



# The Bank's Accounts:

Financial Statements  
and Other Documents  
for Fiscal 2013

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**I. Assets and Liabilities, Profits and Losses, and  
Capital Adequacy Ratio**

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**II. Financial Statements**

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**III. Schedule for the Financial Statements**

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**IV. Expenses**

On May 28, 2014, the Bank of Japan released the "Financial Statements for the 129th Fiscal Year" (available only in Japanese), which contains the Bank's financial statements (the inventory of property, balance sheet, and statement of income) for the 129th fiscal year, i.e., fiscal 2013 (April 1, 2013–March 31, 2014), and the schedule for the financial statements for fiscal 2013.

The Bank submitted the financial statements, together with the Auditors' opinion, to the Minister of Finance, and received the Minister's approval. The schedule for the financial statements was audited by the Auditors, whose opinion was that it duly complemented the financial statements.

The overview of the financial results for fiscal 2013 is as below.

## **I. ASSETS AND LIABILITIES, PROFITS AND LOSSES, AND CAPITAL ADEQUACY RATIO**

The balance sheet of the Bank at the end of fiscal 2013 shows that total assets increased by 46.6 percent (76,767.1 billion yen) from the previous fiscal year-end to 241,579.8 billion yen, mainly due to an increase in holdings of Japanese government securities (JGSs).<sup>1</sup> Total liabilities increased by 47.4 percent (76,590.0 billion yen) from the previous fiscal year-end to 238,114.0 billion yen, mainly due to an increase in current deposits (Table 1).

Detailed developments in the Bank's balance sheet in fiscal 2013 are as follows.

Looking at assets at the fiscal year-end, holdings of JGSs increased by 58.2 percent from the previous fiscal year-end to 198,337.0 billion yen, mainly reflecting the progress in the Bank's JGB purchases under quantitative and qualitative monetary easing.<sup>2</sup> Loans and bills discounted increased by 3.2 percent from the previous fiscal year-end to 26,313.8 billion yen, mainly due to an increase in the amount of funds provided through the fund-provisioning measure to stimulate bank lending (hereafter the Stimulating Bank Lending Facility). The amount outstanding of loans provided through the Loan Support Program<sup>3</sup> was 12,686.4 billion yen.

Turning to liabilities, current deposits increased by a factor of 2.2 from the previous fiscal year-end to 128,667.8 billion yen, reflecting an increase in the amount of funds provided through JGB purchases and other measures. Meanwhile, the amount outstanding of banknotes issued (banknotes in circulation) increased by 3.9 percent from the previous fiscal year-end to 86,630.8 billion yen.

1. JGSs comprise Japanese government bonds (JGBs) and treasury discount bills (T-Bills).

2. For details, see pages 32–33.

3. The Bank aims through this program to support private financial institutions' efforts in strengthening the foundations for economic growth and stimulating bank lending. It was introduced as a temporary measure that would help the effects of monetary easing to permeate the entire economy, with a view to achieving price stability and thereby contributing to the sound development of the national economy. For details, see page 37.



With regard to the Bank's statement of income for fiscal 2013, operating profits increased by 148.8 billion yen from the previous fiscal year to 1,280.5 billion yen, mainly due to the rise in "core" operating income<sup>4</sup> (Table 2).

Meanwhile, net special losses amounted to 298.8 billion yen, due mainly to the transfer of funds to the provision for possible losses on foreign exchange transactions following net foreign exchange-related gains.

Net income for the term—after subtracting corporate income tax and inhabitants and enterprise taxes—increased by 148.2 billion yen from the previous fiscal year to 724.2 billion yen. After transferring 144.8 billion yen to the legal reserve (20 percent of net income for the term) and paying dividends totaling 5 million yen (5 percent of the face value of shares), the Bank paid the remainder of its net income to the government (579.3 billion yen). Of the amount transferred to the legal reserve, 108.6 billion yen was in excess of the legal requirement; this amount was transferred in order to secure the Bank's financial soundness, upon authorization from the Minister of Finance pursuant to Article 53, paragraph 2 of the Bank of Japan Act (hereafter the Act).

The capital adequacy ratio, after the appropriation of net income, rose from its previous fiscal year-end level of 7.45 percent to 7.74 percent at the end of fiscal 2013 (Table 3).

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4. For the definition of "core" operating income, see Note 2 in Table 2 on page 64.

Table 1

**Principal Assets and Liabilities<sup>1</sup>**

bil. yen

Item	End of fiscal 2012 (March 31, 2013)	End of fiscal 2013 (March 31, 2014)
<b>Total assets</b>	164,812.7 (+18.2) <+25,355.8>	241,579.8 (+46.6) <+76,767.1>
Of which:		
Japanese government securities	125,355.6 (+43.7) <+38,108.4>	198,337.0 (+58.2) <+72,981.4>
Commercial paper	1,245.7 (-21.9) <-349.1>	1,874.9 (+50.5) <+629.1>
Corporate bonds	2,887.2 (+45.0) <+896.6>	3,204.1 (+11.0) <+316.8>
Pecuniary trusts (stocks held as trust property)	1,378.0 (-3.5) <-50.2>	1,372.8 (-0.4) <-5.2>
Pecuniary trusts (index-linked exchange-traded funds held as trust property)	1,544.0 (+82.1) <+696.1>	2,851.1 (+84.7) <+1,307.1>
Pecuniary trusts (Japan real estate investment trusts held as trust property)	118.9 (+61.6) <+45.3>	148.8 (+25.1) <+29.8>
Loans and bills discounted	25,487.0 (-34.6) <-13,508.3>	26,313.8 (+3.2) <+826.7>
Foreign currency assets	5,526.4 (-5.9) <-345.9>	6,158.2 (+11.4) <+631.8>
<b>Total liabilities</b>	161,523.9 (+18.6) <+25,282.3>	238,114.0 (+47.4) <+76,590.0>
Of which:		
Banknotes	83,378.2 (+3.1) <+2,535.4>	86,630.8 (+3.9) <+3,252.5>
Deposits (excluding those of the government)	58,320.0 (+62.5) <+22,423.6>	132,347.7 (2.3 times) <+74,027.6>
Deposits of the government	1,494.1 (-18.5) <-338.2>	1,677.8 (+12.3) <+183.6>
Payables under repurchase agreements	14,505.4 (+0.8) <+108.3>	13,375.5 (-7.8) <-1,129.9>

Note: 1. Figures in parentheses are the percentage changes from a year earlier unless otherwise noted; figures in angular brackets are changes in billions of yen from a year earlier.

[Reference to Table 1]

**Loans Provided through the Loan Support Program<sup>1,2</sup>**

bil. yen

Item	End of fiscal 2011 (March 31, 2012)	End of fiscal 2012 (March 31, 2013)	End of fiscal 2013 (March 31, 2014)
<b>Total amount outstanding</b>	...	3,684.3	12,686.4
Loans made under the fund-provisioning measure to support strengthening the foundations for economic growth	...	3,684.3	4,136.8
Loans made under the fund-provisioning measure to stimulate bank lending	...	...	8,549.6

Notes: 1. "..." indicates that figures are not applicable.

2. For the details of this program, see page 37.

Table 2

**Principal Profits and Losses<sup>1</sup>**

bil. yen

Item	Fiscal 2012 (April 1, 2012–March 31, 2013)	Fiscal 2013 (April 1, 2013–March 31, 2014)
<b>Operating profits/losses</b>	1,131.6 (2.1 times) <+595.6>	1,280.5 (+13.2) <+148.8>
Of which: "Core" operating income <sup>2</sup>	741.0 <-22.7>	908.7 <+167.7>
Net government bond-related gains/losses <sup>3</sup>	0.3 <-0.8>	0.2 <-0.1>
Net foreign exchange-related gains/losses <sup>4</sup>	603.6 <+664.2>	619.4 <+15.8>
Net gains/losses on pecuniary trusts (stocks held as trust property)	-13.3 <+14.2>	42.1 <+55.4>
<b>Special profits/losses<sup>5</sup></b>	-295.0 <-304.2>	-298.8 <-3.8>
Of which:		
Net transfer to/from provision for possible losses on bonds transactions	... <...>	... <...>
Net transfer to/from provision for possible losses on foreign exchange transactions	-301.8 <-301.8>	-309.7 <-7.9>
Net transfer to/from provision for unrealized losses on index-linked exchange-traded funds	... <-2.1>	... <...>
Net transfer to/from provision for unrealized losses on Japan real estate investment trusts	... <-0.1>	... <...>
<b>Net income before taxes</b>	836.6 (+53.4) <+291.3>	981.6 (+17.3) <+144.9>
<b>Provision for corporate income tax, inhabitants taxes, and enterprise taxes</b>	260.6 <+244.3>	257.3 <-3.2>
<b>Net income<sup>6</sup></b>	576.0 (+8.9) <+46.9>	724.2 (+25.7) <+148.2>

Notes: 1. Figures in parentheses are the percentage changes from the previous fiscal year unless otherwise noted; figures in angular brackets are changes in billions of yen from the previous fiscal year. "..." indicates that figures are not applicable.

2. The total of interest on loans and discounts, interest and discounts on JGSs, interest on commercial paper (CP), interest and discounts on corporate bonds, interest and discounts on foreign currency securities, lending fees on foreign currency securities, and interest on foreign currency deposits and loans.

3. Net gains/losses on sale of JGBs.

4. Net gains/losses on foreign currency assets resulting from revaluation following fluctuations in foreign exchange rates.

5. A minus sign shows net transfer to the relevant provisions (negative figures reduce net income).

6. The Bank, the sole issuer of banknotes in Japan, obtains most of its profits from banknote issuance. It is obliged to pay the government all of its net income after providing for the amount transferred to the legal reserve and for dividends. This payment to the government is treated as deductible losses for income tax purposes, and is excluded from taxable income when corporate income tax and enterprise taxes are calculated.

Table 3

**The Bank's Capital Base and Capital Adequacy Ratio<sup>1</sup>**

bil. yen, except where otherwise noted

Item	End of fiscal 2011 (March 31, 2012)	End of fiscal 2012 (March 31, 2013)	End of fiscal 2013 (March 31, 2014)	[Reference]	
				Changes from a year earlier	End of the first half of fiscal 2013 (September 30, 2013)
<b>Capital accounts (A)</b>	<b>2,712.7</b>	<b>2,741.5</b>	<b>2,886.3</b>	<b>+144.8</b>	<b>2,741.5</b>
Capital	0.1	0.1	0.1	...	0.1
Legal reserve and others <sup>2</sup>	2,712.6	2,741.4	2,886.2	+144.8	2,741.4
<b>Provisions (B)</b>	<b>3,037.8</b>	<b>3,339.6</b>	<b>3,649.3</b>	<b>+309.7</b>	<b>3,491.4</b>
Provision for possible loan losses (excluding special provision for possible loan losses)	...	...	...	...	...
Provision for possible losses on bonds transactions	2,243.3	2,243.3	2,243.3	...	2,243.3
Provision for possible losses on foreign exchange transactions	794.5	1,096.3	1,406.0	+309.7	1,248.1
<b>Capital base<sup>3</sup> (C) = (A) + (B)</b>	<b>5,750.5</b>	<b>6,081.1</b>	<b>6,535.7</b>	<b>+454.5</b>	<b>6,233.0</b>
<b>Annual average of banknotes issued (D)</b>	<b>79,646.4</b>	<b>81,569.5</b>	<b>84,411.6</b>	<b>+2,842.1</b>	<b>83,278.3</b>
<b>Capital adequacy ratio (C)/(D) × 100 (percent)</b>	<b>7.22</b>	<b>7.45</b>	<b>7.74</b>	<b>+0.29</b>	<b>7.48</b>

Notes: 1. "..." indicates that figures are not applicable.

2. Includes the special reserve (13 million yen).

3. Calculated in yen and then rounded down to the nearest 0.1 billion yen, thus figures are not necessarily equal to the total of relevant items listed in the above table.

## II. FINANCIAL STATEMENTS

### 1. Inventory of property as at March 31, 2014

Item	Value in yen	Unit (except where otherwise noted)
<b>ASSETS</b>		
Gold	441,253,409,037	
Cash	289,848,532,257	
Japanese government securities	198,337,031,240,604	Face value at 195,802,378,500,000 yen
Commercial paper	1,874,901,616,064	Face value at 1,875,000,000,000 yen
Corporate bonds	3,204,134,652,692	Face value at 3,166,700,000,000 yen
Pecuniary trusts (stocks held as trust property)	1,372,809,053,507	
Pecuniary trusts (index-linked exchange-traded funds held as trust property)	2,851,175,926,577	
Pecuniary trusts (Japan real estate investment trusts held as trust property)	148,828,559,477	
Loans and bills discounted	26,313,833,000,000	
Electronic loans	26,313,833,000,000	1,698
Foreign currency assets	6,158,293,721,818	
Foreign currency deposits	775,121,686,196	
Foreign currency securities	4,426,572,243,822	
Foreign currency mutual funds	50,506,196,800	
Foreign currency loans	906,093,595,000	
Deposits with agents	25,384,176,928	Deposits with 89 agents
Other assets	358,968,074,467	
Bills and checks in process of collection	1,626,442,156	9
Capital subscription to the Deposit Insurance Corporation, and the Agricultural and Fishery Cooperative Savings Insurance Corporation	225,000,000	2
Capital subscription to an international financial institution	15,278,374,364	1
Withdrawn cash to be returned to the government	65,898,388,030	6
Accrued interest receivable	245,667,044,542	
Others	30,272,825,375	
Tangible fixed assets	203,257,330,049	
Buildings	100,767,249,031	633,461.24 square meters
Land	82,830,507,504	571,528.83 square meters
Lease assets	7,108,497,193	Number of lease property: 20,732
Construction in progress	1,398,166,350	
Other tangible fixed assets	11,152,909,971	Number of movable property: 10,514
Intangible fixed assets	126,522,433	
Utility rights	126,522,433	
<b>Total assets</b>	<b>241,579,845,815,910</b>	
<b>LIABILITIES</b>		
Banknotes	86,630,810,178,427	
Deposits (excluding those of the government)	132,347,720,198,864	
Current deposits	128,667,873,654,832	1,145
Other deposits	3,679,846,544,032	122
Deposits of the government	1,677,803,694,047	
Treasury deposit	149,998,722,256	
Domestic designated deposit	1,170,217,267,220	
Other government deposits	357,587,704,571	
Payables under repurchase agreements	13,375,580,245,208	3
Other liabilities	233,744,524,353	
Remittances payable	5,473,070,579	
Unearned interest and discounts	25,479	
Taxes payable	198,012,000,000	
Lease liabilities	7,468,470,626	
Others	22,790,957,669	
Provision for retirement benefits	199,025,115,009	
Provision for possible losses on bonds transactions	2,243,348,993,013	
Provision for possible losses on foreign exchange transactions	1,406,025,000,000	
<b>Total liabilities</b>	<b>238,114,057,948,921</b>	
<b>NET ASSETS</b>		
Capital	100,000,000	
Legal reserve	2,741,425,223,071	
Special reserve	13,196,452	
Net income	724,249,447,466	
<b>Total net assets</b>	<b>3,465,787,866,989</b>	
<b>Total liabilities and net assets</b>	<b>241,579,845,815,910</b>	



## 2. Balance sheet as at March 31, 2014

yen

<b>ASSETS</b>	
Gold	441,253,409,037
Cash	289,848,532,257
Japanese government securities	198,337,031,240,604
Commercial paper	1,874,901,616,064
Corporate bonds	3,204,134,652,692
Pecuniary trusts (stocks held as trust property)	1,372,809,053,507
Pecuniary trusts (index-linked exchange-traded funds held as trust property)	2,851,175,926,577
Pecuniary trusts (Japan real estate investment trusts held as trust property)	148,828,559,477
Loans and bills discounted	26,313,833,000,000
Electronic loans	26,313,833,000,000
Foreign currency assets	6,158,293,721,818
Foreign currency deposits	775,121,686,196
Foreign currency securities	4,426,572,243,822
Foreign currency mutual funds	50,506,196,800
Foreign currency loans	906,093,595,000
Deposits with agents	25,384,176,928
Other assets	358,968,074,467
Bills and checks in process of collection	1,626,442,156
Capital subscription to the Deposit Insurance Corporation, and the Agricultural and Fishery Cooperative Savings Insurance Corporation	225,000,000
Capital subscription to an international financial institution	15,278,374,364
Withdrawn cash to be returned to the government	65,898,388,030
Accrued interest receivable	245,667,044,542
Others	30,272,825,375
Tangible fixed assets	203,257,330,049
Buildings	100,767,249,031
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Lease assets	7,108,497,193
Construction in progress	1,398,166,350
Other tangible fixed assets	11,152,909,971
Intangible fixed assets	126,522,433
Utility rights	126,522,433
<b>Total assets</b>	<b>241,579,845,815,910</b>
<b>LIABILITIES</b>	
Banknotes	86,630,810,178,427
Deposits (excluding those of the government)	132,347,720,198,864
Current deposits	128,667,873,654,832
Other deposits	3,679,846,544,032
Deposits of the government	1,677,803,694,047
Treasury deposit	149,998,722,256
Domestic designated deposit	1,170,217,267,220
Other government deposits	357,587,704,571
Payables under repurchase agreements	13,375,580,245,208
Other liabilities	233,744,524,353
Remittances payable	5,473,070,579
Unearned interest and discounts	25,479
Taxes payable	198,012,000,000
Lease liabilities	7,468,470,626
Others	22,790,957,669
Provision for retirement benefits	199,025,115,009
Provision for possible losses on bonds transactions	2,243,348,993,013
Provision for possible losses on foreign exchange transactions	1,406,025,000,000
<b>Total liabilities</b>	<b>238,114,057,948,921</b>
<b>NET ASSETS</b>	
Capital	100,000,000
Legal reserve	2,741,425,223,071
Special reserve	13,196,452
Net income	724,249,447,466
<b>Total net assets</b>	<b>3,465,787,866,989</b>
<b>Total liabilities and net assets</b>	<b>241,579,845,815,910</b>

**3. Statement of income for fiscal 2013 (April 1, 2013–March 31, 2014)**

yen

<b>Operating income</b>	<b>1,579,307,772,810</b>
<b>Interest on loans and discounts</b>	<b>25,612,802,320</b>
Interest on loans	25,612,802,320
<b>Interest and discounts on Japanese government securities</b>	<b>805,736,536,923</b>
<b>Interest on commercial paper</b>	<b>1,872,301,505</b>
<b>Interest and discounts on corporate bonds</b>	<b>5,376,154,921</b>
<b>Gains on sale of Japanese government securities</b>	<b>207,400,000</b>
<b>Gains on foreign currency assets</b>	<b>628,307,553,922</b>
Foreign exchange gains	619,431,527,313
Gains on foreign currency securities	5,747,876,501
Gains on foreign currency mutual funds	620,501,780
Interest on foreign currency deposits and loans	2,507,648,328
<b>Other operating income</b>	<b>112,195,023,219</b>
Gains on pecuniary trusts (stocks held as trust property)	42,101,856,184
Gains on pecuniary trusts (index-linked exchange-traded funds held as trust property)	37,533,321,989
Gains on pecuniary trusts (Japan real estate investment trusts held as trust property)	6,634,798,096
Dividends	801,661,101
Fees and commissions	10,828,634,736
Other income	14,294,751,113
<b>Operating expenses</b>	<b>298,764,260,532</b>
<b>Interest on payables under repurchase agreements</b>	<b>14,602,562,616</b>
<b>General and administrative expenses and costs</b>	<b>190,816,633,129</b>
Cost of production of banknotes	48,016,228,000
Administrative expenses for treasury business and Japanese government securities	18,039,865,122
Personnel expenses	47,209,437,775
Expenses for transportation and communications	4,325,935,733
Expenses for maintenance and repairs	1,967,932,236
Other general and administrative expenses and costs	51,800,274,693
Taxes excluding corporate income tax, inhabitants taxes, and enterprise taxes	3,843,256,283
Depreciation and amortization	15,613,703,287
<b>Other general and administrative expenses</b>	<b>93,345,064,787</b>
Fees and commissions paid	114,747,677
Other expenses	93,230,317,110
<b>Operating profits</b>	<b>1,280,543,512,278</b>
<b>Special profits</b>	<b>11,075,893,954</b>
<b>Gains on disposal of fixed assets</b>	<b>11,075,893,954</b>
<b>Special losses</b>	<b>309,971,913,208</b>
<b>Losses on disposal of fixed assets</b>	<b>256,913,208</b>
<b>Transfer to provision for possible losses on foreign exchange transactions</b>	<b>309,715,000,000</b>
<b>Net income before taxes</b>	<b>981,647,493,024</b>
<b>Provision for corporate income tax, inhabitants taxes, and enterprise taxes</b>	<b>257,398,045,558</b>
<b>Net income</b>	<b>724,249,447,466</b>

#### 4. Summary of significant accounting policies

##### a. Securities

Yen-denominated bonds and CP<sup>5</sup> are valued at amortized cost determined by the moving-average method.

Foreign currency-denominated bonds and foreign currency-denominated mutual funds are valued at market value.

Stocks, beneficiary interests in index-linked exchange-traded funds, and investment equities issued by real estate investment corporations are valued at cost determined by the moving-average method.

Impairment procedures will be applied for CP, corporate bonds,<sup>6</sup> stocks, beneficiary interests in index-linked exchange-traded funds, and investment equities issued by real estate investment corporations whose market values have fallen considerably.

Securities held as trust property in pecuniary trusts<sup>7</sup> are valued in accordance with the procedures prescribed above according to the type of securities.

##### b. Tangible and intangible fixed assets

Depreciation is computed as follows:

###### (1) Buildings

Depreciation is computed by the declining-balance method while the straight-line method is applied to buildings acquired on or after April 1, 1998, at a rate based on the Corporation Tax Act.

###### (2) Accessory equipment in the Bank's buildings and movable property

Depreciation is computed by the declining-balance method at a rate based on the Corporation Tax Act.

###### (3) Lease assets arising from finance lease transactions that transfer ownership

Depreciation is computed based on the same depreciation method as is applied to fixed assets owned by the Bank.

###### (4) Lease assets arising from finance lease transactions that do not transfer ownership

Depreciation is computed using the straight-line method based on the assumption that the useful life equals the lease term and the residual value equals zero.

###### (5) Others

Depreciation is computed in accordance with the Corporation Tax Act.

5. CP here comprises the following types, in dematerialized or physical form: (1) CP issued by domestic corporations; (2) CP issued by foreign corporations with guarantees (dematerialized only); (3) asset-backed CP; and (4) CP issued by real estate investment corporations.

6. Includes bonds issued by real estate investment corporations.

7. Includes (1) "money trusts," where the beneficiaries entrust money to be held as trust property, and at the end of the term receive money; and (2) "pecuniary trusts other than money trusts," where the beneficiaries entrust money to be held as trust property, and at the end of the term receive securities or other forms of property in which the money has been invested.

**c. Foreign currency transactions**

Assets and liabilities denominated in foreign currencies are translated into yen at the foreign exchange rate prevailing at the balance-sheet date. However, the amount of capital subscription to an international financial institution is translated into yen at the foreign exchange rate prevailing at the time of subscription. Assets and liabilities deriving from the Bank's U.S. dollar funds-supplying operations against pooled collateral are translated into yen at the foreign exchange rates used in swap transactions with the Federal Reserve Bank of New York.

**d. Transfers to/from provisions****(1) Provision for possible loan losses**

The general provision for possible loan losses is maintained based on the past experience of the ratio of actual loan losses to total loans (the loan-loss ratio). However, a special provision for possible losses on specific loans will be recorded separately, should the Bank's Policy Board deem it necessary.

**(2) Provision for retirement benefits**

The provision for retirement benefits is appropriated based on the estimated amount of retirement benefit obligations at the fiscal year-end.

Unrecognized actuarial differences are amortized from the fiscal year following the one in which the difference arises; this is done using the straight-line method, which fixes the amount of the amortization and applies it over a certain number of years—within the average remaining service period of employees at the time (the amortization is applied over ten years).

**(3) Provisions for possible losses on bonds transactions and foreign exchange transactions**

Provisions for possible losses on bonds transactions and for possible losses on foreign exchange transactions are maintained pursuant to the following rules and regulations: Article 15 of the Bank of Japan Act Enforcement Order; Articles 9, 10, and 11 of the Ordinance for Enforcement of the Bank of Japan Act; and Article 18 of the Bank's Accounting Rules.

**(4) Provisions for unrealized losses on stockholdings, index-linked exchange-traded fund holdings, and Japan real estate investment trust holdings**

Provisions for unrealized losses on stockholdings, index-linked exchange-traded fund holdings, and Japan real estate investment trust holdings will be registered for the difference between the market value and the book value for each in cases where the market value is less than the book value.

### Explanatory Notes to Lease Transactions

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**1. Finance lease transactions**

Finance lease transactions that do not transfer ownership

a. Details of lease assets

Tangible fixed assets, mainly electronic data processing systems such as the Bank's host computers.

b. Methods used in calculating the depreciation of lease assets

Depreciation is computed in accordance with the Bank's significant accounting policies on methods used in calculating the depreciation of tangible fixed assets and intangible fixed assets.

**2. Operating lease transactions**

Future minimum lease payments for non-cancelable operating lease transactions

a. Lessee

	mil. yen
Within one year	136
More than one year	57
Total	193

b. Lessor

	mil. yen
Within one year	1
More than one year	43
Total	45



### Explanatory Notes to Accounting for Retirement Benefits<sup>1</sup>

#### 1. Reconciliation of beginning and ending balances of the projected benefit obligation

	yen
Projected benefit obligation at the beginning of fiscal 2013	200,699,678,000
Service cost	4,790,517,000
Interest cost	4,013,994,000
Actuarial differences	12,851,556,471
Retirement benefits paid	-9,355,781,471
Prior service cost	...
Projected benefit obligation at the end of fiscal 2013	212,999,964,000

#### 2. Reconciliation of the projected benefit obligation and the provision for retirement benefits

	yen
Projected benefit obligation	212,999,964,000
Fair value of plan assets	...
Unfunded projected benefit obligation	212,999,964,000
Unrecognized actuarial differences	-13,974,848,991
Unrecognized prior service cost	...
Net amount recorded on the balance sheet	199,025,115,009
Prepaid pension cost	...
Provision for retirement benefits	199,025,115,009

#### 3. Retirement benefit cost

	yen
Service cost	4,790,517,000
Interest cost	4,013,994,000
Expected return on plan assets	...
Amortization of actuarial differences	-45,018,287
Amortization of prior service cost	...
Retirement benefit cost	8,759,492,713

#### 4. Assumptions

Discount rate	1.6%
Long-term expected rate of return on plan assets	...
Method of attributing the projected benefits to periods of service	Straight-line method

Note: 1. "..." indicates that figures are not applicable.

## 5. Auditors' opinion<sup>8</sup>

May 2, 2014

### Auditors' Opinion on the Bank of Japan's Financial Statements for Fiscal 2013

Pursuant to Article 52, paragraph 1 of the Bank of Japan Act (Act No. 89, 1997), we have audited the financial statements of the Bank of Japan for fiscal 2013 indicated below. In our opinion, the financial statements present fairly the state of property and the results of operations for fiscal 2013.

The financial statements comprise the following:  
Inventory of property as at March 31, 2014;  
Balance sheet as at March 31, 2014; and  
Statement of income for fiscal 2013.

Makoto Hosomi  
Kazuhito Osugi  
Yuji Iino

Auditors, Bank of Japan

## 6. Appropriation of net income for fiscal 2013

yen

<b>Net income</b>	<b>724,249,447,466</b>
Appropriations:	
Transfer to legal reserve	144,849,889,494
Dividends, 5 percent of share face value	5,000,000
Payment to the government	579,394,557,972
<b>Total</b>	<b>724,249,447,466</b>

<sup>8</sup> This presents a translation, for convenience only, of the original report issued in Japanese.

### III. SCHEDULE FOR THE FINANCIAL STATEMENTS

#### 1. Details of assets

yen

Item	Balance at the beginning of fiscal 2013	Balance at the end of fiscal 2013	Changes during fiscal 2013
<b>1. Gold</b>	<b>441,253,409,037</b>	<b>441,253,409,037</b>	<b>0</b>
<b>2. Cash<sup>1</sup></b>	<b>323,540,126,250</b>	<b>289,848,532,257</b>	<b>-33,691,593,993</b>
<b>3. Japanese government securities</b>	<b>125,355,626,798,498</b>	<b>198,337,031,240,604</b>	<b>72,981,404,442,106</b>
Treasury discount bills	34,006,385,099,605	44,183,394,256,253	10,177,009,156,648
Japanese government bonds	91,349,241,698,893	154,153,636,984,351	62,804,395,285,458
2-year Japanese government bonds	19,094,649,889,195	18,549,272,192,216	-545,377,696,979
5-year Japanese government bonds	22,163,404,377,540	43,305,046,131,749	21,141,641,754,209
10-year Japanese government bonds	28,999,723,652,281	57,186,771,246,336	28,187,047,594,055
20-year Japanese government bonds	16,082,741,884,653	26,600,194,210,818	10,517,452,326,165
30-year Japanese government bonds	769,299,403,684	2,502,764,386,635	1,733,464,982,951
40-year Japanese government bonds	18,003,191	783,697,613,149	783,679,609,958
Floating-rate Japanese government bonds	3,110,219,438,261	3,962,471,247,746	852,251,809,485
Inflation-indexed bonds	1,129,185,050,088	1,263,419,955,702	134,234,905,614
<b>4. Commercial paper<sup>2</sup></b>	<b>1,245,715,573,746</b>	<b>1,874,901,616,064</b>	<b>629,186,042,318</b>
Dematerialized commercial paper	1,245,715,573,746	1,874,901,616,064	629,186,042,318
<b>5. Corporate bonds<sup>3</sup></b>	<b>2,887,292,458,984</b>	<b>3,204,134,652,692</b>	<b>316,842,193,708</b>
<b>6. Pecuniary trusts (stocks held as trust property)<sup>4</sup></b>	<b>1,378,033,869,914</b>	<b>1,372,809,053,507</b>	<b>-5,224,816,407</b>
Stocks	1,360,524,610,814	1,351,505,455,007	-9,019,155,807
Dividends receivable and others	17,509,259,100	21,303,598,500	3,794,339,400
<b>7. Pecuniary trusts (index-linked exchange-traded funds held as trust property)<sup>5</sup></b>	<b>1,544,000,809,742</b>	<b>2,851,175,926,577</b>	<b>1,307,175,116,835</b>
Index-linked exchange-traded funds	1,544,000,809,742	2,851,175,926,577	1,307,175,116,835
<b>8. Pecuniary trusts (Japan real estate investment trusts held as trust property)<sup>6</sup></b>	<b>118,972,150,107</b>	<b>148,828,559,477</b>	<b>29,856,409,370</b>
Japan real estate investment trusts	117,481,388,575	147,030,239,019	29,548,850,444
Distributions receivable	1,490,761,532	1,798,320,458	307,558,926
<b>9. Loans and bills discounted</b>	<b>25,487,067,000,000</b>	<b>26,313,833,000,000</b>	<b>826,766,000,000</b>
Electronic loans	25,487,067,000,000	26,313,833,000,000	826,766,000,000
Loans by complementary lending facility	1,000,000,000	3,100,000,000	2,100,000,000
Loans by funds-supplying operations against pooled collateral <sup>7</sup>	25,486,067,000,000	26,310,733,000,000	824,666,000,000
<b>10. Foreign currency assets</b>	<b>5,526,470,710,319</b>	<b>6,158,293,721,818</b>	<b>631,823,011,499</b>
Foreign currency deposits <sup>8</sup>	949,502,132,282	775,121,686,196	-174,380,446,086
Foreign currency securities <sup>9,10</sup>	4,202,429,703,017	4,426,572,243,822	224,142,540,805
Foreign currency mutual funds	47,169,195,020	50,506,196,800	3,337,001,780
Foreign currency loans <sup>11</sup>	327,369,680,000	906,093,595,000	578,723,915,000
<b>11. Deposits with agents<sup>12</sup></b>	<b>22,803,167,847</b>	<b>25,384,176,928</b>	<b>2,581,009,081</b>

- Notes:
1. Coins reserved for circulation.
  2. Comprises the following types in dematerialized or physical form: (1) CP issued by domestic corporations; (2) CP issued by foreign corporations with guarantees (dematerialized only); (3) asset-backed CP; and (4) CP issued by real estate investment corporations.
  3. Includes corporate bonds issued by real estate investment corporations.
  4. Comprises stocks purchased from financial institutions through a trust bank, and dividends receivable and others.
  5. Comprises beneficiary interests in index-linked exchange-traded funds purchased through a trust bank and distributions receivable.
  6. Comprises investment equities issued by real estate investment corporations purchased through a trust bank and distributions receivable.
  7. Includes the amount outstanding of loans made through the fixed-rate funds-supplying operation against pooled collateral, that of loans made under the fund-provisioning measure to support strengthening the foundations for economic growth (hereafter the Growth-Supporting Funding Facility) conducted through the Loan Support Program (excluding loans disbursed pursuant to the special rules for the U.S. dollar lending arrangement), and that of loans made through the funds-supplying operation to support financial institutions in disaster areas. The amount outstanding at the fiscal year-end includes loans made under the Stimulating Bank Lending Facility conducted through the Loan Support Program.
  8. Deposits held at foreign central banks and the Bank for International Settlements (BIS).
  9. Includes securities issued by foreign governments.
  10. 508,230,560,692 yen of the amount outstanding of the foreign currency securities at the fiscal year-end comprises loans due to lending/borrowing of securities.
  11. The amount outstanding of loans disbursed pursuant to the special rules for the U.S. dollar lending arrangement to enhance the Growth-Supporting Funding Facility conducted through the Loan Support Program.
  12. Deposits held at agents that conduct operations relating to treasury funds and JGSs on behalf of the Bank. These deposits are reserved for such operations.

yen

Item	Balance at the beginning of fiscal 2013	Balance at the end of fiscal 2013	Changes during fiscal 2013
<b>12. Other assets</b>	<b>276,848,121,861</b>	<b>358,968,074,467</b>	<b>82,119,952,606</b>
Bills and checks in process of collection <sup>13</sup>	2,072,328,960	1,626,442,156	-445,886,804
Capital subscription to the Deposit Insurance Corporation, and the Agricultural and Fishery Cooperative Savings Insurance Corporation	225,000,000	225,000,000	0
Capital subscription to an international financial institution <sup>14</sup>	15,278,374,364	15,278,374,364	0
Withdrawn cash to be returned to the government <sup>15</sup>	60,168,087,633	65,898,388,030	5,730,300,397
Accrued interest receivable	162,261,697,825	245,667,044,542	83,405,346,717
Others	36,842,633,079	30,272,825,375	-6,569,807,704

Notes: 13. Checks and bills received as cash and in process of collection.

14. A subscription to the BIS.

15. Includes coins that became unfit for circulation through damage and received as treasury funds by the Bank.

yen

Item	Balance at the beginning of fiscal 2013	Increase during fiscal 2013	Decrease during fiscal 2013	Of which:	Balance at the end of fiscal 2013	Cumulative total of depreciation
				Depreciation		
<b>13. Tangible fixed assets<sup>16</sup></b>	<b>204,979,635,610</b>	<b>23,122,912,254</b>	<b>24,845,217,815</b>	<b>15,005,822,059</b>	<b>203,257,330,049</b>	<b>335,610,293,900</b>
Buildings <sup>17,18</sup>	100,936,146,417 (637,581.61)	8,903,116,680 (5,143.65)	9,072,014,066 (9,264.02)	8,789,092,189 (...)	100,767,249,031 (633,461.24)	303,983,841,113 (...)
Land <sup>17</sup>	82,861,043,896 (611,170.62)	0 (152.26)	30,536,392 (39,794.05)	... (...)	82,830,507,504 (571,528.83)	... (...)
Lease assets <sup>19,20</sup>	7,449,941,655 (23,785)	3,268,330,059 (3,186)	3,609,774,521 (6,239)	3,596,808,581 (...)	7,108,497,193 (20,732)	6,430,558,035 (...)
Construction in progress <sup>21</sup>	2,652,457,180	8,093,836,923	9,348,127,753	...	1,398,166,350	...
Other tangible fixed assets <sup>22,23</sup>	11,080,046,462 (10,651)	2,857,628,592 (170)	2,784,765,083 (307)	2,619,921,289 (...)	11,152,909,971 (10,514)	25,195,894,752 (...)

Notes: 16. "..." indicates that figures are not applicable.

17. Figures in parentheses for "buildings" and "land" indicate area in square meters.

18. The increase in "buildings" was mainly due to the renovation of and repairs to buildings for the Bank's business operations.

19. Figures in parentheses for "lease assets" describe the number of items of lease property.

20. The increase in "lease assets" was mainly due to new lease contracts on electronic data processing systems.

21. The increase in "construction in progress" was mainly due to the renovation of and repairs to buildings for the Bank's business operations.

22. Figures in parentheses for "other tangible fixed assets" describe the number of items of movable property.

23. The increase in "other tangible fixed assets" was mainly due to purchase of new automatic banknote examination machines.

yen

Item	Balance at the beginning of fiscal 2013	Increase during fiscal 2013	Decrease during fiscal 2013	Of which:	Balance at the end of fiscal 2013	Cumulative total of depreciation
				Depreciation		
<b>14. Intangible fixed assets</b>	<b>136,225,839</b>	<b>3,251,200</b>	<b>12,954,606</b>	<b>12,954,606</b>	<b>126,522,433</b>	<b>825,839,584</b>
Utility rights	136,225,839	3,251,200	12,954,606	12,954,606	126,522,433	825,839,584

**Appendix 1: Details of assets purchased and loans provided through the Asset Purchase Program<sup>1</sup>**

yen

Item	Balance at the beginning of fiscal 2013	Balance at the end of fiscal 2013	Changes during fiscal 2013
<b>Total amount outstanding</b>	<b>72,076,908,717,426</b>	...	...
Treasury discount bills	16,448,873,707,797	...	...
Japanese government bonds	28,133,754,017,050	...	...
2-year Japanese government bonds	16,596,219,998,924	...	...
5-year Japanese government bonds	8,704,570,341,256	...	...
10-year Japanese government bonds	2,818,721,911,092	...	...
20-year Japanese government bonds	14,241,765,778	...	...
Commercial paper	1,245,715,573,746	...	...
Dematerialized commercial paper	1,245,715,573,746	...	...
Corporate bonds	2,887,292,458,984	...	...
Pecuniary trusts (index-linked exchange-traded funds held as trust property)	1,544,000,809,742	...	...
Pecuniary trusts (Japan real estate investment trusts held as trust property)	118,972,150,107	...	...
Loans by funds-supplying operations against pooled collateral	21,698,300,000,000	...	...

Note: 1. This program was terminated on April 4, 2013 upon the introduction of quantitative and qualitative monetary easing. Thus, "..." indicates that figures for the balance at the end of fiscal 2013 and changes during fiscal 2013 are not applicable. Assets purchased and loans provided through the program continue to be included in the amounts outstanding of relevant items on the inventory of property and on the balance sheet after the termination of the program.

**Appendix 2: Details of loans provided through the Loan Support Program<sup>1</sup>**

yen

Item	Balance at the beginning of fiscal 2013	Balance at the end of fiscal 2013	Changes during fiscal 2013
<b>Total amount outstanding</b>	<b>3,684,336,680,000</b>	<b>12,686,426,595,000</b>	<b>9,002,089,915,000</b>
Loans made under the fund-provisioning measure to support strengthening the foundations for economic growth <sup>2</sup>	3,684,336,680,000	4,136,826,595,000	452,489,915,000
Loans made under the fund-provisioning measure to stimulate bank lending	0	8,549,600,000,000	8,549,600,000,000

Notes: 1. For the details of this program, see page 37.

2. Comprises the loans disbursed pursuant to the following: (1) main rules; (2) special rules for equity investments and asset-based lending; (3) special rules for small-lot investments and loans; and (4) special rules for the U.S. dollar lending arrangement. Figures for loans in categories (1) through (3) are included in "loans and bills discounted" under assets. As for loans in category (4), the relevant figure is included in "foreign currency assets" under assets.



## 2. Details of liabilities and net assets

yen

Item	Balance at the beginning of fiscal 2013	Balance at the end of fiscal 2013	Changes during fiscal 2013
<b>1. Banknotes</b>	<b>83,378,274,888,019</b>	<b>86,630,810,178,427</b>	<b>3,252,535,290,408</b>
10,000 yen notes	76,440,768,260,000	79,371,102,615,000	2,930,334,355,000
5,000 yen notes	2,818,242,075,000	3,093,642,837,500	275,400,762,500
2,000 yen notes	201,426,592,000	198,639,468,000	-2,787,124,000
1,000 yen notes	3,765,348,604,500	3,816,277,518,000	50,928,913,500
Other banknotes <sup>1</sup>	152,489,356,519	151,147,739,927	-1,341,616,592
<b>2. Deposits (excluding those of the government)</b>	<b>58,320,053,288,847</b>	<b>132,347,720,198,864</b>	<b>74,027,666,910,017</b>
Current deposits	58,128,929,684,391	128,667,873,654,832	70,538,943,970,441
Current deposits of financial institutions <sup>2</sup>	55,480,785,778,780	124,724,970,570,116	69,244,184,791,336
Other current deposits of nonfinancial institutions <sup>3</sup>	2,648,143,905,611	3,942,903,084,716	1,294,759,179,105
Other deposits <sup>4</sup>	191,123,604,456	3,679,846,544,032	3,488,722,939,576
<b>3. Deposits of the government</b>	<b>1,494,128,994,225</b>	<b>1,677,803,694,047</b>	<b>183,674,699,822</b>
Treasury deposit	149,999,975,085	149,998,722,256	-1,252,829
Domestic designated deposit <sup>5</sup>	958,134,134,169	1,170,217,267,220	212,083,133,051
Other government deposits <sup>6</sup>	385,994,884,971	357,587,704,571	-28,407,180,400
<b>4. Payables under repurchase agreements<sup>7</sup></b>	<b>14,505,493,650,544</b>	<b>13,375,580,245,208</b>	<b>-1,129,913,405,336</b>
Sales of Japanese government bonds under repurchase agreements to the government	12,469,768,660,557	13,375,149,036,392	905,380,375,835
Sales of treasury discount bills under repurchase agreements to foreign central banks and other foreign entities	2,035,214,875,995	0	-2,035,214,875,995
Other sales of Japanese government securities under repurchase agreements	510,113,992	431,208,816	-78,905,176
Of which: Under the securities lending facility	510,113,992	431,208,816	-78,905,176
<b>5. Other liabilities</b>	<b>286,743,176,540</b>	<b>233,744,524,353</b>	<b>-52,998,652,187</b>
Remittances payable	7,926,965,793	5,473,070,579	-2,453,895,214
Unearned interest and discounts	8,219	25,479	17,260
Taxes payable	256,601,459,000	198,012,000,000	-58,589,459,000
Lease liabilities	7,867,999,266	7,468,470,626	-399,528,640
Others	14,346,744,262	22,790,957,669	8,444,213,407

- Notes: 1. The total of banknotes of denominations that are no longer issued new but are still legal tender (i.e., notes of 500 yen, 100 yen, 50 yen, 10 yen, 5 yen, and 1 yen).
2. Deposits held by financial institutions including institutions such as *tanshi* companies (money market brokers) and securities finance companies.
3. Deposits held by institutions, for example, financial instruments business operators.
4. Deposits held by foreign central banks and others.
5. A deposit to which the surplus funds from management of the treasury is transferred from the "treasury deposit."
6. Includes the special deposit, which balances "cash" (coins reserved for circulation) and "withdrawn cash to be returned to the government" (coins withdrawn from circulation) in the asset account.
7. Monetary obligations arising from the sales of JGSs under repurchase agreements.

yen

Item	Balance at the beginning of fiscal 2013	Increase during fiscal 2013	Decrease during fiscal 2013	Balance at the end of fiscal 2013
<b>6. Provisions<sup>8</sup></b>	<b>3,539,280,396,780</b>	<b>318,474,492,713</b>	<b>9,355,781,471</b>	<b>3,848,399,108,022</b>
Provision for retirement benefits	199,621,403,767	8,759,492,713	9,355,781,471	199,025,115,009
Provision for possible losses on bonds transactions	2,243,348,993,013	0	0	2,243,348,993,013
Provision for possible losses on foreign exchange transactions	1,096,310,000,000	309,715,000,000	0	1,406,025,000,000
<b>7. Net assets</b>	<b>2,712,736,985,666</b>	<b>28,801,433,857</b>	<b>0</b>	<b>2,741,538,419,523</b>
Capital	100,000,000	0	0	100,000,000
Legal reserve <sup>9</sup>	2,712,623,789,214	28,801,433,857	0	2,741,425,223,071
Special reserve <sup>10</sup>	13,196,452	0	0	13,196,452

- Notes: 8. Appropriated in accordance with the Bank's significant accounting policies.
9. A reserve maintained to cover possible losses and to pay dividends under Article 53, paragraphs 1 and 2 of the Act.
10. To ease the reconstruction of financial institutions after World War II, the Bank, along with private financial institutions, suspended payment of dividends from the first half of fiscal 1945 to the first half of fiscal 1949, in accordance with an order from the Minister of Finance. The unpaid dividends were set aside as a special reserve pursuant to the Supplementary Provisions of the Act for Partial Revision of the Bank of Japan Act (Act No. 46 of 1947).

### 3. Details of revenues and expenses for fiscal 2013

#### a. Operating income

<b>Interest on loans and discounts</b>	
Interest on loans	25,612,802,320 yen from electronic loans.
<b>Interest and discounts on Japanese government securities</b>	805,736,536,923 yen from interest income on Japanese government securities after adjustment.
<b>Interest on commercial paper</b>	1,872,301,505 yen from interest income on commercial paper after adjustment.
<b>Interest and discounts on corporate bonds</b>	5,376,154,921 yen from interest income on corporate bonds after adjustment.
<b>Gains on sale of Japanese government securities</b>	207,400,000 yen from gains on sales of Japanese government bonds.
<b>Gains on foreign currency assets</b>	
Foreign exchange gains	619,431,527,313 yen from gains on foreign currency assets resulting from revaluation following fluctuations in foreign exchange rates.
Gains on foreign currency securities	Total of 67,542,097,460 yen from interest and discounts on foreign currency securities and 122,365,992 yen from lending fees on them; and 61,916,586,951 yen of losses arising from sale, redemption, and revaluation at end-March 2014 of foreign currency securities.
Gains on foreign currency mutual funds	620,501,780 yen
Interest on foreign currency deposits and loans	2,507,648,328 yen
<b>Other operating income</b>	
Gains on pecuniary trusts (stocks held as trust property)	42,101,856,184 yen mainly from dividends.
Gains on pecuniary trusts (index-linked exchange-traded funds held as trust property)	37,533,321,989 yen mainly from distributions.
Gains on pecuniary trusts (Japan real estate investment trusts held as trust property)	6,634,798,096 yen mainly from distributions.
Dividends	801,661,101 yen for dividends from shares of the Bank for International Settlements held by the Bank.
Fees and commissions	10,828,634,736 yen for fees and commissions for operations regarding Japanese government securities, the Bank of Japan Financial Network System (BOJ-NET), foreign exchange transactions, and other operations.
Other income	14,294,751,113 yen from transfer from provision for retirement benefits and other miscellaneous income.

## b. Operating expenses

<b>Interest on payables under repurchase agreements</b>	14,602,562,616 yen for interest payment on sales of Japanese government securities under repurchase agreements.
<b>General and administrative expenses and costs</b>	
Cost of production of banknotes	48,016,228,000 yen from payments to the National Printing Bureau, an incorporated administrative agency, for the cost of production of banknotes.
Administrative expenses for treasury business and Japanese government securities	18,039,865,122 yen from fees and commissions paid to agents of the Bank for administration of treasury business and Japanese government securities.
Personnel expenses	341,114,900 yen for remuneration of the officers; 37,433,937,404 yen for remuneration of the employees; and 9,434,385,471 yen for retirement allowances.
Expenses for transportation and communications	1,752,885,103 yen for expenses for transportation and 2,573,050,630 yen for expenses for communications.
Expenses for maintenance and repairs	1,967,932,236 yen on offices and other premises.
Other general and administrative expenses and costs	990,461,130 yen for the cost of expendable supplies; 2,033,619,471 yen for expenses for electricity and water supply; 9,369,814,795 yen for leasing fees for buildings and equipment; 10,109,023,235 yen for expenses for maintenance of buildings and equipment; and 29,297,356,062 yen for miscellaneous expenses.
Taxes excluding corporate income tax, inhabitants taxes, and enterprise taxes	3,843,256,283 yen for taxes and public charges (including fixed-asset tax and urban development tax).
Depreciation and amortization	15,613,703,287 yen on buildings and lease assets.
<b>Other general and administrative expenses</b>	
Fees and commissions paid	114,747,677 yen
Other expenses	83,650,785,485 yen for interest on excess reserve balances under the complementary deposit facility; 277,380,498 yen for interest on domestic designated deposit and interest payment on currency swap transactions; and 9,302,151,127 yen for transfer to provision for retirement benefits and other expenses.

## c. Special profits

<b>Gains on disposal of fixed assets</b>	11,075,893,954 yen for gains on sales of land for the Bank's premises and other gains.
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## d. Special losses

<b>Losses on disposal of fixed assets</b>	256,913,208 yen for losses on disposals of automatic banknote examination machines and other properties.
<b>Transfer to provision for possible losses on foreign exchange transactions</b>	309,715,000,000 yen

## e. Net income

<b>Net income before taxes</b>	981,647,493,024 yen
<b>Provision for corporate income tax, inhabitants taxes, and enterprise taxes</b>	257,398,045,558 yen
<b>Net income</b>	724,249,447,466 yen

## **IV. EXPENSES**

With regard to the Bank's statement of accounts for fiscal 2013 (the 129th fiscal year), the total amount of actual expenses increased by 0.9 percent (1.6 billion yen) to 182.5 billion yen compared to the previous fiscal year. This was mainly because decreases in "personnel expenses," such as the remuneration of the Bank's employees and retirement allowances, and in the "cost of production of banknotes" due to a cost reduction were more than offset by increases in "other general and administrative expenses and costs," particularly expenses related to computerization, and in the "cost of fixed-asset purchases" reflecting the replacement of automatic banknote examination machines.

## 1. Statement of accounts for fiscal 2013

yen

Item	Initial budget	Use of contingency funds	Diversion of funds	Adjusted budget <sup>1</sup>	Actual	Surpluses	Changes from the previous year (actual)
<b>Cost of production of banknotes</b>	<b>48,161,301,000</b>	<b>0</b>	<b>0</b>	<b>48,161,301,000</b>	<b>48,016,228,000</b>	<b>145,073,000</b>	<b>-302,381,000</b>
<b>Administrative expenses for treasury business and Japanese government securities</b>	<b>18,086,881,000</b>	<b>0</b>	<b>0</b>	<b>18,086,881,000</b>	<b>18,039,865,122</b>	<b>47,015,878</b>	<b>49,637,589</b>
<b>Personnel expenses</b>	<b>48,121,955,000</b>	<b>0</b>	<b>0</b>	<b>48,121,955,000</b>	<b>47,209,437,775</b>	<b>912,517,225</b>	<b>-380,186,613</b>
Remuneration of the officers	343,394,000	0	0	343,394,000	341,114,900	2,279,100	1,401,800
Remuneration of the employees	38,017,274,000	0	0	38,017,274,000	37,433,937,404	583,336,596	-201,004,426
Retirement allowances	9,761,287,000	0	0	9,761,287,000	9,434,385,471	326,901,529	-180,583,987
<b>Expenses for transportation and communications</b>	<b>4,902,413,000</b>	<b>0</b>	<b>0</b>	<b>4,902,413,000</b>	<b>4,325,935,733</b>	<b>576,477,267</b>	<b>19,109,005</b>
Expenses for transportation	1,978,093,000	0	0	1,978,093,000	1,752,885,103	225,207,897	84,465,561
Expenses for communications	2,924,320,000	0	0	2,924,320,000	2,573,050,630	351,269,370	-65,356,556
<b>Expenses for maintenance and repairs</b>	<b>1,997,344,000</b>	<b>0</b>	<b>0</b>	<b>1,997,344,000</b>	<b>1,967,932,236</b>	<b>29,411,764</b>	<b>-10,570,319</b>
<b>Other general and administrative expenses and costs</b>	<b>55,421,175,000</b>	<b>0</b>	<b>0</b>	<b>55,421,175,000</b>	<b>51,800,274,693</b>	<b>3,620,900,307</b>	<b>1,690,177,878</b>
Cost of expendable supplies	1,280,513,000	0	0	1,280,513,000	990,461,130	290,051,870	-72,613,466
Expenses for electricity and water supply	2,162,266,000	0	0	2,162,266,000	2,033,619,471	128,646,529	105,110,158
Leasing fees for buildings and equipment	9,831,632,000	0	0	9,831,632,000	9,369,814,795	461,817,205	-189,944,920
Expenses for maintenance of buildings and equipment	11,039,253,000	0	0	11,039,253,000	10,109,023,235	930,229,765	1,051,402,917
Miscellaneous expenses	31,107,511,000	0	0	31,107,511,000	29,297,356,062	1,810,154,938	796,223,189
<b>Subtotal</b>	<b>176,691,069,000</b>	<b>0</b>	<b>0</b>	<b>176,691,069,000</b>	<b>171,359,673,559</b>	<b>5,331,395,441</b>	<b>1,065,786,540</b>
<b>Cost of fixed-asset purchases</b>	<b>11,781,868,000</b>	<b>0</b>	<b>0</b>	<b>11,781,868,000</b>	<b>11,104,950,633</b>	<b>676,917,367</b>	<b>583,730,208</b>
Of which: Subject to the approval of the Minister of Finance <sup>2</sup>	3,523,322,000	0	0	3,523,322,000	3,281,097,321	242,224,679	921,596,320
<b>Contingency funds</b>	<b>1,000,000,000</b>	<b>0</b>	<b>0</b>	<b>1,000,000,000</b>	<b>0</b>	<b>1,000,000,000</b>	<b>0</b>
<b>Total</b>	<b>189,472,937,000</b>	<b>0</b>	<b>0</b>	<b>189,472,937,000</b>	<b>182,464,624,192</b>	<b>7,008,312,808</b>	<b>1,649,516,748</b>
Of which: Subject to the approval of the Minister of Finance <sup>2</sup>	181,214,391,000	0	0	181,214,391,000	174,640,770,880	6,573,620,120	1,987,382,860

Notes: 1. "Initial budget" plus/minus "use of contingency funds" and "diversion of funds."

2. Excludes the cost of purchasing fixed assets used for the Bank's business operations. The statement of accounts for each fiscal year is compiled and submitted, together with the Auditors' opinion, to the Minister of Finance. The cost of purchasing fixed assets used for the Bank's business operations is not subject to the Minister's authorization, but it was also audited by the Auditors, who approved it as fairly presenting the expenses for such purchases.



## 2. Expenses by area of business operation for fiscal 2013<sup>1</sup>

mil. yen

Area of business operation	Expenses	Changes from a year earlier	Share of total (percent)
Issuance of banknotes	77,700	-424	40.7
Monetary policy	24,165	-29	12.7
Financial system policy	16,196	+90	8.5
Payment and settlement systems	33,164	+1,237	17.4
Services relating to the government <sup>2</sup>	39,591	+26	20.7
<b>Total</b>	<b>190,817</b>	<b>+899</b>	<b>100.0</b>

Notes: 1. Calculated based on "general and administrative expenses and costs" (190.8 billion yen) in the statement of income for fiscal 2013 (the 129th fiscal year). Figures are rounded to the nearest million yen.

Expenses for the Bank's various business and organizational divisions (international finance, research and statistics, external relations activities, and organizational management), which contribute jointly to each of the above areas of business operation, are amortized equally and included in the relevant sections of the above table.

2. Services provided by the Bank, specifically those relating to treasury funds, JGSs, and others.