bonds	5,850,490	50,706	4,839,561	25,675	(1,010,929)	(25,030)
Commercial paper	220,998	–	806,975	–	585,976	–
Japanese corporate bonds	7,914,108	80,481	7,122,480	37,238	(791,627)	(43,242)
Others	62,818,814	824,586	66,019,472	(1,608,708)	3,200,658	(2,433,294)
Foreign bonds	22,003,095	637,751	23,706,870	429,425	1,703,774	(208,326)
Investment trusts	40,433,941	184,918	41,901,017	(2,040,416)	1,467,075	(2,225,334)
<b>Total</b>	<b>110,241,967</b>	<b>2,128,583</b>	<b>111,386,459</b>	<b>(751,571)</b>	<b>1,144,491</b>	<b>(2,880,154)</b>

Notes: 1. Securities shown above include “securities,” negotiable certificates of deposit, which is recorded under “cash and due from banks,” and “monetary claims bought.”

2. Net unrealized gains (losses) shown above are calculated by deducting the acquisition cost from the amount on the balance sheet.

3. Of net unrealized gains (losses) shown above, ¥308,341 million and ¥266,443 million losses were included in the statements of income for the fiscal years ended March 31, 2020 and 2019, respectively, because of the application of fair value hedge accounting.

4. Investment trusts are mainly invested in foreign bonds.

5. Impairment losses for the fiscal years ended March 31, 2020 and 2019 amounted to ¥20 million and ¥8,063 million, respectively.



## 7. Unrealized Gains (Losses) on Financial Instruments

Non-consolidated

### (3) Money Held in Trust Classified as Available-for-sale

(Millions of yen)

	As of March 31, 2019 (A)		As of March 31, 2020 (B)		Increase (Decrease) (B) – (A)	
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)
Money held in trust classified as available-for-sale	3,951,489	1,122,266	4,549,736	813,852	598,246	(308,413)
Domestic stocks	2,141,784	1,106,458	1,859,682	816,565	(282,101)	(289,892)
Domestic bonds	1,195,685	17,468	1,419,008	(893)	223,323	(18,361)

Notes: 1. Net unrealized gains (losses) shown above are calculated by deducting the acquisition cost from the amount on the balance sheet.  
2. Impairment losses for the fiscal years ended March 31, 2020 and 2019 amounted to ¥9,212 million and ¥3,573 million, respectively.

### (4) Derivatives under Hedge Accounting (Deferred Hedge Accounting)

(Millions of yen)

	As of March 31, 2019 (A)		As of March 31, 2020 (B)		Increase (Decrease) (B) – (A)	
	Notional amount	Net deferred gains (losses)	Notional amount	Net deferred gains (losses)	Notional amount	Net deferred gains (losses)
Interest rate swaps	7,839,145	(122,376)	8,913,409	(458,664)	1,074,264	(336,287)
Currency swaps	6,527,044	32,497	7,426,920	(14,041)	899,876	(46,539)
Foreign exchange forward contracts	—	—	—	—	—	—
Total	14,366,189	(89,879)	16,340,330	(472,705)	1,974,140	(382,826)

Notes: 1. Net deferred gains (losses) are those before application of tax effect accounting.  
2. Hedged instruments are mainly available-for-sale securities.

### Total (2) + (3) + (4)

(Millions of yen)

	As of March 31, 2019 (A)	As of March 31, 2020 (B)	Increase (Decrease) (B) – (A)
Total net unrealized gains (losses)	3,427,414	(102,083)	(3,529,498)

Note: Total net unrealized gains (losses) exclude gains (losses) which are included in the statements of income because of the application of fair value hedge accounting.

## 8. General and Administrative Expenses

Non-consolidated

(Millions of yen, %)

	For the fiscal year ended				Increase (Decrease) (B) – (A)
	March 31, 2019 (A)		March 31, 2020 (B)		
	Amount	%	Amount	%	Amount
Personnel expenses	124,201	11.99	120,653	11.84	(3,548)
Salaries and allowances	101,619	9.81	98,694	9.69	(2,925)
Others	22,582	2.18	21,959	2.15	(622)
Non-personnel expenses	841,648	81.28	844,334	82.91	2,685
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	600,661	58.01	369,716	36.30	(230,944)
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network (*)	—	—	237,820	23.35	237,820
Deposit insurance premiums paid to JAPAN POST HOLDINGS Co., Ltd. (**)	1,619	0.15	510	0.05	(1,108)
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	59,654	5.76	59,486	5.84	(167)
Rent for land, buildings and others	13,332	1.28	11,956	1.17	(1,375)
Expenses on consigned businesses	65,031	6.28	64,085	6.29	(946)
Depreciation and amortization	33,688	3.25	36,146	3.54	2,457
Communication and transportation expenses	18,635	1.79	16,886	1.65	(1,748)
Maintenance expenses	11,866	1.14	12,457	1.22	591
IT expenses	16,774	1.62	16,791	1.64	16
Others	20,385	1.96	18,476	1.81	(1,908)
Taxes and dues	69,527	6.71	53,332	5.23	(16,195)
<b>Total</b>	<b>1,035,378</b>	<b>100.00</b>	<b>1,018,320</b>	<b>100.00</b>	<b>(17,058)</b>

\* 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.

\*\* The Bank makes subsidy payments to JAPAN POST HOLDINGS Co., Ltd. in accordance with Article 122 of the Postal Service Privatization Act.

## 9. Loans

Non-consolidated

(Millions of yen, %)

	As of March 31, 2019 (A)		As of March 31, 2020 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Domestic (excluding Japan Offshore Market accounts)	5,292,424	100.00	4,942,412	100.00	(350,012)
Agriculture, forestry, fisheries, and mining	—	—	—	—	—
Manufacturing	15,519	0.29	43,524	0.88	28,005
Utilities, information/communications, and transportation	115,517	2.18	108,064	2.18	(7,453)
Wholesale and retail	37,289	0.70	31,155	0.63	(6,133)
Finance and insurance	930,873	17.58	773,676	15.65	(157,196)
Construction and real estate	2,000	0.03	12,983	0.26	10,983
Services and goods rental/leasing	37,695	0.71	48,437	0.98	10,741
Central and local governments	3,997,677	75.53	3,782,410	76.52	(215,267)
Others	155,851	2.94	142,159	2.87	(13,691)
Overseas and Japan Offshore Market accounts	5,000	100.00	19,321	100.00	14,321
Governments	—	—	—	—	—
Financial institutions	—	—	—	—	—
Others	5,000	100.00	19,321	100.00	14,321
<b>Total</b>	<b>5,297,424</b>		<b>4,961,733</b>		<b>(335,691)</b>

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 ¥439,734 million and ¥640,676 million as of March 31, 2020 and March 31, 2019, respectively.

3. “Others” in “Domestic” represents loans to individuals.

# 10. Balances by Type of Deposit

Non-consolidated

(Millions of yen, %)

	As of March 31, 2019 (A)		As of March 31, 2020 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Liquid deposits	79,959,377	44.17	87,567,568	47.84	7,608,191
Transfer deposits	16,143,580	8.91	7,712,325	4.21	(8,431,254)
Ordinary deposits, etc.	63,410,139	35.03	79,346,271	43.35	15,936,131
Savings deposits	405,656	0.22	508,971	0.27	103,315
Fixed-term deposits	100,927,190	55.76	95,298,907	52.07	(5,628,282)
Time deposits	7,096,334	3.92	5,225,651	2.85	(1,870,683)
TEIGAKU deposits	93,830,855	51.84	90,073,256	49.21	(3,757,598)
Other deposits	112,566	0.06	138,256	0.07	25,689
Subtotal	180,999,134	100.00	183,004,733	100.00	2,005,599
Negotiable certificates of deposit	—	—	—	—	—
Total	180,999,134	100.00	183,004,733	100.00	2,005,599
Deposits including accrued interest	181,431,911		183,380,789		1,948,878

Notes: 1. Ordinary deposits, etc. = Ordinary deposits + Special deposits (equivalent to ordinary savings)

2. Special deposits (equivalent to ordinary savings) are the portion of deposits received from the Organization for Postal Savings, Postal Life Insurance and Post Office Network, corresponding to savings for time savings, TEIGAKU savings, installment savings, savings for housing installments, and education installment savings that had reached full term and were passed on to the organization by Japan Post Corporation.

3. TEIGAKU deposits are a kind of 10-year-maturity time deposits unique to the Bank. The key feature is that depositors have the option to withdraw money anytime six months after the initial deposit. The interest rates on such deposits rise every six months in a staircase pattern, with duration of up to three years. After three years, the interest is compounded using fixed interest rates until the maturity of 10 years.

# 11. Employees' Retirement Benefits

Non-consolidated

(1) Employees' retirement benefit plans adopted by the Bank

The lump-sum retirement payment plan

(2) Projected benefit obligation

(Millions of yen)

	As of March 31, 2019 (A)	As of March 31, 2020 (B)	Increase (Decrease) (B) – (A)
Unfunded projected benefit obligation	134,837	134,232	(605)
Unrecognized net actuarial losses	2,482	1,686	(795)
Unrecognized prior service cost	6,870	5,709	(1,161)
Net amount recorded on the balance sheet	144,190	141,628	(2,562)

(3) Total retirement benefit costs and components

(Millions of yen)

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2019 (A)	March 31, 2020 (B)	
Total retirement benefit costs related to the defined-benefit plan	6,120	6,190	69
Service cost	7,239	7,113	(126)
Interest cost on projected benefit obligation	949	943	(6)
Amortization of net actuarial losses	(1,005)	(782)	223
Amortization of prior service cost	(1,161)	(1,161)	–
Others	98	77	(21)

(4) The major assumptions used in the calculation of projected benefit obligation

	As of March 31, 2019	As of March 31, 2020
Discount rate	0.7%	0.7%

## 12. Deferred Tax Assets/Liabilities

Non-consolidated

(Millions of yen)

	As of March 31, 2019 (A)	As of March 31, 2020 (B)	Increase (Decrease) (B) – (A)
Deferred tax assets	135,977	248,769	112,792
Reserve for possible loan losses	–	7	7
Reserve for employees' retirement benefits	44,158	43,373	(784)
Accrued enterprise taxes	1,385	3,222	1,836
Net deferred losses on hedges	27,525	144,765	117,239
Reserve for reimbursement of deposits	27,051	24,599	(2,452)
Depreciation	8,569	8,773	203
Software in progress	3,491	2,078	(1,413)
Unrealized losses of money held in trust	3,149	1,680	(1,469)
Other	20,645	20,270	(375)
Deferred tax liabilities	(1,084,975)	(121,106)	963,868
Net unrealized gains on available-for-sale securities	(1,077,133)	(113,396)	963,736
Other	(7,841)	(7,709)	131
Net deferred tax assets (liabilities)	(948,998)	127,662	1,076,661

## 13. Problem Assets Disclosed under the Financial Reconstruction Act

Non-consolidated

(Millions of yen, %)

	As of March 31, 2019 (A)	As of March 31, 2020 (B)	Increase (Decrease) (B) – (A)
Loans to borrowers classified as bankrupt or quasi-bankrupt	–	–	–
Loans to borrowers classified as doubtful	–	0	0
Loans requiring close monitoring	–	–	–
Subtotal (a)	–	0	0
Loans to borrowers classified as normal	5,381,637	5,111,652	(269,985)
Total (b)	5,381,637	5,111,652	(269,985)
Non-performing loan ratio (a) / (b)	–%	0.00%	0.00%

## 14. Reserve for Possible Loan Losses

Non-consolidated

(Millions of yen)

	As of March 31, 2019 (A)	As of March 31, 2020 (B)	Increase (Decrease) (B) – (A)
Total	958	1,031	72
General reserve for possible loan losses	243	258	15
Specific reserve for possible loan losses	715	772	57

# 15. Capital

Non-consolidated  
Consolidated

(1) Capital Adequacy Ratio (Non-consolidated, Domestic Standard)

(Millions of yen, %)

	As of March 31, 2019 (A)	As of March 31, 2020 (B)	Increase (Decrease) (B) – (A)
Core Capital: instruments and reserves (a)	8,879,601	8,965,233	85,631
Core Capital: regulatory adjustments (b)	35,388	32,685	(2,702)
Total capital (a) - (b) = (c)	8,844,213	8,932,547	88,334
Total amount of risk-weighted assets (d)	56,033,562	57,407,276	1,373,714
Credit risk-weighted assets	53,334,010	54,775,080	1,441,069
Market risk equivalent / 8%	—	—	—
Operational risk equivalent / 8%	2,699,551	2,632,196	(67,355)
Capital adequacy ratio (c) / (d)	15.78%	15.55%	(0.22)%

(2) Capital Adequacy Ratio (Consolidated, Domestic Standard)

(Millions of yen, %)

	As of March 31, 2019 (A)	As of March 31, 2020 (B)	Increase (Decrease) (B) – (A)
Core Capital: instruments and reserves (a)	8,888,716	8,974,876	86,159
Core Capital: regulatory adjustments (b)	35,398	32,827	(2,571)
Total capital (a) - (b) = (c)	8,853,318	8,942,048	88,730
Total amount of risk-weighted assets (d)	56,004,545	57,390,850	1,386,304
Credit risk-weighted assets	53,305,125	54,758,899	1,453,774
Market risk equivalent / 8%	—	—	—
Operational risk equivalent / 8%	2,699,419	2,631,950	(67,469)
Capital adequacy ratio (consolidated) (c) / (d)	15.80%	15.58%	(0.22)%



# (Reference) Securitized Products Exposure

Non-consolidated

As of March 31, 2019 and March 31, 2020, the Bank held the following securitized products and others.

The Bank's holdings of securitized products and others were limited to securitization exposure as 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.

## (1) Securitized products

(Millions of yen)

Region		As of March 31, 2019			As of March 31, 2020		
		Acquisition cost	Net unrealized gains (losses)	Credit ratings	Acquisition cost	Net unrealized gains (losses)	Credit ratings
Domestic	Residential mortgage-backed securities (RMBS)	1,305,786	40,178	AAA	1,359,705	28,113	AAA
	Subprime loan related	—	—	—	—	—	—
	Collateralized loan obligations (CLO)	—	—	—	—	—	—
	Other securitized products	165,503	11	AAA	173,975	(205)	AAA
	Commercial mortgage-backed securities (CMBS)	—	—	—	—	—	—
	Collateralized debt obligations (CDO)	1,247	52	AAA	1,018	37	AAA
	Subtotal	1,472,537	40,241		1,534,699	27,945	
Overseas	Residential mortgage-backed securities (RMBS)	99,786	(11,624)	AAA	38,546	(9,390)	AAA
	Subprime loan related	—	—	—	—	—	—
	Collateralized loan obligations (CLO)	1,178,783	(6,083)	AAA	1,767,354	(121,935)	AAA
	Subtotal	1,278,569	(17,708)		1,805,900	(131,326)	
Total		2,751,107	22,533		3,340,600	(103,380)	

Notes: 1. The underlying assets provided are only those from multiple debtors comprising securitized products.

2. No hedging activities against credit risks were made.

3. The above table does not include securitized products that might be included in investment trusts. The same shall apply hereinafter.

4. Other securitized products are securitized products of which underlying assets are mainly auto loan claims.

5. "Overseas" does not include U.S. government sponsored enterprises, etc. (GSEs) related products.

6. The overseas collateralized loan obligations (CLO) are only those in the United States.

7. Net unrealized gains (losses) do not reflect the effect of foreign exchange hedging.

## (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 derivative transactions with any monoline insurers.

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