

# **Selected Financial Information For the Fiscal Year Ended March 31, 2019**

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**JAPAN POST BANK Co., Ltd.  
May 15, 2019**

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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 FY2019/3 Results

## Results of Operations

(¥bn, %)

	For the fiscal year ended		Increase (decrease) from the fiscal year ended March 31, 2018
	March 31, 2018	March 31, 2019	
<b>Non-consolidated</b>			
Ordinary income	2,044.8	1,845.3	(199.5) (9.7)%
Net ordinary income	499.6	374.2	(125.3) (25.0)%
Net income	352.7	266.1	(86.5) (24.5)%
<b>Consolidated</b>			
Ordinary income	2,044.9	1,845.4	(199.5) (9.7)%
Net ordinary income	499.6	373.9	(125.6) (25.1)%
Net income attributable to owners of parent	352.7	266.1	(86.5) (24.5)%

## Earnings forecasts (FY2020/3) (¥bn)

<b>Consolidated</b>	
Net ordinary income	375.0
Net income attributable to owners of parent	270.0

## 【Consolidated subsidiaries, etc.】

Consolidated subsidiaries	3 companies (Principal company: Japan Post Investment Corporation)
Affiliates accounted for by the equity method	SDP CENTER Co., Ltd. ATM Japan Business Service, Ltd. JP Asset Management Co., Ltd.

- Gross operating profit for the fiscal year ended March 31, 2019 decreased by ¥135.3 bn year on year to ¥1,327.0 bn.  
Net interest income decreased by ¥159.5 bn year on year, mainly due to a decrease in interest on Japanese government bonds.  
Net fees and commissions increased by ¥10.3 bn year on year.  
Net other operating income increased by ¥13.9 bn year on year, due to a increase in gains (losses) on foreign exchanges, etc.
- General and administrative expenses decreased by ¥7.5 bn year on year to ¥1,037.5 bn.
- In the adverse business environment with yen interest rates remained at a low level, net operating profit decreased by ¥127.8 bn year on year to ¥289.4 bn.
- Net ordinary income decreased by ¥125.3 bn year on year to ¥374.2 bn.
- Net income decreased by ¥86.5 bn year on year to ¥266.1 bn.
- Net income attributable to owners of parent was ¥266.1 bn, which equated to 102.3% of the earnings forecasts of ¥260.0 bn in net income attributable to owners of parent for the fiscal year ended March 31, 2019.

Note: ■ indicate non-consolidated amount, and □ indicates consolidated amount.

# 1. Overview of FY2019/3 Results

Non-consolidated

## Results of Operations

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2018 (A)	March 31, 2019 (B)	
			(¥bn, %)
Gross operating profit	1,462.3	1,327.0	(135.3)
Net interest income	1,175.6	1,016.1	(159.5)
Net fees and commissions	96.4	106.7	10.3
Net other operating income (loss)	190.2	204.1	13.9
Gains (losses) on foreign exchanges	194.9	219.4	24.5
Gains (losses) on bonds	(6.4)	(12.2)	(5.7)
General and administrative expenses (*)	1,045.0	1,037.5	(7.5)
Provision for general reserve for possible loan losses	0.0	—	(0.0)
Net operating profit	417.3	289.4	(127.8)
Non-recurring gains (losses)	82.3	84.8	2.4
Gains (losses) on money held in trust	50.9	77.7	26.7
Net ordinary income	499.6	374.2	(125.3)
Net income	352.7	266.1	(86.5)
ROE (**)	3.02%	2.32%	(0.70)%
OHR (***)	71.46%	78.18%	6.72 %

## Financial Condition

	As of		Increase (Decrease) (B) – (A)
	March 31, 2018 (A)	March 31, 2019 (B)	
			(¥bn)
Assets	210,630.6	208,970.4	(1,660.1)
Cash and due from banks	49,288.3	50,698.5	1,410.2
Call loans	480.0	400.0	(80.0)
Receivables under resale agreements	—	8,368.1	8,368.1
Receivables under securities borrowing transactions	8,224.1	—	(8,224.1)
Money held in trust	4,241.5	3,990.7	(250.7)
Securities	139,201.2	137,135.2	(2,065.9)
Loans	6,145.5	5,297.4	(848.1)
Liabilities	199,117.4	197,619.6	(1,497.7)
Deposits	179,882.7	180,999.1	1,116.3
Payables under repurchase agreements	1,985.2	11,569.3	9,584.0
Payables under securities lending transactions	13,812.1	2,473.4	(11,338.6)
Net assets	11,513.1	11,350.8	(162.3)
Total shareholders' equity	8,894.5	8,973.0	78.4
Total valuation and translation adjustments	2,618.5	2,377.7	(240.8)

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

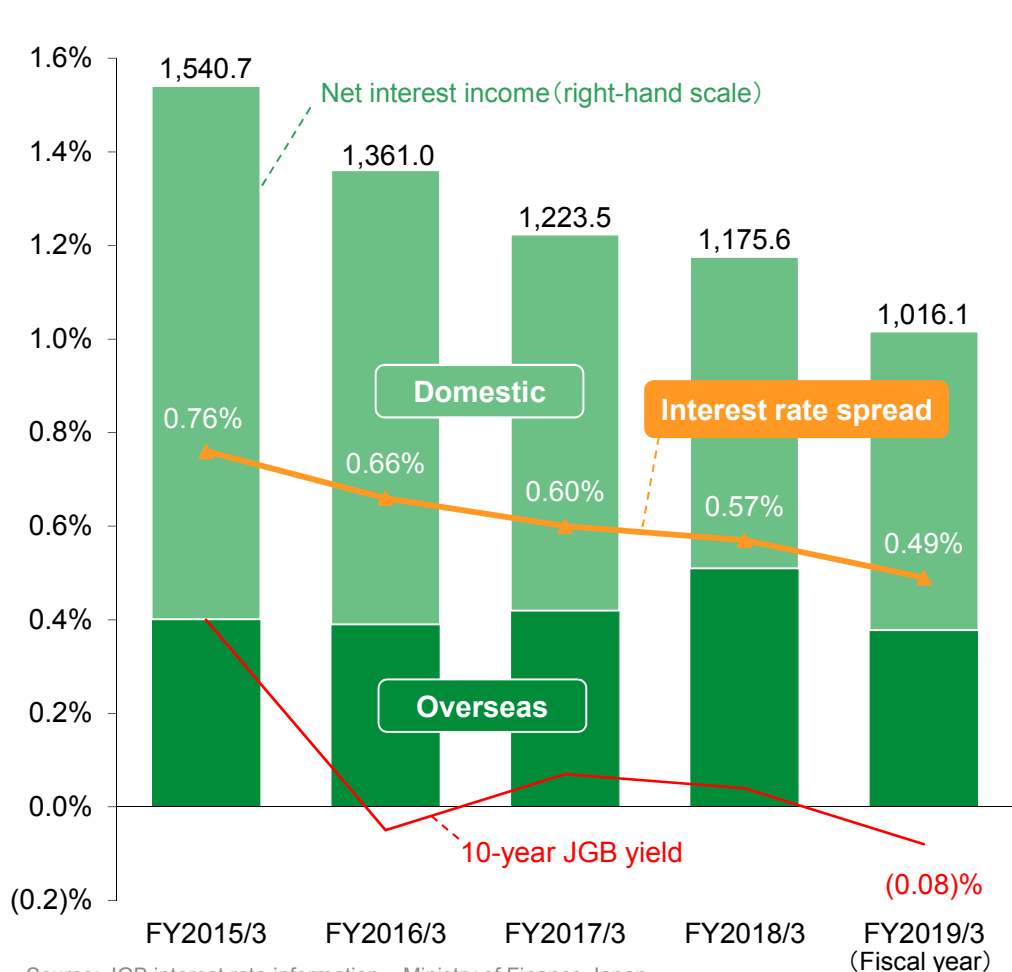
\*\* ROE = net income / [(sum of total net assets at the beginning and the end of the fiscal year) / 2] x 100

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

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

Non-consolidated

■ Net interest income was ¥1,016.1 bn and interest rate spread was 0.49% for the fiscal year ended March 31, 2019.



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.

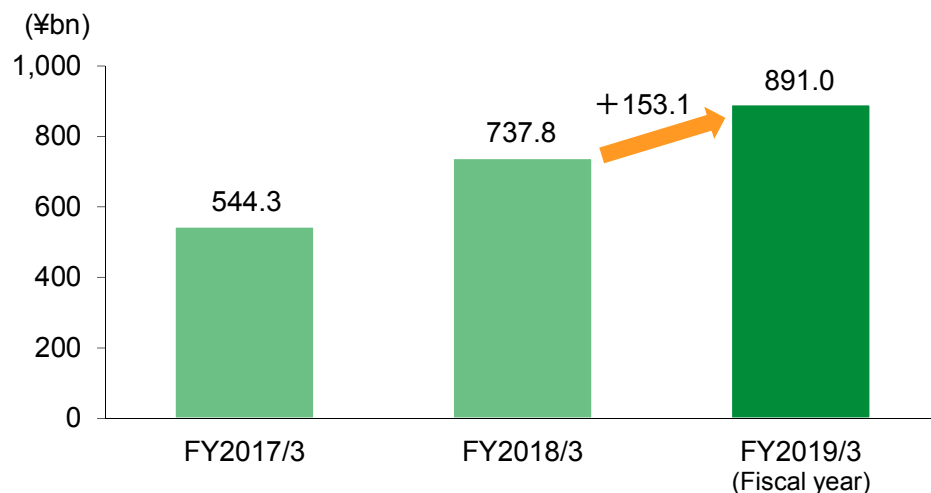
	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2018 (A)	March 31, 2019(B)	
<b>Domestic</b> (¥bn)			
Net interest income	665.7	637.9	(27.8)
Interest income	852.0	752.8	(99.2)
Interest income on Japanese government bonds	611.8	523.3	(88.5)
Interest expenses	186.2	114.9	(71.3)
<b>Overseas</b> (¥bn)			
Net interest income	509.9	378.2	(131.7)
Interest income	732.1	700.2	(31.9)
Interest income on foreign securities	730.3	698.7	(31.5)
Interest expenses	222.2	322.0	99.7
<b>Total</b> (¥bn)			
Net interest income	1,175.6	1,016.1	(159.5)
Interest income	1,502.7	1,357.9	(144.7)
Interest expenses	327.0	341.8	14.8

### 3. Net Fees and Commissions

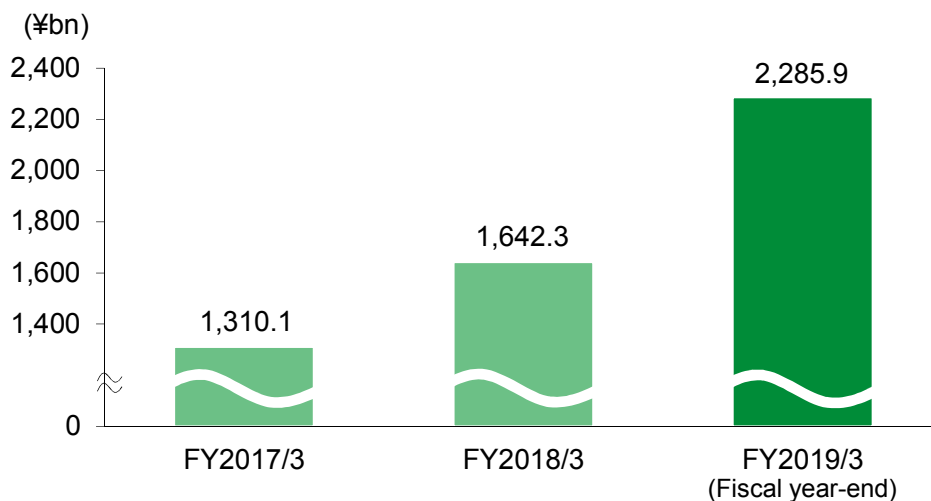
Non-consolidated

■ Net fees and commissions for the fiscal year ended March 31, 2019 increased by ¥10.3 bn year on year to ¥106.7 bn.

#### Trend of Investment Trusts Sales



#### Trend of Net Assets of Investment Trusts



#### Breakdown of Net Fees and Commissions

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2018 (A)	March 31, 2019(B)	
Net fees and commissions relating to	96.4	106.7	10.3
Exchange and settlement transactions	59.1	61.2	2.0
ATMs	9.2	14.5	5.3
Investment trusts	19.0	22.2	3.1
Others	9.0	8.7	(0.2)

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

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2018 (A)	March 31, 2019(B)	
Number of contracts (thousands)	1,544	2,303	759
Sales amount (billions of yen)	737.8	891.0	153.1

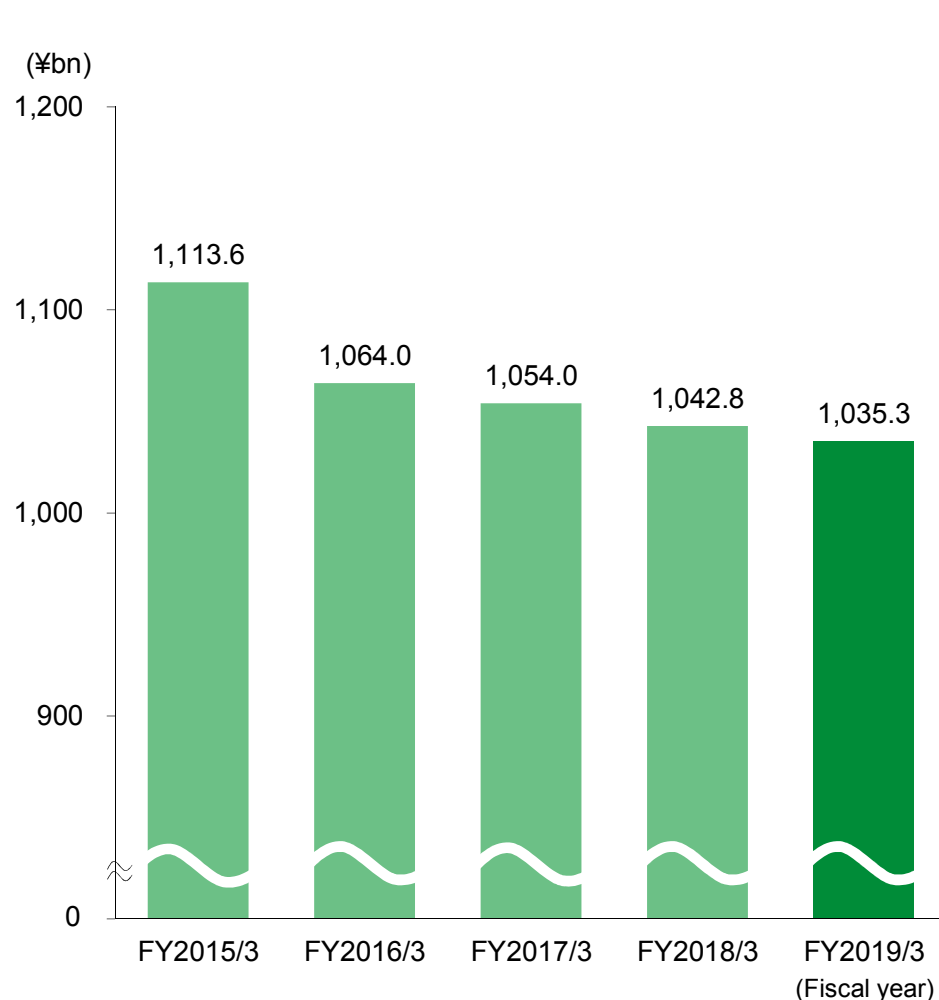
  

	As of March 31, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
	Number of investment trust accounts (thousands)	874	
Net assets (billions of yen)	1,642.3	2,285.9	643.6

## 4. Trend of General and Administrative Expenses

Non-consolidated

- General and administrative expenses for the fiscal year ended March 31, 2019 decreased by ¥7.4 bn year on year to ¥1,035.3 bn.



	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2018 (A)	March 31, 2019(B)	
Personnel expenses (*)	126.4	124.2	(2.2)
Salaries and allowances	103.3	101.6	(1.7)
Non-personnel expenses	838.9	841.6	2.7
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	598.1	600.6	2.5
Deposit insurance premiums paid to JAPAN POST HOLDINGS Co., Ltd.	5.6	1.6	(4.0)
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	60.5	59.6	(0.8)
Taxes and dues	77.4	69.5	(7.9)
<b>Total</b>	<b>1,042.8</b>	<b>1,035.3</b>	<b>(7.4)</b>

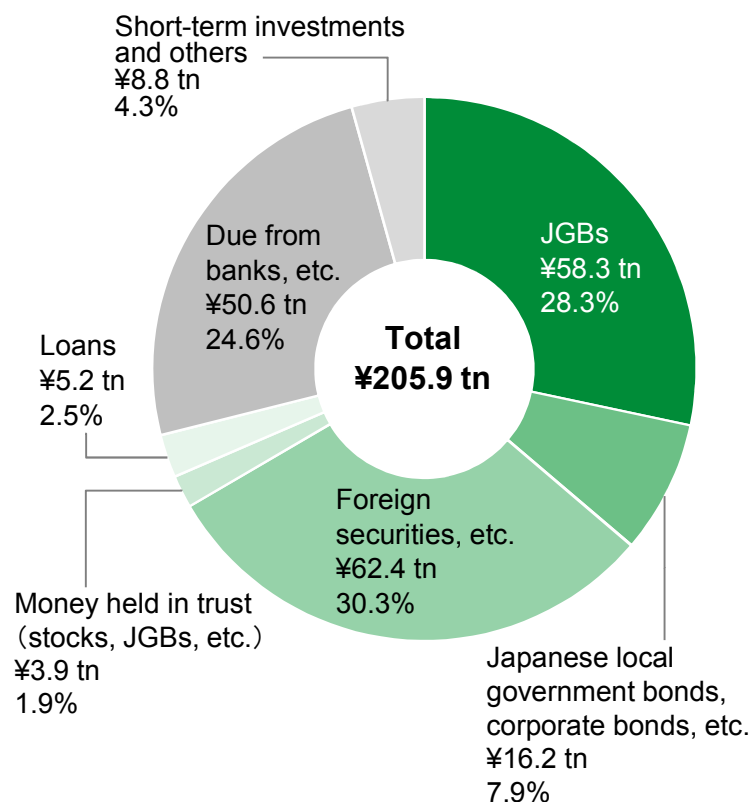
\* Personnel expenses include non-recurring losses.



# 5. Asset Management Status

Non-consolidated

■ Included in investment assets as of March 31, 2019, JGBs were ¥58.3 tn and foreign securities, etc. were ¥62.4 tn.



(¥bn)

Categories	As of March 31, 2018 (A)	%	As of March 31, 2019 (B)	%	Increase (Decrease) (B) – (A)
Securities	139,201.2	67.0	137,135.2	66.5	(2,065.9)
Japanese government bonds	62,749.7	30.2	58,356.5	28.3	(4,393.1)
Japanese local government bonds, corporate bonds, etc. (*)	17,152.6	8.2	16,279.1	7.9	(873.5)
Foreign securities, etc.	59,298.8	28.5	62,499.5	30.3	3,200.7
Foreign bonds	20,244.3	9.7	22,035.5	10.6	1,791.1
Investment trusts (**)	39,042.6	18.7	40,433.9	19.6	1,391.2
Money held in trust (stocks, JGBs, etc.)	4,241.5	2.0	3,990.7	1.9	(250.7)
Domestic stocks	2,286.1	1.1	2,141.7	1.0	(144.3)
Loans	6,145.5	2.9	5,297.4	2.5	(848.1)
Due from banks, etc. (***)	49,314.6	23.7	50,674.2	24.6	1,359.6
Short-term investments and others (****)	8,830.6	4.2	8,877.5	4.3	46.8
<b>Total</b>	<b>207,733.5</b>	<b>100.0</b>	<b>205,975.2</b>	<b>100.0</b>	<b>(1,758.3)</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, receivables under resale agreements and receivables under securities borrowing transactions, etc.

## 6. 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 ¥3,427.4 bn as of March 31, 2019 (before application of tax effect accounting).

(¥bn)

	As of March 31, 2018		As of March 31, 2019	
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)
Held-to-maturity securities	31,458.9	1,003.5	27,242.5	793.1

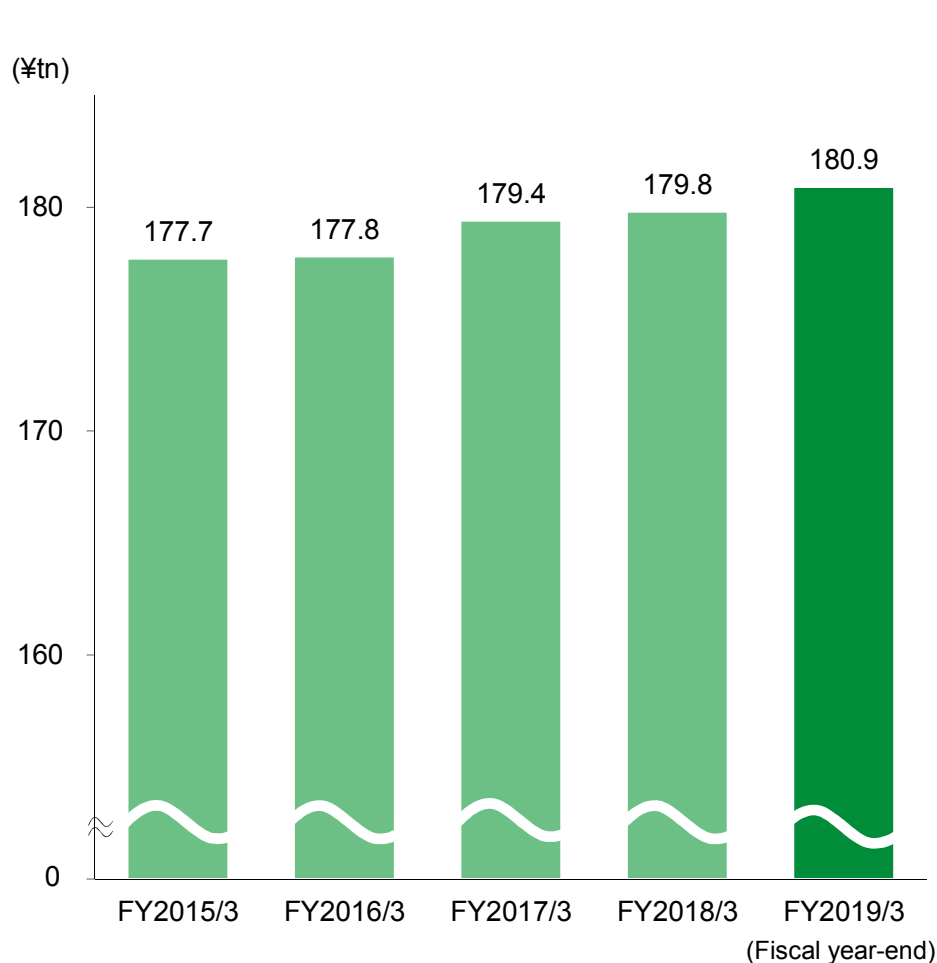
(¥bn)

	As of March 31, 2018		As of March 31, 2019	
	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	112,245.7	3,769.9	114,193.4	3,517.2
Securities (A)	108,083.5	1,912.0	110,241.9	2,128.5
Japanese government bonds	33,645.7	1,129.9	33,340.6	1,167.6
Foreign bonds	20,211.9	375.3	22,003.0	637.7
Investment trusts	39,042.6	265.8	40,433.9	184.9
Others	15,183.1	140.8	14,464.2	138.2
Effect of fair value hedge accounting (B)		568.7		266.4
Money held in trust (C)	4,162.2	1,289.2	3,951.4	1,122.2
Domestic stocks	2,286.1	1,262.0	2,141.7	1,106.4
Others	1,876.1	27.1	1,809.7	15.8
Derivatives for which deferred hedge accounting is applied (D)	11,326.5	4.4	14,366.1	(89.8)
Total (A) + (B) + (C) + (D)		3,774.4		3,427.4

# 7. Trend of Deposit Balance

Non-consolidated

■ Deposit balance as of March 31, 2019 was ¥180.9 tn, which remained stable.



	As of March 31, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
Liquid deposits	73.7	79.9	6.1
Transfer deposits	14.4	16.1	1.7
Ordinary deposits, etc. (*)	58.9	63.4	4.4
Savings deposits	0.3	0.4	0.0
Fixed-term deposits	105.9	100.9	(5.0)
Time deposits	8.6	7.0	(1.5)
TEIGAKU deposits	97.2	93.8	(3.4)
Other deposits	0.1	0.1	(0.0)
<b>Total</b>	<b>179.8</b>	<b>180.9</b>	<b>1.1</b>

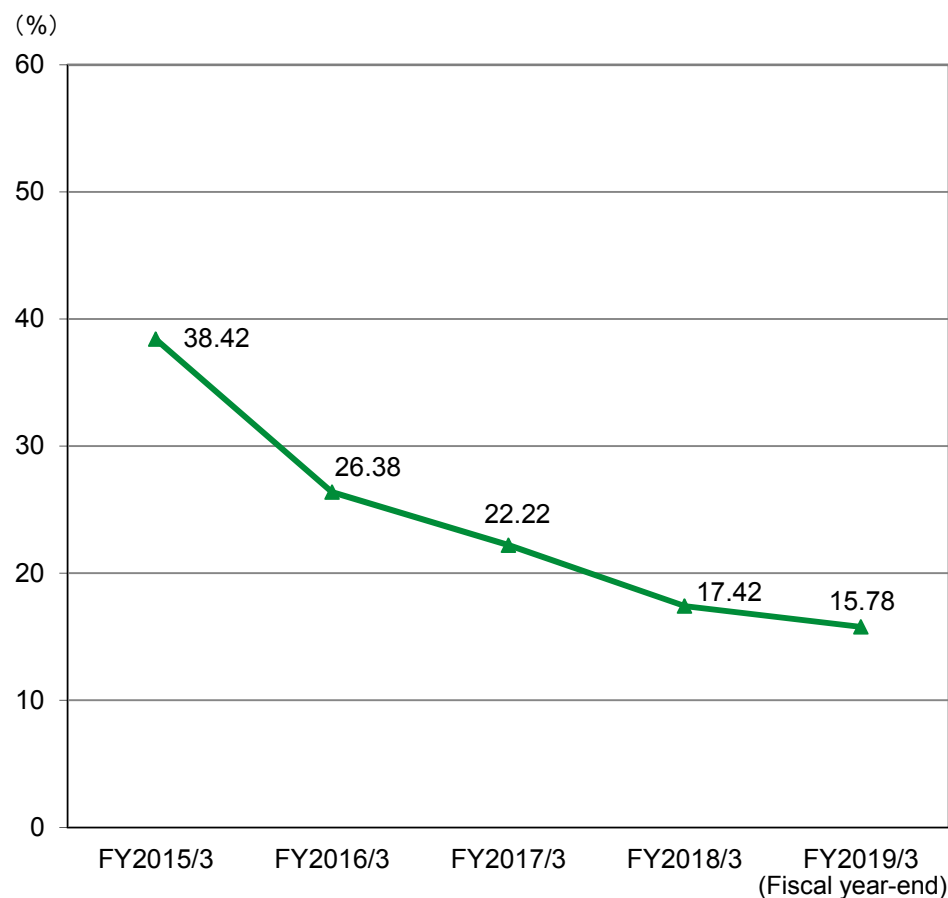
\* Ordinary deposits, etc. = Ordinary deposits + Special deposits (equivalent to ordinary savings)

## 8. Trend of Capital Adequacy Ratio

Non-consolidated  
Consolidated

■ Capital adequacy ratio (non-consolidated, domestic standard) was 15.78% as of March 31, 2019.

【Non-consolidated】



【Non-consolidated】

	As of March 31, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
Total capital (a)	8,772.0	8,844.2	72.1
Total amount of risk-weighted assets (b)	50,343.5	56,033.5	5,690.0
Credit risk-weighted assets	47,574.7	53,334.0	5,759.3
Capital adequacy ratio (a) / (b)	17.42%	15.78%	(1.64)%

【Consolidated】

	As of March 31, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
Total capital (a)	8,778.8	8,853.3	74.4
Total amount of risk-weighted assets (b)	50,342.2	56,004.5	5,662.2
Credit risk-weighted assets	47,573.4	53,305.1	5,731.6
Capital adequacy ratio (consolidated) (a) / (b)	17.43%	15.80%	(1.63)%

# 9. Plans for the Fiscal Year Ending March 31, 2020

## (1) Earnings Forecasts

Consolidated

- For earnings forecasts for the fiscal year ending March 31, 2020, net ordinary income and net income attributable to owners of parent are expected to amount to ¥375.0 bn and ¥270.0 bn, respectively.
- In the adverse business environment with persistent extremely low yen interest rates, etc., the Bank expects to ensure stable profits by provision of high-quality customer-oriented financial services, and further diversification and sophistication of Investment Management, etc. for the fiscal year ending March 31, 2020.

### Achievement of the fiscal year ended March 31, 2019 Forecasts and Full-year Earnings Forecasts for the fiscal year ending March 31, 2020 (Consolidated)

	For the fiscal year		Increase (Decrease) (B) – (A)	For the fiscal year ending March 31, 2020 (forecast)
	ended March 31, 2019 (forecast) (A)	ended March 31, 2019 (actual) (B)		
Net interest income, etc. (*)	1,320.0	1,292.8	(27.1)	1,290.0
Net fees and commissions	100.0	106.7	6.7	120.0
General and administrative expenses	1,060.0	1,036.4	(23.5)	1,040.0
Net ordinary income	370.0	373.9	3.9	375.0
Net income attributable to owners of parent	260.0	266.1	6.1	270.0

(¥bn)

### Key initiatives for the fiscal year ending March 31, 2020

- ◆ Provision of High-quality Customer-Oriented Financial Services
  - Expanding sales of investment trusts to pursue consulting services in line with lifestyles of customers
  - Providing new transfer settlement services
- ◆ Further Diversification and Sophistication of Investment Management
  - Improvement of profitability by expanding internationally diversified investments with focus on foreign securities
- ◆ Funds Flow to Regional Communities
  - Creation of new funds flow through participations in regional vitalization funds.
- ◆ Strengthening the Business Management System
  - Promoting greater operational efficiency through the use of digital technology
  - Promoting higher productivity and reallocate management resources to growth and strengthening areas
  - Strengthening systems for combating money laundering and terrorist financing, and against cyber attacks

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

# 9. Plans for the Fiscal Year Ending March 31, 2020

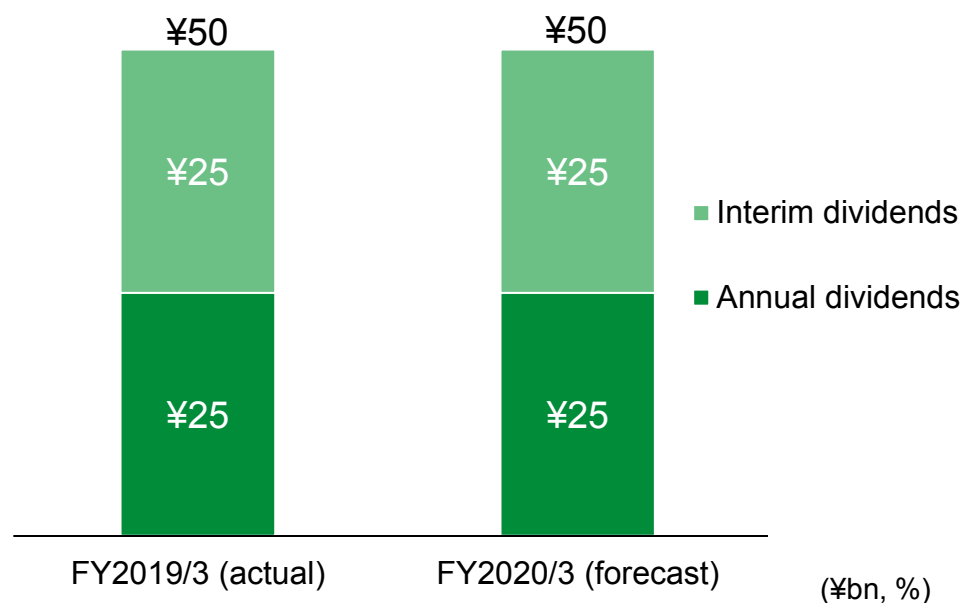
## (2) Dividends

Consolidated

- Dividend per share for the fiscal year ended March 31, 2019 is ¥50 (including interim dividends of ¥25).
- Dividend per share for the fiscal year ending March 31, 2020 is expected to be ¥50 (including interim dividends of ¥25).

### Actual result and forecast of dividends

<Dividend per share>



### 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.

	For the fiscal year	
	ended March 31, 2019 (actual)	ending March 31, 2020 (forecast)
Total dividend payment	187.4	187.4
Dividend payout ratio	70.4%	69.4%

# (Reference) Portfolio Management Status

Non-consolidated

(¥bn)

	As of March 31, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
Yen interest rates assets	121,549.6	116,823.2	(4,726.3)
Short-term assets	54,848.9	55,363.1	514.2
Japanese government bonds and government guaranteed bonds	66,700.6	61,460.0	(5,240.5)
Risk assets	79,034.5	81,931.4	2,896.8
Japanese local government bonds	6,405.1	6,383.9	(21.2)
Japanese corporate bonds, etc.	7,994.4	7,865.4	(129.0)
Foreign securities, etc.	57,931.2	60,121.0	2,189.8
Loans	2,211.8	2,216.8	4.9
Money held in trust (stocks), etc.	2,854.1	2,415.5	(438.5)
Strategic investment areas	1,637.6	2,928.5	1,290.9

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 7, and also the sum of “Yen interest rates assets” and “Risk assets” is not equal to the “Total” on page 7.

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, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
<b>Total assets</b>	<b>210,630,601</b>	<b>208,970,478</b>	<b>(1,660,123)</b>
Cash and due from banks	49,288,314	50,698,549	1,410,235
Call loans	480,000	400,000	(80,000)
Receivables under resale agreements	–	8,368,139	8,368,139
Receivables under securities borrowing transactions	8,224,153	–	(8,224,153)
Monetary claims bought	278,566	295,679	17,113
Trading account securities	32	2	(29)
Money held in trust	4,241,524	3,990,780	(250,744)
Securities	139,201,254	137,135,264	(2,065,989)
Loans	6,145,537	5,297,424	(848,112)
Foreign exchanges	87,487	80,396	(7,090)
Other assets	2,442,328	2,452,409	10,080
Tangible fixed assets	190,098	201,786	11,688
Intangible fixed assets	52,372	51,003	(1,368)
Reserve for possible loan losses	(1,066)	(958)	107

(Millions of yen)

	As of March 31, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
<b>Total liabilities and net assets</b>	<b>210,630,601</b>	<b>208,970,478</b>	<b>(1,660,123)</b>
<b>Total liabilities</b>	<b>199,117,450</b>	<b>197,619,672</b>	<b>(1,497,778)</b>
Deposits	179,882,759	180,999,134	1,116,374
Payables under repurchase agreements	1,985,285	11,569,371	9,584,086
Payables under securities lending transactions	13,812,123	2,473,457	(11,338,666)
Commercial paper	191,481	28,029	(163,451)
Borrowed money	2,400	3,900	1,500
Foreign exchanges	309	628	318
Other liabilities	1,950,331	1,354,810	(595,520)
Reserve for bonuses	7,879	7,739	(140)
Reserve for employees' retirement benefits	147,095	144,190	(2,904)
Reserve for employee stock ownership plan trust	809	839	30
Reserve for management board benefit trust	144	238	94
Reserve for reimbursement of deposits	86,114	88,332	2,218
Deferred tax liabilities	1,050,715	948,998	(101,717)
<b>Total net assets</b>	<b>11,513,151</b>	<b>11,350,806</b>	<b>(162,345)</b>
Capital stock	3,500,000	3,500,000	–
Capital surplus	4,296,285	4,296,285	–
Retained earnings	2,399,031	2,477,736	78,704
Treasury stock	(1,300,717)	(1,300,926)	(209)
<b>Total shareholders' equity</b>	<b>8,894,599</b>	<b>8,973,095</b>	<b>78,495</b>
Net unrealized gains (losses) on available-for-sale securities	2,615,432	2,440,064	(175,367)
Net deferred gains (losses) on hedges	3,119	(62,353)	(65,472)
<b>Total valuation and translation adjustments</b>	<b>2,618,551</b>	<b>2,377,710</b>	<b>(240,840)</b>

## 2. Income Analysis

Non-consolidated

(Millions of yen)

	For the fiscal year ended		(B) – (A)
	March 31, 2018 (A)	March 31, 2019 (B)	
Gross operating profit	1,462,367	1,327,033	(135,333)
Net interest income	1,175,691	1,016,126	(159,565)
Net fees and commissions	96,448	106,761	10,313
Net other operating income (loss)	190,227	204,145	13,918
Gains (losses) on foreign exchanges	194,930	219,448	24,517
Gains (losses) on bonds	(6,473)	(12,241)	(5,768)
General and administrative expenses	(1,045,046)	(1,037,537)	7,509
Personnel expenses	(128,658)	(126,360)	2,297
Non-personnel expenses	(838,925)	(841,648)	(2,723)
Taxes and dues	(77,462)	(69,527)	7,934
Operating profit (before provision for general reserve for possible loan losses)	417,320	289,496	(127,824)
Provision for general reserve for possible loan losses	(11)	—	11
<b>Net operating profit</b>	<b>417,309</b>	<b>289,496</b>	<b>(127,813)</b>
Non-recurring gains (losses)	82,359	84,803	2,443
Gains (losses) related to stocks	(21,265)	(10,983)	10,282
Gains (losses) on money held in trust	50,933	77,717	26,784
<b>Net ordinary income</b>	<b>499,669</b>	<b>374,299</b>	<b>(125,369)</b>

	For the fiscal year ended		(B) – (A)
	March 31, 2018 (A)	March 31, 2019 (B)	
Extraordinary income (loss)	(731)	(4,107)	(3,376)
Gains (losses) on sales and disposals of fixed assets	(713)	(3,556)	(2,843)
Losses on impairment of fixed assets	(17)	(550)	(533)
<b>Income before income taxes</b>	<b>498,937</b>	<b>370,192</b>	<b>(128,745)</b>
Income taxes – current	(174,218)	(99,417)	74,801
Income taxes – deferred	28,025	(4,596)	(32,622)
<b>Total income taxes</b>	<b>(146,192)</b>	<b>(104,013)</b>	<b>42,179</b>
<b>Net income</b>	<b>352,745</b>	<b>266,178</b>	<b>(86,566)</b>
Gains (losses) on money held in trust	50,933	77,717	26,784
Dividends and interest income	59,225	71,741	12,516
Gains (losses) on sales of stocks	647	20,709	20,061
Unrealized gains (losses)	(370)	367	737
Impairment losses	(1,088)	(3,573)	(2,485)
Withholding income tax, etc.	(7,480)	(11,526)	(4,046)
Credit-related expenses	(11)	14	26
Provision for general reserve for possible loan losses	(11)	14	26
Write-off of loans	—	—	—
Provision for specific reserve for possible loan losses	—	—	—
Recoveries of written-off loans	—	—	—

Notes: 1. General and administrative expenses exclude non-recurring losses related to retirement benefit costs (¥2,158 million and ¥2,186 million recorded as profits for the fiscal years ended March 31, 2019 and 2018, respectively).

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

3. 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, 2018 (A)	March 31, 2019 (B)	
Net income to assets (ROA)	0.16%	0.12%	(0.04)%
Net income to equity (ROE)	3.02	2.32	(0.70)
Overhead ratio (OHR)	71.46	78.18	6.72
Expense-to-deposit ratio	0.57	0.57	(0.00)

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, 2018 (A)	March 31, 2019 (B)	
Yield on interest-earning assets (a)	0.74%	0.67%	(0.06)%
Total cost of funding (including general and administrative expenses) (b)	0.71	0.71	0.00
Interest rate on interest-bearing liabilities (c)	0.17	0.17	0.00
Overall interest rate spread (a) - (b)	0.03	(0.04)	(0.07)
Interest rate spread (a) - (c)	0.57	0.49	(0.07)

## 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, 2018 (A)			March 31, 2019 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	195,014,321	852,033	0.43%	194,710,207	752,825	0.38%	(0.05)%
Loans	4,765,201	14,008	0.29	6,090,997	12,072	0.19	(0.09)
Securities	82,402,056	730,011	0.88	77,703,674	615,038	0.79	(0.09)
Receivables under securities borrowing transactions	8,414,660	1,417	0.01	5,293,086	910	0.01	0.00
Due from banks, etc.	51,583,059	25,115	0.04	49,543,054	30,905	0.06	0.01
Interest-bearing liabilities	186,524,351	186,280	0.09	187,129,472	114,900	0.06	(0.03)
Deposits	180,316,482	145,129	0.08	181,227,650	80,834	0.04	(0.03)
Payables under securities lending transactions	8,903,813	1,285	0.01	6,057,199	1,013	0.01	0.00

### (2) Overseas

(Millions of yen, %)

	For the fiscal year ended						Increase (Decrease) (B) – (A)
	March 31, 2018 (A)			March 31, 2019 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	54,248,055	732,171	1.34%	59,119,568	700,201	1.18%	(0.16)%
Loans	2,534	10	0.40	5,000	20	0.41	0.01
Securities	54,067,069	730,365	1.35	59,005,163	698,775	1.18	(0.16)
Due from banks, etc.	68,461	1,019	1.48	8,801	164	1.86	0.37
Interest-bearing liabilities	53,171,677	222,232	0.41	58,418,073	322,000	0.55	0.13
Payables under securities lending transactions	3,995,938	53,987	1.35	2,619,354	59,283	2.26	0.91

## 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, 2018 (A)			March 31, 2019 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	201,467,351	1,502,747	0.74%	200,414,539	1,357,985	0.67%	(0.06)%
Loans	4,767,735	14,019	0.29	6,095,997	12,093	0.19	(0.09)
Securities	136,469,126	1,460,377	1.07	136,708,838	1,313,813	0.96	(0.10)
Receivables under securities borrowing transactions	8,414,660	1,417	0.01	5,293,205	910	0.01	0.00
Due from banks, etc.	51,651,521	26,135	0.05	49,551,855	31,069	0.06	0.01
Interest-bearing liabilities	191,901,004	327,056	0.17	192,132,309	341,859	0.17	0.00
Deposits	180,316,482	145,129	0.08	181,227,650	80,834	0.04	(0.03)
Payables under securities lending transactions	12,899,752	55,272	0.42	8,676,554	60,297	0.69	0.26

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, 2019, ¥2,977,608 million; fiscal year ended March 31, 2018, ¥2,772,856 million) is excluded from interest-earning assets, and the average balance corresponding to money held in trust (fiscal year ended March 31, 2019, ¥2,977,608 million; fiscal year ended March 31, 2018, ¥2,772,856 million) and the corresponding interest (fiscal year ended March 31, 2019, ¥5,298 million; fiscal year ended March 31, 2018, ¥4,725 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 ¥80,783 million for the fiscal year ended March 31, 2019 (¥14,461 million for the fiscal year ended March 31, 2018).

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, 2018 (A)		As of March 31, 2019 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Due from banks, etc.	49,314,634	23.73	50,674,248	24.60	1,359,614
Call loans	480,000	0.23	400,000	0.19	(80,000)
Receivables under resale agreements	—	—	8,368,139	4.06	8,368,139
Receivables under securities borrowing transactions	8,224,153	3.95	—	—	(8,224,153)
Money held in trust	4,241,524	2.04	3,990,780	1.93	(250,744)
Domestic stocks	2,286,148	1.10	2,141,784	1.03	(144,363)
Domestic bonds	1,256,039	0.60	1,195,685	0.58	(60,354)
Securities	139,201,254	67.00	137,135,264	66.57	(2,065,989)
Japanese government bonds	62,749,725	30.20	58,356,567	28.33	(4,393,157)
Japanese local government bonds	6,405,190	3.08	6,383,964	3.09	(21,225)
Commercial paper	229,998	0.11	220,998	0.10	(8,999)
Japanese corporate bonds	10,486,327	5.04	9,574,857	4.64	(911,469)
Japanese stocks	31,167	0.01	99,286	0.04	68,118
Other securities	59,298,846	28.54	62,499,590	30.34	3,200,743
Foreign bonds	20,244,358	9.74	22,035,528	10.69	1,791,169
Investment trusts	39,042,659	18.79	40,433,941	19.63	1,391,282
Loans	6,145,537	2.95	5,297,424	2.57	(848,112)
Others	126,472	0.06	109,366	0.05	(17,105)
Total	207,733,576	100.00	205,975,224	100.00	(1,758,351)

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, 2018 (A)		As of March 31, 2019 (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	29,103,961	958,146	25,015,921	755,550	(4,088,039)	(202,596)
Japanese local government bonds	—	—	533,474	4,001	533,474	4,001
Japanese corporate bonds	2,322,529	37,283	1,660,749	28,626	(661,780)	(8,656)
Others	32,433	8,144	32,433	5,014	—	(3,130)
Foreign bonds	32,433	8,144	32,433	5,014	—	(3,130)
<b>Total</b>	<b>31,458,923</b>	<b>1,003,574</b>	<b>27,242,577</b>	<b>793,192</b>	<b>(4,216,345)</b>	<b>(210,381)</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, 2018 (A)		As of March 31, 2019 (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	28,790	396	96,909	5,124	68,118	4,728
Bonds	48,444,750	1,273,206	47,326,243	1,298,872	(1,118,506)	25,665
Japanese government bonds	33,645,763	1,129,996	33,340,646	1,167,684	(305,117)	37,688
Japanese local government bonds	6,405,190	62,426	5,850,490	50,706	(554,700)	(11,720)
Commercial paper	229,998	—	220,998	—	(8,999)	—
Japanese corporate bonds	8,163,797	80,783	7,914,108	80,481	(249,689)	(302)
Others	59,609,979	638,419	62,818,814	824,586	3,208,834	186,166
Foreign bonds	20,211,925	375,390	22,003,095	637,751	1,791,169	262,360
Investment trusts	39,042,659	265,830	40,433,941	184,918	1,391,282	(80,912)
<b>Total</b>	<b>108,083,520</b>	<b>1,912,022</b>	<b>110,241,967</b>	<b>2,128,583</b>	<b>2,158,447</b>	<b>216,561</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, ¥266,443 million and ¥568,753 million losses were included in the statements of income for the fiscal years ended March 31, 2019 and 2018, respectively, because of the application of fair value hedge accounting.

4. Investment trusts are mainly invested in foreign bonds.

5. Impairment loss for the fiscal year ended March 31, 2019 amounted to ¥8,063 million. No impairment loss was recognized for the fiscal year ended March 31, 2018.

## 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, 2018 (A)		As of March 31, 2019 (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	4,162,251	1,289,201	3,951,489	1,122,266	(210,761)	(166,935)
Domestic stocks	2,286,148	1,262,041	2,141,784	1,106,458	(144,363)	(155,583)
Domestic bonds	1,256,039	27,061	1,195,685	17,468	(60,354)	(9,593)

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 on money held in trust which is classified as available-for-sale for the fiscal years ended March 31, 2019 and 2018 amounted to ¥3,573 million and ¥1,088 million, respectively.

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

(Millions of yen)

	As of March 31, 2018 (A)		As of March 31, 2019 (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	6,341,492	(110,021)	7,839,145	(122,376)	1,497,652	(12,355)
Currency swaps	4,925,816	117,531	6,527,044	32,497	1,601,228	(85,033)
Foreign exchange forward contracts	59,257	(3,014)	—	—	(59,257)	3,014
Total	11,326,565	4,495	14,366,189	(89,879)	3,039,623	(94,375)

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, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
Total net unrealized gains (losses)	3,774,473	3,427,414	(347,058)

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, 2018 (A)		March 31, 2019 (B)		
	Amount	%	Amount	%	Amount
Personnel expenses	126,471	12.12	124,201	11.99	(2,270)
Salaries and allowances	103,370	9.91	101,619	9.81	(1,750)
Others	23,101	2.21	22,582	2.18	(519)
Non-personnel expenses	838,925	80.44	841,648	81.28	2,723
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	598,116	57.35	600,661	58.01	2,544
Deposit insurance premiums paid to JAPAN POST HOLDINGS Co., Ltd. (*)	5,679	0.54	1,619	0.15	(4,060)
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	60,538	5.80	59,654	5.76	(884)
Rent for land, buildings and others	12,670	1.21	13,332	1.28	661
Expenses on consigned businesses	55,621	5.33	65,031	6.28	9,410
Depreciation and amortization	37,446	3.59	33,688	3.25	(3,757)
Communication and transportation expenses	19,088	1.83	18,635	1.79	(453)
Maintenance expenses	11,015	1.05	11,866	1.14	850
IT expenses	17,673	1.69	16,774	1.62	(898)
Others	21,074	2.02	20,385	1.96	(689)
Taxes and dues	77,462	7.42	69,527	6.71	(7,934)
Total	1,042,860	100.00	1,035,378	100.00	(7,481)

\* 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, 2018 (A)		As of March 31, 2019 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Domestic (excluding Japan Offshore Market accounts)	6,140,537	100.00	5,292,424	100.00	(848,112)
Agriculture, forestry, fisheries, and mining	—	—	—	—	—
Manufacturing	15,524	0.25	15,519	0.29	(4)
Utilities, information/communications, and transportation	92,162	1.50	115,517	2.18	23,355
Wholesale and retail	25,094	0.40	37,289	0.70	12,194
Finance and insurance	1,121,062	18.25	930,873	17.58	(190,188)
Construction and real estate	24,013	0.39	2,000	0.03	(22,013)
Services and goods rental/leasing	22,837	0.37	37,695	0.71	14,858
Central and local governments	4,667,184	76.00	3,997,677	75.53	(669,507)
Others	172,658	2.81	155,851	2.94	(16,807)
Overseas and Japan Offshore Market accounts	5,000	100.00	5,000	100.00	—
Governments	—	—	—	—	—
Financial institutions	—	—	—	—	—
Others	5,000	100.00	5,000	100.00	—
<b>Total</b>	<b>6,145,537</b>		<b>5,297,424</b>		<b>(848,112)</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 ¥640,676 million and ¥829,243 million as of March 31, 2019 and March 31, 2018, respectively.

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

# 10. Balances by Type of Deposit

Non-consolidated

(Millions of yen, %)

	As of March 31, 2018 (A)		As of March 31, 2019 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Liquid deposits	73,765,405	41.00	79,959,377	44.17	6,193,971
Transfer deposits	14,437,576	8.02	16,143,580	8.91	1,706,004
Ordinary deposits, etc.	58,931,564	32.76	63,410,139	35.03	4,478,575
Savings deposits	396,265	0.22	405,656	0.22	9,391
Fixed-term deposits	105,989,336	58.92	100,927,190	55.76	(5,062,146)
Time deposits	8,696,122	4.83	7,096,334	3.92	(1,599,788)
TEIGAKU deposits	97,293,213	54.08	93,830,855	51.84	(3,462,358)
Other deposits	128,017	0.07	112,566	0.06	(15,450)
Subtotal	179,882,759	100.00	180,999,134	100.00	1,116,374
Negotiable certificates of deposit	—	—	—	—	—
Total	179,882,759	100.00	180,999,134	100.00	1,116,374
Deposits including accrued interest	180,746,866		181,431,911		685,045

- 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, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
Unfunded projected benefit obligation	135,655	134,837	(818)
Unrecognized net actuarial losses	3,407	2,482	(924)
Unrecognized prior service cost	8,031	6,870	(1,161)
Net amount recorded on the balance sheet	147,095	144,190	(2,904)

(3) Total retirement benefit costs and components (Millions of yen)

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2018 (A)	March 31, 2019 (B)	
Total retirement benefit costs related to the defined-benefit plan	6,127	6,120	(6)
Service cost	7,262	7,239	(22)
Interest cost on projected benefit obligation	948	949	1
Amortization of net actuarial losses	(1,031)	(1,005)	26
Amortization of prior service cost	(1,161)	(1,161)	—
Others	110	98	(11)

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

	As of March 31, 2018	As of March 31, 2019
Discount rate	0.7%	0.7%

## 12. Deferred Tax Assets/Liabilities

Non-consolidated

(Millions of yen)

	As of March 31, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
Deferred tax assets	112,074	135,977	23,902
Reserve for possible loan losses	14	–	(14)
Reserve for employees' retirement benefits	45,047	44,158	(889)
Accrued enterprise taxes	5,783	1,385	(4,398)
Net deferred losses on hedges	–	27,525	27,525
Reserve for reimbursement of deposits	26,372	27,051	679
Depreciation	7,758	8,569	810
Software in progress	4,932	3,491	(1,441)
Unrealized losses of money held in trust	2,918	3,149	230
Other	19,246	20,645	1,399
Deferred tax liabilities	(1,162,790)	(1,084,975)	77,815
Net unrealized gains on available-for-sale securities	(1,154,545)	(1,077,133)	77,411
Net deferred gains on hedges	(1,376)	–	1,376
Other	(6,868)	(7,841)	(973)
Net deferred tax assets (liabilities)	(1,050,715)	(948,998)	101,717

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

Non-consolidated

(Millions of yen, %)

	As of March 31, 2018 (A)	As of March 31, 2019 (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	6,237,528	5,381,637	(855,891)
Total (b)	6,237,528	5,381,637	(855,891)
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, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
Total	1,066	958	(107)
General reserve for possible loan losses	278	243	(35)
Specific reserve for possible loan losses	787	715	(72)

# 15. Capital

Non-consolidated  
Consolidated

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

(Millions of yen, %)

	As of March 31, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
Core Capital: instruments and reserves (a)	8,801,141	8,879,601	78,460
Core Capital: regulatory adjustments (b)	29,070	35,388	6,318
Total capital (a) - (b) = (c)	8,772,071	8,844,213	72,141
Total amount of risk-weighted assets (d)	50,343,515	56,033,562	5,690,047
Credit risk-weighted assets	47,574,709	53,334,010	5,759,301
Market risk equivalent / 8%	—	—	—
Operational risk equivalent / 8%	2,768,805	2,699,551	(69,254)
Capital adequacy ratio (c) / (d)	17.42%	15.78%	(1.64)%

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

(Millions of yen, %)

	As of March 31, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
Core Capital: instruments and reserves (a)	8,807,898	8,888,716	80,818
Core Capital: regulatory adjustments (b)	29,075	35,398	6,322
Total capital (a) - (b) = (c)	8,778,822	8,853,318	74,496
Total amount of risk-weighted assets (d)	50,342,277	56,004,545	5,662,267
Credit risk-weighted assets	47,573,471	53,305,125	5,731,653
Market risk equivalent / 8%	—	—	—
Operational risk equivalent / 8%	2,768,805	2,699,419	(69,385)
Capital adequacy ratio (consolidated) (c) / (d)	17.43%	15.80%	(1.63)%

# (Reference) Securitized Products Exposure

Non-consolidated

As of March 31, 2018 and March 31, 2019, 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 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(\*)(\*\*)(\*\*\*)

(Billions of yen)

Region		As of March 31, 2018			As of March 31, 2019		
		Acquisition cost	Net unrealized gains (losses)	Credit ratings	Acquisition cost	Net unrealized gains (losses)	Credit ratings
Domestic	Residential mortgage-backed securities (RMBS)	1,277.4	36.1	AAA	1,305.7	40.1	AAA
	Subprime loan related	—	—	—	—	—	—
	Collateralized loan obligations (CLO)	49.2	0.1	A	—	—	—
	Other securitized products(****)	131.8	(0.1)	AAA	165.5	0.0	AAA
	Commercial mortgage-backed securities (CMBS)	—	—	—	—	—	—
	Collateralized debt obligations (CDO)	1.5	0.0	AAA	1.2	0.0	AAA
	Subtotal	1,459.9	36.2		1,472.5	40.2	
Overseas (*****)	Residential mortgage-backed securities (RMBS)	171.1	(8.1)	AAA	99.7	(11.6)	AAA
	Subprime loan related	—	—	—	—	—	—
	Collateralized loan obligations (CLO) (*****)	495.8	(16.8)	AAA	1,178.7	(6.0)	AAA
	Subtotal	666.9	(24.9)		1,278.5	(17.7)	
Total		2,126.9	11.2		2,751.1	22.5	

\* The underlying assets provided are only those from multiple debtors comprising securitized products.

\*\* No hedging activities against credit risks were made.

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

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

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

\*\*\*\*\* Collateralized loan obligations (CLO) in overseas are U.S. CLO.

## (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; 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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