

# **Financial Highlights**

## **For the Six Months Ended September 30, 2015**

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**JAPAN POST BANK Co., Ltd.**  
**November 13, 2015**

# Financial Highlights

## Results of Operations

	For the six months ended		Increase (Decrease) (A) – (B)
	September 30, 2015 (A)	September 30, 2014 (B)	
	(¥bn, %)		
Gross operating profit	<b>759.4</b>	821.4	(61.9)
Net interest income	<b>699.4</b>	777.1	(77.6)
Net fees and commissions	<b>46.9</b>	44.5	2.4
Net other operating income (loss)	<b>13.1</b>	(0.2)	13.3
General and administrative expenses (*)	<b>531.6</b>	565.1	(33.4)
Provision for general reserve for possible loan losses	<b>(0.0)</b>	—	(0.0)
<b>Net operating profit</b>	<b>227.8</b>	256.2	(28.4)
Non-recurring gains (losses)	<b>23.8</b>	16.7	7.1
Net ordinary income	<b>251.6</b>	273.0	(21.3)
<b>Net income</b>	<b>171.5</b>	181.7	(10.1)
Ordinary income	<b>987.1</b>	1,030.9	(43.8)
Ordinary expenses	<b>735.4</b>	757.9	(22.4)
Deposits (**)	<b>177,131.0</b>	177,946.5	(815.4)
Capital adequacy ratio (non-consolidated, domestic standard)	<b>30.45%</b>	44.91%	(14.46)%

## Overview

- Gross operating profit decreased by ¥61.9 bn from the six months ended September 30, 2014, to ¥759.4 bn for the six months ended September 30, 2015. Net interest income decreased, while net fees and commissions, and net other operating income increased for the six months ended September 30, 2015.

General and administrative expenses decreased by ¥33.4 bn to ¥531.6 bn for the six months ended September 30, 2015, mainly due to a reduction in the deposit insurance premium rate.

In the adverse business environment with the prolonged period of historically low interest rates, net operating profit decreased by ¥28.4 bn to ¥227.8 bn, and net ordinary income decreased by ¥21.3 bn to ¥251.6 bn for the six months ended September 30, 2015.

Net income decreased by ¥10.1 bn to ¥171.5 bn for the six months ended September 30, 2015, which equated to 53.6% of the earnings forecasts of ¥320.0 bn in net income for the fiscal year ending March 31, 2016.

	For the six months ended September 30, 2015 (A)	Earnings forecasts for the fiscal year ending March 31, 2016 (B)	(A) / (B)
Net ordinary income	<b>251.6</b>	460.0	<b>54.7%</b>
Net income	<b>171.5</b>	320.0	<b>53.6%</b>

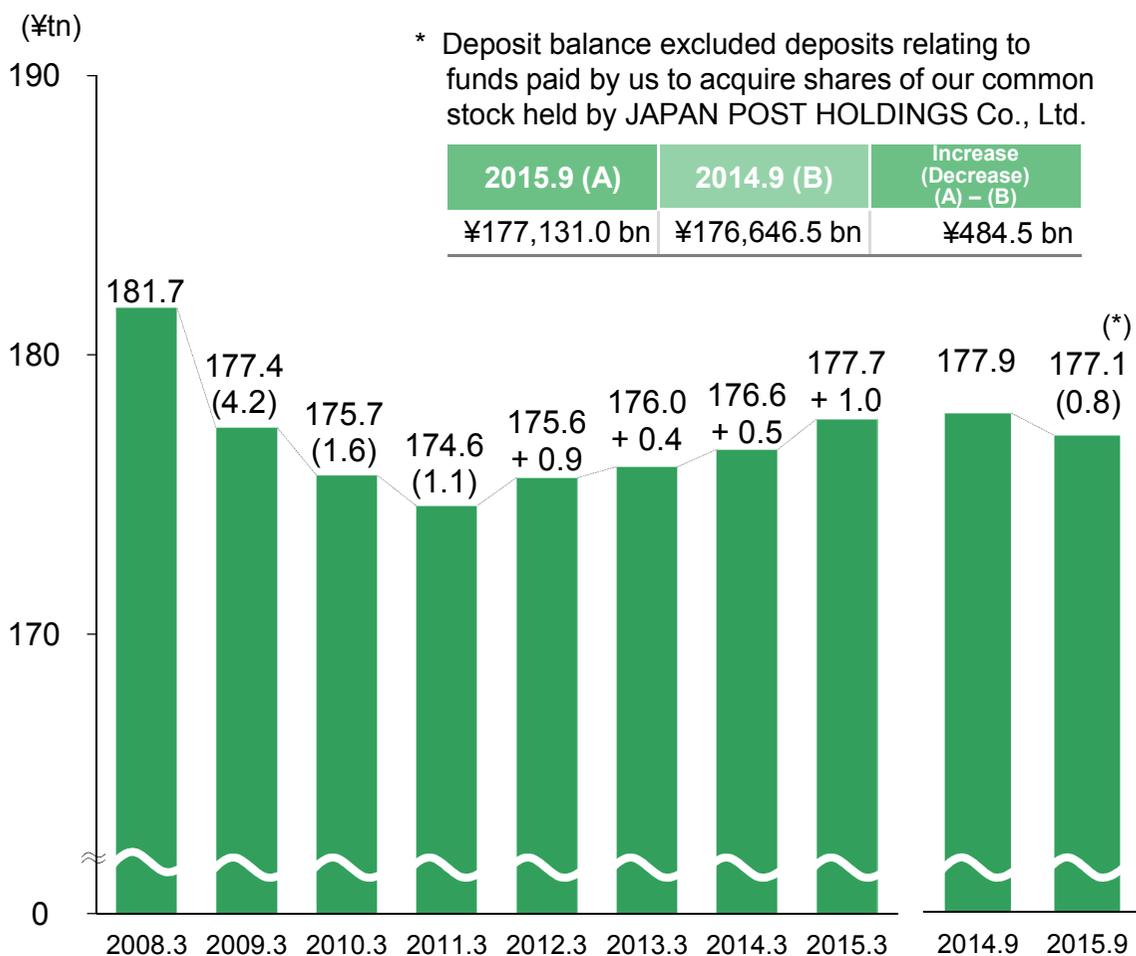
\* General and administrative expenses exclude non-recurring losses.

\*\* Deposits exclude accrued interest.

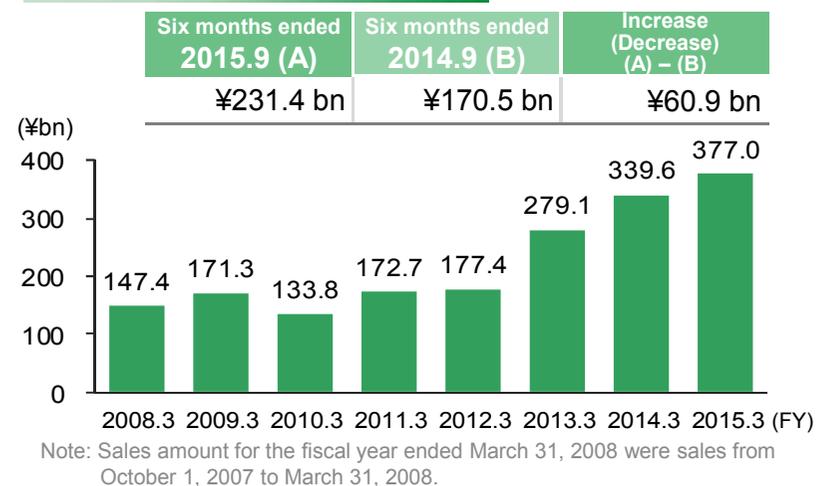
# Business Results

■ Deposit balance as of September 30, 2015 was ¥177.1 tn. Investment trust sales amount was ¥231.4 bn and variable annuities policies sales amount was ¥48.0 bn for the six months ended September 30, 2015.

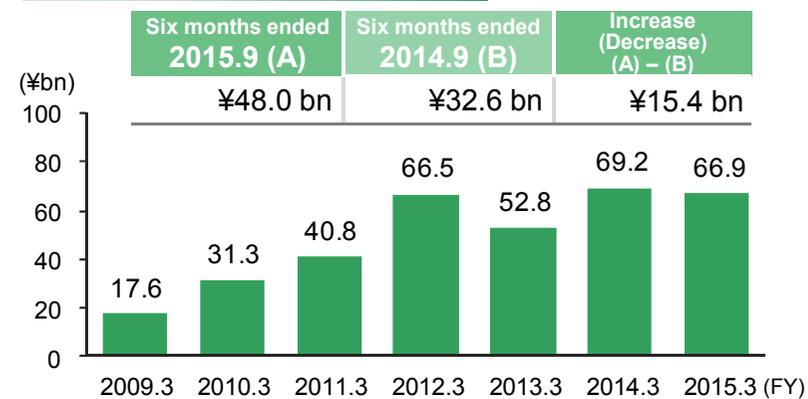
## Deposit Balance (Period-end)



## Investment Trusts Sales

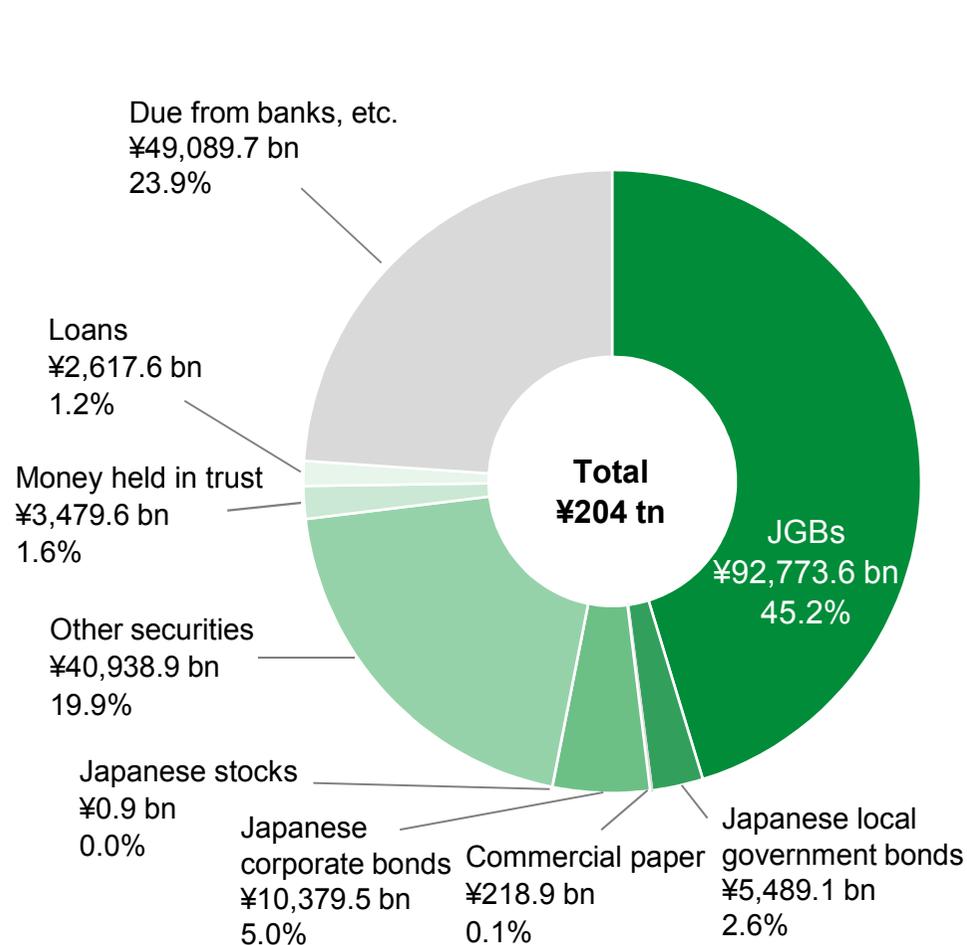


## Variable Annuities Policies Sales



# Asset Management Status

■ Securities, which consisted of JGBs, etc., were ¥149.8 tn, while loans were ¥2.6 tn as of September 30, 2015.



Categories	As of September 30, 2015		As of March 31, 2015	
	Amount (¥bn)	%	Amount (¥bn)	%
Loans	2,617.6	1.2	2,783.9	1.3
Securities	149,801.1	73.0	156,169.7	75.8
Japanese government bonds	92,773.6	45.2	106,767.0	51.8
Japanese local government bonds	5,489.1	2.6	5,525.1	2.6
Commercial paper	218.9	0.1	226.9	0.1
Japanese corporate bonds	10,379.5	5.0	10,756.0	5.2
Japanese stocks	0.9	0.0	0.9	0.0
Other securities (*)	40,938.9	19.9	32,893.6	15.9
Money held in trust	3,479.6	1.6	3,491.6	1.6
Due from banks, etc. (**)	49,089.7	23.9	43,419.9	21.0
<b>Total</b>	<b>204,988.1</b>	<b>100.0</b>	<b>205,865.4</b>	<b>100.0</b>

\* "Other securities" consists of foreign securities.

\*\* "Due from banks, etc." consists of negotiable certificates of deposit, Bank of Japan deposits, call loans, receivables under securities borrowing transactions, and monetary claims bought, etc.

**These Financial Highlights contain forward-looking statements regarding estimations, forecasts, targets and plans in relation to the operating results, financial condition and overall management and business of JAPAN POST BANK Co., Ltd. (the “Bank”) as a whole (“forward-looking statements”). Any forward-looking statements contained herein are made based upon, among other things, the Bank’s current estimations, perceptions, evaluations and assumptions regarding its business and industry, general economic conditions, and various other future events and circumstances. Forward-looking statements are accordingly subject to various risks and uncertainties including changes in interest rates, foreign currency fluctuations, etc. and are not guarantees of future performance. The Bank’s actual results may differ materially from those expressed or implied in any forward-looking statements.**