

Selected Financial Information

For the Nine Months Ended December 31, 2020

JAPAN POST BANK Co., Ltd.
February 12, 2021

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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.

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

1. Overview of FY2021/3 3Q Results

- Net income attributable to owners of parent increased by ¥16.2 bn year on year to ¥226.3 bn.
- Regarding the turmoil in financial markets associated with the spread of COVID-19, there are now signs that the situation is stabilizing due to monetary policies, etc., and its impact on our performance is becoming smaller.

Consolidated

Net ordinary income

¥313.9 bn

+¥24.6 bn, +8.5% YoY

Earnings forecast
(FY2021/3)

¥375.0 bn

Progression rate

83.7%

Net income attributable to owners of parent

¥226.3 bn

+¥16.2 bn, +7.7% YoY

Earnings forecast
(FY2021/3)

¥270.0 bn

Progression rate

83.8%

Non-consolidated

Gross operating profit

¥1,041.4 bn

+¥25.3 bn, +2.4% YoY

Net operating profit

¥282.9 bn

+¥36.0 bn, +14.6% YoY

Net ordinary income

¥313.5 bn

+¥24.3 bn, +8.4% YoY

Net income

¥225.7 bn

+¥16.0 bn, +7.6% YoY

Total assets

¥224.0 tn

+¥13.1 tn vs FY2020/3 end

Securities

¥136.6 tn

+¥1.4 tn vs FY2020/3 end

Japanese government bonds

¥50.2 tn

¥(3.3) tn vs FY2020/3 end

Foreign securities, etc.

¥70.0 tn

+¥4.4 tn vs FY2020/3 end

Capital adequacy ratio

15.74%

+0.18% vs FY2020/3 end

2. Results of Operations

Non-consolidated

	For the nine months ended		Increase (Decrease) (B) – (A)
	December 31, 2019 (A)	December 31, 2020 (B)	
	(¥bn, %)		
Gross operating profit	1,016.1	1,041.4	25.3
Net interest income	752.6	703.2	(49.3)
Net fees and commissions	98.3	97.7	(0.5)
Net other operating income (loss)	165.1	240.4	75.2
Gains (losses) on foreign exchanges	158.9	226.1	67.2
Gains (losses) on bonds	7.0	14.3	7.3
General and administrative expenses (*)	769.2	758.4	(10.7)
Provision for general reserve for possible loan losses	—	—	—
Net operating profit	246.9	282.9	36.0
Non-recurring gains (losses)	42.2	30.5	(11.7)
Gains (losses) on money held in trust	32.3	43.1	10.8
Net ordinary income	289.2	313.5	24.3
Net income	209.7	225.7	16.0
ROE (**) (***)	2.44%	2.92%	0.48 %
OHR (****)	75.70%	72.82%	(2.87)%

* General and administrative expenses exclude non-recurring losses.

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

*** ROE is annualized.

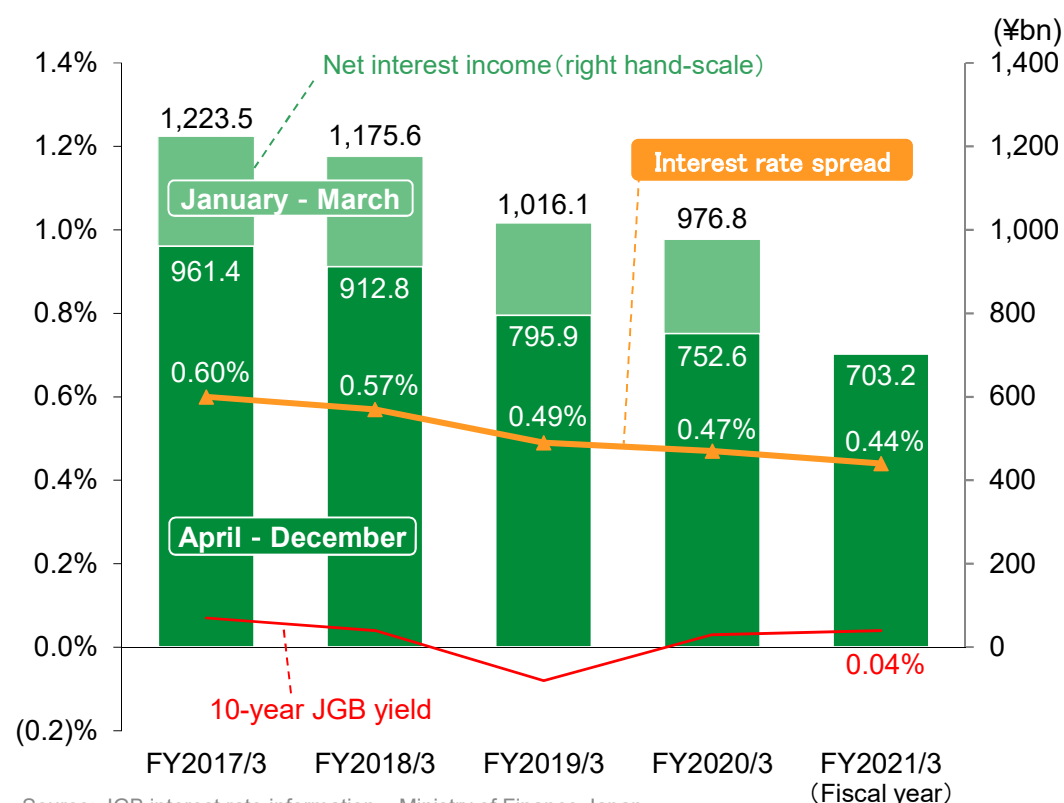
**** OHR = (general and administrative expenses / gross operating profit) x 100

- Gross operating profit for the nine months ended December 31, 2020 increased by ¥25.3 bn year on year to ¥1,041.4 bn.
Net interest income decreased by ¥49.3 bn year on year, due to a decrease in interest on securities in the challenging business environment with yen interest rates remained at a low level.
Net fees and commissions decreased by ¥0.5 bn year on year.
Net other operating income increased by ¥75.2 bn year on year by factors including a decrease in foreign currency funding costs.
- General and administrative expenses decreased by ¥10.7 bn year on year to ¥758.4 bn.
- Net operating profit increased by ¥36.0 bn year on year to ¥282.9 bn.
- Net ordinary income increased by ¥24.3 bn year on year to ¥313.5 bn.
- Net income increased by ¥16.0 bn year on year to ¥225.7 bn.

3. Trend of Net Interest Income and Interest Rate Spread

Non-consolidated

- Net interest income was ¥703.2 bn and interest rate spread was 0.44% for the nine months ended December 31, 2020.
- While interest expenses decreased due to a decrease in foreign currency funding costs, interest income which mainly consists of interest on Japanese government bonds and foreign securities decreased. As a result, net interest income decreased by ¥49.3 bn year on year.



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.

3. Interest rate spreads of FY2017/3 – FY2020/3 are the figures for the relevant fiscal years, while interest rate spread of FY2021/3 is the figure for the nine months ended December 31, 2020. Interest rate spread of FY2021/3 is annualized.

Domestic		For the nine months ended		Increase
		December 31,	December 31,	(Decrease)
		2019 (A)	2020 (B)	(B) – (A)
(¥bn)				
Net interest income		449.6	368.5	(81.1)
Interest income		509.7	417.7	(92.0)
Interest on Japanese government bonds		331.9	282.6	(49.3)
Interest expenses		60.0	49.1	(10.8)
Overseas				
		For the nine months ended		Increase
		December 31,	December 31,	(Decrease)
		2019 (A)	2020 (B)	(B) – (A)
(¥bn)				
Net interest income		302.9	334.7	31.7
Interest income		600.2	534.1	(66.1)
Interest on foreign securities		598.8	533.7	(65.0)
Interest expenses		297.2	199.3	(97.9)
Total				
		For the nine months ended		Increase
		December 31,	December 31,	(Decrease)
		2019 (A)	2020 (B)	(B) – (A)
(¥bn)				
Net interest income		752.6	703.2	(49.3)
Interest income		1,009.7	880.6	(129.1)
Interest expenses		257.1	177.3	(79.7)

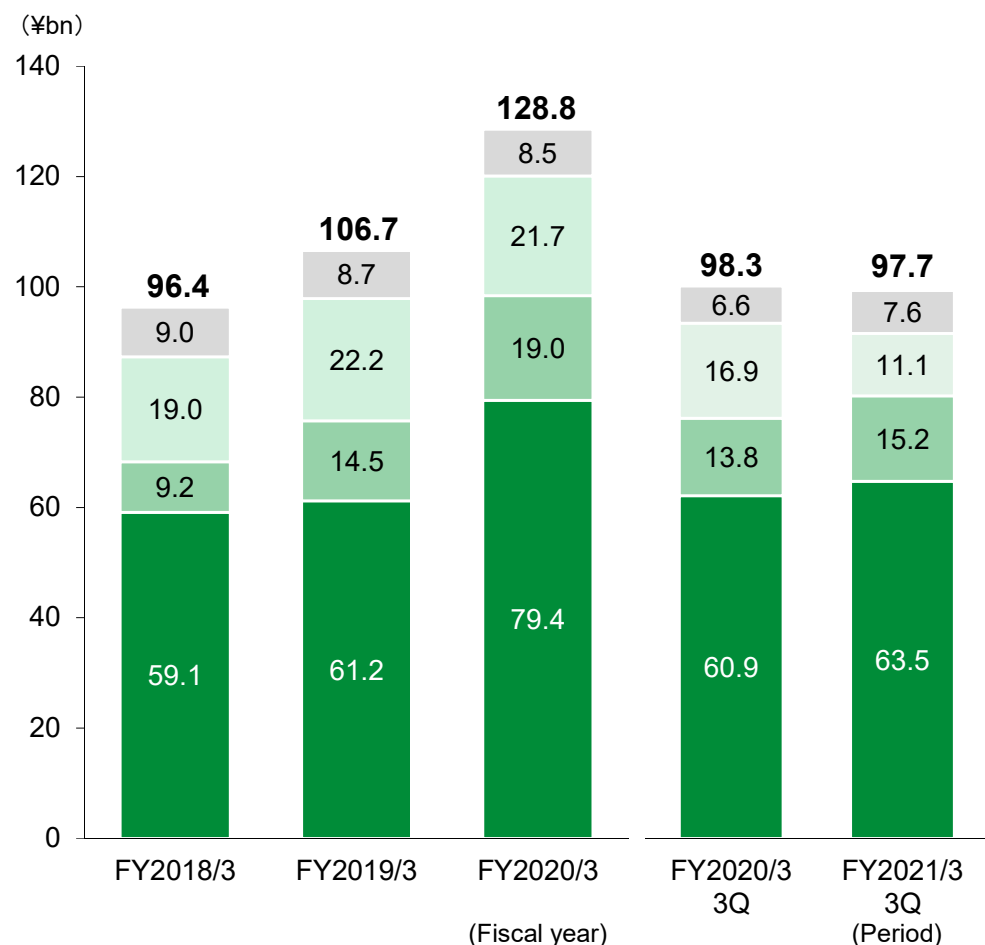
4. Net Fees and Commissions

Non-consolidated

■ Net fees and commissions for the nine months ended December 31, 2020 decreased by ¥0.5 bn year on year to ¥97.7 bn, mainly due to a decrease in fees relating to investment trusts.

Trend of Net Fees and Commissions

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



Breakdown of Net Fees and Commissions

	For the nine months ended		Increase (Decrease) (B) – (A)
	December 31, 2019 (A)	December 31, 2020 (B)	
Net fees and commissions relating to	98.3	97.7	(0.5)
Exchange and settlement transactions	60.9	63.5	2.6
ATMs	13.8	15.2	1.4
Investment trusts	16.9	11.1	(5.7)
Others	6.6	7.6	1.0

Results of Investment Trusts Sales (Contract Basis)

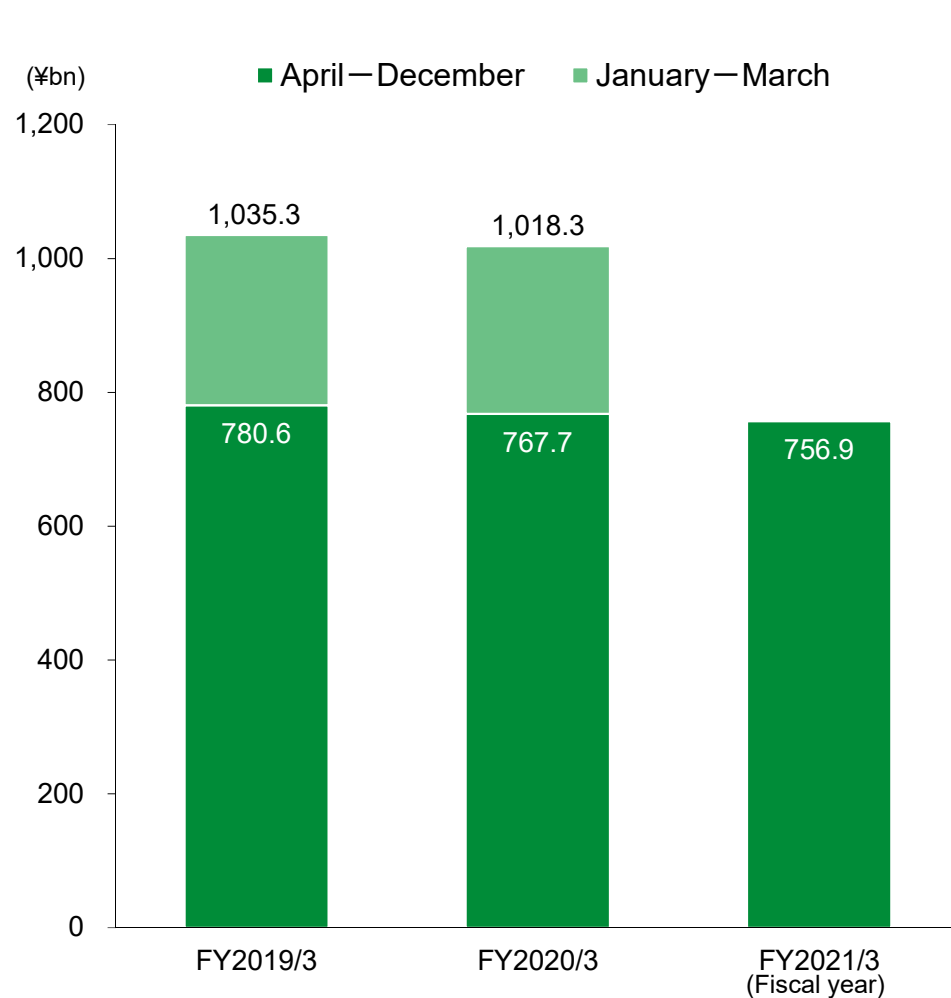
	For the nine months ended		Increase (Decrease) (B) – (A)
	December 31, 2019 (A)	December 31, 2020 (B)	
Number of contracts (thousands)	2,258	2,653	395
Sales amount (billions of yen)	562.6	212.0	(350.5)

	As of	As of	Increase (Decrease) (B) – (A)
	December 31, 2019 (A)	December 31, 2020 (B)	
Number of investment trust accounts (thousands)	1,179	1,216	37
Net assets (billions of yen)	2,592.5	2,501.0	(91.4)

5. Trend of General and Administrative Expenses

Non-consolidated

■ General and administrative expenses for the nine months ended December 31, 2020 decreased by ¥10.8 bn year on year to ¥756.9 bn.



	For the nine months ended		Increase (Decrease) (B) – (A)
	December 31, 2019 (A)	December 31, 2020 (B)	
Personnel expenses (*)	90.2	87.5	(2.7)
Salaries and allowances	74.1	71.8	(2.2)
Non-personnel expenses	637.4	627.7	(9.7)
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	281.8	279.2	(2.5)
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network	178.3	178.0	(0.2)
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	44.6	43.0	(1.5)
Taxes and dues	40.0	41.6	1.6
Total	767.7	756.9	(10.8)

* Personnel expenses include non-recurring losses.

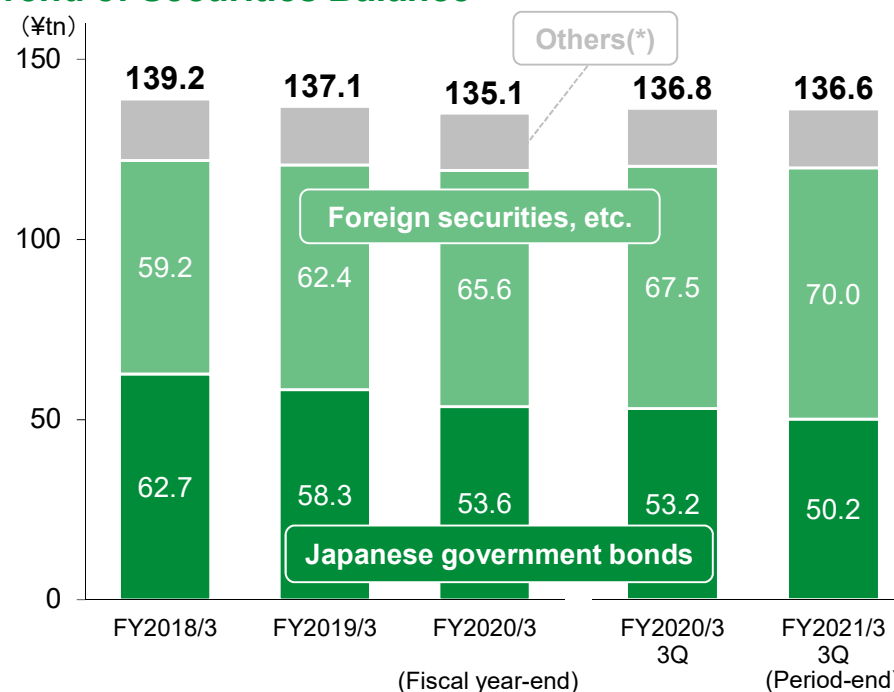
6. Financial Conditions

Non-consolidated

	(¥bn)		
	As of March 31, 2020 (A)	As of December 31, 2020 (B)	Increase (Decrease) (B) – (A)
Assets	210,905.1	224,089.5	13,184.4
Cash and due from banks	51,663.9	62,056.4	10,392.5
Call loans	1,040.0	930.0	(110.0)
Receivables under resale agreements	9,731.8	9,672.1	(59.7)
Money held in trust	4,549.7	5,874.5	1,324.8
Securities	135,198.4	136,688.9	1,490.4
Loans	4,961.7	4,672.7	(289.0)
Liabilities	201,917.5	212,587.0	10,669.5
Deposits	183,004.7	189,753.0	6,748.2
Payables under repurchase agreements	14,855.6	15,268.1	412.4
Payables under securities lending transactions	2,219.3	1,507.1	(712.2)
Net assets	8,987.6	11,502.5	2,514.8
Total shareholders' equity	9,058.7	9,190.8	132.0
Total valuation and translation adjustments	(71.0)	2,311.7	2,382.7

- Total assets increased by ¥13.1 tn from March 31, 2020, to ¥224.0 tn as of December 31, 2020.
- Securities increased by ¥1.4 tn from March 31, 2020, to ¥136.6 tn as of December 31, 2020.
- Loans decreased by ¥0.2 tn from March 31, 2020, to ¥4.6 tn as of December 31, 2020.
- Deposits increased by ¥6.7 tn from March 31, 2020, to ¥189.7 tn as of December 31, 2020.
- Total valuation and translation adjustments increased by ¥2.3 tn from March 31, 2020, to ¥2.3 tn as of December 31, 2020.

Trend of Securities Balance

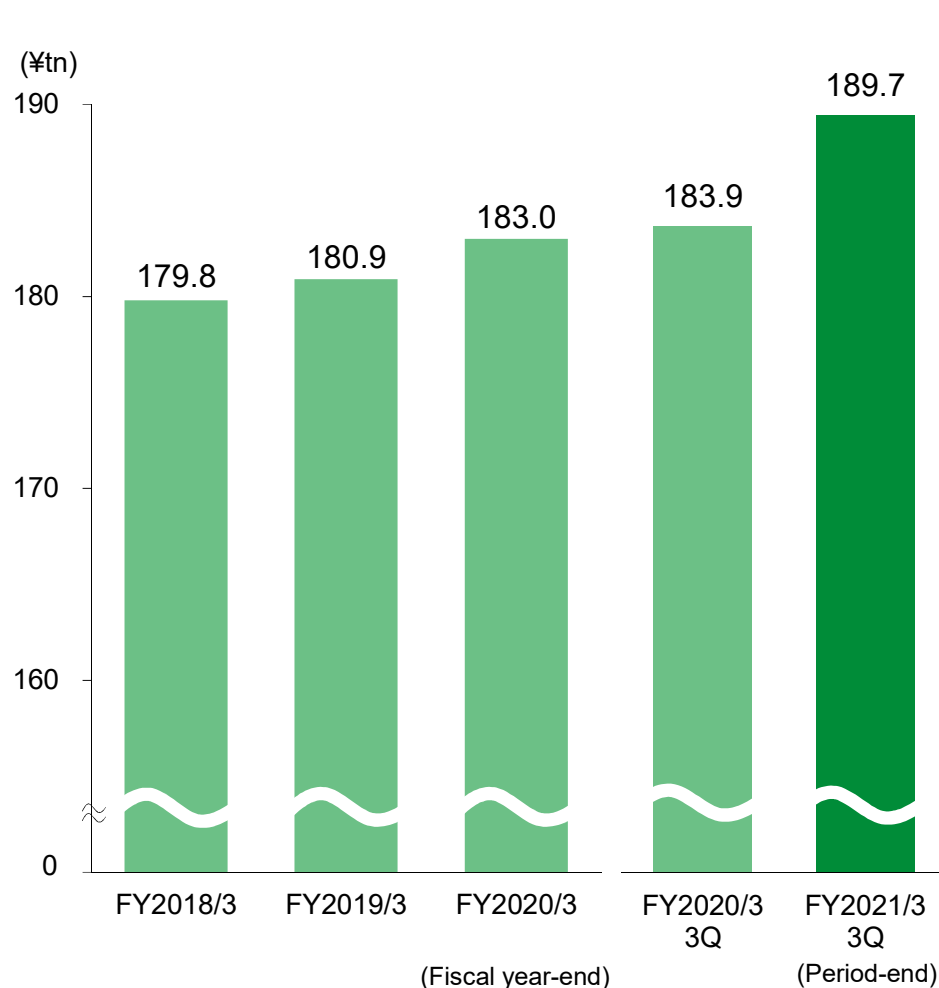


* "Others" consists of Japanese local government bonds, commercial paper, Japanese corporate bonds and Japanese stocks.

7. Trend of Deposit Balance

Non-consolidated

■ Deposit balance as of December 31, 2020 was ¥189.7 tn.



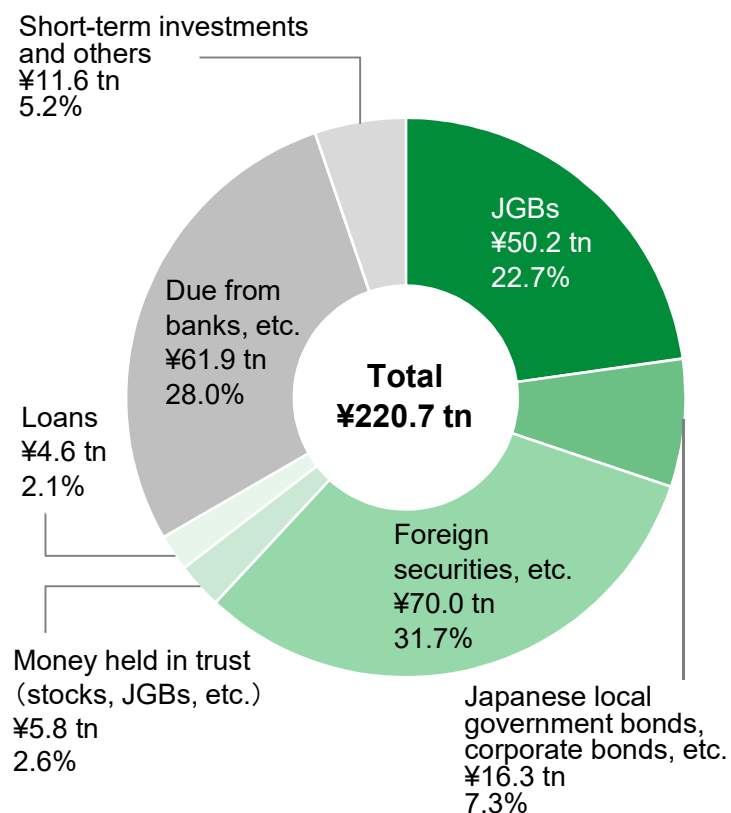
	As of March 31, 2020 (A)	As of December 31, 2020 (B)	Increase (Decrease) (B) – (A)
Liquid deposits	87.5	99.5	11.9
Transfer deposits	7.7	8.8	1.1
Ordinary deposits, etc. (*)	79.3	90.1	10.7
Savings deposits	0.5	0.5	0.0
Fixed-term deposits	95.2	90.0	(5.2)
Time deposits	5.2	4.8	(0.4)
TEIGAKU deposits	90.0	85.2	(4.8)
Other deposits	0.1	0.1	0.0
Total	183.0	189.7	6.7

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

8. Asset Management Status

Non-consolidated

■ Included in investment assets as of December 31, 2020, JGBs were ¥50.2 tn and foreign securities, etc. were ¥70.0 tn.



(¥bn)

Categories	As of March 31, 2020 (A)	%	As of December 31, 2020 (B)	%	Increase (Decrease) (B) – (A)
Securities	135,198.4	65.1	136,688.9	61.9	1,490.4
Japanese government bonds	53,636.1	25.8	50,285.6	22.7	(3,350.4)
Japanese local government bonds, corporate bonds, etc. (*)	15,904.8	7.6	16,314.1	7.3	409.3
Foreign securities, etc.	65,657.5	31.6	70,089.0	31.7	4,431.5
Foreign bonds	23,706.8	11.4	22,410.4	10.1	(1,296.3)
Investment trusts (**)	41,901.0	20.1	47,611.2	21.5	5,710.2
Money held in trust (stocks, JGBs, etc.)	4,549.7	2.1	5,874.5	2.6	1,324.8
Domestic stocks	1,859.6	0.8	2,351.8	1.0	492.2
Loans	4,961.7	2.3	4,672.7	2.1	(289.0)
Due from banks, etc. (***)	51,485.4	24.8	61,923.1	28.0	10,437.6
Short-term investments and others (****)	11,324.2	5.4	11,615.4	5.2	291.1
Total	207,519.6	100.0	220,774.7	100.0	13,255.1

* “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 gains on financial instruments (available-for-sale) after taking into consideration of gains (losses) from hedge accounting were ¥3,332.9 bn as of December 31, 2020 (before application of tax effect accounting), increased by ¥3,435.0 bn from March 31, 2020.

	As of March 31, 2020 (A)		As of December 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)	Net unrealized gains (losses)
Held-to-maturity securities	24,170.7	490.8	24,782.4	322.0	(168.8)

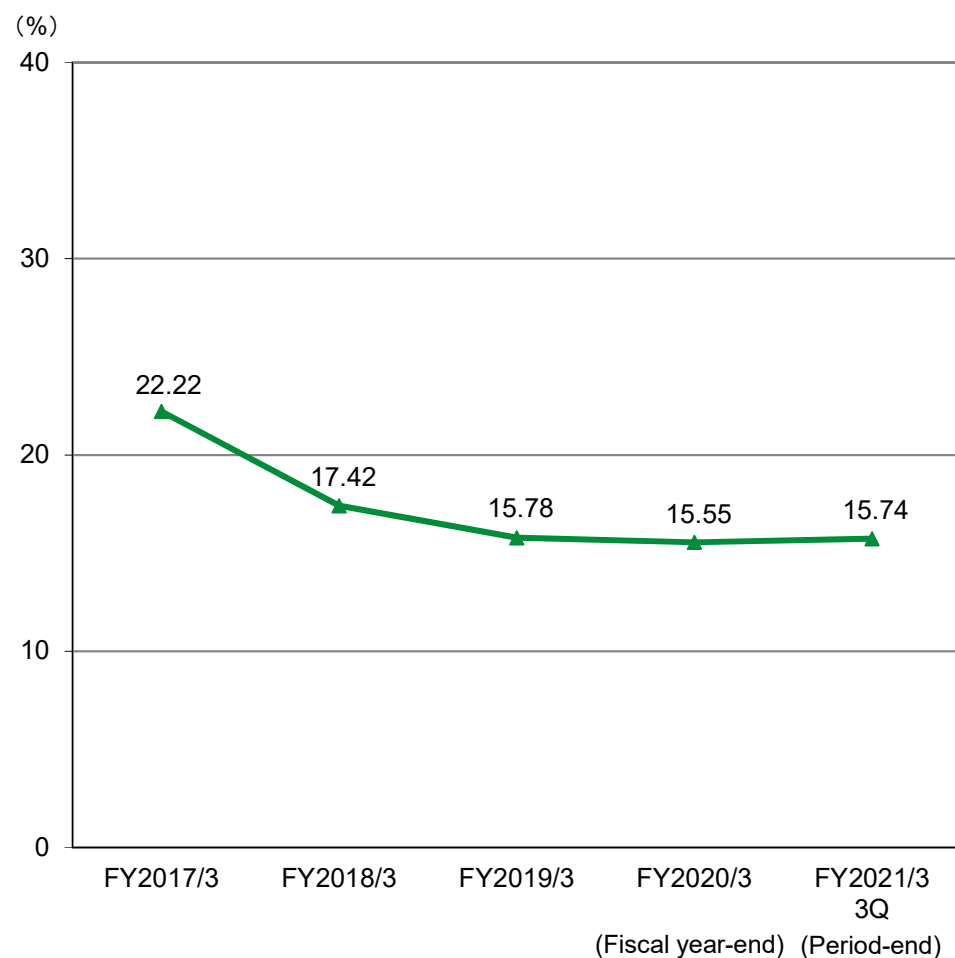
	As of March 31, 2020 (A)		As of December 31, 2020 (B)		Increase (Decrease) (B) – (A)
	Amount on the balance sheet / Notional amount	Net unrealized gains (losses) / Net deferred gains (losses)	Amount on the balance sheet / Notional amount	Net unrealized gains (losses) / Net deferred gains (losses)	Net unrealized gains (losses) / Net deferred gains (losses)
Available-for-sale	115,936.1	370.6	118,082.0	3,696.1	3,325.4
Securities (a)	111,386.4	(751.5)	112,207.4	1,896.3	2,647.9
Japanese government bonds	32,597.9	794.2	29,761.0	649.0	(145.1)
Foreign bonds	23,706.8	429.4	22,410.4	341.6	(87.7)
Investment trusts (*)	41,901.0	(2,040.4)	47,611.2	843.8	2,884.2
Others	13,180.6	65.1	12,424.6	61.7	(3.4)
Effect of fair value hedge accounting (b)		308.3		458.9	150.5
Money held in trust (c)	4,549.7	813.8	5,874.5	1,340.8	526.9
Domestic stocks	1,859.6	816.5	2,351.8	1,340.1	523.5
Others	2,690.0	(2.7)	3,522.6	0.7	3.4
Derivatives for which deferred hedge accounting is applied (d)	16,340.3	(472.7)	16,255.3	(363.1)	109.5
Total (a) + (b) + (c) + (d)		(102.0)		3,332.9	3,435.0

* Investment trusts are mainly invested in foreign bonds.

10. Trend of Capital Adequacy Ratio

■ Capital adequacy ratio (non-consolidated, domestic standard) was 15.74% as of December 31, 2020.

【Non-consolidated】



【Non-consolidated】

	As of March 31, 2020 (A)	As of December 31, 2020 (B)	Increase (Decrease) (B) – (A)
Total capital (a)	8,932.5	9,158.3	225.8
Total amount of risk-weighted assets (b)	57,407.2	58,180.6	773.3
Credit risk-weighted assets	54,775.0	55,611.3	836.2
Capital adequacy ratio (a) / (b)	15.55%	15.74%	0.18%

(¥bn, %)

【Consolidated】

	As of March 31, 2020 (A)	As of December 31, 2020 (B)	Increase (Decrease) (B) – (A)
Total capital (a)	8,942.0	9,173.7	231.6
Total amount of risk-weighted assets (b)	57,390.8	58,173.8	783.0
Credit risk-weighted assets	54,758.8	55,604.8	845.9
Capital adequacy ratio (consolidated) (a) / (b)	15.58%	15.76%	0.18%

(¥bn, %)

(Reference) Portfolio Management Status

Non-consolidated

(¥bn)

	As of March 31, 2020 (A)	As of December 31, 2020 (B)	Increase (Decrease) (B) – (A)
Yen interest rates assets	113,956.9	122,765.7	8,808.8
Short-term assets	57,186.6	68,732.5	11,545.8
Japanese government bonds and government guaranteed bonds	56,770.3	54,033.2	(2,737.0)
Risk assets	84,870.5	89,592.7	4,722.2
Japanese local government bonds	5,986.3	5,479.1	(507.1)
Japanese corporate bonds, etc.	7,594.4	7,425.6	(168.7)
Foreign securities, etc.	63,402.3	67,376.1	3,973.7
Loans	2,291.7	2,505.7	214.0
Money held in trust (stocks), etc.	2,286.0	2,863.7	577.7
Strategic investment areas	3,309.6	3,942.2	632.5

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), Direct Lending Funds and Infrastructure Debt Funds.

Financial Data

1. Summarized Balance Sheets

Non-consolidated

(Millions of yen)

	As of March 31, 2020 (A)	As of December 31, 2020 (B)	Increase (Decrease) (B) – (A)
Total assets	210,905,152	224,089,562	13,184,410
Cash and due from banks	51,663,901	62,056,442	10,392,541
Call loans	1,040,000	930,000	(110,000)
Receivables under resale agreements	9,731,897	9,672,153	(59,744)
Receivables under securities borrowing transactions	112,491	810,220	697,728
Monetary claims bought	315,812	271,461	(44,351)
Trading account securities	31	12	(19)
Money held in trust	4,549,736	5,874,558	1,324,822
Securities	135,198,460	136,688,900	1,490,440
Loans	4,961,733	4,672,711	(289,022)
Foreign exchanges	147,469	122,248	(25,221)
Other assets	2,816,117	2,748,210	(67,906)
Tangible fixed assets	193,752	196,426	2,673
Intangible fixed assets	47,114	47,167	53
Deferred tax assets	127,662	—	(127,662)
Reserve for possible loan losses	(1,031)	(952)	78

	As of March 31, 2020 (A)	As of December 31, 2020 (B)	Increase (Decrease) (B) – (A)
Total liabilities and net assets	210,905,152	224,089,562	13,184,410
Total liabilities	201,917,500	212,587,031	10,669,530
Deposits	183,004,733	189,753,018	6,748,285
Payables under repurchase agreements	14,855,624	15,268,122	412,497
Payables under securities lending transactions	2,219,384	1,507,152	(712,232)
Commercial paper	—	132,438	132,438
Borrowed money	10,100	3,672,300	3,662,200
Foreign exchanges	511	532	21
Other liabilities	1,596,945	1,118,551	(478,393)
Reserve for bonuses	7,331	1,741	(5,590)
Reserve for employees' retirement benefits	141,628	143,669	2,041
Reserve for employee stock ownership plan trust	605	304	(301)
Reserve for management board benefit trust	311	235	(76)
Reserve for reimbursement of deposits	80,324	75,368	(4,956)
Deferred tax liabilities	—	913,595	913,595
Total net assets	8,987,651	11,502,531	2,514,879
Capital stock	3,500,000	3,500,000	—
Capital surplus	4,296,285	4,296,285	—
Retained earnings	2,563,307	2,695,367	132,060
Treasury stock	(1,300,881)	(1,300,844)	36
Total shareholders' equity	9,058,711	9,190,808	132,096
Net unrealized gains (losses) on available-for-sale securities	256,880	2,563,670	2,306,790
Net deferred gains (losses) on hedges	(327,940)	(251,948)	75,992
Total valuation and translation adjustments	(71,060)	2,311,722	2,382,783

2. Income Analysis

Non-consolidated

(Millions of yen)

	For the nine months ended		(B) – (A)
	December 31, 2019 (A)	December 31, 2020 (B)	
Gross operating profit	1,016,133	1,041,456	25,323
Net interest income	752,685	703,291	(49,393)
Net fees and commissions	98,315	97,758	(556)
Net other operating income (loss)	165,132	240,406	75,273
Gains (losses) on foreign exchanges	158,930	226,198	67,267
Gains (losses) on bonds	7,025	14,386	7,360
General and administrative expenses	(769,212)	(758,476)	10,736
Personnel expenses	(91,688)	(89,051)	2,637
Non-personnel expenses	(637,479)	(627,766)	9,713
Taxes and dues	(40,044)	(41,658)	(1,614)
Operating profit (before provision for general reserve for possible loan losses)	246,920	282,980	36,060
Core net operating profit	239,894	268,594	28,699
Excluding gains (losses) on cancellation of investment trusts	209,292	240,572	31,279
Provision for general reserve for possible loan losses	–	–	–
Net operating profit	246,920	282,980	36,060
Non-recurring gains (losses)	42,298	30,540	(11,758)
Gains (losses) related to stocks	11,114	(13,229)	(24,343)
Gains (losses) on money held in trust	32,300	43,179	10,878
Net ordinary income	289,218	313,520	24,301

	For the nine months ended		(B) – (A)
	December 31, 2019 (A)	December 31, 2020 (B)	
Extraordinary income (loss)	(184)	(390)	(206)
Gains (losses) on sales and disposals of fixed assets	(184)	(390)	(206)
Losses on impairment of fixed assets	(0)	–	0
Income before income taxes	289,034	313,130	24,095
Income taxes – current	(79,743)	(97,923)	(18,179)
Income taxes – deferred	486	10,590	10,103
Total income taxes	(79,256)	(87,333)	(8,076)
Net income	209,777	225,797	16,019
Gains (losses) on money held in trust	32,300	43,179	10,878
Dividends and interest income	47,178	49,647	2,468
Gains (losses) on sales of stocks	115	25,643	25,528
Unrealized gains (losses)	3	–	(3)
Impairment losses	(2,560)	(16,076)	(13,515)
Withholding income tax, etc.	(12,435)	(16,035)	(3,599)
Credit-related expenses	8	(13)	(22)
Provision for general reserve for possible loan losses	8	(13)	(22)

- Notes: 1. General and administrative expenses exclude non-recurring losses related to retirement benefit costs (¥1,546 million and ¥1,456 million recorded as profits for the nine months ended December 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 nine months ended		Increase (Decrease) (B) – (A)
	December 31, 2019 (A)	December 31, 2020 (B)	
Net income to assets (ROA)	0.13%	0.13%	0.00%
Net income to equity (ROE)	2.44	2.92	0.48
Overhead ratio (OHR)	75.70	72.82	(2.87)

Notes: 1. ROA = net income / [(sum of total assets at the beginning and the end of the period) / 2] x 100
 2. ROE = net income / [(sum of total net assets at the beginning and the end of the period) / 2] x 100
 3. OHR = (general and administrative expenses / gross operating profit) x 100
 4. ROA and ROE are annualized.

4. Interest Rate Spread

Non-consolidated

	For the nine months ended		Increase (Decrease) (B) – (A)
	December 31, 2019 (A)	December 31, 2020 (B)	
Yield on interest-earning assets (a)	0.65%	0.55%	(0.10)%
Total cost of funding (including general and administrative expenses) (b)	0.69	0.61	(0.08)
Interest rate on interest-bearing liabilities (c)	0.17	0.11	(0.05)
Overall interest rate spread (a) - (b)	(0.03)	(0.05)	(0.01)
Interest rate spread (a) - (c)	0.48	0.44	(0.04)

Note: All numbers are annualized.

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

Non-consolidated

(Millions of yen, %)

	For the nine months ended						Increase (Decrease) (B) – (A)
	December 31, 2019 (A)			December 31, 2020 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	203,146,945	1,009,790	0.65%	209,562,986	880,665	0.55%	(0.10)%
Loans	4,993,350	8,393	0.22	6,344,568	7,631	0.15	(0.06)
Securities	134,832,884	981,124	0.96	137,456,056	852,397	0.82	(0.14)
Due from banks, etc.	53,032,021	21,830	0.05	55,431,058	22,882	0.05	0.00
Interest-bearing liabilities	195,732,113	257,105	0.17	202,938,278	177,373	0.11	(0.05)
Deposits	182,777,410	42,208	0.03	187,360,681	30,760	0.02	(0.00)
Payables under securities lending transactions	2,577,030	41,507	2.13	1,704,603	5,971	0.46	(1.67)

Notes: 1. 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 (nine months ended December 31, 2020, ¥3,970,400 million; nine months ended December 31, 2019, ¥3,033,763 million) is excluded from interest-earning assets, and the average balance corresponding to money held in trust (nine months ended December 31, 2020, ¥3,970,400 million; nine months ended December 31, 2019, ¥3,033,763 million) and the corresponding interest (nine months ended December 31, 2020, ¥4,635 million; nine months ended December 31, 2019, ¥5,316 million) are excluded from interest-bearing liabilities.

- For investment trusts, the distribution of profits, which was deducted from the book value as the repayment of principal, was ¥67,204 million for the nine months ended December 31, 2020 (¥37,957 million for the nine months ended December 31, 2019).
- “Due from banks, etc.” consists of negotiable certificates of deposit, Bank of Japan deposits, call loans and monetary claims bought.
- Earnings yield is annualized.

6. General and Administrative Expenses

Non-consolidated

(Millions of yen, %)

	For the nine months ended				Increase (Decrease) (B) – (A)
	December 31, 2019 (A)		December 31, 2020 (B)		
	Amount	%	Amount	%	Amount
Personnel expenses	90,232	11.75	87,504	11.56	(2,728)
Salaries and allowances	74,114	9.65	71,892	9.49	(2,222)
Others	16,118	2.09	15,611	2.06	(506)
Non-personnel expenses	637,479	83.03	627,766	82.93	(9,713)
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	281,825	36.70	279,225	36.88	(2,599)
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network (*)	178,376	23.23	178,079	23.52	(297)
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	44,615	5.81	43,077	5.69	(1,537)
Rent for land, buildings and others	9,008	1.17	8,680	1.14	(328)
Expenses on consigned businesses	47,130	6.13	49,393	6.52	2,263
Depreciation and amortization	27,067	3.52	25,949	3.42	(1,117)
Communication and transportation expenses	12,743	1.65	11,496	1.51	(1,246)
Maintenance expenses	9,339	1.21	9,581	1.26	241
IT expenses	13,674	1.78	9,753	1.28	(3,920)
Others	13,699	1.78	12,526	1.65	(1,172)
Taxes and dues	40,044	5.21	41,658	5.50	1,614
Total	767,756	100.00	756,929	100.00	(10,827)

* 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.

(Reference) Securitized Products Exposure

Non-consolidated

As of March 31, 2020 and December 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, 2020			As of December 31, 2020		
		Acquisition cost	Net unrealized gains (losses)	Credit ratings	Acquisition cost	Net unrealized gains (losses)	Credit ratings
Domestic	Residential mortgage-backed securities (RMBS)	1,359,705	28,113	AAA	1,358,169	24,740	AAA
	Subprime loan related	—	—	—	—	—	—
	Collateralized loan obligations (CLO)	—	—	—	—	—	—
	Other securitized products	173,975	(205)	AAA	138,822	12	AAA
	Commercial mortgage-backed securities (CMBS)	—	—	—	—	—	—
	Collateralized debt obligations (CDO)	1,018	37	AAA	922	32	AAA
	Subtotal	1,534,699	27,945		1,497,914	24,784	
Overseas	Residential mortgage-backed securities (RMBS)	38,546	(9,390)	AAA	59,620	(297)	AAA
	Subprime loan related	—	—	—	—	—	—
	Collateralized loan obligations (CLO)	1,767,354	(121,935)	AAA	2,121,369	(111,154)	AAA
	Subtotal	1,805,900	(131,326)		2,180,989	(111,452)	
Total		3,340,600	(103,380)		3,678,904	(86,667)	

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.

This presentation contains forward-looking statements including forecasts, targets and plans of the Group. These statements are based on estimates at the time in light of the information currently available to the Bank. The statements and assumptions may prove to be incorrect and may not be realized in the future.

Any uncertainties, risks and other factors that may cause such a situation to arise include, but are not limited to, risks related to the effectiveness of risk management policies and procedures; risks related to business strategy and management planning such as market risk, market liquidity risk, credit risk and operational risk; risks related to the expansion of the scope of operations; risks related to the business environment; situation of the spread of COVID-19; and other various risks. Please also see the Securities Report and the latest quarterly financial report for material facts that the Bank recognizes as potentially affecting the Group's actual results, performance or financial position. The Group's actual results, performance or financial position may be materially different from those expressed or implied by such forward-looking statements.

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