

Selected Financial Information

For the Nine Months Ended December 31, 2022

February 14, 2023



JAPAN POST BANK

Contents

Financial Highlights

1. Results of Operations	Consolidated	••P. 2
2. Trend of Net Interest Income and Interest Rate Spread	Non-consolidated	••P. 3
3. Net Fees and Commissions	Non-consolidated	••P. 4
4. Trend of General and Administrative Expenses	Non-consolidated	••P. 5
5. Financial Conditions	Non-consolidated	••P. 6
6. Asset Management Status	Non-consolidated	••P. 7
7. Unrealized Gains (Losses) on Financial Instruments	Non-consolidated	••P. 8
8. Trend of Capital Adequacy Ratio	Consolidated	••P. 9
(Reference) Trend of Balance of Risk Assets	Non-consolidated	••P.10

Financial Data

1. Summarized Balance Sheets	Non-consolidated	••P.12
2. Income Analysis	Non-consolidated	••P.13
3. Interest Rate Spread	Non-consolidated	••P.14
4. Average Balance, Interest, and Earnings Yield of Interest-Earning Assets and Interest-Bearing Liabilities	Non-consolidated	••P.15
5. General and Administrative Expenses	Non-consolidated	••P.16
6. Balances by Type of Deposit	Non-consolidated	••P.17
(Reference) Securitized Products Exposure	Non-consolidated	••P.18

【Consolidated subsidiaries, etc.】

Consolidated subsidiaries	8 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. Results of Operations

Consolidated

■ Net income attributable to owners of parent decreased by ¥40.1 bn to ¥247.4 bn, compared to FY2022/3 3Q, in which we saw record high profits in our history as a listed company. It equated to 77.3% of the earnings forecast and remained strong because, in advance, the Bank expected a change in market environment including an increase in foreign currency funding costs in FY2023/3.

			(¥bn, %)
	For the nine months ended		Increase (Decrease) (B) – (A)
	December 31, 2021 (A)	December 31, 2022 (B)	
Consolidated gross operating profit	1,052.5	873.2	(179.2)
Net interest income	912.3	613.4	(298.9)
Net fees and commissions	96.0	114.2	18.1
Net other operating income (loss)	44.1	145.6	101.5
Gains (losses) on foreign exchanges	86.4	232.7	146.3
Gains (losses) on bonds	(42.5)	(87.2)	(44.7)
General and administrative expenses (*)	748.5	696.3	(52.1)
Provision for general reserve for possible loan losses	0.0	0.0	(0.0)
Consolidated net operating profit	303.9	176.8	(127.0)
Non-recurring gains (losses)	90.5	167.4	76.8
Net ordinary income	394.5	344.3	(50.2)
Net income attributable to owners of parent	287.6	247.4	(40.1)
【Reference**】			
ROE (based on shareholders' equity)	4.10%	3.47%	(0.62)%
OHR (basis including gains (losses) on money held in trust)	65.85%	67.08%	1.23 %

- Net interest income for the nine months ended December 31, 2022 decreased by ¥298.9 bn year on year, mainly due to an increase in foreign currency funding costs. Net fees and commissions increased by ¥18.1 bn year on year. Net other operating income increased by ¥101.5 bn year on year, mainly due to an increase in gains (losses) on foreign exchanges.
- General and administrative expenses decreased by ¥52.1 bn year on year, mainly due to a decrease in commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd and deposit insurance expenses paid to Deposit Insurance Corporation of Japan.
- Non-recurring gains increased by ¥76.8 bn year on year, mainly due to the expansion of private equity funds and real estate funds.
- Net ordinary income decreased by ¥50.2 bn year on year, and equated to 77.3% of the full-year earnings forecast of ¥445.0 bn.
- Net income attributable to owners of parent equated to 77.3% of the full-year earnings forecast of ¥320.0 bn.

* General and administrative expenses exclude non-recurring losses.

** Calculation for financial targets in the Medium-term Management Plan (FY2022/3 – FY2026/3)
ROE = net income attributable to owners of parent / [(sum of total net assets at the beginning and the end of the period) / 2] x 100

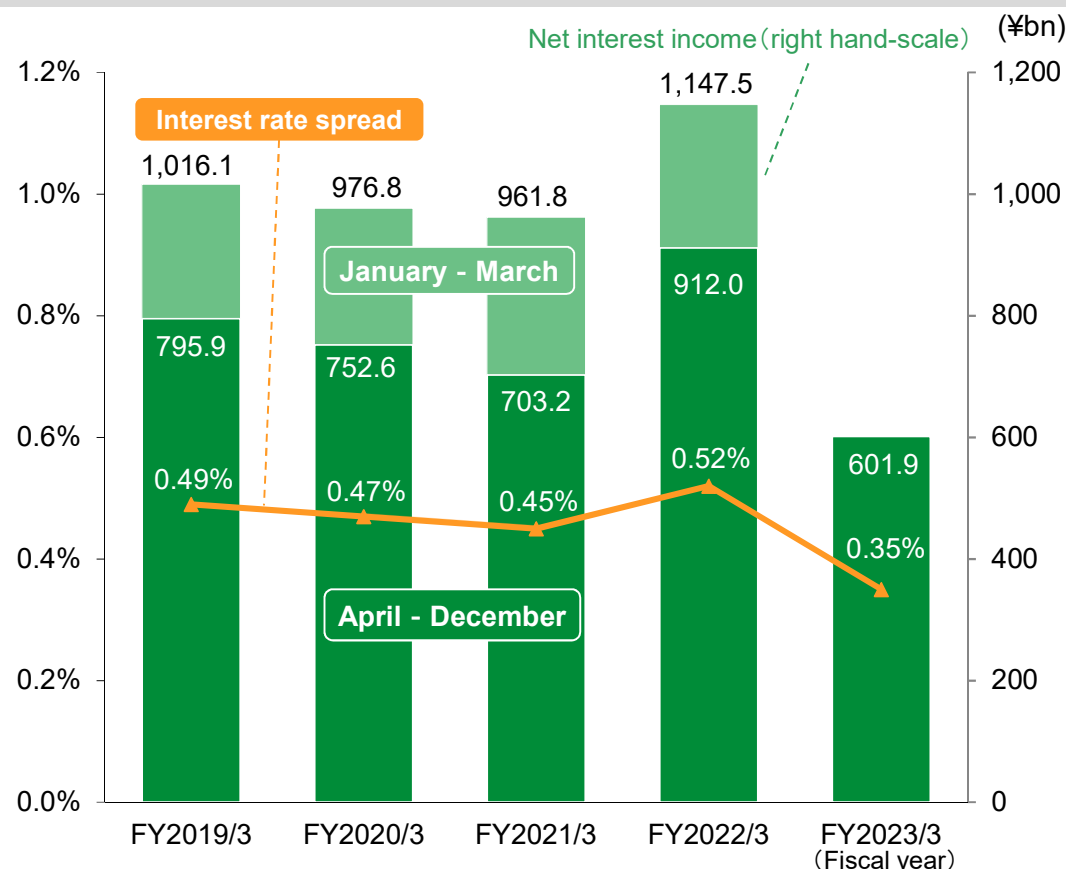
OHR = general and administrative expenses / (net interest income, etc. + net fees and commissions) x 100

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

2. Trend of Net Interest Income and Interest Rate Spread

Non-consolidated

- Net interest income decreased by ¥310.1 bn year on year to ¥601.9 bn and interest rate spread was 0.35% for the nine months ended December 31, 2022.
- Interest on foreign securities decreased because of a decrease in income related to foreign bond investment trusts, mainly due to an increase in foreign currency funding costs associated with a rise in overseas interest rates.



Domestic				(¥bn)
	For the nine months ended December 31, 2021 (A)	December 31, 2022 (B)	Increase (Decrease) (B) – (A)	
Net interest income	321.6	338.3	16.6	
Interest income	356.6	368.0	11.3	
Interest on Japanese government bonds	234.0	186.4	(47.5)	
Interest expenses	35.0	29.7	(5.2)	
Overseas				(¥bn)
	For the nine months ended December 31, 2021 (A)	December 31, 2022 (B)	Increase (Decrease) (B) – (A)	
Net interest income	590.4	263.5	(326.8)	
Interest income	782.8	666.6	(116.2)	
Interest on foreign securities	782.6	660.8	(121.7)	
Interest expenses	192.4	403.0	210.6	
Total				(¥bn)
	For the nine months ended December 31, 2021 (A)	December 31, 2022 (B)	Increase (Decrease) (B) – (A)	
Net interest income	912.0	601.9	(310.1)	
Interest income	1,073.0	906.2	(166.8)	
Interest expenses	160.9	304.3	143.3	

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 from "domestic" and expenses from "overseas" (nine months ended December 31, 2022, ¥128.4 bn; nine months ended December 31, 2021, ¥66.4 bn), 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 FY2019/3 – FY2022/3 are the figures for the relevant fiscal years, while interest rate spread of FY2023/3 is the figure for the nine months ended December 31, 2022.

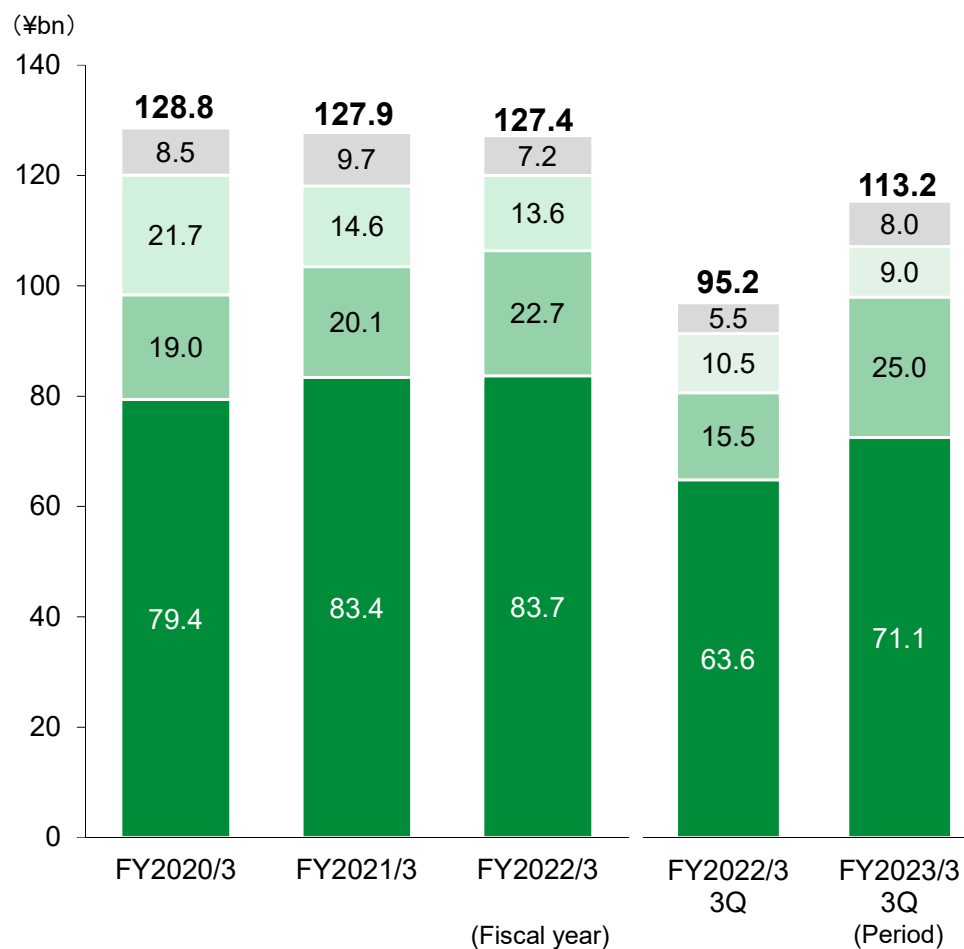
3. Net Fees and Commissions

Non-consolidated

■ Net fees and commissions for the nine months ended December 31, 2022 increased by ¥18.0 bn year on year to ¥113.2 bn.

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, 2021 (A)	December 31, 2022 (B)	
Net fees and commissions relating to	95.2	113.2	18.0
Exchange and settlement transactions	63.6	71.1	7.4
ATMs	15.5	25.0	9.5
Investment trusts(*)	10.5	9.0	(1.4)
Others	5.5	8.0	2.5

Results of Investment Trusts Sales (Contract Basis)

	For the nine months ended		Increase (Decrease) (B) – (A)
	December 31, 2021 (A)	December 31, 2022 (B)	
Number of contracts (thousands)	3,216	4,141	924
Sales amount (billions of yen)	145.2	179.2	33.9

	As of December 31, 2021 (A)	As of December 31, 2022 (B)	Increase (Decrease) (B) – (A)
Number of investment trust accounts (thousands)	1,225	1,282	56
Net assets (billions of yen)	2,635.1	2,364.3	(270.8)

[(Reference) KPIs in the Medium-term Management Plan

(FY2022/3 – FY2026/3)**]

	As of March 31, 2022 (A)	As of December 31, 2022 (B)	Increase (Decrease) (B) – (A)
Number of accounts registered in the Bankbook app (ten thousands)	481	676	194
Number of Tsumitate NISA Operation Accounts (ten thousands)	17	22	5

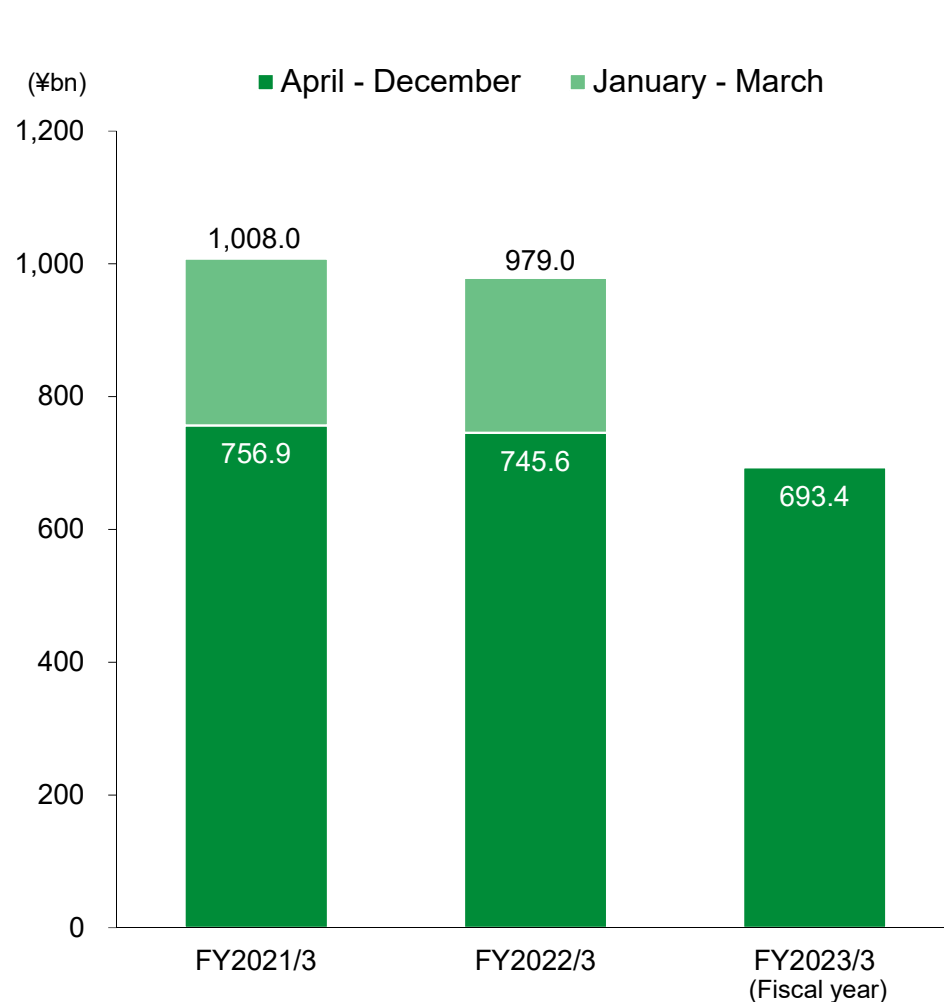
* Investment trusts include Yucho Fund wraps (discretionary investment contract services).

** Number of accounts registered in the Bankbook app : 10 million accounts (FY2026/3)
Number of Tsumitate NISA Operation Accounts : 400 thousand accounts (FY2026/3)

4. Trend of General and Administrative Expenses

Non-consolidated

■ General and administrative expenses for the nine months ended December 31, 2022 decreased by ¥52.1 bn year on year to ¥693.4 bn.



	For the nine months ended		Increase (Decrease) (B) – (A)
	December 31, 2021 (A)	December 31, 2022 (B)	
Personnel expenses (*)	85.9	83.9	(1.9)
Salaries and allowances	70.5	68.5	(1.9)
Non-personnel expenses	616.7	582.6	(34.0)
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	269.4	259.6	(9.7)
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network	177.7	173.0	(4.7)
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	41.5	20.6	(20.9)
Taxes and dues	42.9	26.8	(16.0)
Total	745.6	693.4	(52.1)

* Personnel expenses include non-recurring losses.

5. Financial Conditions

Non-consolidated

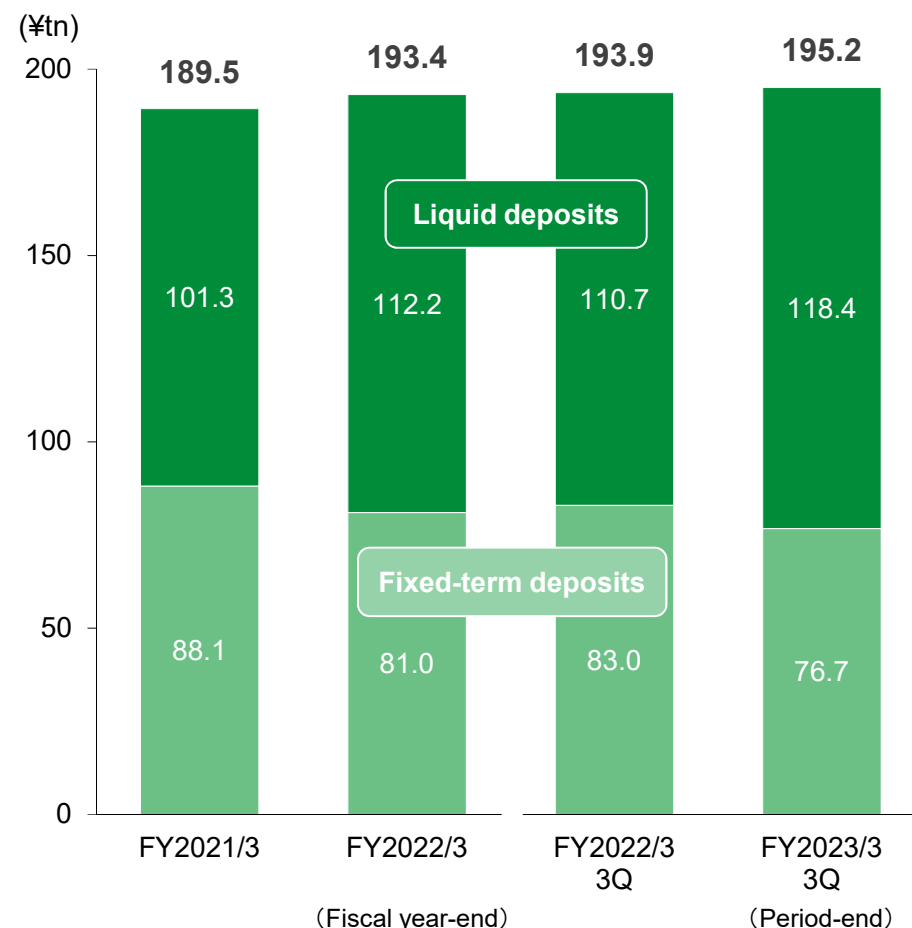
- Total assets decreased by ¥6.1 tn from March 31, 2022, to ¥226.7 tn as of December 31, 2022.
- Securities decreased by ¥7.3 tn from March 31, 2022, to ¥132.2 tn as of December 31, 2022.
- Deposits increased by ¥1.8 tn from March 31, 2022, to ¥195.2 tn as of December 31, 2022.

Overview of Balance Sheet

Total assets ¥226.7 tn (As of December 31, 2022)

Securities	Deposits
¥132.2 tn	¥195.2 tn
JGBs ¥37.0 tn	
Foreign securities, etc. ¥77.9 tn	
Others	Others
¥94.5 tn	¥22.3 tn
Money held in trust ¥6.6 tn	
Loans ¥5.3 tn	
Net assets	
¥9.1 tn	

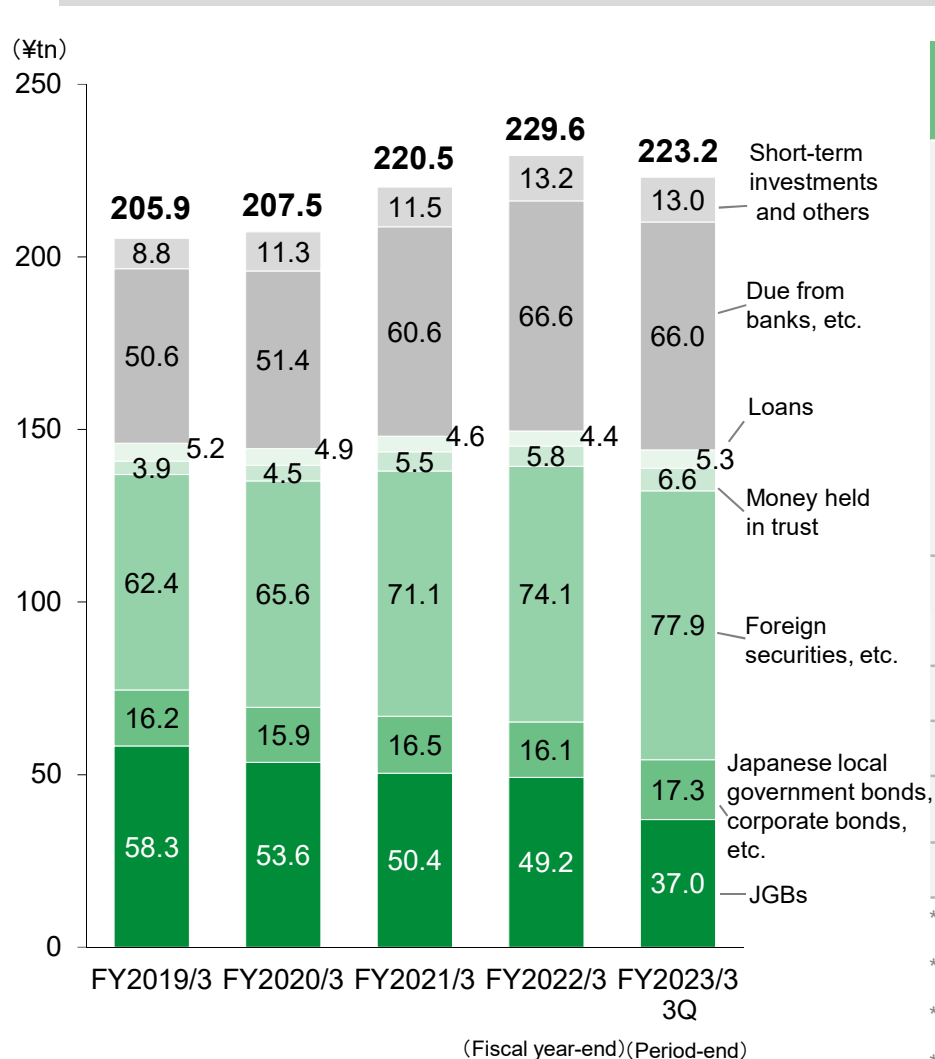
Trend of Deposit Balance



6. Asset Management Status

Non-consolidated

- Included in investment assets as of December 31, 2022, JGBs were ¥37.0 tn and foreign securities, etc. were ¥77.9 tn.



Categories	As of March 31, 2022 (A)	%	As of December 31, 2022 (B)	%	Increase (Decrease) (B) – (A)
Securities	139,549.1	60.7	132,242.5	59.2	(7,306.5)
Japanese government bonds	49,259.7	21.4	37,022.6	16.5	(12,237.1)
Japanese local government bonds, corporate bonds, etc. (*)	16,154.3	7.0	17,305.8	7.7	1,151.5
Foreign securities, etc.	74,135.0	32.2	77,914.0	34.9	3,779.0
Foreign bonds	24,509.6	10.6	24,897.1	11.1	387.4
Investment trusts (**)	49,534.4	21.5	52,904.8	23.6	3,370.4
Money held in trust	5,828.2	2.5	6,616.5	2.9	788.2
Domestic stocks	2,024.6	0.8	1,914.3	0.8	(110.2)
Loans	4,441.9	1.9	5,304.4	2.3	862.5
Due from banks, etc. (***)	66,622.8	29.0	66,004.6	29.5	(618.2)
Short-term investments and others (****)	13,252.3	5.7	13,063.4	5.8	(188.9)
Total	229,694.6	100.0	223,231.7	100.0	(6,462.8)

* “Japanese local government bonds, corporate bonds, etc.” consists of Japanese local government bonds, short-term corporate bonds, Japanese corporate bonds and Japanese stocks.

** Investment trusts are mainly invested in foreign bonds. Investment trusts include private equity funds, etc.

*** “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.

7. Unrealized Gains (Losses) on Financial Instruments

Non-consolidated

■ Net unrealized gains (losses) on financial instruments (available-for-sale) after taking into consideration gains (losses) from hedge accounting were ¥(400.6) bn as of December 31, 2022 (before application of tax effect accounting), decreasing by ¥1,623.6 bn from March 31, 2022.

(¥bn)

	As of March 31, 2022 (A)		As of December 31, 2022 (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	122,720.4	2,002.1	116,352.5	386.6	(1,615.4)
Securities (a)	116,892.1	1,673.0	109,735.9	417.4	(1,255.6)
Japanese government bonds	34,285.5	85.7	25,122.9	(834.9)	(920.6)
Foreign bonds	22,701.1	1,484.2	21,765.8	1,110.5	(373.6)
Investment trusts (*)	49,534.4	82.3	52,904.8	196.4	114.0
Others	10,370.9	20.7	9,942.3	(54.5)	(75.3)
Effect of fair value hedge accounting (b)		(852.9)		(1,261.5)	(408.6)
Money held in trust (c)	5,828.2	1,181.9	6,616.5	1,230.8	48.8
Domestic stocks	2,024.6	1,202.2	1,914.3	1,116.0	(86.1)
Others	3,803.6	(20.2)	4,702.2	114.8	135.0
Derivatives for which deferred hedge accounting is applied (d)	16,081.6	(779.0)	17,498.3	(787.2)	(8.2)
Total (a) + (b) + (c) + (d)		1,223.0		(400.6)	(1,623.6)

* Investment trusts are mainly invested in foreign bonds. The Bank has applied "Implementation Guidance on Accounting Standard for Fair Value Measurement" (revised 2021) from the beginning of the nine months ended December 31, 2022. Due to the application, net unrealized gains on investment trusts include those of private equity funds, which were ¥1,056.9 bn as of December 31, 2022. Net unrealized gains on investment trusts as of March 31, 2022 were ¥1,348.8 bn (estimate), when the guidance was applied.

【Reference】

(¥bn)

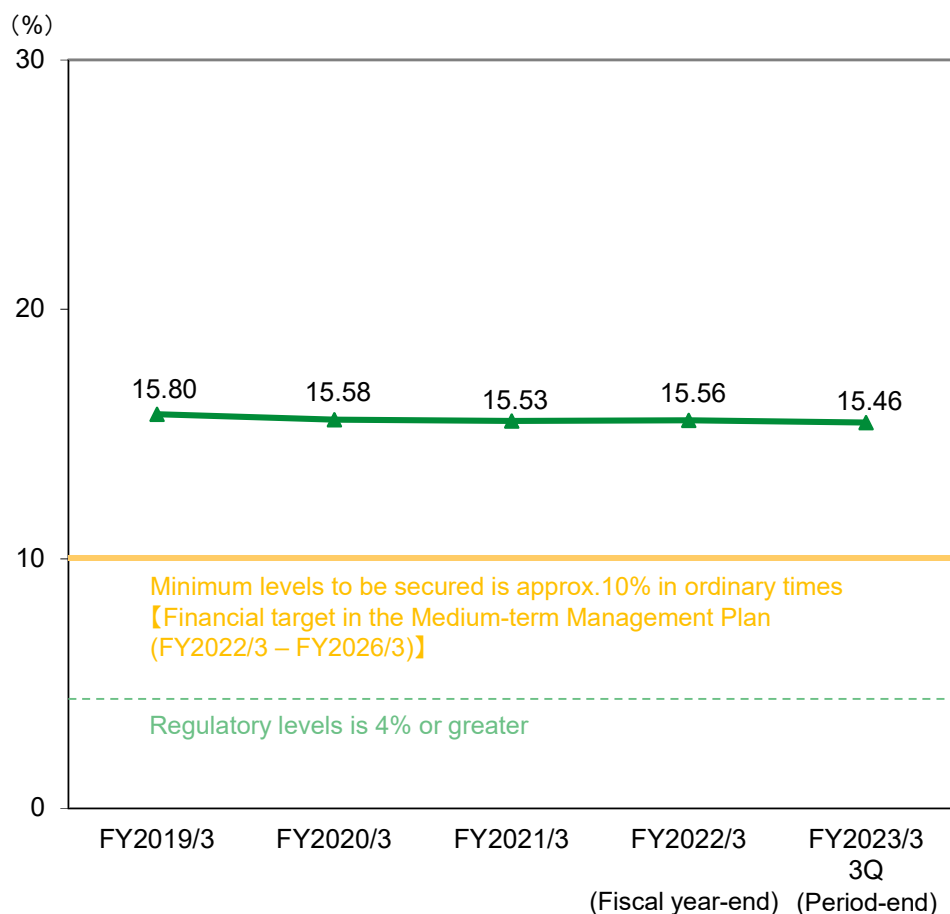
	As of March 31, 2022 (A)		As of December 31, 2022 (B)		Increase (Decrease) (B) – (A)
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Net unrealized gains (losses)
Held-to-maturity securities	23,069.2	(55.7)	22,929.7	(778.4)	(722.6)

8. Trend of Capital Adequacy Ratio

Consolidated

- Capital adequacy ratio (domestic standard) was 15.46% as of December 31, 2022.
- (Reference) Common Equity Tier1 capital ratio (international standard, estimate) was 13.16%.

【Domestic standard】



【Domestic standard】

	As of March 31, 2022 (A)	As of December 31, 2022 (B)	Increase (Decrease) (B) – (A)
Total capital (a)	9,199.3	9,430.6	231.3
Total amount of risk-weighted assets (b)	59,106.0	60,962.6	1,856.5
Credit risk-weighted assets	56,545.5	58,475.9	1,930.3
Capital adequacy ratio (a) / (b)	15.56%	15.46%	(0.09)%

【(Reference) International standard, estimate*】

	As of March 31, 2022 (A)	As of December 31, 2022 (B)	Increase (Decrease) (B) – (A)
Common Equity Tier1 capital ratio (CET1 ratio)	15.68%	13.16%	(2.51)%
Excluding unrealized gains on available-for-sale securities (**)	14.23%	13.16%	(1.06)%

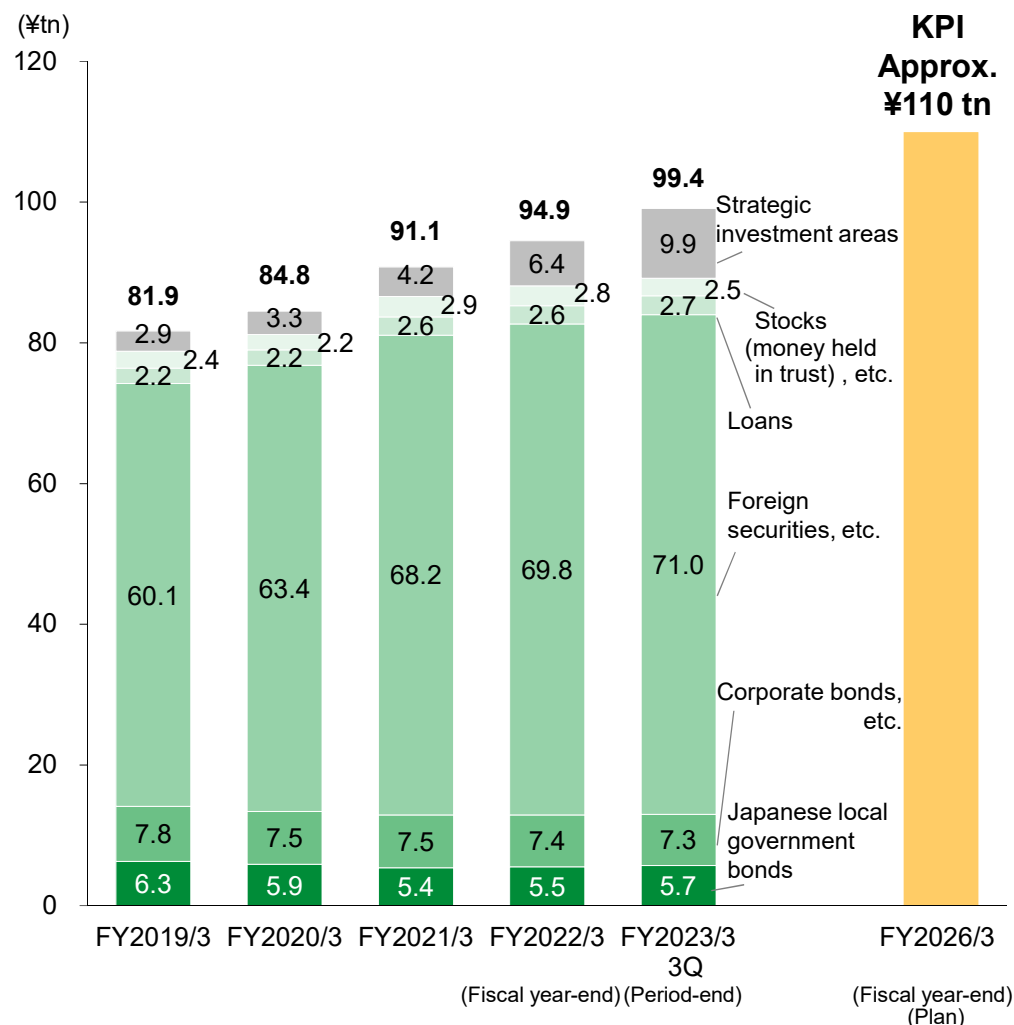
* Calculation for some items are simplified.

** After taking into consideration of gains (losses) from hedge accounting.

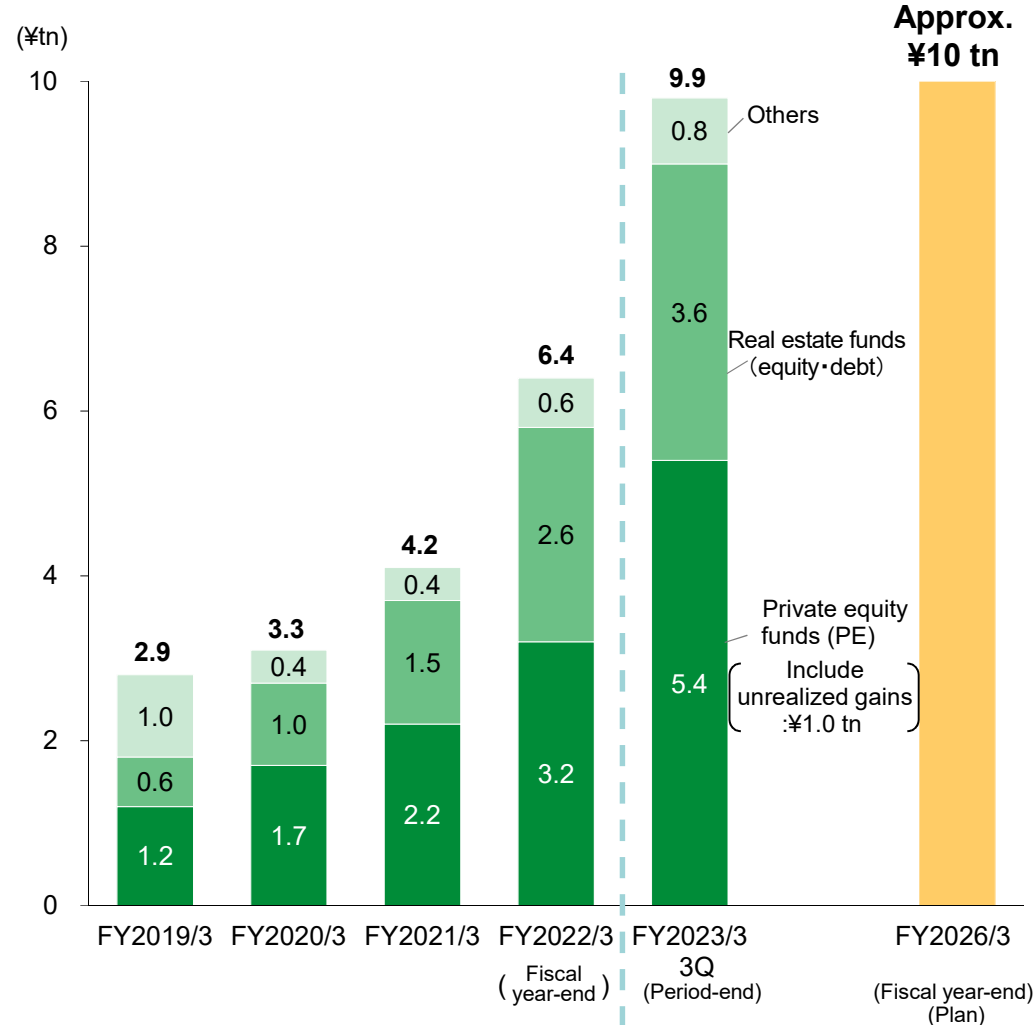
(Reference) Trend of Balance of Risk Assets

Non-consolidated

Balance of risk assets



Balance of strategic investment areas



Notes: 1. Since these figures are calculated on management accounting basis, they are not equal to the balances for each category on page 7.

2. "Risk assets" is assets other than Yen interest rates (JGBs, etc.).

3. "Others" in "Balance of strategic investment areas" is direct lending funds and infrastructure debt funds, etc.

4. Beginning with values as of December 31, 2022, private equity and certain other funds are recorded at estimated fair value, based on "Implementation Guidance on Accounting Standard for Fair Value Measurement" (revised 2021), which the Bank has applied from the beginning of the nine months ended December 31, 2022.

(Private equity and certain other funds are calculated on book value as of dates on or before March 31, 2022.)

recorded at estimated fair value

Financial Data

1. Summarized Balance Sheets

Non-consolidated

	As of March 31, 2022 (A)	As of December 31, 2022 (B)	Increase (Decrease) (B) – (A)
Total assets	232,922,083	226,767,465	(6,154,618)
Cash and due from banks	66,664,253	65,969,702	(694,551)
Call loans	2,470,000	1,970,000	(500,000)
Receivables under resale agreements	9,861,753	9,359,055	(502,697)
Receivables under securities borrowing transactions	—	880,728	880,728
Monetary claims bought	397,301	418,081	20,780
Trading account securities	11	—	(11)
Money held in trust	5,828,283	6,616,567	788,283
Securities	139,549,103	132,242,576	(7,306,526)
Loans	4,441,967	5,304,494	862,527
Foreign exchanges	213,924	133,424	(80,499)
Other assets	3,250,352	3,398,840	148,487
Tangible fixed assets	192,819	190,939	(1,880)
Intangible fixed assets	53,367	69,770	16,402
Deferred tax assets	—	214,346	214,346
Reserve for possible loan losses	(1,054)	(1,063)	(8)

(Millions of yen)

	As of March 31, 2022 (A)	As of December 31, 2022 (B)	Increase (Decrease) (B) – (A)
Total liabilities and net assets	232,922,083	226,767,465	(6,154,618)
Total liabilities	222,658,520	217,573,369	(5,085,150)
Deposits	193,441,929	195,254,844	1,812,915
Payables under repurchase agreements	19,461,646	16,563,589	(2,898,056)
Payables under securities lending transactions	1,514,438	2,033,805	519,367
Borrowed money	5,603,600	226,300	(5,377,300)
Foreign exchanges	697	918	221
Other liabilities	2,124,933	3,291,692	1,166,758
Reserve for bonuses	7,238	1,669	(5,569)
Reserve for employees' retirement benefits	140,355	144,123	3,768
Reserve for employee stock ownership plan trust	515	251	(263)
Reserve for management board benefit trust	365	345	(20)
Reserve for reimbursement of deposits	58,813	55,828	(2,984)
Deferred tax liabilities	303,985	—	(303,985)
Total net assets	10,263,563	9,194,095	(1,069,468)
Capital stock	3,500,000	3,500,000	—
Capital surplus	3,500,000	3,500,000	—
Retained earnings	2,413,168	2,465,698	52,530
Treasury stock	(902)	(1,623)	(721)
Total shareholders' equity	9,412,266	9,464,074	51,808
Net unrealized gains (losses) on available-for-sale securities	1,390,288	275,380	(1,114,908)
Net deferred gains (losses) on hedges	(538,991)	(545,360)	(6,368)
Total valuation and translation adjustments	851,297	(269,979)	(1,121,277)

2. Income Analysis

Non-consolidated

(Millions of yen)

	For the nine months ended		(B) – (A)
	December 31, 2021 (A)	December 31, 2022 (B)	
Gross operating profit	1,051,312	859,839	(191,473)
Net interest income	912,087	601,900	(310,187)
Net fees and commissions	95,224	113,277	18,052
Net other operating income (loss)	44,001	144,661	100,660
Gains (losses) on foreign exchanges	86,301	231,778	145,477
Gains (losses) on bonds	(42,561)	(87,290)	(44,729)
General and administrative expenses	(746,990)	(694,711)	52,278
Personnel expenses	(87,337)	(85,190)	2,146
Non-personnel expenses	(616,724)	(582,676)	34,047
Taxes and dues	(42,928)	(26,844)	16,084
Operating profit (before provision for general reserve for possible loan losses)	304,322	165,127	(139,195)
Core net operating profit	346,883	252,418	(94,465)
Excluding gains (losses) on cancellation of investment trusts	252,242	206,054	(46,188)
Provision for general reserve for possible loan losses	(21)	(5)	15
Net operating profit	304,301	165,122	(139,179)
Non-recurring gains (losses)	90,132	164,683	74,550
Gains (losses) related to stocks	(152,226)	64,970	217,197
Gains (losses) on money held in trust	236,508	96,772	(139,736)
Net ordinary income	394,433	329,805	(64,628)

	For the nine months ended		(B) – (A)
	December 31, 2021 (A)	December 31, 2022 (B)	
Extraordinary income (loss)	5,858	(94)	(5,952)
Gains (losses) on sales and disposals of fixed assets	5,870	(93)	(5,964)
Losses on impairment of fixed assets	(12)	(0)	11
Income before income taxes	400,292	329,711	(70,581)
Income taxes – current	(93,715)	(114,033)	(20,318)
Income taxes – deferred	(19,481)	24,326	43,808
Total income taxes	(113,196)	(89,707)	23,489
Net income	287,095	240,003	(47,091)
Gains (losses) on money held in trust	236,508	96,772	(139,736)
Dividends and interest income	68,698	98,656	29,958
Gains (losses) on sales of stocks	179,906	27,107	(152,798)
Impairment losses	(926)	(4,521)	(3,594)
Withholding income tax, etc.	(11,169)	(24,470)	(13,300)
Credit-related expenses	(0)	15	16
Provision for general reserve for possible loan losses	(0)	15	16

- Notes: 1. General and administrative expenses exclude non-recurring losses related to retirement benefit costs (¥1,222 million and ¥1,381 million recorded as profits for the nine months ended December 31, 2022 and 2021, 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. Interest Rate Spread

Non-consolidated

	For the nine months ended		Increase (Decrease) (B) – (A)
	December 31, 2021 (A)	December 31, 2022 (B)	
Yield on interest-earning assets (a)	0.65%	0.54%	(0.11)%
Total cost of funding (including general and administrative expenses) (b)	0.57	0.62	0.05
Interest rate on interest-bearing liabilities (c)	0.10	0.19	0.08
Overall interest rate spread (a) - (b)	0.08	(0.08)	(0.16)
Interest rate spread (a) - (c)	0.55	0.35	(0.20)

Note: All numbers are annualized.

4. 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, 2021 (A)			December 31, 2022 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	216,432,120	1,073,064	0.65%	220,245,159	906,262	0.54%	(0.11)%
Loans	4,656,269	7,752	0.22	5,119,177	7,399	0.19	(0.02)
Securities	139,679,351	1,045,200	0.99	141,361,082	874,473	0.82	(0.17)
Due from banks, etc.	60,374,194	22,728	0.04	62,575,533	20,824	0.04	(0.00)
Interest-bearing liabilities	209,094,973	160,977	0.10	210,911,398	304,362	0.19	0.08
Deposits	191,920,569	17,056	0.01	194,482,664	9,932	0.00	(0.00)
Payables under securities lending transactions	1,456,990	1,719	0.15	1,724,448	29,544	2.27	2.11

- 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, 2022, ¥5,042,672 million; nine months ended December 31, 2021, ¥4,116,820 million) is excluded from interest-earning assets, and the average balance corresponding to money held in trust (nine months ended December 31, 2022, ¥5,042,672 million; nine months ended December 31, 2021, ¥4,116,820 million) and the corresponding interest (nine months ended December 31, 2022, ¥9,734 million; nine months ended December 31, 2021, ¥4,233 million) are excluded from interest-bearing liabilities.
2. For investment trusts, the distribution of profits, which was deducted from the book value as the repayment of principal, was ¥82,739 million for the nine months ended December 31, 2022 (¥3,527 million for the nine months ended December 31, 2021).
3. “Due from banks, etc.” consists of negotiable certificates of deposit, Bank of Japan deposits, call loans and monetary claims bought.
4. Earnings yield is annualized.

5. General and Administrative Expenses

Non-consolidated

(Millions of yen, %)

	For the nine months ended				Increase (Decrease) (B) – (A)
	December 31, 2021 (A)		December 31, 2022 (B)		
	Amount	%	Amount	%	Amount
Personnel expenses	85,955	11.52	83,968	12.10	(1,987)
Salaries and allowances	70,507	9.45	68,509	9.87	(1,998)
Others	15,448	2.07	15,459	2.22	11
Non-personnel expenses	616,724	82.71	582,676	84.02	(34,047)
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	269,400	36.13	259,623	37.43	(9,776)
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network (*)	177,780	23.84	173,033	24.95	(4,747)
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	41,536	5.57	20,636	2.97	(20,900)
Rent for land, buildings and others	8,215	1.10	8,126	1.17	(88)
Expenses on consigned businesses	48,836	6.54	49,369	7.11	532
Depreciation and amortization	28,047	3.76	26,288	3.79	(1,758)
Communication and transportation expenses	10,656	1.42	10,817	1.55	160
Maintenance expenses	11,150	1.49	12,299	1.77	1,149
IT expenses	9,701	1.30	10,086	1.45	384
Others	11,399	1.52	12,396	1.78	996
Taxes and dues	42,928	5.75	26,844	3.87	(16,084)
Total	745,608	100.00	693,489	100.00	(52,118)

* 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.

6. Balances by Type of Deposit

Non-consolidated

(Millions of yen, %)

	As of March 31, 2022 (A)		As of December 31, 2022 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Liquid deposits	112,254,409	58.03	118,461,773	60.67	6,207,364
Transfer deposits	10,749,849	5.55	11,496,329	5.88	746,480
Ordinary deposits, etc.	100,805,356	52.11	106,214,556	54.39	5,409,199
Savings deposits	699,203	0.36	750,887	0.38	51,683
Fixed-term deposits	81,022,589	41.88	76,702,385	39.28	(4,320,203)
Time deposits	4,352,435	2.24	3,582,443	1.83	(769,992)
TEIGAKU deposits	76,670,153	39.63	73,119,942	37.44	(3,550,211)
Other deposits	164,930	0.08	90,686	0.04	(74,244)
Subtotal	193,441,929	100.00	195,254,844	100.00	1,812,915
Negotiable certificates of deposit	—	—	—	—	—
Total	193,441,929	100.00	195,254,844	100.00	1,812,915
Deposits including accrued interest	193,522,262		195,328,394		1,806,132

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.

(Reference) Securitized Products Exposure

Non-consolidated

As of March 31, 2022 and December 31, 2022, the Bank held the following securitized products.

The Bank's holdings of securitized products 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.

(Millions of yen)

Region		As of March 31, 2022			As of December 31, 2022		
		Acquisition cost	Net unrealized gains (losses)	Credit ratings	Acquisition cost	Net unrealized gains (losses)	Credit ratings
Domestic	Residential mortgage-backed securities (RMBS)	1,317,081	4,358	AAA	1,268,020	(25,076)	AAA
	Held-to-maturity	331,835	(4,374)	AAA	332,672	(15,168)	AAA
	Available-for-sale	985,245	8,733	AAA	935,347	(9,907)	AAA
	Collateralized loan obligations (CLO)	—	—	—	—	—	—
	Other securitized products	236,597	(156)	AAA	236,333	(607)	AAA
	Commercial mortgage-backed securities (CMBS)	—	—	—	—	—	—
	Collateralized debt obligations (CDO)	735	19	AAA	591	11	AAA
	Subtotal	1,554,414	4,220		1,504,945	(25,672)	
Overseas	Residential mortgage-backed securities (RMBS)	38,004	5,782	AAA	29,658	3,301	AAA
	Collateralized loan obligations (CLO)	1,602,388	168,008	AAA	2,221,667	266,245	AAA
	Held-to-maturity	681,912	62,584	AAA	1,301,751	88,828	AAA
	Available-for-sale	920,476	105,423	AAA	919,915	177,417	AAA
	Subtotal	1,640,393	173,791		2,251,325	269,547	
Total		3,194,807	178,012		3,756,270	243,874	

Notes: 1. The figures in the above table are reference value calculated not on financial accounting basis but on management accounting basis.

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

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

4. Net unrealized gains (losses) do not reflect the effect of foreign exchange hedging. No hedging activities against credit risks were made.

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

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

7. The overseas collateralized loan obligations (CLO) are only those in the United States. Net unrealized gains (losses) on the overseas CLO including foreign exchange hedging were as follows. Held-to-maturity securities(fair value hedge accounting was not applicable):¥(32,335) million as of December 31, 2022, compared with ¥(9,767) million as of March 31, 2022. Available-for-sale securities(fair value hedge accounting was applicable):¥(20,787) million as of December 31, 2022, compared with ¥(5,963) million as of March 31, 2022.

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; risks related to domestic and overseas monetary policies; 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.

The statements in this document are current as of the date of the document or the date otherwise specified, and the Bank has no obligation or intent to keep this information up to date.

The information concerning companies or parties other than the Group and the Japan Post Group is based on publicly available and other information as cited, and the Bank has neither independently verified the accuracy and appropriateness of, nor makes any warranties with respect to, such information. The information of the document may be revised without prior notice.